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FIGURE PI.1 Two-Legged Pullbacks



FIGURE 1.1 Extreme Trading Range and Trends

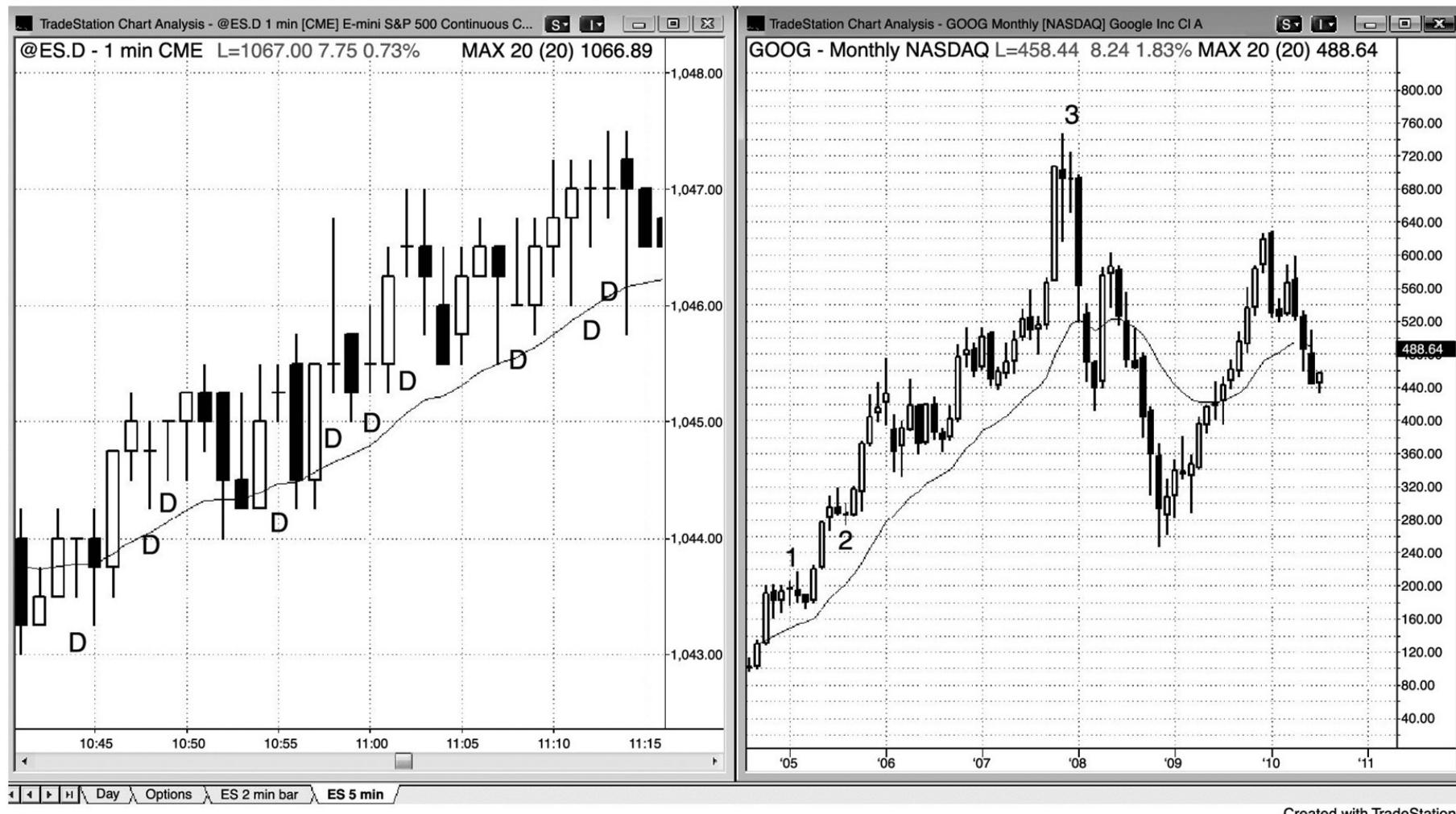


FIGURE 2.1 Dojis Are Rarely Perfect

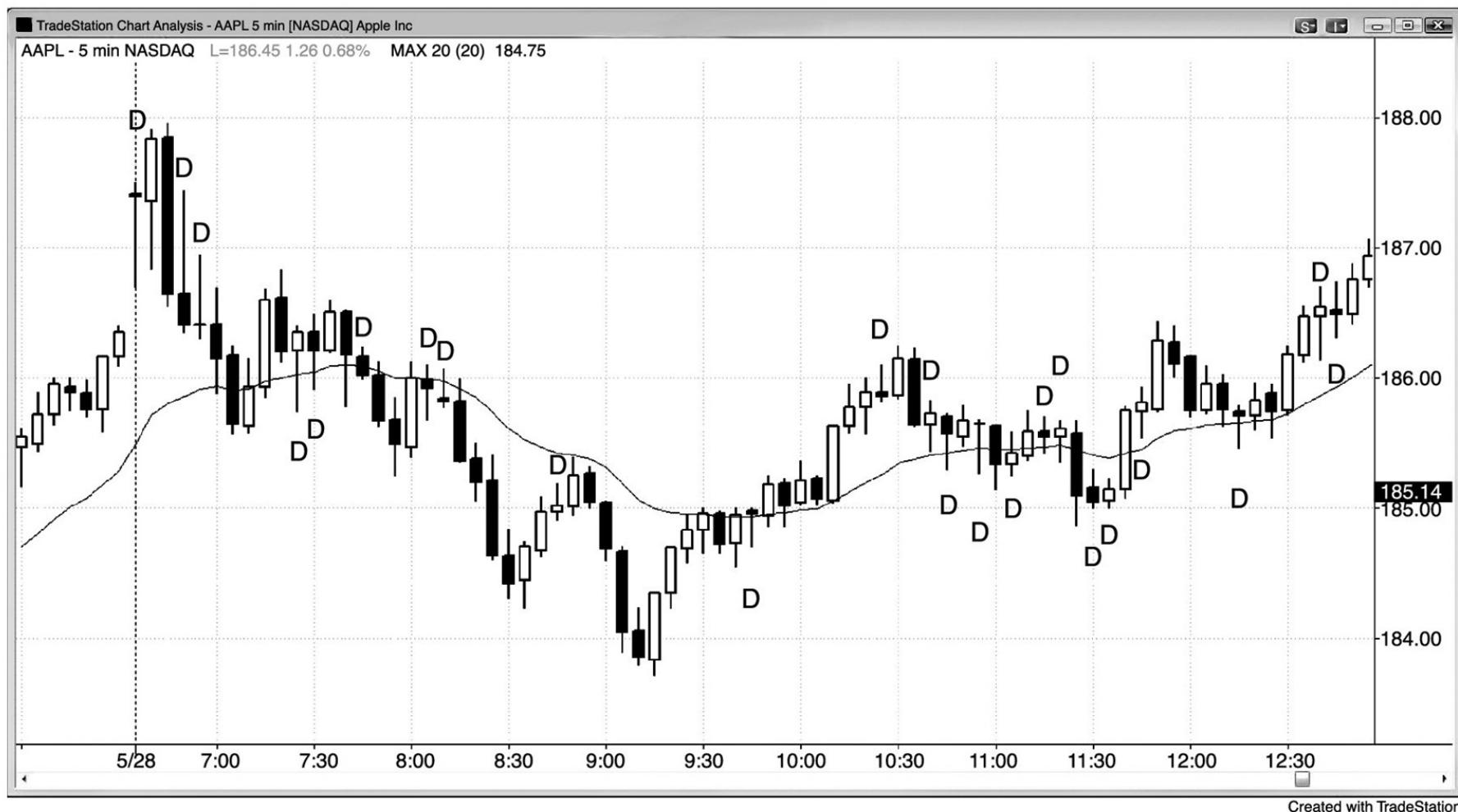


FIGURE 2.2 Intraday Dojis

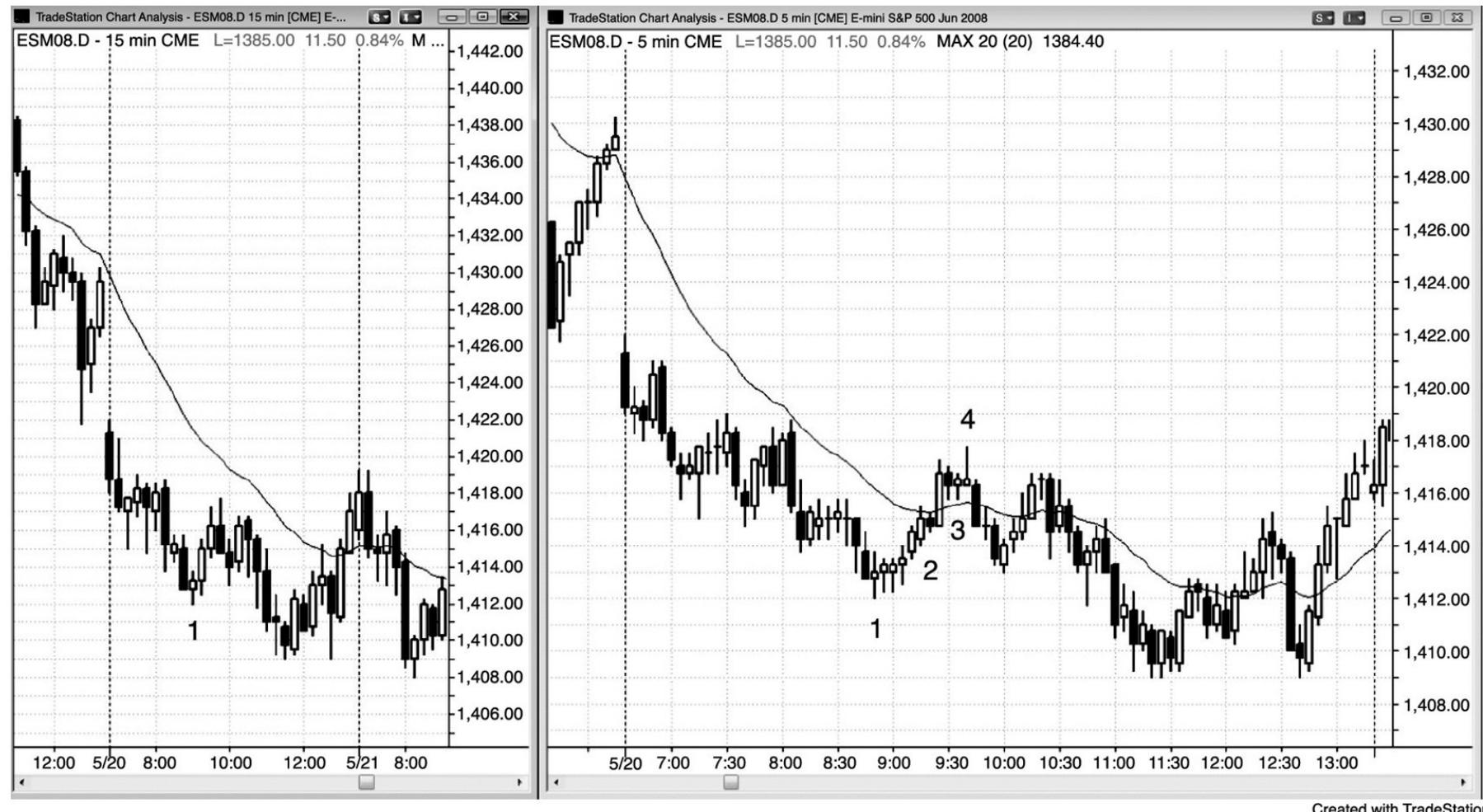


FIGURE 2.3 Trending Dojis



FIGURE 2.4 Trend Bars without a Trend

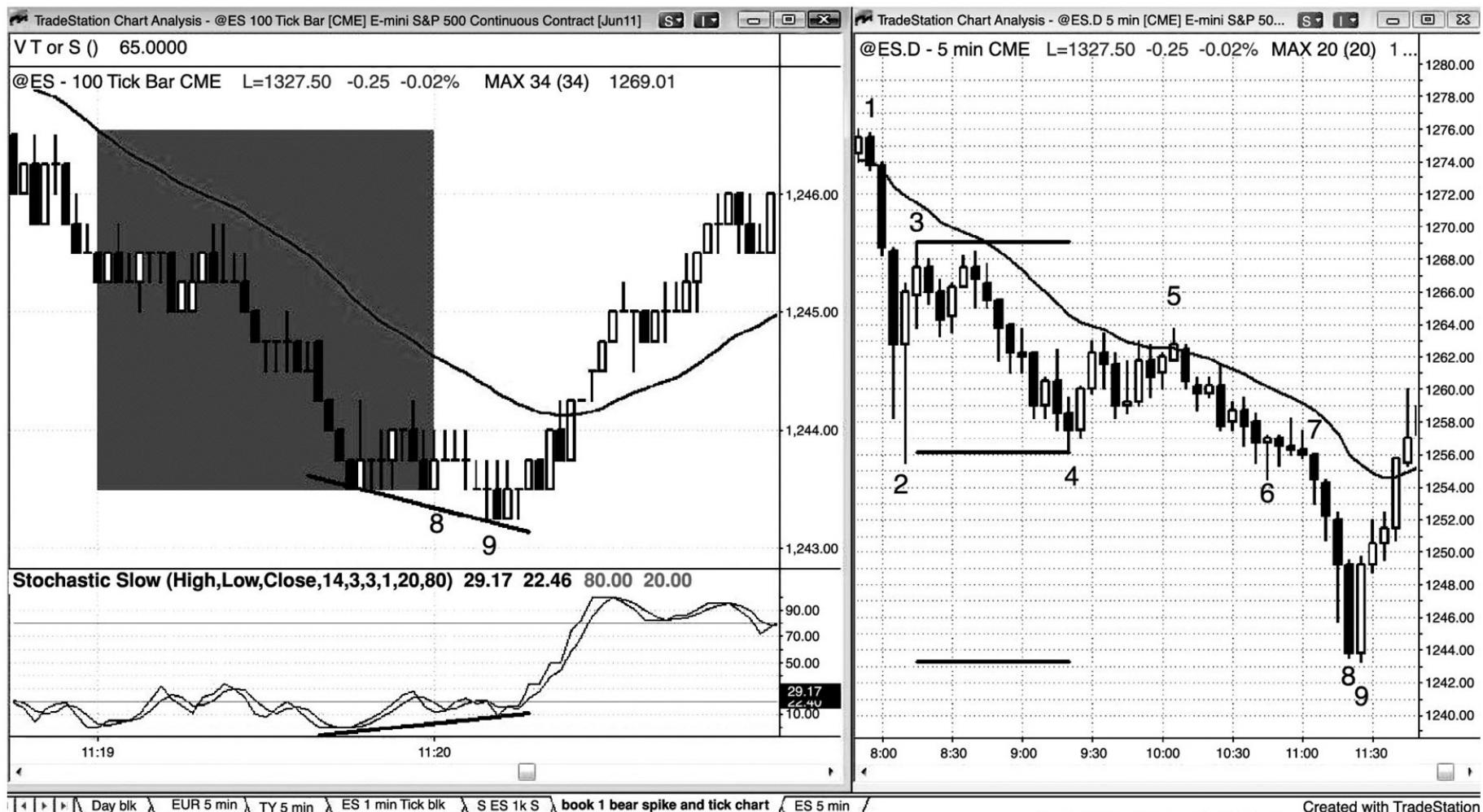


FIGURE 2.5 A Large Bear Trend Bar Can End a Bear Trend



FIGURE 2.6 Trend Transitioning into Trading Range

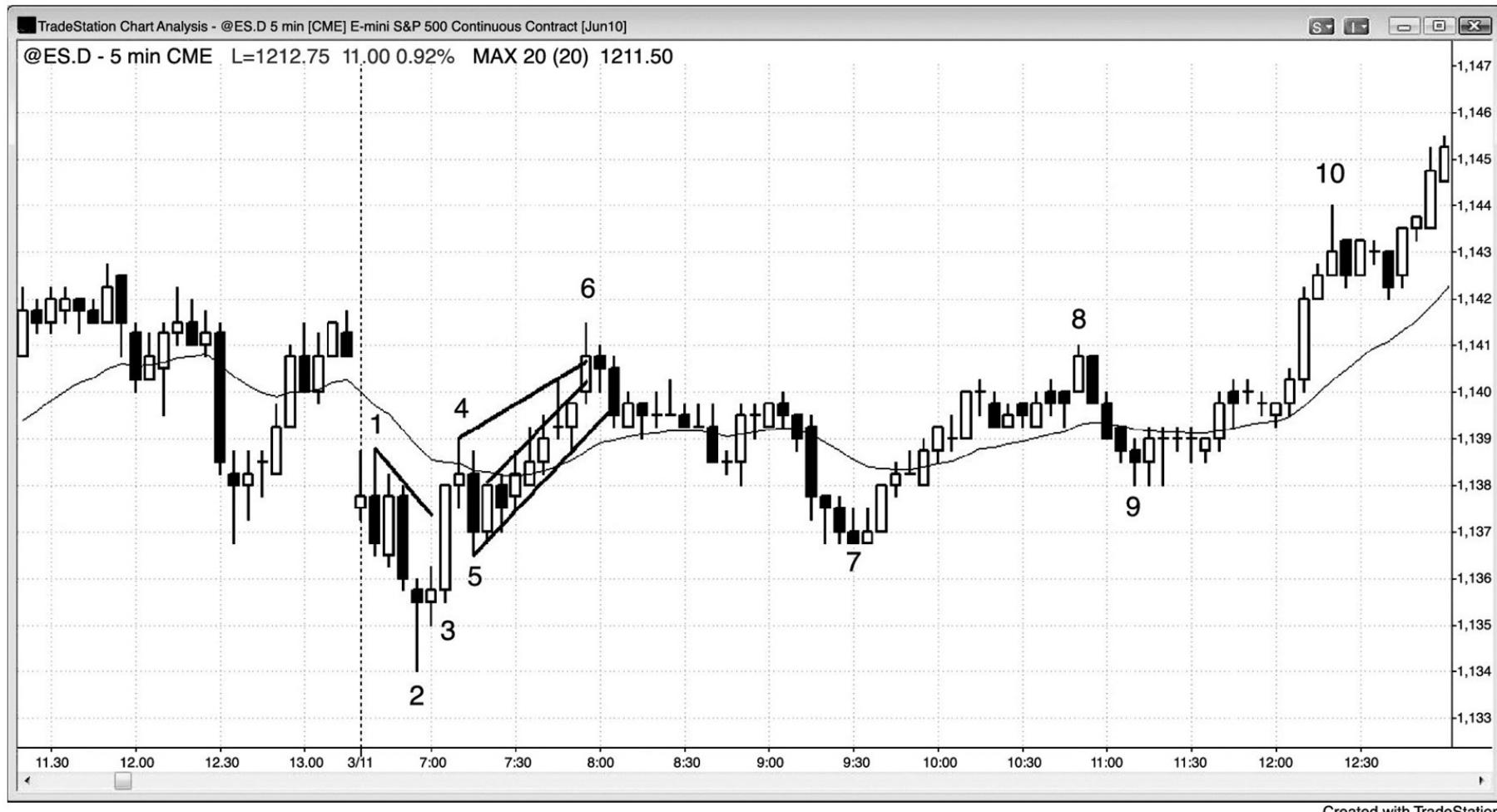


FIGURE 3.1 Breakouts, Trading Ranges, and Tests



FIGURE 4.1 A Typical Buy Signal Bar



FIGURE 5.1 Reversal Bar in a Trading Range



FIGURE 5.2 Reversal Bar with Big Tail and Small Body



FIGURE 5.3 Reversal Bars Can Be Unconventional



FIGURE 6.1 Small Signal Bars



FIGURE 6.2 A Reversal Bar Can Be a Continuation Setup



FIGURE 6.3 A Big Trend Bar Can Indicate Exhaustion



FIGURE 6.4 A 15 Minute Reversal on 5 Minute Chart



FIGURE 6.5 Three-Bar Reversals



FIGURE 6.6 Two-Bar Reversal



FIGURE 6.7 First Hour Reversal



FIGURE 6.8 Bars That Are Tiny Can Still Be Helpful



FIGURE 6.9 An ii Pattern Is a Smaller Time Frame Reversal



FIGURE 6.10 Two-Bar Double Bottoms and Tops



FIGURE 6.11 A Strong Two-Bar Reversal



FIGURE 6.12 Two-Bar Reversal Buy Climax



FIGURE 6.13 No Tails Means Strength



FIGURE 6.14 Signal Bar Examples



FIGURE 6.15 One-Bar Bear Flag



FIGURE 6.16 Good Setups Are Common



FIGURE 6.17 A Bear Reversal Bar Can Lead to a Bull Flag



FIGURE 6.18 Weak Reversal Bars Need More

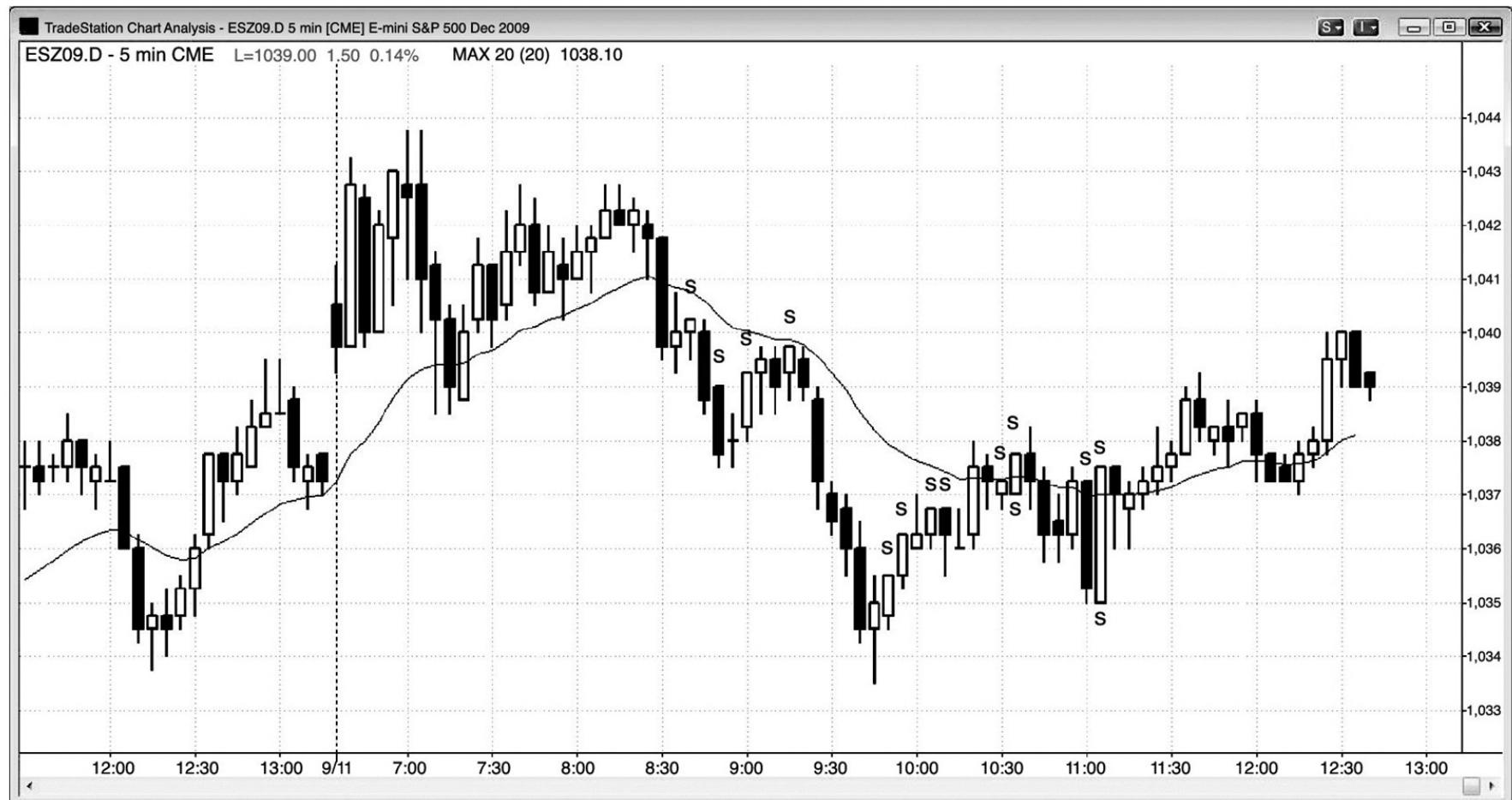


FIGURE 6.19 Shaved Bars Can Be Meaningless



FIGURE 7.1 Outside Bars Are Tricky



FIGURE 7.2 An ioi Pattern



FIGURE 7.3 Outside Bars Depend on Context



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FIGURE 7.4 An Outside Bar as an Entry Bar

