

14:36:18 {NickTrader} k jason, lets do the dver thing

14:38:02 {NickTrader} jason, 1 sec i find some patterns to post

14:38:43 {JASON K} Ready whenever you are!!!

14:39:32 {angela} are you going over divers? and if so, may i eavesdrop?

14:39:40 {NickTrader} sure

14:39:44 {angela} gracias

14:39:51 {jeff} AutoMsg: IB closes down for its daily maintenance in a few minutes. It closes anytime from 11:45pm on and will stay closed until around 1:00am est. Please check for all open orders and close out any trades you dont want to be in during the shutdown period.

14:42:17 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-19-04_T234328.HCC>>



14:42:46 {NickTrader} k that pic.. what does the TL show?

14:43:20 {angela} up

14:43:31 {angela} higher low

14:43:35 {NickTrader} y

14:43:49 {NickTrader} but what does it LOOK like

14:44:10 {angela} hfe followed by...

14:44:21 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-19-04_T234532.HCC>>



14:44:22 {angela} ah
14:44:30 {NickTrader} now what does it look like?
14:44:30 {angela} ok thanks
14:44:33 {JASON K} Inverted ghost, not sure
14:44:37 {angela} rev div
14:44:44 {NickTrader} reg diver
14:44:49 {angela} dammit
14:45:05 {NickTrader} k np I'll show the diff.... just wait
14:45:35 {NickTrader} but here is the good part if i remove price can u c the pattern
14:45:54 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-19-04_T234705.HCC>>



14:46:06 {JASON K} I was wondering since there was no prices
14:46:10 {NickTrader} same pic but no price.... reg diver
14:46:27 {angela} sooo, it's easier to see the price action...without the prices
14:46:30 {NickTrader} dont care about price, just confuses things
14:46:49 {NickTrader} dont care about price action just CCI
14:46:51 {JASON K} I thought the div was a function of diverging w/ price...no?
14:47:28 {NickTrader} jason, y but in 99% of cases when u c PATTERN for a reg diver as u c in pic.... it will be a reg diver.... simple
14:47:36 {JASON K} Diverging with?
14:48:02 {NickTrader} cci diverging with respect to price but lets not talk about price
14:48:20 {NickTrader} just look for pattern
14:48:24 {JASON K} ok
14:49:01 {NickTrader} k another reg diver on opposite side ...
14:49:04 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-19-04_T235015.HCC>>



14:49:15 {fei} Nick Trader, could you show the difference on the chart b/t reg div and reverse div. I saw the charts a couple of days ago, but not clear to me.

14:49:17 {NickTrader} this time lower highs...

14:49:18 {JASON K} ahhh I see

14:49:35 {NickTrader} fei, getting there.... sit back relax ;-)

14:50:11 {NickTrader} but i dont c price, again im assuming that the price is making higher highs and 99% of time it will be

14:50:45 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-19-04_T235149.HCC>>



14:50:47 {NickTrader} k there it is if u must c

14:50:55 {NickTrader} got it ?

14:51:17 {NickTrader} i show price just in case ur a nn-believer lol

14:51:18 {JASON K} Is the cci hl, hh, lh ect, ect a function on lines between valleys & peaks?

14:52:09 {NickTrader} the 2 peaks connected by the line is the pattern

14:52:32 {NickTrader} k rule 1... the diver should not be more than 10 - 12 bars

14:53:07 {NickTrader} rule 2... the 1st point on diver should be in area of greater than + or - 100 (extreme is best)

14:54:07 {NickTrader} rule 3... 2nd point of diver must be on same side of the zero line as first point of diver

14:54:14 {fei} if it is more than 10-12bars, the divergence is failed?

14:54:40 {NickTrader} y

14:55:36 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-19-04_T235648.HCC>>



14:55:52 {NickTrader} so that line is not valid because?

14:56:07 {alexmontoya} you said so?

14:56:12 {NickTrader} lol

14:56:12 {fei} it is down below zero

14:56:37 {angela} crosses zl

14:56:40 {NickTrader} yes, wrong side of zl where 1st point is located..... i notice many folks making this mistake

14:56:44 {angela} says fly on the wall

14:57:23 {alexmontoya} rev diver though, can be on either side can it not?

