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## Introduction

To trade in the market (FOREX, FUTURES and STOCKS) is simple and easy as long as trader acquires proper of knowledge and analysis. However, most of the traders fail to achieve his/her goal because it is not the high probability winning strategy. Apparently the achievement is not consistent for those traders even discipline their trading objective. In fact, they only trade better during sometimes and perform badly during another period of time.

In order to achieve oneself trading objective, trader should conducts market analysis before putting real cash into games. Why should we require an analysis? Does it help in trading? Yes, it does because trader should understand the market patterns/behaviors. Therefore, traders should exactly know how to setup his/her strategy based on high probability analysis reports.

The analysis is regarding behavior/pattern by using historical price. Can we apply the analysis result into future trading since it was past? Yes, we can because historical price tends to repeat itself. Trending and ranging are the patterns that repeat over and over again in all price action charts. And I think every trader should aware of these patterns. Both patterns are formed because market price tends to shift from one area to another equilibrium area due to its imbalance demand and supply.

In order to conduct analysis for one market, I created analysis software by using VBA coding. The idea is nobody is willing to pay any subscription fee for available costly software. Meanwhile, my analysis system could perform Statistical Analysis for Pricing Structure (Range and Pricing Probability), Trend Behavior (Pattern Probability), Pattern (Fibonacci Retracement/Extension Probability), Intraday High & Low (Time Probability), and Wave Correction (Range/Fibonacci and timing probability). I will demonstrate my analysis here to provide you the crucial evidences of how market moves and behave.

Please take note that I won't provide the formula of all calculation.

## Analysis Briefing

Instrument : FOREX  
Product : EURUSD  
Historical Data : Jan 2004 to Dec 2011 (8 Years)  
Level of Analysis : Base, Co-integration and complex Co-integration  
Time Frame chart : Multiple time frame charts  
Spread : Historical price for analysis is mid price between bid and offer

### Base Analysis

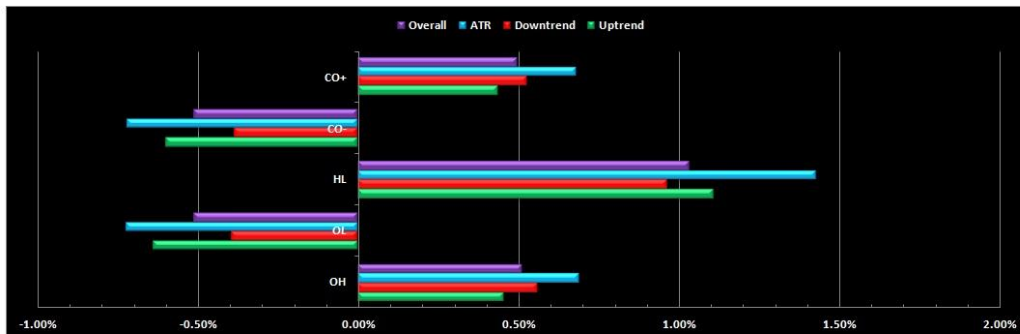
Type : Pricing Structure  
Time Frame Chart : Daily  
Trend Analyst : Uptrend, Downtrend, ATR and Overall  
Trend Filtering : Moving Average SMA-24 Period  
Volatile Filtering : ATR-14 > 0.015  
Total Candlestick Bars : 2083  
Descriptions : About candlestick bars OH, OL, CO+ & CO- range for respective trend and volatility  
: OH = Open to High  
: OL = Open to Low  
: CO+ = Open to Close Upside  
: CO- = Open to Close Downside  
Purpose : Provide probability of pricing structure for respective trend and volatility

#### Status of Analysis

|               |          |    |            |
|---------------|----------|----|------------|
| Duration from | 1/1/2004 | to | 12/30/2011 |
| Calculation   | EXECUTED |    |            |

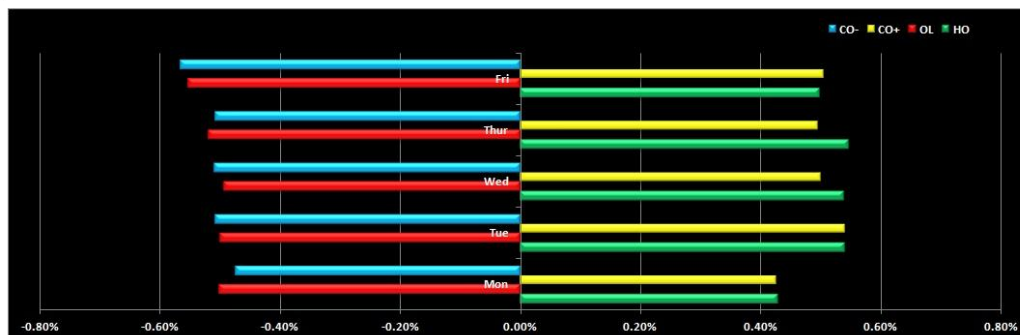
#### Status for Total of Candlestick Bars

| All  | OH   | OL   | CO+  | CO-  | O=C |
|------|------|------|------|------|-----|
| 2083 | 2083 | 2083 | 1062 | 1035 | 14  |



#### Overall Summary (Mean)

|           | OH    | OL     | HL    | CO-    | CO+   |
|-----------|-------|--------|-------|--------|-------|
| Uptrend   | 0.46% | -0.64% | 1.11% | -0.60% | 0.44% |
| Downtrend | 0.56% | -0.40% | 0.96% | -0.39% | 0.53% |
| ATR       | 0.69% | -0.72% | 1.43% | -0.72% | 0.68% |
| Overall   | 0.51% | -0.51% | 1.03% | -0.51% | 0.50% |

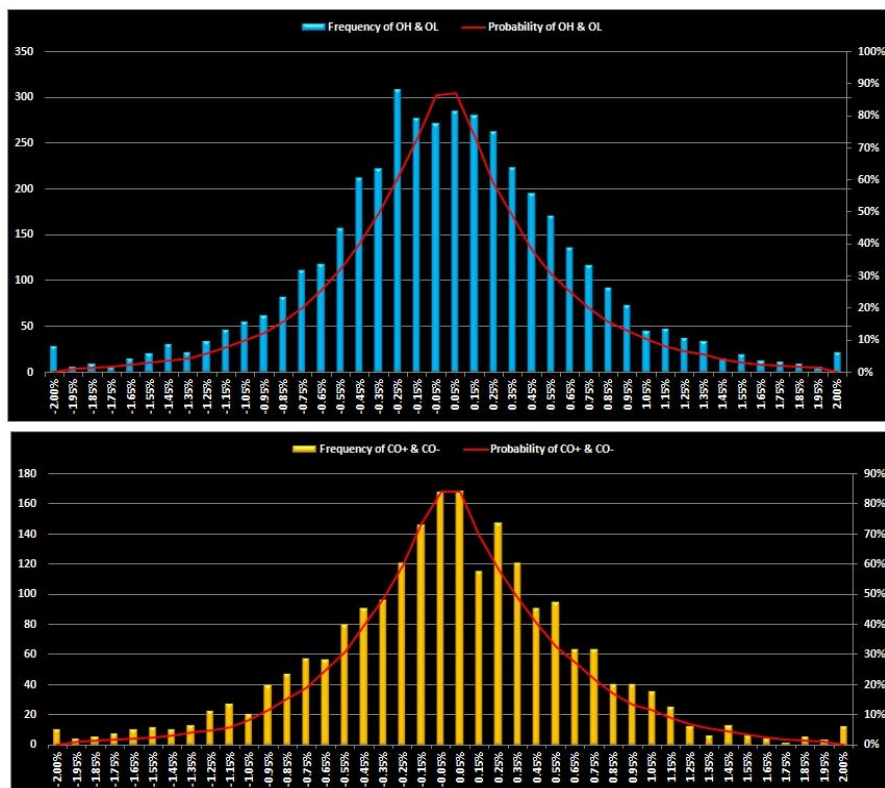


#### Overall Summary (Mean) in Period

|      | HO    | OL     | CO+   | CO-    |
|------|-------|--------|-------|--------|
| Mon  | 0.43% | -0.50% | 0.43% | -0.47% |
| Tue  | 0.54% | -0.50% | 0.54% | -0.51% |
| Wed  | 0.54% | -0.49% | 0.50% | -0.51% |
| Thur | 0.55% | -0.52% | 0.50% | -0.51% |
| Fri  | 0.50% | -0.55% | 0.51% | -0.57% |

Screenshot 1.1: Overall Summary (Mean)

The top table and chart illustrate mean of respective candlestick bars for uptrend, downtrend, volatility and overall  
The bottom table and chart illustrate mean of respective candlestick bars from Monday to Friday for overall



Frequency & Probability

|        | Range % | Mean   | Frequency | Probability % |
|--------|---------|--------|-----------|---------------|
| OH/CO+ | 2.00%   | 2.00%  | 21        | 12            |
|        | 1.90%   | 1.95%  | 6         | 3             |
|        | 1.80%   | 1.85%  | 9         | 5             |
|        | 1.70%   | 1.75%  | 11        | 1             |
|        | 1.60%   | 1.65%  | 12        | 4             |
|        | 1.50%   | 1.55%  | 19        | 6             |
|        | 1.40%   | 1.45%  | 14        | 13            |
|        | 1.30%   | 1.35%  | 33        | 6             |
|        | 1.20%   | 1.25%  | 37        | 12            |
|        | 1.10%   | 1.15%  | 47        | 25            |
|        | 1.00%   | 1.05%  | 45        | 35            |
|        | 0.90%   | 0.95%  | 73        | 40            |
|        | 0.80%   | 0.85%  | 92        | 40            |
|        | 0.70%   | 0.75%  | 116       | 63            |
|        | 0.60%   | 0.65%  | 135       | 63            |
|        | 0.50%   | 0.55%  | 170       | 94            |
|        | 0.40%   | 0.45%  | 195       | 90            |
|        | 0.30%   | 0.35%  | 223       | 120           |
|        | 0.20%   | 0.25%  | 262       | 147           |
|        | 0.10%   | 0.15%  | 279       | 115           |
| OL/CO- | 0.00%   | 0.05%  | 284       | 168           |
|        | -0.00%  | -0.05% | 271       | 167           |
|        | -0.10%  | -0.15% | 276       | 145           |
|        | -0.20%  | -0.25% | 307       | 120           |
|        | -0.30%  | -0.35% | 221       | 96            |
|        | -0.40%  | -0.45% | 211       | 90            |
|        | -0.50%  | -0.55% | 157       | 79            |
|        | -0.60%  | -0.65% | 117       | 56            |
|        | -0.70%  | -0.75% | 111       | 57            |
|        | -0.80%  | -0.85% | 82        | 47            |
|        | -0.90%  | -0.95% | 61        | 39            |
|        | -1.00%  | -1.05% | 55        | 20            |
|        | -1.10%  | -1.15% | 46        | 27            |
|        | -1.20%  | -1.25% | 34        | 22            |
|        | -1.30%  | -1.35% | 21        | 13            |
|        | -1.40%  | -1.45% | 30        | 10            |
|        | -1.50%  | -1.55% | 20        | 11            |
|        | -1.60%  | -1.65% | 14        | 10            |
|        | -1.70%  | -1.75% | 6         | 7             |
|        | -1.80%  | -1.85% | 9         | 5             |
|        | -1.90%  | -1.95% | 6         | 4             |
|        | -2.00%  | -2.00% | 28        | 10            |

