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Trading the Pristine Method

## Advanced Scalping Techniques (AST)

The Future of Trading

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# Advanced Scalping Techniques

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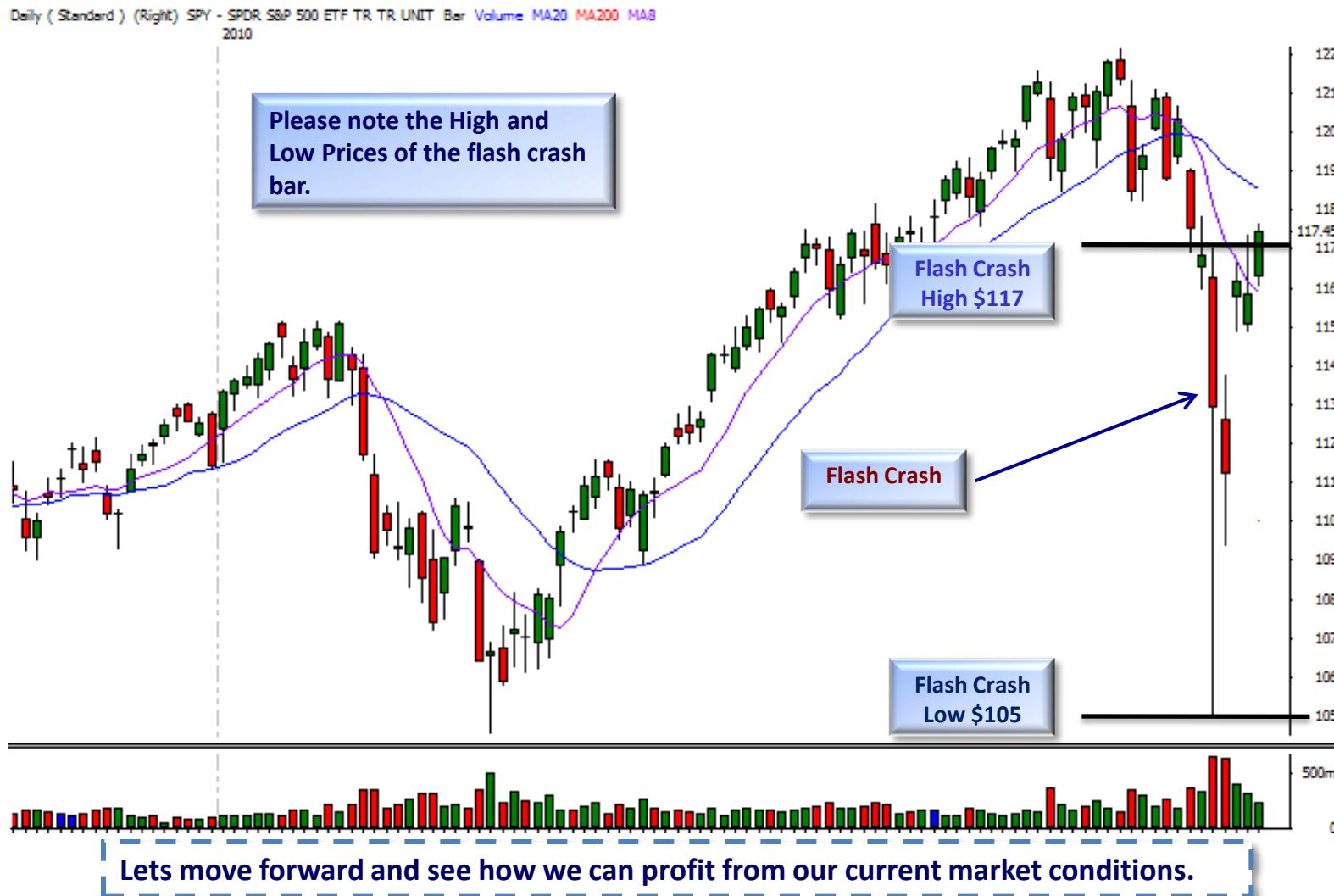


## Advanced Scalping Techniques (AST)

### Pristine Shakeouts: Introduction

# The Flash Crash

The flash crash was NOT a one time event and continues to happen daily, maybe not the market itself, but on individual stocks.



## Why Do Shakeouts Happen?

1. News?
2. HFT's (High Frequency Trading)?
3. Dark Pools?
4. Market Makers?
5. Lack of liquidity?
6. Fear/Greed?

*Please choose the most relevant answer from the list above...*

## Pristine Shakeouts

1. A Strategic Entry into a stock that has proven to have RS/RW to the market but has given little or no opportunity for entry.
2. Either a series of bars of the same color, or a 1 bar acceleration, that fall in the opposite direction of the stocks current trend to prior Support.
3. PSO's are ALL accompanied by a Surge In Volume.
4. Most often occur at or near HOD (Consolidating prior to Fall/Rise is a plus).
5. Unable to break the current trend of the stock on the time frame from which it was played but breaks the trend line.

**Note:** Pristine Shakeouts have a very high reward to risk ratio and can offer the Pristine Trader Enormous Profit Potential!



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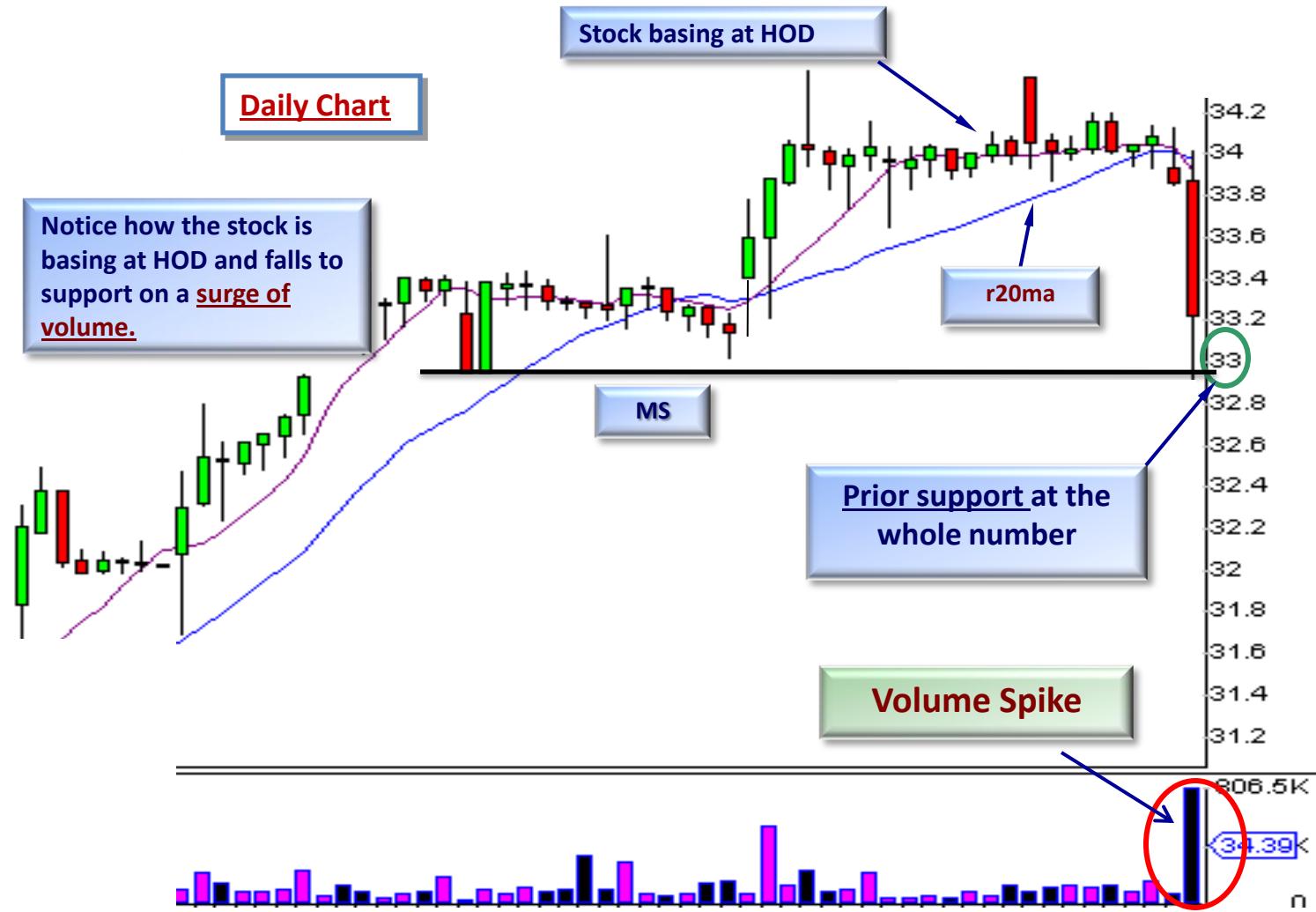


## Advanced Scalping Techniques (AST)

### One-bar Shakeouts

Smaller timeframes will be used for these strategic entries...

# One Bar Shakeouts



**Trading Tip:** The Pristine Trained Trader waits for the bottoming tail to start to form before looking to enter.

# One Bar Shakeouts



**Trading Tip:** The Pristine Trader will look to take profits at mR once the stock retraces back to the base.

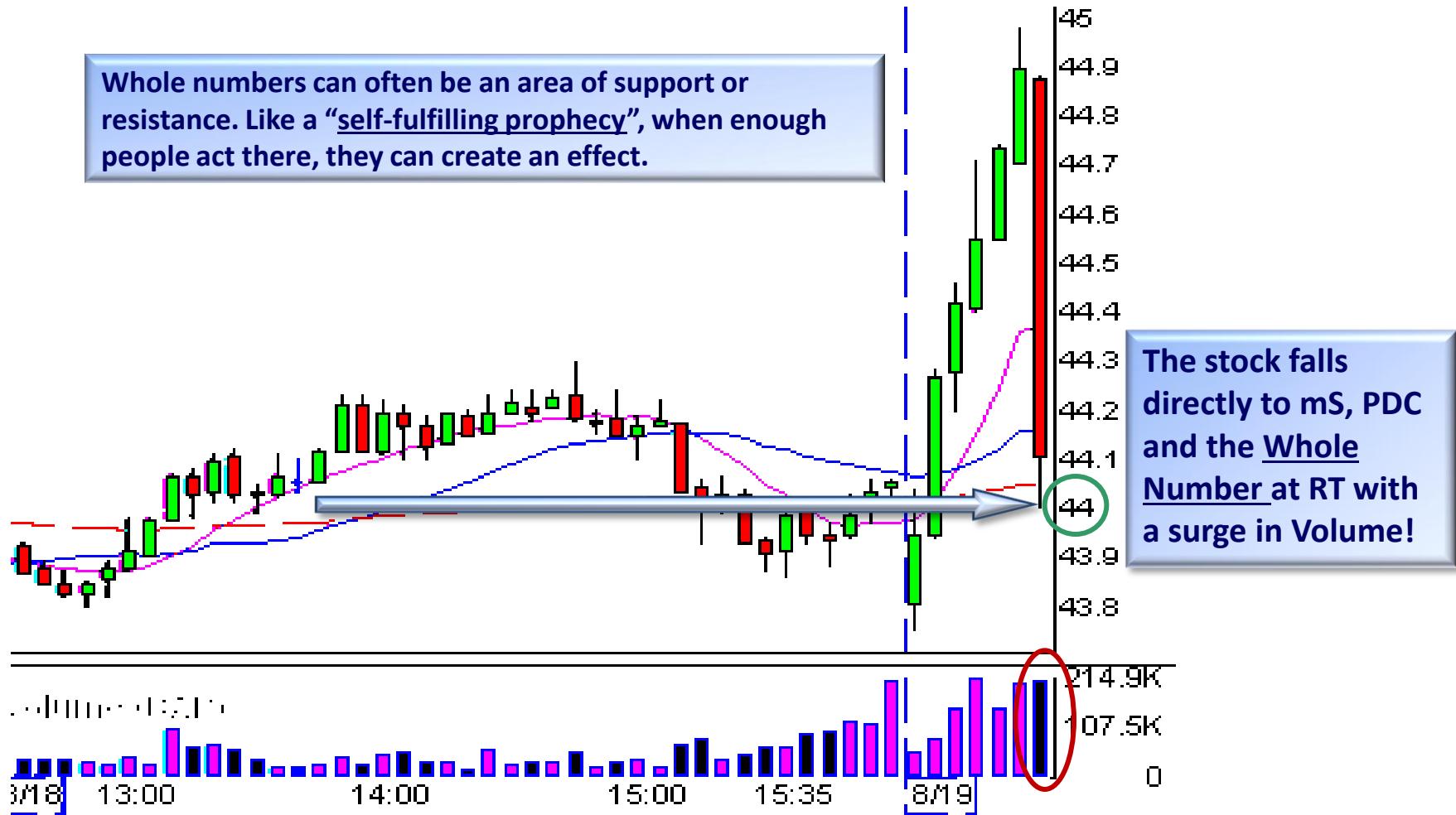
# One Bar Shakeouts



**Trading Tip:** The Pristine Trained Trader will SOH and WAIT for an opportunity to buy this stock.

## One Bar Shakeouts

Whole numbers can often be an area of support or resistance. Like a “self-fulfilling prophecy”, when enough people act there, they can create an effect.

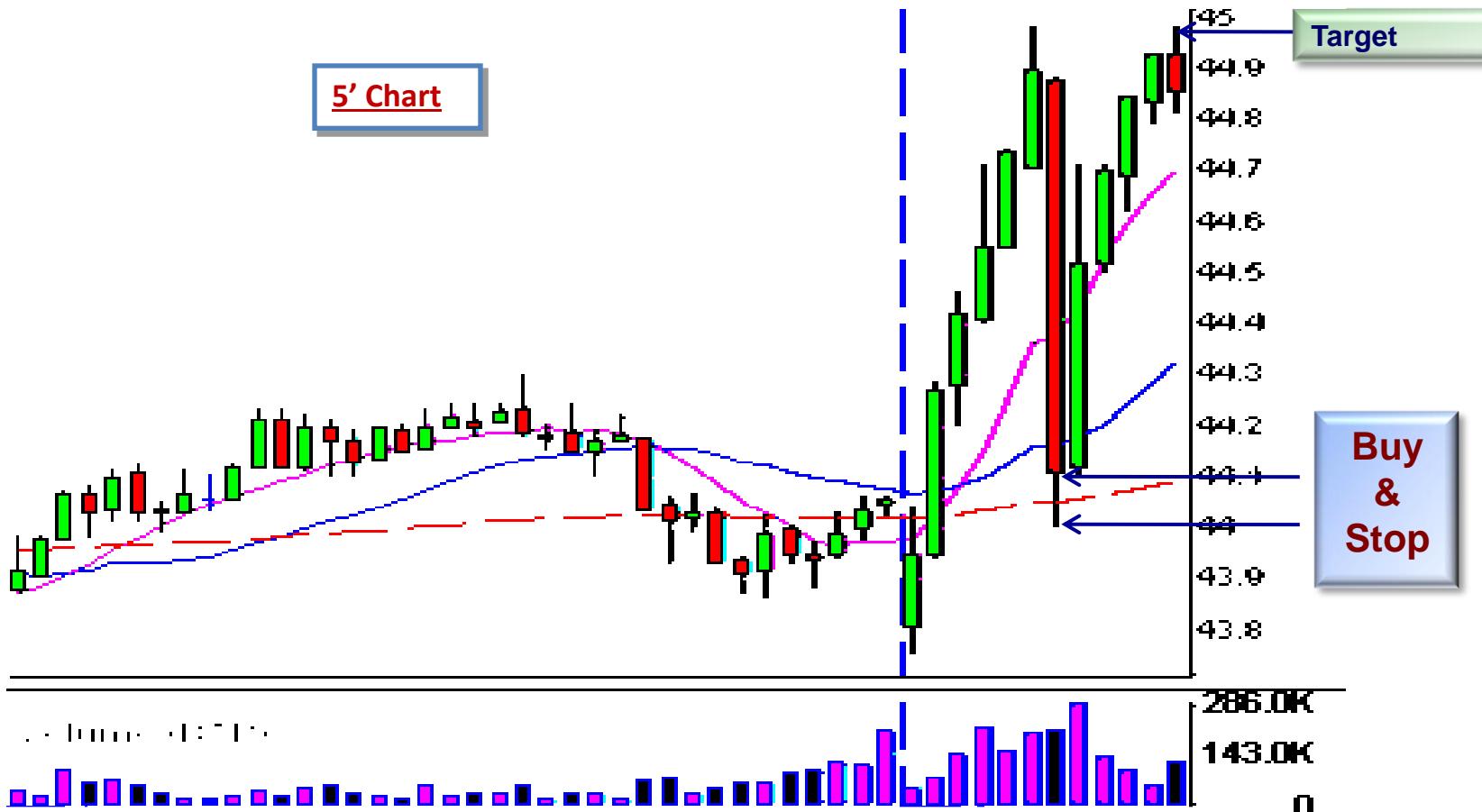


**Trading Tip:** The Pristine Trained Trader will drill down to 1-min timeframe and will look to buy this stock above prior bar's high, with a protective stop UNDER the tail.

# One Bar Shakeouts - Entry

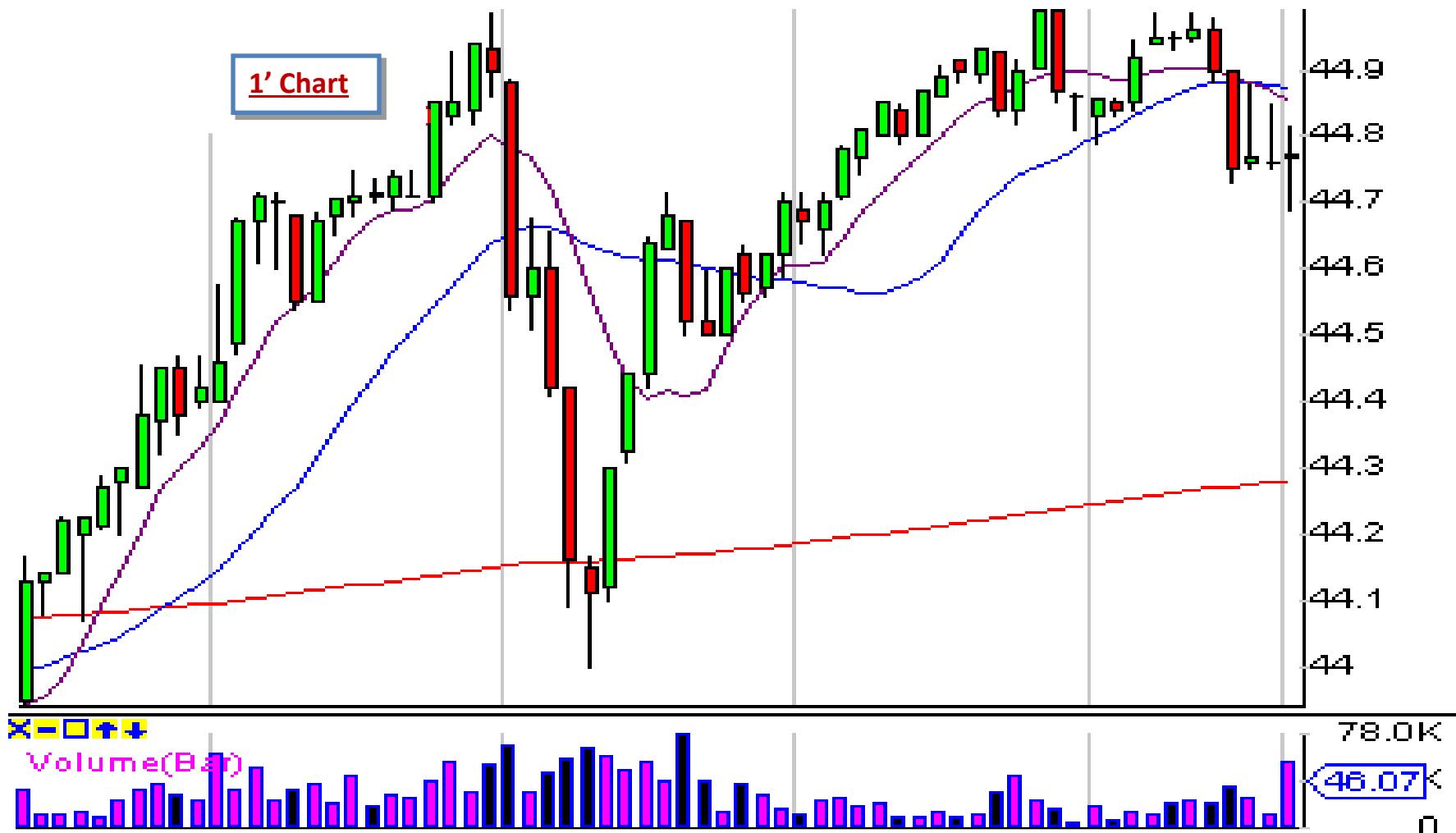


# One Bar Shakeouts - Targets



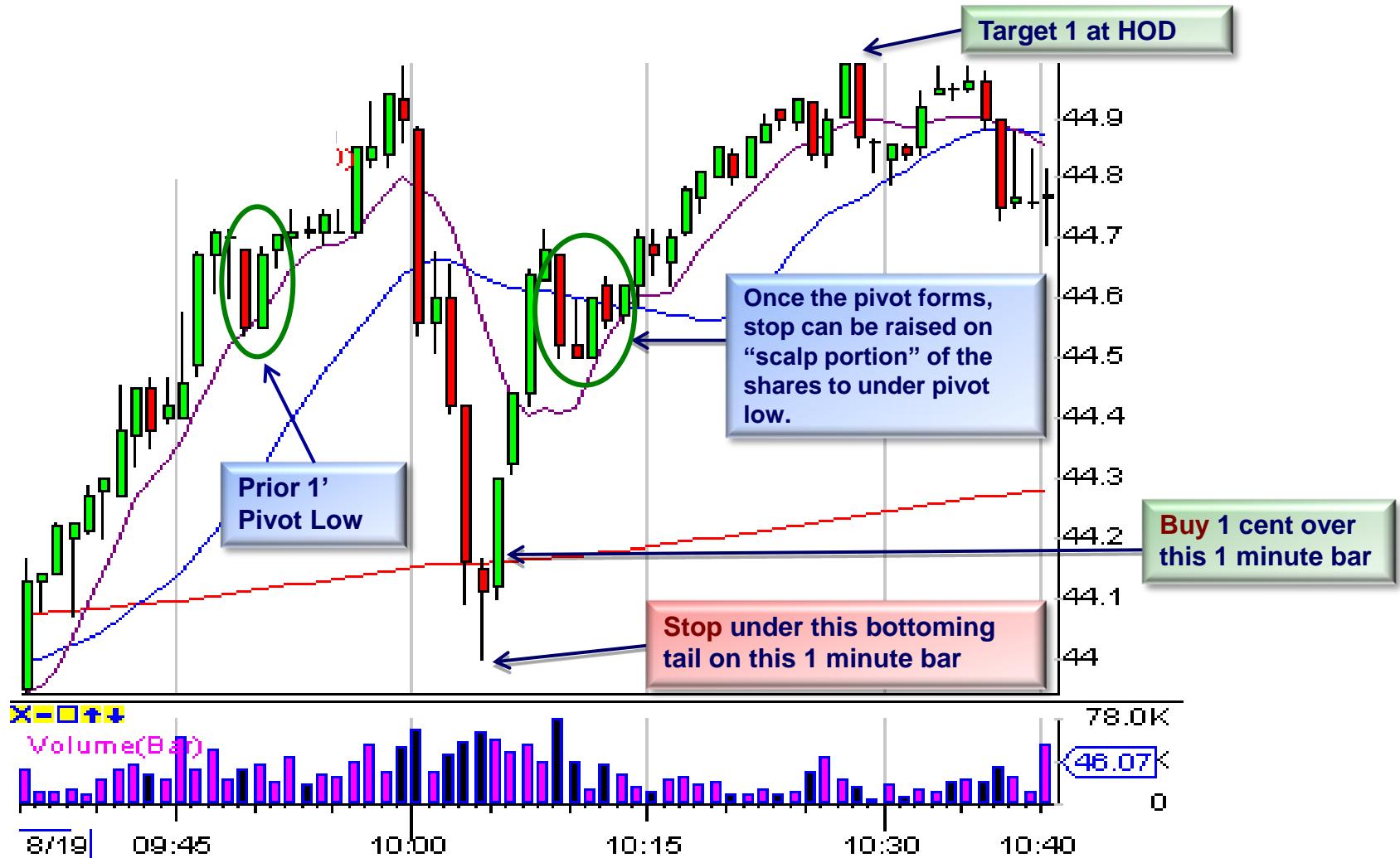
**Trading Tip:** If the shakeout was used as an entry into a larger strategy (i.e., hourly PBS), the Pristine Trained Trader can take partial profits at prior pivot high and hold the back half until the larger timeframe reaches desired target.