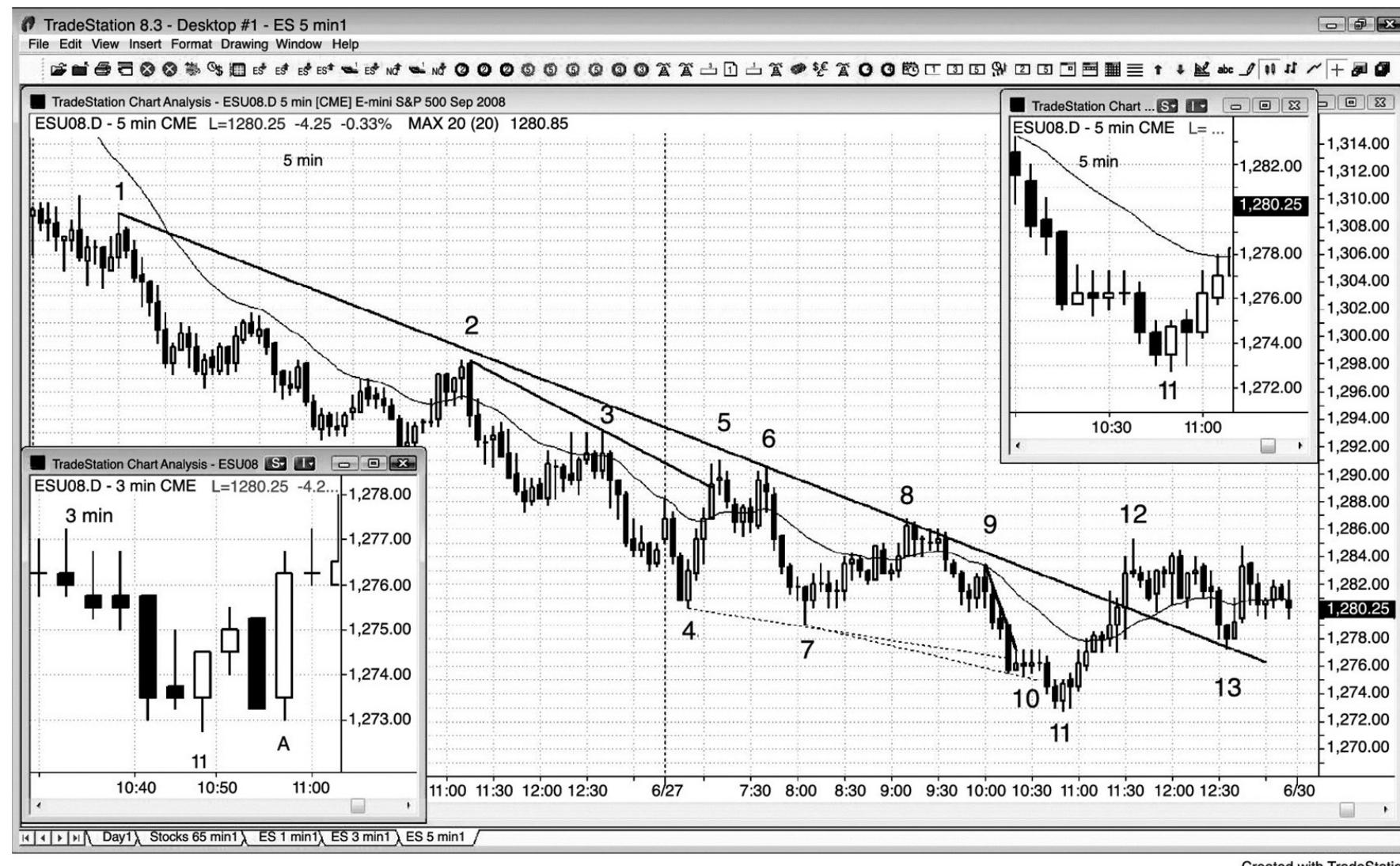


FIGURE 8.1 Smaller Time Frame Charts Result in More Losses



FIGURE 9.1 The Emini and the SPY Are Similar



FIGURE 9.2 SPY Adjustment on Triple Witching Days



FIGURE 10.1 Second Entries



FIGURE 10.2 In Strong Moves, Wait for Second Reversals

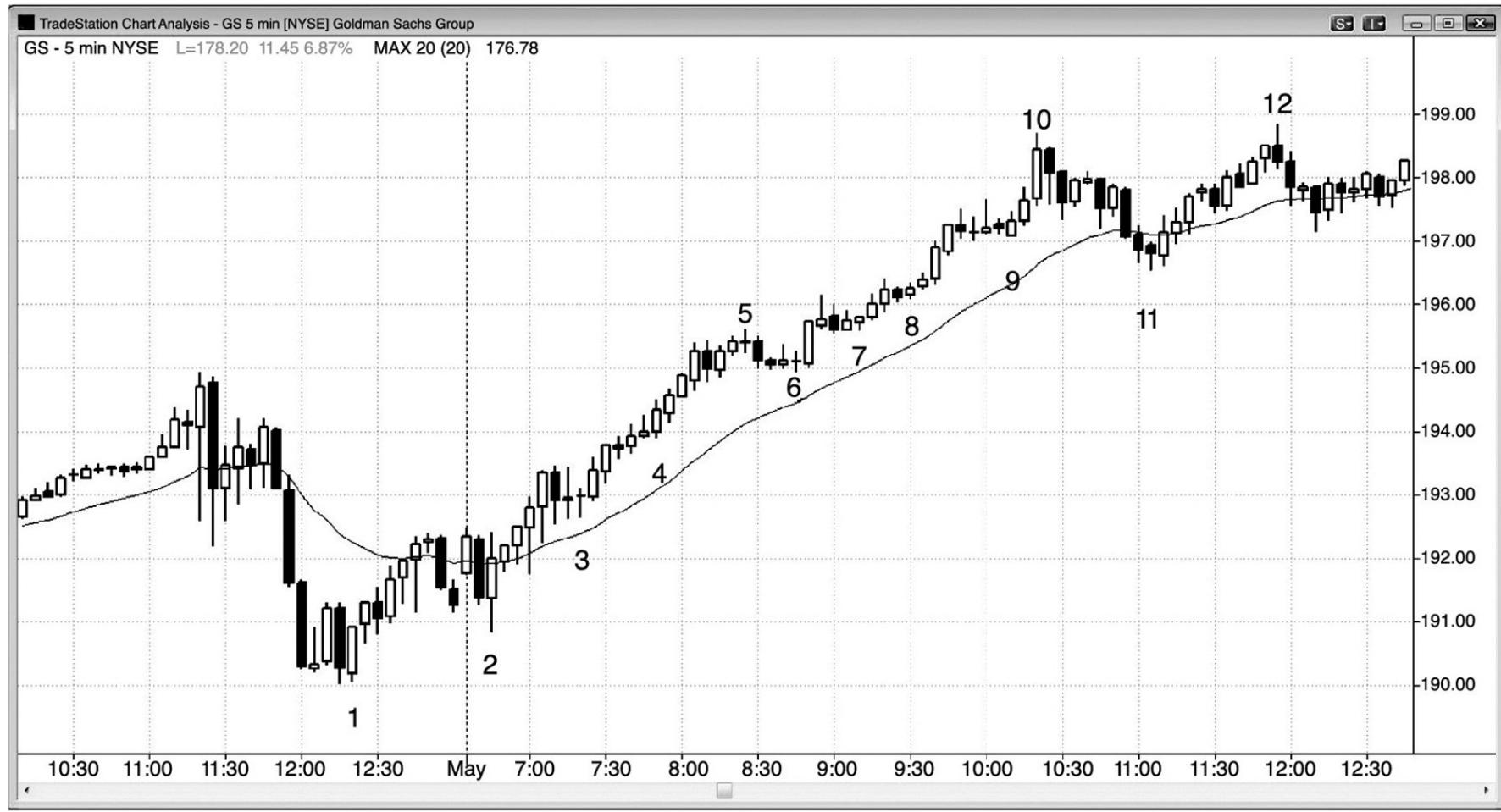


FIGURE 11.1 Consecutive Trend Bars in a Trend

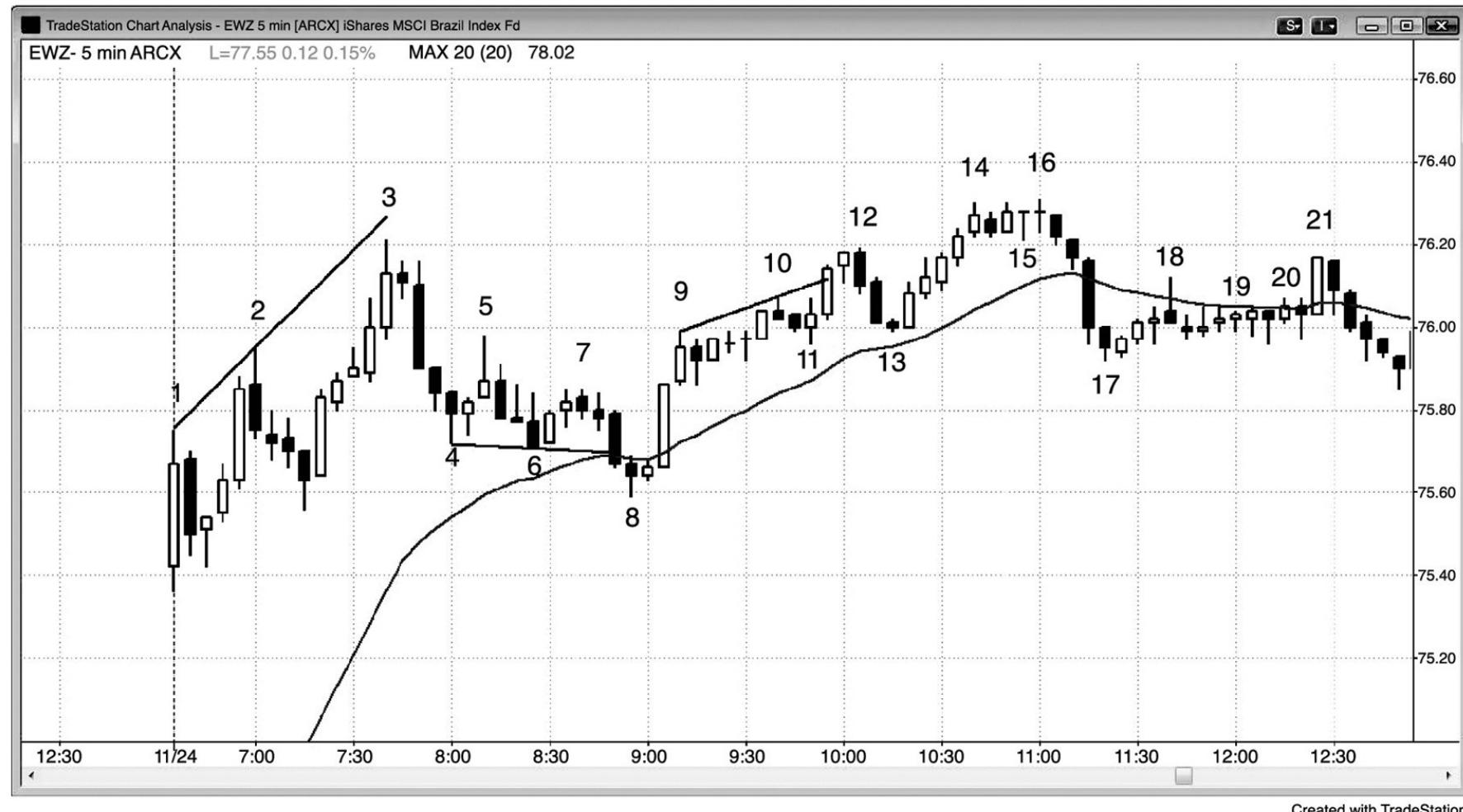


FIGURE 12.1 Setups Can Evolve into More Complex Patterns

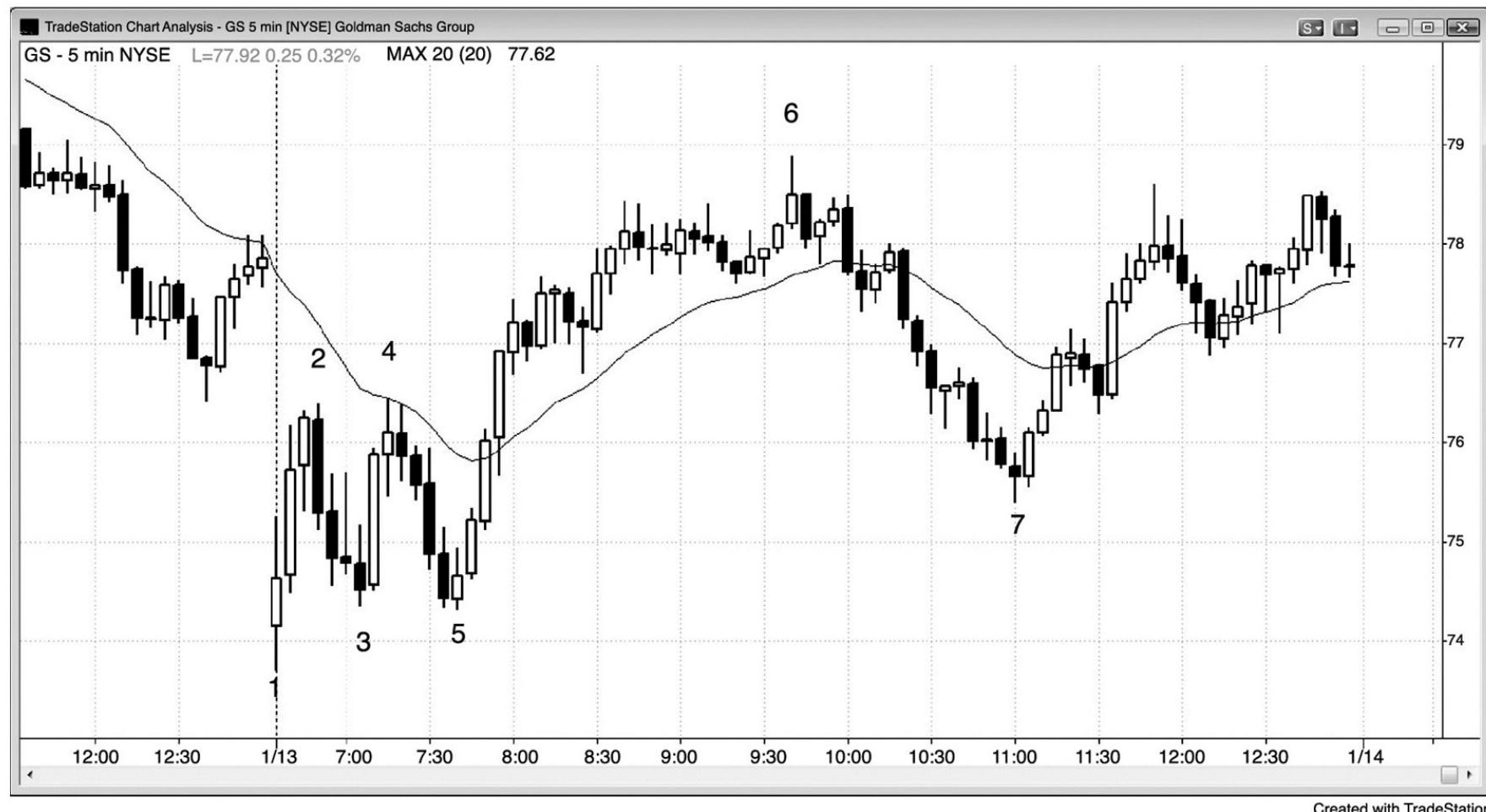


FIGURE 12.2 Breakout Mode in the First Hour



FIGURE PII.1 Lines Highlight Trends

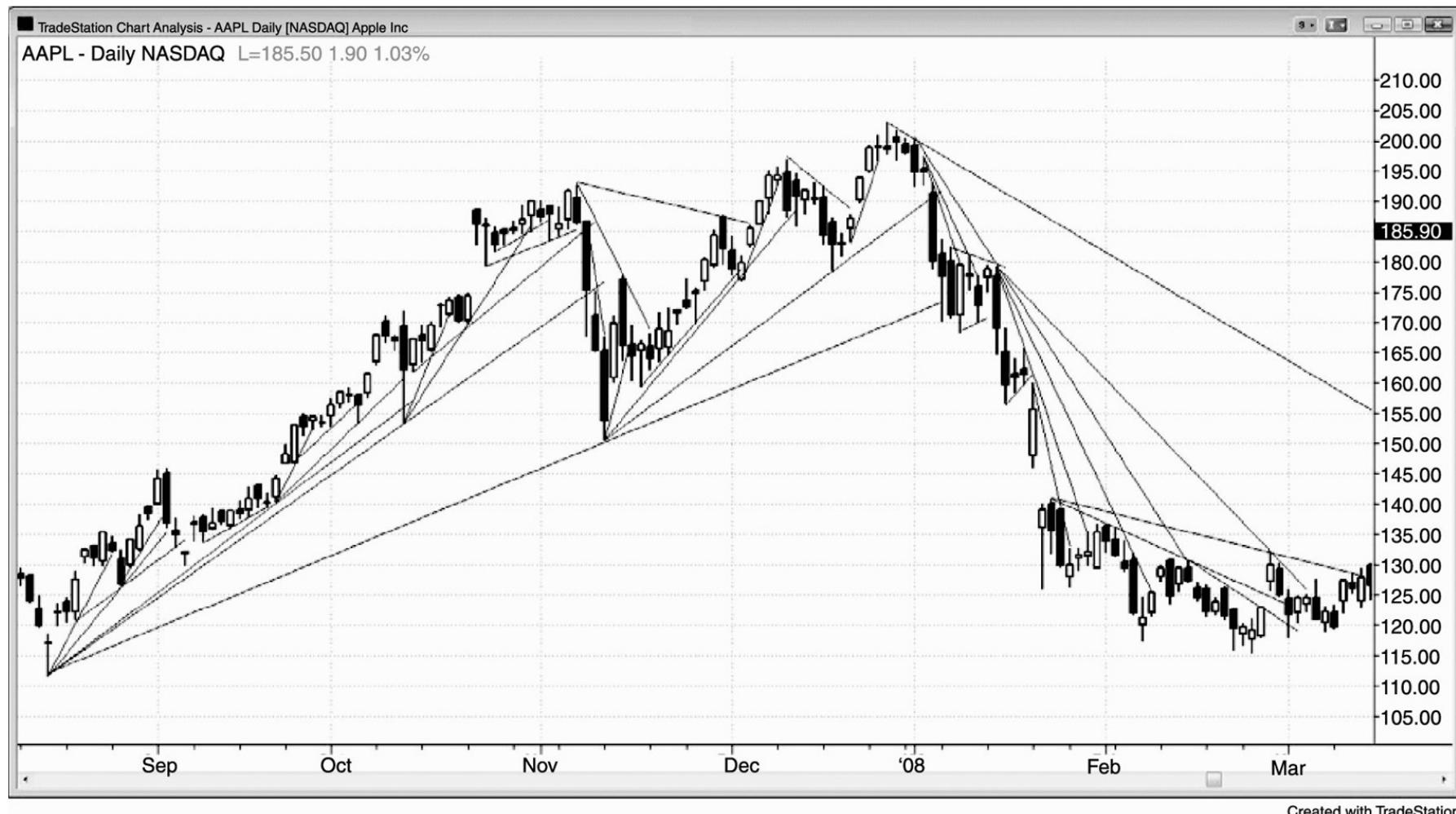


FIGURE 13.1 All Trend Lines Are Important



FIGURE 13.2 Monthly Trend Lines



FIGURE 13.3 Trend Line Created as Parallel



FIGURE 13.4 Trend Channel Line Creating a Channel

