

TRADING EDUCATORS WELCOMES
YOU TO OUR

TRADERS UNIVERSITY



The prerequisite for this material is having studied "The Law of Charts." **Study it thoroughly.** You must know about 1-2-3 formations, Ledges, Consolidations, and Ross hooks.

Our free "The Law of Charts™" 60-Page E-book is available on our website:

http://tradingeducators.com/trading_philosophy/the_law_of_charts.htm



INTRODUCTION

In this presentation, we review and go into great depth concerning the Traders Trick Entry™ (TTE). The TTE is one of the most important concepts you will ever learn, and is at the heart of what we teach. Following the introduction and basics of the TTE, we will give you some examples of its use and explain why it is so important.



IN THIS PRESENTATION WE WANT TO DISCOVER:

- The different ways in which the TTE 'sets up.'
- When to use the TTE.
- What the TTE accomplishes for you.
- Some basics of how to trade the TTE.

THE TRADERS TRICK ENTRY

The Traders Trick is designed to beat the insiders at their own game, or at the very least to create a level playing field on which we can trade.



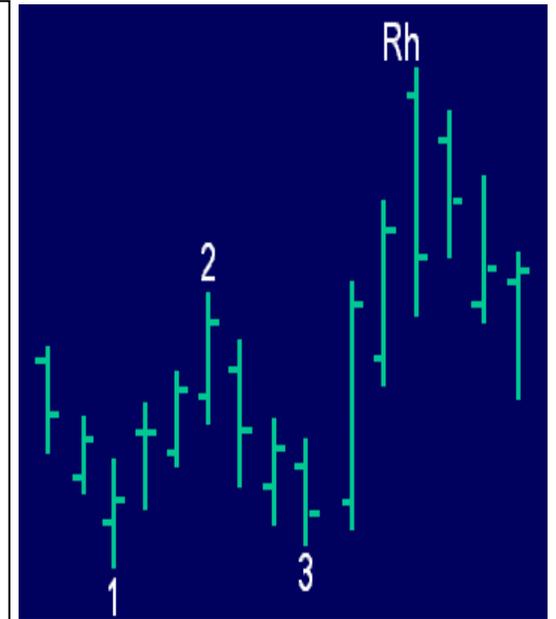
THE TRADERS TRICK ENTRY ctd.

When trading 1-2-3 and Ross hook formations, we want to get in ahead of the actual breakout of the #2 point or the point of the hook. If the breakout is real, the result will be significant profits. If the breakout is false, we will have at least covered our costs and taken some profit for our effort.



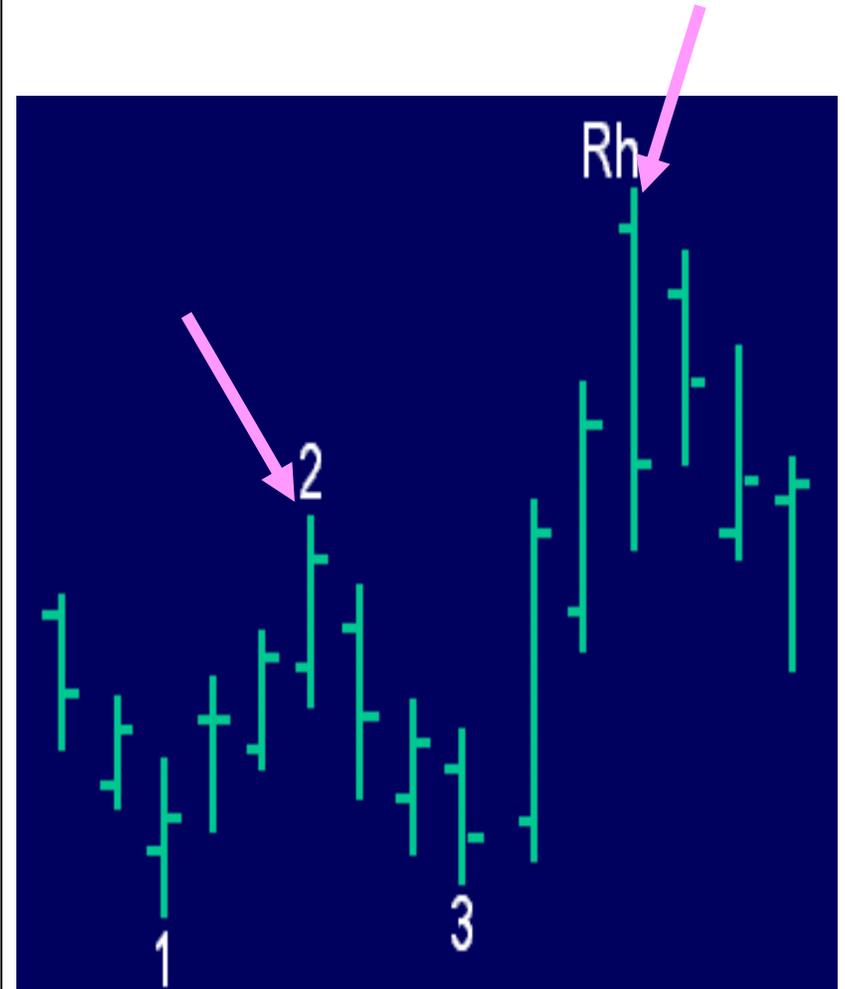
THE TRADERS TRICK ENTRY ctd.

When trading 1-2-3 and Ross hook formations, we want to get in ahead of the actual breakout of the #2 point or the point of the hook. If the breakout is real, the result will be significant profits. If the breakout is false, we will have at least covered our costs and taken some profit for our effort.



THE TRADERS TRICK ENTRY ctd.

Insiders will often engineer moves aimed at precisely those points where they realize orders are bunched. It is exactly that kind of engineering that makes the TTE possible.

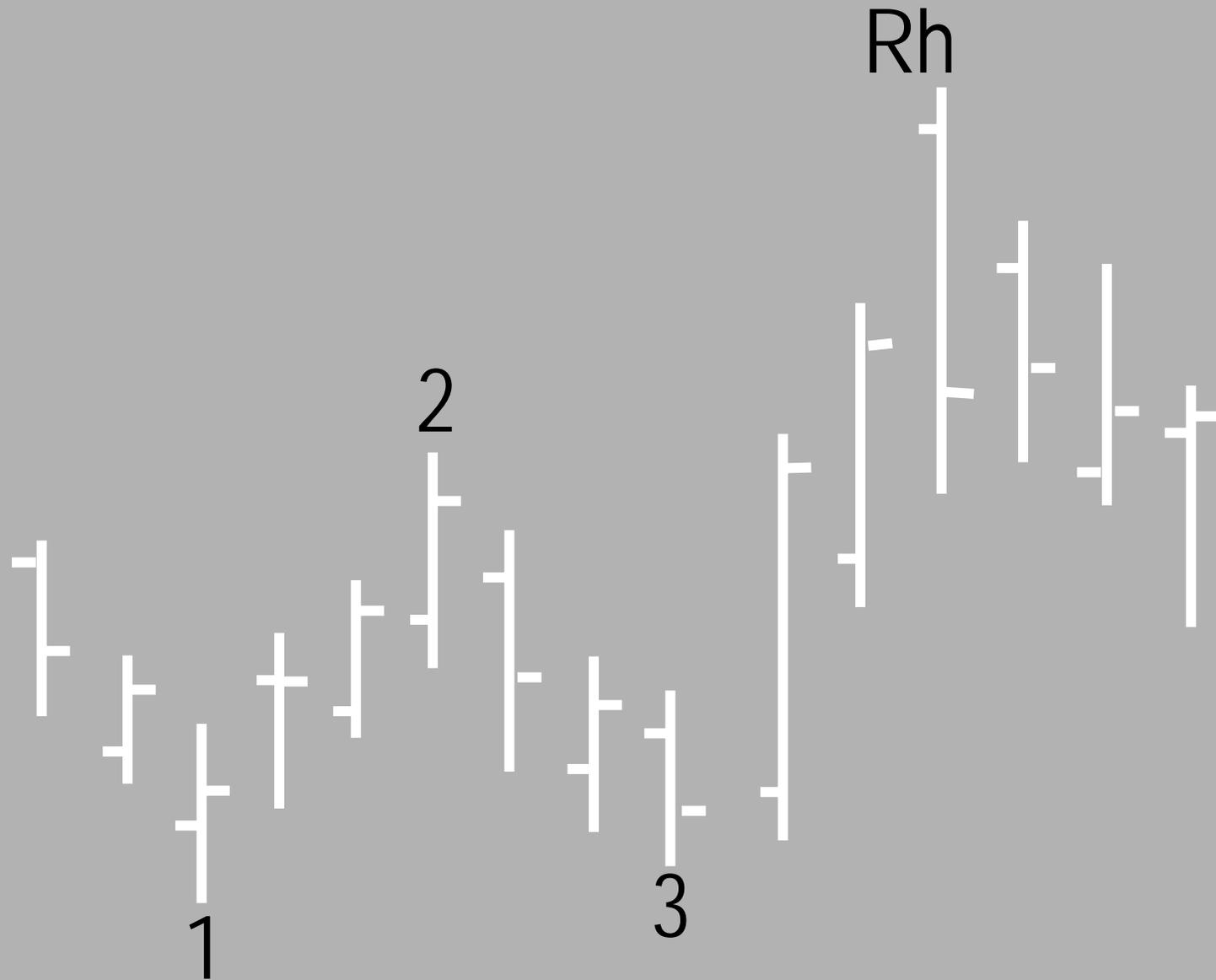


THE TRADERS TRICK ENTRY ctd.

For an insider to be able to stop us from shadowing his moves, he would have to sabotage himself. You'll see why shortly.

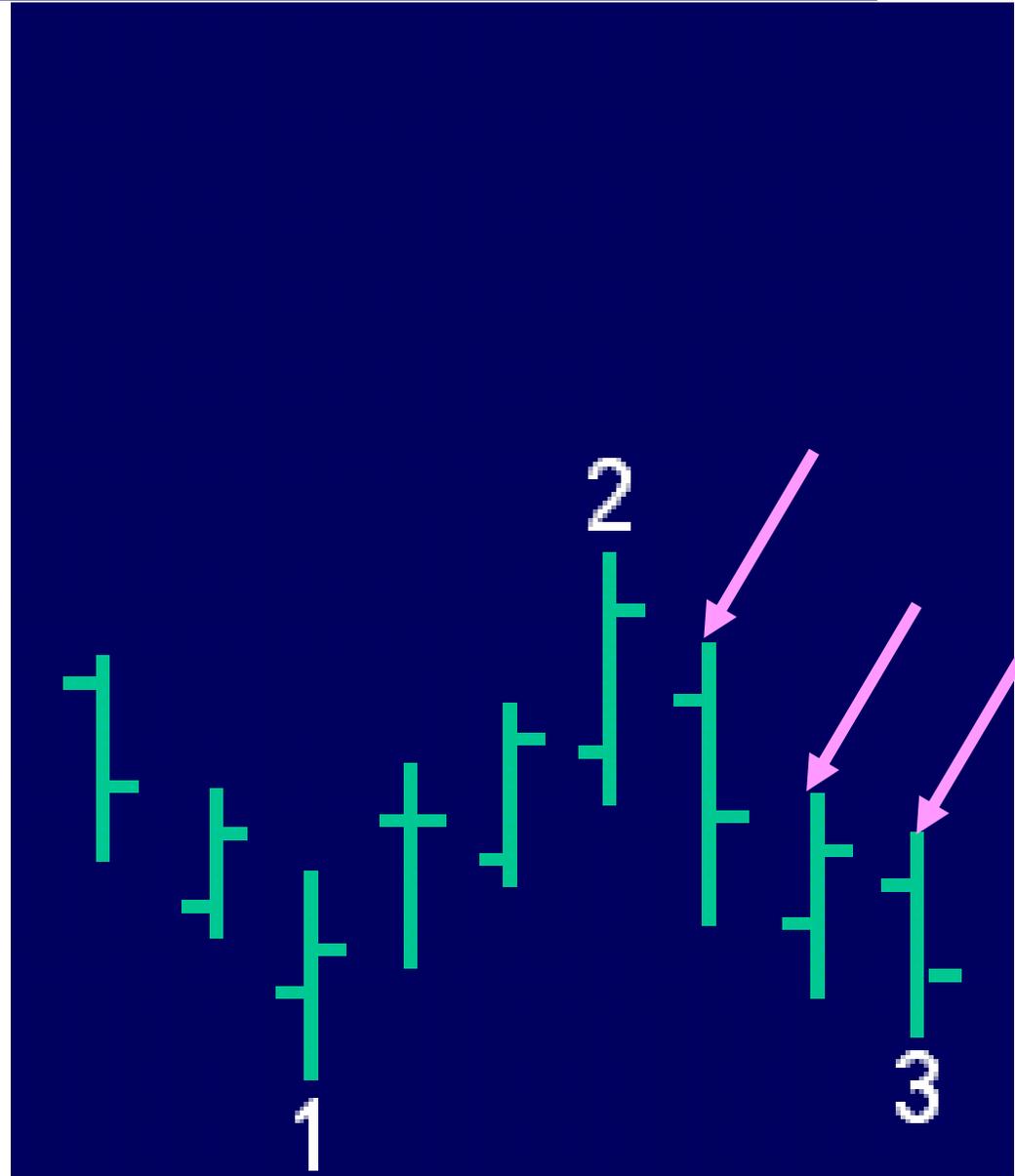
Let's begin our examination of the TTE.

THE TTE



THE TTE AND 1-2-3

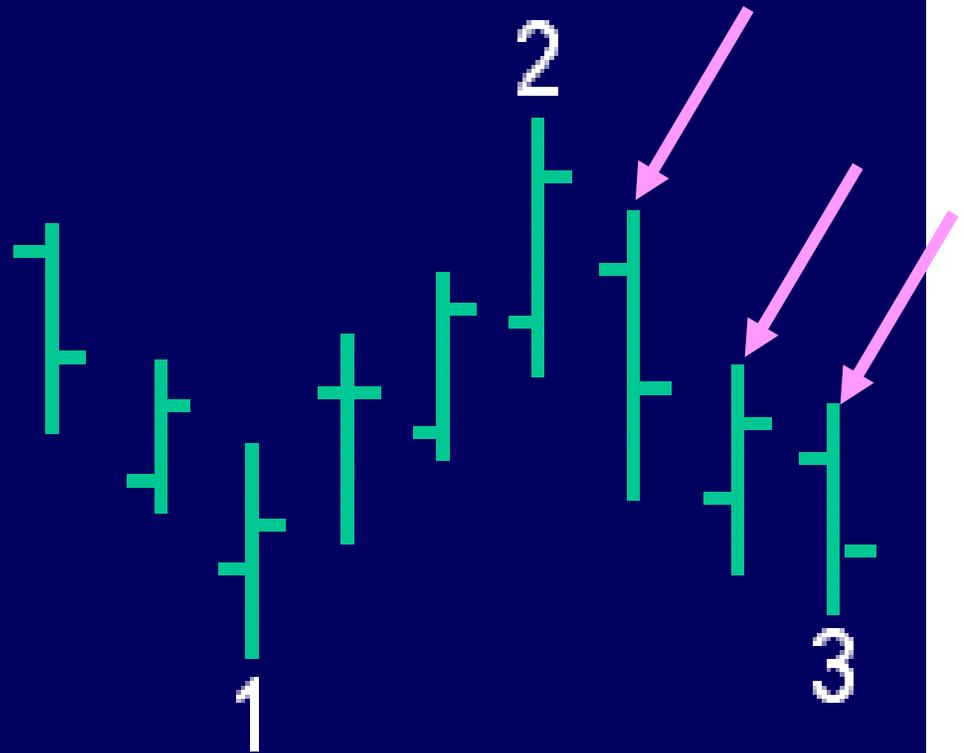
Once a #2 point is in place, we want to buy a violation of the high of any of the correcting bars that form subsequent to the #2 point.



THE TTE AND 1-2-3 ctd.

Correcting bars are the bars subsequent to the #2 point, and for TTE purposes are considered to be correcting as long as they make lower highs.

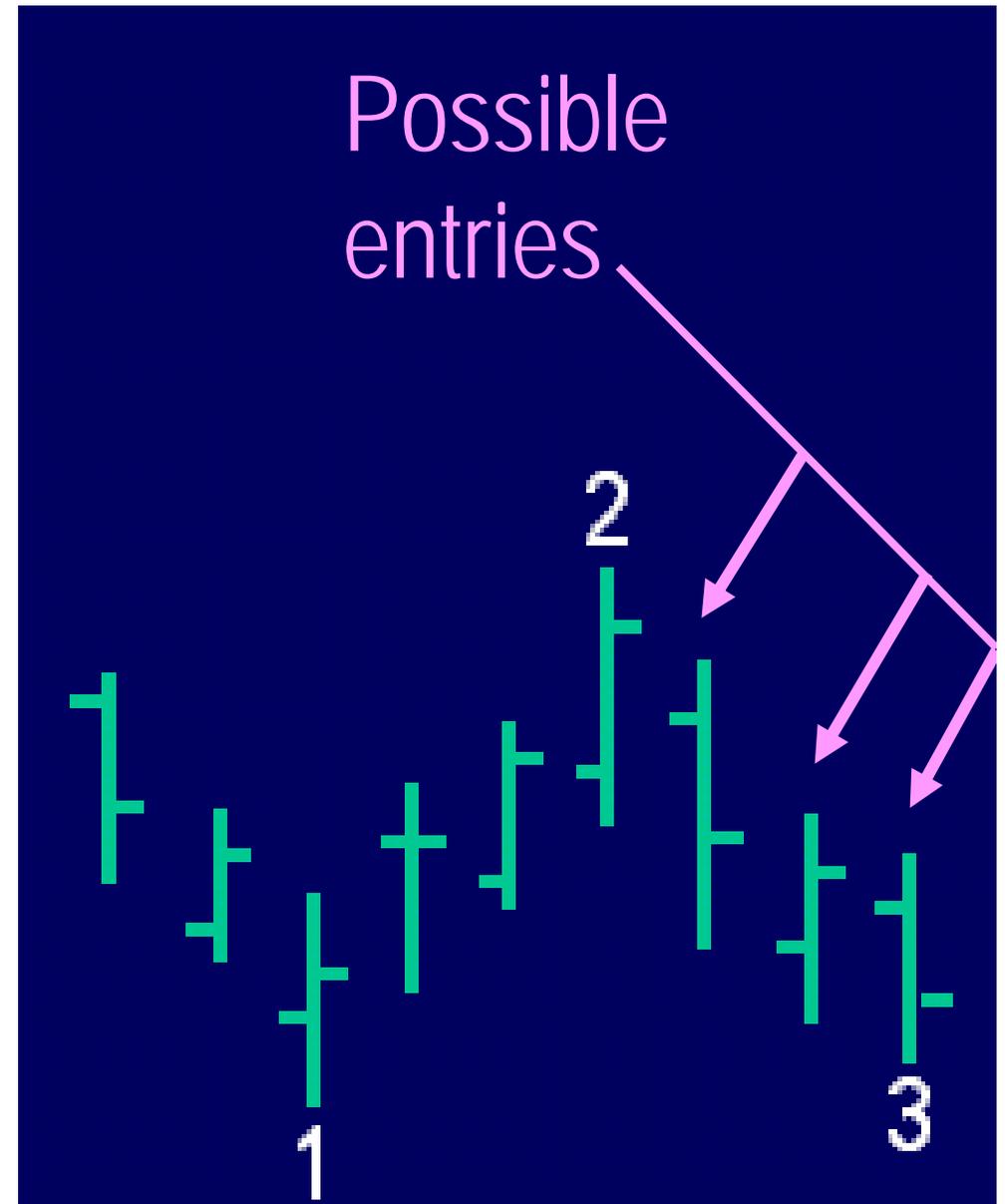
They don't need to make lower lows!



