HIDDEN PIVOT STRATEGIES

PRESENTED BY *RICK'S PICKS*

SEPTEMBER 11, 2018

TABLE OF CONTENTS

3	The value of the Hidden Pivot Method
4	Why Hidden Pivots work
5-7	The basic pattern
8	The Trident Pattern
9-18	Visual tricks to identify tradable patterns
19-33	The Impulse Leg
34-41	The Midpoint Hidden Pivot
43-46	Conventional entries
47-59	Camouflage entries
60-63	Counterintuitive entries and ‘combos’
64-69	Mechanical entries
70-71	Timed entries
72-80	Some useful tricks
81-84	Risk management
85	Hidden Pivot calculator
86	Grading the trade, before and after

THE HIDDEN PIVOT METHOD

* Trade any vehicle long or short, in any time frame
* Identify trends and targets with precision and confidence
* Control trade risk very tightly, from entry to exit
* Understand the ‘psychology’ behind price action
* Build confidence by evaluating each trade systematically

WHY DO HIDDEN PIVOTS WORK?

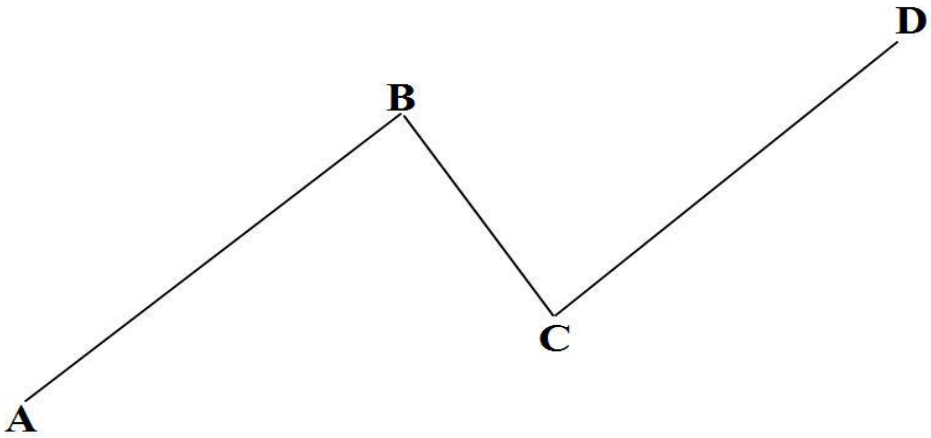
YIN/YANG BALANCE

INHALE = EXHALE

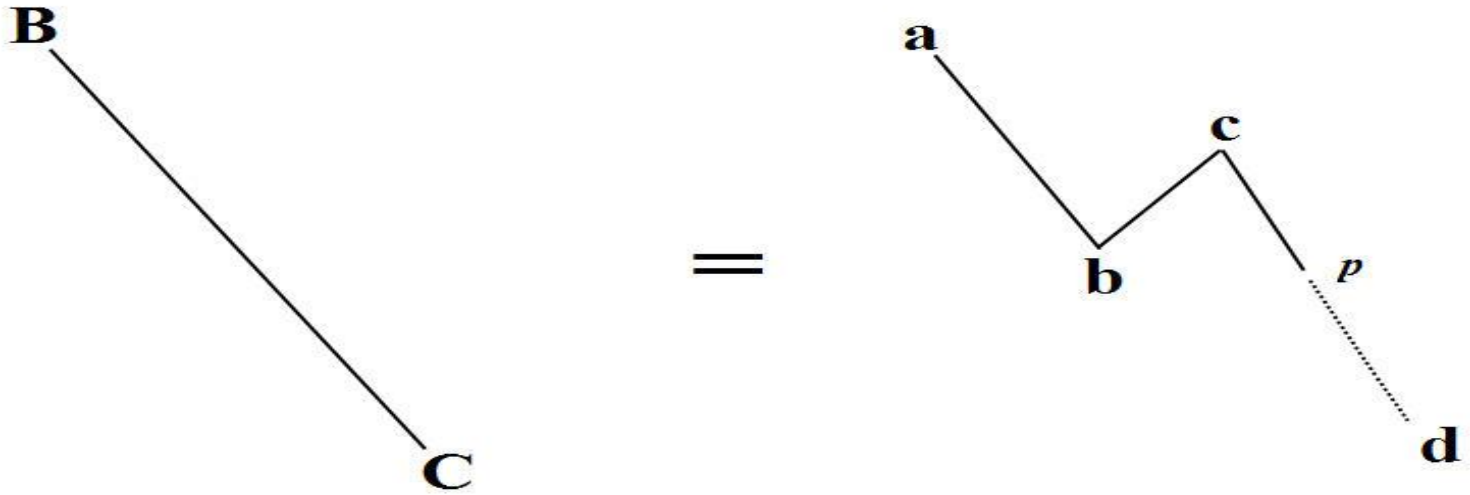
JIGGLES = JAGGLES

THE BASIC PATTERN

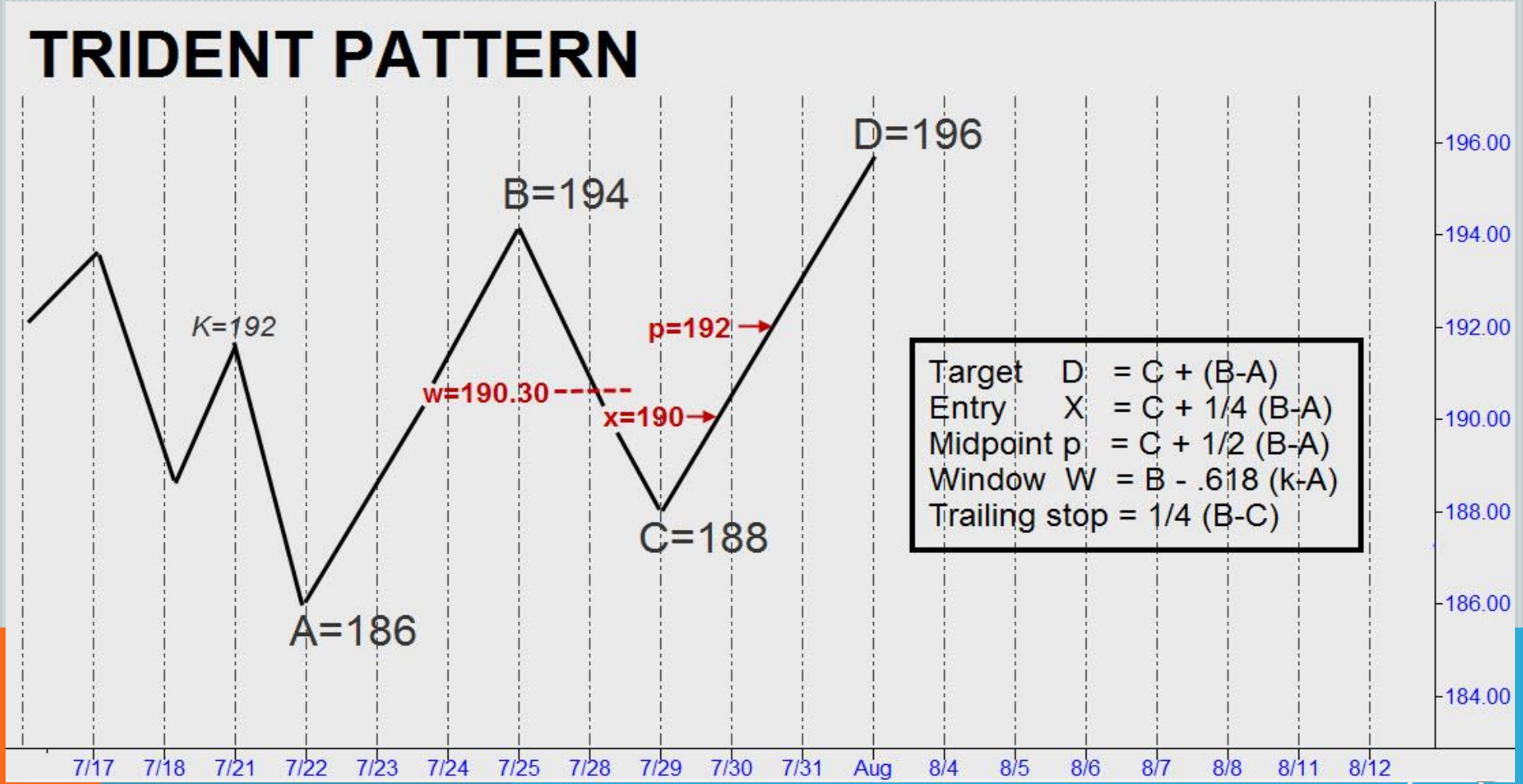
ABCD UPTREND



‘B-C’ CORRECTION MAGNIFIED

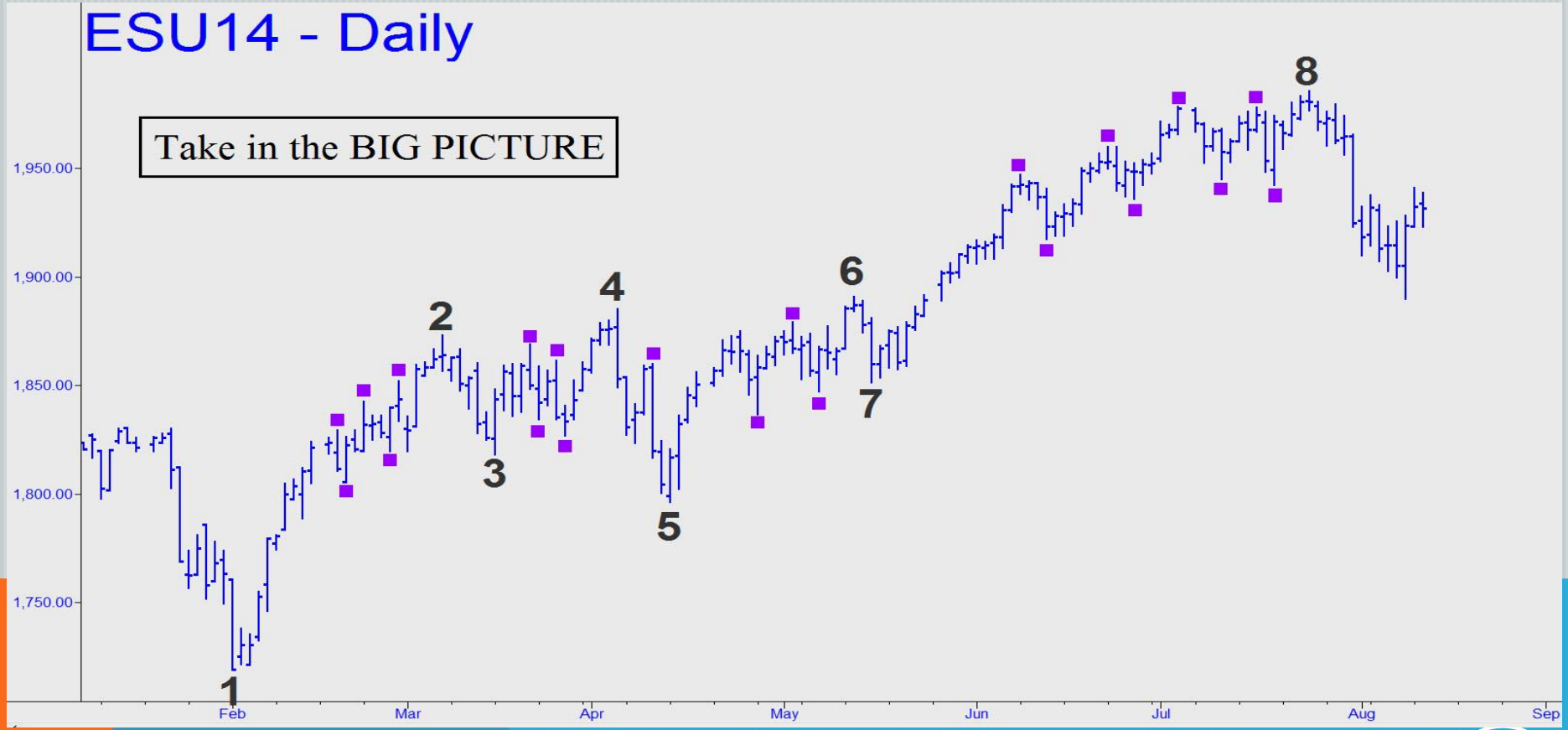


TRIDENT PATTERN

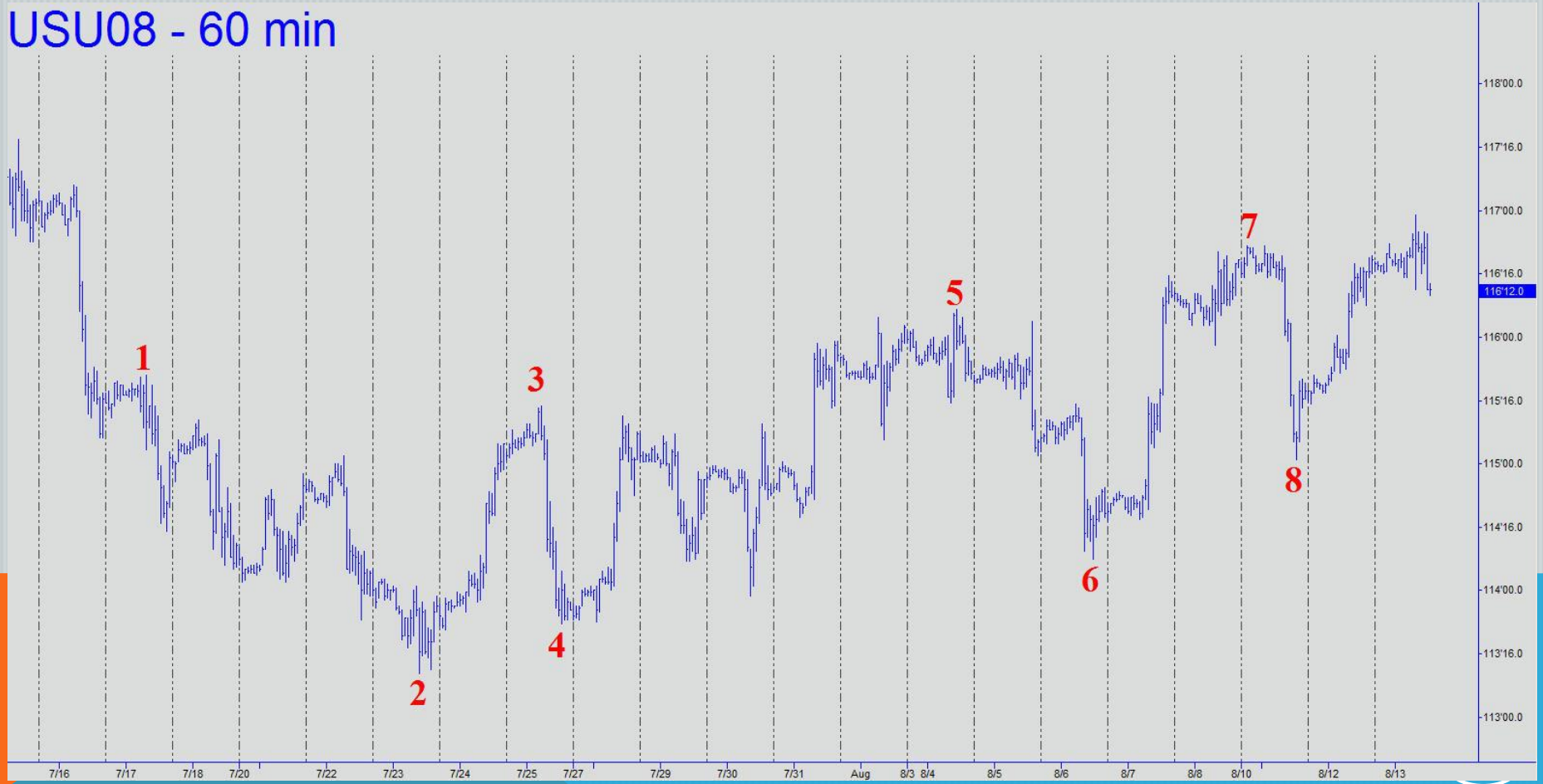


HOW HIGHS AND LOWS BECOME ABCD COORDINATES

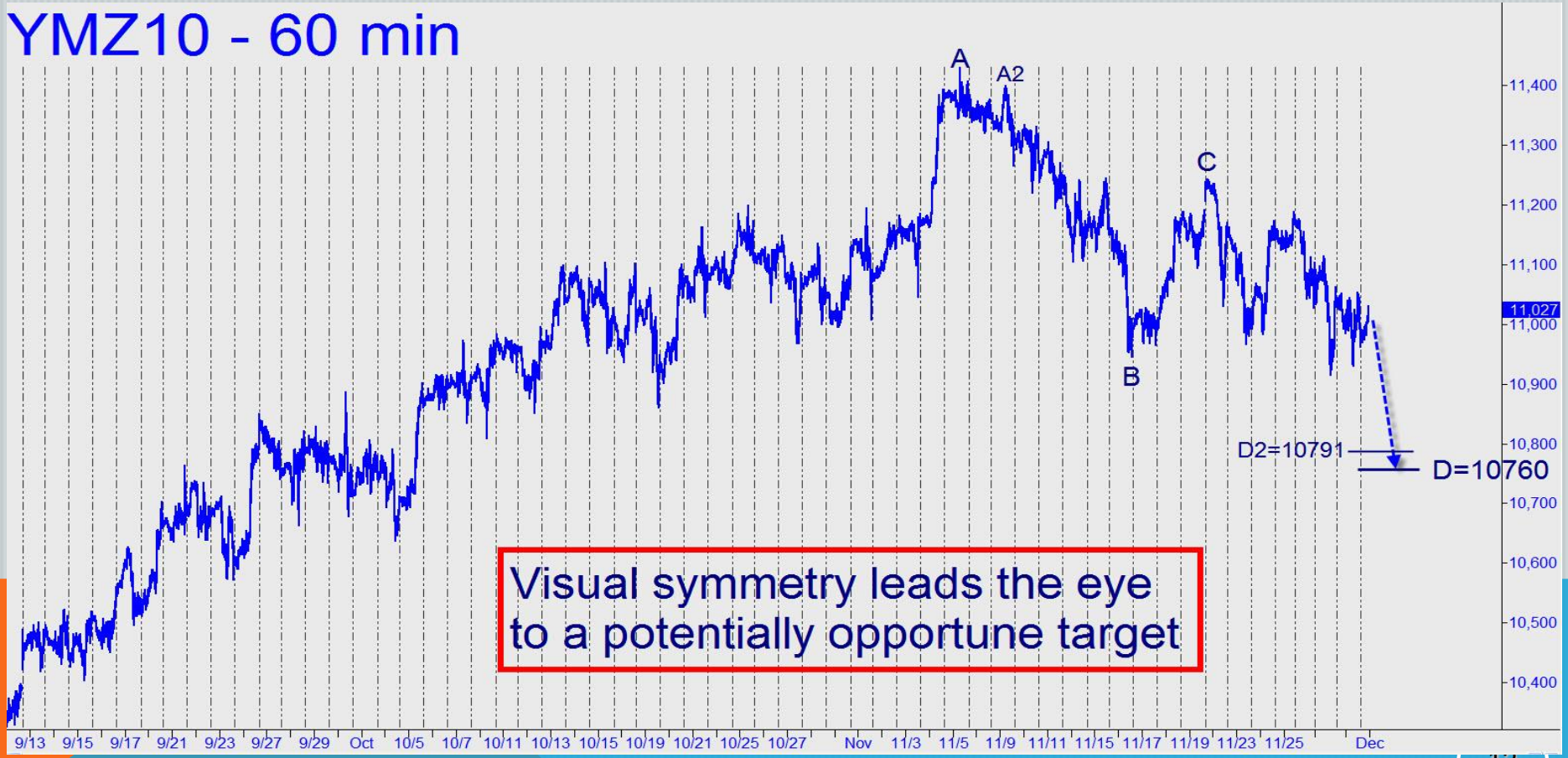
ORGANIZING KEY HIGHS AND LOWS AT-A-GLANCE



HIGHS/LOWS ARE SEEN IN RELATION TO EACH OTHER



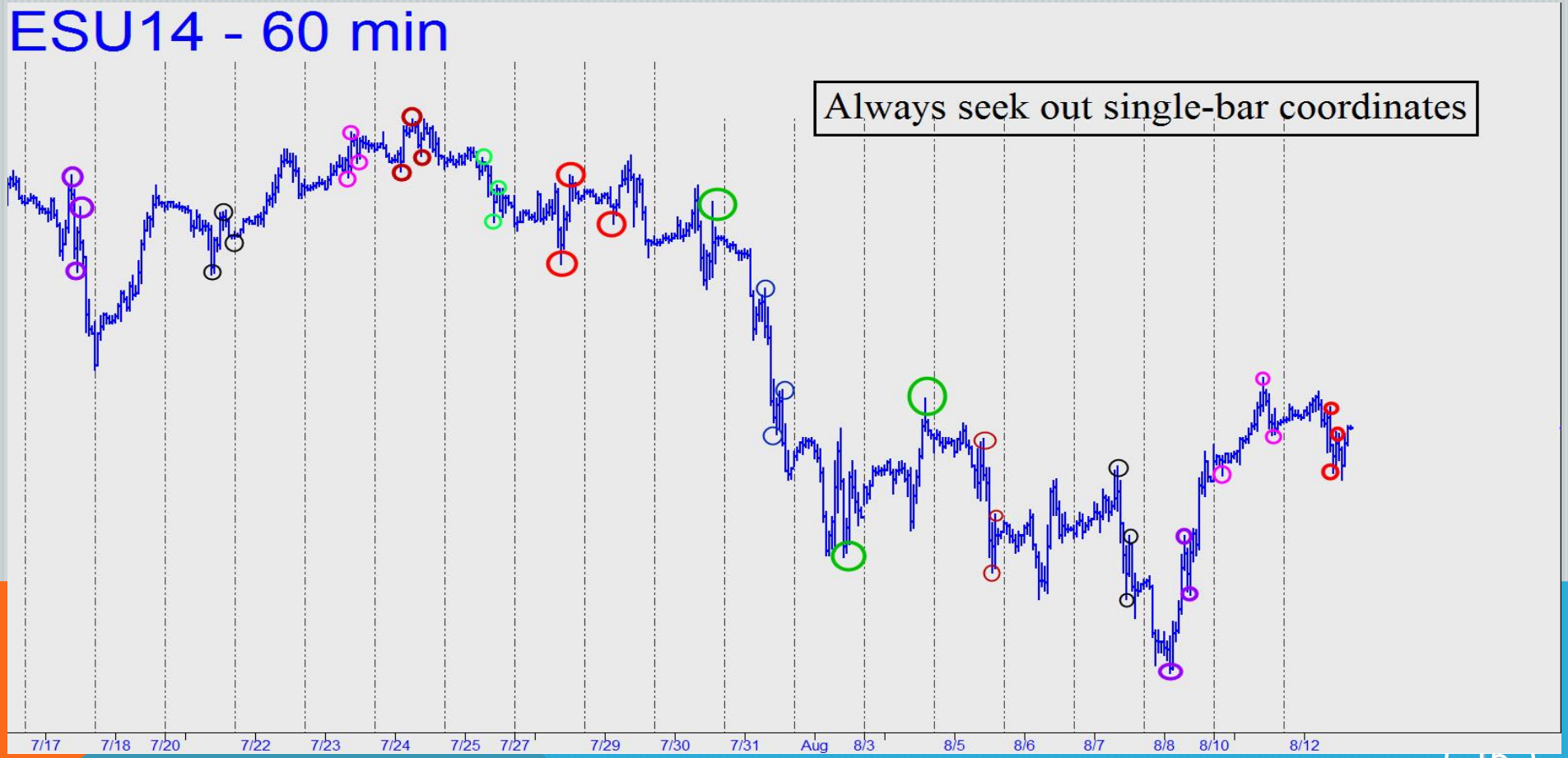
EXTENDING C-D CAN CLARIFY A FUZZY PATTERN



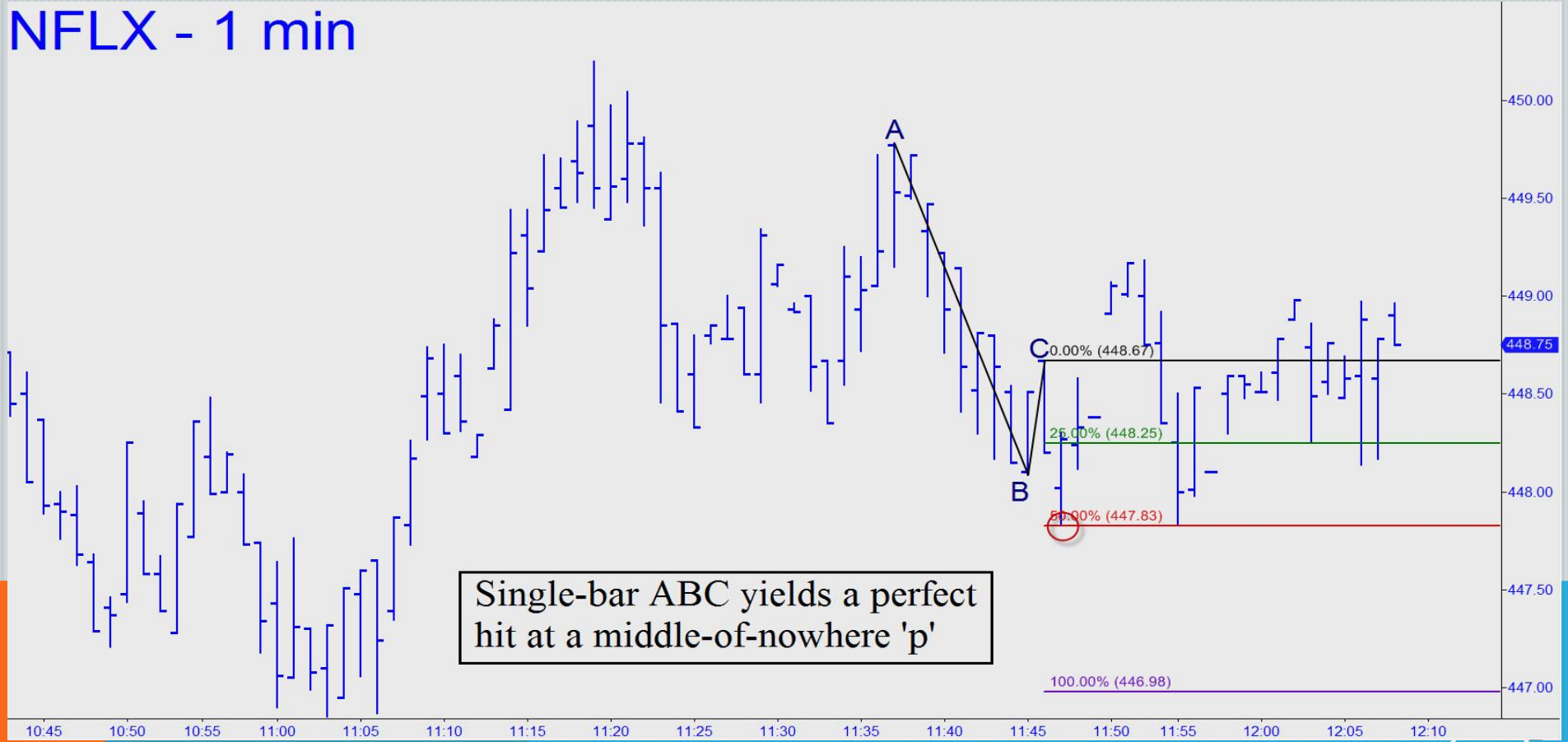
A SIMPLE TRICK HELPS FIND A TRADABLE PATTERN:

LOCATE B-C FIRST! ANOTHER EXAMPLE...

