



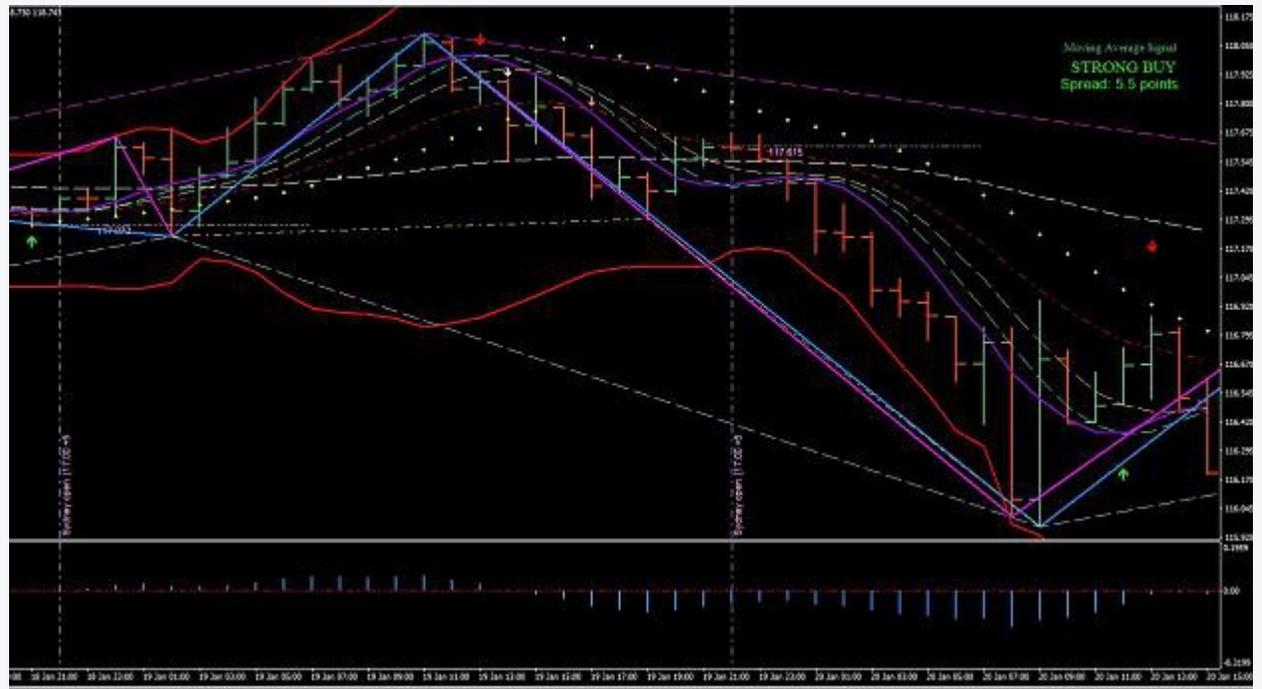
On this post I will talk about entries off Resistance in a downtrend; and entries off Support in an uptrend.

I recommend highly in using your 2 hour for downtrends and using your 1 hour for uptrends. Because of the volatile market in a down trend the 2 hour is pretty stable with the volatility and is constant. Doesnt mean you cannot use the 1 hour provided you catch the top on a reversal.

So with this scenario on a downtrend I will go back to Tuesday at 17:00 EST in an uptrend changing over to a downtrend at 17:00 Wednesday. Pay a close attention in how I use support on an uptrend and resistance on a downtrend.

Here are the charts for the time period.





Now I am going to use snippets representing the moment.

