



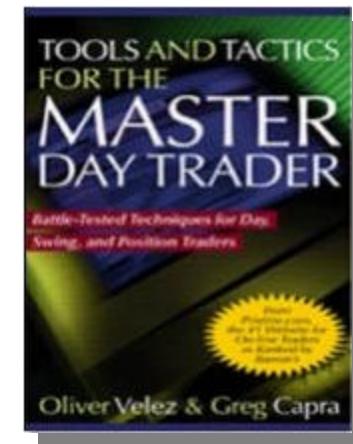
Pristine.com Presents

# *Intra-Day Trading Techniques*



*With*

*Greg Capra*



*Co-Founder of Pristine.com, and Co-Author of the best selling book, Tools and Tactics for the Master Day Trader*

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# Table of Contents

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Combining Foundation and  
Key Concepts for Mastering  
Intra-day Trading



## Introduction

*Introduction*



## Four Styles of Trading

# *Types of Trading*

*Four Styles of Trading:* Core; Swing; Guerrilla; Day

*Which fall into....*

*Two Broad Trading Categories:* Wealth; Income



## Two Broad Trading Categories

### Wealth Trading Styles

#### Core Trading

- Weekly Charts
- Weeks to Months

#### Swing Trading

- Daily Charts
- Days to Weeks

### Income Trading Styles

#### Guerrilla Trading™

- Daily, 60 Min. & 30 Min.
- Hours to Days

#### Day Trading

- 5, 15 & 60-Min.
- Minutes to Hours

### **What is Intra-day Trading?**

- 1) A style that covers a holding period of several minutes to hours.
- 2) Three forms of Intra-day Trading: Scalping Momentum Day
- 3) This style of trading has become widely accepted recently.
- 4) Day Traders use 5- & 15-Min. charts to make entries and exits.
- 5) Day Trading is best used on active, highly liquid stocks.
- 6) Day Traders try to capture smaller gains with minimal dollar risk.
- 7) Day Trading is a style of trading that **May not be suitable for ALL!!**



# Psychological Requirements

## *Psychological Trading Requirements*

*Confidence*

*Patience*

*Discipline*

*HOW*

*Subjective analysis must be reduced or eliminated.*

*A systematic objective Method of interpretation is needed.*

*This builds a thought process which builds **Confidence**.*

*Patience*

*Discipline*

*Becomes Your Job!*



The Building Blocks

*Foundation*



## Intra-day Trading Tools

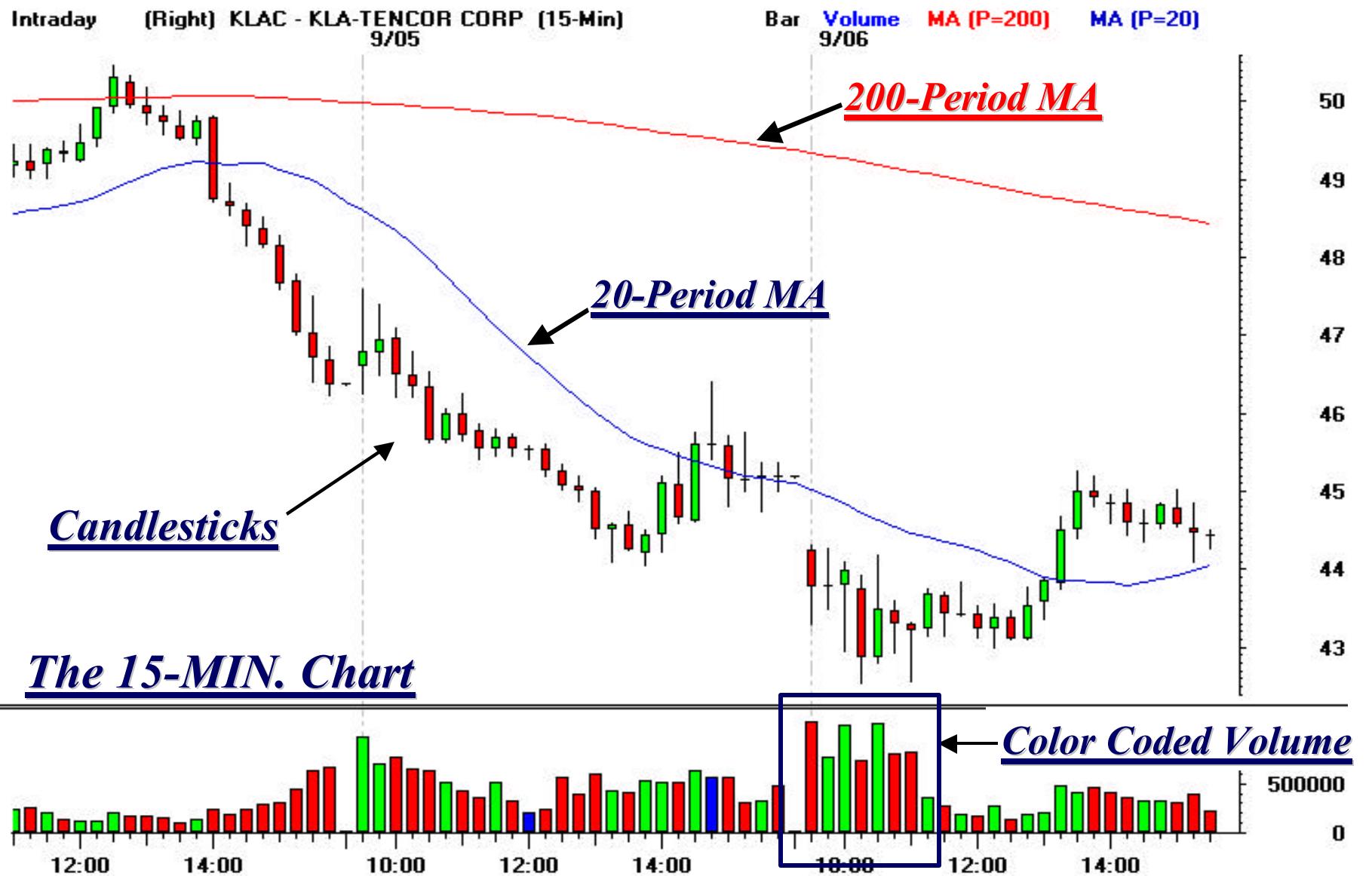
### *Tools of the Pristine Day Trader*

**Charting Tools:** *5-, 15- & 60-Min. Intra-day charts displayed in Candlestick form.  
Color coded volume.*

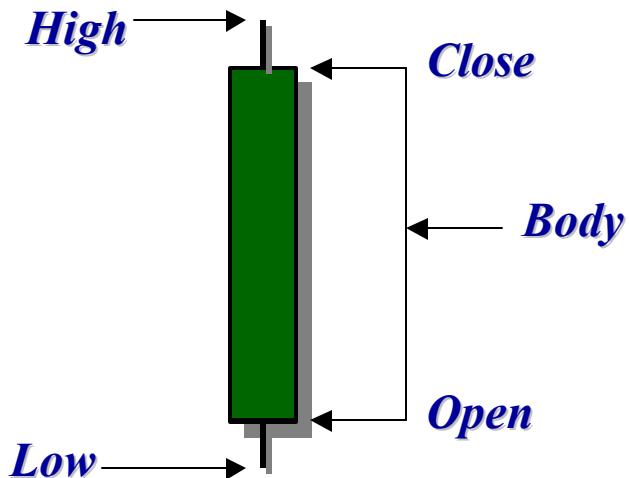
**Technical Tools:** *20- & 200-period ‘simple’ moving averages.*

**A Price Pattern:** *The Pristine Buy & Sell Setup.*

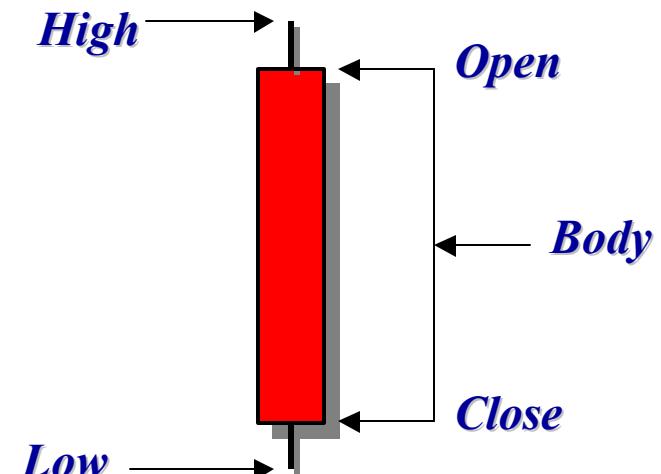
# Intra-day Charting



## Determining Who Won The Battle



**Bulls Win**



**Bears Win**

## Six Candle Concepts

- **Changing of the Guard™ - COG**
- **Wide Range Body - WRB**
- **Narrow Range Body – NR**
- **Narrowing Range Bodies - NRB**
- **Topping Tail - TT**
- **Bottoming Tail - BT**

*All give traders the  
Same Message.*

*The probability of the  
current trend changing  
is increasing.*

*A high probability  
opportunity may  
exist to trade.*

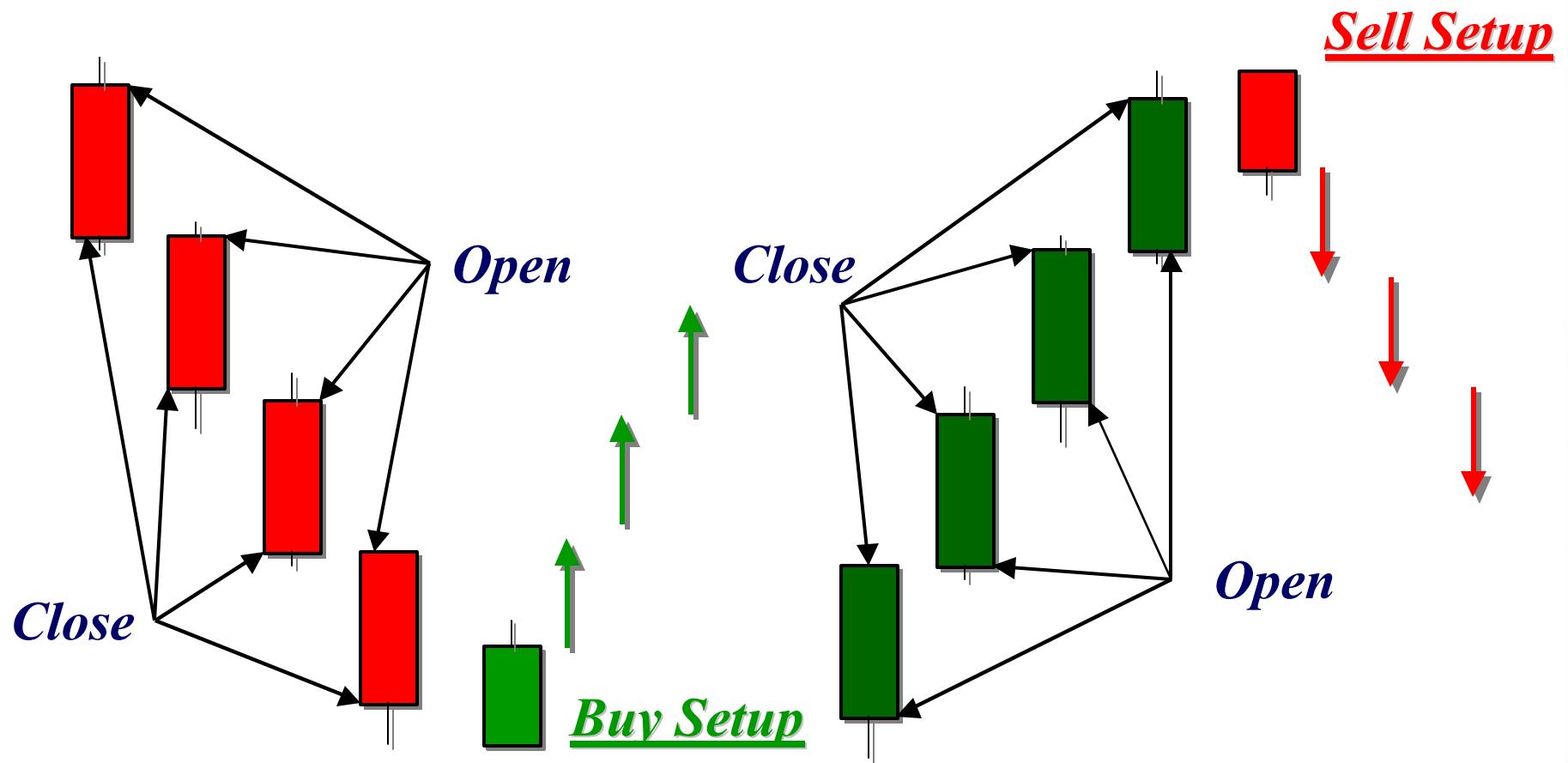
### Pristine Buy & Sell Setup Facts:

