An Introduction To Successful Trading Using The 50 CCI

Part 1

Not a day goes by when I do not think about other traders and their struggles to get to a point where they can earn consistent profits trading futures contracts. Maybe that is because I can relate so well to their plight. Believe it or not, I traded full time for 5 years and never earned enough money to support my family on what I made trading. Hard to admit, but true. At the same time, I never blew out of a trading account or gave up. I could see the possibilities that being a successful trader could provide and was willing to keep going. There is a lot more to learning to trade than just watching charts scroll by on daily basis and watching people post trades on some forum. To be successful, you really need to master many aspects of trading. If this sounds like you, then maybe take a step back and re group.

Everyone who aspires to be a futures trader starts with the intention to make money, lots of money. It seems that most people who start are under capitalized and have to be successful in a given amount of time or they will run out of money. Most of these people have monthly bills to pay, children and spouses to support and a future to provide for. Yet many of the newer traders get taken advantage of early on. They hook up with some self proclaimed guru along the way and this person leads them astray by giving them false information or selling them stuff they do not need. Other's fall into the trap of attempting to copy someone they met on the internet only to find out this person was never really trading cash or even entering the trades they said they did. They followed a fraud. Others make a gallant effort to follow some method that looks good, but just can not seem to make it work for them. It does not matter, in the end they run out of time. Their self respect is shot, and they have put themselves and their family in a big financial hole that will be hard to get out of.

So what I am going to share with you is a simple thinking plan. Then this simple thinking plan will evolve into a simple trading plan. My hope and desire is that this will help you turn the corner to consistent trading profits. So let's begin!

If I were assigned the task of teaching a person how to trade futures where would l start? First off I would caution them about paying money for bad advice. I made all three of these mistakes myself.

1. Never pay a market guru or someone you meet on the internet any money to help you learn to trade. More often than not, they end up with your money and you end up with nothing. It is better to pay them from your future profits that way you can save your money if you just do not get it, or the method does not work for you.
2. You will never really know how good a trader is unless you can see his/her P&L along with entry and exit times for the trades set-ups you are following. This will confirm that they are really taking the trades they advocate and provide you with a true idea of the win loss percentage.
3. Only practice trading your edge on a good simulator. Never risk real cash until you are sure of your methods, emotions and trading plan.

If I were to think about the many trading articles, books or manuals I have read in the past 5 years, here are some more market specific thoughts for newer traders to keep in mind.

1. The market goes up and down throughout the day.
2. A daily bar will only show the OHLC for that one day.
3. If you want to see a more detailed view of a particular day, you divide the price action of the daily bar up into smaller units. These can be based or expressed in units labeled as time, volume, ticks or ranges. Looking at the price action in hourly increments will show about 6 or 7 price bars since the day only market is open from 8:30 – 3:15 cst. Some markets trade 24 hours but the volume can be much lower at certain times.
4. As you use smaller or shorter increments to view the daily price action, you will notice that there are many apparent moves throughout the day. The price action may go up or down in a linear direction. This is called a directional trend. The price action may generally go in one direction, but have a series of up or down moves along the way and this may still be called trending, but all of the retracements are just the market players trying to find equilibrium for the price to pause. The price action may also go sideways or stay inside a narrow range.
5. Trend should only be defined according to the chart you are looking at. The hourly trend could be going up based on the past 50 price bars, but as you zoom in using smaller time scales or increments, you will see that what looks like a strong down trend on a smaller

time frame is just a normal retracement on a larger time frame. The trend should be chart specific.

6. It is assumed that all of the news is out and the price movement for a given contract during the day is the expression of value based on the buying and selling interest of trader's world wide.
7. At any point during the trading day, the market will stop moving in one direction and reverse and move in the other direction. This is a point of equilibrium in the market place. It forms an area of support under the price or resistance over the price. The smaller the unit you are using to see the market price action, the more areas of support and resistance can be seen. Some people just look at the support and resistance levels that can be seen on a 15 minute chart and then project those onto smaller charts. Otherwise your smaller charts would be nothing but horizontal lines and it is the bigger ones that matter the most anyhow.
8. You can think of these areas of support and resistance like floors in a tall building where there are no stairs or elevators going between floors. If price is stuck on the 25th floor and it wants to get to the 26th floor, the price will have to break through the overhead resistance of the floor above. Same is true for going lower. Unless the support under the price breaks, it will be stuck between it and the resistance above you.
9. Many traders carefully watch these levels of support and resistance throughout the day because they expect these levels to be collectively defended in the future again since they once were viewed strong enough to cause the market to reverse in the past.
10. There are only a fixed number of contracts that trade on any given day. For the price to increase, someone has to be willing to pay more money for that contract and someone has to be willing to accept that offered price. Once there is a match, the exchange matches the buyer's and seller's offsetting orders and it will count as 1 unit of volume per contract traded.
11. Once you enter a trade based on your particular entry signal, you want the market to move in your intended direction and reach your profit objective before it goes the other way and hits your safety stop. You can either make money very fast trading futures or lose it very fast depending on your entry method and how you manage your trade.
12. If you think the market will rise and you enter a long order, it will only go up if there is enough collective buying interest worldwide at the same time as you entered long.
13. If you are attempting to follow an upward trend based on past price movement, and intend to buy on a retracement, then you must buy at a point within your maximum stop limit of the bottom to be

successful. If you are using a 10 tick stop and you enter the market, if your entry was premature relative to the bottom being formed by 1 tick, you will get stopped out for a 10 tick loss. Likewise, if you see the actual bottom and enter on the up move 11 ticks from the bottom and the price re tests the exact bottom again, you will be stopped out as well. Each time your stop was hit by 1 tick, but the loss in your trading account was 10 ticks, the full amount of your stop.

14. Another method to determine where historical support and resistance might be is to use an indicator like some form of a moving average. Based on the formula a line will be produced based on the number of bars specified in the formula. Common lengths used are 5, 15, 34 50 and 100 periods. These lines can be considered to be automatically drawn trend lines, but keep in mind, they will always lag current market prices, no matter how short they are.
15. A third method to view S&R is to use symmetry and Fibonacci ratios. These work directly off past price movement and do an excellent job of also providing potential targets.
16. Other indicators can be used to see the price action in a different way. The list is endless as people have searched for the Holy Grail or a method that will allow them to better time their entry and exit points or to just get an idea of which way the market is going. Regardless, all indicators are based on historical price bars and they do not predict the future anymore than the historical support and resistance levels discussed earlier.
17. For the contract price to move, it has to be done by a collective will of those traders entering and exiting the market. It will only move in one direction more than the other if the collective will is such that they are either willing to pay more for a given contract over time, hence upward price movement, or to pay less over time resulting in downward price movement. This can be seen in simple economic terms if you assume that the supply is fixed at some number. As long as there is more demand to the long side, traders will have to pay more to enter as time goes on. The reverse is true for shorts.
18. Once you pick a chart pattern to use as an edge, count how many times it appears on a given chart time frame. If you see it appear 10 times on a 1000v chart and you want to enter the market 20 times, then drop down to a smaller time frame like a 500v chart. If you only want to take 3 trades per day, then you should go up to a longer time frame like a 3000v. Do not trade the wrong time frame for your personality otherwise you will just enter at every price wiggle, or take trades out of boredom.
19. You will never know with 100% certainty when you enter any trade if you will make money. Probabilities play a large part in trading. Your

job is to really wait for a known pattern with a good historical probability to present itself and to then enter the trade set-up when it appears. You only need to make 1 winning trade every day to make a living as a trader.

Trading can look very easy but be one of the most difficult endeavors you ever undertake. Maybe that's because we all look at historical charts and say with a certain amount of certainty that "here is where I would enter" and "here is where I would exit". When we look at the left edge of the charts, we are able to enter and exit the market capturing 95% of the move down, 95% of the move up and can play the consolidation perfectly. Not! We buy into the belief that successful traders do this every day, rarely get stopped out, and are able to make money like having their own printing press. This faulty thinking does nothing but set your mind and ego up for huge disappointments.

Successful trading comes down to having a good understanding of the market you are trading. You need to keep in mind where the various support and resistance levels are and have a good idea of what "should" happen as the price nears these levels. Then you need a clear and simple trading plan. In this plan should be your entry patterns and entry rules, your exit patterns and your exit rules. Having just an edge is worthless unless you can trade that pattern consistently and use proper money management along the way.