Screenshot 1.3: Frequency and Probability (Overall)

The first column of frequency and probability is OH follow by CO+ at top section of table

The first column of frequency and probability is OL follow by CO- at bottom section of table



Closing Occupancy

|    | Range % | Mean   | CO- |    |     |     | CO+ |     |    |    | Sum |
|----|---------|--------|-----|----|-----|-----|-----|-----|----|----|-----|
| OH | 1.50%   | 1.50%  | 0%  | 0% | 0%  | 0%  | 0%  | 0%  | 1% | 0% | 2%  |
|    | 1.00%   | 1.25%  | 0%  | 0% | 0%  | 0%  | 1%  | 4%  | 2% | -  | 8%  |
|    | 0.50%   | 0.75%  | 0%  | 0% | 1%  | 4%  | 12% | 8%  | -  | -  | 25% |
|    | 0.00%   | 0.25%  | 2%  | 4% | 10% | 22% | 27% | -   | -  | -  | 65% |
| OL | 0.00%   | -0.25% | -   | -  | -   | 16% | 25% | 12% | 4% | 0% | 57% |
|    | -0.50%  | -0.75% | -   | -  | 8%  | 11% | 4%  | 1%  | 0% | 0% | 24% |
|    | -1.00%  | -1.25% | -   | 3% | 4%  | 1%  | 0%  | 0%  | 0% | 0% | 8%  |
|    | -1.50%  | -1.50% | 2%  | 1% | 0%  | 0%  | 0%  | 0%  | 0% | 0% | 4%  |

Screenshot 1.4: Closing Occupancy (Overall)

This table and chart illustrate the closing position % if low or high of candlestick bar act at respective range %

**Explanation:**

Screenshot 1.1 to 1.4 is the overall (Uptrend + downtrend + volatility) analysis from 1/1/2004 to 31/12/2011.

From screenshot 1.1 to 1.3, a candlestick bar is always formed (OH and OL) during all the period 2083 days. Please refer to screenshot 1.1 – Status for total of candlesticks bars for information.

Therefore, entry and target could likely be applied at above or below open based on the probability

Long = Entry and target above open price

Short = Entry and target below open price

From screenshot 1.4, most of the closing price close between range -0.50% and +0.50%

Total 65% of price closes below open if OH/high between 0.00 and +0.50%

Total 57% of price closes above open if OL/low between 0.00 and -0.50%

In order to capture more earning outcome in the end of trading, entry could be applied at

Long = OH/high -0.50%

Short = OL/low +0.50%



**Explanation**  
Signal (1/0): 1 = Volatile and 0 = Non-volatile  
Only ATR > 0.01 = Volatile



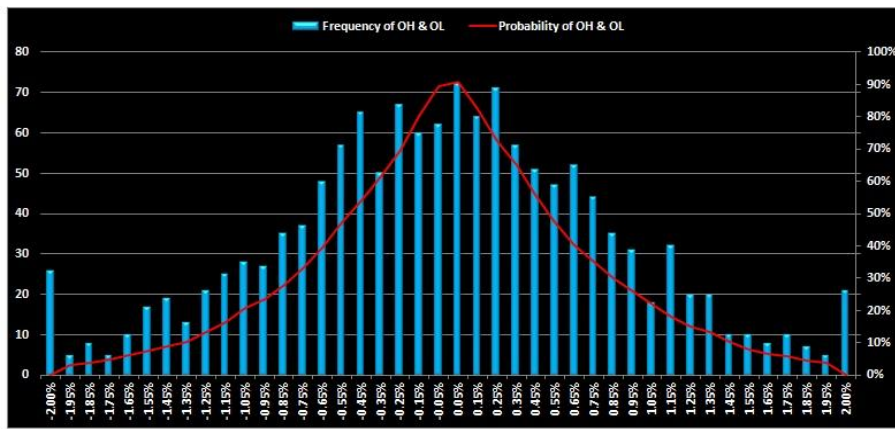
Screenshot 1.5: Volatility in ATR-14

ATR > 0.015 = Volatility

Volatile = Red line at value 1

Non-Volatile = Red line at value 0





Frequency & Probability

|        | Range % |        | Mean |    | Frequency |     | Probability % |    |
|--------|---------|--------|------|----|-----------|-----|---------------|----|
|        | OH      | OL     | OH   | OL | OH        | OL  | OH            | OL |
| 2.00%  | 2.00%   | 2.00%  | 21   | 12 | 0%        | 0%  |               |    |
| 1.90%  | 2.00%   | 1.95%  | 5    | 3  | 3%        | 4%  |               |    |
| 1.80%  | 1.90%   | 1.85%  | 7    | 3  | 4%        | 5%  |               |    |
| 1.70%  | 1.80%   | 1.75%  | 10   | 1  | 5%        | 5%  |               |    |
| 1.60%  | 1.70%   | 1.65%  | 8    | 3  | 6%        | 6%  |               |    |
| 1.50%  | 1.60%   | 1.55%  | 10   | 5  | 7%        | 7%  |               |    |
| 1.40%  | 1.50%   | 1.45%  | 10   | 8  | 9%        | 8%  |               |    |
| 1.30%  | 1.40%   | 1.35%  | 20   | 3  | 10%       | 11% |               |    |
| 1.20%  | 1.30%   | 1.25%  | 20   | 4  | 13%       | 11% |               |    |
| 1.10%  | 1.20%   | 1.15%  | 32   | 15 | 16%       | 13% |               |    |
| 1.00%  | 1.10%   | 1.05%  | 18   | 16 | 21%       | 17% |               |    |
| 0.90%  | 1.00%   | 0.95%  | 31   | 17 | 24%       | 22% |               |    |
| 0.80%  | 0.90%   | 0.85%  | 35   | 20 | 28%       | 27% |               |    |
| 0.70%  | 0.80%   | 0.75%  | 44   | 26 | 33%       | 33% |               |    |
| 0.60%  | 0.70%   | 0.65%  | 52   | 20 | 40%       | 41% |               |    |
| 0.50%  | 0.60%   | 0.55%  | 47   | 29 | 47%       | 47% |               |    |
| 0.40%  | 0.50%   | 0.45%  | 51   | 24 | 54%       | 56% |               |    |
| 0.30%  | 0.40%   | 0.35%  | 57   | 28 | 61%       | 63% |               |    |
| 0.20%  | 0.30%   | 0.25%  | 71   | 33 | 70%       | 71% |               |    |
| 0.10%  | 0.20%   | 0.15%  | 64   | 23 | 80%       | 81% |               |    |
| 0.00%  | 0.10%   | 0.05%  | 72   | 39 | 89%       | 88% |               |    |
| 0.00%  | -0.10%  | -0.05% | 62   | 39 | 91%       | 89% |               |    |
| -0.10% | -0.20%  | -0.15% | 60   | 30 | 82%       | 81% |               |    |
| -0.20% | -0.30%  | -0.25% | 67   | 31 | 72%       | 72% |               |    |
| -0.30% | -0.40%  | -0.35% | 50   | 29 | 65%       | 64% |               |    |
| -0.40% | -0.50%  | -0.45% | 65   | 24 | 56%       | 57% |               |    |
| -0.50% | -0.60%  | -0.55% | 57   | 30 | 47%       | 48% |               |    |
| -0.60% | -0.70%  | -0.65% | 48   | 16 | 40%       | 44% |               |    |
| -0.70% | -0.80%  | -0.75% | 37   | 22 | 35%       | 38% |               |    |
| -0.80% | -0.90%  | -0.85% | 35   | 16 | 30%       | 33% |               |    |
| -0.90% | -1.00%  | -0.95% | 27   | 20 | 26%       | 28% |               |    |
| -1.00% | -1.10%  | -1.05% | 28   | 12 | 22%       | 24% |               |    |
| -1.10% | -1.20%  | -1.15% | 25   | 14 | 18%       | 20% |               |    |
| -1.20% | -1.30%  | -1.25% | 21   | 14 | 15%       | 16% |               |    |
| -1.30% | -1.40%  | -1.35% | 13   | 8  | 13%       | 14% |               |    |
| -1.40% | -1.50%  | -1.45% | 19   | 9  | 10%       | 12% |               |    |
| -1.50% | -1.60%  | -1.55% | 17   | 9  | 8%        | 9%  |               |    |
| -1.60% | -1.70%  | -1.65% | 10   | 8  | 6%        | 7%  |               |    |
| -1.70% | -1.80%  | -1.75% | 5    | 7  | 6%        | 5%  |               |    |
| -1.80% | -1.90%  | -1.85% | 8    | 5  | 5%        | 3%  |               |    |
| -1.90% | -2.00%  | -1.95% | 5    | 3  | 4%        | 3%  |               |    |
| -2.00% |         | -2.00% | 26   | 9  | 0%        | 0%  |               |    |

Screenshot 1.6: Frequency and Probability (ATR)

The first column of frequency and probability is OH follow by CO+ at top section of table

The first column of frequency and probability is OL follow by CO- at bottom section of table



