for now EURUSD (USDCHF neg. corr. to EURUSD, USDCAD) USDJPY

11/11/10

1st time frames * Daily and 4 hour
"any corn on the cobb?"

God Bless - brother Todd [redacted]

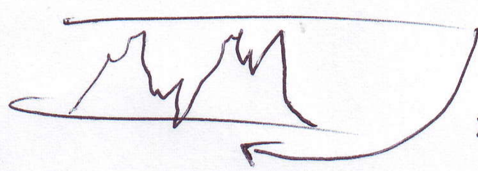
We have a goal of succeeding at consistent 1 minute candle trading.
Universal order called the wave principle exists in this time frame
the same way we find our impulsive and corrective phase
in Daily, 4 hour, 60 minute. ":)

Remember impulsive phase is clear impulsions

15 min for location :)
1 min for opportunity

1. Daily: for market direction "sentiment" (turning points)
2. 15 min or 30 min for "base object" "Location"
3. 5 min and 1 min for basis of opportunity and use for * pinpointing market positioning. (place fib. range guidance system at most recent turning point base object)

If price breaks 161.8%, then we have a fractal expansion and will move our 23.6% fib to the bottom of range/base object.
is there room for impulsive price behavior.
"any chicken left on the bone?" ← how far to golden ratio?


23.6%

Any turning points off fib. lines... Move the fib. lines to be more accurate.

Remember that break of

2-4 trendline is signaling corrective phase...
"the series is done"

what is the sentiment going away from base object?
Levels upon levels?
We live like universal creation, growing out from the center
impulsion and [redacted] correction

Respect the market
follow the rules
or
PEBKAC
it's not about pushing buttons

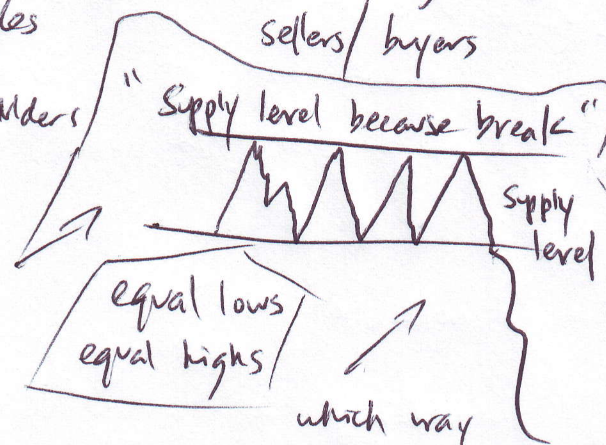
11/11/10

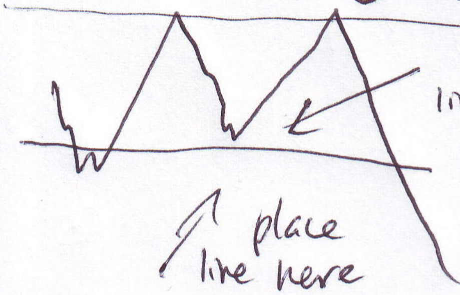
what are base objects?

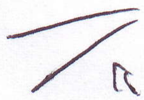
try finviz.com for correlations

always draw in lines for

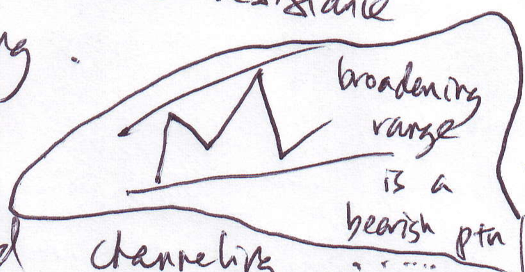
1. cluster type corrective consolidations / equal range bound
2. ascending/descending triangles
3. Double top/bottom Head & shoulders (can be at angle)
4. Lazy m
5. wedges are a reversal pattern







support becomes resistance is strong.



never trade in a short range its "punishing"

which way it breaks tells us who won the "workin it out" between buyers and sellers.