14:57:30 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-19-04_T235841.HCC>>



14:57:44 {Nicker} w any trendline NickTr, or just divr/rev diver trendliens? re crossing zero

14:57:54 {angela} nicktrader, as the fly on the wall, i have always wanted to know how to read divers when they span the zl

14:57:55 {NickTrader} nicker: we're talking about divers now, not TLB

14:58:09 {Nicker} k

14:58:16 {NickTrader} 1 thing at a time

14:59:11 {NickTrader} k is this valid ?

14:59:14 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-20-04_T000025.HCC>>



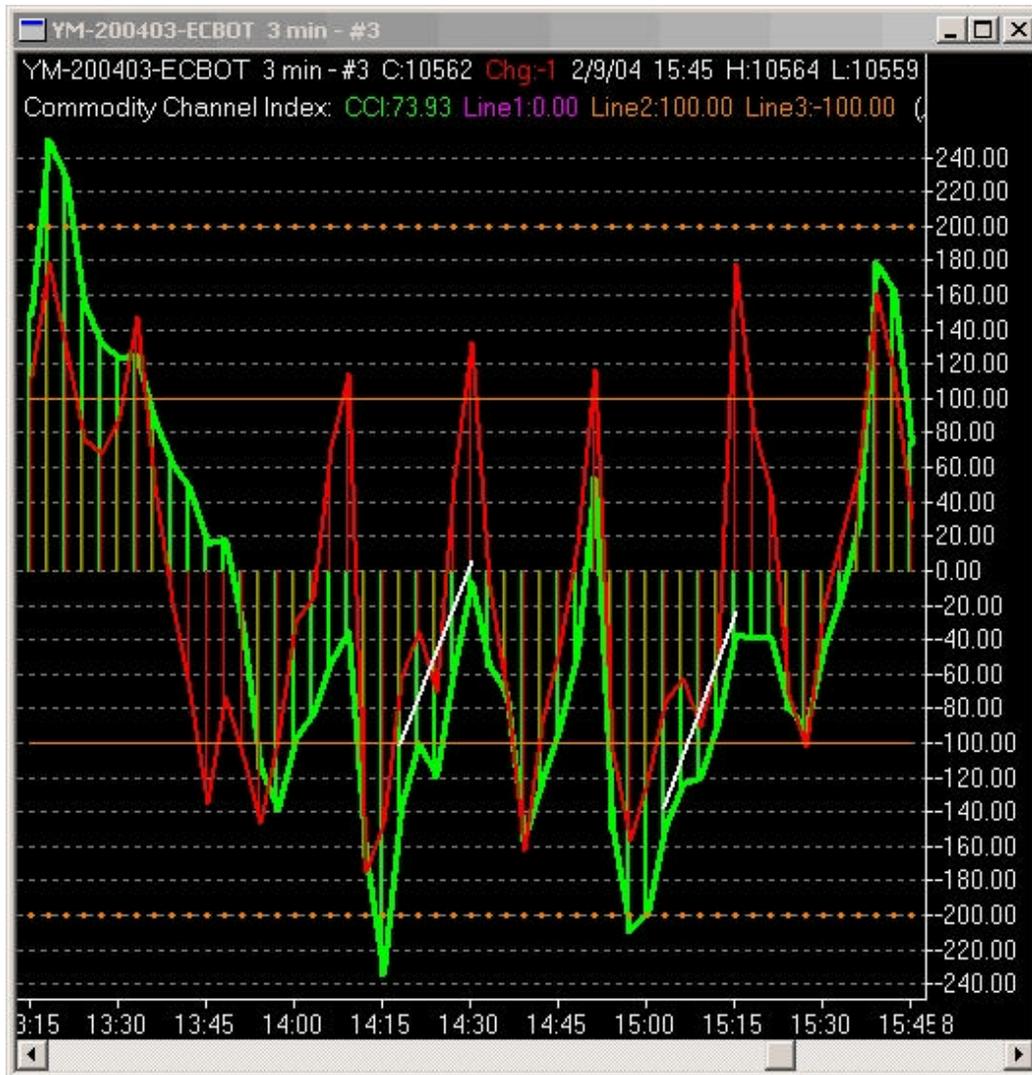
14:59:37 {Jimi 53} nick no to many bars
14:59:41 {JASON K} I think so if I got your rule down right
14:59:44 {choo-choo} too many bars?
14:59:45 {Nicker} too many bars
14:59:50 {NickTrader} right, to many bars
14:59:57 {JASON K} Ahhh y
14:59:57 {angela} way too many bars...>12