# One Bar Shakeouts – Management



Name the Points of Interest in this Chart

# One Bar Shakeouts – Management



## Basic Share-Sizing

### Example Using \$100 Risk

Entry: \$44.18

Stop: \$43.98

**Stop Size: 20 cents (\$44.18 - \$43.98 = 20 cents)**

**\$100 risk/20 cents = 500 shares**

**Or**

**500 shares x 20c = \$100 risk**

## Calculating Risk to Reward

Target Divided by Stop = Potential Reward

Reward x Risk Capital = Potential Profits

Entry: \$44.18

Stop: \$43.98

Target: \$45.00

$(\$45.00 - \$44.18 = \$.80 \text{ (rounded off)}; \text{ divided by } 20 \text{ cents} = 4)$

If target is Reached: Reward = 4:1 or \$400



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## Advanced Scalping Techniques (AST)

### Multi-bar Shakeouts

Smaller timeframes will be used for these strategic entries...

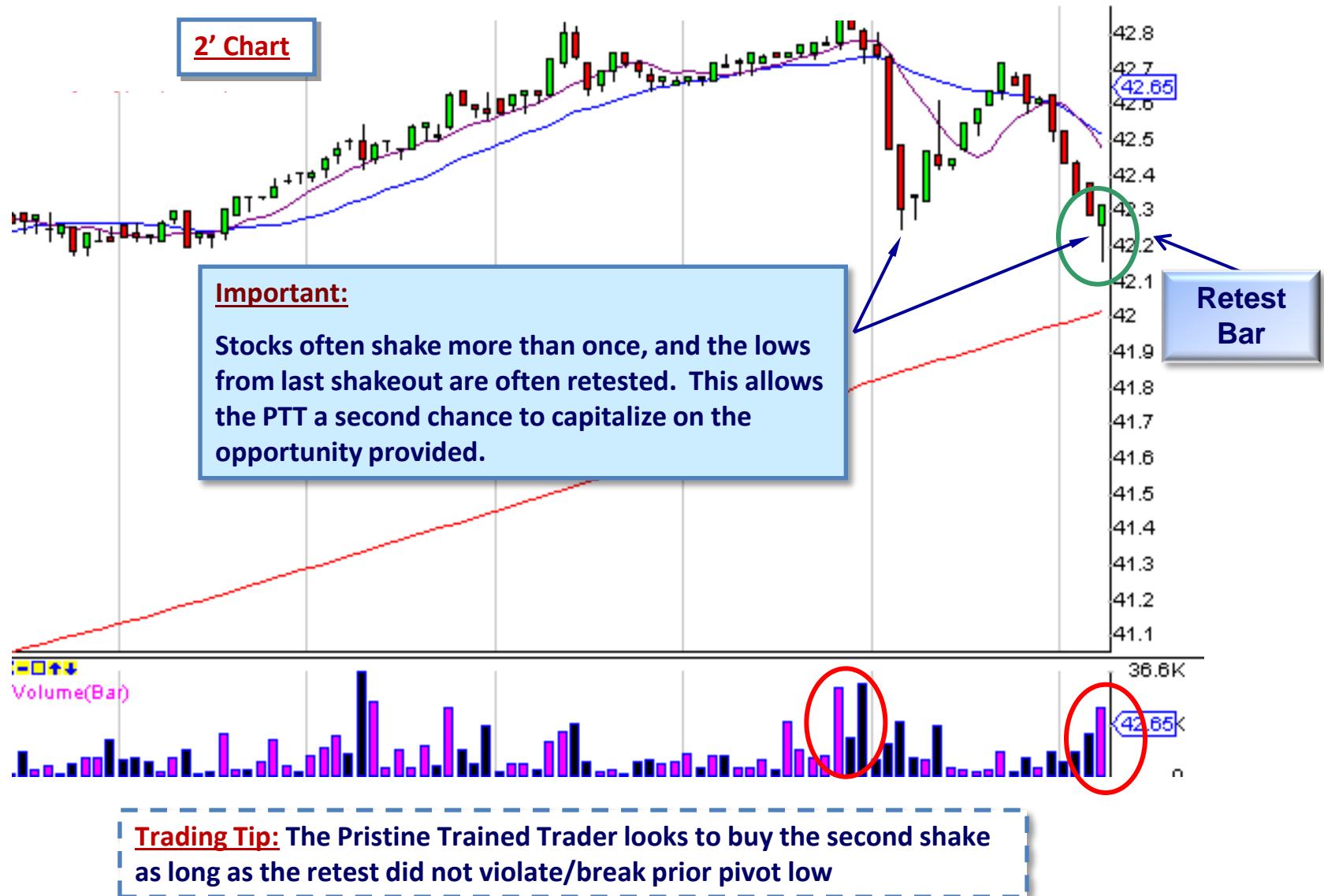


# Multi-Bar Shakeouts



**Trading Tip:** The Pristine Trained Trader can use an alternative entry but risks “missing” the trade.

# Multi-Bar Shakeouts





# Multi-Bar Shakeouts

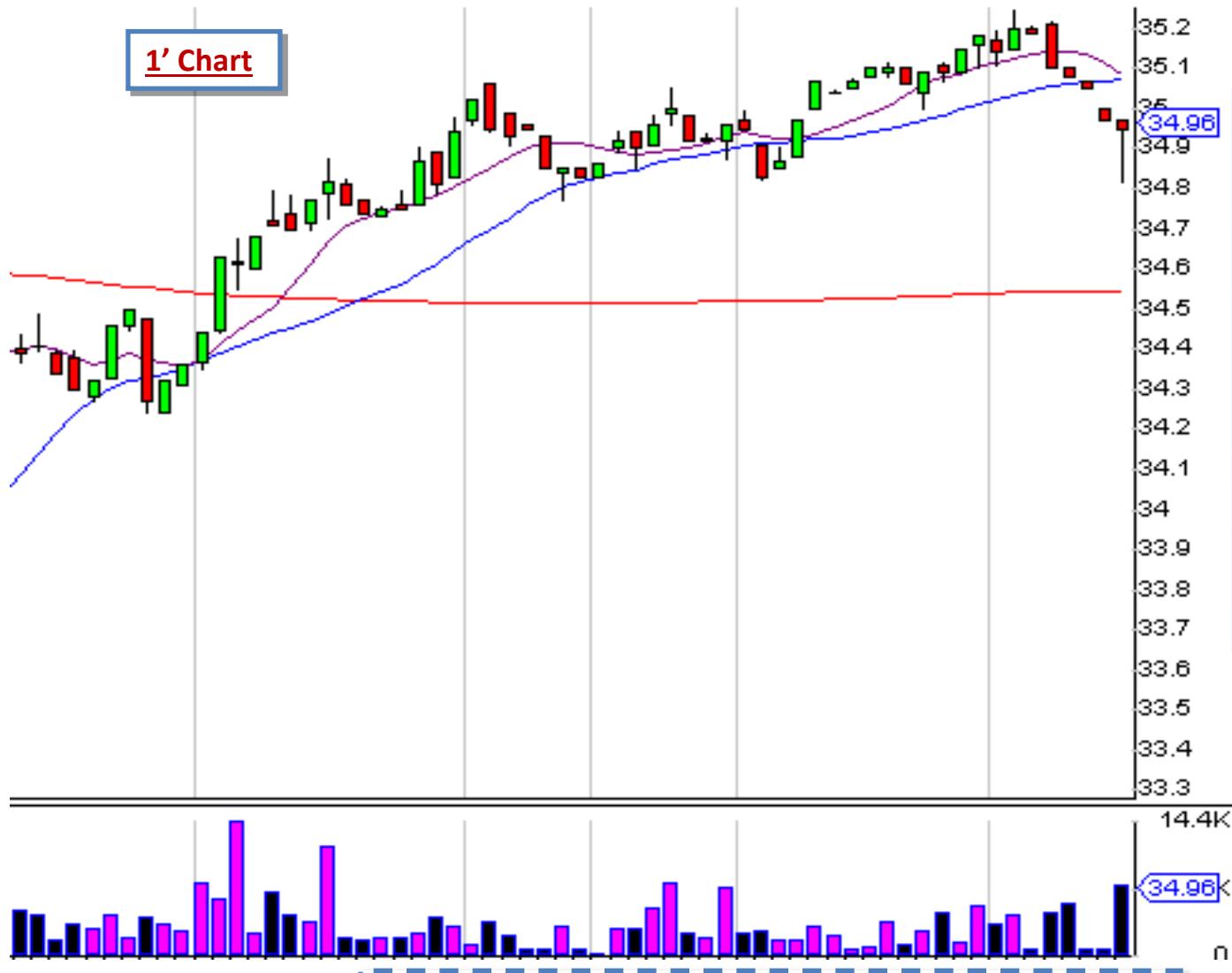


**Trading Tip:** The Pristine Trained Trader will WAIT until a valid entry has triggered at an area of SUPPORT

# Multi-Bar Shakeouts - Entry



## Multi-Bar Shakeouts



List 4 Points That  
Make This a valid  
Shakeout:

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**Trading Tip:** Let the chart tell the story.

# Multi-Bar Shakeouts



1' Chart

Stock Basing at HOD



**Trading Tip:** A high percentage of Breakouts fail, consider waiting for them to shakeout first.

# Multi-Bar Shakeouts - Targets

1' Chart

TARGET 1 is the  
BOTTOM of the Base,  
Why?



**Trading Tip:** Buy over the “Inside Bar”, Stop under the LOW of the Shake.

# Multi-Bar Shakeouts - Management

1' Chart



**Trading Tip:** The Topping Tails, Extension from the r20ma and the +WRB's coming at the end of a multi bar rally signaled that the move was over.



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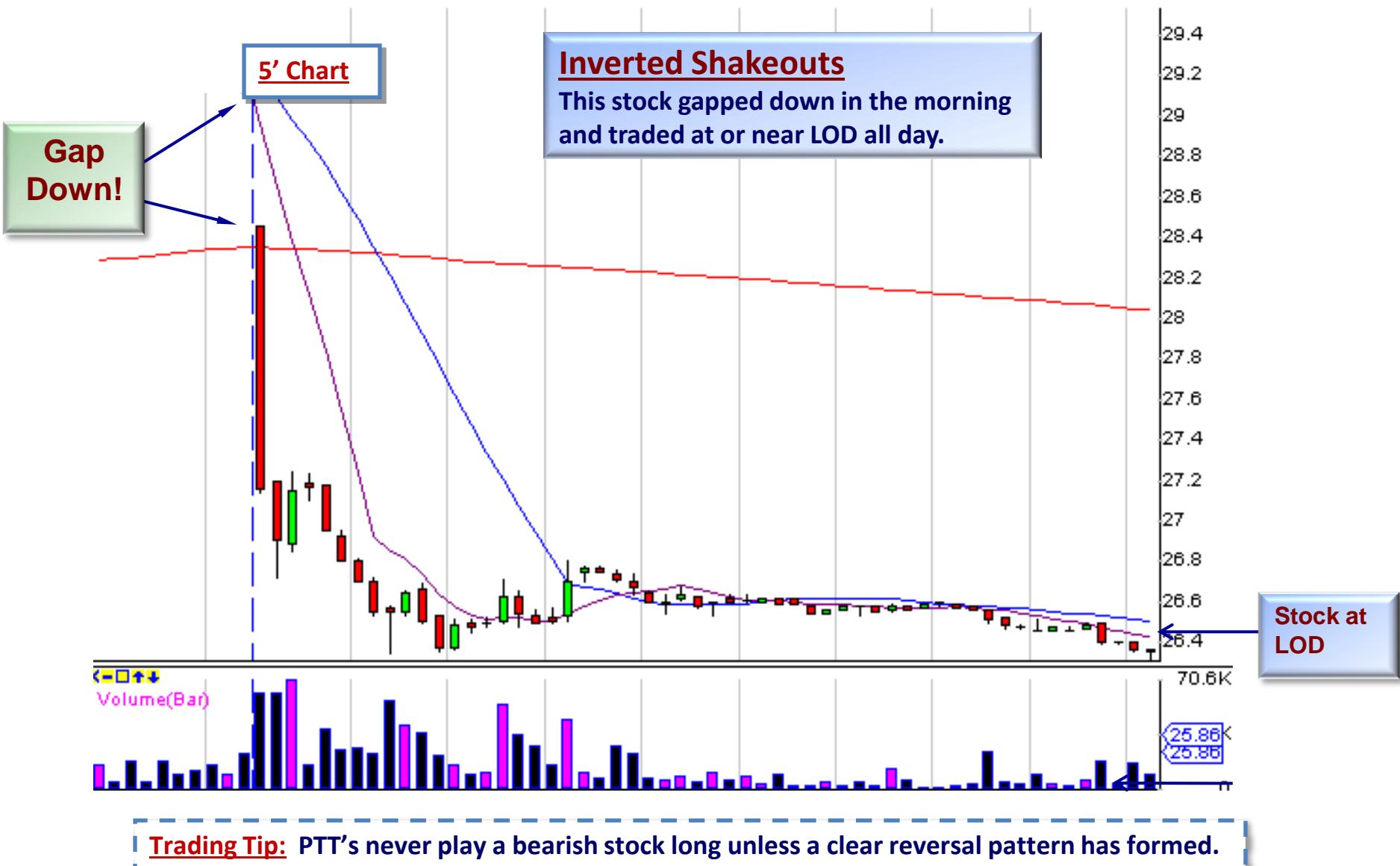


## Advanced Scalping Techniques (AST)

### Inverted Shakeouts

Smaller timeframes will be used for these strategic entries...

# Inverted Shakeouts



# Inverted Shakeouts



# Inverted Shakeouts





**Important:**

Large volume spikes often signal the beginning or end of a move.

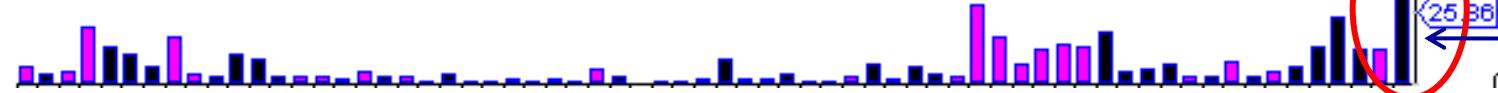
**5' Chart**

**mS Support**

**Target 2!**

Volume(Bar)

**Volume Spike**



**Trading Tip:** The Pristine Trader is trained to ACT on opportunity!

# Inverted Shakeouts – Daily Chart

**Important:**

It's VERY important to note that ALL plays start with a Bullish/Bearish Daily Chart



**Trading Tip:** PTT's don't play Bearish Stocks Long or Bullish Stock Short unless they go Climactic

# Inverted Shakeouts – Intraday Chart



# Inverted Shakeout at 5' Resistance



**Trading Tip:** ALL Shorts get Shaken out as short covering propels prices higher

# Inverted Shakeout – Entry



# Inverted Shakeout – Targets & Management

**Important:**

Notice that there are NO Red Bars in this rally as the stocks price moves into an area of Resistance.

Trail Balk Half  
Over this 2' Pivot

Target 1, 2' r20ma



**Trading Tip:** A strong rally like the one above most likely means that the bearish nature of the stock has ended.



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## Advanced Scalping Techniques (AST)

### Bake and Shakes

Smaller timeframes will be used for these strategic entries...

## Pristine Bake & Shake (PB&S)

1. A Strategic Entry into a stock that has proven to have RS/RW to the market.
2. A one bar shakeout in the opposite direction of the stock's current trend. *Shaking to an area of Support/Resistance is a plus.*
3. The shakeout bar is immediately negated by another bar, bringing the stock back to the same price level prior to the shake.
4. PB&S's are ALL accompanied by a Surge In Volume.
5. Often occurs at or near HOD/LOD.
6. Bake and Shakes have a very high risk to reward ratio and can offer the Pristine Trader Enormous Profit Potential!

**Important:**

All stocks in play start with a weak/strong daily chart.

These traders are ALL trapped and need to sell.



**Trading Tip:** This stock remained weak all day because of the gap down in the morning, leaving many traders trapped and forced to sell!

