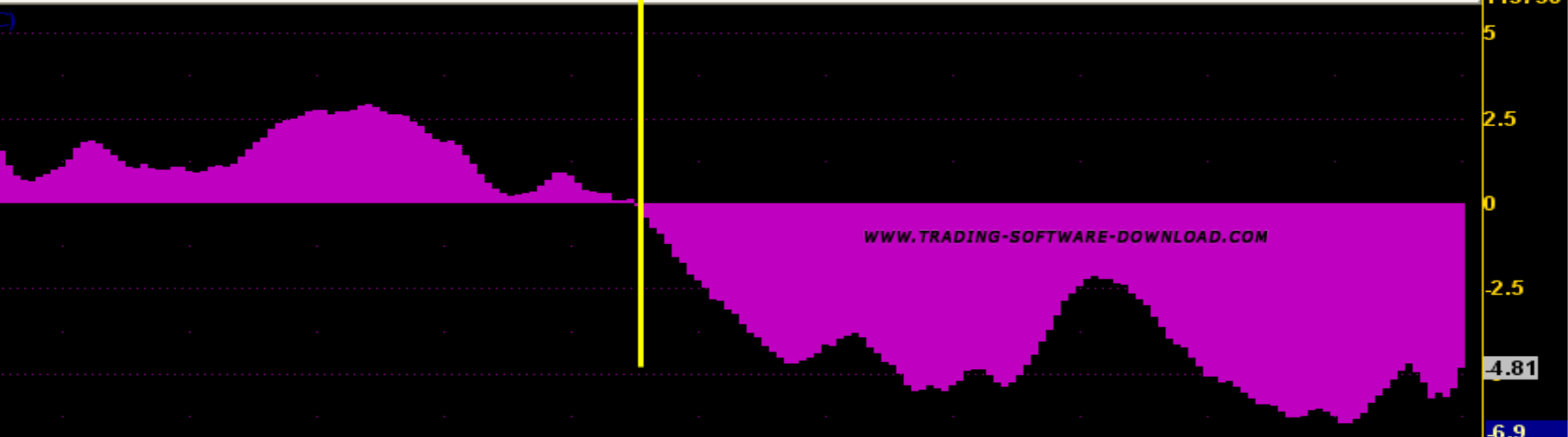


# The TTM Wave Indicator

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This is an introduction to a wave based timing indicator that was developed over the past decade. The theory behind wave movement is very basic to physical nature and human nature. For example, in the physical realm, ocean tides flow in and flow out in a very timely manner. Tides are governed by waves. They start small and increase in size. As a student of nature, I have observed similar cyclical patterns in human behavior. It's often subtle, yet very relevant. When it comes to behavior in trading, the same patterns appear. Are all of these cycles related? It appears so. Although they vary in amplitude and duration, a cycle is a cycle, is a cycle. I have represented these cycles as Wave algorithms. You will see from the charts, in this presentation, just how these natural Waves occur. And because some investors are drawn to particular stocks, they create unique Wave trading patterns for those stocks. The design and purpose of this new Wave Indicator is to objectively identify the Waves that investors have uniquely created. You will be the first to see the Wave change, and trade it to your advantage.

