



THE SIMPLE **ART OF TRADING**

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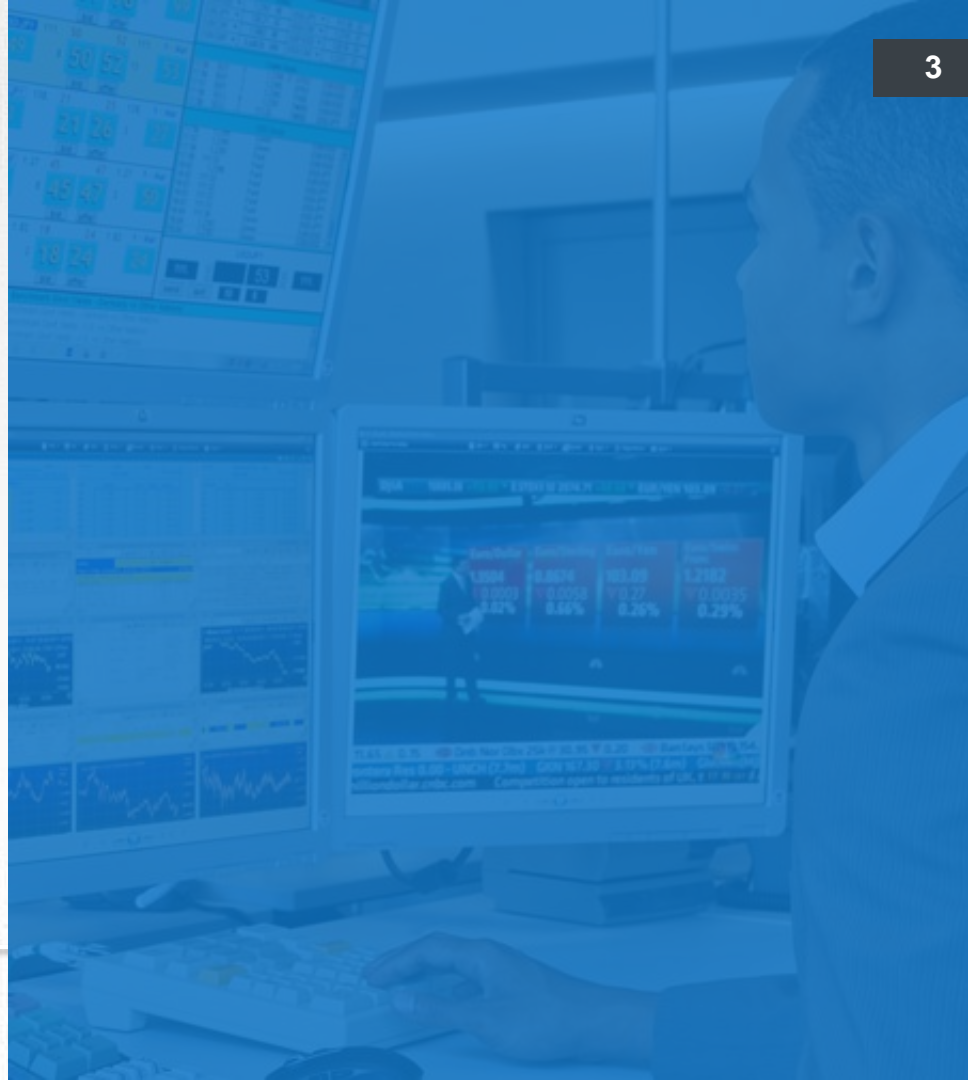
Active Trading can result in large losses and may not be an activity suitable for everyone.

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WELCOME

During the next two hours you are going to learn some of the most **valuable** information there is about being a trader or investor.

It is extremely **valuable** to you, because there are many misconceptions about trading and investing that you have likely heard and are unsure about.



WELCOME

Very simply, I am going to teach you the pattern of **Price Action**.

Prices **always** move in a certain pattern, **always**.

If you know that pattern, you can anticipate the **next** move.

At times, that pattern can be too erratic to be precise in determining where to anticipate...

WELCOME

But... sometimes that move is very **precise** and it allows traders or investors to enter positions at the **best possible** moment with the greatest odds of catching the next move.

After all, that is all trading or investing is about, right?

That is our **GOAL** in order to make **MONEY.**



WELCOME

Another incredible revelation is that there are only 7 possible movements to price action.

That means there are only 7 things that the market, or your stock, or your commodity, or your Forex pair can do at any moment.

WELCOME

And if you know that, and you are good at knowing where prices are, you can become very good at knowing **what will come next.**

AND, **that** is my goal today.

To teach you how to predict the 7 possible moves prices can make, in the **NEXT 2 hours.**

We have a lot to do so let's begin.

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“I just wait until there is money lying in the corner and all I have to do is go over there and pick it up. I do nothing in the meantime. In essence, by not wanting to trade, I have inadvertently transformed myself into a master of patience. By forcing myself to wait until there was a trade that appeared so compelling that I could not stand the thought of not taking it, I had vastly improved the odds....”

SECTION 1

THE INTRODUCTION

- ABBREVIATIONS
- THE 3 MAJOR TIMEFRAMES
- THE FOUR TRADING STYLES

IF YOU ARE VERY NEW TO TRADING PLEASE VISIT THIS LINK FOR THIS VERY BASIC INFORMATION...



SECTION 2

THE BUILDING BLOCKS

- **THE TOOLS FOR THE CHARTS**
- **THE BASIC CANDLESTICK IS NOT SO BASIC**
- **TWO CANDLES CAN MAKE A PATTERN**

THE TOOLS FOR THE CHARTS

CANDLESTICKS:

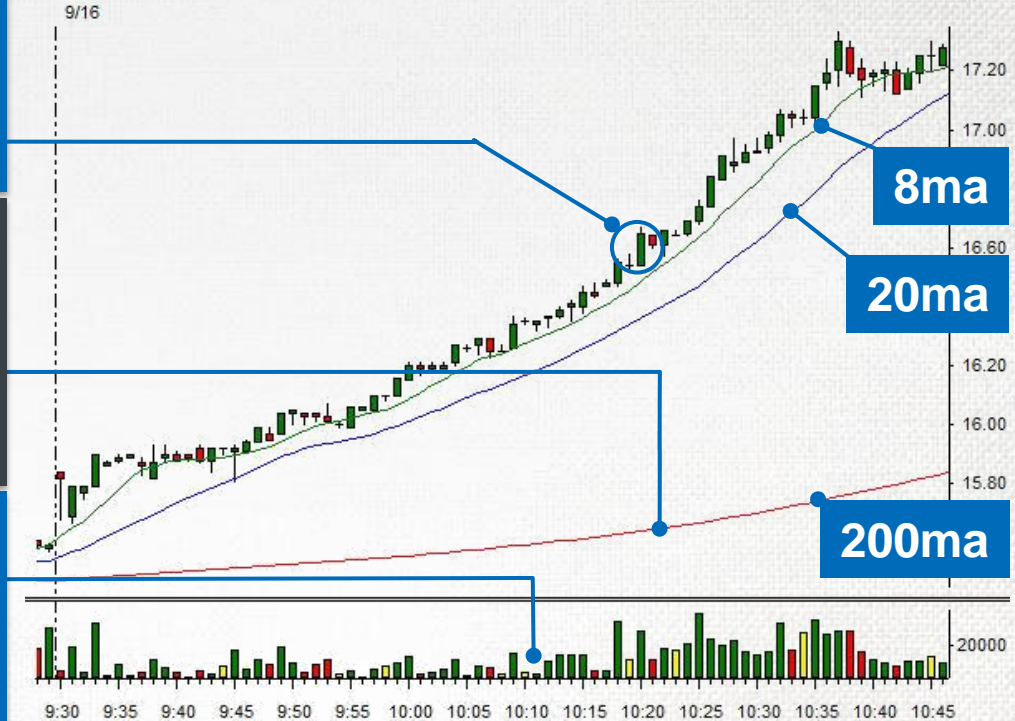
Price movement forms a candlestick and these candles form charts. Price is King.

MOVING AVERAGES:

The 200, the 20, and on smaller timeframes, the 8 period moving average.
*The 40 period moving average is used on larger timeframes.

VOLUME BARS:

This tells us how many buyers/sellers there are and how much "interest" is in the stock.



WHY USE CANDLESTICKS?

USING CANDLESTICKS WITH THE T3 METHOD

Japanese Candlesticks focus on the relationship between the open and close of a bar, while the Western Bars focus on the close vs. the prior period's close.

Note:

As long as the underlying stock closes higher than the prior day's close, Western thought says it's positive; however, according to the Japanese view, this is not necessarily the case. If on an up day, the stock closes below its open, the Japanese would regard it as negative.

WHY USE CANDLESTICKS?

USING CANDLESTICKS WITH THE T3 METHOD

The use of Japanese Candlesticks will help the T3 Trained Trader (T3TT) to determine who won the battle between Supply and Demand, which is the most important element of Technical Analysis. Candlesticks analysis is at the foundation of our trading method.

Candles speak to us about how other traders have acted and what their current beliefs and expectations are in that time frame.

Each candle speaks to us about the Supply – Demand relationship within that bar, in that time frame and in relation to prior candles.

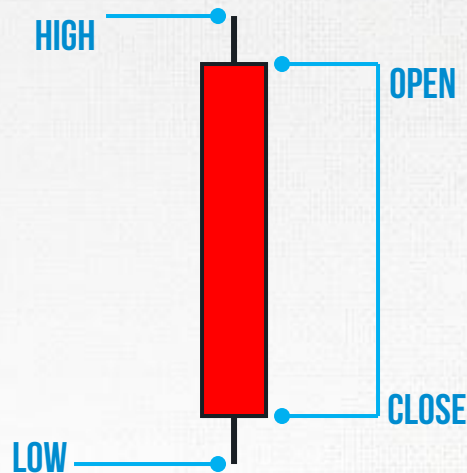
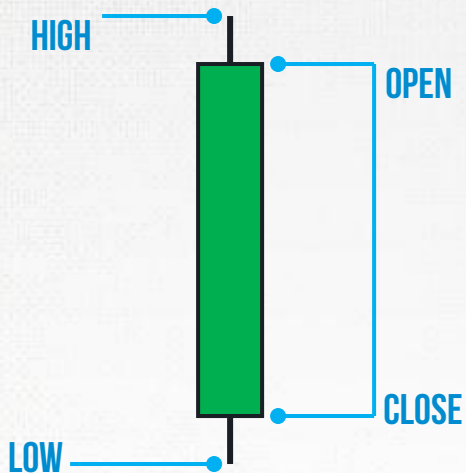
An arrangement of candles forms recognizable patterns that speak to us about the direction of prices. “Candle Language”.

And most important... combining the other concepts in this seminar will increase their accuracy significantly.

IMPORTANT: We exclusively use candlestick bar charts in our trading analysis in all time frames.

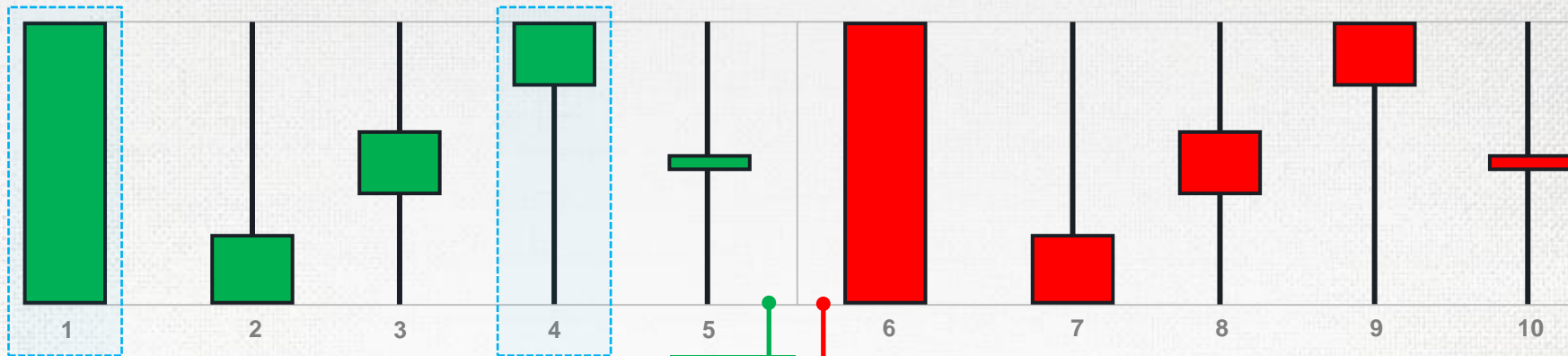
UNDERSTANDING CANDLESTICKS

DETERMINING WHO WON THE BATTLE



UNDERSTANDING CANDLESTICKS

DETERMINING WHO WON THE BATTLE



BULLS WIN **BEARS WIN**

(BT)
BOTTOMING TAIL



**(BT) = BUYERS HAVE
TAKEN CONTROL**

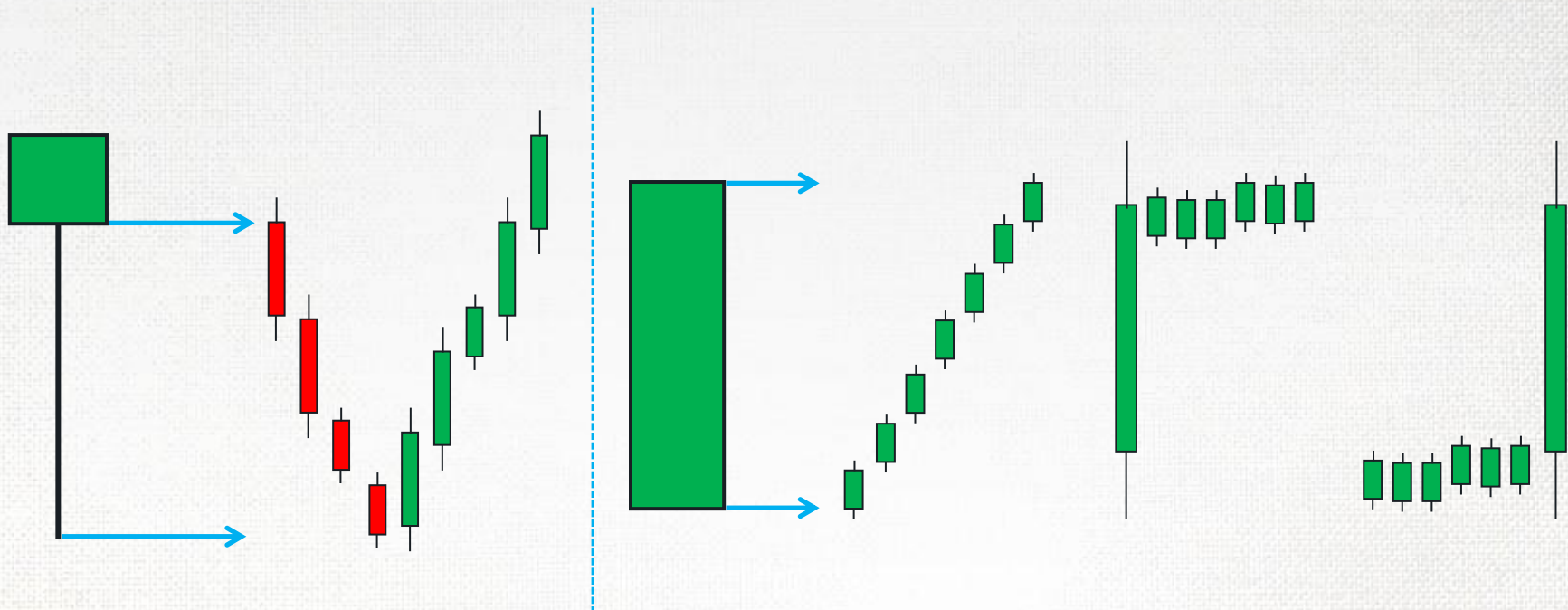
(TT)
TOPPING TAIL



**(TT) = SELLERS HAVE
TAKEN CONTROL**

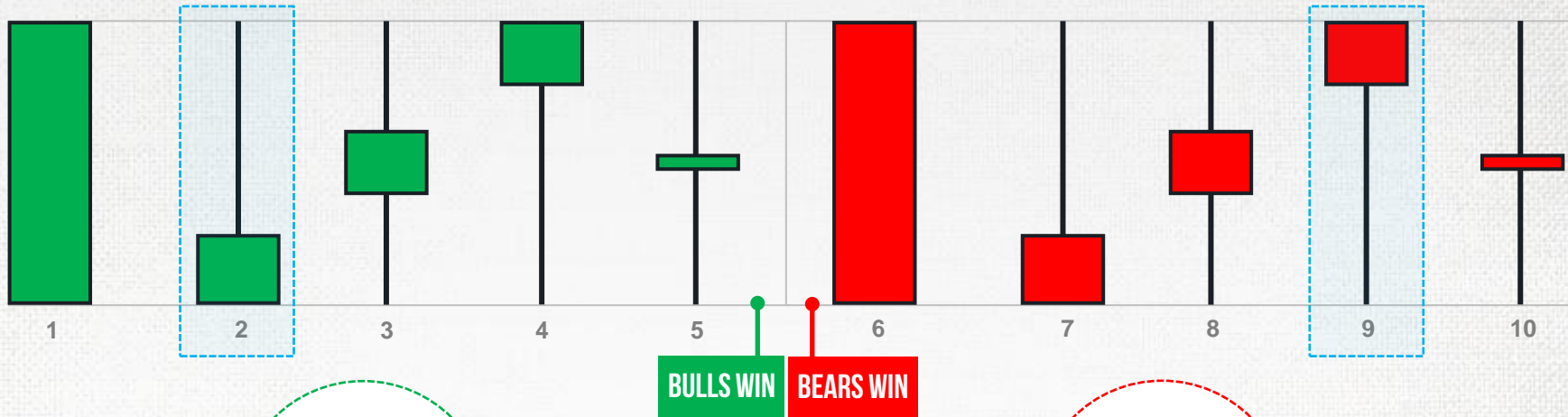
UNDERSTANDING CANDLESTICKS

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UNDERSTANDING CANDLESTICKS

DETERMINING WHO WON THE BATTLE

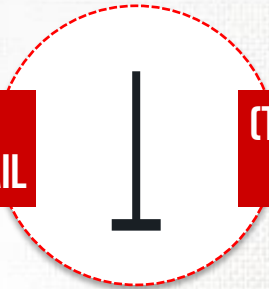


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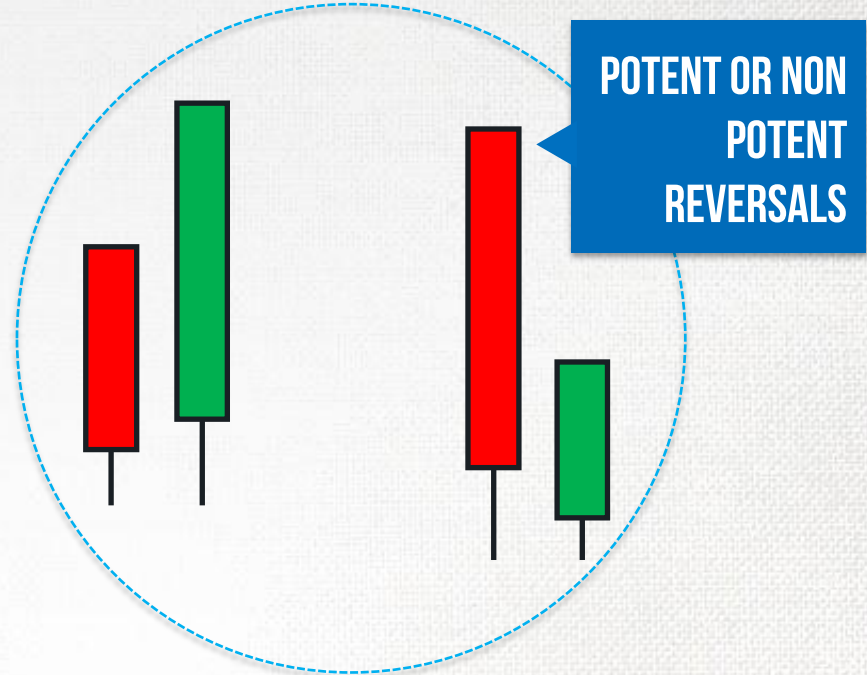
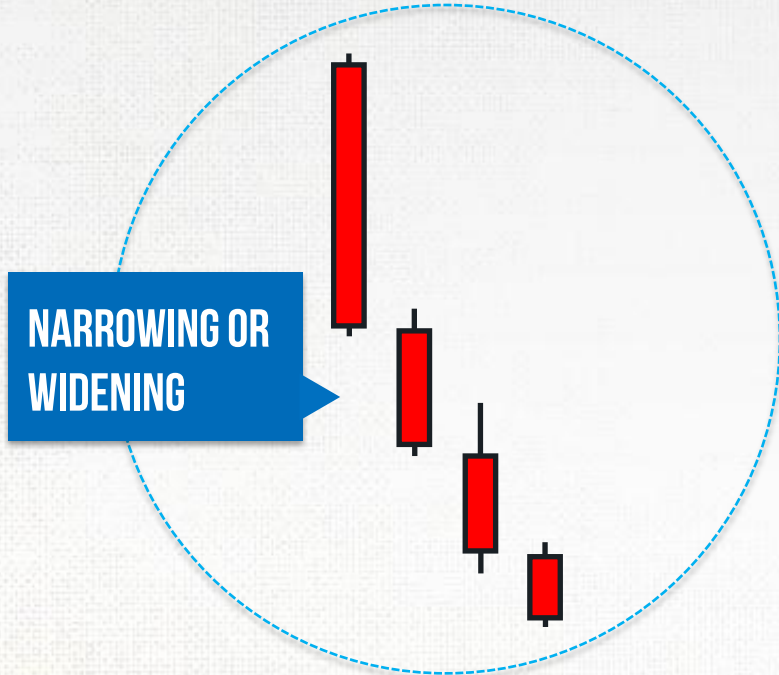
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UNDERSTANDING CANDLESTICKS

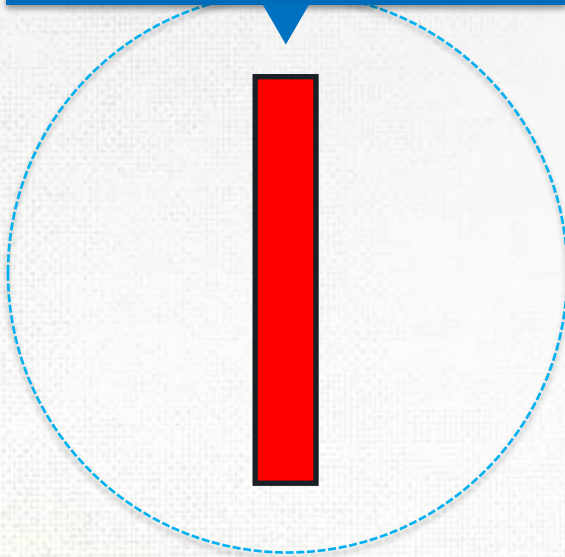
OTHER ADVANCED USES FOR CANDLESTICKS...



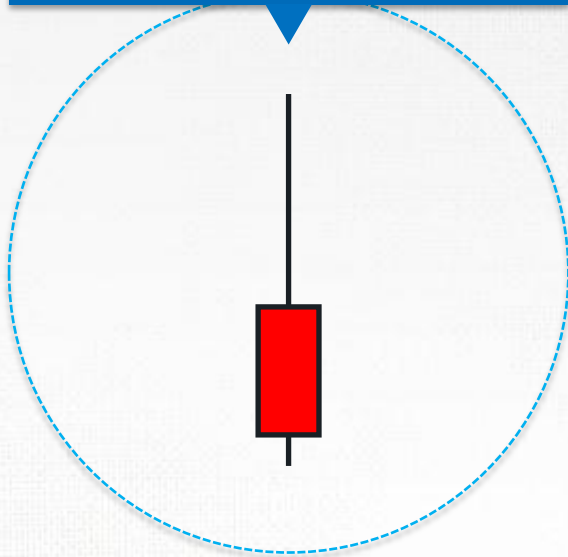
UNDERSTANDING CANDLESTICKS

OTHER ADVANCED USES FOR CANDLESTICKS...

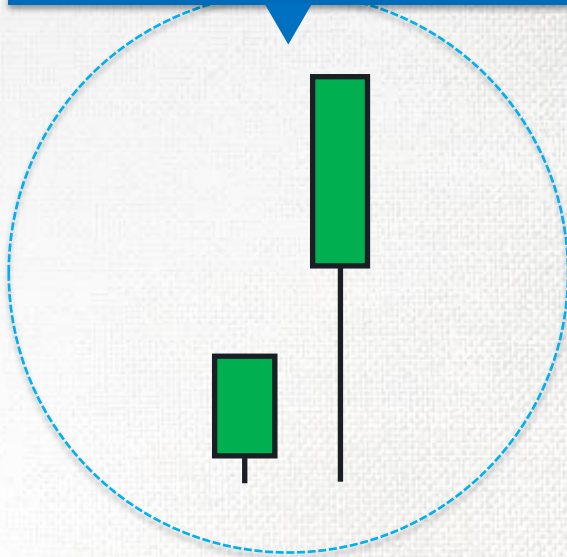
Wide range bars have 2 very important rolls



Topping and bottoming tails can be key in the right area



Range expanding bars also are key to understand



UNDERSTANDING CANDLESTICKS

OTHER ADVANCED USES FOR CANDLESTICKS...

