

# 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
<b>Pentarch</b>	✓ Use TD/IGN	✓ Use WRN/ CAP/BDN	⚠ Noisy	⚠ Many false signals
<b>Janus Atlas</b>	✓ Sweep lows	✓ Sweep highs	✓ Range boundaries	⚠ Double sweeps
<b>Plutus Flow</b>	✓ Confirm trend	✓ Confirm trend	⚠ Mixed signals	✗ Unreliable
<b>Volume Oracle</b>	✓ POC as support	✓ POC as resistance	✓ Range edges	⚠ Less useful
<b>Harmonic Osc.</b>	⚠ Stays overbought	⚠ Stays oversold	✓ Mean reversion	✗ Choppy signals
<b>Augury Grid</b>	✓ 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

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### Trending Up Context

SIGNAL	MEANING	ACTION
<b>TD</b>	Dip-buying opportunity	Long on pullback
<b>IGN</b>	Breakout confirmation	Add to position
<b>WRN</b>	First caution sign	Tighten stops
<b>CAP</b>	Consider taking profits	Partial exit
<b>BDN</b>	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
<b>TD</b>	Potential bounce/reversal	Watch only (or counter-trend)
<b>IGN</b>	Failed rally	Continue short bias
<b>WRN</b>	Rally exhausting	Short on rally
<b>CAP</b>	Selling climax possible	Cover shorts
<b>BDN</b>	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

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## Part 5: Plutus Flow Context Rules

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### 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

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## Part 6: Harmonic Oscillator Context Rules

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### 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-)

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## Part 7: Common Mismatches to Avoid

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### 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

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## Part 8: Regime-Based Indicator Combinations

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### 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

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## Part 9: Quick Reference Checklists

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### 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

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## Part 10: Personal Context Matrix

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### 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

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### 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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