

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”

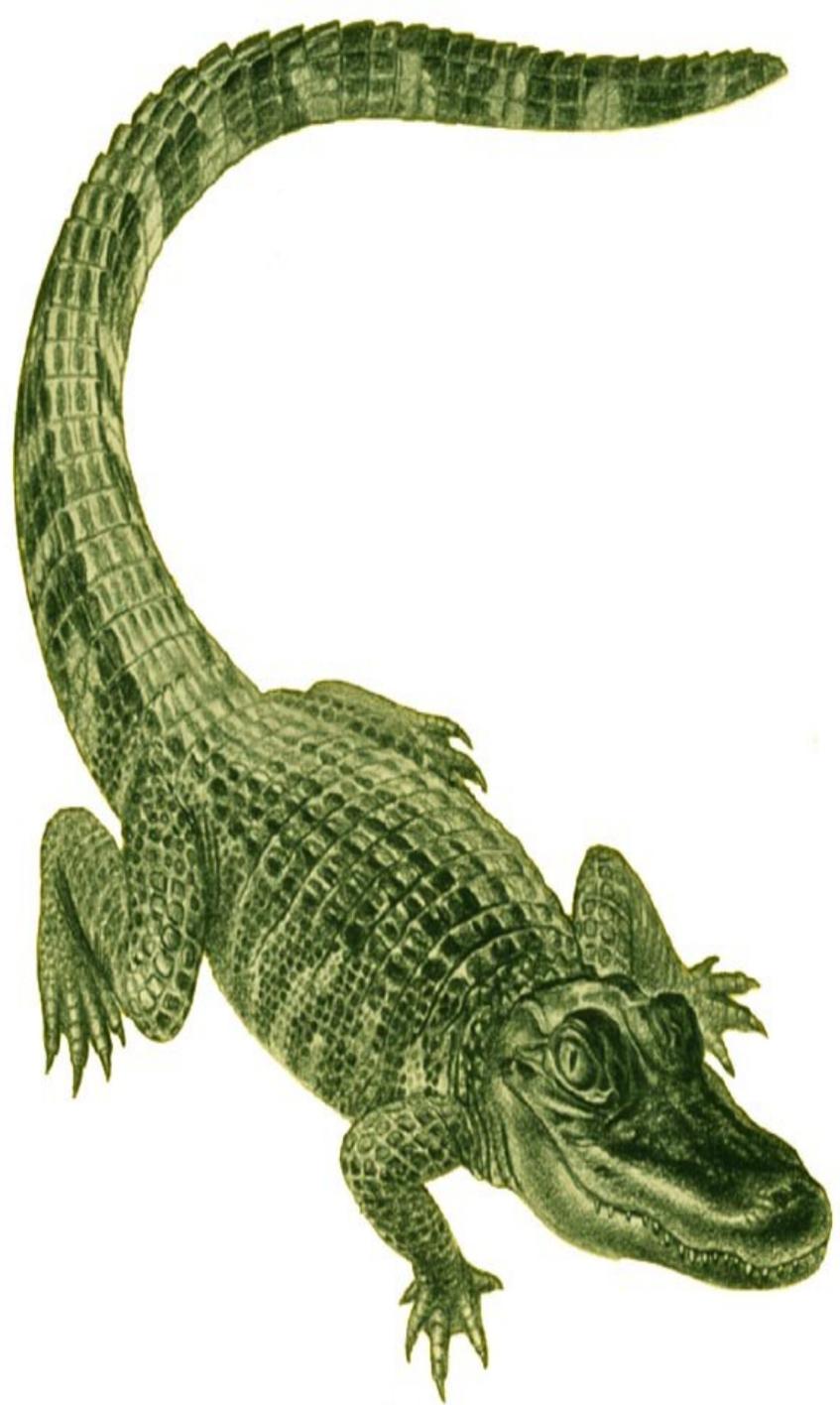
TRADING IS SIMPLE !!!

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

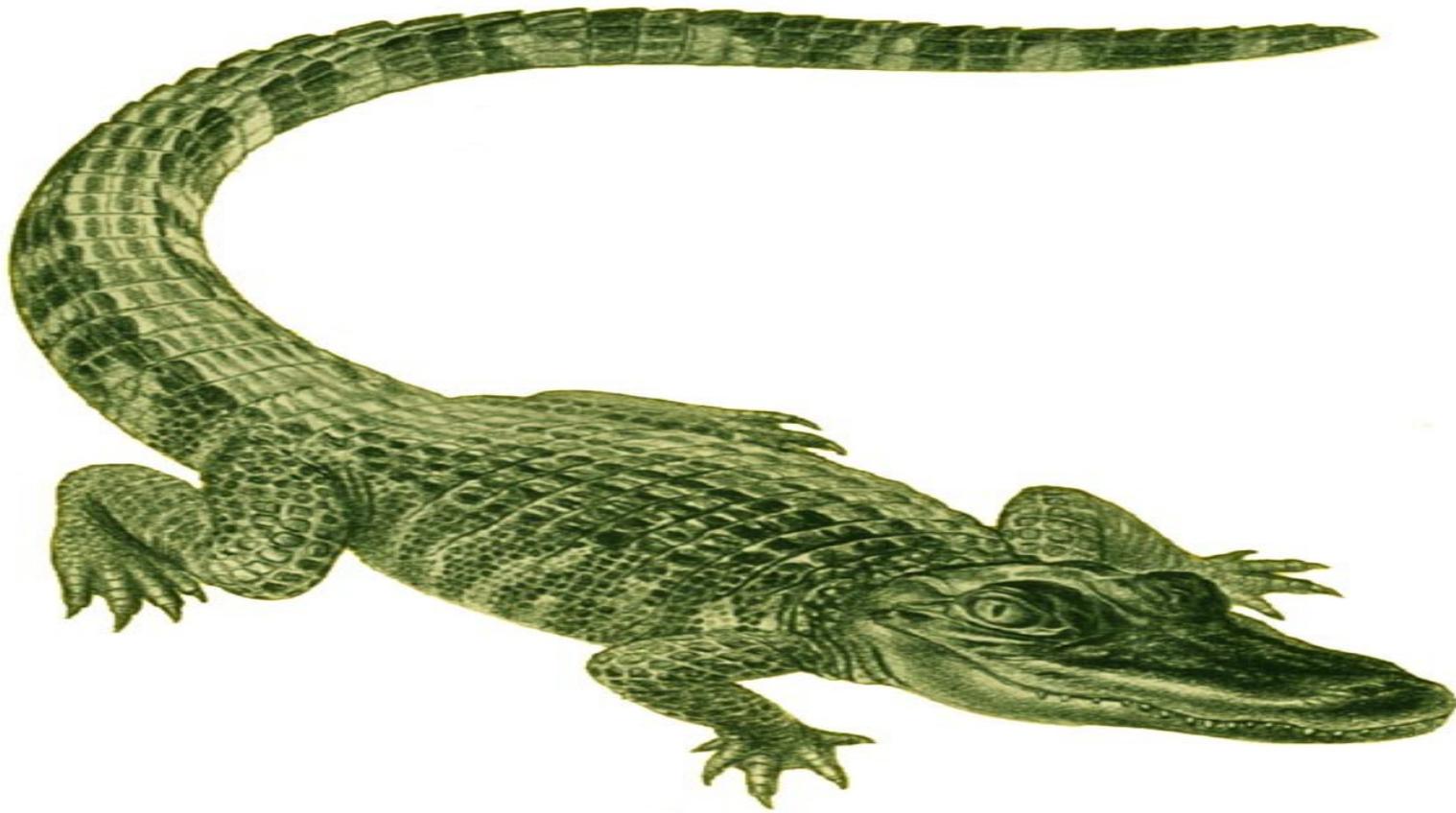
Our Compass and Odds Maker

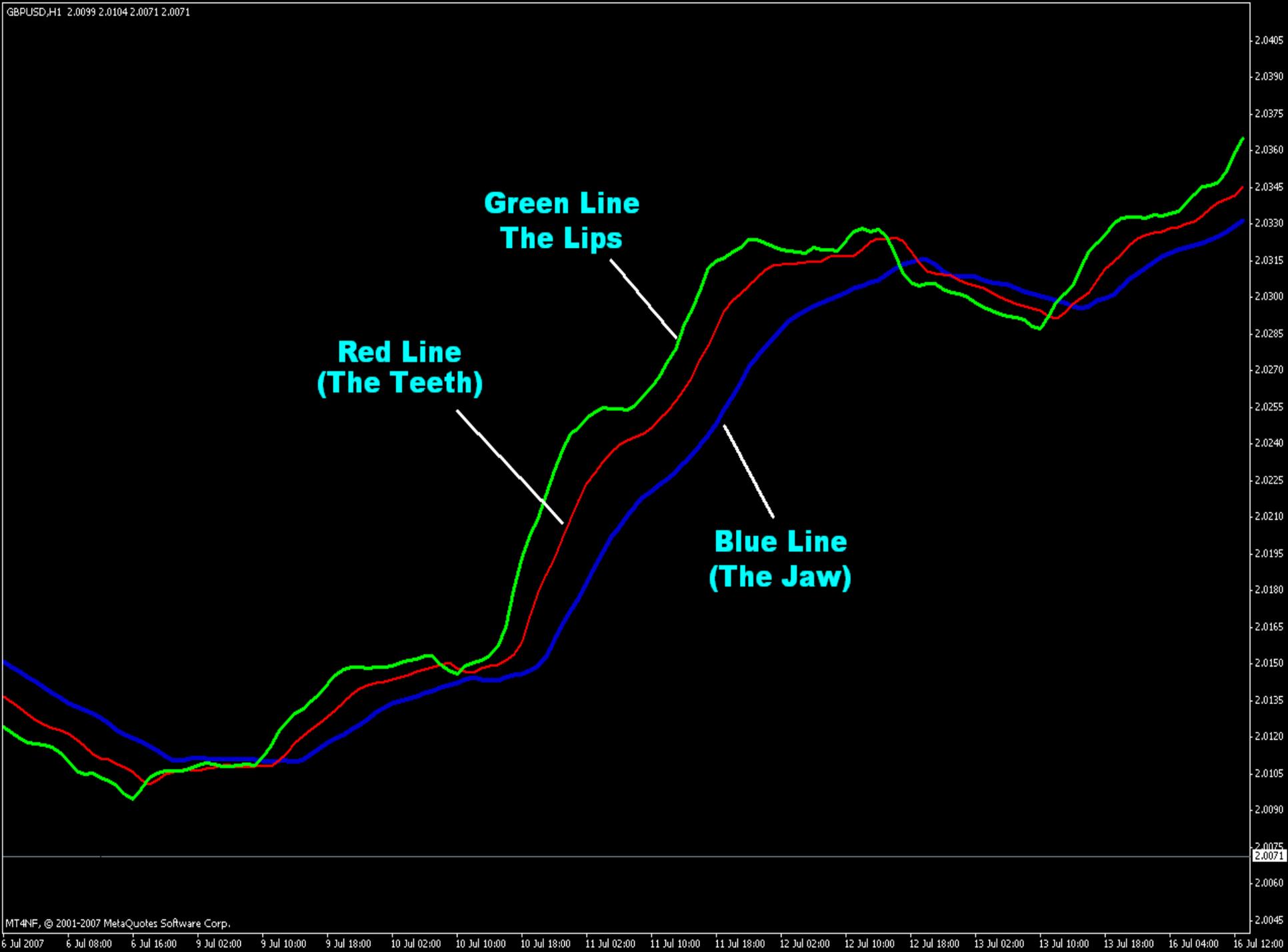
- Serves as a compass to keep us trading in the appropriate direction regardless of which way the immediate price is moving