15:00:19 {NickTrader} this valid ?
15:00:22 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-20-04_T000133.HCC>>



15:00:45 {angela} y
15:00:45 {fei} y
15:00:49 {NickTrader} right
15:00:52 {Nicker} y
15:00:59 {JASON K} I think so if I counted right
15:01:12 {angela} jason, i was squinting
15:01:22 {JASON K} **Laughing out loud !**
15:01:31 {NickTrader} y about 10 bars, just eye ball it, no time to be counting bars
15:01:57 {angela} in real time, you know the rhythm of the bars
15:02:01 {angela} of your chart
15:02:09 {NickTrader} k so u got the reg diver pattern.... right.... they all the same.... dont need price
15:02:12 {angela} not so much squinting
15:02:21 {JASON K} yes
15:02:29 {NickTrader} k let do rev diver
15:02:42 {JASON K} Reday
15:02:48 {JASON K} ready
15:02:58 {angela} fly on the wall is ready too
15:03:00 {NickTrader} k i find a few,,,, 1 sec
15:03:04 {choo-choo} **Nick, what is the entry point on these div'rs?**
15:03:27 {alexmontoya} rev diver my favoritsimo
15:03:52 {alexmontoya} i learned them from nick a few years ago
15:04:22 {NickTrader} hold the entry point queston lets get the patterns first

15:04:30 {choo-choo} k sorry
15:04:31 {jeff} i thought you were new to the room alex
15:04:55 {alexmontoya} lol
15:04:59 {Jimi 53} jeff a month learning this stuff seems liek years
15:05:03 {alexmontoya} I meant to say weeks
15:05:05 {angela} seems i am lucky Nick is still teaching
15:05:06 {alexmontoya} holy crap
15:05:09 {alexmontoya} my brain is in the toilet
15:05:29 {NickTrader} k here are rev divers ...
15:05:33 {angela} what's a few years among friends
15:05:33 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-20-04_T000644.HCC>>



15:06:41 {NickTrader} k so whats different about these divers
15:06:57 {Jimi 53} nick inside line
15:07:03 {NickTrader} y
15:07:12 {JASON K} Ones above zl & ones not for starters
15:07:30 {NickTrader} the rev diver is drawn on INSIDE of cci, that is, between the CCI line and the zl
15:07:41 {NickTrader} simple
15:07:44 {Nicker} didn't have to start at >100
15:07:48 {fei} Nick, when you draw the lines, they are not connecting trough points...?
15:08:28 {Nicker} That was a question. still requires >100 on one end of rev diver?

