

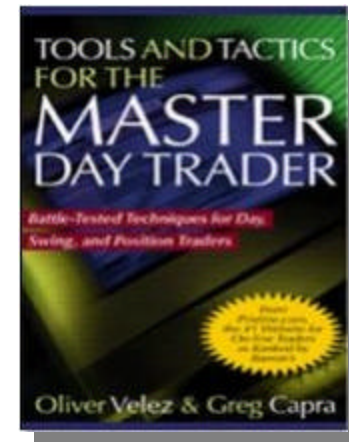


Pristine.com Presents

Intra-Day Trading Techniques



With
Greg Capra



Co-Founder of Pristine.com, and Co-Author of the best selling book, Tools and Tactics for the Master Day Trader

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Introduction

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Market Timing

Putting It Together

Combining Foundation and
Key Concepts for Mastering
Intra-day Trading



Introduction

Introduction

Types of Trading

Four Styles of Trading: Core; Swing; Guerrilla; Day

Which fall into....

Two Broad Trading Categories: Wealth; Income



Two Broad Trading Categories

Wealth Trading Styles

Core Trading

- Weekly Charts
- Weeks to Months

Swing Trading

- Daily Charts
- Days to Weeks

Income Trading Styles

Guerrilla Trading™

- Daily, 60 Min. & 30 Min.
- Hours to Days

Day Trading

- 5, 15 & 60-Min.
- Minutes to Hours



Intra-day Trading Defined

What is Intra-day Trading?

- 1) A style that covers a holding period of several minutes to hours.
- 2) Three forms of Intra-day Trading: Scalping Momentum Day
- 3) This style of trading has become widely accepted recently.
- 4) Day Traders use 5- & 15-Min. charts to make entries and exits.
- 5) Day Trading is best used on active, highly liquid stocks.
- 6) Day Traders try to capture smaller gains with minimal dollar risk.
- 7) Day Trading is a style of trading that May not be suitable for ALL!!

Psychological Trading Requirements

Confidence

Patience

Discipline

HOW

Subjective analysis must be reduced or eliminated.

A systematic objective Method of interpretation is needed.

*This builds a thought process which builds **Confidence**.*

Patience

Discipline

Becomes Your Job!



The Building Blocks

Foundation



Intra-day Trading Tools

Tools of the Pristine Day Trader

Charting Tools: *5-, 15- & 60-Min. Intra-day charts displayed in Candlestick form. Color coded volume.*

Technical Tools: *20- & 200-period 'simple' moving averages.*

A Price Pattern: *The Pristine Buy & Sell Setup.*

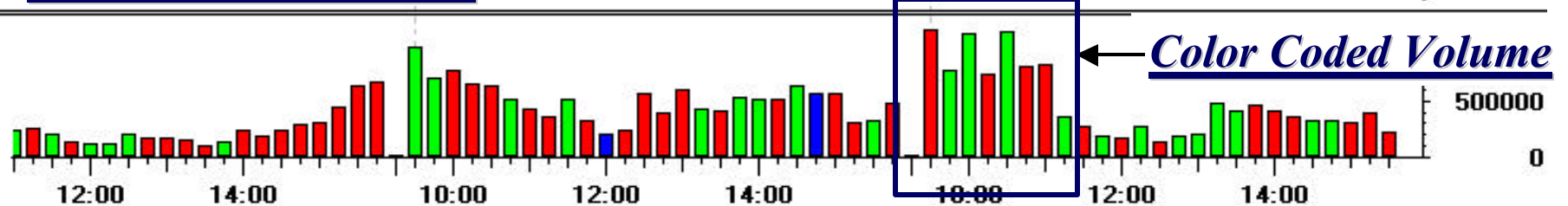
Intra-day Charting

Intraday (Right) KLAC - KLA-TENCOR CORP (15-Min)
9/05

Bar Volume MA (P=200) MA (P=20)
9/06

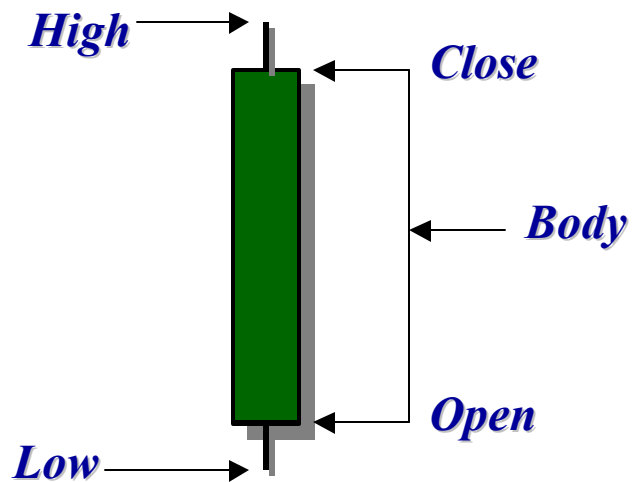


The 15-MIN. Chart

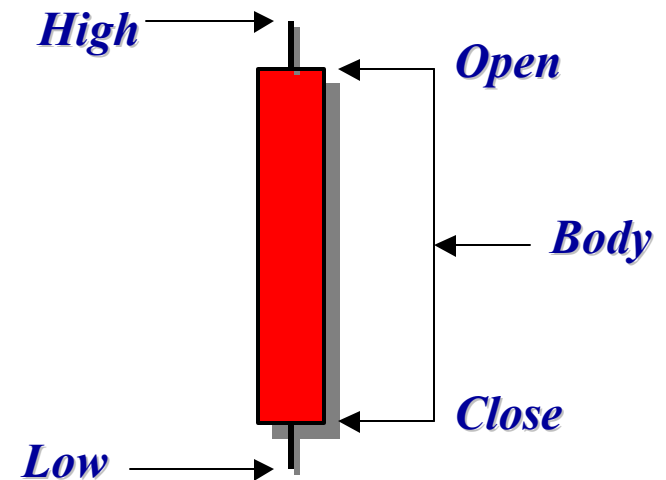


The Battle between Bulls and Bears

Determining Who Won The Battle



Bulls Win



Bears Win

Six Candle Concepts

● *Changing of the Guard™ - COG*

● *Wide Range Body - WRB*

● *Narrow Range Body – NR*

● *Narrowing Range Bodies - NRB*

● *Topping Tail - TT*

● *Bottoming Tail - BT*

All give traders the Same Message.

The probability of the current trend changing is increasing.

A high probability opportunity may exist to trade.

The Pristine Buy and Sell Setup

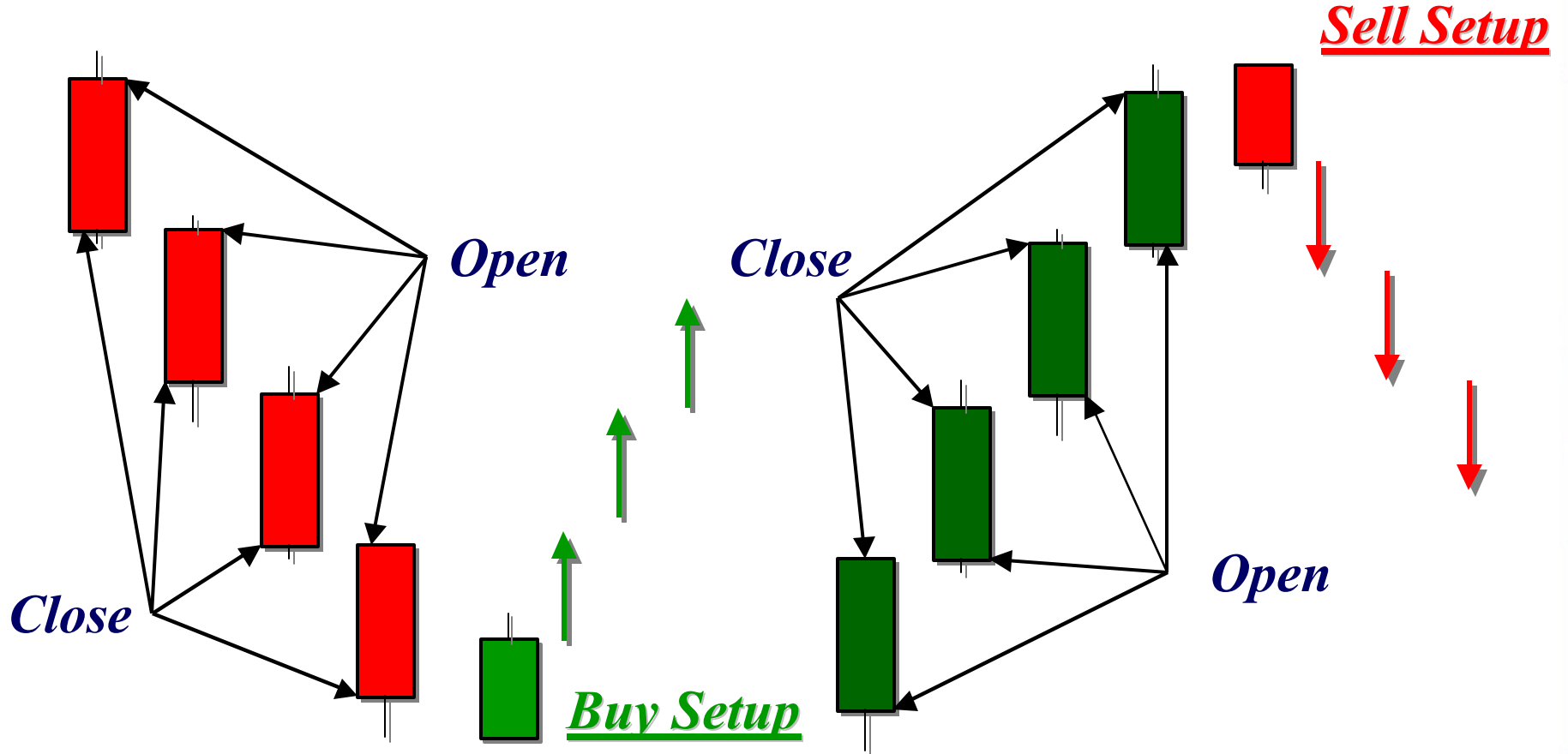
Pristine Buy & Sell Setup Facts:

- *The setup can be traded in all time frames.*
- *It is a set of bars that occurs in a detailed formation.*
- *This combination of bars is a segment or smaller part of the overall pattern.*
- *It offers high probability with low risk.*

The Pristine Buy and Sell Setup

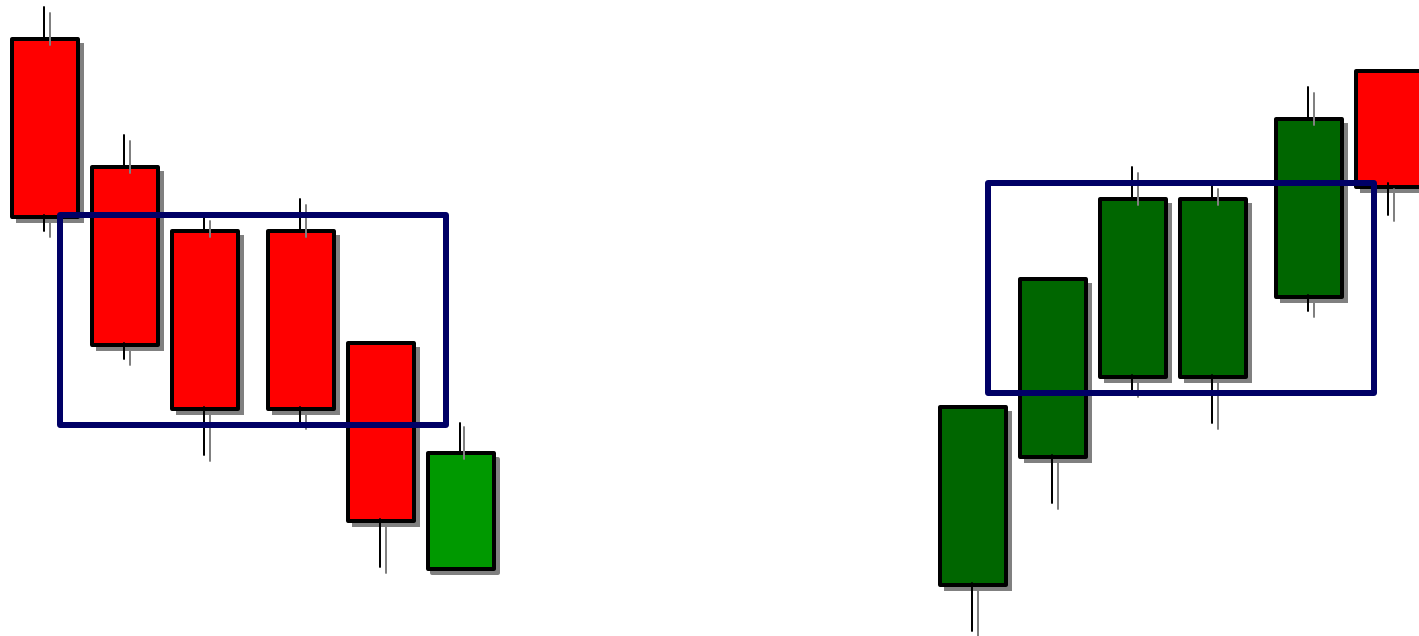
Each new bar opens in the area of the prior bar's close and also closes above/below its opening price until a reversal of that occurs.

