

THE
Signature
SERIES

Training the Eyes

With
Jeff Manson



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This course may contain trading examples from three different sources as follows. These examples are included for instructional purposes only: they do not represent actual trades or potential outcomes:

- 1. OTA Picks, Market Screener, Supply and Demand Levels and MM Grid are educational trading and investing tools that provides educational trading ideas in all asset classes each day. Their trading results and performance are based on real market conditions and prices using hypothetical trading accounts.*
- 2. Extended Learning Track (XLT) Trade Examples using our supply and demand levels, performance is based on real market conditions and using real or simulated trading accounts.*
- 3. Simulated Trades Some classes will use simulated trades for educational trade examples. Performance is based on real market conditions and using real trading accounts in simulation mode. Profit or losses are with simulated funds.*

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- All trading involves **high** risk.
- Past performance is not necessarily indicative of future results.
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Let's Define Income & Wealth



The net gain on either a single trade or multiple trade (after commissions & losses)



- The Increase in value of a total portfolio of assets over time
- Subject to market fluctuations

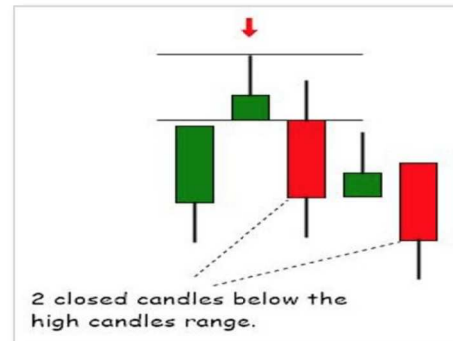
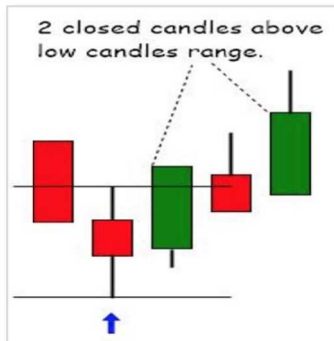
Day 1 Workbook Exercises: Structure and Area

Structure

1. Select any ticker you want to analyze, and any timeframe (example: IBM – 60 minute)

2. Identify a series of pivot highs and pivot lows.

- Validate your pivot points by confirming that at least two candles closed consecutively above or below the range of the initial candle



3. Connect the pivots with a trend line tool



4. Identify whether each of the pivots made a higher high, lower high, higher low, or lower low



Structure (cont.)

5. Identify the **Breakout Segments** (relative to the prior swing)



6. Locate and identify **Curve** by seeing the reversal patterns:

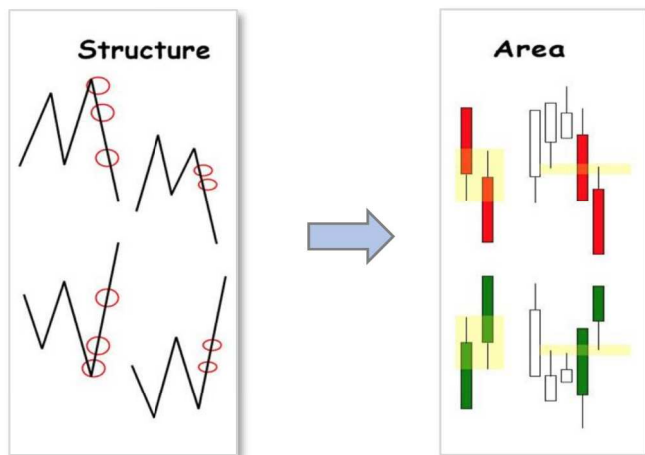
- Low on the Curve: A lower low followed by a higher low
- High on the Curve: A higher high followed by a lower high



Day 1 Workbook Exercises: Structure and Area

Area

7. Circle the areas on your chart where you're looking for potential zones (wick over wicks areas):



Demand Zones:

- If price made a **higher low**, look in the **upper two thirds** of the structure
- If price made a **lower low**, look in the **lower two thirds** of the structure

Note: Ensure the area is below the prior pivot high and within the breakout segment



Supply Zones

- If price made a **higher high**, look in the **upper two thirds** of the structure
- If price made a **lower high**, look in the **lower two thirds** of the structure

Note: Ensure the area is above the prior pivot low and within the breakout segment



