

Tribute to Avid Trader Chat Room

By Tom Hougaard

Avid Trader was a chat room for hardcore traders.

The chat room is gone, and with it the amazing wisdom from some great traders.

This document contains the scanned printouts from when I followed the chat room. You will find strategies, market wisdom and tips and tricks that will last you a lifetime.

Enjoy!

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INTRODUCTION

A long time ago, back in the early part of the new millennium, there was a chat room called Avid Trader. I was new to trading, and here was a website where serious professional traders would share their trading ideas. I believe it started at some point in the mid 90's.

The chat room technology was extremely basic. I never found out how to post charts. There was no graphics to it. The background was black. The text was green. It was like reading through a piece of software code. All you saw was a line of text. By today's standard, it was extremely basic.

However, the content was not basic. There were old floor traders participating in there, who had moved from floor trading to screen-based trading. There were real hardcore technical traders, who had literally dissected the market minute by minute for years. They had some incredible insights into the art of timing your trades.

As you read through the posts, you will read expressions that we just do not use today. For example, you will see someone say, "I picked up the phone and called my broker and placed a trade." That will give you an idea of the era we operate in. The online trading revolution had not quite unfolded yet.

People would post under a "handle" name. There were people like **Tepid2**, who was a prolific contributor. I mention Tepid2 first because it has come to my attention that he is no longer with us, sadly. He was well liked by so many people on Avid Trader.

Other prolific posters were **OysterCatcher**, **Oleman**, **Colby**, **G9**, **ATHBO**, **SkyeHigh**, **MeBOB**, **Parrotlady**, **ATHBO**, and **1381**, to name a few.

However, the real star was **Oleman**. I do not know much about him. The contributors rarely spoke about themselves.

As a newcomer it was a goldmine of information, and I was glued to the screen, always hoping that one of the old-timers would start a "sharing spree", where they poured out from their library of knowledge.

They often did, which is why I have written this document. I want you and the future generation of traders to read their observations. They are every bit as relevant today as they were a few decades ago.

I am however sad to say that you will only see what I managed to print out from 20 years ago. Whenever I saw something of interest, I would save it, and print it out for my personal use. I do not have a digital file of the posts. I have had to scan the pages and input them into this document.

I believe that it was for commercial reasons that AVID TRADER stopped around 2003. It seemed they also wiped the servers with the millions of posts.

If you were one of those who were lucky enough to be around at the time of Avid Trader, and you have content, you wish to share with me, then please get in touch.

The Names

I remember certain little things about the people who posted. **OysterCatcher** was my big hero. The name behind the handle was Chris Locke. He was a regular contributor on CNBC.

Chris ran OysterCatcher Management. He was a big hedger in the Soy market, but to me he was the guy who had the most exquisite grasp on Elliot Wave Analysis. We became friends and he attended my wedding.

Sadly, Chris retired from the business, and I have since lost touch with him. I enjoyed the countless hours I spoke to him on the phone. He always had time for a chat. Thank you, Chris. I hope you enjoy the spoils of your hard work. You deserve it.

Oleman was the real star. He was knowledgeable and was always happy to share his wisdom. I believe he was in his mid-50's back in 1997. That would make him an older gent now.

I believe he lives in Florida. I know nothing more about him. The material I have from the Avid Trader archives are mostly his lessons, and there are many of them.

Tepid2, whose real name I believe was William D Blount, was also a prolific poster. He was a real character. I will share with you some of his most illuminating posts.

There were so many other competent posters, but as far as I know, their wisdom has not been stored anywhere. Should you have more information on these prolific posters, then please do get in touch. I am happy to amend this document to include more information.

4-Day Cycle Method

I will start off showing the information on the 4-Day Cycle Method. I wish I could give you more information, but what you see is what you get – and I am showing you all I have. The traders using this method were called Tepid2 and SkyeHigh. I hope you find it of value.

4 DAY CYCLE METHOD

I will start off with the 4-Day Cycle Method.

I got into a discussion with a guy in a trader chat room. I never found out his name, but we compared notes on the 4-day cycle.

A trader called **SkyeHigh** traded this method with **Tepid2**, I believe. I post the notes for you in its entirety. I hope you can make use of it.

I am sharing all that I have. You are welcome to email me with questions, but I am not sure I can be of more help than I am now, by scanning and posting the original documents.

The technique is used on the SP500 index. It is used “in-hours”, which is the regular trading session. Some of the expressions that you see on the chart documentation, such as 8-ball and 72 Furstbak, are explained in the subsequent chapter, which focuses on Tepid2’s contribution to Avid.

4 Day Origin

I believe the 4-Day Cycle Method came from the book by Jim Sloman called “The Adam Theory of Markets” and Welles Wilder’s book called “The Delta Phenomenon”.

The idea for the 4-Day Cycle came from Jim Sloman and were bought and published by the famous US trader Welles Wilder in 1987 and in 1991. **The basic premise is that the market repeats in cycles, and those cycles repeat in harmonic durations.**

The theory argues that the market repeated itself every 4 days, in a manner, which makes it interesting for a trader to study. I personally do not believe it is as easy as it was made to sound. I believe my posts on the following pages will amply highlight that argument.

Personally, I never saw anyone make live calls on Avid Trader using the 4-Day Cycle method, and I never saw guys like Tepid2 or SkyeHigh post their 4-Day Cycle entries. You know the saying: the proof of the pudding is in the eating. It is easy to put numbers on a chart afterwards, but to do it in real-time is an entirely different matter.

What follows is a summation of the rules that **SkyeHigh** used. If I may guide you a little with some tips. Where it says “1am low”, it does not mean that the time is 1am. Rather it means that we are looking for a low in the “am”, i.e. a morning low, which will be point 1.

We are only concerned with the regular trading session, which last 6.5 hours in the US. “Spills” mean when an expected high or a low does not appear until the day after.

After the explanation I have scanned the charts that SkyeHigh had posted on the method.

Is there a 12-day cycle

267 hours

Skyehigh uses a 4-calender day/series cycle:

Series#1 - 1, 1a, 2

Series#2 - 3, 3a, 3b, 4

Series#3 - 5, 6,7

Series#4 - 8, 8a, 8b, 9, 10, 10a

There are four possible combinations for Series#1, and two combinations for Series#2, 3 and 4 as a group.

Series#1 can have: a) 1 a.m. low, 2 p.m. low (i.e. a "W" day with 1 and 2 at the bottom and 1a high in the middle)

b) 1 a.m. low, 2 p.m. high (i.e. rally)

c) 1 a.m. high, 2 p.m. low (~~i.e. a "M" day~~) *sell-off day*

d) 1 a.m. high, 2 p.m. high (~~i.e. sell-off~~) *an "M" day*

And Series#2, 3, and 4 as a group can be:

a) "Odds High...Evens Low"

3 a.m. high, 4 p.m. low, 5 a.m. high, 6 mid-day low, 7 p.m. high, 8 a.m. low, 9 mid-day high, 10 p.m. low

b) "Odds Low...Evens High"

3 a.m. low, 4 p.m. high, 5 a.m. low, 6 mid-day high, 7 p.m. low, 8 a.m. high, 9 mid-day low, 10 p.m. high

If the Series#1 day finishes with a 2 p.m. high, then follow the "Odds Low...Evens High" group

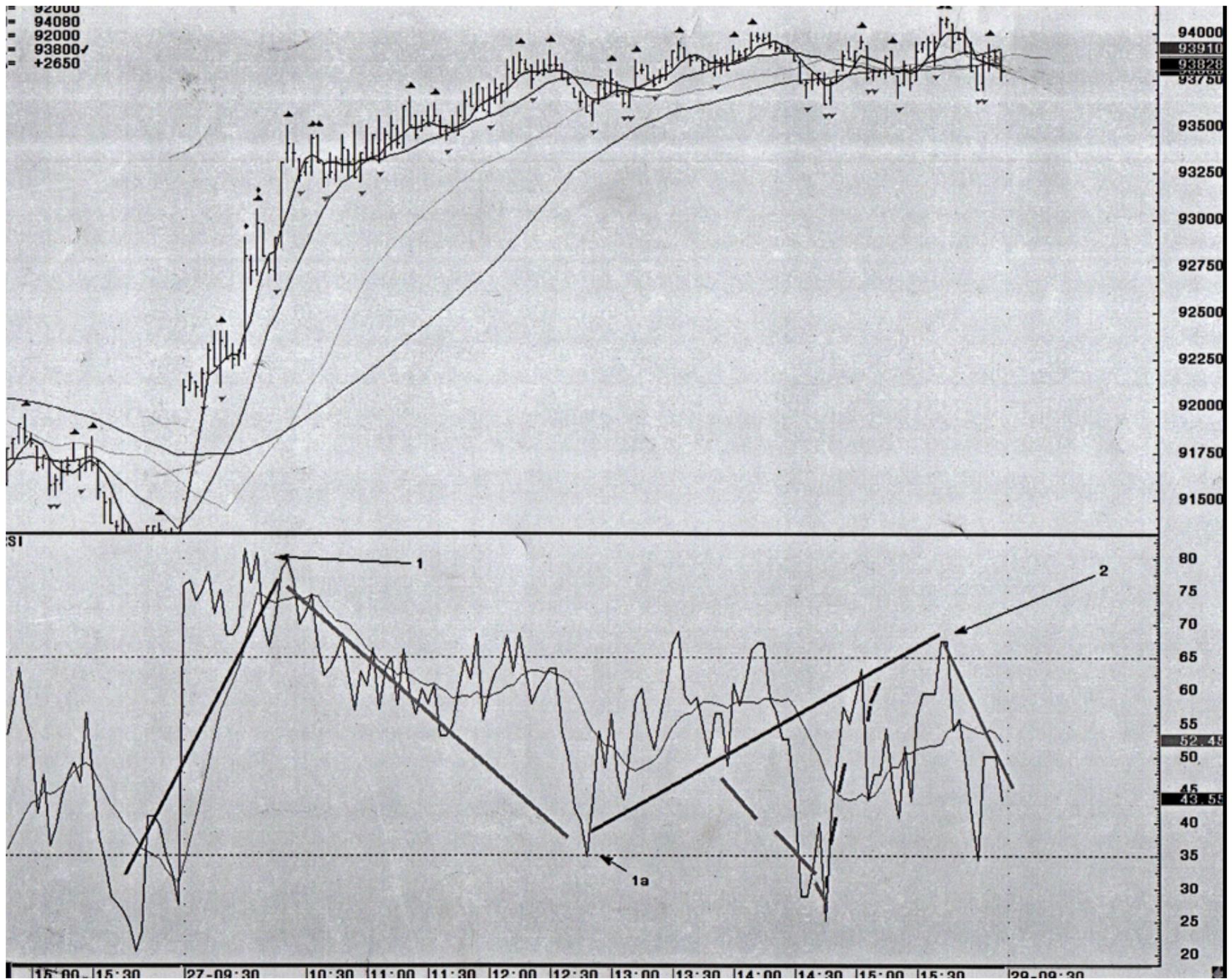
(I.e. 1L, 2H - 3L, 4H - 5L, 6H, 7L - 8H, 9L 10H)

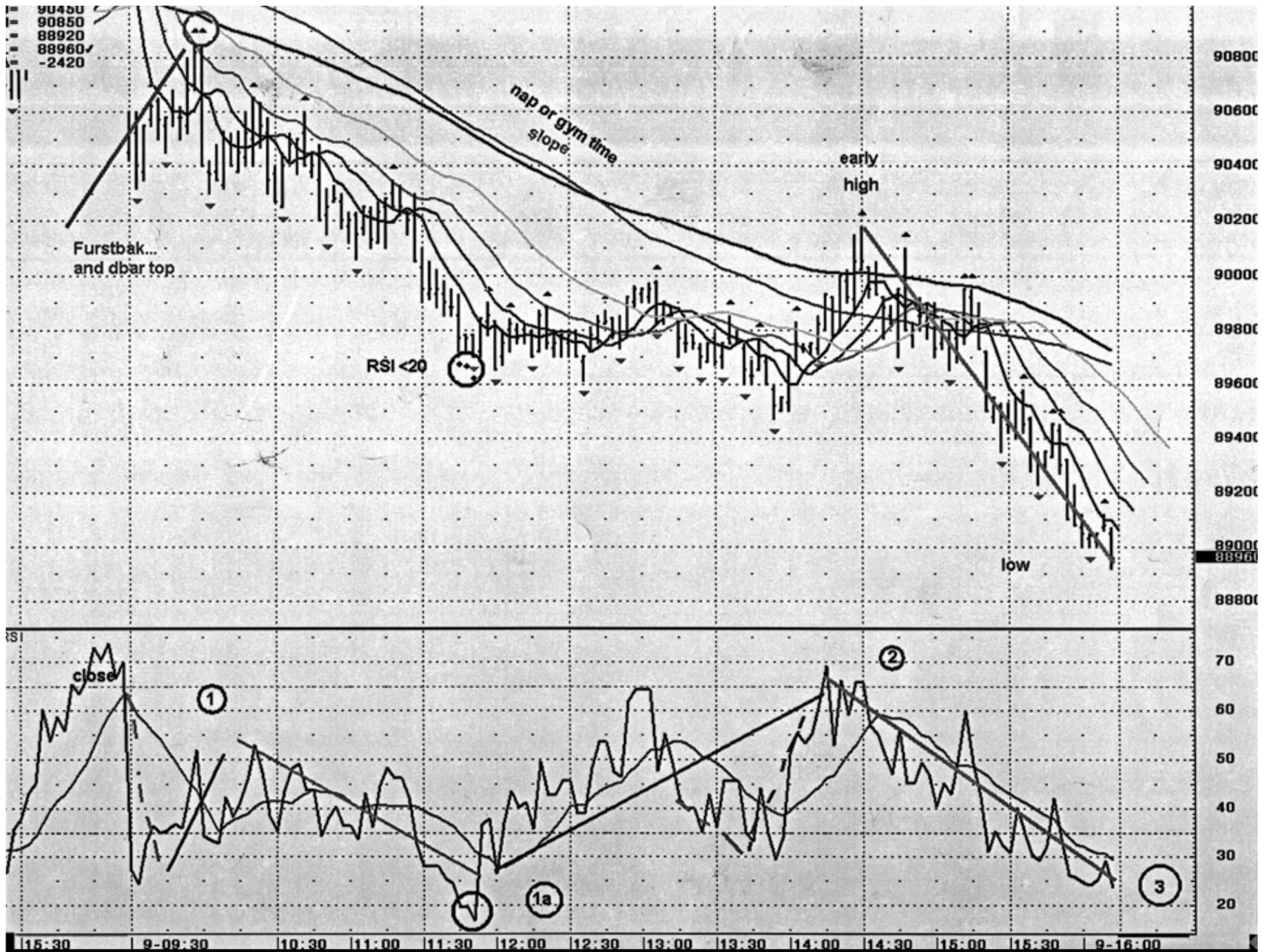
and if Series #1 finishes with 2 p.m. low, then follow the "Odds High...Evens Low" group (i.e. 1L, 2L - 3H, 4L - 5H, 6L, 7H - 8L, 9H, 10L)

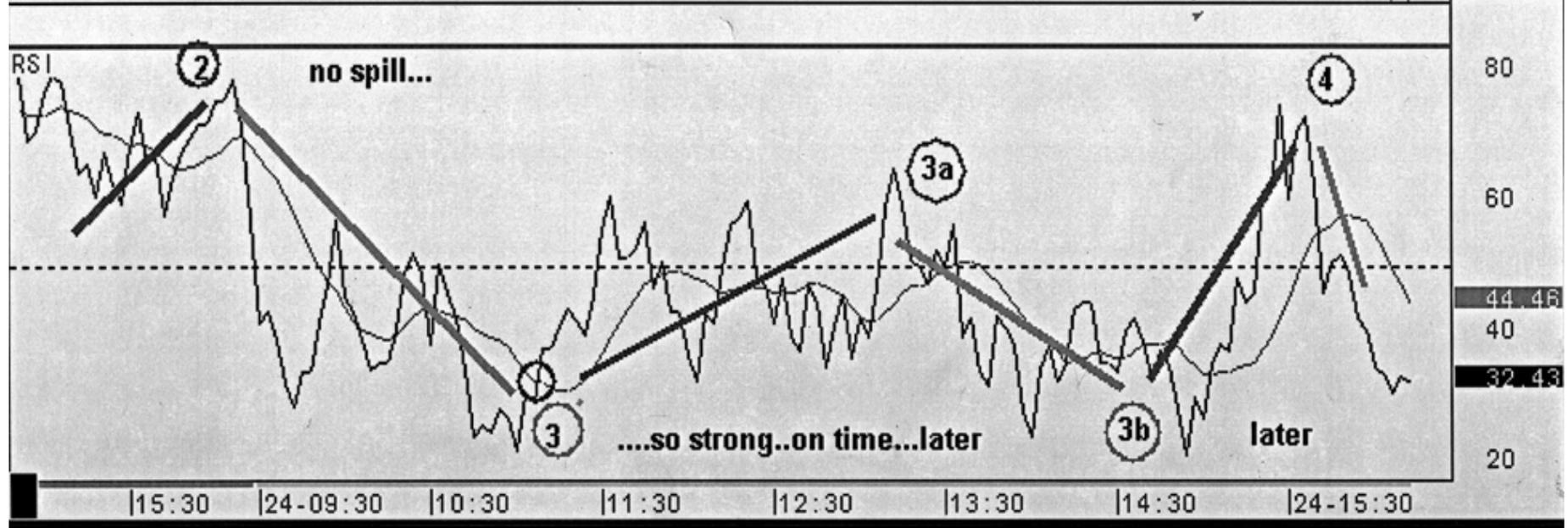
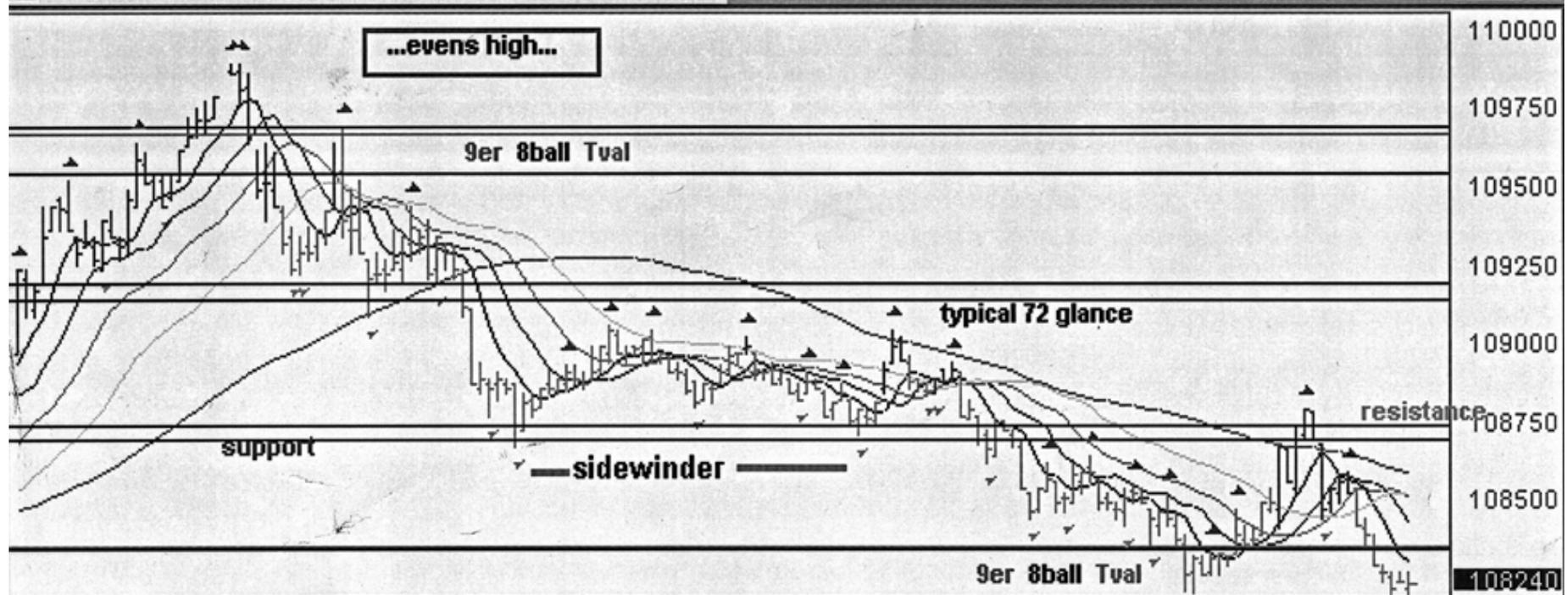
The tricky part is waiting for Series#1 to show its stripes, and watch for "spills" where the p.m. high/low gets pushed into the next Series (i.e. continues into the next morning).

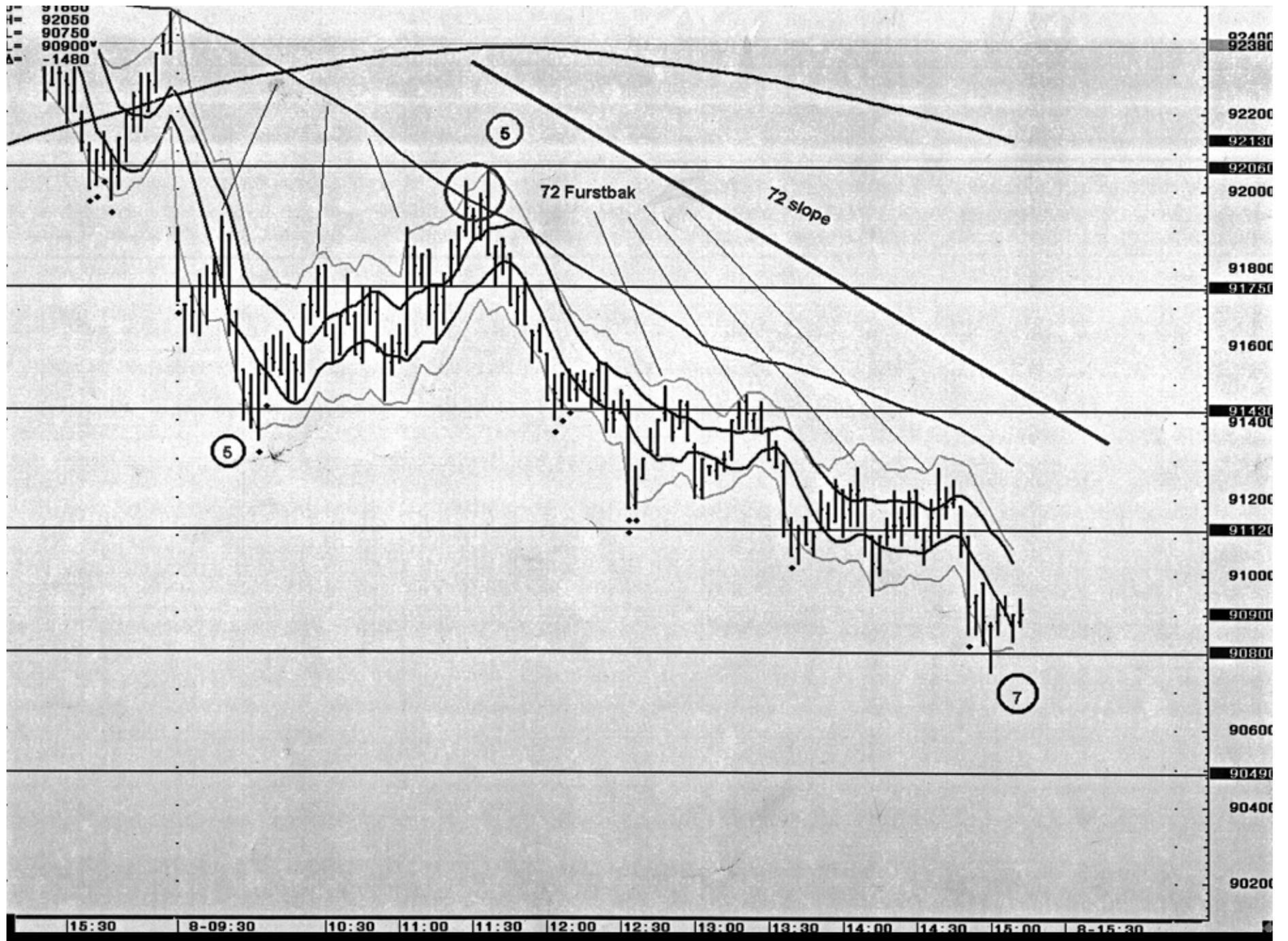
It would be safer to trade just the Series #2, 3 and 4 days - each day's pattern would resemble or be an inverse of the pattern four, eight, twelve, etc. days earlier. Skyehigh uses RSI and Stochastic to confirm the point counts. Please find attached eight charts with two examples of each of the four Series. I will email separately a file of Skyehigh's Avid chats.

Do you know whether any of the points have special characteristics (i.e. a harbinger of strong moves like Elliott Waves's 3rd of 5 waves)? And what astro relationship can be used to pinpoint the timing of the reversal points (i.e. what earth, sun and earth cycle occurs every 4 days, and what occurs 2-3 times a day during RTH to account for the intraday reversals)?



