



PRESENTS

**MAKING MONEY WITH
TRADE SEQUENCES**

Prepared for TradersExclusive

with Frank Ochoa

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PIVOTBOSS
SWING TRADE PRO 2.0

THE 5-STEP SWING TRADING BLUEPRINT

1. **Risk Management** | Set your risk parameters
2. **Trade Sequences** | Find trading opportunities
3. **Strategy Toolkit** | Choose a trading strategy
4. **Execution** | Execute the strategy
5. **Documentation** | Document and review the results

THE 5-STEP SWING TRADING BLUEPRINT

RISK MANAGEMENT > TRADE SEQUENCES > STRATEGY TOOLKIT > EXECUTION > DOCUMENTATION

1. **Risk Management:** You will learn how to assess your risk tolerance, how to calculate core equity, trade allocation, and max portfolio risk for various account sizes. You will also learn how and when to adjust your level of risk exposure, and how to use the Risk Management Matrix.
2. **Trade Sequences:** You will learn how to identify and trade five Day Type Blueprints and four Trade Sequences. These blueprints and sequences will help you recognize important days in the market, so you will know how to engage them, including identifying each absorption zone, multiple entry points, and failure points.
3. **Strategy Toolkit:** You will learn about the various options strategies in our Strategy Toolkit, and how to choose the right strategy for the trading opportunity presenting itself. The Strategy Toolkit is designed to allow you to choose trading strategies that are categorized by their relative risk profiles, thus allowing you to pick the type of risk that you're willing to take relative to the probability of profit for the opportunity you're considering trading.
4. **Execution:** You will learn five execution techniques and how to use them to execute entries and manage positions in the market, including scaling into and scaling out of positions according to the technique and risk exposure you choose to execute.
5. **Documentation:** You will learn how to document your trades and experiences in the market, including documenting entries, exits, and trade results. Additionally, documentation allows you to review past performance so that you can identify and improve upon weaknesses, while identifying and building upon strengths.



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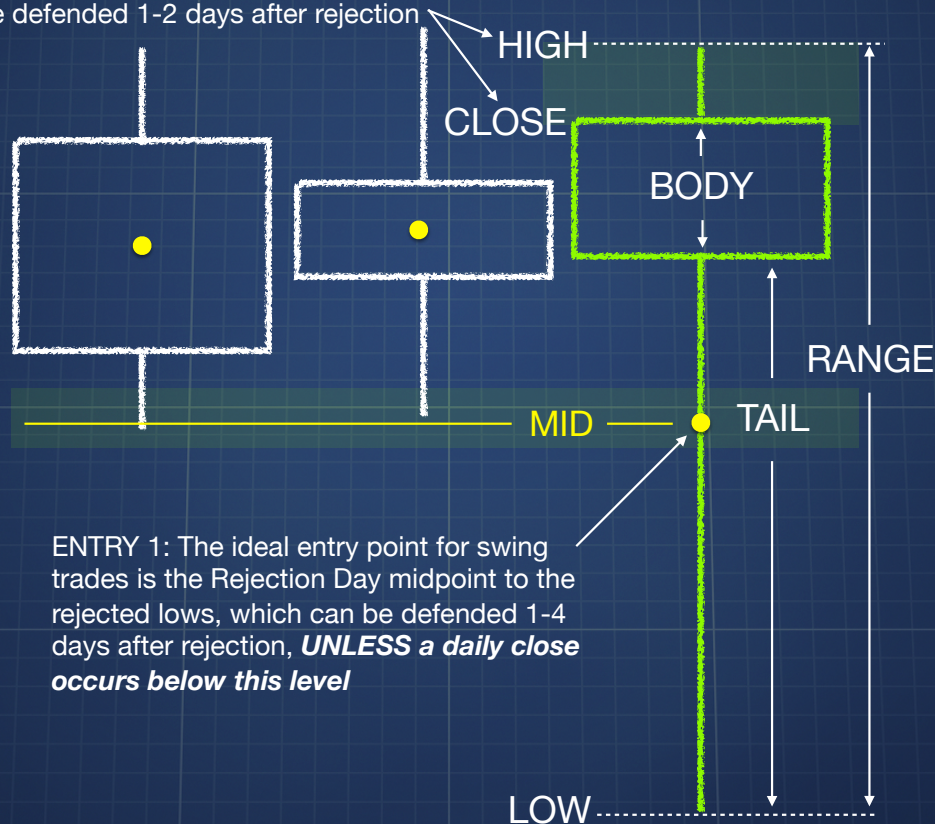
BACKGROUND

- Rejection Days develop at price extremes — ie: previous highs and lows
- Rejection Days have a range that is significantly larger than the 10-day average
- The ideal swing entry is the Rejection Day midpoint, which can be defended for 1-4 days after the rejection
- A daily close below the Rejection Day midpoint breaks the pattern, as this would indicate a retest of the Rejection Day low

REJECTION DAY BLUEPRINT

The Rejection Day is a significant day type that tends to precede powerful reversals. Absorption days typically follow this day type, which fuel the developing reversal.

ENTRY 2: Secondary entry is a retest of the Rejection Day's high/close from above, which can be defended 1-2 days after rejection



MEASUREMENTS

1. **RANGE** > greater than average, ie: > 125% ADR
2. **TAIL** > ideally greater than 2.5 x BODY size
3. **CLOSE** is usually in the upper 35% of the day's RANGE
4. **MID**: $((H+L)/2)$ = Ideal Swing Entry; price must remain above this level in order for the rejection day sequence to remain intact
5. **LOCATION**: Powerful when paired with market structure, previous lows, and low volume nodes (LVNs)
6. **ENTRIES**: Ideal entry is MID on Day 1, or just before the Close on the day of rejection. On Day 2+, price must **OPEN > MID [1]** for entry to be considered at MID

*Flip for bearish blueprint

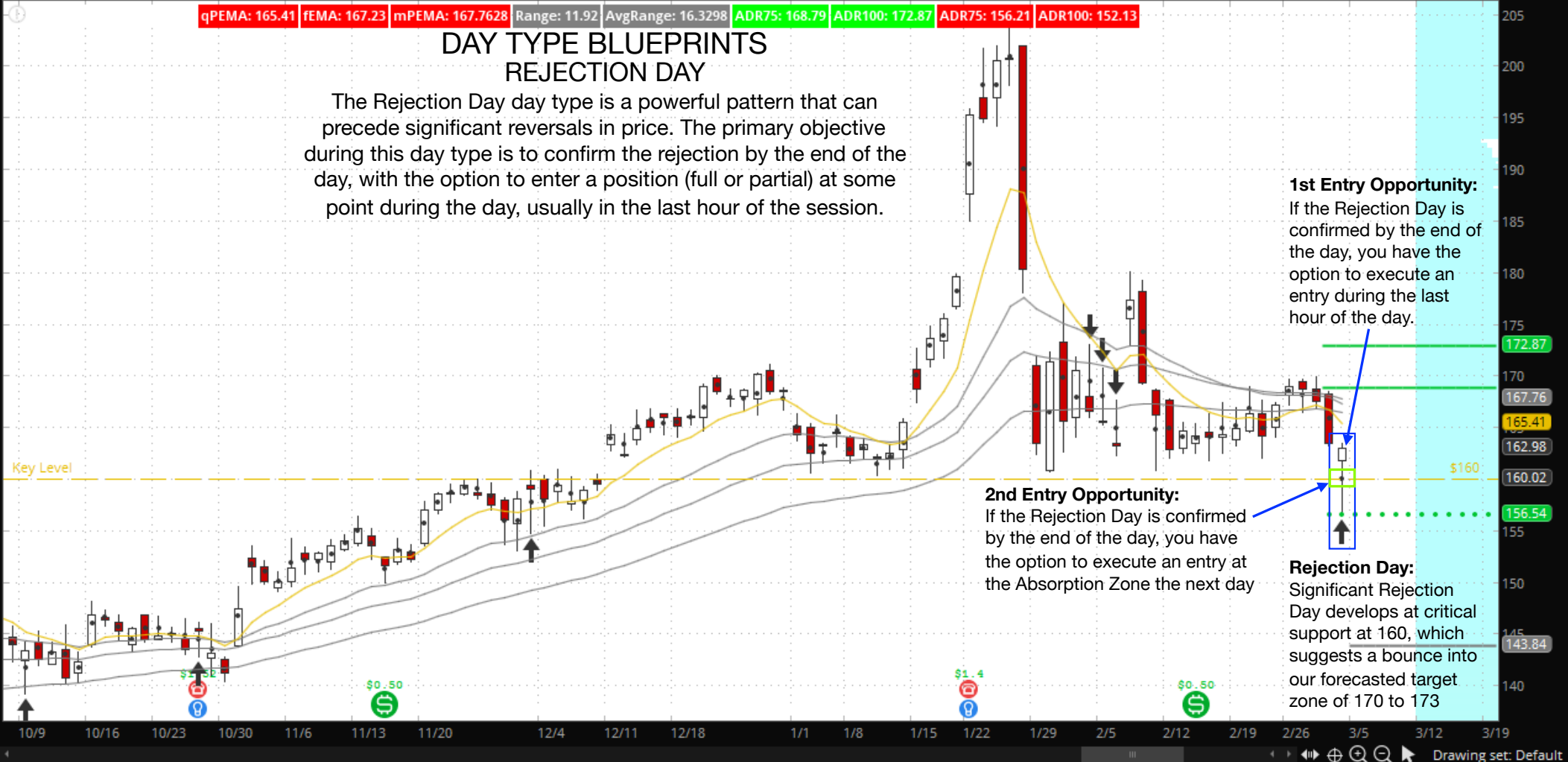
WYNN WYNN RESORTS LTD COM 163.225 -0.195 -0.12%

WYNN 5 Y 1D [OTC OTHER] D: 3/2/18 O: 161.78 H: 163.5 L: 156.54 C: 162.98 R: 6.96 MedianPrice: 160.02 VolumeProfile (TICKSIZE, 1.0, CHART, 1, yes, 1000, yes, yes, 70, 25) N/A N/A N/A PivotBoss_WickReversal (3.25, 0.35, ...)

qPEMA: 165.41 fEMA: 167.23 mPEMA: 167.7628 Range: 11.92 AvgRange: 16.3298 ADR75: 168.79 ADR100: 172.87 ADR75: 156.21 ADR100: 152.13

DAY TYPE BLUEPRINTS REJECTION DAY

The Rejection Day day type is a powerful pattern that can precede significant reversals in price. The primary objective during this day type is to confirm the rejection by the end of the day, with the option to enter a position (full or partial) at some point during the day, usually in the last hour of the session.

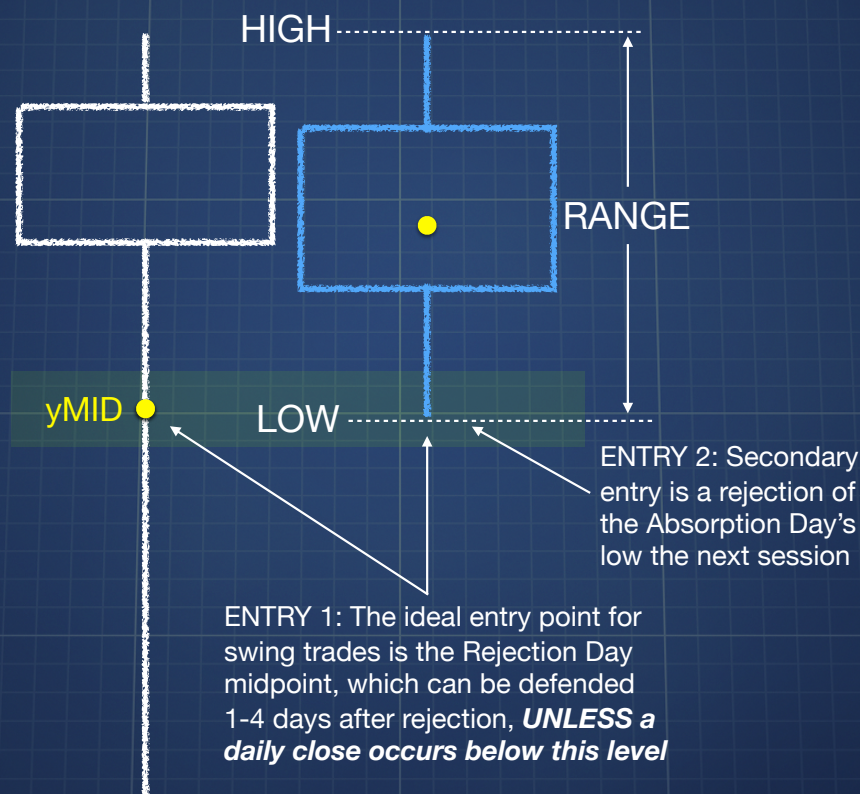


BACKGROUND

- Absorption Days develop after significant rejection or expansion days
- Absorption Days typically have small price ranges, which offers two-way trade for market participants
- Absorption Days are days when bets are being placed, as market participants are eager to position themselves ahead of the next move
- An Absorption Day can develop by itself, or in a series of days, before building enough energy to fuel the next move
- Failed Absorption usually leads to significant stop run days

ABSORPTION DAY BLUEPRINT

The Absorption Day is typically a range bound day that is designed to facilitate trade between market participants. This day type fuels the forthcoming move.