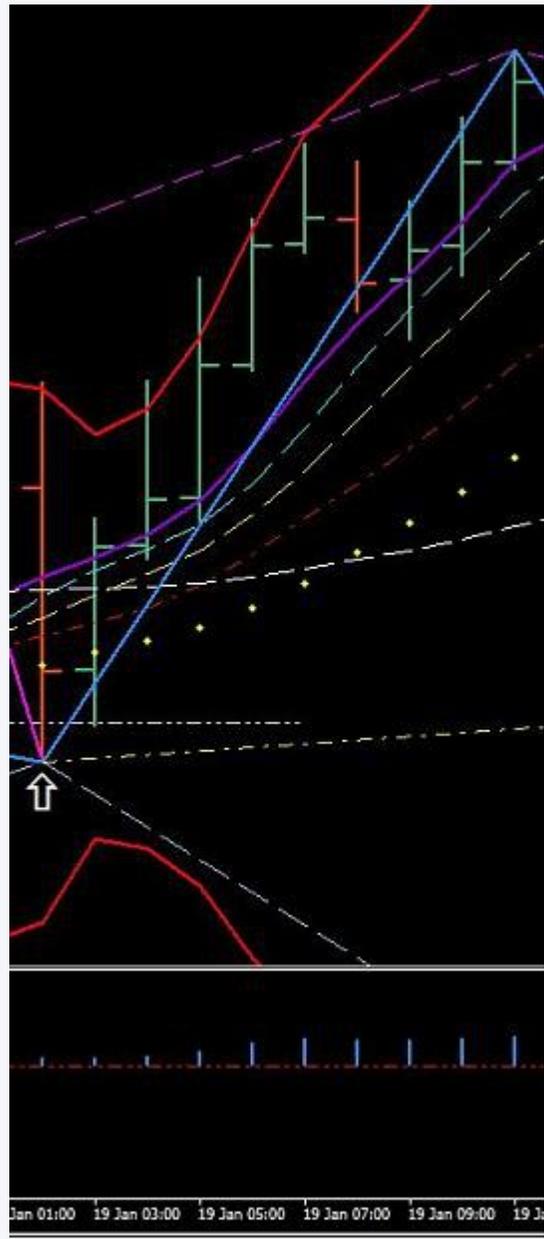
This first snippet is the 2 hour chart after opening of the 17:00 candle and what is showing? First we recognize the trend with **White Smooth** and EMA had crossed **Purple** for the uptrend with the Parabolic in trend; in which all four are supports. Next we have ROMAR as resistance.



The 1 hour: On the same two hour candle we have the same trend: **White Smooth** and EMA in the uptrend trend with the Parabolic in trend. We also have ROMAR crossing **Purple** as a signal of changing trend for this swing. You also had the SAR attached to the previous two candles at the upper band. This attachment means a retrace back to support; and the SAR did reattached on the second 1 hour candle. And this is where I took my entry as low as possible at the Daily Open line at 117.272. Because of taking the entry as low as possible ROMAR was no longer a threat of losing my trade in using B/E.



This next 1 hour is showing the market getting above ROMAR which is now support and crossing EMA for the change of trend. And Traders that was an easy 40 pips.



And here is the 2 hour.



Next Trade:

One thing you have to always keep in mind and that is the Daily supports and resistance. On the trade above in the uptrend; the market also hit the Daily EMA resistance. This is why you always have a trading plan right there at your trading station.

Showing here:



The Daily trend is down but also in consolidation. Both ROMAR and EMA are still in the downtrend. And this trend will not change until EMA crosses **Purple** and then: Well ROMAR will be one tough wall to break until EMA is within striking distance. So be looking at a lot of up and down days.

On this next trade you have the 2 hour showing the turn back into the downtrend and especially with the hit on the Daily EMA. You have showing a Red Arrow with the market breaking EMA and the Open Candle below Smooth. As support you have ROMAR and the Parabolic.



On the 1 hour you also have the Red Arrow and also the White Arrow for crossing the MACD zero. You have the open candle below **Smooth** resistance with ROMAR as support and the Parabolic had flip as resistance. My question is: Would I trade in this situation and the answer is not at this time. The risk for retraces is more than I want to chance.



But what I will do though is wait on the Parabolic to flip on the 2 hour before I risk any money on a trade.

And here is the entry with the Parabolic flip and open at **Purple** with the EMA crossing. Take note of change of trend with the four horsemen in trend. This is trading in the moment catching the trend at the top; and just letting the market give up the pips: Another 40 pip trade compounding.



Lets look at the retraces with the 1 hour in using the uptrend closing Friday:

We have an entry at **Purple** with the **four horsemen** in the uptrend; with 40 pips before retrace to **Smooth** for another entry into the trend.