- ⌚ *The setup can be traded in all time frames.*
- ⌚ *It is a set of bars that occurs in a detailed formation.*
- ⌚ *This combination of bars is a segment or smaller part of the overall pattern.*
- ⌚ *It offers high probability with low risk.*

# The Pristine Buy and Sell Setup

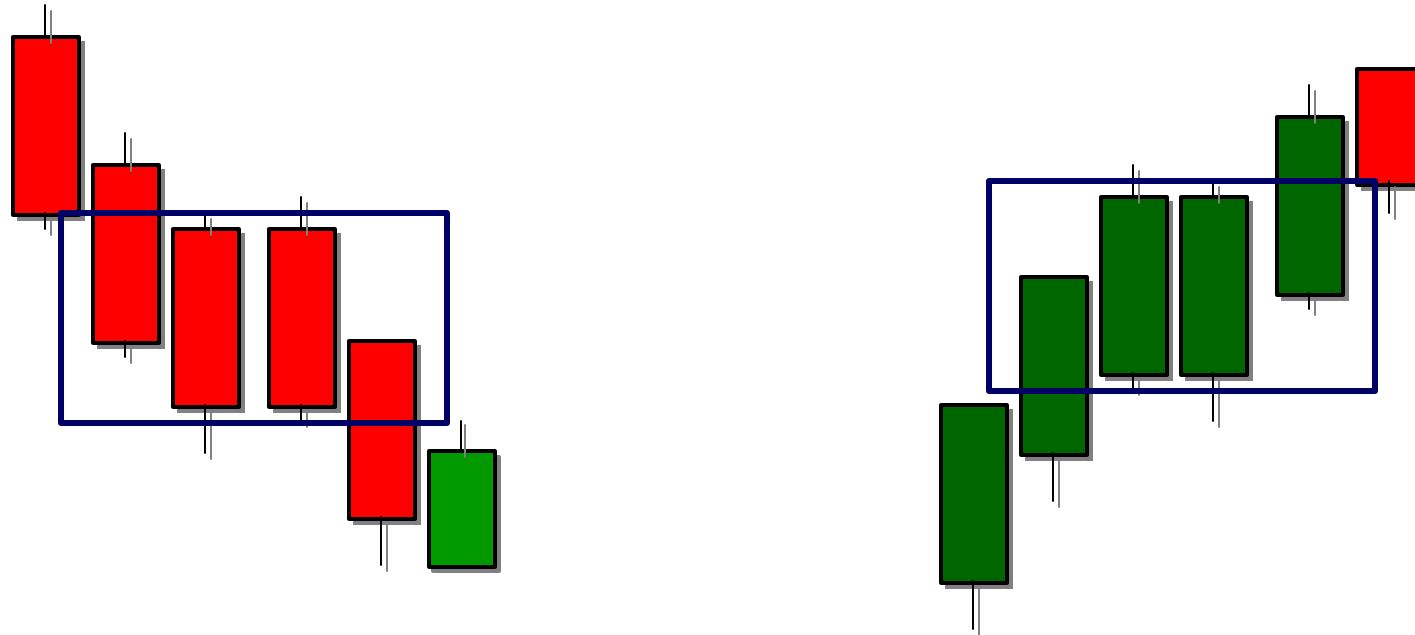
*Each new bar opens in the area of the prior bar's close and also closes above/below its opening price until a reversal of that occurs.*

*The setup is complete after a reversal candle has formed.*



## The Pristine Buy and Sell Setup

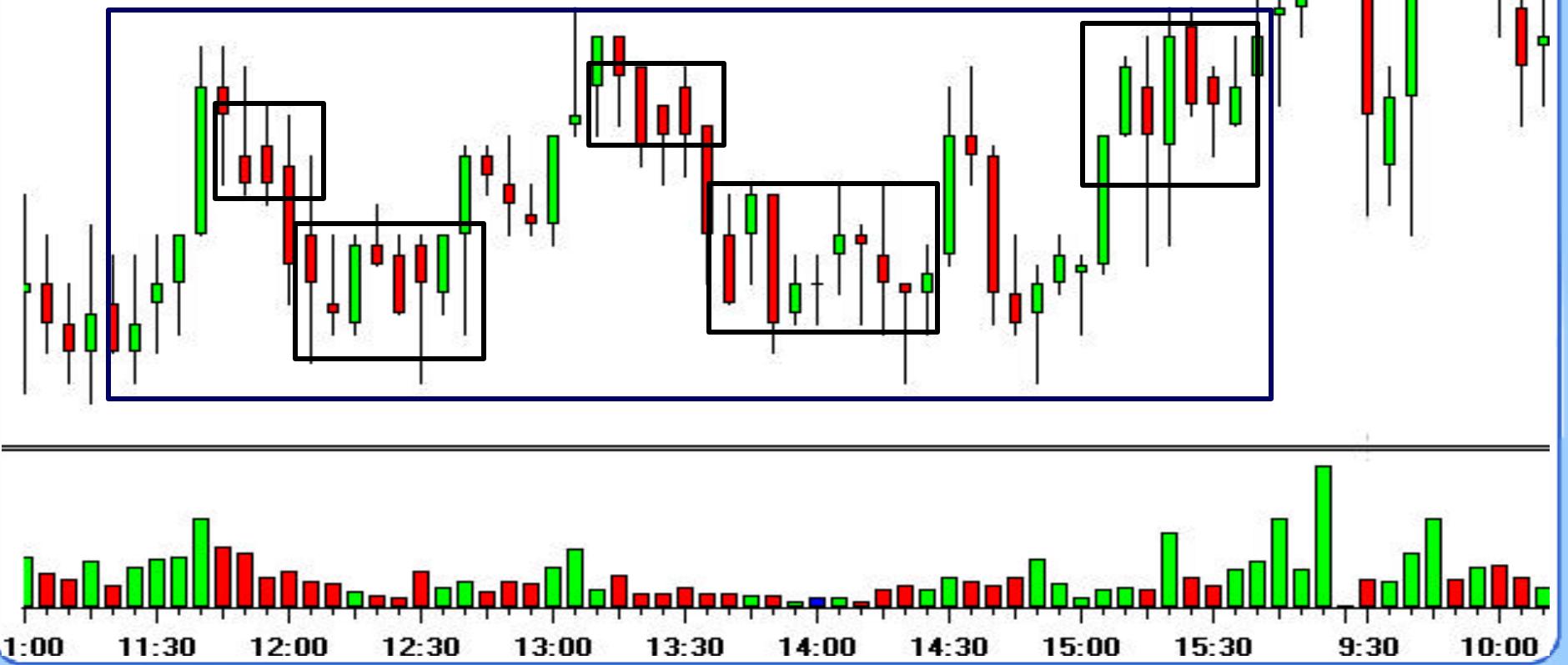
*This is NOT what we are looking for !*



*These bars overlap each other and do not have the predictability we are looking for.*

# Price Pattern Recognition

*Congestion patterns are whippy and unpredictable. Recognized by overlapping candles and multiple failures in both directions.*

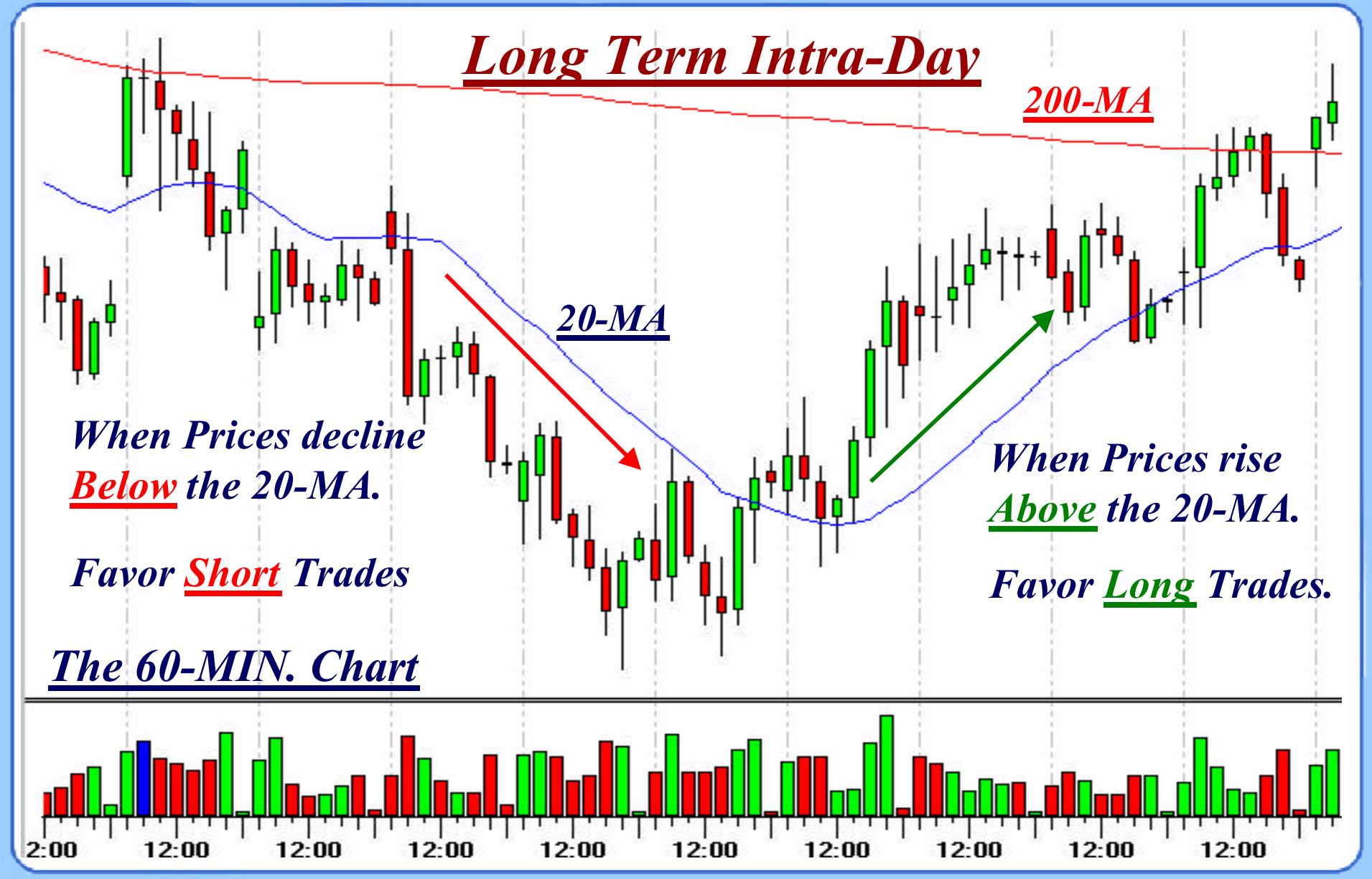


# Moving Average Guidelines

## Simple Moving Averages

- *Long positions are favored when prices are **Above** their 20-MA on a 60-Min. chart. Entry points are found on 5- or 15-Min. charts.*
  
- *Short positions are favored when prices are **Below** their 20-MA on a 60-Min. chart. Entry points are found on 5- or 15-Min charts.*
  
- *Short positions are considered when prices are extended **Above** the 20-MA on a 60-Min. but **Below** their 20-MA on the 5-Min. chart.*
  
- *Long positions are considered when prices are extended **Below** the 20-MA on a 60-Min. but **Above** their 20-MA on the 5-Min. chart.*