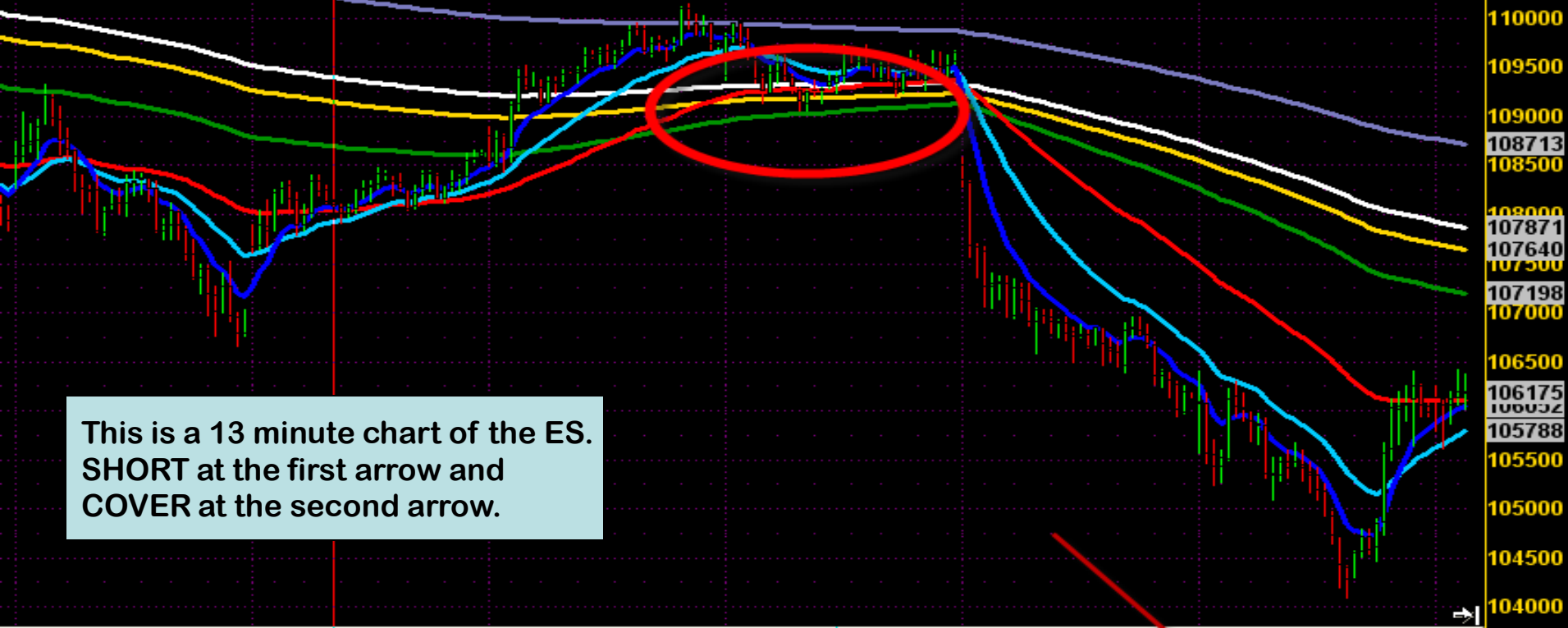
dynamic,0:00-24:00



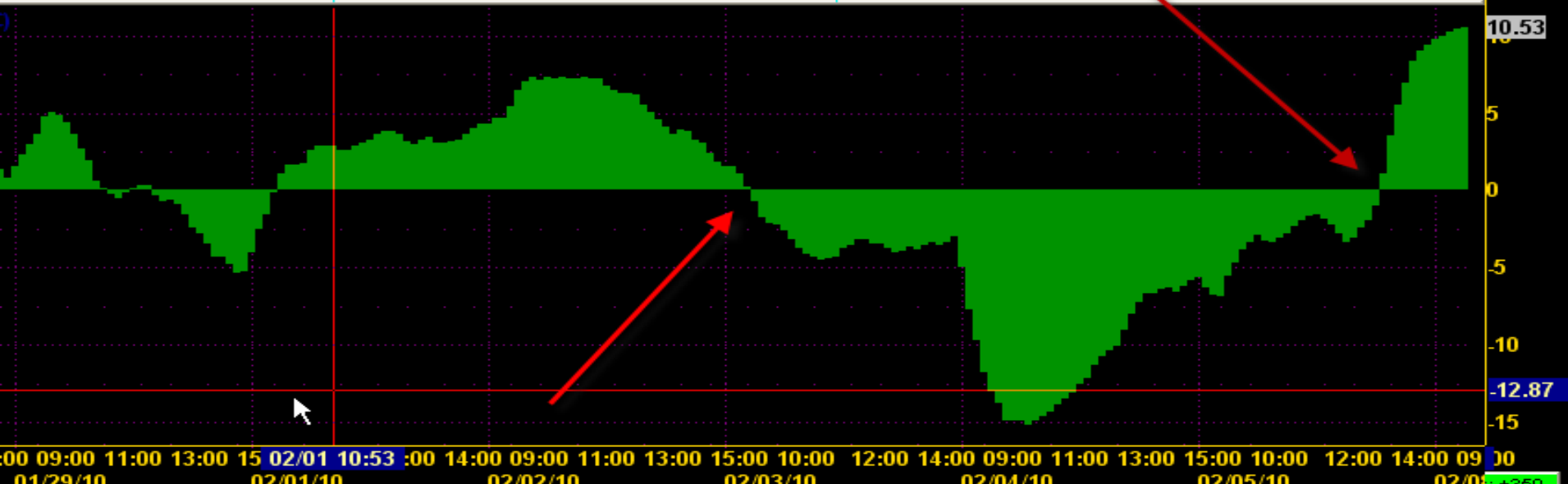
This is a 5 minute chart of the ES.  
Notice the wave crossing above the zero line at 1164. This is a LONG entry.



mic,8:30-15:20



This is a 13 minute chart of the ES.  
 SHORT at the first arrow and  
 COVER at the second arrow.



+350

# Simple Waves

- When the wave crosses the zero line to the upside, it fires off a Long signal.
- When the wave crosses the zero line to the downside, it fires off a Short signal.
- In many instances, it is an early warning system.

**The last 3 charts were simple crossover wave patterns. In the following charts, you will see how these simple patterns are part of larger wave patterns.**