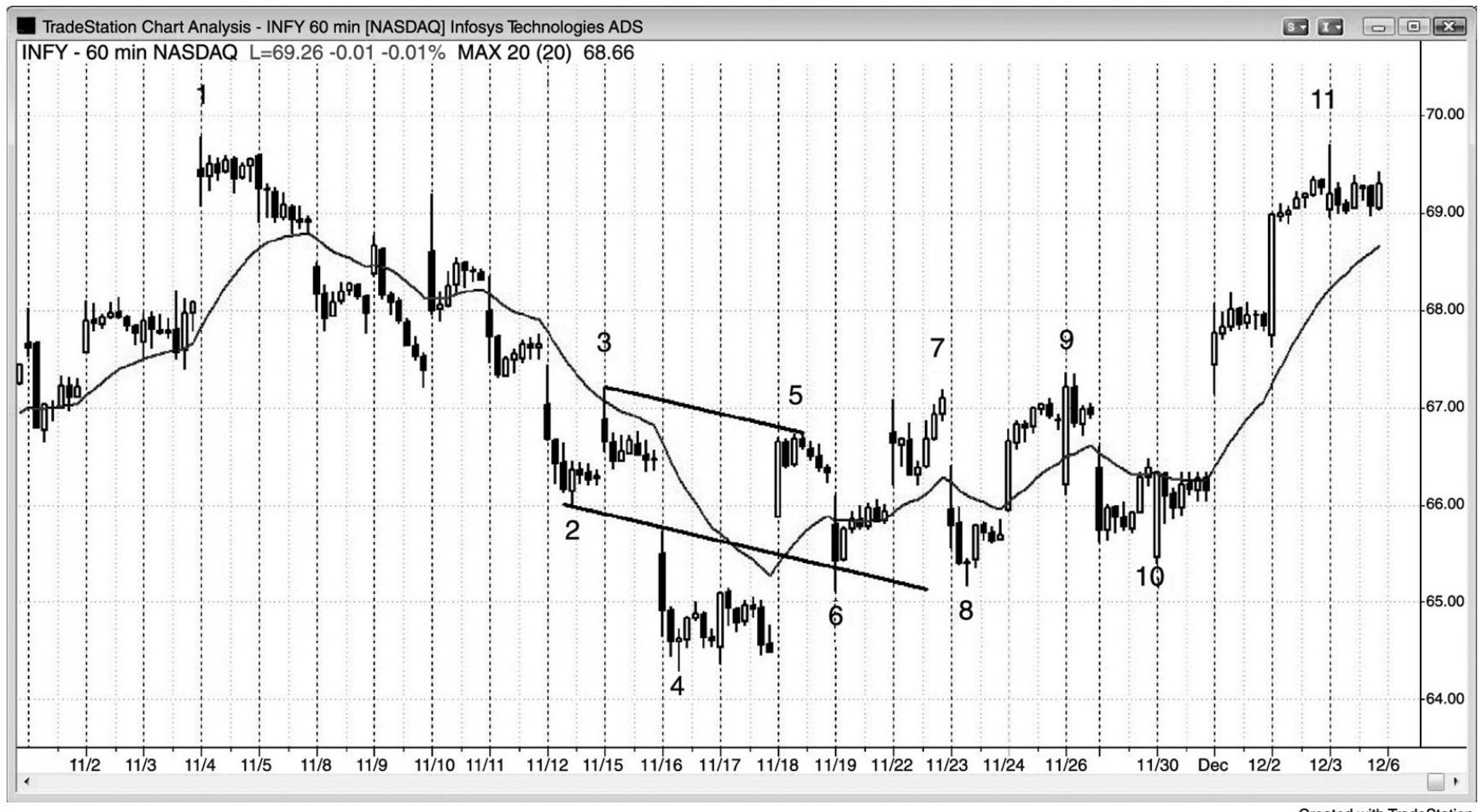


FIGURE 13.5 Head and Shoulders Using Trend Channel Line



FIGURE 13.6 Trend Channel Line Creating a Channel



FIGURE 13.7 Repeated Tests of a Trend Line



FIGURE 14.1 Testing a Trend Channel Line

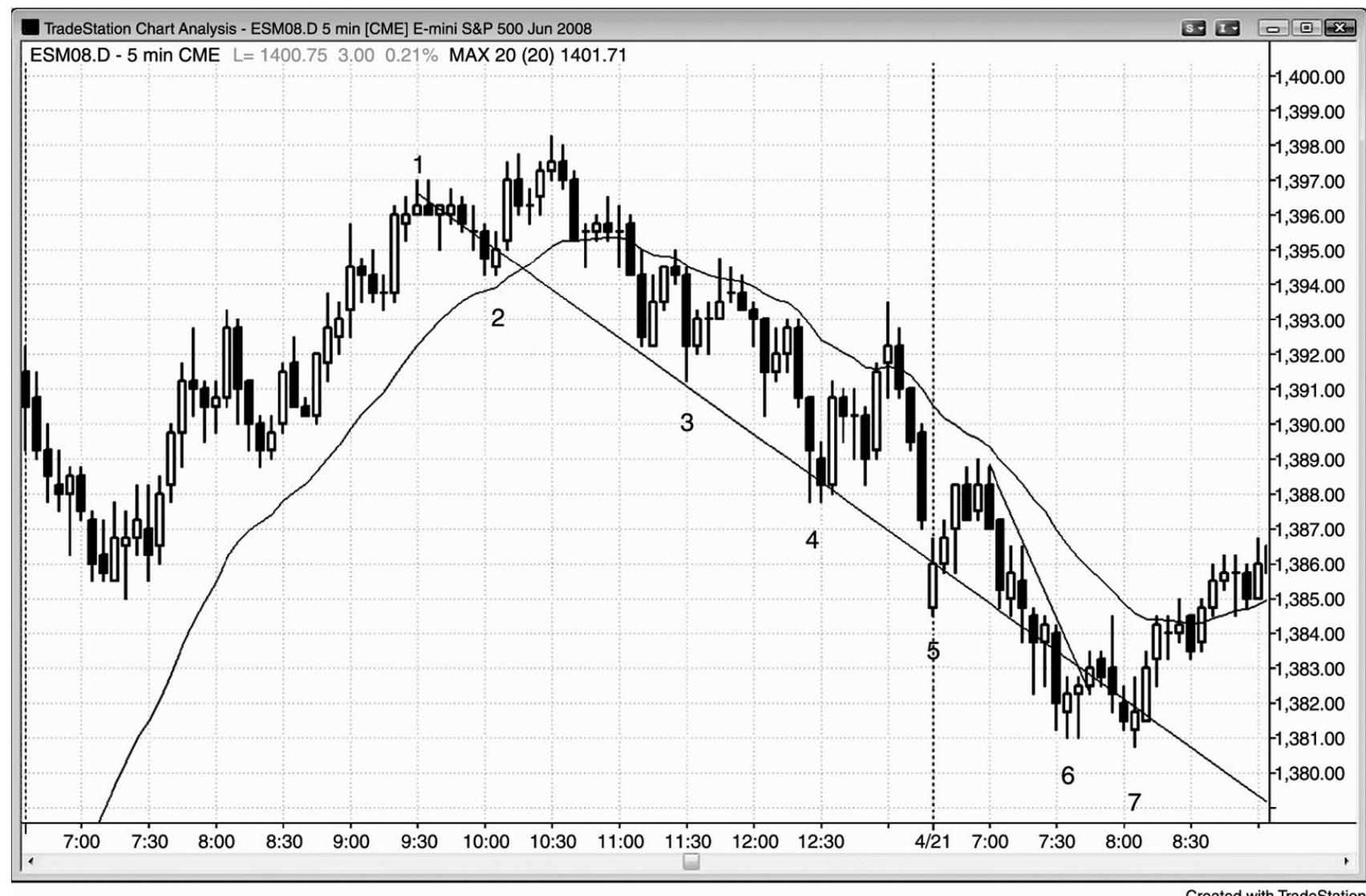


FIGURE 14.2 Slope of the Final Flag

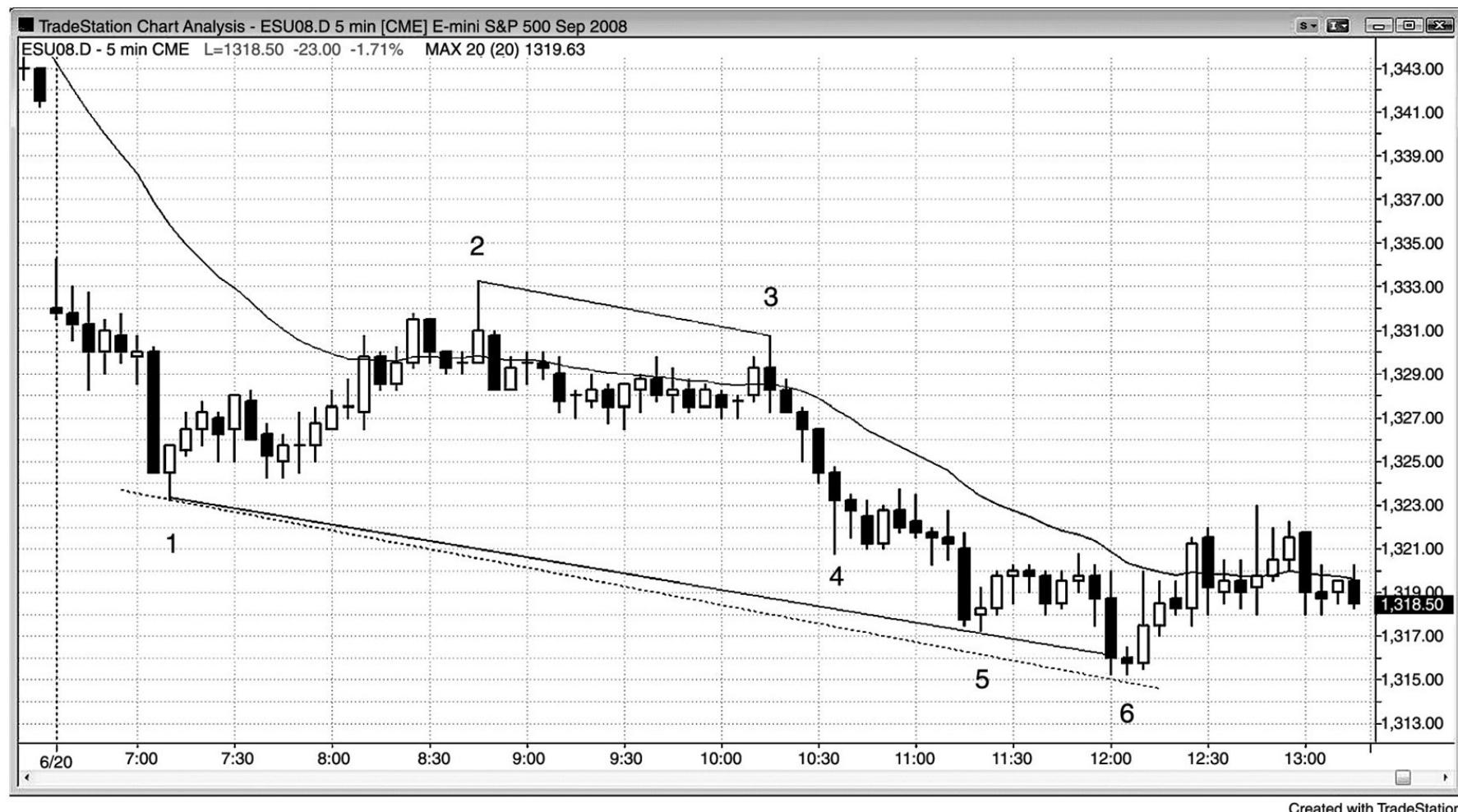


FIGURE 14.3 Lengthy Trend Channel Line

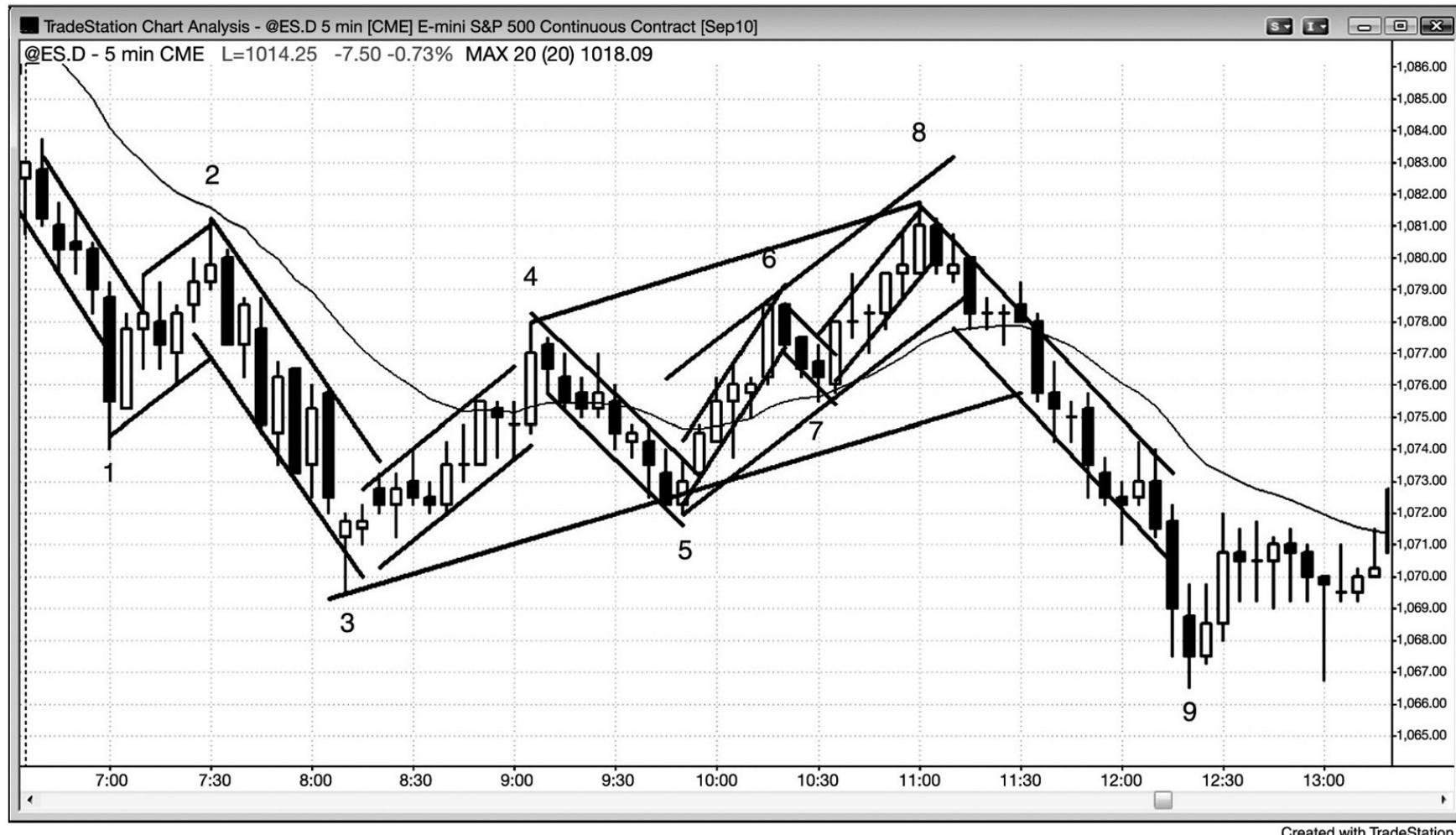


FIGURE 15.1 Nested Channels

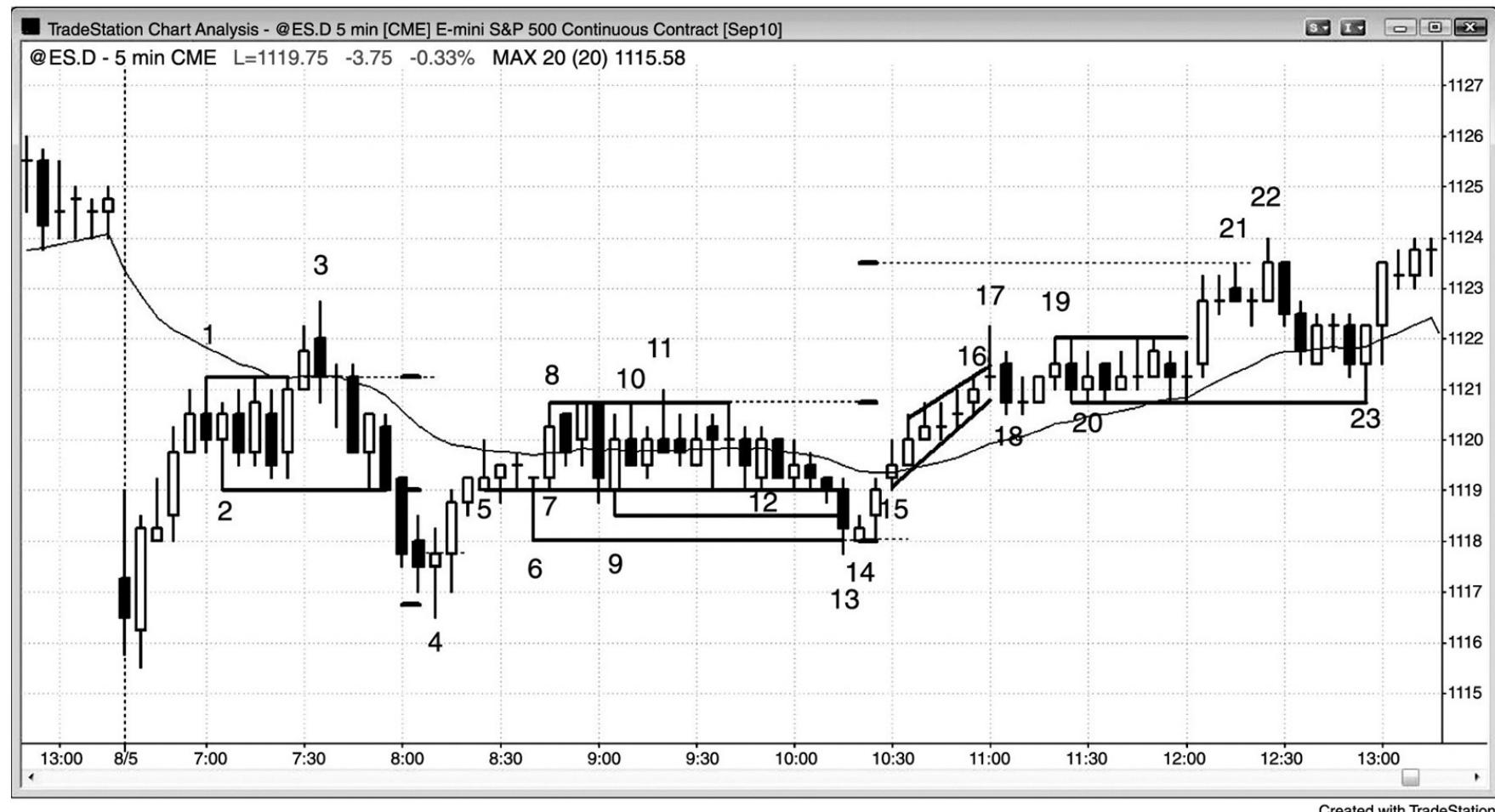


FIGURE 15.2 Failed Channel Breakouts



FIGURE 15.3 Bull Channels in Bull and Bear Markets



FIGURE 15.4 Channel Breakout and Measured Move

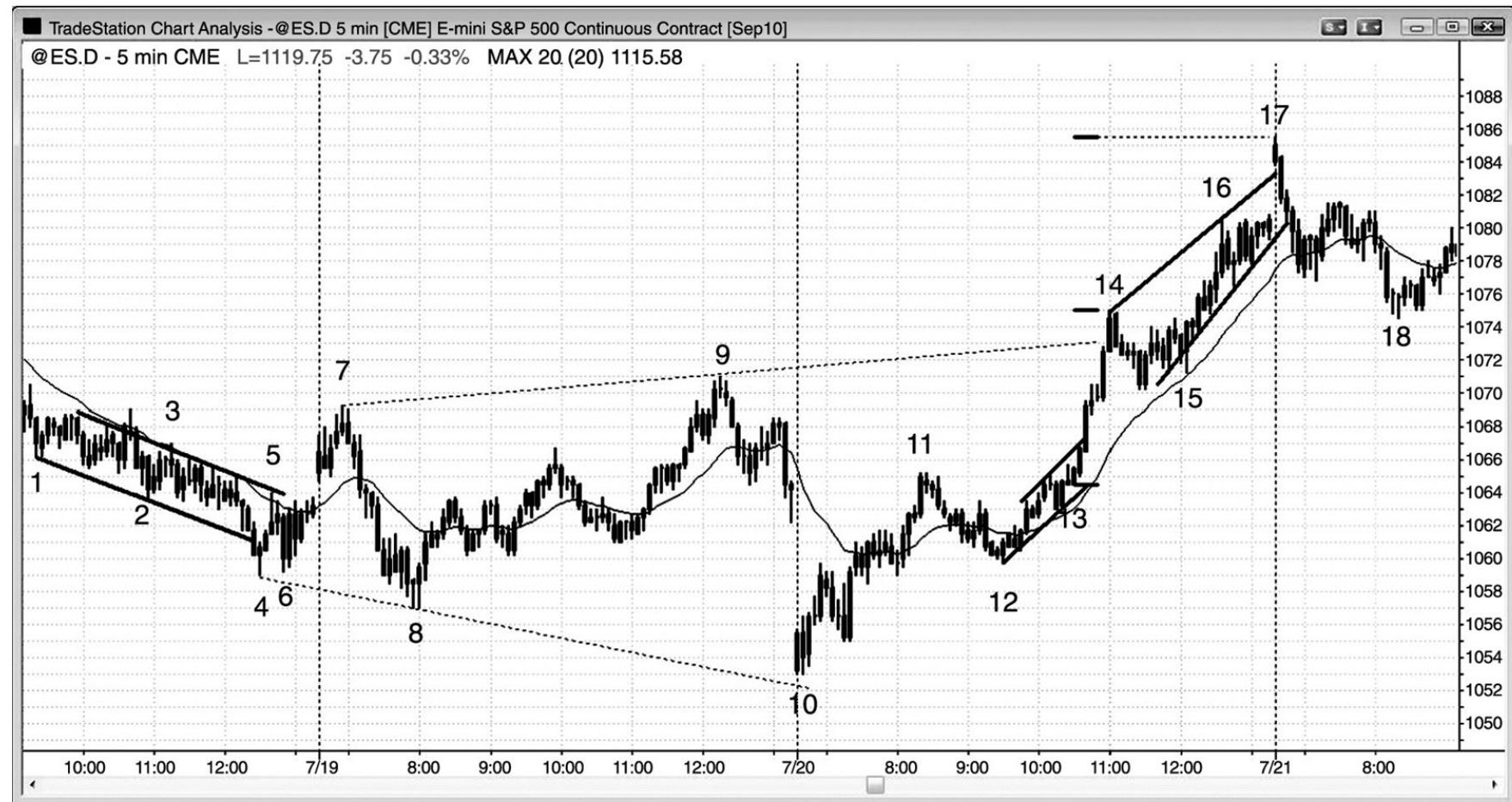


FIGURE 15.5 Climactic Bear Breakout of Bear Channel



FIGURE 15.6 Reversals at Lines



FIGURE 15.7 Channels Are Always Trying to Reverse

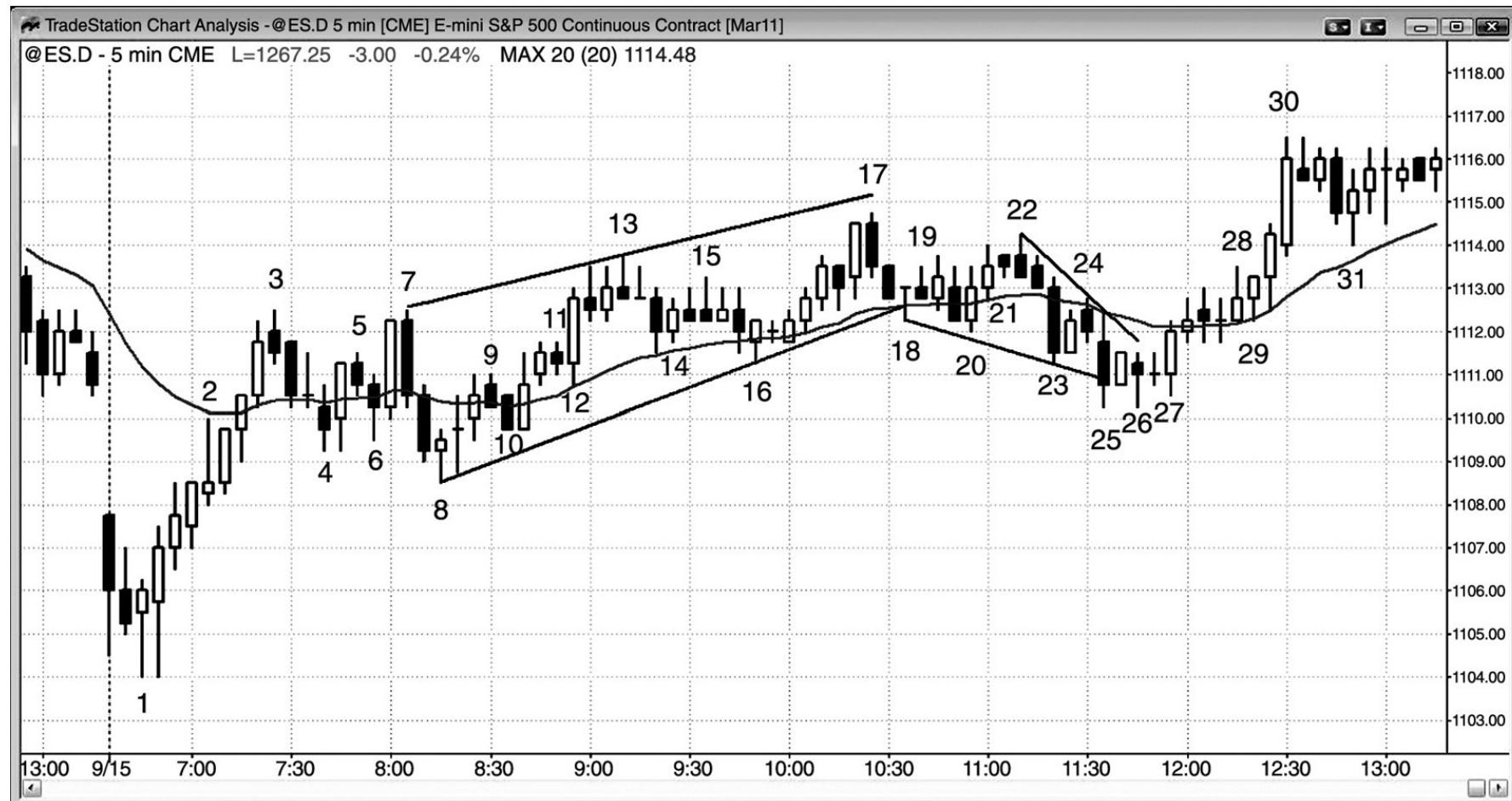