Individual candles give us big pieces of information, but when combined with other concepts they are priceless in showing patterns that make traders and investors money...



UNDERSTANDING CANDLESTICKS

EXAMPLE OF HOW TWO CANDLES CAN CHANGE A CHART

Candlestick knowledge works best when combined with other technicals but you can see the **POWER** of knowing just candlesticks



UNDERSTANDING CANDLESTICKS

EXAMPLE OF HOW TWO CANDLES CAN CHANGE A CHART

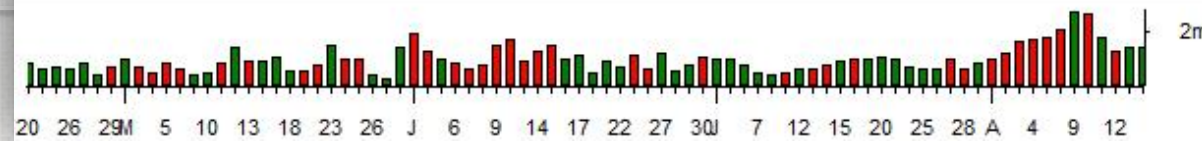
Candlestick knowledge works best when combined with other technicals but you can see the **POWER** of knowing just candlesticks



UNDERSTANDING CANDLESTICKS

EXAMPLE OF HOW TWO CANDLES CAN CHANGE A CHART

Candlestick knowledge works best when combined with other technicals but you can see the POWER of knowing just candlesticks



UNDERSTANDING CANDLESTICKS

EXAMPLE OF HOW TWO CANDLES CAN MAKE MONEY

A Play from our T3 Method Black Room
(our real time trading room)

ENTRY	STOP	EXIT
8.83	9.12	8.46

OVER \$1,200 GROSS PROFIT

Based on \$1,000 risk...





QUIZ SECTION 2

1. How many possible movements are possible, regardless of what you are trading?
 - a. 3
 - b. 4
 - c. 7
 - d. 9
2. What are the tools for the chart?
 - a. Candlesticks, moving averages, and volume bars
 - b. Level 2, Bollinger bands, and trader pivot lines
 - c. Candlesticks, Fibonacci retracements, and MACD
 - d. Trendlines, Candlesticks, Fibonacci retracements, MACD, and RSI
3. Why do we use Japanese Candlesticks?
 - a. To see the relationship between the open and close of a bar
 - b. To determine who won the battle between supply and demand
 - c. To identify recognizable patterns that speak to us about the direction of price
 - d. All of the above
4. Technically speaking, any time a candle closes above the open it is said to be bullish.
 - a. True
 - b. False
5. At times, regardless of the close, a bottoming tail (BT) may be stronger than a full bodied green candle.
 - a. True
 - b. False
6. How many rolls do wide range bars have?
 - a. 2
 - b. 3
 - c. 4
 - d. 7



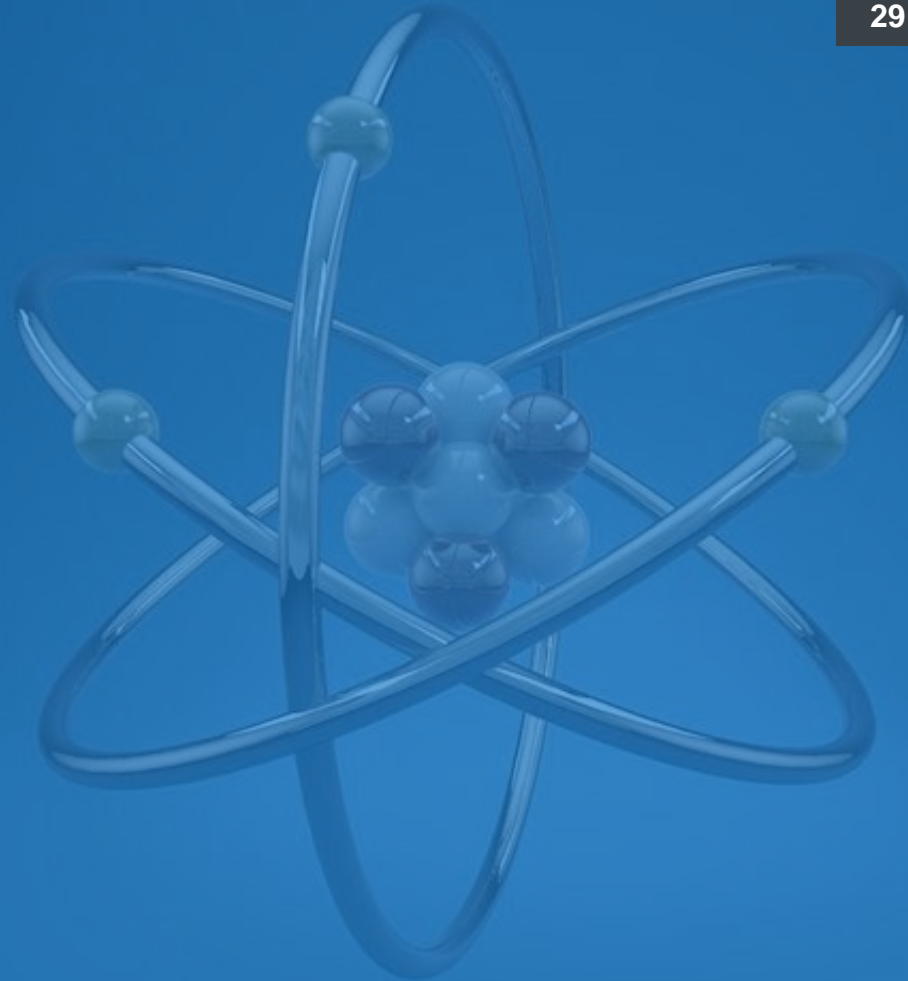
QUIZ SECTION 2

7. **Topping tails and Bottoming tails provide key insight but can be even more powerful in the right area.**
 - a. True
 - b. False
8. **All of the following are uses for candlesticks except:**
 - a. Determining who won the battle between supply and demand
 - b. Seeing potent reversals
 - c. Seeing how many shares were traded
 - d. Finding patterns within a trend
9. **Individual candles give us big pieces of information, but when combined with other concepts they are far LESS reliable.**
 - a. True
 - b. False
10. **At a minimum, how many candles does it take to begin changing a chart?**
 - a. 2
 - b. 4
 - c. 7
 - d. Depends on the trend

SECTION 3

THE ATOM: MASTER KEY #1

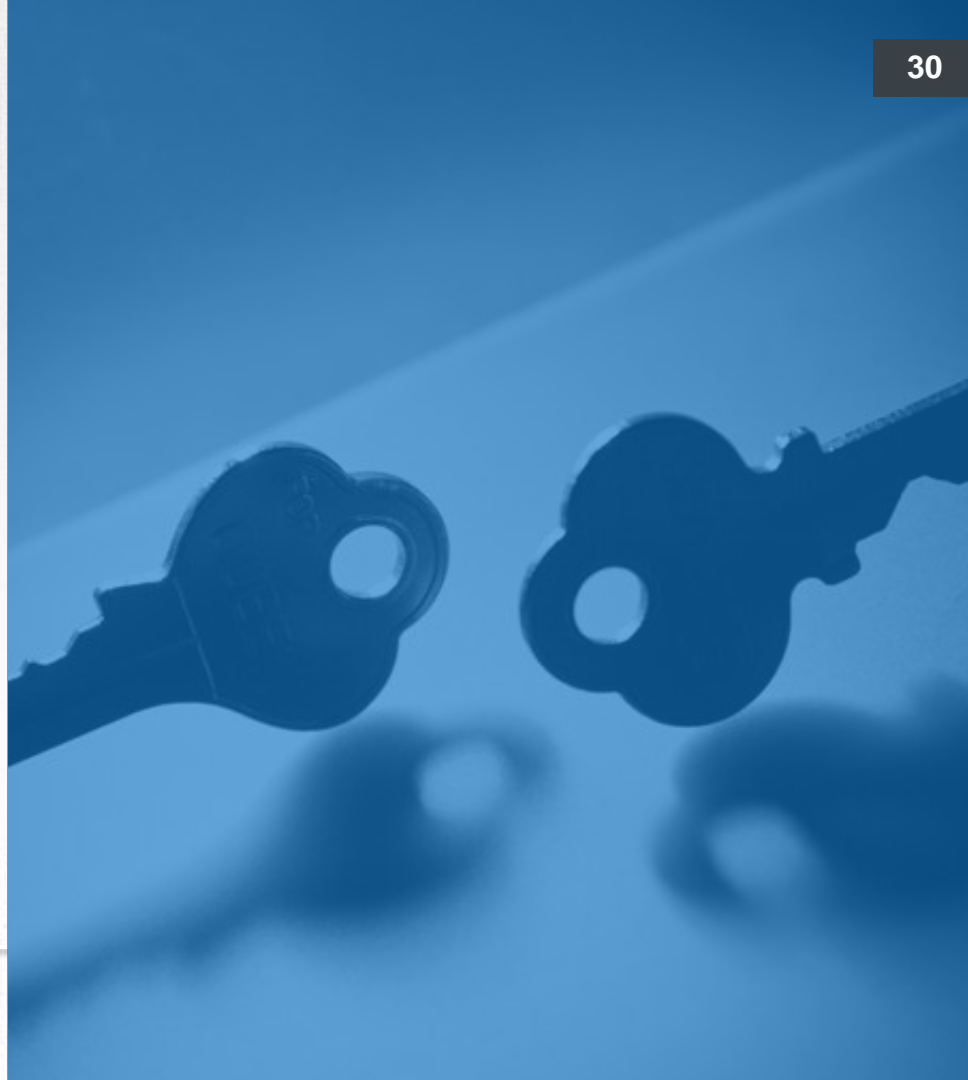
- **THE BIG PICTURE COMES FROM THE ATOM**



TWO MASTER KEYS TO TRADING SUCCESS

INTRODUCTION TO THE T3 METHOD

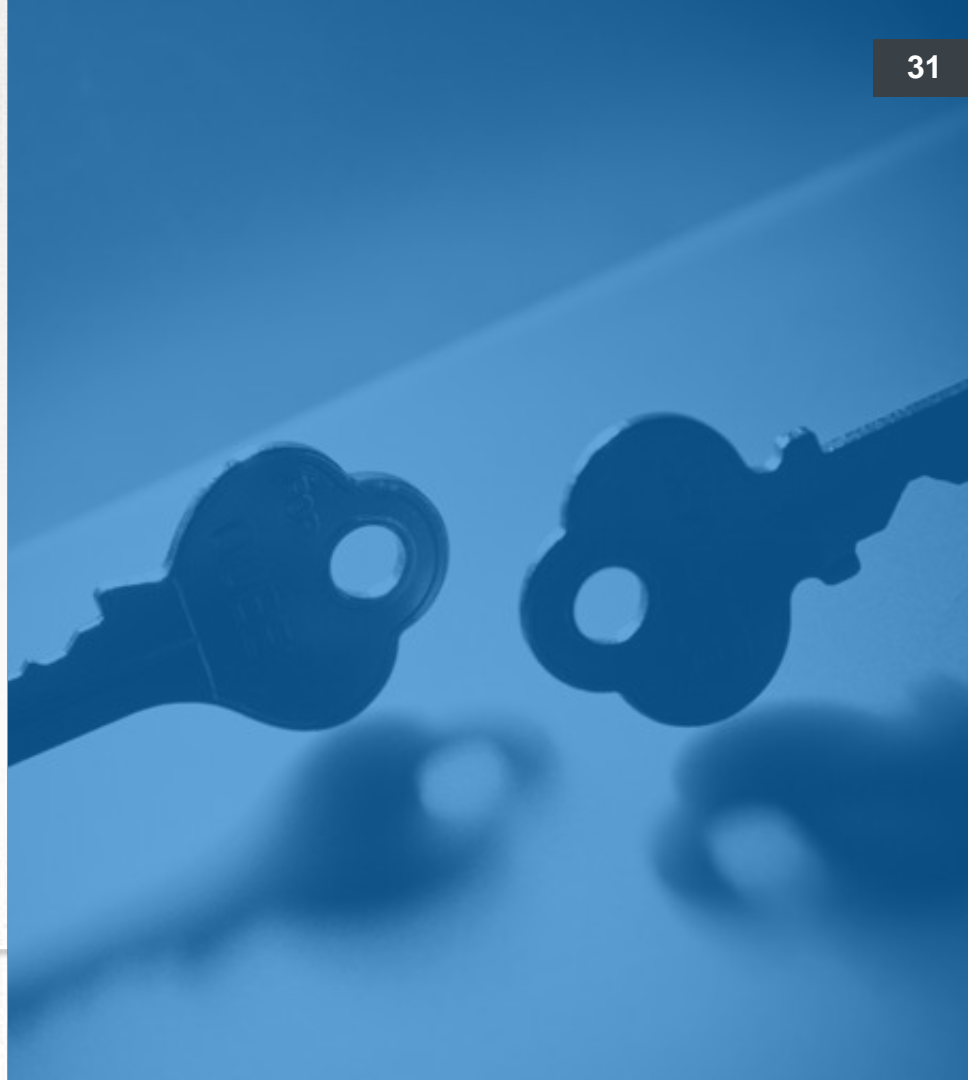
In this section, we will reveal two of T3's Master Trader Keys to understanding how all markets work. The following two concepts form the cornerstone of every one of our sound trading techniques and tactics.



TWO MASTER KEYS TO TRADING SUCCESS

INTRODUCTION TO THE T3 METHOD

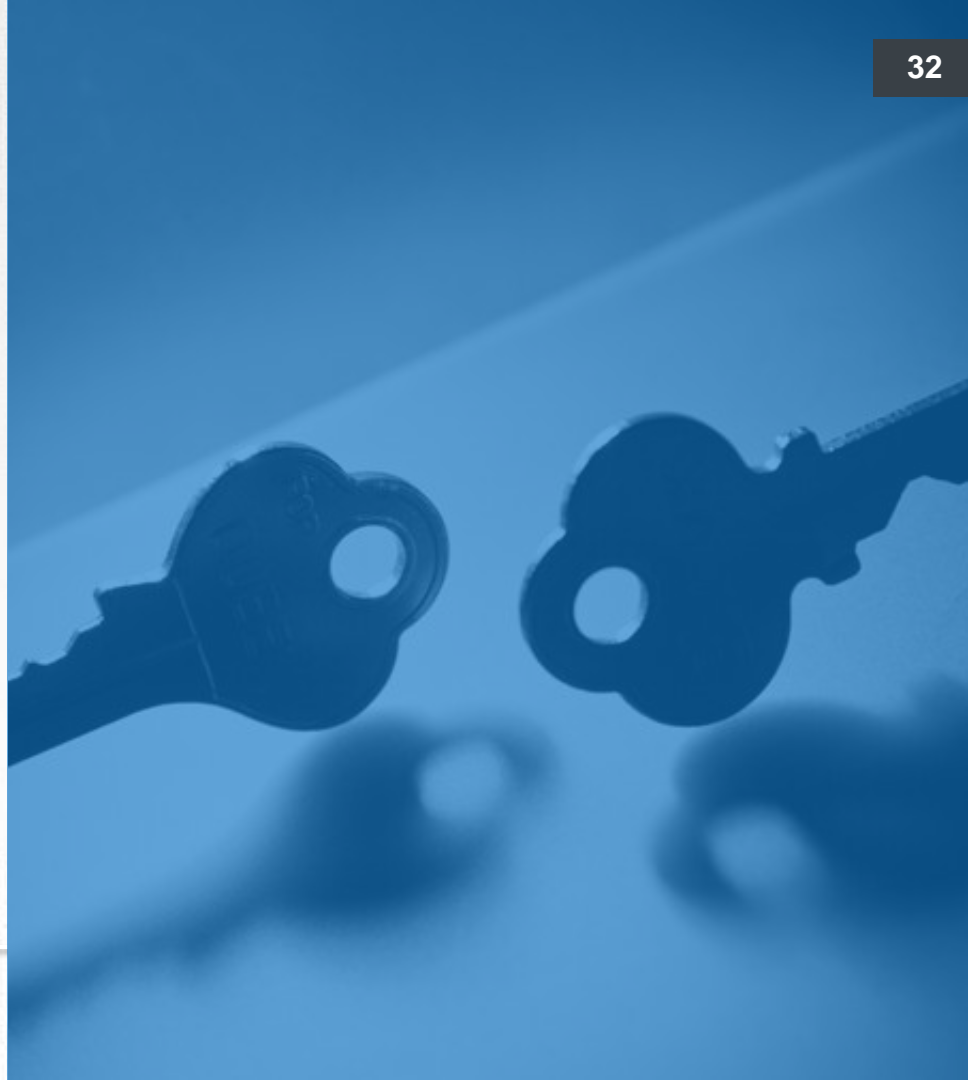
After gaining a clear understanding of these two building blocks, the T3 Trained Trader (T3TT) should never again find himself confused and not knowing what to do. In fact, once these two powerful, but simple concepts are understood and mastered, the T3TT should rarely find himself on the wrong side of the market.



TWO MASTER KEYS TO TRADING SUCCESS

INTRODUCTION TO THE T3 METHOD

In case you don't know, 80% of all trading losses can be attributed to being on the wrong side of the market. Let's begin!



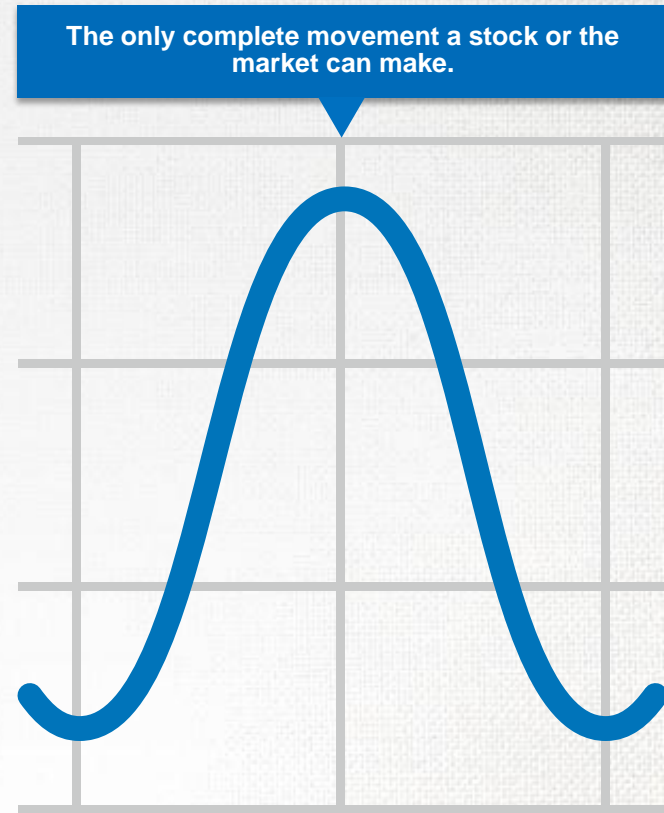
THE ATOM

T3'S MASTER TRADER KEY #1

There is no other movement possible, the entire life of a stock and/or a market is comprised of this cycle repeated time and time again.

This cycle forms the basis for one's ability to predict future price movements based on the laws of psychology and probability.

This cycle, sometimes referred to as the Basic Unit, helps the T3TT know the current status of the stock or market as well as what is likely to occur next.



THE ATOM

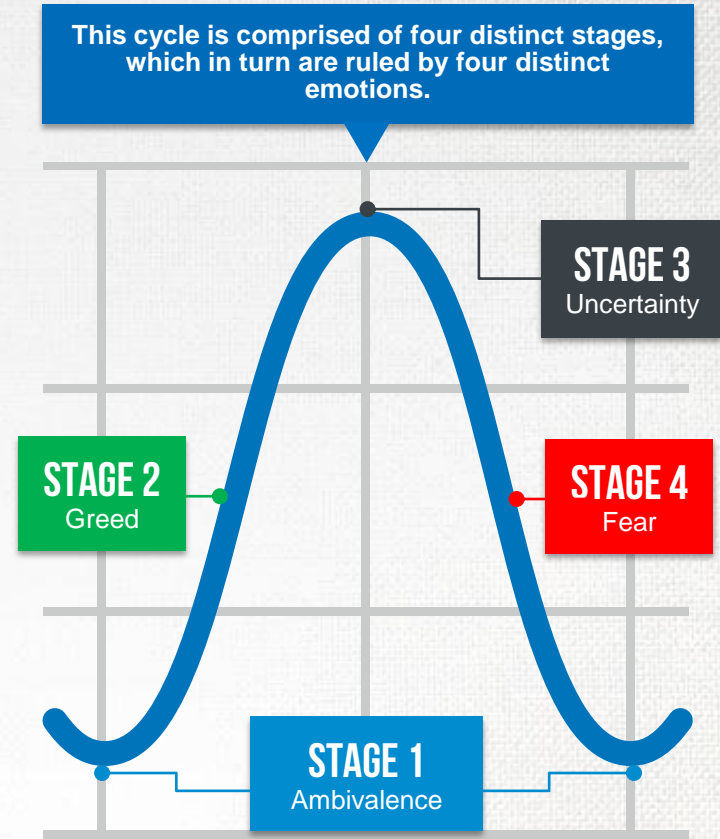
T3'S MASTER TRADER KEY #1

This Cycle/Unit is made up of only three (3) primary trends. Stage 1 back to Stage 1 can span over decades (macro), or over minutes (micro), depending on the time frame.

In Stage 2, the T3 Trained Trader (T3TT) focuses on buying most of the time.

In Stages 1 & 3, the T3 Trained Trader (T3TT) can focus on both, buying and shorting.

In Stage 4, the T3 Trained Trader (T3TT) focuses on selling/shorting most of the time.



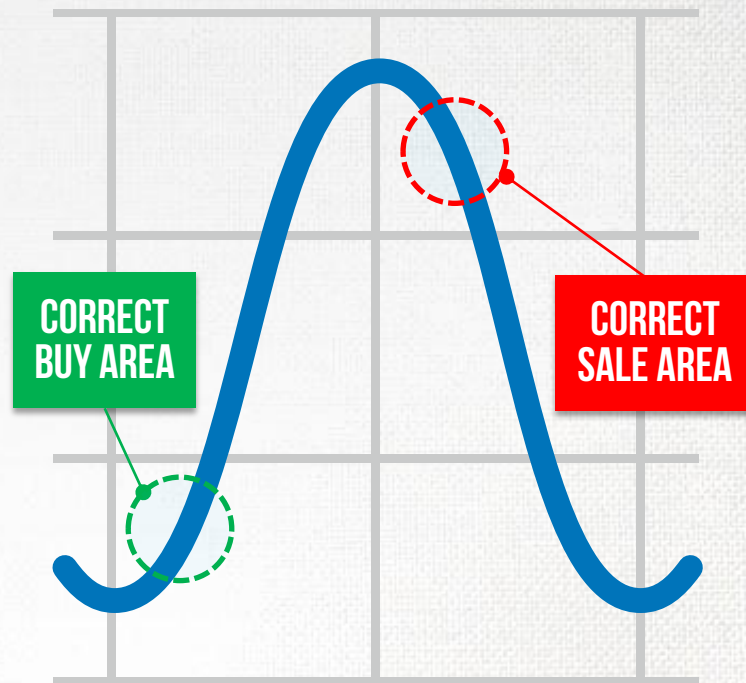
THE ATOM

T3'S MASTER TRADER KEY #1

THE ONLY WAY TO WIN

Traders who win consistently - no matter what time frame - have simply learned to play the cycle/unit in this manner:

They buy somewhere during the start of Stage 2 and sell somewhere before Stage 4 begins.



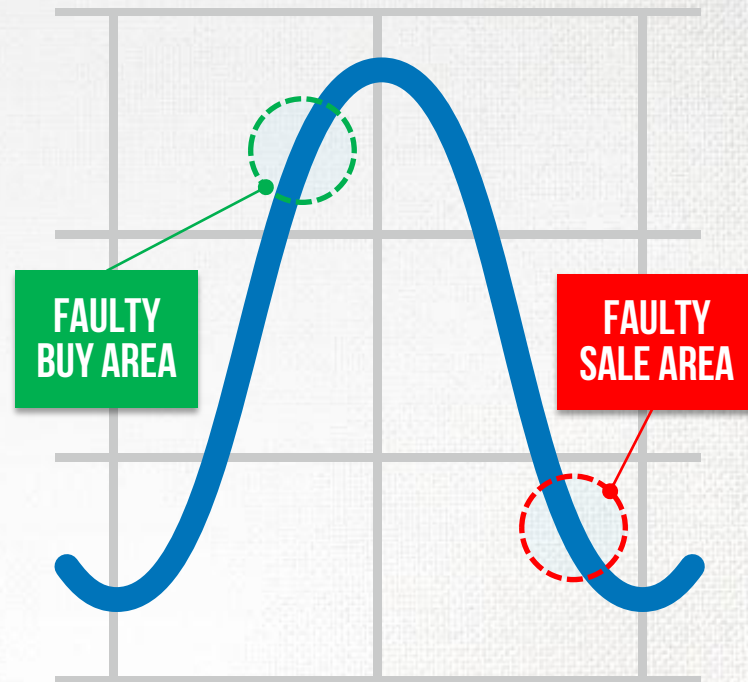
THE ATOM

T3'S MASTER TRADER KEY #1

THE ONLY WAY TO LOSE

Traders who lose unconsciously playing the stock cycle in this faulty manner:

They buy somewhere after Stage 2 is proven to all and they sell after it is obvious they were wrong.