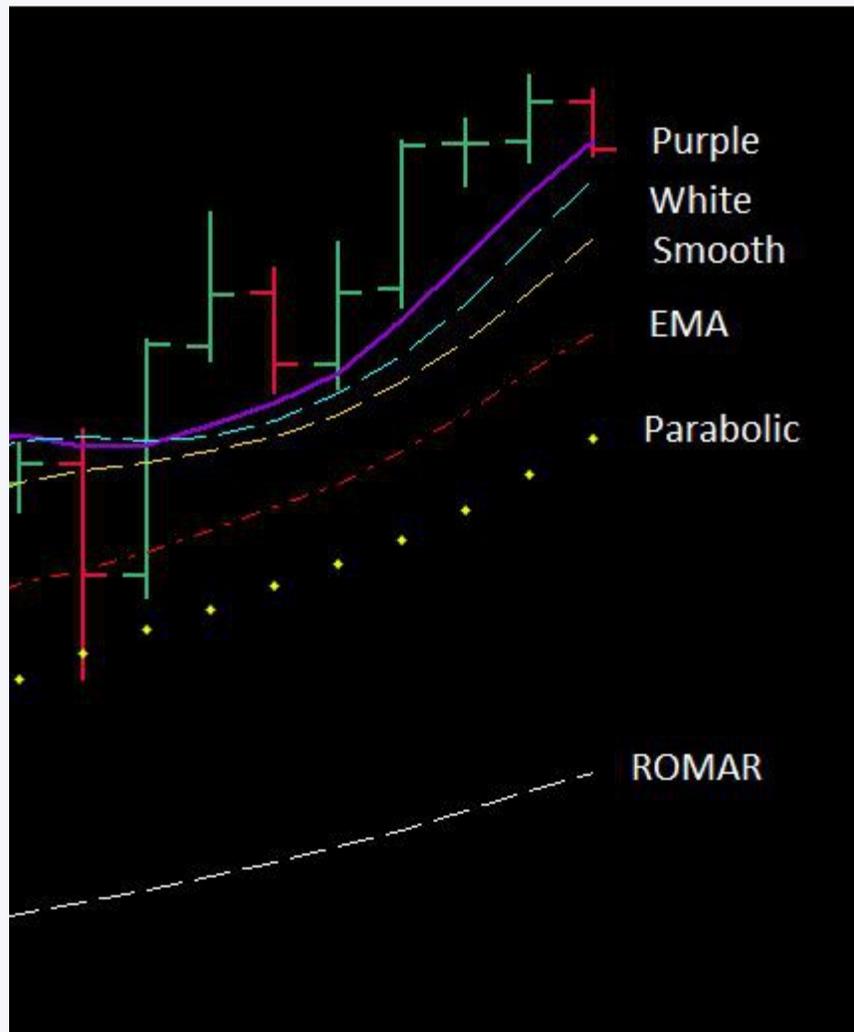


Next Retrace is EMA for an entry.





Here is a picture for end of day Friday with the name of the Indicators:



Each indicator is both support and resistance. The **Purple**, **White**, and **Smooth** are the 3 leaders in reversing trends. ROMAR is the Primary trend indicator. EMA is the Secondary trend indicator. And the Parabolic sets the trend.

On a reversal **White** is your first indication of a reversal by crossing **Purple**; then follows **Smooth**.

**Smooth** is a great indicator for you letting you know if the trend will reverse. If **Smooth** crosses **Purple** then you have a beginning reversal. If **Smooth** slides under **Purple** on an uptrend; or above **Purple** on a downtrend; you have what is called a slider and will continue in the trend and not reverse. EMA will also stay in the slider for the continuance of the trend. But if **Smooth** crosses **Purple** then EMA will cross **Purple** and the reversal is set provided the Parabolic had also flipped.

