

Raghee's Book of Charts



If you're anything like me, you learn from seeing images, pictures...and charts! I've spent hours and hours picking charts and making notes on each of them to show you the concepts that I think will be the difference in your studies and trading. The following charts are examples that you can study in order to reinforce the lessons taught in the video lessons of this multimedia course. They will show examples from all five timeframes that I watch. They will also show examples that I have chosen that I feel give you details to watch out for when setting up and confirming swing and momentum trades. The charts will also show how I decide upon stops and profits targets.

A picture is worth a thousand words and I think that is especially true when talking about trading. To me, trading is the process of training your eyes to recognize the set ups that you have learned, to react to that set up with a plan that includes your entry, your stop, and your profit targets, and then to repeat this process over and over again.

As I mentioned before, I have made notes on each chart. Each chart shows you how I analyze the charts and points out details that you can use to begin to fortify your own analysis. This way you are looking at charts in the exact same way that I do and in a way, it's like being able to see the charts through my eyes.

I love looking at charts and at the risk of sounding a bit childish, I find them to be maps that I follow to lead me to buried treasure. And some of these treasures are buried well...it is our job to navigate the charts to find the clues that are there. We want to do this as unemotionally as possible. We want to make sure that we do this without any bias. We want to be as consistent as possible.

Traders are not bulls or bears. I analyze a chart with only one question in mind: Is there a set up here? I don't care if it is long or short. I don't care if it is a swing or momentum trade. And I don't let the current events or news of the day sway my analysis. I am laying these ground rules down now so that you can begin to "recognize, react, and repeat" on your own.

Let's talk about news and economic events for a moment. I do not set up trades based upon news or the release of news. However, there are some things that you do need to know. First off, I do not want you to think I ignore the news or economic report. The fact is if you are new to trading, I truly feel that you may not have enough experience and trust in your charts to be able to “block out” the bias that news presents. I see a lot of new traders fall into the trap of letting news and reports and internet commentary override their chart analysis; I don't want to see you fall into that trap! News and reports do move the markets...I don't want you to forget that. However, they cannot give you the three elements you need that make up your trading plan: an entry price, a stop-loss, and profit targets. So what you will see is that if you do your “homework” and have your analysis done before news and economic reports, the set up will often confirm with the volatility created by the news or economic release. That's what we want to strive for...

Keep this in mind. Always begin by looking for the prevailing trend and do this by using the Wave. This means we are looking for an uptrend, downtrend, or no trend! A trend will be defined as the market traveling at Noon to two o'clock or four to six o'clock. “No trend” will be when the Wave is traveling at three o'clock. Taking the time to make sure to do this simple step will ensure that you are momentum or swing trading in the proper market environment.

Enjoy the charts!

Yours in Trading,

A handwritten signature in black ink, appearing to read "Ragh" with a stylized flourish at the end.

(EUR A0-FX - Euro,D) Dynamic,0:00-24:00
EZ2-S/R Analyst Pro (0.00109376)
EZ2-Wave
ATR Stop w/Ratchet

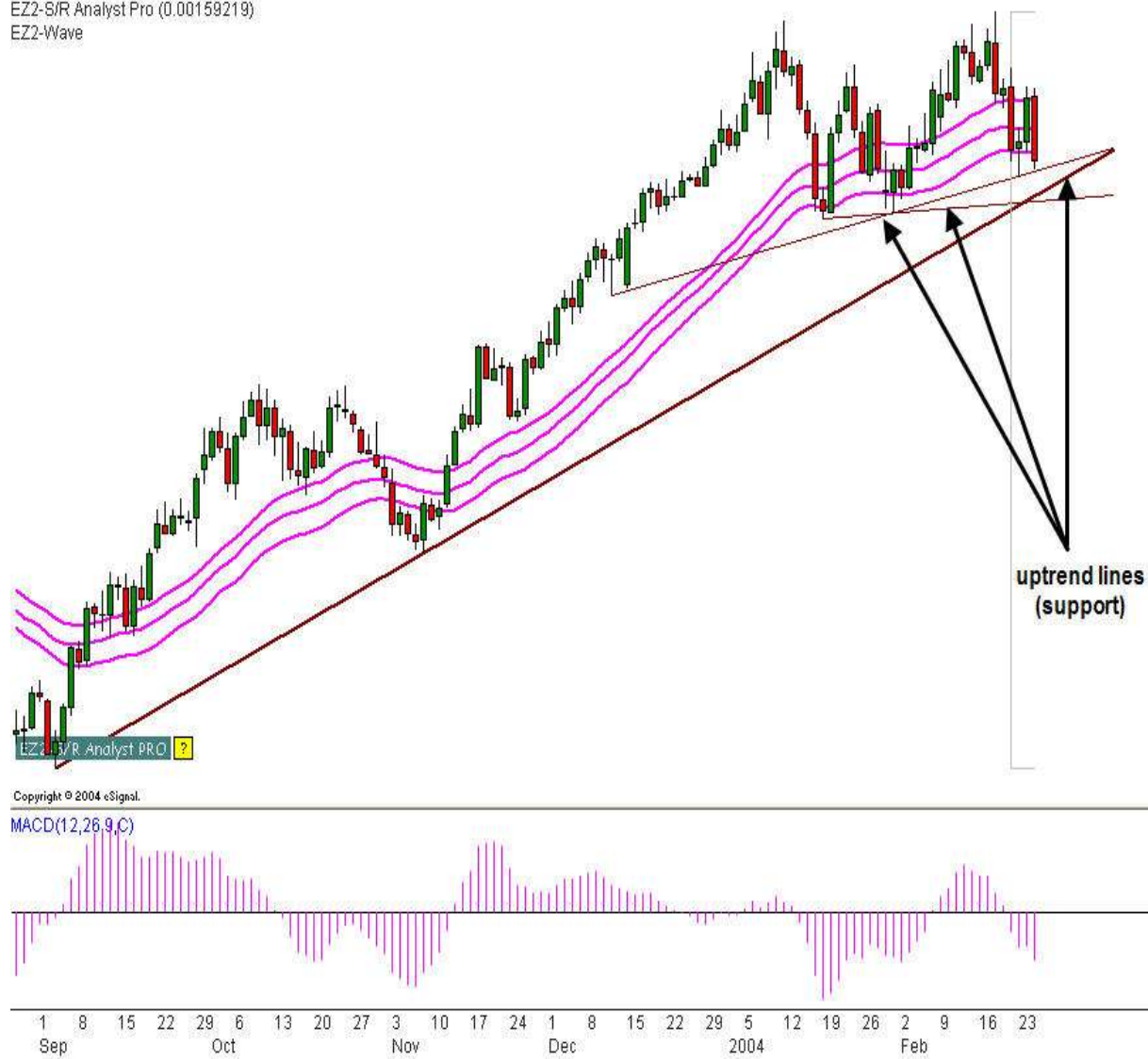
Use the Wave to decide whether to swing to momentum trade.



(EUR A0-FX - Euro,D) Dynamic, 0:00-24:00
EZ2-S/R Analyst Pro (0.00122127)
EZ2-Wave
ATR Stop w/Ratchet



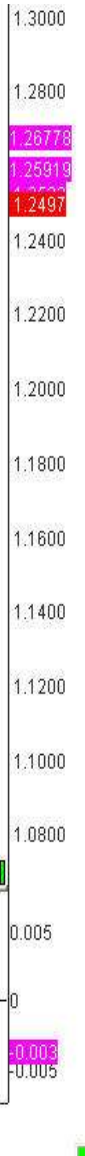
(EUR A0-FX - Euro,D) Dynamic, 0:00-24:00
EZ2-S/R Analyst Pro (0.00159219)
EZ2-Wave



There are situations where the Wave levels out to a three o'clock reading but there is an only uptrend OR a downtrend.

In this case there is only the uptrend side of the trade and therefore only a potential short play.

uptrend lines (support)



(EUR A0-FX - Euro,30) Dynamic,0:00-24:00
EZ2-S/R Analyst Pro (0.000185789)
EZ2-Wave



Trades on quicker timeframes like the 30 minute chart can trigger very quickly.

The good news is that since we already know where we want to enter the market we can act proactively.

