1. Consistency 2. Discipline 3. Confidence 4. Patience 5. Passion

Revised: 03/29/20   C://…The Trade Center/Account Statements

CTT/EDGE:	**Counter Trend / Edge / Catfish**			
PHASE I:	**Transition Trades**			
PHASE II:	**Trend Trades**	P2T1 (Strong)	P2T2 (Between)	P2T3 (Wrong Side/Color)
PHASE III:	**Weakening Trades**			

Termination Area   **Market Flow**   **Psych**   **Pictures**   **Flow Charts**

 NOTE: Do not take a trade if price or entry is under/above a pivot stop out. Change is they will not follow through.

TRANSITION CHANGES: Pivot Stopout with Divergence (preferably at Fib) terminates the trend. 14/2 Triggers got on opposite side of 24/6 Synthetic Triggers. Did you hit any 5/1 or 8/2 problem areas e.g. 1:1 Fibs (not Synthetic Triggers)?. Once it hits area on 5/1 or 8/2 chart need to wait until it fills the "Big Gap".

ENTRY RULES: 1) 14/2 Chart Triggers are in trade Direction; 2) 8/2 Chart Triggers are in trade Direction; Room to Target; 5/1 Chart for entry at Pullback area.

TRADE MGMT: Once in trade and/or nearing entry and small charts change color, exit with break even or manage tightly as it will look for further areas.

RANGE: 14/2 Chart price is between 24/6 Synthetic Triggers and 14/2 Large Triggers.

MARET FLOW   HOME

Market Flow Situations that are very helpful – WITH PERFECT 5-1 TREND TRADES
         Entry = PLACE LIMIT ORDER AT FIBONACCI & MID BANDS

         14-2 chart trigger configuration is confirmed OK
         14-2 chart DID NOT reach a trend termination spot
         8-2 chart defines BEST trades with a #1 trigger line look
         (8-2 small triggers must be ON CORRECT SIDE of large triggers
         which will paint the 5-1 chart background in the "correct" color for the trade)
         5-1 chart gives you the entry areas at Fibonacci or Mid-band
         Fib2Fib indicator= (75-100 sell zone) or (25-0 buy zone)

Market Flow is very helpful with the trend but only as a visual confirmation of a trade that you should already be in from the CORRECT spot with confirming bullish or bearish bars

https://www.screencast.com/t/qhC1Zb6YCHC if you did miss your trade and you have a bullish bearish confirming bar you can enter the trade after the bar.

Market flow HVA lines WITH triggers on range chart help define exact entry spots for Trend Trades on 5- 1 chart
https://www.screencast.com/t/I1mA8PXnfqoS

If you have a TREND trade that you wish to take and you want to enter that trade BEFORE it turns… if there is a white paint bar into the trend trade spot, and BOTH triggers are crossed in your favor, enter AFTER white paint bar into the area.

When your 8-2 triggers (5-1 background color) and both range chart triggers agree this is a VERY high probability use.
https://www.screencast.com/t/0zaAKor2D

A white paint bar into a TOP or bottom or pivot stop out is a good place to take ½ off if trading multiple contracts https://www.screencast.com/t/F2nujoQqr this can also be good for ENTRY https://www.screencast.com/t/jYC4AXzh0

At Key spot for TREND TRADE area but UNSURE of exact entry. Such a case would be a trend trade to be taken but the 8-2 triggers on wrong side (wrong side being 5-1 background color is wrong first - REACH AREAS then) After Market Flow generates entry then enter example:
https://www.screencast.com/t/vu5eLU0q3w

Double market flow signals a more definitive top or bottom https://www.screencast.com/t/XGnkByM5V

- can enter after 2nd bar if you missed the top https://www.screencast.com/t/17lphwmIzVY

Retest of highs and lows and market flow signals can help you spot entries when you do not exactly make a pivot stop out double top or bottom
https://www.screencast.com/t/EW4k4H15qu

Use the HVA Lines in order to help pinpoint trend trade entries... https://www.screencast.com/t/wDKa8wdlffBu
https://www.screencast.com/t/rIHNKkKBgK6g
https://www.screencast.com/t/Kf8NN5Ks
https://nexgent3.com/wp-content/uploads/2019/03/NEXGEN-SOFTWARE-SERVICES-MARKET-FLOWWHITE-BAR.png
https://nexgent3.com/wp-content/uploads/2019/03/NEXGEN-SOFTWARE-SERVICES-MARKET-FLOWWHITE-BAR-ARROW-REVERSALS.png

VIDEO DESCRIPTION (12.5 minutes) on how to use market flow at the correct spots
https://www.youtube.com/watch?v=MMyu78OGFlo&feature=youtu.be

I hope this summation of market flow help will be of assistance to you when you are deciding use the software or not in your trading.

PSYCH / Mark Douglas

There's a big difference between predicting that something will happen in the market (and thinking about all the money you could have made) and the reality of actually getting into and out of trades. A "psychological gap" that can make trading one of the most difficult endeavors you could choose to undertake and certainly one of the most mysterious to master.
This gap can only be closed through practice and execution of a plan that is very rigid with very little ambiguity but also flexible enough to account for the truly unique and dynamic nature of the markets.
The big question is: Can trading be mastered? Is it possible to experience trading with the same ease and simplicity implied when you are only watching the market and thinking about success, as opposed to actually having to put on and take off trades? The answer an unequivocal "yes," and the result is that actually trading the market live becomes as easy, simple, and stress-free as when you are just watching the market and thinking about doing it. Nexgen Software reinforces this idea with live daily chat room, simulation, trading plan and you will reinforce and grow your belief in the plan (and your ability to win) through simulation, chart study and practice. This combined with feedback from someone that understand the complexities of trading as well as the real emotional battles you face is the only way to close the "psychological gap".

There is something inherent in the way our minds work that doesn't fit very well with the characteristics shown by the markets. Those traders who have confidence in their own trades, who trust themselves to do what needs to be done without hesitation, are the ones who become successful. They no longer fear the erratic behavior of the market.
Traders that are winners learn to focus on the information that helps them spot opportunities to make a profit, rather than focusing on the information that reinforces their fears.

While this may sound complicated, it all boils down to learning to believe that: (1) you don't need to know what's going to happen next to make money; (2) anything can happen; and (3) every moment is unique, meaning every edge and outcome is truly a unique experience. The trade either works or it doesn't. In any case, you wait for the next edge to appear and go through the process again and again. With this approach you will learn in a methodical, non-random fashion what works and what doesn't. And, just as important, you will build a sense of self-trust so that you won't damage yourself in an environment that has the unlimited qualities the markets have.

