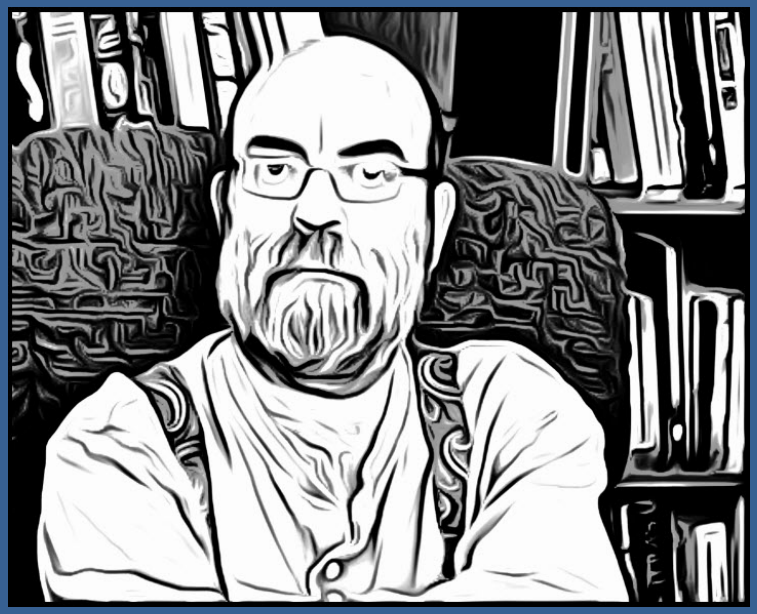
Lessons from A Grand Master: Anticipating Key Market Moves



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Blackthorne Capital, Inc.

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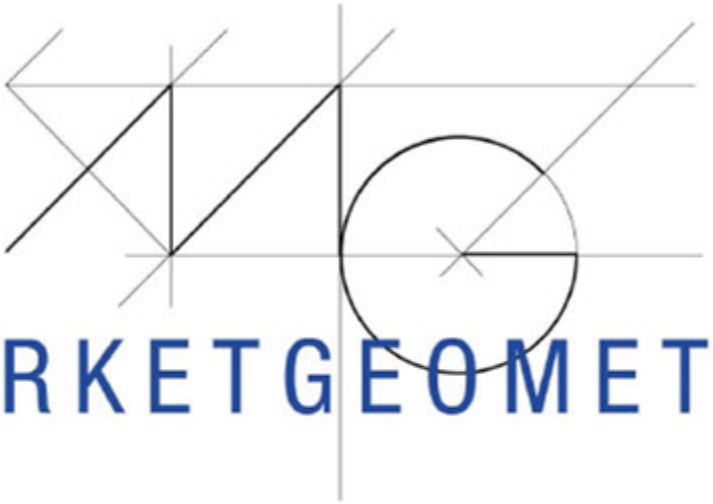

MARKETGEOMETRY™

"Master your tools, master yourself."

®Timothy Morge

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FOREX and Futures Risk Disclaimer

Trading in the off-exchange retail foreign currency market or futures markets is one of the riskiest forms of investments available in the financial markets and suitable for sophisticated individuals and institutions. The possibility exists that you could sustain a substantial loss of funds and therefore you should not invest money that you cannot afford to lose. Nothing in this presentation is a recommendation to buy or sell currencies or futures and Timothy Morge is not liable for any loss or damage, including without limitation, any loss of profit, which may arise directly or indirectly from the use of Timothy Morge's tools or reliance on such information.

Results

Past performance does not guarantee future results.
This is one person's experience, your experience may differ.
Results are not guaranteed, individual experiences may vary.

Market Volatility

In volatile market conditions, substantial losses may occur.
In volatile market conditions, orders may not be filled as placed.

Leverage

The leveraged nature of FX trading and Futures trading means that any market movement will have an equally proportional effect on your deposited funds. This may work against you as well as for you. The possibility exists that you could sustain a total loss of initial margin funds and be required to deposit additional funds to maintain your position. If you fail to meet any margin call within the time prescribed, your position will be liquidated and you will be responsible for any resulting losses.

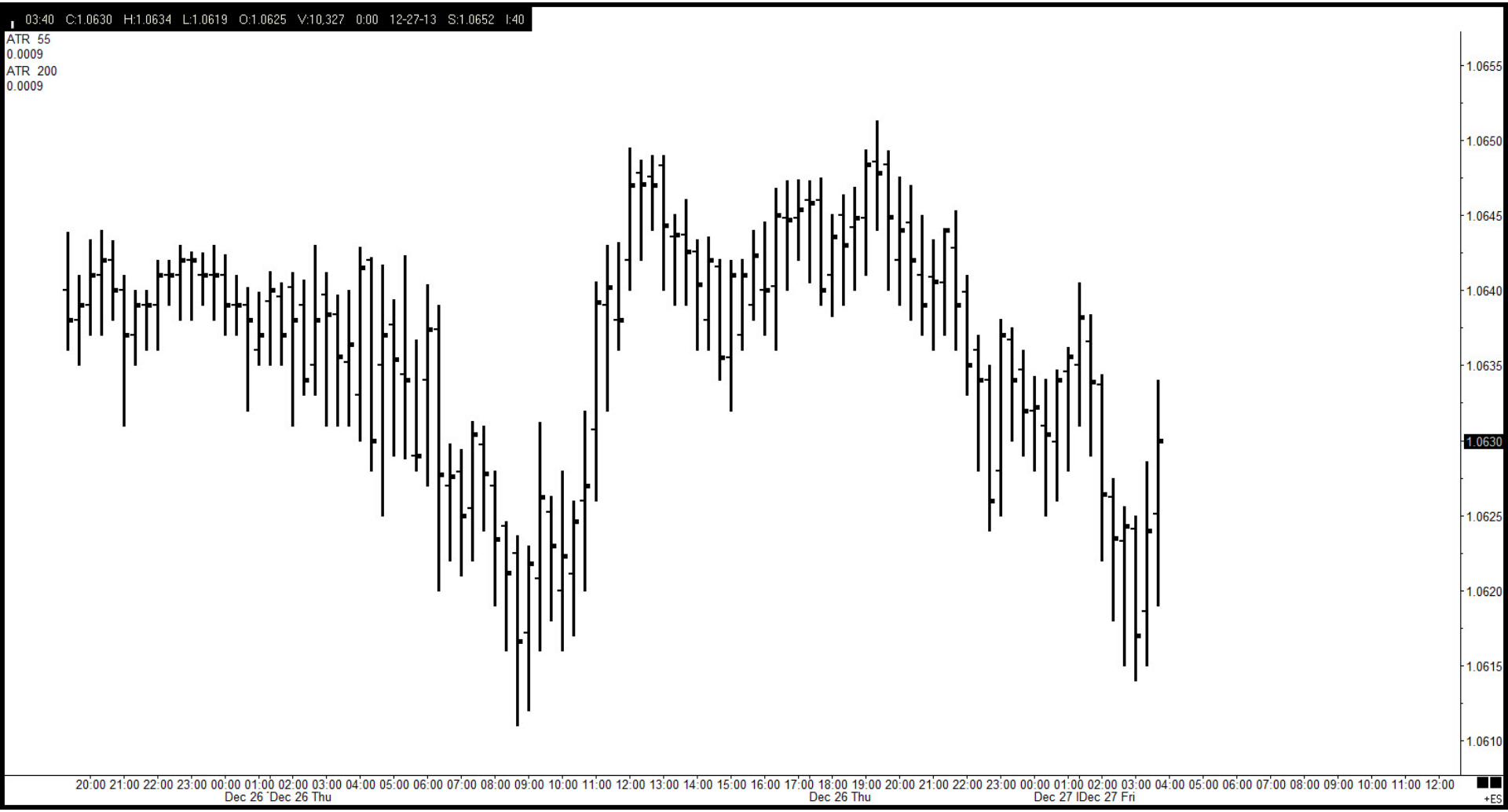
This seminar is dedicated to the people that come to these lectures, trying to improve their skills. I am honored you take time out of your busy schedule to come hear my thoughts.

This is a presentation in the style I use when lecturing at MIT and Stanford. Please be patient while the material unfolds. At University, this might be a three or four hour lecture.

Please keep your comments related to this material and this seminar. Most of you are here to learn my methods.

Please hold your questions until the presentation is over.

Staying two, four or six steps ahead of the market – Trading Canadian Dollars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0.0009
ATR 200
0.0009
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00
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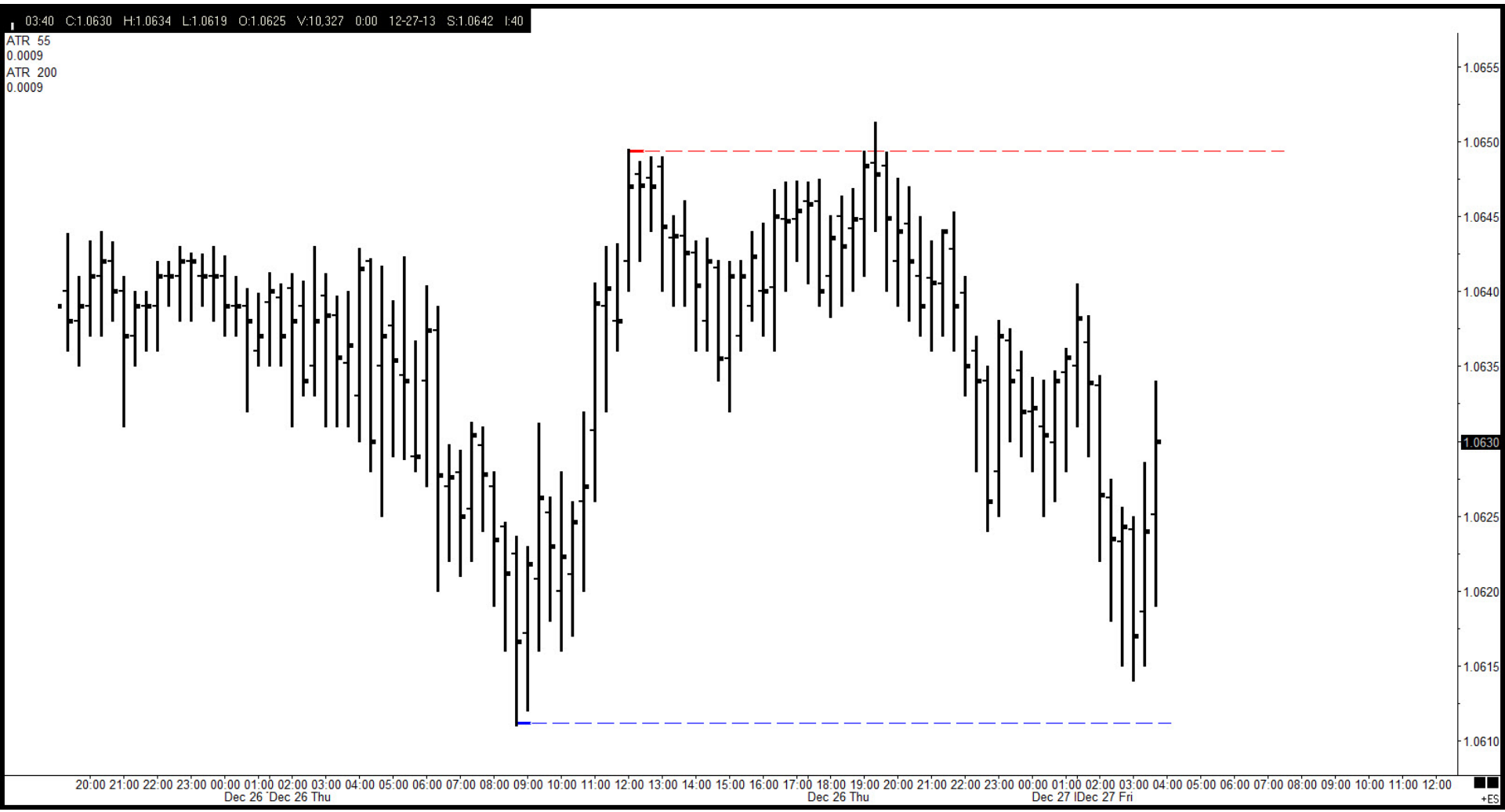
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0.0009
ATR 200
0.0009
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00
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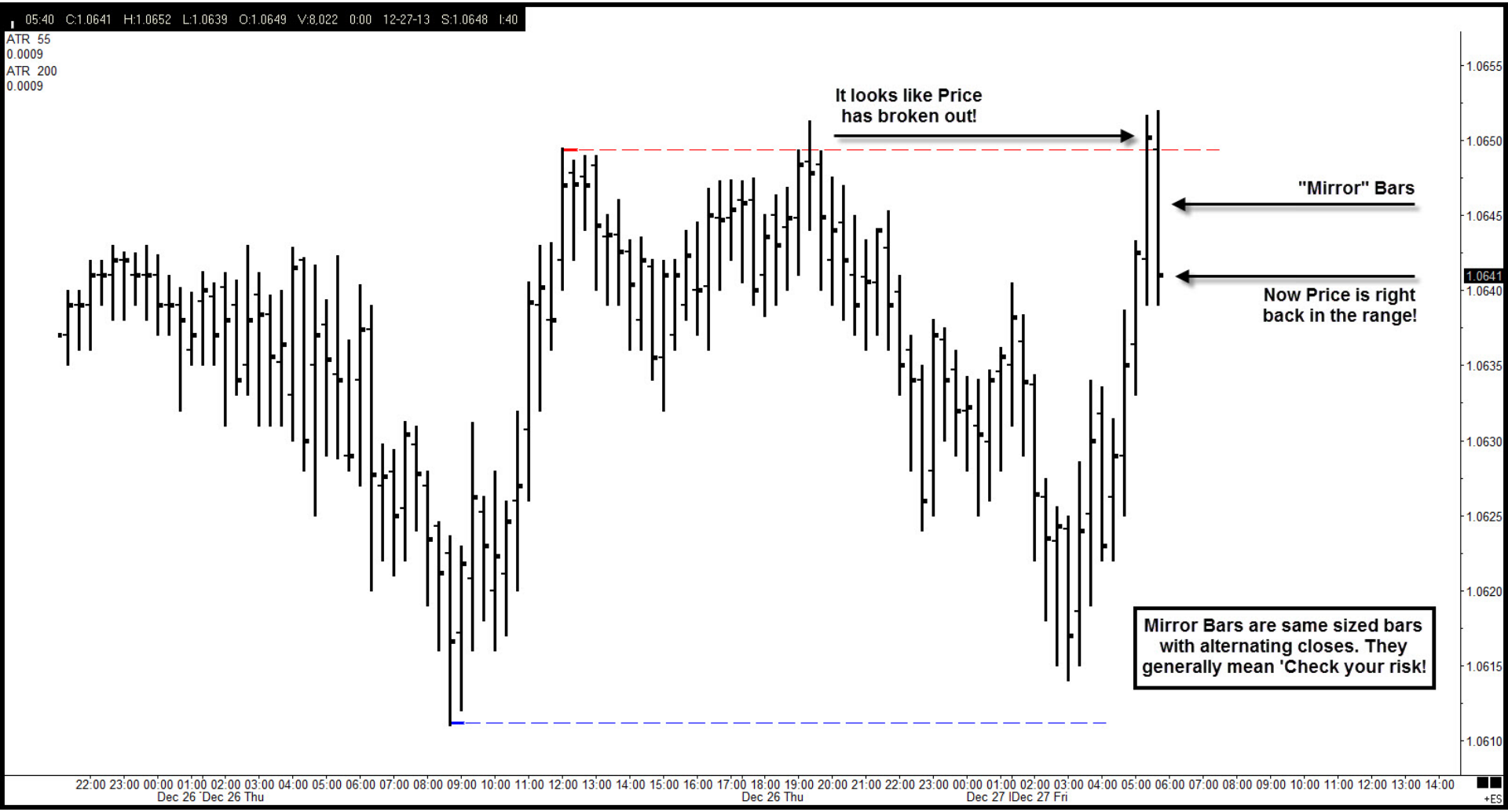
Dec 27 IDec 27 Fri
+ES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ATR 55
0.0009
ATR 200
0.0009
It looks like Price has broken out!
"Mirror" Bars
Now Price is right back in the range!
Mirror Bars are same sized bars with alternating closes. They generally mean 'Check your risk!
1.0655
1.0650
1.0645
1.0641
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00
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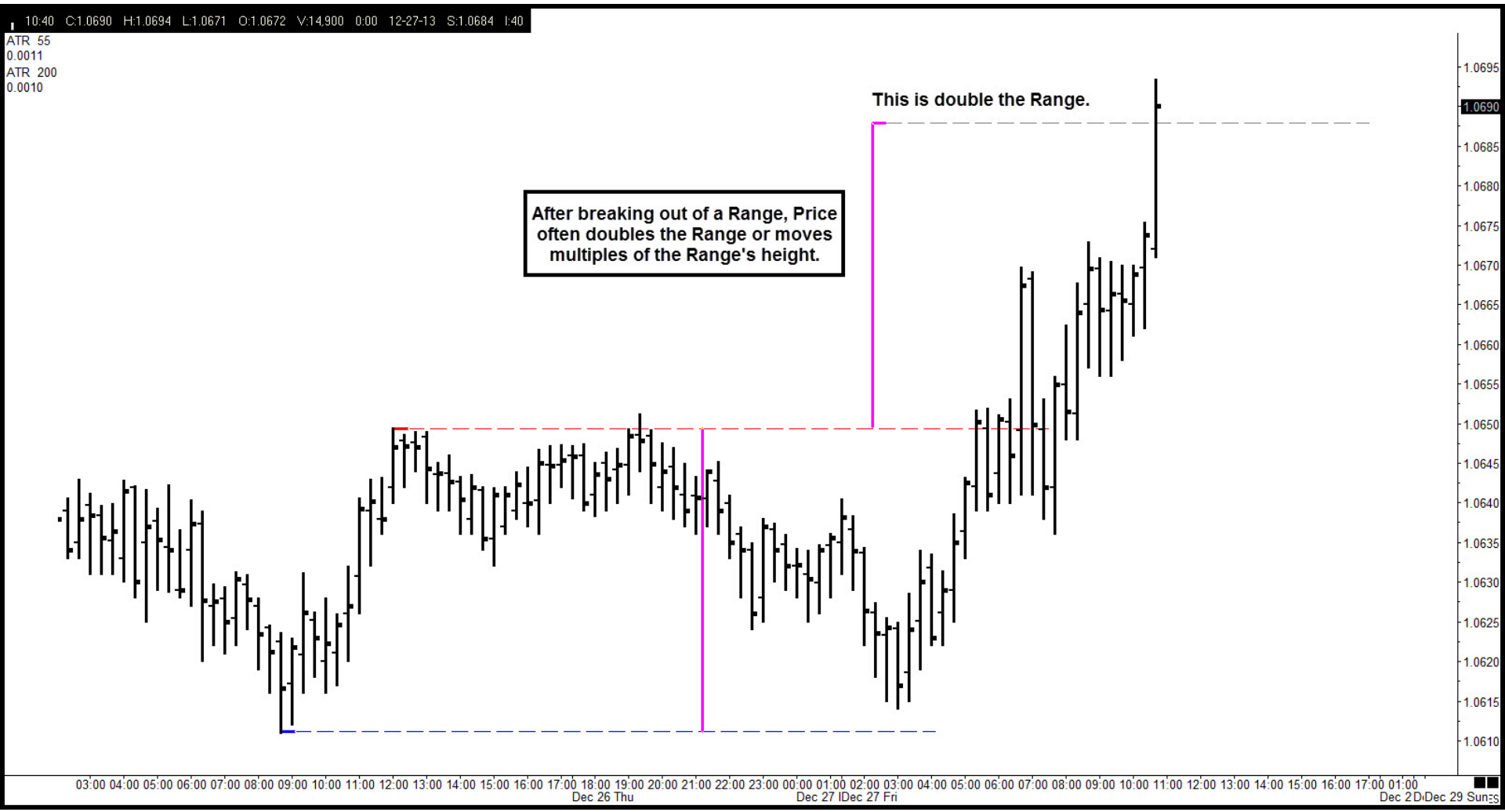
Dec 27 IDec 27 Fri
+ES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ATR 55
0.0011
ATR 200
0.0010
This is double the Range.
After breaking out of a Range, Price often doubles the Range or moves multiples of the Range's height.
1.0695
1.0690
1.0685
1.0680
1.0675
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 01:00
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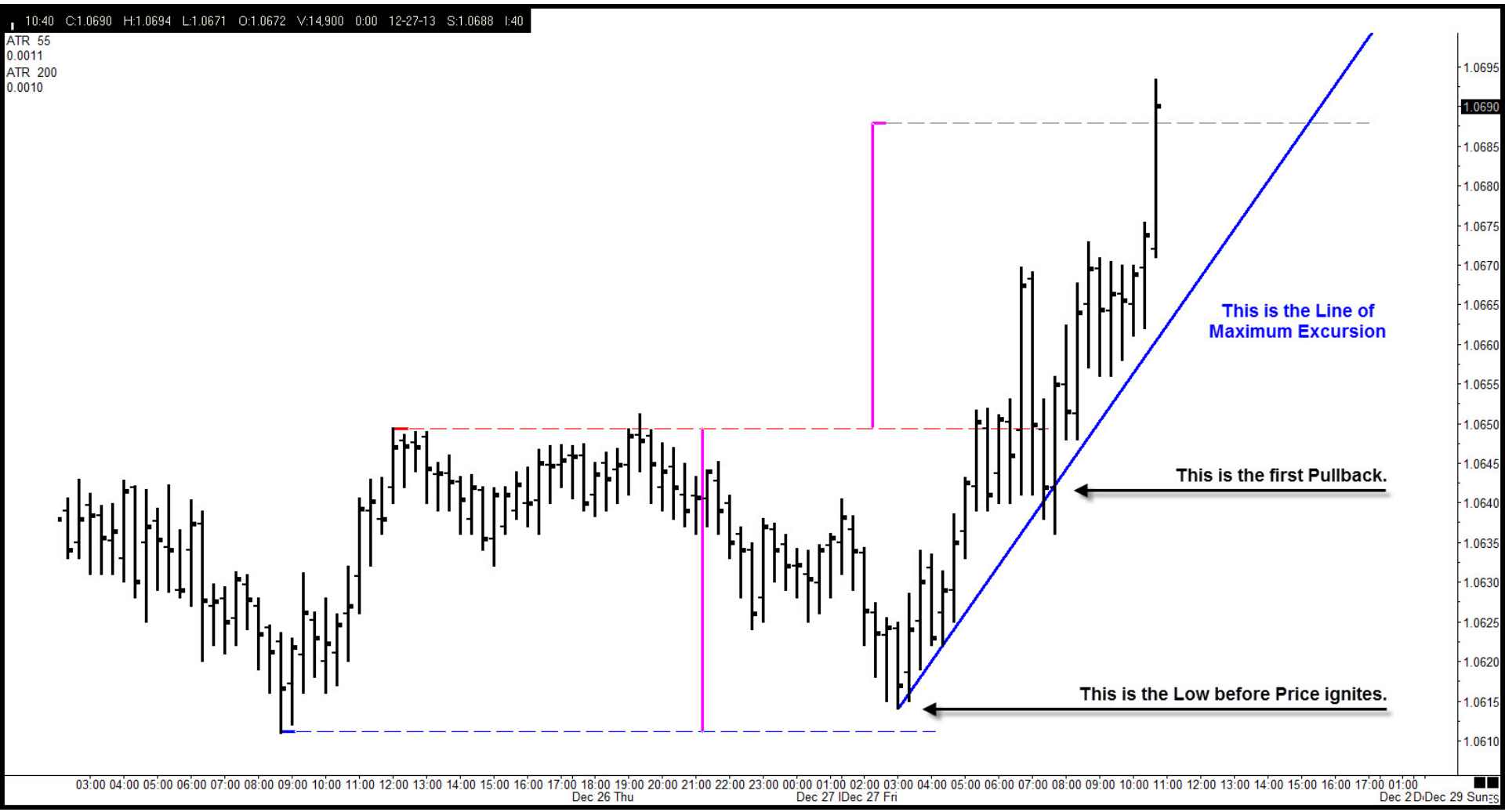
Dec 27 I
Dec 27 Fri
Dec 2
Dec 29 Sun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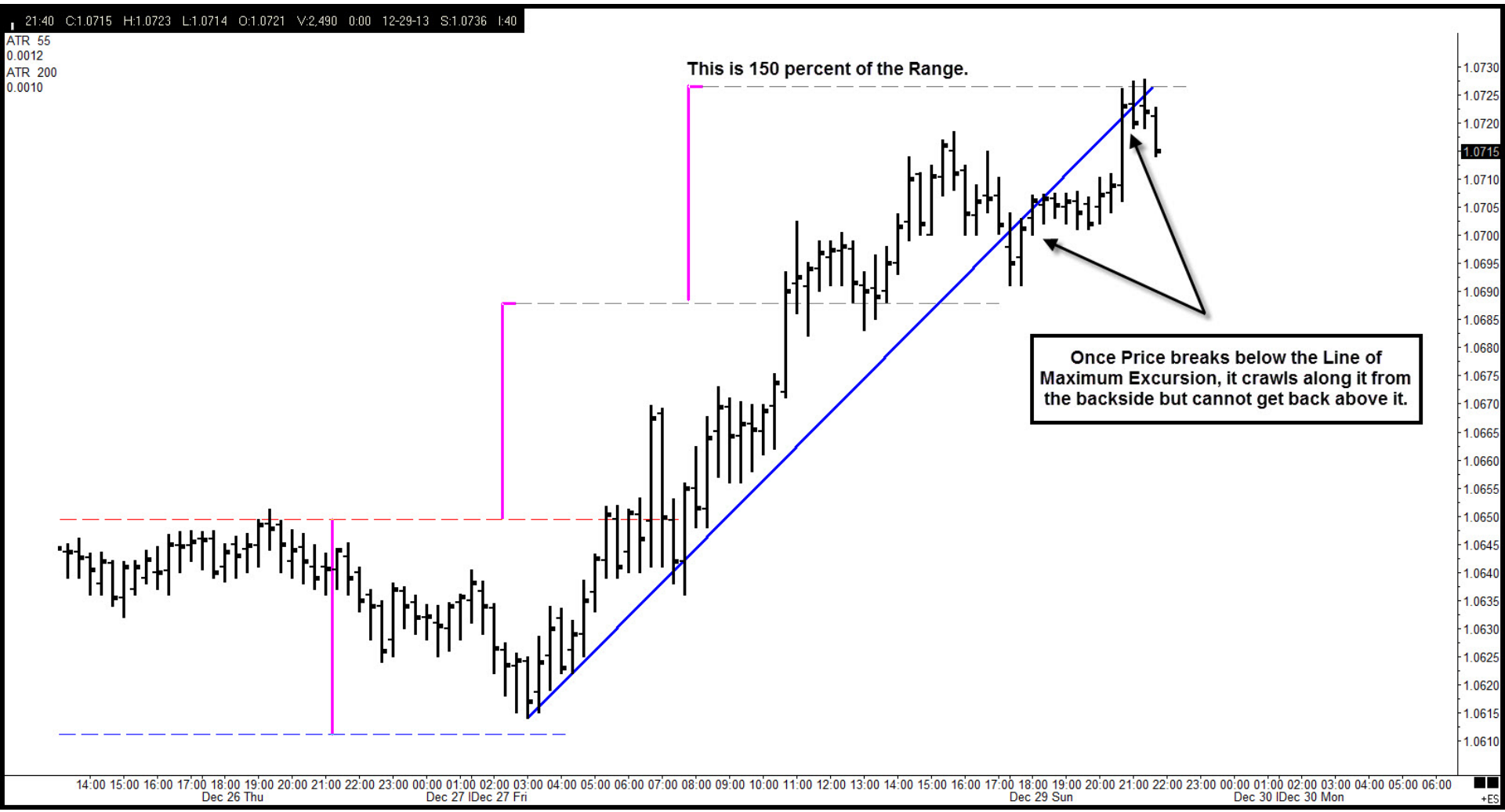
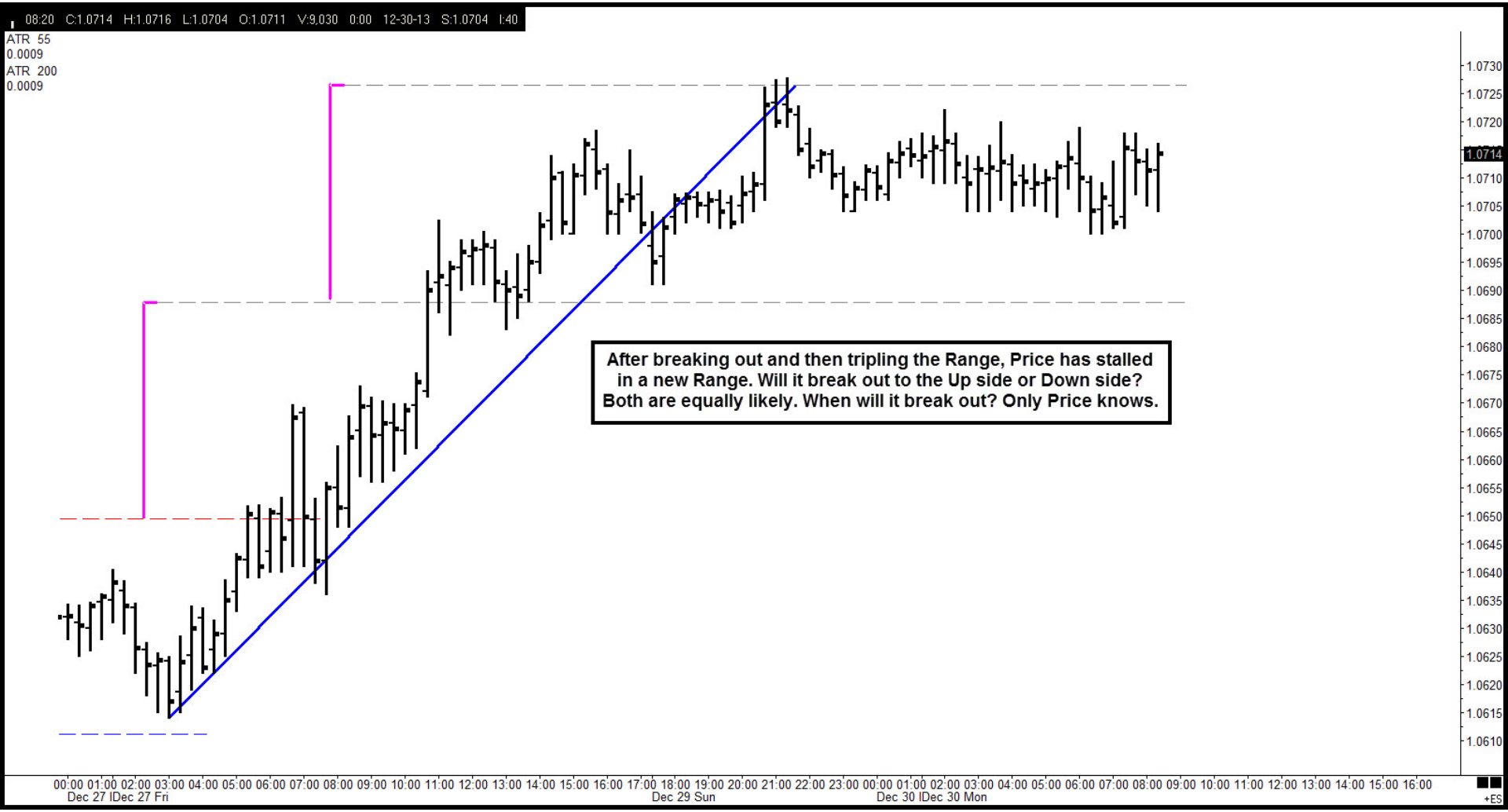
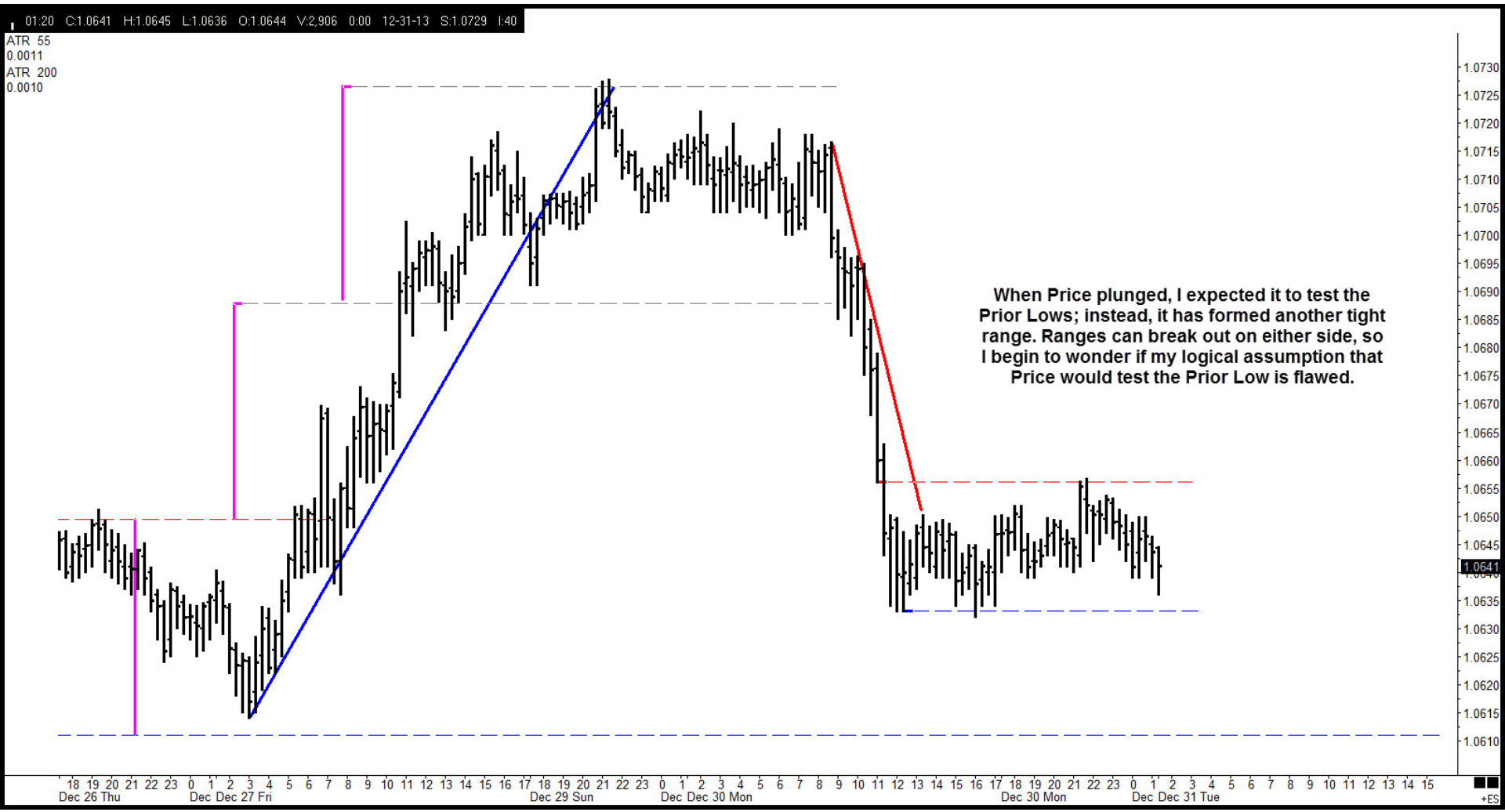
ATR 55
0.0011
ATR 200
0.0010
This is the Line of Maximum Excursion
This is the first Pullback.
This is the Low before Price ignites.
1.0695
1.0690
1.0685
1.0680
1.0675
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 01:00
Dec 26 Thu
Dec 27 IDec 27 Fri
Dec 2 DiDec 29 Sun


