NEXGEN
SOFTWARE SERVICES

TOMORROW'S TRADING TECHNOLOGY

100% automated Fibonacci support and resistance levels that you can count on every single trading day in an instant.
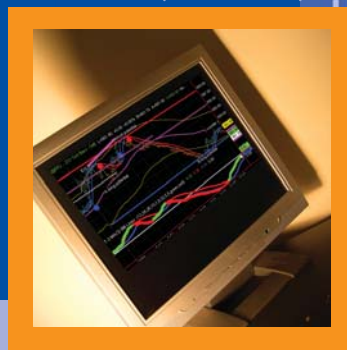
T-3 Fibs
ProTrader

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Nexgen Software Services T-3 Fibs ProTrader User Guide

1) Areas

The T-3 Fibs ProTrader is one of the only indicators that you will need, and it will help you determine at what levels the market may turn.

Levels generated by the T-3 Fibs ProTrader are as follows:

A. **Fibonacci Confluence Areas -** These areas are very powerful clusters of Fibonacci ratios that fall into a tight range. They are used as the road map for our trading. These key areas will be extremely reliable for determining potential reversal points in the market. Our Fibonacci confluence areas are generated by 10 "synthetically built" higher time frames. This gives us a complete, and accurate Fibonacci analysis, which are represented by red and blue lines. The solid red lines are resistance and the solid blue lines are support.

B. **Floor Trader Pivots (FTP) -** This is a well-known method used by floor traders and market makers in the trading pits. This system has been around for decades, and is still in use today. Floor Trader Pivots are used to calculate intraday support and resistance levels. The areas are calculated from the previous day's high, low and close. This indicator is automated through TradeStation. They are the dotted lines on the minute charts.

The Floor Trader Pivot acts as Resistance
When approaching the area from below

The Floor Trader Pivot acts as Support
When approaching the area from above
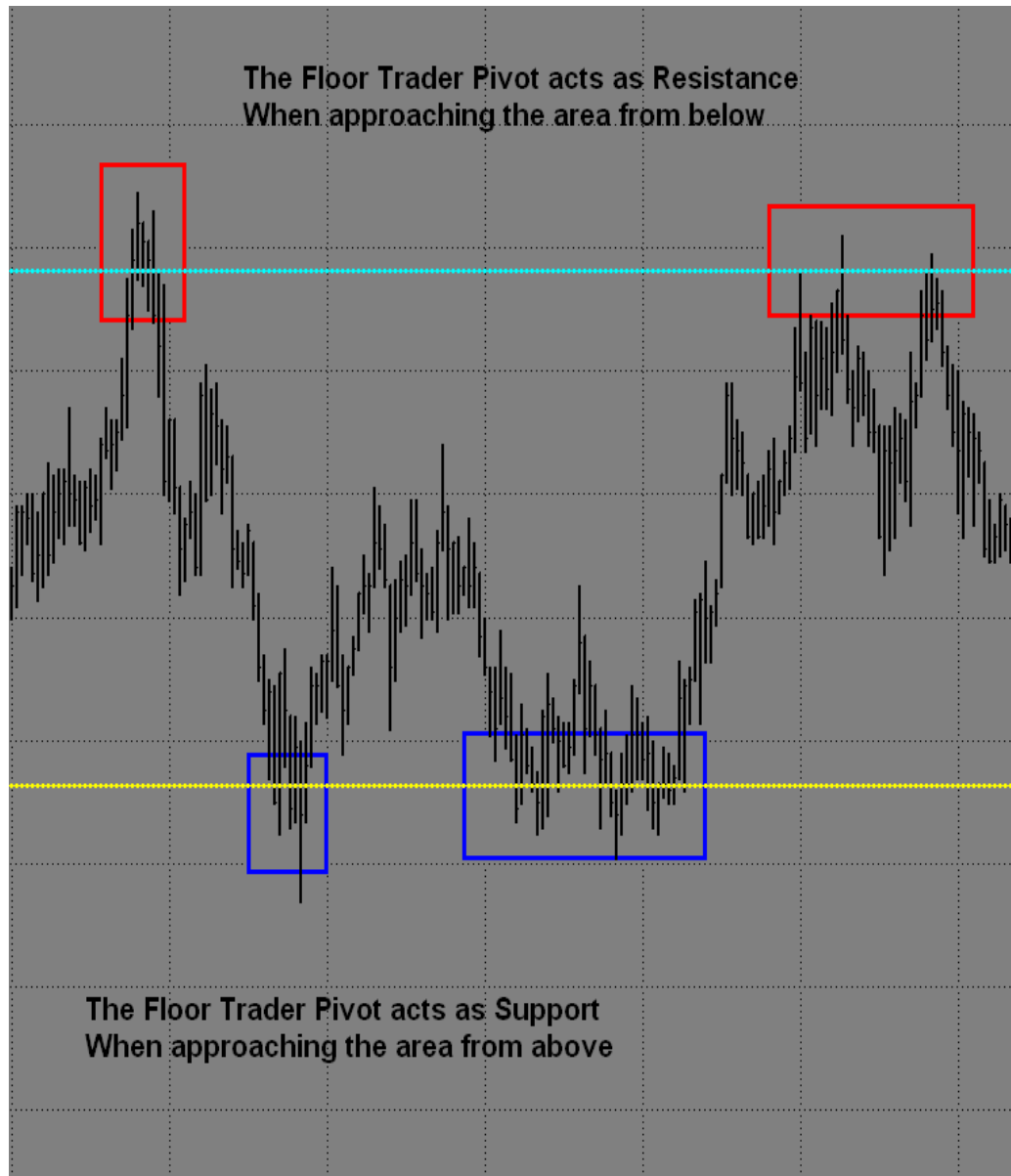
C. **Outer Bands and Midband (Trend Bands) -** These areas may act as support or resistance for entries, as well as areas for exits. The midband and the Fibs will change colors automatically, but only after the confirmation of the breakout.

The Upper Outerband will act as an area of Resistance

A Magenta midband will act as an area of Resistance

A Green Midband will act as an area of Support

The Lower outerband will act as an area of Support
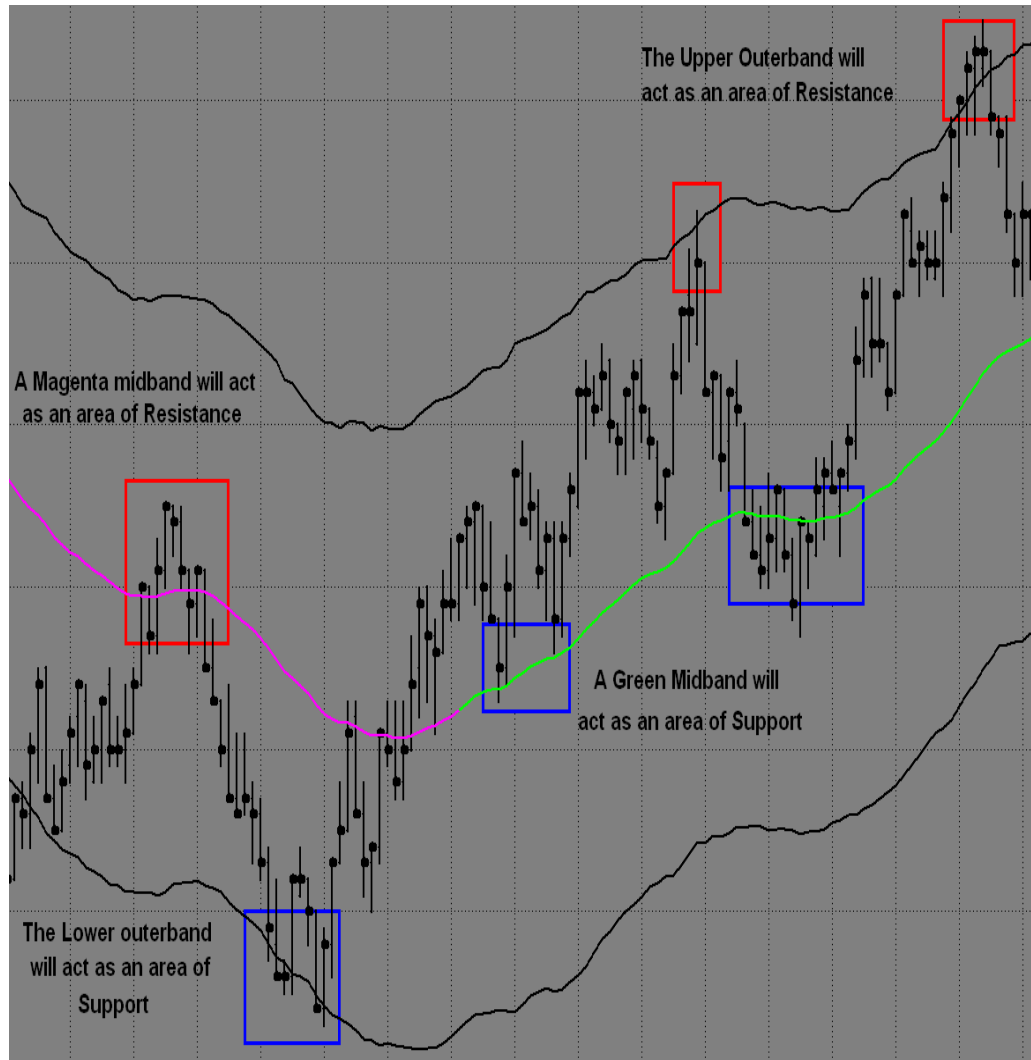
D. **Trigger Lines –** There are two sets of trigger lines, large and small. The large trigger lines will provide support and resistance areas that you will be able to use. All charts, from lowest to highest, are multiples of four. The large triggers, on a given time frame, will become the small triggers on the next higher time frame. The 4095-tick chart is the maximum tick bar chart generated by Trade Station.

The Large Triggers Act as a Resistance Point when they are Magenta and crossed down

After a strong acceleration through the Large Triggers, they are anticipated to cross color and direction

The green Large Triggers will now act as a Support Point
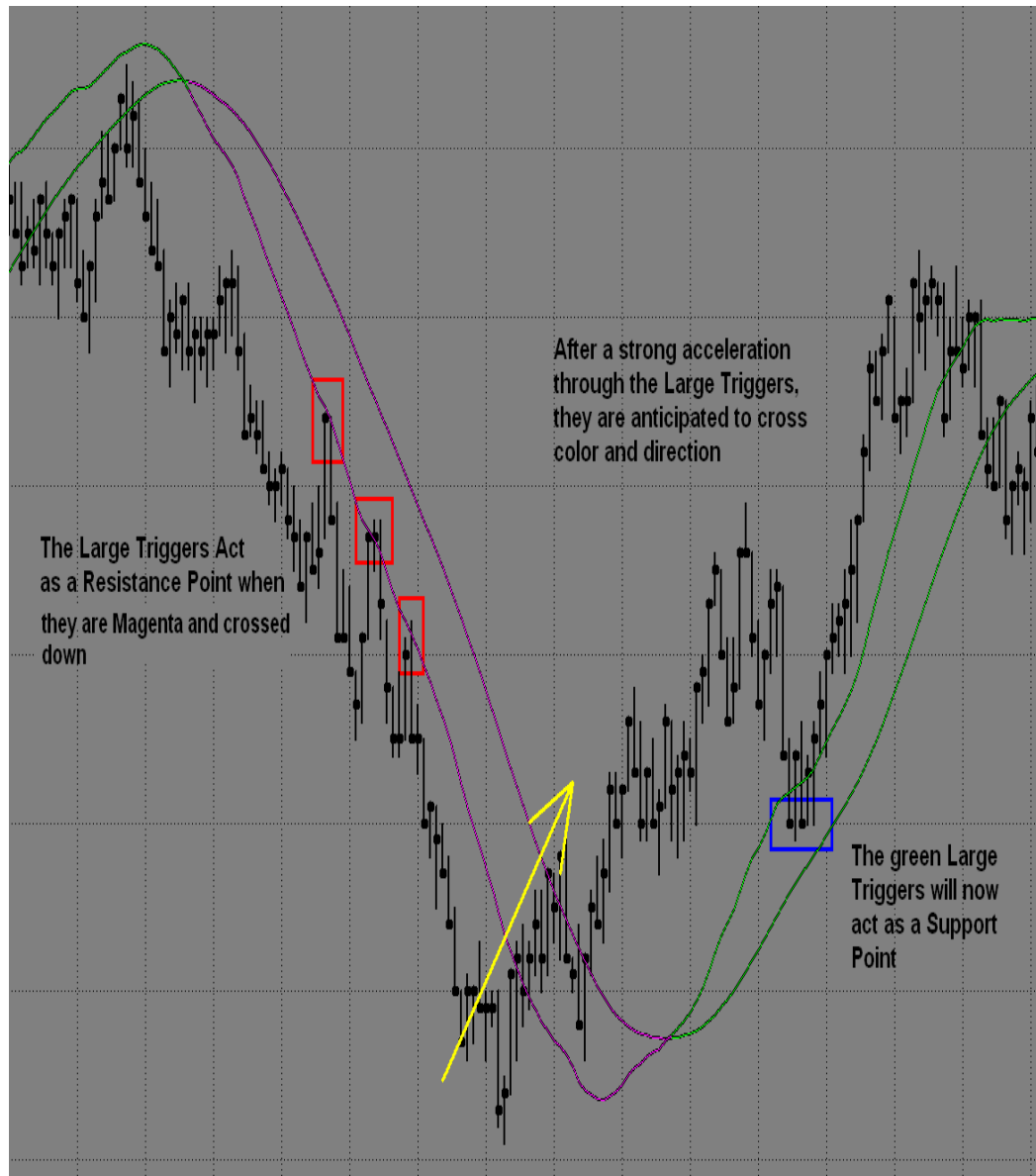
The small trigger lines will be used as momentum indicators. Notice the chart will coordinate with the numbered descriptions below.

1. **MOMENTUM -** Price bars pulling away from the Trigger Lines, while spreading apart, represents strength and momentum.

2. **LOSS OF MOMENTUM -** Price action inside the Trigger Lines, which have stopped spreading apart, show a loss of momentum. This is the first sign that momentum is weakening.

3. **LOSS OF MOMENTUM WITH THE POTENTIAL TO TURN -** Trigger Lines begin to show the potential to roll, cross and reverse direction when the price closes on the opposite side.
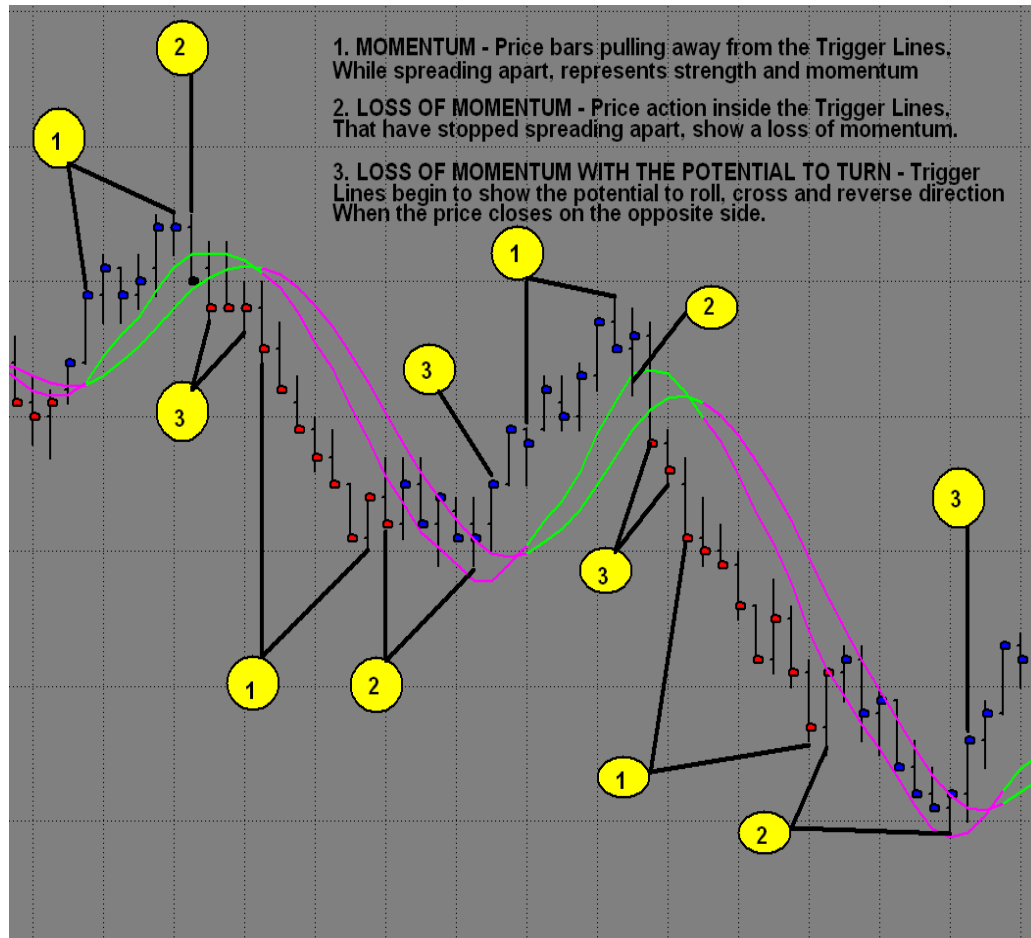
E. **One to Ones (1:1) -** These areas are useful as intermediate support or resistance. They may be stronger on higher time frames. The white 1:1s are 100% alternates projected from the previous swing. Magenta 1:1s project a new swing when the trend changes.