"changing of the guard"

trendlines and channeling ....

use higher degree trendlines *

Remember if stock market is moving ↑ USD is ↓ negative correlation.

remember that the larger time frame base objects start as seeds in smaller time frames

if trouble counting . . .

stretch lines up and scrunch the candles in

1 minute whats the market position in relation to our market cycle ... of 161.8% ?

11/11/10

In counting 15 min impulsions we may have

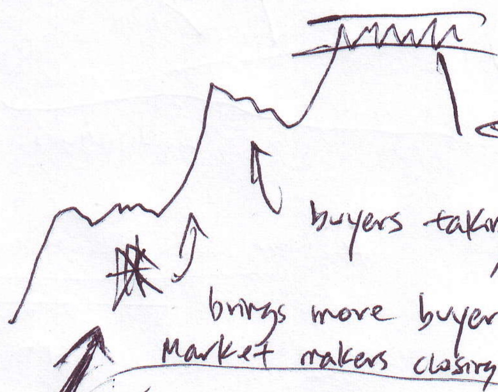
This is smaller time frame behavior that seems like noise but the impulsions are there :)

running correction type stuff and the fast move following is the corrective behavior to deal with "working it out" part.

We are in the process of believing in the Golden ratio. :)

So can we witness the "personality of price behavior changing"?

"psychology of sentiment"



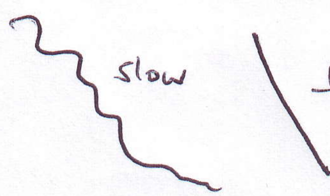
fast sell says sellers took over
proof of control shift

buyers taking profits

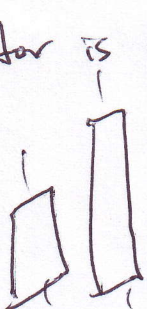
brings more buyers
Market makers closing positions

This is how corrections happen, a shift in sentiment personality gradually occurs.

Notice the difference



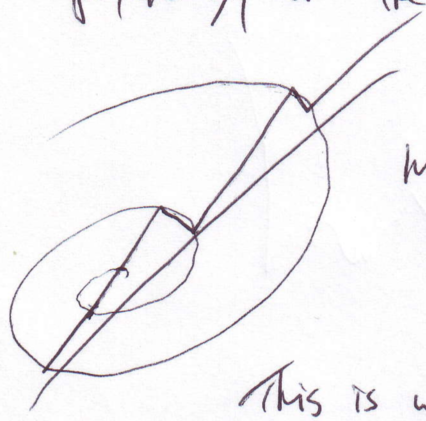
An indicator is like reading the news ... after the fact,



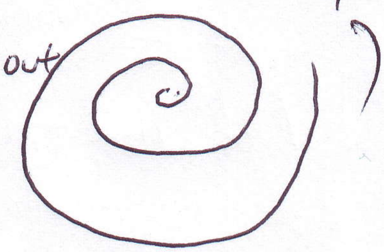
"Magnitude of change"
— Growing candles —

