INTER-ISSUE UPDATE

PLAN 2

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Tuesday August 27th, 2013

TRIGGER$
Economic & Technical Analysis for the Active Trader
www.triggers.ca

MACRO DRIVERS

S&P 500: It must be that time of year when Congress returns to session, the annual budget impasse heats-up, a government shutdown is threatened and the debt ceiling rancor rattles the markets. It might however be significantly more dangeroues and volatile as this time we additionally overlay;"TAPER" potentially being inplemented with the next FOMC meeting, EU facing a potential destabilizing election in Germany, the Asian Crisis worsening and broadening with its attendant RISK-Off deleveraging, Q3 Earnings Pre-Announcements being made and the fear of a potential US recession entering the media lexicon.

MACRO TRIGGERS

US Stock Indices are traditionally strong heading into the Labor Day weekend. We can expect increased volatility as each critical event date is appraoched throughout September. The market is ripe for an expected financial or geo-political shock. The charts are errily similar to 1987 with 6 Hindenburg Omens now on the board.

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click arrows in the index to go to chart
click arrows in charts to return to index

	WEEKLY	DAILY	HOURLY
S&P 500	↑	↓	↕

MACRO DRIVERS
MACRO TRIGGERS   Additional Info/Charts

ECONOMIC & EVENT CALENDARS   TA Glossary

Understanding the Analysis

TRIGGER$ Trading Methodology Performance Update

↑ Up Trend   ↓ Down Trend   ↕ Sideways, Tight Consolidation

Updated!
Aug 27/2013

Last week's weekly bar ends up closing positive (green) after the market bounced from significant supports at the end of the week. The current weekly bar is red and we are watching to see if the market breaks the current red-dashed support or continues to bounce from it. The W%R remains lifted in "positive trend territory" and needs to break below the blue s/r zone and the blue dashed trend s/r on the indicator for us to consider a change in trend. The previous drop down from the market had more to it and we can see the light red-dashed s/r the last pullback found support from . IF the current red-dashed support fails, we can see a move back down to the previous supports possible. IF current supports continue to hold and the market continues the positive trend, then we have potentially new highs and the upper HPTZ to look towards.

S&P 500 DAILY

TRIGGER **HPTZ**

MATA DRIVER$ $USD
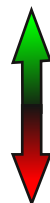
MOVING AVERAGE	34ma	1,680.00	1,692.22 Fib circle
MOVING AVERAGE	13ma	1,668.73	1,680.00 34ma
SUPPORT / RESISTANCE	red-dashed	1,642.15	1,617.00 light green s/r
			1,578.04 light red-dash s/r