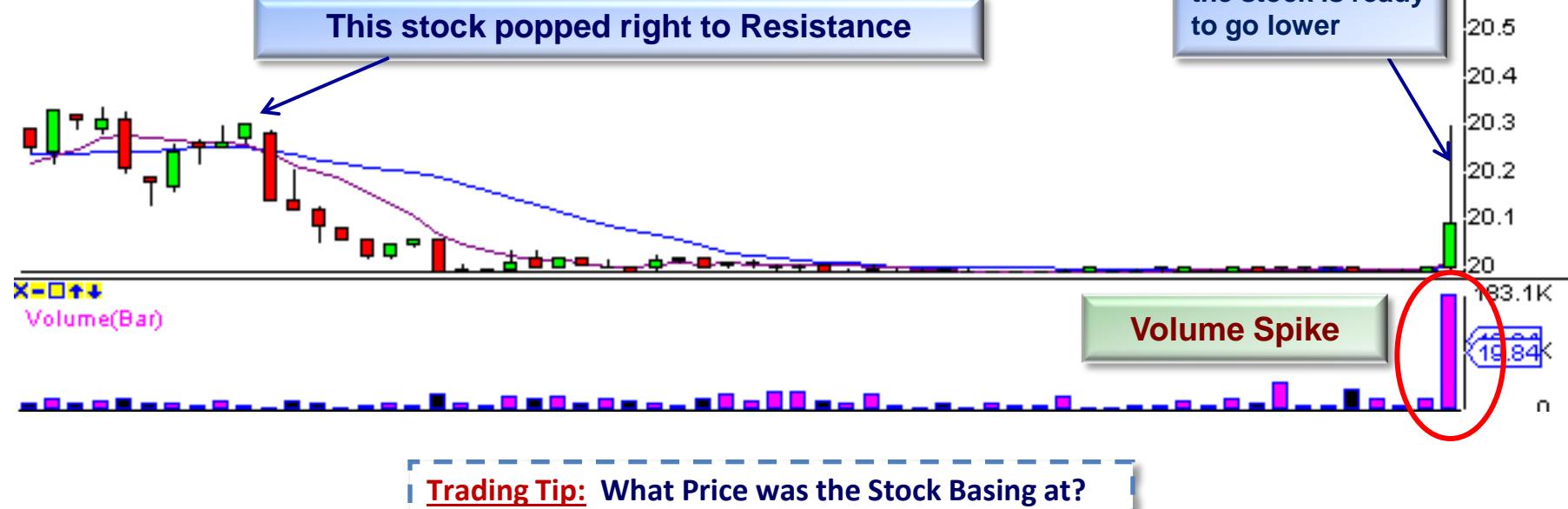


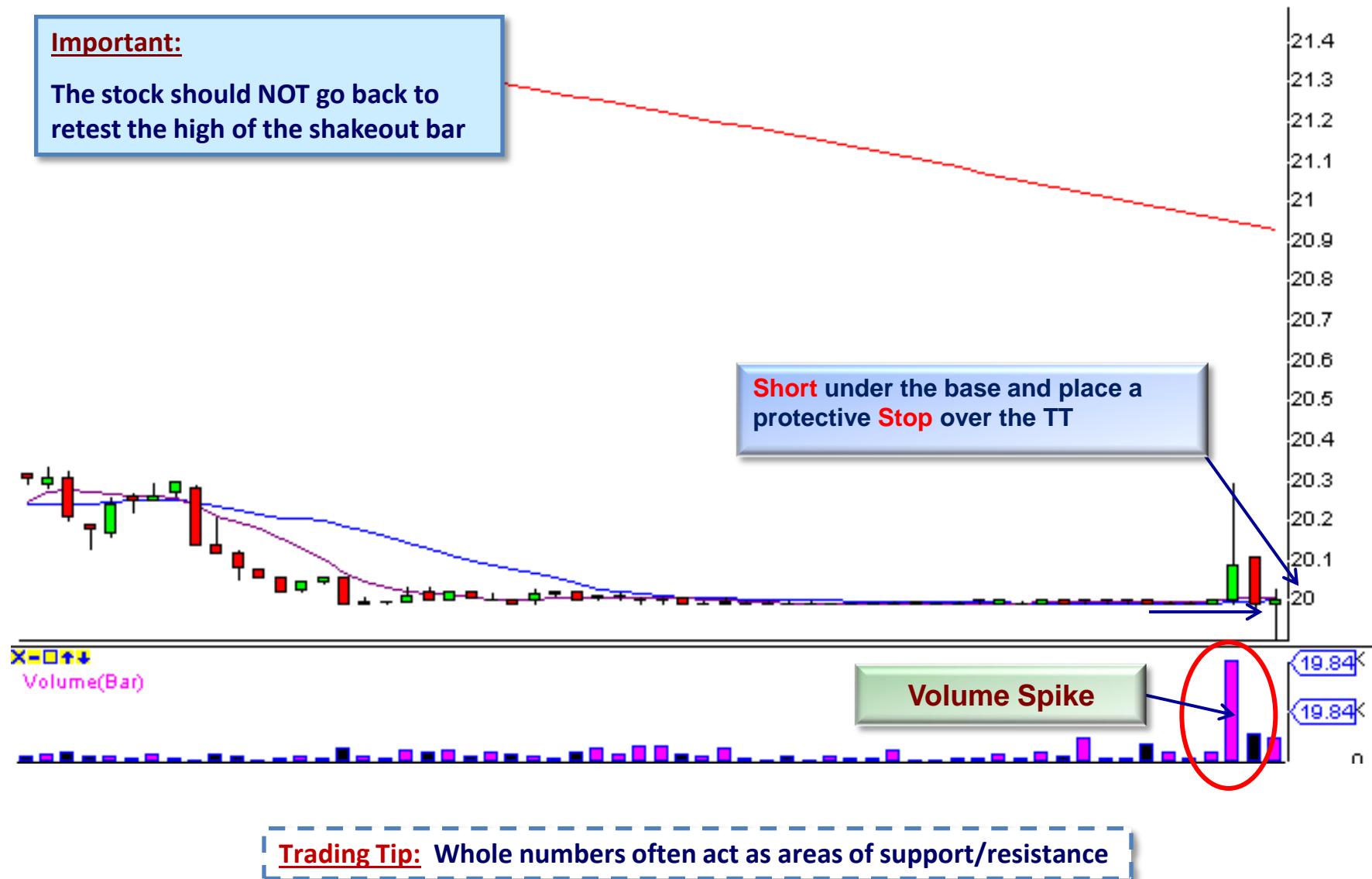
**Trading Tip:** Pristine Traders will stalk this stock and SOH until there is a clear opportunity to enter.

# PB&S Shakes Right to Previous Resistance

**Important:**

The breakout does two things: Bears stop out and bulls go long, thus creating a huge surge in volume





**Important:**

If you miss the first entry, there is often a second. If you caught the first entry, this is a good place to add shares.

**1' Chart**



**Trading Tip:** You can use the tight stop over the 1' sell set up OR use the original stop just over the whole number

**Important:**

Always know your target before you  
ENTER a trade, Target was EOD or \$19.00.



**Trading Tip:** Even though the \$19 target was NOT hit to the penny, why did we cover our trade here?

**Important:**

Always know your target before you  
ENTER a trade, Target was EOD or \$19.00.



**Trading Tip:** Even though the \$19 target was NOT hit to the penny, why did we cover our trade here?

**Note:** Today was a Professional Gap Down.  
The stock was in a Powertrend and basing at  
the lod, which is an extremely bearish picture.





## Pristine Method® Shakeouts

**1) Please Name the 5 Points that Make up a Shakeout:**

- 1.
- 2.
- 3.
- 4.
- 5.

**2) Name the two main differences between  
Shakeouts and Bake and Shakes?**

- 1.
- 2.



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## Advanced Scalping Techniques (AST)

## Power-trends & Pre-climactics

Smaller timeframes will be used for these strategic entries...

## Pristine Pre-climactics & Power-trends

### General Theory

**The Law of Motion:** “An object in motion tends to remain in motion”..Pre-climactics depend on this well-understood mechanism.

- A. After a green bar, expect another green bar to form at least 80% of the time
- B. After a red bar, expect another red bar to form at least 80% of the time
- C. The bigger the green or red bar, the higher the odds of follow through...unless the move becomes climactic

### **What is a pre-climactic stock:**

It's a stock that is moving rapidly and significantly in one direction on high volume, independently of the market. In other words, it's a stock with strong momentum moving in one direction without yet appearing to exhaust the buyers/sellers.

### **What is a power-uprend:**

It's rising stock trading above a smooth rising 8MA that is also above a smooth rising 20ma and the 200ma.

## Pristine Pre-climactics & Power-trends

### General Theory

#### Notes:

Herd Mentality – understanding psychology behind price action

- Technical analysis of momentum moves is about uncovering herd mentality.
- During dynamic price movements, fear-greed exerts tremendous force.
- The bigger the move, the faster it happens, and the more volume it occurs on (size/speed/volume), the more pain-exuberance there is. The more Fear-Greed.
- With that in mind, you must remember to step off the momentum train before it reaches the station and starts reversing.
- Momentum strategies work through most market conditions since they are mostly independent of the market.
- Remember: we are searching NOT for long-term momentum, but for short-term momentum.

## Pre-climactics vs. Power-trends

### Differences between a power-trend and a pre-climactic:

1. **Momentum:** A pre-climactic typically has more momentum than a power-trend such that moving averages are not able to catch up to price. Speed is measured through price location relative to moving average location. In other words, pre-climactics are typically more **extended**.
2. **Acceleration:** Pre-climactics not only move faster than power trends, but typically their speed is also increasing with time. The increase in the speed of the stock is measured though either a classic MACD indicator or by combining two moving averages, such as an 8MA and a 20MA.
3. **Duration:** A stock can stay in a power-trend for many hours. In fact, some power-trends carry over into the following day. Pre-climactics typically last less than 1 hour.
4. **Smoothness:** Power-trends move in a smooth fashion, typically in a 45° angle. Pre-climactics are sharper and more erratic.
5. **Volume:** Pre-climactics typically have increasing volume until the volume becomes climactic and the move exhausts itself. Volume in power-trends remains steady until the end of the trend. When a power-trend is near its end, the stock usually starts separating from moving average and/or volume spikes.

There is nothing more elegant than the 8MA Run! It only takes one of these a week to make a small fortune



Your job is to find an entry to jump on board to ride the momentum train to a desired profit target, until the stock goes climactic, or until the downtrend ends.

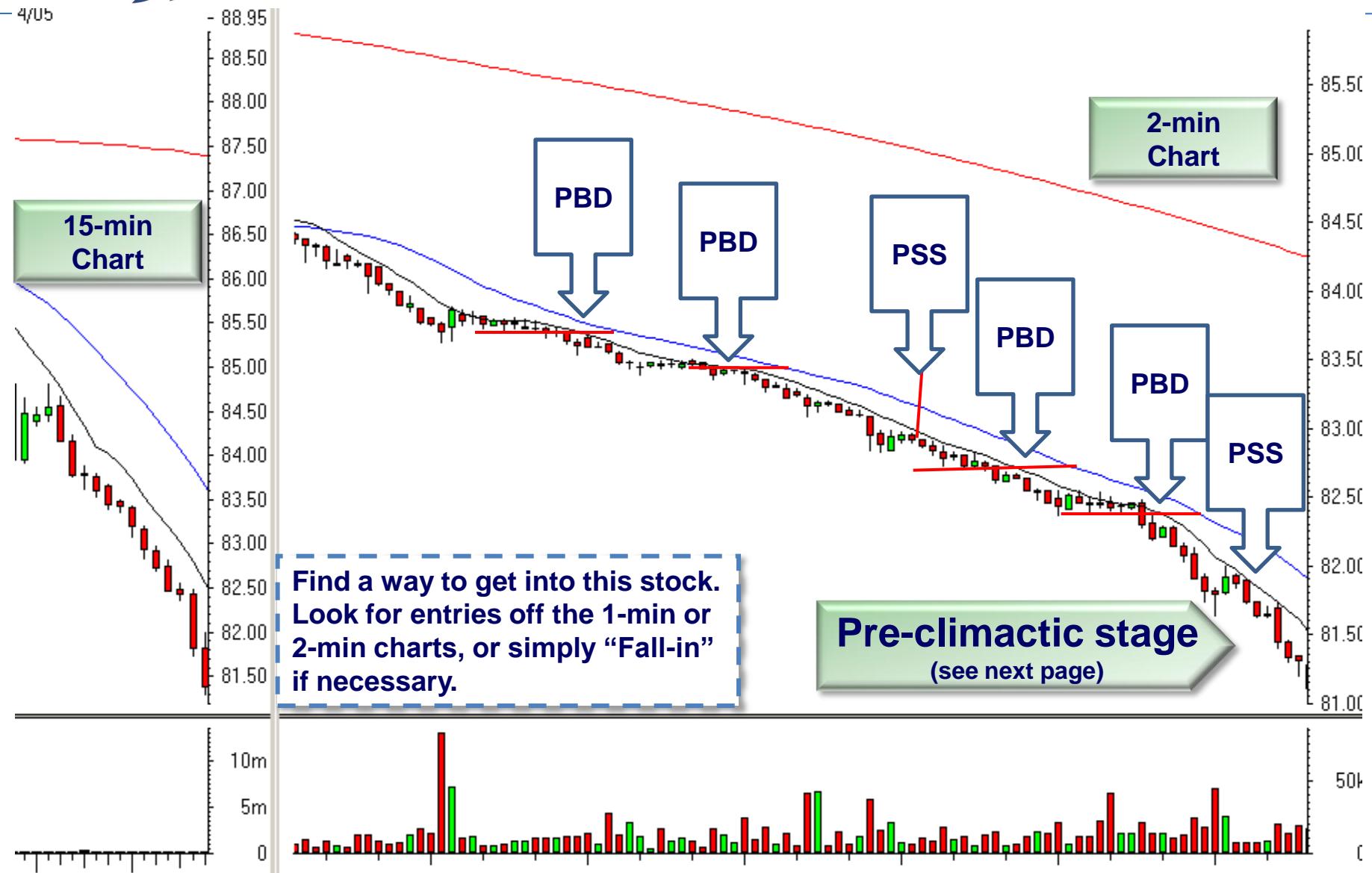


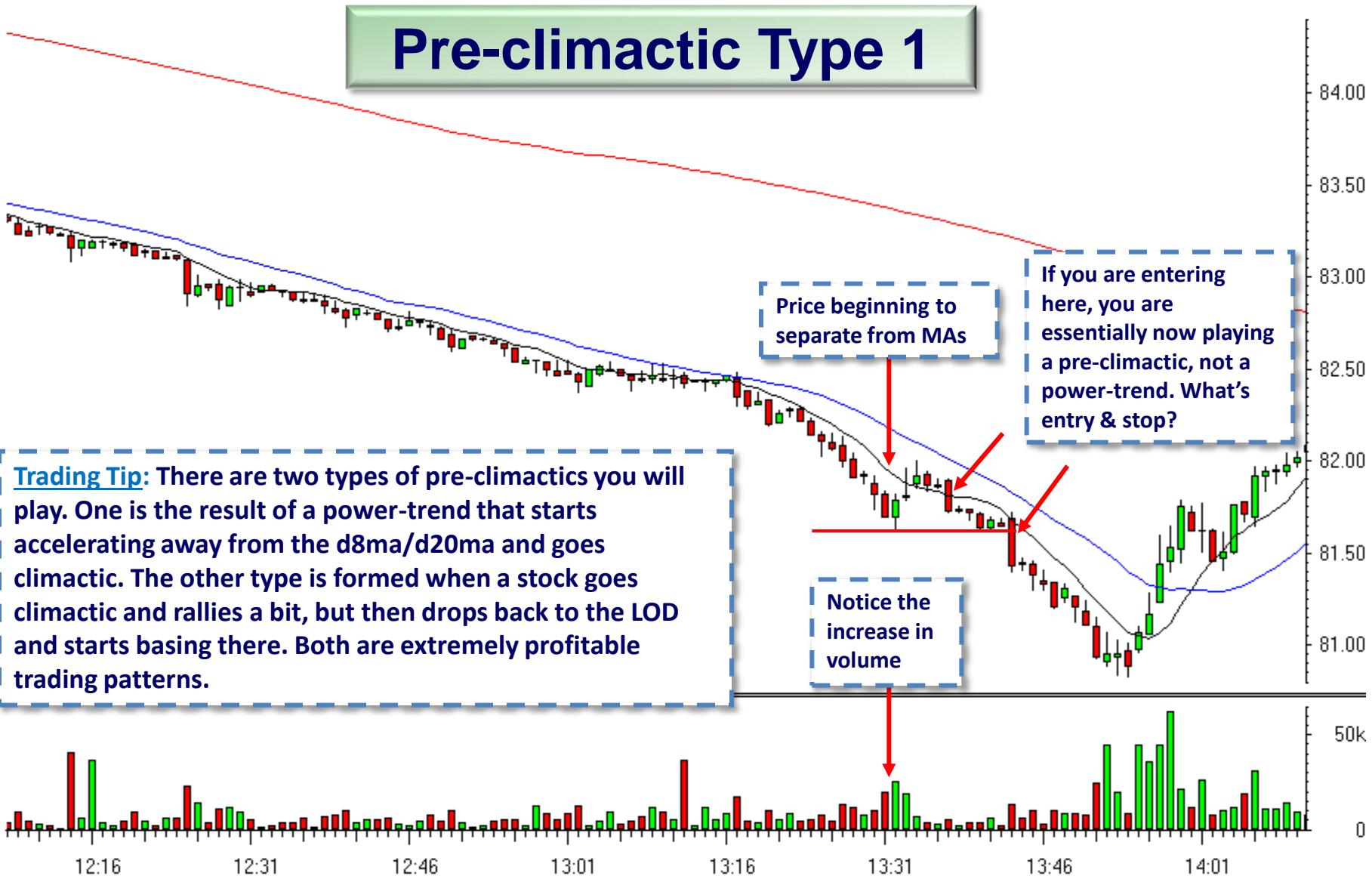
# The 1-minute Power-trend

9/16

**Trading Tip:** The 1-minute chart is the entry timeframe for the scalper and can serve for entries to 2 and 5-minute strategies





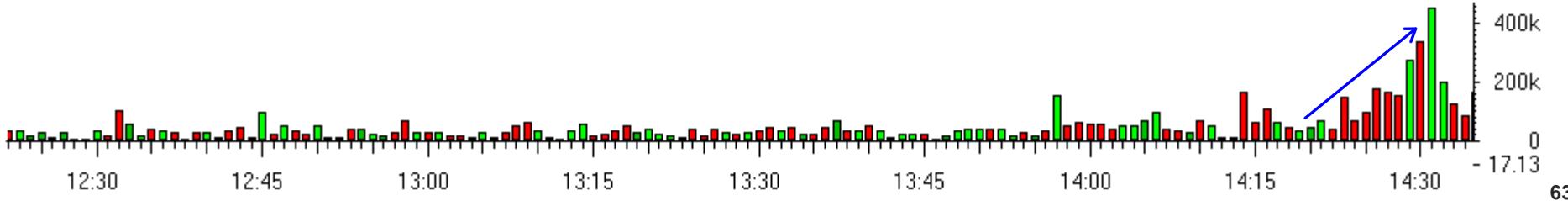


## Pre-climactic Type 1

Note: Is this 2-min sell setup playable? Why or why not?

Figure out a way to get into this stock. Do not throw away free money!

Pre-climactic stage



## Pre-climactic Type 2



5-min Chart

Daily Chart

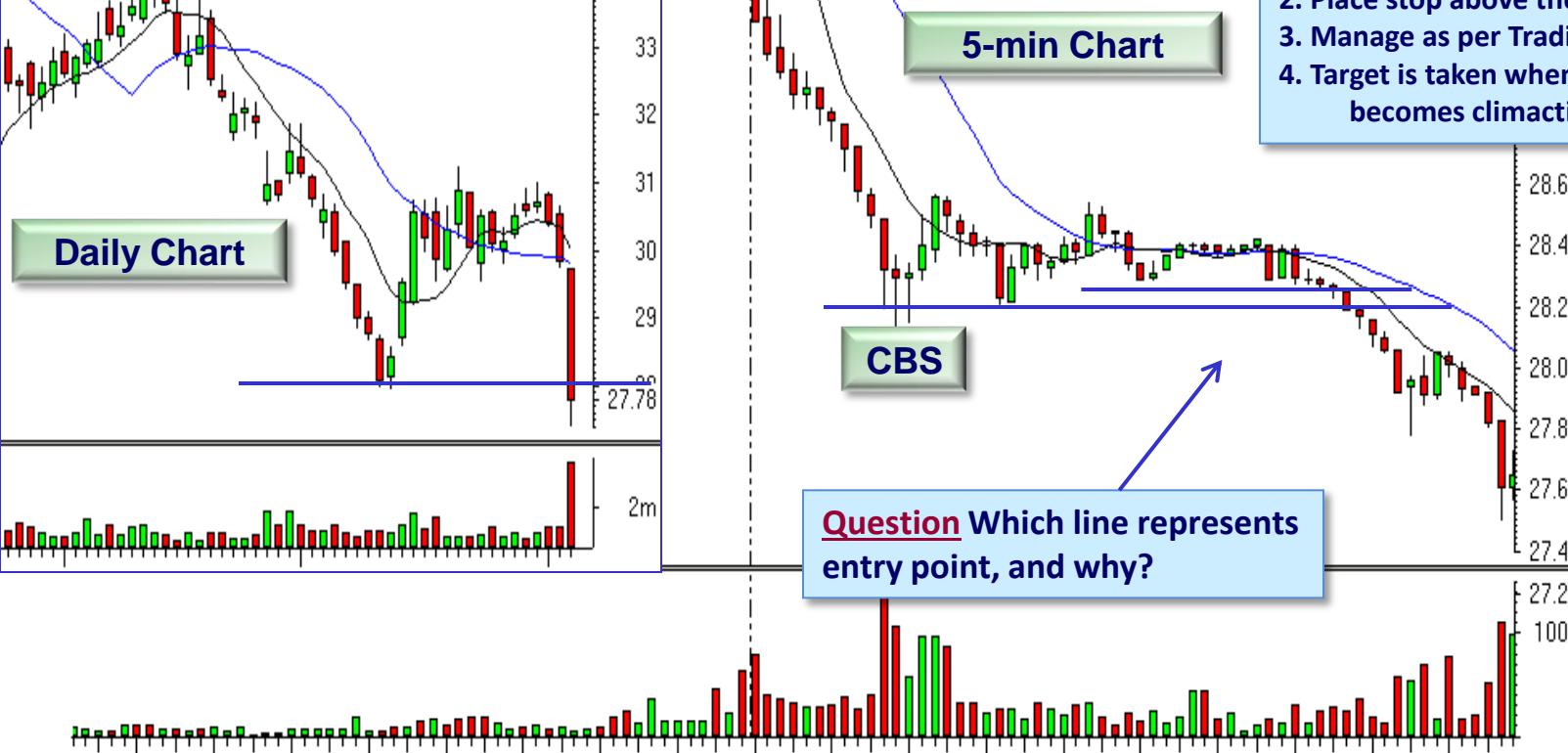
CBS

Question Which line represents entry point, and why?

Note: The stock goes climactic and bounces off the lows. However, the stock drops again to the LOD and starts basing there. At or near the point of contact with the d20ma, the stock breaks down.

### Trade Action Steps

1. Short the Pristine Breakdown
2. Place stop above the base
3. Manage as per Trading Plan
4. Target is taken when the stock becomes climactic



On this day, what should your belief be regarding the direction of the stock?

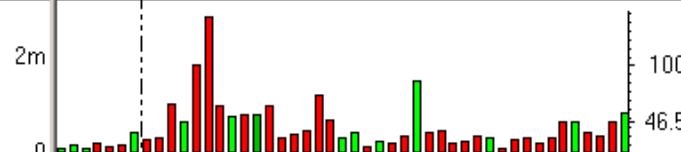


Significant Failures on the daily chart make for the best power-trends and pre-climactics

# Climactic → Pre-climactic



**Note:** Notice that today is a -WRB, igniting a new move, not ending an old one (no exhaustion there). This is also KEY, and will be incorporated into our Pre-climactic Strategy.



**Note:** The 5-min chart became climactic in the area of prior Major Support (MS) on daily chart. **Question:** Is it better for the stock to go climactic at support or after breaking support?



