



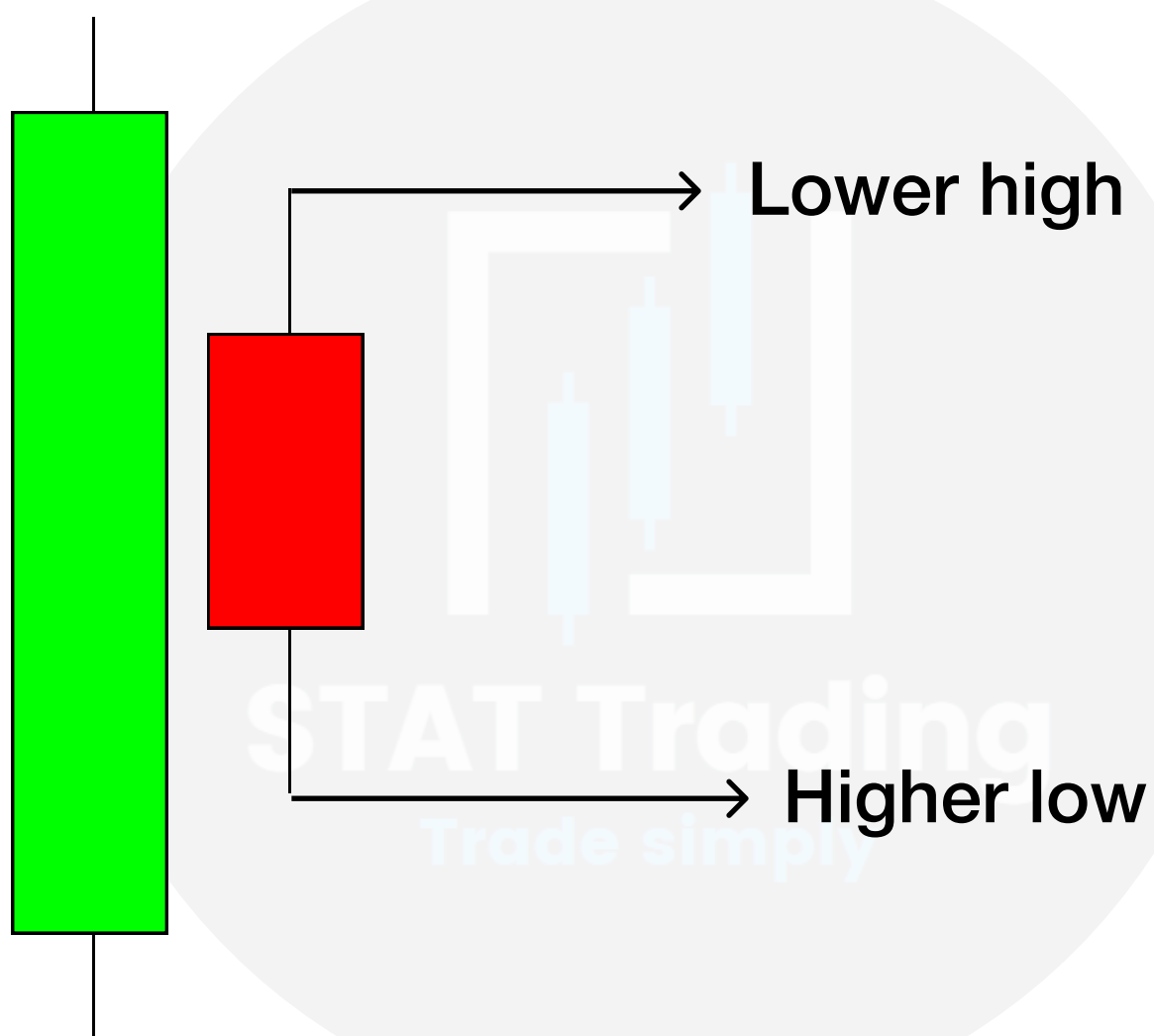
THE STRAT

Inside bar
Scenario (1)