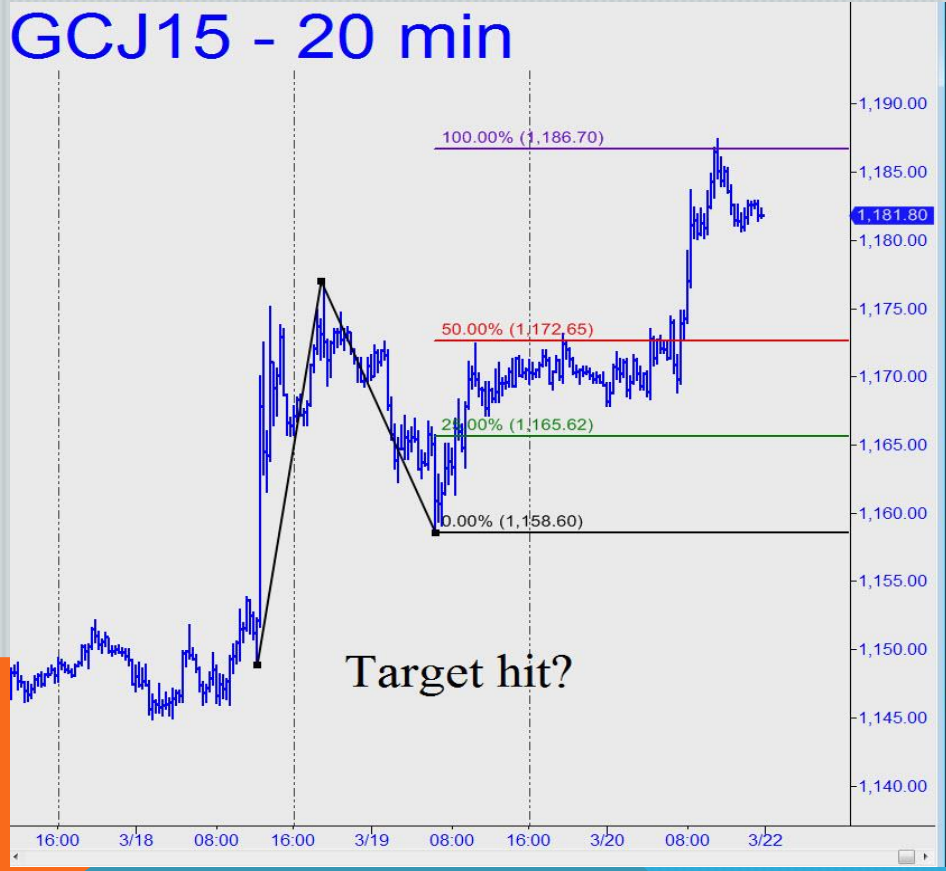
NOTICE SINGLE BAR HIGHS & LOWS FIRST…



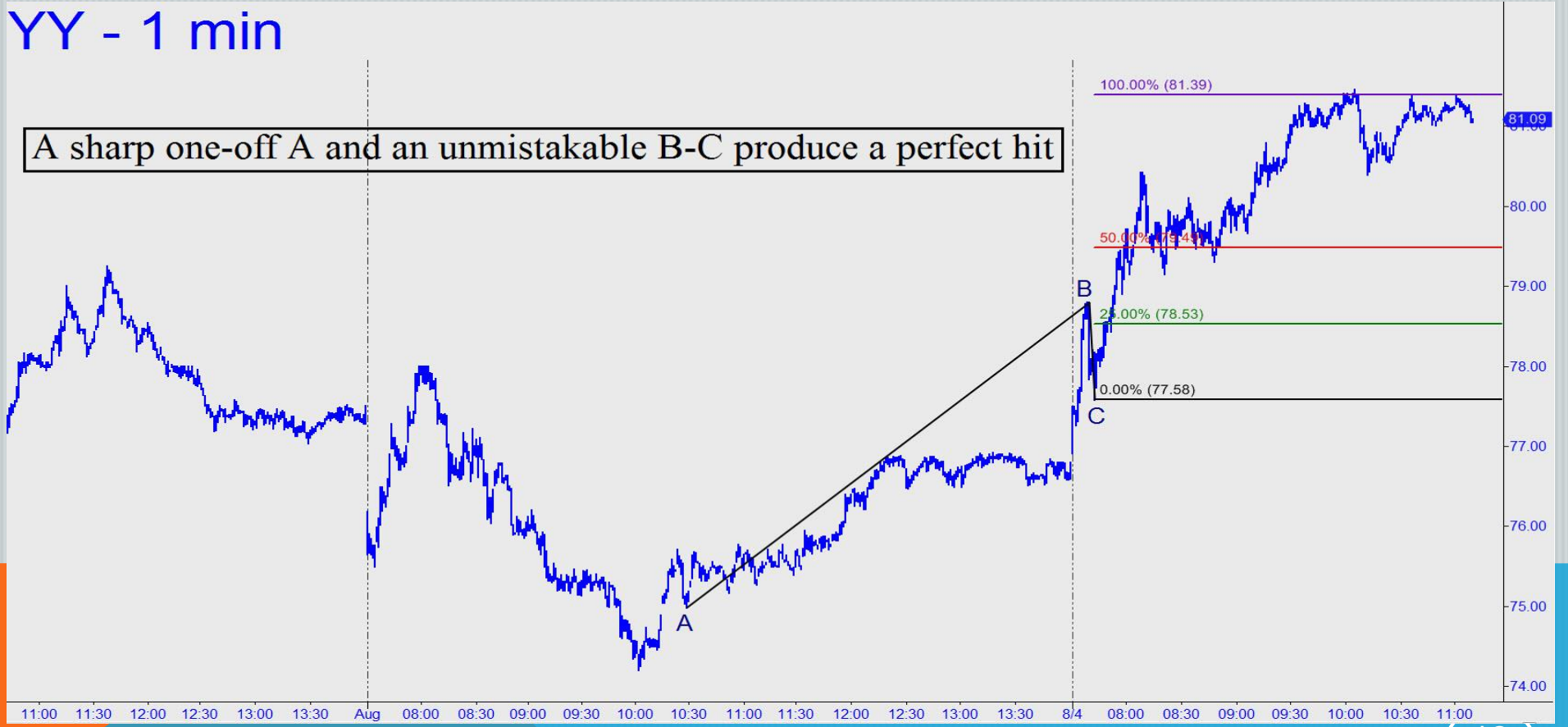
A SINGLE-BAR ‘A-B’ SETS UP A BUY AT ‘P’



NEED A HIGHER TARGET? USE A LOWER 'A'...

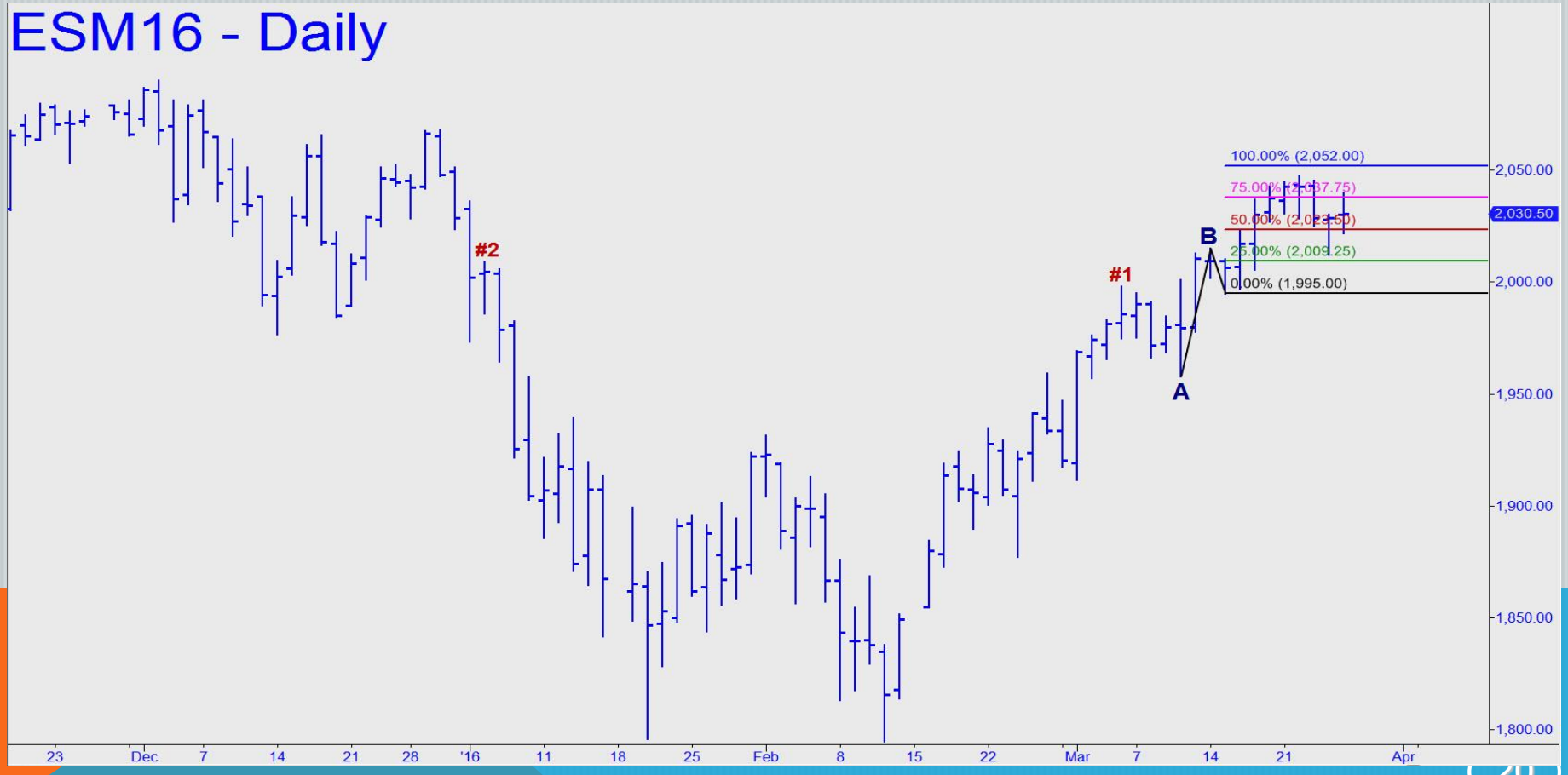


THE GNARLIER THE PATTERN, THE BETTER IT WORKS



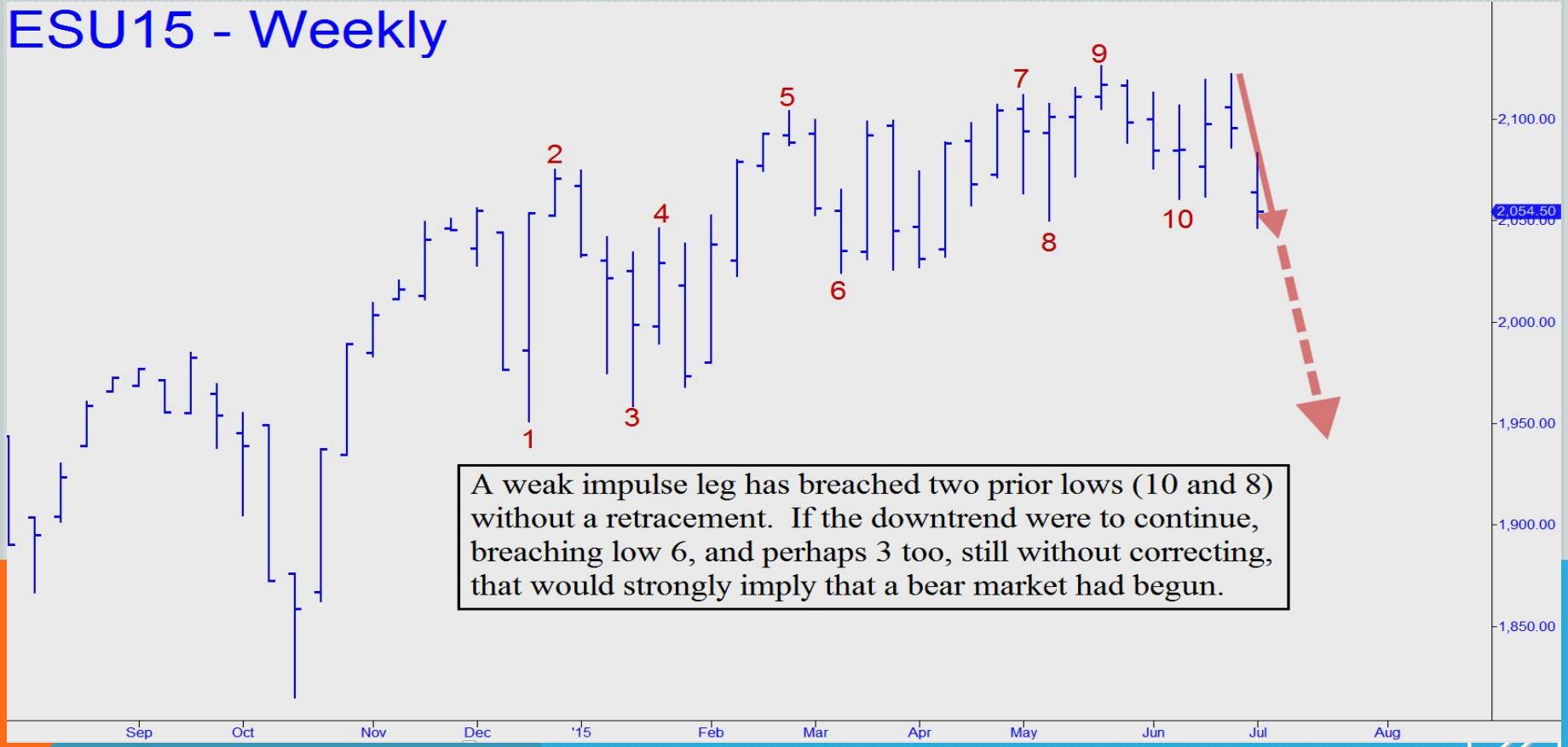
IMPULSE LEGS

A TRUE IMPULSE LEG MUST EXCEED 2 PRIOR PEAKS

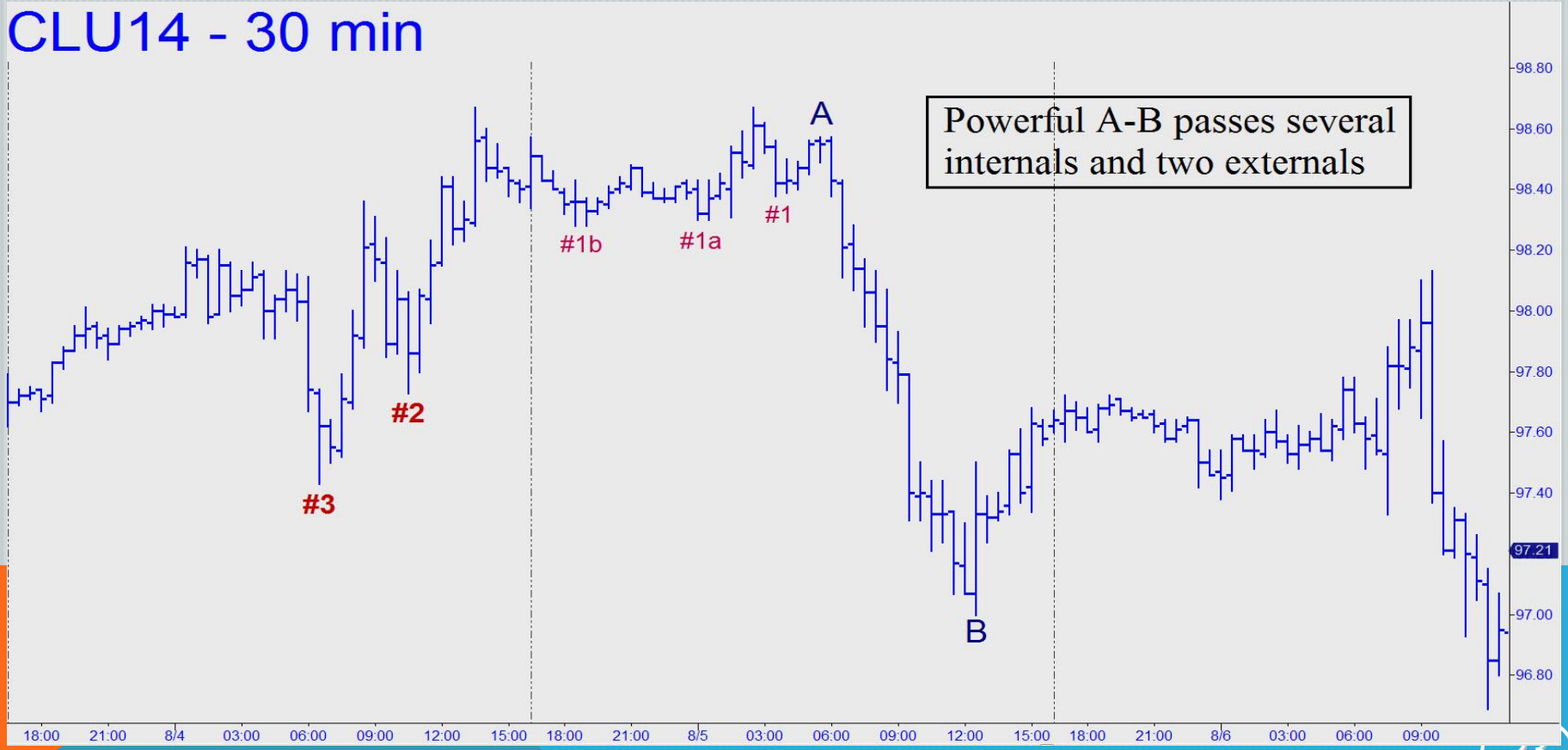


INTERNAL AND EXTERNAL PEAKS

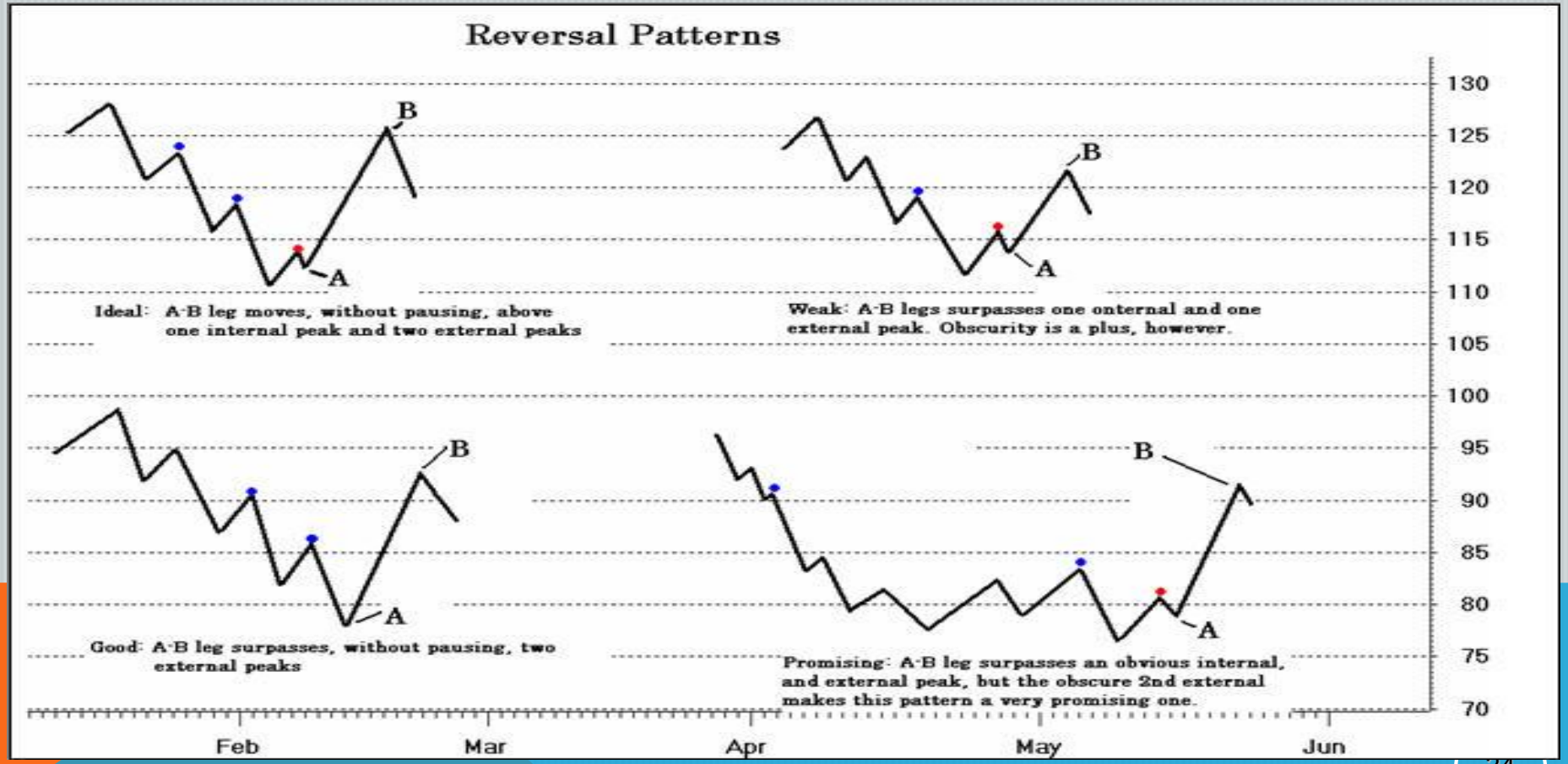
GAUGING THE POWER OF AN IMPULSE LEG (#1)



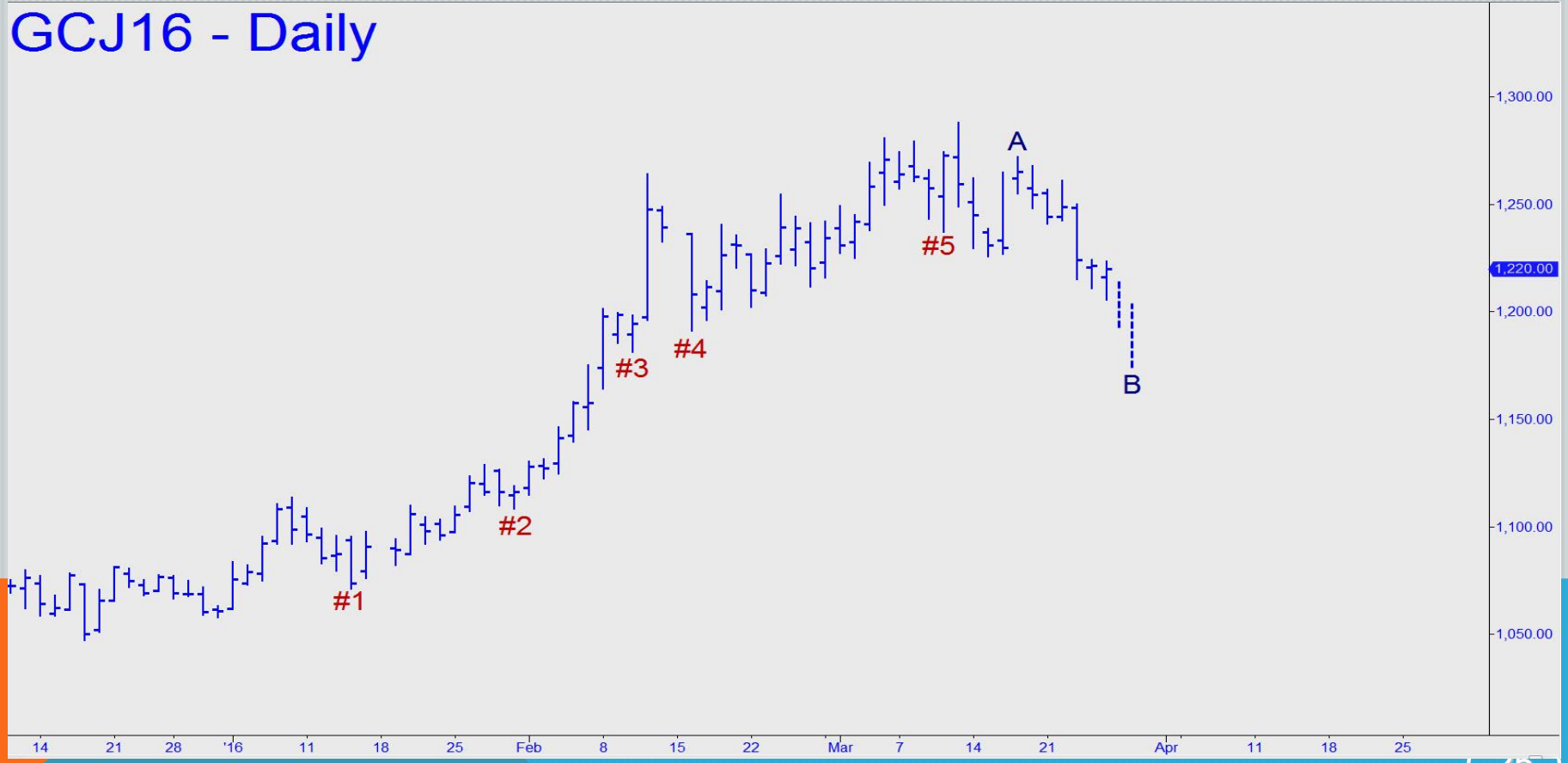
GAUGING THE POWER OF AN IMPULSE LEG (#2)