MEASUREMENTS

1. **RANGE** < average daily range, ie: < 75% ADR
2. **CLOSE** > rejection day or expansion day midpoint, and is usually > OPEN
3. **LOW** near rejection day or expansion day midpoint
4. **LOCATION:** tends to develop after rejection or expansion days; can oftentimes be an Inside Day
5. **ENTRIES:** Ideal entry is the midpoint of the rejection day (yMID), but price must **OPEN > yMID** for entry to be considered. Several rotations into the trigger zone can occur during an absorption day type

qPEMA: 164.36 fEMA: 166.64 mPEMA: 167.3590

DAY TYPE BLUEPRINTS ABSORPTION DAY

The Absorption Day is a day that facilitates trade among market participants, allowing them to position themselves ahead of the next potential move. Use this day to trigger entries at the ideal trade location, which is usually the midpoint of any rejection day. This zone may see absorption for several days, and a daily close below this zone will tend to lead to a long liquidation.

Absorption Day:

Ideally, an absorption day will develop after a significant rejection day. This day will allow you to enter trades at favorable trade location before the reversal begins to take shape. In this case, bulls defend the Absorption Zone at 160.

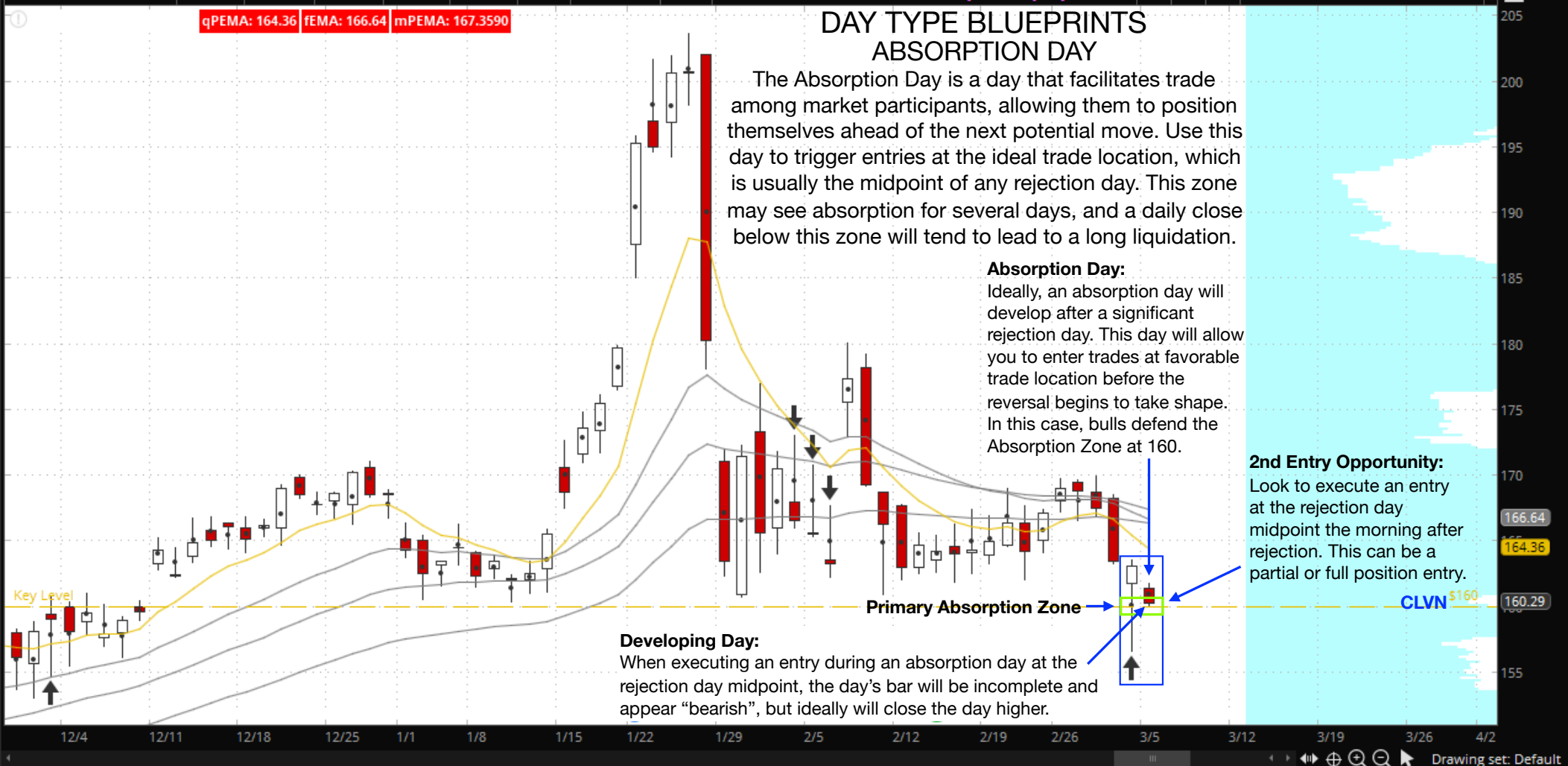
2nd Entry Opportunity:

Look to execute an entry at the rejection day midpoint the morning after rejection. This can be a partial or full position entry.

Primary Absorption Zone

Developing Day:

When executing an entry during an absorption day at the rejection day midpoint, the day's bar will be incomplete and appear "bearish", but ideally will close the day higher.



qPEMA: 168.22 fEMA: 167.79 mPEMA: 167.9813

DAY TYPE BLUEPRINTS

KEYS TO GOOD REJECTION DAYS

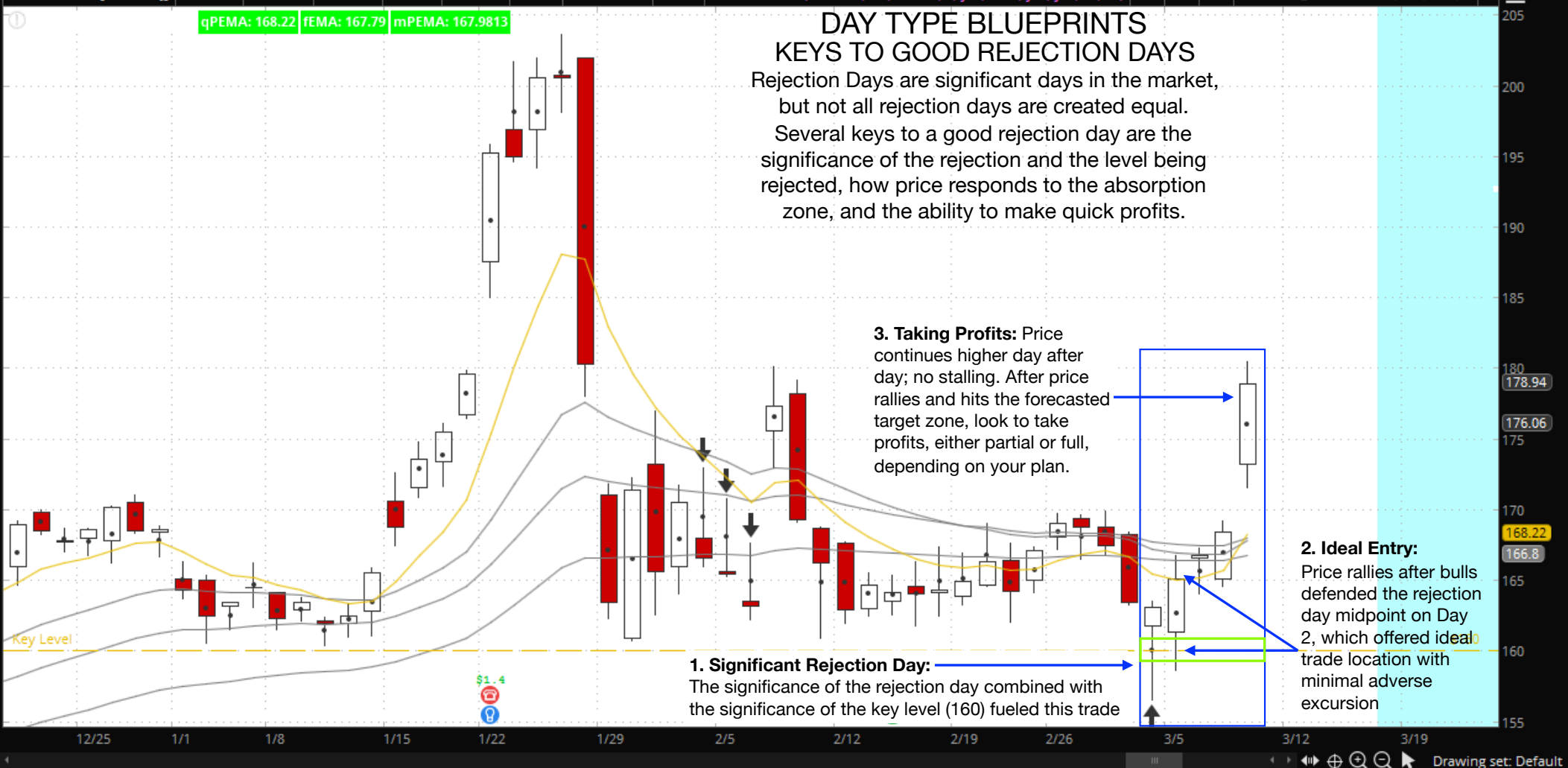
Rejection Days are significant days in the market, but not all rejection days are created equal.

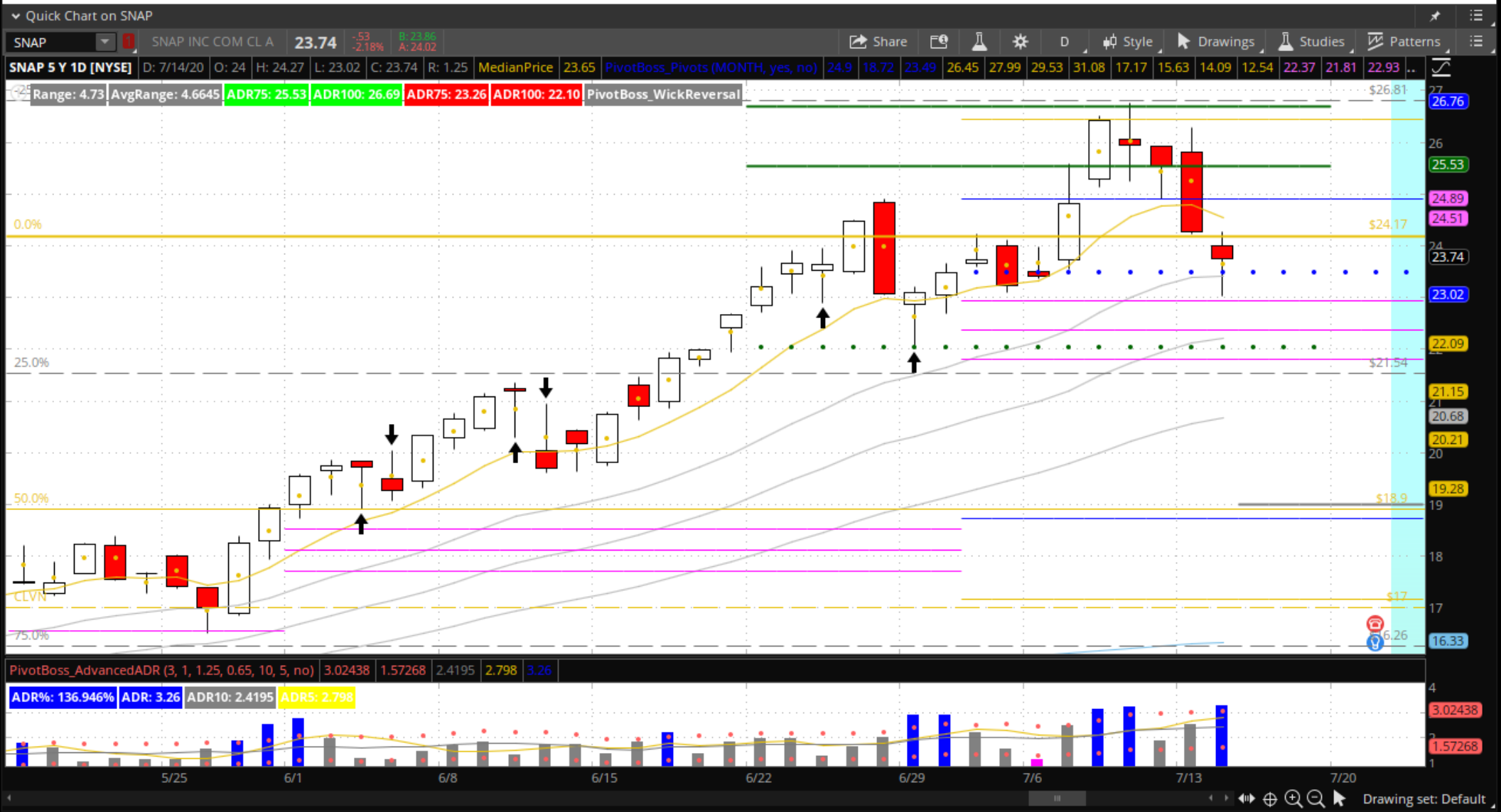
Several keys to a good rejection day are the significance of the rejection and the level being rejected, how price responds to the absorption zone, and the ability to make quick profits.