The setup is complete after a reversal candle has formed.



The Pristine Buy and Sell Setup

This is NOT what we are looking for !



These bars overlap each other and do not have the predictability we are looking for.

Price Pattern Recognition

Congestion patterns are whippy and unpredictable. Recognized by overlapping candles and multiple failures in both directions.



Moving Average Guidelines

Simple Moving Averages

- *Long* positions are favored when prices are **Above** their 20-MA on a 60-Min. chart. Entry points are found on 5- or 15-Min. charts.
- *Short* positions are favored when prices are **Below** their 20-MA on a 60-Min. chart. Entry points are found on 5- or 15-Min charts.
- *Short* positions are considered when prices are extended **Above** the 20-MA on a 60-Min. but **Below** their 20-MA on the 5-Min. chart.
- *Long* positions are considered when prices are extended **Below** the 20-MA on a 60-Min. but **Above** their 20-MA on the 5-Min. chart.

Moving Average Guidelines

Long Term Intra-Day



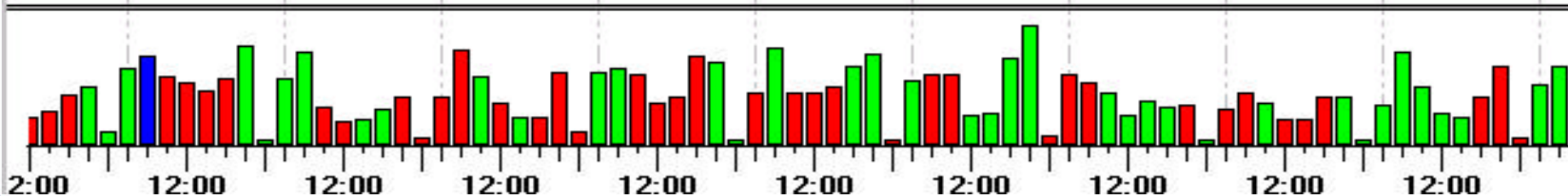
When Prices decline
Below the 20-MA.

Favor Short Trades

When Prices rise
Above the 20-MA.

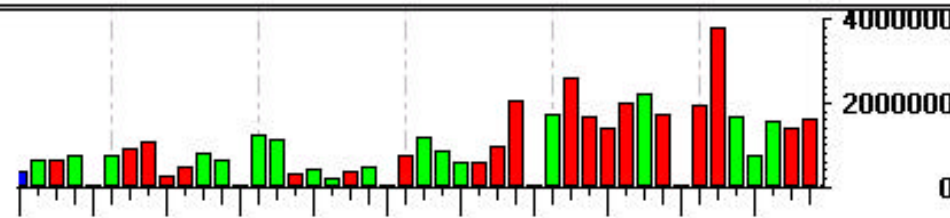
Favor Long Trades.

The 60-MIN. Chart

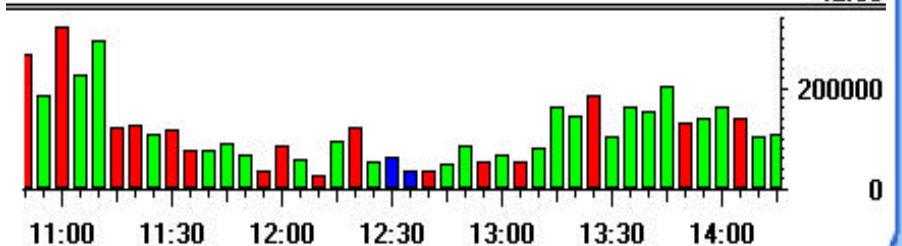


Moving Average Guidelines

60-Min. Chart



5-Min. Chart



Candlestick Concepts

Candlestick Concepts

- *Ask yourself, “What does the current candle tell you about the prevailing trend?” **Note:** A trend = 3-5 bars moving in the same direction.*
- *Each candle will give us information that either **confirms** or **contradicts** that trend.*
- *Long or Expanding range candles tell us volatility is high or momentum is increasing.*
- *Short or Narrowing range candles tell us volatility is low or momentum is decreasing.*

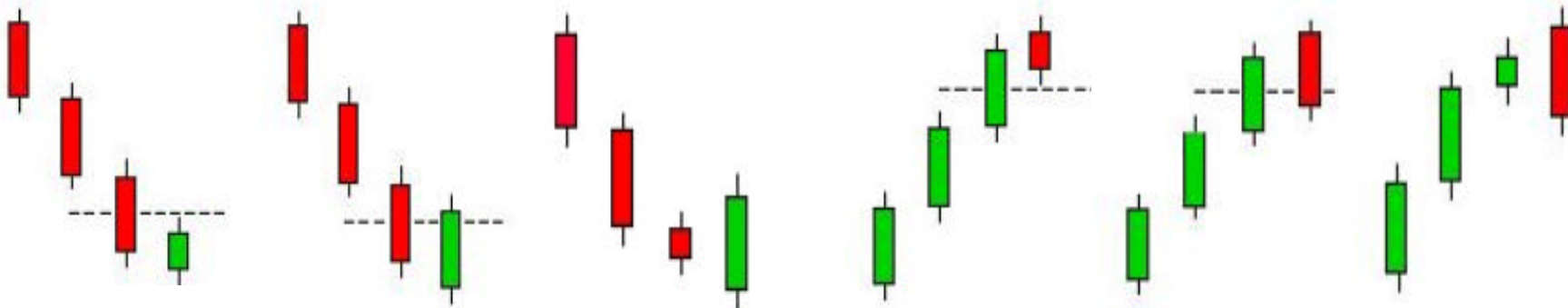
Candlestick Concepts

Changing of the Guard Bar - COG

A *Bullish COG* is defined as three or more consecutive red bars followed by a green bar.

A *Bearish COG* is defined as three or more consecutive green bars followed by a red bar.

Pristine Tip: While there are different variations, the *message* is always the same ! A reversal in momentum *has* occurred!



Bullish COGs

Bearish COGs

Narrowing Range Bars - NRB

A series of bars in which the difference between the highs and lows is Narrowing.

Pristine Tip: While there are different variations, the message is always the same ! A slowing in momentum is occurring!

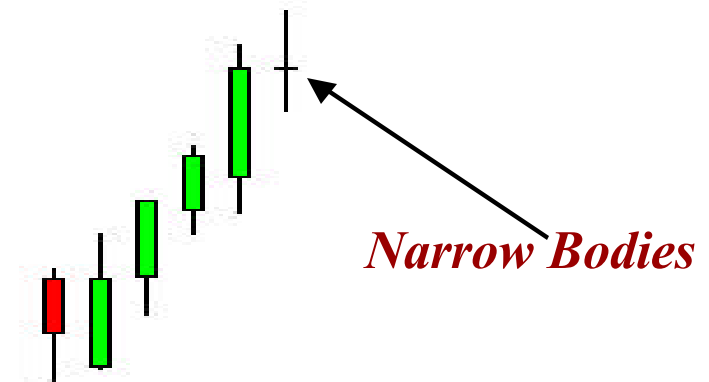


Candlestick Concepts

Narrow Range Bodies - NR

Bars in which the body of the candle is small relative to the overall length of the candle. They may have Tails on either side of the body.

Pristine Tip: *While there are different variations, the message is always the same ! A slowing in momentum *has occurred!**

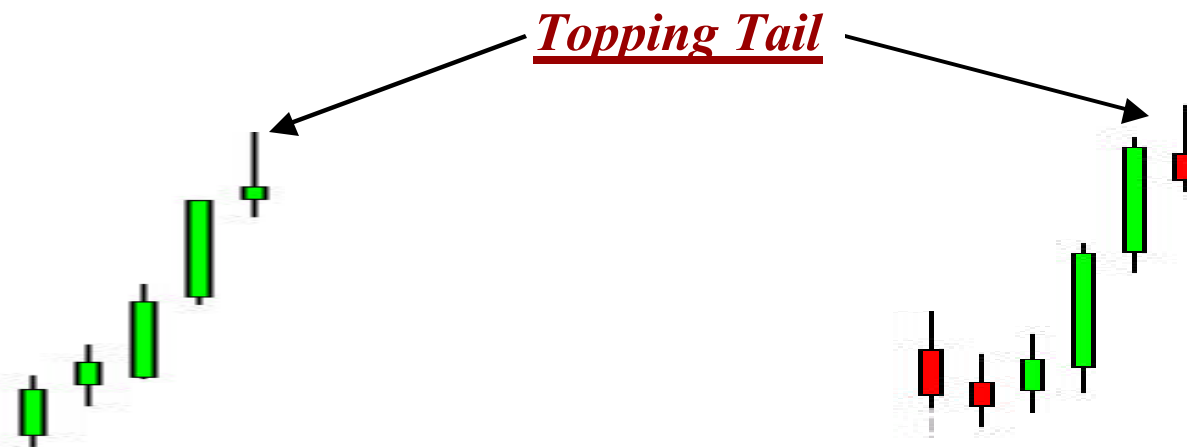


Candlestick Concepts

Topping Tail Bars - TT

Bars in which prices had been higher, then supply forced prices lower into the lower part of the bars range.

Pristine Tip: *While there are different variations, the message is always the same ! Distribution *has occurred!**

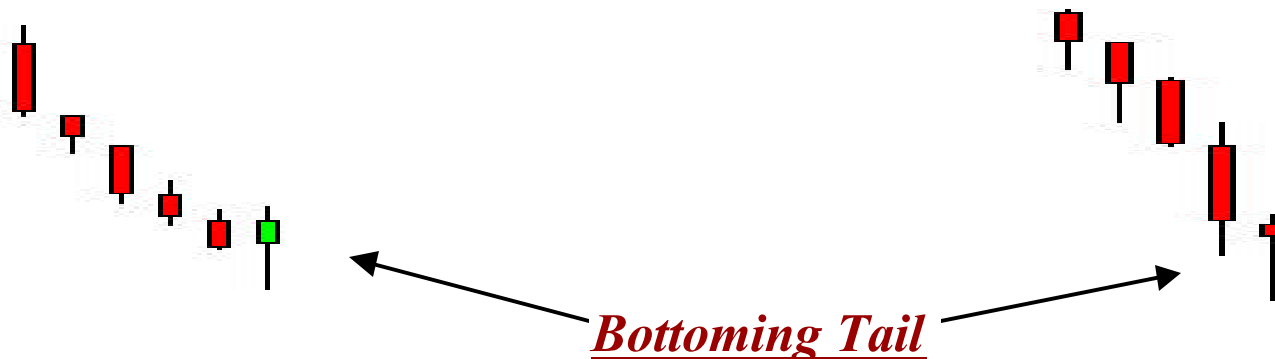


Candlestick Concepts

Bottoming Tail Bars - BT

Bars in which prices had been lower, then demand forced prices higher into the upper part of the bars range.

