

The E line Trend line.

“If you have men who will only come if they know there is a good road, I don't want them. I want men who will come if there is no road at all.”

– **David Livingstone**

Note: If you can't find a SETUP, try a lower time frame and the LTF hidden Fractals will reveal themselves. IF you have a LTF SETUP which is just too small to bother with (this will come with experience) go to a Higher Time Frame and reduce the number of Fractals. I call this dialing in and dialing out to achieve focus. You don't want to get lost in the details. You will find there is a SETUP at every Fractal and you don't want to be trading from SETUP to SETUP on a micro scale. Keep it at a healthy distance.

Often, you will find a SETUP forming simultaneously on several time frames. These are the more important SETUPS, keep your eyes peeled for them and change from a LTF to a HTF to locate them. They may even appear to be nested inside of each other, with a smaller SETUP forming inside the T of a larger SETUP.

If you are comfortable with the concept, try your hand at finding some SETUPS on this M30 chart. Don't worry. You will get to see them as we progress, but you have to start somewhere, so go for it.

Fig 3 – 1.



Fig 3 – 2.



Enter a long trade when the price goes through the E line for the second pass. Add on at U if you want to. Price moves away in a choppy market but it does move away some distance until ...

Figure 3 – 3.

We find a bearish SETUP.

Price now drops below the E line and once again we look for an entry on the second pass through the E line. (You have to extend the E line, as I didn't draw it as far out as I should have.)



Fig 3 – 4.

Things roll along and once again we get a SETUP that sees the market reverse and turn bullish.

A second pass through the E line is not evident – you don't always get one and may have to dial into a lower time frame to see one.

I prefer a second pass entry as you are spared the worry of watching the chart pull back to P.

Sometimes it doesn't. Again maybe on a LTF – you have to experiment and open your brain to seeing these things. It takes time and sadly some people just can't do it.

So, remember, if you don't get a perfect signal, consider going to a lower time fame to locate P.



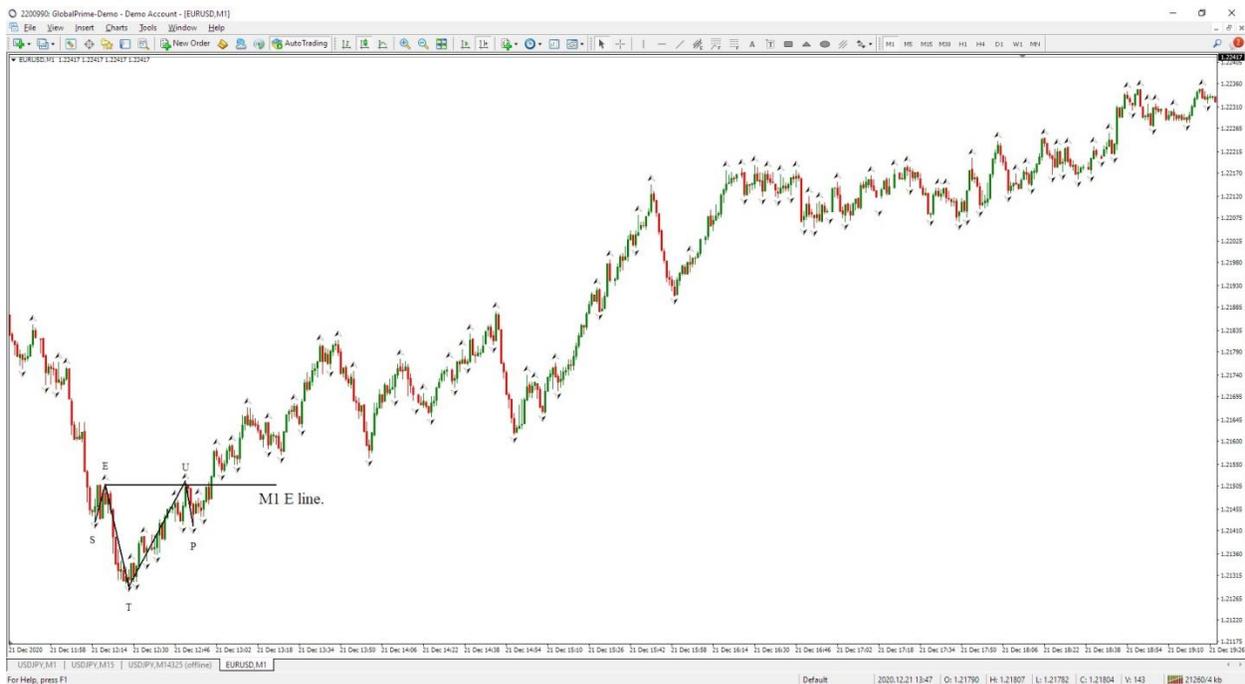
Fig 3 - 5.