TTE AND 1-2-3 PROVISION #1

The following provision applies:

1. There must be sufficient room between our entry price and the #2 point for us to be able to cover costs and take at least some profit.

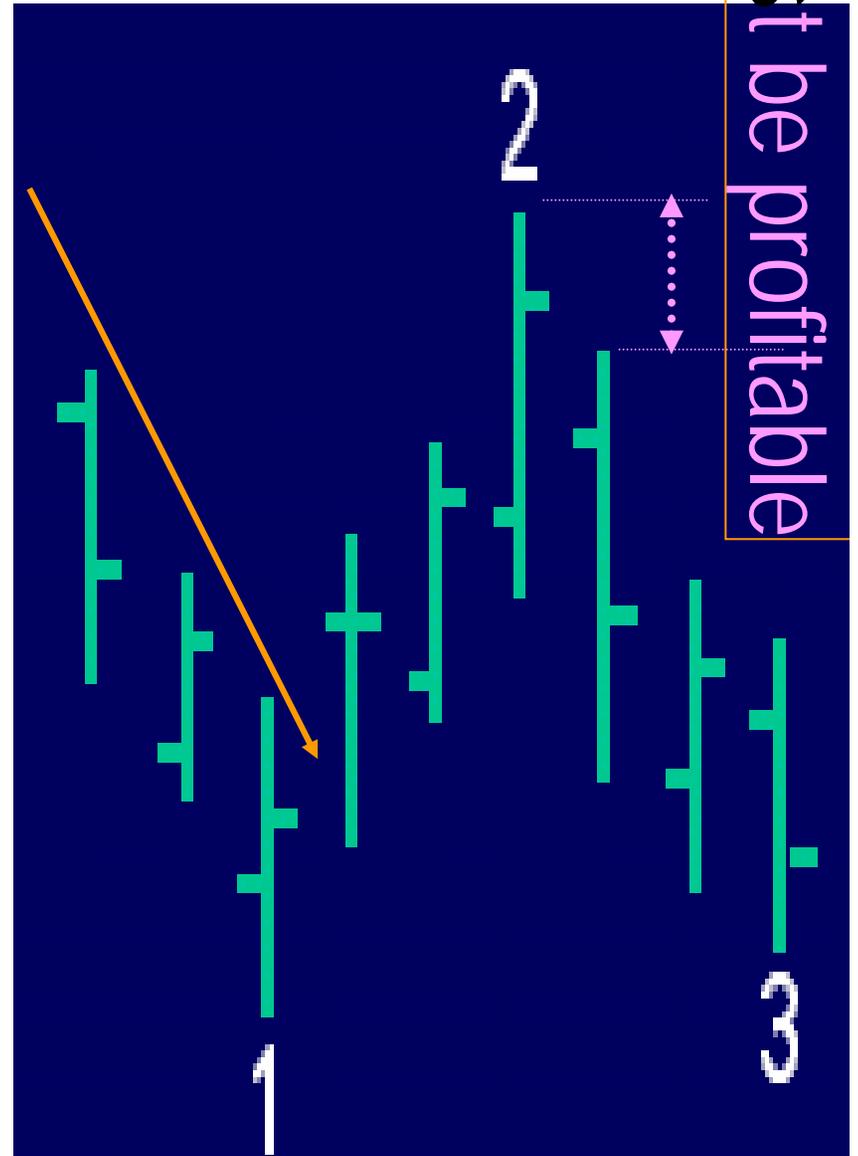


COMMENTS ON PROVISION #1

must be profitable

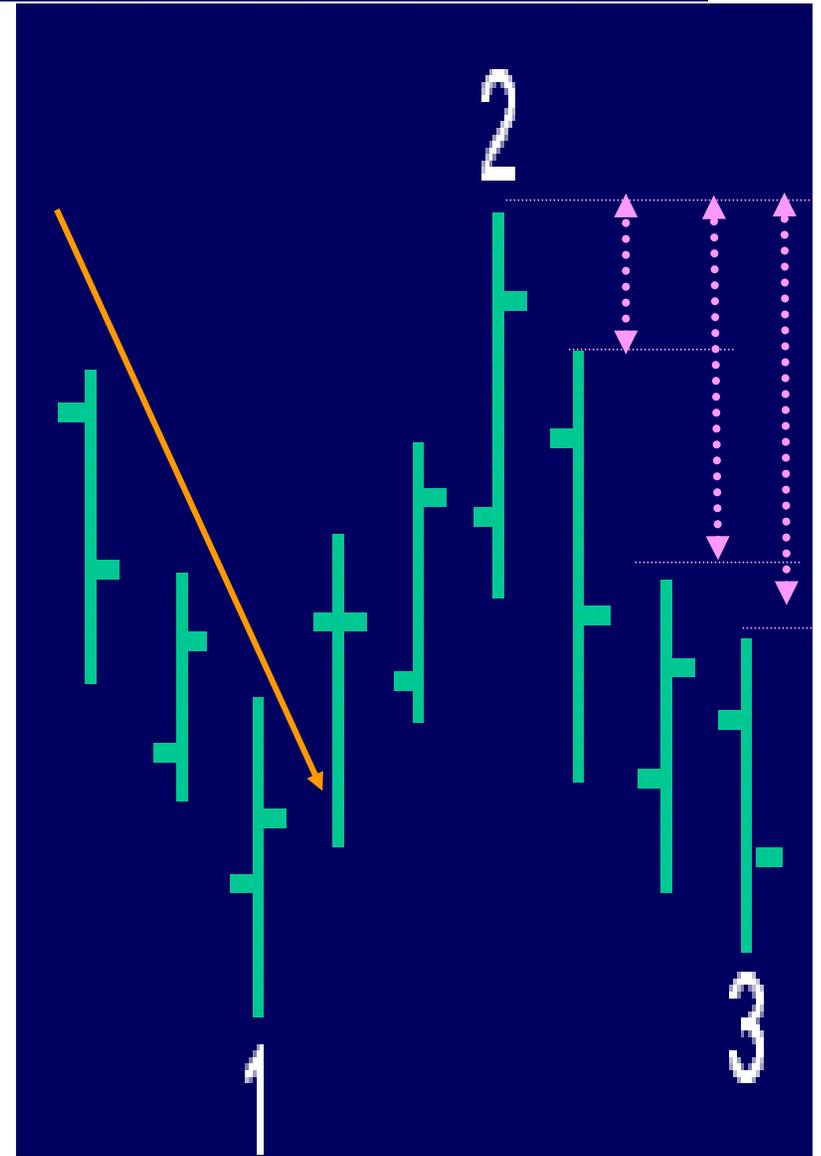
By insisting that there be enough room to cover costs and take some profit, we accomplish two things:

- 1. We get paid to trade.
- 2. If the breakout proves to be false, we will still have had a winning trade and have traded for free.



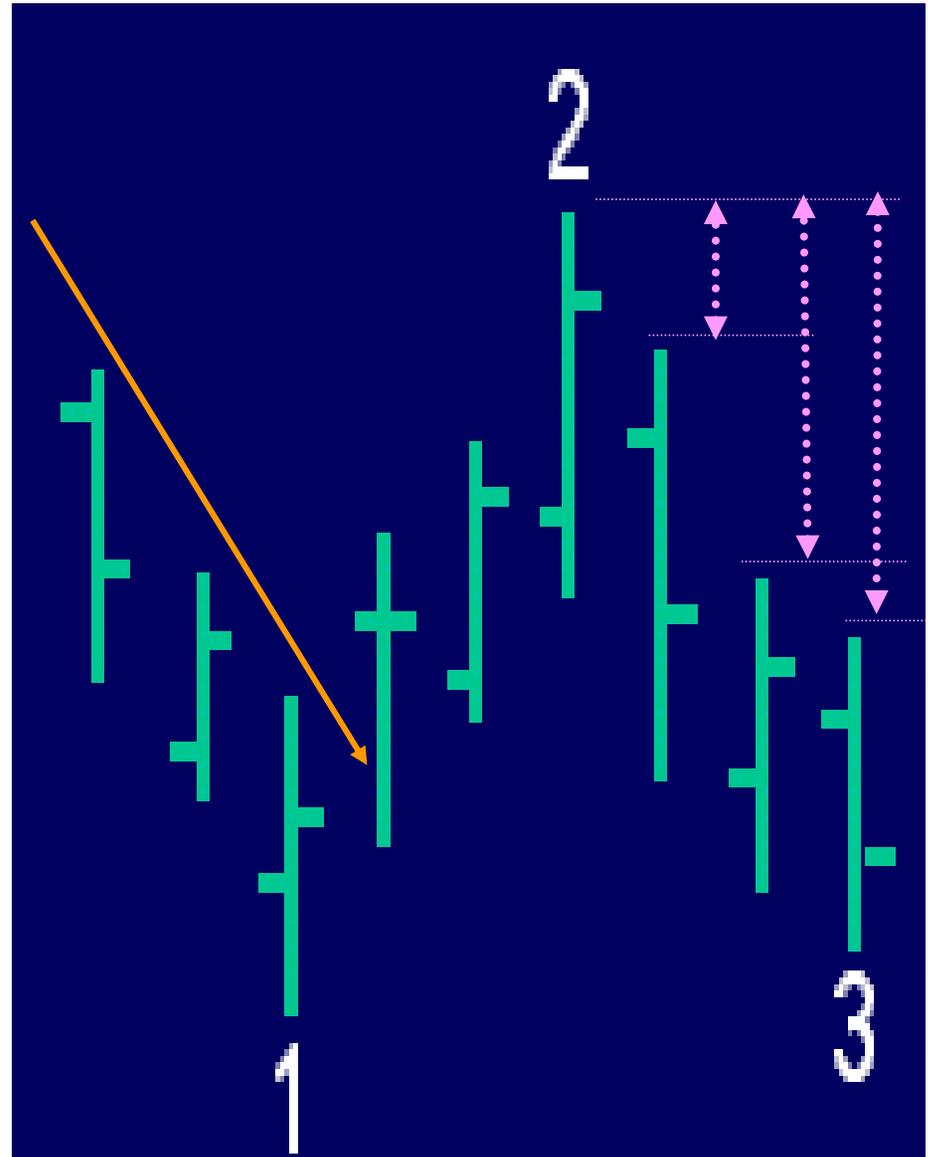
COMMENTS ON PROVISION #1 ctd.

The area between the first dashed line and the #2 point must allow enough room to cover costs and take a profit. If not, then the TTE may occur on any of the two subsequent price bars, if there are any subsequent bars.



COMMENTS ON PROVISION #1 ctd.

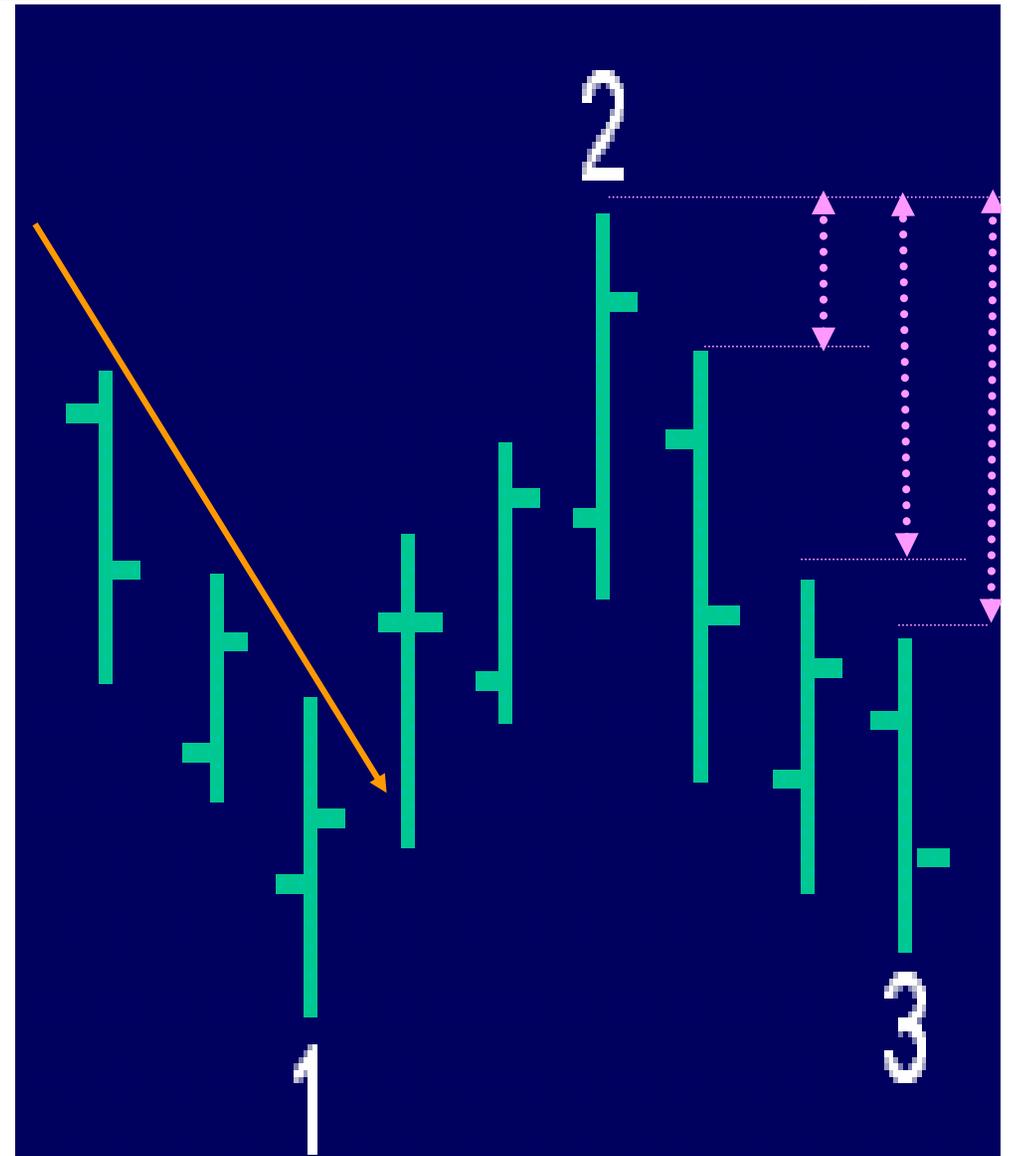
By covering costs and taking a profit prior to prices reaching #2, we in effect get a free trade. If prices go on well beyond #2, we make a very profitable trade. This assumes trading at least two contracts.