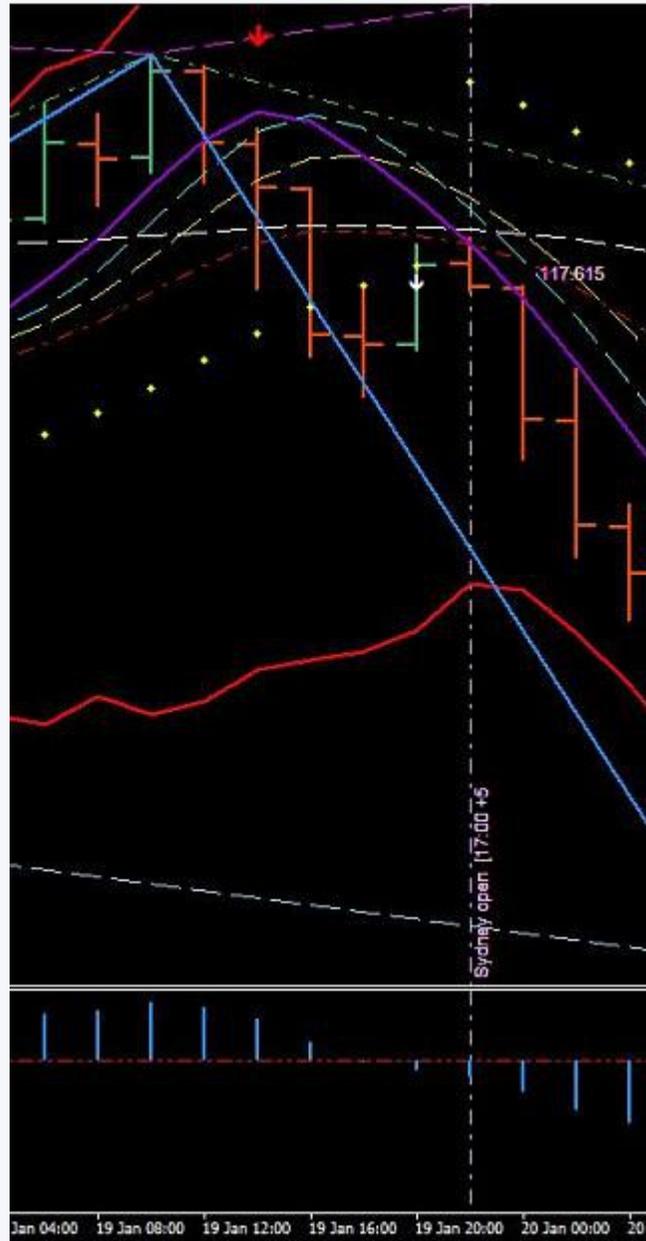
Now this picture above is from the 1 hour chart and lets says a reversal is in the makings and the Parabolic had flipped. This only means the 1 hour chart is set up for the reversal but does not mean the 2 hour is also set up for the same reversal. So you must check your 2 hour for the Parabolic flip. If it has not then you must wait on the 2 hour Parabolic. Otherwise you will have continuance retraces on the 1 hour until the Parabolic on the 2 hour had flipped. This is known as Confluence Factors.





On this scenario you have the same situation but ROMAR is at the crossing and just sliding over EMA for the down. Take note of two things.

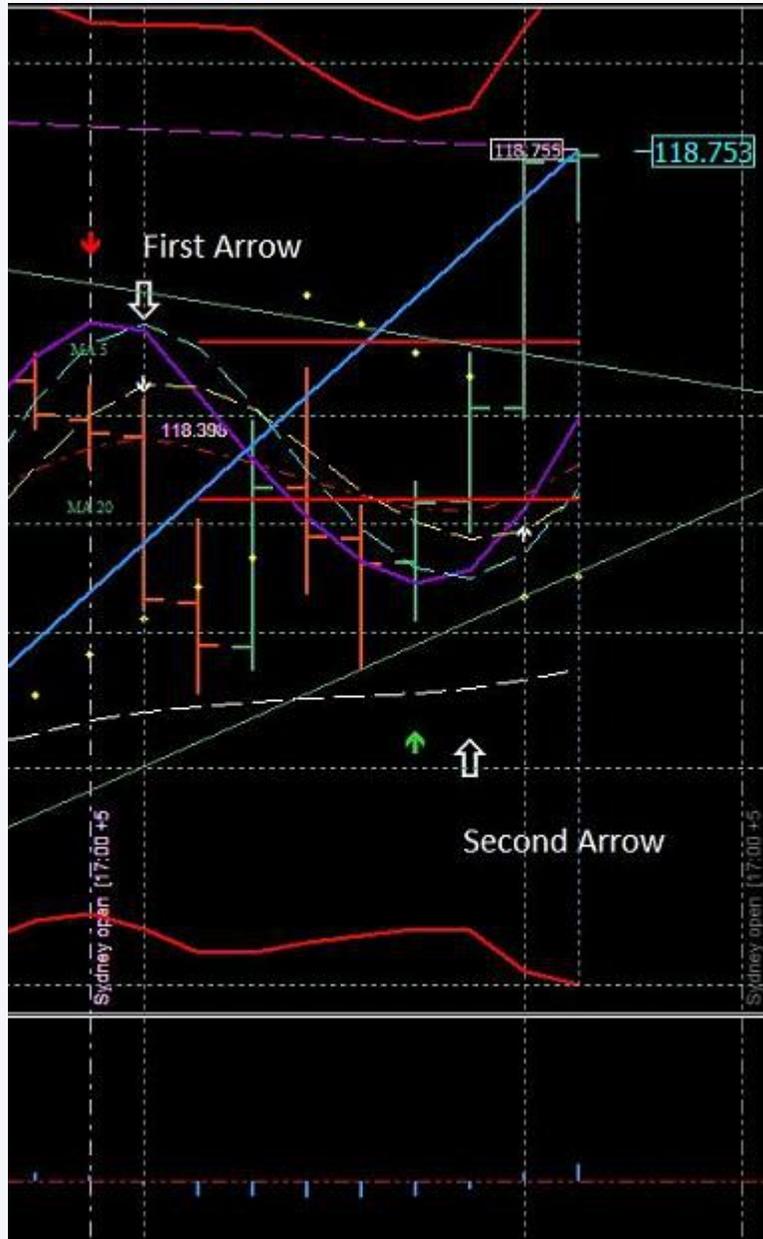
You have 1; Purple/White crossing and 2; with an open candle below SMOOTH showing the crossing of Purple. And that is not anticipating because it is showing the crossing before it even happens.







