



The Only Indicator You Will Ever Need

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President and CEO of Pristine Capital Holdings



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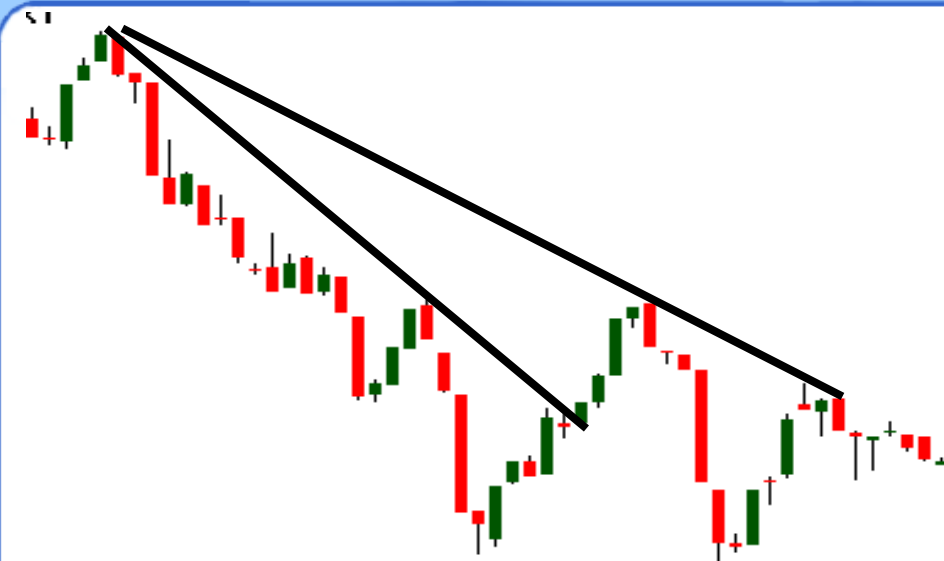
Indicators are Subjective

Are you currently trying to make sense out of something that looks like this noise?



- *Without rules that define a plan to trade or invest our thoughts and trades will be random.*
- *All trades start with determining the trend.*
- *Basing trend analysis on anything other than price action will be subjective. Let's look!*

Subjective Trend Analysis



Which trendline?

Which moving averages?

Which points to draw Fibonacci?

Do they signal changes in trend?

Are any of them support-resistance?

The Theory of Self-Fulfillment

Trendlines, Moving Averages and Fibonacci Retracement levels are used to “locate” Support or Resistance. Traders ask, “Why do prices reverse there?”

If enough people believe something, whether factual or not, they can have an effect when they act on that belief (e.g., buying or selling at a MA, or T-Line).

Price is the only truth in technical analysis

Price Support is where *Demand* is. Buyers are there

Price Resistance is where *Supply* is. Sellers are there

These points represent commitment with real money It's what moves the market.

Let's build on this fact to guide our trading decisions!

Let's Define the Criteria for a Pristine setup

We need to define:

- *What are reference points of support and resistance*
- *The trend and trend changes when they occur*
- *What signals an entry in the direction of the trend*
- *Where those setups will be taken*
- *You can trade anything with this criteria!*

How To Keep Trading Simple

- *Buy pullbacks to a reference point in an uptrend.*
- *Short retracements to a reference point in a downtrend.*
- *Key point; make sure there is a trend or trend change!*
- *We are going to break down the analysis or thought process of a trade into a simple, easy to follow step-by-step process.*

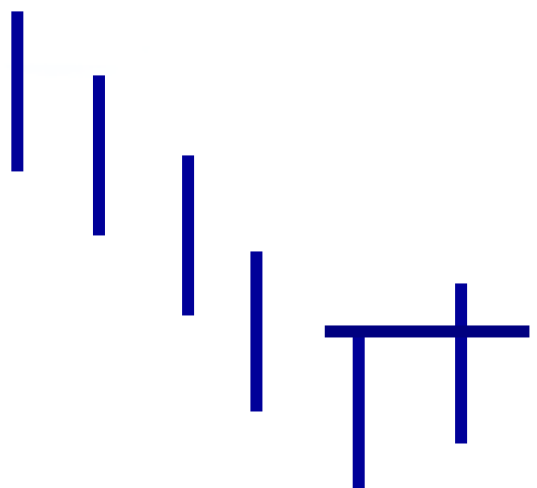
What is Support?

- *It's a “Reference Point” where buyers anticipate overcoming sellers.*
 - 1. At a minimum, it's a prior bar's low within a series of bars making HHs.*
 - 2. If there, it's overlapping bars directly to the left of current prices.*
 - 3. Then look to a prior pivot low (a bar with HLs on both sides).*

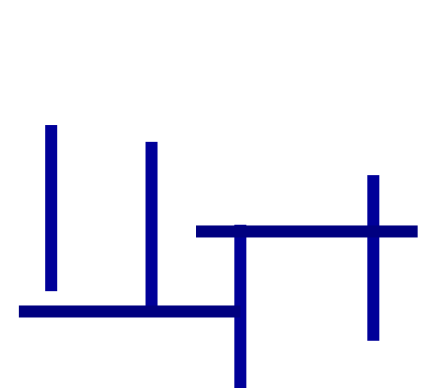
What is Resistance?