To help me see the market context, I have attempted to document how my charts look when a potential trade sets up. This is not to say that one will make money every time you see these patterns, but it will show you that there is a proper set-up should you decide to enter the market. If you take the trade set-up according to your plan, then at least you are attempting to allow the probabilities to work for you, rather than against you.

Your edge will more than likely be a particular pattern that occurs over and over again on your charts. An edge is a statistically repeatable pattern that can be exploited by the trader to extract points out of the market with a higher probability of winning than losing. These patterns do not just flash up on your screen at random times, and test your reaction skills for a good entry. But rather, they are often slow to develop. Those traders who make money know this very well and know that they must be patient as the pattern matures. Take your time, review your entry rules and make sure that everything is set on your order entry platform. You should not be feeling any fear as your edge continues to develop and form. Why should you, this is how you make your living. You know that this pattern has a higher probability of working than failing. Your job is to push the enter button at the right time and then allow the market to move. After your order is filled, you can not do anything to influence the market anyhow. It will only move in the direction dictated by the continual order flow in and out of the market. At the same instant that your order was filled, a protective crash stop would also be in place, as will the appropriate limit orders for exiting to reward your efforts should the market move in your direction. Again, you need to practice patience and manage your trading according to your trading plan.

OK so what are some of these patterns that can bring joy into your life and put money into your pocket? Here are the patterns made popular by drbob and dharma. For more information on these patterns or if you would like to contact drbob or dharma directly, then go to www.tradershaven.net. What follows is how I see these patterns and how I visualize them in my mind when I want to enter the market. First off, I must admit that this is not the Holy Grail of trading. It follows very traditional market thinking.

I was reading a popular trading book earlier this week and came across an interesting section of moving averages and oscillators. The book is entitled "Technical Analysis of the Futures Markets" written by John Murphy and was published back in 1986. Since I was writing this document, I of course was reading it with the CCI and the 50140, 5034 and the 5034z set-ups in mind. Chapter 9 is all about moving averages, the different types, how they lag prices and how they can be used as trend lines. Chapter 10 goes into how oscillators are created by using the differences between two moving averages. Towards the end of the chapter, Murphy goes into how some people use the simple act of a price bar closing on the other side of a ema line as a trading system along with the oscillator crossing zero as a change in trend. Just looking at the charts he uses, you would swear you were looking at today's price chart with a 34 period ema, and 50 cci down below.

What I intend to do now, is make you think a bit more about the indicators you put onto your screen and what they are measuring. This does not in any way alter the great trade set-ups we will discuss later on, but should help you visualize and understand them better.

Let's start with the only indicator that drbob and dharma use overlaid on top of their price chart, the 34 ema. Not only do they use it, but so do many people and it has a sort of cult following not only with those at Traders HFaven, Woodies CCI Club or Fibonacci devotees' world-wide.

Murphy describes an exponential moving average as a trend following device, a sort of curving trend line. The engineering types would call this a curvilinear line. Its purpose is to track the progress of the trend. It does not predict, but rather lags past price action as it smoothes out the highs and lows.

When we are looking at the line represented by 34 a period ema, we can see this. In order for the 34 ema line to get any slope, there first must be consistent price movement in once direction for a long enough time for the slope of the line to be effected. It should be clear that if you get 50 price bars in a row generally making higher highs and higher lows in the process, that these prices will lead the 34 ema higher. It stands to reason that the price bars should print above the 34 ema line and that the 34 ema line will act as a self creating, smoothed curvilinear trend line offering support under the price bars. Once the market direction changes in the opposite direction, the price bars will cross over the 34 ema and the opposite will occur. First they will cross over the support line, and if they keep going down long enough, then the slope of the 34 ema line will flatten, then change to a downward sloping curvilinear trend line. This trend line will now be above the price bars and act as overhead resistance. This should follow the same logic of manually drawing trend lines over the price bars. Manually you would draw from price peak to price peak.

Refer to the following chart where you can see a picture of this same concept. There was an up trend, it reversed and became a down trend. The point where it changed was as the price bars crossed and stayed on the other side of the 34 ema. Generally speaking, you want to be looking for long trade set-ups when the price is above the 34 ema and going away from it, or short set-ups when prices are below the 34 ema and going away from it. Pretty basis stuff I agree, but it sets the foundation for the next concept.

Another indicator used by drbob and dharma is the 50 period cci. I will offer you some more insight about the 50 cci later, but for now just follow along. The cci falls into the category of an oscillator. It measures the change in price momentum. Some people believe that the cci indicator actually leads actual price movement by a little bit due to the formula's construction looking at a change in price velocity. Myself, I am not sure. I think it lags like any indicator or at best, it just mimics price action. I am not smart enough to give you a very detailed explanation of the cci formula, but I can help you understand how to use it to trade with.

For my purposes, I assume the zero line on the 50 cci is almost equivalent to the value of a 50 period exponential moving average overlaid on price. I tend to think of the cci zero line much like Murphy described a moving average above, but with one important distinction. The cci zero line does not have any slope, it is a perfectly flat trend line or a horizontal trend line if you like.

Refer to the same chart that I used above, but this time with the addition of

a 50 ema overlaid on price rather than the standard 34 period ema, and 50 period cci below. My point is rather simple. As the price bars cross and close on the other side of the 50 period ema line, the 50 period cci should cross and close on the other side of the cci zero line. This relationship is not always 1:1, but is close enough on a consistent basis. The 50 period ema will show slope, and the 50 cci zero line used will not. Prove this to yourself by recreating this same chart on your own computer. Scroll backwards in time and look only at the crossing points of price and the 50 ema. Then look at the 50 cci. Did it cross the zero line at about the same time?

Next try something a bit different. Change the 50 ema line to 14 periods and the 50 cci to 14 periods. Do the same thing and only look at the points where the price bars cross and close on the other side of the 14 ema line, and where the 14 cci crosses the zero line. You should get similar results. Again, the relationship is not exactly 1:1, but good enough for me.

So my point is really that when you get a ZLR when looking at a 50 cci, you are also seeing the price bars bounce off the 50 period ema. When you get a cross through the 50 cci zero line, you are also getting price penetration through the 50 ema line. Using price bars and the 50 ema allows you to see slope and momentum, while using the 50 cci and the zero line shows the same thing without slope.

So in a practical sense, I do not care if you use a 34 ema or 50 ema on your price charts. They will give you a similar view of the market context. If you plot both of these ema lines on your screen, they will often print on top of each other. I really wanted to just show you the relationship. ***If you are just learning how to trade using the 50140, the 5034, and the 5034z, then it only makes sense to also use the <u>34 period ema and the 50 period cci</u> so your charts will exactly match others and your learning will be accelerated***. I will always label my charts if they are different than the normal 34 ema and 50 cci used by drbob and dharma. So now we need to move along with the basic trades. There are really only two categories of trades that drbob and dharma advocate.

<u>Trend Reversal</u>

The first category is a trend reversal or counter trend trade. This set-up is called a **5034**. This type of trade entry will occur several times a day depending on the chart scale or time frame you are using. The smaller the scale or the shorter the time frame, the more often you will see this pattern. The entry rules and nuances to watch out for will be explained later on.

<u>Trend Continuation</u>

In the 2nd category are trend continuation trades. The first trade set-up is called a **5034z**. This trade set-up immediately follows the above mentioned 5034 trend reversal, so it implies that a trend change has just occurred. As the market participants jump on this new trend, a pullback will occur and you will get a zlr when looking at either the 14 or 50 cci. Your entry is while the zlr completes in the same direction as the original 5034.

The 2nd trend continuation trade is called a **50140**. This trend continuation set-up will generally occur after the 5034 and the 5034z mentioned above. This set-up again implies that there is an established trend (usually a stronger one) in place, and that again you are waiting for the market to pullback to a point where you can enter as the trend resumes it's move. You will only look for this trade once you can confirm that you are in fact in a strongly trending market.

These three trade set-ups happen in a sequence every day on almost every market. There will be a trend and it will reverse. When it does, take the **5034** trade set-up. Once that trade has occurred, you watch for the **5034z** to occur. It will always follow the 5034 and is really the first pullback to occur after the trend has changed. Once the new trend is gaining ground, there will again be some pullbacks as some people take early profits and others seek to re-enter again. The **50140** is your re entry trade and will often occur several times as the trend continues. Depending on your trading style you can swing any of these trade set-ups and only enter once as it moves in your direction several points, or you can exit and re-enter on every signal. While doing this, be mindful of any 5034 reversal trades setting up that would then cause you to reverse everything and then trade in the other direction following the same sequence outlined above in the opposite direction.

