



CHAOS ANALYSIS

INTRODUCTION

➤ **THE CREATOR OF
CHAOS SYSTEM**

- Bill M. Williams, Ph.D., is the founder of the Profitunity Trading Group
- Leader in the education of traders and investors
- He is a trader with over 49 years of experience
- He has taught seminars throughout Europe, Asia and the United States on subjects including the Fractal of the Elliott Wave, the MFI, the Wise Men, and the Profitunity "Alligator."



**2nd BEST
TRADER
IN THE
WORLD !!!**

Bill William trading group has done more than 20 years of intensive research into applying the new science of chaos to the world of stock and commodity trading

Name: Justine Williams-Lara

**President of the Profitunity
Trading Group**

**Experienced 14 years in both the
stock and commodity**

**She has trained over one
thousand traders**

**Teaches all Private Tutorial
classes in her office in Southern
California**

Specialty: teaching new traders
how to become consistent
winners in the markets



**SHE
REALLY
ROCK
MY WORLD !!**

**IF YOU ARE READY TO
LEARN, WE CAN TEACH YOU
RIGHT NOW!**

“LET GO YOUR MIND”

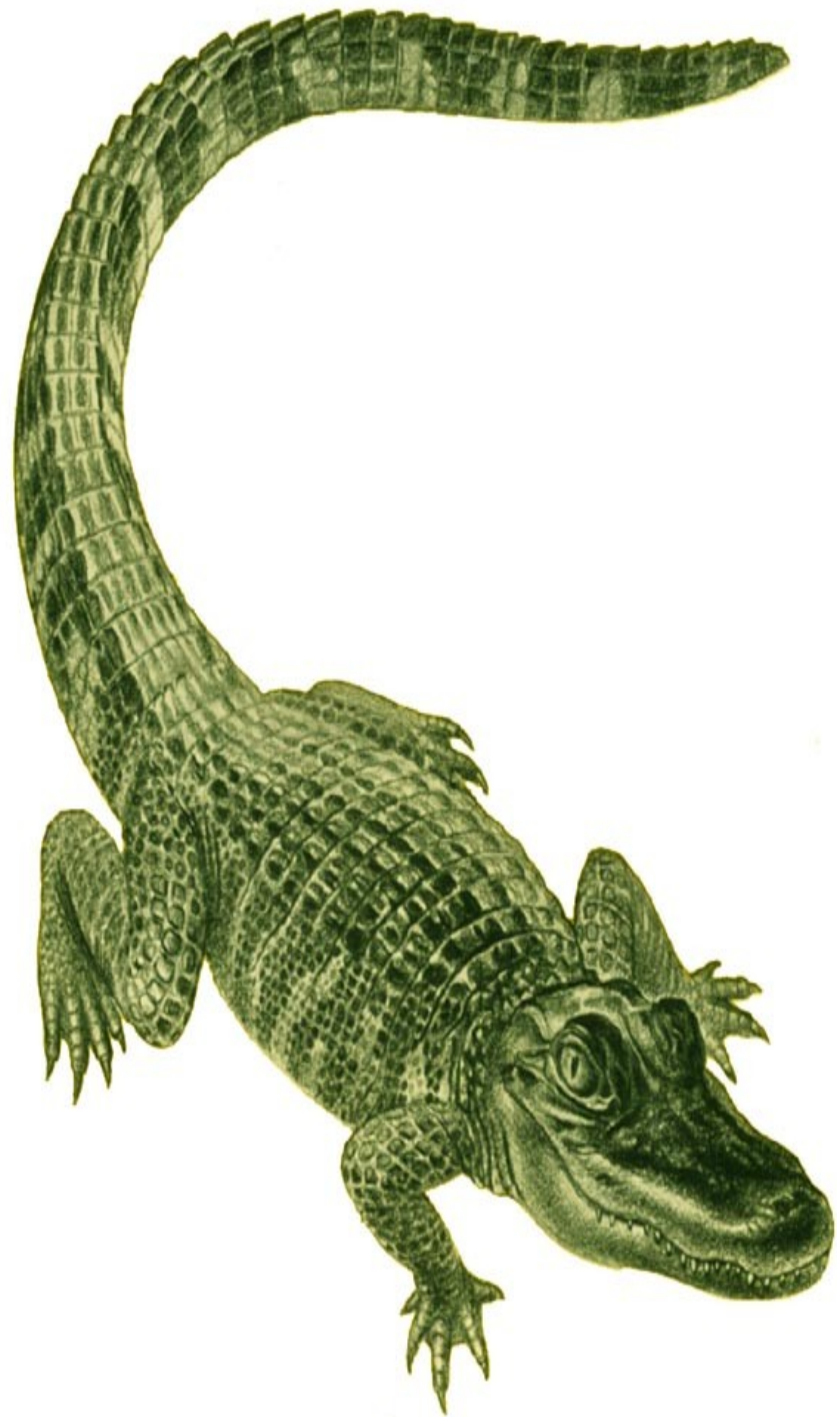
TRADING IS SIMPLE !!!

TRADING IS SIMPLE !!!

WHAT YOU WILL LEARN TODAY ??

- **The Mighty Alligator**
- **The First Wise Man**
- **The Second Wise Man**
- **The Third Wise Man**

The Mighty Alligator



OUR GOALS FOR TODAY

- **Introduce the Alligator (Gator)**
- **Understand traders' biggest problem**
- **Discuss Anatomy of the alligator**
- **How to set up "Gator" on chart**

THE MIGHTY ALLIGATOR

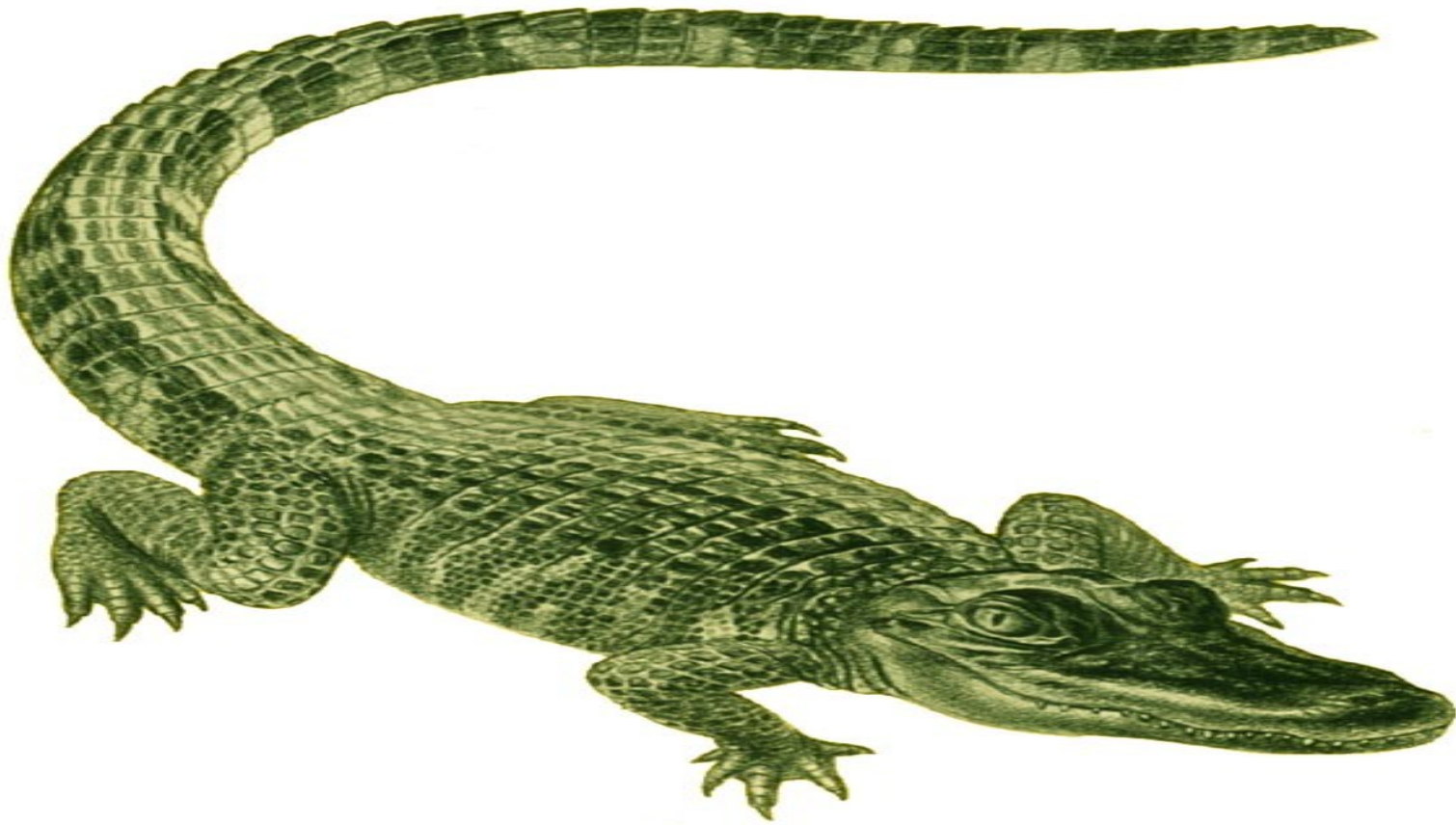
Our Compass and Odds Maker

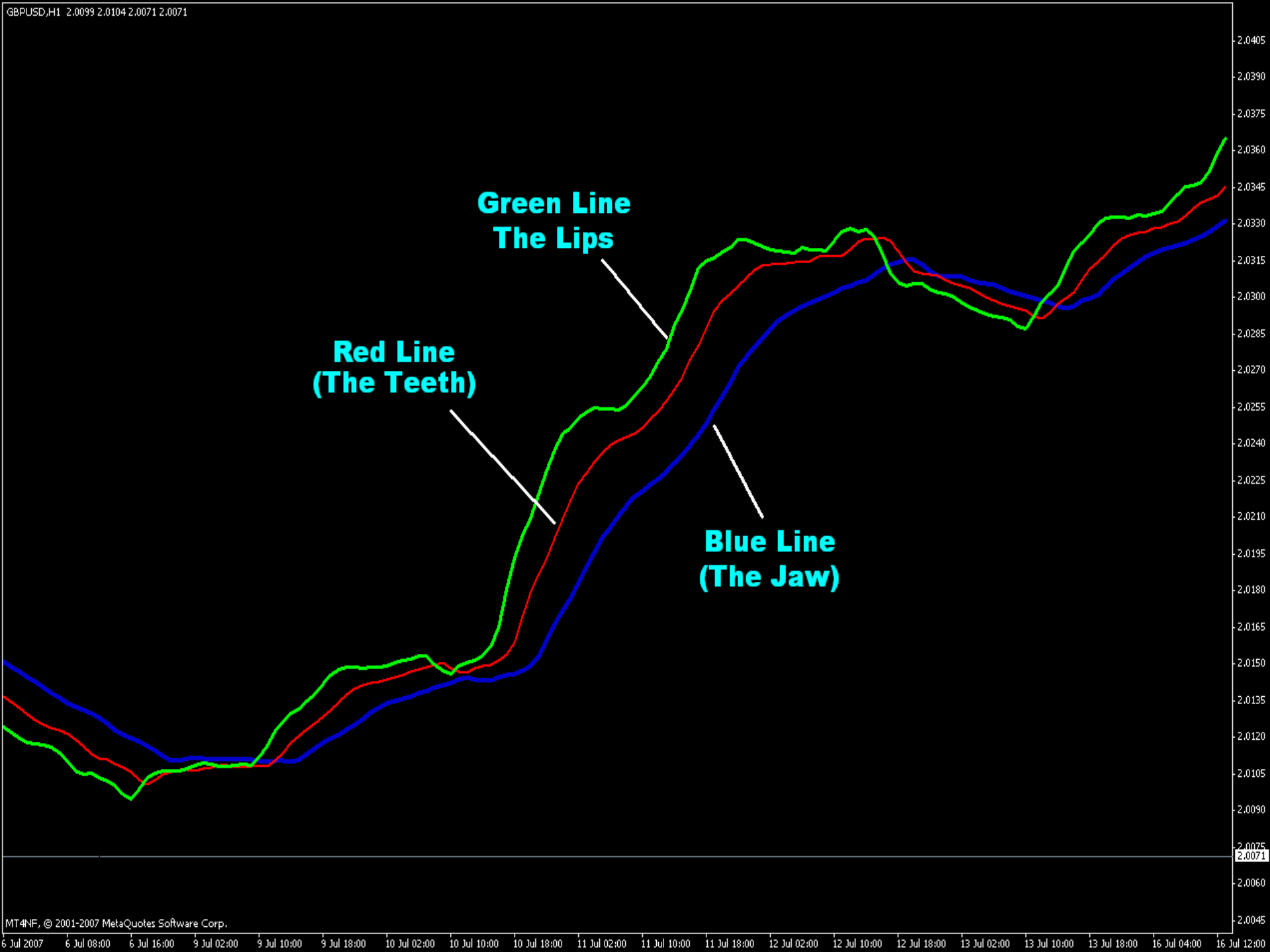
- Serves as a compass to keep us trading in the appropriate direction regardless of which way the immediate price is moving

