INTER-ISSUE UPDATE

PLAN 3

Wednesday September 4th, 2013

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TRIGGER$

Economic & Technical Analysis for the Active Trader

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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	⬆⬇	⬆⬇	⬆⬇

MACRO DRIVERS
MACRO TRIGGERS   Additional Info/Charts

ECONOMIC & EVENT CALENDARS
TA Glossary

Understanding the Analysis

TRIGGER$ Trading Methodology Performance Update

Updated Aug 30/2013

MACRO DRIVERS

The situation across Asia worsens daily as RISK-OFF deleveraging becomes forced selling. Taiwan, South Korea, Indonesia and the Philipines 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$.

The market has continued to lift since our last update. The current weekly bar has spiked up through the lower dark green channel, and then pulled back down below it. The W%R is lifting from lower levels and suggests we may have more up to go. Note the -50 level on the indicator has had resistance previously and keep an eye out for future potential resistance.

US$ DAILY

MATA DRIVER$

EUR/JPY

TRIGGER   HPTZ

SUPPORT / RESISTANCE	grey zone	83.550	83.837 solid blue trend s/r
SUPPORT / RESISTANCE	grey-dash	82.910	83.384 grey s/r zone
FIBONACCI LEVEL	pink	82.320	82.100 red dash s/r

Bollinger Bands
Moving Averages
Fibonacci

Trendlines
Supports / Resistances

Continuing to lift since last update, the US$ moved in to the next HPTZ identified. The W%R is lifted over the -20 level and indicates there is still positive pressure on the market. IF the market continues to lift and moves over the current grey s/r zone, the next resistance levels can be seen at the next grey s/r zone and then the solid blue trend s/r. A pullback to the red-dashed channel s/r and/or top of the previous grey s/r zone would be normal market movement. IF the market were to break down below these (TC) we would be looking toward the light green dashed channel support (again). Until the W%R breaks back below the -20 level, the bias remains positive.
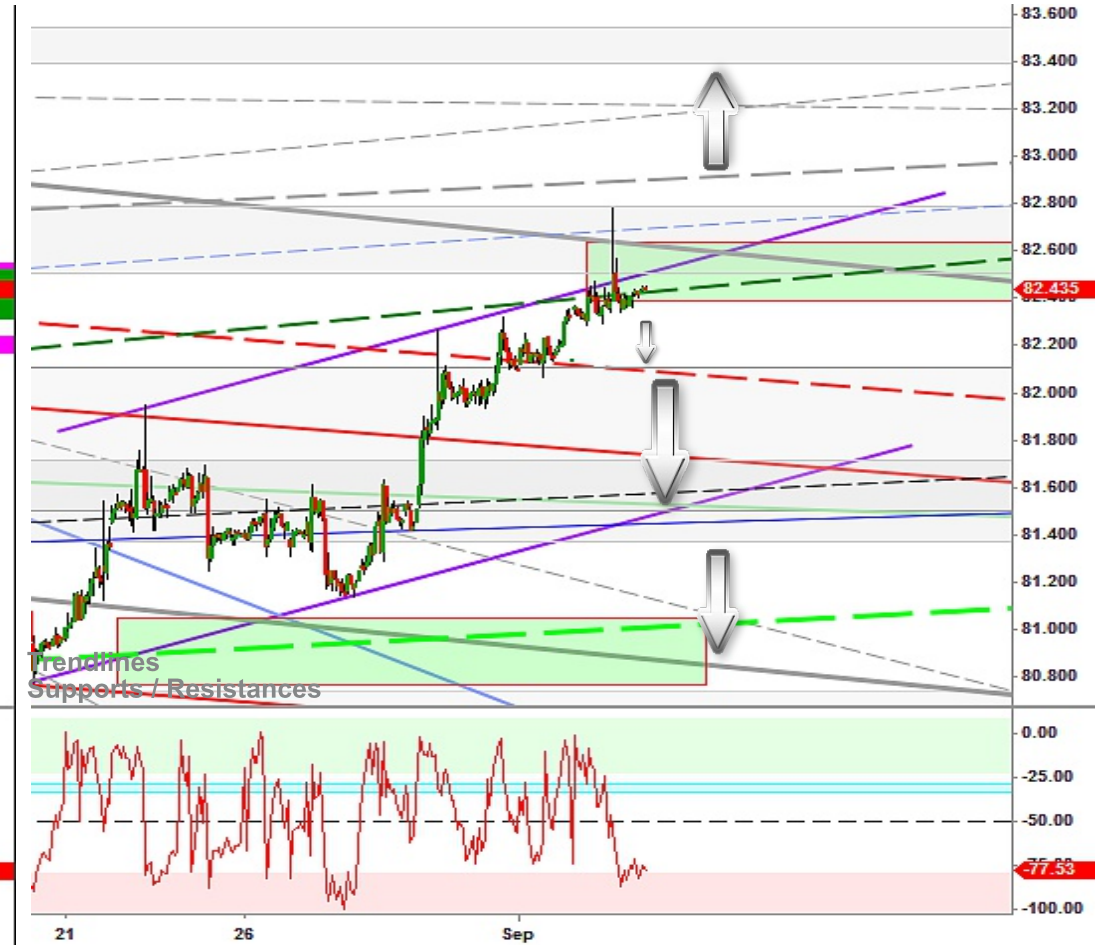
TRIGGER   **HPTZ**