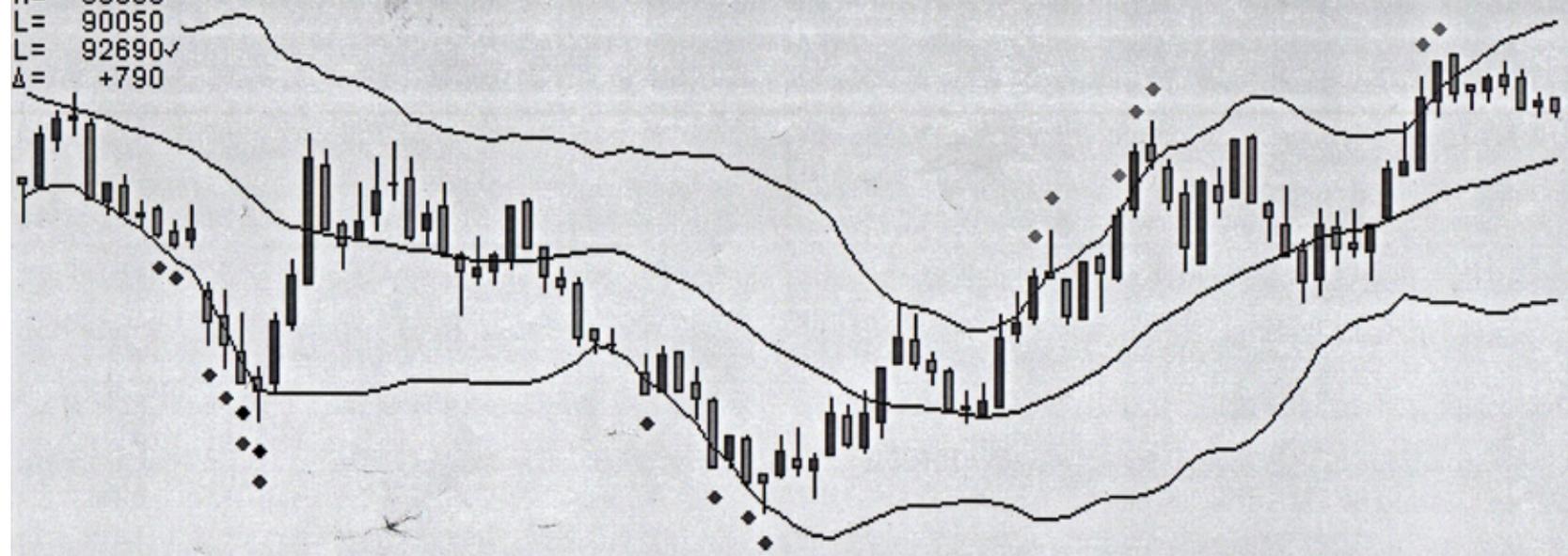




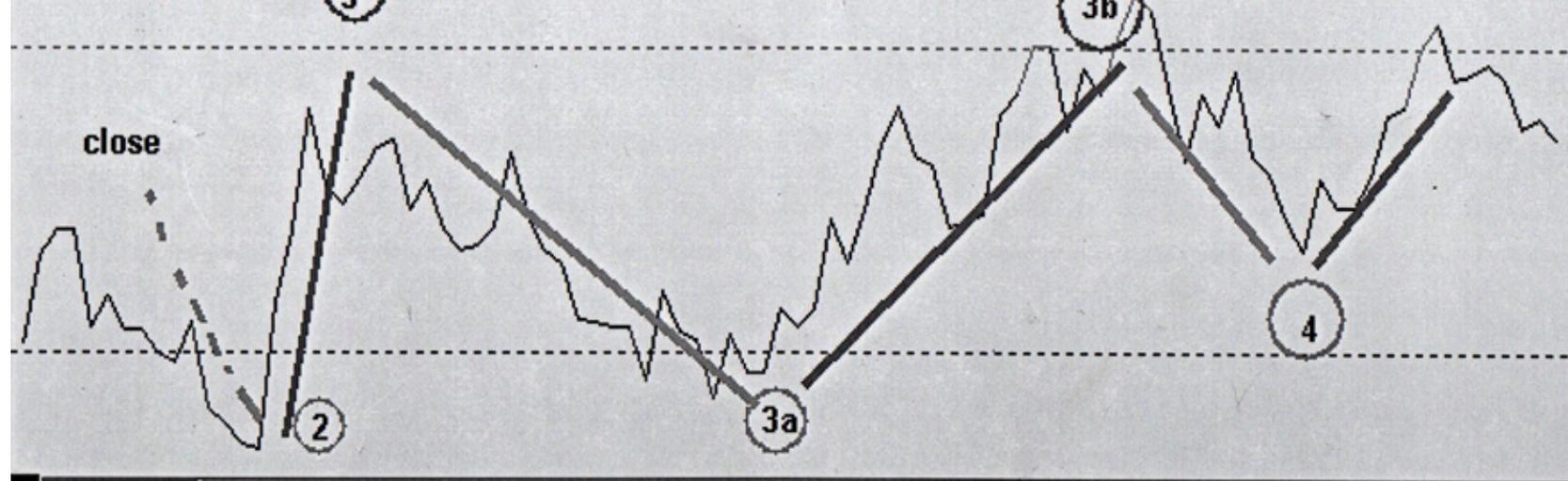


SPU2 - S&P 500-Day Pit, Sep 02, 5 Min

O= 91500
H= 93050
L= 90050
L= 92690 ✓
Δ= +790



RSI

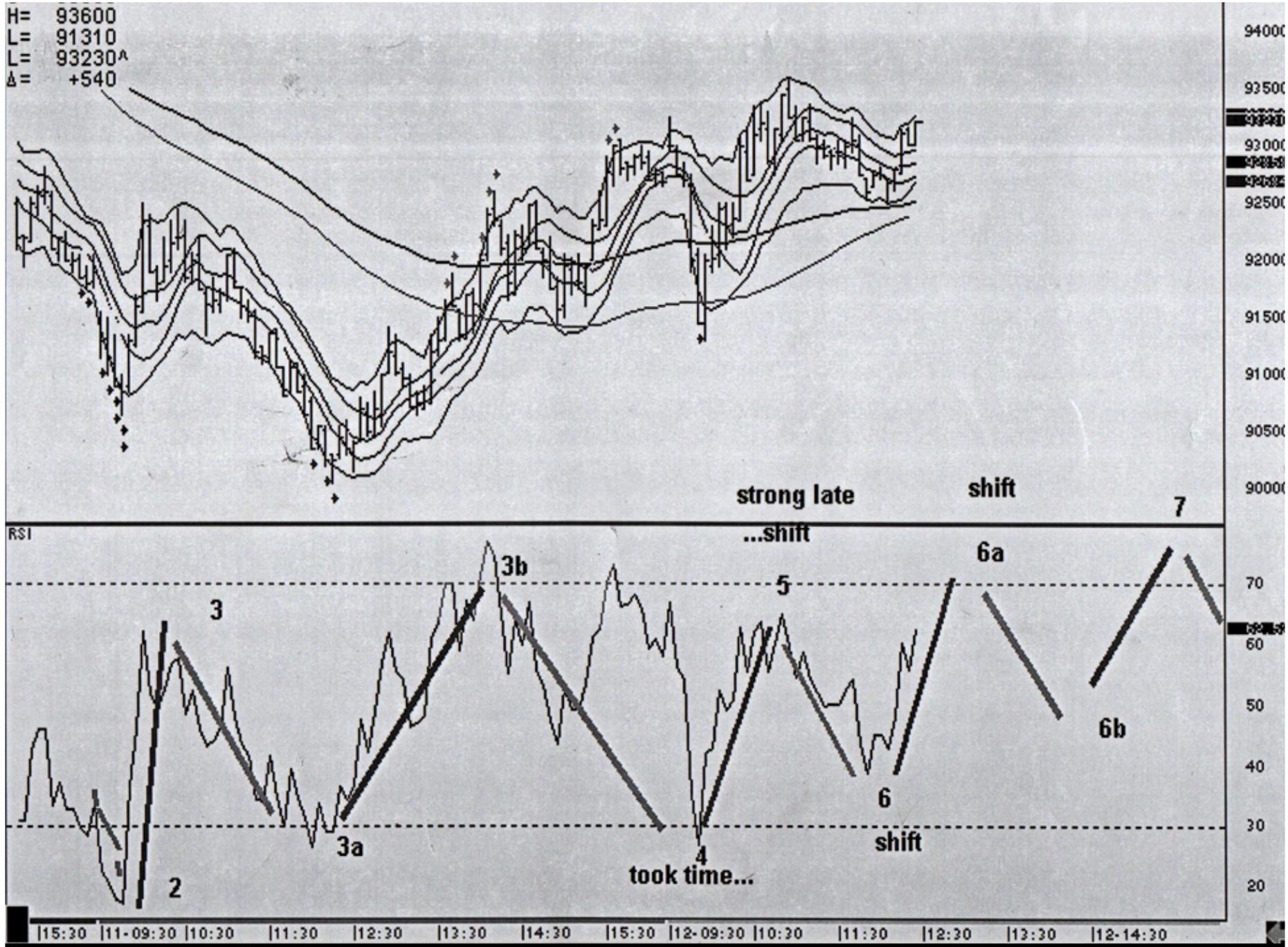


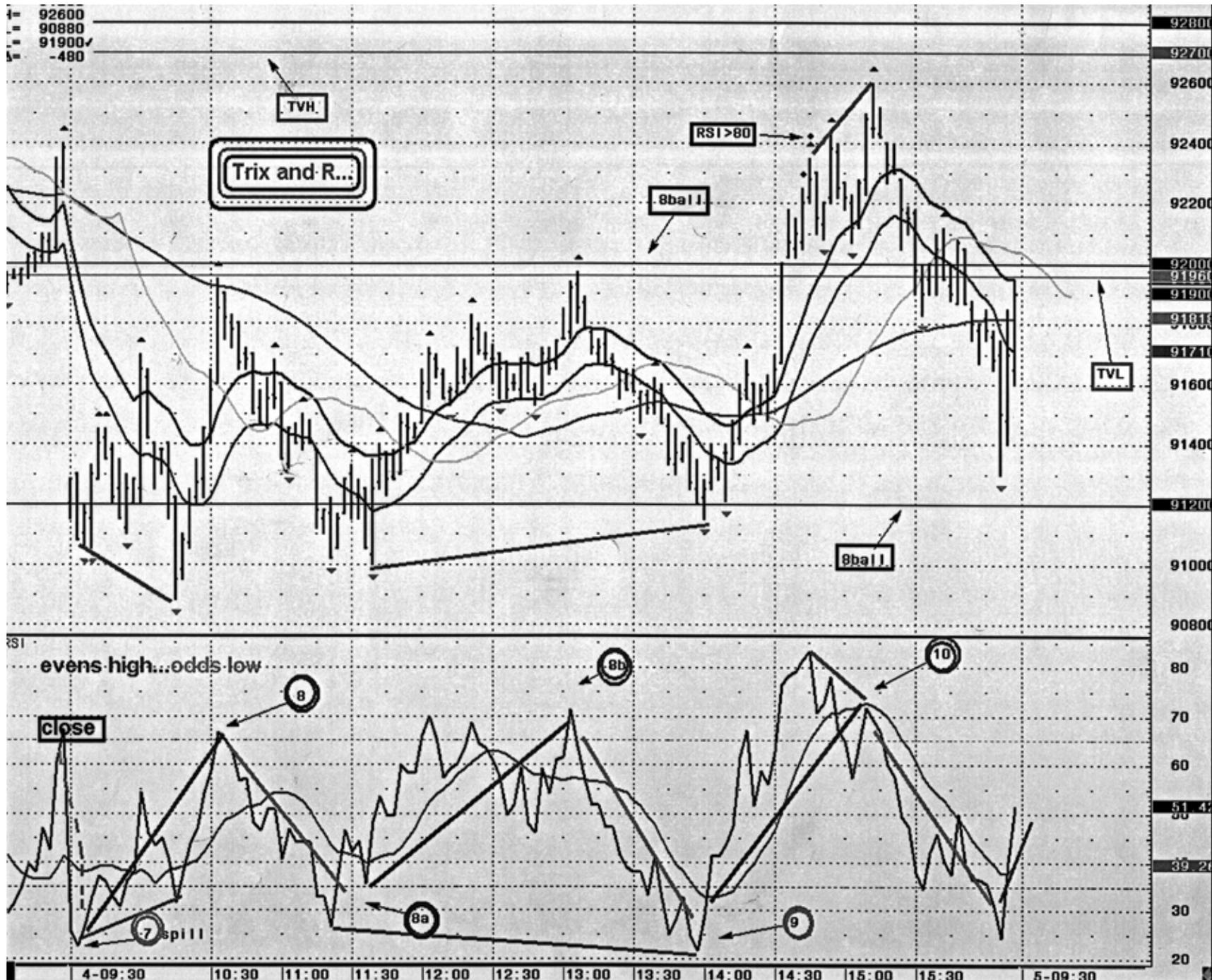
15:30 | 11-09:30 | 10:30 | 11:30 | 12:30 | 13:30 | 14:30 | 11-15:30

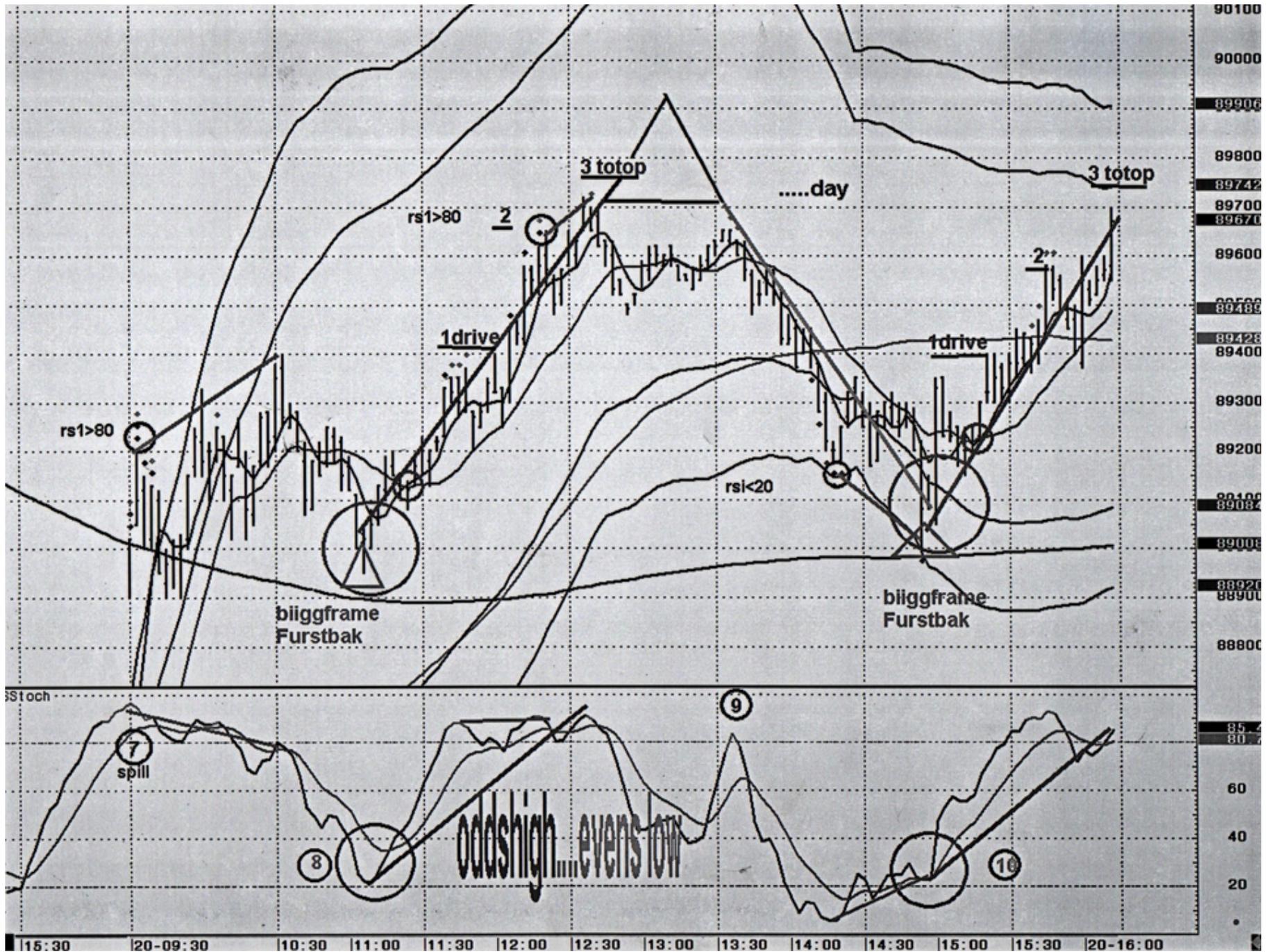
93500
93270
93000
92690
92500
92367
92000
91465
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90500
5
90000

68
58.18
40
20

H= 93600
L= 91310
L= 93230^A
Δ= +540







MY FTSE 100 4 – DAY CYCLE METHOD

As I stated earlier, I believe the 4-day cycle method comes from an idea that Jim Sloman and Welles Wilder proposed in the cycle analysis book called “The Delta Phenomenon.”

The idea of a natural occurring time cycle in the market is as old as speculation itself. Nathan Rothchild is rumoured to have used a 4-year cycle to time his investments.

The time frames and cycle rotation solutions were developed by Welles Wilder. They include a 4-day cycle, a 4-month cycle, a 1-year cycle, a 4-year cycle and finally, a 19-year cycle. I was friends with a gentleman a long time ago, who proclaimed to have found further cycles. I admit, after my initial enthusiasm, I never really took to it.

Do I believe there are time cycles in the market? Yes, I do. I timed my short position in February 2020 to perfection, based on my 500-day cycle (also known as the 72 Week cycle).

Before the big crash in February 2020, I did two recorded interviews on my prediction for a turn. I can say with some authority that I really did anticipate a turn in the market, ahead of the actual turn, rather than being one of those guys who proclaim to have foreseen the turn, but you only hear about it afterwards. You can find one recording on YouTube.

When my enthusiasm for the 4-Day Cycle was at its peak, I regularly plotted the turns on a 15min chart on the FTSE 100 index. Over the following pages you can view the analysis. They are scans of my work from 2008.

Do I use it today? The answer is no. I do not need to, nor do I want to. My trading style has evolved since 2008. However, having said that, I am certainly not dismissing the work. I have just come to the conclusion that I make more money the way I trade now.

I think there is one danger in using time cycles. I have observed this trait in myself on numerous occasions. When I am expecting a time cycle to produce a turn in the market, I sense I am no longer trading what I am seeing. I am trading what I think the market will do next, even though the market has given me no indication of its intention to reverse its direction.

In other words, I am observing a bullish market, but I am expecting a turn in the market. What do I do? Do I blindly short the market? Well, I used to do that, and it cost more dearly on more than one occasion, where the market did not produce a time cycle turn after all.

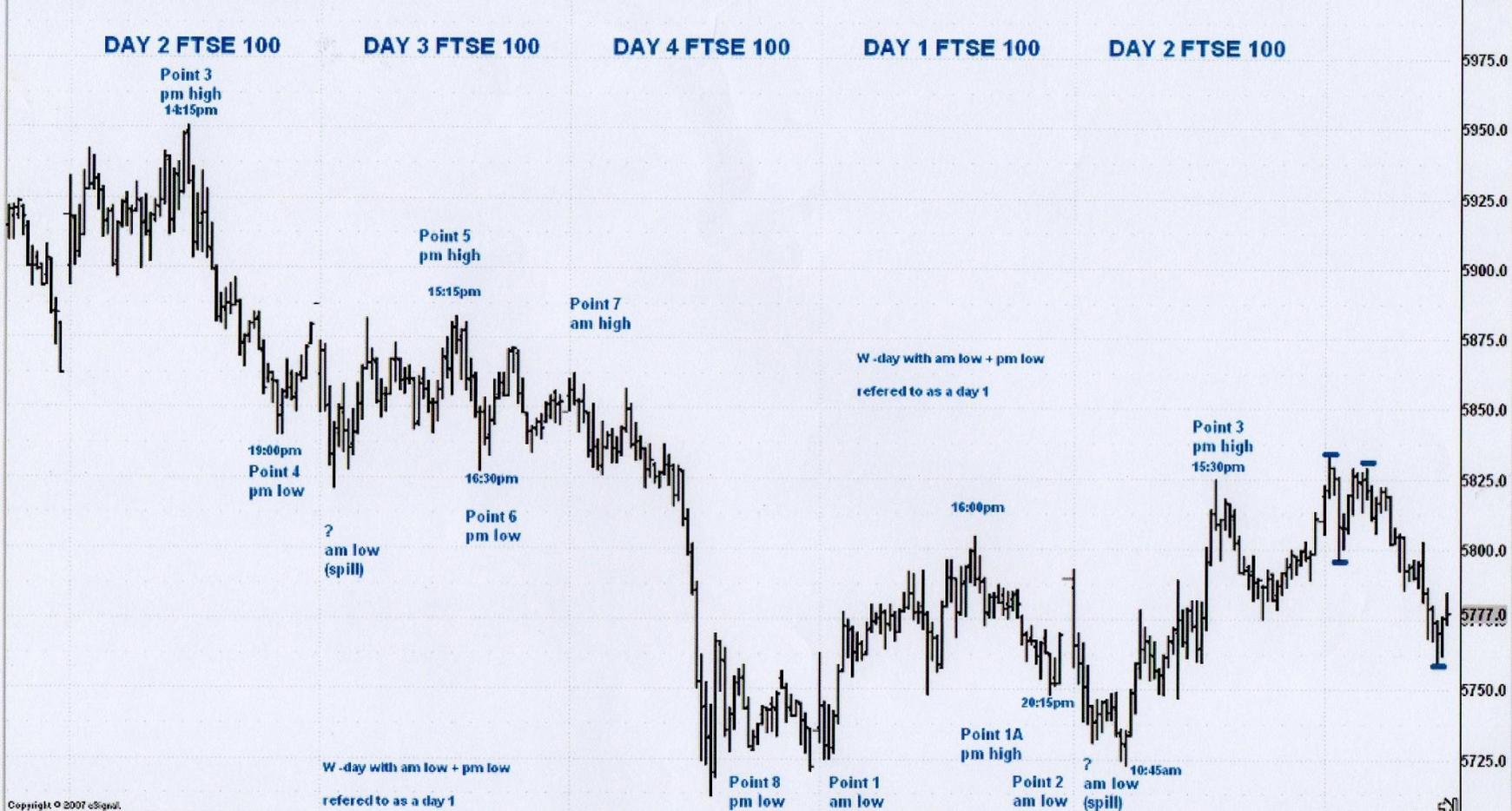
I hope the scans can give you some guidance to how the 4-Day Cycle can be used. I am certainly not an expert. I am sure many of my suggested turns could be re-labelled. It was done 12 years ago, and I frankly do not recall how I made the labelling decisions, beyond what is self-evident on the charts. I suggest you refer to SkyeHigh's notes while going through the FTSE 100 charts.



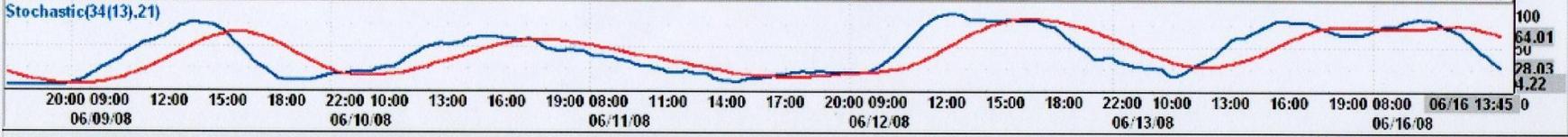
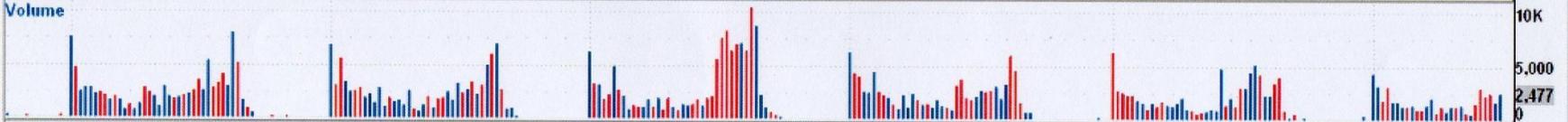




(Z M8-EEI - FTSE 100,15) Dynamic:0:00:24:00



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TEPID2 – HIS MARKET WISDOM

Tepid2 and Oleman were prolific posters on Avid Trader. One day Tepid2, real name I believe was William D Blount, posted all his rules and observations in one long post. Another member, **AMG**, I believe, collected them all and created the document below. Enjoy.

AMG collected the relevent posts by Tepid2 on the weekend of the 9th and 10th February 2002 and formated them nicely as a text document. The contents of the document are replicated below but the text document as supplied by AMG is probably more suited for saving on your computer should you wish to do that.

A compilation of a series of posts by tepid2
From Avid Chat on Saturday, 9 Feb 2002

Subject: 8-balls, 9s, "numbahs", 72 MA, and T-value.
=====

I was not supposed to start this until 10a.m. but I have a full slate this afternoon and want to get this mess out of the way.

First off I want to thank AVID for providing this public forum for Market Trading/Investing purposes and my hat is off to everyone who has ever proffered an opinion, chart, general market info, site link, or trade...etc., etc.

Clarification: I started on this journey Nov. 11, 1978 when I accepted a position with MLPF&S as a retail stock broker/customer's man/Account Exec. or any other name the industry and public has deemed applicable to that function.

I was 23, located in the Lakeland, Fl. office and NEVER EVER considered the profession when growing up. What I really wanted to do from 7th grade on (when I booked my first band) and 8th grade on (when my first written word was published) was be an A/R man for a record label and manage talent or write/on camera for one of the information mediums.

Upon the advice of my mother, who had a rough childhood in depression era Pittsburg (she is not a Yankee, she is first generation Scot/American) I switched to finance/accounting/Econ my Junior year of college.

Funnily, I went to Merrill for a job because a bank had offered me 10,800 to start in Management training coming out of college and I had made more money than that hustling during college. I was depressed-lol. Merrill offered me 1,000 month and the sky is the limit after 6 months all I had to do was PRODUCE/SELL/POUND A PHONE...The game was simple to figure out: call 40 to 60 strangers a day, gain access/credibility through the Co. name, AND MOST IMPORTANTLY shift liability/responsibility to THE RESEARCH DEPARTMENT.

The carrot/payoff/reward was no different than any other sales job--IT'S THE CLOSE.... SHORT CUT: it was easy to see that the research dept. was flawed and that I would have self imposed moral problems almost immediately. LUCKILY, there was an oil suppply squeeze on and I quadrupled my first 'investment' in HOUSTON OIL calls in 1979.

From that moment it was easy to recognize that ALL THE RESPONSIBILITY was now on ME and was no different than playing GIN, shooting pool, playing ping-pong, or poker I had done all through college. Retail brokerage was a drag from 1983 until I finally quit Aug. 1, 1987. I have never looked back.

I am as ill suited to sell investments as I can be. I have never owned a stock and I never will. IMO there are 3 basic risks:

market risk
industry risk, and
individual company risk.

With the introduction of index options and financial futures 2 of those risks could be eliminated. I have never been in a position to have company specific information, so I have never been TEMPTED to operate in an individual issue. Sector indexes have tempted me from time to time such as the oil squeeze in 1979 pre-mkt. indexes. I have dabbled in bond futures, currency futures, agrarian/softs, exotics and index options (MMI, OEX). They have always been a distraction for me and are best left alone.

Which leads me to what I have done since 1981 and almost always full time sine 8/1/87: trade stock index futures.

The reason for all the preceding drivel is simple: ain't nobody going to throw you a fish, you have to learn how to fish, and only you can choose THE BAIT.

My first BAIT was ELLIOTT WAVE as far as index trading goes. I met R. Prechter's great uncle Rod Rougelot, heard about the book, devoured it, and subscribed to his services during most of bull run from 1982-87.

Next came MA's, Oscillators, Gann, Edwards/Magee, computerization, CQG, Tradestation products, Market Profile, a little Andrews, some Wychoff, DeMark, Larry Williams, lately Bill Williams, a little Murrey Math, I own a copy of the Spiral Calendar, Welles Wilder, George Lane, Jim Slocum, Tom DeMark, Ed Seykota, 15 years of Delta (itd, mtd, ltd across 33 futures).....AND GUESS WHAT:

IT ALL WORKS and NONE OF IT WORKS....

The difference between the bid and ask, ie. THE EDGE can be obtained by leasing or purchasing a seat on the exchange. I mention this because there are only three possible outcomes to a trade and 2 of them are LOSERS: win, lose, scratch=loss due to commission. I have NEVER bought at the ask or sold at the bid so every trade I enter is a LOSER at birth...

This brings me to GURUS: They all have the answer and none of them have the answer. You can bet on Hochberg, Rosen, Hadik, Wolanchuk, Avid, Avid archives, Carolan, Skye, Colby, Oyster, Cal, MW Walker, Athbo, 1381, Thrusty/Rusty, Polarcap, Granville, every freaking CIT, 2c, G9, 2WAVES, Neuro and in the end they all have more cycles, more key dates, more waves, more counts, more rotations, more sacred numbers, and more this and that than you have money-SO YOU WILL BE BETTING ON YOURSELF knowing that ONLY YOU win or lose.

Specifics: my advice is this: go spend \$300 bucks on a psychologist to give you a battery of tests to see if you are suited to trade for a living and find out what TIME frame your personality is geared to trade IF you are suited to trade. If not, do something else to create a cash flow and find someone WHO can trade that you are willing to give 20% of the profits to with NO downside risk to THEM.

I am assuming that everyone who read this drivel is suited to trade, so more SPECIFICS:

1. several months ago, about 4 I think, SKYE and I had an interchange concerning MA's at another site. He was serious and I was my usual flippant self. He nailed me deservedly because I tied the #72 to virgins in my usual smart alleck style and I was WRONG.

Regardless of what you do for a living it is best to do it well and when the 'real deal' is driving by your house you better recognize it. It shortens the learning curve. I keep a journal. DRD hit it on the head.

KEEP THE MOVING AVERAGE ON THE RIGHT HAND RELATIVE TO PRICE. The 72 bar moving average is a SIMPLE MA. First back means that when you go above it in price after being below it and AWAY from it the MA will act as a magnet so you can use an Oscillator to enter a short for a test BACK to the MA and vice versa.

This is also an example of being right and wrong simultaneously and THE ANSWER is knowing that YOU are in step with TIME on YOUR TIME FRAME. For me the 72 minute is used predominately in the 3min time frame because I am a GRINDER...when above the 72MA I am looking for divergence on the 3min RSI set at 9 periods to sell the INDEX for a move back to the MA. I do the opposite when taking long positions. When the 72 MA has flatlined for quite a while on the 3minute I prepare myself for a multi handle move AWAY from the MA so therefore I try to TRADE WITH the MA and NOT grind. This requires me to use stops because I am THEN daytrading (a larger time frame) and not GRINDING.