Pristine Tip: *While there are different variations, the message is always the same ! Accumulation has occurred!*



Candlestick Concepts

Wide Range Bar - WRB

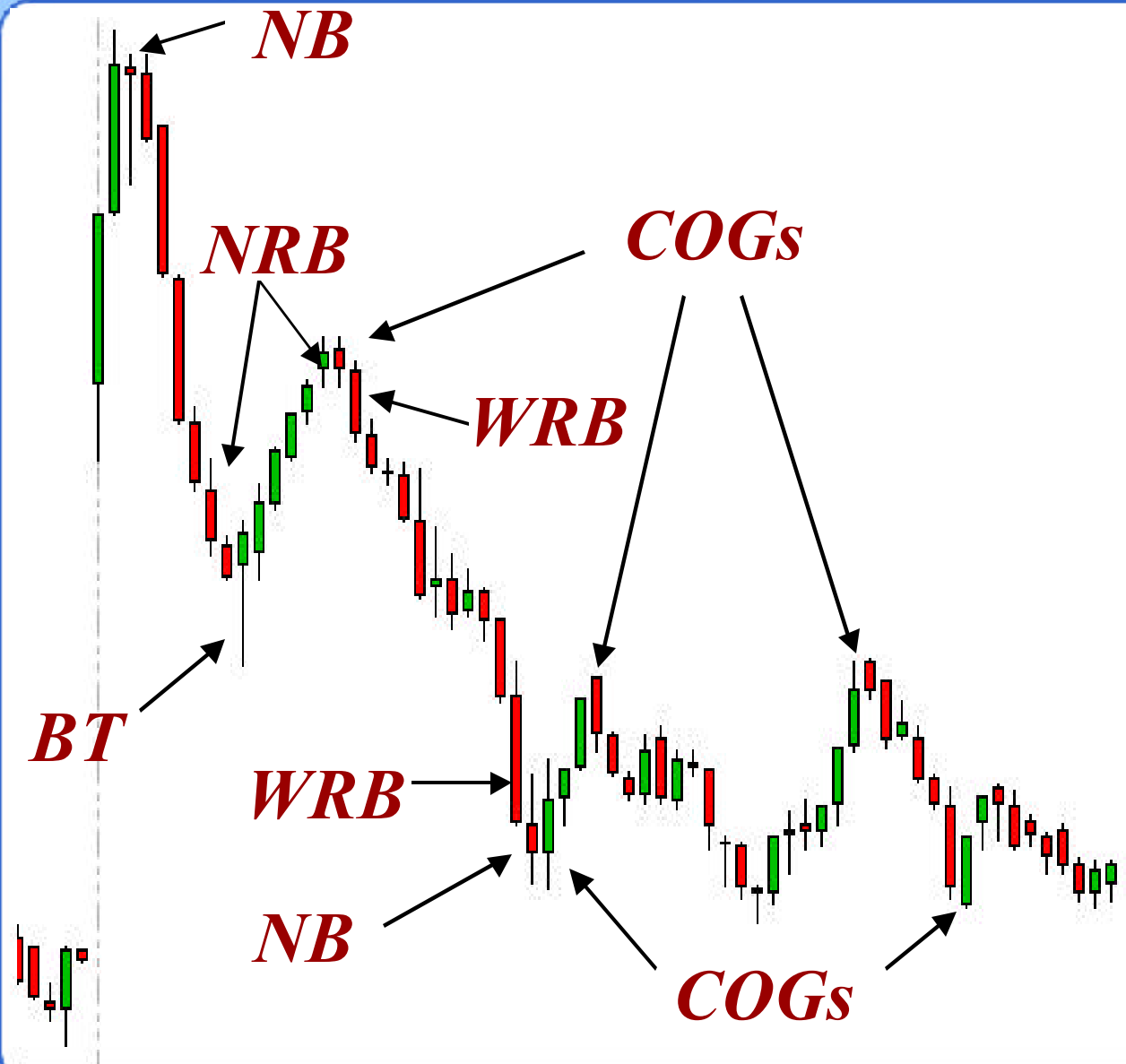
A Bar in which the Candle Body is relatively wide compared to the most recent bars .

A Wide Range Bar after a period low volatility ignites momentum in that direction.

*A Wide Range Bar after an extended advance or decline typically happens near the end of a move. An **NR** or **NRB** will signal the turn.*



Candlestick Concepts



COGs

Dark Cloud Cover

Piercing Pattern

Bullish Engulfing

Bearish Engulfing

Counter Attack Lines

Thrusting Lines

Candlestick Concepts

Narrow Range Bodies & Bars

Long Legged Doji

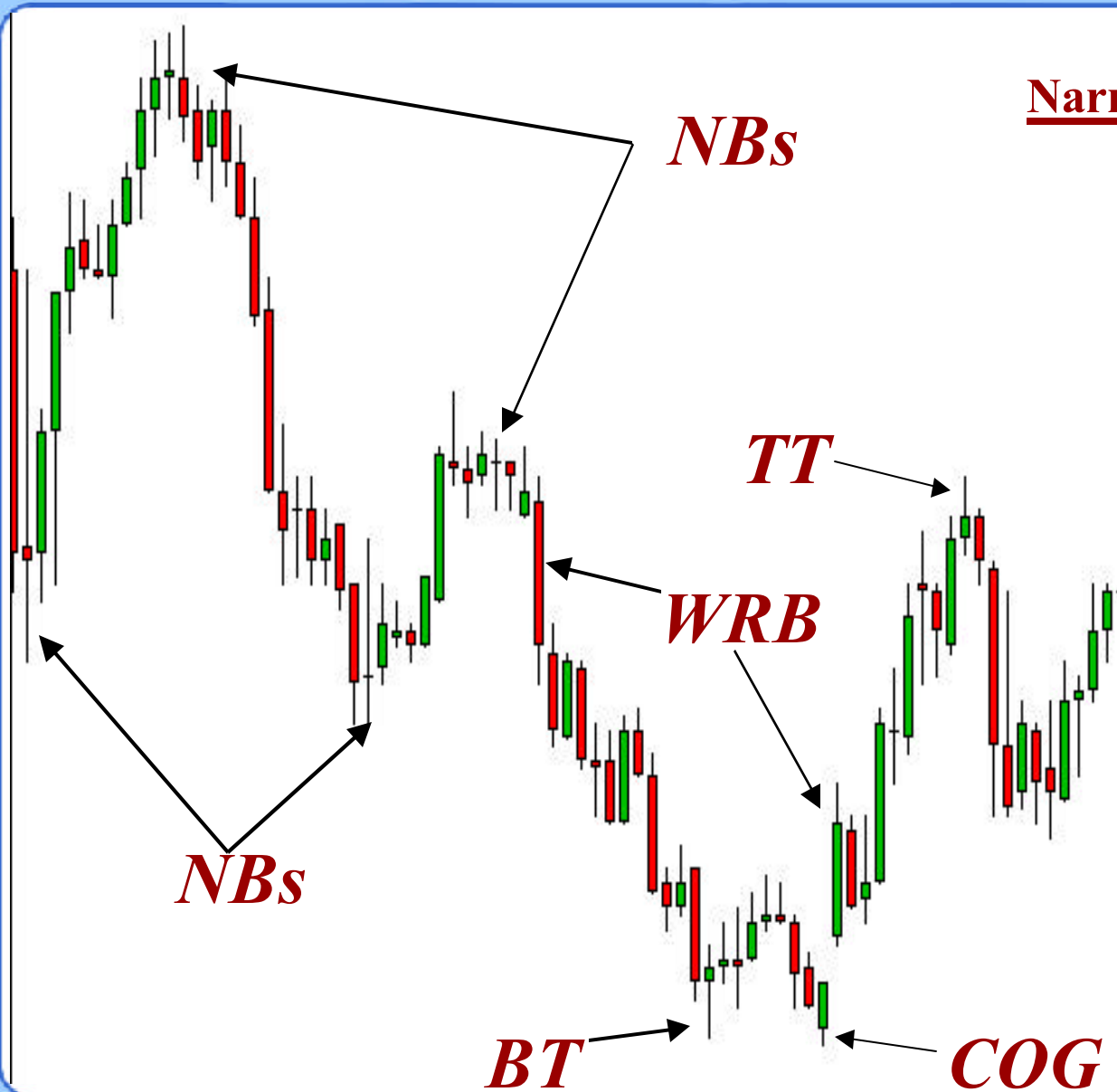
Inverted Hammer

Shooting Star

Hangman

Harami

DOJI





Pristine Key Concepts

Moving Average Concepts

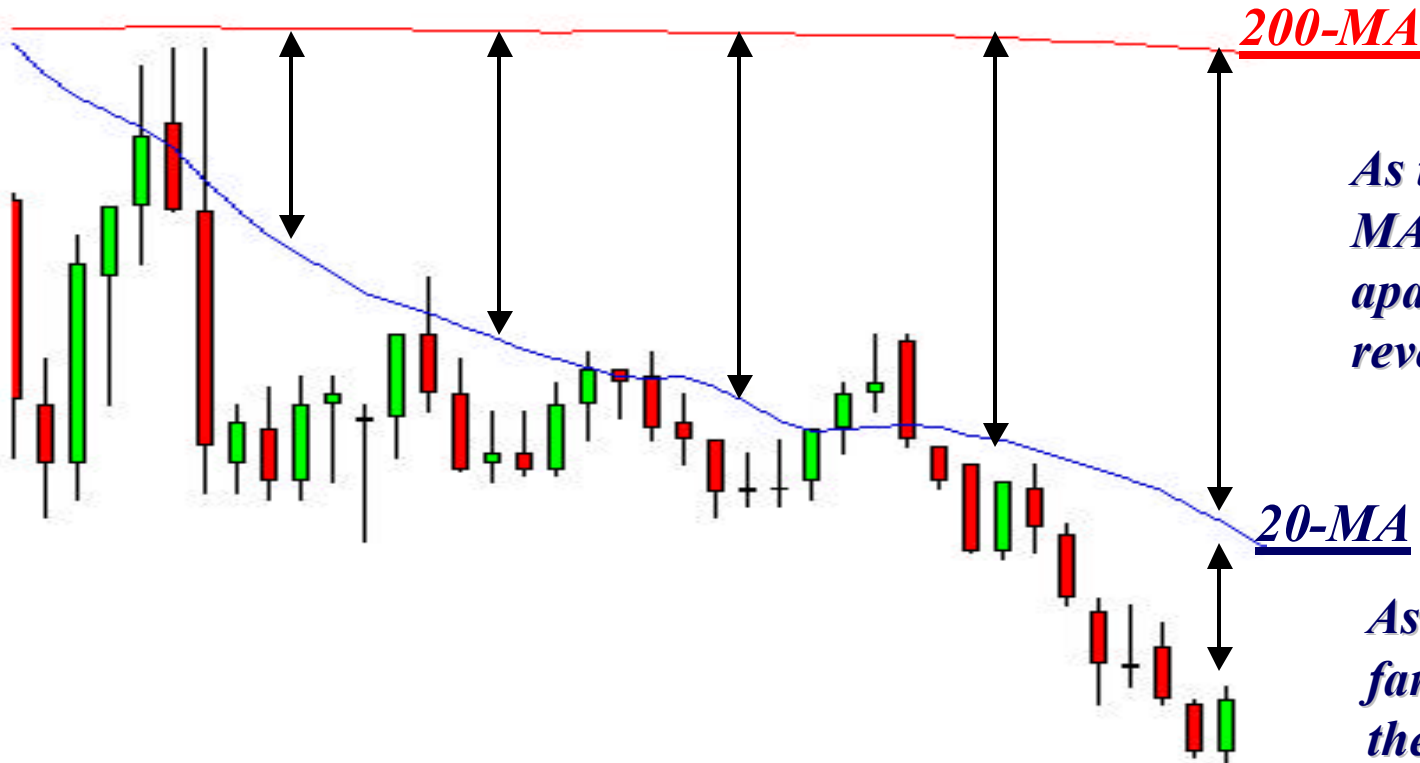
Moving Average Concepts

***The relationship between MAs and/or
The relationship between Price and MAs***
Serve as:

- ***An Overbought / Oversold Indicator***
- ***A Bullish / Bearish Divergence Indicator***
- ***A Guide to price Support & Resistance***
- ***A Tool to help anticipate where a reversal may occur***
- ***A Risk – Reward Indicator***
- ***A Relative Strength Indicator***