21:40 C:1.0715 H:1.0723 L:1.0714 O:1.0721 V:2,490 0:00 12-29-13 S:1.0736 I:40
ATR 55
0.0012
ATR 200
0.0010
This is 150 percent of the Range.
Once Price breaks below the Line of Maximum Excursion, it crawls along it from the backside but cannot get back above it.
1.0730
1.0725
1.0720
1.0715
1.0710
1.0705
1.0700
1.0695
1.0690
1.0685
1.0680
1.0675
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00
Dec 26 Thu
Dec 27 IDec 27 Fri
Dec 29 Sun
Dec 30 IDec 30 Mon
+ES


08:20 C:1.0714 H:1.0716 L:1.0704 O:1.0711 V:9,030 0:00 12-30-13 S:1.0704 I:40
ATR 55
0.0009
ATR 200
0.0009
After breaking out and then tripling the Range, Price has stalled in a new Range. Will it break out to the Up side or Down side? Both are equally likely. When will it break out? Only Price knows.
1.0730
1.0725
1.0720
1.0714
1.0710
1.0705
1.0700
1.0695
1.0690
1.0685
1.0680
1.0675
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00
Dec 27 IDec 27 Fri
Dec 29 Sun
Dec 30 IDec 30 Mon
+ES

10:40 C:1.0676 H:1.0685 L:1.0668 O:1.0683 V:10,132 0:00 12-30-13 S:1.0736 I:40
ATR 55
0.0010
ATR 200
0.0010
Two closes below the bottom of the Upper Range tells me Price is likely to retrace the entire move. This formation is called a Chimney or Mountain, depending on the width of the formation.
1.0730
1.0725
1.0720
1.0715
1.0710
1.0705
1.0700
1.0695
1.0690
1.0685
1.0680
1.0676
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00
Dec 29 Sun
Dec 30 IDec 30 Mon
Dec 30 Mon
+ES

13:40 C:1.0644 H:1.0648 L:1.0640 O:1.0645 V:4,248 0:00 12-30-13 S:1.0723 I:40
ATR 55
0.0011
ATR 200
0.0010
This is the High before Price plunges.
This is the first Pullback.
This is the Line of Maximum Excursion
1.0644
Dec 29 Sun
Dec 30 IDec 30 Mon
Dec 30 Mon
+ES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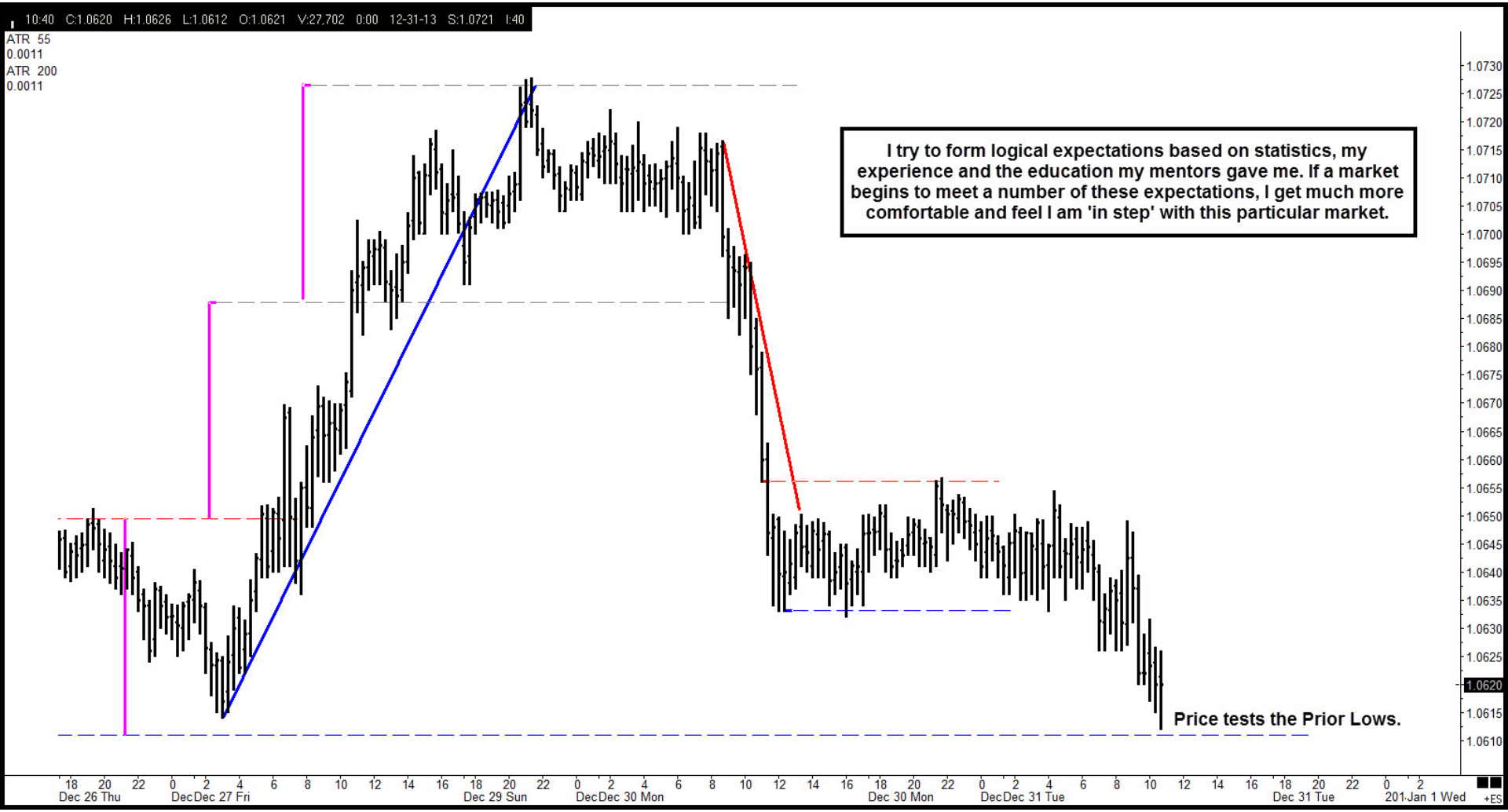
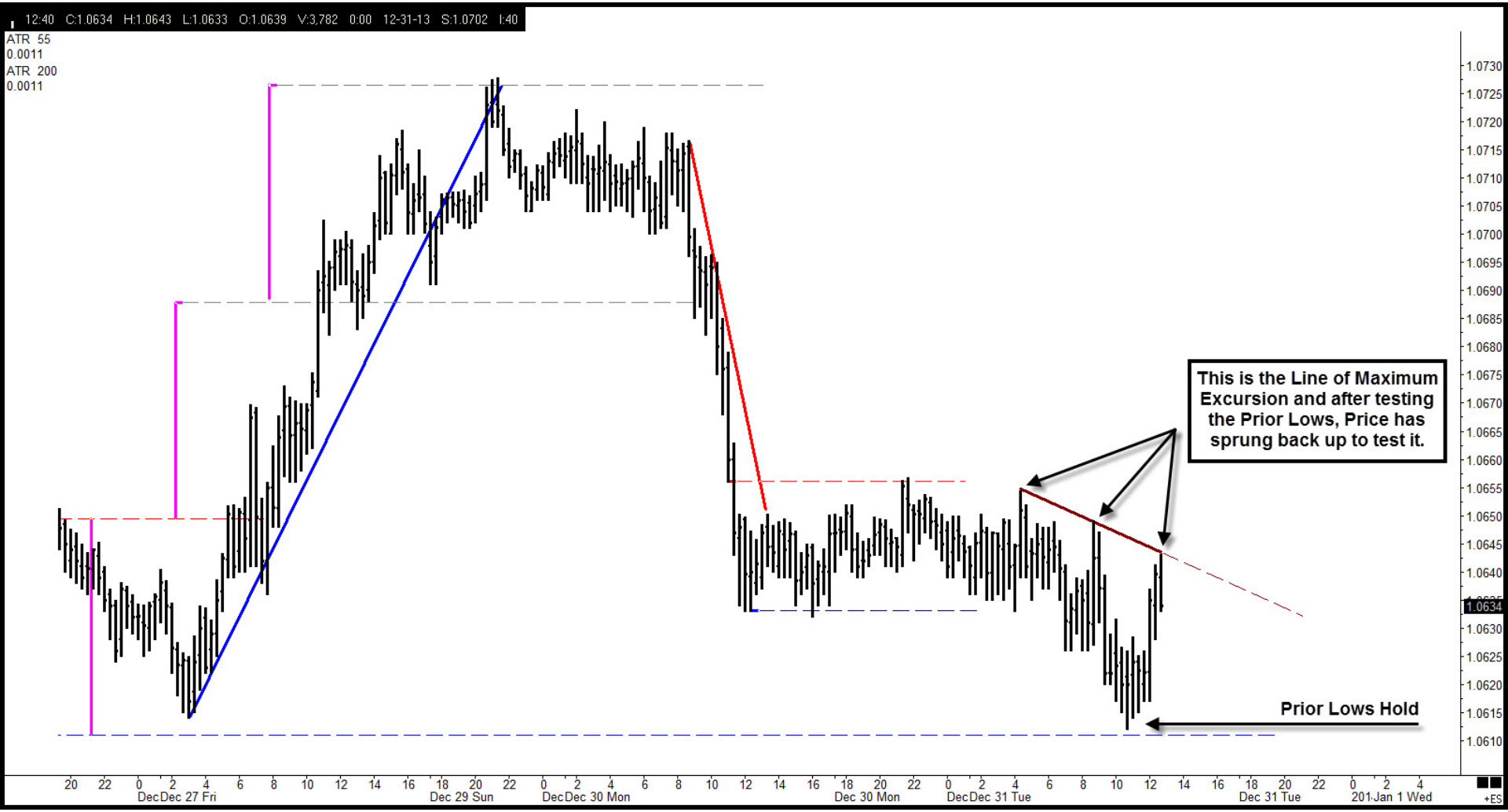
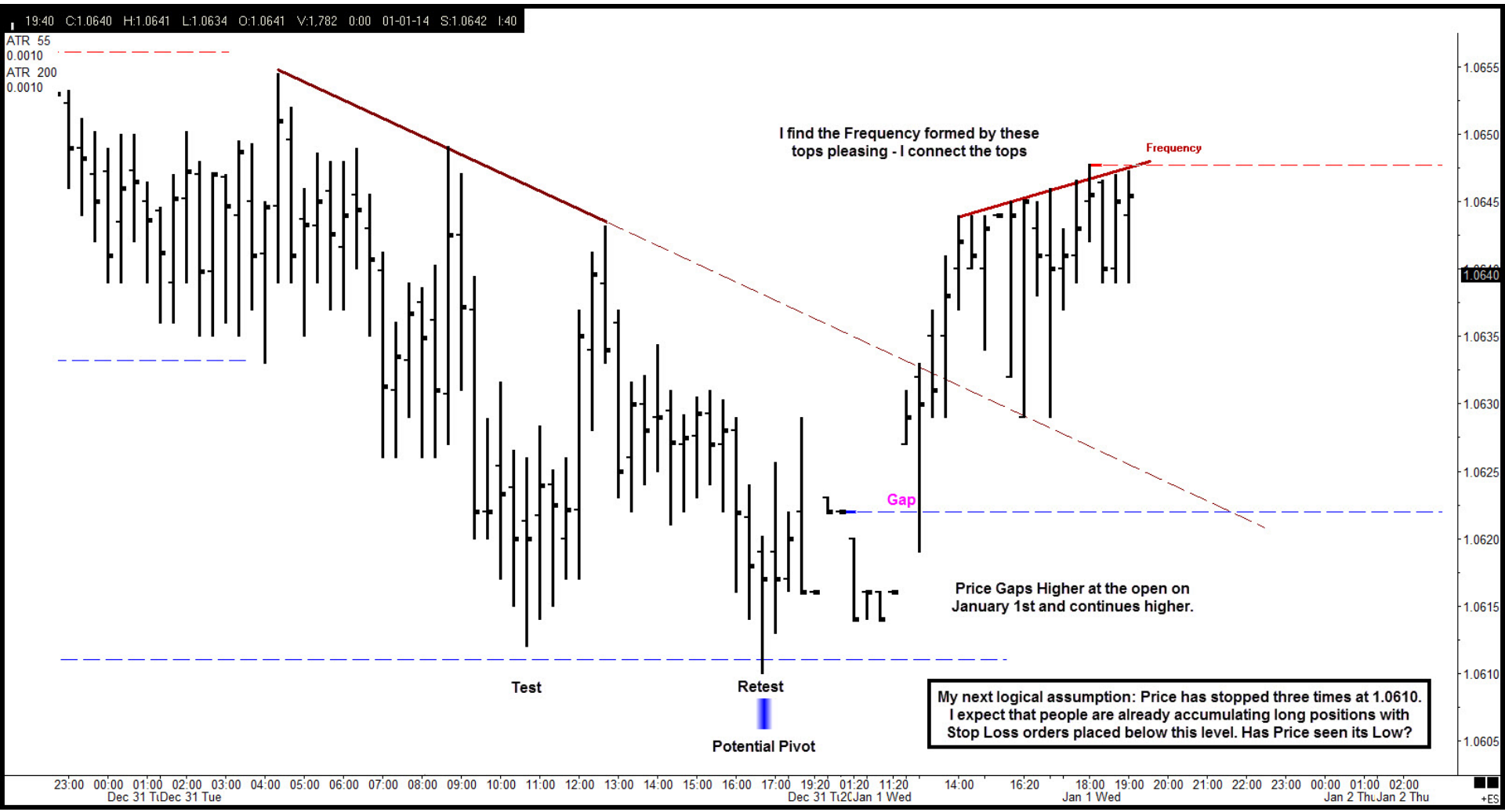
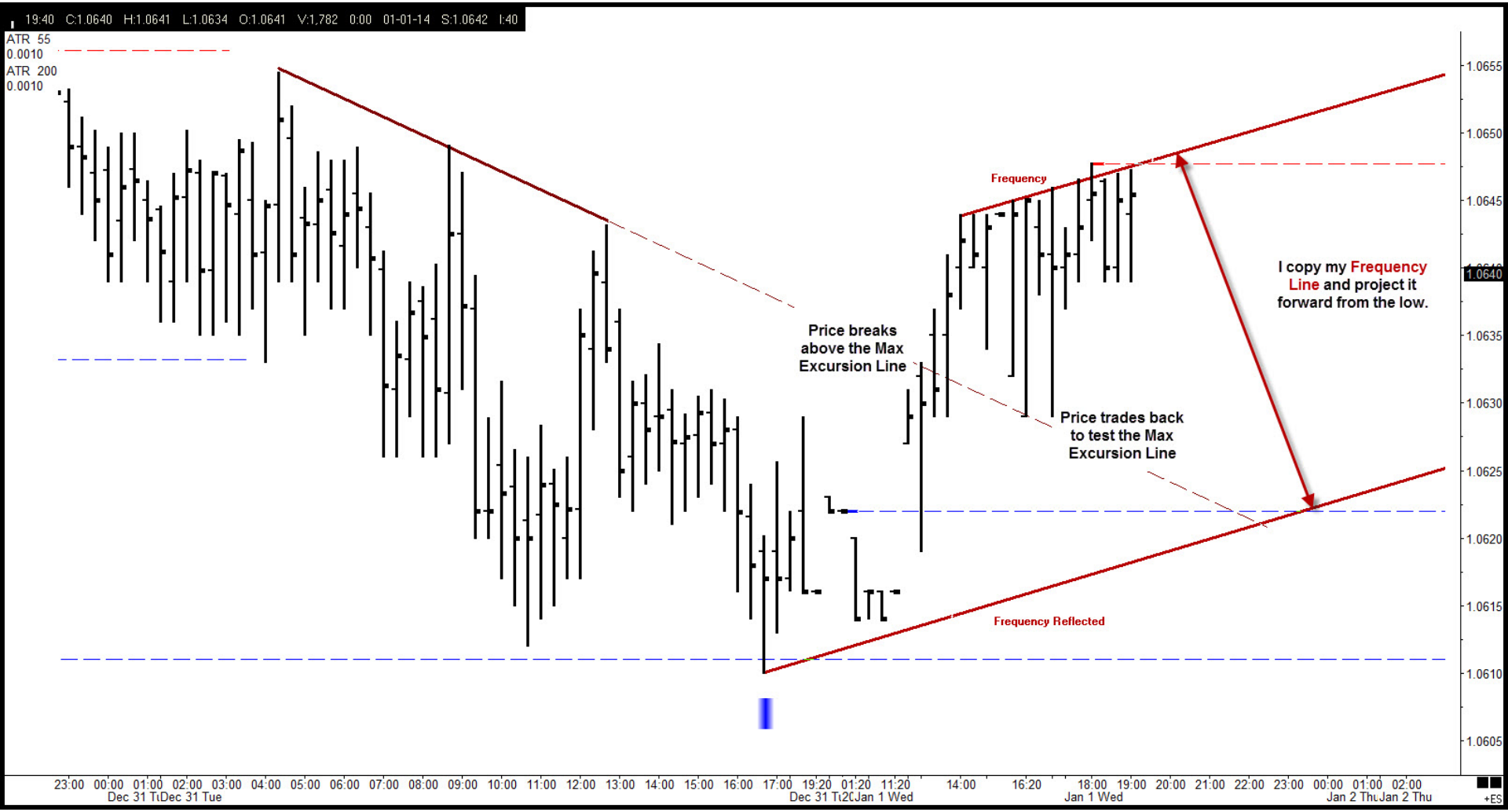
ATR 55
0.0011
ATR 200
0.0010
When Price plunged, I expected it to test the Prior Lows; instead, it has formed another tight range. Ranges can break out on either side, so I begin to wonder if my logical assumption that Price would test the Prior Low is flawed.
Dec 26 Thu
Dec Dec 27 Fri
Dec 29 Sun
Dec Dec 30 Mon
Dec 30 Mon
Dec Dec 31 Tue
+ES


10:40 C:1.0620 H:1.0626 L:1.0612 O:1.0621 V:27,702 0:00 12-31-13 S:1.0721 I:40
ATR 55
0.0011
ATR 200
0.0011
I try to form logical expectations based on statistics, my experience and the education my mentors gave me. If a market begins to meet a number of these expectations, I get much more comfortable and feel I am 'in step' with this particular market.
Price tests the Prior Lows.
1.0730
1.0725
1.0720
1.0715
1.0710
1.0705
1.0700
1.0695
1.0690
1.0685
1.0680
1.0675
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
18 20 22 0 2 4 6 8 10 12 14 16 18 20 22 0 2 4 6 8 10 12 14 16 18 20 22 0 2 4 6 8 10 12 14 16 18 20 22 0 2
Dec 26 Thu
Dec Dec 27 Fri
Dec 29 Sun
Dec Dec 30 Mon
Dec 30 Mon
Dec Dec 31 Tue
Dec 31 Tue
201 Jan 1 Wed
+ES


12:40 C:1.0634 H:1.0643 L:1.0633 O:1.0639 V:3,782 0:00 12-31-13 S:1.0702 I:40
ATR 55
0.0011
ATR 200
0.0011
This is the Line of Maximum Excursion and after testing the Prior Lows, Price has sprung back up to test it.
Prior Lows Hold
Dec 27 Fri
Dec 29 Sun
Dec 30 Mon
Dec 30 Mon
Dec 31 Tue
Dec 31 Tue
Jan 1 Wed
+ES

17:20 C:1.0620 H:1.0622 L:1.0616 O:1.0617 V:33 0:00 12-31-13 S:1.0604 I:16
ATR 55
0.0011
ATR 200
0.0011
The test of the Line of Maximum Excursion holds and Price trades lower to test Prior Lows again.
Test
Retest
Dec 27 Fri
Dec 29 Sun
Dec 30 Mon
Dec 30 Mon
Dec 31 Tue
Dec 31 Tue
Jan 1 Wed
+ES


19:40 C:1.0640 H:1.0641 L:1.0634 O:1.0641 V:1,782 0:00 01-01-14 S:1.0642 I:40
ATR 55
0.0010
ATR 200
0.0010
I find the Frequency formed by these tops pleasing - I connect the tops
Frequency
Gap
Price Gaps Higher at the open on January 1st and continues higher.
Test
Retest
Potential Pivot
My next logical assumption: Price has stopped three times at 1.0610. I expect that people are already accumulating long positions with Stop Loss orders placed below this level. Has Price seen its Low?
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 19:20 01:20 11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00
Dec 31 Tu Dec 31 Tue
Dec 31 Tu Jan 1 Wed
Jan 1 Wed
Jan 2 Thu Jan 2 Thu
+ES


19:40 C:1.0640 H:1.0641 L:1.0634 O:1.0641 V:1,782 0:00 01-01-14 S:1.0642 I:40
ATR 55
0.0010
ATR 200
0.0010
Frequency
Price breaks above the Max Excursion Line
Price trades back to test the Max Excursion Line
I copy my Frequency Line and project it forward from the low.
Frequency Reflected
1.0640
Dec 31 Tue
Jan 1 Wed
Jan 2 Thu
+ES