OYSTER--who trades a much larger TIME frame than me has posted here repeatedly on the 72MA on the hourly. Many others use other MA's examples that I have logged in my journal are:

DRD-10/10(min/MAbars),
Thrifty and others 5/34,
Oexriley per Thrifty 15/89, and
60/144 in conjunction with 144 Bollinger BARS..

MA's are easily manipulated and can be used to countertrade or trade with the direction of the MA and only the USER can determine which he/she is suited for basis there own conception of what BEING IN STEP WITH TIME means.

Support and Resistance Calculations: ie, 8 balls , my NUMBAHS, 9ers, and TValues....

1. 8 balls - first find the opening price of the SPfuture nearby contract
THEN add 8,16,24 and subtract 8,16,24 from that opening.

I personally do it in increments of 4 or 1/2 an 8 ball because I don't know if we're going to have a normal range or a large range day (I posted about a year ago extensively on Market Profile range distributions after CAL kindly posted charts by TS2000i with TS's form of MP).

As SKYE pointed out yesterday, it has been his observation that floor traders KEY in on these distances. Onceagain as we approach one of these numbers I am looking at the shape of Oscillators on a 3min. chart for divergence.

2. My NUMBAHS--like most support/resistance intraday calculations these are based on the prior day's range and are SOMETIMES manipulated if we have gaps or large range days

(currently benchmarked at 28+ handles--when we were above 1300 spoo I used 36--at the time I had NO IDEA what an eightball was, these were not related, but the Numbers are both peculiarly divisible by 4--my gut tells me that though we are not supposed to think in terms of 4's but in terms of mechanical processes the number 4 is =to \$1000 and that could be why it seems to be evident)

--1st ADD the HI/LO/CLOSE and divide by 3 This is the daily pivot #.
Double the pivot and subtract the Hi to obtain first support, S1.
Double the PIVOT and subtract the LOW to obtain first resistance, R1.
Subtract s1 from the pivot and addt the remainder to R1 to obtain R2.
Subtract S1 from R1 and subtract that remainder from the Pivot to obtain S2.

The Ranges are Primary Range and Alternate Range. They are obtained by using the prior days range also.

Multiply the Hi by 2
then add the low
then add the close.

example:

$1098.5 \times 2 + 1080 + 1096.5 = 4373.5$,
NOW divide 4373.5 by 2 = 2186.75.
Subtract the hi from this Number (2186.75-1098.5=1088.5)
subtract the low (2186.75-1080=1106.75)
THIS is the PRIMARY RANGE for Monday :1106.75-1088.5

the ALTERNATE RANGE is:
2x the low
plus the hi
plus the close
divided by 2

followed by subtracting the hi and the low,

example:

1080 x 2 = 2160 plus 1098.5 = 3258.5
plus 1096.5 = 4355
divided by 2 = 2177.5
minus the hi of 1098.5 = 1079 and
2177.5 - the low of 1080 = 1097.5
THIS IS THE ALTERNATE RANGE FOR MONDAY.

Because the market is somewhat inertial or Buying begets buying and selling begets selling, the assignment of what is PRIMARY and what is ALTERNATE is determined by the close vs. the opg price.

If the close is greater than the opening then
the Primary range is the one that includes doubling the high.

IF THE close is less than the opening then
the PRIMARY range is the one that includes doubling the low.

.....Personal observations: WITH the implementation of 24 hour globex trading and the e-mini contract combined with their increased useage especiaslly over the past 18 months THESE numbers have taken on more critical value in my day to day trading and are used in combination with oscillator divergence and have cut into my #\$\$%^# sleep schedule, make that rearranged my sleep schedule.....

3. 9ers--this is another simple SUPPORT/RESISTANCE calculation based on the prior day range just as the NUMBAH's were...

1st take 9 per cent of the prior days range
(this is an arbitrary number, I don't know if it is becuse it is the square of 3 or John Lennon's favorite number but SKYE shared it here at AVID),

example:

1098.5-1080=18.5 and 18.5 x .09 =1.665....
now add 1.665 and subtract 1.665 from the close,

DO this incrementally and key on the numbers evenly
divisible by 3, ie....3 x 1.665, 6 x 1.665, 9 x 1.665, 12 x 1.665, etc.

REMEMBER to subtract and add to the close to obtain
your Support and Resistance Calculations.

Personal observation: 11 x the 9er pops up a lot also...

Lastly: another S/R calculation that is obtainable and has a good track record is AVID's at their paid site. I WILL TELL ALL OF YOU NOW THAT THE ONLY PLACE I PAY FOR INFORMATION IS FROM AVID and I DO SO BECAUSE THAT IS HOW THEY EAT and they are kind enough to have provided this most interesting website for FREE...I FIND THAT THEIR NUMBERS AND MY NUMBERS ARE USUALLY PRETTY MUCH ALIGNED BUT they are different enough to LOG. I do not know their calculation methods...

madrone . . Sat, Feb 9, 11:48AM ET
tepid where did you pick up that calculation method for S&R?

Madrone-early 1980's FNN Tom Demark and Larry Williams daily morning call..They did not divulge but I figured it out by contrasting it with Merrill's option's GURU at the time a guy named STEVE SHOBIN who i think is still a technical analyst somewhere....

Let me see---that is niners,8 balls,and the 72MA.....Squeeze called and wants to get together this afternoon..so I am going to leave it with yall, I am sorry for all the band width and I did not cover TVALUES but I will before the weekend is out...

T-Values: from SKYE-(because I am a petty thief and every thing I have ever used was garnered from others as I have never done any original work BUT I am still trying)

--1st Take the last significant high and YESTERDAY's hi
then count the number of day between the 2 dates
starting with the significant high as DAY 0,
then divide the difference between those 2 highs by the number of days and
ADD that number to yesterday's high.
This is the high TVALUE.

Conversely-

take the Last Significant LOW and subtract it from YESTERDAY's LOW and
then using the same day counting method,
ie., start at 0 with the significant low, and
divide the difference between those 2 lows by the number of days counted and
then ADD that to yesterday's low to obtain the TVALUE LOW...

hint: per Skye-these values work best in congestion and or narrow range/low volatility
as opposed to high volatility/ strong trending markets.

MEBOB – TRADING RULES

Another poster was MEBOB. I have been informed his real name is Rob Falk. He had a set of mechanical rules, which was often the topic of conversation on the Avid chat.

Here is the introduction to the rules:

1. **You trade it on the SP500 Index.**
2. **You use a 5-min chart.**
3. **You only use it during Regular trading hours only (09:30am – 15:00pm Eastern Standard time).**

A more detailed explanation follows below:

1. The US stock market indices opens at 09:30am New York local time.
2. The 5-min reference bar to wait for is the 10:05am – 10:10am bar.
3. This is the 8th 5min bar into the regular trading session.
4. Observe the high and the low of the reference bar.
5. Draw a horizontal line through the high of the reference bar.
6. Draw a horizontal line through the low of the reference bar.
7. If the SP500 closes above the high of the reference bar “highest line”, it is a BUY signal.
8. If the SP500 closes below the low of the reference bar “lowest line”, it is a SELL SHORT signal.
9. The stop loss is placed either at the most recent swing or above/below the reference bar.

It is a simple method. Here is what Oleman thought of it:

“The seemingly erratic performance of the "MeBob" (trading rule) is simply what one would expect from a trend following system. Bob, who has a lot of good stuff, was simply giving the newbies a "Trigger" to get them into day trades at good times.”

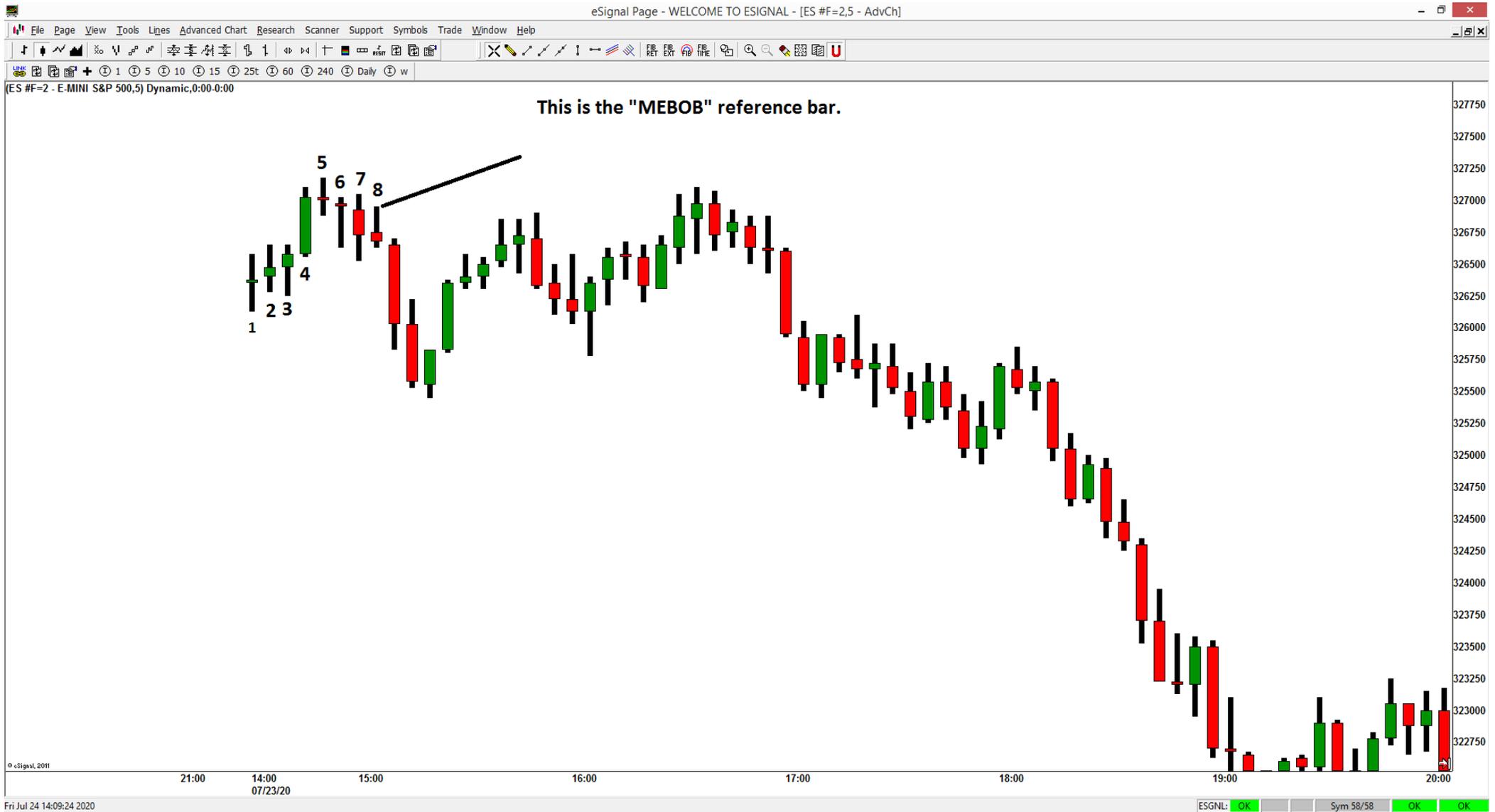
I have added a rule, which is also discussed in the Avid chats. Where my stop loss is, I will double up in the opposite direction. If I am long at 10, and I have a stop at 6, then I will also at 6 have a short position waiting, which is twice as big as the original long position.

I will now post the outcome of the MEBOB reference bar from the last 9 consecutive trading days. I am not hand-picking good days. I want you to see for yourself the value of the signal.

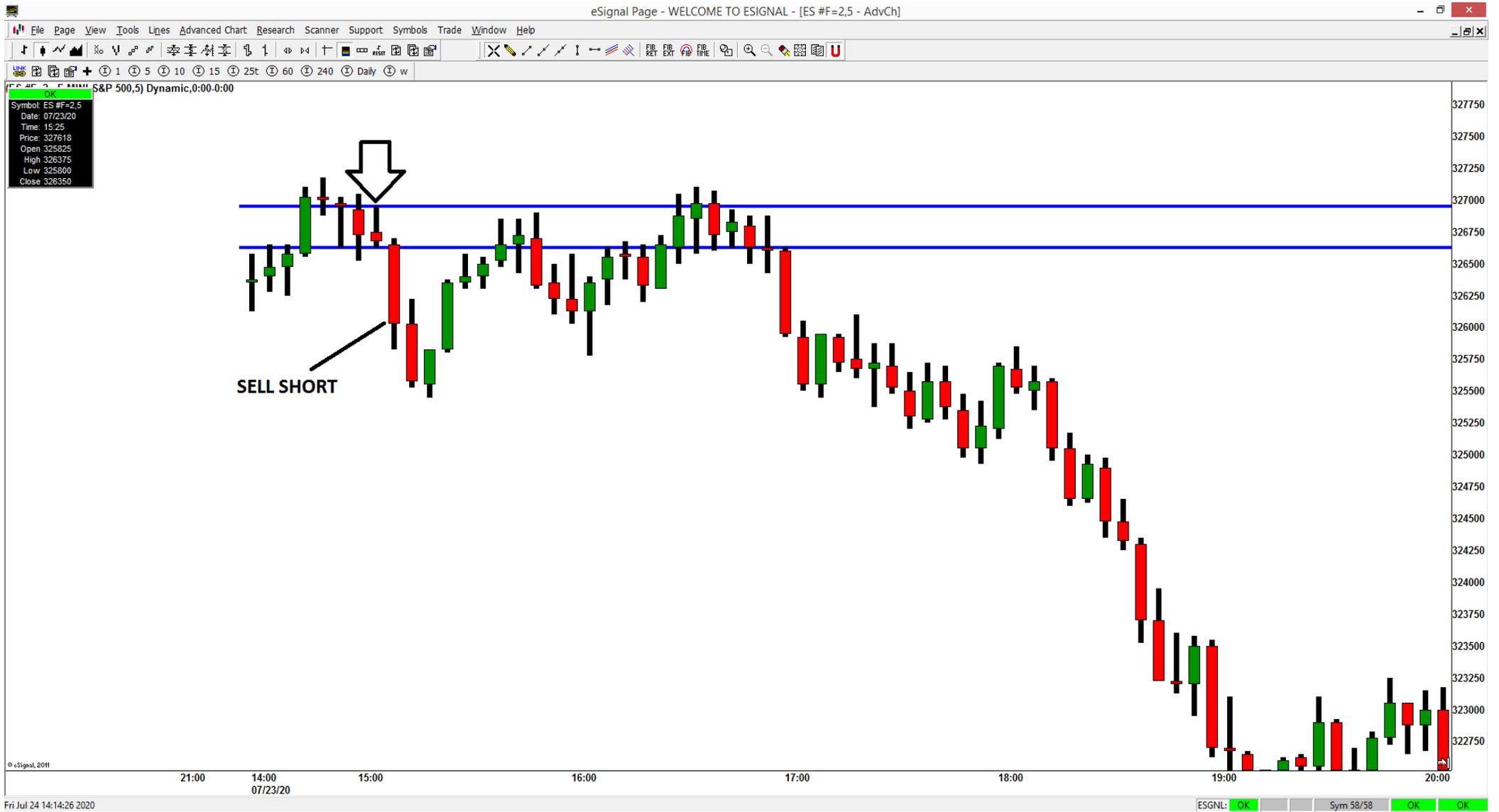
Like all mechanical signals, it probably has a hit rate around 55-60. I think you will agree with me when I say that there are some good signals and there are some hit-and-miss signals. What else can you expect from a mechanical system like a fixed time bar method?

This is a chart of the **MEBOB reference bar**. I have drawn a line to bar number 8, and I have put numbers on each of the bars, so you are clear on which bar is **the MEBOB reference bar**. Then it is merely a question of waiting for the high or the low of the reference bar to be breached. Remember that it must close above the high of the reference bar to get a **BUY** signal, or it has to close below the low of the reference bar to get a **SELL SHORT** signal.

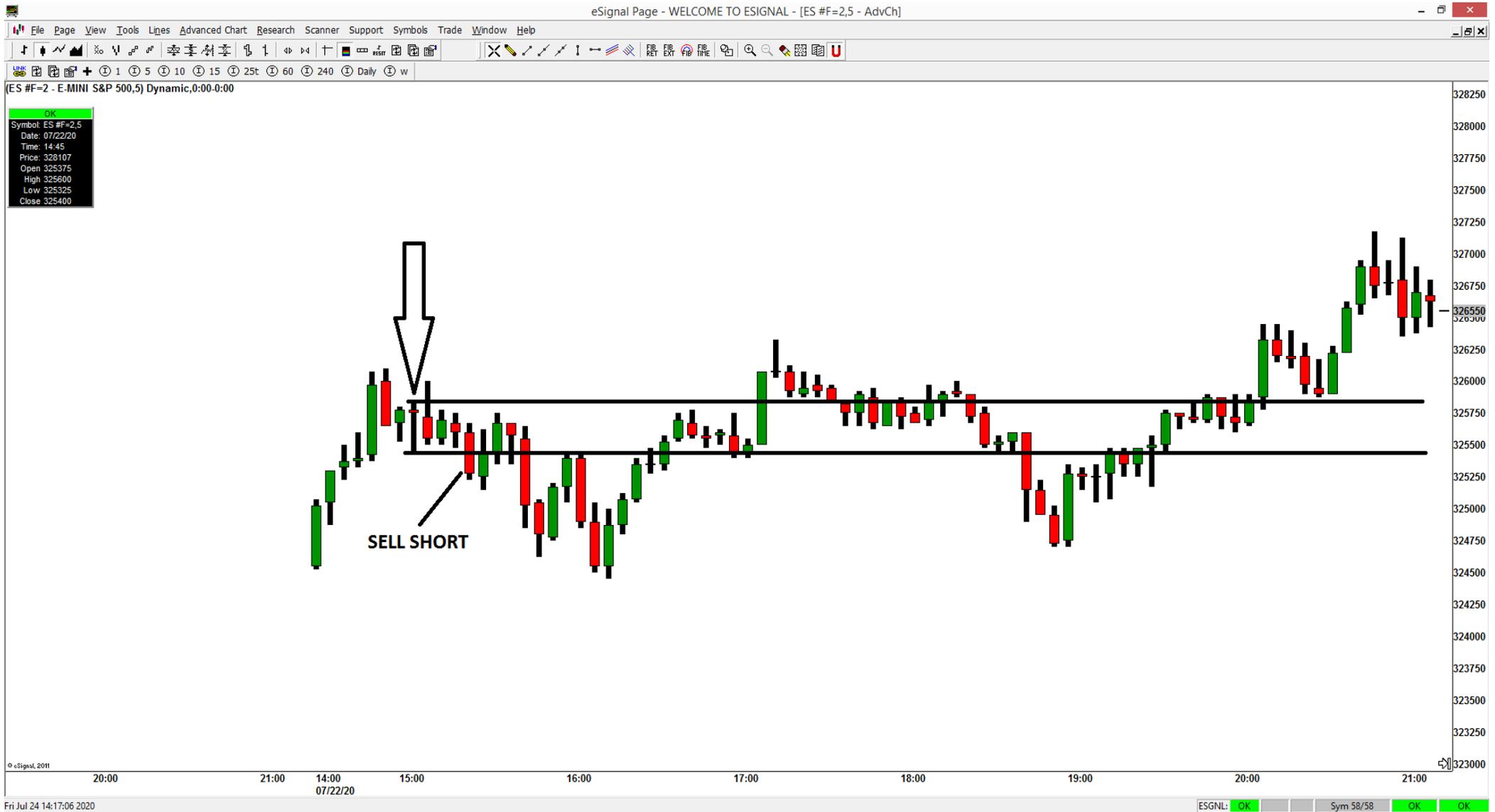
F



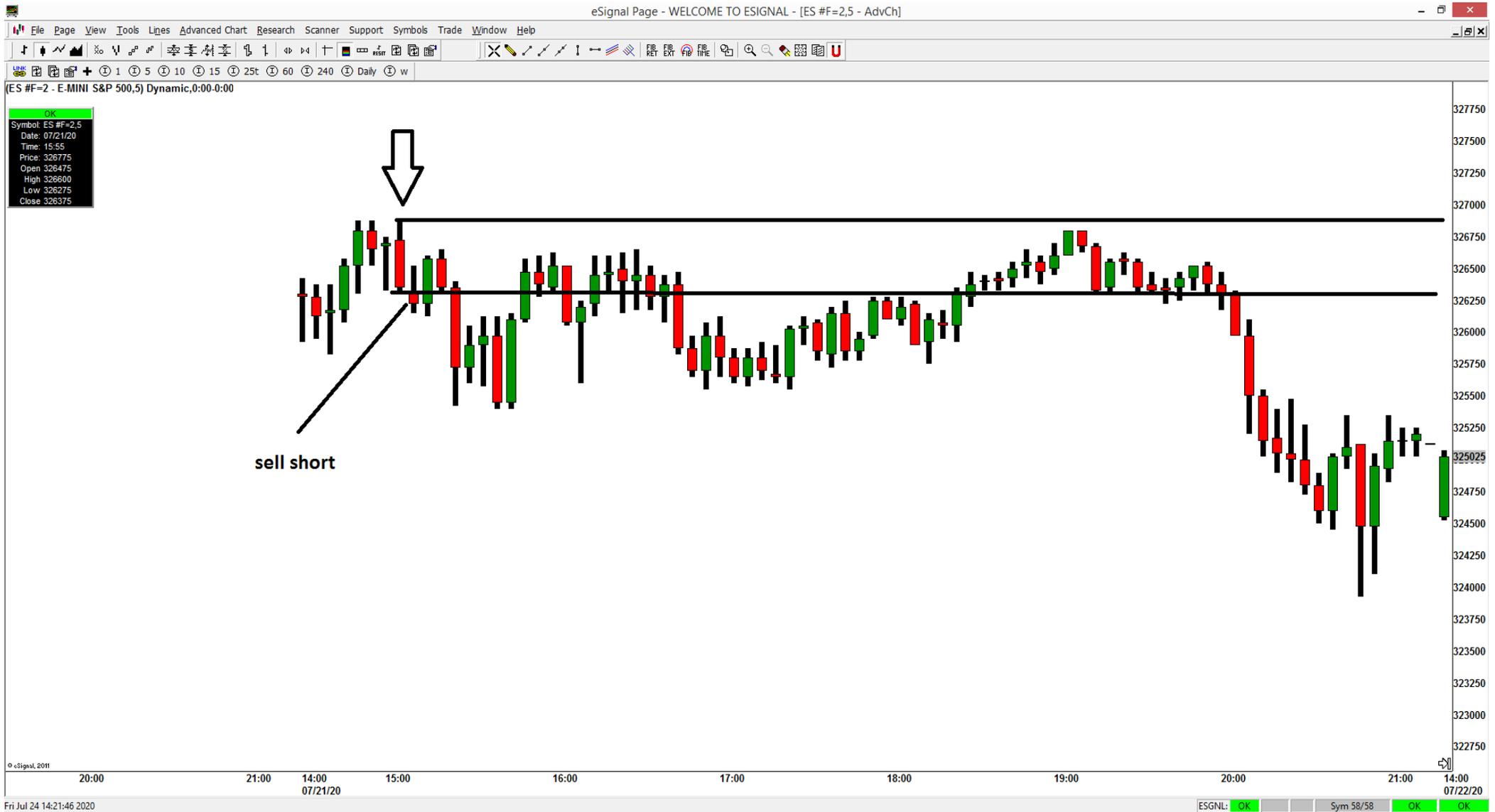
This is the same chart as the one on the previous page, but I have taken the reference numbers away. I have instead drawn a horizontal line through the high of the MEBOB reference bar, as well as a horizontal line through the low of the MEBOB reference bar. In this example, I am presented with a **SELL SHORT** signal the moment a subsequent 5-min bar closes below the low of the lower horizontal line.



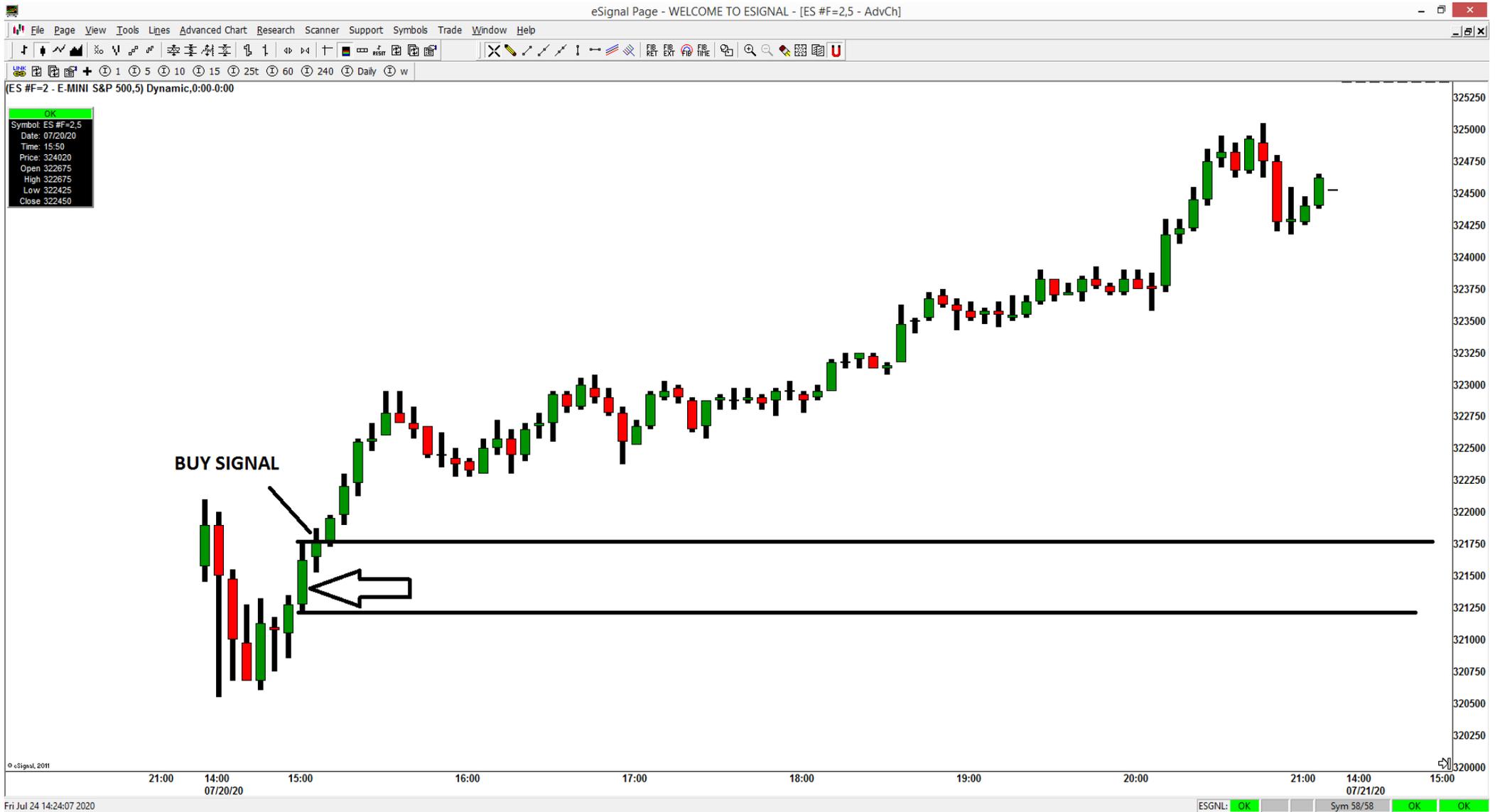
Your stop loss can be in two places, depending on how close you want to keep your stop loss. You can have a stop loss at the opposite end of the "reference bar". You will not risk much, but you will get stopped out a lot. You can also use a traditional approach, where you place your stop loss above or below the last swing you see on the current 5-min from 09:30am.