Traders' biggest problem

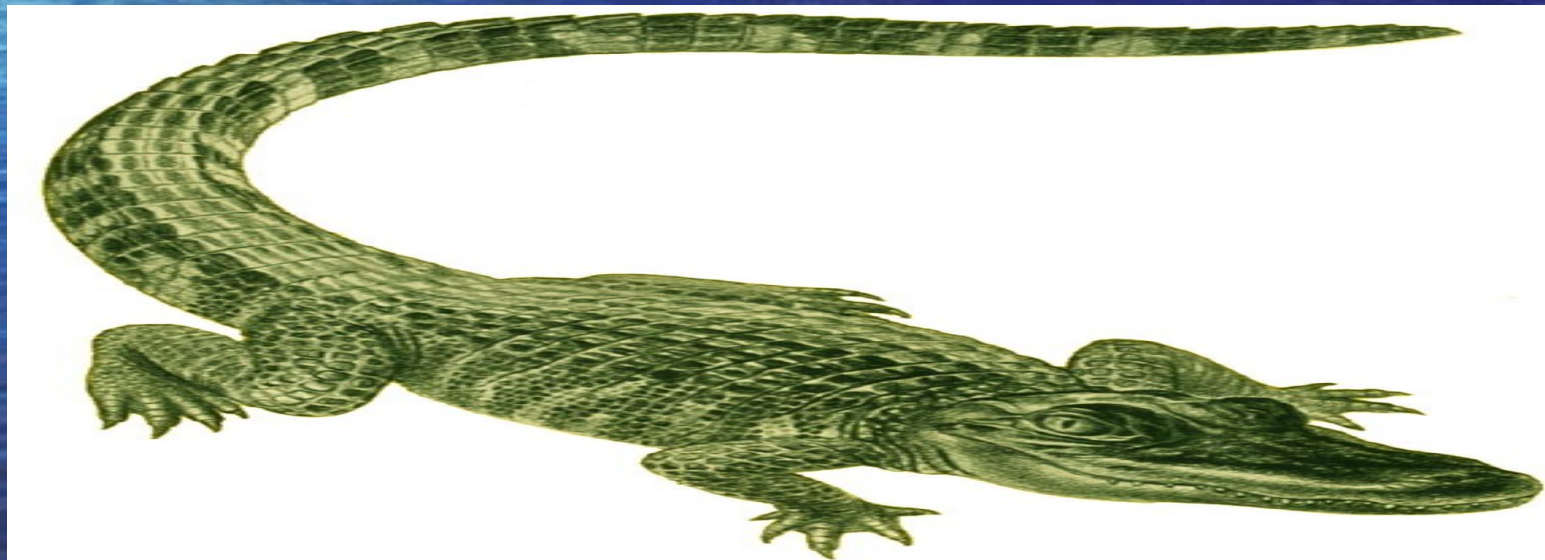
- MAKING PROFITS is not a problem
- KEEPING PROFITS is the biggest problem
- Traders often say “making money is easy, keeping it is hard”
- There IS a solution and we call it...

" The Alligator "





SET UP ALLIGATOR



Why use the Alligator?

- To monitor the market's momentum
- **Simple indicator** – trend starts & stops
- **Protection device** – not to lose money during non-trending, ranging market
- Provides an advanced indicator signal – **Wise Man Signal**

Next Goals

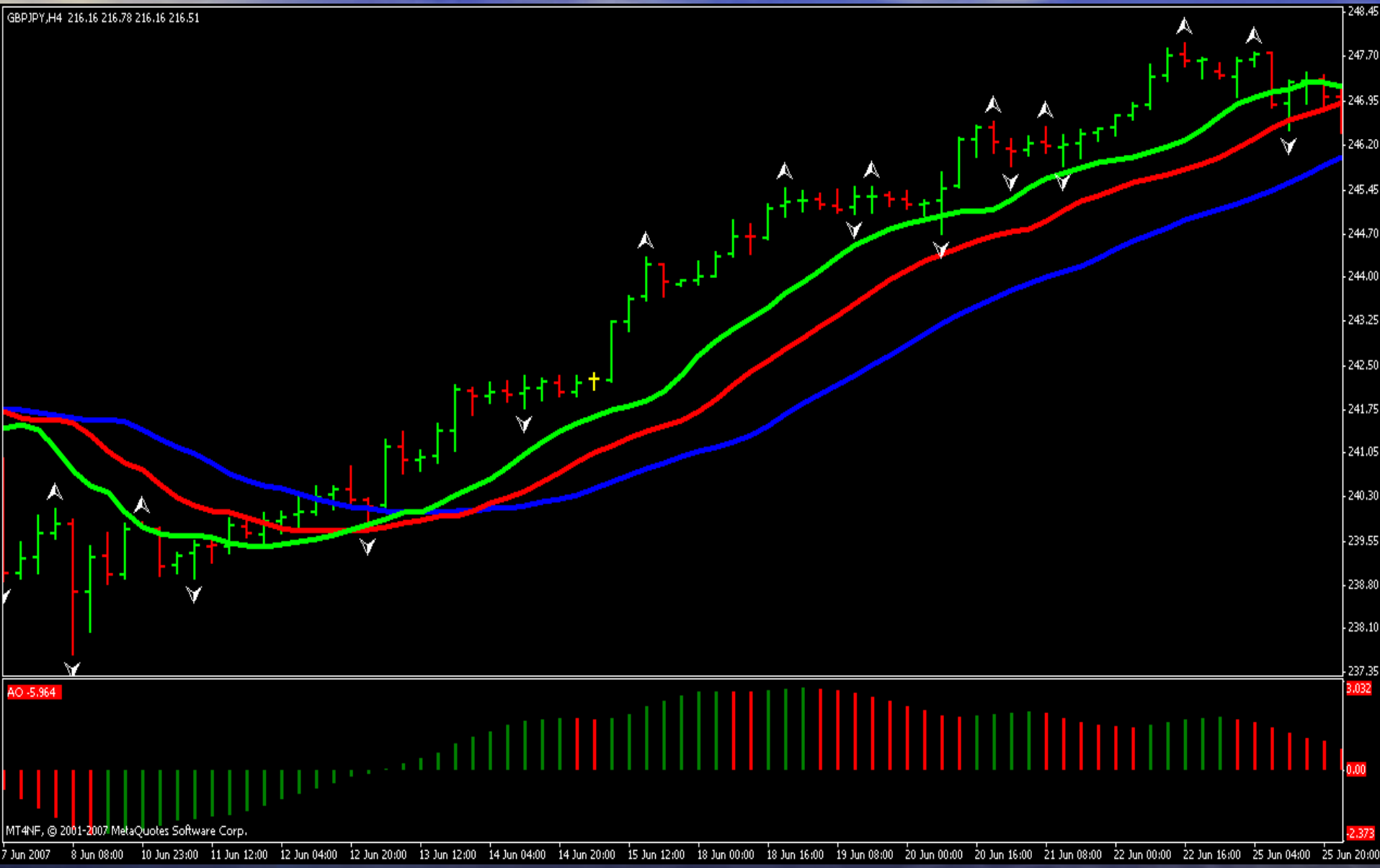
- Understand how the **“Gator”** works and behaves on the chart
- How to use the **“Gator”** to **filter our trades**

Using the alligator on a Chart

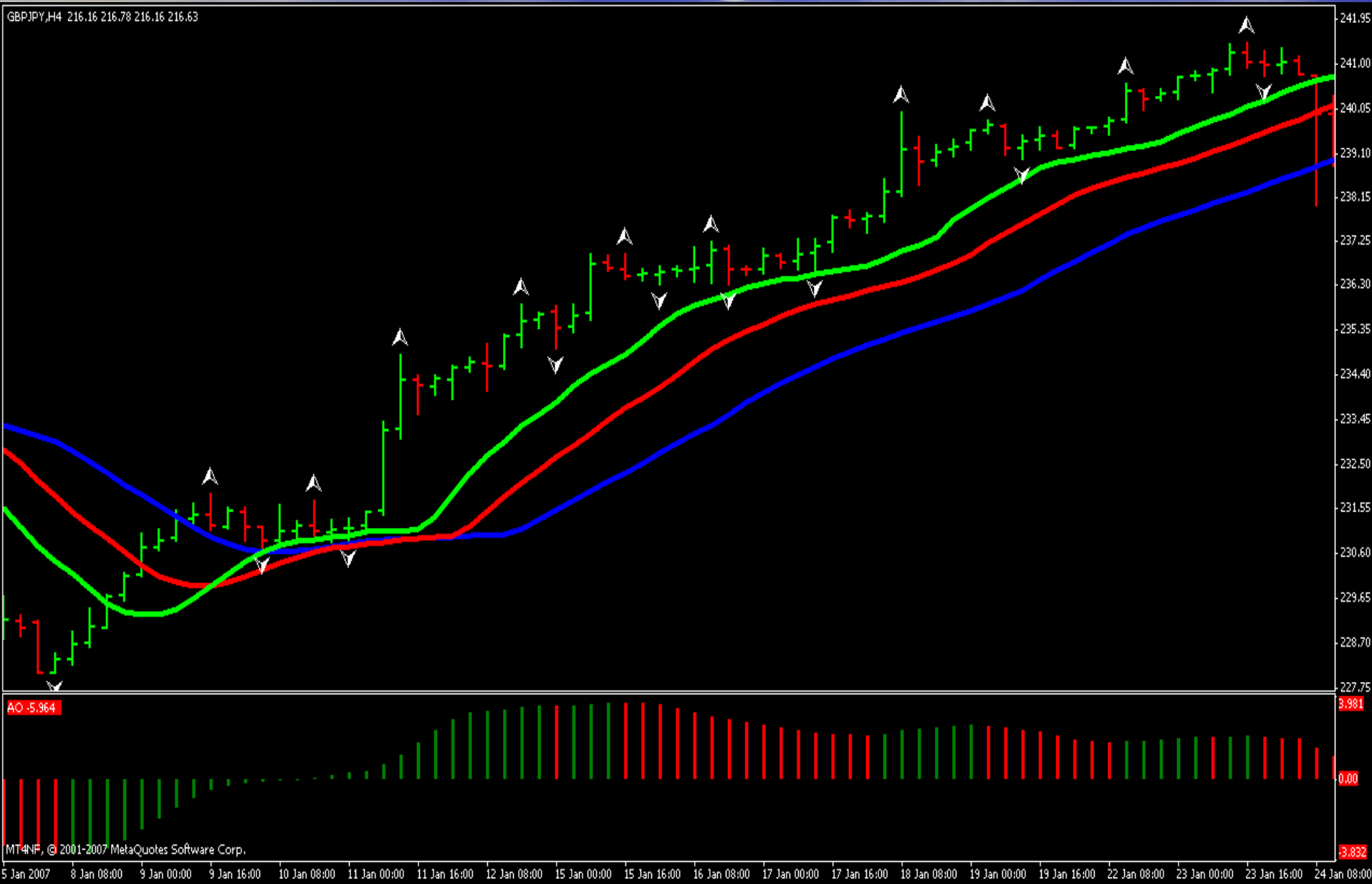
Trending Market – the lines of gator will be open