Bollinger Bands
Moving Averages
Fibonacci

Trendlines
Supports / Resistances
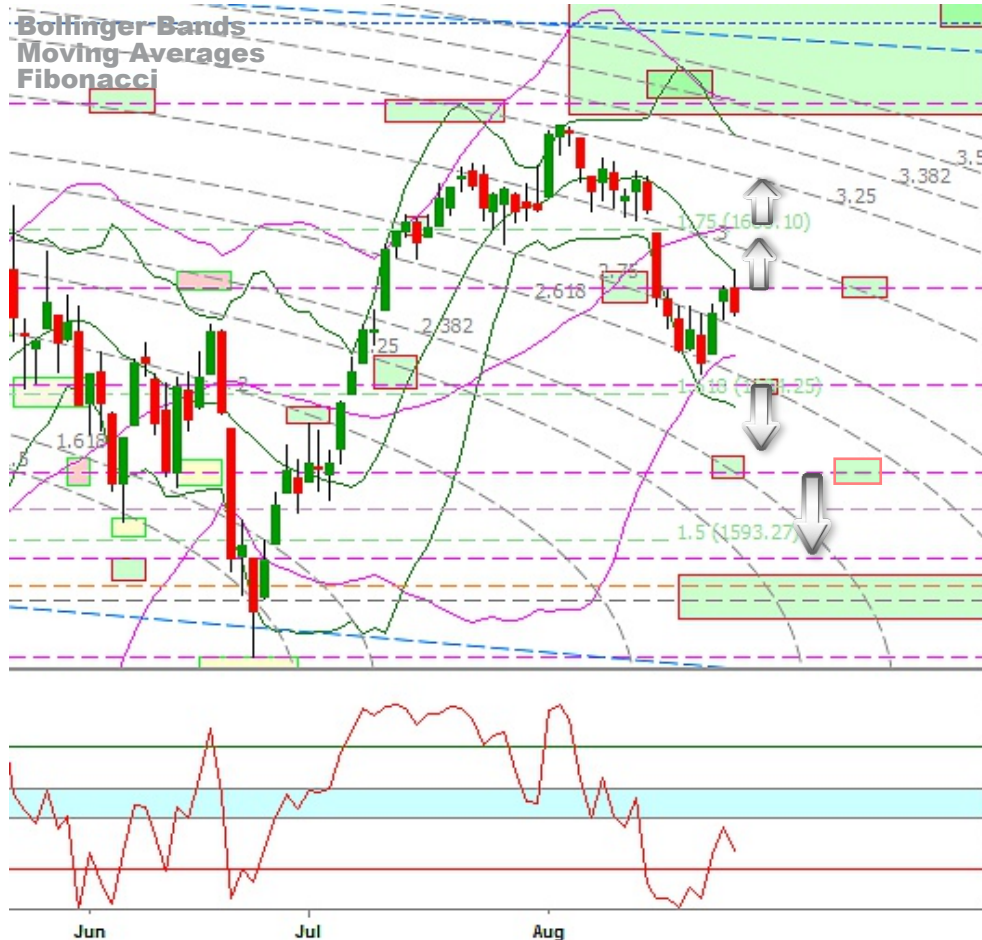
The latest move from the S&P has had it bounce from significant s/r's and then pull back to previous resistance. Note: previous resistance is now support, indicating a shift in trend; current resistance is the 13ma, breaking through this would have us looking to the 34ma as the next significant s/r. The W%R is lifting from lower levels and suggests there is potentially more lift to go with lots of room to reach the upper extremes. Note however the blue s/r zone that could offer resistance and needs to be moved through on the indicator. The W%R is turned already and we should watch for a potential move back to the -80 level.
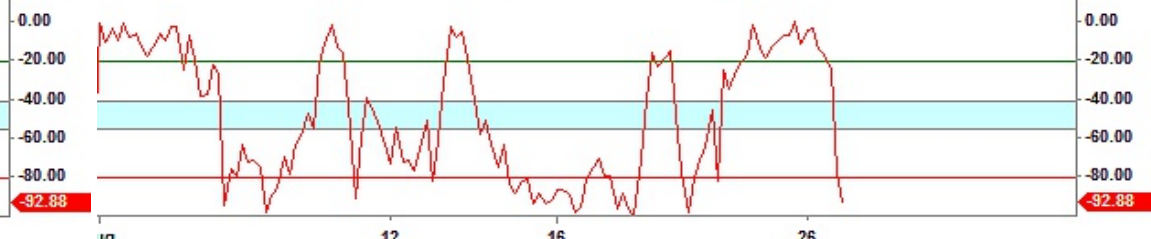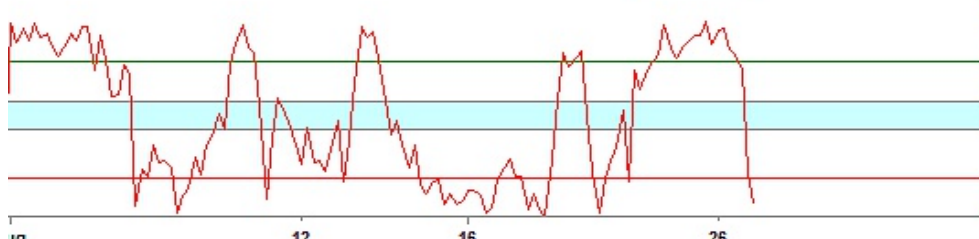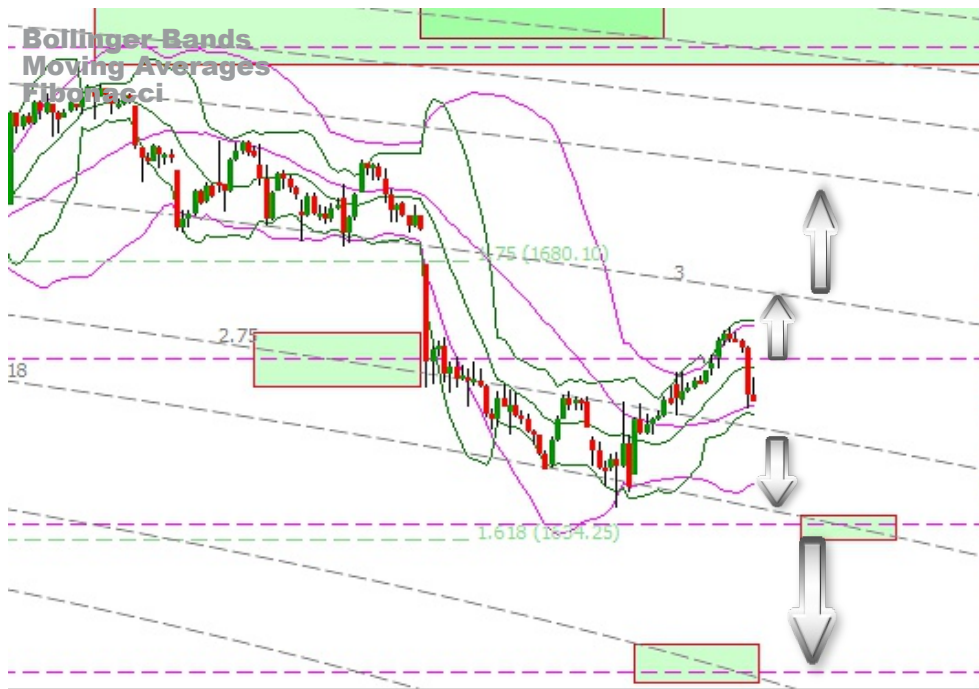
S&P 500 **60 MIN**

