

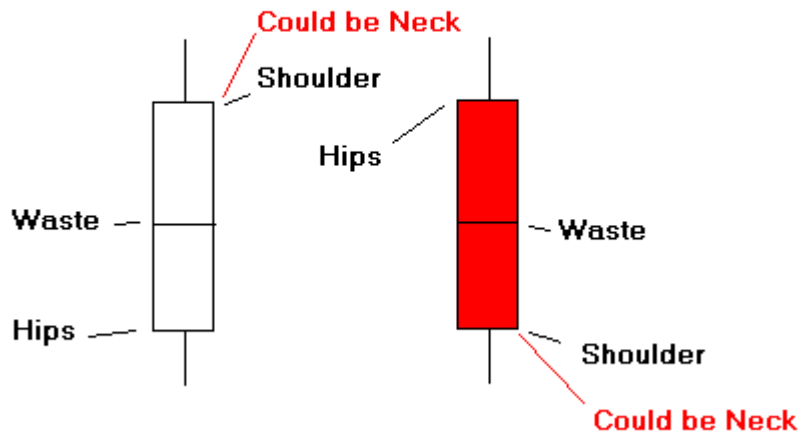
Murrey Math Trading Rules:

1. What was the total **range** of **today's Trading action**?

Today's High – Today's Low

If close is **Higher** than the open then a **Positive** Trading range.

If close is **Lower** than the open then a **Negative** Trading range.



"**Waist**" = the open - the close / 2

"**Waist**" = Price **M**omentum **R**eversal **P**ivot **P**oint - memorize for one day

"**Neck**" = Price **M**omentum **R**eversal **P**ivot **P**oint - **If the following occurs -**

The difference between one Murrey Math Line i.e. MM **2/8** and the next Murrey Math line i.e. MM **3/8** is a Murrey Math **interval**.

A candlestick has a **NECK** if the open and the close (**candle body**) span **more** than **one interval in one day**.

The **Neck** of the **candlestick** is ALWAYS the **CLOSE** and is not related to the previous days trading action in any way.

A **Neck-candlestick** may be **separated** from the previous candlestick by a **gap** in either direction.

If your stock or index has already run up past the targets set by **Rule 3 & 5** and a **gap**

occurs that **terminates** on a **MM line**, the odds are very, very high that this is an **exhaustion gap** and the market will **reverse**. **You must trade the neck**.

2. **Today's Volume versus Yesterday's Volume?**

If the difference is more than **25 %** at any **low** or **high** range this could signal direction reversal

3. **How far has this market run (up or down) currently in 1/8ths: (Horizontal Lines)**

If the **days trading** has moved into the next **1/8th** at least **1/2** of the way or more then it is **considered** to have **traveled all the way** thru to the next **1/8th**, if not then it is considered to have only gone to the **1/8th** it has just crossed.

% Chance of a Reverse

Run up:	Reverse
1/8th	50%
2/8th	75%
3/8th	87.5%
5/8th	93.75%
7/8th	96%
9/8ths	97.5%
11/8ths	98%

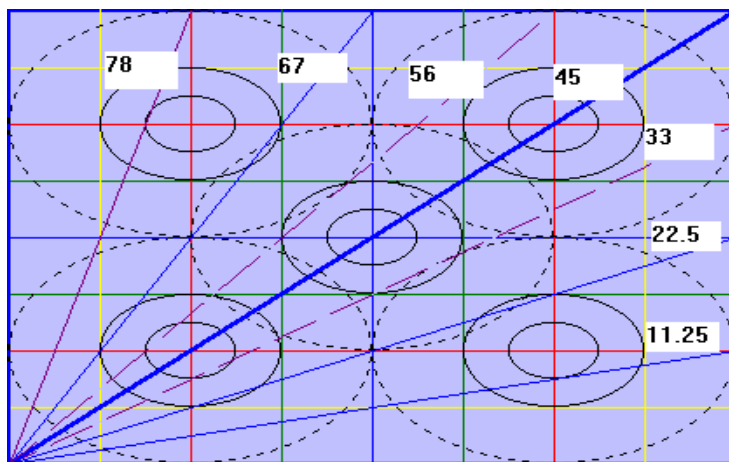
% Chance of a Reverse

Run down:	Reverse
2/8th	50%
4/8th	75%
6/8th	93.75%
8/8th	96%
10/8ths	97.5%
12/8ths	98%

4. **Is this market reversing off a MMSLine? (Speed Angle)**

Markets reverse fastest off: **33, 45, or 78** degree angled speed Lines.