**Note:** A stock that after going climactic, rallies, and later starts basing at the lows, becomes a prime candidate as a Pre-climactic short

# Climactic → Pre-climactic



## Pre-climactic Type 2

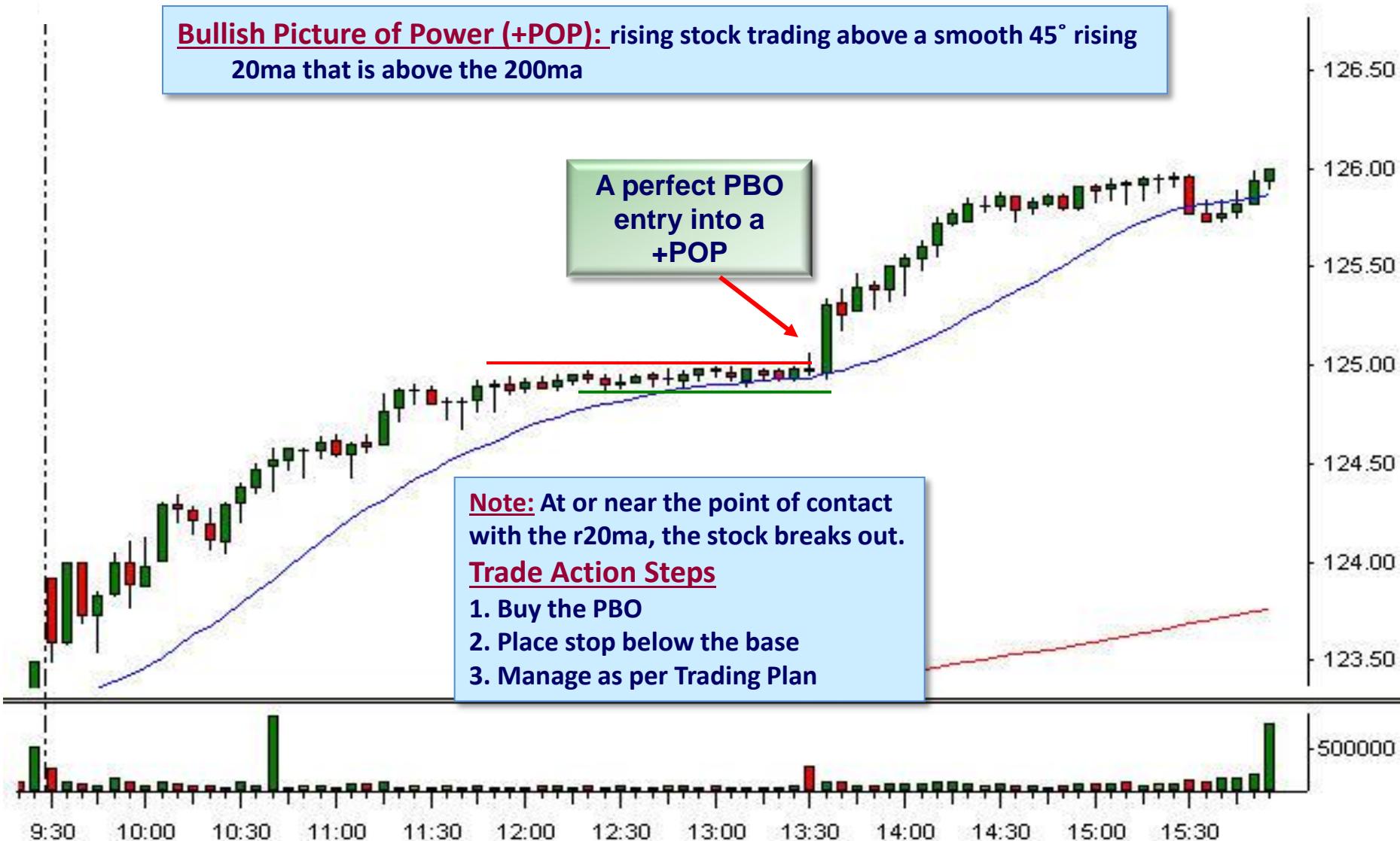


A mini climactic drop on the 5-min chart generated a small bounce and then a sideways consolidation into the d20ma.

Question: Where is the entry?

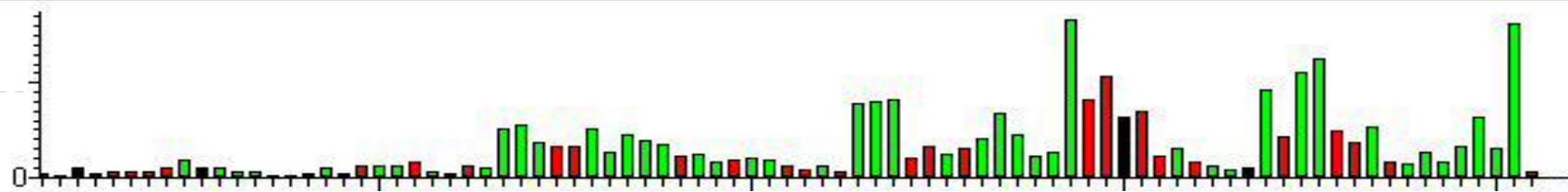
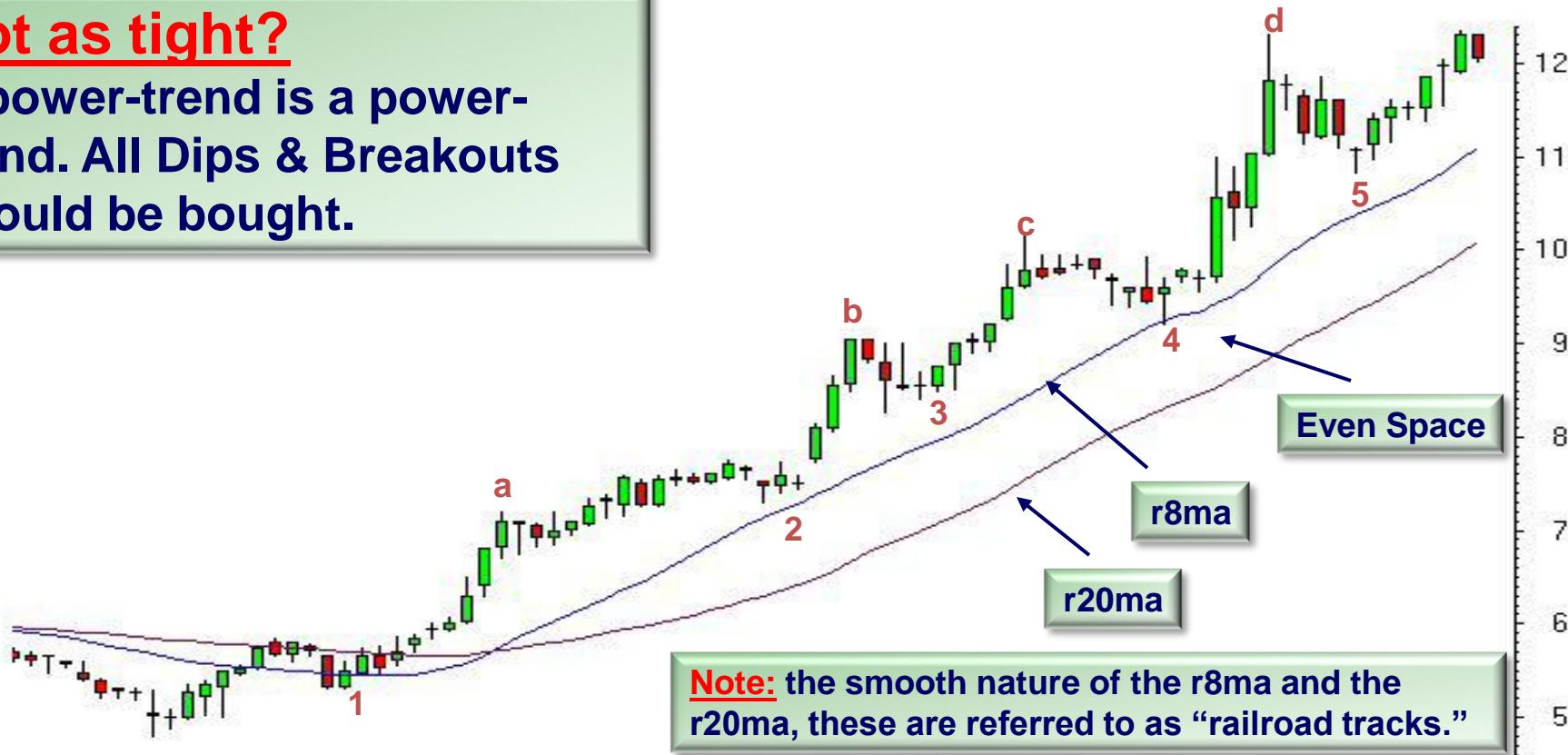
# Bullish Picture of Power (+POP)

**Bullish Picture of Power (+POP):** rising stock trading above a smooth 45° rising 20ma that is above the 200ma

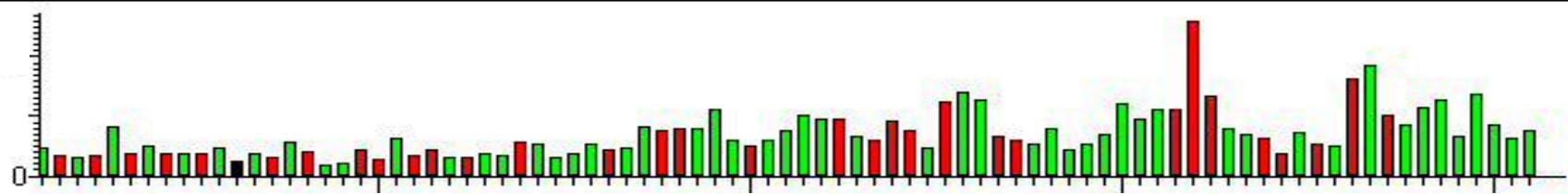


## Not as tight?

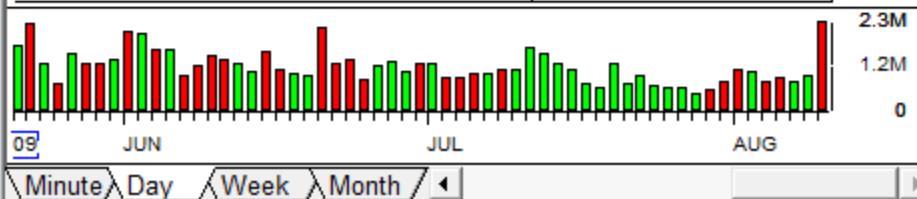
A power-trend is a power-trend. All Dips & Breakouts should be bought.



- All Pullbacks are Buyable
- Breakouts are also Buyable



**Daily Chart**



**Hourly Chart**



**The best power-trends come from daily charts displaying a significant failure pattern.  
Use the 1-min to short all counter-rallies & breakdowns**

Daily Chart



5-min Chart

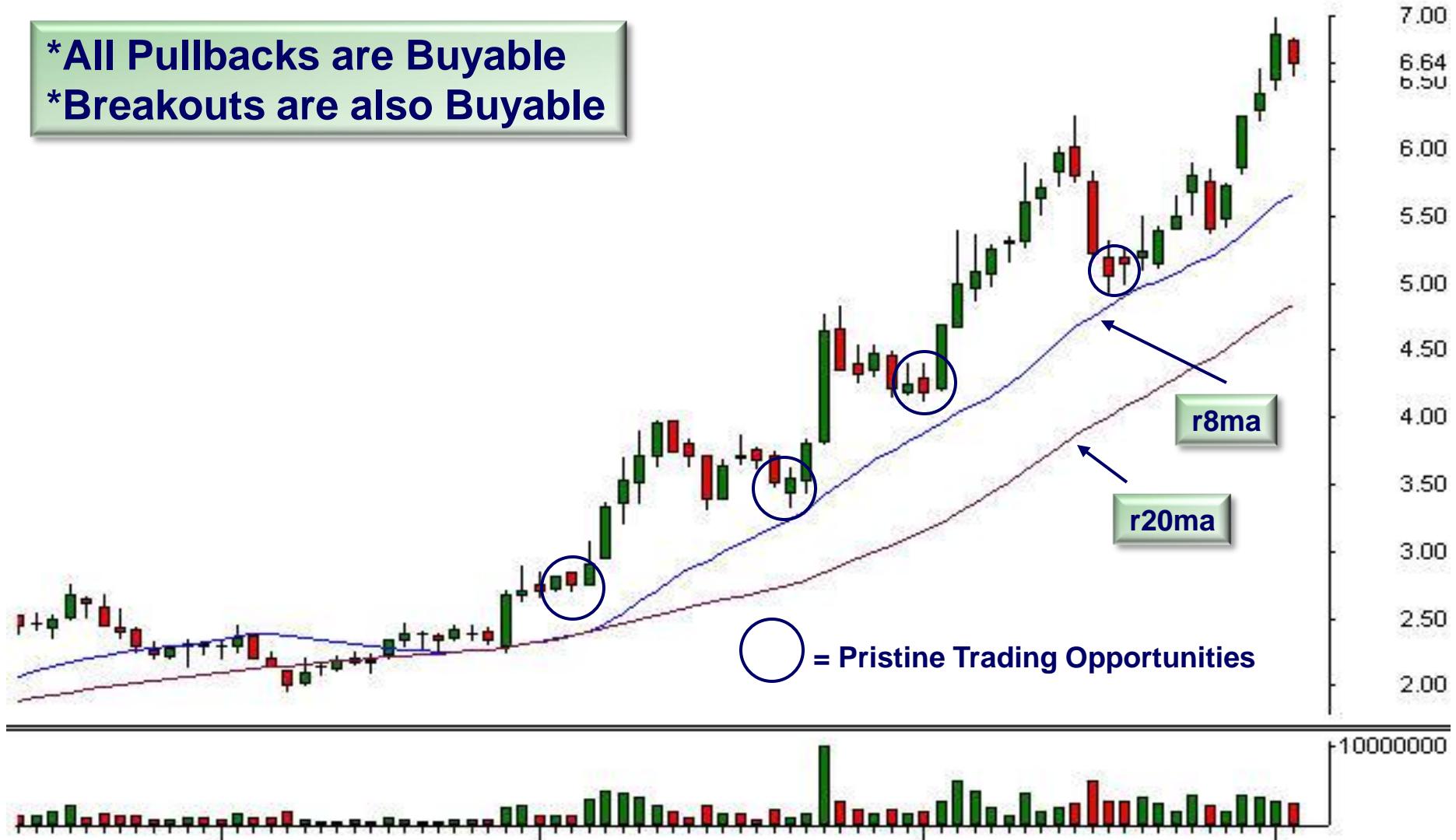


Your job is to find an entry to jump on board to ride the momentum train to a desired profit target, or until the stock goes climactic.



**Drill down to the 1-min timeframe and buy every pullback.**

\*All Pullbacks are Buyable  
\*Breakouts are also Buyable



**2-min Chart**

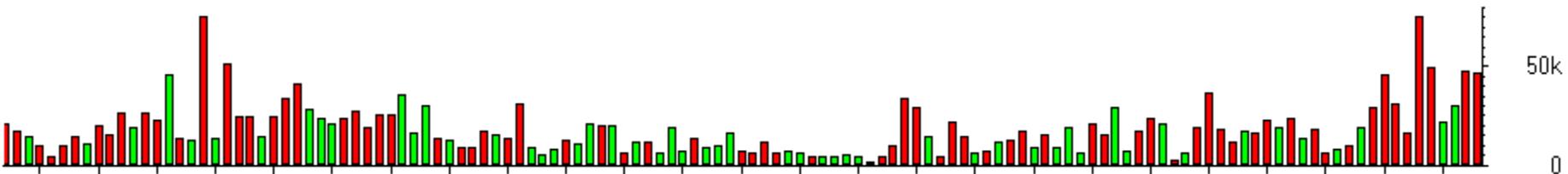
**Note:** Every sell setup and breakdown  
should have been taken, except for one.



= Pristine Sell Setup



= Pristine Breakdown



**Short every sell setup and breakdown**

	General Requirements
	<b><u>Must Have:</u></b>
1	<p><b>The Technical Picture:</b></p> <p><b>Power-Trend:</b> A smooth rising stock &gt; r8ma &gt; r20ma &gt; 200ma or a +POP (smooth rising stock &gt; r20ma &gt; 200ma)</p> <p><b>Pre-climactic Type 1:</b> Same as above, except that the stock started to accelerate/separate away from the 20ma, on volume</p> <p><b>Pre-climactic Type 2:</b> Stock went climactic, then sold off, but later rallied back and started basing at or near HOD</p>
2	A compelling daily chart (such as an igniting move/gap, or a failure pattern)
3	Sufficient Price VOID: Reward to Risk is at least 2 to 1
4	Relative Strength/on its own page
5	Above 200ma on 5-min and 15-min charts (the stock is not in a downtrend/bearish on larger timeframes)
6	<p>If the stock is basing, then:</p> <ol style="list-style-type: none"> <li>1. Base must be narrow and thin (i.e., small bars), not wide and whippy</li> <li>2. Price must meet a rising 8/20ma (no crisscrossing)</li> <li>3. Light or declining volume while basing</li> </ol>
	<b><u>Can't Have:</u></b>
1	Fuzzy (lots of tails) power-trend
2	Stock is in the process of losing momentum (new highs should be proportional)
3	Spread is more than 1/4th of stop size
Q	QQQ failing on last buy setup, or;
Q	QQQ breaking down, or;
Q	QQQ arriving at resistance

# Pristine Momentum Buy (PMB)

	General Requirements
	<b><u>Would like to have:</u></b>
1	Stock is completely on its own page, either basing at HOD or maintaining a power uptrend while the market is declining towards support
2	The move started from a significant event, such as, an igniting +WRB, bullish engulfing bar, or a failure pattern, on above avg. volume
3	At: 10:30, 11:15, 12:00, 1:15 – 1:30, 2:15 – 2:30, 3:00 (+/- 5 min)
4	Stock is currently in a power uptrend on multiple timeframes (i.e., 1-min, 2-min & 5-min)
5	If stock is basing, then: 1.Last 2-3 bars have higher lows compared to rest of bars in base 2.A shakeout bar occurred in the last 2/3 <sup>rds</sup> of the base
Entry	<b>Power-Trend &amp; Pre-climactic Type 1:</b> Use the smallest possible timeframe where a power-uptrend exists and buy every dip and breakout. If the stock is not providing a PBS, PBO, or RBI entry, then simply “Fall-in” as long as it’s in the area of the r8/r20ma. <b>Pre-climactic Type 2:</b> Buy the PBO above the base at or near the HOD
Stop	\$.02 under pivot or base (stop must be on other side of moving average)
Target	Remain in the stock for as long as it remains in a power-uptrend <ul style="list-style-type: none"> <li>If the stock starts separating away from the 8/20ma, trail position bar by bar on 1-min timeframe</li> <li>If the stock puts in a +WRB/becomes climactic, either trail on Level II screen or simply take it</li> </ul>
Mgmt	<b>Powertrend:</b> Manage using pivots on the timeframe where a power trend exists. If no pivots are available, then use a break of the 8/20ma as an exit. <b>Pre-climactic:</b> AON until the stock goes climactic  Reminder: The goal is to stay with the trade for as long as it remains in a power-uptrend. If you can put your trust in the 8/20ma and just do nothing, you will make a lot of money

## Pristine Power-Trends & Pre-climactics

1. The volatility inherent in trading preclimactics and powertrends increases risk and inhibits safe entry-exit planning. As traders, we typically rely on support-resistance to determine entries and pick targets. However, momentum stocks often display no common landscape features at all. This requires taking difficult entries, with no clear violation of support/resistance. In this blind environment, arbitrary stop losses may sometimes be the only way to keep us out of intense danger.
  
2. To engage in momentum trading, you must have:
  - **Patience and Discipline:** You need to have the mental focus to remain steadfast when things are going your way until the trade reaches target.
  - **Detachment and Strict Emotional Control:** Abandon the adrenaline rush, forget the excitement. Profit depends upon detached and disciplined execution. Use cold logic to exit the trade once the move is over and swiftly move onto fresh ideas that reflect new inefficiencies.
  - **Precise timing and sound risk management:** The rapid price movements in momentum trading require excellent timing, spontaneity, the ability to pull the trigger, and excellent risk management. Remember, risk control is always job # 1



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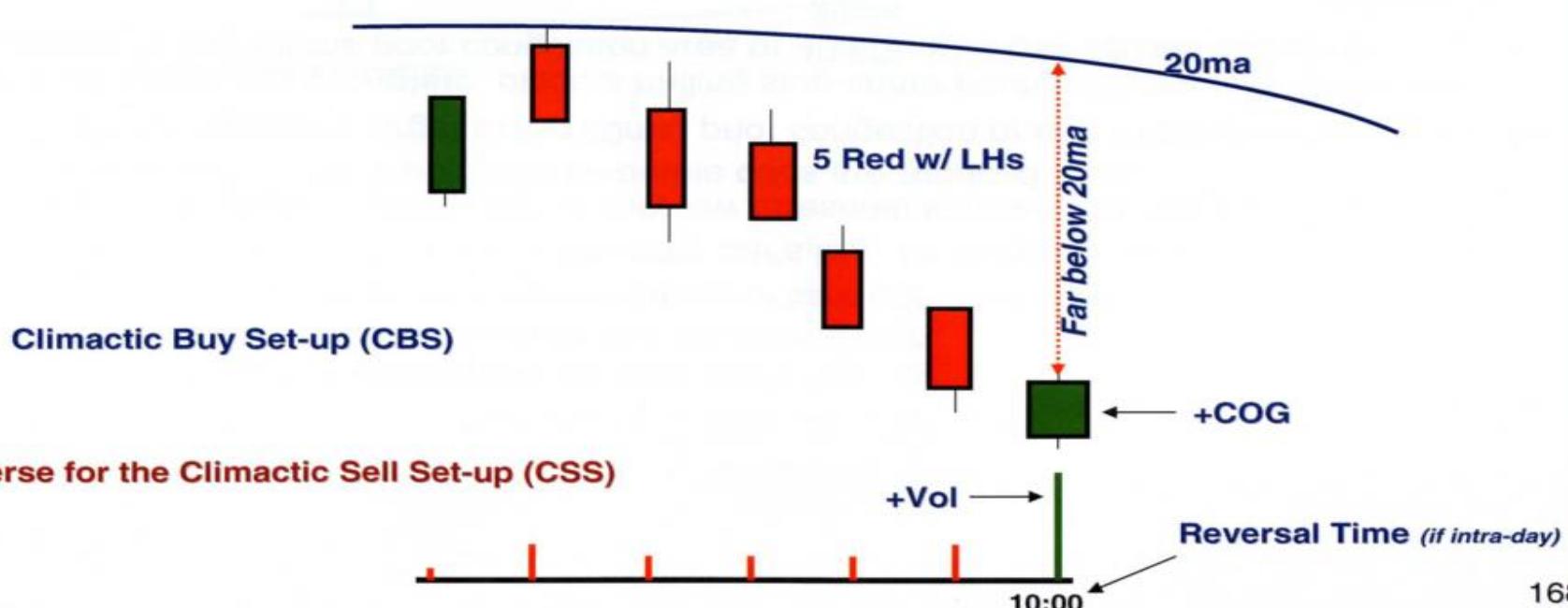
## Advanced Scalping Techniques (AST)

### Climactics

Smaller timeframes will be used for these strategic entries...