MATA DRIVER$ $USD

			1,692.22 Fib circle
FIBONACCI LEVEL	pink	1,664.04	1,675.40 Fib circle
SUPPORT / RESISTANCE	red-dashed	1,642.15	1,617.00 light green s/r
			1,578.04 light red-dash s/r

Bollinger Bands
Moving Averages
Fibonacci

Trendlines
Supports / Resistances

Drilling down even further to the 60min we can see the latest move has had the market lift from a potential channel. The pull-back has done so right where we can see the channel s/r and the previous grey-dashed resistance (now support) meeting. Note as well the 34ma and 13ma LBB are also in the same area and all can be said to be providing support. These offer TC's if the market continues lower. The W%R has dropped below the -80 level and indicates negative pressure on the market. IF the market bounces, TC's could come from the 13ma and the pink Fib level (side-by-side).

Do you know of any way to tell for sure what the move is going to be next? Will the market continue to lift from here or drop even further? Is your method 100% directionally accurate and repeatable? If you don't know for sure, then all your educated guessing comes up to gambling. I suggest there is no way to know 100% of the time for sure which way the market will break. The best you can do is follow along with it when it tells you where it is headed (technical triggers). Nothing wrong with placing your bets and crossing your fingers. But that's a different game than trading. Shoot me your thoughts on this and I'll put the discussion in the next issue of TRIGGER$ forum.   goldenphi@triggers.ca

MACRO DRIVERS
MACRO TRIGGERS

Additional Info/Charts
1/2

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1. Consumers are carrying more debt than they did in 2007. (Consumer credit - ignoring mortgages - is up to $2.8 trillion.. In 2007, at the height of the "credit bubble," it was just $2.5 trillion.)

2. Corporations are carrying more debt than they did in 2007. (U.S. businesses owe $12.9 trillion - compared with $11 trillion in 2007.)