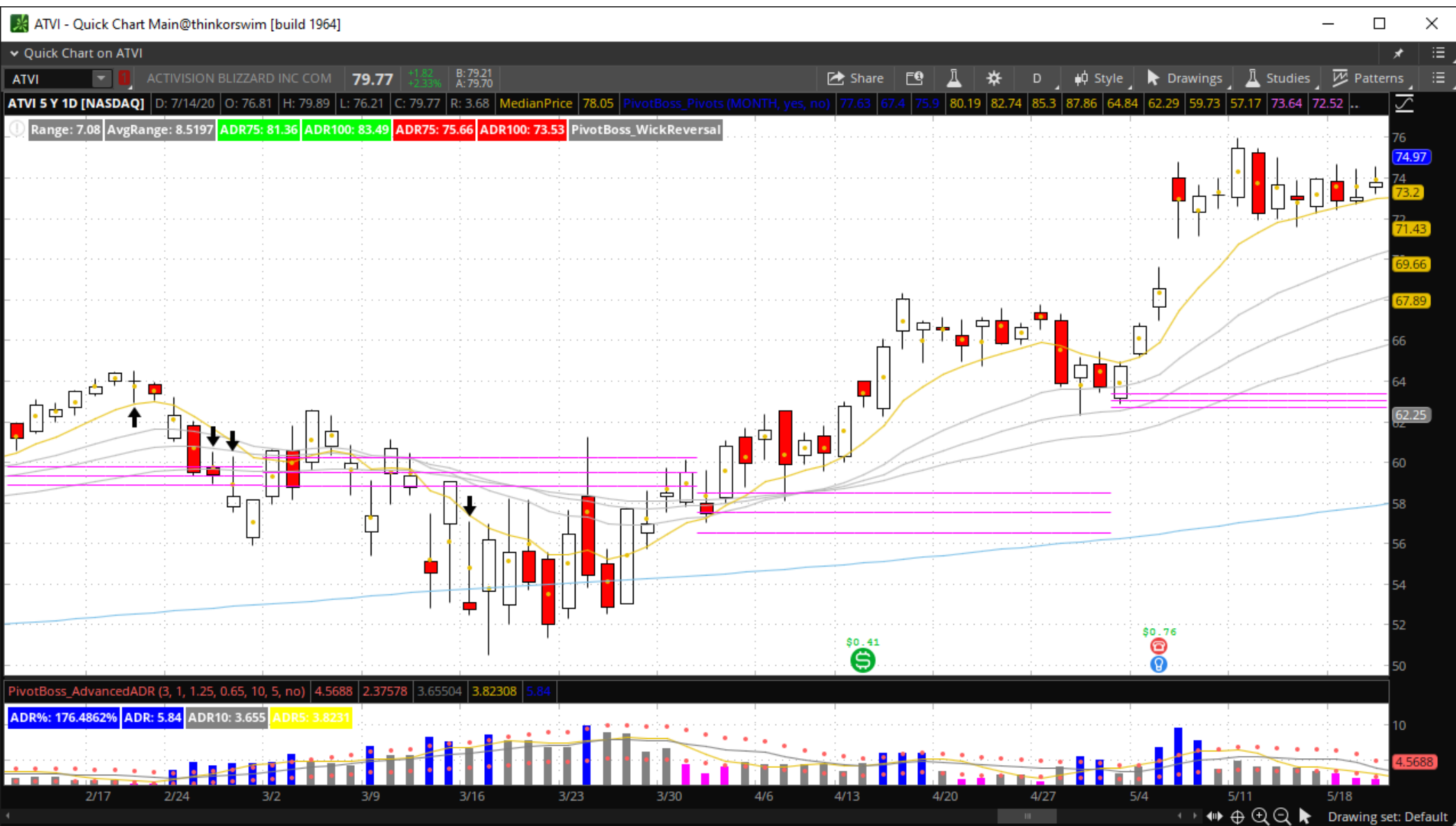
3. Taking Profits: Price continues higher day after day; no stalling. After price rallies and hits the forecasted target zone, look to take profits, either partial or full, depending on your plan.

2. Ideal Entry: Price rallies after bulls defended the rejection day midpoint on Day 2, which offered ideal trade location with minimal adverse excursion

1. Significant Rejection Day: The significance of the rejection day combined with the significance of the key level (160) fueled this trade







BACKGROUND

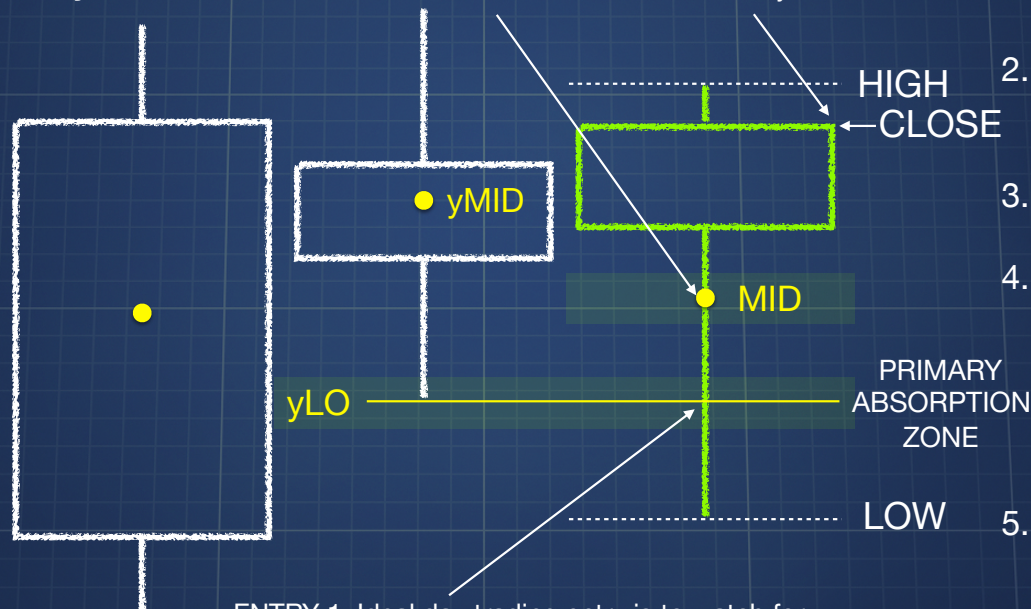
- Failed New Low day types begin with strong rejection at a previous day's low, or at multiple-day lows
- After rejection, the previous low (or the rejected level), becomes the primary absorption zone for entries
- Ideally, price will close above the previous session's midpoint, which would suggest a strong rejection
- These days can oftentimes precede significant moves in the market, and can initiate a trend or fuel one

FAILED NEW LOW BLUEPRINT

The Failed New Low day types can both trigger reversals and be part of continuation patterns. These day types are usually traps to generate more fuel for the existing trend.

ENTRY 2: Ideal swing entry is to defend the Failed New Low midpoint, which can be defended 1-2 days after rejection, **UNLESS** a daily close occurs below this level

ENTRY 1B: Partial/full entries can be made before the Close of the rejection day if price closes above yMid.



ENTRY 1: Ideal day trading entry is to watch for failed range expansion below previous lows. Look to defend previous lows from above after rejection

MEASUREMENTS

- RANGE** = average daily range, ie: 75-100% ADR
- LOW** < previous session's low, and sometimes below multi-day lows
- CLOSE** > previous session's midpoint in ideal situation
- LOCATION**: can trigger powerful reversals when paired with previous highs/lows and CLVNs, and can also fuel a powerful continuation leg within an already established trend
- ENTRIES**: Ideal day trading entry is yLO on Day 1, and at the close for swing trades. On Day 2, price must **OPEN > MID [1]** for entry to be considered at the midpoint of the FNL

qPEMA: 178.43 fEMA: 178.16 mPEMA: 179.4027 Range: 17.624 AvgRange: 24.1684 ADR75: 184.77 ADR100: 190.81 ADR75: 166.14 ADR100: 160.10

DAY TYPE BLUEPRINTS FAILED NEW LOW

The Failed New Low day type oftentimes precedes powerful reversals. The primary objective during this day type is to confirm the rejection by the end of the day, with the option to enter a position (full or partial) at some point during the day, usually in the last hour of the session.

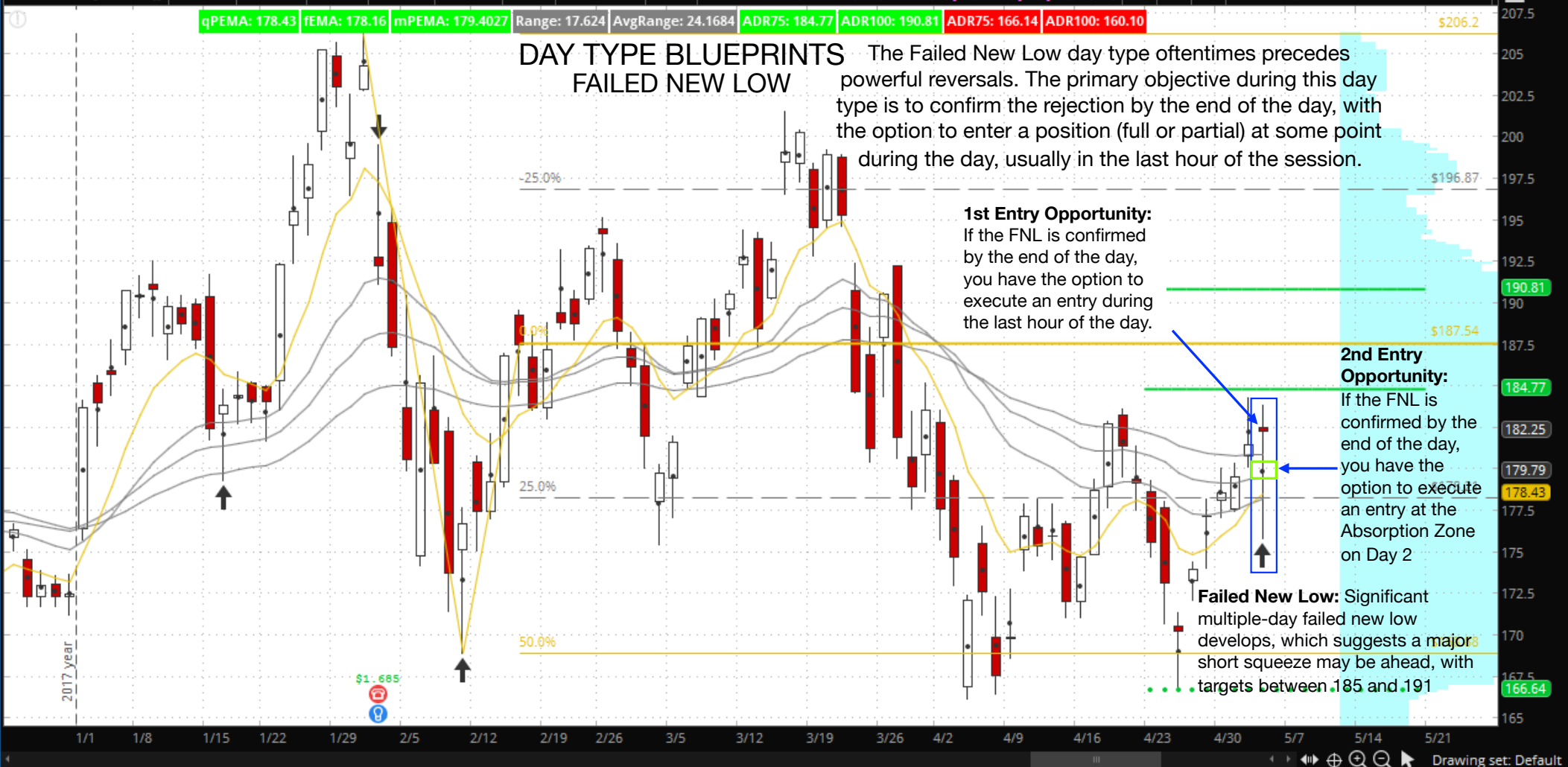
1st Entry Opportunity:

If the FNL is confirmed by the end of the day, you have the option to execute an entry during the last hour of the day.