Believe it or not - this is not complicated at all. It is the same thing as ROMAR vs EMA I had recently posted. And it is also the same reference as Consolidation vs Trends. So take a look at this tight consolidation we just had after opening yesterday:



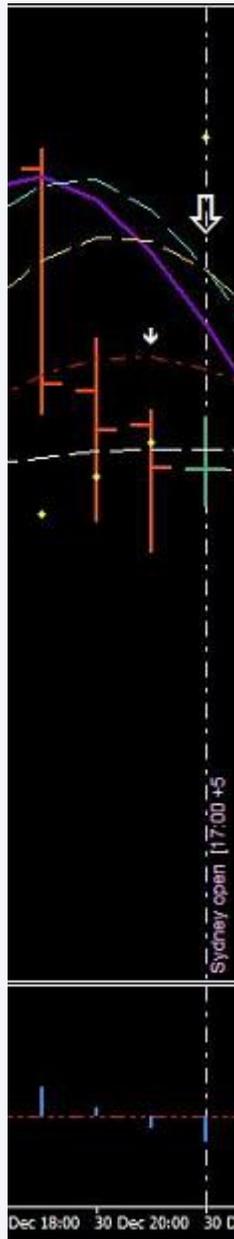
The very first step for a consolidation and/or trend is the **White** crossing **Purple**. From that point you are looking into the future. The first thing you notice is if the crossing is with the ROMAR trend or is it a counter-trade. This also eliminates the Parabolic support/resistance because in consolidation with the **White/Purple** crossing; you then have a market up and down. On the picture with the first arrow you had the **White/Purple** crossing with an open candle below **Smooth** and just above EMA which was a counter-trade against ROMAR. On the second arrow you had the **White/Purple** crossing with an open candle above both EMA and **Smooth** and into the trend with ROMAR. The parabolic's had been eliminated with the **White/Purple** crossings and that was an entry going into the future.



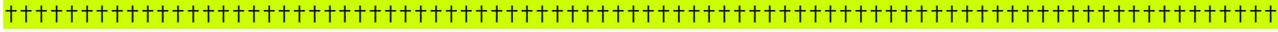
### 1 HOUR CHART:

ROMAR: Support  
EMA: Support  
Parabolic: Resistance

Notes: The 1 hour had finished the upswing with **Smooth** in the daily downtrend. The signal for the zero crossing had shown with the previous candle. The Parabolic is already in the downtrend as resistance. Both ROMAR and EMA are at the crossing of the **Purple** that is already strong for the downtrend.



Entry: The 2 hour is showing the Parabolic as support but also eliminated with the **White/Purple** crossing. It will take the hidden LR to flip the parabolic and with the down being strong I will take entry with the next 2 hour open candle and/or, the retrace toward the parabolic.