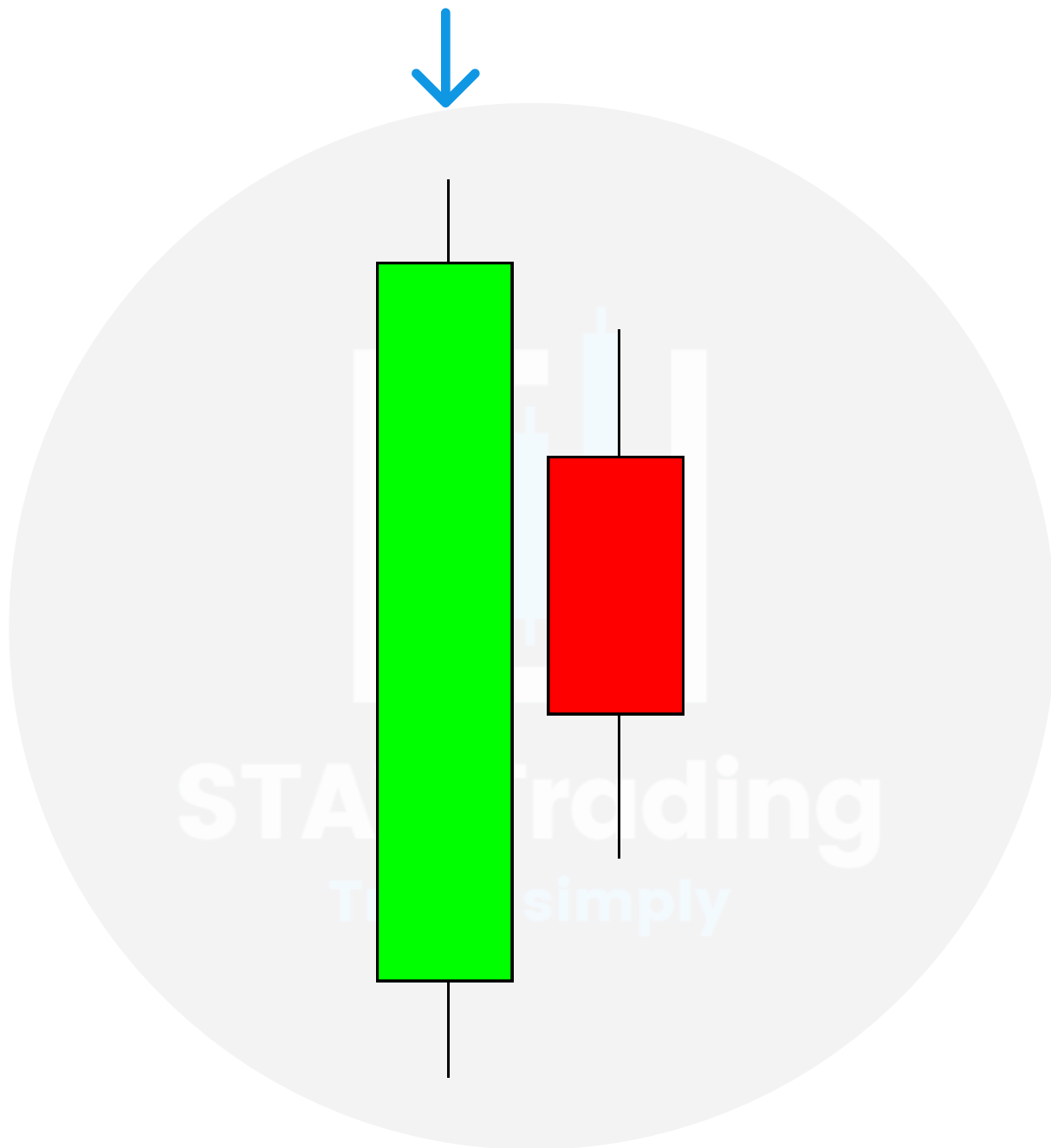
Inside bar	1
Mother Bar	2
Still Inside	3
Equilibrium	4
Known pivots	5
1's, 2's, and 3's First universal truth	6



Current closed candles high & low fit completely within the previous candles high & low.



