

# The 5 Star Trade

ORSF Live Coaching Session 10/29/2013

by

MarketGauge.com

# The “5-Star Trade”

- Five Key Characteristics
- Daily “technical catalyst” (set-up)
- Volume
- Rock Solid Risk Levels
- Targets Easily Achieved
- Good Intra-Day Set-Up
- Supportive General Market

# Daily Technical Catalyst

- Daily set up
  - Slingshot patterns
  - Pull pack to 10-day in the direction of the phases
  - Pivot Stack aligned with the trend
- Near major support/ resistance to be uses as infection point breakout or low risk reversal
- Big picture pattern – weekly or monthly
- News driven market action

# Volume

- Massive volume
  - Daily or intra-day
  - Preferably has defined a high or low of a move (intra-day or daily)
  - Preferably created a price pattern (i.e. breakout, key reversal)

# Rock Solid Risk Levels

Include multiple time frames

- Trading risk levels (35% of ATR) encompasses...
- Intra-day key reference points
  - O.R.
  - HOD, LOD
  - Big volume bars
  - VWAP
- Daily
  - Multi-day support or resistance
  - Prior day range
  - Trader pivots
  - 10, 50, 200-day MA

# Targets Easily Achieved

- Few key reference points or chart points between entry and target
- Patterns
  - Breakouts
  - Vacuums
  - Gaps

# Good Intra-Day Set-Up

- What's good?
  - Risk
  - Location
  - O.R. Qualities / Pattern
  - Other factors mentioned here

# Supportive General Market

- Positive pivots
- Over the 10-day MA
- Positive phase (not extended)
- Daily set up (i.e. inside day, 3-day pull back)
- 3 or more of the DIA, SPY, QQQ, & IWM acting the same way.