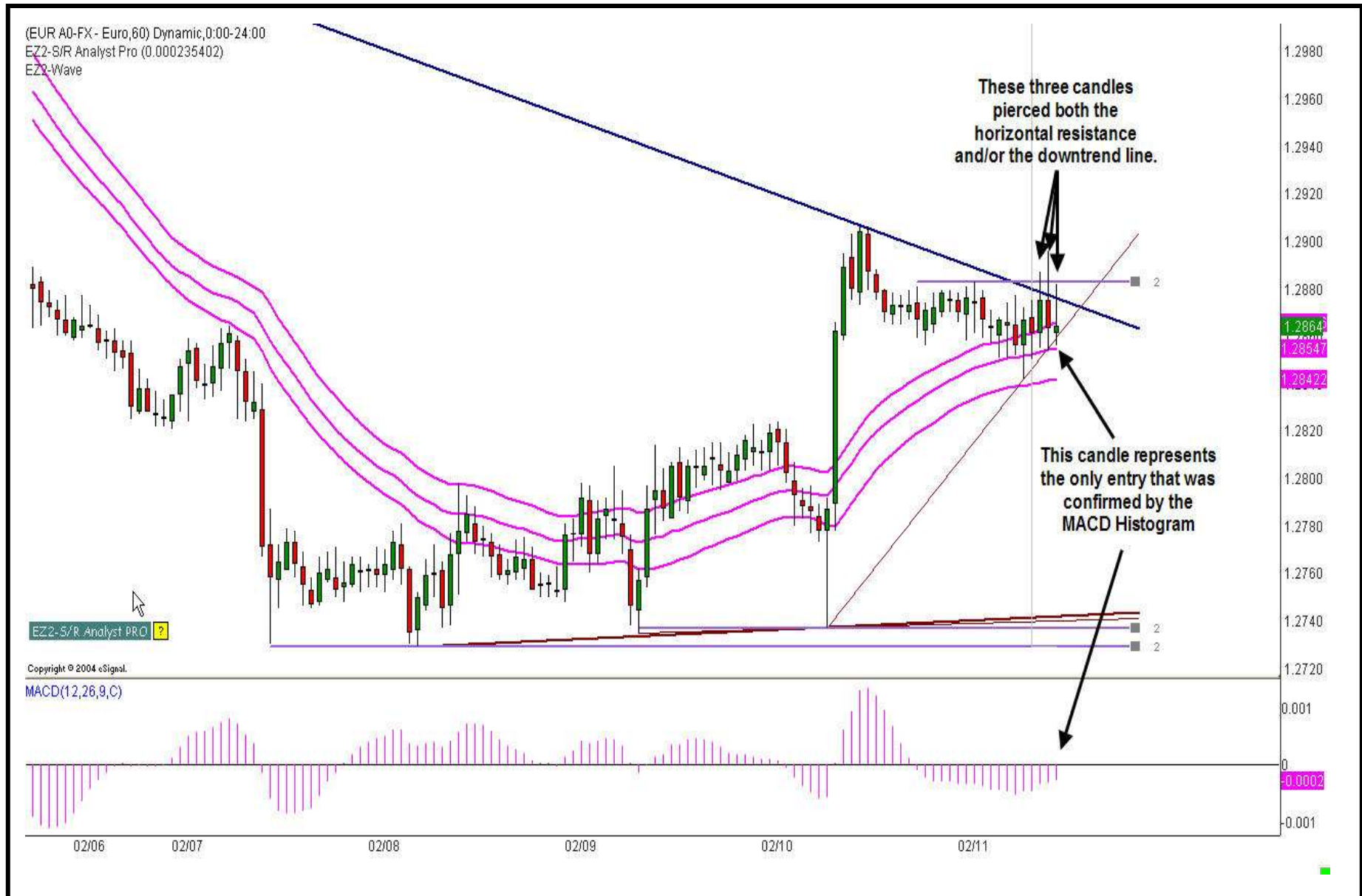
When we do this it is best to have the confirmation first. And in this case we already have MACD Histogram confirmation for this potential momentum trade.

1.3060
1.3040
1.3020
1.3000
1.2980
1.2960
1.2940
1.2920
1.2900
1.2880
1.2860
1.28588
1.28476
1.28387
1.2832
1.2820
0.0005
0
-0.0001
-0.0005
-0.001

EZ2-S/R Analyst

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MACD(12,26,9,C)

02/03 02/04 02/06 02/07



(EUR A0-FX - Euro,180) Dynamic,0:00-24:00
 EZ2-5/R Analyst Pro (0.000374096)
 EZ2-Wave



Determining the direction of the Wave is not always 100% clear. In this case I could ask ten people whether they think the Wave is travelling at between twelve and two o'clock or at three o'clock and get a split response.

Remember that you must first determine which direction you think the Wave is travelling in.

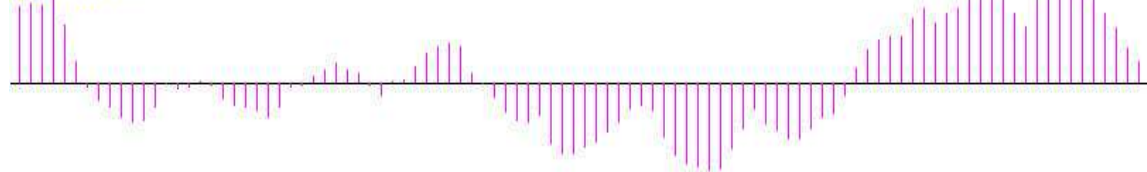
If you think it is three o'clock then you will wait for either the uptrend or the downtrend line to break.

If you think is between twelve and two then you can enter on the pullback to the Wave or a Fibonacci Level like the .25 or .382.

EZ2-5/R Analyst PRO ?

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MACD(12,26,9,C)



01/30

02/06

1.3100
 1.3050
 1.3000
 1.2950
 1.2900
 1.2850
 1.2800
 1.2750
 0.001
 0.0003
 0
 -0.001

(EUR A0-FX - Euro,180) Dynamic,0:00-24:00
EZ2-5/R Analyst Pro (0.000374096)
EZ2-Wave

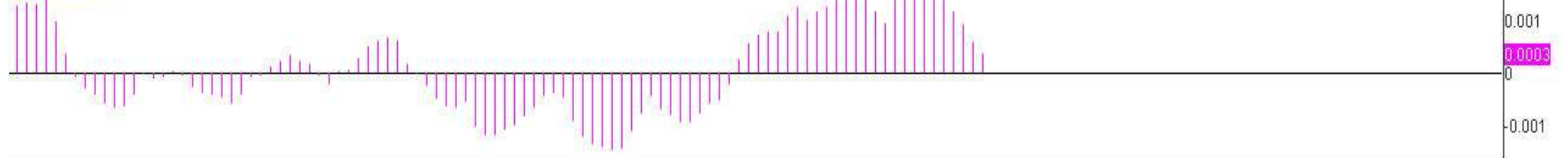


Note how the three levels of the Wave and the .25, .382, and .500 Fibonacci Levels are lined up. This is a great example of multiple confirmation that these levels are important.

EZ2-5/R Analyst PRO ?

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MACD(12,26,9,C)



01/30

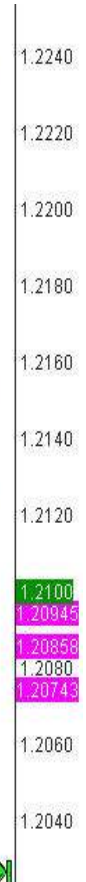
02/06

(CHF A0-FX - Switzerland Franc,30) Dynamic,0:00-24:00
EZ2-S/R Analyst Pro (0.00020577)
EZ2-Wave



The Wave confirms a momentum set up, so the next step is decide upon which price to enter.

There are two choices here. It is up to the trader to decide whether to take the break of the downtrend line as the entry or the horizontal resistance line.



EZ2-S/R Analyst PRO ?

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MACD(12,26,9,C)

