

Rules, Rules, Rules

Rules are put in place when trading to “KEEP YOU FROM YOU!” Break the rules, expect to lose or gather incorrect data.



Here is a general list to get you started:

Trends 240-minute chart only:

- Must anchor trend line on support and resistance from the past
- The trend MUST prove the heartline.
- You must be exhibiting Elliott Wave properties (which means it cannot be a confirmed trend until the 3rd wave)
- Must have less than 45-degree angle
- You need to find the Fib's from the previous move in the same price area
- You must identify previous support/resistance (PSR's) depending on direction in the same price area

Channels: 60-minute chart only:

- The same as trends except you do not need Elliott Wave properties or angle (the angle of a channel can be very steep – shallow ones are usually corrections)

Retracement Fibs 60-minute chart is best, but we use on all time compressions:

- Must be anchored on the support and resistance of the leg evident in the chart
- The area most used is the 0.500 and 0.618 Retracement
- If you have an unsustainable move look to the 0.382 for the reaction to go again

Road Maps 10-minute chart only:

- Find the Dominant move attempting to get into the new price area
- Fib that for the Fib extensions in route to the target
- Move your stop ONLY if you have a mathematical reason to do so

Divergence/Convergence 60-minute chart only:

MACD points the way

A break of the Zero line **AND** the T3 is the official word you are now whatever direction that break was

Symmetrical Triangles 60-minute chart only:

- Caused from indecision – higher % chance of going out in the direction you came in
- Market will explode out so you must only use entry order (2 minimum)

Average True Range target (ATR) 60-minute chart only:

- Tells you the statistical probability of a currency's travel since 5 PM yesterday NY Time
- You must know what candle that is in your time zone.
- IF you have enough ATR left and can place 2 or more positions you MIGHT have an opportunity. If not, PASS!

HSI Tool 240/60-minute chart only:

- It measures the statistical probability of the Structure of Elliott wave.
- You can use either way in Ranges and Trends
- In trends it shows the target of the current wave
- Find THE top or bottom and click in that new direction

Margin Management:

- No more than 2% at risk at any time (if you are at Break Even + you can add another 2%)

Stops:

- Refer to the Stop policy on First Videos Page

The Desert 10-Minute chart only:

- Higher probability outcomes occur if the candles are outside the Desert (2 thick green and red Moving Averages)