



INTER-ISSUE UPDATE

PLAN 3

Wednesday August 28th, 2013

TRIGGER\$

Economic & Technical Analysis for the Active Trader

www.triggers.ca

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

| | WEEKLY | DAILY | HOURLY |
|---|--------|-------|--------|
| \$USD | | | |
| EUR:JPY | | | |
| EUR:USD | | | |
| <p>MACRO DRIVERS MACRO TRIGGERS Additional Info/Charts</p> | | | |
| <p>ECONOMIC & EVENT CALENDARS TA Glossary</p> | | | |
| <p>Understanding the Analysis</p> | | | |
| <p>TRIGGER\$ Trading Methodology Performance Update</p> | | | |

Updated!

Aug 28/2013

MACRO DRIVERS

The situation across Asia worsens daily as RISK-OFF deleveraging becomes forced selling. Taiwan, South Korea, Indonesia and the Philippines have initially been hit the hardest but now India and the Rupee are under intense pressures. This is a direct result of Emerging Markets funds being repatriated to shore up EU Banking Capital Ratios.

MACRO TRIGGERS

The Dollar-Yen Cross appears to be completing a Triangle Consolidation pattern. This suggests that the Yen will soon begin to continue weakening against the US\$.

DISCLAIMER: Inter-Issue UPDATES is not a Trade Advisory Service. This is a Technical Analysis service supplementing the monthly analysis found in our monthly publications. The point of the Updates is to provide a more fluid, stable and up-to-date analysis - more so than could be delivered in just a monthly publication alone. TRIGGER\$ & TARGETS are markers that can be used in measuring / determining trend movement and changes. **They are Not trading signals or calls.**



Last week's weekly bar ended neutral; current weekly bar is slightly red. Of significance is the market continuing to hold at the green dashed channel support. Watching for a break or bounce.... with the W%R just under the -80 level indicating negative pressure, the bias at this time is for more down. Watch lower time frames for reversal patterns (for a lift/bounce) or for current supports to fail, which then has us looking towards the purple channel s/r as the next place for support.

US\$ DAILY



MATA DRIVER\$



| | | | |
|----------------------|------------|--------|----------------------------|
| SUPPORT / RESISTANCE | grey zone | 82.106 | |
| MOVING AVERAGE | 34ma | 81.850 | 82.510 next s/r zone, s/r. |
| SUPPORT / RESISTANCE | green dash | 80.941 | 80.290 grey-dash s/r |
| | | | 79.450 solid purple s/r |



The US\$ has drifted lower since our last update, falling below the 13ma. If we look at the latest pattern on the W%R, we can see a positive slope to the channel. If we look at the same time period for the p/t, we can see that the last spike up was slightly lower than the previous, indicating a negative slope. We have a little divergence occurring at the moment and it indicates the market will lift (p/t follows indicator). Lifting up through the top of the grey s/r zone offers a TC, as does a failure of current supports. The W%R may be heading down to the lower channel support on the indicator suggesting we could see a little more down before the market lifts. Another technical to note is the contracting of the ma's and BB's. The 34ma UBB has dropped down and the tools are "tightening" together. This precedes a move in the market, where we will next see the BB's "turn out" and signal the beginning of the next wave, expanding as the market lifts or drops.

US\$ 60 MIN



MATA
DRIVER\$



| | | | | |
|---|----------------------|------------|--------|----------------------------|
| ↑ | SUPPORT / RESISTANCE | grey zone | 82.106 | |
| ↑ | SUPPORT / RESISTANCE | solid red | 81.716 | 82.510 next s/r zone, s/r. |
| ↓ | SUPPORT / RESISTANCE | green dash | 80.941 | 80.290 grey-dash s/r |
| ↓ | SUPPORT / RESISTANCE | solid red | 80.650 | 79.450 solid purple s/r |



Note here on the 60min the red channel the market has recently been moving around in. IF the market moves to the lower red channel support again, it will have to break the green dashed channel support to do so. While we do have a break of the green-dashed trend s/r as a TC, waiting for the red channel to be broken offers a TC with less risk. Obviously, even if the green dashed channel support fails, there is reason to believe that the solid red channel support may hold. Breaking out of the red channel (up or down) moves the market in to the next wave.