**As a trading tool, the larger wave patterns will make it easier for you to make decisions about buying and selling.**

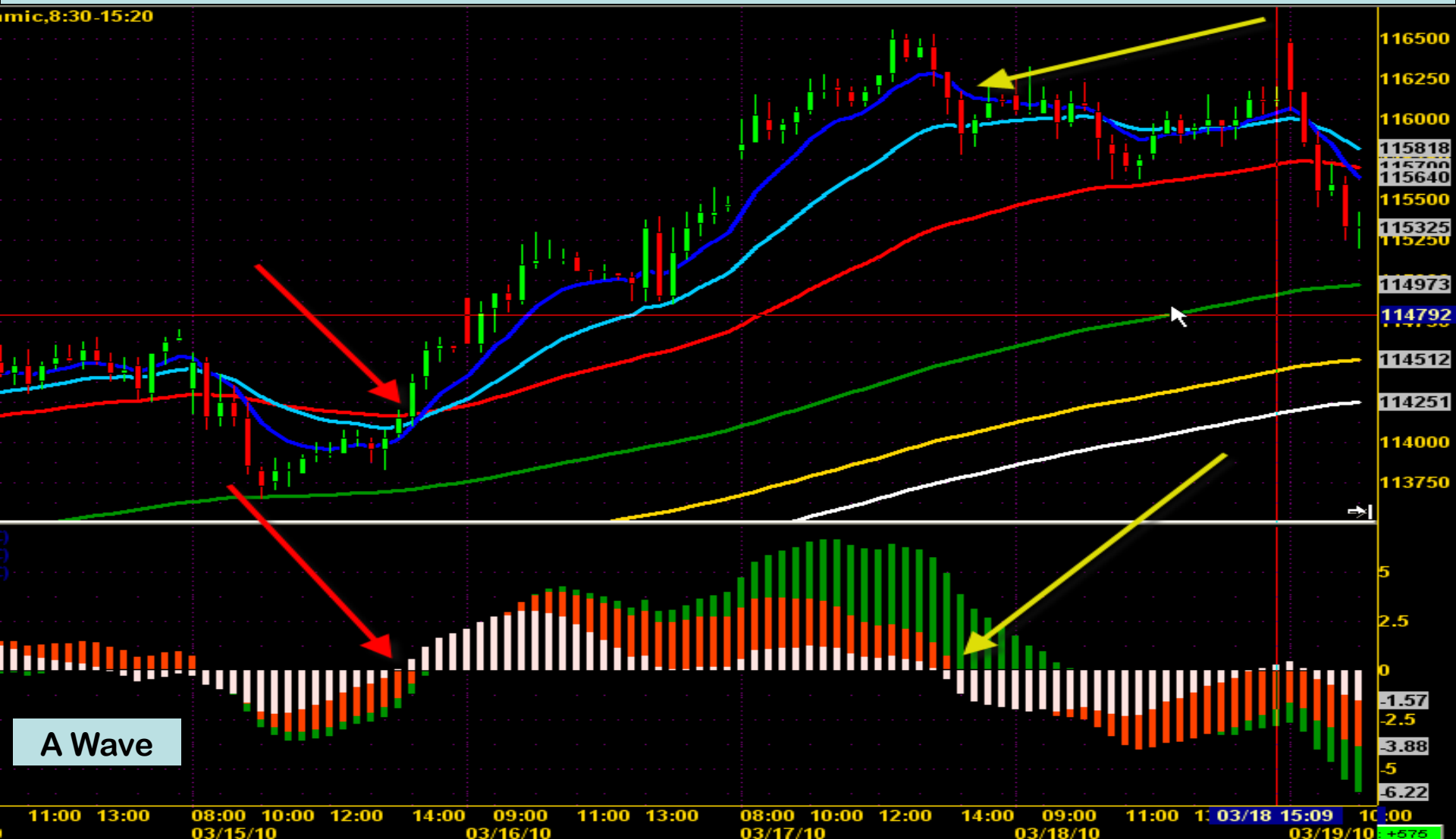
**There are 3 large wave  
patterns:**

**A Wave**

**B Wave**

**C Wave**

The wave in this chart is called the “A Wave.” It is a combination of 3 short term waves which are identified as WHITE, ORANGE, and GREEN. When the WHITE wave crosses above the zero line (red arrows), it’s a BUY. When the ORANGE and GREEN waves cross above the zero line, you stay in the trade until the WHITE wave crosses back below the zero line (yellow arrows). This is a 21 minute chart of ES.





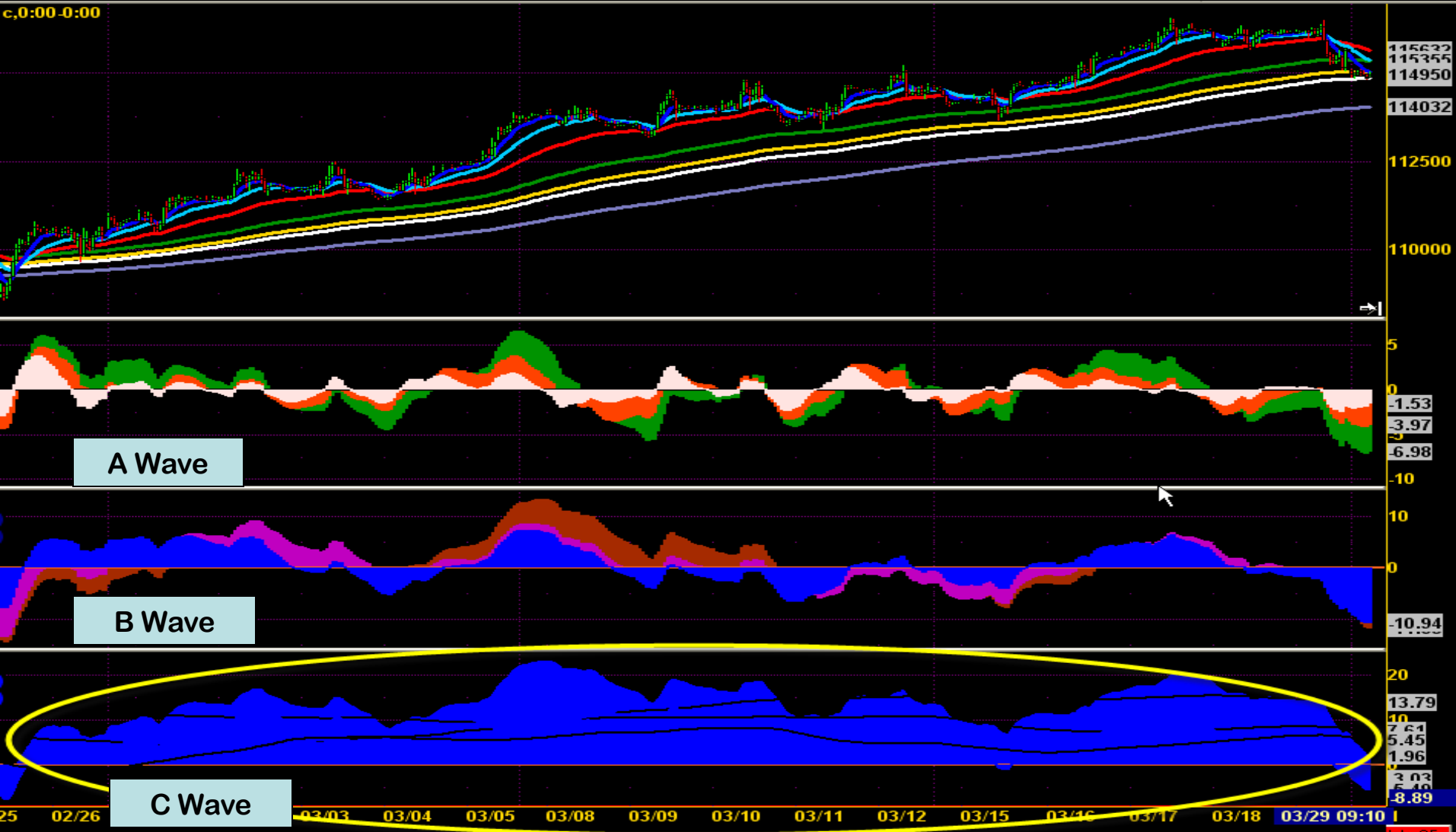
The wave in this chart is called the "B Wave." It is a combination of 3 long term waves which are identified as BLUE, PURPLE, and BROWN. When the BLUE wave crosses below the zero line, it is a SHORT. When the PURPLE and BROWN waves cross below the zero line, you stay in the trade. The longer B Wave makes it easier to see price direction when the shorter A Wave is giving confusing signals. Note the up and down A Wave action inside the yellow circle compared to the clear B Wave SHORT signal (yellow arrow). This is a 13 minute chart of ES.



This is another example of how the longer B Wave gives a clear SHORT signal, while the A Wave is oscillating too much. In this instance, you can SHORT when the WHITE, ORANGE, and GREEN of the A Wave are below the zero line. You can use the B Wave to confirm the SHORT signal. This is a 5 minute chart of ES.