Closing Occupancy

|    | Range % |        | Mean   |    | CO- |        |        |        | CO+   |       |       |    | Sum |
|----|---------|--------|--------|----|-----|--------|--------|--------|-------|-------|-------|----|-----|
|    | OH      | OL     | OH     | OL | <=  | -1.50% | -1.00% | -0.50% | 0.50% | 1.00% | 1.50% | >= |     |
| OH | 1.50%   |        | 1.50%  |    | 0%  | 0%     | 0%     | 0%     | 0%    | 2%    | 0%    | 0% | 2%  |
|    | 1.00%   | 1.50%  | 1.25%  |    | 0%  | 0%     | 0%     | 0%     | 2%    | 12%   | 0%    | -  | 15% |
|    | 0.50%   | 1.00%  | 0.75%  |    | 0%  | 1%     | 0%     | 0%     | 21%   | 10%   | -     | -  | 33% |
|    | 0.00%   | 0.50%  | 0.25%  |    | 9%  | 10%    | 0%     | 0%     | 31%   | -     | -     | -  | 50% |
| OL | 0.00%   | -0.50% | -0.25% |    | -   | -      | -      | 0%     | 20%   | 20%   | 0%    | 0% | 40% |
|    | -0.50%  | -1.00% | -0.75% |    | -   | -      | 0%     | 0%     | 10%   | 3%    | 0%    | 0% | 13% |
|    | -1.00%  | -1.50% | -1.25% |    | -   | 7%     | 0%     | 0%     | 1%    | 0%    | 0%    | 0% | 8%  |
|    | -1.50%  |        | -1.50% |    | 9%  | 5%     | 0%     | 0%     | 0%    | 0%    | 0%    | 0% | 14% |

Screenshot 1.7: Closing Occupancy (ATR)

This table and chart illustrate the closing position % if low or high of candlestick bar act at respective range %

**Explanation:**

Screenshot 1.5 to 1.7 illustrates the analysis of volatility by using ATR indicator. Apparently, the outcome is slightly different if compare with overall analysis result. When ATR is increasing, price behaves more trending (Price move far away from open) because price close frequently either at top or bottom to form a long green/red candlestick bar, as shown at screenshot 1.6. However, overall of the closing price still maintain between the range -0.50% and +0.50% in the end of closing.

In fact, entry/stop/target parameter should be adjusted to suit the prevailing volatile market pattern. As illustrated by screenshot 1.1, the mean for OH, OL, CO+ and CO- is obviously higher than the overall scenarios.

**\*Information:**

*All the above analysis does not consist of uptrend and downtrend because the outcome is similar to the overall analysis outcome. Only the value is just slightly different.*

Type : Trend Behavior

Time Frame Chart : Daily

Trend Analyst : Trending, Ranging, Breakout & Expand

Total Candlesticks Bars : 2083

Descriptions : About trend movement from past to current period

: Trending = Current price breakout with either previous support or resistance

: Ranging = Current price stay between previous support and resistance

: Breakout = Trending + Expand

: Expand = Current price breakout with both the previous support and resistance

Purpose : Provide occupancy % of market trend for certain period of time



Screenshot 2.1: Trending pattern



Screenshot 2.2: Ranging pattern





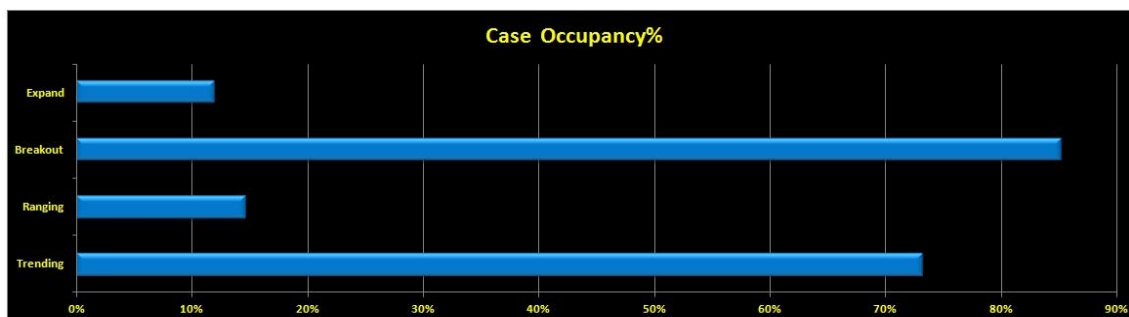
Screenshot 2.3: Expand pattern

### Explanation:

Screenshots 2.1 to 2.3 illustrate pattern/behavior from price action chart in order to explain the analysis as shown below.

### Status of Analysis

|               |          |    |            |
|---------------|----------|----|------------|
| Duration from | 1/1/2004 | to | 12/30/2011 |
| Calculation   | EXECUTED |    |            |



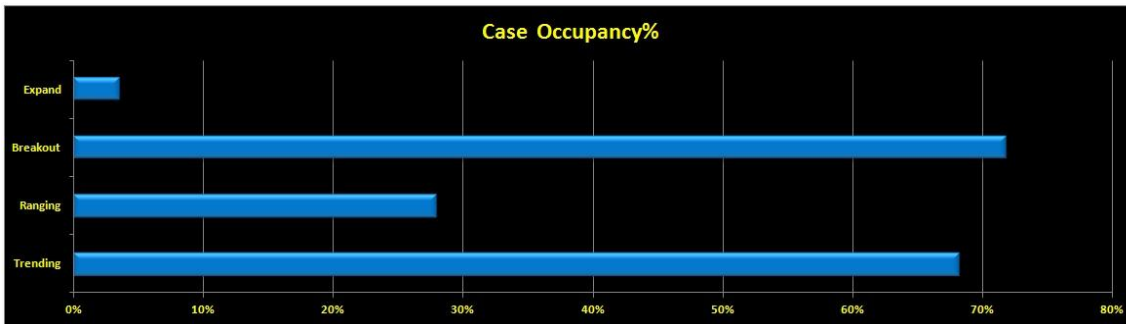
### Overall Summary

| Data     | Total | %   |
|----------|-------|-----|
| Trending | 1526  | 73% |
| Ranging  | 306   | 15% |
| Breakout | 1776  | 85% |
| Expand   | 250   | 12% |

Screenshot 2.4: Case Occupancy % for Yesterday to Current day comparison

**Status of Analysis**

|               |          |    |            |
|---------------|----------|----|------------|
| Duration from | 1/1/2004 | to | 12/30/2011 |
| Calculation   | EXECUTED |    |            |

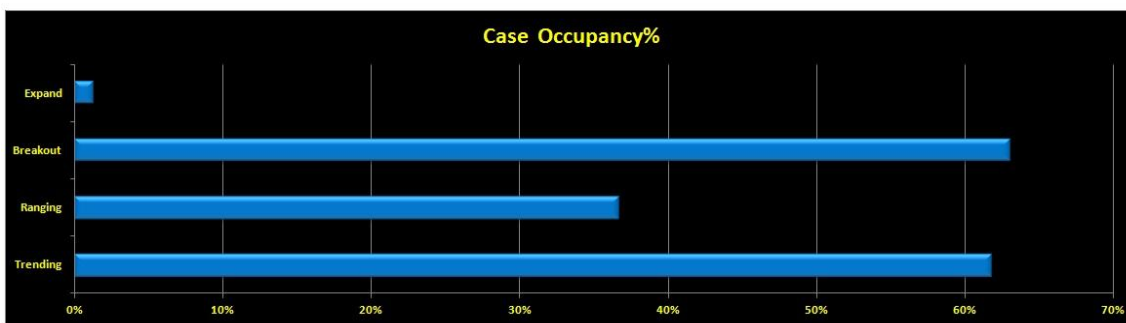
**Overall Summary**

|          | Total | %   |
|----------|-------|-----|
| Data     | 2083  | -   |
| Trending | 1423  | 68% |
| Ranging  | 583   | 28% |
| Breakout | 1498  | 72% |
| Expand   | 75    | 4%  |

Screenshot 2.5: Case Occupancy % for 2 days ago to Current day comparison

**Status of Analysis**

|               |          |    |            |
|---------------|----------|----|------------|
| Duration from | 1/1/2004 | to | 12/30/2011 |
| Calculation   | EXECUTED |    |            |

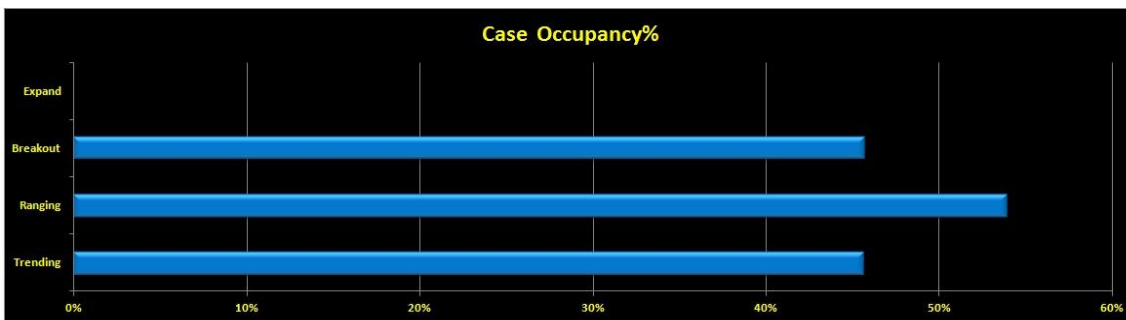
**Overall Summary**

|          | Total | %   |
|----------|-------|-----|
| Data     | 2083  | -   |
| Trending | 1288  | 62% |
| Ranging  | 765   | 37% |
| Breakout | 1315  | 63% |
| Expand   | 27    | 1%  |

Screenshot 2.6: Case Occupancy % for 3 days ago to Current day comparison

**Status of Analysis**

|               |          |    |            |
|---------------|----------|----|------------|
| Duration from | 1/1/2004 | to | 12/30/2011 |
| Calculation   | EXECUTED |    |            |

**Overall Summary**

|          | Total | %   |
|----------|-------|-----|
| Data     | 2083  | -   |
| Trending | 952   | 46% |
| Ranging  | 1124  | 54% |
| Breakout | 953   | 46% |
| Expand   | 1     | 0%  |

Screenshot 2.7: Case Occupancy % for 6 days ago to Current day comparison

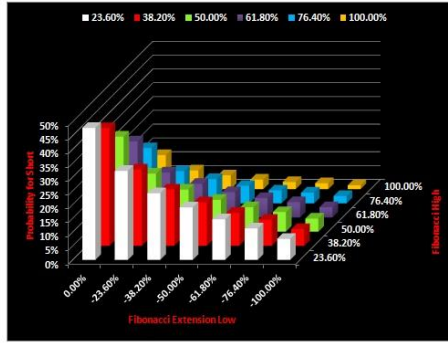
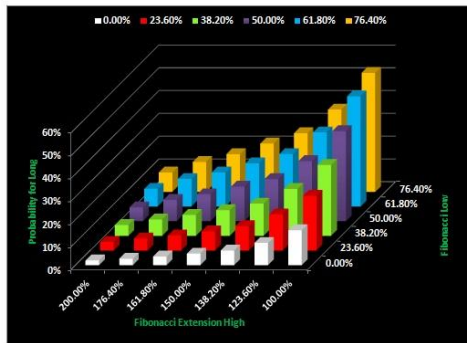
**Explanation:**

Screenshot 2.4 to 2.7 is the analysis from 1/1/2004 to 31/12/2011.