THE ATOM

T3'S MASTER TRADER KEY #1

T3 NOTE:

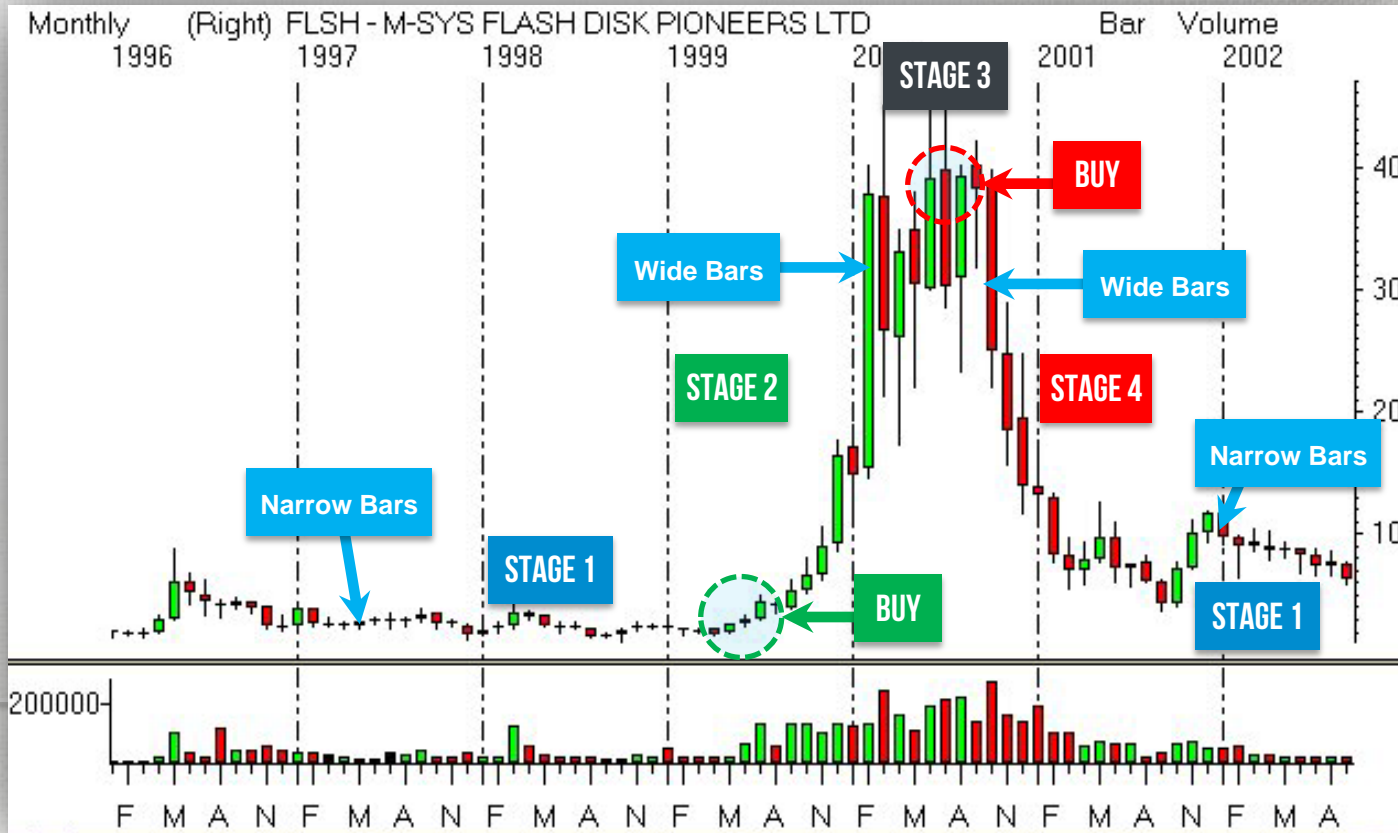
Stage 1s will tend to be narrow and tight, while macro Stage 3s will often be wide and whippy.

STAGE 1

Ambivalence

STAGE 3

Uncertainty



THE ATOM

T3'S MASTER TRADER KEY #1

T3 NOTE:

At times, Stage 3s will be sharp and abrupt. Stage 1s and 3s can be 'V' tops and bottoms.

NOTE:

The wide distance from the 20ma at the start of stage 3.

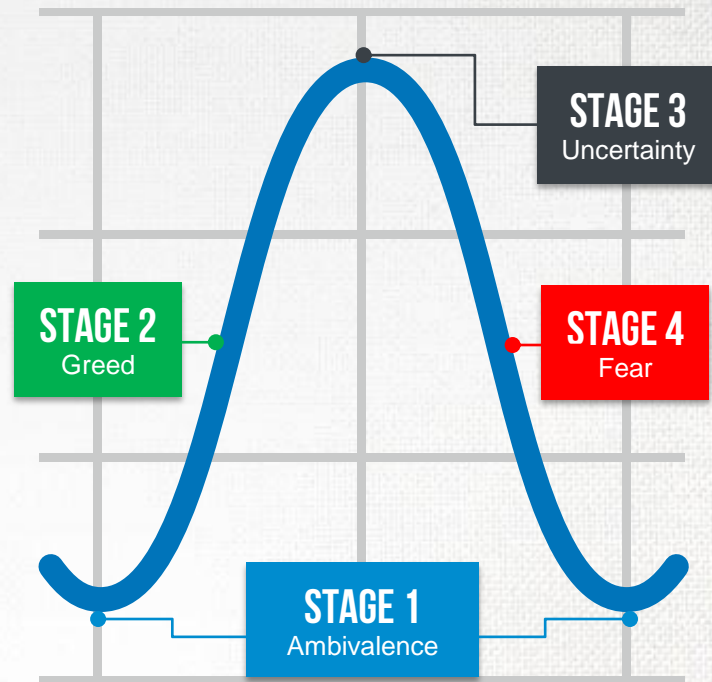


THE ATOM: T3'S MASTER TRADER KEY #1

UNDERSTANDING THE STAGES

There is only one cycle in existence. Stocks and/or the market can do nothing else but repeat this cycle over and over. **No other movement is possible.** This is the master key to predicting future stock movements. Remember it!

This cycle is made up of four (4) distinct stages, which in turn are driven by four (4) distinct emotions or psychological states. **The 4 stages must, and always do, occur in the same sequence.** This is also an important key to price prediction based on the laws of probability and psychology.

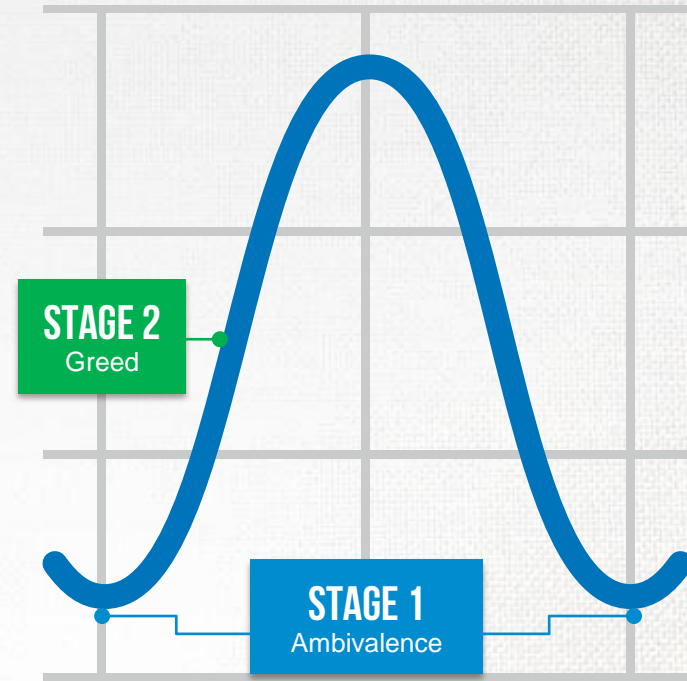


THE ATOM: T3'S MASTER TRADER KEY #1

THE EMOTIONAL STATES

Stage 1, the bottoming period, is driven by **Ambivalence**. This is the stage during which traders are indifferent and largely uninterested in participating. The interest level is low because of the prolonged poor market condition of the preceding Stage 4.

Stage 2, the bullish period, is driven by **Greed**. This is the stage during which traders will make the most money. The mindset that dominates Stage 2 is one that wants to be in the game, at any cost, which is why the 'Greater Fool' Theory rules. Most participants will make money during Stage 2, except those who come in too late and/or those who stay too long.

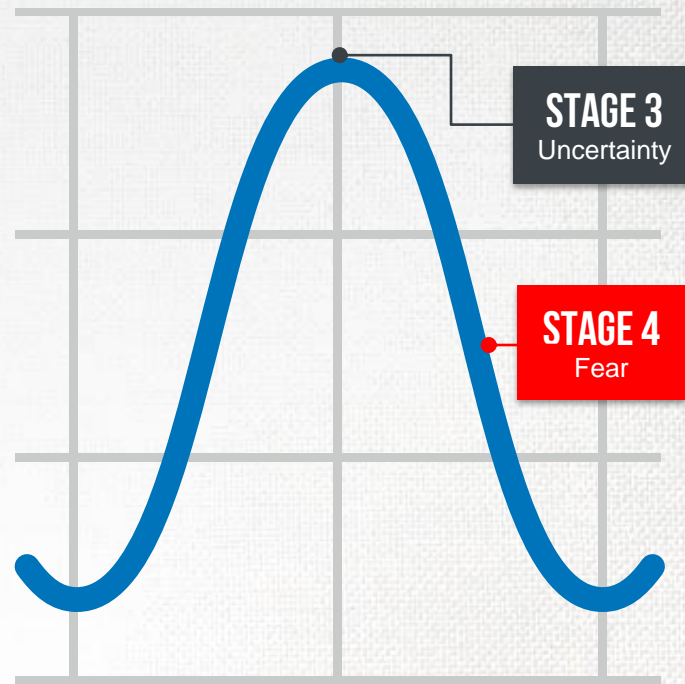


THE ATOM: T3'S MASTER TRADER KEY #1

THE EMOTIONAL STATES

Stage 3, the topping period, is driven by **Uncertainty**. During this stage, bullish sentiment begins to change, as a growing number of players begin to doubt the stock's (market's) ability to continue its upward momentum.

Stage 4, the bearish period, is driven entirely by **Fear**, which typically escalates or crescendos into a climax near the bottom. Most traders will lose money during this stage. Those who have held on too long begin to exit in an attempt to keep some of their gains. Those who have entered late typically exit late; but like a herd, they tend to exit all at once, which in turn creates the climactic part of the decline. **Once the last batch of traders exits, the worst is over.** More downside may still occur, but the negative momentum will have subsided after the climax.

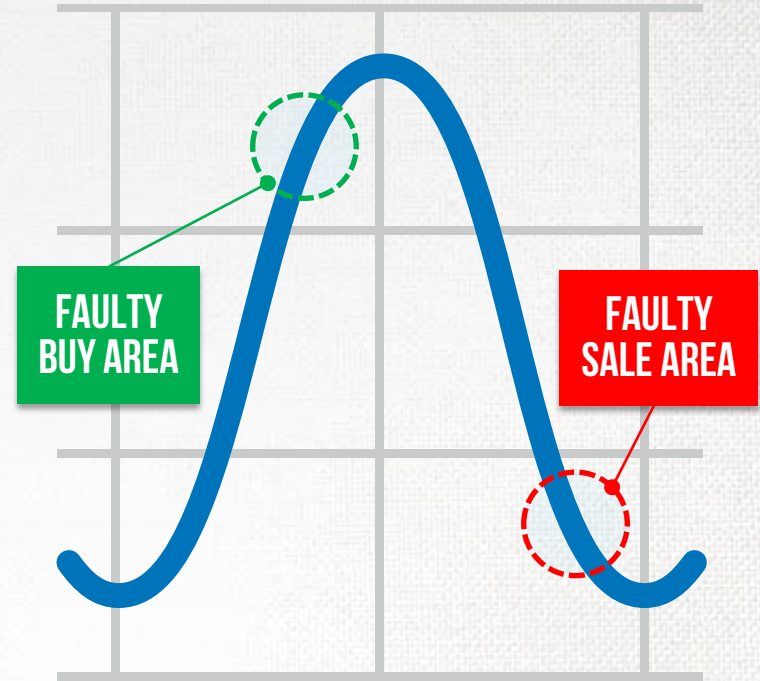


THE ATOM: T3'S MASTER TRADER KEY #1

THE ONLY WAY TO LOSE

IMPORTANT

There is only one way to lose. If a trader thoroughly understands the only error that leads to losing, he will be more prone to avoid it.



THE ATOM: T3'S MASTER TRADER KEY #1

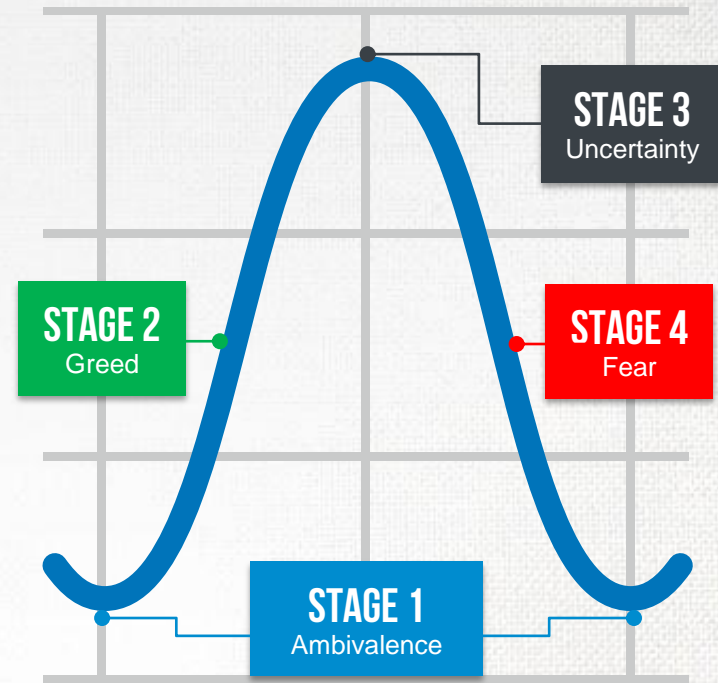
STAGES 1 THROUGH 4

A stock, or any market, can only be in one of the 4 stages at any given time. Note: A stock can, however, be in different stages in different times frames.

Identifying which stage a stock is in is vital to successful trading. It helps to reduce losing trades, and adds a quality to one's decision making that is unrivaled.

NOTE:

T3 Trained Traders (T3TTs) never place trades without first knowing in which stage those trades are being done.



THE ATOM: T3'S MASTER TRADER KEY #1

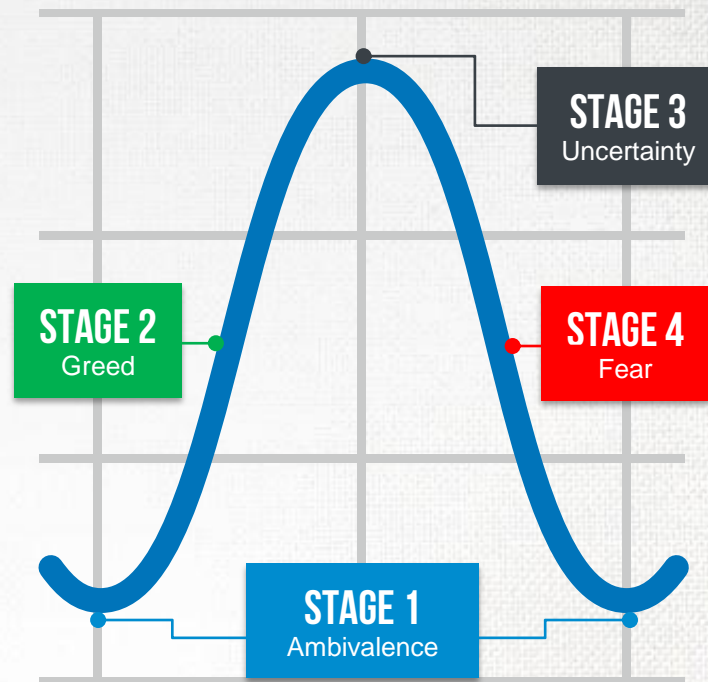
STAGES 1 THROUGH 4

The T3TT will make most of their big profits during Stage 2 and Stage 4. Note: Core Trading and T3 Pyramiding are styles that work best in Stages 2 and 4.

Keep in mind that each stage calls for a specific trading strategy.

NOTE:

The T3TT has Stage 1 tools, Stage 2 tools, Stage 3 tools and Stage 4 tools.



THE ATOM: T3'S MASTER TRADER KEY #1

STAGES 1 THROUGH 4

All a trader needs to do is learn how to handle himself in each of the 4 stages.

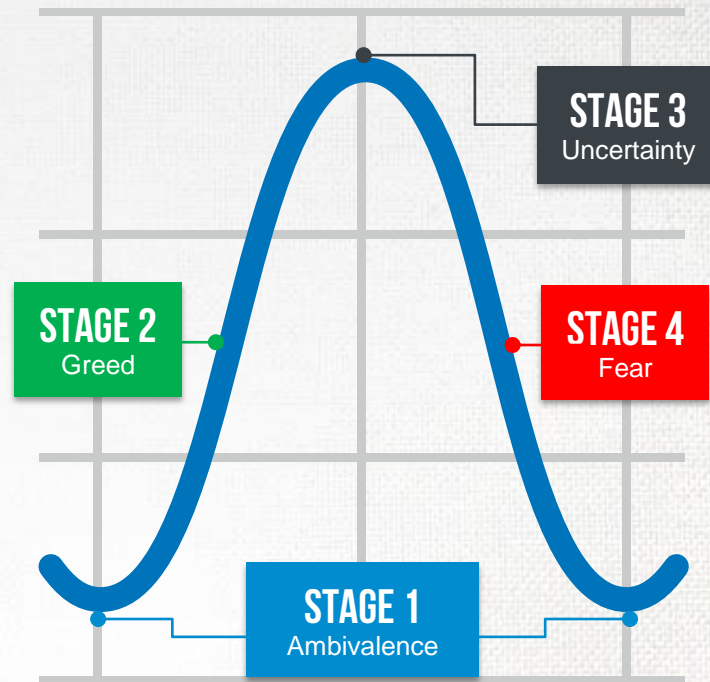
NOTE:

The T3TT who knows how to handle himself in all 4 stages has about 85% of the market's activity covered.

The T3TT trades with the flow of each stage 90%+ of the time.

NOTE:

Using the appropriate trading tools and tactics, the T3TT only goes against the flow of each stage roughly 10% of the time.





QUIZ SECTION 3

1. Where does the big picture come from?
 - a. The nucleus
 - b. Protons
 - c. Neutrons
 - d. The Atom
2. What is the purpose of the Atom?
 - a. To confuse us about where price is going
 - b. To explain how stocks evolve
 - c. To prevent us from being confused about price action and not knowing what to do
 - d. Both A and B
3. At a minimum, what percentage of trading losses can be attributed to trading against or being on the wrong side of the trend?
 - a. 60%
 - b. 75%
 - c. 80%
 - d. 100%
4. How many stages make up the Atom?
 - a. 1
 - b. 2
 - c. 4
 - d. 7
5. What are the 4 distinct emotions associated to the stages?
 - a. Ambivalence, Greed, Indecision, Fear
 - b. Happy, Silly, Tired, Scared
 - c. Anxious, Impatient, Annoyed, Eager
 - d. None of the above
6. Stage 1 back to Stage 1 can span over?
 - a. Years
 - b. Months
 - c. Days
 - d. Minutes
 - e. All of the above



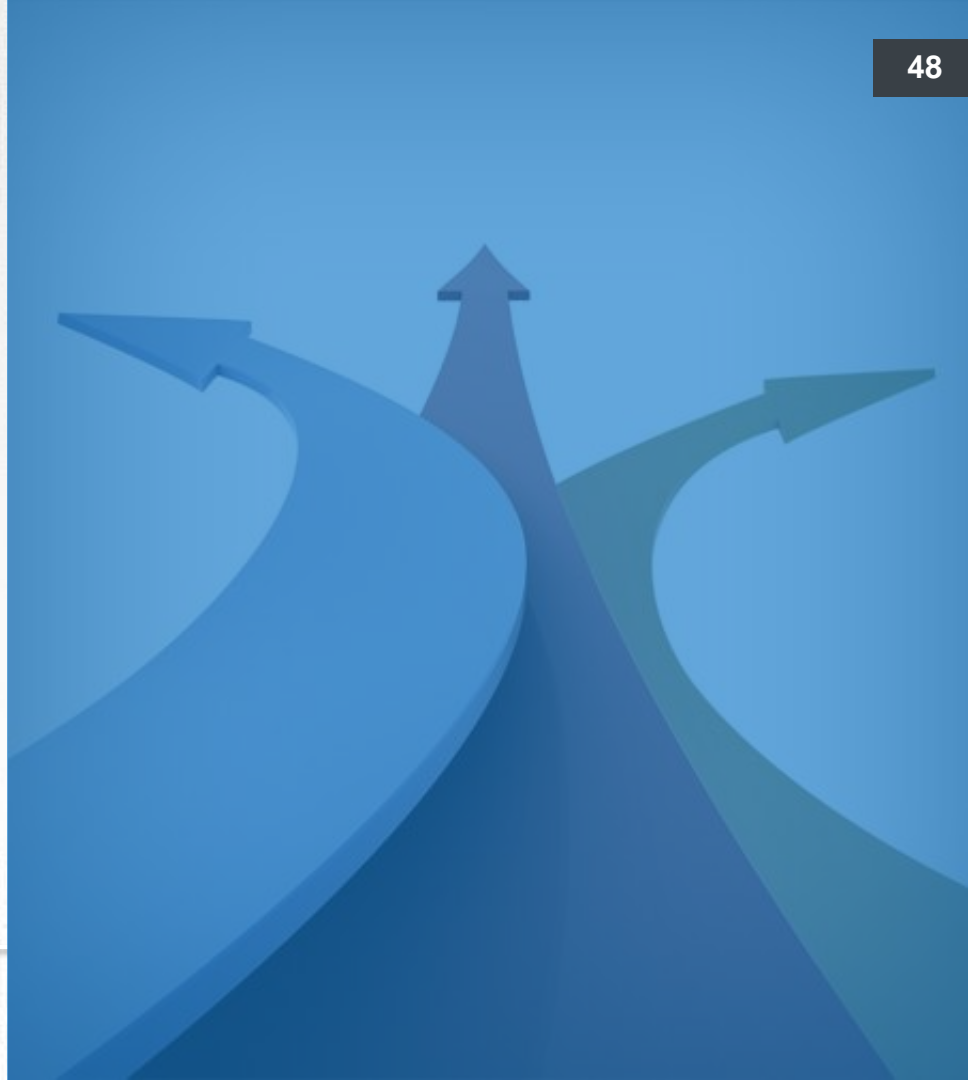
QUIZ SECTION 3

7. Stage 3 tends to be?
 - a. Narrow and thin
 - b. Friendly and inviting
 - c. Wide and whippy
 - d. Trending and clean
8. What should you be focused on doing in stages 1 & 3?
 - a. Buying only
 - b. Both Buying and Selling
 - c. Selling only
9. Although there are 4 stages, how many primary trends are there?
 - a. 1
 - b. 3
 - c. 7
 - d. 4
10. Using the appropriate trading tools and tactics, what percentage of the time at most (roughly) should you be going against the trend?
 - a. 90+%
 - b. 10%
 - c. 50%
 - d. None of the above

SECTION 4

THE 3 DIRECTION: MASTER KEY #2

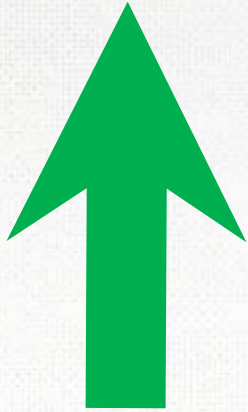
- **THE ONLY THREE DIRECTIONS**
- **STAGES TWO AND FOUR**
- **STAGES ONE AND THREE**



THE ONLY 3 DIRECTIONS

T3'S MASTER TRADER KEY #2

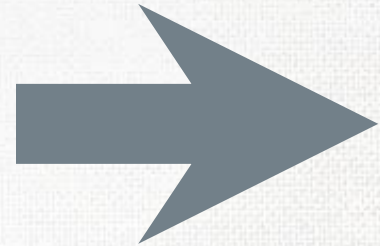
THE PRICE OF A STOCK CAN ONLY:



GO UP



GO DOWN



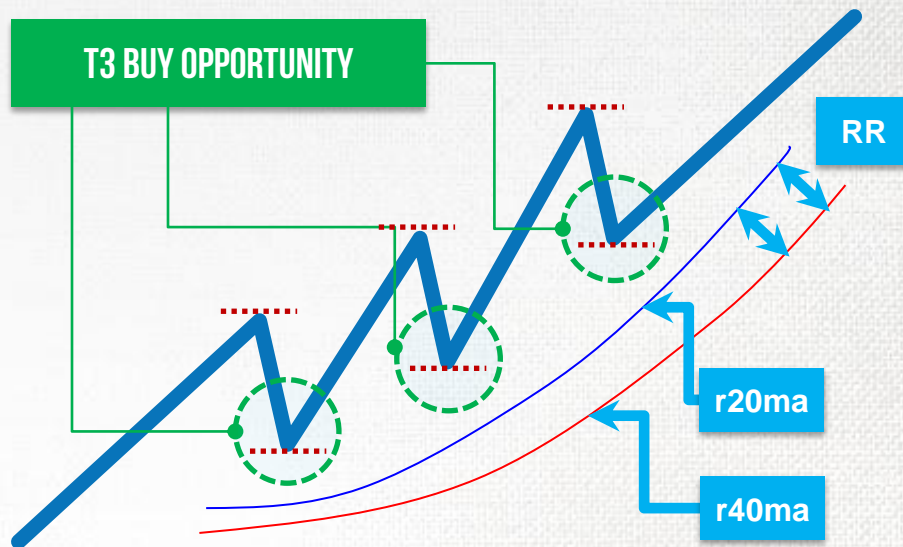
OR GO SIDeways

STAGE 2: THE UPTREND

DEFINITION

- higher pivot highs
- higher pivot lows
- a rising 20-period moving average (r20ma)
- a rising 40-period moving average (r40ma)
- a relatively even space in between the r20ma and the r40ma – ‘railroad tracks’