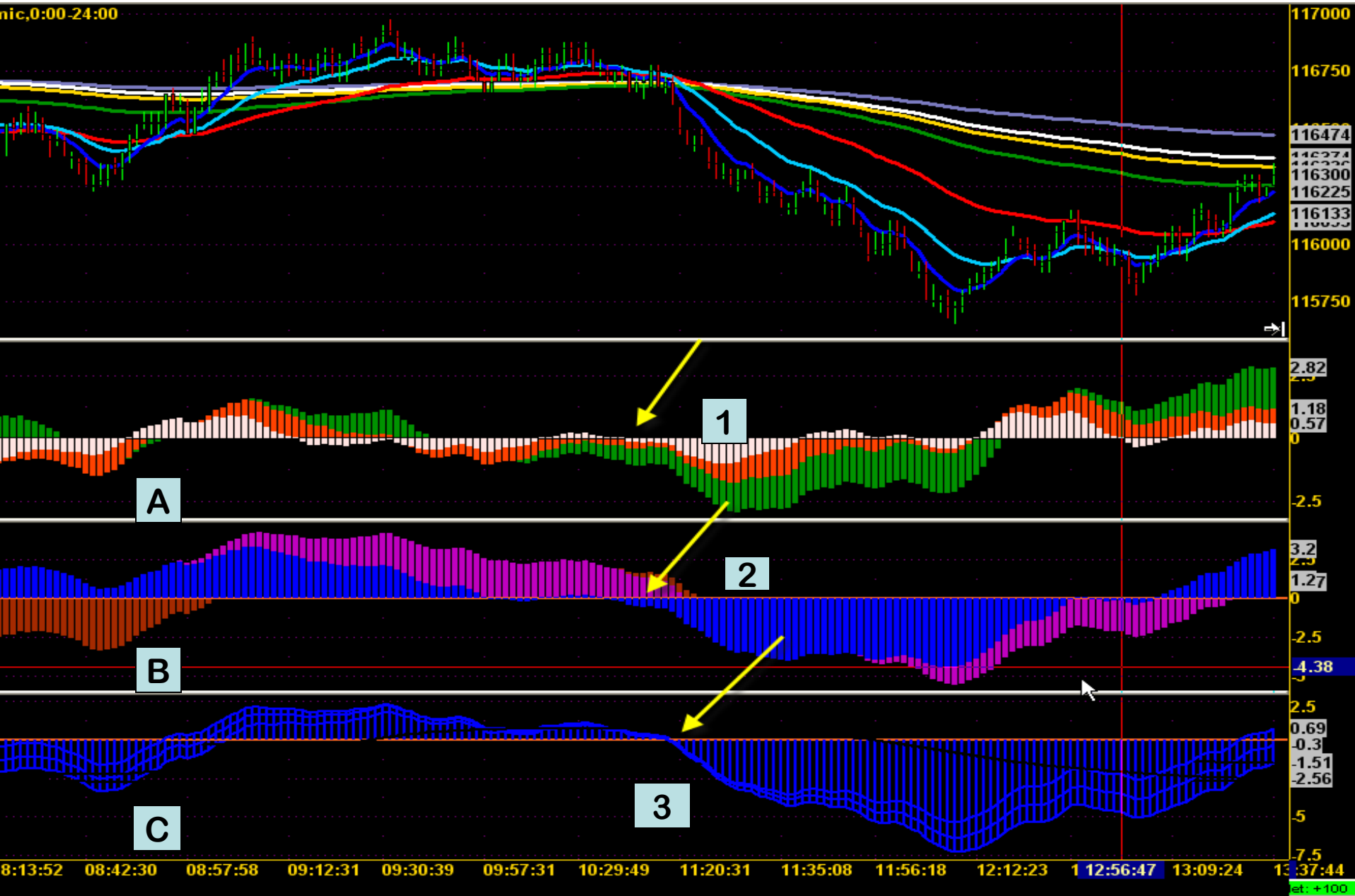
The last wave to be introduced is the “C Wave.” It has a different function than the A Wave and B Wave. It can be used as a directional anchor. For example, in this 55 minute chart of ES, the C Wave gives you a LONG signal for 30 days (inside yellow oval). During this time period, if you ignored all the SHORT signals from the A Wave and B Wave, and only took the LONG signals as A Wave and B Wave crossed above the zero line, you would have been in sync with the market flow. This would have given you a higher probability trade. [WWW.TRADING-SOFTWARE-DOWNLOAD.COM](http://WWW.TRADING-SOFTWARE-DOWNLOAD.COM)