TTE AND 1-2-3 PROVISION #2

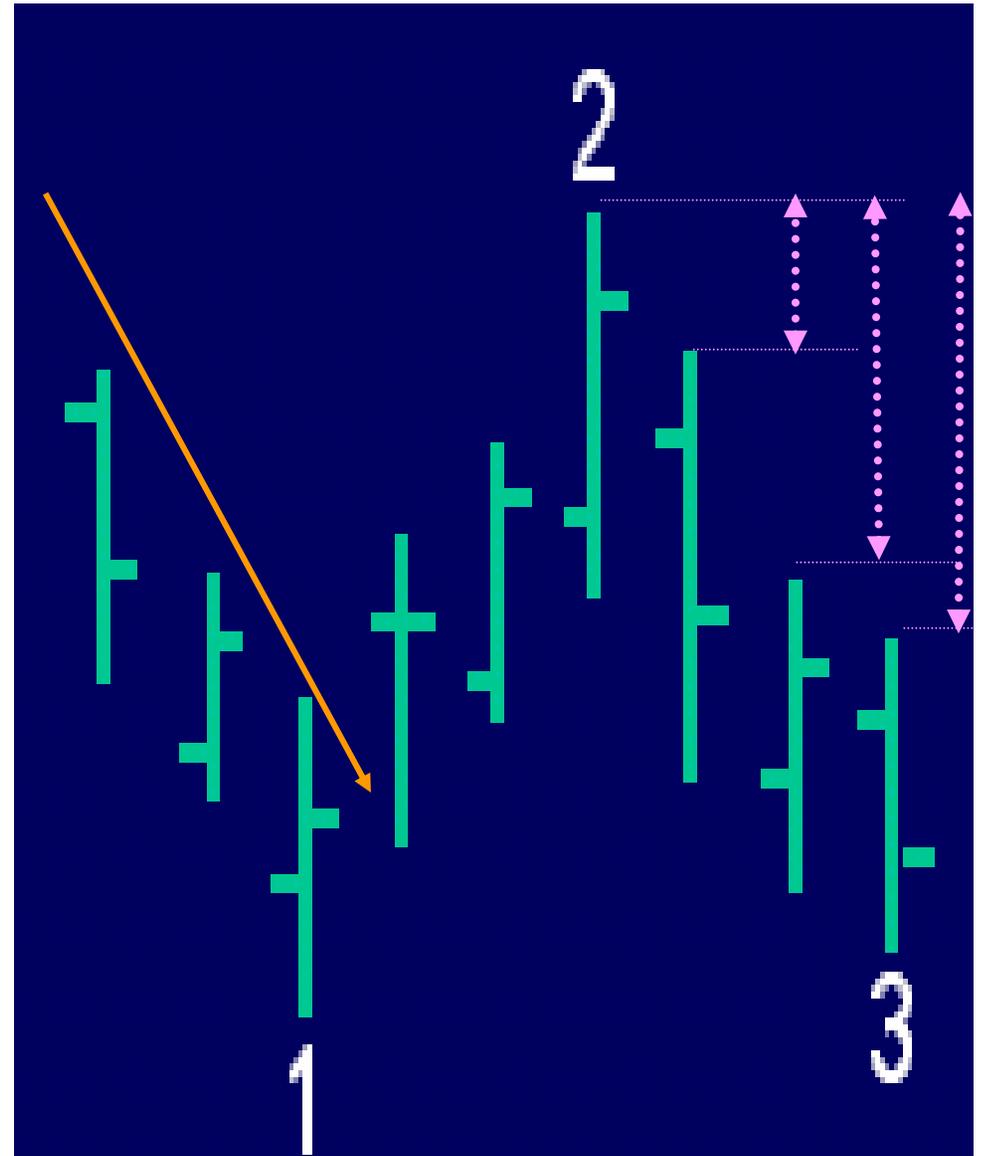
The following provision applies:

2. The 1-2-3 formation must not occur in consolidation. The 1-2-3 formation must occur at the end of a trend.



COMMENTS ON PROVISION #2

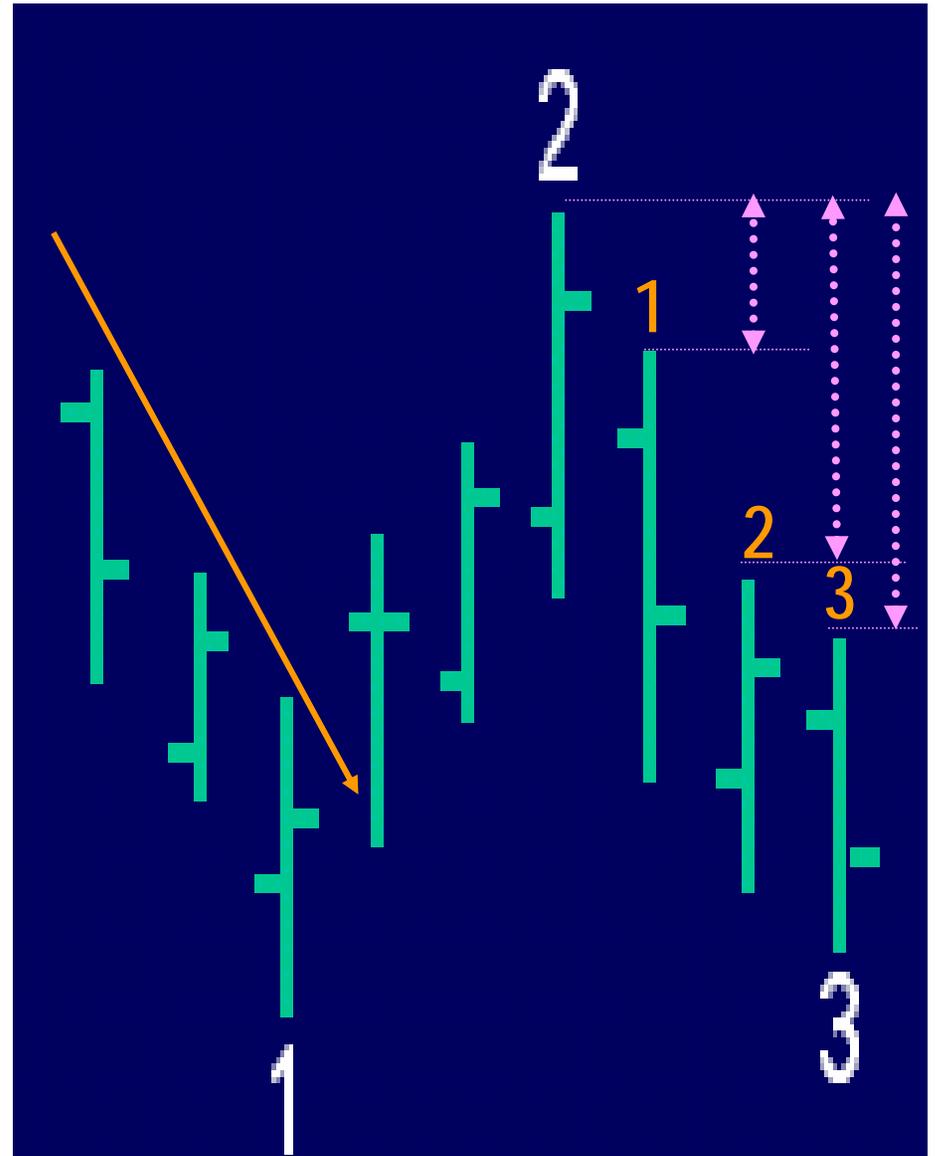
1-2-3 formations in consolidation areas are meaningless. Consolidation areas have them in both directions.



TTE AND 1-2-3 PROVISION #3

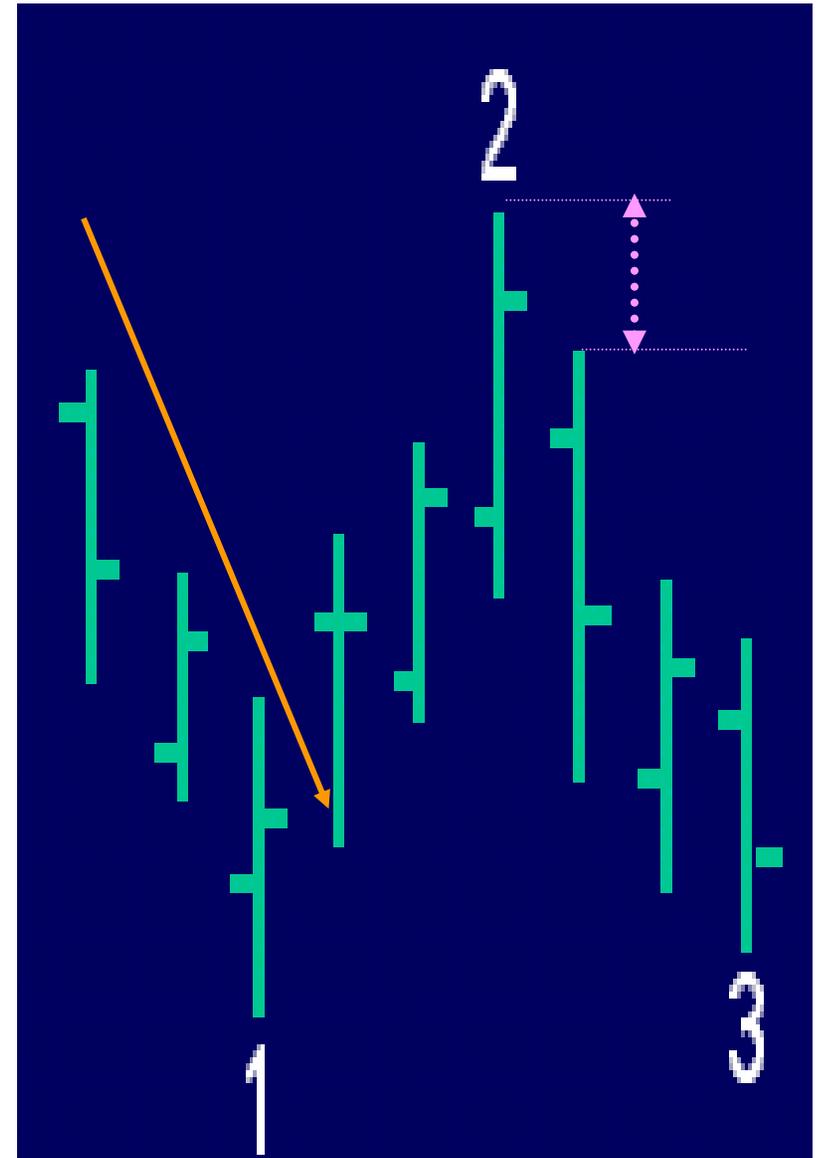
The following provision applies:

3. With only one exception, there cannot be more than 3 bars of correction prior to prices moving toward the #2 point.



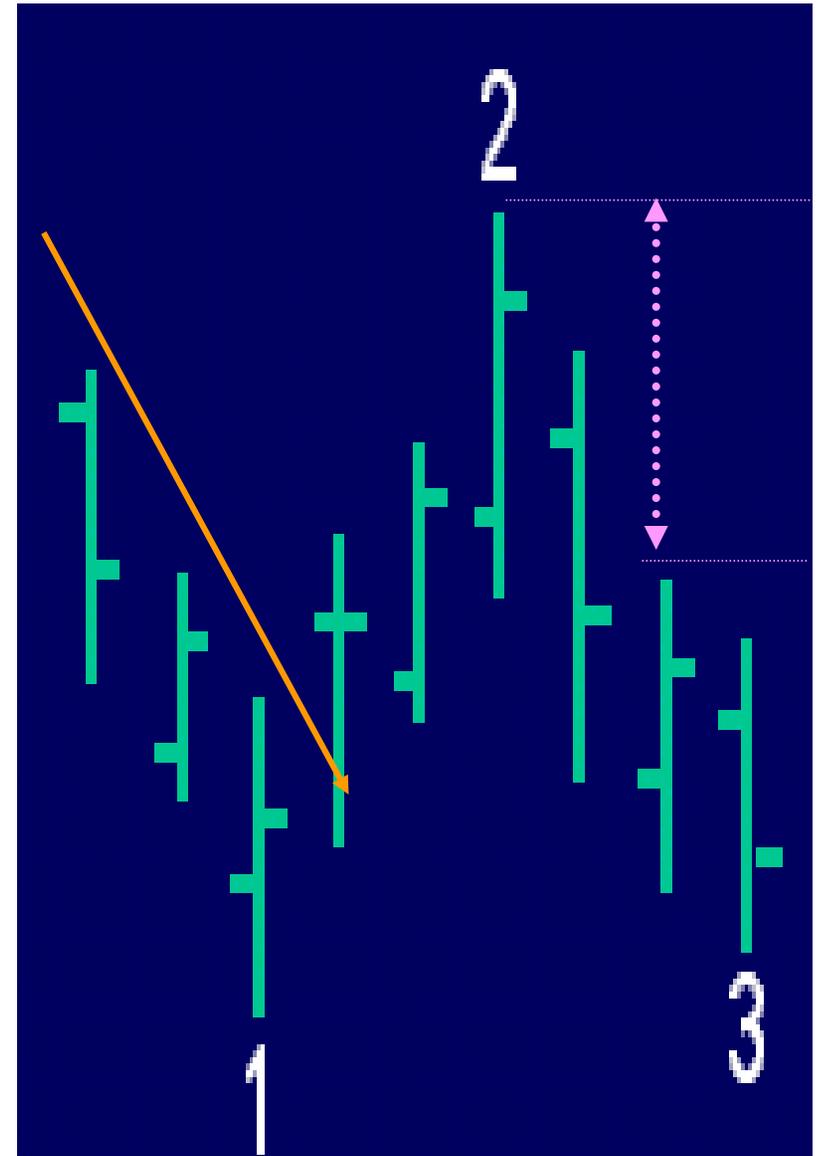
COMMENTS ON PROVISION #3

A violation of the high of the first bar of correction gives the greatest percentage chance of the move continuing beyond the #2 point, but has the least likelihood of having room to cover costs and take a profit.



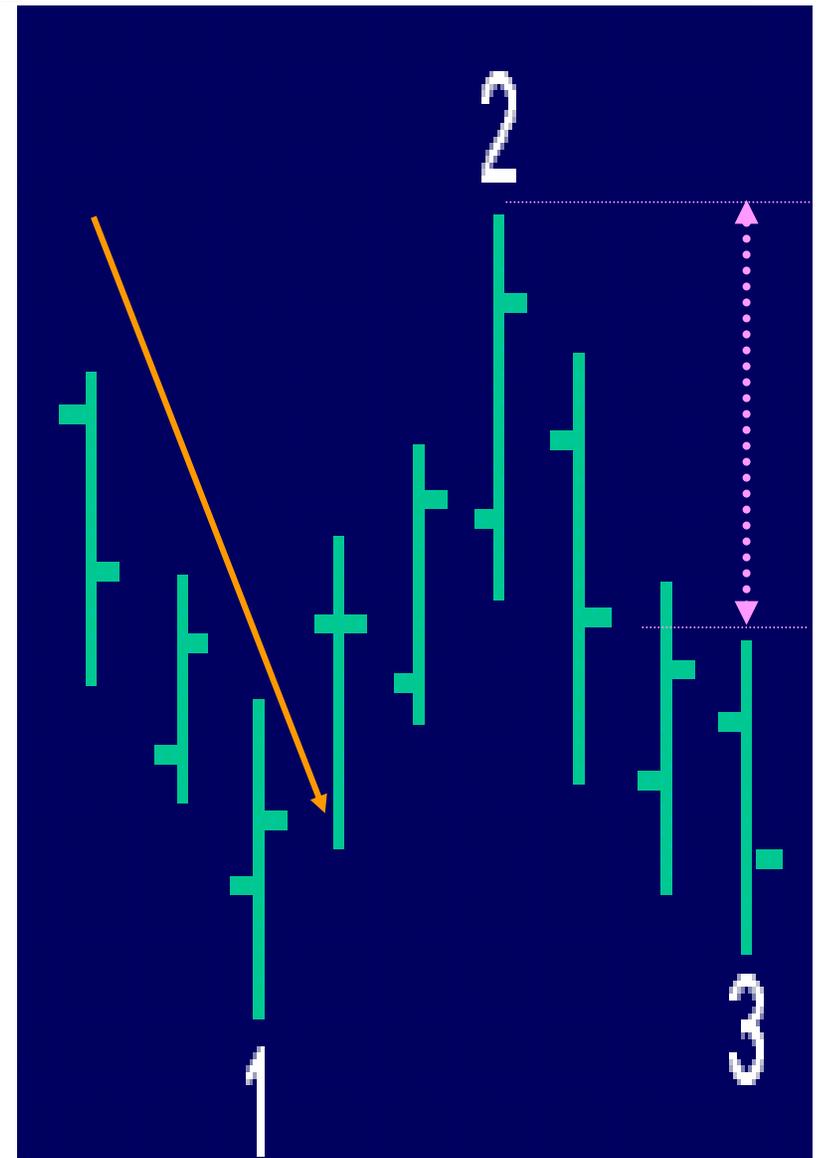
COMMENTS ON PROVISION #3 ctd.

A violation of the high of the second bar of correction gives a lower percentage chance of the move continuing beyond the #2 point, but has a greater likelihood of having room to cover costs and make a profit.



COMMENTS ON PROVISION #3 ctd.

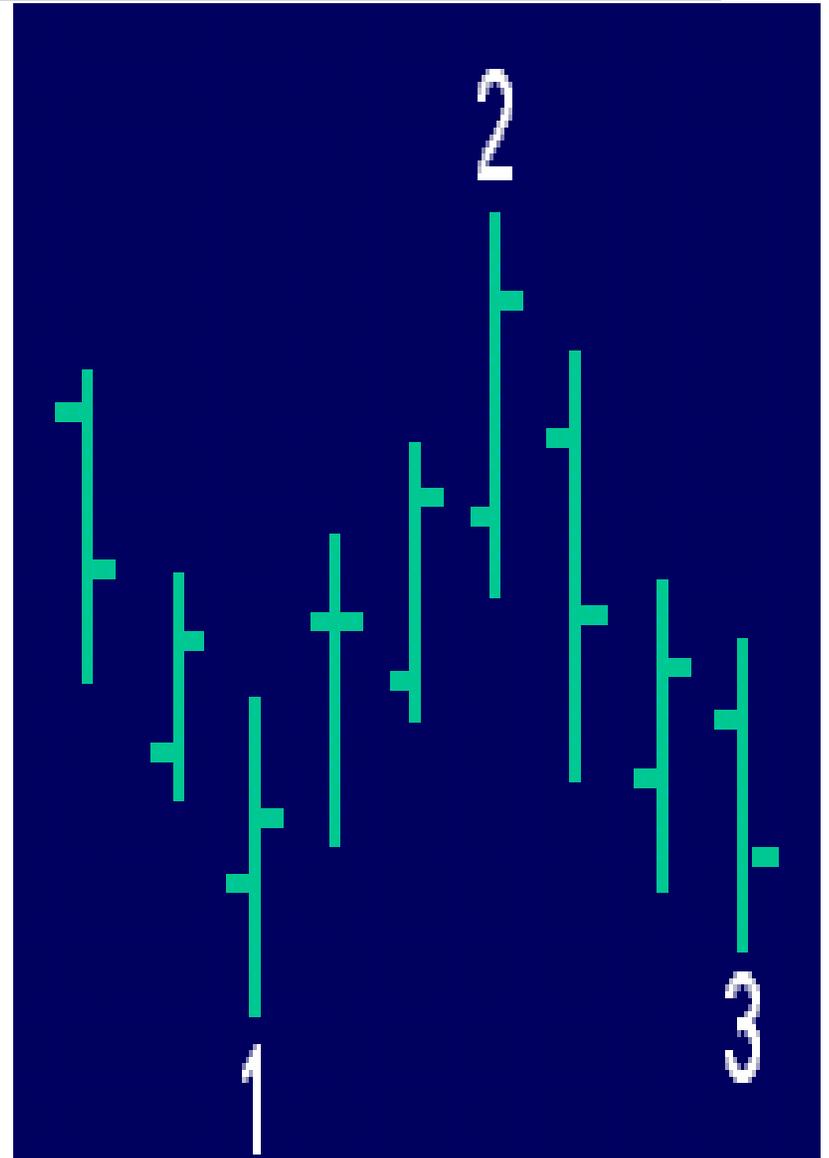
A violation of the high of the third bar of correction gives the lowest percentage chance of the move continuing beyond the #2 point, but has the greatest likelihood of having room to cover costs and take a profit.



COMMENTS ON PROVISION #3 ctd.

Beyond 3 bars of correction, the odds begin to favor consolidation, and so there is no reason to attempt the TTE.

