

TRADERS'

TRADERS'

Your Personal Trading Coach

Issue 02, March 2010 | www.traders-mag.com | www.tradersonline-mag.com



What It Takes to Be a Successful Full-Time Trader

The Emergence of a New Financial Market

Discover Your Opportunities
in the Sports Exchanges

Technical Volume Analysis

A Predictive Forecast of Price
Development

Get an Edge in Your Forex Trading

How to Use FX Chart Patterns

Learning by Doing

There are plenty of ways to eventually become a better trader. You could improve your knowledge and hone your skills by nearly any means of modern communication. Many great books or TRADERS' magazines have been published (print and digital), there are many seminars or workshops available (direct) or one could perhaps think of CD or DVD courses full of audio and video material (interactive). You can keep up-to-date by using the Internet, where you get the latest news and information (digital). Finally, there is the valuable personal contact and exchange of ideas with other traders.

Most of you, dear readers, will personally know what all this looks like and may finally ask one defining question: Where do I get those absolutely necessary trading skills in the first place?

Sit down, observe the markets and go trade.

Suri Duddella, our interview partner, gained his market experience after ending his career as an engineer and computer scientist 13 years ago. After attending all the major trading seminars and reading many books, he began to develop his own mathematical models and analysis – and was highly successful.

Mr. Duddella's passion is technical analysis and market psychology. Since his trading approach is based on pattern trading in futures and stocks, he knows (almost) all chart patterns that exist. However, Mr. Duddella had to work hard, to overcome stumbling blocks and to accept defeats on his way to becoming a successful trader. But now he can look back on a great trading career and demonstrate amazing results which you can read on your own from page 62.

Back to the question – there is an answer: Learning by doing. Sit down, observe the markets and go trade. Some of the most important expert knowledge can only be gained like that. Besides, it is the only way to eventually find your own unique style. I am sure that those of you who proceed to act with a similar sense of commitment will be able to enjoy the fruits of your labours sooner or later.

Our TRADERS' editorial office aims to be the centre of the professional trading scene and that means that we keep in touch with all those engaged in the pursuit of better trading. We try our best to introduce all these personalities to you, too, by including various interviews and articles. Just take this issue:



Good Trading

Lothar Albert

On a different note: TRADERS' comes to you free of charge. This is possible because of the support of our sponsors and advertisers. So please take a good look at their messages and help them develop their business.

Moreover, we are looking forward to your feedback. This is the only way to improve our magazine constantly. Please write to feedback@tradersonline-mag.com.



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Suri Duddella's trading career began 13 years ago. After attending all the major trading seminars and reading many books, he began to develop his own mathematical models and analyses. Duddella is a passionate technical analyst and regularly presents his research work in reputable financial magazines. Beyond that, he runs his own website www.surinotes.com offering his trades and scalps on a daily basis. His trading approach is based on pattern trading in futures and stocks. In the TRADERS' interview, Duddella talks about his development as a trader, his concept, his future plans, and much more.



COVER STORY 6 What It Takes to Be a Successful Trader

From an ordinary floor runner to a successful full-time trader: an English MBA with wife and children tells us his personal trading story. You will experience what moved him, which stumbling blocks he had to overcome, and which strategy finally led him to success. Moreover, he gives replies to the most important questions for future traders.

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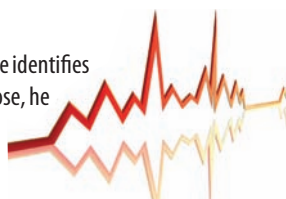
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50 Using an Indicator AND a Price Reversal Pattern for Trading Discipline

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Suri Duddella

TRADERS' Interview

This Is How You Trade Chart Patterns Like the Pros!

Suri Duddella's great passions are mathematics, logic, computers and money. It's not surprising then that the university-trained engineer and computer scientist discovered trading for himself 13 years ago. He was especially fascinated by technical analysis and market psychology. After attending all the major trading seminars and reading many books, he began to develop his own mathematical models and analyses – and was highly successful. From 1998 to 2005 Duddella ran his own financial business specialising in research and analysis, a company that was twice awarded the title "Best of the Web". Beyond that, Duddella regularly presents his research work in reputable financial magazines such as *Forbes* or *Stocks&Commodities* and runs his own website www.surinotes.com offering his trades and scalps on a daily basis. In addition, in 2008 his work "Trade Chart Patterns like the Pros" appeared in which Duddella explains 65 different chart patterns together with their application in a clear and easy-to-understand way. This is where his unique trading approach is revealed: Pattern Trading in Futures and Shares. How this works, why market psychology and money management are so important to him and why he never enters into stock positions before 3.00 pm New York time can all be learned here.

TRADERS': How did you get in touch with the markets?

Dudella: After my studies, for about 8+ years, I worked as a robotics engineer for Fortune 50 companies in the U.S. on applications of robotics/automation and computer graphics (CAD/CAM).