To convince the trader that it's his/her attitude and "state of mind" that determine his/her results. To provide the trader with the specific

TREND TRADE (Phase II) on 14/2 Chart Entry Rules:

ALL Triggers strong up/down and Small Triggers above/below (direction dependent) each of the other trigger lines on the 14-2 chart. 14/2 Chart has proper Background Color.

Take the same look trades every time without fear of loss! Trades I will take 100% of the time:

Place limit order at Fibonacci and Mid-Bands

14/2 Chart trigger configuration is confirmed OK

14/2 Chart DID NOT reach a trend Terminating Area.

8/2 Chart defines BEST trades with a #1 trigger line look

(At minimum the small triggers must be on Correct Side of the Large Triggers that will paint the 5/1 chart in the "correct" color for the trade.)

5/1 chart gives the entry areas at Fibonacci or Mid-Band.

Fib2Fib indicator at 25/75.

Trend Trade / Phase II: Small Triggers on trade side of Large Triggers *and* Synthetic Triggers.

Trade 1 (Strong) Trade 2 (Between) Trade 3 (Above)

3 TYPES OF 5/1 TREND TRADE RULES (Must have not hit a Terminating Spot):

P2T1 **ALL TRIGGERS STRONG**

Small Triggers on trade side of other Trigger lines on the 14-2 chart.

14/2 Chart has proper Background Color

5/1 Triggers on trade side both Synthetic Triggers

No Prior Divergence (If prior Divergence = further area with Market Flow entry)

Fib2Fib at 25/75

Limit entry at area on pullback

P2T1 TRADE MANAGEMENT

Plotting Potential Divergence?

Y = YES = Exit on Divergence with stop at second bar (5/1 Reversal Bar +1).

Possible reentry at better area and/or Pivot Stop Out (PSO).

No = Stay in trade if has not hit first resistance area.

Possible second trade or add-on at another pull back.

P2T2 **TRIGGERS IN BETWEEN**

14/2 Small Triggers between 14/2 Lrg Triggers and 24/6 SynTriggers

with NO TERMINATNIG SPOT:

5/1 Triggers are between Synthetic Triggers

Proper Background Color

No Prior Divergence (If prior Divergence = further area with Market Flow entry)

Fib2Fib at 25/75

Entry at further away area (2nd Synthetic Trigger set) with Market Flow entry

P2T2 TRADE MANAGEMENT

P2T3 **WRONG SIDE/COLOR**

5/1 Triggers on wrong side of both 14/2 and 8/2 Synthetic Triggers

Proper Background Color preferred *but* not required (if wrong colors must wait for Market Flow (#5))

Fib2Fib at 25/75

Within 14/2 Reversal Bar

Enter at further away area with Market Flow entry signal or NO TRADE.

P2T3   TRADE MANAGEMENT

TRANSITION (Phase I) Entry Rules:
        Transition Trigger Look Also see Figure 6

14/2 Small Triggers on trade side of Large Triggers but awaiting change in 24/6 Synthetic Triggers to follow along. Trend changed due to a key reversal area in market.

Small Triggers MUST BE BEYOND the 14/2 Synthetic Triggers with both the Small and Large (dotted) Triggers crossed in the new transition direction.

Be mindful of multiple 20 tick trades.

When entering on wrong side of Synthetic Triggers, take profit at the bottom of Synthetic Triggers regardless of their direction. Wait until price gets on the trade side of Synthetic Triggers trigger to re-enter again or until they change direction for a reversal.

Transition entry with small chart wrong color.

TRANSITION TRADE MANAGEMENT:
        Target at first resistance area. Be mindful of multiple 20 tick trades.

        When entering on wrong side of Synthetic Triggers, take profit at the bottom of Synthetic Triggers regardless of their direction. Wait until price gets on the trade side of Synthetic Triggers trigger to re-enter again or until they change direction for a reversal.

                Did Synthetic Triggers cross in trade direction? (See Flow Chart)
                        YES = Stay in trade if has not hit first resistance area. Possible second trade or add-on at another pull back.
                        NO = Is price approaching prior pivot (PSO)?
                                YES = Move stop to break even. Plotting Potential Divergence?
                                        YES = Exit on Divergence with stop at second bar (5/1 Reversal Bar +1). Possible reentry at better area and/or Pivot Stop Out (PSO).
                                        Possible reversal if 14/2 Triggers cross to the opposite direction and they are on the proper trade side of Synthetic Triggers.
                                        No = Stay in trade if has not hit first resistance area. Possible second trade or add-on at another pull back.

                        NO = Are 14/2 Small and Large Triggers strong in trade direction?
                                YES = Stay in trade with possible add-on at another pull back staying in trade continually watching for Synthetic Triggers to cross.
                                NO = Stay in trade with possible add-on at another pull back. Monitor for Potential Divergence. If Potential Divergence plots follow higher instructions.
                                Possible reversal if 14/2 Triggers cross to the opposite direction and they are on the proper trade side of Synthetic Triggers.

TRANSITION TRADE WITH DIVERGENCE:

WEAKENING LOOK (Phase III) on 14/2 Chart Entry Rules:
14/2 Small Trigger inside trending up or down together- Small Triggers inside Large Triggers usually during an extended trend and breakouts.

Small Triggers are inside of Large and/or Synthetic Triggers, and all coming together.
8/2 Triggers getting under 14/2 Triggers.

ENTRY: 5/1 Chart with Synthetic Triggers on WRONG SIDE: 80%
1. 14/2 Triggers crossed in trade direction.
2. Trigger Line location is top priority with Fibonacci color changes. Big Gap back to Synthetic Triggers.
3. Look for furthest area for entry (not MB, but rather the 165, Fib, and/or Divergence / Pivot Stop-Out.
4. It is best if the market price and Synthetic Triggers makes a strong move before taking another trend trade.
5. Enter at "area". Draw box from 14/2 Reversal Bar to 1st support line for furthest entry area or turn on Market Flow once area is reached.
       EXCEPTION: If large and strong 14/2 move then enter at the 1st support area.

If Synthetic Triggers do not break Fibonacci area and then setup with a TT from Wrong Side and do not break the Synthetic Triggers after PSO then this could be the 1st countertrend trade.

If 14/2 background color change could be reversal at a pull back.

WEAKENING TRIGGERS TRADE MANAGEMENT
1. Max 10 ticks until a pivot then 2 ticks above/below pivot.
2. Get stops to break even at any trouble area against trade.

       Did Synthetic Triggers cross in trade direction? (See P3T1 Flow Chart)
                       YES = Stay in trade if has not hit first resistance area. Possible second trade or add-on at another pull back.
                       NO = Is price approaching prior pivot (PSO)?
                               YES = Move stop to break even. Plotting Potential Divergence?
                                       YES = Exit on Divergence with stop at second bar (5/1 Reversal Bar +1). Possible reentry at better area and/or Pivot Stop Out (PSO).
                                       Possible reversal if 14/2 Triggers cross to the opposite direction and they are on the proper trade side of Synthetic Triggers.
                                       No = Stay in trade if has not hit first resistance area. Possible second trade or add-on at another pull back.

