# **Hawkeye Traders Seminar**



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# 6 Ways a Market Moves

A market can only move 6 ways:

- Trend
- Trend Pause
- Congestion Entrance
- Congestion
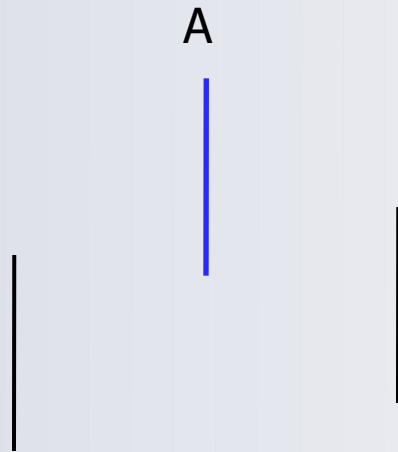- Congestion Exit
- Trend Reversal

# Isolated Lows

|     |     |     |
|     |     |     |
|     | A   |     |
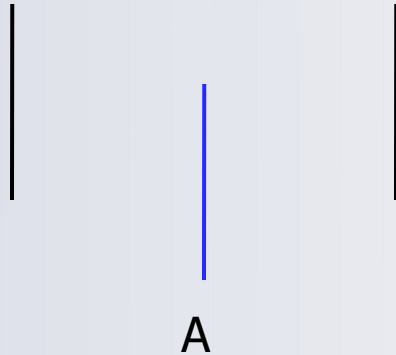
- Lower low than previous bar and next bar (Point A) and a lower high than previous bar and next bar (Point A).
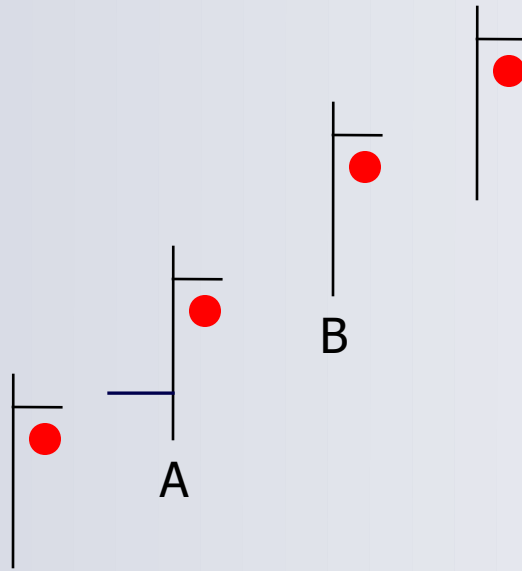
- Note: Phantom isolated lows occur when only the low condition Point A is met. There is no need to see where the high is.

# Isolated Highs

A

- Higher high than previous bar and the next bar (Point A) and a higher low than previous bar and next bar (Point A).

- NOTE: Phantom isolated highs occur when only the high condition Point A is meet.  There is no need to see where the low is.
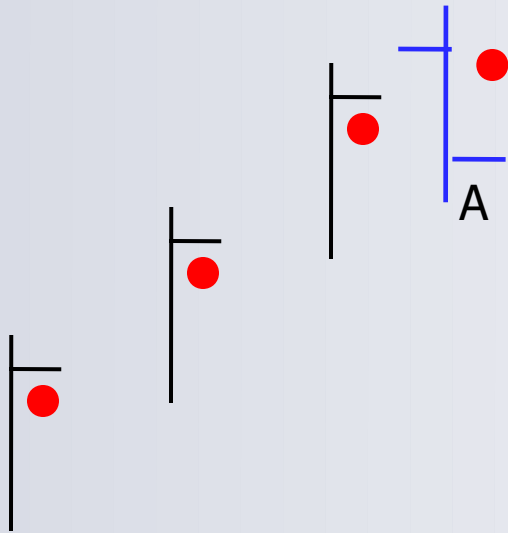
# Trend Run