THE UP TREND IS ALSO KNOWN AS STAGE 2



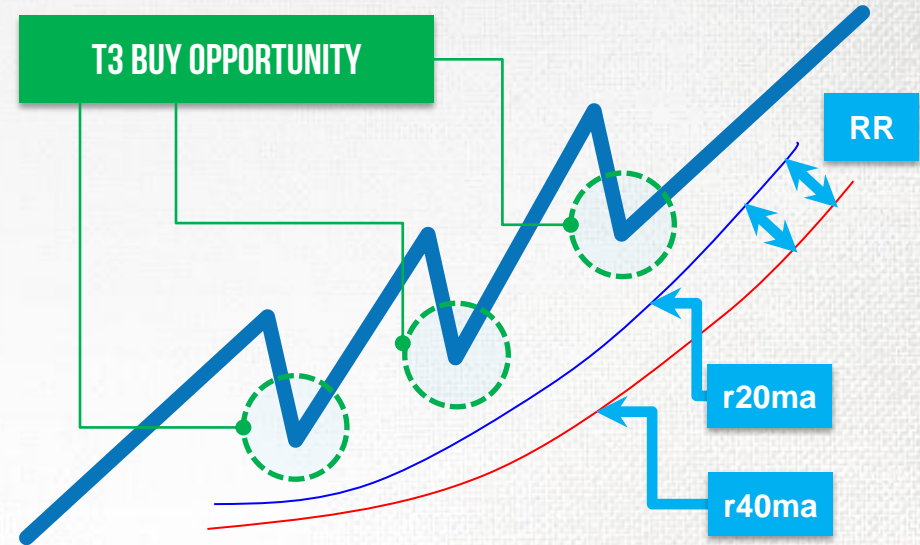
STAGE 2: THE UPTREND

DEFINITION

NOTE:

On smaller time frames the 8ma and 20ma can be used to see the 'railroad tracks'

THE UP TREND IS ALSO KNOWN AS STAGE 2



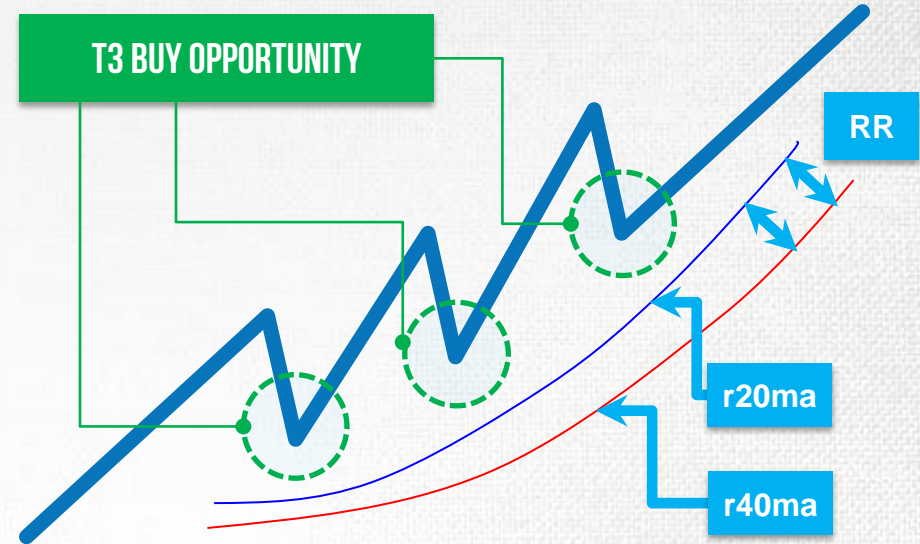
STAGE 2: THE UPTREND

DEFINITION

NOTE:

Once the above T3 Up Trend criteria are met, the T3TT's sole objective is to buy every single dip/pullback and breakout in the Stage 2 Up Trend. Not one should ever escape the T3TT.

THE UP TREND IS ALSO KNOWN AS STAGE 2



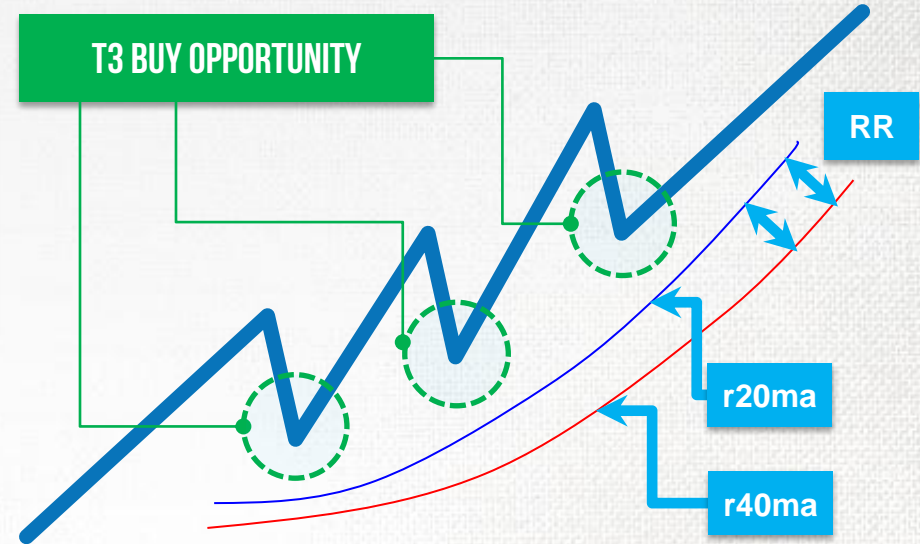
STAGE 2: THE UPTREND

DEFINITION

NOTE:

Scan your Trading Universe to make a list of stocks currently trending in a powerful Stage 2.

THE UP TREND IS ALSO KNOWN AS STAGE 2

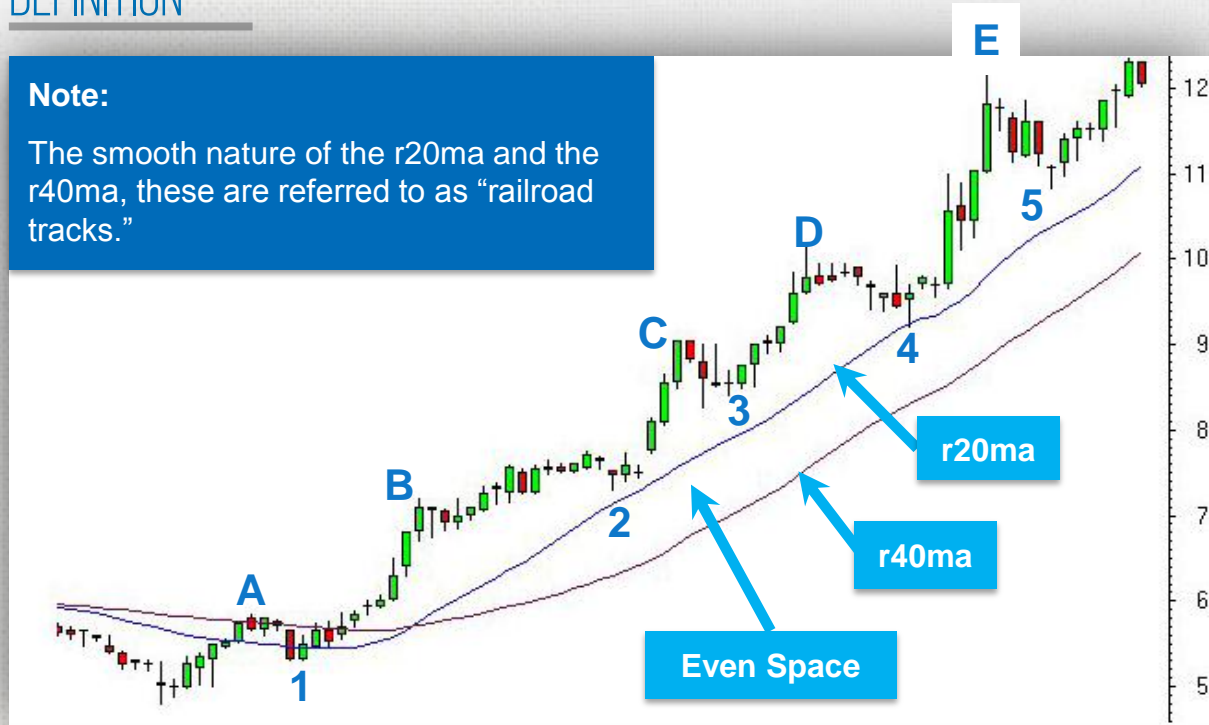


STAGE 2: THE UPTREND

DEFINITION

Note:

The smooth nature of the r20ma and the r40ma, these are referred to as “railroad tracks.”



T3 UPTREND CRITERIA

1	Higher Highs	(A – E)
2	Higher Lows	(1 – 5)
3	Rising 20ma	r20ma
4	Rising 40ma	r40ma
5	Even space between the 20ma & 40ma	(Railroad Track)

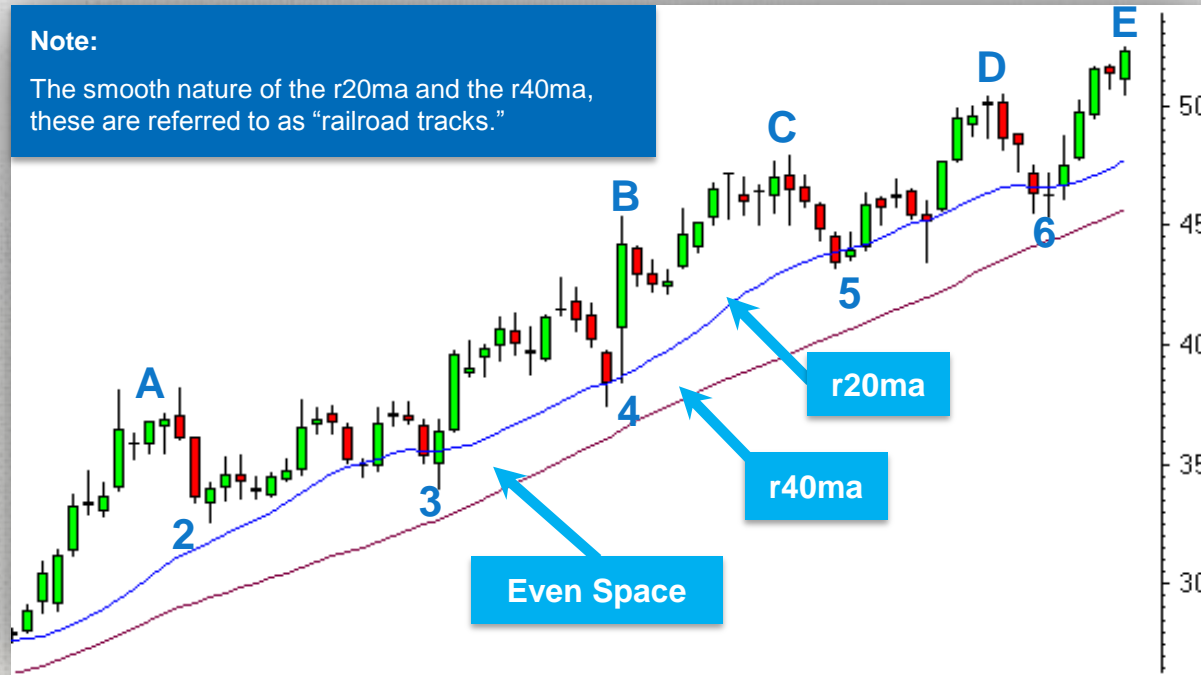
**ALL PULLBACKS
ARE BUYABLE!!**

STAGE 2: THE UPTREND

DEFINITION

Note:

The smooth nature of the r20ma and the r40ma, these are referred to as “railroad tracks.”



T3 UPTREND CRITERIA

1	Higher Highs	(A – E)
2	Higher Lows	(1 – 5)
3	Rising 20ma	r20ma
4	Rising 40ma	r40ma
5	Even space between the 20ma & 40ma	(Railroad Track)

**ALL PULLBACKS
ARE BUYABLE!!**

EXAMPLE

HOW STAGE 2 CAN MAKE MONEY

A Play from our T3 Method Black Room
(our real time trading room)

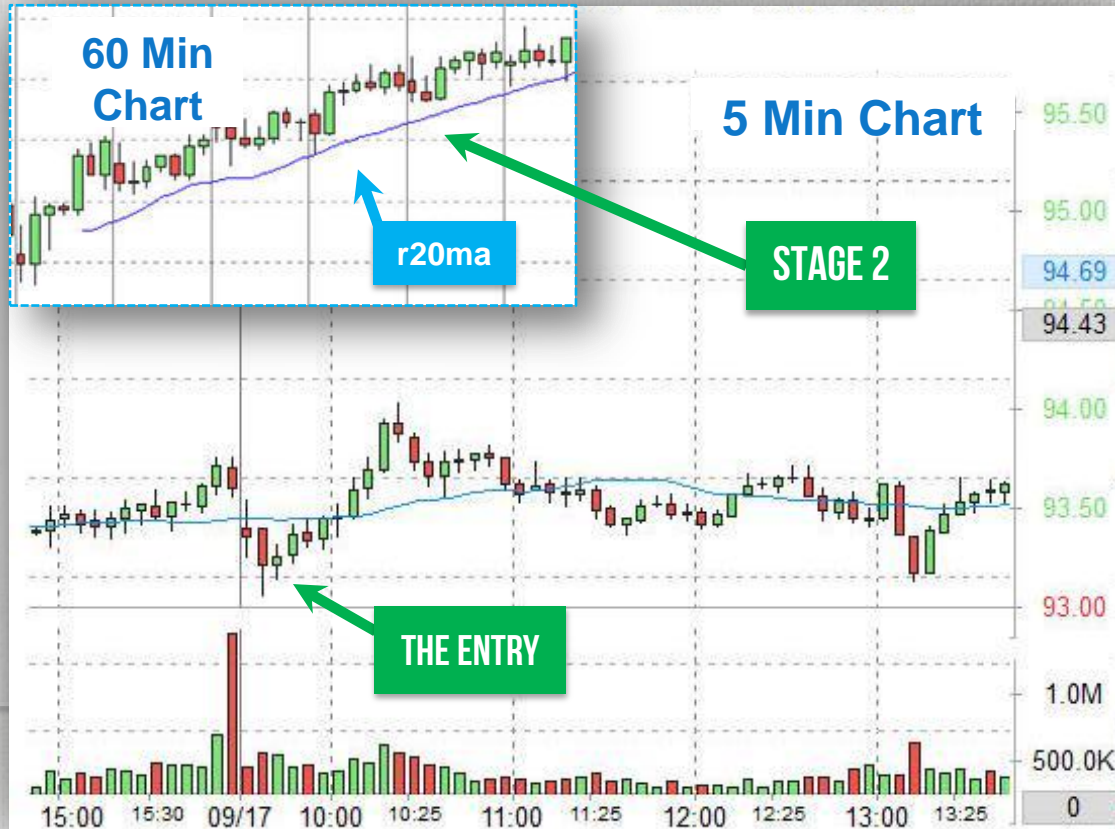
ALONG PLAY...

ENTRY	STOP	TARGET1	TARGET2	TARGET3
93.15	92.80	93.45	93.59	93.84

OVER \$1,700 GROSS PROFIT

Bases on \$1,000 risk...

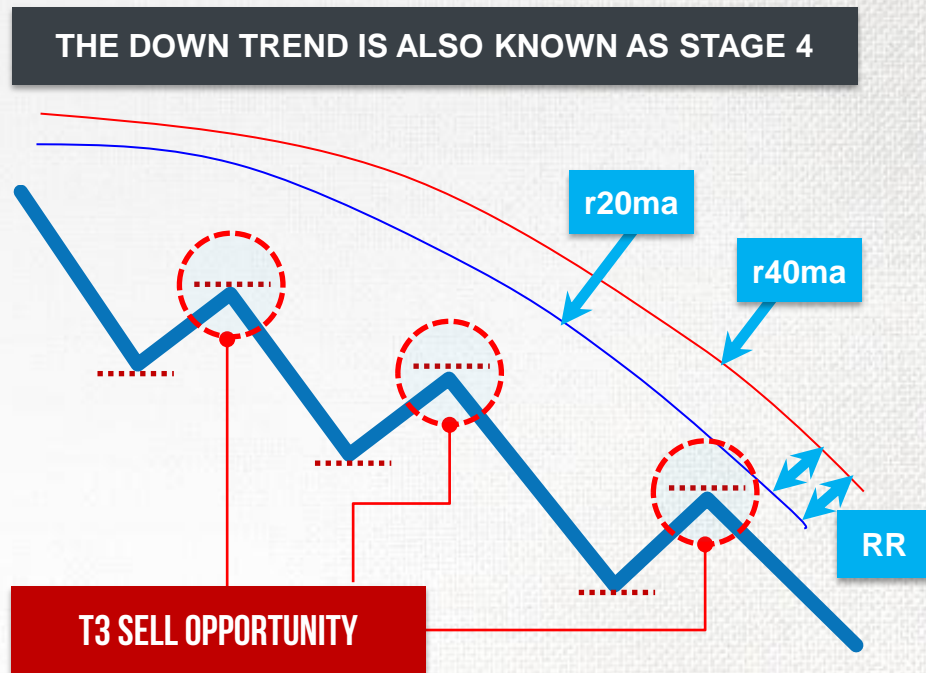
Stage 2 sets shows strong patterns of buying and when combined with the proper entry can make powerful moves that translate to money



STAGE 4: THE DOWNTREND

DEFINITION

- lower pivot highs
- lower pivot lows
- a declining 20-period moving average (d20ma)
- a declining 40-period moving average (d40ma)
- a relatively even space in between the d20ma and the d40ma – ‘railroad tracks’



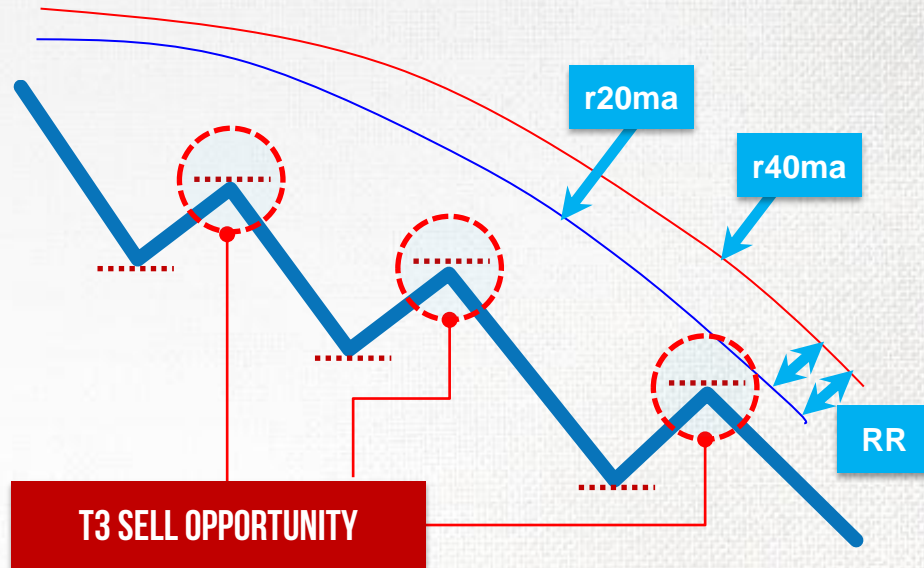
STAGE 4: THE DOWNTREND

DEFINITION

NOTE:

On smaller time frames the 8ma and 20ma can be used to see the 'railroad tracks'

THE DOWN TREND IS ALSO KNOWN AS STAGE 4



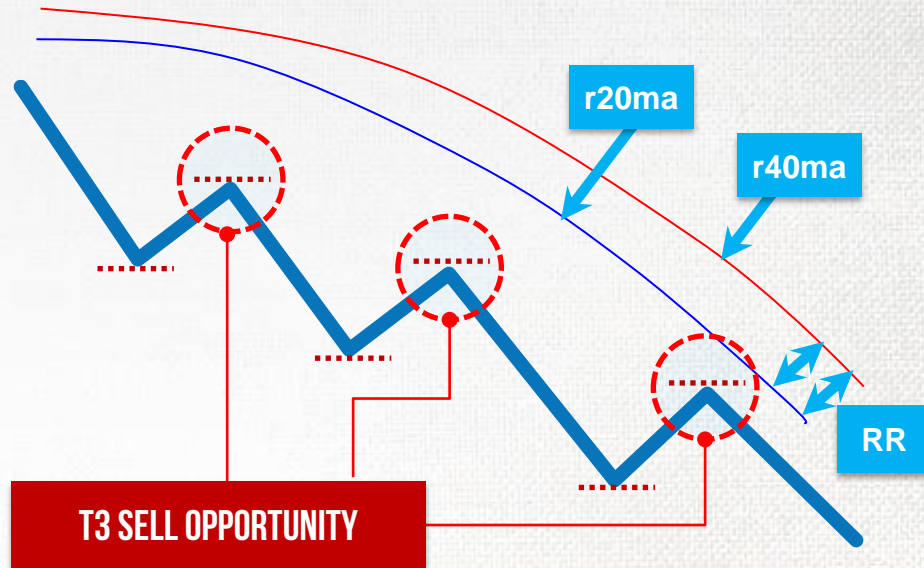
STAGE 4: THE DOWNTREND

DEFINITION

NOTE:

Once the T3 Down Trend criteria are met, the T3TT's sole objective is to sell short every single rally and breakdown in the Stage 4 Down Trend. Not one should ever escape the T3TT.

THE DOWN TREND IS ALSO KNOWN AS STAGE 4



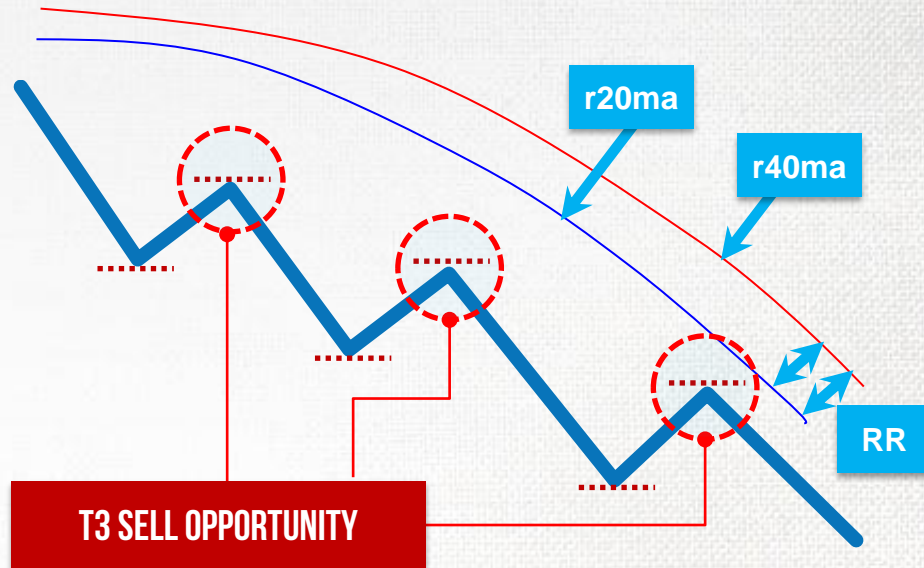
STAGE 4: THE DOWNTREND

DEFINITION

NOTE:

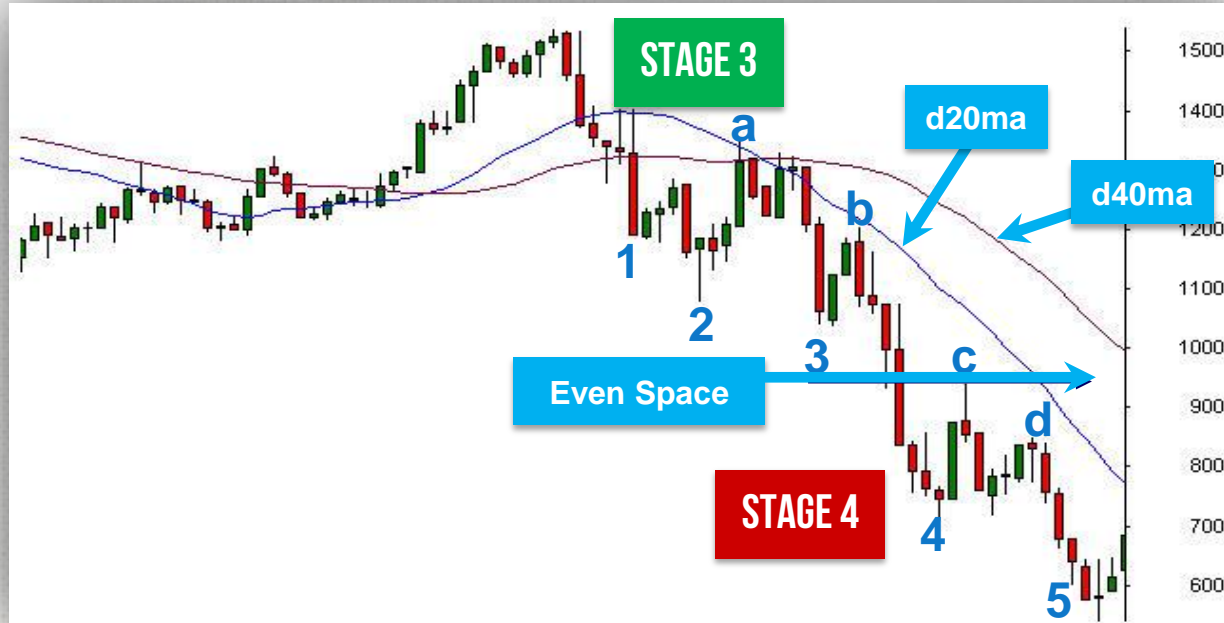
Scan your Trading Universe to make a list of stocks currently trending in a powerful Stage 4.