While last week's bar finished off positive, the current weekly bar is red and the market continues in its sideways move. The W%R looks to be dropping from the -20 level, but has a blue s/r zone to move through for any down of significance to occur. The two pink Fib circles that bound the market offer TC for the next move.

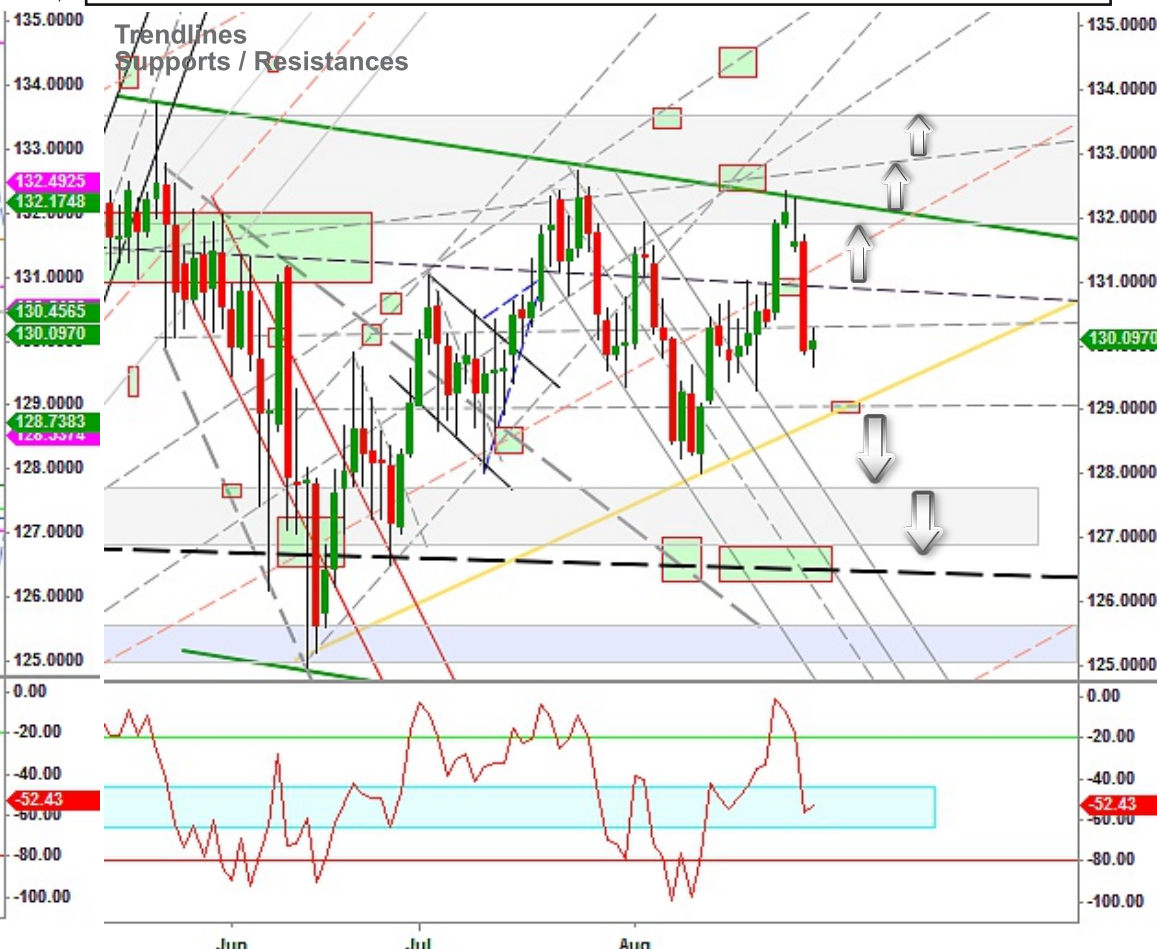
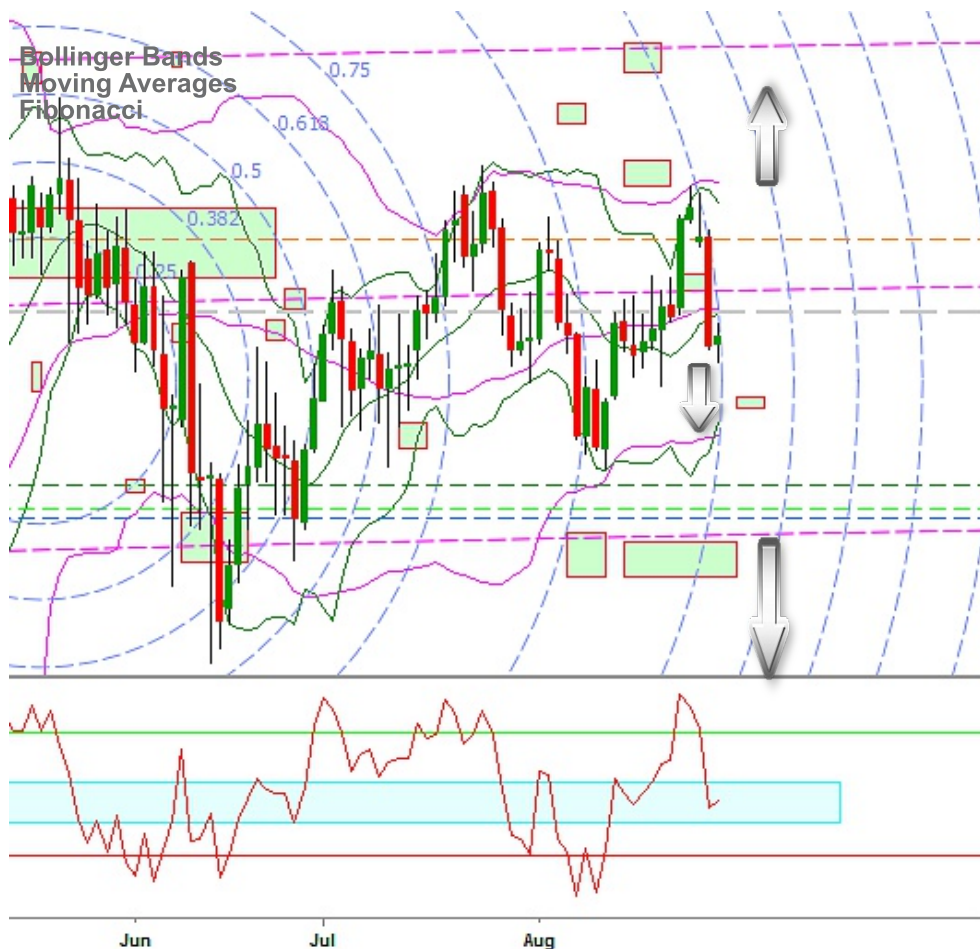
EUR:JPY DAILY



MATA DRIVERS



| | | | |
|--------------------|--------------|----------|----------------------------|
| SUPPORT/RESISTANCE | solid green | 132.2521 | 133.6017 grey s/r zone top |
| SUPPORT/RESISTANCE | solid yellow | 128.8750 | 127.7831 grey s/r zone |



Last update the market had reached the solid green resistance and we were watching for a break or bounce of the s/r. The **resistance held** and market dropped, moving under the 13 & 34 ma's. A drop to the LBB's would reach the lower yellow trend support and Fib level right around where I have a small HPTZ identified. **The W%R is dropping** but still has a blue s/r zone to move through to bring the market lower.