Corrective/ranging – Gator lines are interwining

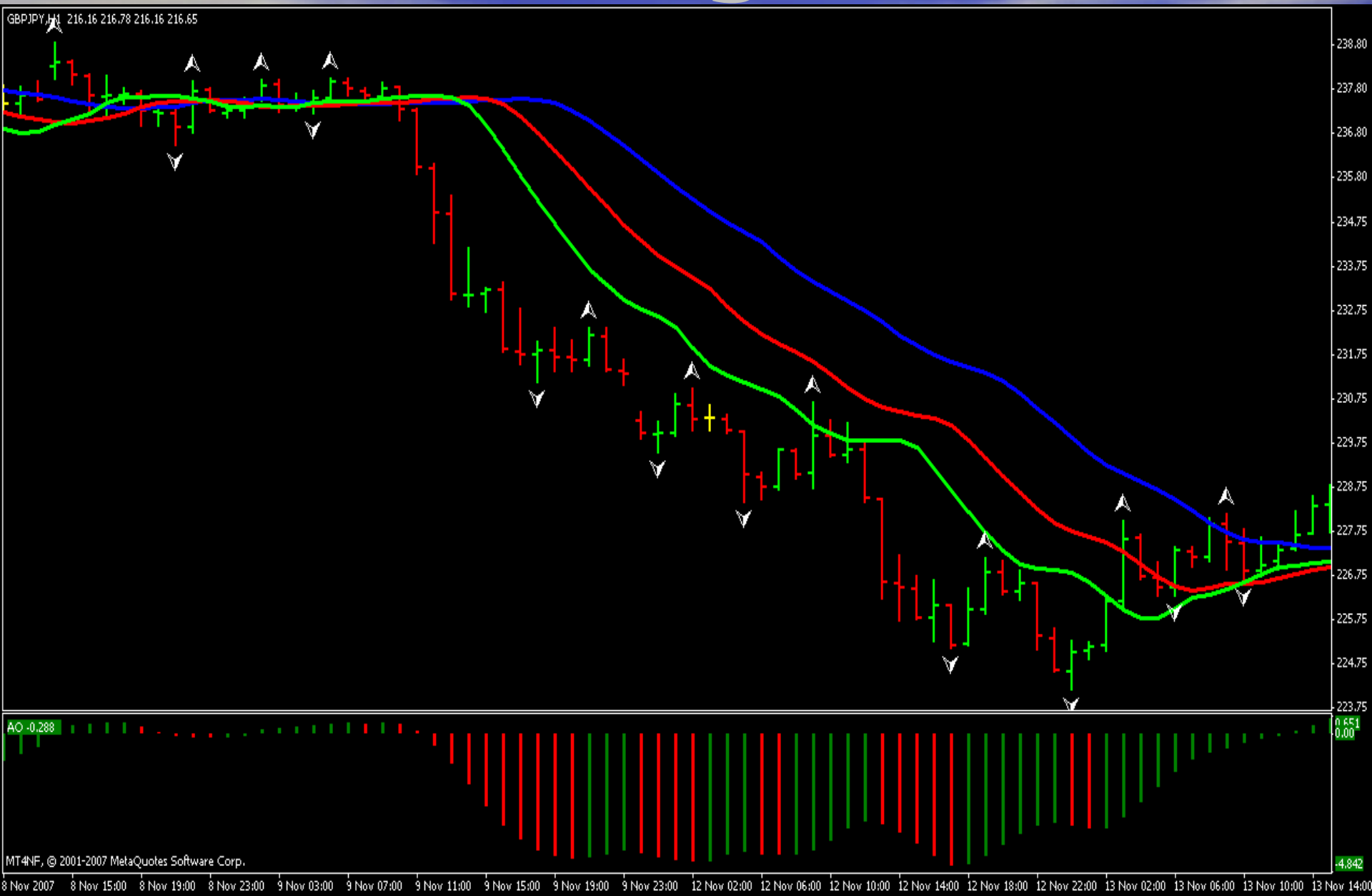
The Trending Gator 1



The Trending Gator 2



The Trending Gator 3

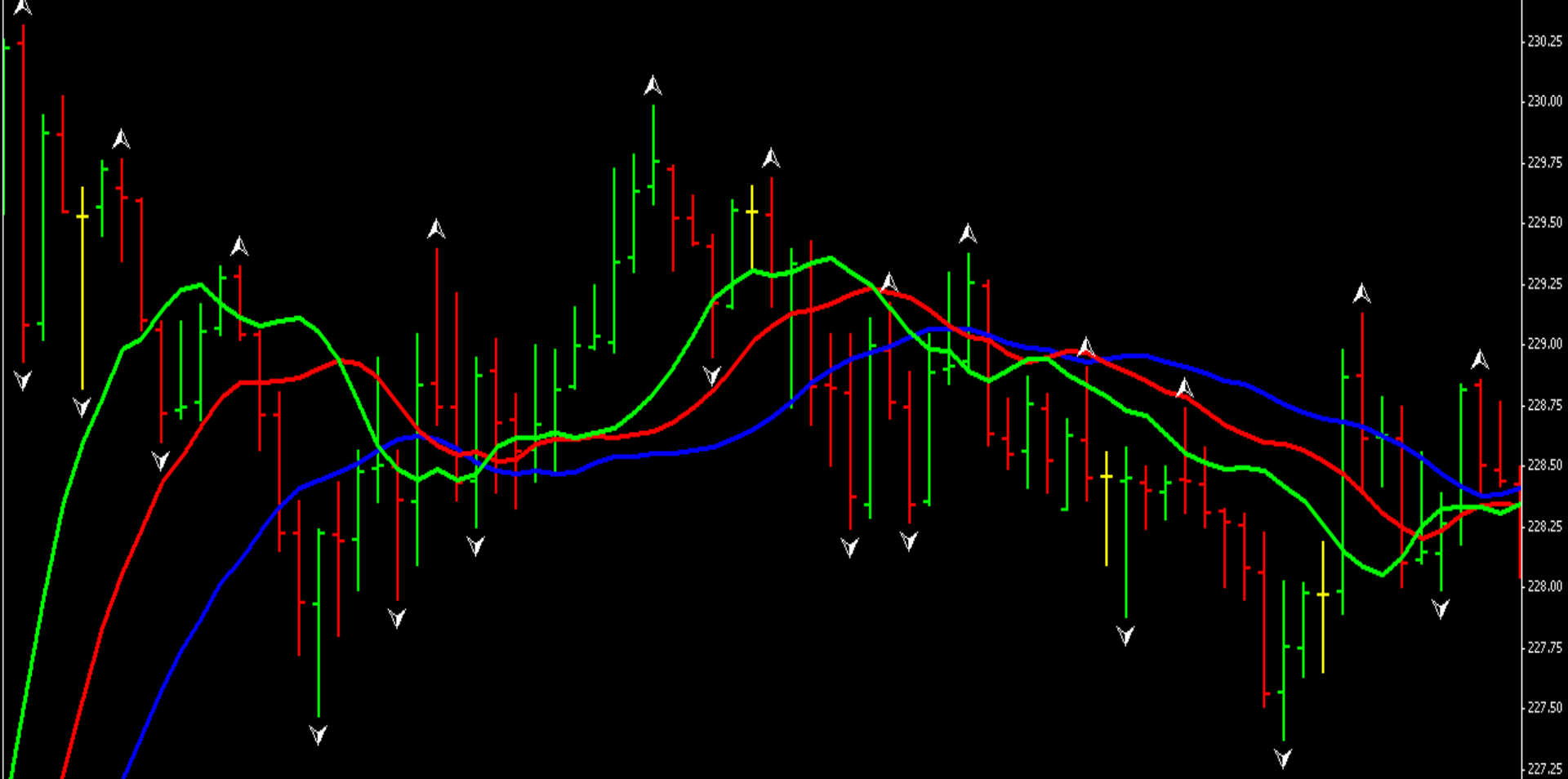


The Trending Gator 4

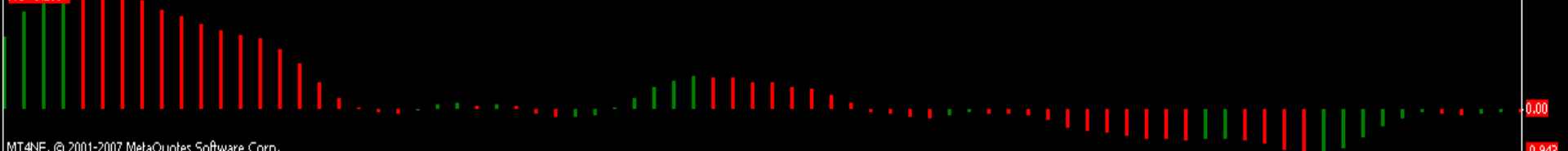


Corrective/ranging/non-trending

GBPJPY,H1 216.16 216.78 216.16 216.60



AO -0.288



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12 Dec 2007 12 Dec 22:00 13 Dec 02:00 13 Dec 06:00 13 Dec 10:00 13 Dec 14:00 13 Dec 18:00 13 Dec 22:00 14 Dec 02:00 14 Dec 06:00 14 Dec 10:00 14 Dec 14:00 14 Dec 18:00 14 Dec 22:00 17 Dec 01:00 17 Dec 05:00 17 Dec 09:00 17 Dec 13:00 17 Dec 17:00 17 Dec 21:00

Corrective/ranging/non-trending



Corrective/ranging/non-trending



GATOR SUMMARY

Help us to buy, sell or stay out

Uptrend - BUY

Downtrend - SELL

**Corrective/Ranging/Non
trending- STAY OUT**

SIMPLE RIGHT?