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...**

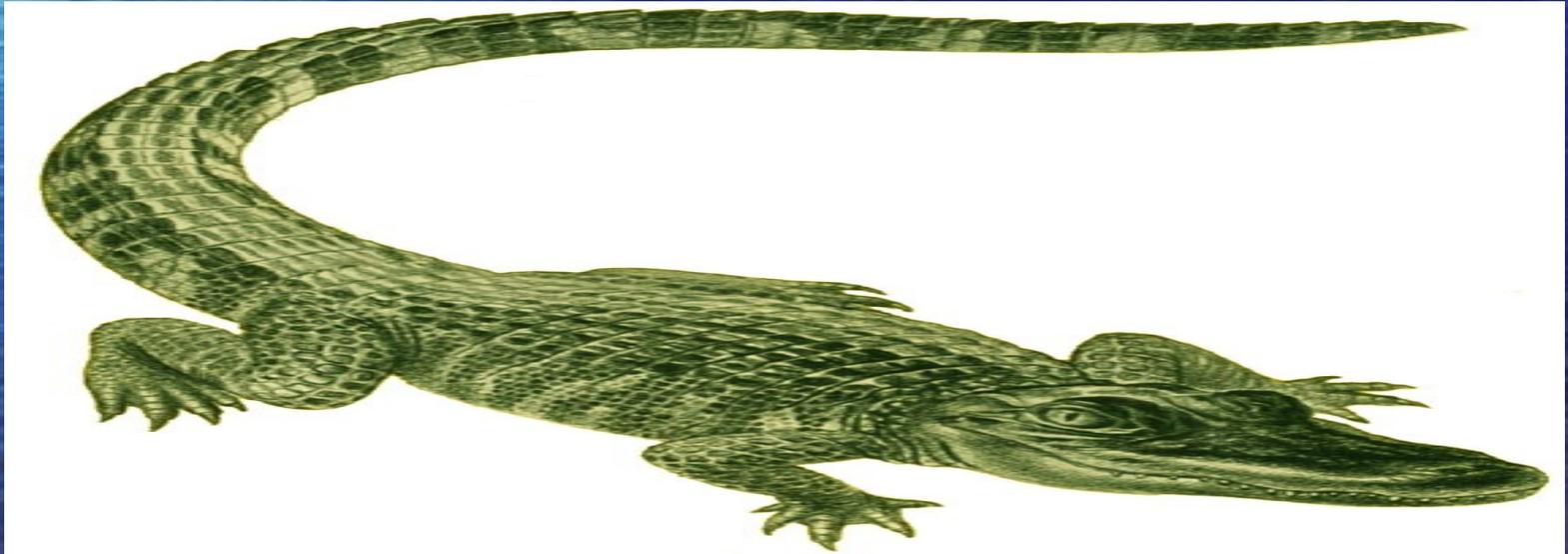
" The Alligator "





