

Navigating Wicked Stocks A Guide To Our Technical Analysis

This PowerPoint includes our everyday trading terminology, the reasons for its use, and guidance on effectively applying it in your market analysis.



What we will cover

- Our system for ranking support and resistance levels
- Definitions of our trading levels—**minor, intraday-containment, session containment, weekly containment, multi-week containment, annual containment**, as well as **Up Pivot (UP)** and **Down Pivot (DP)**.
- Guidelines on how traders of different styles - day traders, swing traders, and position traders - should apply these levels in their strategies.
- A summary and essential tips to enhance your analytical skills and effectively incorporate our methods into your trading routine.



Our Role

- To provide traders with trend-defining support and resistance levels. More importantly, to lay a blueprint for using our support and resistance levels to navigate the complexities of the market.

The Basics

- Support levels: Price points where buying activity is stronger than selling activity, preventing further price decline.
- Resistance levels: Price points where selling activity is stronger than buying activity, preventing further price increase.
- These levels serve as key reference points for traders, identifying potential price barriers and influencing trading decisions.



Rating System

- As you are aware, certain support and resistance levels **have more significance than others.**
- Therefore, we have built a rating system that **ranks the significance of support and resistance levels.**
- By assigning ratings, traders can utilize our system to identify key waypoints with varying likelihoods of impacting the market. In essence, the higher the rating, the higher the probability of triggering a significant market reaction and vice versa.
- This system allows traders to plan their trades and refine their trading edge that aligns with their trading style and timeframes.



Our rating system rated 1-6

Least Significant Support And Resistance Level

1

2

3

4

5

6

Most Significant Support And Resistance Levels



Our rating system using asterisk *

Least Significant Support And Resistance Level	
1	*
2	*
3	*
4	***
5	****
6	*****
Most Significant Support And Resistance Levels	

*On our PDF, we use asterisks for our levels to help discern important levels from less important levels

These Are All The Levels We Use

Least Significant Support And Resistance Level	
1	*Minor
2	*Intraday containment
3	*Session containment
4	***Weekly containment
5	****Multi-week containment
6	*****Annual containment
Most Significant Support And Resistance Levels	

*On our PDF, all levels session containment and higher will be in **bold type font**.



Definitions of our levels

- We'll start with the most significant - **annual containment** levels - and moving our way down to the least significant - **minor** levels.



Annual containment

- **Definition:** These represent the top-tier market thresholds, indicating potential buying or selling activity over a year or even longer.

Significance

- **Big Picture:** They depict the broader, underlying directional trend of a particular market for the forthcoming year or more.
- **Major Shifts:** Breaching these levels may lead to significant, protracted market shifts, either upwards (if surpassed) or downwards (if broken).

Usage

- **Long-term Strategy:** Ideal for investors looking at the broader market trends.
- **Market Predictions:** Helps anticipate major market turns or continuations for the year or even multiple years.



Multi - Week containment

- **Definition:** These levels can control or guide market activity for a period ranging from several weeks to a few months.

Significance

- **Intermediate Trends:** Perfect for recognizing market movements spanning a few weeks to a few months.
- **Trading Guidance:** These levels serve as potential entry or exit points, especially for longer-term swing or position traders.

Usage

- **Positioning:** Useful for traders holding positions for extended periods (weeks to months).
- **Trend Identification:** Helps in aligning with or against intermediate-term market trends.



Weekly containment

- **Definition:** Weekly containment levels can contain buying or selling activity for a week to multiple weeks.

Significance

- **Short to Medium Term Movements:** Once these levels are tested the market can recoil and counter-move, or if violated, result in further continuation in the given direction for a week to multiple weeks.
- **Trend Alignment:** Recognizing these levels can assist in ensuring that trading strategies are in sync with prevailing trends over a week or more.

Usage

- **Short-term Strategy:** Ideal for traders eyeing market movements over a week out to several weeks.
- **Market Adjustments:** Helps traders adjust or hedge their positions based on anticipated weekly movements.



Session containment

- **Definition:** The term “session” specifically refers to a trading day, spanning from 9:30 am EST to 4:00 pm EST. Session containment is a threshold or level in trading that can potentially restrict or direct buying or selling activities for a full trading day, possibly extending to 2-3 trading days.

Significance

- **Daily Movements:** When these levels are tested, the market might either reject, leading to countertrend activity, or if surpassed, pave the way for continued follow-through to the next notable support/resistance point, lasting a day to multiple days.
- **Timeframe Relevance:** If you typically maintain your positions for 2 weeks or more, these levels might not be of primary concern to you.

Usage

- **Short-term Positioning:** These levels are vital for traders targeting market dynamics that play out within a day out to several days.
- **Strategic Adjustments:** Provides a framework for traders to modify or protect their positions based on expected daily movements.



Intraday containment

- **Definition:** Intraday containment pinpoints a level that can contain price movements within, or for a portion of, a single trading day.

Significance

- **Day's Dynamics:** Traders can watch these levels for possible price reversals or breakouts within that trading day.
- **Immediate Impact:** Intraday means “within the day,” indicating these levels are influential for one trading day but not typically beyond.

Usage

- **Day Trading:** These levels are paramount for day traders who capitalize on the day's volatility.
- **Strategic Entries/Exits:** Provides potential entry or exit points on a given trading day.



Minor

- **Definition:** Minor levels signify less dominant price points within a stock's or asset's trading range but can be beneficial entry and exit points for aggressive day traders.

Significance

- **Short-term Movements:** These thresholds can control or influence buying/selling actions on shorter timeframes, especially for those employing 60-minute timeframes and shorter.
- **Day-to-day Importance:** While they might not decisively change the broader price trend, they are instrumental for trading decisions on a day-to-day basis.

