



WARRIOR TRADING

CHAPTER 8: INTRADAY & ENTRY PATTERNS

Intraday & Entry Patterns

Today You Will Learn

High Probability Speed Lines

Precision Entry Techniques

How To Quantify Buy/Sell Pressure

Pre Market Patterns & Predictability

High Probability Speed Lines

Speed lines are micro based, or short term, trend lines that are utilized on fast time frames to establish trend. Speed lines are best used for entries and stop levels

Speed lines are to be used on trading time frames, preferably 5 minute chart or less

In periods of high momentum, speed lines on charting times frames of 1 minute or less is preferred and are most accurate

In periods where momentum has subsided, typically after the first hour of the market open, a 5 minute chart is preferred

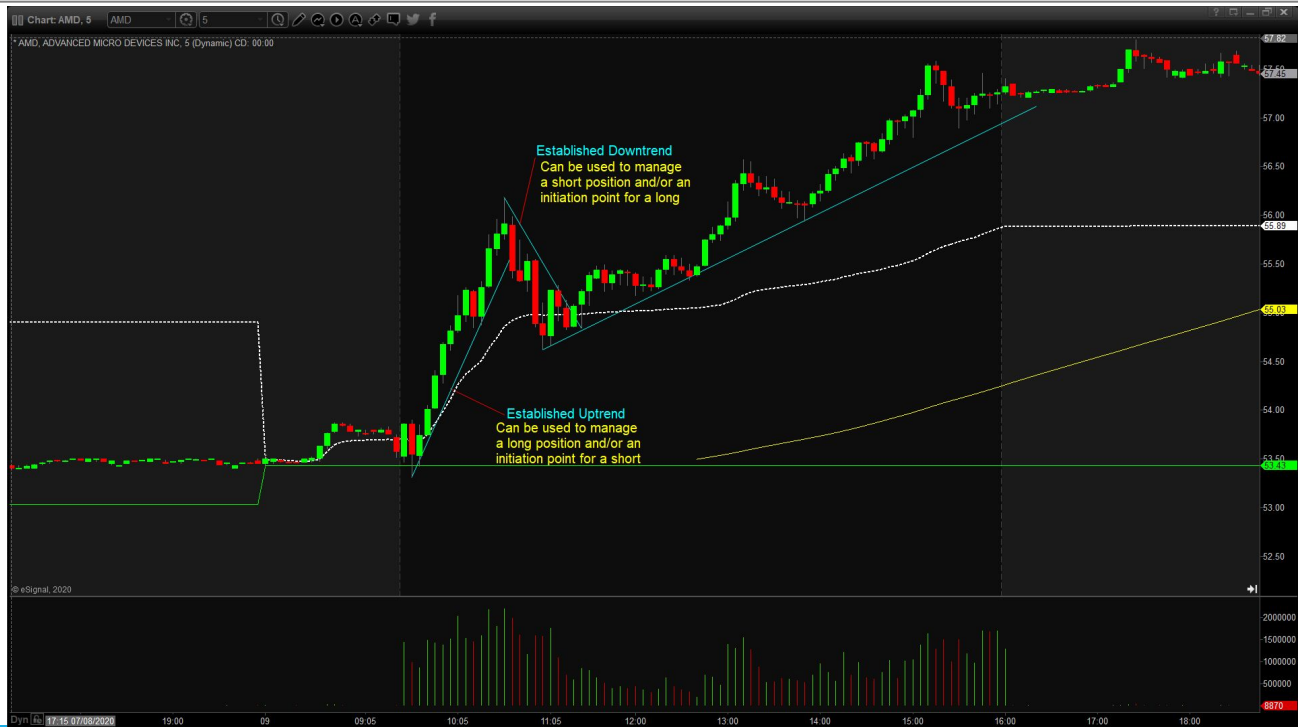
Speed Lines & Proper Technique

The same principle applies to speed lines as macro based trend lines in that the extreme swings are most important to attain the highest probability levels

The anchor points used to establish a speed line must be the most extreme relative highs and lows

Algorithms and HFT's will seek out the most extreme situations, especially if there is volume associated, thus these levels must be incorporated into the speed line to increase the probability that a break of the line will act as an inflection point