# Moving Average Guidelines



# Moving Average Guidelines

*60-Min. Chart*



*5-Min. Chart*





Pristine Key Concepts

# *Candlestick Concepts*

## Candlestick Concepts

- *Ask yourself, “What does the current candle tell you about the prevailing trend?” Note: A trend = 3-5 bars moving in the same direction.*
- *Each candle will give us information that either confirms or contradicts that trend.*
- *Long or Expanding range candles tell us volatility is high or momentum is increasing.*
- *Short or Narrowing range candles tell us volatility is low or momentum is decreasing.*

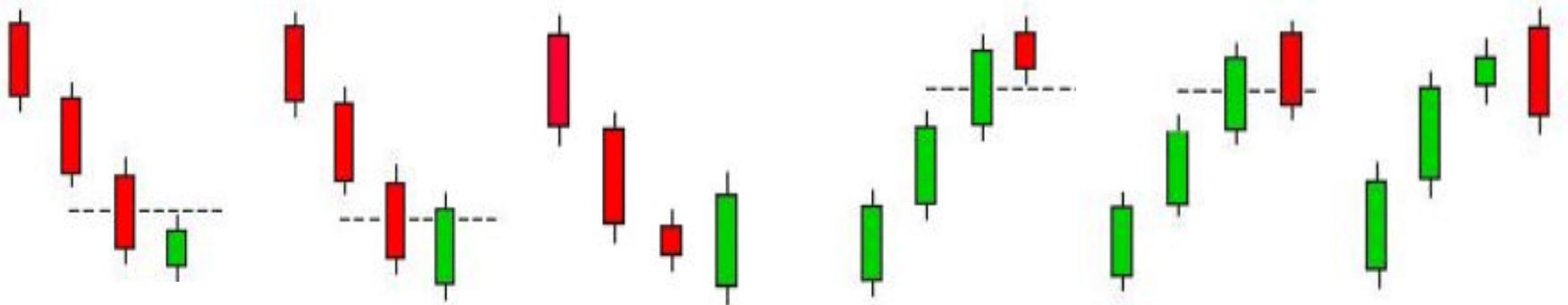
# Candlestick Concepts

## **Changing of the Guard Bar - COG**

A **Bullish COG** is defined as three or more consecutive red bars followed by a green bar.

A **Bearish COG** is defined as three or more consecutive green bars followed by a red bar.

**Pristine Tip:** While there are different variations, the **message is always the same ! A reversal in momentum has occurred!**



**Bullish COGs**

**Bearish COGs**

# Candlestick Concepts

## Narrowing Range Bars - NRB

*A series of bars in which the difference between the highs and lows is Narrowing.*

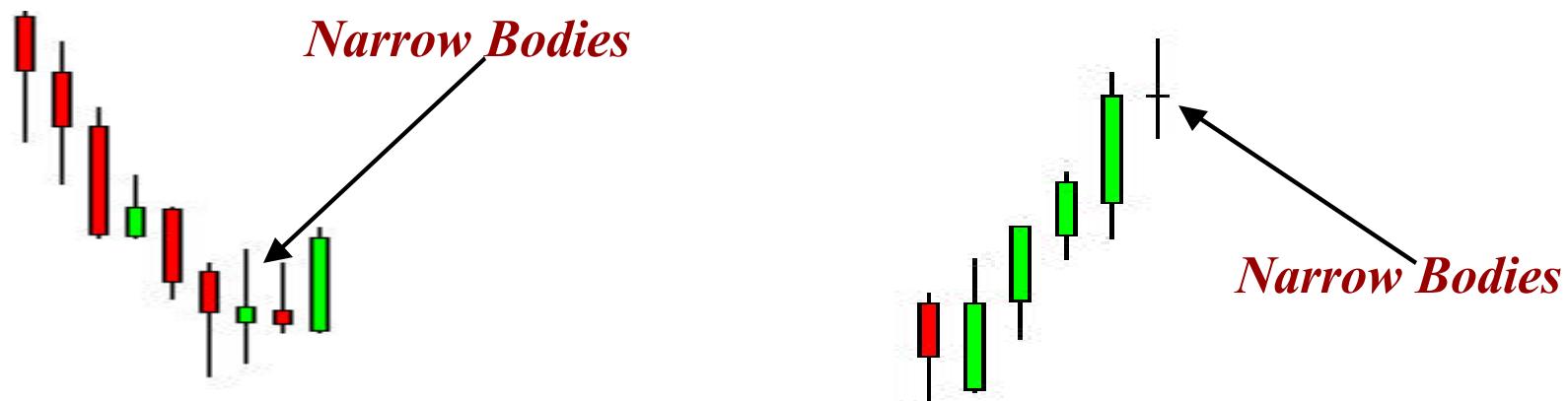
**Pristine Tip:** While there are different variations, the message is always the same ! A slowing in momentum is occurring!



## Narrow Range Bodies - NR

*Bars in which the body of the candle is small relative to the overall length of the candle. They may have Tails on either side of the body.*

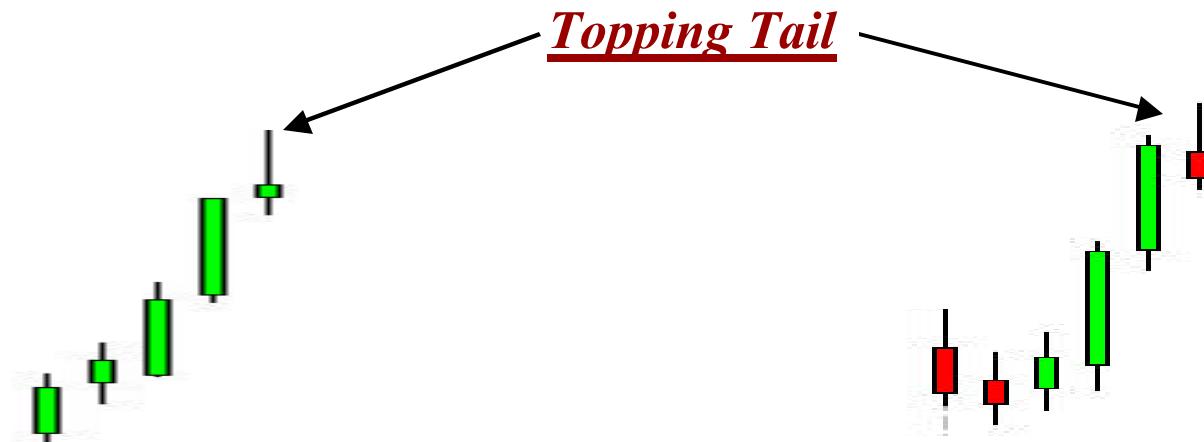
**Pristine Tip:** While there are different variations, the **message** is always the same ! A slowing in momentum **has occurred!**



## Topping Tail Bars - TT

*Bars in which prices had been higher, then supply forced prices lower into the lower part of the bars range.*

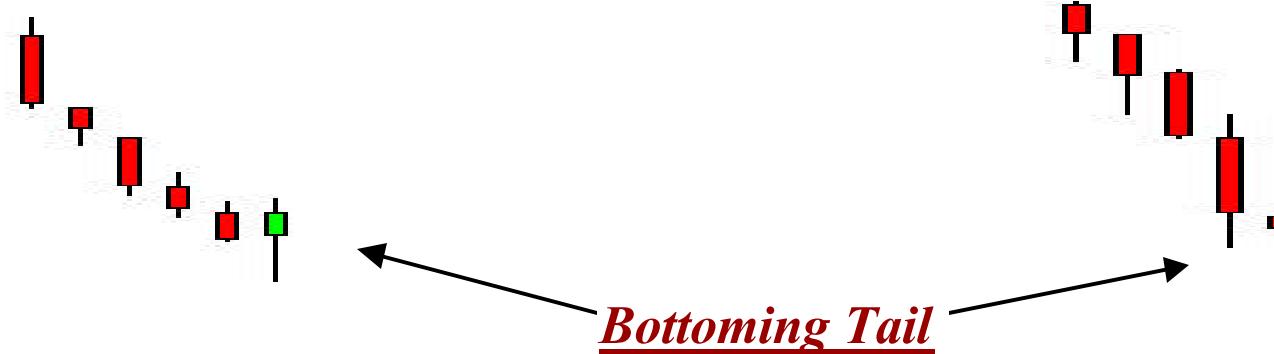
**Pristine Tip:** While there are different variations, the message is always the same ! Distribution has occurred!



## **Bottoming Tail Bars - BT**

*Bars in which prices had been lower, then demand forced prices higher into the upper part of the bars range.*

**Pristine Tip:** While there are different variations, the message is always the same ! Accumulation has occurred!



# Candlestick Concepts

## Wide Range Bar - WRB

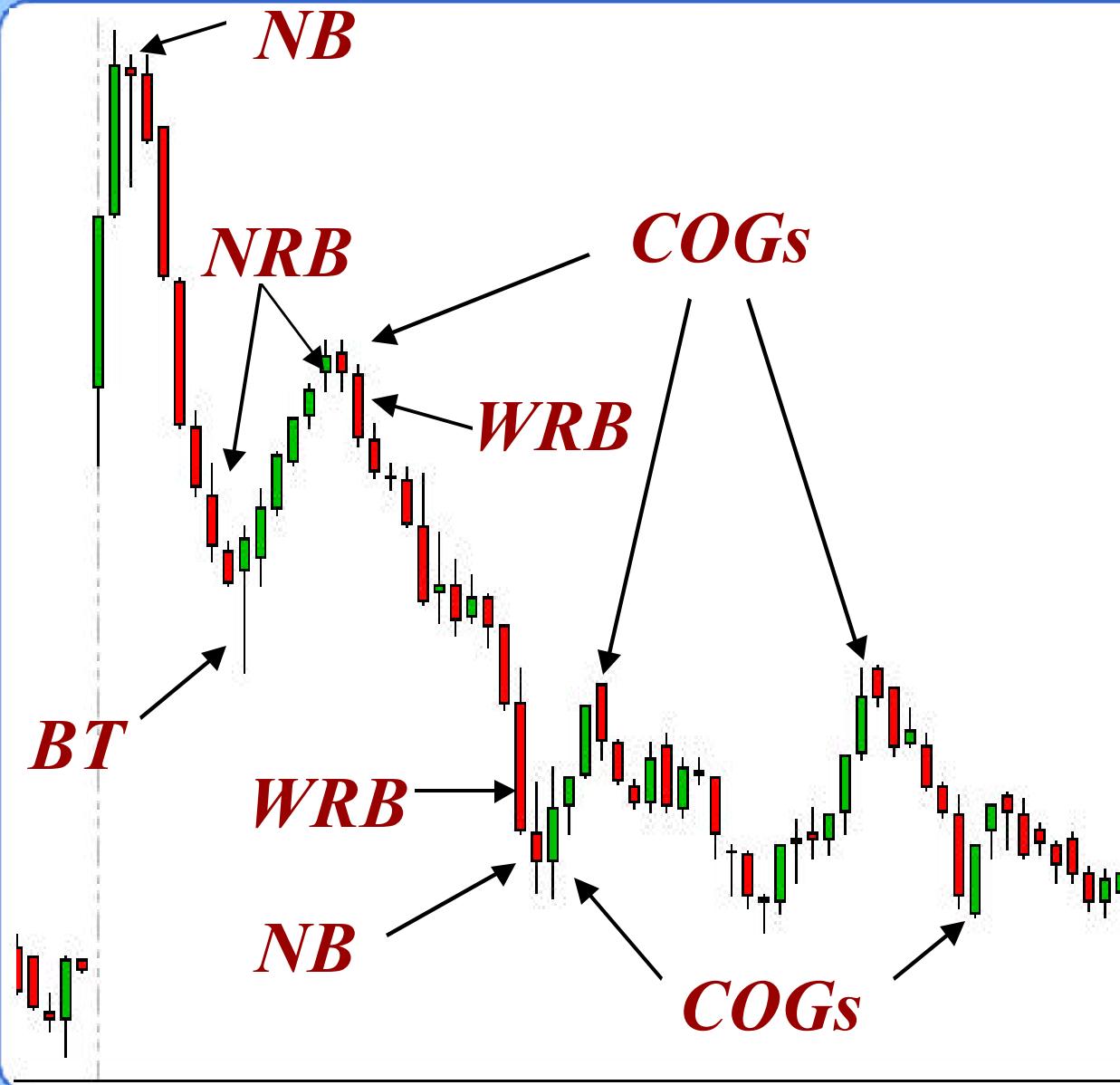
*A Bar in which the Candle Body is relatively wide compared to the most recent bars .*