01:40 C:1.0634 H:1.0635 L:1.0624 O:1.0628 V:4,271 0:00 01-02-14 S:1.0614 I:40
ATR 55
0.0008
ATR 200
0.0010
Frequency
Multi-Pivot Line
Price trades lower to test the Reflection of my Up Sloping Frequency Line - which holds.
Frequency Reflected
1.0650
1.0645
1.0640
1.0635
1.0634
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 19:20 01:20 11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00
Dec 31 Tu
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Jan 1 Wed
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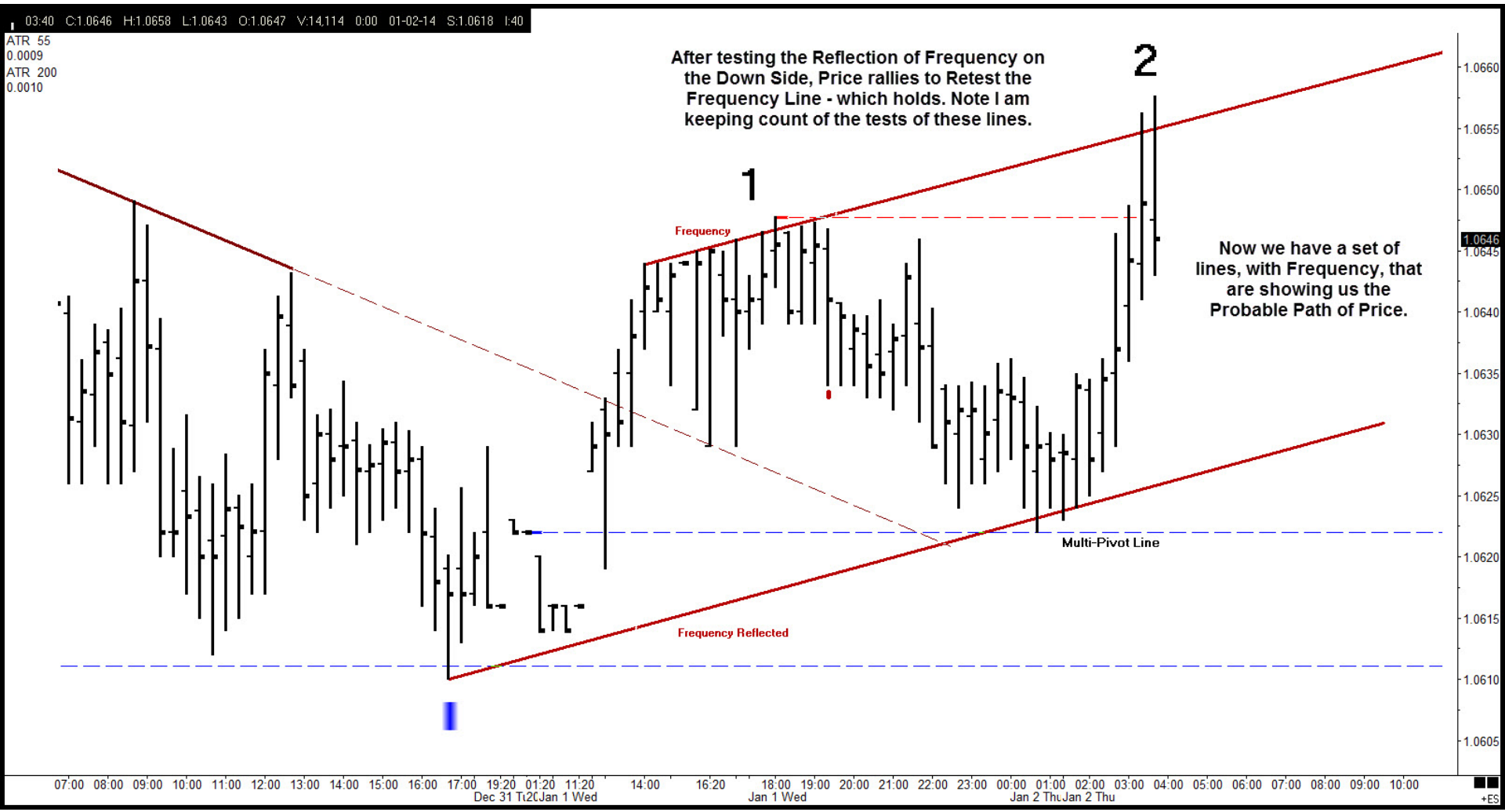
Jan 2 Thu
+ES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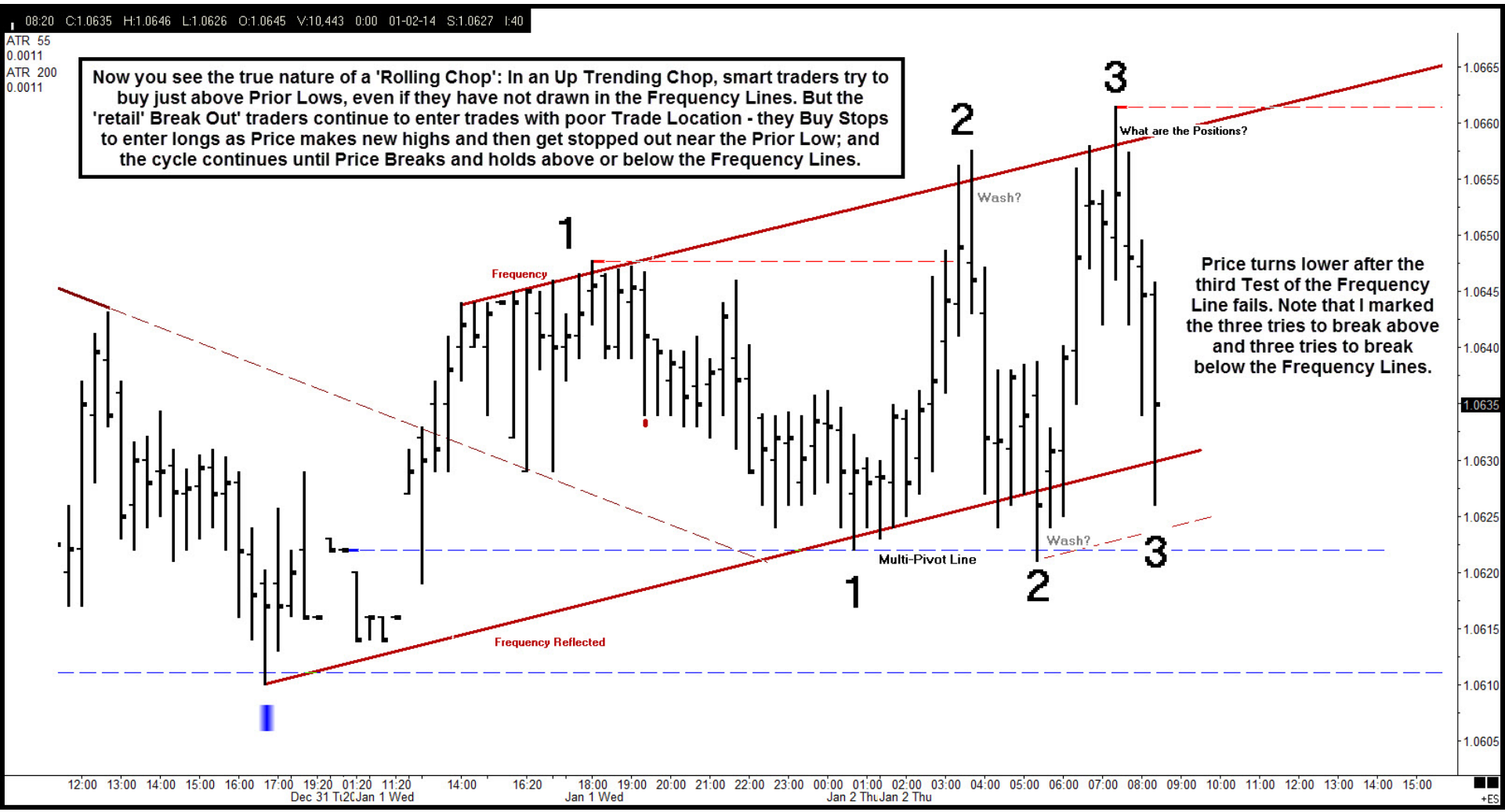
ATR 55
0.0009
ATR 200
0.0010
After testing the Reflection of Frequency on the Down Side, Price rallies to Retest the Frequency Line - which holds. Note I am keeping count of the tests of these lines.
1
2
Frequency
Now we have a set of lines, with Frequency, that are showing us the Probable Path of Price.
Multi-Pivot Line
Frequency Reflected
1.0660
1.0655
1.0650
1.0646
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 19:20 01:20 11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00
Dec 31 Tu
Jan 1 Wed
Jan 1 Wed
Jan 2 Thu
Jan 2 Thu
+ES

06:00 C:1.0639 H:1.0640 L:1.0625 O:1.0631 V:5,745 0:00 01-02-14 S:1.0644 I:40
ATR 55
0.0010
ATR 200
0.0010
The first time Price breaks and closes outside a Line of Frequency, including Median Lines, add a Sliding Parallel at its Maximum Excursion. Only the first Sliding Parallel is useful - once it is broken, the Frequency Lines have given way.
1
2
Frequency
Wash?
Price trades lower again, Tests the Reflection Line, which briefly gives way. The Price turns back higher.
Sliding Parallel
Wash?
Multi-Pivot Line
When Price briefly breaks below the Reflection Line and then closes back above it, I add a Sliding Parallel. Note that the Low of Price Retested the blue Multi-Pivot Line.
Frequency Reflected
1.0660
1.0655
1.0650
1.0645
1.0640
1.0639
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 19:20 01:20 11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00
Dec 31 Tu
Jan 1 Wed
Jan 1 Wed
Jan 2 Thu
Jan 2 Thu
+ES

07:20 C:1.0654 H:1.0661 L:1.0646 O:1.0650 V:10,570 0:00 01-02-14 S:1.0661 I:40
ATR 55
0.0011
ATR 200
0.0010
Each time Price breaks above Prior Highs, traders get long on the Break Out - But so far, buying at these 'new highs' have been a losing proposition. Price is currently in an up sloping 'Rolling Chop'. Price has just broken Prior Highs again [For the 3rd time]. What do you think the market positions are right now?
1
2
Frequency
Wash?
What are the Positions?
Wash?
Multi-Pivot Line
Frequency Reflected
1.0665
1.0660
1.0655
1.0654
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
11:00 12:00 13:00 14:00 15:00 16:00 17:00 19:20 01:20 11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00
Dec 31 Tu 20 Jan 1 Wed
Jan 1 Wed
Jan 2 Thu Jan 2 Thu
+ES


08:20 C:1.0635 H:1.0646 L:1.0626 O:1.0645 V:10,443 0:00 01-02-14 S:1.0627 I:40
ATR 55
0.0011
ATR 200
0.0011
Now you see the true nature of a 'Rolling Chop': In an Up Trending Chop, smart traders try to buy just above Prior Lows, even if they have not drawn in the Frequency Lines. But the 'retail' Break Out' traders continue to enter trades with poor Trade Location - they Buy Stops to enter longs as Price makes new highs and then get stopped out near the Prior Low; and the cycle continues until Price Breaks and holds above or below the Frequency Lines.
1
2
3
Frequency
Wash?
What are the Positions?
Price turns lower after the third Test of the Frequency Line fails. Note that I marked the three tries to break above and three tries to break below the Frequency Lines.
Multi-Pivot Line
Wash?
1
2
3
Frequency Reflected
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
12:00 13:00 14:00 15:00 16:00 17:00 19:20 01:20 11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00
Dec 31 Tu Jan 1 Wed Jan 1 Wed Jan 2 Thu Jan 2 Thu
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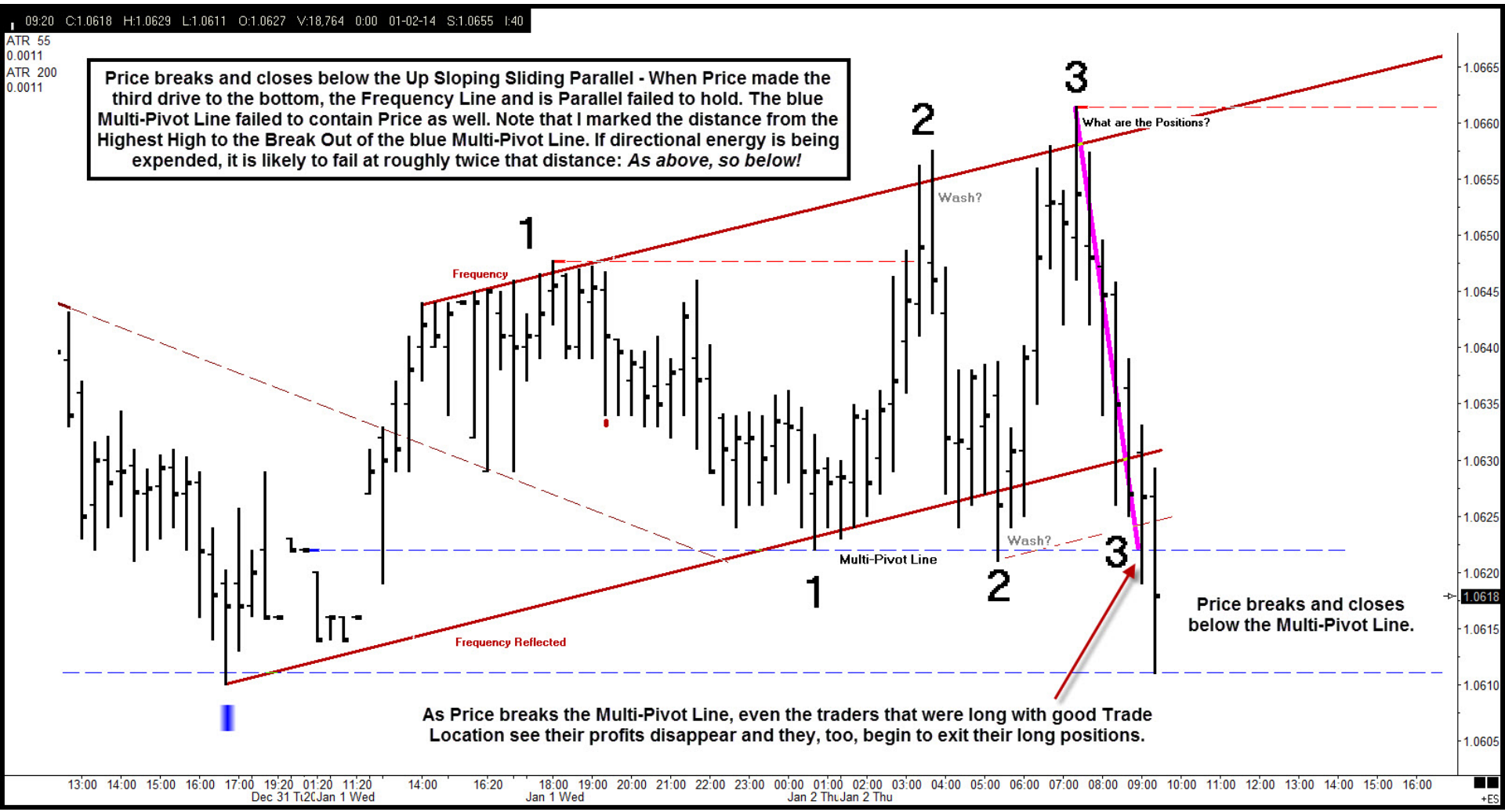
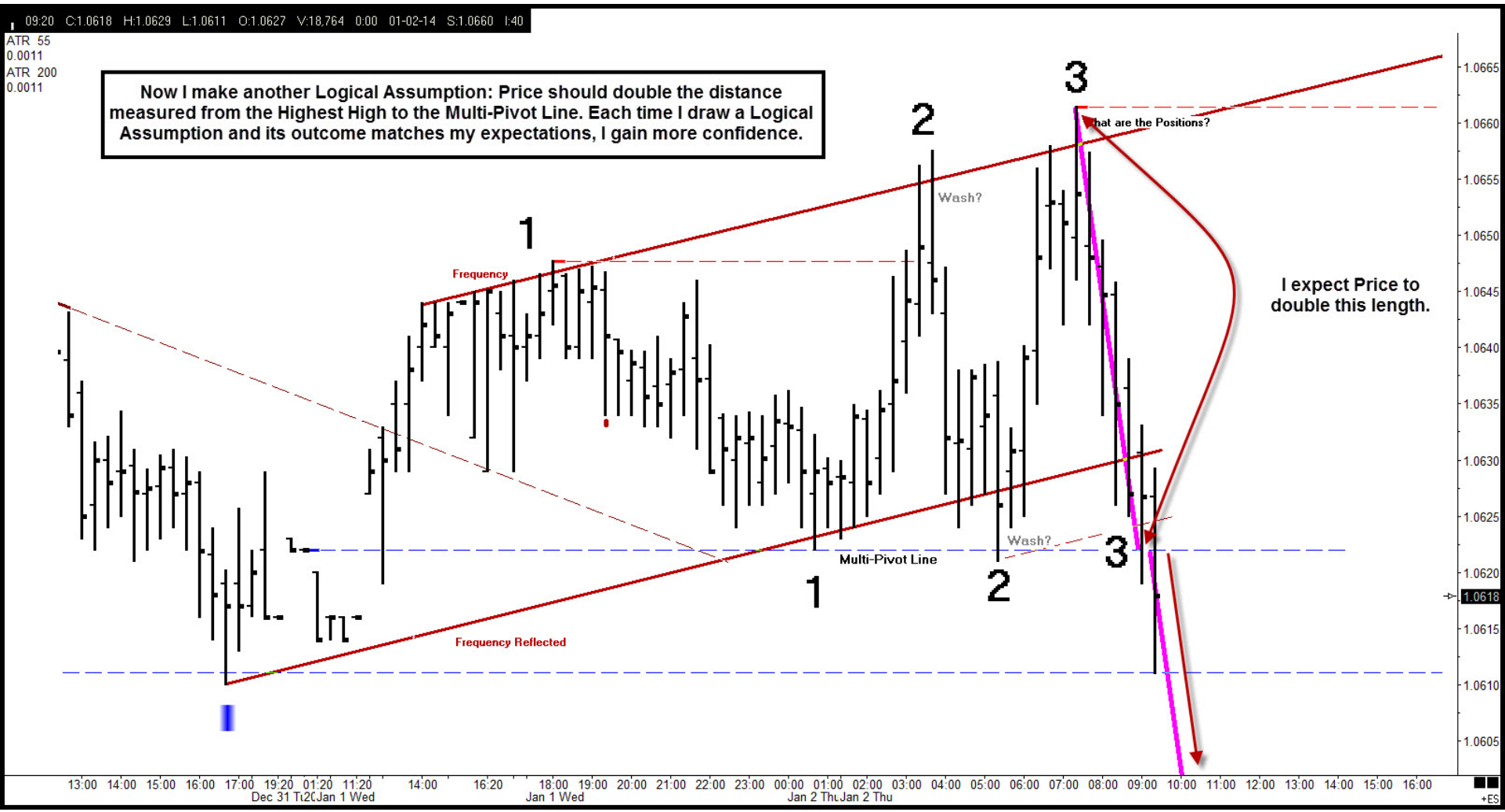
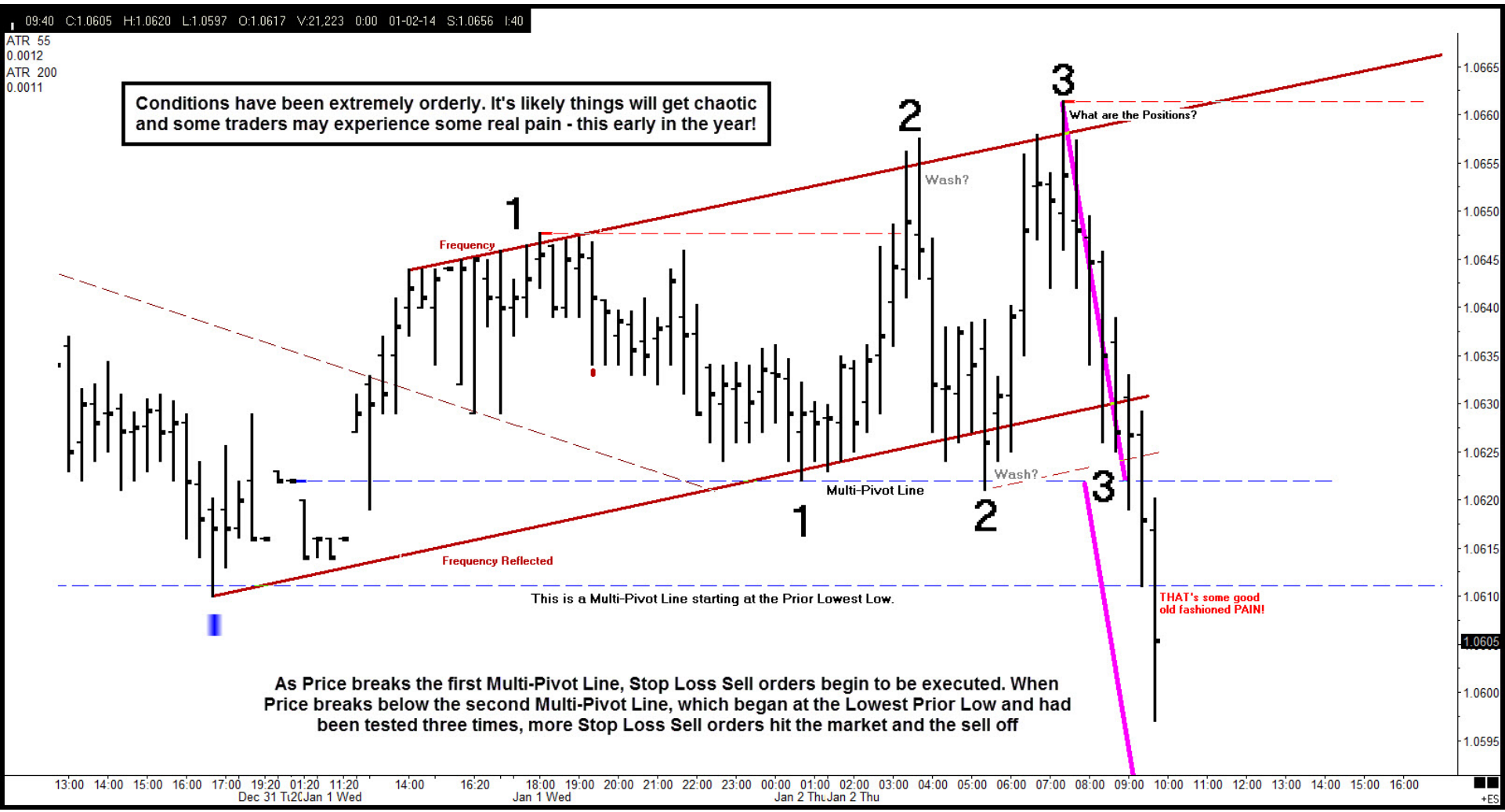
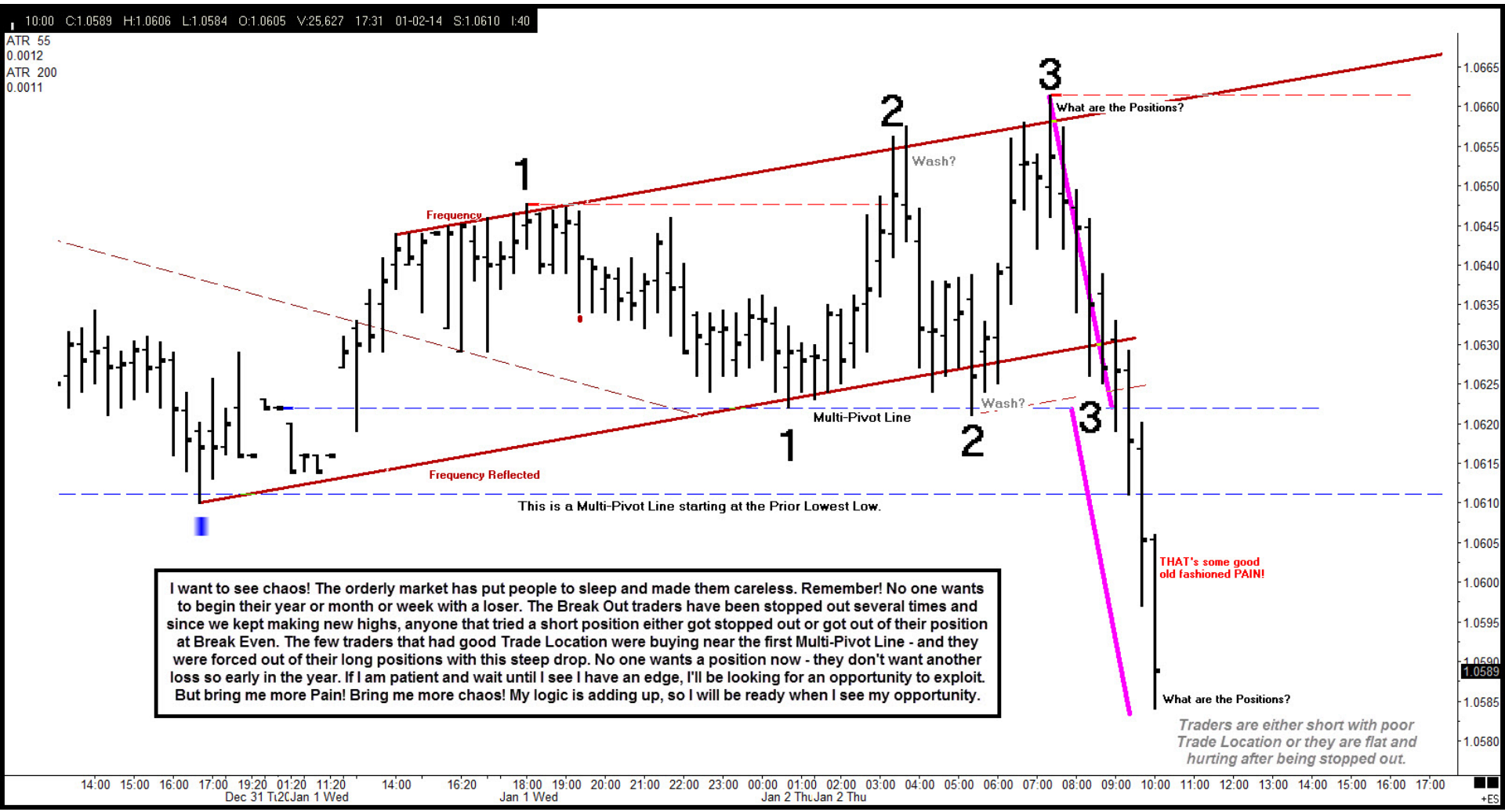
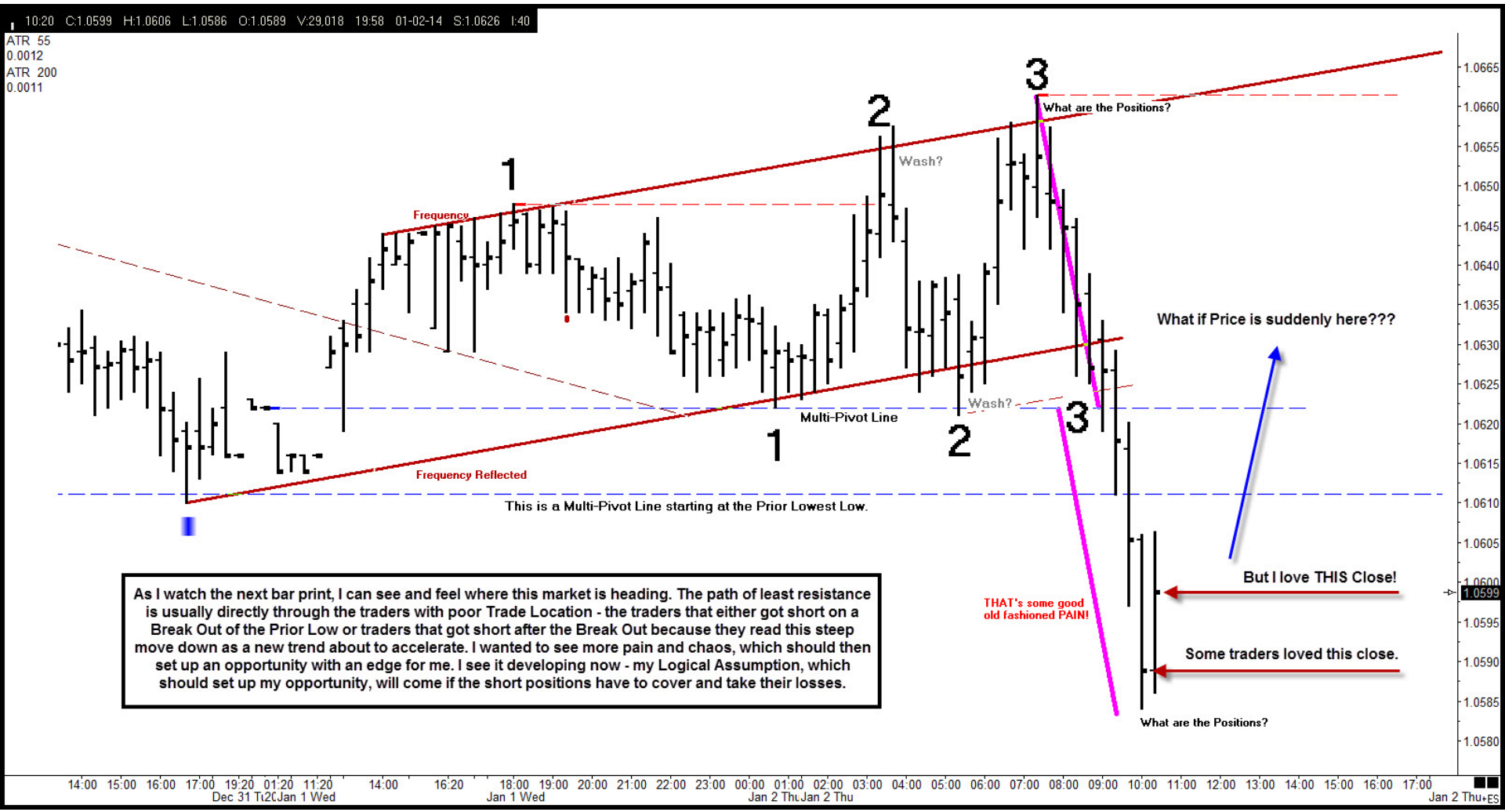

09:20 C:1.0618 H:1.0629 L:1.0611 O:1.0627 V:18,764 0:00 01-02-14 S:1.0655 I:40
ATR 55
0.0011
ATR 200
0.0011
Price breaks and closes below the Up Sloping Sliding Parallel - When Price made the third drive to the bottom, the Frequency Line and is Parallel failed to hold. The blue Multi-Pivot Line failed to contain Price as well. Note that I marked the distance from the Highest High to the Break Out of the blue Multi-Pivot Line. If directional energy is being expended, it is likely to fail at roughly twice that distance: As above, so below!
1
2
3
What are the Positions?
Wash?
Frequency
Multi-Pivot Line
Wash?
1
2
3
Frequency Reflected
Price breaks and closes below the Multi-Pivot Line.
As Price breaks the Multi-Pivot Line, even the traders that were long with good Trade Location see their profits disappear and they, too, begin to exit their long positions.
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0618
1.0615
1.0610
1.0605
13:00 14:00 15:00 16:00 17:00 19:20 01:20 11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00
Dec 31 Tu Jan 1 Wed Jan 1 Wed Jan 2 Thu Jan 2 Thu
+ES