LTF detail, hidden in M30 Chart, becomes visible on the M1 Chart. With careful SE analysis, this M1 E line takes a long way in the bullish run. Even an M1 SETUP can get you into some prolonged trades, worth many, many, pips.

When I was using the M1 chart to generate off-line Renko charts, I would often look for the SETUP to get me in early. An E line break often gives you the edge on a straight Renko color change entry by quite a lot of points or pips. Just compare where the E line tells you to enter and cross reference that price level to the Renko Chart.

There is nothing like the great deal that you find at the M1 Renko-Bargain-Basement E line prices.

Wait, I just used a time-based, M1 chart, to get the edge on a Renko Chart. Are you even allowed to do that?



With practice, you can find SETUP on any time frame. YOU can even find SETUPS too small to be mapped out using Fractals. (Hold that thought.)

Once you are able to find SETUP and get it right, then you are for some real trading treats. You will be able to look at any price/time chart and locate the E Line of a SETUP at a glance.

No indicators.

You will utterly discard most of the indicators, as you realize none of them get you to this point.

Just think of all those low risk entries. No more arguments how to find the dominant trend, the HTF SETUP will take care of that. You will also be able to learn some very dynamic strategies and apply them to the time based and the Renko charts.

It takes practice and honestly, as I said earlier, some people just can't see it.

Not everybody can learn to play the piano either. I try to explain it with rigid rules and with pictures. That is a teaching strategy that tries to cover both left brained and right brained dominant learning styles.

If you are one of those people who cannot see the 3 D images hidden in those weird pictures that you have to stare at before the hidden comes into focus, maybe not being able to find SETUP is that sort of thing.

Another activity like that is aerial phot interpretation. You have two air photos that are offset by a certain amount and look at both simultaneously with a stereo viewer. The overlap area on the photos becomes visible as a 3D image and shows amazing detail and clarity, if you can let your brain focus on it. Some people can't do it no matter how hard they try.

All I can say is persevere and practice until the SETUP is easily located. Label the charts with S, E, S, E, following the rules, Draw in the horizontal lines form E and sooner or later a change in structure will form a SETUP

One last try at it:

If you think of a sequence of HH HL fractals, the HL fractals are at areas of demand and push price up. HH fractals are at areas of supply and they push price down. At some point supply overcomes demand and the trend reverses to produce lower point of supply that are challenged by lower points of demand, This gives us the LL LH sequence. A demand series will move up and a supply series will move down.

So every time you look at a chart look for the SETUPS. Change the time frame if necessary. Pretty soon, you also turn off the fractals. You will have a chart with no indicators and be able to tell more about that chart than 99% of the squiggly lines will ever tell you.

Ah yes, we touched on Elliot Wave and Fibonacci. You now know more about Elliott wave than many of the so-called “Ellioticians” ever will. Being able to recognize SETUP is the game changer that you have been looking for, ever since you looked at a chart for the first time.

4. How to draw a Trend Line:

If you spend any time at all reading about charts, or watching videos about charts, you will find out that there are many different experts showing you many different ways to draw a trend line. I am going to present my own (of course) and I will do so with very strict guidelines. If any two people in the universe use my guidelines and draw trend lines on the same chart, they should be the exact same ones.

It is quite simple really:

Start your trend line at T, the very tip of a high or low tide.

Extend the line as a ray and place it on the first ebb (E) that shows up.

When price moves up and breaks out above the current S (Surge) a new E is verified.

Move the trend line ray to the new E.

Repeat, until the trend line is broken.

At this point, you are getting an early warning that the current E line is about to be broken and a SETUP is forming.

Let's look at some charts to see how this works. I even identified the S and E fractals for you.

Join the T (Tidal Low) to the first E

Fig 4 – 1.



Fig 4 – 2.