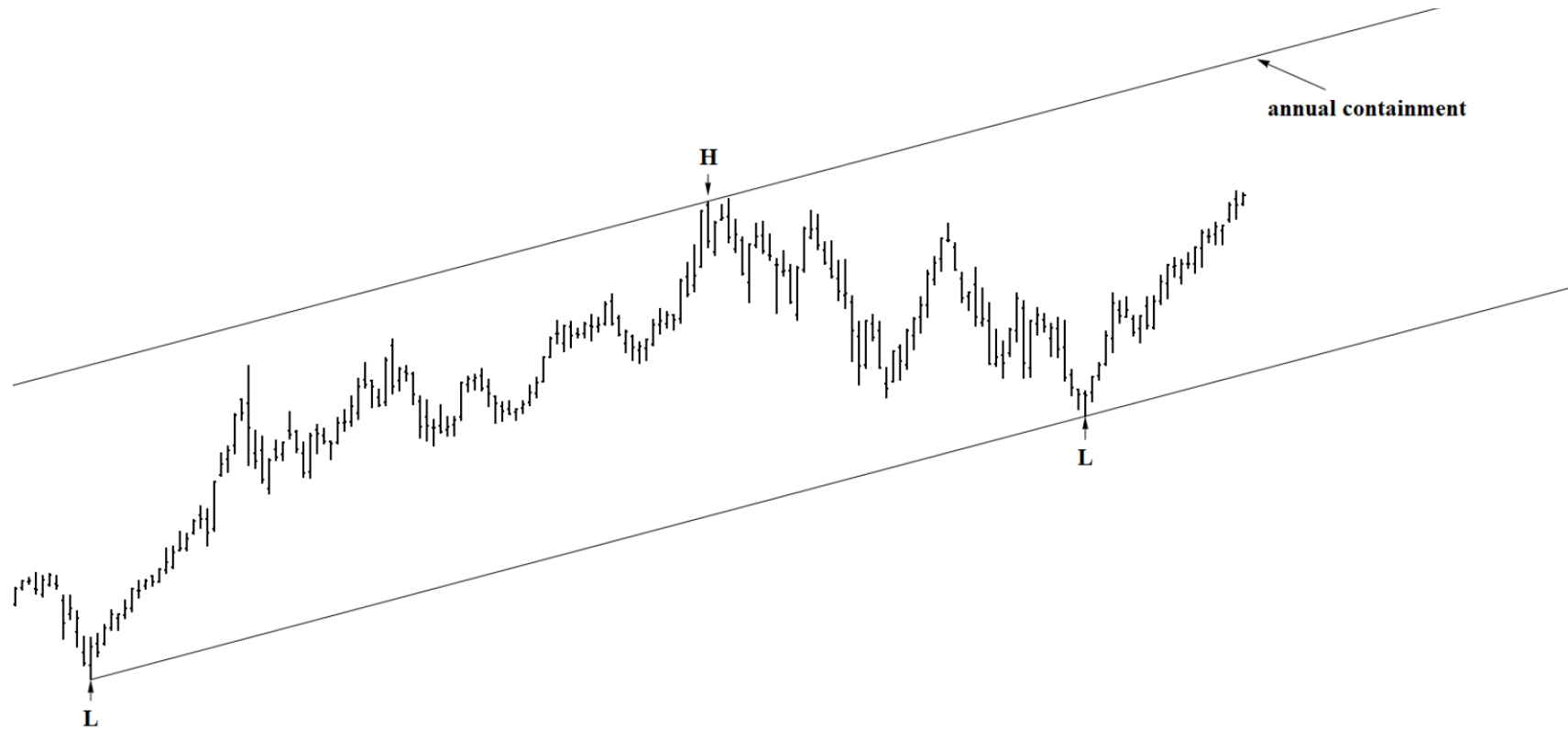
Usage

- **Intraday Strategies:** Typically used by day traders focusing on short-term tactics.
- **Decision Points:** Assists in determining potential buy/sell points based on day-to-day market fluctuations.