From the screenshot 2.4 to 2.7, trending pattern happens frequently for yesterday to current day comparison. However, ranging dominates trending if more past days is applied.

Therefore, a strategy with trending or breakout should be applied for daily trading.

Type : Pattern  
Time Frame Chart : Daily  
Trend Analyst : Trending and Ranging  
Total Candlestick Bars : 2083  
Descriptions : About Fibonacci % for both trend behaviors. Fibonacci % is measured between  
: Support line = Fibonacci 0.00%  
: Resistance line = Fibonacci 100.00%  
Purpose : Provide probability of trend movement with trending and ranging pattern



Trending Behaviour

|       |         | Probability for Long (Low Position) |        |        |        |        |        |
|-------|---------|-------------------------------------|--------|--------|--------|--------|--------|
| Ext H | Fibo %  | 0.00%                               | 23.60% | 38.20% | 50.00% | 61.80% | 76.40% |
|       | 200.00% | 2%                                  | 4%     | 5%     | 6%     | 8%     | 9%     |
|       | 176.40% | 3%                                  | 5%     | 7%     | 9%     | 12%    | 13%    |
|       | 161.80% | 4%                                  | 7%     | 9%     | 12%    | 15%    | 17%    |
|       | 150.00% | 5%                                  | 8%     | 11%    | 15%    | 19%    | 21%    |
|       | 138.20% | 6%                                  | 11%    | 14%    | 18%    | 23%    | 26%    |
|       | 123.60% | 10%                                 | 16%    | 21%    | 26%    | 33%    | 36%    |
|       | 100.00% | 15%                                 | 24%    | 31%    | 40%    | 48%    | 52%    |

|       |          | Probability for Short (High Position) |        |        |        |        |         |
|-------|----------|---------------------------------------|--------|--------|--------|--------|---------|
| Ext L | Fibo %   | 23.60%                                | 38.20% | 50.00% | 61.80% | 76.40% | 100.00% |
|       | 0.00%    | 48%                                   | 43%    | 34%    | 28%    | 20%    | 12%     |
|       | -23.60%  | 32%                                   | 28%    | 21%    | 15%    | 12%    | 7%      |
|       | -38.20%  | 24%                                   | 20%    | 15%    | 12%    | 9%     | 5%      |
|       | -50.00%  | 19%                                   | 16%    | 12%    | 9%     | 6%     | 4%      |
|       | -61.80%  | 15%                                   | 12%    | 9%     | 7%     | 5%     | 3%      |
|       | -76.40%  | 11%                                   | 9%     | 7%     | 6%     | 4%     | 2%      |
|       | -100.00% | 8%                                    | 6%     | 5%     | 4%     | 3%     | 1%      |

Ranging Behaviour

|               |         | Probability for Long (High Position) |        |        |        |        |        |
|---------------|---------|--------------------------------------|--------|--------|--------|--------|--------|
| Open Position | Range % | 0.00%                                | 23.60% | 38.20% | 50.00% | 61.80% | 76.40% |
|               | 76.40%  | -                                    | -      | -      | -      | -      | -      |
|               | 61.80%  | -                                    | -      | -      | -      | 44%    | -      |
|               | 50.00%  | -                                    | -      | -      | -      | 36%    | 26%    |
|               | 38.20%  | -                                    | -      | -      | 36%    | 28%    | 19%    |
|               | 23.60%  | -                                    | -      | 35%    | 29%    | 22%    | 15%    |
|               | 0.00%   | -                                    | 24%    | 22%    | 17%    | 12%    | 9%     |

|               |         | Probability for Short (Low Position) |        |        |        |        |        |
|---------------|---------|--------------------------------------|--------|--------|--------|--------|--------|
| Open Position | Range % | 0.00%                                | 23.60% | 38.20% | 50.00% | 61.80% | 76.40% |
|               | 76.40%  | 7%                                   | 15%    | 21%    | 25%    | 28%    | -      |
|               | 61.80%  | 15%                                  | 31%    | 39%    | 45%    | -      | -      |
|               | 50.00%  | 18%                                  | 39%    | 47%    | -      | -      | -      |
|               | 38.20%  | 24%                                  | 45%    | -      | -      | -      | -      |
|               | 23.60%  | 42%                                  | -      | -      | -      | -      | -      |
|               | 0.00%   | -                                    | -      | -      | -      | -      | -      |

Screenshot 3.1: Trending and Ranging Pattern Probability  
This chart and table illustrate the trend probability by Fibonacci %

### Explanation:

Screenshot 3.1 is the analysis from 1/1/2004 to 31/12/2011.

### Trending Pattern

Total 52% = If low price/position is between 76.4% and 100.0% and high price breaks resistance line and is between 100% and 123.6%. Therefore, long entry at 76.4% and target at 100.0% could be applied. Please refer to table "Ext H".

Total 45% = If high price/position is between 0.0% and 23.6% and low price breaks support line and is between 0.0% and -23.6%. Therefore, short entry at 23.6% and target at 0.0% could be applied. Please refer to table "Ext L".

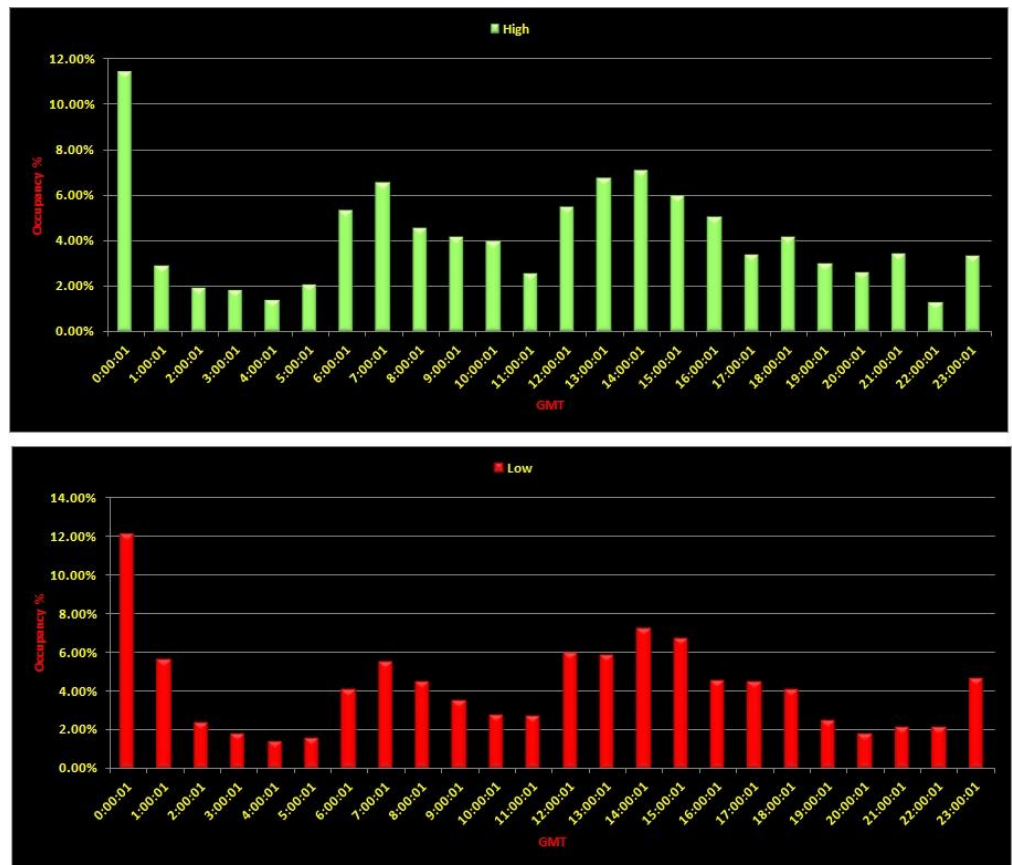
### Ranging Pattern

Total 44% = If open price is between 61.8 and 76.4% and high price/position is between 76.4% and 100%. Therefore, long entry at 61.8% and target at 76.4% could be applied.

Total 47% = If open price is between 50.0% and 61.8% and low price/position is between 38.2% and 50.0%. Therefore, short entry at 50.0% and target at 38.2% could be applied.