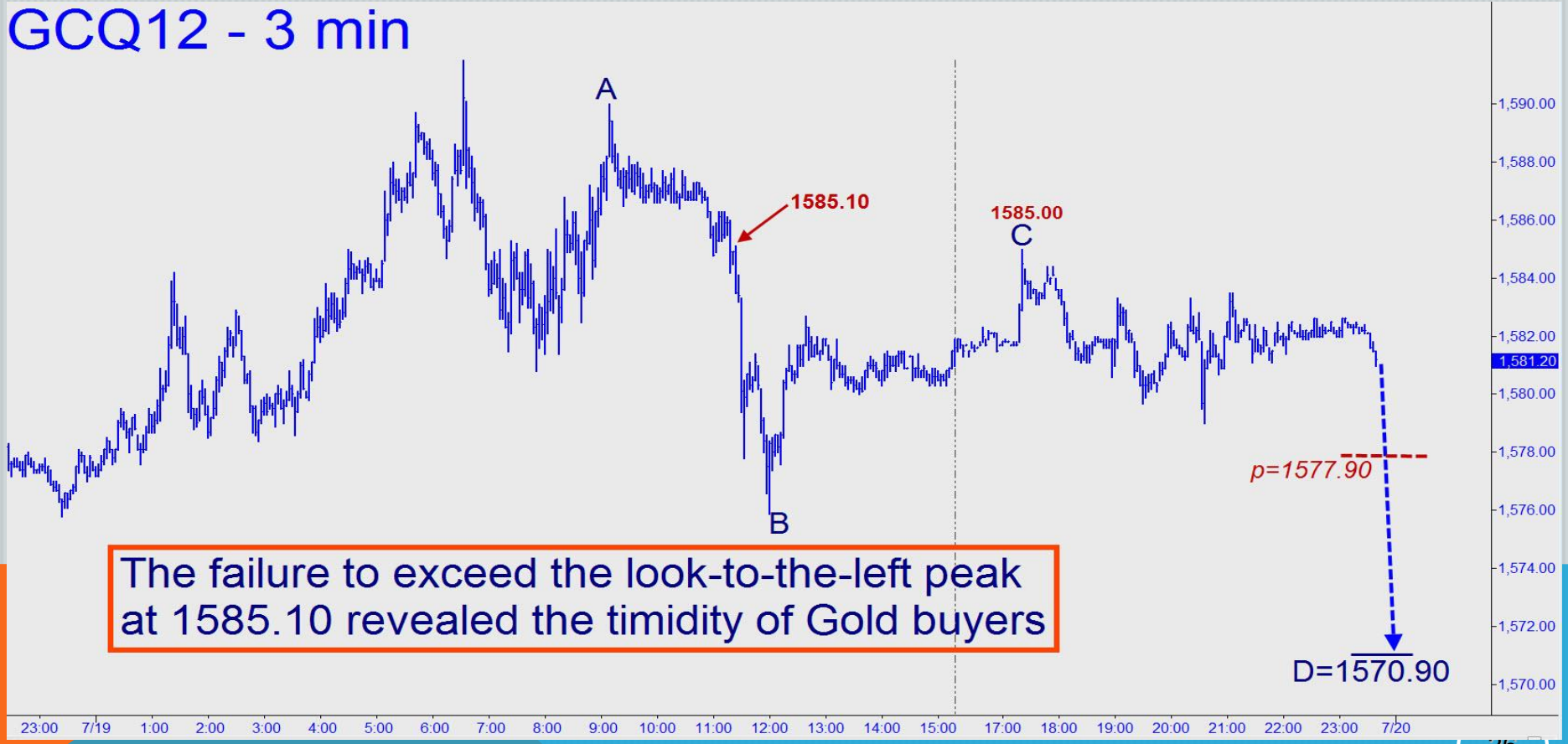
A HIERARCHY OF IMPULSE-LEG STRENGTH



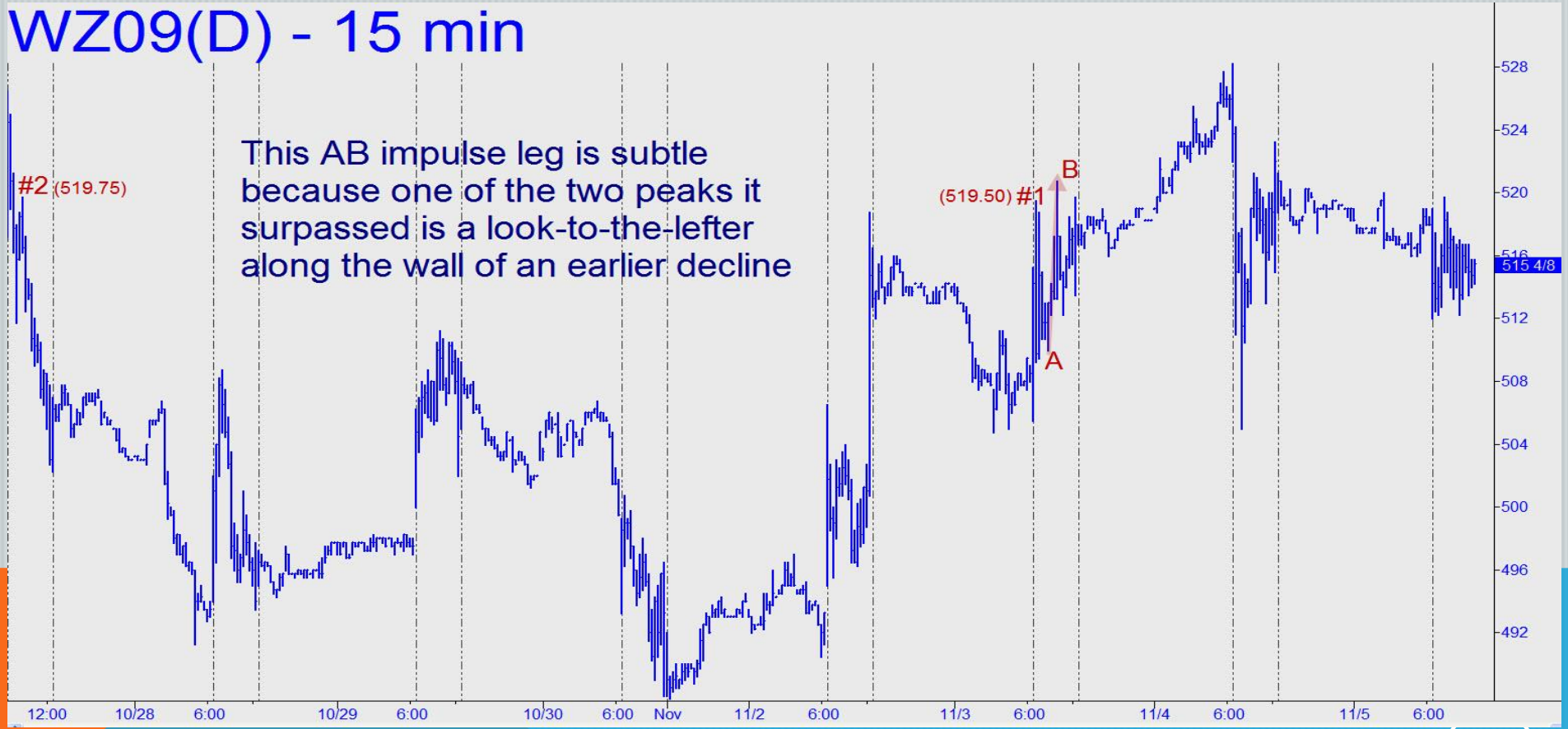
EXTERNAL HIGHS/LOWS HELP US QUALIFY IMPULSE LEGS



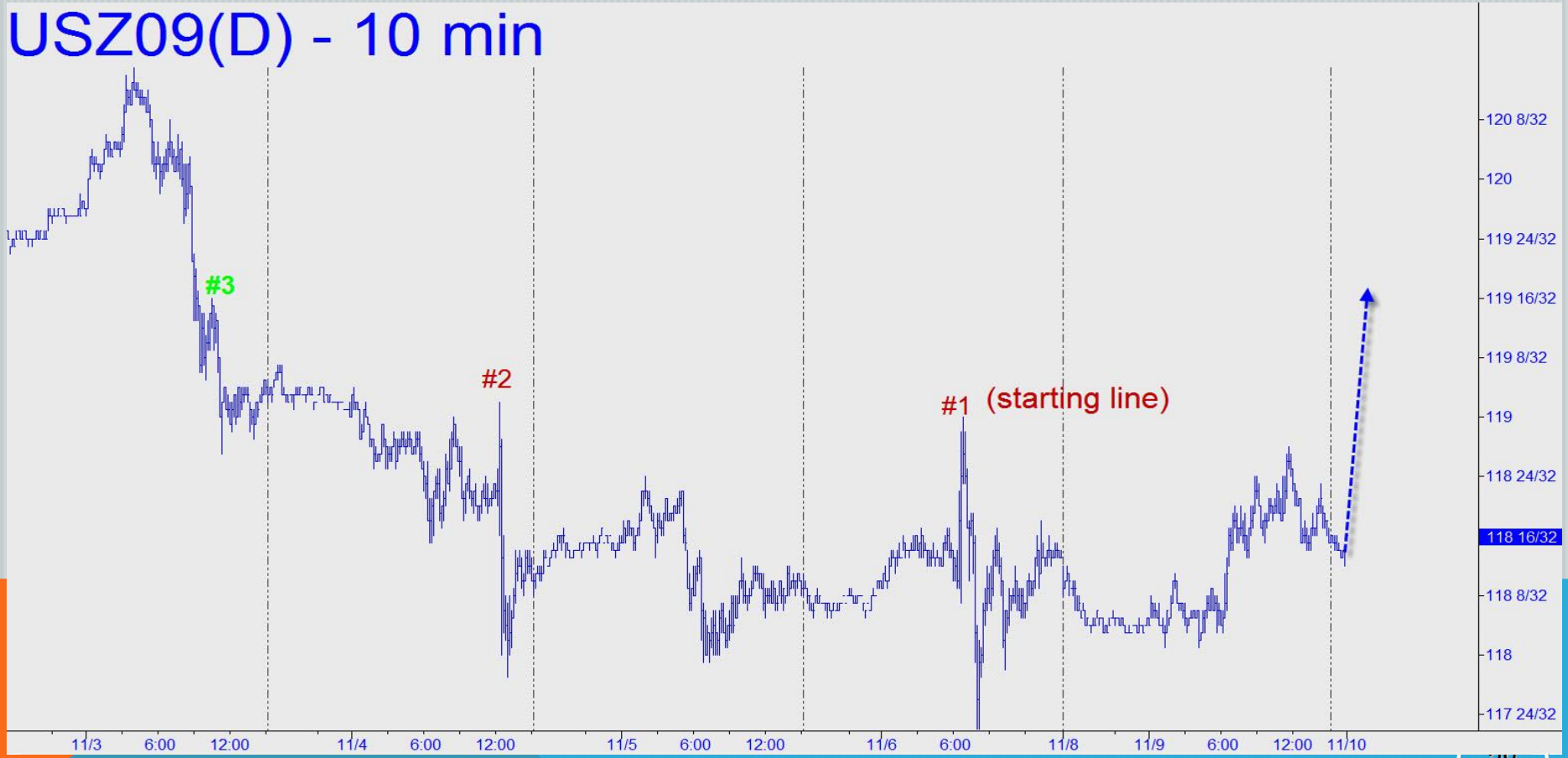
AN IMPULSIVE FAILURE: RALLY CHICKENS OUT AT C



A WELL HIDDEN IMPULSE LEG SPELLS OPPORTUNITY



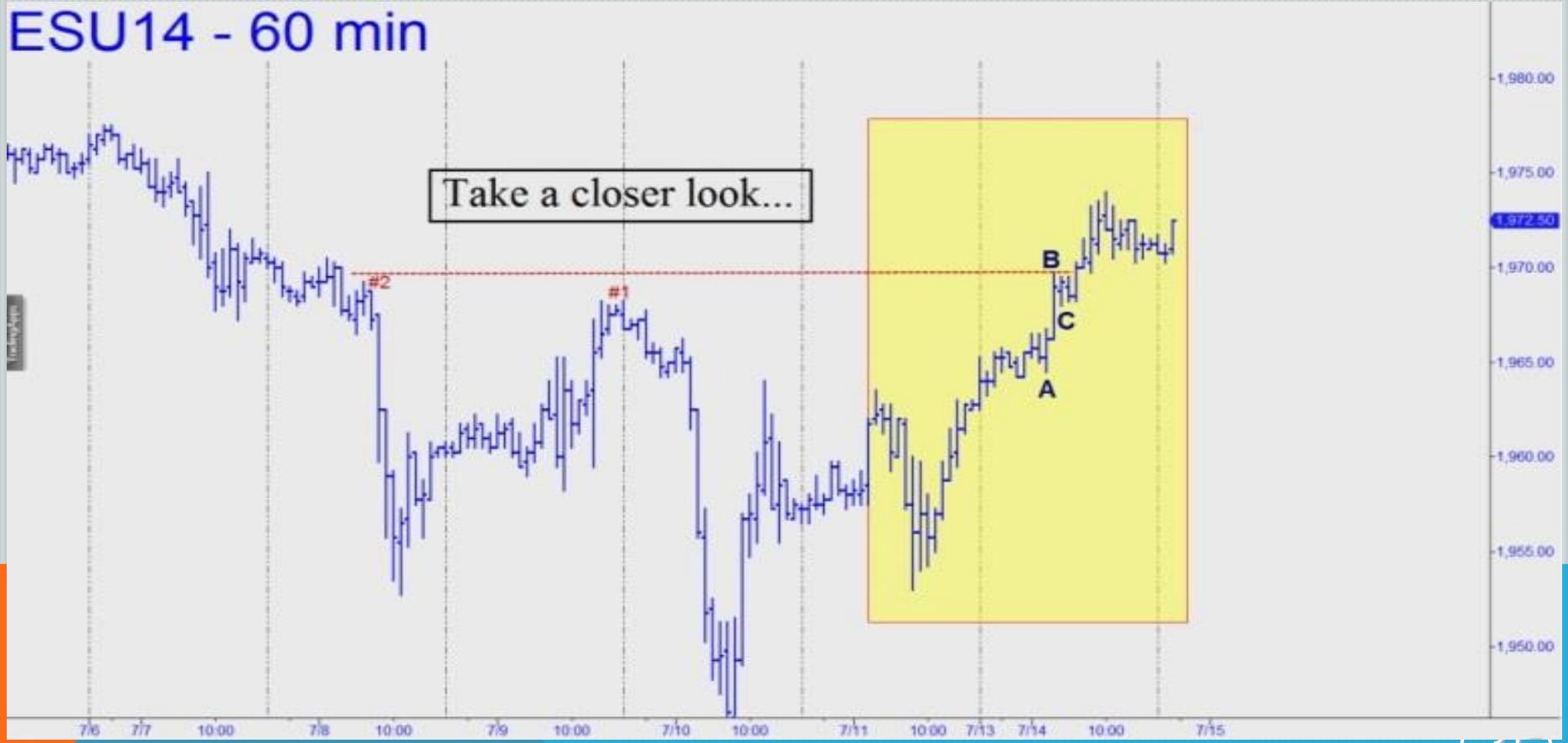
PASSING A PEAK ‘ALONG-THE-WALL’ SIGNALS CHANGE



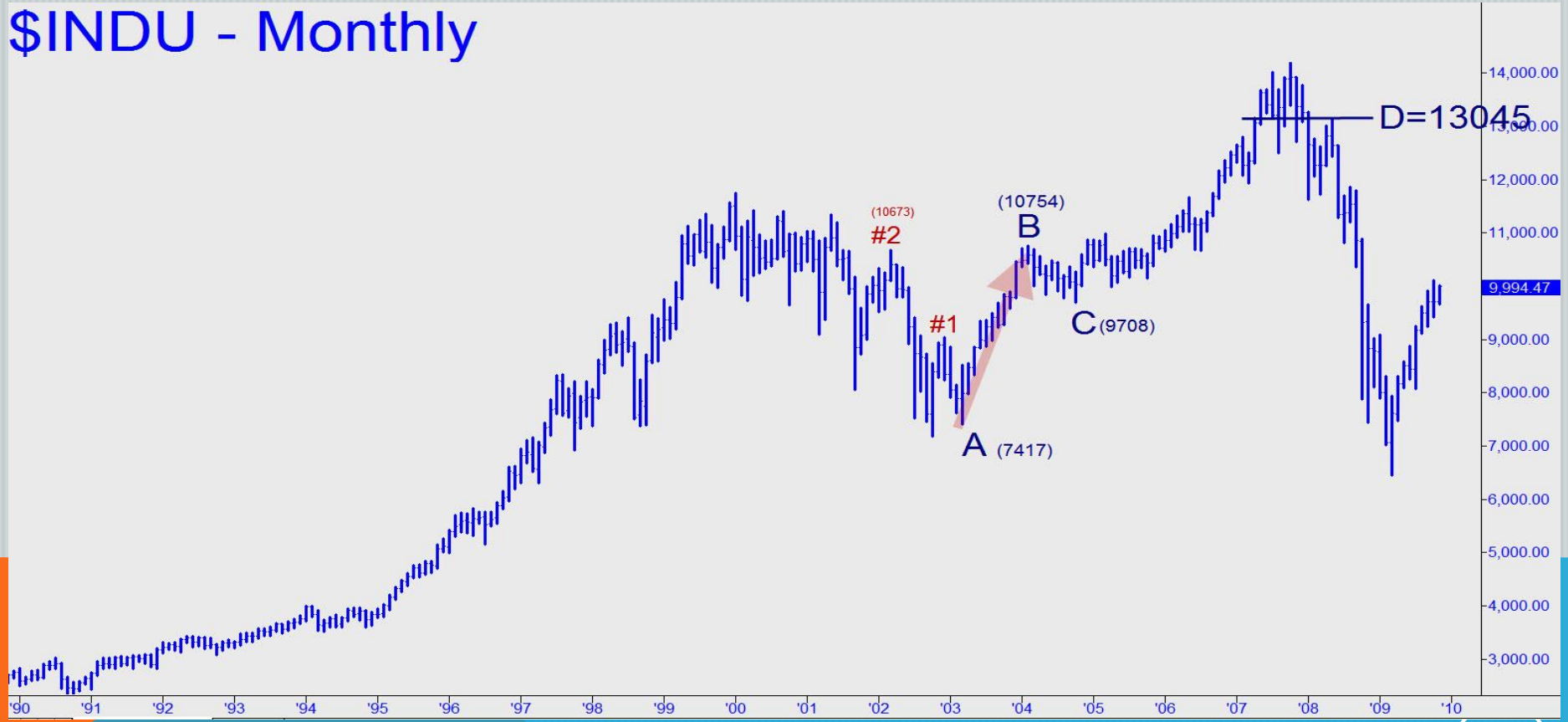
LOOK-TO-THE-LEFT PEAK CREATES A TRADABLE X

SUBTLE ABC PATTERNS YIELD EASY PROFITS

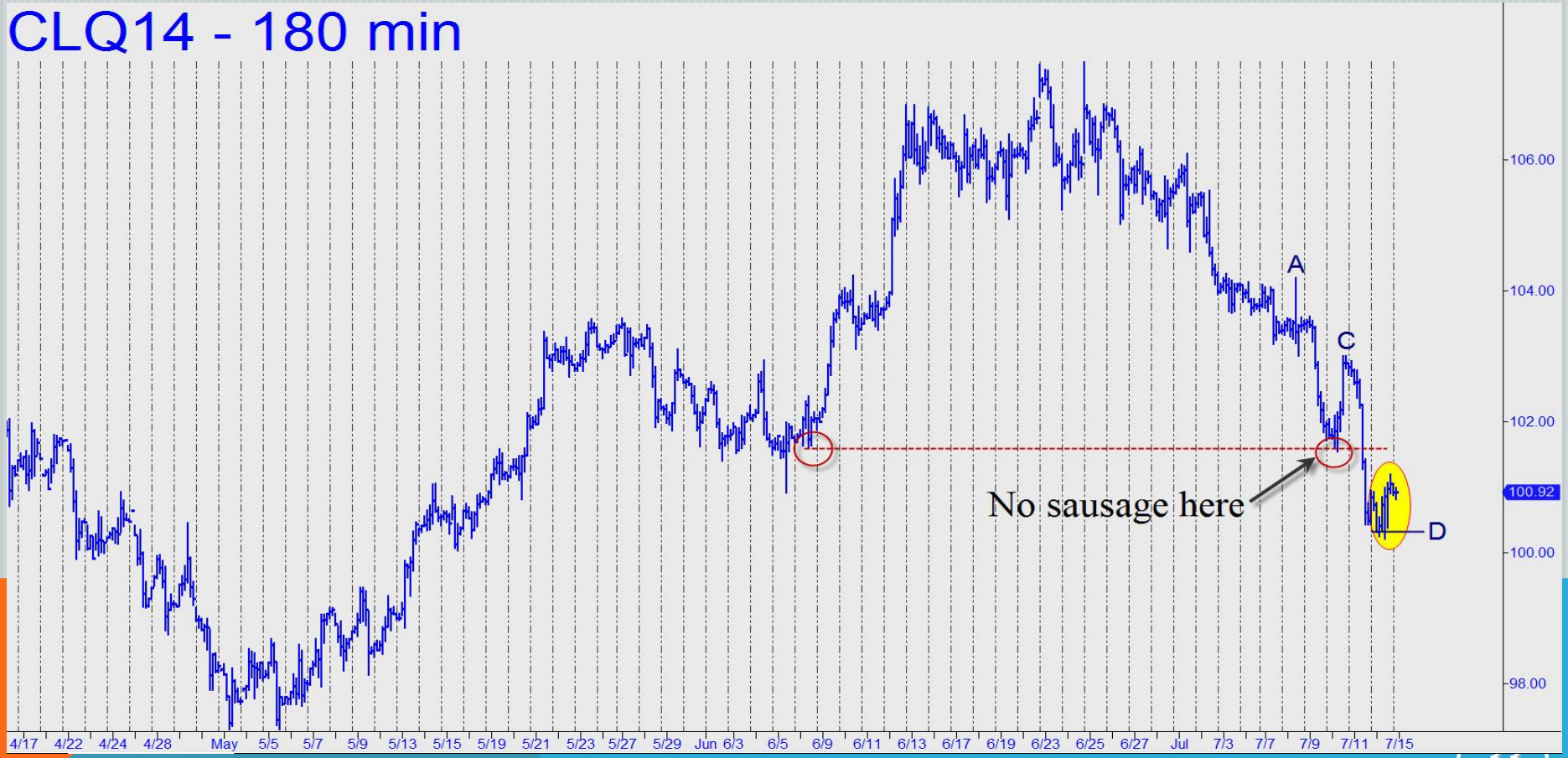
THE IMPULSE LEG WAS AS SUBTLE AS THEY GET



MY ‘EPIPHANY’

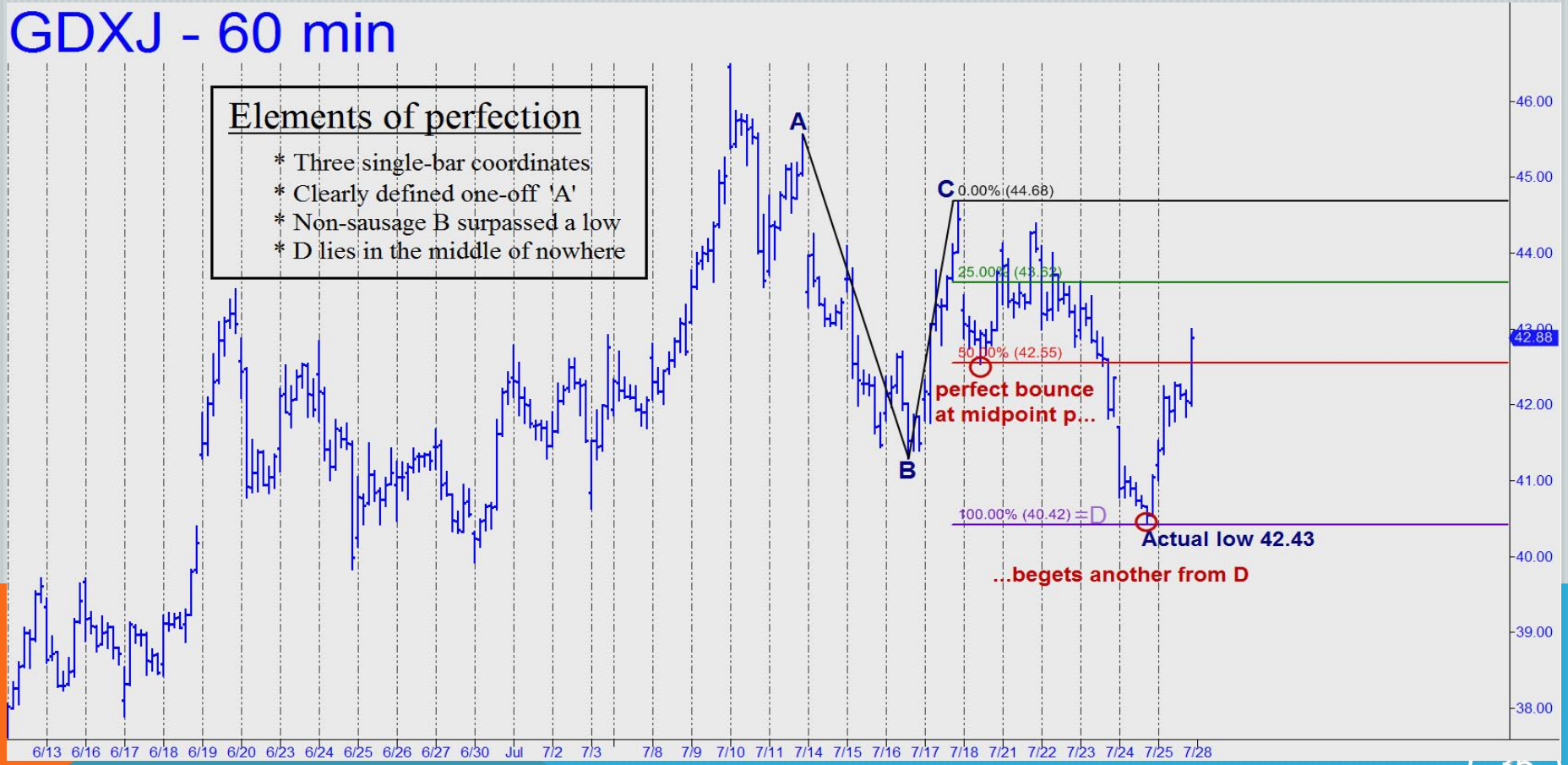

$INDU - Monthly
D=13045
(10673)
#2
(10754)
B
#1
C (9708)
A (7417)
14,000.00
12,000.00
11,000.00
9,994.47
9,000.00
8,000.00
7,000.00
6,000.00
5,000.00
4,000.00
3,000.00
'90
'91
'92
'93
'94
'95
'96
'97
'98
'99
'00
'01
'02
'03
'04
'05
'06
'07
'08
'09
'10

CONCERNING ‘SAUSAGE’…

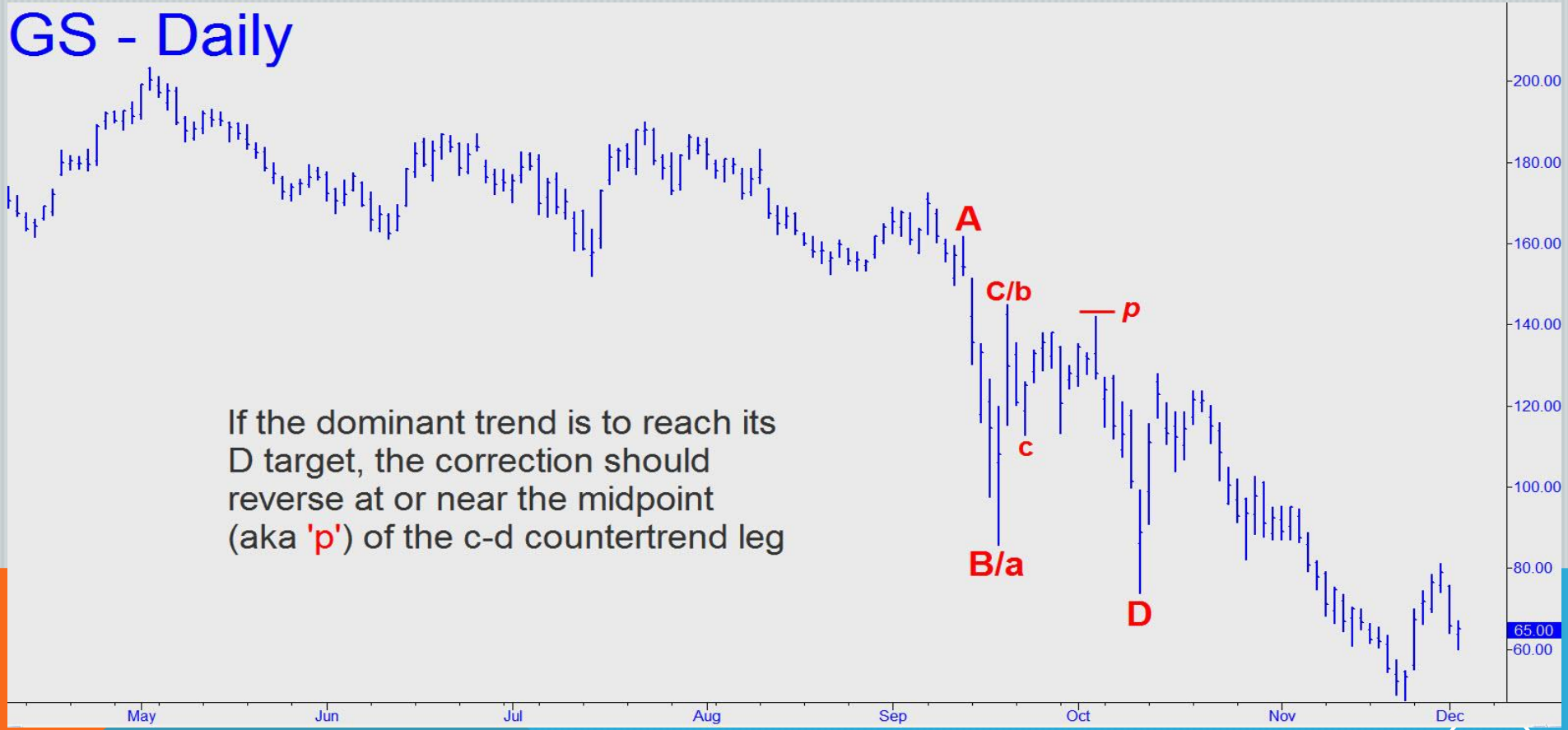


MIDPOINT PIVOTS

A PRECISE MIDPOINT BOUNCE IS PREDICTIVE...