THE DOWN TREND IS ALSO KNOWN AS STAGE 4



STAGE 4: THE DOWNTREND

DEFINITION



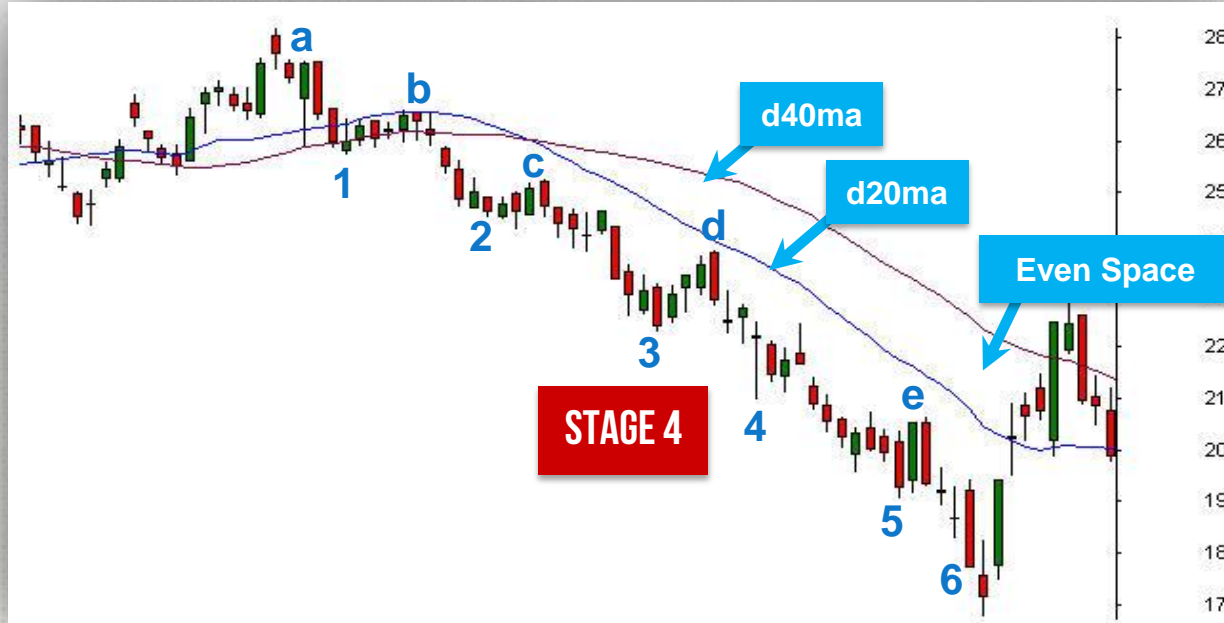
T3 DOWNTREND CRITERIA

1	Lower Highs	(A – E)
2	Lower Lows	(1 – 6)
3	Declining 20ma	d20ma
4	Declining 40ma	d40ma
5	Even space between the 20ma & 40ma	(Railroad Track)

**ALL PULLBACKS
ARE SHORTABLE!!**

STAGE 4: THE DOWNTREND

DEFINITION



T3 DOWNTREND CRITERIA

1	Lower Highs	(A – E)
2	Lower Lows	(1 – 6)
3	Declining 20ma	d20ma
4	Declining 40ma	d40ma
5	Even space between the 20ma & 40ma	(Railroad Track)

**ALL PULLBACKS
ARE SHORTABLE!!**

EXAMPLE

HOW STAGE 4 CAN MAKE MONEY

A Play from our T3 Method Black Room
(our real time trading room)

A SHORT PLAY...

ENTRY	STOP	TARGET 1	TARGET 2
9.37	9.45	9.09	9.11

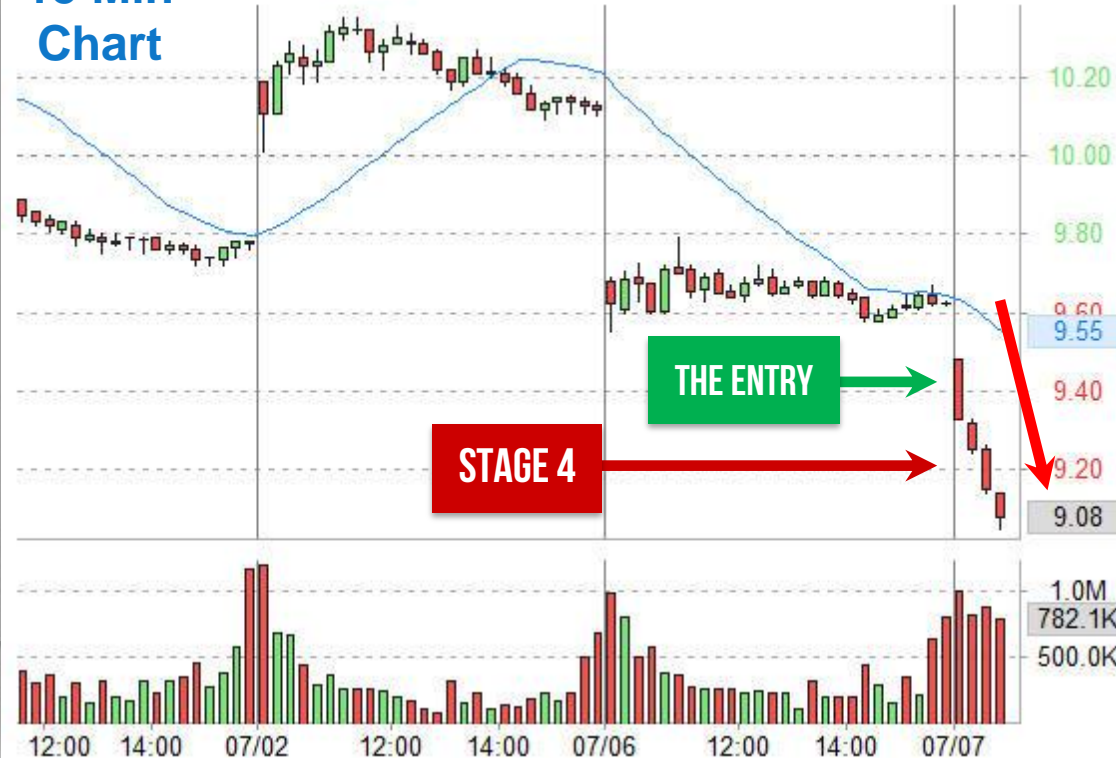
OVER \$2,600 GROSS PROFIT

Bases on \$1,000 risk...

Stage 4 sets shows strong patterns of selling and when combined with the proper entry can make powerful moves that translate to money



15 Min Chart

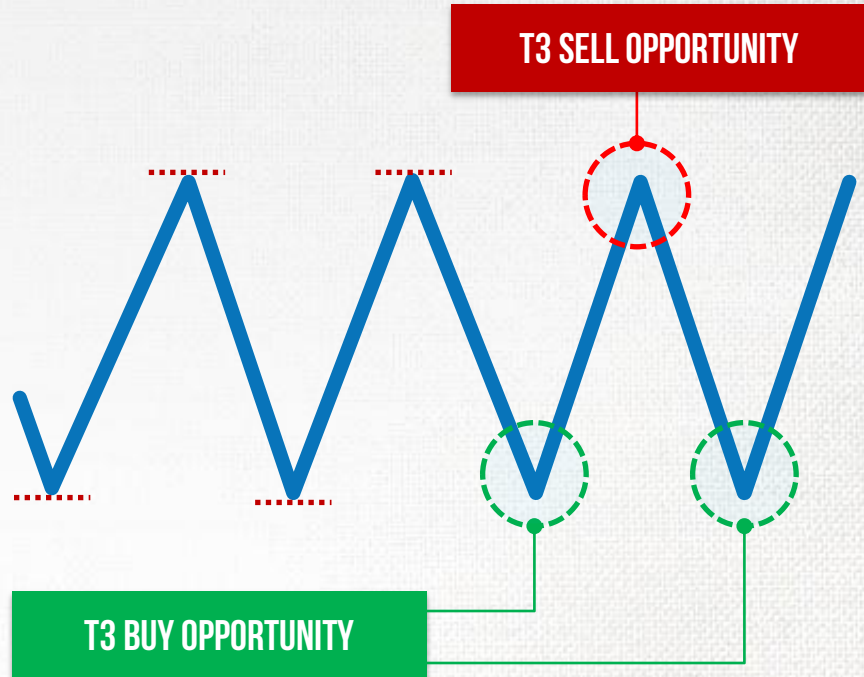


STAGES 1 & 3: THE SIDEWAYS TREND

DEFINITION

A series of “relatively” equal highs and lows.

THE SIDEWAYS TREND IS ALSO KNOWN AS
STAGE 1 & STAGE 3



STAGES 1 & 3: THE SIDEWAYS TREND

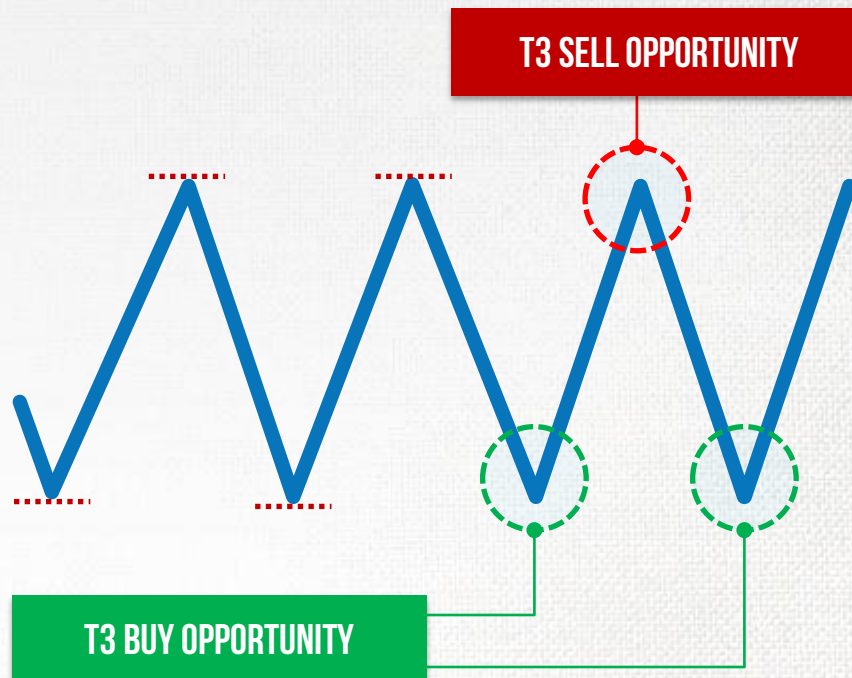
DEFINITION

A series of “relatively” equal highs and lows.

THE SIDEWAYS TREND IS ALSO KNOWN AS
STAGE 1 & STAGE 3

NOTE:

The T3TTs objective is to buy the dips and sell/short the rallies in a Sideways Trend.



STAGES 1 & 3: THE SIDEWAYS TREND

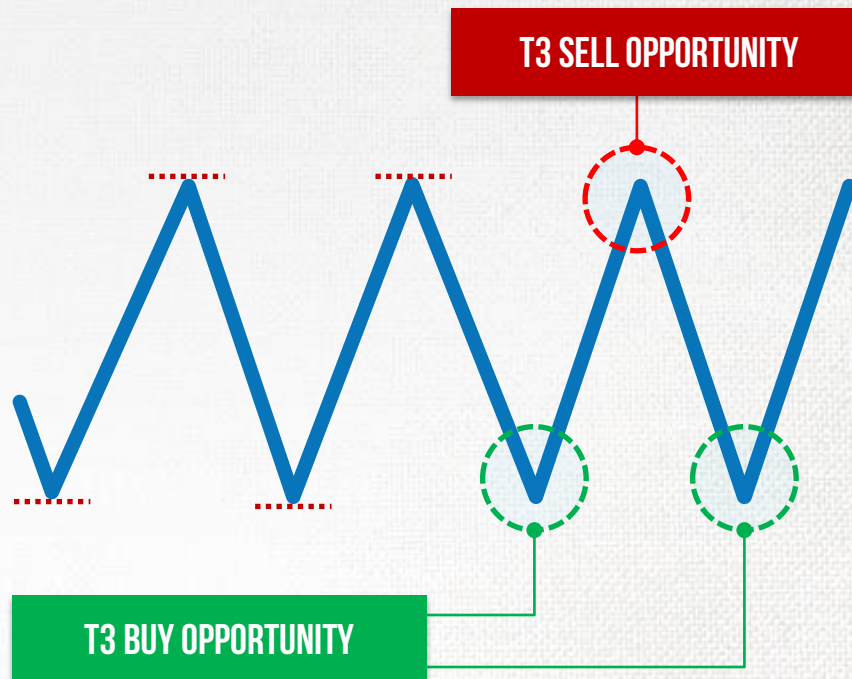
DEFINITION

A series of “relatively” equal highs and lows.

THE SIDEWAYS TREND IS ALSO KNOWN AS
STAGE 1 & STAGE 3

NOTE:

In a Stage 1, the T3TT is more prone to buy the dips than sell the rallies. In a Stage 3, the T3TT is more prone to sell the rallies than buy the dips. Why?



STAGES 1 & 3: THE SIDEWAYS TREND

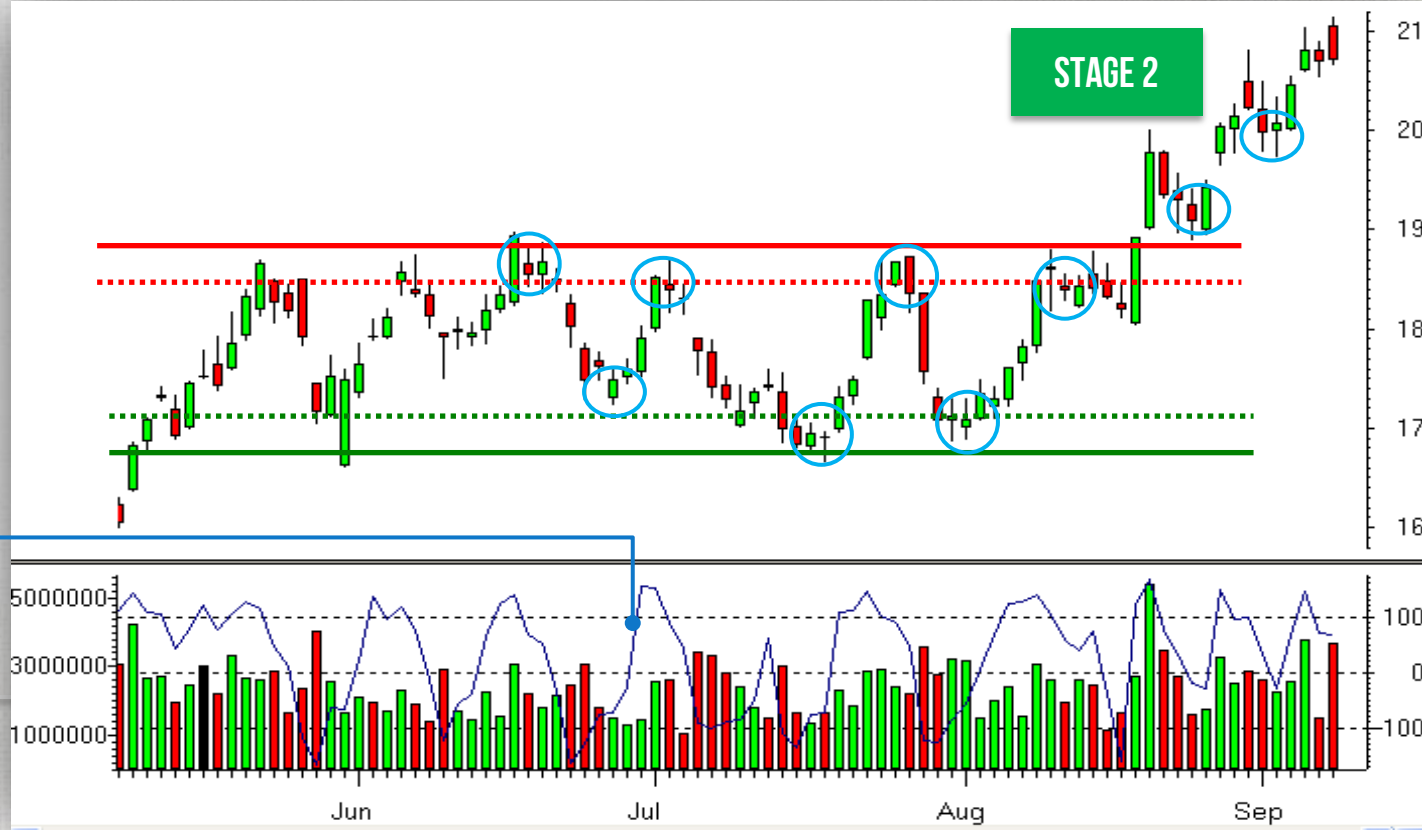
DEFINITION

NOTE:

Every Sideways Trend eventually breaks out or breaks down. In this case, a breakout is what materialized, resulting in a move to a Stage 2 Up Trend.

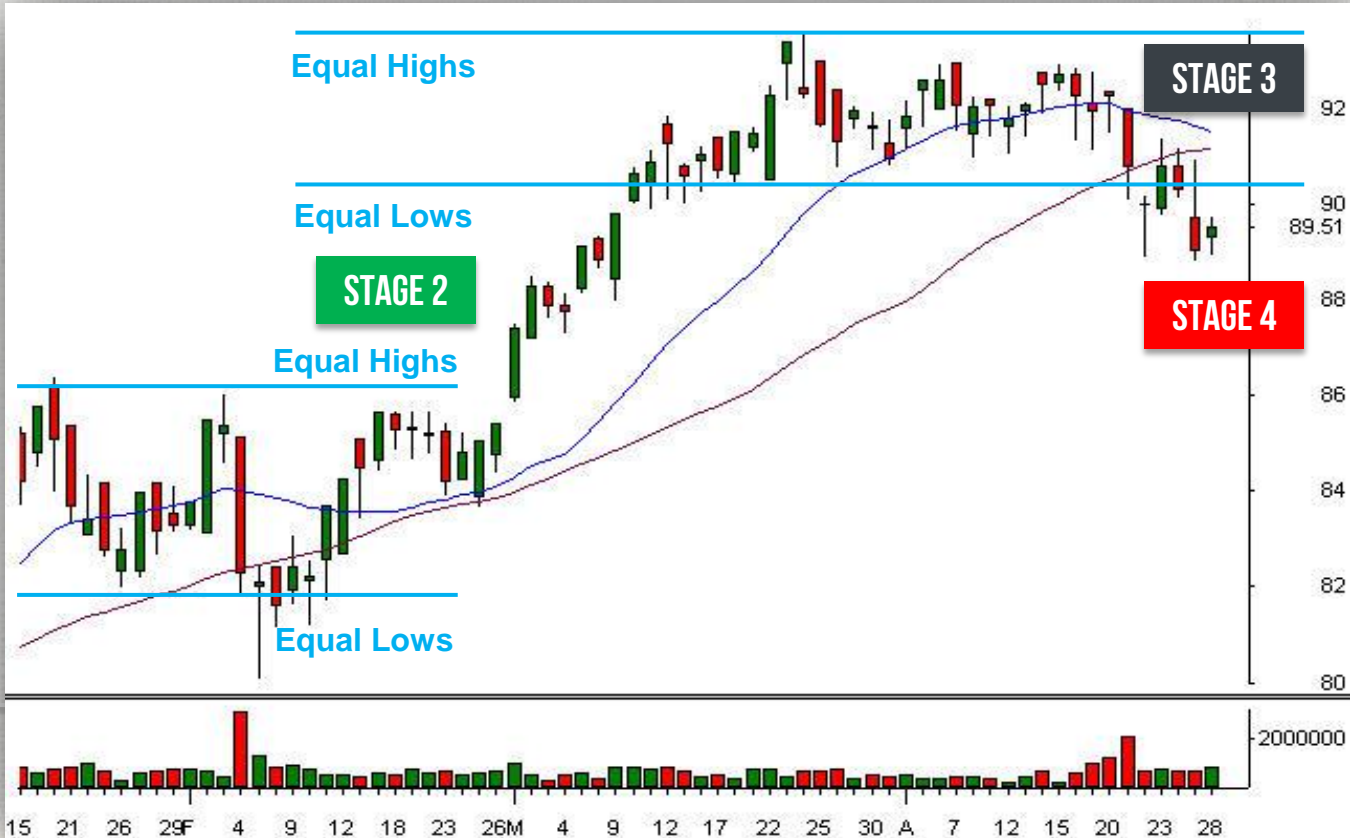
NOTE:

Notice the Oscillator below. Do we need it?



STAGES 1 & 3: THE SIDEWAYS TREND

DEFINITION



STAGES 1 & 3: THE SIDEWAYS TREND

DEFINITION



EXAMPLE

HOW STAGE 3 CAN MAKE MONEY

A Play from our T3 Method Black Room
(our real time trading room)

A LONG PLAY...

ENTRY	STOP	TARGET 1	TARGET 2
63.12	62.90	63.60	63.83

OVER \$2,400 GROSS PROFIT

Bases on \$1,000 risk...