2nd Entry Opportunity:

If the FNL is confirmed by the end of the day, you have the option to execute an entry at the Absorption Zone on Day 2

Failed New Low: Significant multiple-day failed new low develops, which suggests a major short squeeze may be ahead, with targets between 185 and 191



qPEMA: 178.91 fEMA: 178.37 mPEMA: 179.4687 Range: 17.624 AvgRange: 24.1684 ADR75: 184.77 ADR100: 190.81 ADR75: 166.14 ADR100: 160.10 \$206.2

DAY TYPE BLUEPRINTS FAILED NEW LOW

The morning after a Failed New Low develops, look to execute a position, full or partial, at the rejection day midpoint. An Absorption Day (or at the very least a morning of absorption) typically develops after rejection, which will allow for ideal trade location.

Absorption Day:

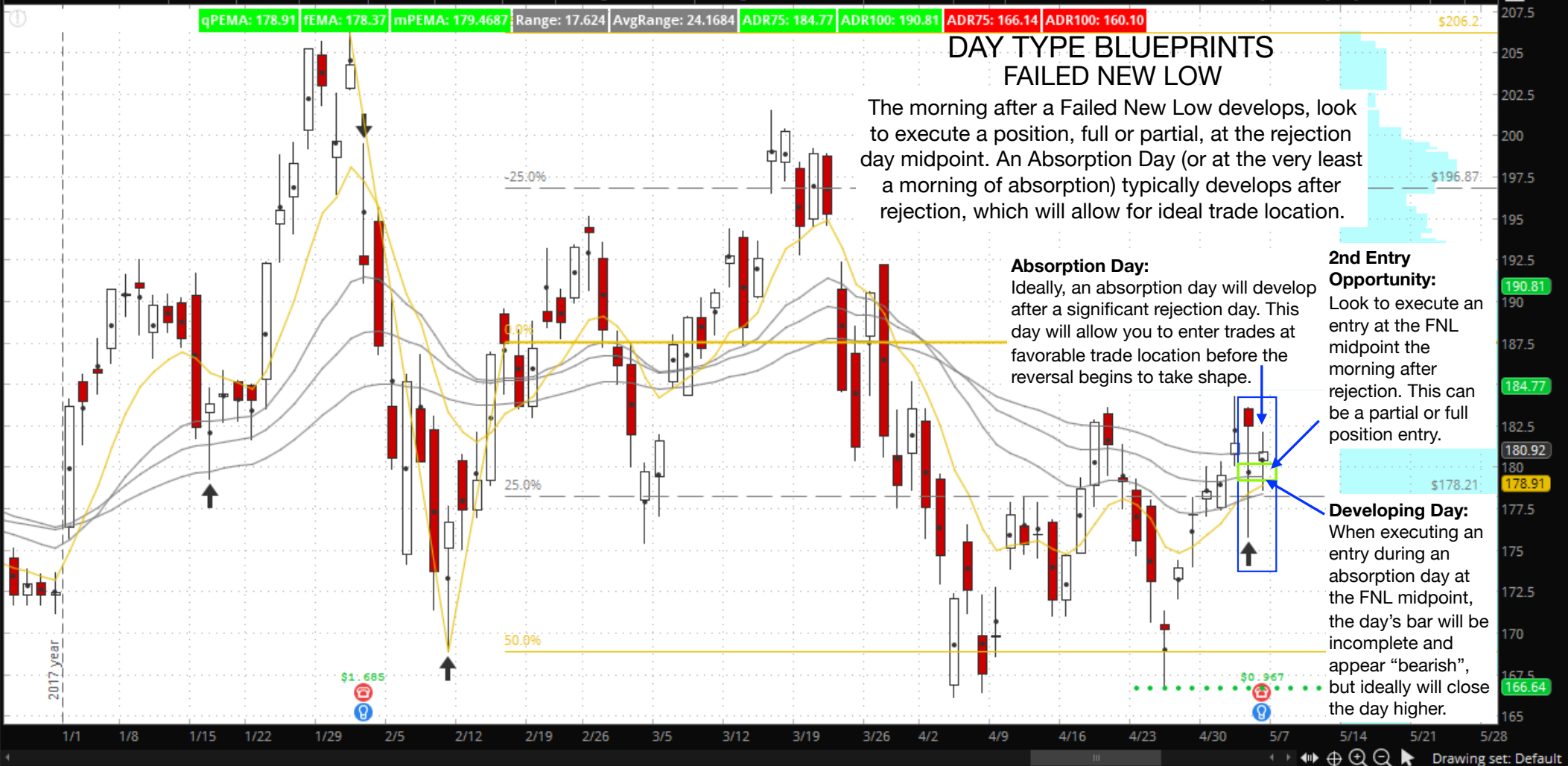
Ideally, an absorption day will develop after a significant rejection day. This day will allow you to enter trades at favorable trade location before the reversal begins to take shape.

2nd Entry Opportunity:

Look to execute an entry at the FNL midpoint the morning after rejection. This can be a partial or full position entry.

Developing Day:

When executing an entry during an absorption day at the FNL midpoint, the day's bar will be incomplete and appear "bearish", but ideally will close the day higher.



qPEMA: 183.22 fEMA: 180.25 mPEMA: 180.5970 Range: 29.96 AvgRange: 25.402 ADR75: 185.69 ADR100: 192.04 ADR75: 177.55 ADR100: 171.20 \$206.2