15:08:29 {**JASON K**} Does the above or below zl make a difference?
15:08:48 {**angela**} all below zl, no?
15:08:55 {**angela**} in this case
15:08:56 {**NickTrader**} for rev diver the rule can be relaxed for 100 line 1st point
15:09:31 {**NickTrader**} however, the 2nd point must be on zl
15:09:36 {**NickTrader**} or near zl
15:09:59 {**Jimi 53**} nick with in 50?
15:10:06 {**NickTrader**} rule is +/-50 to be considered a zl
15:10:13 {**Jimi 53**} txs
15:10:17 {**Nicker**} ty
15:10:27 {**NickTrader**} but this is dynamic depending on trend
15:10:46 {**JASON K**} **Boy that explains a lot of the missing parts!!**
15:10:47 {**angela**} nicktrader, you've no idea how clarifying this impromptu lesson has been for me
15:11:03 {**NickTrader**} the same rule applies for the 100 line for 1st point.... however...
15:11:13 {**Dsquared**} **Isn't that a VT at 15:30?**
15:11:53 {**NickTrader**} it does not mean that if the 1st point of diver is below 100 line it will not work.... just then has lower probability
15:12:05 {**angela**} **so the 1st pt must be >100?**
15:12:15 {**angela**} oh i see
15:12:15 {**NickTrader**} it's all about probabilities
15:12:19 {**angela**} understood
15:12:23 {**NickTrader**} y
15:12:29 {**JASON K**} yes
15:12:31 {**alexmontoya**} you almost have reg diver there too
15:12:37 {**alexmontoya**} just a few bars too far apart
15:13:02 {**NickTrader**} so to have best signal with highest probability of success, than u must fit the rules
15:13:14 {**John 2**} **if you would have taken regular divergence today on 250V er you would have lost several times. How can you increase success rate. Any nuances?**
15:13:18 {**fei**} **Nicktrader, I still can't see how and why you draw white lines like that, is it on TCCI or CCI?**
15:13:57 {**angela**} nicktrader, i have been struggling to see the difference between one divers and the other. now i feel i have a foothold
15:14:01 {**JASON K**} NickTrader this has been a great help, thank you for sharing your knowledge
15:14:10 {**angela**} thank you so much
15:14:19 {**NickTrader**} john, reg diver is a counter trend trade, low probability of success.... trade with the trend.... and use with the trend signals... that would be a rev diver with zlr and tlb
15:14:28 {**angela**} and JasonK, thanks for provoking this impromptu session
15:15:10 {**JASON K**} Angela we both learned something ...that's a good thing
15:15:10 {**angela**} hope i did not add too much noise...it was enthusiasm and enlightenment
15:15:17 {**angela**} on my part
15:15:23 {**angela**} jason, thanks
15:15:26 {**John 2**} I know its countertrend thought maybe there was a way to weed out poorer ones
15:15:36 {**r7**} y
15:15:42 {**NickTrader**} y dont trade them
15:15:58 {**fitzy40**} yep
15:16:02 {**alexmontoya**} lol
15:16:06 {**r7**} hey fitzy
15:16:08 {**John 2**} that was my conclusion too
15:16:10 {**alexmontoya**} **the trend is your friend to the end !**
15:16:18 {**alexmontoya**} heya fitzy
15:16:24 {**NickTrader**} unless u can scalp very fast, u will not have high success rate on counter trend trades like reg divers
15:16:25 {**fitzy40**} hi all
15:16:47 {**NickTrader**} k so another point ...
15:17:06 {**Nicker**} hi fitzy
15:17:10 {**John 2**} I hate scalping

15:17:21 {NickTrader} if u have a rev diver and a reg diver show on same slope of cci, which u take?
15:17:33 {angela} rev
15:17:40 {r7} good?...I c that all the time
15:17:57 {Nicker} mostlikey the rev diver shows up first? & u might have to be fast if it goes wrong
15:17:58 {NickTrader} angela, why?
15:18:02 {Jimi 53} rev with the trend
15:18:03 {angela} rev divers with the trend
15:18:04 {John 2} picture of it
15:18:09 {JASON K} I will guess rev
15:18:27 {NickTrader} y wit the trend trade is hgher probability
15:18:51 {angela} i don't do much counter trend, yet.
15:19:00 {NickTrader} gb007 takes only rev diver zlr tlb trades with the trend
15:19:01 {angela} maybe never will much
15:19:30 {angela} i'm a new trader and have no business with counter trend, as i see it
15:19:36 {NickTrader} so now ...
15:19:43 {NickTrader} how do u tell the trend?
15:19:49 {angela} ema
15:20:04 {fei} above or below zero line?
15:20:08 {Jimi 53} how many bars
15:20:11 {Nicker} # bars on same side of zero
15:20:12 {JASON K} 5 bars + or - ZL?
15:20:20 {Nicker} >6
15:20:28 {John 2} ema
15:20:29 {NickTrader} ema? u mean on price? whats a price bar?
15:20:37 {angela} oooops
15:20:57 {angela} as others have stated above, bars above zl]
15:21:02 {Nicker} 14 CCI bars -6 is trend
15:21:07 {NickTrader} scci on either side of zl 5+ consecutive bars will show trend
15:21:30 {NickTrader} dont need no stinkin price
15:21:43 {angela} where have i heard that?
15:21:46 {JASON K} Laughing out loud !
15:21:47 {NickTrader} just scares the pant off ya ;-)
15:22:20 {NickTrader} k now TLB ...
15:22:48 {JASON K} Wow! I wanted to ask but you have already done so much!!
15:22:56 {angela} Nicktrader, it is a special gift and talent to be able to explain these concepts...and you have it
15:23:03 {angela} ok here we go
15:23:31 {angela} again JasonK, are we butting in?
15:23:48 {r7} NickTrader will be taking donations to his fund at the end of this commercial....hehe...just kiddin
15:23:52 {angela} i was going to quietly eavesdrop, don't knwo what happened
15:24:05 {JASON K} Absolutly not please join in, thank you for being here
15:24:21 {angela} jasonk, thank you
15:24:40 {angela} spans zl
15:24:52 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-20-04_T002603.HCC>>