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**

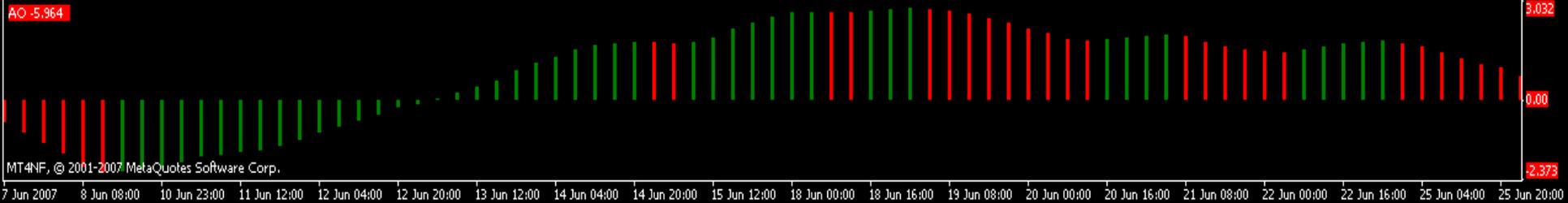
Using the alligator on a Chart

Trending Market – the lines of gator will be open

Corrective/ranging – Gator lines are interwining

The Trending Gator 1

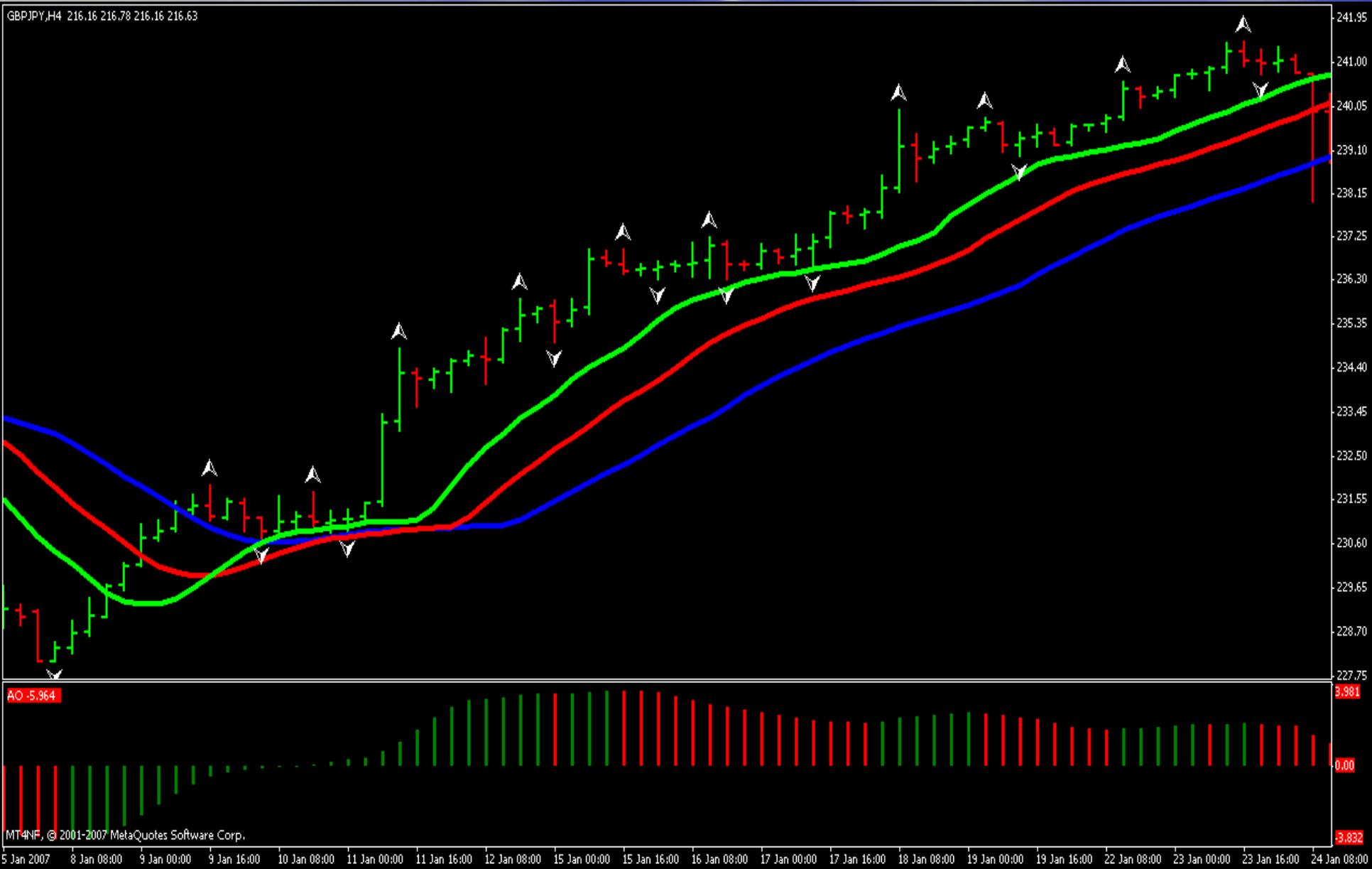
GBPJPY,H4 216.16 216.78 216.16 216.51



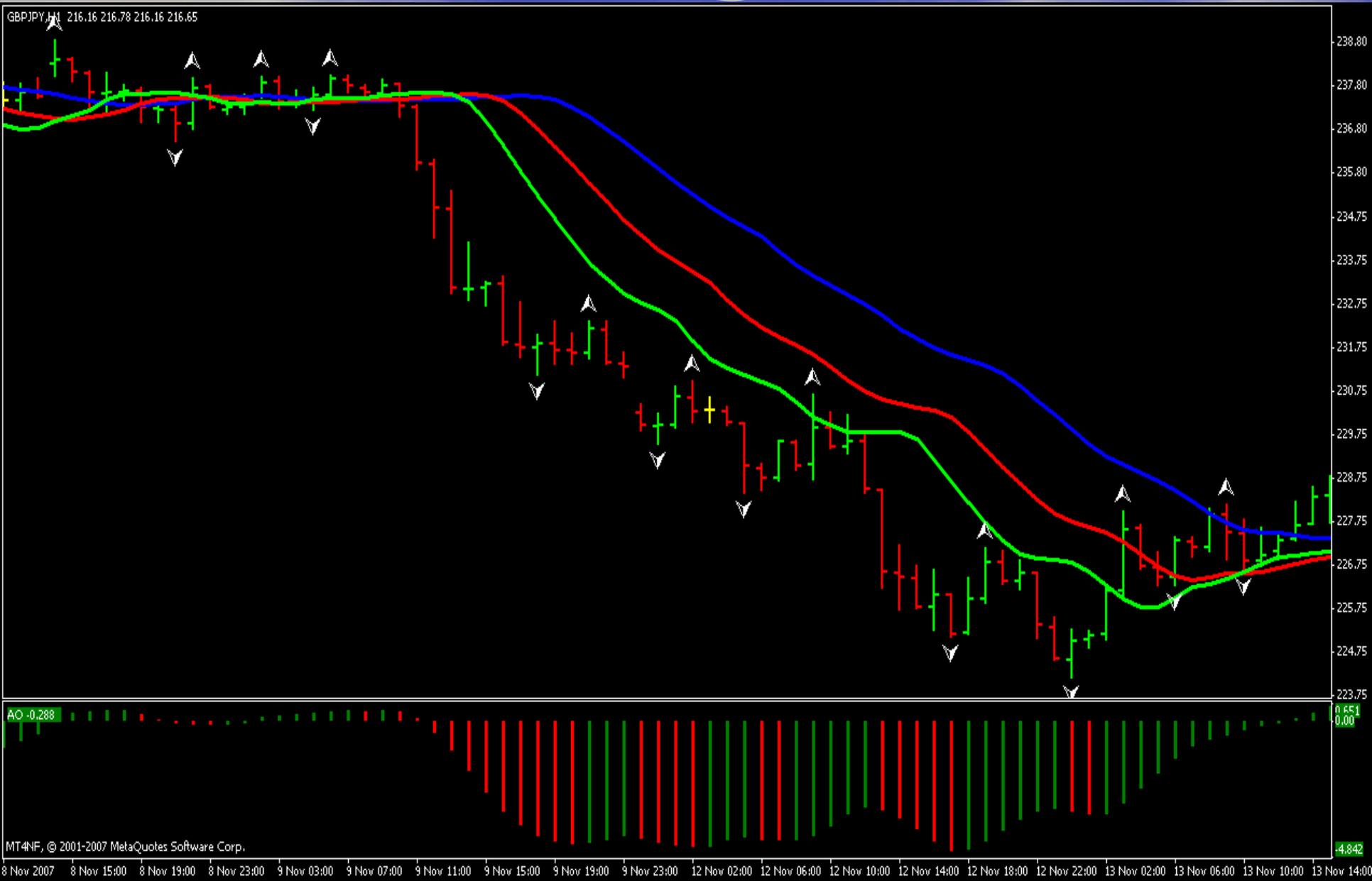
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-2.373