- *It's a “Reference Point” where sellers anticipate overcoming buyers.*
 - 1. At a minimum, it's a prior bar's high within a series of bars making LHs.*
 - 2. If there, it's overlapping bars directly to the left of current prices.*
 - 3. Then look to a prior pivot high (a bar with LHs on both sides).*

Support and Resistance Reference # 1



● *A prior bar's high must be overcome to enter longs or cover short positions*



The diagram on the left shows a series of five vertical blue bars of decreasing height from left to right. The fifth bar is a T-bar with a horizontal line extending to the left and a vertical line extending downwards. The diagram on the right shows a series of four vertical blue bars. The first bar is a T-bar with a horizontal line extending to the left and a vertical line extending downwards. The second bar is a T-bar with a horizontal line extending to the right and a vertical line extending downwards. The third bar is a T-bar with a horizontal line extending to the right and a vertical line extending downwards. The fourth bar is a T-bar with a horizontal line extending to the right and a vertical line extending downwards.



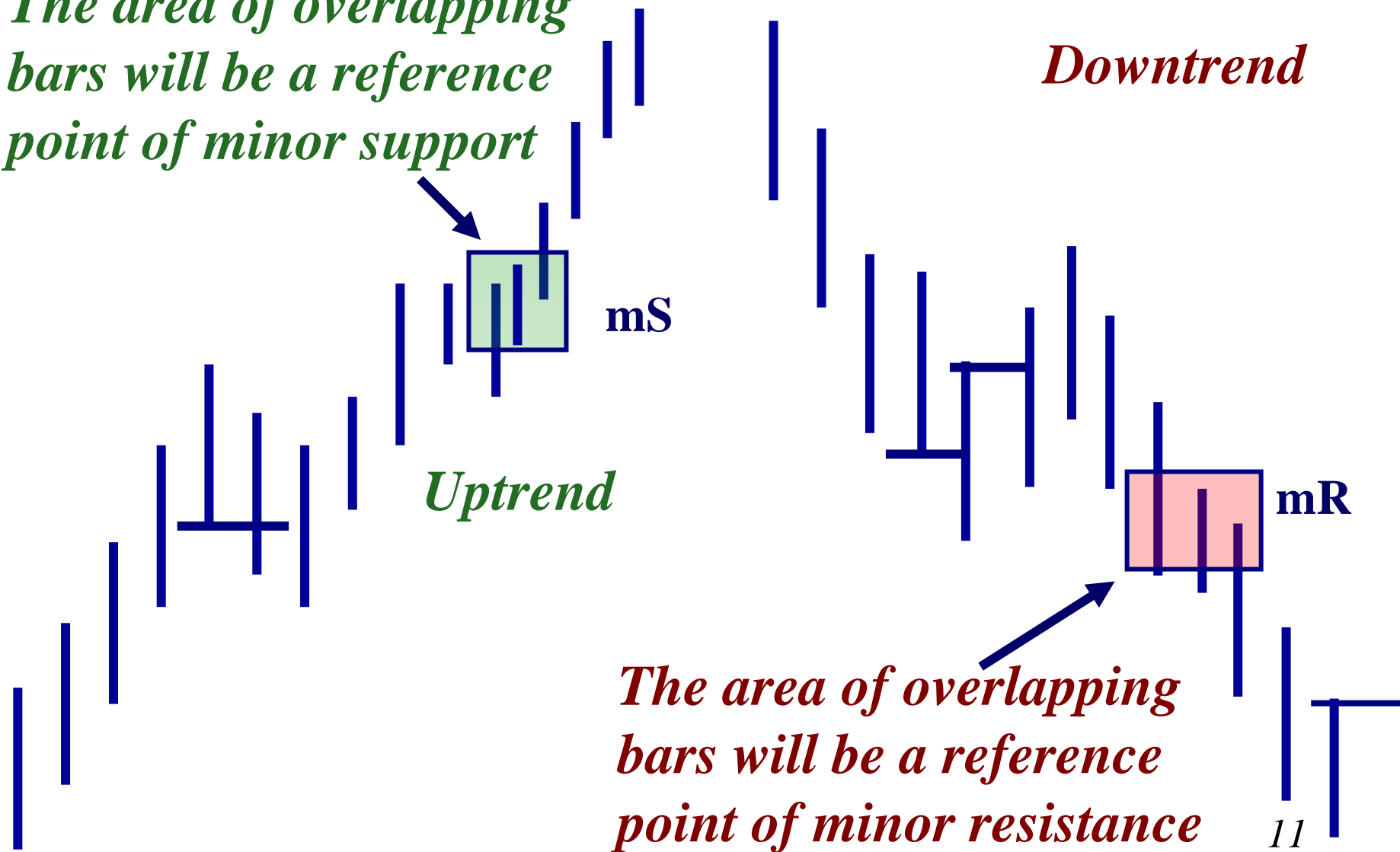
● *A prior bar's low must be overcome to enter shorts or exit long positions*



The diagram on the left shows a series of five vertical blue bars of increasing height from left to right. The fifth bar is a T-bar with a horizontal line extending to the left and a vertical line extending downwards. The diagram on the right shows a series of four vertical blue bars. The first bar is a T-bar with a horizontal line extending to the left and a vertical line extending downwards. The second bar is a T-bar with a horizontal line extending to the right and a vertical line extending downwards. The third bar is a T-bar with a horizontal line extending to the right and a vertical line extending downwards. The fourth bar is a T-bar with a horizontal line extending to the right and a vertical line extending downwards.