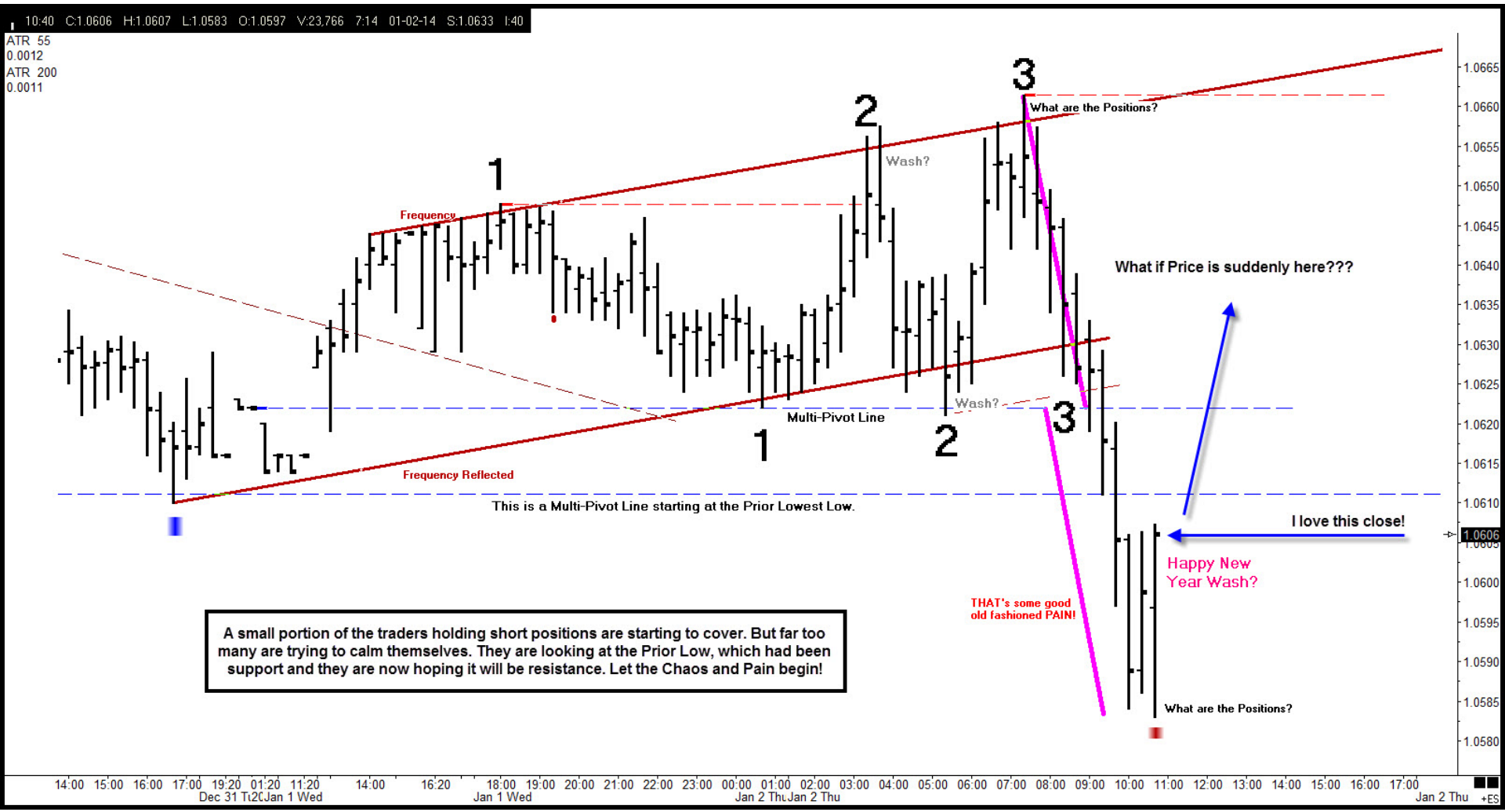

09:20 C:1.0618 H:1.0629 L:1.0611 O:1.0627 V:18,764 0:00 01-02-14 S:1.0660 I:40
ATR 55
0.0011
ATR 200
0.0011
Now I make another Logical Assumption: Price should double the distance measured from the Highest High to the Multi-Pivot Line. Each time I draw a Logical Assumption and its outcome matches my expectations, I gain more confidence.
1
2
3
Frequency
Wash?
What are the Positions?
I expect Price to double this length.
Multi-Pivot Line
Wash?
1
2
3
Frequency Reflected
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0618
1.0615
1.0610
1.0605
13:00 14:00 15:00 16:00 17:00 19:20 01:20 11:20
Dec 31 Tu
Jan 1 Wed
14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00
Jan 1 Wed
Jan 2 Thu
Jan 2 Thu
+ES

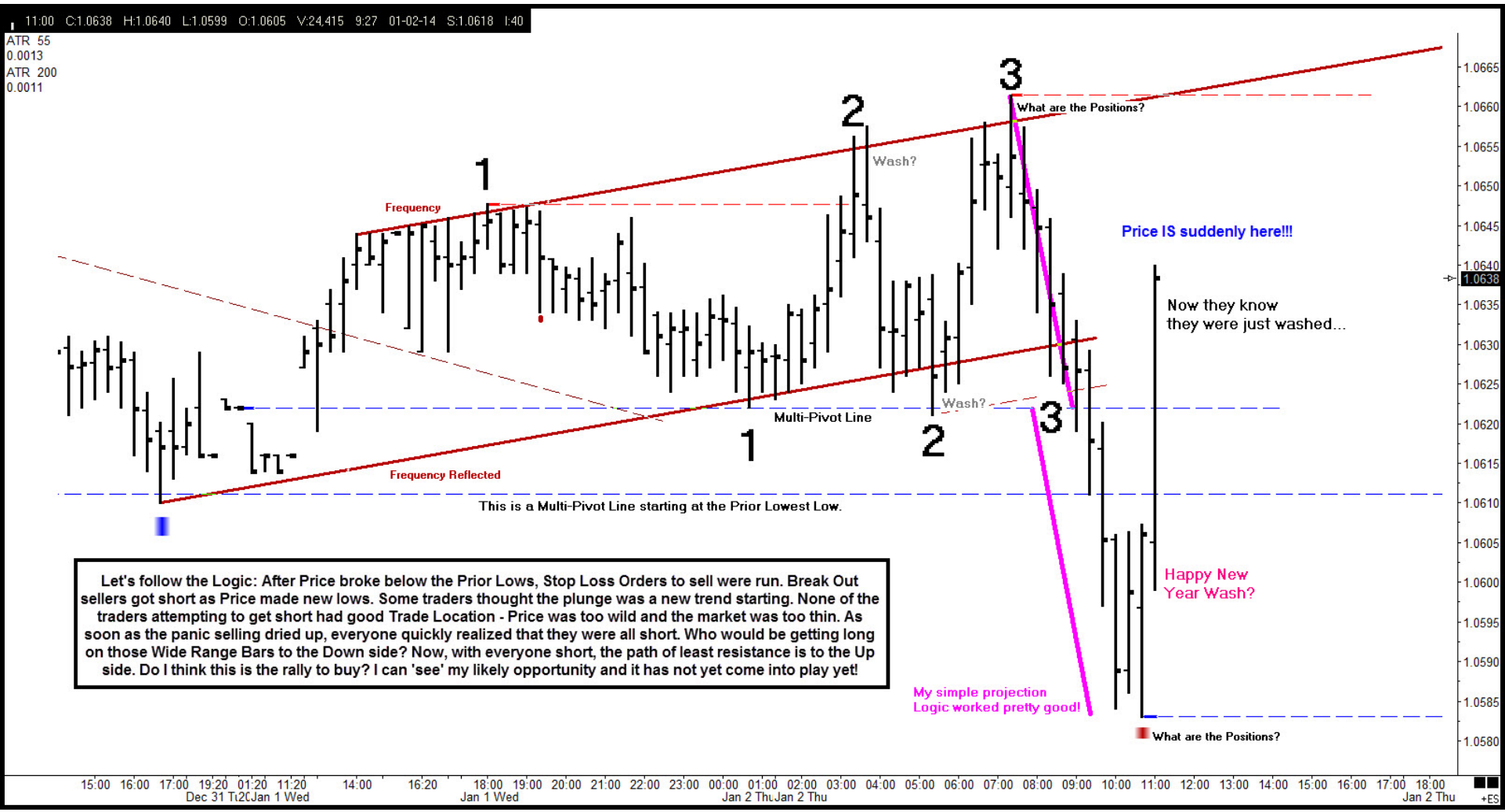

09:40 C:1.0605 H:1.0620 L:1.0597 O:1.0617 V:21,223 0:00 01-02-14 S:1.0656 I:40
ATR 55
0.0012
ATR 200
0.0011
Conditions have been extremely orderly. It's likely things will get chaotic and some traders may experience some real pain - this early in the year!
1
2
3
Frequency
Wash?
What are the Positions?
Multi-Pivot Line
Wash?
1
2
3
Frequency Reflected
This is a Multi-Pivot Line starting at the Prior Lowest Low.
THAT's some good old fashioned PAIN!
As Price breaks the first Multi-Pivot Line, Stop Loss Sell orders begin to be executed. When Price breaks below the second Multi-Pivot Line, which began at the Lowest Prior Low and had been tested three times, more Stop Loss Sell orders hit the market and the sell off
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
1.0600
1.0595
13:00 14:00 15:00 16:00 17:00 19:20 01:20 11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00
Dec 31 Tu 20 Jan 1 Wed
Jan 1 Wed
Jan 2 Thu Jan 2 Thu
+ES

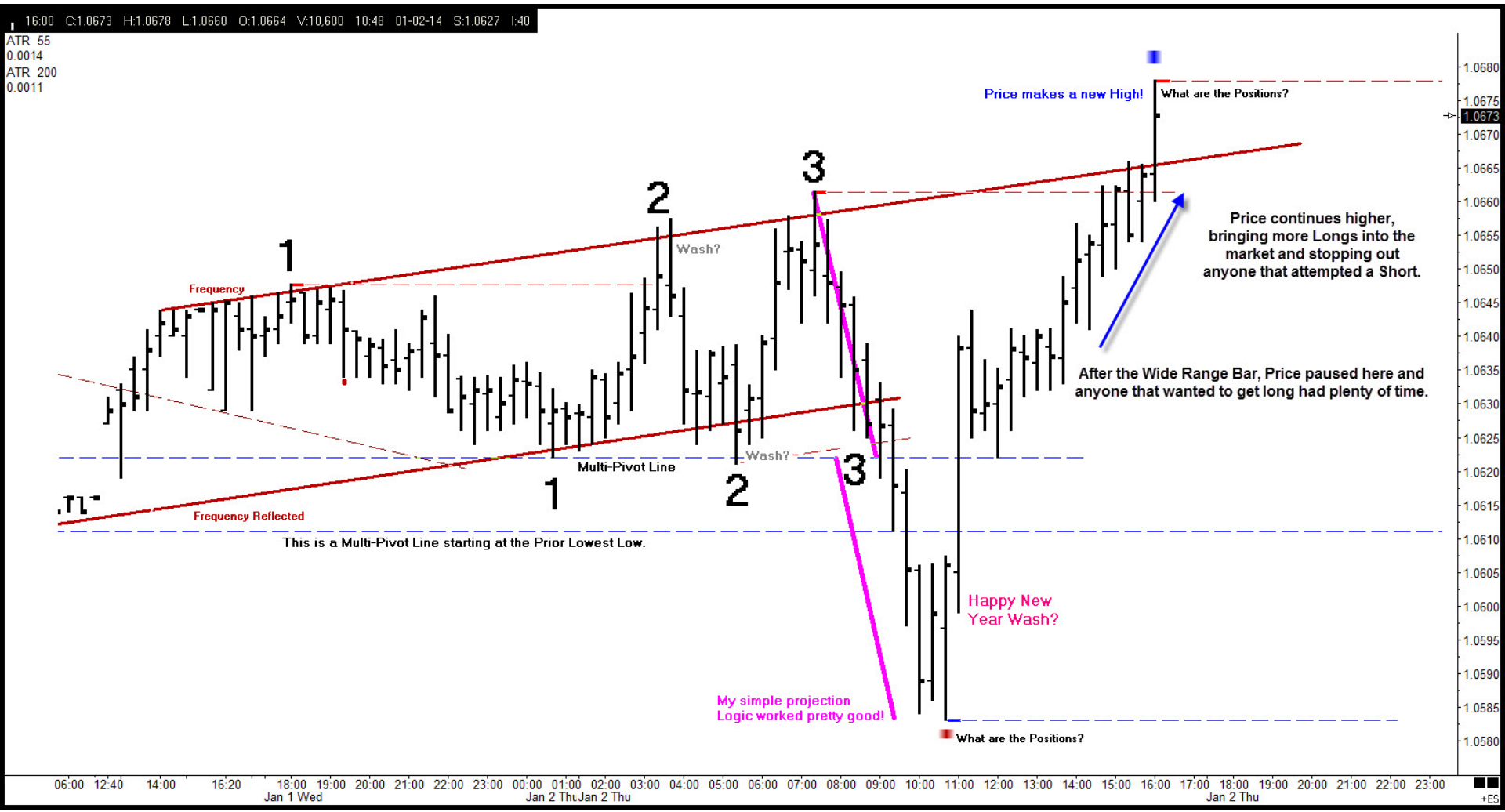


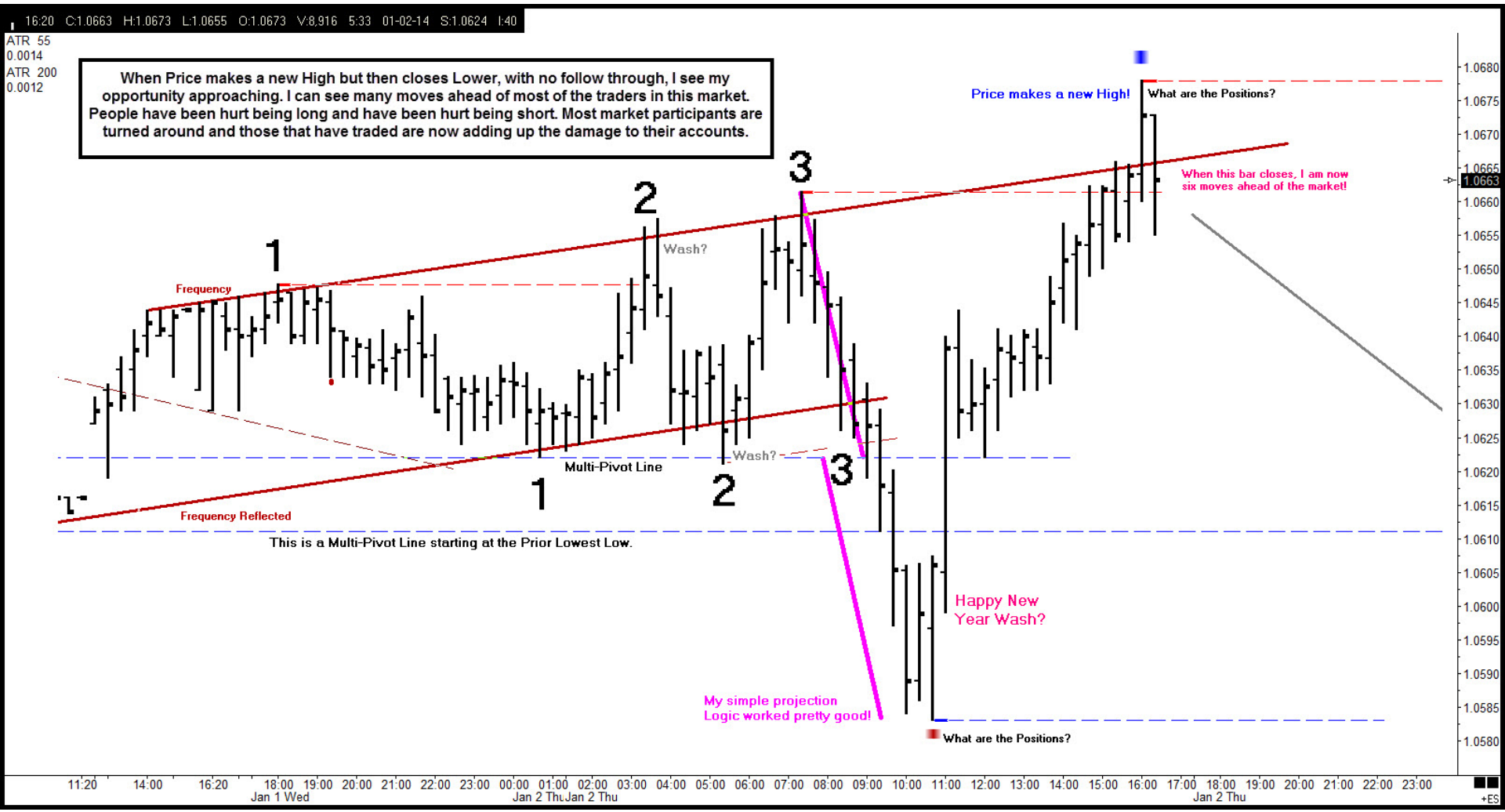
I want to see chaos! The orderly market has put people to sleep and made them careless. Remember! No one wants to begin their year or month or week with a loser. The Break Out traders have been stopped out several times and since we kept making new highs, anyone that tried a short position either got stopped out or got out of their position at Break Even. The few traders that had good Trade Location were buying near the first Multi-Pivot Line - and they were forced out of their long positions with this steep drop. No one wants a position now - they don't want another loss so early in the year. If I am patient and wait until I see I have an edge, I'll be looking for an opportunity to exploit. But bring me more Pain! Bring me more chaos! My logic is adding up, so I will be ready when I see my opportunity.

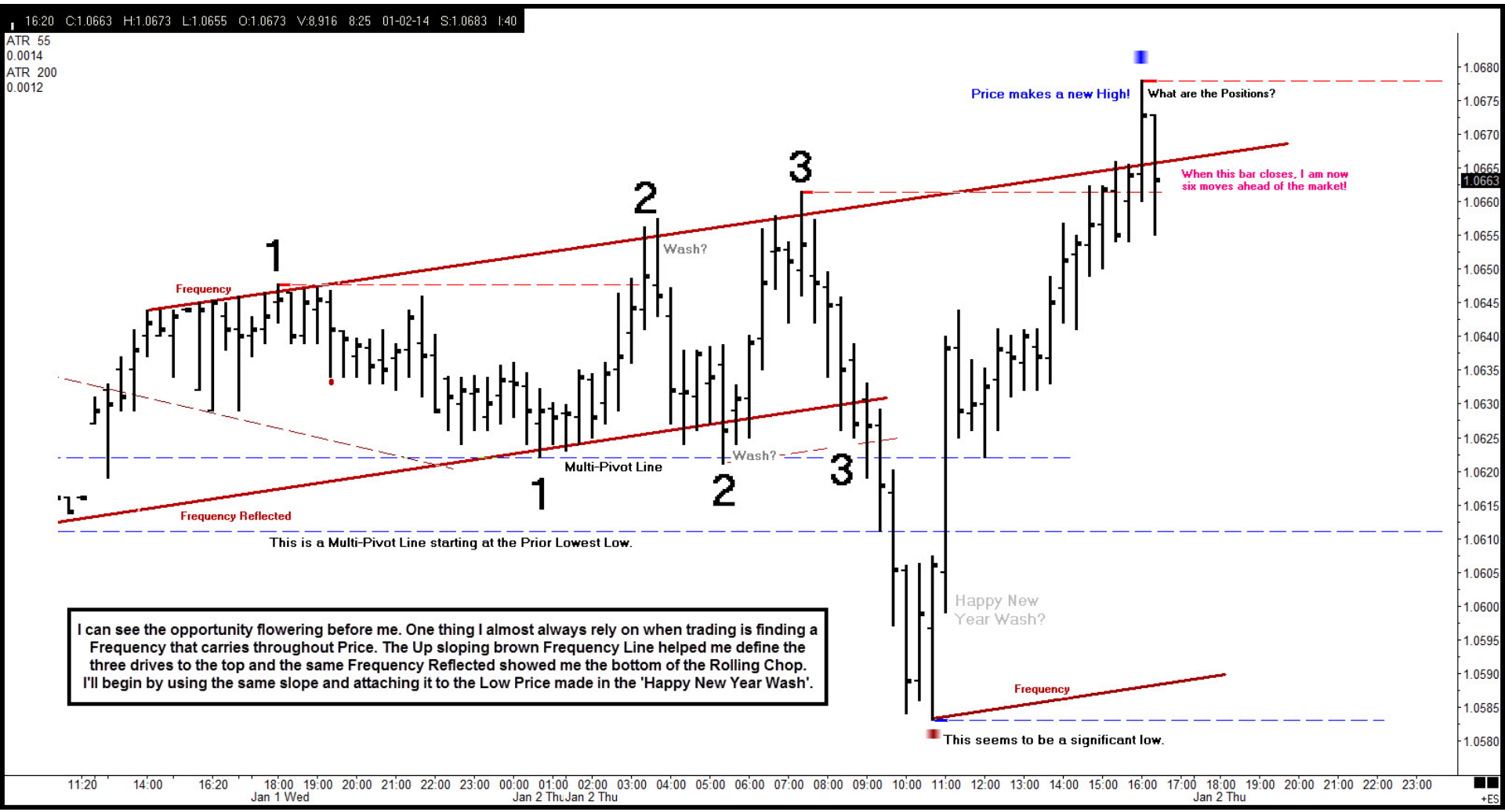

10:20 C:1.0599 H:1.0606 L:1.0586 O:1.0589 V:29,018 19:58 01-02-14 S:1.0626 I:40
ATR 55
0.0012
ATR 200
0.0011
1
2
3
Frequency
Wash?
What are the Positions?
Multi-Pivot Line
Wash?
Frequency Reflected
This is a Multi-Pivot Line starting at the Prior Lowest Low.
What if Price is suddenly here???
But I love THIS Close!
THAT's some good old fashioned PAIN!
Some traders loved this close.
What are the Positions?
As I watch the next bar print, I can see and feel where this market is heading. The path of least resistance is usually directly through the traders with poor Trade Location - the traders that either got short on a Break Out of the Prior Low or traders that got short after the Break Out because they read this steep move down as a new trend about to accelerate. I wanted to see more pain and chaos, which should then set up an opportunity with an edge for me. I see it developing now - my Logical Assumption, which should set up my opportunity, will come if the short positions have to cover and take their losses.
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
1.0600
1.0599
1.0595
1.0590
1.0585
1.0580
14:00 15:00 16:00 17:00 19:20 01:20 11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00
Dec 31 Tu Jan 1 Wed Jan 1 Wed Jan 2 Thu Jan 2 Thu Jan 2 Thu
+ES


10:40 C:1.0606 H:1.0607 L:1.0583 O:1.0597 V:23,766 7:14 01-02-14 S:1.0633 I:40
ATR 55
0.0012
ATR 200
0.0011
1
2
3
Frequency
Wash?
What are the Positions?
What if Price is suddenly here???
Multi-Pivot Line
Frequency Reflected
This is a Multi-Pivot Line starting at the Prior Lowest Low.
I love this close!
Happy New Year Wash?
THAT's some good old fashioned PAIN!
A small portion of the traders holding short positions are starting to cover. But far too many are trying to calm themselves. They are looking at the Prior Low, which had been support and they are now hoping it will be resistance. Let the Chaos and Pain begin!
Dec 31 Tu
Jan 1 Wed
Jan 2 Thu
Jan 2 Thu
Jan 2 Thu
+ES


11:00 C:1.0638 H:1.0640 L:1.0599 O:1.0605 V:24,415 9:27 01-02-14 S:1.0618 I:40
ATR 55
0.0013
ATR 200
0.0011
1
2
3
Frequency
Wash?
What are the Positions?
Price IS suddenly here!!!
Now they know
they were just washed...
Multi-Pivot Line
Frequency Reflected
This is a Multi-Pivot Line starting at the Prior Lowest Low.
Let's follow the Logic: After Price broke below the Prior Lows, Stop Loss Orders to sell were run. Break Out sellers got short as Price made new lows. Some traders thought the plunge was a new trend starting. None of the traders attempting to get short had good Trade Location - Price was too wild and the market was too thin. As soon as the panic selling dried up, everyone quickly realized that they were all short. Who would be getting long on those Wide Range Bars to the Down side? Now, with everyone short, the path of least resistance is to the Up side. Do I think this is the rally to buy? I can 'see' my likely opportunity and it has not yet come into play yet!
Happy New
Year Wash?
My simple projection
Logic worked pretty good!
What are the Positions?
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0638
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
1.0600
1.0595
1.0590
1.0585
1.0580
15:00 16:00 17:00 19:20 01:20 11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00
Dec 31 Tu Jan 1 Wed Jan 1 Wed Jan 2 Thu Jan 2 Thu Jan 2 Thu
+ES

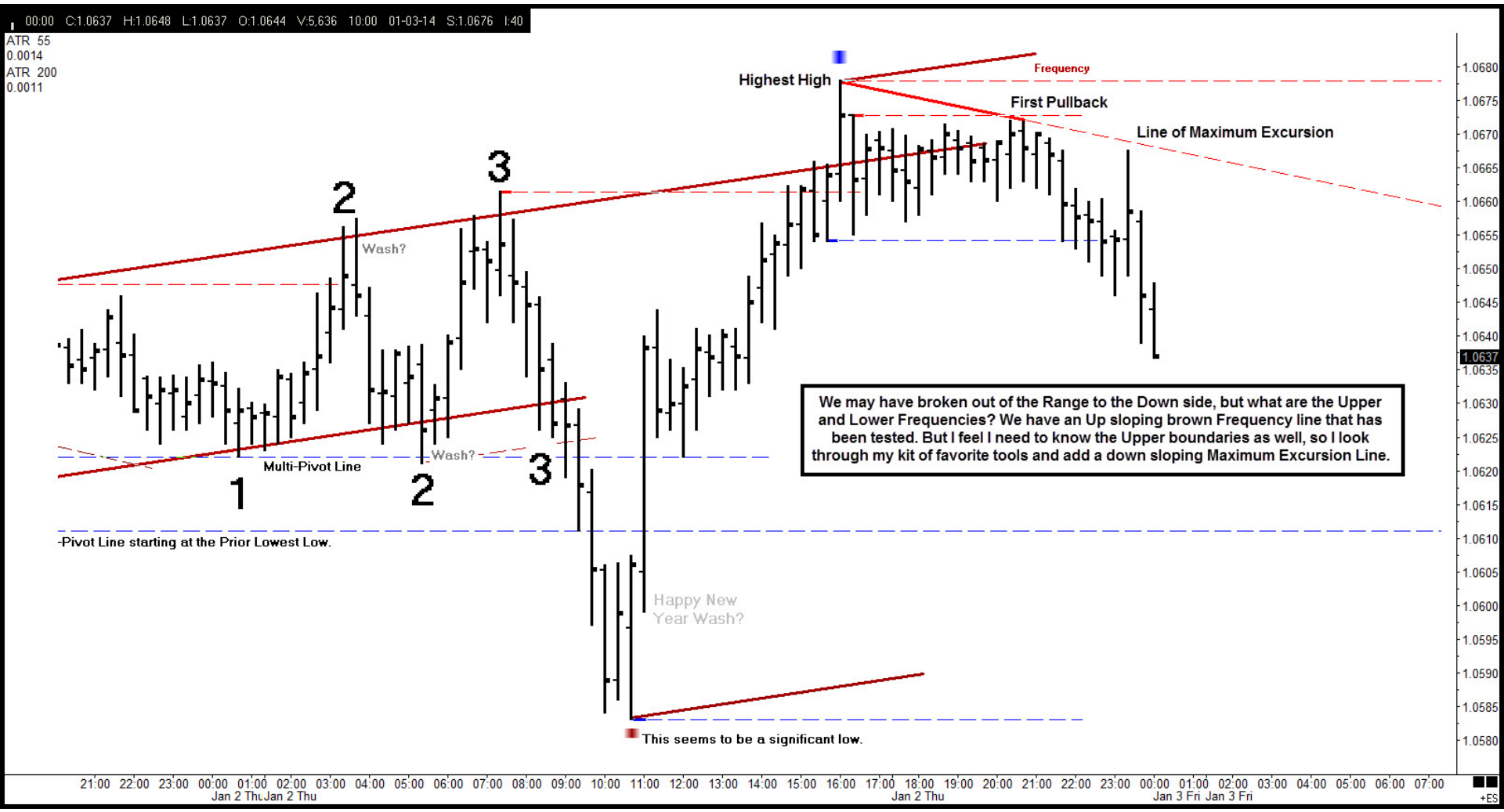

16:00 C:1.0673 H:1.0678 L:1.0660 O:1.0664 V:10,600 10:48 01-02-14 S:1.0627 I:40
ATR 55
0.0014
ATR 200
0.0011
Price makes a new High!
What are the Positions?
Price continues higher, bringing more Longs into the market and stopping out anyone that attempted a Short.
After the Wide Range Bar, Price paused here and anyone that wanted to get long had plenty of time.
1
2
3
Frequency
Wash?
Multi-Pivot Line
Frequency Reflected
This is a Multi-Pivot Line starting at the Prior Lowest Low.
Happy New Year Wash?
My simple projection Logic worked pretty good!
What are the Positions?
Jan 1 Wed
Jan 2 Thu
Jan 2 Thu
Jan 2 Thu
+ES