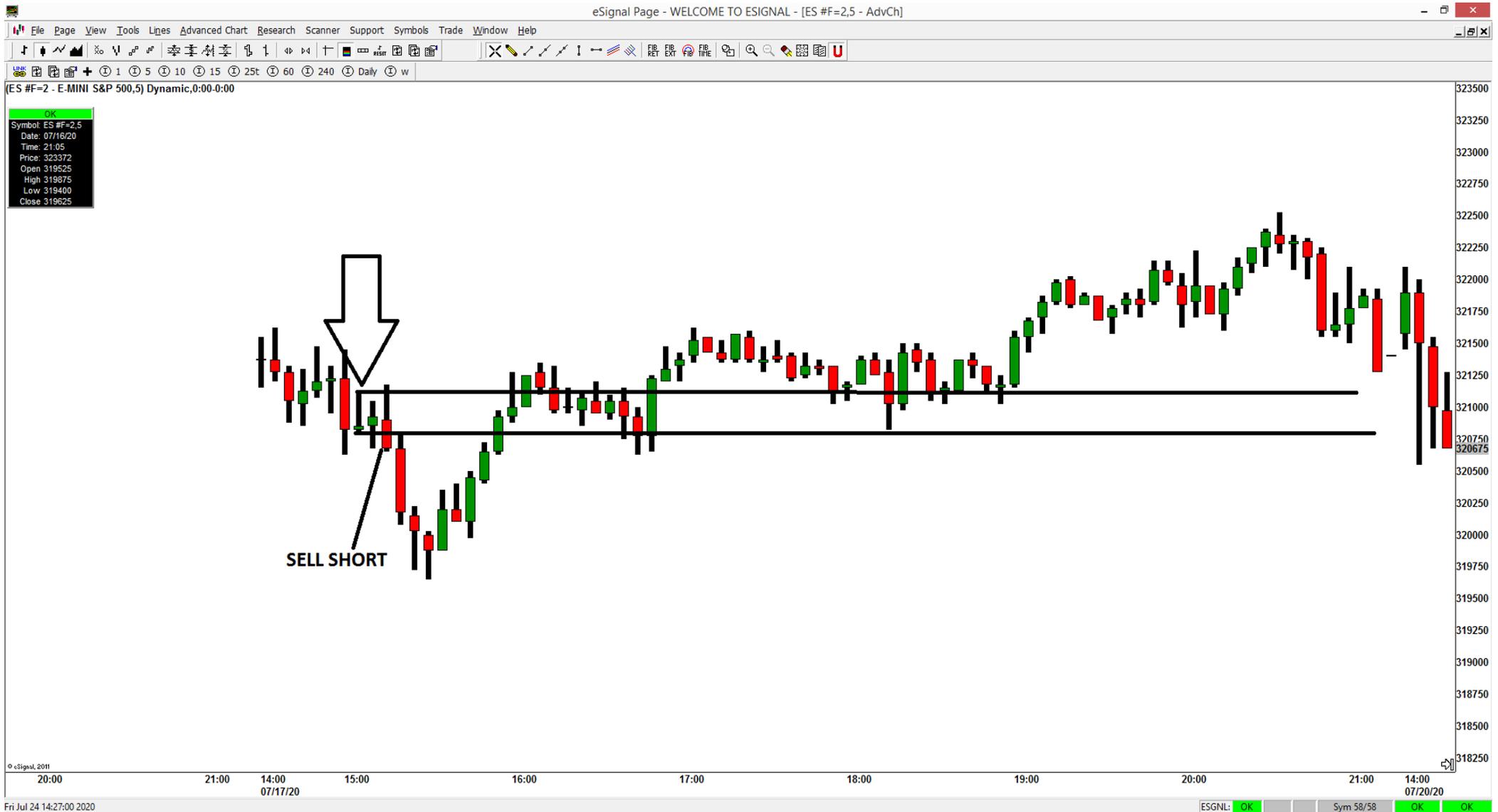
Here your stop loss can only be above the most recent high. On another note, as you go through the charts below, you might want to notice how horizontal lines seem to create support and resistance in the market. I am not arguing they hold special powers. I am merely making an observation.



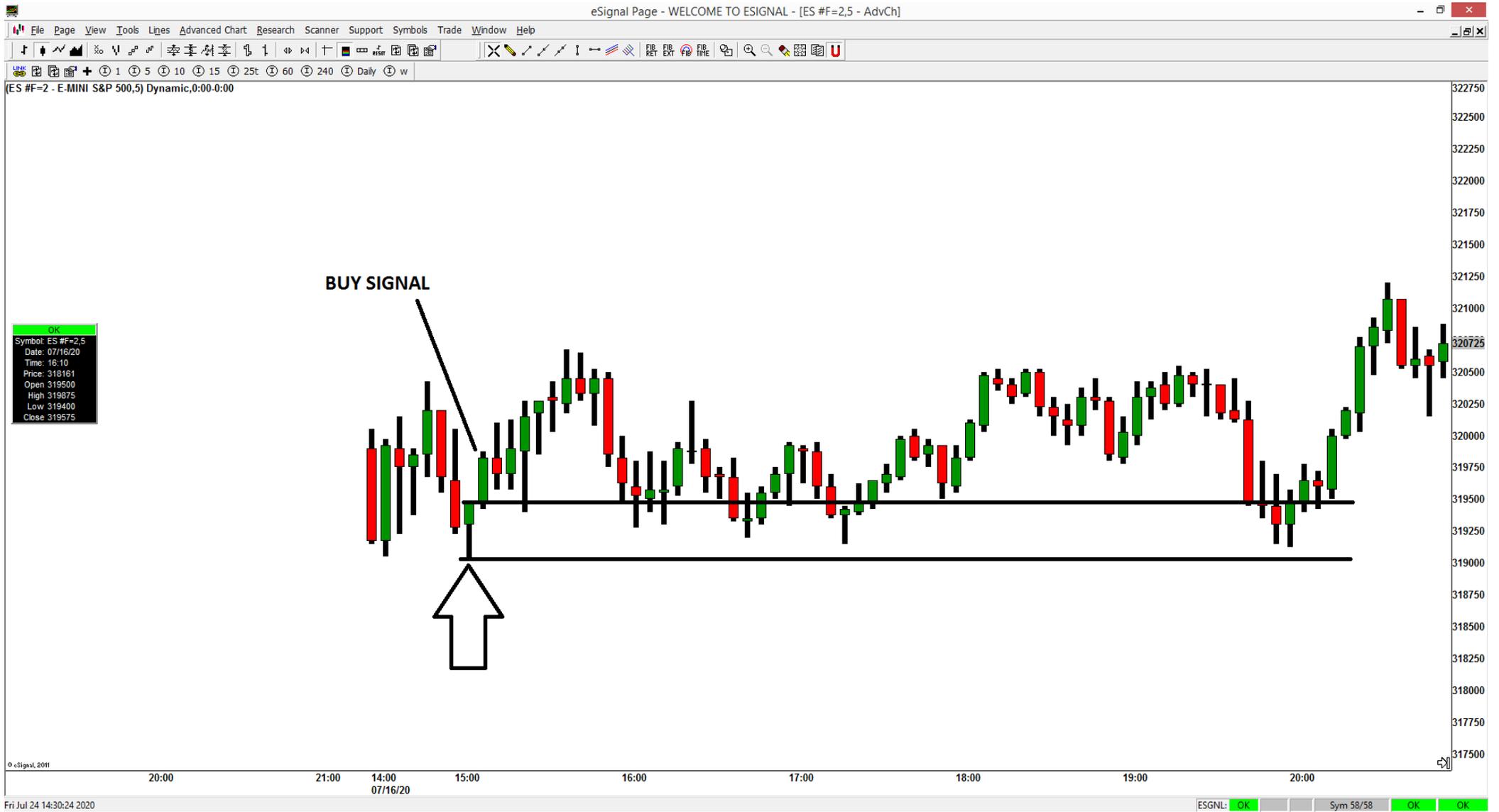
I love trend days, and I am forever researching what tends to come before a trend day. During trading ranges, there are plenty of buyers and sellers battling it out. During trend days like the one below, it is as if everyone agrees the market must move higher. I make the majority of my money on trend days, but I have many days where I have betted on a big trend day, which then failed to materialise. MeBob gives a good alert here.



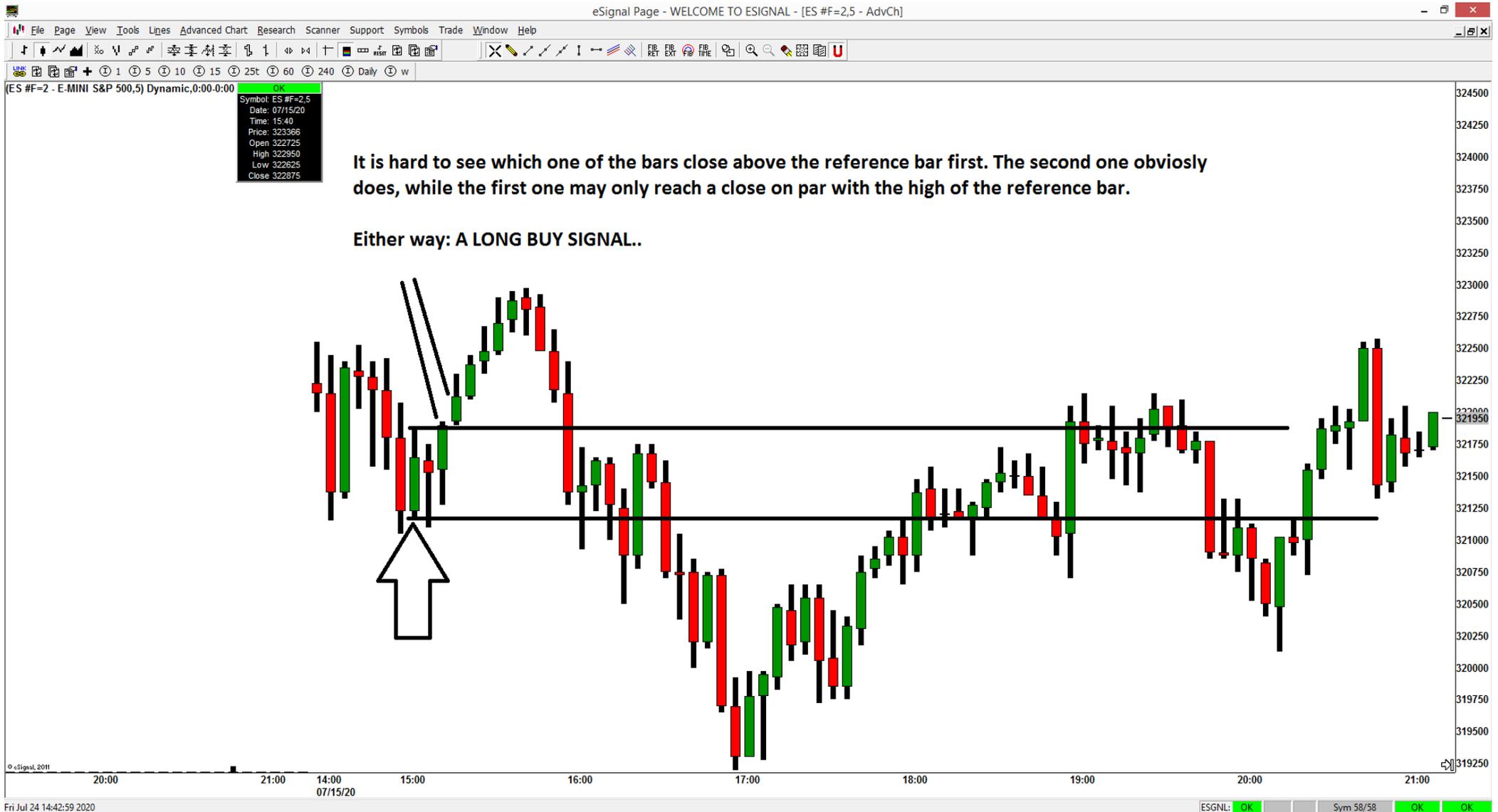
When I am alerted to a **MEBOB reference bar break**, I tend to place my stop loss above the high/below the low of the Reference Bar or at the high/low of the day. There are times when I scale my position size up or down (more likely down) because of the size of the stop loss. In the example below it is one of those rare moments where your stop loss is tiny.



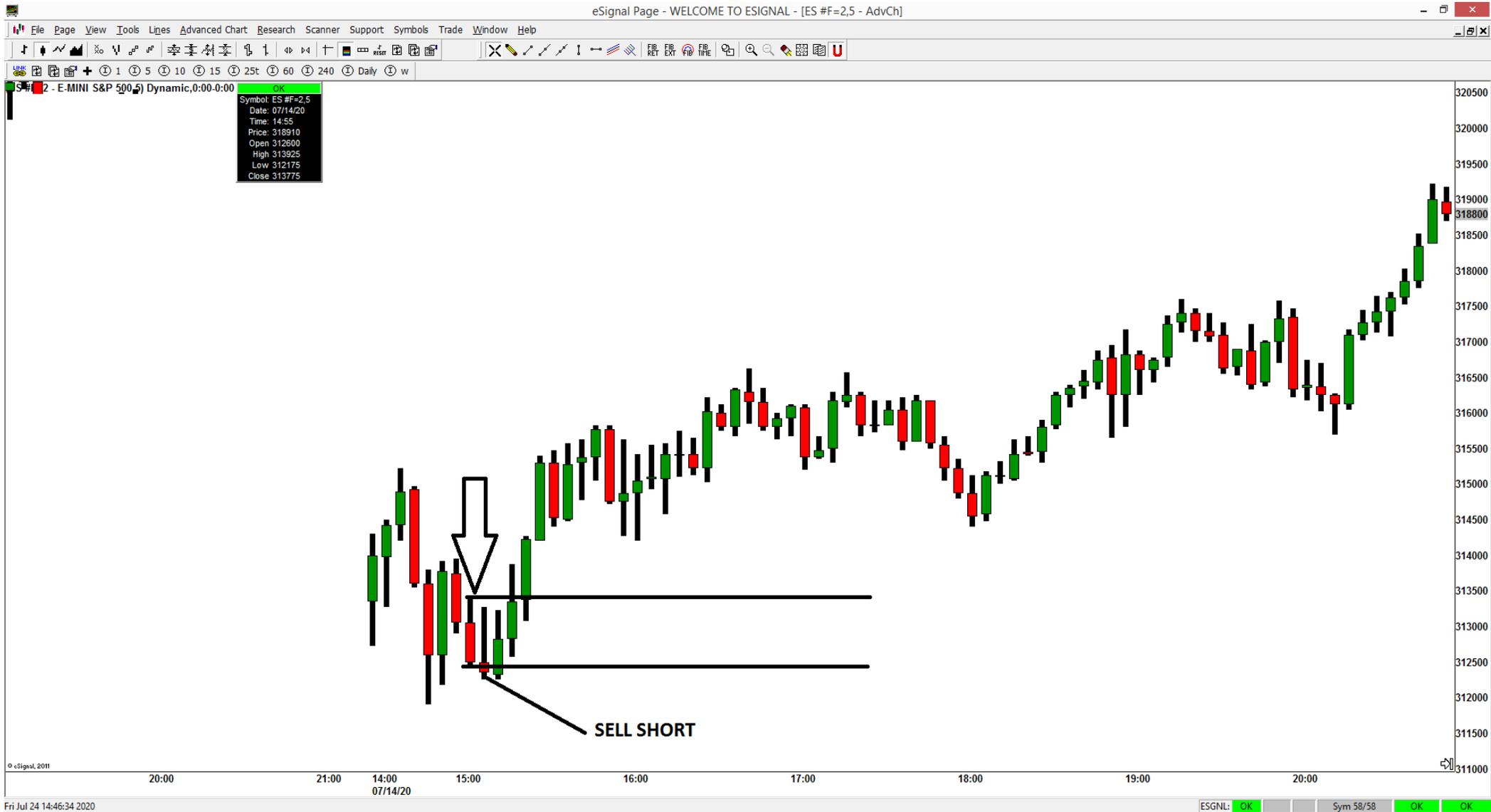
I would have been stopped out for nothing in this example. I am certain of it. That is one of the best “trading range” examples I have seen. That is the danger of trading in July when volumes drop. You get days like this where there is nothing happening.

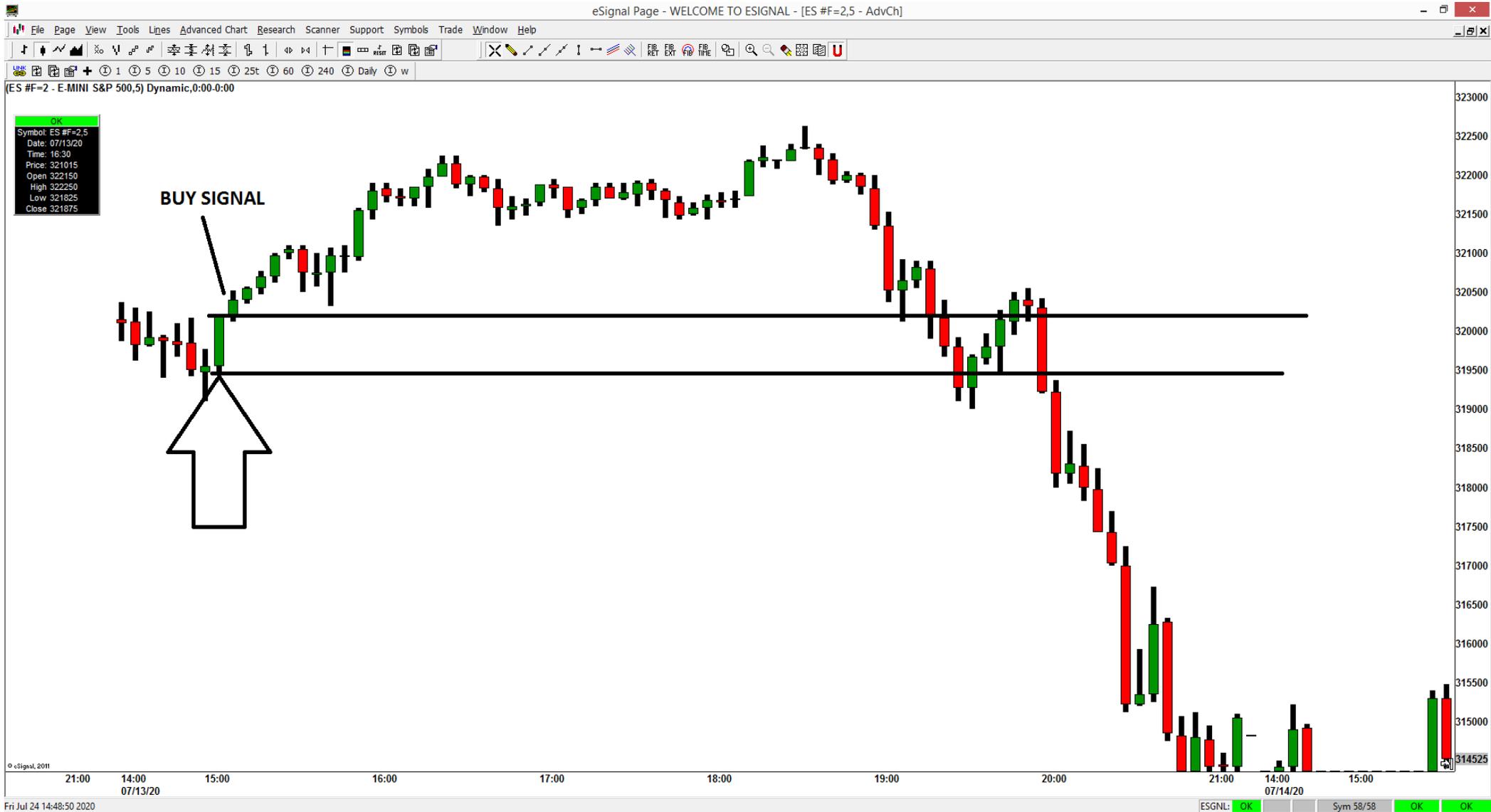


I do not recommend you use **Stop and Reverse** until you can accept with some ease to be wrong twice. In the chart example below, you have an opportunity to stop and reverse. However, it is not for everyone!

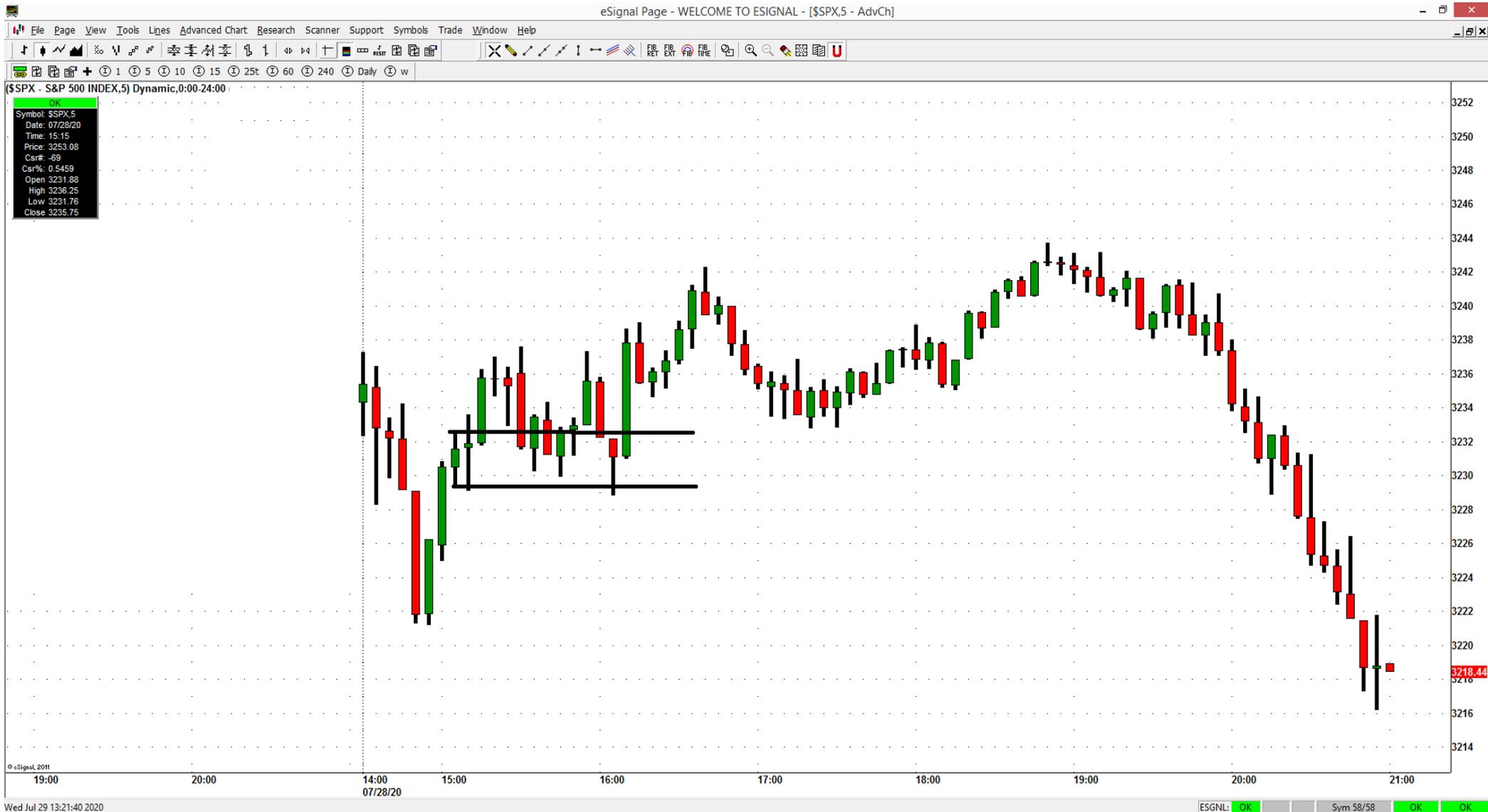


The chart below is a good example of your choice of stop loss. If you place a stop loss just above the reference bar, the 8th bar, you have quite an insignificant risk profile. This also means the odds of being stopped out is higher. If you place your stop loss above the last swing, the third bar, then you have greater odds of not being stopped out, but a bigger loss on your hands, if you are stopped out. The reality of trading!!!





Final chart to show you and then we will move on. I think there is value in showing you a mechanical strategy over consecutive days. You will get an honest and unfiltered view of what the strategy has to offer. The chart below was that of yesterday, the 28th July 2020. It always looks easy afterwards, but this was a pain in the “posterior” to trade and it wasn’t until the last 2 hours that I really began to make money.



SELECTED AVID TRADER BLOG POSTINGS

I believe this is the first page of all the pages that I have.