Support and Resistance Reference # 2

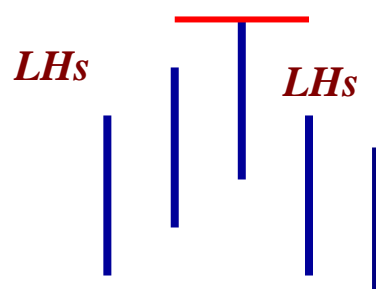
The area of overlapping bars will be a reference point of minor support



The area of overlapping bars will be a reference point of minor resistance

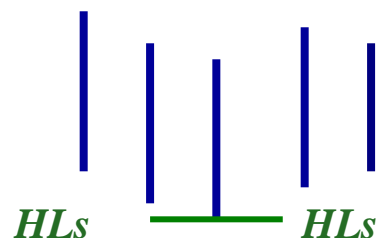
Support and Resistance Reference # 3

● A price pivot high (PH) must have a minimum of 2 lower high bars adjacent to both sides of the pivot bar.

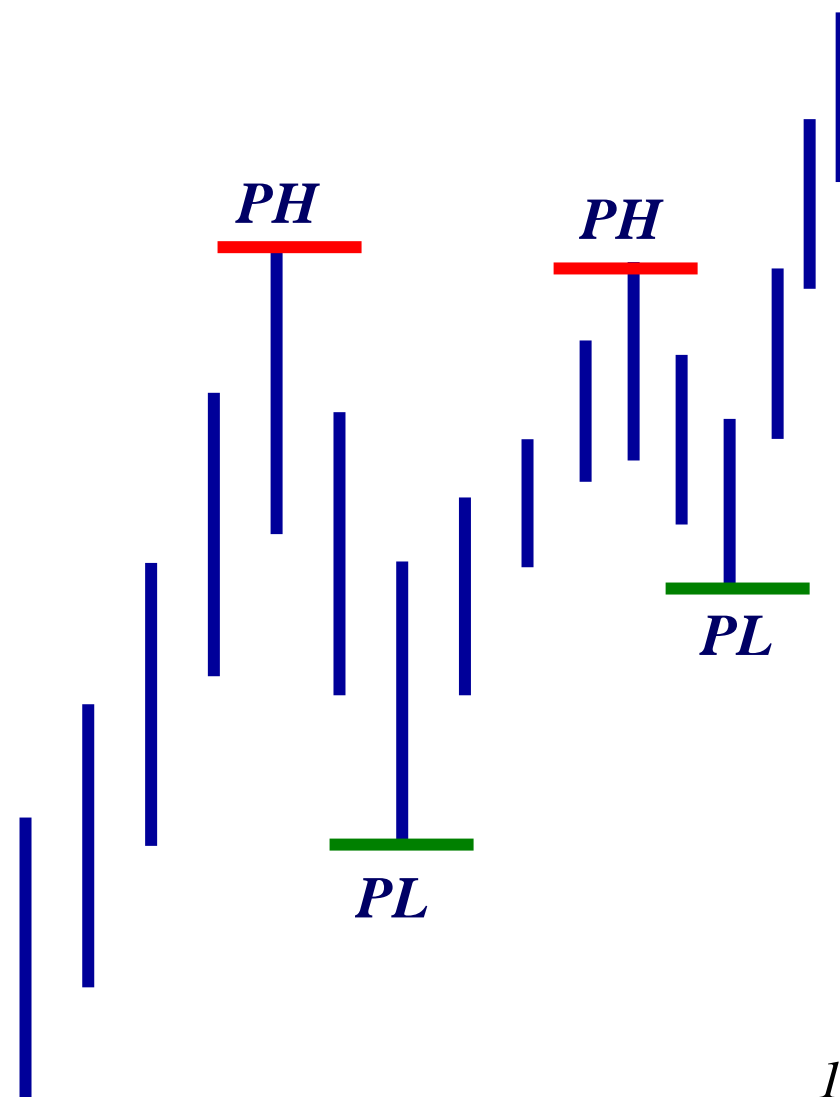


*Resistance
has formed*

● A price pivot low (PL) must have a minimum of 2 higher low bars adjacent to both sides of the pivot bar.