                       NO = Are 14/2 Small and Large Triggers strong in trade direction?
                               YES = Stay in trade with possible add-on at another pull back staying in trade continually watching for Synthetic Triggers to cross.
                               NO = Stay in trade with possible add-on at another pull back. Monitor for Potential Divergence. If Potential Divergence plots follow higher instructions.
                               Possible reversal if 14/2 Triggers cross to the opposite direction and they are on the proper trade side of Synthetic Triggers.

COUNTER TREND TRADES: Be mindful of multiple 20 tick trades.
NO COUNTER TREND TRADES AGAINST THE #1 TRIGGER LOOK!!!
High Probability Edge trades will be taken only *once* at Pivot Stopout at the
edge of Fibs with Divergence.
Target at first resistance area.

1) If 8/2 chart weakened (denoted by background color on 5/1 is better.
2) Fibonacci EDGE not broken by more than three (3) Triggers Lines.
3) Must have divergence line plot, then place limit order on divergence line for entry at the edge of Fibonacci
levels.

If you reach the last Fibonacci support or resistance (do an edge trade)
TOP OR BOTTOM = https://www.screencast.com/t/5afZ9jGDCT9

COUNTER TREND TRADE MANAGEMENT

Target at first resistance area.   Be mindful of multiple 20 tick trades.
Hit first trouble area?   Y=Take profit or tighten Stop   N=Stay in Trade, Initial Stop or Trail under pivot.
Plotting Potential Divergence?   Y=Follow Div Exit Rule   N=Stay in Trade, Hit first trouble area?

?? TRADE MANAGEMENT:

All Triggers in proper order trade order?
5/1 Triggers on trade side of 8/2 Triggers?
Divergence? Are Trigger Lines still in proper order?

TERMINATING AREA:

14/2 STRONG Triggers = shallow pullback for entry.

14/2 WEAK Triggers then Fibs on the smaller chart will hold.

Stop taking 5/1 Trend Trades after key areas: (Picture 5)

1) Fibonacci Lines

2) Divergences (Divergence at a Fib ends the trend!)

3) Pivot Stopout (Pivot Stopout at a Fib ends the trend!)

Exception: If price has broken an area *and* Synthetic Triggers have move past that area.

If holding for more than 20 ticks = 8/2 Small Triggers be on trade side of 8/2 Synthetic Triggers.

<u>#1 Look/Strong Triggers Trade Management</u>:   #1 Look Entry Rules

     Are the Small Triggers inside Large Triggers or grouping with Synthetic Triggers?

          YES = <u>Plotting Potential Divergence</u>?

               YES – Exit on Divergence with stop at second bar (5/1 Reversal Bar +1). Possible reentry at higher area and/or Pivot Stop Out (PSO).

               NO = Stay in trade with possible add-on at another pull back. Monitor for Potential Divergence. If Potential Divergence plots follow YES instructions. Follow #1 Look Trade Management <u>(Picture)</u> rules.

<u>Weakening Triggers</u>:   Pay attention to smaller chart respecting Fibonacci areas managing trade with Divergence.

Once entered trade did 5/1 chart <u>background color turn against you</u>?
      YES – Do <u>not</u> widen Stop. Move Stop to first pivot. Possible exit at break even.
            <u>Plotting Potential Divergence</u>?
                  YES – Exit on Divergence with stop at second bar (5/1 Reversal Bar +1). Possible reentry at higher area and/or Pivot Stop Out (PSO).
                  No – Stay in trade with possible add-on at another pull back. Monitor for Potential Divergence. If Potential Divergence plots follow YES instructions.
      No – Stay in trade.
            <u>Plotting Potential Divergence</u>?
                  YES – Exit on Divergence with stop at second bar (5/1 Reversal Bar +1). Possible reentry at higher area and/or Pivot Stop Out (PSO).
                  No – Stay in trade with possible add-on at another pull back. Monitor for Potential Divergence. If Potential Divergence plots follow YES instructions.
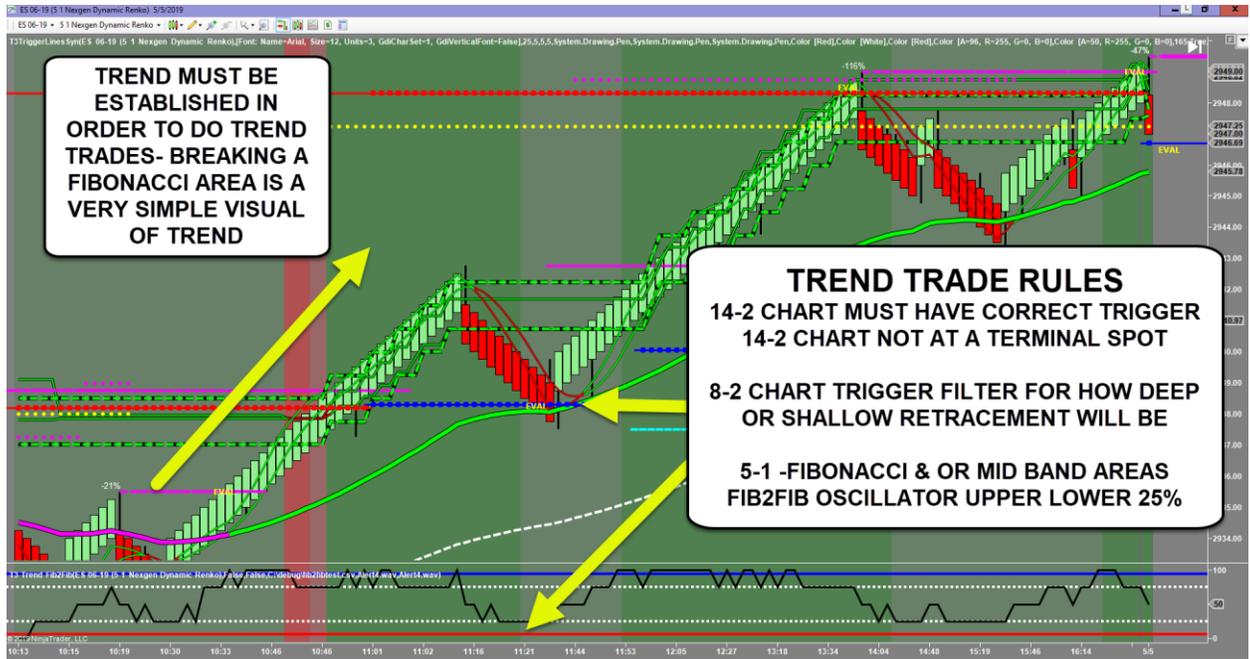
<u>Counter Trend Trade Management</u>   <u>HOME</u>

Target at first resistance area.
Be mindful of multiple 20 tick trades.