EUR:JPY 60 MIN



MATA DRIVER\$



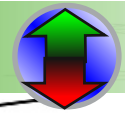
Bollinger Bands
Moving Averages
Fibonacci



| | | | |
|------------------------|--------------|----------|----------------------------|
| SUPPORT/ RESISTANCE | solid green | 132.2521 | 133.6017 grey s/r zone top |
| SUPPORT/ RESISTANCE | solid yellow | 128.8750 | 127.7831 grey s/r zone |



Falling off from the green trend resistance, the market moved through several technicals including Fib levels and s/r's while following the blue Fib circle down. The W%R has lifted to the -20 level. We can see the previous lift bounced off the -20, and doing this again or breaking over the level offers TC. The count from the drop looks like we could have the current market location in a wave 4 with a potential 5th to go still. Dropping below the recent lows of the current consolidation (current pause) offers a TC if the count is correct and the market is to move lower. Several s/r's and Fib levels above the market offer TC if the latest drop reverses.



The last few weeks have seen this market move mostly sideways. The last few weeks bars have been neutral and small. At some point soon we expect to see a break of this. Up or down, the next move has the potential to be similar to the last rise off the blue dashed support. The W%R remains lifted above the -20 level indicating positive pressure on the market. At this point it is telling us to watch for a lift. Watch lower time frames and follow the technical triggers to stay on the correct side. Keep track of the US\$ as well. IF the EUR/US\$ is to have a drastic lift, then we would expect to see a dump in the US\$. OR, to get a drastic sell off here, the US\$ needs to lift.

