

Indicator Context Matching Matrix

When to Use Each Indicator & Avoid Common Mismatches

Purpose

Not every indicator works in every market condition. This matrix helps you: - Match indicators to the right market regime - Avoid common indicator misapplication - Build context-appropriate analysis

Part 1: Market Regime Identification

The 4 Market Regimes

REGIME	CHARACTERISTICS	IDENTIFICATION
Trending Up	HH/HL, above MAs, momentum up	ADX > 25, price above 20 EMA
Trending Down	LH/LL, below MAs, momentum down	ADX > 25, price below 20 EMA
Ranging	Sideways, within boundaries	ADX < 20, price oscillating
Volatile/Choppy	Whipsaws, no clear direction	Wide bars, failed breakouts

Quick Regime Check

Before using any indicator, answer:

1. Is the market trending or ranging?
2. If trending, up or down?
3. What is volatility level? (Low/Normal/High)

Part 2: The Master Matrix

Signal Pilot Indicators by Regime

INDICATOR	TRENDING UP	TRENDING DOWN	RANGING	CHOPPY
Pentarch	✓ Use TD/IGN	✓ Use WRN/ CAP/BDN	⚠ Noisy	⚠ Many false signals
Janus Atlas	✓ Sweep lows	✓ Sweep highs	✓ Range boundaries	⚠ Double sweeps
Plutus Flow	✓ Confirm trend	✓ Confirm trend	⚠ Mixed signals	✗ Unreliable
Volume Oracle	✓ POC as support	✓ POC as resistance	✓ Range edges	⚠ Less useful
Harmonic Osc.	⚠ Stays overbought	⚠ Stays oversold	✓ Mean reversion	✗ Choppy signals
Augury Grid	✓ Trend signals	✓ Trend signals	⚠ Many triggers	⚠ Filter heavily

Legend

- ✓ Optimal use case
- ⚠ Use with caution/modifications
- ✗ Avoid or heavily discount

Part 3: Pentarch Context Rules

Trending Up Context

SIGNAL	MEANING	ACTION
TD	Dip-buying opportunity	Long on pullback
IGN	Breakout confirmation	Add to position
WRN	First caution sign	Tighten stops
CAP	Consider taking profits	Partial exit
BDN	Trend may be ending	Exit longs

Key rule: TD/IGN are the primary signals. WRN/CAP are warnings, not shorts.

Trending Down Context

SIGNAL	MEANING	ACTION
TD	Potential bounce/reversal	Watch only (or counter-trend)
IGN	Failed rally	Continue short bias
WRN	Rally exhausting	Short on rally
CAP	Selling climax possible	Cover shorts
BDN	Breakdown continues	Add to shorts

Key rule: WRN/CAP/BDN are primary. TD might be a trap.

Ranging Context

SIGNAL	MEANING	ACTION
TD	At range support	Long to resistance
WRN	At range resistance	Short to support
Other	Less reliable	Reduce significance

Key rule: Only trade signals at range boundaries. Middle-range signals are noise.

Part 4: Janus Atlas Context Rules

Trending Market

CONTEXT	SWEEP TYPE	ACTION
Uptrend	Sweep of lows	High-probability long entry
Uptrend	Sweep of highs	Likely continuation (less useful)
Downtrend	Sweep of highs	High-probability short entry
Downtrend	Sweep of lows	Likely continuation (less useful)

Key rule: Trade sweeps AGAINST the trend direction for reversals.

Ranging Market

CONTEXT	SWEEP TYPE	ACTION
Range	Sweep below range	Long to range high
Range	Sweep above range	Short to range low
Range	Double sweep (both sides)	Prepare for breakout

Key rule: Sweeps at range boundaries = mean reversion trades.

Choppy Market

Warning: Janus may show many sweeps in both directions.

Adjustment: - Require larger sweeps (wider threshold) - Require stronger reclaim candles - Trade only with HTF alignment

Part 5: Plutus Flow Context Rules

Trending Market

PLUTUS READING	TREND DIRECTION	INTERPRETATION
OBV rising	Uptrend	Confirmed, continue
OBV rising	Downtrend	Bullish divergence, watch
OBV falling	Downtrend	Confirmed, continue
OBV falling	Uptrend	Bearish divergence, watch

Key rule: OBV should confirm trend. Divergence = warning.

Ranging Market

PLUTUS READING	INTERPRETATION
OBV making higher highs	Hidden accumulation
OBV making lower lows	Hidden distribution
OBV flat	True balance

Key rule: Watch for OBV breakout to predict range break.

Choppy Market

Warning: Delta will flip rapidly. OBV will be erratic.