PICTURES:

TREND MUST BE ESTABLISHED IN ORDER TO DO TREND TRADES- BREAKING A FIBONACCI AREA IS A VERY SIMPLE VISUAL OF TREND

TREND TRADE RULES
14-2 CHART MUST HAVE CORRECT TRIGGER
14-2 CHART NOT AT A TERMINAL SPOT

8-2 CHART TRIGGER FILTER FOR HOW DEEP OR SHALLOW RETRACEMENT WILL BE

5-1 -FIBONACCI & OR MID BAND AREAS
FIB2FIB OSCILLATOR UPPER LOWER 25%

Picture 1

SELL OK

sell OK

small triggers below BOTH synthetic triggers is OK for short if RED and FIB2FIB OCS is at 75 or 100

ok for sells

Picture 2

Picture 3

Picture 4

Picture 5

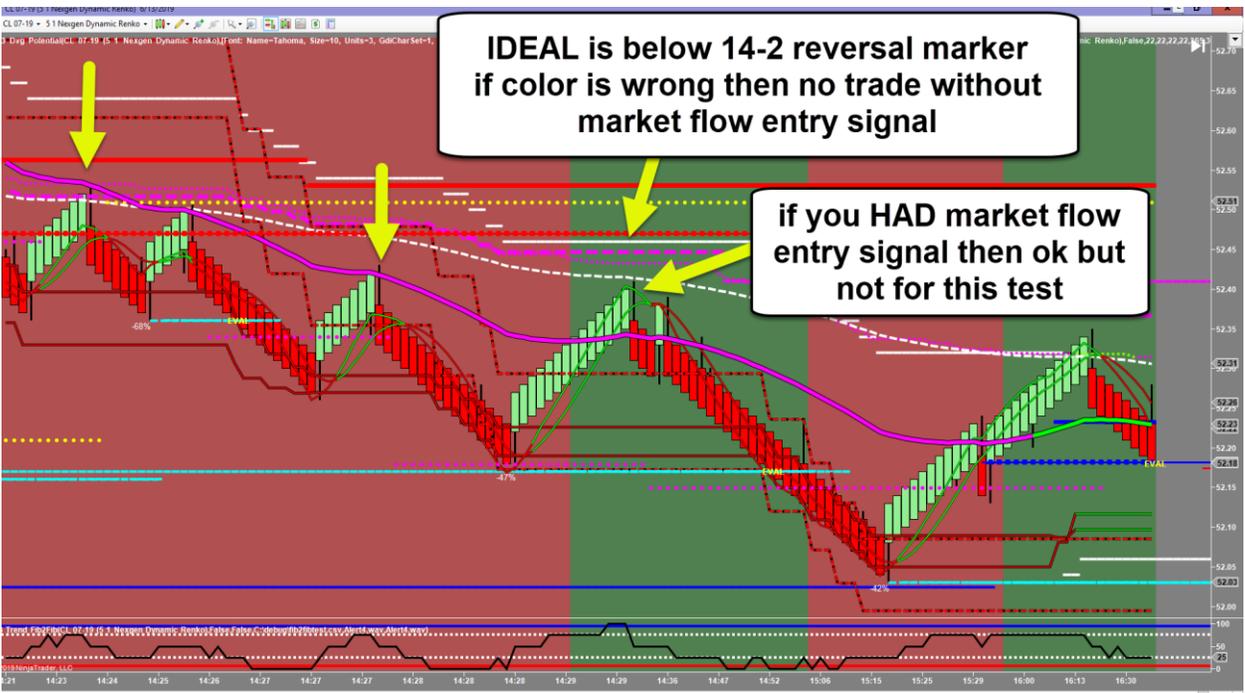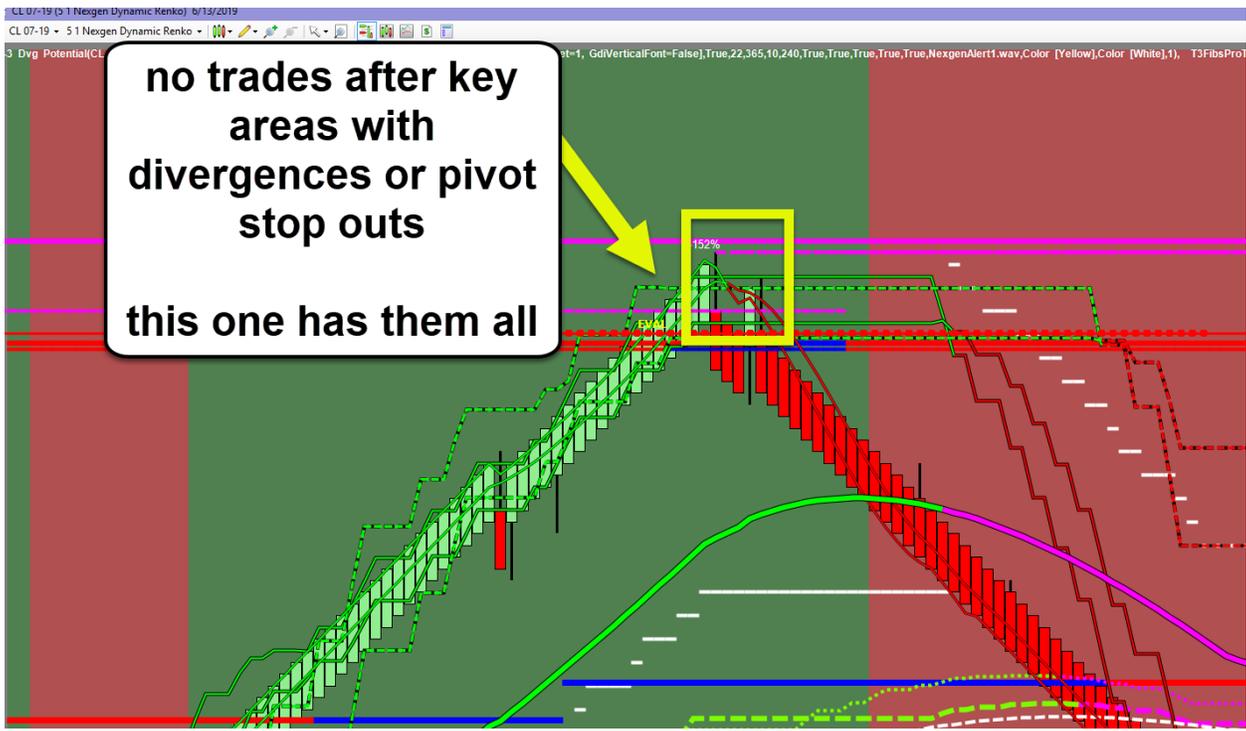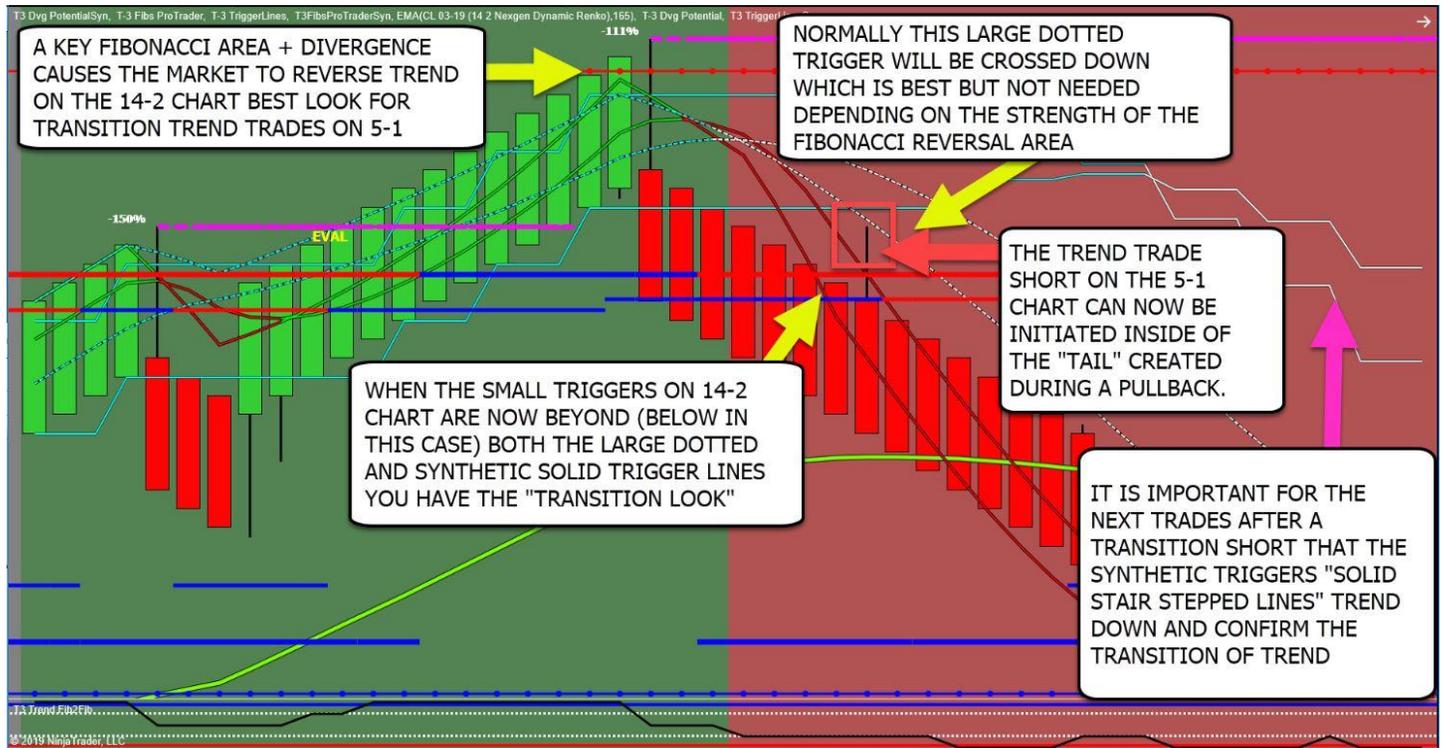*Figure 6, Transition Look 1*
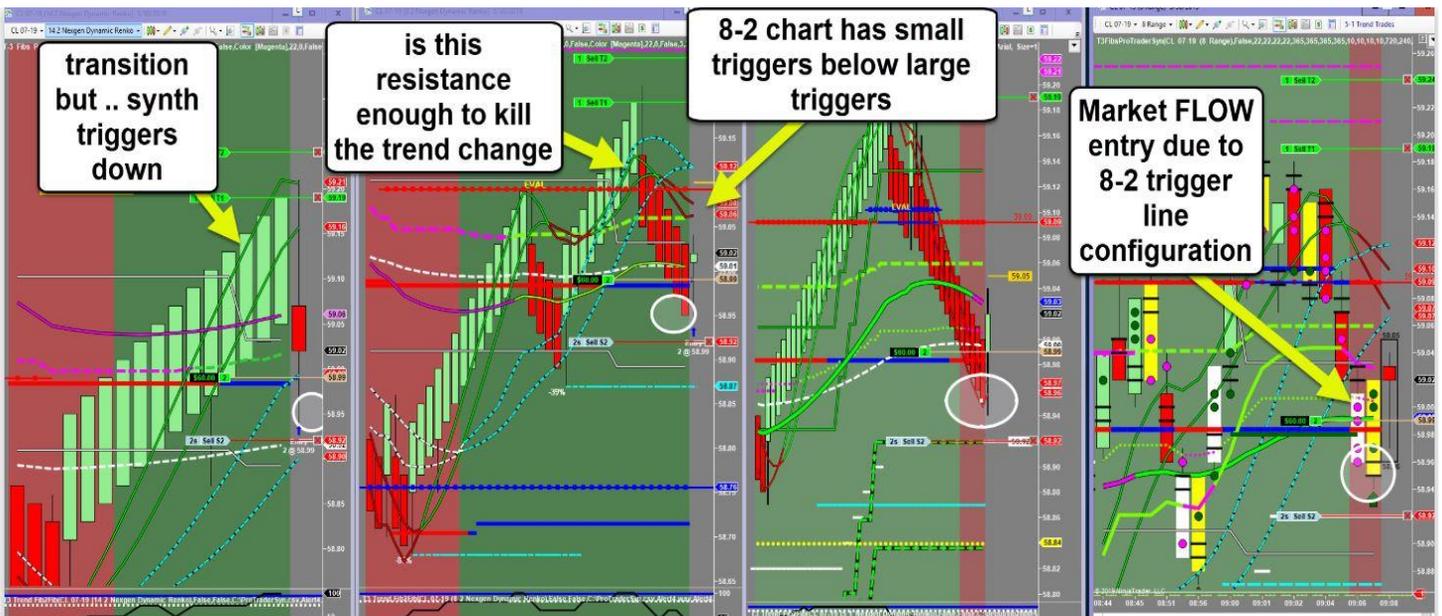
Figure 6, Transition Look 2