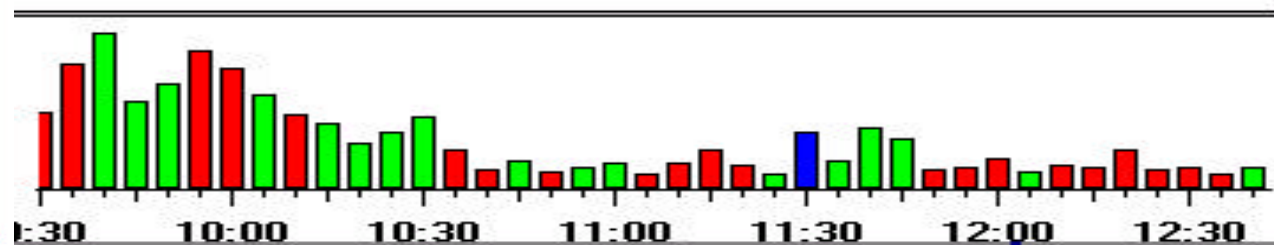
Moving Average Concepts

An Overbought / Oversold Indicator



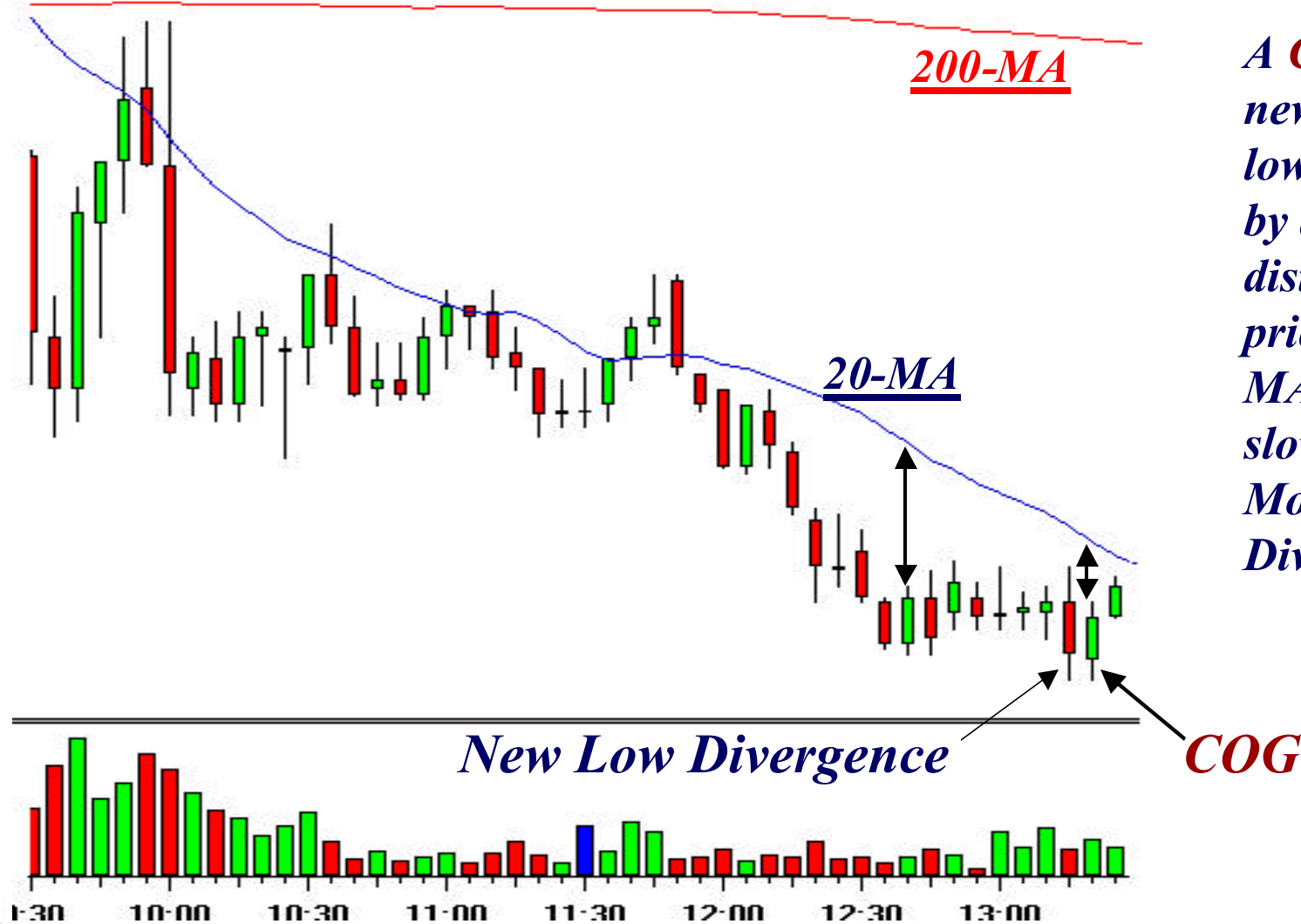
As the 20- and 200-MAs move farther apart, the odds of a reversal increase.

As prices move farther away from the 20-MA odds of a reversal increase.



Moving Average Concepts

A Momentum or Bullish/Bearish Divergence Indicator



*A **COG** after a new high or new low accompanied by a smaller distance between price and the 20-MA signals a slowing in Momentum and a Divergence.*

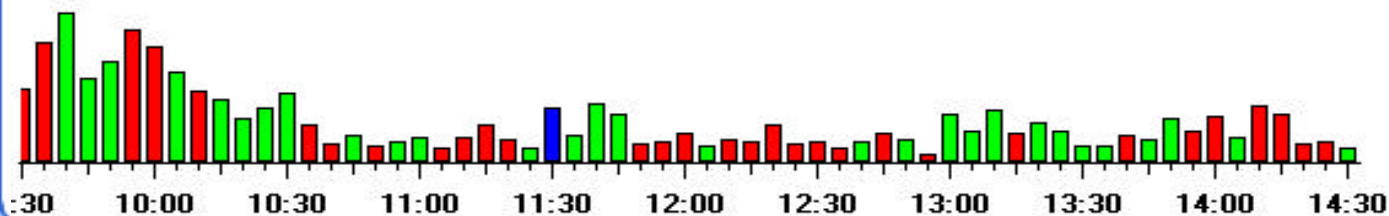
Moving Average Concepts

A Guide to Support & Resistance



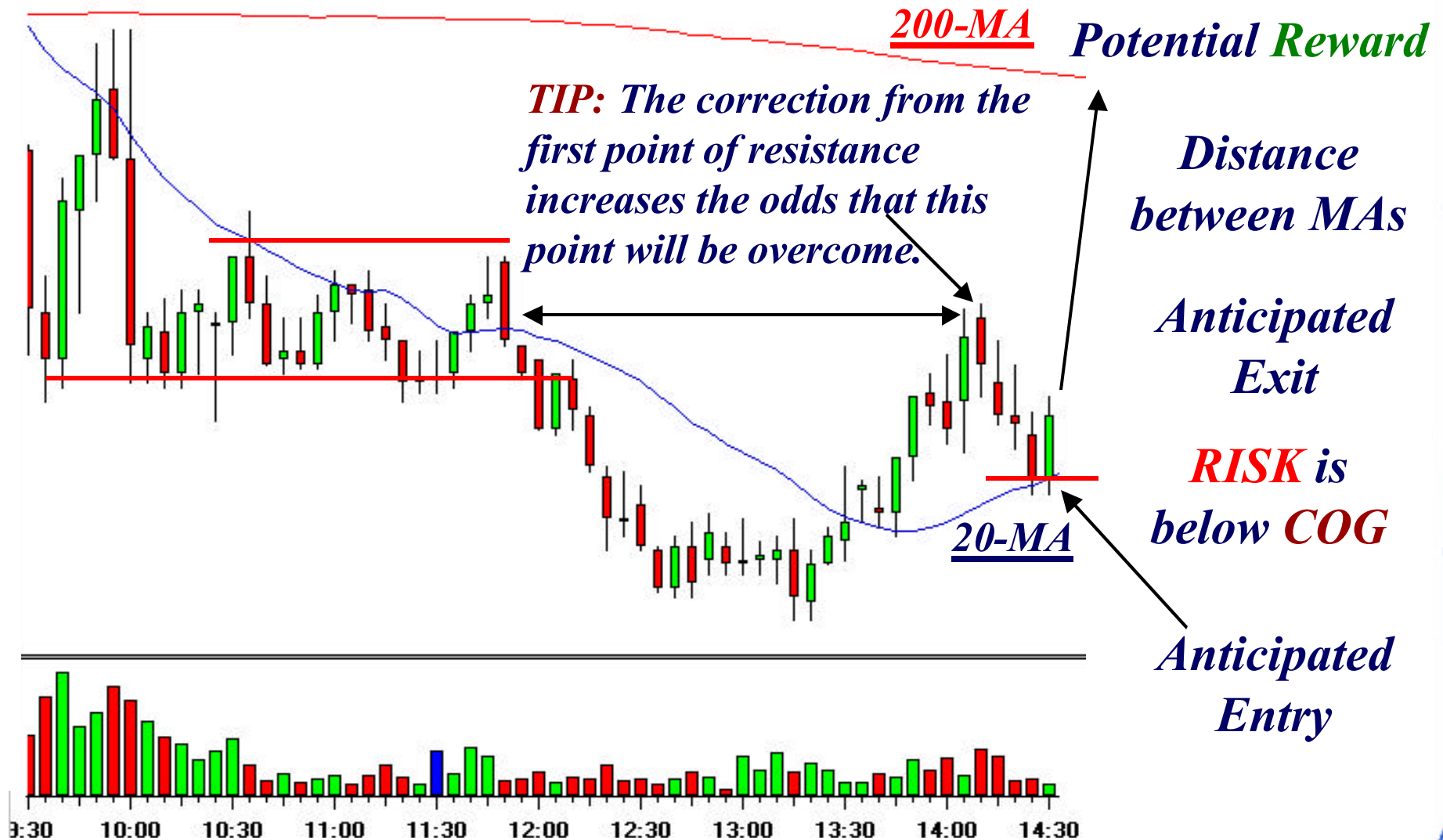
Looking to the left of an MA should point toward an area of support or resistance.

A Moving Avg. is a tool that helps the trader anticipate where to enter positions or take profits.



Moving Average Concepts

Anticipate Entry/Exit and Risk/Reward



Moving Average Concepts

A Relative Strength Indicator

Comparing the MAs of a stock or index to another will tell us which is stronger.



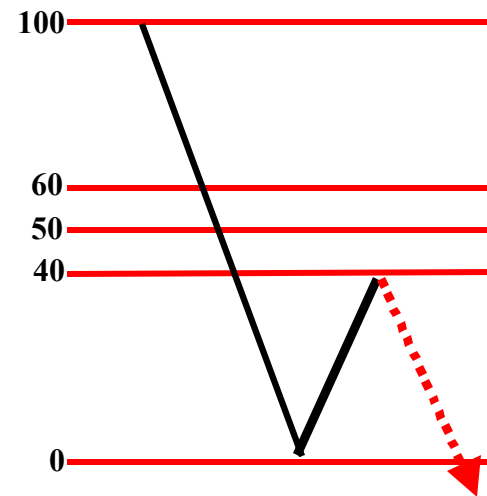
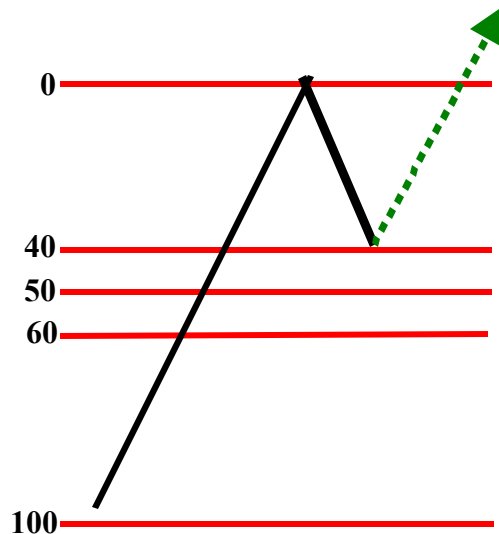
*Retracement
Concepts*

Retracements Concepts

- *Retracement levels are used to measure the **STRENGTH** or **WEAKNESS** of a move **Counter** to the **Prevailing** trend.*
- *The Retracement levels are a percentage measurement between significant highs and lows.*
- *The Retracement levels we are concerned with are 40, 50 and 60%*
- *Retracement levels alone are not enough to consider entering a position. A Pristine setup is also needed.*
- *Learn to see retracement levels without drawing them. When trading, analysis must be done quickly.*

Levels and Interpretations

40%

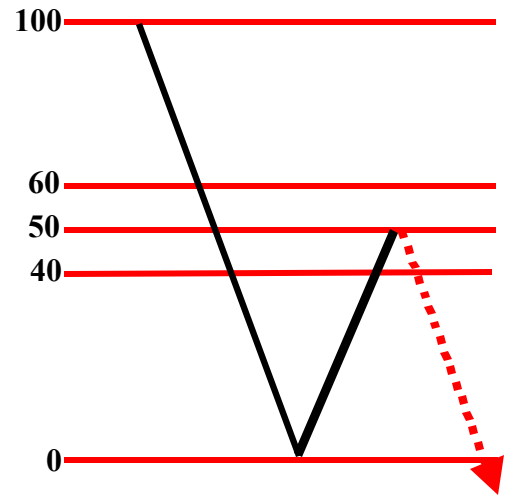
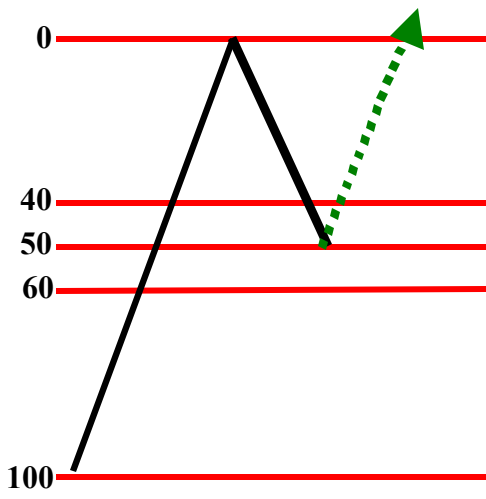


After a 40% Retracement, the trend is still considered positive.