*A Wide Range Bar after a period low volatility ignites momentum in that direction.*

*A Wide Range Bar after an extended advance or decline typically happens near the end of a move. An **NR** or **NRB** will signal the turn.*



# Candlestick Concepts



## COGs

Dark Cloud Cover

Piercing Pattern

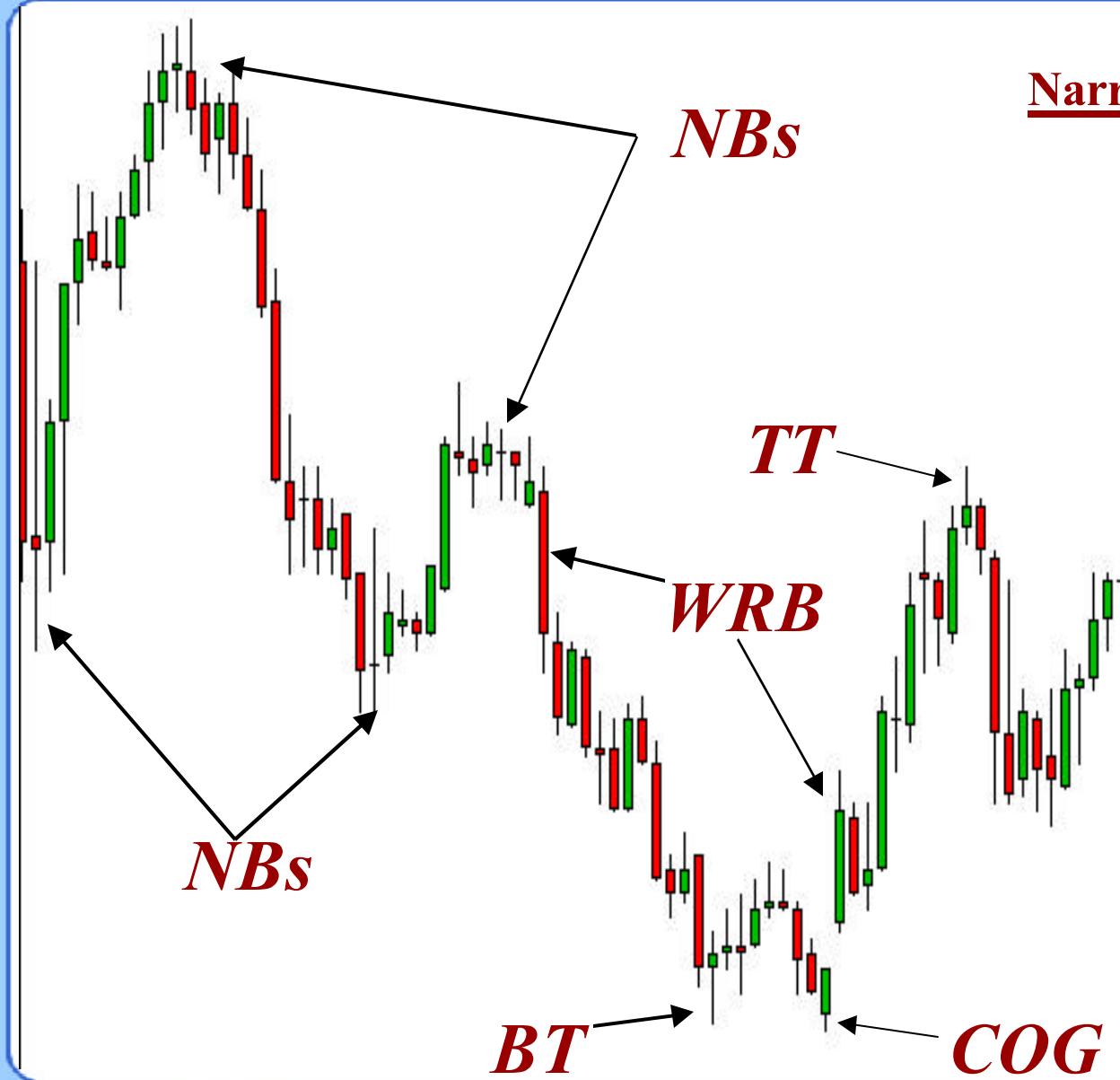
Bullish Engulfing

Bearish Engulfing

Counter Attack Lines

Thrusting Lines

# Candlestick Concepts



## Narrow Range Bodies & Bars

Long Legged Doji

Inverted Hammer

Shooting Star

Hangman

Harami

DOJI



# *Moving Average Concepts*

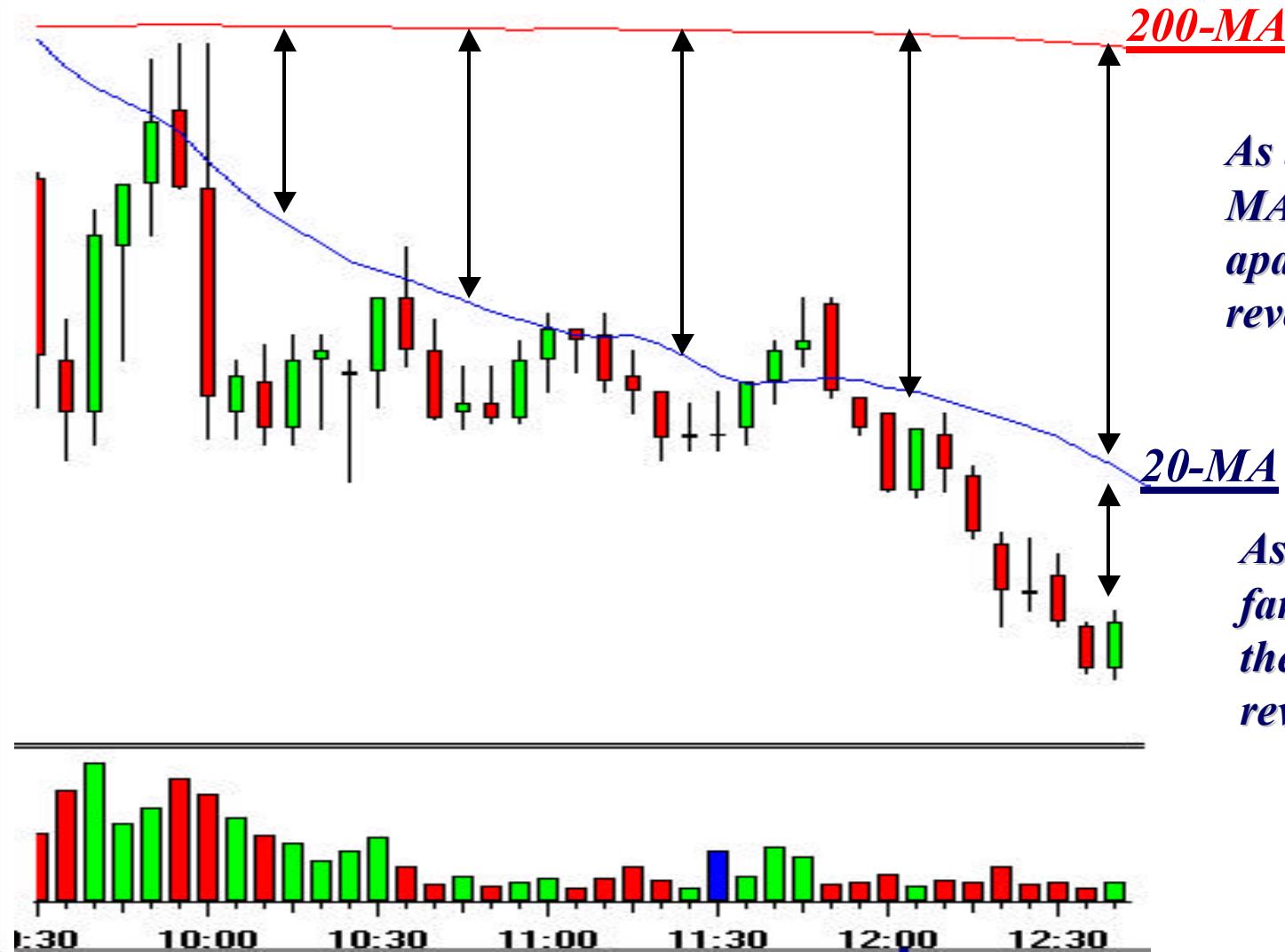
# Moving Average Concepts

**The relationship between MAs and/or**  
**The relationship between Price and MAs**  
**Serve as:**

- **An Overbought / Oversold Indicator**
- **A Bullish / Bearish Divergence Indicator**
- **A Guide to price Support & Resistance**
- **A Tool to help anticipate where a reversal may occur**
- **A Risk – Reward Indicator**
- **A Relative Strength Indicator**

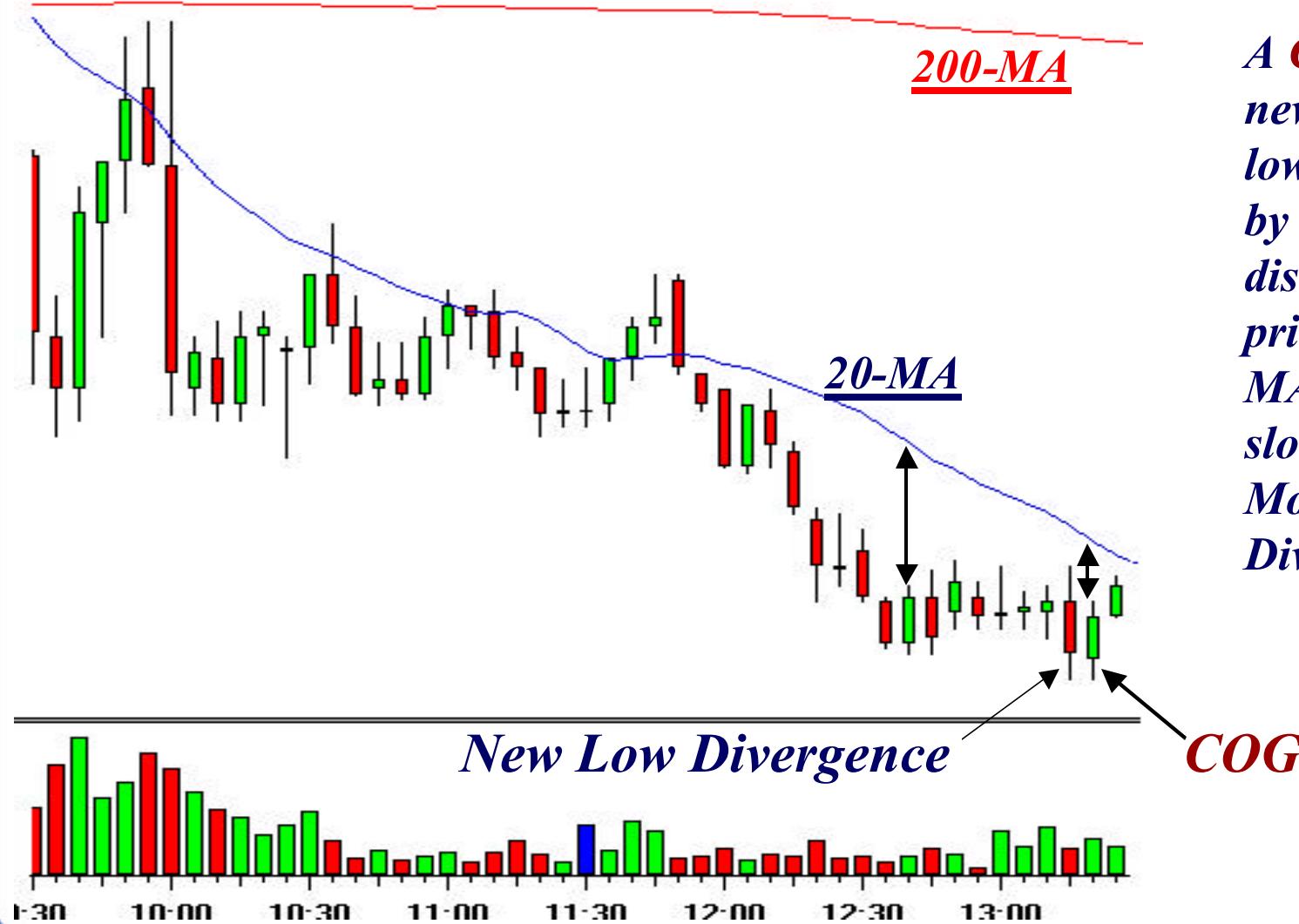
# Moving Average Concepts

## An Overbought / Oversold Indicator



# Moving Average Concepts

## A Momentum or Bullish/Bearish Divergence Indicator



*A COG after a new high or new low accompanied by a smaller distance between price and the 20-MA signals a slowing in Momentum and a Divergence.*