Figure 7, Entering on wrong side of Synthetic Triggers

Figure 8, Background color turns against you
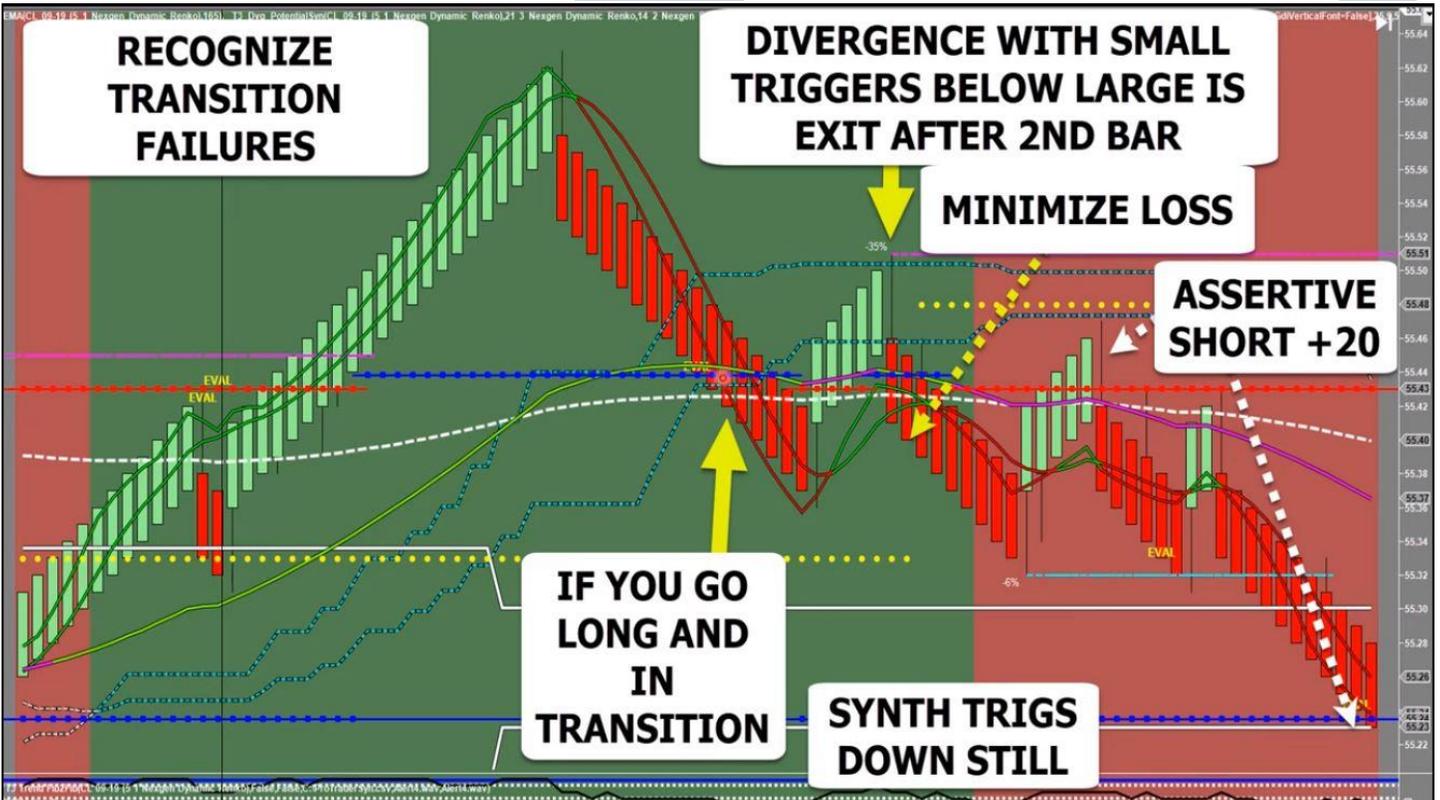
Figure 9, Divergence Exit
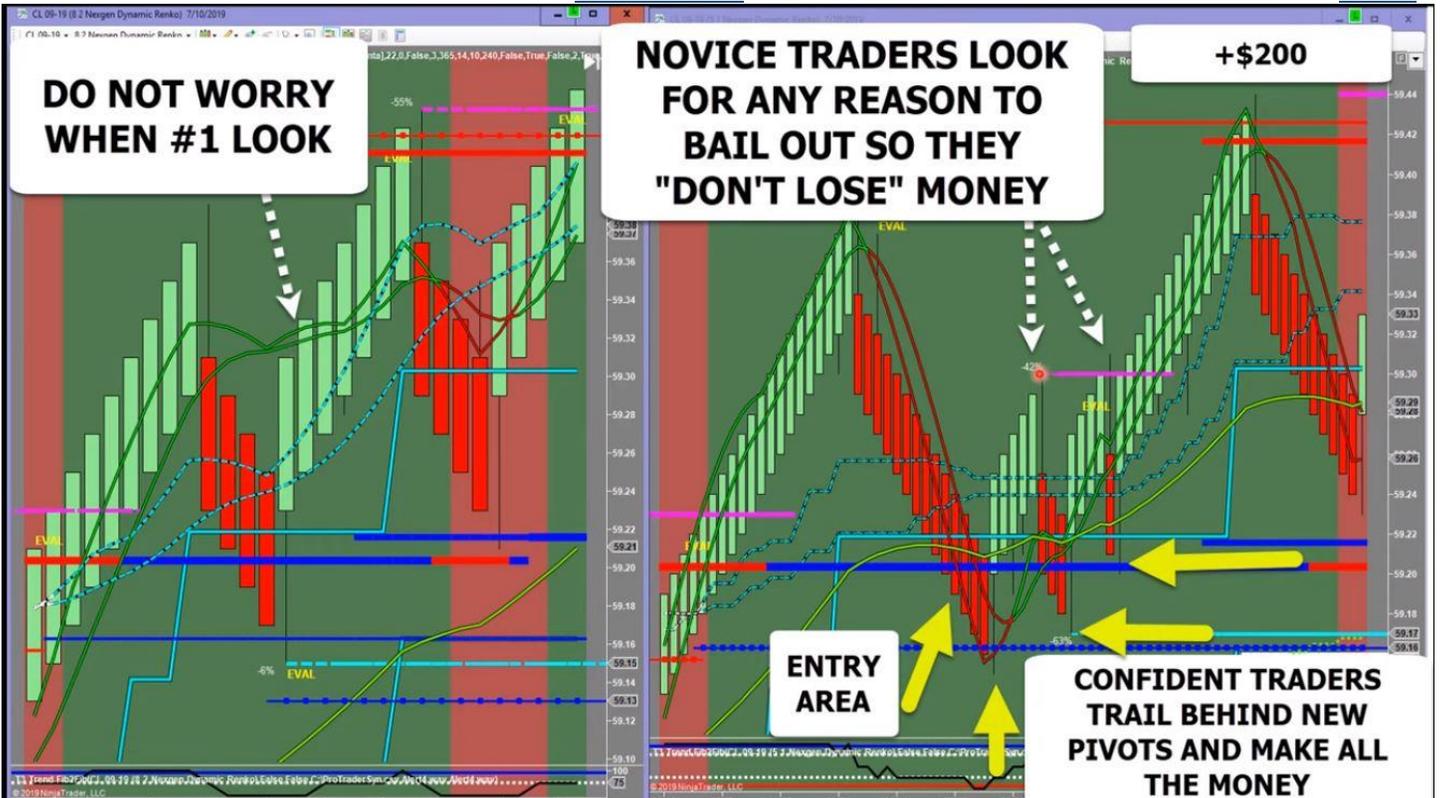
Figure 10, #1 Look Trade Mgmt

