Funny Looking Rectangles & Useless Drivel

http://www.forexfactory.com/showthread.php?t=496501

Post #1

Moving away from the standard thought patterns of most traders, to a place where the unconventional is convention. Here is a "funny" looking "rectangle" that might have some clues about where USDJPY goes next:

The bet is that it won't follow conventional wisdom and that it will do something fairly unconventional.

Post #2

The funny looking rectangle above is essentially a Glide Path on what can be thought of as Final Approach to a specific target. It is by no means a 100% slam dunk guarantee, but it does represent a fairly plausible explanation for where price has a good chance of going in the near term.

The chart is M1. This Shape that the market has taken was not imposed by me, but rather observed as it unfolded. That funny looking useless rectangle above illustrates where the USDJPY has been on the M1 time frame. The "Wanna Bet" level indicates where the USDJPY has a good chance of ending up fairly soon. The question is WHY? Why do currency pairs behave this way and can the markets be predicted with any degree of accuracy to a specified target?

This thread shows the concept of what I call the B2i Pattern. Shhhhhh! Patterns are not supposed to exist in the market. They are nothing but figments of your imagination. They are not real - they are dream-like states born of unconscious and delusional thinking, so be careful - shhhhhh, don't let anyone know that you use "patterns" in your trading.

Post #3

For a bit more definition:

With the B2i Pattern, the "Final Approach Fix" is the Entry Point into the trade. Form that point forward, just fly the approach to the target area (Intersection level). If you have to declare a Missed Approach, simply draw the next significant B2i that the market produces for you and make a decision whether to fly the Holding Pattern (wait for momentum to take you to the target/intersection), or abandon that approach altogether and fly to your alternate destination (meaning - take whatever profits are on the table without risking a Hold to the specified Intersection price level).

The B2i rules are fairly straight forward and the silly looking rectangle speaks for itself. There is a Starting Point, Projected Ending Point and two (2) Intermediate Points for the Highest High and the Lowest Low of the B2i structure. You search for B2i structures in the market that are of sufficient size to produce the kind of pips you require. You Enter at the Final Approach Fix point when price is far enough away from the Intersection to satisfy your profit requirements.

This silly looking rectangle is just for illustrative purposes - I personally have larger pip requirements than this dumb box provides. This simply demonstrates how the box works. It is up to you to figure out WHY is works.

Post #4

Funny little rectangle update:

Price has just moved outside the box and its Target Projection Leg and is minutes away from reaching the Intersection time, where price will then be "clear" of the Intersection Point and free to continue its approach. That does not necessary mean that the approach will commence immediately. It simply means that the B2i Structure itself remains extant and unchanged - which by itself means a HOLD into the Long position at least until the Fall Line is encountered, or until a Missed Approach is deemed necessary, another B2i Box is drawn and a decision is made about Direction and Timing (all decisions made with the next B2i Pattern).

Post #5

This little laughable box will teach lessons about the market that novice trades never fully understood, but it will take some time on your part to learn what it has to teach. With B2i, when the Student is ready, the Teacher will appear. Use your brain and THINK about WHY this is happening right before your eyes.

Post #7

Price now clears the Intersection and once again, these little funny useless rectangles teach us a lesson about price behaviour:

Post #9

The Before and After nature of B2i speaks volumes. Without the silly funny looking delusional box, the market looked rather "conventional:"

Who knew.

Post #16

This one is not so easy. This is the EURJPY M1 Chart. What makes this one difficult is the same thing that caused me to do more research into discovering why some of the B2i Boxes failed. What I discovered is that whenever they struggled to strike the target at the Intersection, there was a tremendous amount of pressure or stress in another indicator that I developed called the OS1_X60. OS1 is simply a Moving Average. But, not your typical MA. It uses obscenely LARGE periods (that I won't give away) and it is ALWAYS plotted on the M1 Time Frame.

So, what we are going to witness here, should be the failure of a B2i, because of a large amount of upwards pressure in the OS1_X60 which you do not see on screen.

Why post a set-up that I expect to fail? When you get really serious about your trading, you will run Counter-Trades under scenarios where your indicators or systems should fail. That is the inverse proofing I like to have in my research. Standby, here she comes!

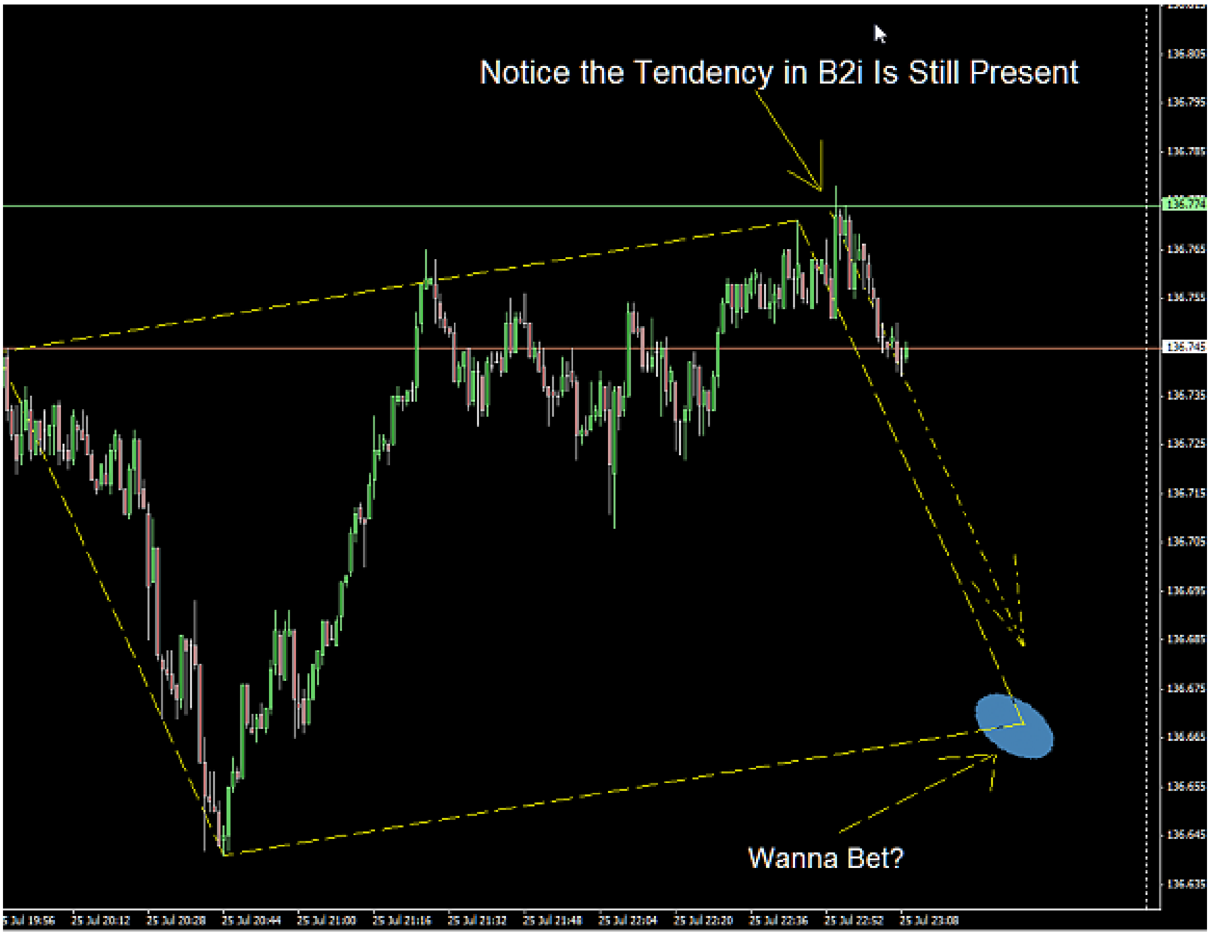
Post #17

Here it is again (EURJPY M1) with OS1_M1x60 (indicator) looming high above providing all that recoiling short-term pressure to the upside. This should cause B2i to struggle:

This is why I don't manually trade. Just two indicators and the drama increases. I don't like drama in my trading. I'll take boring ole traded any day of the week over Mama Drama.

Post #18

B2i still showing its tendency to do the "right thing" after price clears the Intersection Point.



Anyone figure out why price loves to challenge the Projection Target Line every single time one of these funny little rectangles gets drawn on the chart? Anybody got there thinking cap on?

Why would price always turn the corner like this, just because some idiot like myself drew a few lines on a chart? Its all "nonsense" is it not? It is not like I have some "magical' ability to "predict" what the market will do next, right? Nobody can do that, right? Nobody can predict the future, right?

]

Post #20

Here's another way to look at B2i:

Now, you see a Fifth (5th) Line drawn diagonally across the B2i structure. This line took me to Version 2, of the indicator several years ago. It incorporates input from the OS1_M1x60 indicator hanging high above price. I had not created OS1 back when I first established B2i.

So, where am I going - which trade will I take? I'm going Long, back into the OS1 Structure for an increased time in trade, but with a corresponding increase in probability for a successful outcome. It is simply the safer of the two trades to make in this particular configuration. When you start adding in all the indicators that exist in the trading system, these kinds of decisions simply cannot be balanced manually in real-time. That's why I need a signal engine that contains the decision making algorithms.

So, on this scale, this is a fight between B2i and OS1. B2i is short-term and OS1 (by design) is a much longer term indicator.

Post #21

Adding OS1 to the calculation:

Keep in mind, this is not showing you how an entire trading system works. This showing you how one indicator works with the influence of another pulling in the exact opposite direction. What do you do when you have two indicators pulling in opposite directions? Do you give up and quit - call it a day? Or, do you get creative?

For the novice traders out there, if you are going to use multiple indicators in your trading, then you are going to have to take the time to learn how to integrate inputs from multiple sourced into your signal logic. Trade system development comes down to having good reliable indicators AND having the ability to design quality Trade Logic. It takes time, study and experience to make consistently good trade logic. Here we have two inputs pulling against each other. The reason behind going with OS1 to the upside and not B2i to the down side, is not because B2i all of a sudden became worthless. It is because OS1 was designed on purpose to have a longer event horizon. That means that price will ALWAYS return back to the level where OS1 exists and it will ALWAYS do it within a 24 hour period.

So, I could have targeted smaller pips going with B2i, but the Risk Level was too high considering the condition of the OS1 indicator (which I have not gone into any detail explaining). Basically, OS1 is a Double MA design using absurdly large Periods and a small algorithmic tweak that plots the line on the chart.

OS1 is in the Stabilizer Class of Indicators within the broader trading system. I have indicators in different Classes, similar in concept to the way an OOP coder would recognize different "Class" types in programming. All of my Indicators fit into one of four different Classes that include: Timing, Direction, Magnitude and Probability. When you start getting into Systems Theory, you will recognize the need to have indicators that take care of different aspects of Market Behavior. This helps you optimize the system and make better decisions.

Post #22

This is a beautiful snapshot of how price is sitting directly between two competing Directional Vectors (OS1 and B2i). OS1 wants to pull price UP, while B2i wants to pull price DOWN. OS1 is long range, while B2i is short range. They are BOTH doing their respective job. B2i has shown its tendency to pull lower, while OS1 simply won't let go of price so easily.

This confirms that both indicators are working as expected:

Post #23

From here, I just sit tight, remain patient and allow OS1 to do its job - pull price higher. The lesson here is on indicator integration logic and why having different classes of indicators responsible for different aspects (long-term and short-term) of market characteristics is important to a well balanced trading system.

Post #29

Also keep in mind Darryl, that for the purpose of just these online examples: An H4 B2i should produce more pips than an H1 B2i, because the ATR that makes up the bars used in constructing the B2i Box, is greater. Likewise, a D1 B2i should contain more pip potential than an H4. Also, keep in mind that the B2i Time Frame is not where I typically draw my lines. So, that I can see the detail of price action within the structure, I draw my B2i lines using a lower time frame than the time frame of the B2i itself. So, if I want the W1 B2i, I will draw it on the H1 or H4 chart, depending on how much detail I want to see. I draw almost everything on the M1 chart, because I like seeing price detail down to the minute in these examples. My actual trading system does not draw lines on a chart. It displays the same information on a Digital GUI in Excel seen here:

In this thread, I am only showing people one of the many indicators that exist in my trading system and I am showing that one indicator (B2i) in manual form as best I can. All of the B2i calculations and projections are made internal to the system and not on a chart. I don't trade looking at charts. I only use the chart to confirm that my entries and exist are made, but I use the Panel you see above for actual trade decisions.

I do this so that people can clearly see that you do not have to cling to convention all the time in order to be a successful trader. Sometimes, breaking with tradition can be a good thing as long as there are good sound logical reasons for doing so as a trader. B2i is a great way to confirm that good repeatable patterns do exist in the market and then can be exploited by the astute traders who find them and harness their capabilities.

Post #32

[Quoting Darryl]
I understand, don't want to interfere with your thread. Just wanted to point out some really simple rectangles just sitting on the charts waiting to be traded. Have a nice weekend every one, from Houston, TX.

It is quite alright. This thread is just as much yours as it is mine. I was just trying to get you in the slot for the fundamentals of B2i setups before going advanced, so that you are aided and supported by the knowledge of what makes them unique and so that you can see when using them is not advised, such as when the market is trending hard.

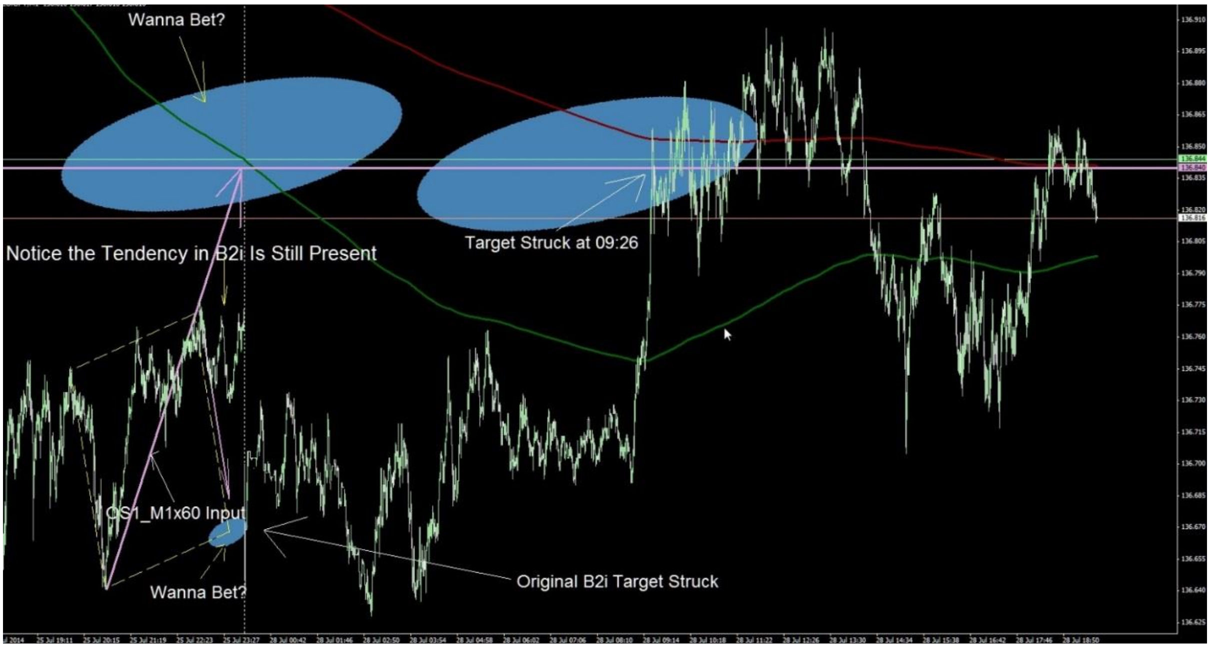
B2i frameworks are only valid during horizontal market phases - but there is a horizontal market phase in existence all the time. You just have to find the right time frame in which to plot your B2i Box - that is where having other indicators that can assist you in knowing the correct Market Phase (there are Five Market Phases) becomes invaluable. When designed properly inside a trading system, those market phase finding indicators would be used to algorithmically modify or shut-off the input from horizontal indicators such as B2i.

It is good to bring a strategic approach to system design, such that each indicator has the correct amount of authority and control over final signal output.

Ok, that's it for this week!

Post #37

The 7/25/14 20:00 hr H1 B2i (an indicator) came with significant OS1_M1x60 (an indicator) overhead and the OS1 came out the clear winner as predicted on last Friday just before the close. This pic shows the results:



It took a strong Weekend Gap Down move on the pair but the original B2i did reach its target. However, as the synergy of both indicators warranted, I favoured the Long trade to the upside back into the OS1 Cloud and that is precisely what price ultimately did, striking the OS1 target level at 09:26 during today's session.

When people tell you that the market has no repeatability, no predictive value and there is no way that you can know with a high degree of certainty what the market will do "next," tell those people that they are flat out wrong and they need to better Homework and far better Research into the real data that makes up the market they trade. This trade turned out nearly perfectly - though I was expecting the original B2i pattern to fail because of the massive upward pressure placed on the profile by OS1.

This is one of those cases where taking the Long OS1 position would have required patience through the original B2i target area before making a solid move to the upside. Trading is about patience as much as it is about having the right tools to trade with. Price is now dancing all over the original OS1 target and presents a very comfortable exit plan.

Note: I do not trade through weekends typically. I only did this to continue to examples started last week.

Post #38

Quoting Thepipster

...what happens if DH reached and the runway is in sight, but you haven't opened a trade? (PPL here)

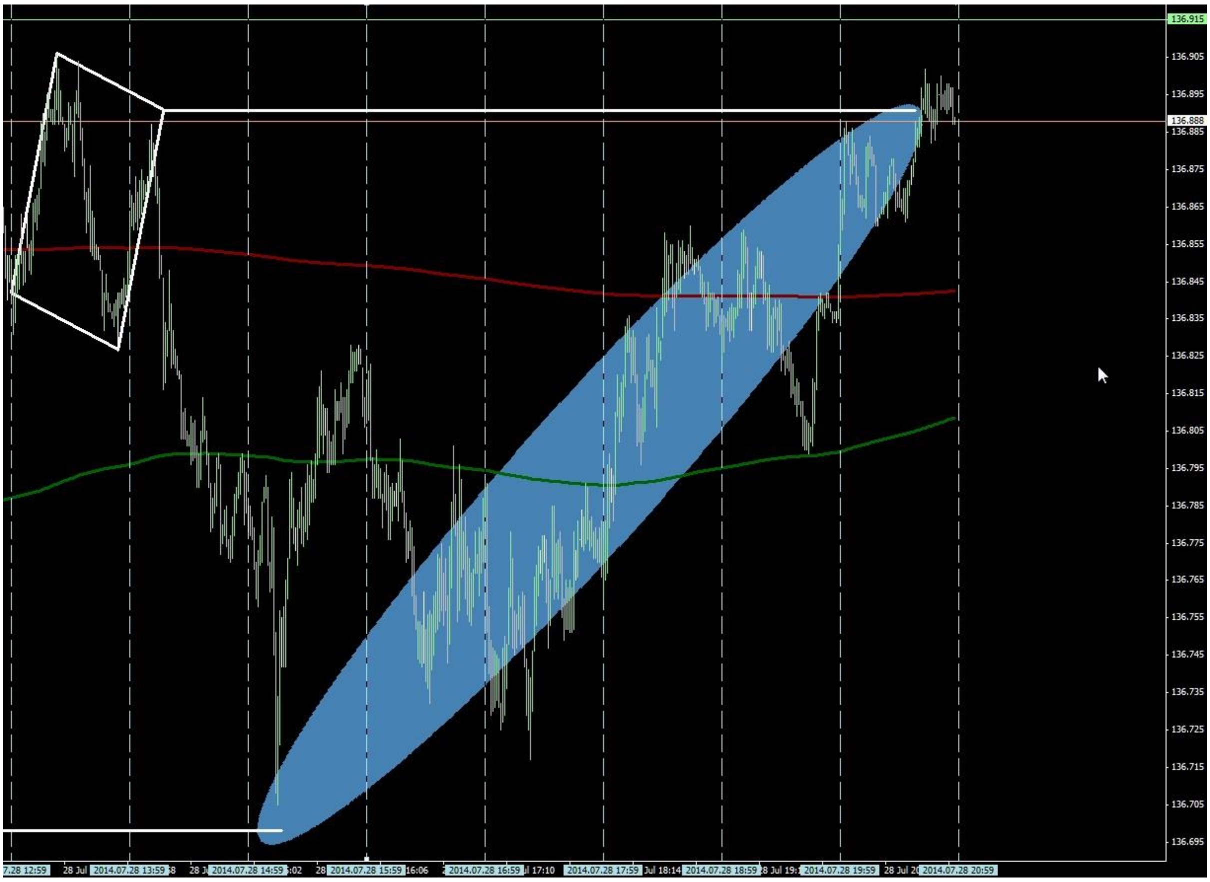
That depends. Of course, if you are shooting Non-Precision Approach, you can fly down and maintain the MDA until the MAP. At that point, if you have no visual, then you must call a missed approach. Typically, it will be between the MDA and the DH where the decision gets made. If you have no open trade by the DH (which I would define as that distance between current price and the B2i target level that is less than your minimum profit per trade requirement), then I would call a missed approach, fly the procedure and wait for another Box to land on. I like maximizing opportunity while minimizing risk as much as possible. (about 7,500 TT here)

Post #43

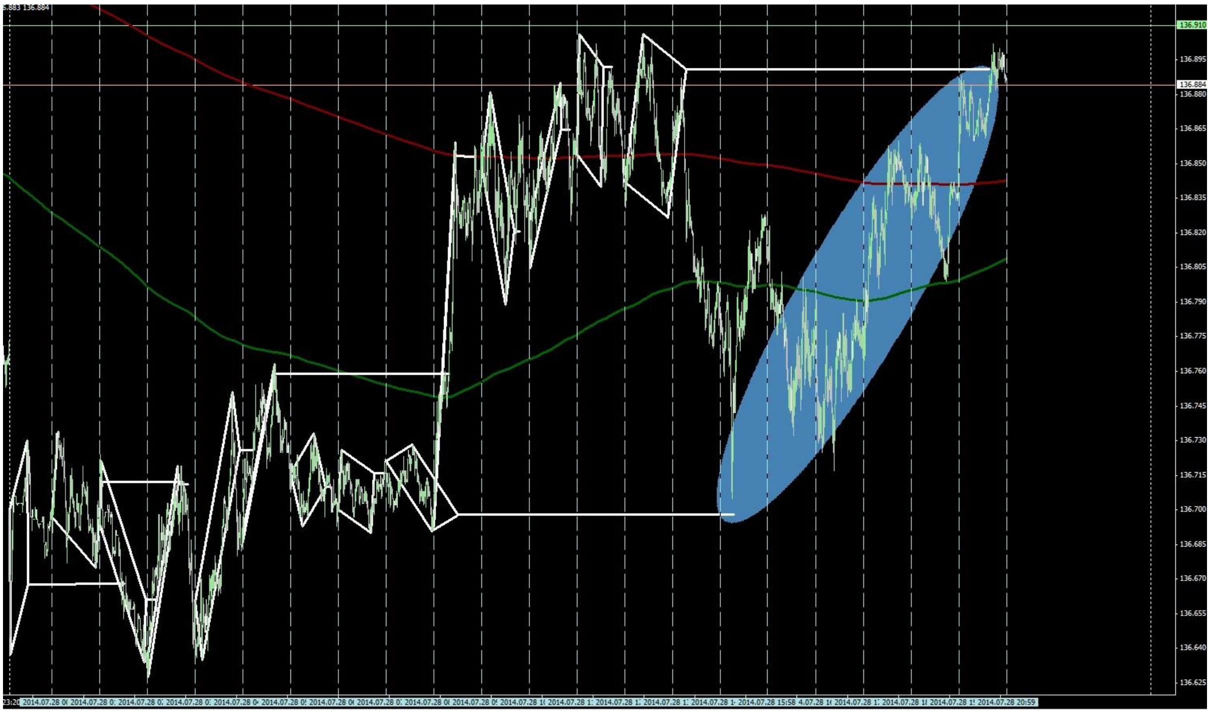
About 14 basic H1 B2i Boxes drawn since 00:00 through 13:00 today. One (1) failure. That's 92.857% accuracy on a Version 1.0 B2i concept. B2i is currently on Version 5.x. There have been five (5) major revisions of this simple indicator over the years to improve its accuracy to over 97%. It took years to gain the extra 5% in accuracy. What you see here is the plain vanilla version - prototype version.


00:00 hr
01:00 hr
02:00 hr
03:00 hr
04:00 hr
05:00 hr
06:00 h


06:00 hr
07:00 hr
08:00 hr
09:00 hr
10:00 hr
11:00 hr
12:00 hr



The big picture:



The 08:00 hour failed. However, notice its location relative to the Green Line of the OS1_M1x60 indicator? That's right - it is below OS1. OS1 and B2i have a very special working relationship. One could increase their trading accuracy dramatically by learning how these two indicators work together. So, when the professional naysayers come into this thread and begin hallucinating about what "failed," you can tell them they need to learn how to build the box before having an opinion about the box.

These are basic examples of how the 1 Hour B2i Pattern works. This is NOT the highly optimized version of B2i. I've giving you a good starting point for exploring the concept, not the work that I have completed over the years. This is a 1 Minute Chart plotting the 1 Hour B2i. USE YOUR IMAGINATION! You do not have to stick with a 1 minute chart, nor do you have to stick with a 1 hour B2i pattern. B2i patterns exist in ALL Time Frames. The larger the time frame the larger the risk AND the larger the reward.

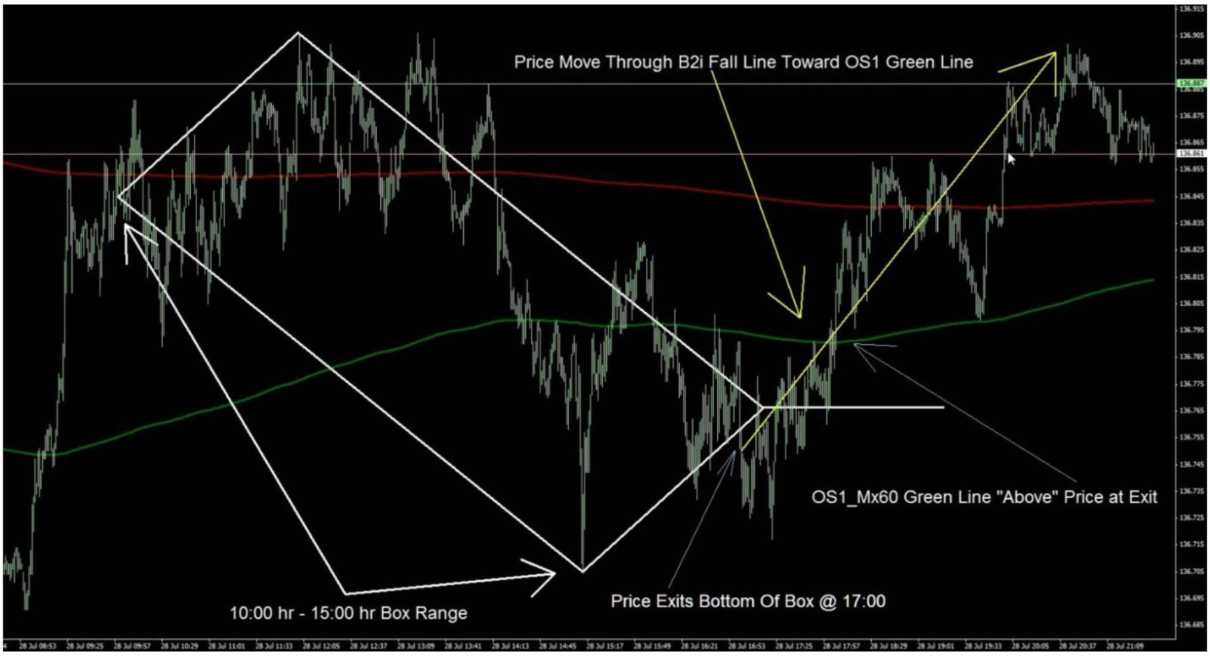
The area you see in blue highlight is particularly interesting. Note, the 08:00 hour B2i failed. However, note that the failure of the 08:00 B2i is what causes the success of the 05:00 B2i which fell in-line with the directional bias of the OS1 indicator. When 08:00 B2i fails, it does so in the direction of what? That's right, the OS1 Green Line. So, what would be a good rule to apply? **Trade B2i Patterns that align with OS1.** That's the lesson.

[For the M1 Chart] **(A)** When Price is Above OS1 Green Line, B2i Indicator Bias is Short. **(B)** When Price is Below OS1 Green Line, B2i Indicator Bias is Long. That is NOT the same **(C)** Directional Price Bias. The condition of OS1 matters as well. The greater the Distance ***between*** OS1's Green and Red Lines, the greater the tendency for "A" and "B" to be true. When you talk about "tendencies" you are really talking about mathematical probabilities and that requires a lot of work to figure out for multiple linear relationships (Price to Green Line, Price to Red Line, Price to Green and Red Line with X-Degrees of separation).

Remember, OS1 is nothing but a Double MA Indicator with absurdly large Periods for both the Green and Red Lines, plotted on an M1 Chart. It is designed to show the very long range estimate of where price has been. It does have a couple of additional inputs to its MA calculation that are proprietary. However, once you start using Super Long Range Double MA, you can add your own tweaks per your own specifications and needs.

Post #46

Bigger Box equals a Bigger Move:



The range for this box was 10:00 hour to 15:00 hour. It started at 10am. The Highest High was set at 12:01pm. The Lowest Low (Final Set Point) was established at 15:13pm, making this a **5 hr B2i Pattern with OS1 Above. Price exists the bottom (below the Fall Line).** The rest is history. It was a text book move back into the OS1 cloud with near perfect timing.

B2i Patterns extend across ALL time frames. You simply have to get good at spotting them and **evaluating their potential**.

Fall Line contact on 19:00 - 20:00 B2i pattern:

Notice the Exit behaviour of price? Exiting the top of the box with OS1 Green Line below the Fall Line. Notice the tendency of price to move back to that area? Notice the height and extension of price as it sits AWAY (creating good distance) from both the Fall Line and OS1 Green Line upon its exit of the Box?

All just illusions, huh?

Post #50

It takes time. I'm not expecting anyone to "get it" right off the bat, but please don't come in here trying to tell me that I'm hallucinating that which I have been witnessing since 2008, with regular frequency. If you are having a hard time seeing it, just say so. This is not your standard fair type of trading. Nothing I do is standard - never has been. I intentionally (on purpose) sought to develop indicators and methods that nobody else had - and for darn good reason. This is Unconventional by definition. I know that you've never seen anything like this before.

The market will continue to behave like this, as long as OS1 remains in a certain condition. The condition of OS1 (horizontal, flat and directionless) that you see right now on your screen (in my last pic) provides a target rich environment for B2i type trading.

You had better learn something here, because I'm gone after this week and I won't be back for another year.

B2i can make you fairly wealth, all by itself - but you've got to learn how to use it.

Post #53

Near Real Time B2i Pattern. Difficult to draw, post and type in real-time, but this box is not yet fully formed. I'll follow its formation. EURJPY is the pair and the start time of the box was 2200. Current time is 2238, so the hour is not yet complete, but the Highest High and Lowest low thus far have been established. The rest is paying attention to the way price behaves with respect to the Fall Line.

And, now this:

Post #54

Notice how price clings to the Fall Line for now inside this hour while no new Higher High or Lower Low is being made. That will change before the end of the hour, but just notice how price "behaves" around that price level for now:

Post #55

At 2250, a move towards a possible new Lower Low is made. This would redraw the B2i Box and place price BELOW the Fall Line with OS1 Green Line ABOVE. That would trigger a Long trade.

Post #56

This is not actually a trade worth B2i because the Boxes are so small - not enough size in the Box to provide enough profit to warrant the risk. I'm simply showing this in near real-time, so you can see where I draw the box and how price behaves relative to the box being drawn.

Time is now 2256. 4 minutes left before this Box becomes validated (if it were large enough to trade). With B2i Patterns, size DOES matter.

Post #57

A new Lowest Low was established right on the bell at 2259, extending the box downward just a bit and putting price below the Fall Line. Now, look at how price immediately reacted:

Post #58

Again, tiny box and not for trading. However, regardless of size, the price behaviour is uncanny and very similar to the larger boxes that are trade worthy:

Post #59

And, there you go - another "magic" trick. Actually, not really magic at all. Just research and some statistical analysis, that's all.

Post #60

Play with these boxes. They are fun to watch unfold. Use the small boxes so you can get familiar with the price behaviour. Use the Big Boxes to actually trade with - that's where the money hangs out.

Post #62

No problem. I appreciate your post on the merits. These funny little boxes that keep demonstrating themselves to be rather interesting can be drawn on the hour - every hour. The first two connecting vectors start at the Open Price of each hour and run to the Highest High and Lowest Low (as stated earlier). From that point, you simply replicate those same two lines but move them to the opposite end of their starting points to make the parallelogram. So, the Open:Low line is copied and dragged up, so the open end connects to the Highest High of that hour. The Open:High line is copied and dragged down, so the open end connects to the Lowest Low of that hour. That's it. Where those copied lines meet in the future is called the Intersection or Fall Line.

The B2i box you just drew is completed only when the hour comes to an end. If price exits the box and moves past the Intersection point (where the two copied lines meet out in the future) from Above, then price typically has the tendency to move down to or through the Fall Line. If price exits the box and moves past the intersection point (where the two copied lines meet out in the future) from Below, then price typically has the tendency to move up to or through the Fall Line.

That's the prototype concept. Version 1.0. It has a fairly decent rate of accuracy but you will need to improve it with other long-term directionally biased indicators. B2i is a Non-Trending Prediction Class Indicator. You should probably use a good Trending Prediction Class Indicator to go along with it. Furthermore, the size of the box matters a great deal. The distance between where price exists the box and the Fall Line, determines your profit potential. The risk potential is found in the statistical analysis when testing these patterns for when they fail to return to the Fall Line.

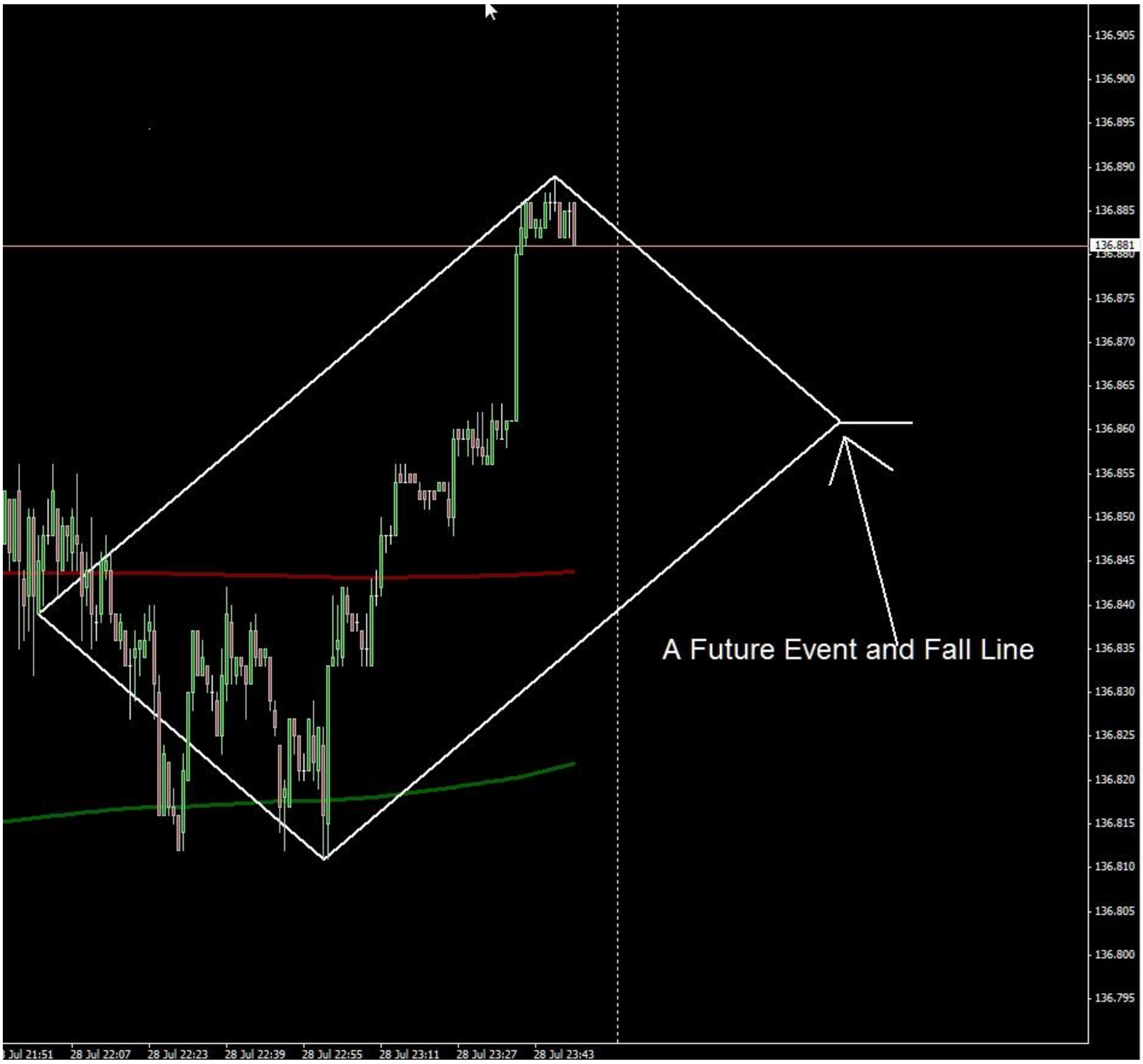
The last few pics here were of a tiny box, not worthy of trading given the magnitude of EURJPY right now. I only posted them to explain the mechanics of how the box should work in near real-time.

Post #63

Before I go grab a bite to eat, let's play with the current 2200 box and extend it a bit. The original 2200 Highest High was tight at $136.856 EURJPY. That led to a small tight funny little useless rectangle. Well, things look a little different if you extend the box through to the 2300 hour. Keep in mind that B2i needs higher Volatility than the end of trading sessions typically provide and I do not normally trade end of day B2i for that reason. However, let's take a look at how you extend the B2i.

Recall the last box.

Now, look at what an extension would provide:



This is the exact same "tiny" box we just looked at. Now, she's grown-up a bit as we extended it behind a mere 1 hour framework and into the 2300 hour, for a 2 hour framework. Remember, size does matter with B2i. So, we are now tracking a 2 hour B2i structure. At 2340, the Highest High was made at $136.886 (a slightly higher high point was made, but I can't type and post at the same time). Notice the new Intersection which will provide you with a new Fall Line. Also, notice how price is pegged up into the Highest High area of the Box. This is what you WANT to see before entry into the position. Allow the box time to complete. Since this is now a 2 hour B2i pattern the completion time will be 2359.

See what happens. I've got to grab some food before I starve - I may miss this one, but practice it yourself. Decide when you would take the trade.

Know that the current OS1 condition is Short which aligns itself perfectly with the current B2i formation in near real-time.

Post #68

Back from a late lunch as price fall back through the Fall Line to the Short side. As you progress through enough of these little "annoying rectangles" that have absolutely "no meaning whatsoever," you begin to see the behavioral pattern emerging as a consistent theme - where prices somehow wants to connect with the Fall Line. If you have been very observant, then you have seen that sometimes price makes its move towards the Fall Line from **inside the box itself - before the box is validated by the ending of the current hour** in which it is drawn.

This is a very important observation because it lead me to creating Version 2.x of the B2i indicator. In order to accomplish that task, I had to search for another indicator that would give me detailed volatility information about the current hour. That came through another indicator that I called Distinct Vega (now, **D**istinct **V**ega **P**rime). DVP is now in its 4th Generation of code and in the trading system it provides real-time information about the relationship of the Highest High and Lowest Low relative to the Open and Close of the Time Frame under observation. To make a very long story short, DVP provides me with a Timing Mechanism that enables better insight into B2i Patterns that show the most probability for striking the Fall Line before the end of the B2i time frame - ie, before the box completes and is validated.

What that really gave me the ability to do, was shift B2i itself into another class of indicators that I call: Real Time Dynamic, or Class RTDi. Out of the 117 indicators in the system, there are only 11 Class RTDi on-board. They are not easy to come by because they are a pain in the butt to optimize to a level of acceptable stability. They are the most frustrating class of indicator I have ever worked on. We won't be getting into any of those here, I just wanted to show how B2i developed over time and WHY it was necessary to push the performance of the indicator beyond this prototype Version 1.0 that I am sharing in this thread.

As you can see, the B2i Short call tendency was correct (back to the Fall Line), but the Timing was not correct. A note of advise for the novice. When you find a good indicator that has some timing issues, don't scrap the entire indicator. Go look for something that you've developed in the past. Typically, you will find output from something you've created in the past, that unlocks the potential of something you are working with in the present and raises its effectiveness overall.

Never throw away your old work - you NEVER know when you will need an older design that you thought had no real potential. You may have designed a better indicator BACKWARDS - meaning the part you thought was no good, might have been developed FIRST, and the part you thought was good might have been developed LAST, **without you knowing it.** The more system development you do, the more you will realize just how true this statement can be. Never (EVER) throw away your old work. You just might need it someday.

Once again, where is price in this pic:

That's right - hanging out on the Fall Line, yet again. Unless you had something like DVP to alert you to the fact that the Short move would come early, before the box fully validated, then there was no way for you to trade that sharp move down. However, that's not the point. The point is to show the tendency of the move relative to these silly little rectangles that just keep popping up when you least expect them to.

In the pic above, you can see that price exited the box from Below the Fall Line and then immediately went up to touch the Fall Line. The problem is that OS1 Green Line is Below the Fall Line and that creates conflict in the price behaviour which I am certain we will see play out until the next valid box comes along. Had the EURJPY closed well above the Fall Line, then (as stated earlier before this move happened) it would have matched OS1 perfectly and lead to a nice little Short, as predicted (the tendency for which we see now).

Post #72

[Quoting Thepipster]()

{quote} Are we trying to short from the high of the box down to the fall line? Or are we waiting until price hits the fall line? If so, what do we do once it does, aim for the top, again? My guess is the first one.

It was the former idea as I stated just above that last post before lunch. You need good Timing indication relative to the structure of the box, in order to jump on internal Fall Line moves. However, with enough time on B2i, you can visually begin to conclude when an internal Fall Line move is going to be made. That is, when price will have a good tendency to makes its move for the Fall Line before the box validates.

Either way, there are plenty of these things floating around out there - find those that Conform. I wanted to catch a couple developing in real-time like this to show what to look for and how to approach it.

B2i is a geometric shape with timing components built-in. Once the Fall Line is truck, that particular box deactivates and you hunt for a new box. Market volatility is highly desirable and sideways markets are rather easy pickings. **Vertical markets where trending is strong within the range of time that makes up the B2i Pattern, are NOT good trading conditions for this indicator as stated earlier.**

B2i is what I call a Market Phase 2, 3 and 4 indicator. Market Phases 1 and 5 are not advisable for B2i.