US$ 60 MIN   MATA DRIVER$ EUR/JPY

SUPPORT / RESISTANCE	grey zone	83.550	83.837 solid blue trend s/r
SUPPORT / RESISTANCE	grey-dash	82.910	83.384 grey s/r zone
FIBONACCI LEVEL	pink	82.320	82.100 red dash s/r

Bollinger Bands
Moving Averages
Fibonacci

Trendlines
Supports / Resistances

Sitting just inside the HPTZ, the market has recently pulled back from a spike to the top of the grey s/r zone. The W%R has dropped to lower levels and has been playing around the -80 level. Lifting from or breaking farther under the -80 level offers aggressive TC's for the next move. Waiting for significant s/r's on the p/t to be broken offers TC's with less risk. Significant TC's are identified as those technical tools at the base of the arrows. Even better is when you have TC's on the W%R aligning with TC's on the p/t. The 34ma has supported the most recent lift and offers a warning if broken of possible weakness coming in to the market.
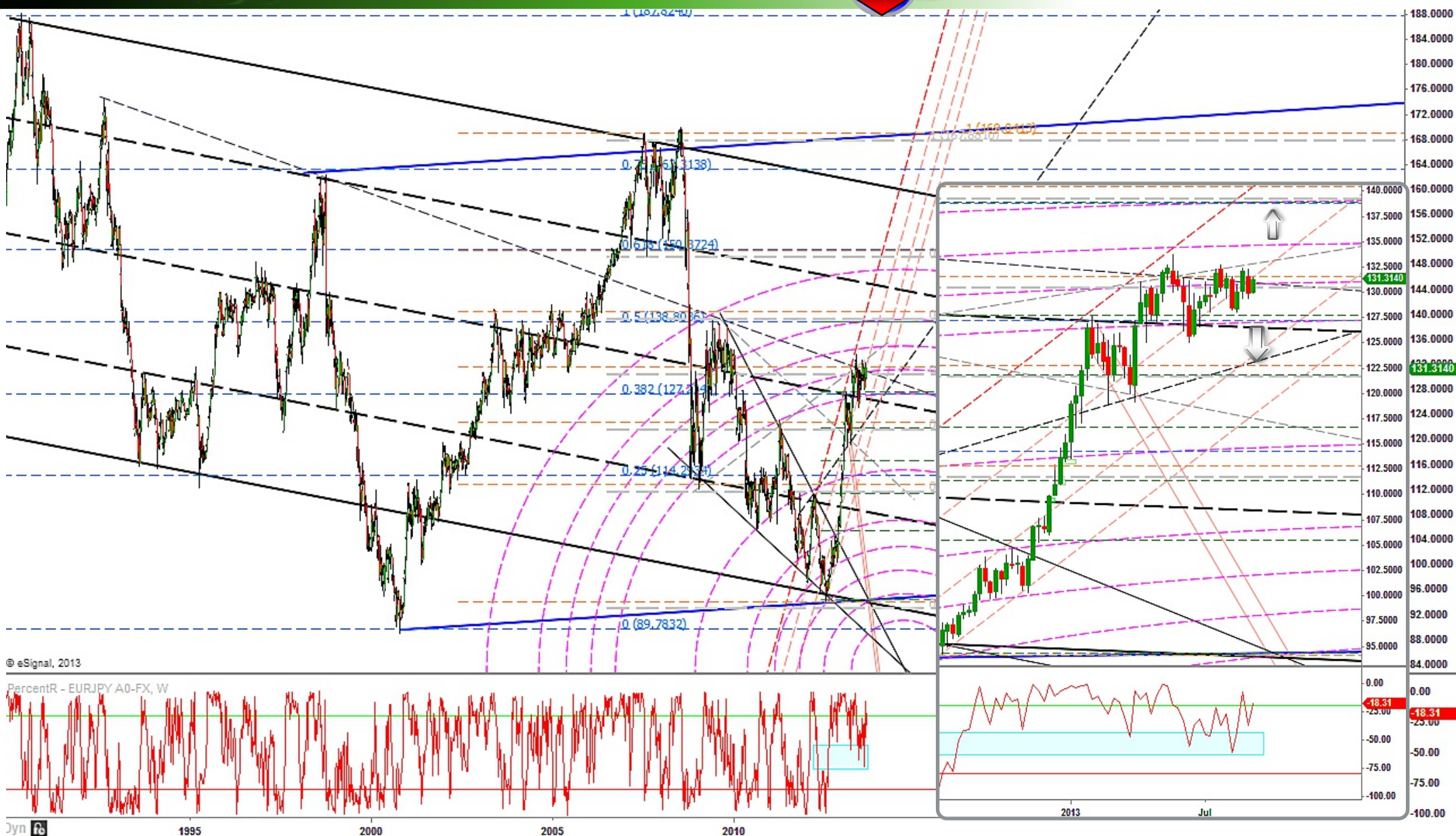