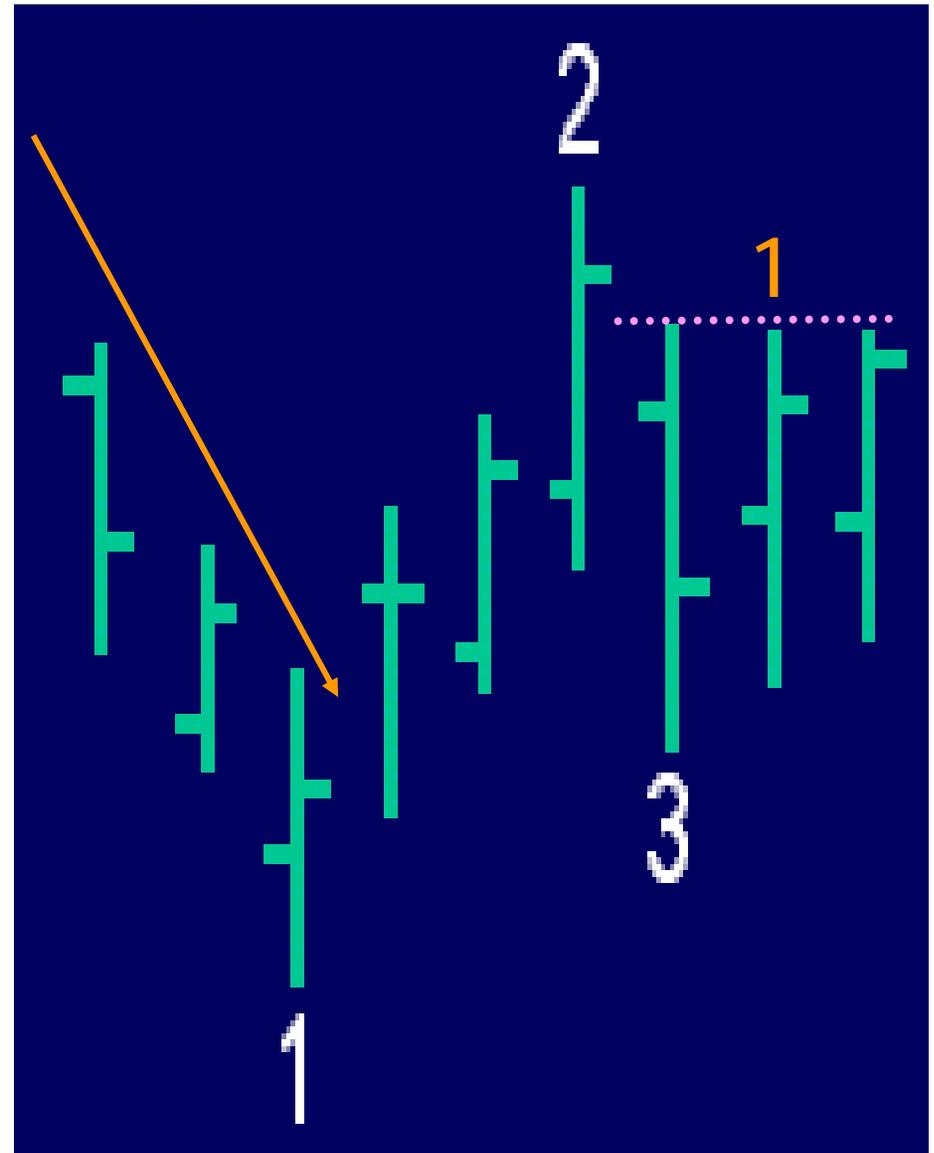
We said there is an exception to this rule. It begins on the next slide.



COMMENTS ON PROVISION #3 ctd.

The exception to the rule about 3 bars concerns double and triple highs (double and triple lows).

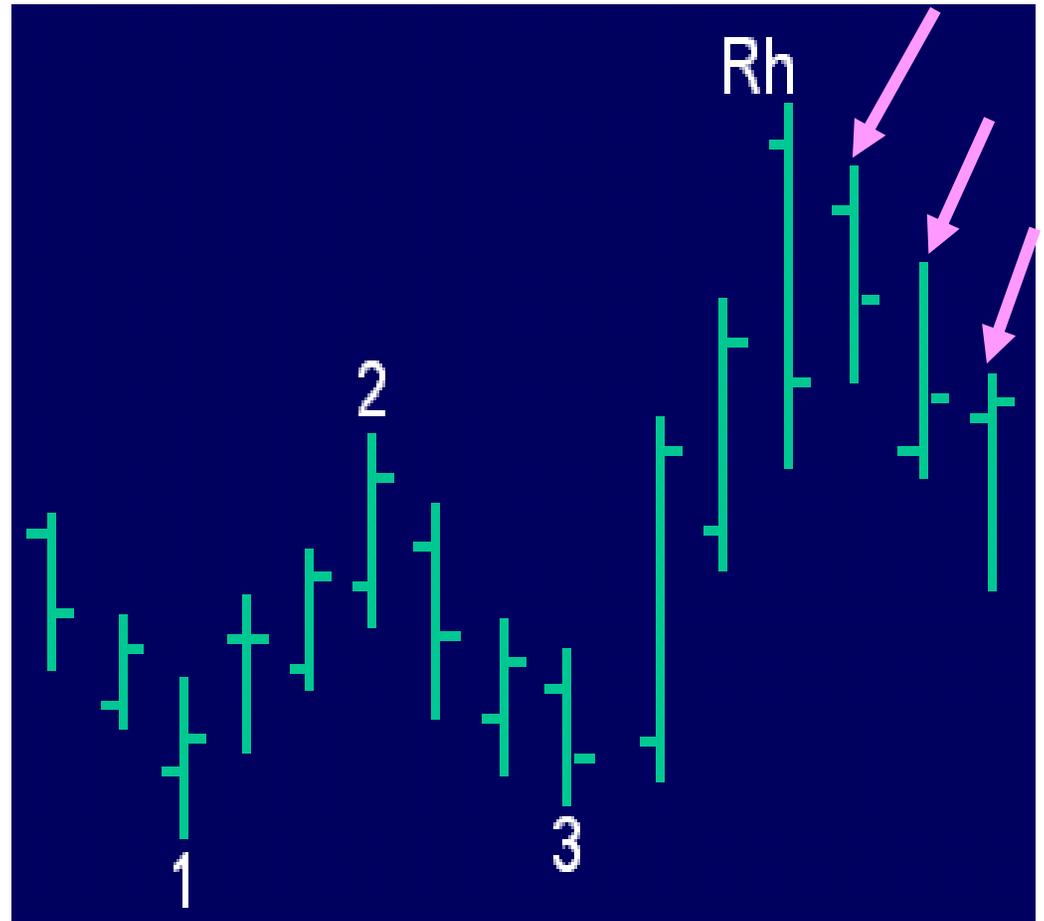
In the case of a triple high (low) the *three* bars count as only *one* correcting bar.



TTE AND ROSS HOOKS

HOOKS

- Once a Ross hook is in place, we want to buy a violation of the high of any of the correcting bars that form subsequent to the point of the hook (Rh).



TTE AND ROSS HOOKS ctd.

HOOKS

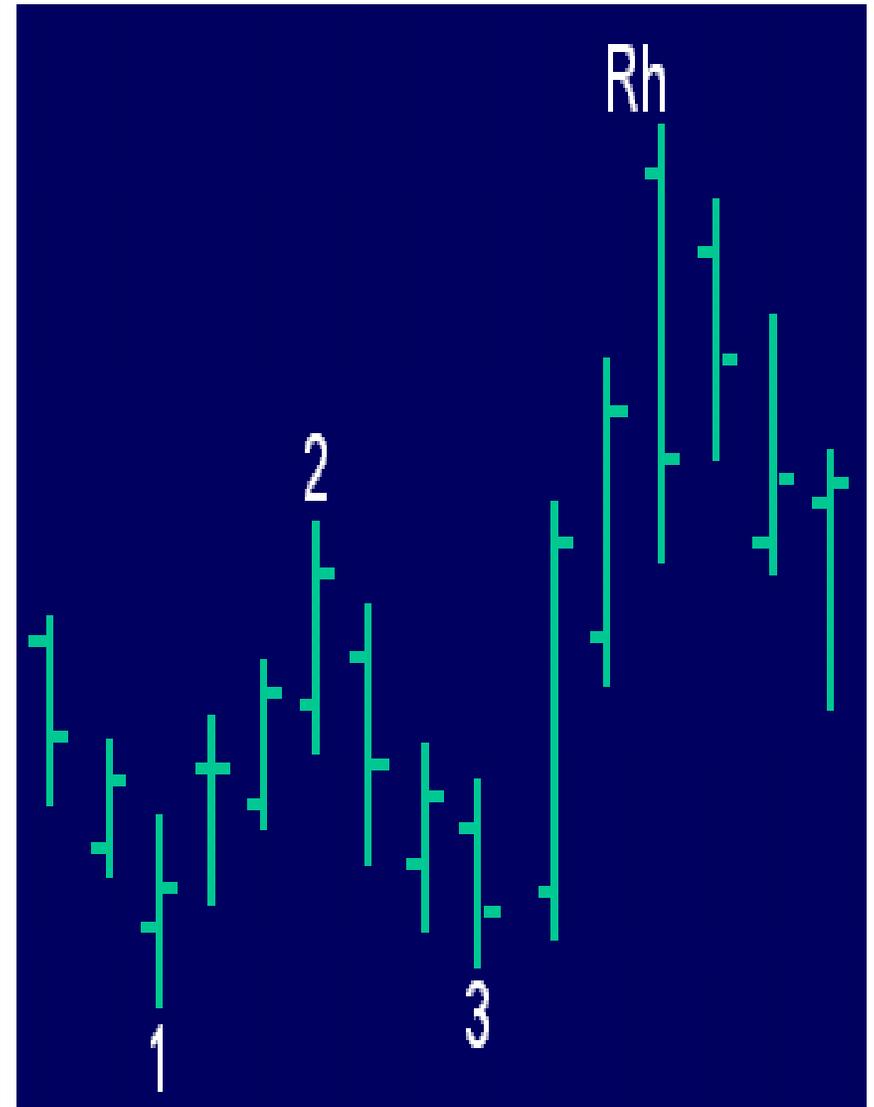
Correcting bars are the bars subsequent to the Rh point and are correcting as long as they make lower highs.



TTE AND ROSS HOOKS PROVISION #1

The following provision applies:

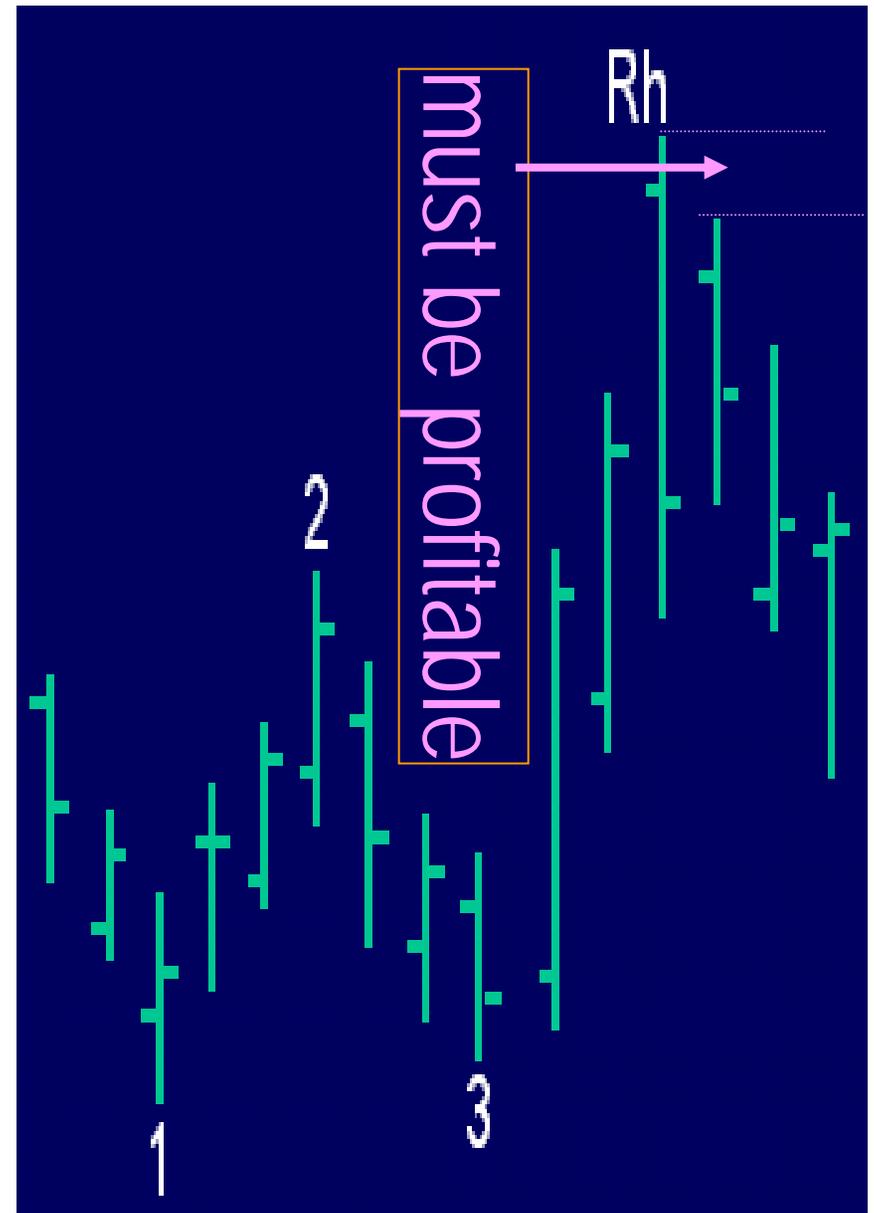
1. There must be sufficient room between our entry price and the Rh point for us to be able to cover costs and take at least some profit.



COMMENTS ON PROVISION #1

By insisting that there be enough room to cover costs and take some profit we accomplish two things:

- a. We get paid to trade.
- b. If the breakout proves to be false we will still have had a winning trade and a free trade as well.



COMMENTS ON PROVISION #1 ctd.

The area between the first dashed line and the Rh point must allow enough room to cover costs and take a profit. If not, then the TTE may occur on any of the two subsequent price bars, if there are any subsequent bars.



COMMENTS ON PROVISION #1 ctd.

By covering costs and taking a profit prior to prices reaching R_h , we in effect get a free trade. If prices go on well beyond R_h , we make a very profitable trade. This assumes trading at least two contracts.



TTE AND RH PROVISION #2

The following provision applies:
2. The Rh formation must occur subsequent to the violation of the #2 point of a 1-2-3 formation, a Consolidation, or a Ledge.



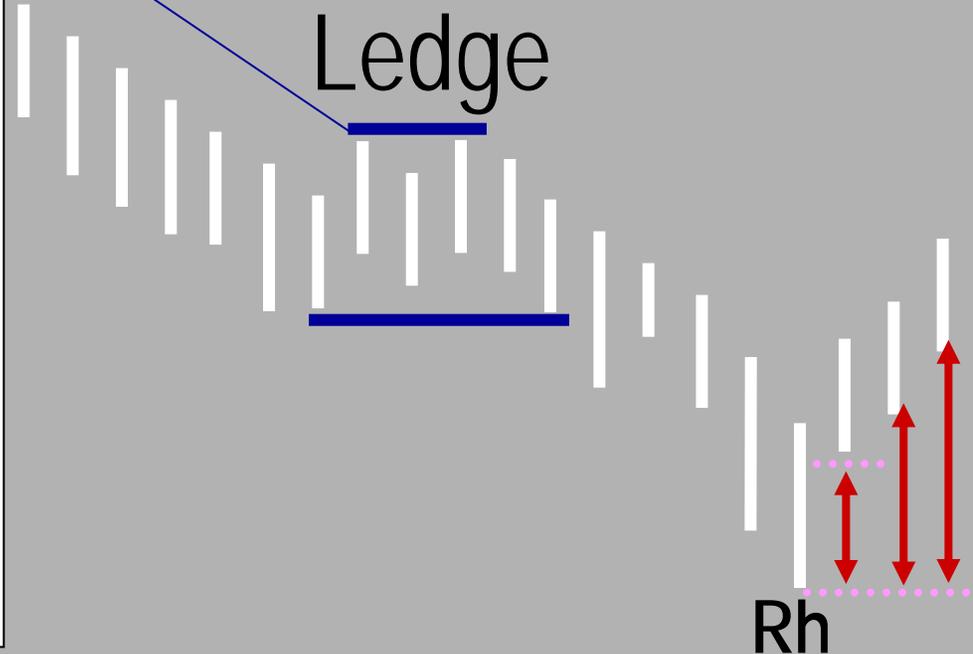
COMMENTS ON PROVISION #2

A violation of the #2 point of a 1-2-3 low (high) defines a trend. A subsequent violation of an Rh establishes a trend.