During 1993-1995, the Internet was becoming popular in the U.S and I knew that that might be the technology of the future. I was involved with internet security projects and internet applications in general. In 1995 I was lucky enough to land a job as a consultant for a power utility trading company to build Internet security aspects of a trading software. There I was around traders who were using software and mathematics to make trading decisions. As I got curious about trading, some traders introduced me to the markets and taught me some key aspects of trading. Since then I have learnt about the applications of mathematics in markets and there I truly discovered my passion – mathematics, computers, logic, trading and money!!!

TRADERS': How long did it take you to become successful?

Dudella: When I first started trading, I was part of a group of very seasoned traders and they used to teach me and instruct me how/what/when to trade. As part of a group, success was instant. But after 3+ years or so, the company which I was working for was sold and we all went our different ways.

I became an individual trader to continue my passion. At that time – in 1998 - I also founded a financial analysis and research company (100% automated analysis of equities), which became a huge success the year we started. I ran the company from 1998 to 2005.

As an individual trader I have to rediscover myself and figure out myself what really works for my psyche. Group trading was great but those methods did not suit me as an individual trader. So I went on a path of self-discovery for a few years and I finally figured my real strength is in mathematics and geometric chart patterns and how they evolve and what they offer for my trading. That took a few years to figure out fully. But I have successfully transitioned from group trader to a private trader using the methods I built and learnt in the markets (with pattern trading as background). Traders have to develop constantly in order to be successful. A single method or single system will never work all the time as markets constantly change their behaviour. Traders also have to keep changing with the markets. Continuous education, keeping abreast of current market events, technology and interaction with a network of other successful traders is the key to success.

TRADERS': Were there any specific stumbling blocks?

Dudella: There were quite a few... The first one was to realise my strengths and weaknesses in trading. During my entire education (undergrad/graduate studies), I never really focused on psychology and was never prepared for the psychological side of the markets. When I first started learning about markets, I was so focused on learning the mathematics, software and trading about the markets that I never prepared for psychology. On my journey of discovery to a private trader, I learned that psychology has a huge impact on markets and trading. Then I have to learn about myself, prepare for the psychological aspects of the markets. Even though it is not a stumbling block per se, accepting psychology was a challenge to a scientific brain. I am still learning about many areas of psychology and am involved in many market psychology seminars/presentations/books etc. Now market psychology is my favourite hobby.

TRADERS': Why is psychology so important for you as a trader and when does it come into play in your trading?

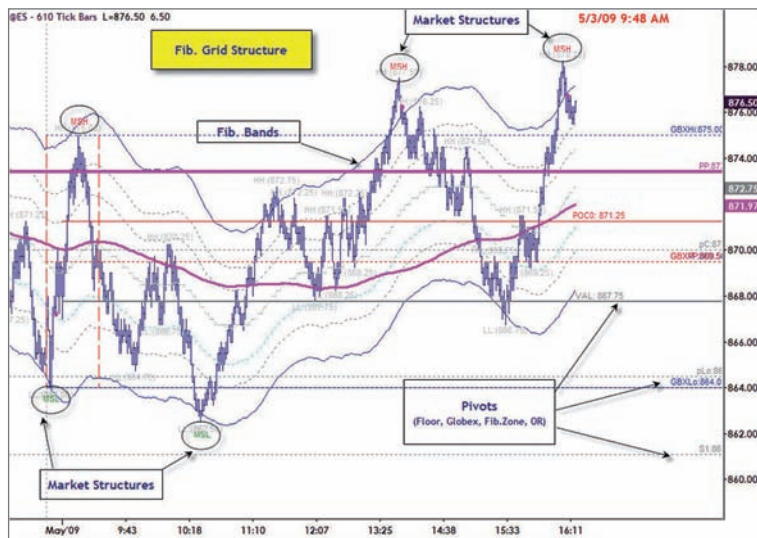
Dudella: How has your trading changed since you began focusing on psychology? Has it changed for the better?

Fear and greed are two key (strong) emotions of human psychology and influence every trader's decision-making processes. Markets work between fear and greed as traders use greed to enter a trade and fear to exit the trade. Knowing how these two emotions influence our decisions may help traders to succeed.

Simple examples of psychological preparation in trading are knowing a trader's reaction when he/she incurs a sizable loss, how long and what processes it takes for him/her to move on to the next trade; or how a trader reacts to an unexpectedly profitable trade creating a euphoric mental state, which in turn may result in a series of losses in the following trades. I focus on preparation for the markets every day. This preparation includes meditation, pre-market preparation of the market & chart analysis/news and an overall trading plan. This gives me mental confidence to approach the markets. When I know I am not prepared, I will avoid trading that day and will spend my time catching up on other work. I am still developing as a trader but I know that since I started understanding market psychology and myself, I have changed my trading approaches, techniques and discipline to become a better trader.