While slightly lifting from last update, the overall movement from the ERU/JPY continues sideways. Lifting prior to touching the blue s/r zone on the indicator, the W%R continues to suggest a positive trend. The sideways consolidation is coming to a head and will need to break soon (see daily chart).
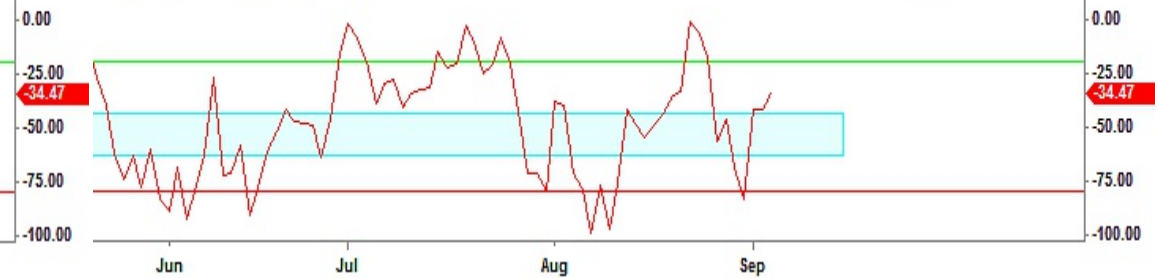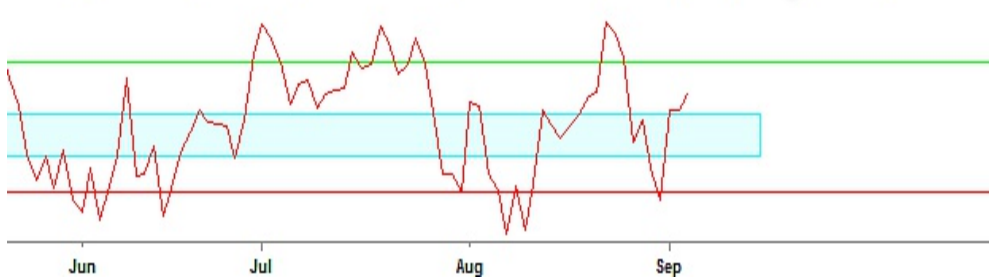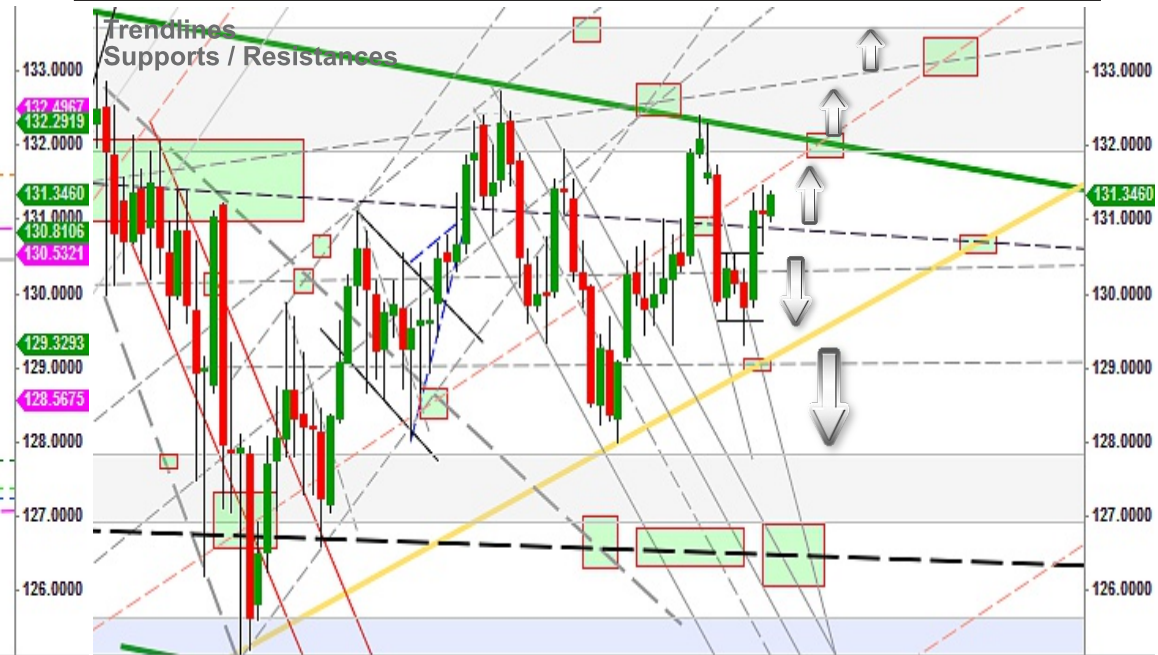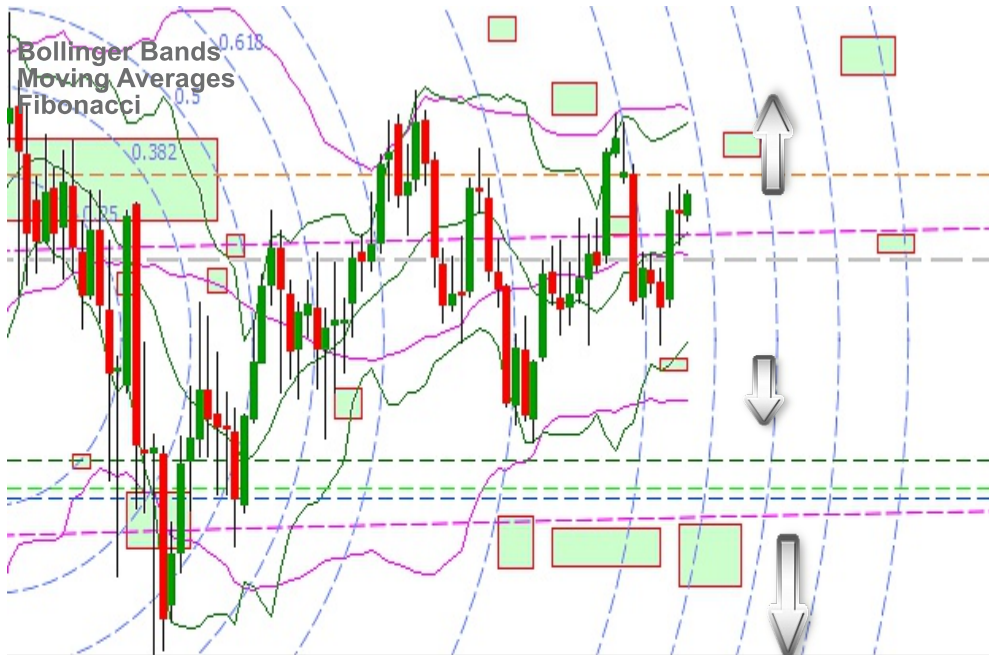
TRIGGER   **HPTZ**

