

Disclaimer

This video is for educational purposes only. Past performance does not equal future results.

Please do not construe any information in this video or notes below as advice or recommendation of any kind. You can lose money trading. If you cannot afford to lose money you should not trade.

Remember to practice with a paper trading or demo account with any new concept of strategy until you really get to know and understand the risk and reward potential.

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Wavy Tunnel

MODULE 6: ELLIOTT WAVE AND WAVY TUNNEL CONNECTION

Welcome to the Wavy Tunnel Trading Method Module 6

Welcome to the Wavy Tunnel Trading Technique!

You have now learned Wavy Tunnel Trading for Day and Swing Traders.

In Module 5 we fine tuned entries by reviewing candlestick patterns, covered actual trade setups using proper money management, and presented a Top Down Approach review.

In Module 6 we will link Elliott Wave counts with the Wavy Tunnel and introduce Renko charts to reduce the noise from candlesticks.

Module 6

Learning Objects

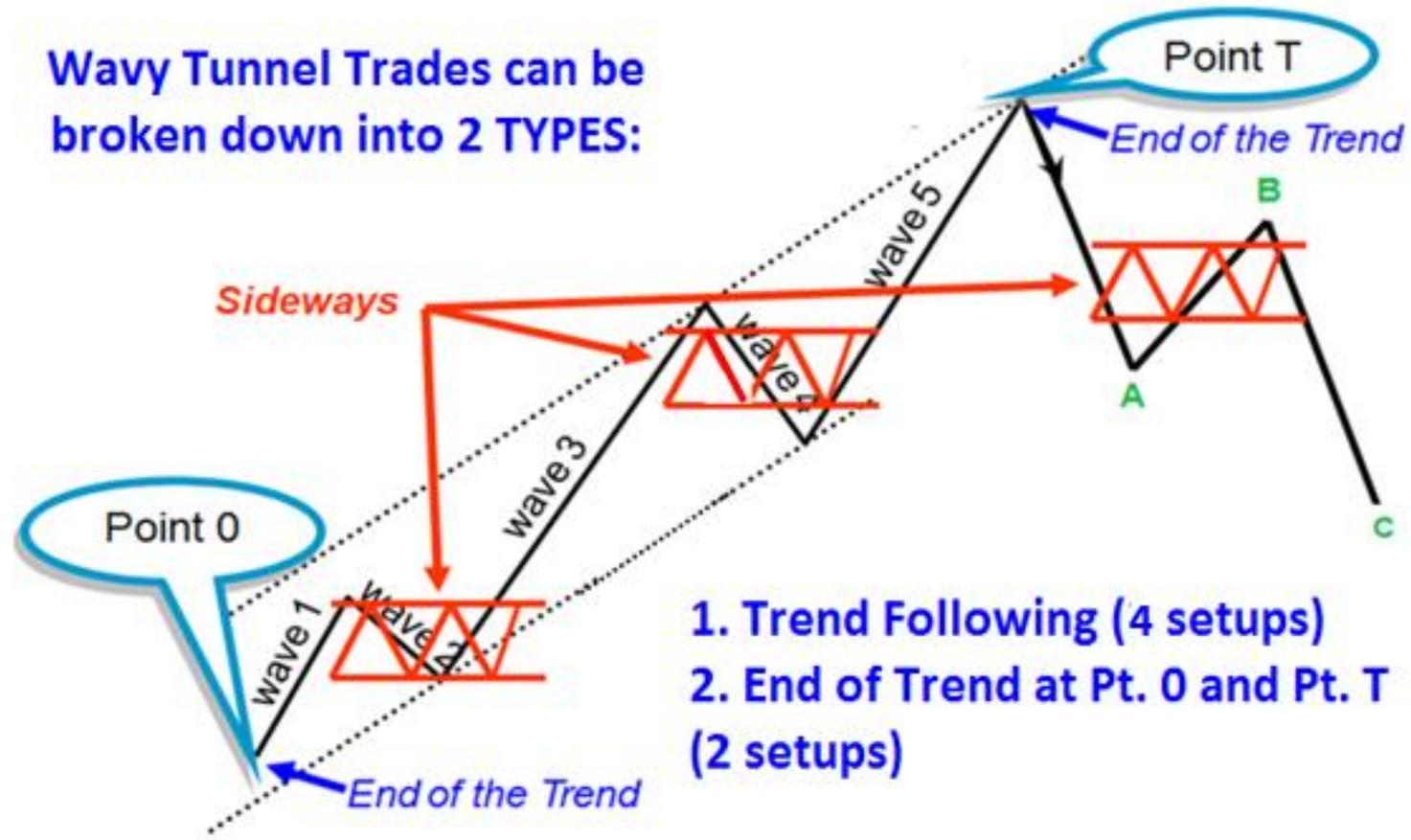
- ≈ Wave Counts and Wavy Tunnel Trades
- ≈ CAO Review with Additional Indicators
- ≈ Renko Charts with Wavy Tunnel
- ≈ Conclusion of Wavy Tunnel Modules

Objectives

1. Fine Tune Wave Counts with Awesome Oscillator and Wavy Tunnel
2. Study Wavy Tunnel trade examples with Wave Counts
3. Introduce Renko Charts with Wavy Tunnel Setup
4. Continue picturing yourself Riding the Waves and Cashing in on Profits using the Wavy Tunnel for Success.

Wavy Tunnel Trade Review

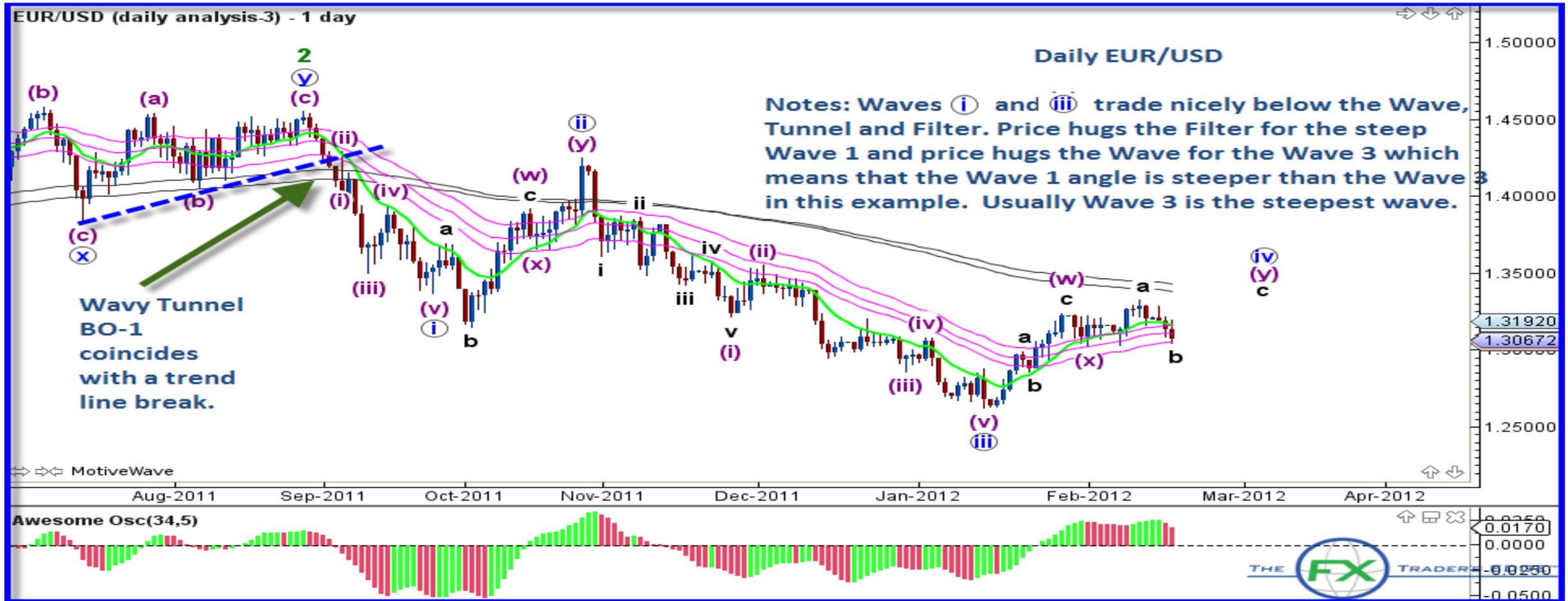
Wavy Tunnel Trades can be broken down into 2 TYPES:



1. Trend Following (4 setups)
2. End of Trend at Pt. 0 and Pt. T (2 setups)

Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD Daily Wave Count



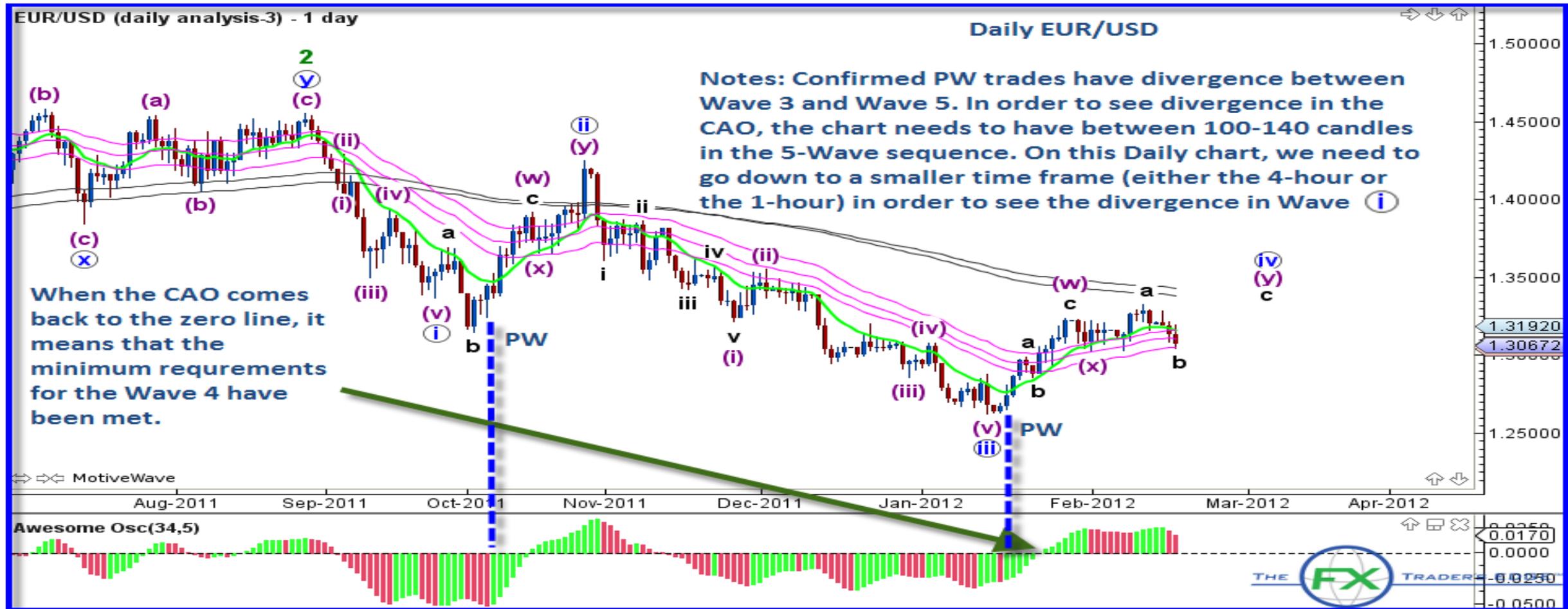
Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD Daily Wave Count



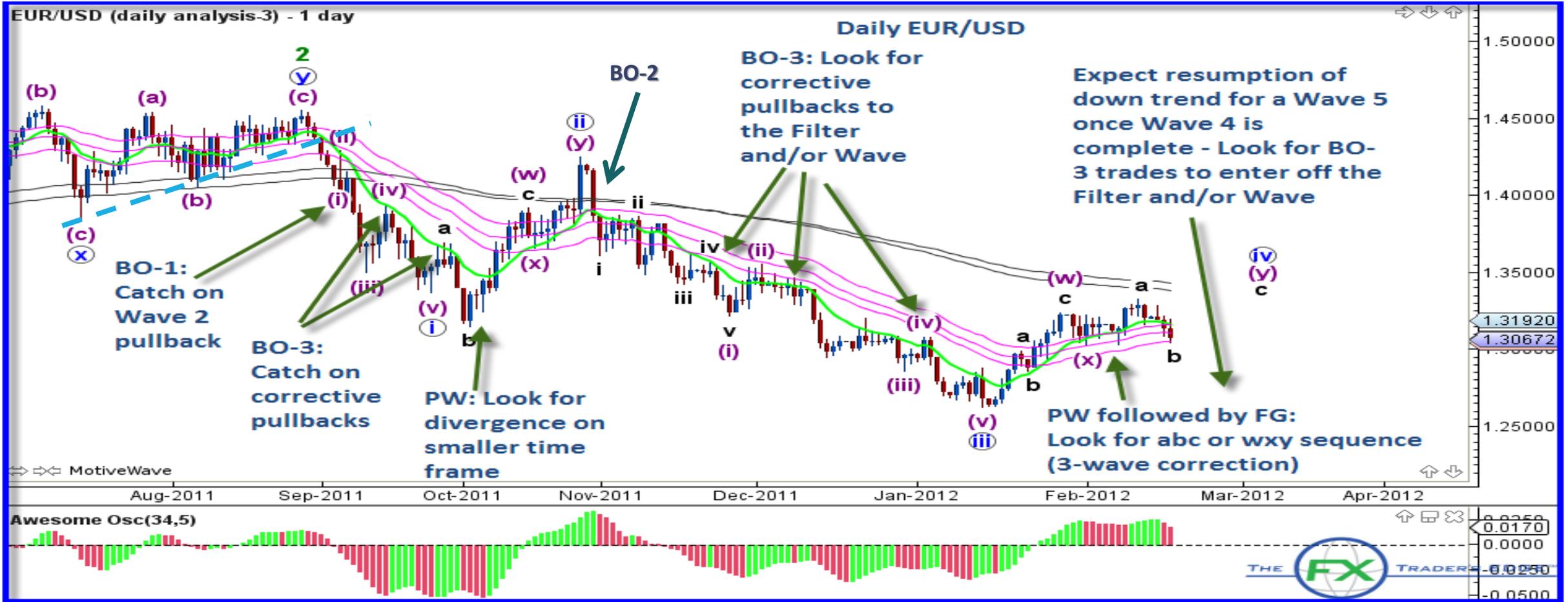
Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD Daily Wave Count