Market Phases:

1) Strong Bullish (vertical up)
2) Bullish to Flat Transition (horizontal)
3) Flat (horizontal)
4) Bearish to Flat Transition (horizontal)
5) Strong Bearish (vertical down)

A Flat to Bullish Phase is the same as Condition 2. A Flat to Bearish Phase is the same as Condition 4. Thus, they are omitted from the phase count.

A trader needs indicators that assist him/her with each of these five (5) conditions and their two (2) associated Transition Phases (2 & 4). I call it: Trader's Situational Awareness. You need to know what Market Phase your pair is in at all times and in all Time Frames. Not all Time Frames are in the same Phase. This is something that most traders simply overlook and way underestimate in their routine trading. You need to be aware of the Market Phase in Each Time Frame and its potential impact on your position. There is no way I can do that in real-time without a computer and without a specific sub-set of my system dedicated to Situational Awareness. Thus, my trading system has a dedicated Situational Awareness Module as part of its Signal Engine.

How you calculate and assign the definition of each Phase above makes all the difference. One trader's Phase 3, could be another trader's Phase 4. But, at no time should a Phase 1 be misconstrued with a Phase 5 condition. Nor, should a Phase 4 be confused with a Phase 2 condition. If that is the case, then there is a fundamental misunderstanding of Market Phase Conditions and a review of the basics regarding Market Momentum should be reviewed by the trader.

That's a bit advanced for this thread, but I thought I would toss that in there.

Post #73

BTW - the place where B2i will fail the most are in the inverse conditions of Market Phases 2 and 4. This is a Flat to Phase 1, or a Flat to Phase 5 condition. Why? Because, these two inverse conditions only happen when the market is about to rip to the upside or rip to the downside, never to been again. Meaning, that market is on its way up for a long time, or down for a long time - far longer than you can remain solvent. So, holding that position is pointless.

And, as you have probably figured out by now, I leave no stone unturned. Therefore, I have developed a set of indicators that do a decent job of predicting Inverse Phase 2 and 4 conditions. One of the ways that you can get hurt the least during an Inverse Market Condition, is to disproportionately take a number of positions that are in the direction of your successfully consistent long range indicators.

This is a "form" of cheating - but I don't care. I cheat to the strong side of the trading system, in other words. That does not mean that my system won't take positions against the longer, stronger indicators. It simply means that in the aggregate, the system forces a disproportionate number of positions into the long term side of the equation. Of course, this is deeply philosophical and again, not a part of this thread.

Post #74

Quoting palabara

You have a very interesting system, definitely attention worthy.

Thanks, but you are by no means witnessing the entirety of the system. I'm just trying to show how 1 of 117 signals works in the entirety of the system. I have not spewed as much about OS1 because it is a very simple indicator that provides background and context in which to make some good choices about what to do with B2i. B2i by itself is limited. It is only 70+% accurate by itself in Version 1.0 configuration. Some people would give their right arm to trade at 70%. That is too much empirical risk for my taste.

However, B2i V1 is good for starting the novice trader who only knows about conventional indicators to get outside conventional wisdom and start thinking like real traders do - completely antithetical to what the masses are doing. The masses are getting fleeced and ambushed. As a trader, I feel like I need to get inside what the "Big Boys" are doing, carve out some space, **get in and be gone** before they make their next move.

Keep the higher time frames in mind, think multidimensional at all times and even the basic B2i (with the aid of a good long term outlook indicator) can do pretty well. If you are going to error, then error to the side of the long term indicator and use B2i as the Triggering Mechanism into the trade. That is another way to use B2i. Not for Direction (that would come from your well tested long term indicator), but as a General Trigger.

Post #75

Some will say: Yeah, but that's just simple retracement! To that I will say: A retracement of what? O:H is different than O:L and both are never the same distance twice, nor do they draw the same retracement levels twice. There is something inside the "magic pattern" that the market is not outright telling anyone.

Here we are a full two hours later and price is still sitting where?

Bid/Ask straddling the Fall Line which was projected more than two hours ago. That's simply not possible - that's not supposed to happen - that's not doable - that's just "hogwash," LOL! (I love it)

Post #76

Ok, folks. The $2.50 Magic Show is over for today. Volatility has gone to bed on the JPY and so has B2i.

We never looked at it today, but this was the D1 (Daily) B2i Pattern: (D1 B2i plotted on an H1 Chart)

This box was present in the market (whether I drew it or not) starting at 0000 hrs on 7/25/14. Its Highest High was achieve in the 1000 hour and its Lowest Low was achieved in the 2000 hour, setting its Projected Fall Line at the Intersection of $136.824. Once again it is noted that after price moves out of the bottom of the box and clears the Projected Intersection **a full 10 hours previously**, price demonstrates the tendency to move back into the Fall Line.

A simple, fairly low risk, yet effective means of trading when you are "aware" of the current Market Phase and you have the pulse of the Long Range Market Bias.

Jusqu'à demain. Au revoir!

Post #77

Probably a good idea to visually keep track of the D1 B2i plotted on the H1 chart, though the focus in this thread is on the H1 B2i plotted on the M1 chart.

Post #78

And, here is another splicing of the B2i. The Yellow Shape is the 12 hours B2i plotted on the same H1 chart that the D1 (24 hour) B2i is plotted on. You can see that after exiting the Top Side of the 12 hrs B2i, price jack hammered through the Fall Line BEFORE making moving on:

Proof that you can run but you cannot hide from the B2i. All you need to do is locate a B2i with good elevation above or below its Fall Line upon completion, or you need a good internal indicator that can tell you when price has exhausted its limits within the framework of the B2i structure you are observing, so you can take advantage of those Internal Fall Line strikes that happen BEFORE the baseline pattern completes. These are geometric patterns and shapes that take place in the market sort of behind the scenes and out of sight of most traders.

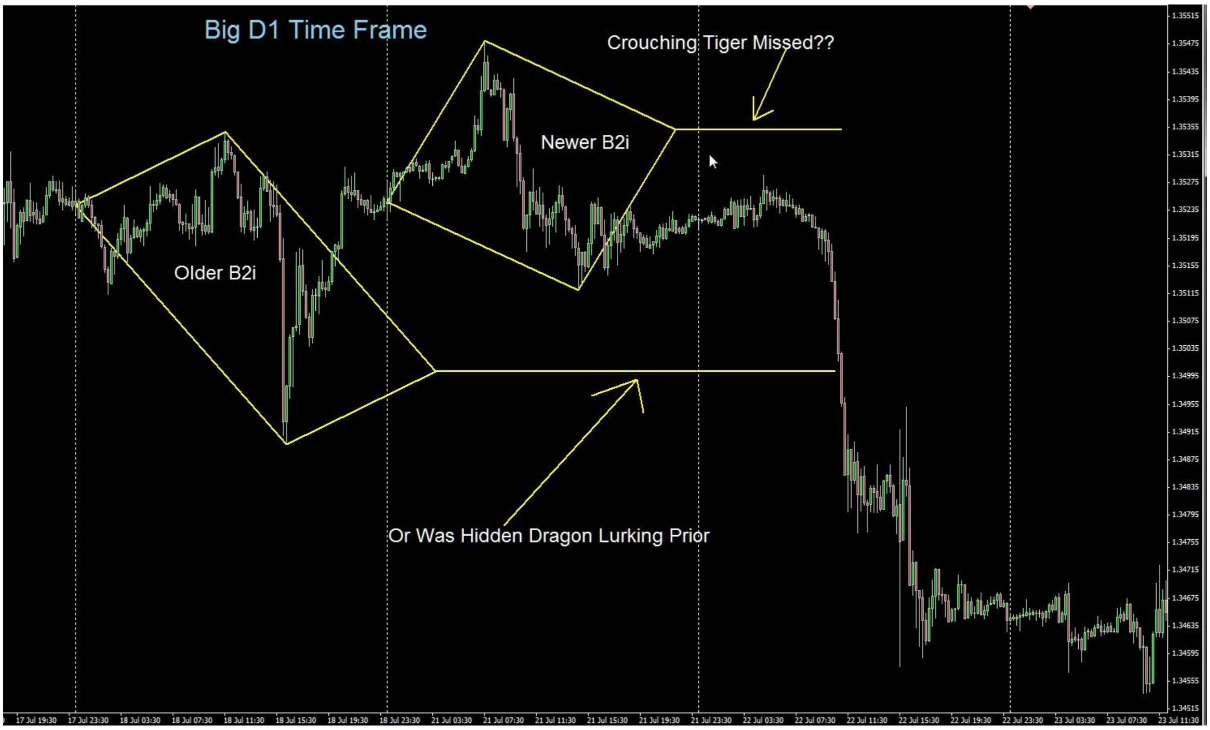
Added - Notice the stacking of Fall Lines painted with blue circles? A definite indication of market contraction, but also an indication of an explosive move on the way when these D1 levels get painted so close to each other.

I call this genre of tools **Digital Geometry**, by the way. It seemed to be the most fitting name I could give to these particular set of tools. B2i is one of several Digital Geometry tools in the system.

Until tomorrow.

Post #84

Something had to give:



Hidden Dragon won because there were stronger forces at play in the long range class. The older B2i slipped right past your eye while it was being struck from a superior position.

This reminds of that scene from Dune, where Young Paul Atreides is addressed by Duncan Gurney, to practice his hand-to-hand knife fighting skills. Young Paul, says, he's not in the mood. Gurney, tells him that moods are for cattle of loveplay. They begin the practice and in the end, Young Paul, uses the "slow blade" to penetrate the shield of Gurney. Yet, all the while, Gurney, had penetrated Young Paul's shield from underneath.

The older Bi2 is Gurney's blade. It was never struck and its configuration was more aligned with the dominant longer range bias, where Young Paul's blade was not.

Post #86

If it is Friday's Fall Line, then it has already been touched.

Post #88

yes. Sometimes the fall lines act as S/R.

Post#89

Regarding the "Newer B2i" in the above D1 pic. Recall, that what you are using is V1 of an indicator that is now in V5.x form. So, we are not seeing the 90% indicator that I use in my system here in this thread. I cannot share that one. I can share enough to give you some inspiration to start thinking unconventionally about your trading. So, these B2i Patterns are not the best I've got at present.

Second, I did tell you about the OS1 indicator and what its job is relative to being paired up with B2i. For best trade results, you will want to pair your B2i with a good long range directional indicator (mine is OS1). I also indicated that you need to develop good TSA (Trader's Situational Awareness) about the Market Phase your pair is under. You need to be able to identify each of the five (5) types of markets and the two internal inverse market phases at all time, regardless of what signals you use for trading - that's just basic situational awareness that all traders need to have.

Third, what's important remember in this thread is "Tendency." Even in the "Newer B2i" above, you can see the tendency of price to move to its Fall Line. Eventually, the Older B2i Fall Line and its relative connection with the long range bias of that particular market took over and price fell to meet the older Fall Line.

Lastly, no indicator, signal or system that I have ever encountered is 100% effective. But, that's only because I have not studied every single indicator, signal, model, or trading methodology in the world - nor do I plan to. What I'm interesting in are High Density Probability Conditions and then stacking those Density Probabilities in my favor. It is an empirical approach that uses historical testing and optimization along a set of key parameters that include: Timing, Direction, Magnitude and Probability of striking an empirically established target.

Ultimately, I trade by what the numbers tell me. Those numbers are there for a reason - the market actually visited those locations and performed a certain way under a certain set of circumstances. So, I look for the tendency in a pattern to repeat itself and then I empirically determine the highest probability for continued performance against that pattern.

That does not mean the pattern will be successful all the time. **However, it does mean that I've taken steps to mitigate as much risk as possible from the known equation.** That is the bulk of successful technical trading, **Risk Mitigation.** Remove as much risk as you can without sitting on the sidelines and not trading at all - a zero risk condition.

A trade should seek to eliminate as much risk as possible, **THEN** seek to work on the other more "sexy" and "fun" stuff. Risk Mitigation is hard work and most people just don't have the stomach for that kind of hard core research. It is a total grind and very un-sexy.

Post #90

No. I mean it has been recently touched and the newer B2i has not. Gurney's blade is already in. Young Paul, is the one trying to strike through this time. Remember, this is V1, but we'll see how it does tomorrow.

Post #116

Angelofx:

I wanted to post your B2i discovery first, because depending on what bucket shop retail FX platform you were using, it probably failed to strike the target. Take a close look at what you posted yesterday:

On my charts, it just missed the target by a fraction. Close is only good enough in horseshoes and political rhetoric. This one failed. The question is WHY?

- Is the indicator junk?
- Was the pattern not identified properly?
- Was the pattern identified properly but not validated correctly?
- Was the Market Phase out of synch with the pattern?
- Was there significant market moving News?
- Was there another Technical Influence with Bigger Magnitude?

Recall, when I talked about the need for Synchronizing the inputs that go into any calculation you make about trading, whether those inputs are technical or fundamental. You picked a 24 Hour B2i pattern to trade. I looked very good at the start and it demonstrated some "tendency" to behave according to the long standing history of the pattern. However, what you need to see here is what I've been discussing online for now many years, that ALL good trades must have these four (4) components baked-in and they need to have as much synergy as possible:

- Timing
- Direction
- Magnitude
- Probability

Obviously, this thread is about one (1) indicator concept. It is not intended to supplant an entire trading system. I am a Systems Trader, not a single indicator trader. This is only to demonstrate an indicator concept and its potential for repeatability. Magnitude was the big game changer on this one. However, it was the Magnitude of another B2i that we did not account for yesterday.

Take another look at your B2i in this broader context:

This is the 1 MN B2i Pattern plotted on a D1 chart. Last month's B2i is on a 230 pip tear to the downside and continuing through its Fall Line at $1.70464 with very good momentum. However, notice the "tendency" to the UPSIDE that GBPUSD still produced in the D1 B2i that you picked yesterday. It just missed its upside Fall Line. The lesson to learn here is two fold:

1) Multidimensional Analysis does matter
2) Larger Time Frames need to be accounting for in your decision making calculus

Now, let's look at the exact same D1 (24 hour) B2i Pattern from the M5 chart perspective with a really good long-term directional indicator, OS1:

Notice that during the entry phase, OS1 Green Line was Above price and Above the Fall Line. Also, notice that price demonstrated its tendency to behave within historical parameters as it attempts a run on the Fall Line price level of $1.69947 and kisses the OS1 Green Line in the face before turning back under the influence of the 1 MN B2i. Also, notice the structure of the OS1 itself and recall that OS1 is nothing but a Double MA with a very large period for both the Fast and Slow Periods (plus some optimizing inputs that I cooked up myself). So, it is a really good long-range "Stabilizing" type of indicator - meaning that when there is a lot of conflicting input from multiple indicators within the system, OS1 is allowed to have more weight and more influence in the final trade signal output.

Now, here is a look at the M1 level:

Here is what can inspire a trader to become a Systems Theorists and to realize the importance developing good Algorithmic Trade Decision Logic skills. Recall one of the B2i Rules:

- If price is Below OS1 Green Line (your best long range moving average directional indicator) at pattern validation time (when the patter completes) and Fall Line is Above price, then the tendency for price to move towards Fall Line has higher probability.

You see price attempting to make a move to the Fall Line but stalling abruptly just short of it. Why? Take a closer look at the configuration of OS1 throughout the period from 0000 hrs to to point where it just misses the target. Notice how close together the two OS1 lines are (Red and Green? That's an indication of price consolidation in that time frame and at that price level. It also indicates that if Daily Volatility is maintained in the next session, there will be an explosive move typically in the direction of the Green Line (Green over Red = Long, Red over Green = Short, typically).

The other very important note is that OS1 is called a "Stabilizer" type indicator for a good reason in my system. That is because it rarely sees massive deformation in the stability of its lines and price rarely crosses from the Green side to the Red side without recoiling back to the Green side. The OS1 lines do cross each other, but the crossing mechanics historically happen AFTER both lines have been separated by a large distance between them. Typically, the price behavior just BEFORE an OS1 cross-over includes price turning into the Green Line, matching its trajectory for a period of time, then challenging the Red Line in a noticeably smoother trajectory as price makes the cross first, followed by the crossing of both lines. That behavior is not present here. What you see here is a sharp move in price against a fairly stable downside OS1 directional trajectory. That results in the rapid recoil of price back in-line with OS1 to the downside.

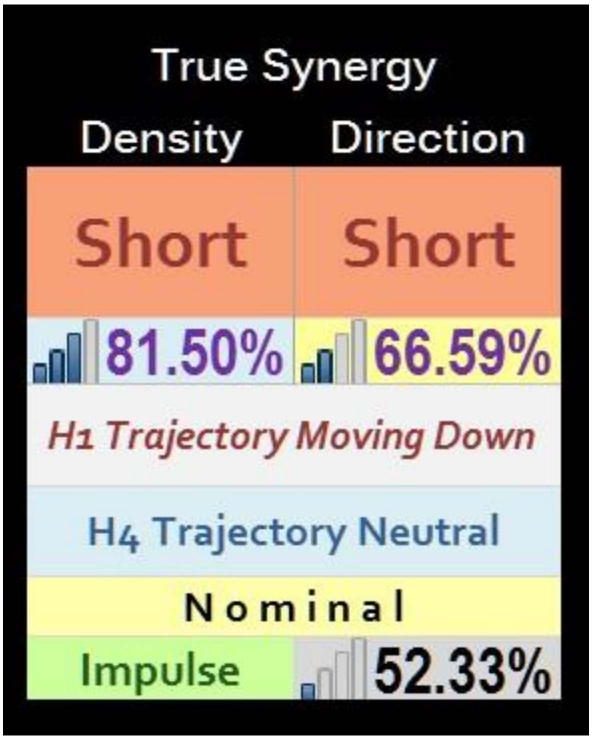
That last paragraph is a lot to digest and it comes from a massive amount of study on price behavior in and around long range moving averages. You are going to have to take the time to digest that last paragraph, as there is a LOT of valuable information therein relative to: **How To Properly Use Long Range Moving Averages.**

When you put all of this together, you get the move you saw today in the GBPUSD. It underscores the need to know your indicators and their limitations, think logically about how they relate to each other and how their synergy can be used to your advantage as a trader. This gets into System Theory and Systems Optimization, which is a fairly large subject, but I hope you get the broader idea here, of using logically using multiple tools to help you determine the Magnitude in multiple time frames and how to go about weighting the various inputs to a trade decision.

This is the stuff that separates really experienced traders from novice traders. Going inside the logic of how you make trade decisions as a technical trader, is Trade Logic Development. There are a lot of Software Developers out there who understand how to develop software. Trade Logic Development is a different world. A single Concept or Idea leads to Mathematical formulas. Mathematical formulas when Integrated lead to Mathematical Functions. Integrated Mathematical Functions lead to Indicators. Integrated Indicators lead to Signals. The Integration of Signals lead to Decision Oriented Algorithms. Integrated Algorithms lead to Trade Logic and full blown Decision Support Trading Systems.

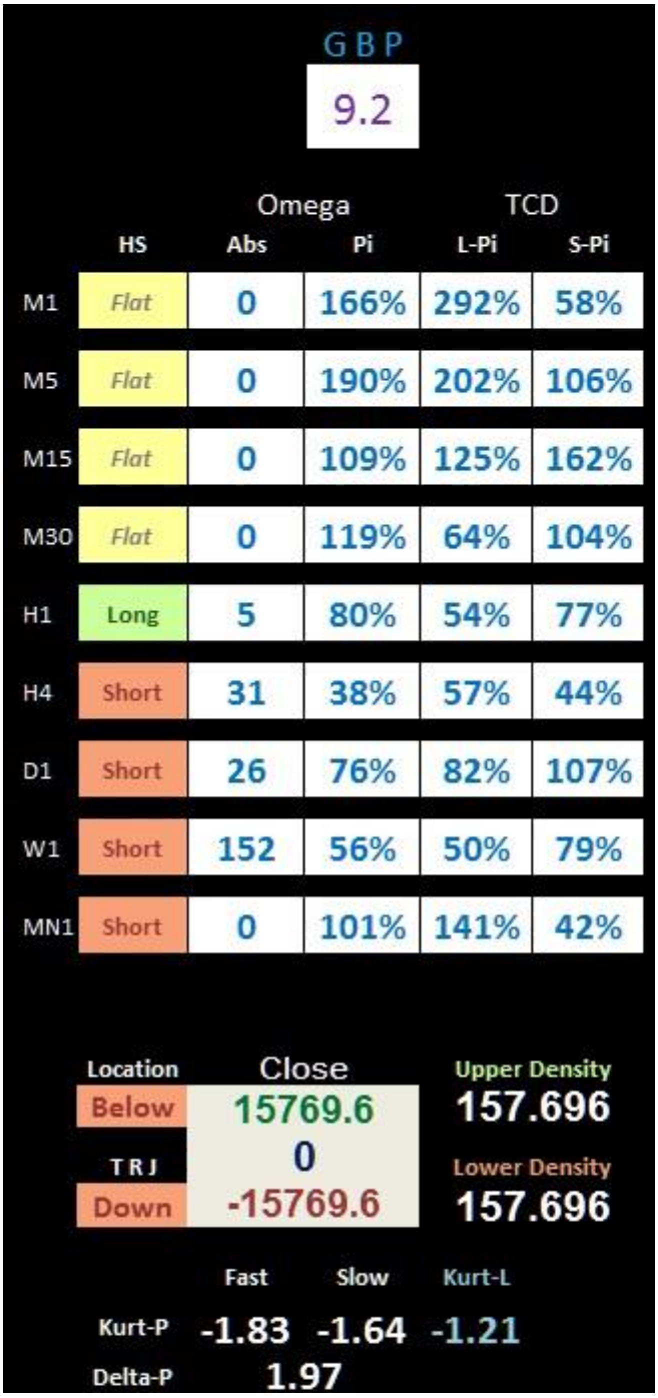
If we are going to be Technical Trades, then we really do have to be "Technical" in our approach and that means measuring, quantifying, balancing and integrating the inputs we use in the decision logic (at a minimum). I'd actually like to teach a course on Trade System Development someday, but I've never been able to find that kind of time. I do believe it is both Science, Art and Philosophy and I am very much intrigued by the subject of Trade Systems Theory.

Here is what my Trade Signal looks like:



Notice how every signal output has a "Magnitude" indication in percent (%) form. That's ultimately where this post leads. B2i has not only a Signal (Long or Short) but a Magnitude Indicator attached to it (i.e., 87%) as well. B2i is deeply embedded in the system at the Integrated Function level as just one part of an overall system. You don't even see it on this GUI signal panel.

This is a close-up of a Stack on the panel:



There are seven (7) of these Stacks on the panel for visual reference. I trade the JPY basket and the system uses input from all seven (7) major JPY pairs. You can see that all time frames are represented. Down below you see the Probability Cluster. That is where all the "magic" happens. Basically, I am a believer in using Density Probabilities to determine a lot about the characteristics of price at any price level: Historical, Present and Future.

Here is the advanced version of OS1:

This is basically OS1 with a lot of enhancements. This Bar changes color as the percent magnitude changes in the long range directional behavior of the market. Red is the Downward probability and Green is the Upward probability. OS1 is called the Trajectory Bar in the system and I can simply glance down and look at the magnitude numbers or simply check the color of each bar and that tells me what the directional bias is for the market over the next 24 hours.

Anyway, I hope that was as clear as mud. 😉Relax, you won't get this all in just few days. We are looking at just 1 of 117 indicators here, outputting 1,200+ parameters that are all evaluated in real time to produce a GO / NO GO decision. We can't replicate that in a single indicator concept. But, you can start to understand how important good input integration is to making good trading decisions.

Post #119

Quoting Rand Yap

B2i is a very interesting framework to start exploring price. I still have no idea of the principle why should price be attracted to the fall line. I am curious on: Did you happened to discover it through accident by playing and drawing? (like how Issac Newton discovered relations of certain parameters that governs gravity) or Did you create B2i based on some underlying principles? (like how Einstein found the curvature of space created gravity) In any way, this picture is to give some the idea of how the funny rectangle updated itself in an hour,...

Hello Rand:

I call it Digital Geometry and B2i is one of several DG type indicators. It just happens to be one that I can share right now. This is its prototype version 1.0. It is currently in version 5.x within the overall trading system. Back when I used to do mostly system development all day long, I would take mid-day naps and listen to theta and beta frequency aural tones while contemplating a problem to be solved. Often times, I would ask my subconscious to come up with a new idea about price behavior before going to sleep at night. Sometimes, I'd be awaken at 3am with a new idea or concept that I had never had before. Most of the ideas that I have worked on came through long hours spent working on raw data and looking for relationships in price by reducing each number to a point in two dimensional space within a downward flowing hierarchy as new prices enter form the top of a two dimensional structure and flow downward into history. I ran all kinds of "thought experiments" in various ways, trying to stoke creativity and view price in ways that were not obvious to the naked eye.

The underlying principle is the inverse of chaos: Stability. That's a philosophical belief system about market price that not many share. I don't believe that prices "wants" to be chaotic. I believe that price "wants" to seek equilibrium - not just the known technical definition of equilibrium, but literal non-movement. In other words, I don't believe that prices "wants" to go anywhere. I don't believe that is the true nature of "price."

People drive price. People are moved by Greed and Fear. People don't want to put their money at risk in the aggregate. Therefore, there is a built-in market component of "do nothing" and "leave price right where it is." Again, that's a philosophical stance that comes out of my opinion - not derived from a technical white paper that I wrote on the subject of The Mechanisms of Market Behaviour (the title of a book that I've never gotten around to writing and probably never will - oh, maybe I should not say that - maybe someday).

B2i does have a connection to another indicator that I developed called Distinct Vega. Distinct Vega is one of the very first primal set of core indicators that has become entire ubiquitous and deeply embedded in the system. It simply measures prices' tendency to move from the Open of any time frame to the Highest High and Lowest Low. It then measures prices' tendency to move from the Highest High to the Close and the Lowest Low to the Close. That's all it does basically. That provides significant historical metadata about price in ever dimension of time that is relevant. In a simple mathematical function, it then coordinates that data with the Open to Close data within the same bar of reference to determine the unique and **Distinct Volatility** ("Distinct Vega") of the instrument being observed.

B2i Version 1.0, comes along and introduces an Intersection in the future, predicated on the first half of Distinct Vega. I cannot disclose B2i Version 5.0, which introduces other Intersections and other Projections based on Distinct Vega as well. I always leave my production work off limits for discussion in public. However, Version 1.0 is the forerunner to Version 5.x, without question.

Distinct Vega, is another one of those Einstein inspired "Thought Experiments." It is simply a way to measure what price is doing in ever bar and in every dimension of time. This is what caused me to create my idea of **Price Vectoring** into my work and when that happened, the flood gates of ideas opened up and lead to many years of systems development.

In my philosophical belief system "Price," is not what most traders think it is. Most traders see $1.69558 and call that "Price." I don't see that as price. In fact, I don't see price at all, I see Price Vectors which are spread out over periods of time, somewhat (not exactly) like Electrons are spread out through space about the nucleus of an atom in the form of Probability Patterns. So, "Price" dissolves into Patterns and those patterns of a definite location in time, as well as a specific Shape with its boundaries always in a state of continuous flux.

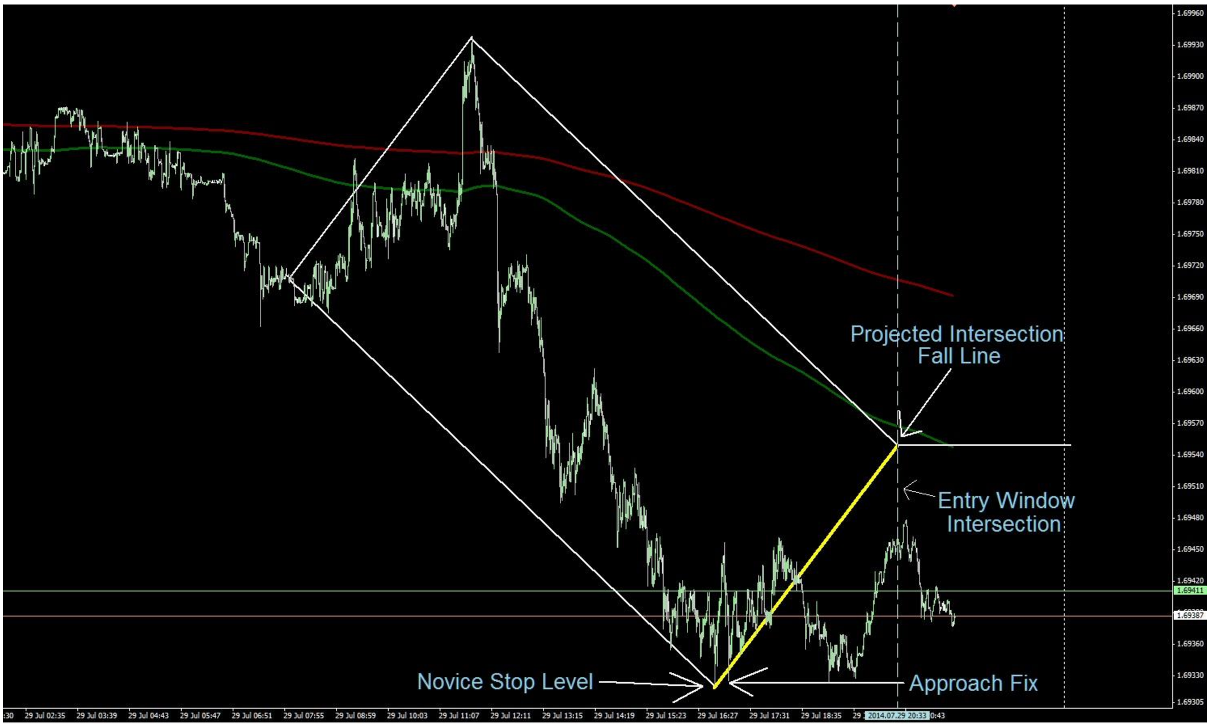
Price is like a Cloud in the sky. Continuously moving. Continuously changing its Shape. Continuously changing its Density. Continuously changing its Location. When I'm targeting a so-called "Price" level, I'm targeting the center of a cluster of Projected Price Vectors, together having a specific Density and thus a specific degree of Probability for existence in a specific Location.

It is all about Probabilities and relevant Historical significance.

Post #121

Quoting Doji Star

{quote} Hi angelofx I've been keeping an eye on the GUm15. the trickiest bits for me were I to trade this is 1. where to put the SL? 2.what else besides a fall line that's already been touched, invalidates a trade? Nevertheless...very interesting thread...food for thought... DS {image}



- I do not broadcast my stops. Essentially, I am the stop.
- If price reaches the "Novice Stop Level" then by definition the B2i Pattern has not validated and will be redrawn with a new Lowest Low.
- The Entry is a Window. B2i is not a time specific entry method. It is a Short Term Directional Projection Tool.
- You have to determine whether or not your B2i provides enough pips to satisfy your own personal requirements (measure risk/reward)
- The Projected Intersection Point marks a position in the future relative to the Approach Fix Point. Price typically clears and move from here.

Post #128

Batavier,

Hello and thanks.

Quoting Batavier
iDoubleStoch, OK I just re-read this whole thread and the other one about Randomness of the market. I can see that these rectangles can be deadly accurate.

Just keep in mind that B2i needs support in order to get consistently above the 70% accuracy level and not all B2i are tradeworthy. I'm here to show you what a very simple yet very unconventional indicator can look like, if you are willing to start exploring raw data on your own. Believe me when I tell you, there are MANY different kinds of unconventional indicators out there waiting to be explored.

It is very alluring to reach for the shelf and pull down a traditional indicator, but when you do, who else is using it and how many people use the same settings that you do? This has an impact on the effectiveness of that indicator. I'm trying to get you to see that a one-off design, if it is a good concept and it is well researched (so that you know its limitations) can be a goldmine of information that nobody else has or uses.

Finding new indicators is not easy. I could sit here and lie to you and tell you it is easy - it is not. However, the flip side to that truth is that once you get started on the path of developing Data Analytic Skills, the floodgates open up and you start seeing real market patterns that you never knew existed before - all because you are Visualizing the Data in a completely different way.

Corporations learned how to do this back in the 90's when Data Analytics hit big time. Today, they call it "Big Data Analytics" but that speaks to the underlying data sources and their evolution. The analysis under the cover is still roughly the same. It is Multidimensional Data Analysis. For the trader this simply means, exploring market data in multiple time frames and generating indicators with symmetry across multiple time frames while searching for patterns that like to repeat. It is about having a big picture view across all time frames. That's the real lesson here.

Find/discover/create/research good one-off indicators that no one else has. Scale up the indicator through all time frames (or enough scale to capture a big picture). Look for synergy between the output of the indicator across multiple dimensions of time.

Quoting Batavier

Need some more clues re the OS1 moving average. It seems to have a long term pull on the market. Tried up to 4000sma on 1 minute charts. But I think I'm missing something (probably a whole lot of something but I like puzzles.) More clues please?????

It is a Double MA. One line is Fast (Green) the other is Slow (Red). The key to the Double MA is found in the Time Frame to MA Period Ratio. If you notice, my OS1 was designed to be plotted on a 1 minute bar chart. The base Fibonacci Numbers of 8 and 21 are scaled up in my OS1 to 60 times. Why? Because, M1 is a 60 Minute Chart. 8 is the base factor for the Fast Period and 21 is the base factor for the Slow Period. For my own personal needs relative to profit, a multiple of 60 worked out for me. It may not work out for your needs.

Now, beyond that, I have to get into a concept that I call **M1 OS1 Fast Gapping**. That's not a concept I can share because it is a strategic component of my trading system. However, FastGaps define a particular kind of price behavior relative to the scaling up of 60x8 and 60x21 for the Fast and Slow lines and that provides me with a predictive edge. Not something I can divulge. However, what I can tell you is that there is a relationship between the location of price and OS1 at any given time. That relationship is governed by the scale applied to OS1 and is directly proportional to the size of the M1 bar. It came from a wild theory I once had about how Electrons orbit the nucleus of an atom. OS1 acts as both the Neutron and the Proton to Price as the Electron, depending on the Distance between the two. Beyond that, I can't say anything more.

The concept of price returning to the mean is nothing new. However, predicting WHEN price will return to the mean and being able to identify a unique behavioral signature BEFORE price returns to the mean, is a very useful tool.

Post #131

[Quoting Thepipster]

{quote} I think if there's a way to know ahead of time what the top (or bottom for buying) of the box is going to be to start trading towards the fall line, we could open a trade there...otherwise...

Which is essentially what Version 5.x of the B2i indicator does. That was my goal, to figure out a way to determine the extent of the "Approach Fox" in the structure and then fire off the trade as close to that location as possible with the structure remaining intact throughout the move to the Fall Line. If the pattern is high quality, then the probability for some manner of profit between the Approach Fix and the Intersection is the highest. Herein resides the key to pushing B2i into the 90%+ accuracy range. Why? When you can profit from the trade without hitting the Fall Line, you are trading the pattern with minimal risk.

With B2i Version 1, you have to reach the Fall Line. With B2i Version 5.x, you need the "tendency" of price to move towards the Fall Line. If the all Line comes, then its gravy. If not, it is very easy to take a smaller profit and even easier to break even at a minimum. So, your point is well placed, but it takes a bit more than just B2i to nail down the actual parameters of the legs within the pattern before it happens.

That's my special sauce.

Post #135

[Quoting Legionary]

@iDoubleStoch Few questions if I may... 1.Why is Projected Intersection Fall Line always horizontal? 2.What happens when you draw rectangles one over another in the same chart? Bigger or maybe better to say – newer rectangle usually have more ''weight'', or? 3.So what is it behind the scenes? (trend lines, stops, average prices, limit orders, mathematical equations, stochastics...?) If you could expand writings on this matter? Theory sounds nice but I'm very sceptical about anything in trading/investing... Thanks for your time...

Thanks, no problem - hope you are gleaning something of value.

1) It represents a price level - a target level. The Intersection is the Target Level for this version of B2i. Unfortunately, I try to type fast as the market is moving and MT4 does not have a quick way to enter arrows with ling tails (you have to create them) and floating text labels (you still have to type them) while preparing a text response for the forum.

2) The key is in drawing a Valid Pattern (if written about that throughout the thread) and not necessarily arbitrary rectangles. I was being sarcastic intentionally with the naming of the thread based on a ridiculous comment made by someone else in the "Is Price Really Random" thread. So, this tread became all about those "silly little dumb rectangles that have no meaning whatsoever." Read my rules for painting the patterns (I've written about in multiple locations in this thread). They are extremely simple - someone has already taken those rules and quickly built an indicator from it - so, it is not hard to do correctly.

If you happen to paint multiple B2i Patterns in close proximity to each other on a chart, that is because the market produced those data points and they are to be respected. **The market is ALWAYS right.** The market can never be wrong. So, if multiple B2i show up in close proximity, then the market is very Volatile in that time span. By the same token, if the market is that volatile AND the range (or size) of the B2 pattern is sufficient for your needs, then the market is also being very predictable at the same time. However, I trade the Major Pairs and while they have times when they go through heavy consolidation and don't expand their Daily, Weekly and Monthly ATR as much, that is typically a very temporary condition. One of the primary reasons why I trade currencies is specifically because of its natural tendency to continuously expand the larger ATRs (Daily, Weekly, Monthly, Yearly).

3) Noting but a non-conventional pattern. Now, I've added a long term directional stabilizer (OS1) because of my philosophy behind systems development to always use some kind of historically reliable long term directional indicator in contrast to a short term Predictive Indicator. B2i is Predictive, not necessarily "Trend Following." So, I like to weigh the risk by taking a look at the condition of my longer term directional stabilizer. When the long term directional stabilizer indicates that it is open to reversion to the mean and the B2i is projecting away from the directional bias of the long term stabilizer, then I am more likely to allow the trade logically. Other than that, this version of B2i that you see here is basically unsupported by anything else other than OS1. But, I would use a long term stabilizer of some design regardless of what I was doing.

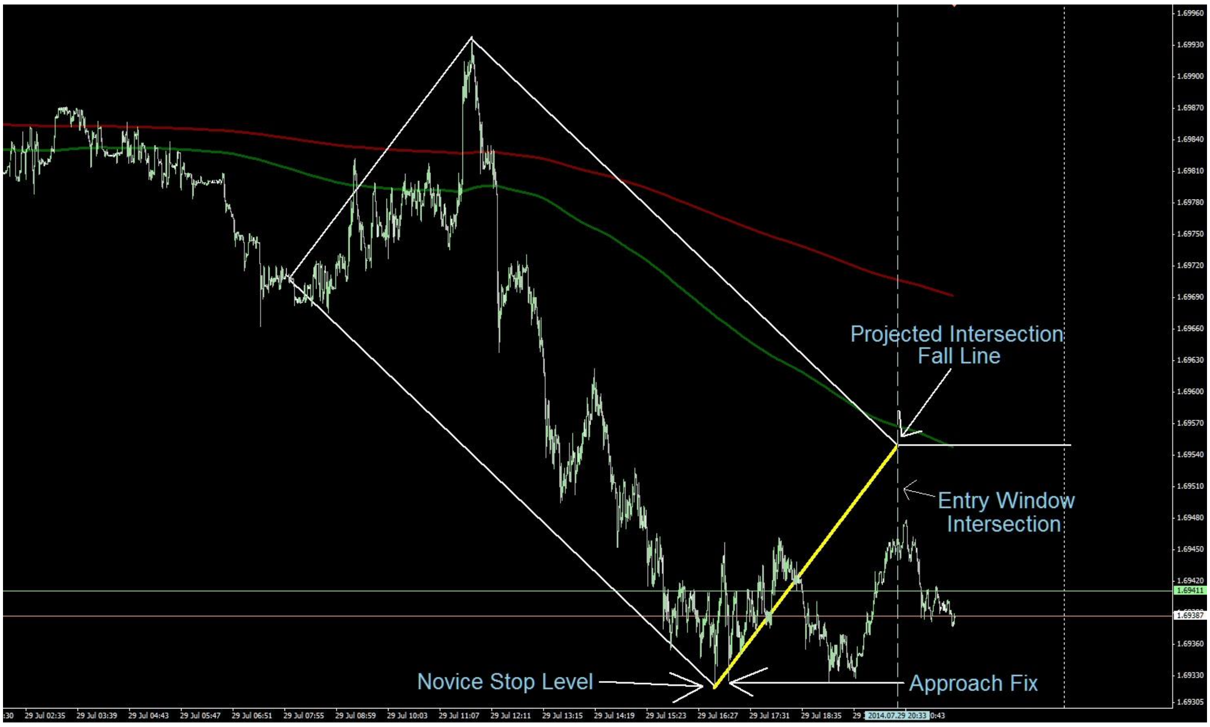
Skepticism is trading is the starting point for becoming a better trader. Bandwagon theories without details are the vehicles that lead to draining account balances with no explanation. You need to do precisely what I said: **You need to LEARN the limitations of every single indicator you use.** I've reiterated that several times in this thread. You need to understand HOW the indicator works. WHY it works, could be an entirely different story altogether.

The WHY behind B2i, I have explained somewhat. If I got deeper, I dig too much into what I am doing in my production system. This thread is partially here to get your Brain soaring into the WHY question, so that you can hopefully make B2i better than it already is for yourself and so that you can think like a Systems Trader and Systems Designer (if you don't already).

I can only give so much away and I don't sell my work product. You have to study it, research it, play with it, observe it under different market conditions and then you can work on optimizing it for yourself. It is not "magic." But, it is research.

Post #137

Ok, that's it. Looks like I got through all the posts today, but it took all day. I only had a change to post this one B2i Hybrid today back around 2100:



It now appears as:

This is a Hybrid 0800-1600 8 Hr B2i. The Start time was near 0800 and the Approach Fox was made by the market at 16:48. The projections were made at that time and the pattern has held thus far. End of day Volatility means a sluggish Entry Window, that is not the only problem here. OS1 functions over Time. When you take a look at the first pic (above) OS1 Green was Above the Fall Line near 2100 of last session, indicating a higher probability for a positive move given this B2i structure. Now, the new trading session has begun and OS1 Green has fallen through and Below the Fall Line.

At the very same time, OS1 Green has flattened out relative to its 2100 angle which had a more downward trajectory. Of course, this is happening because price has moved sideways ever since drawing the B2i pattern.

Remember, earlier today, I talked about price behavior in the vicinity of long range MAs. If the MA periods are dialed in correctly. You can witness some of the characteristic in price just before a cross over takes place. I don't have GBPUSD in my system because I trade the JPY set, but I've seen this scenario many times before. This snap shot is the kind of potential cross over price behavior that is typically seen just before price begins to make its journey across the OS1 Channel (formed by the Red and Green lines).

What has to happen here, is that price need to Merge gracefully into OS1 Green, Mirror the trajectory of OS1 Green for a period of time, then make its move on OS1 Red. If OS1 Red can maintain a relative position Above this Hybrid 8 Hr B2i Fall Line, then the trade basically makes itself without much frustration. That's the potential.