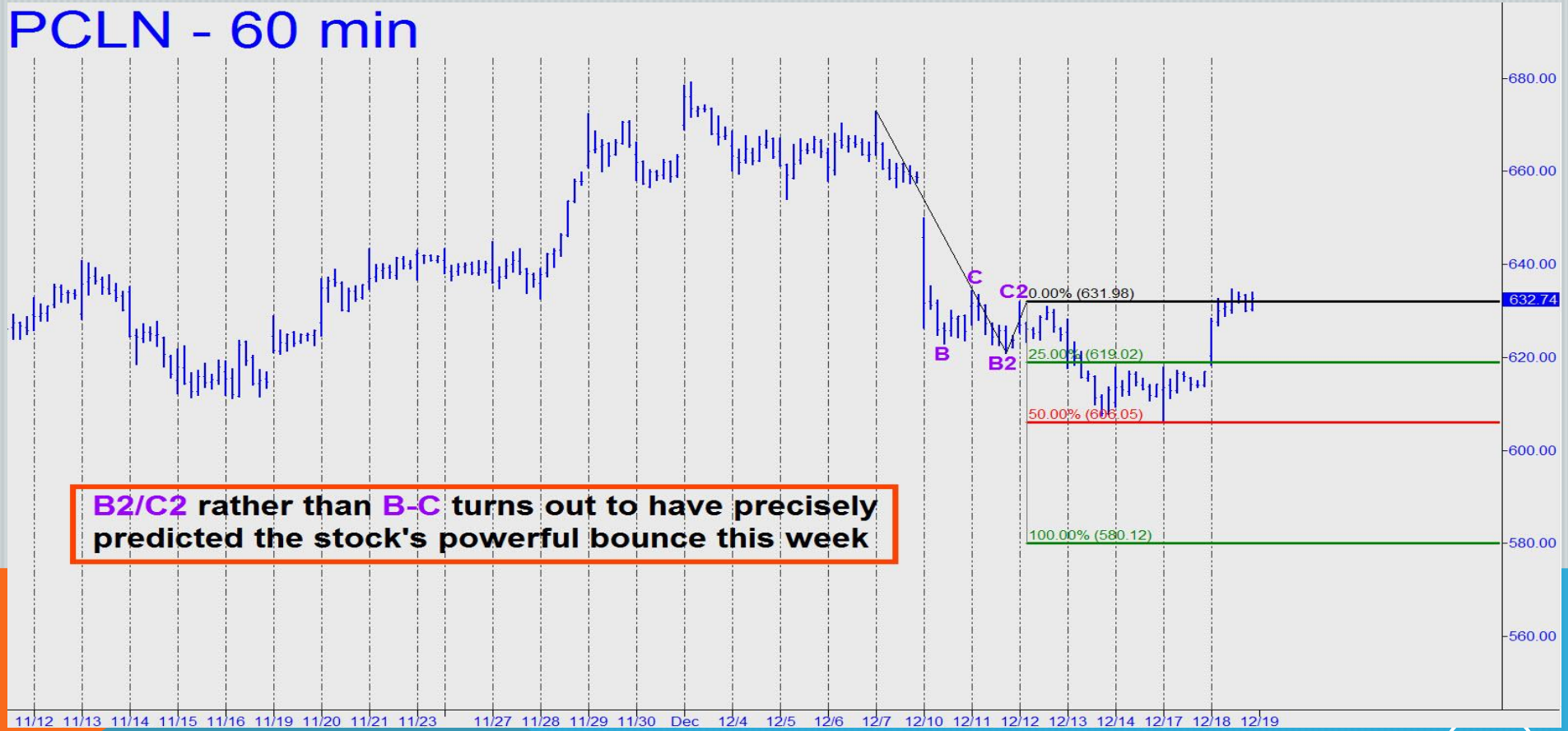


...AS IS A MIDPOINT FAILURE



WHEN A CORRECTIVE MIDPOINT GETS STEAM-ROLLERED

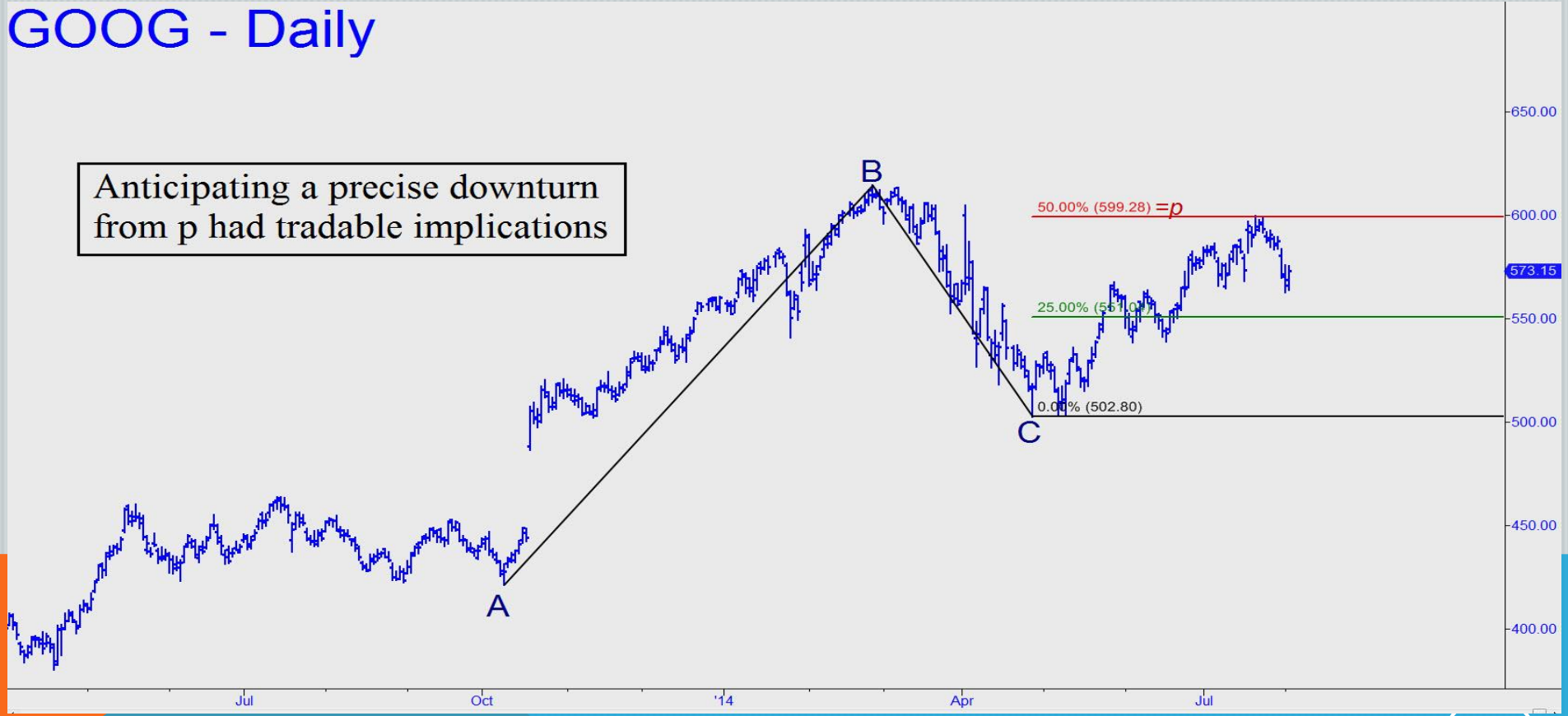
MIDPOINT REACTION IDENTIFIES WHICH B-C TO USE



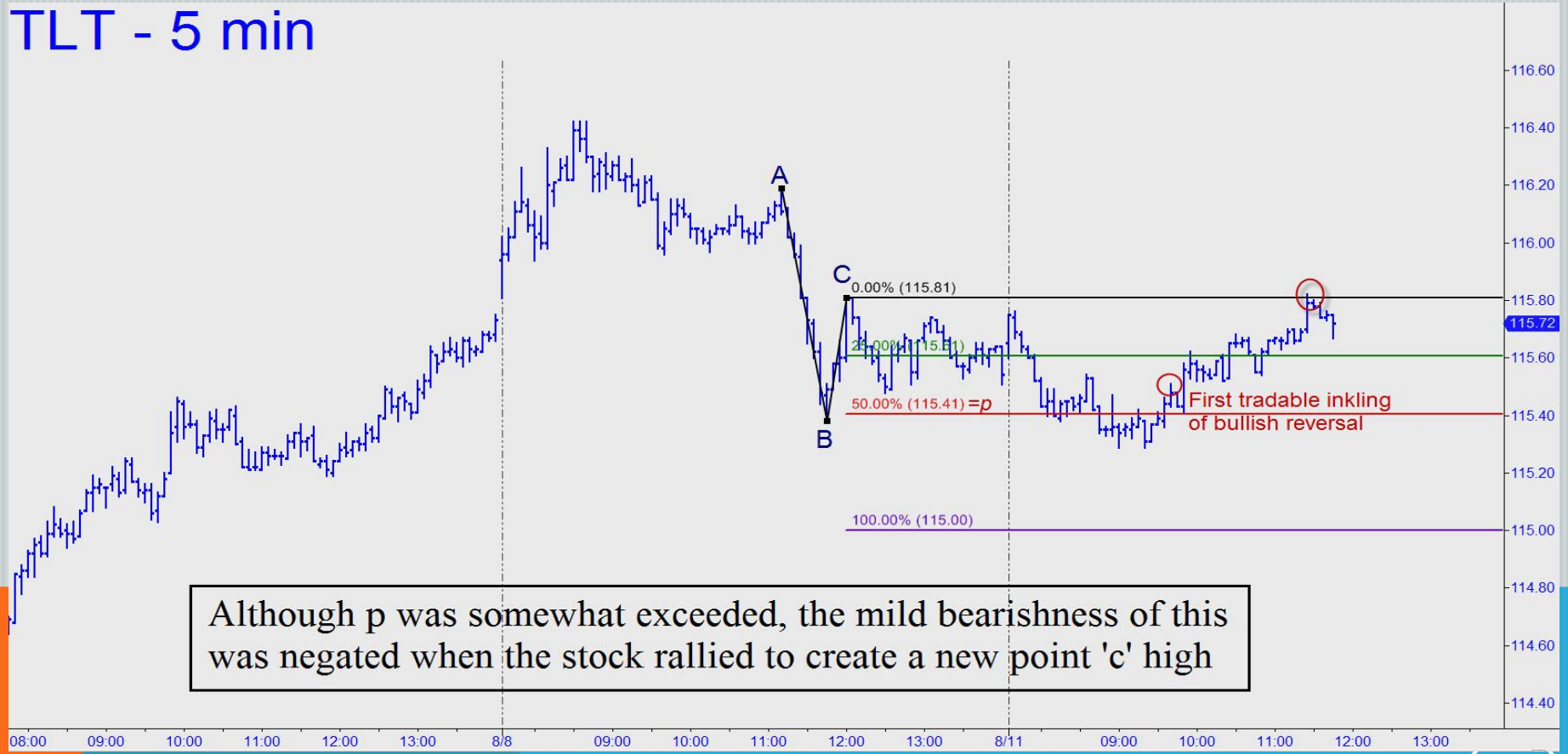
B2/C2 rather than B-C turns out to have precisely predicted the stock's powerful bounce this week

A MIDPOINT PIVOT NAILS AN 'UNPREDICTABLE' TOP

ANOTHER USEFUL *P* IN THE MIDDLE OF NOWHERE



A PROMISING DOWNTREND IS ABORTED

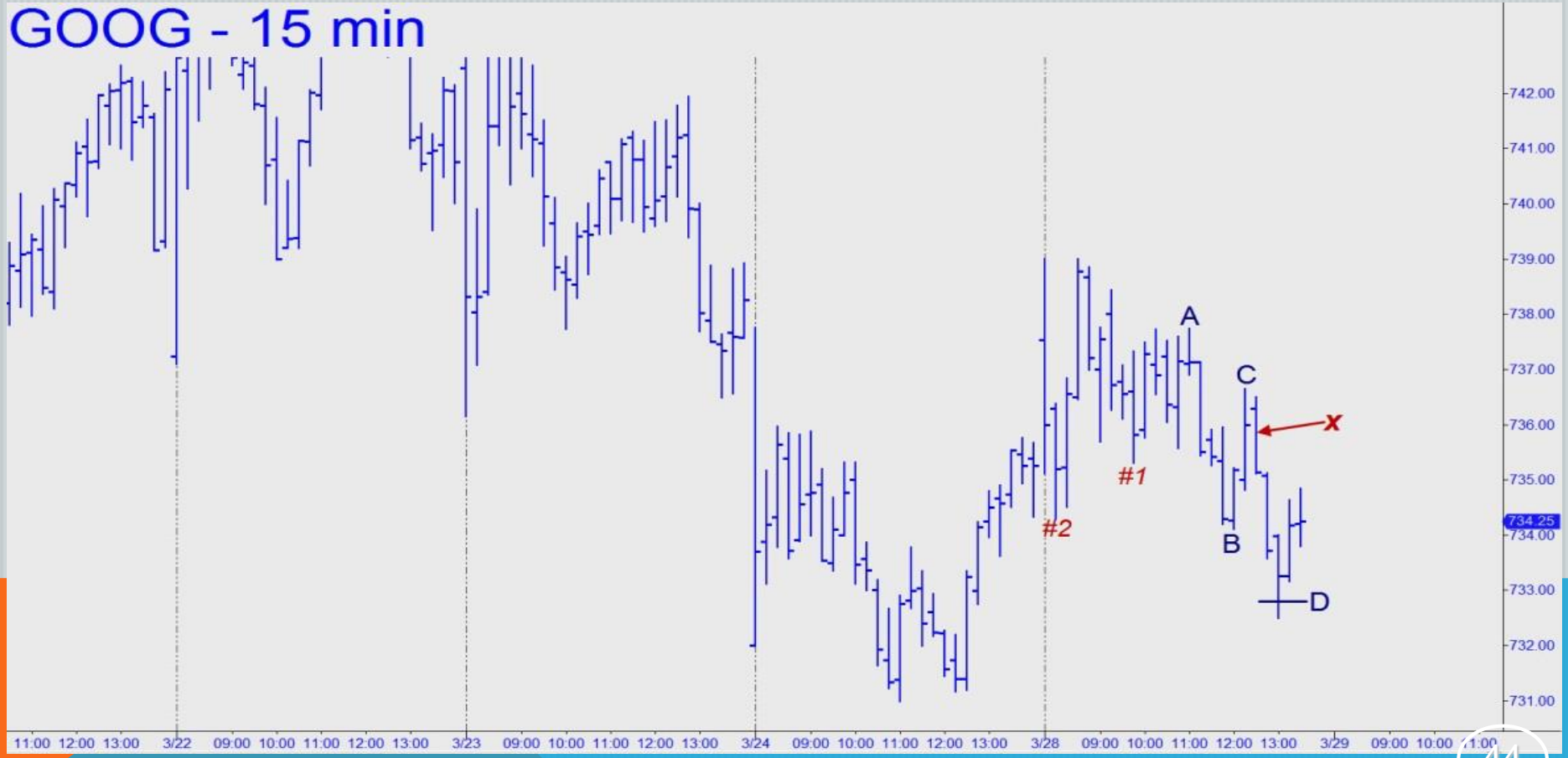


ENTRY TACTICS

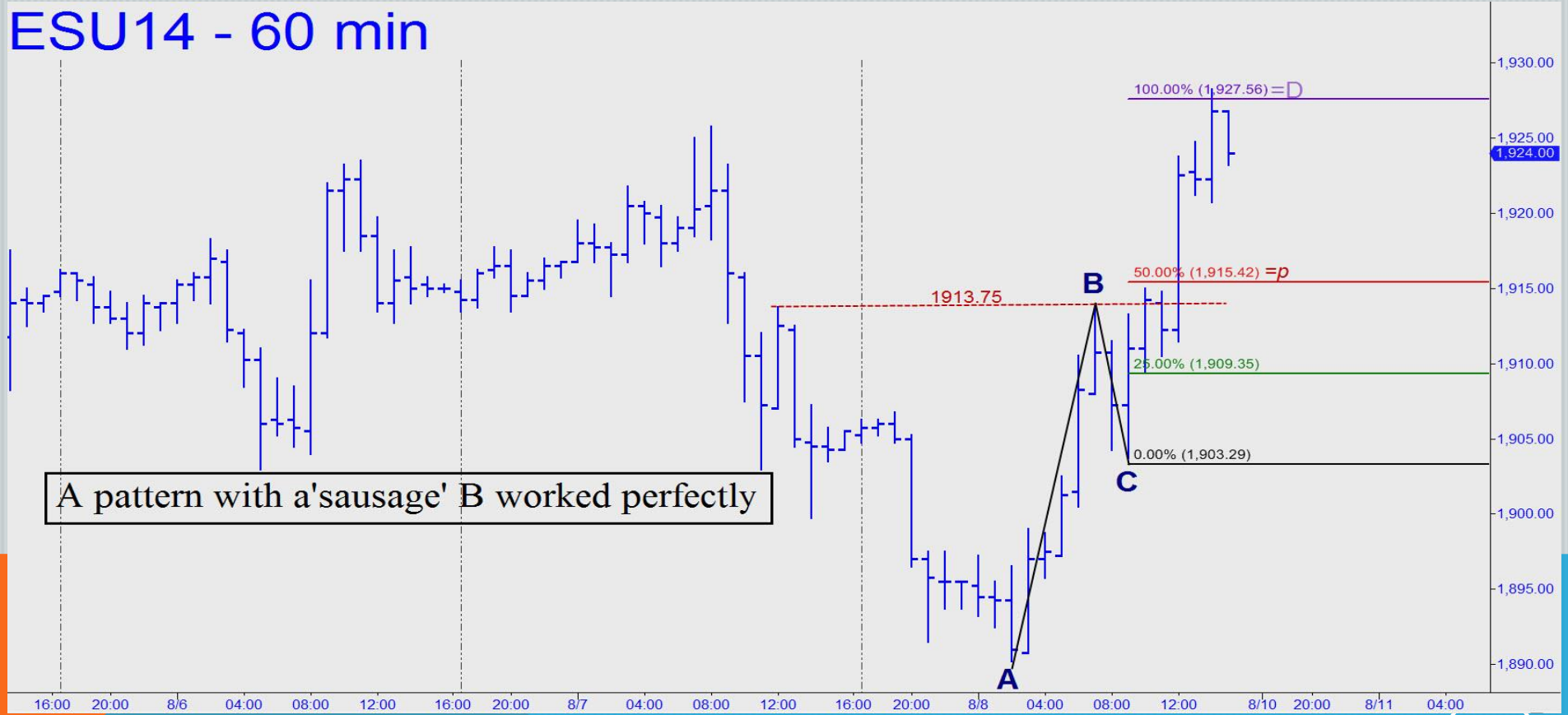
FIVE WAYS TO INITIATE TRADES USING HIDDEN PIVOTS

1. Conventional: The subtlety of the ABC pattern is crucial
2. Camouflage: Best way to minimize risk, but labor-intensive
3. Counterintuitive: Easiest trade for a novice to learn and use
4. Mechanical: Biggest initial risk, but you can relax thereafter
5. Timed buy- or sell-stop: When in doubt, a good way to test the water

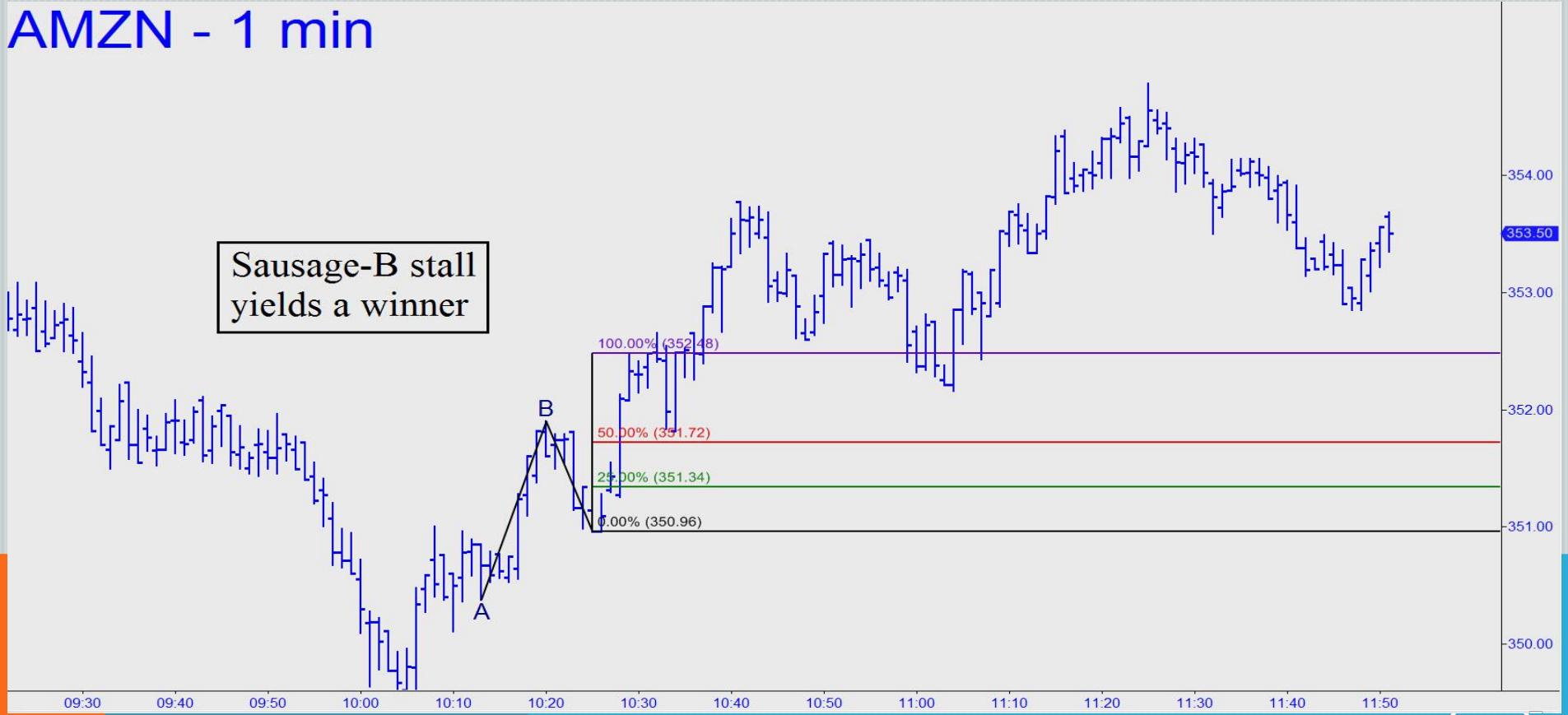
CONVENTIONAL ENTRY



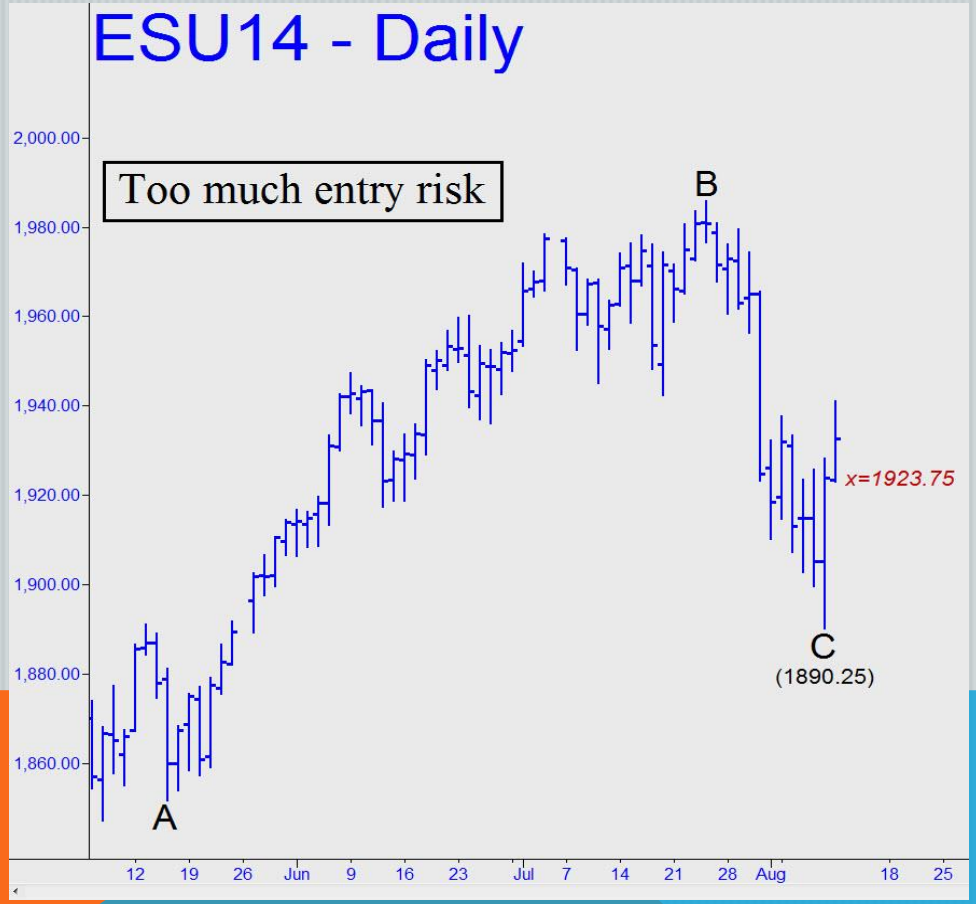
AN *UN*-CONVENTIONAL ENTRY...