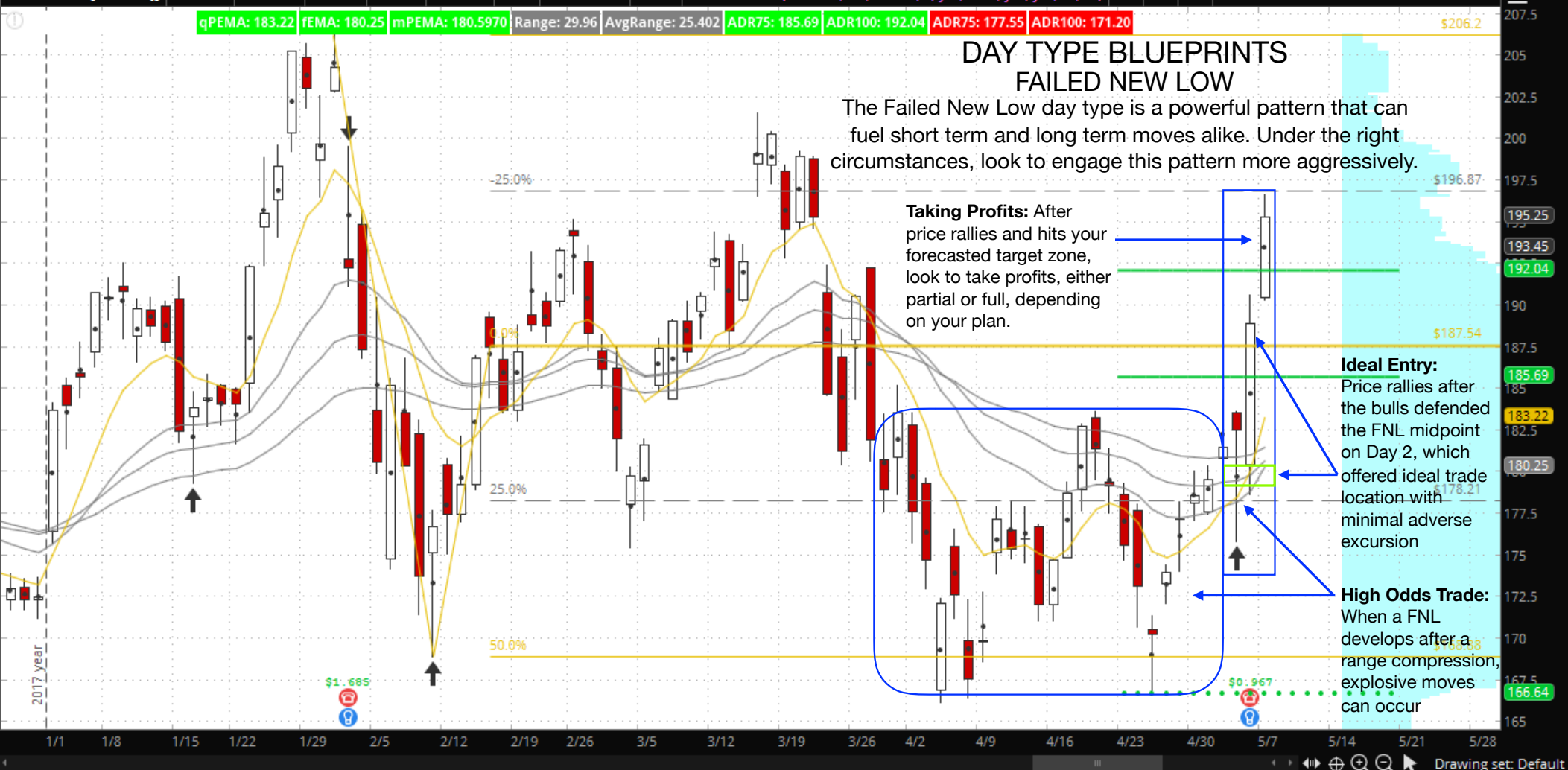
DAY TYPE BLUEPRINTS FAILED NEW LOW

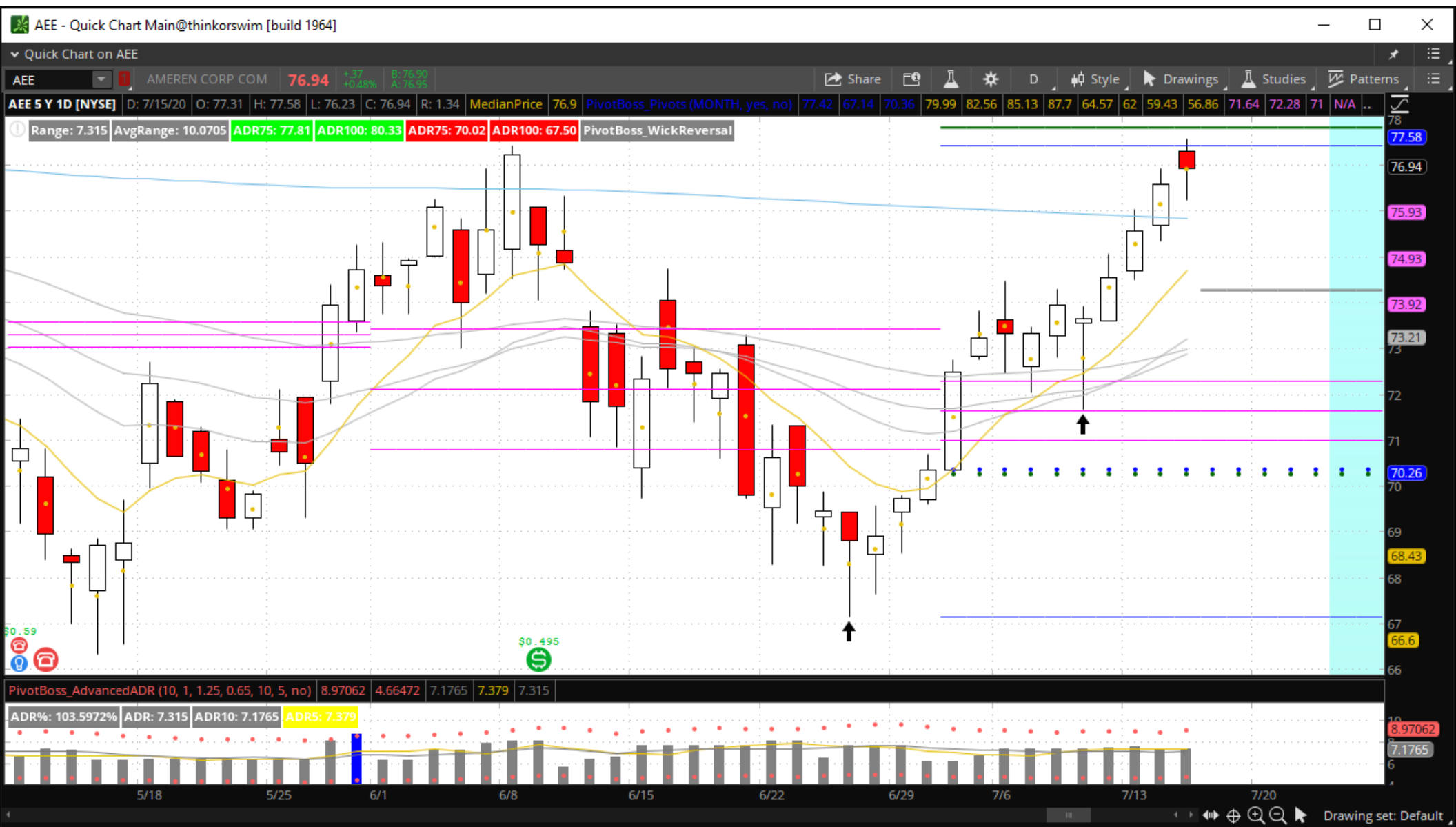
The Failed New Low day type is a powerful pattern that can fuel short term and long term moves alike. Under the right circumstances, look to engage this pattern more aggressively.

Taking Profits: After price rallies and hits your forecasted target zone, look to take profits, either partial or full, depending on your plan.

Ideal Entry:
 Price rallies after the bulls defended the FNL midpoint on Day 2, which offered ideal trade location with minimal adverse excursion

High Odds Trade:
 When a FNL develops after a range compression, explosive moves can occur





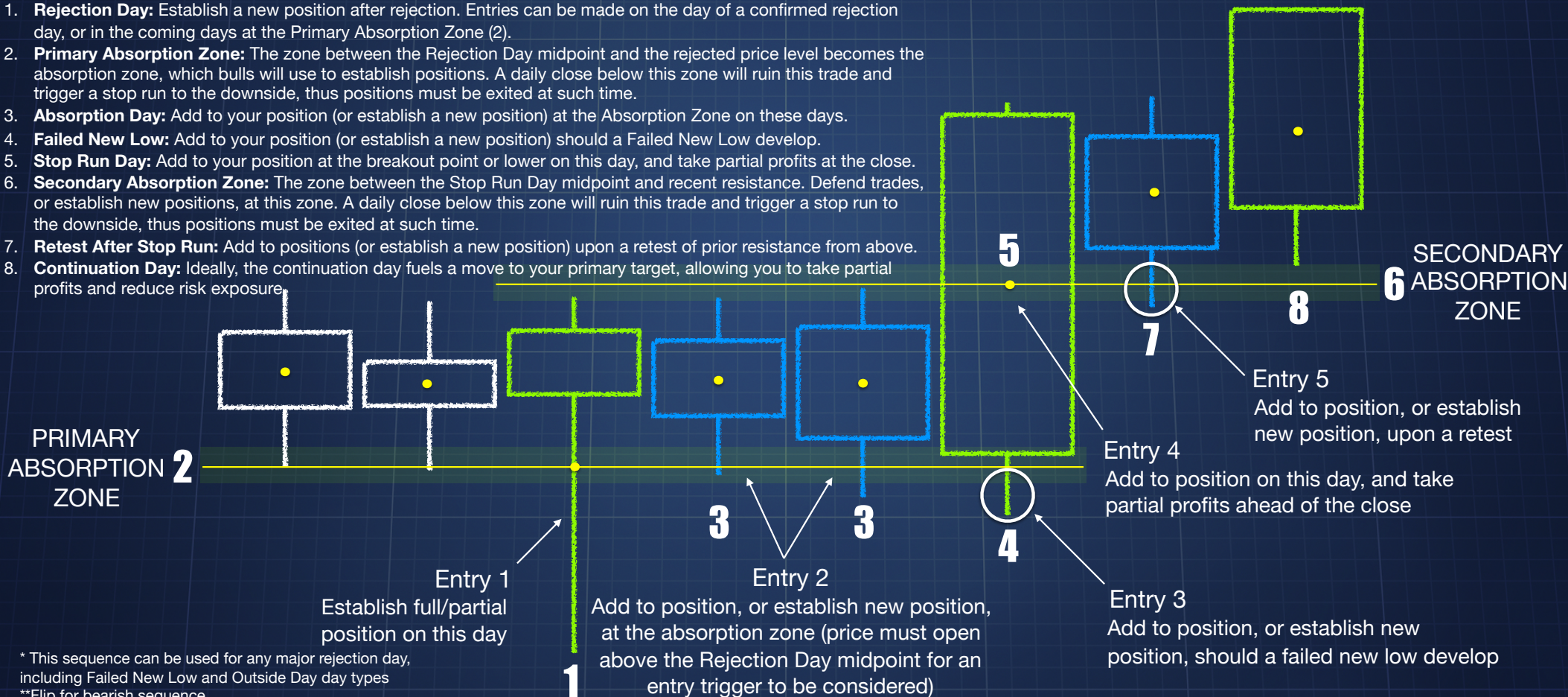


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THE REJECTION DAY SEQUENCE

This blueprint illustrates the Rejection Day trade sequence, including identifying key absorption zones and entry points. Use this sequence when a Rejection Day develops.

1. **Rejection Day:** Establish a new position after rejection. Entries can be made on the day of a confirmed rejection day, or in the coming days at the Primary Absorption Zone (2).
2. **Primary Absorption Zone:** The zone between the Rejection Day midpoint and the rejected price level becomes the absorption zone, which bulls will use to establish positions. A daily close below this zone will ruin this trade and trigger a stop run to the downside, thus positions must be exited at such time.
3. **Absorption Day:** Add to your position (or establish a new position) at the Absorption Zone on these days.
4. **Failed New Low:** Add to your position (or establish a new position) should a Failed New Low develop.
5. **Stop Run Day:** Add to your position at the breakout point or lower on this day, and take partial profits at the close.
6. **Secondary Absorption Zone:** The zone between the Stop Run Day midpoint and recent resistance. Defend trades, or establish new positions, at this zone. A daily close below this zone will ruin this trade and trigger a stop run to the downside, thus positions must be exited at such time.
7. **Retest After Stop Run:** Add to positions (or establish a new position) upon a retest of prior resistance from above.
8. **Continuation Day:** Ideally, the continuation day fuels a move to your primary target, allowing you to take partial profits and reduce risk exposure.



* This sequence can be used for any major rejection day, including Failed New Low and Outside Day day types

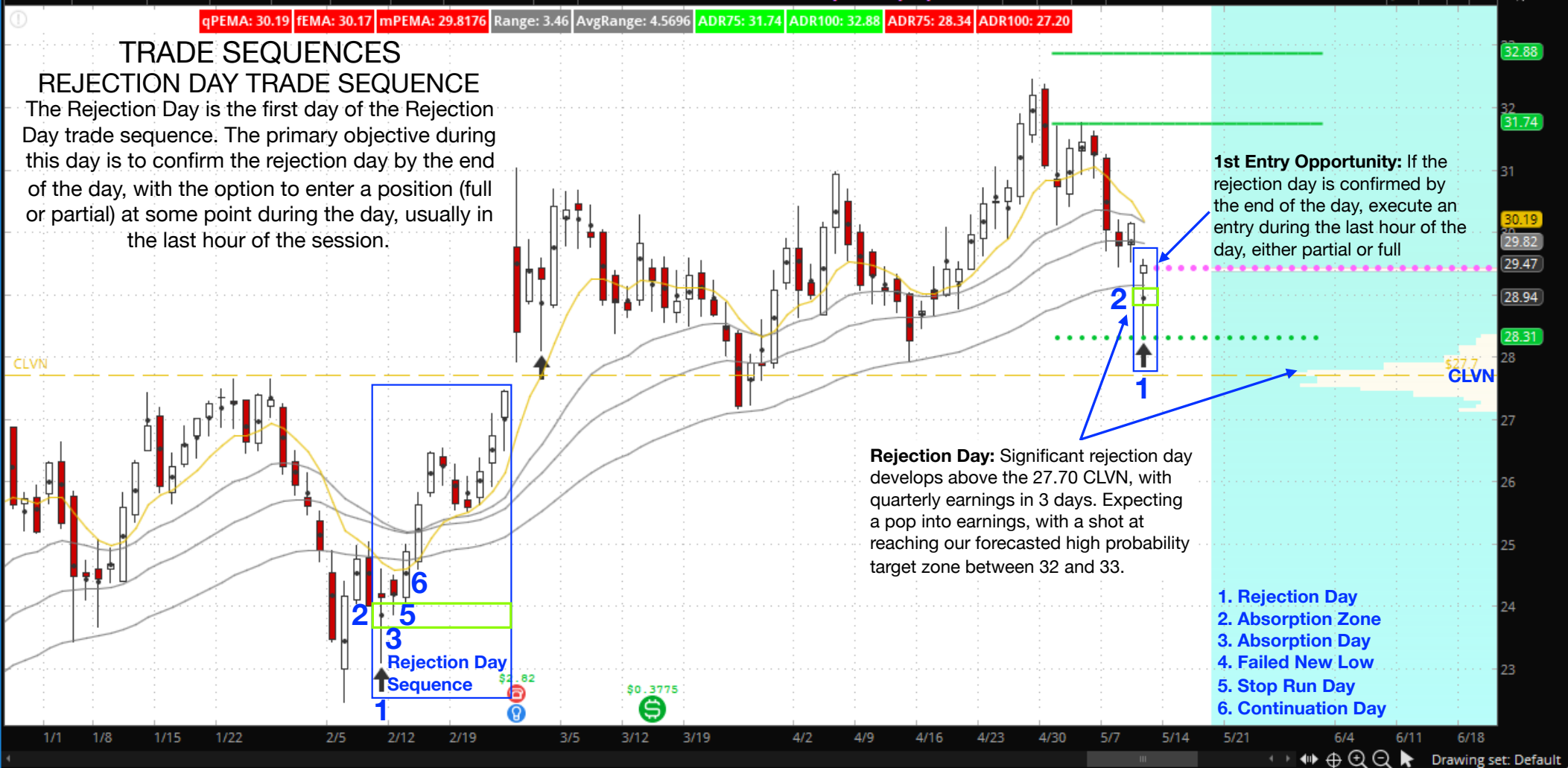
**Flip for bearish sequence

qPEMA: 30.19 fPEMA: 30.17 mPEMA: 29.8176 Range: 3.46 AvgRange: 4.5696 ADR75: 31.74 ADR100: 32.88 ADR75: 28.34 ADR100: 27.20

TRADE SEQUENCES

REJECTION DAY TRADE SEQUENCE

The Rejection Day is the first day of the Rejection Day trade sequence. The primary objective during this day is to confirm the rejection day by the end of the day, with the option to enter a position (full or partial) at some point during the day, usually in the last hour of the session.