Both Magenta and White
One to Ones will act as
Intermediate Support or
Resistance
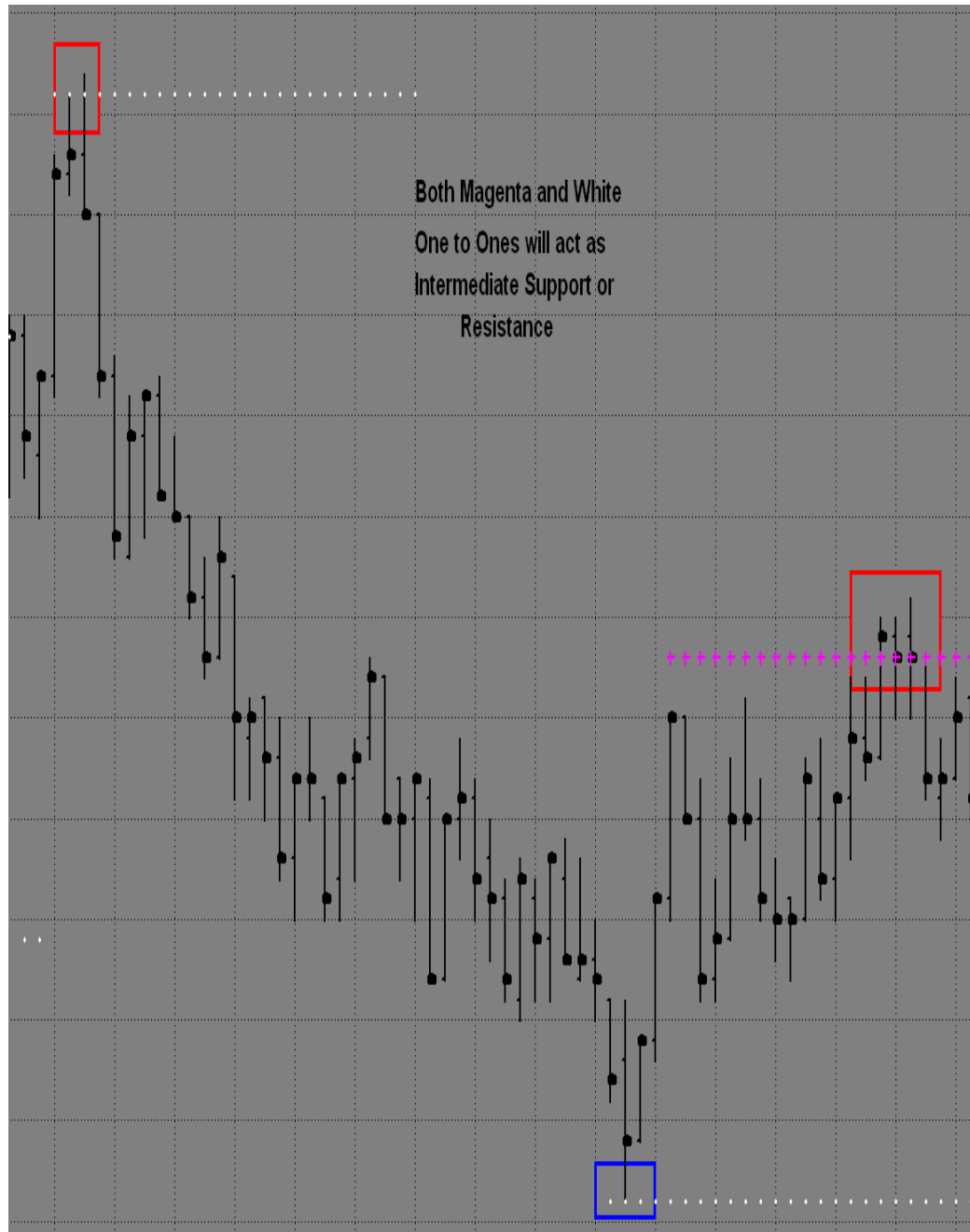
2) <u>Macd BB Lines</u>

The Macd BB Lines is an indicator that will offer "insight" into the market's strength or weakness. When at key areas, the Macd BB Lines provide information about the current market, and its expected outcome for the near future. This indicator may require the most practice to become proficient, but once mastered it will be an invaluable tool.

A. Basics of the Macd BB Lines

1. If the Macd BB Lines are slowing and the bands are coming together, it is indicative of weakening in the current trend and some consolidation or reversal may take place. The swing distance on the Macd Bollinger Bands typically indicates the trend and the momentum.

2. If the Macd BBs are moving rapidly in one direction, with very little to no pullback, it is a strong move. This will typically happen after a period of consolidation on the charts.

3. The distance between the Macd BBs themselves is also a signal that will help you to determine the strength of the move. The larger the spacing between the Macd BBs, the more momentum there will be behind the move.

B. **Macd BB Strength -** When Macd BB dots move outside of the Bollinger Band lines, it indicates that the market has a lot of momentum. Generally, it will continue in the current direction. If in a position, this will help you to remain patient to maximize your profits. If waiting to enter a new position, this will keep you from getting in too early.
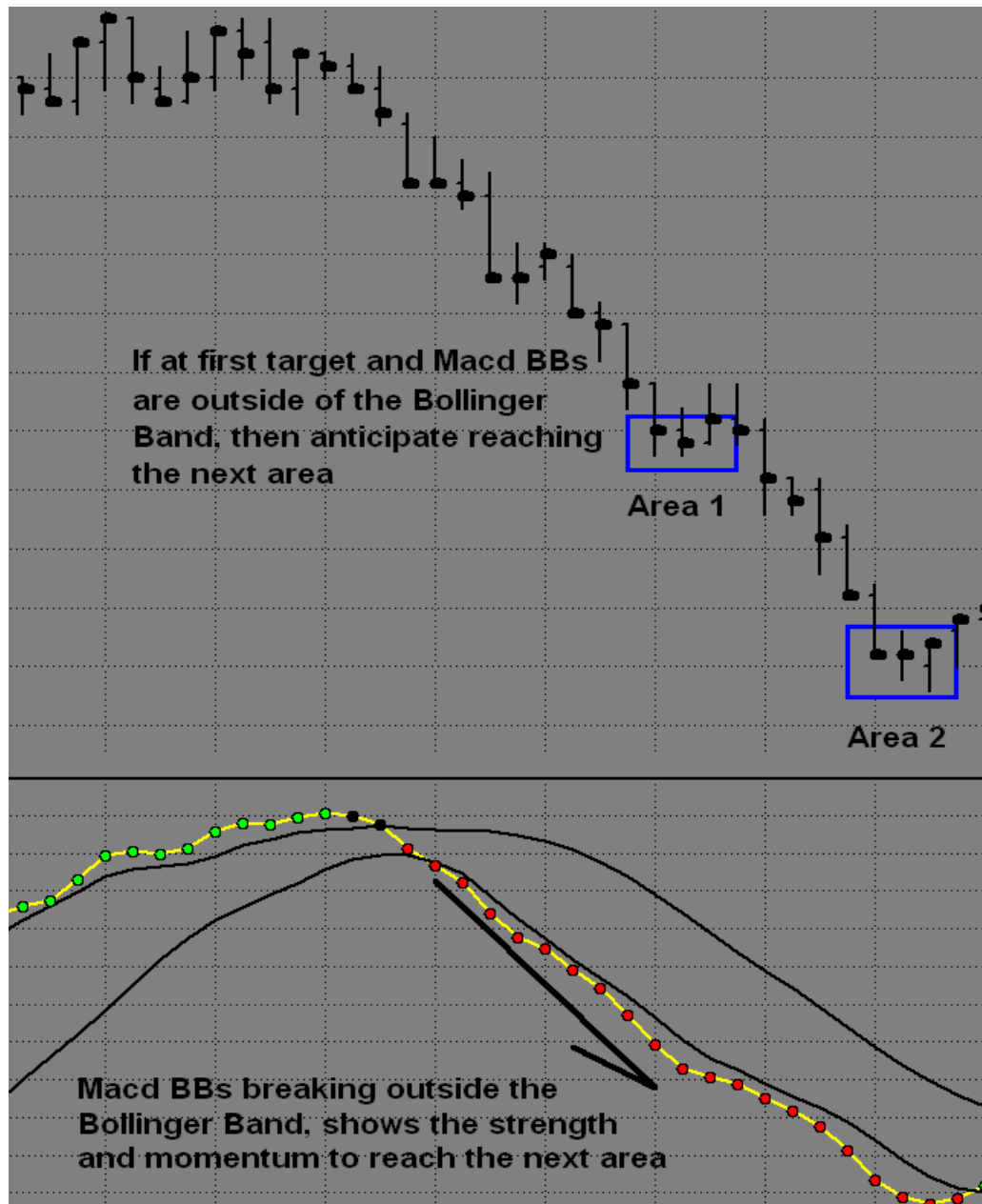
If at first target and Macd BBs are outside of the Bollinger Band, then anticipate reaching the next area

Area 1

Area 2

Macd BBs breaking outside the Bollinger Band, shows the strength and momentum to reach the next area

When Macd BB dots move outside of the Bollinger Band lines, it indicates that the market has a lot of momentum.

Area 2

If at first target and Macd BBs are outside of the Bollinger Band, then anticipate reaching the next area

Area 1

Macd BBs breaking outside the Bollinger Band, shows the strength and momentum to reach the next area

C. **Recognizing a Strong Macd Reaction to a Key Area -** This will often validate that the direction has changed. Now look to trade in the new direction.
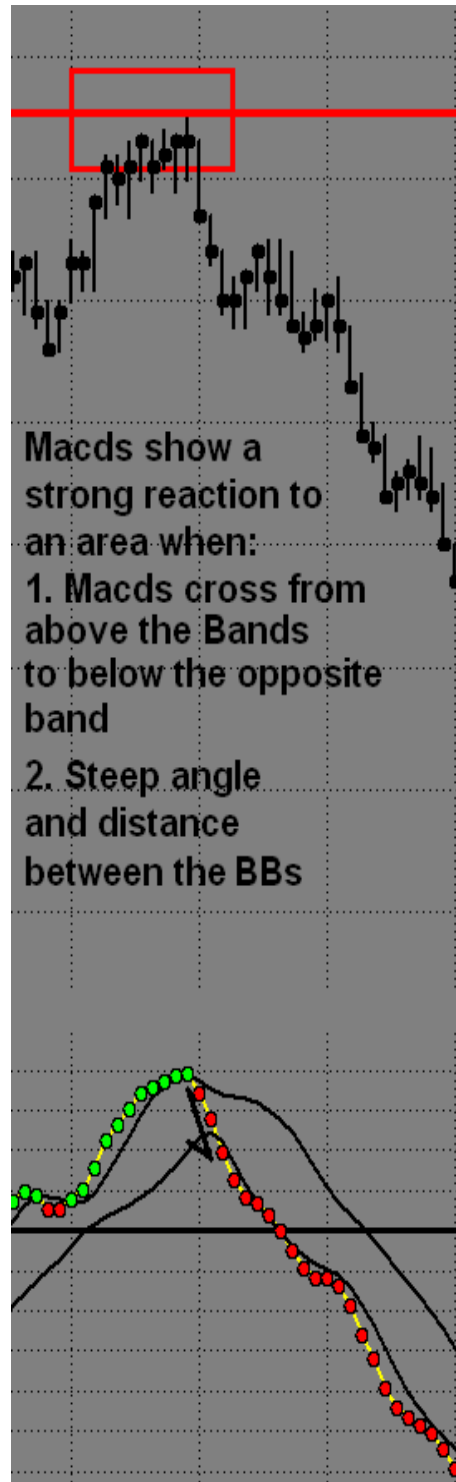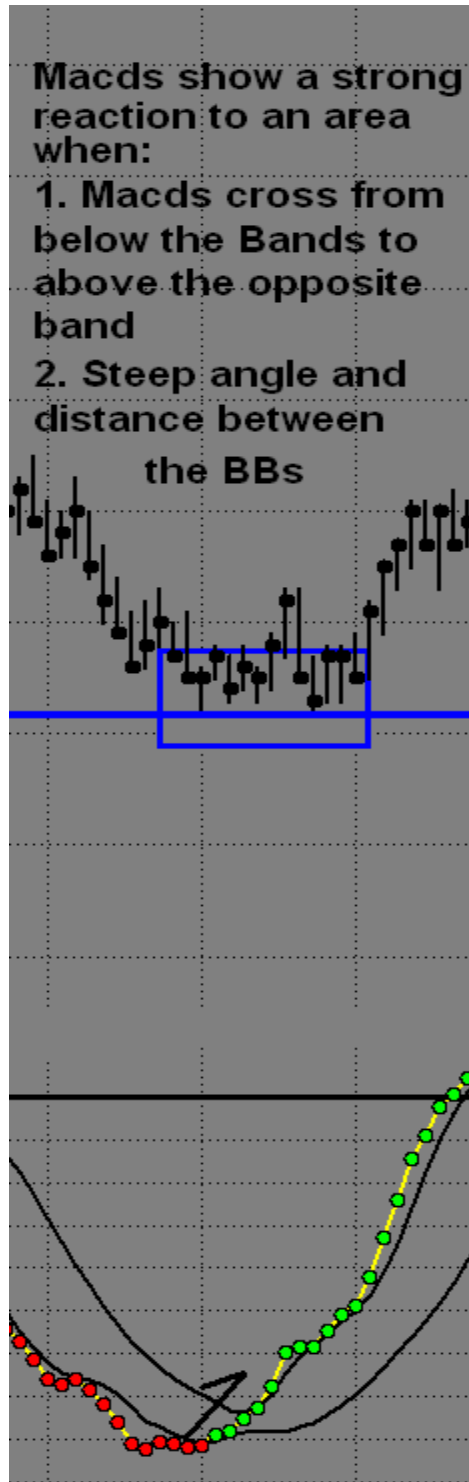
Macds show a strong reaction to an area when:
1. Macds cross from below the Bands to above the opposite band
2. Steep angle and distance between the BBs

Macds show a strong reaction to an area when:
1. Macds cross from above the Bands to below the opposite band
2. Steep angle and distance between the BBs

D. **Macd BB Trend -** When the Macd BBs cross the upper Bollinger Band, the Macd Trend is up. When the Macd BBs cross the lower Bollinger Band, the Macd Trend is down.
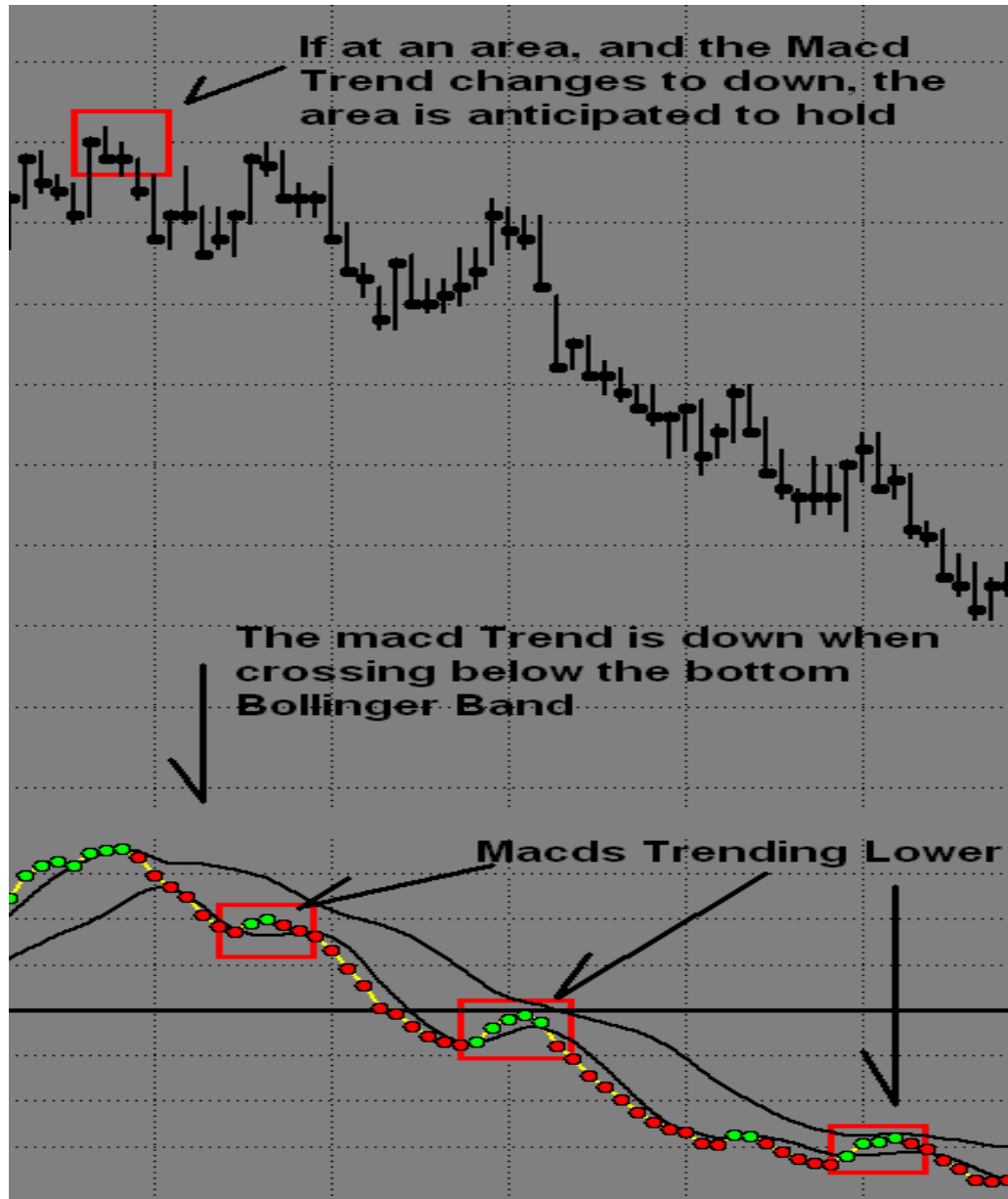
When Macd BB dots cross the upper Bollinger Band, the Macd Trend is up.