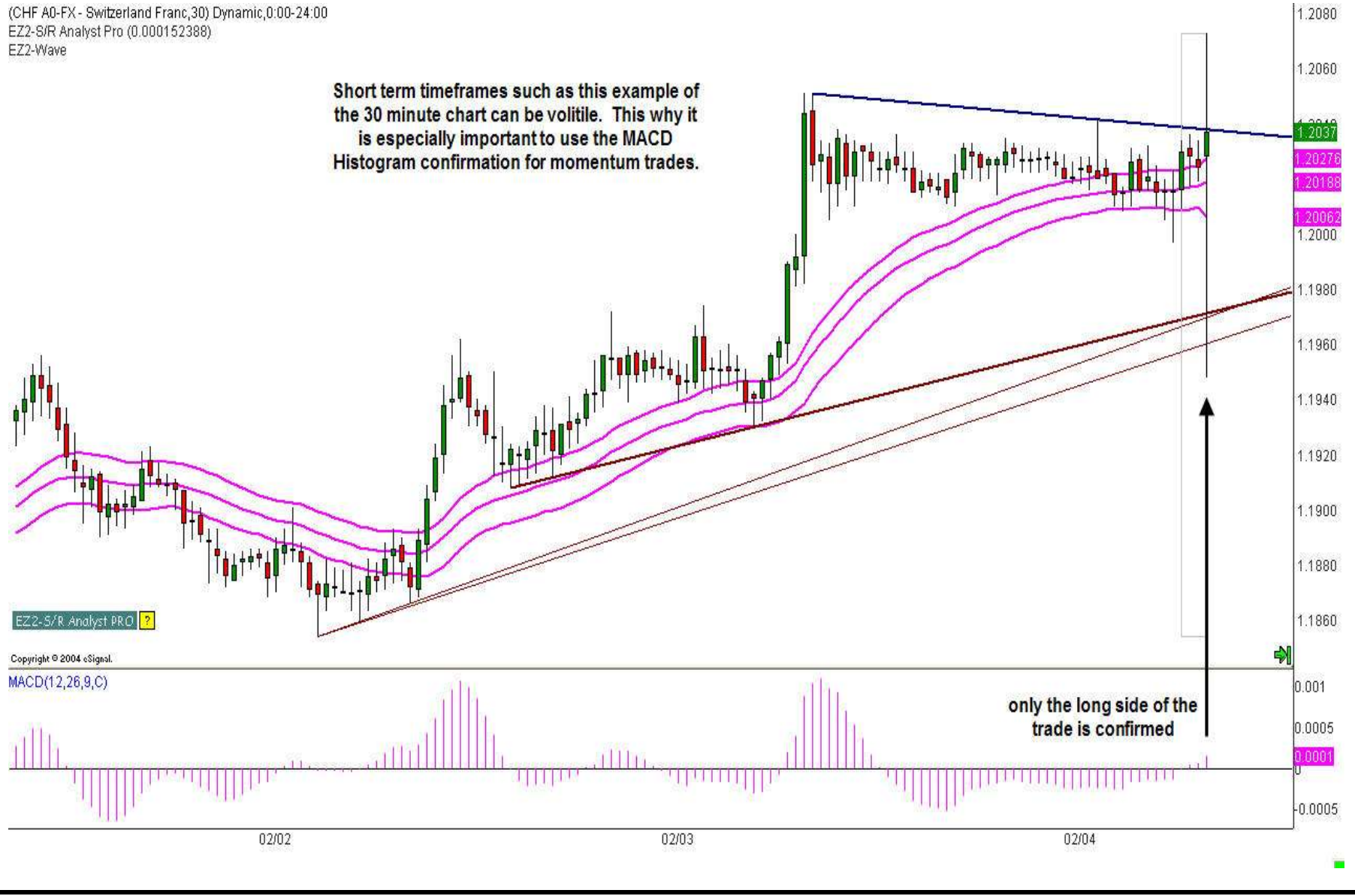
momentum trade long
trade confirmation

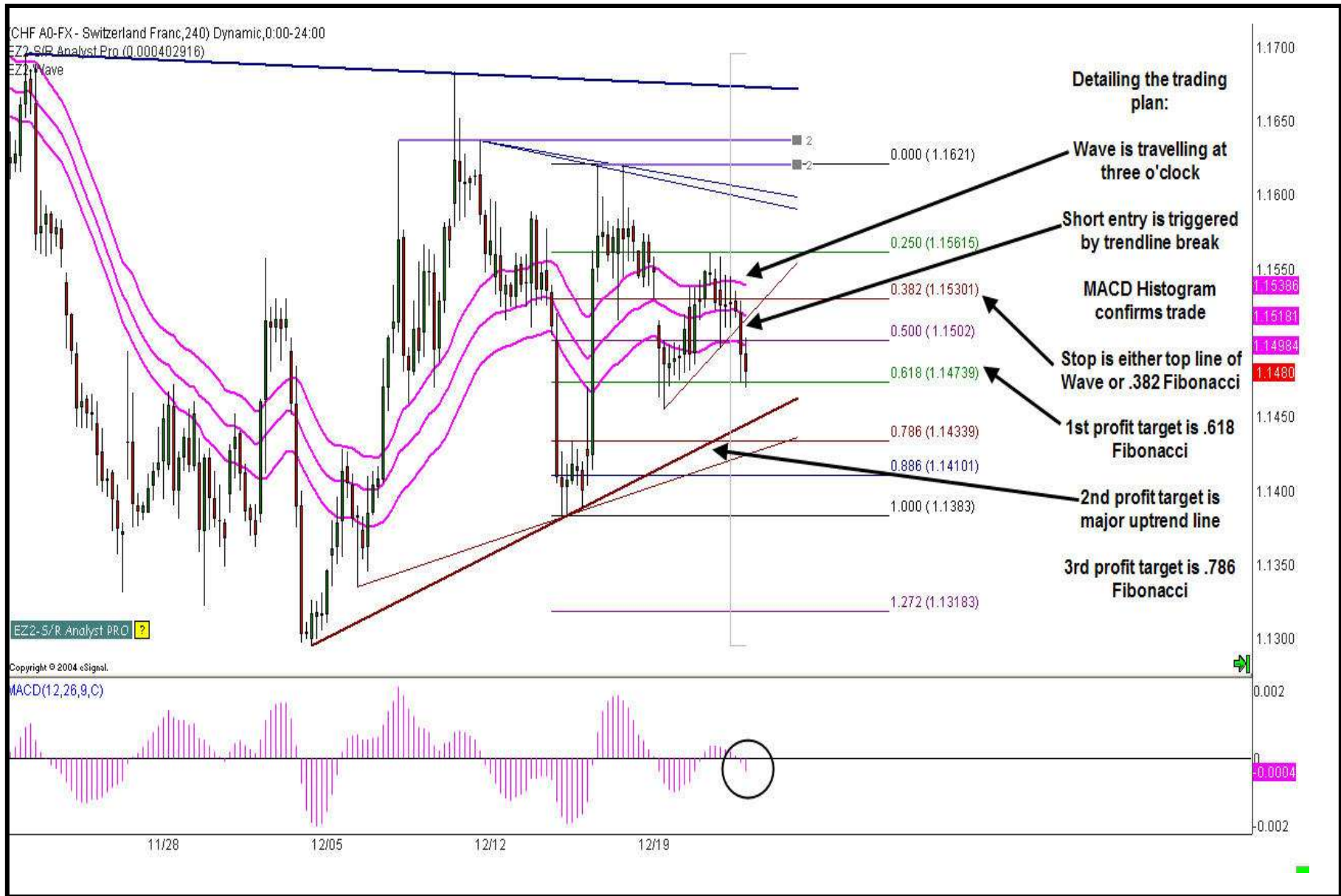
02/10

02/11

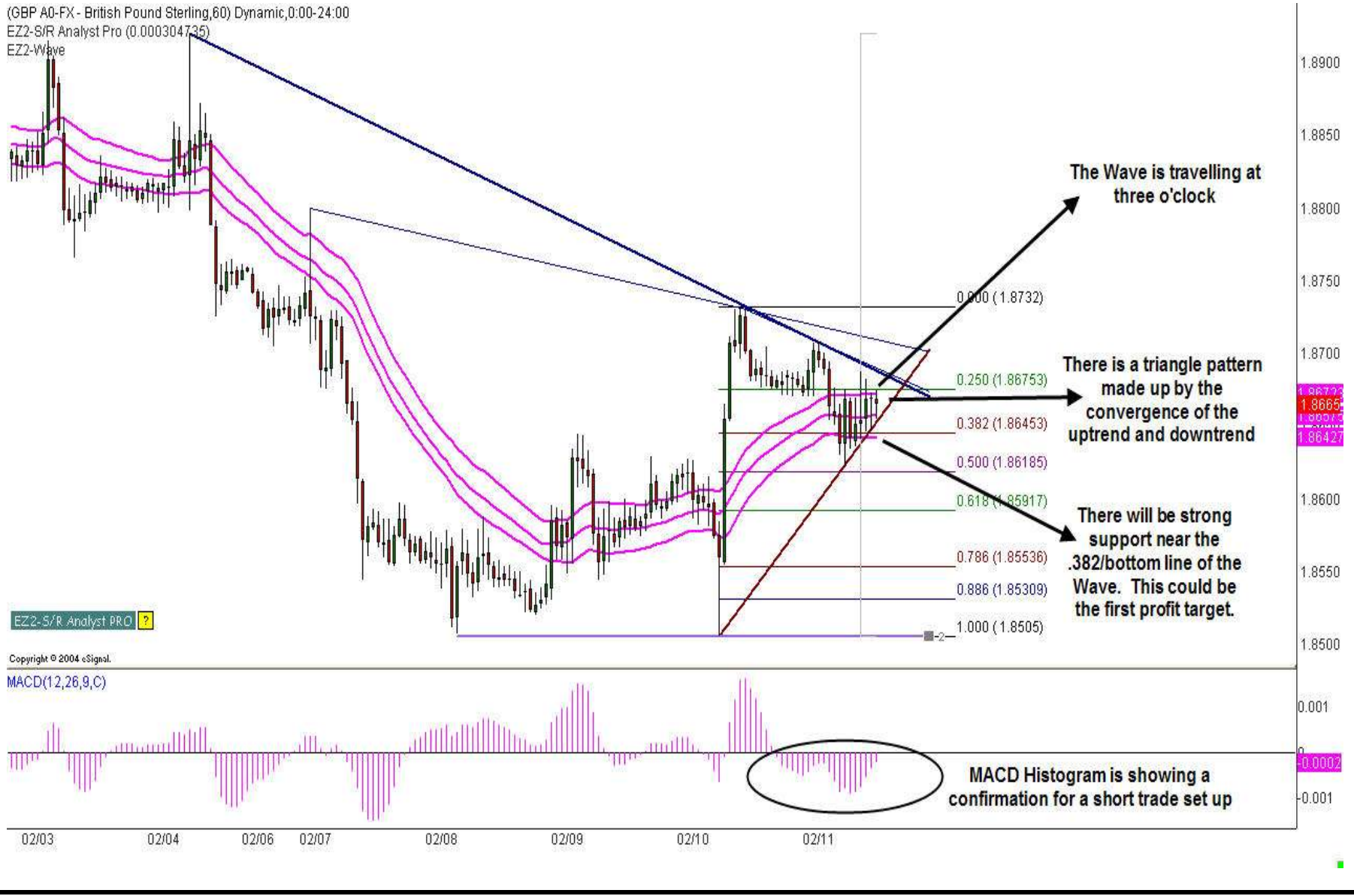
(CHF A0-FX - Switzerland Franc,30) Dynamic,0:00-24:00
EZ2-S/R Analyst Pro (0.000152388)
EZ2-Wave

Short term timeframes such as this example of the 30 minute chart can be volatile. This why it is especially important to use the MACD Histogram confirmation for momentum trades.