The next page you will see, will contain the same as you read below, but it is structured better. However, there is some content on this page, at the top, which will not appear on the next page. That is why I have scanned this page as well.

it for 3-6mos, before you use real\$. If you feel you must be in the markets before you have the requisite knowledge, read O'Higgins "Beating the Dow" & do what it says. If you do this you will beat 99% of private investors and 95% of mutual funds.....oleman:

. . . . Tue, Dec 10, 0:39AM CST (-0600 GMT) mikes & tb:Goptta flop, so here it is in a nutshell: If you buy every correction in a bull market, you'll only be wrong once--the top. If you sell every rally in a bull market, you'll only be wrong once--the bottom. We're in a bull market for financial assets. Read this group every day, and you will find far, far more talk about how to 'pick the top' than you will hear about how to profitably position oneself to take advantage of the trend. WATCH WHAT LOSERS DO---AND DONT DO IT! g'nite & a good trading life to both of you.....emh: Tue, Dec

10, 0:31AM CST (-0600 GMT) mikes: That's what TA is ... seeing what others don't want or care to see and then deciding to act on it WITHOUT MARRYING your decision if you are wrong...paper trade/study/paper trade then maybe just maybe, with a plan, you can be successful

oleman: Tue, Dec 10, 0:40AM CST (-0600 GMT) should be --sell every rally in a BEAR market---

oleman: Tue, Dec 10, 10:53AM CST (-0600 GMT) Drd & craig: Mackay's "Extraordinary Delusions.....", Lefevbre's "Reminiscences of Stock Operator", Murphy's "Technical Analysis.....", and O'Neill's " How to Make Money.....". That's all!.....oleman: oleman: Sun, Dec 15, 1:44PM CST

This is where page 2 starts

(-0600 GMT) trapper and all S&P trader wannabes: You can learn much from gullivers stuff. You should also read "West of Wall Street" by George Angell and Barry Haigh. Though its about 10 years old, its still the only place you can go to learn how the floor traders operate. You MUST know what's in this book before you risk any of your money trading indexes.Wed, Dec 11, 10:53PM CST (-0600 GMT) jwhite: just about every trader reads the same books, but most of them dont think about what they read. Jessee

Livermore spoke of "3 pushes to a top intra-day." He didn't trade indexes, of course, but his wisdom applies. Look at today's 5 min shart. From the 12:30pm bottom, you see 3 distinct "pushes" to the top. On most days you can see the 3 pushes to a top. On bullish days, like Monday, that's about all there is---three pushes up, separated by 2 pull-backs. That's all you get tonite for free.....Ol' Jessee looked at a chart and saw 3 simple "pushes" to the top, and got rich---several times.....jwhite: Wed, Dec

11, 11:19PM CST (-0600 GMT) Mr. Livermore's system is VERY much like Nikoli Darvas' ... and it is all BUY HIGH, SELL HIGHER, NEVER ACCEPT EVEN THE TINIEST LOSS...not one

dollar, not one penny....oleman: Wed, Dec 11, 11:36PM CST (-0600 GMT) jwhite;re

your11:19: I see that you understand why I'm quick to take a profit when price stalls, rather than watching the inevitable retracement eat up all my profit and some of my capital, while hoping to hit the "big casino" on every trade, don't you? I'm pooped.

gotta flop.g'nite jw and all....leman: Thu, Dec 12, 5:25PM CST (-0600 GMT)

octrader: I'll try. If the s&p (5min bar) has at on swing down of over 200 points during the first hour, rallies at least 200 points, then makes a new low between 11am and noon, then rallies at least 200 points, then place a buy stop at the 11-12 low, with a SAR 115 points below that. Thats my rule. It had not missed in 95 or '96 until today. Since it didn't work today I suggest you just ignore it.,octrader:my 5:25, first sentence should say "at least one" where the word "on" appears. BTW, i remove the order at 1pm, if it is

not hit.,.,oleman: Thu, Dec 12, 6:11PM CST (-0600 GMT) bigdog:something evil is

afoot everyday in all the markets. Thats why E waves, Fib nos., Gann lines, Bradley

dates, astrology, and the majority of whats known as TA is worthless to you in your quest to make money. You have to find a way to follow the real "Big Dogs" tracks as the

make their moves if you want to pick up a few of the bones they drop.,.,oleman:

Thu, Dec 12, 6:29PM CST (-0600 GMT) swtran: ATR=Average True Range. Of all the bells and whistles in that new Trade Station you just bought, I regularly use only MA's, ATR,

trendlines & parallels, and horizontal lines. Click on INSERT at the top of your chart window. Then click on ANALYSIS TECHNIQUES. Then click on INDICATORS. Its the 5th one down in the list. Readup on it in your Analysis Techniques Manual. email me if you have

any questions about it. I use, which I came up with entirely on my

own, e.g., looking for a sell signal around 2 o clock. I will sell certain patterns at 2

o clock that I would ignore most of the time. I'll take buy signals around 10:30, that mean little or nothing at other times. Some of my best trades come on signals generated

in the first 15 minutes. I know that I dont have the ONLY way to make money, but I also know that the S&P behaves in certain ways at certain times of the day which will make

you money if you learn to read them. ,.,.,It wasn't until I took the time to look at

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no_1: . . . Thu, Dec 12, 7:12PM CST (-0600 GMT) oleman & Gulliver I agree with you that all TA are "worthless" BUT to know what you know now and to come to the point that your "eyeball tells you what is happening" (quote from Gulliver) you must get used to read the charts and time patterns . TA helps you to develop this technique and what you learn becomes as second nature to you . my conclusion is yes TA is kind of nonsense but we need it ! as you needed it before , otherwise we can't develop what it takes . All INMVVVHO , , , ,

gulliver: . . . Thu, Dec 12, 8:20PM CST (-0600 GMT) oleman. Thanks for understanding and supporting my nonsense explanations. The times of day is very relevant in the index..but not simply every day and every market. However, I have great difficulty going short on any day in the index between 11.45 and 12.0 noon 1.45 and 2.0 . 2.45 and 3. After 3.30 is long. The same goes for long trades. Have extreme difficulty going long right after 10.0, after 11.0 after 2.0 and after 3.0 (but some days the upwave don't wait for the clock etc) Its not written in stone but the averages bear me out. Market crashes frequently begin after a high point was not exceeded at 11.0 and 1.0. I call ten past one "rollover time". My point is that folks should look at hundreds of charts for the instrument they wish to trade. I watched CISCO since 1980's and at any time i can look at its chart and tell when to buy) thats easy cos Cisco always grows and recovers..and provides easy income simply buying its little pull backs. My point was that It takes concentration and effort to beat this business, and watching and listening for fast easy bucks don't work. If i simply tell you what i think , it only helps if you know what went into the , , , , ,

Bear in mind they are talking local US time.

oleman: . . . Thu, Dec 12, 8:46PM CST (-0600 GMT) cheetah: first 20 minutes or so I watch a screen that has 5 min on top and 2 min on bottom. In a few situations, I trade a 2 min reversal. one day last week I went short on the 4th 2min bar---don't have time to check and see what day--. **Most of my trades are taken off the 5 min bars at all times of the day. I look for different patterns, depending upon whether the open is down or up, within 100 points of the close, or within their previous days range. Don't have time & space to write out my rules, but I'll give you 2 examples. Market opens up .50, below yesterday's high and 2nd bar is higher than first bar and third bar reverses. I don't trade there I wait til the down move ends, trade off the first up bar, with a SAR. 2) market opens up 4.00 and above previous days range. 2nd bar is up and 3rd bar reverses. I jump all over it. (THIS MORNING) I gotta go. g'nite all.???????**

jasbond: . . . Thu, Dec 12, 9:51PM CST (-0600 GMT) dex - thanks for the interest. If you're not already downloading Envoy from the site, I would recommend doing so. Envoy takes a .pdf document and compresses it to 1/8 the size with no loss of quality. That will reduce your download time from 7 min to 1 min. The Tumbleweed site will provide the .evy plugin for Netscape automatically when you download. Your reasoning on the bond/stock link is spot on, until such time as the fundamentals disjunct their link (ie. unanticipated earnings swoon with ingravescent economy.)?????((((

emh: . . . Sat, Dec 14, 1:37AM CST (-0600 GMT) craig: Gee, i hate to see this but 96 is my mkt. hi and 108 is my mkt crash lo))))))

emh: . . . Sat, Dec 14, 1:45AM CST (-0600 GMT) craig: haven't counted yet, looks like 144 could be top of snap back rally...let me count !!!!!

emh: . . . Sat, Dec 14, 2:07AM CST (-0600 GMT) craig: back to day count... 2 holidays puts my 3/7/97 at day 145, close enough?!!!!!!!

gulliver: . . . Sun, Dec 15, 1:49PM CST (-0600 GMT) Thats \$2500. Angell did introduce me to the 10.0 coffee break trend change and to the 2.30 rally into 3.0 with sstrong bonds.or upward recovering bonds..that alone repaid the fee.

oleman: . . . Sun, Dec 15, 1:59PM CST (-0600 GMT) GULLIVER: My recommendation was not an endorsement of everything in the book. George once admitted to me that he didn't think he could make money trading away from the floor. The most valuable thing I got from the book, which I read in 1990, not long before I quit gainful employment to trade every day, was the importance of catching the early move. I also use the "doubling down" concept and the double SAR.(((his brother who had been a successful floor trader. When I asked him how he did it. He said that when trading started all he knew was the previous high/low/close, whether yesterday was an up or down day, and what the bond had been doing the previous hour and 10 minutes. Later, when there had been a swing, he watched that high or low, plus the above and the Dow. After the market made a swing in the other direction, he said that for the rest of the day he was only interested in the high, low, bond, dow, and the present price action.)))))## but always went back to high, low, bond, dow and present action.###

oleman: . . . Sun, Dec 15, 2:54PM CST (-0600 GMT) Hope 1: If the market is weak enough to blow through my buy signal within a few minutes after i enter long, I not only stof and reverse, I double stop and reverse. If i enter long early in the day and the market just drifts back to the low and retests, I buy more (double down), but if it blows through, akin to gullivers "crash stop", I'll sell 2 for every long I held. The market is always right. If it has enough power to overcome my trading signal, it has enough power to go a heck of a lot further, and i want to be there big time. Other than the "crash stop" which i use both above and below the market, I only use stop losses when entering a trade in the midrange area. When I,m trading off the high or low and it moves against me I want to either "double down" or double SAR.###

SAR = Stop and Reverse

Oleman - continued from last page.

The times are often pushed aside by fast markets. However the even hours tend to attract buying and the 1/2 hrs the opposite. Sell offs begin either as an all day event or like today they signal they are coming by the market reversing fast from a high (9.40am) and or failing to beat that high at next high time. (just before 11.0). The roll over times setting up crashes are 11.10 .1.10 2.10 3.10 and are best when there is a high point that was not reached ten minutes earlier. OR sometimes reached but exceeded by 10 ticks only. Hope that helps. I am gone from here. Placing sell stops is where 50% of day trading money can be made. I had sell stops layered all the way down to 352 today. The first three got hit and I screwed up on the important ones by overriding the chart action and "deciding" this was not correct. Placing sell stops and recognizing the momentum is a mistake. Today it took closing eyeballs and waiting for closing time. Hope this helps. I am gone##

gulliver: Mon, Dec 16, 7:41PM CST (-0600 GMT) edd. Crash stops are gulliver's term for a stop order to broker to sell the market only when the market gets to that level. If placed properly they will catch market drops that are seriously accelerating into a crash. Hence "crash stops". If placed incorrectly the market may just reach them and reverse fast. Each market has a level where the floor brokers tend to push lower to see what stops they can find, our stops have to be lower than this, but not too low or move is running out of steam when hit. If you get my chart for today there are 4 crash stops in it.
BYE.## You day traders pay attention to gulliver on that. Keep a stop 50 to 100 S&P points under the low after the first downswing, especially in a market this volatile. It'll make you as much money as your trading skill will make you. The best thing about it is you don't have to think.## oleman: cheetah, jtrade: you there? need comment. I sold open 744.90 (2), took profit on 1 at 42.90. Don't know what to do with the other, since my system says: 1) If open is up 300+ and doesn't break down by 10:30, close will be up. 2) If open is 300+ and first tick is top tick, if new high not made by 10:30, first tick will be high for day. TODAY I GOT BOTH! I guess I could put a stop above the high and relax, but maybe I should just pitch it since my system is in conflict. Rule number 1 has worked every time since July. Rule number 2 is an 80%er.##

oleman: Thu, Dec 19, 6:41PM CST (-0600 GMT) 14u: I told the group more than once before that I don't catch a majority of big moves, except for early reversals from gap openings and on SAR's, which, of course means I was wrong to begin with. I am too quick to take profits at previous high/lows and 50% retracements to catch a lot of big moves. If I ever see this action again, you bet I'll be using SAR, not S/L.## Clay: 30 years ago, with a newly-minted Ivy-league degree that proved, at least to me, that I knew about all there is to know about things economic and financial, I began investing. Naturally I lost about all the money I put into the markets for several years. Then I started trying to watch and listen to the market in the only language the market knows-- price action. Of course I began to make money. For 5 years now, it's all I've done. The simple fact is that EGO must go! Many of the smartest people I know have been bears on stocks for years. Clay: 30 years ago, with a newly-minted Ivy-league degree that proved, at least to me, that I knew about all there is to know about things economic and financial, I began investing. Naturally I lost about all the money I put into the markets for several years. Then I started trying to watch and listen to the market in the only language the market knows-- price action. Of course I began to make money. For 5 years now, it's all I've done. The simple fact is that EGO must go! Many of the smartest people I know have been bears on stocks for years. Other very smart Clay: 30 years ago, with a newly-minted Ivy-league degree that

proved, at least to me, that i knew about all there is to know about things economic and financial, I began investing. Naturlly I lost about all the money I put into the markets for several years. Then I started trying to watch and listen to the market in the only language the market knows---price action. Of course I began to make money. For 5 years now, its all Ive done. The simple fact is that EGO must go!Many of the smartest people I know have been bears on stocks for years. oleman---ditto with ivy league degree 30+ years ago and a lot of losses because i was trying to make things happen. now i relax and follow the trends and let things happen. the results have been wonderful##

oleman: . . . Sat, Dec 21, 11:05PM CST (-0600 GMT) barb: didn't mean to be cryptic. I just look for certain things on charts, and Bessie has it. I scrolled through the charts i watch a whole ago and found come very disturbing things. The oils and oil drillers and the banks are the only long time holdings I have. I'm gonna be doing some big-time selling on Monday. I will be balanced and possibly net short for the first time in 2 years bhy the end of the week. I shorted IBM, INTC and MSFT this week. Expect to be short soon in major drugs and oils. Banks, oils, and drugs are topping.#: I'm not calling an end to the bull. I won't know it's topped til after the fact. I am saying that some of the best companies in the world are getting ready to correct substantially RIGHT NOW! Stocks like MSFT, INTC, RD, XON, BAC, FTU, MRK, BMY, and so on.#barb: MS85,INTC135,IBM155. The MSFT 80 is less than \$2, and the stock is correcting. Low 70's is a slam dunk before expiration, IMHO.#I'm not calling for a crash. I leave that to the astrologers, soothsayers, Bradleyites, E-wavers, Fibbers and braggarts. I'm just saying that the price action is telling me that some of the market leaders are going to correct substantially. If it develops into something more sinister, I'll be properly positioned. Fridays action was much worse than most are saying.##I will certainly be looking for a sell point if we gap up in the morning. But i will use a SAR. I use SAR on 90% of my positions taken during the first half-hour. If it gaps up and the first 2 bars (5min are up, i'll sell a reversal on the 3rd or 4th bar, with a SAR 4or5 ticks above the high. If it gaps up and doesn't break down by 10:20, I'll buy.# when the market gaps up and does notsell off during the first hour, It will make new highs a very high percentage of the time# I got my copy of Vic's book back. His statement about the reversal of a gap opening coming in the firsr 15 minutes 95% of the time is in the second full paragraph on p.231. Take that and add to it what I told hope1 above and, If you dont do nothin' else, you can make a living# we had at least 3 noon hour "crashes" in the last month. None of happened after a gap up open that held up for the first hour.#opel: DrDoom is a true market genius. I'm 56 years old, trading over a quarter century, full time for 5 years, and i've come into contact with fewer than half a dozen market minds that rank with Dr. Doom. # Vic II. All the goodies are in Chapters 10 and 13. If you really understand these 2 chapters, you have a foundation for an approach to trading that could change your life.#On agap up open, if it moves up from the open, it'll reverse on the 3rd or 4th bar 90% of the time, if its going to reverse at all. If it gaps up and draws a line, if it dont break down in an hour, it'll go profitably higher. That's all you need to know. The rest is up to you. There are several examples of these two situations in the month of December alone.#You're half right. If the market continues to move in the direction of the gap for at least the first 2 5 min bars, you know by 9:50 whether you're going to have a reversal. If it gaps up and draws a line, you know by 10:30. What all these gap openings is a sign of is that experienced day-traders are gettin' fat!#when the market gaps up and does not move materially up or down from the range of the first 5 min bar for the first hour, thats what I call "drawing a line". It comes from Jesse Livermore. Friday, Jan. 3, 1997, is a good example. When it does this, it can be bought at 10:30, with great confidence. See also 12/18 and 12/19.#On Jan

3, 1990, Dow made a 2B high just like today. Fell 10 percent in next 3 weeks. # g'nite all, and dont go long against that shooting star. #emh: dont do ewaves. 2B is from Trader Vic. means it runs up to new high then backs off and closes below the old high. Cant use it all the time in all markets, but its been death to the Dow over the years. #You need to build your system, one brick at a time. First, get one signal that you trust and trade only that. Then add another when you have tested it enough to have faith in it. #If you're just starting day-trading, watch for a day that gaps up a couple hundred points or more and then 'draws a line' for the first hour. Then buy. You'll get 2 or 3 trades a month---12/18, 12/19 and 1/3 come to mind---and you'll learn to have faith in a system. # If you'll check back over the big selloffs we've had the last few weeks, you'll see that, in virtually every case, the first retest of the morning high failed. When we made solid new highs around 1 the chances of a 'crash' became next to nil. If the first retest fails, I always put in a 'crash stop' for the afternoon. #one of the 3 things I had to learn to make money, even though I don't formalize it the way he does. As I've tole you from the beginning, I do a lot of trading off 50% retracements and previous lows and highs. Taking profits on a position when it reverses off mid-range was the thing that moved me into the plus column in daytrading. #olemantwocents: dont short the Spoons when they are rallying to new highs in the 1pm time frame. You may get a short around 2 or 3, but probably not today. The low is probably in for the week. I will add to my long on a pullback. Got my favorite this am--Mon morn selloff with reversal pattern within 15 min of 10:30. #:seriously, too, it takes more than knowledge to daytrade. On 1/10 i announced to the group that i bought the opening. I did everything i legally could do to get everybody long during the pullback about 11:00. jacad and a couple of others who would have had the trade anyway no doubt were right there. Those who would not have done it without me saying anything wouldnt do it no matter what i said. So i dont mind helping folks, cause i know most of them cant use it anyway. #meant to say "but" where i said "cause". I'm sorry. For example, I was at a long-time friend's desk last year, while he traded, trying to help him. I had sent him a list of my 6 best morning strategies a few days before. The second day I was there, the opening looked like this last December 20th. As the fourth bar got closer and closer to closing I was literally yelling at him, but he couldnt pull the trigger! I grabbed his phone and called my broker and sold a handful. One of th rules I had given him was the one I put on here a\fter 12/20: If it opens +200 or more, then goes up at least 200 more on the first 2 bars, and is above the previous high, if the 3rd or 4th bar is a reversal, sell it with a SAR above the high tick. The trade works about 75% of the time, and the SAR will take care of most of the others, but you cant get a losing trader to sell the s&P at a time like that. #when nervous about a profitable option position, it may be wise to sell enough of them to get your money back and ride the rest of the way on the house. #ready: I went long at 10:02 this morning and it never made new lows after that. The double down play is tricky and dangerous. It requires that the rally off the first low and the dip to new low take place rapidly-- usually within 1/2hr. If the price moves up oss the first a.m. low more than 50% of the way to the high, fails to get to the high and takes more than 1/2 hr to get to the top of the failed rally, you're probably looking at a down day, and should get ready to sell after lunch. #12/27 is a "double down" day. not mush rally after 10a.m. low and new low about 1/2hr later. I 'doubled down" on the 10:35 bar. Then when the rally into 1pm fails to make a new high, I look for a selloff later and want to get a "crash" stop in place. At 1:55 I place a stop 4 ticks under the little double bottom at 1:40-45. Bingo--2:35 crash. # failed rallies in the 10:30 to 1p.m time frame are usually "rounded". As soon as I think it is failing, i pitch the long position and look to sell the coming crash. #12/30 and 12/31 are classic examples of failed rallies which fall short of new highs by 1pm. I hit big-time on 'crash stops' on both these days. Notice how long and labored these rallies in the 10:30-noon hour period are. Once they "turn over" its usually "look out below for the afternoon. Now you know all I know. Good luck. #

oleman:Wed, Jan 22, 10:26PM CST (-0600 GMT) humble: I get a chuckle when folks start razzing you when the market sells off right after the open. In a bull market, that's the most bullish action there is. gap-up openings fail about half the time. early morning selloffs reverse almost every time.##

oleman:Thu, Jan 23, 10:15PM CST (-0600 GMT) notop: pardon me for not answering you. An example of market action I'd buy in the a.m. Between 9:50 and 10:20 we get a bounce of 100-200 spoo points from a bottom at least 500 points below today's close. Then we go 100-200 spoo points below that low within 30 min and show a reversal on my candles. I'd buy, looking for a 300-400 point bounce. If the spoos cannot make new highs on the morning rally, I'll sell it every time it rallies and rolls over after lunch. on 12/30, i added to shorts 3 times. On 12/31 i added 4 times.##notop: If tomorrow is a down trending day, and you'll know if the first serious rally doesnt make new highs, you can just put a 30 bar MA on a 5min chart and sell the bottom of the first down bar after it comes up to the MA after 1 pm. Check 12/30,12/31, and 1/8 to see how this works.##harvey: your 10:27 is dead-on. swtrans look for a cluster of days with 40 or more new lows as price makes a high and rolls over. A failure near today's high with 2 or 3 days on each side of the high day with 40 or more new lows would get me at least 150% short. The day or two BEFORE the high are crucial. 40 or more new lows there are far more meaningful than on the day or two AFTER the high.## What I said was that if we got a gap of more than 200 points and a rally of at least a couple hundred points during the first 10 or 15 minutes, followed by a reversal on the 3rd or 4th 5 min bar, I would short it. I was shocked to find that applied to today, when the first 2 bars were DOWN---the opposite of what I was talking about for a short. When it gaps up and the first 2 bars are DOWN, I buy if it breaks above the opening range during the first half hour. This is from Ch 13 of Trader Vic's second book. He bought this morning at the same time I did.##presto: Chs. 10 and 13 are real good. You'll learn things that will make you money. The rest of the book is a waste of time.## Dont let anyone make it more complicated than it is. I made it complicated when I started and the first yr and a half cost me a fortune. This is a bull market: ergo, the thing we want to do is get positioned long as early in the day and as low in price as possible. Everything else is icing---this is the cake. If you're still looking for your first entry of the day at his time of day a lot of the time, you need to work on a system that has you buying early when the spoos are in red numbers. on 1/21 and 1/22 I made over 900 points by being long early. I've been long every day this week. The latest was 10:40, on Monday.##

oleman:Fri, Jan 24, 8:01PM CST (-0600 GMT) swtrans: I'm just trying, in my own simple way to make this room what I think it ought to be----a place where we can learn from each other. Sop good traders can become better traders, and, more important, to possibly reduce the tuition costs for the learners.##To be properly positioned when this thing collapses is to be rich---you know that? far out of the money LEAP puts will be worth a fortune.## 25 years ago I got into the markets, using money I needed, and lost most of it. Now I've got enough to allow me to rejoice when someone else makes it. Its alright to want more. Its a sin to not want anyone else to have it.##mr50: I know you look at 15 min closes, but even you'd be amazed to look over my shoulder while i follow the S&P on 5 min candlesticks. They'll congest around the bar that crosses the 50% point most of the time.Except for some special rules for the first half hour, all my trades are entered based on reversals from the high or low, or reversals or continuations in the

middle of the range. #barb: I have tremendous respect for mr 50. He's the real McCoy. barb I buy the 5 small dogs of the Dow. At least half, and sometimes as much as 80% of my investment portfolio has been in them since I read O'Higgins book several years ago. The remainder of it it is almost all in other stocks in the industries represented in the "5 small dogs". When Merck dropped in, I bought drugs. When Chevron dropped in, I bought oils. I cant pick stocks, but my dogs were up over 50% in '95 and almost 40% in '96. I drop the lowest priced stock if its also the HIGHEST yielder. That usually means a troubled company.#swtrans: whether I'm trading intra-day, daily or weekly charts, I look for reversals at critical points, i.e., trendlines, sup/res, previous high/low, 50 to 75% retracements covers about 80% of my trades. If the index stabbs the t/l from july and reverses, I'll be longer than John Silver.##If it gaps up and runs up for 10-20 minutes and reverses and you DONT sell it, You flunk the course. (on snp gap openings)##I NEVER take action based solely on a MA. Except for some special rules for the first 20 minutes on gap openings, all my trading is based on reversals from areas of resistance/support----primarily High/Low and 50% levels. The 30 bar MA forms an area of Sup/Res on TRENDING days. If I get a signal in the direction of the trend at the MA I take it. I would NEVER bet that a cross of the avg. against the trend constitutes a trend reversal.##I take buy signals much

quicker than sell signals in a bull market. If the market doesnt move up immediately on the open and reverse before 10 am, I am reluctant to take sell signals before 1pm. the 1:15-1:20 action today was very bearish, and it took place at the very best place to sell short----at the highs. I shorted there, but p[itched it at 1:50 for very small gain. The 2:15-2:20 was a GIFT. It was a clear rejection of new highs, very small risk and 820 points under you.

Many times the bull market will come back and burn you when you sell an early failure like the 1:20 today. But the 2:20 was the SECOND failure. And it was sudden and unequivocal. And you only had to risk about 100 points. You gotta sell the second clear failure at the highs.## I underatand the predicament of folks who must depend on continual growth of an investment portfolio for their retirement needs. I quit trying to pick stocks back in the '80's when I read O'Higgins' book. I always put my investment money in the "Dow Dogs" and spend my time daytrading. The Dogs will bark no more for me until the bear market is over. I am on record, but I will repeat, I see a crushing bear market, leading to a deflationary depression on the horizon, bebinning as early as next week and no later than this autumn. Its severity will threaren

the present order of "things as we know them."##not clear what you mean. I like to sell and buy at extremes. I look for hesitation and nervousness at highs and lows. I DO NOT trade breakouts unless the come back to test Support/Resistance, at which time its a gift.##topx:to clarify my 11:21. On

2/12 I was looking to sell, because we were so near the 1/23 high. It blew through that high early without me. When it came back and touched that line, which had now become support, I bought a double position. If a breakout does not come back for a retest, I miss the move. ##Its an old concept--used by many writers for 75 years or so. It means a market that goes nowhere---no rally, no selloff. If the market "draws a line" for the first hour after gapping up a couple hundred points or so, I buy it at 10:30. You'll get a profitable move before 1 p.m. 80% of the time. You may not close higher, but you'll get a tradeable rally. ## he's posted only a couple of times, but he

lurks every day. To me, this is what its all about. I get several similar emails every week. (Tom Dotson wrote: > > Leo Tsou wrote: > > Oleman, I am sorry to bother you. My name is and I trade > the > Nyfe. Do you have any recommendations for a book I can read about > interpeting individual bars. Thanks, > : The 2 best books for any trader to read are the two Japanese > candlestick books by Steve Nison..... oleman Thank you for taking the time to answer. I would also like to thank you for a pearl that I used today on the Nyfe. The 30 bar MA on a downtrending market. Hope you golf game is as good as you trading. #####

oleman:Sun, Mar 23, 9:51PM CST (-0600 GMT) otc: My opening strategies are mainly looking for buy signals on gap downs of over 200 points and looking for sells on gap ups of over 200 points if the first two 5 minute bars also are up bars of at least 200 points total. On a gap up that "draws a line" for the first hour, I buy around 10:30. On a neutral open with a selloff in the first hour, I buy the first reversal pattern---especially on Monday. For the first time in 2 years, I won't buy a sell-off in the morning unless it comes at precisely the right time and place.###otc: Since 2/26 I have only bought selloffs when strong support has been tested, and they make the "save" in "no-man's land".###

oleman:Tue, Mar 25, 7:21PM CST (-0600 GMT) swtrans: I started noticing "buyer's exhaustion on 2/26. This ain't gonna be no 1987. I said here some time ago that it felt very '73ish. It feels more that way all the time. We've now got lower highs and lower lows in all the indexes save 2 of the Dows, yet nobody talks about it. Like '73, we'll be down 12 or 15% and then folks will start saying, " Somethin's wrong here." I started lurking here 6 months ago. I was buying hand over fist and was afraid to post because it was so bearish around here. Now, even the bears forecast new highs. There ain't gonna be any new highs. Not now--not after humble turns bullish again next month, not next year. Maybe next decade. The bull is dead. The rallies will be sharp, just like yesterday, to get the bulls and scared bears long. Then it'll turn and grind inexorably lower. I'll short all rallies till I am proven wrong.#Look at the IBD Mutual Fund Index graph. That's where Joe Public lives. He's been in a bear market for months. Today is the 7th day in a row with over 50 new lows. Yesterday we had 56 new lows with a Dow up 100. This will be a classic "grind 'em down" bear market ##Real wealth comes from getting on a trend and riding it and adding to your positions. I have read over 100 books on trading. I can say categorically, that all you ever need to know to make a living from the markets is in Steve Nison's 2 books on candlesticks. He covers much more than just the candles. He shows you how to combine it with conventional TA to find out what the market is doing at critical points of support/resistance. Most importantly, he teaches you what support and resistance is. When his first book came out 6 or 7 years ago, it made all the difference in the world in my trading ability. The new book is a gold mine.##The first one was "Japanese Candlestick Technical Analysis" (I think--someone correct me if I missed it), the second is "Beyond Candlesticks". Just go to Amazon.com and enter "Nison" as author and it'll spit 'em out for you.##

oleman:Fri, May 16, 10:04PM CST (-0600 GMT) otc: when you have a significant gap down and fail on the first rally attempt to close the gap, you're looking at a downtrending day more often than not. Trending days, down or up, are easy. Jesse Livermore spoke of the "3 pushes to a top/bottom back in the 20"s. Its still the same. Ellioticians, one of whom is a close

relative of mine who is now trading with me every day call it a "fiver". if you can identify a trending day, either up or down, and catch the second push (3rd e-wave) with a buy stop above the first congestion area (2nd e-wave) in an uptrending day, or a "crash stop" below the first congestion area in a downtrending day ---that's easy money. today the play was a crash stop at 839.95, filled at 12:50, covered at 2:35 for almost 5 handles profit. I shorted it again at 3:40, cause I know the pattern and was sure of the "3rd push" down. the last is a little iffy. the first trade is 24k.##otc: the most important thing to do early is draw a simple trendline as soon as you have 2 points to connect, even if they are only 5 or 6 bars apart.##if folks hereabouts would have paid attention to gulliver a year ago and learned to

read the last 3 bars instead of worrying themselves about the market not conforming to their ideas, they'd be better off. Richer too. This is not personal, you are surely not one of the worst offenders. This IS personal:

I'll give you this last tip, but I'm not going to give you anymore til you post something here that I can use. Here it is: Go back to 11/25/96. Look at every top that lead to a meaningful dip and note the size and shape of the candle before the top reversal day and the reversal day itself. Then you will know why I say today is NOT a day to start a BIG sell. #ole..do you use a combination of ma's or just the one?rtt: I usually have 2 on my charts, one short term, 5 ,8,or 13 and one longer 21, 30 ,34,or 55 depending on the time frame I'm looking at.saw your reference to ma's being cycle filters in which you are correct, but..... there is also a sense in which they are nothing more than trend lines. william gann always referred to his angles and trendlines in general as "moving averages" which they are, and i think the opposite is also true. re the 30 bar ma on the five minute spoos chart, oleman did a lot of research on this and in particular in regards to falling below it after 1200 edt. i have back tested it myself and believe that it has validity. i am always amazed at how useful the 30 bar is as well as presto's 18 bar xma and the 75 bar simple ma. hi5: Just scrolled back and saw your comment on MA. You are, of course, right about what a MA is theoretically. I was touting the use of the MA to try to help a neophyte spoos trader avoid

the nastiness of buying a down wave. If most folks would restrict themselves to buying pullbacks when the MA is risings and selling rallies when it is falling, a lot of financial devastation could be avoided. If one scrolled back to where the 1:25 bar was on the extreme right edge (where we all unfortunately must trade), the last 3 bars give the trade without the need for a MA or the 12:20 high or anything else. A relatively inexperienced day trader has a much better chance of seeing the trade however if he has a 30 bar MA on his chart, since he would have known for about an hour that the trend was down, thus he would have been looking for a sell signal. I have put a lot of things on this chat that i dont actually depend on in my own trading, but i do it to help folks who dont yet have Gulliver's eye. It would have saved me a lot of money the first year I daytraded if I had known to look only for sell signals in rallies on down days and vice versa.Oleman..my only point was that your experienced eyeball saw both the bar signals and the m/a at the same time,others might not have done,you are correct its a great signal for those that understand it,I was just trying to explain to those that dont that they cant trade off a m/a.SW: thats the problem with trying for a reversal on a day like today---we NEVER got really overextended to the downside until the last half hour. At 1:30 Friday we were TWICE as far below the MA as we were this afternoon. NOTE: the beat reversal trades come when price is either far away from the MA, or when the price moves fast for a few bars and then loses momentum. 1:30 Friday exhibits both these characteristics. Ditto for 2:05 yesterday, but not quite as clear.sw: The move into 1:15 Friday says it is either October '87, or it is a reversal. Since Oct '87 only comes once in a generation, you should expect a reversal. When ots bought yesterday, I knew he had a good trade, even though I didnt take it.--- for the same reason, it either reverses above 926 or it crashes. I wasnt looking for a buy, because I NEVER take a risk of that magnitude----especially when I've got a good trade in the other direction already in the bank for the day.