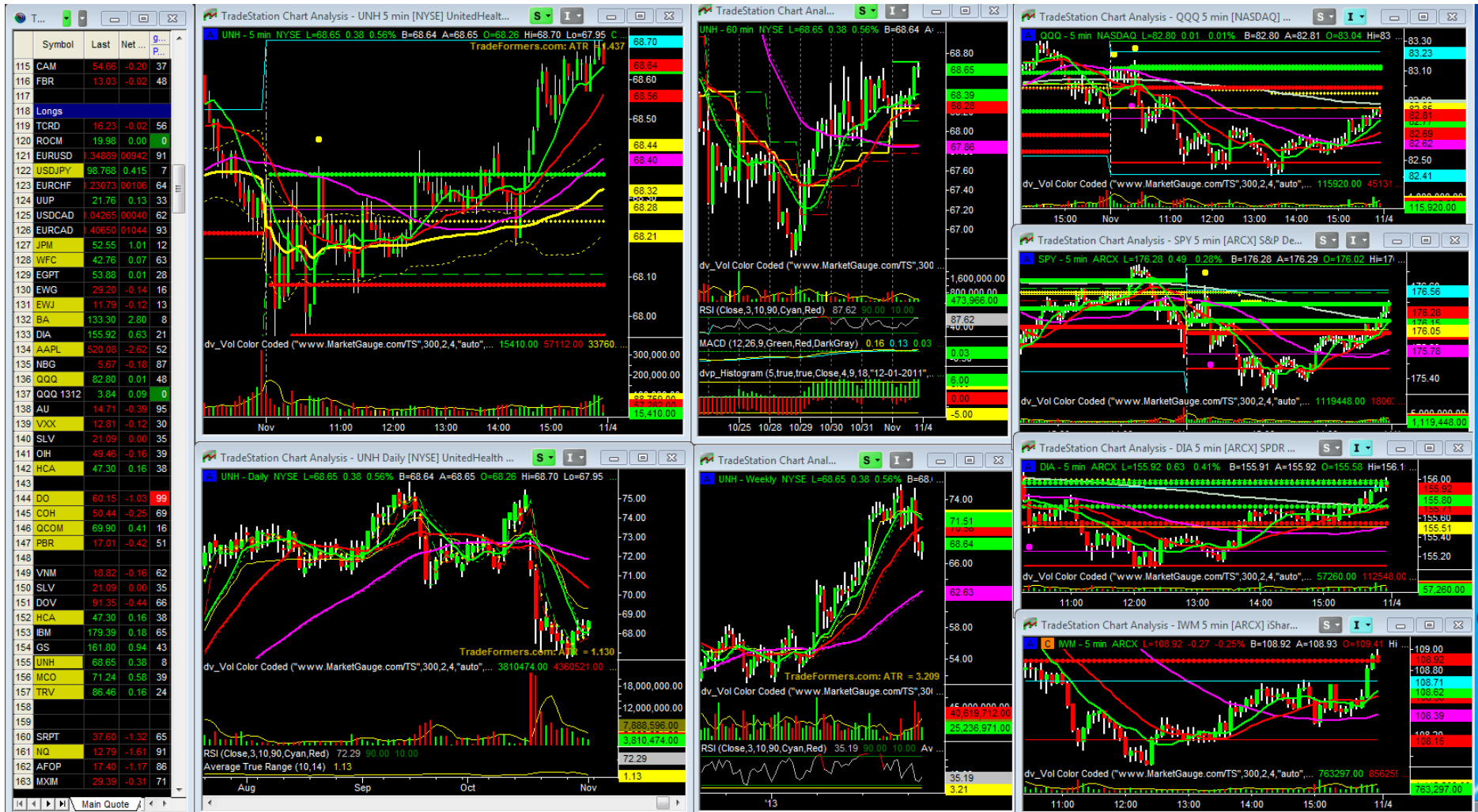


# Suggested Screen Layouts

- Main Screen - enables a quick view of your list and a stocks performance relative to the markets
  - Quote list
  - 3 to 4 time frames of on symbol
    - 5-min, 60-min, daily, weekly
  - The 4 “market watch” charts (SPY, DIA, QQQ, IWM)
- 2 Market Watch Screens – all four market watch charts in the same time frame
  - Normal candle view
  - A closing price with pivot lines on intra-day charts

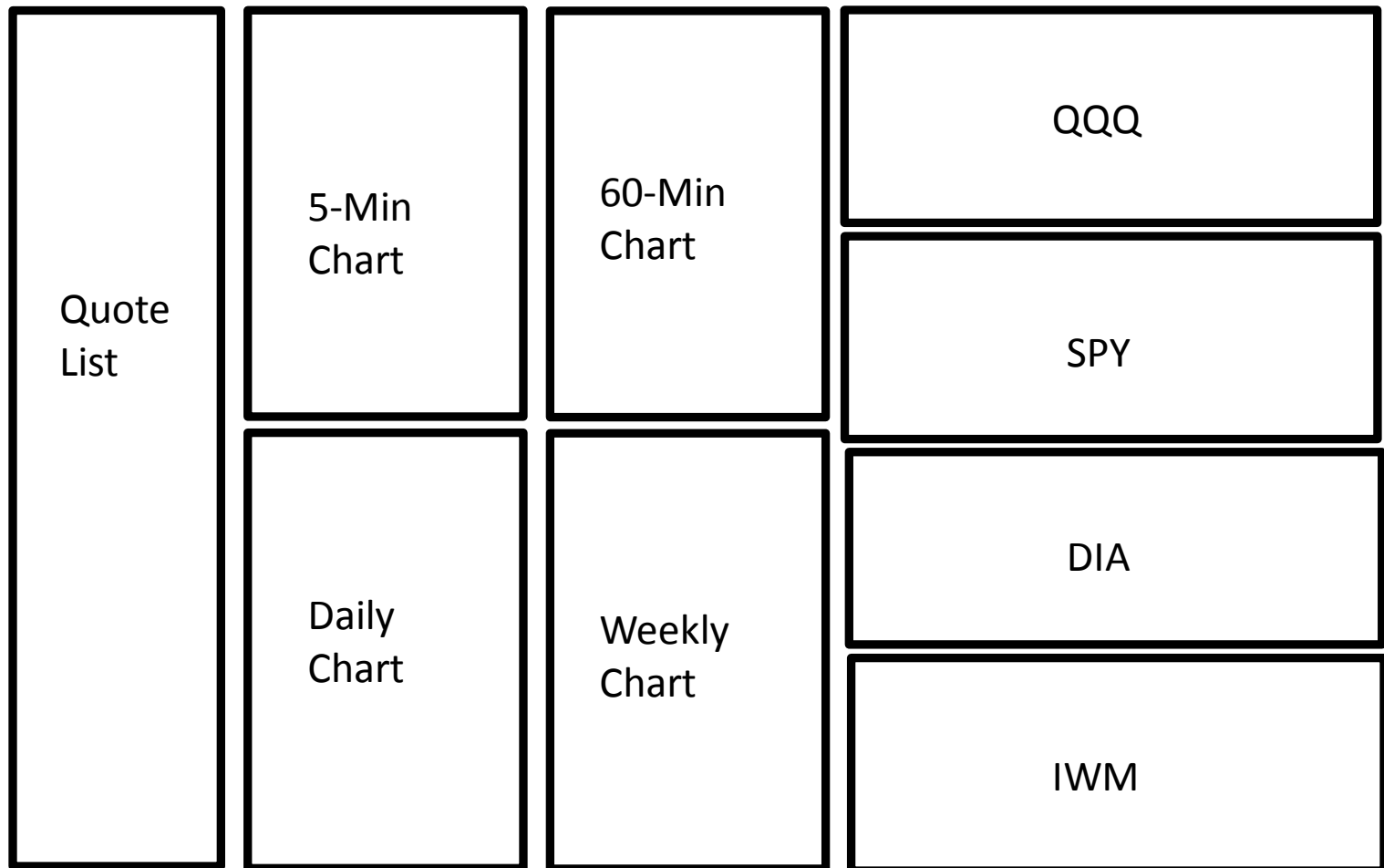
# Example Of My "Main Screen"

(see description on next page)



# Example Of My “Main Screen”

(see image on prior page)



# Market Watch

(SPY, DIA, QQQ, IWM all in the same time frame)



# Market Watch Pivot View

5-min price (yellow) with floor trader pivot, and O.R.