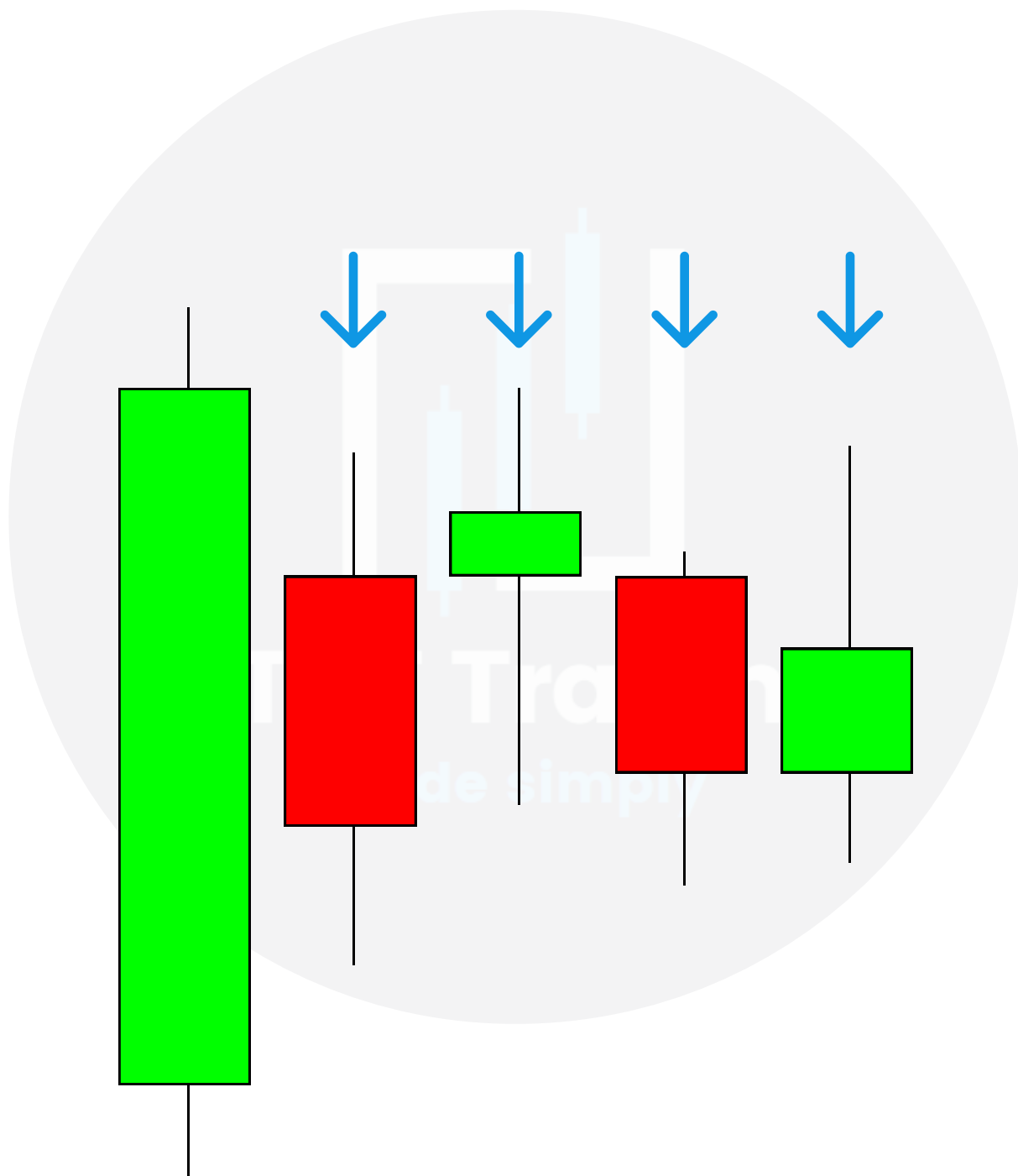
The Bar previous to the inside bar is the 'mother bar'.



All of these bars are stuck inside of the mother bar.

This is what we call 'mother bar problems'.