TRADERS': You mentioned your weaknesses. What are your strengths?

F1) Fib.Grid System



The Fib.Grid system includes Fibonacci bands (showing price reaction and trends), pivot levels (showing historical support and resistance areas) and market structures (showing potential turning points). I am placing this structure on each chart in order to demonstrate how the current price reacts to the Fibonacci bands, whether the price is nearing its end, whether you trade above or below the extreme bands and whether the price uses support and resistance levels that are determined by the pivots. Once I have discovered such a Fib.Grid I'll look for the harmonic patterns within this grid.

Quelle: www.tradestation.com

Dudella: My greatest strength is my ability to trade (pull the trigger) when I see market setups/patterns regardless of my prior trade (loss or win) to achieve my objectives/goals. My market strengths are my ability to decipher intra-market relations/patterns, and to analyse mathematical trend relations and geometric chart patterns. I also have strong skills in developing the market software to help my own trading.

TRADERS': What happened to your company? Why did you stop running it?

Dudella: I built a financial analysis and research company in 1998 and ran the company until 2005. As the company evolved, we successfully managed business models from research & analysis, financial modelling/analysis, Data distribution for many financial institutions and other financial companies. We also had a retail model for individual clients via a destination website. In 2005, we merged some of the R&D models with another company and closed the retail model/destination website. I have been a private trader since 2005.

TRADERS': Is it easier to trade in a group of traders or as an individual trader? How did group trading prepare you for your career as an individual trader?

Dudella: I think the answer may be different from trader to trader. As part of a group, I enjoyed the interaction as I was learning the ropes of the markets/trading and analysis. There was a big support group to share my experiences. As a single trader, you are responsible for all of your decision-making processes and that environment may or may not

suit all traders. But some traders may focus their time better in research and trading while they are alone. I am a private trader now but I do have a great network of friends/traders and we also interact well as a group.

TRADERS': What kind of trader are you? Could you explain your trading approach? Is it a system or a set of setups?

Dudella: I am a pattern-based trader. I trade equities on swing-based patterns (1-5 days) and trade Emini Futures Intraday, very short-term (1-30 minutes). Patterns provide both continuous and reversal setups to trade. Patterns also offer both trend and counter-trend trades. A few years ago, I was trading exclusively counter-trend trading and traded very well. Counter-trend trades are very short-term and can be quite profitable, but when you are wrong counter-trend trading is unforgiving whereas trend trading can be forgiving and traders can stay in the trade for a longer period of time, which may be more suited to most traders. Counter-trend trading also creates a negative mentality as you are constantly looking for a trend to end. About nine months ago, I made an effort to abandon the exclusive counter-trend methodology and adopted both trend and counter-trend trading.

I have a few sets of patterns I trade. My book presents 65 patterns with illustrated charts of entry/exit and stop/targets. All these patterns are also grouped into 13 different chapters for users to pick their own interest. I recommend that users learn about just 3-5 patterns from the book of their choice and master them with their own instruments, time-frames and other indicators. I myself probably know 10-12 patterns very well. Mastering these patterns will take time (it took me 8-10 years, and I am still working on them...)

I use my mathematical background to analyse the patterns and I find harmonic patterns (ABCs, Gartley, Butterfly...) to be my primary patterns to trade. I also detect these patterns in a market context using a Fibonacci grid system which uses a set of pivots (to show support/resistance), market structures (to show potential tops/bottoms) in a net like Fibonacci band structure. All patterns are analysed in this Fibonacci grid system. I also trade geometric patterns like Triangles/Rectangles and Double Tops/Bottoms with my own set of rules.

TRADERS': Could you explain to us your Fibonacci grid system? How do you identify this Fib.grid and how do you identify the harmonic patterns in it? And what do you do after identifying the grid and the patterns?

Dudella: Most technical traders use chart analysis with market context concepts to trade. Market context concept is described as a concept that looks at how the current price is reacting to certain levels (pivots, support and resistance) and how indicators are performing relative to historic price conditions (like oversold, overbought) and where/how patterns are developing in current time-frame or multiple-time frames etc. Each trader develops his own market context to trade. My way of looking at market context is through a Fibonacci grid structure (Figure 1). Fibonacci grids consist of Fibonacci bands (showing price reaction, trends),

Pivot levels (to show historic support/resistance areas) and market structures (to show potential turning points). All these patterns are well explained in my book, which includes clear examples. On each trading chart I lay out this Fibonacci grid structure to show how the current price is reacts to the Fibonacci bands and if the price is exhausted -- trading above/below the extreme bands and how the price is using support and resistance levels defined by pivots etc. while identifying the market structures.