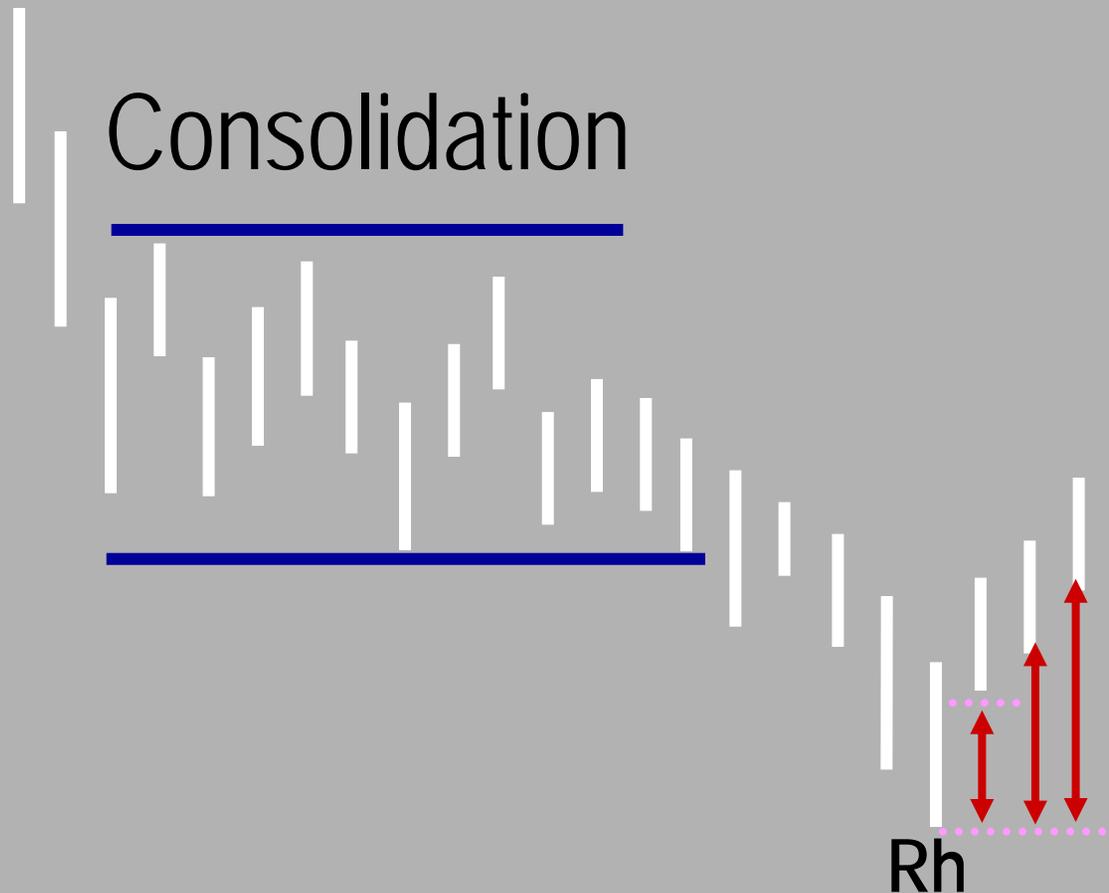
COMMENTS ON PROVISION 2 ctd.

A violation of a Ledge re-defines a trend, since a Ledge can occur only in an existing trend. A subsequent violation of an Rh re-establishes a trend.



COMMENTS ON PROVISION 2 ctd.

A violation of Consolidation defines a trend. A subsequent violation of an Rh establishes a trend.



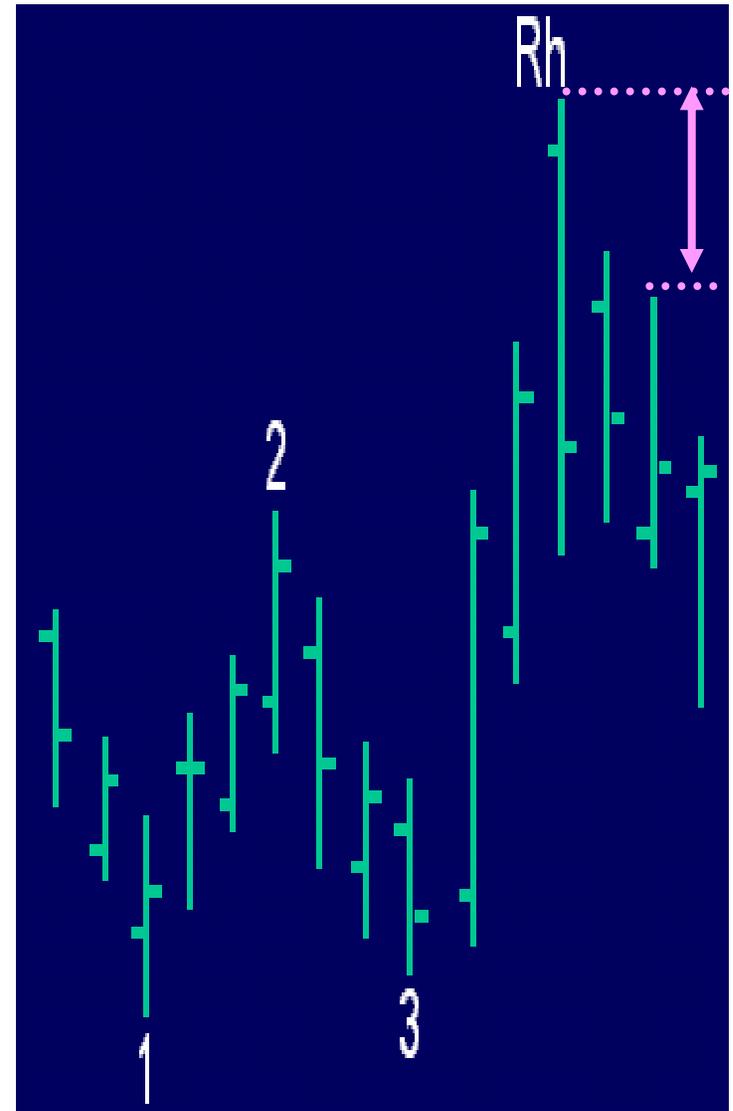
COMMENTS ON PROVISION #3

A violation of the high of the first bar of correction gives the greatest percentage chance of the move continuing beyond the Rh point, but has the least likelihood of having room to cover costs and take a profit.



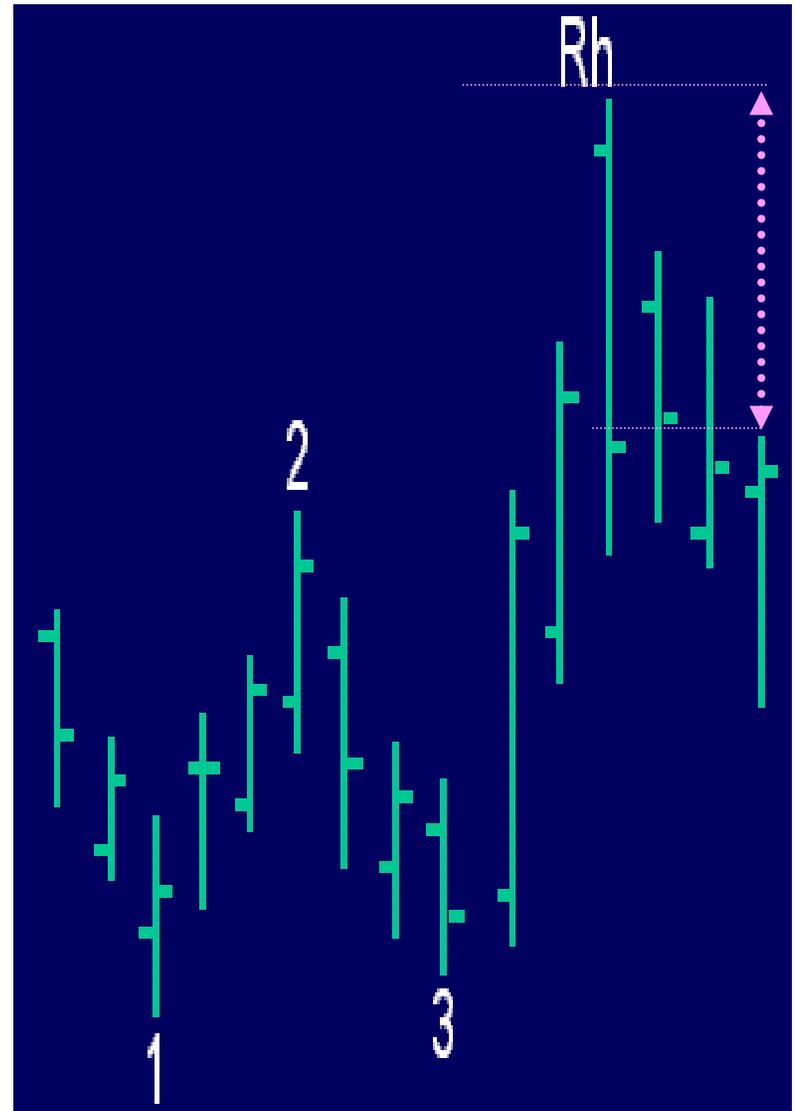
COMMENTS ON PROVISION #3 ctd.

A violation of the high of the second bar of correction gives a lower percentage chance of the move continuing beyond the Rh point, but has a greater likelihood of having room to cover costs and take a profit.



COMMENTS ON PROVISION #3 ctd.

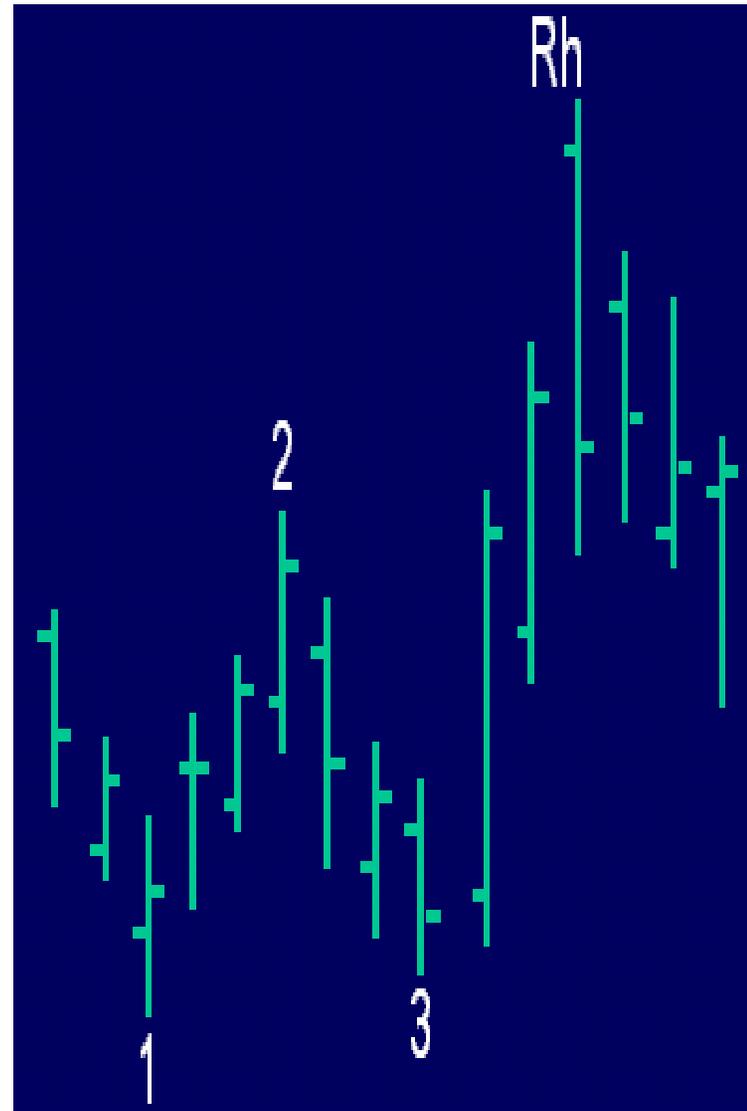
A violation of the high of the third bar of correction gives the lowest percentage chance of the move continuing beyond the Rh point, but has the greatest likelihood of having room to cover costs and take a profit.



COMMENTS ON PROVISION #3 ctd.

Beyond 3 bars of correction, the odds begin to favor consolidation, and so there is no reason to attempt the TTE.

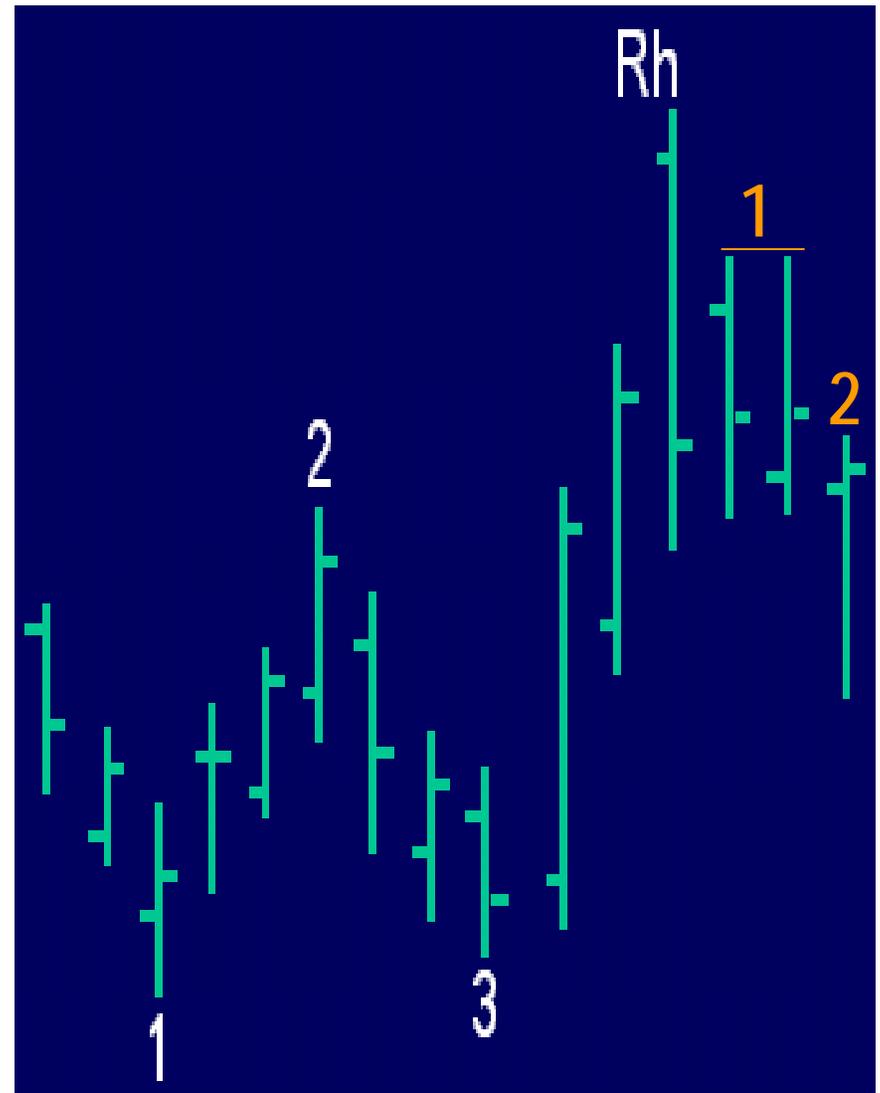
We said there is an exception to this rule. It begins on the next slide.



COMMENTS ON PROVISION #3 ctd.

The exception to the rule about 3 bars concerns double and triple highs (double and triple lows).

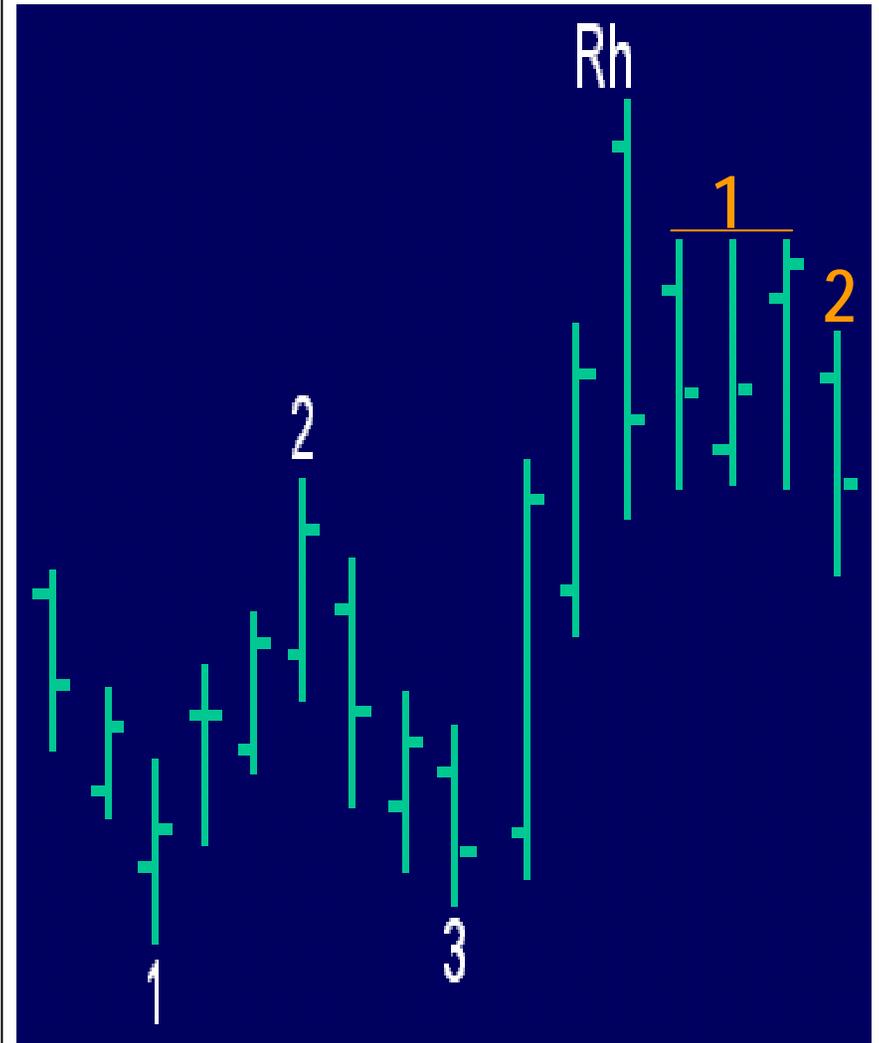
In the case of a double high (low) the *two* bars count as only *one* correcting bar.



COMMENTS ON PROVISION #3 ctd.

The exception to the rule about 3 bars concerns double and triple highs (double and triple lows).

In the case of a triple high (low) the *three* bars count as only *one* correcting bar.



HOW TO TRADE THE TTE

Trading the TTE has very simple rules:

1. Be sure that the 1-2-3 formation is not occurring in a consolidation, and that the Rh is following a 1-2-3, Ledge, or Consolidation.



HOW TO TRADE THE TTE ctd.

Trading the TTE has very simple rules:

2. As soon as a #2 or Rh point is evident on the chart, prepare to enter an order 1 tick above (or below) the extreme of the correcting price bar.



HOW TO TRADE THE TTE ctd.

Trading the TTE has very simple rules:

3. As prices move away from the #2 or Rh points, move your entry stop to one tick beyond the extreme of the correcting bar.



