

## CANDLES

Trend Type	Long Trend	Short Trend	Entry	Exit
Normal	Ascending blue candles	Descending red candles		
Strong	Ascending long blue candles with no lower wicks	Descending long red candles with no upper wicks		
Weak	Blue candle bodies get smaller, lower wick appears	Red candle bodies get smaller, upper wick appears		
Consolidation	Small blue candles with upper and lower wicks	Small red candles with upper and lower wicks		
Change of Trend	Very small blue candle with long upper and lower wicks	Very small red candle with long upper and lower wicks		

## DIVERGENCE

Type	Bias	Price	Oscillator	Description
Regular	Bullish	Lower Low	Higher Low	Indicates underlying strength. Bears are exhausted. Warning of possible trend direction change from downtrend to uptrend.
	Bearish	Higher High	Lower High	Indicates underlying weakness. Bulls are exhausted. Warning of possible trend direction change from uptrend to downtrend.
Hidden	Bullish	Higher Low	Lower Low	Indicates underlying strength. Good entry or re-entry. Occurs on retracements in an uptrend. Good for price retest of previous lows. "Buy the dips"
	Bearish	Lower High	Higher High	Indicates underlying weakness. Found during retracements in a downtrend. Nice to see during price retests of previous highs. "Sell the rallies"

*	<b>CHECK FOR NEWS</b>
*	check at candle open and if TDI crosses enter trade
*	only enter trade on candle 1 or 2 after reversal colour change
*	TDI angle, ema and stoch angle need to be either 12 - 2 o'clock for buy or 4-6 o'clock for sell
*	check tdi agrees with price action
*	check tdi green and red lines are heading in the same direction or close to it.
*	check candle strength/size-if small stay away
*	check candle has changed colour and is crossing ema
*	look left on PA - check nearby support and resistance if its close - stay away
*	check market is trending not consolidating - check larger time frames to determine trend
*	check tdi is in correct area not extreme to ensure trade is not exhausted (32 - 68 area)
*	check stochs not exhausted and coming from correct area (20 - 80 area)
*	check last hi and low on candle - how close is the current price
*	check last reversal strength - how many candles - large??small??
*	check tdi and stoch for divergence
*	stop loss on highest high or lowest low of prior 2 or 3 candles
*	exit when TDI flattens or hooks and candle size reduces