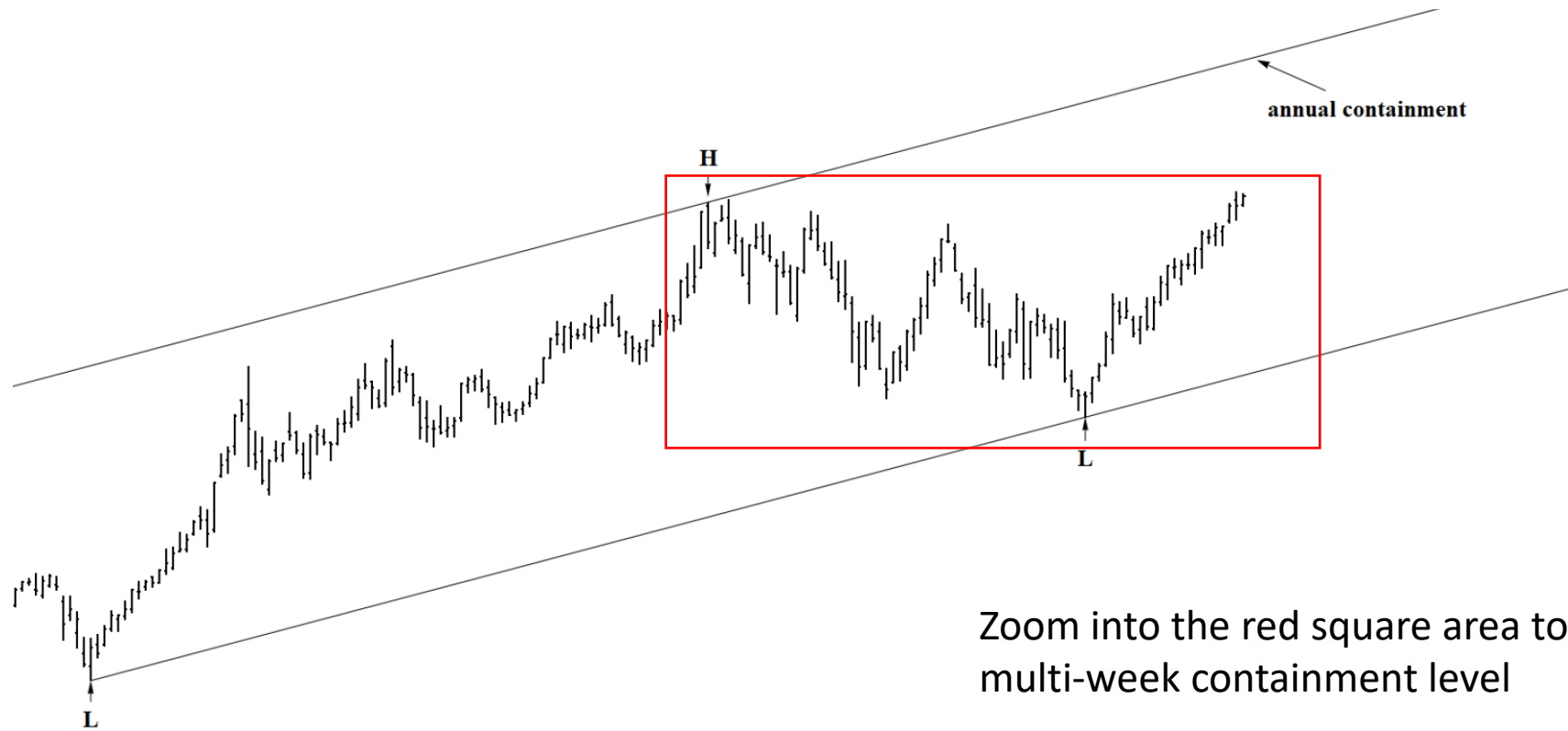
Annual Example

This is a weekly chart showcasing 3.5 years of trading activity



Annual Example

This is a weekly chart showcasing 3.5 years of trading activity

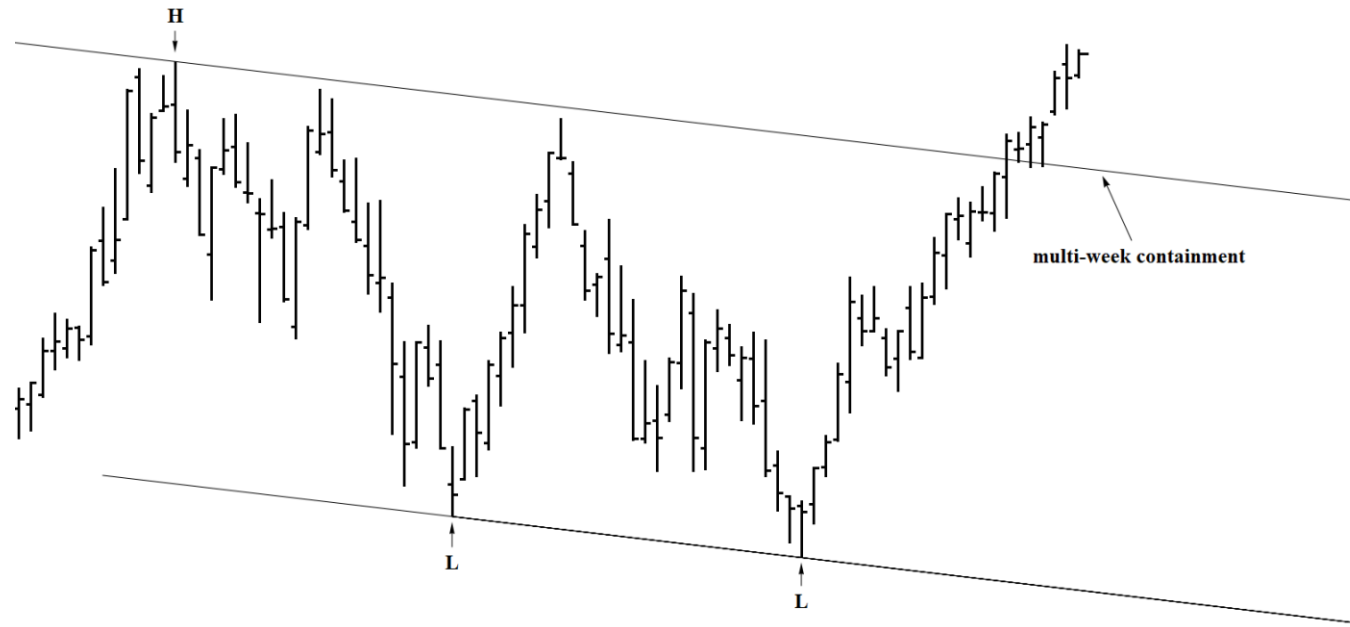


Zoom into the red square area to find a multi-week containment level