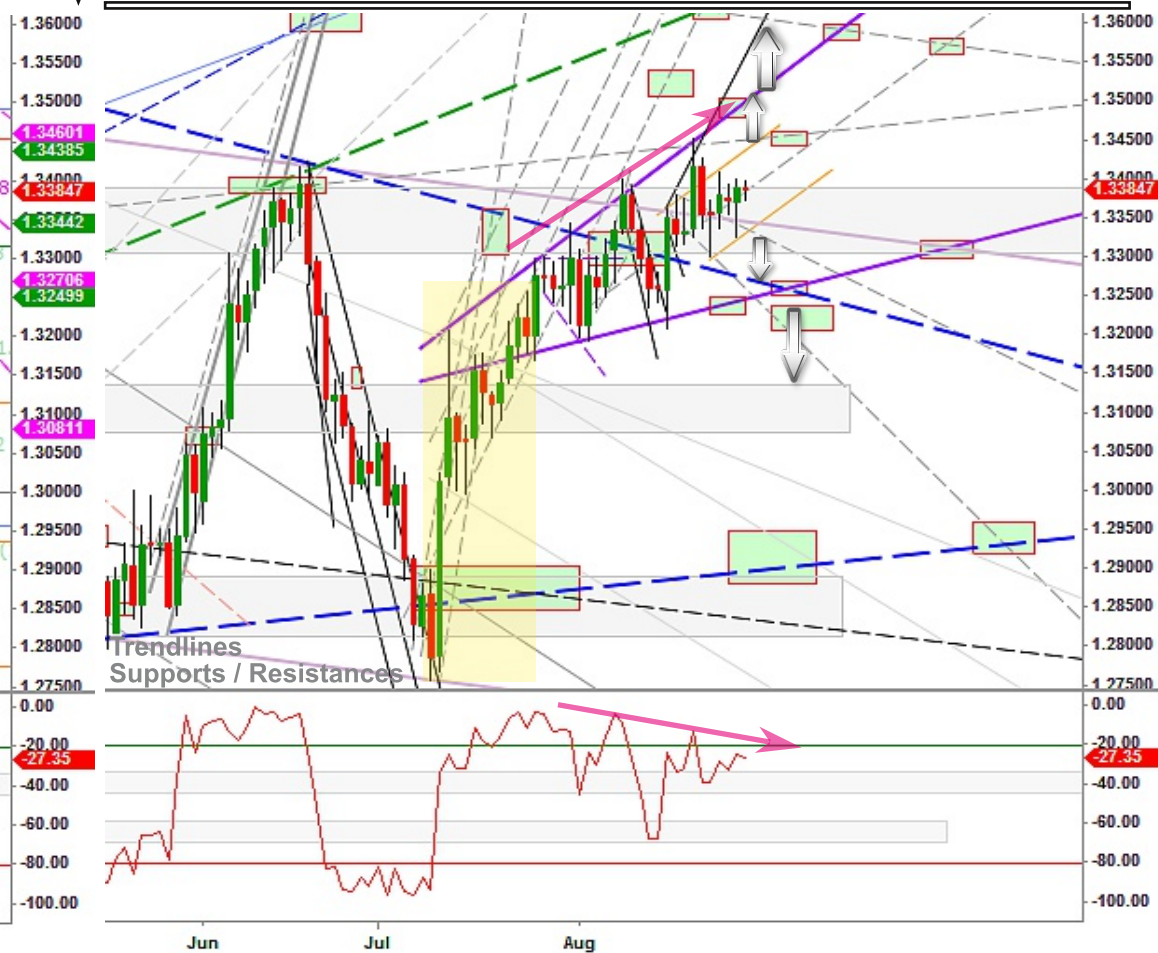
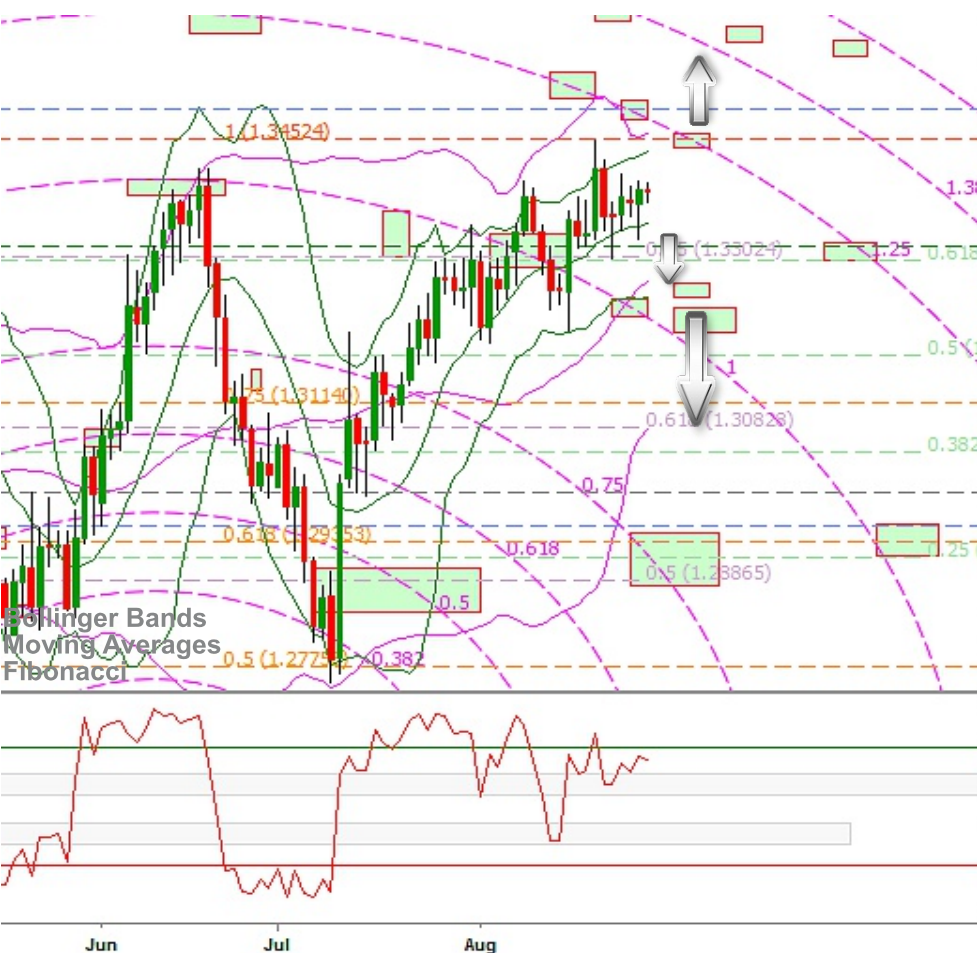
EUR:USD DAILY