Speed Lines



The Trade

Once a speed line has been established, it is imperative to wait patiently until a confirmed break occurs. Speed lines are NOT anticipation trades as they are normally trading against a short term trend

After the speed line has broken and there is confirmation above/below, only then can a partial position be initiated. If a retest and hold back against the speed line occurs you then can add to full position

The first target will always be back at the previously established pivot high or low prior to the break of the speed line

The Stop

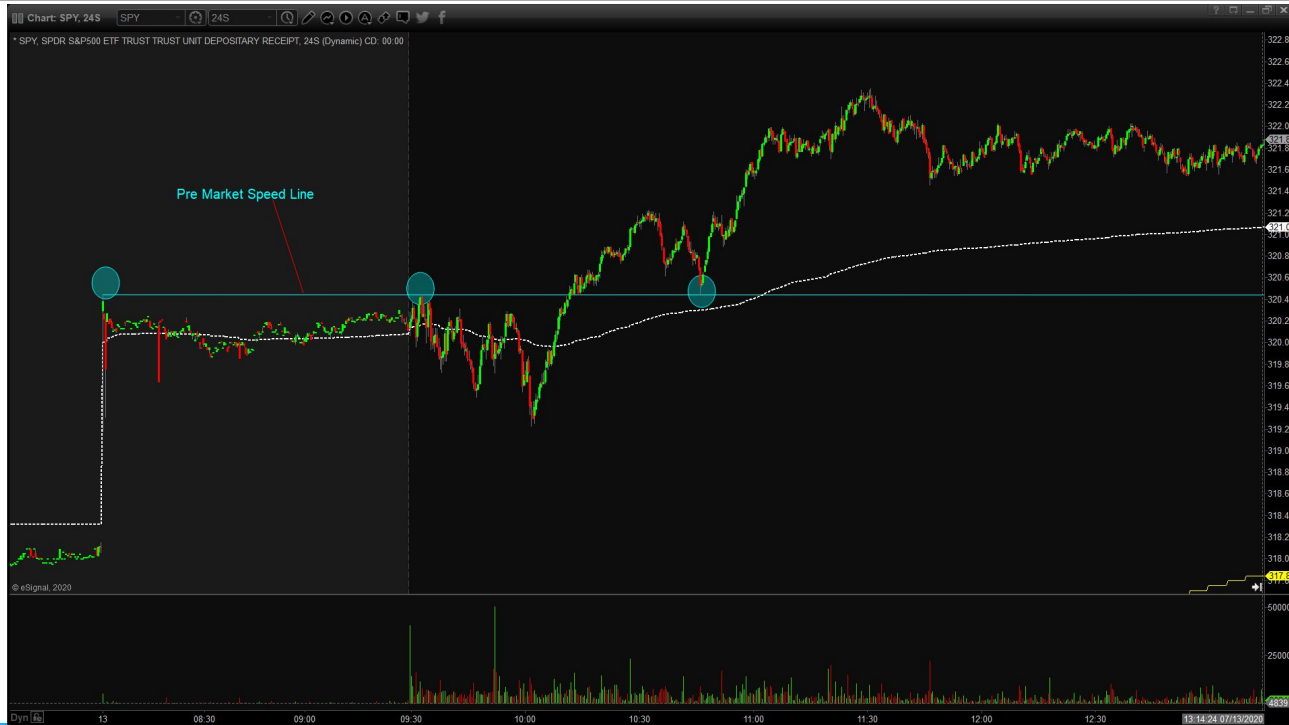
Speed lines may also be utilized for “tactical” trade management. While in a trending trade, establish a speed line along the current trend and remain in the trade until the trend has broken

Depending on the length and validity of the trend established, a break of the speed line may also be used for a reversal of a position in addition to a stop level. However, while this is a rare occurrence, it is only considered after an extremely extended move that has shown exhaustion points

High Probability Speed Lines



High Probability Speed Lines



High Probability Speed Lines



Precision Entry Techniques

Why Are They Important?