Type : Intraday High & Low (Timing)  
Time Frame Chart : Hourly  
Analyst Period : Daily  
Total Candlestick Bars : 2083 (Daily)  
Descriptions : About the timing of trend correction for OH/High and OL/Low  
: OH/High = Open to High  
: OL/Low = Open to Low  
: Timing = GMT  
Purpose : Provide opportunity for open position at right time

| GMT      | Frequency |      | Occupancy % |        |
|----------|-----------|------|-------------|--------|
|          | High      | Low  | High        | Low    |
| 0:00:01  | 238       | 252  | 11.43%      | 12.10% |
| 1:00:01  | 60        | 117  | 2.88%       | 5.62%  |
| 2:00:01  | 40        | 49   | 1.92%       | 2.35%  |
| 3:00:01  | 38        | 37   | 1.82%       | 1.78%  |
| 4:00:01  | 29        | 29   | 1.39%       | 1.39%  |
| 5:00:01  | 43        | 32   | 2.06%       | 1.54%  |
| 6:00:01  | 111       | 85   | 5.33%       | 4.08%  |
| 7:00:01  | 136       | 115  | 6.53%       | 5.52%  |
| 8:00:01  | 95        | 94   | 4.56%       | 4.51%  |
| 9:00:01  | 87        | 73   | 4.18%       | 3.50%  |
| 10:00:01 | 83        | 58   | 3.98%       | 2.78%  |
| 11:00:01 | 53        | 56   | 2.54%       | 2.69%  |
| 12:00:01 | 114       | 124  | 5.47%       | 5.95%  |
| 13:00:01 | 140       | 122  | 6.72%       | 5.86%  |
| 14:00:01 | 147       | 151  | 7.06%       | 7.25%  |
| 15:00:01 | 124       | 140  | 5.95%       | 6.72%  |
| 16:00:01 | 105       | 95   | 5.04%       | 4.56%  |
| 17:00:01 | 70        | 93   | 3.36%       | 4.46%  |
| 18:00:01 | 87        | 85   | 4.18%       | 4.08%  |
| 19:00:01 | 62        | 52   | 2.98%       | 2.50%  |
| 20:00:01 | 54        | 37   | 2.59%       | 1.78%  |
| 21:00:01 | 71        | 45   | 3.41%       | 2.16%  |
| 22:00:01 | 27        | 45   | 1.30%       | 2.16%  |
| 23:00:01 | 69        | 97   | 3.31%       | 4.66%  |
| Sum      | 2083      | 2083 |             |        |



Screenshot 4.1: Timing for Intraday High and Low

#### Explanation:

Screenshot 4.1 is the analysis from 1/1/2004 to 31/12/2011.

Recommend long entry position at GMT 4:00:01 or GMT 22:00:01. Most of the high price is formed at the time that except this both timing. Therefore, intraday trend is likely to move further upward direction after trend has passed the both timing.

Similarly, short entry position from GMT 2:00:01 to GMT 5:00:01. Most of the low price is formed at the time that except this both timing. Therefore, intraday trend is likely to move further downward direction after trend has passed the both timing.

Type : Wave Correction  
Time Frame Chart : Hourly  
Total Candlestick Bars : 2083 (Daily)  
Descriptions : About 2<sup>nd</sup> wave retracement/correction by using distant, Fibonacci % and timing  
: Distant = Pips  
: Fibonacci = %  
: Timing = GMT  
Purpose : Provide probability of distant, Fibonacci % and timing for wave 2



Screenshot 5.1: Price Action Chart

This chart illustrates intraday wave pattern from 1/6/2012 to 7/6/2012

Pattern Top = Wave pattern at top

Pattern Bottom = Wave pattern at bottom



| Pattern | Date      | Loc Pt 2 | Pt 1   | Pt 2   | Range  | Time     | Pt 1   | Pt 2   | Pt 3   | Bars W1 | Bars W2 | Wave 1 | Wave 2 | W2 Fibo % | Pt 2 Time | MA |
|---------|-----------|----------|--------|--------|--------|----------|--------|--------|--------|---------|---------|--------|--------|-----------|-----------|----|
| TOP     | 4/17/2012 | 1846     | 1.3115 | 1.3140 | 0.0025 | 14:00:01 | 1.3147 | 1.3115 | 1.3140 | 5       | 1       | 0.0032 | 0.0025 | 78%       | 14:00:01  |    |
| BOTTOM  | 4/18/2012 | 1868     | 1.3140 | 1.3067 | 0.0073 | 12:00:01 | 1.3115 | 1.3140 | 1.3067 | 1       | 22      | 0.0025 | 0.0073 | 294%      | 12:00:01  |    |
| TOP     | 4/20/2012 | 1924     | 1.3067 | 1.3220 | 0.0152 | 20:00:01 | 1.3140 | 1.3067 | 1.3220 | 22      | 56      | 0.0073 | 0.0152 | 209%      | 20:00:01  |    |
| BOTTOM  | 4/23/2012 | 1942     | 1.3220 | 1.3124 | 0.0095 | 14:00:01 | 1.3067 | 1.3220 | 1.3124 | 56      | 18      | 0.0152 | 0.0095 | 63%       | 14:00:01  |    |
| TOP     | 4/26/2012 | 2007     | 1.3124 | 1.3257 | 0.0133 | 7:00:01  | 1.3220 | 1.3124 | 1.3257 | 18      | 65      | 0.0095 | 0.0133 | 139%      | 7:00:01   |    |
| BOTTOM  | 4/27/2012 | 2030     | 1.3257 | 1.3173 | 0.0084 | 6:00:01  | 1.3124 | 1.3257 | 1.3173 | 65      | 23      | 0.0133 | 0.0084 | 63%       | 6:00:01   |    |
| TOP     | 4/27/2012 | 2038     | 1.3173 | 1.3260 | 0.0087 | 14:00:01 | 1.3257 | 1.3173 | 1.3260 | 23      | 8       | 0.0084 | 0.0087 | 103%      | 14:00:01  |    |
| BOTTOM  | 4/30/2012 | 2058     | 1.3260 | 1.3219 | 0.0042 | 10:00:01 | 1.3173 | 1.3260 | 1.3219 | 8       | 20      | 0.0087 | 0.0042 | 48%       | 10:00:01  |    |
| TOP     | 5/1/2012  | 2085     | 1.3219 | 1.3277 | 0.0058 | 13:00:01 | 1.3260 | 1.3219 | 1.3277 | 20      | 27      | 0.0042 | 0.0058 | 139%      | 13:00:01  |    |
| BOTTOM  | 5/6/2012  | 2167     | 1.3277 | 1.2961 | 0.0315 | 23:00:01 | 1.3219 | 1.3277 | 1.2961 | 27      | 82      | 0.0058 | 0.0315 | 546%      | 23:00:01  |    |
| TOP     | 5/7/2012  | 2184     | 1.2961 | 1.3061 | 0.0099 | 16:00:01 | 1.3277 | 1.2961 | 1.3061 | 82      | 17      | 0.0315 | 0.0099 | 32%       | 16:00:01  |    |
| BOTTOM  | 5/9/2012  | 2236     | 1.3061 | 1.2929 | 0.0132 | 20:00:01 | 1.2961 | 1.3061 | 1.2929 | 17      | 52      | 0.0099 | 0.0132 | 133%      | 20:00:01  |    |
| TOP     | 5/10/2012 | 2253     | 1.2929 | 1.2970 | 0.0041 | 13:00:01 | 1.3061 | 1.2929 | 1.2970 | 52      | 17      | 0.0132 | 0.0041 | 31%       | 13:00:01  |    |
| BOTTOM  | 5/11/2012 | 2265     | 1.2970 | 1.2915 | 0.0055 | 1:00:01  | 1.2929 | 1.2970 | 1.2915 | 17      | 12      | 0.0041 | 0.0055 | 133%      | 1:00:01   |    |
| TOP     | 5/11/2012 | 2275     | 1.2915 | 1.2946 | 0.0030 | 11:00:01 | 1.2970 | 1.2915 | 1.2946 | 12      | 10      | 0.0055 | 0.0030 | 56%       | 11:00:01  |    |
| BOTTOM  | 5/14/2012 | 2308     | 1.2946 | 1.2823 | 0.0122 | 20:00:01 | 1.2915 | 1.2946 | 1.2823 | 10      | 33      | 0.0030 | 0.0122 | 401%      | 20:00:01  |    |
| TOP     | 5/15/2012 | 2319     | 1.2823 | 1.2866 | 0.0042 | 7:00:01  | 1.2946 | 1.2823 | 1.2866 | 33      | 11      | 0.0122 | 0.0042 | 35%       | 7:00:01   |    |
| BOTTOM  | 5/16/2012 | 2342     | 1.2866 | 1.2695 | 0.0170 | 6:00:01  | 1.2823 | 1.2866 | 1.2695 | 11      | 23      | 0.0042 | 0.0170 | 403%      | 6:00:01   |    |
| TOP     | 5/16/2012 | 2349     | 1.2695 | 1.2747 | 0.0052 | 13:00:01 | 1.2866 | 1.2695 | 1.2747 | 23      | 7       | 0.0170 | 0.0052 | 30%       | 13:00:01  |    |
| BOTTOM  | 5/16/2012 | 2355     | 1.2747 | 1.2709 | 0.0038 | 19:00:01 | 1.2695 | 1.2747 | 1.2709 | 7       | 6       | 0.0052 | 0.0038 | 74%       | 19:00:01  |    |
| TOP     | 5/17/2012 | 2363     | 1.2709 | 1.2744 | 0.0036 | 3:00:01  | 1.2747 | 1.2709 | 1.2744 | 6       | 8       | 0.0038 | 0.0036 | 93%       | 3:00:01   |    |
| BOTTOM  | 5/17/2012 | 2371     | 1.2744 | 1.2677 | 0.0067 | 11:00:01 | 1.2709 | 1.2744 | 1.2677 | 8       | 8       | 0.0036 | 0.0067 | 188%      | 11:00:01  |    |
| TOP     | 5/17/2012 | 2377     | 1.2677 | 1.2720 | 0.0043 | 17:00:01 | 1.2744 | 1.2677 | 1.2720 | 8       | 6       | 0.0067 | 0.0043 | 64%       | 17:00:01  |    |
| BOTTOM  | 5/18/2012 | 2390     | 1.2720 | 1.2656 | 0.0064 | 6:00:01  | 1.2677 | 1.2720 | 1.2656 | 6       | 13      | 0.0043 | 0.0064 | 149%      | 6:00:01   |    |
| TOP     | 5/21/2012 | 2410     | 1.2656 | 1.2811 | 0.0155 | 1:00:01  | 1.2720 | 1.2656 | 1.2811 | 13      | 20      | 0.0064 | 0.0155 | 243%      | 1:00:01   |    |
| BOTTOM  | 5/21/2012 | 2422     | 1.2811 | 1.2740 | 0.0071 | 13:00:01 | 1.2656 | 1.2811 | 1.2740 | 20      | 12      | 0.0155 | 0.0071 | 46%       | 13:00:01  |    |
| TOP     | 5/21/2012 | 2429     | 1.2740 | 1.2818 | 0.0078 | 20:00:01 | 1.2811 | 1.2740 | 1.2818 | 12      | 7       | 0.0071 | 0.0078 | 109%      | 20:00:01  |    |
| BOTTOM  | 5/25/2012 | 2517     | 1.2818 | 1.2508 | 0.0309 | 12:00:01 | 1.2740 | 1.2818 | 1.2508 | 7       | 88      | 0.0078 | 0.0309 | 398%      | 12:00:01  |    |
| TOP     | 5/28/2012 | 2535     | 1.2508 | 1.2614 | 0.0105 | 6:00:01  | 1.2818 | 1.2508 | 1.2614 | 88      | 18      | 0.0309 | 0.0105 | 34%       | 6:00:01   |    |
| BOTTOM  | 6/1/2012  | 2636     | 1.2614 | 1.2323 | 0.0291 | 11:00:01 | 1.2508 | 1.2614 | 1.2323 | 18      | 101     | 0.0105 | 0.0291 | 276%      | 11:00:01  |    |
| TOP     | 6/5/2012  | 2674     | 1.2323 | 1.2533 | 0.0210 | 1:00:01  | 1.2614 | 1.2323 | 1.2533 | 101     | 38      | 0.0291 | 0.0210 | 72%       | 1:00:01   |    |
| BOTTOM  | 6/5/2012  | 2681     | 1.2533 | 1.2419 | 0.0114 | 8:00:01  | 1.2323 | 1.2533 | 1.2419 | 38      | 7       | 0.0210 | 0.0114 | 54%       | 8:00:01   |    |
| TOP     | 6/7/2012  | 2734     | 1.2419 | 1.2609 | 0.0189 | 13:00:01 | 1.2533 | 1.2419 | 1.2609 | 7       | 53      | 0.0114 | 0.0189 | 166%      | 13:00:01  |    |
| BOTTOM  | 6/8/2012  | 2757     | 1.2609 | 1.2447 | 0.0161 | 12:00:01 | 1.2419 | 1.2609 | 1.2447 | 53      | 23      | 0.0189 | 0.0161 | 85%       | 12:00:01  |    |
| TOP     | 6/10/2012 | 2766     | 1.2447 | 1.2651 | 0.0204 | 21:00:01 | 1.2609 | 1.2447 | 1.2651 | 23      | 9       | 0.0161 | 0.0204 | 127%      | 21:00:01  |    |
| BOTTOM  | 6/11/2012 | 2790     | 1.2651 | 1.2466 | 0.0185 | 21:00:01 | 1.2447 | 1.2651 | 1.2466 | 9       | 24      | 0.0204 | 0.0185 | 91%       | 21:00:01  |    |
| TOP     | 6/12/2012 | 2801     | 1.2466 | 1.2511 | 0.0045 | 8:00:01  | 1.2651 | 1.2466 | 1.2511 | 24      | 11      | 0.0185 | 0.0045 | 24%       | 8:00:01   |    |
| BOTTOM  | 6/12/2012 | 2807     | 1.2511 | 1.2457 | 0.0054 | 14:00:01 | 1.2466 | 1.2511 | 1.2457 | 11      | 6       | 0.0045 | 0.0054 | 121%      | 14:00:01  |    |
| TOP     | 6/13/2012 | 2832     | 1.2457 | 1.2596 | 0.0140 | 17:00:01 | 1.2511 | 1.2457 | 1.2596 | 6       | 25      | 0.0054 | 0.0140 | 257%      | 17:00:01  |    |
| BOTTOM  | 6/13/2012 | 2835     | 1.2596 | 1.2557 | 0.0039 | 20:00:01 | 1.2457 | 1.2596 | 1.2557 | 25      | 3       | 0.0140 | 0.0039 | 28%       | 20:00:01  |    |