BTW, human nature says "double up, take a flyer, you're playing on house money." Learning to resist that siren song and sitting on a good days profit is the last thing I learned in becoming able to take a living out of this beast. my eyeball says if we take out the Friday low, we're heading for 890 or so. A reversal in the 922-926 area would be the buy of the month, though. If you'll scroll back, you'll see that my discussion of use of the MA to show trend talks specifically about the afternoon of a downwave day. The pre-lunch action you refer to is not relevant.## but I NEVER consider a position trade in a market that is not above a rising 30 dayMA.###GRAINS&GAPS:jwhite:Ok, grains trend, they really trend...most technicals work well on the grains, oleman:You think that's simple, dont you? Well, good buddy, everything that

works is simple. Here's mine:1) Dont enter in the direction of an opening gap. 2) Enter ONLY after a short-range day. Right on the trends. Lovely trends: in beans i day trade trade a lot of gap opens. if they move more than a cent or 2 in the direction of the gap then come back through the open, i jump aboard for the gap to be filled. sometimes ends up being a position trade.if they gap more than 5 or 6 cents and dont keep going immediately, i'll sometimes fade the gap right there. all gap trades depend on where we are in the trend. When theyre in a correction, i fade almost every gap. I never fool around much against a trend.re my 2nd pointer. Now I haven't checked this myself, but I know what you'll find.go to corn, beans or wheat. find a period where they're trending. Now see how much \$\$ you would have made if you had entered in the direction of the trend on EVERY DAY that followed a day that was shorter in range than the 5 previous days. I just know that you want to enter off a short day. I watch for it in all markets in all time frames. look at the big intra-day moves in spoos and you'll be surprised how many come off a string of the shortest bars of the day. Best signal is ONE short bar with a lot of tick volume at the top/bottom of a correction.###

This post must be from 29th August 1997

oleman:Fri, Aug 29, 10:23PM CST (-0600 GMT) brkout: I posted here in Dec '96, after buying the big gap down on 12/6 here in real time for about 12 handles profit, that I would buy the first reversal bar anytime the market gapped down/sold off over 5 handles in the first 45 min, and sell at 1 pm. Somebody on the chat followed it for 7 months and recently sent me the results. Trading one contract, that would have made you SIX figures already this year. Of course, that person did not trade it. I do.### I used to trade based on eod. I used the simplest trend following system there is. When price was above a rising MA, I bought the pillbacks, and vice versa. About the

eod = end of day

first of the year, I posted here that when the market gapped up and ran up for the first 2 or 3 bars and reversed, and didnt make a nes high by 1 pm, it should be sold every time it rallied after 1. To make it simple, i said to put a 30 bar ma on the chart and " ding it everytime it touched it. A chatter tested that one and found that in 8 months, if those conditions were met at 1 pm, the market failed to make a new high 79% of the time. That's only about 4 out of five. Most people learn too much. You just need a couple of things you have faith in, and the guts to use them. If you cant enter a trade after you just had a losing trade on the same signal, you cant trade for \$\$\$\$. You're kidding yourself if you think you can. It would save a lot of folks a lot of heartache, if they'd admit it-----this is not specific to you----just general advice. Now, watch my lips here. Take a daily chart of the Dow for the last

couple of years and put a 40 day moving average on it. Do the same with gold. Now, and here is the KEY: HOW MANY GOOD TRADES HAVE THERE BEEN IN THE LAST TWO YEARS IF YOU BOUGHT GOLD BELOW THE MA OR SOLD THE SPOOS ABOVE IT? Thats all.### : the "stand on the MA and ding it" strategy is for downwave days. Even though the MA had turned over by 11:30, it is not clear that it is a down wave. The precipitous fall from 10:15 guarantees at least a bounce back

through the MA. I did buy 11:35. I###re 9/12. I've said on here at least a half dozen times that huge gaps in either direction negate just about all daily patterns, including the "symmetry". When the market gaps 5 handles or more, its gonna do sumthin for sure.when you gap up big and then go on up the first few bars you have a totally different situation than when you gap up and come back toward the close immediately. For my chart reading purposes, the first 3 bars are critical on gap days. the position after 3 bars was much different 9/12 and 9/17.

The second box is aspike reversal..very clear and powerfull signal..the trick was that it suggested fast buying..and this did not continue.But spikes mean opposite direction coming,wait for retest half way down the spike and buy with a stop at the low of the spike.

Date-wise the posts has gone from late August 1997 to July 1997. I suspect it is because these posts are no longer focused on just Oleman - but also Gulliver.

gulliver

>>No that really told you there was trickery (light trading)it brokeup with a gap then came down amade DB(good)then the next bar made it aspike by going higher ..but the best spikes are where the same bar rushes UPor DOWN and immediately ends up at opposite end,the next best are where the next bar rushes back to the beginning of the last one..its simply like watching a bounce...the tick mark actually does bounce in real time..meaning its in hurry to go opposite..some big players ahd stops waiting there,ran the price down so the stops were

hit...

gulliver

- Thu Jul 3 20:11:48 EDT 1997

gulliver is that long bar that makes up the left side of the 12.30 DB considered a spike also?

rookie

>>Rae..DT simply sya prices arn to here twice in Xmins and reversed..so "they" obviously are not going beyond there.for awhile..if the prices back off from DT(as we saw YD) and then reverse then expect an acceleration beyond the zDT/DB..that why my stops to enter are often there..stops to exit smae..there are stops beyond teh Double..those folk that reversed there left stop exits behind...you will see them get hit..hard to write..everytime prices move anywhere,stops are left close behind..we learn where to expectt them..

gulliver

The new thing im doing with in the range stop orders lately. if teh amrket is still close to alevel ie did not rise much from a low then the stop goes .25 below last shelf or spikeetc..plus sheltered under .50 or .000.If the amrket has moved away in time and distance..the stop order is now placed immediately below the s\low spot mentioned earlier...the reasoning is that by moving way ,there is room for acceleration beofre toit gets to low spot..so dont need more..1-2hrs and 1.5 points is "a long way. "

gulliver

- Thu Jul 10 16:13:54 EDT 1997

Sorry barry, feeding kids, 12.0 sell on a spike that fails to exceed previous high by less than .25...if the market is down, this sell can only be attempted on a test of a previous high are gulliver's exact words...

Leo

- Thu Jul 10 11:56:32 EDT 1997

Ready to short it...and then remembered we don't sell into 3:00..ever!
Gulliver...:)

john

- Thu Jul 10 14:36:06 EDT 1997

john, many times you will catch a bigger part of the move but then you have a bigger risk...Gulliver only puts stops at the highs/lows when trading in a strong period i.e rally into 3.0...often at 11.30 the trend changes to flat so stop could get picked off..

Leo (johns ss was to close and above the low for day)

- Thu Jul 10 11:29:36 EDT 1997

Stop orders and trend lines dont go well together..(But we never know when the next rush is coming..basically yttaded all day slowly on trend lines to arrive unchanged.selling down into 2.30 is probably Ok .difficult to find aspot on the uptrend where more sell orders are confregated,so dont have a good crash stop..478.90 is best right now???

gulliver

- Thu Jul 10 14:10:14 EDT 1997

Leo.I think I understand the question on spikes...two things are specially relevant on any spike. The bar should be as large or larger than the bar before..so it appears to be acclerating the price move,prices should hit a bottom and shoot straight back to entry...so you need to see it form with your eyes..the best spikes jump to anew bar back from where it entered the spike. However it may be that the price shoots back to the entry and finishes in that half...if it drifts to the outside of the spike ie bottom of down spike..its weaker cos the revrsal was not as planned and instant.. Kind of like agap up that immediately heads back into the gap agin..

gulliver

- Thu Jul 10 19:49:58 EDT 1997

The new thing im doing with in the range stop orders lately. if teh amrket is still close to alevel ie did not rise much from a low then the stop goes .25 below last shelf or spikeetc..plus sheltered under .50 or .000.If the amrket has moved away in time and distance..the stop order is now placed immediately below the s\low spot mentioned earlier...the reasoning is that by moving way ,there is room for acceleration beofre toit gets to low spot..so dont need more..1-2hrs and 1.5 points is "a long way. "

gulliver

- Thu Jul 10 16:13:54 EDT 1997

When market is falling hard do not buy the DB....me sptrain.....

"It is very rare for the market to make a high at 3:15 if it did not make a high at 3....."

"Never go long between 2 and 2:30".....

"Go Long after 2:30 and preferably 2:40".....

"Never place stops after 3:15".....

"Always get out of long at noon or before eastern time....."

Dick.read the tutorial for clues about time of day and bar formations to look for,get leos notes and read that too..It will provide patterns to look for in the S@P trainer. Yes the daily range and speed and doubling back had increased since last july..the doubling backof each move has reqd us to take profits faster and reenter...watch for time of day specially 10.30,12.0,1.0.2.30..four key trading times...

gulliver

- Sat Jul 12 12:18:33 EDT 1997.....

The placing of the stop order in time and distance is supposed to ID arush up/down..and till recently they were effective...if its true that the pits are trading off agiant screen seeing what we see..then trading on stops will remain more difficult. However the pits by now cancelling our moves open up a reversal..and that where the double stop may become normal for us..ionly recently began to test it out..and it does require practice..

ar

- Sat Jul 19 21:40:37 EDT 1997

rookie..Only recently have i used that move under and over because of action centred at 2.0. However I always used it on the rush into 3.0...I have BS over the highs installed amybe at 10.30,as market falls into 2.30 and provided its going to close up on the day..I layer the BS from 2.30, Most times I exit on the first rush right at top,and just before second stop is hit(occasionally get both in one go).. What so often happens is market will rush 1.-1.5 then fall back at 3.0..my second BS is often just above that fisrt rush and catches the second rush..(when there is not normally time to call and place a new BS..) On real end of day action I have had as many as four buy stops all work this way.. All other time i will use stop order in both directions but only one at a time..Leo may have save some of those days and explained the action that leads to that set up..

ar

- Sat Jul 19 21:36:41 EDT 1997

I guess my thinking for my question earlier was that the ss was placed beneath support looking for a sell at that point. But if prices stalled before getting to your sell stop or a db forms you could buy above the ss. But my thinking was you would still want to be in a position to take advantage of a move down thru support. So I can see where another ss further below your original might work alot better and maybe keep you from getting whipsawed.

rookie

- Sat Jul 19 21:01:18 EDT 1997

bbl..not good at explaining things.

hi5

- Sat Jul 19 20:00:27 EDT 1997

G..for those that dont understand stop placement if we refer to july 16 chart from 10.20 till 3.00,perfect flat range of about two points,those that sold the top of the range had stops over those that bought the bottom had stops under,a buy stop over caught the breakout up and a sell stop under would have caught any downdraft.

hi5

- Sat Jul 19 19:55:37 EDT 1997

JBM don't wash away I just heard on TV someplace in your fine state has received 30 inches of rain. geezzers!

rookie

- Sat Jul 19 19:18:41 EDT 1997

Thanks for your discussions. Now to go look at some charts and figure out what was said.. :)

rookie

- Sat Jul 19 19:16:41 EDT 1997

G..second stop .50 out must require a feel for brokers response time I dont have that yet

hi5

- Sat Jul 19 19:13:20 EDT 1997

Thanks...now going to look at charts and see if I can get a strategy together...BBL

john

- Sat Jul 19 19:08:08 EDT 1997

How did you guys type all that so fast,I was going to suggest looking at the charts of the previous three trading sessions especially july /16

hi5

- Sat Jul 19 19:04:33 EDT 1997

BBL...

ar

- Sat Jul 19 18:59:01 EDT 1997

When i say eyeball skills...even the acclerating size of each bar and its sudden stop or slowing down and holding for 5-7 mins. is a signal

ar

- Sat Jul 19 18:58:10 EDT 1997

john The best thing is where you said you really want to do a particular trade type..if it feels right ..practice it(paper trading)..youll soon know if it pays ..my trades are only 10% of the moves available..every day i kick myself twenty times for missing some..:)

ar

- Sat Jul 19 18:56:30 EDT 1997

John..in better times the stop order is placed at a spot where market has broken out by more than just afew stops..recently the action has changed and I do akind of stop and reverseSAR by deciding at last moment that the momentum is going to stop before or close to the stop order...going thru it indicvates acceleration,and maybe the floor dont want that...so by eyeabl I try and buy over,hoping to catch the turn...yes asecond stop .50 further

out..ties in with this...if im wrong and buy over first SS it becomes wash trade in/out..I was now wrong in the buy decision and maybe its accelerating down and the second stop enters me with the crash...or whipsaws me..but gives many options..but its eyeball stuff...the same skill that gets you out quick when astop is hit and going nowhere,leads into this trade..as i said this is just a game of mechanics and numbers..its really an eyeball skill..Im hoping you are beginniong to see the moves too..and Im hoping this type of "game" appeals to you..its not for everyone..

ar

- Sat Jul 19 18:53:36 EDT 1997

Only recently there has been a concentration of big trading reverses around the 2.0 time ...to catch the trick I have been placing tow sets of stops..giving me so many options..I dont do it other times..the stops are designed to caatch an acceleration upwards/downwards..if its wrong the stop loss takes me out)or I exit on lack of mementum..THIS DOES NOT mean a reverse is coming..the stop loss was the point hwere i know it has failed in first choice of direction..thats not the same as saying it will now accelereate in second direction...however within 30min to 2hrs..that same Stop loss OFTEN becomes relevant as new trade entry going that way or as second attempt etcetc.. You will see how many times A DB is made at 0.20 and then revisted 30mins later after a move up..

ar

- Sat Jul 19 18:45:09 EDT 1997

Hi guys: Rookie just touched on a question I came on to ask re buying/selling over/under a stop. If we have a ss at .90 we would probably have another @ .40...the bs would go over .90...40 ticks away? i.e. @ .30 over? Here's the kicker...*when* is the bs placed...Gulliver has said he will buy as the price passes thru xx, but is that what we should be doing? I thought the bs was placed as the market stalled at or just before the ss...at even in this example...yes, no? I realy want to place these trades because I see the value in them, but have to sure of the mechanics. Hope this makes sense...

john

- Sat Jul 19 18:43:55 EDT 1997

Gullivar when you buy above your sell stop, do you install another sell stop to catch the move down if you are wrong on the buy? That is have 1 ss for stop loss and one at the same area for down move.

rookie

- Sat Jul 19 17:51:01 EDT 1997

That little bar blew the DB is usually the one to buy for reverse..they reverse from atest of Db and also scare the daytraders who traditionally buy into little rush into 12.0

ar

- Wed Jul 30 11:45:04 EDT 1997

Maybe if we get three consecutive days with normal charts we can return to less snatch and run trading. That was day 1...Thetut buy at 10.30 should havew been exited at 12.0And the we knew the buy would be somewhere about 494 for a run to new highs..the clue is open gap greater than 3.0 by 10.0 it rarely gives back a start that strong..UP or DOWN

ar

- Wed Jul 30 15:56:44 EDT 1997

I will post todays chart soon..save it..because the action after the highs at 12.0 is classic..and you will know next time not to sell a day like this..its a common chart..there are maybe less than 20 diffrent charts

ar

- Wed Jul 30 16:03:33 EDT 1997

Pepwe That day is an easy one...there are afew more that you can learn in your head..the trick is that it looks like upwave is broken...but provided the midday lows dont break more than two previous lows..it will always go up into 3.0..usually easier and further than today..a fall to 493.00 would have cancelled this chart...

ar

- Wed Jul 30 16:22:01 EDT 1997

52pct: Thu, Jul 31, 3:38PM CST (-0600 GMT)

Jacad - Could you figure out why the futures declined so much in the last hour, given the large decline in interest rates today?

oleman: Thu, Jul 31, 3:45PM CST (-0600 GMT)

Mr 52%: When the spoos make approximately symmetrical swings away from previous settlement in each direction of at least 300 points by 11:00, and return to midrange at noon, the close will be within 100 points of unchg. a surprisingly high % of the time. Watch it and profit from it.

The voice is nice for maybe weekend or night sessions and questions..its also nice for the advanced guys who have started to trade...but as we saw YD some folk jump the gun and trade live long before the homework has not been done....and that is so dangerous.. The result is I cant just call trades if the folk listening dont sufficiently know how or why im doing it..dilemma..??

- Thu Jul 31 18:53:46 EDT 1997

Most of today's action shows bars that were doubling back on each other and were also too big for most of us to trade, cos the stop loss becomes greater than we risk..the 10.30tut. sell, only gained if sold quickly within 7 mins..the BS over the early high did gain..and should have been exited on the rush into 11.0 or certainly at 12.0 when we always exit long positions.. By 2.0 it was flat and looking bearish with Bonds falling at lows of day...(this was just another trick..and ABS over the range was hit going into 3.0 and again we always exit longs at 3.0 but a tricky and difficult day..i thought..very few bar signals we could afford..11.0 and 2.15 spike reversals being two..

ar

- Mon Aug 4 18:27:39 EDT 1997

I'ma sorry i could not suggest much today. Our skills are based on a set of bar signals and patterns and times. These signals generally indicate that certain moves will follow (or more often will not follow). Some days the markets are playing to a secret agenda fixed by "someone" else..large fund player etc and our patterns then don't work. And we only play when the patterns tell us we can.. Today we had large gap up (fine) NO it turned immediately round and formed a spike.. A spike says its going in opposite direction and fast...(fine) No it did not go very far at all. If two new lows and lower high forms it'd go down more (fine) No at 11.0 it made a rapid stop run to same low. (fine its going up) No it drifted till 12.30 for similar low (good that's bullish signal up into 1.0) NO it began, but fell again to run stops lower. (fine that's bearish) Yes that worked and it went down into 1.30 not far..and fell into 2.0 big bar, fourth lower low of day..collapse coming. NO It then ran all the way back to highs without any retrace along the way... Cleared the open highs and stayed there. Three flat lows into 1.30 should equal up...and then a huge lower low should have equalled down (crash); So from the first trick we found the whole day did not follow the normal signals for us...We guessed a trick to higher was coming..but the big guys knew we guessed it and stopped us getting long by taking it down again. UGH

ar

- Mon Aug 11 19:52:06 EDT 1997

The point of message below..is that while we can "guess what's coming by trick momentum" we don't trade less ALL our bar, pattern, time patterns fit..Once we start sensing a trick and trading for it..we get big losses. Today i would not use stops..cos of type of action we did all last week..we missed a big one and were safe from several others

ar

- Mon Aug 11 19:56:42 EDT 1997

ohn. Till we see a few charts where the first two cycles confirm our signals..we just stay out..if we start trading opposite rushes and guesses we are doomed..

ar

- Mon Aug 11 20:33:57 EDT 1997

This now a classic up thrust day..which should drift all the way to 2.30 and then close at highs or higher.a buy at 2.30 about 482.50 should occur..the only slight difference to the chart we know is the stair step up..runaway up days pile up up and finish at 11.0 retest 12.0 or 1.0 and often have a low which takes out two early cycles but dont mean collapse..so watch 482.50to hold..meanwhile we tray and trade bars..

ar

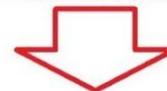
- Wed Aug 20 11:58:23 EDT 1997

If you recall this chart..at sometime between her and 1.0 it will make sharp run up and immediately DT and return down..this run should be to48460 and is not tradeable with stops cos it reverses so fast..buying down around the 48300 mark with small stops and at 12.30 may work or doing same at 2.0-2.30.Bonds are flat down 11 all day..so at 2.0 we look for bonds to be rising from there too..

ar

- Wed Aug 20 12:08:58 EDT 1997

"DOES THIS BAR BELONG HERE IF"



oleman: . . . Thu, Aug 21, 8:29PM CST (-0600 GMT)

river: now that the rant is over, i'll do it here instead of email. starting with the 2.0 bar, you had a strong 500+point move on 4 bars each of which had INCREASING tick vol. then the 2:20 bar shows up. It does not belong there if you're goin on up. One of the best questions to ask yourself when looking at any chart from weekly beans to 5 min spoos is, "Does this bar belong here if it is gonna continue in the present direction?" Thats why you buy early on 7/22 on the daily spoos chart. That 7/21 bar does not belong there. But I digress. That 2:20 bar today took out the high of the previous bar by ONE tick. That was a very important tick, because the 2.15 high was at the half. Everybody who knows how this market works places stops just beyond the half and the even. It ticked the stops on the double and went no further. It had 36 ticks in it, compared to 62 in the previous bar. It was obvious that the move was out of gas and the .55 stops were the target. Its a sell as soon as it takes out the bottom of the 2.15 bar. Didnt know it was so easy, didja?

We are beginning to get an Oleman day..."When the morning rally fails to establish new highs between 11.0 and 1.0 and the 30 bar MA goes flat to negative, the MA tends to contain the afternoon action. When this happens, I sell each rally as it "turns over". It may be a little above or a little below the MA. Obviously, this rule requires 3 things, 1) the morning rally fails to make new highs, 2) the 30 bar MA rolls over to the negative slope and logically from #2, 3)a positive MA in the morning..."

Leo

- Mon Aug 25 13:17:33 EDT 1997

John, 3 bar pattern, buy is opposite "Long bar down, long bar down, and gap lower and spike suggest an end to the down move" Gulliver June 20, 97 although that 11.45 spike was a small spike. Those gap spikes are good reversals and the pattern I have been looking for after long bars...that 11.45 had bars that were too short before so I did not sell...