FIGURE 15.8 Entering on Limit Orders in Channels



FIGURE 16.1 Micro Trend Lines



FIGURE 16.2 Failed Breakouts of Micro Trend Lines



FIGURE 16.3 Micro Trend Lines in Strong Trends



FIGURE 16.4 Micro Trend Lines Are Just Trend Lines on Smaller Time Frames



FIGURE 16.5 Micro Trend Lines When the Dow Is Down 700 Points



FIGURE 16.6 Micro Trend Lines in a Bull Trend

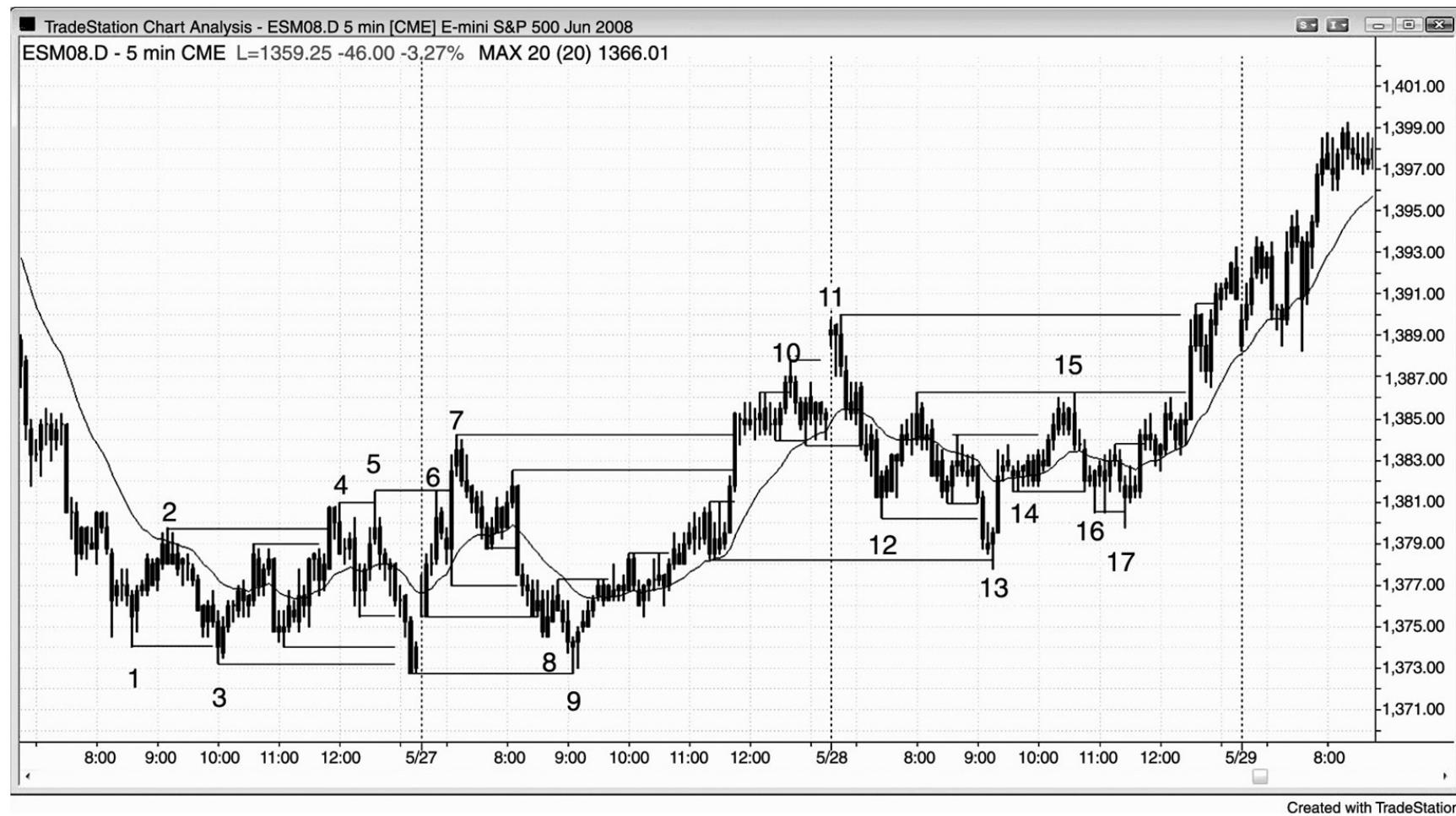


FIGURE 17.1 Breakouts Can Set Up Reversals

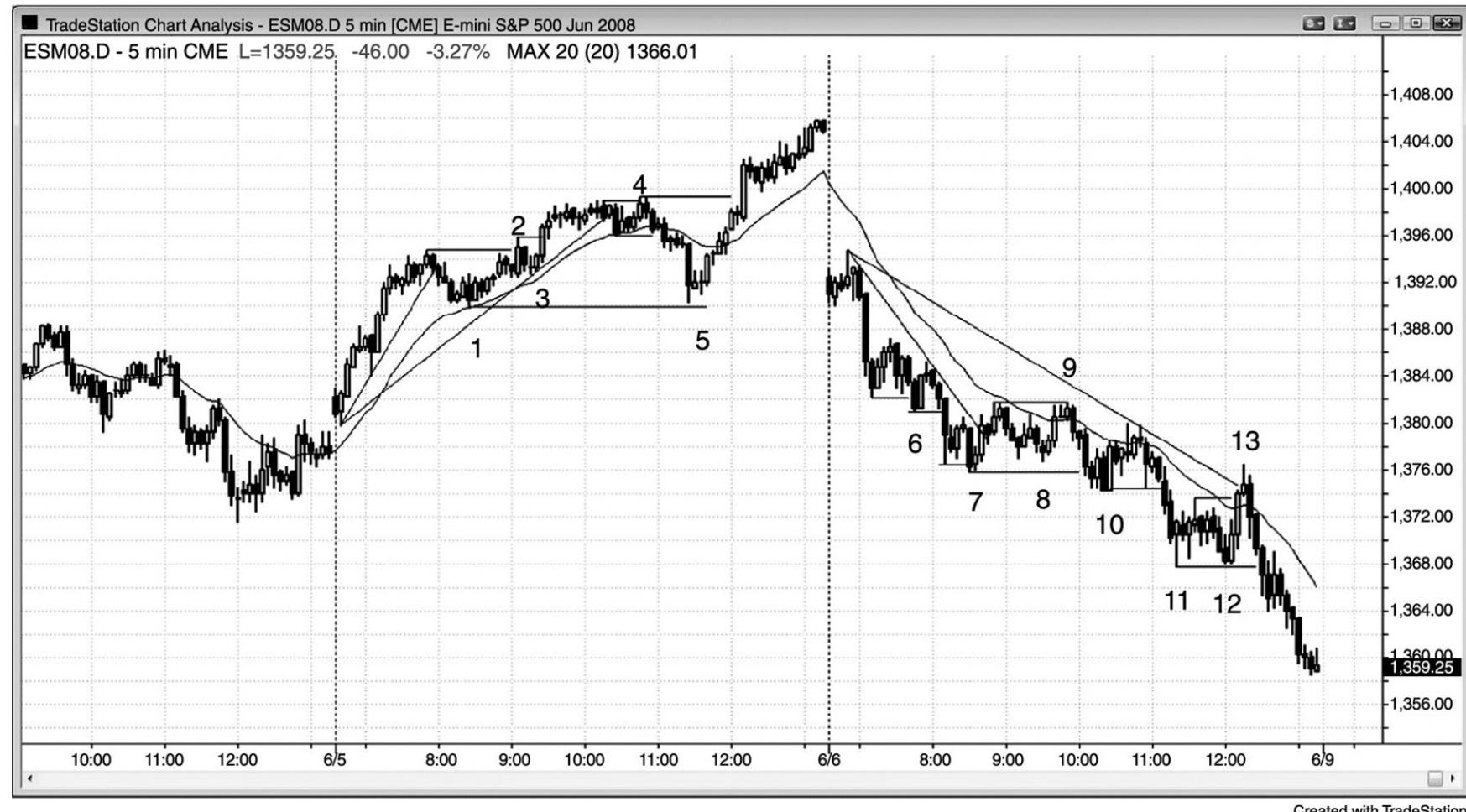


FIGURE 17.2 Don't Fade Strong Trends



FIGURE 18.1 Strong Trend Day in GS

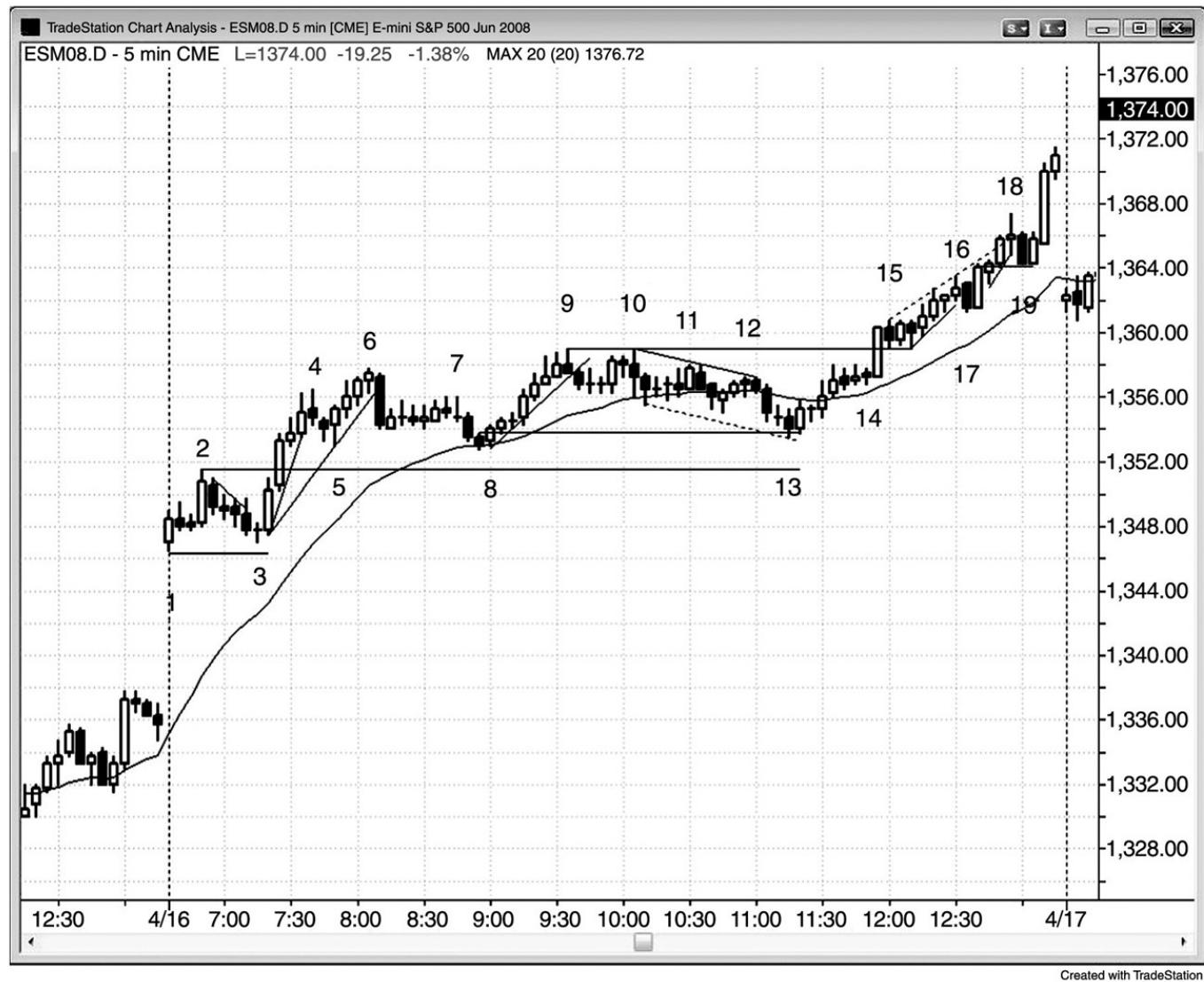


FIGURE 19.1 Big Gap Up on Bull Day



FIGURE 19.2 Most Reversals Fail on Trend Days



FIGURE 19.3 No Pullbacks Means the Trend Is Strong



FIGURE 20.1 Every Leg Is Made of Smaller Legs