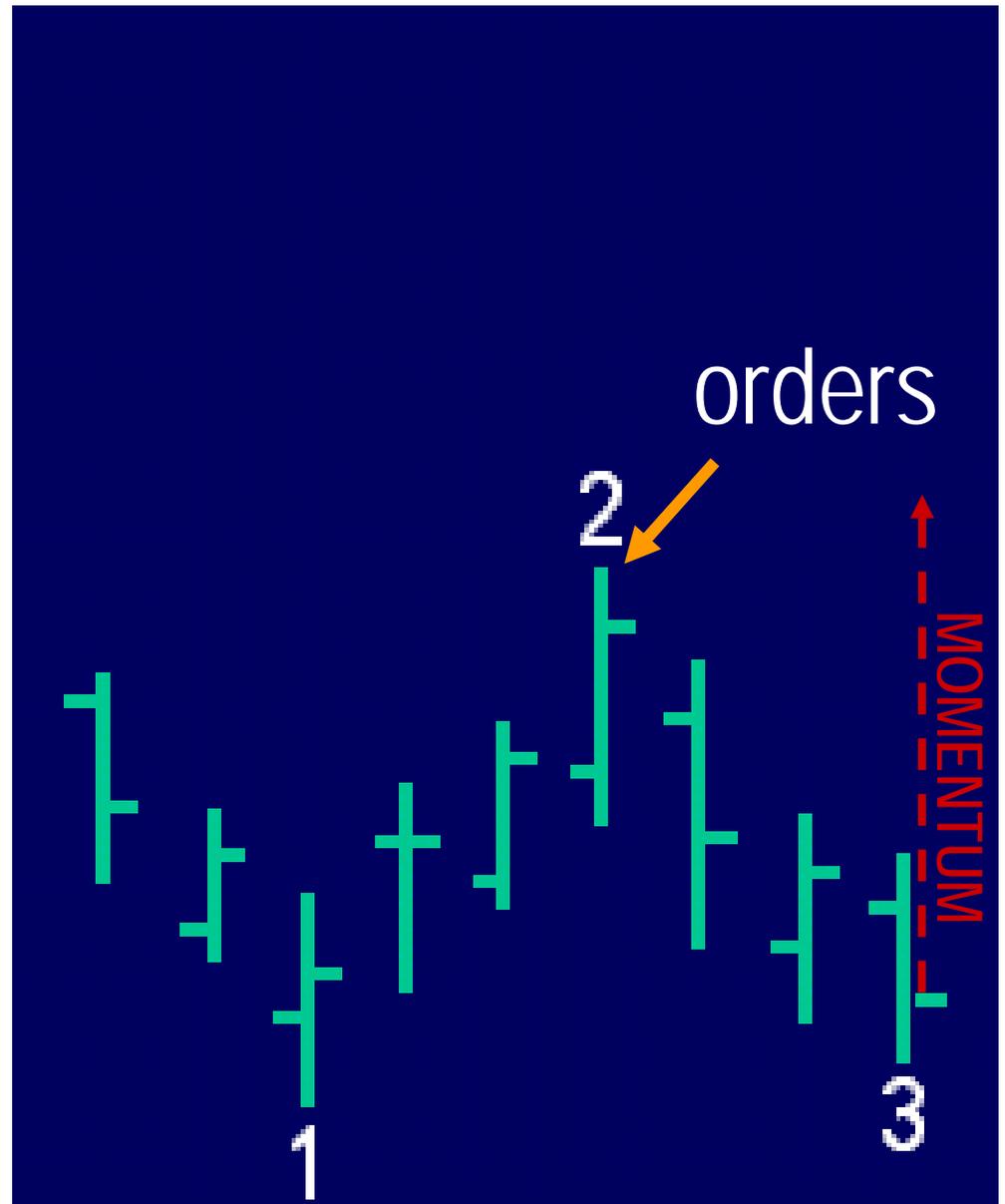
HOW TO TRADE THE TTE ctd.

Although we've shown you upward movement of prices for the most part, the same rules apply to downward movements of price from 1-2-3 highs, and downside breakouts of Ledges and Consolidations.



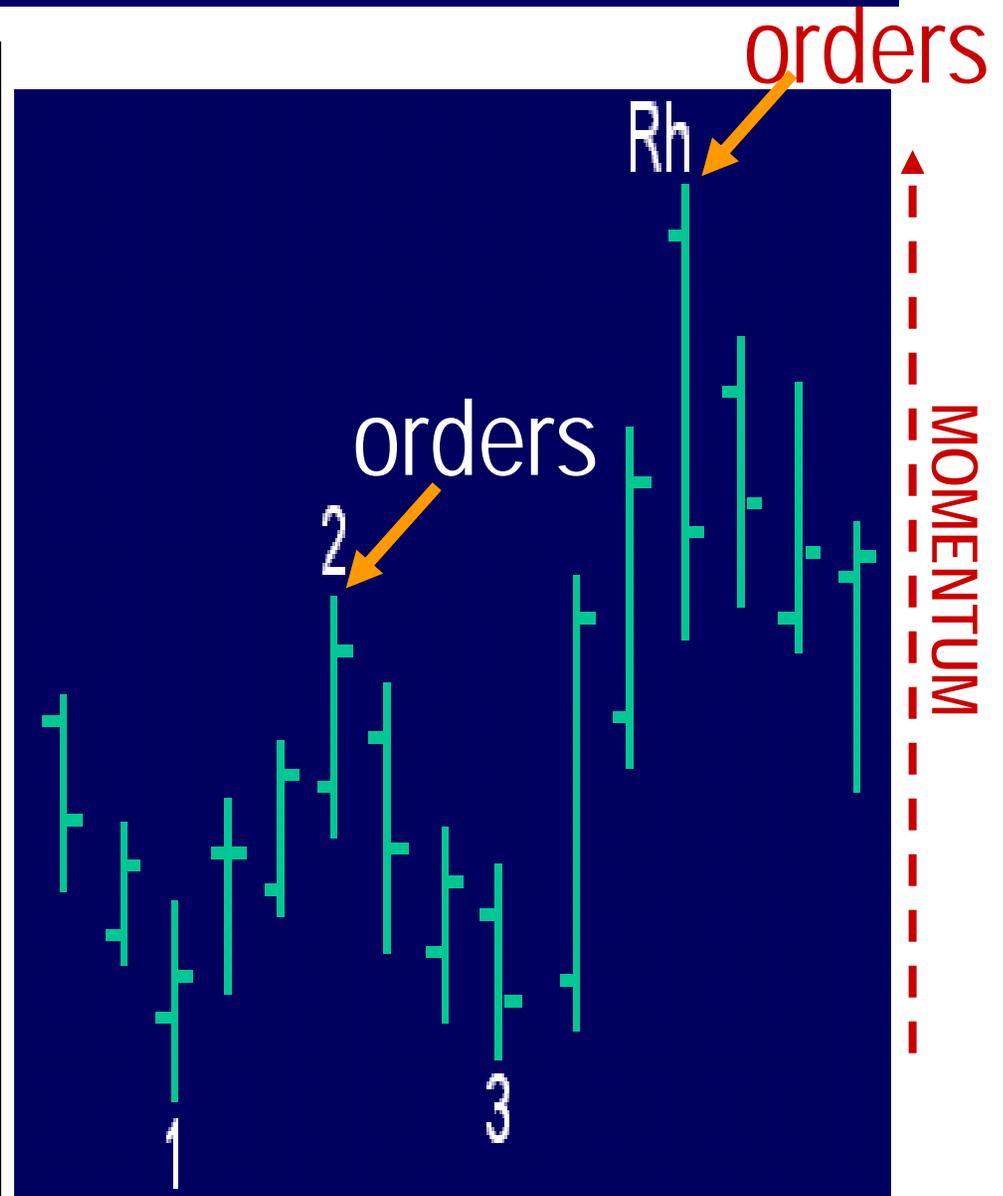
FINAL COMMENTS ON THE TTE

At the beginning of this lesson we said, "For a pro to be able to stop us from shadowing his moves, he would have to sabotage himself. You'll see why shortly."



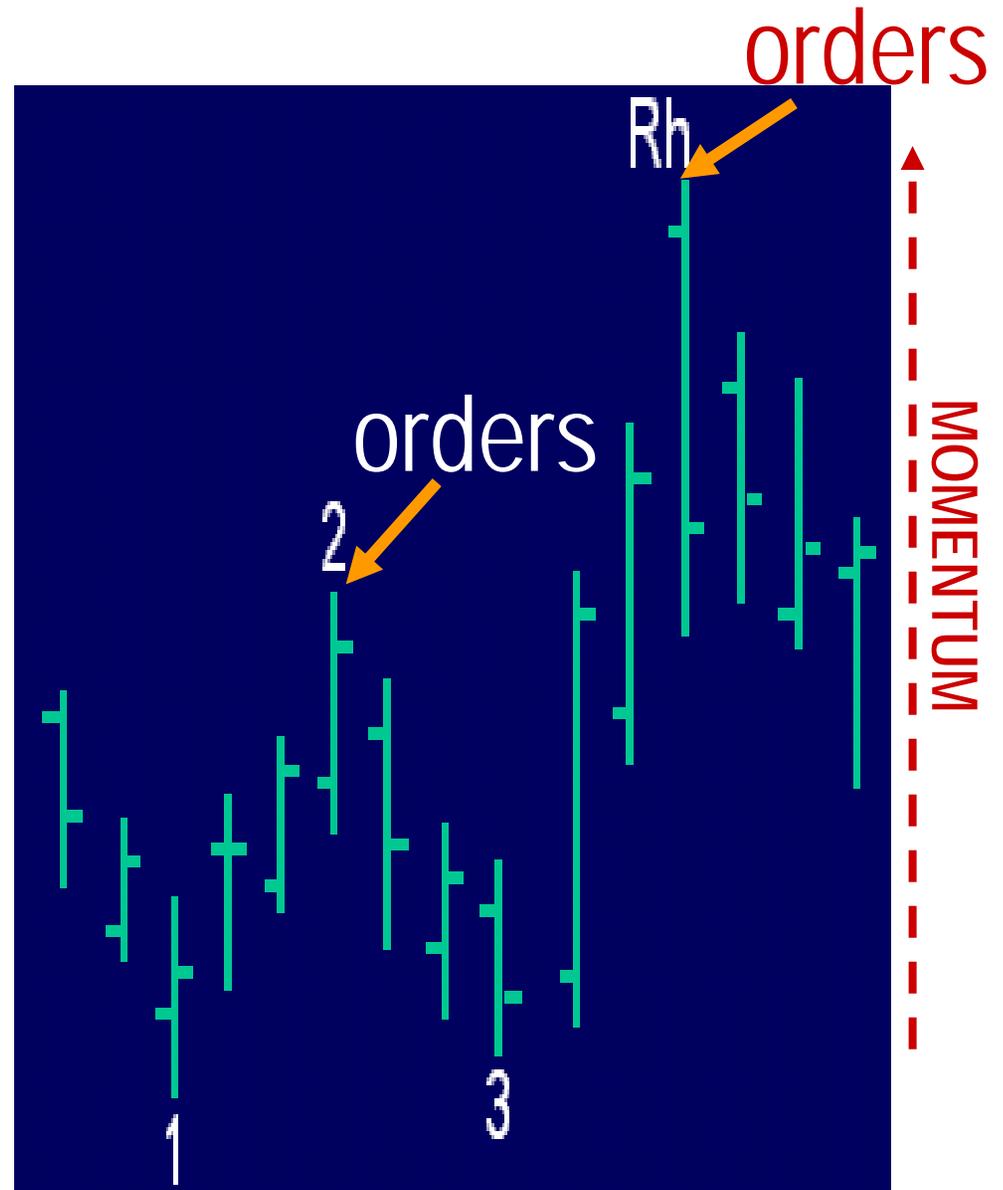
FINAL COMMENTS ON THE TTE ctd.

The fact is, for the market mover to be able to stop us, he must stop his own momentum as he moves prices towards the orders bunched above the # 2 point or the Rh. He's not likely to do that.



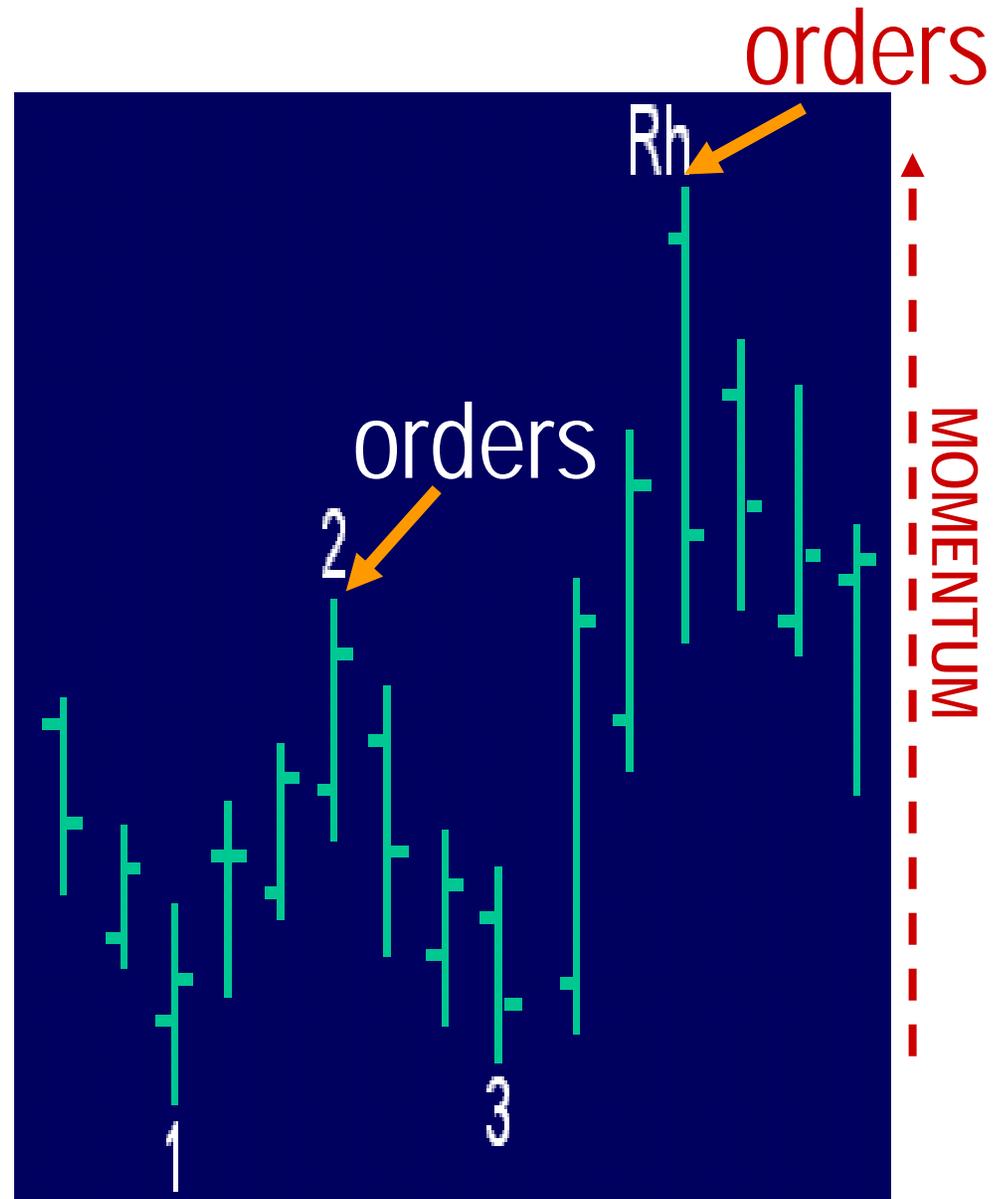
FINAL COMMENTS ON THE TTE ctd.

When trading the TTE we have an additional factor working in our favor, and that is the propensity of the Fibonacci traders to buy (or sell) .382, .500, and .618 retracements of price.



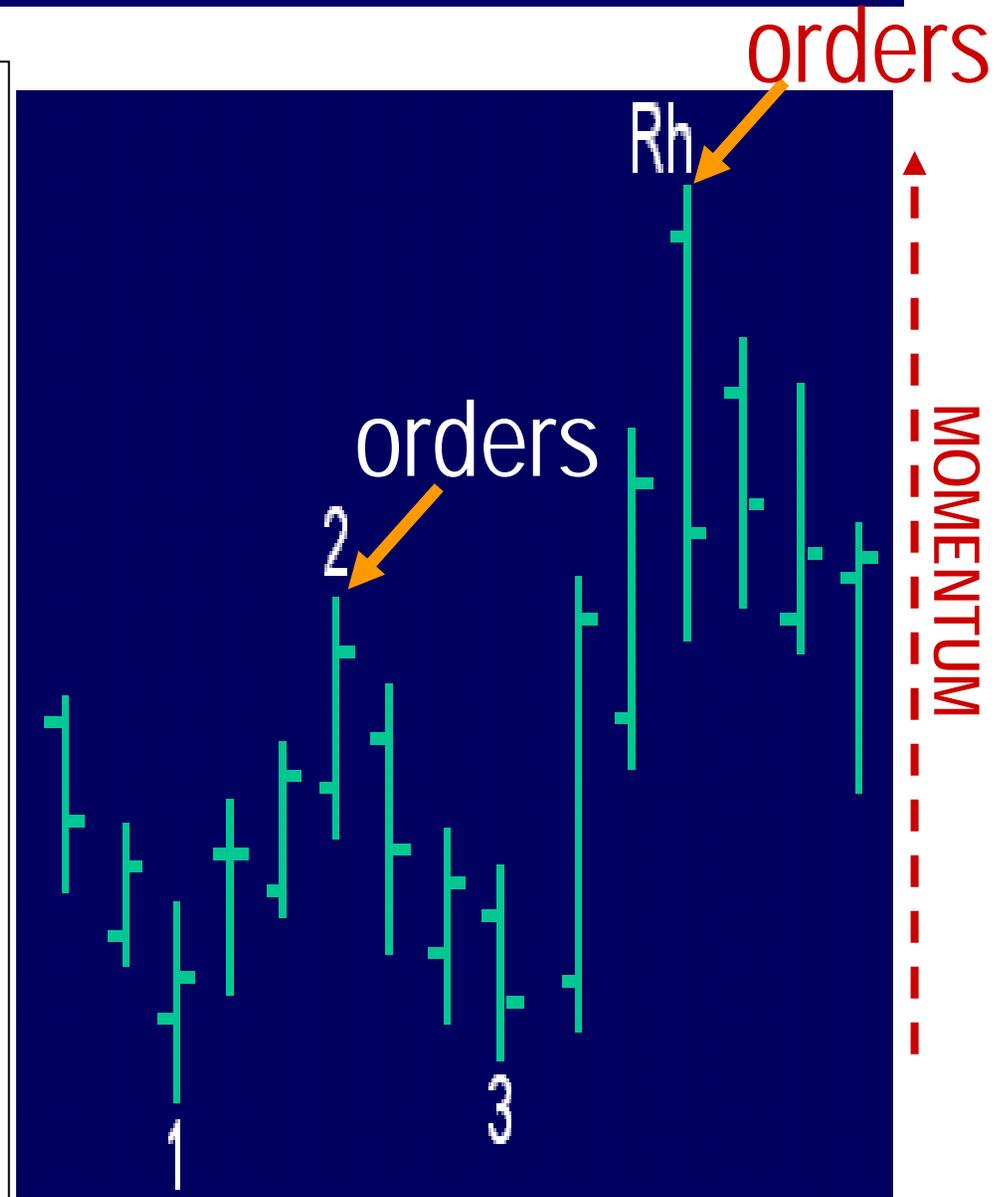
FINAL COMMENTS ON THE TTE ctd.