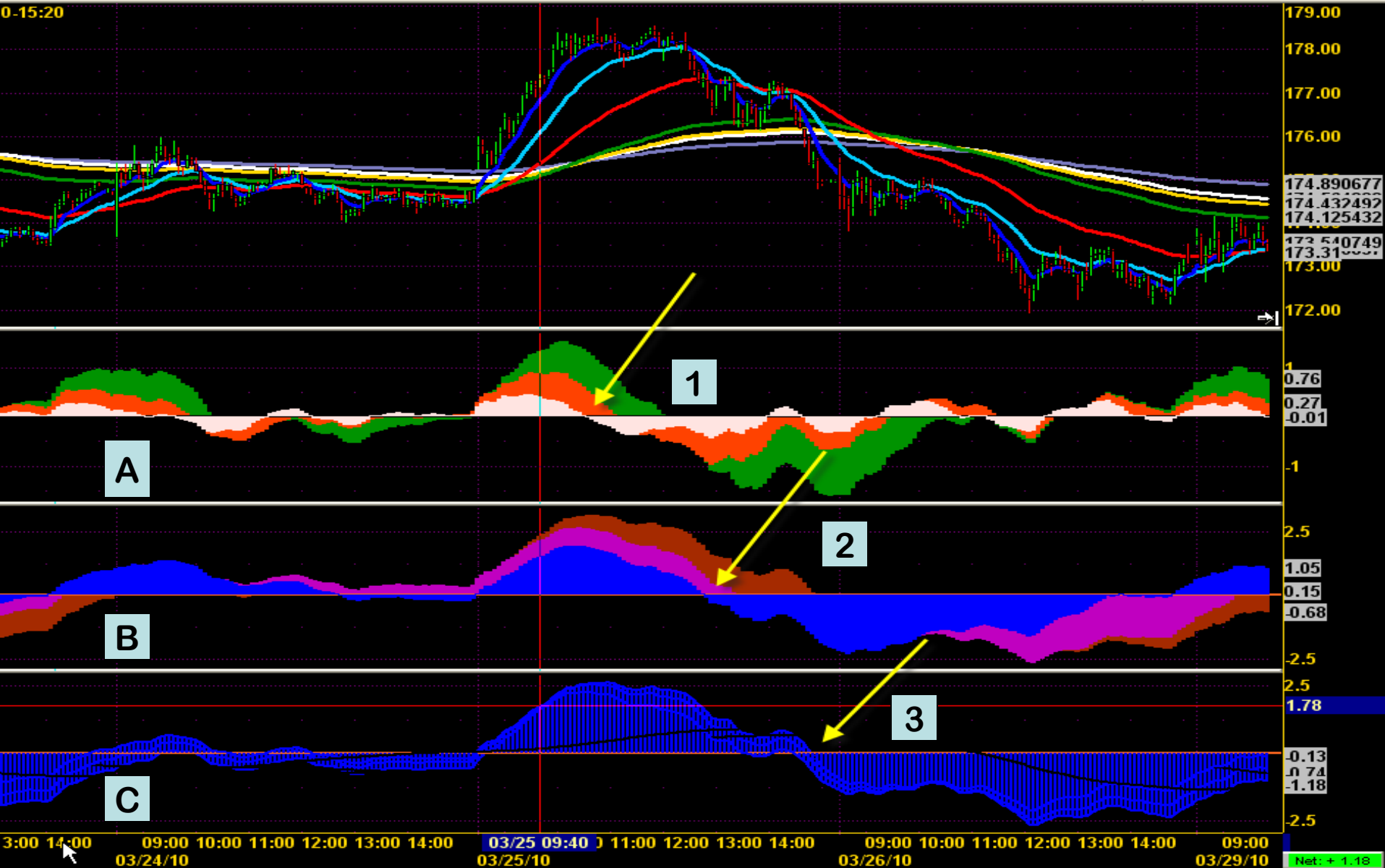
## Review of all the Wave patterns

- A Wave is a **SHORT** term wave signal that can be traded on its own, or used in conjunction with the B Wave.
- B Wave is a **LONG** term wave signal that can be used by itself, or instead of the A Wave, when the A Wave isn't giving clear signals. WWW.TRADING-SOFTWARE-DOWNLOAD.COM
- C Wave gives you a directional anchor. If you stay on the side of the market, in any timeframe, using the C Wave as an anchor, you increase the probability of a profitable trade.
- The next 5 graphs will show you trade setups using all 3 Wave patterns.

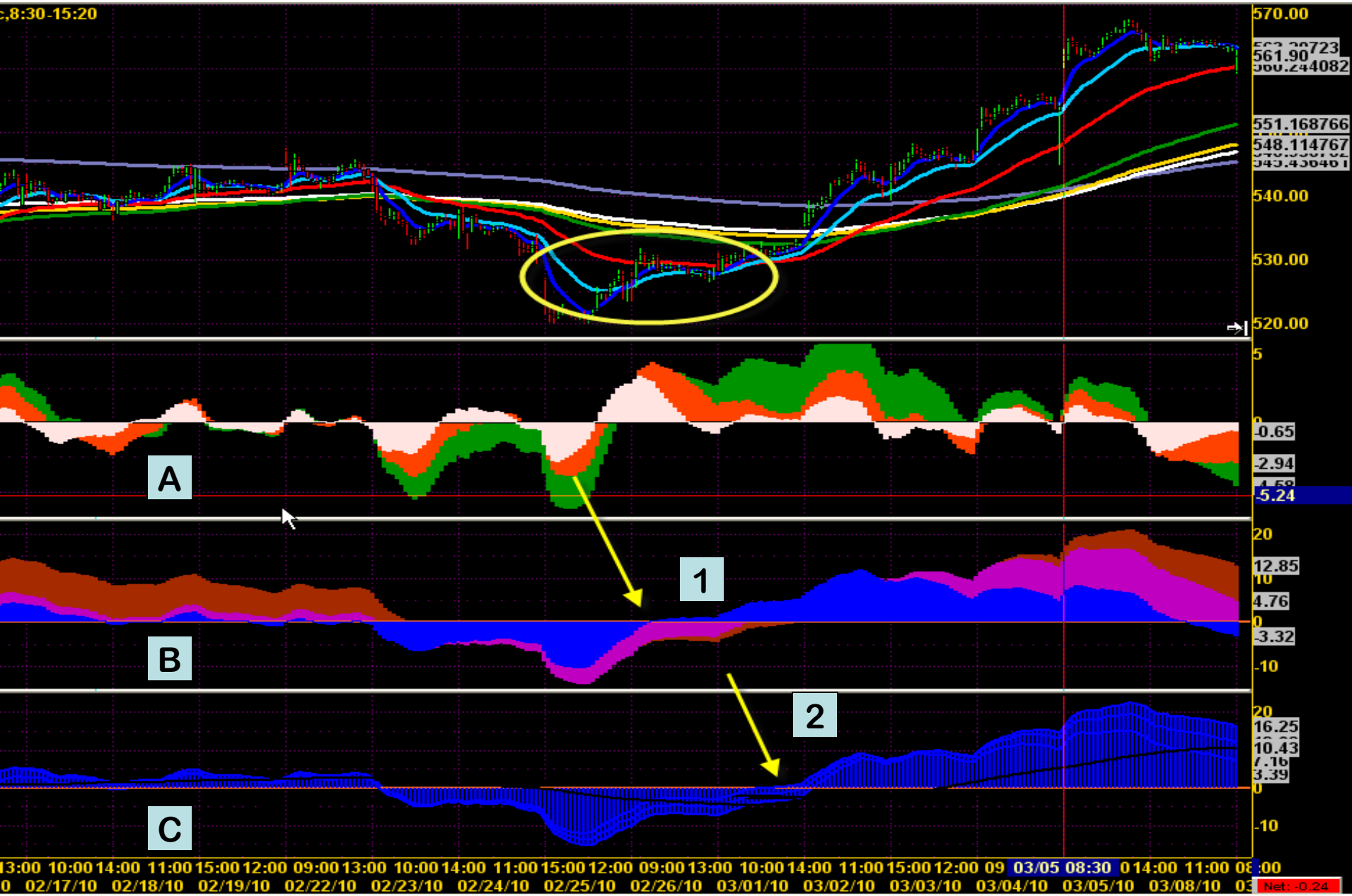
This is a 1597 tick chart of the ES March 26, 2010. Beginning at 10:46 A.M., A Wave at arrow #1 crossed below the zero line for a SHORT at 1167. It was confirmed quickly by B Wave at arrow #2. C Wave confirmed the market direction at arrow #3, for a potential 10 point gain.



This is a 5 minute chart of Goldman Sachs, March 25-26, 2010. Notice the WHITE Wave (#1) in A Wave crossing below the zero line, followed by the ORANGE and GREEN Waves crossing below zero. This was followed by the BLUE Wave (#2) in B Wave crossing below zero and then the PURPLE and BROWN Waves below zero. As the entire B Wave goes below the zero line, C Wave (#3) confirms the directional move. This was a very nice option play for 6 points on GS.