The trend should continue in the original direction.

Levels and Interpretations

50%

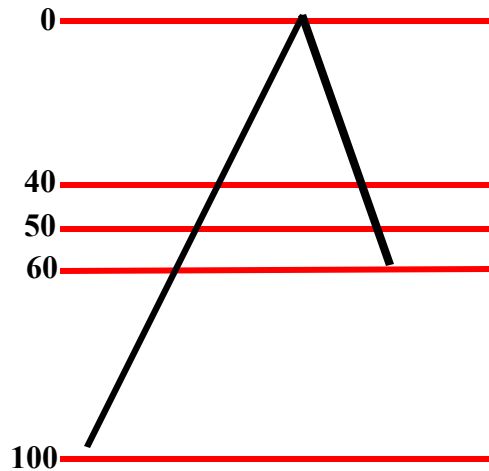


After a 50% Retracement, the trend is considered positive to neutral.

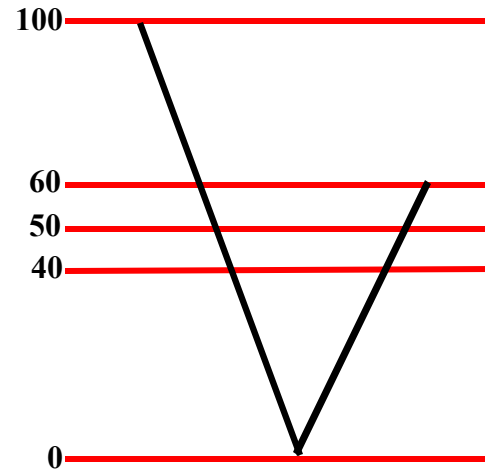
The trend should continue in the original direction.

Levels and Interpretations

60%



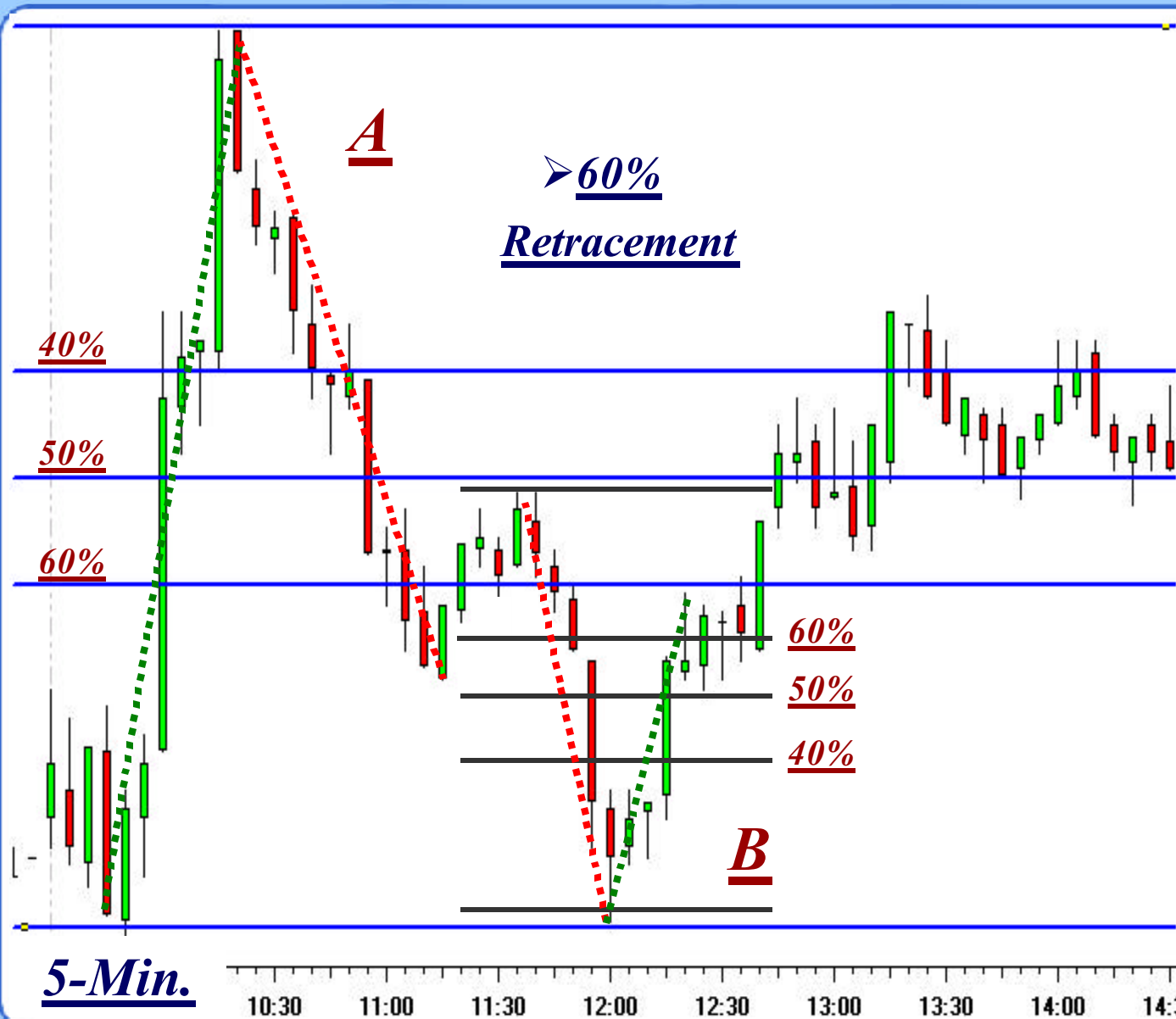
?



After a 60% Retracement, the trend is considered neutral to negative.

The trend is in question.

Retracement Concepts

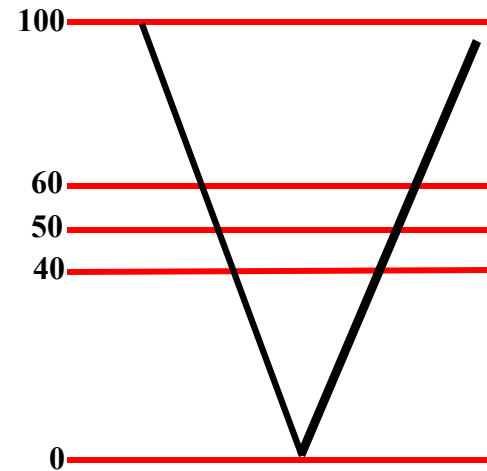
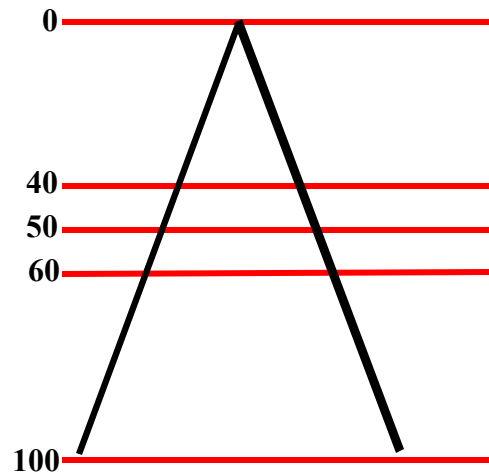


*A: Retraced rally by more than 60% (**Weakness**); expect a move lower.*

*B: Retraced decline by more than 60% (**Strength**); expect stabilization and or a move higher.*

Levels and Interpretations

80 - 100%



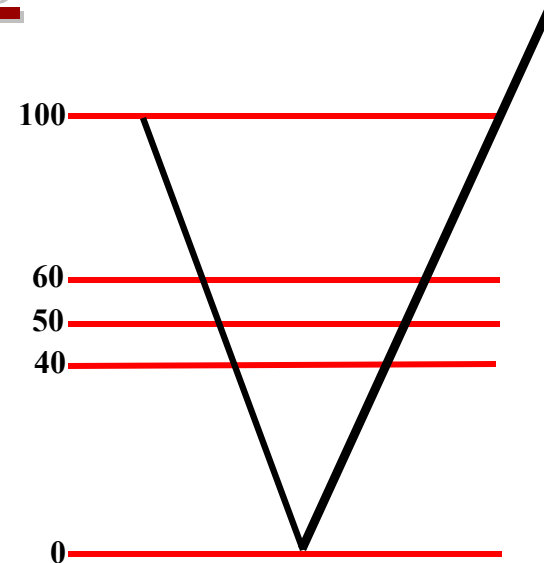
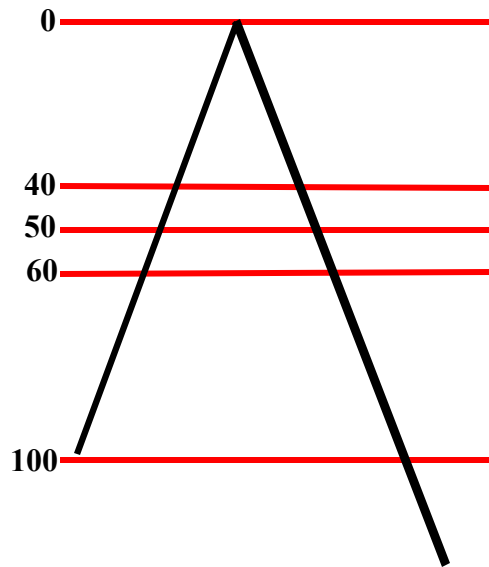
After an 80 – 100% Retracement, the trend is considered negative.

*Watch for a double top or double bottom if a **COG** forms.*

Expect a short-term rally / pullback.

Levels and Interpretations

>100%



A retracement of over 100% takes out support or resistance and is considered negative, but often sets up a high probability reversal.

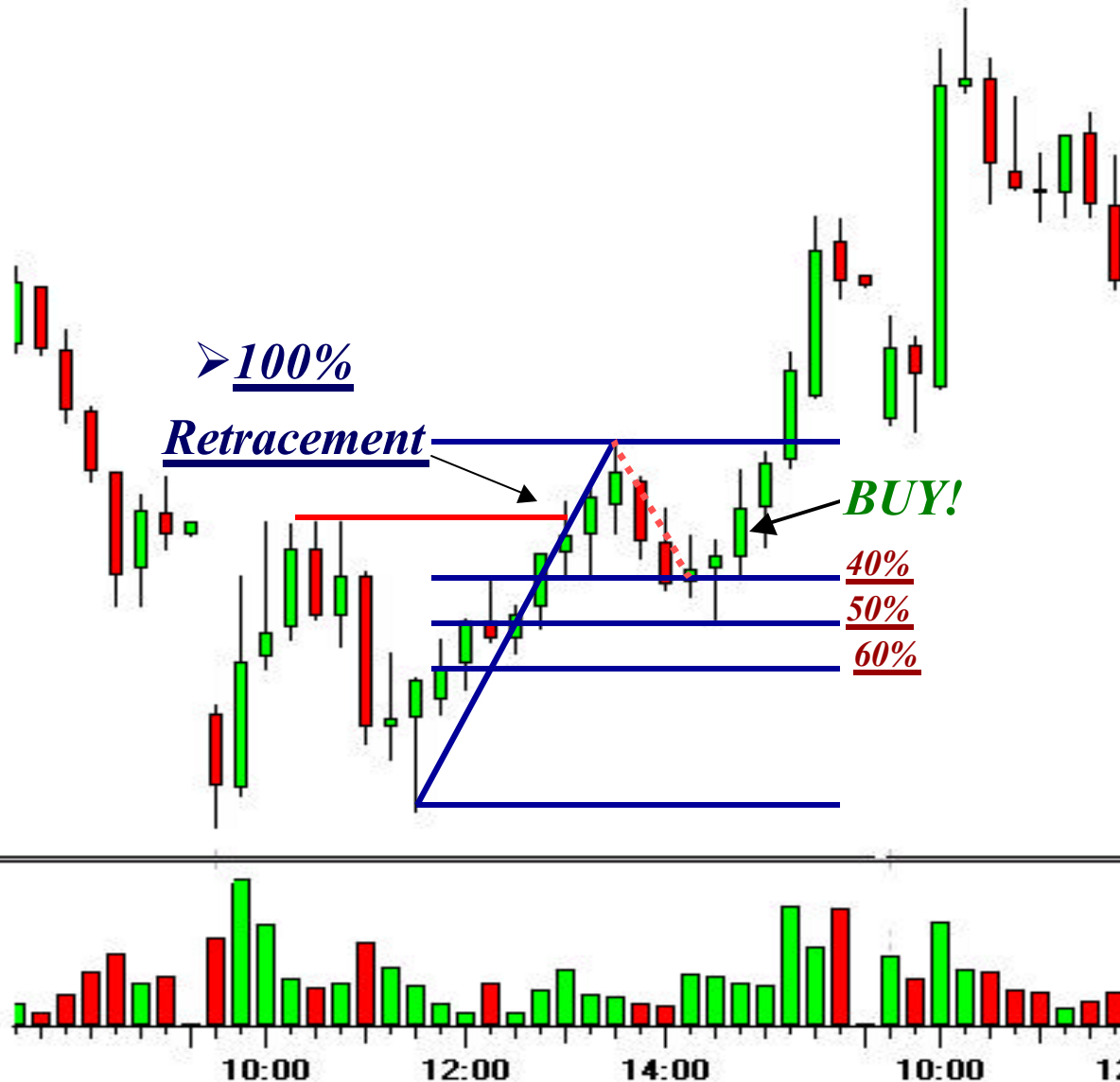
Retracement Concepts

Retracements greater than 100% negate the prior trend.