Leo

- Mon Aug 25 15:20:56 EDT 1997

Ski is wrong. After 2.30 Sp down limit is 15 then 30 to 2.30. then 45 then 70 after a halt and then a max of 90 for the day..

ar

oleman_...Fri, Aug 29, 4:00PM CST (-0600 GMT)_

52: the 1:45 sell was easy to see. The 3:15 was too quick unless you had mit orders near the earlier high. I did not trade either, because, like AA, i live one day at a time. When I have a profit in hand, i dont risk losing all or substantiallyh all of it on p.m. trading. I had almost 400 points profit from the 2 longs. To have taken either of the good short trades would , counting slippage, have put virtually all of it at risk. In years past, i traded away many a profitable morning, by risking it in the p.m.. Been there, done that, aint gonna do it no more. _

52pct_...Fri, Aug 29, 4:10PM CST (-0600 GMT)_

Ole - mitstop1 had an interesting comment which I'll repeat since he is gone: mitstop1:

Fri, Aug 29, 11:20AM CST (-0600 GMT) also.. I've found that when new high is made just after 12:00, it is a buyer trap just abouve that high when it is pierced... usually a consolidation of indicators seem to be eyeing a breakout of substance, but when that high is finally broken, it's a whipsaw to below the lunch time range... just an observation that I've paid \$ to learn :) _ (oleman reply next statment)

oleman_...Fri, Aug 29, 4:19PM CST (-0600 GMT)_

52%: It depends entirely on the shape of the chart at the time. I know the situation you are talking about. You dont buy that high on a stop, but if it comes back through it after 2 pm its good as gold. You can buy it on a stop and never be down on the trade. Well, gotta go. Company. Cant wait till Tuesday. Love too start a new week, cause there's always the chance the market gods will present me with a scary selloff to buy in the first 45 minutes or so.:) BBML._

gulliver_...Fri, Aug 29, 4:36PM CST (-0600 GMT)_

52pct That 12.0 high is the reason gullivers tutorial says exit all longs at 12.0 and dont take anew buy at that high..but buy agin at 12.30 or 1.30..I physically cannot hold along trade or enter one at 12.0 midday.or 3.0pm..occasionally arun up down occurs at 12.30 to tempt folk.._

Octrader..Almost any day that ahigh is made going into 3.0 exit fast, or at latest 3.15 and then wait for the low at 3.30..its one of our NEVER DO..dont sell into 3.0 and dont hang about with your buy..its such aregular occurrence we physically cannot sell into 3.0 or hang onto the profits we have after 3.0...its ano brainer for gulliver traders_

brkout: I posted here in Dec '96, after buying the big gap down on 12/6 here in real time for about 12 handles profit, that I would buy the first reversal bar anytime the market gapped down/sold off over 5 handles in the first 45 min, and sell at 1 pm. Somebody on the chat followed it for 7 months and recently sent me the results. Trading one contract, that would have made you SIX figures already this year. Of course, that person did not trade it. I do._

oleman . . Fri, Mar 6, 3:23PM CST (-0600 GMT)

colby: if the first bar gaps and closes above the previous day's high, you either have a runaway day or a wicked reversal most of the time.

oleman... Thu, Mar 5, 11:36PM CST (-0600 GMT)

g'nite, craig. hanobi: I know this doesnt apply to you, but there are many hereabouts who either do not know how to recognize a trend, or refuse to recognize a trend. I said here over a year ago that most folks would rather have other folks think they are smart than to make \$\$\$\$. Trading with the trend doesn't challenge them cufficiently, so they do something else. Of course they lose. The trend is DOWN in bonds. I think we'll see higher bond prices this year, but the tradeable trend is down. The trend is still UP in stocks. I think we'll see much lower stock prices this yhear, but I bought last nite on globex at 1036 and more this am at 35 and went flat MOC. I cant believe how anxious everyone was to sell the spoos on their first approach to the 21 day ma from above. Of course it stopped right there on that ma, like it has done about 99 out of the last 100 times that it has tested that line for the first time from above in an uptrend and gave you a quick 10 handles. But that is just too "Gump-like" for smart people.

oleman... Fri, Mar 6, 0:18AM CST (-0600 GMT)

itsou: Ther periods you mentioned were not times when the index was in a clear established uptrend. Look at 5/97-7/97, 1/97-3/97, 8/96-11/96, and all of '95. See how the 21 holds the first test from above in a real uptrend. Just like it did today. We may go down tomorrow, but today the trade was to buy the 21 ma.

oleman... Fri, Mar 6, 0:27AM CST (-0600 GMT)

itsou: there's a difference in choppy trading within the range of the previous up move that just happens to be above the ma, and powerful trending action in new high territory. That's where we've been for 5 weeks. I dont think yuou dan find a single time when the 21 day did not hold the first test when the index was in new high territory and had been above the 21ma for more than 3 weeks or so. It just dont happen. It may stab it and go through a handle or so, but I'd just buy more. I'da stayed long today if it weren't for the nfp number. Gotta go to sleep. Glad you're progressing. Hope the best for you in your trading. Bhye.

oleman... Fri, Mar 6, 0:33AM CST (-0600 GMT)

itsou: straight lines and a simple ma will do you more good than all the obv's, etc that are in TS. CHANNELING moves will give you good trades. All those indicators in the package just make your guess a little better. look at that rally into 2:30 today. Channel that sucker and sell it when it breaks th e bottom ch. line for a quick 5 or 6 handles. BOTH of the pullbacks on Tuesday channeled perfectly and woulda given you over half the days trend. more to come.

oleman... Fri, Mar 6, 0:41AM CST (-0600 GMT)

itsou: use 5 min bars for intra-day channeling. Now, look at the

oleman . . Sun, Feb 1, 3:49PM CST (-0600 GMT)

vidar: When the TICK gets high/And the TRIN gets low/The TREND aint got/Much further to go.:)

oleman . . Sun, Feb 1, 3:50PM CST (-0600 GMT)

vidar: UPtrend, that is. Opposite for down trend. bbnafew.

guliver: Fri, Oct 31, 7:04PM CST (-0600 GMT)

brkt Not doing too much cos its quite unsafe to be in a market that moves 20 in a day..October i often give a complete miss..folks think that volatility mnakes for profits..its entirely the reverse..quiet orderly markets are where the best regular money is made..right now the best trading is to learn what a spike reverse looks like..hit the trade and exit almost immediately with the profit..watch how far each day will stray from the 30ma and look for the reverse.towards it ...free lesson.Thanks for asking anyway..:))

oleman_...Fri, Aug 29, 10:44PM CST (-0600 GMT)_

brkout: About the first of the year, I posted here that when the market gapped up and ran up for the first 2 or 3 bars and reversed, and didnt make a nes high by 1 pm, it should be sold every time it rallied after 1. To make it simple, i said to put a 30 bar ma on the chart and " ding it everytime it touched it. A chatter tested that one and found that in 8 months, if those conditions were met at 1 pm, the market failed to make a new high 79% of the time. That's only about 4 out of five. "Course, he hasn't traded it. If someone knows how to make money in the market, as i also posted here about 9 mos ago, he will either:1)keep it to himself, or 2)give it to you for free. If he tries to sell it to you, he needs more money than he can make otherwise, doesn/t he? If he knew how to make money in the markets, all he has to do is look at a screen and punch keys. He dont have to fly around the country holding seminars and selling newsletters.Think!, man._

oleman_...Fri, Aug 29, 10:58PM CST (-0600 GMT)_

lowery: the steep first hour selloff has happened about 40-odd times in '97. Just go back and study them and see how they look. As Gully says, to day trade, you gotta learn how price behaves. Now that you know what you are looking for it shouldnt be that hard. Hell, if you cant learn to recogniize the patterns, just buy the top of the first down bar thats taken out. That'll mark the end of the sell-off a great majorithy of the time. I'm tired. gonna lurk for a few._

oleman_...Fri, Aug 29, 11:05PM CST (-0600 GMT)_

brk: Most people learn too much. You just need a couple of things you have faith in, and the guts to use them. If you cant enter a trade after you just had a losing trade on the same signal, you cant trade for \$\$\$\$. You're kidding yourself if you think you can. It would save a lot of folks a lot of

heartache, if they'd admit it-----this is not specific to you----just general advice. _

remember TIME we dont sell going into 11.0 less its definate down day..we look fro 11.0 high to fail(not exceed earlier high)and then we may sell at 11.10or on spike or DT...

ar

Gulliver I just went back through all the chats since I got RT data. I learned that I am probably trading to much. In 14 trading days I have made 36 paper trades. (That is 14 half days I'm just here until shortly after noon.) There was 21 winners and 15 losers. The winners totaled 14.3 points or \$7150. The losers totaled 6.10 points or \$3050 Gross \$4100 minus comission \$30 X 36 = 1080 net = \$3020.. I tried to be as honest as I could be and get my fills from 1 min bars and next tick past 40 seconds. Of course this may not even be close to actual trading but just getting the direction right more often than not is encouraging. Some of my losers were real bonehead trades also. I'm just killing time, my wife is an R.N. and this was her week-end to work. :-(

rookie

Notice my post here at 14.03..warning the sell at 2.0 is off..now look at the \$500-1000 that saved you...the 2.0 sell only works wher the action has run UP into 2.0 made a spike or DT...all of which are lower than prior high. Also in the prior hour we had no less than 6 spike reversals that did not fall.Now why the hech were we not long with double contracts..because nothing in the chart and times prepared us for a trick rally.. Save and learn this chart because its become quite popular action this year..

ar

- Wed Sep 3 18:32:26 EDT 1997

Lurking and working...had no trades in the limited time I was here and came back to miss my only signal to go long, the gap down spike @ 12.30 which I failed to pull the trigger on...that buy over ss @ 483.60 was good except there was a fast reverse so you had to be quick...

Leo

- Wed Sep 3 19:00:56 EDT 1997

Hi Gulliver, the one pattern that stands out is a long bar with a reversing bar contained with the long bar and then a retest...the ratio of winner is very high...I am going to start trading them if they appear in a clear space like you suggested....

Leo

- Wed Sep 3 19:18:07 EDT 1997

Good cancel rookie big moves rarely happen at lunch and that is right at the range..bettter broken at 11.10 or 1.10 etc..Buying over it is a possibility too given the slow action.

ar

- Thu Sep 4 12:13:49 EDT 1997

rookie the time pattern is against you into 1.0 generally rally from 12.40 to 1.0 then retest of 12.30 lows at 12.30 which is the one to sell to and buy from..a;so Sp at trend line within 1point here..will it turn back? if it dont it then suggests trend line way back up for 2.0 high

ar

- Fri Sep 5 12:49:17 EDT 1997 **Unfortunately I have never seen charts posted on Avid Trader. I don't have the charts referenced below.**

If folks look at the chart posted, there is a simple fact there which is tremendously profitable. That some of us don't use it consistently is a mystery. That a high spike occurring at 10 and showing two equal bars (a DT) MOST times will fall and maybe the high of the day. That any DT in clear space (a recent high) occurring at or near the top of the hour and not exceeding the previous high is also a sell signal. That these signals occur frequently at 10.00 11.00 12.00** 1.0 and 2.0 and if one simply set out to sell these as fast as possible after they form one will become very wealthy....:)) Why don't we do it...well we try try and trade many types of signals in both directions, and invariably we are caught up in or part of the rally that ends at the sell signal...and while we sell with profit, out we rarely see the short sale that can be opened...when trading one is caught up in the position we are currently in and looking to exit. So for newbees..START with that idea..you will never buy, but ONLY look to sell at those times and signals. Occasionally you will be wrong and the market will continue higher..this am at 10.00 this had good chance of running much higher into 11.30..losing \$500-fast. BUT very few days does that occur... We have an archive of charts in the TUT..and the SPtrainer too..both show examples... Ps.If you can remind Gulliver to heed his own wisdom..thankyou.

ar

- Fri Sep 5 21:10:35 EDT 1997

Cannot imagine what tricks will occur this week after they pulled them all last week..i will return and try and trade the last 2hrs as I recommend for others... Dont forget try and concentrate on selling from highs at the failed highs at correct TUT times.. The mini begins this week..and the Dj next month..so big changes are coming..

ar

- Sun Sep 7 20:53:23 EDT 1997

Overnight was flat to down.I will be here later today with luck.Fortunately nobody has any idea which way the index is going..so we can ONLY trade what we get after first hour. Keep Tutorial check list..for ref.and look for down moves at 10.11.12 1, 2, but not if its upwave day with subsequently higher highs and lows,,then you look for buying the lows at the half hour. Its simplistic but frequently works..be biased towards selling from highs...at 10and.12 specially. If you are using ZAP be careful and read the cautions on <http://www.iglobal.net/pub/zap>

ar

- Mon Sep 15 07:25:06 EDT 1997

PB..at 12 any spike except a new high is a sell.

guest

PB..on a breakout from a range we have two choices, buy right away and hold with an exit point preselected because sometimes it takes off without you or wait for a reaction and buy, the longer it held at that point the more stops accumulated above and below, both were going to get picked off, the buyers with tight stops first, always be aware of where the stops should be accumulating, the market is drawn to them like a magnet for obvious reasons.

guest

- Fri Sep 19 13:43:18 EDT 1997

Jedda, you should check with oleman, but he uses the 30 bar ma when there has been an afternoon selloff after the market cannot make new highs between the 11am and 1pm period. The 30 bar ma should have an upslope and then go negative to flat in the afternoon. The afternoon action will largely be contained by the 30 bar ma until a real reversal is in.

Leo

- Fri Sep 19 14:33:48 EDT 1997

The 30 bar ma should have an upslope in the morning and then go flat to negative in the afternoon.

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- Fri Sep 19 14:34:31 EDT 1997

Oleman says on a gap up day and the gap has not filled by 10.30 buy the next up bar after 10.30.....

mitstop1: Fri, Sep 26, 2:02PM CST (-0600 GMT)

no! yeah idunno, i was short into the 10.15 thinking about a gap closing... it isn't an exact science, and if was flat then, I probably wldn't have bought it there just because of the uncertainty.. I will say, those spikes are usually more decisive of direction though than volume. It's just nice to get both :)mitstop1:

Fri, Sep 26, 2:22PM CST (-0600 GMT)

selling it again...

(The most recent 30 postings are shown.)

Use the optional scroll back box to see more.)

twocents: Fri, Sep 26, 3:13PM CST (-0600 GMT)

alice: i have a basement full of old spy novels you can have.

<Picture: Ira Epstein & Co.>

<Picture>

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no1- the whipsaw series... thought you meant the 3.15 for some reason. Ya.. when and if you see a drop like like the 3.15 bar did and an extinguishing rise next bar up,, and vice versa, it's starting a whipsaw series of hacking on the floor. look at the ranges of the next few bars, almost all the same. Just buy the bottom areas and sell the tops-- will almost always lose the last one in the series, MIT or stops the orders in and set stops above the last significant high and below the last significant low, enter a reverse opposite each trade you make that get's you long if your short and shgort if you're long if your stops are hit. You always get something out of that, and sometimes you really get some good ones. It's scalping the floor scum at their own stuff. But you gotta find a broker who'll put up with your lunacy and stick on the phone with you.no1: too kewl. you are seeing it aren't you... notice the big bar up 1.55. Without such a bar closing at or near it's lows, is a sign of continuing strength. In otherwords, it wasn't a moment where the price got extended and came back down on high t.v. it was a moment where price went nuts right along with the volume. It retraced a bit after that bar, but it was a weak retrace. that last rest, step, retrace whatever one might call it (heading into 2.15 though almost broke it, and still might. look at the 2.20 bar. If you put that bar in the place of the 1.55, it would have been time to sell. And.. as we speak see the 2.40 bar and it's volume.. time to sell open of next bar.. -- it closed at it's low on higher t.v. :)

no1: don't want to confuse you, but see the 2.15 bar and the 2.20 bar-- they are opposing each, both were extensions in opposite directions-- no one ever knows what to do with that really, but if you are in a trend up and it retraces and does that opposing bar action, uncertainty lies ahead. I believe it's 50/50... :) You are correc though, the sike up 2.20 wins the day-- I guess cause it was bigger and badder than the one before it :)

mitstop1: Thu, Sep 11, 9:21PM CST (-0600 GMT)

cnc: I am tired, but I will share with you these things because so many have also shared here. Hope to help some. the `10.30-10.35 bar was a sell because two 5 min bars topping out with a whip is a sell in my book. The 12.45 to 12.50 bars were a buy for the exact same reasons only reversed. the 1:10 bar confirmed the trend up and kept you long or gave you a chance to get in. The open of the 1.55 bar would have made me exit my longs because it is both a spike and a peak in volume. I sold the open of the 2.25 bar for the same reason I would exit a long at 1.55. Except an indicator I use signaled what I call a "dog".. meaning one such animal is imagined to lift its leg on the rally at that point :) The 2.45 bar was an exit short and reverse long-- ascending volume culminating in a peak and a spike down bar. I covered the next bar on that wild run up.. Not the greatest trade, but it usually isn't that volatile right. The only problem reads today where the 2.46 to 3.05.. I panicked and bailed at the loss of momentum at 3:00 area.. and pk had the astro today pretty good,, 3.00 was sticking in the back of me head..)3.15 was a definite price halt -extension bar.. tick was rising in that bar and

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near the close of it I exited a short.. forget it.. it's simple as this.. volume ascends into a change of direction on typical action. Sometimes it goes opposite, but one must not be too stubborn about rules ... if you started off this morning on the right track, you would have 7 good signals and two confusing moments that changed direction despite what the rules say it should have shown before it did that.

oleman: Thu, Oct 23, 7:34PM CST (-0600 GMT)

dirgo: Any time we gap down over 1000 points, I'm gonna buy as soon as I see ANY strength.

mitstop1: Tue, Oct 28, 3:21PM CST (-0600 GMT)

in the big picture hughes? well, let's see, am subject to change this thing at a moments notice, but something about the first break of a bottom is a fade from a range. Viewed the range as 980 something to 905 something-- a range of substance, not intermediate stuff. We busted 905. First breaks are usually fades, so it's a bull. But stretching over extended breaks are fades into the secondary reaction which will occur in a downward trend. If that doesn't come through by Friday, am back to bullish bias. If it's does, I just sold the near the top of a secondary reaction. That's all I know. Longer out than that is beyond the perscription strength of my glasses.

guliver: Tue, Oct 28, 3:24PM CST (-0600 GMT)

If all this ahd not occcurred around "Gulliver Day"(Oct 15) it would be a serious breakdown..but year after year the lows of the year are tested a during Oct 3 x witches..mark your Calender..

oleman... Fri, Oct 31, 11:45PM CST (-0600 GMT)

I agree with the satement that "one good setup is allyou need to make a living."

oleman... Fri, Oct 31, 11:50PM CST (-0600 GMT)

I just read something on the web that somebody buttoned earlier. This guy has a that will work. Its free on the web. Dont pay big \$\$\$ for some loser's material. Specifically, he says to wait til a trend starts and enter on a bar that makes a swing high or low and closes back in the direction of the trend. Do that every day and you wont have to work for a living. ou wont have to collect the musings of an "oldman", either.:) I AM serious, send me the file, grizz--or maggid.

oleman... Fri, Nov 14, 8:25PM CST (-0600 GMT)

notop: I dont know why it seems so important to some folks to "know" when THE "top" is in. There is a top every day, every week, every month---any time frame you want to trade in. I have sat thru a couple of years of graduate seminars in the Ivy League, but I dont think I've ever been around a smarter bunch of people than the avid chatters. But mush of the brainpower is wasted. Forrest Gump would out trade most, because they suffer from "paralysis by analysis." They try to understand all the esoteric and arcane theories and systems they can find on the net or in books. But they never stop to consider the importance of simple facts like:1) Yesterday morning we stabbed the globex high and put in a spike reversal on the same 5 min bar. 2) Yesterday afternoon we stabbed the previous day's low and put in a spike reversal on

the same 5 min bar. 3) This morning we stabbed the globex high and put in a spike reversal on the same 5 min bar. 4) an hour later, we stabbed yesterday's settlement price, went no lower than that bar, and put in a 3 bar pattern that said "reversal", even to a 7 year old. These 4 simple things could have made a trader 40-50 handles in 2 days, trading a one-lot. But we MUST understand Elliott, Gann, and the spiral calendar. Dont we?:)

oleman... Fri, Nov 21, 11:47PM CST (-0600 GMT)

sw: Here's a freebie: You gotta know where you are in the larger time frames to recognize the intraday trends and trade them with confidence. When the 30 min chart is trending, the good 1 to 2 hr trends on the 5 min are gonna be in the direction of the 30 min MA, except when price gets extended away from the MA on the 30. Last nite, after I became convinced that we would gap up today, I told temple here on the chat about 1 a.m. that if we got a quick run up on the first 3 bars after the gap open, i'd sell it there. If we didnt get the quick spike on the open, I told him I'd be looking to sell 1pm if it didnt make new highs then. I sold that spike at 1:05 and immediately placed an order to cover at 958.50, cause that's where my MA on the 30 min chart projected to intersect. On the 3:30 bar, the 30 min stabbed the MA and reversed. Dont F*** with the trend!

oleman: Sat, Nov 22, 10:07AM CST (-0600 GMT)

bondzai: The "Holy Grail" is the holy grail. Its all you need. It was not invented or discovered by LC and/or LBR, and they dont do a real good job in explaining it. If you would devote 100% of yur time to discovering the best way(s) to enter during pullbacks in a trend, you would be way ahead of the game. Why would you want anything else? If you enter during every counter-trend pullback, you are wrong only once during each trend. Its truly the "Key to the mint".

oleman: Sat, Nov 22, 10:20AM CST (-0600 GMT)

sw: You gotta be aware of the time frame you're trading in. When the weekly gets over-extended in its trend, it sets up a tradeable countertrend move on the daily. When the daily gets overextended, it sets up a tradeable ct move in the hourly/30 min. When the hourly/30min get overextended, it sets up a ct trade on the 5 min. Daytraders make a big mistake trying to catch countertrade moves by referring only to the very short term (5,2,or 1 min) charts. That's gambling. You can trade with the trend by looking only at the 5 min, entering on every pullback, but if you want to catch the countertrend moves, you gotta know where you are on the bigger charts. Wheww! lotta typing for OLD fingers.:)

oleman: Sat, Nov 22, 10:30AM CST (-0600 GMT)

bondz: That's what you need to be spending your time on, rather than trying to learn a dozen different setups. You can enter on a stop, like LBR says in the book, or you can refine it. There are a myriad of refinements. Your job is to find them. Everything you learn about TA should be adapted to that task. I had an MIT buy order at 958.50 more than an hour before it got there at 3 o'clock yd. Hint: If you draw a line from the swing high at 11 am on Thursday (temple knows the significance of that), it intersects the MA there. The market will either reverse there or crash. You gotta look at a bigger than 5 min time frame to see it, though.

craig: Sat, Nov 29, 5:13PM CST (-0600 GMT)

from TAofFM.murphy: wedges as bottom reversals> wedges show up most often w/in the existing trend and constitute continuation patterns.. the wedge can appear at tops /bottoms and signal a trend reversal. but that type of situation is much less common. near the end of an uptrend, the chartist may observe a clearcut rising wedge. because of a continuation wedge in an uptrend should slope downward against the prevailing trend, the rising wedge is a clue to the chartist that this is a bearish,not bullish pattern. at botoms, a falling wedge sould be a tipoff of a possible end of a bear trend. what distinguishes a wedge is sits noticeable slant.therefore a falling wedge is considered bullish and a rising wedge is considered bearish.the wedge patern usually moves at least 2/3rds of the way to the apex before breaking out.and will sometimes move all the way to the apex before breaking out. the volume should contract during the formation of the wedge and increase on the breakout. wedges take less time to form in downtrends than in uptrends.....tada!

~~1997?~~ or 1997?

noddy: Wed, Dec 17, 9:32PM CST (-0600 GMT)

oleman: Wed, Dec 17, 8:38PM CST (-0600 GMT) mits: Its one of those things that, like Gully says, you gotta train the "eyeball" to see. When the market is trendless, any move that powers through the MA and runs up several handles without a pullback, is "extended". When youre trending, the price usually comes back thru the MA and closes several bars there, before continuing the last leg. When it comes back thru the MA in the trend direction, you're usually looking at the last leg(5wave). When that one gets extended several handles away from the MA, look for reversal pattern. One of my favorites is a spike top, with 2 to 5 black bars following it, holding at roughly the same bottoms, then a white bodied candle, followed immediately by a black candle that takes out the bottom af all the candles since the top bar. A variation of the "spike and ledge". Occurs several times a month. Another is when you're extended and you get 2 to 4 black candles, each making a lower low, then a small bodied white candle, followed immediately by a black candle going lower. In both cases, you look for only ONE white candle, and its bottom must be taken out by the next bar. Reverse everything for a bottom. oleman:

Wed, Dec 17, 8:43PM CST (-0600 GMT) Mits: The little white bar a few bars from a top thats immediately taken out is good wherever you see it. Even on an intermediate swing. Check out the 12:50 today. At last i can make a worthwhile contribution :)

mitstop1 . . Fri, Jan 30, 7:57PM CST (-0600 GMT)

Pizza: if you come back... hey do this: take the exact open price on spoos. Add three handles to that number several times. Notes those numbers. Subtract three handles from the exact open price as well. In other words. take the open and move in increments of three handles away from there in both directions a few times. NOTE those numbers and what happens just above and below them. There's a reason Ole looks to reverse when a gap was greater than 3 points. and there's a reason that a symetrical swing above and below the open that settles near unchanged by 12.0 and settles near 1.5-1.0 of close of the day. It's those increments and the tick action that occurs there. Some day's it is so obvious what they are doing it's silly. Other days, the floor is less able to control the thing and those "pivots" are less heeded. Anyway, it's a very good "eye observor" of the chart that can see what I'm talking about on that.

mitstop1... Fri, Jan 30, 8:40PM CST (-0600 GMT)

I think the comment below is from Mitstop1. Either way it is a great comment.

Well, in any event. am gonna go. For the scroll backs... am trading the dow futures now almost exclusively. Not gonna say do it or don't, but some of the best looking charts in the world are happening right now on the doos. watch the 18 and 30 MA.. rules are same for doos as spoos on this. One difference I've noted is that traders on the dow don't wait around for the exact time of 10.30 or 1.0 or 2.30- they are on it 5-10 minute earlier. Also, something else about it if one decides to trade it. If you do not see an exact spike or double whips top or bottom and start seeing sort of ranging into a peak or ranging into a bottom, HOLD BACK from making the entry until the lowest bar of that ranging peak or the highest high of the ranging bottom is pierced THEN wait for the most fundamental episode of all markets- the secondary reaction. On the dow futures it is incredibly predictable- they almost always allow one to get a second chance to get in. WAIT for the washout if you are uncertain. In fact, if you look at every peak on the dow chart, it is almost always followed by an attempt by the late buyers to get in for the nearly ended rally. It's a fun chart to trade, and certainly less lethal than the spoos- at least for now. Anyway. Also... Tick volume usually doesn't do one much good, although at high or low of the day, one can read the tick really well. there's my .02 cents for the thing.

mitstop1... Fri, Jan 30, 8:48PM CST (-0600 GMT)

oh something else on the dow futures- take a pair of calipers to the thing. the distance of the trading range is usually the distance of the breakoout top. Also. Keep an eye on the 15 min DOW CASH chart. This thing is pure gold. Look to the tops of big bars downs for the place to know what a DOW CASH rally may be shooting for and look to the bottom of big bar ups for the low a DOW cash tank may be shooting for. If one is in a dow futures position and you get a slight pullback in your direction and are thinking of exiting because you figure it might come back and bite you-- look to the 15 minute DOW cash chart for those big bars tops and bottoms-- they pretty much tell you what's gonna happen- AND they almost always hit those things within 10 points of the exact bottom or top. incredible charts this dow thing is.

oleman . . Fri, Feb 20, 3:06PM CST (-0600 GMT)

jbm: My system said we were gonna back off as of yesterday's close. That's why I stayed short. That little retest and bounce last evening scared me out, but the gap up was a gift. The easiest way to play the gaps is: Look at a 30 min chart with a 30 bar ma. Any gap of more than a couple hundred handles AGAINST that trend is a fade. The bigger the better. DO NOT fade gaps in the direction of that trend. Buy them when they go above the first hours range, no matter how high it is. The TREND is all that matters here, as in most things. This is free to all who voted for Harry Browne or Ross Perot. \$100 for Dole voters and \$5,000 for Klintonistas. \$10,000 For Klintonistas who support bombing in Iraq.:)

oleman on Sat, Jan 3 at 9:35 AM

bondzai: In scrolling yd chat, I see you addressed a question to me, concerning the difficulty you have in "pulling the trigger." Here is the answer: You have read TOO MUCH. You have learned 100 times as much as you need to know to trade. Of all the things you know, pick out ONE setup---two if you absolutely must---and IGNORE everything else. Print them on a shipping label and paste it to your monitor. If the setup does not occur on a given day, you dont trade. If your setup occurs you trade it EVERY time. You will have great difficulty taking the trade following a loss. It will be virtually impossible after 2 or 3 in a row. And it WILL happen. Even if you have a signal that is an 80% winner. The SStreet Smarts book--which I slammed in response to your bragging about it--has several that will make you a

I have no information about SAT

living, IF you'll pick one of them and stick with it. BTW, I slammed the book, not because it does not have a lot of good stuff in it, but because it is NOT original and the authors do not give proper credit to others who did the work. Read the articles under the pseudonym "SAT" herein site link and you'll see that you CAN make a living trading only ONE signal one contract at a time, Smartmoney's smartass remark about me not being able to make 29% notwithstanding. I think Gulliver would say that it is possible to do a lot better than \$50k/yr trading one contract after you become proficient and confident. But you MUST leave about 90% of what you've learned in the locker room when the game starts at 9:30 every morning, and trade your signal!

oleman on Sat, Jan 3 at 10:28 AM

pj: Someone on the chat buttoned that site for me. i know nothing about who is selling a system. No need to buy anything. The real value is there for free, i.e., a signal which gets you in a trade in the direction of the intra-day trend, during a correction. ANY signal which gets you in the trend is a meal ticket. That's one of many. There are a dozen or more moves of more than 5 handles a week that are clearly trending moves. They last from 30 to 150 min. All you gotta do is get into a couple of them. All that guy is doing is entering on a key reversal bar at the top of a rally/bottom of a pullback after the trend is clearly established. Since the stop-loss is close(other end of the signal bar), the win/loss size ratio guarantees a profit if EVERY signal is taken. Most of his trades are trades in my system, even though I'm not using that specific entry signal.

oleman on Sat, Jan 3 at 10:40 AM

cheetah: the 30 min chart is the very best one for 1 to 5 day trades. The entry should be made off the old 5 min, IMO. Course you gotta be aware of where you are on the daily.

bondzai on Sat, Jan 3 at 10:46 AM

cheetah, so you are saying paper trade I believe. Anyway, I have traded a mechanical system where I mechanically put in the orders and traded about 200 trades in two months time. After all those trades I was exactly even. I somehow had faith in that system. The first week was up 3K, but later, well..... I believe with my method which is borrowed from Oleman, LBR, SAT etc.... I have seen it work enough on the charts so I ought to be able to pull the trigger. The problem I had on Friday was related to getting started. I haven't been trading lately and finally got my end of day quotes fixed, software setup etc. Didn't think the markets were ready until say next week. In any event, I did write my trades onto my 3X5s so I was ready to start, just put it off and missed to beautes, really pissed me off. Guess it was my first lesson of the new year, you have to call the broker and give him your order!

bondzai on Sat, Jan 3 at 11:00 AM

cheetah, I did not use the SAT system for those trades, I used volatility breakout on about 12 markets. The system was: 1. add yesterdays true range to yesterdays close and buy it if it gets up to there. 2. Subtract yesterdays range from yesterdays close and sell it if it gets down to there. 3. Hold overnite 4. If long, look to exit at one tick under the day of buying high or stop out at day of entry low. 5. If short, look to exit one tick over the day of entry low or stop out at day of entry high. This guy made 500K off a 16K account doing that. He has been trading like this for TEN YEARS.

oleman on Sat, Jan 3 at 11:02 AM

bondz: Fading breakouts---Vic's 2b, LBR's "turtle soup"-- will make you more profit than trading the breakouts.

oleman on Sat, Jan 3 at 11:08 AM

cheetah: Internals VERY important. In addition to what you stated, 5day TRIN less than 4, closing tick 2nd greatest in history, 3day sum of advancing issues highest in years, 5day RSI above 70. gross imbalance created by the last hour and a half's move. This sucker cant go up far here, without a pullback. If it gaps up Mon, I'll sell more. If it then goes up, I'll reverse, cause THAT would be a REAL UPCRASH!

oleman on Sat, Jan 3 at 11:19 AM

bondz: I repeat, Any signal that gets you with the trend during a correction is golden. The SAT signal, which is the same as the "Holy Grail" of LBR, is much simpler. When the 30bar MA is clearly trending and price pulls back in the direction of the MA, you enter on the first bar that makes a new swing high/low and closes back in the direction of the trend. Simple, but it'll hit half the time and the risk/ reward tr Mon,0 trades in 2 mos that were breakeven real trades or papertrading?

oleman on Tue, Jan 27 at 3:43 PM

cw: I NEVER talk in riddles. O.K.--Go to the one hour chart. Then use one of the following, depending on how much you can risk. 1) buy the top of the first bar, risking either 500 points or the bottom of the bar. 2) wait til a bar pulls back close enough to the bottom of the previous bar for your risk level, buy and put a stop below the previous bar.3) wait for a bar that is short enough for you to buy the top of the bar and risk the bottom within your risk parameters. I dont have charting open, but I'm sure you got a good bar today, either the 3rd or 4th bar, that was only a couple of handles long and you still had close to 10 handles to go. Better still, it was a BLACK bar. Best way to enter an ongoing trend is to buy the top of a small black 1 hr. bar and risk the bottom of it. No. 1 may seem extreme to you, but check it out. I bet there hasnt been over a couple of instances in this entire bull market when you'da been stopped out with the maximum loss. Remember, in a market this volatile, 10 handles up aint too much if its REALLY a trend day. Only problem is getting in with acceptable risk. There are several things to look for in the morning to recognize a trend day while it is unfolding, but that's another lesson.

oleman on Tue, Jan 27 at 3:51 PM

bondz: Down days are different, thoudgh similar in some ways. That's also another lesson. Lots of times I tell you folks things, knowing most of you would NEVER use em. Lets assume you went to the barbershop on 1/12/98, and got back to your screen at 10:31 am. The first houjrs bar was about 20 handles. Could you REALLY buy the top of it and risk 500 points? Probably not, but you can bet your life I would. As I recall,You'da had a couple handles drawdown and about 8 or 9 handles profit if you sold moc.

bondzai on Tue, Jan 27 at 4:07 PM

so if the market goes up, you wait for a downbar and buy the breakout of the top with a stop under the bottom. Simple enough. Get out MOC.