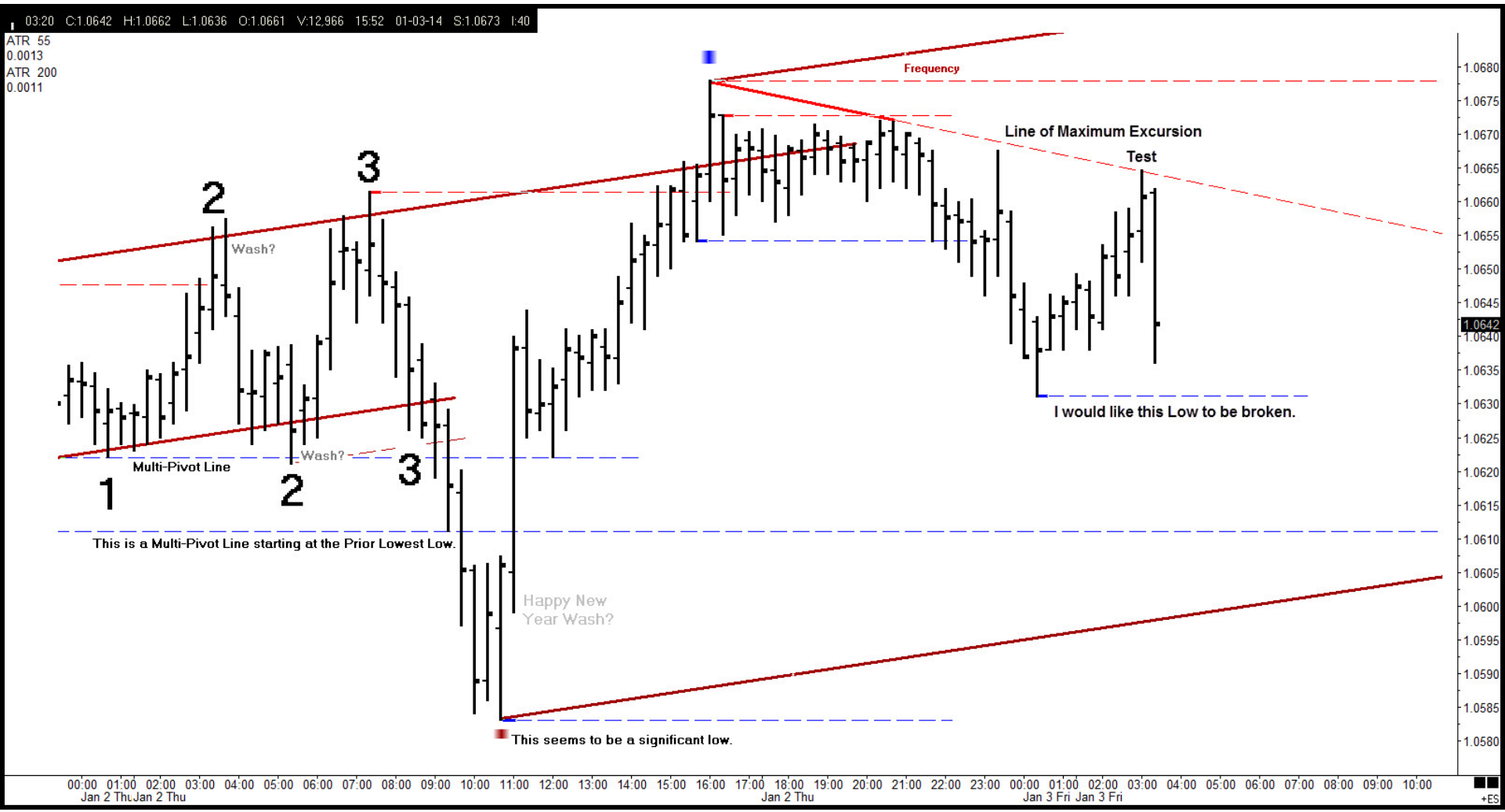

16:20 C:1.0663 H:1.0673 L:1.0655 O:1.0673 V:8,916 5:33 01-02-14 S:1.0624 I:40
ATR 55
0.0014
ATR 200
0.0012
When Price makes a new High but then closes Lower, with no follow through, I see my opportunity approaching. I can see many moves ahead of most of the traders in this market. People have been hurt being long and have been hurt being short. Most market participants are turned around and those that have traded are now adding up the damage to their accounts.
Price makes a new High!
What are the Positions?
When this bar closes, I am now six moves ahead of the market!
Frequency
Wash?
Multi-Pivot Line
Frequency Reflected
This is a Multi-Pivot Line starting at the Prior Lowest Low.
Happy New Year Wash?
My simple projection Logic worked pretty good!
What are the Positions?
1.0663
Jan 1 Wed
Jan 2 Thu
Jan 2 Thu
Jan 2 Thu
+ES

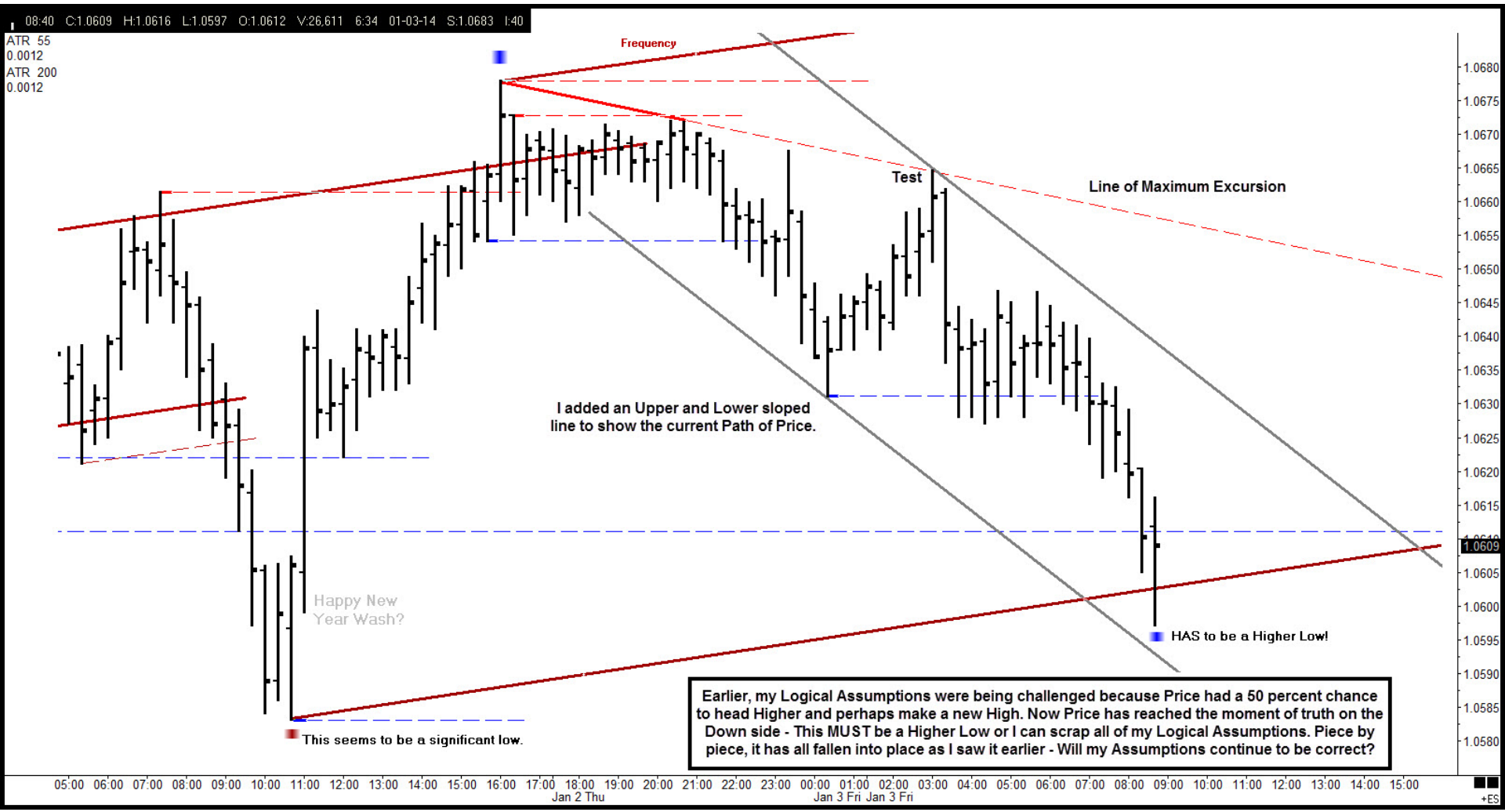

16:20 C:1.0663 H:1.0673 L:1.0655 O:1.0673 V:8,916 8:25 01-02-14 S:1.0683 I:40
ATR 55
0.0014
ATR 200
0.0012
Price makes a new High!
What are the Positions?
When this bar closes, I am now six moves ahead of the market!
1
2
3
Wash?
Frequency
Multi-Pivot Line
Wash?
1
2
3
Frequency Reflected
This is a Multi-Pivot Line starting at the Prior Lowest Low.
Happy New Year Wash?
Frequency
This seems to be a significant low.
I can see the opportunity flowering before me. One thing I almost always rely on when trading is finding a Frequency that carries throughout Price. The Up sloping brown Frequency Line helped me define the three drives to the top and the same Frequency Reflected showed me the bottom of the Rolling Chop. I'll begin by using the same slope and attaching it to the Low Price made in the 'Happy New Year Wash'.
1.0680
1.0675
1.0670
1.0665
1.0663
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
1.0600
1.0595
1.0590
1.0585
1.0580
11:20 14:00 16:20 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00
Jan 1 Wed
Jan 2 Thu
Jan 2 Thu
Jan 2 Thu
+ES

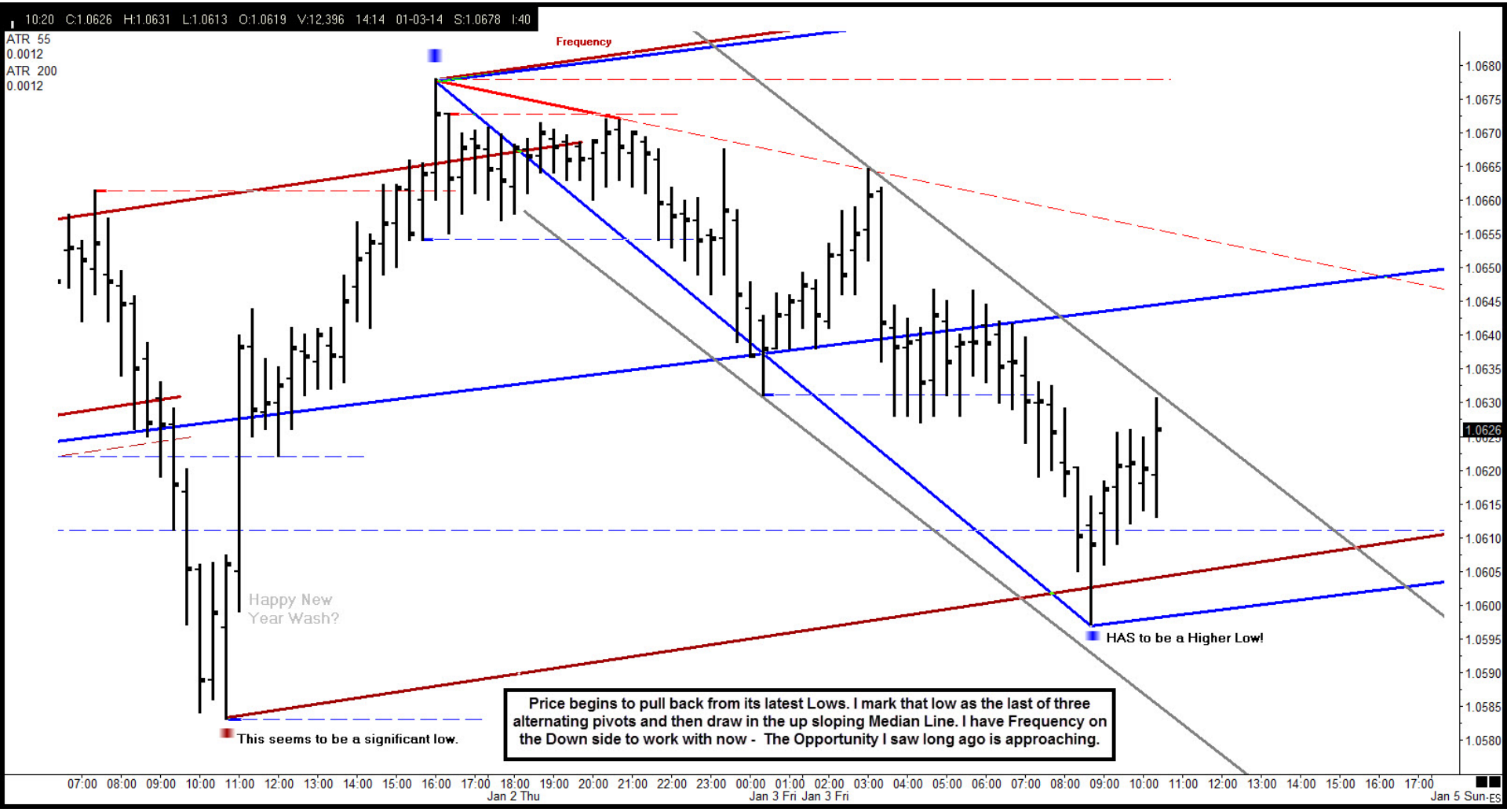
21:20 C:1.0667 H:1.0669 L:1.0661 O:1.0669 V:5,086 12:44 01-02-14 S:1.0660 I:40
ATR 55
0.0014
ATR 200
0.0011
Price makes a new High!
What are the Positions?
Frequency
1
2
3
Wash?
Multi-Pivot Line
Wash?
1
2
3
flected
This is a Multi-Pivot Line starting at the Prior Lowest Low.
After spiking higher, Price goes into a Range. I have my Logical Assumptions - But Price could break out of this Range in either direction. The problem with Logic is that you may have to scrap it if Reality unfolds different than you expected.
Happy New Year Wash?
This seems to be a significant low.
1.0667
Jan 2 Thu
Jan 2 Thu
Jan 2 Thu
Jan 3 Fri
Jan 3 Fri
+ES

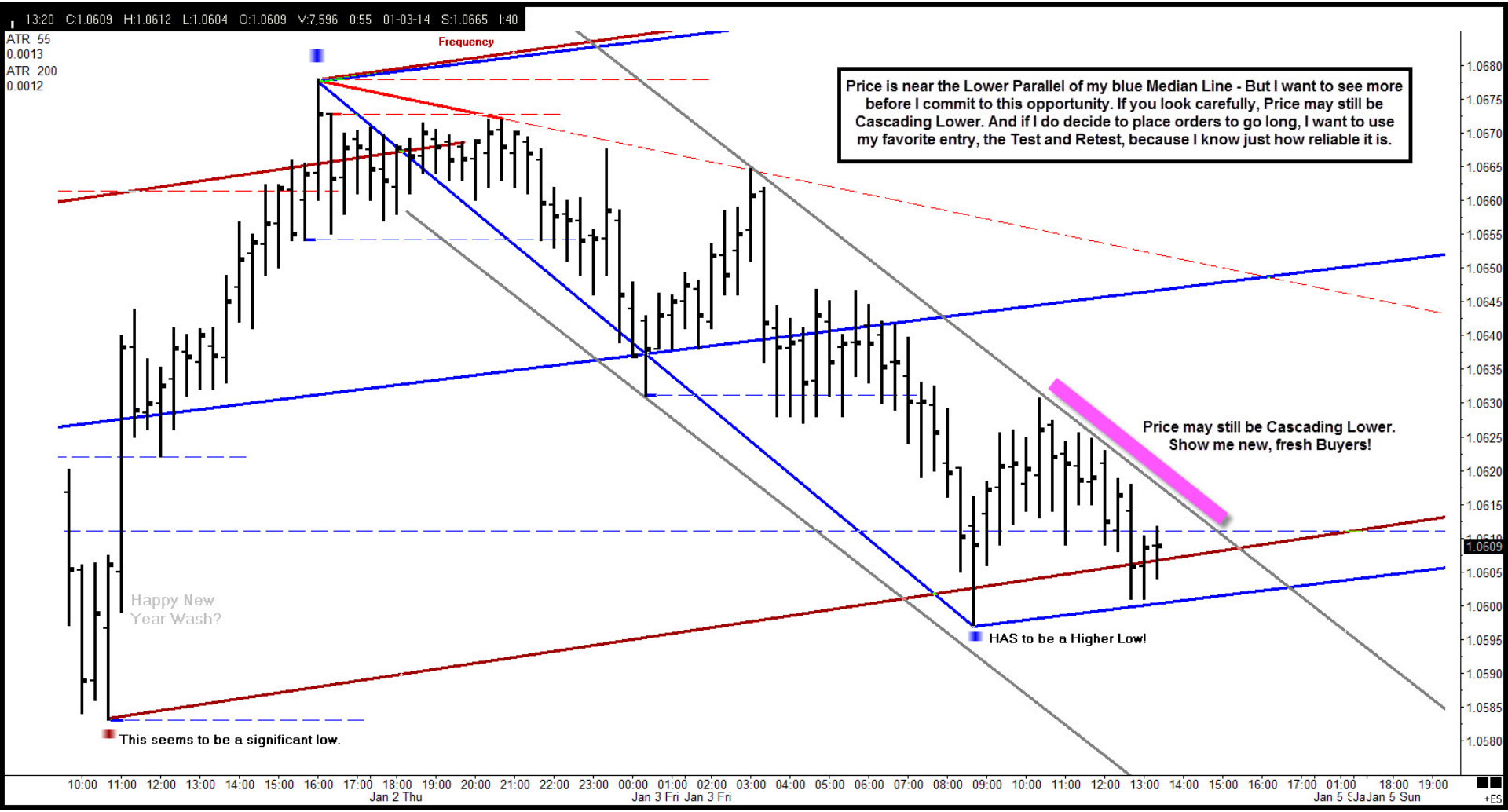
00:00 C:1.0637 H:1.0648 L:1.0637 O:1.0644 V:5,636 18:34 01-03-14 S:1.0660 I:40
ATR 55
0.0014
ATR 200
0.0011
Frequency
Price makes a new High!
What are the Positions?
3
2
Wash?
1
Multi-Pivot Line
2
Wash?
3
With two closes below the bottom of the Range, I begin to feel my opportunity is getting closer. If this opportunity unfolds and I make a trade, it will be the first trade of my year. I want all my 'comfort food' tools at hand.
-Pivot Line starting at the Prior Lowest Low.
Happy New Year Wash?
This seems to be a significant low.
1.0637
21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00
Jan 2 Thu Jan 2 Thu Jan 2 Thu Jan 3 Fri Jan 3 Fri
+ES

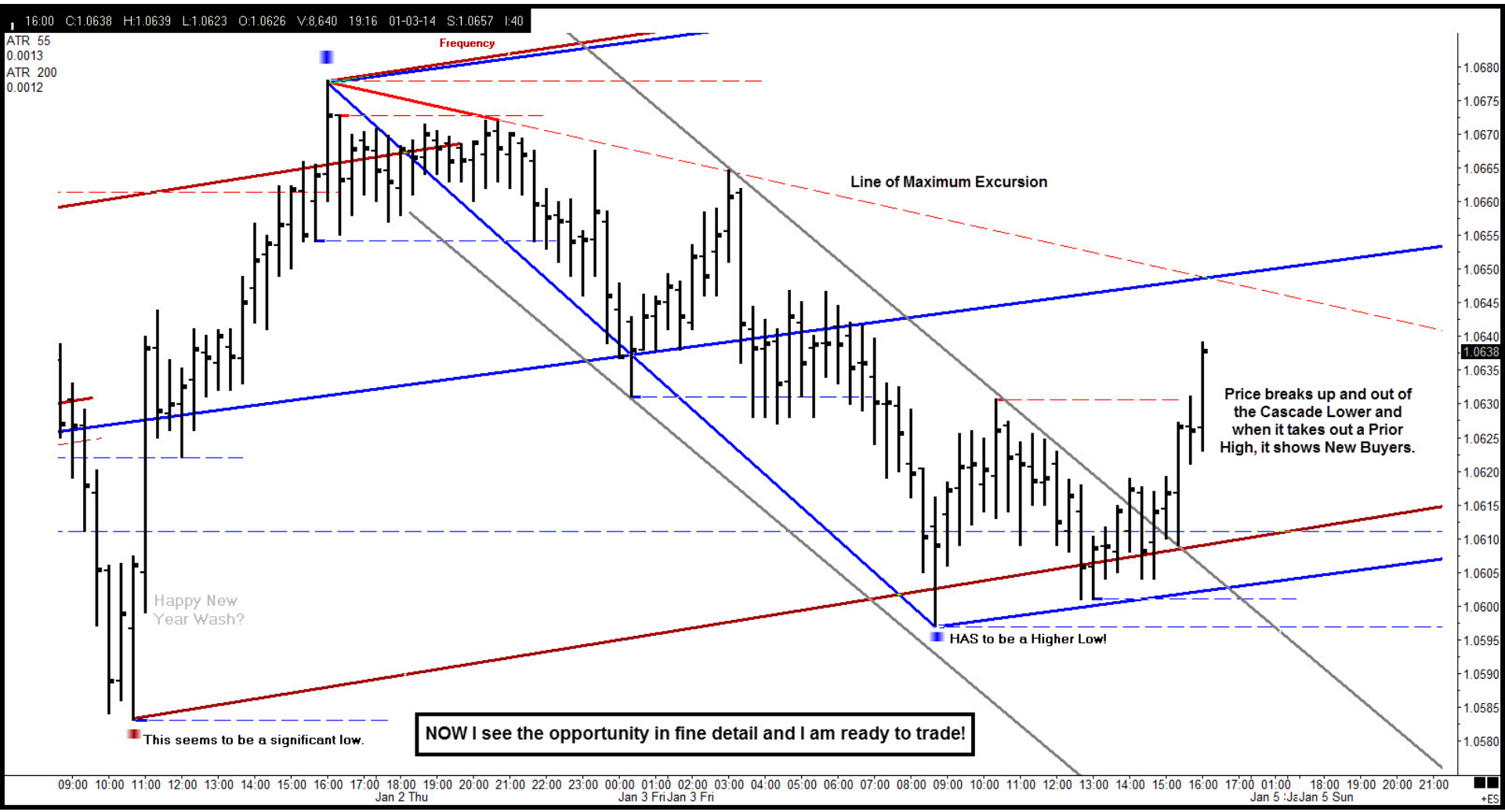

00:00 C:1.0637 H:1.0648 L:1.0637 O:1.0644 V:5,636 10:00 01-03-14 S:1.0676 I:40
ATR 55
0.0014
ATR 200
0.0011
Highest High
Frequency
First Pullback
Line of Maximum Excursion
2
3
Wash?
1
Multi-Pivot Line
2
Wash?
3
-Pivot Line starting at the Prior Lowest Low.
Happy New
Year Wash?
This seems to be a significant low.
We may have broken out of the Range to the Down side, but what are the Upper and Lower Frequencies? We have an Up sloping brown Frequency line that has been tested. But I feel I need to know the Upper boundaries as well, so I look through my kit of favorite tools and add a down sloping Maximum Excursion Line.
1.0637
Jan 2 Thu
Jan 3 Fri
+ES

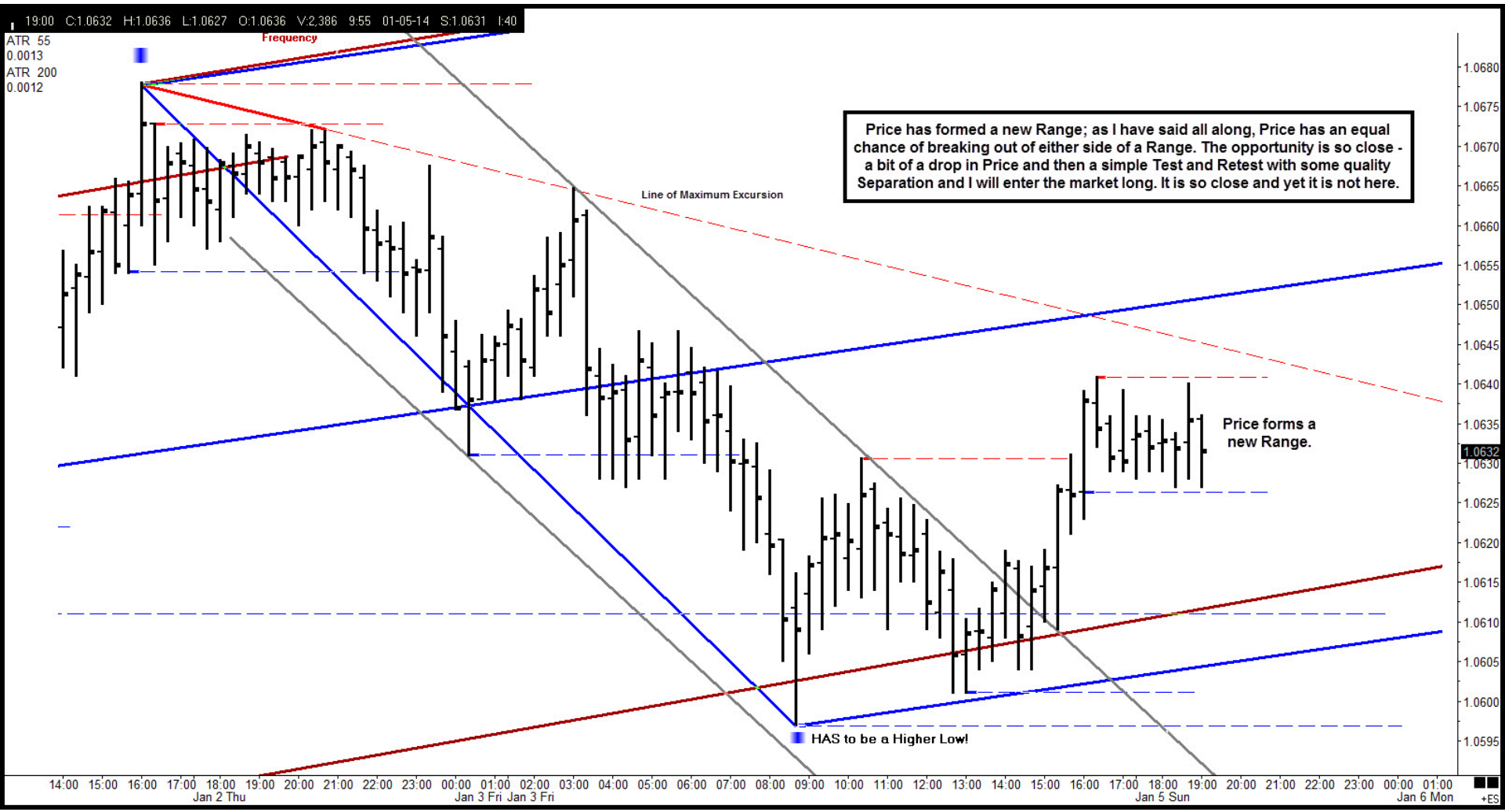

03:20 C:1.0642 H:1.0662 L:1.0636 O:1.0661 V:12,966 15:52 01-03-14 S:1.0673 I:40
ATR 55
0.0013
ATR 200
0.0011
Frequency
Line of Maximum Excursion
Test
I would like this Low to be broken.
2
3
Wash?
1
Multi-Pivot Line
2
Wash?
3
This is a Multi-Pivot Line starting at the Prior Lowest Low.
Happy New
Year Wash?
This seems to be a significant low.
1.0642
Jan 2 Thu
Jan 3 Fri
+ES