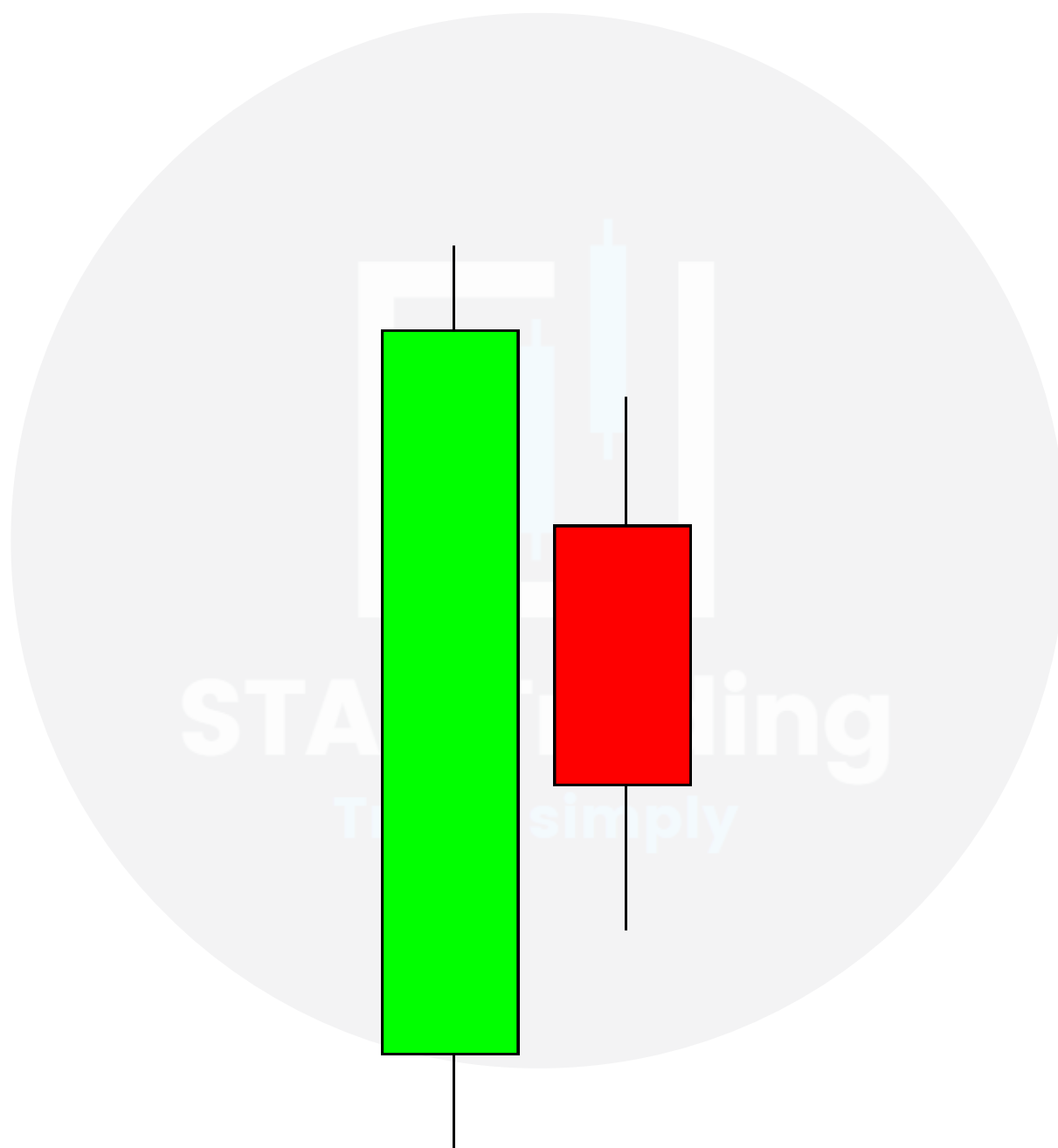
The four candles are referred to as a compound inside bar



When the inside bar is still trading & open, we identify it as 'presently' inside or 'still' inside.

Just because a candle opens inside doesn't mean it will stay inside.