NOTICE MARKET FLOW HIGH VOLUME LINE "GREEN LINE" AT THE TREND TRADE AREA.   THE MARKET WILL USUALLY TOUCH THE GREEN LINE SO LIMIT ORDERS AT OR ONE TICK ABOVE IT FOR LONGS (BELOW FOR SHORTS) WILL HELP PINPOINT ENTRIES
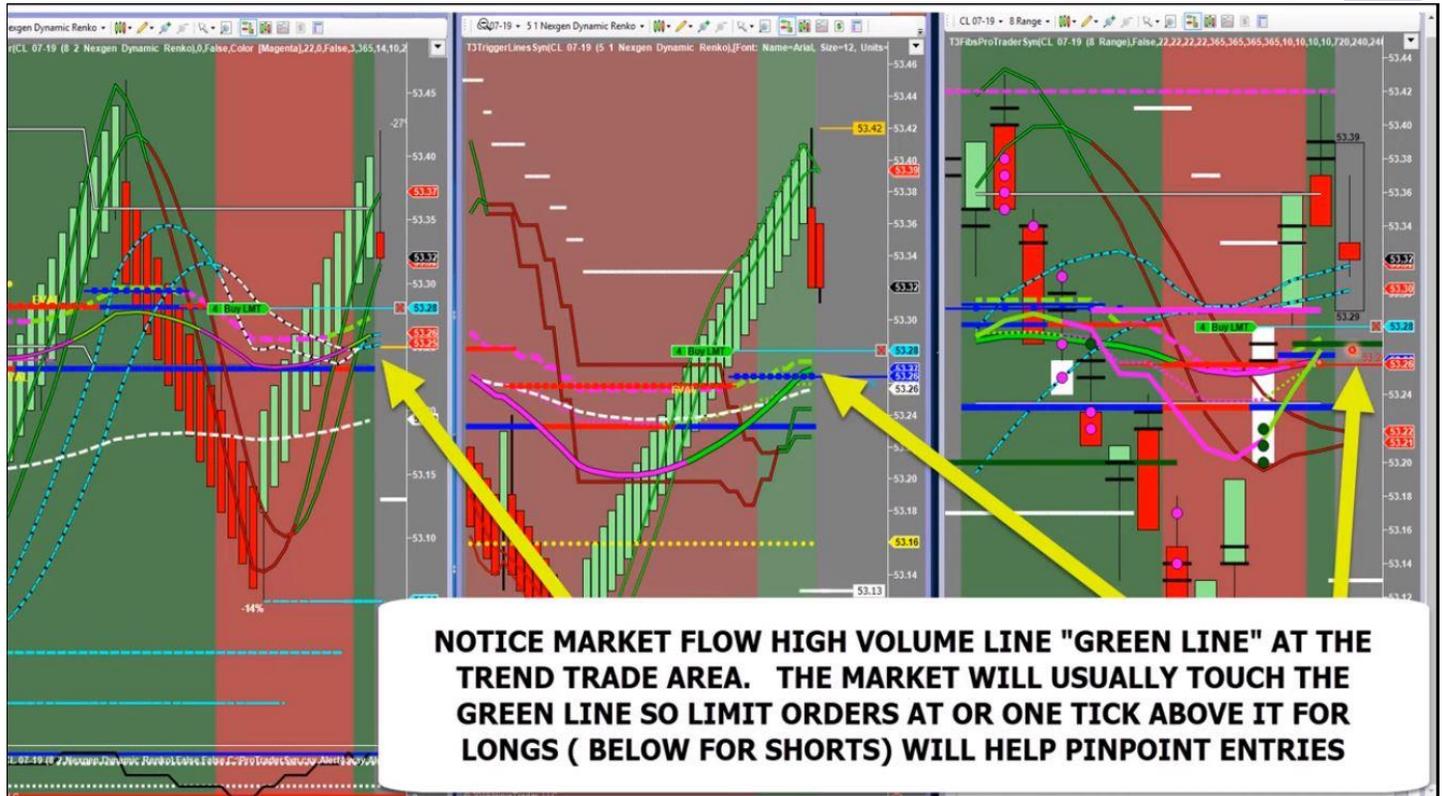
Figure 11, Entry with MarketFlow

MARKET FLOW WHITE BARS UP INTO A TREND TRADE SHORT WILL AGREE WITH THE TREND TRADE SHORT

8-2 and market flow agreed for TT short

and market flow reed for TT short

8-2 and market flow agreed for TT LONG

THE MARKET FLOW CAN ALSO BE USED TO HELP SPOT REVERSALS IN THE MARKET AFTER THE BACKGROUND COLOR HAS CHANGED

Figure 12, Entry with MarketFlow White Bar

Figure 13, Early entry with MarketFlow

Did Synthetic Triggers cross in trade direction?

YES = Stay in trade if has not hit first resistance area. Possible second trade or add-on at another pull back.

NO = Is price approaching prior pivot (PSO)?

YES = Move stop to break even.

Plotting Potential Divergence?

NO = Are 14/2 Small and Large Triggers strong in trade direction?

YES = Exit on Divergence with stop at second bar (5/1 Reversal Bar +1). Possible reentry at better area and/or Pivot Stop Out (PSO).