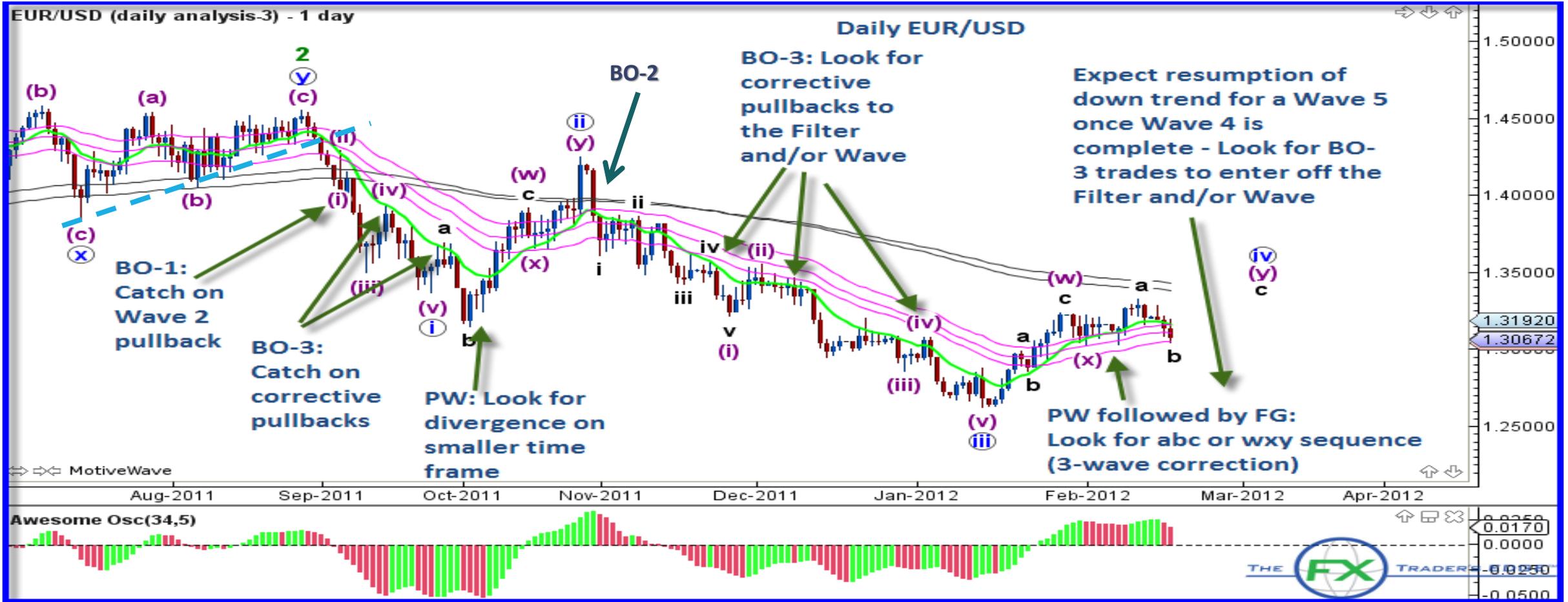
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Case Study: EUR/USD Daily Wave Count



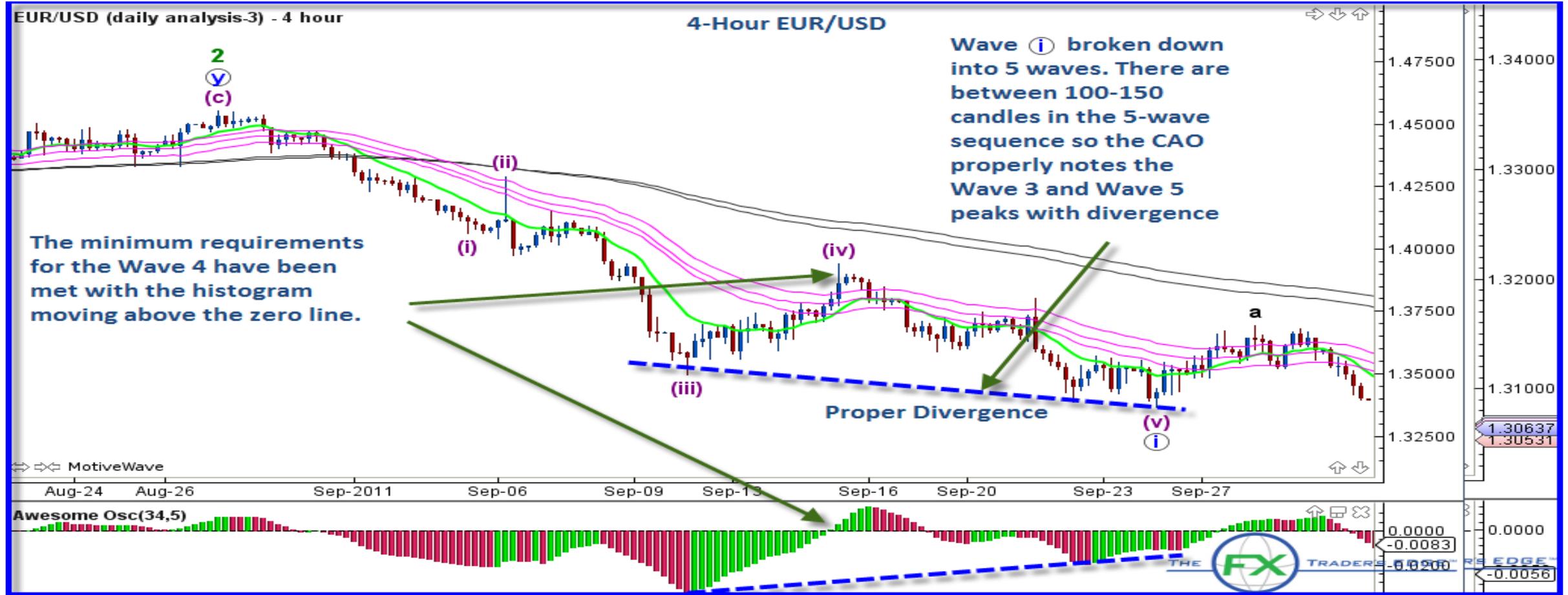
Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD Daily Wave Count



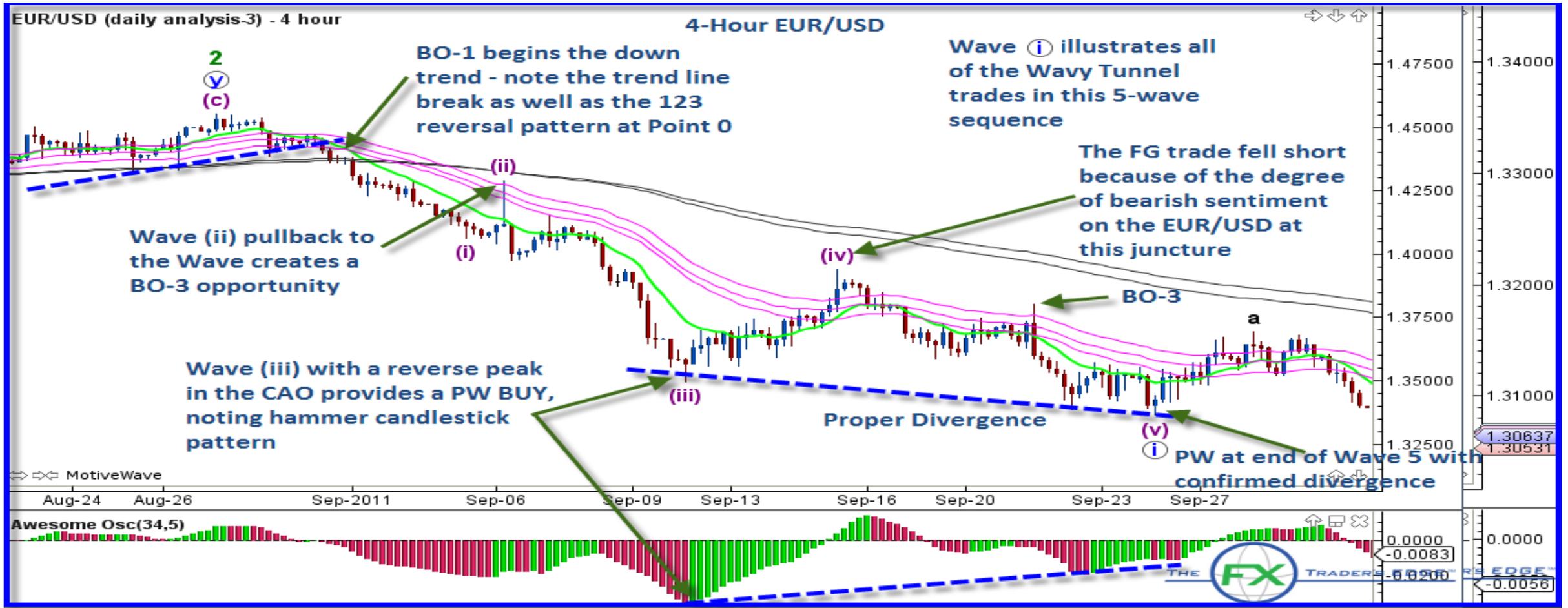
Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD 4-Hour Wave Count