This is a 21 minute chart of Google. While there are short term A Wave trades, the dominant trade was the B Wave trade at #1. This was confirmed 1 day later in C Wave (#2) for a 35 point move over 6 days. [WWW.TRADING-SOFTWARE-DOWNLOAD.COM](http://WWW.TRADING-SOFTWARE-DOWNLOAD.COM)



The following chart illustrates how you can use one wave to get in a trade and another wave to cover that trade. This is a 55 minute chart of GOOG. C Wave started below the zero line (#1) on Jan 6, 2010. This was the start of a directional change. Even though C Wave stays below zero, it started to trend higher. At that point, you could have used the B Wave move above zero (#2), on Feb 1, 2010, to exit. This would have netted 77 points on the SHORT side. The best part of this trade is not having to watch it all the time.





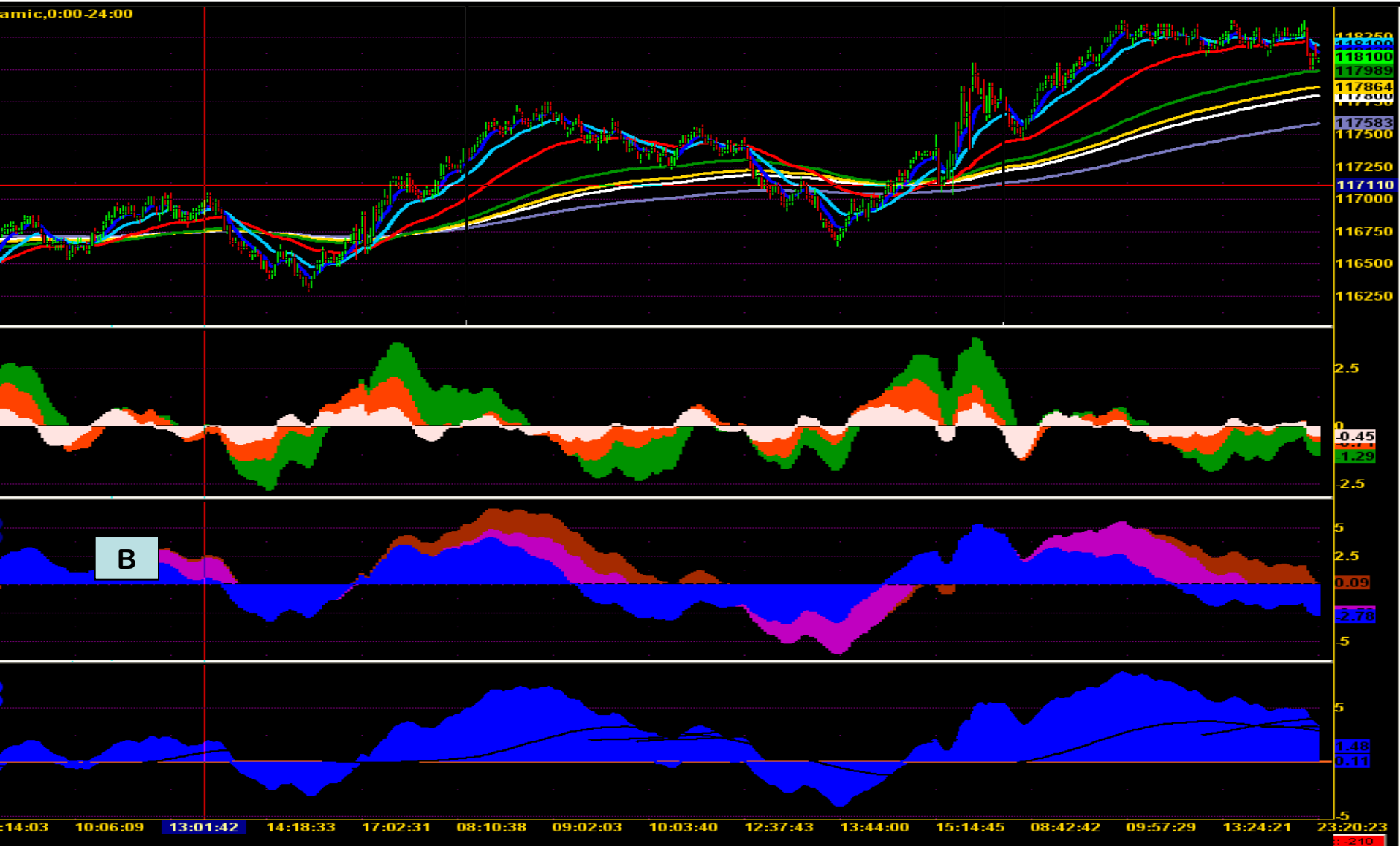
This is a Point Break chart of Goldman Sachs. Notice the B Wave moving below the zero line (#1). This is a SHORT entry. The C Wave confirms the move (#2). You would then cover the position at #3, as B Wave starts to move above the zero line. You can also go LONG at #3, or wait until the directional change of the C Wave moves completely above the zero line (yellow oval). The BLUE of the B Wave moves below zero at #4, which is a good time to cover the position. It went sideways for 2 weeks. At the right of the chart, #5, all of B Wave is below zero. And directional change to the downside is appearing in the C Wave. Good time to SHORT.



With every stock, there are Wave patterns that seem to fit that particular stock. I refer to this as the Wave personality for that stock. The chart below is a 610 tick chart of Goldman Sachs. Without drawing all the arrows, you can see that A Wave is almost a perfect fit for trading this stock short term.