They often set up a high probability reversal point.

*A move above a prior high signals **Strength** but is a **High Risk Entry**.*

*Buying shallow pullbacks of 40 to 50% after a **COG** is low risk, professional trading.*



*Support &
Resistance
Concepts*

Support and Resistance Concepts

Actual Support and Resistance

- *A series of price bars.*
- *Prior highs / lows / bases.*
- *An unfilled gap between price bars.*

They are guides as to where traders may anticipate a reversal.

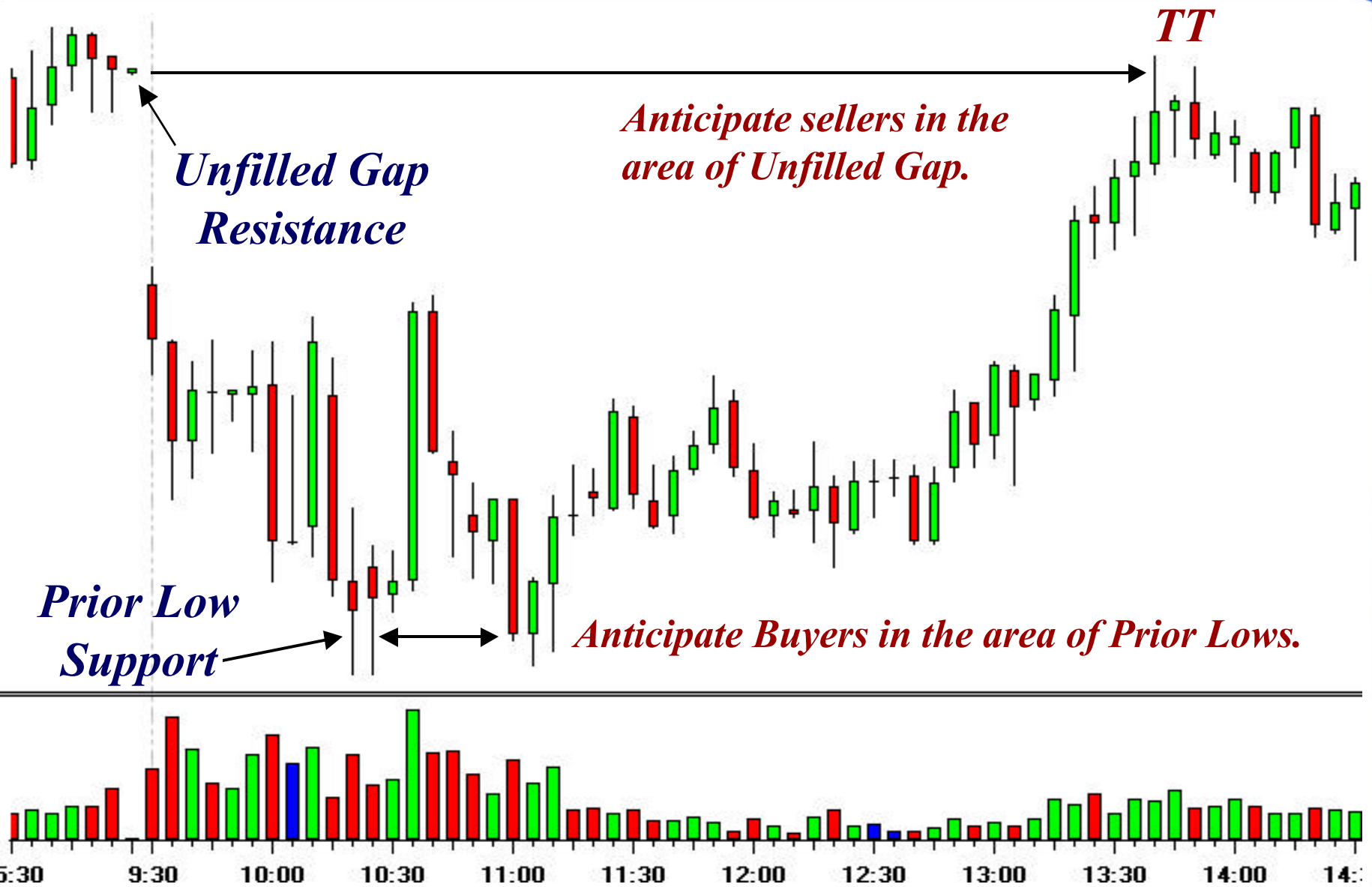
Subjective Support and Resistance

- *Moving Averages*
- *Retracements*
- *Time*

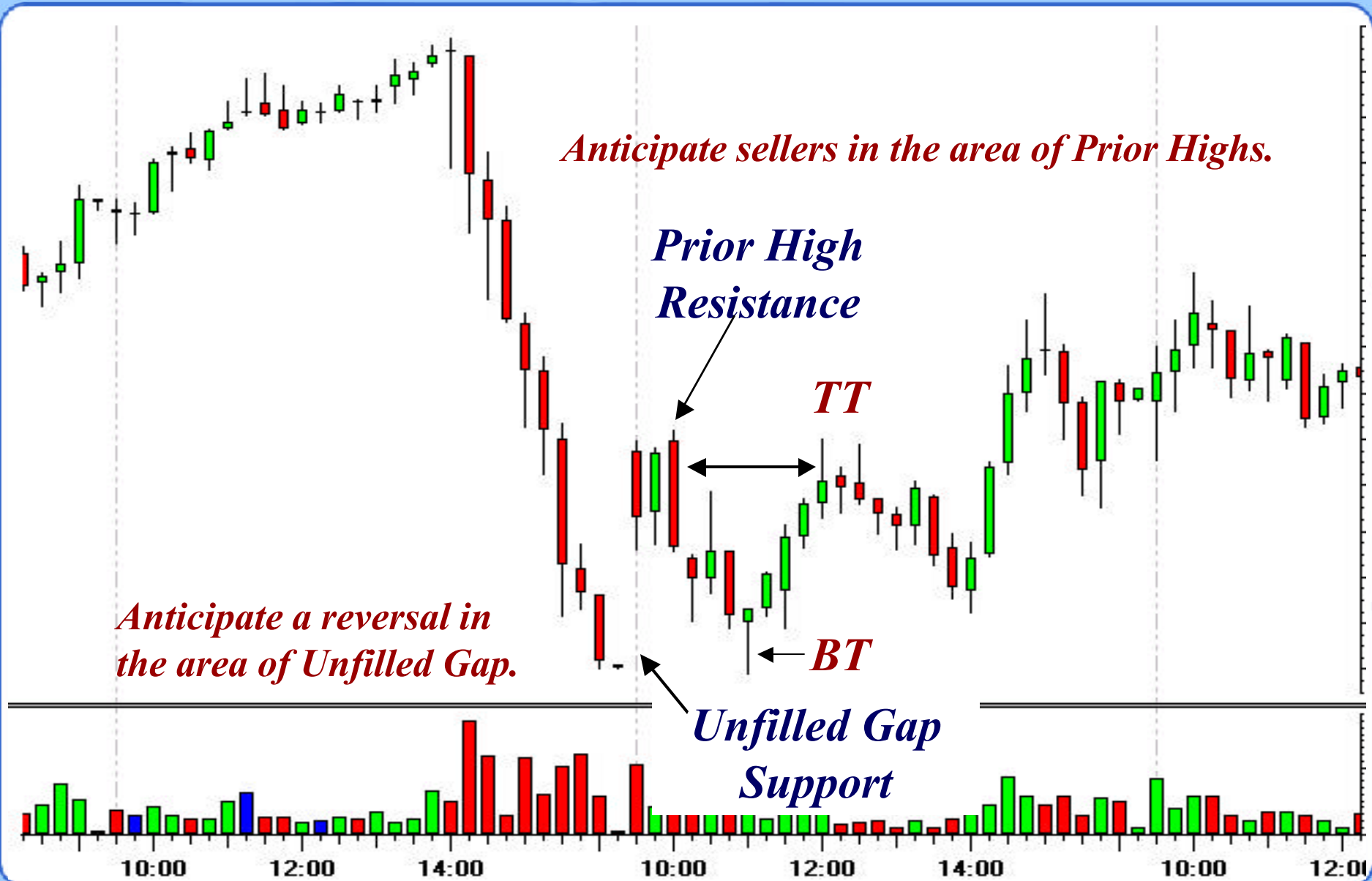
Also guides to anticipate reversal points.

Without price points in the same area, these are less significant.

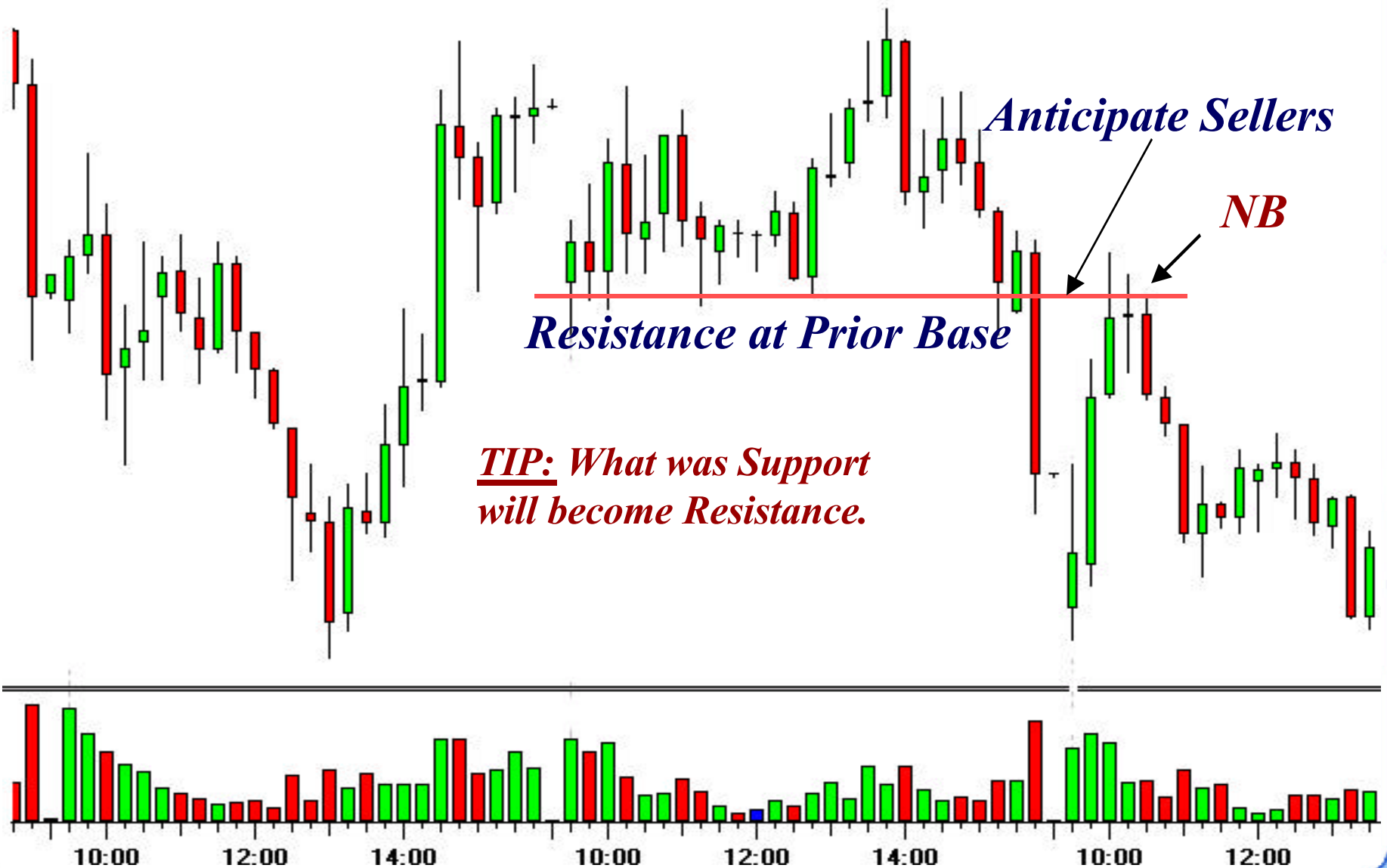
Support and Resistance Concepts



Support and Resistance Concepts



Support and Resistance Concepts





Pristine Key Concepts

Market Timing Concepts

Market Timing Tools

The TRIN Indicator: Used to determine who is in control of the market.