Fig 4 – 3

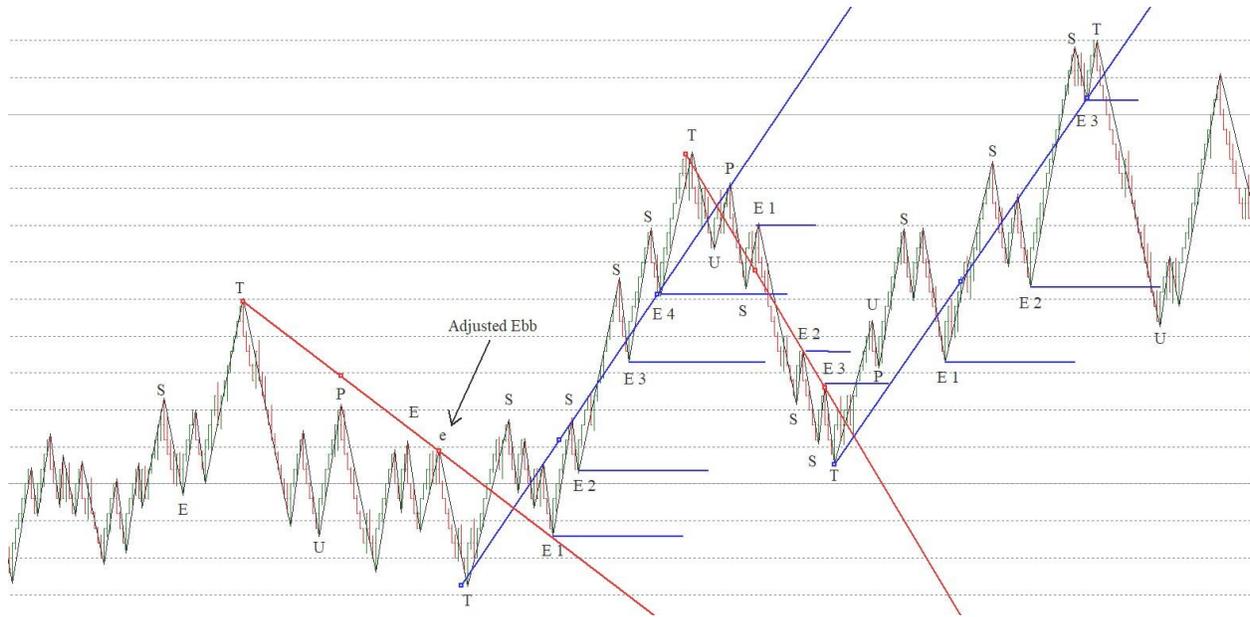
E, by E, by E, until the last E.



Examine the line that moves from T to each subsequent carefully. It proceeds from one demand point to the next and an important thing happens as it is extended through E 4. We know a SETUP will happen if price drops through E 4, but price breaks the Demand Line at a higher level and pulls back to test it for support.

Fig 4 – 3.

All the marbles. I went ahead and added all the things you should have been looking at. Back up to the last chart and try it yourself to see how it isn't that hard.



There is an example of how you can adjust a Demand Line, actually a supply line, where I have noted ow E should be adjusted to e. Again the minor subtleties come with practice.

The middle upper T is also interesting because the Demand line is broken before the E line is broken. At the right-hand T, price also breaks the Demand line above the E 3 line.

Practice drawing Demand lines (use blue) and Supply Lines (use Red.) If we enter trades as the E line is broken, we can now enter an earlier trade as the Ebb lines are broken.

I updated the analysis after I zoomed back a bit to a 100 Brick Size. Another E looks as if it will soon be verified and the line will be adjusted again. I expect the Supply Line will give an early warning of a new bullish SETUP.

Spend a few hours marking your charts like this. Use any chart, any time frame, until you can see the SETUP pattern easily and draw a demand line or a supply line with ease.

It's all Elliott but a lot easier. No wave counting, no fibs, no alternate counts. They are there, but why focus on stuff that we don't really need.

Now, pick the charts that interest you and see which ones are about to change direction.

Concentrate on them and draw the Demand and Supply lines as they evolve, until they get broken.

You now can analyze a chart with the best of them. Go back and look at some of those messy indicators and the trend lines the other guys use. Not an indicator in sight on our charts and very simple trend line rules to follow.

Making progress. Big progress.

Fig 4 – 4,