MATA DRIVERS



| | | | |
|----------------------|--------------|---------|-----------------------|
| SUPPORT / RESISTANCE | solid purple | 1.35005 | 1.39144 long term s/r |
| SUPPORT / RESISTANCE | solid purple | 1.32467 | 1.31352 grey s/r zone |
| | | | 1.27910 previous lows |



I can see two scenarios for the current patterns shown by the market. The 1st is a potential drastic down move. If you follow the current lift from the bottom of the chart you will note that it arcs to the right... this is potentially the left hand side of an ellipse. IF it is, and it holds, the right hand side will be similar to the left and can bring the market back down to the previous lows, in the same amount of time it took to lift. The other scenario has a lift of the market, out of the top of the purple wedge, similar to what we can see highlighted in the yellow box. Both options have potentially large moves from the market. While there is always risk in the markets, waiting for the purple wedge to break, one way or the other, offers TC's with less risk than trying to get in beforehand and guessing which way the market is going to break. Potential divergence can still be seen on the W%R suggesting the market is to pull back. This doesn't necessarily mean the market will break the wedge to down side, but rather that we may have another drop from the market to the purple wedge pattern support.

EUR:USD 60 MIN



MATA DRIVER\$



| | | |
|----------------------|------------------------|--------------------|
| SUPPORT / RESISTANCE | orange channel 1.34483 | 1.35005 purple s/r |
| SUPPORT / RESISTANCE | orange channel 1.32777 | 1.32467 purple s/r |



Zooming in on the 60min chart, we can see the s/r's inside the purple wedge from the daily that offer aggressive TC. The purple wedge s/r's can be seen at the top and bottom of the chart. Hopefully the logic is sound as to why I suggest waiting for the purple wedge to break offers TC with less risk than the aggressive TC we can see here inside of it (wedge). The technicals inside the wedge allow for shorter term trading considerations and it may also be helpful to be watching the 15min or lower time frames for clues and TC when trying to trade the 60min. The W%R here is at the lower extreme. Having failed to lift once, the indicator is now back at the -80 level. Dropping below the -80 or bouncing from it offers aggressive TC; remember to read the indicator in the context of the higher time frames.



**DOLLAR-YEN CROSS:
 Consolidation May Be Completing**

For the past 3 months, USDJPY has been confined to a well defined contracting range. Now that range is just about complete and NEAR TERM WEAKNESS MUST BE BOUGHT. Upside targets are seen to 106.00/105.80, potentially 109.80.

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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>

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 |

TRIGGER\$ Charts Powered by

eSignal
smarter trading tools



TA Glossary *(list of TA abbreviations)*

| | |
|-----------|------------------------------|
| HPTZ\$ | High Probability Target Zone |
| 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. Coloured arrows (green/red) represent the bias, grey arrows represent other possibilities. FOLLOW THE TRIGGERS regardless of the bias, ours or anyone elses.

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.

1
S&P 500 DAILY

2

3

4
MATA DRIVER \$ USD

| | 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 |



9
Still have questions? email goldenphi@triggers.ca

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Methodology Performance

as of Friday March 1st, 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.