Adjustment: - Ignore single-bar delta - Focus only on clear multi-bar patterns - Or turn off temporarily

Part 6: Harmonic Oscillator Context Rules

Trending Market

Uptrend behavior: - Oscillator ranges 40-80 (not 30-70) - "Oversold" is 40-50 (buy zone) - Can stay "overbought" (70+) for extended periods - Don't short overbought in uptrend

Downtrend behavior: - Oscillator ranges 20-60 (not 30-70) - "Overbought" is 50-60 (sell zone) - Can stay "oversold" (30-) for extended periods - Don't buy oversold in downtrend

Ranging Market

Standard behavior: - Oscillator ranges 30-70 - Overbought (70) = sell signal - Oversold (30) = buy signal - Mean reversion works

Key rule: Adjust thresholds based on regime.

Choppy Market

Warning: Vote count will flip frequently.

Adjustment: - Increase required votes (e.g., 4/5 instead of 3/5) - Use Rock Solid sensitivity - Focus only on extremes (80+, 20-)

Part 7: Common Mismatches to Avoid

Mismatch 1: RSI Oversold in Downtrend

The trap: "RSI is 25, must be a bottom!" **Reality:** RSI can stay oversold for weeks in downtrend **Fix:** Wait for divergence + price confirmation

Mismatch 2: Breakout Trading in Range

The trap: "Price broke resistance, go long!" **Reality:** Ranging markets produce many false breakouts **Fix:** Wait for reclaim to confirm OR volume confirmation

Mismatch 3: Mean Reversion in Trend

The trap: "Price is far from the mean, it must revert!" **Reality:** Trends can extend far beyond "normal" **Fix:** Trade pullbacks in trend direction only

Mismatch 4: Single Indicator Reliance

The trap: Using Pentarch alone without context **Reality:** Signals are more reliable with confluence **Fix:** Combine Pentarch + Janus + Plutus for confirmation

Part 8: Regime-Based Indicator Combinations

Trending Market Stack

Primary: Pentarch (TD/IGN for up, WRN/CAP/BDN for down)
Confirm: Plutus Flow (OBV confirming trend)
Entry: Janus Atlas (sweeps for entry timing)
Filter: Harmonic at adjusted range (40-80 up, 20-60 down)

Ranging Market Stack

Primary: Janus Atlas (sweeps at range boundaries)
Confirm: Pentarch TD/WRN at range edges
Entry: Harmonic at extremes (30/70)
Filter: Plutus for hidden accumulation/distribution

Transitional Market Stack

Primary: Plutus Flow (watch for divergence)
Confirm: Pentarch (watch for signal sequence change)
Watch: Janus (double sweeps = breakout coming)
Filter: Harmonic crossing 50 level

Part 9: Quick Reference Checklists

Before Using Any Indicator

- ☐ What is the current regime? (Trend/Range/Choppy)
- ☐ Is this indicator appropriate for this regime?
- ☐ Have I adjusted settings/interpretation for context?
- ☐ Do I have confirming indicators aligned?

Trending Market Checklist

- ☐ Using Pentarch in correct direction
- ☐ Plutus OBV confirming
- ☐ Trading pullbacks, not tops/bottoms
- ☐ Adjusted oscillator ranges

Ranging Market Checklist

- ☐ Trading only at range boundaries
- ☐ Using Janus for sweep entries
- ☐ Using oscillators for mean reversion
- ☐ Watching for breakout setup

Choppy Market Checklist

- ☐ Reduced position size

- [] Increased confirmation requirements
- [] Trading only clearest signals
- [] Or simply not trading

Part 10: Personal Context Matrix

My Trading Style

I primarily trade: ☐ Trending markets (momentum) ☐ Ranging markets (mean reversion)
☐ Both

My primary timeframe: _____

My Indicator Stack by Regime

Trending: 1. ____ 2. ____ 3. ____

Ranging: 1. ____ 2. ____ 3. ____

I avoid trading in: _____

My Context Rules

I will NOT trade when:

- [] _____
- [] _____
- [] _____

I will use reduced size when:

- [] _____
- [] _____

Part 11: Summary

The Core Principle

No indicator works in all conditions.

Before using any indicator: 1. Identify the regime 2. Check if the indicator is appropriate 3. Adjust interpretation if needed 4. Seek confirmation from context-appropriate indicators

The Quick Check

REGIME → INDICATOR SELECTION → ADJUSTED INTERPRETATION → CONFIRMATION

The Matrix Mindset

"This indicator says X, but what is the regime?" "Is this signal reliable in this context?" "What would confirm or contradict this signal?"

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