*Support has
formed*



Review of Reference Points

- *A prior bar's low will be our first reference point of support in a series of upward trending bars.*
- *If there, overlapping price bars to the left will be a reference point of Minor Support (mS) in an uptrend.*
- *A pivot low must have 2 bars with HLs adjacent to the left and right at a minimum to be a pivot. **This is Major Support (MS) after a prior high is overcome.***

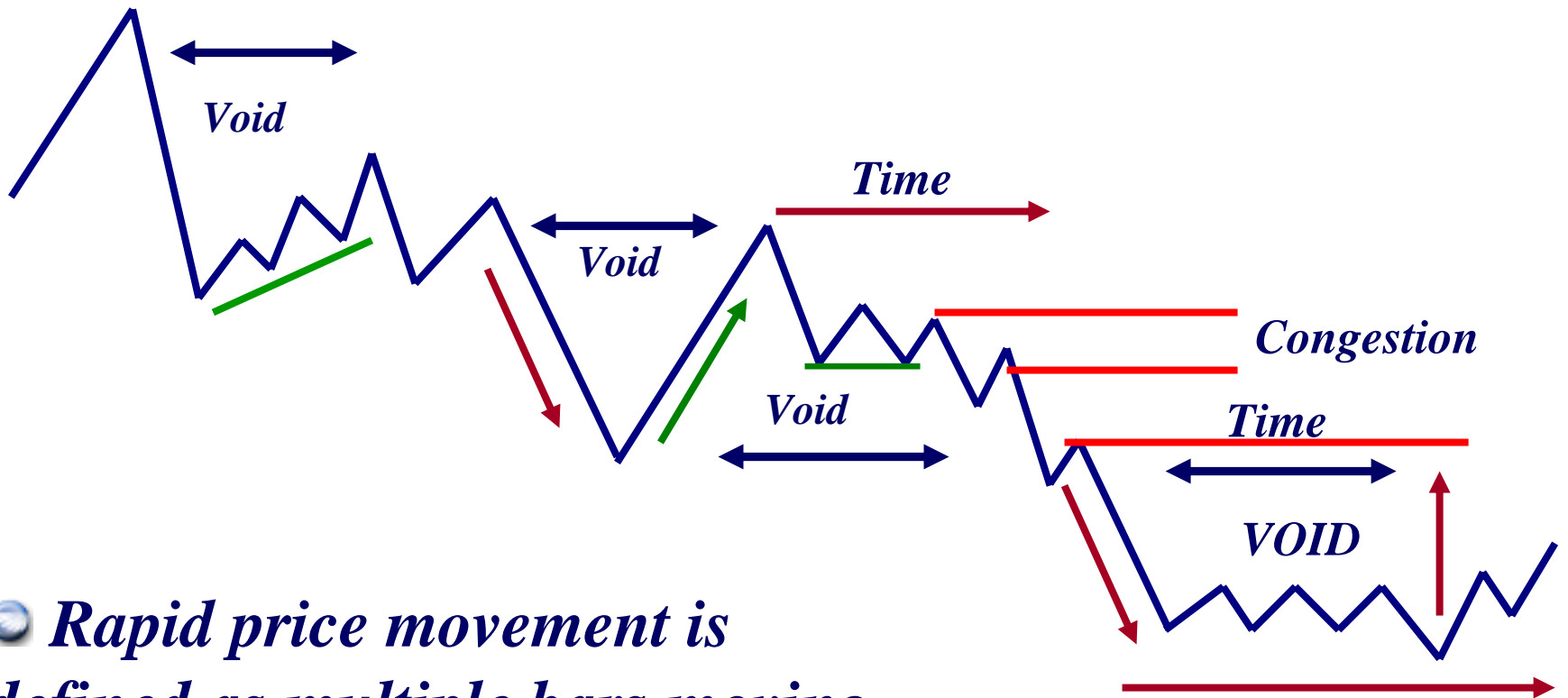
This Is The Key!


Prices Move Between Support and Resistance

- Traders Bid at Support and Offer at prior Resistance, which may create enough Demand or Supply to form reversals at those “Reference Points.”
- Wait for an entry - in the direction of the trend - at a reference point.
- A **VOID of reference points** increases the odds of prices trending since traders do not have a reference of support to buy or resistance to sell at.
- If there isn't a reference point, wait for one to form and a retracement.

What is a Void?

Voids are created by gaps, rapid price movement and time



 *Rapid price movement is defined as multiple bars moving in the same direction with little to no overlap between the bars*