**DAILY CHART - DATE:** 12-01-15

ROMAR: Support  
EMA: Support  
Parabolic: Resistance

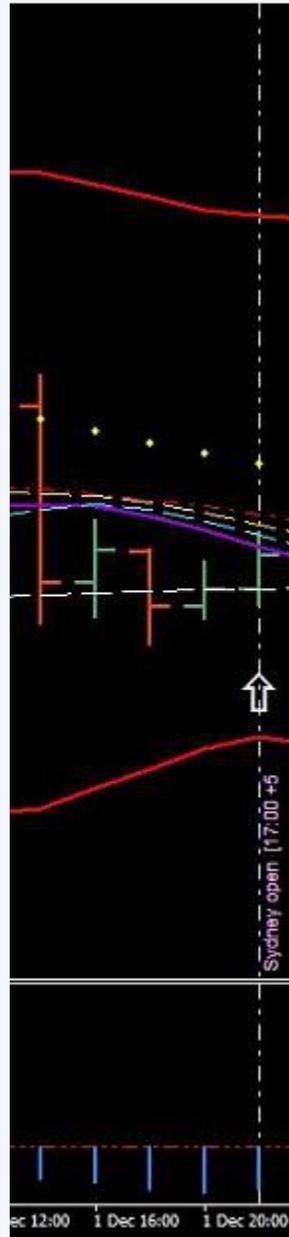
NOTES: On this daily is showing an ending of a swing consolidation with ROMAR as support. **White/Smooth** had crossed **Purple** and is support with EMA at **Purple** for support on the uptrend. The Parabolic had been eliminated as resistance with the **White** crossing **Purple**. The upper Bollinger Band is within striking distance for a hit.



## 2 HOUR CHART:

Opening: 122.848  
ROMAR: Support  
EMA: Support  
Parabolic: Resistance

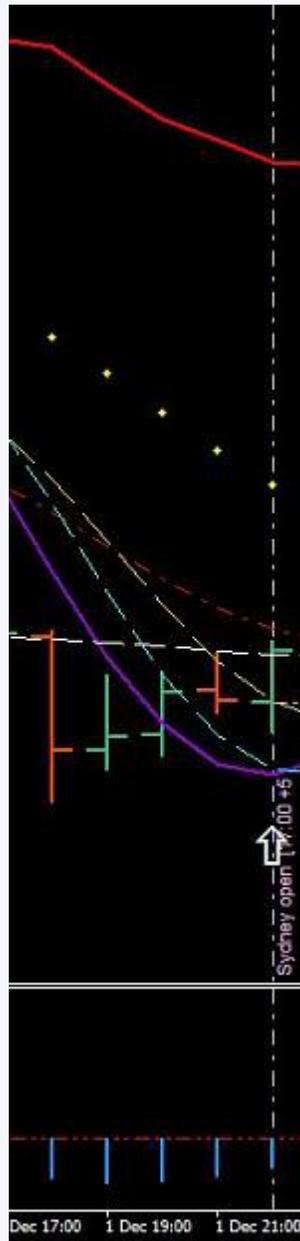
NOTES: The market opened on top of ROMAR support with EMA on top of Smooth/White in a consolidated shallow swing. The parabolic is also holding resistance.



### 1 HOUR CHART:

ROMAR: Support  
EMA: Support  
Parabolic: Resistance

Notes: ROMAR is sliding under EMA in holding EMA as support with the **White** crossing.



Entry: According with the Daily chart the swing had ended with **White**, **Smooth**, and EMA crossing **Purple** for the ROMAR uptrend. The 2 hour is very shallow with EMA, **Smooth**, and **White** very tight. And the 1 hour is finishing up its swing. With ROMAR holding support just under the **4 horsemen** and resistance being tight above ROMAR; the best entry would to wait for an open candle above either **Smooth** or EMA. Which ever come first? That places market above purple for the uptrend.

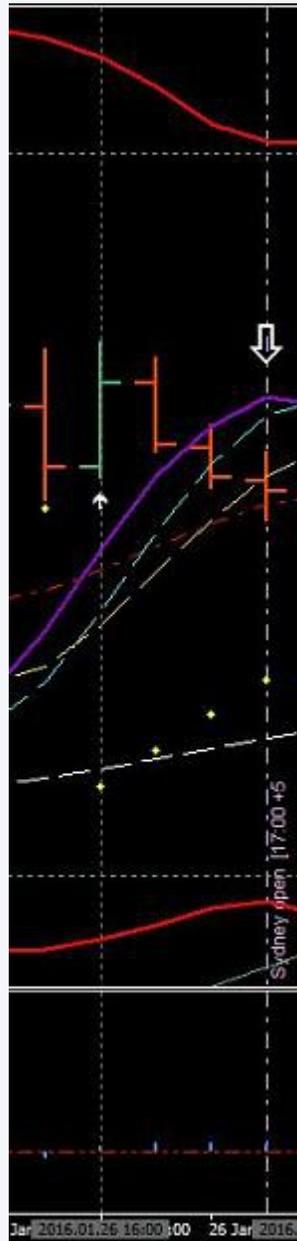
It was the 2nd 2 hour candle after my trading plan that opened above **Smooth** and took entry. And that was a 40 pip trade.