If at an area, and the Macd Trend changes to up, the area is anticipated to hold

The macd Trend is up when crossing above the top Bollinger band

E. **Macd BB Slide -** A **"**Sliding**"** along the Bollinger band will assist the trader in judging the continuation of the current trend. This is when the Bollinger Bands are acting as support or as resistance.
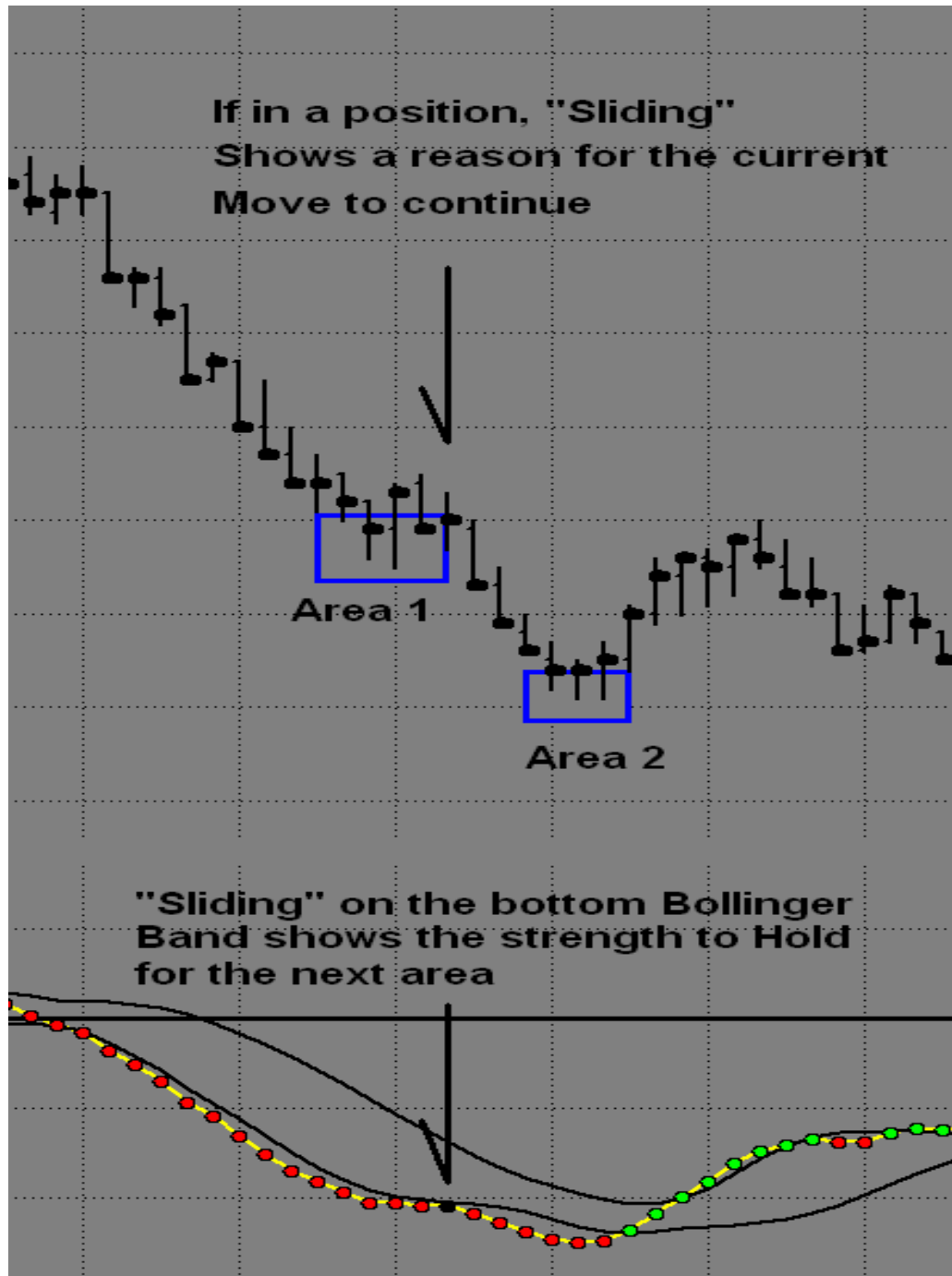
A **"Sliding"** along the top Bollinger band acts as support.

F. **Bollinger Band Support and Resistance -** This is expected after a strong move in the Macd BB Lines, and it is followed by a retracement to the opposite Bollinger Band. It is similar to sliding along the Bollinger Bands and will generally be at key areas.

If at an area and the Bollinger Bands act as Resistance, Anticipate that area to hold

Macd BBs "sliding" along the top Bollinger Band, acts as resistance

Strong move to the downside represented by strength in the macds
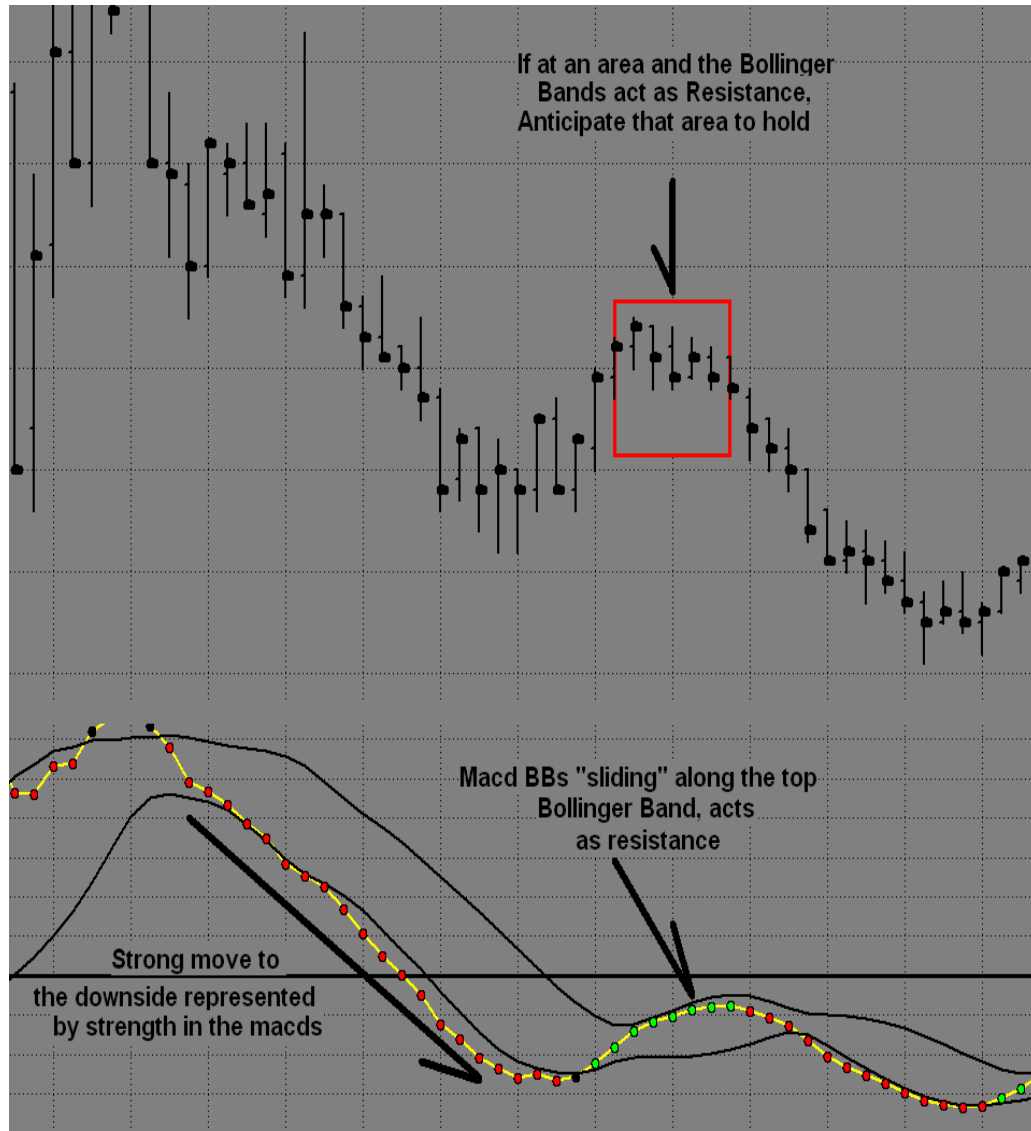
Bollinger Band Support is expected after a strong move in the Macd BB Lines, it is followed by a retracement to the opposite Bollinger Band, and will generally be at key areas.

If at an area and the Bollinger Bands act as Support Anticipate that area to hold

Strong move to the upside represented by strength in the Macds

Macds "Sliding" along the bottom Bollinger Band Acts as Support
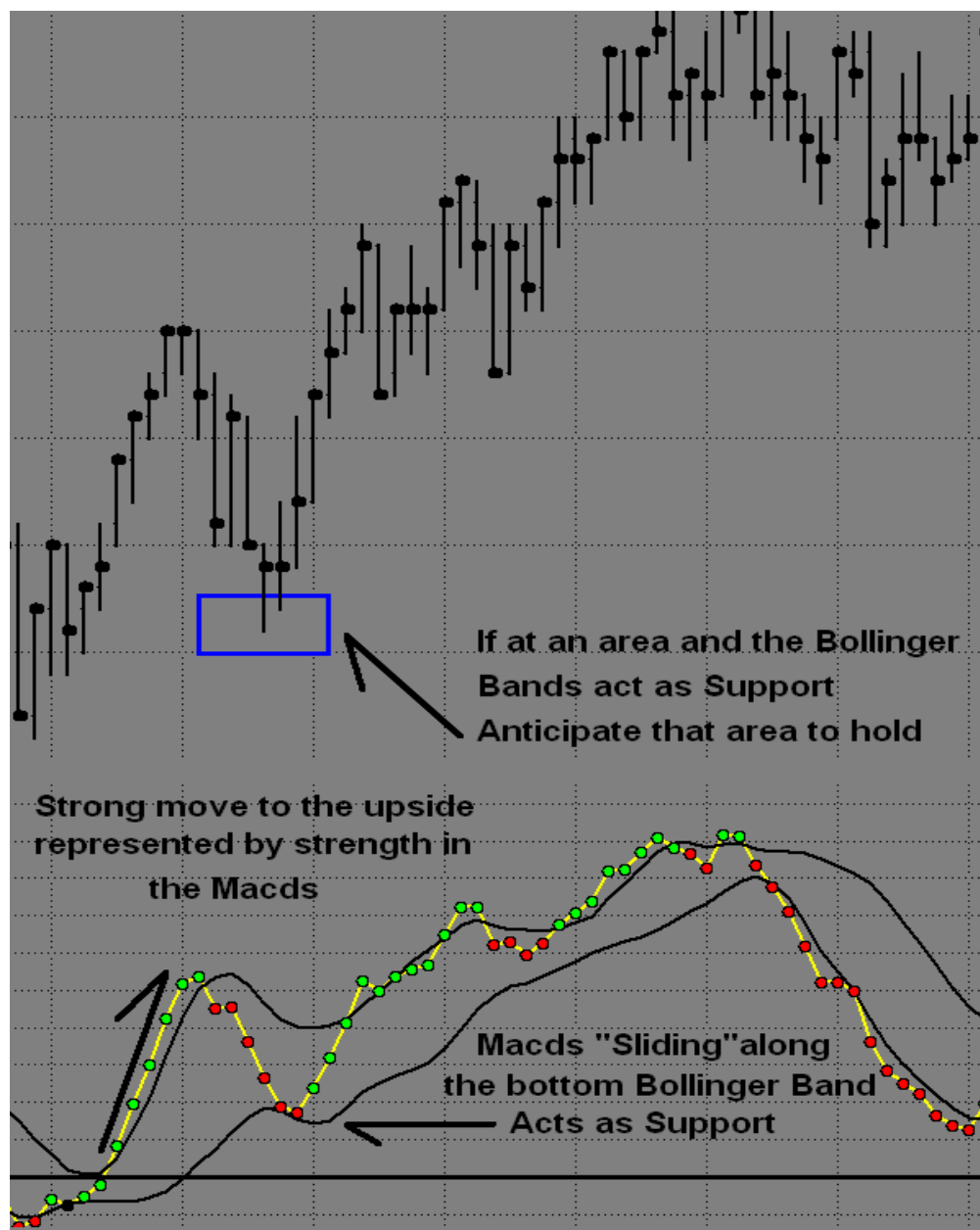
G. **Zero Line Rejection (ZLR) -** A Zero Line Rejection occurs when the Macd BB Lines reach the Zero Line and begin to turn. At this point, anticipate the trend to continue. If the Macd BB Lines move though the Zero Line, then anticipate that the trend has changed.
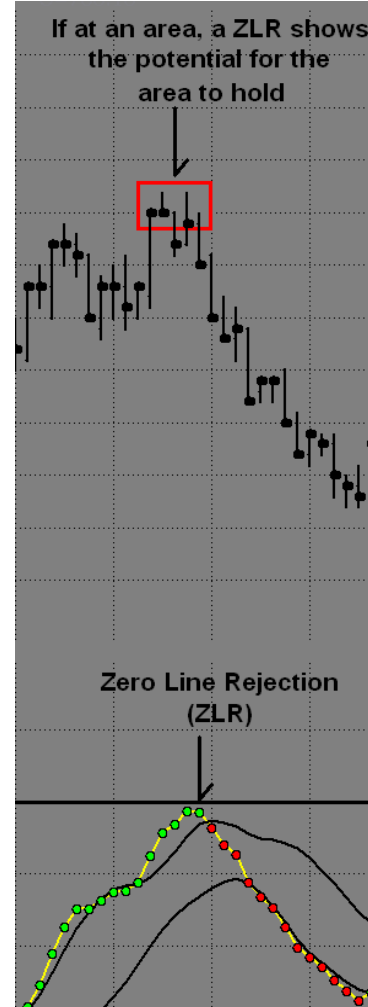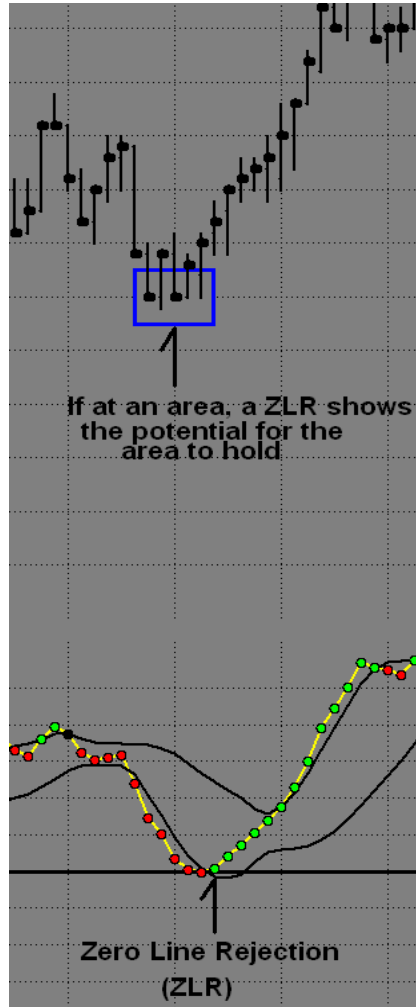
H. **Distance From the Zero Line -** Macd distance above or below the Zero Line helps to anticipate if the midband, or other areas, should hold or break. If the Macd BB Lines are well ABOVE the Zero Line, it shows that the green Midband is anticipated to hold. If the Macd BB Lines are well BELOW the zero, this shows the potential for the magenta Midband to hold.

If at an area, with distance to the Zero Line, this shows the potential for the area to hold

Distance to the Zero Line

If the Macd BB Lines are well BELOW the zero, it shows the potential for the area to hold.