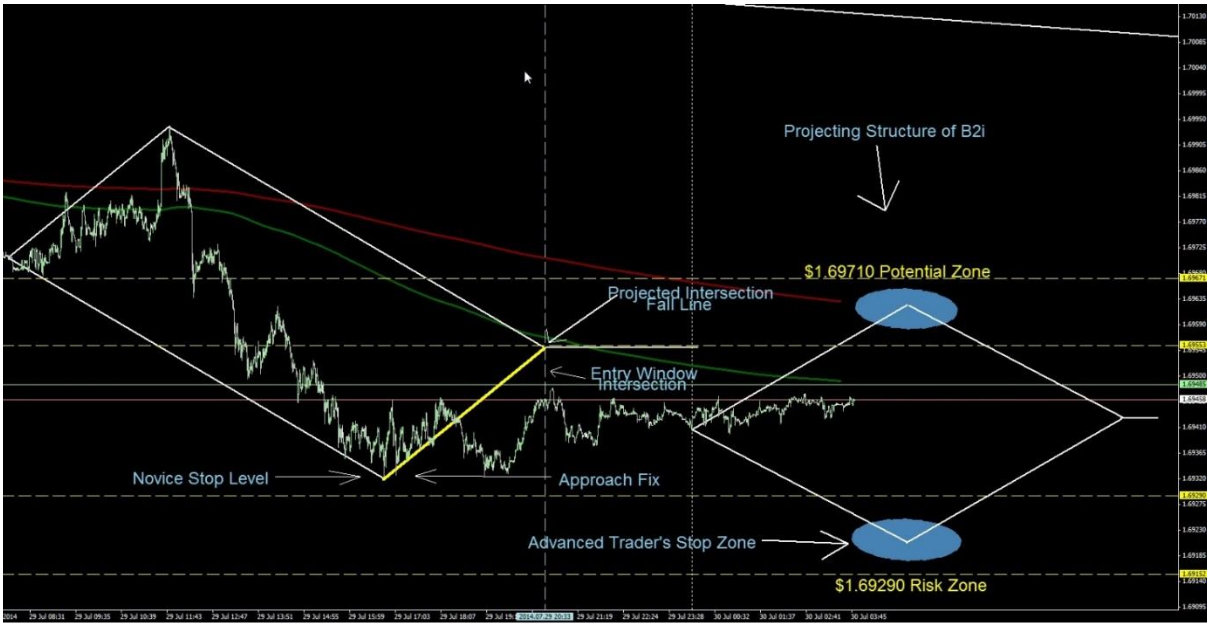
The Risk comes with a hard bounce off of OS1 Green back to the downside, where OS1 Green acts like normal Resistance. That wold block and reject price back down, sending it back towards the Approach Fix. That is not a time to exit. Often times, you do see a double bounce underneath the OS1 Green, before price makes it final approach up to OS1 Red and beyond.

This distance between the Approach Fix and OS1 Red is approximately 31 pips on my M1 chart. The distance between price at the location of the Projected Intersection at 20:32 (last session) and OS1 Red is roughly 19 pips. The distance between the Approach Fix and the Fall Line itself is 22.9 pips. Depending on what type of trader you are, these are the measures you use to estimate your potential profit. Risk is the Novice Stop Level, for those of you who trade with stops - or like showing your Broker what you intend to do before you do it.

We now watch and wait. Notice that this is an 8 hour pattern. So, it is not uncommon to have to wait longer than the range of the pattern for final results. They don't always turn on a dime.

Post #138

Projecting the Structure of the 7/30/2014 D1 B2i Pattern using D1 Distinct Vega on an M1 GBPUSD chart:



All this attempts to do is project the D1 B2i for 7/30/2014 into the future. How? By using inputs from the D1 Distinct Vega Indicator. Now, you need to be aware of a major caveat here:

1) Distinct Vega is a Real-Time Indicator

Therefore, I cannot sit up all night long and update the changes to the Distinct Vega output and use that as Input to this B2i projected drawing. Therefore, this will not be an exacting projection, but it does help you understand what you can do, if you know the dynamic Distinct Vega input into the B2i pattern as it is unfolding. Consider this a conceptual rendering using the D1 Distinct Vega inputs at the start of the trading session.

This is some insight into how Predictive Trading Systems start to come together. You obviously have to begin the process of intelligently layering both predictive and directional (trend following) indicators together in an optimized manner. This is NOT optimized. This is going to be a loose projection because I have no way of updating the inputs throughout the night on this forum.

What I've done is projected $1.69710 as the potential profit zone and $1.6929 as the potential risk zone. This would in theory, establish the 7/30/2014 D1 B2i structure before it happens using other predictive indicators - in this case, Distinct Vega, which I have described earlier in this thread to some extent.

Right away, one of the characteristics that I see in the 7/30/2014 D1 B2i Projected Fall Line and Intersection Point, is that right now at this very minute, price is hanging out at that level. One of the other things I see is that the projected Fall Line for the 7/30/2014 B2i is Below the current M1 OS1 Green line. Another interesting characteristic is that OS1 itself seems to be flattening out Above the 7/30/2014 Projected D1 B2i Fall Line. These are all indications of an Up move in the market which fits the current 8hr B2i Fall Line already established. So, here we see some slight uncomplicated layering and integration theory of just two indicators (three, if you count OS1).

This is how I roll. I like the integration aspect of systems development. It is a lot of fun for me personally because it involves a lot of creativity and it requires logically structuring inputs.

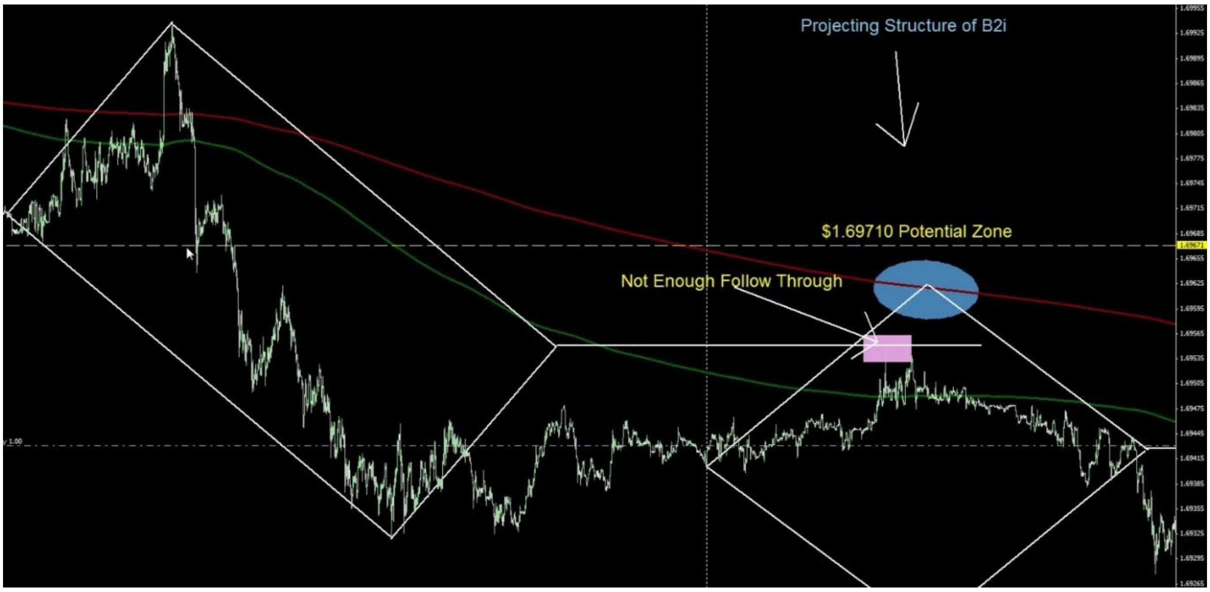
Ok, we will let this work itself out. This ought to keep you busy for a while.

Post #147

Ok, let's review

7/29/2014 Hybrid 8 Hr B2i

The Fall Line was missed on my chart. Just like yesterday, one some charts I'm sure it made it all the way. Not enough follow-through for my liking, however. Still, the "tendency" was good which demonstrates that the pattern's principle is a sound one. The potential Cross-Over played more to the "risk" than the "potential." The price behavior that I spoke of yesterday, where price would "merge" with OS1 Green, match its trajectory for a period of time and then make the crossing up to the OS1 Red, was all spot on until about 02:57 UTC, when the price rejected the "crossing" and continued into the already existing directional bias of OS1. A pretty typical type of failure - I've seen it many times before over the years. The M1 OS1 crossing was not yet ready. Everything else turned out pretty much as expected but Fall Line penetration failed.



7/30/2014 D1 Projected B2i w/Static Distinct Vega Input

These are tough to do without having the B2i projected pattern linked to real-time Distinct Vega inputs. So, the ultimate changes that took place in the signal engine which moves the Potential Zone and the Risk Zone in real-time, are simply not possible to do in a venue like this. I thought about recording it and then posting it to my YouTube account, but that would have far exceeding the 10 minute limit on YouTube videos. There really is no good way to demonstrate live updates in such a static environment, but I hope you at least get some idea of what I was shooting for.

The idea is that both the Potential and Risk Zones will move in real-time with Distinct Vega, because that indicator is NOT a static predictive indicator like B2i. The take away here, is that you can use

Static Predictive Indicators coupled with Dynamic Real-Time Indicators to produce a Live Real-Time Trading System or Methodology. You can do this in an EA, or like do, in Excel with live feed data coming in through MT4 to multiple spreadsheets. So, those Zones in blue highlight were from the D1 Distinct Vega output at the start of the 7/30/2014 session when I original posted it last night. There was no live updating of those zones which DID move according to what the market generated today.

Here is the actual data from the current D1 Distinct Vega Indicator - just so you know that it is real and does exist:

OS1-FastMA	1.59451
OS1-SlowMA	1.58130
Value 3	
Value 4	
Indicator window 1	
L-Long	-0.0025
T-Long	0.0022
HS	-0.0016
L-Long-TAC	-0.0038
L-Long-SAC	-0.0039
T-Long-TAC	0.0036
T-Long-SAC	0.0037
L-Short	-0.0039
T-Short	0.0042
HS	-0.0016
L-Short-TAC	-0.0030
L-Short-SAC	-0.0024
T-Short-TAC	0.0031
T-Short-SAC	0.0026

MN (June) B2i Fall Line Attraction

This pic shows the relative position of the much larger June MN B2i pattern and Fall Line relative to current price. Still a heavy influence on the smaller B2i structures.

Summary

I think these smaller upside B2i structures are feeling the weight of the larger scale MN B2i structure. The OS1 structures are also putting downward pressure on these smaller B2i upside projections and that is contributing to the lack of follow-through. The Market Phase is clearly position 5 (Bullish) for this particular GBPUSD pair (please don't confuse this with the pairs you are working with). I picked this pair because someone in the thread throw it at me for analysis - so I stayed with it thus far. There are a lot of scalping type B2i structures both Long and Short that were available during the course of this week in GBPUSD, however.

Keep these notes clearly in mind regarding B2i:

- B2i is NOT a directional bias or trending indicator type.
- B2i is by design a counter-bias (or counter-trend) indicator.
- B2i need volatility (as do most indicators).
- B2i works optimally in Market Phases 2, 3, 4 and both Inverse Conditions of 3 and 4.
- B2i will lack follow-through in Market Phase 1 (Full Bullish Vertical) where the trade is Short to the Fall Line.
- B2i will lack follow-through in Market Phase 5 (Full Bearish Vertical) where the trade is Long to the Fall Line.

Post #148

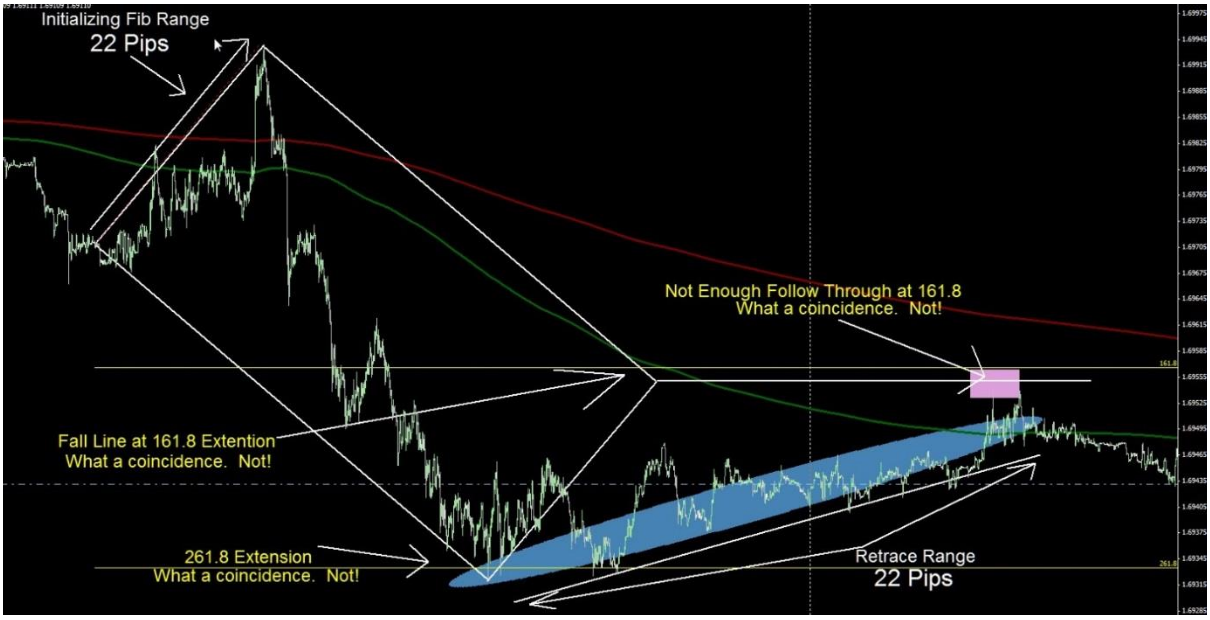
Quoting Thepipster

geez...worse than inputting on the FMS... Is it a good guess to say the parallelogram is using the same basic concept as drawing an ab=cd pattern, without having to have a b-c leg defined in the middle? Or is it just the bcd part? .... _ ...?

I wish I could load a trade into a GNS530-like trading system and follow it like a GPS approach to LPV minimums, but I'm not that good a designer (yet). No. The four (4) sided structure will always have two angles that are identical because the structure itself is simply a mirror of the O:H and O:L legs. AB:CD patterns are supposed to have specific legs lengths before they qualify as being "harmonic." Of course, some say they need not be "harmonic" at all. However, I do see your point and essentially you could say that "C" in an AB:CD pattern is the de facto Approach Fix. However, technically that would be incorrect because if "C" is not "harmonic" then there is no AB:CD (some will argue otherwise).

Additionally, in an AB:CD pattern, "A" is supposed to be a clearly defined Swing Low. In the B2i, what looks like "A" is the Open price and it may or may not ever be anywhere near a true Swing Low. However, being very much in-tuned with Harmonic Trading, you can bet that inside my actual trading system, there are most definitely some Harmonic Calculations being feed into the B2i Module - without question that is true.

It is no coincidence that the Initial Fib Range of the O:H leg of the B2i pattern was 22 pips and the Retrace Range from a deeply established 261.8 was also the same 22 pips. That kind of uncanny symmetry is not mere just a coincidence. Fall Line also sits directly under the 161.8 level as well. What a coincidence. Not.



Harmonics are everywhere in the markets. We could not hide from them even if we wanted to.

Post #149

Quoting Batavier

Trying my best to reverse engineer your chart. I think I got the B2i close. But the OS1 still baffles me. Using SMA 480 (8 x 60) and 1260 (21 x 60)....

Hello Batavier,

(everyone following should pay attention to this one)

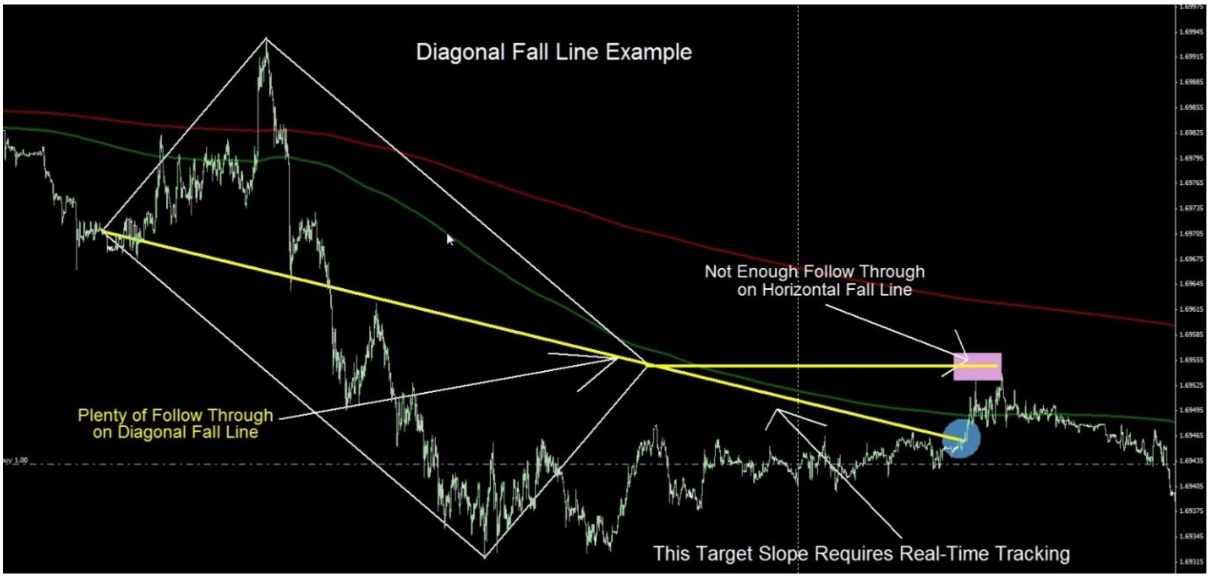
DIAGONAL FALL LINE EXAMPLE (TARGET SLOPE)

You stole my thunder a bit. You have found the Sloped Fall Line. Congratulations! That makes me REALLY happy - it really does! It tells me that you put on your thinking cap and found a way to reduce risk. Outstanding! I was going to introduce this later, but now is as good a time as any.

You have found out that this reduces risk by making the Fall Line more accessible to the market. This works best when you can enter the trade earlier, closer to the Approach Fix point and it makes for a good continuous scalping target as well. It is tighter but it also contains higher probability as well for obvious reasons. There are two (2) drawbacks to using the Sloped Fall Line:

1) You really do want to use larger B2i patterns, so that you have enough distance between the Approach Fix, Entry Window and the Sloped Fall Line. Works great with high volume scalping, however.

2) Unless you can manually track the trade and exit on target slope, you will need an EA that can handle the dynamic tracking for you. That's a bummer for those who cannot code an EA because you must project a sloped line on a chart, which is quite different than simply calculating and defining a horizontal target level.



Good work! 

Post #150

[Quoting Rand Yap]

{quote} Thank you for sharing your beliefs and insights. It is rare to see someone who's trading concept and application has reached your level of refinement. I can deduce why you try to use Vectors as an approach, to which the b2i was borned. It seems neat and worthy of an exploration. Vectors drawn on the price chart with time as i and price as j just doesn't make any sense to me at this moment. With that said.... it doesn't means i can disapprove of it too either, maybe it is just not within my reach of understanding.

Trajectories as defined within the system I use are different. They are composed of Direction and Magnitude between price points within a stream of OHLC data. A trajectory is defined as a directional connection between two specific data points within a data set. Magnitude is defined as Absolute and Aggregate. Absolute magnitude is the actual distance in price between both data points that make up the trajectory. The Aggregate magnitude is the average of all magnitudes for a specific type of trajectory. The vast majority of my indicator designs are trajectory based. B2i uses by default, two fundamental trajectories: Open to High and Open to Low. O:H and O:L are 2 of the 5 fundamental trajectories contained in the Distinct Vega indicator.

So, when I say "trajectory," I'm talking about both the Absolute and Aggregate forms as a whole, which speaks to the manifested behavior of price over time, as found within any historical data set. From that, I extrapolate forward using any number of tools (indicators) that I have developed over the years. Trajectories are tied to bars of data within a data set. Download any time frame from MT4 and you have a data set with which you can develop and study your own trajectories. High[0] - Open[0] is a trajectory. So, is High[13] - Close[4]. The larger the data set the larger the trajectory possibilities.

OHLC Trajectories of a specific type when aggregated together form a Vector. That Vector has both aggregate Direction and aggregate Magnitude. Thus, you can observe the behavior of any trajectory type across any length of time in the aggregate by observing a specific Vector (the collection of trajectories and their associated magnitudes across 'x" number of bars data).

Trajectories and Vectors form the basis for everything within the system. Basically, I've taken market data and broken it down to its most relevant components with the attempt to try to better understand the behavior of price over time. This analysis takes you inside each bar of data and explores all of its relevant OHLC relationships across the data set in question.

There are an infinite number of Trajectories yet to be discovered and explored. No one that I know of studies market data this way. Everyone else is studying moving averages of Whole Data Points. I'm exploring the world of data that exists between those data points. Therein resides the differential between Trajectory based Technical Analysis (as I have created it) and conventional technical analysis.

If you find someone else who does this, please let me know. I've been searching for that Quant for years.

Post #151

Quoting Rand Yap

Is the fall line considered void to you when it is touched inside the box?

Good question. After the last extreme point as been established (either the Highest High or the Lowest Low, depending on the configuration of the box), there is no better condition for B2i because the market has yet to revisit the Fall Line level and that gives the Fall Line a unique quality for not having yet been revisited. So, if there is no internal touch, then that B2i is optimal.

If there is an internal touch, my study of history has caused me to insert a rule that reduces the probability for returning to the Fall Line. It does not cancel the Fall Line, but it does devalue the Fall Line to some extent - which is logically driven and based on the historicity of similar conditions.

I have created a function within the B2i Module that essentially monitors internal regression on the Fall Line and keep track of those statistics within the system. That's how I implement a reduction factor on the probability for a return to the Fall Line. History has shown that internal strikes do matter. Therefore, to be thorough, I must account for them and augment the final signal in some fashion that is appropriate. It is a balancing act, no different than any other multi-signal system optimization task.

Post #155

[Quoting Lalu]

{quote} Good evening iDoublestoch, In this scenario might the odds be restrengthened satisfactorily by executing the diagonal fall line?

Yes - I posted a response to this on page 8. The Sloped Target line by definition runs at an angle to the Horizontal Target line. However, it is a Regressive Target Line. That means that the Value of the trade decreases with Time, by definition. It increase the possibility for a successful outcome, but it reduces net profits. There is no free lunch in trading! To gain one thing, you typically find yourself giving up something else. Such trade-offs are well worth it, when you are dealing with B2i of significant size.

Post #158

By now, the "How Do I" about B2i should be understood. So, I will now move to some other fundamentals that I have not covered.

A GBPUSD 3hr B2i:

Notice the Fall Line. This is the inverse of what I posted about earlier today and what another member of the forum brought to your attention yesterday. The Sloped Target line. As you can see, depending on the configuration of the B2i, using the Sloped Target line can either:

- (A) Reduce Risk, Reduce Net Profit Potential and Increase Probability (Negative Slope Target)
- (B) Increase Risk, Increase Net Profit Potential and Decrease Probability (Positive Slope Target)

The difference can be visualized in the slope itself. In the earlier instance, the Fall Line angled toward current price. In this example, the Fall Line angles away from price. Both Slope off-sets offer different advantages and disadvantages.

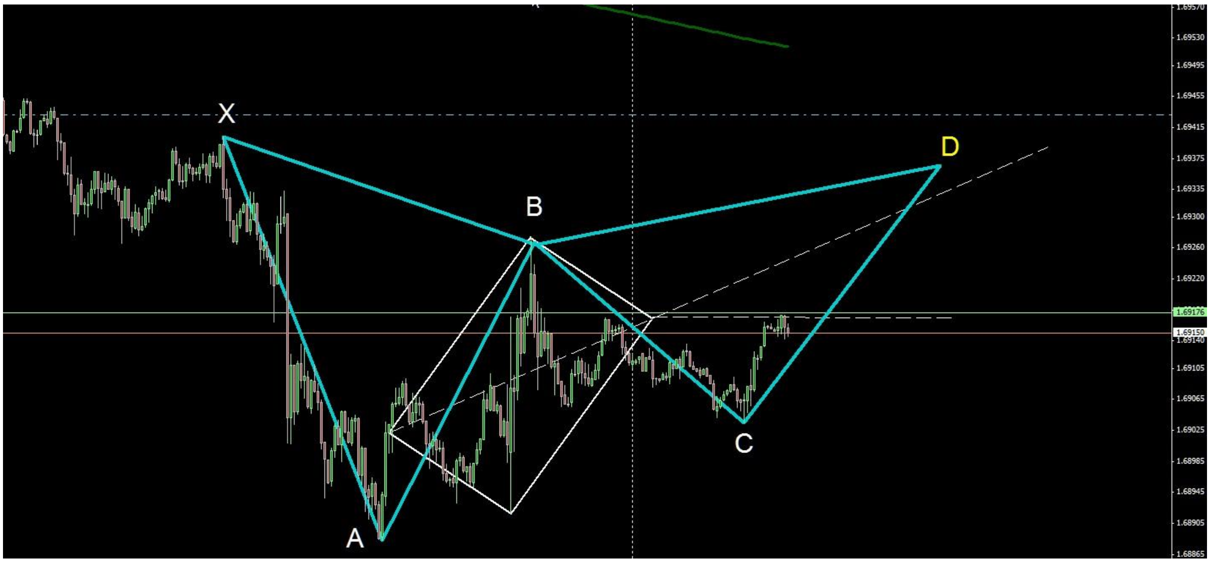
When do you take one over the other? When there is support in the long range directional bias relative to the B2i trade signal. If you have a logical reason for expecting **follow through** on price **beyond the horizontal Fall Line** when the Positive Slope Fall Line is available, then using it is warranted. If you have no logical expectation for follow through then using either the Negative Slope Target **or** standard Horizontal Fall Line is warranted. That is a good logical approach to using the three (3) different Fall Lines.

Fall Line Types

- Neutral Slope Horizontal Fall Line
- Negative Slope Target Fall Line (A above)
- Positive Slope Target Fall Line (B above)

Post #159

I find it interesting that this particular 3hr B2i that I just drew has a Positive Slope Target Fall Line that runs into the "D" area. Right now, the Standard Neutral Fall Line is putting up some resistance on the M5 chart:



Post #167

The chart below takes a snap of the (Daily) D1 B2i that were available in GBPUSD this week. These are plotted on an M15 chart:

Post #172

Quoting 030985

Thank you very much...

You are welcome and thanks!

Quoting 030985
...I still feel a bit stuck, like going in circles, regarding the developping of a reliable strategy.

I selected an unconventional path for research from the very beginning after plowing through a lot of standard/conventional technical analysis. The reasons that some trader's have difficulty gaining traction are myriad. For many it is purely psychological and emotional. For others it seems too technical and too demanding. Some have difficulty getting beyond retail bucket shop business models designs to see them fail.

There are people out there who can take two indicators and scalp their butts off. I sat with a trader in a coffee shop one day and watched him demonstrate his scalping abilities to my amazement. He was not born that way. However, he spent an enormous (HUGE) amount of time, energy and effort into developing the skills necessary to do what he does routinely and without fear. He's like a Ninja Scalper. I can't do what he does because I have not focused on the specific areas that he's spent so much time focusing on.

The paradox about trading is that it is both easy and hard at the same time. It is easy, but ONLY after you've developed the skill to make it so. It sounds convoluted but only after you come out on the other side, do you realize the truth of the statement. Trading is easy, but you have to make it easy and that requires a lot of work. I am not talking about Swing Trading or Position Trading. I'm talking about down in the trenches Intra-Day Trading. To do that successful each day requires skills, tools and a specific trader's psychology (mentality) to match.

Quoting 030985

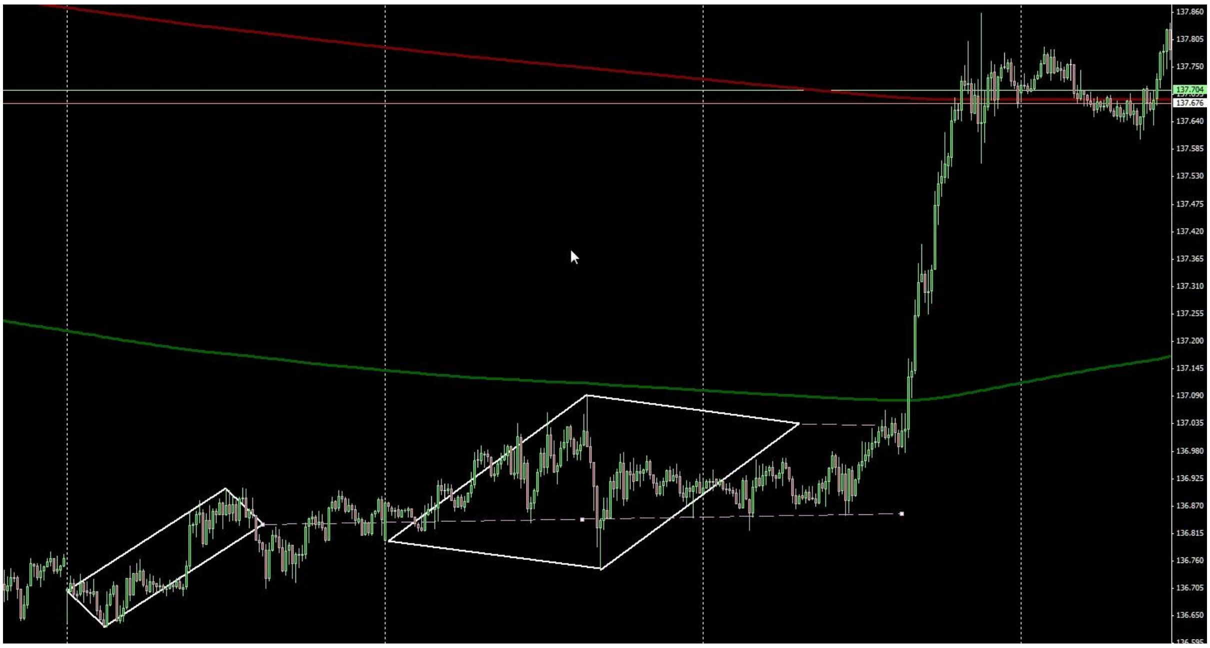
*...For example, it seems that : - if your Fast Long Range MA is above the Slow Long Range MA; and that for the first time after the Fall Line is created**, the Low of a bar (but not an inside bar) has been X points above the Fall line, then the Fall Line seem to be a reliable support level for some points. - inversely, if your Fast Long Range MA is below the Slow Long Range MA; and that for the first time after the Fall Line is created**, the High of a bar (but not an inside bar) has been X points below the Fall line, then the Fall Line seem to...*

Basically, showing you the retracement level before rejoining the dominant "trend." So, you have figured that out which is good. It means you carefully looked at it. Very good!

Quoting 030985
*This price level given by the Fall Line seems to be a point with more 'energy' than some other random points, if we may say so. Maybe that's why it may particularly attract or reject "price". Also it seems these points tend sometimes to cluster, which may give them even more 'energy' ***

I think it was EURJPY or GBPJPY, a while back ago in this thread (I am not sure) that was producing clusters of Fall Lines near the same level and I said that such behavior was an indication that a big move was imminent. 7/30/2014 provided that big move. It completely changing the complexion of the entire week for the EURJPY. So, yes - these Fall Lines are very interesting "locations" in the market and when they start to cluster, typically something big is imminent:

EURJPY | 7/28 - 7/29 Leading to 7/30 Explosion:



Quoting 030985
...if I may ask, according to your knowledge, did you come to understand why these 2 vectors and this pattern make sense regarding price ?

Yes, but I cannot divulge such things because it gets too much into the mechanics of the production Version 5.x of the B2i that I use in my system. What I am sharing here is Version 1.0.

However, keep exploring and playing with it. That's how you develop good tools and it could help you to create a good method that I know nothing about. Share what you can, but keep your production edge close to the vest when you find one. This thread is here to inspire creativity in others and to that end, I hope you've gleaned something of value. Cheers!

Post #174

Quoting Thepipster

...have you looked at purely geometric trading, like beck's emblem for instance?

Yes. I am familiar with Ross, and I have long ago looked into "Becks Emblem." I looked at that during the period of time I was studying other harmonic based methods. Before you ask, the answer is no. The B2i Pattern is not Beck's **"Quadrilateral."** If one takes a close look at the Quadrilateral, its starting point does not use the Open price and does not have to have extremes on both sides (top and bottom) of the Open, like B2i does:

However, the Quadrilateral that Beck's uses in his geometric emblem might provide a differential signal depending on where price exits the B2i box. As you can see in this GBPUSD case on the M15 chart, there is a 3hr B2i plotted between 1815 hrs and 2130 hrs, yielding a Fall Line at a price level not very different from Beck's Quadrilateral entry point level. Beck's Quadrilateral entry point signals a Short, while price action within the B2i structure upon exiting the box signals Long to the Fall Line. This essentially creates confluence between the Quadrilateral signal and the B2i Fall Line target. Overhead, the OS1 is biased to the Short side. This would provide three (3) indications of price Direction coupled with two (2) Timing events.

So, when analyzed that way, it signals Short in the area of the Quadrilateral entry point, Fall Line target and under Point "D". In this case, that was some pretty effective and well timed confluence:

[Quoting Thepipster](#)
Looks very interesting. I've never seen anyone try to mimick beck's emblem in MT4.

The two pics above shows that they are not mirror images of each other, but entirely different concepts predicate on an entire different set of structural points of order. The Quadrilateral by definition cannot extend point "C" below point "A." Thus, it cannot qualify as a valid B2i pattern. B2i must have two extreme points that show up on both sides of the Open price. The Quadrilateral must be anchored at point "A," which by definition cannot be the Open price start point for B2i.

They are quite different. They just happened to coincide in this particular example with entry levels that showed confluence.

[Quoting Thepipster](#)
It has to rotate when the chart is zoomed in and out to be able to line it up over the price\candles. Very good for guessing the "D" in harmonic trading. Plus, it has the other parts of the equation, like vector, impulse, timing, etc.

I like Ross's work, though I am not a practitioner of the "sacred" aspects of harmonics, I do see empirical evidence for that which has been called "Harmonic Patterns" in the market - especially the currency markets. We see it in the two pics above yet again and we are unable to escape harmonics no matter how hard we try.

Post #175

Sometimes you get an "early warning" for the entry trigger:

Once the O:H and O:L have been established and price reels back into the mirrored leg on the opposite side of the structure like this, it can be a good early warning trigger and a great entry window. Why?

A) If price continues to reel higher, even establishing a new Higher High, then the Fall Line is still BELOW the point of entry. Maximum logical protection.

B) If price stops after it penetrates the opposite mirrored leg and then moves down, it initiates the profit phase sooner rather than later.

C) The only thing that can prevent a successful trade in that situation would be if the pattern itself was an historically anomaly.

You've been looking for ways to enter the pattern more fluidly while preserving potential profit and reducing risk. This is one of those ways. It is almost like cheating or stealing but without the guilt. If the structure establishes correctly, it provides you with something of a stealthy unfair advantage.

Post #176

GBPUSD D1 B2i. Early Warning?

The two features that I don't like about this one are the distance between the level at which the O:L mirrored leg as been breached and the actual Highest High. So, if price were to continue going higher from here, you'd have to have the capacity to endure such draw on the trade and then you will have to extend the range of the B2i itself. Why? Because, price has not seen the Fall Line yet, so empirically (according to history) the pattern would still be in effect. The second feature that I don't particularly like about this early warning is the distance between real-time price and OS1 Green. I'd like to see real-time price closer to OS1 Green which makes a return to the downward bias more probably from this location.

Another factor to note on this is the fact that we are now at the end of the week and GBPUSD has been down all week. Sellers want to take profits and anti-trend trader's want a new pony to ride. That should have some upside net effect on Friday's price action and make this B2i wander a bit. Recall what I said about knowing the Market Phase the pair is in during your entry into a trade. That's important at all times, but especially during end of week Day Trades.

These are all caveats that really belong to a higher version of B2i than I am able to share at this time. However, at least it provides you with some bigger picture understanding of other inputs that surrounding B2i.

Post #179

(LiquidGenius)

Hi iDoubleStoch,
I had a bit of a basic and 'theory based' question if you don't mind. I'm in the camp of people who believe they don't quite have the right 'technical knowledge' or eye to make it so I'm hoping you can offer some words of wisdom in that area (I've read so much today I've already forgotten where you posted about it).

So far I've only really glanced at the charts and the rectangles, and to me I see:
-HO/OL/HC/LC mapped out(Which I believe are the leading/trailing long/short trajectories if I recall correctly)
-Horizontal projection line stemming from HC/LC vector
-Assumption that trades are taken via some filter/filters involving other 'signals' and MTF analysis.

Attached is a picture that I think for you speaks for itself; the beginnings for all newbs. My question, if it can be phrased into one question is, How do you get form point A to point B? First I'll say that I know that what you were working on even 5 years ago was leagues above the attached picture. I've explored a number of the things you spoke about (basic TCDs, EMA Fill %), but even in those basic outputs I never saw something that stood out to me. Charting any of the trajectories always produced the same sort of oscillation (between say overfill/underfill) and I was always left kind of staring at a bunch of numbers in an excel doc.

Lately I've been fortunate enough to receive a little help and have "seen the light" that is moving from looking at a 'x delta' or 'average of x delta' to looking at a 'signal light' that is produced from what is essentially an overfill/underfill on two separate deltas when compared to an average of a third delta. However even in this form I could not "see" anything until it was produced in lines and boxes on a chart. More over, I could not foresee myself even attempting such a comparison between so many strings of metadata (I suppose I struggle a lot with trying to work with data in a way that produces something that makes sense to me. There are an endless number of permutations that you could perform on data, but at some point you will end up with gibberish output).

Are you just good with numbers and can see a relationship in the columns of output that excel produces? Or is there another way that you coax the hidden 'patterns' to appear? How do you know when the output produced has results that are worth looking into more?

Also a huge Thanks! for all your contributions over the years.
Attached Image (click to enlarge)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1		OPEN	HIGH	LOW	CLOSE		H/O (Leadin	O/L (Leadshor	DELTA	H/C(trailshort)	C/L(trailLong	C/O	LL LONG	LL SHORT	LS LONG	LS SHORT	TS LONG	TS SHORT	TL LONG	TL SHORT
2	1	1.158	1.161	1.1447	1.1475	S	0.003	0.0133	0.0163	0.0135	0.0028	-0.0105								
3	2	1.148	1.158	1.146	1.1562	L	0.01	0.002	0.012	0.0018	0.0102	0.0082	0	0.013	0.0033	0.012	0.0105	0.0048	0.0115	0.0015
4	3	1.1565	1.179	1.1553	1.1659	L	0.0225	0.0012	0.0237	0.0131	0.0106	0.0094	0.031	0.0015	0.0105	0.0073	0.0228	0.0079	0.0199	0.0009
5	4	1.166	1.1728	1.1614	1.1679	L	0.0068	0.0046	0.0114	0.0049	0.0065	0.0019	0.0163	0.013	0.0107	0.0049	0.0069	0.0111	0.0126	0.0045
6	5	1.1585	1.162	1.1567	1.1581	S	0.0035	0.0018	0.0053	0.0039	0.0014	-0.0004	0.004	0.0143	0.0029	0.0093	0.0059	0.0147	0.0033	0.0112
7	6	1.1579	1.1642	1.1563	1.161	L	0.0063	0.0016	0.0079	0.0032	0.0047	0.0031	0.0057	0.0041	0.0012	0.0022	0.0061	0.001	0.0043	0.0013
8	7	1.1605	1.161	1.1539	1.1555	S	0.0005	0.0066	0.0071	0.0055	0.0016	-0.005	0.0031	0.0037	0.0042	0.004	0	0.0067	0.0008	0.0071
9	8	1.1556	1.1619	1.1554	1.1603	L	0.0063	0.0002	0.0065	0.0016	0.0049	0.0047	0.0014	0.0054	0.0017	0.0051	0.0064	0.0007	0.0064	1E-04
10	9	1.1565	1.1591	1.152	1.1533	S	0.0026	0.0045	0.0071	0.0058	0.0013	-0.0032	0.0035	0.0054	0.0011	0.0038	0.0012	0.0086	0.0021	0.0083
11	10	1.1527	1.154	1.1408	1.1442	S	0.0013	0.0119	0.0132	0.0098	0.0034	-0.0085	0.0025	0.0064	0.0007	0.0137	0.0007	0.0149	0.0078	0.0125
12	11	1.1444	1.147	1.1378	1.1405	S	0.0026	0.0066	0.0092	0.0065	0.0027	-0.0039	0.0057	0.0098	0.0038	0.0148	0.0028	0.0135	0.0003	0.0064
13	12	1.1404	1.1433	1.1342	1.1361	S	0.0029	0.0062	0.0091	0.0072	0.0019	-0.0043	0.0011	0.0066	0.0026	0.0102	0.0028	0.0109	0.0017	0.0063
14	13	1.1362	1.1393	1.129	1.1314	S	0.0031	0.0072	0.0103	0.0079	0.0024	-0.0048	0.0011	0.0071	0.002	0.0114	0.0032	0.0119	0.0028	0.0071
15	14	1.1312	1.1365	1.1284	1.1326	L	0.0053	0.0028	0.0081	0.0039	0.0042	0.0014	0.0003	0.0081	0.0022	0.0078	0.0051	0.0067	0.0036	0.003
16	15	1.1326	1.1363	1.1296	1.131	S	0.0037	0.003	0.0067	0.0053	0.0014	-0.0016	0.0051	0.0039	0.0042	0.0016	0.0037	0.0055	0.0026	0.003
17	16	1.1307	1.1364	1.1247	1.1355	L	0.0057	0.006	0.0117	0.0009	0.0108	0.0048	0.0038	0.0056	0.0011	0.0079	0.0054	0.0008	0.0059	0.0063
18	17	1.1354	1.1373	1.1253	1.1264	S	0.0019	0.0101	0.012	0.0109	0.0011	-0.009	0.0066	0.001	0.0107	0.0054	0.0018	0.01	0.0017	0.0102
19	18	1.1267	1.133	1.122	1.1321	L	0.0063	0.0047	0.011	0.0009	0.0101	0.0054	0.0024	0.0106	0.0014	0.0134	0.0066	0.0052	0.0068	0.0044
20	19	1.1323	1.1345	1.1281	1.1305	S	0.0022	0.0042	0.0064	0.004	0.0024	-0.0018	0.0078	0.0007	0.0103	0.0014	0.0024	0.0025	0.0085	0.004
21	20	1.1308	1.136	1.127	1.1322	L	0.0052	0.0038	0.009	0.0038	0.0052	0.0014	0.0037	0.0037	0.0027	0.0053	0.0055	0.0023	0.0041	0.0035
22	21	1.1323	1.1336	1.1214	1.1238	S	0.0013	0.0109	0.0122	0.0098	0.0024	-0.0085	0.0028	0.0037	0.0053	0.0094	0.0014	0.0122	0.0032	0.0108
23	22	1.1236	1.1308	1.1217	1.128	L	0.0072	0.0019	0.0091	0.0028	0.0063	0.0044	0.0015	0.01	0.0022	0.0106	0.007	0.0056	0.0066	0.0021
24	23	1.1285	1.1301	1.1213	1.1225	S	0.0016	0.0072	0.0088	0.0076	0.0012	-0.006	0.0065	0.0023	0.0068	0.0023	0.0021	0.0083	0.0008	0.0067
25	24	1.1223	1.1235	1.1158	1.1234	L	0.0012	0.0065	0.0077	1E-04	0.0076	0.0011	0.005	0.0078	0.001	0.0127	0.001	0.0067	0.0021	0.0067
26	25	1.1235	1.1267	1.12	1.1249	L	0.0032	0.0035	0.0067	0.0018	0.0049	0.0014	0.0044	0	0.0077	0.0021	0.0033	0.0014	0.0091	0.0034
27	26	1.1245	1.128	1.1181	1.1193	S	0.0035	0.0064	0.0099	0.0087	0.0012	-0.0052	0.0045	0.0022	0.0045	0.0054	0.0031	0.0074	0.0007	0.0068
28	27	1.1195	1.1211	1.1021	1.1022	S	0.0016	0.0174	0.019	0.0189	1E-04	-0.0173	0.0034	0.0085	0.0014	0.0224	0.0018	0.0258	0.0159	0.0172
29	28	1.102	1.106	1.0962	1.1035	L	0.004	0.0058	0.0098	0.0025	0.0073	0.0015	0.0135	0.0191	1E-04	0.0233	0.0038	0.0176	0.0014	0.006
30	29	1.1034	1.107	1.0941	1.0995	S	0.0036	0.0093	0.0129	0.0075	0.0054	-0.0039	0.005	0.0026	0.0072	0.0079	0.0035	0.0065	0.0033	0.0094
31	30	1.0995	1.1047	1.0926	1.1012	L	0.0052	0.0069	0.0121	0.0035	0.0086	0.0017	0.0013	0.0075	0.0054	0.0108	0.0052	0.0058	0.0071	0.0089
32	31	1.101	1.1079	1.1004	1.1034	L	0.0069	0.0006	0.0075	0.0045	0.003	0.0024	0.0084	0.0037	0.0084	0.0009	0.0067	0.0013	0.0108	0.0008
33	32	1.101	1.1025	1.0884	1.0885	S	0.0015	0.0126	0.0141	0.014	1E-04	-0.0125	0.0013	0.0069	0.0006	0.0128	0.0009	0.0154	0.0125	0.015
34	33	1.0889	1.0947	1.0857	1.0919	L	0.0058	0.0032	0.009	0.0028	0.0062	0.003	0.0063	0.0136	0.0005	0.0131	0.0062	0.0106	0.0035	0.0023
35	34	1.092	1.094	1.0864	1.087	S	0.002	0.0056	0.0076	0.007	0.0006	-0.005	0.0051	0.0027	0.0063	0.0025	0.0021	0.0077	0.0013	0.0055
36	35	1.0871	1.088	1.079	1.081	S	0.0009	0.0081	0.009	0.007	0.002	-0.0061	0.004	0.0089	0.0007	0.013	0.001	0.013	0.0054	0.008
37	36	1.0815	1.0925	1.0806	1.0901	L	0.011	0.0009	0.0119	0.0024	0.0095	0.0086	0.0054	0.0065	0.0025	0.0065	0.0115	0.0021	0.0111	0.0004
38	37	1.0902	1.092	1.0857	1.0882	S	0.0018	0.0045	0.0063	0.0038	0.0025	-0.002	0.0105	0.0023	0.0096	0.0042	0.0019	0.0043	0.0076	0.0044
39	38	1.0883	1.0975	1.0879	1.0962	L	0.0092	0.0004	0.0096	0.0013	0.0083	0.0079	0.0073	0.0037	0.0026	0.0023	0.0093	0.0042	0.0105	0.0003

Post #180

Quoting Relativity

...I do have a little problem with fixed timeframes, that I can't exactly find a way to determine where the start and end of the box is. I've noticed that sometimes it follows 'the start and end' of the typical day, and sometimes it doesn't e.g. like as in your picture, it overlaps onto the next day.