3. The Federal government is carrying 60% more debt than it did in 2007.

4. Cities and States are carrying more debt than they did in 2007.

5. Interest rates have jumped by 80% in the last three months.

6. The economy is clearly in recession, as retailer after retailer reports horrific results.

7. Stocks are as overvalued as they were in 1929, 2000, and 2007.

8. China is experiencing a real estate collapse.

9. Japan is experiencing a cultural/economic/societal collapse.

10. The Middle East is awash in blood.

11. The European Union is held together by lies, delusion and false promises.

What could possibly go wrong?

MACRO DRIVERS
MACRO TRIGGERS

Additional Info/Charts
2/2

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S&P 500
2013
1987

SEPTEMBER WILL BE A DANGEROUS MONTH

Major policy events in September

Release of minutes from 7/30-31 FOMC meeting	Japan announces 2014 money supply target ECB interest rate decision	Congress returns to session	FOMC decision and press conference	German federal elections	Deadline for Congress to prevent government shutdown
8/21/2013	9/5/2013	9/9/2013	9/18/2013	9/22/2013	9/30/2013

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ECONOMIC CALENDARS

Bloomberg

U.S. Markets

http://www.bloomberg.com/markets/economic-calendar/

TRADING ECONOMICS .com

Global

http://www.tradingeconomics.com/country-list/calendar

HARDCORE

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PLAN 2

TRIGGER$ Charts Powered by

eSignal
smarter trading tools

TECHNICAL
ECONOMIC
MACRO - MICRO
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MARKET ANALYSIS

Longer Term Dates of Interest

Aug 20th	Phi Cluster (+/- a couple of days)
Aug 21st	FOMC Minutes
Sept.18th	FOMC Meeting
Sept.20th	Quadruple Witch
Sept.22nd	German Election
Sept 30th	Government Shutdown Deadline
Oct. 8th	Bradley Turn

TA Glossary *(list of TA abbreviations)*

HPTZ	High Probability Target Zone(s)
Fib	Fibonacci
ma	Moving Average
p/t	Price / Time Graph
s/r	Support & Resistance
TA	Technical Analysis
TC	Trigger Consideration
13ma & BB	Green
34ma &BB	Pink

UNDERSTANDING THE ANALYSIS

You will notice that 2 charts are given for the Daily and Hourly time frames. Each chart is identical but shows different technical studies. This is done so that the charts are easier to read and less cluttered. Both charts should be taken in to consideration. Targets given are located in the exact same position on each chart and you can see which tools are aligning across both perspectives.

1 Instrument / Market

2 Time Scale

3 Trend — General overall trend based on the technical analysis. Although a market may have had a few down days, it may still be in an up-trend - technical parameters determine direction, i.e. channel.

4 Driver — The market that is having the most influence on, and has a relationship with, the current market.

5 Trigger & HPTZ — Green and Red arrows divide the chart from top and bottom representing the TA above and below the current market. Triggers are the technical tools that need to be violated to reach the HPTZ location.

6 HPTZ — Green boxes are identified target locations. Red boxes are missed targets. Yellow boxes are targets hit.
Box size is determined by (1) the time scale the target was placed on - weekly target viewed on hourly chart appears large (2) not all technical tools cross at an exact point but in a general area.

7 Arrows — The base of the arrow sits at a significant technical tool that is a trigger consideration. The arrow points to the next significant technical and is where the market should move to once the initial trigger at the base of the arrow is crossed. These identify the significant technical triggers and where the market is likely to move to once crossed.

8 W%R Indicator — Consistent indicator used with HPTZ and technical triggers. Aids in identifying trends and pivots.

9 Analysis — What occurred since last update; significant technicals, triggers and targets. Also: education & explanation of the TA and methods, using targets and technical triggers as the backbone of a personal trading strategy.