If at an area, with distance to the Zero Line, this shows the potential for the area to hold

Distance to the Zero Line
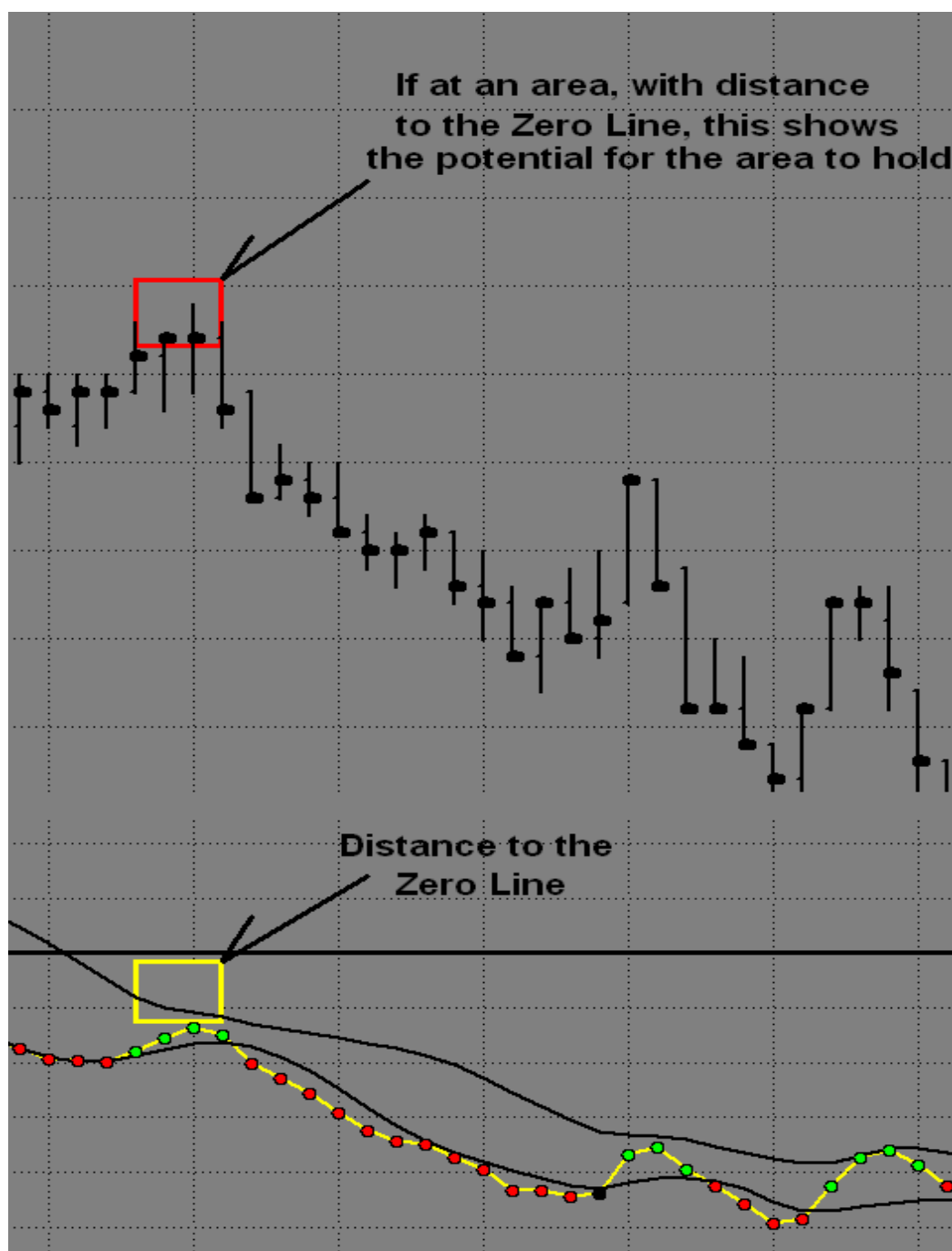
I. **Divergences Between Highs and Lows -**

5 basics of Divergence and the expected outcome for the Fib Areas

1. **Bearish Divergence** occurs when there are higher prices and lower Macds. *REVERSAL EXPECTED -* **RESISTANCE MAY HOLD**
2. The market is **TRENDING UP** when there are higher prices and higher Macds**.** *NO REVERSAL EXPECTED* - **RESISTANCE MAY BREAK**
3. **Bullish Divergence** occurs when there are lower prices and higher Macds. *REVERSAL EXPECTED -* **SUPPORT MAY HOLD**
4. The Market is **TRENDING DOWN** when there are lower prices and lower Macds. *NO REVERSAL EXPECTED* – **SUPPORT MAY BREAK**
5. When closing past a Divergence high or low, it shows the trend may continue.

When the **MACDS** and **PRICE** go in opposite directions, they create a **DIVERGENCE** between the two. If at an area, we expect it may hold.
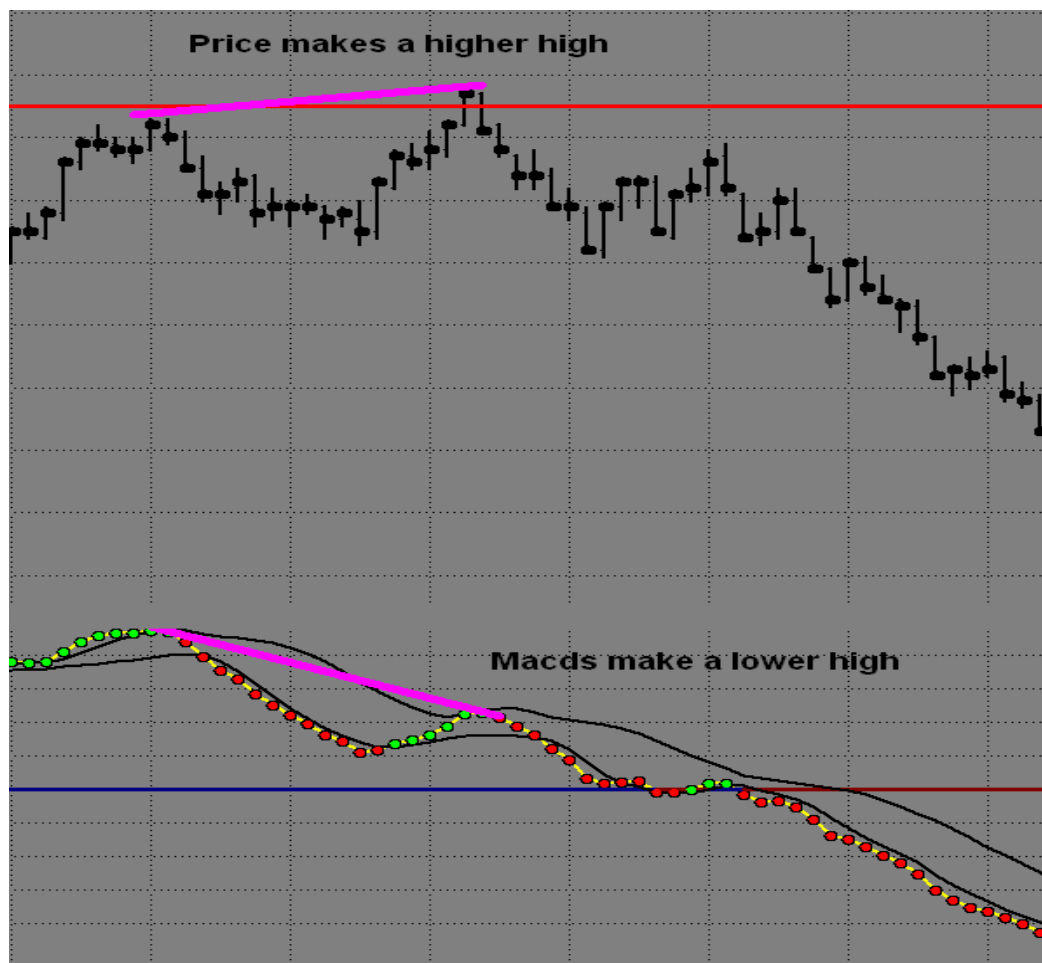
With Bullish Divergence at an area of support, the area has the potential to hold.
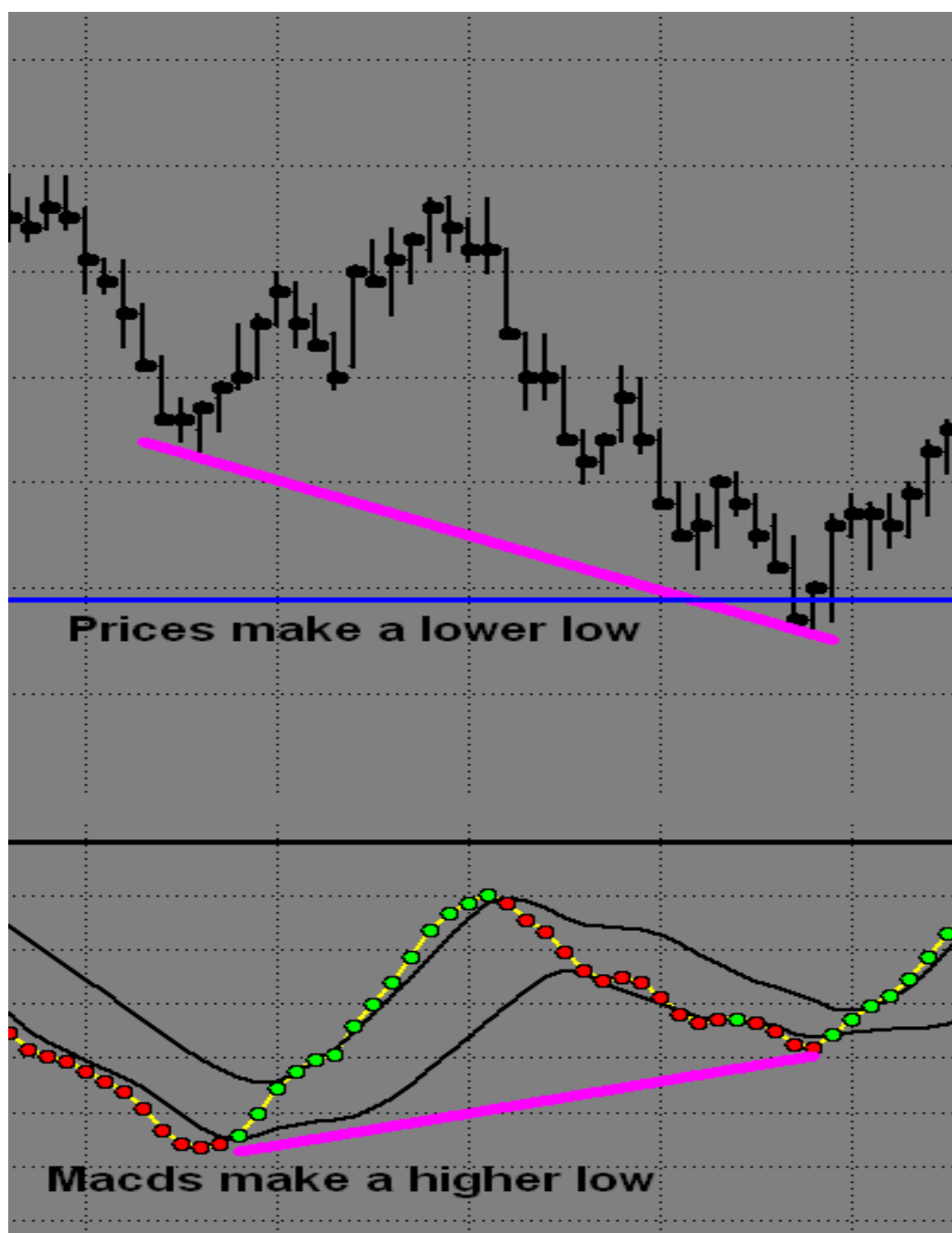
J. **Retracement Divergence -** At key areas, compare the swings between the price and the Macds. Retracement Divergence is defined as, less than a 38% retracement in the Macds, and at least 50% retracement in price. This Divergence is showing that the area is anticipated to hold. Below is an example of Bearish Retracement Divergence.

Price retraces at least 50% of the swing down

Macds retrace less than the price

The chart below shows an example of Bullish Retracement Divergence.

Price retraces at least 50% of the swing up

Macds retrace less than the price
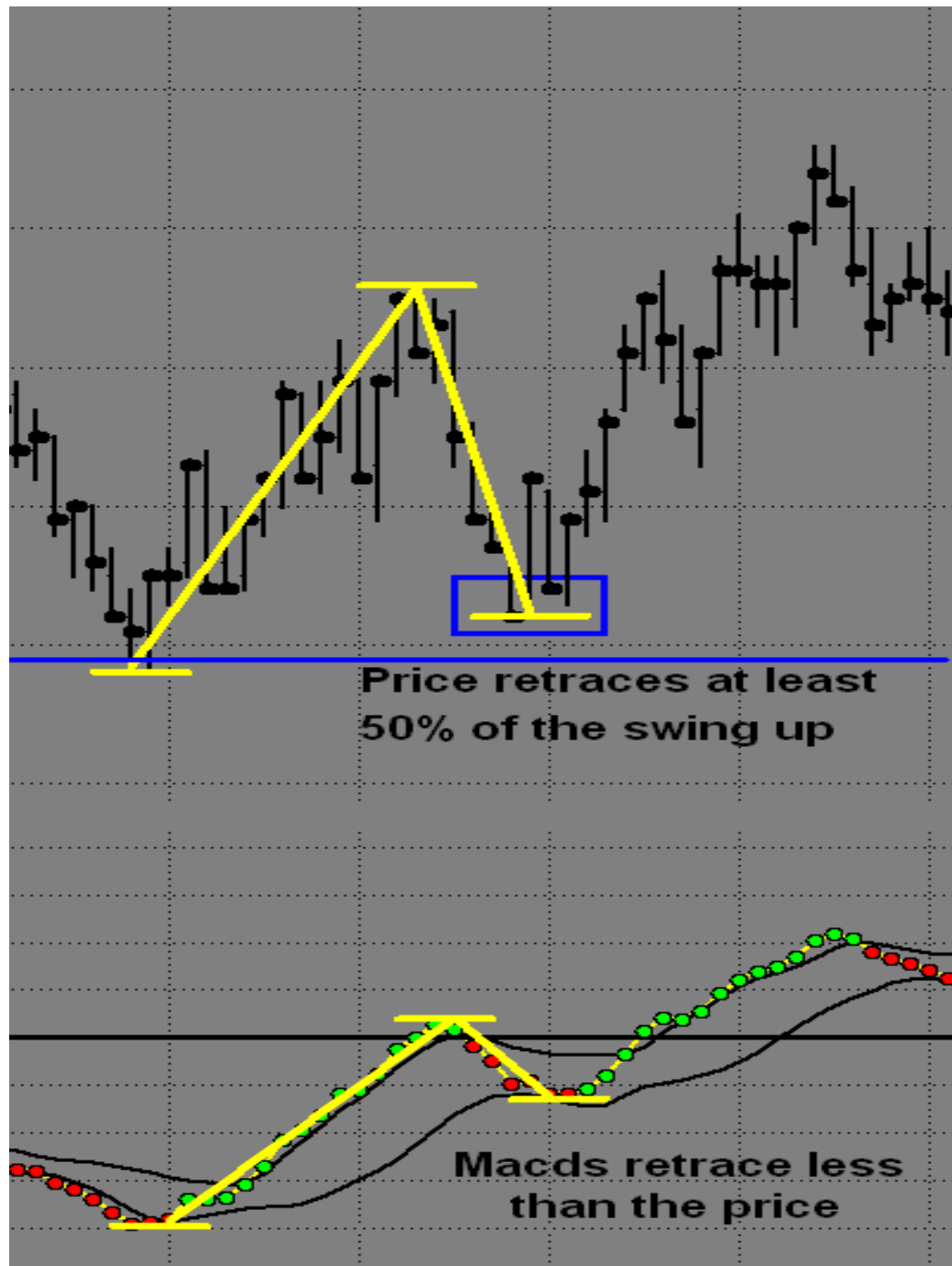
K. **Super Divergence -** This occurs when there is a normal Divergence, but at the same time the Macd BBs **DO NOT** violate the opposite Bollinger Band. Super Divergence may only be considered at key areas. The higher the time frame, the larger the reversal.

Price makes a new high

Super Divergence: When the Macds do not cross the top Bollinger Band
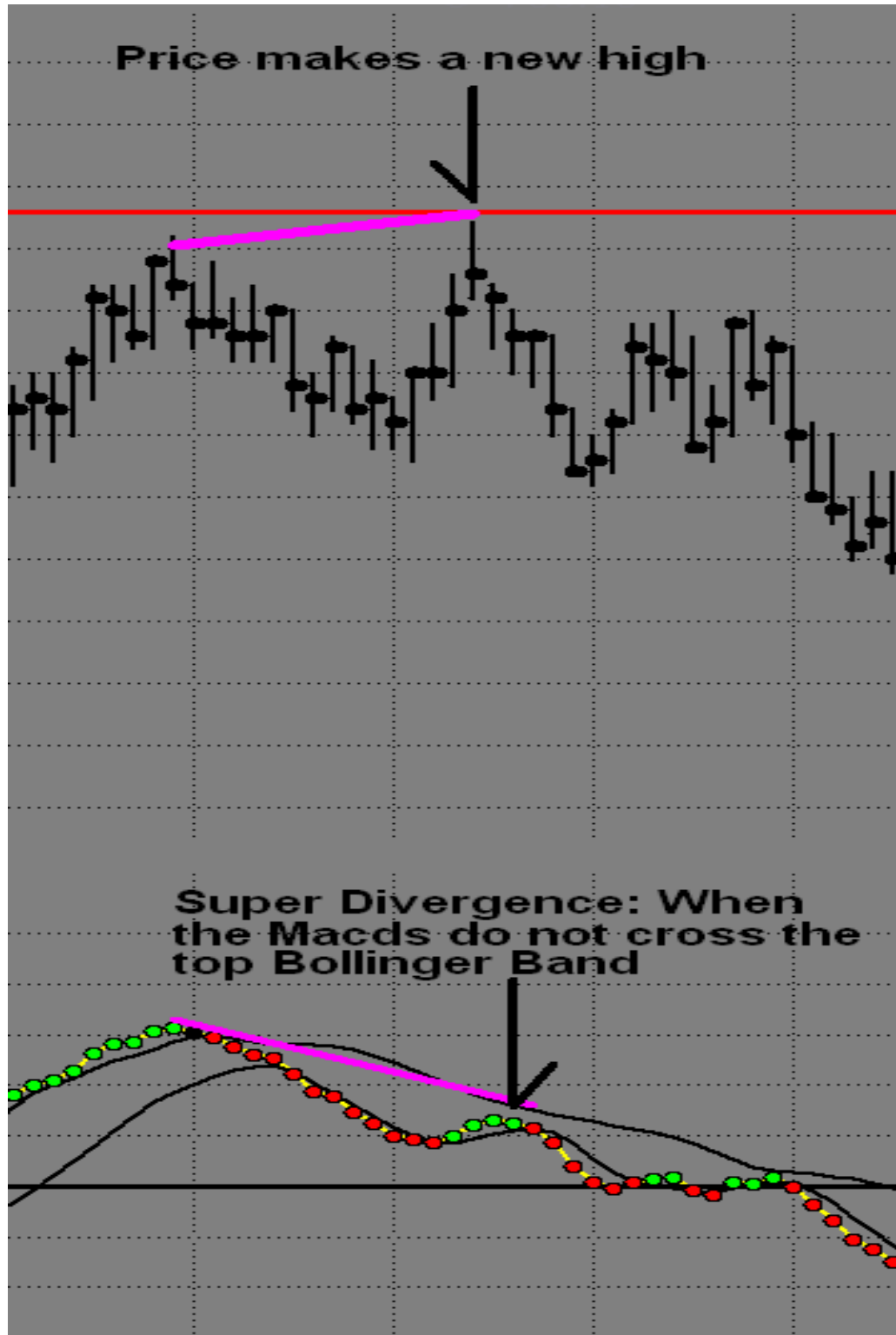
There is Divergence at support, but at the same time the Macd BBs **DO NOT** violate the opposite Bollinger Band. Super Divergence may only be considered at key areas.