Stage 3 creates a sideways pattern that can create major support and resistance areas and when combined with the proper entry can make powerful moves that translate to money



15 Min Chart





QUIZ SECTION 4

1. The price of a stock (or any financial instrument) can only go up, down, or sideways?
 - a. True
 - b. False
2. All are characteristics of a Stage 2 uptrend, except:
 - a. Higher pivot highs
 - b. Higher pivot lows
 - c. Even space between rising 20sma and 40sma
 - d. 20ma below the 40sma
3. All pullbacks and breakouts are buyable in a stage 2.
 - a. True
 - b. False
4. All are characteristics of a Stage 4 downtrend, except:
 - a. Lower pivot highs
 - b. Higher lows
 - c. Declining 20sma
 - d. Declining 40sma
5. On smaller timeframes which moving average can be used in place of the 40sma?
 - a. 6sma
 - b. 8sma
 - c. 10sma
 - d. 10ema
6. Within Stages 1 & 3 our objective is to buy the rallies and sell short the dips.
 - a. True
 - b. False*



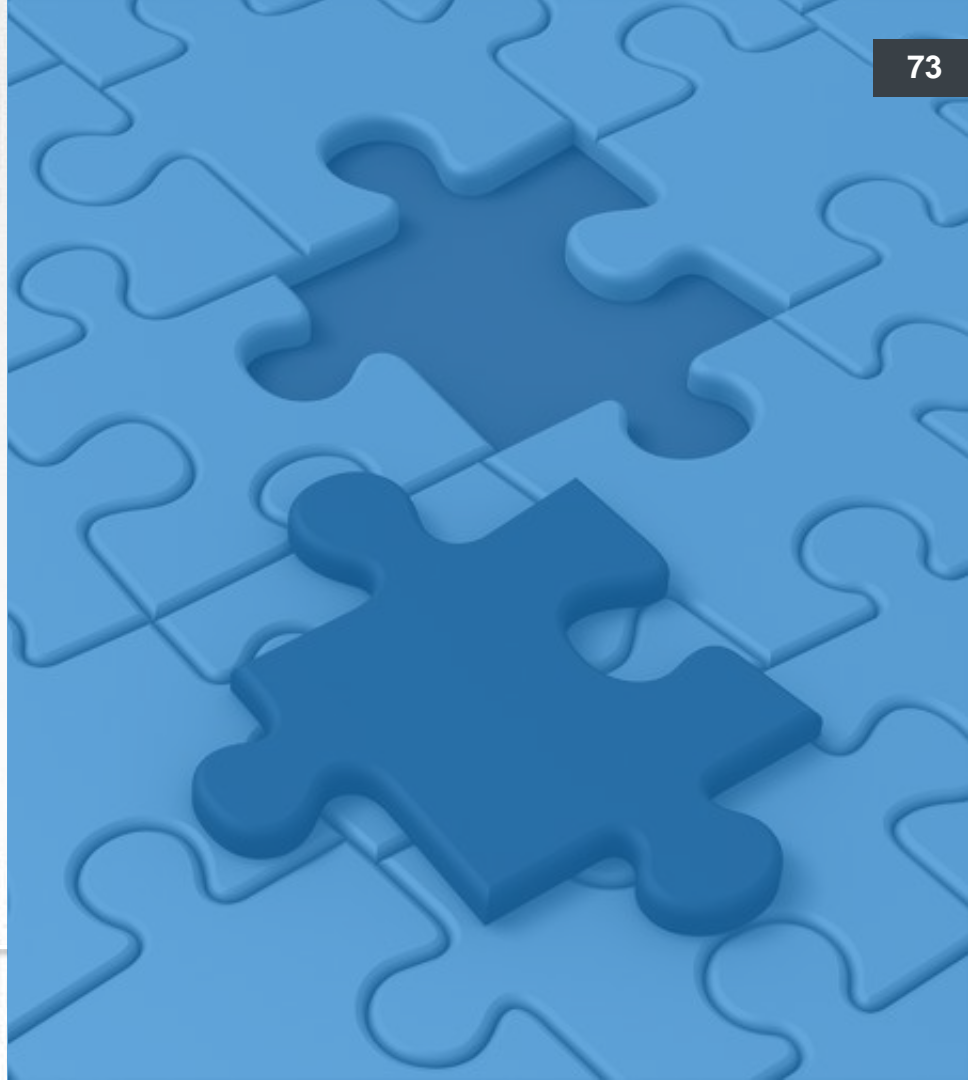
QUIZ SECTION 4

7. Why should we be more prone to buying dips in a Stage 1?
 - a. Because the next stage will be Stage 2
 - b. Because all traders tend to be more bullish than bearish
 - c. Because all stocks eventually move higher
 - d. None of the above
8. Following a sideways trend, price can only go up or down.
 - a. True
 - b. False
9. A sideways trend is defined by:
 - a. Higher highs with equal lows
 - b. Lower lows with equal highs
 - c. Relatively equal highs and lows
 - d. Contracting volatility
10. Most of your money will be made trading in which Stage(s)?
 - a. Stage 1
 - b. Stages 2 & 4
 - c. Stages 1 & 3
 - d. Stage 3

SECTION 5

PUTTING IT ALL TOGETHER

- **COMBINING THE MASTER KEYS**
- **BASES — PAUSES AND REVERSALS**
- **TRANSITIONS**
- **THE ONLY SEVEN THINGS THAT CAN HAPPEN**

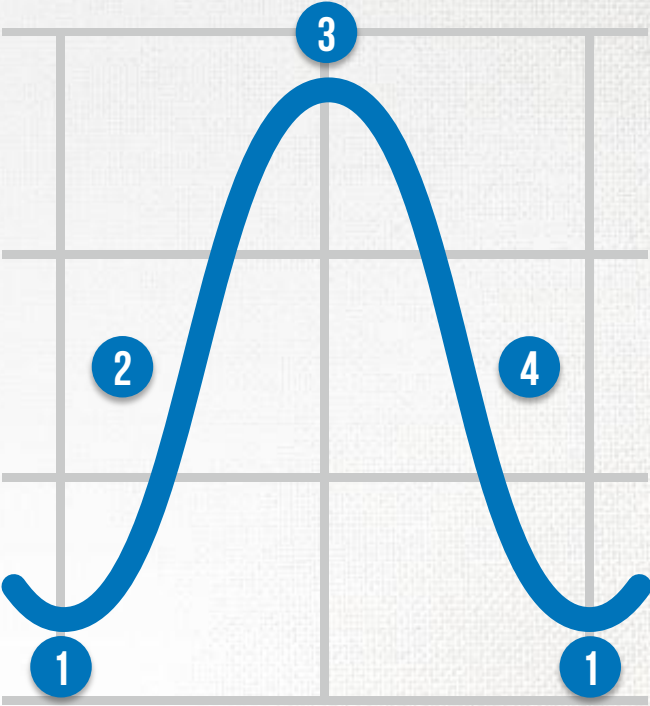


THE ATOM: T3'S MASTER TRADER KEY #1

PUTTING IT ALL TOGETHER

There is only one Cycle or movement a stock can make. We call this the Unit or Atom.

This Cycle is largely comprised of 4 stages (1, 2, 3 & 4).

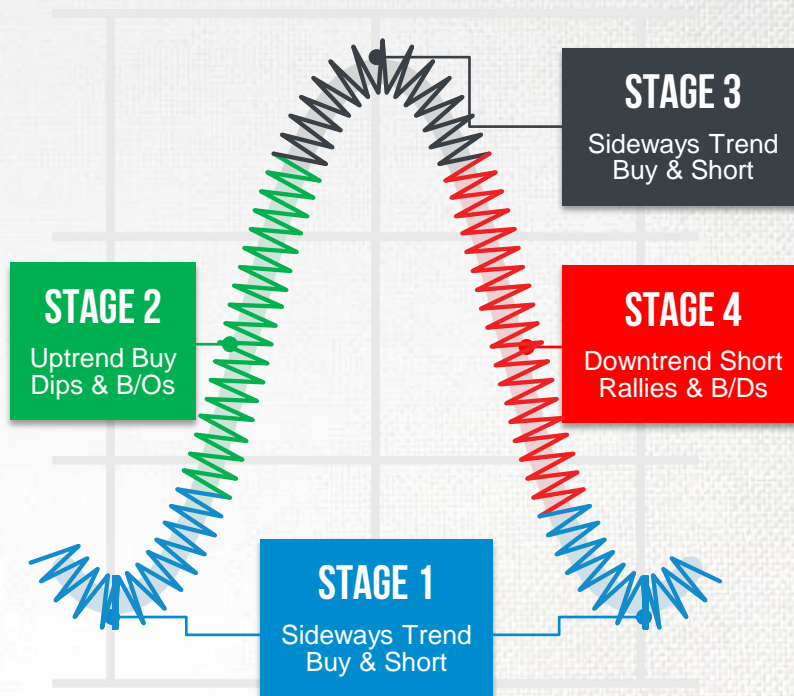


COMBINING MASTER TRADER KEYS I & II

PUTTING IT ALL TOGETHER

These 4 stages are made up of 3 primary trends (Up, Down & Sideways).

Each trend should have its own matching trading actions.



COMBINING MASTER TRADER KEYS I & II

PUTTING IT ALL TOGETHER

AND CONSIDER THIS...

While Stage 1-2-3-4 can occur inside a macro Stage 2, the entire 'Atom' can develop a longer Stage 2 and a shorter Stage 4 resulting on a Stage 2 on yet a bigger time frame...



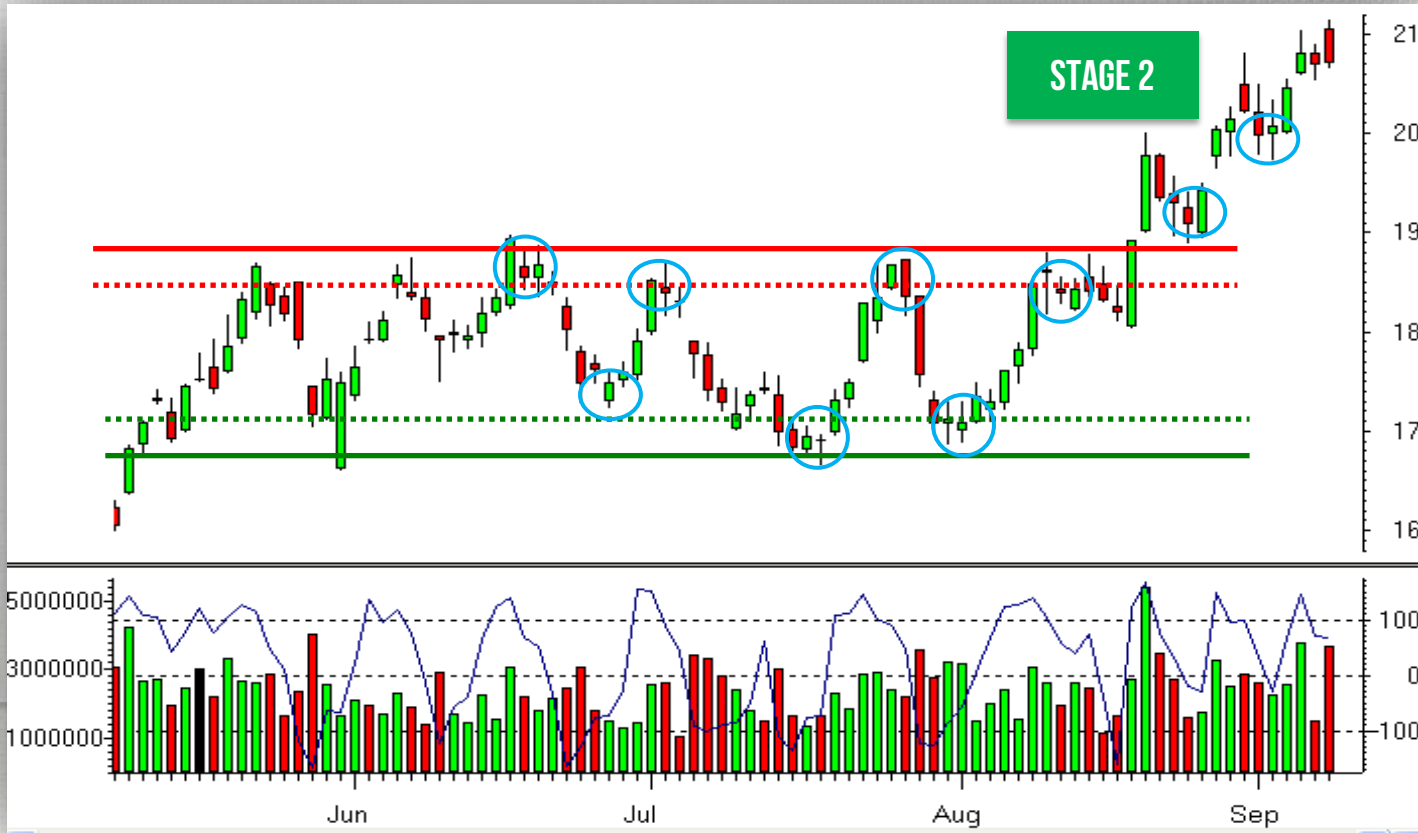
COMBINING MASTER TRADER KEYS I & II

PUTTING IT ALL TOGETHER

NOTE:

Note on this chart, was this sideways base a Stage 1 or a Stage 3? Can you tell?

We will be discussing the 'other' option for a sideways trend now...



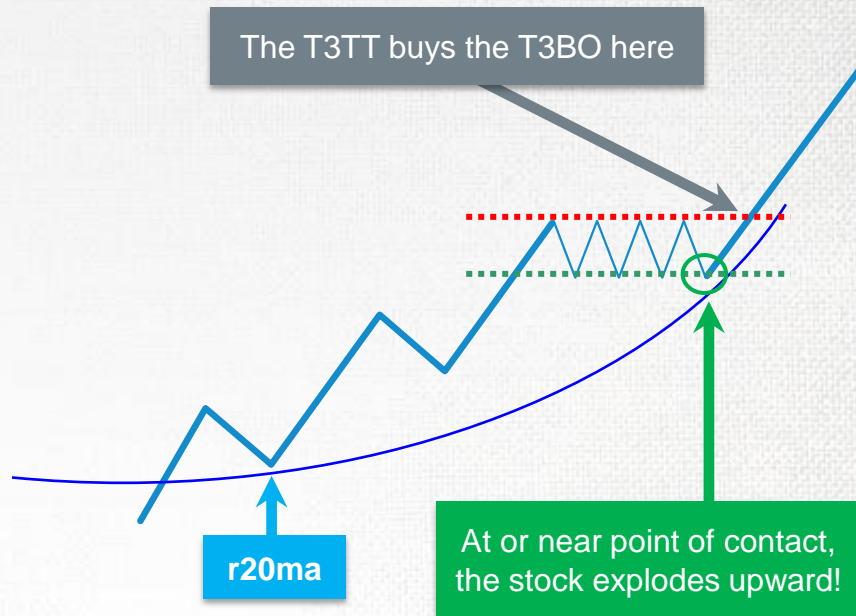
THE BULLISH “PAUSE” THAT REFRESHES*

THE SIDEWAYS TREND KNOWN AS THE PAUSE THE REFRESHES (PTR)

It can be confusing at times determining whether a sideways price pattern is a topping Stage 3, which will eventually evolve into an ugly Stage 4, or just a pause or sideways consolidation in the context of an ongoing major Stage 2.

Often times, a stock will rest (work off steam) by correcting sideways, not downward.

*Reverse for the Bearish Pause



EXAMPLE

HOW A PTR CAN MAKE MONEY

A Play from our T3 Method Black Room
(our real time trading room)

ALONG PLAY...

ENTRY	STOP	TARGET1	TARGET2	TARGET3
12.50	12.42	12.67	12.84	12.93

OVER \$3,100 GROSS PROFIT

Bases on \$1,000 risk...

The PTR (Pause That Refreshes) creates a sideways pattern that that is just a 'rest' in a Stage 2 and when combined with the proper entry can make powerful moves that translate to money

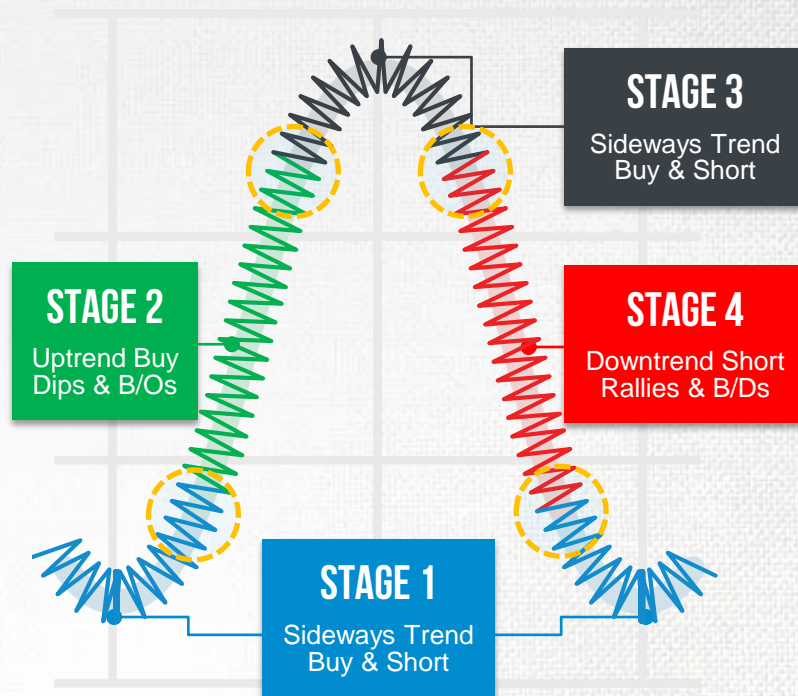


COMBINING MASTER TRADER KEYS I & II

PUTTING IT ALL TOGETHER

The 4 stages are divided by or linked by 4 Transitional Phases.

The 4 Transitional phases tend to be the most difficult periods to trade.

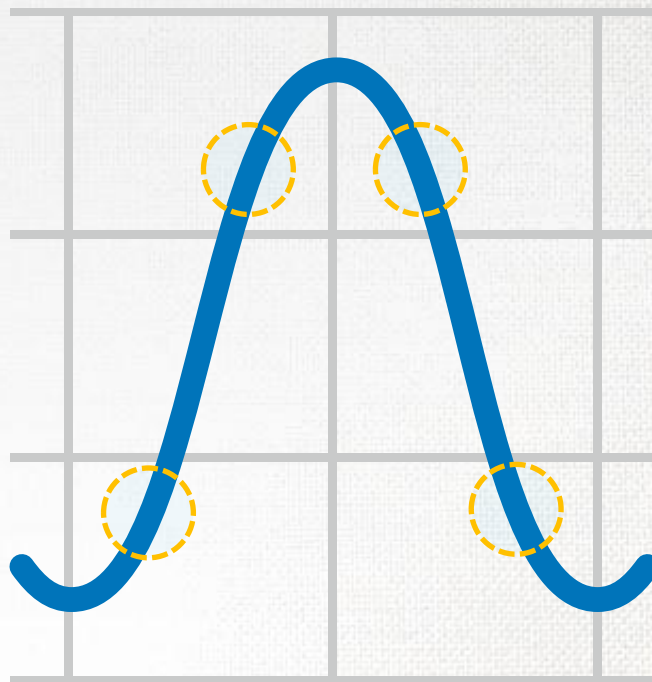


COMBINING MASTER TRADER KEYS I & II

PUTTING IT ALL TOGETHER

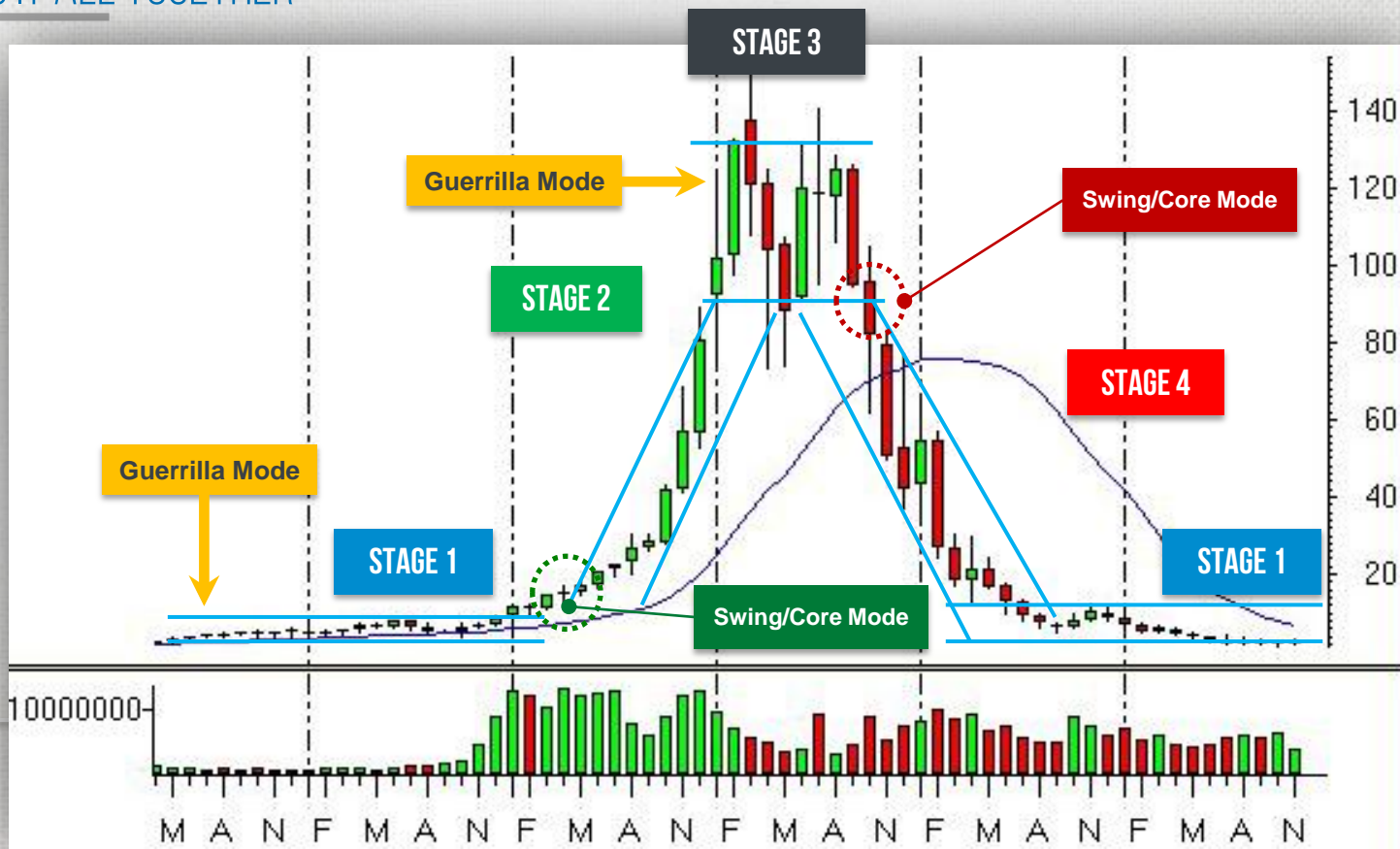
The uncertainty of these Transitional Phases tends to produce whippy and erratic moves but also provides some of the most powerful ones!

The highest degree of market mastery will be obtained when the trader learns how to handle the transitional phases as well as the 4 dominant stages.



COMBINING MASTER TRADER KEYS I & II

PUTTING IT ALL TOGETHER





QUIZ SECTION 5

- Each stage or trend should have its own matching trading actions.
 - True
 - False
- If price is in a macro Stage 2 which stage would the micro trend be?
 - 1
 - 2
 - 3
 - 4
 - All of the above
- When price goes from being in a Stage 2 uptrend to sideways trend, it is ALWAYS a Stage 3.
 - True
 - False
- What are the 3 types of sideways trends?
 - Bullish, Bearish, and Neutral
 - Professional, Novice, and Continuation
 - Stage 1, Stage 3, and Pause that Refreshes
 - None of the above
- The 4 stages are linked by how many transitional phases?
 - 2
 - 3
 - 1
 - 4

T3'S SEVEN STOCK MARKET EVENTS

THERE ARE ONLY SEVEN THINGS A STOCK OR A MARKET IN GENERAL CAN DO.

There are only three movements possible...

Sideways price action can break up or down...

Uptrends can end and downtrends can end...

Knowing this ensures the trader will be on the right side.

1- UPTREND



2- DOWNTREND



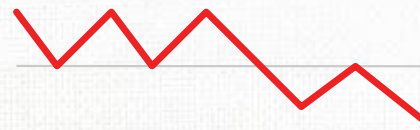
3- SIDEWAYS TREND



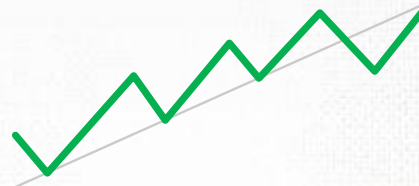
4- BREAKOUT



5- BREAKDOWN



6- UPWARD TREND LINE BREAK

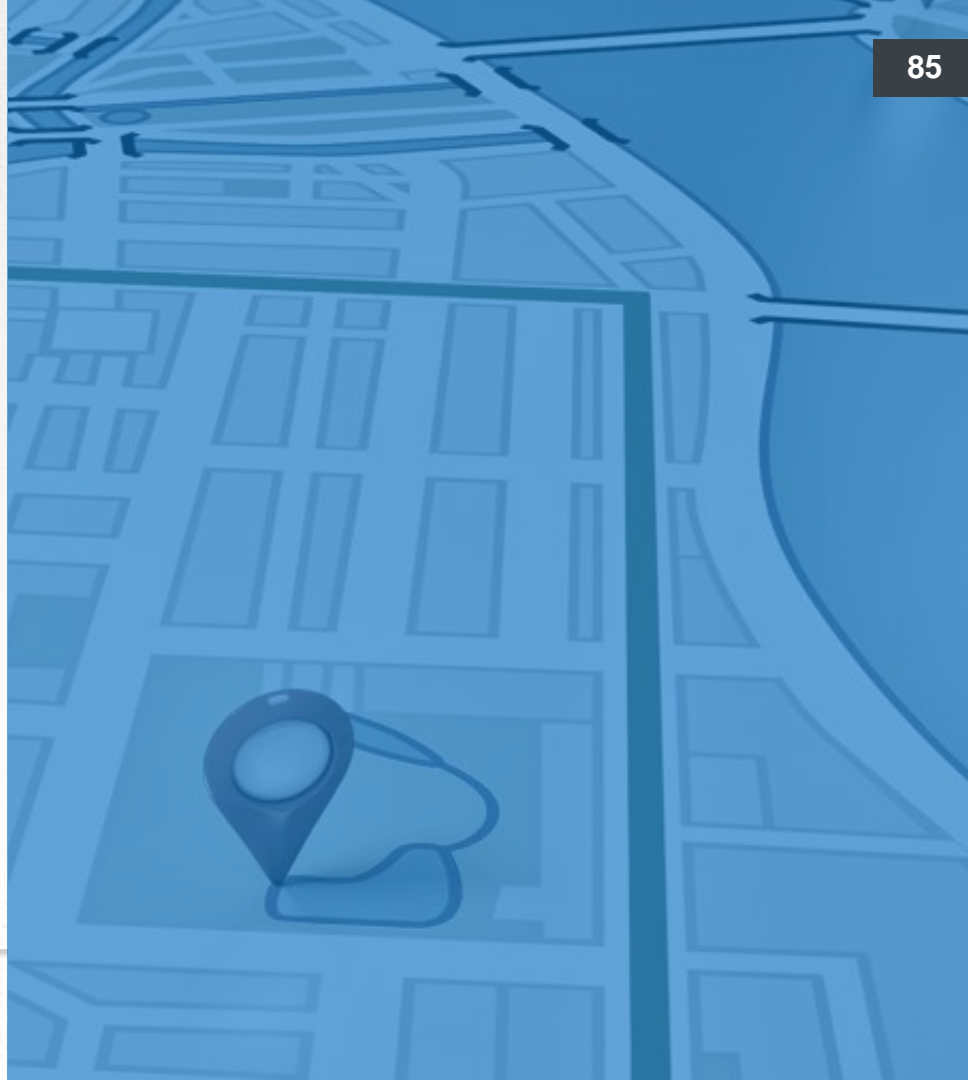


7- DOWNWARD TREND LINE BREAK



SECTION 6

- **WHERE TO GO FROM HERE**



WHERE TO GO FROM HERE



Go out and play in the markets for a while and see these concepts in action, and also determine what your style is.