# Moving Average Concepts

## A Guide to Support & Resistance

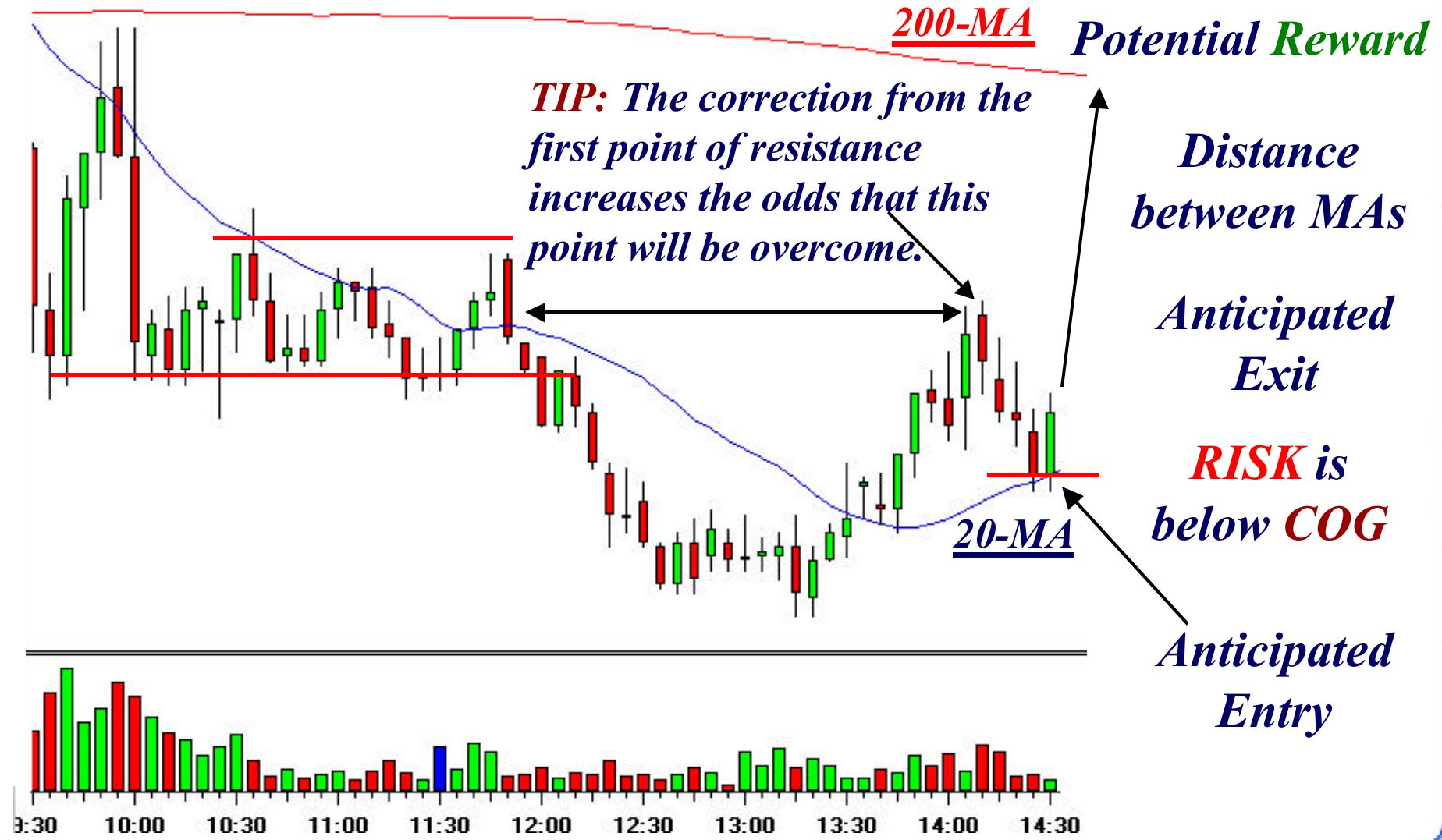


*Looking to the left of an MA should point toward an area of support or resistance.*

*A Moving Avg. is a tool that helps the trader anticipate where to enter positions or take profits.*

# Moving Average Concepts

## Anticipate Entry/Exit and Risk/Reward



# Moving Average Concepts

## A Relative Strength Indicator

Comparing the MAs of a stock or index to another will tell us which is stronger.





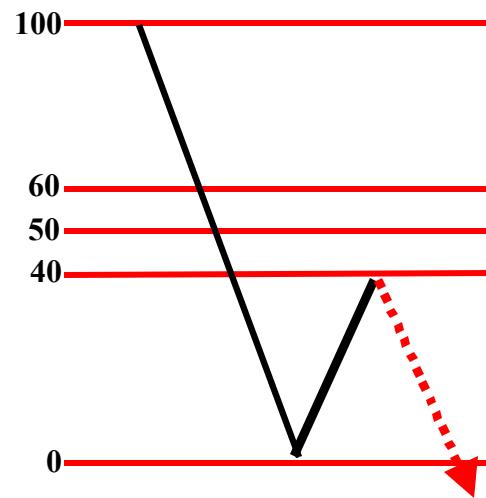
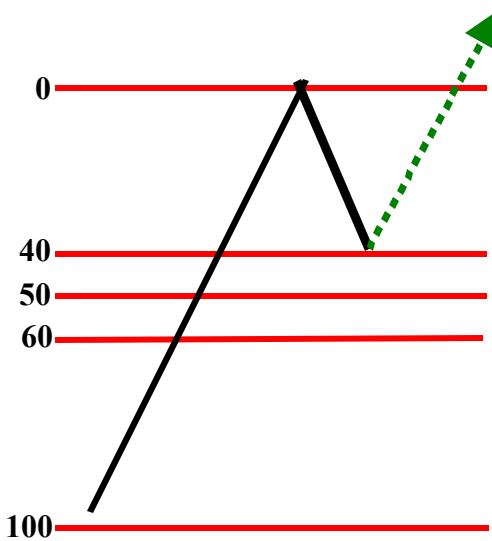
# *Retracement Concepts*

## Retracement Concepts

- ➊ *Retracement levels are used to measure the **STRENGTH** or **WEAKNESS** of a move **Counter** to the **Prevailing trend**.*
  
- ➋ *The Retracement levels are a percentage measurement between significant highs and lows.*
  
- ➌ *The Retracement levels we are concerned with are 40, 50 and 60%*
  
- ➍ *Retracement levels alone are not enough to consider entering a position. A Pristine setup is also needed.*
  
- ➎ *Learn to see retracement levels without drawing them. When trading, analysis must be done quickly.*

# Levels and Interpretations

**40%**

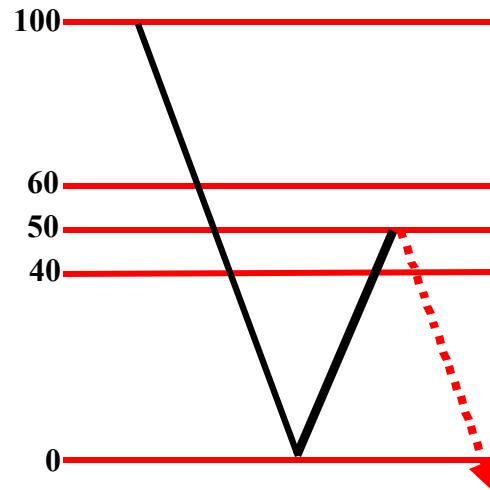
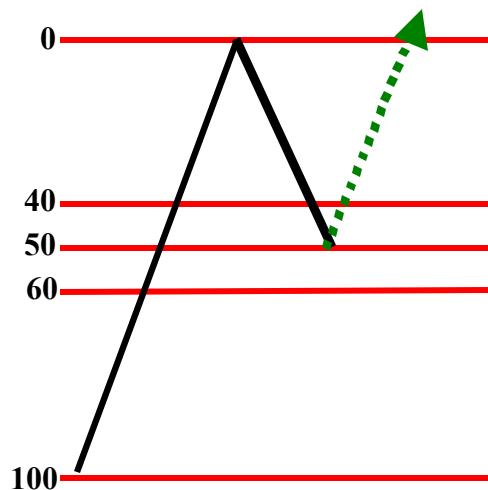


*After a **40%** Retracement, the trend is still considered positive.*

*The trend should continue in the original direction.*

# Levels and Interpretations

50%

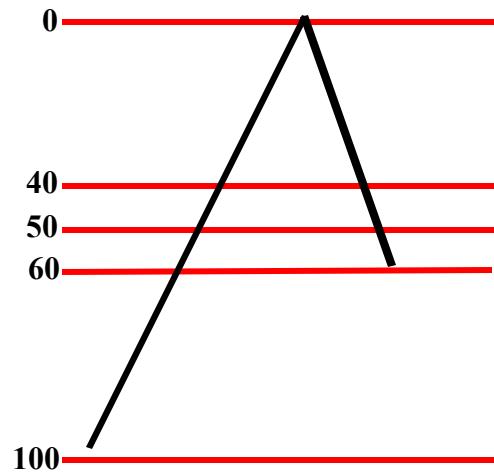


*After a 50% Retracement, the trend is considered positive to neutral.*

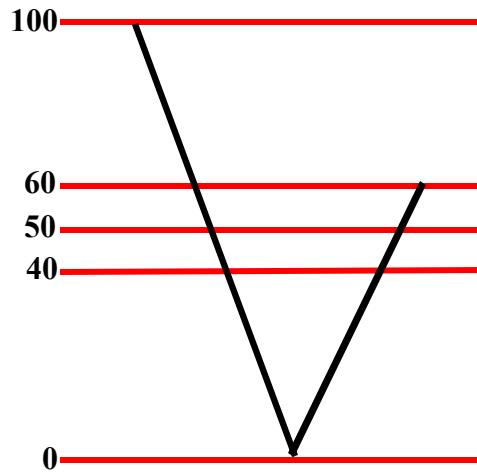
*The trend should continue in the original direction.*