Not only do we gain momentum of price movement towards the #2 or Rh points from the market mover, but buying by the Fibonacci traders enhances that momentum. But we're not done yet.



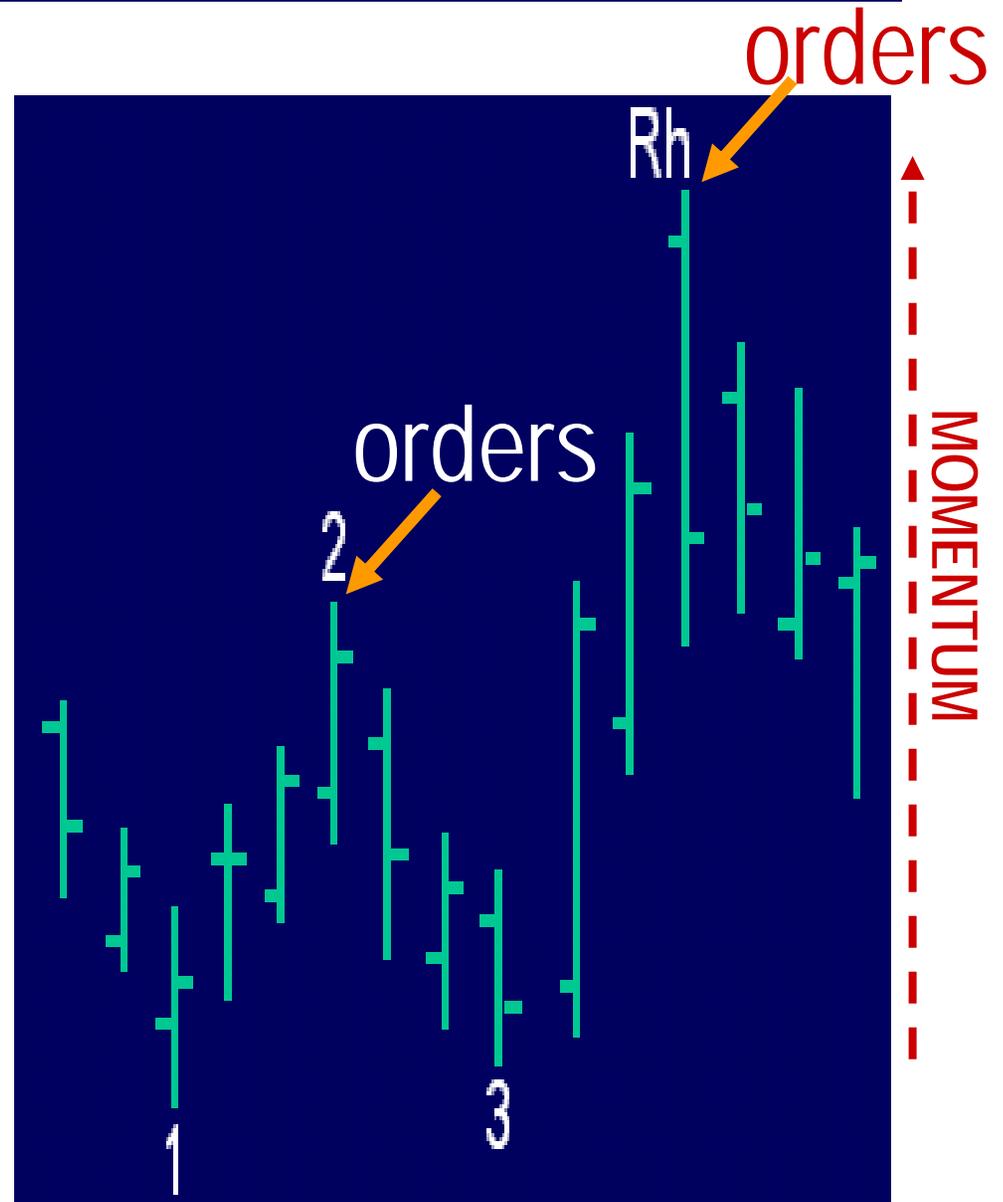
FINAL COMMENTS ON THE TTE ctd.

We also gain momentum from another group of retracement traders, the Gann traders. Gann traders tend to buy $1/3^{\text{rd}}$, $1/2$ and $2/3^{\text{rds}}$ price retracements.



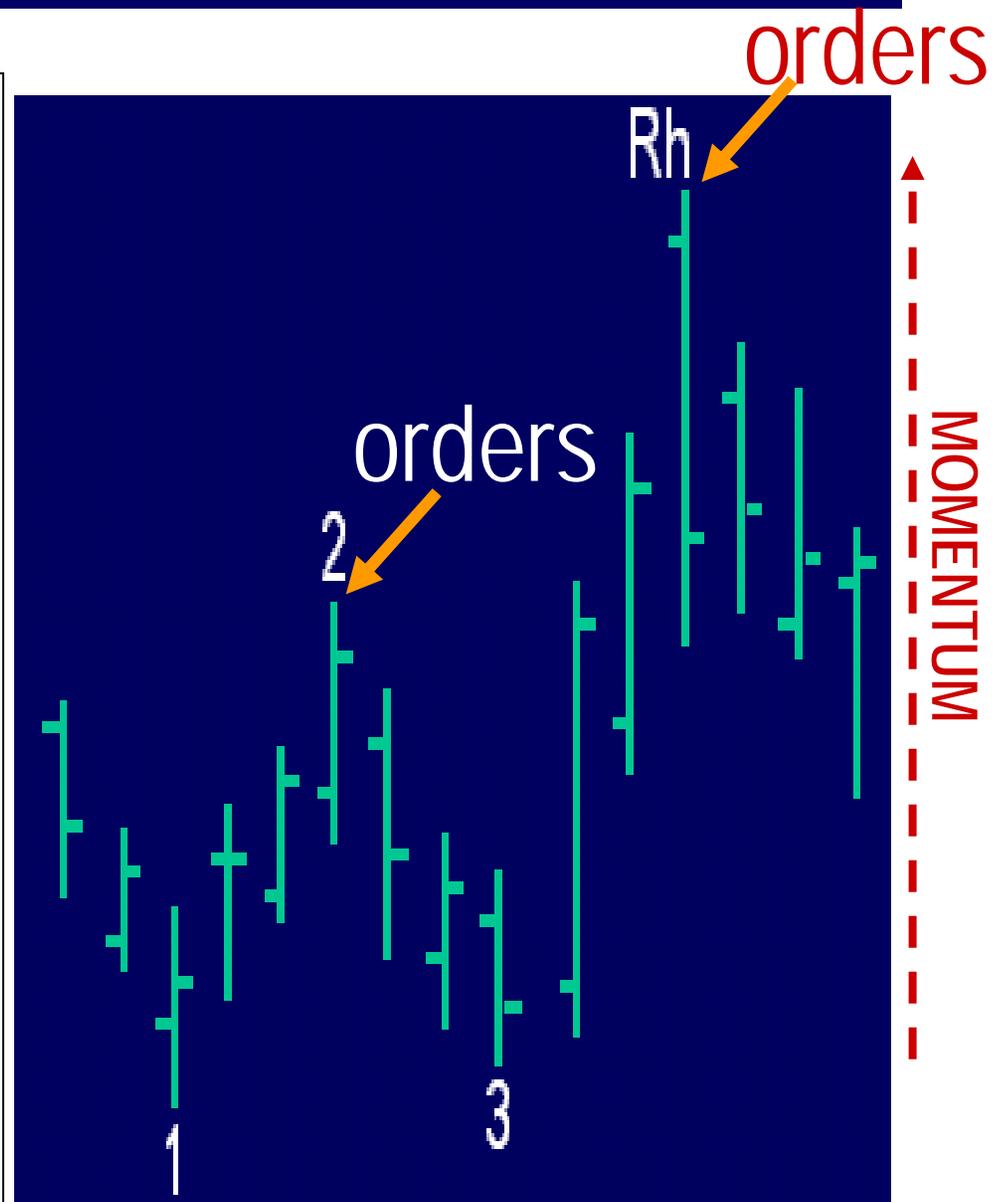
FINAL COMMENTS ON THE TTE ctd.

The Gann traders further increase the momentum generated by the market mover as he pushes prices towards the #2 and Rh points.



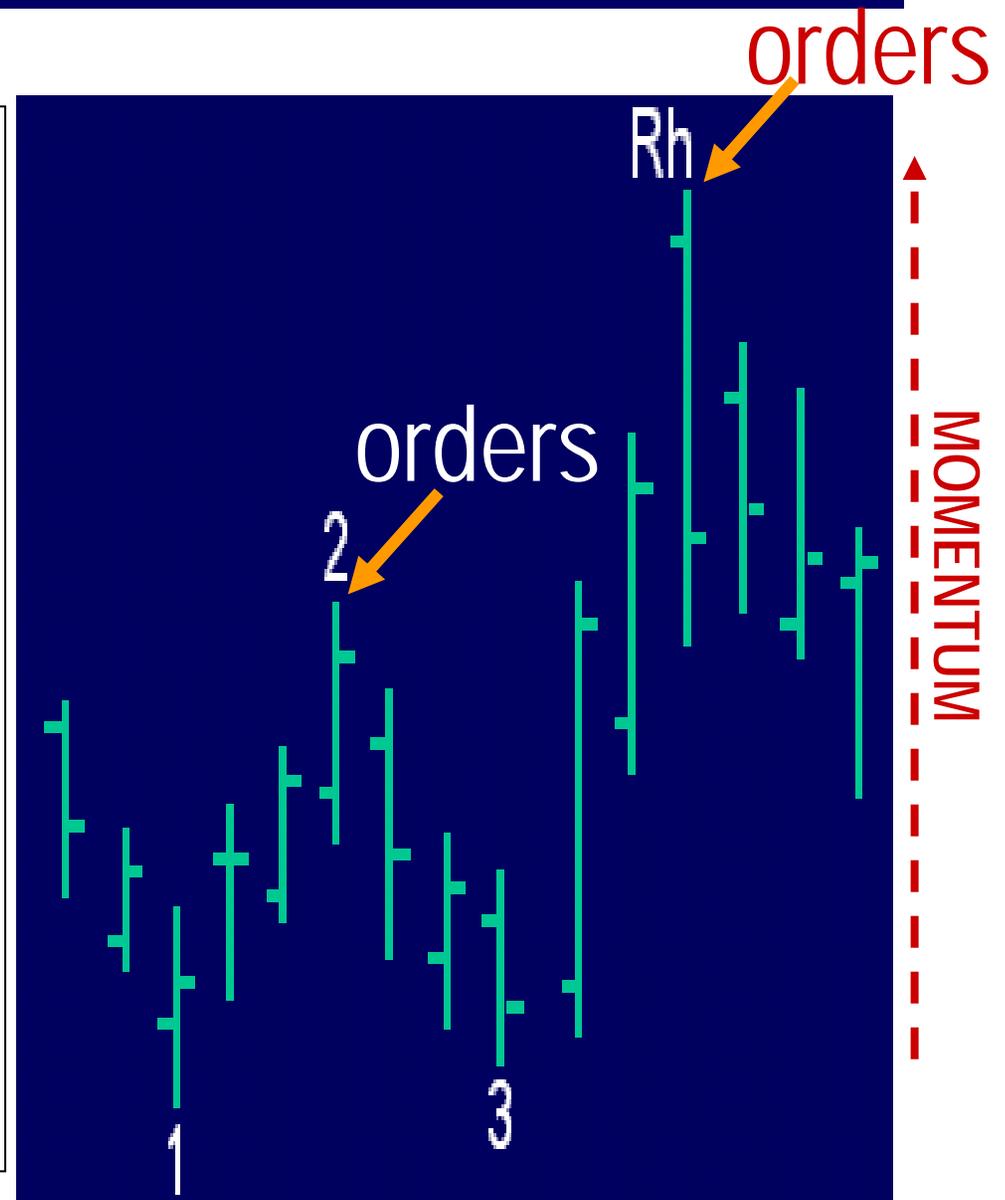
FINAL COMMENTS ON THE TTE ctd.

The TTE offers the possibility of using the momentum of others to cover costs and capture a slice of profits, as well as a free trade to the trader willing to use it to good effect.



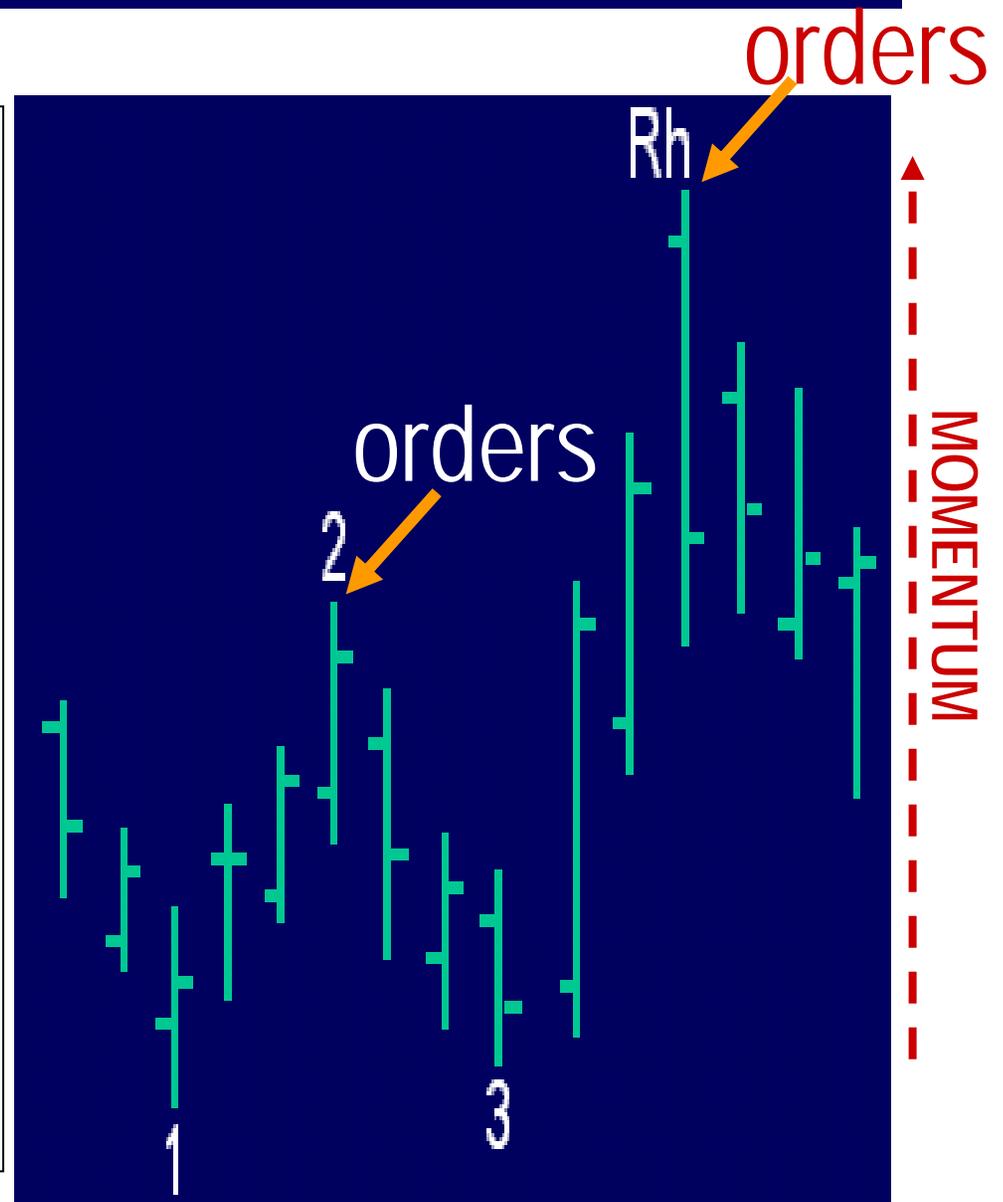
FINAL COMMENTS ON THE TTE ctd.

The TTE ahead of the breakout of a 1-2-3 formation and the TTE ahead of the breakout of a Rh have identical possibilities that prices will reach the breakout point.



FINAL COMMENTS ON THE TTE ctd.

However, the probability for a trend to form is lower following a 1-2-3 formation once the breakout point is reached, than it is for a trend to continue after the point of a Rh is reached.



FINAL COMMENTS ON THE TTE ctd.

The third bar of a TTE ahead of a Rh always carries the danger that it could turn into a trend reversal. This is why a violation of the second correcting bar carries the best overall probability for success. Although it has a 5% less chance of reaching the point of the Rh, it also has a better chance of being able to cover costs and take a profit.



FINAL COMMENTS ON THE TTE ctd.

After the 3rd TTE bar, the probabilities begin to favor a consolidation which is why we don't attempt to enter on a TTE beyond a violation of the third bar.



TRADING THE TTE WITH BOLLINGER BANDS

There are always some of our students who seek to find indicators that will enhance their trading of the TTE. We are not against doing so. Anything that is proven to help you with your trading is admirable.

TRADING THE TTE WITH BOLLINGER BANDS

Although these methods typically result in missing many good trades, they almost always favor an extremely conservative approach to using the TTE. We present the following very conservative method for your inspection.