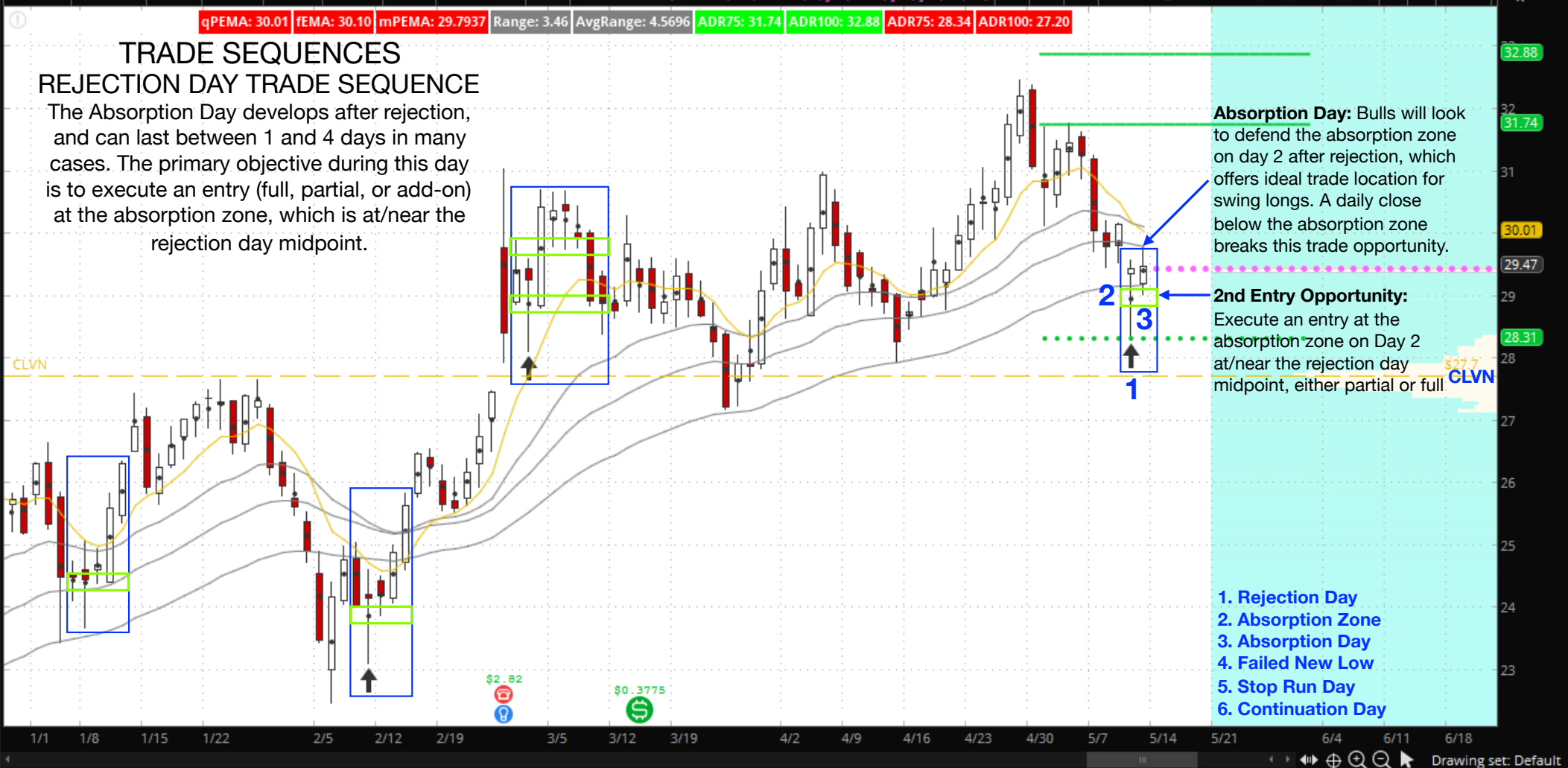


qPEMA: 30.01 fPEMA: 30.10 mPEMA: 29.7937 Range: 3.46 AvgRange: 4.5696 ADR75: 31.74 ADR100: 32.88 ADR75: 28.34 ADR100: 27.20

TRADE SEQUENCES

REJECTION DAY TRADE SEQUENCE

The Absorption Day develops after rejection, and can last between 1 and 4 days in many cases. The primary objective during this day is to execute an entry (full, partial, or add-on) at the absorption zone, which is at/near the rejection day midpoint.

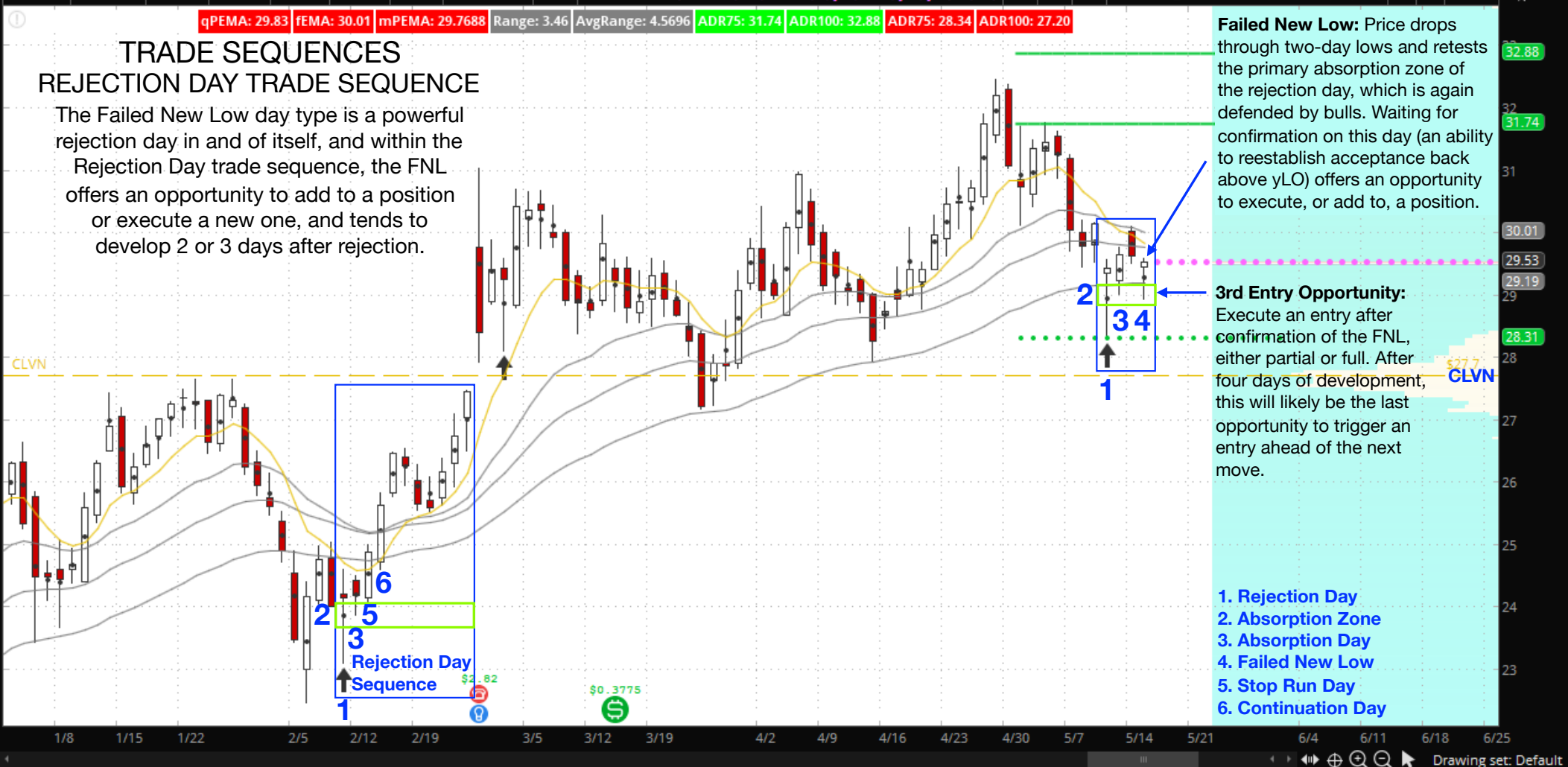


qPEMA: 29.83 fPEMA: 30.01 mPEMA: 29.7688 Range: 3.46 AvgRange: 4.5696 ADR75: 31.74 ADR100: 32.88 ADR75: 28.34 ADR100: 27.20

TRADE SEQUENCES

REJECTION DAY TRADE SEQUENCE

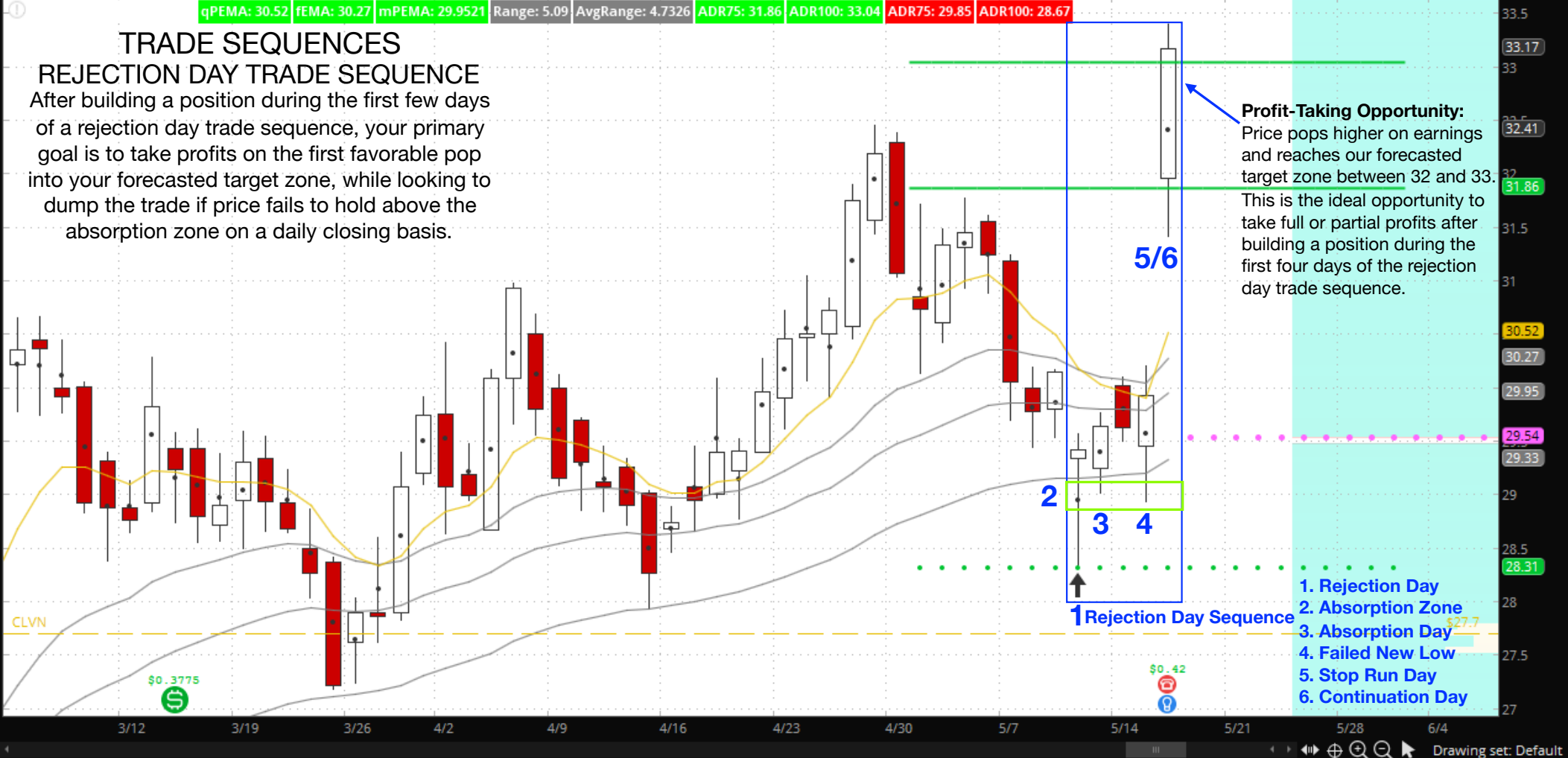
The Failed New Low day type is a powerful rejection day in and of itself, and within the Rejection Day trade sequence, the FNL offers an opportunity to add to a position or execute a new one, and tends to develop 2 or 3 days after rejection.