## Pristine Climactic Buy Setup

1. 5 or more consecutive lower highs or 5 or more red bars (having both is better)
2. Reversal bar: BT, NB/NRB, or +COG
3. Far below the 20ma (2% on 5-min chart)
4. Volume increase (optional at times)
5. Reversal Time (if intra-day)



## From a Pattern → Tradable Strategy

General Requirements	
	<b><u>Must Have:</u></b>
1	<p><b><u>The Pattern:</u></b></p> <ol style="list-style-type: none"> <li>1. 5 or more consecutive lower highs or 5 or more red bars (having both is better)</li> <li>2. Reversal bar: BT, NB/NRB, or +COG</li> <li>3. Far below the 20ma – min. 2% away from 20ma on 5-min chart</li> <li>4. Volume increase (optional if Full Climactic)</li> <li>5. <del>Reversal Time (if intra-day)</del></li> <li>6. <b>WRB(s):</b> parabolic price acceleration away from the 20ma to the point of exhaustion, with the last bar being the largest</li> <li>7. The decline is climactic on at least 2 timeframes</li> </ol>
2	Sufficient Reward to Risk (at least 2 to 1)
	<b><u>Can't Have:</u></b>
1	Recent breakdown on intraday timeframes (unless the stock is Full Climactic)
2	Basing at or near LOD
3	Today's daily bar is: a tier 1 gap, a Mortgage Gap, or Gap n' crap (e.g., gap disease), or showing a strong failure pattern
Q	<ul style="list-style-type: none"> <li>• QQQ failing on last buy setup, or;</li> <li>• QQQ breaking down</li> </ul>
Q	
Q	

# Climactic Buy Setup (CBS)

	General Requirements	
	<b><u>Would like to have:</u></b>	<b><u>Important Definitions</u></b>
1	Volume surge (a big plus)	<b><u>Full Climactic:</u></b> Daily shows 3+ green/red bars in a row, at least two consecutive 20/20 bars, or today is a WRB forming in the same direction of an extended daily.
2	Reversal Time (RT)	
3	The stock is considered a “Full Climactic”	
4	Daily trend is down (better if extended and best if climactic)	
5	Stock just broke MS on as many timeframes as possible	
Q Q Q	<u>Timing with the market:</u> <ul style="list-style-type: none"> <li>• QQQ on an extended/climactic decline, or;</li> <li>• QQQ at support, or;</li> <li>• QQQ moving in the direction of the stock – not opposite</li> </ul>	<b><u>Mini Climactic:</u></b> Today's bar is the first bar in this direction (only 1 green/red bar).
Entry	<ul style="list-style-type: none"> <li>• If 5min is picture perfect, then use 1 or 2min chart for entry (over the last bar's high)</li> <li>• If 5min is not picture perfect, back off and look at the 15min chart. If the 15min chart is good, then use 5min chart for entry</li> <li>• <u>Important Note:</u> If “Full Climactic”, 5-min does not have to be “picture perfect” (i.e., +WRB on +Vol.) in order to use the 1-min or 2-min for entry</li> </ul>	
Target	<ul style="list-style-type: none"> <li>• If Full Climactic, then TGT 1 = 20ma on 5min chart...and TGT 2 = 20ma on 15min chart</li> <li>• If Mini Climactic, then TGT 1 = 20ma on 1 or 2min chart...and TGT 2 = 20ma on 5min chart</li> </ul>	
Stop	<ul style="list-style-type: none"> <li>• LOD</li> </ul>	
Mgmt	<ul style="list-style-type: none"> <li>• AON to 80% to target 1 (then BBB on 1 or 2min chart)</li> <li>• Stop B/E for back half once target 1 has been reached</li> <li>• Back half managed on 5-min “significant” pivots until 80% to target 2 has been reached, then switch to 1 or 2min BBB until target 2 is reached</li> </ul>	

## Climactic Buy Setup (CBS)



# Climactic Buy Setup (CSS)

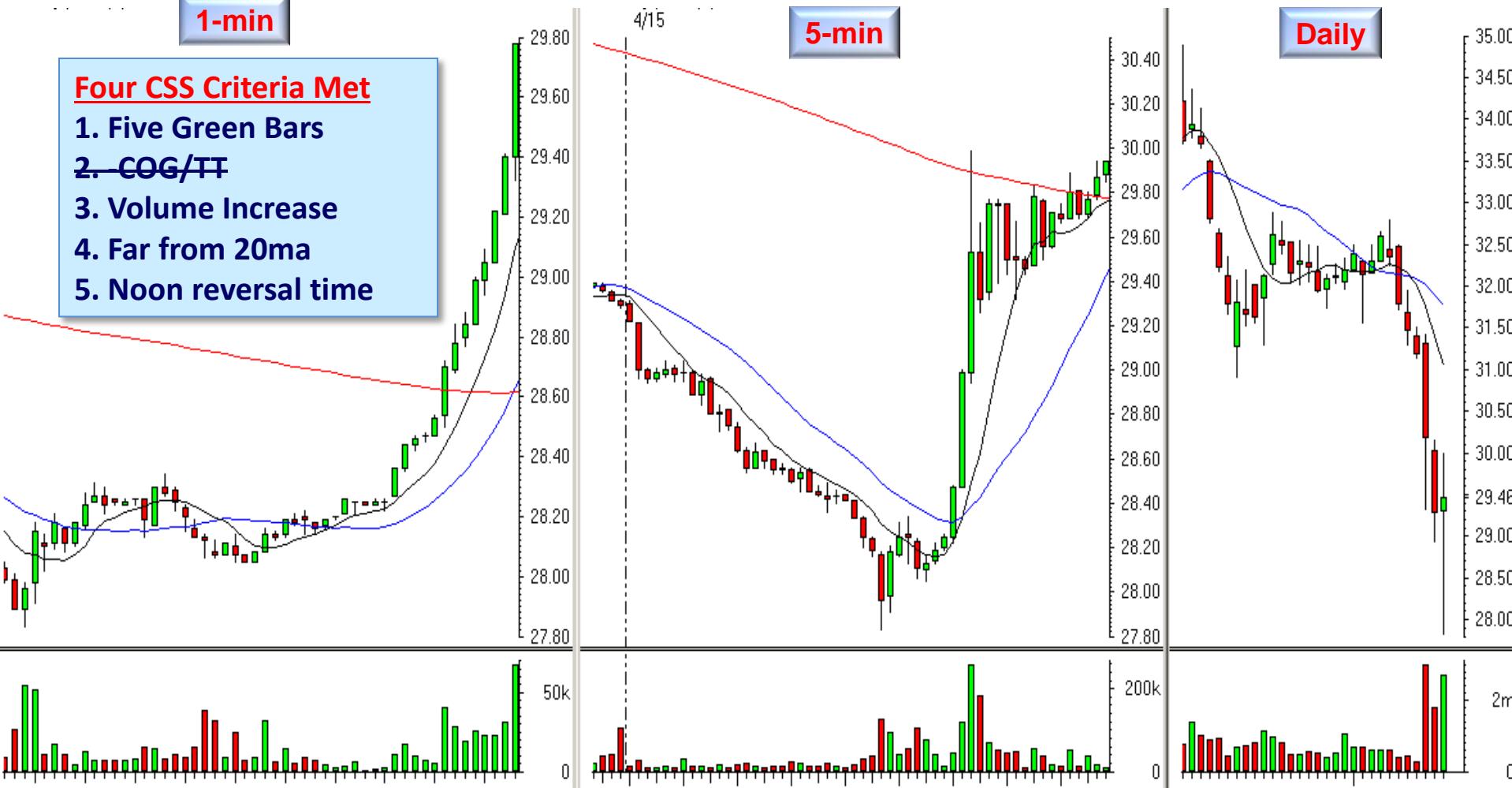
**1-min**

## Four CSS Criteria Met

1. Five Green Bars
2. COG/TT
3. Volume Increase
4. Far from 20ma
5. Noon reversal time

**5-min**

**Daily**

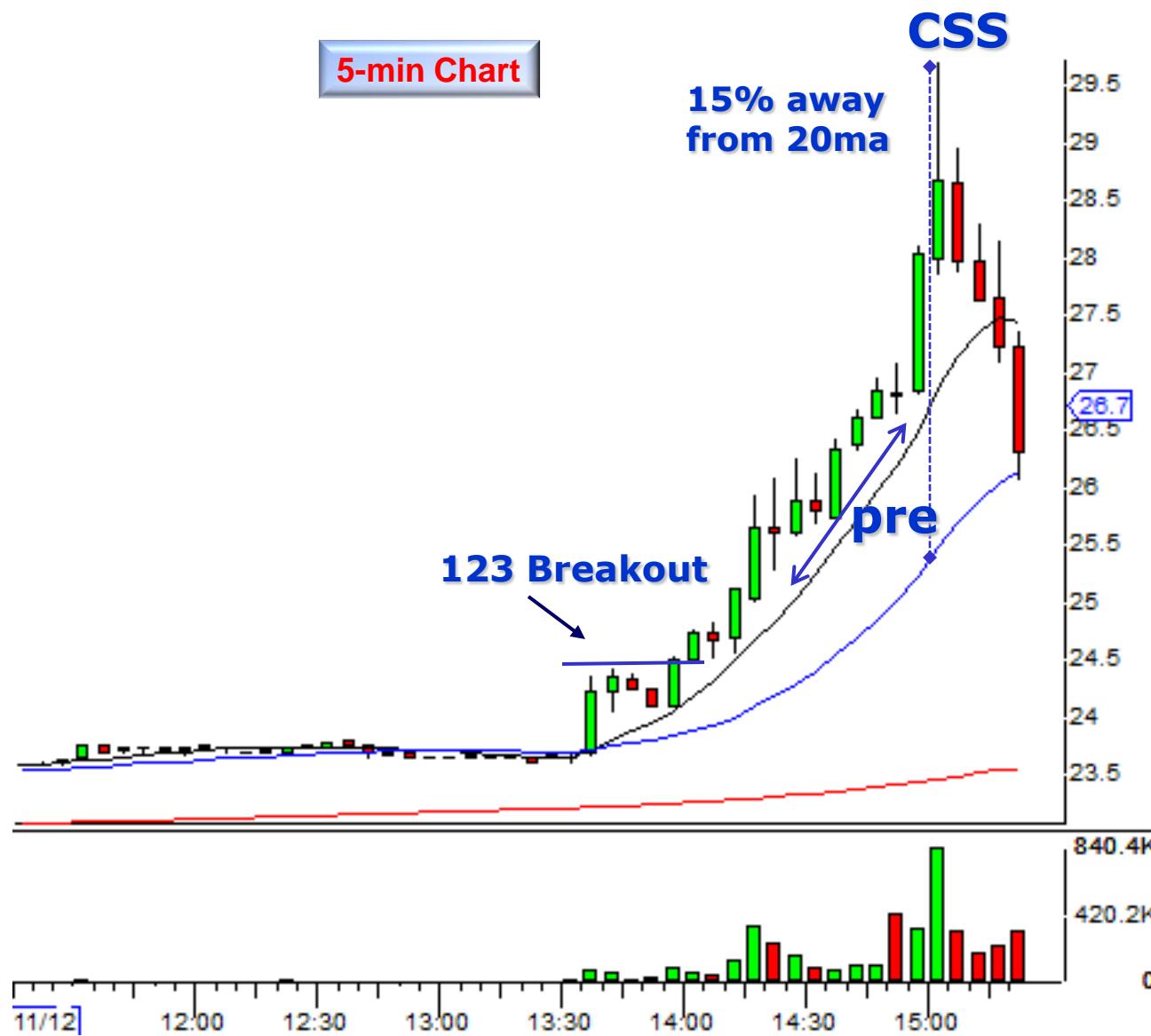


**Reminder: Never trade in a vacuum. When you have multiple timeframes in alignment, the odds of success increase exponentially.**

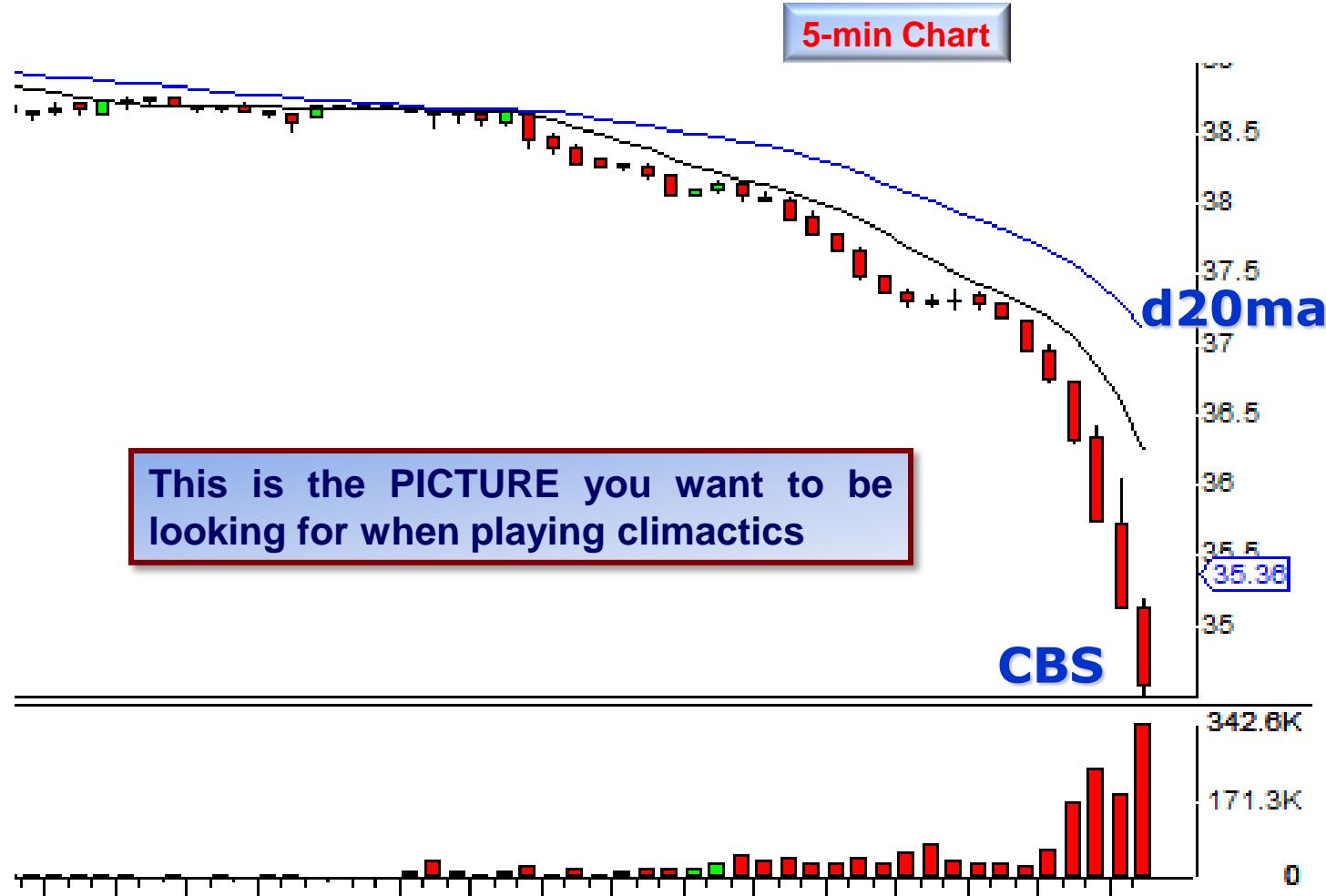
## Climactic Sell Setup (CSS)



## Climactic Sell Setup (CSS)



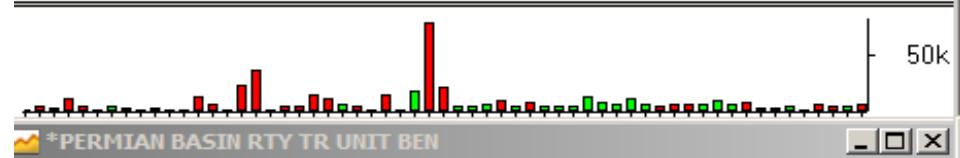
## Climactic Sell Setup (CSS)



# Example Play



## Climactic Buy Setup (CBS)



Intraday(15-Min) ( Standard\*) (Right) PBT - PERMIAN BASIN RTY TR UNIT  
1/24 1/25 1/26



### The Process:

#### Full or Mini? Full

Full → Target 1 = 20ma on 5min  
Target 2 = 20ma on 15min

Mini → Target 1 = 20ma on 1min  
Target 2 = 20ma on 5min

#### Smin Pic. Perfect? Yes

Yes → Enter off 1min

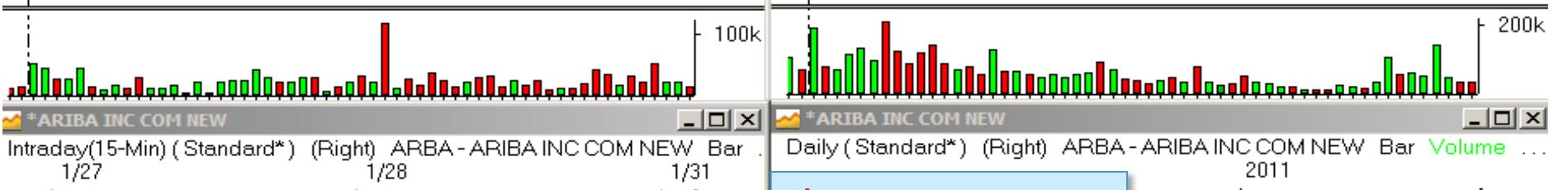
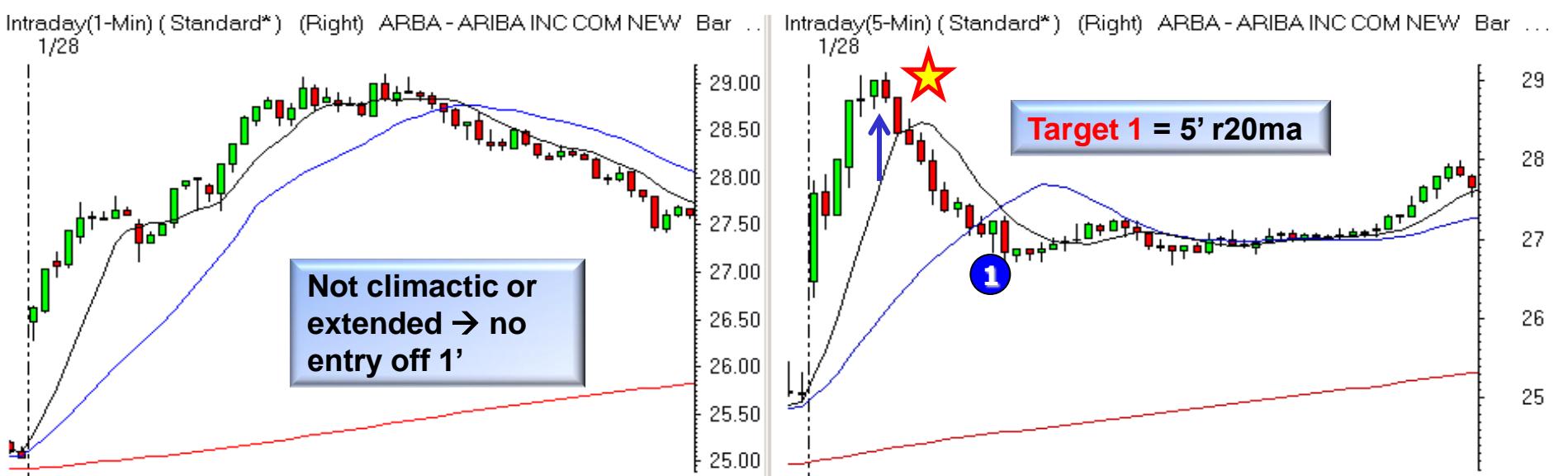
No → Is 15' "good"?

