

2013 JDNeeman's Trading Rules

1. Look for the **MACRO TONE** of the market, is this up or down?
2. Wait the market Open; wait the first five minutes to see the **Opening range**.
3. **Wait at least 20 minutes after market open**, this will help you spot the swing high and low of this period and this will be used to draw the Fibonacci retracement and extensions.
4. Look for any confluence and support/resistance, pivots or institutional levels.
5. Your candle patterns will be **Doji, Hammer and spinning top ONLY!**
6. Look for price reversals at the 50%, 61.80% and 78.6% ONLY! Your favorite will be 61.8% (the Mean), but if momentum is strong look for retracements at 38.2% and 50%.

How to use the Fibonacci Retracement Tool

(JDNeeman's personal use and view)

The first: the impulse of the market is up or down?

I want to clearly see the impulse; this is an almost vertical move of the price going through the WMA or SMA and establishing an immediate new high or low.

The second: what I want to see is: where is the Stochastic? is this overbought (>80) or oversold (<20), this can be in your 89 tick chart, 233 tick chart or your 1 or 5 minute chart.

The third: I want to see is: where is the price related the 200 WMA, is this above the 200 WMA or below.

The Panoramic view:

Well this will be the base for the trigger, how? I want to see an impulse of the market in the example image you see the market is moving higher, and has established a new high then the price started the retrace see (#1 in the image 1) now in the image I look where the swing high and low are plotted by the swing indicator see (#2 in the image 1), next thing I look for, is the Stochastic, in the example you see the Stochastic being overbought and going south (#3 in the image 1), at this point I start to draw my Fibonacci levels, since the impulse was LONG, I look for Buying opportunities, **I draw the fib levels from bottom to top when I'm looking to buy, and from top to bottom when I'm looking to sell.**



Image 1

The trigger:

The trigger is used after you have checked all the variables mentioned above, using our example above let's go through the logic,

Impulse? Up

Stochastic? Overbought

Price above or Below 200 WMA? Above

This is telling us to look for buying opportunities (the contrary for selling opportunities), so we look for our entry zone:

The entry Zone is found using the Fib tool, I will take the immediate swing low as my base and will start drawing from this low, up to the most recent new high, (#1 in the Image 2), and now that we have the levels our entry zone will be between 38.2% down to 61.8%, we want to get filled at the best position, so I normally place a pending order at the lowest level, in this case would be 61.80% (1690.00) **but the key here is:** Look at the Stochastic it MUST BE OVERSOLD if you want to go long (Overbought if you are going short), (#3 in the image 2)

You want to go with the smart guys and big money, let's go back to our example, we have established the entry zone and pending order level, Now let's see the market in action, price came to the 38.2% (#2 in the Image 2) and then started to go back up; you take your pending up to this level or you get in manually here.

Your stop loss should be a hard 15 tick stop loss or the 78.6% level and you could trigger your pending following price movement and the levels as they are broken by the price on its way up or down, The target could be the negative numbers in the fib tool (-27.20%, -61.80%) or the symmetry lines (blue in the image)

Well this is how I use the fib tool, I hope this help someone on the trading journey we are.

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Don't be afraid to try something new. The ark was built by amateurs, and the Titanic was built by experts! -Anonymous