We will look at these trade opportunities and compare our progress towards success against three conditions. These conditions will be the three legs of our trading stool, without which we would never succeed.

1. The first leg will be pattern recognition and understanding.
    - This document will help you see and understand the set-up patterns.
2. The second leg will be trade execution.
    - Once you see the set-up pattern you need to push the order button. If you wait, you will miss your opportunities.
3. The third leg will be trade management.
    - Before you enter you must know your per contract risk of entry, your profit objectives, when you will move your trailing stop to breakeven and when to exit your runners. I strongly suggest a good front end order management system be used.

If you are going to trade this method and make money on a consistent basis, you need to master all three areas in the correct order.

My thanks again to drbob and dharma who made Traders Haven a reality and to Mark Braun who is the master of symmetry and the many traders who have contributed their time and talent to help improve my trading skills over time.

Enjoy!

Buzz

My Chart Layout

To see how these trade set up's work, we need to establish a common language to use as we continue.

In the chart below you can see my basic chart layout for a 500v chart and how it is divided up into three sections. The first section shows the

relationship of price bars to a standard 34 ema (dark brown and cyan) and a 14 period ema. When the price bars are above the 34 ema, the line will generally be cyan in color. When the price bars are below the 34 ema, the line will generally be dark brown in color. The 34 ema identifies the mid term trend for me and where prices are relative to it. Additionally I have added a 14 period ema line and a 204 period ema line. The 14 period ema line is represented by the small white dotted line. This line closely follows the 14 cci zero line and it is used to see the short term trend of the market. The 204 ema is an equivalent value to the 34 ema on a 3000v chart and is used to see the longer term view of the market. The use of both the 14 period ema and the 204 period ema lines will be explained in more detail later on. Neither drbob or dharma use these lines on their 500v charts at all so you can decide what works best for you later on.

The center section has one indicator shown called the CCI. The settings for this indicator are ((H+L+C)/3) and the number of periods is 14. When we speak about a pattern like a 50140 in the future, the 14 refers to the location of the **14 cci**.

The last section is at the bottom and it is almost identical to the center section. It also has a single indicator shown called the CCI. The settings for this indicator are ((H+L+C)/3) and the number of periods is 50. This is what is referred to as the **50 cci** from here forward. When we speak about a pattern like a 5034 in the future, the 50 refers to the location of the 50 cci.

I use other charts besides the 500v. The 500v is my trigger chart and produces all of my set-ups. I also use both a 13 minute and a 3000v chart set to all sessions. These two charts give me the big picture. So in essence, what I am doing is looking at the trend of the bigger time frames to get my overall direction, and then waiting for three trade set-ups on the 500v chart that will allow me to enter the market in harmony with the bigger time frames. I use the same chart template on the 13 minute and the 3000v as I do on the 500v except that I do not show the 204 period ema line since it does not apply.

I should also point out that dharma will also refer to a 133/233 tick time frame. What that means is that using her data provider (mytrack) she can create a tick chart based on 133 ticks that will also be very close in scale to a 500v chart. For those who use Esignal or Tradestation, this same tick chart needs to be 233 ticks. For simplification purposes, I have omitted tick charts from this to avoid confusion, and will refer only to the 500v.

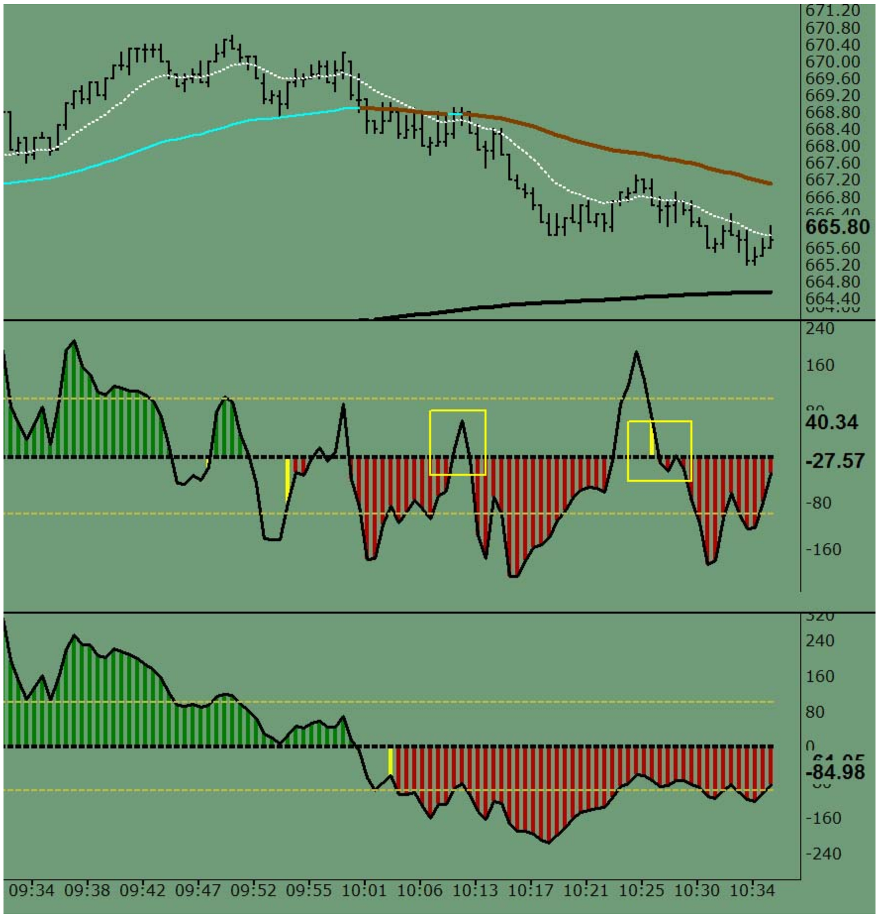
Trend

A trend can be loosely defined as the average price movement over time. Often people use some form of a moving average to display a line over their price bars to show how the market is trending on that particular time frame. As long as you keep in mind that this line is just a general representation of past price movement, you will be fine. I use a 14, 34 period ema on all my charts and add a 204 period only on my 500v chart. Each line tells me something I want to know about past price movement.

Even though the common elements to these indicators is that they just produce curvilinear lines based on past price movement, we can still use them to our advantage due to their consistent nature. In reality, a line does not have a bias, it is just a line. Any bias we as traders attribute to these lines is self imposed. Knowing this, we can start to see some common characteristics about these lines that can help us to read the market context the same way on every chart we look at.

Dharma and drbob focus very hard on the price relationship relative to the 34 ema on any given chart. When I look at the price relative to the 34 ema, on my 3000v chart, I see the trend and past price action relative to that line. This line is very important to me and I do not want to lose track of it while I focus on my 500v chart so I have added an equivalent value of this line onto my 500v chart. The math behind this is easy, (3000 X 34)/500 = 204. Now I can also see the price action of the 500v as it compares to the normal 34 ema line, and also to the 34 ema (204 periods) of my larger time frame, the 3000v.

Now a word about using two time frames at one time. Do not go on until you are very clear about this point. When you are looking at a 500v chart, you must always know if the price movement is going towards the 204 period ema, or away from it. For me the real trend that I am trading is the trend of the 3000v chart. I will focus on trade set-ups that appear on the 500v chart that trigger in the direction of the prevailing trend on the 3000v chart. This means they must fade the 34 ema on the 3000v chart, or by definition fade the 204 period ema on the 500v chart. This means that I may choose to pass on a 50140, or 5034 trade set-up that is going against the trend on the larger time frame and in turn, wait for a 5034 or 5034z that would go with the trend of the larger time frame. Look at the chart and explanation on the following page.



In the above chart, the longer term trend (Black 204 period ema) was definitely in long mode. For a period, the price was above both the Long Term Moving Average and the 34 ema. Once price hit overhead resistance that was too strong to advance any longer, it started to reverse short. As long as the price bars generally stayed above the 34 ema, you would only be looking for longs. As it crossed and closed below the 34 ema, you could take a counter trend 5034 short if you like. If you wanted more confirmation, then you could wait for the 5034z pattern to follow the 5034. Remember that the 5034z is considered a with the trend (intermediate trend anyhow) trade if you are only looking at the 500v time frame. If on the other hand, you are using the 3000v to determine your trend direction, then both the 5034 and the 5034z trades are counter trend. Regardless, by using both of these trend lines, you were able to time an entry short as the price crossed through the 14 ema and the 14 cci crossed through the zero line. Again knowing the area around the Long Term Moving Average will be heavily traded, it is a good idea to exit at least a partial as you approach the 34 ema from the 3000v.