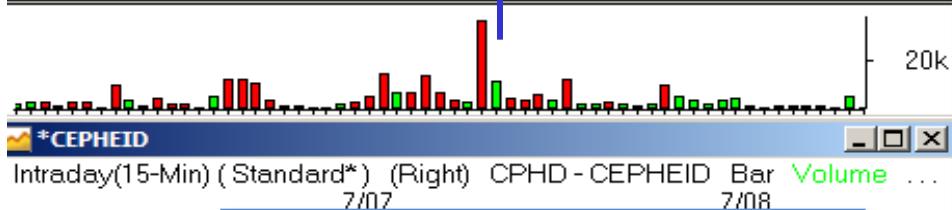
Yes → Enter off 5min  
No → No play

**Comments:** 5' doji bar's high is 2 cents above 1' bar's high, use 5' for entry



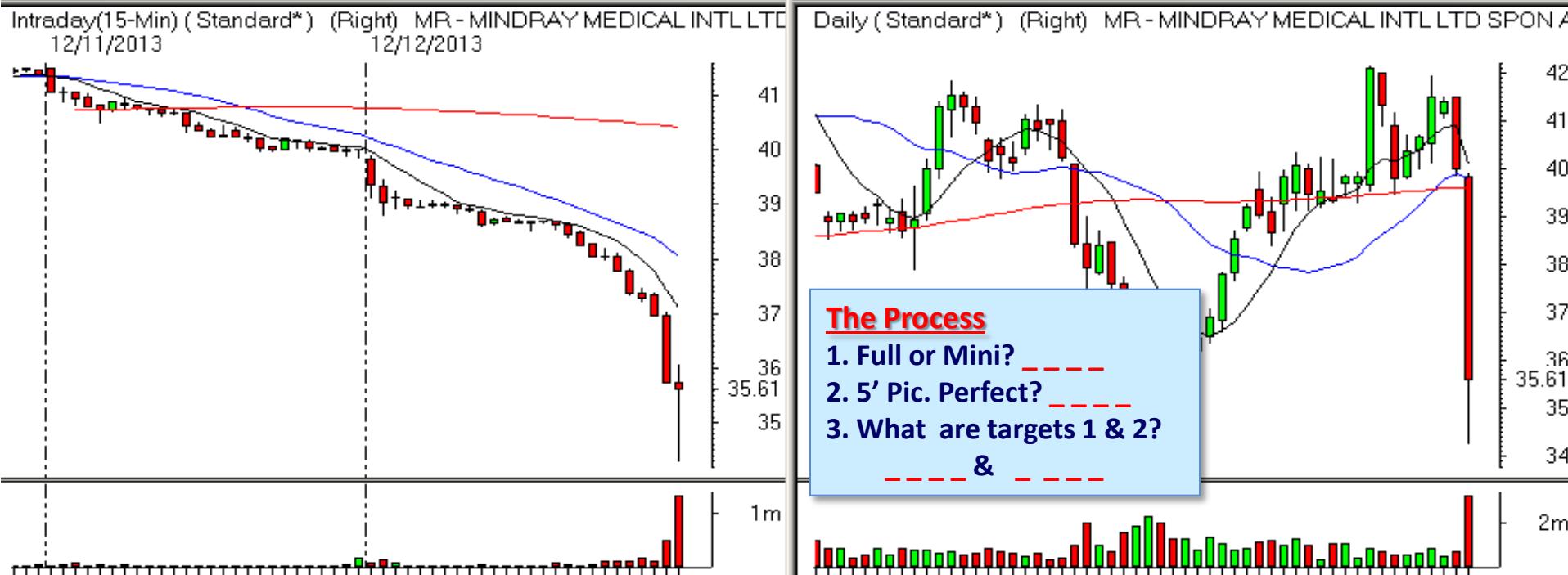
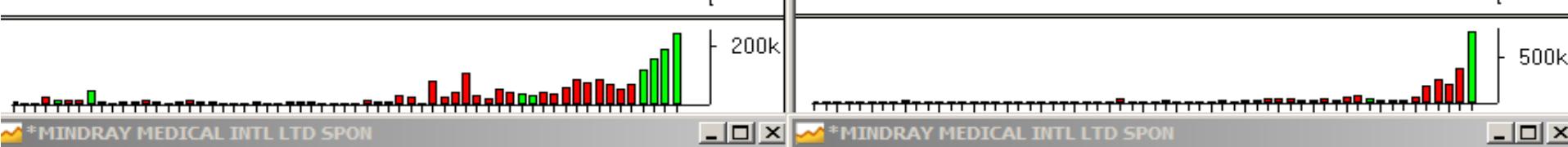
**Full Climactic**





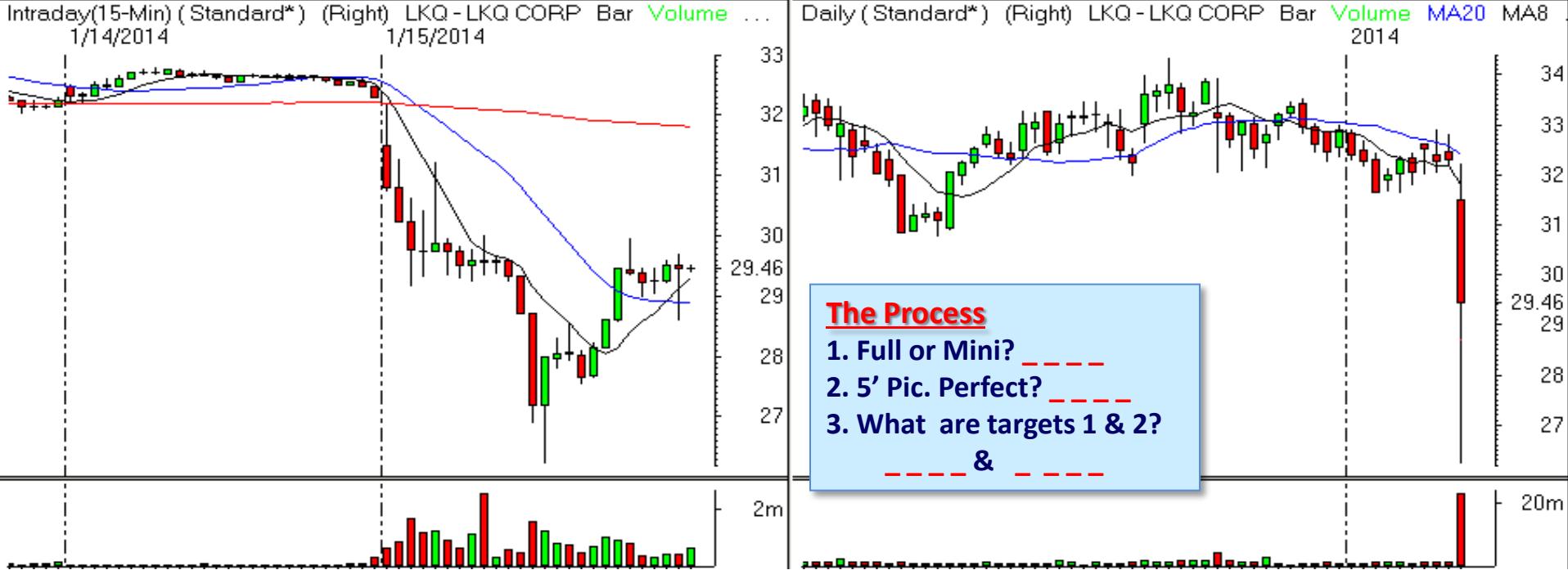
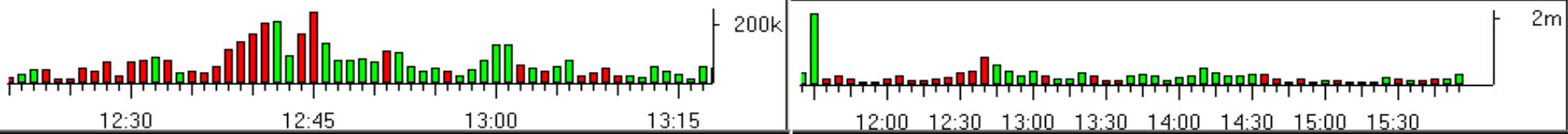
Intraday(1-Min) ( Standard\*) (Right) MR - MINDRAY MEDICAL INTL LTD Intraday(5-Min) ( Standard\*) (Right) MR - MINDRAY MEDICAL INTL LTD

# Quiz



Intraday(1-Min) ( Standard\*) (Right) LKQ - LKQ CORP Bar Volume ... Intraday(5-Min) ( Standard\*) (Right) LKQ - LKQ CORP Bar Volume ...

# Quiz

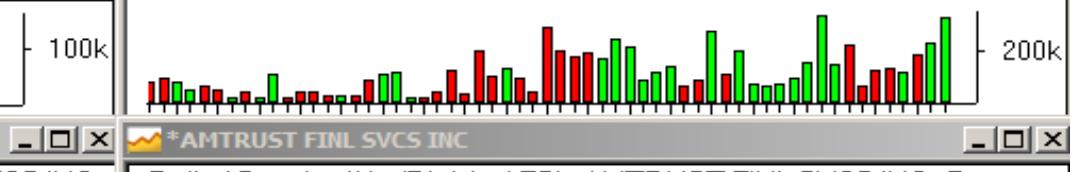
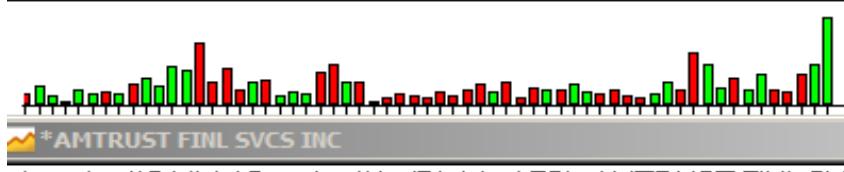


## The Process

1. Full or Mini? -----
2. 5' Pic. Perfect? -----
3. What are targets 1 & 2?  
&

Intraday(1-Min) ( Standard\*) (Right) AFSI - AMTRUST FINL SVCS INC . Intraday(5-Min) ( Standard\*) (Right) AFSI - AMTRUST FINL SVCS INC

## Quiz



### The Process

1. Full or Mini? -----
2. 5' Pic. Perfect? -----
3. What are targets 1 & 2?  
&



TRADING UNIVERSITY



## Advanced Scalping Techniques (AST)

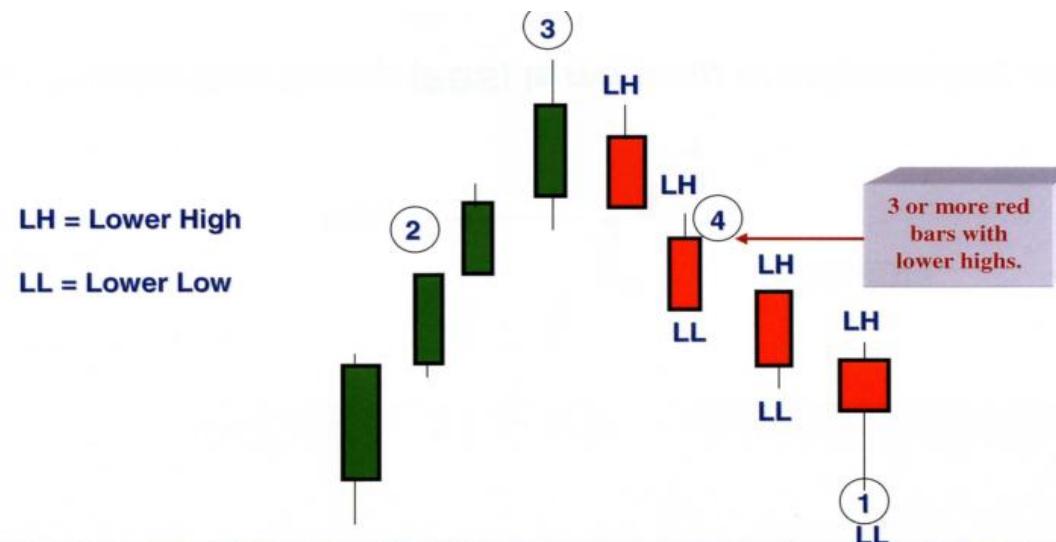
## Variations on the 15-min Buy Setup (PBS)

Smaller timeframes will be used for these strategic entries...

# Variations on the 15-min Buy Setup (PBS)

## Pristine Buy Setup (PBS)

1. Rising stock above a rising 20ma
2. 3 or more consecutive lower highs or 3 or more consecutive red bars (having both is better)
3. Location: At price support and/or moving avg support
4. Retracement in the range of 40% to 60%
5. Reversal bar
6. Volume surge, Reversal Time (Optional)



# Variations on the 15-min Buy Setup (PBS)

## From a Pattern → Tradable Strategy

	General Requirements
	<b><u>Must Have:</u></b>
1	<b>The Pattern:</b> <ul style="list-style-type: none"> <li>1.Rising stock above a rising 20ma</li> <li>2.3+consecutive red bars or LH's - having both is better (clean PB, no overlapping bars or GBIs)</li> <li>3.Reversal bar</li> <li>4.Location: At price support and/or moving average support</li> </ul>
2	A compelling daily chart*
3	Price VOID and sufficient reward to risk (minimum 2:1)
4	Relative Strength
5	Above a rising 20ma on strategy timeframe, and 5-min chart (unless it's pattern # 7)
6	After 10:30 and before 3:15 (best time is between 1:30 – 2:30)
Q	<ul style="list-style-type: none"> <li>• In a 5-min uptrend, or;</li> </ul>
Q	<ul style="list-style-type: none"> <li>• In a 15-min or 60-min uptrend and pulled back to either mS or MS, or;</li> </ul>
Q	<ul style="list-style-type: none"> <li>• In a trading range (in which case go long when QQQ is at the bottom of the range)</li> </ul>
	<b><u>Can't Have:</u></b>
1	1st buy after a climactic sell setup
2	1 <sup>st</sup> buy after a square or rounded top
3	Daily has put in 3+ consecutive green bars
4	Basing at the bottom of the pullback (unless a shakeout forms, thus negating the short-term bearishness)

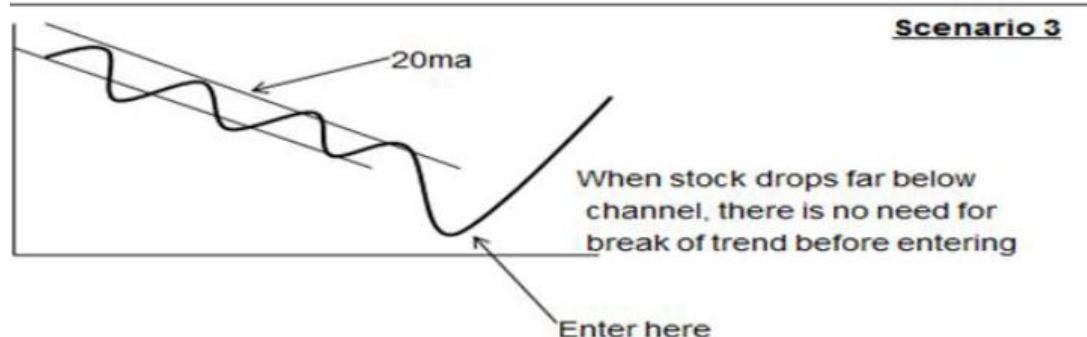
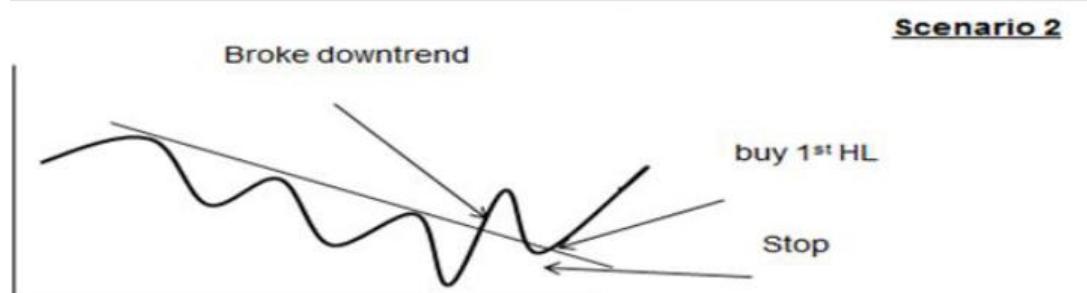
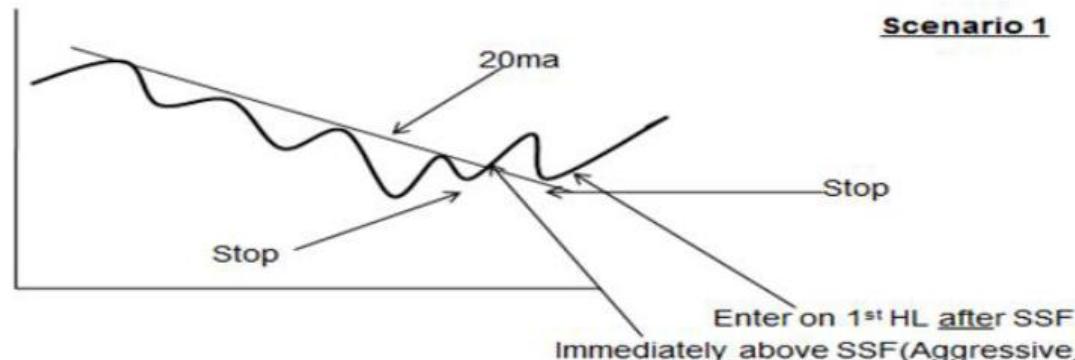
# Variations on the 15-min Buy Setup (PBS)

## From a Pattern → Tradable Strategy

	General Requirements
5	Excessive pullback (not more than 60% of prior rally)
Q Q Q	<ul style="list-style-type: none"> <li>• QQQ failing on last buy setup, or;</li> <li>• QQQ breaking down, or;</li> <li>• QQQ arriving at resistance</li> <li>• TRIN &gt; 1.3 and trending up progressively</li> </ul>
	<b><u>Would like to have:</u></b>
1	Reversal Time
2	-WRB, BT, NB, NRB forming at the end of the pullback
3	Volume surge coming at the end of the pullback
4	Volume decline on pullback
5	Timing with the market: QQQ also triggering a PBS or PBO
Entry	<ul style="list-style-type: none"> <li>• \$.02 above prior bar's high</li> <li>• If the stock is in a clearly defined 2-min or 5-min downtrend, make sure the downtrend has been broken before you enter AND the 15-min has also triggered</li> <li>• Note: if 2-min or 5-min became mini climactic or has put in a -WRB on volume, then there is no need to wait for downtrend to end before entering</li> </ul>
Stop	<ul style="list-style-type: none"> <li>• \$.02 under 15-min pivot low</li> </ul>
Target	<ul style="list-style-type: none"> <li>• Prior pivot high</li> <li>• Note: If prior pivot high is far away, and there is significant resistance below prior high, then consider that resistance area as target 1 and the prior pivot high as target 2</li> </ul>
Mgmt	<ul style="list-style-type: none"> <li>• AON to 80% to target 1 (then BBB on 1 or 2min chart)</li> <li>• Stop B/E for back half once target 1 has been reached</li> <li>• Back half managed on 5-min "significant" pivots until 80% to target 2 has been reached, then switch to 1 or 2min BBB until target 2 is reached</li> </ul>

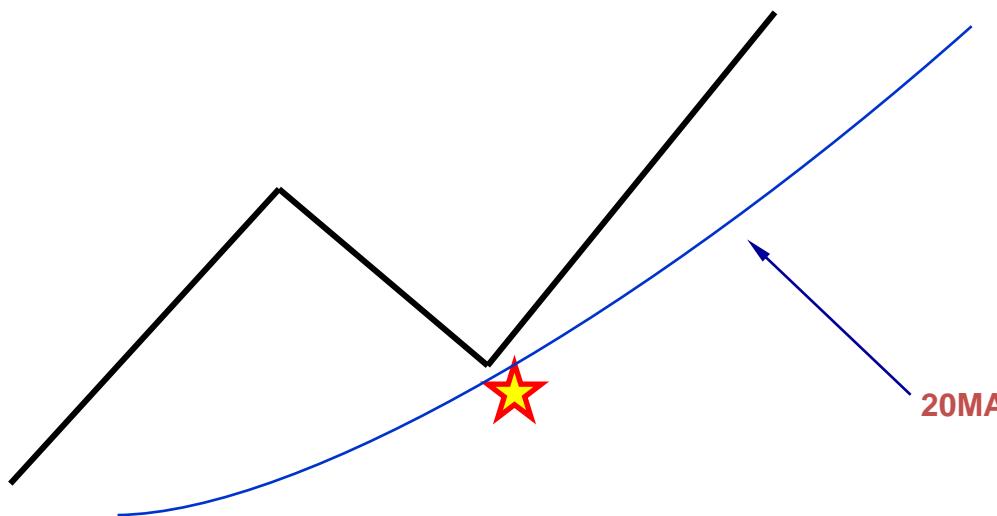
# Variations on the 15-min Buy Setup (PBS)

## Entry Tactics for 15-min chart



# Variations on the 15-min Buy Setup (PBS)

## Pattern # 1: The Vanilla



### Pattern description (The Vanilla):

A rising stock above a rising 20ma that has pulled back on the 15-min chart and went into a downtrend on 2-min timeframe. The entry triggers once a green reversal bar goes above the prior bar's high on 15-min timeframe. However, the entry is not taken until the 2-min downtrend has been broken.