Oleman... Fri, Mar 6, 0:41AM CST (-0600 GMT)

itsou: use 5 min bars for intra-day channelling. Now, look at the month of Feb on a 15 min chart. Several times last month price collapsed, turned on a dime, and exploded to new highs. Put a horizontal line under those turns and then look back to the point where the line hits previous prices. Some of the BEST examples of REAL support I ever saw are on that Feb chart. There are points that MUST not be violated in an uptrend for the uptrend to continue. Look at the move up from 1/30/97 on a bigger time frame---30 or 45 min and you will see what I mean. Almost all those big reversals up that took the public by surprise came within the range of a very important 15 min bar from 1 to 3 days back. This was the bar that HAD to hold for the trend to continue. more----

Oleman... Fri, Mar 6, 0:50AM CST (-0600 GMT)

itsou: standard indicators are "one size fits all". The spoos are a unique market. You must expand on what Gully taught you, always keeping in mind that you are ONLY interested in how THIS market behaves. As I posted last week, the taking out of the bottom of a substantial clear candle in an uptrend (topx talks of it also) is a RED flag. Ytd, we did that. today they slammed it down. taking out the top of a black candle is a buy signal (topx knows this one, too). You've had half a dozen or more of these in this up[move. EVERY one worked. Taking out the bottom of a black candle after a downmove and then closing UP on the day is one of the vbest buy signals there is. There are several between 8/8/97 and 1/12/98. Look for what matters. That junk on the buttons in your trade program wont make you \$\$\$\$. Learning how this market behaves will. You know that, cause Gully told you so. Good luck. I'm typing in my sleep. gotta go. bye for sure.

Oleman... Fri, Mar 6, 1:02AM CST (-0600 GMT)

hope: I'm too sleepy to type, but I'll answer this last: The large clear candlew thate breaks out of a range, or blasts off a bottom is VERY important. Price will come back to the top of it time after time--in every mkt. in all time frames, especially spoos. gone for real this time.....really!

oleman . . Tue, Mar 10, 6:19PM CST (-0600 GMT)

itsou: you had one BAD trade today. The second one. The 10:10 bar says we're goin up several handles before we come down. During the first hour, a bar that marks a swing low and reverses to close back in the direction of the trend---AFTER making a higher low---is not to be traded against until you have moved up above the opening range. Ever. Reverse for downtrends. When the market gaps up in an uptrend, ABOVE the las significant swing high of the previous session, Its gonna be an up day a great majority of the time. A reversal from such an open is a big event and will give you ample time to play it. Thats all.

oleman . . Wed, Apr 15, 5:21PM CST (-0600 GMT)

pester: put a 30 bar MA on a 15 min spoos chart. When the line is trending upward and price falls thru it, look for a candle with a lower shadow of more than 150 points. If that candle is clear, buy the close. If that candle is black, buy the top of it. Risk 4 handles. Take profits on the first expansion bar above the previous swing high, or MOC. You wont trade everyday, but you'll pay the rent. 3 this week, netting 15-18 handles. Course, you could read a couple hundred books and take a few \$3,000 seminars if this is too dumb.:) gotta go shake these old bones. bbl

I believe the person who put this together wrote the message in the box below. It might have been AMG. I am not sure.

Here they are there alot of posts so you can just sift thru them and see if anything interest you. The are in notepad so when you open them up you may have to go to edit and then word wrap to make it easier to read.colby
PS I don't know if you got the attachments from yahoo so here you are again

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oleman . . Tue, Jul 7, 3:26PM CST (-0600 GMT)

oleman's rule for bull moves. When the MA's are lined up right on the daily, with price above them, so long as the previous correction low holds, every time you feel bearish and want to sell-----BUY!!!!!! It'll make you rich. No sh**. Gone to run errands to fend off a divorce lawyer. :)

colby . . Fri, Aug 28, 8:05PM CST (-0600 GMT)

oleman do you think the january gap which is not far from here will be the turning point for a rally. I am having a hard time coming up with the exact level of the gap.

oleman . . Fri, Aug 28, 8:11PM CST (-0600 GMT)

colby: I bought that gap once on globex last nite and once today. it starts at about 1023.70. the 10/7/97 high is 1022.90. I caught the falling knife twice there for 2 good trades. The next time we go there better be for only a stab to pick up stops, or it will become resistance.

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Thanks oleman the chart I am looking at on DTN is not that good. Or my eyes are worse than I thought. I was thinking it was lower..

oleman . . Fri, Aug 28, 8:17PM CST (-0600 GMT)

There is a chance that sammi's rally may be truncated. this is always possible when a parabolic bull ends, as we who lived thru gold in '80 and Yen in '95 can attest. Since the Dow has so clearly broken major support, it is possible that a retest of the 200 MA which sits now at 8556, is all we will get. Of course, 500 Dow points is a good rally, but it aint no bull.:)

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oleman I have been looking at that also. I am just noticing that the 20dma broke down thru the 200dma on the dow to day. good night.

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colby: If your nerves are good, and your account well financed, you can go to a very small chart,-- some use i min, I use a 9 or 11 tick-- when this thing is screaming down thru what you KNOW to be important support, and take the counter trend trade as soon as you see the pause developing. It'll give you 10-15 handles in about the same number of minutes most of the time. Of course, with the volatility we've been experiencing the last few weeks, no one whose account is less than 6 figures should be trading the full-sized spoos. To expect to trade here with only a couple handles risk is not possible, IMO. Gully may come on and blast me for that, but it is what I think.

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colby: once these MA.s cross like they have on the DOW, The price almost NEVER whips them the first time it approaches from the underside. I will sell the first test of the 200 from the southside EVERY time. After the 20 downcrosses, look for the 200 to contain the first rally. Then, the 50 will usually downcross opn the next pullback. From then on, the 50 will usually cap the rallies until the bear is over. On occasion(1987 for one), the first rally(samurai's rally) will power thru all the MA's, but the second time thru is death.

I don't know why there is a gap from August to December. I have not been able to find the follow-on text for the post below either.

oleman: . . . Tue, Dec 10, 0:31AM CST (-0600 GMT)

m& tb: on TA--some folks use a lot of it, some not so much. I've got over \$5,000 worth of books & I've read em all. When my son got ready to learn to trade, I had him read 4 --that's FOUR--that's all. I use Trade Station 4.0. It comes with every know TA method & indicator built in. I use only: Trendlines, moving averages, parallel lines, MACD, and horizontal lines. I'm interested only in tools that help me follow PRICE. Its a lot simpler than most folks think.....m &tb: if you're just starting, read John Murphy's "Technical Analysis-----". Then read it again. Then study it. Then develop a system & paper trade

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oleman: Tue, Dec 10, 0:39AM CST (-0600 GMT) mikes & tb:Goptta flop, so here it is in a nutshell: If you buy every correction in a bull market, you'll only be wrong once--the top. If you sell every rally in a bull market, you'll only be wrong once--the bottom. We're in a bull market for financial assets. Read this group every day, and you will find far, far more talk about how to 'pick the top' than you will hear about how to profitably position onesself to take advantage of the trend. WATCH WHAT LOSERS DO---AND DONT DO IT! g'nite & a good trading life to both of you.....

emh: Tue, Dec 10, 0:31AM CST (-0600 GMT) mikes: That's what TA is ... seeing what others don't want or care to see and then deciding to act on it WITHOUT MARRYING your decision if you are wrong...paper trade/study/paper trade then maybe just maybe, with a plan, you can be successful.

oleman: Tue, Dec 10, 0:40AM CST (-0600 GMT) should be --sell every rally in a BEAR market----

Welp perhaps the biggest news of the week is the triggering of the weekly PSAR to the long side..... this occurs so infrequently that it is worthy of mention ... since early 2000, the PSAR has shifted to the long side 6 times and 4 outta 6 times price has made it;s significant S/T high in the week which immediately followed the trigger. That bein said, it would be wise to pay very close attention to this comming week as a possible failure point.

oleman... Mon, Jul 22, 7:11PM ET

Williams has a lot of good stuff in his books. And a modicum of bs, also. But, after all, he IS a guru. He DOES understand how the price behaves as it approaches/breaks support and resistance. I dont use his stuff just as he gives it, but he his stuff HAS helped me. He dwells too much on what the "Fractal Break" means, imo, even tho he is RIGHT about it. The best ENTRY is on the OTHER side of the fractal, when price pulls back. I think oyster has read the book. I also think he sees what I'm tawkin about. He has too many entries in the trend direction, just as price pulls back to what I consider Sup or RES not to have. Like today near the top of the rally.....

oleman... Mon, Jul 22, 7:58PM ET

abbyjo: A much-maligned former avidite taught me something back in spring 97 that has stood me in good stead: Good rallies come from LOWS. Period. We used to stay in pretty constant contact, intraday. A lot of stuff wasnt posted, because he didnt want it posted. Then, when the rally started, he had what he called "Rally killer bars". If those showed up, he pitched em. I do too. Hint: If the first pullback off the bottom is more than 38.2%, be REAL suspicious of the quality of the rise.

oleman... Mon, Jul 22, 8:11PM ET

the "AIRbag Stop" is williams' greatest contribution, imo. It MAY be possible to trade with close stops(closer than 2 fractals away), but i dont know personally anyone who does. The beauty of his 2 fractal stop is that the trend has almost surely CHANGED if you are stopped out. Then you can go in the other direction!

oleman... Mon, Jul 22, 8:15PM ET

I think the best thing anyone who is steadily losing could do, is to bck off on the leverage, use QQQ or SPY, and trde using Williams 2 fractal stop for a few weeks. I think it would be the absolute BEST thing such a person could do. Dougie has lost a fortune by being stopped out on moves that dont mean a durn thing. I've posted a few times----havent been here much during rth the last year or so---hints aimed at him. Like today I said anything south of 840 was noise. Dougie got stopped out anyway, probably. But oyster boughtit up there where losers throw in the towel.....

oleman... Mon, Jul 22, 3:58PM ET

cant stay long on a morning buy when spoos cant take out first chart resistance on 15 min chart. When the turn is for real, it;ll cut thru that first resistance on 15 min chart without even slowing down.....

linc . . Mon, Dec 2, 9:50AM ET

neuro, bull likes weak open in a bull market. i know you are convinced it is just that, but the jury is not out yet. can't call it a bull with everything under declining MA's. Imo, of course.

samurai . . Thu, Nov 14, 7:49AM ET

Welcome to day #5 of the PSAR short cycle day #5 in a cycle are generally quite volatile and decisive they tend to be VERY trendy so be real carefull about gettin hitched to any positions that are workin against youse

rexvulgars . . Thu, Nov 14, 9:07AM ET

toot toot..rexvulgars... Tue, Nov 12, 5:07AM ET Trin ema above 2.....2 occasions in the past few years. 11th April..next day traded 0 handles lower and closed up 8...following day dropped 13 handles...3rd Sept next day traded 2 handles lower and close up 16 handles...following day dropped 20 handles...wot a wonderful roadmap..... rexvulgars... Tue, Nov 12, 4:31PM ET tomorrows numbers today.. High 884-889.5 LOw 863-873 Close 878..... rexvulgars . . Thu, Nov 14, 7:54AM ET and day 3 [today] after piercing ema 2 have been strong up days..each gapping UP more than 10 handles..Best map..open 895..high 900-905 close 892

tepid2 . . Thu, Nov 14, 9:13AM ET

yes--usually in 1/4 position increments for scalping and nervous nellie trades BUT will go full tilt if 6min ,rsi,numbahs, and time support--the rope is a 2min chart--I am looking for 'rich deck' matches--ie. RSI divergence, and lately(thanks Cal) blending in tick more than prior, bolly bands look for reference price EXTREMES(use line on close and toggle to bar) the reference price extremes are closes outside the band, I use the J or 1381 fishhook and a modified format where by a slightly higher high then the reference extrem(usually 4-8 bars past the extreme) FAILLES to provide more than a touch of the upper band-- I break the day down into 5 profiles: globex, the whippy 45--this is a real sweet trade usually because the rope will move from one extreme to the otheralmost always, then the settled in period from 10:20 to 11:50 appx, then the mid day slog where scalping and clues for the PM move are looked for, and the last hour institutional play...I use 1 MA (the middle) to try and get a lead on the trade by killing usually 1/2 of the position--my goal is 3-5 consistant handles perday, I can count on my hand the number of times I carry overnight during the year--I calculate the NUMBAHS after the close everyday based on RTH spoo...that is pretty much it...all this will provide 3-14 trades per day and usually 4-7 that are SOLID(2+ handles)--

tepid2 . . Thu, Nov 14, 9:27AM ET

no I use the six with slightly different setting (13bb and ma with 54ma to identify trend) and if I have a ttopping or bottoming formation on the 6 that fits the time and NUMBAHS criteria I am ussually more inclined not to be so nervous on my entry and exit..I TRADE the 2 min...

oleman . . Thu, Aug 22, 12:05PM ET

Its quite interesting, intellectually speaking, to surmise about where the reversal comes. It is soothingly profitable to just buy every break of a previous peak above your line, and then, when it turns down, sell every break of a previous trough. You wont be able to say as much on the chat, but you will become better acquainted with your banker.:)

linc . . Mon, Nov 18, 7:27AM ET

A gap in the direction of the trend is not to be faded. A gap of more than 6 points that does not fill in the first 30 minutes can be bought safely, as higher prices are more than likely to have a tradeable rally. Too early to call an SU day, but the last several have been good, with the exception of 4Nov, I think, which did go higher but then failed.

fizzie . . Mon, Nov 18, 8:19AM ET

Wondering where we might be heading? It has been my contention for some time that the best targets are those seen concurrently by the most traders. I could well be wrong but not for lack of logic. Try this. Calculate the normal set of Fibonacci retraces from 1) absolute zero to the March 2000 highs 2) the Oct 1990 lows to the March 2000 highs 3) the March 2000 highs to the Oct 2002 lows (bear retrace vice bull retraces above). Chart these and you will see a few very interesting conjunctions that also coincide with normal chart pattern support and resistance. I would put up a chart but I think its important that one does the work. Good luck trading everyone.

I am not liking the price action here. A 5 min bar close below the 34 will get me to take profits. Gotta move out of here smartly for me to stay. I will look to re-enter down around 26 if it fails here.

it is unusual, in my experience, to have the Q's solidly below the 30/34 while the mini is solidly above (for the last 90 min or so). It just doesn't happen like that. One of them is lying. I am biased up in this situation, but i am not adding to anything until this resolves.

oleman . . Thu, Nov 21, 7:56AM ET

mikedede: I had an appt w a lawyer at 1pm. I also had a S/R line there from way back in the summer. I dont take chances on a daytrade once it has netted 10+ handles. So much for intra-day trades. On the daily chart, for swing and longer term trades, the break of Tuesdays high was a BUY signal on the gump system, which was first discussed in great detail here back in the spring of '97, when topx and I tawked about it.

oleman . . Thu, Nov 21, 8:06AM ET

From neuro's chart ytd, "the signal will come...the higher the better." There is a REASON why neuro has a public record of making money, even in the most difficult(for his mindset)market conditions....He understands.....The buy llw, sell high" guys come and go around here. The "Buy high and sell higher" type just seem to go on like the Energizer Bunny.:)0

oleman... Thu, Nov 21, 3:24PM ET

moniker: Buying breakouts os a dangerous game. Great majority of them are FADES. That is not what I mean by "Buy high and sell higher". Like oyc, I like to trade the "Other side" of them.....

oleman... Thu, Nov 21, 3:26PM ET

moniker{ To illustrate: If the breakout at 11 is valid, then the pullback at 12:30 is THE buy.

oleman... Thu, Nov 21, 3:27PM ET

breakout at 11 am, that is.

notop . . Fri, Nov 22, 6:30AM ET

Fozzie: thread from last night - this is a breakout buy/sell on SPX weekly. buys on break above the 19 week high, sell on a break below the 50 week low. until this year it only had one loser since 1970. the little titty on 1/11/02 (h=1176.97) above the previous week's high (1176.55) triggered a SAR to long. that trade was whipped to short on 7/5/02 at 989.03. the 19 week high is now at 965, dating back to the 8/23/02 high. any move above there will reverse the system to long at that week's close. as i have stated, Ms Markie tends to steal back the illgotten gains of optimized systems, which i think adds credibility to a titty above 965. does not mean that it will happen.

oleman . . Fri, Nov 22, 9:35AM ET

been tawkin about trading against swing highs and lows here for 6 years. That's why I recommend B Williams stuff to newbies. Hidden in his mountains of BS, is the holy grail of swing trading. Neuros NN gives signals which are very close to my own signals, and the reason is that, whether intentional or not, he is entering/exiting near those points. Usually early, but he's there. But folks would rather be "Cute" or "Smart" than financially independent. I'm convinced of that.....Luck all.....bbl.....

oleman . . Fri, Nov 22, 9:44AM ET

And, for the intra-day folks, per rpccpa's post, just look and see how many moves END with a high volume bar that prints above or below the previous s/h or s/l.....

oleman . . Fri, Nov 22, 9:44AM ET

and it shows all the way down to the 1 minute chart.....

linc . . Fri, Nov 22, 10:07AM ET

from oleman via 1381 . . Fri, Oct 11, 10:40AM ET The easiest way to play the gaps is: Look at a 30 min chart with a 30 bar ma. Any gap of more than a couple hundred points AGAINST that trend is a fade. The bigger the better. DO NOT fade gaps in the direction of the trend. Buy them when they go above the first hours range, no matter how high it is. The TREND is all that matters here, as in most things.

foxglove . . Fri, Nov 22, 3:01PM ET

gunsmoke 2:17 try ask research page subscribe real time: keep it simple: run 5 min. moving average on constant volume bars, if you trade spoos. keep it simple. short term. follow 1 min. take 4-5 pts out and when total move of close to 10 pts take profit. lurker gone. P.S. our canadian government is a Moron

samurai... Sat, Nov 23, 9:54AM ET

it's tough to buy an SU day (for some folk), but the easiest way to trade it is to buy after 10 am if it doesn't get into the gap, let it move away from your entry a ways, put on a stop and have patience. More often than not SU days close on the high of the day.

2wave . . Tue, Dec 3, 7:44AM ET

mercier, here's how it works... During any 20-minute time period there are astro events that affect trader's moods. I take these events and input the current astro setup and the price change into a neural network. After the NN is trained, I give it any 30-minute astronomical setup and get back the % change anticipated. So, to answer your question... The reality is that it cannot be price based since I never give it a current price... only the amount of change. It cannot be time based in the usual sense since the system only looks at single 30-minute time periods and never groups of time periods. My experience is that the market can lead or lag the forecast by as much as 2-3 hours. The runup yesterday was not an example of this. It just used up the energy necessary to accomplish a 100+ point runup into the close today.

oleman . . Tue, Dec 3, 3:53PM ET

love to buy late breaks on Tuesday in a bull move. Sometimes ms mkt is TOO strong, tho, and yhou take what you can get. Got the late break last tuesday, but the tuesday before that it held just above the earlier low and went north. So, if it doesnt break, I'll buy it anyway before the close.....p

1381 . . Mon, Dec 9, 10:38AM ET

draw a line sideways from the top of fridays first 30 min bar off the bottom. the reason i dumped longs and moved short near fridays high was the expected re-visit/test of the high of this bar, being done this morn. i have covered and taken a small long again, with a close sar. most often price likes to re-visit the high of good size important bars coming out of consolidation or off the 'low/bottom'

2wave . . Tue, Dec 3, 7:44AM ET

mercier, here's how it works... During any 20-minute time period there are astro events that affect trader's moods. I take these events and input the current astro setup and the price change into a neural network. After the NN is trained, I give it any 30-minute astronomical setup and get back the % change anticipated. So, to answer your question... The reality is that it cannot be price based since I never give it a current price... only the amount of change. It cannot be time based in the usual sense since the system only looks at single 30-minute time periods and never groups of time periods. My experience is that the market can lead or lag the forecast by as much as 2-3 hours. The runup yesterday was not an example of this. It just used up the energy necessary to accomplish a 100+ point runup into the close today.

rexvulgars . . Tue, Dec 10, 9:44AM ET

didnt some ole maroon say somethin about sellin a 3rd bar reversal on a gap up...especially if against the trend..SAR above high?

notop . . Tue, Dec 10, 9:47AM ET

RV: PL among others have pointed out the "fade the move into 09:40." 3rd bar reversal confirms

parrotlady . . Tue, Dec 10, 10:00AM ET

notop, my theory is not really what you stated. It is just that if we are at a small high or low at 9:40 that high or low will be exceeded in the first hour, usually much quicker than that.

rexvulgars . . Tue, Dec 10, 2:29PM ET

mebob was stopped today b/e..cudda taken 3 if smart..the rest has been a mess..Trin close below .81 will give an infamous buy signal

skyehigh . . Tue, Dec 10, 4:36PM ET

P...72 Furstbaks are eggsactly what they sound like...look at 939 and 1233.....after 939 we had multiple sells with the trend of a higher time frame.then the resist gets old.and becomes sup.at the 1233.clear as bell

psycnosis . . Tue, Dec 10, 4:39PM ET

skyehigh... Okay I see that and was watching that and took some shorts off of that this am. The problem I have is working on my stops. the winners do fine just when if closes below the 72 I close the long and get short. I guess watch a bar or too? I do not get hurt that bad maybe 1-2 points the max is 3 if I do get stopped and I let it ride just as long as it does not close below the 72ma.. Does this sound okay or am I way off base?

tepid2 . . Tue, Dec 10, 4:39PM ET

Psy-not rocket science--you are correct about the Range aspect and as long as the 72 'triggers' early enough in the move you WILL hit your goals-I have never been that rigid about setting the GOAL in a pre-designated handle capture-on those days where the slope is flattening and we do a lot of over/under the 72, ala BRACKET formation...you will get chewed on some...fwiw: I have been watching the 3/72 for over a year and can think of NO time where you would not 'come out' on BALANCE....

yogi410 . . Tue, Dec 10, 4:46PM ET

1381 . . Wed, Sep 26, 4:37PM ET tepid, you mentioned a 3 minute chart. simplest 3 min. scalp system. just put an 18 ema and a 5 ema on the candles. when a larger candle pulls the 5 just across the 18, wait for the first bar to close against the cross direction, and buy/sell the close of that bar with a 2 point auto stop. first candle that closes in the trade direction without being stopped out, move the stop to the bottom/top of that candle. exit with 3 or 4 points, or trail a stop. example about 3:55 pm today. KISS scalping :). ciao

This is the last page I have scanned.

1381 . . Fri, Oct 11, 10:35AM ET

You gotta know what the trend is in the timeframe you're trading. A gap below a rising MA sets up a buy, especially if you sell off immediately into the 10:15-30 time frame. A gap above a rising MA that does not breakdown before 10:30 means bull day. Gap above rising MA that breaks up out of the range of the first 20-30 minutes, must be bought right then or it gets away. Speaking in all cases of gaps of greater than 3 handles. Always look for a reason to buy big down gaps early. They usually give you a good early hit, even if the sell is on.

1381 . . Fri, Oct 11, 10:35AM ET

gap up and close first 15 min above the last major upswing (or days hi) of the day before means BULL day. Gap above previous hi or last major upswing and dive first 15 min or so means early collapse. (REVERSE for down days) Gaps can supply you with a good living if properly understood.

1381 . . Fri, Oct 11, 10:36AM ET

Its an old concept--used by many writers for 75 years or so. It means a market that goes nowhere---no rally, no selloff. If the market "draws a line" for the first hour after gapping up a couple hundred points or so, I buy it at 10:30. You'll get a profitable move before 1 p.m. 80% of the time. You may not close higher, but you'll get a tradeable rally.

1381 . . Fri, Oct 11, 10:37AM ET

Oleman says on a gap up day and the gap has not filled by 10.30 buy the next up bar after 10.30 btw, gap above the high of a DOWN day the day before has been a pretty good buy. 100% for the decade. :) On a gap up open, if it moves up from the open, it'll reverse on the 3rd or 4th bar 90% of the time, if its going to reverse at all. If it gaps up and draws a line, if it dont break down in an hour, it'll go profitably higher. That's all you need to know. The rest is up to you.

1381 . . Fri, Oct 11, 10:40AM ET

If the market continues to move in the direction of the gap for at least the first 2 5 min bars, you know by 9:50 whether you're going to have a reversal. If it gaps up and draws a line, you know by 10:30. When it gaps up and the first 2 bars are DOWN, I buy it if it breaks above the opening range during the first half hour. This is from Ch 13 of Trader Vic's second book. If it gaps up and runs up for 10-20 minutes, (2-4, 5 min bars), and reverses and you DON'T sell it, You flunk the course.

1381 . . Fri, Oct 11, 10:40AM ET

The easiest way to play the gaps is: Look at a 30 min chart with a 30 bar ma. Any gap of more than a couple hundred points AGAINST that trend is a fade. The bigger the better. DO NOT fade gaps in the direction of the trend. Buy them when they go above the first hours range, no matter how high it is. The TREND is all that matters here, as in most things.

I used to print out pages and pages worth of chat post from Avid and study them. I came across the file when I was tidying up my office. If I find more worthwhile posts, I will put them together in a new file and post it on TraderTom.com.

If you have any questions, please do not hesitate to get in touch with me. My email is hello@tradertom.com.

Take care and stay safe.

Tom