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1 **2** **3** **4**

S&P 500 DAILY

MATA DRIVER$ $USD

TRIGGER   HPTZ

		TRIGGER	HPTZ
5	SUPPORT / RESISTANCE	purple dashed 1,649.00	1,681.49 next purple s/r, circle
	FIBONACCI LEVEL	circle 1,645.78	1,663.84 pink Fib lvl
	SUPPORT / RESISTANCE	lt. red 1,608.00	1,560.00 red dash s/r, prev low
			1,514.67 red s/r

Trendlines
Supports / Resistances

6 **7** **8**

9 Still have questions? email goldenphi@triggers.ca

Methodology Performance
as of Friday March 5th, 2013

TRIGGER$ Updates are part of a Trading Methodology that uses the identification of High Probability Target Zones (HPTZ).

These targets are derived from the assimilation of several Technical tools and methods.

Through the application of the tools to determine HPTZ, they also set up trigger considerations for potential entry and exit placement.

Our Updates give the HPTZ that we have found as well as the most obvious technical triggers that have set up. There are usually several trigger considerations for each HPTZ and the traders own risk tolerances and trading strategy must decide for themselves which are appropriate. As noted in our disclaimer, this is not a trade advisory service. The updates outline and use a methodology *that can be used as the base for* an individuals personal trading strategy.

The trading methodology entails identifying the HPTZ **both above and below** the current market position. While we generally have a bias on market direction, we are not infallible. Identifying the HPTZ on either side of the market, and using the technical tools as trigger considerations, the trader eliminates all bias and psychological pitfalls and trades what the market actually does, as opposed to what is believed to potentially occur.

This sets up a purely technical trading system. Regardless of market direction, the trader has a plan and method for successfully navigating the market.

You will note throughout the updates we post that the Methodology remains constant. That is, it does not change, shift or modify depending on market conditions. **Regardless of trending or non-trending markets, the methodology is applicable in all situations.**

While the methodology has been in development for several years, it is only recently that we have started to keep a track record of its progress. Through the publication of these updates, we have a real-time record of the success or failure of the method and identification of HPTZ, or a proof of concept. In July of 2012 we expanded our updates to include several markets and it is from this point that we have started collecting data from our methodology. For the moment, the sampling size is admittedly small. However it grows monthly and should soon enough begin to establish an acceptable statistic.

As we locate HPTZ on either side of the market, only those that are activated are included in the calculations. HPTZ are activated when the market makes a move in that direction (I.e. new wave), exceeding the current market boundaries (I.e. channels, pattern s/r's etc.). HPTZ identify targets for the next wave. If the next wave becomes apparent and moves outside current boundaries but does not make it to the HPTZ, then it is a miss.

Hits on price level, but misses at the exact location (time) are only counted as a hit if the call could reasonably be considered "close". That the market at some point reaches the price level is not enough to be considered as a hit – the p/t must "just miss" the time target to be counted as a hit on price but miss on time.

July 2012–Mar 1st 2013 HPTZ Forecast Multiple Markets Combined Totals	Totals / % All Markets
Total # of HPTZ$ Forecasted	391
# Targets Hit: Both Price & Time*	332
# Targets Hit: Price Level Only*	26
TOTAL # ALL TARGETS HIT**	358
# Targets Missed	33
Hit % : Both Price & Time Only*	85%
HIT %: ALL TARGETS HIT**	92%

July 2012–Mar 1st 2013 HPTZ Forecast	SPX	USD	EUR/JPY	EUR/USD	VIX	GOLD	OIL
Total # of HPTZ$ Forecasted	46	76	76	67	38	48	40
# Targets Hit: Both Price & Time*	39	64	61	58	34	40	36
# Targets Hit: Price Level Only*	1	5	9	4	2	4	1
Total # All Targets Hit**	40	69	70	62	36	44	37
# Targets Missed	6	7	6	5	2	4	3

* ***Both Price & Time***: exact location for both price & time was achieved
* ***Price Level Only:*** *price level was reached, but occurred outside of specified time frame. Only those price levels reached where the time element could be reasonable counted as "close" count as a Hit.*
** ***Total Combined*** *number of the Price & Time Targets Hit and the Price Level Only Targets Hit.*