Do you like day trading, holding overnight, or long term investing or a combination of those?



Do you like trading/investing stocks, or do you like futures or commodities or Forex?



UNLESS you have already done that.



IF YOU HAVE already done that, then decide if you want to learn more advanced concepts on HOW to trade/invest in what you like, or if you want subscriptions that tell you to do or give you ideas what to do?



APENDIX

THE FOLLOWING IS SECTION ONE TO BE A VIDEO LINK ACCESSED ON SLIDE 13

ABBREVIATIONS

Abbrev. Name

-123	Bearish 123 Cont. Guerrilla Play
+123	Bullish 123 Cont. Guerrilla Play
10/10	WRB w/Tails < 10% of Real Body
20/20	WRB w/Tails < 20% of Real Body
+20/20	Bullish 20/20 Guerrilla Play
-20/20	Bearish 20/20 Guerrilla Play
40/60	40/60 Percent Retracement
ANR	Add and Reduce
AON	All or Nothing
BBB	Bar by Bar
BDF	Breakdown Failure
BOF	Breakout Failure
BOM	Beginning of Month
EOM	End of Month
EOD	End of Day
BT	Bottoming Tail
TT	Topping Tail
2T	Double Top
2BT	Double Bottoming Tails
2TT	Double Topping Tails
-BM	Bearish Mortgage Play
+BM	Bullish Mortgage Play
CBS	Climactic Buy Setup
CSS	Climactic Sell Setup

Abbrev. Name

+COG	Bullish Changing of the Guard
-COG	Bearish Changing of the Guard
d20ma	Declining 20 Period Moving Avg.
r20ma	Rising 20 Period Moving Avg.
-DD	Deadly Doji
+DD	Darling Doji
DTL	Down Trend Line
UTL	Up Trend Line
DTLB	Down Trend Line Break
UTLB	Up Trend Line Break
GBI	Green Bar Ignored
RBI	Red Bar Ignored
GnC	Gap and Crap Guerrilla Play
GnS	Gap and Snap Guerrilla Play
-GS	Bearish Gap Surprise Guerrilla
+GS	Bullish Gap Surprise Guerrilla
HH	Higher High
HL	Higher Low
LH	Lower High
LL	Lower Low
MOM	Middle of Month
MR	Major Resistance
mR	Minor Resistance
MS	Major Support

Abbrev. Name

mS	Minor Support
NFT	No Follow Through
NBB	Narrow Body Bar
NRB	Narrow Range Bar
NG	Novice Gap
PG	Professional Gap
T3BD	T3 Breakdown
T3BO	T3 Breakout
T3BS	T3 Buy Setup
PSS	T3 Sell Setup
T3BZ	T3 Buy Zone
T3SZ	T3 Sell Zone
T3CT	T3 Certified Trainer
T3TT	T3 Trained Trader
R&F	Retest and Failure
RT	Reversal Time
SO	Shake Out
SSS	Secondary Sign of Strength
SSW	Secondary Sign of Weakness
TGT	Target
TPM	The T3 Method
-Trap	Bear Trap Guerrilla Play
+Trap	Bull Trap Guerrilla Play
+Vol	Increased Volume
+WRB	Bullish Wide Range Bar
-WRB	Bearish Wide Range Bar

T3'S THREE TRADING TIME FRAMES

USED PRIMARILY FOR STUDIES

The T3 Method® considers three major time-frame groups as follows:

Long-term timeframes

Intermediate-term timeframes

Short-term timeframes

Long-term timeframes

Used for broad studies, cyclical analysis and long-term trading.

Yearly Chart (each bar = approx. 240 trading days)

Used for studies and tests on broad indices like the DJIA & S&P 500

[T3 Live Training Institute Time](#)

Monthly Chart (each bar = approx. 20 trading days)

Used by T3 Trained Traders to find tradable cycles* and long-term trades.

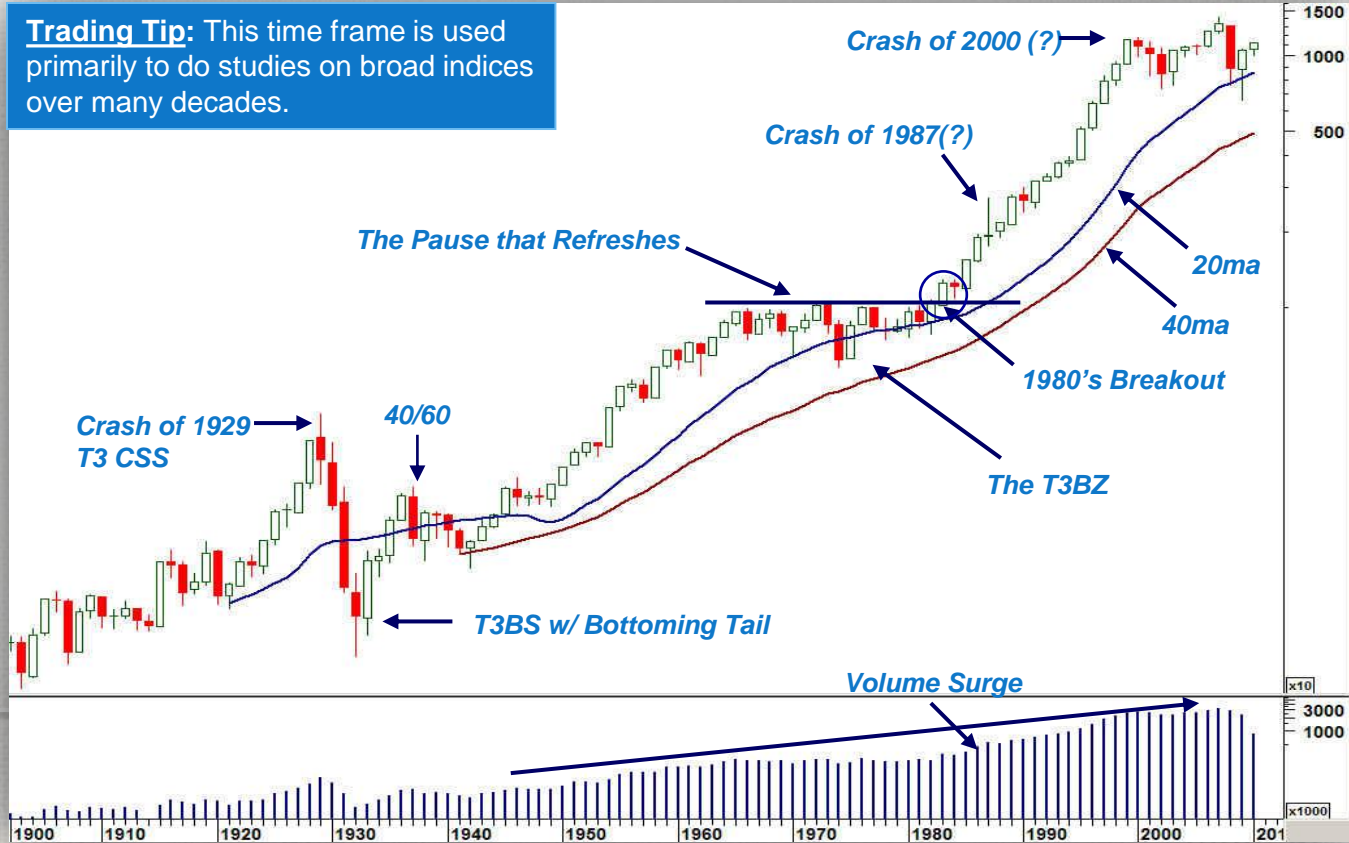
Each month, all stocks in your universe are to be viewed via the monthly chart.

[T3 Live Training Institute Time Frame #2](#)

*Dominant cycles can last for many years. Some of the cycles we have found have lasted more than a decade. Once found, these cycles can offer the long-term trader some incredibly large trading opportunities. It is however important to note that all cycles, even the very dominant ones, do eventually end.

YEARLY CHART OF THE DJIA

Trading Tip: This time frame is used primarily to do studies on broad indices over many decades.



MONTHLY LONG-TERM CHART

Trading Tip: On the last day of each month, the T3 Trained Trader (T3TT) scans through their Trading Universe of monthly charts for T3 Setups.



INTERMEDIATE-TERM

USED PRIMARILY FOR SWING TRADING & CORE TRADING

Weekly Chart (each bar = 5 trading days)

This time frame is visited each week by T3 Trained Swing and Core traders, but is primarily the domain of the Core Trader. Each weekend, all stocks in your Trading Universe should be viewed via the weekly chart. Note: This is where the Core trader will spend 90% of their time and get 85% of their entry and exit signals.

T3 Live Training Institute Time Frame #3

Daily Chart (each bar = 1 full trading day)

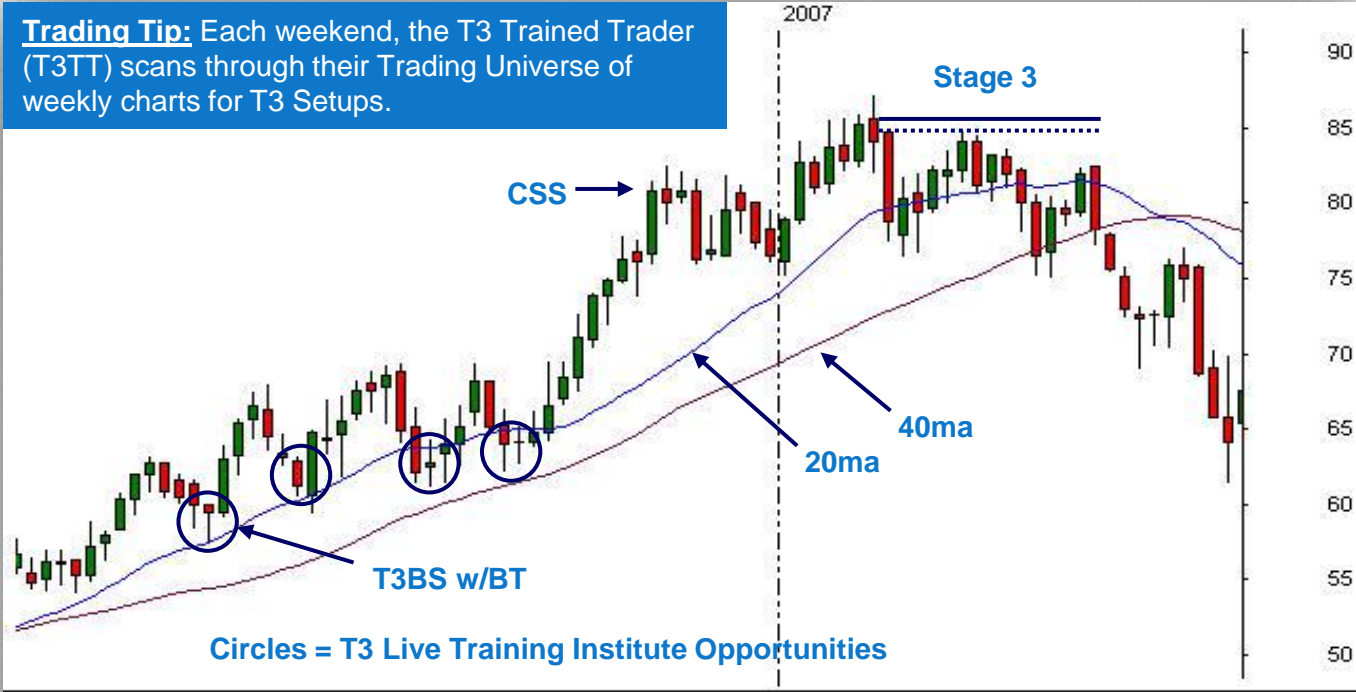
This time frame is visited each day by T3 Trained Intra-day and Swing traders, but is primarily the domain of the Swing trader. Each night, all stocks in your Trading Universe should be viewed via the daily chart. This is where the Swing trader will spend 90% of their time and get 85% of their entry and exit signals.

T3 Live Training Institute Time Frame #4

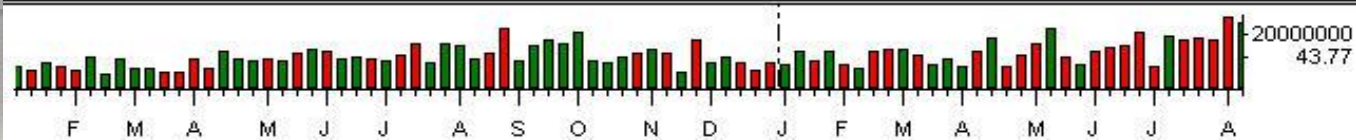
WEEKLY INTERMEDIATE-TERM CHART

USED PRIMARILY FOR SWING TRADING & CORE TRADING

Trading Tip: Each weekend, the T3 Trained Trader (T3TT) scans through their Trading Universe of weekly charts for T3 Setups.

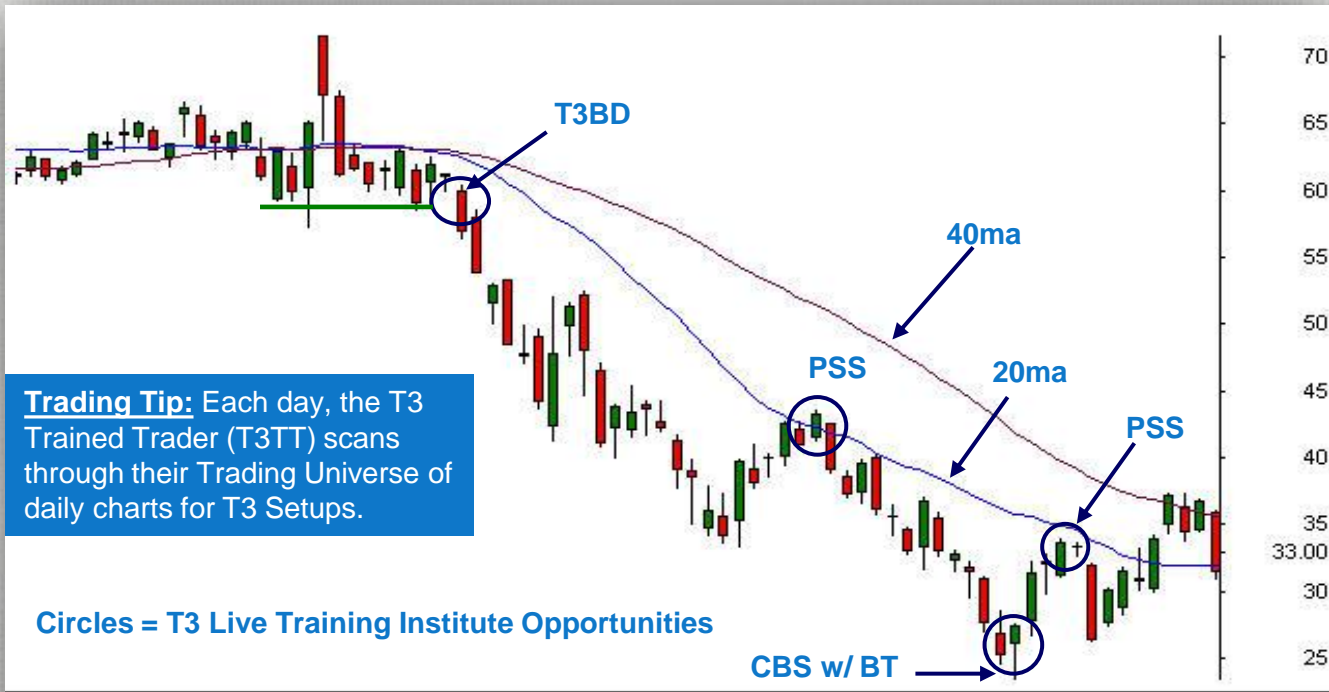


Circles = T3 Live Training Institute Opportunities



DAILY INTERMEDIATE-TERM CHART

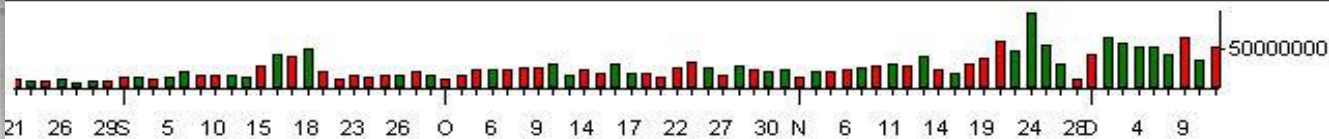
USED PRIMARILY FOR SWING TRADING & CORE TRADING



Trading Tip: Each day, the T3 Trained Trader (T3TT) scans through their Trading Universe of daily charts for T3 Setups.

Circles = T3 Live Training Institute Opportunities

CBS w/ BT



SHORT-TERM

USED FOR DAY, MICRO & SCALP TRADING

Hourly Chart (each bar = approx. 60 minutes)

Visited by micro traders at times to eliminate noise and to gain a clearer perspective of the overall “several day trend.” A great time-frame for 2-day plays. The Guerrilla Trader and the active Swing Trader uses this time frame frequently.

T3 Live Training Institute Time Frame #5

We focus primarily on 15-minute charts for day trading, 5-minute charts for micro-trading and 2-minute charts for scalping. We will often drop to a 2- minute chart to gain greater clarity and refinement for our entries and exits. We also use the 2 and 5 minute charts for intra-day entries on strong, trending stocks.

Intra-day Charts (15-, 5- & 2-minute trading bars)

This is where the day trader, micro trader and scalper live their entire lives. Nearly all entry and exit points for these three traders are derived in these time frames.

T3 Live Training Institute Time Frame #6

60-MINUTE SHORT-TERM CHART

Trading Tip: The T3 Trained Trader (T3TT) uses the 60-minute chart to find Swing, Guerrilla & Day trading opportunities.



15-MINUTE CHART OF GSF

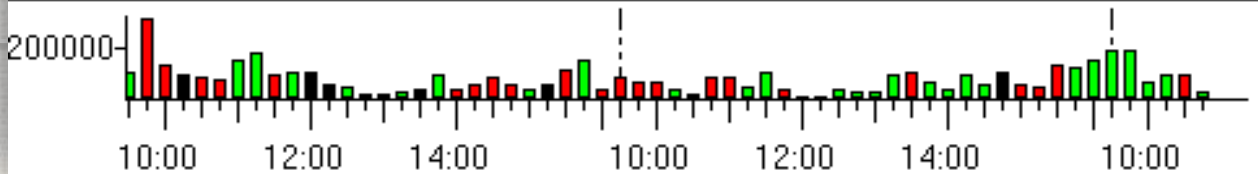
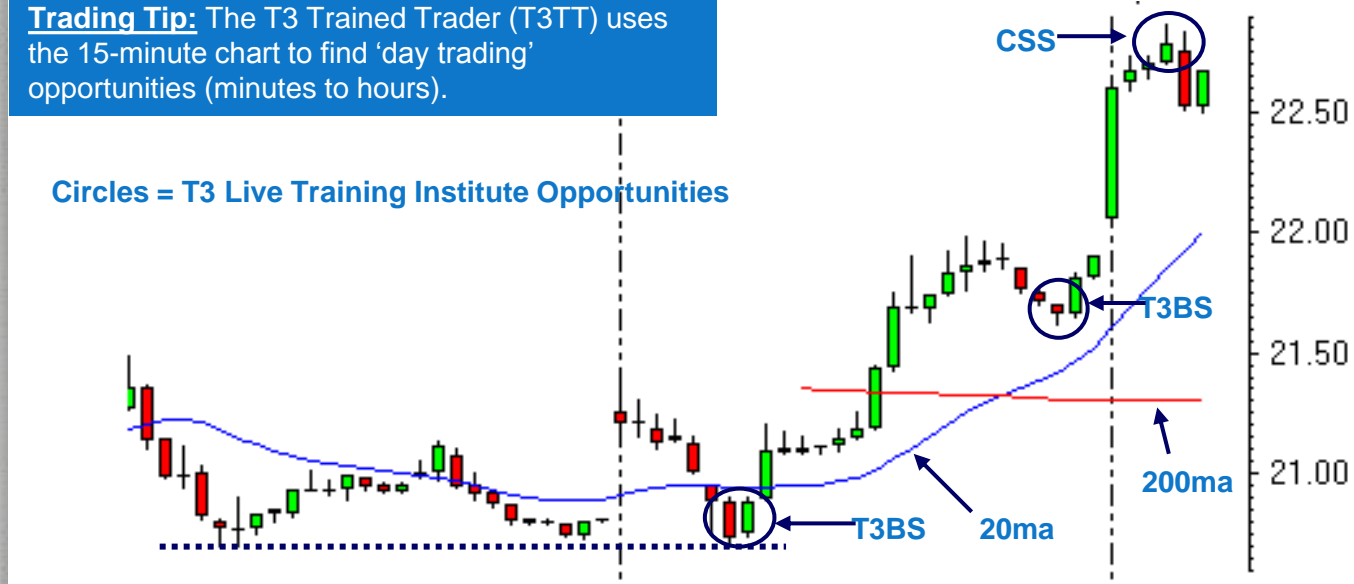
Intraday

(15-Min)

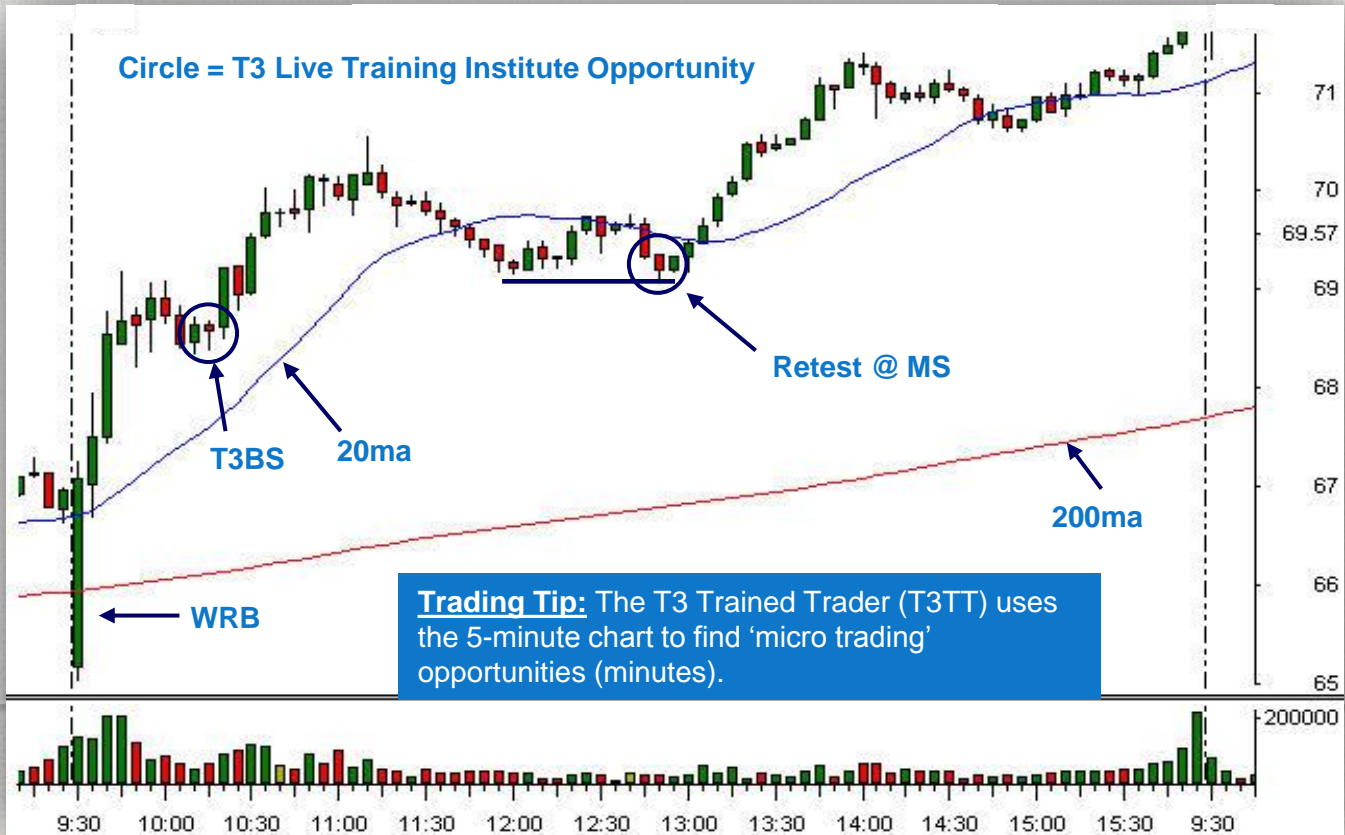
Be

Trading Tip: The T3 Trained Trader (T3TT) uses the 15-minute chart to find 'day trading' opportunities (minutes to hours).