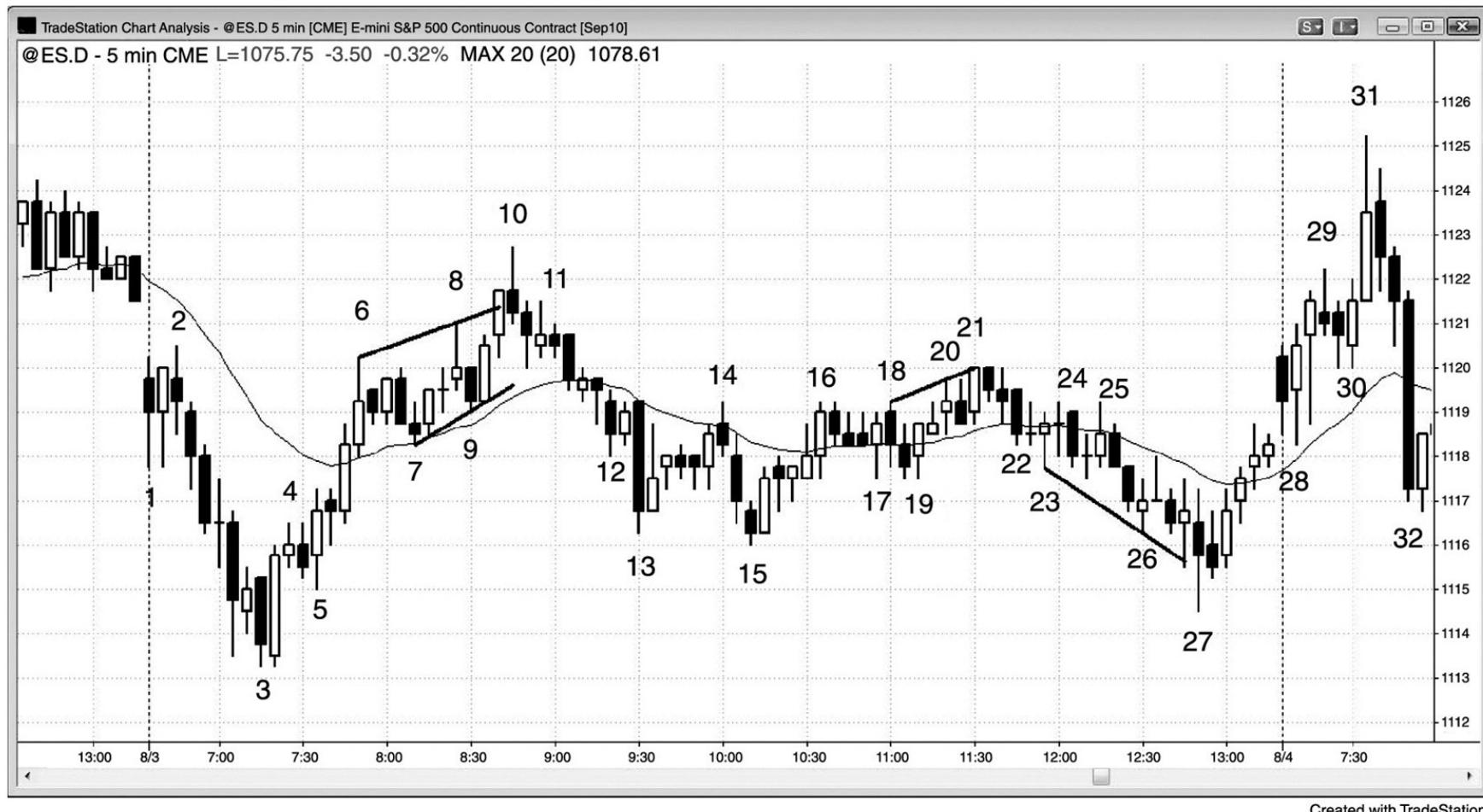


FIGURE 21.1 Three Pushes in a Spike and Channel

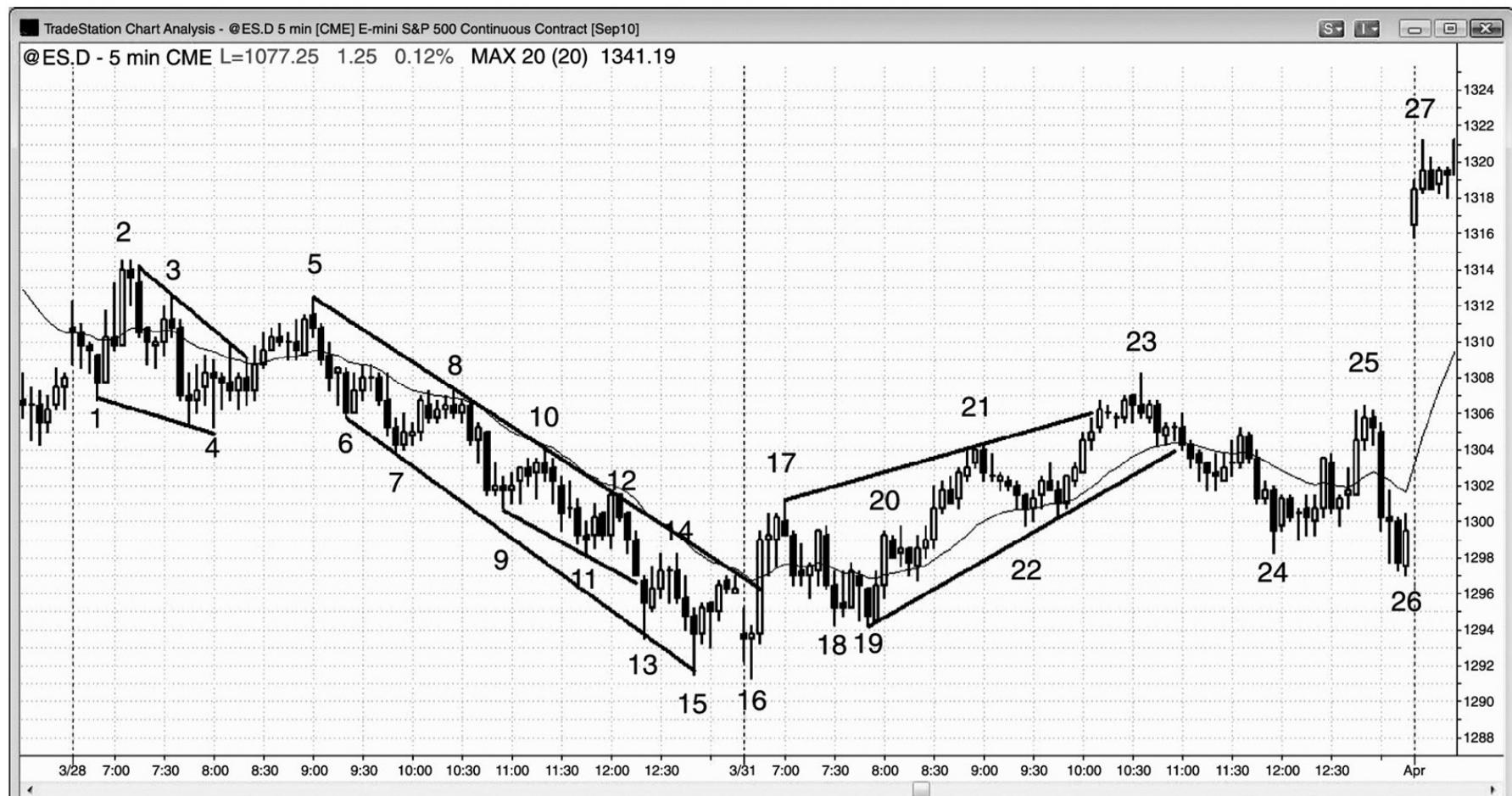


FIGURE 21.2 Spike and Channels Occur Every Day

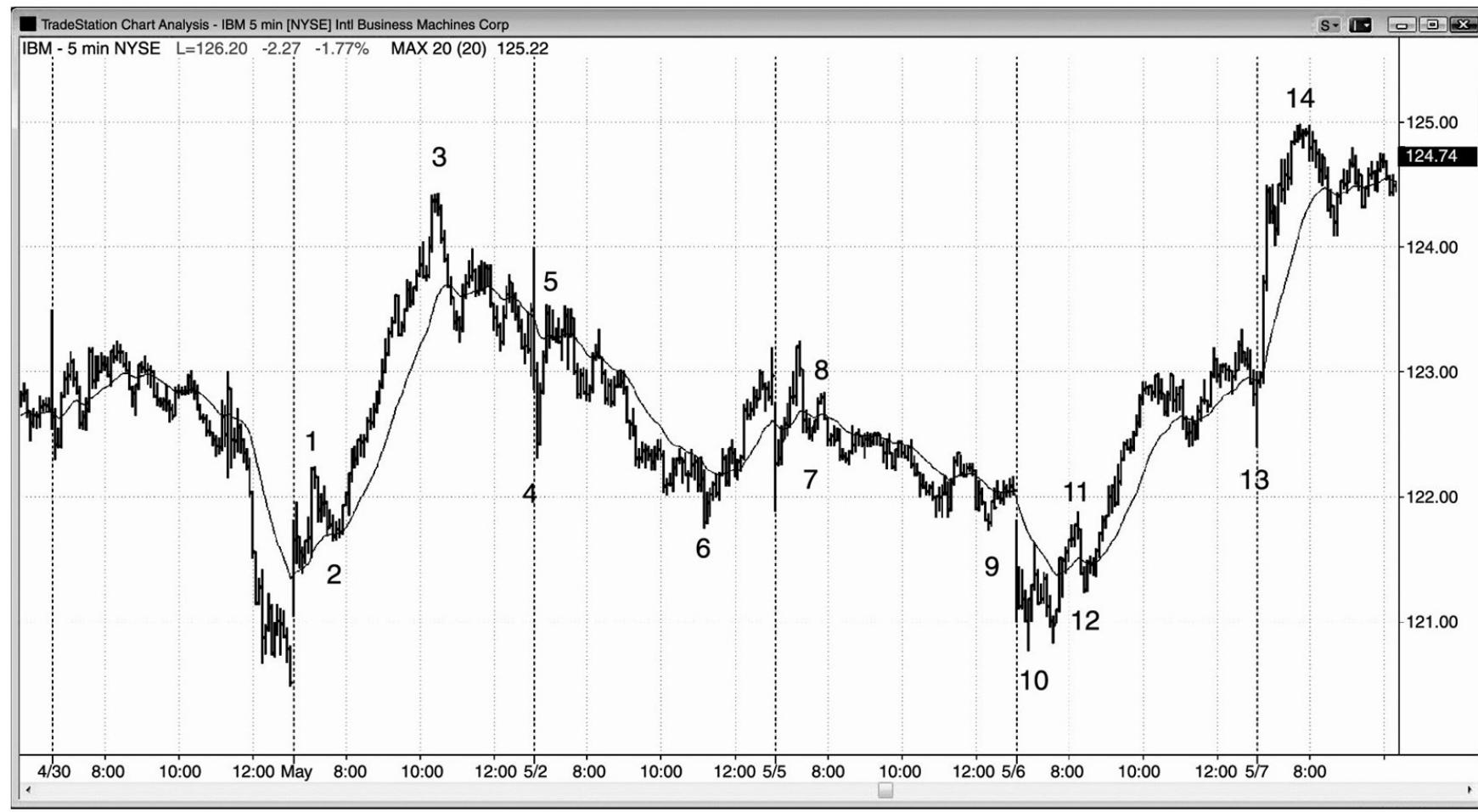


FIGURE 21.3 Spike and Channel Trends Are Common

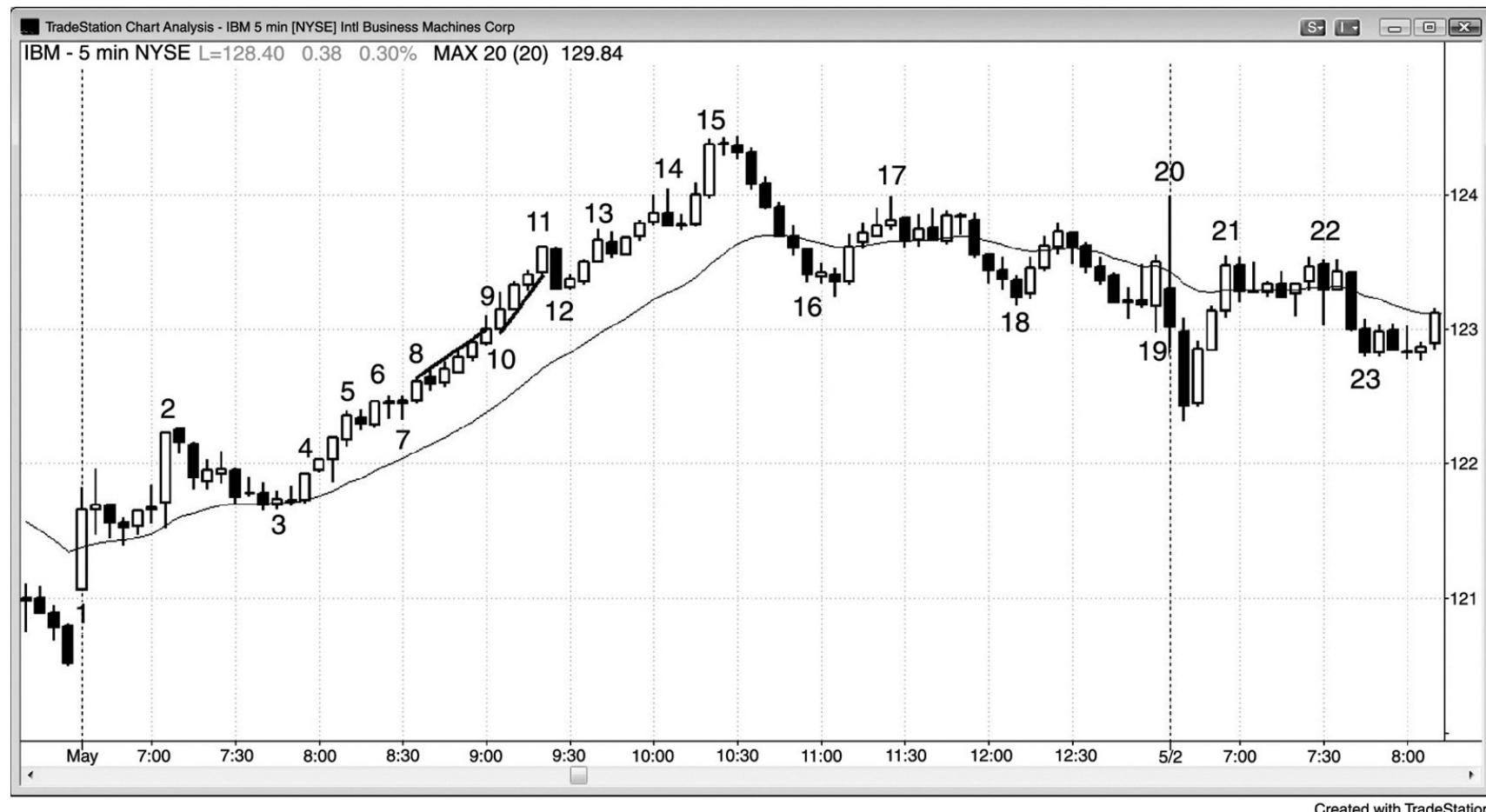


FIGURE 21.4 Steep, Parabolic Micro Channel

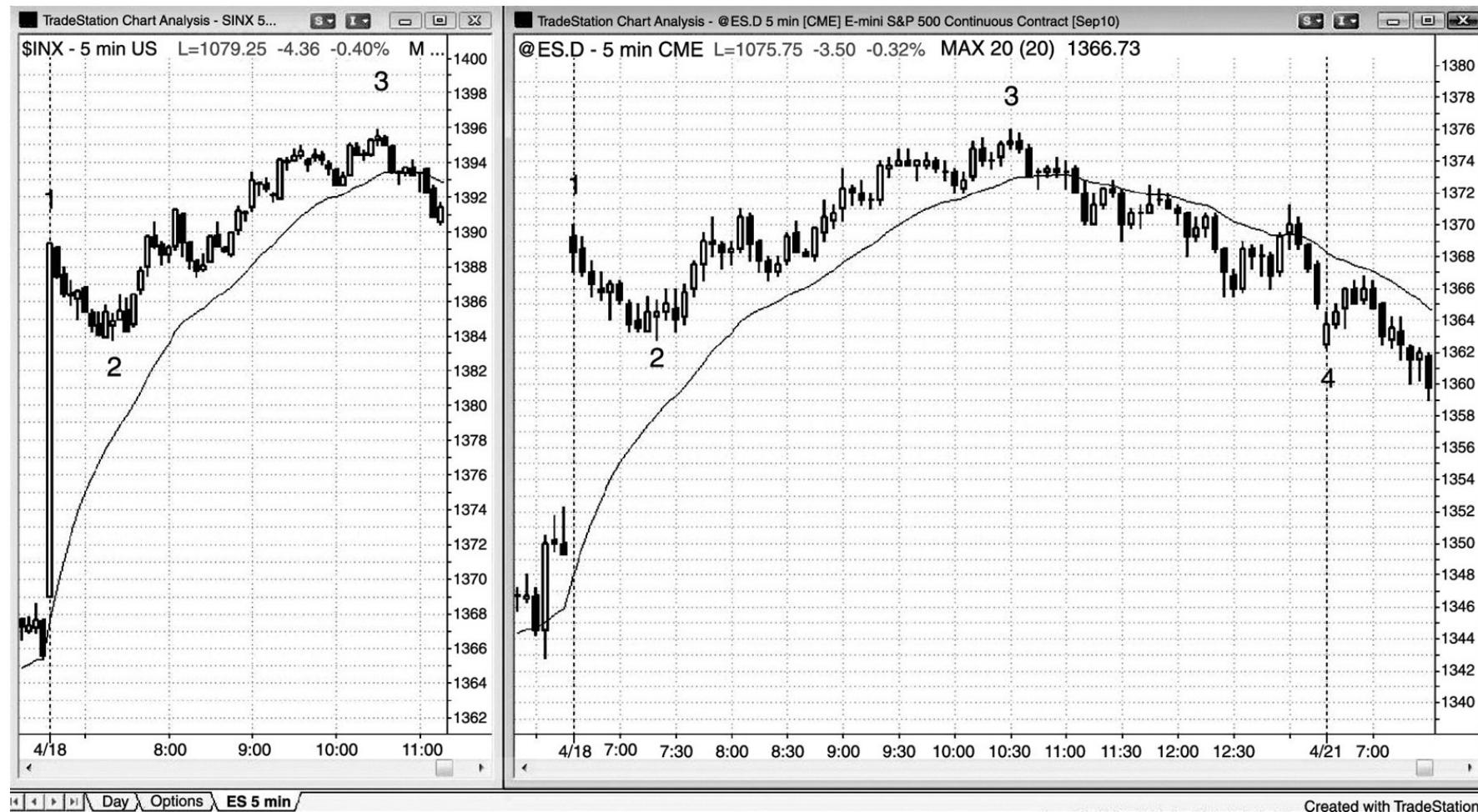


FIGURE 21.5 A Gap Spike and Channel Day

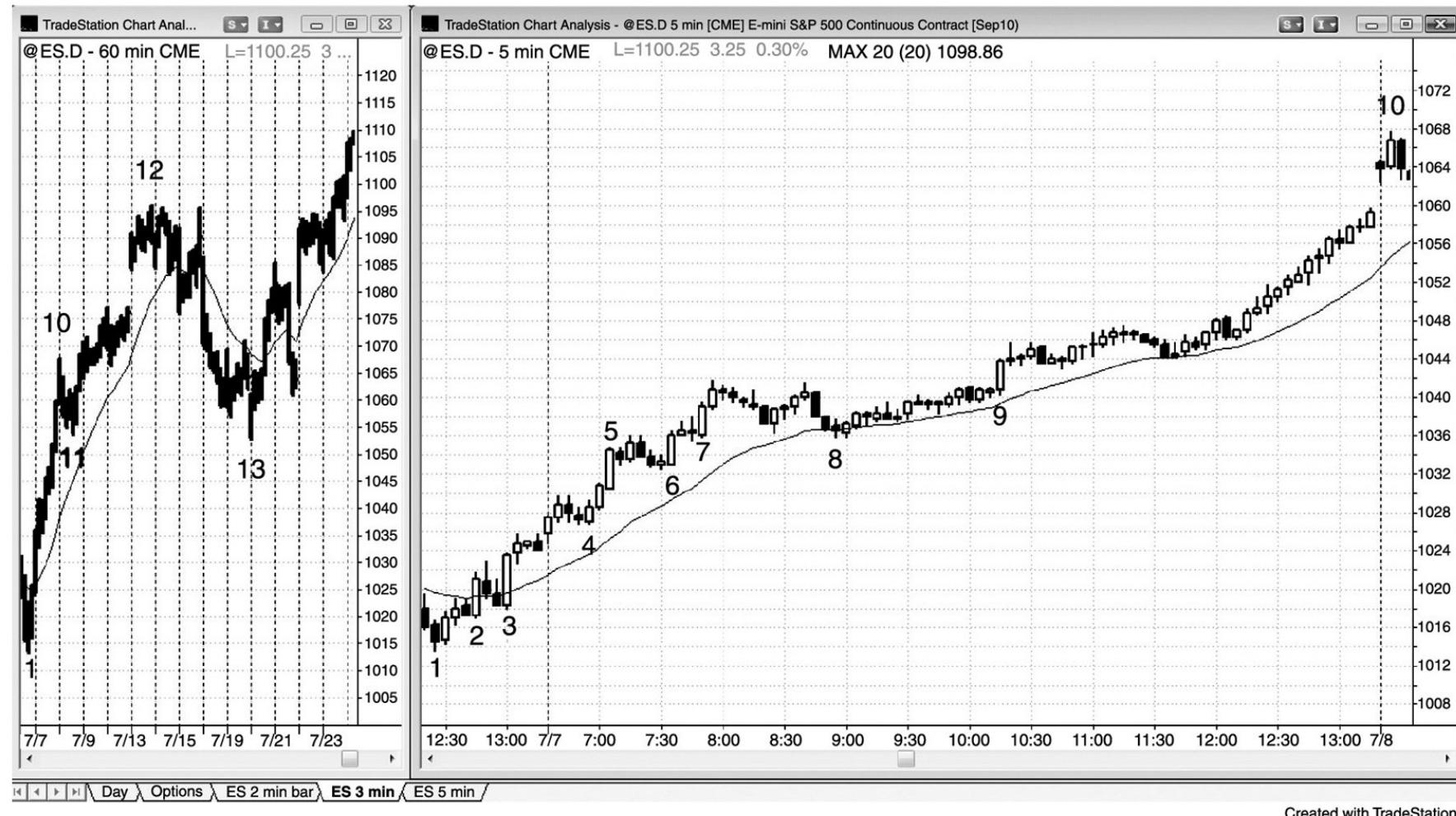


FIGURE 21.6 Steep Channels Are Spikes

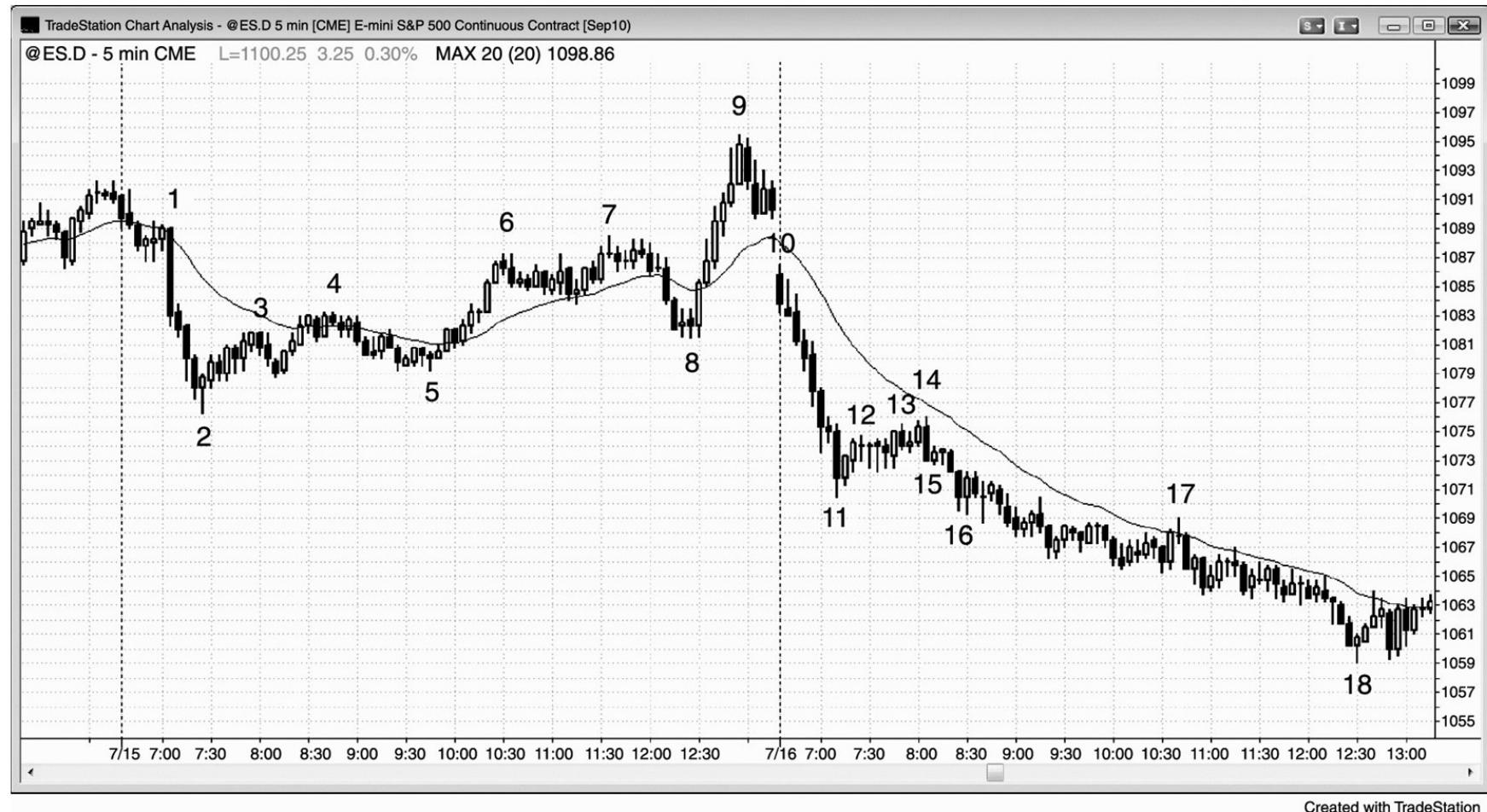


FIGURE 21.7 A Channel Can Follow Long after the Spike

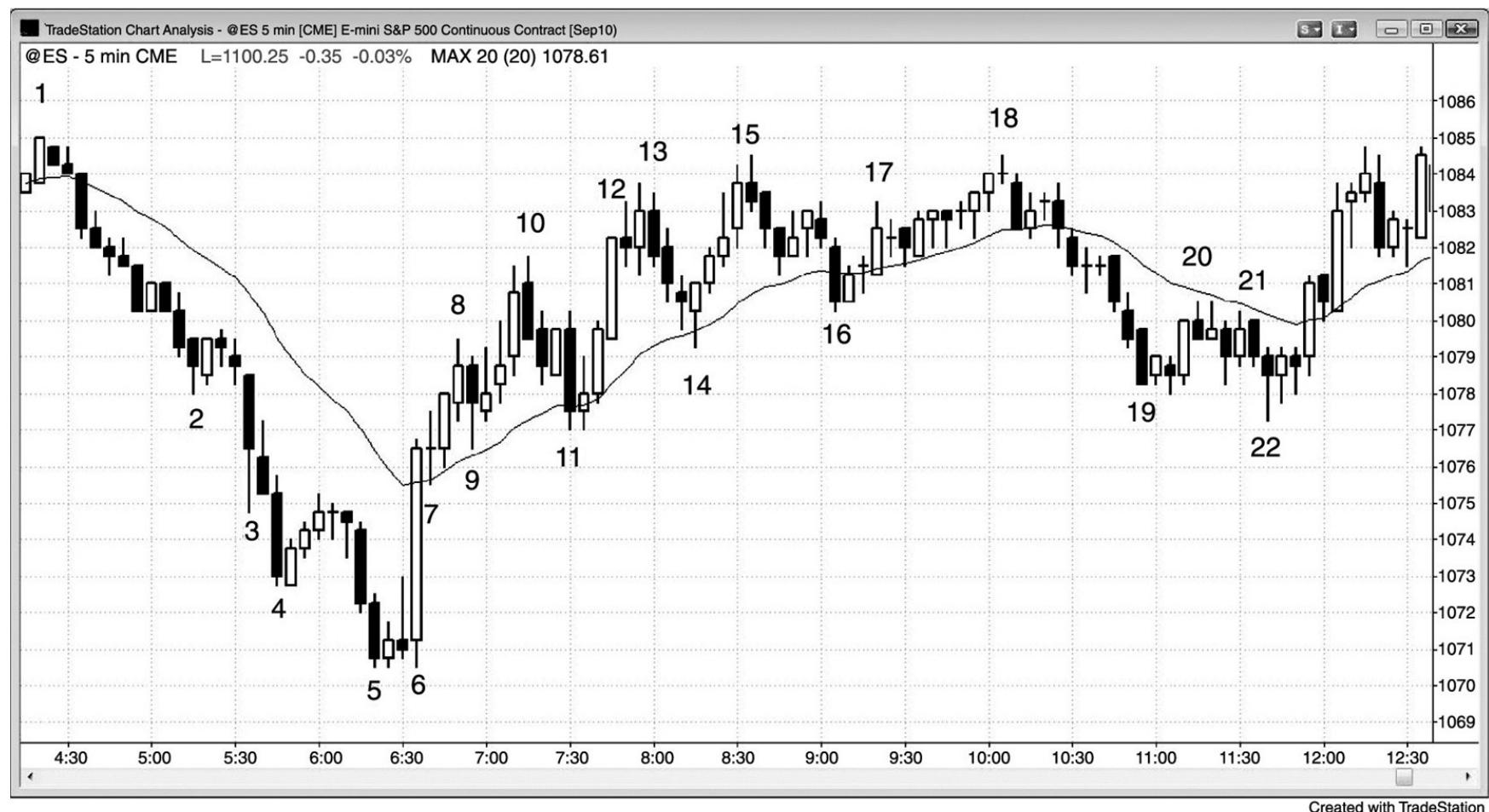


FIGURE 21.8 Consecutive Climaxes

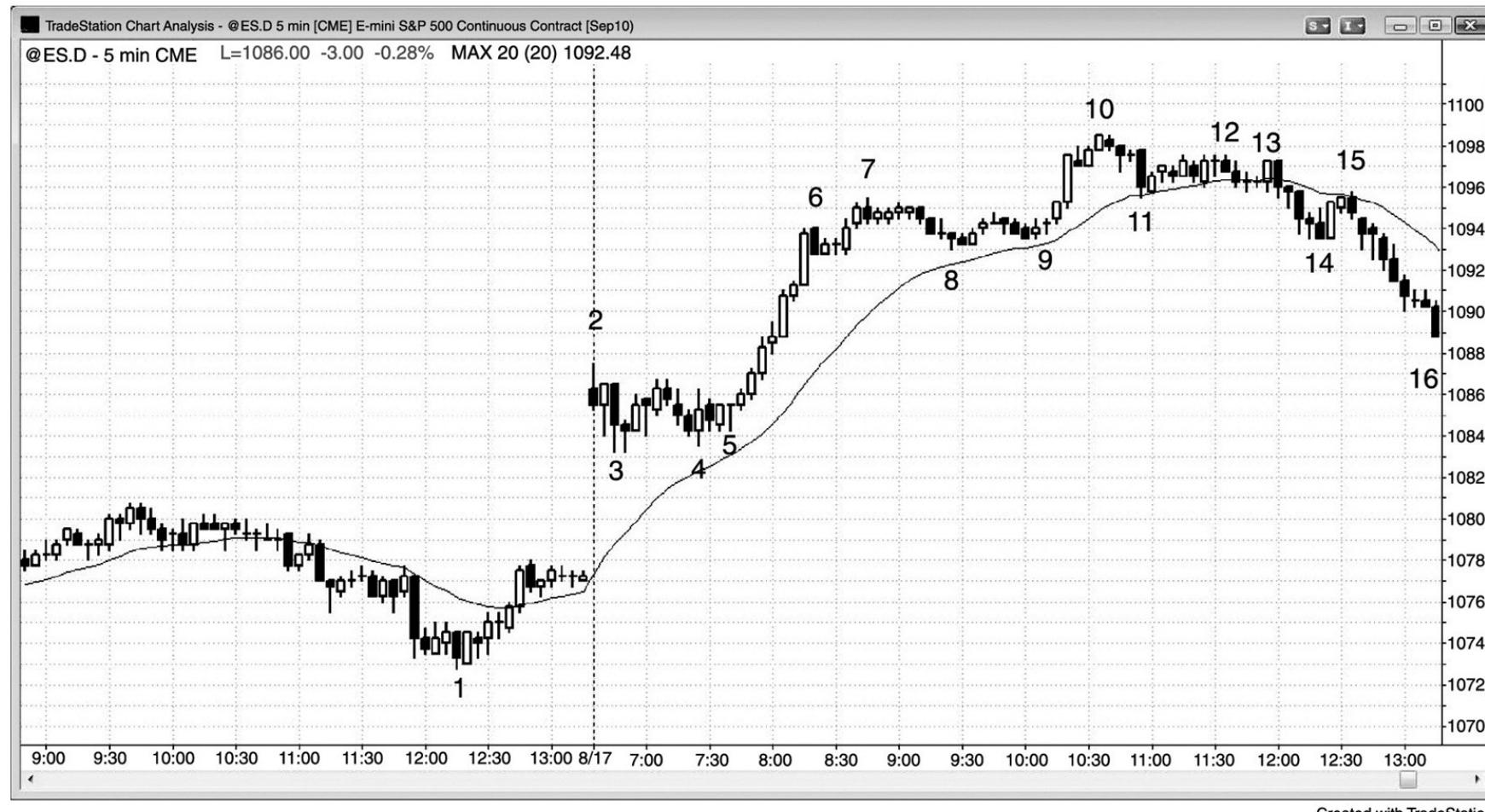


FIGURE 21.9 A Gap Up and Double Bottom



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FIGURE 21.10 Spike and Climax