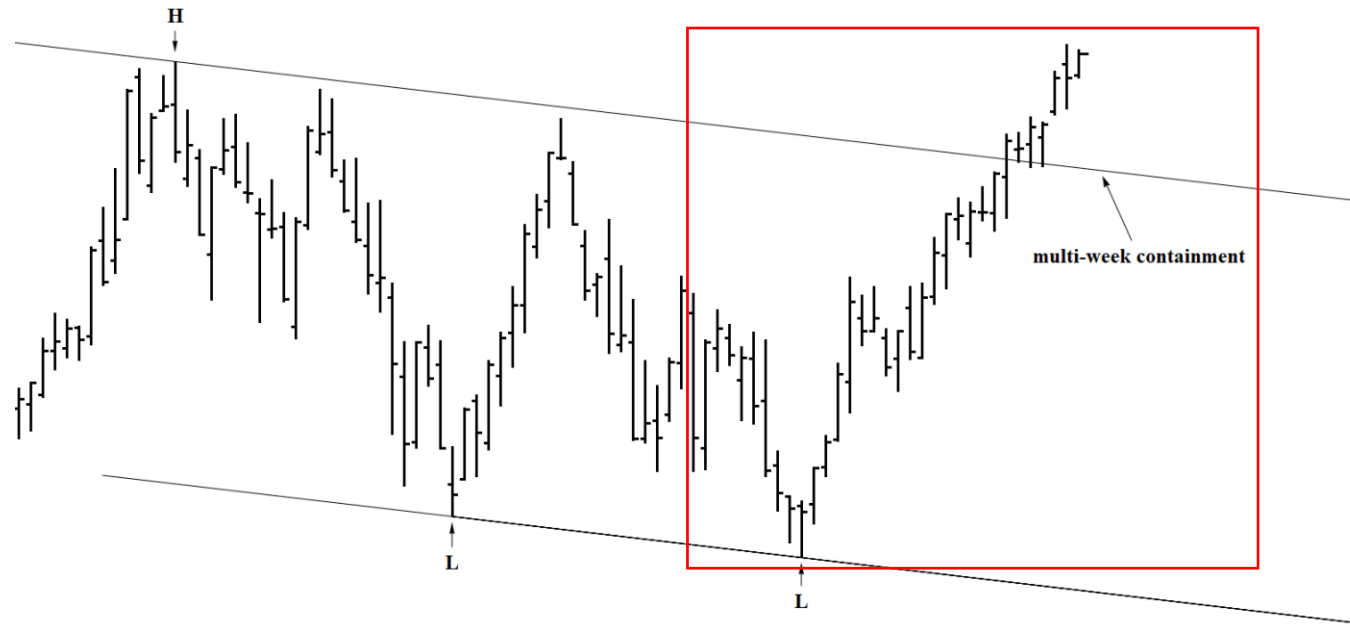
Multi-Week Example

This is a weekly chart showcasing 1.5 years of trading activity



Multi-Week Example

This is a weekly chart showcasing 1.5 years of trading activity

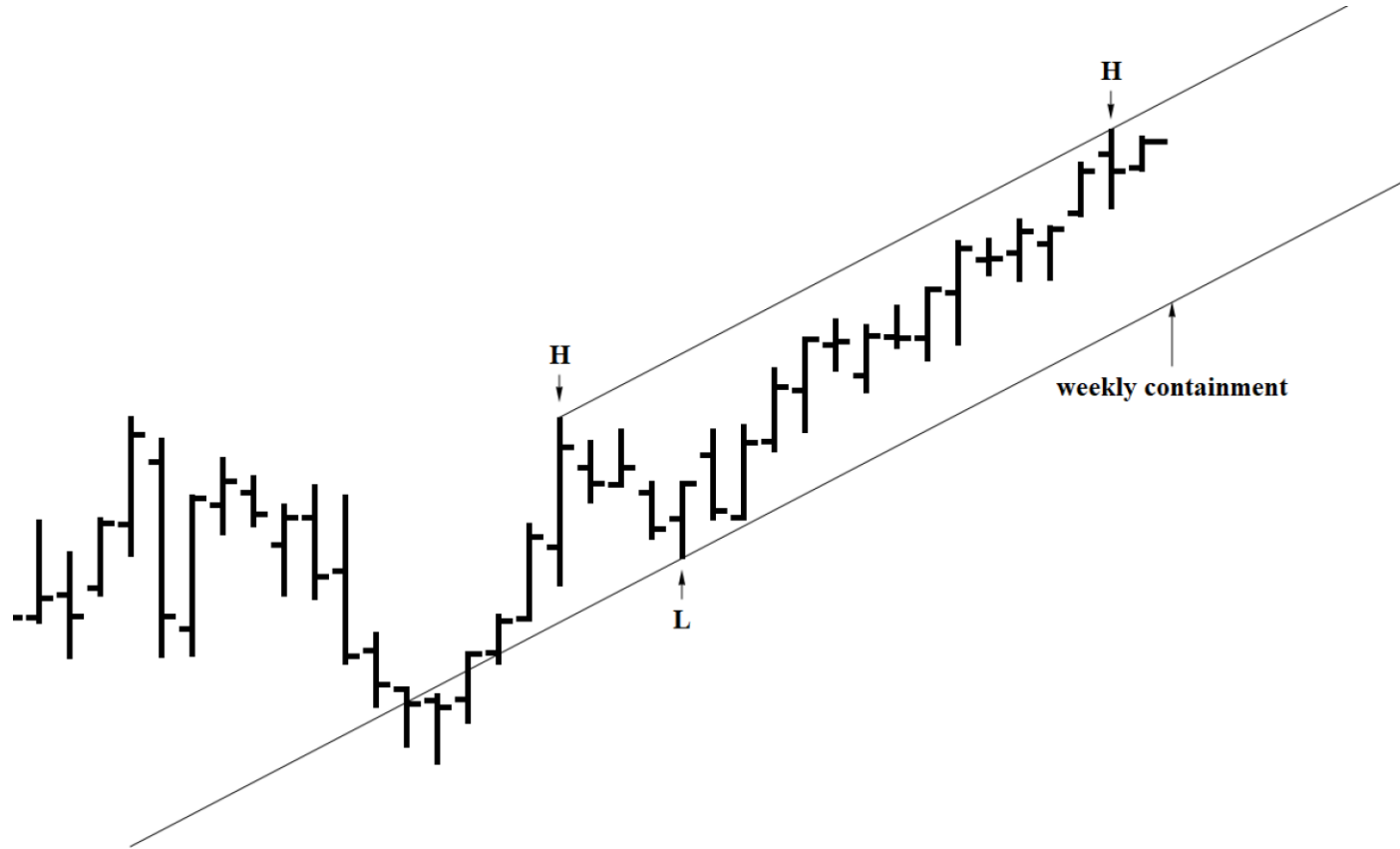


Zoom into the red square area to find a weekly containment level