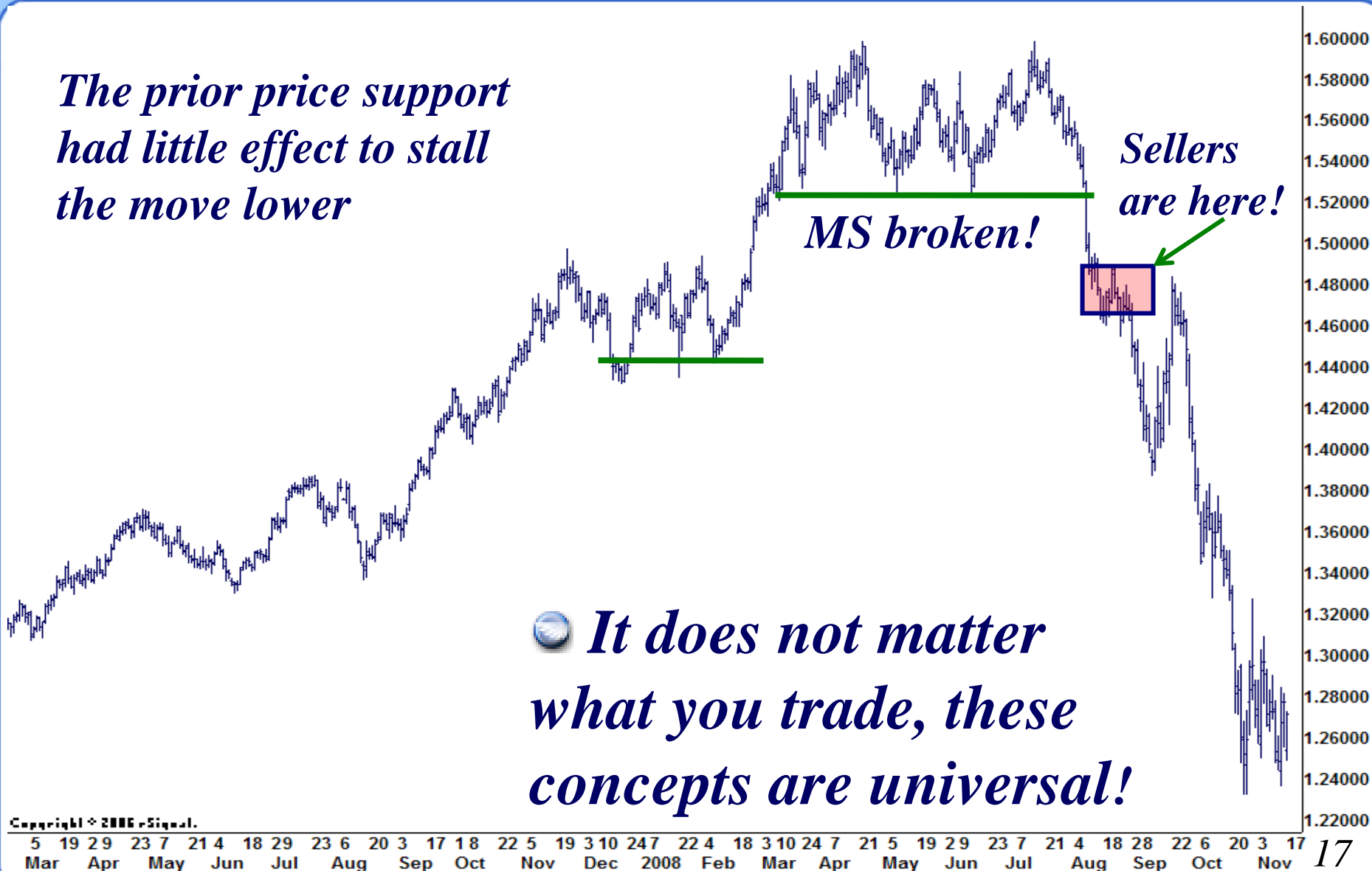
Voids are created by time passing.

EURO



EURO

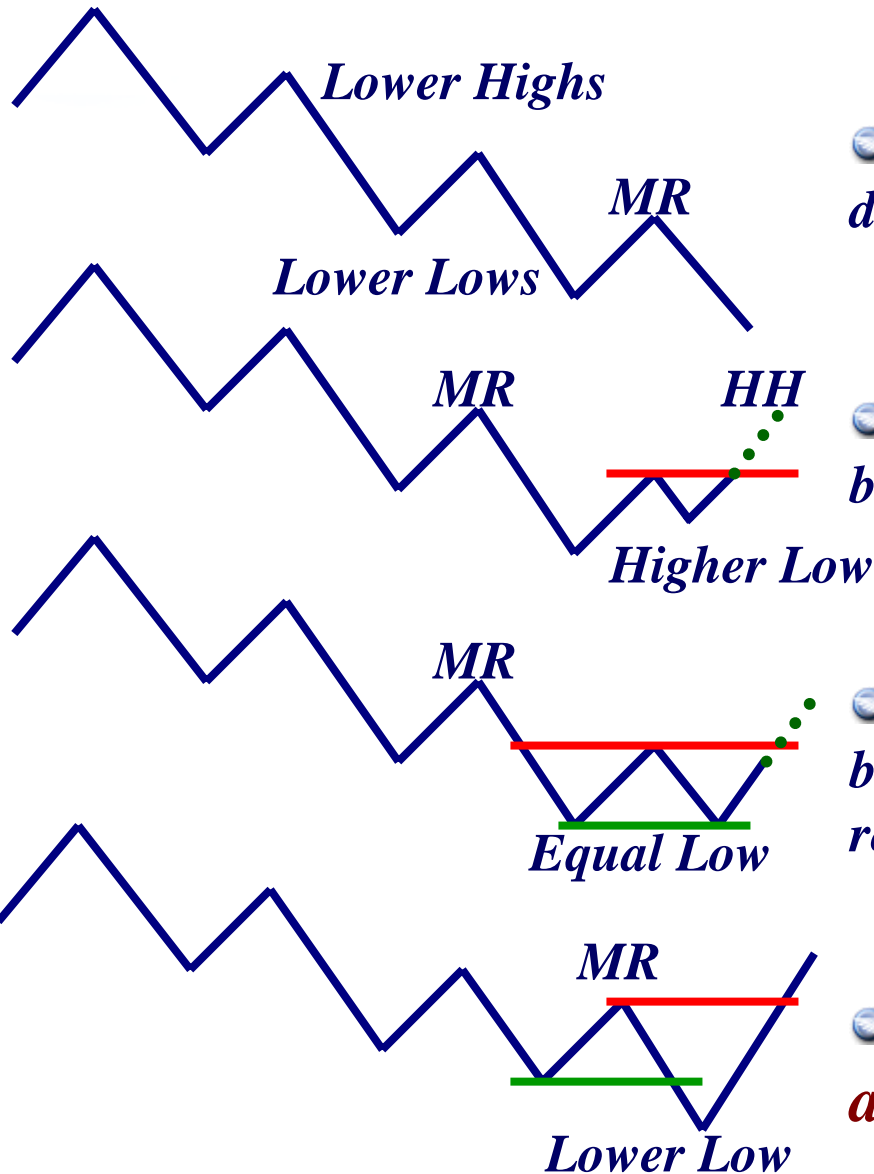
*The prior price support
had little effect to stall
the move lower*