The confluence of these levels in the Fibonacci grid structure along with emerging pattern structure or pattern target/stop level helps me make a clear trading decision. Pattern trading is very precise as each pattern has specific rules to enter/stop and targets. When combined, pattern analysis with market context gives a great edge to trade. Patterns also fail but their failure levels are clearly defined and that information is clearly known prior to the trade; Hence, pattern trading is much more advantageous than trading other methods.

I have written all the software to show/plot the Fib. grid structures, pivot structures (floor, Globex, Opening Range, Fibonacci, Zone) and market structures. I have also written harmonic pattern identification methods (like ABC, Gartleys/Butterfly...) which plot in real-time while identifying trades. These patterns also automatically plot entry/stops and target levels without any delays to give potential trade opportunities.

TRADERS': Would there be different patterns for different types of markets?

Dudella: Most conventional price patterns work in all time-frames and in all markets. As long as each price bar has the same information like Time, Open, High, Low, Close, and Volume, all pattern formations will work in any markets. Certain patterns derived from auction theories or volume theories may vary from market to market but all conventional patterns work in all markets.

TRADERS': What does a typical trading day look like for you?

Dudella: I really look forward to beginning my trading day and I consider this time is the best part of the day for me. My typical trading day I must start with meditation and trading visualization exercises for about 90 minutes. This really prepares my focus and confidence for trading. I trade both futures and stocks every day. I trade futures intraday (short-term trading) and stocks swing trading (1 to 5 days). From the pre-markets to about 3pm I trade Emini Futures. I do not hold any futures positions overnight. During the intraday I am also updating my website continuously (within seconds of my trades/setups) as a blog with my setups/ideas/trades. I have a six-monitor PC to watch my trades in real-time and another two-monitor PC setup for trade execution and backup purposes.

From 3pm Eastern Time, I stop trading futures and start looking at the 100 or so equities/major markets/indices that I track for patterns for me to enter new positions. I only enter into new equity positions from 3 pm until close. Then on the following days (1-5 days) I manage positions to close them (either stops or targets) during the entire day. There is a lot more

research going into my equity trading. I have many models to look at (like relative strength, pattern confluences, multiple time-frames) and some basic fundamentals like earnings, news etc. My typical day takes me beyond close into the late hours for my research. I prepare for the next day by scanning charts for potential patterns/setups and trades. I have a great network of friends and we catch up every day with market news, trading ideas and news about markets, technologies and general topics. I also develop all my software/indicators/systems in TradeStation, SQL and ColdFusion.

TRADERS': Could you please give us two or three examples of a typical trade explaining your strategy, entry and exit points, stops etc?

Dudella: Yes, certainly. I trade patterns with market context. In the following examples, I will explain my recent trades with details of how my trades are detected and how the entry/exit process was executed. One of my favourite patterns is called trading the 'Perfect ABC pattern' (Figure 2). ABCs occur in all time-frames and all instruments. I automatically detect these patterns (with visual display on the charts) while they are forming in TradeStation platform. These patterns are also coded to automatically display entry, stop and target levels while these patterns are detected. In addition, I use RadarScreen to scan ABCs in multiple time-frames.

A Perfect ABC setup is explained as follows. I plot Fibonacci grid structure (explained above) on my trading charts (@ES, 610 tick chart) along with ABC and other pattern detection methods. A Perfect ABC (Bullish) occurs when the price is in a downturn and makes 'A' point below the lower Fib. band, 'B' above or near the mid-Fibonacci band, and 'C' below the mid-Fib band with at least 50% retracement.

When this perfect ABC is detected, I will start watching the price action from 'C' levels to show the reversal. I also plot entry and stop levels from 'C'. When the price closes above the 'entry level' (or mid-Fib band, in case very close), that is my long entry into my trade. I place stops below the 'C' level to protect my trade. Once I have entered long trade, my typical targets are near 100 to 127% of AB levels.

Depending on the size of ABC, I use multiple targets to exit my trade.

In Figure 2, around 9.29 am, auto ABC setup is detected within the market context as price traded outside the extreme Fibonacci bands and marked 'A' and 'B' near the mid-Fibonacci band and 'C' below the mid-Fib. band with 64.52% retracement. Once the price started to trade above the Entry level and the mid-Fibonacci band level, a long trade was entered at 844.5. A Stop was placed below 'C' level around 841.25. Multiple targets are placed from the entry to 100% of AB level to 849.

One of my other favourite patterns to trade is called '2B' Top/Bottom patterns (Figure 3). These patterns are explained well in my book „Trade Chart Patterns Like The Pros“. 2B Top/Bottoms are described as variations of Double Top and Double Bottom patterns. 2B's have specific rules to trade and I have built an auto detection program (in TradeStation) to plot them with entry/stop and target criteria.