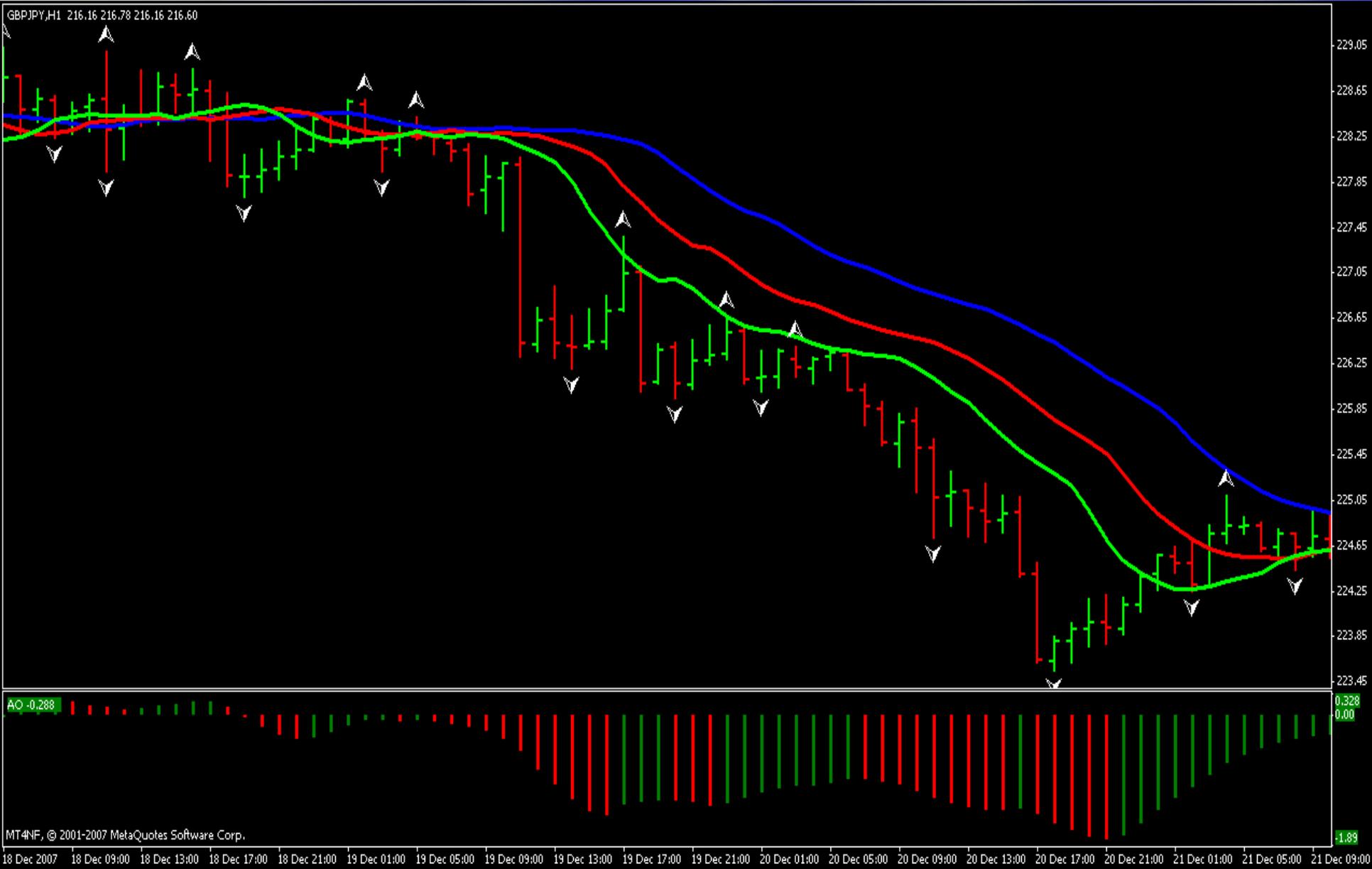
The Trending Gator 2



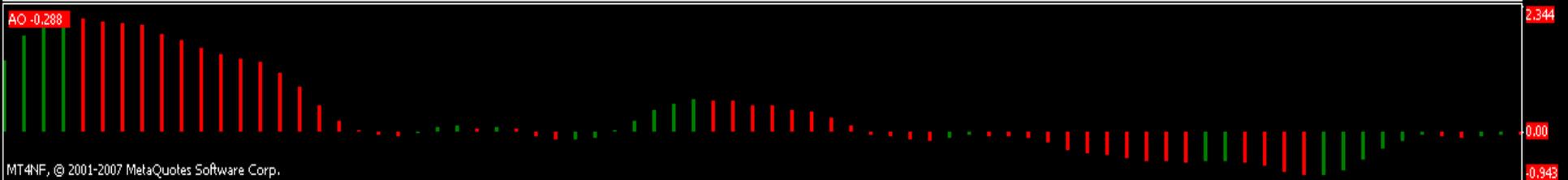
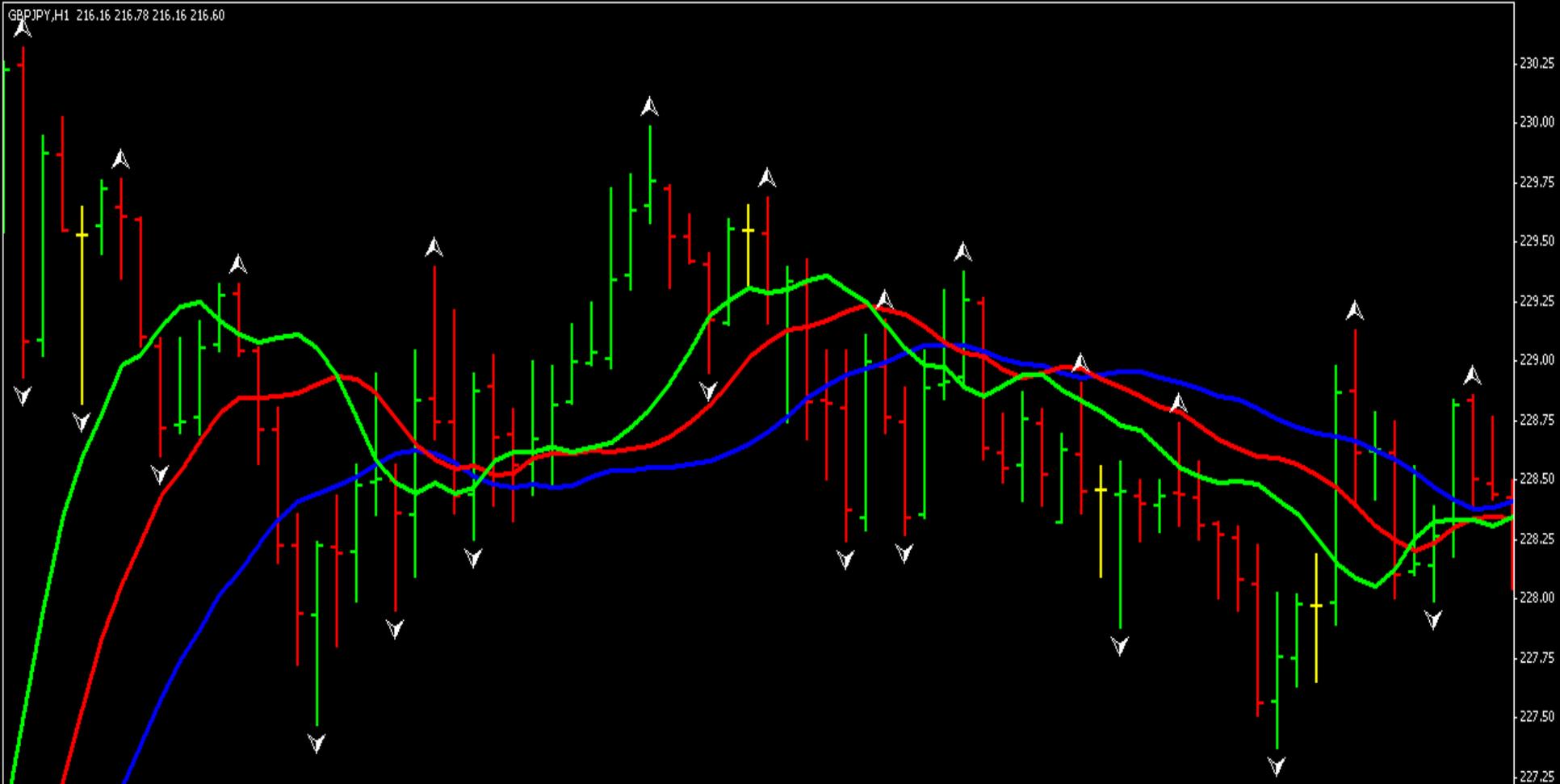
The Trending Gator 3



The Trending Gator 4



Corrective / ranging / non-trending



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?



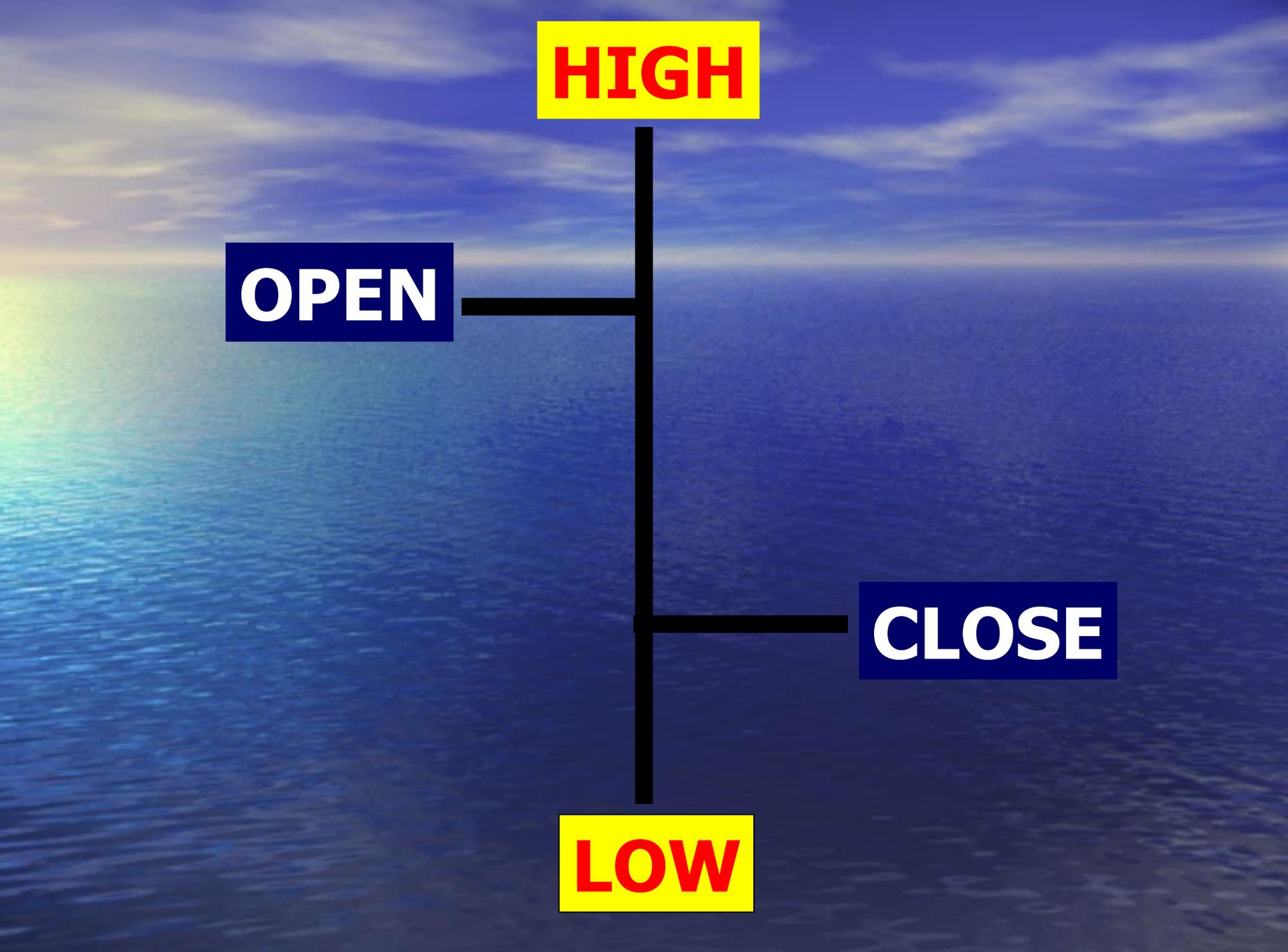
FIRST WISEMAN SIGNAL

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



Lower low

Close in upper half



Lower low

Close in upper half



Lower low

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**

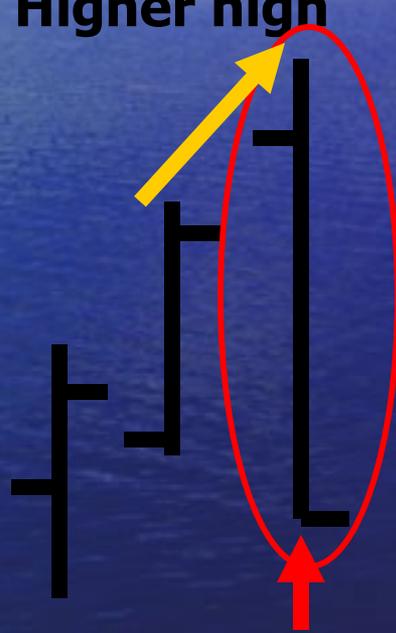
Bearish Divergent Bars

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)

<--59:4



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**

<-- 59:4



ANGULATION RULES

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



ANGULATION RULES

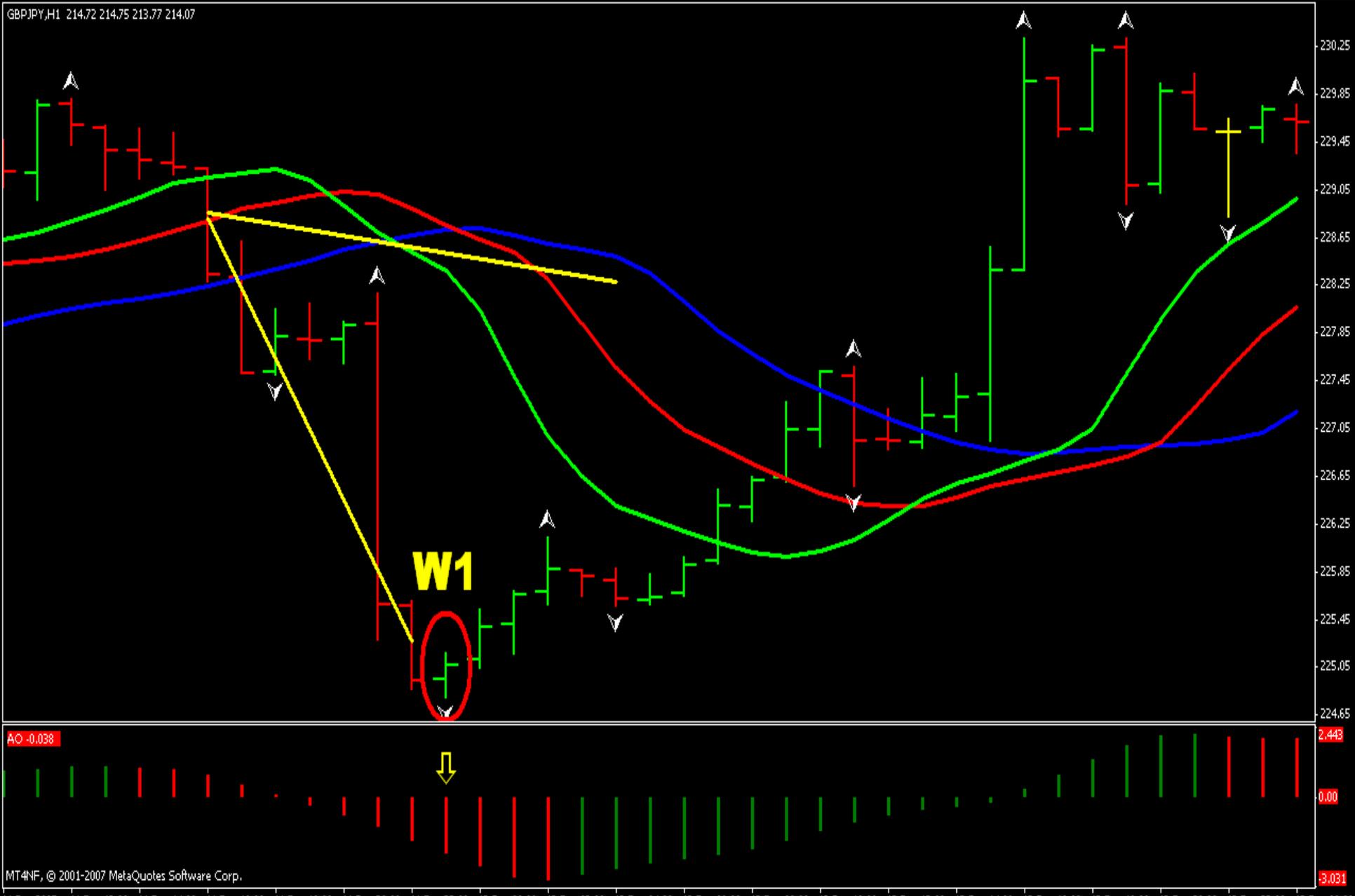
4. If those two lines show clearly that they are moving away from each other, you have angulation