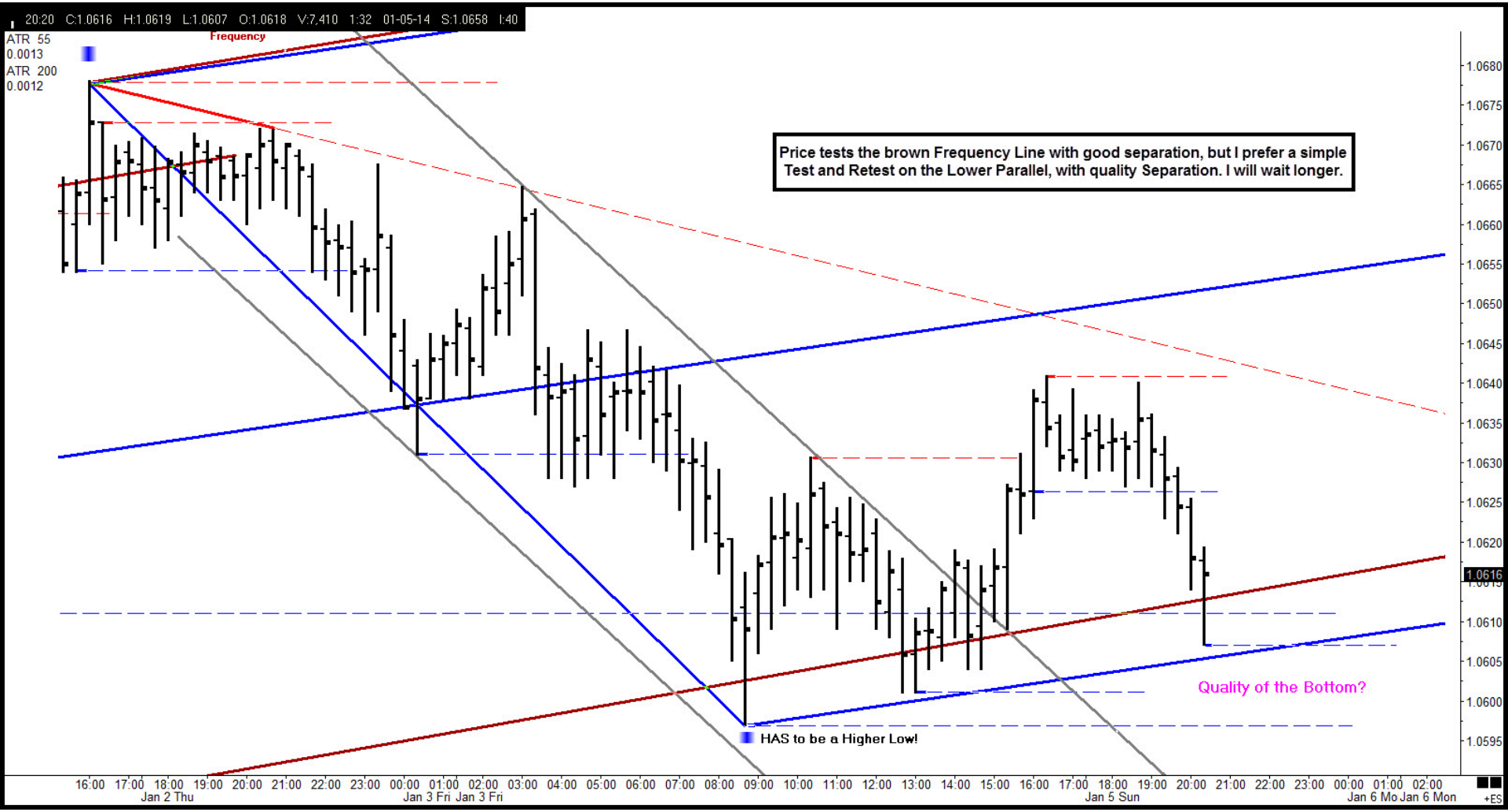

08:40 C:1.0609 H:1.0616 L:1.0597 O:1.0612 V:26,611 6:34 01-03-14 S:1.0683 I:40
ATR 55
0.0012
ATR 200
0.0012
Frequency
Test
Line of Maximum Excursion
I added an Upper and Lower sloped line to show the current Path of Price.
Happy New Year Wash?
This seems to be a significant low.
HAS to be a Higher Low!
Earlier, my Logical Assumptions were being challenged because Price had a 50 percent chance to head Higher and perhaps make a new High. Now Price has reached the moment of truth on the Down side - This MUST be a Higher Low or I can scrap all of my Logical Assumptions. Piece by piece, it has all fallen into place as I saw it earlier - Will my Assumptions continue to be correct?
1.0680
1.0675
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0609
1.0605
1.0600
1.0595
1.0590
1.0585
1.0580
05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00
Jan 2 Thu
Jan 3 Fri
Jan 3 Fri
+ES

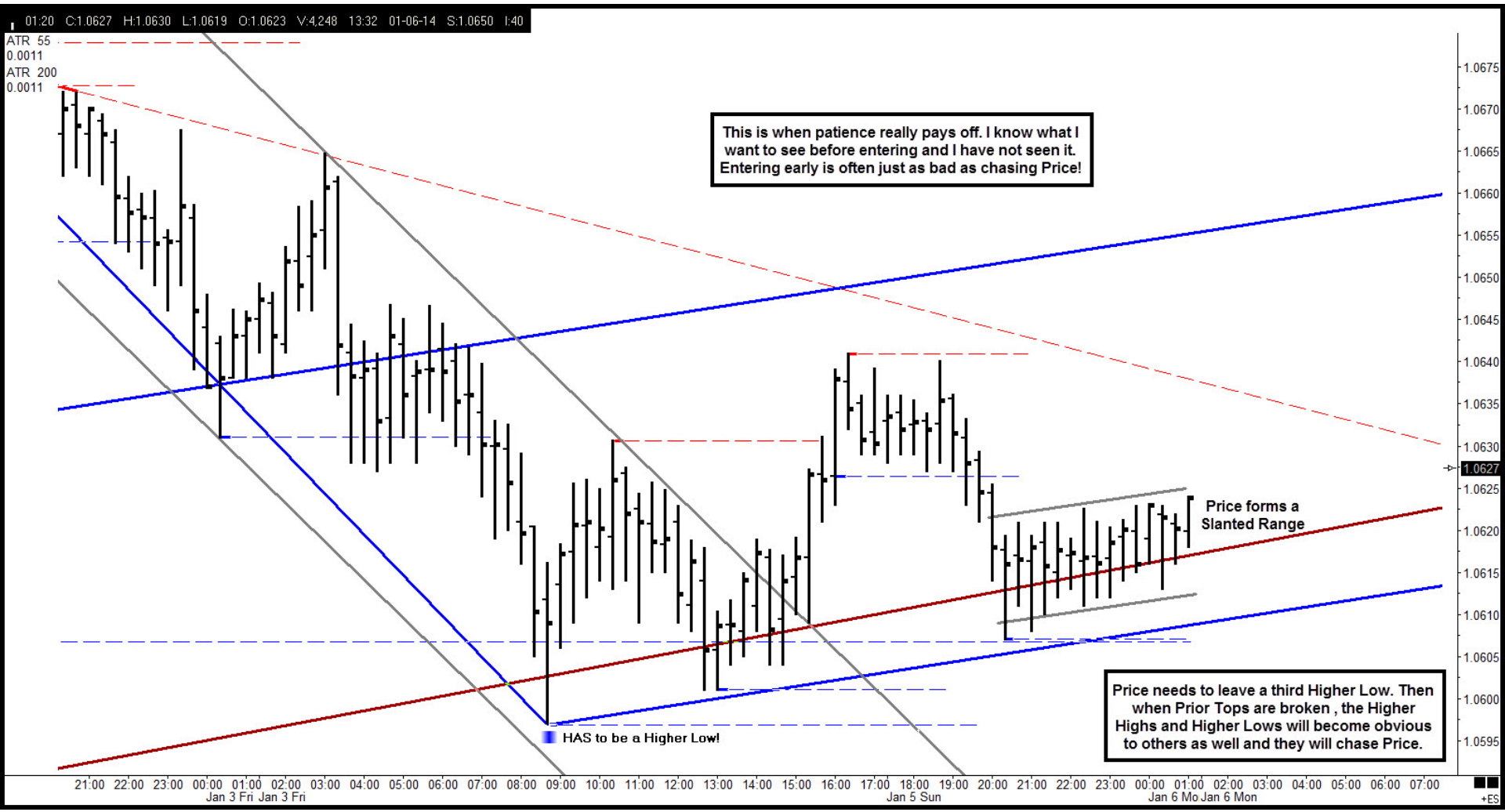

10:20 C:1.0626 H:1.0631 L:1.0613 O:1.0619 V:12,396 14:14 01-03-14 S:1.0678 I:40
ATR 55
0.0012
ATR 200
0.0012
Frequency
Happy New
Year Wash?
This seems to be a significant low.
HAS to be a Higher Low!
Price begins to pull back from its latest Lows. I mark that low as the last of three alternating pivots and then draw in the up sloping Median Line. I have Frequency on the Down side to work with now - The Opportunity I saw long ago is approaching.
1.0626
07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00
Jan 2 Thu
Jan 3 Fri
Jan 3 Fri
Jan 5 Sun-ES

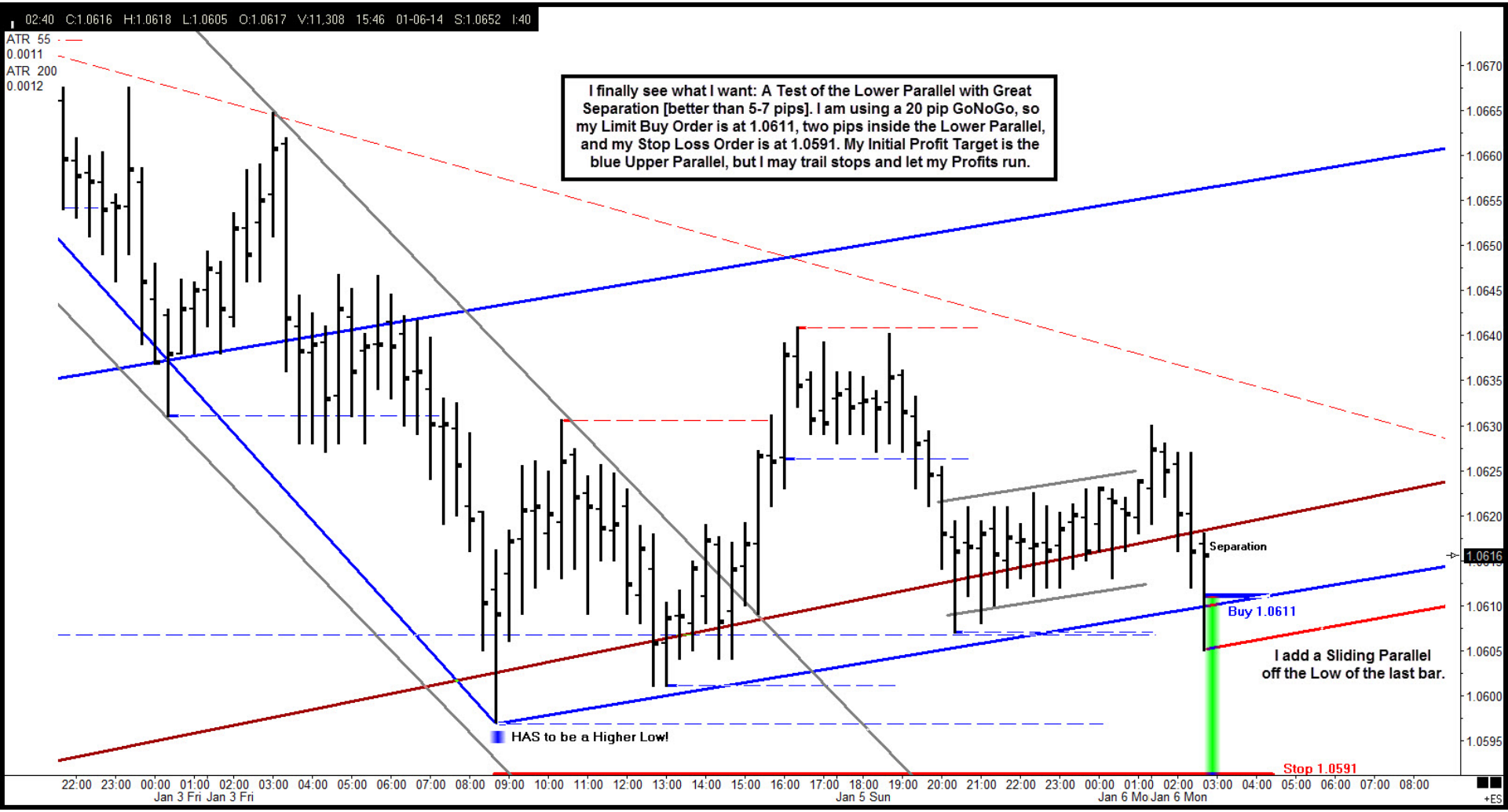

13:20 C:1.0609 H:1.0612 L:1.0604 O:1.0609 V:7,596 0:55 01-03-14 S:1.0665 I:40
ATR 55
0.0013
ATR 200
0.0012
Frequency
Price is near the Lower Parallel of my blue Median Line - But I want to see more before I commit to this opportunity. If you look carefully, Price may still be Cascading Lower. And if I do decide to place orders to go long, I want to use my favorite entry, the Test and Retest, because I know just how reliable it is.
Price may still be Cascading Lower.
Show me new, fresh Buyers!
Happy New
Year Wash?
HAS to be a Higher Low!
This seems to be a significant low.
1.0609
Jan 2 Thu
Jan 3 Fri
Jan 3 Fri
Jan 5 Sun
+ES

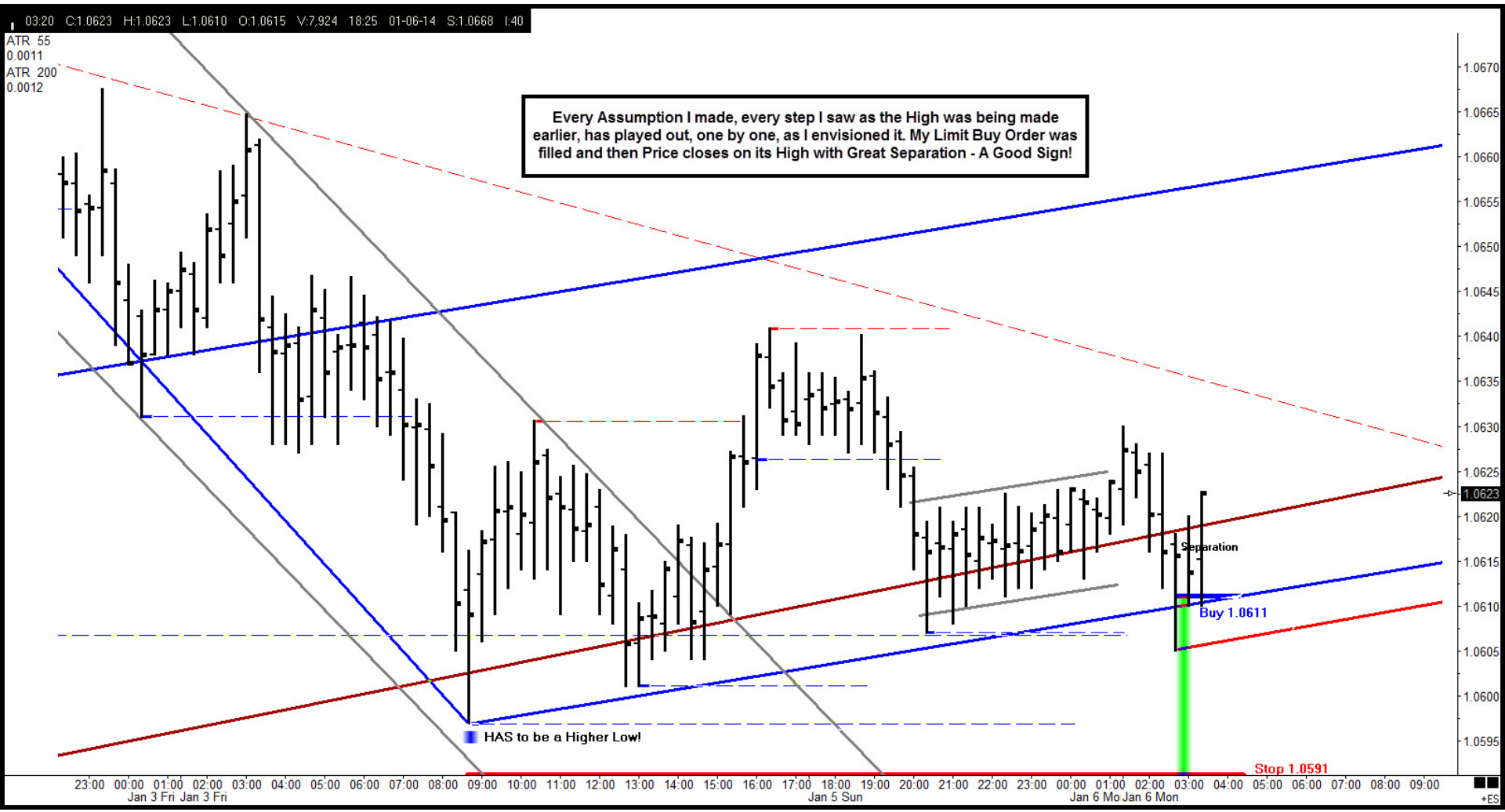

16:00 C:1.0638 H:1.0639 L:1.0623 O:1.0626 V:8,640 19:16 01-03-14 S:1.0657 I:40
ATR 55
0.0013
ATR 200
0.0012
Frequency
Line of Maximum Excursion
Price breaks up and out of the Cascade Lower and when it takes out a Prior High, it shows New Buyers.
Happy New Year Wash?
HAS to be a Higher Low!
This seems to be a significant low.
NOW I see the opportunity in fine detail and I am ready to trade!
1.0638
Jan 2 Thu
Jan 3 Fri
Jan 3 Fri
Jan 5 Sun
+ES

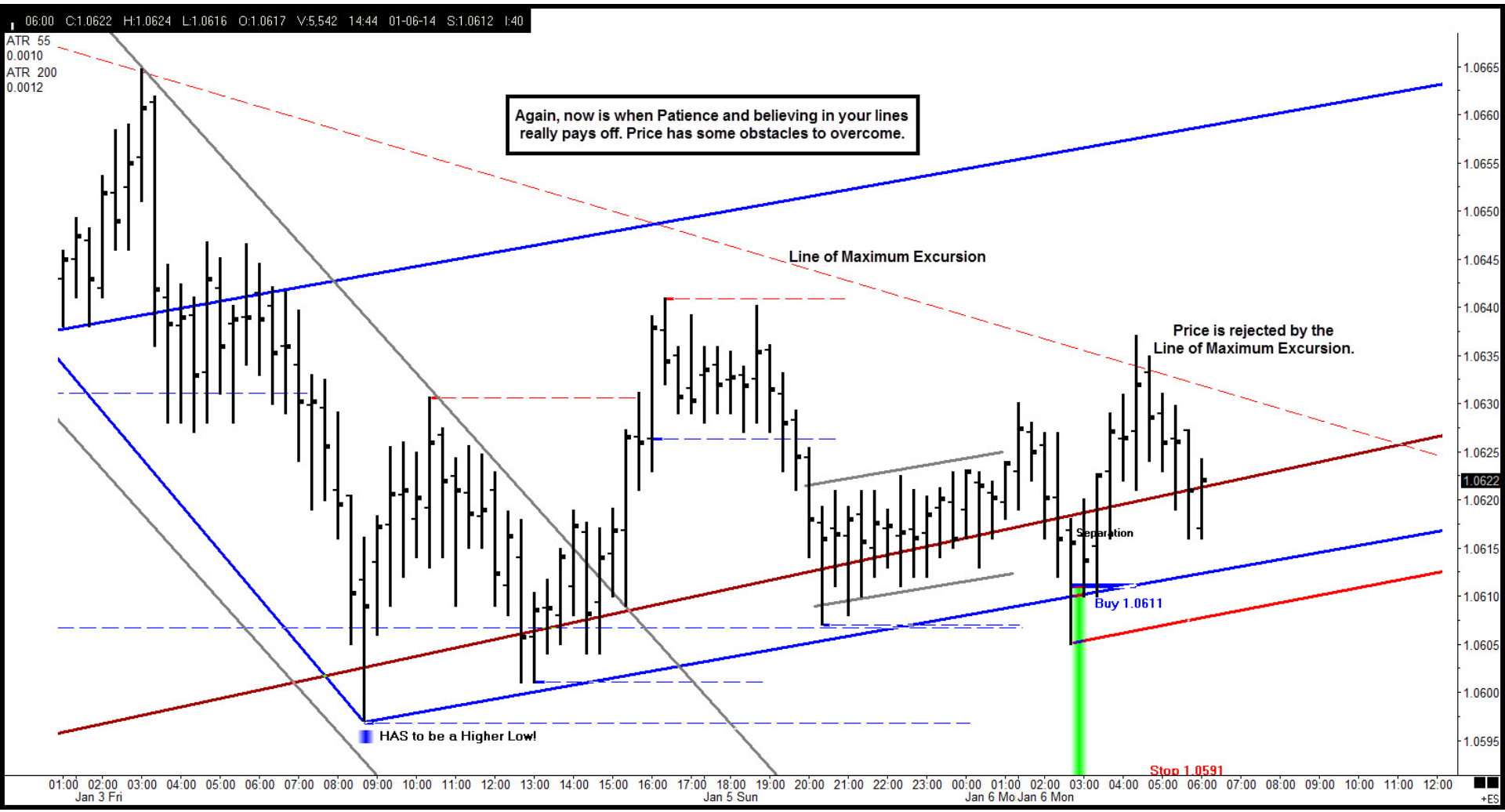

19:00 C:1.0632 H:1.0636 L:1.0627 O:1.0636 V:2,386 9:55 01-05-14 S:1.0631 I:40
ATR 55
0.0013
ATR 200
0.0012
Frequency
Line of Maximum Excursion
Price has formed a new Range; as I have said all along, Price has an equal chance of breaking out of either side of a Range. The opportunity is so close - a bit of a drop in Price and then a simple Test and Retest with some quality Separation and I will enter the market long. It is so close and yet it is not here.
Price forms a new Range.
HAS to be a Higher Low!
1.0632
Jan 2 Thu
Jan 3 Fri
Jan 3 Fri
Jan 5 Sun
Jan 6 Mon
+ES

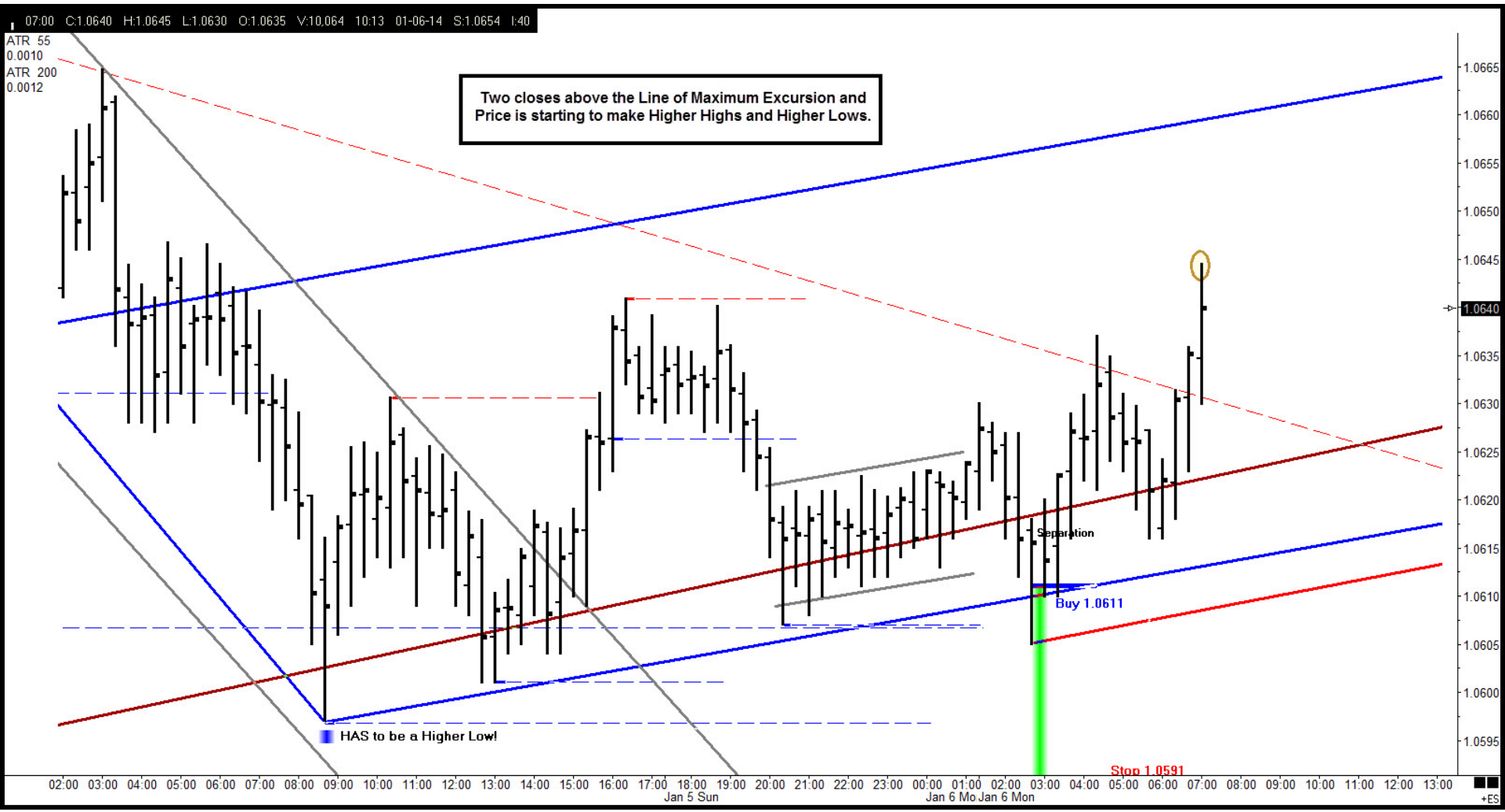

20:20 C:1.0616 H:1.0619 L:1.0607 O:1.0618 V:7,410 1:32 01-05-14 S:1.0658 I:40
ATR 55
0.0013
ATR 200
0.0012
Frequency
Price tests the brown Frequency Line with good separation, but I prefer a simple Test and Retest on the Lower Parallel, with quality Separation. I will wait longer.
Quality of the Bottom?
HAS to be a Higher Low!
1.0680
1.0675
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0616
1.0610
1.0605
1.0600
1.0595
16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00
Jan 2 Thu
Jan 3 Fri Jan 3 Fri
Jan 5 Sun
Jan 6 Mo Jan 6 Mon
+ES


01:20 C:1.0627 H:1.0630 L:1.0619 O:1.0623 V:4,248 13:32 01-06-14 S:1.0650 I:40
ATR 55
0.0011
ATR 200
0.0011
This is when patience really pays off. I know what I want to see before entering and I have not seen it. Entering early is often just as bad as chasing Price!
Price forms a Slanted Range
HAS to be a Higher Low!
Price needs to leave a third Higher Low. Then when Prior Tops are broken , the Higher Highs and Higher Lows will become obvious to others as well and they will chase Price.
1.0627
Jan 3 Fri
Jan 5 Sun
Jan 6 Mo
Jan 6 Mon
+ES

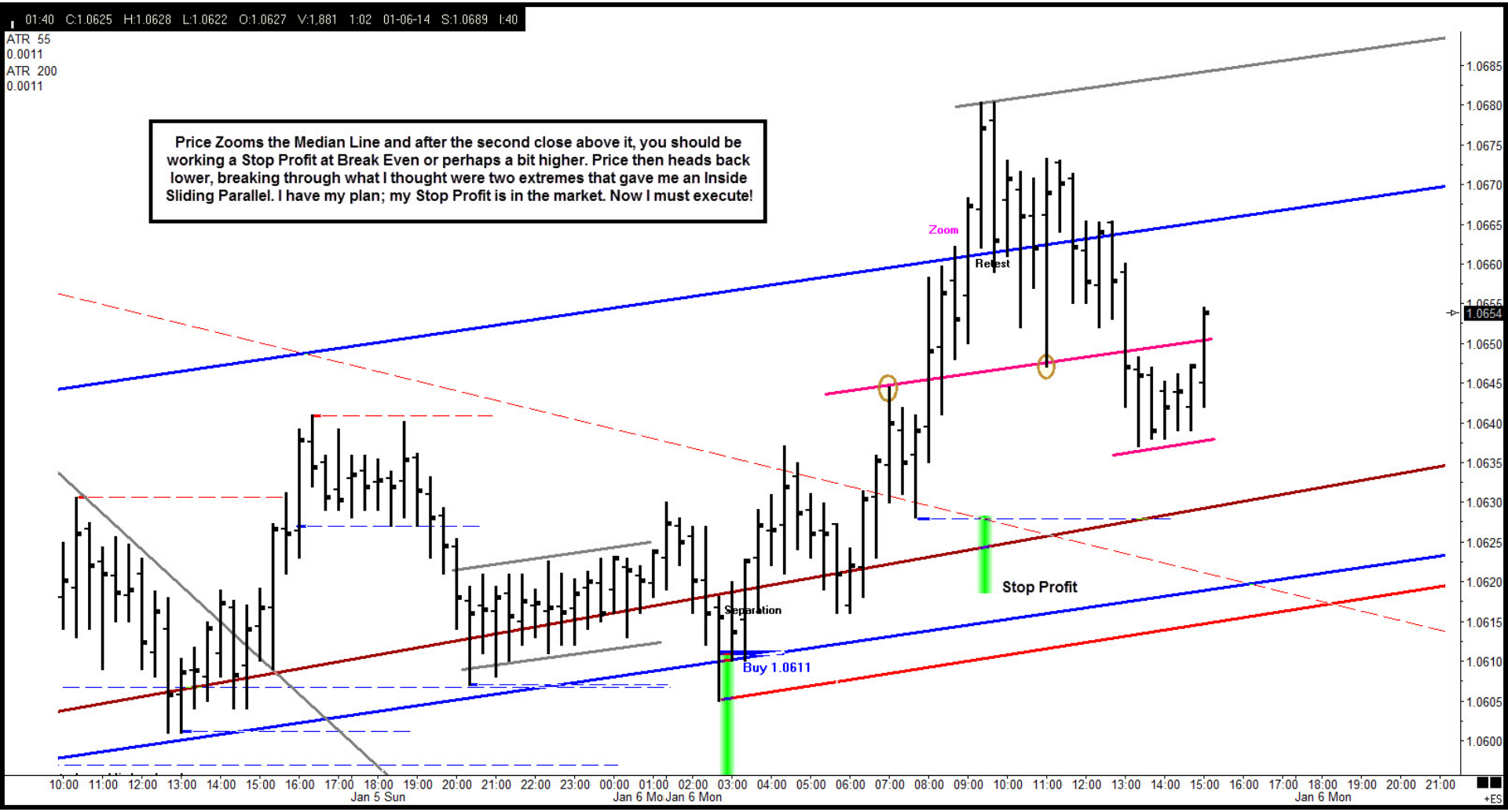

02:40 C:1.0616 H:1.0618 L:1.0605 O:1.0617 V:11,308 15:46 01-06-14 S:1.0652 I:40
ATR 55
0.0011
ATR 200
0.0012
I finally see what I want: A Test of the Lower Parallel with Great Separation [better than 5-7 pips]. I am using a 20 pip GoNoGo, so my Limit Buy Order is at 1.0611, two pips inside the Lower Parallel, and my Stop Loss Order is at 1.0591. My Initial Profit Target is the blue Upper Parallel, but I may trail stops and let my Profits run.
Separation
Buy 1.0611
I add a Sliding Parallel off the Low of the last bar.
HAS to be a Higher Low!
Stop 1.0591
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0616
1.0610
1.0605
1.0600
1.0595
22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00
Jan 3 Fri Jan 3 Fri
Jan 5 Sun
Jan 6 Mo Jan 6 Mon
+ES