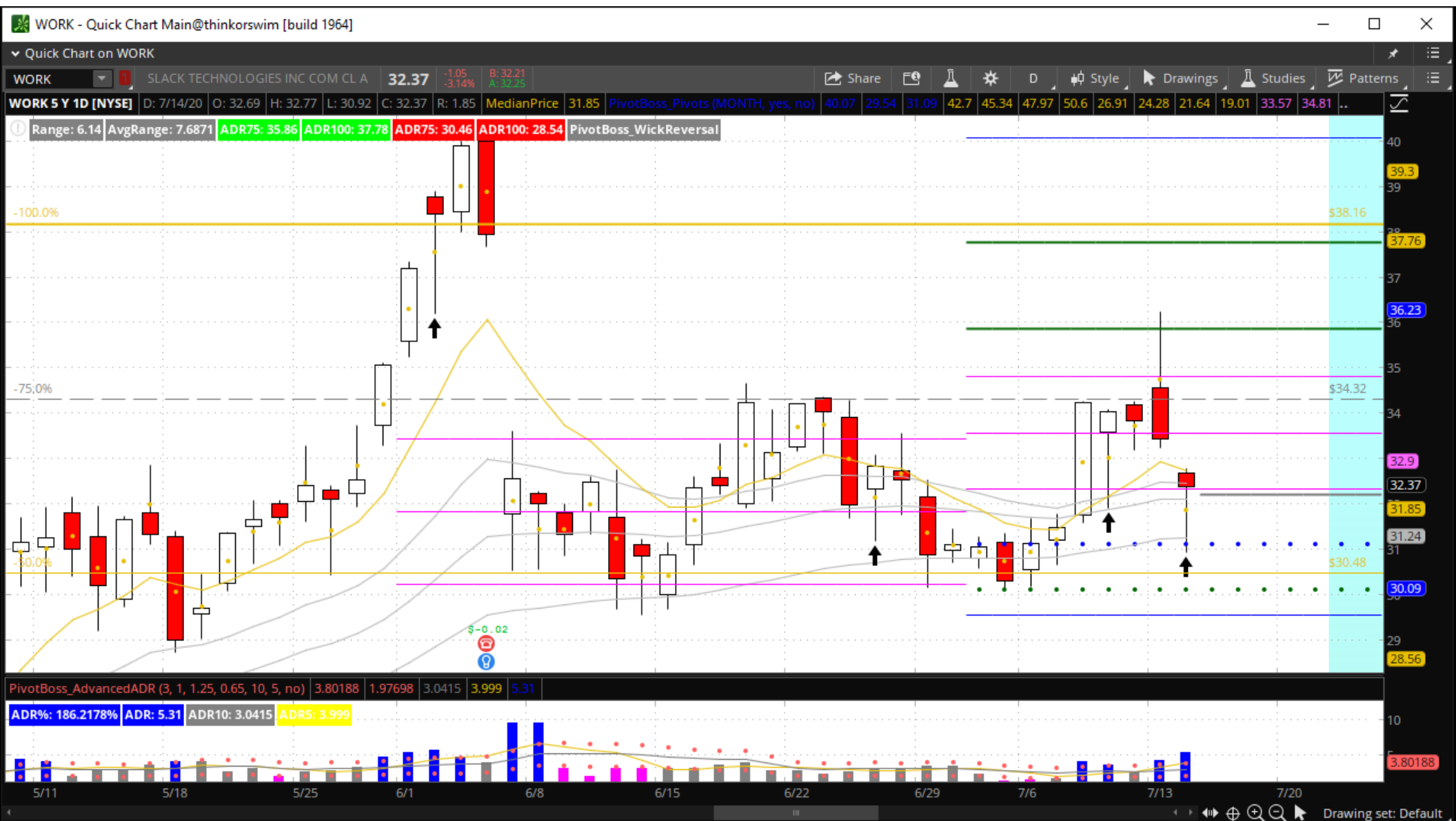


TRADE SEQUENCES

REJECTION DAY TRADE SEQUENCE

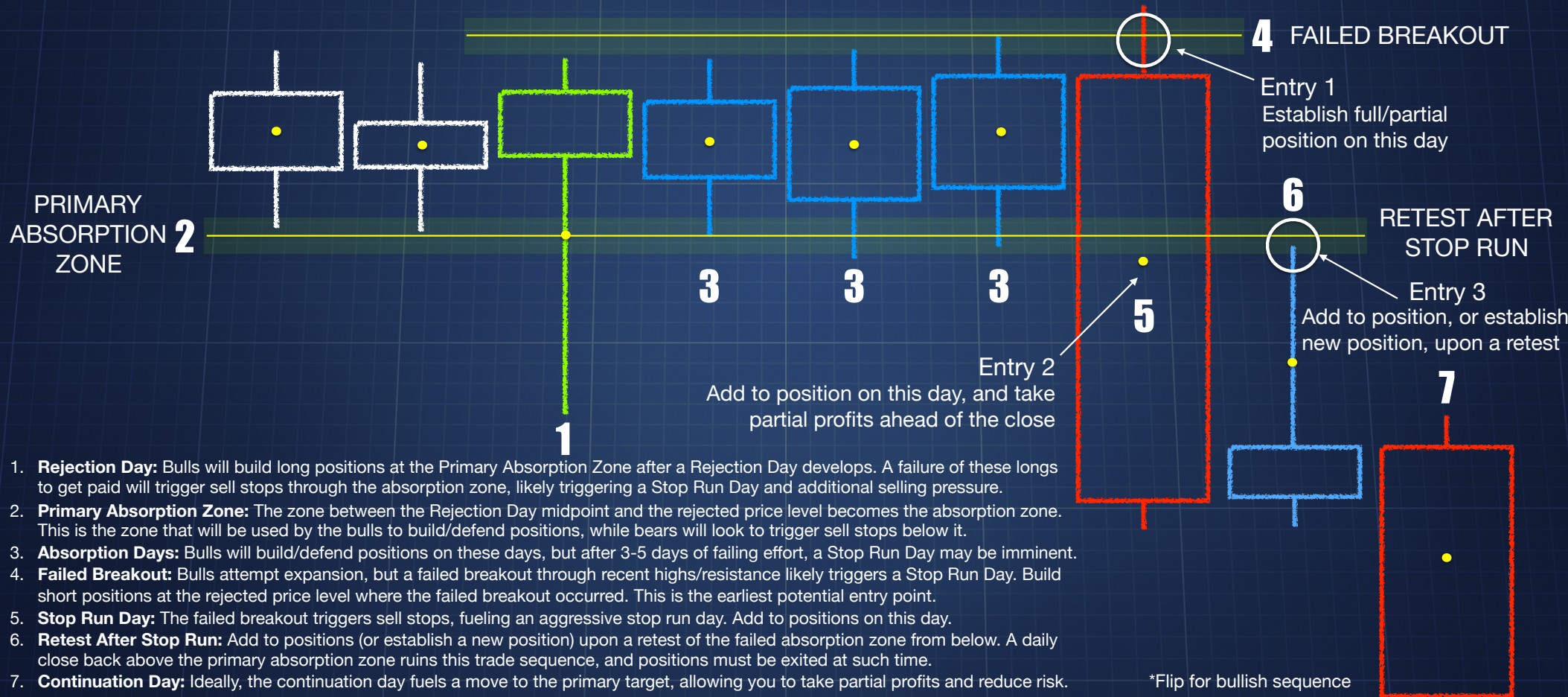
After building a position during the first few days of a rejection day trade sequence, your primary goal is to take profits on the first favorable pop into your forecasted target zone, while looking to dump the trade if price fails to hold above the absorption zone on a daily closing basis.







This blueprint illustrates the Failed Absorption trade sequence, including identifying the primary absorption zone and all entry points. Use this sequence when Failed Absorption is suspected to occur.



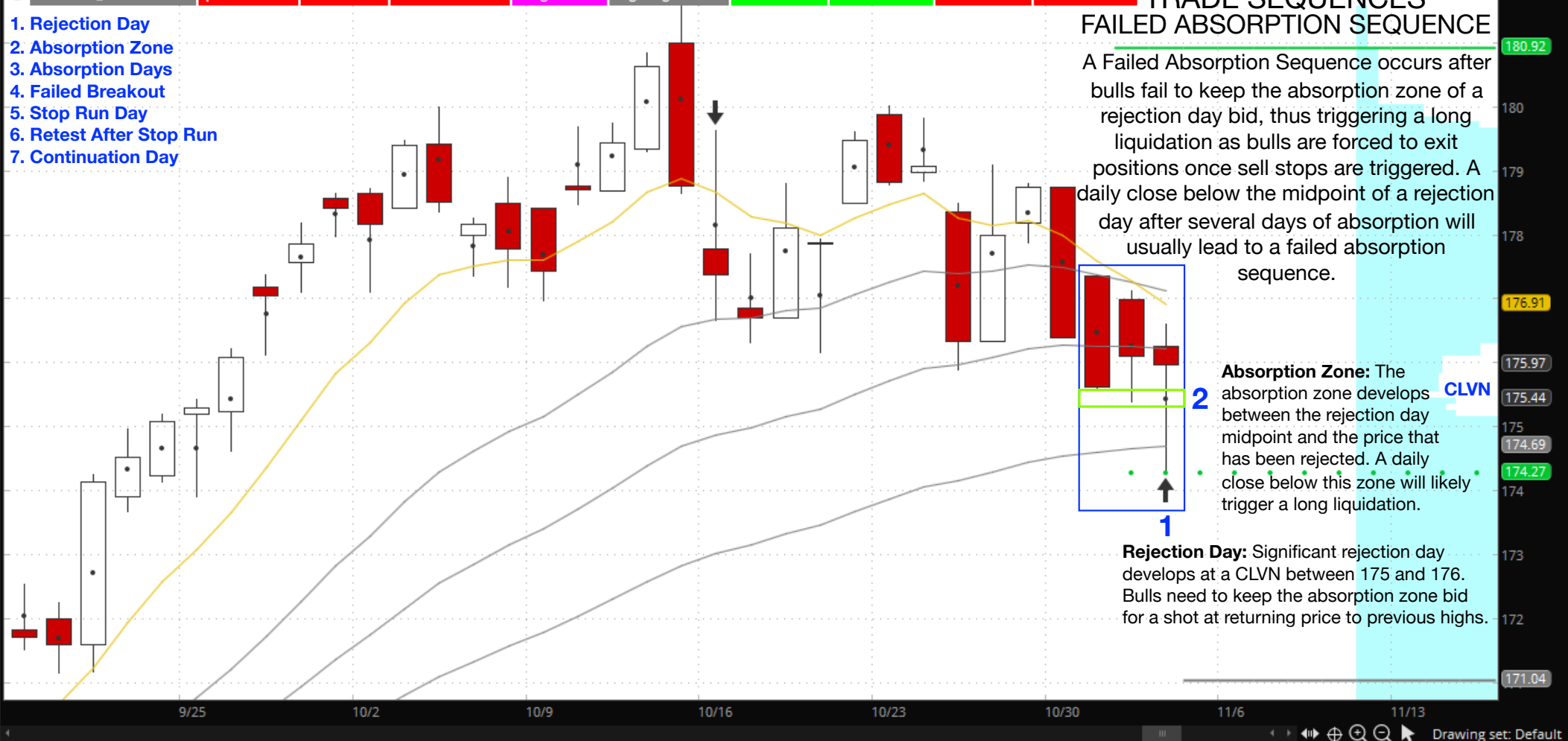
1. Rejection Day
2. Absorption Zone
3. Absorption Days
4. Failed Breakout
5. Stop Run Day
6. Retest After Stop Run
7. Continuation Day

TRADE SEQUENCES FAILED ABSORPTION SEQUENCE

A Failed Absorption Sequence occurs after bulls fail to keep the absorption zone of a rejection day bid, thus triggering a long liquidation as bulls are forced to exit positions once sell stops are triggered. A daily close below the midpoint of a rejection day after several days of absorption will usually lead to a failed absorption sequence.

Absorption Zone: The absorption zone develops between the rejection day midpoint and the price that has been rejected. A daily close below this zone will likely trigger a long liquidation.

Rejection Day: Significant rejection day develops at a CLVN between 175 and 176. Bulls need to keep the absorption zone bid for a shot at returning price to previous highs.