(GBP A0-FX - British Pound Sterling,60) Dynamic,0:00-24:00
EZ2-S/R Analyst Pro (0.000304735)
EZ2-Wave



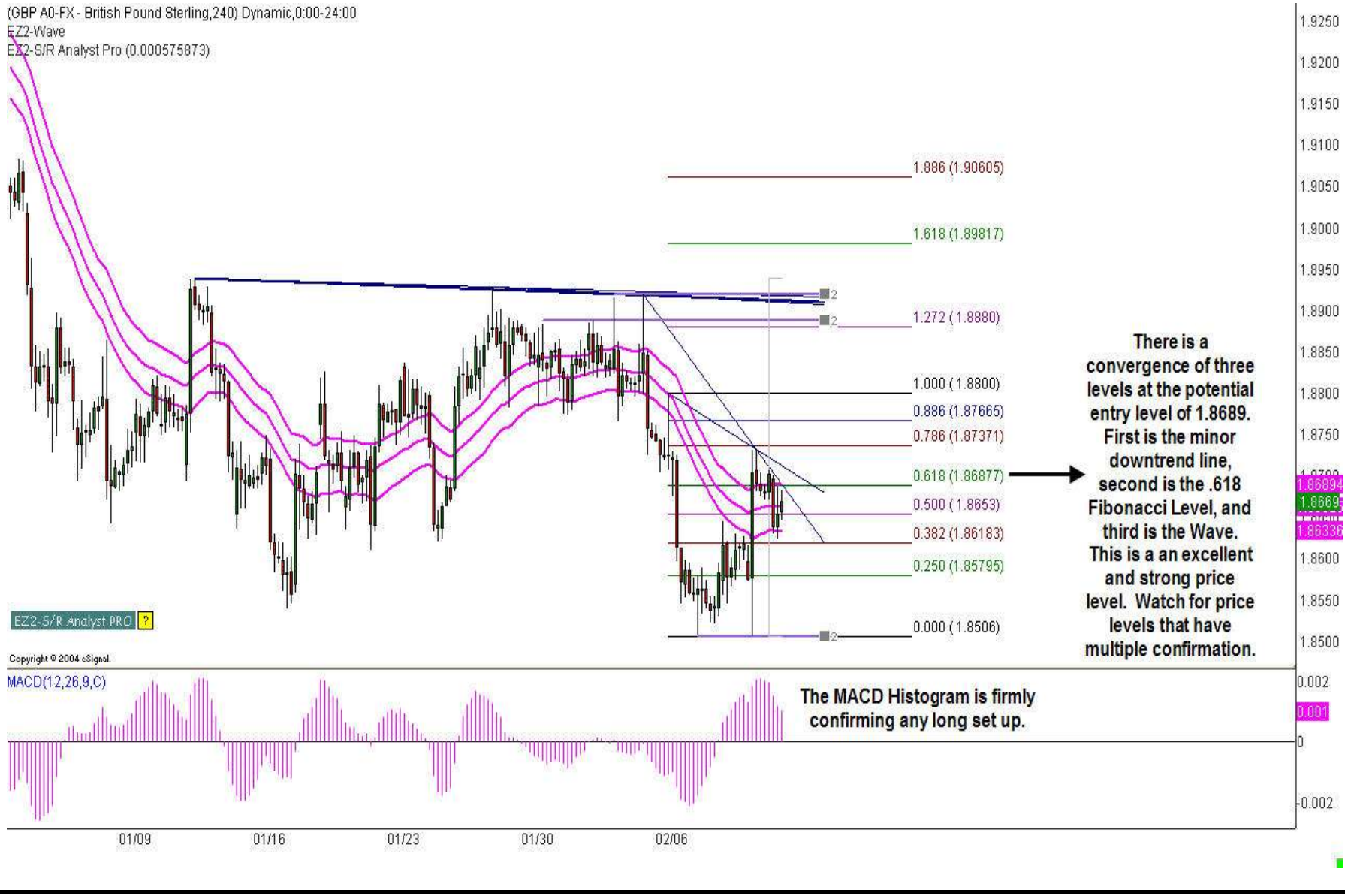
The Wave is travelling at three o'clock

There is a triangle pattern made up by the convergence of the uptrend and downtrend

There will be strong support near the .382/bottom line of the Wave. This could be the first profit target.

MACD Histogram is showing a confirmation for a short trade set up

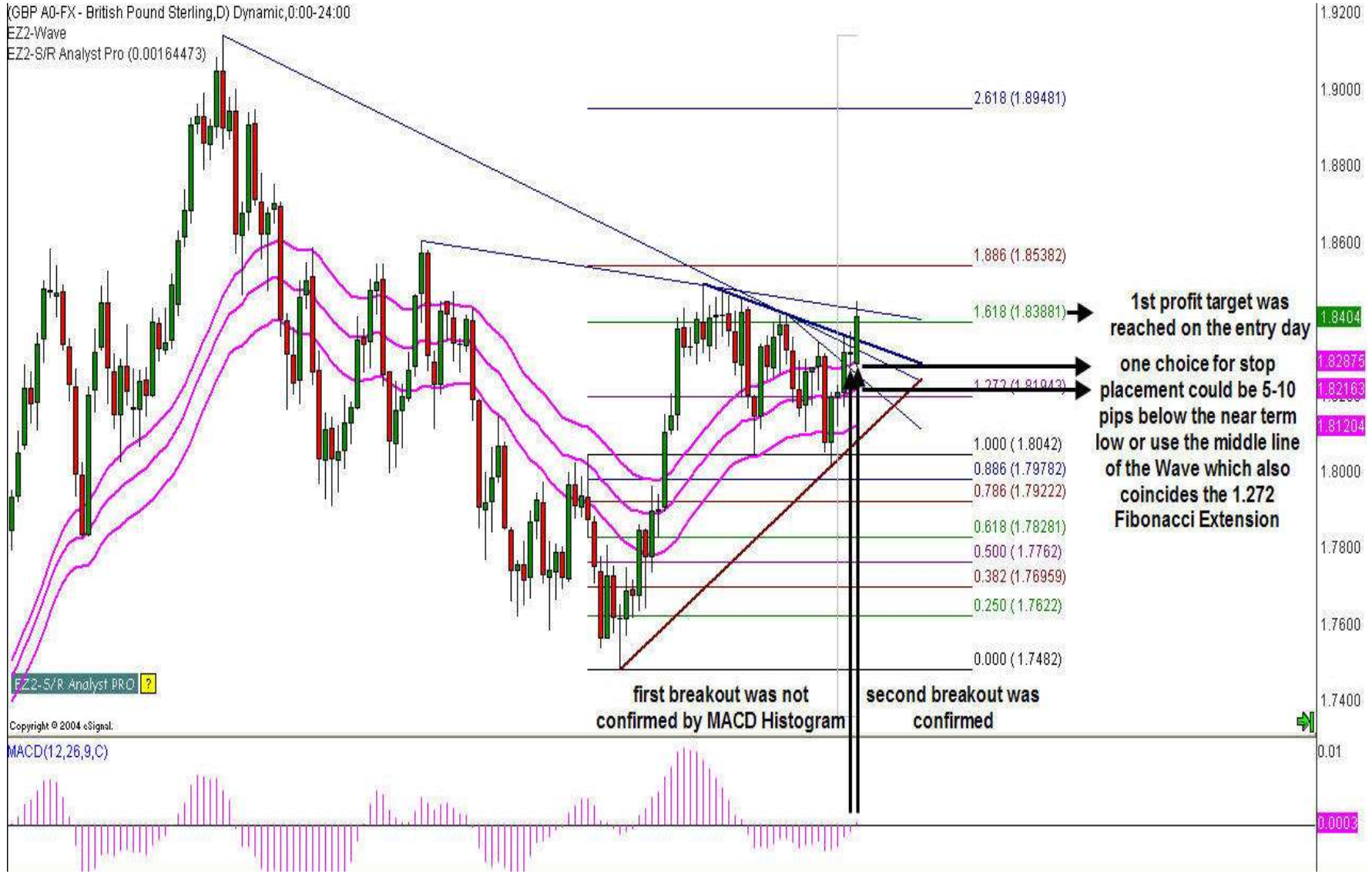
(GBP A0-FX - British Pound Sterling,240) Dynamic,0:00-24:00
EZ2-Wave
EZ2-S/R Analyst Pro (0.000575873)



(GBP A0-FX - British Pound Sterling,D) Dynamic,0:00-24:00
EZ2-Wave
EZ2-S/R Analyst Pro (0.00129144)



(GBP A0-FX - British Pound Sterling,D) Dynamic,0:00-24:00
 EZ2-Wave
 EZ2-S/R Analyst Pro (0.00164473)



EZ2-S/R Analyst PRO ?