Defining the Trend and Trend Change

- *A downtrend is defined as a series of lower pivot highs and lower pivot lows; two or more. Vice versa for an uptrend.*
- *A higher pivot low and higher pivot high that does not trade above MR forms a bear flag and weak support.*
- *An equal pivot low (W-Bottom) within a downtrend setups and move above the prior pivot high setups a buyable pullback.*
- *A move above the pivot high - prior to a lower low - in a downtrend is a signal of a changing trend. Buy the retracement.*

Defining the Trend and Trend Change



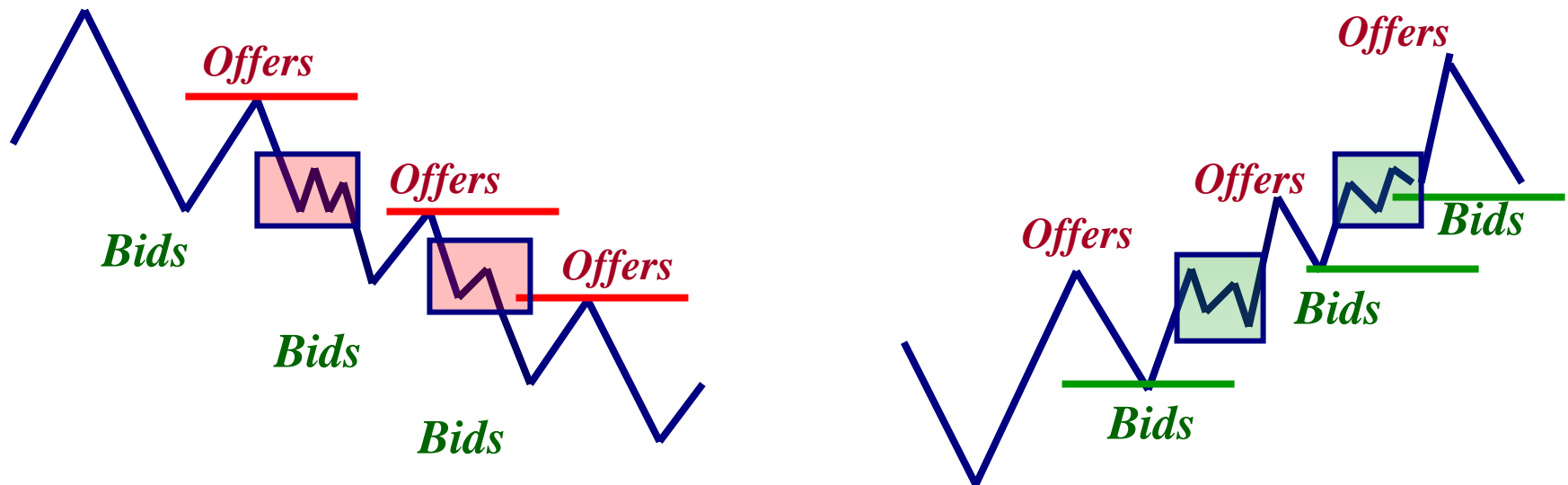
● *Major Resistance (MR) in a downtrend is defined as the pivot high prior to a new low*

● *A move above the prior high is not a break of MR. This is know as a bear flag*

● *A move above the prior high would not break MR, but would suggest a move to next resistance and a pullback can be bought*

● ***This move is a break of MR and a signal of a changing trend***

- *All prior highs are resistance and lows support.*
- *In an uptrend, odds are that prior resistance can be overcome.*
- *In a downtrend, odds are that prior resistance cannot be overcome.*



- *We want to sell where the offers are in a downtrend and buy where the bids are in an uptrend, simple!*

Review of Concepts Covered

- *We have defined reference points of support and resistance and that traders **bid** at support and **offer** at resistance*
- *We have defined that a void is the **absence of reference points**.*
- *We have defined a trend and what signals a changing trend.*
- *We can now look at basic reversal patterns that provide entry points to get on board at a reference point.*

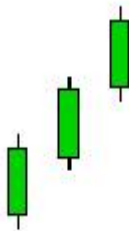
Candle Basics and Patterns

- *Prices in a candlestick format more clearly display the relationship between a bar's open, high, low and close.*
- *Candles will form recognizable patterns that suggest the future movement of prices.*
- *We are looking for candles that signal slowing momentum and/or a reversal - at a reference point - within a trend, simple!*