1. Rejection Day
2. Absorption Zone
3. Absorption Days
4. Failed Breakout
5. Stop Run Day
6. Retest After Stop Run
7. Continuation Day

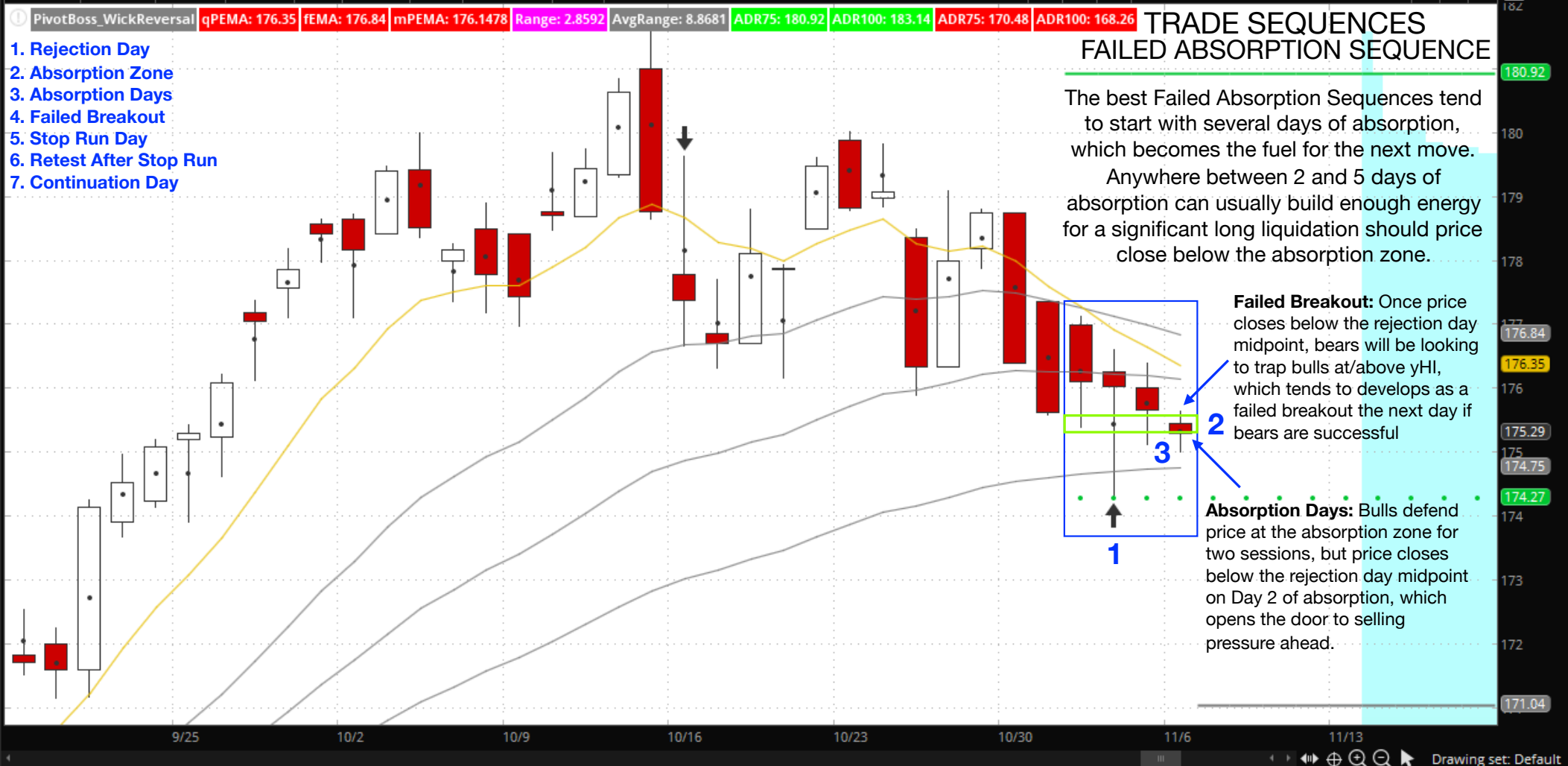
TRADE SEQUENCES FAILED ABSORPTION SEQUENCE

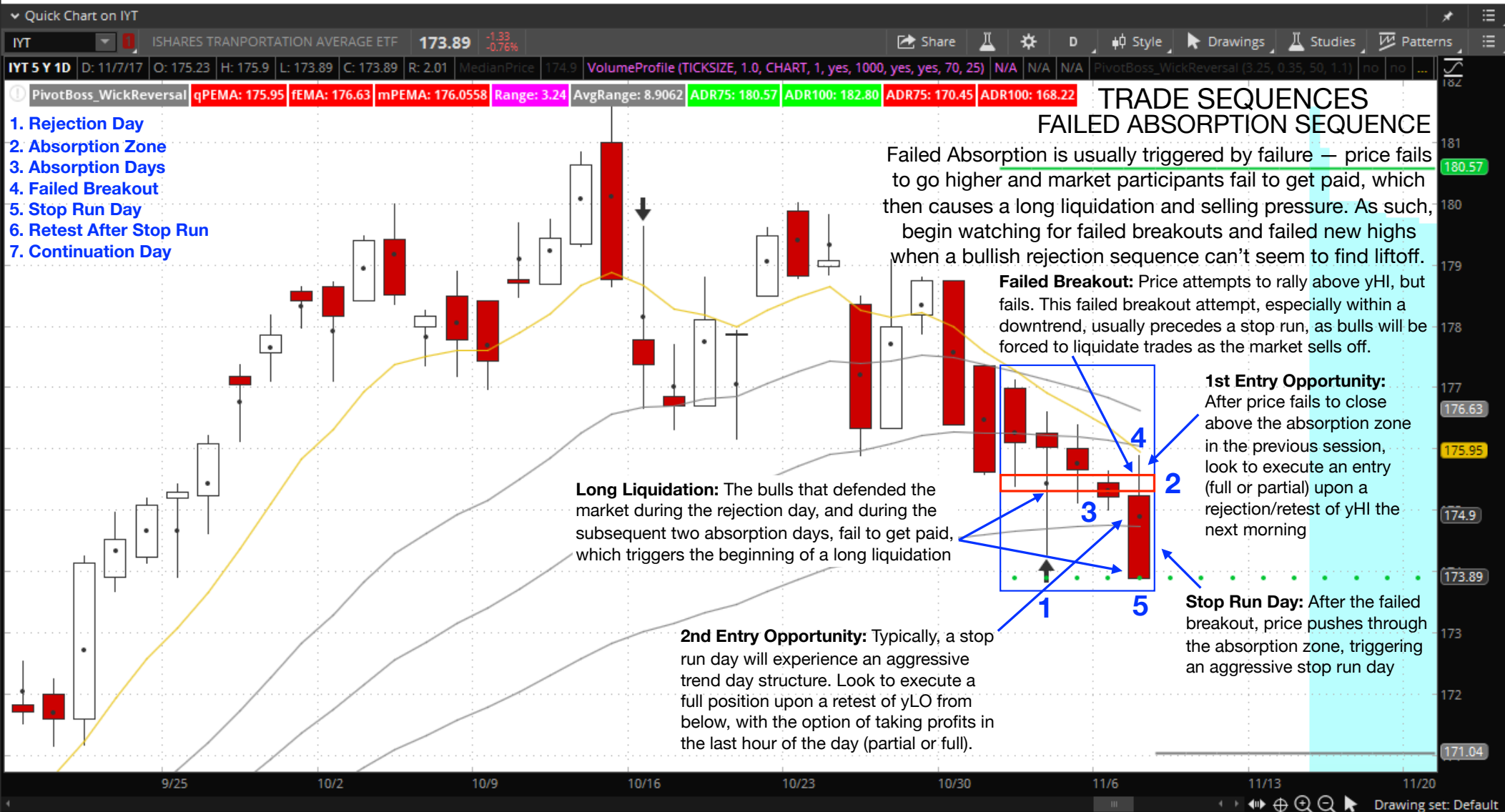
The best Failed Absorption Sequences tend to start with several days of absorption, which becomes the fuel for the next move.

Anywhere between 2 and 5 days of absorption can usually build enough energy for a significant long liquidation should price close below the absorption zone.

Failed Breakout: Once price closes below the rejection day midpoint, bears will be looking to trap bulls at/above yHI, which tends to develop as a failed breakout the next day if bears are successful

Absorption Days: Bulls defend price at the absorption zone for two sessions, but price closes below the rejection day midpoint on Day 2 of absorption, which opens the door to selling pressure ahead.





TRADE SEQUENCES
FAILED ABSORPTION SEQUENCE

After building a position during the first few days of a rejection day trade sequence, your primary goal is to take profits on the first favorable pop into your forecasted target zone, while looking to dump the trade if price fails to hold above the absorption zone on a daily closing basis.

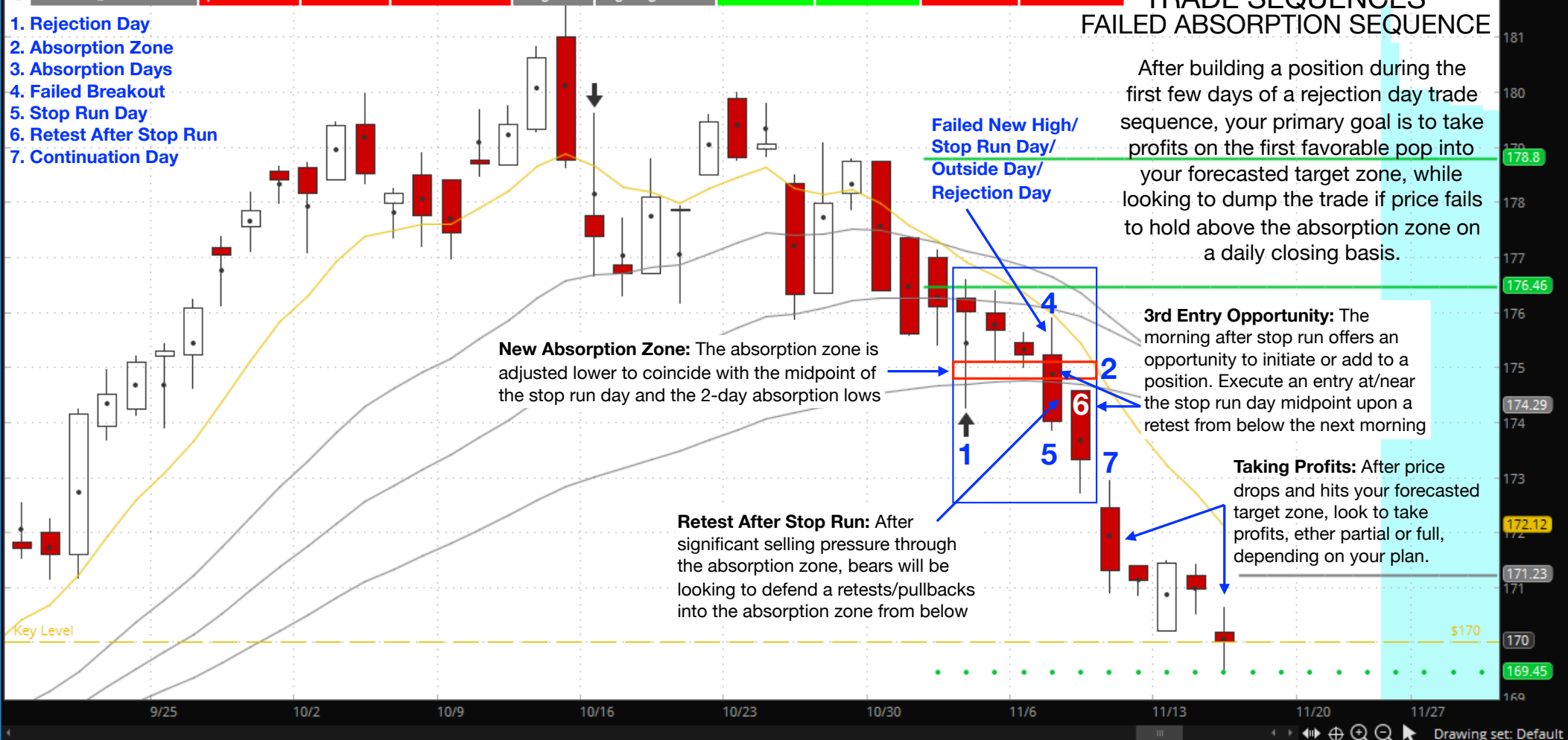
3rd Entry Opportunity: The morning after stop run offers an opportunity to initiate or add to a position. Execute an entry at/near the stop run day midpoint upon a retest from below the next morning

Taking Profits: After price drops and hits your forecasted target zone, look to take profits, either partial or full, depending on your plan.

New Absorption Zone: The absorption zone is adjusted lower to coincide with the midpoint of the stop run day and the 2-day absorption lows

Retest After Stop Run: After significant selling pressure through the absorption zone, bears will be looking to defend a retests/pullbacks into the absorption zone from below

Failed New High/
Stop Run Day/
Outside Day/
Rejection Day





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MAKING MONEY WITH TRADE SEQUENCES

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Deals Exclusively for TradersExclusive

with Frank Ochoa

President and Founder, PivotBoss, LLC

Author, *Secrets of a Pivot Boss*