Eliminate hesitation & remove the fear factor

Gain a high level of confidence in the outcome of the trade

Minimize risk & magnify reward

Precision Entry Techniques

Key Elements

Pivots

Swing High

Swing low

Triangles

Precision Entry Techniques: **Key Elements**

Pivots: Comprised of price action that is consistent over a period of time around a price level that in result creates a support/resistance level

Precision Entry Techniques: **Key Elements**

Swing High: Apex point on a move higher that occurs after establishing higher lows

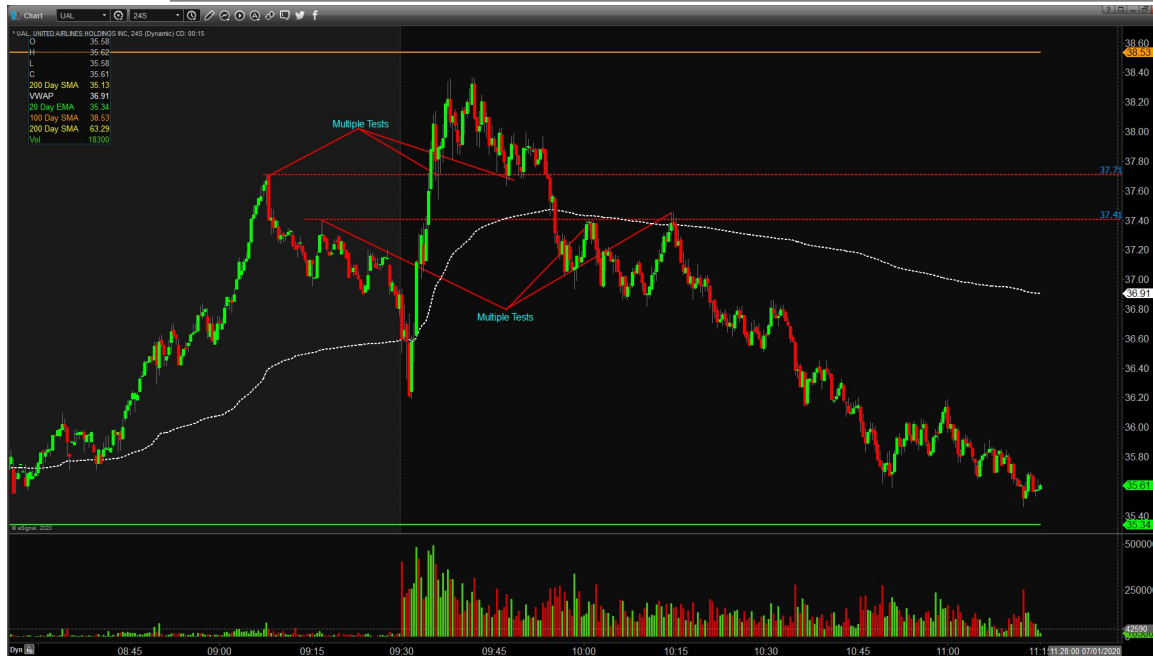
Precision Entry Techniques: **Key Elements**

Swing Low: Apex point on a move lower that occurs after establishing lower highs

Precision Entry Techniques: **Key Elements**

Triangles: Price action that is triangular in pattern that often precedes the most powerful breakouts/breakdowns

Intraday & Entry Patterns: *Pivots*



How to Spot Pivots:

- Multiple tests...
- Consistency in price action at each test...
- Clear support/resistance established...

Intraday & Entry Patterns: *Pivots*



Intraday & Entry Patterns: *Swing High*



How to Spot Swing High

- Wave of movement testing highs...
- Higher lows precede each wave...
- Swing high is established, cleared, and retested = **STRENGTH...**

Intraday & Entry Patterns: *Swing High*



Intraday & Entry Patterns: *Swing Low*



How to Spot Swing Lows

- Wave of movement testing lows...
- Lower highs precede each wave...
- Swing low is established, cleared, and retested = WEAKNESS...

Intraday & Entry Patterns: *Swing Low*



Intraday & Entry Patterns: *Triangles*



How to Spot Triangles

- Price action triangular in pattern...
- Preceded by either a lower high or higher low...
- Entry occurs at the break of the triangular pattern...