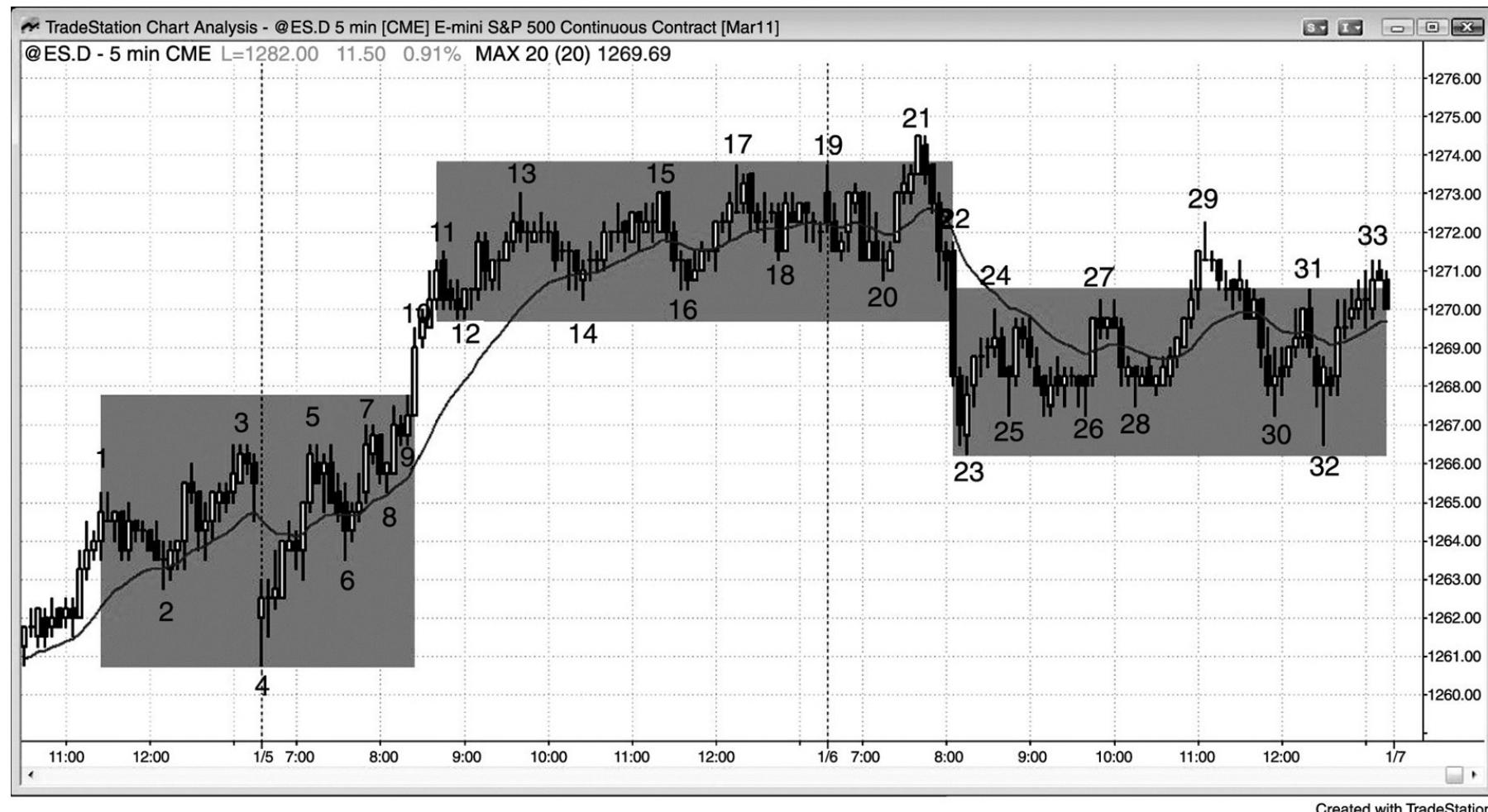


FIGURE 22.1 Trending Trading Range Days



FIGURE 22.2 Initial Trading Range Is About Half of the Average Daily Range

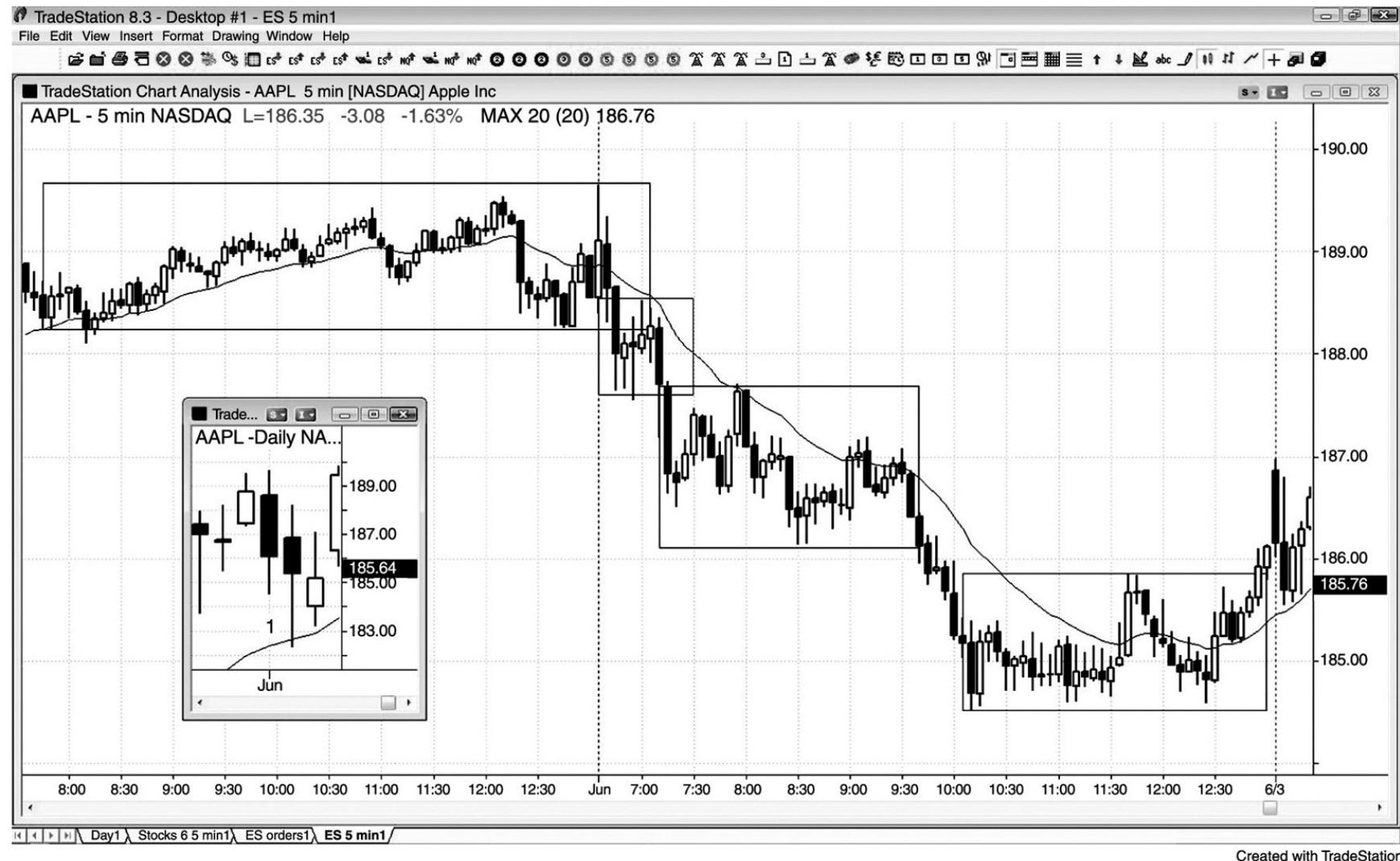


FIGURE 22.3 Trending Trading Ranges Create a Trend

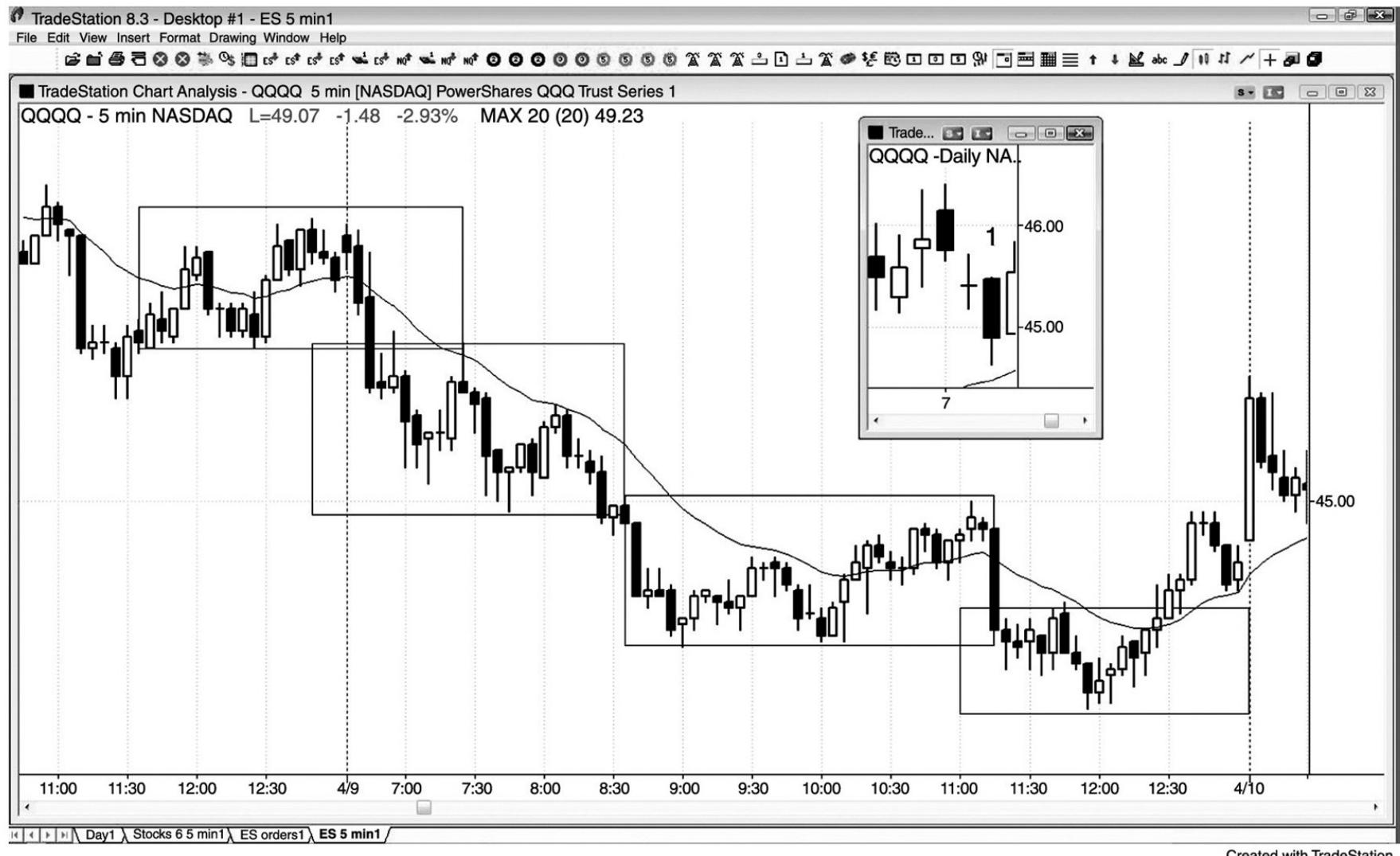


FIGURE 22.4 The First Trading Range Can Form Yesterday

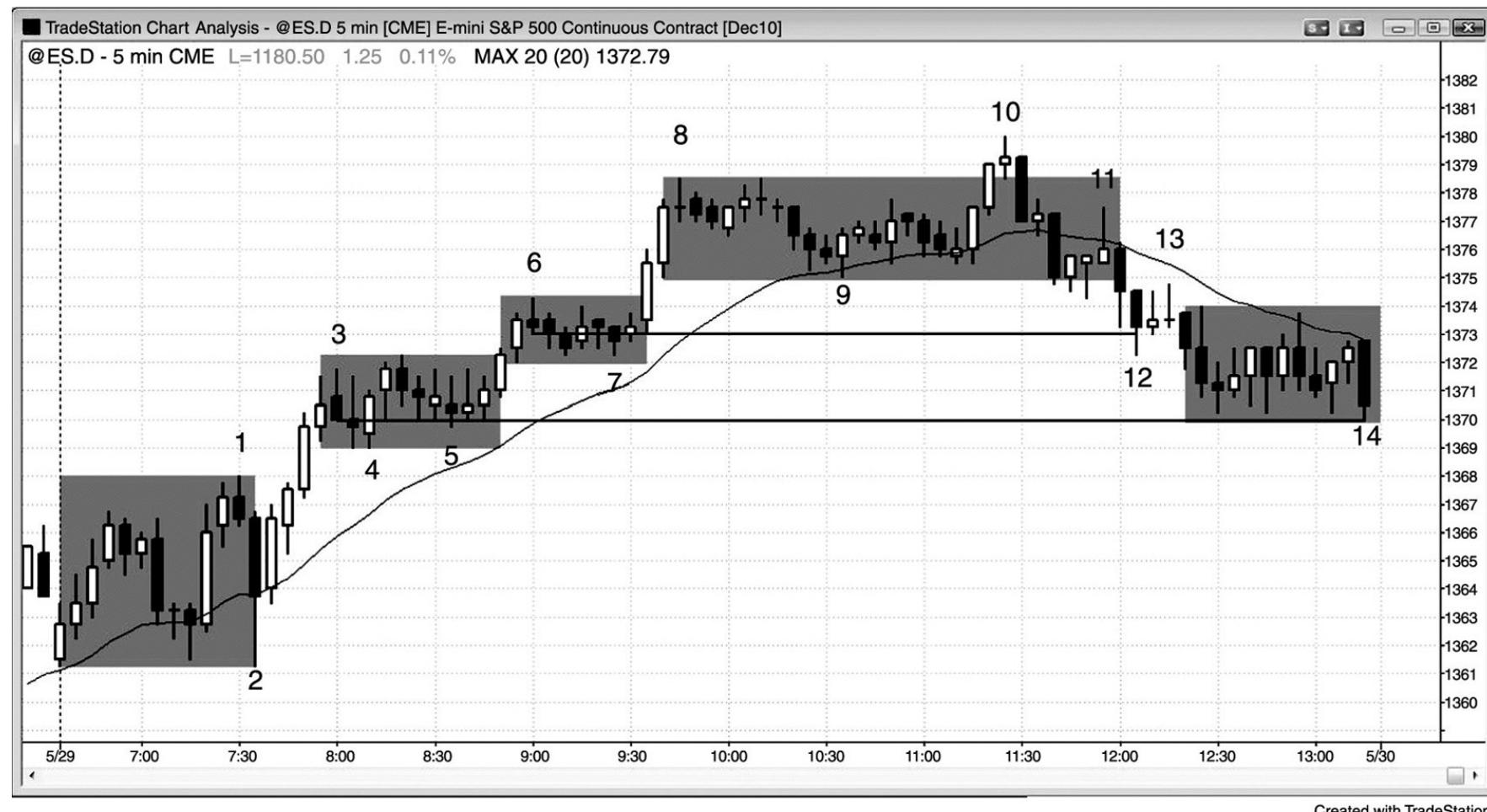


FIGURE 22.5 Trading Ranges Separated by Breakouts



FIGURE 22.6 Two-Sided Trading in a Trend Day



FIGURE 22.7 A Trend Starting after the First Hour Is Often Weak

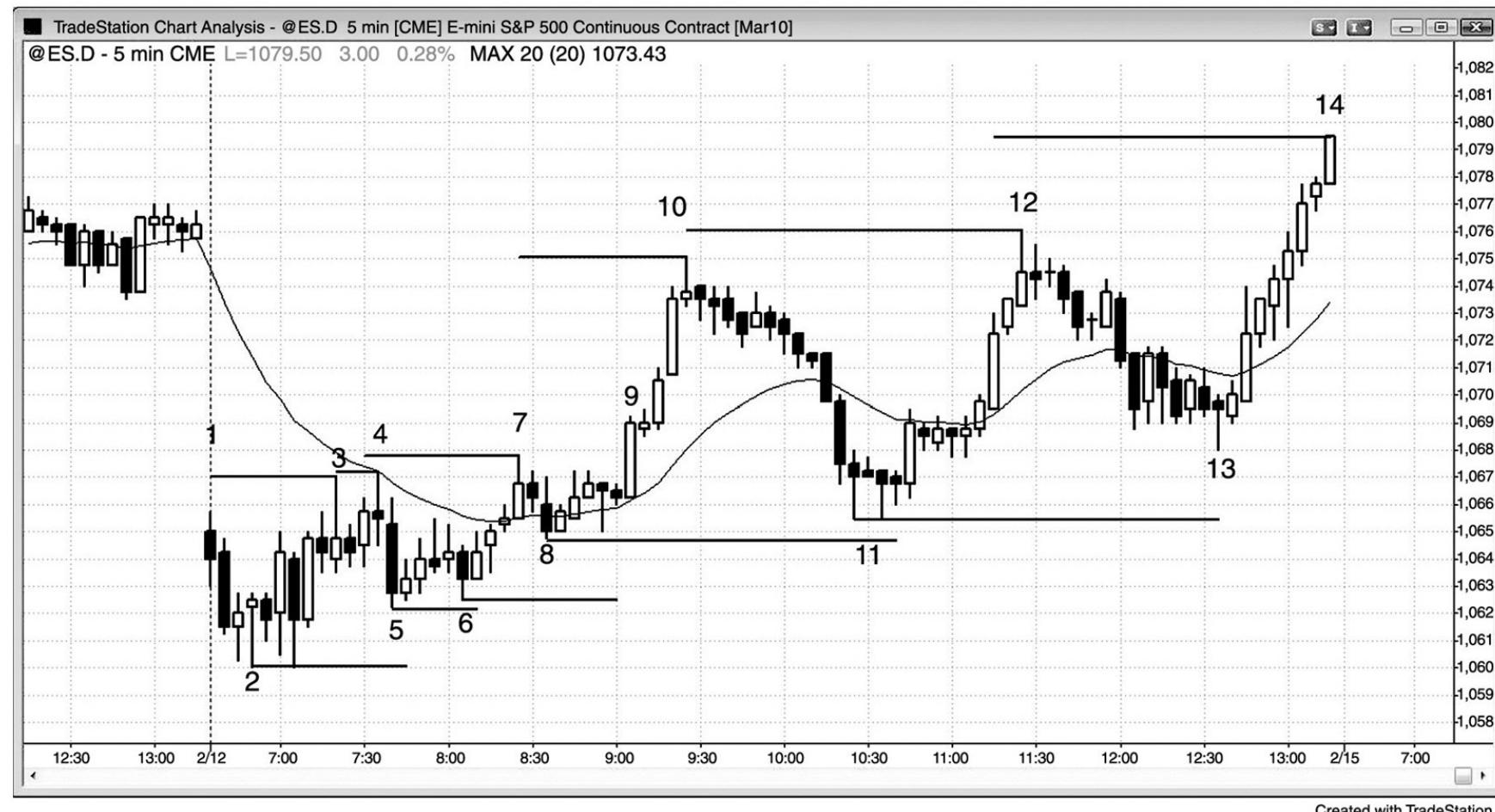


FIGURE 22.8 Initial Trading Range Often Presages Another Trading Range

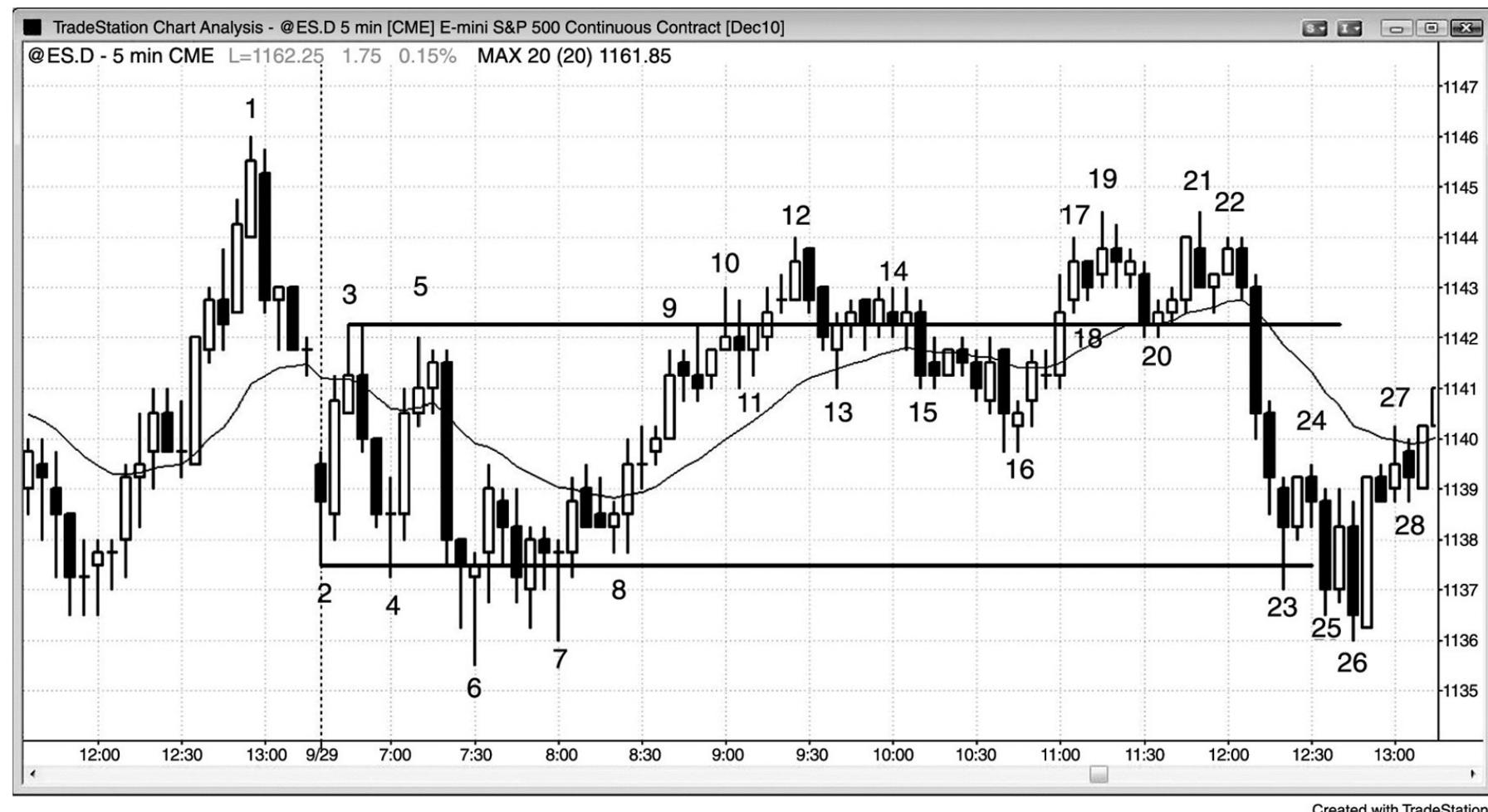


FIGURE 22.9 An Initial Trading Range Can Be Followed by a Trading Range Day