Speed Angles are



5. Where does this market enter the Trading Frame?

Where any market comes into the trading frame determines how much it will in 1/8ths make from a reversal up or down !

Profit Potential for markets reversing and moving up off last **Low**:

Point at which it entered Trading Frame	Amount of possible movement in 1/8ths
+ 2/8ths	May go either way wait for reverse(rare)
+ 1/8ths	= 1,
Top 8/8ths	= 1,2
7/8ths	= 1,2,3
6/8ths	= 2,3,4
5/8ths	= 2,3,4
4/8ths	= 3,4,5

Profit Potential for markets reversing and moving up off last **High**:

Point at which it entered Trading Frame	Amount of possible movement in 1/8ths
+ 2/8ths	= 9,10,11 Upside Potential
+ 1/8ths	= 8,9,10
Top 8/8ths	= 7,8,9
7/8ths	= 6,7,8
6/8ths	= 5,6,7
5/8ths	= 4,5,6
4/8ths	= 3,4,5

3/8ths	= 4,5,6	3/8ths	= 2,3,4
2/8ths	= 5,6,7	2/8ths	= 2,3,4
1/8ths	= 6,7,8	1/8ths	= 1,2,3
Zero/8ths	= 7,8,9	Zero/8ths	= 1,2
- 1/8ths	= 8,9,10	- 1/8ths	= 1
- 2/8ths	= 9,10,11 Upside Potential	- 2/8ths	= May go either way wait for reverse(rare)

Any market that goes to **+2/8ths** or **-2/8ths** must **hold** at this price for **four days** in a row **or move past** these **MMTLines** by an additional **30 cents** to **move** to a new **trading octave**.

Measure the **Range** of the last run, **at 37.5%, 50%, or 62.5%** of the new run expect either **resistance** or the market wanting to **stall-out** and stop **against these ratios** especially **if they** also **match up** on **MMTLine!** (MMTLines are more predictable).

MMTL (H)	Market condition
+ 2/8ths	= This market is too high and needs monitoring closely.
+ 1/8ths	= OverBought (Too high on enthusiasm)
Top 8/8ths	= Upper end of the Octave (wants to stay in here)
7/8ths	= Weak Fast Reverse Line
6/8ths	= Pivot Reverse Line
5/8ths	= Upper Trading Range (Comfortable trading in here)
4/8ths	= 50% = hardest to break thru (up or down) the 1st Time
3/8ths	= Lower Trading Range (Comfortable trading in here)
2/8ths	= Pivot Reverse Line
1/8ths	= Weak Fast Reverse Line
Zero/8ths	= Lower End of Octave (wants to stay in here)

- 1/8ths = **Oversold** (Too Low on enthusiasm)

- 2/8ths = This market is too Low and needs monitoring closely.

All markets will want to trade inside its **Trading Range 3/8ths to 5/8ths 43.75%** of the **time**. If the market goes up too far and moves up past its **+2/8ths**, (**above 8/8ths**) then the software will set it to the **next Octave** to the next higher set of numbers.

But, if a **market** gets above **45° angle** and above **8/8ths** line and **can't breakout** into the next Octave, it will come back down inside its **Trading Range** and try and **balance out** the advance **over time**.

The **normal speed angle** of an **up** market through a square of **32** or **64** is a **22.5°** through the trading frame. **Indexes** are the exception and want to run up **45°'s**.

We should expect markets to run up along a **11.25** degree angled line in Trading Frames of **16**.

If any market comes into its trading frame at a **rate of speed greater than 22.5°** of angle, it is said to be **moving up too fast** and it will have to come back down or **explode** into the next **higher trading octave**.