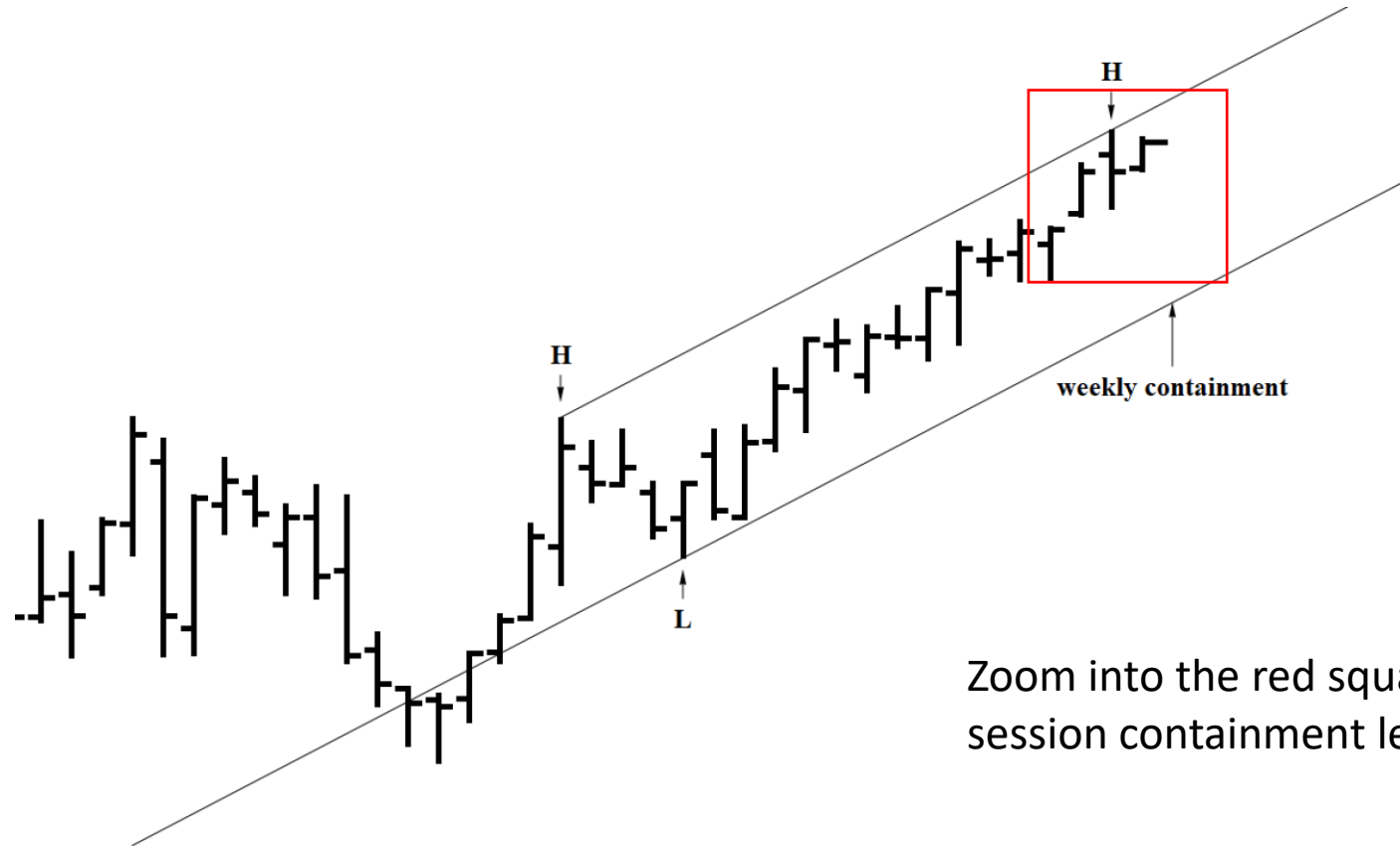
Weekly Containment Example

This is a weekly chart showcasing 3 months of trading activity



Weekly Containment Example

This is a weekly chart showcasing 3 months of trading activity

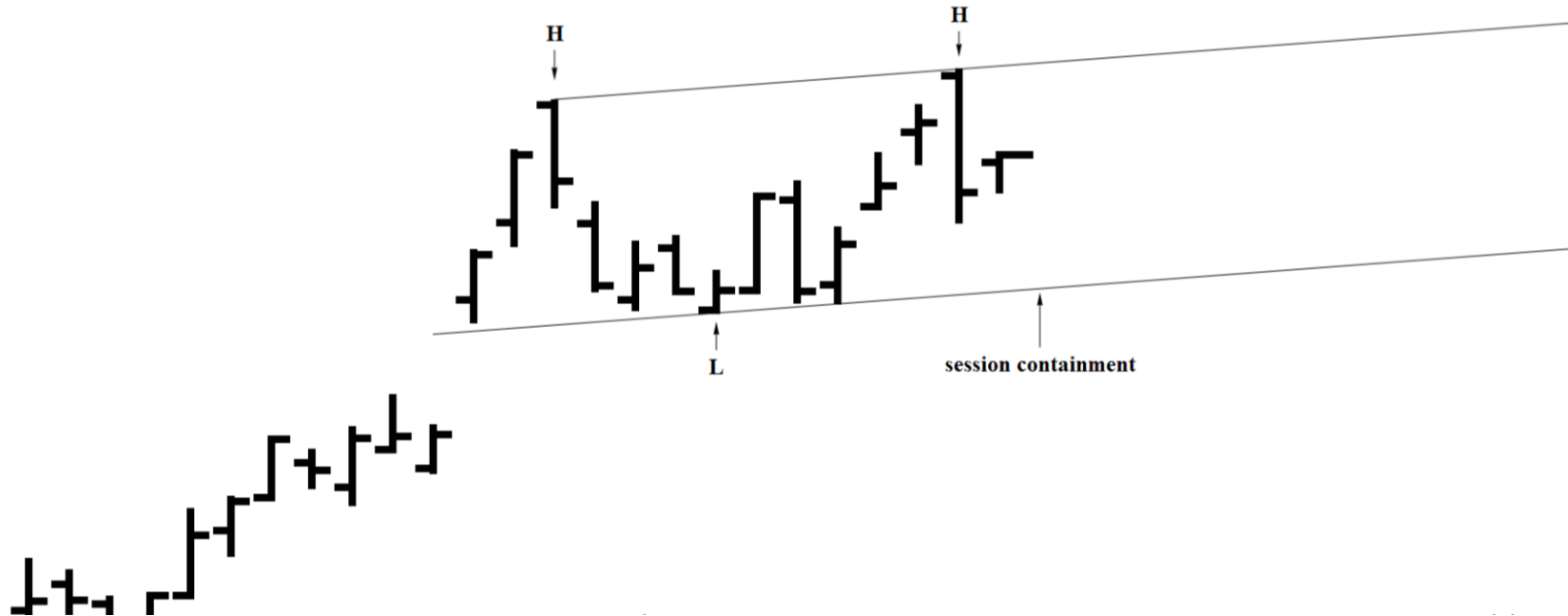


Zoom into the red square area to find a session containment level