F2) Perfect ABC Setup

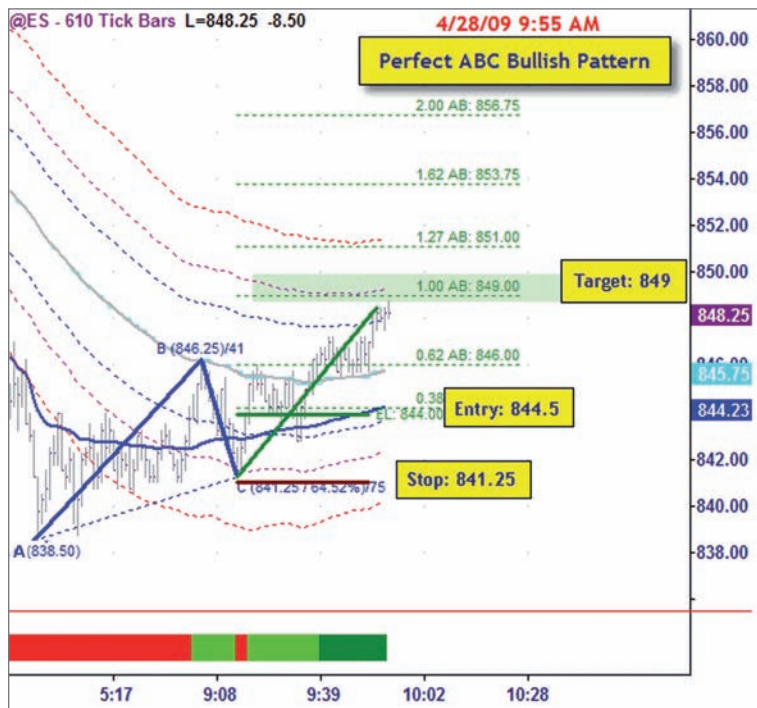


Figure 2 shows a perfect ABC setup in the E-Mini S&P 500 Future on 28 April 2009. The price was quoted outside the extreme Fib. bands and marked "A" and "B" near the mid-Fib. band and "C" below the mid-Fib. band with a 64.52% retracement. As soon as the price traded above the entry level and the mid-Fib. band, I opened my long trade at 844.75. I placed my stop below "C" at 841.25 and set several targets from the entry up to 100 per cent of the AB level.

Quelle: www.tradestation.com

F3) 2B Top/Bottom Pattern



Here you can see the 2B top on the chart of the E-Mini S&P 500 Future on 27 April 2009. At around 11:00 ET a MSH was formed outside the Fib. band which signalled a potential top. About half an hour later this MSH top was retested, but couldn't reach any further highs. If the price trades below the breakout bar low, a 2B Top will be signalled. Moreover, the price closed below the POC, below the highs of the previous days as well as below the Globex high. Finally, at around 12.15 ET a short trade was entered with a stop at 865. The targets were placed at the big swing lows prior to the MSH (first top) at 857.

Quelle: www.tradestation.com

Figure 3 shows 2B Top pattern with market context at E-mini S&P 500 Future on Apr. 27, 2009. Around 11 am, the chart formed outside the Fibonacci bands a Market Structure High (MSH) to signal a potential top. Around 12 noon, this MSH top was retested but failed to continue to make new highs. When price trades below the breakout bar (second time) low, a 2B Top is signalled. Also note, price closed below Point of Control (POC), Previous days' High and Globex High (all part of market context).

After 2B signal, if prices close below the 2B's low, then a trade is signalled with an entry marker (short below) and a stop marker. Around 12.15pm, a short trade was entered at 862 with a stop at 865.

Targets are placed at major swing lows prior to MSH (first Top) at 857-858. This chart shows completion of 2B pattern. Targets are shown.

TRADERS': Why do you open up a position for equities after 3:00 pm?

Dudella: Based on many years of experience traders will realise that it is important to know the type of instruments and chart time-frames and time-zones that works best for their own trading. I trade E-mini Futures intraday (short-term) and historically my trading results in the morning hours are very good. I also know historically I incurred losses in the last hour of futures trading... hence, I stop trading futures in the last hour (from 3pm Eastern Time onwards). So, from 3pm, I start looking for patterns formed in the U.S. equity markets (using 5m, 60m and daily charts, RadarScreen scans) for new swing positions. Once I find a few key patterns/setups for swing positions, I still have about an hour or so (until 4pm) to take new equity swing positions. On the following day to the next few days, during the premarket/intraday I manage to close the equity positions (stop or targets...).

TRADERS': Have you any favourites among the equities?

Dudella: I have a list of 100 or so stocks I keep a close watch on. I have been trading these stocks for a dozen or so years. I have added and removed a few stocks from this list, but the core set is the same. I try to trade stocks whose business models I am familiar with, some basic fundamentals, earnings and price action.