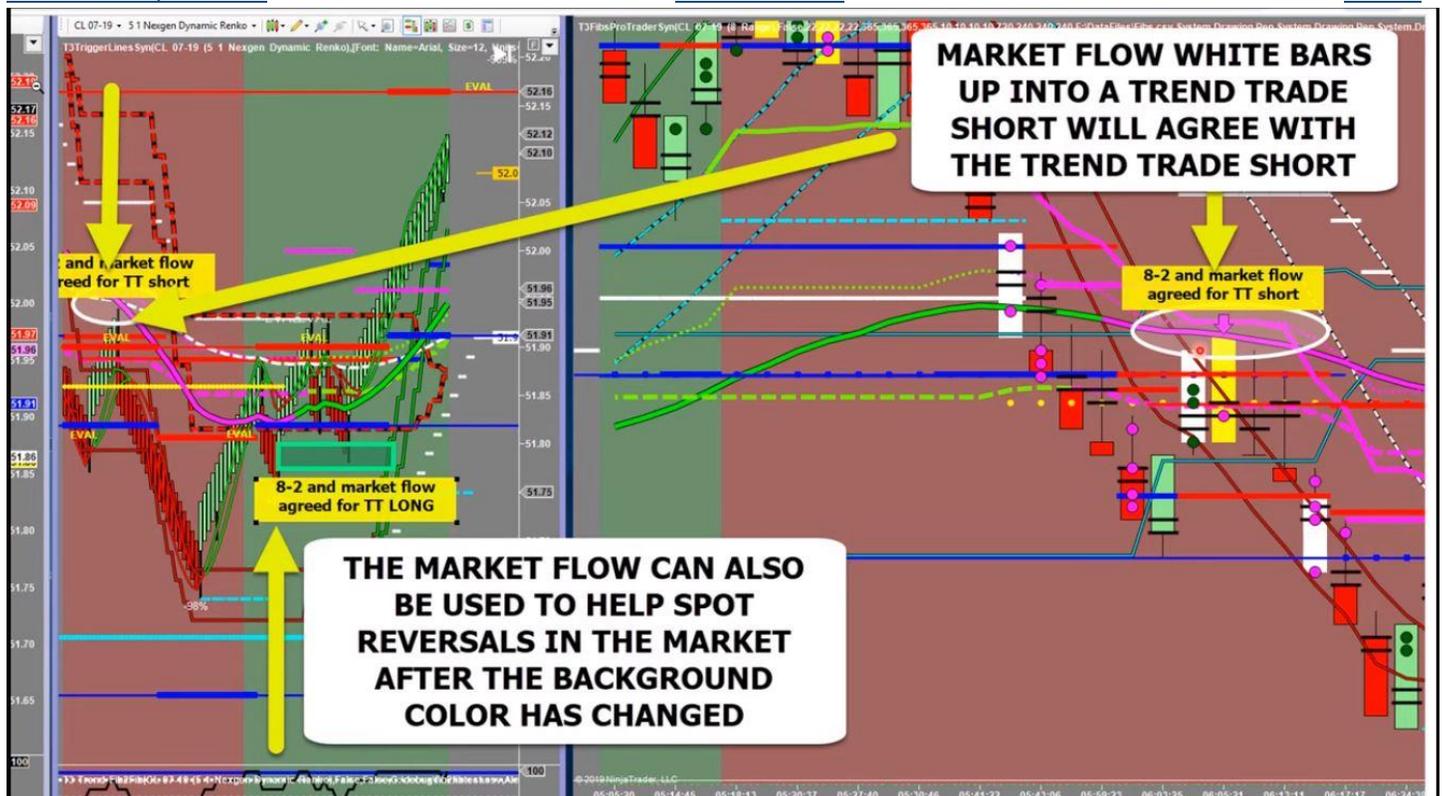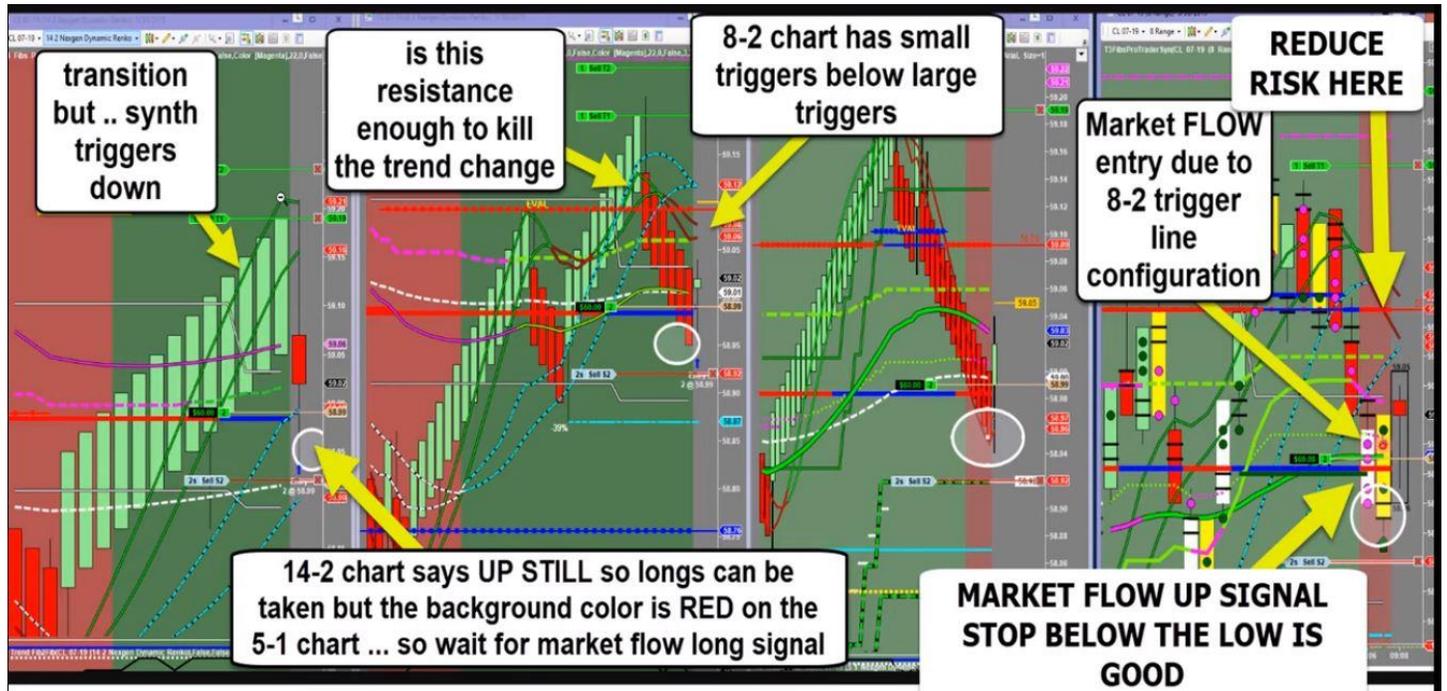Possible reversal if 14/2 Triggers cross to the opposite direction and they are on the proper trade side of Synthetic Triggers.

No = Stay in trade if has not hit first resistance area.

Possible second trade or add-on at another pull back.

YES = Stay in trade with possible add-on at another pull back staying in trade continually watching for Synthetic Triggers to cross.

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NO = Stay in trade with possible add-on at another pull back. Monitor for Potential Divergence. If Potential Divergence plots follow higher instructions. NO = Stay in trade with possible add-on at another pull back. Monitor for Potential Divergence.