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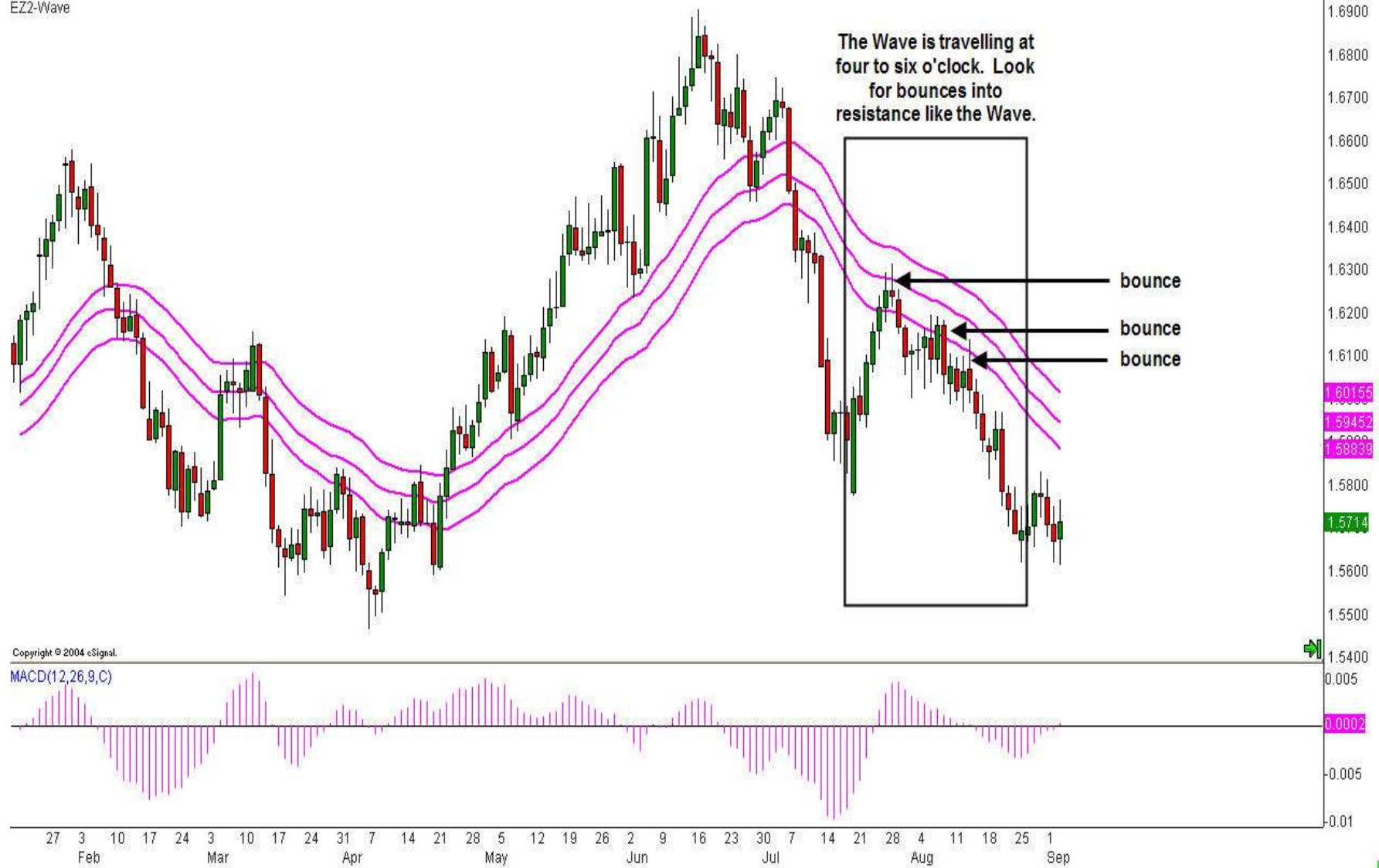
MACD(12,26,9,C)

1st profit target was reached on the entry day
one choice for stop placement could be 5-10 pips below the near term low or use the middle line of the Wave which also coincides the 1.272 Fibonacci Extension

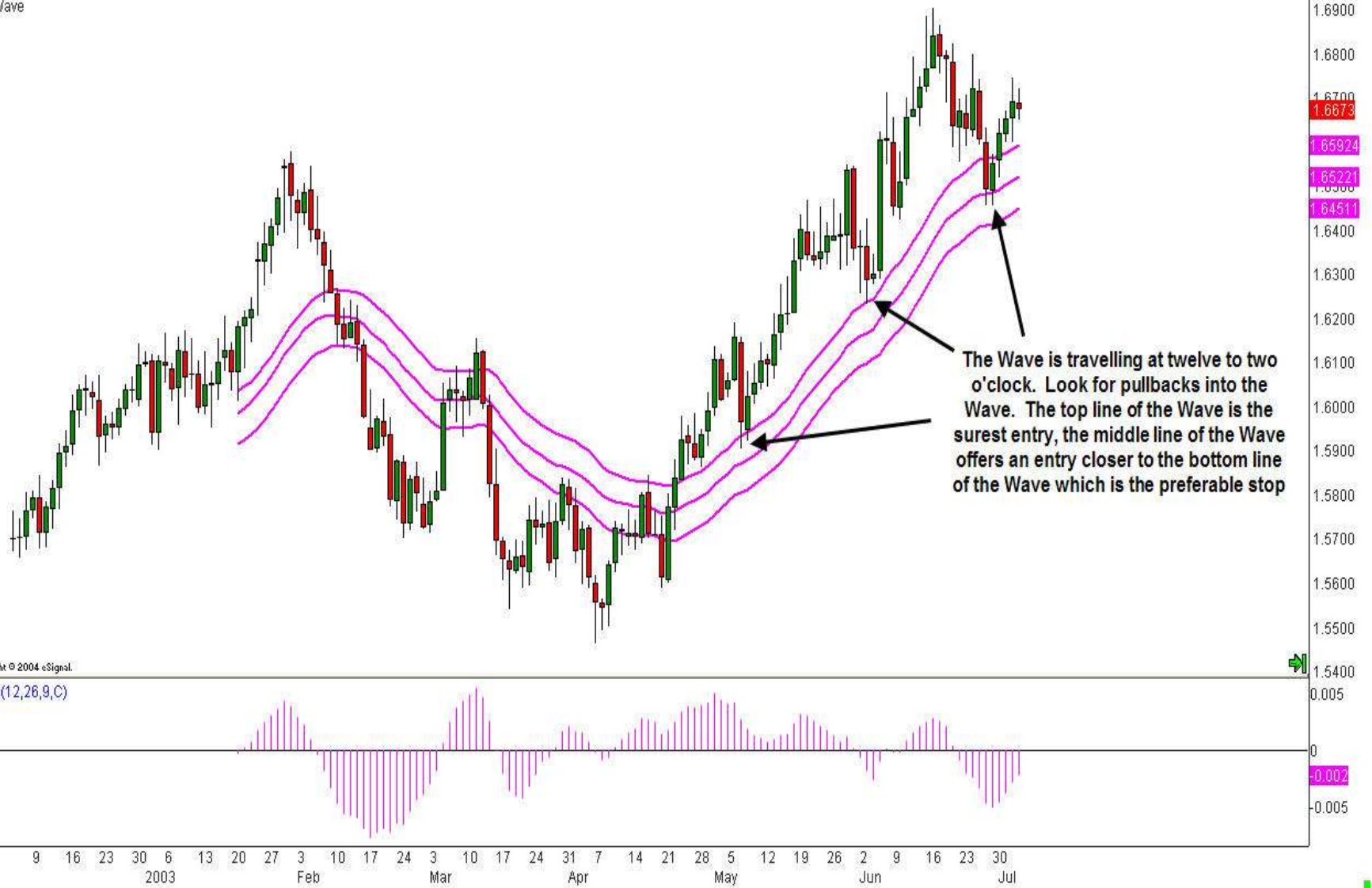
first breakout was not confirmed by MACD Histogram **second breakout was confirmed**

1.9200
 1.9000
 1.8800
 1.8600
 1.8404
 1.82875
 1.82103
 1.81204
 1.8000
 1.7800
 1.7600
 1.7400
 0.01
 0.0002

(GBP A0-FX - British Pound Sterling,D) Dynamic,0:00-24:00
EZ2-Wave



(GBP A0-FX - British Pound Sterling,D) Dynamic,0:00-24:00
EZ2-Wave



(AUD A0-FX - Australia Dollar,D) Dynamic,0:00-24:00
EZ2-Wave
EZ2-S/R Analyst Pro (0.000859662)



(AUD A0-FX - Australia Dollar,D) Dynamic,0:00-24:00
EZ2-Wave



Using Fibonacci Levels as swing trading entries:

The Wave is travelling between twelve and two o'clock. An aggressive entry option would be to enter at a Fibonacci Retracement versus a pullback to the Wave.