The **reverse** is not always true of **falling markets**: bad markets will not always come **back** up **more than +1/8th or +2/8ths** off their **lows** the **1st time they reverse** after **falling more than 5/8ths** off its **highs**.

Horizontal MMTLine:

We are looking to trade a market Long when it is reversing off its:

- A **Best odds potential** = **1/8ths MMTLine**
- B **2nd Best odds potential** = **0/8ths or 2/8ths MMTLines**
- C **3rd Best odds potential** = **-1/8ths MMTLine**
- D **4th Best odds potential** = **-2/8ths MMTLine**

We are looking to trade a market Short when it is reversing off its:

- A **Best odds potential** = **7/8ths MMTLine**
- B **2nd Best odds potential** = **8/8ths or 6/8ths MMTLines**

- C **3rd Best odds potential** = +1/8ths MMTLine
- D **4th Best odds potential** = +2/8ths MMTLine

Whip-Lash trading occurs most often when a trader wants to enter trades when a market is trading inside its **Trading Range 3/8ths and 5/8ths**.

Expect only **1/8th or 2/8th profits** reversal of the **above range until** it **finally rises above or below** by more than **2/8ths**.

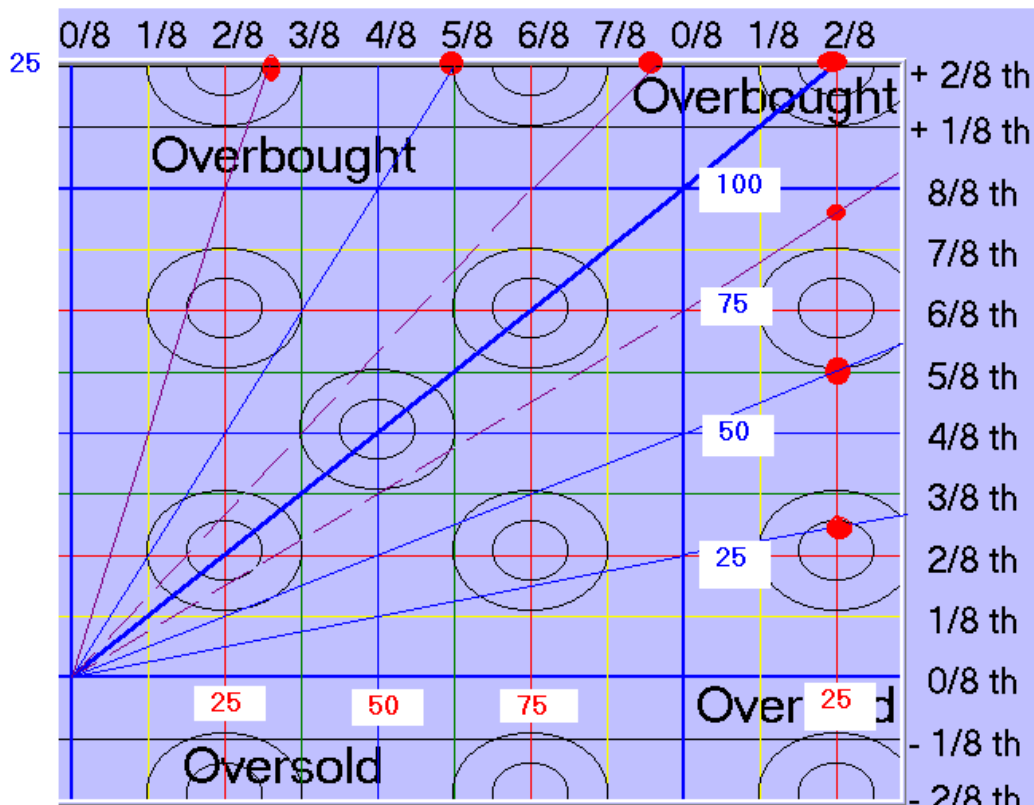
6. Is this **market running up or down** along a **parallel momentum line**?