**2 HOUR CHART:**

Opening: 118.398  
ROMAR: Support  
EMA: Support  
Parabolic: Support

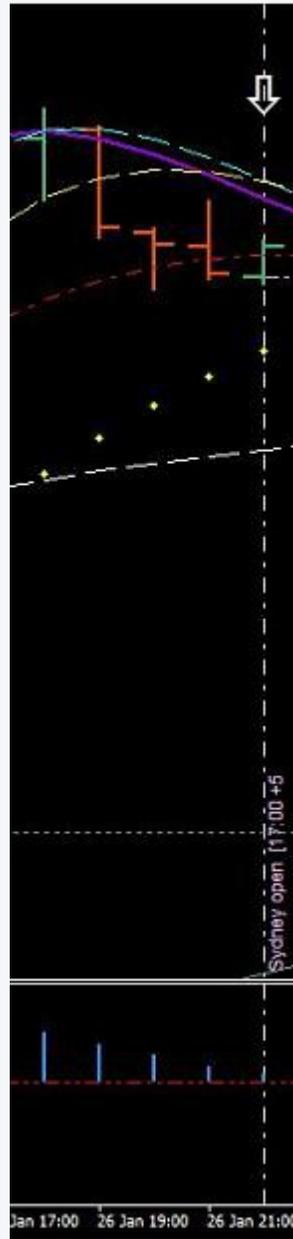
NOTES: The 2 hour is turning for a swing in consolidation with opening at **Smooth**. Open candle below **Purple**.



### 1 HOUR CHART:

ROMAR: Support  
EMA: Support  
Parabolic: Support

Notes: The 1 hour has **White/Smooth** crossing for the down with open below EMA and in the swing.



Entry: This consolidation could very well go on for hours; especially with ROMAR holding support on both the 1 and 2 hour charts. The risk for a short is more than I desire to take because of the Daily **4 horsemen** in the uptrend. The entry would be between the hit on the 2 hour ROMAR or; waiting for the reverse of the swing for an open candle above EMA in trend. Counter-trading ROMAR at this time with the Parabolics as support but eliminated still places the risk of not hitting ROMAR.





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I am here only to post a summary of everything I have given in regards to the Paradox. This summary is placing the variables in trend/consolidation and how the indicators separate the differences.

Both trends and consolidations have one thing in common and that is with support and resistance. The variable for trends is from high to low and vice-versa. The variable for consolidations is with the swings, and/or sideways. And they both have a support and a resistance.

Because of the variables in trend with this system there is an indicator called "ROMAR". The second source of the trend is an indicator called "EMA". These two indicators is the total representation of all supports and resistances within this system; in both trends and consolidations.

ROMAR is the major trend for both support and resistance and crossing EMA changes ROMAR direction of the trend: This is true on all three charts. The 2 hour chart is your primary trend for trading.

EMA is secondary trend according with the swings and changes its trend by crossing Purple.

When you have EMA in a downtrend and ROMAR crosses EMA for the downtrend you then have a true trend. If you have EMA in a downtrend and ROMAR is support you are in consolidation for ROMAR support and vice-versa.

When ROMAR/EMA are running together in the same direction that is your trend until ROMAR and EMA crosses one another; and then ROMAR IS THE ONE reversing the trend.

EMA is your source for short term trend of the swings by crossing Purple. If EMA crosses Purple and becomes resistance and ROMAR is already resistance you are in trend. If EMA crosses Purple and becomes resistance and ROMAR is support; you are in consolidation and vice-versa.