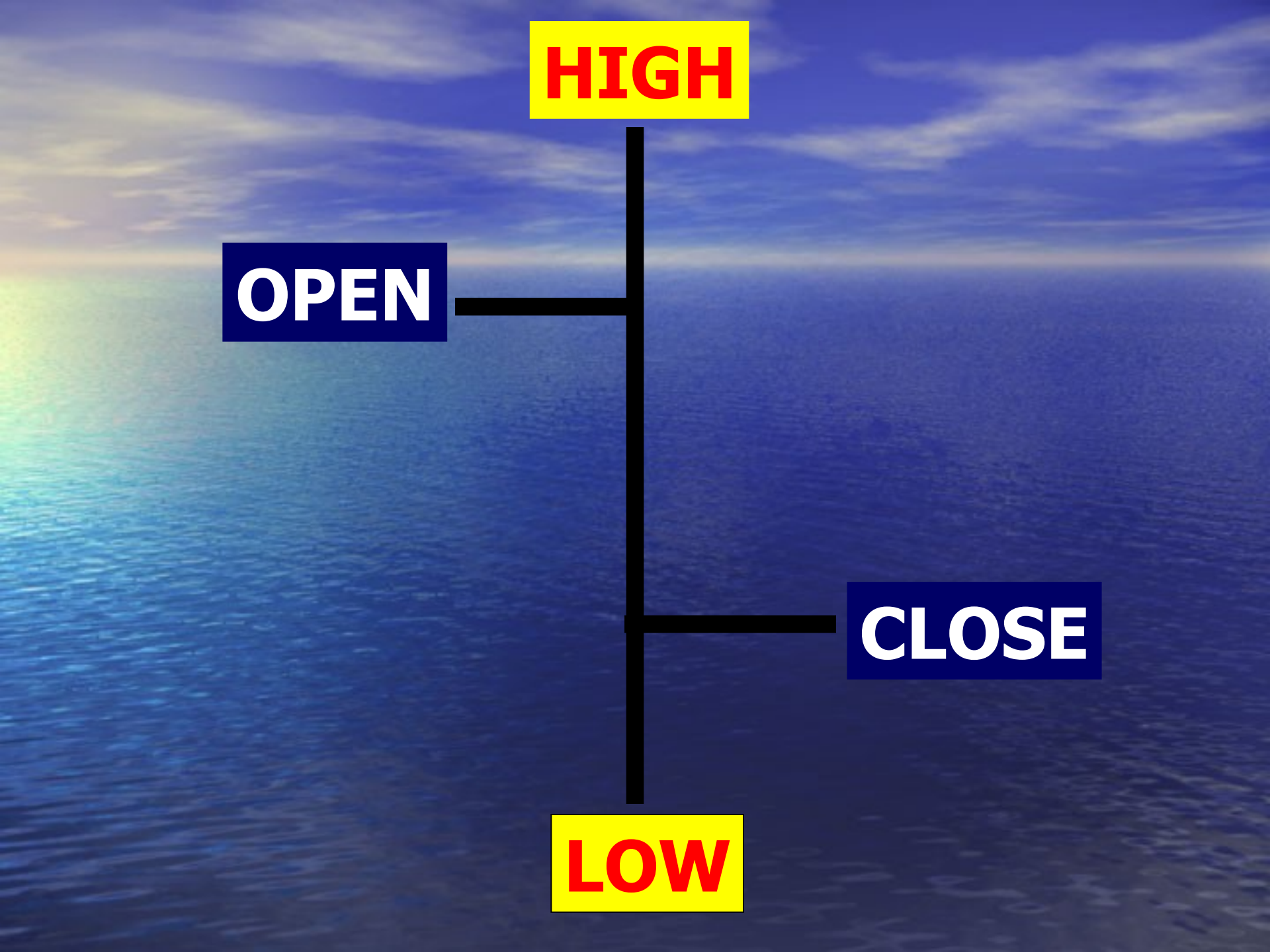
FIRST WISEMAN SIGNAL

HIGH

OPEN

CLOSE

LOW



Our Goal :

- To learn how to identify the **Bearish Divergent Bar** and **Bullish Divergent Bar**

Bullish Divergent Bars

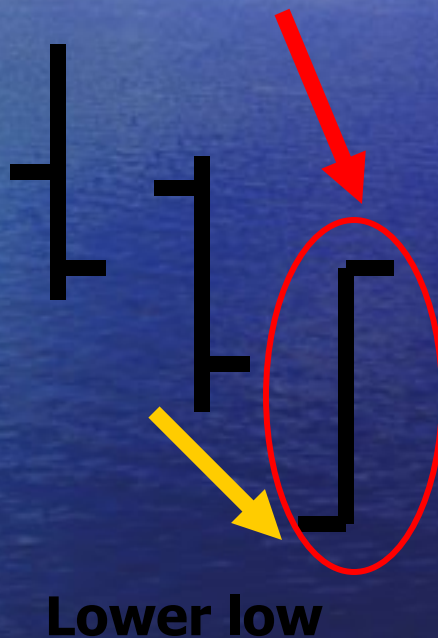
- **Compare it to the previous bar**
- **The current bar must have a LOWER LOW than the previous bar, AND**
- **The current bar must CLOSE in the UPPER HALF of the bar**

Bullish Divergent Bars

Close in upper half



Close in upper half



Close in upper half



Bearish Divergent Bars

- **Compare it to the previous bar**
- **The current bar must have a HIGHER HIGH than the previous bar, AND**
- **The current bar must CLOSE in the LOWER HALF of the bar**

Bearish Divergent Bars

Higher high



Close in the lower
half

Higher high



Close in the lower
half

Higher high



Close in the lower
half

MORE B/D/B RULES

- **VALID DIVERGENT BAR MUST HAVE ANGULATION**
- **VALID DIVERGENT MUST SATISFIED**
AO - AWESOME OSCILLATOR:
Bull d/b : AO RED, BELOW 0
Bearish d/b : AO GREEN, ABOVE 0

ANGULATION

- The angle between price bars and alligator
- Imagine stretching a rubber band, the further you stretch it the further it flies

Angulation have 4 rules

ANGULATION RULES

1) Begin where the price bars cross or go through the alligators mouth (Jaw,teeth,lips)



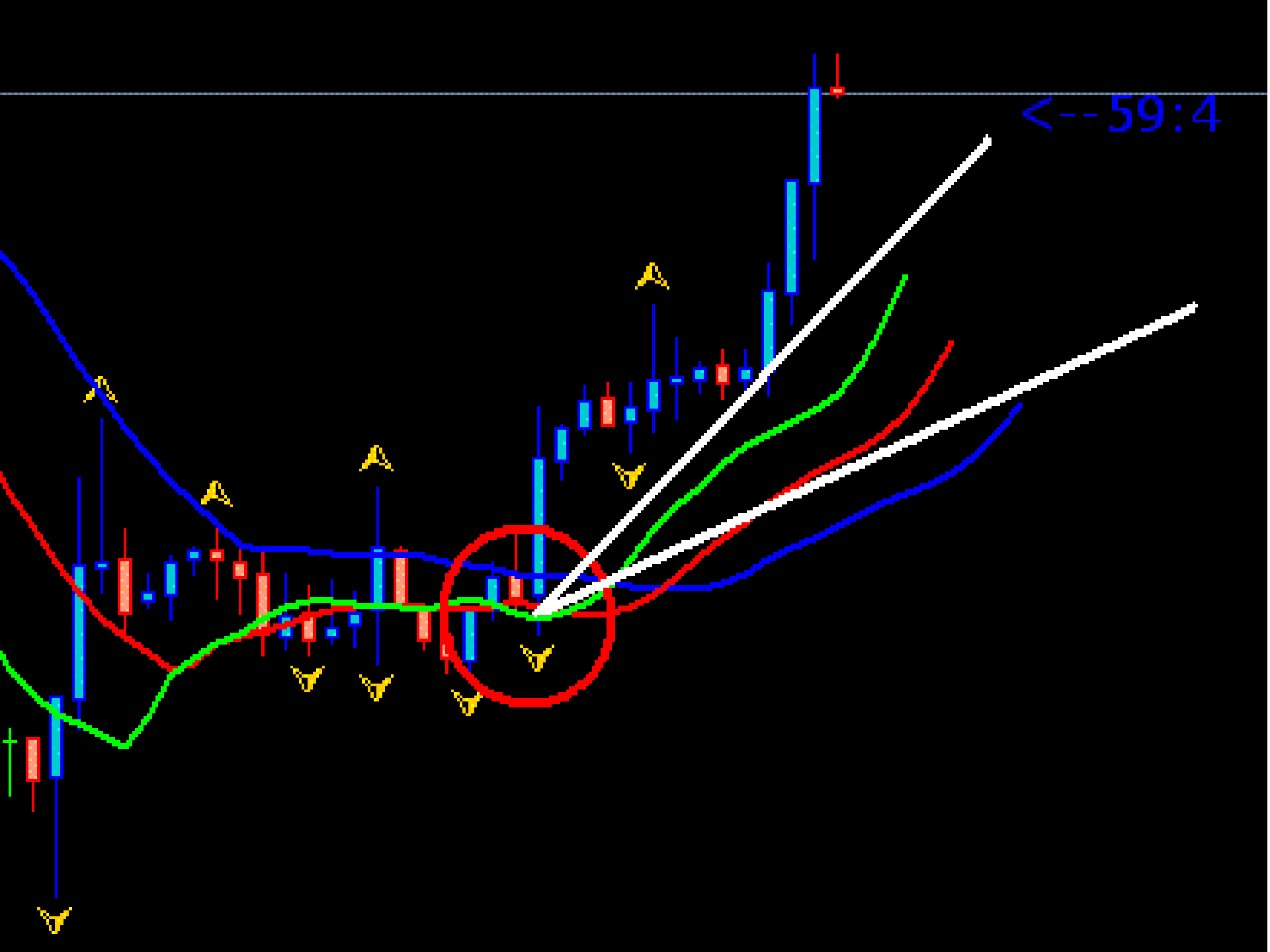
ANGULATION RULES

- 2. Draw or imagine a line that follows the alligator mouth. We usually pay attention to the jaw and teeth more than the lips**