Trend run is established (Point A) when the close is above the dot, the dot is rising and the close is greater than the open and in the top 40% of range.
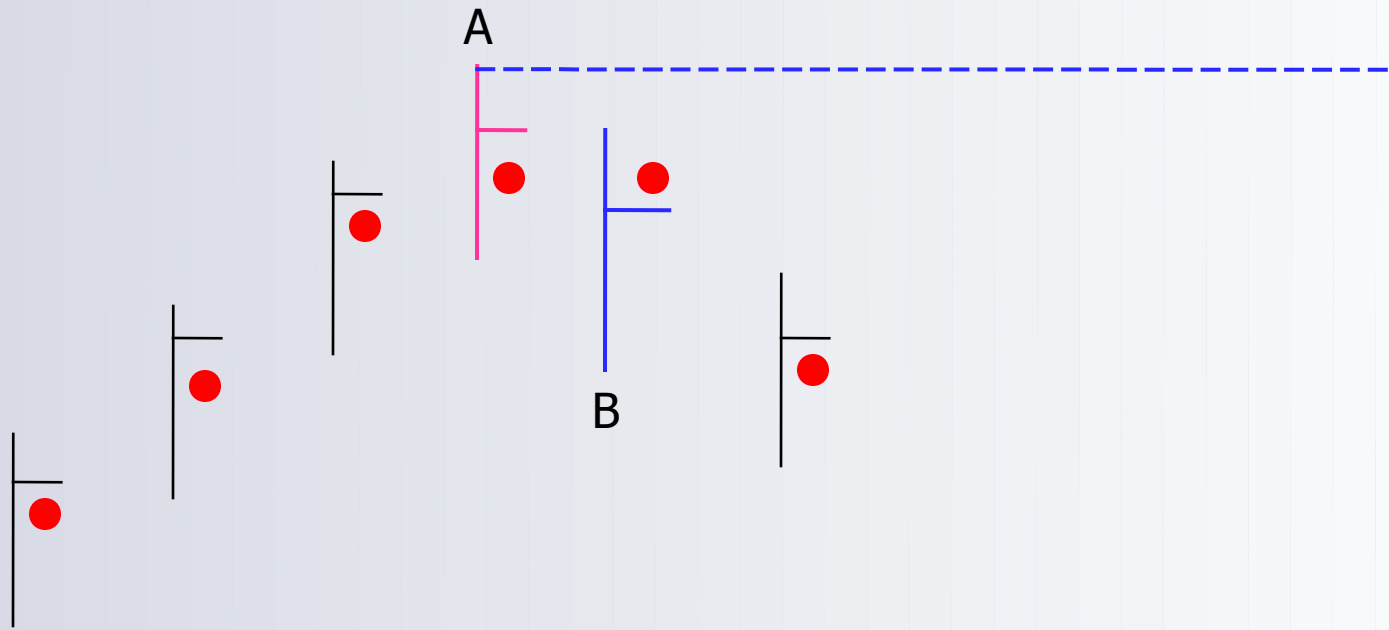
NOTE:  At Point B the dot is equidistant from the previous point and continues to be equidistant.

# Trend Pause

A

- Is exactly the same as a trend run.  However, when a close is under the dot and open  (Point A) but  the dot  is still rising, it denotes a pause.
- You are then looking to see resumption of the trend run (close being greater than the dot ) this should occur within three to five time frames.
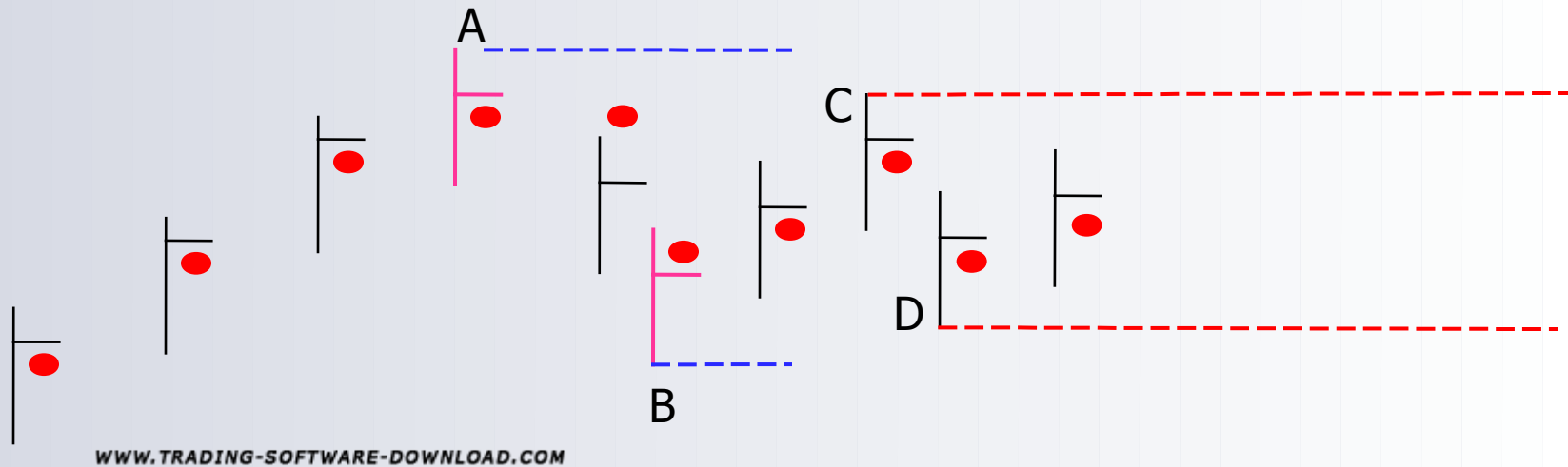
# Congestion Entrance

When the close is under the dot and the dot is flatish to the previous dot you have congestion entrance. The congestion entrance (Point B) You then look for the last isolated/phantom high (Point A).

# Congestion



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- Once congestion entrance has been defined you are then waiting for the first isolated /phantom low to form (Point B). This has to be within 5 bars.
- Extend a dotted line from the isolated/phantom high (Point A) and the isolated/phantom low (Point B), you then have your congestion high and low.
- As the chart continues, you will see new lower isolated highs (not phantoms) and isolated lows developing you then move your congestion parameters to these newly formed pivots (Point C and Point D).You can only contract in congestion

NOTE:  If after congestion entry there are no isolated / phantom low formed within 5 bars, you are in trend run down and trade it according to the rules.