EUR:JPY DAILY   MATA DRIVER$ commodities

SUPPORT/ RESISTANCE	solid geen	132.1655	133.6017 grey s/r zone top
SUPPORT/ RESISTANCE	solid yellow	129.2020	127.7658 grey s/r zone

Bollinger Bands
Moving Averages
Fibonacci

Trendlines
Supports / Resistances

Initially falling from last update, the market spiked down just missing the HPTZ identified on the yellow pattern support. Lifting from there, the market is now headed to the green pattern resistance. Another HPTZ has been marked on the green s/r and we'll see how close the market comes to this one… The W%R bounced off the -80 level and is lifting towards the upper extremes. With still room to go, the indicator suggests the market may still have more lift in it. There is a Fib level just above the market (orange) corresponding with the current orange-dashed trend s/r (resistance): these offer TC if broken (although the next target is very close) as well as if they hold. Waiting for the wedge pattern itself to break (solid green & yellow s/r's) offers TC's with less risk.

EUR:JPY **60 MIN**   MATA DRIVER$ commodities
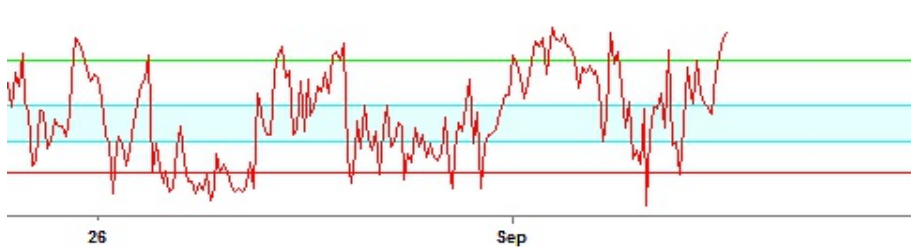
SUPPORT/ RESISTANCE	solid geen	132.1655	133.6017 grey s/r zone top
SUPPORT/ RESISTANCE	solid yellow	129.2020	127.7658 grey s/r zone

Bollinger Bands
Moving Averages
Fibonacci

Trendlines
Supports / Resistances
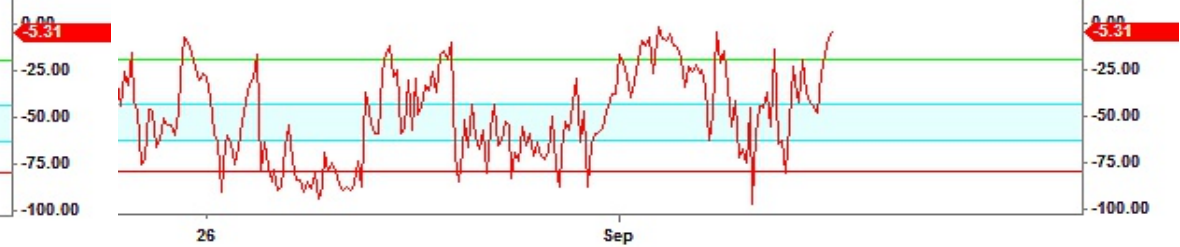
At the bottom of the chart we can see just how close the market came to the HPTZ. Lifting from there we can add another channel for perspective and TC's. The most recent action has been sideways and a clear trend/channel resistance can be seen, offering a TC if broken. Several s/r's below the market can be seen for TC's including the new channel support. The W%R has lifted over the -20 level and indicates positive pressure on the market. Next significant resistance above the market is the green patter s/r: lifting through this with any conviction will mean the wedge pattern is breaking and the market is moving to the next wave/pattern.