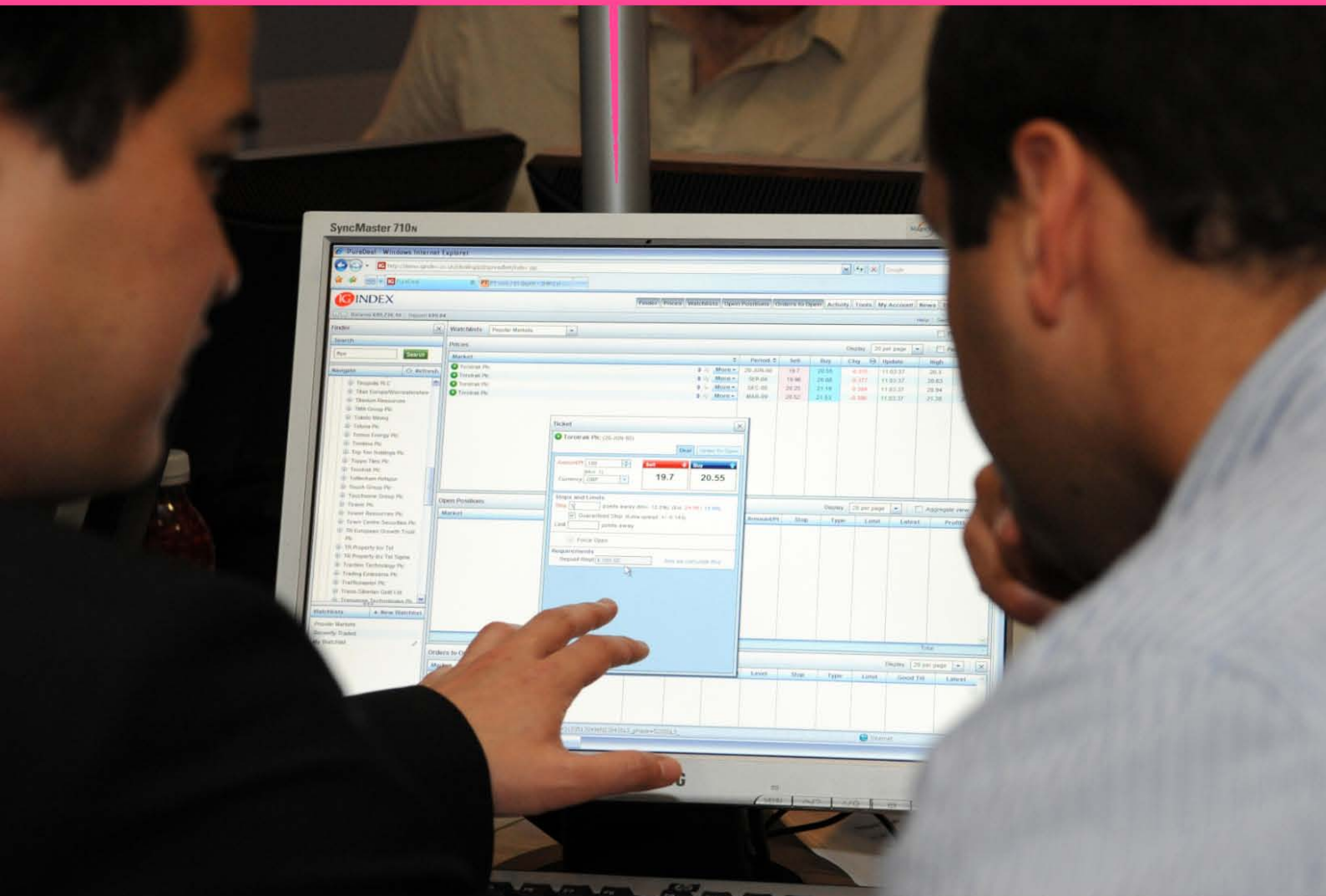
No favourite stocks per se, but I do like high-beta stocks like GOOG, RIMM, BIDU, AAPL and they tend to be better for my style of trading.

TRADERS': Can you give us an equity trade, too? With a chart, please.

Dudella: Patterns work in all instruments and in all time-frames. This example shows one of the popular chart patterns inverse head & shoulder development in AMZN Daily chart (Figure 4). I have traded AMZN many times as swing trade and I'll explain the Equity pattern concept here.

From October 2008 to February 2009, AMZN developed an Inverse Head & Shoulder pattern with head at \$34.50 and shoulders from \$44 to \$48. A neckline is formed around \$60 connecting the head and shoulders. When price closes above