Price makes a new low

Super Divergence: When the Macds do not cross the bottom Bollinger Band

3) ABC Progression

The ABCs are an invaluable tool that helps to understand development of a new trend, or simply a trend continuation. The ABC indicator helps one determine the market has made new highs/lows, or has failed to make new highs/lows. To see what makes each pivot plot, we will need to understand that the purpose of each letter is to exceed the previous letter, except for the C…it only needs to equal the B pivot.

* However, the A and C have the exception that if they do exceed the previous pivot, the progression will be complete, until the next outer band is reached.

A. **Expected Outcome of the EXT Pivot-** The ABC progression begins with a pivot at or beyond the outer band, resulting in an extreme pivot that the software labels EXT. Once the EXT is plotted, its purpose is to drive the market to the opposite outer band. Once the market arrives at the opposite outer band and creates a new pivot, another EXT will plot, signaling the beginning of a new ABC progression. If a pivot occurs prior to reaching the opposite outer band, the A Pivot will plot.

B. **Expected Outcome of the A Pivot** -The A Pivot is expected to take the price back to the outer band in order to exceed the previous EXT pivot. Completion of the task would exceed the EXT, resulting in a new EXT at the outer band. If the A pivot falls short of the outer band, and doesn't exceed the price of the EXT, the B pivot will plot.

If the EXT does not reach the opposite outer band, the A pivot will form.

The A pivot not only wants to exceed the previous EXT, but also looks to hit the outer band and create a new EXT.

C. **Nuance for the A Pivot** - Once the A exceeds the EXT, the progression is over, and a new progression will begin as a new EXT forms at the outer band.

D. **Expected Outcome of the B Pivot -** The B pivot is expected to exceed the A pivot, possibly resulting in a new EXT at the other outer band. The B pivot completes its first function as soon as it exceeds the A. If the B does not reach the outer band, the progression is expected to continue with a C pivot. The B pivot is the only letter that has more than one chance. If it does not exceed the A pivot, and does not hit an outer band, then there is still a chance for the C. However, the B pivot MUST exceed the A to get the C pivot. As long as the B does not reach the outer band, then progression is still intact.

E. **Nuance for the B Pivot** -The B has more than one chance to complete its task. As long as the outer band is not reached, the B can still provide a C, once the A has been exceeded.
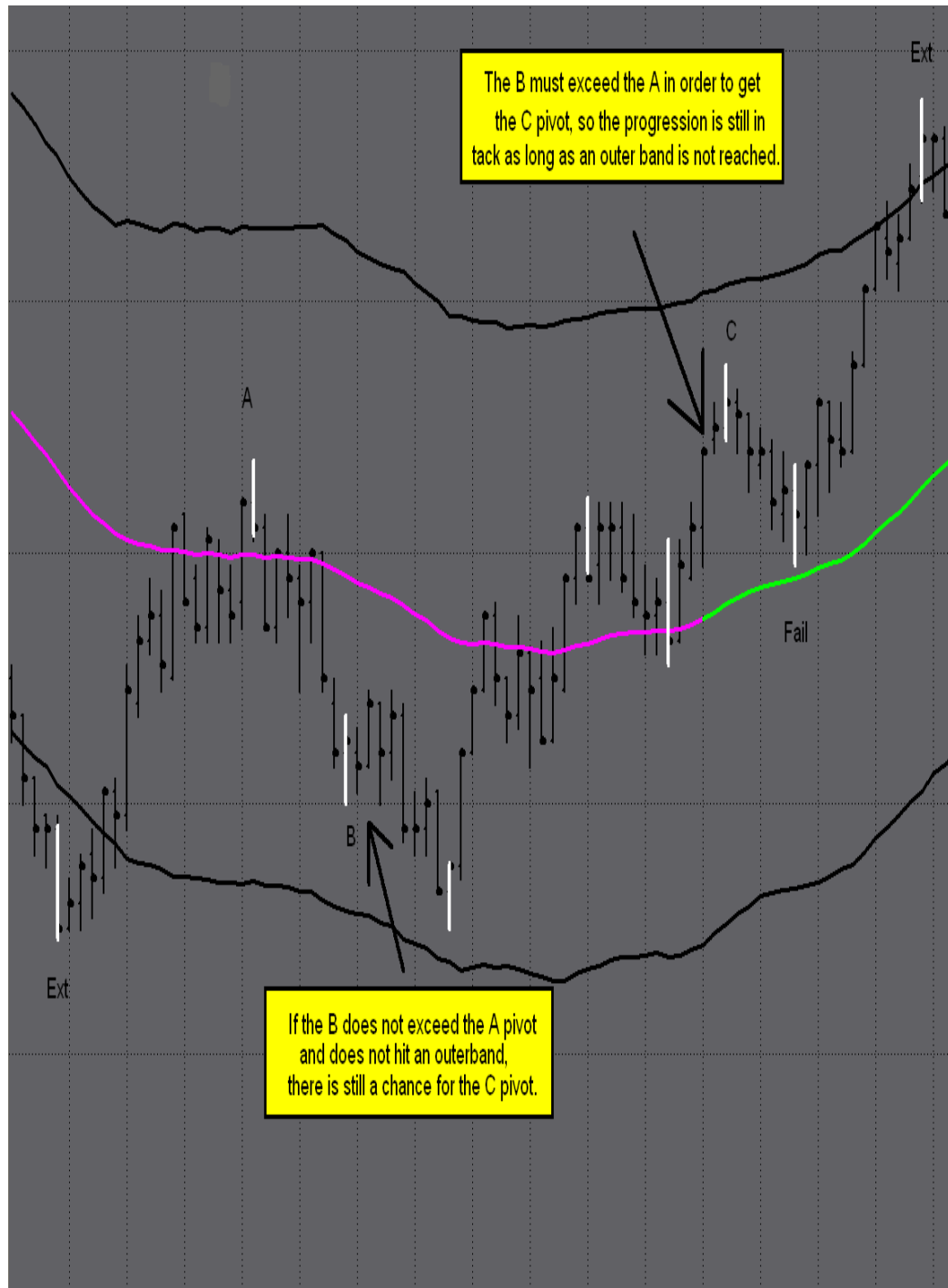
F. **Expected Outcome of the C Pivot** -The C is to EQUAL THE B, possibly even exceed it, thereby completing the progression. If the C reaches the outer band, a new EXT will plot, beginning the progression again. If the C does not equal the B pivot, then it will plot a Failure. This may happen just one tick away from the B pivot.
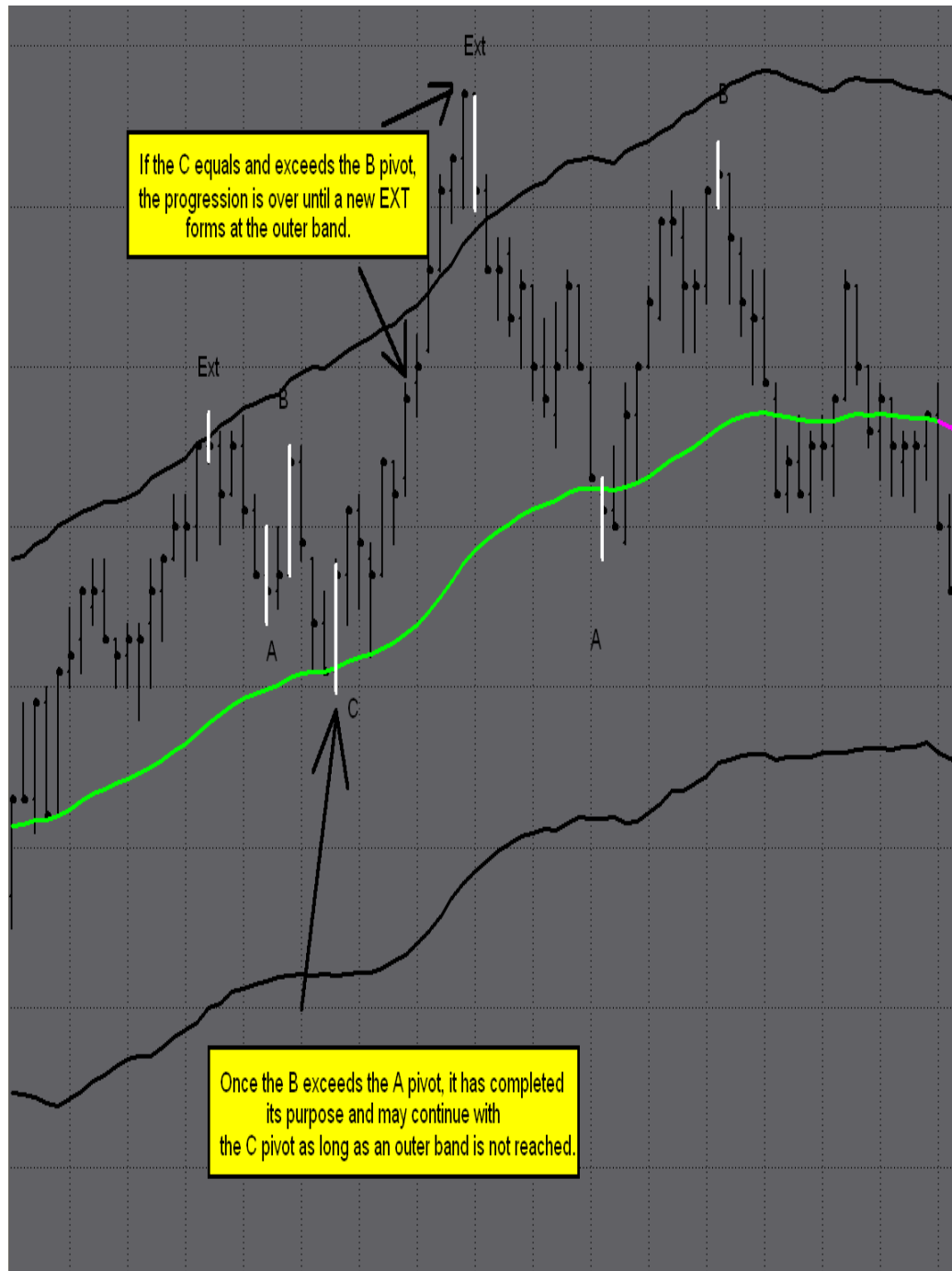
G. **When the C Pivot Fails** -The failure simply completes the progression by running back to the opposite outer band, exceeding the C pivot. From the opposite outer band a new progression will begin. These are the fundamentals of what makes the pivot points plot in the progression.

H. **Trend Descriptions -**When looking at how the ABC's help in our trading, we need to recognize that the A and C pivots will tend to continue the trend of the market, while the B and the Failure will tend to change the trend of the market. When reading the T3 software, it will show the potential for the trend to change, or to continue. It is this analysis that will help to determine if the A and C are expected for trend continuation, or the B and Fail for a trend change.

Here is an example of a down trend, as well as an up trend.
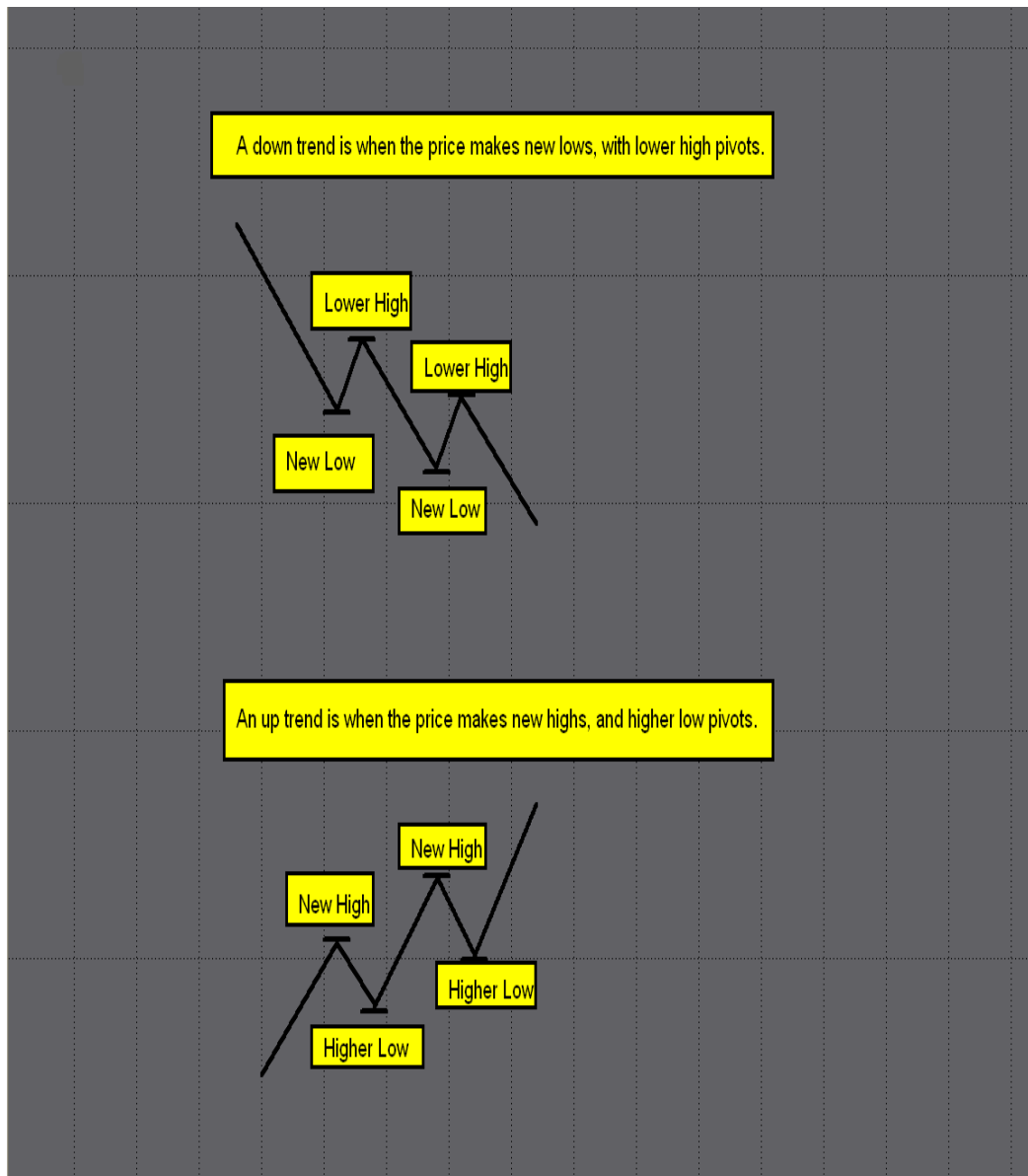
I. **A and C Trend Continuation** -If the T3 Software is showing the potential for the trend to continue; the A or C is anticipated to complete the task. This happens when a new high or low is reached, exceeding the EXT, continuing the trend of the market.

If the trend is anticipated to continue, we look for the A and C to complete their task of trend continuation.

