Proprietary Indicators and Market Timing Webinar Agenda

Saturday, September 26ᵗʰ, 2009
1200 CDT

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Our Game Plan Today

- ❖ Housekeeping Remarks

- ❖ Indicators Set

- ❖ Market Timing

- ❖ How to best use Twitter

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Our Proprietary Indicators Set

Types of Markets

- ❖ Trending (30% of the time)

- ❖ Trading Range (70% of the time)

❖ CI & CI_Diff

❖ Support, Pivot & Resistance Levels (Daily, Weekly & Monthly)

❖ Sigma Channels (with 20 day or 200 day center-line)

❖ Sigma Channelwidth

❖ Platforms – Myths and Reality

- ❖ TradeStation (since 2002)

- ❖ eSignal (since 2004)

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Support, Pivot & Resistance

- S3 >> S2 >> S1 >> Pivot << R1 << R2 << R3

- Pivot = (High + Low + Close) /3

- R1 = (2 * Pivot) – Low

- S1 = (2 * Pivot) – High

- R2 = Pivot + (R1- S1)

- S2 = Pivot – (R1-S1)

- R3 = (2 * R1) – S1

- S3 = (2 * S1) – R1

- A variant is when we use the Open for calculating Pivot – the issue is accuracy of the open.

Sigma Channels

❖ Definitions:

 ❖ Sigma: In Statistics, the **standard deviation** of a random variable or a population of values is a measure of the spread of its values. It is usually denoted with the letter σ (lower case sigma). It is defined as the square root of variance. In other words, the standard deviation is the root mean square (RMS) deviation of values from their arithmetic mean.

Sigma Channels	Probability of Asset Price Travel
+1 to -1	68.26895%
+2 to -2	95.44997%
+3 to -3	99.73002%
+4 to -4	99.99366%
+5 to -5	99.99994%
+6 to -6	99.9999998%

 ❖ Arithmetic Mean: In Statistics, the **arithmetic mean** of a list of numbers is the sum of all the members of the list divided by the number of items in the list.

 ❖ Source: wikipedia.org

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Sigma Channels Chart

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Sigma Channels Trading Rules

❖ Why is Sigma Channels important for traders ?

    ❖ Which Sigma Levels to Plot: Simple Subset is the Standard Bollinger Bands

    ❖ At minimum what do traders need to know

    ❖ LONG Trade:

        ❖ **Enter the position >>> as price crosses** *above* **+1 Sigma (Two Greens & One Yellow boxes are lit)**

        ❖ **Hold the position >>> while the price is trading between +1 Sigma to +2 Sigma**

        ❖ **Money Management Stop >>> set it at Zero (0) Sigma (Orange background)**

        ❖ **Exit the position (Limit Order) >>> at +3 Sigma (this move is over -– expect a retracement)**

    ❖ SHORT Trade:

        ❖ **Enter the position >>> as the price crosses** *below* **-1 sigma (Two Reds and One Yellow are lit)**

        ❖ **Hold the position >>> while the price is trading between -1 Sigma to -2 Sigma**

        ❖ **Money Management Stop >>> set it at Zero (0) Sigma (Orange background)**

        ❖ **Exit the position (Limit Order) >>> at -3 Sigma (this move is over -– expect a retracement)**

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Market Timing

❖ Why is it important to have a opinion about the Market Timing

❖ Interrelationship of Market Internals

  ❖ Breadth (A/D Line)

  ❖ Volume for confirmation

  ❖ TICK and TICKQ (short-term pulse)

❖ Relative Volatility Measures

❖ Fundamental, Technical, Sentiment & Derivatives

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Equity Index Futures Trading

- ❖ Proprietary Basketing Technology v3.2

  - ❖ Baskets are recasted every two weeks now

  - ❖ Three Charts covering ES, NQ and TF

- ❖ Open to active index traders by Invitation Only

- ❖ Tailored for a few, who prefer to trade size with confidence

- ❖ Last 2009 PBT Webinar
  https://www1.gotomeeting.com/register/954795889

- ❖ One week group training is offered via dedicated chatroom

- ❖ On your end all you need is a dedicated browser during Regular Trading Hours (RTH)

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Twitter FAQ

❖ www.HamzeiAnalytics.com/Twitter.asp

❖ Why I am using Twitter ?

❖ It is like being in a big Chatroom/Trading Room collaborating with other active traders (yes, some have to be filtered !!)

❖ We will post short-term trading ideas in stocks, options and futures in real-time. RTs are welcome and encouraged.

❖ Normal Hours of Operations 0730 to 1530 CDT, Monday thru Friday except exchange holidays and major market breaking news during GLOBEX hours

❖ Please do not abuse the Replies feature during Fast Market Hours

❖ Best is to use TweetDeck or StockTwits Desktop as your tweets manager

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