

Technical Analysis Reminder 10-2014

“Always remember to see the forest from the trees”! (ex: Daily, 4 hour, 1 hour charts)

Supply and Demand curve in Weekly (upper extreme/lower extreme/range?), Daily/4 hour price levels (draw lines and circle price levels upon levels with direction)...In 1 hour time chart mark price clusters and turning points (draw Fibonacci off the swings and see if synchronous with price turns)...Wave Principle study tells us (our opinion) that highest probability price movement is during the Impulsion phase, and our most predictable wave is the 3rd wave which always occurs and is usually the longest. “1st wave and a pullback” (because Wave 2 will retest at usually 50% or 68% Fib) It’s either Impulsion phase “ordered growth” confirmed by a trend line/channel at approximately 45 degree angle that has 3 points of contact to be identified (higher lows/higher highs). When trend channel breaks channel twice, and EMA 50 closed breaks price, this is indication the trend is finished...Impulsions (in gear), Corrective phase (out of gear). Correction phase is very complex and has lots of variations, so us simple folk can relax ☺ A Correction is either a continuation or reversal pattern and clearest upon completion, but we (opinion) are only interested in a 2nd wave retest and 3rd wave Momentum Breakout Follow through...For Supply/Demand thought...when we mark candle clusters...the less time price stays at a level the more imbalance, the longer price stays the greater the build towards the “break away”, how fast does price leave the cluster zone (sideways)? How far does price break away? Shallow return showing pressure in the “price break” direction (sentiment)? (there’s of course stuff missing, but just trying to leave crumbs to remember) ☺ Looking towards 2 to 3 day trade study, and opening the mind for a new phase of Fundamental/Technical analysis...instead of the intraday because of work commitments...cool...the discovery continues...peace be with us ☺

Just a side note...if we find a **confirmed trend**, then we are making progress for further “knowledge, research, risk management, capital preservation, profit maximization...don’t lose money, if we do, lose very little”... ☺

1st wave and a pullback ☺ Peace