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boundaries of this circle give us our important cycle turning points on that chart, **if** we have actually found a real circle. Sometimes what looks like a circle on short term charts is only a curve, so in picking your three dots to work with, you actually want to see five, ten, or more dots that appear to be connected. When the three important ones are mathematically connected, they will join up all the others, and we have more reliability with our pattern. The real solution of course is to use very long term charts over several years because the visible shapes forming on those charts are much more reliable and long lasting.

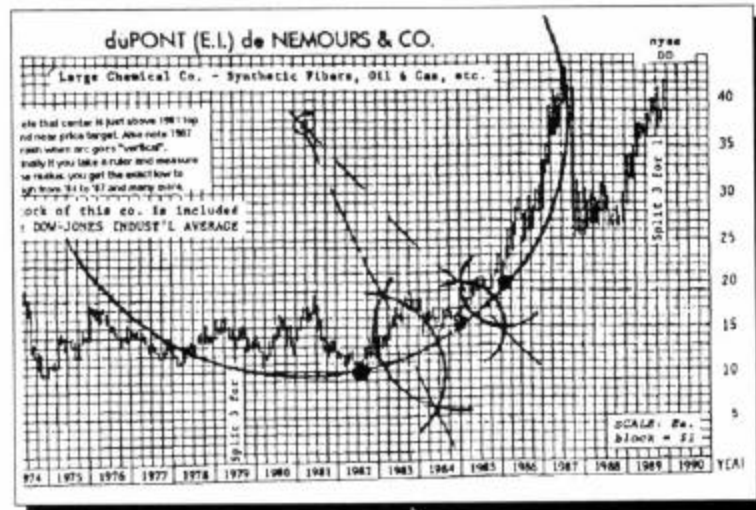
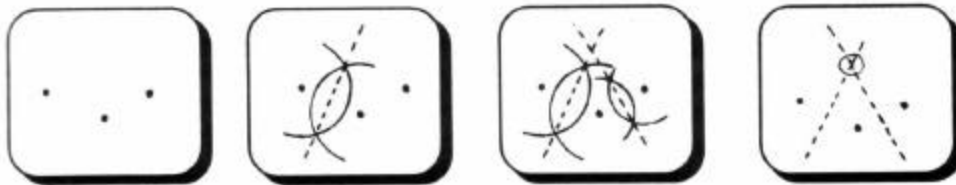
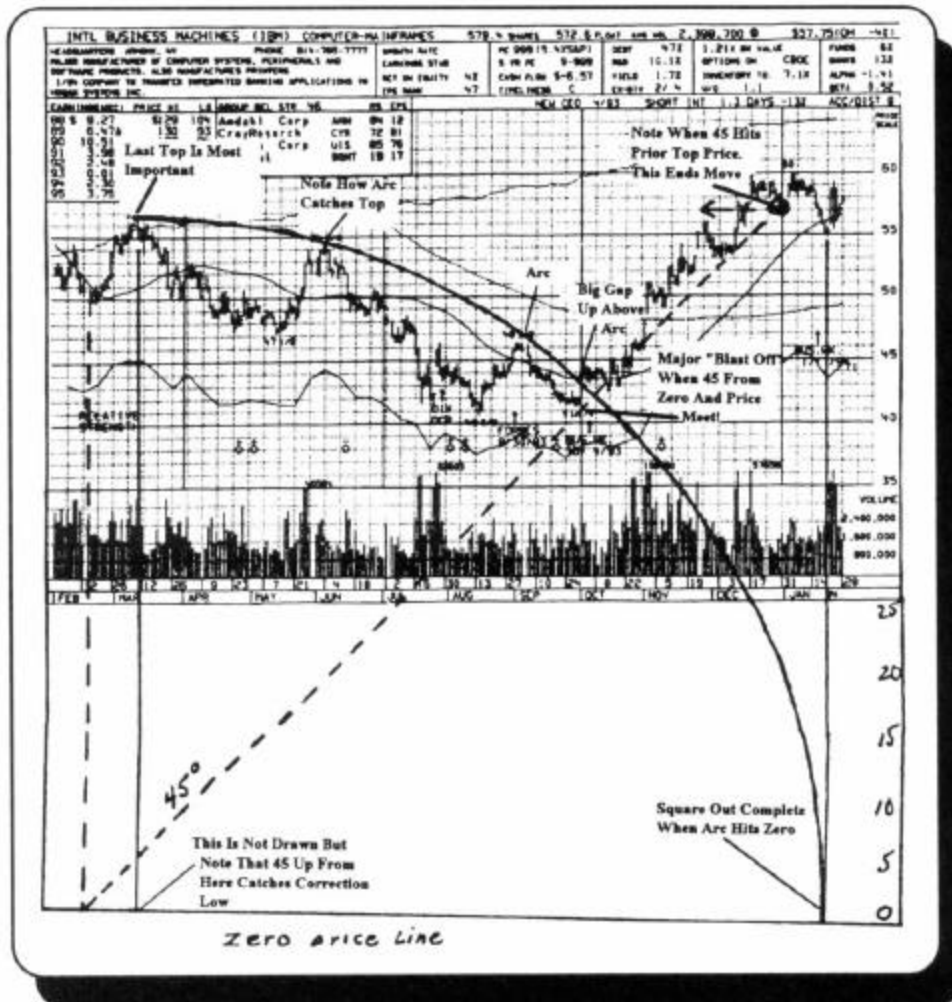