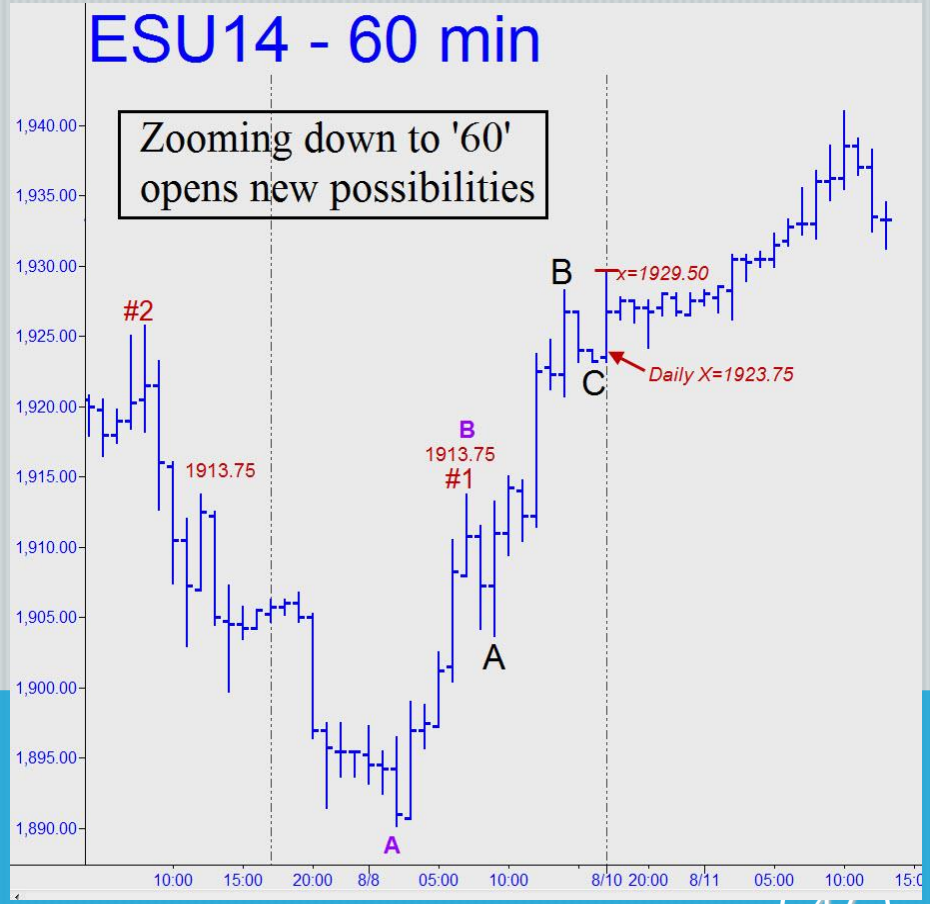


...AND ANOTHER 'SAUSAGE 'B' THAT PAID OFF

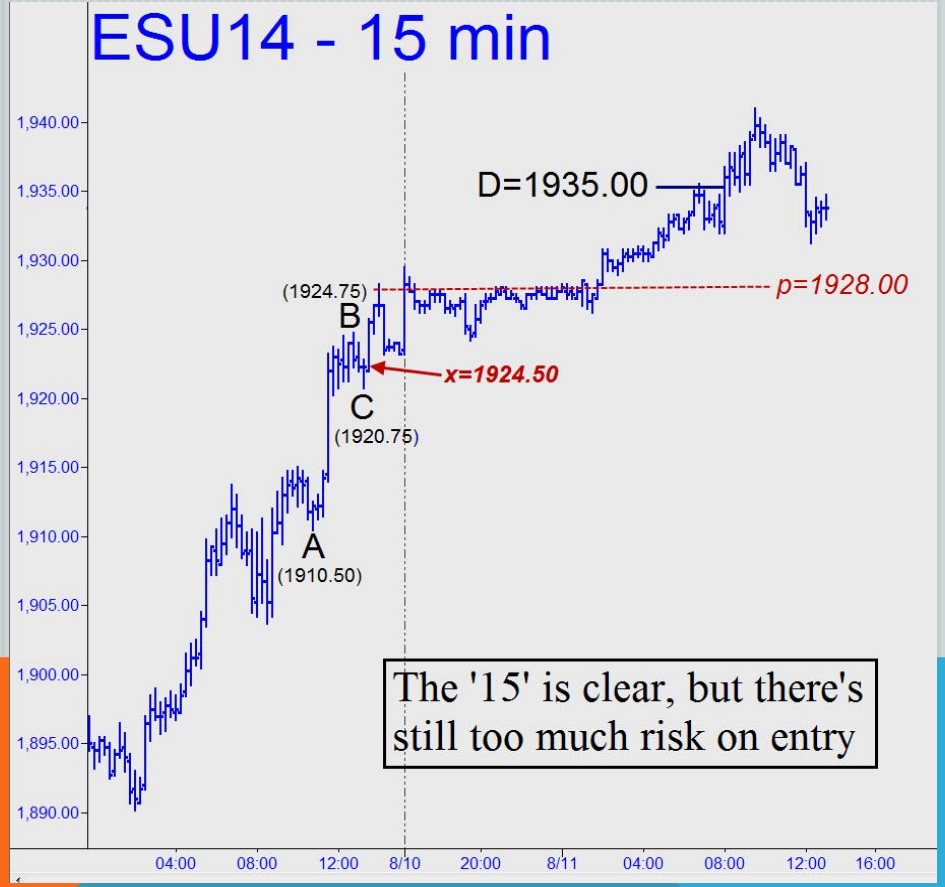


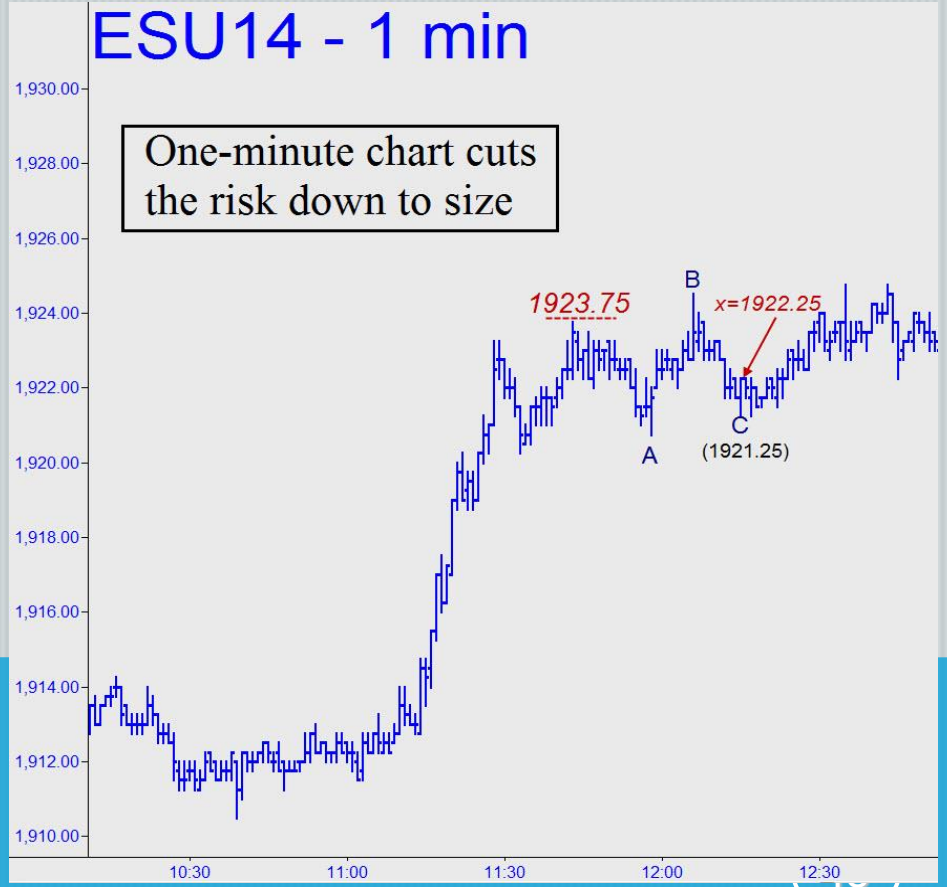
CAMOUFLAGE ENTRY: ZOOM DOWN TO CUT THE RISK



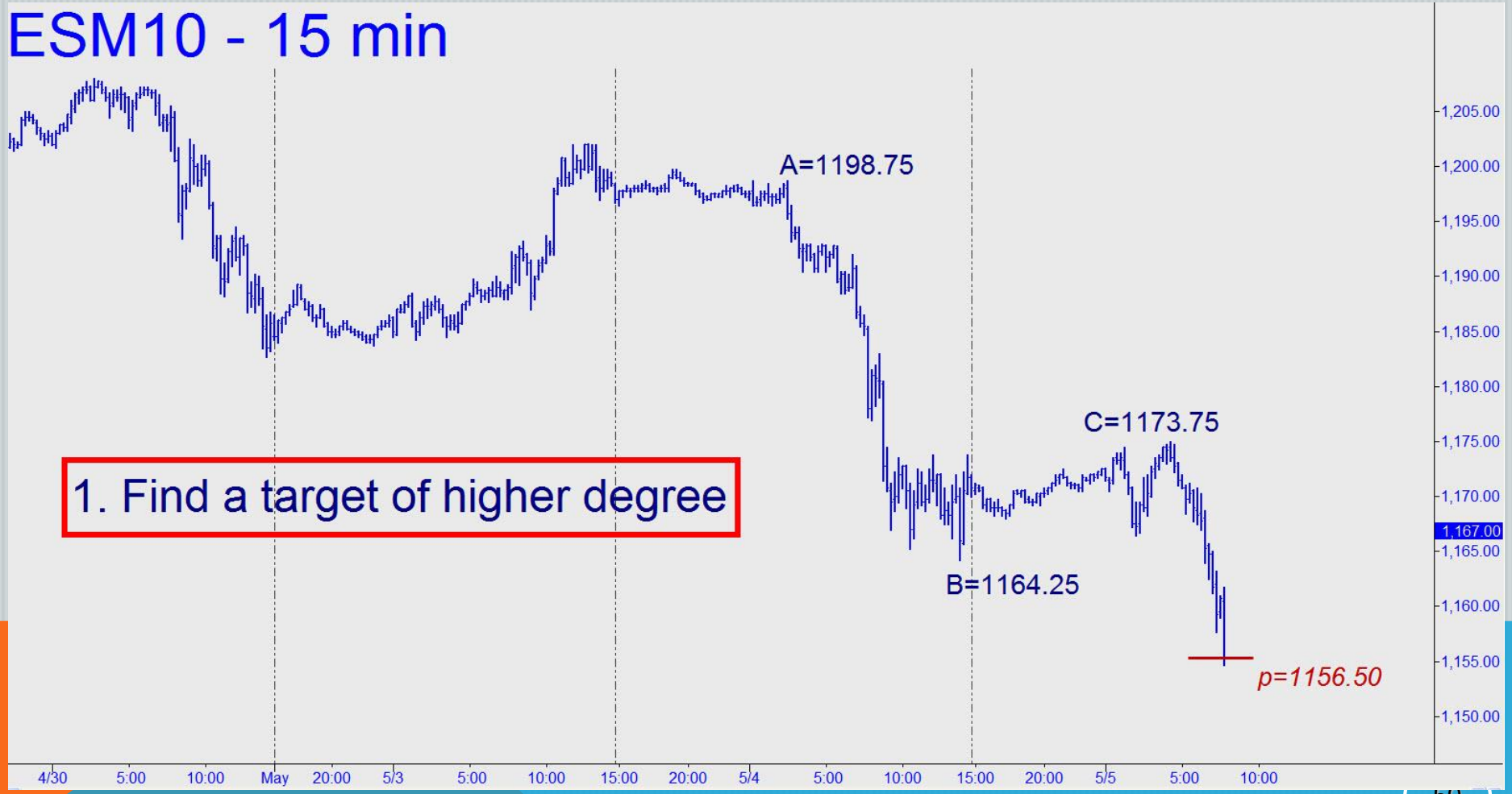


...AND ZOOM FURTHER TO CUT ENTRY RISK EVEN MORE



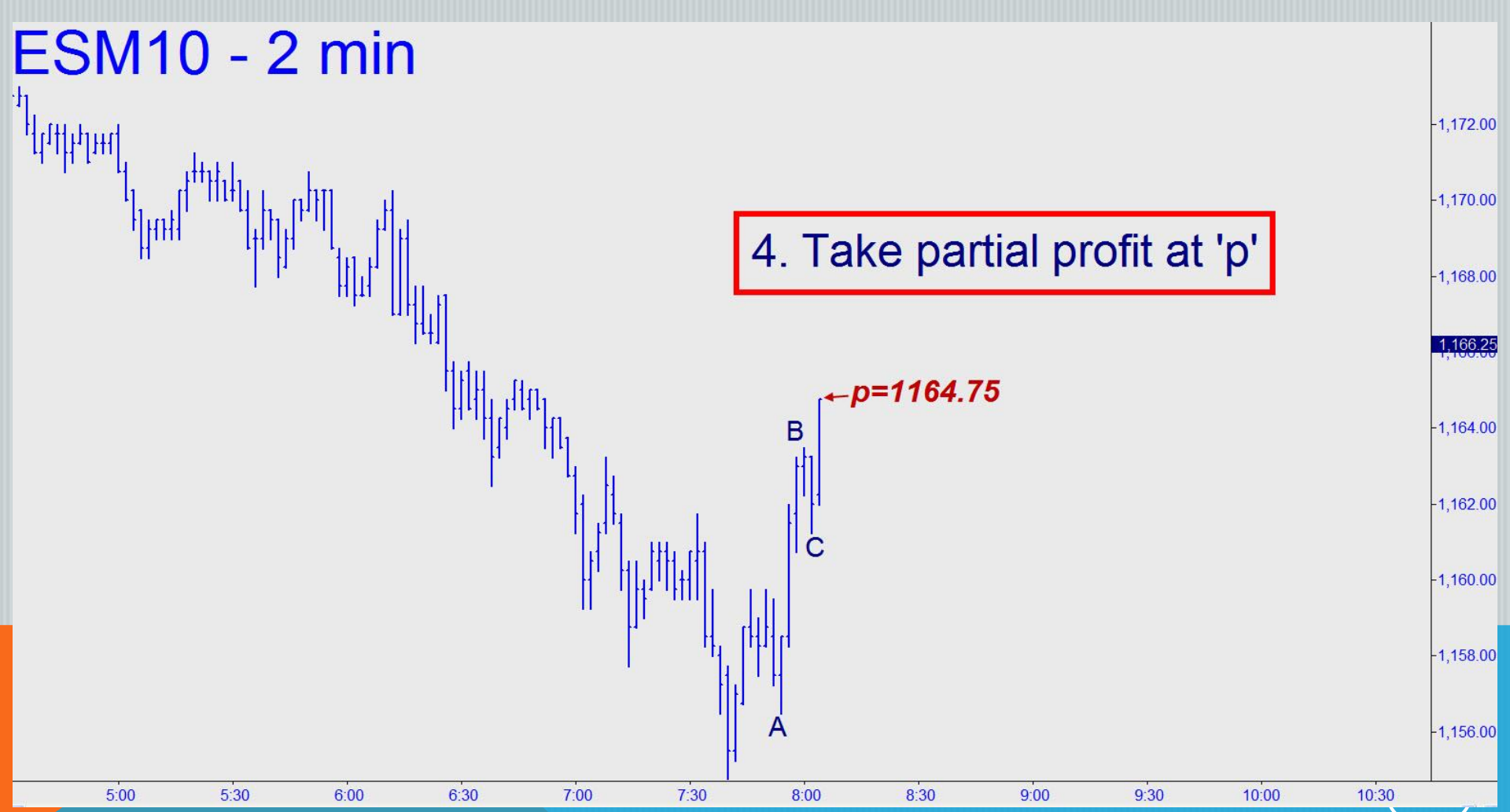


A CAMOUFLAGE SEQUENCE


ESM10 - 15 min
A=1198.75
C=1173.75
B=1164.25
p=1156.50
1. Find a target of higher degree
1,205.00
1,200.00
1,195.00
1,190.00
1,185.00
1,180.00
1,175.00
1,170.00
1,167.00
1,165.00
1,160.00
1,155.00
1,150.00
4/30
5:00
10:00
May
20:00
5/3
5:00
10:00
15:00
20:00
5/4
5:00
10:00
15:00
20:00
5/5
5:00
10:00

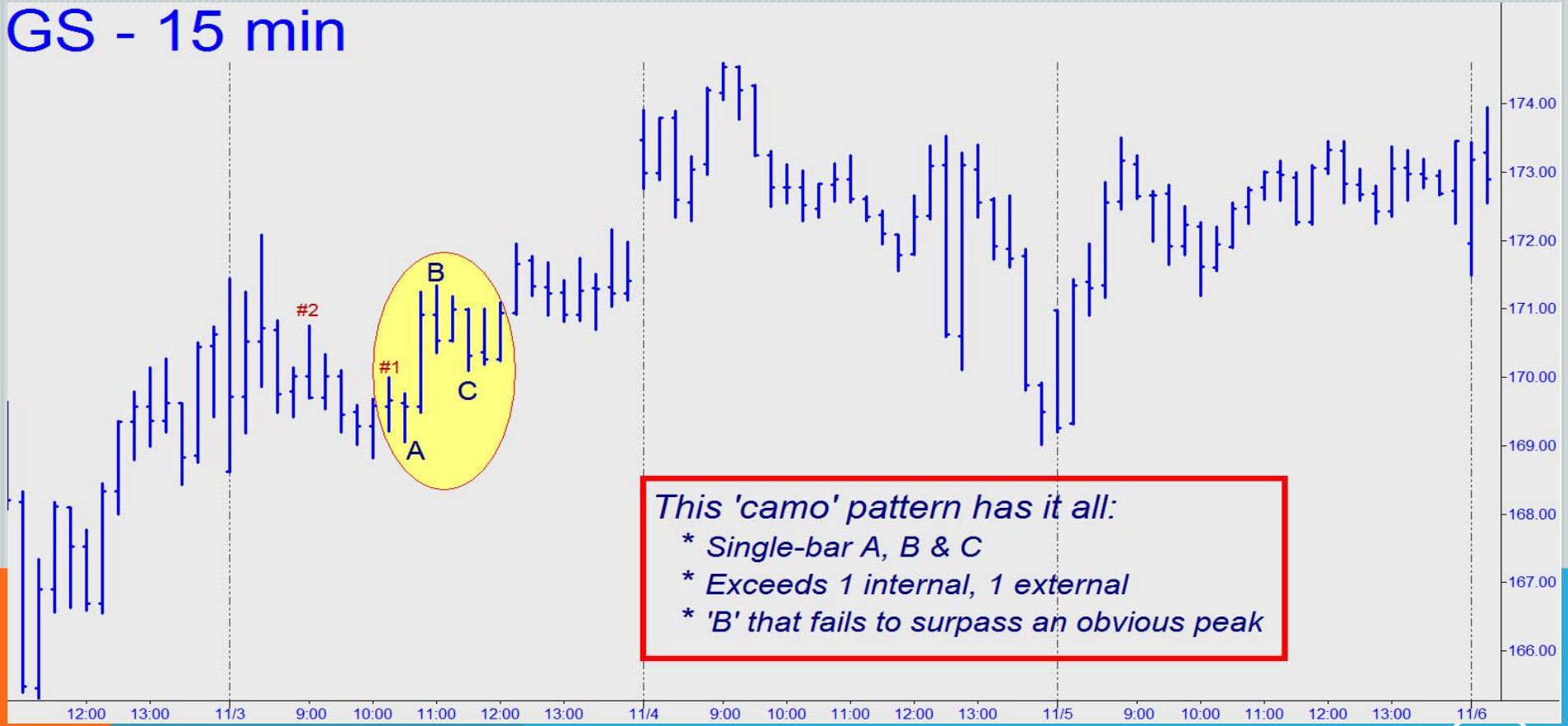
ESM10 - 2 min
2. Watch for the turn on a lesser chart
#3
#2
#1
1,172.00
1,170.00
1,168.00
1,167.25
1,166.00
1,164.00
1,162.00
1,160.00
1,158.00
1,156.00
5:00
5:30
6:00
6:30
7:00
7:30
8:00
8:30
9:00
9:30
10:00
10:30

ESM10 - 2 min
3. Initiate trade at first signaled 'x'
B
C
A
x=1163.00
1,172.00
1,170.00
1,168.00
1,166.00
1,165.50
1,164.00
1,162.00
1,160.00
1,158.00
1,156.00
5:00
5:30
6:00
6:30
7:00
7:30
8:00
8:30
9:00
9:30
10:00
10:30


ESM10 - 2 min
4. Take partial profit at 'p'
←p=1164.75
A
B
C
1,172.00
1,170.00
1,168.00
1,166.25
1,164.00
1,162.00
1,160.00
1,158.00
1,156.00
5:00
5:30
6:00
6:30
7:00
7:30
8:00
8:30
9:00
9:30
10:00
10:30

ESM10 - 2 min
5. Relax and let your profits run
1,172.00
1,170.00
1,168.00
1,166.00
1,165.00
1,164.00
1,162.00
1,160.00
1,158.00
1,156.00
5:00
5:30
6:00
6:30
7:00
7:30
8:00
8:30
9:00
9:30
10:00
10:30

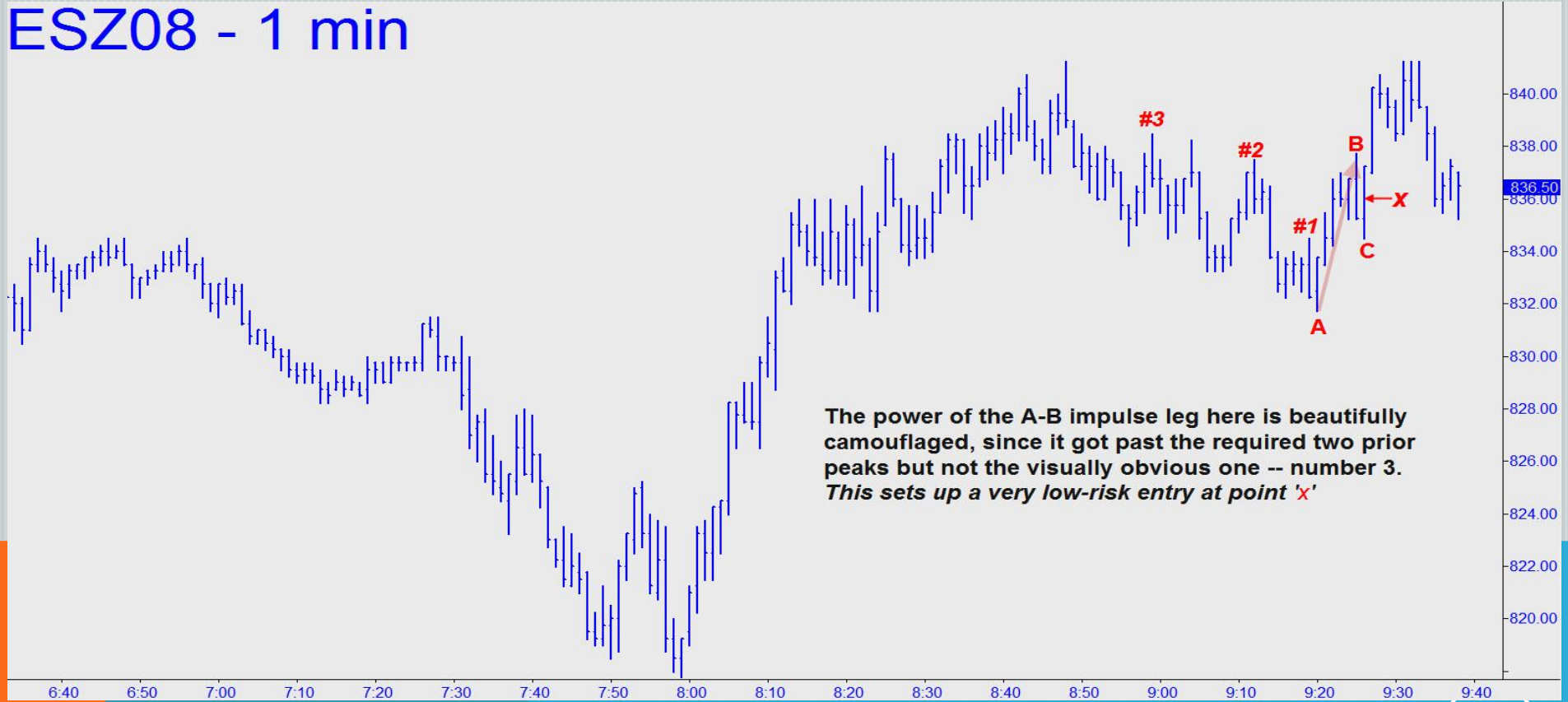
PERFECT CAMOUFLAGE STARTS WITH A SUBTLE A-B



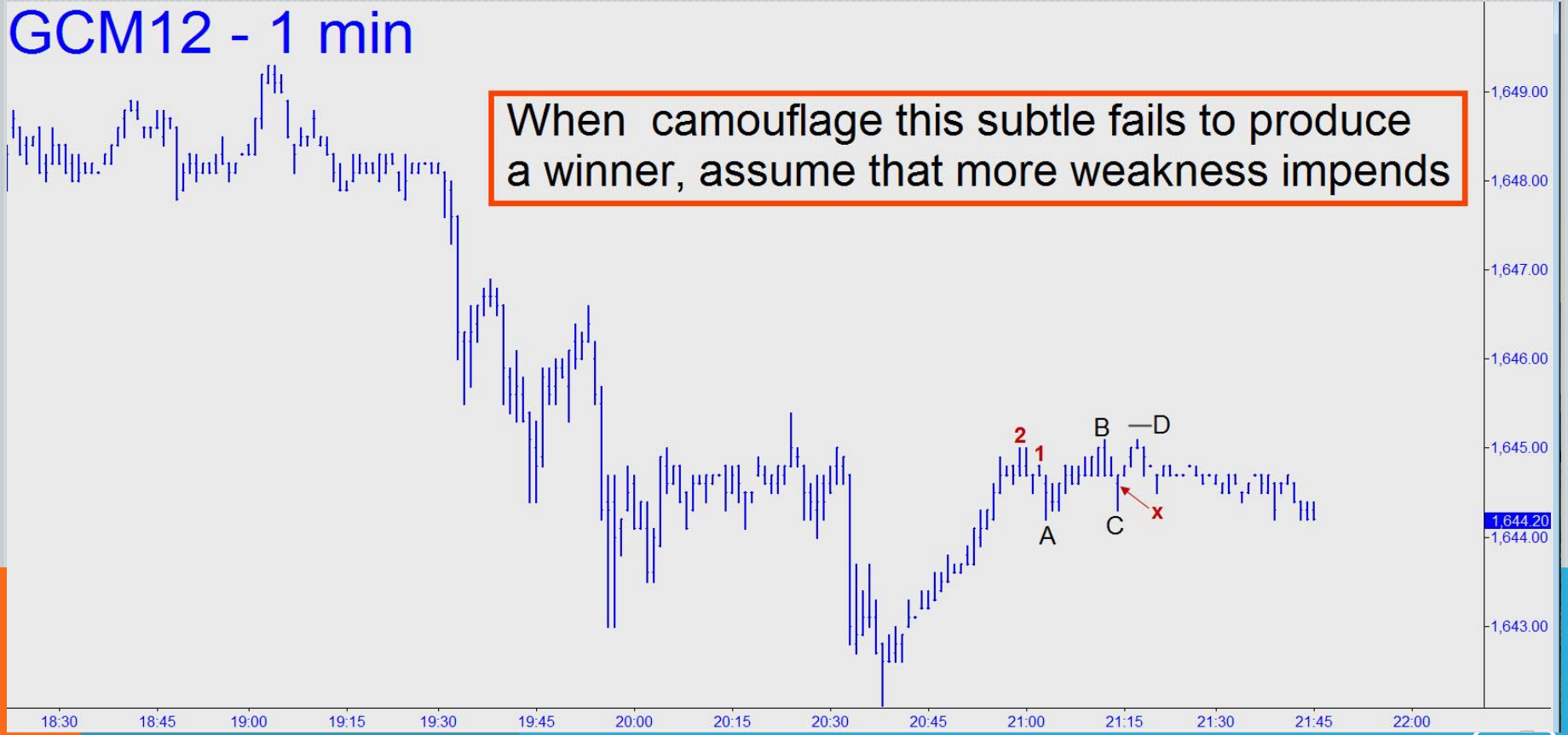
FINDING CAMOUFLAGE OFTEN DEMANDS PATIENCE