J. **B and Fail New Trend Development** - If the T3 Software is showing the potential for the trend to change, the B and Fail have the greatest potential to complete their task. The B is the first push in the new direction, while the Fail establishes the new trend.
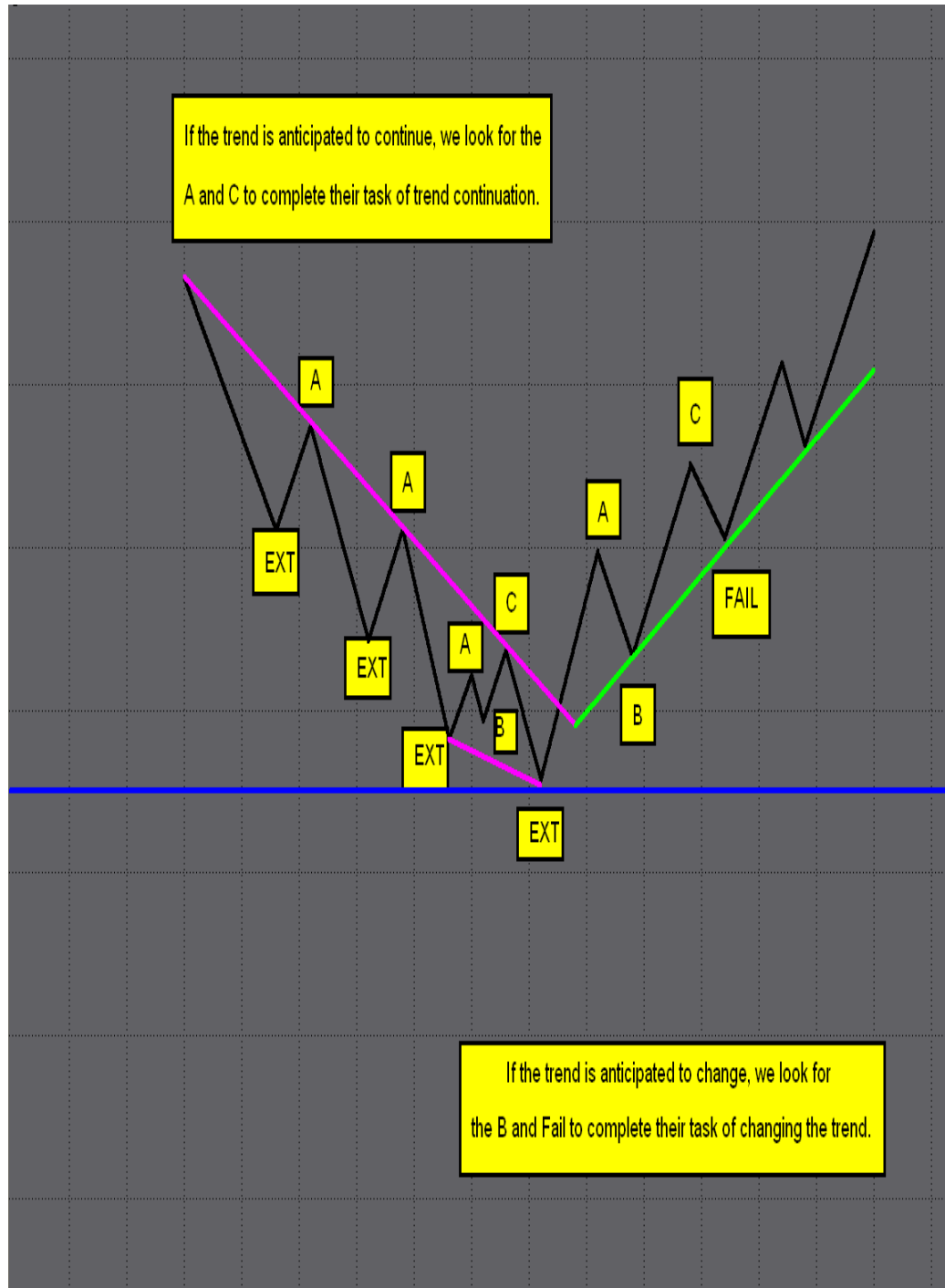
K. **B and Fail Retracement Calculator** - A new feature of the software is an automated ABC Retracement calculator.

When the PLOT ABC RTR input is set to true, this indicator will plot.

Once you have a fib area hit, and an A pivot print, the Retracement lines will automatically appear. This tool pinpoints where the B or Fail should come from. It will take into account the 38%, 50%, 61.8%, and the 78.6%. The software will read the strength of the macd bb lines, and it will HIGHLIGHT the depth of the Retracement value, for the B or Failure.

Again, this will only print when you have a fib area hit, and an ABC progression is in play. This indicator will not plot with just an ABC progression. This is a powerful feature when used on higher time frames to show key Retracement values in addition to smaller time frame entry timing.
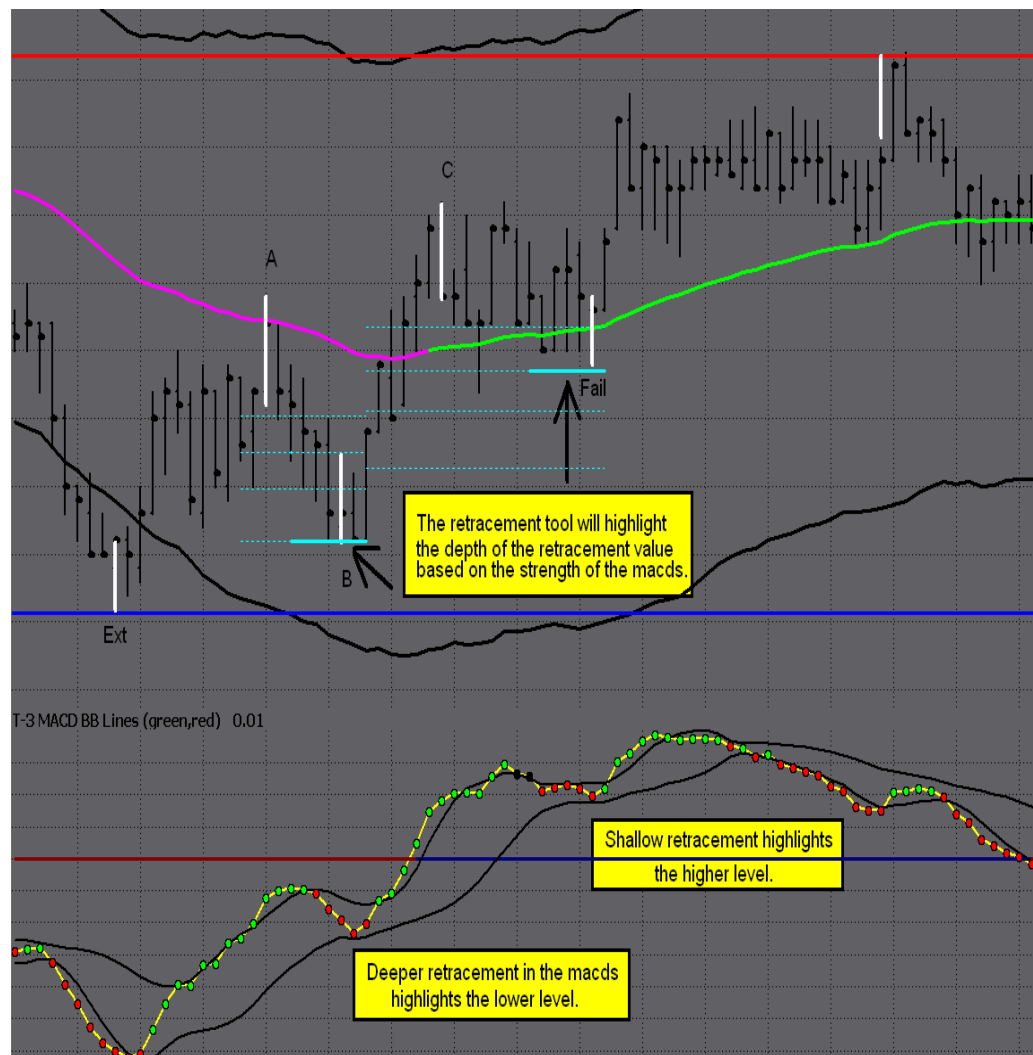
4) Bar Patterns

A. Reversal Bar Pattern

These are the simple rules to recognize a reversal bar pattern.

1. When looking for a reversal bar, price must make a higher high or lower low than the previous bar.

   a. Higher high for a short pattern

   b. Lower low for a long pattern

2. The reversal bar must close inside or better than the prior bar.

   a. Inside or lower for a short pattern

   b. Inside or higher for a long pattern

3. The third bar cannot exceed the reversal bar.

Reversal Bar Short

1. Price must make a higher high.

2. The reversal bar must close inside or lower than the prior bar.

3. The third bar cannot exceed the high of the reversal bar.
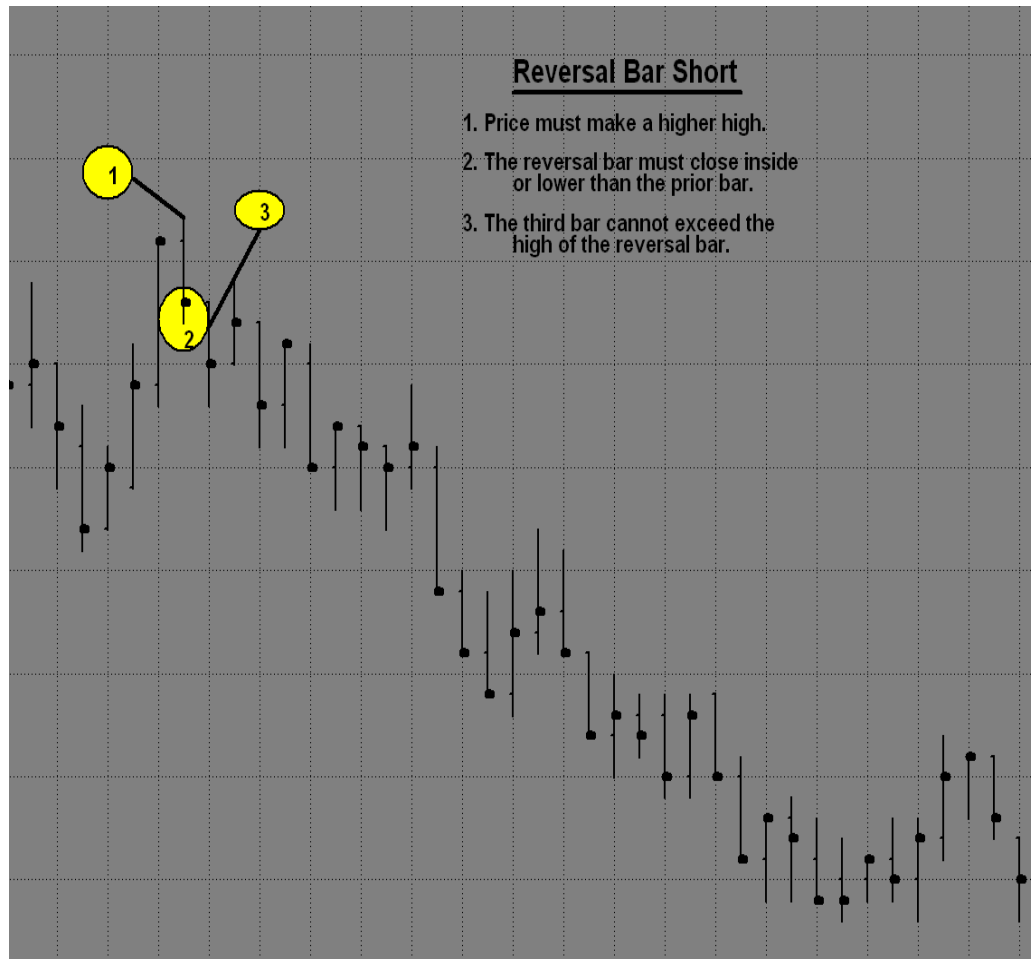
The reversal bar must close inside or better than the prior bar (inside or higher for a long pattern) and the third bar cannot exceed the reversal bar.

Reversal Bar Long

1. Price must make a lower low.

2. The reversal bar must close inside or higher than the prior bar.

3. The third bar cannot exceed the low of the reversal bar.
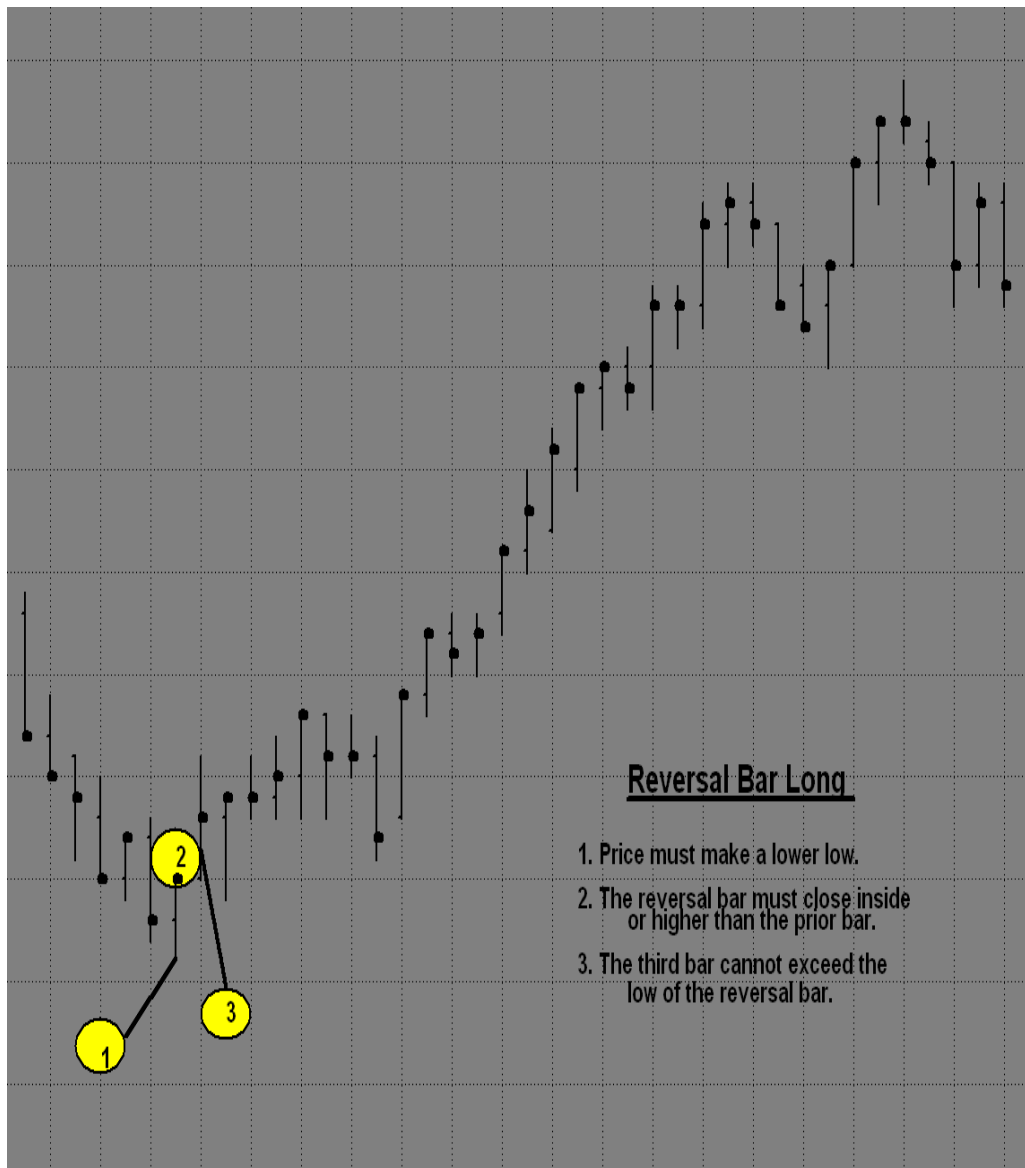
B. Double Bar Reversal Pattern

These are the rules for a double top or a double bottom bar pattern.

1. Bars must have equal highs or equal lows to start this pattern.
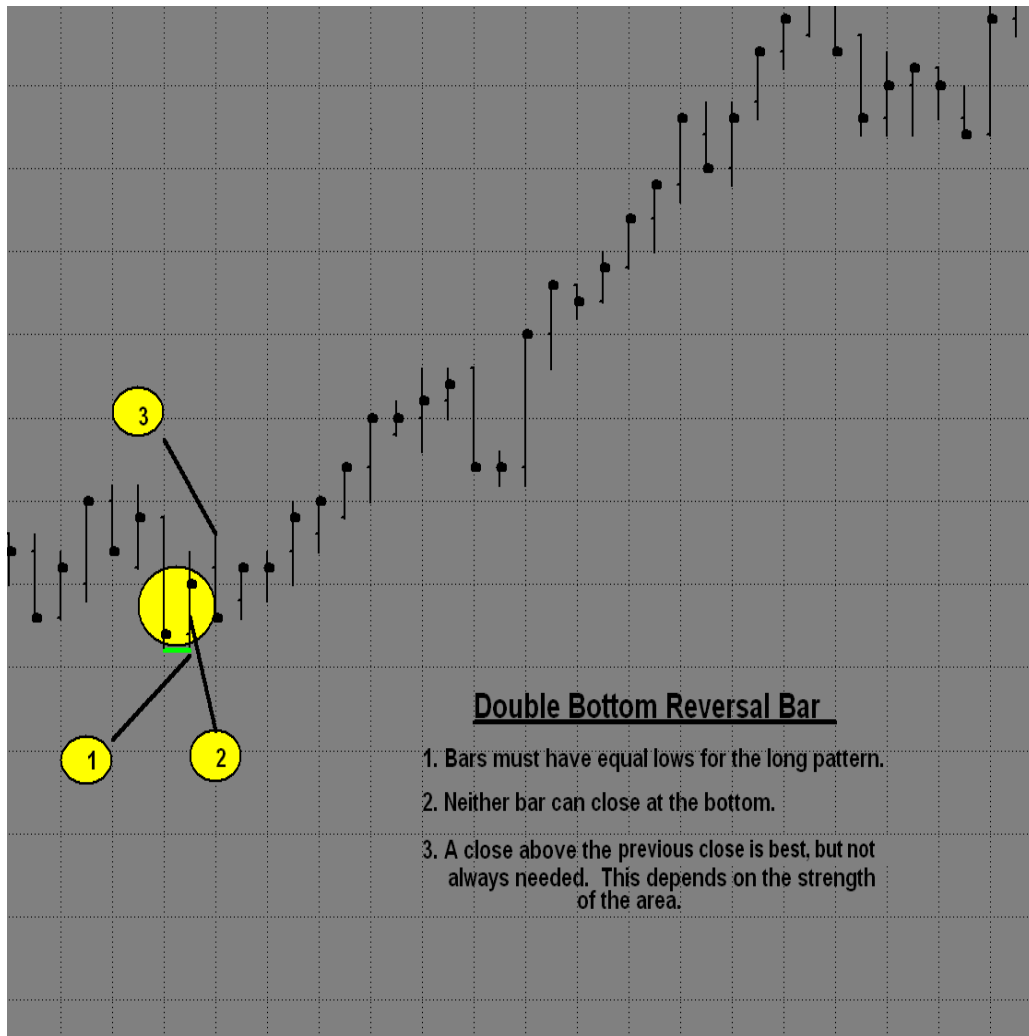
   a. Equal highs for a short pattern

   b. Equal lows for a long pattern

2. Neither bar can close at the top, or the bottom of the bar.

   a. Top of bar for short pattern

   b. Bottom of the bar for long pattern

3. A close that exceeds the prior close is best, but not always needed. It depends on how powerful the area is that you are trading.