You are dong the right thing with empirically flushing out best-case Fibonacci levels. Going after theories with statistically based proofs is the right way to conduct research, no matter what kind of technical indicator you are studying. If it is technical, then it has empirical evidence, good or bad. I like the organized and numbers driven approach you take.

The Standard B2i has a fixed starting point. It is the Open price of the bar where you wish to start the B2i range. The B2i "range" is nothing more than the number of bars between the Open price where you began the range and the last point of expansion. The last point of expansion is either the Highest High, or the Lowest Low. Which one depends on the Shape of the box the market provides. Inside the box, either the Highest High will come first followed lastly by the Lowest Low. Or, the Lowest Low will come first, followed by the Highest High. The B2i "range" ends with the last point of expansion, where the number of bars between the last point of expansion and the Open price, defines the Time of the range. The Standard B2i use standard MT4 charts and you typically want to paint the B2i box on in a chart time that is smaller than the range of the B2 itself. That means that a D1 B2i can be painted on any time frame smaller than the D1, so that you can witness the detail in the price action - if you want to.

A Hybrid B2i, also has the same Open starting point, but instead of selecting expansion points (Highest High and Lowest Low) within a standard time frame, you can select **any** Highest High and **any** Lowest Low to define the range, as long as the Highest High point of expansion is higher than the Open starting point and the Lowest Low point of expansion is also lower than the Open starting point. The Primary Trajectories are the two (2) lines you draw from the Open price to the HH and the LL. Those two lines are Mirrored and Shifted. The O:L primary line is Mirrored and Shifted UP, while the O:H primary line is Mirrored and Shifted DOWN. This Mirroring and Shifting of the Primary Trajectories is what seals the box and establishes its Shape. That Shape remains sealed unless or until either point of expansion is extended by the market - pushing the HH further up, or the LL further down.

Where the two Mirrored and Shifted lines meet is called the Projected Intersection which produces the Fall Line, if you select the Neutral (Standard) Target Level. The Fall Line changes quite a bit, if you select the Positive Slope Fall Line or Negative Slope Fall Line as your target **(this requires real-time tracking either manually or via EA, as there is no way to enter a dynamic limit order without your trading platform being aware of the exact slope of the line)**.

Whether or not any B2i has an Intersection that extends out in to the future, or as you say "overlaps," is purely a function of the B2i range that either you select, whether a Standard Time Framed B2i (HH and LL must fit within a standard time frame), or a Hybrid Time Framed B2i (HH and LL can extend over any custom time frame).

That should you better understand how to construct Standard and Hybrid B2i patterns.

Quoting Relativity
So I kinda got around the problem by using range bars to filter for 'significant price action'.

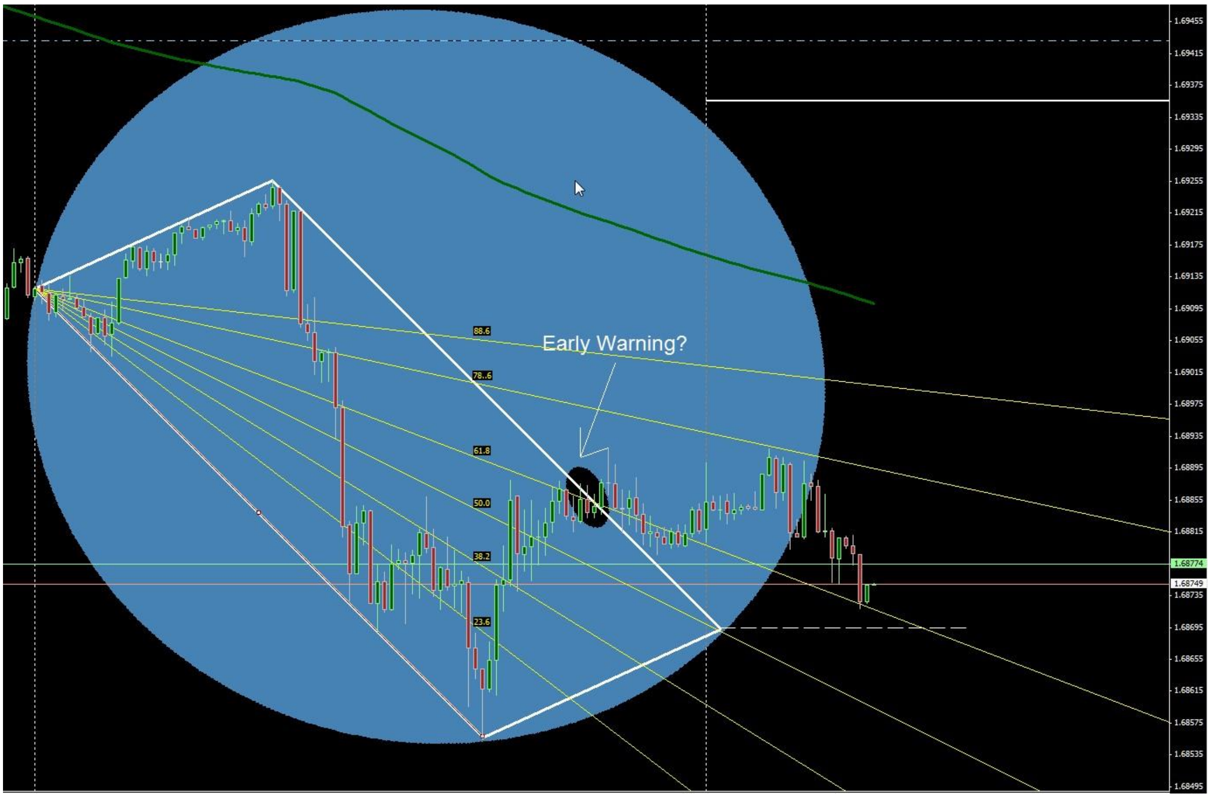
B2i is based on where price has been and what the market has done. I have not used range bars at all in my work, but the idea does sound intriguing. So, explore it if you want and do let us know what you discover!

Post #181

This one is for those who might be students of Ross Beck's Emblem work. It is not a full blown emblem, and I have taken liberty with my version of the Fibonacci Fan concept that he uses to set Time based retracement levels within his emblem. However, in this case it shows something of a "Wormhole" located on the 61.8 blade with the 78.6 blade as time based resistance. Note the Early Warning, after suffering some upside pressure, has now moved closer to this GBPUSD Standard D1 B2i painted on an M15 chart.

Before:

After:



A decent Early Warning Entry Windows where you did not have to wait until price moved beyond the Intersection Point where the two Mirrored Projection lines met. Keep in mind that this B2i was made by the market (not me) between 0000 hrs and 1600 hrs during the 7/31/2014 trading session. The early warning break of the Upper Mirrored Projection line happened at 1845 hrs on 7/31/2014, creating the "early warning" trigger and establishing an entry window based on the three principles below (reprinted):

A) If price continues to reel higher, even establishing a new Higher High, then the Fall Line is still BELOW the point of entry. Maximum logical protection.

B) If price stops after it penetrates the opposite mirrored leg and then moves down, it initiates the profit phase sooner rather than later.

C) The only thing that can prevent a successful trade in that situation would be if the pattern itself was an historically anomaly.

I'm merely overlaying the Encircled Fib Fan to show which time based Fib blade was closest to the early warning trigger area. Lastly, take a very close look at which Fib blade passes through the B2i Fall Line. You will note that Fib blades 50.0, 61.8, 78.6 and 88.6 will all (at some point in time) pass through this Fall Line. **What's the potential significance of that?** It is significant because you can know which Fib blade interacts with the Fall Line before it happens, **as both the B2i pattern and the Fan can be known ahead of time.**

Post #181

Quoting LiquidGenius

...I'm in the camp of people who believe they don't quite have the right 'technical knowledge' or eye to make it so I'm hoping you can offer some words of wisdom in that area (I've read so much today I've already forgotten where you posted about it)....

...Charting any of the trajectories always produced the same sort of oscillation (between say overfill/underfill) and I was always left kind of staring at a bunch of numbers in an excel doc....

...There are an endless number of permutations that you could perform on data, but at some point you...

LG, thanks and glad you could join the thread!

Before I was a trader, I had a full career as a systems consultant in the enterprise software industry. I worked with business intelligence and data integration and analytics applications. My job was to explain to corporations how such solutions could help them drive their business enterprise with better efficiency and with more insight. I traveled the world doing it and I had a ball for more than a decade. When you work in a role like that, having to go before C-level types on a routine basis with hand-built proof of concepts or walk them through pilot programs, you develop the ability to work with raw data from all kinds of sources and in all manner of integration.

When I got involved with the markets, I tried the easy way out first, by researching conventional technical analysis until I was blue in the face. I had some success but it was always capped. I had a personal drive for perfection in everything I did that mattered to me and I was not seeing "perfection" in standard indicators. This was very naive, but such naivety turned out to be the very thing that propelled me to want to explore raw market data on my own. Doing so proved to be the biggest and most important decision I have ever made as a trader.

Raw Data Research is not for everyone. I cannot explain to you how or why I "see things" in data, I just do. I have a long time friend who works in Intelligence. I am not going to say where, but he works in part of our nation's Intel community. It is my understanding that people who can analyze data and spot patterns are of "high value" to our Intel community. I never went that route (though I had the opportunity) as I desired to remain independent. I cannot give you a pat answer that explains how or why, but all I can say is that I enjoy integrated data and finding patterns that others seem to miss. Numeric data analysis is about asking questions of your data and being open to the response you get. Data visualization makes this process more intuitive.

[See TCD Chart Below]

Now, having said that and knowing that you already know what a TCD looks like, when you look at this Tactical TCD data, you can learn to visualize that path that these trajectories are taking through the various price levels. The Red and Green lines are TCD Trajectories for 60 bars of D1 data graphed in a very simplistic excel chart. The chart is smoothed and the black line is the harmonic average of both TAC-TCD-L and TAC-TCD-S (data forms you are already familiar with) using a 3rd order polynomial.

If you are familiar with the concept of Trajectories and Vectors relative to how I implemented them in my work, then you know that the vertical axis of the chart represents Magnitude in pips. The horizontal axis is Time, where "0" is Bar[0] and "60" is Bar[60] on an MT4 chart. The pip range on this chart runs from 0 pips at the bottom to 350 pips at the top. These are simple Tactical TCD values, so that means they are Absolute TCDs, not the SAC or RT TCDs.

There is a wealth of information on this one chart alone and this is just one (1) simple Delta Class Indicator.

If the black line represents the harmonic average of both types of TCD, then when the Green or Red line goes above the black line, that TCD is outperforming the harmonic average of both combined. That's one piece of information you can use. Another piece of information is the outlier detail. Notice that the large pip outliers are far outnumbered by the small pip outliers by more than 2 to 1. That tells you there are more small pip moves in both TCD trajectories than there are large pip moves for the same data set. This chart also shows you the characteristic duration of large pip moves in each trajectory (TCD-L and TCD-S).

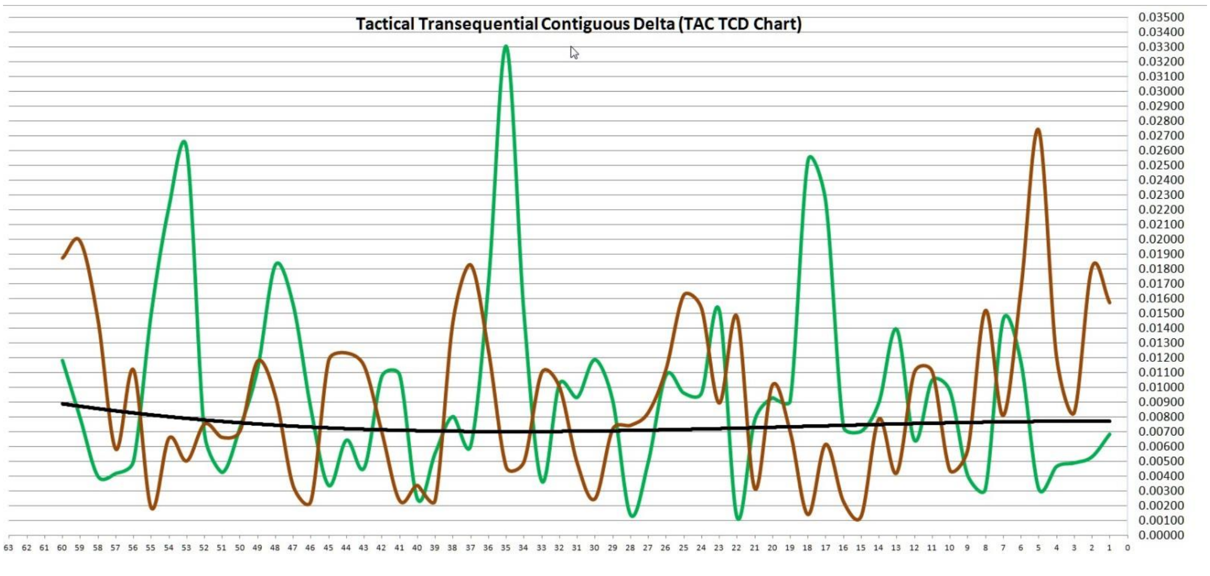
One of the cornerstones of my research is pattern discovery. When I look at a chart like this, I want to know the average duration for a TCD trajectory to remain below the harmonic average pip level. When I look at a chart like this, I also want to know the tendency or behavior of the TCD when it begins to approach the harmonic average pip level - does it follow through and penetrate or does it have a tendency to stall and fall back below the harmonic average. Why? Because, that is the kind of stuff that is quantifiable, measurable, calculable, identifiable and I can construct a probability statement about such behavior - after evaluating a sufficient number of data sets. THEN, I can begin the process of thinking about constructing a Trade Signal. And, that's not even the tip of the iceberg for the number of questions that I can ask of this one chart alone.

That is one example of the kind of mental process I go through when evaluating this kind of data. I put the data into a form I can visualize, first. I then isolate and clearly identify the elements of the data I am interesting in evaluating (Red for TCD-S, Green for TCD-L and Black for the Harmonic average of the two). I clearly set each axis to differentiate both Time and Magnitude. Once I have the data oriented in a fashion that I can analyze, I begin **questioning the data.** You have to ask questions of your data. Data talks back. Data loves to run its mouth. It will talk to you all day long, but NOT if you don't ask it intelligent questions.

When you look at this data and ask it good questions, you can see that TCD-L, is about to make a run from condition where that trajectory produces about 70 pips, to a condition where it will start producing over 100 pips. Why? Because of the QUESTION I asked it. I asked it: **When was the last time TCD-L made a move from underneath the harmonic and failed to penetrate?** The answer is: 0 times in the last 60 days.

The next question I asked of the data was: **How long does TCD-L remain underneath the harmonic before making a move?** The answer is: Less than 4 periods on average. The next question I asked of the data was: **How many periods has TCD-L been under the harmonic?** The answer is: Currently 5 periods. The next question was: **Has TCD-L struck its historic low pip average depth yet?** The answer is: Yes, 5 days ago.

Based on just these questions alone - I could look at this one chart alone and tell you that this currency pair was about to make a move Long for at least 80 pips (the harmonic average) and that it was going to do it within the next 24 hours. The rest would be waiting for the market to open and for the TCD-S to reach a comfortable depth in its Magnitude and then entering Long the market for some fraction of 80 pips as a Test Cycle. I then go back and start asking a completely different set of questions based on the visualization of the data in the chart. There are LOTS of other good questions to ask of the data. I only ran through a few to give you some ideas. That is what this thread is all about, giving you good ideas that are outside mainstream thinking.



For those that don't understand the basic set of Delta Class Indicators that I created and demonstrated online for a number of years, please note that I won't have time to unpack that here in this thread. Hopefully, traders like LiquidGenius and some of the others who have followed my work in the past, can help get you up to speed on those basic indicators. I just won't have time to get into that this time around.

Ok, LiquidGenius. I hope that helps you a bit with getting some traction on finding ways to make use of data like TCD and DV. You've put the data into columnar form which is great for designing signals. However, you might want to graph the data so that you can visualize it as well. I do both and I get ideas by using different Data Visualization methods.

Where others see just silly little lines, I hunt for the opportunities by knowing what the data is, what it is supposed to do relative to the X and Y axes and then I query the data visually with some common sense questions. At that point, the data opens up and talks to me.

Post #200

Quoting Rand Yap

Wouldn't just voiding them be a better choice, than delving deeper to account for them?

B2i is the visual representation of Distinct Vega. Every bar of data has Distinct Volatility associated with it. The five (5) trajectories that comprise Distinct Vega in the current bar are connected to the history of every bar that came before it. Inside each bar containing DV, is a smaller bar of data with its own DV. Inside that bar is yet another bar containing its own DV, until time compresses to zero (theoretically). This is the multidimensional analysis of an indicator that I spoke of earlier and it gets deeply into Version 5.x of B2i where I cannot go.

Should you void a B2i and/or its Fall Line? For the Version 1.0 that I am able to share, that's a tough question to answer directly. I'll leave that choice up to the trader. There are connections between that question and Version 5.x that I cannot get into. However, this would be better understood if your B2i had input from Distinct Vega - you could watch B2i unfold and see its initial points of extension (HH and LL) projected at the start of the B2i range, instead of having to wait for those extensions to happen.

Quoting Rand Yap
Do you have your reasons I mean it is not like there is a lack of such B2i quality set-ups, voiding them makes the fall line overall % success rate better for sure.

Define what you mean by "voiding them." In what context would you void a Fall Line (after what event took place)?

Quoting Rand Yap
I'm also thinking along your line that the fall lines are point of equilibrium, if it touches, the equilibrium is reached, no matter inside or outside, sooner or later.

"Equilibrium" in the purest definition, probably not. A point of Dynamic Convergence, would be one way to describe it. The B2i Fall Line is an area of Anti-Complacency. Price does not like being there, yet it is initially attracted to that location before being repelled. Today, was a good example of that:

Price is initially attracted back to the FL and it then catapulted away where it goes to establish the next B2i range of maximum points of extension for the next pattern.

There is more to B2i than meets the eye and more than I can get into in public.

Post #201

[Quoting Relativity]

...There's a limit of running by the count as you can see, but if we are truly trading the trend... we will never really know when it ends, until 'it does'.

Quote

Which is the problem with "trends." The trend is your friend, until it decides to become Enemy Number #1. The question is always: Which trend is in control? This is the primary reason why I created Trajectories and Vectors as they are defined in my trading system. They both go into the so-called "trend" and statistically analyze it from within, revealing the behavioral characteristics

...

Good work! Just be sure to involve all time frames relevant to your expected profit event horizon for each trade. That is, make sure your analysis covers time frames that are small enough and large enough to be relevant to the average duration of each trade you make. If you are a Swing or a Long Term Position Trader then using Weekly, Monthly, Annual or even Multiple Annual bars of data such as 2 Yr or 3 Yrs bars (you may have to construct them on your own or use a custom indicator that accurately produces custom time frames). As an Intra-Day Trader, be sure to include all lower time frames and higher time frames up to and including the Monthly time frame.

Post #204

Quoting Rand Yap

Is this the work behind OS1?

No. Since I was never a heads down coder, when I would switch back and forth between excel and MT4 charts to do research, I needed something with a long and flowing visual reference on deep price history when I was doing research using MT4 charts, which is where OS1 came from. Eventually, I found products like iExpertAdvisor and Molanis, both visual IDEs for creating EA. OS1 then became a fixed part of the system after a while

Quoting Rand Yap
Green and Red line are your fast and slow moving averages settings, that you got through iterations to get as close to as a cyclical market condition, using the approach of your TAC chart.

OS1 is not mathematically connected to the TAC-TCD chart. They are two distinctly separate concepts. One is a moving average that includes some mathematical tweaking on my part to produce a very long range view of market history. The other is based on a different kind of technical analysis foundation that I reference as Trajectories and Vectors, but that are not classical (physics and mathematics) in definition. Trajectories are what make up the bulk of all my indicator designs and those are called Delta Class Indicators.

The TCD chart that I posted was only shown because a member here indicated that he had been following my work for a few years and he posted an excel spreadsheet with names of much earlier indicators that I created a long time ago. That's how I knew that I could post a TCD chart, and it would not be too foreign to him - though it might be something that he had not created yet for himself. The data you see on that chart, had not be discussed in this thread and is not taken from the B2i or OS1 indicator inputs. Those are Delta Class Indicators and they are something completely different.

I have mentioned and even given the logical structure for creating the prototype version of my Distinct Vega Indicator, but I'm not sure whether or not people followed that post. I've also said that I would work with an MQL developer to include Distinct Vega into a B2i indicator, if they could get the B2i indicator to work in all time frames with the appropriate variable inputs (parameters), so the indicator was flexible enough to actually be useful to people.

Quoting Rand Yap
In fact, if one were to look at moving averages, they themselves are equilibrium levels like your B2i fall line that price always are attracted to. As such, OS1 fundamental nature is no different from B2i.

The nature of the universe is chaos. What gave the universe physical stability were the strong force, weak force, electromagnetism and gravity. The nature of financial markets is chaos. What gave financial markets stability (believe it or not) is fear, greed and sufficient market participation, aka volume. Those three things stabilize price to the extent that market volatility becomes an acceptable risk, as both fear and greed work together in the minds of market participants, holding price in check on a routine basis and proportional to a given amount of volume. When just one of those three stabilizing forces gets out of control the market returns back to its natural condition of chaos.

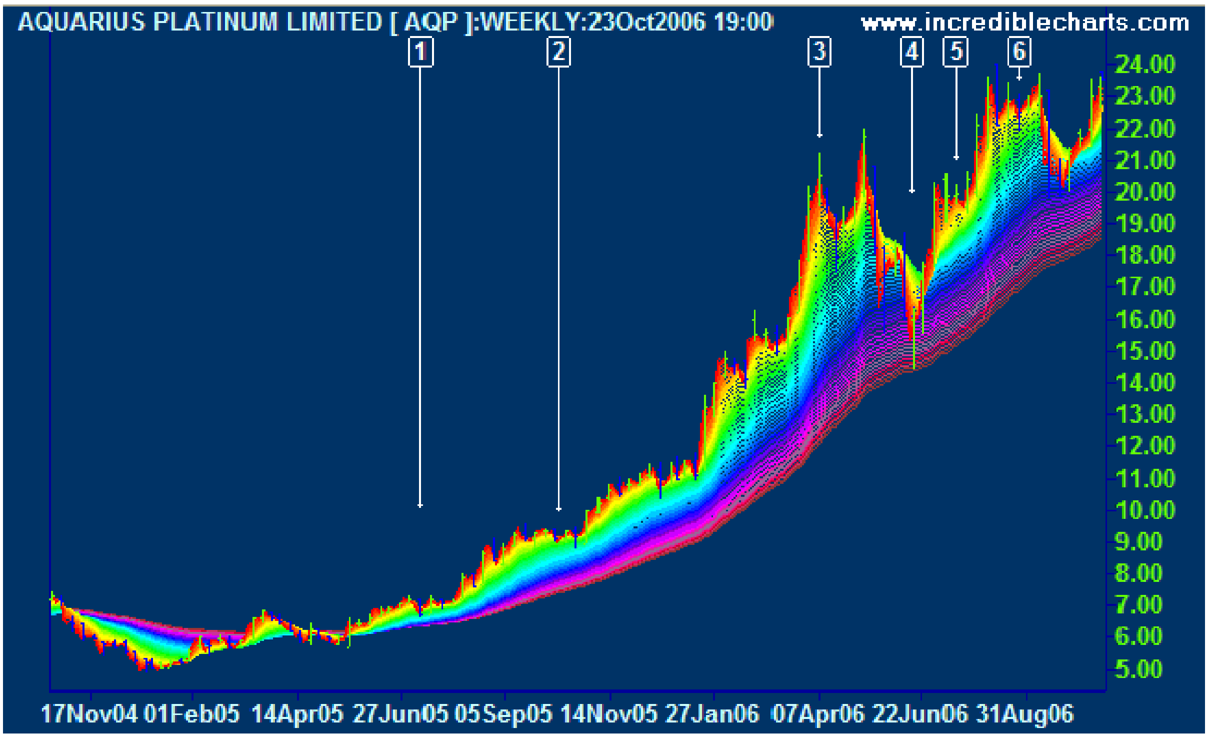
So, real equilibrium would be antithetical to financial markets and could only come about in two conditions: Zero Volume, or Equality of both Fear and Greed. In both cases, no trading takes place, price find real equilibrium and the market dies a painful death. Price simply stops moving.

This is why I shifted my view on the Moving Average a long tie ago, and began approaching it as a vector quantity with both speed and magnitude, where the speed component is measured in the angle of descent or ascent, up or down the price scale. This eventually caused me to use only a Double MA, where both of its calculations are considered a single average price dimension. This allows for the magnitude of the MA to be expressed through the distance between both lines. With that arrangement, I can then calculate a form of "gravity" between both lines where the gravitational force is directional proportional to the product of both MA values and inversely proportional to the distance of the square between them.

Thus, in my eyes, price becomes tantamount to a body in orbit about its star, the MA. Then we get into what I call the **Orbital Mechanics of Price**, which is a bit beyond the scope of this thread, but it obviously involves OS1 and explains my tweaking of the routine MA calculation. Essentially, I see the OS1 Double MA as a kind of Binary Star System where price orbits that system. But, again, we are getting well beyond the intent of this particular thread.

So, while I do understand what you might mean by equilibrium, for reasons that go well beyond the scope of this thread, I have a slightly different take on what the MA actually means relative to price. But, I do believe that I understand the idea of Buyers and Sellers agreeing on a certain price level and how a single MA might be seen by some as that level. However, you can quickly check that by simply grabbing the Guppy GMMA MT4 indicator (google it) and loading that into any chart. Doing that will reveal that what is considered "agreed upon price" at one moment, is quickly changed the next moment. Thus, the concept of equilibrium as being that "place" or "level" in the market where most participants "agree" on "price" rapidly changes definition and price plows through Guppy levels with nearly each tick as the following chart shows:

Guppy GMMA



Quoting Rand Yap

I never really like your type of approach in looking at the market, but seeing you make it work is an eye opener. It is always good to keep and open-mind because we are always seeing things from our own limitations.

Yes, OS1 and B2i are just as different from each other as vanilla ice cream and chocolate cake. They go great together but are completely different creations.

Post #208

Quoting angelofx

{quote} I've never used a fib fan before. I'll play with it to better understand what you're teaching. BTW you promised to share an indicator similar to the Distinct Vega if rand was able to code the B2i

He indicated that he was a little busy (he's getting married!), so that won't be forthcoming this time around. Maybe next time.

All the best!
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Ok, guys. I think you get the picture by now.

There should be enough of you who do understand who could help those remaining who might not yet understand, as well as those who might come along later. It is time for me to go. I have a great time and I hope that I shared something with those interested that was of at least a little bit of value. Keep creating and keep thinking different. Don't allow naysayers to inform your opinion. Say flexible in your mind and committed to becoming the best Trader you can be and things will have a much better chance of working out long term in this business for you.

Don't get fixated on one indicator. Markets change and if you are a Technical Trader, then you will need a good blend of indicators that help you see short, medium and long range price behavior. B2i, by its nature is one of those Short Range Predictive Indicators, but it has wide application across a good number of time frames. It is not the "Grail" of all indicators. Remember, that it is just 1 of 117 custom indicators that I use in my trading system. Not everyone is going to build a trading system like that - don't allow that to deter your determination to do more quality research in the development of your own non-standard indicators and your own trading system - one that works for you and it meets YOUR needs, not the needs of someone else.

I really like Novice Traders, especially those with an open mind and that's why I do what I can to help them out, even if all I can do is share one simple concept that I think has merit. If you don't like B2i, then don't use it, but B2i has demonstrated at least one thing inside this thread and that is the fact that unconventional thinking in this business can produce results. We operate in a business where conventional wisdom and tradition rule the day. There is nothing wrong with convention, but innovation and fresh new thinking has its place, too.

Re-read my post on Market Phases, that was extremely important regardless of the indicators you use. You really do need to understand what the market bias is within the market you trade. That does not mean that the "trend" will continue, but it does mean that Directional Market Bias needs to be respected relative to predictive indications and you need to evaluate each potential trade within a context that takes potential profit and weighs it properly against existing risk.

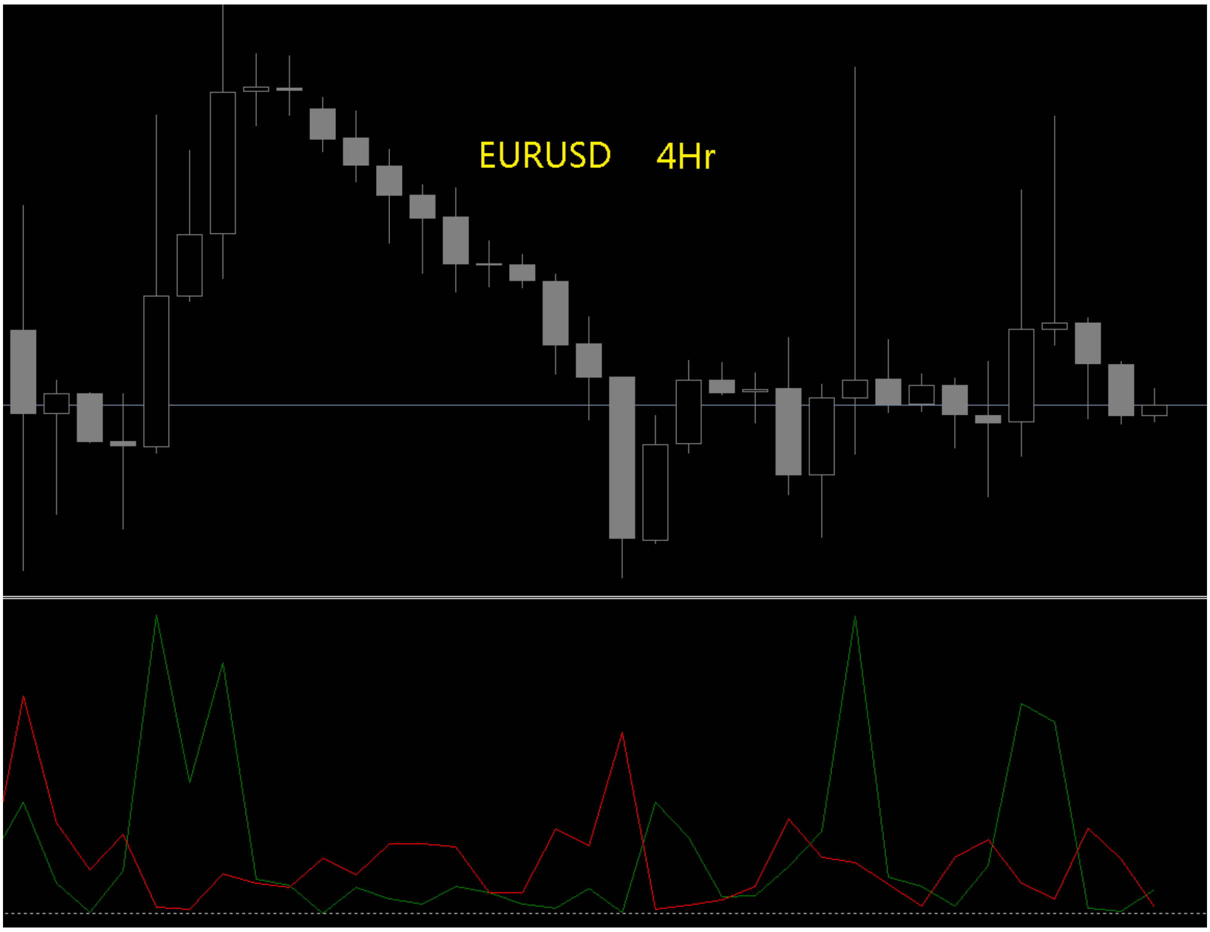
Stay focused on your goals, remain committed to being successful as a Trader, remove the words "I can't" from your vocabulary and never give up faith. There are lots of undiscovered indicators and good trading concepts lurking inside the data waiting for you to pull it out of the market. It is up to you to make that happen.

I wish you great success and lots of capital growth along the way!

Have a great New Year and see you in 2015!

Quoting Rand Yap

This is a guess mocked up of idouble's TCD concept for EURUSD. I am not a master of it just trying to learn. Only the 4hour TCD is giving something meaningful at the moment. And TCD long just crossed short. So we should be expecting an up move of around 30 pips. This cross is might not be reliable though, because of the location of it's crossing. {image}



I'm not actually coming back to the thread permanently. I only felt like doing a little Naysayer Troll hunting. They are like cockroaches. Hard to exterminate but easily squashed when you see one running around in low light conditions. They hate the light, however. Turn on the lights and they scurry like mice.

I don't know which TCD this chart depicts (Strategic, Tactical or Real-Time) and I do not know what smoothing method was used to produce their lines. So, I do not know whether or not your baseline calculation are correct or not. However, TCDs are in the Delta Class Indicator echelon which is an entirely different concept than B2i, just as matter of housekeeping. TCD data lends itself very well to density probability calculations using various methods. I don't know what period your TCD chart uses, but my old standard for the D1 TCDs was a 21 Period TCD. From that, I constructed my own smoothing method (mathematical averaging method) to produce the lines. 21 Periods for the indicator works well on the Daily Chart. For lower time frames, you will want to use larger Periods for the input to the averaging method, because you want added stability in the lower time frame TCDs. It is a balancing act and that is where a lot of time and research goes in the optimization of TCDs.

It is not until you begin looking at TCDs across many time frames in the aggregate and studying their behavior with respect to "real price," that you begin to understand the real value behind the concept. The TCD by itself is a rather simple thing. When integrating TCD output across multiple time frames, you begin to gain better insight into the behavior of price inside the so-called "trend."

The Strategic TCD is the larger Period TCD, the Tactical is the Medium Period and the Real-Time TCD is the raw absolute Delta that is produced from the baseline TCD calculation (no smoothing method used). Some concept as using a Triple MA. One TCD that is Fast (Real-Time), one that runs in the Middle (Tactical TCD) and one that runs a bit Slower (Strategic TCD). The key is in striking the right balance between the three, such that the information they yield about potential future market moves within their respective Trajectories is useful to actual trading.

TCDs are a fundamental core component and were made ubiquitous within the overall system many years ago. They were my second custom indicator design and are almost 17+ years old. It took a long time figure out just how useful they could be, along with integrating them with other custom indicator concepts that I would not develop for years into the future. This is how a work in progress develops over time. You create one thing and five years later, you finally get to use it the way you intended because of new creation that becomes the missing link.

Post #343

Quoting Rand Yap

It depicts the real-time TCD.

So, that one is going to be the Abs-TCD in the vernacular of Delta Indicators. Try calculating the TAC-TCD (Tactical). You can learn more quickly about TCDs using that one.

Again, though, Delta Trading is just flat out different. You are literally trading into the vacuum left behind by the market and waiting for the market to return. You need a lot of supporting cast indicators for that, because you are riding the leading edge of price action when you do that.

I am a Delta Trader, but over the years, I have woven these Fractals (such as B2i) and Harmonics into the system as predictive elements. So, there is a good balance of Delta, Fractal, Harmonic and Directional Bias input into the system. TCD's are a **type** of Delta Indicator. There are many others and there are many that you can find on your own, once you understand the basic premise behind the Point-to-Point Delta. It is a very simply concept, but researching the Deltas the market responds to is the challenge.

Post #354

Explain to me the density probability relationship between price above the Fall Line and price below the Fall Line, from the Fall Line's point of origin, extending out across 'N' number of bars (you pick the range)?

Now, characterize the density probability on both sides of the Fall Line through some period of Time, and then do what a real Trader must do, convert the density into a gradient trade signal that does not flutter when prices reaches the zero line.

Post #375

You cannot control risk. That's an illusion. You can mitigate risk in two basic ways: Money Management and Empirical Evidence.

	Accuracy Sort				Risk Ratio Sort			
	Signal	Accuracy	Risk Ratio	Ranking		Signal	Accuracy	Risk Ratio
Panel Prime	Short	100.00%	6.65	1	Panel Prime	Short	100.00%	6.65
6 Stage Lead	Short	100.00%	4.88	2	Prime 13	Long	85.08%	6.30
EDV/Helix	Long	99.78%	4.52	3	UL-Z-Prime	Long	84.97%	6.12
BackFillAbs	Short	97.26%	4.35	4	CULMatrix	Long	84.86%	5.94
BackFill%	Long	94.74%	4.17	5	144 Fractal	Short	84.75%	5.76
CPF	Short	92.22%	3.99	6	0 Day Swing	Short	84.64%	5.59
ULMAT-H-W	Short	91.20%	4.56	7	0 Day Swing	Short	84.53%	5.41
SDTC	Short	89.70%	3.81	8	Hybrid Prime	Long	79.62%	5.24
MeridianPull	Short	89.30%	2.23	9	Final Prime	Short	84.42%	5.23
D-TCDPT	Short	87.18%	4.45	10	Polarity-S	Short	68.20%	5.23
Prime 13	Long	85.08%	6.30	11	Final Lead	Short	84.31%	5.05
UL-Z-Prime	Long	84.97%	6.12	12	3 Stage Lead	Short	100.00%	4.88
CULMatrix	Long	84.86%	5.94	13	2 Stage Lead	Short	52.50%	4.70
144 Fractal	Short	84.75%	5.76	14	ULMAT-H-W	Short	91.20%	4.56
P-Structure-s	Long	84.66%	1.89	15	EDV/Helix	Long	99.78%	4.52
10 Day Swing	Short	84.64%	5.59	16	D-TCDPT	Short	87.18%	4.45
30 Day Swing	Short	84.53%	5.41	17	BackFillAbs	Short	97.26%	4.35
Final Prime	Short	84.42%	5.23	18	BackFill%	Long	94.74%	4.17
Final Lead	Short	84.31%	5.05	19	CPF	Short	92.22%	3.99
7L-CPF-s	Long	82.14%	1.23	20	SDTC	Short	89.70%	3.81
Hybrid Prime	Long	79.62%	5.24	21	MeridianPull	Short	89.30%	2.23
Bridge I	Short	77.10%	2.23	22	Bridge I	Short	77.10%	2.23
Isolator I	Short	75.20%	0.08	23	-Structure-s	Long	84.66%	1.89
Polarity-S	Short	68.20%	5.23	24	ULMAT-W	Long	23.80%	1.25
2 Stage Lead	Short	52.50%	4.70	25	7L-CPF-s	Long	82.14%	1.23
ULMAT-W	Long	23.80%	1.25	26	Isolator I	Short	75.20%	0.08
Panel Lead	Off	0.00%	0.00	27	Panel Lead	Off	0.00%	0.00

27 top signals sorted and ranked after a sizable algorithm deciding who gets in the door and who sits on the sidelines waiting for the next signal generation period. 27 signals made the cut. After the ranking, the cream rose to the top along with its **Risk Ratio**. The lower the risk ratio the higher the probability for a successful trade outcome. Signal, Signal Probability (%) and its Risk Ratio are predicated not only on the current market factors used to produce the signal, but the signal historic performance under the same market conditions as well.

Those 27 are further filtered to the two signals with the highest historical accuracy to a specified target, the highest risk ratio, the lowest accuracy to a specified target and the lowest risk ratio. Those final four signals are then algorithmically filtered into the high sort signal and the low sort signal. The final signal is then selected by the system along with its probability for a successful outcome in % form. The singularity gets sent to the Trade Panel GUI where it is seen in a more user friendly manner with supporting real-time bells and whistles:

That is how I "mitigate" risk. It is also how I have redefined the very meaning of risk in my own trading. Risk Analysis is built into the core of the trading system. Any trading system that fails to account for risk in real-time, is not a real trading system - it is a Voting System. You can vote without accounting for risk - but you cannot trade that way.