# Variations on the 15-min Buy Setup (PBS)

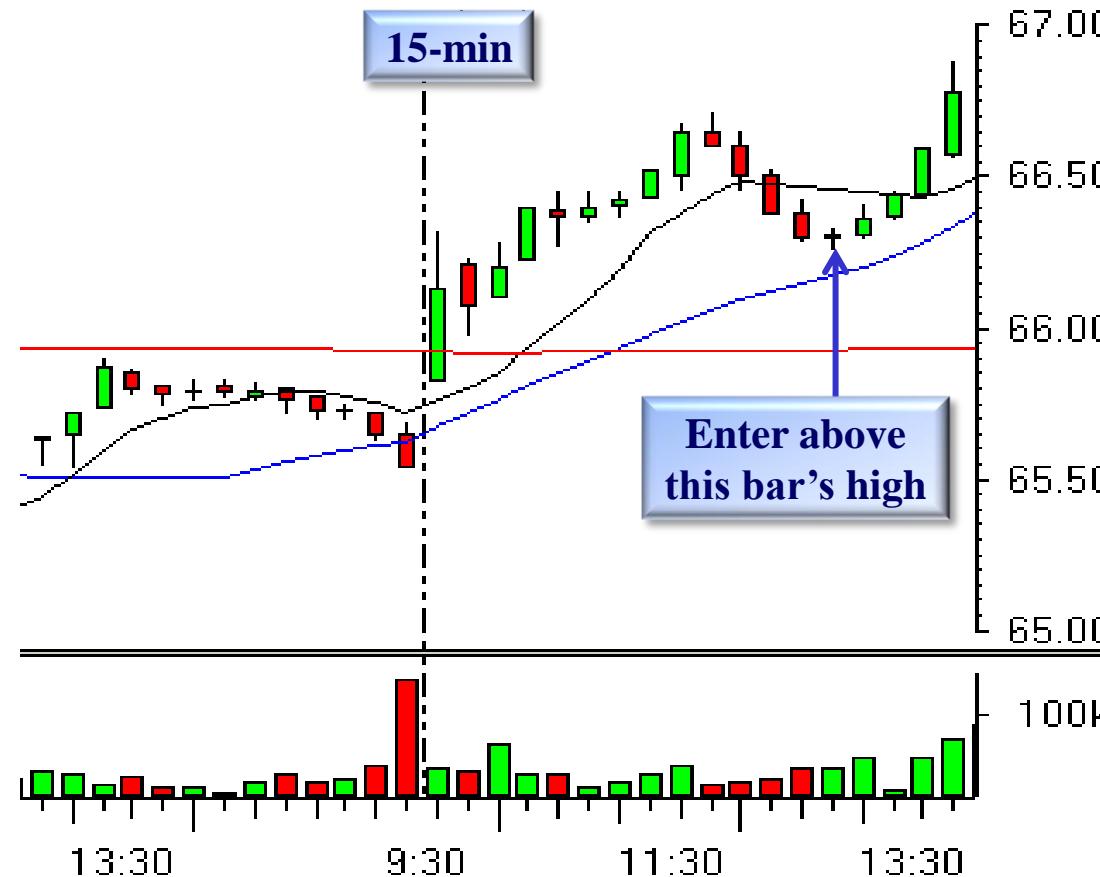
## Pattern # 1: The Vanilla



A 15 minute Pristine buy setup (PBS), sitting on the 200 period moving average (200ma), and at the rising 20 period moving average (20ma), on strong minor support (mS), at a 50% retracement (50%), that forms with a bottoming tail (BT) and a narrow +COG

# Variations on the 15-min Buy Setup (PBS)

## Pattern # 1: The Vanilla



*A smooth multi-bar pullback to the r20ma and Minor Support (mS), all above the flat 200ma make this a picture perfect 15-min buy setup.*

# Variations on the 15-min Buy Setup (PBS)

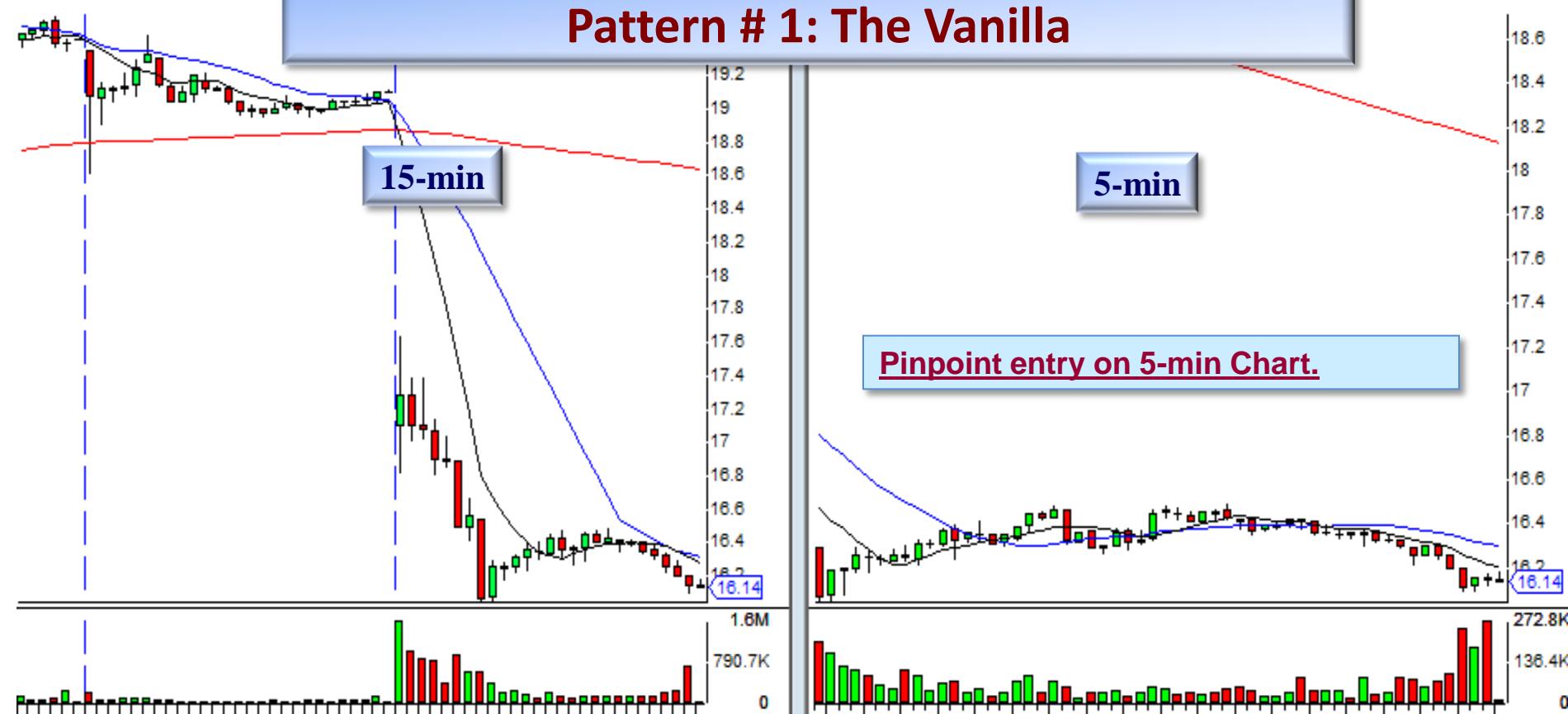
## Pattern # 1: The Vanilla



*A multi-bar pullback, inside of an igniting +WRB, to a smooth r20ma on 15-min and a smooth r40ma on 5-min. Note also the Breakdown with no follow through on the 5-min chart.*

# Variations on the 15-min Sell Setup (PSS)

## Pattern # 1: The Vanilla



Pinpoint entry on 5-min Chart.

### PSS Action Steps

1. Short below the prior bar's low
2. Place stop above the prior bar's high or
  - 2a. Place stop above the current bar's high
3. Set minimum target at the prior pivot low
4. Manage in between the stop and target

# Variations on the 15-min Sell Setup (PSS)

## Pattern # 1: The Vanilla

15-min



2-min



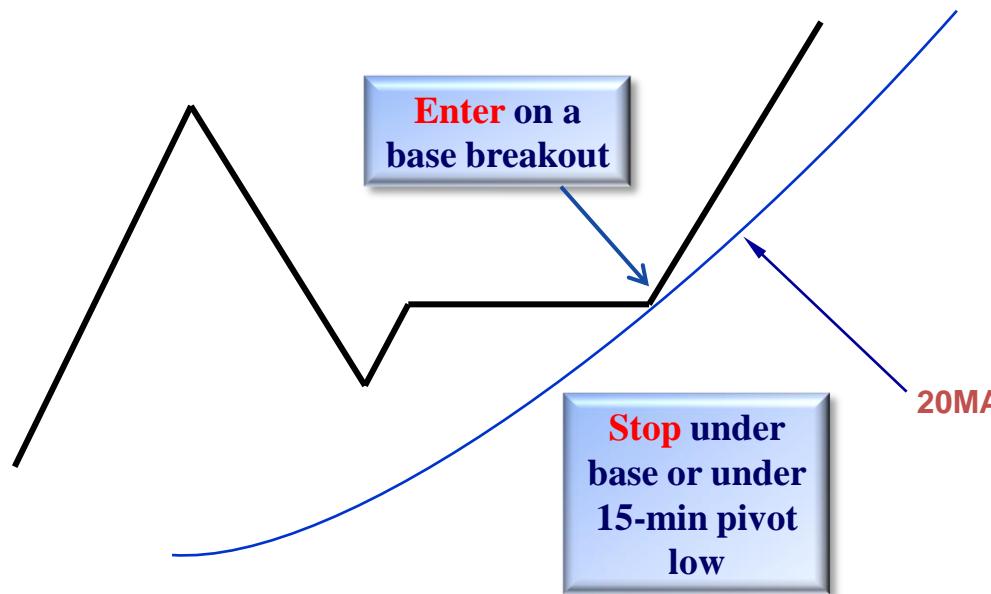
# Variations on the 15-min Buy Setup (PBS)

## Pattern # 2: The Bleed

My personal favorite



**Pristine Tip:**  
Never take the 1<sup>st</sup> entry on a stock plagued by "trapped traders." Let the stock prove that it has "healed", either through time or price, before you enter.



### Pattern description (The Bleed):

A 15-min that has "recovered" by going sideways after a rapid rally in the morning which resulted in a deep retracement. The "healing process" is complete and a Pristine Breakout (PBO) can be taken once the r20ma catches up with price. The entry combines a 2-min breakout/trend change inside of a 15-min Pristine Buy Setup (PBS).

# Variations on the 15-min Buy Setup (PBS)

## Pattern # 2: The Bleed



A double bottom at the r20ma and at reversal time was not enough to compel this stock higher after putting in somewhat of a strong topping formation on the 15-min chart and a sloppy pullback. It took 3 hours of bullish consolidation and a major reversal time for the stock to get going. But once it did, the rest was history.

# Variations on the 15-min Sell Setup (PSS)

## Pattern # 2: The Bleed



*A strong counter-rally after rapid fall in the morning often needs time to heal and gather steam before it's ready to move lower again. The 15-min triggered a sell setup but the drop did not go anyway until the 20ma caught up with price. Enter short on a breakdown under the base, as price meets the d20ma.*

# Variations on the 15-min Sell Setup (PSS)

## Pattern # 2: The Bleed

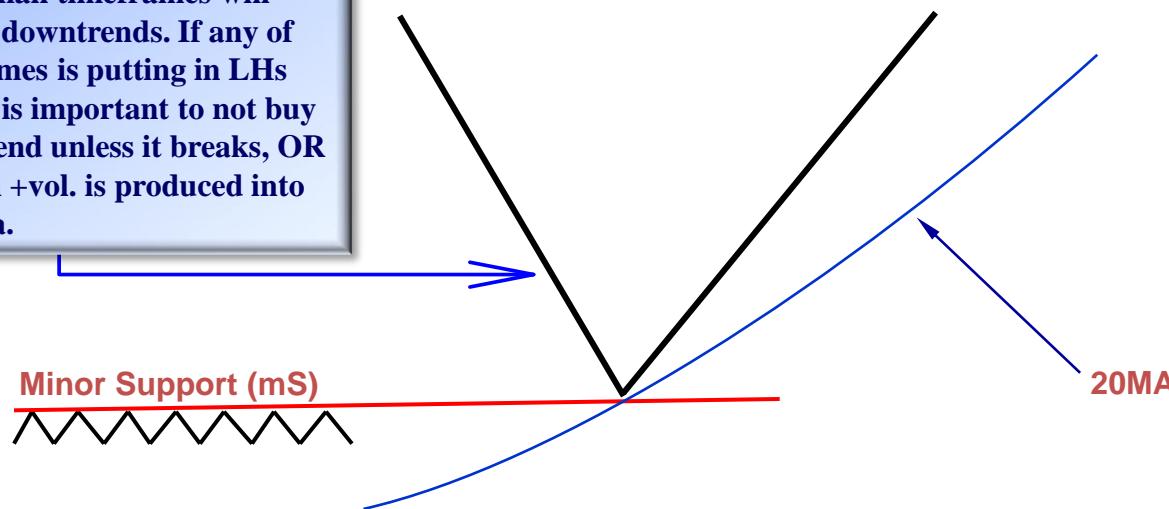


*A strong rally into the gap fill (mR). The 15-min is played on base breakdown off the d20ma.*

# Variations on the 15-min Buy Setup (PBS)

## Pattern # 3: The Gap Fill

**Note:** While the stock is pulling back, the small timeframes will likely be in downtrends. If any of the timeframes is putting in LHs and LLs, it is important to not buy the downtrend unless it breaks, OR a -WRB on +vol. is produced into the mS area.



### Pattern description (The Gap Fill):

A gap up in the stock and a rapid drop to the gap fill (could also be a flurry move down at the open). This drop to support is often solidified by a flat 200ma on the 15-min chart, or a rising 20ma on the 5-min or 15-min chart.

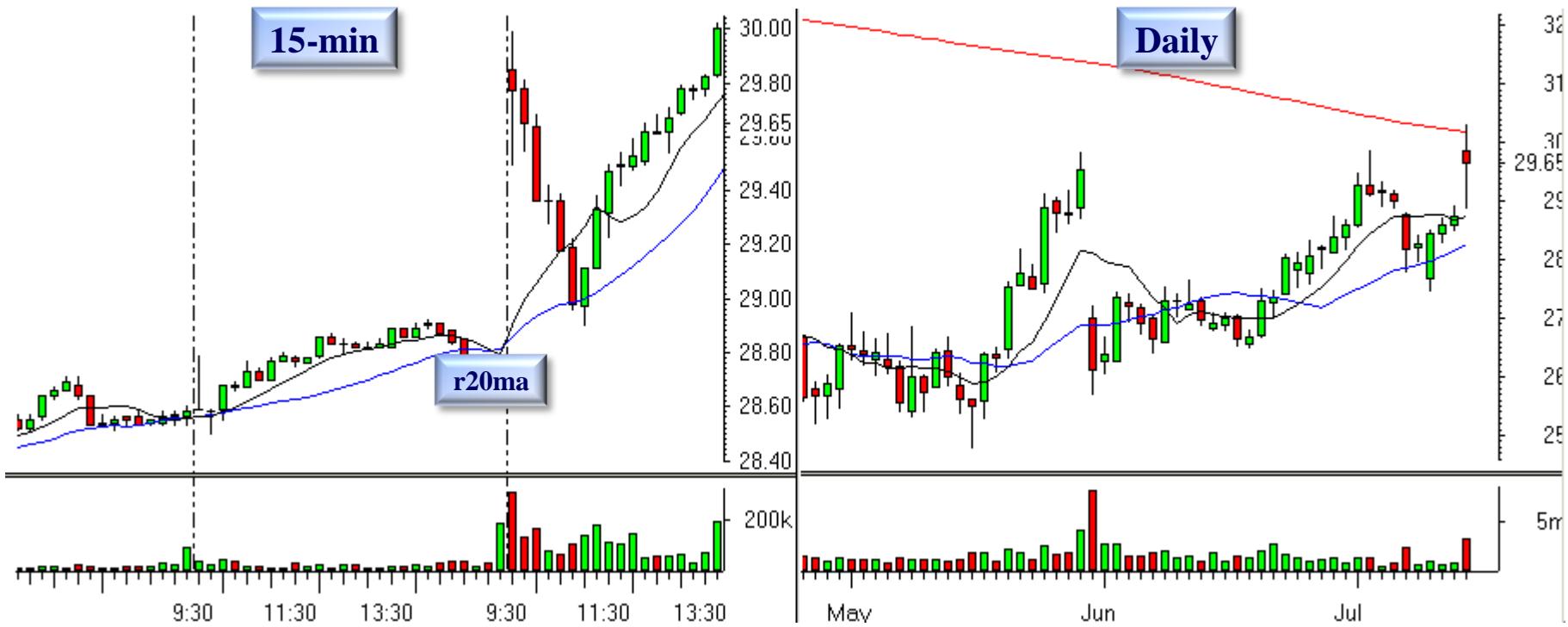
# Variations on the 15-min Sell Setup (PSS)

## Pattern # 3: The Gap Fill



# Variations on the 15-min Sell Setup (PSS)

## Pattern # 3: The Gap Fill



# Variations on the 15-min Buy Setup (PBS)

## Pattern # 3: The Gap Fill



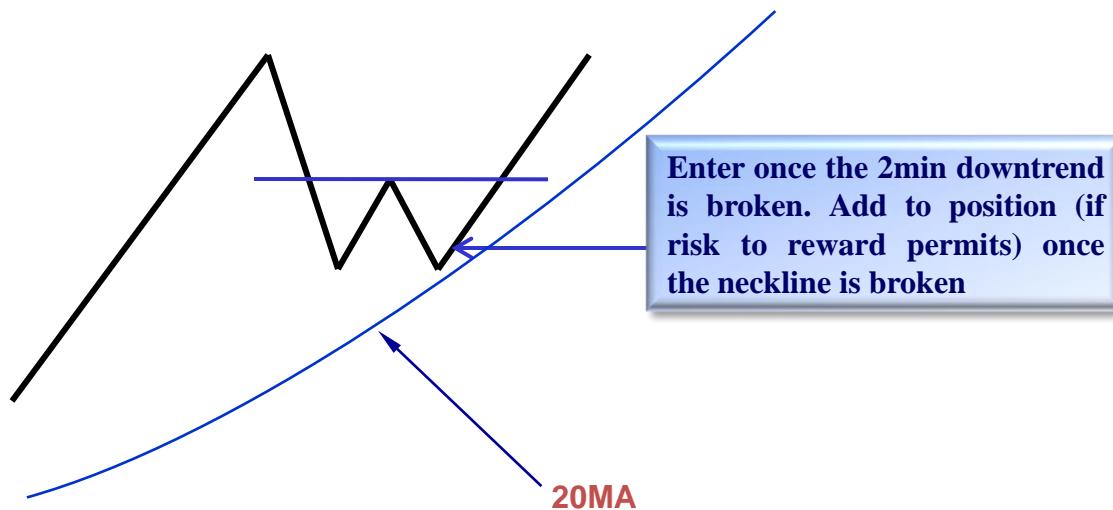
A strong stock with a Continuation Gap that has pulled back to gap fill (mS) and the r20ma on 15min chart.

# Variations on the 15-min Sell Setup (PSS)



# Variations on the 15-min Buy Setup (PBS)

## Pattern # 4: The W with a Double Bottom (DB)



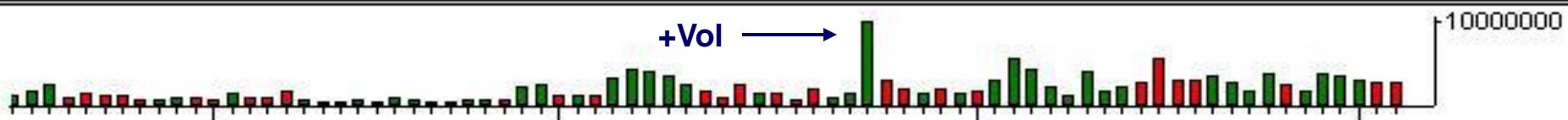
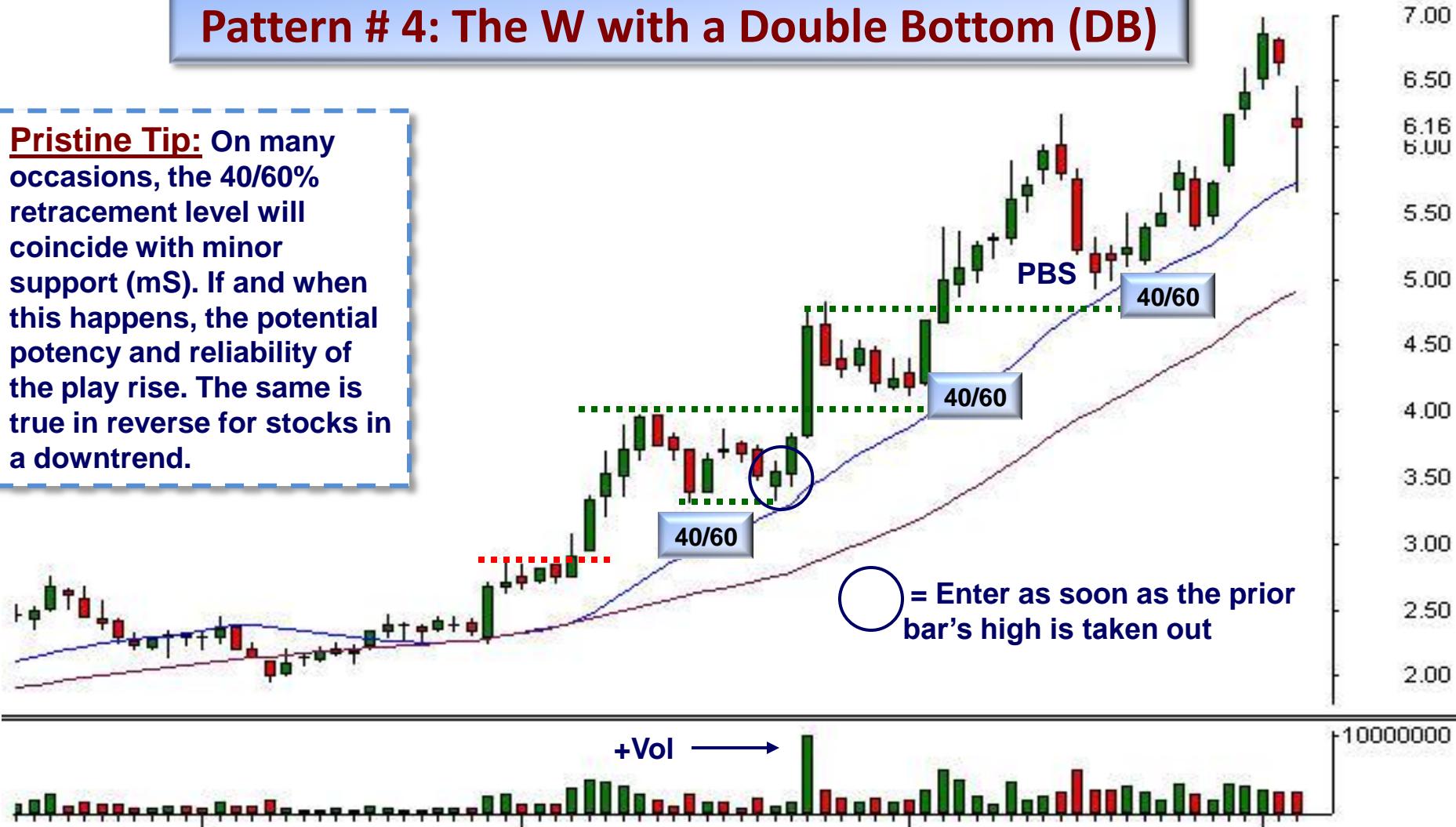
### Pattern description (The W & DB):

A 15-min that has triggered a PBS but is not ready to go yet, either because the retracement is too deep, price is still extended from the 20ma, or the stock is waiting on the market. The healing process happens once the stock puts in a W pattern that sets up the unexpected. The downtrend on the 2-min chart suddenly ends and the double bottom suggests strength, which brings in additional traders that missed or passed on the initial PBS.