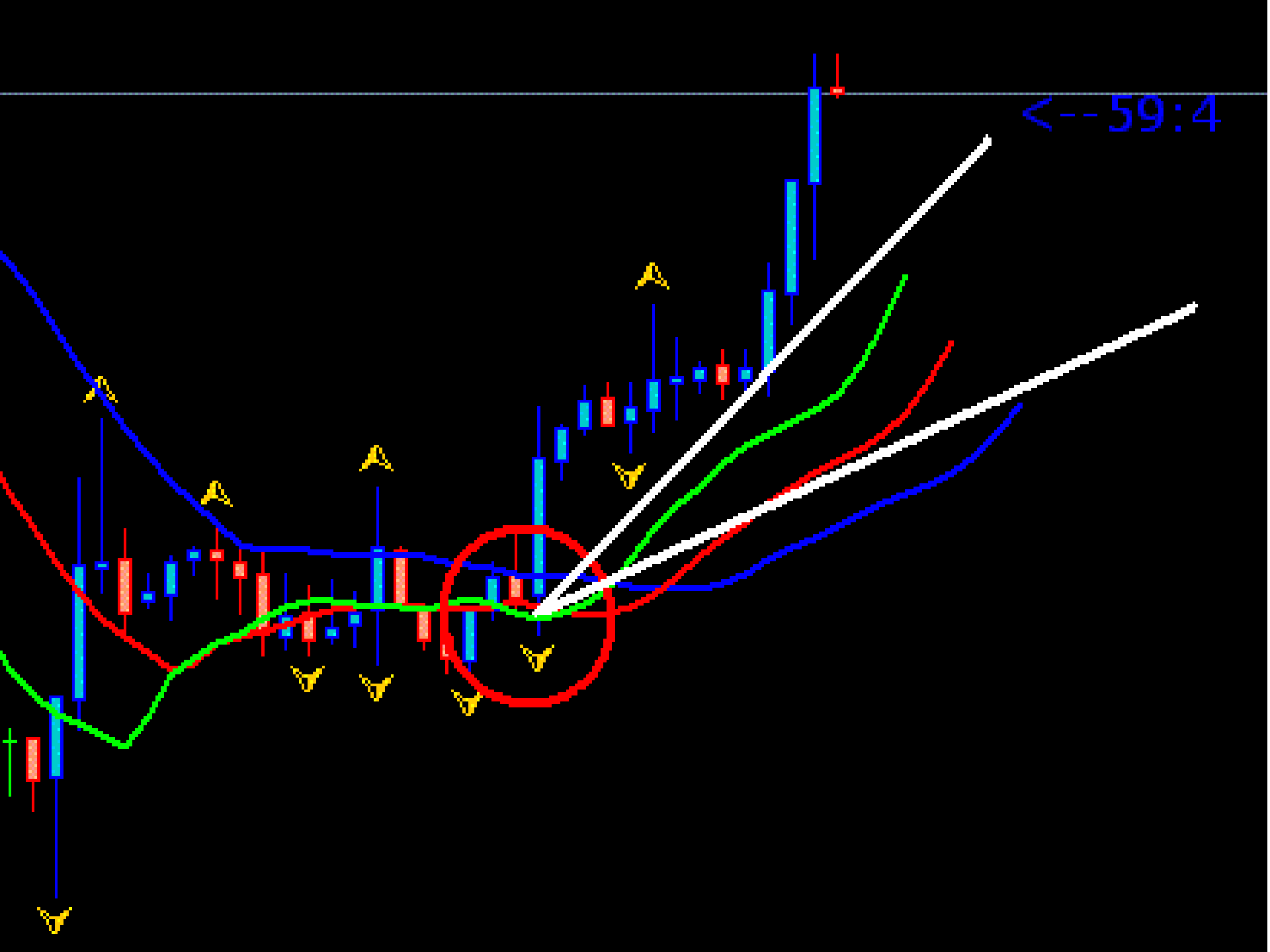
ANGULATION RULES

3. Draw or imagine another line that basically follows the edges of the price bars.



ANGULATION RULES

4. If those two lines show clearly that they are moving away from each other, you have angulation

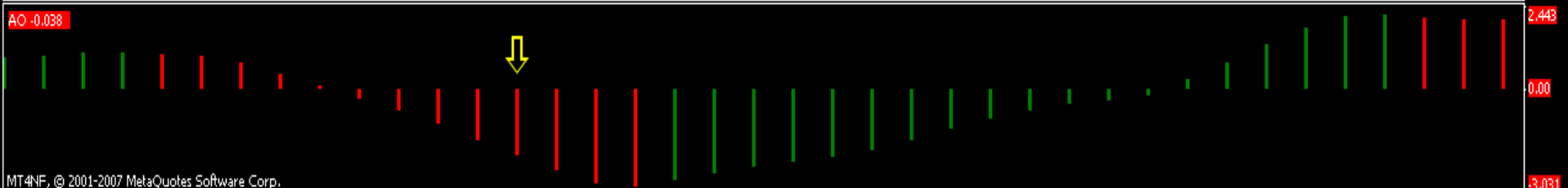
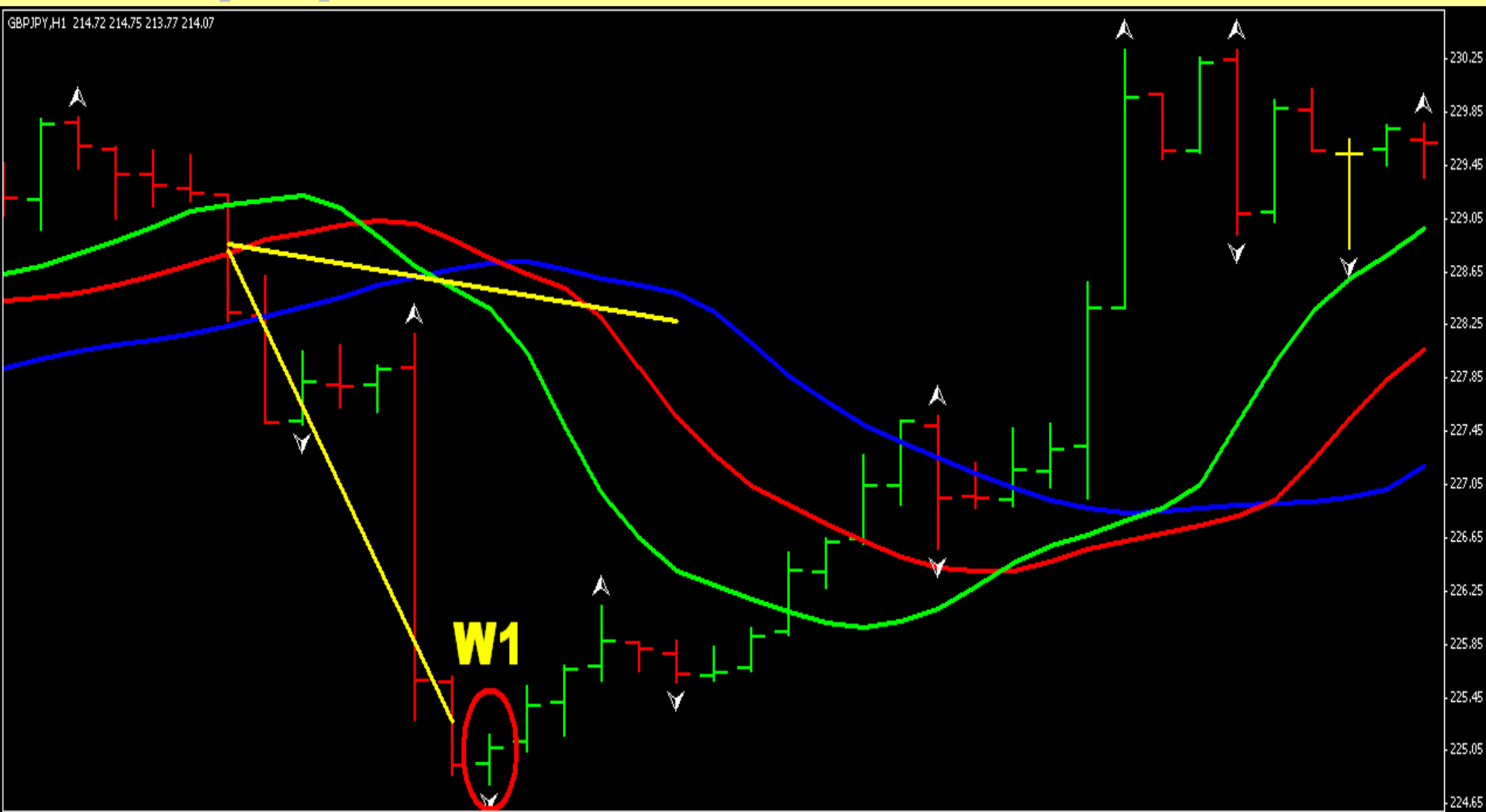