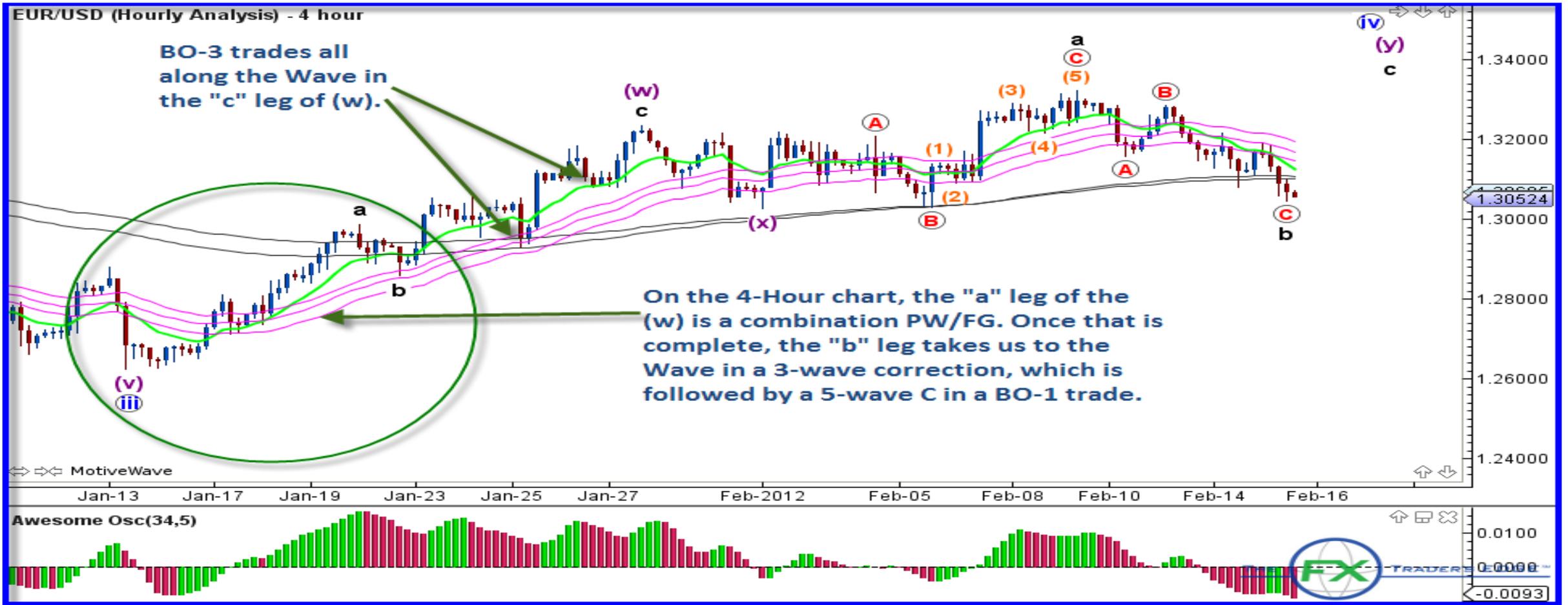
Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD 4-Hour Wave Count



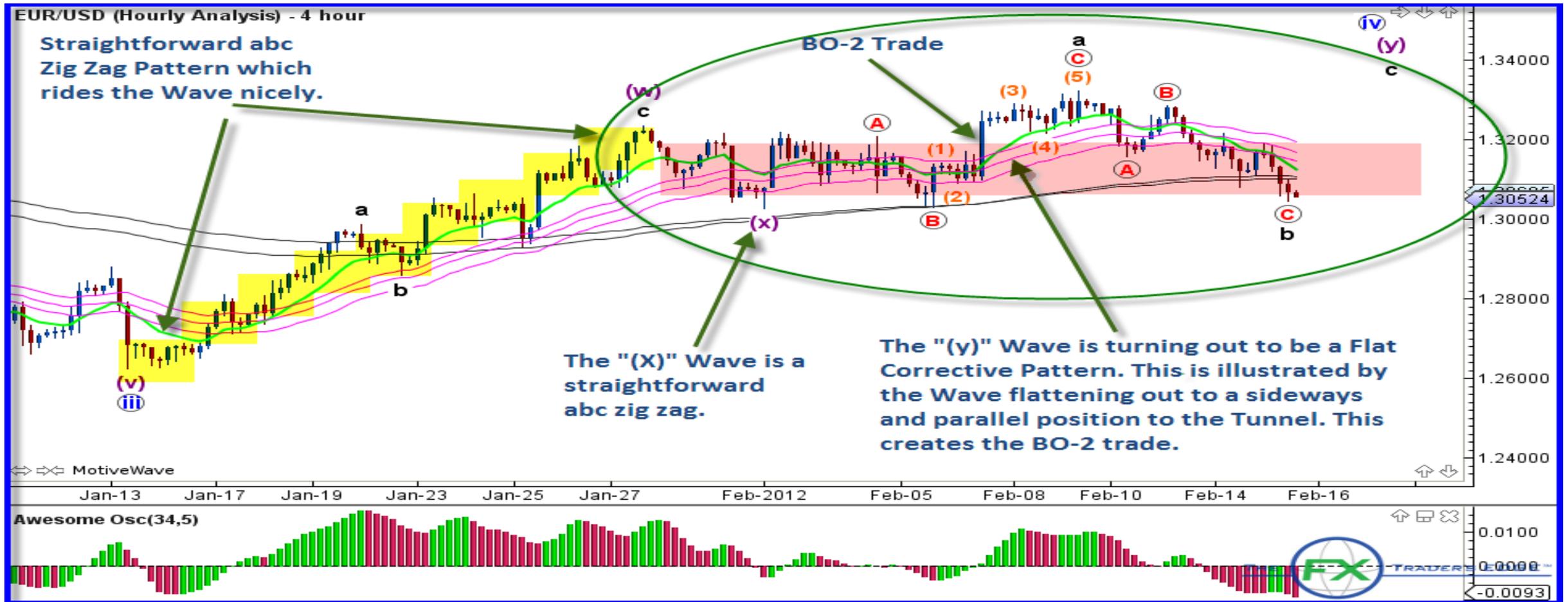
Wave Counts and Wavy Tunnel Trades

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Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD 4-Hour Wave Count



