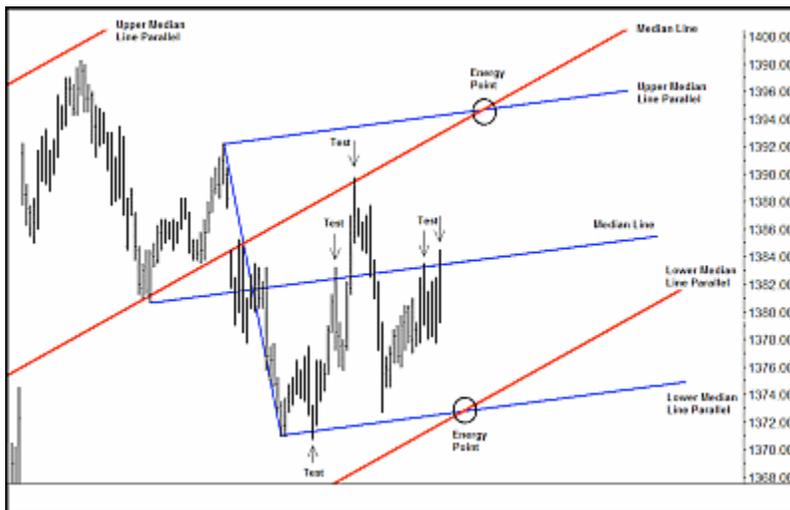


Take a Ride on the Elevator for Quick Profits!

In a recent MoneyShow.com article, I demonstrated how several energy points strung out horizontally can continue to attract price, dragging price horizontally until their influence has run its course. Then, at the final energy point, price usually shows us a change of behavior and a trend commences. But until the “hallway” has been run, price remains stalled. This is normally seen before economic numbers, but the charts have no knowledge of upcoming economic numbers—instead, the consolidation and then final breakout are all contained in price, regardless of what we all think of economic numbers.

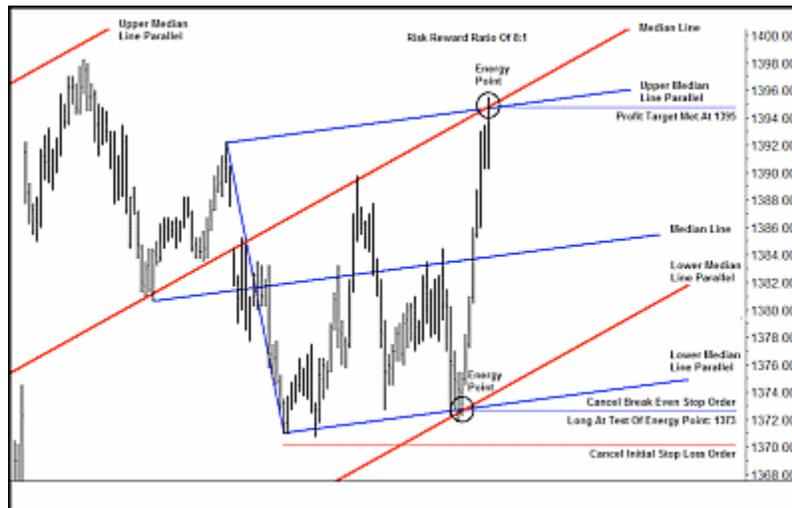
As I mentioned in that article, energy points are one of the original tools I am proud to say I have brought to technical analysis, and I find them quite useful when looking for areas where price is likely to change direction or accelerate. They act as price attractors and are quite powerful. When two or more are strung horizontally or vertical, they can be confusing unless you let price tell you where it is going once it interacts with one or more of them.

In the last article, I showed you how price generally reacts when a series of energy points are strung horizontally. Now let me show you a different situation that can be equally confusing, but if you deal with it correctly, even more profitable:



You can see in the chart above that there are two median lines and their parallel lines, and both sets have been tested. It's not clear yet which set is “in charge.” And to make things even more interesting, note that there are two beautiful energy points stacked nearly one above the other that price is coming up to. Which median line will take charge? Which energy point will come into play?

Once again, price shows us where it is going. There's never a need to guess and risk your capital once you begin to trust in the signs price is clearly showing you!



In this example, there were two well-tested median line sets and their parallel lines. There was no need to choose between the two—let price show you which median line set is going to “play the tune!”

There were also two energy points, stacked nearly horizontally, about to come into play. Let price show you which energy point was important and going to show you the trend and *then* risk your capital.

You can see that price not only used both median line sets, it also used both energy points, even though they were stacked nearly on top of each other and separated by nearly 25 S&P points! Price tested the first energy point, allowed you a low risk entry, and then “rode the elevator” caused by the attractor nature of energy points right to the second energy point, giving you a quick 25-point vertical profitable ride!

Price does not know or care about economic releases, nor does it care about unexpected news releases. The upcoming movements are there for you to read and trade if you master your tools, use quality money management, and then follow the path laid out by price. Don't trade in front of price—instead let price show you where it's going and then find a high probability entry set up you recognize with quality stop-loss orders and jump on for the ride. Take a ride with price, even if it's an elevator ride!

I wish you all good trading.

Timothy Morge

tmorge@sbcglobal.net
www.medianline.com
www.marketgeometry.com

Timothy Morge
President
MarketGeometrics, and Blackthorne Capital, Inc.
Web sites: www.marketgeometry.com or www.medianline.com