Controlling risk in the currency market is a pipe dream. Even a Central Bank can only "manipulate" a currency for just so long before it has to give up and allow the currency to go freely on its way - just ask the Bank of Japan. That is why I like the real Interbank as opposed to the equity markets. We do not control the market, but we can study it to learn about its patterns.

Post #377

The % values under each signal is its actual Accuracy Rating for the past 280 days. It is a 280 Test. So, when you say that the data lies to you, maybe you should start evaluating the right kind of data. A signal that is accurate for 280 days, is hardly something wish to move forward from, so I can start guessing about what happens next in the market.

This system is far beyond where you've actually been, that you don't even know how to react to it when you see it.

Here's another type of pattern:

Time of Transition Function

Trend Level:	13	Day	Week	Month	Annual
RTSI Critical Activation:	Long				

	Day	Week	Month	Annual
Tactical Signal:	Long	Short	Short	Long
Tactical Delta:	59.72	85.21	85.09	71.46
Ret-F% Signal:	Long	Short	Short	Long
Retention Delta:	59.34	90.07	129.29	197.62
Proj-F% Signal:	Long	Long	Short	Long
Projection Delta:	0.38	41.74	70.01	5.87
Trend Phase:	Out Phase	Out Phase	Out Phase	Out Phase
Continuance Trigger:	No	Yes	Yes	No
Pivot Factory:	Off	Long	Long	Short
Pivot Factory (%):	0.00%	83.33%	83.33%	100.00%
RTSI Critical:	Off	Long	Off	Off
Most Recent Imminent:	Long	Long	Short	Short
	90.00%	5.96%	100.00%	100.00%
Event Horizon Pivot Cluster:	Long	Short	Long	Long
	96.19%	76.91%	60.00%	119.38%

Long		Short			
7.0	TOT(f)	5.0	TOT(f)-S	RTSI Critical Count	
58.33%	Long	41.67%	Long	Long	Short
17.0	60.65%	10.0	60.65%	10.0	5.0
62.96%	▲	37.04%	▲		
RTSI Critical Activation:	Long				

SCP-S	Swing Chnl	Swing Aug-S
Long	Short	Long
53.33%	76.91%	60.00%
Long		Short
2.0		1.0

Of course, these things don't exist and they are all just meaningless. Well, this little gem tells me what the real "trend" is doing underneath all that fluff you hear about in the news and calculate with a moving average indicator. No MA can do what this "trend indicator" can do. This underlying module is composed of several different indicators working together in a nicely balanced synergy at points of integration that make it far better than any other "trend" indicator I have ever witnessed.

You will notice that this module looks at the most relevant time frames and performs calculations the yield a real-time transformation on the underlying dynamics within the so-called "trend." So, I get to see high probability conditions under which the trend is most likely to either change or continue. I get all five (5) market phases from this module and all the transformations from one phase to the next - all in real-time.

What this tells me is that there really is no such thing as the "trend" in real terms. There are underlying price Trajectories and price Vectors within the market in varying time frames. The off-sets between those time frames are what gives the market its relative price volatility.

This module is pattern based and it takes input from its own historical database - as it continues to learn about the market in ways that simply cannot be replicated manually by the human brain in real-time. You could say that this module is a Market Behavioural Learning Algorithm and do so, would be pretty much spot on because that is exactly what it does. There are lots of calculations feeding into this one module from other areas within the Engine that you do not see in this picture.

Post #396

Quoting jasakreatif

is this funny rectangle too ? {image}

Keep working on it, Jasakreatif. Re-read the first few pages of this thread for instructions on where to start drawing the lines and what data points to use. Also, check out my posts on the use of Fib Fans within the B2i structure - that might of some benefit to you. Check out my notes on Entry Window and how to detect it.

This is a VERY short thread but there is a ton of good information for the astute (eyes wide open) and hungry trader looking to build a slight edge. It is not the grail and I am not the guru, but this one indicator has a lot of potential, if you take into consideration how it applies in multiple time frames - simultaneously.

All the best on your GBPUSD B2i.

Note: I saw your post yesterday but forgot to reply to it. I just wanted to give you some tips and encourage you to march on! I'm not going to be able to hang around and continue instruction, however - sorry about that.

Post #398

B2i is one indicator concept out 100+ indicators that have been engineered in a fully integrated trading stem to work together. B2i is not a complex trading system. It is one of the most uncomplicated creations I've ever had, yet it is one of the most uncanny in its accuracy, even in its Version 1.0 prototype form - which is all that I have shared here in this thread.

Version 5.x is light years head of this version because it adds Timing, Magnitude and thus, more optimized Probability. Even Version 5.x is still just one indicator among 117 fully integrated indicators.

I can only go so far in public. My trading system gives me a distinct edge and there is no way on earth I'm going to divulge that edge completely. I can discuss 'some' things with eager Traders, but the rest of always off limits.

Post #399

Quoting saver0

{quote} Really interesting panel you have there iDoubleStoch! Out of curiosity, do each of these signals come from it's own indicator (meaning if you have 30 signals, is that all from 30 different indicators?).

117 primary indicators produce 1,200+ signals as they are all integrated. The configuration of the indicators and the wrapper logic that ties them together, determines their output (signal variance). Other "Functions" are used to modify their output and typically include sub-routines designed for any number of various reasons. The system is built in Excel, so it is very easy to link one part of the system to another, or use output from one component inside another component elsewhere in the system. It is a multi-tiered system with a data layer, core calculations layer, two signal engine layers, metadata layer and a synthesis layer where predictive signals are produced. It also has what I call the MetaBrain layer, where the system does all of its "learning."

Maybe one day, I'll come back and talk about Integrated Trade System Design (ITSD). I feel like at this point, if there was such a thing as a Ph,D. in "Trading System Design," that I would most likely qualify for program completion. I pioneered some things that I've never seen anyone else even hint at, let alone talk about in public, that are specifically related to trade system design.

For example, over the years I developed a 12 Phase Indicator Design Protocol and an 11 Phase Trade System Design Protocol. Why? For several good reasons: Engineering Protocol Consistency, Component Compatibility, Component Reuse, Design Clarity, Design Focus, Optimization Focus, Testing Focus and Philosophical Design Consistency. Building an integrated technical trading system is a lot more involved than merely hanging a few indicators on a screen and following some trade rules. Such a system is purpose built and designed for a specific mission - so everything inside that system has to contribute to mission success. There are no loose ends in my system. Every component has a purpose and a function. System components "talk" to each other, share data and work together in a synergy to provide the best possible signal the system can produce.

I've worked with Ph.Ds in mathematics (now a Quant in Chicago) and science and one engineer in the past - years ago. They all had their own spool-up time before they were able to understand the theory behind the system. They eventually got it and went on to do their own thing individually. That was a much earlier version of the system. Nowhere near as robust as it is today. Some very sharp people struggled with the theory initially before they understood the concept. If this can initially stump Ph.D types, then it might be somewhat daunting for the average Trader and some of its tenets might not initially register, or even qualify as being lucid to others.

It took years to design and even longer to finish. It grew through compilation until I had achieved a level of consistency that I felt comfortable with relying upon every day. It does what I designed it to do in every market phase that I have identified. It continues to be reliable and it allows me to focus my time on money management and growing capital long-term. In short, it allows me to be a Money Manager, instead of just a Trader. It affords me the ability to not have to worry so much about "trading," and focus a lot more on positioning my capital at strategic locations in the market without the overwhelming fear of not knowing where the market is most likely headed "next."

A good trading system frees you up to be a good Money Manager, which I enjoy a lot more than just being a Trader. I like growing capital. It is like planting a crop and watching it grow until harvest time.

Ok, that was REALLY it. I've got to go! Have a good New Year.

Quoting Karpa

Thank you iDoubleStoch for discussing your model This is my 1st attempt to draw my own funny boxes. I chose EURCAD pair as I never traded it before and I'm not familiar with its PA. The paralelograms were drawn according to rules and the SMA28 (2x14 standard) is my attempt of a long term indicator. By "coincidence", price seems to move from intersection level towards the SMA line, that's ok by now. Now there's a problem at 5:00 period as Open price is HH for that period, how do we draw the 1st vector. Also there's 2 LLs at 5:33 and 5:37, which...

Quoting Baillie

Someone was asking what to do if the market starts a trend from the open and does not produce either a new high or new low, can't find the post right now but, this is what I do; use the previous days open line. In this example I used yesterdays High line since today did not produce a new high. Here's a pic to explain.

I really should not be doing this, but the variable in B2i that you two just discovered and posted a "work-around" for is the kind of thing that causes me to realize that my doing these sessions is worth the effort. It is worth it when I see somebody using their BRAIN to figure things out and using their CREATIVITY to **solve problems.** That is what trading is all about: Solving Problems. Congratulations! Problem Solvers make really good Traders. You have to enjoy solving problems and coming up with creative solutions that work. That means plowing through a lot of ideas and that means a lot of research. **The race is given to those that endure in their research.**

What you have discovered on your own is what I call a **High Compression B2i Structure**. It simply means that whenever you see a structure with little to no delta (gap/distance/separation) between the Primary Lines and the Projected Lines, price is more than like running a Gap Maneuver away (either up or down) from an 8 Period SMA (or some similar MA calculation). When you see a High Compression box like that, run a 8 period moving average and note whether or not price is gapping AWAY from the MA line by creating a significant "gap" (distance away from) between itself and the 8 period MA. If you see that, one of two things is happening in the market according to THAT time frame:

1) The market is extending itself in either Market Phase 1 or Market Phase 2. That so-called "trend" is being extended to some degree in THAT time frame. Review post number 72 in this thread: http://www.forexfactory.com/showthre...83#post7636083

2) Price is about to enter what I define as a Transformation from Market Phase 5 to a brand new Market Phase 1, Market Phase 1 to a brand new Market Phase 5, for THAT time frame.

I call it: **A Market Fast Gap.**

If you study a 1 Minute Chart using a 8 MA of some smoothed variety, you will begin to realize that the market behavior just before a 5 to 1, or 1 to 5 Transformation in THAT Time Frame, includes this "Fast Gap" behavior where price extrudes itself and creates Distance from the 8 MA that is empirically or statistically greater than the normative gap distance between itself and the 8 MA. The Fast Gap is **relative to** the 8 MA.

I cannot teach you how to think the way I do. All I can do is show you what my brain recognizes when I study market behavior. People will always want to know: How did you know that? There is no pat answer I can give you. I never know anything UNTIL I begin studying the data and searching for repeatable patterns.

The Fast Gap is one (1) way in which the market continues a so-called "trend." The really difficult part is that the Fast Gap is also one (1) that the market initiates a 5:1 or 1:5 Transformation. YOU have to study the WHY. I don't have time to get into that here. There is a lot more to so-called "Price Action" than most novice Traders realize. The market has a lot of characteristics that are predictable. The Fast Gap is one of the markets "hidden" (so to speak) signature characteristics with a homographic type of meaning. It could be Continuance, or it could be Transformation. You will need other tools to help you further refine which type of Fast Gap you are observing. Now, you know why I have over 100 indicators working together in the system. Each indicator is unique in identifying its own market signature. No one indicator is capable of doing all the work. That's why indicator synergy is so important and that is where your skill for designing wrapper logic that integrates multiple indicators becomes so important to the overall accuracy of your system.

These are not mere words on your computer screen. You have stumbled upon the work of Signal Identification and Signal Integration. The Fast Gap is a signal, but it must be integrated with others to become useful, reliable and supporting to an overall system. This is NO small matter and it gets to the absolute heart of Integrated Trading Systems Design. Something that will go in one ear and right out the other ear for most Traders.

Remember, everything in Technical Systems Based Trading is predicated on observing and accounting for **Price Action in Multiple Time Frames for good Situational Awareness.** If you are going to reach the higher echelons of accuracy in your trading, to the point where what you do seems like "magic" to other Traders, while mitigating risk as much as possible, you have to learn the skill of simultaneously accounting for price action in multiple Time Frames. That is a Visualization process/skill that you have to find a way to develop on your own.

In post number 43 (http://www.forexfactory.com/showthre...22#post7635722) you can see that hours 03:00 and 05:00 almost had no delta between their primary and projected lines (a very tight looking structure). When you see a structure like that, you can almost be certain that the market is Fast Gapping the 8 MA. You will have to plot the 8 MA on a chart to observe for yourself. A 1 Minute chart shows this characteristic much more clearly. Just remember, those Fast Gaps apply to THAT 1 minute chart. They have simple definitions:

Positive Fast Gaps

Occurs when price accelerates away from the 8 MA and in the **same** direction and creates an empirically recognized delta (distance/gap) in pips between itself and the 8 MA line. This Delta/Gap can be **measured** and **quantified** as being non-normative or dissimilar to the average distance/gap between price and the 8 MA line.

Negative Fast Gaps

Occurs when price accelerates away from the 8 MA and in the **opposite** direction and creates an empirically recognized delta (distance/gap) in pips between itself and the 8 MA line. This Delta/Gap can be **measured** and **quantified** as being non-normative or dissimilar to the average distance/gap between price and the 8 MA line.

Never do anything in this business as a Technical Trader without Measuring and Quantifying the WHY. There has to be hard empirical evidence behind your beliefs about the market. This is also why most "patterns" you find won't cut the mustard. Why? Because, there won't be enough empirical (statistical) evidence behind their repeatability to sustain any further research and certainly not enough to rise to the level of actually implementing such "discoveries" into your trading. Never allow weakness into your system. Play to your strengths and only allow those indicators that are strong to take part in the decision making process.

Summary

When you see such B2i structures, it is a good idea to know whether or not they are associated with 8 MA Fast Gaps and if so, which type of Fast Gap (Negative or Positive) is taking place in the market. This could be a clue as to whether or not Continuation or Transformation (5:1 or 1:5) is about to take place and you can know it before the rest of the Mass Market knows it. You can now begin some creative integrations between 8 MA Fast Gaps and B2i structures.

When you see such structures, price will have a very high degree of probability for snapping back towards the Open level of the original B2i structure, providing an even bigger trading opportunity. However, you NEED to correlate that type of B2i structure with the price behavior relative to the 8 MA in the Time Frame you are observing. Look for Directional Synergy between where the original Open price of the structure resides and the type of Fast Gap taking place.

This post could actually be considered an introduction to Signal Integration 101, A Subset of Trading Systems Development. However, I won't be taking it that far. Re-read. Learn what you can and keep creating "workarounds." Those "workarounds" are actually optimization steps necessary to move B2i to Version 2.x, which you are well on your way to doing.

There is more to B2i than meets the eye. Rhyme not intended. Keep up the good work. I am not "back." I just wanted to recognize your discover, give you another corresponding tool to work with relative to B2i and help you along your way to your own Version 2.x. 8 MA Fast Gap can help you get there. But, it is up to you to do the work.

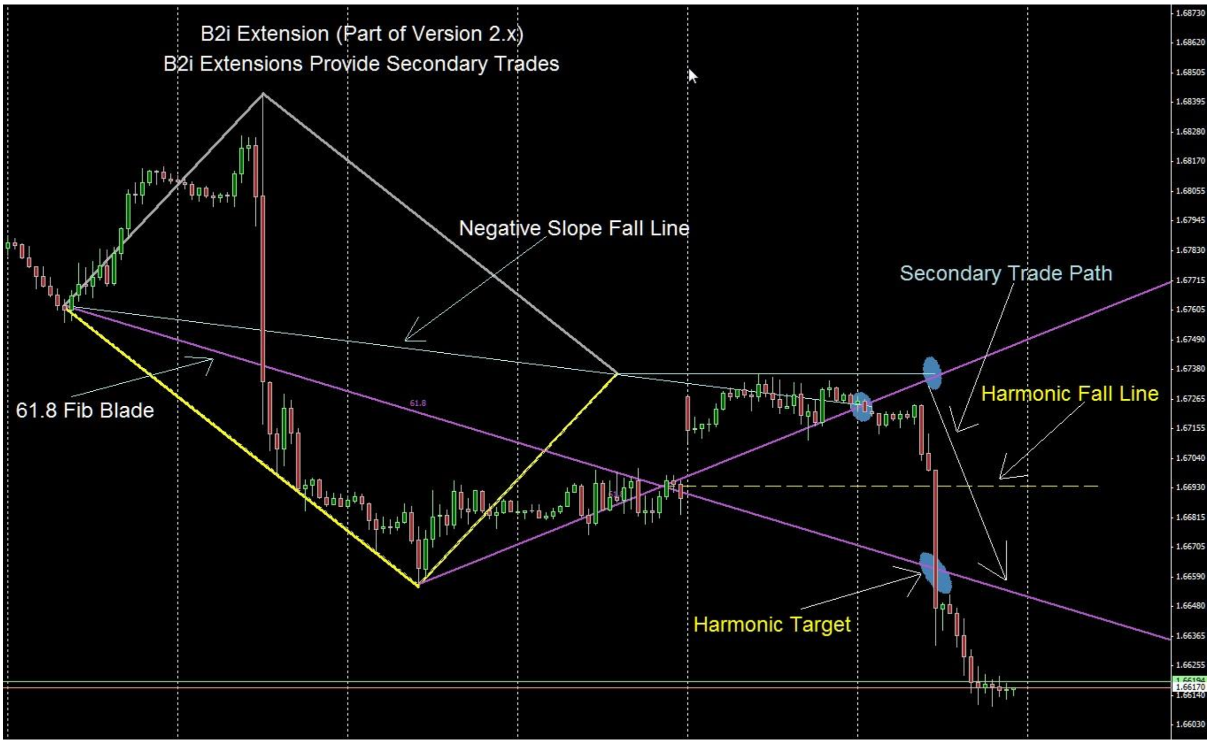
There is always a premium paid to those who engage in creative problems solving as Traders. As a Trader, that is all you really are - a problem solver. You solve problems. That's what you do. If anybody asks you what you do for a living, you won't be lying when you tell them: I solve problems for a living. That's sometimes what I tell people, when I don't want them to know that I am a Trader/Private Money Manager, as their eyes roll back into their head based on their preconceived notions about what a "Trader" means. Some people think that being a "Trader" is an evil thing.

Often times, I just tell people that I am a Systems Engineer and then I leave it at that - changing the subject quickly. I'm not lying because that is precisely what I do - I design systems. I just don't offer the rest to them in conversation. When they push further in the conversation, I just tell them that I'm a Trouble Shooter. When they press even further, I tell them that "I handle difficult to solve technical problems that are systems related." A handful of people will ask what type of systems and I tell them, "proprietary systems." One out of 100 people will ask what kind of proprietary systems and at that point I simply say, "I am under strict NDA not to disclose the type of systems I work on." That typically ends all further discussion about what I do "for a living" with most people.

Bottom line - you are a creative problem solver.

Post #410

Not, much work to do today. My trading day was over about 30 minutes after my start time. So, I thought I would use an example that dove-tails off the last GBPUSD post someone made last week, to show you an extension that comes out of B2i Version 2.x. It is a Trade Extension using Fibonacci Arcs. It is not difficult to figure out how to place the Arcs to derive the 61.8% lines, but the logic behind the WHY is a bit "difficult" for me to explain. The reason is that once again, doing so would force me to expose deeper ideas that I am not discussing in public. So, hopefully, this gives you yet one more way to think creatively about B2i, and trading in general.



Note the new "useless" lines and "useless" drivel associated with each new line. Take you time studying this chart. Take nothing you see here for granted. Notice the behavior of price when it strikes certain areas or zones where there is Confluence between standard B2i Projection Lines and these new Arc Lines. Now, take a deep breath and walk yourself step-by-step through the picture and THINK things through to their logical conclusion. This is an H1 Chart, so you have to THINK in terms of the H1 Time Frame. You can do this on any chart time frame, but I selected this one because it was most readily available and already plugged into this thread from last week.

What's the basic principle here? The idea here is to take advantage of multiple trade opportunities from B2i WHEN it allows for it - that's it. There is nothing "fancy" going on here, other than a creative idea about extending price behavior beyond the initial B2i Target Level, to another Fib Arc Target Level, predicated on the original B2i structure itself. A very simple idea.

You are already familiar with the basic B2i structure. You are already familiar with the three (3) different types of Fall Lines. All this chart does is ADD two (2) Fibonacci Ranges with their associated 61.8% Arcs. Now, the question is: Where do I begin drawing the ranges for each set of Arcs. The answer is simple. First, notice the new lines:

- Arc Number #1 is the Confluence Determination Arc
- Arc Number #2 is the Confluence Target Arc

Those two Arcs produce the:

- Confluence Fall Line
- Arc Intersection

The Confluence Fall Line Level is drawn right at the Arc Intersection and extended out into the future. Notice how far away from the original completed B2i structure these targets and lines extend. When people tell you that you cannot know what happens "next" in the market, ask them how much homework have they done. ***(Set your Fibonacci Arc Levels to project the 61.8% level)***

Step 1: Draw Arc 1 from the original Open price of B2i DOWN to the Lowest Low.
Step 2: Draw Arc 2 from the original Lowest Low price of B2i UP through the Projection Line to the B2i Intersection.

You have just the B2i Extension.

Now, it is simply a matter of watching how price behaves at the Intersection Window. The Intersection Window is where Arc 1 intersects or touches both the Neutral B2i Fall Line and the Negative Slope B2i Fall Line **(shown with the first two blue circle highlights)**. That Intersection Window is empirically reflective of imminent reactionary price behavior that has a high probability tendency to catapult price into the direction of the Confluence Fall Line. With strong momentum, the Confluence Target (Arc 2) will be struck.

I discovered this unique price behavior many years ago and it never ceases to amaze me how reliable it is under specific conditions:

- You really do need to have a good Long Range Market Bias Indicator that you can trust

That is the one caveat here, because I cannot get into precisely how my system goes about making the decision to take the Secondary Trade back to the Confluence Fall Line and the Confluence Target Arc (Arc 2). However, I can say that the idea here is to pick apart the market by using the dominant (market bias) indicator that works best for you and using B2i to add some extensions and additional trade opportunities that establish Entry Windows (Intersection Window).

Keep in mind that Fibonacci Arcs are TIME based as well, in the way they are used here. Note that if you have drawn the Arcs correctly, they should always oppose each other in Direction, thus creating the Arc Intersection level, the Intersection Window and the Confluence Fall Line (not to be confused with the three different B2i Fall Lines). Note also that the Negative B2i Fall Line is depicted in this example because that is the type of B2i structure the market created. You don't force a Negative or Positive Slope B2i Fall Line. You simply plot what the market gives according to the structure the market creates. You don't dictate to the market what it should do. You simply wait for the market to do something and then track its behavior.

Ok. Admittedly, for those that did not catch on to the original B2i structure concept, this one will prove to be somewhat challenging. However, please note that this is NOT complex at all. You just have to slow down, re-read what's been given to you and begin drawing on your own until you get the concept. Keep in mind that I used the same H1 GBPUSD chart that a member had posted last week. You can vary the Time Frames for doing this, but keep in mind that small time frames will result in higher levels of relative volatility and smaller pip ranges to work with. Or, you can simply do what I like to which is plot all structures on the M1 chart, regardless of which B2i Time Frame I happen to be using. That way, I can see price movement at a more granular level.

I promise you that there was much more to B2i than meets the eye and I believe this post delivers. Study this completed example and then start hunting for your own opportunities while getting used to drawing the correct components: **Arc 1 (Confluence Determination), Arc 2 (Confluence Target),**

Confluence Fall Line and Arc Intersection. Giving you the inherent **Intersection Window**, where your Entry Decision is made.

Remember, you are a creative Problem Solver. You are simply looking for reliable ways to consistently profit from what the market gives you, using **empirical evidence** for your decisions.

Re-read it. Explore it. Have fun with it. LEARN something from it.

Dispel the myth the patterns don't exist.

Post #416

Quoting Karpa

Hi iDoubleStock, you are too kind, thank you for the compliment. I'm glad to know of you again. There's a post where you mention Mathematical Model Driven Trading, I've googled this but I don't think I got anything relevant. Could you please point me the right direction, thanks. k

It just means that you analyze the data that you use to make trade decisions using statistics. You first have to develop an idea for an indication of what the market will do under a set of conditions that you define called "trade logic," and then you test that theory scientifically to track the success or failure rate of the idea based on your definition of success or failure. You then use the success/failure statistics/data that you compile to help you determine the viability of the idea you created. That is a rigorous process which will be a staple in the way you approach Indicator Design. There is more to it than that, but that is the concept. You also want to look-up the definition of MAE and MFE (Maximum Adverse Extension and Maximum Favorable Extension). These are very important concepts for to measure. The data you gather from your MAE/MFE analysis can sometimes lead to the discovery of new indicators. Never allow anyone to tell you that MAE/MFE Analysis is not important to your work. Once you discover the definition (google it) you will come to understand how important such analysis can be.

The "Model" I created is unique to my work. There is no book for that. However, you need an idea to evaluate, a test environment in which to conduct measurements of that ideas performance and a theory for how you will integrate that idea into your current trading methodology or system of trading.

1) Create a trading idea. This is the logic/theory you use for determining market movement.

2) Create a proper environment for testing that idea. I use raw market data inside Excel. I can do whatever I want to the data inside Excel. You would be surprised to find out who uses Excel for prototyping of numeric, logic and mathematically drive ideas.

3) Evaluate the viability of the idea by developing proof based on the statistical analysis of the idea's performance including MAE/MFE Analysis (you need to google MAE/MFE)

4) Determine how best to use that idea in your trading. This is how you integrate trading concepts into what you are already doing - or initiate a new trading model altogether.

This is not the full sequence I use for developing trading systems, but it is a good foundational start for getting into statically based indicator development. The trade logic I ultimately develop is based on the MAE/MFE envelop data I generate from every idea I test and evaluate. I need to know how good the idea really is against history and by walking forward in time. I compare the historical (backtesting) results with the walk forward results before making a decision about whether or not I should spend more time developing the concept and moving into a pure forward testing mode followed ultimately by a live cash testing mode. **I always maintain a small test account with real cash for this purpose.** If I get the live testing results that I am looking for, then I go to work on full scale integration into the system of the new idea or concept.

That's my general workflow, but there is a lot more involved and I follow a number of different develop protocols along the way to help with quality assurance. In other words, I follow the same set of protocols for design, engineering, testing, evaluation and implementation for all new concepts that come down the creative pipe-line. It takes a long time before a concepts becomes a living, functioning organism within my trading system. I don't simply toss a new untested idea into the system. Every idea must be vetted through the same rigorous process. It is a lot of work, but the payoff is Quality Control. I don't allow junk into my trading system.

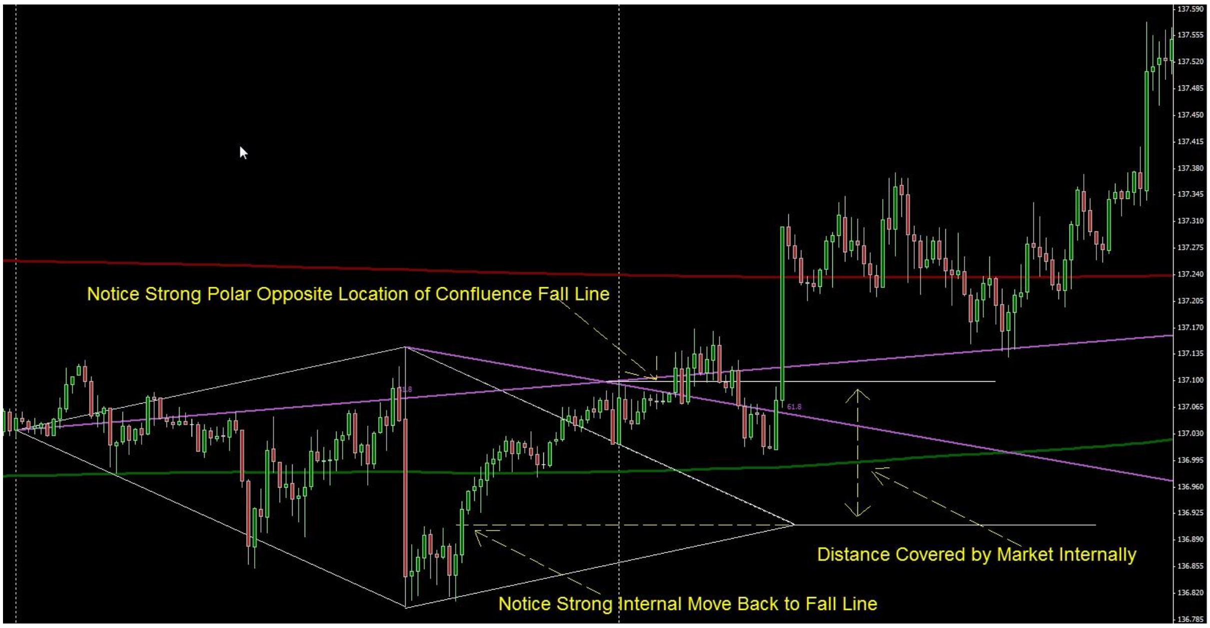
It is a pure matter of self discipline at the end of the day - for all Traders. How you go about instilling that self discipline into your trading is up to you. This is the way I happen to roll. Others may roll different.

Post #418

Quoting LiquidGenius

Something like this?

If you recall, we talked about the difference between Internal Strikes (before the patterns completes) on the Standard Fall Line -vs- External Strikes (after the pattern completes) on the Fall Line, and how statistically the probability tends to go down for a double-tap on the same Fall Line after that pattern completes. Well, this is a prime example of that only now you have the Fib Fan Confluence to work with to help you figure out where price might like to go "next" when a double-tap on the Standard Fall Line has less probability BECAUSE there has already been an Internal Strike.



This is one of those types of patterns that used to drive me nuts when all I had was Version 1.0. The Fib Arcs don't give you the full Version 2.x, but it does give you a tremendous head start on building your own. Notice what price does AFTER it makes the internal strike on the standard fall line. It races for the Confluence Fall Line, as if it were almost commanded to do so. Now, I am not saying that I command the market to do anything - don't get me wrong. I'm simply saying that when you begin to properly layer good indicators at logical points of connection with each other, they almost become uncanny in their ability to help you understand what has the highest probability for taking place in the market "next."

So, this is a really good example of WHY Signal Integration comes with such a premium. It can almost be like having two indicators **talking to each other.** This is one of my design principles. I look for indicators that dovetail off each other in ways that help me approximate market movement. When I saw that B2i uses two primary Vectors (my term), the O:L and O:H, I realized that those distances can be measured using Fib Arcs. I had no idea where that concept would lead until I began studying the behaviour of price in relationship to the B2i structure and the Arcs. The relationship then jumped out at me and from there, I was able to develop additional logic for how to use the information they both gave in synergy.

The Fib Arc Confluence Fall Line can help you with developing an Early Warning Entry level as well. When you see price moving to set the last B2i extension point (either the Lowest Low or the Highest High of the B2i structure), and you see a Standard Fall Line that has not been encroached along with a polar opposite Confluence Fall Line, that indicates that price has a really good probability for making a move in the direction of both levels (Standard Fall Line and Fib Arc Confluence Fall Line). Notice the "distance covered" by the market was between both Fall Lines after the establishment of the Approach Fix (in this case, the Lowest Low).

How do I know that the B2i extreme points (Lowest Low and Highest High) will hold? With Version 1.0, you don't have any empirical input for the Magnitude of price within that B2i structure. This is where the other indicator that I mentioned called Distinct Vega comes into play. Distinct Vega, is responsible for measuring the historical volatility within the Standard B2i Time Frame Structures. That information itself can be used to calculate a probability that each B2i extreme point is nearing completion. Again, another example of Signal Integration and using multiple indicators that are good at doing a specific task and then finding creative ways to develop logic that syngergizes their output for a singular purpose - figuring out where the market goes "next."

This is a bit more advanced discussion of the use of B2i, but I believe you have demonstrated that you can easily handle it.

Post #421

Quoting Relativity

{quote} I would second this approach because not only this is precisely how I do it, but it is the only logical approach coming from a systems and engineering point of view, where an degree of failure cannot be tolerated and high reliability is required. Isn't that what we all (well, maybe almost) want out of a trading system? That's also what bewilders me why there are people who still reject this approach and stick to their dogma, that no longer works from a statistically point of view, but they are actually relying on experience and money management...

I cannot imagine taking anything less than a scientific-like approach to system development using statistics at the core of every decision to include or not include an indicator. The system will be no better than its weakest link coupled to the inherent failure rate of any human designed machine. If the goal is to allow the system to make the decision, then that requires a huge investment of time and energy in weeding out weakness and optimizing strengths while being careful not to over-optimize to the point of curve fitting. It is a delicate balance and that is why I consider trade system development to be half science and half art.

It is either the scientific expression of art, or the artistic expression of science.

I actually have to put myself into a certain mental framework to do that kind of work anymore. I cannot just go there in my mind anymore and do full time research like that. Research is hard work and often times a pain in the butt. I really have to get up for it and gear my mind for that kind of work. It is not easy. I've been trading for so long now, that the pure research seems almost painful now. But, if I come across an idea that seems worthy, I have been known to completely shut down all trade operations and go full blast on research. So, I can still get there in my mind, but it does take a huge motivating factor, like a really good looking idea that deserves to be explored.

And, no. Most people will not engage in this kind of difficult raw research. I do not blame them as it is very hard work. You could spend a long time trying to push an idea into production and the idea just never makes it because it is not good enough, if you maintain your standards that no junk gets into the system. That's self discipline defined. Not every Trader is going to be that hard core. I used to like that hard core, but that stuff can be very painful at times.

I'm talking about picking up your monitor and throwing at the wall painful - I have done that before several times over the years. True story. I once took my computer out to a range and shot it with a 45 caliber semi-automatic. I then got my head on straight, bought a new machine and continued my work. Sometimes, you just have to step away for a while and go do something else for a week - then come back refreshed. This is not a sprint. The whole thing is a marathon. It is a Way of Life. You have to love Trading. It has to be a big part of who you are, or people will not develop the survival mentality required to make it long term.

On the other hand, you have to know when to quit, leave an idea alone and start working on a new idea. This is a level of internal sensitivity that few Traders will come to know. You need to develop a sixth sense about when something is not going to work and then move on to something else that will. At the very same time, you cannot give up on an idea too soon. This level of research skill comes with time and experience. Knowing when to shift gears is just as important as developing new ideas in the first place.

You just have to want it bad enough, that's all. Blow off what over steam you need to and then get back to work - take time off when you need to - strike a good balance between work and relaxation, etc. You have to be very determined to see success and not give up when things get tough. It can be done, but the Trader has to really want it.

Post #428 – LiquidGenius

Thanks for the insight on the internal/external meets, it clears up the confusion I had about it from the macro testing perspective. Using fib arcs is certainly something I never would have thought to look at, and never ever would have seen it in the data alone. I will certainly be spending more time looking at them and perhaps make another picture post when EU isn't in a clear trend move. I think the obvious crux to integrating the B2i into rest of the system lies in knowing when the fall line is "valid"(and which other lines) or when the high/low will hold as you said.

I thought a lot about what you said now and in the past about being able to predict levels; I recall some things you've said about ATR being a beginner's start to understanding top/bottoms and some work you did with pivot levels. I once tried to create something similar but what I ended up with was something that showed minimum daily movement as opposed to maximum daily movement. Oops. I assumed it had something to with Distinct Vega (because after all doesn't *everything* have to do with DV?) with some base parts. If I recall DV was a product of Vega Prime and an MA of the H-L Delta. Bryan (Brabbed) had suggested to me that perhaps I shouldn't have been fixed so much on the value of VP but rather it's 5 elements because I got a little mathy and having things in the equation that cancelled out on paper was a bit confusing to me. Why include H-O and have it subtract H-C when that would just negate the H value? But I see now in the B2i concept that to create the actual fall line number, you need very few elements of the data. Yet the process to have arrived at the simple number involved having the include multiple points; It's only after the value has been discovered and proven that you can strip away the excess parts (since after all B2i in it's basic form is just L+H-O or H-(O-L)). My problem with the data points and fill numbers (which is about as far I got) was that I never knew where to go next or what I was suppose to "do" with the numbers. This has been a great lesson (:

Post #434

Quoting LiquidGenius

...Why include H-O and have it subtract H-C when that would just negate the H value?...

Each Trajectory in Distinct Vega has to be accounted for because that is the primary Price Action of every single bar of data the market produces. It is the historical significance of Distinct Vega that gives value to the current bar and helps to identify the current bar's behavior. Those five (5) Trajectories represent all the "market psychology" contained in one bar. The so-called "trend" can easily be seen in the history of Distinct Vega for any Time Frame. If you had a DV Indicator, you could look at just the indicator alone and know the dominant directional bias of the market. DV goes inside the "trend" and shows you locations where Market Phase Transformations are most likely to take place.

When DV is evaluated across ALL time frames, then you have a much more in-depth picture of what the "trend" is actually doing underneath the basic MA type indicators. With more exploration, one could start developing derivative indicators off the baseline DV data. Entry Triggers for certain types of Pure Delta Trades are also gleaned from DV. Add in TCDs and you open up yet another dimension of possibilities for tradeable Trajectories. Expand the Time Frames to include larger bars of data and now you have tradeable Vectors.

These are Delta Trading Concepts, not to be confused with B2i Predictive type trades. However, when using predictive indicators such as B2i, the real fine tuning is made possible when you account for Price Action using Delta based indicators such as DV and TCD. There are other Delta Class Indicators that I have not shared in public as well, but simply exploring the basic DV and TCD deltas should give clues about how to create your own set of Delta Class Indicators. I could Tactically trade the Delta Class, but the system uses them as tools that measure the existing Magnitude in the market in various Time Frames (bars of data). Combine this with Harmonics, a few other "tools" that I've created and you start to get a glimpse into the world of trading that I do routinely each day.

Delta Trading by itself can be profitable, but you have to do the homework and find the synergy between the various Trajectories and learn when to exploit delta vacuums in the market that have a high probability for getting "Filled." You have to mix and match until you find the right combination for the type of trading you intend to do. Delta Trading makes scalping a breeze when you have the right synergy between the Trajectories. I'm not a big scalper, however. I prefer combining the Short Term Predictive, Long Range Market Bias with the Large Scale Deltas. That mitigates risk, offers psychological comfort and gives trade expectations "time" to conform to market realities. Therefore, I can hang-in a trade with greater draw, knowing that empirically the market has a specific probability for returning to a specific price level within a specific time frame.

This forces the market into a Black Swan "type" of scenario in order for a completely failed trade to be the final result. Therefore, I don't fear Black Swans, I actually use them, but that gets into a highly proprietary concept that I don't discuss. Using so-called Failed Trades in your analysis should be something that every Trader learns how to capitalize on, but it requires that you already have solid historical performance data on your trading system. You can then use the negative data (failed trades) to "hunt" for a window that leads to a string of high probability trades.

Post #447

Quoting Rand Yap

This is not a momentum based indicator.

That's right. It could be part of a segment of momentum being made manifest in the market at any given time, but it was not intentionally designed to be a momentum indicator. In fact, it was not intentionally designed at all. It was stumbled upon while doing creative research. Sometimes, I know what I am looking for and create an indicator based on an articulated theory I might have, and other times, I have no idea what I am about to stumble upon until it happens. I wake up one morning and boom there it is - or boom nothing at all and back to the drawing board.

Quoting Rand Yap
Why is it drawn as such?

It is not a bad question - in fact, that's the kind of question those interested need to be asking themselves. At the time, I was doing research on a completely different indicator, trying to optimize it (Distinct Vega). Out of nowhere, something told me to Mirror two of the Vectors within the Distinct Vega Indicator such that an inclosed geometry with symmetry was the result. This came from another idea that I was working on at the time involving a concept that I called **Vector Symmetry** (a topic I have not discussed here in this thread or in public before). You'd have to understand how I use the term "Vector" in my trading model in order get the reasoning behind why I would have then have an epiphany to "Mirror" the O:H/O:L Distinct Vega Trajectories to form a geometric shape that I later called the B2i.

[I can't tell you how my brain works. I can only show you the results of how my brain works. Same for anyone else who creates concepts.]

B2i is drawn that way because that's what the market produced. It made a move from an Open price UP and it made a move from that same Open price DOWN within a given period of time. The market does what it wants to do. I just track its behavior and search for repeatable patterns, triggers and structures within the context of my concept of Price Delta (the movement of price between two or more price points in raw OHLC data).

It is simply a different way to look at the markets. This is not traditional TA. This is a completely different horse and buggy. In fact, at this point, such technical analysis as this might even be decades ahead of its time. I've never seen anyone doing what I do, including those who are conventionally known as Quants.

If Quants know what I was really doing underneath, they'd start salivating like Pavlov's Dogs at the potential. Quants are doing a lot of different things, but one of the things they do is try to exploit the differential in Timing between multiple computer networks because not all trading firms are playing with the same degree of back-office technology. Their models work on Millisecond timing and they're trading frequencies cannot be matched in the Retail world. If a Quant could simply develop an understanding of Distinct Vega alone, they would enter a new world of algorithm design that would be quite scary to his competition. Delta Trading is ripe for exploitation in the world of Quant Trading.

This subject has little to no meaning in Retail Forex, however. I was just making a point about how far ahead of its time, Delta Trading seems to be.

[Quoting Rand Yap]
What is the significance of the fall line?

That which the market gives it. The market decides the degree of significance.

[Quoting Rand Yap]
Why is it that the fall line has an uncanning high probability of being hitted?

Precisely because **Patterns Do Exist In The Market and Price Has Structure.** Those people in other threads who tell you otherwise, need to get comfortable with the idea because that's ALL the market does - all day long - each and every single day of the year - year after pattern repeating year. It blows my mind that some Traders can't see the repeatable patterns in the market on a routine basis. It tells me that they have not done the homework and really don't care to do the homework.

Paying attention to price while it is still inside the box is also important. Does price have an internal strike on the Fall Line from inside the box (as defined)? Where is the Harmonic Fall Line relative to the Neutral Fall Line - how much distance is there between them? How has price behaved relative to BOTH of those lines while inside the Box?

If price has structure and that structure has not yet been completed, then what's the probability that price will complete the structure while others sit around clueless about whether or not patterns exist in the market?

What you are trying to figure out here, is the Probability of Structure Completion. This opens the door into the world of **Density Probability** (another topic that I only briefly touched upon). When you have probabilities clustered FAR ENOUGH AWAY from the current LOCATION of price within a Historically Significant Pattern - then you have High Density Probability for price to move in that direction of the location that clustering of probabilities.

You can't do this in your head - you have to build tools that help you visualize Density Probabilities. I use Excel. But, you can also do this in MQL.

[Quoting Rand Yap]
Why is it that when you go to the one tick movement, the fall line becomes the close?

For the same reason that when you slice the Arrow of Time sufficiently, Time itself ceases to exist and all you are left with is Space - no more Space Time. Thus, all prices become one price. This tells you the important role that **Timing** has on your trading and it opens the door to studying the effects of **Time** on **Direction**, **Magnitude** and **Probability** on **Price** itself. It further instructs you that the only indicators that matter are those that feed your model with information about:

Timing
Direction
Magnitude

Probability

A good technical Trader has at least one solid indicator covering each of these critical dimensions of the market. All good trading systems cover these dimensions. All consistent Traders are well informed about these dimensions. Gamblers don't care about any of this stuff - in fact, they think it to be silly and quite useless. That's what makes them one dimensional Traders. They can only trade when the market is either strong bullish or strong bearish. They get eaten alive when the market enters **Transformations** (as defined in this thread above). They are not optimized in what they do as Traders. They are not the best of the best.