The addition of the 14 ema is my own. It is again not used by either drbob or dharma. I use the 14 ema like I use the zero line on the 14 cci. To me they are one in the same. On any given charting package, the 14 cci zero line can only be displayed as a flat horizontal line. Based on how Woodie explained this line and his definition of trend, the 14 cci had to be above the zero line for more that 6 bars for there to be an uptrend. If you were trying to trade without price bars and just used the cci, then you never new the strength of a price move or how it related to the bigger picture. This concept really screwed my mind over time and did not add any clarity to the charts for me.

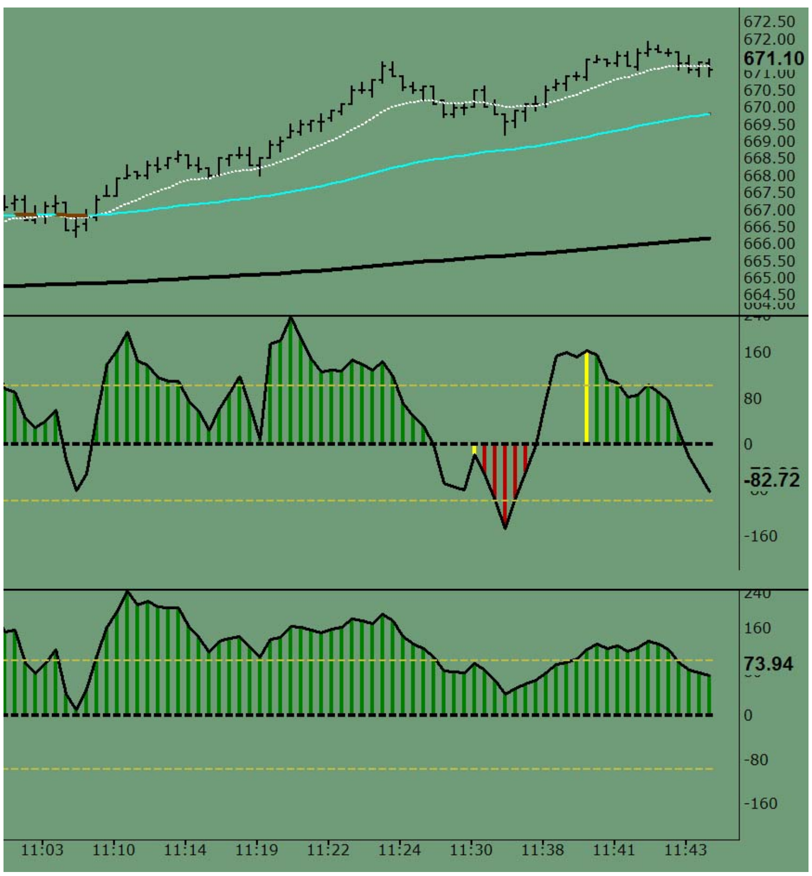
I said earlier that I use the 14 ema like the 14 cci zero line. The first thing you should note is that as the 14 cci crosses the zero line, it occurs at about the same time as the price bars cross the 14 ema line. This is really the same relationship that occurs as the price bars cross the 34 ema. (In fact, a more correct way to look at a 5034 trade is to change the ema setting from 34 periods to 50 periods, but then you would have to call it a 5050 trade, and that is too close to home for some.) Unlike the 14 cci zero line however, the 14 ema line will show you slope. Slope to a line is a big thing for me. Maybe I am a visual person, or just slower than others, but my mind reacts better to the screen stimuli when I see prices moving and an ema line following. If the average prices have been rising over the past 50 price bars, then the slope of the 14 ema will be rising upwards and the price bars will be above the 14 ema line, and the line will be acting as a mini support line. The same is true when the past 50 price bars have been declining in value. The 14 period ema will have a negative slope and the line will be above the price bars acting as resistance. All ema lines will lag actual price movement. The amount by which they lag is determined in large part by the number of periods in the formula. Go back and look at your past price charts and prove these relationships for yourself.

So now we have three ema lines on the 500v chart. The 204 period line is really the same as the 34 ema line from the 3000v chart. It is a reference line only showing you the longer term trend and it is not used for set-ups, but plays a strong role in my directional bias. The 500v 34 ema shows you the intermediate trend of the market and is used for set-ups. Generally speaking, I want to trade when both the trend on the 3000v and the trend on the 500v both line up in the same dorection. The 34 ema line is color coded so that when the color is cyan, there is an upward slope to the line. A downward slope is brown. In order for this intermediate trend line to obtain some slope, the price has to move faster in one direction for a number of bars.

If you use a 14 ema, it will show you the momentum on the 500v chart and helps you determine when to enter and exit in combination with the 14 cci.

A very common method used to trade futures is to wait for the market to move in one direction and form a trend, and then to enter once the market has pulled back and resumes the trend again. In our case, we want the 34 ema line to get some slope and for the price to move away from this line.

When the price is above both the Long Term Moving Average (Black 204 period ema) and the 34 ema, you can look for an entry based on the price cross through the 14 ema.



On the chart above, there was a clear 50140 trade at 11:38 that triggered long. Any long entries taken in this area would have both the 500v and the 3000v below the price so the wind would be at your back.