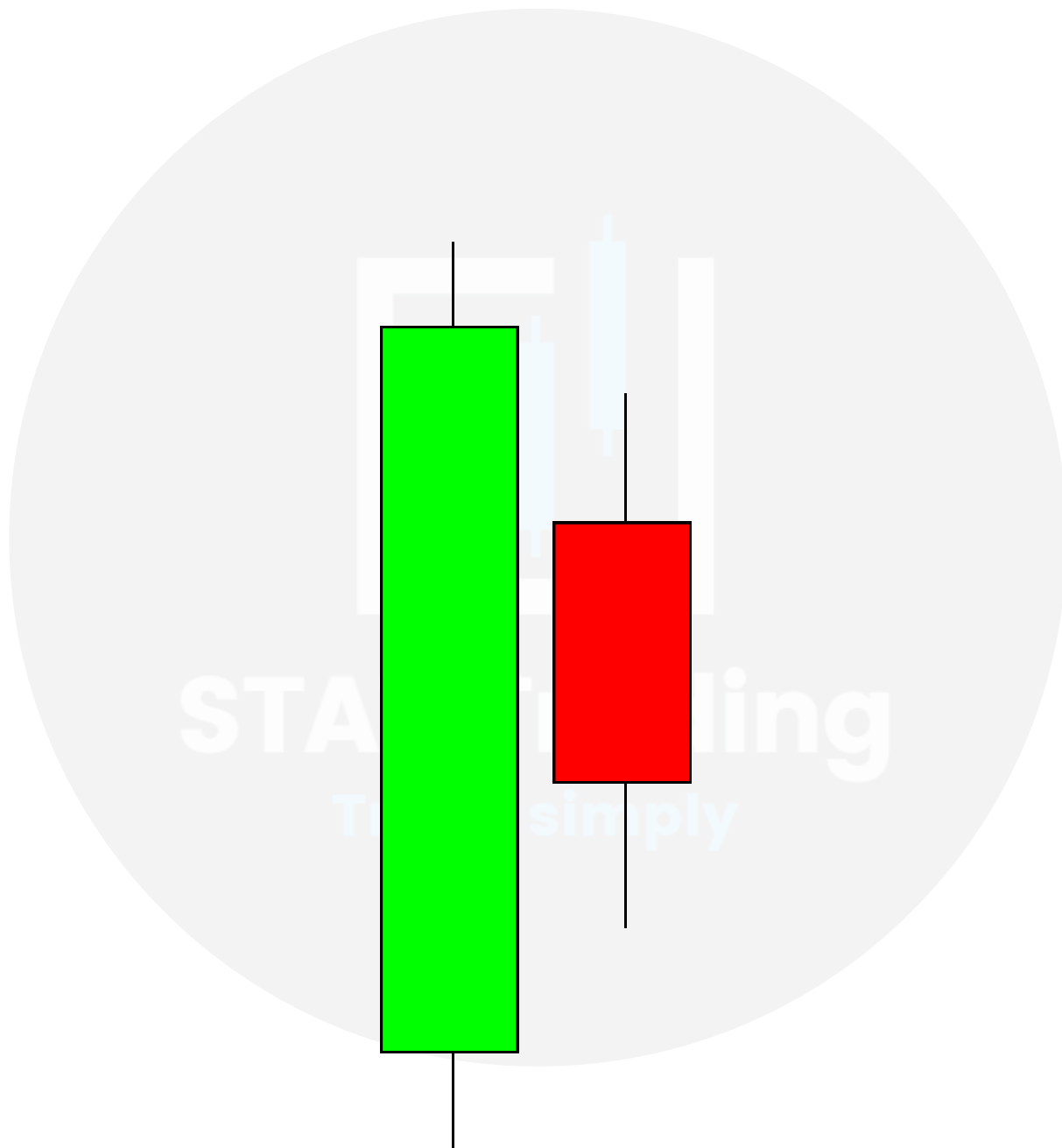
Any open candle that is currently a 1, can become a 2, and a 2 can become a 3.



Once the inside bar has closed we identify it as an equilibrium.

A 1 cannot be called a 1 until it has closed.

An equilibrium tells us that both buyers & sellers agree on prices and we are by definition in a period of consolidation.



After closing, we can identify 'known pivots'

These pivots are used by traders for stop placement / order execution.