EX: B/D/B WITH ANGULATION & AO



EX: B/D/B WITH ANGULATION & AO



GBPJPY,H1 214.72 214.75 213.77 214.07

W1

AO -0.038

2.443

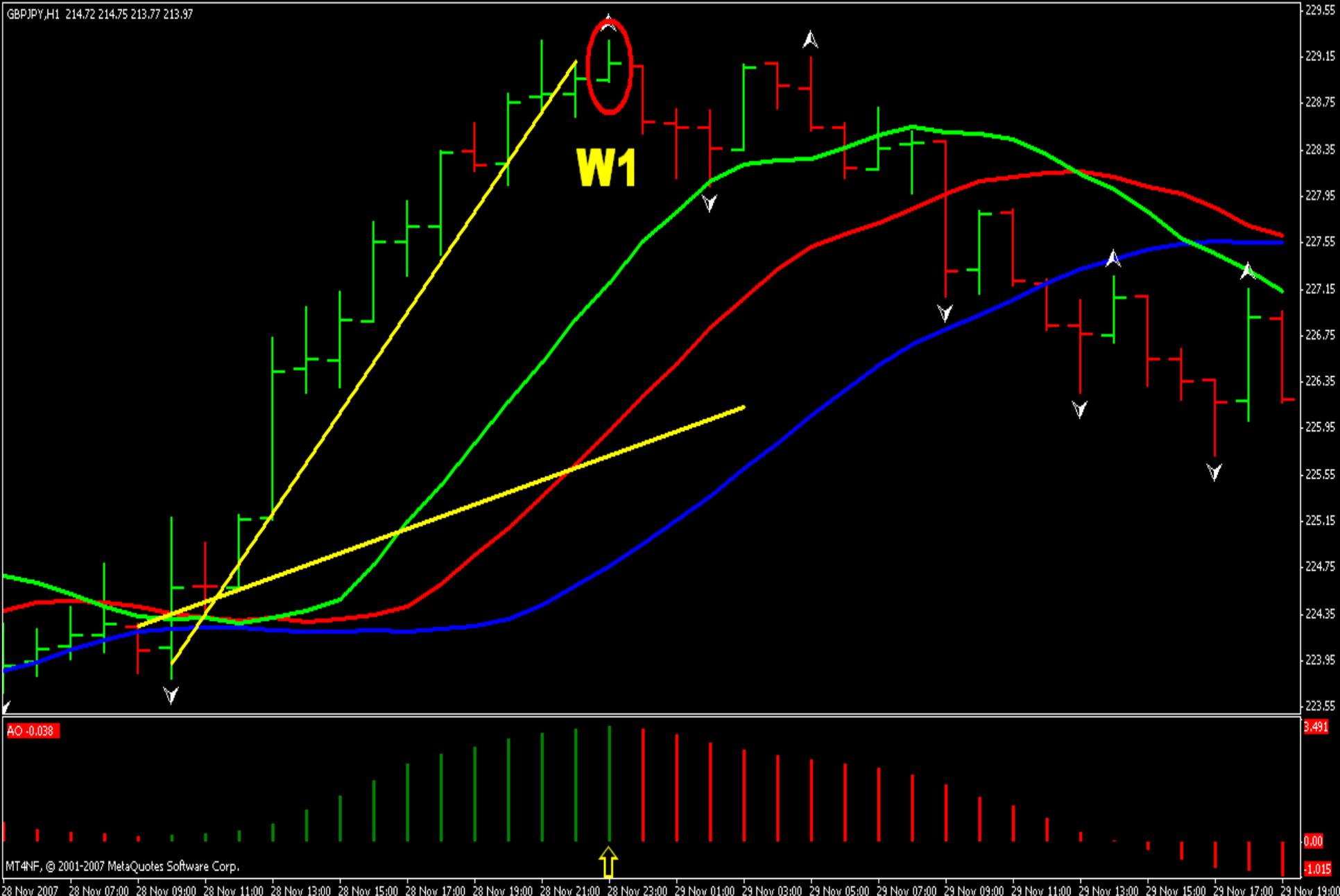
0.00

-3.031

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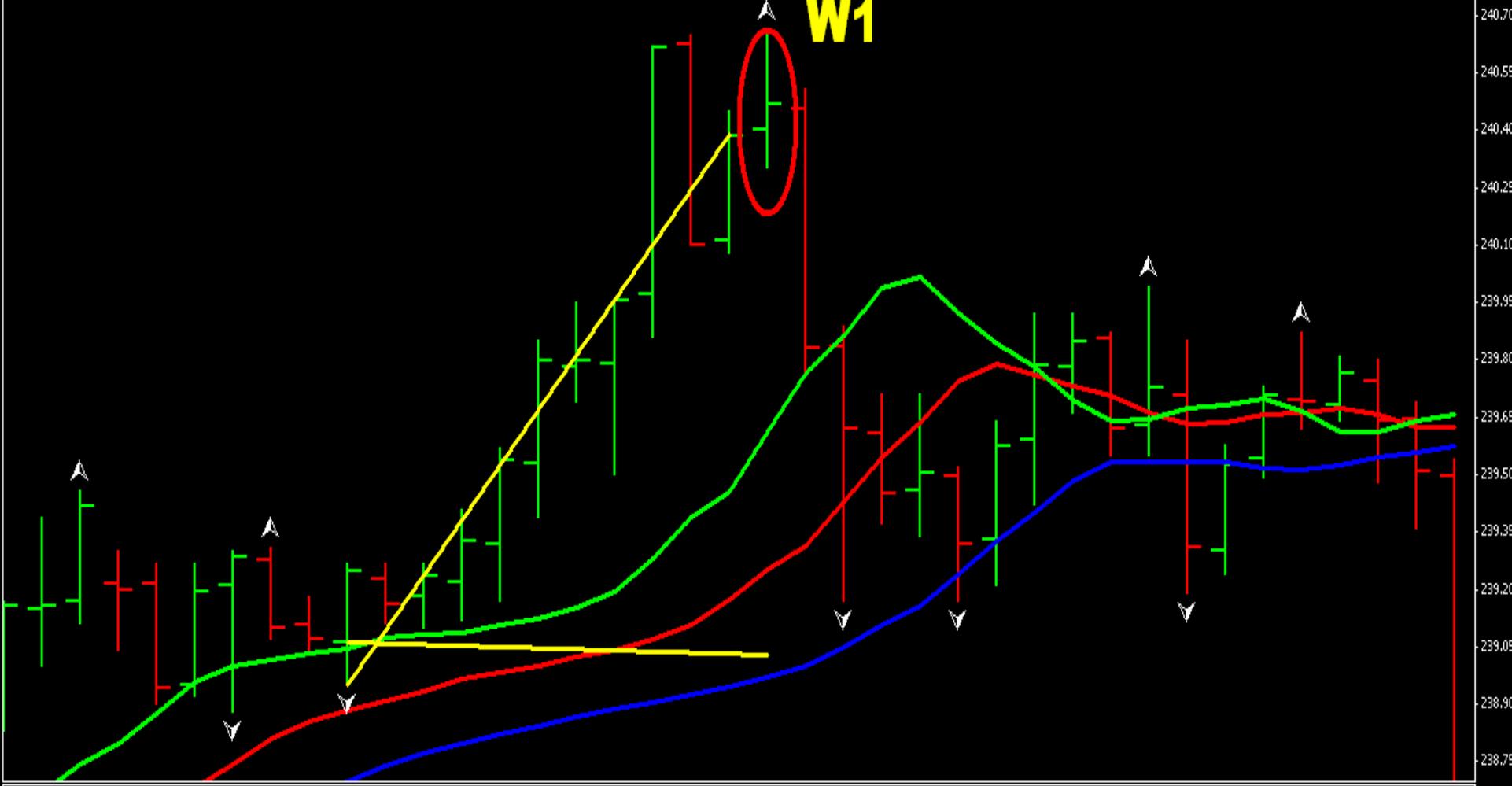
11 Dec 2007 11 Dec 12:00 11 Dec 14:00 11 Dec 16:00 11 Dec 18:00 11 Dec 20:00 11 Dec 22:00 12 Dec 00:00 12 Dec 02:00 12 Dec 04:00 12 Dec 06:00 12 Dec 08:00 12 Dec 10:00 12 Dec 12:00 12 Dec 14:00 12 Dec 16:00 12 Dec 18:00 12 Dec 20:00 12 Dec 22:00 13 Dec 00:00