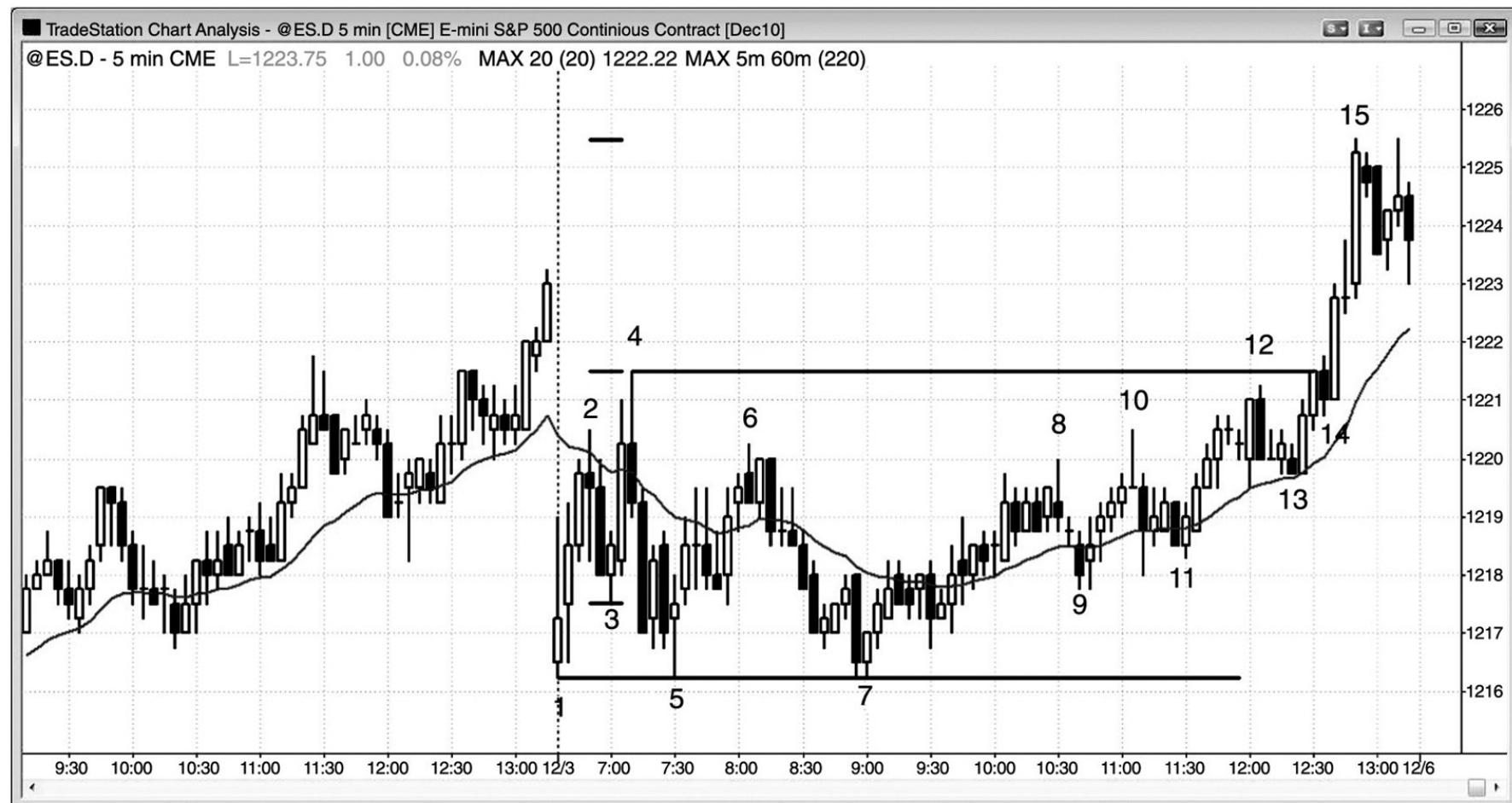


FIGURE 22.10 Late Breakout



FIGURE 23.1 Buy the First Pullback in Strong Trend

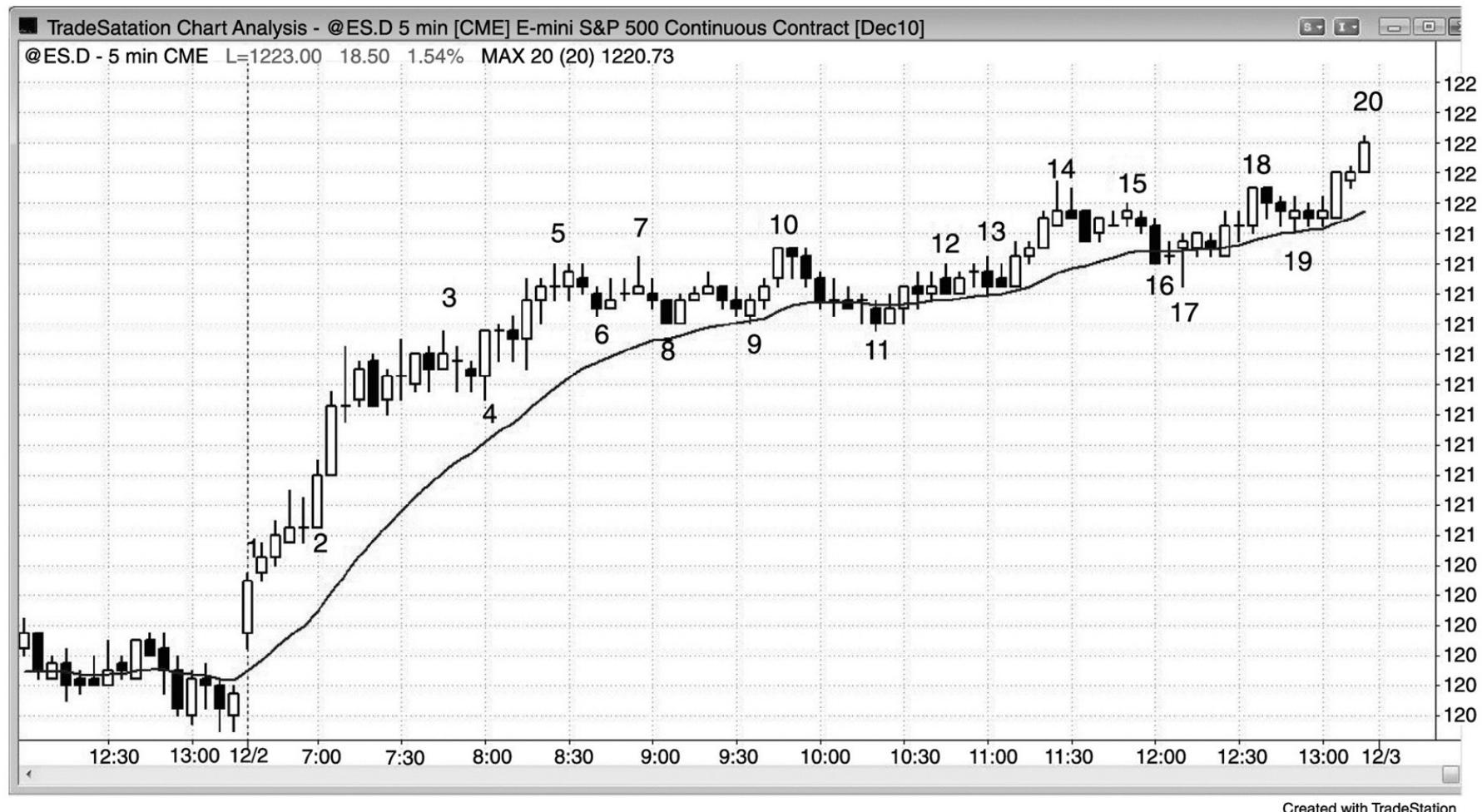


FIGURE 23.2 Small Pullback Bull Trend Day



FIGURE 23.3 A Small Pullback Day Is the Strongest Type of Trend



FIGURE 23.4 The First Trend Line Break Usually Fails



FIGURE 23.5 Strong First Bar Can Trap Traders in the Wrong Direction



FIGURE 23.6 Gaps Can Lead to Trends Up or Down

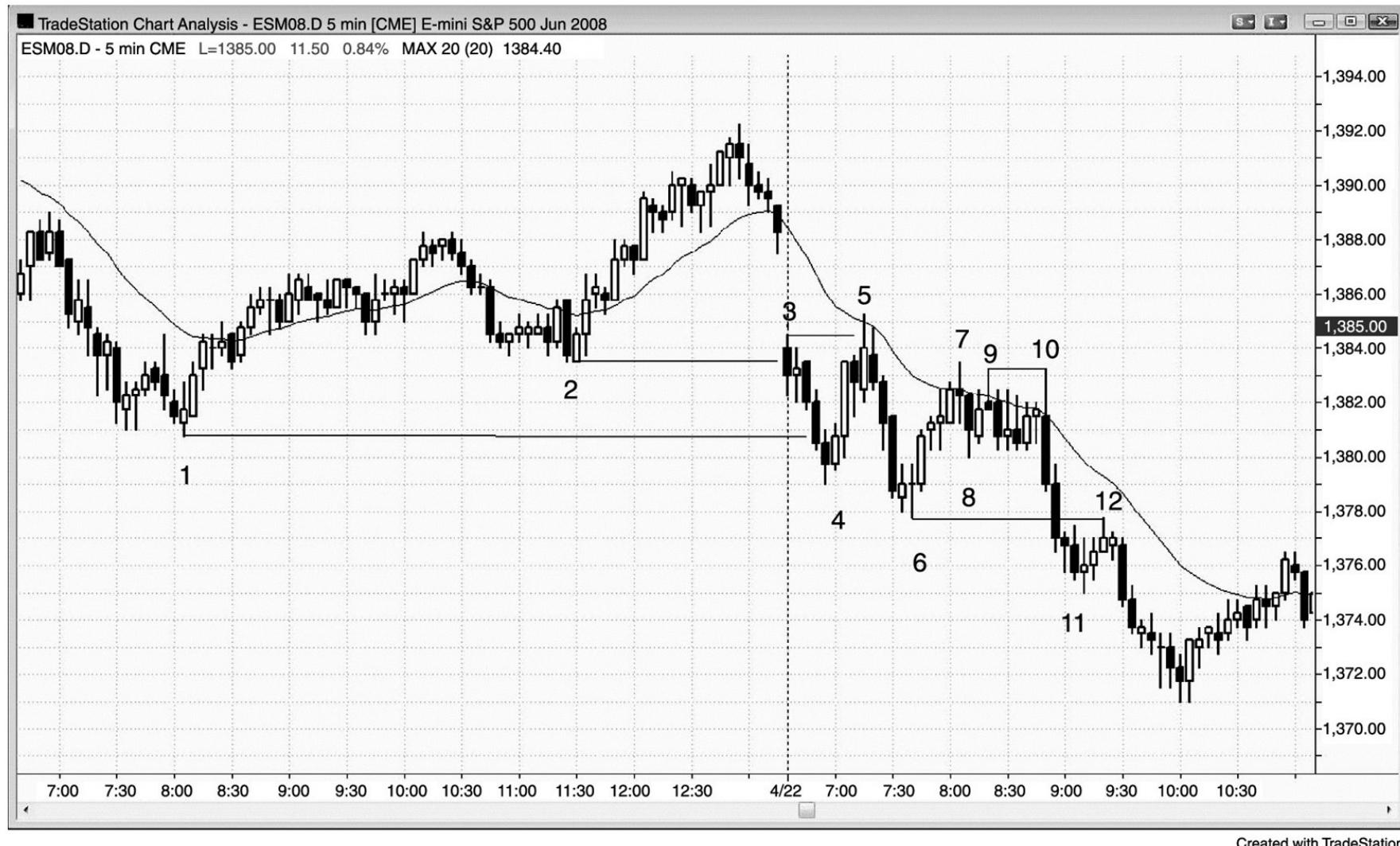


FIGURE 23.7 First Bar on Gap Day Often Points to Trend's Direction

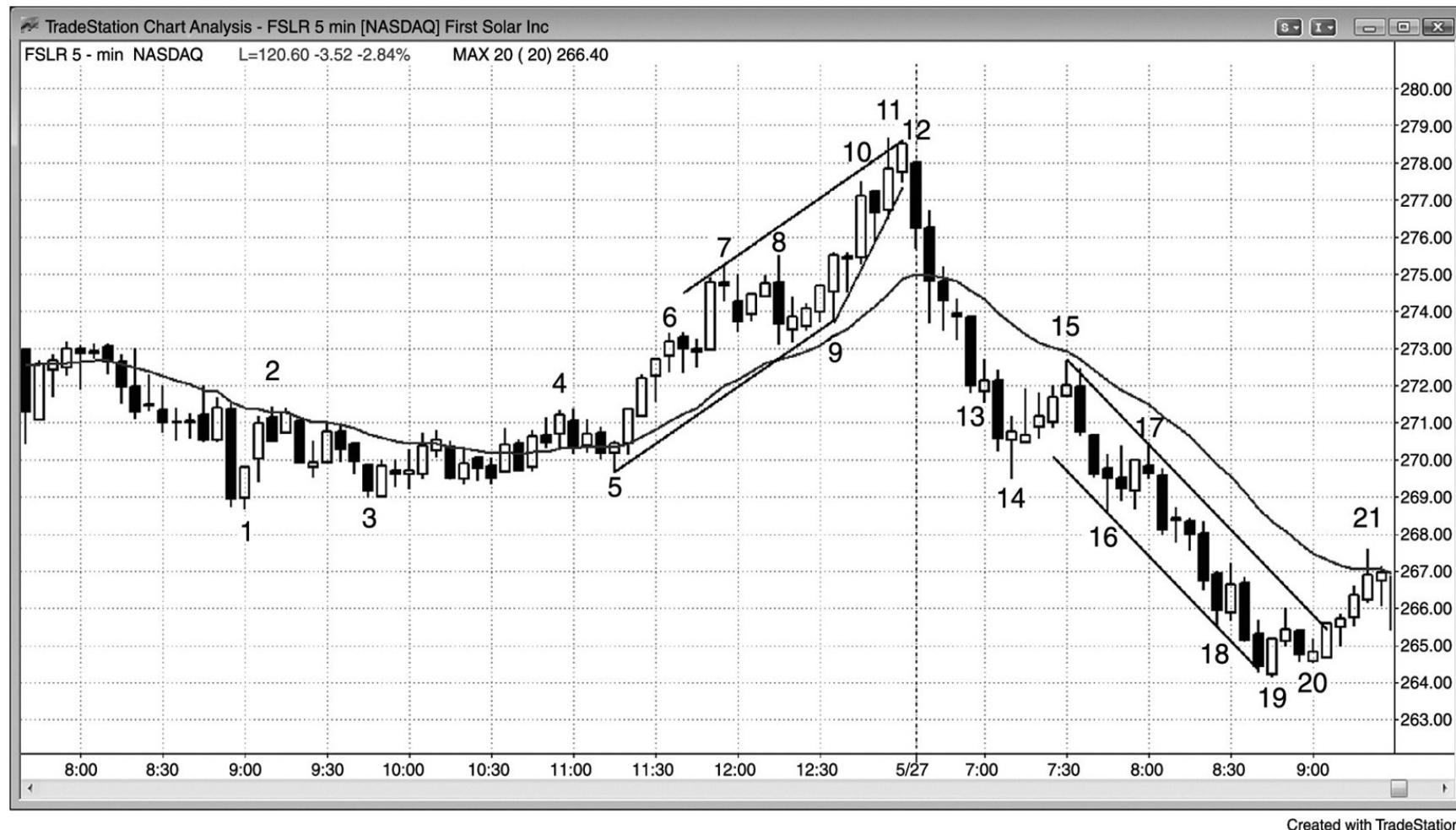


FIGURE 23.8 Open on High Tick of the Day



FIGURE 23.9 Reversal after Trend from the Open



FIGURE 23.10 Strong Trends Have Weak Setups