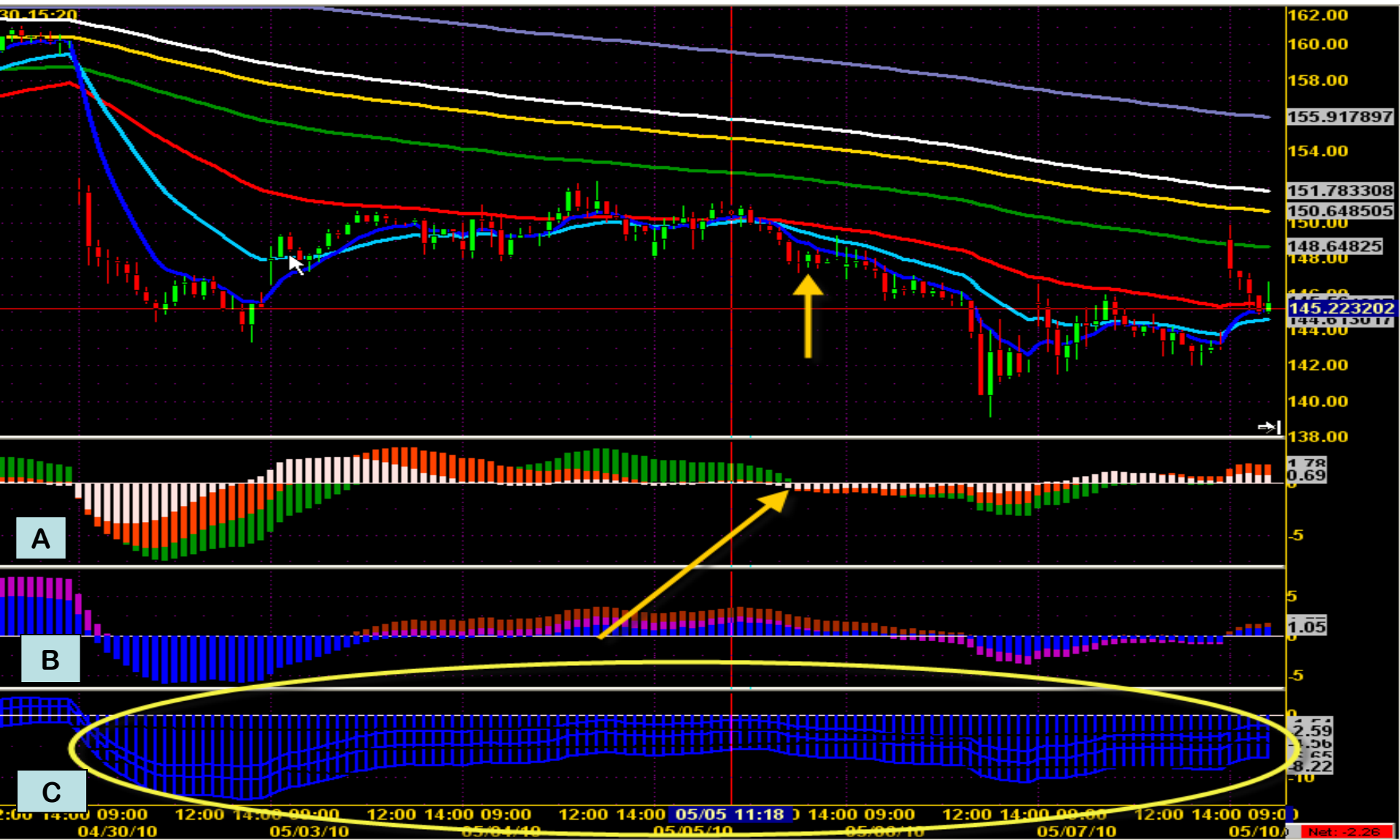
The following chart is a 1597 tick chart of ES. Again, without all the arrows, it is very clear that B Wave almost precisely lines up with all the intraday trend changes. It is necessary to try out the different time frames for each stock you are interested in. Find the Wave that works best for that stock, and then trade it. For longer term trading, look at the 21, 55 and 89 minute frames. And of course, the Daily and Weekly. [WWW.TRADING-SOFTWARE-DOWNLOAD.COM](http://WWW.TRADING-SOFTWARE-DOWNLOAD.COM)



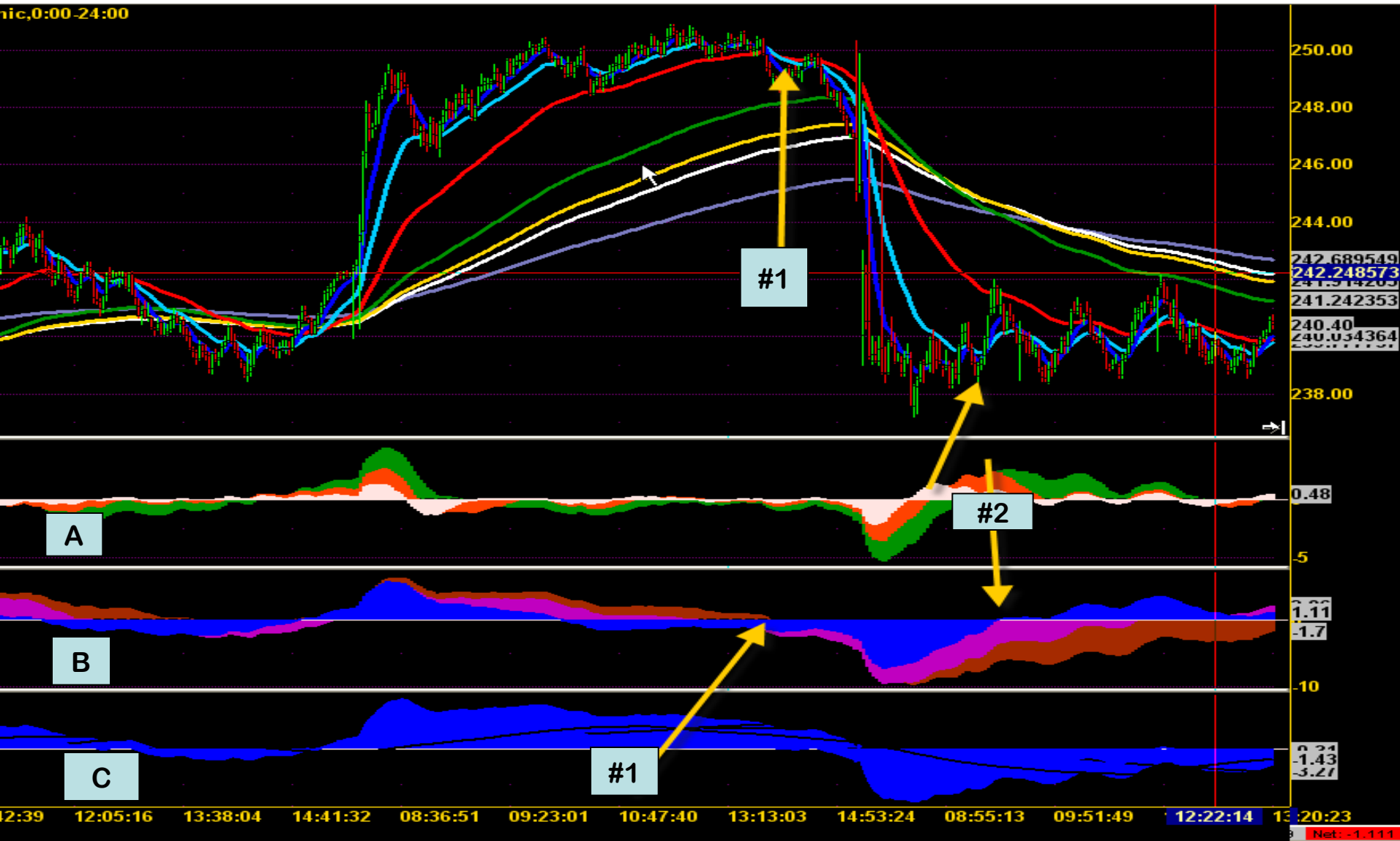
These next 4 charts are Wave setups that I traded between April 14, 2010 and May 26, 2010. This is a 21 minute chart of Goldman Sachs. The Blue of B Wave goes below zero (yellow arrow), followed closely by all B Waves and all C Waves below zero. It was options expiration day. It turned out very well.