EX: B/D/B WITH ANGULATION & AO



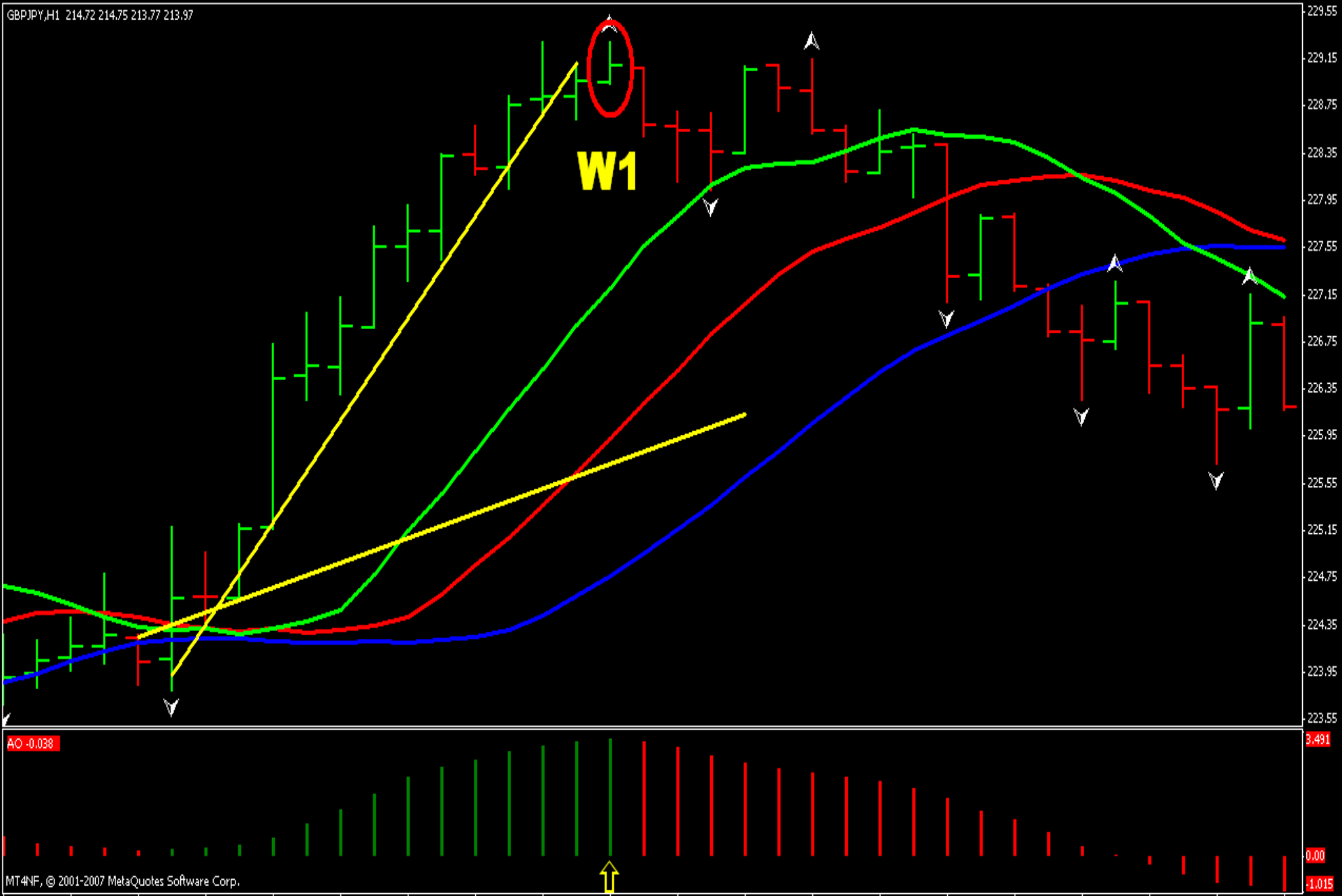
EX: B/D/B WITH ANGULATION & AO

GBPJPY,H1 214.72 214.75 213.77 214.07



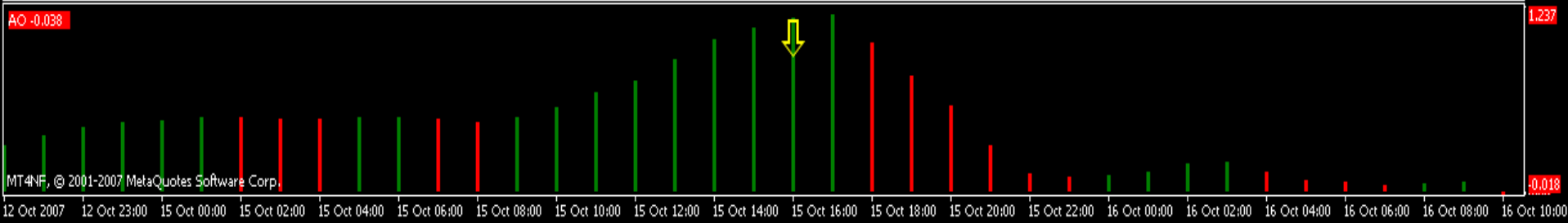
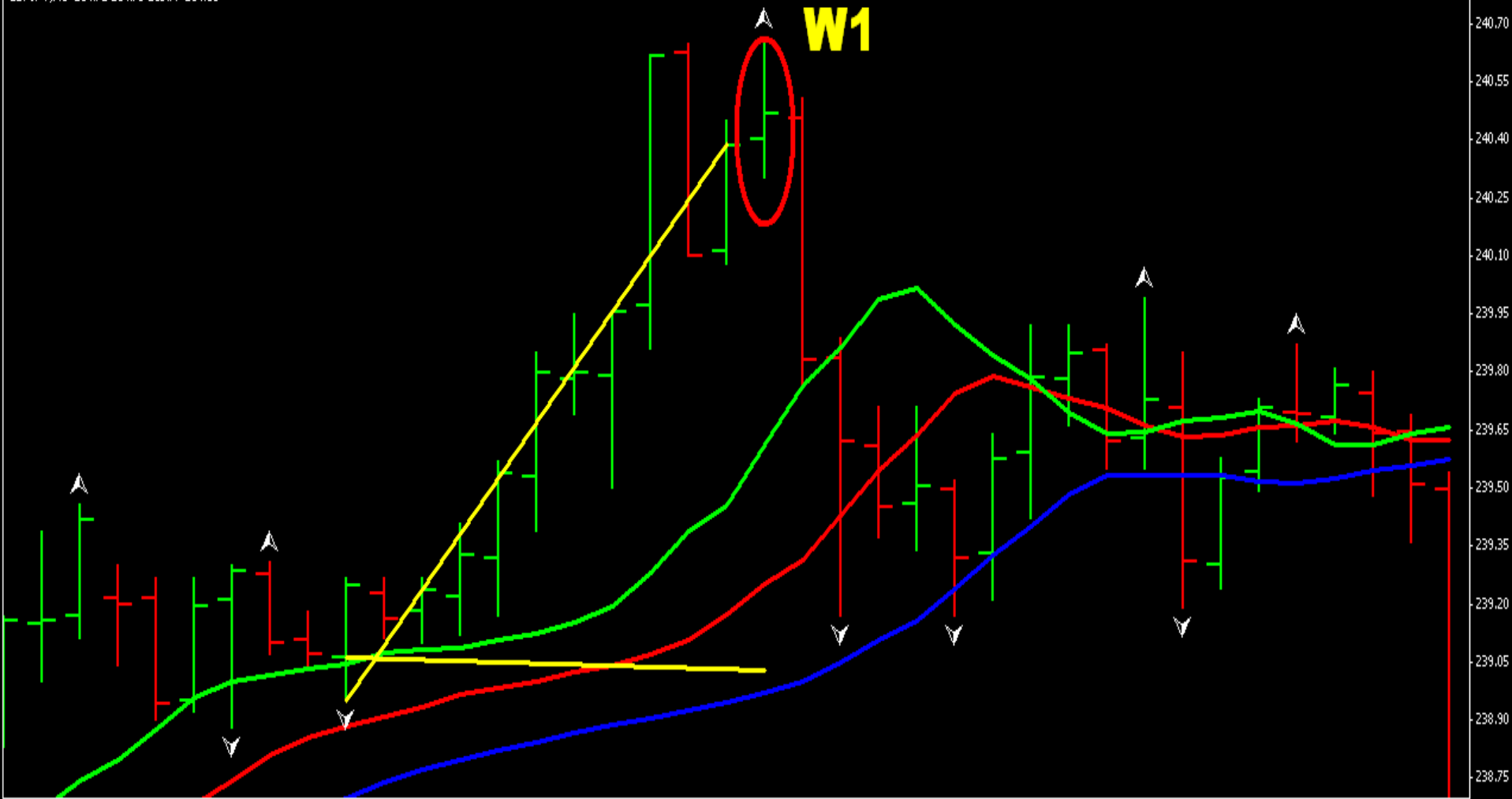
EX: B/D/B WITH ANGULATION & AO

GBPJPY,H1 214.72 214.75 213.77 213.97



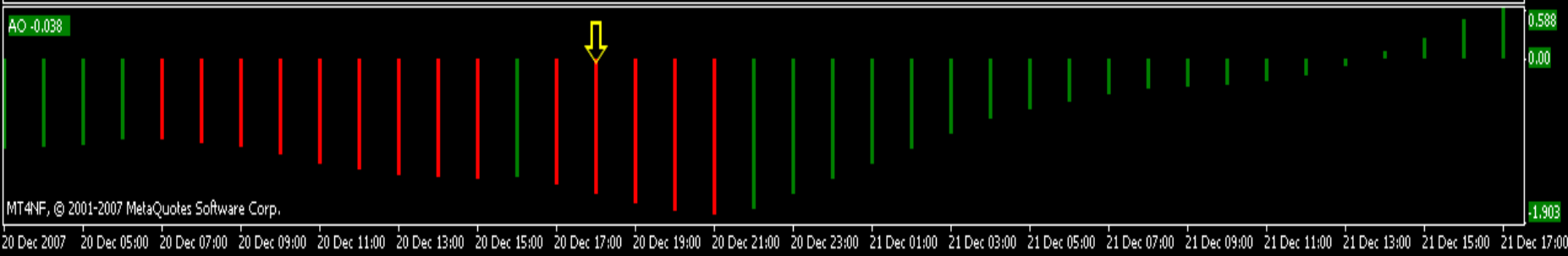
EX: B/D/B WITH ANGULATION & AO

GBPJPY,H1 214.72 214.75 213.77 214.11



HOW TO TRADE WISEMAN 1

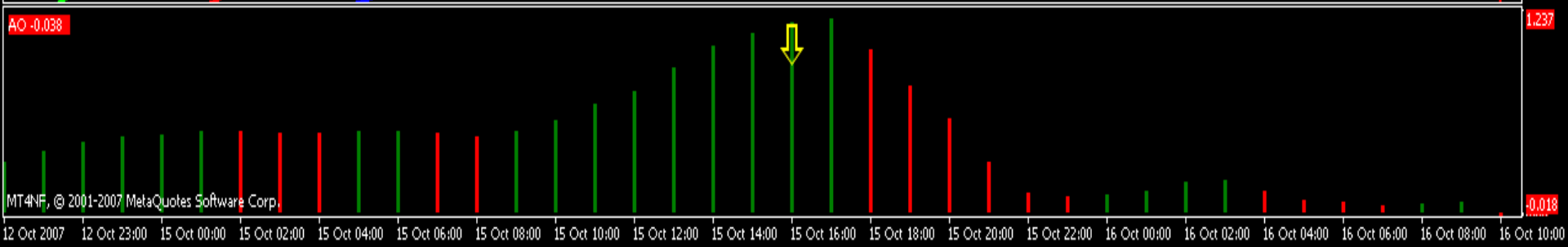
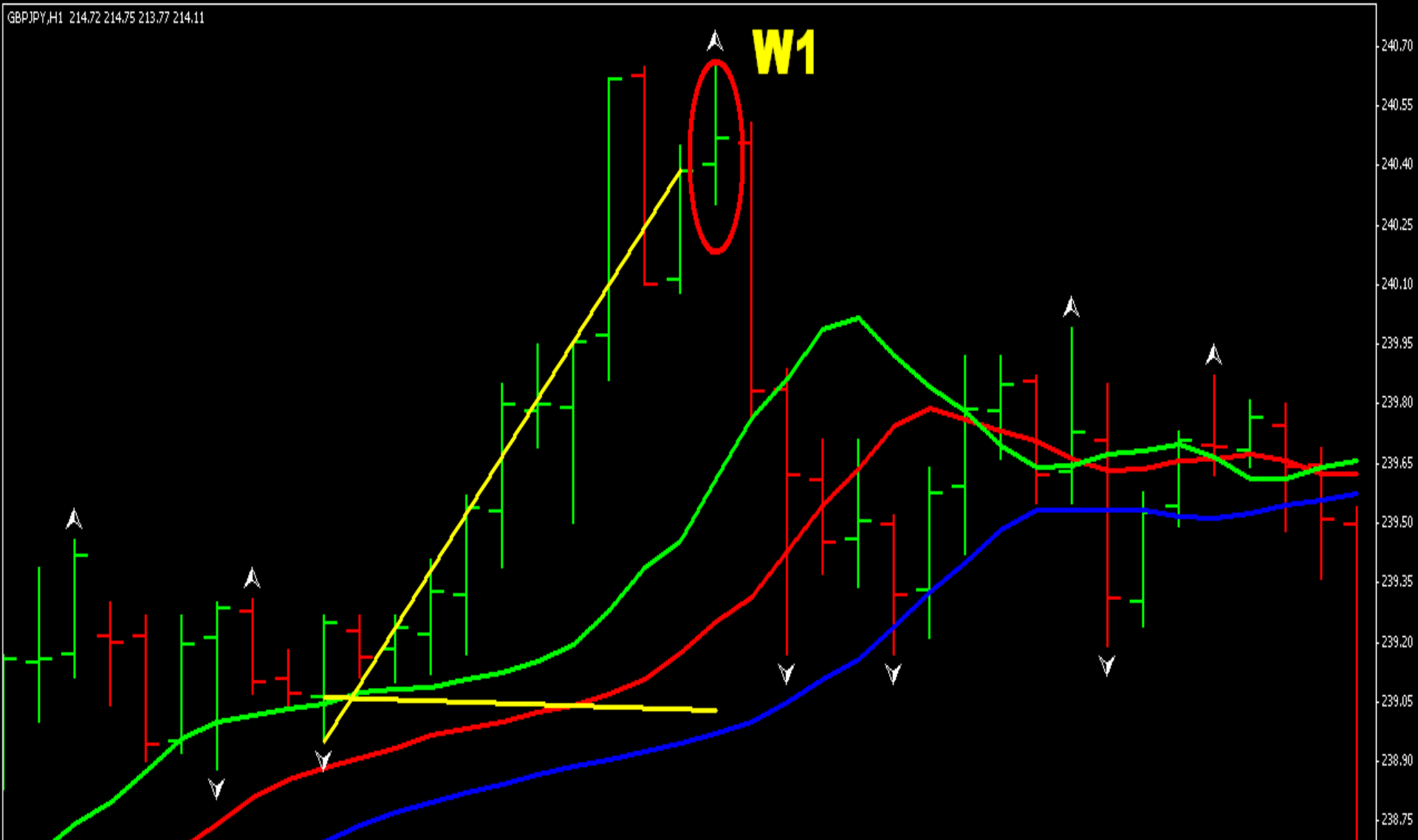
- **BULLISH DIVERGENT BAR**
- **Entry** - place buy stop 1 tick above the high price + spread
- **S.Loss** -1 tick below the low price



HOW TO TRADE WISEMAN 1

BEARISH DIVERGENT BAR

- **Entry** - place sell stop 1 tick below the low price
- **S.Loss** – 1 tick above the high price + spread



TRADING IS SIMPLE !!!