EX: B/D/B WITH ANGULATION & AO

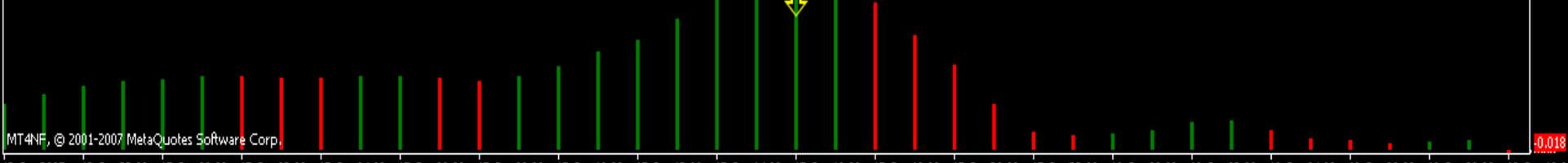


EX: B/D/B WITH ANGULATION & AO

GBPJPY,H1 214.72 214.75 213.77 214.11

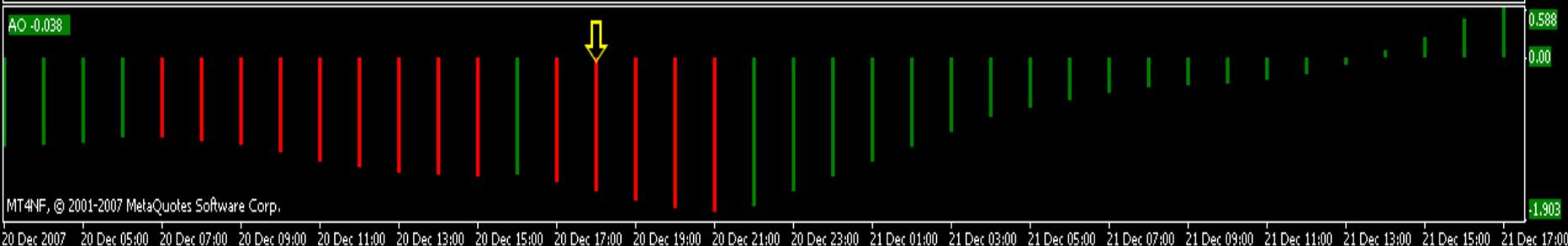


AO -0.038



HOW TO TRADE WISEMAN 1

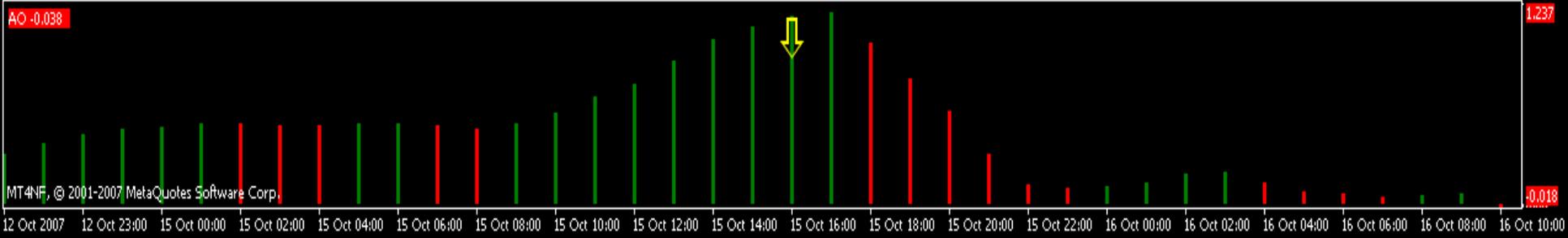
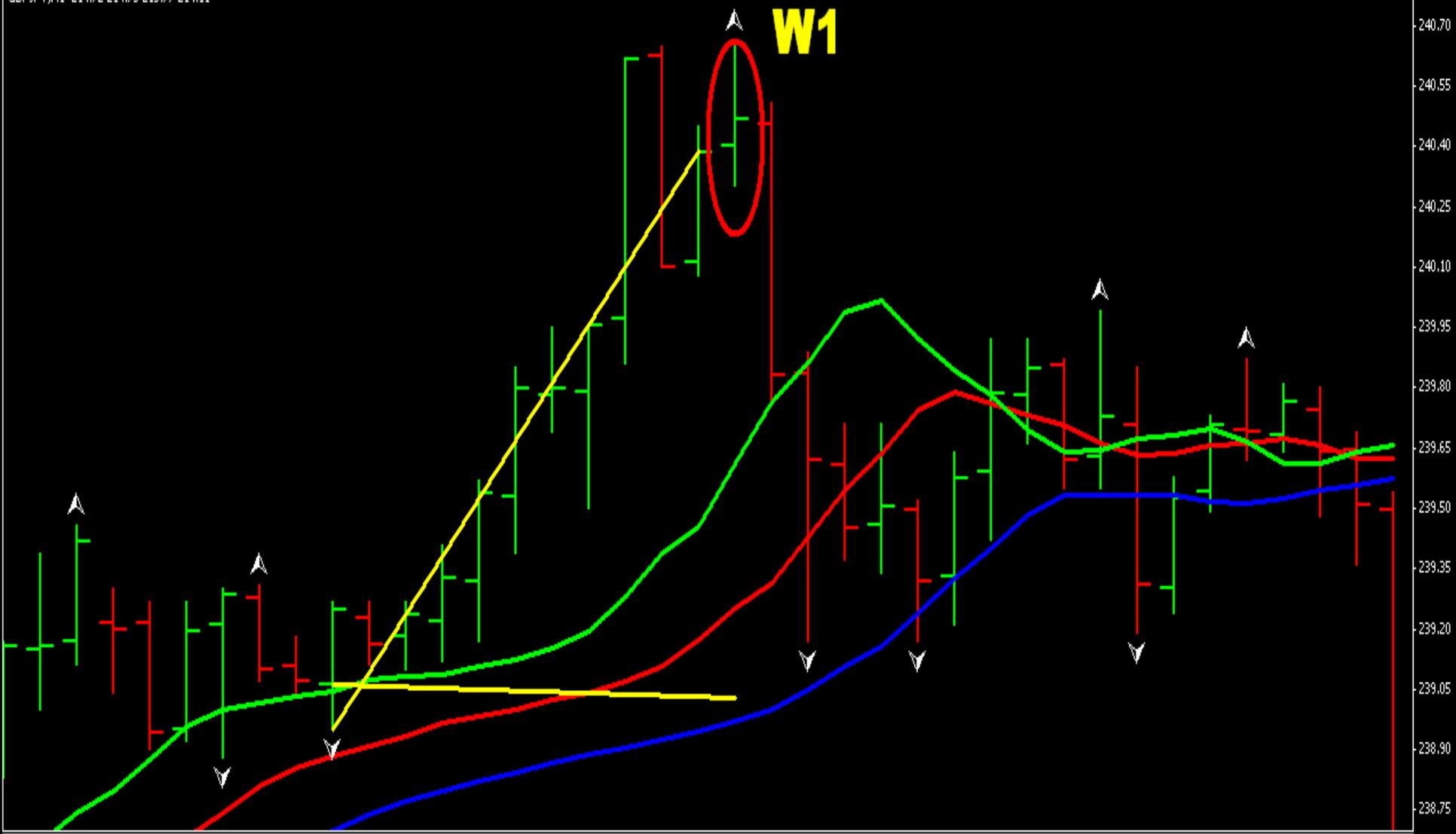
- **BULLISH DIVERGENT BAR**
- **Entry** - place buy stop 1 tick above the high price + spread
- **S.Loss** -1 tick below the low price