In this example, prices pulled back to the .250 Fibonacci Level on three separate candles.

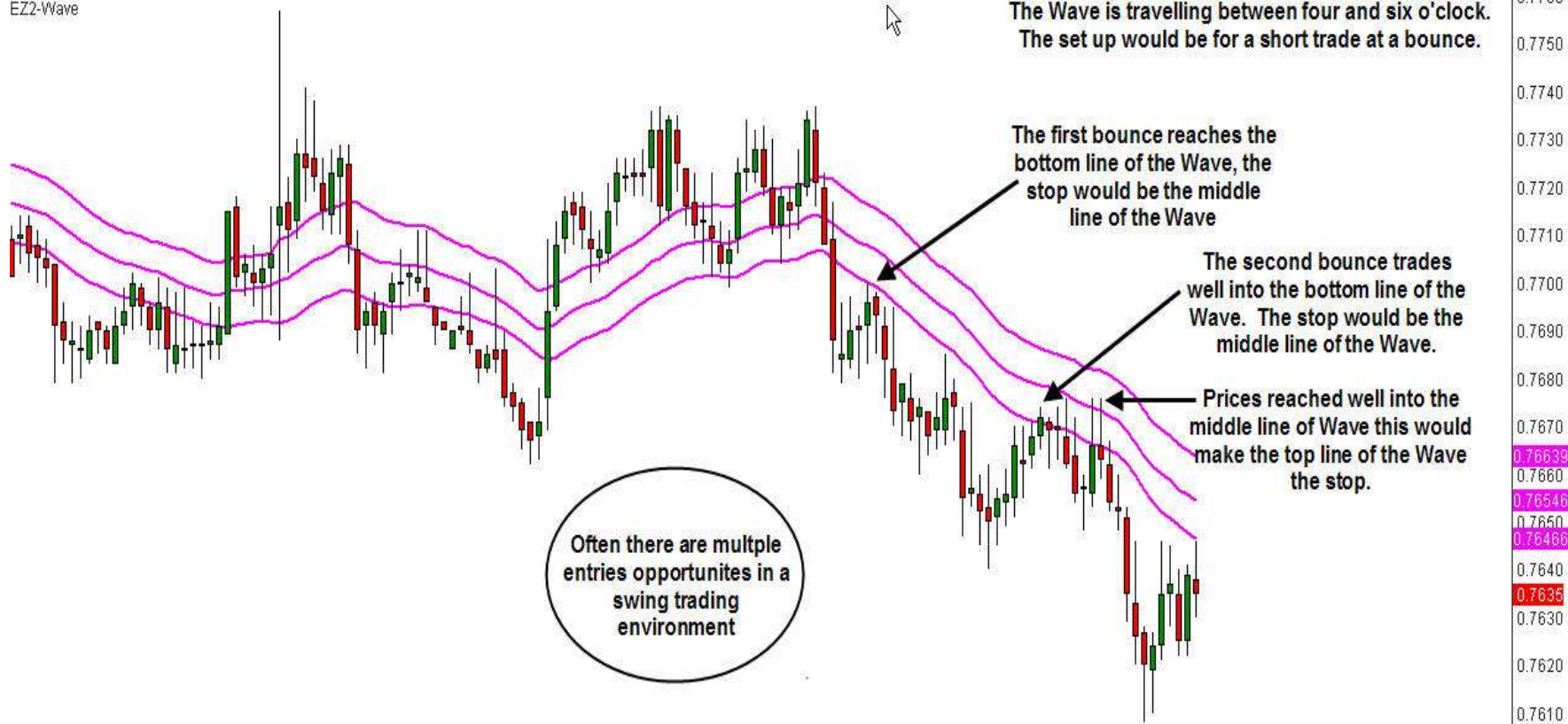
However, the swing trade is still valid up until prices break down through the bottom line of the Wave. So the risk/stop placement on this Fibonacci entry would be expensive. Keep this in mind with aggressive entries.

0.7248
0.721018
0.7200
0.717295
0.7150
0.713458



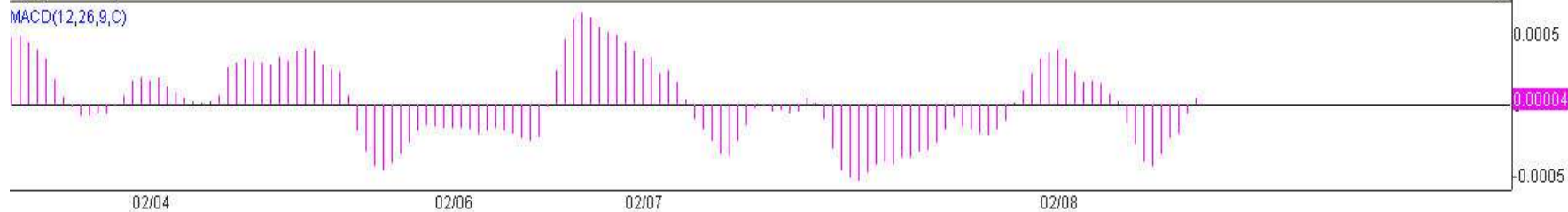
-0.0005

(AUD A0-FX - Australia Dollar,30) Dynamic,0:00-24:00
EZ2-Wave



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MACD(12,26,9,C)



(AUD A0-FX - Australia Dollar,30) Dynamic,0:00-24:00
EZ2-Wave
EZ2-S/R Analyst Pro (0.000123704)

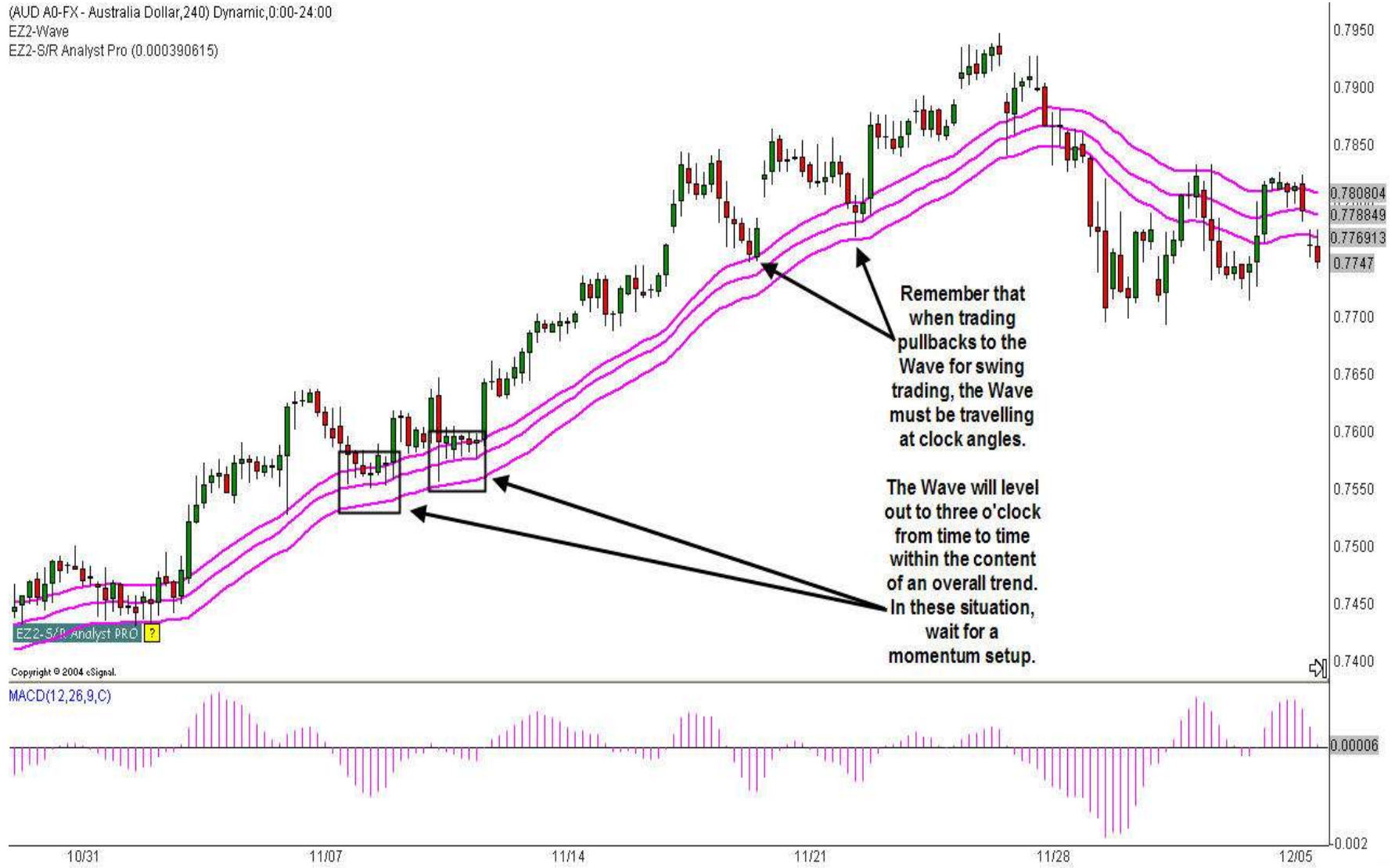


(AUD A0-FX - Australia Dollar,60) Dynamic,0:00-24:00
EZ2-Wave
EZ2-S/R Analyst Pro (0.000195471)