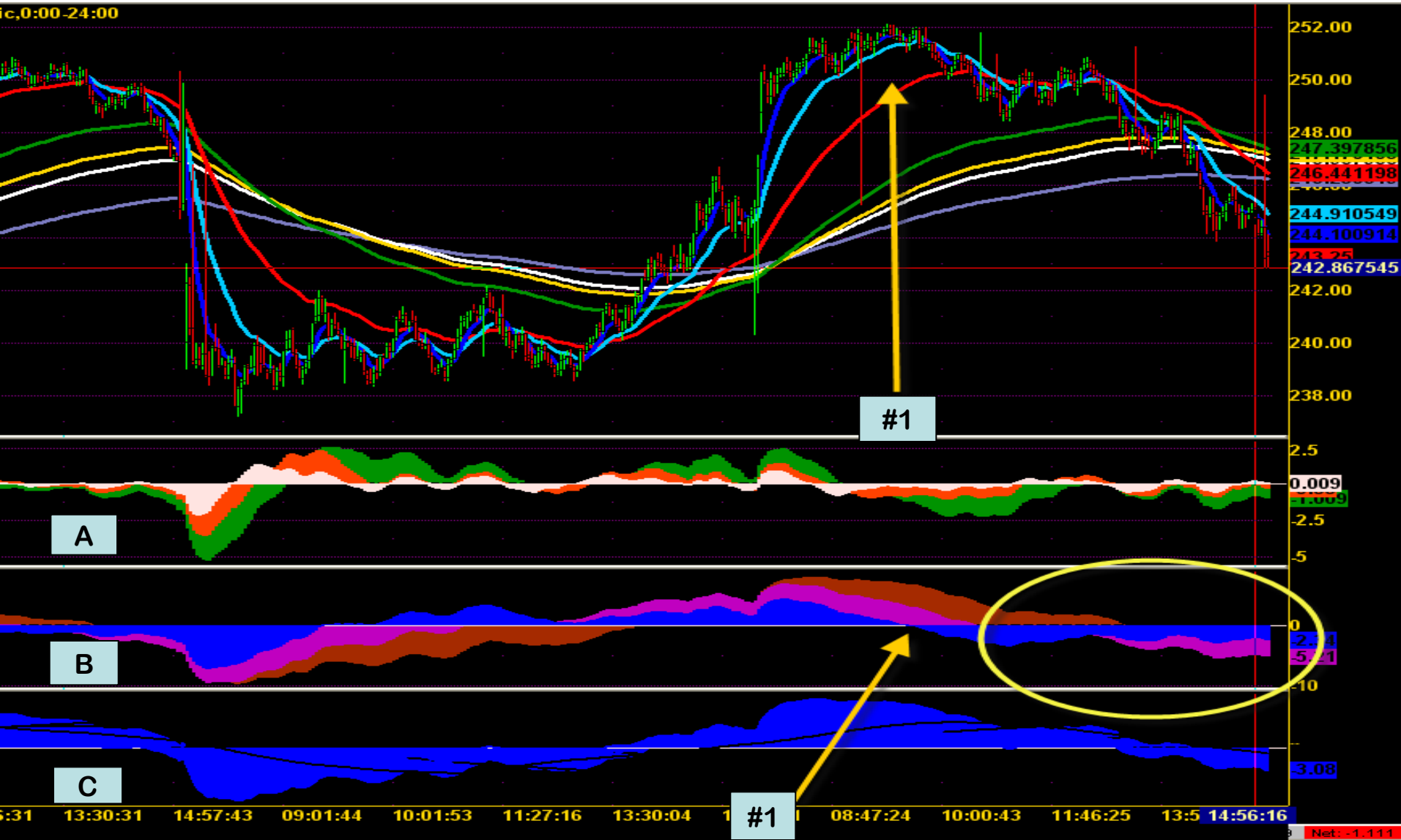
This is Goldman Sachs (21 minute chart), 2 weeks later. The C Wave was well established below zero and all of A Wave went below zero at the yellow arrow. It was an overnight swing trade, good for 8 points.



AAPL is one of my favorite stocks to play options with. This is a 987tick chart, May 24, 2010. All of B Wave goes below zero at arrow #1. It was an overnight swing trade, covered at arrow #2 on B Wave.



This is AAPL 2 days later, May 26, 2010. It is the same 987tick chart. When the Blue B Wave went below zero (yellow arrow #1), it became a short, or Put opportunity. AAPL was selling for 252.00 at the crossover. All of B Wave is now below zero and so is C Wave. It closed the day at 243.25. When the Blue B Wave crosses above zero, the trade is done.



# SUMMARY

- This was a presentation of a wave based timing indicator.
- The 3 large waves are A Wave, B Wave, and C Wave.
- The A Wave consists of 3 short term waves: White, Orange and Green.
- The B Wave consists of 3 long term waves: Blue, Purple and Brown.
- The C Wave is used as a directional anchor.
- You can trade the A Wave and the B Wave, and use the C Wave as the directional anchor.
- The waves fire off a Long signal when they cross above the zero line.
- The waves fire off a Short signal when they cross below the zero line.
- When all waves go either above or below the zero line, it is a very strong signal.
- This system can be used in all time frames, for day trading, swing trading, or position trading.
- Each stock has its own Wave personality. Look for that Wave and trade it.
- This system can be used to trade stocks, indices, ETFs, and futures.
- Enjoy this new TTM Wave Timing System.
- Remember, once you start using this system, you become part of the WAVE.