EUR:USD WEEKLY

The market has continued to fall off since last update. The W%R has moved lower and in to the grey s/r zone. This suggests the market may have more down to go, if the W%R breaks below the current grey zone.

EUR:USD DAILY   MATA DRIVER$ US$

SUPPORT / RESISTANCE	solid purple	1.32638	1.33882 grey s/r zone top
SUPPORT / RESISTANCE	grey zone	1.31349	1.30751 grey s/r zone bottom
			1.29050 blue dash s/r

Bollinger Bands
Moving Averages
Fibonacci

Trendlines
Supports / Resistances

Last update the market had just broken the solid purple wedge support. Since then we can see it has continued to drop and may have found support from the grey s/r zone. We had noted divergence and the potential for the current market drop because of it… the market seems to have followed along with what was expected, *this time.* The W%R has dropped below the -80 level and indicates negative pressure on the market. While the indicator looks to have turned and be headed up, until the -80 level is actually broken we need to remain with a negative bias.

TRIGGER   **HPTZ**

EUR:USD 60 MIN

MATA DRIVER$ US$

SUPPORT / RESISTANCE	solid purple	1.32638	1.33882 grey s/r zone top
SUPPORT / RESISTANCE	grey zone	1.31349	1.30751 grey s/r zone bottom
			1.29050 blue dash s/r

Bollinger Bands
Moving Averages
Fibonacci

0.75 (1.3?02?

1.31914
1.31?50
1.31714
1.31609

Trendlines
Supports Resistances

1.31714
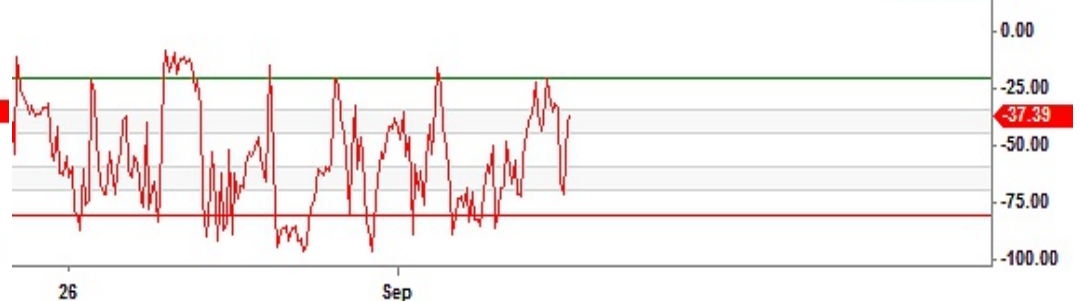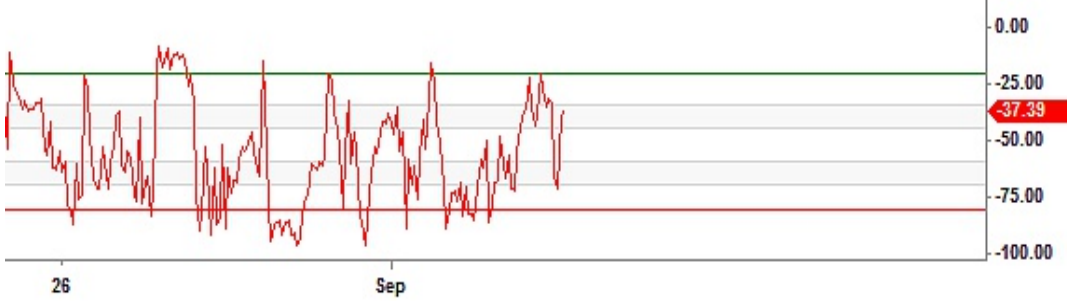
Having just bounced off the top of the grey s/r zone, this offers a TC if the market falls off again. The W%R bounced before the -80 level (positive trend) and is now closing in on the -20 level. With a little room yet to go it suggests more lift in store for the market. The blue dashed s/r and solid purple s/r offer TC's if the market starts to lift from here (grey s/r zone support).