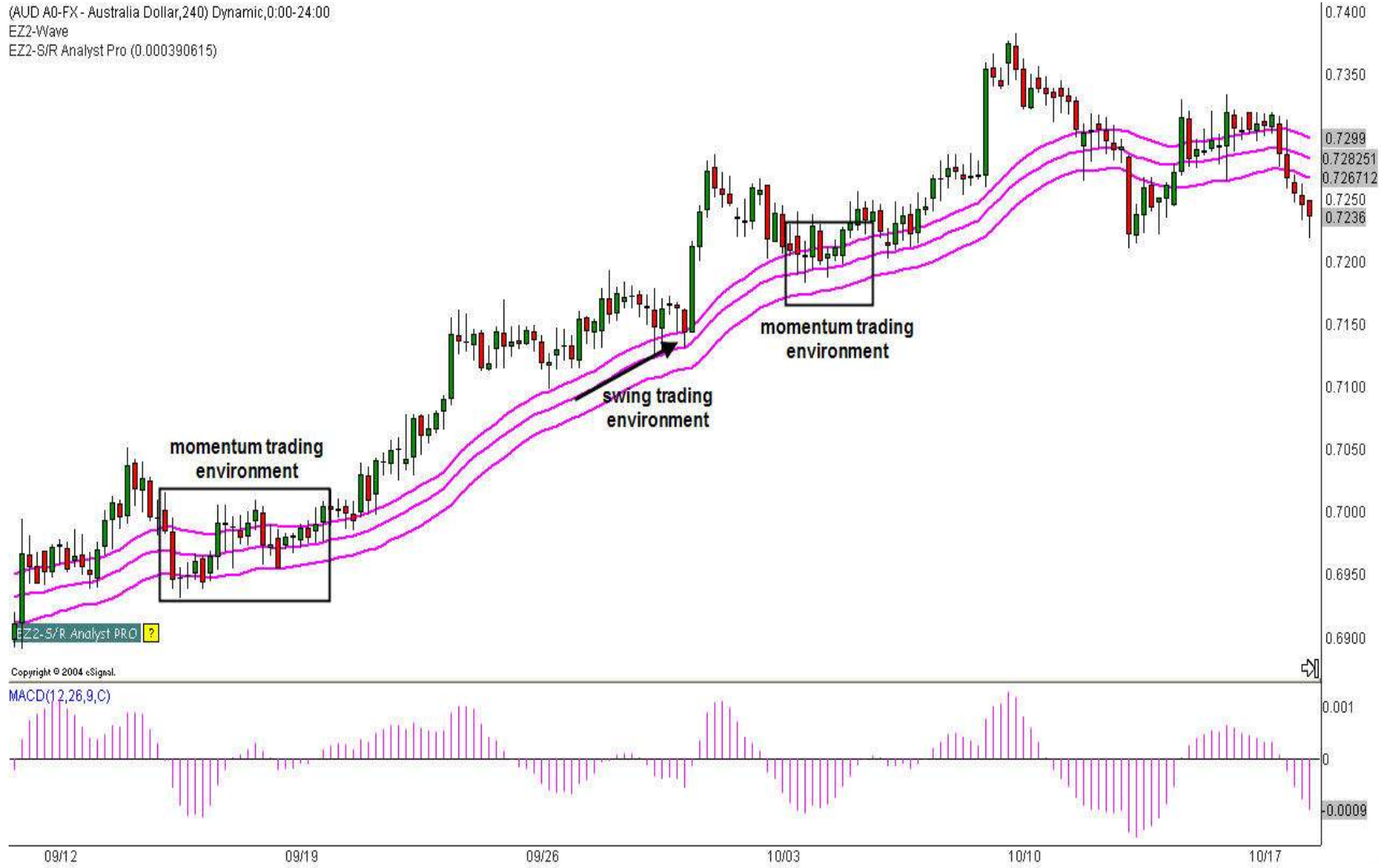
Never underestimate how powerful a pullback to the Wave can be!



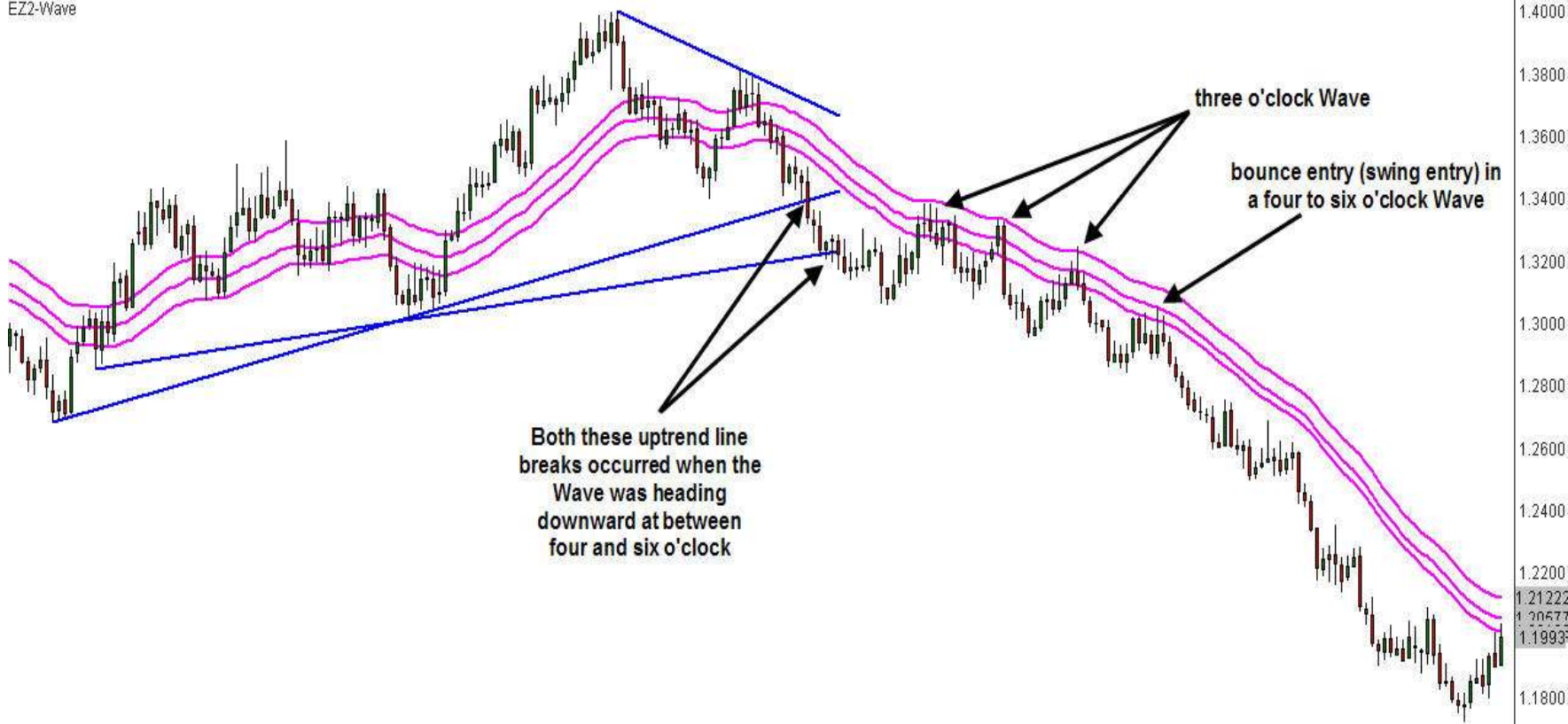
(AUD A0-FX - Australia Dollar,240) Dynamic,0:00-24:00
EZ2-Wave
EZ2-S/R Analyst Pro (0.000390615)



(AUD A0-FX - Australia Dollar,240) Dynamic,0:00-24:00
EZ2-Wave
EZ2-S/R Analyst Pro (0.000390615)