**W1 check – angulation, close
price, AO**

**Is a gambling phase but it can be
The **Best position in the world!****



THE SECOND WISE MAN SIGNAL

- Assume that you have entered position by using bullish / bearish divergent bar
- After that, we can add on position by using Second Wiseman – **“Super AO”**

WHAT IS AO ?



WHAT IS AO ?

- **Stand for awesome oscillator**
- **The best and most accurate indicator for 50 years**
- **Consist of 2 color**
- **Green = buying momentum**
- **Red = selling momentum**

WHAT IS AO ?

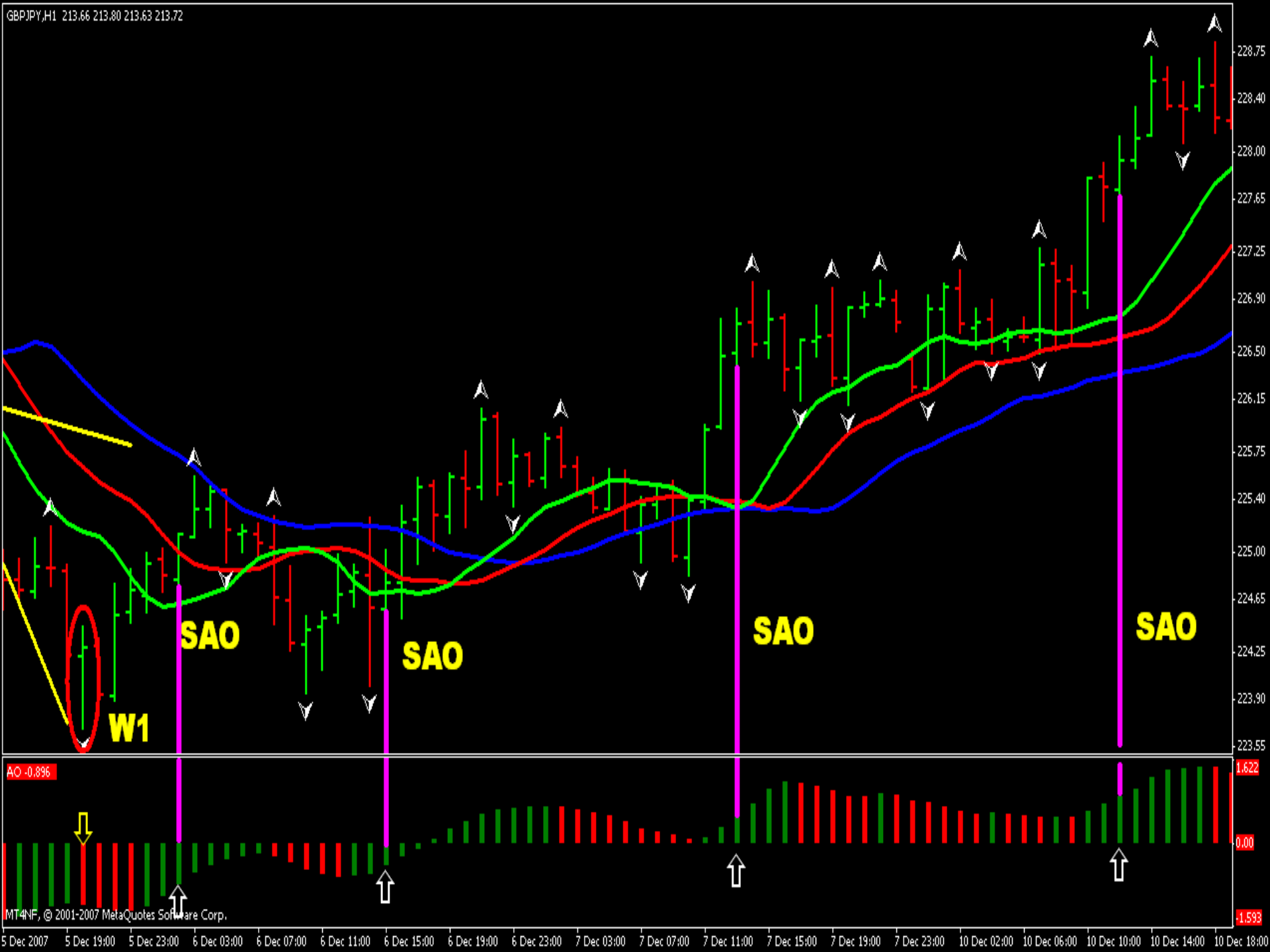
- **Help to identify immediate trend:**
- **AO above 0 = UPTREND**
- **AO below 0 = DOWNTREND**

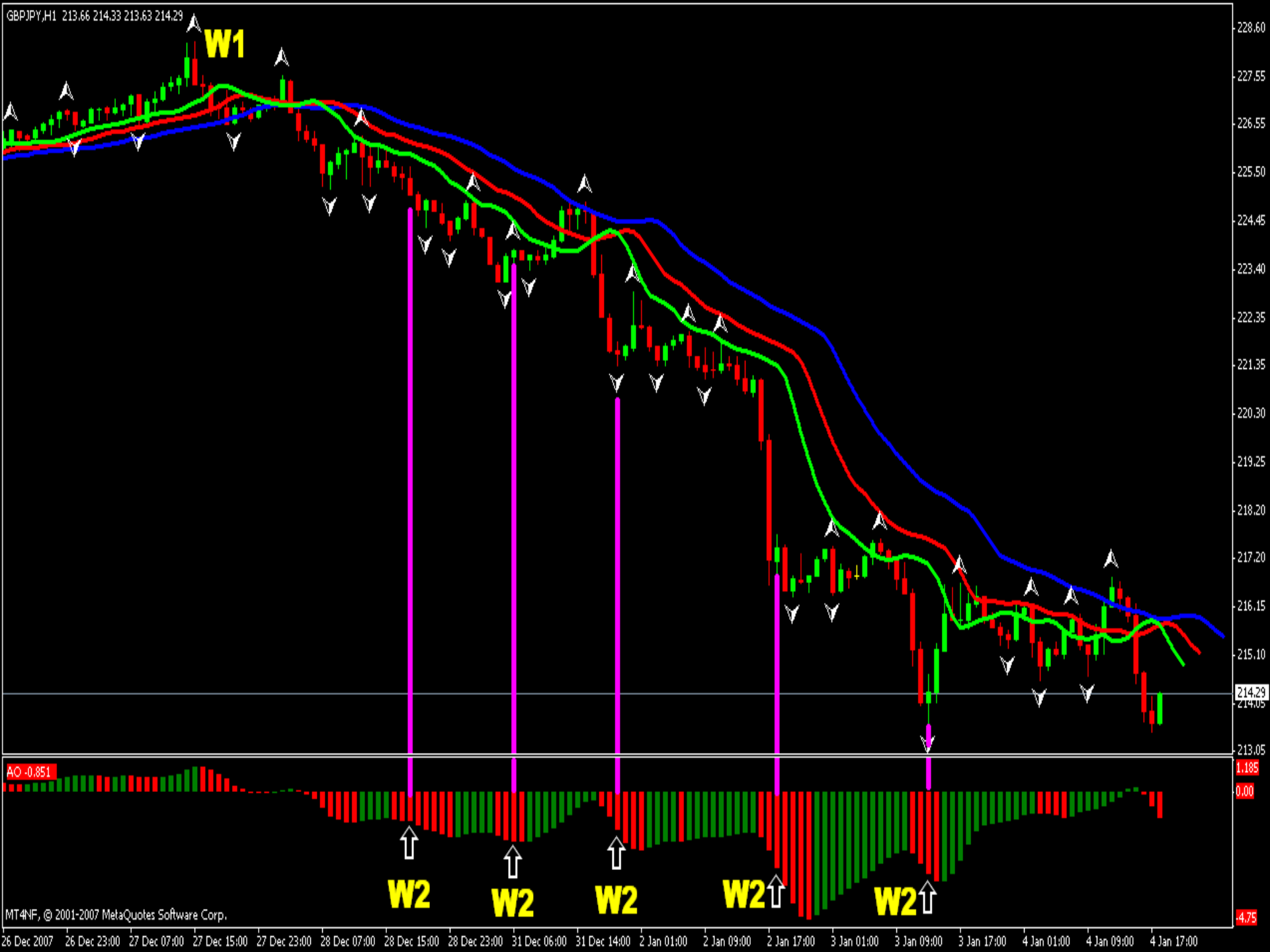
GBPJPY,H1 213.91 214.19 213.68 214.16



HOW TO TRADE WISEMAN 2

- **Same w1 – pending order & SL**
- **AO change green - at 3rd bar**
- **New Super AO signal – must have another change in color**
- **Super AO is an add on signal only**