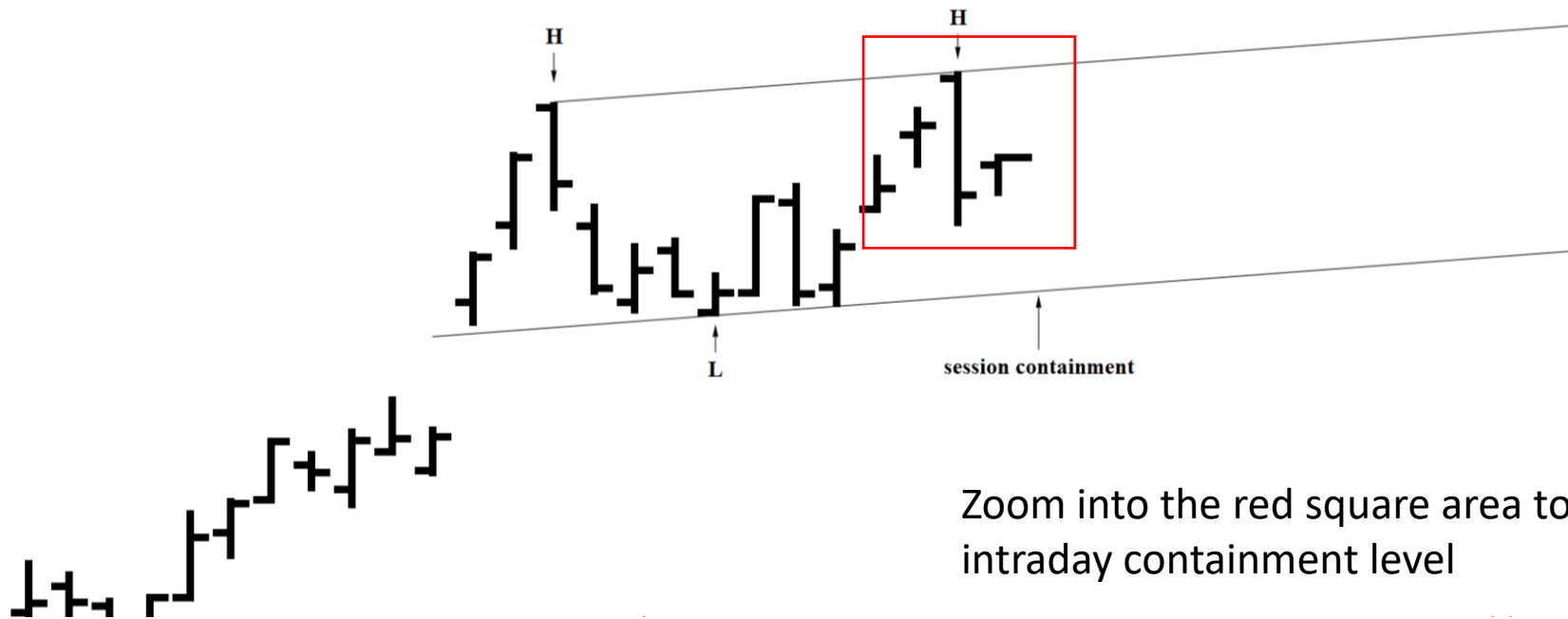
Session Containment Example

This is a daily chart showcasing 4 weeks of trading activity



Session Containment Example

This is a daily chart showcasing 3 weeks of trading activity



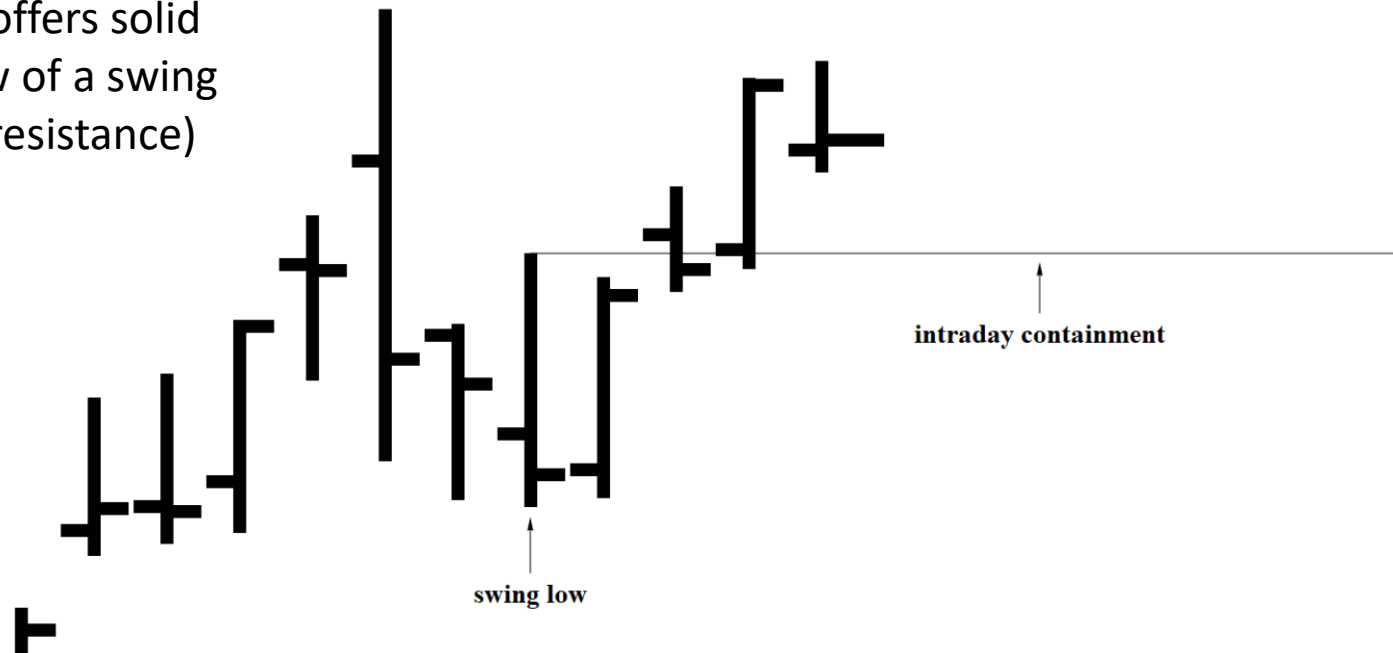
Zoom into the red square area to find a
intraday containment level