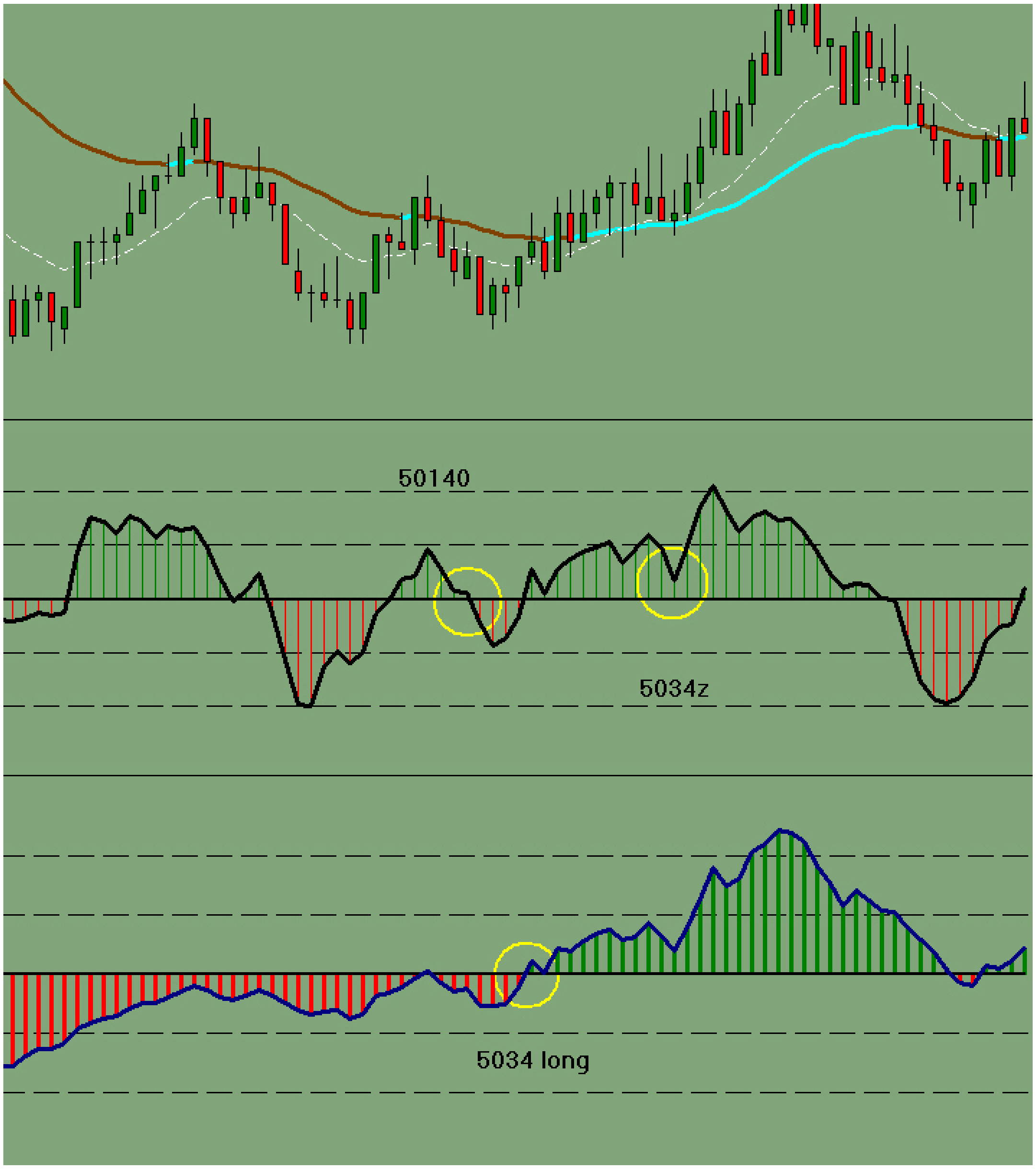
How to see a down trend

In order to explain the trade set-ups that drbob and dharma use, we first have to establish a starting point in the market. Our starting point will be a downward trending market as seen on the following chart. The first set-up will be a 50140 for a continuation short, and then a 5034 reversal long, followed by a 5034z, and lastly another 50140 to the long side. As the market moves in the various waves testing support and resistance along the way, these trades will occur in order over and over again as the day progresses. As long you are trading a trending market, you will be fine. If however you are only looking at one market and it is relatively flat, then you can get chopped up. Only trade a trending market!

OK, so for the market to be in a down trend, we need to see the following on our charts. Follow along on the following page as I list each requirement.

Typical down trending chart

1. The price bars should be below the 34 ema.
2. The slope of the 34 ema should be negative and the line color should be dark brown.
3. The 14 cci should generally be below the zero line and preferably below the -100 line and the histogram color should be mostly red.
4. Since this trade sets up in a strongly trending market, the 50 cci should have been below the zero line for a while and the histogram should be red in color.


50140
5034z
5034 long

50140 Trade Set-up

In the above section we described what your charts should look like if the market is in a downtrend. Since the 50140 is a trend continuation trade following a strong trend you will need to see a retracement before you can eventually enter.

The set-up for the 50140 will start to occur as the price bars cross back through the downward sloping 14 ema and move towards the downward sloping 34 ema. The trend is still down however and you need to start watching for more clues. Follow along looking at the steps below and the chart on the following page.

1. The price bars will cross up and over the 14 ema and then stay above the 14 ema as they move towards the 34 ema. The price bars will form an upward "V" pattern. This upward movement will continue until price fails at overhead resistance.
2. The 14 cci will cross up and through the zero line and hook around the +100 line and the price will rise towards the 34 ema as it tests overhead resistance.
3. At the same time, the 50 cci will come back up between the -100 line and the zero line but the spread color on the histogram will remain red in color.
4. If the overhead resistance holds, then the 14 cci will cross back through the zero line giving you a 50140 set-up as prices keep moving downwards. You will push the short button once the 14 cci crosses and closes on the other side of the zero line. You can also watch the price bars relative to the 14 ema and enter once the price bars have closed below the 14 ema.
5. At this point you should be in the trade short and managing your position.
6. For this trade to work, the prices must stay below the 14 ema line and keep going downward long enough for the slope of the 14 ema to become negative.
7. Watch the 50 cci line as it nears -100 line. Ideally you want the 50 cci on your 500v chart to stay below the -100 line if you are short.
8. If the price stays below the 14 ema, the 14 cci stays below the -100 line, and the price bars begin to make lower lows and lower highs, then the above was a retracement and the 50140 was the perfect re-entry short.

Here is another way to think about the 50140 set-up. This is a trend continuation trade. It should only be taken if past price history shows consistent direction above or below the 34 ema. This trade by nature is designed to fade the 34 ema line in the direction of the previous price movement. It is also a very good idea to also fade the 204 period ema line (thick black line) although not a requirement. Assume that past price history indicates that prices have been consistently below the 34 ema and that the 50 cci has been below the zero line. The past trend has been short so we are only looking for short set-ups. By nature, this set-up usually has a larger retracement so as prices approach the 34 ema line, they will also have support under the prices as seen by the 14 ema. The 14 cci must retrace up into a zone around +75 to +200 and then hook back towards the zero line and cross and close below the zero line to be a valid 50140 trigger.

Here is where you really need to be patient. If you enter this pattern too early and front run it, you will reduce the overall probability of the trade. You need to wait for the price bar to close on the other side of the 14 ema which is almost identical to the zero line on the 14 cci. This will also mean that the 14 cci has closed on the other side of the zero line. In fact you want the 14 cci to be closer to the -100 lines when you enter and not just stuck at the zero line itself. It will seem in many cases that you will be entering too late and this will produce anxiety as you learn the correct timing for your entry. Trust me, wait for the bar to close. Then the pattern is really a pattern and will not be one of those that looked good with 50% of the bar left when you pushed the button only to find out that once the bar actually did close, the pattern is gone and the market is moving strongly against you. Once the trade goes in your favor, then you should use this same 14 period ema line to manage your trade in conjunction with a 14 cci cross through the -100 line in this case.

As you gain more confidence, you can use the 50 cci to manage your runners in place of the 14 cci. You might take a bit more heat than you are used to, but may also get to ride a trade for a lot more points than you are used to as well.

The 5034 is a reversal trade

As you watch the price bars and cci patterns, the above scenario with 50140 trades will repeat itself again and again up until the point the market consolidates in a range or triangle and then a large increase in buying pressure enters the market. It is a great idea to always watch where the price is relative to the 34 ema and where the 50 cci is relative to the zero line. Once you get a cross and close above the 34 ema when looking at the price bars and you get a 50 cci cross and close above the zero line, you need to be prepared for a either a larger retracement, or a trend reversal. This change in trend is often preceded by a shamu pattern on the 50 cci as S&R is tested in this zone. This pattern is also often preceded by a failure at an important S&R level. This could be up or downside failure, or the failure to significantly take out the previous daily high or low.

According to how drbob has defined the **5034 trade**, it is these exact crossing points that he watches that set-up this trade. When the price bars are below the 34 ema and the 50 cci is below the zero line, he would consider the immediate trend on this one chart to be short. When both conditions reversed, that is the price bars have crossed over the 34 ema and closed on the top side, and the 50 cci crossed through and closed above the zero line, he would now say that the immediate trend reversed on this particular time frame. The price will confirm your entry pattern. Aggressive traders will try to enter as close to the 34 ema as they can. Drbob tends to wait for the price to confirm, that is for the bar to close as each of these conditions is met.

If you determine that the trend is in fact reversing to the long side, then you want to enter as close to the 34 ema as you can. You might want to set a limit order under the price along the 34 ema in hopes it will come back down and get you into the trade if it keeps going upwards. I will only consider a trend reversal to go long, if the 14 cci on the 3000v chart is above zero and the 50 cci is breaking above the -100 line. The reverse is true for any reversal trades to go short. The 50 cci on the 3000v has to be breaking through the +100 line. If I do enter this trade and it is counter to the trend of the 3000v chart, I will generally exit when the price reaches the 34 ema on my 3000v chart.

As basic as that sounds, that about describes the 5034 set-up if you were looking at only one time frame. Most profitable traders will filter this by looking at a larger time frame and then determine if they want to take these set-ups. Not all of them will work, but those that do, work very quickly in your favor and get you in at the beginning of the next trend move.

For those people who like to see things step by step, find what you think is a downtrend turning into a 5034 trade on your charts and compare these steps to your chart. Or if you like, follow along on the chart on the next page. Keep in mind that we need to have a down trend in place to reverse. So let's review the down trend.