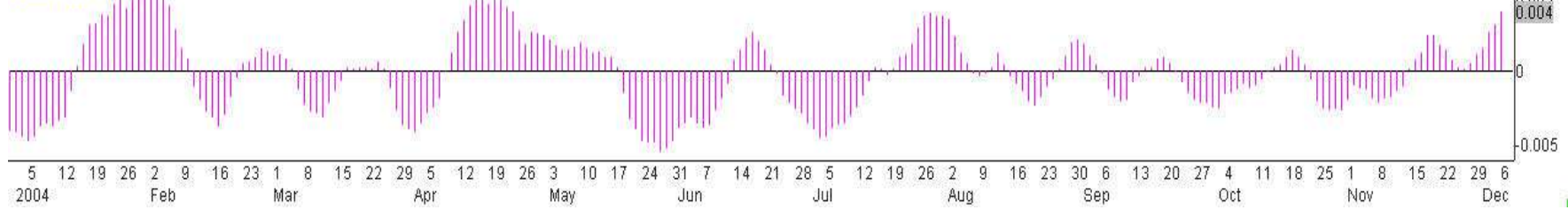


(CAD A0-FX - Canada Dollar,D) Dynamic,0:00-24:00
EZ2-Wave



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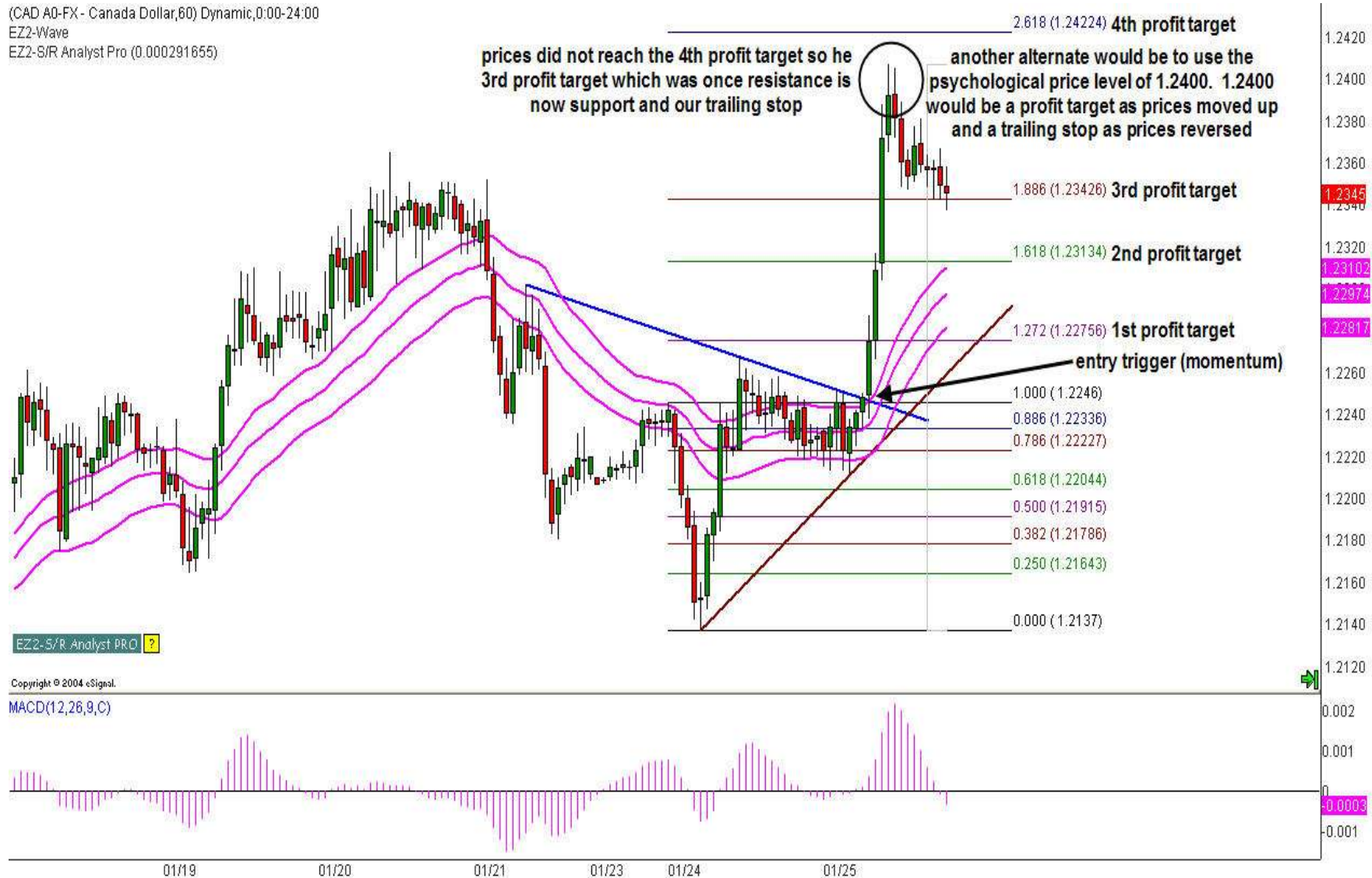
MACD(12,26,9,C)



(CAD A0-FX - Canada Dollar,180) Dynamic,0:00-24:00
EZ2-Wave
EZ2-S/R Analyst Pro (0.000399132)



(CAD A0-FX - Canada Dollar,60) Dynamic,0:00-24:00
 EZ2-Wave
 EZ2-S/R Analyst Pro (0.000291655)



EZ2-S/R Analyst PRO ?

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 MACD(12,26,9,C)

(JPY A0-FX - Japan Yen ,60) Dynamic,0:00-24:00
EZ2-Wave
EZ2-S/R Analyst Pro (0.0240928)



(JPY A0-FX - Japan Yen ,180) Dynamic,0:00-24:00
EZ2-Wave
EZ2-S/R Analyst Pro (0.0385092)

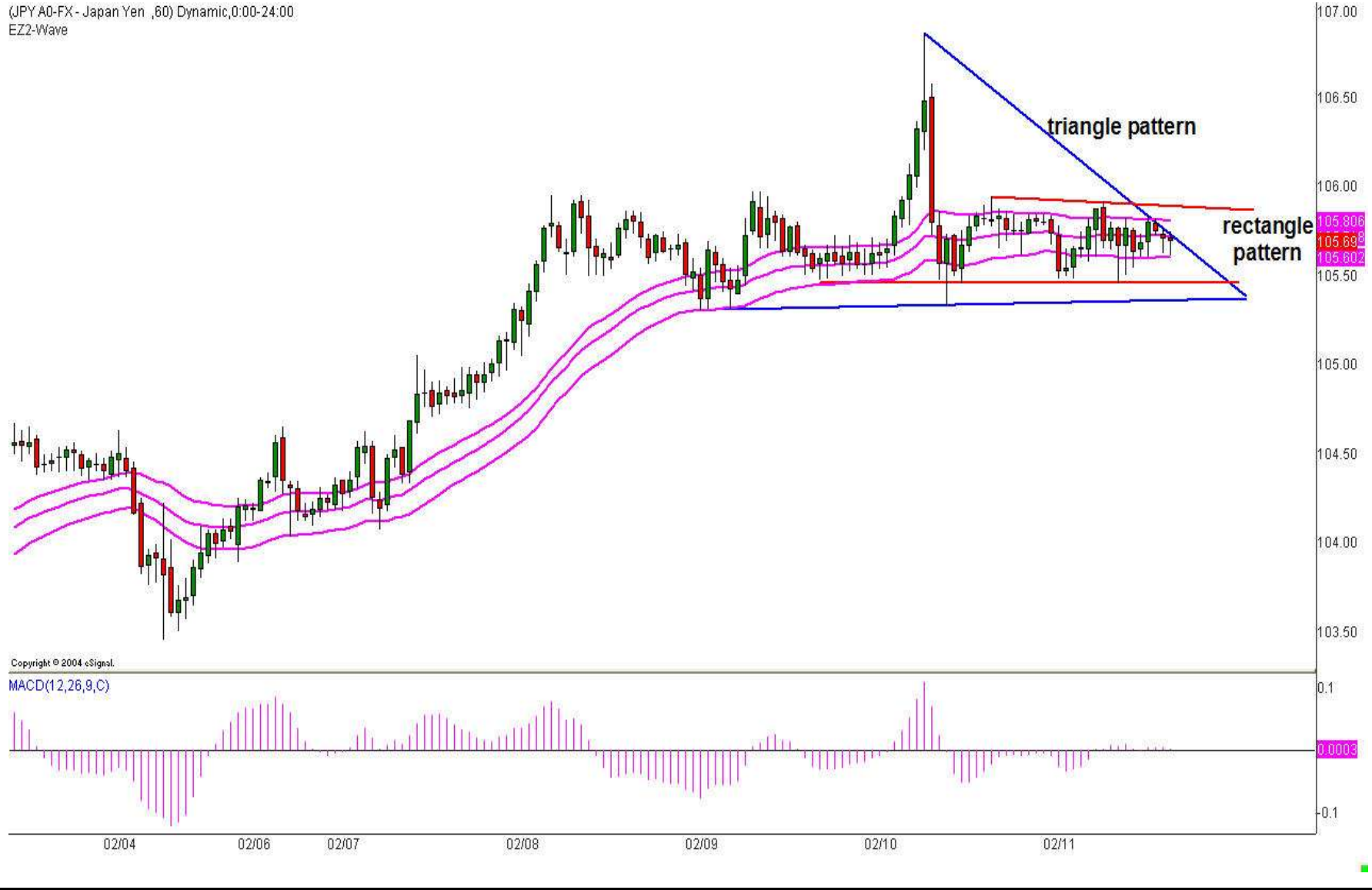


EZ2-S/R Analyst PRO ?

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MACD(12,26,9,C)

(JPY A0-FX - Japan Yen ,60) Dynamic,0:00-24:00
EZ2-Wave



(JPY A0-FX - Japan Yen ,30) Dynamic,0:00-24:00
EZ2-Wave

The Fibonacci
Retracement is
calculated from this
last major move



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MACD(12,26,9,C)