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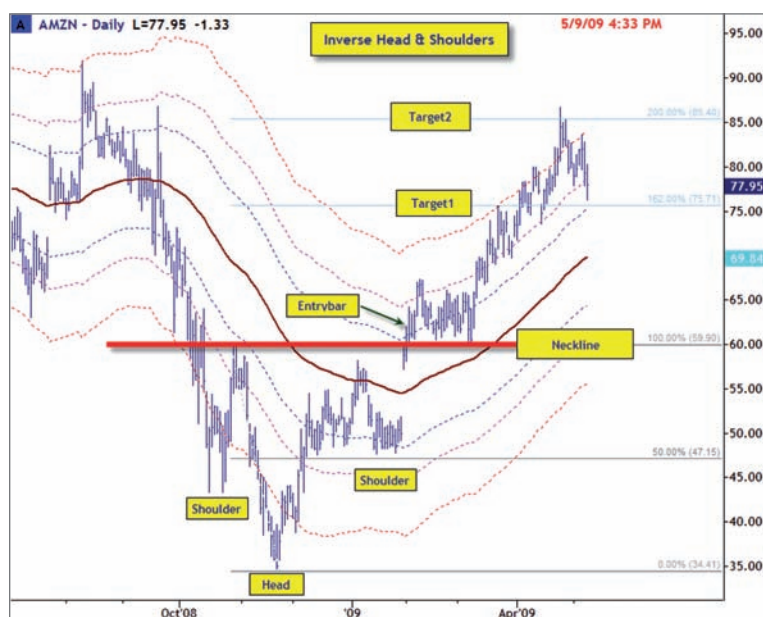


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F4) Inverse Head Shoulder Pattern



From October 2008 to February 2009 Amazon formed an inverse shoulder-head-shoulder pattern with the head at \$34.50 and the shoulders at \$44 to \$48. The neckline is at about \$60. Should the price close above the neckline with a strong gap or a long bar, a potential breakout as well as a strong momentum will be signalled. Make sure that the price has also closed above the mid-Fib. band. A long trade will be triggered above the high of the breakout (\$62.50) and the stop placed below the mid-Fib. band. The first target is at more than 62 per cent (\$75.70) of the price above the neckline and the second one at 100 per cent (\$84) of the same range of the neckline.

Quelle: www.tradestation.com

F5) Geometric Pattern



The daily chart of the BRCM stock reveals a quadrangle channel pattern. After a constant fall from June 2008 to October 2008 BRCM displayed an ABC pattern formation outside and inside the Fib. bands respectively. From January 2009 to March 2009 the stock was quoted at between \$15.50 and \$19 in a quadrangular chart pattern, which touched both the top and the bottom several times. At the end of March 2009 the breakout channel was finally released when the price closed above the channel high. The stop was placed in the middle of the channel below the entry.

Quelle: www.tradestation.com

the neckline with a strong gap or wide-range bar, that signals a potential breakout and strong momentum as the pattern completes. Notice price also closed above the mid-fib band. A long trade is triggered above the high of the breakout bar (\$62.5) and stop is placed below the mid-fib band. The first target is about 62% (\$75.7) of the price above the neckline of the distance from head to the neckline and the second target is 100% (\$84) of the same range from the neckline.

TRADERS': What about your geometric patterns? How do they work? Could you give us an example of it?

Dudella: The easily recognisable patterns like rectangles, triangles which have some ratio relationship to prior swing/side with other swings are called 'Geometric Patterns'. For example, when you notice a market pattern making a series of swing highs/swing lows at the same levels for a long time, it may be forming a rectangle pattern (like a channel). For this pattern, the prior direction before the rectangle pattern (channel) is monitored for the breakout/breakdown. Similarly, the symmetric triangles also form continuation patterns. When they form in the middle of a trend, watch for the breakout in the prior direction. The target for the symmetric triangle is the swing length prior to the formation of a triangle from the breakout level.

As an example of a Rectangle channel pattern, BRCM daily chart is shown here (Figure 5). After a prolonged decline from June 2008 to Oct. 2008, BRCM posted an ABC pattern formation outside/within the Fib. bands. In January 2009 to mid-March 2009, BRCM traded between \$15.50 and \$19 in a rectangular chart pattern reaching the top and bottom channel multiple times. The pre-condition for this rectangular pattern condition is 1) An exhaustive sell-off. 2) Potential ABC Bullish pattern. 3.) Range trading between two levels. The direction prior to the consolidation is up. So the upside breakout is anticipated in the direction of the trend before the rectangle pattern. In late March 2009, the channel breakout was triggered as price closed above the channel high. A target is placed at 100% height of the rectangle channel from the breakout level. A stop was placed at the mid-range of the channel below the entry.

TRADERS': What does your stop strategy look like?

Dudella: In both equities and futures, I extensively rely on my pattern-based entries and exits. All these methods are coded (mathematical algorithms) into my pattern detection methods. For example, when I am trading Emini Futures (intraday), every trade I look for something called V-Stop (Vertical Stop) which is computed from my entry to the nearest support (for long trades) or resistance (for short trades).

It is the vertical distance between entry to prior major swing-low or swing-high. First this stop value is computed and then I look for my nearest target. In futures, I must have at least a 1:1.5 stop/target ratio for me to enter the trade (scalp/short-term) trades as opposed to a 1:2 to 1:3 stop/target ratio for swing trades. I also use scaled exits and scaled entries as part of my trading plan. One of my rules of adding to my current position is that I should know prior to entering my

first trade that I will be adding at multiple levels as part of my scale-in and scale-out plan.