# Levels and Interpretations

60%



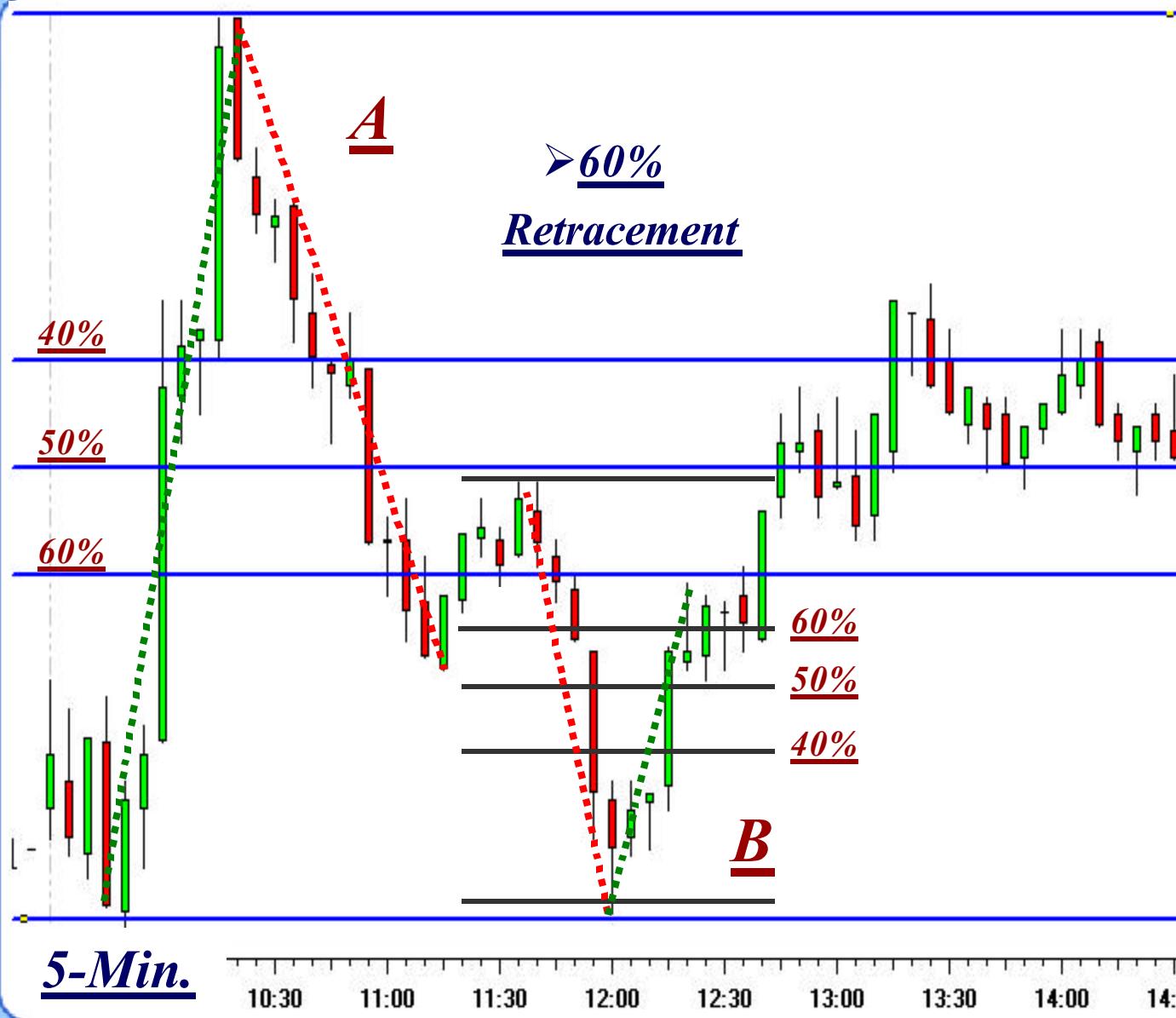
?



*After a 60% Retracement, the trend is considered neutral to negative.*

*The trend is in question.*

# Retracement Concepts

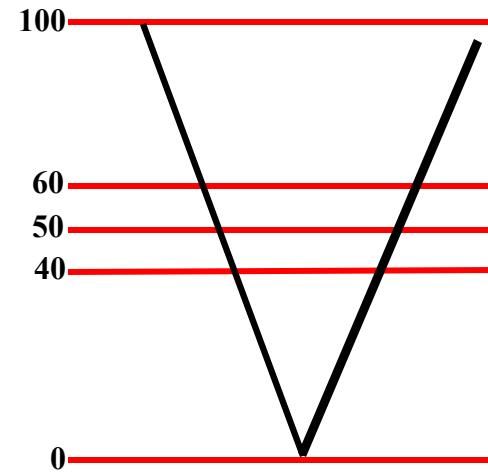
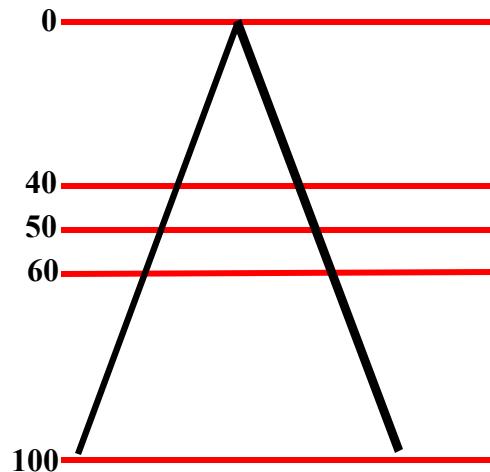


**A:** Retraced rally by more than 60% (**Weakness**); expect a move lower.

**B:** Retraced decline by more than 60% (**Strength**); expect stabilization and/or a move higher.

## Levels and Interpretations

**80 - 100%**



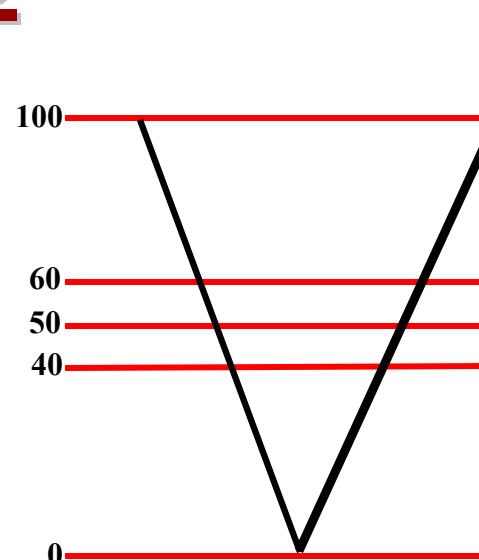
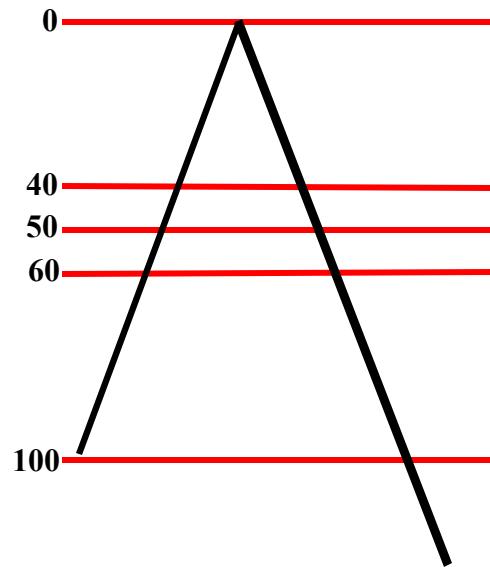
*After an 80 – 100% Retracement, the trend is considered negative.*

*Watch for a double top or double bottom if a COG forms.*

*Expect a short-term rally / pullback.*

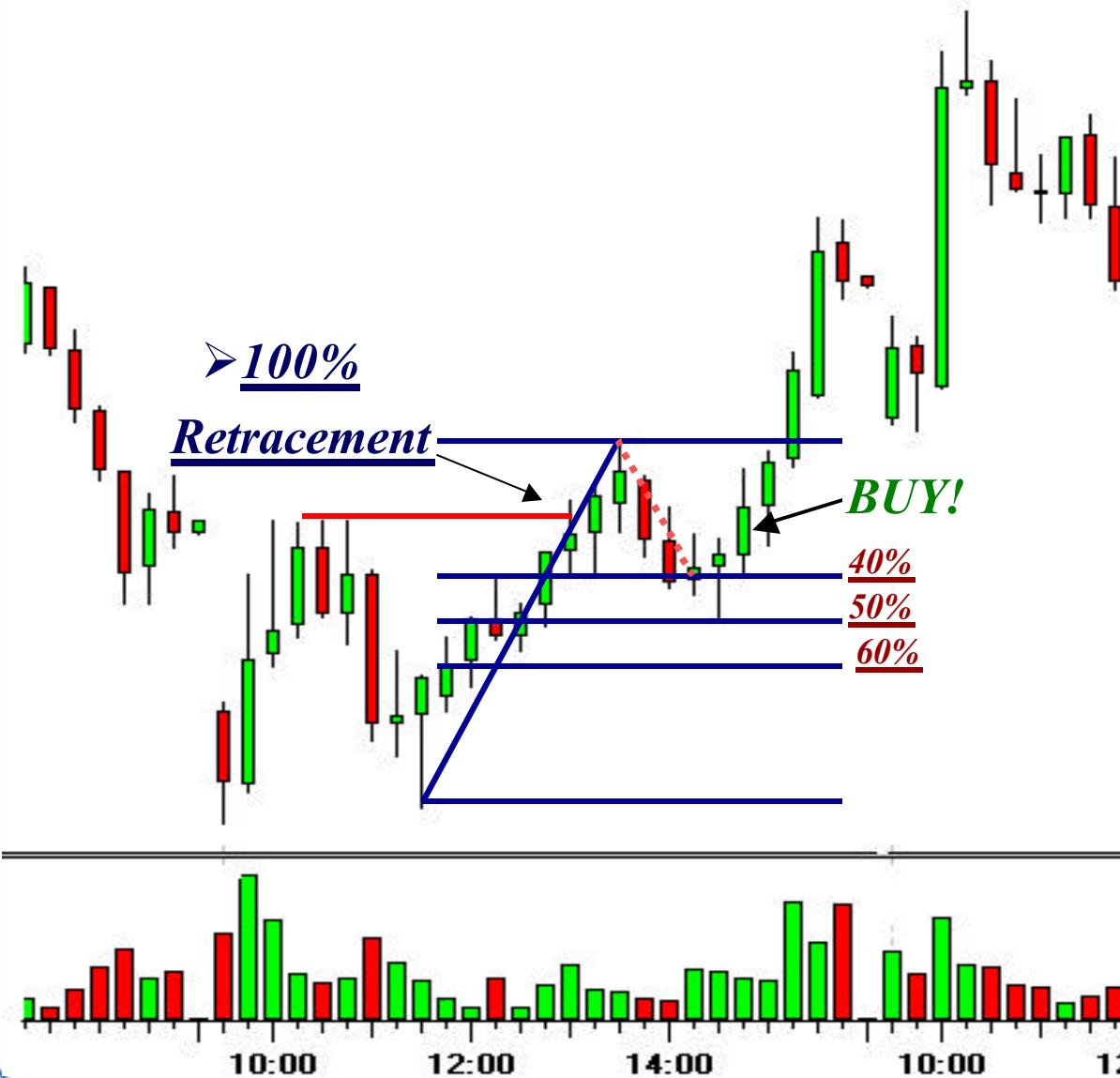
# Levels and Interpretations

**>100%**



*A retracement of over 100% takes out support or resistance and is considered negative, but often sets up a high probability reversal.*

# Retracement Concepts



*Retracements greater than 100% negate the prior trend.*

*They often set up a high probability reversal point.*

*A move above a prior high signals Strength but is a **High Risk Entry**.*

*Buying shallow pullbacks of 40 to 50% after a COG is low risk, professional trading.*



Pristine Key Concepts

# *Support & Resistance Concepts*

## Actual Support and Resistance

- ➊ A series of price bars.
- ➋ Prior highs / lows / bases.
- ➌ An unfilled gap between price bars.