Delta Trading can move you from average Trader to well above average Trader, but you have to put in the homework.

Quoting Rand Yap
Why is it that when you start going further up in time frames, the fall line deviates from the close?

For the same reason that Entropy in the universe increases the further way in Time you move from the Singularity (the Big Bang). Just as the Universe expands, the structure of B2i expands through Time increasing price volatility by definition and shifting the Fall Line away from the Singularity from which it was derived, the Open price. The Fall Line moves through Price Levels with Time as the structure of B2i expands, but the Fall Line's relative position ALWAYS remains the same. Similarly, though the universe expands through Space Time, Gravity remains the same and uniformly distributed through Space - its relative force remains constant.

The Fall Line is Gravity. That is why I am able to apply a "version" of: **F ~ M1 (M2) / d2**.

A very familiar proportional equation to any first year Physics Student. This was a theory of the market that I had long ago, but it took quite a while before I was able to locate a market structure in which to apply it. When you start to apply the Harmonic Fall Line into the equation, you can really begin to see the gravitational-like effects its has on price and the impact on the d-Squared component starts to make a lot more sense. In the equation, "F" denotes the real-time attraction between Price and the Fall Line while inside the B2i structure. Inside the structure, the base of the equation is not divided, but multiplied by d. Outside the structure, 'd' converts to d-squared.

So, the real key is getting into the trade before price exists the structure. I could not share all of that in this thread because doing so, requires your ability to accurately predict the final extreme point of the B2i structure and you cannot do that absent additional indicators. So, I stuck to Version 1.0 of B2i, where the entry comes AFTER price as exited the box.

These are advanced trading concepts that I only discuss in prose - never in full detail, as I am not divulging my trading edge.

Quoting Rand Yap
What does the deviation means? Does the angle, width, height of the rectangle makes a diff?

Yes, and you should always note these structural attributes within the context of larger size B2i in higher time frames above the one you are trading. Angle, width, height are all relative. More narrow structures with steep angles clearly indicates a faster moving market with stronger Direction. However, within a larger B2i structure that is shallower and wider, you have to take into account price relative to the larger B2i Fall Line. As the Arrow of Time moves forward entropy increases (as stated illustrated above), so volatility increases relative to larger B2i time frames as well. Relative price movements in larger B2i time frames will appear to be moving more slowly when compared to smaller B2i time frames. So, steep angled and narrower B2i in smaller time frames are the building blocks of larger B2i structures and need to be accounted for in any decision analysis.

Quoting Rand Yap

I try to understand all these and came up with a logic to work on. i am sure you can do it better.=)

You are thinking about some of the right aspects of B2i which is good. More importantly, you are thinking - which is a far cry better than many who claim that patterns just don't exist in the markets. Clearly, those are people who have yet to put on their thinking cap.

I'm not "back." I was just drifting through.

Post # 448

Quoting Orly

So essentially the only way this system would work is if it can be assumed that the markets are not random and that people are indeed creatures of habit; that large positions will protect and enhance their trade.

B2i is an Indicator having five (5) generations of development (Version 5.x). Version 1.0 is displayed here. It is not a system as I define Trading Systems. Trading Systems in my mind are far more robust and highly organized. You can build a system around an indicator concept, but that's not what this thread does. I realize that most "Traders," don't really know what a real Trading System looks like, but if you were to take any source code for any full-blown software application and go line-by-line, module-by-module through the code, you would see a "systematic" approach to delivering application functionality that ranges from the way the software appears on your screen, to the way it interacts with the underlying hardware in your hands. That's a Systems.

In Trading, there is no textbook out there that defines what a system looks like. There is no seminar or boot-camp that accurately defines a Trading System. Why? Because, no one has truly defined what Trading System actually means. I've done that and came up with the following definition that I've been developing for many years:

A Trading System must (at a minimum) define and account for the following market conditions/realities:

Timing
Direction
Magnitude
Probability

Why? Because, you cannot trade consistently without these components defined and accounted for. Try to trade without accounting for Timing and you get entries that are either too soon or too late. Try to trade without accounting for Direction and you get drawn and quartered. Try to trade without Magnitude and you either miss the exit or you fail to maximize profit potential. Try to trade without Probability, and you are guessing without the benefit of historical and empirical evidence for the trade's sustainability to a specified target. Thus, these four (4) components function at a level that makes consistent trading results at least plausible.

The "Systems" comes into existence when you have properly Integrated these four (4) market components together through the algorithmic and logical linking of their respective Input/Output to a singular Trade Signal that yields consistent results - to a specified target. That's a Trading System.

If you are not doing that, it is my opinion that you either have a Trading Methodology or Trading Tactic. Both of which can very profitable, but not nearly as optimized for long-term profitability as a fully integrated trading system covering the four (4) fundamentals above.

B2i would be considered a Trading Tactic for the purposes of this thread, given the other elements woven into it such as the Harmonic Fall Line (adding the Fibonacci Fan Projections), Early Entry Concepts (adding Distinct Vega to Predict the last extreme point in the structure) and the Positive or Negative Fall Lines respectively. You can do a lot with B2i itself, but in an of itself, it would not qualify as a Trading System.

Quoting Orly

The Fall Line will correspond to what is essentially the median price pushed by the bankers. A trade back to the Fall Line is akin to the same notion that pairs will try to trade back to the Weekly Pivot, either long or short, before resuming a trend or reversing from there. If markets were truly "random" (and they obviously are not as long as someone with a lot of money has something at risk...), then the system will work reasonably well. If there were no Reflexive action in the markets at all, the success rate would probably be around thirty percent,...

All technical trading systems by definition already include all fundamental market inputs. No matter who moves price or for what reason price is moved, technical trading systems have to use the data the market produces - which includes all fundamental data that others reacted to by entering and closing positions.

Whether a pattern exists in the market or not, depends on what the empirical analysis of the market data reveals. Market Theorists may lie, but the market data (if it is true market data) cannot lie and will always tell the truth about where price has been. The technical analysis does not need to know whether a fundamental input causes more buying or selling, but it does need to be able to discern whether or not a pattern emerges out of that buying or selling, and whether or not that pattern is trade worthy.

If the empirical analysis reveals no trade worthy pattern, then I don't force one into existence. Either there are logical links that start somewhere in the past and move to the right side of the screen on a consistent (reliable) basis, or there are not. The moment I start forcing such patterns into existence is the moment I begin practicing Alchemy. There should be no delicate balancing act required to see real patterns driven from real empirical data and those patterns created in the mind but without historical support. If it is real, then it will show up in history and it will project likewise into the future. If there is no historical connection then the only reality that pattern has will be in the mind of the Trader who created it.

So-called "Trends" are patterns. They never get defined that way. People always call them "Trends." However, the Transformations in Market Phases underneath the "Trends" are unseen by the typical Trader until it is too late in most cases. So, trading in the direction of the "Trend" is fine, until that "Trends" stops "Trending." From that point, the typical Trend Trader either holds on too long waiting for the "Trend" to resume not knowing it is over, or they panic stop, exit the position and wait for what they believe to be another "Trend." Unfortunately, currency markets are not "Trending" most of the time.

Currency markets spend a lot of their time in Market Phases 2 through 4 (as defined above in this thread). What does the "Trend Trader" do in these conditions? Sit on the sidelines waiting to participate in another Market Phase 1 or 5. A Delta Trader, on the other hands was trading the Transformations all the while - optimizing profit potential while reducing risk at the same time.

Delta Trading is StealthTrading. It is the most clandestine form of trading I know. The more clandestine in your entry and exist you can be in the markets the better. The less others know about your entry and exist the better. When they cannot see you coming or going, that's when you are trading at your best. When they have to guess at your entry and your exist, you are StealthTrading.

When you are trading with the herd - they can see you and they can manipulate you. They cannot see me coming. They don't know when I am going to strike, nor do they understand why. You can follow the herd and get branded, corralled, bought & sold, then sheared like a goat when someone decides to run your stops or test your pain threshold.

My Trading Philosophy is take whatever you can, whenever you can and then get the heck out of dodge city. Re-load and do it again when nobody else is looking for you to do it. StealthTrading without the herd mentality.

Not back. Just passing through.

Post #455

Quoting candero

{quote} Is DV a probability thing? Meaning, one can get meaningful data from price behaviour inside the rectangle (actually it's more like a rhombus to me), for instance if a 1H rhombus is halfway there, I can assume the probable range and direction/shape and the respective fall line from the empirically deduced probabilities calculated on historical price behaviour inside 1H rhombuses, if you will?

In and of itself it is not a probability calculation. You have to create the density probability for each leg in DV by simply using DV output for each leg through some desired period of history (some number of bars of historical data). O:L, O:H, L:C, H:C and O:C produce the Deltas for each DV dimension. Thus, you get a 5:1 derivation of price within a single bar of data. A highly efficient use of market data. BTW - You can then apply the calculation matrix against any Indicator output as well per bar and really start to see what the heck is going on inside your own Indicator designs. DV is not a difficult concept, but it is necessary to begin the process of better understanding the Magnitude of a pair across all time frames.

[Quoting candero]()
Meaning, one can get meaningful data from price behaviour inside the rectangle...

Yes. That's what your other indicators are supposed to be providing you while price is moving inside the structure - for the more advanced entries before the structure completes. In this example the D3 B2i was just sitting there out in the open and easily seen. The indicator concept DV that I shared in this thread is a Delta based indicator that provides historical Trajectory and Vector information about the pair inside each time frame.

You can go back and calculate as many bars as necessary, but use enough bars to provide relevant information about current Price Action. Too big a data set and your DV becomes too slow. To small a data set and your DV becomes too sensitive. I use between 28 to 21 days worth of DV in my own system, but that fits my agenda and my not work for others.

An M5 chart was used to plot this D3 B2i on EURJPY after today's news blast that sent price tumbling. You can get use the same D3 B2i structure, while using D1, H4 or H1 DV output to help with better understanding how the trajectories and vectors are shaping up in real-time (depending on where you are able to run your DV calculations). An MT4 Indicator that calculates DV for you is great to have and its output can be used inside an EA, or its outright formula can be used in an EA as well - it depends on the developer.

Post #456

Harmonic Confluence Fall Line level is just about intercepted. Price still below all three (3) indicators and price tracking the lower projection line nicely towards both Fall Lines.

Post #457

Internal strike on Harmonic Fall Line for roughly 24 pips. Price remains inside the structure, so all of this is gravy at this point. Target two now the focus more than 100 pips away from the Early Warning Entry Window (less than 81 pips potential right now).

The issue on this structure is the fact that the Intersection of both top and bottom projection lines extends way out into the weekend. That is because this was a D3 B2i (3 Daily Bars) to begin with. Given the location of price well below the standard Neutral Fall Line, I'd have not many issues with holding this through the weekend, something I don't typically do unless there is good justification for doing so - if I were in it for the long run. If I thought that 20-40 pips were enough for one trade, I'd allow a bit more movement towards the standard Neutral Fall Line and then call it a trade. Either way, the structure has nice digital geometry and the OS1 sits really high inside the structure with a nice big gap between itself and price, which improves the likelihood of having the correct Directional peg on the trade.

So, Timing, Direction and Magnitude all looked good from the start. Probability is unknown because I do not have this loaded in my system as a one-off trade, but you would do your own Probability calculations using the historical data that such structures present in the market.

Post #459

Quoting Baillie

Hi Double, what is the smallest box size we should consider on the 1 min chart? Or minimum bar count if any?

It depends on your goals as a Trader. What is the smallest profit potential vs the largest risk potential you are willing to take? If the structure is too small to provide the number of pips you require as a Trader, that that's structure is too small for you. The size of the structure is determined by the length of time between the Open (starting point) and the last extension point established by the market that you select (either the Highest High, or the Lowest Low).

The size of the structure depends on the Magnitude of both Primary Legs drawn from the Open to the Highest High and the Lowest Low. That sets the Sizing of the structure. What sets the Timing of the structure is WHEN the last extension point (either the Highest High or the Lowest Low) is established. If the last extension point is established 33 minutes after the Open, then you have an M33 B2i. If the last extension point is established 3 Days after the Open, then you have D3 B2i.

The chart you use to plot that structure is for visualization purposes. I like to use either the M1 or the M5 most times when demonstrating this stuff, because people can see the price action within the B2i structure in lower time frames. So, there is Structure Size controlled by the Magnitudes in both Primary Legs and there is Structure Timing controlled by the time of the last extension point (either Highest High or Lowest Low).

The potential risk/reward comes from the Size of the structure and the opposing Magnitudes in the Primary O:H and O:L legs. You consider those structures that yield the potential profit you seek or greater.

Post #462

The short haul 24+ pip Harmonic Fall Line was struck yesterday. The longer haul (over 100 pip move) is still pending and is now roughly 5-7 pips outside (draw) the most optimal early entry level (the max extension point of daily O:L on 9/4/14).

I think this is one of the very first large structure B2i that I have posted here that also coincides with a large news vector moving in the opposite direction. So, this will be a good test for the Version 1.0 B2i.

Day 1 of a 3 Day B2i Structure:

As you can now see, this M5 OS1 stabilizer (Green and Red lines) has now cross over to the down side and has a fairly convincing angle with good separation developing, so that also cuts against the probability of reaching the standard fall line ahead of the 3-day schedule.

Post #463

For comparison purposes, the current Real-Time (Dynamic) D1 B2i and its Fall Line are juxtaposed against the larger D3 B2i. The Real-Time B2i will change its shape as new Lows or new Highs are established before the end of the 9/5/14 trading session and that will of course, move the location of its corresponding Fall Line as well - so what you see here may change as price moves - which is what a leading edge "Real-Time" indicator does until the structure closes.

Post #646

Quoting Baillie

{quote} Thank You Double! Appreciate the explanation and the time you spend helping others break into a different point of view.

You are welcome. Thank you.

Quoting limprobable
Thanks for sharing your approach of trading. Innovant approachs are the most interesting in trading... Does your "funny rectangles" works for gold? or only currency? (same strcutures of the both or gold have a particular structure?)

No problem and thanks.

I have not applied any studies of this particular indicator to any other market with any degree of drive or sincere interest. I have my hands full with managing seven major currency pairs when I am actively involved in daily production level trading (taking some time off right now). I have always wondered how my trading system would do using other market data.

The idea for me is to try and trade markets that are the least manipulated by the fewest number of market participants or "unknown unknowns." A man walks into Lowe's, stumbles on a crack in the concrete just a fraction inside the door, falls down and suffers a concussion. That incident would most likely happen in a store nowhere near where you live and even if it did, it would be highly unlikely that you would ever know anything about it.

You go to your computer and take a Long position on LOW at $53.40. Of course, you cover yourself and offset some of your initial costs by simultaneously by Selling a requisite number of Puts. Lowe's gets hit with a $50 million civil liability lawsuit and the stock takes a nose dive. You get flat on your market positions but your Puts get exercised and you now face overall losses. Of course, there are many other strategies one can use to mitigate risk with options, but I'm only making a simple point. You switch to McDonald's MCD at $92.82 and start Selling Puts ahead of news that McDonald's will beat expected earnings to gain back some internal cost basis on your LOW losses (you are trying to establish compensating balances inside your account). McDonald's then makes a "surprise" announcement that it will be cutting costs by 3% across the board, but that it will miss earnings by 13%. The stock moves down below strike and you are once against behind the power curve bleeding money.

In both scenarios, the underlying was manipulated by unknown unknowns as well as isolated events that no one could have seen coming. In the currency markets, significant moves are typically known and known ahead of time in most cases. Individual and localized causes are typically not enough dominate price for prolonged periods of time. The major market moving causes are mostly known events with only occasional surprises along the way. For this reason, I have not spend much time evaluating equities and other instruments like bonds don't typically have the volatility I need or the pricing structure to make my Revenue Model happy (of course, this really all depends on leverage and total cost basis per trade, etc.)

I'm very happy with the seven major pairs I track right now and have been for quite some time now.

Post #466

Day two. After clearing the Intersection, the fight was on:

You can listen to the naysayers as their voices are a dime a dozen. Or, you can start doing the homework that is necessary to give you real insight into how the market behaves and how to capitalize from that behavior on a more consistent basis. Naysayers know how to one thing, Naysay. Their actual trading results may vary (pun intended).

Post #468

Some not so obvious clues about the B2i structure and how it functions:

- Rate of acceleration between Fan projections is high.

Post #471

Interesting, indeed. If you watched the video, you will note that Viper missed his exit for approximately 10 - 12 pips. I did not know it, but apparently, he's a scalper, which makes this whole experiment just that much more compelling. Here's why:

I could not get M15 data out of my MT4 test platform to go back as far as 2014.03.27, but I was able to get M30 data for that date and time. Above is the actual MT4 chart for USDCAD M30 showing two (2) Hybrid B2i structures and their associated Standard (Neutral) Fall Lines. Viper, was upset that he missed his target, but if he had prior knowledge about the markets actual short term structure, he would have known that he had a high probability for doing much better than his target. He is a scalper, so he most likely would not have held that long, but at least he would have known where the high probability short-term vectors resided in USDCAD at that time.

Instead of 10-12 pips, he could have been in the money for about 37 pips. More than triple his normal take on a trade.

- I did not watch the video to the end before drawing the B2i structure.
- I used MT4 M30 data to verify the prices levels on 03.27 and 03.28 when both Fall Lines were struck

Just plucked randomly from thin air, even a video off of YouTube on a currency pair that I don't even trade, demonstrates the viability of B2i and that is just at the Version 1.0 build.

Is this a first for this forum? Has anyone ever picked out a YouTube video, looked at the chart that someone else was trading, drew their indicator on that chart and then validated the trade in sequence by playing the video forward? I've never seen anyone do that before - this might be a first for B2i.

LOL! You gotta luv it.

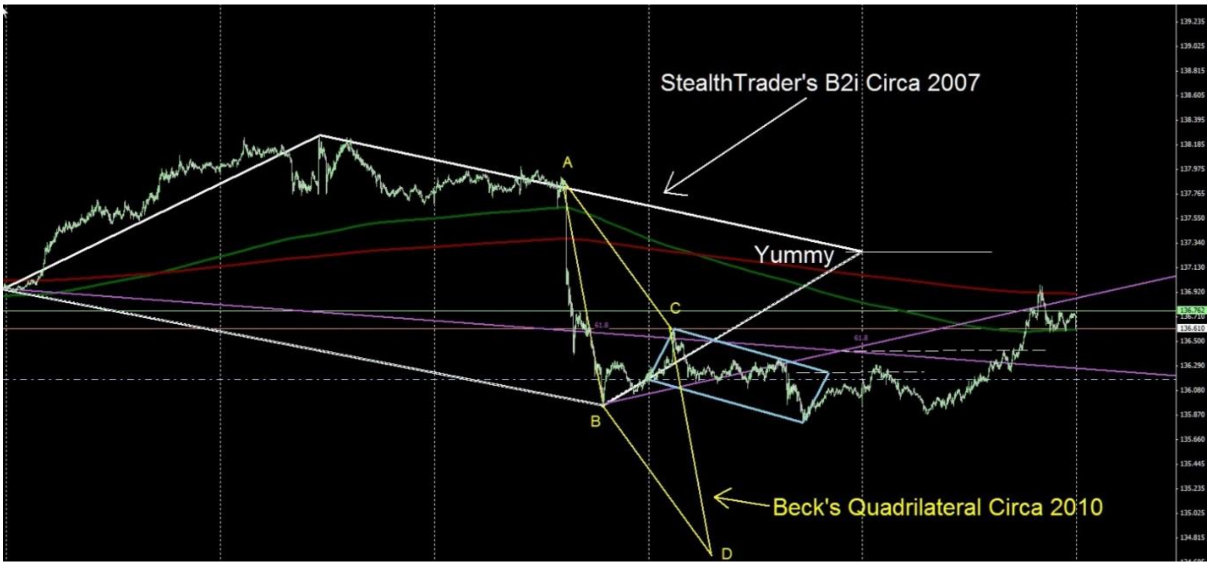
Post #491

An example using the last D3 B2i Structure I posted from last Friday:

As you can see, using the only available range that would plot a Quadrilateral correctly, one notes that the Quadrilateral is out in the wilderness. Why? Because, it is not a Leading Edge Predictive Indicator. It is a Reactive/Predictive Indicator, which means that, if the market does not confirm to a specific harmonic frequency, price won't reach the level (the projected tip of the Quadrilateral way down below where price is right now) required for a reactive move in the opposite direction.

In the meantime, price is headed towards the D3 B2i Standard (Neutral) Fall Line as predicted last Friday, as the Quadrilateral, was projecting in the wrong direction.

Thus, there is a massive distinction between the two.



OS1 Transformation taking place:

http://i60.tinypic.com/2ptxu20.jpg

Earlier in the thread I mentioned what typically takes place as the market turns the corner in dominant directional bias and related that price behavior to the way price interacted with the Os1 stabilizer. The left highlight in blue shows what happens to OS1 when strong news is the cause of the transformation and the right highlight in blue shows a normal OS1 transform taking place. My earlier notes on the subject explain what to expect in terms of price behavior and how price first Intersect the green line first, strike the red line second and then pull back and Mirror the trajectory of the green line before making the final crossing and converting dominant directional bias.

This is THE test for any good long range directional bias indicator. The data being output from that indicator should show smooth transformations from Market Phase 1 to Market Phase 5, or Market Phase 5 to Market Phase 1, with all of the proper sequencing in place for Market Phases 2-3, or 3-2, depending on the state of the long range indicator at the start of the transform.

When you see such transformations, you are looking at a fairly orderly market shift. Not all dominant directional bias market transformations are this smooth, but the really good ones are fairly noticeable with the right long range indicator. Remember, OS1 is not predictive. It is merely showing me the state of the market during a directionally bias transformation - essentially telling me how orderly the process is between shifting from sellers to buyers, in this case. The market can easily do what it wants - OS1 simply gives me good clues about the "stability" (that's why it is called a Stabilizer) of any Market Phase 1-5.

Post #507

Intersection between Standard Fall Line coupled to Projection Fan 61.8. Intersection Time showing as during the 22:00 hr (9/9/2014). Another small glimpse at Version 2.0.

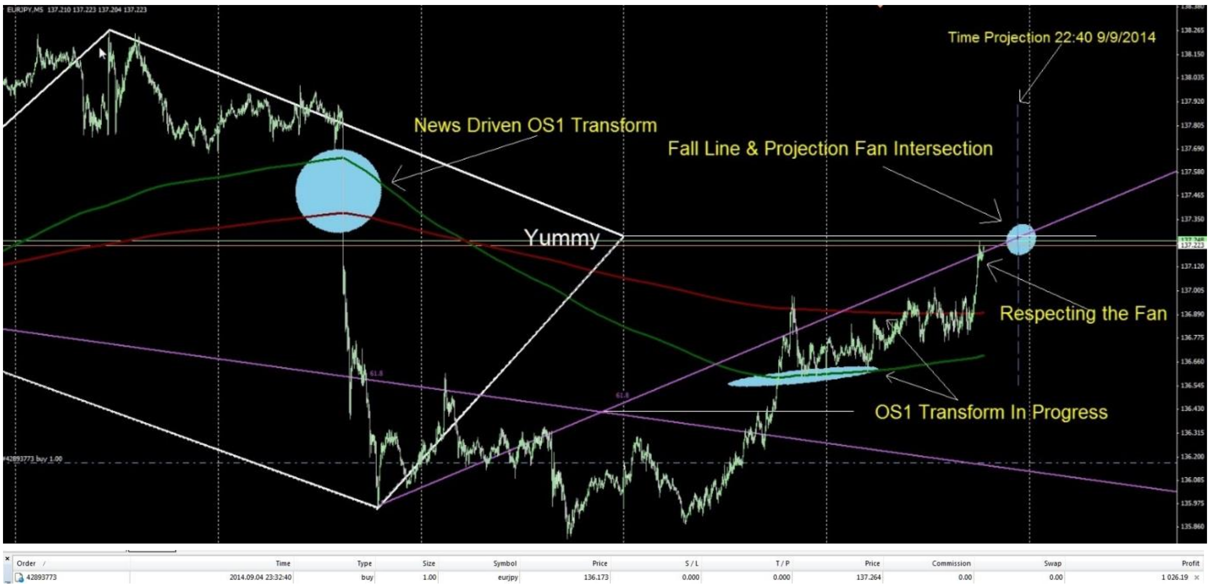
Post #509

Day 3 of the D3 B2i shows flight EURJPY coming in slightly ahead of schedule. Showing respect for the Projected Fan of 61.8, at least this B2i structure behaved normally as expected.

Associated problems:

- Long range stabilizer OS1 has not yet fully transformed though price has committed

That is really the only problem I see with this particular structure.



Though this was just another B2i structure being demonstrated, the real lesson here was the OS1 Transformation. It was slow, methodical and very much stabilized all the way to the Yummy target.

While "trend" Traders were sitting on the sidelines wondering "if and when," the leading edge predictive Trader was in the market benefiting from good research. Yet, another reason why trend trading will never be as optimized a way to generate revenues as a good predictive model.

Post #510

Without structure, such a move looks rather improbable on its face:

The trend is your friend, make no mistake about it. But, when she decides to put a knife in your back, you need a way to detect her change of attitude, so you can respond appropriately.

Post #511

Final lesson and then I'm done in this thread.

Figure out why the Hybrid B2i that uses a custom time frame needs to sit directly between two standard structures that use a standard D1 B2i time frame and you will essentially have Version 2.0 of the indicator. Hint: Synergy and Confluence is very important.

Done and done. Yummy.

Post #522

Quoting Innate

Your ideas are fascinating, thank you very much for sharing them with us. Before you go, can you please tell me what B2i stands for?

Thank you. You are welcome.

Bento Box Indicator. B+B+i = B2i. I simply ran out of names. I have hundreds of bespoke indicators and functions used to make algorithms and signals. I was sitting in a Japanese restaurant one day eating dinner and looked at the box it came in with various departments serving the purpose of containing different parts of the dinner. I guess I had too much Sake that night, and Bento Box seemed just as good as anything else on my mind that evening. True story.

Quoting Innate

Isn't pitch or angle of incline subjective on a time series?

Y-Axis compression MT4 H1 time frame:

Y-Axis normalized (fully expanded) MT4 H1 time frame:

The shift in the linear projection of the Fan caused by pixel distortion through the chart axes is real. However, using the Fans in this way does not cause a shift in the actual location of the harmonic intersection - that remains fixed. The linear projections of the 61.8 Fan are not to be followed strictly. They are directional waypoints used in the short-term to give an idea about which short-term trajectory is being respected and which is not being respected.

I posted the D1 GBPUSD BentoBox Indicator from yesterday with its projection into today. Both charts are of the same structure - one is compressed and one is fully expanded (the chart is not set to 1-to-1 under MT4 Chart > Properties). The linear 61.8 Fan projection does varies slightly. However, even with tight Y-axis compression you can't get the linear price to vary more than a few pips. However, the harmonic intersection point remains fixed in **Time**. That time being 10:00hrs in the last trading session.

I thought that was an important question to answer - hope that helps. 🙂

Post #540

Quoting Innate

iDouble, In the last few images you posted you introduced the label of "Real Price." In the last image it is a band ***between the high of the B2i and the fall line.***

"Real Price" has been on earlier charts as well.

It is a region of price between the Fall Line and the Harmonic Fall Line. It sets "Real Price" as the range between the Projected Legs Intersection and the 61.8% Fans Intersection. The 61.8 Fans are derived from either the top of bottom of the B2i structure, depending on the direction of the projected trade. In a Long projected trade, the range O to H is used for the Primary Fan and the range High to Projection **(the Mirrored O:L Primary Leg shifted UP to create the structure)** is used for the Projection Fan. Where they intersect is the Harmonic Fall Line. The inverse is true for the Short trade.

You guys should check out the sections of the thread that cover all this. I introduced concepts in a staggered fashion, so as not to overload the subject too rapidly (as you can see why). Different concepts were introduced in a layered fashion after it seemed most people understood the initial underlying concepts they would need to move forward with the larger idea behind B2i.

Post #560

Quoting Orly

Also, beginning a count at the beginning of every hour is just as random a starting location as the thirty-eighth minute after the hour, isn't it? Shouldn't the count begin after a group of large candles, thus the beginning of the "response" phase of the retracement?

It is my hypothesis that Time itself does not exist and that we enforce Time within our frame of reference within the universe because it helps us order our lives. I've held that hypothesis for years and now, Cosmologists are finally considering it a worthy expenditure of their time building theoretical models. So, yes - any Open price one uses is a "random" selection relative to some "other" frame of reference that is either extant or could be made to be extant, if one decided to enforce a Time Frame with differential to that of the selected Open value.

The real issue in the world of trading (where we use Time) relative to B2i is that of Magnitude, or the rate of the expansion in price over some fixed time frame. Because, price lives in a two-dimensional world, Magnitude becomes exceedingly important for driving price to a specified target within a specified period of time. But, in reality, the Magnitude of a specific bar of data is just illusion as Magnitude really has no meaning of you don't enforce Time. However, because everybody enforces "Time" on the markets to mark events in price behavior, you witness "Time" having significance and relevance in the market. Not exactly a perfect example of quantum physics' nonlocality principle, but conceptually similar on some levels in that what is experienced becomes "real," or that which is "real" is that which is experienced (see: quantum physics "double slit experiment").

This is why you can also select Hybrid B2i, which are nothing more than Non-Standard Time Frame B2i. With the Hybrid B2i, you enforce the structure, as opposed to allowing "Time" to enforce the structure and you use the Magnitude within that structure to determine extreme points and ultimately the fall line. I simply took the double slit experiment and decided to randomly enforce a B2i structure. After playing with it for a while, I found that they work just like standard time frame structures, which proves that Magnitude plays a more vital role than Time.

Time is Space and Space is Time, in a minimum three dimensional world. In a two dimensional chart, Time is Magnitude and Magnitude is Time. Restrict Time to zero and Magnitude shrinks to zero. Expand Time and Magnitude expands with it. Thus, what's genuinely "real" anymore? Matter, Forces, Space - that's all there is in the physical universe. On a chart, that equates to Magnitude, Direction and Probability, where Timing (because we enforce it) sets the whole thing into motion.

I've just given you my entire hypothesis for the design philosophy behind the way I trade. Everything I do, flows from the hypothesis that Time does not exist. Ergo, the entire foundation for my Delta Trading Philosophy. B2i is a tiny part of that philosophy. Thus, price will be where it needs to be at some point in the future, in order for it to continue being "price." And, where it "needs to be" is implied by its own variable, yet somewhat predictable structure. It just needs to be predictable enough to capture profit sufficient for my purposes.

Post #568

Quoting Relativity

Thank you. This is partially why I decided to use range bars. My rational, although I think it might not have scientific value, is that we are all trading from price point (entry) to price point (exit). Price appears to plays the primary role while time is secondary, so I reasoned that if I want to just see pips, I have to extract it out without distorting time too much.

The idea is getting away from price on charts to price within a structure. That's a hard leap for some to take because it is so abstract in theory and practice. What we are really trading is Volume, Transactions, Deals and Deal Flows - most of it driven by psychology, itself predicated fundamentals.

The majority of Traders are not technicians. This provides a built in advantage to the technical trader, however. Increasingly, however, we've seen quantitative analysis entering the market on a different level than traditional technical analysis and that is Changing The Game at the core level of price behavior. So, increasingly, you will be out there trading with bulk algorithms that range from simplistic binary logical triggers to exotic transformations of metadata about underlying price. Again, this is one of the main reasons I stick with currencies. The liquidity passing through Interbank is incredibly large on a daily basis and such depth of liquidity can better handle the underlying changes in the way people trade the data/market.

I have not built anything on Range Bars as of yet. I've always found them interesting but have not spent much time digging in. The obviously provide built-in filters for blocking certain noise levels and locally (within the range bar itself) smoothing small TF volatility. However, while many claim that standard M1 candles are too small to be useful in decision making, I have learned that M1 candles contain a wealth of information about the "signature" of price. This assumes that all price behavior is scalable up or down to the largest or smallest unit, of course. At some point, you scale the data down to a level that only Quants can work with because most commercially available platforms simply do not slice the data sufficiently to build anything out of it. What does a millisecond bar look like anyway? Not even traditional tick data is that refined. I digress.

Quoting Relativity

You had posted about Timing, Direction, Magnitude and Probability kinda all over the place

That's all there is. There is nothing else that exists in any trade ever made which defines or governs accuracy to a specified target than those four regimes. Any indicator you spend your precious time on, had better fit inside one or more of those regimes. Else, you are simply wasting your time. Nothing will improve accuracy more than optimization of those four (4) realms of the market. Everybody wants to know what the "Holy Grail" looks like? That's it: Timing, Direction, Magnitude and Probability. If you are trading without those four things intact, then you might as well not be trading at all. Every good trade has those four components locked down as tight as human possible. That is when the Trader is really optimizing their trading routine.

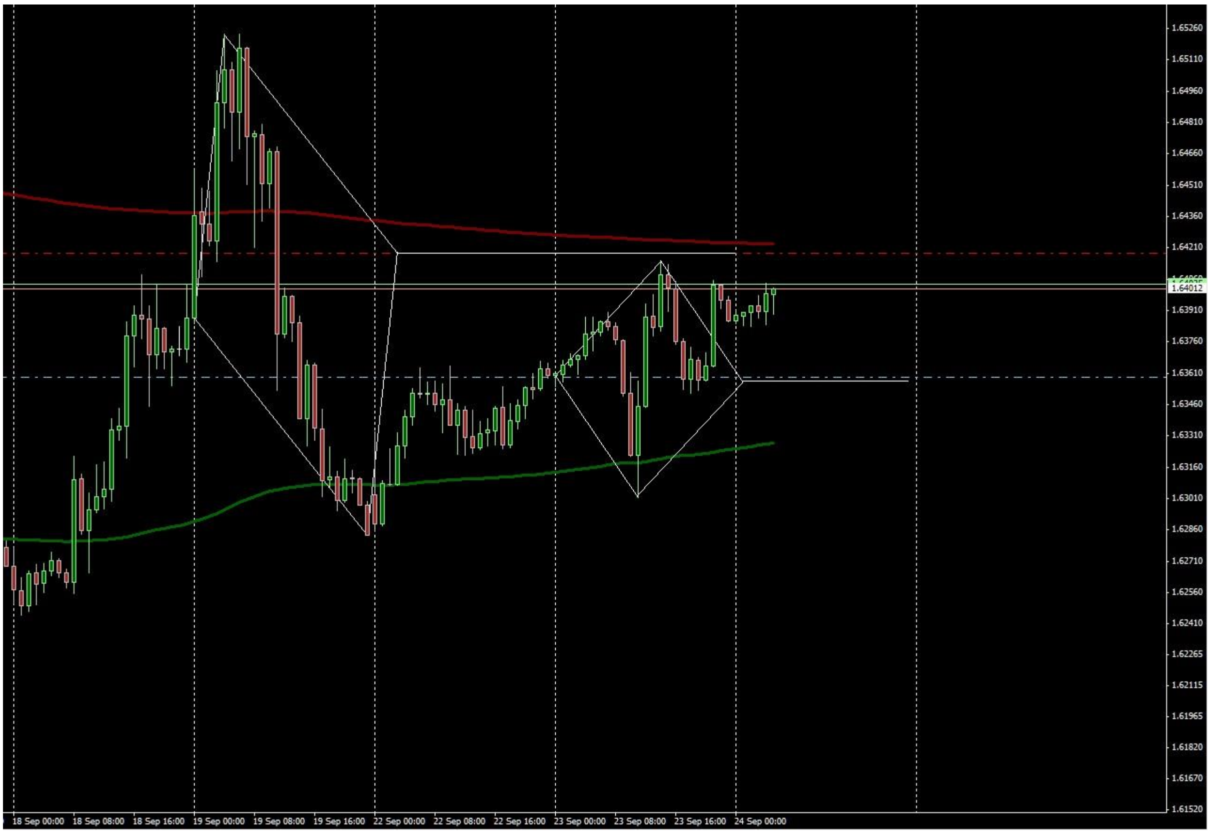
All indicator designs should fit within at least one of those categories. The integration work in a multi-indicator system is all about finding the synergy between those four realms or categories of indicators. Line them up and then send them out to do your bidding.

Quoting Relativity

If I am correct, your definition of Magnitude is price distance between price point to price point. I recall somewhere (yet couldn't find the exact post, but I know its one of your older screennames on forexfactory) that you said that Timing, Direction and Probability can eventually fail, and Magnitude is truly king to save the day.

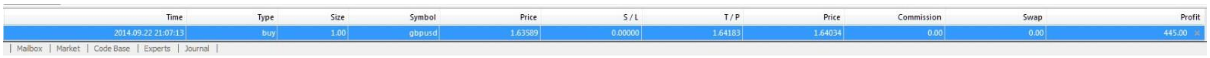
Timing can fail. Probability can fail. That's 50% failure in your system. Hello! Yet, get the Direction and Magnitude right, and you can still net a profit. It may cost you more Draw and lost opportunity, which is still something of a lost because if you are not putting capital to work, you are losing money - contrary to what some people say. Here is something of an example:

9/19/2014 D1 B2i on H1 Chart



Timing is wrong (missed the entry by a whopping 74 pips - should have entered 74 pips earlier). Probability is wrong (failed to strike target within a certain range of time). Direction is right. Magnitude is right. Yet, this trade, though it is long over due, is still up 40 pips on its way to 58 at the target. Most importantly, trading like this provides that thing called Peace of Mind, which I don't care what anybody tells you, is absolutely priceless.

Proof:



Time	Type	Size	Symbol	Price	S / L	T / P	Price	Commission	Swap	Profit
2014.09.22 21:07:13	buy	1.00	gbpusd	1.63589	0.00000	1.64183	1.64034	0.00	0.00	445.00

| Mailbox | Market | Code Base | Experts | Journal |

Quoting Relativity
The more I trade, the more that I find that Magnitude leads Timing, Direction and Probability.

Magnitude is everything. Without it, there is no market to trade.

Quoting Relativity
The odd thing is that it comes around itself, in reality that we can't do without Timing, Direction and Probability, but only after Magnitude has given the lead. I can't fully explain why, perhaps its too subtle for me to describe the 'feeling' correctly.

If you do enough Magnitude studies you will find that it can be misleading. Magnitude may look very well "set in" and Direction locked down and then it whips on you in the opposite direction. This is why it is important to work in developing indicators for all four regimes of price. When you apply all four, it increases the likelihood of target level penetration without obnoxious levels of MAE in the process.

Quoting Relativity
Your hypothesis did answer questions I had in mind for some time, plus it sets in motion that I still have a lot of explore in terms of Timing, Direction, Magnitude and Probability.

As I've said for years, there is more to explore in Delta based trading than I, or anyone else will ever live long enough to fully unveil. There are plenty of Delta Connections out there that I have not even come close to exploring. What I have right now, is enough to suffice for my trading needs. Delta Class Indicators are a different breed of technical indicator without limits on their discovery. They are like starts in the universe - too many to count. That makes Delta based trading a wide open field for research.

I pioneered this stuff and pioneers typically never fully enjoy the full potential of their work. Someday, somebody will explore new Deltas and create scary algorithms from them! Who will that person be? I have no idea. But, they are out there, somewhere. When you start exploring the combination of deltas between different time frames, the potential for new discoveries are limitless.

Quoting Relativity
Just how I still think that regardless of what chart (time based or price based) is used, a full scale exploration of vectors cannot be avoided.

Without the Vectors, which themselves are made up of smaller Trajectories, you can't really do a complete analysis of Magnitude, as Magnitude has to be aggregated and averaged across time. Vectors are larger forms of the point-to-point Trajectories. Just another layer of abstraction to visualize the directional quality of the market under any condition. What most people see are "trends." These are figments of the imagination and don't have the Higher Resolution Visibility that Trajectories and Vectors have. "Trends" are a sloppy way to visualize the directional quality of the market. "Trends" are analog. Trajectories and Vectors are hi-def digital. Not even remotely comparable and the main reason why I say that "trends" don't really exist. Sure, we observe price moving in a particular direction over a period of time and we call that the "trend." However, there is a lot more going on under the hood of that so-called "trend" and Trajectories and Vectors tell a more detailed story of directional quality and behavior.

Directional Quality and Directional Behavior, those are two interconnected ideas with completely different meaning. The Vector is the Behavior and the Quality is the Trajectory, once you get the data mapped out into something like Excel, but you can also generate the data in MQL as an indicator. Quality changes before Behavior changes and that's how you can go inside the "trend" an see Market Phase changes happening before most people know about it. It helps to provide an edge, which is one of the reasons why I don't get into specifics about how I exactly go about running my Directional Bias algorithms. However, you do need to use multiple time frames and find synergies in Trajectory Quality and Vector Behavior that link all time frames together.

That's about as far as I can go explaining that one.

Quoting Relativity
Maybe my issue is that I had not understood the significance of open and closes sufficiently?

No matter what time frames you select, the key is in finding synergy between the Quality and Behavior of Trajectories and Vectors in each time frame chosen. Use one time frame that is fast, one that is nominal and one that is slow, then study the quality and behavior or each and search for synergy in those two areas.

The concept of a point-to-point "Delta" is scalable and reflexive through bar size, so behavior has symmetry regardless of time frame selected. That took me years to understand and you just got it one sentence. When you know that, you can begin to identify synergy that triggers future events in the so-called "trend."

That is absolutely as far as I can take the subject. Anything beyond this point I classify as Do Not Ever Discuss.

Quoting Relativity
3-I tried to create the concept of priceframes. e.g. larger moves relating to smaller moves, liken to the concept of timeframes e.g. smaller time structure relating to larger time structure. It worked for a while, and later I saw a problem; ***the relationship between larger vs small has to be found.***

Yep. I classify that subject as Do Not Ever Discuss. But, you are on the right track and my last statement to you in bold and red is a huge head start that no one gave me early on. I had create the stuff and then figure out how it works on top of that. So, you guys have foothold that I never had. But, yes - one really does need to spend some time figuring out how price goes about extending its Behavior and Quality into the future.

Once you do that, you start developing a whole new breed of Technical Indicator. Stuff that nobody else can see, or even knows exists. Like Alpha-4, Alpha-5, Alpha-6 and Alpha-7. Those indicators delta based are quite frankly so far beyond anything I've ever shared in public, that I could not even begin to explain them without uncovering some real gems that I simply do not discuss in public.