11/11/10

"The psychology of the buyer/seller shift" ☺



higher lows is how trendline shows our market cycle

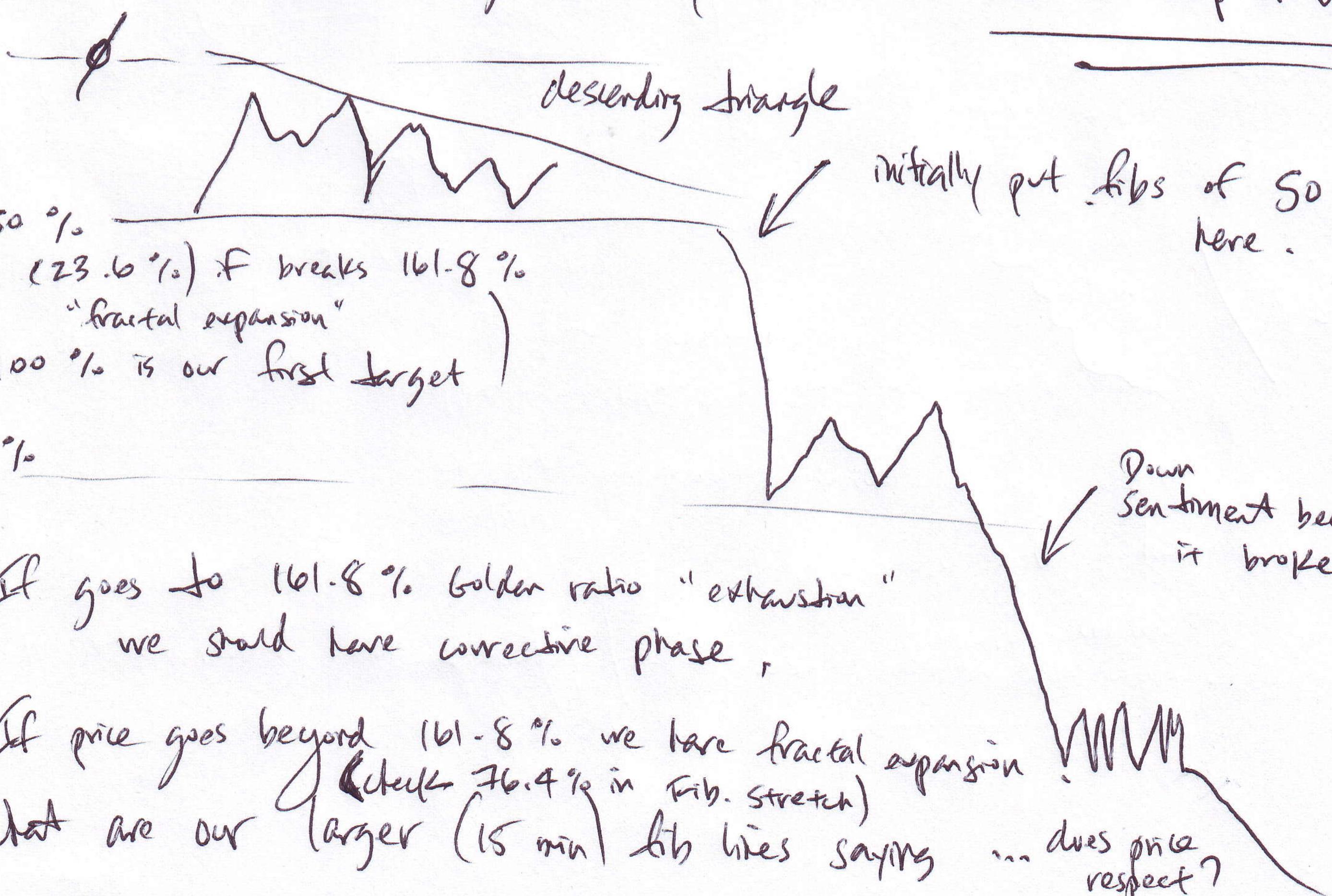
(like the spiral out )

This is why the trendlines work! use higher time frame

Our success is decided before we enter the market.

The Forex market is 80 % price based traders 20 % oscilators

So far our Fibonacci guidance system... Fibs at top of wick



descending triangle

initially put fibs of 50 % here.

50 %

(23.6 %) if breaks 161.8 %
"fractal expansion"
(100 % is our first target)

100 %

Down sentiment because it broke

If goes to 161.8 % Golden ratio "exhaustion" we should have corrective phase.

If price goes beyond 161.8 % we have fractal expansion!
(check 76.4 % in Fib. stretch)

What are our larger (15 min) fib lines saying ... does price respect?

11/11/10 ⑤

So at our fib stretch (bottom of base object 23.6%)

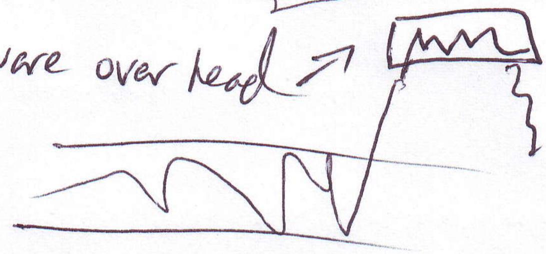
Does price here (turns) confluence with fib. lines? Try to match them so we can be even clearer about where the extension may be.

