



But there are markers we can read that will show us the likely path of price or show us signs that the market has just done something significant - Learn to pay attention to these signs!

On this chart, price was in a nice orderly down trend, in a formation I named a Rolling Chop many years ago. It is testing the Upper and Lower set of Simple Trend Lines that have the same slope - These lines differ slightly from simple channels because of how I 'found' the correct slope and applied these lines. Let me explain: I used the Major Swing High and connected it to the high of a wide range bar that opened near its low and closed on its low. This type of bar is a marker for weakness. Now look at the next bar: It, too, was a wide range bar and it gapped lower, opening on its high and making a new low for the move. But then it rallied to close on its high and this is a sign that there are buyers in that area.

Even though price seems to be in a down trend, I don't ignore that price just made a wide range bar, opened on its highs and closed on its highs; instead, I copy the slope of the down sloping Simple Trend Line drawn from the Major Swing High and add a new down sloping line from this wide range that closed on its highs. This bar represents the 'buy area' of this Market Map at the moment, but it's important to understand the buy area moves lower as each bar unfolds, because price IS in a down trend. People that follow my work have heard me state countless times that you have a ten percent edge when you trade with the trend - when you trade in the same direction of the slope of the lines on your Market Map. In a down trend, support areas [other than support from pure Market Structure] and profit targets tend to move lower as space and time moves on; the opposite is true in an uptrend.

There's an important line drawn on this chart that I purposely did not name or point out. See if you can identify it!

IF price is going to remain in this down trending Rolling Chop Formation, there's a line price should not significantly violate. The pullbacks to this line are the pendulum swings that define the back and forth action of a moving or rolling market. But what if the pendulum swings go too far?

Do you see the line? What would it take for you to suspect that this Rolling Chop Formation has been violated so far that it is no longer valid?

You should have your Market Map in front of you and be looking for road signs, as well as signs on the road that trouble may be ahead!

