The 4 horsemen: Purple, White, Smooth, and Parabolic's are dedicated for the swings only; and the Parabolic is the trend for the swings. The swings could be short term or long term depending on ROMAR/EMA. If you get ROMAR/EMA in the same direction with the 4 horsemen then the trend is long term with no swings, but only sliders with retraces back towards the 4 horsemen. With this type of trend the Parabolic is the source on indicating when to close your trade. If the Parabolic is trending above EMA then let the trend ride. It is when the parabolic reaches EMA will the trend end.

In the swings with ROMAR Resistance and EMA as Support or vice-versa; is when you are in consolidation and the swings are short lived. So, during trading you must always have the separation with trend/consolidation as for ROMAR and EMA. This should always be on your trading plan so you can keep reference.

ROMAR:

If you had the 1 hour ROMAR cross its EMA opposite of the 2 hour ROMAR trend - you are then in the first stage of a consolidation and/or reversal. The market behavior on the 1 hour is now under pressure from the trend.

When this happens then the 1 hour is looking for the 2 hour ROMAR crossing. When the 1 hour ROMAR crosses its EMA you are then in opposite trend of the 2 hour which places both the 1 and 2 hour in consolidation and under pressure for a reversal and/or a slider within the 2 hour trend.

This now becomes a much distorted picture and no advance indication of market movement. Or at least it seems so.

The reason for this happening is because of the barriers within support and/or resistance. In this system there are 5 such barriers and they are:

- 1). 23.6 or 61.8 of the Fibo
- 2). ROMAR
- 3). Parabolic
- 4). EMA
- 5). 4 horsemen

The first step is to identify the barrier of support and/or resistance in order to trade any further. Now - the issue that some are facing is what charts to look for - with the consolidation - and the answer is this:

All major consolidations are feed off the 2 hour and Daily. If the consolidation occurrence were feed off the Daily and then it affects all the trading charts. All you need to do is wait on the 1 hour support/resistance being in consistence with the 2 hour. The 1 hour sets you up for the 2 hour trend.

In order to understand consolidation lets define the word:

Definition of CONSOLIDATION:

1: the act or process of consolidating; the state of being consolidated

2: the process of uniting; the quality or state of being united; specifically: the unification of two or more corporations by dissolution of existing ones and creation of a single new corporation.

Example of CONSOLIDATION in the market:

"The consolidation of several intelligence agencies into one super agency"

When the market consolidates it is then in submission of changing power from Bear to Bull and vice-versa. Any time we go into consolidation; ROMAR/EMA will show this consolidation period by crossing one another. And all it takes is **one** of the three charts to reverse from the trend into consolidation.

A SLIDER: The sliders are most frequent in consolidations; especially with the 4 horseman's. This is when Smooth does not cross Purple but slides over/under Purple (depending on trend) and keeps the swing intact. This is also true with EMA. You can have White/Smooth crossing Purple but EMA does not cross Purple but slides under/over Purple to keep the Swing/Trend intact. And for your longer term trends ROMAR can also slide under/over EMA to keep the trend intact.

VARIOUS CONSOLIDATIONS:

- 1). Crossings of ROMAR and EMA in changing the trend.
- 2). Change of trend in one chart from the others.
- 3). Out of "sync" with charts; such as Swings, ROMAR, EMA, and Parabolic's.

This is why the market is 80% consolidations.

All these variables stated above makes up the moving Paradox.

This system also has what is known as the consolidated paradoxes trend and consists with the Daily disruption of market exhaustion in regards with the ROMAR crossing EMA and the Market is in between Both ROMAR and EMA with a 50 or less pip spread. This disruption can last a long time within the Daily chart as the Ranging Mode is strictly between the Two: ROMAR and EMA. Variables in indicators can change dramatically from hour to hour; from chart to chart. And frustration can set in as the hours pass by while you are sitting at the computer trying to find a decent trade within the indicators.

This type of disruption can only be solved with trading support and resistance which are: ROMAR and EMA on the Daily chart.





It says Purple, White, and Smooth is RESISTANCE. That it is what it says. It also says EMA is SUPPORT of not crossing Purple yet. It also says that both ROMAR/EMA is the Trend RESISTANCE - DOWNTREND.

What does this 2 hour screen-shot below say?



Very clearly - ROMAR had crossed EMA of yesterday's opening for the DOWNTREND. And "IF" you was creating a daily trading plan you would had seen the Daily chart Purple hit was entry with the opening below EMA support retracing to Purple Resistance. ALL THREE CHARTS ROMAR/EMA ARE IN THE DOWNTREND.

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