MORE SIMPLE TO TRADE

**W2 just checking A0 3
times!**



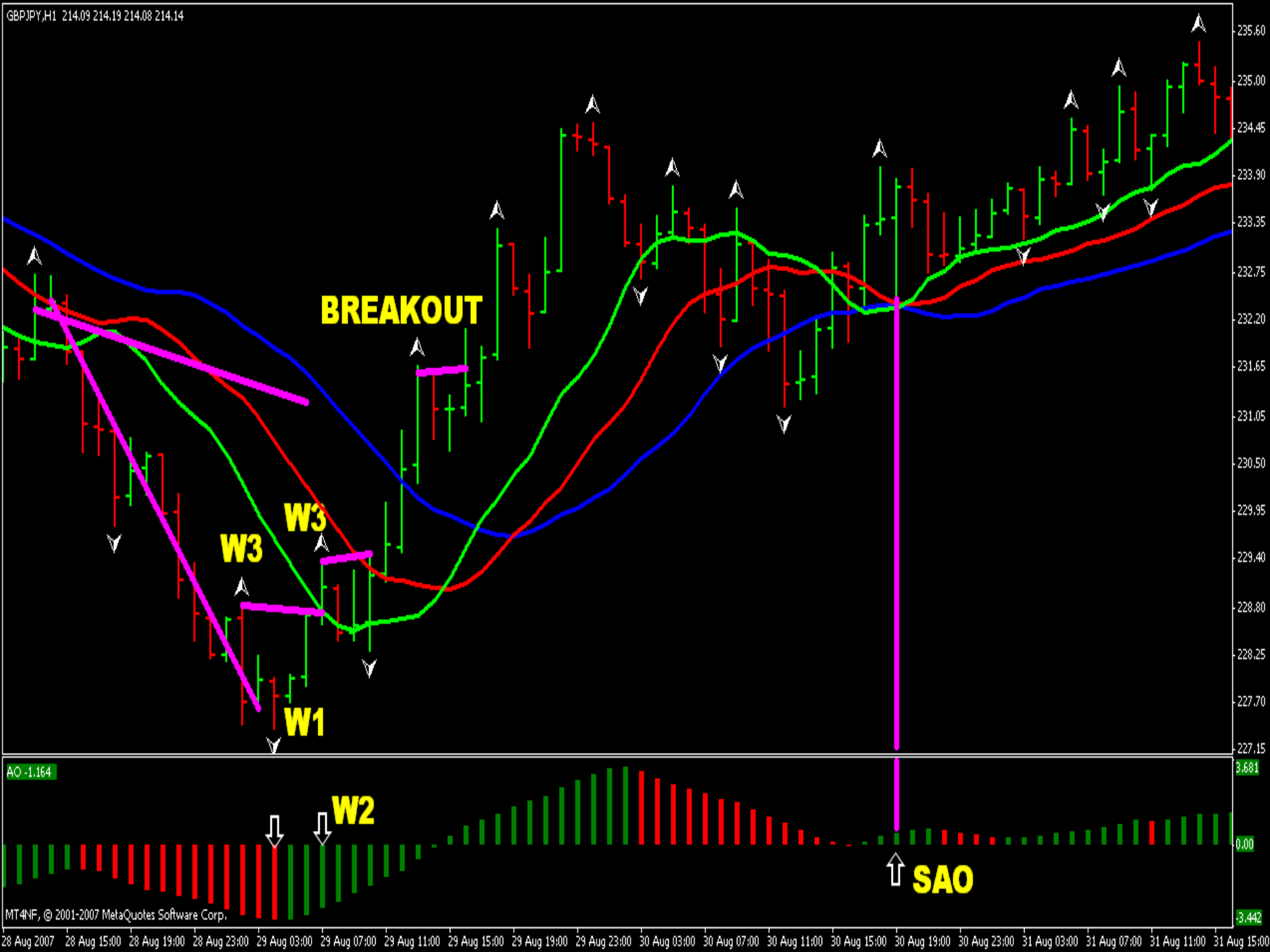
THE THIRD WISEMAN SIGNAL

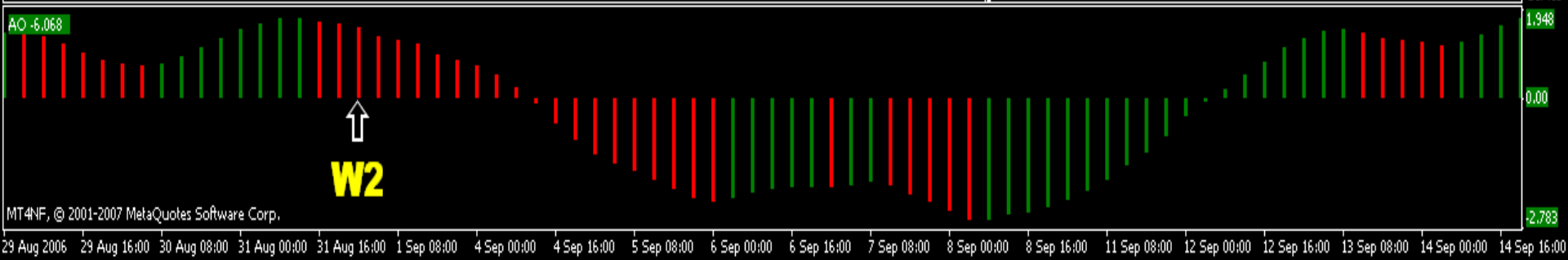
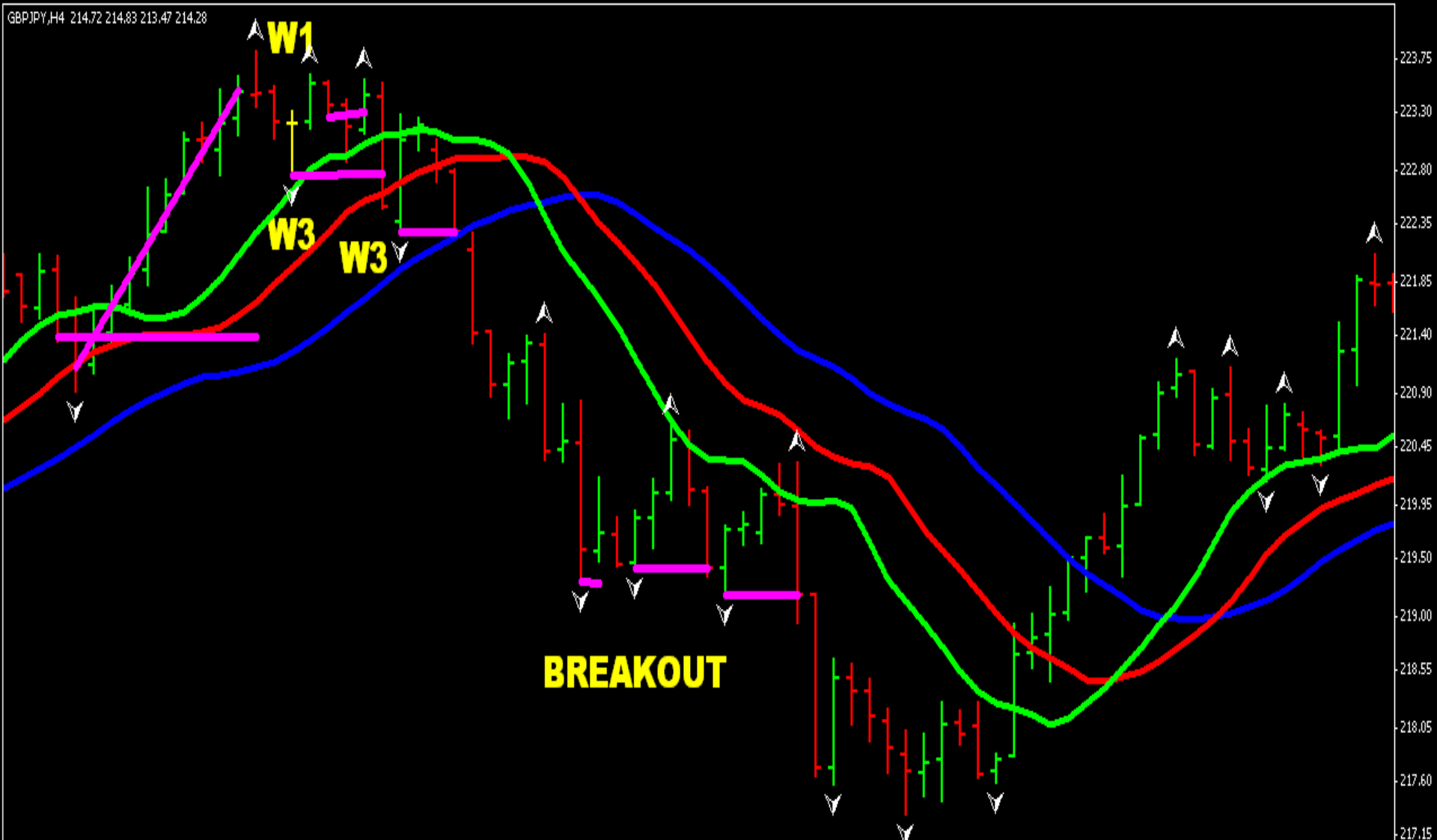
THIRD WISEMAN

- **WISEMAN FRACTAL** – no matter where it form and execute – only after w1,w2
- **BREAKOUT FRACTAL** – must be form and execute outside alligator – can be 1st signal

HOW TO TRADE WISEMAN 3

- **FRACTAL BUY – Upper Section**
- **FRACTAL SELL – Lower Section**
- **Same W1, W2, - pending order, sl**

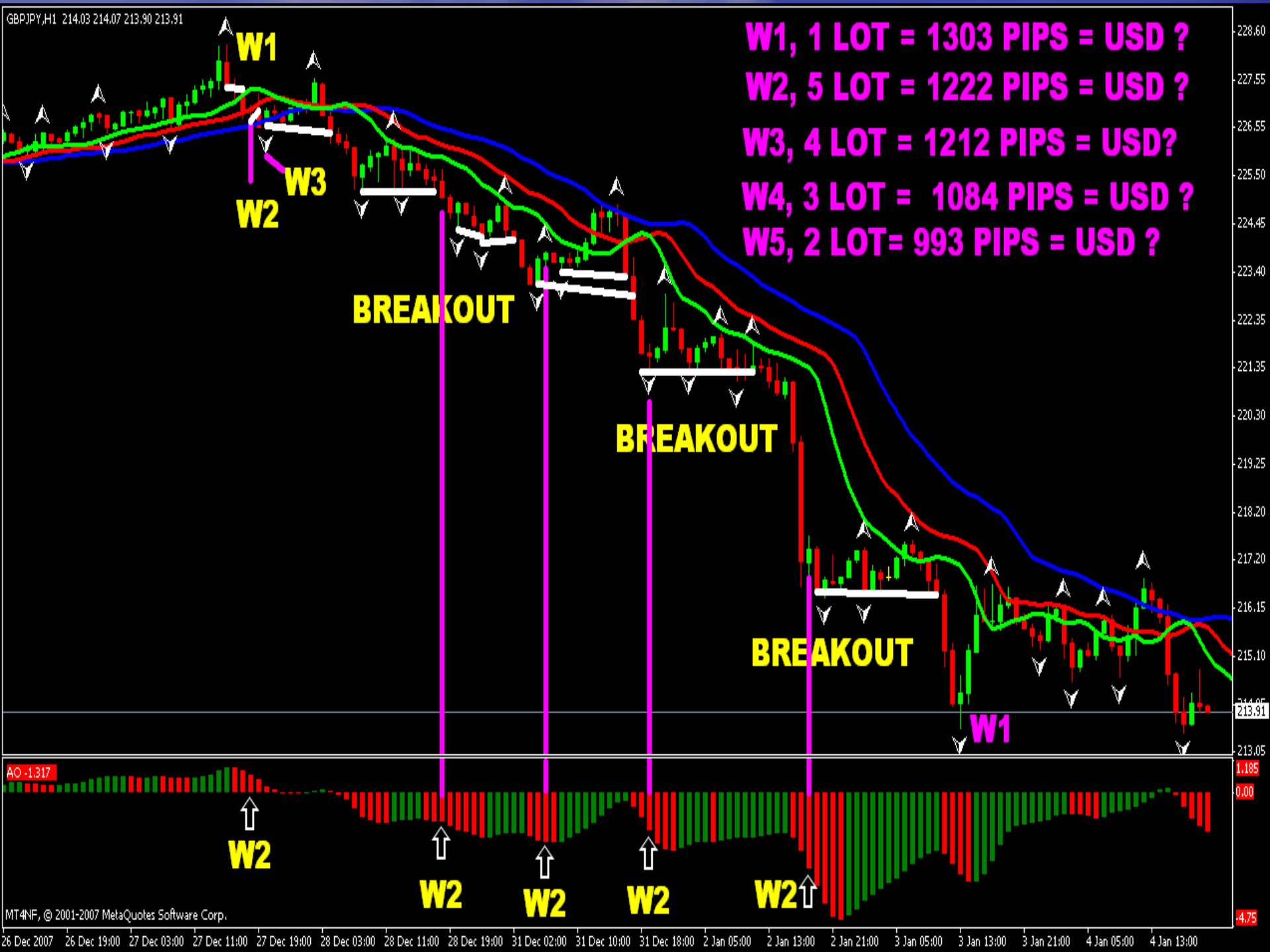




- **Once again, trading is SIMPLE**
- **W3 FRACTAL – anywhere, anytime after w1,w2**
- **FRACTAL BREAKOUT – formed outside alligator**



**What Happens When
the
Wise Men Get
Together?**



**LASTYLY GUYS,
TRADING IS SIMPLE,
SO
JUST MAKE IT SIMPLE
K! 😊**