Intraday Containment Example

This is a 60 min chart showcasing 3 days of trading activity

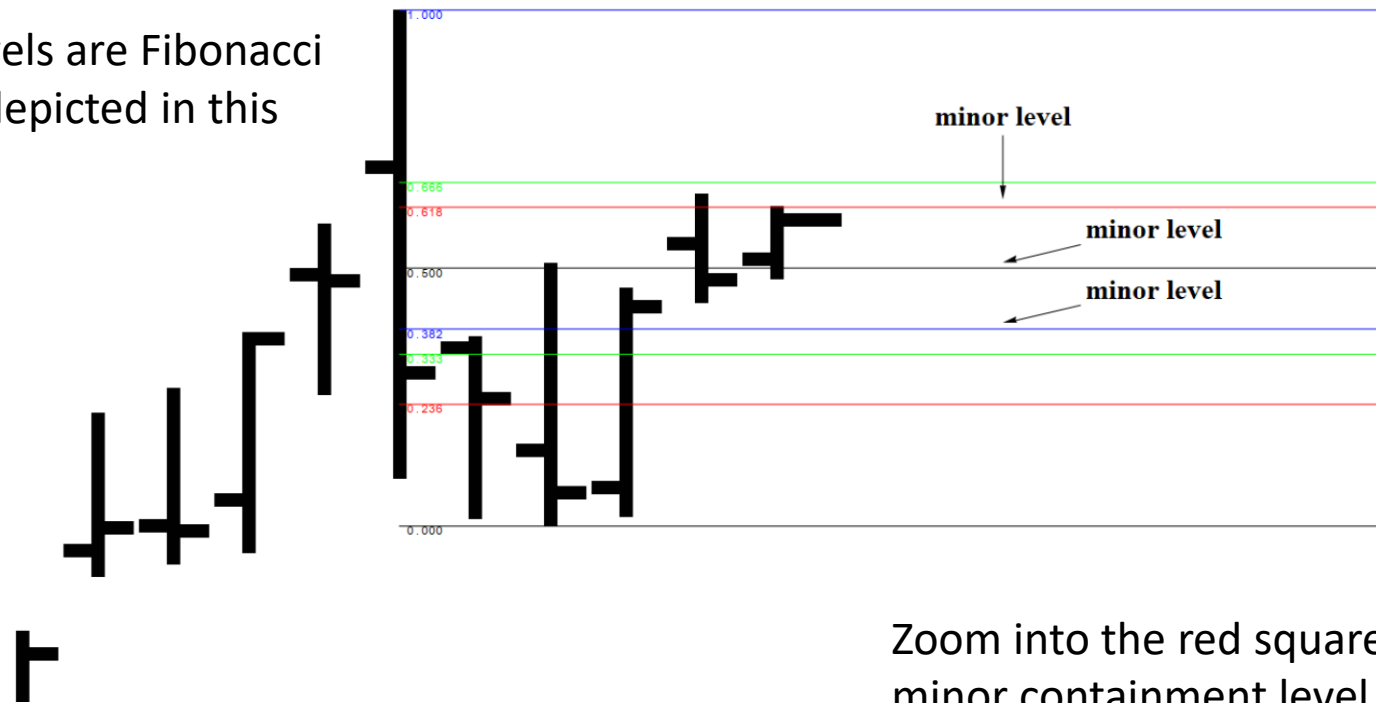
*The high of a swing low offers solid intraday support. (The low of a swing high offers solid intraday resistance)



Minor Level Example

This is a 60 min chart showcasing 3 days of trading activity

*Most of our minor levels are Fibonacci retracement levels as depicted in this image



Zoom into the red square area to find a minor containment level



Up Pivot (UP) & Down Pivot (DP)

- The term **UP** & **DP** can be applied to any level session containment and higher.
 - Expect an added element of momentum buying/selling pressures, typically correlated with the underlying trend.
- **Up Pivot (UP)**: a critical upper price level that, when breached, can shift the market's direction upwards for a determined period, often leading to increased buying pressure and potential bullish trends.
- **Down Pivot (DP)**: a crucial lower price level that, when broken, can pivot the market's direction downwards for a specified duration, typically instigating increased selling pressure and potential bearish trends.



Up Pivot (UP) example

Weekly chart highlighting 1.5 years of trading activity



*Common examples may be your typical “bull flag”



Down Pivot (DP) example



Important Note

- Keep in mind that the chart examples provided in this presentation are for illustration purposes only.
- Properly rating our levels necessitates a thorough grasp of the market context.
- For instance, in our example of **session containment** level, don't automatically categorize all 14-day channel bottoms as **session containment**.
- Depending on a stock's longer-term underlying trend, a 14-day channel bottom might have more significant implications for the market, potentially elevating its rating to a weekly or **multi-week** containment level.



How To Use Our Rating System



Our rating system can be used for:
Day traders, swing traders, and position traders

How traders can use our levels

- The rating system for support and resistance levels is versatile and adaptable to **different trading styles and timeframes.**
- Traders can leverage this system to identify levels that are most relevant to their specific approach, whether they are day traders, swing traders, or position traders.
- Let's explain how different traders should utilize our rating system.



Position Traders/Near-Term Investors

- Position traders are **focused on capturing long-term market trends**
- They want to capture moves in the stock market that span several months to a few years.
- Therefore, they should focus on levels that define the trend of the stock on a multitude of months to multi-year basis – **annual, multi-week, and weekly**.
- **Annual containment** levels form the underlying trend in the stock and are key to long-term strategic decision-making. Surpassing or breaking these levels may suggest a long-term market shift, enabling position traders to prepare for substantial changes in the trend.
- Monitoring **weekly** and **multi-week** levels is crucial. They offer insights into extended market trends and guide entry or exit decisions, helping traders align with the market's direction.
- Day-to-day levels such as **minor, intraday, and session** are not relevant to position traders and following them will lead to enhanced risks and confusion by associating with short-term market fluctuations.



