**THE TRADE GRADER**

**Large 2 or 3 or 5**

**Middle 2 or 3 or 5**

**Small 4 or 5**

**HP HP2 HP3 HP5**

|  |  |  |  |
| --- | --- | --- | --- |
| **225 = 9** | **235 = 10** |  **324 = 9****325 = 10****334 = 10****335 = 11** | **524 = 11****534 = 12****525 = 12****535 = 13****554 = 14****555 = 15** |

**Grade 2:**

**HA and AO being the same color… Blue Light Special**

**Grade 3:**

**HA and AO being the same color … Blue Light Special**

**and the MAO being on the right side of the zero line**

**Grade 5:**

**HA and AO being the same color with the MAO and**

**AO being on the right side of the zero line and the**

**Hot lines crossed in the right direction**

**Grade 4:**

**The same as a 5 alarm with the MAO being on the right side of the zero line… Minus any one of the other signals**

**If you get a 1 (one) on a larger time frame (EB) only**

**means to look for the first lower time frame that is a Blue Light Special…then that is your larger time frame for the trade**

**STEP BY STEP PROCEDURE**

Watch the day chart for at least an **Early Bird or a Blue Light Special**

**Early Bird on the day (set the Early Bird Alert to bring these to your attention)**

1. If Early Bird on day then go to the 4 hour and look for a Blue Light Special or

(2 3 5) grade

1. Then look for a (2 3 5) grade set up on the 1 hour
2. Look for a 5 alarm trade on the 30 min (Set the Norwood Alert to bring these to your attention)

**Blue Light Special on the day (set the Early Bird Alert to bring these to your attention)**

1. If Blue Light Special check for a 2 3 5
2. Then look for a 2 3 5 set up on the 4 hour
3. Look for a 5 alarm trade on the 1 hour (Set the Norwood Alert to bring these to your attention)

What if the day bar has been going for 12 hours?

* You still grade it for a 2 3 5
* Then you go to the lower time frames and follow the same procedure as before

You will still be looking for FRESH signals on the 1 hour **(5 Alarm setups)**

\*\*\* As long as you get at least a 2 grade on the day bar you keep trading in that direction. Following the same steps and grading procedures on the other two time frames. **(FRESH signals will be the key here for confirmation and entry gradings)**

\*\*\* Many times as a trend develops you will start to get 3 and 5 grade setups on the day chart. This is a sign of a good trend.

**Setting Stops**

When you enter on the 1 hr time frame you can start managing the trade on the 1 hr time frame.

If you start on the 30 min then you should manage the trade on the 1 hr.

**### Keep track of your success on each time frame ###**

Track the grade you entered each trade with. You will start to see a pattern of success. Now you will know which setups work best for you

REFER to the “Examples of Tracking Grades” sheet

**(The excel spread sheet)**