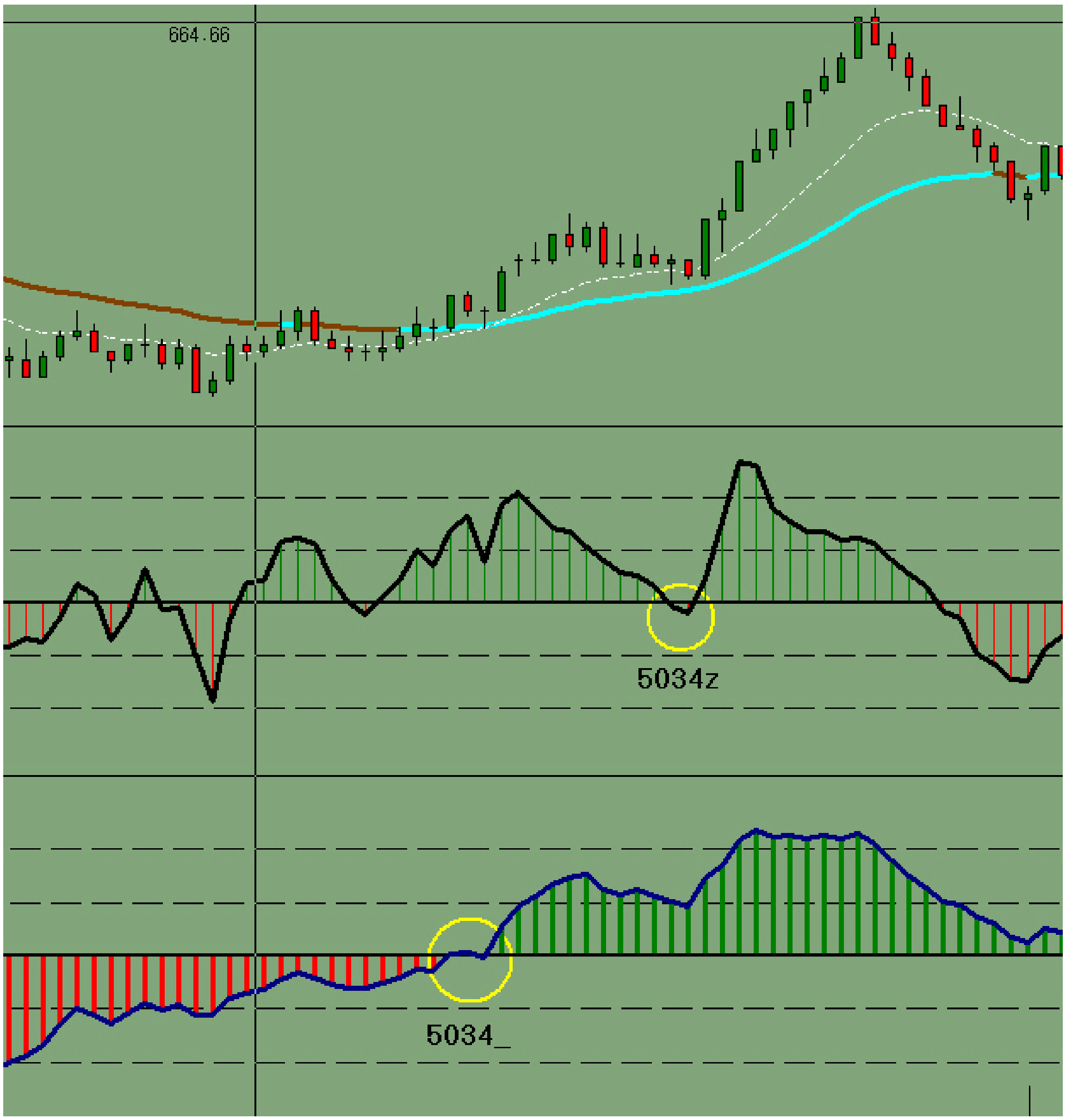
Typical down trend look to charts

1. The price bars should be below the 34 ema.
2. The slope of the 34 ema should be negative and the line color should be dark brown.
3. The 14 cci should generally be below the zero line and preferably below the -100 line and the histogram color should be mostly red.
4. The 50 cci should be below the zero line and the histogram should be red in color.

Again here is the point where the market gives you the first clues that the downward momentum may be getting weak. You will have to let some more time pass before you will know for certain. As the price crosses back up and through the downward sloping 14 ema and goes towards the 34 ema this starts to show a possible retracement. The trend is still down however and you need to start watching for more clues. Visually this is how a normal 50140 trend continuation trade will set-up, but we will not let it this time since we are going over the 5034 trade set-up.

1 The price bars will cross up and over the 14 ema line and stay above it as they move towards the 34 ema. The price bars will form an upward "V" pattern.
2 The 14 cci will cross up and through the zero line and the price bars will continue to rise towards the 34 ema and test overhead resistance along this line.
3 The price will actually <u>cross</u> and <u>close</u> on the other side of the 34 ema.
4 At the same time, the 50 cci will come back up and <u>cross</u> through the zero line and actually <u>close</u> above the zero line. The histogram will print a green bar.
5 The entry point according to drbob are when both conditions 3 and 4 above are met and can be seen when looking at the first yellow circle on the following chart. Dharma will often try to enter as close to the 34 ema as she can.
6 The price will still be supported by an upward sloping 14 ema under the price bars.

7 If the overhead resistance fails, then the 14 cci will keep going and will generally stay above the +100 line. If the move is really strong, the 50 cci will also cross and stay above the +100 line as well.



If this was truly a trend reversal situation and you are in the trade long congratulations. As you manage this trade, watch the 50 cci on your 500v chart in relationship to the +100 line. As long as the 50 cci stays above the +100 line you should consider staying in the long trade. How long you hold your trade and the exit pattern or strategy you use should be your own. Feel free to experiment to see what works best for your trading style.

While in your trade, you should also consider what the next trade set-up will be. If it will trigger in your direction, then you might consider holding on to this trade. If on the other hand, it looks like a 5034 setting up to go short, then you might want to consider tightening your stop or getting out all together.

The 5034z Trade

As we saw in the above two trade examples, the trend on any given time frame will change as the day or week progresses. The price bars will move above and below the 34 ema and the 50 cci will close above and below the zero line in harmony with each other.

The third trade that drbob and dharma have established is really very similar to the 5034 mentioned above. In fact, it is the very next trade in their sequence of three trades to set-up. What happens is that as the trend changes from say short to long, those people who were short are attempting to get out fast. As they hit the buy button, their orders combine with those who are just now entering long and the market surges upward for a quick pop. Depending on the circumstances, three things are likely to occur.

1. The market might just keep going up and never look back. This is what you would like to see happen if you look the 5034 trade mentioned above making higher highs and higher lows. Or,
2. The market might rise for 5-8 bars and then come back down as the market tries to find an equilibrium around the 34 ema and then rises a 2nd time, only to begin to make higher highs and higher lows.
3. Or the trip up was just a larger retracement, and it reverses again and continues lower once again.

Of the three options mentioned above, the set-up you are looking for when you take a 5034z trade is #2. Maybe you saw the original 5034 set-up but wanted some more confirmation before you were willing to change your directional bias. Another reason to wait for a 5034z would be if the entry on the original 5034 was too far away from the 34 ema. Then you should wait for an entry closer to the 34 ema which the 5034z will often provide. This also means that the cci will also be closer to the zero line, not hooking outside the 100 lines.

The scenario described in #2 above is a classic first pullback trade and you should jump all over it. You can see an example of this on the previous chart. It is highlighted by the second yellow circle. Another example is on the following chart.

Look at the chart below. You can see this process happen graphically. Notice the 5034 trade that occurred at the vertical yellow line. All of the requirements of the 5034 trade described above were met. The price bars crossed and closed above the 34 ema and the 50 cci crossed and closed above the zero line. So now we are in long mode looking for an entry.

The 14 cci in the center section of the screen took a fast trip up between the +100 and the +200 level and then hooked back down towards the zero line. The short lived up thrust and fast down move as seen on the 14 cci was the wash and rinse process. Any weak hands or tight stops (long or short) were hit in this move and the market was ready for a new direction to go. During this 1st pullback, if bid prices keep rising, the market balance will tip and the upward price momentum will increase. The 14 cci will show this as well as it hooks at around the zero line and heads upward again. The correct entry point for this long is as the zlr forms and as price confirms. Aggressive traders will enter as close to the 34 ema as they can, or as soon as they see the 14 cci hook upwards, while others will wait for the bar to close. Drbob tends to wait for the price to confirm, that is for the bar to close.

Like the trades mentioned earlier, to make some serious money on this trade, the price has to stay above the 14 ema. If you are watching the 14 cci, the cci has to stay above the +100 line and better yet, the 50 cci should stay above the +100 line.

Trading Plan

In the preceding pages, we focused on a thinking plan not really a trading plan. This thinking plan provided the ground work for your mind to see the three basic entry patterns when looking at the 14 and 50 cci and also gave you some insight into how the price bars should be reacting around the ema lines at the same time as the various trade set-ups occur.

Now it is time for you to work on your own trading plan. It should be simple and build on what you have learned from the above. Your plan should be written out with clear steps so that you or anyone else can follow along and confirm each trade you make after the fact. Define the market conditions, the type of trade pattern you are looking for, your entry rules, profit rules and stop rules. It is important that you start to experience success with your trading plan early on so don't start with a $500 target for your first exit point. Think smaller and try to get the emotional aspect of trading behind you as you mature and gain confidence.

