

Trade Desk Pro Glossary

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Trading Foreign Exchange (Forex) carries a high level of risk and may not be suitable for all investors. There is a possibility that you could sustain a loss of all or more of your investment therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with Foreign Exchange trading. Unique experiences and past performances do not guarantee future results! Testimonials herein are unsolicited and are non-representative of all clients; certain accounts may have worse performance than that indicated. Trading stocks, futures, options and spot currencies involves substantial risk and there is always the potential for loss. Your trading results may vary. Because the risk factor is high in the foreign exchange market trading, only genuine "risk" funds should be used in such trading. If you do not have the extra capital that you can afford to lose, you should not trade in the foreign exchange market. No "safe" trading system has ever been devised, and no one can guarantee profits or freedom from loss.

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Substantial risk is involved. Forex trading has large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the Forex markets. Don't trade with money you can't afford to lose. Nothing in these instructions, our courses, or website shall be deemed a solicitation or an offer to Buy/sell futures and/or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on our site. Also, the past performance of any trading methodology is not necessarily indicative of futures results. Trading involves high risks and you can lose a lot of money. No representation is being made that any software or training will guarantee profits or not result in losses from trading.

Kase Bar Chart



The Kase Bar method creates bars with a True Range based the maximum of the following:

- High minus the Low
- High minus previous Close
- Previous Close minus Low

Kase Bar charts look like traditional bar or candlestick charts except that, because the size of each bar is dictated by a target range, the bars are all approximately the same size (range). As each data interval is fed in, the True Range of the current bar is measured. Once the True Range is met, or given the data, is met as closely as possible, the bar is written.

Kase Bars are superior to other “equal range” bar methods in two ways. First, the bars are equal true range which counts any gaps between the previous bar’s close and the current high or low into the bar’s range – as opposed to simple range bars, which only account for the high-low range and leave out any gaps. Second, Kase Bars use only real data to form bars. Thus, if there are any gaps on the chart, such gaps are shown, as opposed to filling the gap by creating bars using counterfeit data. And, if the minimum range between two ticks exceeds the target range, the actual minimum range is shown. This is in opposition to range bar methods, which forces bars to the exact target by inserting fake data.

Thus the user can be assured of three things.

- 1) Real market gaps will be displayed, such as breakaway, measuring or midpoint, and exhaustion gaps which are important in anticipating market behavior, as well as patterns such as morning and evening stars and island reversals.

- 2) Any signals generated by indicators will be generated by real data, by prices that actually traded in the market, as opposed to fake data, which, by definition, would generate a fake signal, and potentially an erroneous one. This is especially important in backtesting, because, while in a backtest a fake early entry might be triggered, or a fake better stop price. In real life, since those prices did not trade, no action could have been taken and the “signal” will always show up in the past tense.
- 3) Because gaps are not filled in and bars are not broken up with fake data, the real risk in the market, which is proportional to the real range of what actually traded, will not be

Bloomberg Sequential Count



Similar to Tom DeMark's TD Sequential, Bloomberg third party software developers programmed an interpretation specifically designed for intraday traders. The Bloomberg sequential count focused on intraday trading using sequences of consecutive higher Highs or lower Lows in an 8 count to represent the development of a linear rectangular spiral.

A blue dotted line indicates a consecutive higher 8 count. An orange dotted line indicates a consecutive lower 8 count. The maximum count level is 13. At the 13 count level, consider fading the market for a potential reversal.

Dynamic Volatility Levels



Dynamic Volatility offers a dynamic representation of developing balance and imbalance areas by a statistical method of aggregating price data derived from a proprietary swing and momentum algorithm.

Dynamic Volatility Range levels:

Unfair High – **Red** line at the top of the range.

Point of Control – **Blue** center line indicating direction of market bias.

Unfair Low – **Green** line at the bottom of the range.

When price is bracketed inside a Red to Green range known as the Dynamic Volatility profile, the top is consider a supply area (resistance) and the bottom line is consider a demand area (support). When price is trading inside a Dynamic Volatility profile, look to buy the lows in the range and/or short the highs. Consider directional preference before trading within the range.

When price moves outside the top of the Dynamic Volatility profile:

1. A breakout occurs.
2. The market bias is directional to the upside.

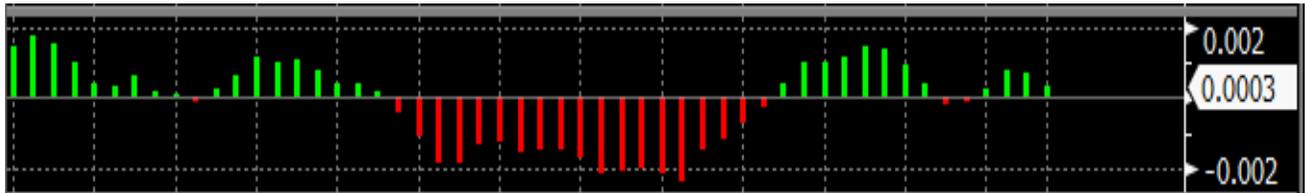
When price moves outside the bottom of the Dynamic Volatility profile:

1. A breakdown occurs.
2. The market bias is directional to the downside.

When breakouts and breakdowns occur above and below the Dynamic Volatility profile, there is a high probability that the new directional move will remain intact until a Dynamic Volatility profile occurs.

Previous Dynamic Volatility profiles to the left in the chart are support or resistance areas where the market will pause and reverse or pause, consolidate, and then resume the current directional move.

Volume Flow Bars



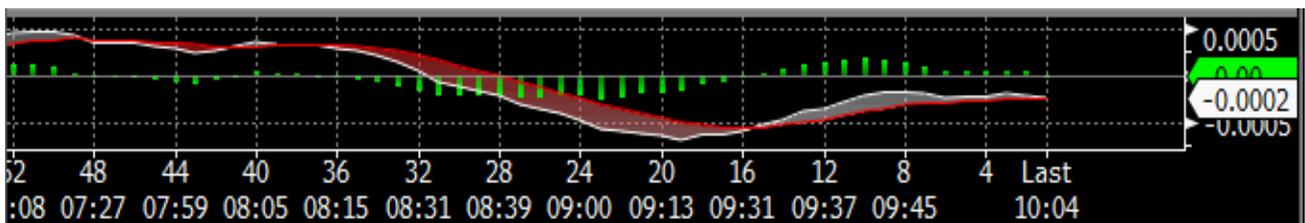
Based on a proprietary set of inputs, the Volume Flow bars calculate whether market participants are buying or selling. In histogram format, it is a simple oscillator providing additional confirmation for entry or exit points.

The way to read the Volume Flow is as follows:

1. Zero line is a balance point of the order (volume) flow between buyers and sellers.
2. Green bars rising above the zero line (buyers are buying).
3. Green bars falling towards the zero line (decrease in buyers buying and/or buyer exiting).
4. Red bars falling below the zero line (sellers are selling).
5. Red bars rising towards the zero line (decrease in sellers selling and/or sellers exiting).

Note: When Green or Red bars spike to extreme levels, it is signaling the start of a top or bottom.

MACD



Moving Average Convergence/Divergence is a technical analysis indicator created by Gerald Appel in the late 1970s. It is a trend-following momentum indicator that shows the relationship between two moving averages of price. There are three ways to use the MACD: Crossovers, Overbought/Oversold, and Divergence. Most traders consider above the zero line as positive sentiment and below zero line as negative sentiment.