Chart Reading pg. 39- demonstrates how to draw circular arcs on any chart to predict when move will culminate as arc "goes vertical"

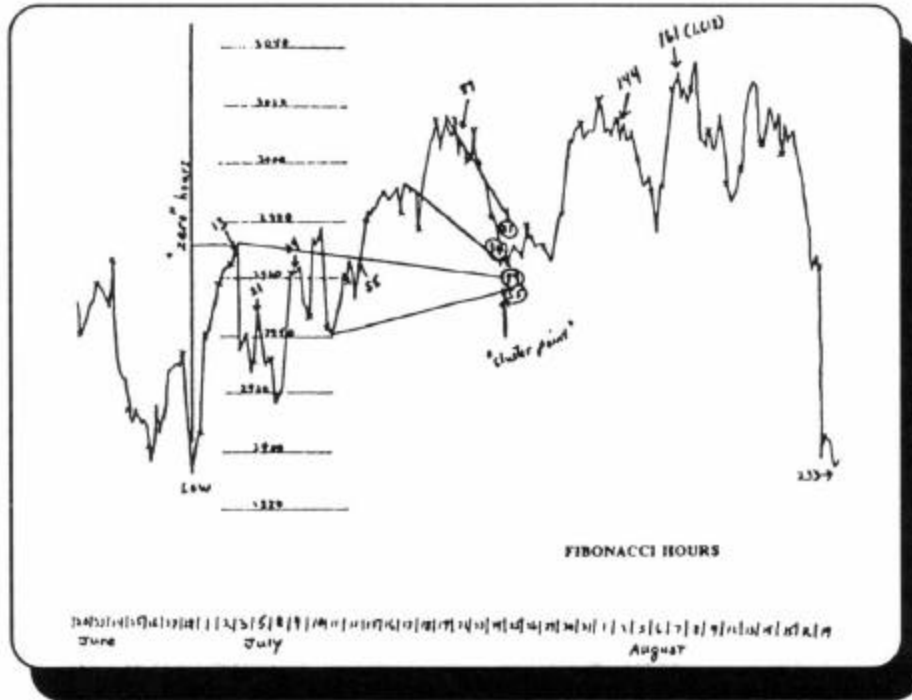


The above chart of IBM shows the importance of the "zero" angle technique. You should draw your angles up from the zero line under every major high and low of significance. When you do this, you will finally see for yourself why every single fluctuation into the future is accounted for by a fluctuation from the past. Please spend some time with this technique. It will change your life!

What is not shown on the chart, so as to not make it too confusing, are the 1 x 1, 2 x 1, 4 x 1, and 8 x 1 angles, or the 30 and 60 degree ones. If you draw these in, you will see some startling results. Also, remember that the 45 degree angle is the master timing line, so if you watch to see where this angle intersects the price harmonics of its origin price (about 50 in the above example), you will see turns at each proportional price level.

Chart Reading pg.66- demonstrates powerful "zero price" angle

Chart Reading- shows how to use hourly charts to pin point major moves to the hour and often the minute!



The above chart is a reproduction of my Dow Jones hourly chart using six hours in a day and showing an "X" for each daily close. Note that this is not a bar chart but a *line* chart with a straight line connecting each "dot" that represents each of the six hourly closing prices at exactly 11, 12, 1, 2, 3, and 4 PM. The grid cannot be seen on this drawing but the graph paper can be either 10 or 20 to the inch but it must be one Dow Point to one hour. This particular illustration shows Fibonacci hourly counts from the major low and how they "cluster" at big turns. Note too, that the farther away from the origin you go, the more powerful the cycle turn is when you reach a large Fibonacci number. You will also note the easily identifiable "stair steps" from each swing low that defines the bull or bear trend and how the "crash" occurred when several small lower highs and lower lows developed, and then the last significant swing low was broken near August 16-19.