Intraday & Entry Patterns: *Triangles*



Intraday & Entry Patterns: *Triangles*



Pre Market Patterns

Price Action that occurs between the prior day's close and the current days open

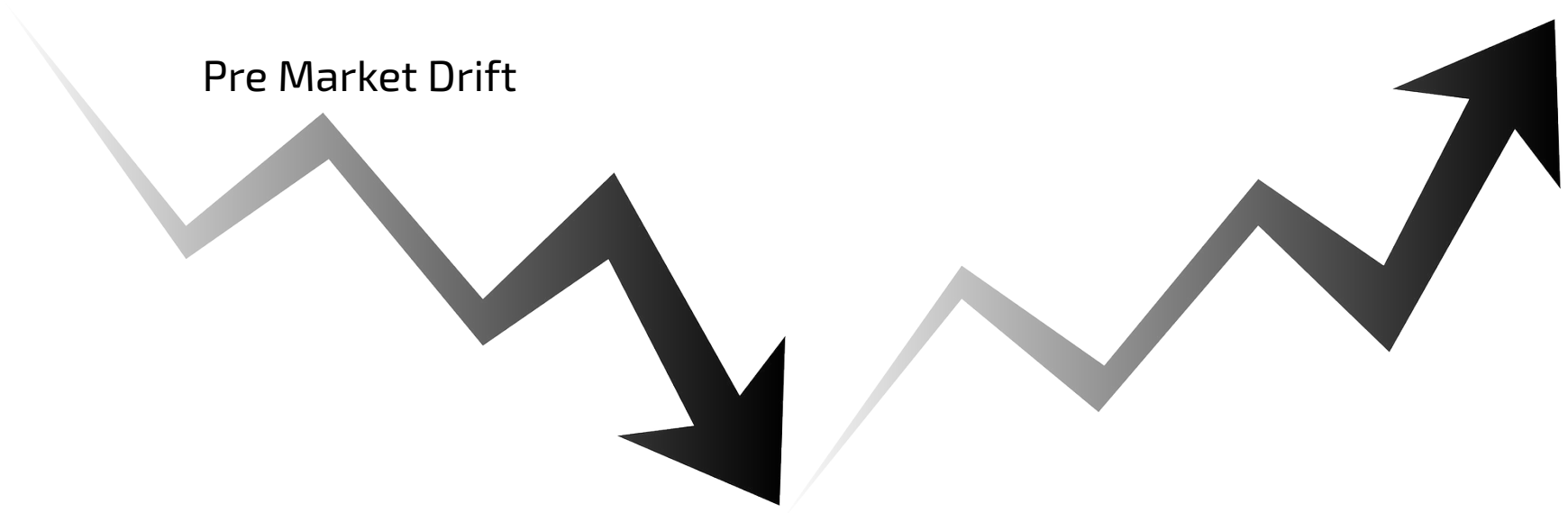
Pre market price action reflects the initial reactions to news released where valuable insights can be gained into market sentiment

Pre market patterns can provide a very high level of predictability into the impending move to take place at the market open which is an extreme edge to possess as a momentum trader

Pre Market Patterns

1 Pattern Away From An ***EXTREME EDGE!***

Pre Market Drift



Pre Market Drift

Price action that is drifting **UP**

Comprised of **higher highs and higher lows**

Price action that is drifting **Down**

Comprised of **lower highs and lower lows**

Pre Market Drift **UP**



Pre Market Drift **UP**



Pre Market Drift ***DOWN***



Pre Market Drift ***DOWN***



Intraday & Entry Patterns: Checklist

Short

Step 1: Identify A Pivot

Step 2: Wait For First New
Swing Low

Step 3: Identify A Triangular
Pattern & Enter On the Break

SWING LOW PIVOT

Established, Cleared &
Retested = **WEAKNESS**

Long

Step 1: Identify A Pivot

Step 2: Wait For First New
Swing High

Step 3: Identify A Triangular
Pattern & Enter On the Break

SWING HIGH PIVOT

Established, Cleared, &
Retested = **STRENGTH**