MACRO DRIVERS
MACRO TRIGGERS

Additional Info/Charts
1/4

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DOLLAR-YEN CROSS: Consolidation May Be Completing

The Yen has a decent track record in helping investors construct their portfolios towards the "Risk On" or "Risk Off" trade. The Yen is on a 20-year support line right now (monthly basis) at (2) in the chart below.

On a daily basis the Yen has formed a pennant pattern at (3). If the Yen breaks to the upside of this pennant pattern, the message would be the "Risk Off" trade is at hand and investors should underweight their portfolios towards risk assets.

Stay tuned and keep a keen eye on the Yen's pennant pattern: What it does from here will send a key message about portfolio construction!

MACRO DRIVERS
MACRO TRIGGERS

Additional Info/Charts
2/4

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USDJPY Weekly Chart
109.80 Triangle Objective
106.00/105.80 swing target (5 =1)
the range trade is nearing completion before higher

USDJPY 420min chart
THE L/TERM BULL TREND IS ABOUT TO RESUME. ITS TIME TO BECOME A SCALE IN BUYER
Target 105.80/106.00, POTENTIALLY 109.80. Pullbacks should be bought into 97.47/96.35, stop below 95.80

103.74 May-22 high
101.54 Jul-07 high
95.80 - PIVOT SUPPORT
93.79 Jun-13 low
92.57 Apr-01 low
97.47

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.

MACRO DRIVERS
MACRO TRIGGERS

Additional Info/Charts
3/4

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U.S. Dollar Being Influenced by Longer-Term Interest Rates

Currency traders should be paying more attention to the middle and the long end of the U.S. Treasury curve than the short end. The U.S. dollar index appears to have been most greatly influenced by those intermediate and long-term interest rates.


USD Lifted by Increase of Treasury Yields

Source: Bloomberg   BloombergBriefs.com
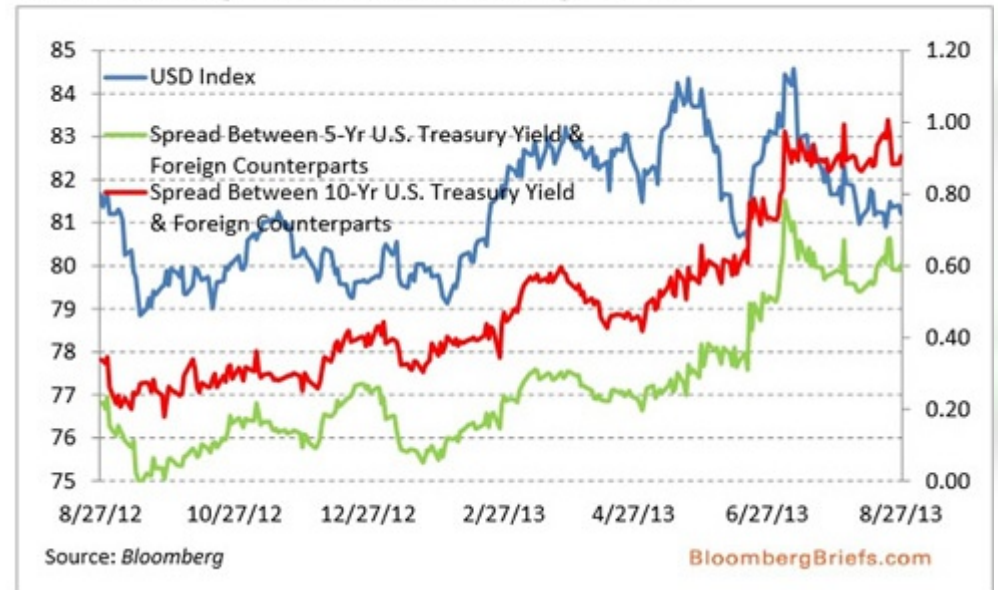
USD Becomes More Correlated With 5-Year Treasury Yield