Position Trader

- Focus on **weekly containment**, **multi-week containment**, and **annual containment** levels
- All levels rated lower than **weekly containment** are of no use to you.

PDF support and resistance

153.78 ***** [Annual contain](#)

150.91 * minor

149.96 *** **weekly containment**

146.95 * minor

144.23 * **session containment**

141.74 * minor

140.35 * intra-day containment

138.26 * minor

136.91 *** **weekly containment**

134.37 * minor

133.25 * **session containment**

132.30 * minor

130.06 * minor

[129.04](#) *** **weekly containment**

127.54 * minor

126.11 ***** **multi-week contain**

119.81 ***** [Annual contain](#)

Focus on these levels

153.78 ***** [Annual contain](#)

149.96 *** **weekly containment**

136.91 *** **weekly containment**

[129.04](#) *** **weekly containment**

126.11 ***** **multi-week contain**

119.81 ***** [Annual contain](#)



Swing Traders

- Swing traders aim to capture price movements in the market over multiple days to several weeks. This makes **session containment**, **weekly containment**, and **multi-week** levels particularly significant for them.
- Align yourself with the underlying trend using annual containment levels.
- **Multi-week** levels provide a broader perspective of the market. These levels serve as crucial markers for entry or exit points, guiding swing trading decisions that align with the underlying trend over an extended period.
- **Weekly containment** levels are essential for identifying potential medium-term trends or countertrends over several weeks. Violations of these levels may indicate a trend continuation in the respective direction, aiding the adjustment of their strategies.
- If you want to capture daily to multi-day price movements, monitor **session containment** levels.



Swing Trader

- Looks for a move in a stock that spans from a few days to several weeks.
- Therefore, a swing trader should focus on **session containment** levels and higher.

PDF support and resistance

153.78 ***** Annual contain

150.91 * minor

149.96 *** **weekly containment**

146.95 * minor

144.23 * **session containment**

141.74 * minor

140.35 * intra-day containment

138.26 * minor

136.91 *** **weekly containment**

134.37 * minor

133.25 * **session containment**

132.30 * minor

130.06 * minor

129.04 *** **weekly containment**

127.54 * minor

126.11 ***** **multi-week contain**

119.81 ***** Annual contain

Focus on these levels

153.78 ***** Annual contain

149.96 *** **weekly containment**

144.23 * **session containment**

136.91 *** **weekly containment**

133.25 * **session containment**

129.04 *** **weekly containment**

126.11 ***** **multi-week contain**

119.81 ***** Annual contain



Day Traders

- Day traders **should be vigilant of all levels** including **minor, intraday, session containment, weekly containment, multi-week, and annual containment** levels.
- Every level we pick we assume will act as support/resistance throughout the day.
- If a stock is approaching an annual containment level on a 5 min chart, you should assume it will act as support/resistance just the same as any other level.
- Tip – since all levels will be consistent throughout the day. Draw each level as a horizontal line on your chart.



Day Trader

- Focus will be on minor levels and higher.
- Let's say a stock opens at 137.00.
Focus on resistance levels just above 137.00 and support levels below 137.00.
- Tip – since all levels will be consistent throughout the day, draw them as horizontal lines.

PDF support and resistance

153.78 ***** Annual contain

150.91 * minor

149.96 *** weekly containment

146.95 * minor

144.23 * session containment

141.74 * minor

140.35 * intra-day containment

138.26 * minor

136.91 * weekly containment**

134.37 * minor

133.25 * session containment

132.30 * minor

130.06 * minor

129.04 * weekly containment**

127.54 * minor

126.11 *** multi-week contain**

119.81 *** Annual contain**

Focus on these levels

144.23 * session containment

141.74 * minor

140.35 * intra-day containment

138.26 * minor

136.91 * weekly containment**

134.37 * minor

133.25 * session containment

Conclusion – Top-Down Approach

When participating in the stock market, a top-down analysis is essential.

- 1. Identify Key Levels:** Start with a weekly or monthly chart. Here, you'll pinpoint your annual or multi-week containment levels.
- 2. Spot Current Trends:** Shift to a weekly chart to discern ongoing trends and highlight your multi-week and weekly levels.
- 3. Examine Daily Dynamics:** A daily chart will showcase session containment, intraday containment, and minor levels. Often, these minor levels appear on daily or even hourly charts.



Conclusion - Aligning Timeframes with the Rating System

- By synchronizing our rating system with various timeframes, traders can hone their strategies according to their trade duration.
- This method emphasizes focusing on the most pertinent support and resistance levels, enhancing decision-making, and amplifying the likelihood of successful trades.



Conclusion – What levels to focus on

In a Nutshell

- **Day Traders:** Focus on **minor** levels and above.
- **Swing Traders:** Skip the **minor** and **intraday** levels, emphasizing **session containment** levels and higher.
- **Position Traders:** Center on **weekly containment** levels and above.



Conclusion - The Fluidity of Market Trends

- Market trends and structures are ever-evolving. Today's session containment level might morph into a weekly containment tomorrow and vice versa.
- Our reliance on technical analysis, both an art and science, allows us to extract high-probability trading plans from an ocean of data.
- With over 25 years in stock market and commodity trading, we've refined our analytical prowess, granting us a competitive edge.
- A critical point to note here: you do not need a crystal ball to generate profits. Our long-standing expertise affords us a robust framework for analysis, which means success isn't hinged on predicting the future, but rather on understanding the present.



Conclusion

- As Mark Douglas, a highly respected trader with whom we've had the privilege to collaborate at the Chicago Board of Trade, once said,
"The best traders aren't afraid. They aren't afraid because they have developed attitudes that give them the greatest degree of mental flexibility to flow in and out of trades based on what the market is telling them. Fear comes from a lack of understanding or a lack of belief in one's ability."
- This wisdom underscores the significance of mastering key support and resistance levels before trading.
- Utilizing a structured rating system gifts you a daily trading blueprint eliminating the fear of uncertainty and allowing you to execute your edge.