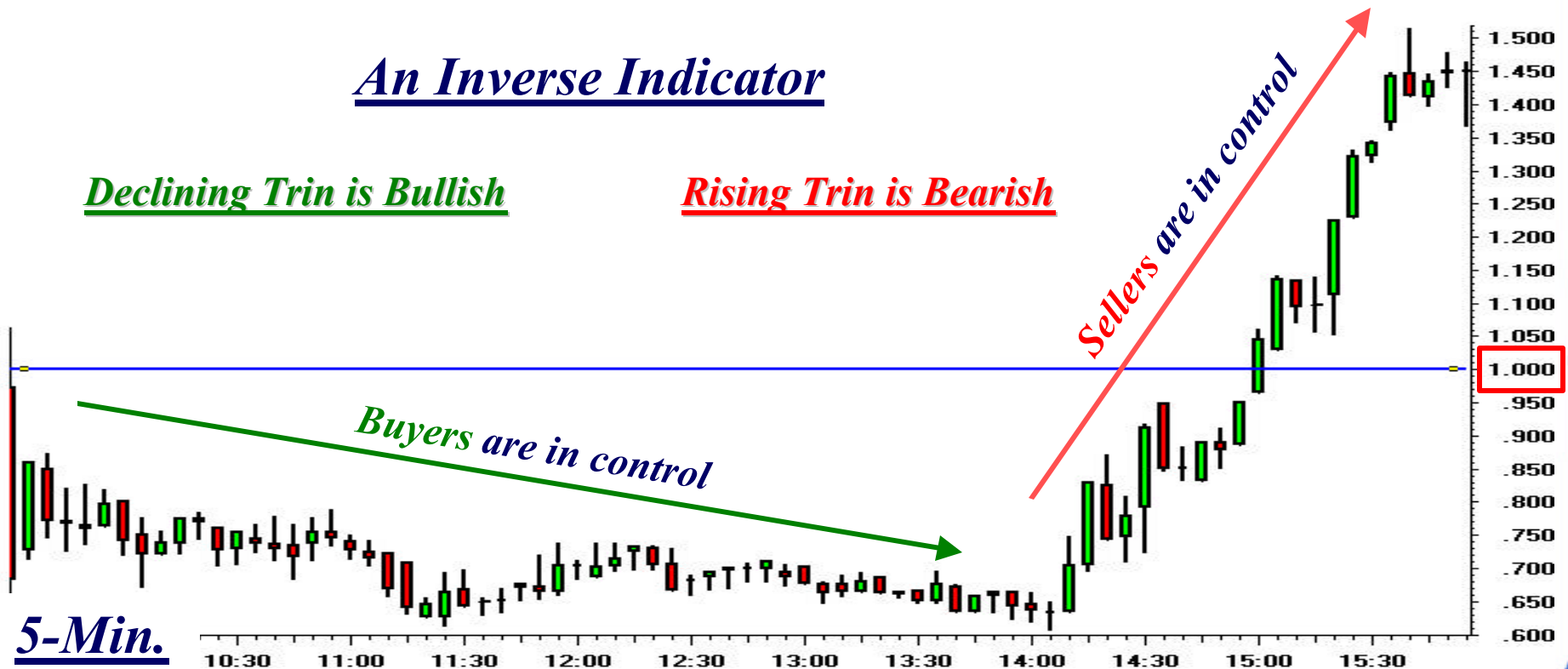
Readings **below** 1.0 indicate more volume is entering advancing issues; **Buyers** in control.

Readings **above** 1.0 indicate more volume is entering declining issues; **Sellers** in control.

An Inverse Indicator

Declining Trin is Bullish

Rising Trin is Bearish



Market Timing Tools

The TICK Indicator: *Used to determine Market strength and directional changes.*

Readings above 0 indicate more stocks trading on upticks, favors longs.

Readings below 0 indicate more stocks trading on downticks, favors shorts.

*Prior **high**s and **low**s are used as points of **support** and **resistance** in the broad market.*

+ 1000 indicates excessive buying; odds of a reversal are very high.

- 1000 indicates excessive selling; odds of a reversal are very high.





Putting it All Together

*Putting It All
Together*

Putting It All Together

Intraday (Right) AMCC - APPLIED MICRO CIRCUITS (60-Min) 8/23 8/24 8/27 8/28 8/29 8/30 8/31 9/04 9/05



Start with the longer time frame.

Prices test Support.

A WRB forms. Be Alert!

A COG signals the decline is over.

Moving Avg. Divergence.

Check Market and look for entry.

60-Min.

12:00 12:00 12:00 12:00 12:00 12:00 12:00 12:00

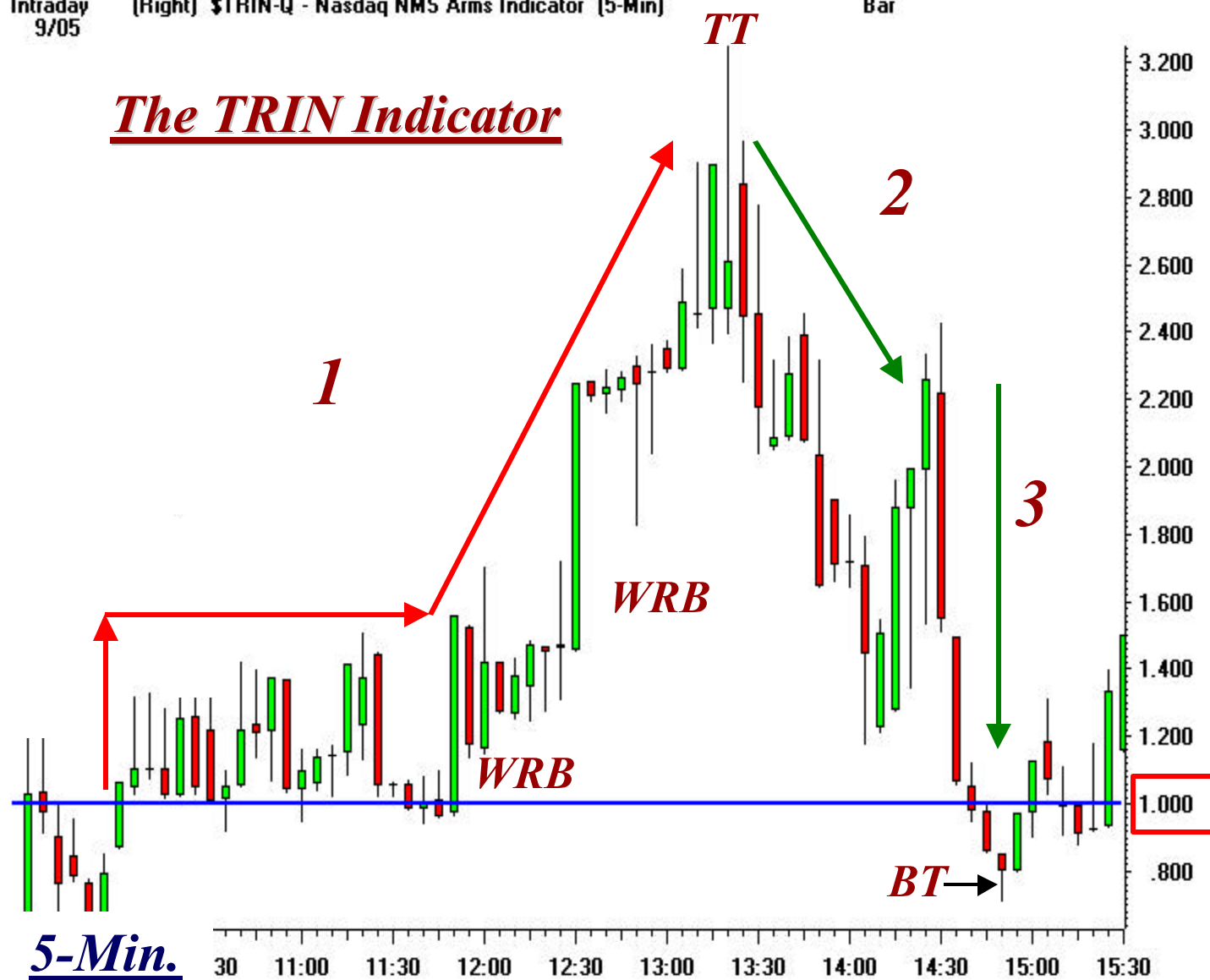
Putting It All Together

Intraday
9/05

(Right) \$TRIN-Q - Nasdaq NMS Arms Indicator (5-Min)

Bar

The TRIN Indicator



1 Trin above 1.0 and **Rising**. Sellers are in control.

2 Trin above 1.0 but **Declining**. Sellers are losing control.

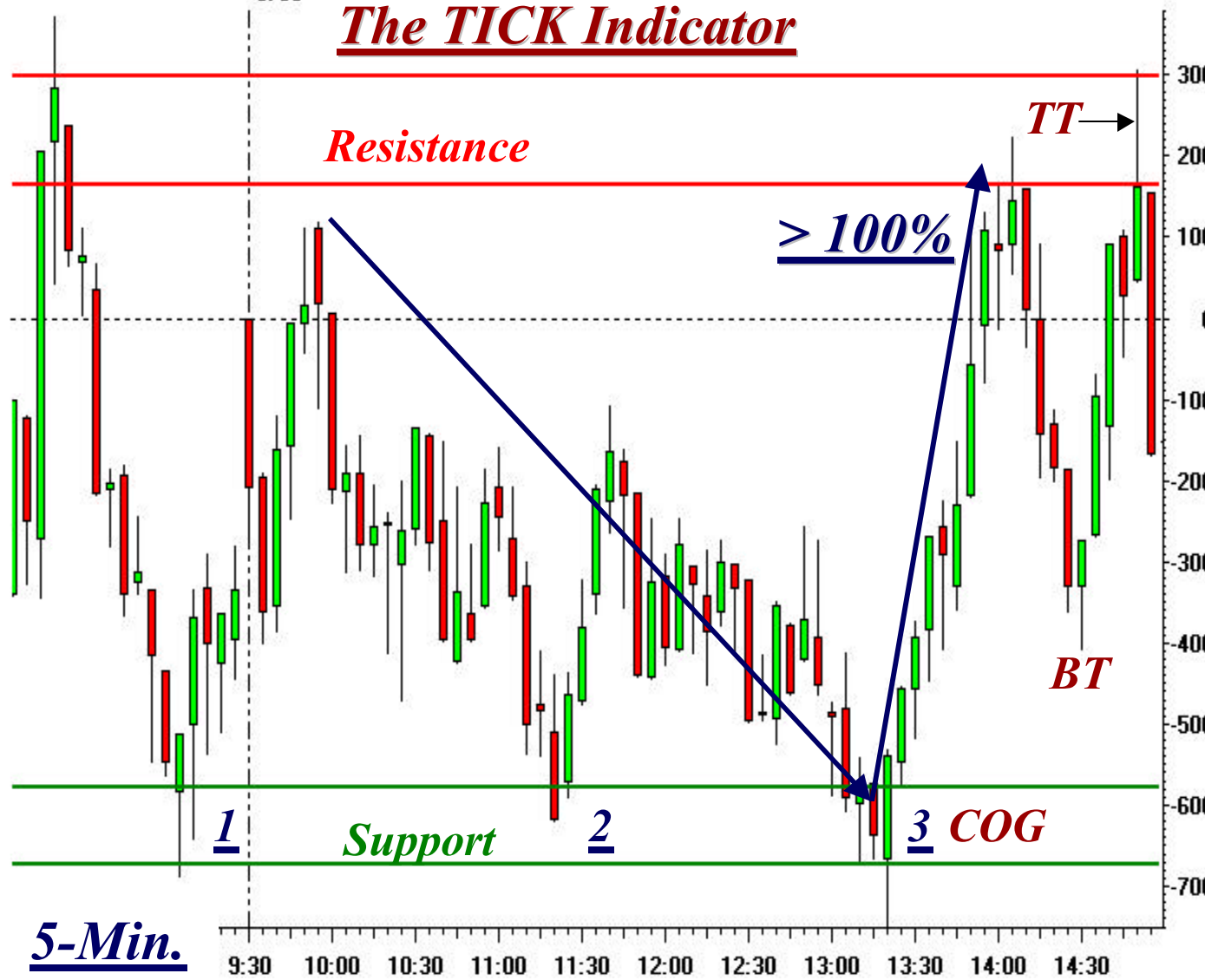
3 Buyers taking control, note angle.