Source: Bloomberg   BloombergBriefs.com

MACRO DRIVERS
MACRO TRIGGERS

Additional Info/Charts
4/4

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REMEMBER: In the the August TRIGGER$ we pointed out:

The coupon on the nation's $13.22 trillion debt averages 1.88 percent with an average maturity of 5.4 years.

5-Year Forward, 5-Year Inflation Expectations
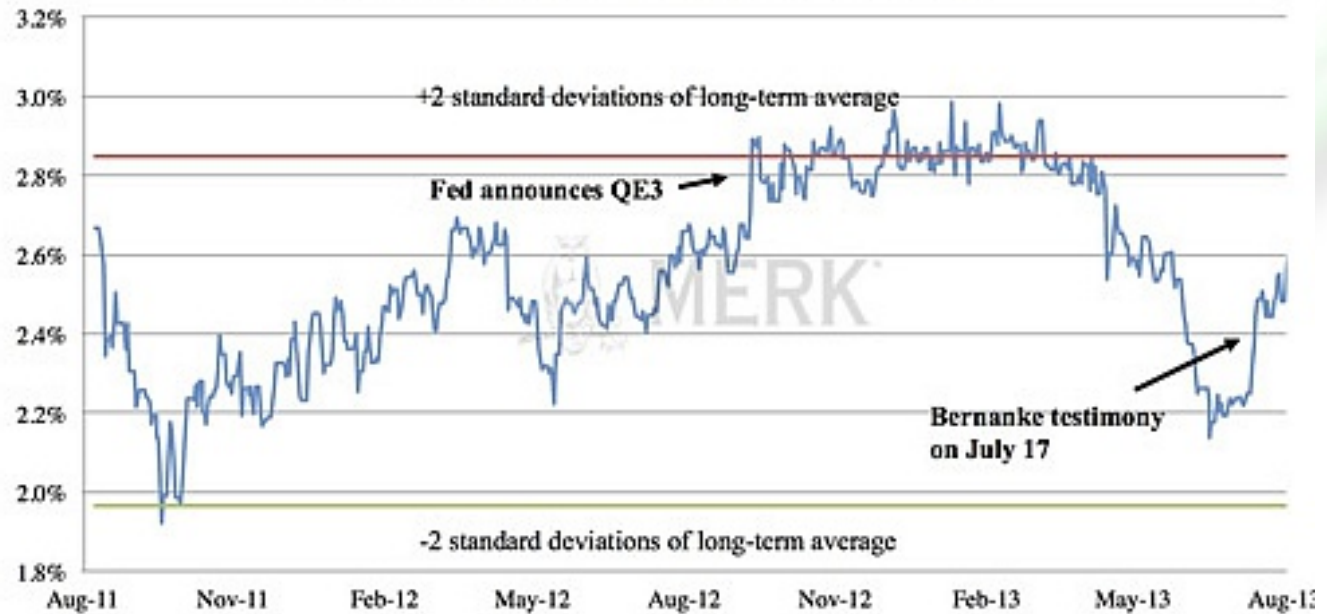
Source: Merk Investments, Bloomberg, U.S. Treasury
Calculations based on constant maturity treasury yields sourced from the U.S. Treasury
Long-term average based on data from Jan. 2003 to Oct. 2012, excl. aberration during crisis Sep. 2008 to Mar. 2009

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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

TECHNICAL

ECONOMIC

MACRO - MICRO

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MARKET ANALYSIS

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.

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

S&P 500 DAILY

MATA DRIVER$ $USD

5

	TRIGGER		HPTZ
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 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.