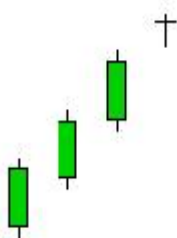
Candlestick Analysis

Giving a pattern a bearish name does not make it so, but it does produce those thoughts

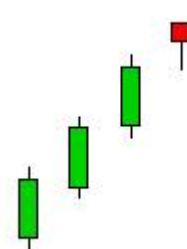
Narrow Body



Narrow Range Bar



Bottom Tail



Trending Higher

Bearish Doji Star

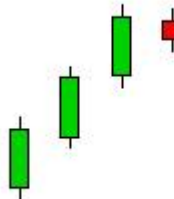
Bearish Star

Bearish Hangman

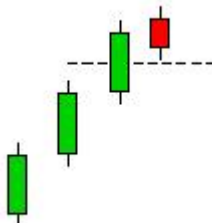
Topping Tail



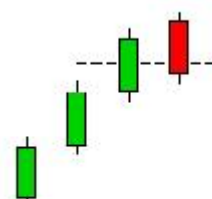
Changing of Guard



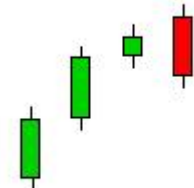
Changing of Guard



Changing of Guard



Changing of Guard



Bearish Shooting Star


Bearish Harami

Bearish Thrust

Bearish Piercing

Bearish Engulfing

All setups must be put in the context of the trend and prior resistance.

 *Now that we have setup a
systematic method of defining
Why, When and Where to
trade let's look at how it works*

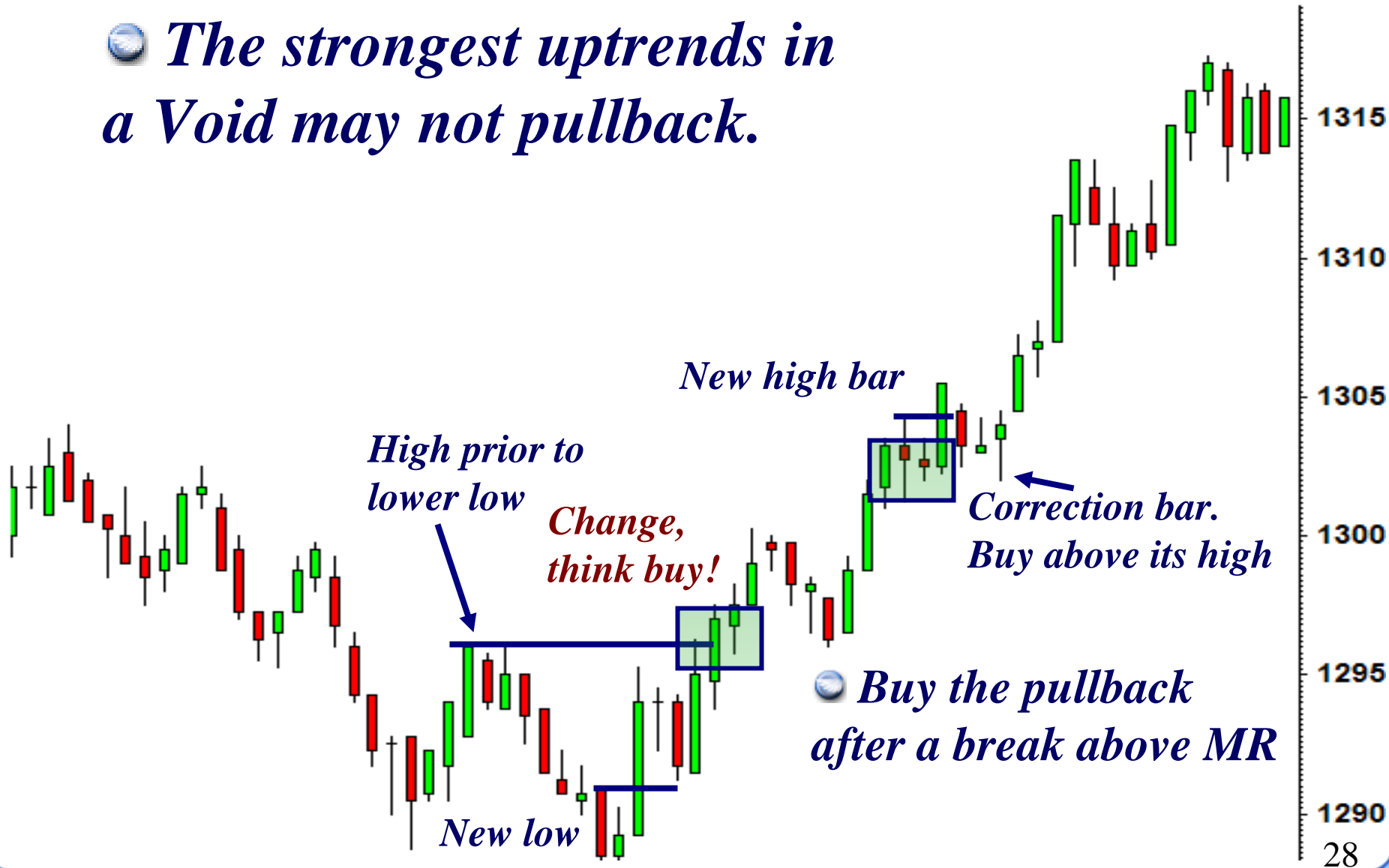




● *This was a buy called in the Pristine's E-mini Trading Room (ETR) on 6-12-08 @ 10:50am*