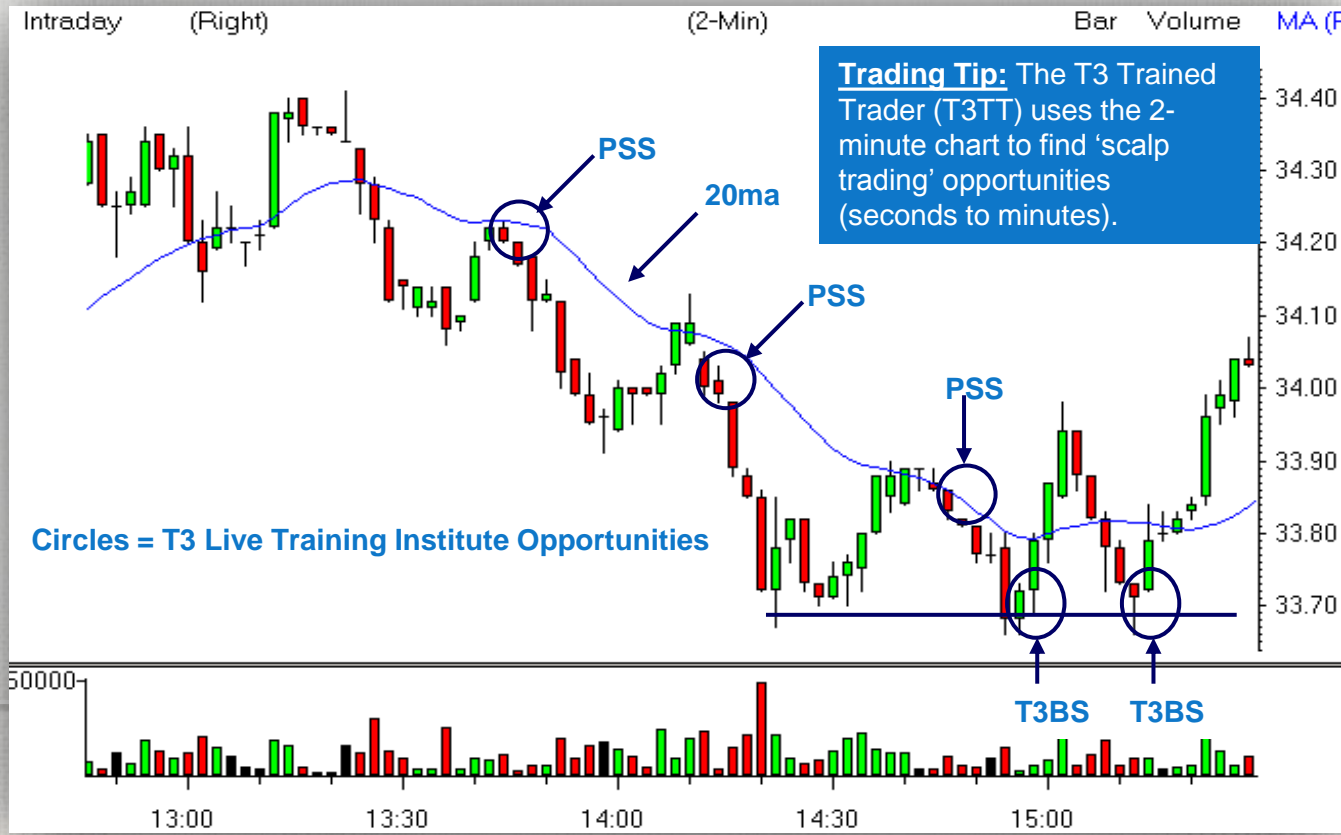
Circles = T3 Live Training Institute Opportunities



5-MINUTE SHORT-TERM CHART



2-MINUTE SHORT-TERM CHART



T3'S FOUR TRADING STYLES

THE TWO CATEGORIES

The T3 Method® Considers Four Major Trading Styles available to the T3 Trained Trader (T3TT).

These styles are grouped into Two Broad categories:

WEALTH BUILDING STYLE



INCOME PRODUCING STYLE



INCOME PRODUCING STYLE

T3'S WEALTH STYLES

1. Core Trading (2 weeks to months).

This wealth-building style of trading attempts to capture major trends in the market and/or underlying stock. Most traders will use this style for longer term accounts such as IRAs, KEOGHs and other less time sensitive accounts.

2. Swing Trading (2 to 10 days).

This wealth-building style of trading is designed to capture short-term swings in an on-going trend, while side stepping the brief countertrend moves. It attempts to take advantage of a very overlooked niche, one that is too short for large institutions and too long for day and floor traders.

Trading Tip: The T3 Trained Trader uses weekly charts to generate Core Trading ideas.

Trading Tip: The T3 Trained Trader uses daily charts for Swing Trading.

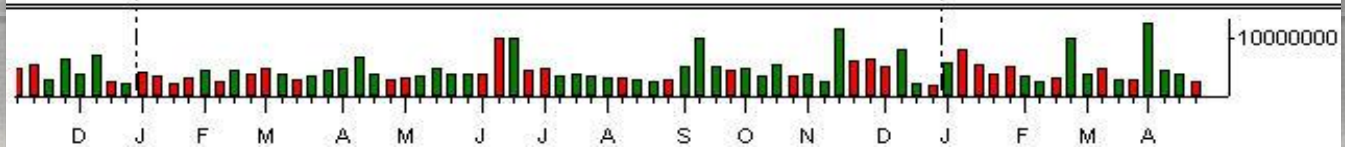
Note: The T3 Method® of Trading calls for having at least one of the two wealth-building styles at work at all times. Some of the country's top traders have amassed very large sums of money utilizing one or both of these trading styles. Look for wealth building trades.

WEEKLY CORE TRADING CHART

The Core trader looks for T3 Live Training Institute opportunities in the direction of the 20ma and holds on as long as the stock remains above its a) 20ma for shorter-term trades, or b) 40ma for longer-term trades.

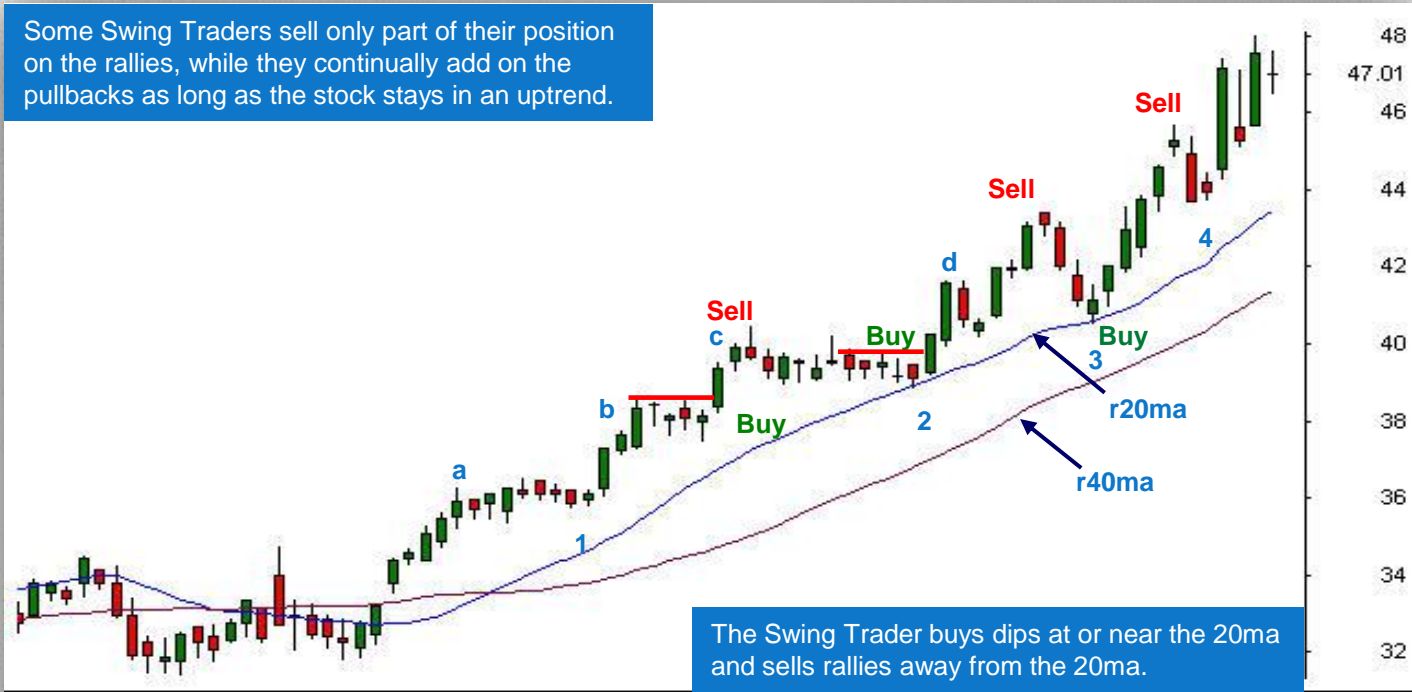


Circles = T3 Live Training Institute Opportunities

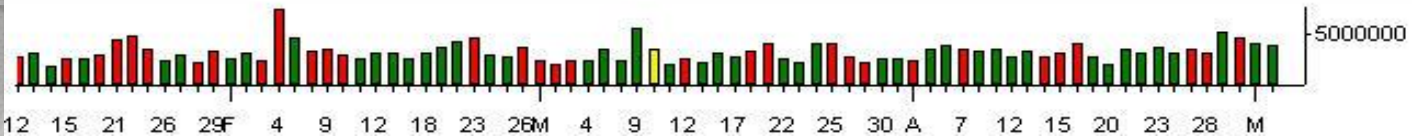


DAILY SWING TRADING CHART

Some Swing Traders sell only part of their position on the rallies, while they continually add on the pullbacks as long as the stock stays in an uptrend.



The Swing Trader buys dips at or near the 20ma and sells rallies away from the 20ma.



INCOME PRODUCING STYLE

T3'S INCOME STYLES²

1. Guerrilla Trading (1 to 2 days).

This income producing style utilizes a sniper's "hit and run" approach. It looks to buy or short a stock one day and exit it 1-2 days later. These tactics can originate from swing trading the hourly chart, gapping strategies, or two unique tactics that don't have to occur in the usual cycle of prices.

Trading Tip: The T3 Trained Trader uses daily and hourly charts to find Guerrilla Trading opportunities.

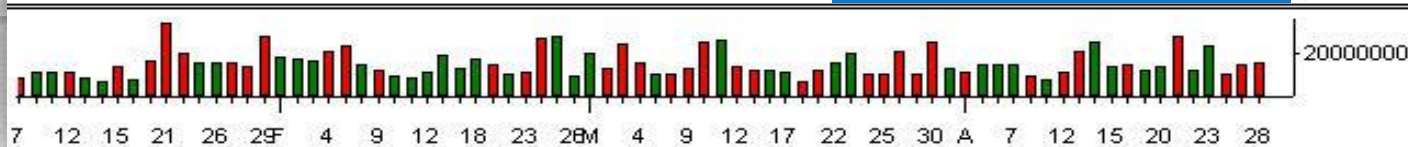
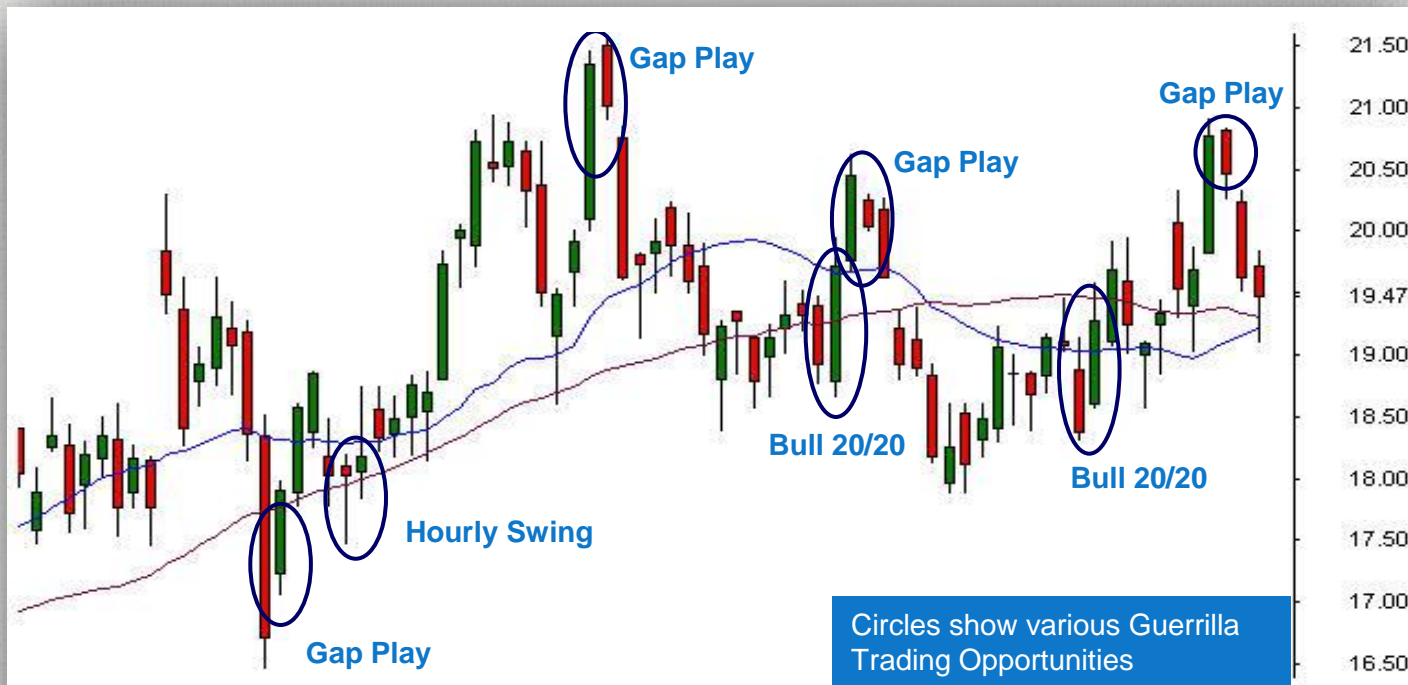
2. Micro-Trading (seconds to hours).

This income producing style is what most people refer to as day trading, and it serves as a major part of the trading foundation for anyone who wants to make a living from the markets.

Trading Tip: The T3 Trained Trader uses 2-, 5- and 15-minute charts to find Micro-trading opportunities.

Note: The T3 Method[®] of Trading calls for specializing in both Guerrilla and Micro-Trading, and it calls for always having both of the styles at work. These are the styles that most professional traders focus on. They must be mastered if one wants to trade for a living.

DAILY GUERRILLA TRADING CHART

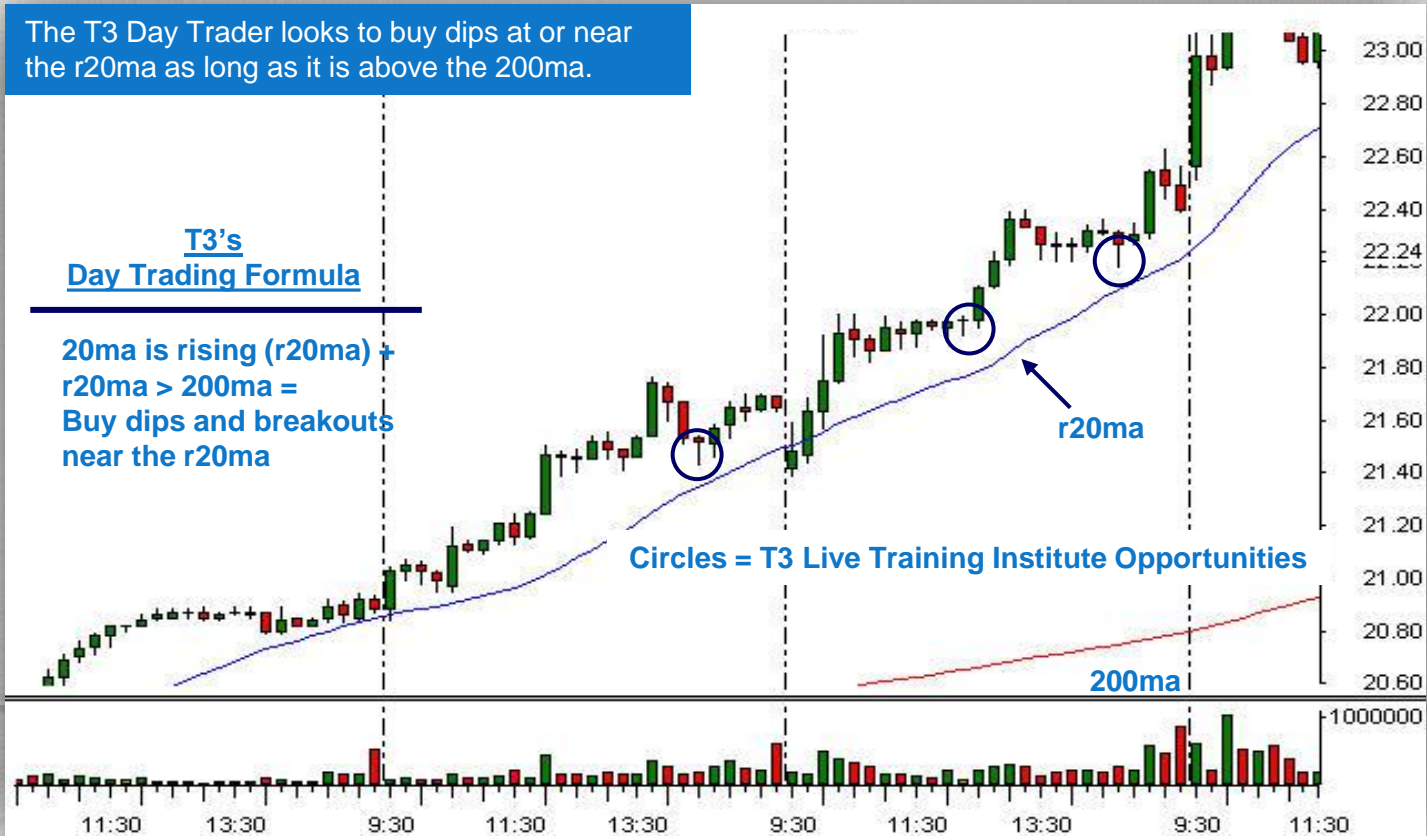


15-MINUTE DAY TRADING CHART

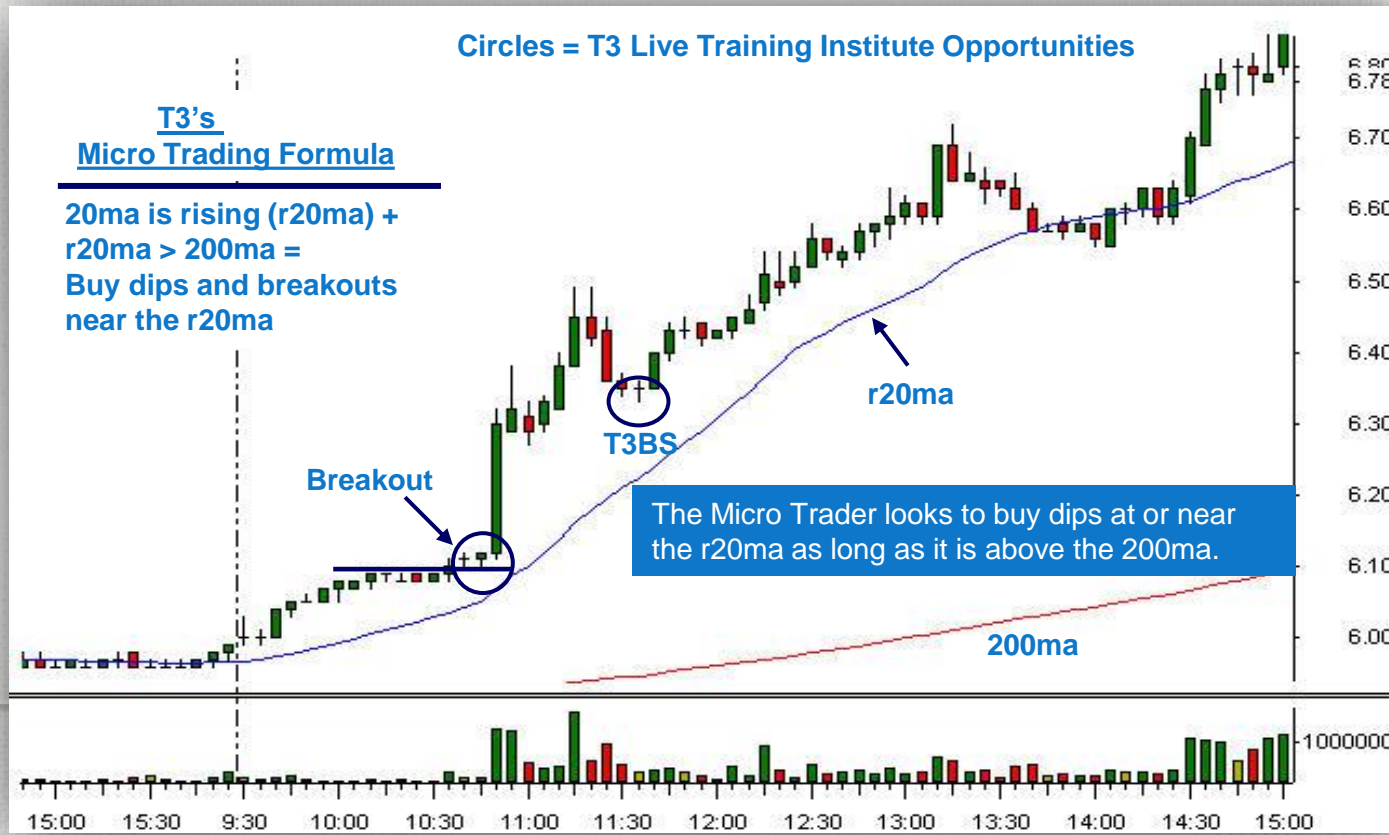
The T3 Day Trader looks to buy dips at or near the r20ma as long as it is above the 200ma.

T3's Day Trading Formula

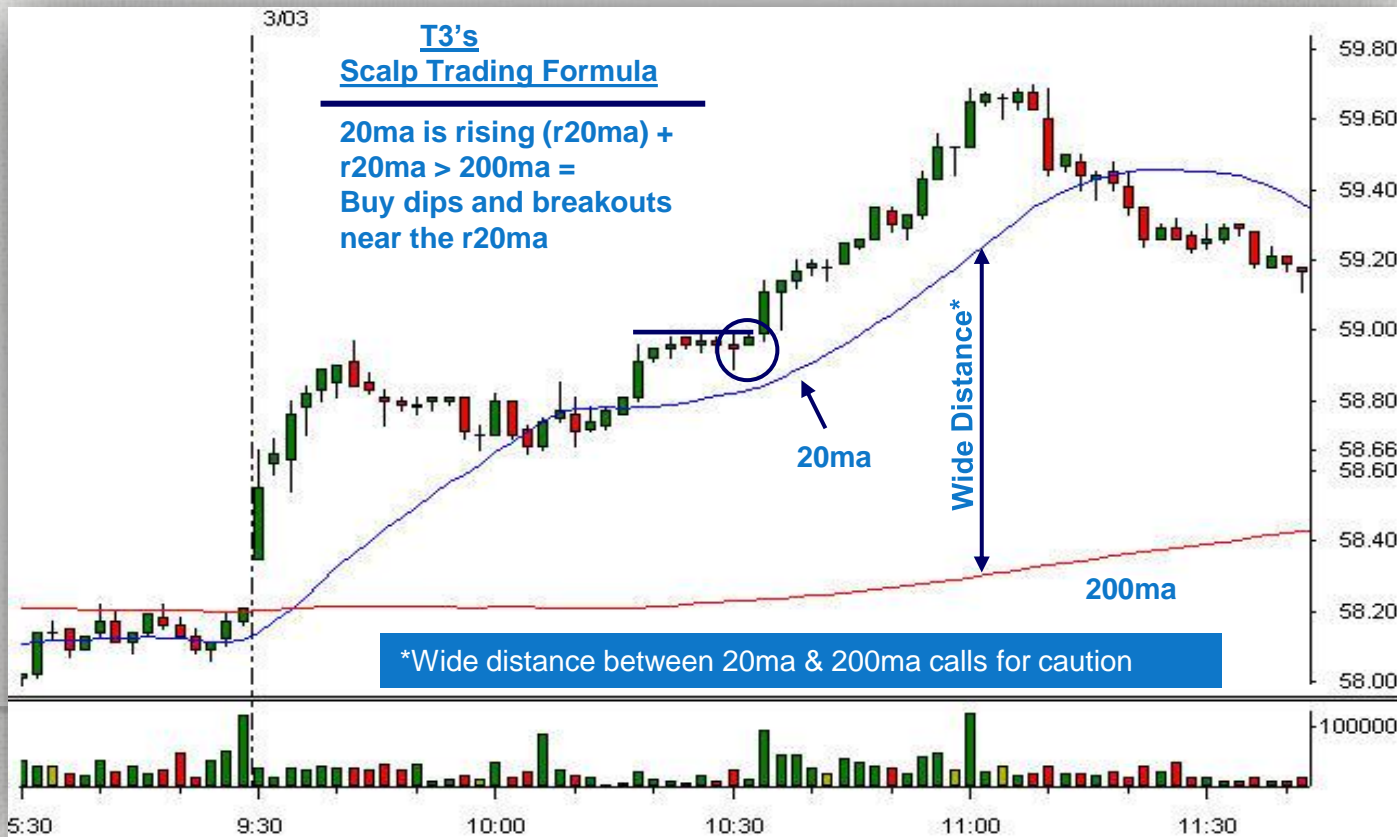
20ma is rising (r20ma) +
r20ma > 200ma =
Buy dips and breakouts
near the r20ma



5-MINUTE MICRO TRADING CHART



2-MINUTE SCALP CHART





**THANK
YOU
FOR ATTENDING**