FEAR & CHAOS CAN BE REDUCED TO IMPULSE LEGS

CAMOUFLAGE WITH TIMED-BUY-STOP ENTRY



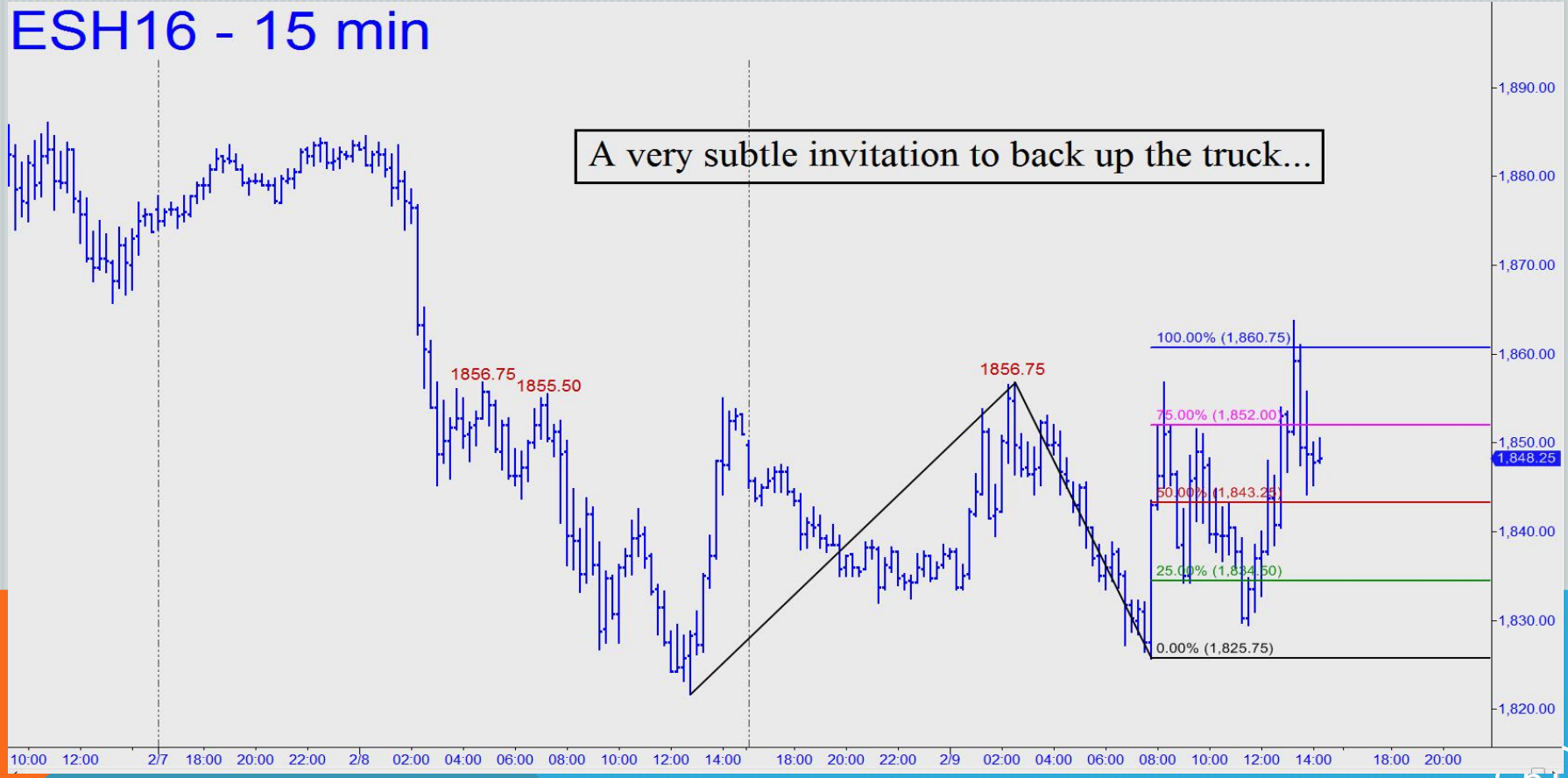
‘CAMO’ FAILURE CAN BE INSTRUCTIVE



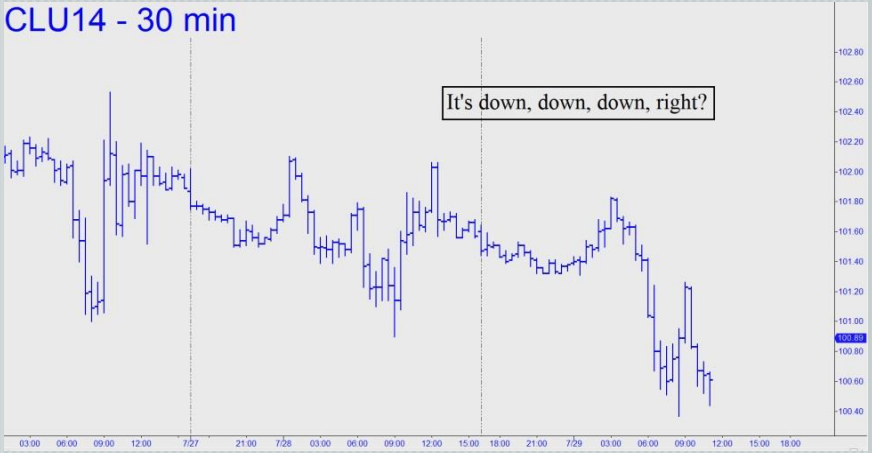
COUNTERINTUITIVE TRADES:

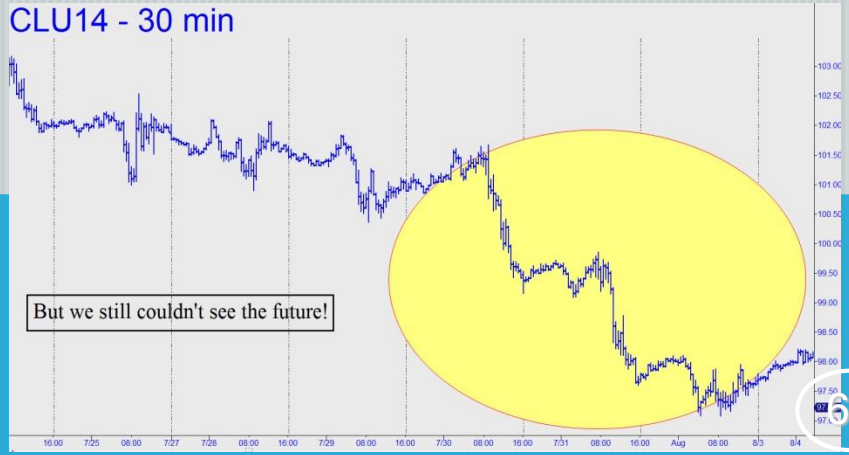
THE SIMPLEST, MOST POWERFUL ENTRY TECHNIQUE IN OUR ARSENAL

A COUNTERINTUITIVE BEAUTY

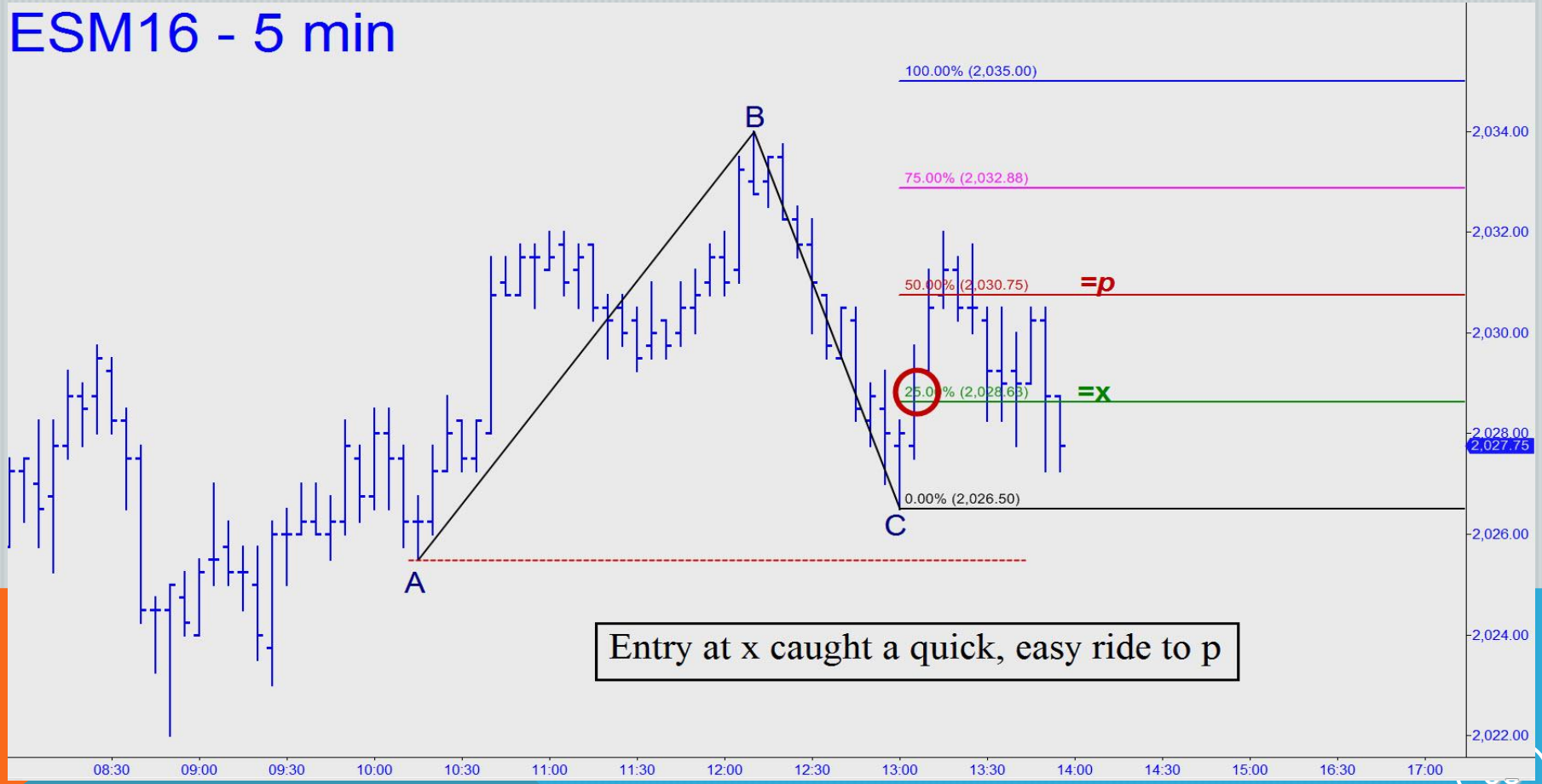


COUNTERINTUITIVE TRADES REJECT THE 'OBVIOUS'

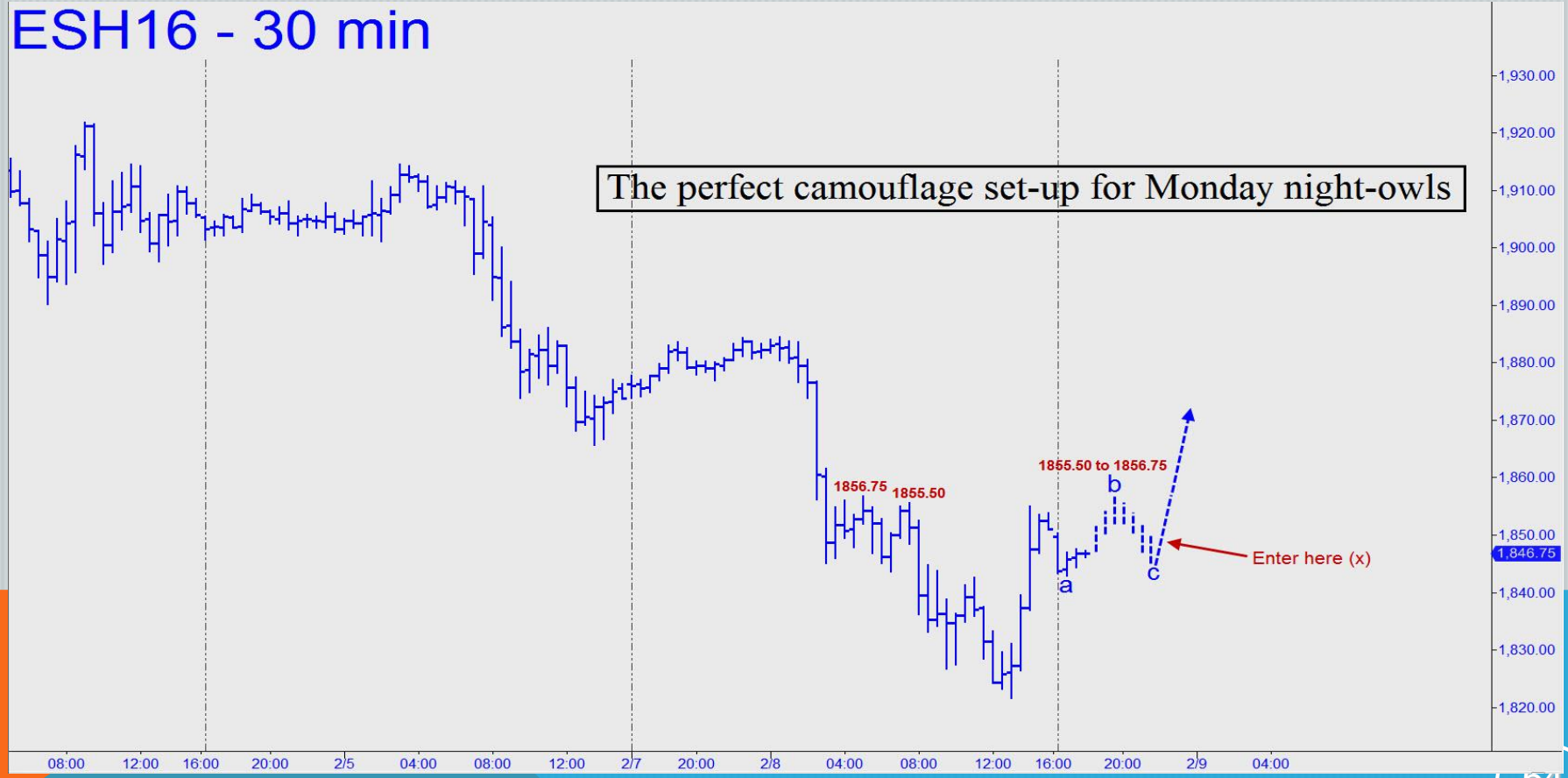




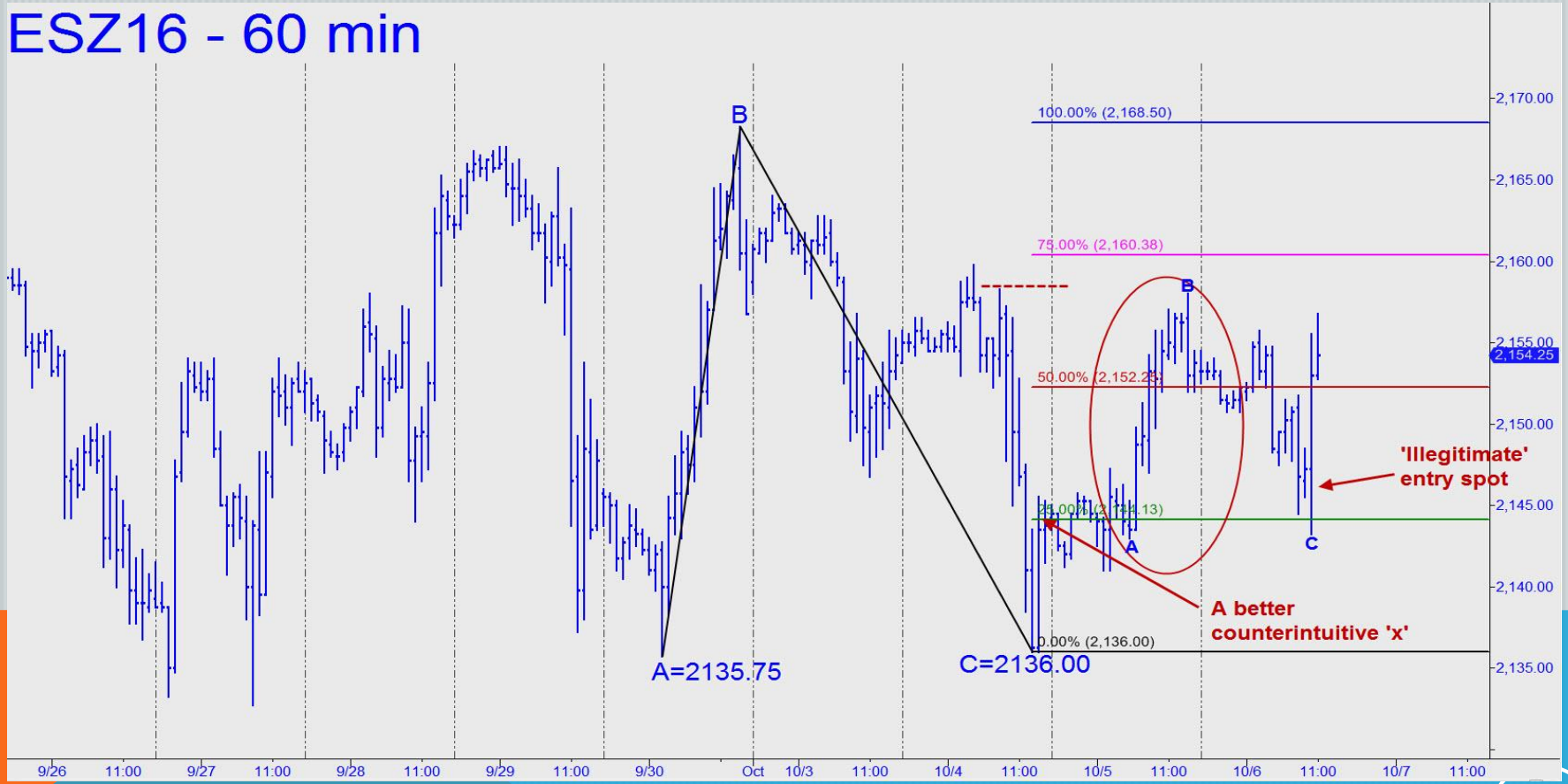
ANOTHER COUNTERINTUITIVE ENTRY…



COMBINING ‘CAMO’ AND ‘COUNTERINTUITIVE’



A ‘BAD’ COUNTERINTUITIVE ABC THAT WORKED

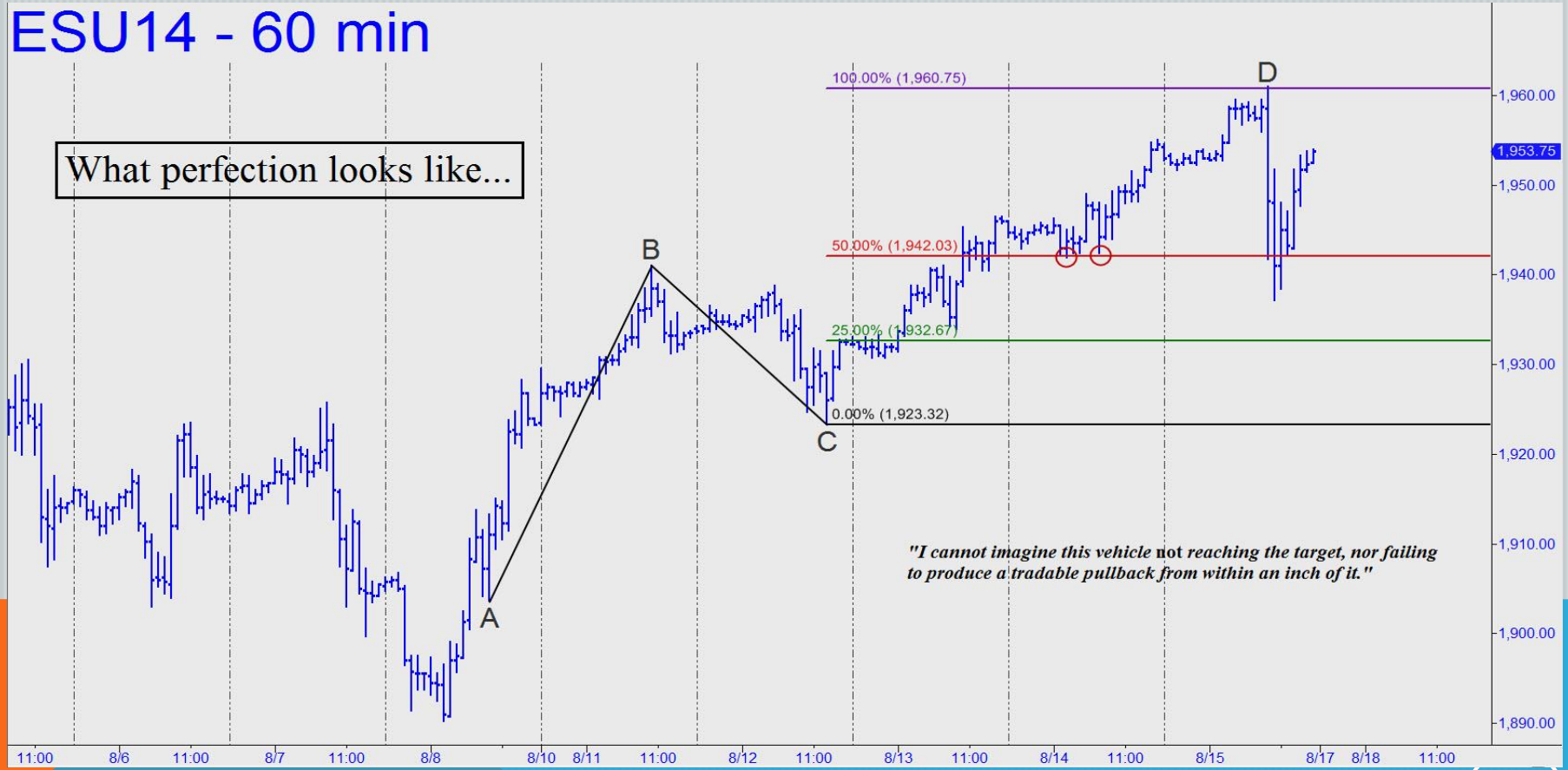


MECHANICAL ENTRIES: *NOTHING TO DECIDE!*

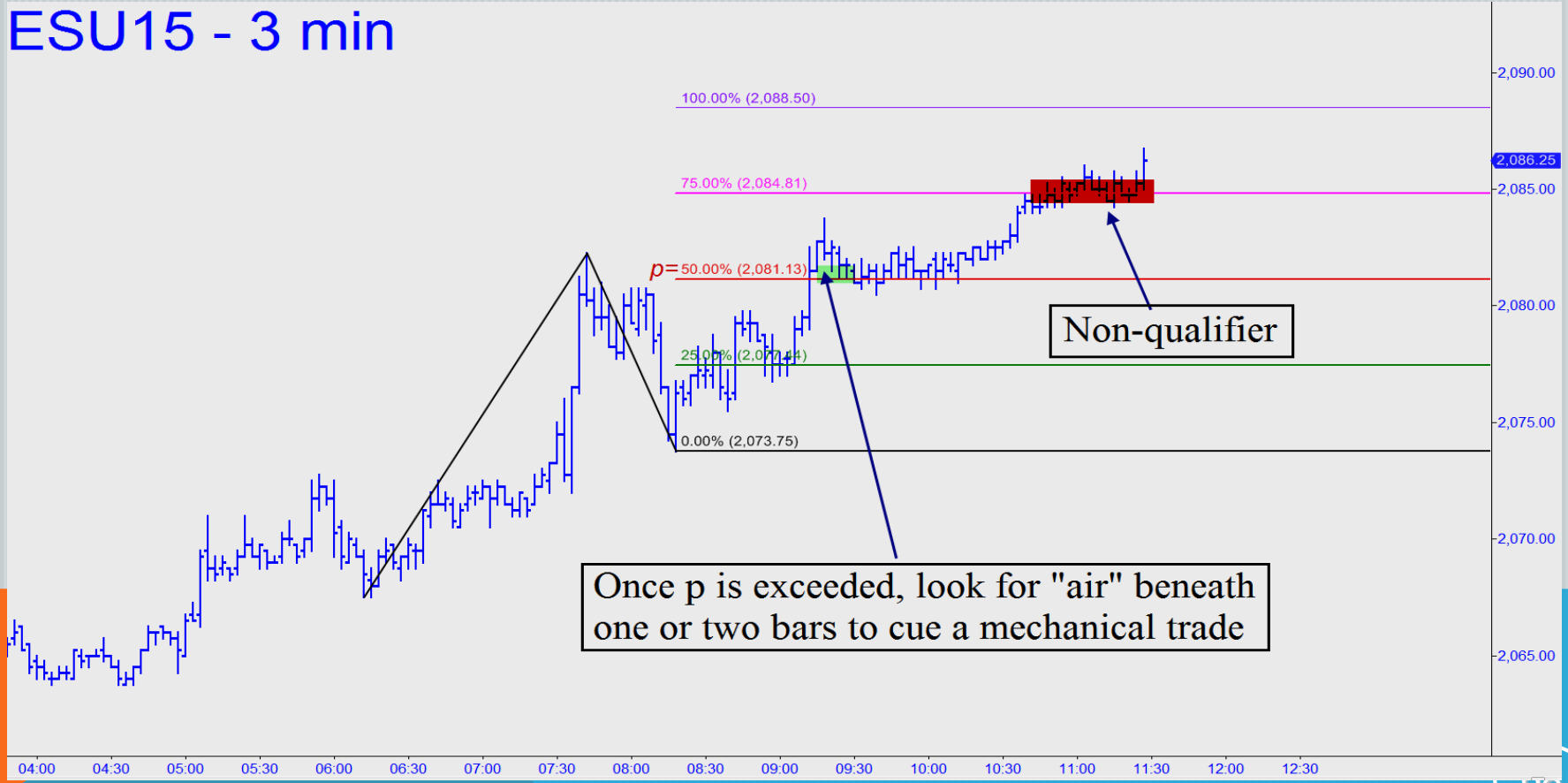
1. If an ABC pattern exceeds x, *p or p2 decisively* but doesn't reach D (or the next level), we should look to initiate trades on a touch-and-go retracement back to x, *p or p2*. Look for 'white space' and at least three bars of hovering before entering.
2. Use a stop-loss equal to 1/3 of the potential gain, assuming the trend is to reach 'D' or the next Hidden Pivot level.