The Alph-4 and Alpha-5 integrated modules:

Short	Short	Short	Short	Long	Mixed	Long	Long
17	20	8	20	13	7	20	18

Ave Neg:	74	Ave Pos:	45	TradeCount
Ave Pos:	38	Ave Neg:	63	3
Median:	5	Median:	1	
Min:	174	Min:	203	
Max:	140	Max:	165	
Sum of All:	$0.0051	Sum of All:	$0.0037	
LongTrades:	3	ShortTrades:	0	

	0							0
	Variable	Fixed Down	Variable	Fixed Down	Variable	Variable	Fixed Up	Fixed Up
	L-Open	L-High	L-Low	L-Close	H-Open	H-High	H-Low	H-Close
RealTime:	5	27	51	1	4	26	52	0
Max:	8	27	140	1	205	165	235	186
Mean Alpha:	-90	-142	-15	-78	40	-12	116	52
Min:	8	335	174	224	174	203	50	0
RT/Ave Delta:	85	115	66	77	44	14	64	52
		RT/Ave Delta Short Summation:		86		RT/Ave Delta Long Summation:		44

L-Open	L-High	L-Low	L-Close	H-Open	H-High	H-Low	H-Close
310	335	52	224	174	25	50	1
297	326	174	170	94	203	51	4
238	245	97	135	56	101	53	8
209	214	94	128	54	82	61	16
160	197	74	124	50	81	77	17
138	176	72	116	13	76	79	23
111	173	67	87	3	59	80	26
84	164	43	70	9	50	87	27
76	164	39	69	35	15	97	30
69	135	9	69	40	12	102	36
59	100	0	64	42	1	105	36
47	96	5	58	74	2	110	39
33	89	11	56	77	2	111	42
26	77	12	42	79	4	132	46
24	77	15	34	80	15	135	50
16	73	15	34	95	18	137	74
16	71	20	32	102	23	145	81
8	52	41	31	109	60	148	88
4	48	47	15	115	62	148	99
4	34	73	11	184	95	232	115
110	27	140	1	205	165	235	186
59	100	5	64	42	1	105	36

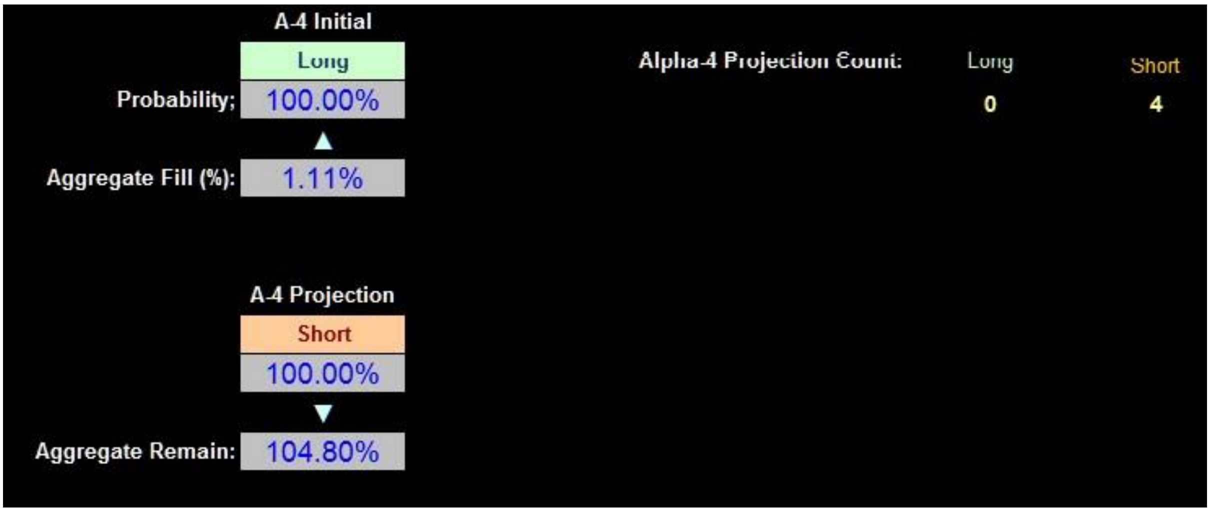
Distance To Mean Alpha:	7	9	9	7	10	10	13	15
Magnitude >50% Signal:	Mixed	Short	Short	Short	Mixed	Mixed	Long	Mixed
Probability:	42.86%	88.89%	66.67%	85.71%	40.00%	-40.00%	84.62%	0.00%
Dimension Match:	Short	Short	Mixed	Short	Mixed	Mixed	Long	Mixed
Probability:	42.86%	88.89%	66.67%	85.71%	40.00%	-40.00%	84.62%	0.00%

	Mag	
Long	Alpha-5P	Short
1	Short	3
25.00%	75.00%	75.00%
1	▼	11
1	A5P-Boost	7
	Dim	
Long	Alpha-5P	Short
1	Short	3
25.00%	75.00%	75.00%
1	▼	11

A-5P DayInt
Short
75.00%
▼

Alpha-4 Fill Performance

	Short Alpha-4 Fill%				Long Alpha-4 Fill%			
	L-Open	L-High	L-Low	L-Close	H-Open	H-High	H-Low	H-Close
Extremes:	310	335	174	224	205	165	235	186
Fills on Extremes:	1.61%	8.06%	-29.31%	0.45%	-1.95%	-15.76%	22.13%	0.00%
Remain To Target:	98.39%	91.94%	129.31%	99.55%	101.95%	115.76%	77.87%	100.00%
Extreme Projections:	Short	Short	Short	Short	Long	Long	Long	Long



This is Metadata taken from advanced Delta indicators which is made possible by learning the synergy links between smaller and larger time frame data. A4 and A5 combine to produce the next Short trade signal, which is then sent to the MetaBrain to be voted on. I won't even show pictures of A6 and A7 in public.

Quoting Relativity
EURCHF was flat for many years(!!!). It might be a bad example, but I also understand that a pair with strong liquidity would be easier to work with, so that we have enough data samples to extract structures from.

EURCHF is a bad example of normalized data and I would not trade it based on what I do. However, lots of people do trade and make money with it. It reminds me too much of the stock market with thinly traded underlying that take-off on news one day and compress all volatility to near nothing the next. Too much of a problem child for me personally, when there are so many other full bodied volume and volatility consistent pairs out there to be traded.

Quoting Relativity
Perhaps, I am wrong with this assumption to justify use of range bars (or even anyone who uses range bars to filter out 'unnecessary movement' as they do not want to be 'distracted')?

Your revenue requirements should drive everything you do. If something does not have the requisite Magnitude or Volume stability or Volatility consistency, to meet the profit requirements that you have established for yourself, then you have to move on to something else that will - or - you have to change your expectations about what profit means to you as a Trader.

The first thing I did was study the Magnitude of all the major global pairs. Everything begins with Magnitude. I then studied the stability in price behavior between the two extremes (highest high and lowest low) of each time frame - I needed to know the history of how price makes those extremes in each bar. I then took a look at the cost of each pair - their associated spreads and relative overnight costs. So, my up front analysis had nothing to do with building indicators or trading systems. You have to know the fundamentals of the instruments you are working with and whether or not they contain sufficient price dynamics and have sufficient valuations in order to be of any use to your defined revenue goals.

This is the problem many Traders have - they seek the system first, without understanding the valuation of the instruments they trade. Make sure the instrument is set-up correctly and that its Magnitude is configured correctly to meet your revenue needs. Then, you can start to build indicators and systems upon it - but it needs a long history of stability in its fundamental valuation parameters in order for me to spend my time on it.

Hope that helps.

Post #575

Quoting Innate

I have never heard of "delta trading" before this thread.

I think the FF member 'Relativity' has some prior exposure to the baseline Delta concepts that I used to demonstrate quite a bit online. So, in some ways, that was an inside dialogue for this forum. I think I might have tried to open up that subject on this board many years ago, but got shut down by members and the forum administrator a couple times - so I stopped discussing it here.

Quoting Innate
By Delta I assume you mean the "difference between two values or the rate of change" which makes sense to all you have been talking about.

Yes. Either the definition as used in physics, mathematics, engineering, etc., will do. Breaking the market down in this way, you are observing Delta Behavior, not necessarily Price Behavior. This instantly gives you a real market substrate of data to use in juxtaposition to real price data. You can consider it Market Dark Matter. There is far more Dark Matter in the universe (we suspect) than Matter and we further suspect that it (Dark Matter) is what holds everything else together - makes everything else possible. Like a background substrate of reality upon (or, in which) which our reality exists. When you sample enough market Delta, that's pretty much what you see.

It is the Unseen Market underneath the Seen Market you know and love so much. That's the market I trade. The unseen market.

Quoting Innate
*I think I 'get' (emphasis on think) your quote above. At first I thought you were referring to Soros' **reflexive**.. but no..*

Mathematics: Reflexive - The property where the dual space of a vector equals the vector space itself. This video might help. Pay particular attention to the "arrows" drawn at around 2:45 and the instructions given that creates each Vector. The idea I enforced was a "kind of" Vector Analysis of the Delta Substrate.

https://www.youtube.com/watch?feature=player_embedded&v=f6KGArgXhzs

This subject starts to get into territory that I typically don't talk about in public, but I post this just to show you that there is a bit more behind the scenes of what I do. There is some real mathematics behind the madness - but I don't share the math because it provides me the algorithms upon which my edge is built. So, I can only discuss concepts and hope that it sparks the imagination of others to do their own thing and get outside the confinements of traditions.

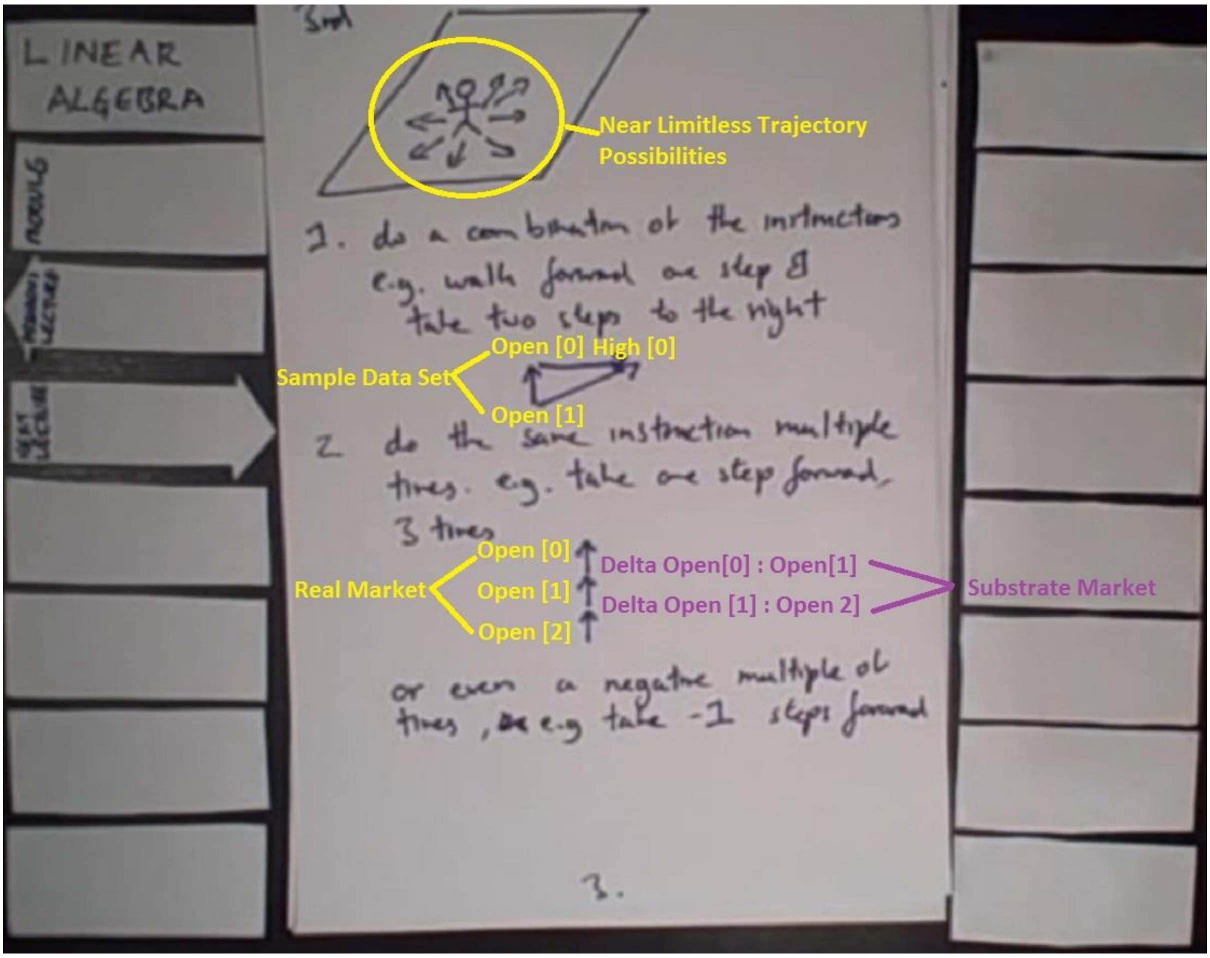
You won't find anyone else doing this. I've had long conversations with Quants who have a hard time visualizing what I'm doing underneath and that tells me that I'm doing something rather unique in the market. There is what I call a Fundamental Trading Technology that I have established and it sit at the heart of the system. It is all based on a type and kind of Delta Analysis that I created and then applied to OHLC data across multiple time frames.

Post #576

[Quoting Innate]

I think I 'get' (emphasis on think) your quote above. At first I thought you were referring to Soros' reflexive.. but no..

Taken from the video above:



That's fundamentally how I see market Behavior and market Quality at a grass roots level. Can't go much more beyond this point in explaining it, however. It is basically a creative way to reaching applied mathematics in a financial market. It establishes the basis for more eloquent algorithmic designs and it provides a huge amount of data to work with.

Post #577

[Quoting openyoureyes]

@innate: delta trade is equal retracement trade? what's the difference?

All movement in the market takes place inside the Delta. No Delta. No Market. Everybody looks at the "Price" and in doing so, they completely miss the broader message the market is trying to convey. Price Points are mere references markets for the location of price within the Price Structure, which is the Delta substrate - the unseen "price" which is not a singularity at any "Time." Price is fluid and structured at all times (excepting those types of markets that have fix endpoint trading hours where price literally stops moving twice per 24 hr period).

Post #578

[Quoting Orly]

But you say you are using three time frames to decide if the quality of price movements are similar in comparison.

Use at least three different speeds. It does not matter what they are, as long as they contain sufficient Delta to net profits as defined by your revenue requirements per trade. They can be any time frame as long as there is a significant speed differential between them. What's significant will depend your needs, research and the Delta necessary to meet the revenue requirements you have.

[Quoting Orly]
So if price action is similar across the three time frames, then that heightens the probability that the trade will be successful.

That's Synergy in both Quality and Behavior.

[Quoting Orly]
Is this idea similar to what you are saying?

Don't have the bot or the code and have never looked at it. But, if it uses the same principles of Quality and Behavior that I have outlined and it is based on the Delta substrate underneath real price, then I would suspect that it should be similar at a fundamental level and the only differential in outcome would be due to the variances in the algorithms that lead to Entry and Exit.

[Quoting Orly]
Does that mean that as long as all TFs are trading in the same Direction, that Price has a very high probability of continuing in that direction?

LOL, yes. Is that not the "Grail" - to enter the market when "all" time frames were perfectly aligned and in agreement. That would be maximum optimization and the easiest trade to make, bar none. However, most trading takes place where maximum optimization is not possible because of differential market phases across multiple time frames and that is where matching Quality with

Behavior becomes exceedingly important to remain consistently profitable.

Direction is not merely function of where each bar closes. That's a commonly accepted superficial assumption of the real price market. However, on the Delta substrate, one might find shifts in momentum within the Trajectories that lead to changes in Vectors, which ultimately result in changes in the "seen trend." So, prices could be closing UP, but underlying Trajectories and Vectors are already starting to turn DOWN. This is the battleground for finding good Trade Logic that strikes optimal Synergy between the time frames using the Delta substrate.

Quoting Orly
Also, you say that it is reflexive through bar size. Do you mean that longer bars have a greater impetus to continue in that direction? If so, how does that help identify the Price Target and the end of the trade into a reversal/retracement?

See definition above for the reflexive nature of Trajectories and Vectors.

Post #581

Quoting Relativity

My work is currently IMO still far from perfection and I am still tuning it....There's a lot of ground to cover but I do believe I have some solid leads. e.g. http://www.forexfactory.com/showthre...79#post7722179 I suppose I need to continue to improve the modelling.

I briefly looked at the link and it appears to be Elliot based with some added influence from others. Elliot's work is important - he found pattern and it does repeat. It's got a lot of the needed components: symmetry, reflexivity, repeatability, etc. What Elliot, did not understand, or at least what he never allowed the public to know that he understood, was the matter of Magnitude. The all important factor. And, he allowed for human psychology to have input into the trade decision by literally assigning the word "Motive" to his model. I don't knock Elliot at all for doing that - that was his approach. I tend to not overtly allow anything but the raw data to input a trade decision, as for me, trying to evaluate human psychology en mass and especially involving high emotional input, is a bit too risky for me personally. I learned a lot from Elliot, but had to explore my own path eventually.

When Market Phases 3 and the inverse to phases 2 and 4 are present, Elliot Waves become less distinguishable in the shorter time frames. They still exist, but because Magnitudes are compressed throughout, Wave Distortion becomes the norm for Elliot's model and you sit on the sidelines because the model provides no direction.

Some people (not you) moan and complain about Elliot being too difficult to understand. "It is too hard!" "Those wave makes me dizzy!" "I can't see straight anymore because of the waves!" "Those waves hurt my eyes!" I've literally seen people post stuff like that about Elliot. Those people confuse congestion within the model for a lack of clarity about the model. Those two things are not equal and Elliot, too often takes a hit for that which is not fair to him or his work. Elliot Waves are as fundamental to most normal markets as Peanut Butter is to a Peanut Butter and Jelly sandwich. People need to accept his work, realize its limitations, incorporate what they can and then extend what Elliot has placed on the table. Again, I digress.

Quoting Relativity
I suppose I need to discover my own model.

That really is the bottom line. Learn what you can, integrate what makes sense and move on. That is probably the best path for most. Unfortunately, too many people get stuck in "I can't" mode and it ruins their trading career.

Post #582

Quoting Orly

Then, do you assign negative Deltas to time frames where price is going down, compared to positive Deltas where price is rising, or do you consider all Delta values to be positive real numbers?

I use negative values for esthetic purposes - it really does not matter because the space being evaluated is two dimensional. Often times the negative number is then multiplied by -1 to derive its positive counterpart anyway, whenever it is more mathematically expedient. The Deltas tell you a lot about the "structure of price." As long as there is historical/empirical evidence that supports an emerging Delta, then the potential for price to fulfill that mandate of that not yet developed Delta is said to be significant and then used in a probability calculation.

"Nature abhors a vacuum" - is a really good starting point.

Pot #583

Quoting Orly

... I mean, music is simply changes (Deltas...) in pitch over time, right?

That could be one way to think of it. Frequency, Harmony, Cycles, Mode, Variance, Amplitude, Envelope, etc. All these Delta attributes or characteristics help to determine trade decisions. They all help to define Quality and Behavior.

Quoting Orly
Fascinating stuff. I wonder if you would know a way to convert your algos into musical form and make trading easier by simply listening to the music? Would that idea even pique your interest?
http://www.rattraders.com/

Sounds really interesting - no pun intended. Unless it could be made to sound like something from John Williams, or Mahler, etc., probably not at this time. I use a visual panel instead of charts - a Digital GUI. So, I'm really looking at graphics, colors, on screen text messages and symbols inside a GUI for making trade decisions in manual mode.

Post #587

[Quoting Orly]()

When do you suggest building the B2i Bento Box?

D1 Standard B2i plotted on an H1 Chart, should be used first to get a feel for what should happen. This fixes the structure from the Open to the High and the Low. Remember, you will also have to use a good Magnitude indicator to help you with projecting the Daily Range, that will help you see the Early Entry Windows. D1 structures almost always have some pip potential, but if you want more pips, you have to locate bigger structures with greater variance in both the Primary Legs, which are ultimately used to create the Projection Legs after they are mirrored and flipped into position.

At some point, you will be able to scan an M1 chart and see both Standard and Hybrid time frame B2i structures with the naked eye that have enough pips to trade. Get familiar with the Standard D1 B2i on an H1 Chart, or you can use any lower time frame, just as long as you can clearly distinguish the basic structural limits (Open, HH and LL).

[Quoting Orly]()
Addo: Also, I would assume that trading back to the MAs gives a much higher probability of success in general. Do you trade when Price is between the MAs? Should I aim for the red one or the green one?

Yes. As this one is also between OS1:

Note the Green Line is currently being respected as support and its angle (if maintained) intercepts the larger D1 B2i that is now four days old. This was part of the example I posted above showing a failure in Timing and Probability, but where Direction was correct and Magnitude was correct. Now, price is back the Green Line in OS1. OS1 is tapering shut with Green slightly angled up and Red nearing a flat condition. If that condition remains, OS1 has to eventually cross up and price will lead it. That takes price back to the D1 B2i of four days ago, which has not yet been struck due to poor Timing and Probability.

Three "Real Price" ranges are also plotted on the chart, but they show declining price levels which runs away from the B2i Fall Line of four days ago. So, they run counter or against the actually trade. Real Price region 1, has not been seen yet because of the poor Timing. Yet, excluding any news to the downside, there is no fear in the trade because I know where price is located within the price structure. Since I was not paying attention to this pair when the four day old Standard B2i was initially created, I missed the Early Warning Entry Window. That entry would still have this trade in a profitable position - again, a real comfort factor. So, I will Hold the Long position and let the structure play out.

I'm not paying attention to news, nor am I updating this in real time. It is strictly manual B2i from four days ago that has poor Timing on the entry - so I'm using it as an example. Currently back down -25 pips. Was up +54 pips yesterday.

So, yes. You can use OS1, but you need to get familiar with the behavior of price when ever it is performing near both lines. The best way to do that is to study this on the M1 level - making sure you have the right settings for the Double MA (see earlier in the thread). Up to the H1 time frame, the behavior is strikingly similar with respect to OS1. So, right now we are witnessing the "Merge" of price to the OS1 Green on the H1 of this GBPUSD chart. If the typically OS1 crossing behavior continues, price will move UP to above the Red. If this is not a true Os1 crossing, price will violently move DOWN well below the Green. Again, you NEED other indicators that do different things helping you out in this situation and this thread did not cover that. The OS1 was provide to give a little extra framework for what I do with B2i.

Post #598

Quoting LiquidGenius

Do you have any hints regarding discovering magnitude?

I've given a lot of them over the years and quite a few in this thread. 🙂One form of Magnitude is movement between a lowest low and a highest high within the same bar. ATR is an example - you can simply start with that. My primary Magnitude Indicator is called iOmegaPrime. It is just like ATR, but with some additional components that make it better in several respects. It is not an indicator that I share, however. All other forms of Magnitude that I use come from Delta Indicators, and as one might easily imagine, that form of Magnitude is directly related to the distance created by the market between the price points that establish the range of the Delta. I then dump all those Magnitude values into a spreadsheet and go to work on finding relationships in the data. Is Magnitude expanding in one time frame while contracting in another? What is the Magnitude with upside bias above a certain price level as compared to Magnitude with downside bias below that same price level? The degree to which you obtain answers from your data will be matched by the creativity you put into your questions.

Data loves to talk, but few people ever query their data with interesting questions. Compile the data, ask it interesting questions and it will spill the beans. Any movement in price from Point "A" to Point "B" is Magnitude. When I first began my study of Magnitude, I took raw market data:

Today	$1.4411	$1.4412	$1.4410	$1.4411
2	$1.4418	$1.4453	$1.4330	$1.4412
3	$1.4627	$1.4656	$1.4402	$1.4417
4	$1.4712	$1.4737	$1.4576	$1.4626
5	$1.4660	$1.4749	$1.4650	$1.4711
6	$1.4709	$1.4750	$1.4639	$1.4661
7	$1.4655	$1.4735	$1.4639	$1.4708
8	$1.4655	$1.4673	$1.4598	$1.4654
9	$1.4594	$1.4669	$1.4525	$1.4656
10	$1.4763	$1.4770	$1.4592	$1.4595
11	$1.4668	$1.4768	$1.4635	$1.4762
12	$1.4659	$1.4708	$1.4620	$1.4669
13	$1.4758	$1.4784	$1.4629	$1.4662
14	$1.4838	$1.4843	$1.4723	$1.4757
15	$1.4834	$1.4858	$1.4711	$1.4839
16	$1.4871	$1.4908	$1.4808	$1.4835
17	$1.4834	$1.4885	$1.4803	$1.4872
18	$1.4850	$1.4967	$1.4783	$1.4835
19	$1.4852	$1.4872	$1.4822	$1.4852
20	$1.4830	$1.4870	$1.4775	$1.4856
21	$1.4665	$1.4852	$1.4635	$1.4831
22	$1.4668	$1.4687	$1.4620	$1.4666
23	$1.4618	$1.4672	$1.4580	$1.4669
24	$1.4649	$1.4704	$1.4605	$1.4619
25	$1.4620	$1.4725	$1.4612	$1.4650

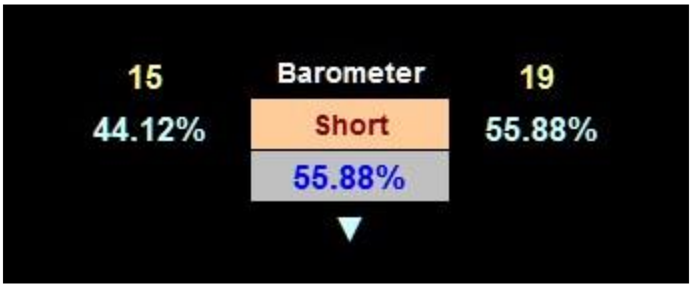
I calculated the distance between certain price points that I wanted to explore and ended up with metadata about the market:

	OMEGA-D	SAC Long	SAC Short	TAC PD	TAC Long	TAC Short	RT Long	RT Short
Today	0.0002	0.0082	0.0043	0.0002	0.0082	0.0043	0.0081	0.0042
2	0.0063	0.0067	0.0185	0.0123	0.0051	0.0326	0.0010	0.0244
3	0.0126	0.0076	0.0188	0.0254	0.0080	0.0335	0.0159	0.0320
4	0.0135	0.0078	0.0147	0.0161	0.0087	0.0173	0.0024	0.0123
5	0.0128	0.0083	0.0133	0.0099	0.0110	0.0100	0.0072	0.0039
6	0.0125	0.0083	0.0132	0.0111	0.0111	0.0096	0.0022	0.0074
7	0.0121	0.0087	0.0123	0.0096	0.0137	0.0034	0.0110	0.0035
8	0.0115	0.0088	0.0128	0.0075	0.0148	0.0071	0.0129	0.0015
9	0.0118	0.0080	0.0147	0.0144	0.0077	0.0245	0.0064	0.0114
10	0.0124	0.0086	0.0140	0.0178	0.0135	0.0176	0.0040	0.0173
11	0.0125	0.0087	0.0131	0.0133	0.0148	0.0073	0.0142	0.0054
12	0.0122	0.0081	0.0138	0.0088	0.0079	0.0164	0.0040	0.0115
13	0.0125	0.0080	0.0142	0.0155	0.0061	0.0214	0.0061	0.0181
14	0.0124	0.0085	0.0137	0.0120	0.0132	0.0135	0.0046	0.0101
15	0.0126	0.0080	0.0141	0.0147	0.0050	0.0197	0.0031	0.0069
16	0.0124	0.0083	0.0133	0.0100	0.0105	0.0077	0.0032	0.0050
17	0.0122	0.0083	0.0138	0.0082	0.0102	0.0164	0.0089	0.0095
18	0.0125	0.0085	0.0134	0.0184	0.0145	0.0089	0.0013	0.0037
19	0.0121	0.0083	0.0132	0.0050	0.0097	0.0048	0.0077	0.0018
20	0.0120	0.0090	0.0133	0.0095	0.0235	0.0077	0.0221	0.0004
21	0.0131	0.0090	0.0137	0.0217	0.0232	0.0052	0.0211	0.0144

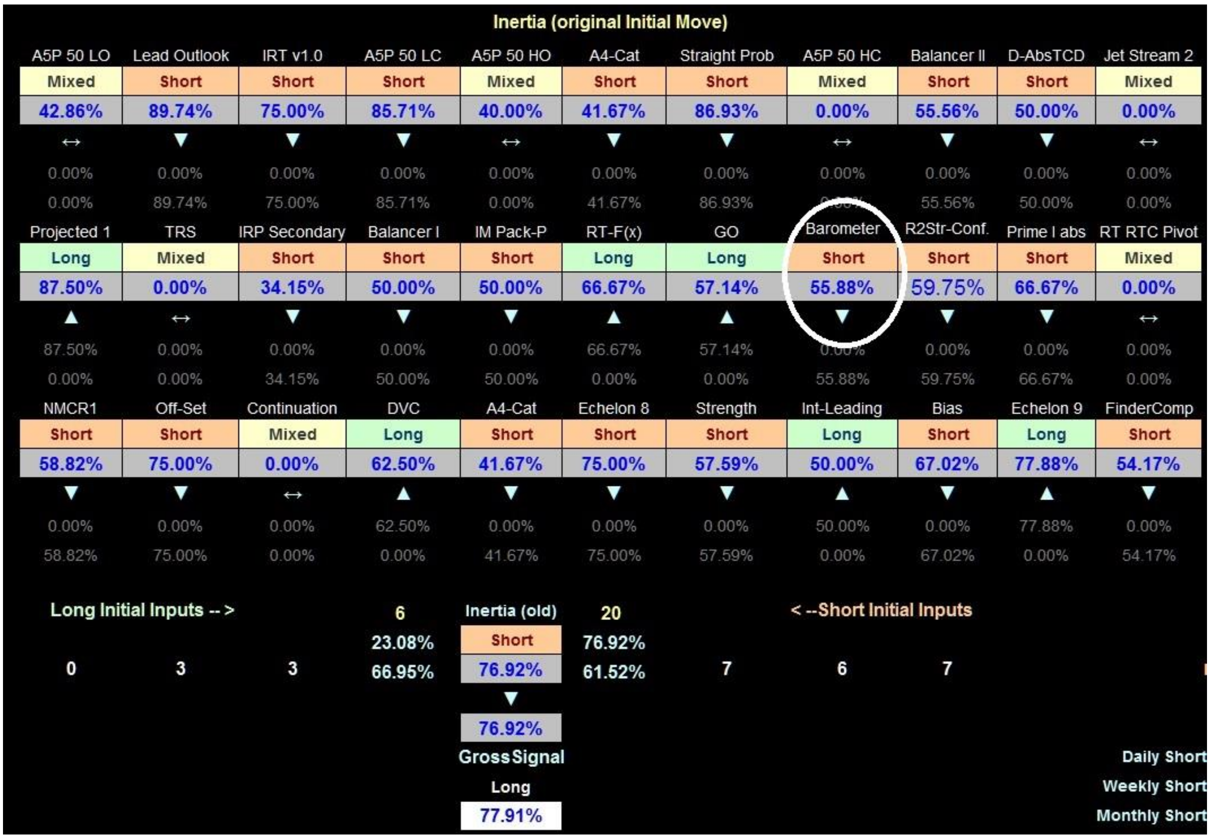
I created names for each type of metadata that was distinct and unique and then created a unique calculation that gave me some of my very first prototype indicators:

	RTC Prime	RTC-L	RTC-S	RTC Prime	RTC-L	RTC-S	RTC Prime	RTC-L	RTC-S
Current RTC's:	Long	Mixed	Short	Long	Long	Mixed	Long	Long	Long
	Daily Sac	Daily Tac	Daily Rt	Weekly Sac	Weekly Tac	Weekly Rt	Montly Sac	Monthly Tac	Monthly Rt
SAC/TAC/RT Averages:	Short	Short	Short	Short	Long	Long	Long	Long	Long
	Daily Sac%	Daily Tac%	Daily Rt%	Weekly Sac%	Weekly Tac%	Weekly Rt%	Monthly Sac%	Monthly Tac%	Monthly Rt%
SAC/TAC/RT Performance:	Long	Long	Long	Short	Short	Short	Short	Short	Short

I then took those indicators, aggregated them with logical wrapper into an Indicator Cluster and then generated some algorithmic trade logic to produce a Trade Signal:



This signal is called the "Barometer," it is one of many. It belongs to a very old set of original prototype indicators developed years ago. As the system evolved, I then began the work of integration. In this example, I took "Barometer" and began the creative engineering aspect of trading system design to create Signal Clusters:



Inertia (original Initial Move)

A5P 50 LO	Lead Outlook	IRT v1.0	A5P 50 LC	A5P 50 HO	A4-Cat	Straight Prob	A5P 50 HC	Balancer II	D-AbsTCD	Jet Stream 2
Mixed	Short	Short	Short	Mixed	Short	Short	Mixed	Short	Short	Mixed
42.86%	89.74%	75.00%	85.71%	40.00%	41.67%	86.93%	0.00%	55.56%	50.00%	0.00%
↔	▼	▼	▼	↔	▼	▼	↔	▼	▼	↔
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	89.74%	75.00%	85.71%	0.00%	41.67%	86.93%	0.00%	55.56%	50.00%	0.00%
Projected 1	TRS	IRP Secondary	Balancer I	IM Pack-P	RT-F(x)	GO	Barometer	R2Str-Conf.	Prime I abs	RT RTC Pivot
Long	Mixed	Short	Short	Short	Long	Long	Short	Short	Short	Mixed
87.50%	0.00%	34.15%	50.00%	50.00%	66.67%	57.14%	55.88%	59.75%	66.67%	0.00%
▲	↔	▼	▼	▼	▲	▲	▼	▼	▼	↔
87.50%	0.00%	0.00%	0.00%	0.00%	66.67%	57.14%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	34.15%	50.00%	50.00%	0.00%	0.00%	55.88%	59.75%	66.67%	0.00%
NMCR1	Off-Set	Continuation	DVC	A4-Cat	Echelon 8	Strength	Int-Leading	Bias	Echelon 9	FinderComp
Short	Short	Mixed	Long	Short	Short	Short	Long	Short	Long	Short
58.82%	75.00%	0.00%	62.50%	41.67%	75.00%	57.59%	50.00%	67.02%	77.88%	54.17%
▼	▼	↔	▲	▼	▼	▼	▲	▼	▲	▼
0.00%	0.00%	0.00%	62.50%	0.00%	0.00%	0.00%	50.00%	0.00%	77.88%	0.00%
58.82%	75.00%	0.00%	0.00%	41.67%	75.00%	57.59%	0.00%	67.02%	0.00%	54.17%

Long Initial Inputs -- >			6	Inertia (old)	20		< --Short Initial Inputs			
			23.08%	Short	76.92%					
0	3	3	66.95%	76.92%	61.52%	7	6	7		
				▼						
				76.92%						
				GrossSignal						Daily Short
				Long						Weekly Short
				77.91%						Monthly Short

Those Signal Clusters produce Primary Trade Signals which are then sent to the MetaBrain component of the system for a vote. There are lots of other components to the system that do other things such as the Dynamic Real-Time Targeting Package (which is a system within a system), different kinds of databases, etc.

But, what did it all begin with? Raw Data and Deltas containing information about Magnitude. It is all about Magnitude. No Magnitude, no Market - everybody might as well pack-up and go home. Magnitude leads to everything else.

Post #601

[Quoting Orly](#)

Addo: Also, I would assume that trading back to the MAs gives a much higher probability of success in general. Do you trade when Price is between the MAs? Should I aim for the red one or the green one?

A good example is this GBP deal:

If you've been drawing the B2i correctly and using the Harmonic Fall Line along with the Standard (Neutral) Fall Line, then you would see where the "Real Price" zones sit in relation to everything else, including your long range market bias indicator. Here, you are seeing this take place on the H1 Chart. These are the same D1 B2i and that older one is now five days old with no strike. It came close two times in the profit range of over 100 pips, but then pulled back precisely in relation to your question.

Most of the other charts I've shown with OS1 have been on the M1 time frame. Of course, the bigger the time frame, the stronger the influence can be on price in lower time frames WHEN the Market Phase is 1 or 5. However, you have to make sure you are observing and evaluating the Market Phase in all relevant time frames. Doing that we find the following:

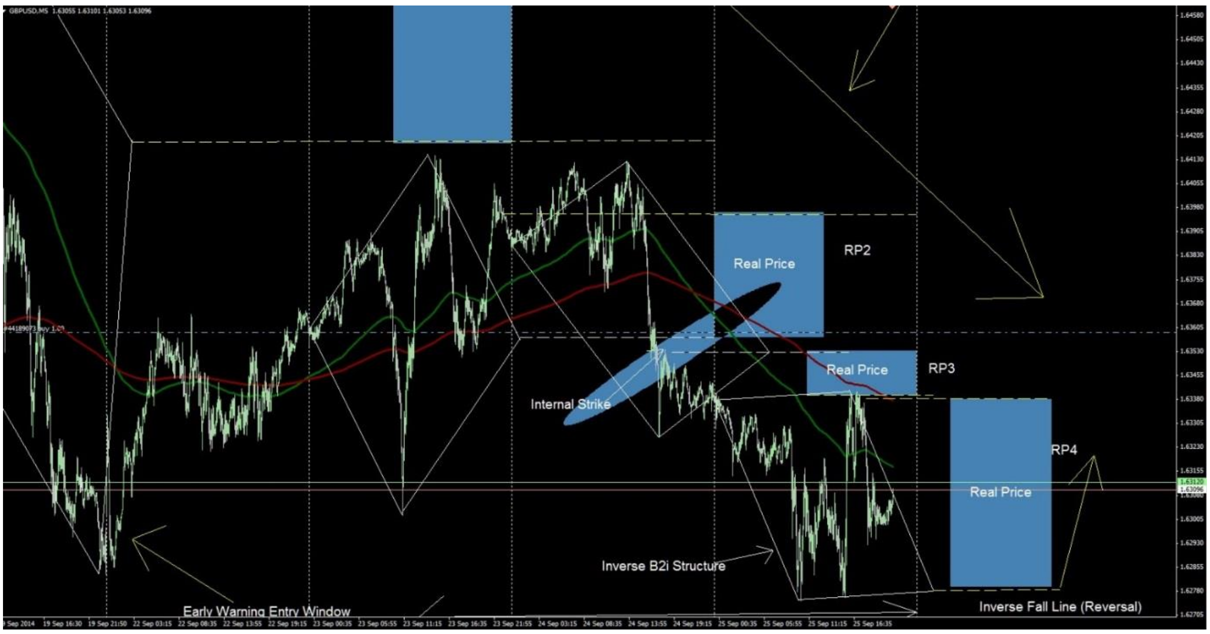
GBPUSD | D1 B2i on M30 Chart

My long range market bias indicator (OS1) has cross twice since the initial Early Warning Entry Window nearly five days ago. The OS1 condition was Flat at the time of what should have been the initial trade entry. It then crossed UP and has since crossed back DOWN over the course of four days.

GBPUSD | D1 B2i on M15 Chart

Interestingly enough, OS1 on this chart was never crossed DOWN and continues to be in the UP condition with inverse angles on both the Green and Red lines. Meaning, the OS1 condition is UP (Green over Red) but both lines are angled down WHILE in the UP condition. This is a strong indication of high market volatility in this time frame which can been witnessed on the chart. It ALSO is an indication of the potential for an OS1 cross, in this case, to the upside.

GBPUSD | D1 B2i on M5 Chart



Zooming in on the M5 time frame, OS1 had three crosses since the establishment of the five day old D1 B2i of 9/19/2014. At the Early Entry Window into the Long position, M5 OS1 had just crossed to the DOWN side. That was reversed one day later with price behavior and OS1 reversed to the UP side and remained there for two days until price reversed it again to the DOWN side on the slight failure to reach the D1 B2i Standard Fall Line of 9/19/2014. OS1 is now DOWN side and you should not that its lines are widely separated. This indicates price exhaustion to the DOWN side in THAT time frame. You should also note how this OS1 DOWN side price exhaustion is perfectly lined-up with the current D1 Inverse B2i Structure.

That D1 Inverse B2i Structure is also lined-up with the 9/16/2014 D1 Standard B2i Early Entry Window. What you are witnessing (at this point) is a Double Bottom being formed on the M5 time frame before all OS1 conditions go to UP.

GBPUSD | D1 B2i on M1 Chart

Finally, at the M1 level we see the current D1 Inverse B2i Structure up close and personal with detailed price behavior inside the inverse structure. Remember, these Inverse structures are historically known to repel price in the opposite direction of the Fall Line. That would place the repelling action directly in-line with the original 9/19/2014 Early Entry Window back to the Long side.

So, if nearly 100 pips was not enough for one to exit with profit two to three days ago, then you are still in the Draw Phase of this Hold. However, by having some detailed information about the "structure of price" in multiple relevant time frames, you can see the potential for continuing the Hold on this trade back to the upside (I am not tracking news on GBPUSD, so keep track of that yourself - news trumps all indicators and all trading systems that are contrary to its own vector).

What I'd be looking for here, is a consistently and stable crossing on the OS1 to the upside. The current price behavior around the M1 OS1 region is indicative of such a cross looming. Other factors are obviously at play, but this is about the extent that I can demonstrate this for you using just one silly little indicator (and of course, OS1 as the stabilizer).

So, I hope that answers your question. Yes, you can trade these structures when they are in the midst of OS1, but you need to analyze the relevant time frames and keep track of all the forthcoming Standard B2i in the time frame you have selected to trade (all other relevant time frames as well, if you want maximum input for decision making purposes).

Post #603

Quoting LiquidGenius

I think perhaps I am just bad at picking up clues , or more likely, I'm still not very good at asking the right questions. I actually set up a spreadsheet almost exactly like your second attachment a while ago. I spent hours and hours looking at the data (and thinking about it pretty much anytime I wasn't looking at the data) over the course of a few months and couldn't find anything close to what fit my description of an edge (65%, preferably 70%+). Most of what I worked out would give me a 'signal' of ~55 at most, when filtered with an off/on switch. Although I wouldn't consider it so, perhaps it is closer to the right line than I original thought?

What I mean by this is that from the looks of it, your barometer is combining 34 smaller signals to give you 1 aggregate signal. The combined total is only giving you a probability of ~56%. When this is further added with the 30+ *other* signals, you get a decision of 77%+, which is much more comfortable. My question is how do you know that the 56% signal is 'any good'? It doesn't seem to be very good as a stand alone signal, but when incorporated correctly, it pulls its weight in providing the correct net signal The attached numeric to each signal is the Signal Strength, not the Probability. The probability is calculated using the signals inside the MetaBrain layer where the voting takes *place. Each indicator has its own strength value.*

Quoting LiquidGenius
My question is how do you know that the 56% signal is 'any good'? It doesn't seem to be very good as a stand alone signal, but when incorporated correctly, it pulls its weight in providing the correct net signal

The IDLC (Indicator Development Lifecycle) is a multistage process that I created for the development of new indicator concepts. One of the phases includes a Solo Backtest. If the indicator theory survives the IDLC process (most do not), it is then scored and ranked. From that point, it is categorized as either belong to the Timing, Direction or Magnitude category, and then it is designated by class as either being a Predictive (counter market bias) or Continuation (with market bias) based indicator.

As far as the clues go, I start with raw data and then I get very creative. There is no magic to it. I simply enjoy working with numbers and I like finding patterns in data, if they exist. The rest is a lot of testing and evaluation.

The probability calculations are derived in a different way, much further downstream in the system.

Post #607

Quoting Orly

..It can be as arbitrary as I like, as long as my longer term market direction and magnitude indicators agree to a certain degree with the number of pips I am looking for.

Under Version 1.0 of B2i, that's probably the safer way to approach the matter.