15:25:04 {NickTrader} k here we have reg diver, tlb and ?
15:25:12 {fei} Nicktrader, would you agree it has a higher probability of success trading zlr or tb than divergence?
15:26:10 {NickTrader} anyone get the 3rd signal?
15:26:16 {cizera} nope
15:26:20 {Jimi 53} x 100
15:26:22 {JASON K} Did I read that the combo is very powerful?
15:26:33 {NickTrader} y 100cross for confirm of entry
15:26:38 {r7} +100 line cross
15:26:42 {b6268w} hfe
15:27:06 {NickTrader} so if u must do a counter trend trade u need 3 things
15:27:12 {NickTrader} 1 reg diver....2 tlb....3 cross 100
15:27:38 {alexmontoya} crossing back to the downside, correct?
15:27:43 {angela} oh nice
15:27:44 {Jimi 53} nick is the diver from TCCI more or less powerful than from 2 pts on 14 CCI
15:28:02 {NickTrader} if u dont wait for 100cross, u might have a 100 reject for a with the trend trade
15:28:24 {JASON K} I c!!
15:28:55 {angela} aha!
15:28:55 {NickTrader} the 100 lines and zl are resistance/support areas, so therefore, there is always a high probability of a rejctet
15:29:19 {JASON K} Got it

15:29:22 {Nicker} NickTr, but if you have a HFE at high levels, you don't wait for 100 x do you?

15:29:33 {angela} nicktrader, i've heard that countless times, now i've a way to measure it

15:29:46 {NickTrader} jimi, not sure on numbers for that rtade

15:29:48 {angela} wowweee, great lesson

15:30:05 {Jimi 53} txs Nick Great stuff

15:30:18 {angela} Nicktrader, thank you so much! this has been a special problem for me

15:30:25 {NickTrader} hfe is not a diver, we doing divers

15:30:43 {Nicker} OH... got it

15:31:09 {angela} nicker, some of us have trouble with divers

15:31:13 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-20-04_T003225.HCC>>



15:31:20 {NickTrader} tripple diver....

15:31:36 {NickTrader} very strong

15:32:10 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-20-04_T003321.HCC>>



15:32:20 {alexmontoya} nick, though wouldn't you take it after the 2nd probably?
15:32:24 {NickTrader} a vt which all are rev divers
15:33:06 {John 2} any nuances for VT
15:33:10 {alexmontoya} vt looks like reg diver, no?
15:33:29 {NickTrader} y but vt has a defined shape
15:33:42 {NickTrader} that chart i post is ideal
15:33:44 {alexmontoya} yup, little hooker
15:33:52 {Jimi 53} Nick on the triple -you short on the x100 If you come back above the 100 do you exit?
15:35:37 {NickTrader} y if the next point goes higher than previous point its invalid
15:35:52 {Jimi 53} thanks
15:36:18 {NickTrader} must make lower highs for short, higher highs for long
15:36:29 {NickTrader} otherwise its invalid
15:36:43 {alexmontoya} nick, as usual, great lessons :)
15:36:48 {JASON K} NICK TRADER.....Thanks A Million My Friend !!!!!
15:36:51 {angela} agreed
15:36:52 {alexmontoya} I'll try some on the eur in a few hours
15:37:07 {NickTrader} all u need is pattern, no price
15:37:11 {angela} Nicktrader, again, thank you so much
15:37:15 {John 2} thanks
15:37:18 {NickTrader} yw
15:37:24 {Jimi 53} Nick thanks