## Screenshot 5.2: Wave Analysis Summary Report

Pt = Turning Point

Range = Wave Range

Bars = Total candlesticks bars to form a wave

### Explanation:

Screenshot 5.1 and 5.2 illustrate the sample of analysis by using wave analysis system. The analysis report is compromising with the price action chart.

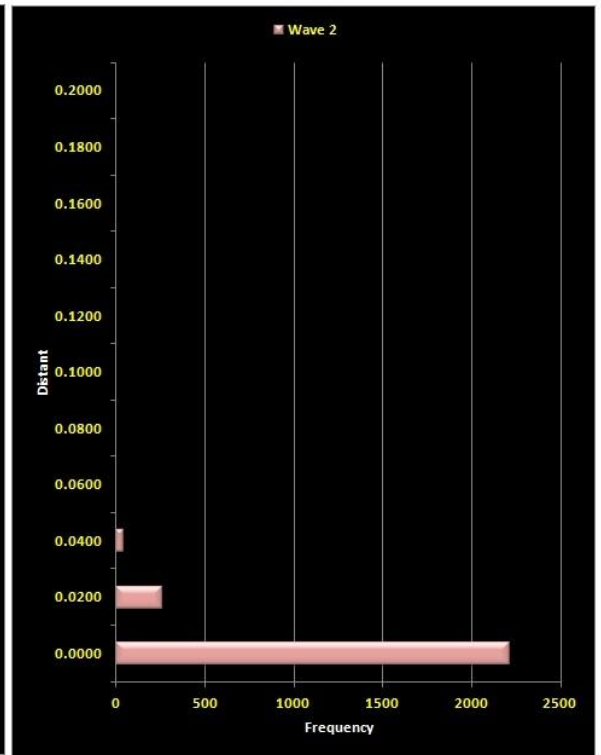
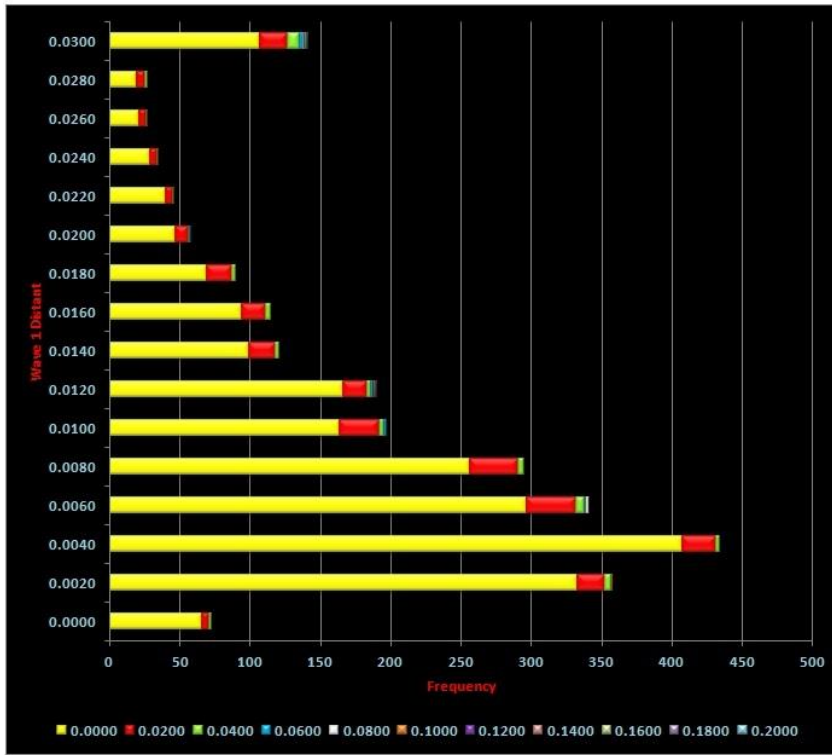
6/5/2012 8:00:01 = Wave is retraced from previous wave about Fibonacci 54% as shown in price action chart with price 1.2419 (Red box in screenshot 5.1 and blue box in screenshot 5.2)

#### Status of Analysis

|               |          |    |            |
|---------------|----------|----|------------|
| Duration from | 1/1/2004 | to | 12/30/2011 |
| Calculation   | EXECUTED |    |            |

#### Status of 2nd Wave

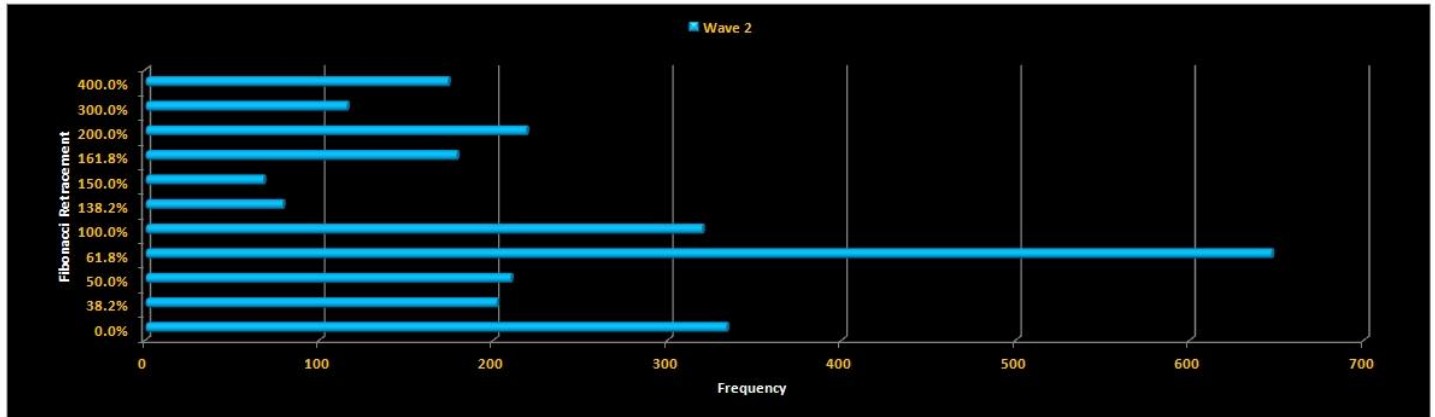
| Total | Distant(Mean) | Fibo(Mean) |
|-------|---------------|------------|
| 2548  | 0.0116        | 157%       |