HOW TO TRADE WISEMAN 1

BEARISH DIVERGENT BAR

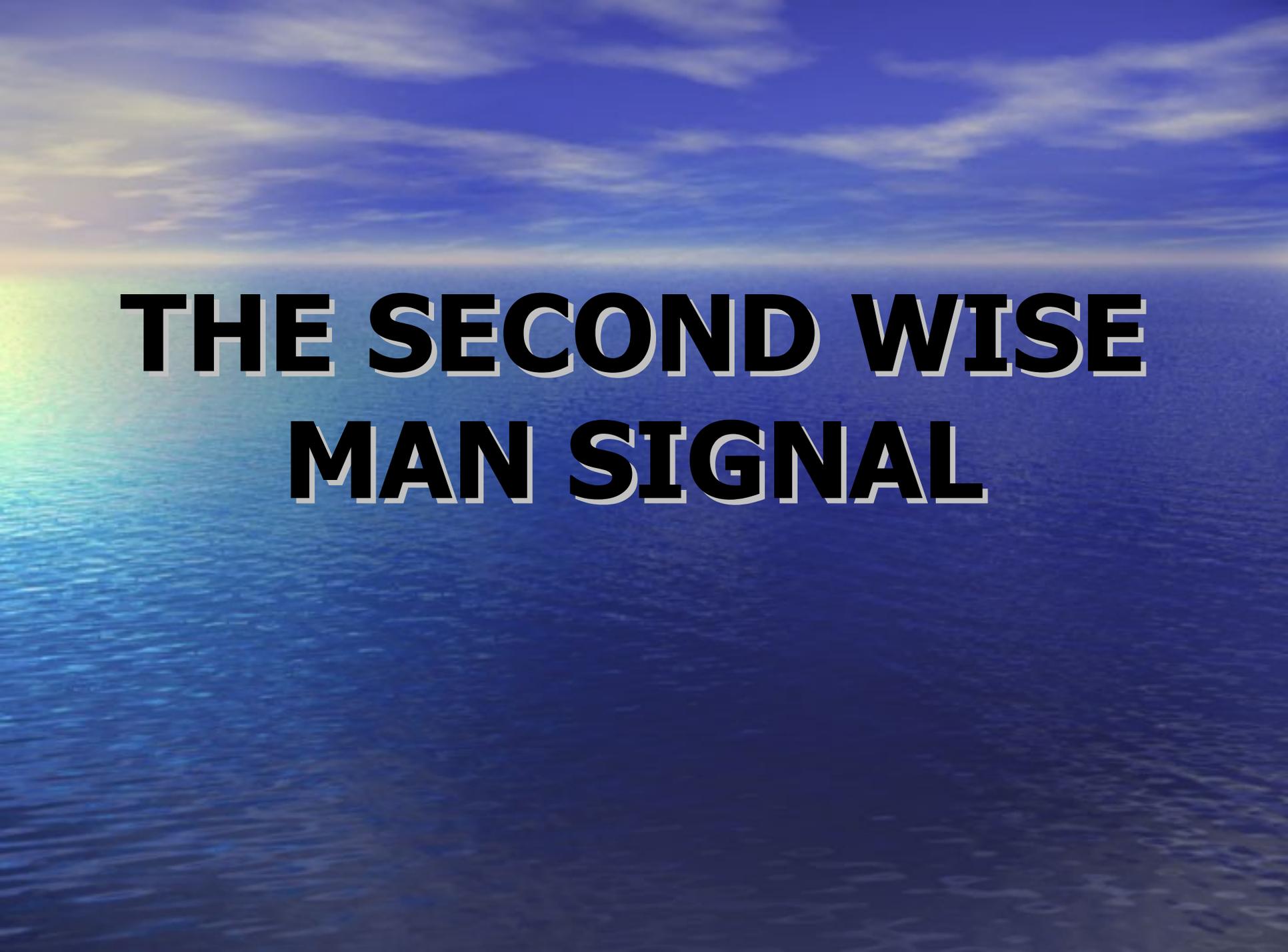
- **Entry** - place sell stop 1 tick below the low price
- **S.Loss** – 1 tick above the high price + spread



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 ?

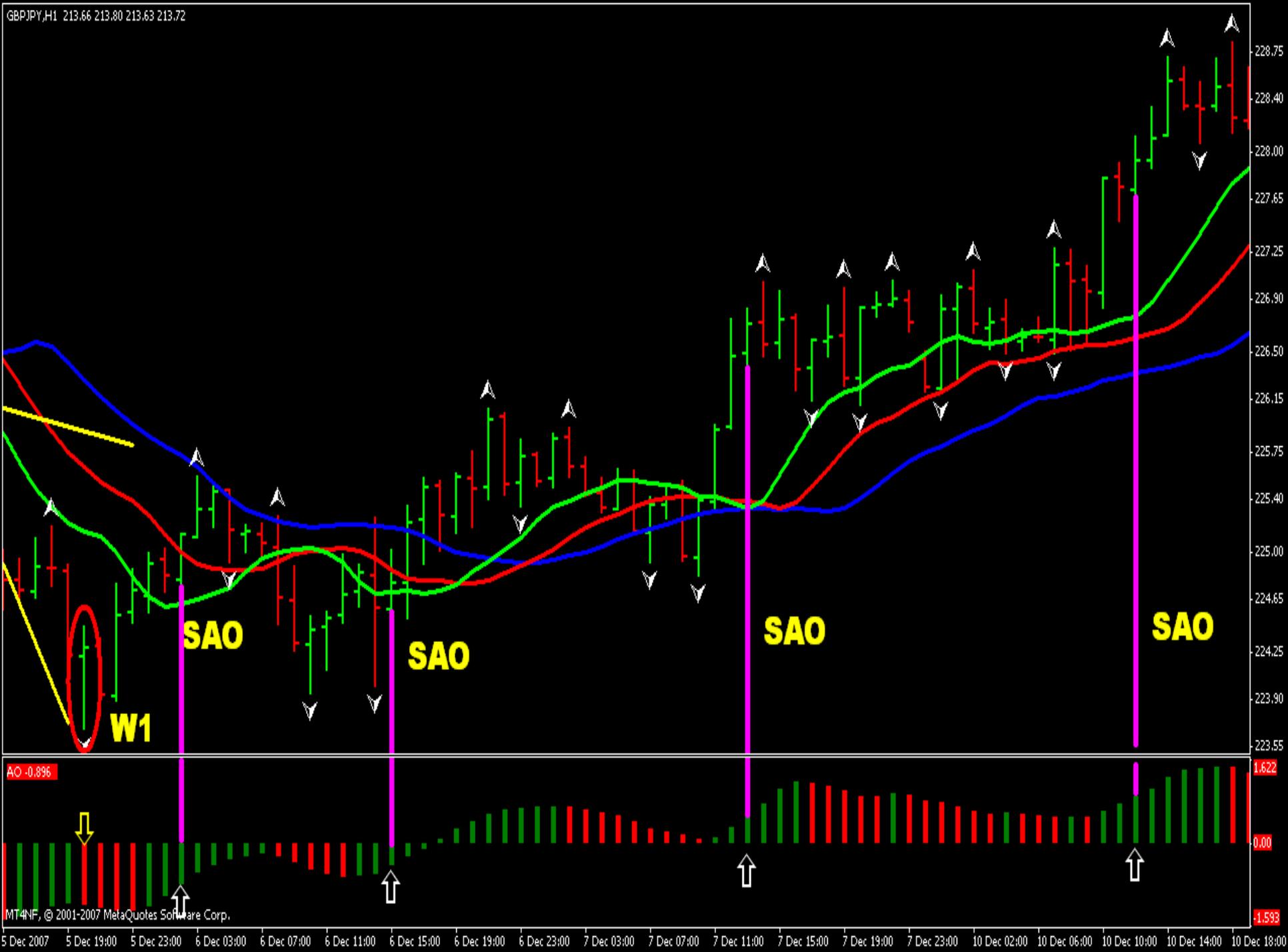
- **Help to identify immediate trend:**
- **AO above 0 = UPTREND**
- **AO below 0 = DOWNTREND**