Day 2 Workbook Exercises: Formation and Zone

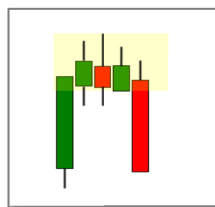
Formation

- Once you've identified the right areas, adjust the time frame until you find formations (**DBR, RBR, RBD, DBD**) within the wick over wick areas

Note: Ensure the formation is located within the **Area** and the breakout segment

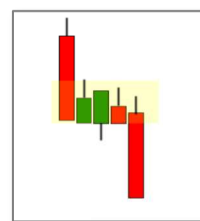
RBD Formation

Rally – Base – Drop
Supply



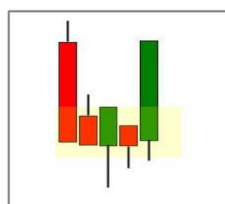
DBD Formation

Drop – Base – Drop
Supply



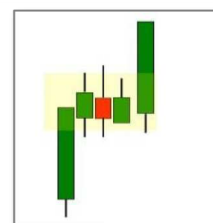
DBR Formation

Drop – Base – Rally
Demand



RBR Formation

Rally – Base – Rally
Demand



Supply Zones

- Supply Zones will be found within **RBD** and **DBD** formations, above the prior pivot low and within the breakout segment



Demand Zones

- Demand Zones will be found within **DBR** and **RBR** formations, below the prior pivot high and within the breakout segment



Zone

9. Once you've identified your formations, refine the timeframe to get the correct picture of a **supply** or a **demand zone** within your formation (leg – base – leg – base)

10. Once you've identified your supply or demand zone, place your **proximal and distal lines** in the appropriate locations:

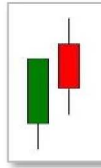
- Demand Zone:

- Place your proximal line above the body of the first base candle after the leg out candle
- Place your distal line at the lowest wick of the leg in, base, leg out

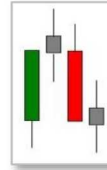
- Supply Zone:

- Place your proximal line below the body of the first base candle after the leg out candle
- Place your distal line at the highest wick of the leg in, base, leg out

Supply Zone

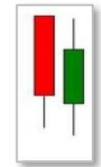


Green leg candle with a red candle (leg or base) closing within the body of the green candle

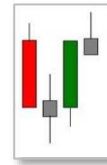


Green leg candle >
Base candle(s) (red or green – can have 1-5) >
Red leg candle(s) (can have 1-4) >
Base candle (red or green)

Demand Zone



Red leg candle with a green candle (leg or base) closing within the body of the red candle



Red leg candle >
Base candle(s) (red or green – can have 1-5) >
Green leg candle(s) (can have 1-4) >
Base candle (red or green)

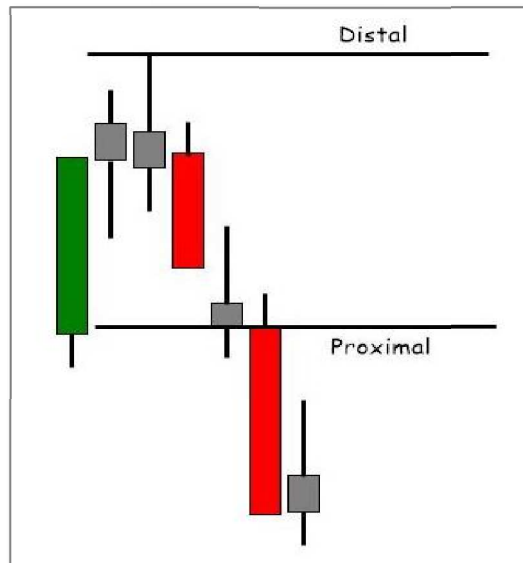


Zone (cont.)

11. Once you've placed your proximal and distal lines around your zone, determine whether to do a **proximal line entry** or a **zone entry**:

- If the leg candle leaving the **proximal line** is **greater** than the leg candle in the zone, do a **Zone Entry**:
 - These zones can be used twice: The first-time price will bounce off the proximal line, the second time price will go deeper in the zone

Zone Entry



- If the leg candle **in the zone** is **greater** than the leg candle leaving the proximal line, do a **Proximal Line Entry**:
 - These zones can be used only once from the proximal line. Price often does not go deep into the zone

Proximal Line Entry