All **Momentum Lines** are **longer term trend lines** set up as price appreciation or falling prices along **45° angled** lines started on either:

- A. **Lower Left Hand Corner** to upper right hand corner.
- B. **Upper Left Hand Corner** to lower right hand corner.

We should expect **any market** that starts **moving along** any of these **parallel lines** to memorize these lines and to **step up**, or **step down**, or reverse against **90° angles**, off the initial **parallel price movement**.

The initial **Parallel price movement** is the **low** or **high** that was **made** just before entering the present **Harmonic Trading Frame**. To be ahead of the game you need to **know** where these **parallel lines** are into the future set to **25, 50, 75, or 100 %**, into the next trading frame.



We **should not expect** however this same **parallel trading action** to last much past **three reverses** off the **same set of lines**.

We usually trade parallel lines set off:

- 1 **0/8ths**, greater support,
- 2 **2/8ths**,
- 3 **4/8ths**, greatest resistance or support,
- 4 **6/8ths**,
- 5 **8/8ths**, greater resistance.

We usually don't use the angled lines: **1/8ths**, **3/8ths**, **5/8ths**, **7/8ths**, but when we do we shall get **faster reverses**, which are **minor 50% reversal signals**.

There are two other angled parallel price momentum lines, which are very rare and are therefore not in the software.

- 1) **22.5° angled lines**, **too slow**, and
- 2) **56.25° angled lines** are **too steep** and won't repeat **more than once**.

7. **Where is the price in relation to the Circles of Conflict?**

- A Is it **rolling over it**,
- B Is it **curling under it**,
- C Will it **move inside it**,

The **Circles of Conflict** are **electrical** and will change **polarization** at its own will, so trying to figure it out is only as simple as going with the **direction it reverses** off its center **horizontal MMTLines** (+ or - baby 1/8ths).

8. **Which Trading Frame Line is it reversing off:**

- A MMTLine (**Horizontal Price**),
- B MMSLine (**Speed Line**) every 11.25 degrees,
- C MM~~T~~Line (**Time**),
- D MM~~M~~Line (**Momentum**),

Please go back to the **Rule 3** and ask yourself **how far** this market has **run up** or **down** and then look at **which line** it **reverses** on (**A, B, C, or D**) to see **how fast** or **slow** it will **reverse**.

9 **Look at the 3 Time Trading Frames: 64 days, 32 days, or 16 days.**

Which **Time Frame** lets you set your **Trading Frame** to include the **last trading** range of **high - low** as it fits inside the **smallest 8/8ths**.

10. Setting our Murrey Math Trading Lines:

A	zero to 100:	$1/8^{\text{th}} = 12.50$	$= 1.5625$	$= .1953125$
B	250 to 1,000:	$1/8^{\text{th}} = 125.$	$= 15.25$	$= 1.953125$
C	2,500 to 10,000:	$1/8^{\text{th}} = 1250$	$= 156.25$	$= 19.53125$
D	25,000 to 100,000	$1/8^{\text{th}} = 12,500$	$= 1562.50$	$= 195.32$

Special Situations:

A Gap over - this is where a market price gaps over a **MMTLine** (**horizontal**), which would signal that this **market ignored the MMTLine**, so we must expect it to **run toward** the **next MMTLine**, but **count how far** any run has run to **predict** its **continuation** or **reversal** in direction.

B Drive-through - is a term that describes any **market** that **pushes through** any **MMTLine** on an **intra-day trading basis**. If it drives **through more than 40 cents** past (**or 2/8ths plus 2 cents**) the **MMTLine**, it should **move** on **toward** the next **MMTLine**.

C S - Move is an **intra-day move** where a market forms an **S laid on its side** and it undulates either:

- 1 on a **MMTLine**, or
- 2 just **below a MMTLine**, or
- 3 it **moves** on **either side** of a **major MMTLine**, which could form a **double S** before it **breaks** out in its **own** mind's **direction**.

D When a market moves sideways and closes **4** out of **7 days** above a certain price then it has earned the **right** to be at or above that **mark** and will almost certainly move above that mark. The only exception to this is if it has **tried three times** and **failed** to get above a **certain price**.