Putting It All Together

Intraday (Right) \$TICK-Q - Nasdaq NMS Tick Indicator (5-Min) Bar

9/05

The TICK Indicator



Triple Bottom

A > 100%

Retracement into resistance signals

Strength.

Look to buy the pullback.

TICK enters the Broad Market Resistance Area.

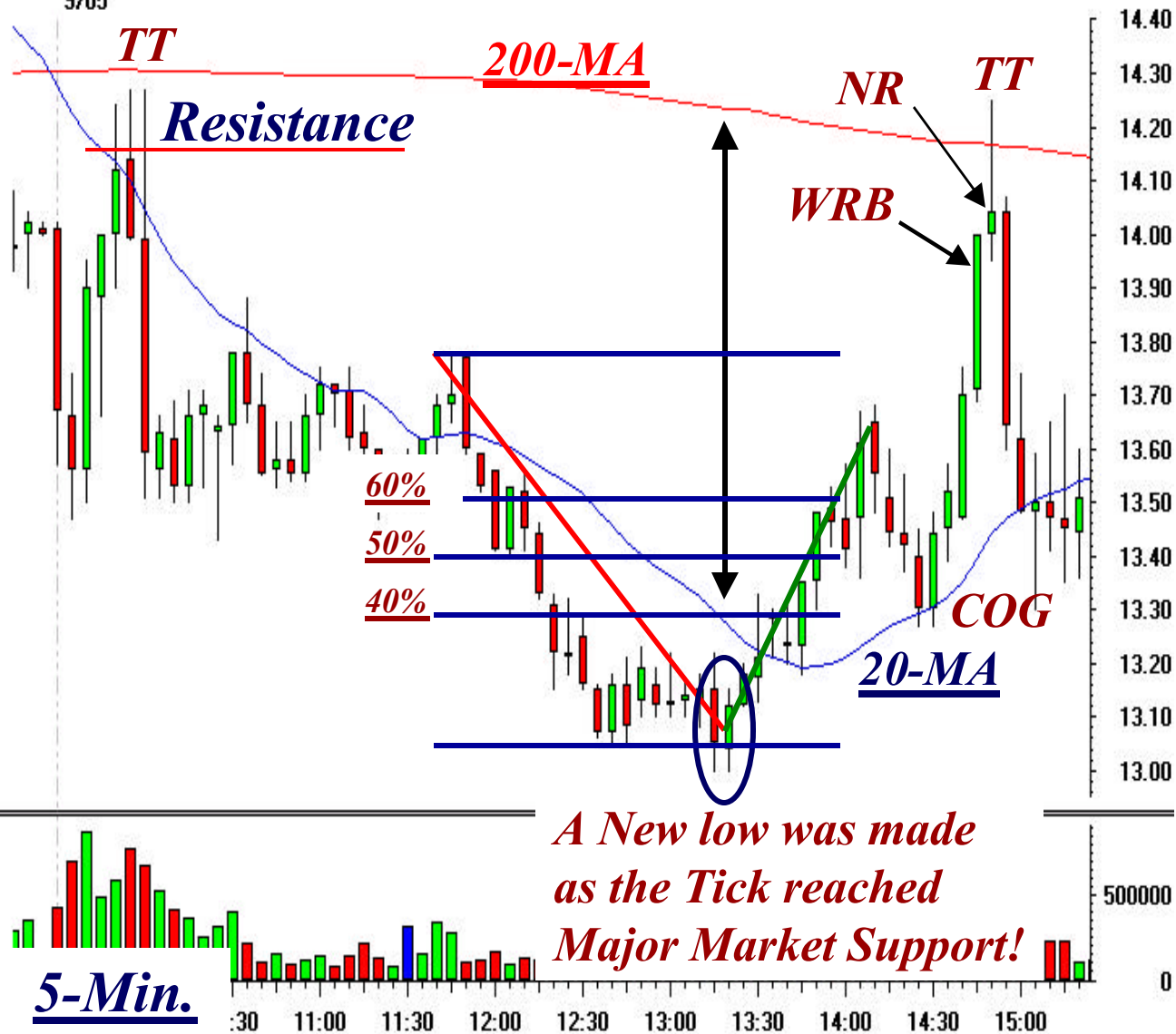
Expect Momentum To stall.

5-Min.

9:30 10:00 10:30 11:00 11:30 12:00 12:30 13:00 13:30 14:00 14:30

Putting It All Together

Intraday (Right) AMCC - APPLIED MICRO CIRCUITS (5-Min) Bar Volume MA (P=200) MA (P=20)



Oversold MAs Wide.

Deep Retracement above the 20-MA.

Strength!

*After a **PBS**, **BUY!***

Target 200-MA Price Resistance.

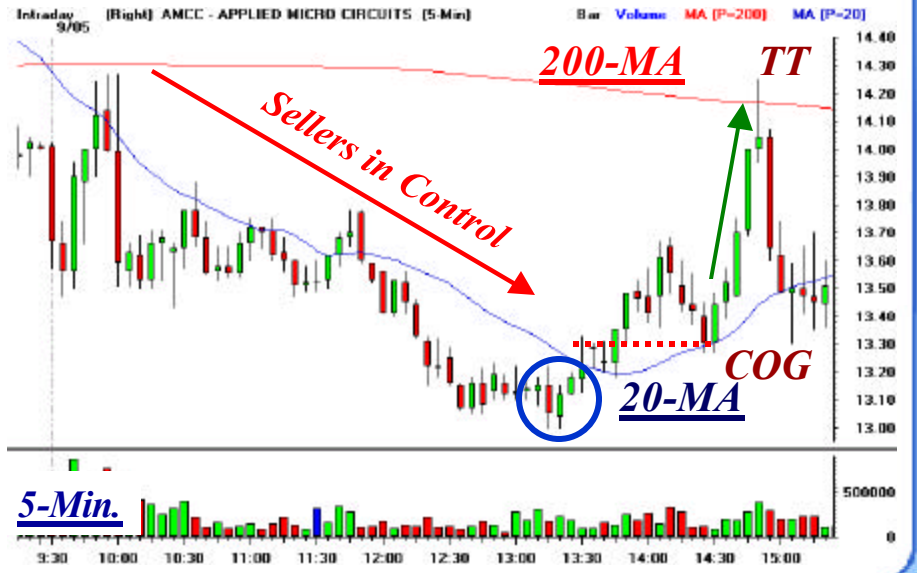
Offer at Resistance.

60-Min. is Bearish.

A New low was made as the Tick reached Major Market Support!

5-Min.

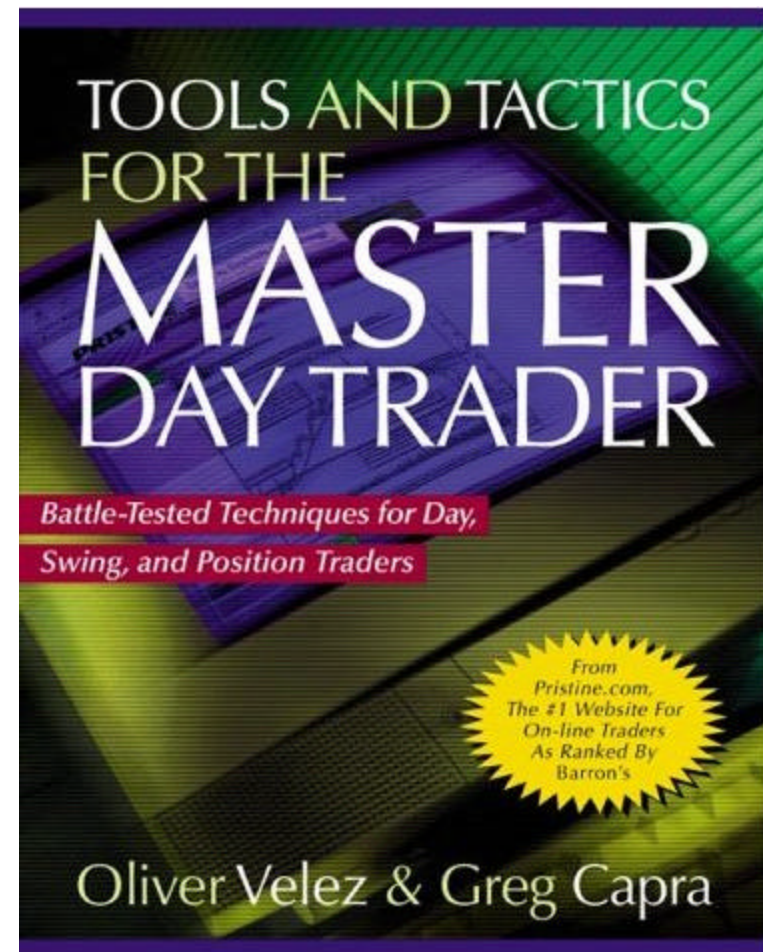
Putting It All Together



Tools & Tactics – A Must Read

A Japanese proverb says, “If you wish to know the road, inquire of those who have traveled it.” The authors of Tools and Tactics for the Master Trader clearly know the road. Their unique insights, trading tactics and powerful tools, so enjoyably presented, make this a book that belongs on every trader’s shelf.

Steve Nison, CMT - Author of Japanese Candlestick Charting Techniques





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The Quote of the Day For August 10, 2001



The 200-day moving average represents a significant level of intermediate-term resistance when approached from below, and is typically a key area in which to look for reversals following multi-day rallies.

Greg Capra

PRISTINE'S FREE SERVICES

- **Chart of the Week**
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- **"Earnings Play" Trader**
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Chart of the Week

Each Monday morning, Greg Capra, one of the industry's most followed technical analysts, provides you with his personally chosen chart of the week.

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COMPANY RESEARCH

Enter symbol or name

Quote & Chart GO

Dow Jones Industrial Avg.

Open	Last	Change
10296.89	10224.86	-73.70



Nasdaq Composite

Open	Last	Change
1957.34	1921.61	-41.71



S&P 500 Index

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Core Trading Tactics with Oliver Velez

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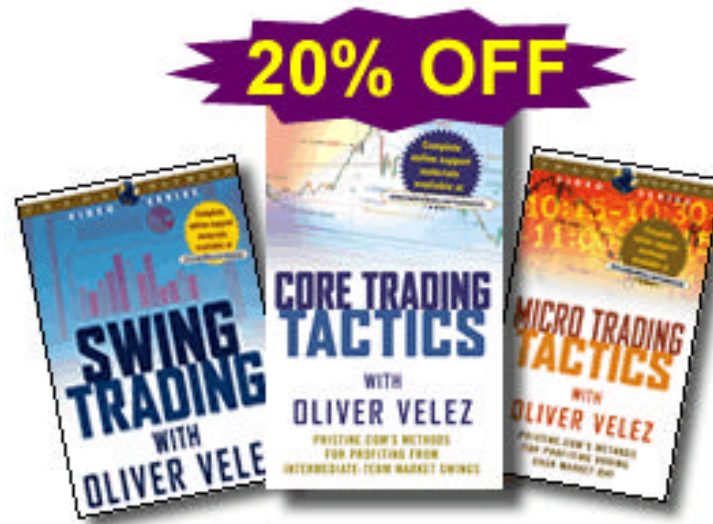
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CALENDAR OF EVENTS

1 & 2 DAY SEMINARS (DOMESTIC)

DATE	EVENT (DESCRIPTION)	LOCATION	PRICE	INFO	REGISTER
August 10	Developing a Master Trading Plan	White Plains, NY	FREE	More Info	Register
August 11	Trading Fundamentals - The First Step Towards Trading Mastery	White Plains, NY	\$695	More Info	Register
August 12 - 13	Intraday Trading Tools and Tactics	White Plains, NY	\$1,995	More Info	Register
August 23	Developing a Master Trading Plan	Irvine, CA	FREE	More Info	Register
August 24 - 25	Trading The Pristine Method™	Irvine, CA	\$1,995	More Info	Register
August 26 - 27	Intraday Trading Tools and Tactics	Irvine, CA	\$1,995	More Info	Register
September 7	Developing a Master Trading Plan	Miami, FL	FREE	More Info	Register
September 8 - 9	Trading The Pristine Method™	Miami, FL	\$1,995	More Info	Register
September 14	Developing a Master Trading Plan	San Mateo , CA	FREE	More Info	Register
September 15 - 16	Trading The Pristine Method™	San Mateo, CA	\$1,995	More Info	Register
January 14	The Simple Art of Trading Using The Pristine Method™	Ft. Lauderdale, FL	\$995	More Info	Register



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Pristine's Intra-Day Trading Manual

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Manual is available for
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