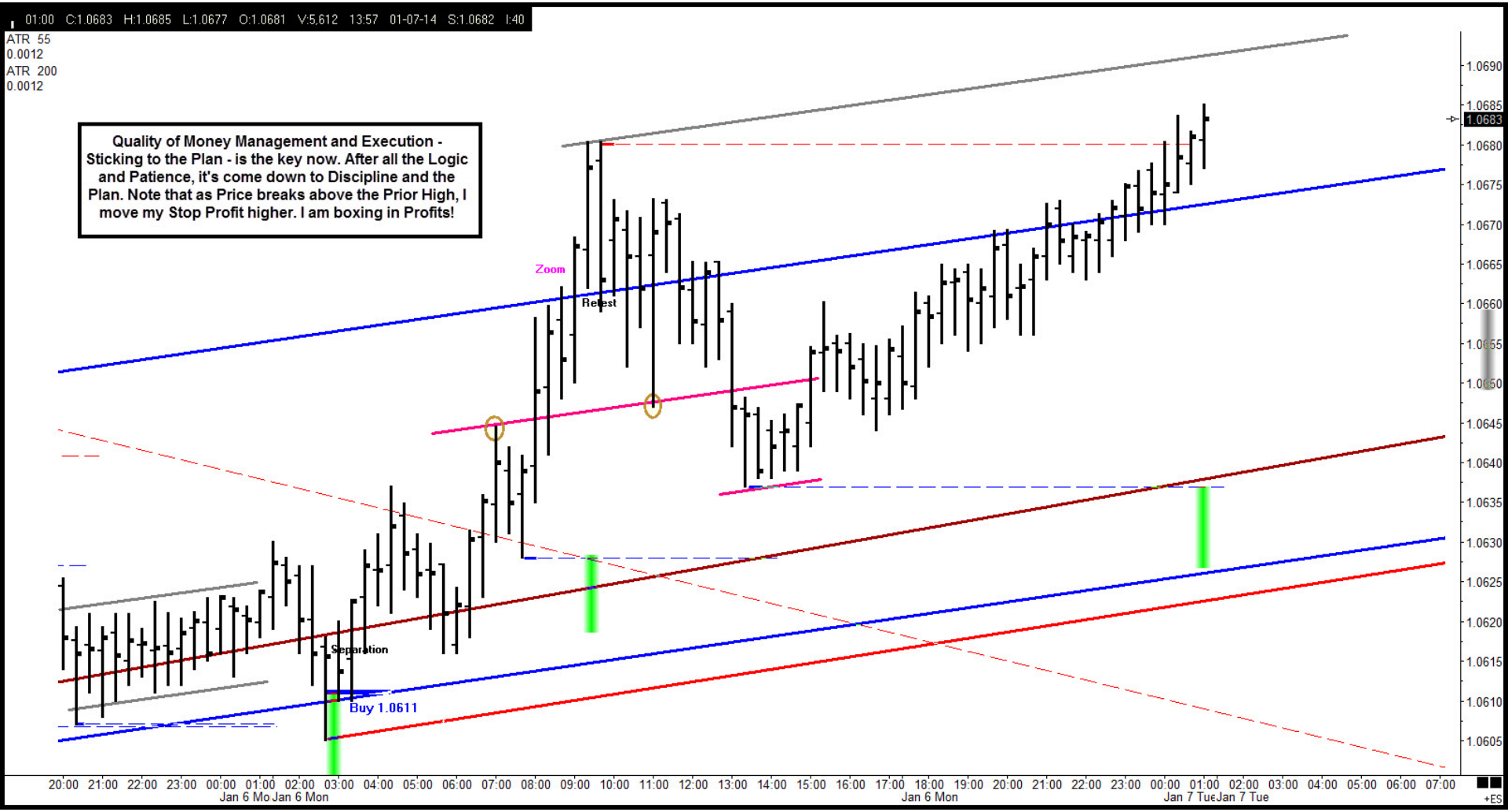

03:20 C:1.0623 H:1.0623 L:1.0610 O:1.0615 V:7,924 18:25 01-06-14 S:1.0668 I:40
ATR 55
0.0011
ATR 200
0.0012
Every Assumption I made, every step I saw as the High was being made earlier, has played out, one by one, as I envisioned it. My Limit Buy Order was filled and then Price closes on its High with Great Separation - A Good Sign!
Separation
Buy 1.0611
HAS to be a Higher Low!
Stop 1.0591
1.0623
23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00
Jan 3 Fri Jan 3 Fri
Jan 5 Sun
Jan 6 Mo Jan 6 Mon
+ES

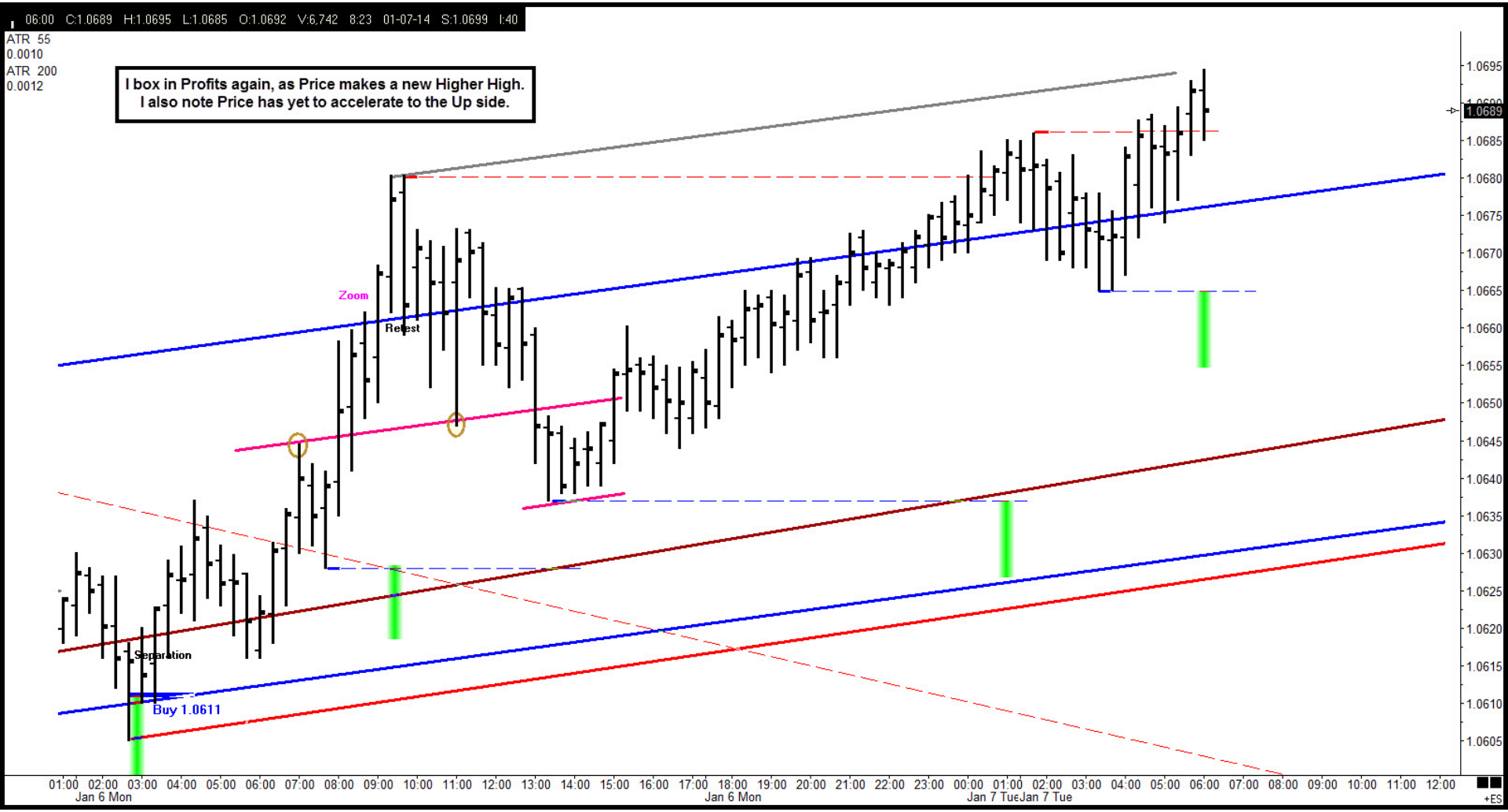

06:00 C:1.0622 H:1.0624 L:1.0616 O:1.0617 V:5,542 14:44 01-06-14 S:1.0612 I:40
ATR 55
0.0010
ATR 200
0.0012
Again, now is when Patience and believing in your lines really pays off. Price has some obstacles to overcome.
Line of Maximum Excursion
Price is rejected by the Line of Maximum Excursion.
Separation
Buy 1.0611
HAS to be a Higher Low!
Stop 1.0591
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0622
1.0620
1.0615
1.0610
1.0605
1.0600
1.0595
01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00
Jan 3 Fri
Jan 5 Sun
Jan 6 Mo Jan 6 Mon
+ES


07:00 C:1.0640 H:1.0645 L:1.0630 O:1.0635 V:10,064 10:13 01-06-14 S:1.0654 I:40
ATR 55
0.0010
ATR 200
0.0012
Two closes above the Line of Maximum Excursion and
Price is starting to make Higher Highs and Higher Lows.
Separation
Buy 1.0611
HAS to be a Higher Low!
Stop 1.0591
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
1.0600
1.0595
02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00
Jan 5 Sun
Jan 6 Mo Jan 6 Mon
+ES

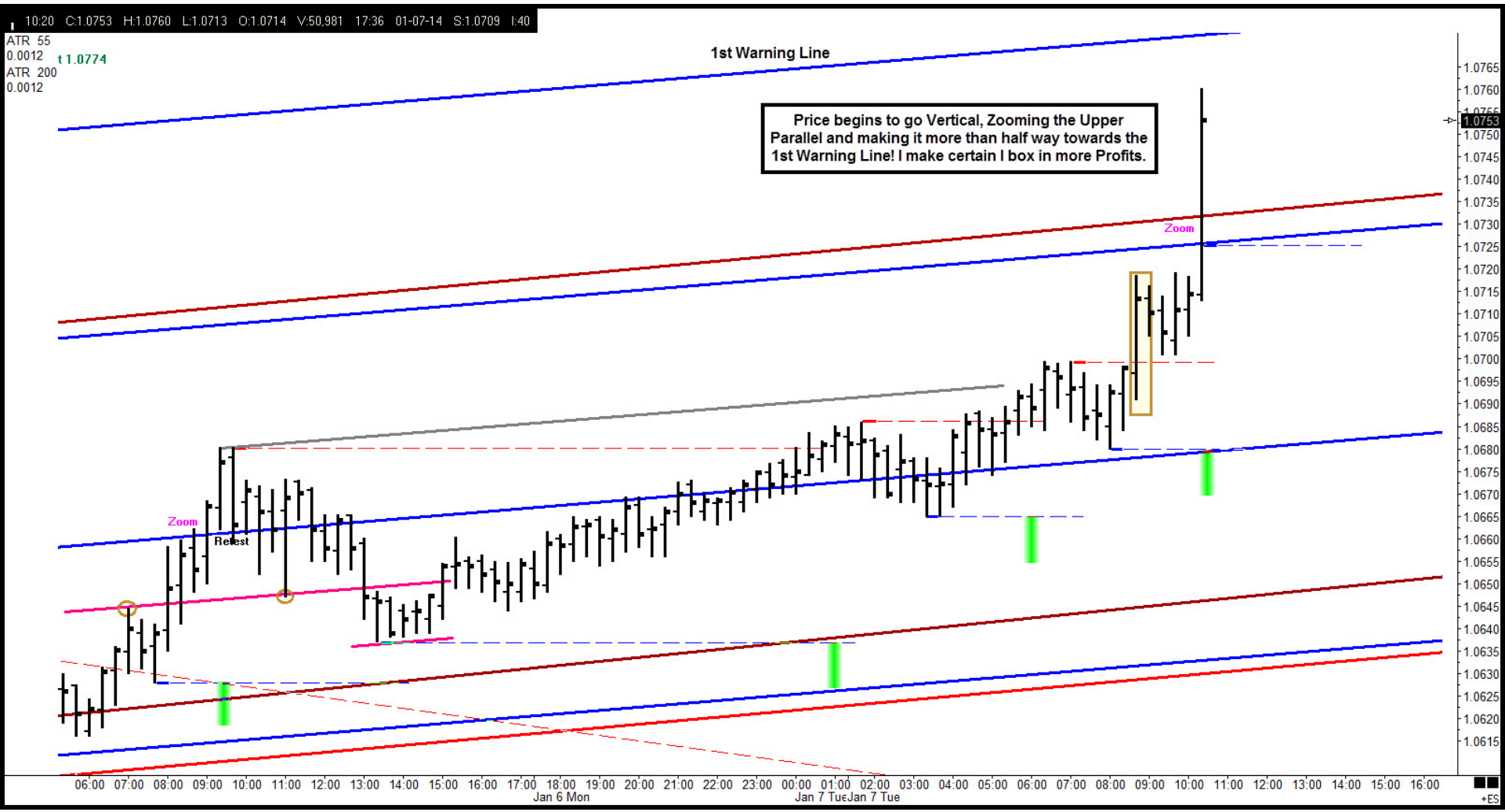
09:00 C:1.0667 H:1.0668 L:1.0650 O:1.0656 V:13,046 7:02 01-06-14 S:1.0670 I:40
ATR 55
0.0011
ATR 200
0.0012
Price goes nearly Vertical and Zooms the Median Line. Traders with a smaller account [less than $500,000] should move their stop to Break Even.
Zoom
After a Zoom, I expect a Retest.
Separation
Buy 1.0611
HAS to be a Higher Low!
Stop 1.0591
1.0670
1.0667
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
1.0600
1.0595
04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00
Jan 5 Sun
Jan 6 Mo Jan 6 Mon
+ES

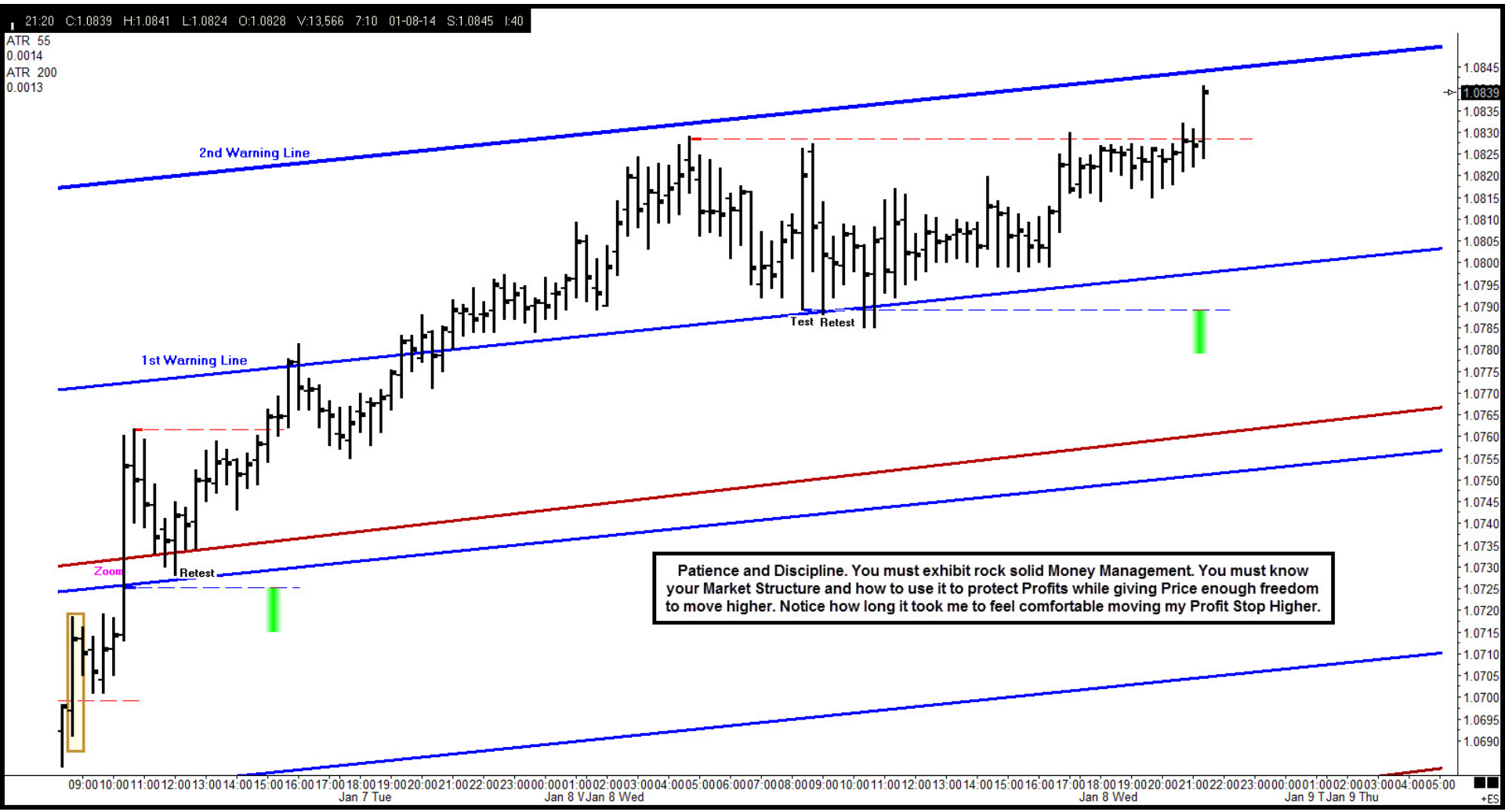

01:40 C:1.0625 H:1.0628 L:1.0622 O:1.0627 V:1,881 1:02 01-06-14 S:1.0689 I:40
ATR 55
0.0011
ATR 200
0.0011
Price Zooms the Median Line and after the second close above it, you should be working a Stop Profit at Break Even or perhaps a bit higher. Price then heads back lower, breaking through what I thought were two extremes that gave me an Inside Sliding Parallel. I have my plan; my Stop Profit is in the market. Now I must execute!
Zoom
Retest
Stop Profit
Separation
Buy 1.0611
1.0685
1.0680
1.0675
1.0670
1.0665
1.0660
1.0654
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
1.0600
10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00
Jan 5 Sun
Jan 6 Mo Jan 6 Mon
Jan 6 Mon
+ES

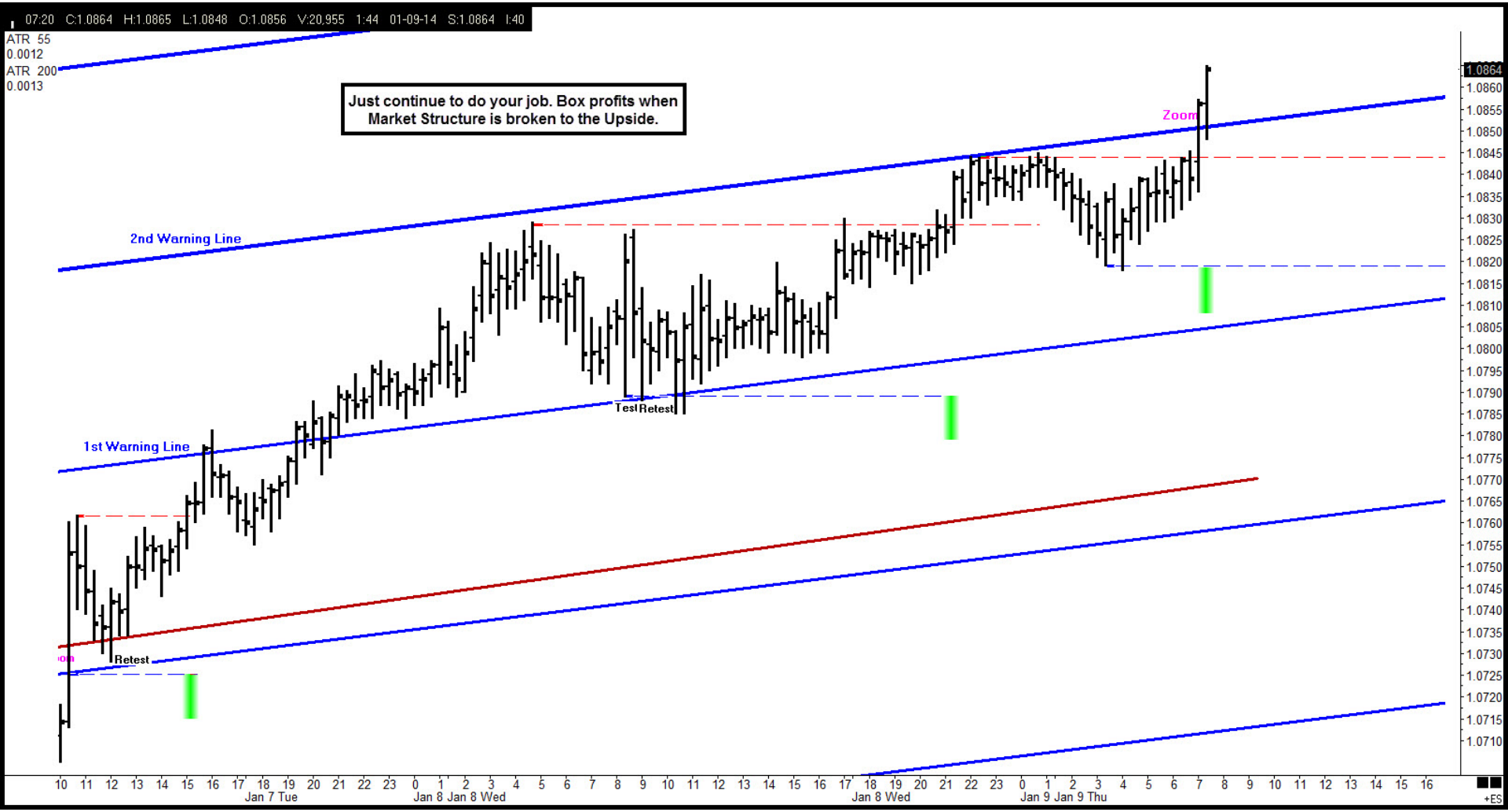

01:00 C:1.0683 H:1.0685 L:1.0677 O:1.0681 V:5,612 13:57 01-07-14 S:1.0682 I:40
ATR 55
0.0012
ATR 200
0.0012
Quality of Money Management and Execution - Sticking to the Plan - is the key now. After all the Logic and Patience, it's come down to Discipline and the Plan. Note that as Price breaks above the Prior High, I move my Stop Profit higher. I am boxing in Profits!
Zoom
Retest
Separation
Buy 1.0611
1.0690
1.0685
1.0683
1.0680
1.0675
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00
Jan 6 Mo Jan 6 Mon
Jan 6 Mon
Jan 7 Tue Jan 7 Tue
+ES

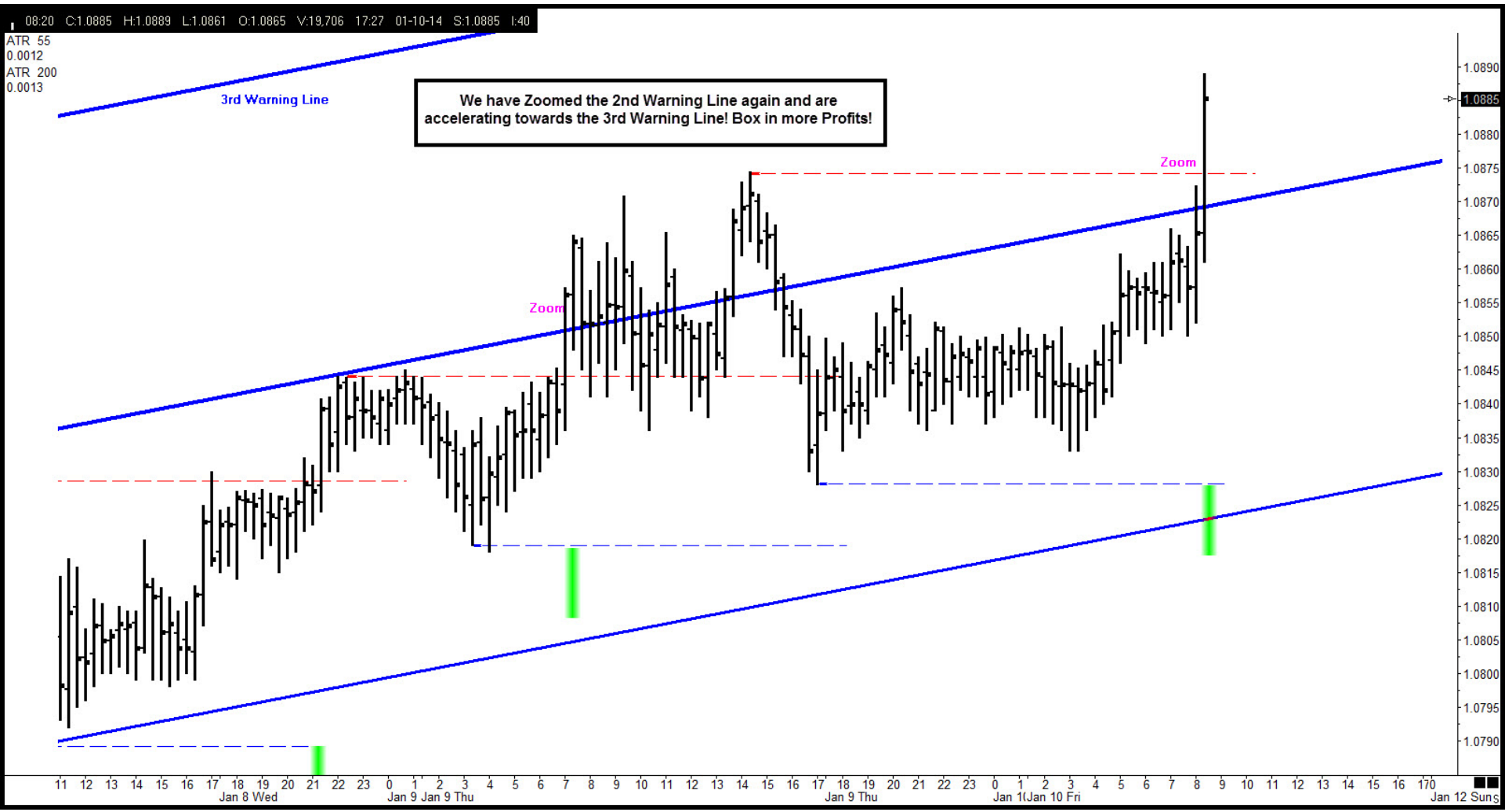

06:00 C:1.0689 H:1.0695 L:1.0685 O:1.0692 V:6,742 8:23 01-07-14 S:1.0699 I:40
ATR 55
0.0010
ATR 200
0.0012
I box in Profits again, as Price makes a new Higher High.
I also note Price has yet to accelerate to the Up side.
Zoom
Retest
Separation
Buy 1.0611
1.0695
1.0689
1.0685
1.0680
1.0675
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
1.0610
1.0605
01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00
Jan 6 Mon
Jan 6 Mon
Jan 7 Tue
Jan 7 Tue
+ES