The mechanical trade is ideal when we're confident a target will be reached. It is the simplest way to get aboard and takes advantage of the fact that a C-D leg that has decisively exceeded its p midpoint or p2 'secondary pivot' is likely to reach its target. Risk management is also mechanical, since it utilizes a fixed 1-to- 3 risk:reward ratio.

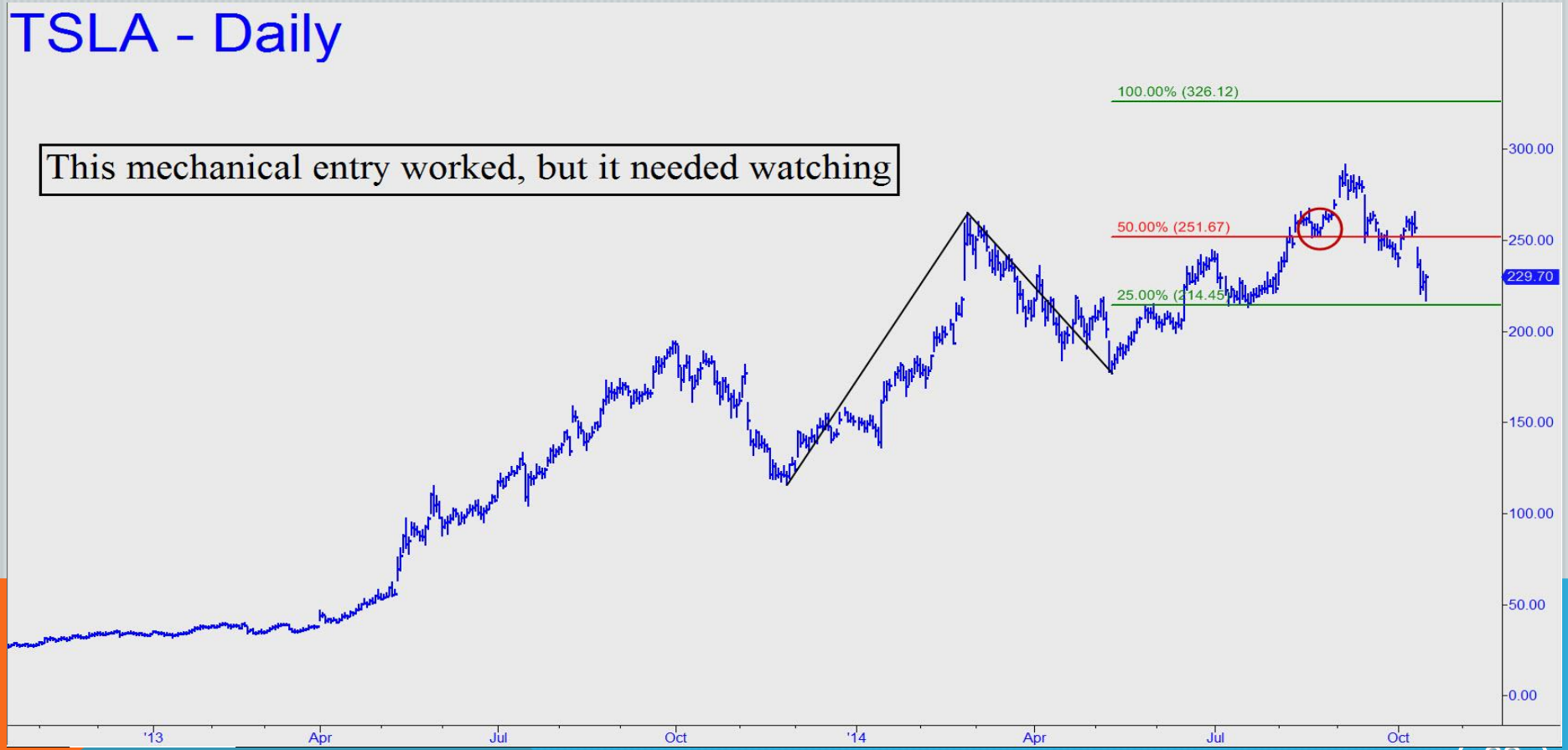
LOOK FOR ‘TOUCH-AND-GO’ PULLBACKS



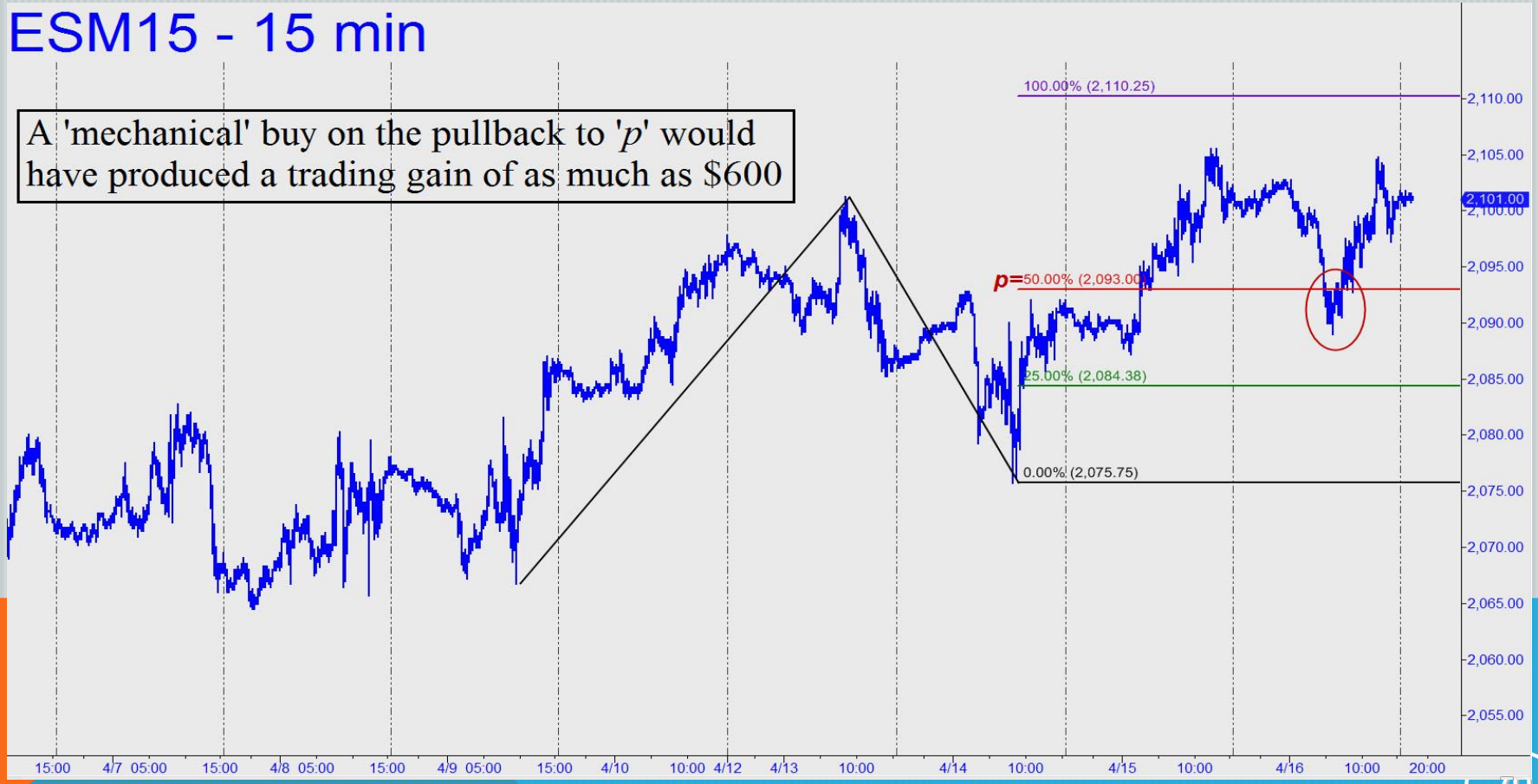
WHITE SPACE QUALIFIES A 'DECISIVE' BREACH OF *P*



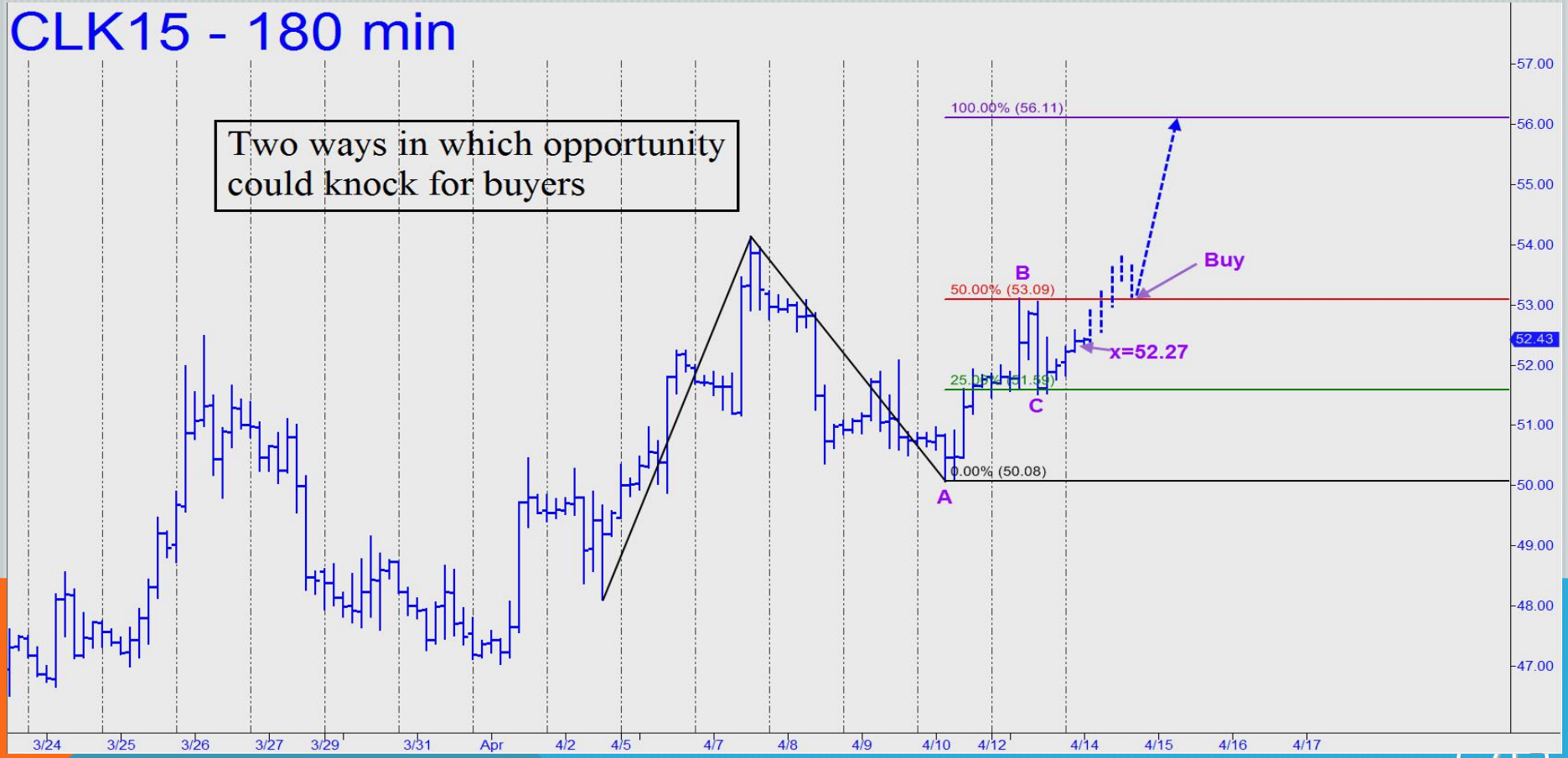
CAREFUL WHEN PATTING ONESELF ON THE BACK!



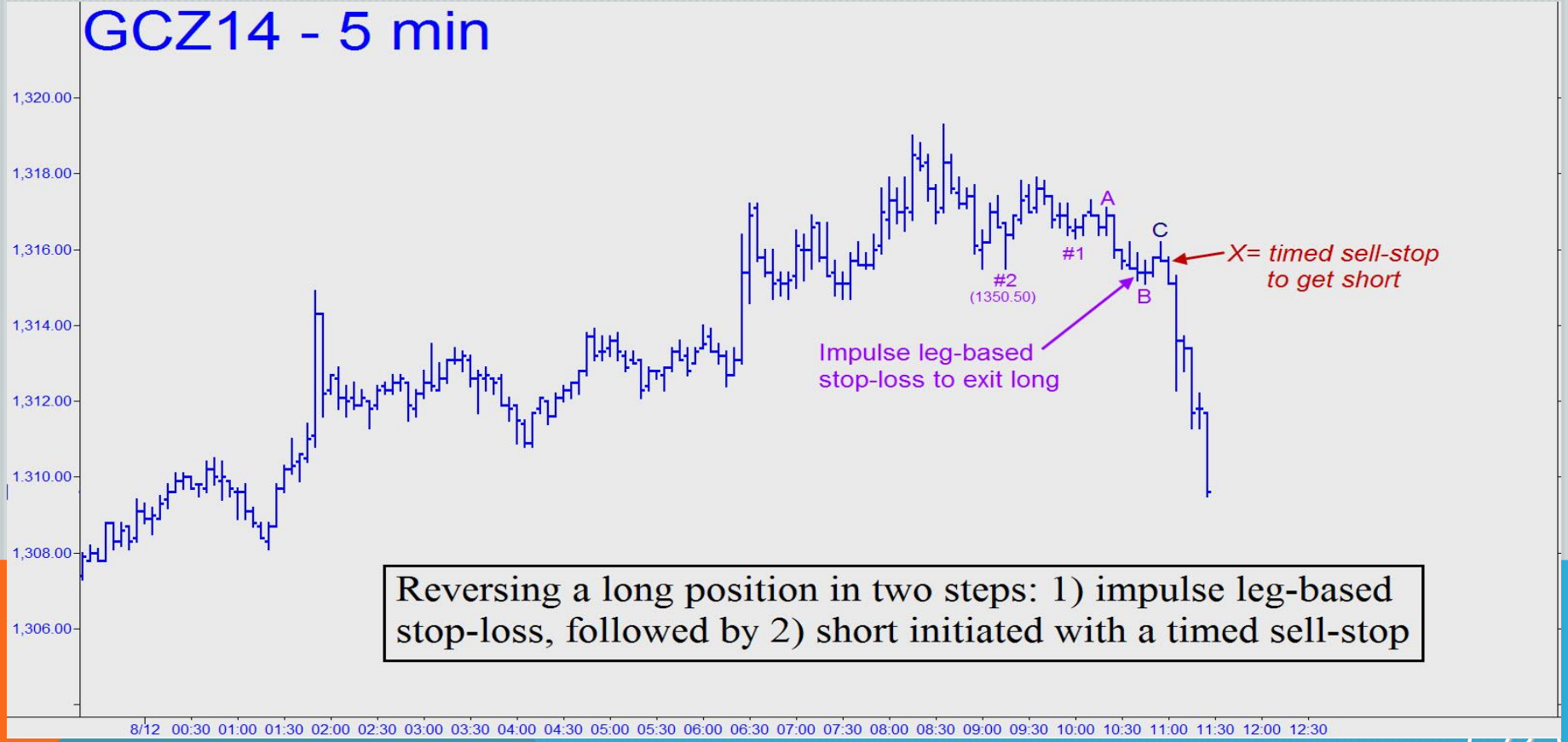
A MECHANICAL ‘BUY’ THAT WORKED NICELY



TAKE YOUR PICK: CAMO OR MECHANICAL ENTRY



TIMED ENTRY REVERSES A LONG POSITION

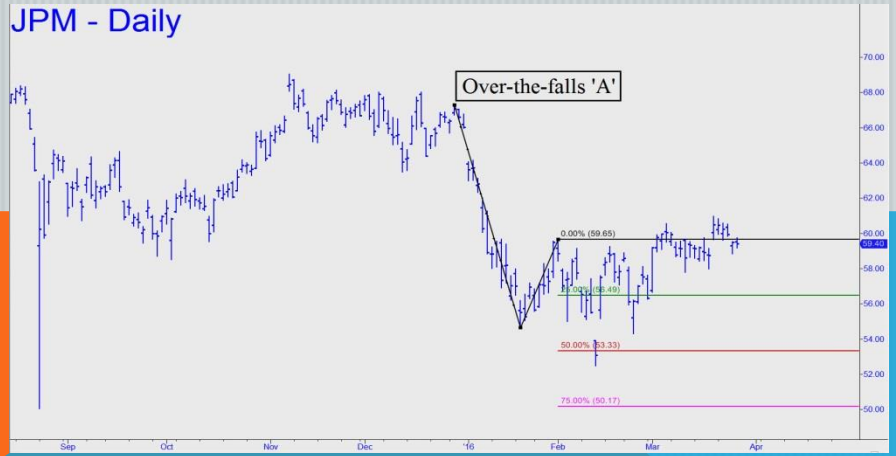


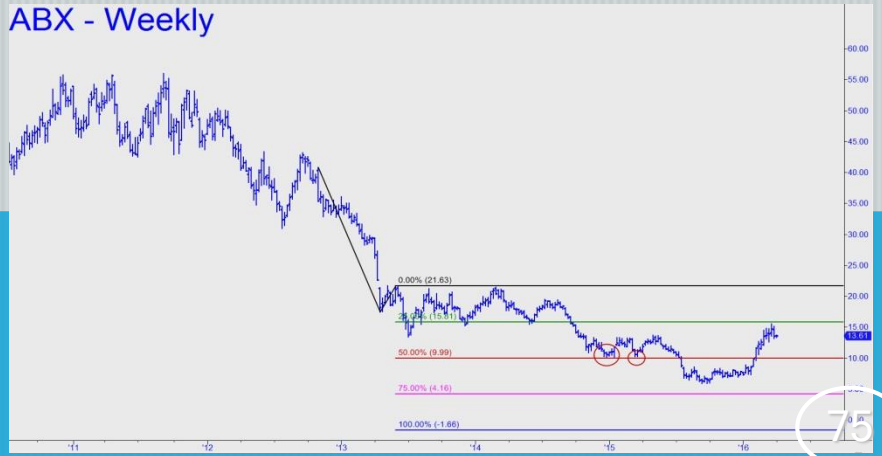
Reversing a long position in two steps: 1) impulse leg-based stop-loss, followed by 2) short initiated with a timed sell-stop