15:37:25 {angela} this has cleared up much of my confusion

15:37:31 {fei} thanks a lot,

15:37:34 {b6268w} thanks nicktrader

15:37:39 {marko} as always Nick learned alot

15:37:57 {Nicker} Nick, you're really appreciated. Thanks a million

15:38:05 {John 2} NickT, do you take all TLB's

15:38:05 {NickTrader} np

15:38:11 {marko} thanks again

15:38:19 {John 2} just what you showed

15:38:32 {choo-choo} Nick, higher highs for long?

15:38:58 {angela} unbelievalbe what happens if one pops into this room...at any hour

15:39:03 {Jimi 53} gn all Thanks Nick

15:39:14 {NickTrader} choo, y as in this pic ...

15:39:17 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-20-04_T004028.HCC>>



15:39:45 {NickTrader} oppps thats higher lows ,,,

15:39:52 {choo-choo} the higher high's in reverse divergence.

15:40:31 {choo-choo} ok, now I'm back on the same page with you... lol

15:40:33 {NickTrader} opposite of lower highs ;-)) for short

15:40:52 {angela} nick, great example nonetheless

15:41:26 {choo-choo} Thanks so much Nick.. I really appreciate your help.

15:41:31 {NickTrader} i dont think in terms of higher highs numerically i just c pattern.... thats why u need lots of chart time

15:41:39 {angela} and thank you so much for explaining the divers rules

15:41:50 {angela} but for some of us, we have to start somewhere

15:42:09 {angela} point well-taken about chart time

15:42:26 {angela} thank you so very much

15:42:34 {NickTrader} u should draw the divers preferably untill u c it in ur sleep

15:42:43 {choo-choo} Nick, in that last chart isn't that reverse divergence also?

15:43:48 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-20-04_T004500.HCC>>



15:44:05 {choo-choo} Yes, thank you Nick.

15:44:08 {NickTrader} y rev diver that failed

15:44:25 {choo-choo} HOw do you know it failed?

15:45:03 {NickTrader} cause it didnt follow through with a zlr and turned into a reg diver

15:45:11 {choo-choo} Oh, i c. thx

15:45:35 {NickTrader} k lets c price c what happened ...

15:46:27 {choo-choo} k

15:46:58 {NickTrader} <<file:C:\PROGRAM FILES\1STWORKS\HOTCOMMLITE\UPLOADS\NickTrader_02-20-04_T004810.HCC>>



15:47:27 {choo-choo} yep, it went up instead of down..
15:47:39 {alexmontoya} wow, that's tuff, you have rev diver and tlb and it still failed
15:47:44 {NickTrader} aha, from open hfe so i dont take trades from open i wait 5 bars to c direction
15:48:19 {choo-choo} oh i c.
15:48:20 {NickTrader} remember woodie rule.... after first 5 brs we get direction...
15:48:30 {alexmontoya} oh, didn't realize this was @ open
15:48:35 {NickTrader} the 5+ bar rule for trend
15:48:50 {Nicker} still that rev div was ok for 5 pts
15:48:51 {choo-choo} To be 'so' simple, it sure is complicated for this old man.
15:49:29 {choo-choo} I have a severe case of that CRS syndrome.
15:50:17 {choo-choo} Thanks again for your help NickTrader.
15:50:18 {NickTrader} nicker, perhaps, but not worth risk imo, the diver was much better signal, after 5 bars for trend and it worked well, so if i was in rev diver trade i may have missed a better trade.... all about risk/reward, probabilities
15:51:01 {Nicker} I see that, even understand. Thanks Nick