TRADERS': Which role does money management play in your trading, and why?

Duddella: I think most successful traders agree that money management is the key element to their success besides trading knowledge, skill and discipline. Unfortunately, most novices overlook the money management concept, specially in futures markets. In futures markets, the leverage is very high and without using proper money management techniques, the sudden moves will result in catastrophic losses wiping out traders' accounts. Money management helps traders to avoid large losses and implement trading size logic along with logical stops/targets.

TRADERS': You are a systematic trader, aren't you? When does the discretionary component come into play and how important is it for your trading?

Duddella: I trade both system and discretionary trades. My discretionary trading is also a key component of my trading plan especially in scalp/intraday trading. There may be certain components (like multiple pattern scans/time-frames or events/news-driven setups) that are very difficult to implement successfully in system trading. Also, there is some element of intuition in all potential setups and it may change from setup to setup, hence discretionary trading is used.

TRADERS': You are opening up all your trades to other viewers. Do you have any concerns about them copying you?

Duddella: Yes, I do post and discuss my trades/setups on my website in real-time and end-of-day. I post these setups and my trades/research ideas primarily to keep a journal of my own trading. I have introduced some of the best techniques that I follow in my book and are also shown in my indicators.

In addition, I have openly discussed some of these concepts/methods in my presentations and interviews (including this interview). Many traders wonder why I am not too concerned about revealing all this information. In my view, my trading style is unique and I work quite hard to find better and new methods to trade. I think just revealing a technique does not harm my trading at all, besides I do have plenty more ideas to share. I truly believe success in trading results from trading knowledge, hard work, risk-taking, excellent trade/money management techniques and solid discipline. So if other traders are willing to learn my methods and implement them to their advantage, I will be honoured rather than worried.

TRADERS': Please tell us about your website. When did you found it? What is it? What does it provide? Which purpose do you want to achieve?

Duddella: My website <http://www.surinotes.com> is a research-based website which showcases my trading research/concepts, my book/products, and my trading blog (soon I'll be adding videos).

It serves the purpose of keeping track of my trading progress, ideas and serves as an outlet to showcase my book/products. I have been running my website since 2006.

TRADERS': Which tips do you have for traders? Novices and professionals?

Duddella: Novices must carefully evaluate „trading“ as a career/profession before they venture into it. Trading is the most difficult profession and success could be elusive for a very long time. But for determined and disciplined traders, it offers great rewards. Excellent trading knowledge, hard work, education, discipline and money management are keys to any trader's success. Traders should be prepared to be adaptive to any market condition and continue to learn from the markets. I have also found that being humble and honest helps trading significantly.

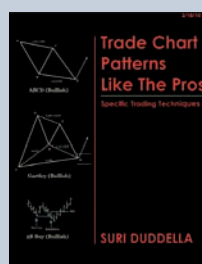
TRADERS': What do you think about the future of the markets? Which markets will be the winners and which ones will be the losers?

Duddella: Regardless of trend direction, markets will continue to evolve and prosper. Any one venturing into the markets with a proper skills set and discipline will have a bright future. I do think the newer ETFs (2X, 3X), Emini Futures and Forex trading instruments will have a great future in the trading business.

TRADERS': What are your personal plans for the future?

Duddella: I am quite lucky to have found an area where I can use my passion for mathematics, logic, computers and money to build my career in trading. I will continue to trade and build new concepts/trading methodologies. I have the ambition of managing money in the near future but I am currently enjoying my private trading career.

Trade Chart Patterns Like The Pros – Specific Trading Techniques



In his book "Trade Chart Patterns Like The Pros", Suri Duddella describes a total of 65 chart patterns, including charts, entry and exit points as well as stops and targets. To provide the reader with a clearer structure and a better overall view the patterns are classified in 12 groups (bars, pivots, Fibonacci, harmonic patterns, geometric patterns, channels, bands, ZigZag, Price Action, Tops and Bottoms, exotic patterns and event patterns). All the patterns are based on the author's own practical experience whose work is aimed at the broad spectrum of traders – from novice to professional. This way the reader learns how to recognise a pattern and apply the appropriate techniques to open, manage and again close a trade. Each of the 65 patterns includes a short and easy-to-understand summary as well as a chart illustrating the concept. For each pattern the setup and the entry and exit strategies are explained first before the price targets for the profitable trades and the stop strategies for loss control are introduced. All the chart patterns, strategies and techniques are taken from outstanding books on market theories, market geometries and pattern trading. Those Suri Duddella has been trading and archiving for many years and has documented the results since 1998. "Trade Chart Patterns Like The Pros" now is the result of his years of work. It shows the specific and practical techniques as well as the way Duddella trades them. Many techniques are his own methods that are based on his observations.