As an example, you can start your quest by looking at your charts in this fashion.

Before you even consider pushing the buttons to enter the market, you should first stop and think about several key issues.

1. Look back at the previous day and identify key areas of support and resistance. Mark them on both your 3000v chart and your 500v chart as horizontal lines.
2. Look at an economic news calendar and determine if there will be any significant news announcements that may move the market during your trading day.
3. Look at the price bars on your 3000v chart and if they have been making higher highs or lower lows. Based on these price bars, can you say that you are in a tradable trend? If not, are you an established range or triangle?
4. Always look ahead to see where the next levels of S&R are so that if you get an entry trigger, you will know where the market may move to.
5. Know where you are relative to the 34 ema on both the 13 minute chart and the 3000v chart.
6. Then drop down to the 500v chart and look for the appropriate entry patterns.

When it comes time to push the entry button there is not a correct number. Any price that allows you to stay away from your stop and hit your targets will work. I can think of many times where I wanted a certain price and missed an entry by a tick or two, only to watch the trade blast off for several points. Only you can master this area and over time, it will get better.

The above should help you recognize the three set-ups that drbob, dharma and many others use on a daily basis. As with any trade set-up, many people can quickly learn to see the basic chart pattern, and still lose money when they trade it. If that is you, then ask questions at the Tradershaven room on Hotcomm. It could be that you need to adjust a very small detail or focus on a nuance that was not made clear in this document. It could also be that they use a larger time frame to filter their trades. Or it could be that they get the same entry as you do, but they are just better at managing the trade in general.

As you work at improving your trading abilities, here is a true story that happened to me and a friend of mine along our journey. We heard about a CCI meeting taking place in Illinois and decided to attend. The featured speaker was Soren B. who often moderated in Woodies room. The topic of his session was the Holy Grail and how to find it. Here are my notes from this meeting.

> *Soren said that he gets constant emails and private messages by those in Woodies room who just can not seem to get the hang of cci to the point where they can make consistent profits. Soren admitted that he started the same way himself, but found a way to turn the corner. His background was as an electrical engineer where he had a PhD. Like everyone, he started with several charts, indicators and tried to learn and to trade all of the popular cci patterns. The result was he just got chopped up on a daily basis. Thinking back to his higher education training, he was reminded of the definition of insanity.* ***INSANITY*** **is doing the same thing over and over again while expecting a different outcome***. To correct this, he tried to reduce the number of his trading variables down to the lowest number so he could study them better. Looking at three markets, on 3 time frames, and looking for 8 cci patterns was just too much.*
>
> *He decided to look at the YM market, using a 5 minute time frame, and to look for only ZLR's. This reduced the problem down to a manageable study. Next he wrote precise rules that he could use when looking at historical*

charts, and then went back and looked at these historical charts over a one year span. He then tracked the results of each entry on a spreadsheet and was surprised with the results. They were in fact quite good and had he taken these same trades, he would have made consistent money every day. This gave him confidence to trade real money in the same fashion.

So in the end, he feels it was the confidence that he obtained while doing his homework that really helped him succeed. He found he could make a good living with only one trade set-up and could add contracts at anytime to increase his earnings even more. This also allowed him the freedom not to feel guilty as other good trade set-ups went by because he knew he would get his money regardless if he was patient and traded his plan.

In his own subtle way, he tried to get the Illinois cci group to do the same thing. He proposed they do a similar study and see if it gave them the same confidence.

When it is all said and done, it really does not matter what pattern you use, chart software, data feed, or type of price bars. It only matters that you have the discipline to enter only those trades in your trading plan and to practice good money management once in the trades. In the end, the Holy Grail turned out to be a simple trading plan with exact rules for entry and exit coupled with the personal confidence that comes by seeing the same trade set-up work over and over again.

I have a big sign above my desk that reads **"Success in trading will only come once you can see the simplicity on the other side of complexity."** This is something I wrote after hearing a story about a man who suffered from ADHD. This man is the CEO of a major airline and he became very successful despite his inability to deal with stimulation overload. As he explained how he was able to succeed, the parallel to trading became very apparent. He just did not try to take in or react to every piece of stimulation or information he was exposed to. He just looked at the stuff he needed to make a decision. The rest he just blew off. This sign is a constant reminder to me about the way life should be. The best product designs are simple; the best directions are simple, and the best traders use simple methods. Looking at this sign makes me rethink what is really needed to trade profitably. Do I really need to react to all of the stimulation that my charts can provide me, or can I be like this person and just react to what I need?

Conclusion

Again my thanks go out to all the people who have helped me along my trading career. I would like to especially thank dharma and MarkB who helped me realize how to simplify my trading.

If the above looks like it might work for you, then you need to follow Soren's example and just focus on one of the above set-ups to start with. Let the other ones pass by and do not stress yourself out because you did not take them. Experiment with various time frames to see how many of these signals are generated over a given period. Start by setting your profit target at a reasonable number and get use to allowing the market to pay you money for following your trading plan. Reward yourself for pushing the enter button. Program your mind to seek out the good feelings that will come when you take a good trade. As you become better at seeing your set-up materialize, you can add additional contracts or move your target out further. Over time you will learn what profit targets work for you and how much risk you should use for stops. Always start to trade a method using a simulator and not your real money.

If you are able to get access to Hotcomm, go to relay 7 and look for the Traders Haven room. It is a free room and you can post any question you have there about your specific market. It is best to post questions after the market closes and someone will always be there to help you out. If you post during the day, you may disrupt those people who trade for a living and cause them to lose focus.

I should also mention that I am regularly in Traders Haven Hot Comm room but I use a different alias. I have seen too often that when you become too visible, you start to get too many PM's, emails and have to field too many nasty comments. To allow me to keep a low profile, I have written this so that you should be able to read it and get a good grasp of how to start at least. Remember, post you comments in Trader's Haven and someone will try to help you further. Who knows, maybe it will even be me. :-)

I hope this helps you improve your trading skills. `

Buzz

Nuances to consider

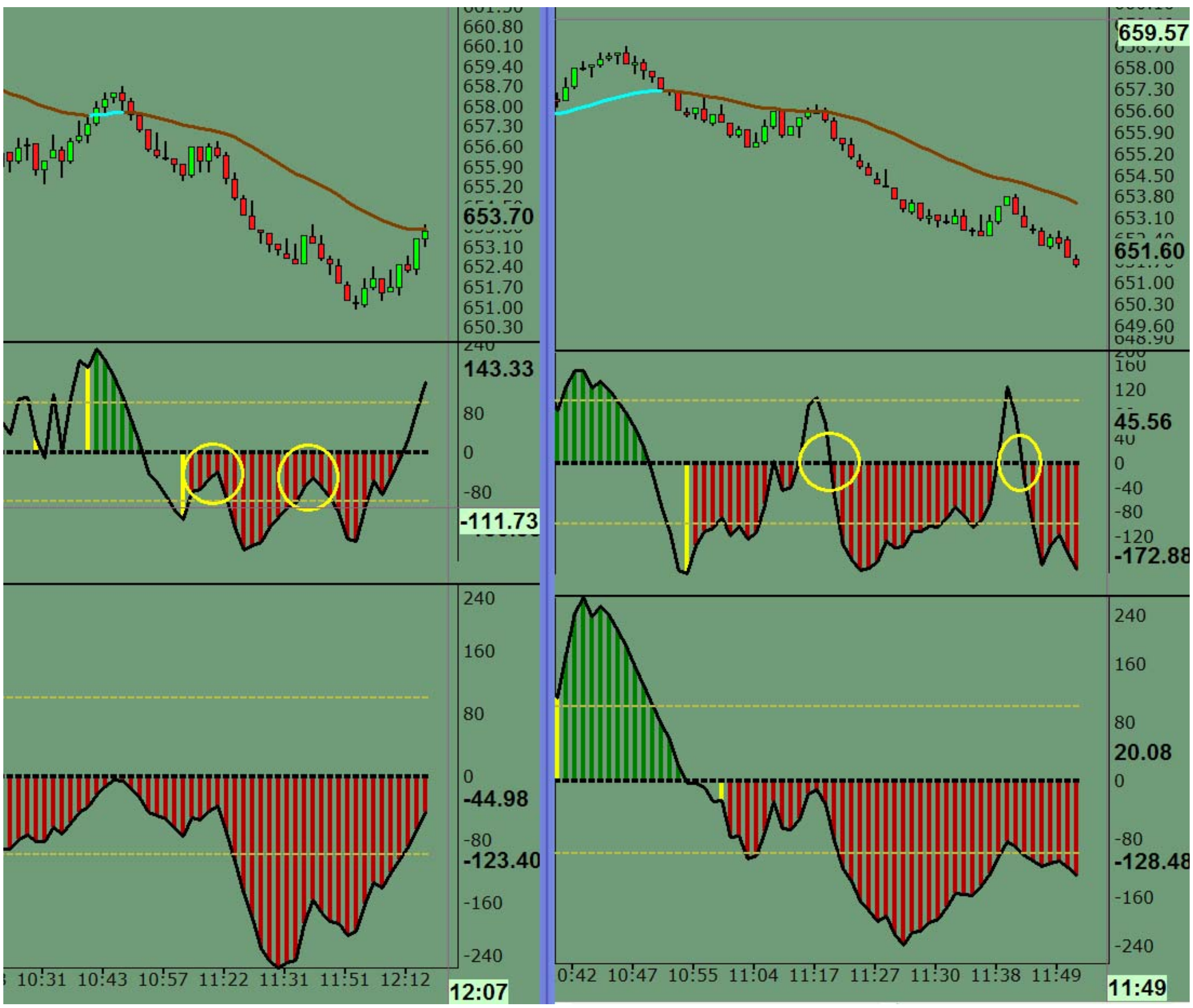
50140 is really just a ZLR from a larger time frame