*They are guides as to where traders may anticipate a reversal.*

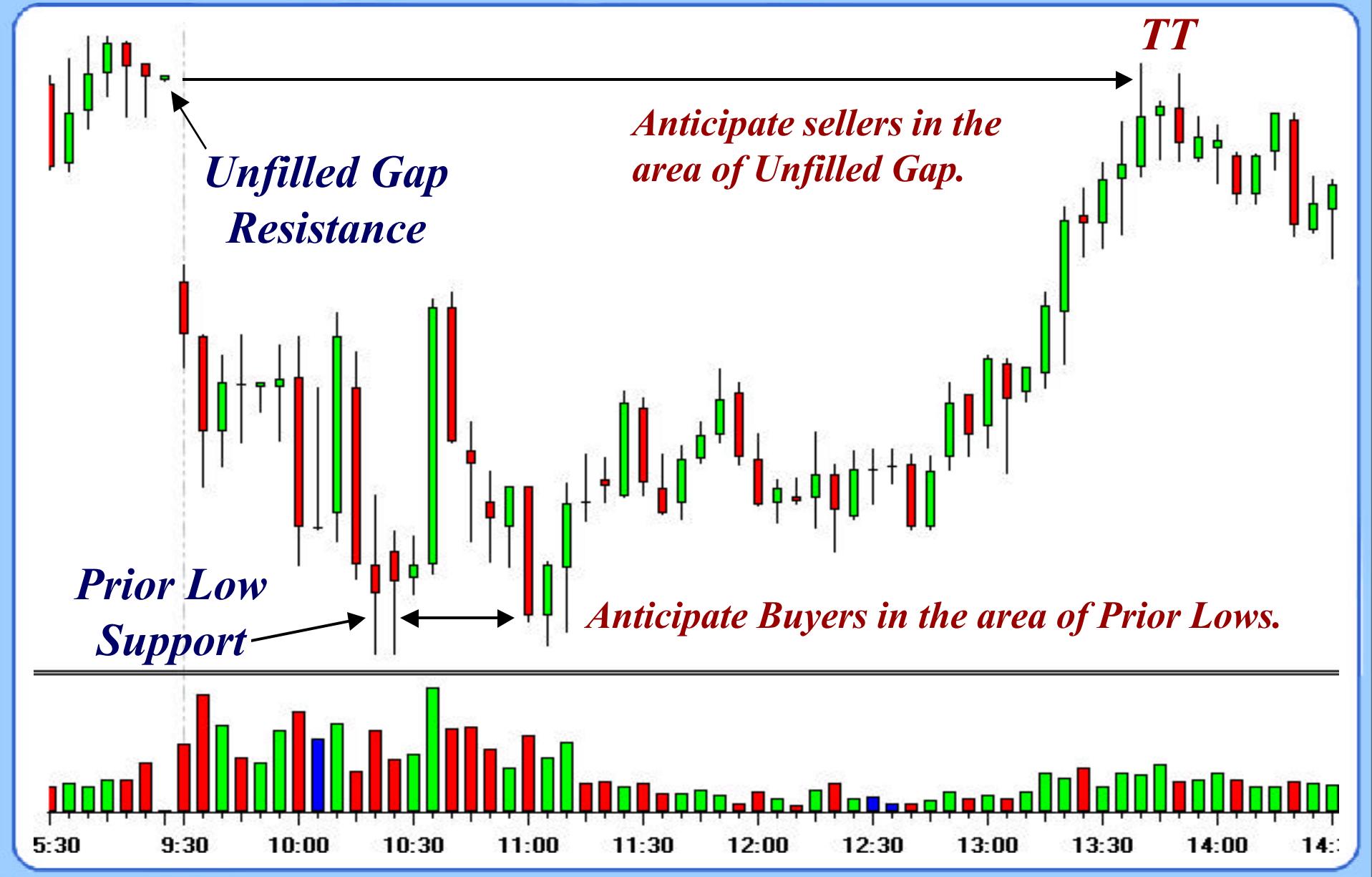
## Subjective Support and Resistance

- ➊ Moving Averages
- ➋ Retracements
- ➌ Time

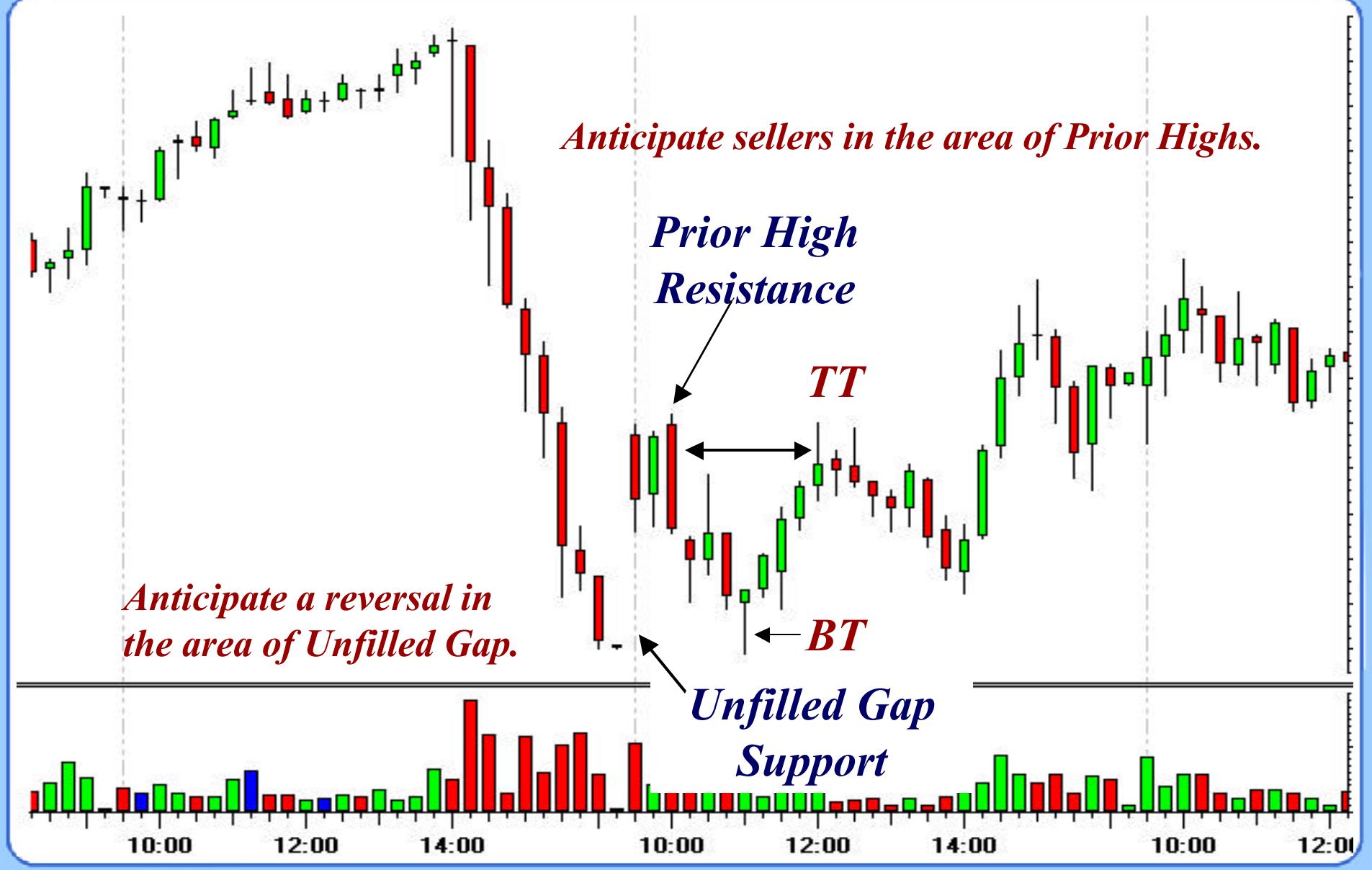
*Also guides to anticipate reversal points.*

*Without price points in the same area, these are less significant.*

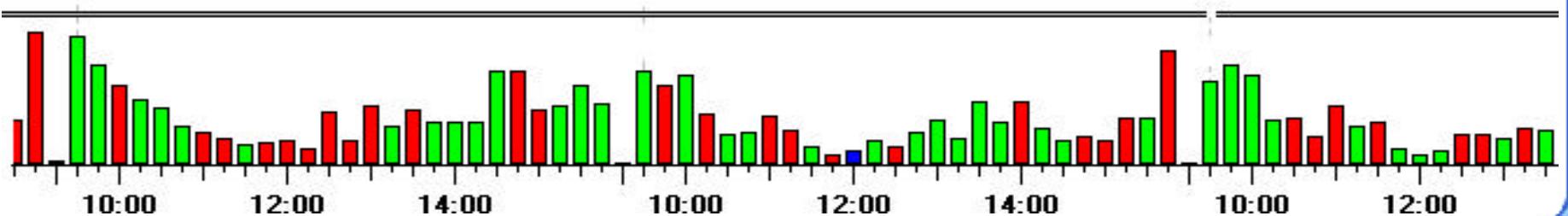
# Support and Resistance Concepts



# Support and Resistance Concepts



# Support and Resistance Concepts





Pristine Key Concepts

# *Market Timing Concepts*

# Market Timing Tools

**The TRIN Indicator:** Used to determine who is in control of the market.

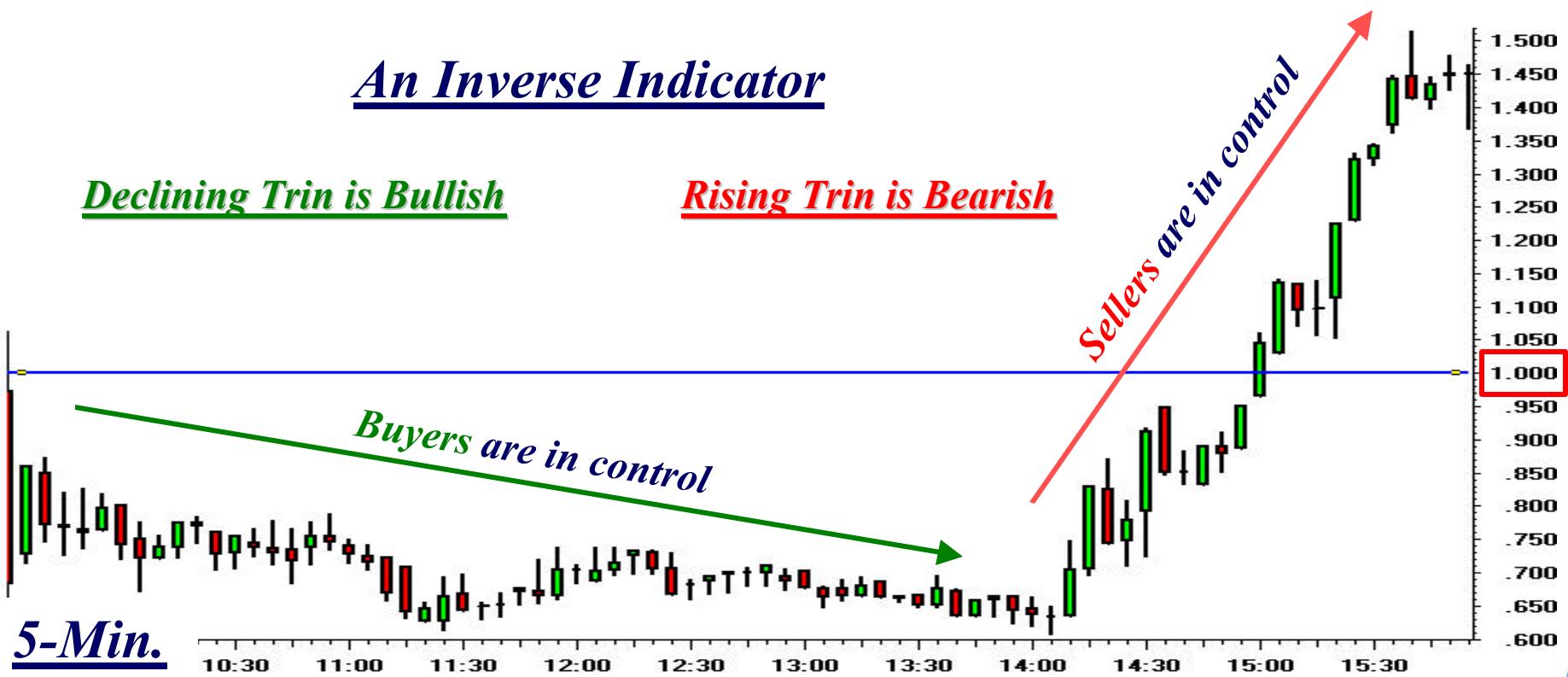
Readings **below 1.0** indicate more volume is entering advancing issues; **Buyers in control**.

Readings **above 1.0** indicate more volume is entering declining issues; **Sellers in control**.

## An Inverse Indicator

**Declining Trin is Bullish**

**Rising Trin is Bearish**



# Market Timing Tools

**The TICK Indicator:** Used to determine Market strength and directional changes.

*Readings above 0 indicate more stocks trading on upticks, favors longs.*

*Readings below 0 indicate more stocks trading on downticks, favors shorts.*

Prior **highs** and **lows** are used as points of **support** and **resistance** in the broad market.

+ 1000 indicates excessive buying; odds of a reversal are very high.

- 1000 indicates excessive selling; odds of a reversal are very high.