Double Bottom Reversal Bar

1. Bars must have equal lows for the long pattern.

2. Neither bar can close at the bottom.

3. A close above the previous close is best, but not always needed. This depends on the strength of the area.

Bars must have equal highs to start this double top pattern. Neither bar can close at the top, or the bottom of the bar. A close that exceeds the prior close is best, but not always needed. It depends on how powerful the area is that you are trading.

Double Top Reversal Bar

1. Bars must have equal highs for the short pattern.

2. Neither bar can close at the top.

3. A close below the previous close is best, but not always needed. This depends on the strength of the the area.
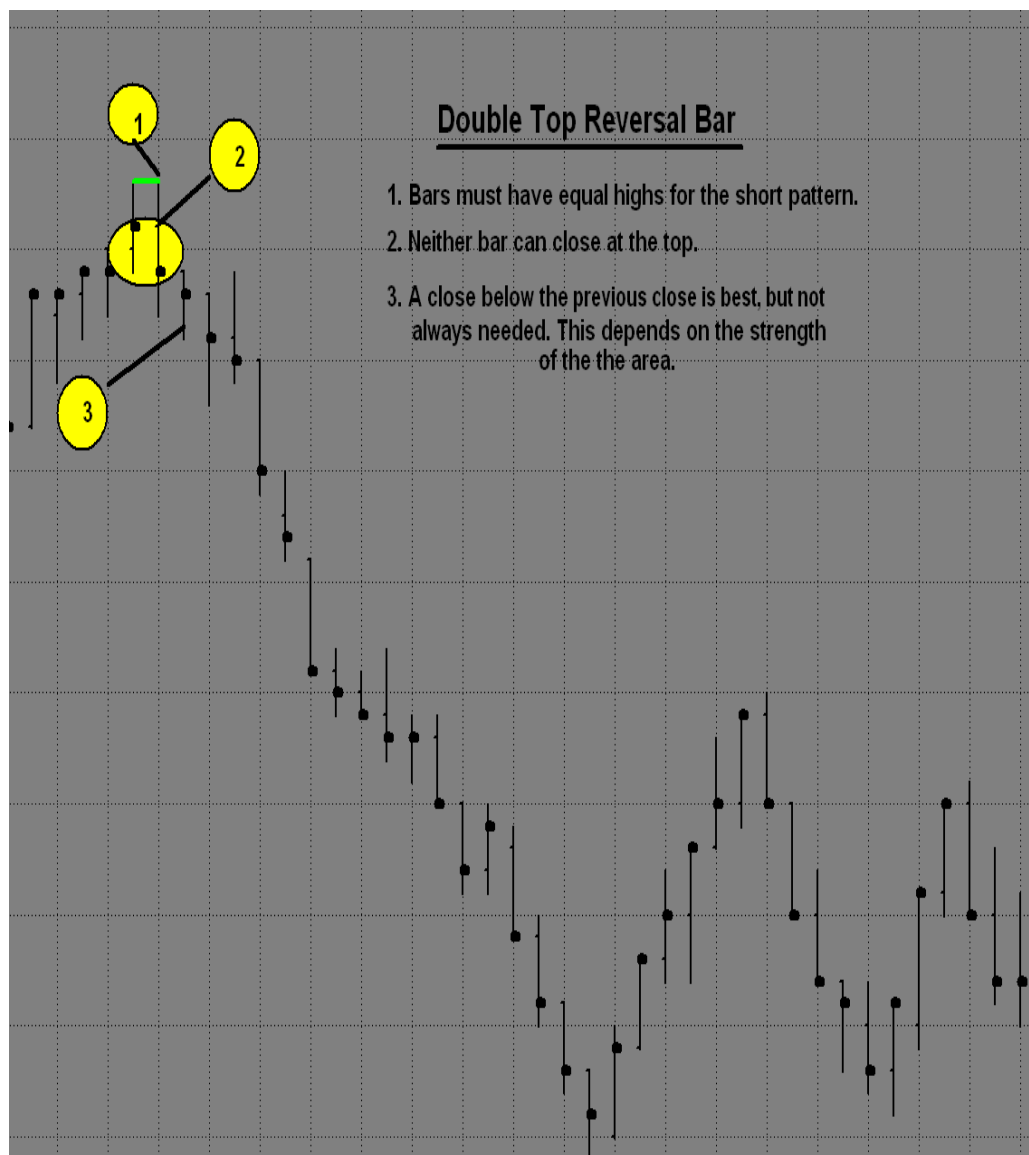
5) **Multiple Time Frame Use**

A. **Large Chart Area and Direction** -The key for a major turn in the market is the larger chart's area and direction.

B. **Multiple Time Frame Agreement** - For the highest winning percentage, it is essential for both the large and small charts to have:

      i. Multiple areas within the same price range

      ii. Price action weakening or on the trade side of the small triggers.

C. **Entry and Exit Assessment** -To assess the potential of the areas to hold or break, on the higher time frame, evaluate the strength of the triggers and Macd BB Lines. For additional fine-tuning of entries and exits, look to the small or medium charts.

D. **Area to Trade** - ONLY trade from an area that is anticipated to hold.

6) <u>Entry Setups</u>

A. **Reversals**

1. The areas on the larger chart must be anticipated to hold.
2. The entry chart must have a key area.
3. The Macd BB trend must change on the entry chart before entering a trade. This is to be most conservative, while avoiding several losses at the area. Divergence is the ONLY EXCEPTION to this rule.
4. Once the Macd BB trend changes, or Divergence occurs, on the smaller time frame, look for an entry at your area using the bar reversal pattern.
5. The stop will be placed a couple ticks beyond the reversal bar.
6. The Larger Time Frame will dictate your targets
7. Using the strength of the Macds, on the Larger Time Frame, we may anticipate the Smaller Time Frame areas to break, for continuation to the next area on the Large Time Frame.

8. Once reaching Multiple Time Frame Resistance, a conservative exit is available, once having Divergence at that area, on the Smaller Time Frame.

B. **Trend Trades**
1. There must be room to the next key area.
2. This trade must be at the midband.
3. This must be in the direction of the Larger Time Frame.
4. A reversal bar pattern is necessary for the entry.
5. The stop must be placed a few ticks beyond the reversal bar.
6. If the Macd BB Lines are well beyond the Zero Line then a reversal at midband is taken. If close to the Zero Line, a weakening of the Macd BB Lines will be preferred, showing the potential for a Zero Line Rejection.
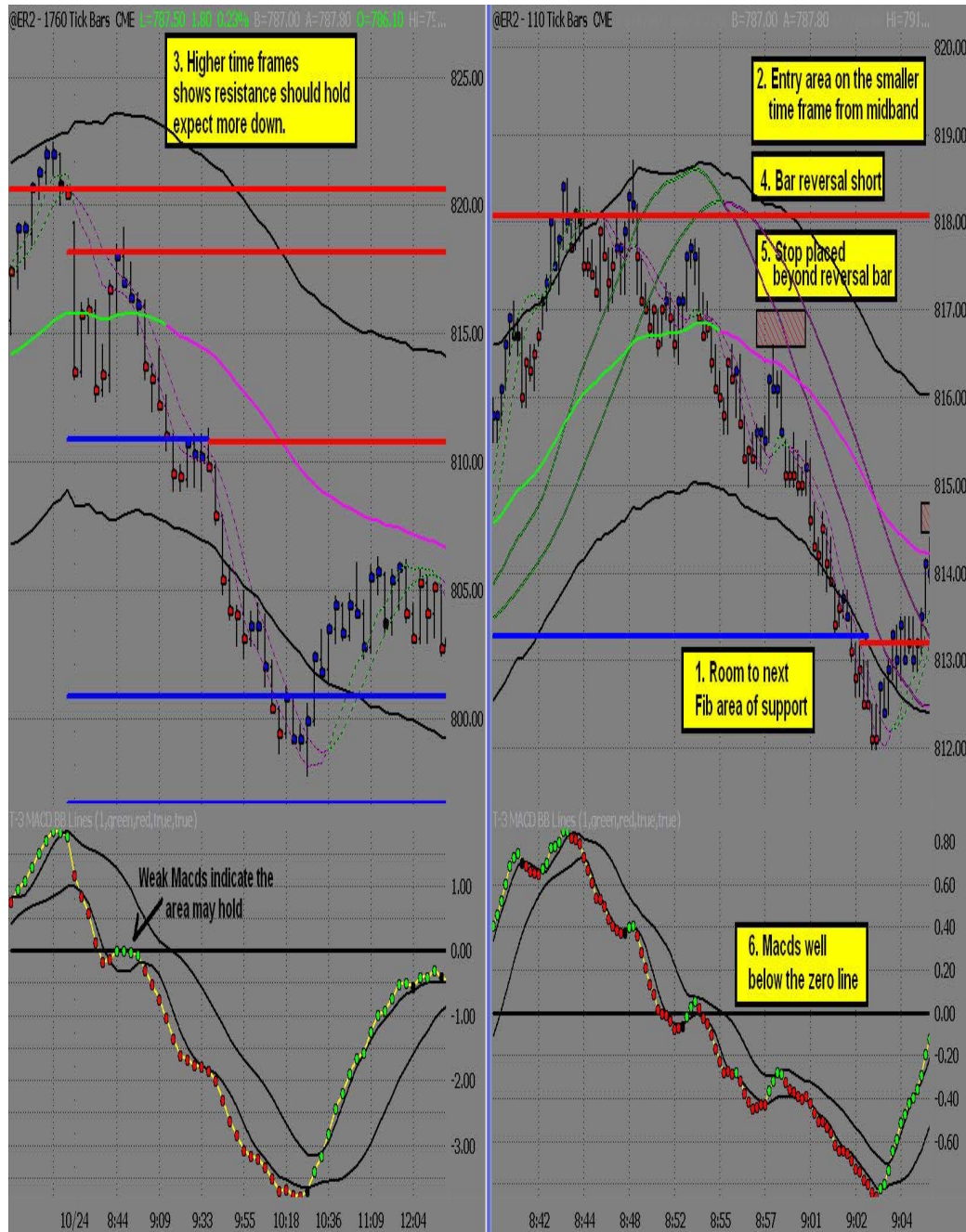
This example shows continuation with a second Trend Trade, and is supported by the Larger Time Frame.
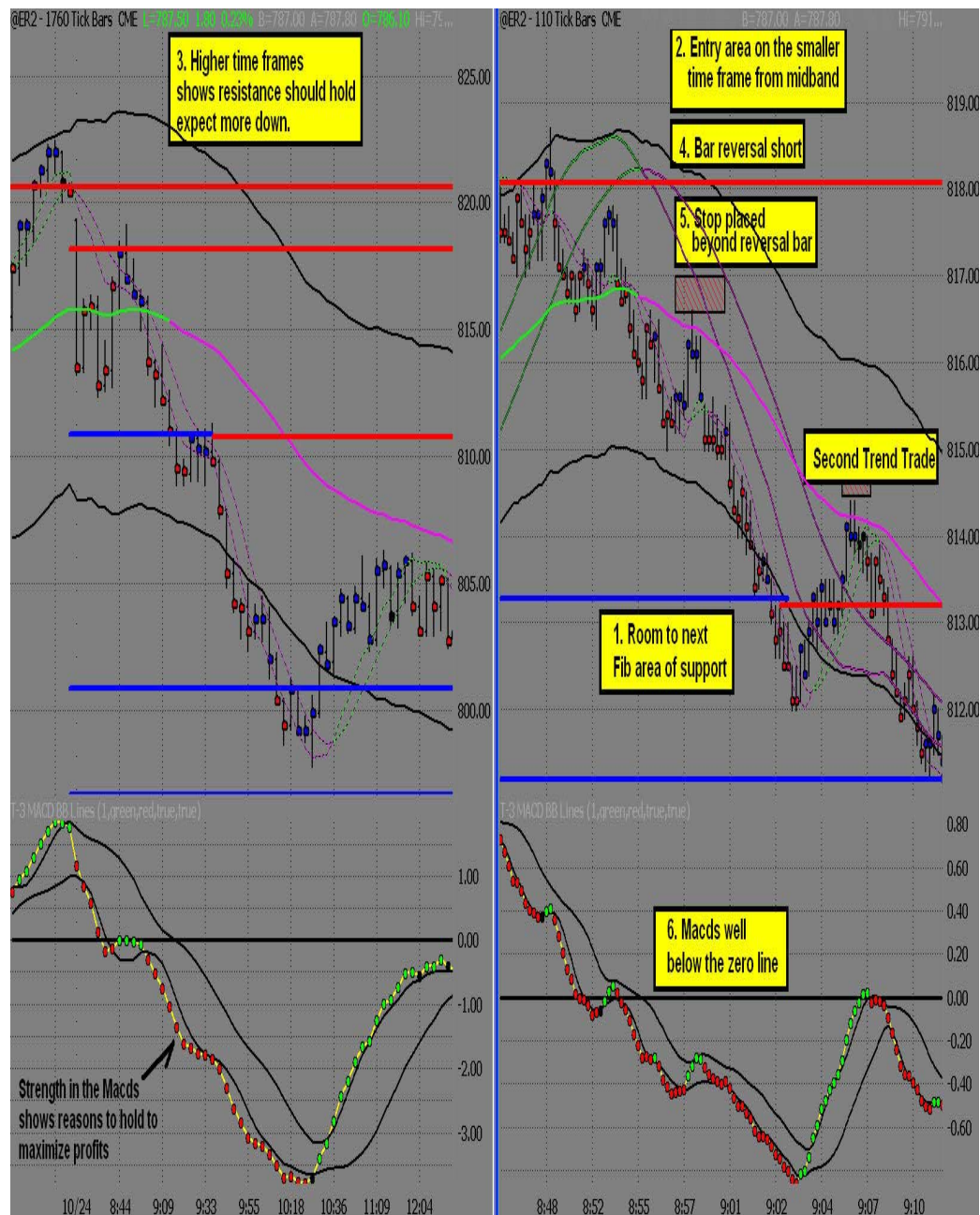
7) <u>Targets and Stops</u>

    A. **Target Areas**- Targets are established by the higher timeframes, unless the area on the smaller chart shows the potential to hold. Think Fib to Fib as your target.

    B. **Trailing Stops-** Stops are to be trailed behind each new buy or sell signal, after at least a 38% Retracement in the price.

8) <u>Position Trading</u>

The T-3 Fibs ProTrader software with fully automated levels of support and resistance offers position traders an excellent tool to identify entries and exits. The same trade setups used to day trade various markets can be utilized to position trade based on larger charts, usually a daily chart. For traders who do not want to day trade or simply do not have the time, this can be a great way to invest.

The following three examples will show what to look for using daily charts and the ProTrader software on several different markets but keep in mind the concepts apply to any market. The three examples will be:

1. A reversal off Fibonacci resistance without divergence.

2. A reversal off Fibonacci resistance with divergence.

3. A trend trade short from the midband.

A. Corn Reversal Trade Without Divergence

Prior to the trade, the market is trending strongly to the upside. Looking for a reversal off Fibonacci resistance, we need a strong macd reaction down to initiate a short trade. The strong macd reaction, characterized by spacing between the macd's and a sharp, downward angle, will show the high probability for a reversal off of daily resistance.

You will notice that a strong macd reaction occurs from daily resistance with the market moving below the small triggers causing them to roll down. At this point, we are looking for three things; a pull back to the small triggers, very little or no retracement of the macd's, and a reversal bar pattern. It is important to recognize the lack of retracement in the macd's because this is retracement divergence, showing the small triggers are anticipated to hold for the entry into a short position. When these conditions are met, place the trade with a stop above the high of the reversal bar.

Once in the trade, the macd's and Fibonacci support will decide our target/exit. We will remain in a short position until reaching an area of Fibonacci support anticipated to hold. You will notice that the market moves through three levels of support during the move down. Until the macd's react to an area of support, there is no reason to exit the trade. Notice how the macd's are strong down and off the bottom bollinger band, showing strength to the downside. The macd's do not show weakness until reaching the bottom outer band and support. At this point the macd trend changes up showing potential for support to hold. As the market pulls back towards the low and support, the macd's are leading higher showing retracement divergence and exit conditions are present.