You can easily go against the grain, but it is often more necessary to have tools that can help you measure and navigate the Magnitude that opposes the direction of your trade. For example, Distinct Vega, is one of those indicators that measures Magnitude in both directions, but it does it only within a single bar of data. You have to aggregate bars of Distinct Vega data together to get a bigger picture. If you see DV pulling in a direction in the aggregate that is away from the B2i Fall Line, that is one indication that market bias might be against the signal that B2i is projecting. But, you may have three other good Magnitude measuring indicators that are each moving in the same direction as the B2i signal. Which one do you believe? That all depends entirely on the tightness and thoroughness of the historical analysis you've done on those Magnitude indicators.

There is strength in numbers but no chain will be stronger than its weakest link, which gets back to my design philosophy of not allowing historically weak players to have input into the system. Merely because an indicator is capable of producing a signal, does not automatically mean it should be relied upon.

Quoting Orly
Addo: It seems, though, that your B2i structures are built at regular intervals. Or am I seeing things?

I've posted Hybrid B2i in this thread to show people how I do it. I've suggested that people use Standard B2i first, so they can become more familiar with how they should look and work. Hybrid B2i often times cut across standard time frames, so you have to account for those Standard B2i that are in between the Hybrids, if you are going to use them.

Quoting Orly
In other words, if there is a Primary B2i structure that has a potential value of 150 pips, I would be hesitant to take the trade if the ATR were 12, say, because the probability of the trade moving back 150-pips on a chart with a 12 ATR is very unlikely.

Hard to sum all that up with just one indicator, but that's the idea in general terms. Both the Size and the Timing of the B2i have to be taken into account. The Size of the structure is equivalent to its Primary Legs. The Timing of the structure is equivalent to the number of bars between each Extreme Point that establishes the termination of the Primary Legs. You can have a Fall Line sitting 150 pips away from one or another Extreme Point, but yet have a structure that shows as little as 4 hourly bars separating the Extreme Points. Or, that same 150 pip Fall Line could emerge with a structure that has 96 hourly bars separating the Extremes Points.

It is not a guaranteed that the Fall Line will be struck in 4 or 96 hours in either case, but the shape of the structure and the Steepness or Slope and Length of its Projection Lines (derived from mirroring the Primary Lines swapping their position) will typically be indicative of the "Time" it will take before price reaches the Fall Line target, WHEN there is no rapid Internal Strike on the Fall Line. So, that means after price breaks out of the box, does not extend the structure by creating a new Extreme Point and then follows the Projection Leg to the Fall Line (ideally).

Quoting Orly
The 150-pip move may indicate the market is moving into Phase 1 or 5 and I wouldn't want to be trading B2i then anyway.

If the structure exists and price is below the Fall Line with a Phase 1 being anticipated or already formed, then that's one of the optimal conditions for entering a B2i trade. If the structure exists and price is above the Fall Line with a Phase 5 on the way or in place, then the same is true.

Quoting Orly
The key would then be to find price that has moved many pips but essentially returned to the same general area. The result would be a Fall Line where the reflexive settling of price is most likely to return to?

Locate structures where you have a move in price away from the Starting Point of the structure sufficient to meet your revenue needs. Measure the Magnitude of that move and determine whether or not price has exhausted itself using measurements from mutliple time frames. This will place price in the optimal position for an Early Entry Window and reduce risk.

For Version 1.0 of B2i, you would want to closely monitor the trade and become the "stop" if necessary at a level feel comfortable with (I don't trade with stops). Price will be in this Early Entry Window configuration until the market begins to move towards the Fall Line and produce an Internal Strike on the target - the most secure B2i that can ever be traded. If you get an internal strike on the target, it is basically having your cake and eating it too, because price will at some point exit the structure. When it exits the structure you get a second shot at the Fall Line (depending on the distance to the Fall Line when price exits). Though with a lower probability because of the previous internal strike, you can determine whether or not a second trade back to the Fall Line is warranted.

Quoting Orly
By Harmonic Fall Line, do you mean a line drawn corner to corner of the Bento Box with a 61.8% Fibonacci Fan generating the likely "Real Price" area?

The Harmonic Fall Line is made where both Fibonacci Fan 61.8% lines intersect. The "Real Price" region is the distance between the Harmonic Fall Line and the Standard Fall Line. See earlier posts in this thread for how the Harmonic Fall Line is created using two Fibonacci Fans applied to one B2i Primary Leg and one B2i Projection Leg. You can start with page 20 and 21 of the thread.

Post #609

Quoting Orly

{image} Intuitively, this is where I would draw the funny-looking rectangle.

It looks like an elongated inverse hybrid to the short side. But, because it has had no internal strike, there is good potential for the Long side move first. These conflicting B2i are indicative of all the local volatility right now in this pair. The pair has behaved exactly as the B2i suggests. I've drawn your larger Hybrid Inverse D4 B2i in juxtaposition to the rest, including today's D1 Inverse B2i structure. That's two inverse structures in close proximity to each other - that will produce a fair amount of volatility, which is precisely what the pair is experiencing right now on the H1 time frame.

That D4 Inverse structure is Short, but the current D1 Inverse structure is Long. Recall, what makes a B2i structure Inverse, is the lack of angle between the Fall Line and the associated Projection Leg. In the case of your D4 Inverse B2i, the High to Projected Intersection Leg and the Fall Line itself have very little angle between them, indicating strong resistance at that level. The current D1 Inverse B2i shows little to no angle between the Low to Projected Intersection Leg and its Fall Line. That indicates a degree of good support at that level.

Next, notice how OS1 cuts through all of these B2i structures on the H1 chart and notice the condition of OS1 being Flat right now. OS1 cuts right through the middle of these structures with flatness. That is why I remain in the long position from the D1 B2i of 9/19/2014, that had poor Timing. Again, I am not tracking any news right now - I'm just focusing on the structures for purposes of demonstration.

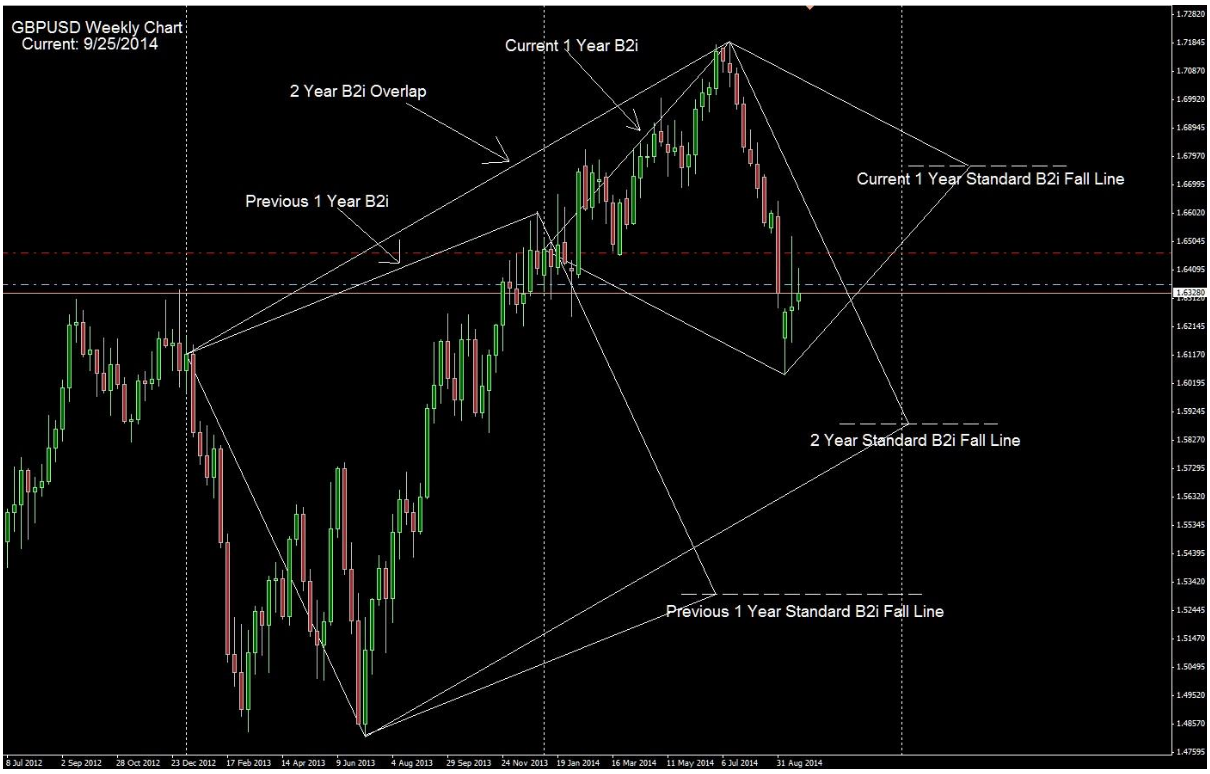
Price now sits in the RP4 region, but has never seen the RP1 region. That's an opportunity as long news cooperates and the H1 OS1 configuration can get to crossed-UP. That becomes a higher probability as the lower time frames and their OS1 begin to cross-UP. Right now, the M30 OS1 is crossed-UP but projecting DOWN and projecting a cross back DOWN. That would weight against this long move. Same for the M15 OS1. The M5 OS1 is crossed DOWN, but in entering an early condition where it historically crosses-UP. However, that will take some time. The M1 OS1 is making a wide double bottom move and is now crossed-UP.

So, just a very simplistic analysis of these long range market bias indicators in the relevant time frames, can help when working with B2i structures. That's how I would analyze this, if I had to do it manually. Thank goodness, I don't do this stuff manually - it is a lot to track at once and that''s just two indicators being analyzed in multiple time frames.

Post #612

Of course, one should always pay attention to the larger time frames using the same structures they rely upon in the smaller time frames. GBPUSD look like a completely different creature on the Annual time scale.

Previous 1 Year, Current 2 Year and Current 1 Year B2i Fall Lines



In a condition such as this, the upside (Long) B2i can and will see some frustration reaching target levels. Had I looked at this before, I would have most likely rejected small time frame Longs, and jumped the small time frame Shorts. But, hey - that's what I get for NOT taking a look at the Larger Time Frames in putting it all into perspective. The one saving grace is the current 1 Year B2i sitting up there at $1.67631. If the Annual downside Magnitude in GBPUSD is over for the year (or very close to it), then the current D1 B2i that is now five days old and failing, will become a gold mine for a long range Hold. But, as you can clearly see, the Flatness of the previous 1 Year B2i in 2013, which gave it some initial upside pop to the upside in 2014, has long since run out of steam and you saw price violently pull back down towards the 1 Year B2i Fall Line of 2013. No doubt it is too far away to be reached this year, but that does not remove the tendency to move in its direction.

At the same time, an overlay 2 year B2i also has its Fall Line tucked underneath my current D1 B2i which is five days old. Not the best place to be positioning a Long trade - but this is a manual exercise and I did not check these larger time frames before entering. However, that won't stop your education! You need to see this unfold and understand why it is unfolding the ways it is.

The GBPUSD on an annual basis is being split between three major Fall Lines, two of them Short and one Long. THIS, is WHY having an understanding of Magnitude is so important. 2013 initial downside Magnitude looks like is mostly likely hit over 100% (I won't get into a full blown discussion of Magnitude right now because that is an entirely different thread). The 2013 upside Magnitude "looks" to my eye (I do not have GBP loaded into my system so I can only take an educated guess) as if it did not reach 100%, though some dimensions or measurements of Magnitude look like they might have exceeded 100%. That means GBP was highly volatile for 2013. That upside vector continued through the first half of 2014, establishing a new Extreme Point for and overlapping 2 Year B2i to be plotted.

Bring that overlapping 2 Year B2i into existence along with a Fall Line below current price, the market then snapped on a dime and headed like a missile shot down towards the 2 Year B2i Fall Line. Doing so, the market created the current 1 year B2i Fall Line with its target well above price and well above the overlapping 2 Year B2i Fall Line.

The market currently sits at a resting point before making its next move. It has a decision to make: Take out the 2 Year B2i Fall Line with an external strike and in doing so, EXPEND all 2014 downside Magnitude in the process, or take out the current 1 Year B2i Fall Line with an internal strike, conserve downside Magnitude and prep for the downside surge in early 2015 towards the overlapping 2 Year and what will then be the 3 Year B2i Fall Lines, which have not yet been struck internally or externally. Right now, over the past two years and including this current projected year's B2i, there have been no internal strikes. That tells me that price wants to "trend" on the Annual Basis, but it cannot decide in what direction to "trend" on an Annual Basis.

If I am a very long term position trader, then I am Short and proud of it. If I am a short-term tactical trader and B2i is my only indicator, then I will bias towards all short sided B2i in the smaller time frames, but pay attention to my Magnitude indicators and take long sided B2i trades in the shorter time frames as well, WHEN appropriate.

Thus, part of the reason why the D1 B2i of five days ago struggles so much now. I knew there had to be a good reason, the target was too nicely positioned for there not be more follow through than this. Now, I see why. There is going to be a LOT of volatility in GBPUSD over the next 1-2 years at least. Expect it - its coming. In fact, it is already here and it is going to get worse - or better for B2i Traders! It depends on how you look at it. If you are a pure trend Trader in GBPUSD, you are headed for some whippy action over the next year or two.

Post # 613 (Relativity)

Quoting iDoubleStoch

{quote} The range bars with B2i do look rather interesting

Well actually to clarify, starting from the left; The 1st and 2nd picture are range bars with swings. The 3rd picture is just a standard time based H1 chart with B2i v1.

What startled me... and I am still figuring out, is that almost how close the key price points are mapped out by B2i v1, when compared to the swings.
B2i v2 appears to be the missing link between 2 B2i v1 structures, mapping the transition and flow between the 2 structures.
Swings map the continuous flow of price at every turn, transition from swing to swing.

What I am investigating is what is really happening in the areas I've circled in yellow.



Quoting iDoubleStoch
I am glad you had a chance to read Contance Brown on confluence. It is the way she goes about establishing the initial range that matters so much. Congratulations on the un-conventional thought process and continued success. It looks like you are investigating some good paths for developing B2i into something unique for own use. It is good to see someone doing real study and research. That is the path that leads to breakthroughs.

Thank you very much for your kind compliments =) Yes the establishment of the initial range is the most difficult. Everything else falls apart so long this single initial step is wrong. I've figured that using the swings I have as the initial range works out pretty good. Its also that I saw the same thing with the B2i boxes... especially v2, that the way that it extends itself beyond as a custom timeframe, IMO correctly maps out this initial range!!!

Quoting iDoubleStoch
"Nature abhors a vacuum" - is a really good starting point.

I had been also thinking about this carefully..

You did mention that the structure of B2i behaves similarly regardless of the size of the time frame. I am also seeing that the structure of my swings behaves similarly regardless the size of the price frame i use for the swings.

Since right now I have a finding that works 99% of time for all time/price frames... essentially the find is that a price range will be forced into a vacuum to retrace.. that there is a minimal amount it has to retrace to 99% of time, especially when current price is at the top of the range + price range reaches levels outside normal ranges. (actually it reminded me of TRO's rat zone.. you know where I came from)

That also reminded me of your other works regarding 'overfills and underfills', 'trajectory release' and 'dominant and subdominant TCDs'. I might had misunderstood it from your POV, but I think this is how i see it; that an overfilled price range has to zip back to normalize ranges due to 'external pressure' like a vacuum + an underfill price range builts up 'internal pressure' and needs to burst out.

However, in reality, we have many price ranges to consider. As a start, price ranges can be determined with the help of 'time' frames, using time as a reference to frame up price. Essentially what one can do is to measure every single frame possible, and come up with a aggregate and optimized cycle of 'internal pressure' VS 'external pressure' behavior. I also suppose that this behavior can be also said to lead up to what we call market states.

If I am venturing too close into 'Do Not Ever Discuss' zone... please stop me now. Somewhat, I think this is way too close, based off everything I've gathered and interpetated from your works that are available in public so far.

Post #614

Quoting Relativity

... However, in reality, we have many price ranges to consider. As a start, price ranges can be determined with the help of 'time' frames, using time as a reference to frame up price. Essentially what one can do is to measure every single frame possible, and come up with a aggregate and optimized cycle of 'internal pressure' VS 'external pressure' behavior. I also suppose that this behavior can be also said to lead up to what we call market states.

"come up with a aggregate and optimized cycle of 'internal pressure' VS 'external pressure' behavior." = Density Probability. When you locate those aggregations repeating themselves in history and resulting in movement in price in a particular direction, then you have discovered a Density Probability Pattern. That is called Delta StealthTrading and few can do it correctly. It is really good to see you on the right track. It is so stealthy that it should be illegal. The results are often times just like having insider information before the move happens. Very stealthy.

Well, that was probably one of the best summations of how to use Deltas that I've seen anyone write so far. Apparently, you get the concept fairly well and are looking in the right directions while asking the right questions in your work. That pretty much sums up the Delta game. It is all about finding the locations that contain the highest density of probability across all relevant time frames using Delta based indicators. That is the entirety of the game in a nutshell. Well summed.

Yes, that is the limit of my public demonstration of the matter as well. Going any further than your summation enters into proprietary territory. The goal was to get people to where you are in your understanding of the right questions to ask themselves. The rest is up for them to discover their own path to using the Delta concept to their advantage. Glad to see someone actually getting the concept and asking the right questions. Well done!

If I were still doing protege training, based on that summation, that would have probably been enough to get you picked. Back then, I only selected people who could demonstrate that they understood the concept and the problems that had to be solved. However, I do not do anymore personal training. But, what's really important is that you now know the problem that needs to be solved and that is more than half the battle.

Congratulations! It is good to see someone actually understand a new trading philosophy that you have been trying to share with people for years without giving the entire store away. Now, you understand why this is not standard technical analysis.

Post #619

Deltas are not hard concepts to understand. You just have to be willing to let go of tradition long enough to "see" how such a simple concept can be useful in trading. Many people don't "get" Deltas, because all they have ever known are moving average lines on a chart, oscillators or bar graphs representing even more moving averages of visible price. Deltas are the invisible characteristic of price. The component of price that actually moves markets either up or down and Deltas exist in different time frames (I've given the basic form and calculation of the Delta Indicator, Distinct Vega earlier in this thread).

Deltas, Trajectories and Vectors are fundamental components of discovering Magnitude and all are concepts that I use in my routine trading (I've given some concepts about each of these earlier in this thread). And, like H2O is to the human body, Magnitude is to the market. But, Magnitude exists in more than just ATR. ATR is but one dimension of Magnitude, there are countless others - as many as the number of Deltas, Trajectories and Vectors that you can find and develop.

I'll try to cover more of this tomorrow with a raw data example.

Post #625

Ok, Orly. We now come back to your original question which was:

Quoting Orly
Addo: Also, I would assume that trading back to the MAs gives a much higher probability of success in general. Do you trade when Price is between the MAs? Should I aim for the red one or the green one?

If you take a look at the large D5 Inverse B2i on this GBPUSD deal, you will not that almost immediately after price exited the box for the very first time, price behaved as if it had just fallen off the edge of the earth away from the D5 Inverse B2i Fall Line, just as it is supposed to do according to this pattern's history. The problem with that move down is that the current D1 Inverse B2i was sitting underneath it and it got crushed. A 5:1 structural weight advantage broke the back of the upside move in the smaller D1 Inverse B2i.

When you add the overall B2i environment by summing the Fall Lines take from the current 1 Year, 2 Year and previous 1 Year B2i structures that I posted yesterday, all this downside tendency in price starts to make sense and it shows the importance of having the best Timing, Direction, Magnitude and Probability that you can have in the smaller time frame trades.

Notice the chart. The Real Price regions in three of the last four (4) days have not been seen yet. That confirms the Annual B2i environment to the downside.

Lastly, the trade that I entered about 75 too late as posted several days ago, went on to make a net positive 50+ pips. I did not exit there because that D1 B2i Fall Line target was sitting 130 pips away from the optimal Early Warning Entry Window. The lesson here is that you want to maximize all four: Timing, Direction, Magnitude and Probability. The Timing and Magnitude were off for an entry that was 75 pips late. That's important to remember. The distance from the Early Entry Window to the D1 B2i Fall Line of 9/19/2014, was 130 pips in the absolute. My entry was 75 pips late, so that left 55 pips remaining. If you look at my "proof" pic showing the actual trade balance detail, it was right near $500.00 net profit. So, even with bad Timing, it still made about 50 pips.

There are two lessons here from this failure:

1) It does not matter what kind of trade entry trigger or trade signal you use, if there is not sufficient Magnitude, target levels may be difficult to reach. It this case, it fall short by 5 pips after a 50+ pip run off the late entry and at the end of a very nice 125 pip move from 9/22 to 9/23. Think of Magnitude as Fuel Quantity. The Boeing 747-400ER has a range of 7,600+ nautical miles. But, if you fuel the aircraft with 100,000lbs of Jet-A, you'll never see anywhere near the full range potential of

the aircraft. This is where the Early Entry Window helps to maximize the fuel load, or catch Magnitude near its maximum potential.

2) A target based trade should either be monitored in real-time, or if left alone, sufficient reserve should be introduced into the target to bring it under the maximum potential of the reference Magnitude. Therefore, the D1 B2i is a structure that covers a fixed 24 hour period. That is one Daily Bar of Data. Thus, to optimize such a trade you would want to know the Daily Bar Magnitudes. You'd then use the known Mags to adjust the potential exit point on the way to the Fall Line (not the Fall Line itself - leave that alone). This is a rudimentary way of establishing Adjustable Targets. The B2i Structure is one thing. The Magnitude in the bars of data used to plot the B2i structure is another. Magnitudes could be weakening while a B2i structure is printing itself. That relationship should be dealt with by adjusting the target exit level to be within the limits of Magnitude plus some reserve amount.

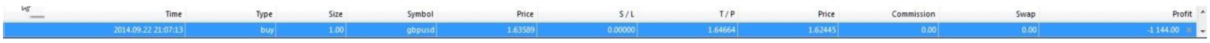
Had I not been 75 pips late on the entry, done my homework on the larger B2i structures in which the smaller structures must evolve and reduced the target using a reserve amount obtained from the Magnitude, that 5 pip miss which has not turned into a a whopping -114 draw, would never have seen the light of day and I walk away with a net positive trade back on 9/23/2014, instead of sitting on a loser three full days later on 9/26/2014.

Timing
Direction
Magnitude
Probability

If you are trading without paying some serious homage to this factors, ignoring them can wreak havoc on your consistency and make life as a Trader fairly miserable.

Most of these have been successful, but you don't learn nearly as much from successes in trading as you do from failures. Learn from the mistake I made.

Proof of failure:



Time	Type	Size	Symbol	Price	S / L	T / P	Price	Commission	Swap	Profit
2014.09.22 21:07:13	buy	1.00	gbpusd	1.63589	0.00000	1.64664	1.62445	0.00	0.00	-1 144.00

Yet, another good example of why I use an automated trading system. The more inputs used in making the decision, the harder it is to remain on top of everything you need to make optimized decisions. If you are trading manually, you want to make sure you cover all the bases that relate to your method or tactic, so you don't get caught with your pants down.

Post #626

[Quoting Orly]()

My biggest problem has historically been not being able to let go of a losing trade. I would just take it and take it and take it, knowing full well that "it's coming back." It ain't coming back. It seems if I hadn't been married for so long, I would be a stalker in another life.

The way I taught people to combat that kind of indecision is by using a system for trading with specific parameters and not doing it manually -or- combining an automated signal delivery system with highly evolved manual overrides for actual execution.

I always taught people to lean heavily on developing good Timing, Direction, Magnitude and Probability into their system, and then accept any deviation from that as being outside the parameters of acceptability - thus, making the cut-off point much easier to digest. Post Failure Analysis (PFA) was also taught to look for outlier causation and internal system failures (bad logic). If nothing could be found after PFA, then the loss must be recorded by the system as normal.

I've never met a 100% accurate system that lasts forever. But, you can make decent money on just 57%, become financially independent on 63%, become wealthy on 71% and grow capital at will on 83%. Above 91% accuracy to a specified target, you don't even worry about the losses anymore.

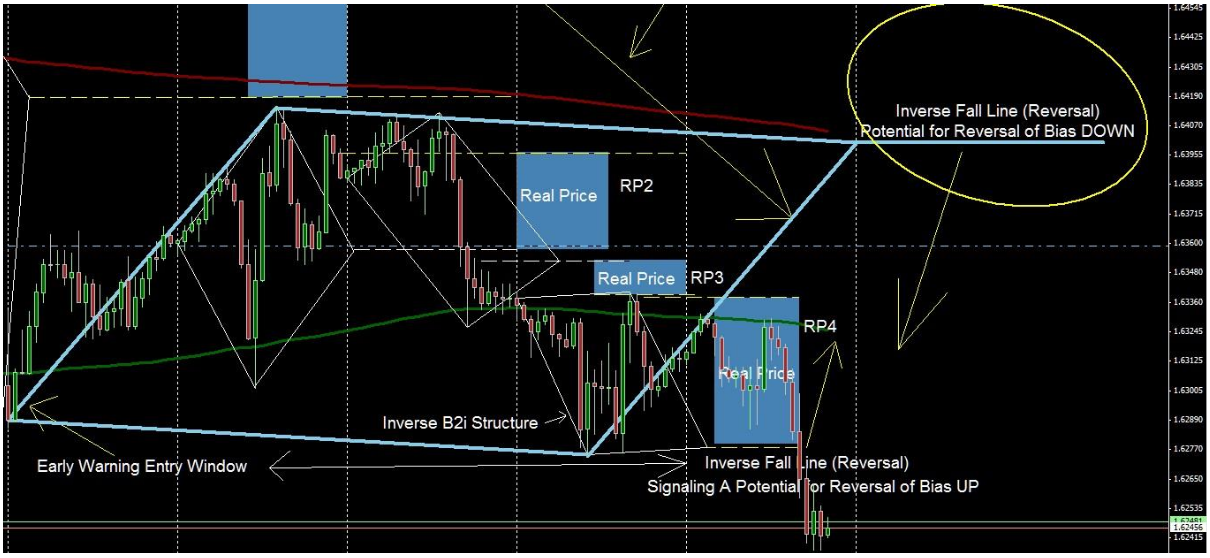
Post #628

[Quoting Orly]

So has my intuition proved wrong (again...)

Not quite, yet. You'll want to go back and re-check some of the posts that deal with the Inverse B2i and how it works. To help you understand in this post, just follow along here.

The D5 Inverse B2i was 5 times long in duration than the current D1 Inverse B2i, and 2.0 times bigger in potential target size:



That means the D5 Inverse B2i was bigger than the current D1 Inverse B2i in Time and distance between optimal entry point and Fall Line. Four Real Price regions in decline also provide clues as seen on the chart. The chart shows the H1 OS1, not the M1 OS1. That means the same price behavior you see when the M1 OS1 crossings take place, will be slowed down 60 times relative to that seen in the M1 OS1 crossings and the movements (volatility) during the crossing will be much bigger than on the M1 OS1.

So, the behavior of price near the H1 OS1 has to be considered pre-crossing behavior because of OS1's condition being Flat this time. However, its directional bias must still be considered down as long as Red remains over Green. This is the distinction between Market Phases. Different components of the market will behave in different ways during a transition and depending on the time frame you are observing, that transition will either be fast (like when observing on the M1 chart) or slow (like when observing on the H1 chart). That size of the moves will vary with time frame as well.

You posted D4 Inverse B2i yesterday with its intersection extending out to 5 Days. If you look closely, you will see that the current D1 Inverse B2i was overlapping the D4 Inverse B2i. In the smaller current D1 Inverse B2i, price was being repelled away (UP) from its Fall Line, just like it should until price reached the D1 Inverse B2i Intersection Time. Immediately, after clearing its own Intersection, it was no longer under the influence contained within the Magnitude of the D1 Inverse B2i, where price then began to move back under the influence of the Magnitude within the D4 Inverse B2i which was repelling price away (DOWN) from its Fall Line.

Doing so, actually extended and created a new D5 B2i Structure with an upside Fall Line:

This injects an upside probability back into the market from this price level, if the current D5 B2i Structure does not establish a new Extreme which would simply reset its structure and shift its Fall Line.

Lastly, notice the differential in the D4 Inverse B2i and current (brand new) D5 B2i Fall Lines. What makes a B2i "Inverse" is the lack of angle between its resultant Fall Line and the Projection Line furthest away real-time price. Also, keep in mind that even though a new D5 B2i has emerged, it spans five (5) days. That means that movement to its Fall Line could take at least five (5) days. It does to have to take that long, but history shows that the slope of the structure's Projection Lines and the time span of the structure, plays an important role in when price reaches the target in most cases.

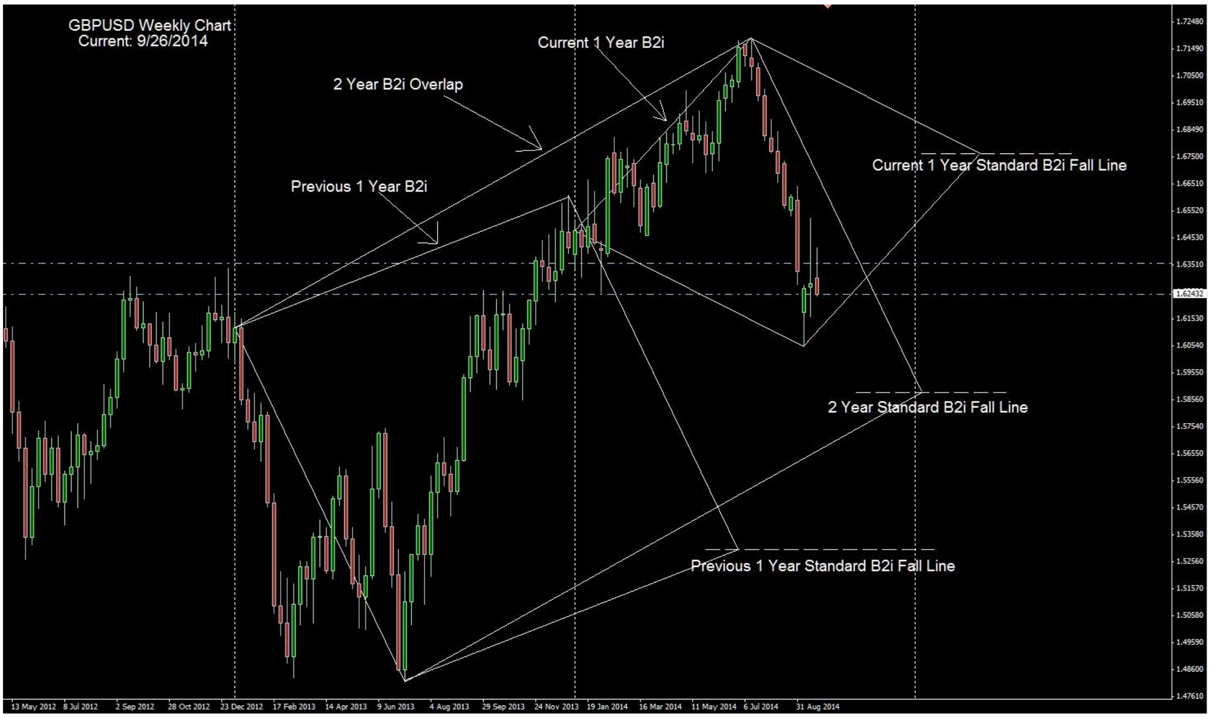
Post #631

And, to help you better see this Orly, I've de-cluttered the chart and added the current D4 Inverse B2i Projected Intersection Time and the current D5 B2i Projected Intersection Time, so you can see both relative to where price is right now.

I talked about price "clearing the B2i Projection Intersection" and I referred to what was then the current D1 Inverse B2i with its initial upward repelling tendency. That is especially important in this case, except that since price has already cleared the repelling influence in the current D1 Inverse B2i, focus now shifts to the D4 Inverse Projection Intersection Time and eventually, as price move forward in time, the current Standard D5 B2i Projection Intersection Time. The D1 Inverse B2i Fall Line predicts downward influence and the current Standard D5 B2i Fall Line predicts upward influence. But, as usual, Timing will be key in such a volatile B2i environment.

At the end of this session today, price will be clear of the D4 Inverse Projection Intersection Time. It has already repelled price downward today as it should have. As price moves forward in time, the current Standard D5 B2i Fall Line and its Projected Intersection Time predicts to have greater influence.

Of course, all of that must be kept in context relative to what's happening in the really big time frames like the Annuals:



Post #634

[*Quoting Legionary*]()

IDoubleStoch, somewhere you mentioned that your system is behaving bad these days. May I ask why is that so? 1.Is it because of (too) much directional movements in the last few months across markets? 2.Edge evaporation? Or is it due to something else? Thanks!

I don't think I've used the word "bad" to describe my trading system in many years. I might have referred to its "Health." It has a systemic health monitor that checks all the vitals of the system and basically maintains a real-time report card on the overall status of the system relative to accuracy to a specified target. I might have made reference to the slower equity growth seen this year as opposed to recent years, but I seriously doubt I ever referred to it as being "bad" per se.

Poor performance is going to be relative and subjective for each trader. The system has not seen a sub-90% accuracy rating in quite some time. So, anything below 90%, I would consider "bad" but that same sub-90 performance might also be someone's "good" performance. It really all depends on what the Trader as become accustomed to seeing from their system on a routine basis.

Fortunately, because my trading technology is not based on conventional TA, and the trade logic is good, I experience no severe reduction in the system's edge. What I do get from time to time, is slower than usual pick-up in Magnitude shifts in the market and that causes targeting problem and results in smaller profits and an increase in more BE trades. Those things slow down equity growth and reduce overall accuracy ratings, forcing the system to report lower health levels such as running at 89%, 88%, 87%, as opposed to running at a customary 91%-93%. As Magnitudes come back, system performance is restored and accuracy levels rise to normal levels. All take slower equity growth periods over huge performance drops any day.

You will notice Magnitudes shifting from one set of major pairs to another, as the market simply shifts its cost basis into other currencies over time. This is normal and it is why you see High/Low range shifts in JPY, as one example, while the main European pairs have come back to life. Causes vary - in the U.K. it was all Polinomics (Politics and Economics colliding). Eight years ago, pundits were predicting the collapse of the EURO. Remember that nonsense? They were saying the EUR dollar was going away for ever - simply would not survive the global meltdown. The predicted the EU would explode into a million little pieces and a suppressed economy for the remainder of all life on earth. In short, the pundits told you to pack up and get the heck out of the UK. They were wrong - as usual.

In Japan, the currency issues will mostly be Fiscal related. Their Monetary Policy is driven by still challenged economic realities that are not yet settled. So, the Magnitudes in some of the major JPY crosses got compressed, but the directional nature of the JPY has been known for quite some time, as the market simply shorted the JPY relentlessly. Now, the pundits are talking about an oversold Yen and how this will hurt the Japanese economy long term. Whether the Yen, is over or under sold is simply not my concern. When Magnitudes increase, is really what I care about. Right, now, I'm shifting back over to the Euro based pairs as the Mags look a bit better.

I move between Europe and Japan all the time when the Mags dictate such moves are necessary. Maybe I was slower to move back to Europe this time, causing some misfires on targets this year. That's a strategy/management problem, not a system problem. Very hard to be perfect all the time - or at any time for prolonged periods. But, being able to consistently BE during times of Magnitude drops is a testament to the systems ability to effectively produce the other important factors such as Timing, Direction and Probability.

Post #635

Quoting Orly

Does Real Price ever "expire"?

My research shows that RPs seem to be less relevant at: Projected Intersection Time + B2i Time Frame. Thus, RPr ~ PIT+B2iTF. The Relevance (r) of RP is diminished as price moves beyond PIT. At PIT 10:00, B2i Time Frame 4 hrs and price at 9:00, RP is at maximum relevance. At PIT 10:00, B2i Time Frame 4 hrs and price at 14:00, RP relevance has reached minimums. Any move back to RP after that is not something that I've studied and would fall outside the domain of the B2i concept. There might be some other relevant factor involved, but I have not made such a connection of discovery through research.

The bigger the B2i Time Frame (the more it spans across time) the longer the duration of RPr.

Post #639

Quoting Orly

"The ancient phallic theory for why men can cut it loose. I've never thought of it that way but you might be on to something." Could be part of it. The real deal is less basal, I think, and it has to do with the hunter-gatherer, "provider" aspect of the male psyche. Men must not fail to bring home the

rabbit. First, it would lessen his prestige and apparent usefulness to the family and home. Second, mama would not be happy if that pattern continued. And we all know what happens if mam's not happy. Talk about lessen your self-worth as a man!...

Which is why people should go through the work of discovering who they are as Traders, I think - male or female. That way, nobody and no circumstance will be able to define you for yourself because the knowledge of true self will be readily apparent. When a Trader feels loss and is then driven by it, they are not yet ready. Only when the Trader can experience the loss, not be altered in decision by the experience and continue on the path they've set for themselves, can they truly be considered "ready" for Trading and for taking their experience to the next level of success. I think this has everything to do with the dominant beliefs about "money" and how people relate and associate money with human potential and/or capacity. So, when they lose money, they "feel" as though they are losing a part of their humanity - when nothing could be further from the truth.

In terms of the impact that emotions have on trade decisions, too many people trade the markets based on how they feel, instead of predicated upon the historicity of the market itself. The Trader's Psychology that enables the Trader to not forsake their feelings while at the same time recognize that Emotion is not equivalent to Intellect, is the kind of Psychology and Philosophy that leads to a more successful Trader overall. This is why I used to stress in my proteges, the need to understand that neither their success or failure is who they are either as a person or as a Trader.

That keeps them grounded when profits roll in and when capital rolls out, until they reach a point where they have no state change when ether takes place and they simply perform the functions of running trading as the business that it is on a daily basis. Those Traders are typically the kind who actually grow capital over time, instead of losing it long term. The empirically based Trader will always have that advantage - male or female.

It is difficult for most people to separate Emotion from Money. To a lot of people, these things are equivalents, but they never think about it in that way. Steal money from them and the Emotion rages negatively. Flood them with money from out of nowhere and the Emotion rages positively. A good solid Trader must learn to not cut the string to Emotion, but to Transform their thoughts and beliefs about Money, literally.

When the Trader can **generate money at will and on-demand**, that is when they start having different "feelings" about what money means to them. But, when a Trader finally learns how to grow capital consistently, that is when the Trader evolves their previous limiting believes about what money means to them and that is when the real transformation is complete. However, that transformative process first begins with literally re-wiring your brain and the currently well established thought patterns it has with respect to money - and that process is enabled through consistency in trading results along with some serious work on developing a new emotional response to lose of capital.

No, this does not offend because it is the most important thing that any Trader will have to face, before they ever reach the stage of true long term consistency. It is quite safe to assume that, if a Trader has not yet broached this subject with themselves and reshaped their physiological response to trading in general, then they are most likely not long term successful Traders, yet. It is the last great frontier that the Trader has to master, before stepping into the world of long range consistency.

You can't kill Emotions, but you can alter the mind's response to perceived failure and thereby change the physiological state in which future decisions are made about what to do next - which in itself alters the trading results and that becomes the psychological platform upon which long term consistency is made possible. That Trader that does not really understand this is not really ready, because sooner or later, their improperly channeled Emotions will catch up to them.

Losing $300 in a $3,000 account, has to register in the mind no different than making $3,000,000 in a $30,000,000 account. Likewise, losing $3,000,000 in a $30,000,000 account, has to register in the mind no different than making $300 in a $3,000 account. Those two net results must be equally understood by the mind as exactly having the same Emotional charge - Neutral. That requires a re-mapping of the brain relative to "Money."

In my mind, money is nothing more than a tool to make more money. I don't look at money as an object to be desired, but as a tool to be used and manipulated to meet my needs. Money does not control me, I control money. I master it - it does not master me. I have power over money - money does not have power over me. I am the Master and money is the Slave. I dictate ever aspect of money and it is not allowed to dictate anything to me. Money does not equal me and I do not equal money. Money is merely my servant and I control its destiny. Money meets my needs. Money has no needs of its own. I am responsible for my use of money, for I am its Commander in Chief. Money does not give me power. I am powerful without money. Money enables options that I may, or may not chose to take advantage of in my life. That's all money is good for. Money is not human, nor should it ever be considered as such.

With that belief system well evolved inside my brain, I am free to Trade the world, without fear, without consternation, without regret and without conflict. A trade is just a trade. The money gained or lost is merely and outcome of a decision I made and has absolutely nothing to do with my self-worth, my position in life or my future potential.

If I truly believe that and live that way, then I the process of growing capital at will is enable.

Post #642 (Innate)

iDouble,

You have really caught my attention to delta trading and the use of vectors. I have been experimenting the last week with them and I my seventh sense is telling me something is there. However as you well know, there is an endless amount of possibilities!!

Can you please give me some clues as to what to do? I have been looking at the current open compared to previous bars 3,5,8 and taking the vector projection from it. This is too erratic so I am now trying a projection that is a moving average of the 3,5,8 vector over the last 5 bars. Just experimenting.

How many bars back do you take data from to build a vector? (I wont ask you from what points you take the delta's)
How do you filter the projections? (I have thought about using the angle of incline - too high or too

low is considered a false signal, and also the number in the sequence the projection was made, or clusters)
The higher the timeframe the better the accuracy, what is the minimum timeframe you will use vectors?

I am long long way off catching up to your system, can you save me an unknown number of years research and throw a dog a bone please?? I'm not afraid to do the work, I just need some guidance.

Thanks.

Post #643

Inate, as stated previously, I don't discuss the details of how I go about building my edge. However, I've given several concepts and direct statements in this thread that give a small amount of guidance for developing your own. This post here: http://www.forexfactory.com/showthre...49#post7759649 and this post here: http://www.forexfactory.com/showthre...01#post7762701, can help to provide more guidance.

There are Deltas, Trajectories and Vectors yet to be discovered using the basic approach to calculating a Delta, which is very simple Subtraction. All you are doing is subtracting one number from another to derive the Delta and then running that same calculation through history until you have sufficient data to analyze against market price. It really is just that simple.

Hope that helps.

Post #653

Forgot:

10/14/14 D1 Standard GBPAUD B2i trade with V6 modifications actually broke even today - 2 days later. That was a significant -$1,443.87 hit on the equity curve that did not have to happen had I held the position. Detail Report transaction number: 482900884. I closed it because I had already seen enough of the other trades and their respective recovery periods after missing the B2i Fall Line within 24 hours of entry. Some of these "losses" are actually Gains or BE at worst. I needed to clear the charts, get my available equity back and move on to do other B2i V6 phase testing. So, it looks like the performance of the enhancements was better than previous expected when I account for a proper hold time after a missed approach to the initial target.

FWIW - you can actually build a tight little *"system"* (method/tactic) around B2i all by itself with the right augmentations on timing of the entry, of course. I'm using another previously unimplemented input from the TCDi7 Indicator to augment (support) B2i and it changes the B2i signal logic which in many cases changes both trade direction, entry location and target level to increase probability. So, far it seems to perform really well - but I need to move through at least a thousand trades to certify the version upgrade. I've got about 900 more trades to go. I'm running in batches of 15-16 depending on available equity and how many are in recovery from the previous day's sample set.

The testing and certification process marches forward on B2i V6. It is tedious work but validation is essential. Can't go to war with unproven weapons and a bad battle plan. If it can't contribute to growing capital consistently then it can't have a place in the system and V5 remains extant.