Putting it All Together

*Putting It All  
Together*

# Putting It All Together



*Start with the longer time frame.*

*Prices test Support.*

*A WRB forms.  
Be Alert!*

*A COG signals  
the decline is over.*

*Moving Avg.  
Divergence.*

*Check Market and  
look for entry.*

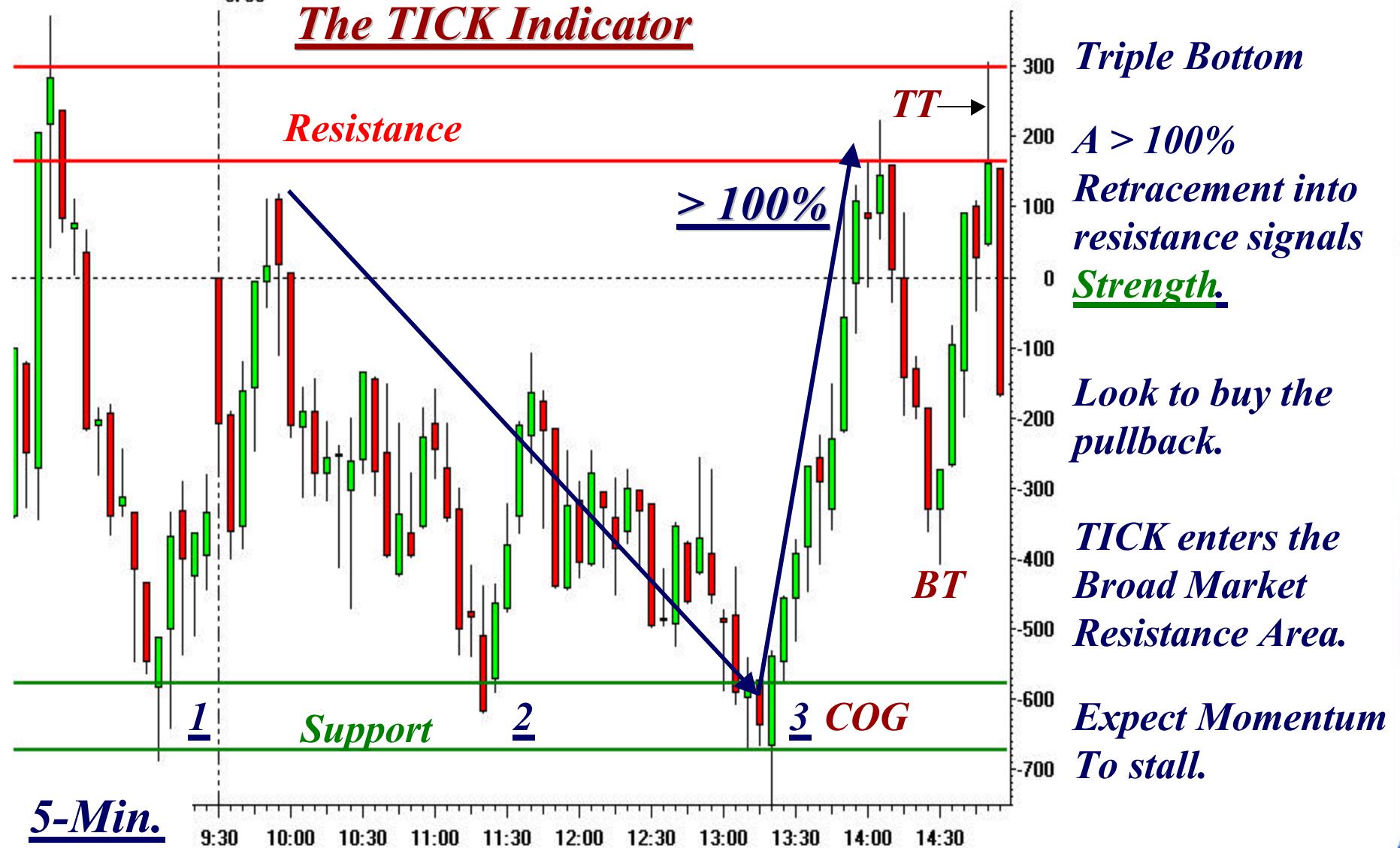
# Putting It All Together



# Putting It All Together

Intraday (Right) \$TICK-Q - Nasdaq NMS Tick Indicator (5-Min)  
9/05

Bar



# Putting It All Together



Oversold MAs Wide.

Deep Retracement above the 20-MA.

Strength!

After a PBS, BUY!

Target 200-MA Price Resistance.

Offer at Resistance.

60-Min. is Bearish.



# Putting It All Together

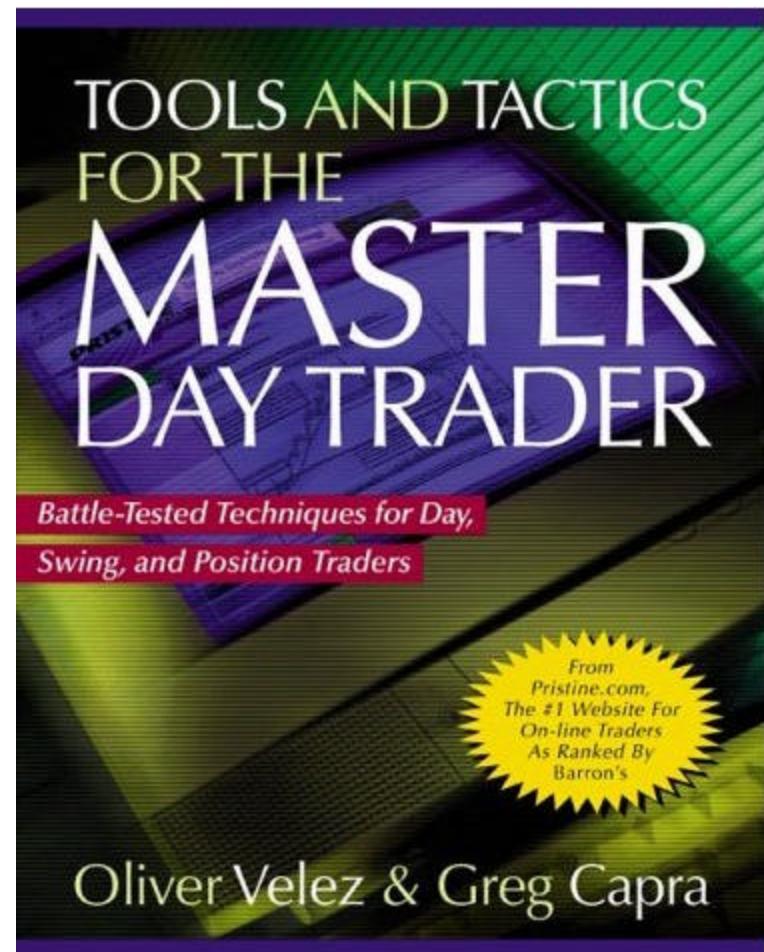




## Tools & Tactics – A Must Read

A Japanese proverb says, “If you wish to know the road, inquire of those who have traveled it.” The authors of *Tools and Tactics for the Master Trader* clearly know the road. Their unique insights, trading tactics and powerful tools, so enjoyably presented, make this a book that belongs on every trader’s shelf.

Steve Nison, CMT - Author of  
Japanese Candlestick Charting  
Techniques





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**The Quote of the Day For August 10, 2001**

Greg Capra

The 200-day moving average represents a significant level of intermediate-term resistance when approached from below, and is typically a key area in which to look for reversals following multi-day rallies.

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**Chart of the Week**

Each Monday morning, Greg Capra, one of the industry's most followed technical analysts, provides you with his personally chosen chart of the week.

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**COMPANY RESEARCH**

Enter symbol or name

**Dow Jones Industrial Avg.**

Open	Last	Change
10296.89	10224.86	-73.70
10320		
10300		
10280		
10260		
10240		
10220		
10200		
10180		

10 Aug 2001 10:00 12:00 14:00

**Nasdaq Composite**

Open	Last	Change
1957.34	1921.61	-41.71
1970		
1960		
1950		
1940		
1930		
1920		
1910		

10 Aug 2001 10:00 12:00 14:00

**S&P 500 Index**

Open	Last	Change
1957.34	1921.61	-41.71
1970		
1960		
1950		
1940		
1930		
1920		
1910		

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Core Trading Tactics with Oliver Velez

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New Training

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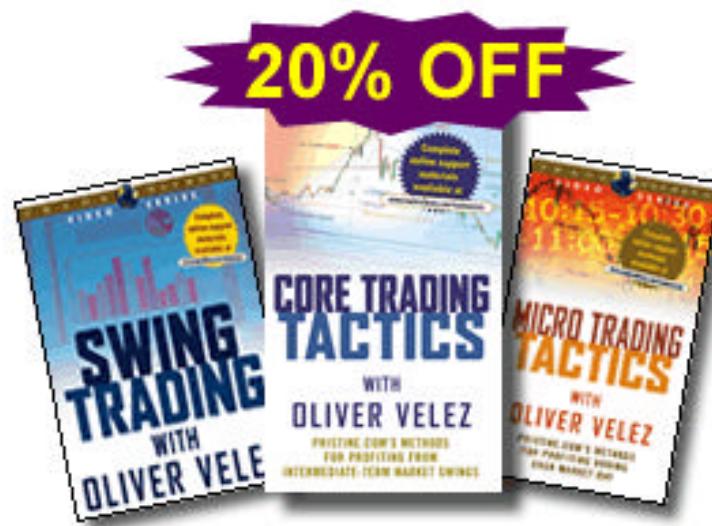
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**For a list of other Pristine  
videos, visit:**

**[http://www.pristine.com/newvideo\\_core.htm](http://www.pristine.com/newvideo_core.htm)**





# Pristine Seminars

## Pristine Educational Events

[The Pristine Method™](#)[Free Events](#)[Online Seminars](#)[1 & 2 Day Seminars](#)[Mentorship Programs](#)[2 Week Boot Camps](#)[In-House Training](#)[International Seminars](#)[Testimonials](#)

## PRISTINE Educational Events



### SEMINAR DESCRIPTIONS

FULL SCHEDULE OF ALL PRISTINE EVENTS: [AUGUST](#) | [SEPTEMBER](#) | [OCTOBER](#)

### CALENDAR OF EVENTS

### 1 & 2 DAY SEMINARS (DOMESTIC)

DATE	EVENT (DESCRIPTION)	LOCATION	PRICE	INFO	REGISTER
August 10	<a href="#">Developing a Master Trading Plan</a>	White Plains, NY	FREE	<a href="#">More Info</a>	<a href="#">Register</a>
August 11	<a href="#">Trading Fundamentals - The First Step Towards Trading Mastery</a>	White Plains, NY	\$695	<a href="#">More Info</a>	<a href="#">Register</a>
August 12 - 13	<a href="#">Intraday Trading Tools and Tactics</a>	White Plains, NY	\$1,995	<a href="#">More Info</a>	<a href="#">Register</a>
August 23	<a href="#">Developing a Master Trading Plan</a>	Irvine, CA	FREE	<a href="#">More Info</a>	<a href="#">Register</a>
August 24 - 25	<a href="#">Trading The Pristine Method™</a>	Irvine, CA	\$1,995	<a href="#">More Info</a>	<a href="#">Register</a>
August 26 - 27	<a href="#">Intraday Trading Tools and Tactics</a>	Irvine, CA	\$1,995	<a href="#">More Info</a>	<a href="#">Register</a>
September 7	<a href="#">Developing a Master Trading Plan</a>	Miami, FL	FREE	<a href="#">More Info</a>	<a href="#">Register</a>
September 8 - 9	<a href="#">Trading The Pristine Method™</a>	Miami, FL	\$1,995	<a href="#">More Info</a>	<a href="#">Register</a>
September 14	<a href="#">Developing a Master Trading Plan</a>	San Mateo , CA	FREE	<a href="#">More Info</a>	<a href="#">Register</a>
September 15 - 16	<a href="#">Trading The Pristine Method™</a>	San Mateo, CA	\$1,995	<a href="#">More Info</a>	<a href="#">Register</a>
January 14	<a href="#">The Simple Art of Trading Using The Pristine Method™</a>	Ft. Lauderdale, FL	\$995	<a href="#">More Info</a>	<a href="#">Register</a>





## Pristine's Intra-Day Trading Manual

**Pristine's Intra-Day Trading  
Manual is available for  
download at:**

**[www.pristine.com/intraday.htm](http://www.pristine.com/intraday.htm)**

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