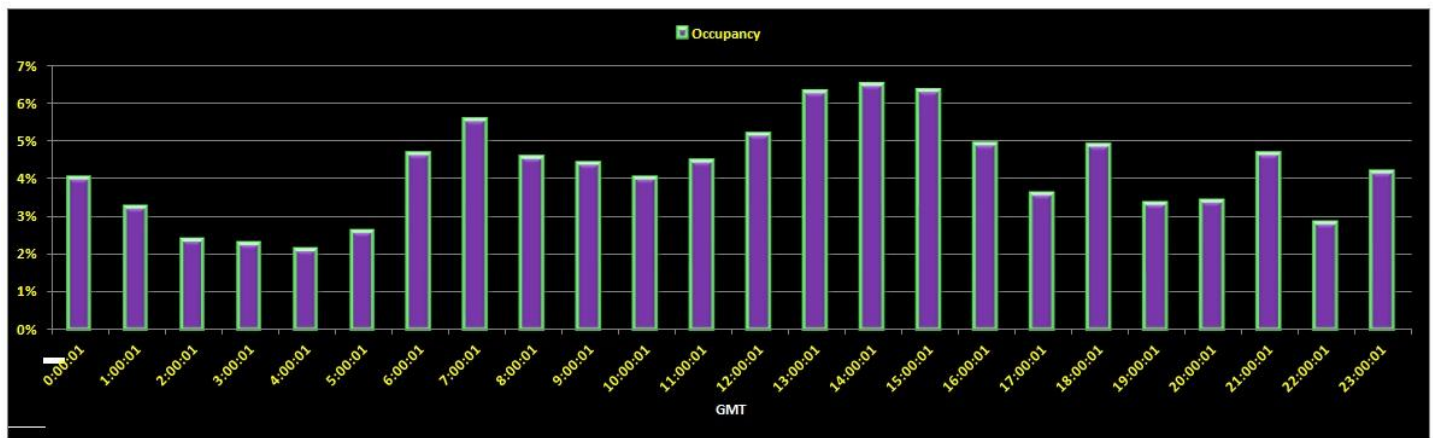
Screenshot 5.3: Frequency of 2<sup>nd</sup> Wave Distant

Left chart illustrates compound of frequency for 2<sup>nd</sup> wave distant with the respective of 1<sup>st</sup> wave distant

Right chart illustrates total frequency 2<sup>nd</sup> wave distant



Screenshot 5.4: Fibonacci Retracement % of 2<sup>nd</sup> Wave



Screenshot 5.5: Occupancy % of 2<sup>nd</sup> wave at respective timing GMT

#### Explanation:

Screenshot 5.3 to 5.5 is the analysis from 1/1/2004 to 31/12/2011.

From the screenshot 5.3, the distant between 0.00 pips and 0.02 pips is the highest frequency case for wave 2. And the mean distant for wave 2 is approximately 0.015 pips.

From the screenshot 5.4, wave 2 correction/retracement from previous wave happens most of the time is between Fibonacci 61.8% and 100.0%. And price tends to retrace into previous support/resistance and bound back.

From the screenshot 5.5, wave 2 correction/retracement happens most of the time at GMT 13:00:01 to 15:00:01. Therefore, strategy with scalping at time GMT 3:00:01 and 4:00:01 is the best because price tends to be trending and moving further away after this time.

## Co-integration Analysis

All the base analysis's judgments are based on the high probability case that happens most of the time. Hence, setting up a strategy according to the analysis outcome is cannot be ignored. However, I would like to combine all the base analysis result into unique judgments in order to provide sophisticated prediction of price movement.

### Summary of high probability outcome from base analysis

#### 1. Pricing Structure: Daily

Candlestick bar +/-0.5% distant from open (Refer to page 4)

#### 2. Trend Behavior: Daily

Trending is dominating (Refer to page 10)

#### 3. Pattern: Daily

Long entry is 76.4% and target at 100.0%. Short entry is 23.6% and target at 0.0% (Refer to page 11)

#### 4. Intraday High and Low: Hourly in daily candlestick bar

Long entry position at GMT 4:00:01 or GMT 22:00:01. Short entry position between GMT 2:00:01 to GMT 5:00:01 (Refer to page 12)

#### 5. Wave Correction: Hourly in daily candlestick bar

Mean distant of wave 2 is 0.015 pips. Fibonacci Retracement is between 61.8% and 100.0%. The best entry position is at GMT 13:00:01 to 15:00:01 (Refer to page 16)

### Explanation:

Setup trending strategy is the right option since it has been proven.

Long entry position must coincide at between Fibonacci 76.4% and 100.0% (Previous daily support and resistance) with -0.5% distant below daily open, and at between Fibonacci 61.8% and 100% (Retracement from previous wave) with wave 2 distant approximately 0.015 pips. Timing is about GMT 13:00:01 to 15:00:01

Short entry position must coincide at between Fibonacci 23.6% and 0.0% (Previous daily support and resistance) with +0.5% distant above daily open, and at between Fibonacci 61.8% to 100% (Retracement from previous wave) with wave 2 distant approximately 0.015 pips. Timing is about GMT 13:00:01 to 15:00:01



Screenshot 6.1: Sample of Co-Integration setup (High probability) in price action chart

- Green and red line (Zigzag) = Pricing Structure
- Trending pattern on 29/05/2012 = Trend behavior
- Yellow, green and red straight line = Pattern
- Blue line = Wave correction
- Green and red arrow = Price constraint (Buying and selling price)



## Price movement briefing based on analysis

| GMT                  | Indicator                  | Descriptions  |
|----------------------|----------------------------|---|
| 00:00:01             | -                          | Fresh start of price movement for <b>29/5/2012 GMT time</b> .   |
| 00:00:01 to 07:00:01 | Red zigzag and yellow line | Price move upward and was restricted at +0.5% ( <b>Pricing Structure</b> ) and likelihood of price retrace at Fibonacci 61.8% from previous wave ( <b>Wave Correction</b> ) |
| 07:00:01 to 15:00:01 | Green straight line        | Price arrives at Fibonacci 0.0% ( <b>Pattern</b> ) and bound upward for some time.  |
| 15:00:01 to 15:00:01 | Yellow line                | Price break Fibonacci 0.0% ( <b>Pattern and Wave Correction</b> ) due to heavy selling and form a long red candlestick bar  |
| 15:00:01 to 23:59:59 | Red zigzag line            | Price arrives at -0.5% ( <b>Pricing Structure</b> ) and bound upward  |
| 23:59:59             | -                          | Price hold at bottom area to form trending pattern ( <b>Trend Behavior</b> ) in the end of the day  |

### Explanation:

Pricing Structure = Price break -0.5% likely to signal downward movement and vice versa

Pattern = Price break Fibonacci 23.6% likely to signal downward movement and vice versa

Wave Correction = Price break previous wave support or Fibonacci 0.0% likely to signal downward movement

### Trading Decision:

Since we are trading for trending pattern based on high probability analysis, price could be either move upward or downward only.

#### Long position

Entry at Fibonacci 76.4% (**Yellow line**) due to no price constrain after break over this price level.

Target could be Fibonacci extension 100.0% (**Red straight line**)

Stop could be at +0.5% price (**Red zigzag line**) or Fibonacci 61.8% (**Yellow line**)

#### Short position

Entry at Fibonacci 0.0% (**Green straight line**) due to no price constrain after break over this price level between 1.246 to 1.252 price, which is around 60 pips opportunity to trade for.

Target could be Fibonacci extension -23.6% (**Yellow line**) or -0.5% price (**Zigzag line**)

Stop could be at Fibonacci 0.0% (**Green straight line**)

The price fluctuates within the area due to the price constrain, which is illustrated by green and red arrow. Meanwhile, timing could be another alternative option for trading decision. (Refer to page 12 & 16)



Screenshot 6.2: Sample of Co-Integration setup (High probability) in price action chart

- Green and red line (Zigzag) = Pricing Structure
- Trending pattern on 06/06/2012 = Trend behavior
- Yellow, green and red straight line = Pattern
- Blue line = Wave correction
- Green and red arrow = Price constraint (Buying and selling price)

## Price movement briefing based on analysis

| GMT                  | Indicator                    | Descriptions   |
|----------------------|------------------------------|--|
| 00:00:01             | -                            | Fresh start of price movement for <b>6/6/2012 GMT time.</b>  |
| 00:00:01 to 11:00:01 | Red line (Zigzag)            | Price arrive at +0.5% ( <b>Pricing Structure</b> ) and retrace due to possibility of wave retracement at 61.8% to 100.0% from previous wave ( <b>Wave Correction</b> ) |
| 11:00:01             | Yellow line                  | Price retrace to Fibonacci 23.6% ( <b>Pattern</b> )  |
| 11:00:01 to 15:00:01 | Yellow and red line (Zigzag) | Price bound upward to test 2nd times the +0.5% ( <b>Pricing Structure</b> ) and breaks also Fibonacci 76.4% ( <b>Pattern</b> )   |
| 15:00:01 to 19:00:01 | Red line                     | Price break Fibonacci 100% and arrive at Fibonacci 123.6% ( <b>Pattern</b> )   |
| 19:00:01 to 23:59:59 | Blue square box              | Price retrace to Fibonacci 100% ( <b>Pattern</b> ) and bound upward again  |
| 23:59:59             | -                            | Price hold at top of the area to form trending pattern ( <b>Trend Behavior</b> ) in the end of the day   |

### Explanation:

Pricing Structure = Price break +0.5% likely to signal upward movement and vice versa

Pattern = Price break Fibonacci 76.4% likely to signal upward movement and vice versa

Wave Correction = Price break previous wave resistance or Fibonacci 100% likely to signal upward movement

### Trading Decision:

Since we are trading for trending pattern based on high probability analysis, price could be either move upward or downward only.

#### Long position

Entry at either -0.5% (**Bottom green arrow**) or Fibonacci 100% (**Red straight line**)

Target could be Fibonacci extension 123.6%

Stop could be at +0.5% price.