# Variations on the 15-min Buy Setup (PBS)

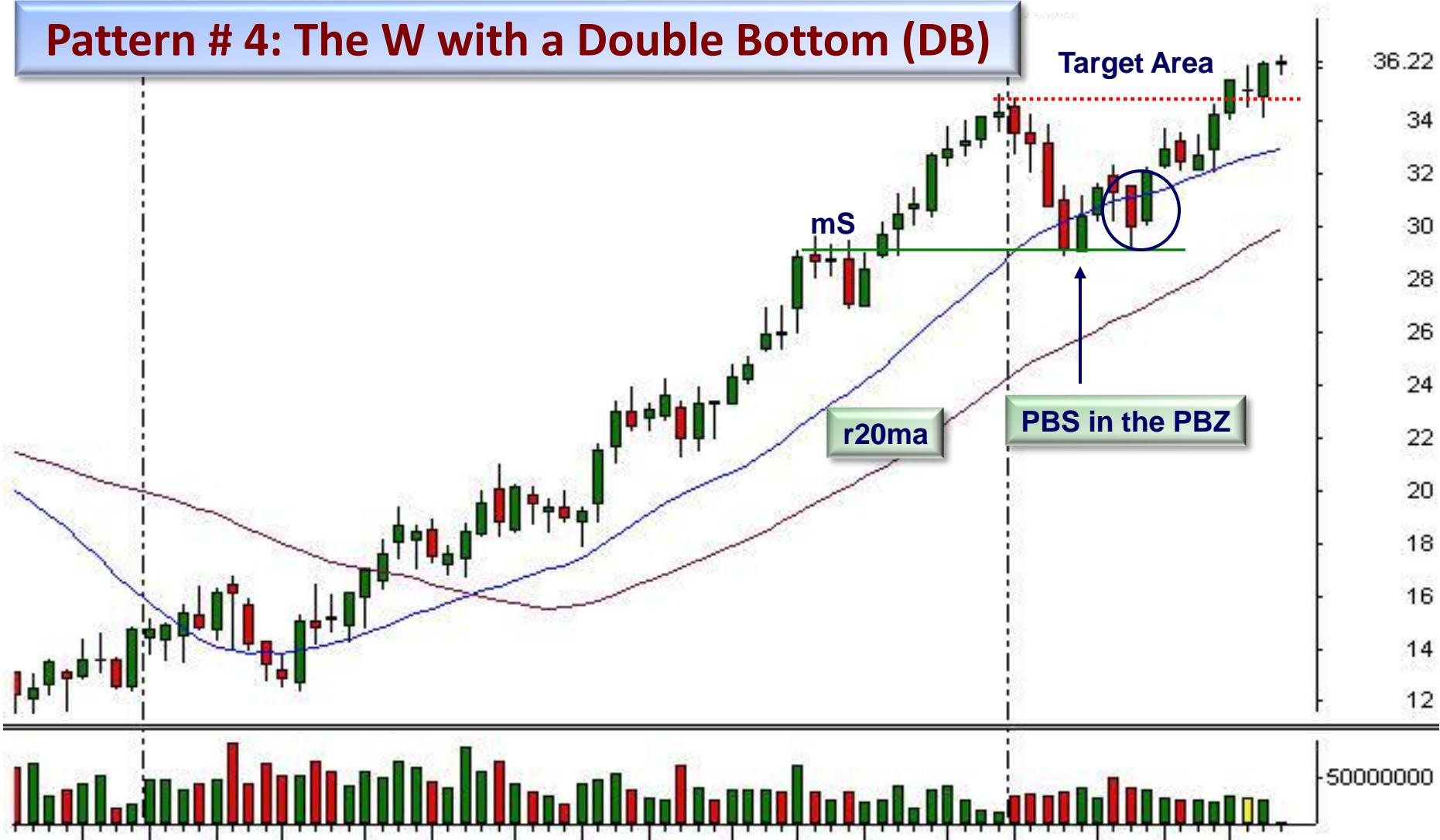
## Pattern # 4: The W with a Double Bottom (DB)

**Pristine Tip:** On many occasions, the 40/60% retracement level will coincide with minor support (mS). If and when this happens, the potential potency and reliability of the play rise. The same is true in reverse for stocks in a downtrend.



# Variations on the 15-min Buy Setup (PBS)

## Pattern # 4: The W with a Double Bottom (DB)

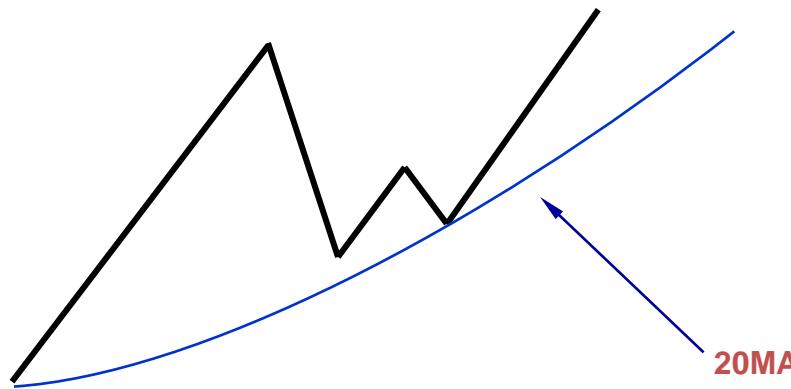


# Variations on the 15-min Buy Setup (PBS)

## Pattern # 4: The W with a Double Bottom (DB)



## Pattern # 5: The W with a higher low (HL)

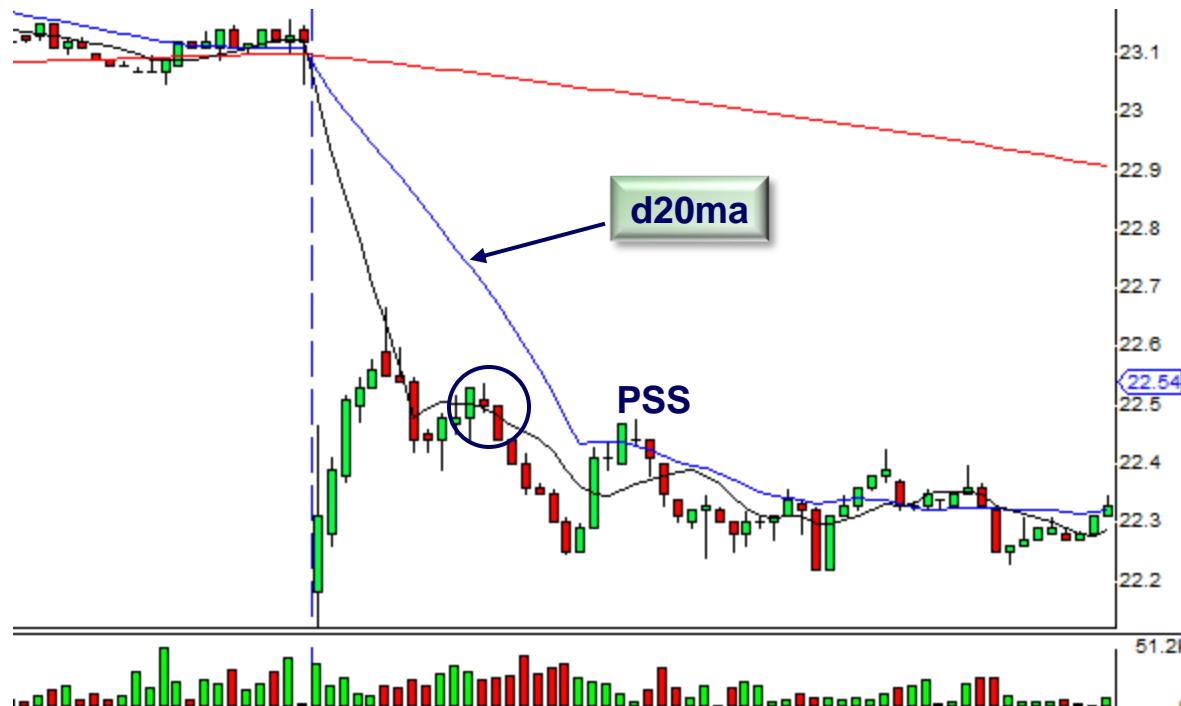


### Pattern description (The W & HL):

A 15-min that has triggered a PBS but is not ready to go yet, either because the retracement is too deep, price is still extended from the 20ma, or the stock is waiting on the market. The healing process happens once the stock puts in a W pattern that setups up the unexpected. The downtrend on the 2-min chart suddenly ends and the higher low suggests strength, which brings in additional traders that missed or passed on the initial PBS.

# Variations on the 15-min Sell Setup (PSS)

## Pattern # 5: The M with a lower high (LH)



= Enter as soon as the prior  
bar's low is taken out

# Variations on the 15-min Buy Setup (PBS)

## Pattern # 5: The W with a higher low (HL)



○ = Enter as soon as the prior bar's high is taken out

# Variations on the 15-min Buy Setup (PBS)

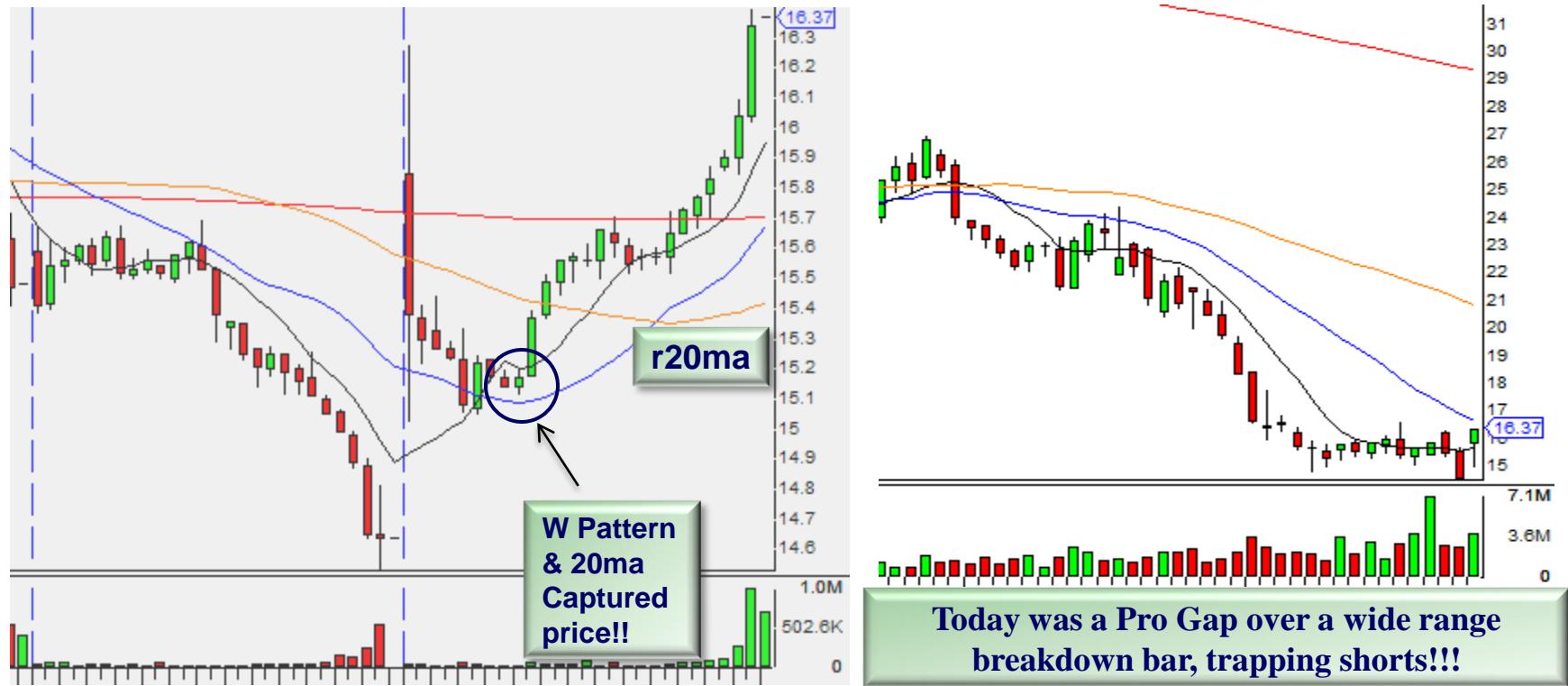
## Pattern # 5: The W with a higher low (HL)



**Question: Where is entry?**

# Variations on the 15-min Buy Setup (PBS)

## Pattern # 5: The W with a higher low (HL)



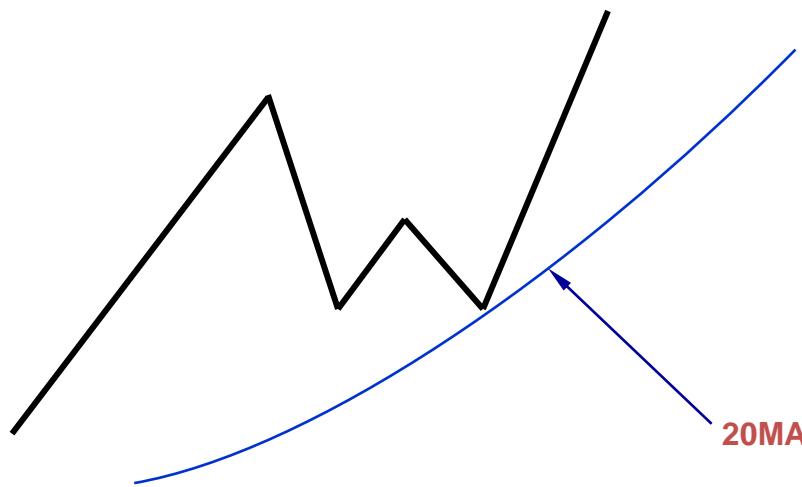
## Pattern # 5: The M with a lower high (LH)



Shock Gaps and Failure Patterns set up the unexpected, thus trapping traders. This tends to cause major problems for most ordinary traders, but they can serve as major money making opportunities for us. In other words, we are always prepared to profit from the a stock's failed attempt to do something highly expected by the majority.

# Variations on the 15-min Buy Setup (PBS)

## Pattern # 6: The W with a shakeout



### Pattern description (The W & shake):

A 15-min that has triggered a PBS but is not ready to go yet, either because the retracement is too deep, price is still extended from the 20ma, or the stock is waiting on the market. After triggering a PBS, the stock appears to want to continue lower, and in fact, breaks under the prior pivot low on the 15-min chart, but only to get bought almost immediately. Weak hands are thus shaken out of the play and new shorts join in, expecting the 2-min downtrend to continue. This helps to fuel the rally and complete a W pattern on the 15-min chart.

# Variations on the 15-min Sell Setup (PSS)

## Pattern # 6: The M with a shakeout



# Variations on the 15-min Buy Setup (PBS)

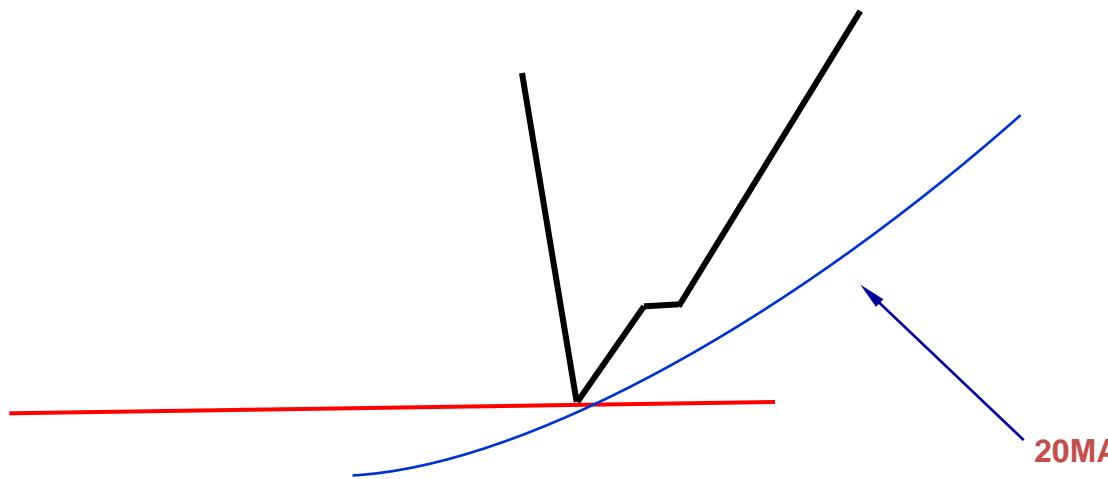
## Pattern # 6: The W with a shakeout



= possible “add” location

# Variations on the 15-min Buy Setup (PBS)

## Pattern # 7: The Mini into a Flat 200ma



### Pattern description (Mini into 200ma):

A multi bar drop into a 200ma on the 15-min chart often stops the stock dead in its tracks. While the 20ma is most powerful when it's trending, the 200ma is most powerful when it's flat. Combine that with a mini climactic drop with volume surge at the end, and you get a strategy that can be traded almost independently of anything else.

# Variations on the 15-min Sell Setup (PSS)

## Pattern # 7: The Mini into a Flat 200ma



A multi-bar rally into the flat 200ma and d20ma on 15-min chart. Note also the flat 200ma on the 5-min chart and the prior high/minor Topping Tail from the open.

# Variations on the 15-min Sell Setup (PSS)

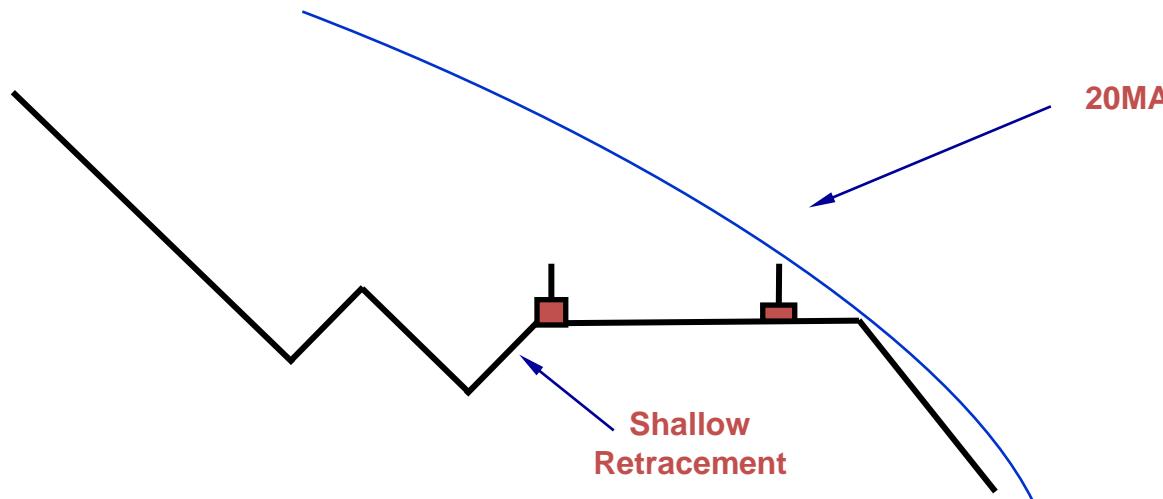
## Pattern # 7: The Mini into a Flat 200ma



A two day drop into the flat 200ma and a narrow range, changing of the guard bar. Note also the WRB, surge in volume, at 11:15 RT.

# Variations on the 15-min Buy Setup (PBS)

## Pattern # 8: Twin Peaks



### Pattern description (Twin Peaks):

A bearish stock that puts in a shallow retracement (counter rally) and goes sideways. Instead of breaking down, the stock retests the prior pivot high, which is typically a topping tail. The green (retest) bar is immediately sold and turns into a TT bar. The stock then breaks down under the base. This R&F makes the shallow retracement playable, when it would not have been otherwise.

# Variations on the 15-min Buy Setup (PBS)

## Pattern # 8: Twin Peaks



# Variations on the 15-min Buy Setup (PBS)

## Pattern # 8: Twin Peaks



# Variations on the 15-min Buy Setup (PBS)

## Pattern # 8: Twin Peaks



# Thank You For Attending Advanced Scalping Techniques.

*Remember, the material presented in this seminar is not to make you trade more frequently or more aggressively. It is to make you a smarter, more knowledgeable trader.*

*You should be more successful trading the strategies presented in this seminar with the knowledge you've gained.*

*And Remember...*

“Nothing in this world can take the place of persistence. Talent will not; nothing is more common than unsuccessful people with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts. Persistence and determination alone are omnipotent. The slogan 'press on' has solved and always will solve the problems of the human race. “

~ *Calvin Coolidge.*