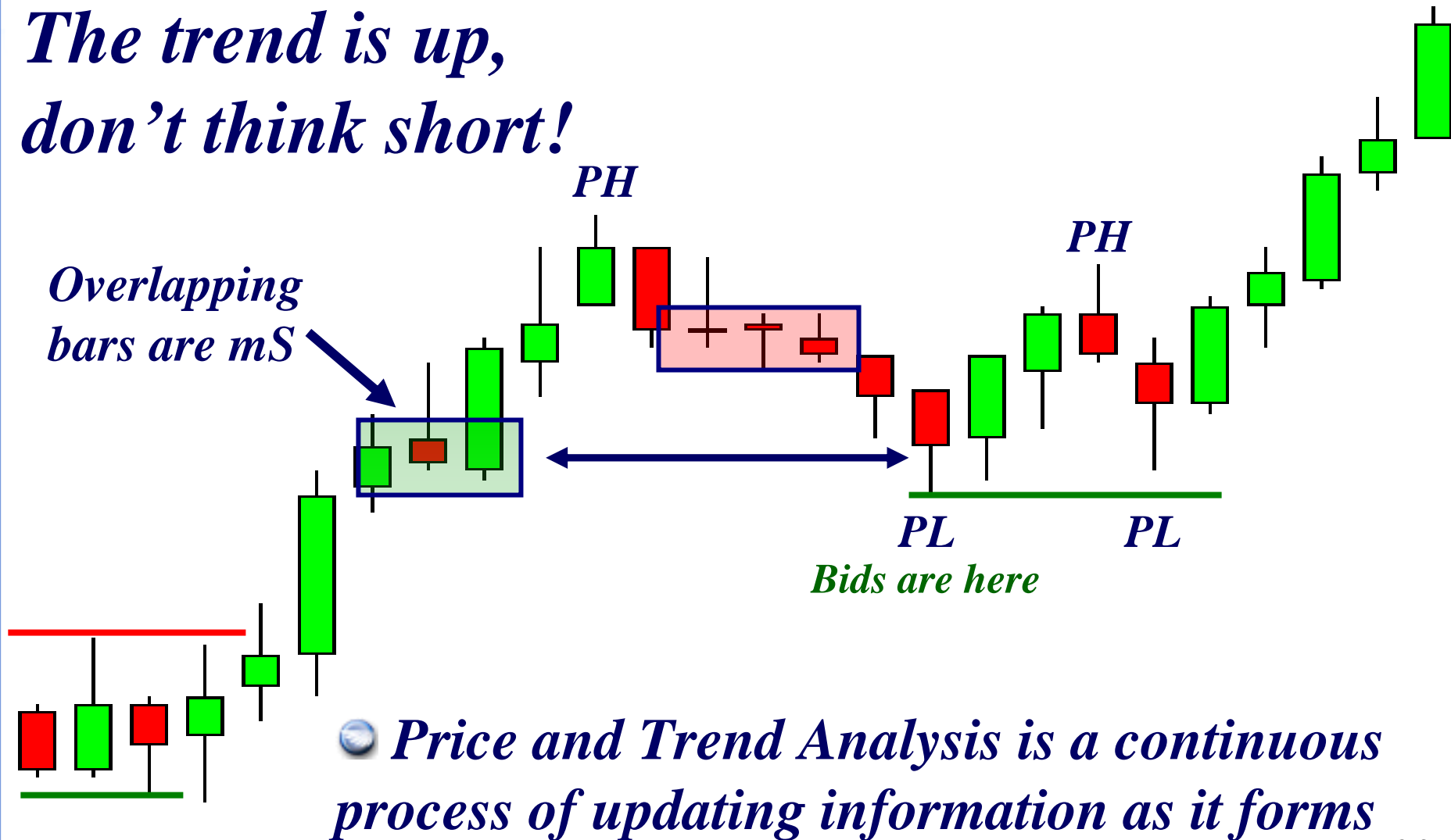


● *The strongest uptrends in
a Void may not pullback.*



*The trend is up,
don't think short!*

*Overlapping
bars are mS*



🌐 *Price and Trend Analysis is a continuous
process of updating information as it forms*



S&P 500

*At **A**, prices close above MR
for the first time, think buy!*

*Market internals
became bearish here!*

*MS is broken,
think sell!*

***B** At **B**, I alerted the PMTR it was time to buy!*

***You don't need indicators,
only the right education!***



- *Indicators and trend tools are subjective, can mislead and typically confuse.*
- *The guidelines covered will provide you a continuous, systematic method of price and trend and analysis.*
- *Of course, there is much more to learn about the Pristine Method®, but you have a great start!*
- *Counselors are at the Pristine Booth or call
800- 340-6477 for show specials.*



*Thank you for your trust in
allowing us to help you reach your
financial goals!*