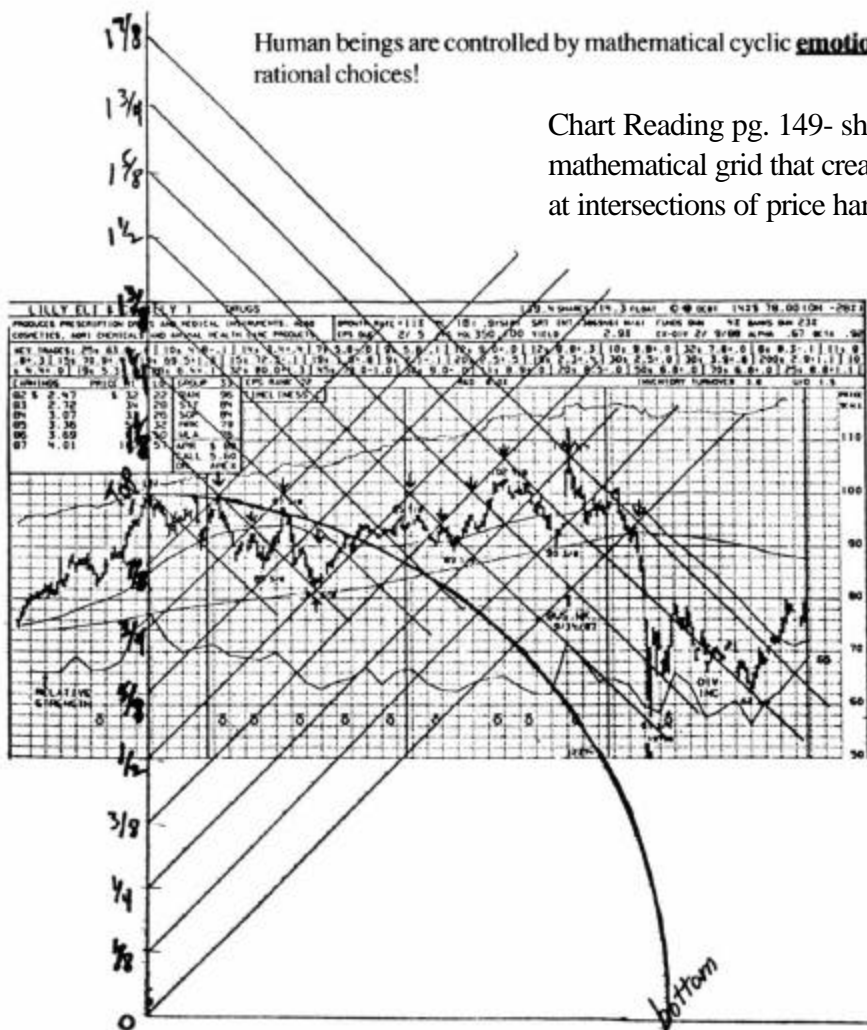
Before leaving Fibonacci ratios I should note that the use of timing angles for square outs between highs and lows can also be accomplished by using Fibonacci angles. These angles when run down to zero or up from zero will always yield a Fibonacci relationship when they square out a high or low with a prior one. A timing line of 1.618 points per one unit of time will yield a Fibonacci relationship as will a simple angle of 38.2 degrees, or 61.8 degrees! The master secret of the great pyramid at Gizeh of course is that the angle down from the top is 38.2 degrees and this relates the circle to the square to the triangle and ties in the orbit of the sun, moon, and earth! Much more could be said, but I would give away the store.

## SECRET OF FRACTIONAL HARMONIC TRENDLINES

*(Gann's secret of why Time and Price are the same thing!)*

This chart clearly demonstrates better than words the helplessness of the human condition and why people lose in the markets — **Reality** is completely different from **perceptions** — i.e., news items, brokerage recommendations, etc. have no bearing on stock price movement.

See how the top near \$100 spins out support and resistance angles at 1/8 increments. The intersections of these angles (down and up) give rise to **all** reversals in the price pattern and cannot possibly be related to random news or recommendations.



The preceding charts are just a few of the numerous techniques explained in "Chart Reading For Professional Traders". Traders all around the world have written to say that this book changed their lives and was the best book on trading they ever read. The reality of trading is that if you can eliminate just 20% of your mistakes you can double your income. This book represents over 25 years of professional day to day trading experience and if the advice is taken can greatly improve your trading skills and allow you to become financially independant.