TRADING THE TTE WITH BOLLINGER BANDS

When using Bollinger Bands, the upper band is the trend line when prices are rising, and the lower band is the trend line when prices are falling. This is the opposite of traditional trend line drawing where the up trend line is drawn beneath prices and the downtrend line is drawn above prices.

TRADING THE TTE WITH BOLLINGER BANDS

When we are looking for a TTE breakout to the up-side,

- 1) The top band of the standard 20 bar Bollinger, which shows the trend of that particular market, should be at least 30 degrees or more, sloping in an upward direction.

TRADING THE TTE WITH BOLLINGER BANDS

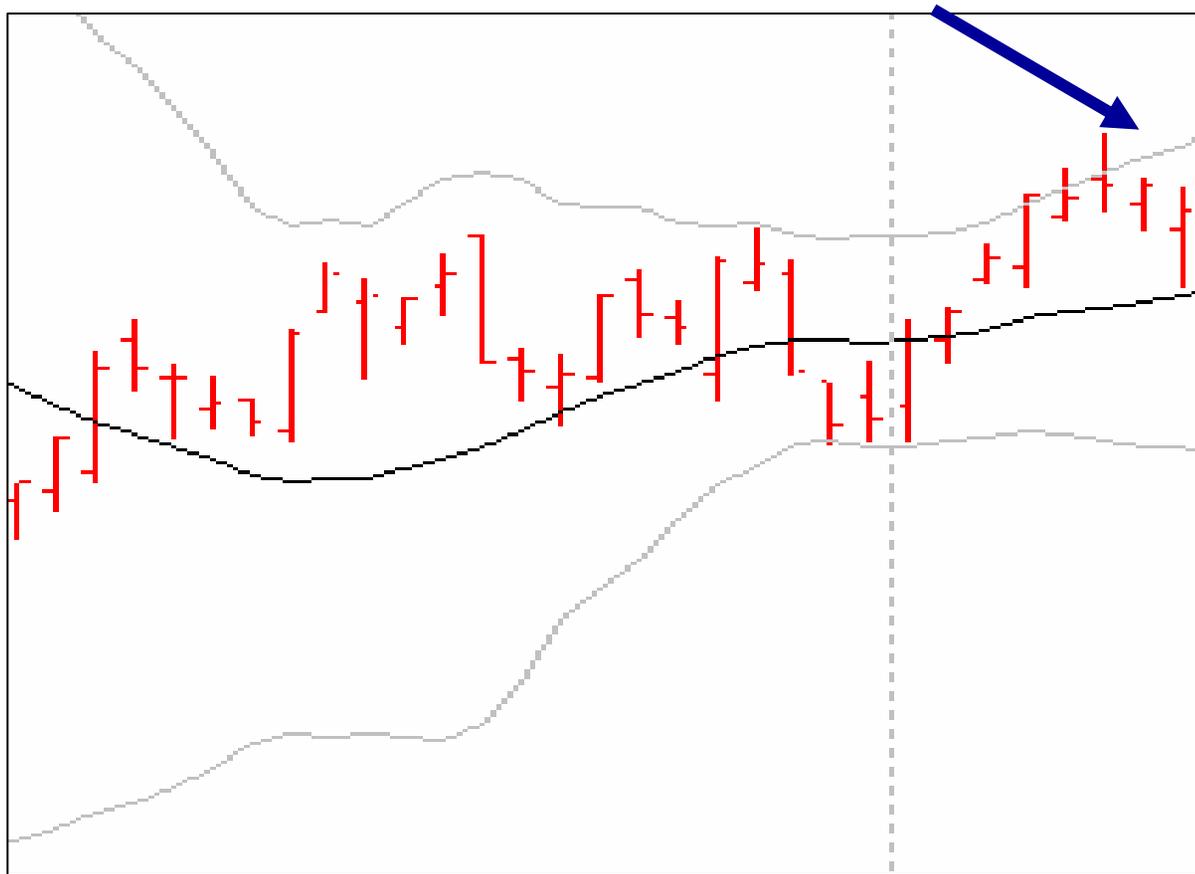
2) The closes of the trick bars should remain in the top half of the 5 minute bar ranges up to 3 bars after the Ross hook. This indicates that there are more buyers than sellers, therefore the probability of going up is favored.

TRADING THE TTE WITH BOLLINGER BANDS

3) There may, but not necessarily will be, a low Close on one of the correcting bars. At that point, prices are ready to run, take out the high of the trick bar, and then take out the Ross hook.

Let's show you an example of this technique.

TRADING THE TTE WITH BOLLINGER BANDS



Upper band rising
30%+,

buy breakout of
the high of the
correcting bar.

TRADING THE TTE WITH BOLLINGER BANDS

Does this technique work the other way around?

Let's see:

- 1) The lower band of the standard 20 bar Bollinger, which shows the trend of that particular market, should be at least 30 degrees or more, sloping in a downward direction.

TRADING THE TTE WITH BOLLINGER BANDS

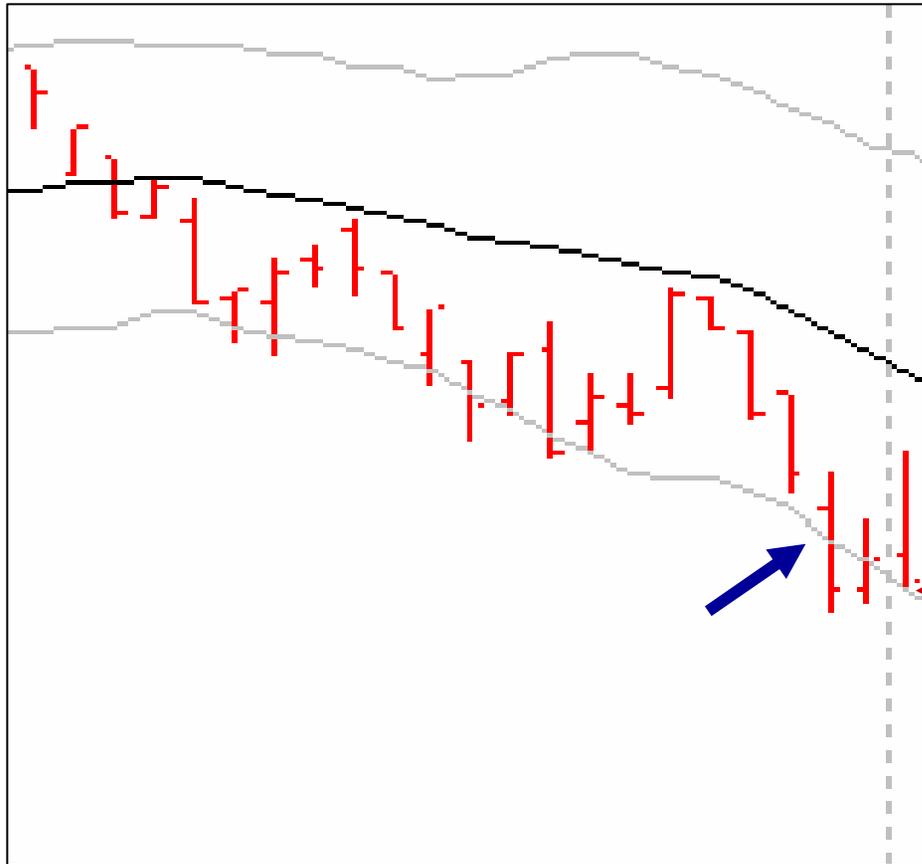
2) The closes of the trick bars should remain in the lower half of the 5 minute bar ranges up to 3 bars after the Ross hook. This indicates that there are more sellers than buyers, therefore the probability of going down is favored.

TRADING THE TTE WITH BOLLINGER BANDS

3) There may, but not necessarily will be, a high Close on one of the correcting bars. At that point, prices are ready to run, take out the low of the trick bar, and then take out the Ross hook.

Let's show you an example of this technique.

TRADING THE TTE WITH BOLLINGER BANDS



Lower band
sloping down
30%+,

sell breakout of
the low of the
correcting bar.

End Of Our Free TTE Course

On the next page you find reading tips, recommendations for free newsletter subscriptions and other services by



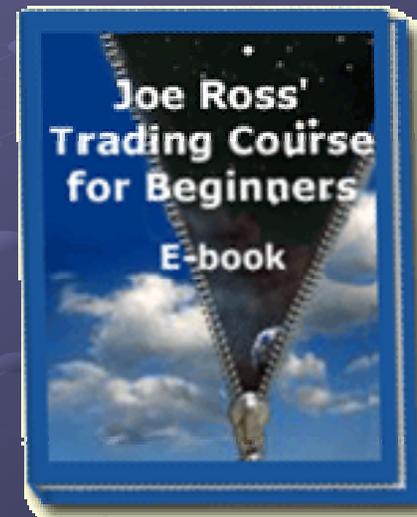
FUTURES IS SPOKEN HERE!

“You need to get it right from the beginning: **Success starts with a solid foundation!**”

The smart choice is “Joe Ross’ Trading Course for Beginners!”

We challenge you to take our little quiz. Let’s see what you really know!

[To take the quiz Click Here](#)



READING LIST:

BOOKS FOR FUTURES TRADERS

- **DAY TRADING**

by Joe Ross

Day Trading (for futures traders): This is a book that is a "must read" for online day trading. In Day Trading, Joe Ross reveals his major, minor, and intermediate intraday trading signals. He shows you exactly what they are, and explains why they are important. He emphasizes the how, why, and when of stop loss and profit protecting stop placement.

Read more: <http://www.tradingeducators.com/books.htm>

- **TRADING IS A BUSINESS**

by Joe Ross

If you've ever wanted to read a life-changing book for traders, you have come to the right place. Trading Is a Business (for futures traders) has had a profound effect on the lives of many aspiring as well as many professional commodities and futures traders. Trading Is a Business teaches you how to conduct your trading as a professional manager of your trading business. Proper management is vital to successful trading. This book points out the fallacies that many traders hold so dear. Read more:

<http://www.tradingeducators.com/books.htm>

● **TRADING THE ROSS HOOK**

by Joe Ross

The concepts shown in **Trading the Ross Hook** are applicable in any market, and can be used for day trading or position trading. You learn exactly what Ross hooks are. You see their origins and what causes them to occur. You are shown step-by-step how to identify them, and how to filter them so that you trade only the best hooks. You see how to manage Ross Hook trades, how to manage risk, and how to manage your money when you trade these very lucrative market formations. Read more:

<http://www.tradingeducators.com/books.htm>

● **TRADING BY THE BOOK**

by Joe Ross

Trading by the Book (for futures traders) contains 376 pages of explicit information about commodity futures trading. Included are discussions of how and when to use Fibonacci techniques, how to recognize congestion, how to set and trail stops, how to get in step with a market, how to select trades, and how to conduct your trading as a business. It is in this book that master trader Joe Ross first revealed his trading envelope. He reveals exactly how to define a trading range, as well as how to trade the breakout of a trading range.

Read more: <http://www.tradingeducators.com/books.htm>

- **TRADING SPREADS & SEASONALS**

by Joe Ross

Trading Spreads and Seasonals deals with reality trading and presents you with dozens of easy to follow charts and graphs, and examples of real-life trades that will refine your trading skills. It contains a review of the basic tenets of seasonal trading, seasonal spreads, and outright seasonal futures trades. Because nowadays so few know that trading spreads and trading seasonally are basic to trading commodities, this book contains a listing of other references that will make you a better trader. As with all of Joe's books, there is much, much more content than we are able to describe here. The book contains well over 300 pages.

Read more: <http://www.spread-trading.com>

- **TRADING OPTURES & FUTIONS**

by Joe Ross

Trading Optures and Futions (for futures and options traders) is a complete course on how to put money in your pocket trading with combinations of futures and options. More than that, it's the trading course you've been hoping for. It gives you explicit, detailed information about an exciting and novel way to win in trading.

Read more: <http://www.tradingeducators.com/books.htm>

● **TRADING ORDER POWER STRATEGIES** **(Tapes and Book)**

Trading Order Power Strategies (for futures traders) is an interactive course that shows you, in step-by-step detail, how to make sure your orders are almost always executed in your favor. This breakthrough program, the first of its kind anywhere, has been hailed by brokers, educators, and traders alike as "the missing link" in trader education. When you learn what's included in the program, you'll know why. **Trading Order Power Strategies** includes a **special insert for fully electronic trading**, as well as electronic order routing.

Read more: <http://www.tradingeducators.com/books.htm>

BOOKS FOR STOCK TRADERS

- ELECTRONIC TRADING 'TNT' I — GORILLA TRADING STUFF
by Joe Ross and Mark Cherlin
- ELECTRONIC TRADING 'TNT' II — HOW-TO-WIN TRADING STUFF
by Joe Ross and Mark Cherlin
- ELECTRONIC TRADING 'TNT' III — TECHNICAL TRADING STUFF
by Joe Ross and Mark Cherlin
- ELECTRONIC TRADING 'TNT' IV - TIPS, TRICKS & OTHER TRADING STUFF
by Joe Ross and Mark Cherlin
- **For more information and ordering, please visit**
http://www.tradingeducators.com/books/books_stock.htm

OUR NEWSLETTERS:

● Chart Scan™

The Chart Scan free weekly newsletter is designed to assist you in becoming a better trader by showing you in the context of the markets how to apply the Law of Charts™.

In this newsletter you will see applications to a variety of markets, including forex, futures, and stocks.

The best way to understand the concept of The Law of charts is to see it in action in a variety of time frames. The Law of Charts is applicable to all markets and all time frames.

Combined with the Law of Charts concept is the Traders Trick™ entry, which offers you a best entry implementation of the law.

Accompanying each week's chart is a short but valuable trading tidbit. These, gems of wisdom have helped many traders to become more successful.

To sign up, visit

http://www.tradingeducators.com/free_newsletter.htm

Spread Trading - a whole new world of trading

- Spread trading is probably the **most profitable**, yet safest way to trade futures. It offers many advantages which makes it the perfect trading instrument for beginners and traders with small accounts (less than \$10,000) and for professional traders who use spreads to optimize their trading profits.
- While spreading is commonly done by the market "insiders," much effort is made to conceal this technique and all of its benefits from "outsiders," you and me. After all, why would the insiders want to give away their edge? By keeping us from knowing about spreading, they retain a distinct advantage.
- We have the Number 1 website about Spread Trading, with lots of free information about spread trading. We show you how to get started, and we also provide you with the training and tools in order for you to become a successful, profit-making, and relaxed Spread Trader. Just follow this link:
<http://spread-trading.com>

● Spread Scan™

The Spread Scan free weekly newsletter is designed to assist you in becoming a better more complete trader by showing you within the context of the markets, how to trade spreads.

In this newsletter you will see applications of spreading in the futures and commodity markets. Spreads are applicable to all futures markets including currencies, commodities, financial instruments, and stock indexes. It is even possible to trade spreads in the all-electronic intraday market using day trading techniques.

Spreads are based on seasonality, correlation, backwardation, chart patterns and simple observation. Spreads follow the Law of Charts™ and can be implemented using the Traders Trick™ entry.

In each issue of Spread Scan, you will find an upcoming spread trade for your consideration in the following week. You will also find a review of an existing or closed spread so you can see and learn how spread trades are managed.

Spreads offer you the most efficient use of your margin account of any other way to trade. Many traders find they like them so much that spreading becomes the primary way for them to trade.

To sign up, visit <http://www.spread-trading.com>

● **TRADERS NOTEBOOK™**

In our daily newsletter we will show you up to three specific spread trading opportunities, explain why we chose them, give you specific entry points, suggest where to place the stop and when to take the first profits - almost everything you need to trade profitably with Joe's concepts. Trade along with Joe and the staff at Trading Educators to learn!

To sign up, visit <http://www.tradingeducators.com/newsletters.htm>

MORE SERVICES:

- Seminars: <http://www.tradingeducators.com/seminars.htm>
 - Futures Day Trading, e-minis & Forex
 - Futures Spread Trading
 - TLOC
 - Private Tutoring with Joe
- Free Trader live Chat with Joe Ross every Tuesday night!
<http://www.tradingeducators.com/studentonly/chat.htm>
- Discover Blended Methods™:
<http://tradingeducators.com/blendedmethods.htm>
<http://tradingeducators.com/tradingmethods.htm>

...and more, come and visit us at:

<http://www.tradingeducators.com>



It's new!

It's online!

It's exciting!

It's for serious traders and those who need perspective on their trading!

From the heading, I know you've already guessed right — It's a new Discussion Board available for the trading community!

We are aware that there are already a number of other Trading Forums in which to post comments about trading, BUT...

...we have our own agenda!

The TE trading community forum is to be a positive, uplifting venue in which serious traders can meet and learn.

Joe Ross and the Team at Trading Educators have started this Forum so that **YOU** can benefit from the free education we provide, to learn from the many trading experiences of others, and to create a place to share your own experiences and ask questions.

Whether you are not yet a trader, on your way to becoming one, an experienced trader, or even a real Pro like Joe Ross, we hope that you will join the Trading Community Forum and help it thrive with your honest and helpful contributions.

[Visit Forum](#)

See You Online!

Option Matrix™

For your Options Trading

Would you like to simplify your options trading?

Would you like to know the easiest, most sensible way to discover the best options to sell?

Then let Alan Parry guide you to options trading success.

Alan is the developer of the [Option Matrix](#). There are none better at trading options than Alan.

[More information about options here...](#)

Our Websites:

- <http://www.tradingeducators.com>
- <http://www.spread-trading.com>



Beware of cheap imitations! Joe Ross & Trading Educators Inc. have taught Traders since 1988 – the first in Trading Education. Joe Ross is a pioneer in Trading Education with 5 decades of real-life trading in all markets around the world. He has written eleven major trading books and countless articles and essays about trading. All his books have become CLASSICS.

His file of letters containing thanks and appreciation from students on every continent is huge. Many of his successful students have told Joe that his books and teaching have impacted and improved many aspects of their lives, not only their trading.

Contact us:

- If you have any questions or comments please do not hesitate to contact us. We will be more than happy to give you information about books, newsletter subscription orders, site/access problems, or other non-trading related information. Contact us...
- by e-mail: support@tradingeducators.com
- by phone:
800-476-7796 or 512-249-6930
Office hours are Monday - Friday 9 A.M. to 5 P.M., U.S. Central Time
- by fax:
512-249-6931
- by postal mail:
**Trading Educators, Inc.
1509 Jackson Drive
Cedar Park, Texas 78613**