## 1. A reversal off Fibonacci resistance without divergence.
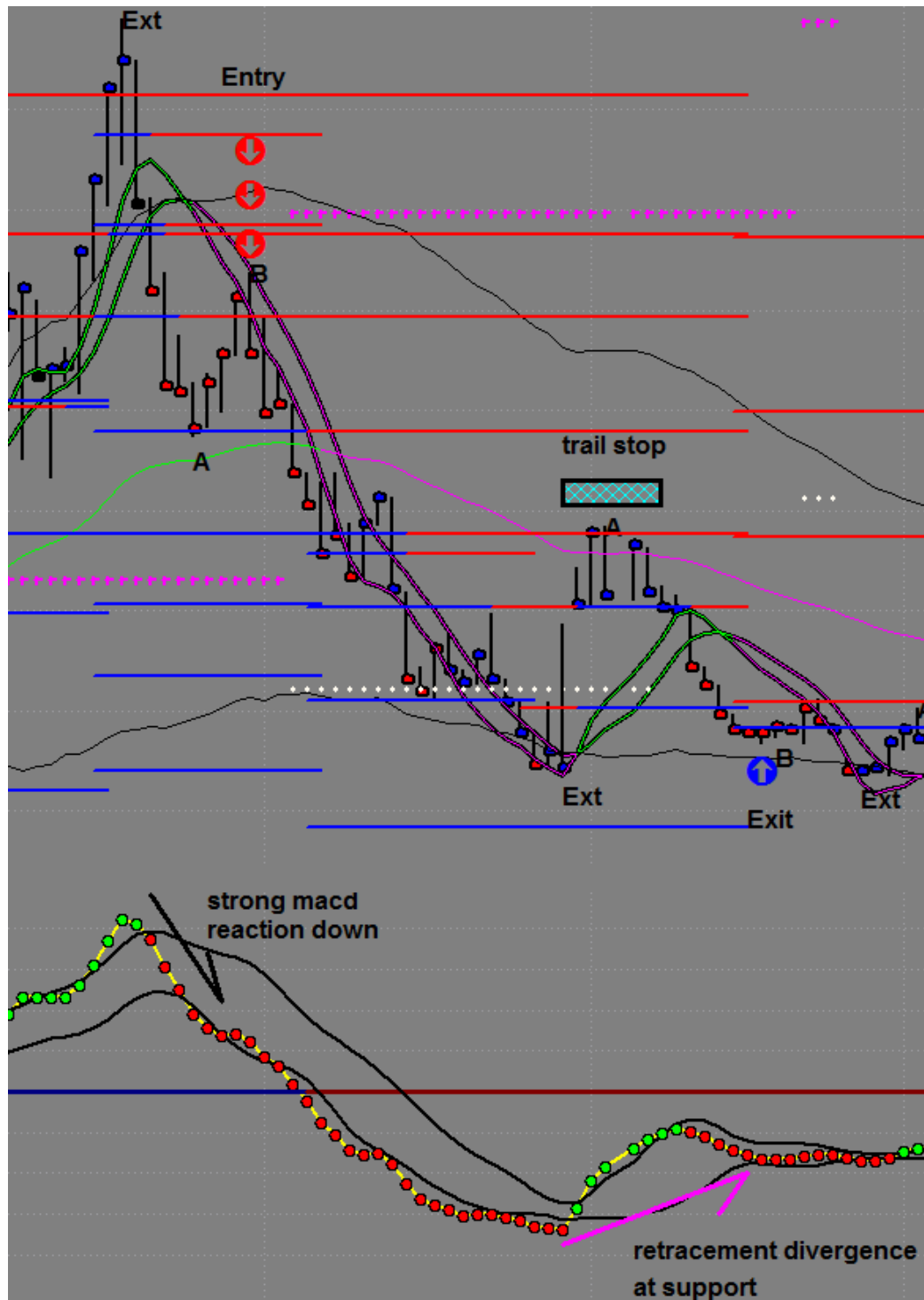
B. Gold Reversal Trade With Divergence

The reversal trade using divergence is a method allowing the trader to get an entry close to the high or low and maximize profit potential. This trade setup begins in late February with a strong macd reaction to Fibonacci resistance. Over the next two months, the price of gold pushes down and then retraces back to the highs in late April. As the price of gold equals the previous highs, the macd's are leading lower at resistance, showing divergence. Divergence at resistance shows the potential for the resistance to hold and the setup for a short trade is almost complete. The last piece of the puzzle will be a reversal bar pattern for entry. Notice the dual bar at the highs with a close inside the small triggers for entry. The stop will be placed above the high of the dual bar.

Once in the trade, think fib to fib as your target. Along the way, it is important to trail the stop to lock in profit. In order to trail the stop, the market must make <u>at least</u> a 38.2% retracement and put in a new sell signal (reversal bar pattern), allowing the trader to trail the stop three times (see chart) on the way to the eventual target of support at the 668 level. The exit is warranted at this level as support is reached and the macd's have lost strength to the downside.

## 2. A reversal off Fibonacci resistance with divergence.
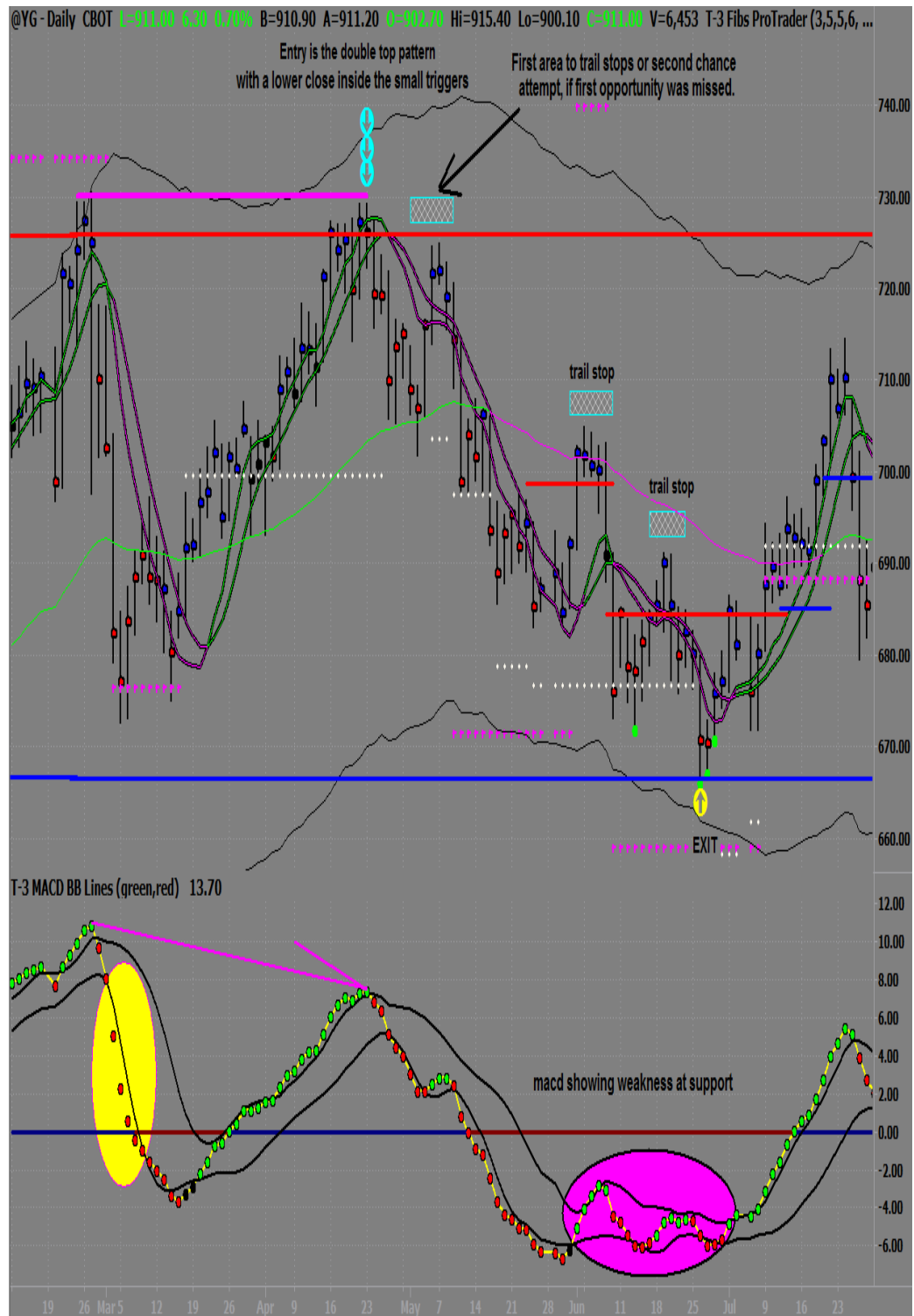
C. British Pound Trend Trade Short

The trend trade allows the trader to look for continuation from the mid band of an existing trend. In this example, shorting the British pound futures is the correct trade because the trend is down (notice the lower highs and lower lows) from Fibonacci resistance at the 2.1100 level. This level of resistance starts the setup for the trade although the trend trade occurs a month later. The strong Macd reaction down off resistance shows potential for a reversal, which eventually pushes the market through the mid band and zero line.

Once these conditions are in place, look for a retracement to the mid band area and a reversal bar. The Macds are well below the zero line showing strong potential for the mid band to hold and give continuation down. Also notice the complete lack of Macd reaction to the 2.0370 level of support, which gives the trader the ability to anticipate further downward movement. This concept holds true as the trade progresses through the 2.0000 support level and the 1.9700 support level. When the macd's do not react to a level of support, do not anticipate the support to hold.

It is important to trail the stop to lock in profit. When looking to trail the stop, the market must make at least a 38.2% retracement and put in a new sell signal (reversal bar pattern), allowing the trader to trail the stop three times on the way to the exit. Exit conditions are present when the Macd trend changes and potential for divergence is present at the bottom outer band.

3. A trend trade short from the midband.
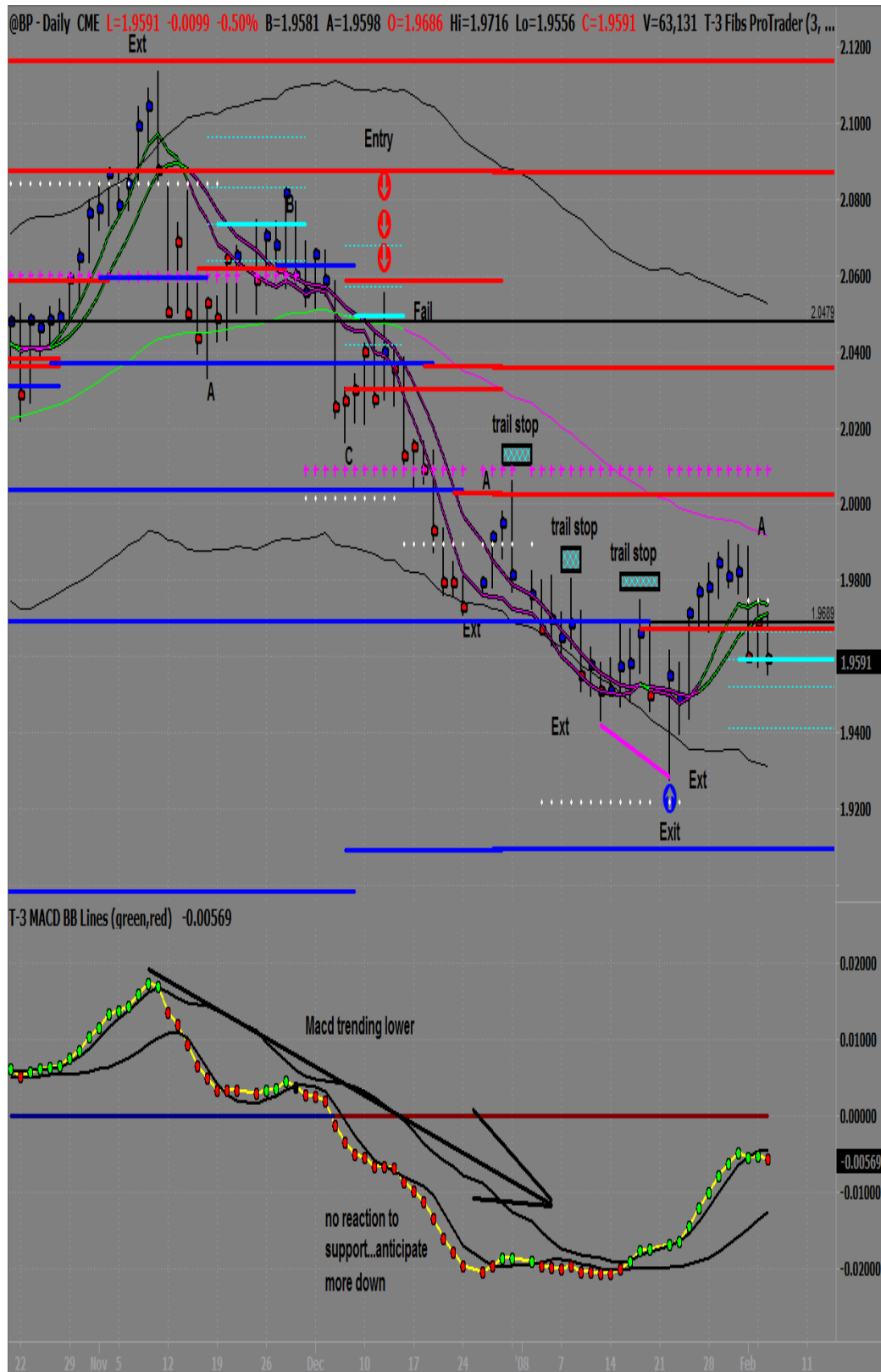
9) <u>Trade Setup Checklist</u>

Have you reached an area on the large chart?

Is that area on the large chart anticipated to hold?

Is there an area on the smaller chart for entry?

Is there weakening of the Macd BB Lines, Divergence, or a trend change on the smaller chart?

Is there a price pattern for entry on the smaller chart?

Is the entry with or against the strength of my small triggers (Large Chart)?

Do I know where the higher time frame target area is?

Enjoy the trade!

Overtrading at an area, that is expected to hold, is a common problem. Some traders take a few small losses, only to watch the winner continue without them.

There are a few simple rules that can help to fix this problem. We will share these rules, but there are compromises you must accept first.

You must accept that:

You, as a trader, will miss a FEW of the moves that you had anticipated.

You, if taking the proper trades as dictated by the software, WILL ALSO MISS most of the losers you never saw coming

You WILL CATCH most of the major moves, in a given time period, with the HIGHEST degree of accuracy and profitability.

You will not worry about the ones you missed, because the ones you caught will make up for every bit of money needed for your efforts.

I ACCEPT: _____ sign here!

Now that you have been enlightened, you will notice EVERY reversal bar there is on your chart, and there are hundreds. Picking the "right " one is the hard part. Once you can spot the proper bar to trade, everything becomes a matter of pulling the trigger. It will become second nature with screen time and practice.

10) GLOSSARY

AREA = Lines on the chart that can create a bounce.

BAR PATTERNS = helps to pinpoint entries and exits.

BEARISH DIVERGENCE = Equal to higher price pivots, and lower Macd Pivots, and runs at the top of the price.

BOB = Break out Bar, or the first full bar not touching the area on the opposite side of the area.

BOLLINGER BANDS = Standard deviation of a Macd.

BULLISH DIVERGENCE = Equal to lower price pivots, and higher Macd Pivots, and runs at the bottom of the price.

COB = Confirmation of a Breakout, or the first close completely beyond the high/low of the BOB.

DIVERGENCE = A difference or a disagreement between prices and Macds. The job of divergence is to change the entire trend of the market.

EXT = An "extreme" pivot that happens at or beyond the outer bands.

FIBONACCI = Areas of support and resistance where a bounce and potential reversal can be anticipated.

FIBONACCI AREA/MIDBAND BREAKING = When there is a BOB/COB of the area, and that area changes colors.

FTP = Floor Trader Pivot, shown as the dotted lines on the minute charts.

KEY AREA = An area for a bounce.

LARGE TRIGGERS = Represent the overall trend of the market.

LONG = Taking a trade in anticipation of the market going up.

MACD BB LINES = Green, red, and white dots are the Macd calculations.

MACD BB SLIDE = A sliding along the Bollinger Band will assist in judging the continuation of the current trend.

MACD BB TREND = When the Macd BBs cross the upper Bollinger Band, the Macd Trend is up. When the Macd BBs cross the lower Bollinger Band, the Macd Trend is down.

MACDS = Stands for moving average, convergence, divergence.

ONE TO ONES = Useful as intermediate support or resistance.

RETRACEMENT DIVERGENCE = At key areas when there is less than a 38% retracement in the Macds and at least a 50% retracement in the price.

REVERSAL TRADE = A trade taken when the market is expected to reverse.

SHORT = Taking a trade in anticipation of the market going down.

SMALL TRIGGERS = Represent the short-term expected outcome of the market.

STOPS = Protection if the market goes against a trade.

SUPER DIVERGENCE = A regular divergence where the Macds never violate the opposite Bollinger Band.

TARGETS = Area for potential positive exit.

TREND BANDS = A channel for the market, also known as the Keltner Channel.

TREND TRADES = A trade taken when the trend is expected to continue.

ZERO LINE = The straight line that runs horizontally through the Macd BB's and Bollinger Bands with a value of 0.00.

ZLR = Zero Line Rejection, or a bounce off of the zero line.

T-3 Fibs
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