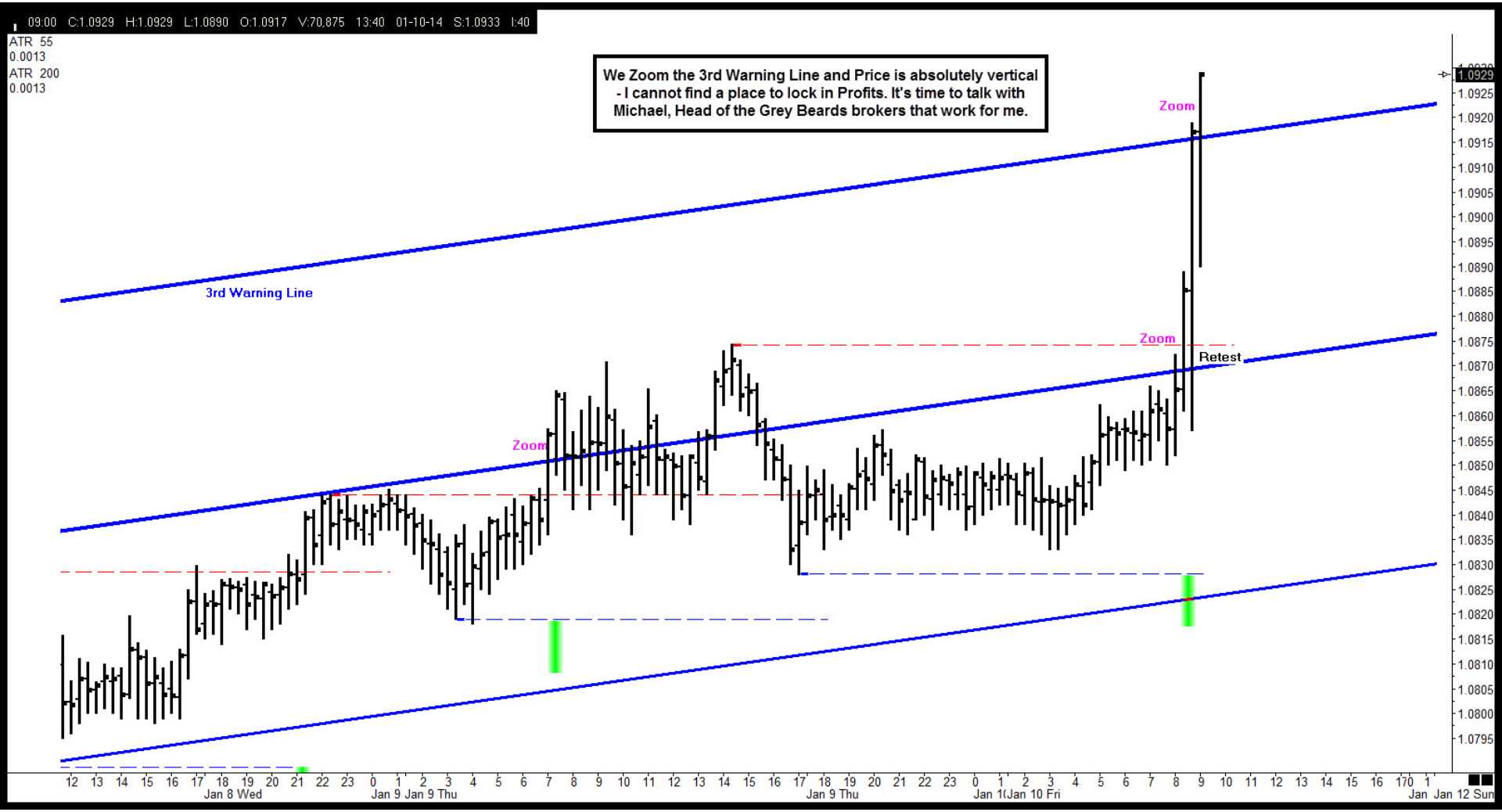
08:40 C:1.0713 H:1.0719 L:1.0691 O:1.0697 V:27,523 3:15 01-07-14 S:1.0636 I:40
ATR 55
0.0011
ATR 200
0.0012
Price is just beginning to accelerate right before the Upper Parallel. Since I have a Profit Stop trailing under Price, I will be slow to take Profits, giving Price a chance to blossom or flower.
Now Price catches fire!
Zoom
Retest
1.0720
1.0715
1.0713
1.0710
1.0705
1.0700
1.0695
1.0690
1.0685
1.0680
1.0675
1.0670
1.0665
1.0660
1.0655
1.0650
1.0645
1.0640
1.0635
1.0630
1.0625
1.0620
1.0615
04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00
Jan 6 Mon
Jan 7 TueJan 7 Tue
+ES

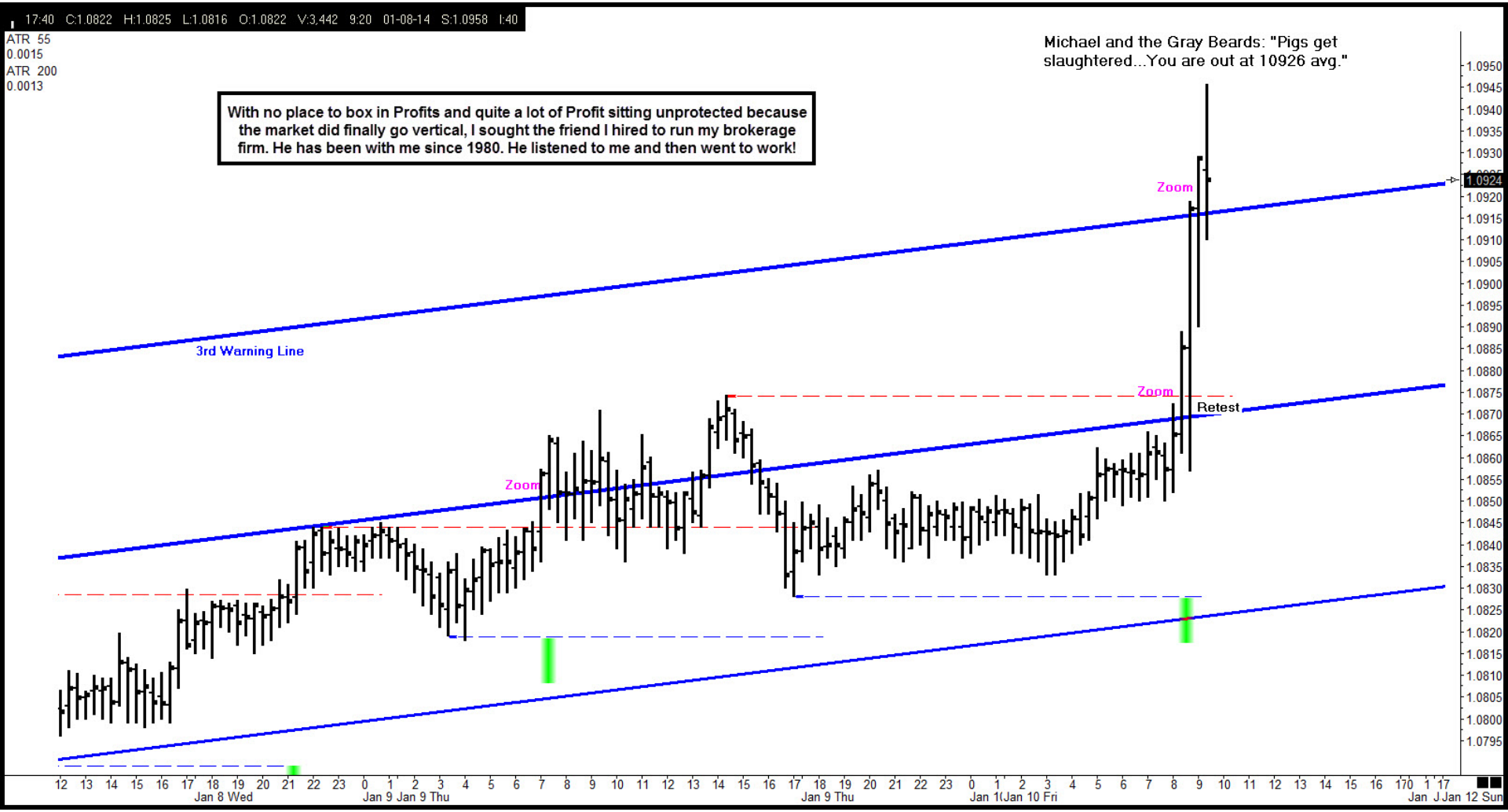

10:20 C:1.0753 H:1.0760 L:1.0713 O:1.0714 V:50,981 17:36 01-07-14 S:1.0709 I:40
ATR 55
0.0012
t 1.0774
ATR 200
0.0012
1st Warning Line
Price begins to go Vertical, Zooming the Upper Parallel and making it more than half way towards the 1st Warning Line! I make certain I box in more Profits.
Zoom
Zoom
Retest
1.0753
Jan 6 Mon
Jan 7 Tue
Jan 7 Tue
+ES

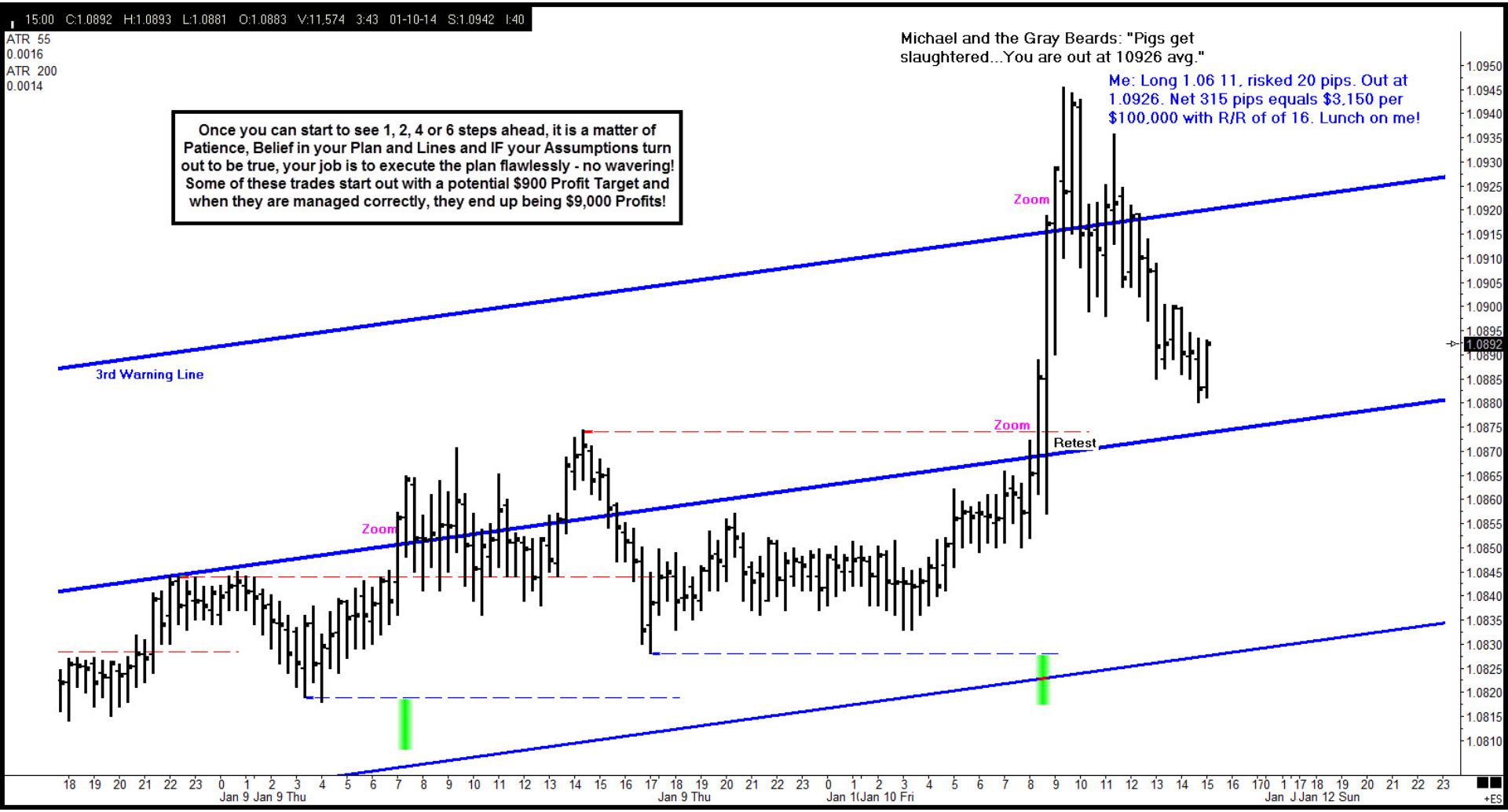

21:20 C:1.0839 H:1.0841 L:1.0824 O:1.0828 V:13,566 7:10 01-08-14 S:1.0845 I:40
ATR 55
0.0014
ATR 200
0.0013
2nd Warning Line
1st Warning Line
Test
Retest
Zoom
Retest
Patience and Discipline. You must exhibit rock solid Money Management. You must know your Market Structure and how to use it to protect Profits while giving Price enough freedom to move higher. Notice how long it took me to feel comfortable moving my Profit Stop Higher.
1.0845
1.0839
1.0835
1.0830
1.0825
1.0820
1.0815
1.0810
1.0805
1.0800
1.0795
1.0790
1.0785
1.0780
1.0775
1.0770
1.0765
1.0760
1.0755
1.0750
1.0745
1.0740
1.0735
1.0730
1.0725
1.0720
1.0715
1.0710
1.0705
1.0700
1.0695
1.0690
09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00
Jan 7 Tue
Jan 8 V
Jan 8 Wed
Jan 8 Wed
Jan 9 T
Jan 9 Thu
+ES

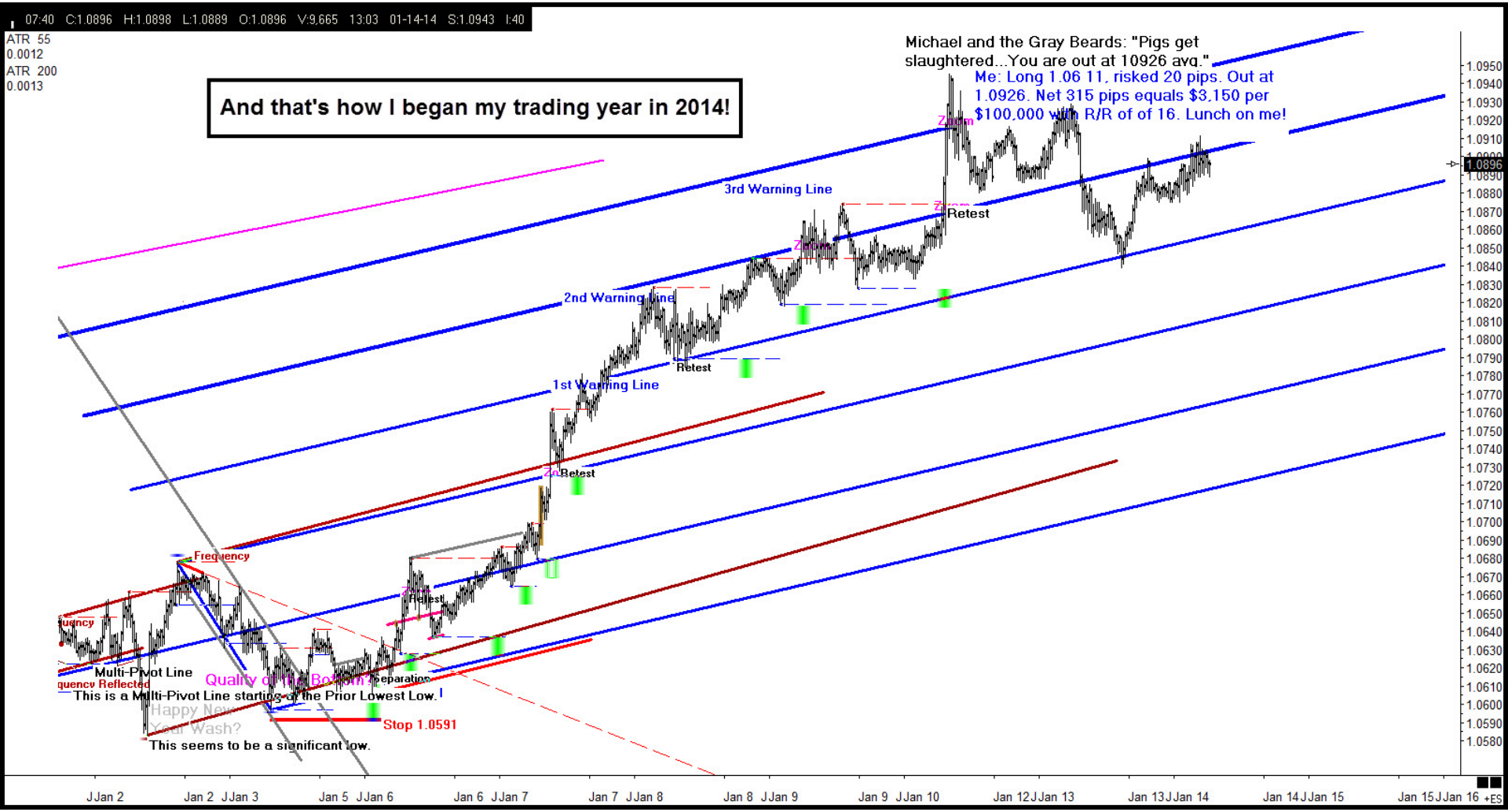

07:20 C:1.0864 H:1.0865 L:1.0848 O:1.0856 V:20,955 1:44 01-09-14 S:1.0864 I:40
ATR 55
0.0012
ATR 200
0.0013
Just continue to do your job. Box profits when Market Structure is broken to the Upside.
Zoom
2nd Warning Line
1st Warning Line
Test Retest
Retest
1.0864
1.0860
1.0855
1.0850
1.0845
1.0840
1.0835
1.0830
1.0825
1.0820
1.0815
1.0810
1.0805
1.0800
1.0795
1.0790
1.0785
1.0780
1.0775
1.0770
1.0765
1.0760
1.0755
1.0750
1.0745
1.0740
1.0735
1.0730
1.0725
1.0720
1.0715
1.0710
Jan 7 Tue
Jan 8 Jan 8 Wed
Jan 8 Wed
Jan 9 Jan 9 Thu
+ES


08:20 C:1.0885 H:1.0889 L:1.0861 O:1.0865 V:19,706 17:27 01-10-14 S:1.0885 I:40
ATR 55
0.0012
ATR 200
0.0013
3rd Warning Line
We have Zoomed the 2nd Warning Line again and are accelerating towards the 3rd Warning Line! Box in more Profits!
Zoom
Zoom
1.0885
Jan 8 Wed
Jan 9 Jan 9 Thu
Jan 9 Thu
Jan 10 Fri
Jan 12 Sun


09:00 C:1.0929 H:1.0929 L:1.0890 O:1.0917 V:70,875 13:40 01-10-14 S:1.0933 I:40
ATR 55
0.0013
ATR 200
0.0013
We Zoom the 3rd Warning Line and Price is absolutely vertical - I cannot find a place to lock in Profits. It's time to talk with Michael, Head of the Grey Beards brokers that work for me.
3rd Warning Line
Zoom
Zoom
Zoom
Retest
1.0929
Jan 8 Wed
Jan 9 Jan 9 Thu
Jan 9 Thu
Jan 1(Jan 10 Fri
Jan Jan 12 Sun


17:40 C:1.0822 H:1.0825 L:1.0816 O:1.0822 V:3,442 9:20 01-08-14 S:1.0958 I:40
ATR 55
0.0015
ATR 200
0.0013
With no place to box in Profits and quite a lot of Profit sitting unprotected because the market did finally go vertical, I sought the friend I hired to run my brokerage firm. He has been with me since 1980. He listened to me and then went to work!
Michael and the Gray Beards: "Pigs get slaughtered...You are out at 10926 avg."
3rd Warning Line
Zoom
Zoom
Zoom
Retest
1.0924
Jan 8 Wed
Jan 9 Jan 9 Thu
Jan 9 Thu
Jan 1(Jan 10 Fri
Jan J Jan 12 Sun


15:00 C:1.0892 H:1.0893 L:1.0881 O:1.0883 V:11,574 3:43 01-10-14 S:1.0942 I:40
ATR 55
0.0016
ATR 200
0.0014
Michael and the Gray Beards: "Pigs get slaughtered...You are out at 10926 avg."
Me: Long 1.06 11, risked 20 pips. Out at 1.0926. Net 315 pips equals $3,150 per $100,000 with R/R of of 16. Lunch on me!
Once you can start to see 1, 2, 4 or 6 steps ahead, it is a matter of Patience, Belief in your Plan and Lines and IF your Assumptions turn out to be true, your job is to execute the plan flawlessly - no wavering! Some of these trades start out with a potential $900 Profit Target and when they are managed correctly, they end up being $9,000 Profits!
3rd Warning Line
Zoom
Zoom
Retest
Zoom
1.0950
1.0945
1.0940
1.0935
1.0930
1.0925
1.0920
1.0915
1.0910
1.0905
1.0900
1.0895
1.0892
1.0890
1.0885
1.0880
1.0875
1.0870
1.0865
1.0860
1.0855
1.0850
1.0845
1.0840
1.0835
1.0830
1.0825
1.0820
1.0815
1.0810
Jan 9 Jan 9 Thu
Jan 9 Thu
Jan 1(Jan 10 Fri
Jan J Jan 12 Sun
+ES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ATR 55
0.0012
ATR 200
0.0013
And that's how I began my trading year in 2014!
Michael and the Gray Beards: "Pigs get slaughtered...You are out at 10926 avg."
Me: Long 1.06 11, risked 20 pips. Out at 1.0926. Net 315 pips equals $3,150 per $100,000 with R/R of of 16. Lunch on me!
3rd Warning Line
2nd Warning Line
1st Warning Line
Retest
Retest
Retest
Frequency
Multi-Pivot Line
This is a Multi-Pivot Line starting at the Prior Lowest Low.
Stop 1.0591
This seems to be a significant low.
1.0896
Jan 2
Jan 3
Jan 5
Jan 6
Jan 7
Jan 8
Jan 9
Jan 10
Jan 12
Jan 13
Jan 14
Jan 15
Jan 16

MARKETGEOMETRY™

Yarrr! There be Whales in these waters!

Thank You for taking the time to attend this session. Questions?

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®Timothy Morge

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Lessons from A Grand Master: Anticipating Key Market Moves

Presenter: Tim Morge

April 10, 2014

CME Group

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85% Electronic

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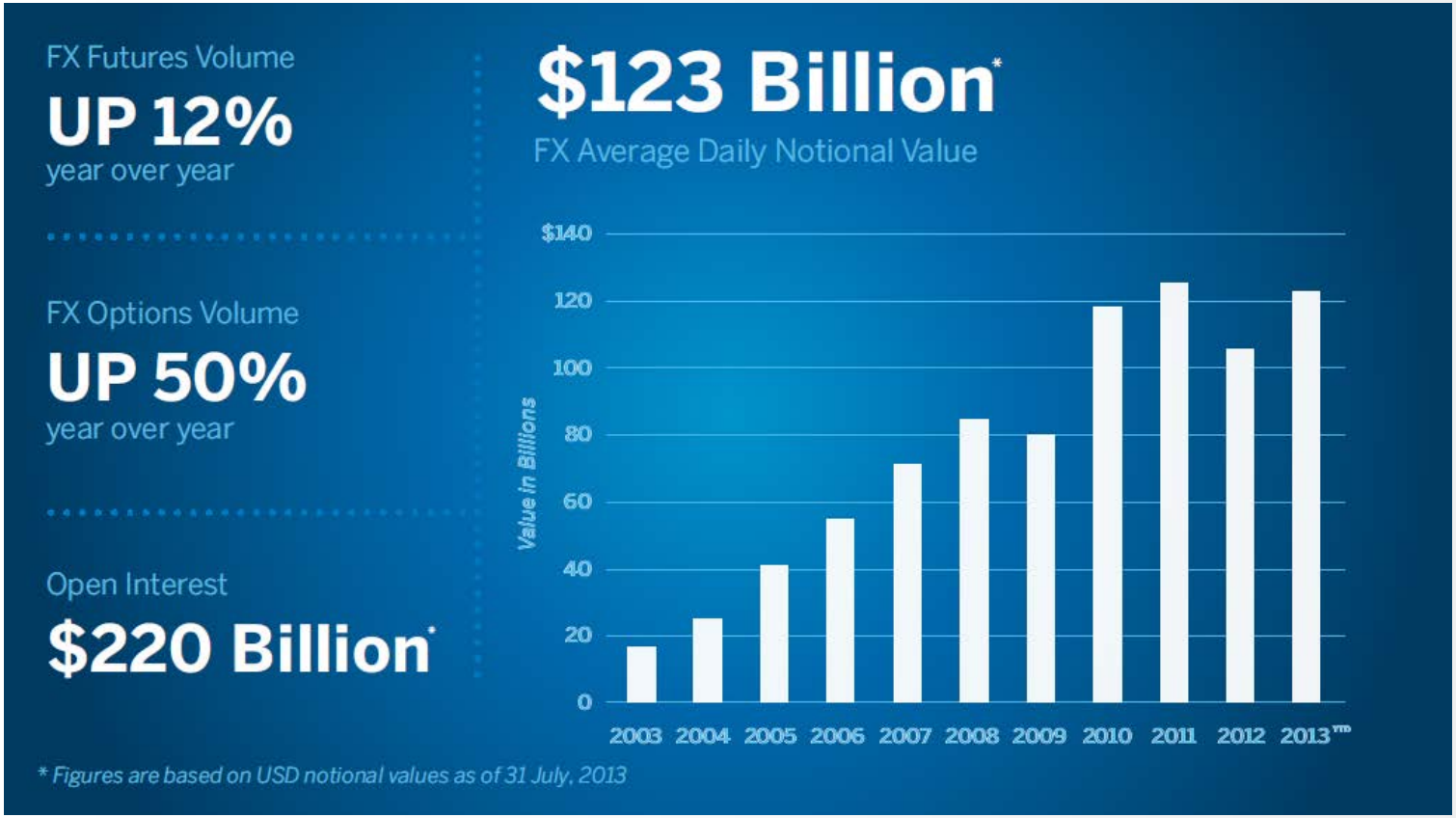

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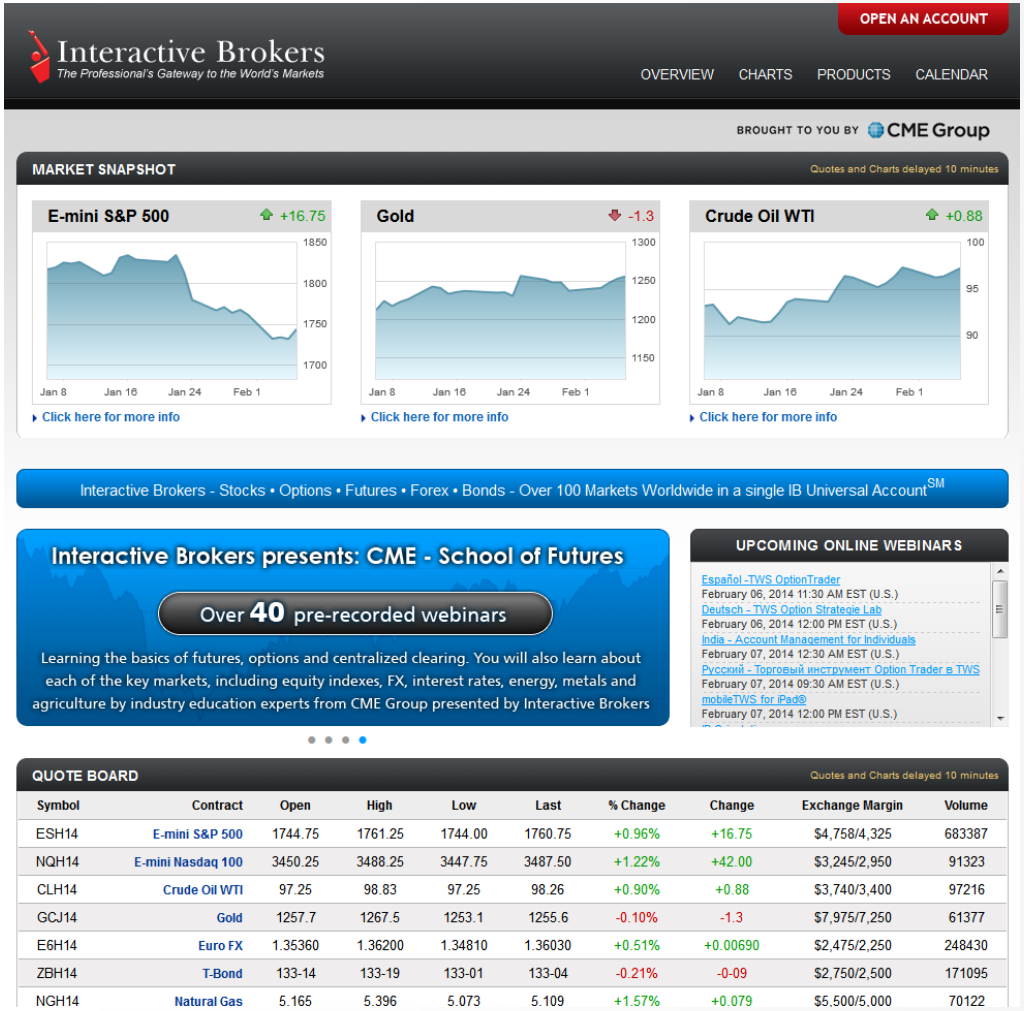

Symbol	Contract	Open	High	Low	Last	% Change	Change	Exchange Margin	Volume
ESH14	E-mini S&P 500	1744.75	1761.25	1744.00	1760.75	+0.96%	+16.75	$4,758/4,325	683387
NQH14	E-mini Nasdaq 100	3450.25	3488.25	3447.75	3487.50	+1.22%	+42.00	$3,245/2,950	91323
CLH14	Crude Oil WTI	97.25	98.83	97.25	98.26	+0.90%	+0.88	$3,740/3,400	97216
GCJ14	Gold	1257.7	1267.5	1253.1	1255.6	-0.10%	-1.3	$7,975/7,250	61377
E6H14	Euro FX	1.35360	1.36200	1.34810	1.36030	+0.51%	+0.00690	$2,475/2,250	248430
ZBH14	T-Bond	133-14	133-19	133-01	133-04	-0.21%	-0-09	$2,750/2,500	171095
NGH14	Natural Gas	5.165	5.396	5.073	5.109	+1.57%	+0.079	$5,500/5,000	70122

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Upcoming CME Webinar

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Tim Morge

Timothy Morge has worked as a professional trader, author, educator and mentor for over 35 years.

He is founder and president of Blackthorne Capital, his private money management firm and MarketGeometry, his traders education web site: www.marketgeometry.com

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