# Congestion Exit
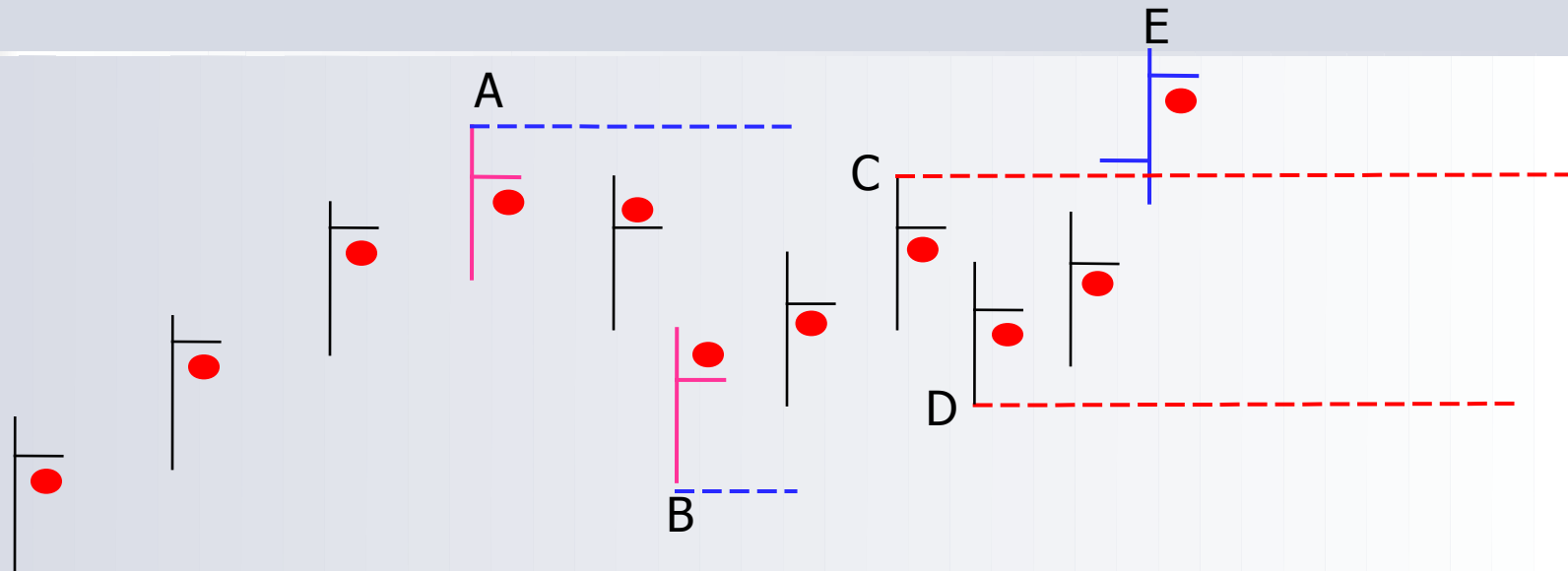


- Once having defined congestion you are waiting for a close either above the last isolated high (Point C) or below the last isolated low (Point D).
- At Point E the close is greater than at Point C and a congestion exit to the upside has commenced. The bar close must be greater than the open and in the top 40% of the range of the bar (approximately).

NOTE:  In this example at Point E, the dot has also closed above the dotted line at Point C. This is a stronger indication of congestion exit but a close also greater than Point C is sufficient.

# Trend Reversal
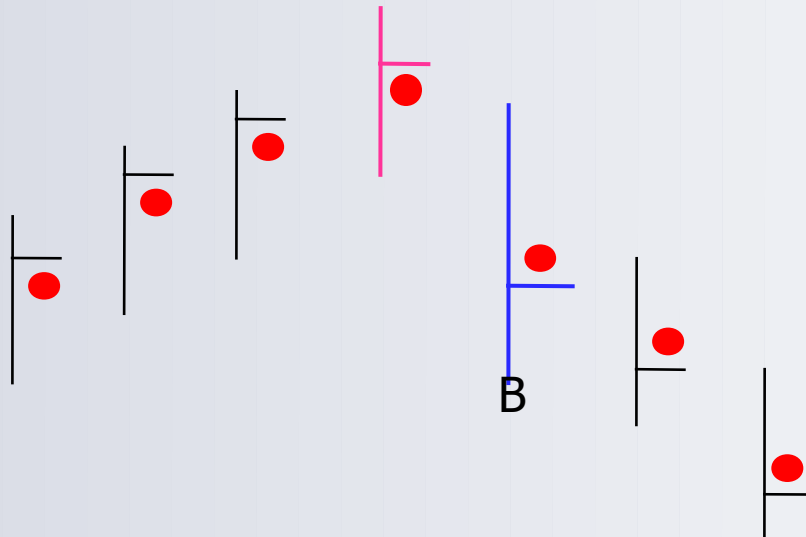


At Point B the bar is wide and the dot is less than the dot 3 bars previously and close less than dot.