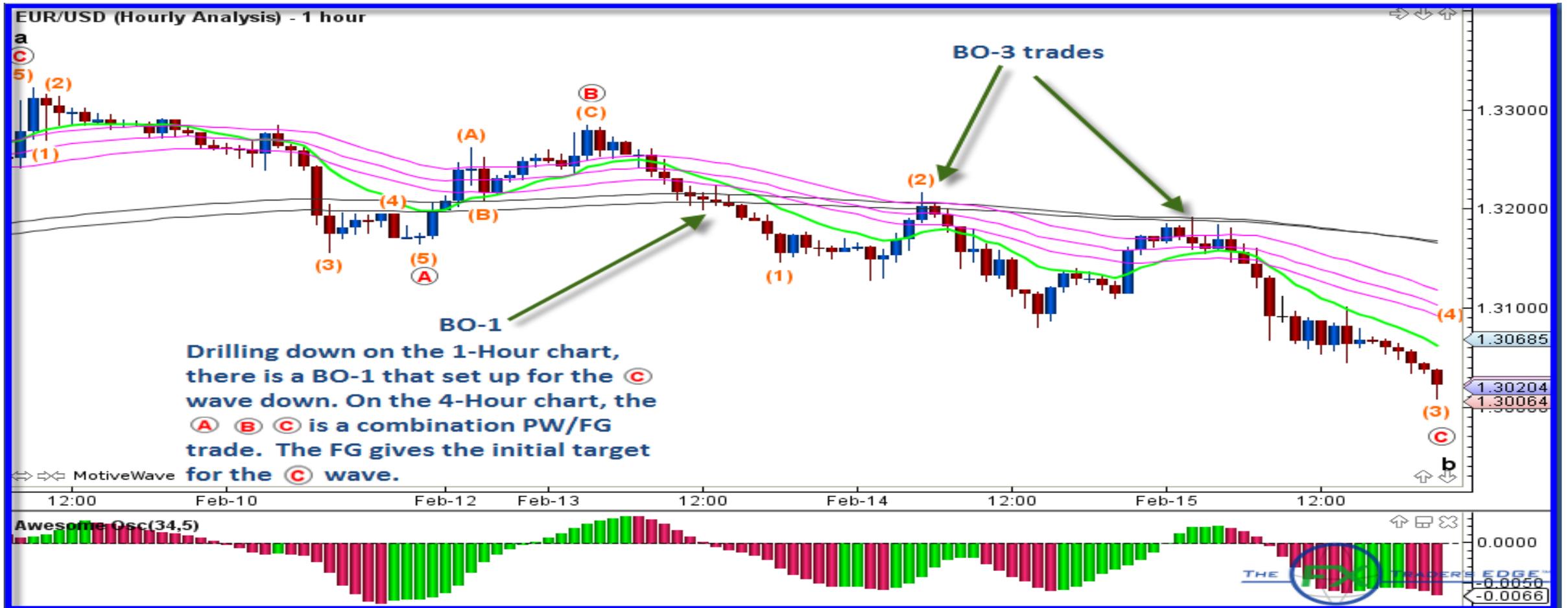
Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD 4-Hour Wave Count



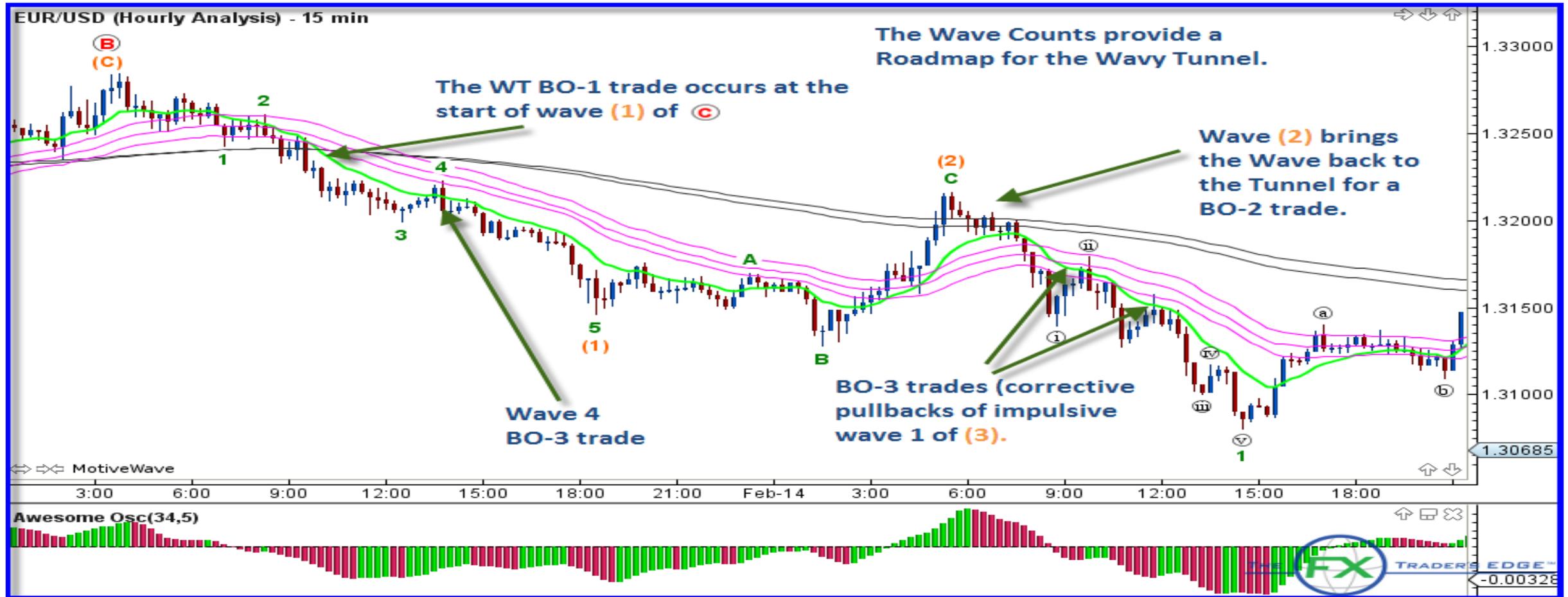
Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD 1-Hour Wave Count



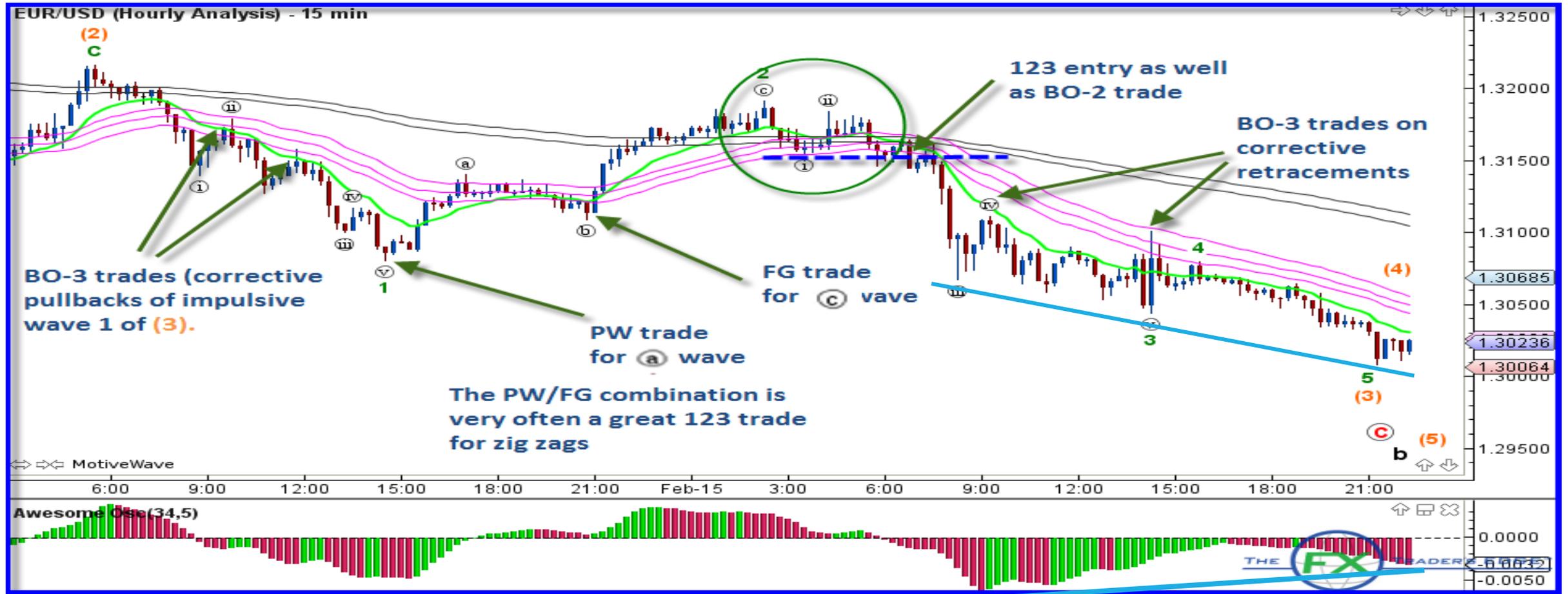
Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD 15-Minute Wave Count



Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD 15-Minute Wave Count



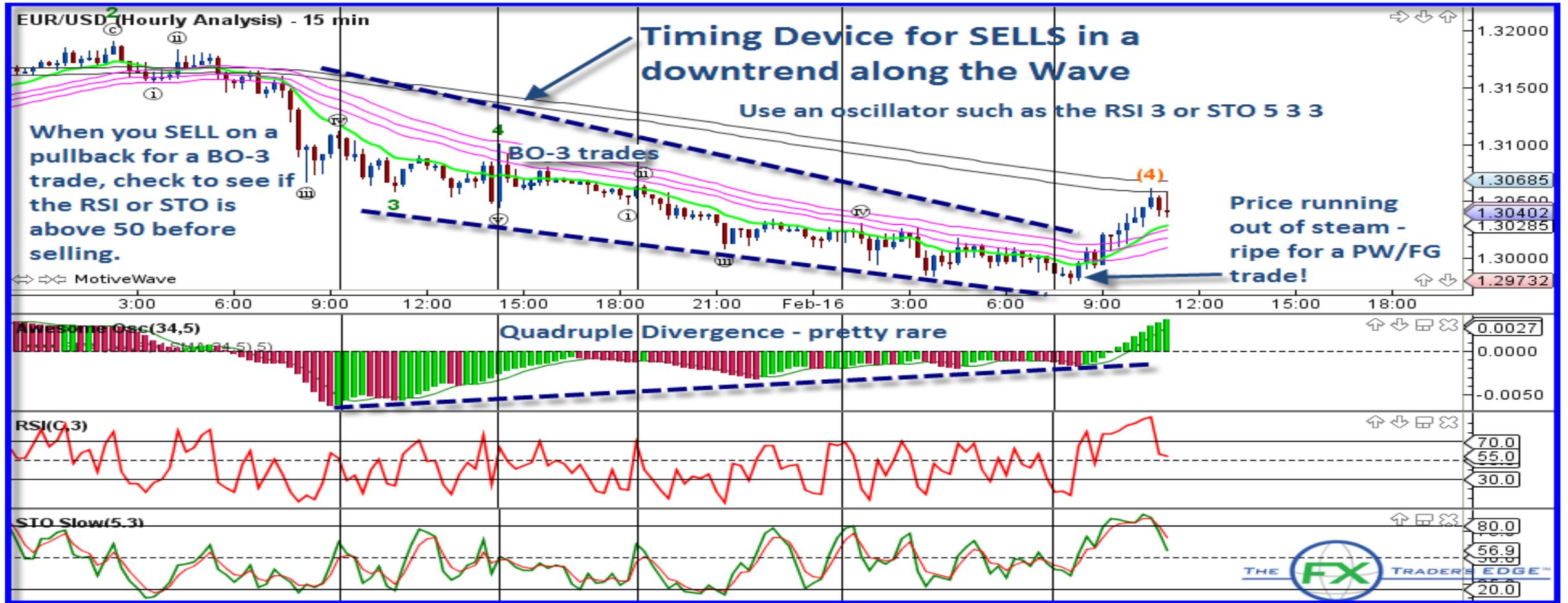
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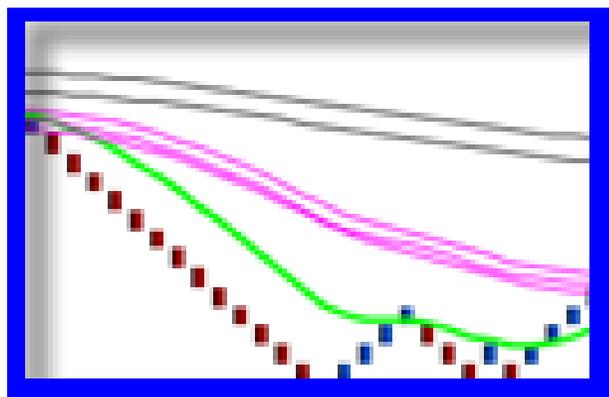


Wave Counts and Wavy Tunnel Trades

Case Study: EUR/USD 15-Minute Wave Count



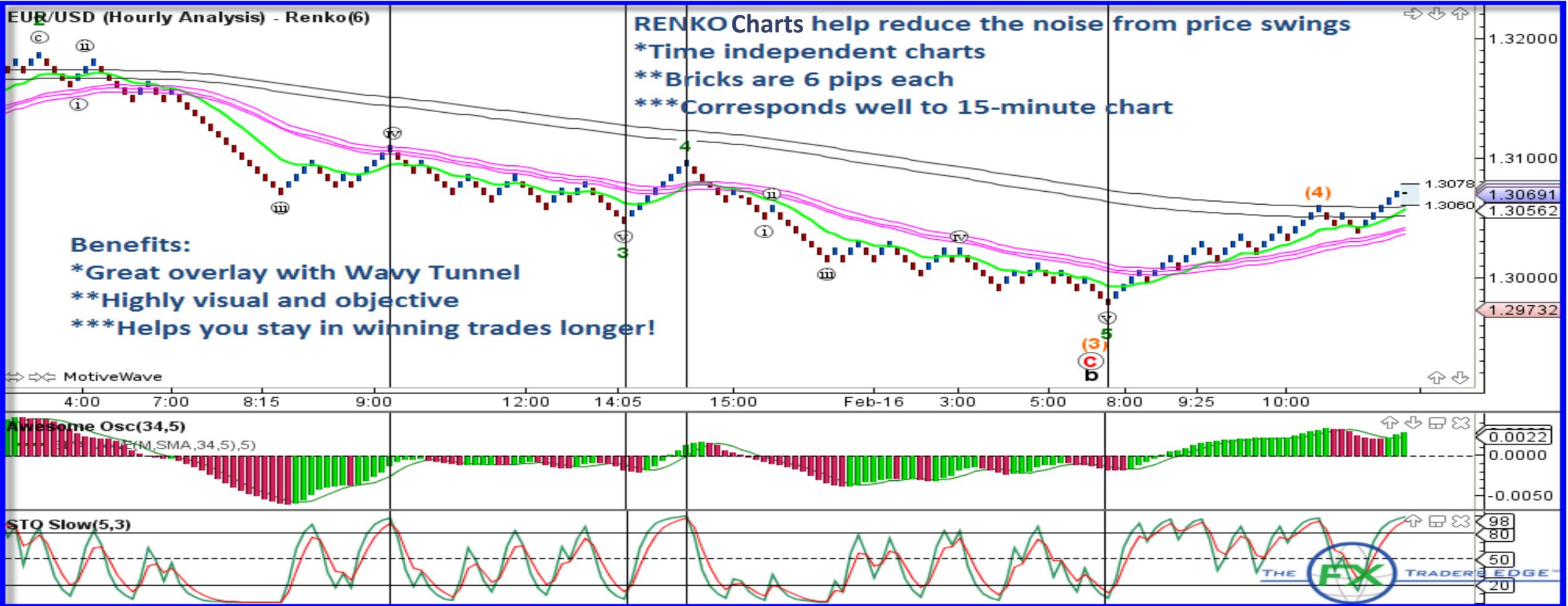
RENKO CHARTS



- ≈ “Renko” comes from the word “Renga”, which means “brick” in Japanese.
- ≈ Renko charts have a brick size that varies according to the time frame traded. Bricks are added when prices fill the brick.
- ≈ In the chart to the left, bearish bricks are red and bullish bricks are blue. Trends are easy to spot and trade.
- ≈ Renko bricks combined with the Wavy Tunnel make the 5 trade setups very easy to see and trade.