Awesome Oscillator

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**



SAO

SAO

SAO

SAO

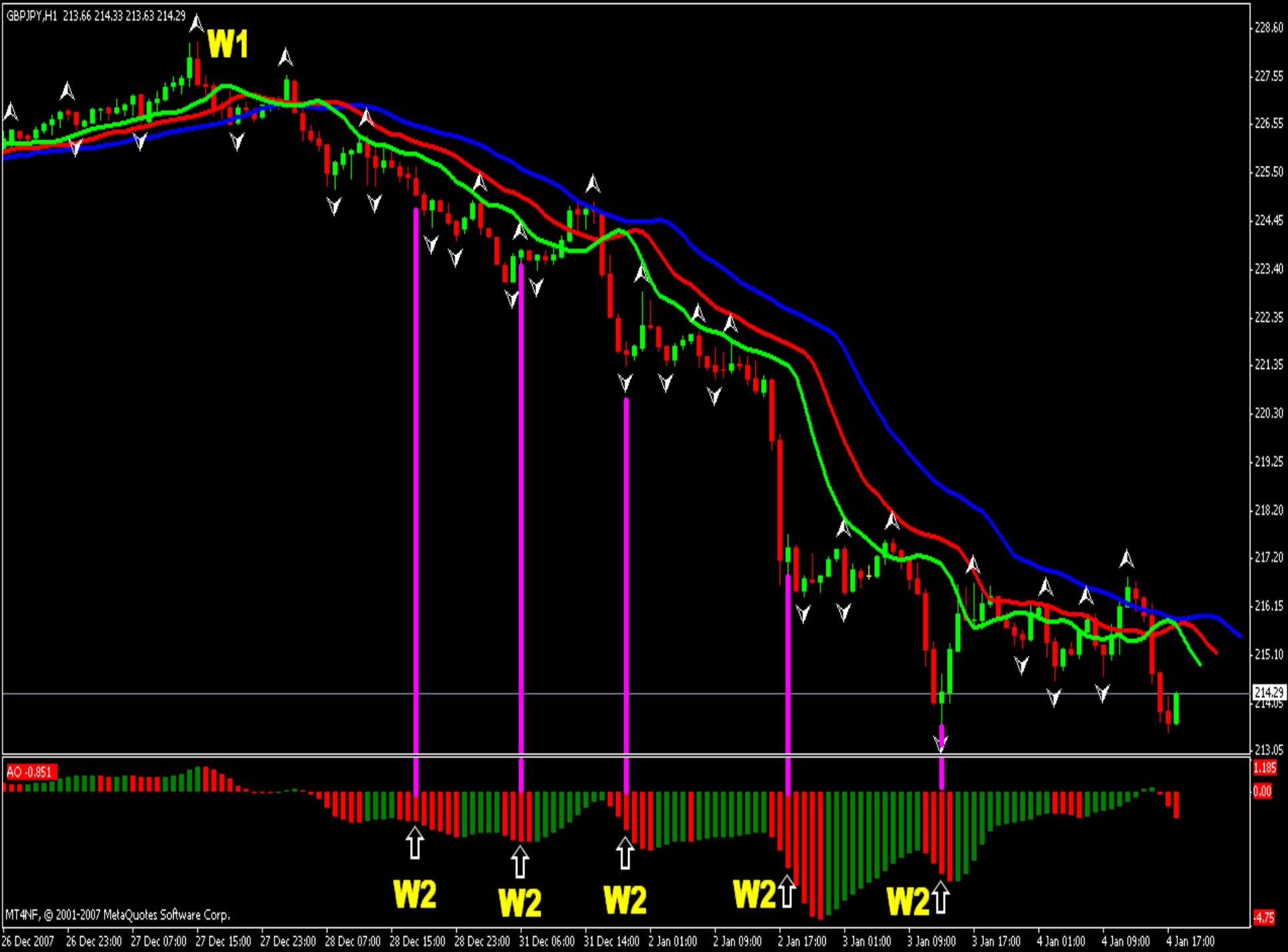
W1

AO: -0.896

1.622

0.00

-1.593



MORE SIMPLE TO TRADE

**W2 just checking A0 3
times!**



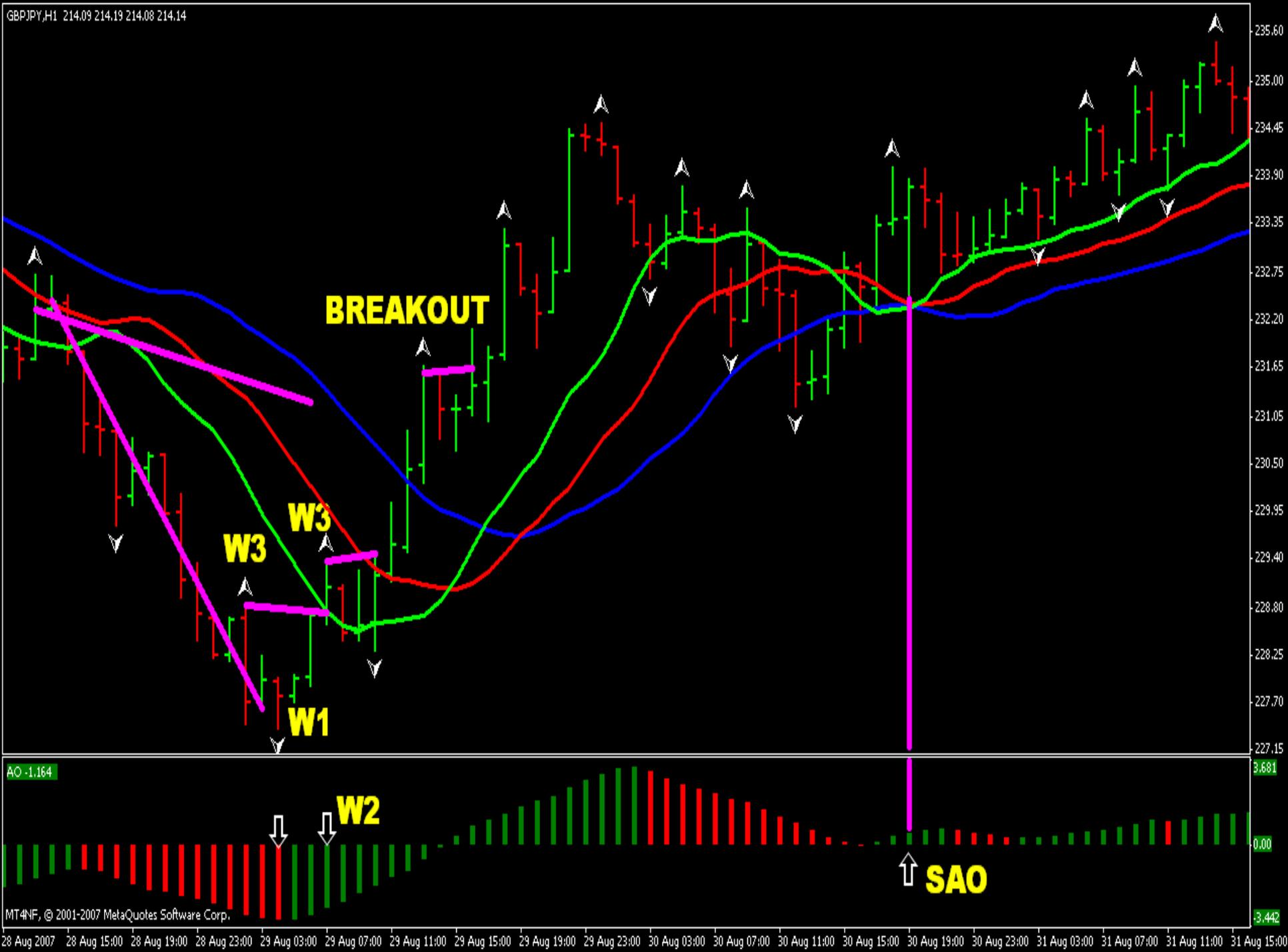
**THE THIRD
WISEMAN SIGNAL**

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**



BREAKOUT

W3

W3

W1

W2

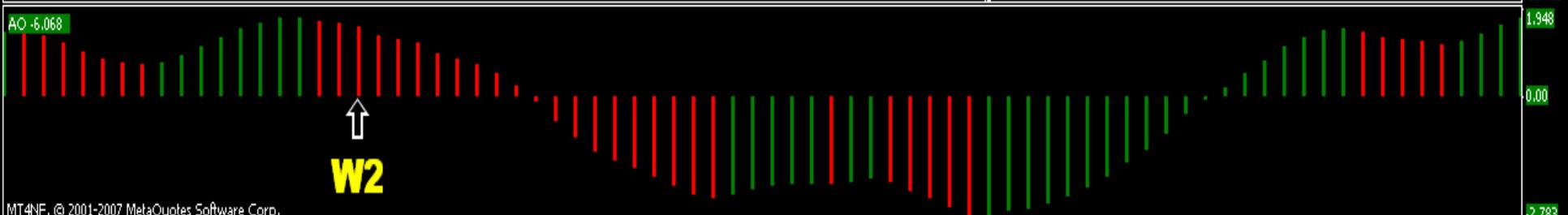
SAO

AO -1.164

3.681

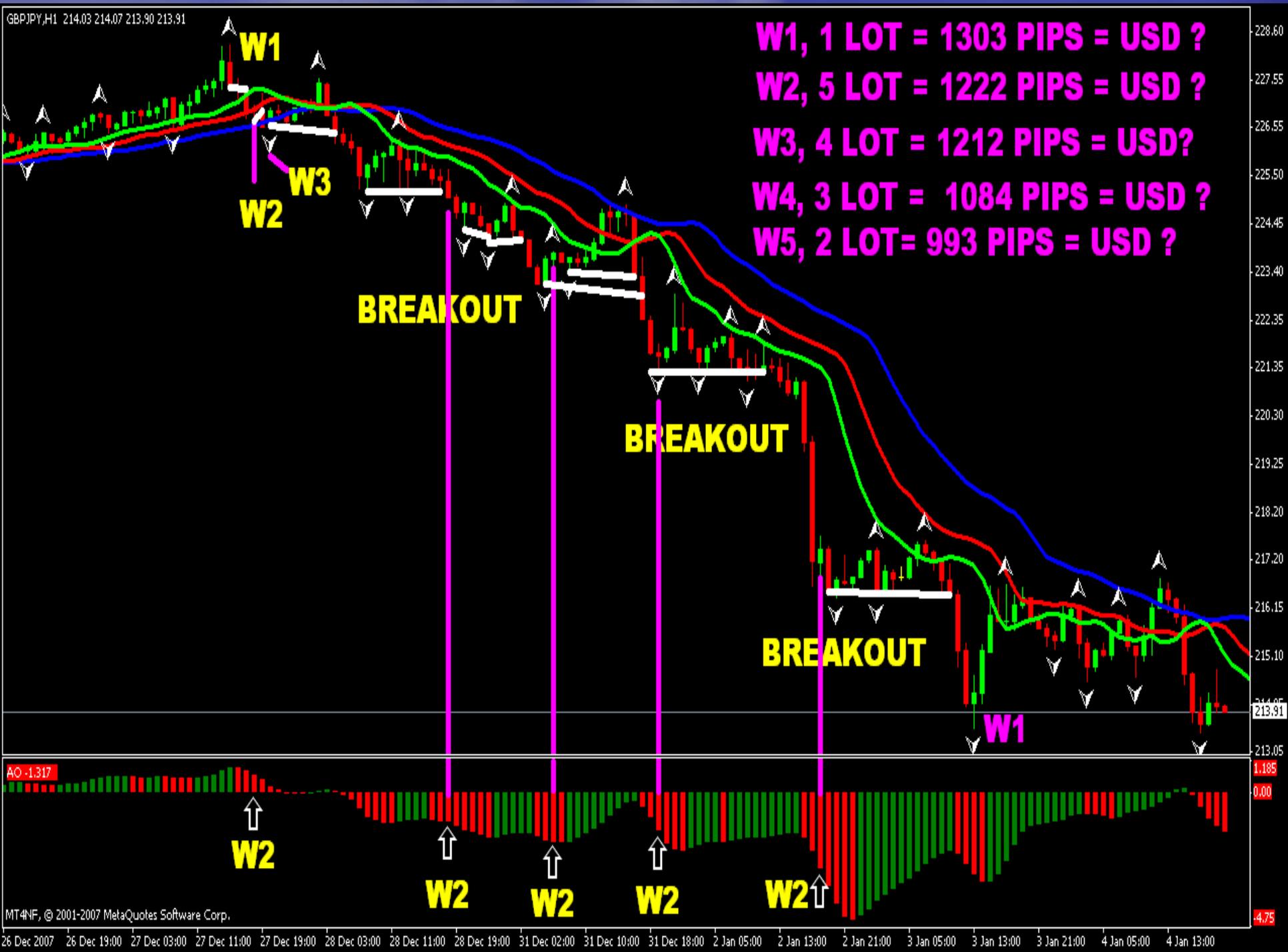
0.00

-3.442



- **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?**



W1, 1 LOT = 1303 PIPS = USD ?
W2, 5 LOT = 1222 PIPS = USD ?
W3, 4 LOT = 1212 PIPS = USD ?
W4, 3 LOT = 1084 PIPS = USD ?
W5, 2 LOT = 993 PIPS = USD ?

BREAKOUT

BREAKOUT

BREAKOUT

W1

W1

W2

W3

W2

W2

W2

W2

W2

AO -1.317

213.31

1.185

0.00

4.75

**LASTYLY GUYS,
TRADING IS SIMPLE,
SO**

JUST MAKE IT SIMPLE

K! 😊