#### Short position

Entry at either +0.5% (**Top red arrow**) or Fibonacci 23.6% (**Yellow straight line**)

Target could be Fibonacci extension 0.0%

Stop could be at price 1.246

The price fluctuates within the area due to the price constrain, which is illustrated by green and red arrow. Meanwhile, timing could be another alternative option for trading decision. (Refer to page 12 & 16)

### Complex Co-integration Analysis

This is the ultimate complex analysis with the co-integration of multiple time frames with previous analysis. Price fluctuates up and down because of price constraint. In order to have precision explanation of price movement, you can find the demonstration as below.

|            | Time Frame                     | Hourly                   | Daily         | Weekly         |
|------------|--------------------------------|--------------------------|---------------|----------------|
| Long/Short | Trend Pattern Analysis         | Trending                 |               |                |
|            | Intraday High and Low Analysis |                          |               |                |
|            | Timing for Trending            | GMT 02:00:01 to 04:00:01 |               |                |
|            | Timing for Trend Reversal      | GMT 13:00:01 to 15:00:01 |               |                |
|            | Wave Correction Analysis       |                          |               |                |
|            | Timing for Wave Retracement    | 61.8% - 100%             |               | -              |
|            | Timing for Wave Continue       | GMT 02:00:01 to 04:00:01 |               | -              |
|            | Wave Retracement               | GMT 13:00:01 to 15:00:01 |               | -              |
|            | Wave 1 Distant (Pips)          | 0.04-0.06                | 0.035-0.045   | -              |
|            | Wave 2 Distant (Pips)          | 0.00-0.02                | 0.020-0.040   | -              |
| Long       | Pricing Structure Analysis     | -                        | -0.5% OL/Low  | -1.15% OL/Low  |
|            | Pattern Analysis (Fibo %)      | -                        | 76.40%        |                |
| Short      | Pricing Structure Analysis     | -                        | +0.5% OH/High | +1.15% OH/High |
|            | Pattern Analysis (Fibo %)      | -                        | 23.60%        |                |

Screenshot 7.1: Multiple Time Frames Analysis

#### Explanation:

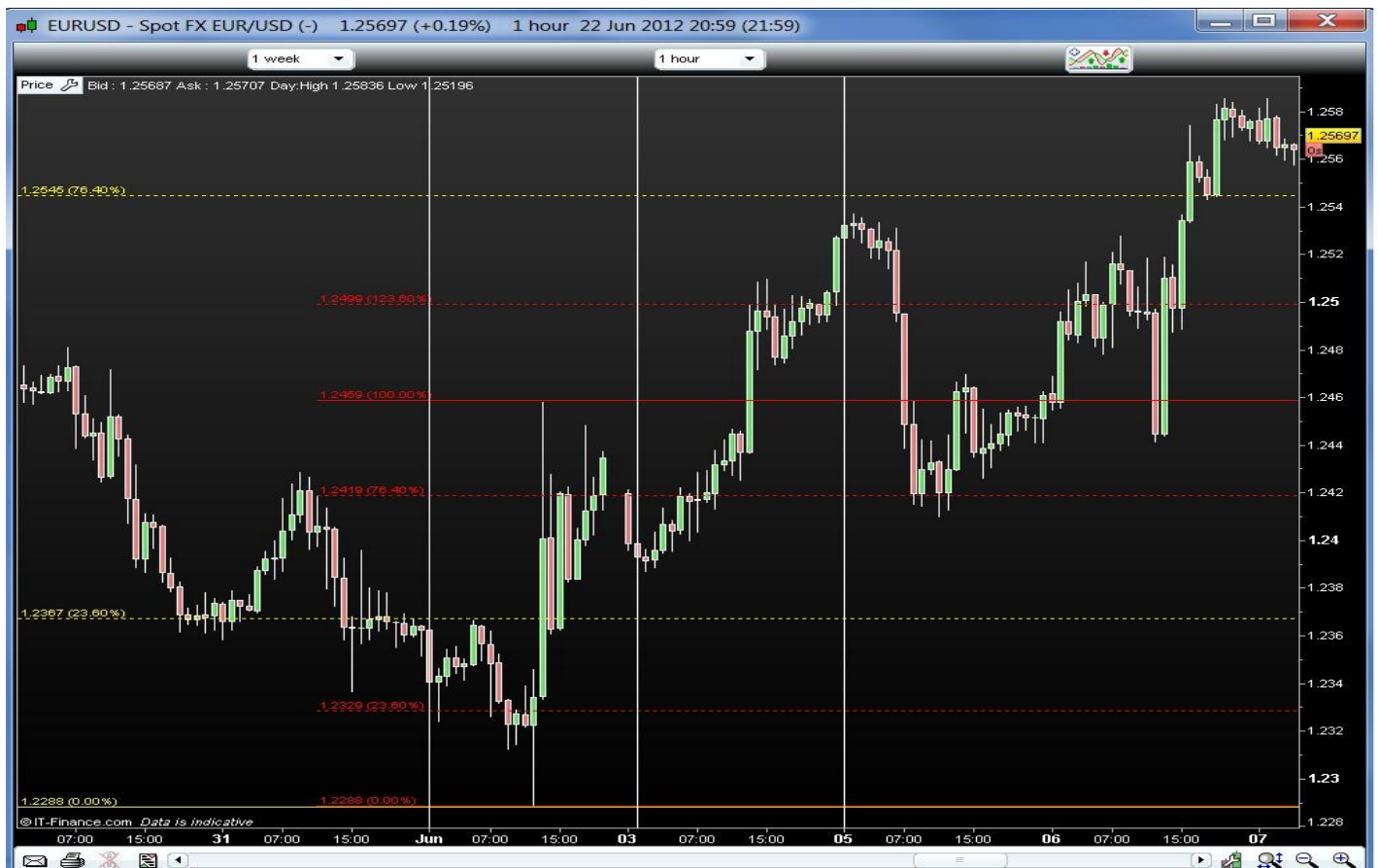
Screenshot 7.1 is the analysis from 1/1/2004 to 31/12/2011.

I ignore the hourly pricing structure analysis and pattern analysis due to inconsistent of price movement in pertaining to its volatility. Similarly, I ignore those lower time frame analyses as well. Meanwhile, I also ignore the weekly wave correction analysis because it is out of range and it doesn't provide any crucial result for this co-integration analysis.

The analysis results is the same for multiple time frames especially those is measured by percentage and timing. No matter how is the trend fluctuated, the pricing behavior still maintain its course but with different distant indeed. As shown from above screenshot, the mean distant for daily is smaller than weekly time frame. However, those analysis results could provide important signal for trading decision by these standardize/compromised measurement.



Screenshot 7.2: Pricing Structure setup at 04/06/2012 in price action chart



Screenshot 7.3: Pattern setup at 04/06/2012 in price action chart





Screenshot 7.4: Wave Correction setup at 04/06/2012 in price action chart



Screenshot 7.5: Intraday High & Low Timing setup at 04/06/2012 in price action chart

**Explanation:**

Screenshot 7.2 to 7.5 is the analysis for 04/06/2012.

Screenshot 7.2: Pricing Structure

Price breaks daily +0.5% OH/High (**Red line**) and hold below weekly +1.15% OH/High (**Light blue line**)

Screenshot 7.3: Pattern

Price move upward from daily Fibonacci 76.4% to 123.6% (**Red line**) and hold between weekly Fibonacci 23.6% and 76.4% (**Yellow line**). Price break 76.4% signal upward strength movement and break 23.6% signal downward movement (Mention in page 19)

Screenshot 7.4: Wave Correction

Wave 2 retrace between 61.8% and 100.0% from previous hourly wave (**Red line**) and slightly break above daily previous wave 23.6% (**Yellow line**)

Screenshot 7.5: Intraday High and Low Timing

Price continue move upward between GMT 03:00:01 and 05:00:01 (**Red box**). Price correct/retrace down between GMT 13:00:01 and 15:00:01 (**Red box**).

**\*Information:**

*It is very complex if trading signal is based on the complex co-integration analysis. However, precision analysis has been proven and the respective pricing constraint is cannot be ignored for trading daily pattern. In fact, successful trader is cannot be denied if one decision system or so called algorithmic system has been created. This simply can be done by program into price action chart or excel.*

|                      |         |
|----------------------|---------|
| <b>Product</b>       | EUR/USD |
| <b>Time in SGT</b>   |         |
| <b>Time in GMT</b>   |         |
| <b>Open Price</b>    | 1.2399  |
| <b>Current Price</b> | 1.2461  |

#### Probability Map

|                          | Hourly | Daily  | Weekly |
|--------------------------|--------|--------|--------|
| <b>Pricing Structure</b> | -      | 0.50%  | 0.50%  |
| <b>Pattern</b>           | -      | 101.8% | 32.3%  |
| <b>Wave Retracement</b>  | 47.4%  | 11.1%  | -      |

#### Position Advice

|              | Count | Advice |
|--------------|-------|--------|
| <b>Long</b>  | 3     | LONG   |
| <b>Short</b> | 0     |        |

#### Legend for Pricing Profile & Reference Table

|                      |
|----------------------|
| Manual Input         |
| Up/Support           |
| Down/Resistance      |
| Decision Price       |
| Current price status |
| Open price           |
| PS Pricing Structure |
| PD Pattern Daily     |
| PW Pattern Weekly    |
| WH Wave Hourly       |
| WD Wave Daily        |

#### Pricing Profile

| Trend | Price  | PS     | PD     | PW     | WH     | WD     |
|-------|--------|--------|--------|--------|--------|--------|
| UP    | 1.3236 |        |        |        |        | Pt 1   |
|       | 1.2903 |        |        |        |        | 61.80% |
|       | 1.2824 | RES    |        | RES    |        |        |
|       | 1.2698 |        |        | 76.40% |        |        |
|       | 1.2614 |        |        |        | Pt 1   |        |
|       | 1.2542 | 1.15%  |        |        |        |        |
|       | 1.2503 |        |        |        | 61.80% |        |
|       | 1.2461 | 0.50%  |        |        |        |        |
|       | 1.2458 | RES    | RES    |        |        |        |
|       | 1.2418 |        | 76.40% |        |        |        |
|       | 1.2414 |        |        | 23.60% |        |        |
|       | 1.2399 |        |        |        |        |        |
|       | 1.2364 |        |        |        |        | Pt 2   |
|       | 1.2337 | -0.50% |        |        |        |        |
|       | 1.2328 |        | 23.60% |        |        |        |
|       | 1.2323 |        |        |        | Pt 2   |        |
|       | 1.2288 | SUP    | SUP    | SUP    |        |        |
|       | 1.2288 | SUP    | SUP    | SUP    |        |        |
|       | 1.2256 | -1.15% |        |        |        |        |

Screenshot 7.6: Algorithmic Trading Platform (Based on Co-Integration Analysis)

#### Explanation:

Screenshot 7.6 illustrates the trading decision for 4/6/2012 based on the analysis from screenshot 7.2 to 7.5. Current price shown 1.2461 explain that

- 1) Price is above daily +0.50% and below weekly +1.15% for pricing structure.
- 2) Price is above daily previous resistance or Fibonacci 100% and between weekly Fibonacci 23.6% and 76.4% for pattern.
- 3) Price is between hourly previous wave 23.6% and 61.8% and below daily previous wave 23.6% for wave retracement.