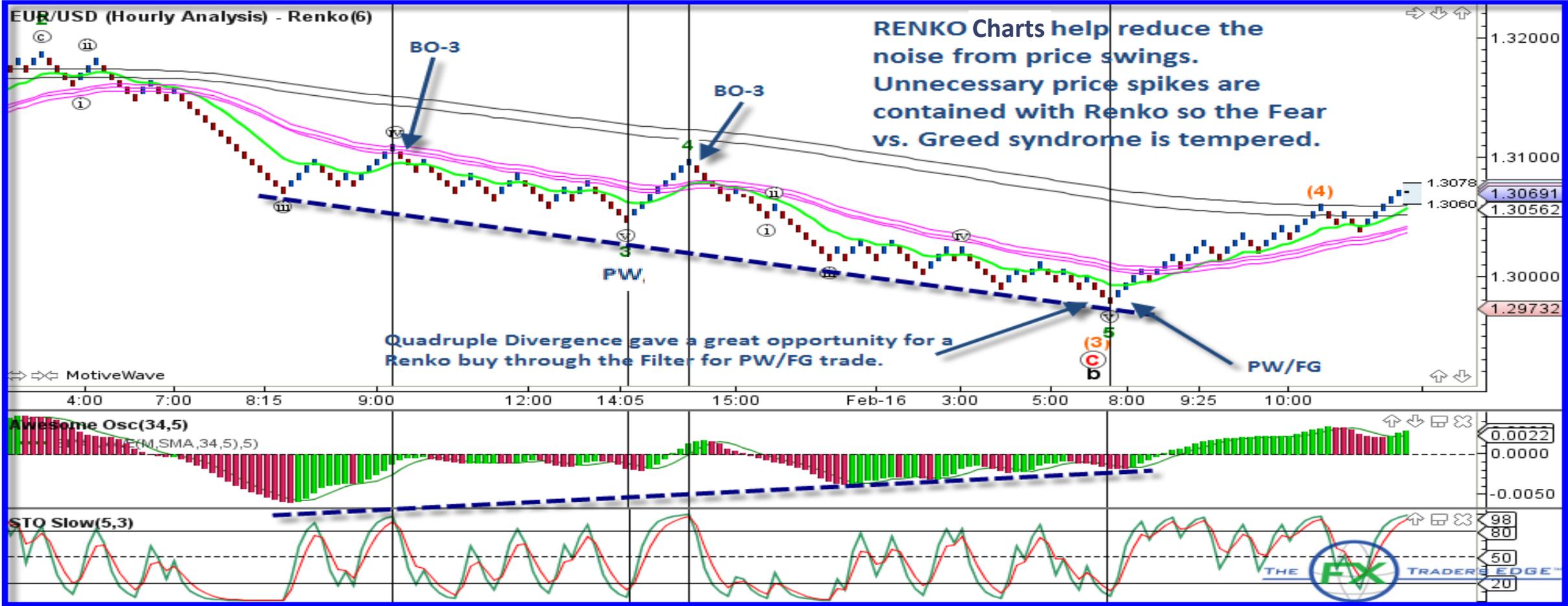
RENKO Charts with Wavy Tunnel

Case Study: EUR/USD RENKO 6 Pip Brick (15-minute equivalent)



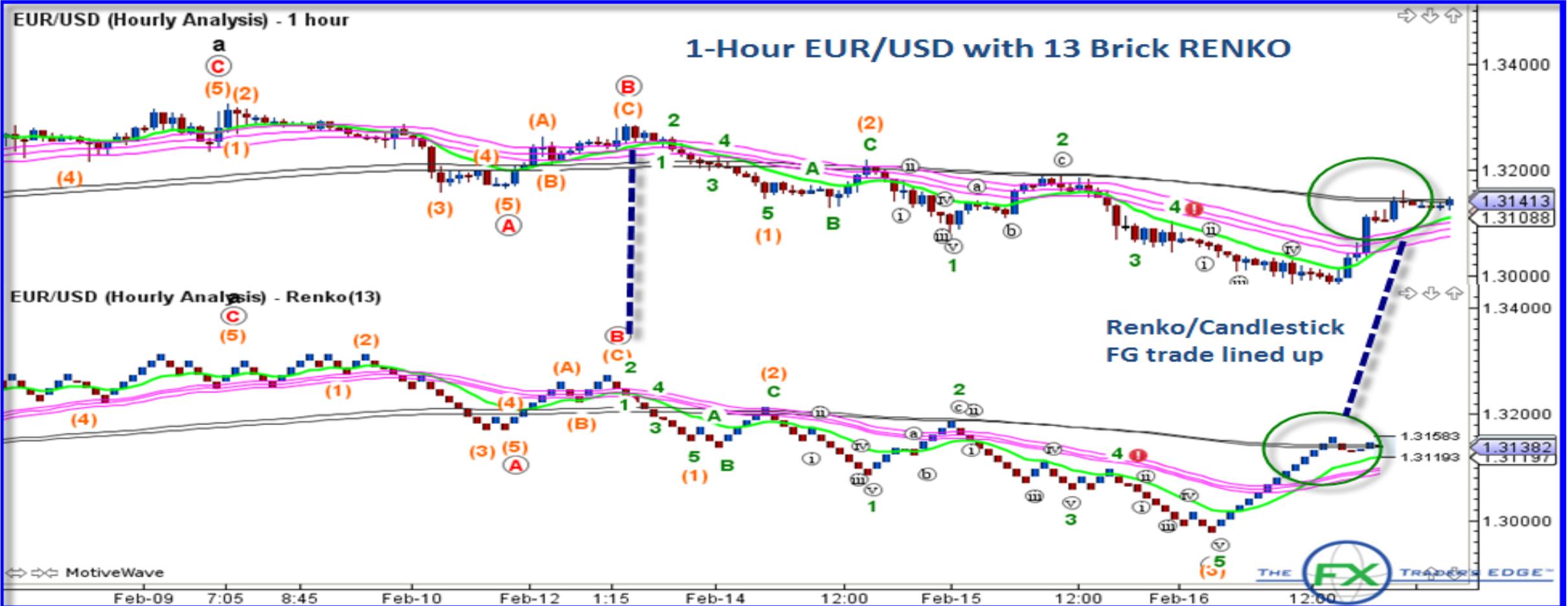
RENKO Charts with Wavy Tunnel

Case Study: EUR/USD RENKO 6 Pip Brick (15-minute equivalent)



RENKO Charts with Wavy Tunnel

Case Study: EUR/USD RENKO 13 Pip Brick (1-Hour equivalent)