MORE ‘TIMED BUY-STOP’ ENTRIES

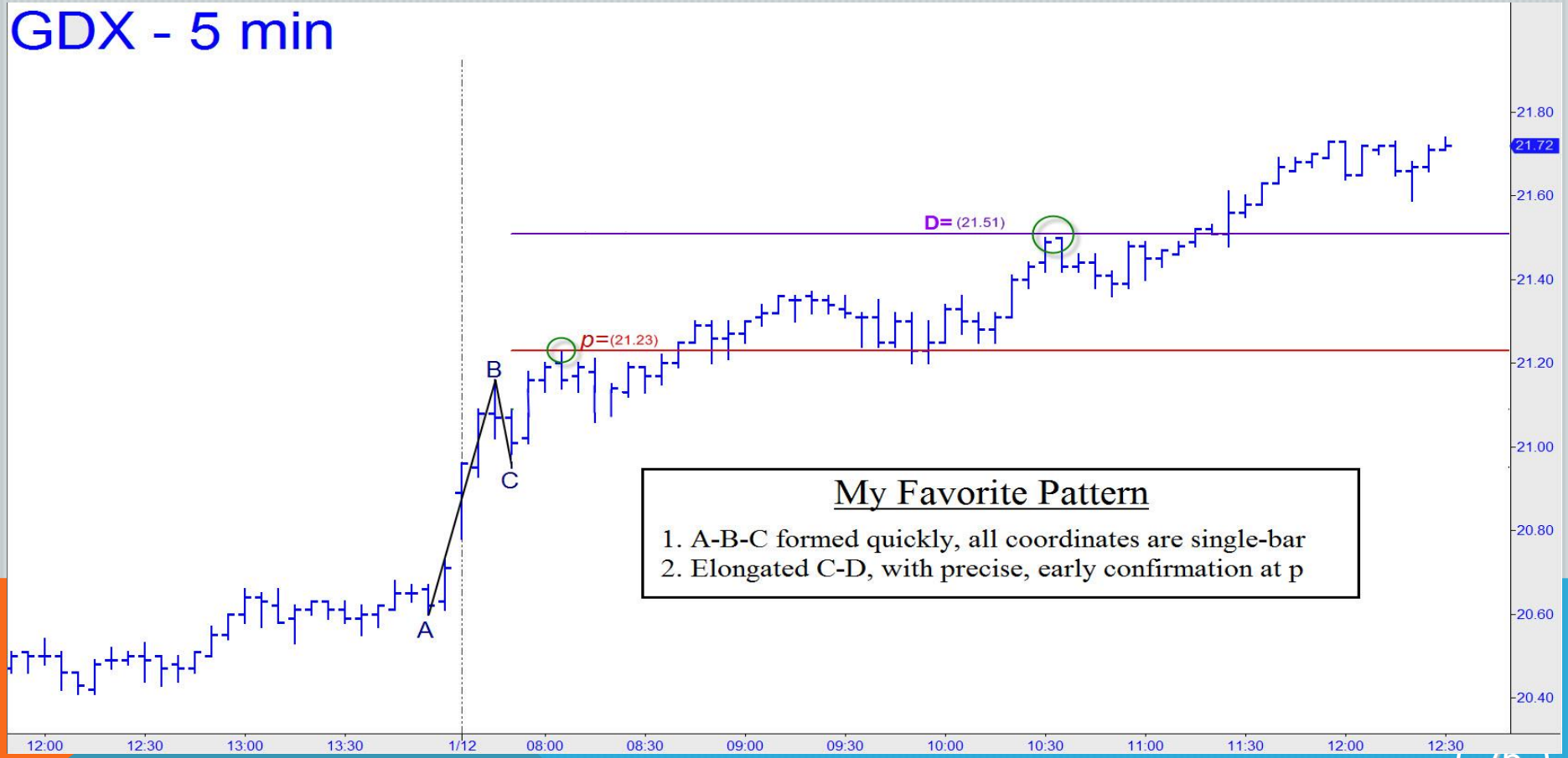
SOME USEFUL TRICKS

ALWAYS USE A ONE-OFF ‘A’ IF AVAILABLE

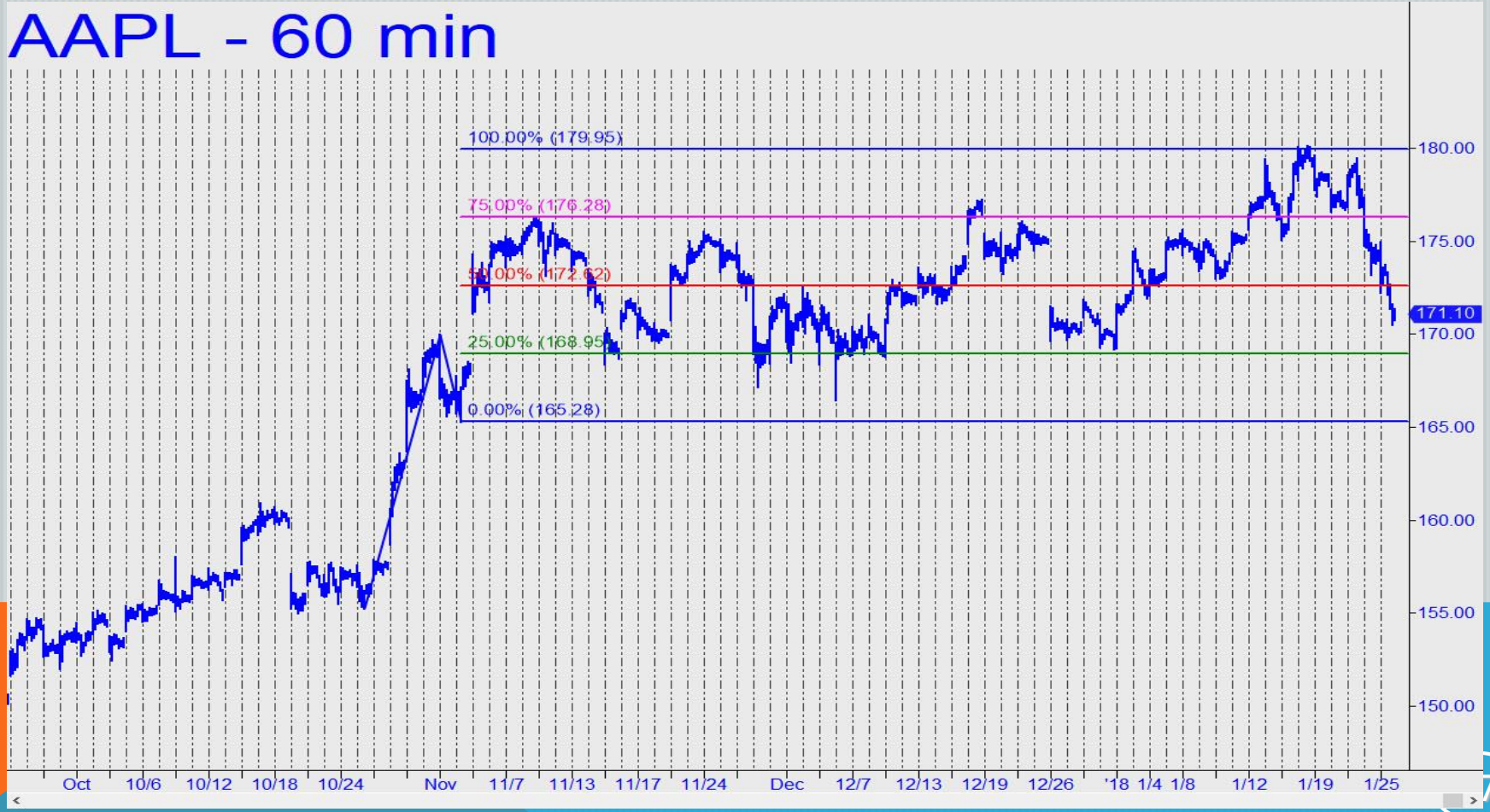




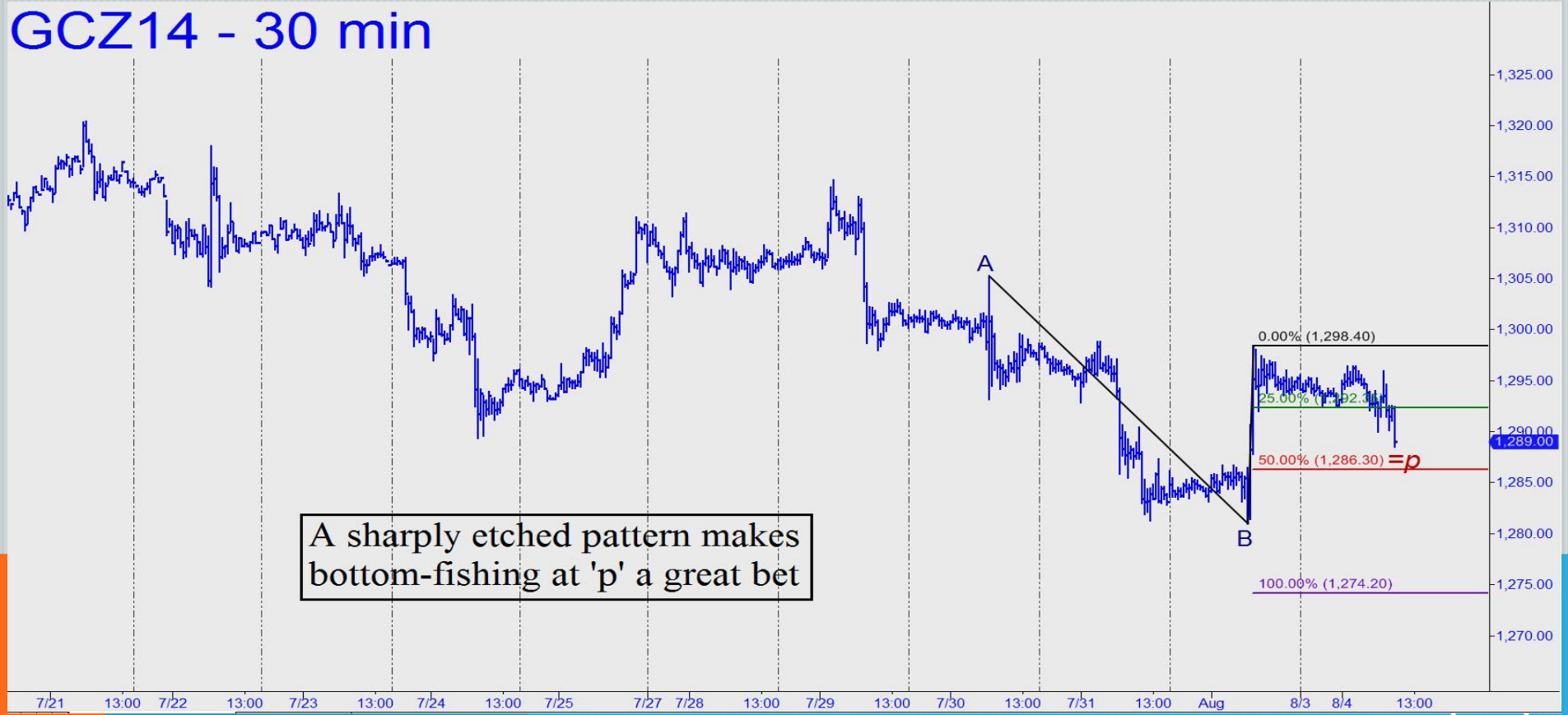
MY FAVORITE PATTERN



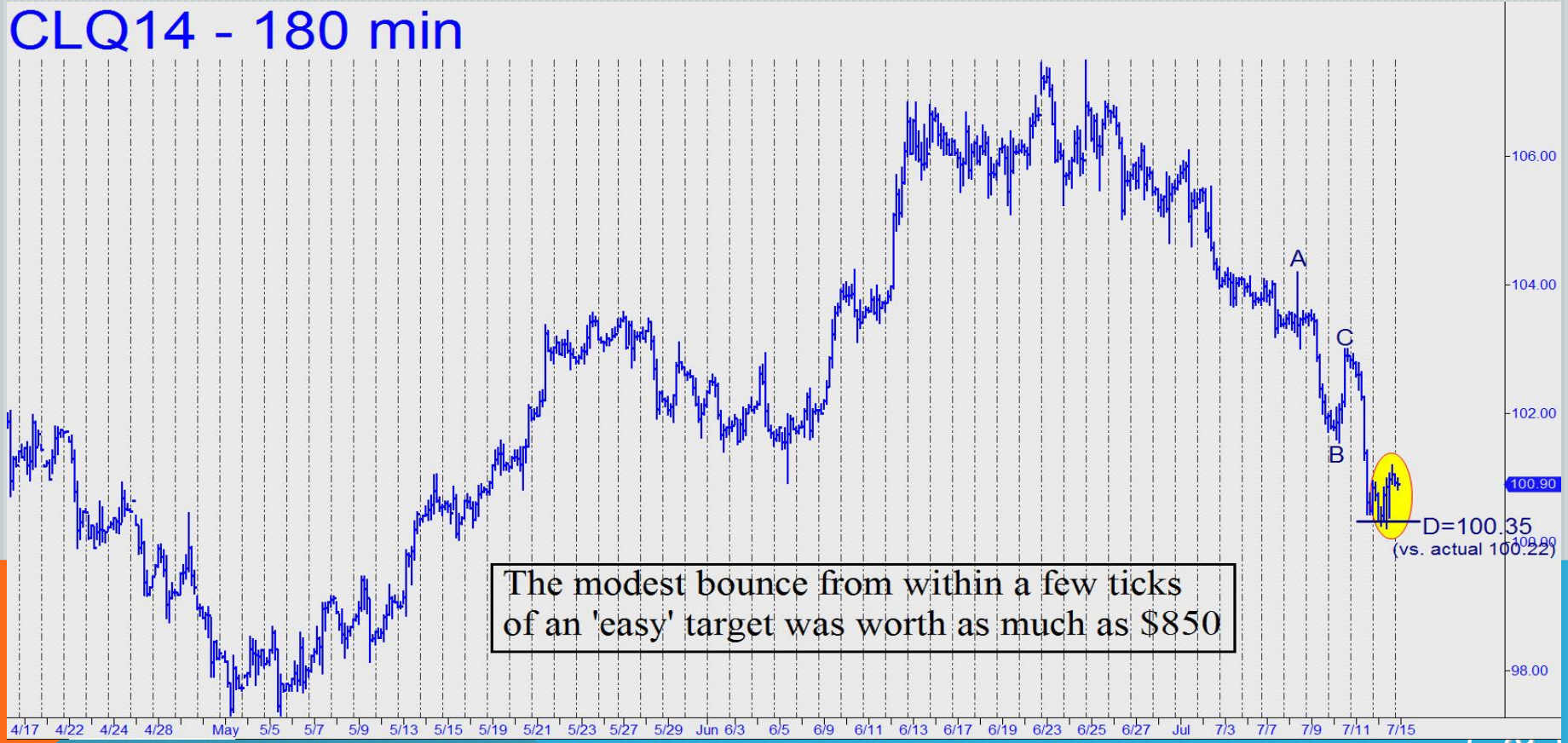
MY FAVORITE, IN-THE-WILD



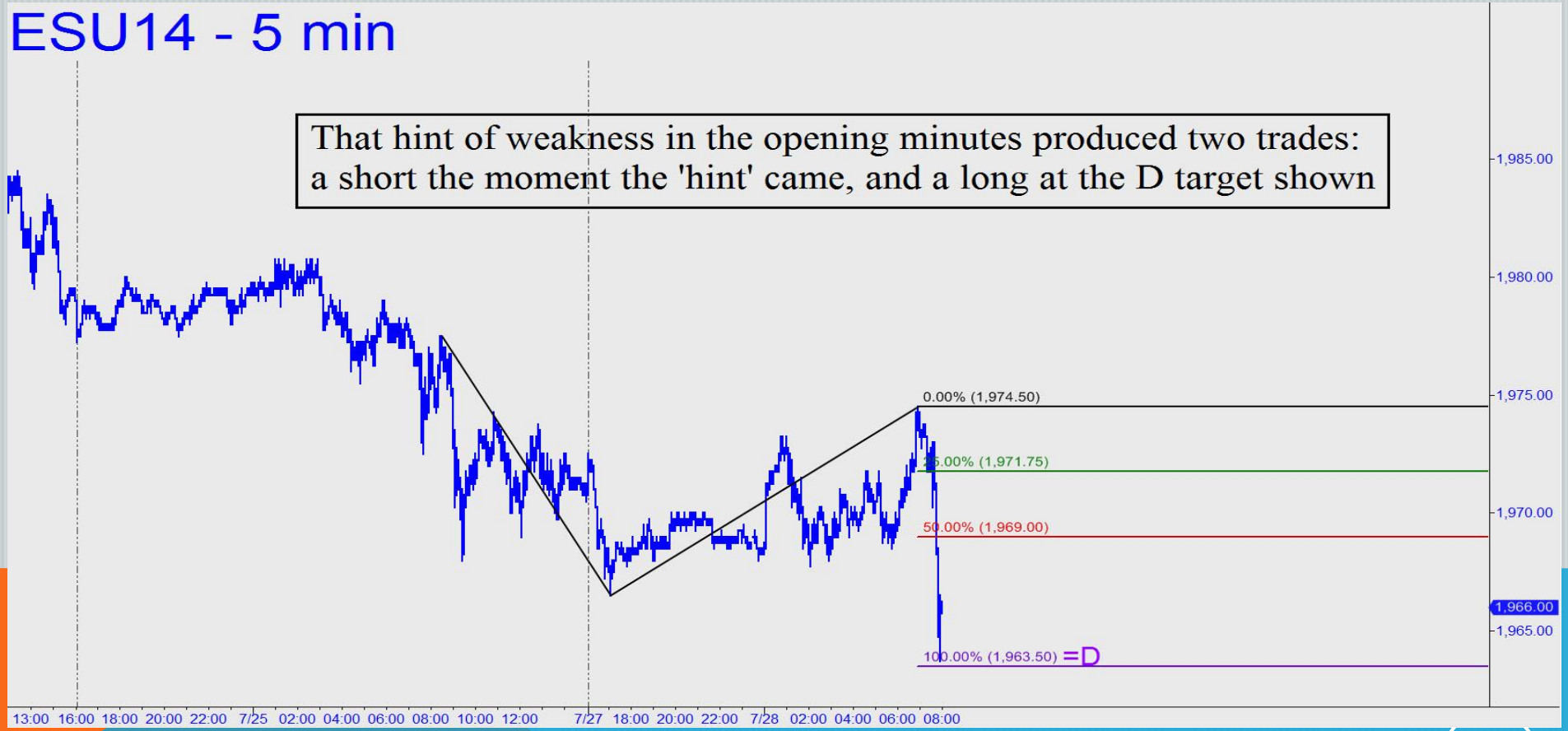
SINGLE-BAR COORDINATES GET OUR FIRST ATTENTION



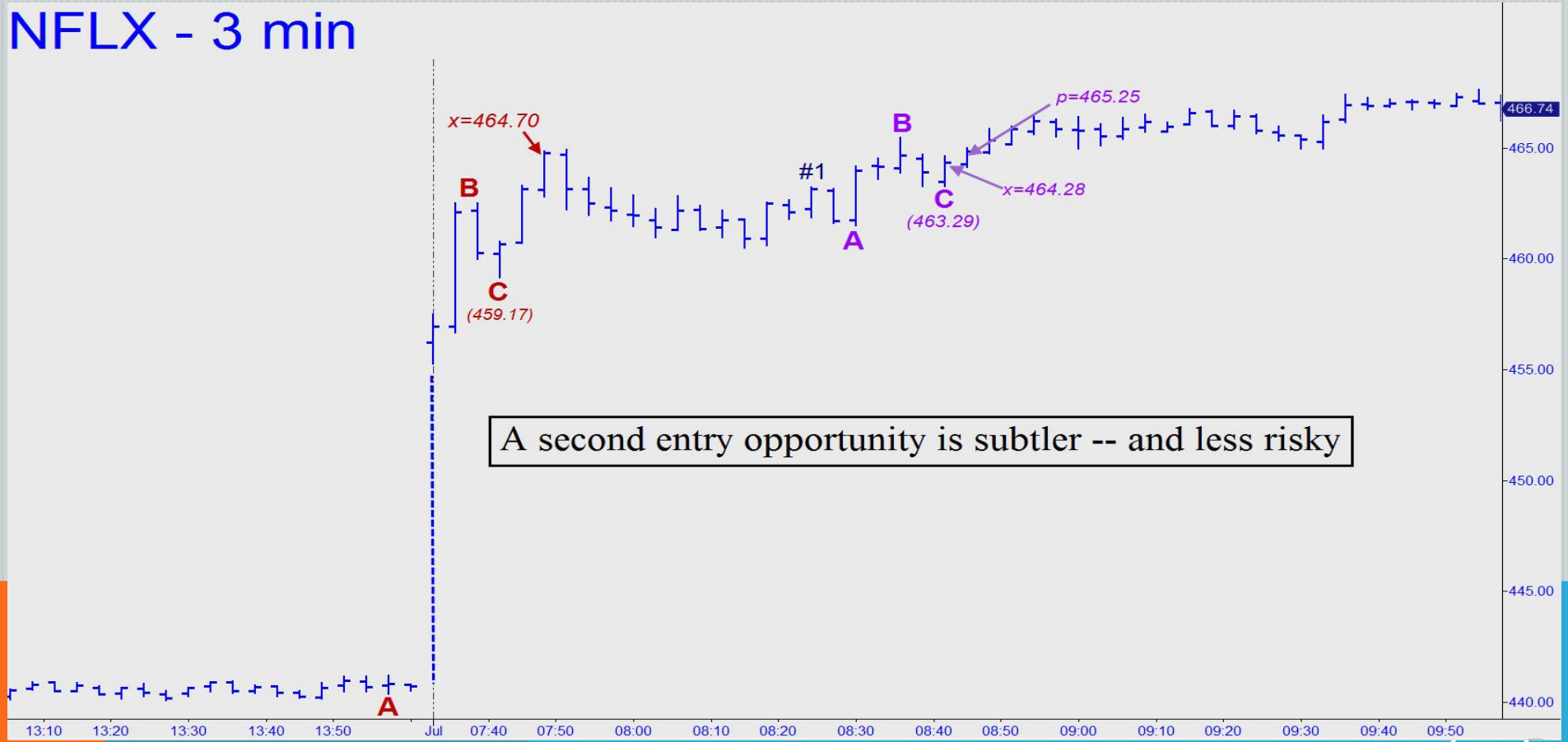
THEY YIELD THE MOST PRECISE TARGETS



BE ALERT TO OPPORTUNITIES AT THE OPENING

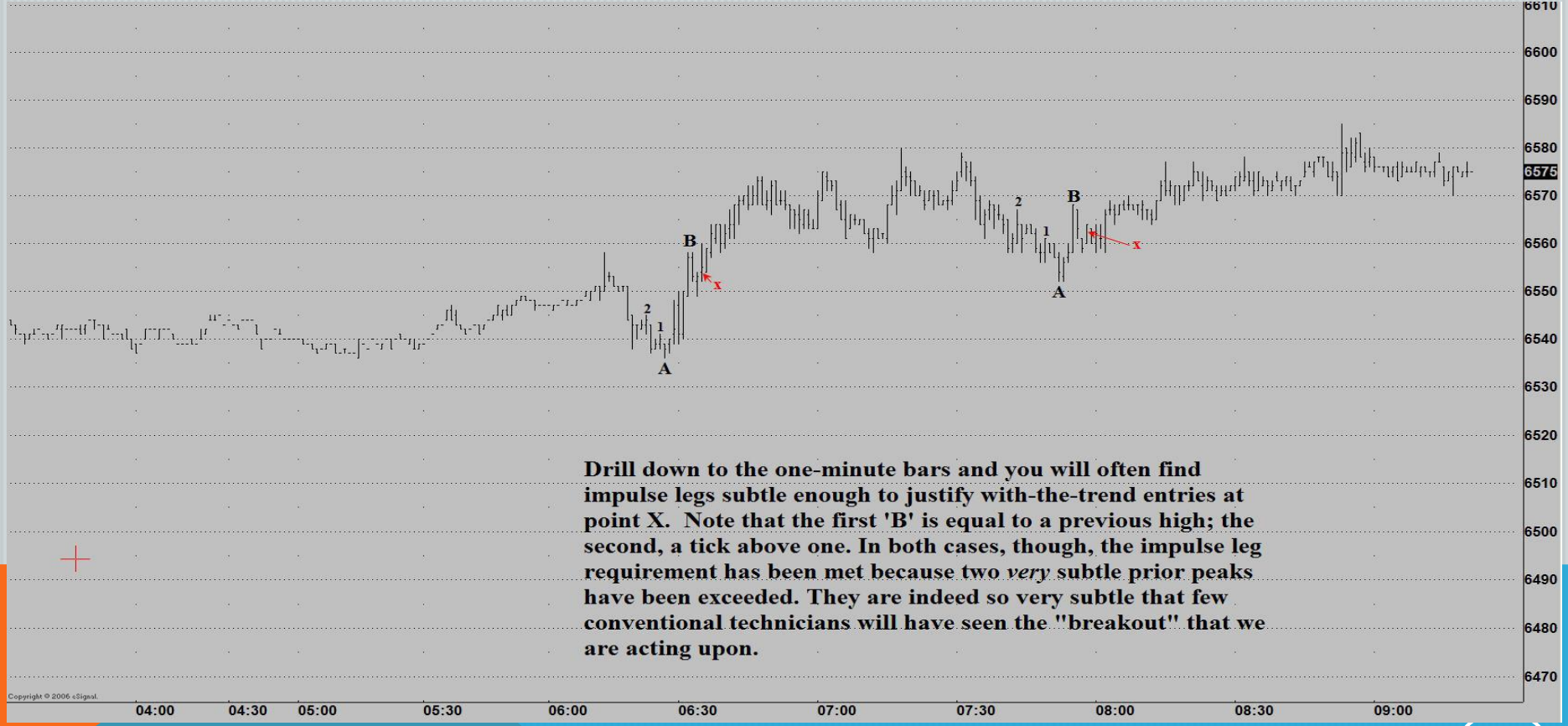


SUBTLETIES SET UP THE EASIEST TRADES



STEP BACK FROM THE FOREST…

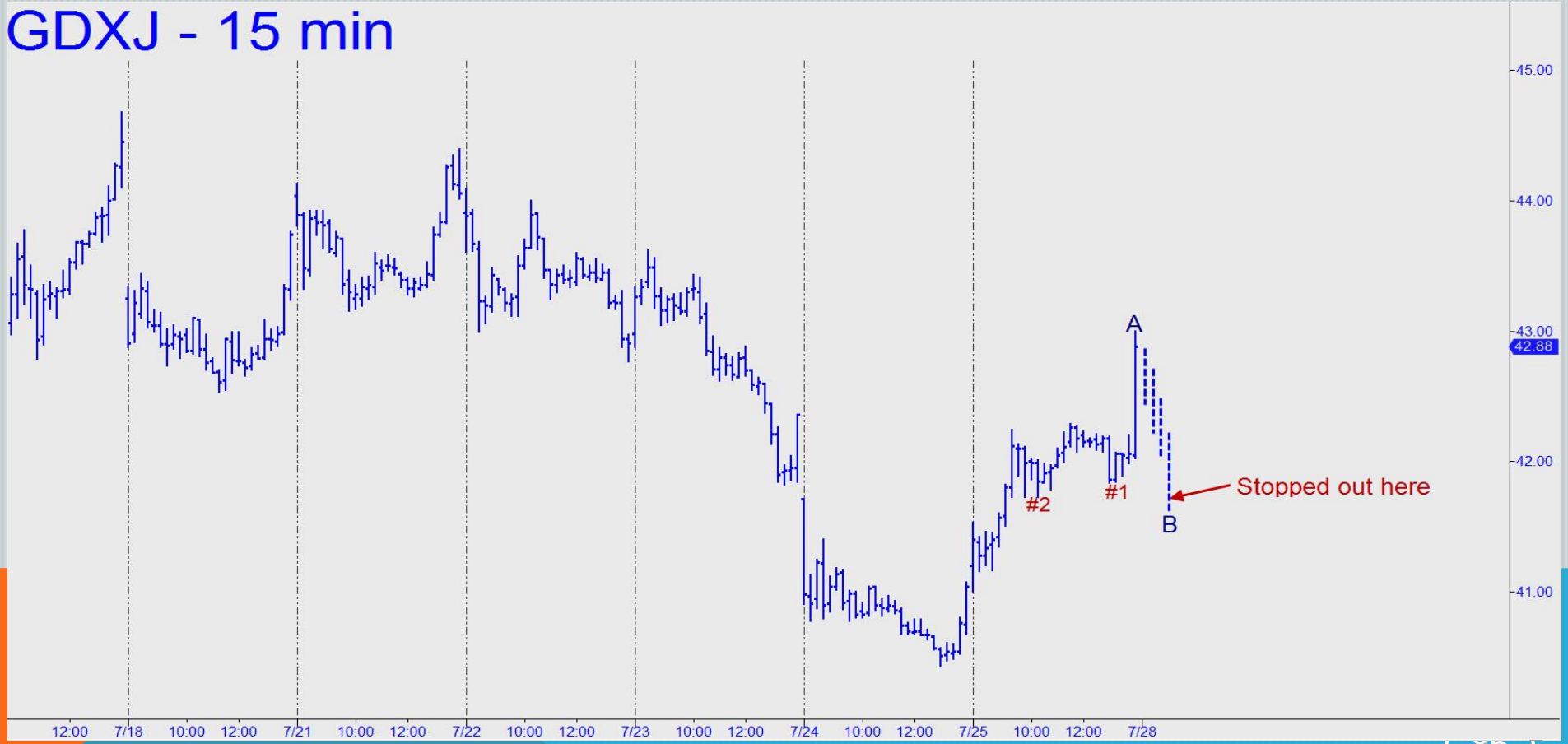
...IN ORDER TO SEE THE TREES



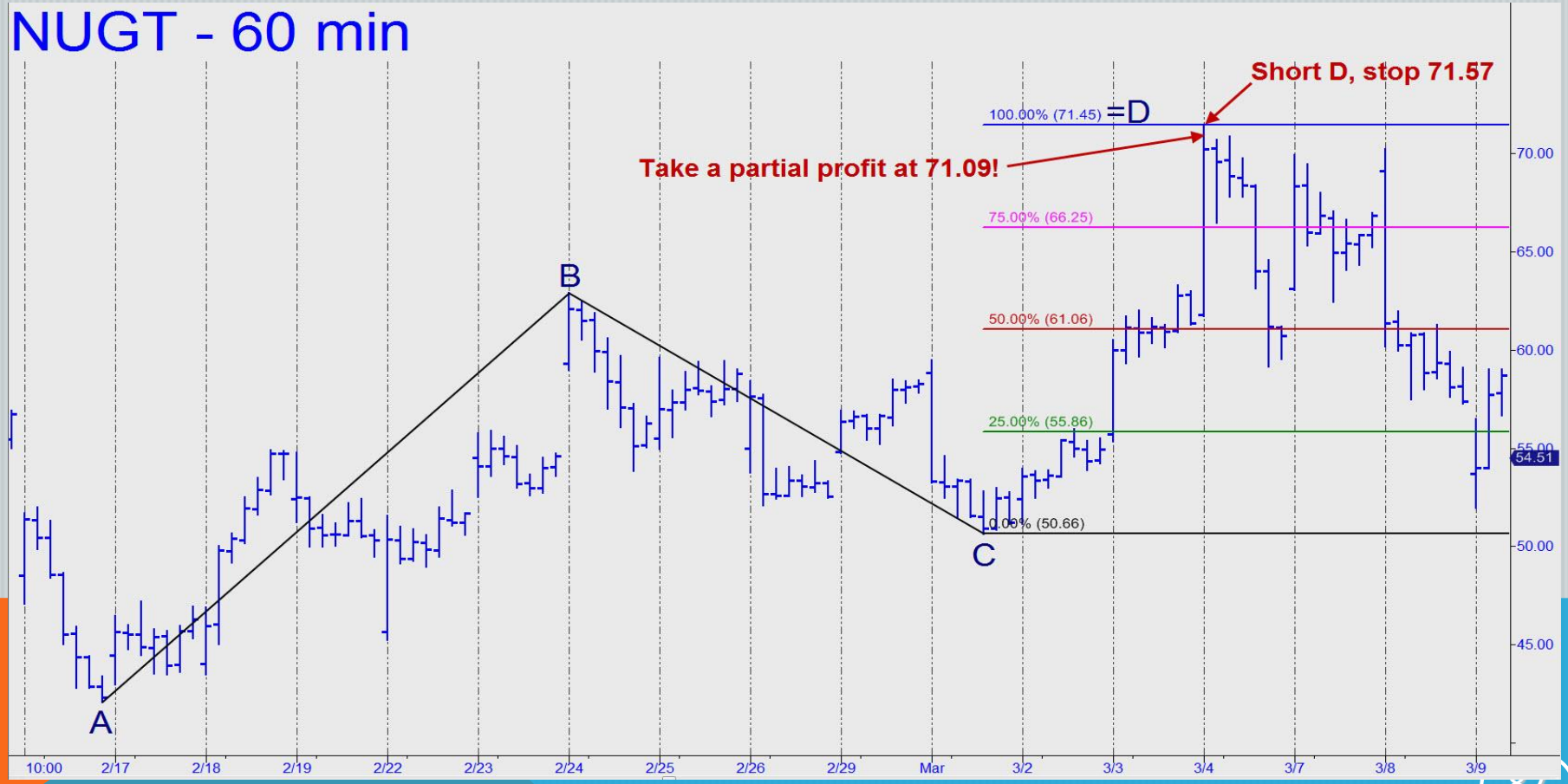
RISK MANAGEMENT

USING IMPULSE LEGS TO CREATE STOPS

IMPULSIVE STOP BASED ON 15-MINUTE CHART



RISK/REWARD SHOULD ALWAYS BE HELD AT 1:3



GRADING THE TRADE – BEFORE AND AFTER

PRE-ENTRY	*POST-MORTEM*
1-5: < 50% odds getting from x to *p*	A No sweat. Hit x and took off.
6-7: *Successful* ride to *p* likely	B Slight anxiety. Hit x, corrected a tad.
8-9: Very likely ride to D: a *winner!*	B- Some stress. Hit x, fell halfway to C.
10 : A "What-r-u-waiting-for?" trade	C- Real pain. Hit x, pulled back to C.
	D Strain and pain. Pounded on C.
	F An ordeal. Pounded C for an eternity.

COPYRIGHT NOTICE

ALL CONTENTS ARE COPYRIGHT 2014 BY *RICK'S PICKS*. REPRODUCING OR REDISTRIBUTING ANY PART OF THIS DOCUMENT IN ANY FORM IS PROHIBITED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE AUTHOR. PROTECTED BY U.S. COPYRIGHT LAW (TITLE 17 U.S.C. SECTION 101 ET SEQ., TITLE 18 U.S.C. SECTION 2319): INFRINGEMENTS CAN BE PUNISHABLE BY UP TO FIVE YEARS IN PRISON AND $250,000 IN FINES.