"forecasting"

"The fibonacci guidance system"

The 100% to 161.8% is the "extension part"

Never buy a pull back if there is a square over head ↗



So how about for corrective phase?

our fib-guidance is a bit different.

↙ use 100% off corrective phase price turn.

So, if we are given a 1min candle chart fresh . . . !!

1. Our discovery is to identify the larger time frame market positioning.
2. what phase are we in? Impulsive / Corrective

Link windows

3. Mark Daily, 4 hour, 60 min base object support/resistance
4. Check cross pair for correlation

   which is stronger in relation to our pair we are studying?

   ex: EUR USD EUR JPY USD JPY

5. Based on the location of our larger time frame, is there "chicken left on the bone"?

   "corn left on the cob?"

   this is the Key

6. O.K., if so then 15 min base object identification.

   where is the most recent one?

   and what phase are we in based off our "range fibonacci guidance system"?

   Did 100% break ...? Did 161.8 break?

7. In 1 min. stretch and squish candles then identify most recent base object and adjust fib (50% or 23.6%) placement. <u>Line up fib at price turn confluence</u>

<u>what phase are we in</u>, <u>any corn on the cob?</u> !!

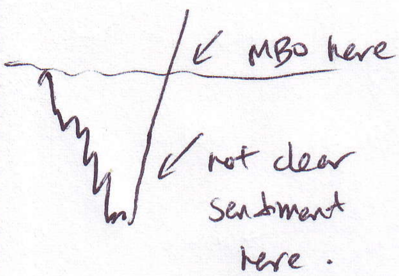
100% of top of price turn for corrective phase, 11/11/10 (7)

These are some "re-occurring" #'s

if breaks
then "fractal expansion"
it may go to 161.8% Golden ratio ☺

41 in price

natural numerics (never place stop on the line)



1/8

larger time frame fib lines 127.2%

45% rule for trend

Follow the rules What are the rules? ☺

1.4180
1.387 for pips

Recognize opportunity, identify risk, capture or opportunity, optimize opportunity

Check the ranges of consolidation for stop limit, and some use 6% of average daily range for stop limit. (or stop behind recent pullback, if followed the rules.)
(the plan the trade, trade the plan)

We trade follow thru. ☺

Our short term strategy depends on our ability to recognize base objects!

Remember 4 touchpoints of a triangle.

11/11/10

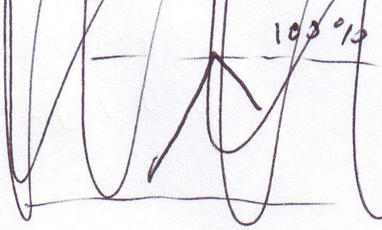
EURUSD USDCAD good neg. correlation

We work on our entries and exits.

what to be careful of,

1 wrong object 2 location 3 pattern 4 too early

~~Here's an "expectation" study~~



~~if price breaks high, put 50% fib then 100% is target, if brea~~

A few things:

for Moving average trades trade in the direction of the trend

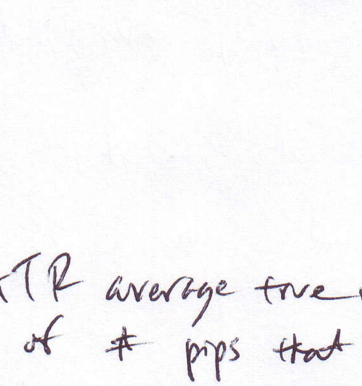
ex: 5min. downward price cross of 50 EMA is sell signal.

EMA gives more value to recent candles

also if SMA and EMA cross.

ATR average true range of # pips that the pair moved.

Be careful trading on Sundays because of the "stop run" ... of dealing desk.



this is simply a retest to the previous correction sellers showing changing of the guard, so our plan stays.