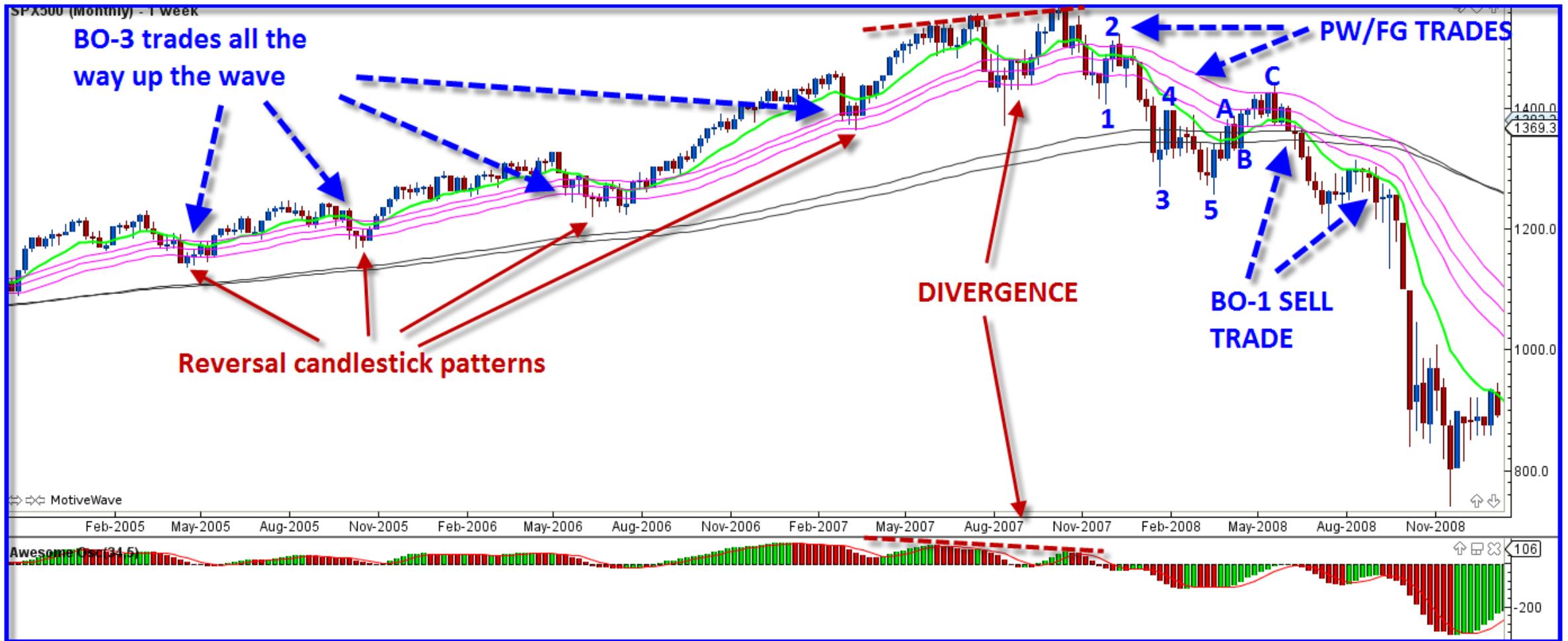
Wave Counts, RENKO and Wavy Tunnel Trades

NOTES: EUR/USD Case Study

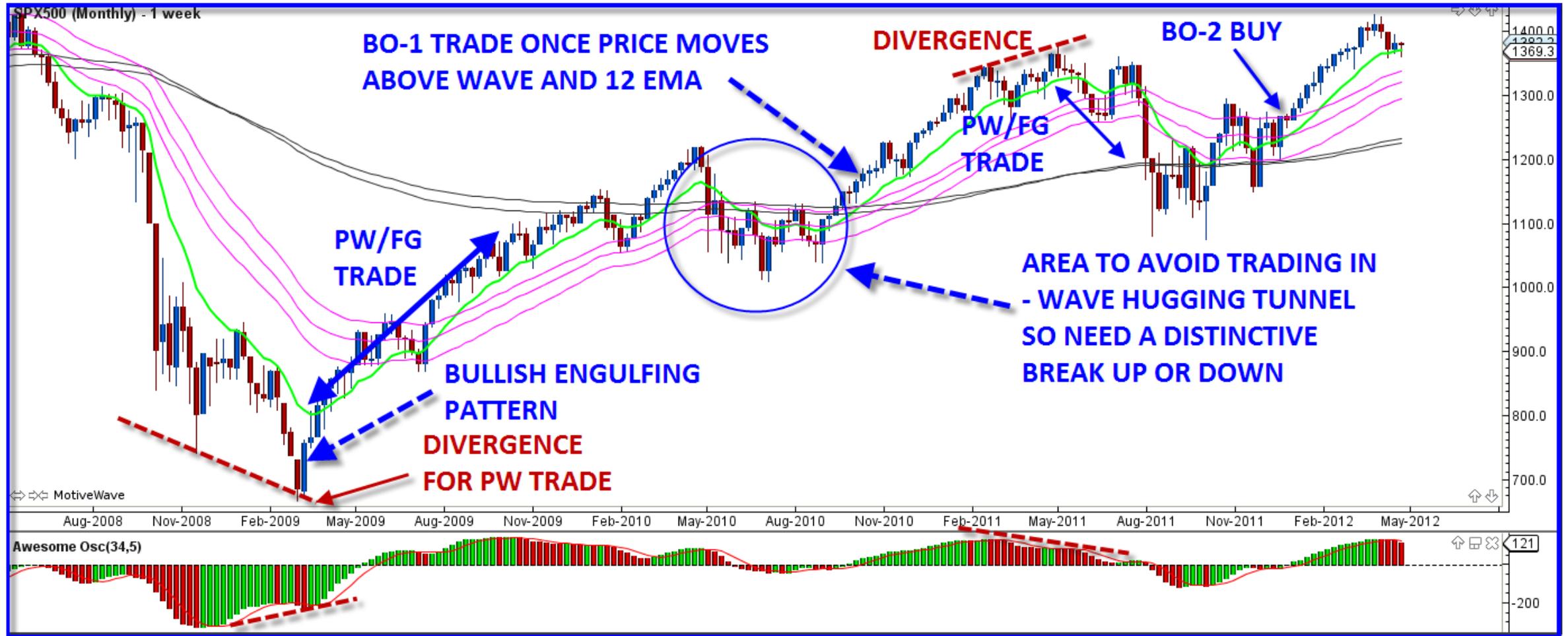
1. By doing a top-down approach, we never lose sight of the Big Picture. It is very easy to get too focused on smaller time frame chart we are trading.
2. Focus on the time frame traded while gaining perspective of the Big Picture one time frame higher.
3. In this Module, we introduced Renko Charts with the Wavy Tunnel Setup. You can see how the RENKO charts gets rid of the whipsaw.
4. We also compared Renko Charts with Candlestick Charts to see which are more effective. They each have their strengths. With RENKO charts, while price spikes are removed, sometimes it is those very spikes which provide the impetus to SELL or BUY on that reversal candlestick pattern.

WEEKLY Wavy Tunnel

Case Study: S&P WEEKLY FEB 2005 TO NOV 2008



Case Study: S&P WEEKLY AUG 2008 TO APR 2012



Wave Counts, RENKO and Wavy Tunnel Trades

Conclusions

When the Wave and the Tunnel come together on the Daily Chart then a big move is about to happen. The same applies to the Weekly Chart. Look for a BO-1 trade.

When the Wave and the Tunnel are separating then the current wave is likely to be an impulse wave. Waves 1,3,5, A or C. Look for BO trades.

When the Wave and the Tunnel are coming together then the current wave is likely to be a corrective wave. Waves 2,4 or B.

At the end of a sequence, if there is divergence in the CAO, it could be an End of Trend Trade. End of Wave 5 or C.

The closer the EMA 12 (Filter) to the Tunnel the more likely the break will be sustainable.

Wave Counts, RENKO and Wavy Tunnel Trades

Conclusions

There are many ways to run with the Wavy Tunnel. From a Swing perspective, use the 1-hour to take trades and the 4-hour and Daily to confirm the setup. From a Day trading perspective, use the 5-minute for entry and look at the Big Picture on the 15-minute and the 1-hour.

From a Long-term perspective, trade off the Weekly or Daily on its own.

Variation: Take trades using RENKO charts to reduce the noise factor and maintain balance on the Fear/Greed continuum.

Trade planning is key. Maintain organization in your trading life. Be consistent with documenting the trades and reviewing them weekly and monthly. Set goals for yourself.

Money Management is key. ALWAYS calculate your position size.

Conclusions

Thank you very much for being part of Elliott Wave and Wavy Tunnel Course.

We hope you enjoyed this experience.

Keep focused and Keep it Simple!

To your trading success always!

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