FIGURE 23.11 Double Top in a Strong Bear Day

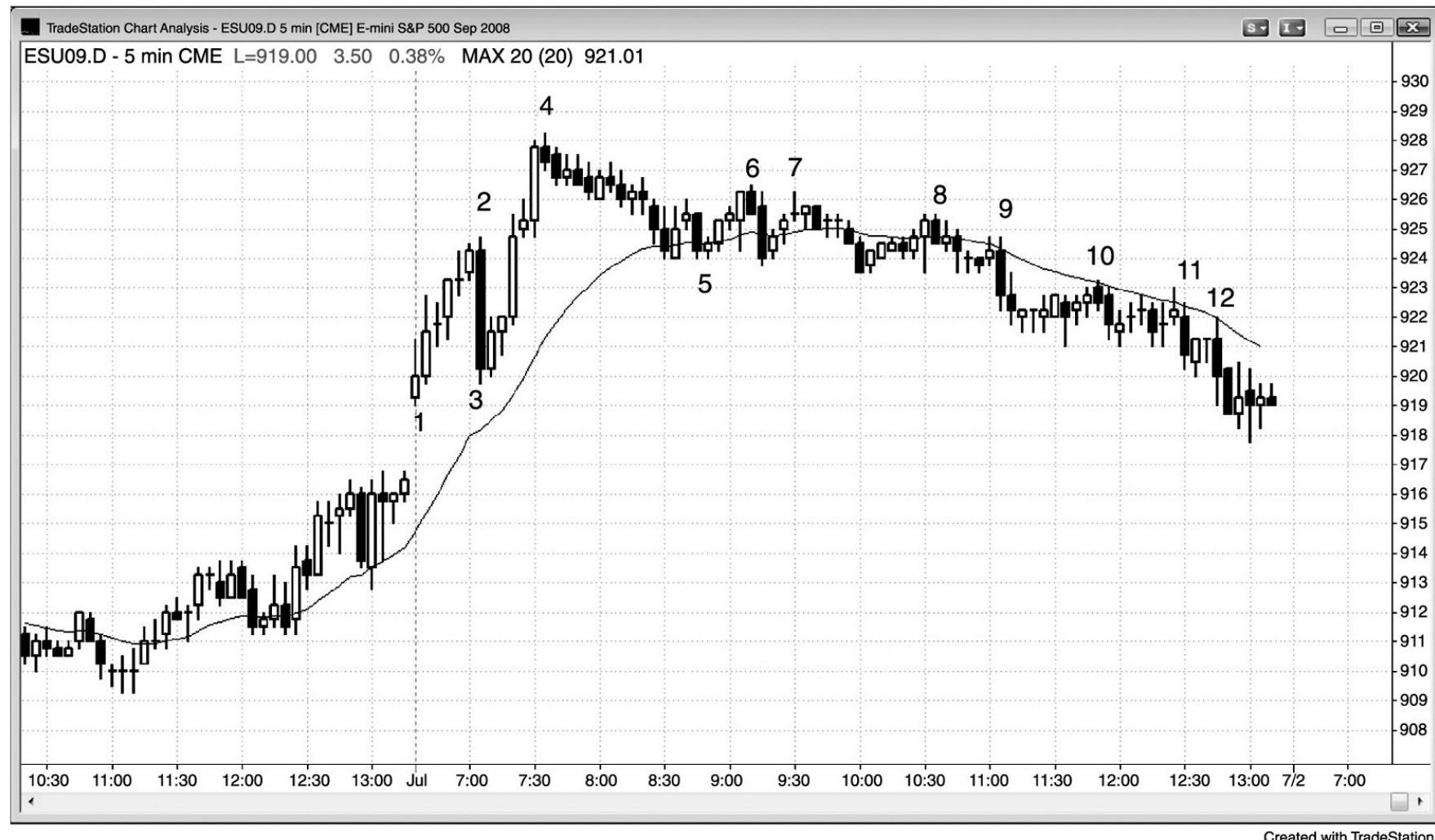


FIGURE 24.1 Strong Trend Can Fail

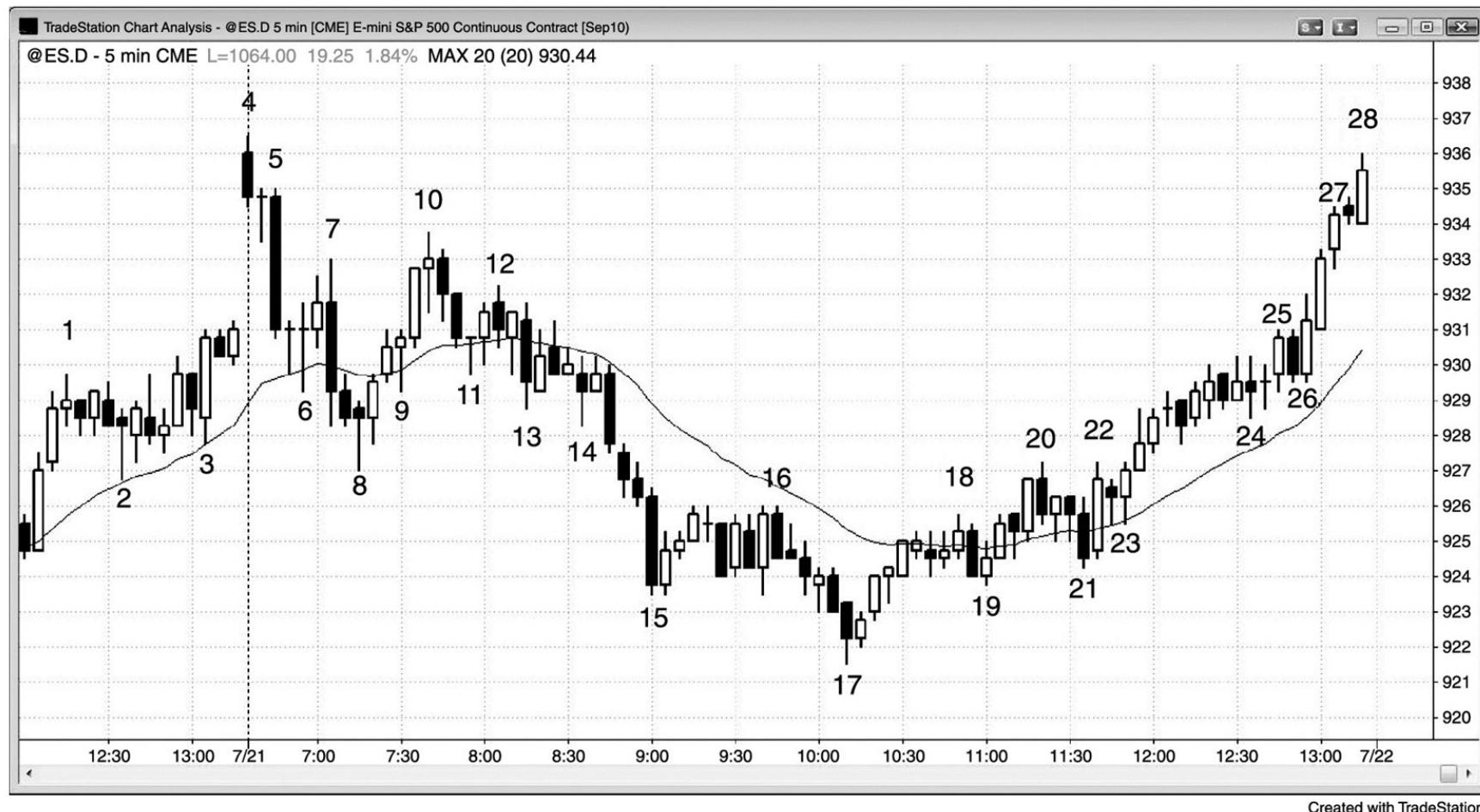


FIGURE 24.2 Most Reversals Begin as Trending Trading Range Days

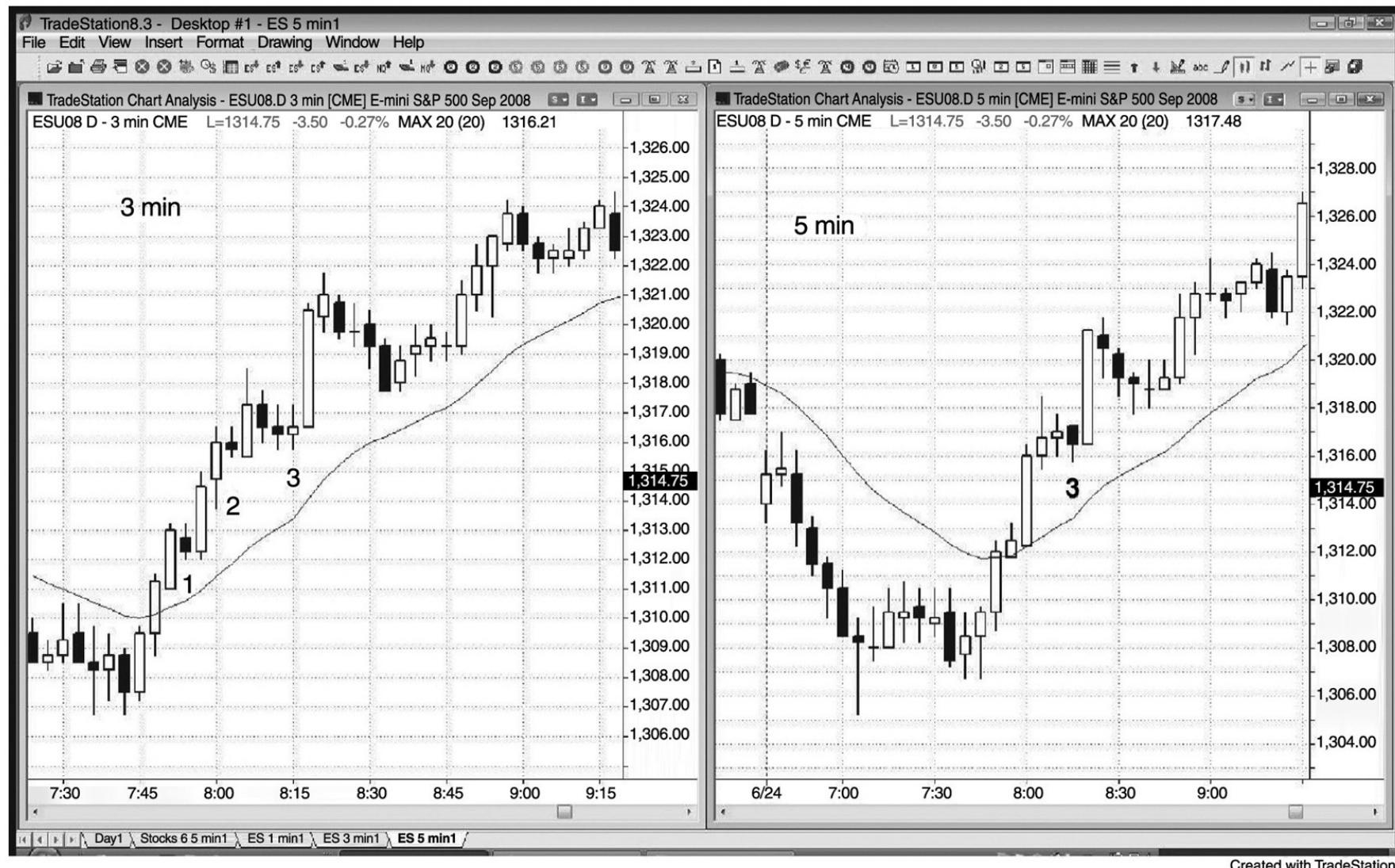


FIGURE 24.3 Strong Trend Entries on Smaller Time Frames



FIGURE 25.1 Gap Test after a Gap Up

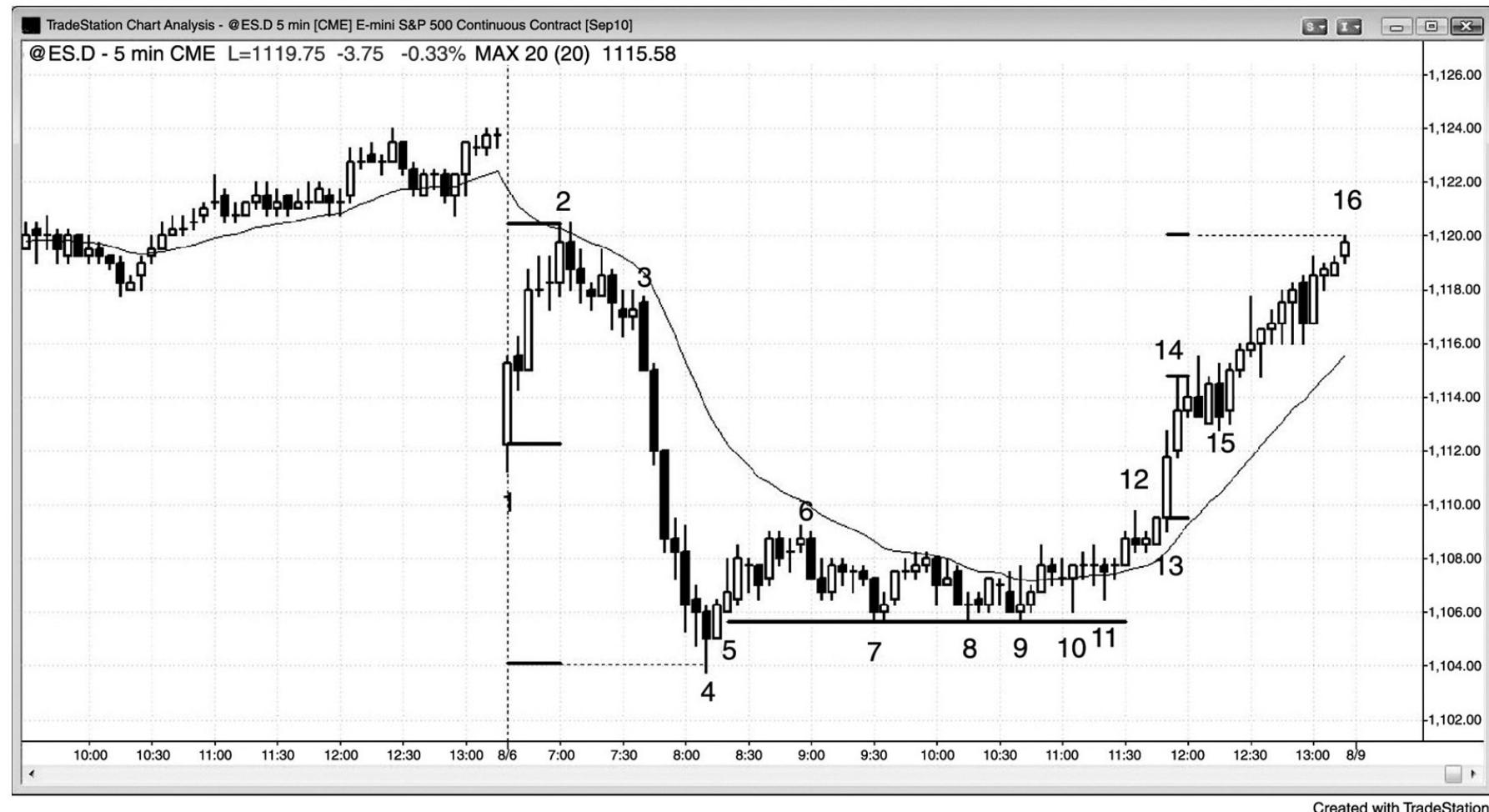


FIGURE 25.2 Tight Trading Range and Then a Reversal

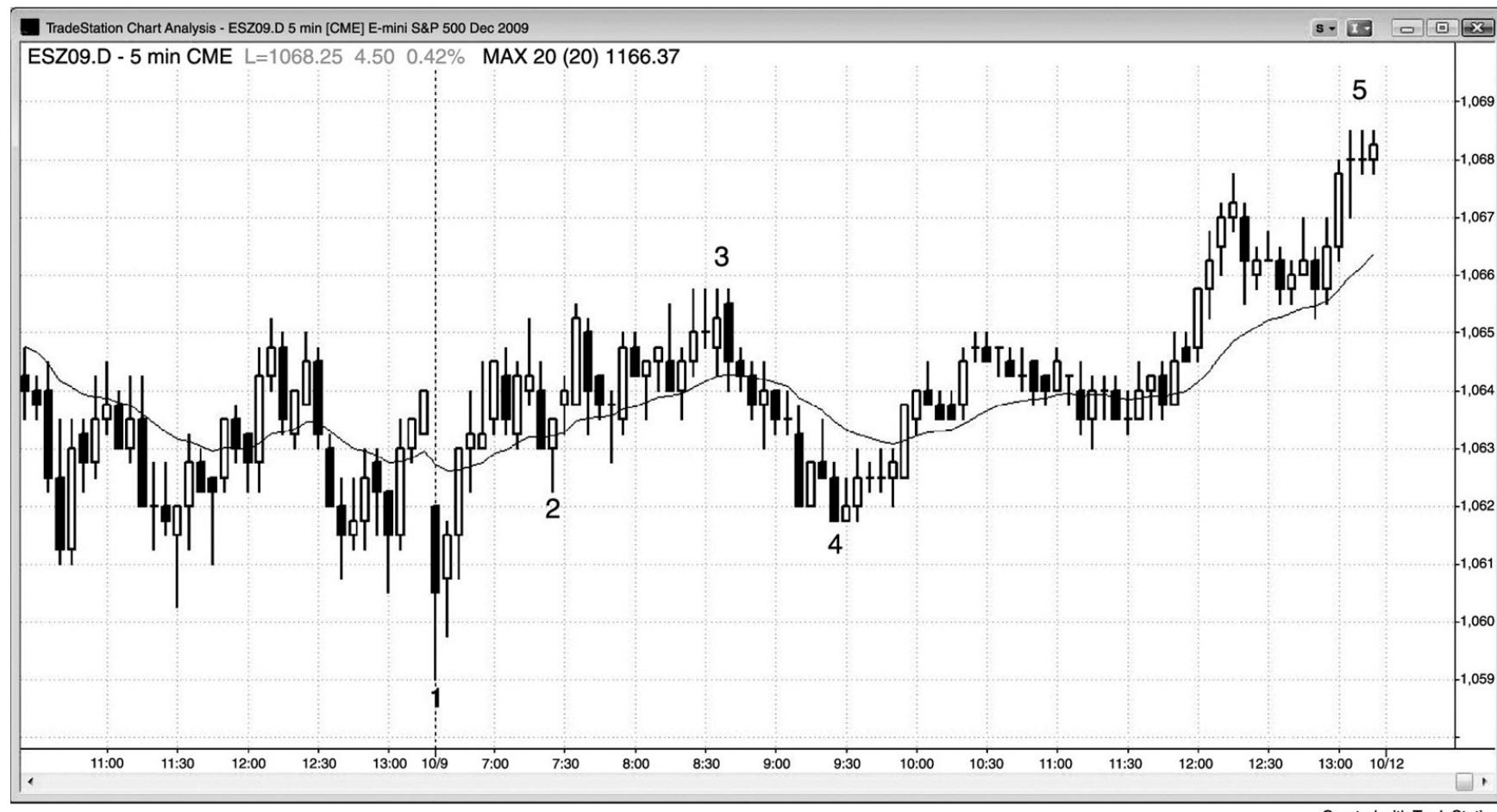


FIGURE 25.3 Trend Resumption

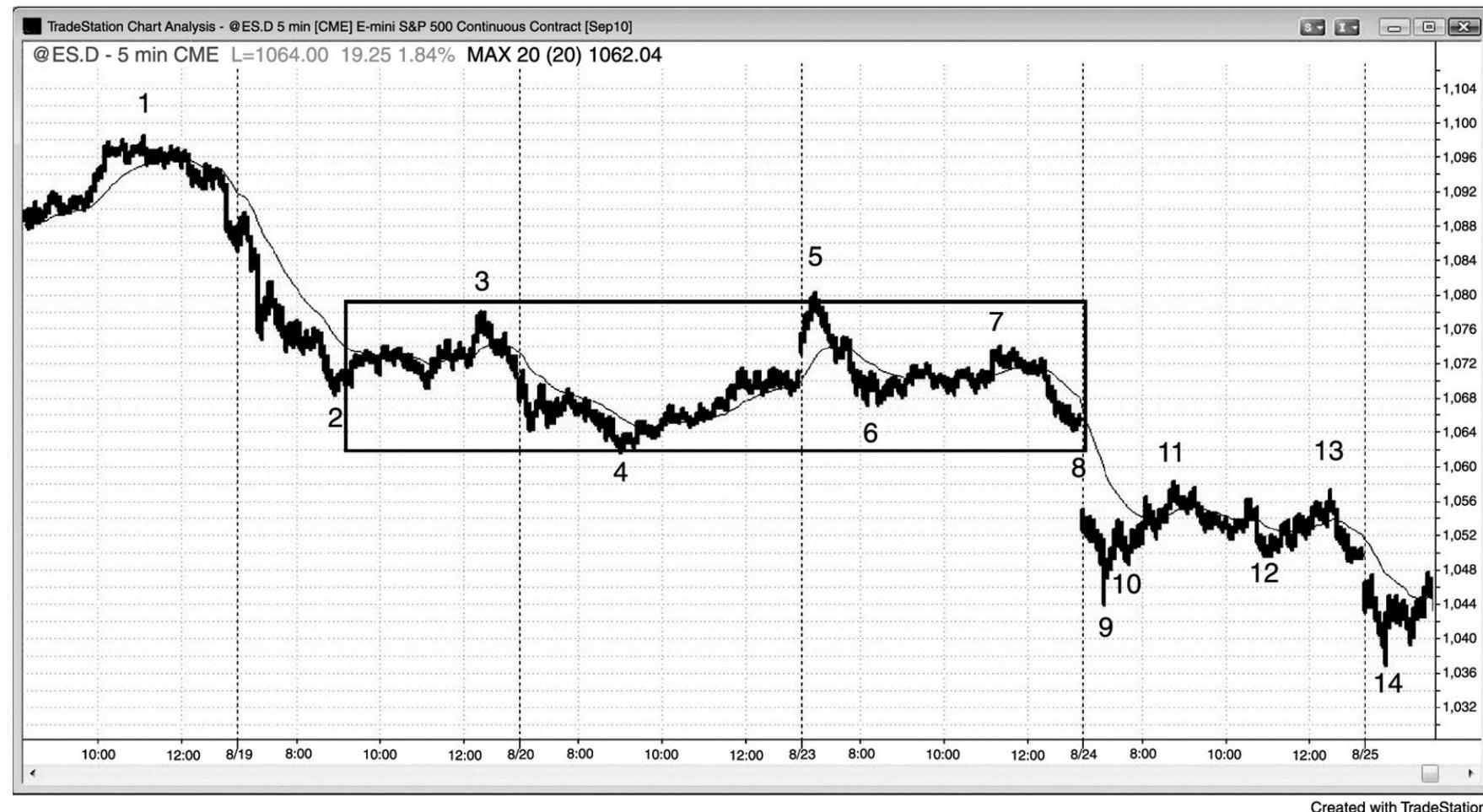


FIGURE 25.4 Trend Resumption after Several Days



FIGURE 26.1 Bear Stairs



FIGURE 26.2 Stairs Accelerating into a Strong Trend



FIGURE 26.3 Shrinking Stairs