In the above document I have really focused on the 50140 trade, but we can also look at this set-up in a slightly different light. The trigger chart that I use today is a 500v chart. When I see a perfect looking 50140 set-up on this time frame, I also know that I am getting a perfect ZLR pattern on my 1000v chart. So in essence, there is a 100 line deviation when looking at the position of the 14 cci on say your 500v chart and your 1000v chart. This multiple seems to hold true whenever there is a 2:1 ratio between chart times.

So why is this important? In essence, a 50140 trade set-up is nothing more than a perfect zlr on a higher time frame, seen magnified with twice as many price bars. Follow along here and think about this. For every bar that prints on my 1000v chart, 2 bars will print on my 500v chart. That means that for the same amount of price movement as seen on one 1000v price bar, I get to see twice as much detail on my 500v chart since two price bars printed. This produces a zoomed in effect.

The same holds true when I am focusing on my 500v trigger chart waiting for a perfect 50140 to set-up and I see a zlr set-up and let it pass by. What really happened was that all of the traders who were using a 250v chart for their trigger time frame, just entered on a perfect 50140 trade, while in my case, it was not a trade, and I let it pass. This is not to say they were wrong to enter, they were not. They saw the signal and pushed the button. The real difference comes down to how many set-ups do you want to see in a given day. The 250v chart will give you more entry opportunities, but you might get caught in the noise too often as well. The same could be said for those who trigger on the 500v chart as compared to those who trade a 1000v chart. The 500v will give you more set-ups per day, but with more noise as compared to the 1000v. You need to pick your time frame and entry patterns and then stick with them.

Directly below, I placed a chart example for you to examine that illustrates this 2:1 ratio. You should also find similar patterns on your own charting package. The chart on the left is a normal 1000v chart and I have circled two zlr examples. The chart on the right is a 500v chart from the exact same time. I have circled the corresponding 50140 set-ups that show this relationship. Remember that the 14 cci is on top and the bottom section shows the 50 cci.



Higher Time Frames

I mentioned earlier that many people do in fact use a higher time frame to help them determine if they want to enter a particular trade. Dharma uses both a 13 minute and a 3000v all sessions or Globex charts as her higher time frames when she trades the Russell. She will not look too seriously at a short trade appearing on a smaller time frame, if she notes that the price on her 13 minute and 3000v charts is above the 34 ema on both charts and the 50 cci is not close to crossing down and through the +100 line. In that case, she is seeing the 34 ema on these bigger charts as potential strong support and why trade into a potential brick wall. In that case, it might be better to wait to see what happens, and maybe look for a long trade as the price bounces away from the 34 ema on the bigger time frames. If at all possible, try to trade with the wind at your back. In addition to having your trigger time frame be in short mode, in my case the 500v, I also try to have the trend on the 3000v in short mode as well. This is not always possible, but you need to keep it in mind. If you want, you can also plot the equivalent value of the 34 ema from a 3000v chart onto your 500v chart so it stays in the front of your eyes better. The equivalent value is 204 periods when plotted on a 500v chart. ((3000*34=300,034)/500)

An exception to this might be if the price has rapidly moved away from the 34 ema on these larger time frames and you combine some other information with a reversal trade knowing full well that you want to hold this counter trend trade all the way back to the 34 ema. Using Mark Braun's work combined with cci works very well when doing this. This seems to have a much better risk reward opportunity. For more information about Mark's work, you can visit his website at www.mjbraun.net or look for him in the main room at Traders Haven Hot Comm room.

Chop

One of way to see if you are in chop is to draw trend lines on the price bars on your bigger time frame charts. If the resulting lines form a big triangle, then you should be careful and treat this as a price range. Many traders can get hurt very badly when they trade the triangle using a breakout entry method. As soon as they get in, the price will reverse and go back to the other extreme. Over time, you will be able to read this better and improve your trading.

Another method to help you see chop is to keep a close eye on the 14 cci and its relationship to the 100 lines. When you are in chop, the 14 cci will generally stay between the 100 lines. If you also look at your price bars, they will stay around the 14 ema line which will flatten out and not show any apparent slope. Remember that for the 14 ema line to show slope, price must be consistently moving away from this line for several bars. The 14 cci on the other hand might show what looks like a great pattern, but there is not any price movement to support it.

Failed 50140 trades

I tried to stress earlier that a 50140 set-up will generally occur in a strongly trending market and that it triggers on the resumption of the trend move only after there has been a pretty good size retracement.

Thinking about the 50140 trade set-ups that I have taken that did not work, they usually occur when the 3000v price bars have been in a triangle and the smaller time frames are still in chop. The set-up was correct, but they tend to not work in a flat market. Thinking about this a bit more, you have to understand the cci formula a bit. If you buy into the fact that the cci is a momentum oscillator, then it is working with the difference in the change in price based on the last number of bars. If the price is in a small range (Chop) then the cci formula is splitting hairs as it continues to update on your chart. As you get one or two price bars that move just a bit out of the past range, the 14 cci will take off. As a result it may produce a 50140 signal, but in fact it is really a false signal due to the chop. Better to let the price confirm your entry in this case.

My Trade Platform

Over the years, I have used data from Esignal, Qcharts and IB. I have used charting software from Ensign, TradeStation, and Qcharts, then back to Ensign. At the present time, I am using a straight TradeMaven set-up. This is an all in one package that gives you data through PFG, charts through TradeMaven and an integrated dome front end. The package is $49.00 per month and is the least expensive package I have used to date. When I used the other packages, there were times when they did not communicate together very well. The data was faster on the front end than the chart package, or an order you placed via the front end did not make it correctly to the broker. Heaven forbid that there was a glitch at the CME or there was a massive internet outage. The TradeMaven package works very well for what I have explained above. If you are a new trader, you do not need to have a package that will provide you with 4,000 indicators or studies. What you need is a solid inexpensive package that is all in one. Besides that, you need to have a broker that you can call to get you out of a trade if the above happens. With my previous broker, forget calling them on the phone, you would never get through the grid lock. With PFG, you can call and someone will pick up in a few rings. The other reason I like TradeMaven is the simulator that they include. It works fine at the present time, but will work even better once they release their software update sometime in October 2005. The software update will provide 1 year of back data for most markets that you can load and run along with some new tools to calculate symmetry better. It is the best simulator that I have seen in the past 5 years. It works just like a normal day except that you can speed it up, stop it, replay a certain area or whatever you want

Ultimately you need to use what works best for you. There are many good stand alone programs out there with excellent features. Many have free trials offers for you to take a closer look.

Epilogue

"An Introduction To Successful Trading Using The 50 CCI" is just what the title implies. This document was created to help new traders understand the basic terminology used by many people in Traders Haven and to speed up their learning curve. This should not be thought of as a trading manual, but really as a narrative of what is taking place on your screen at different times in the market.

Perhaps in the future, I will write another white paper like this dealing with another aspect of trading. This is the end of Part 1, and I will leave the door open for Part 2

Buzz