



# The Only Four Price Points You Need to Increase Winning Trades by 50%



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# How to Quickly Overcome the Most Challenging Aspect of Trading and Create Consistent Income

## Defining Your Edge





February 2007, the NYSE began the hybrid trading system, which effectively ended the careers of the NYSE specialist.

Beginning March 2007, over 25 former NYSE specialists, clerks, floor traders and brokers migrated to my Keystone Trading Group office on 34<sup>th</sup> St. and 7<sup>th</sup> Ave.

This report is a small part of what they taught me about how to identify and profit from "Institutional Order Flow."



# An Introduction to Order Flow



One of the most powerful methods in trading is *identifying the trend*, you know that, I know that, everyone knows that...

If that's the case why isn't everyone who trades living on a beach trading from a laptop and printing money?

In my opinion it's because the word "trend" is too vague. It doesn't force you to interpret price action. It makes you lazy.

Your true goal is to interpret order flow. It's the key behind making big money and reducing risk.



# Order Flow Defined



Order flow is a phrase used on the floor of the NYSE by specialists.

It's the orders they received from institutions, the big money.

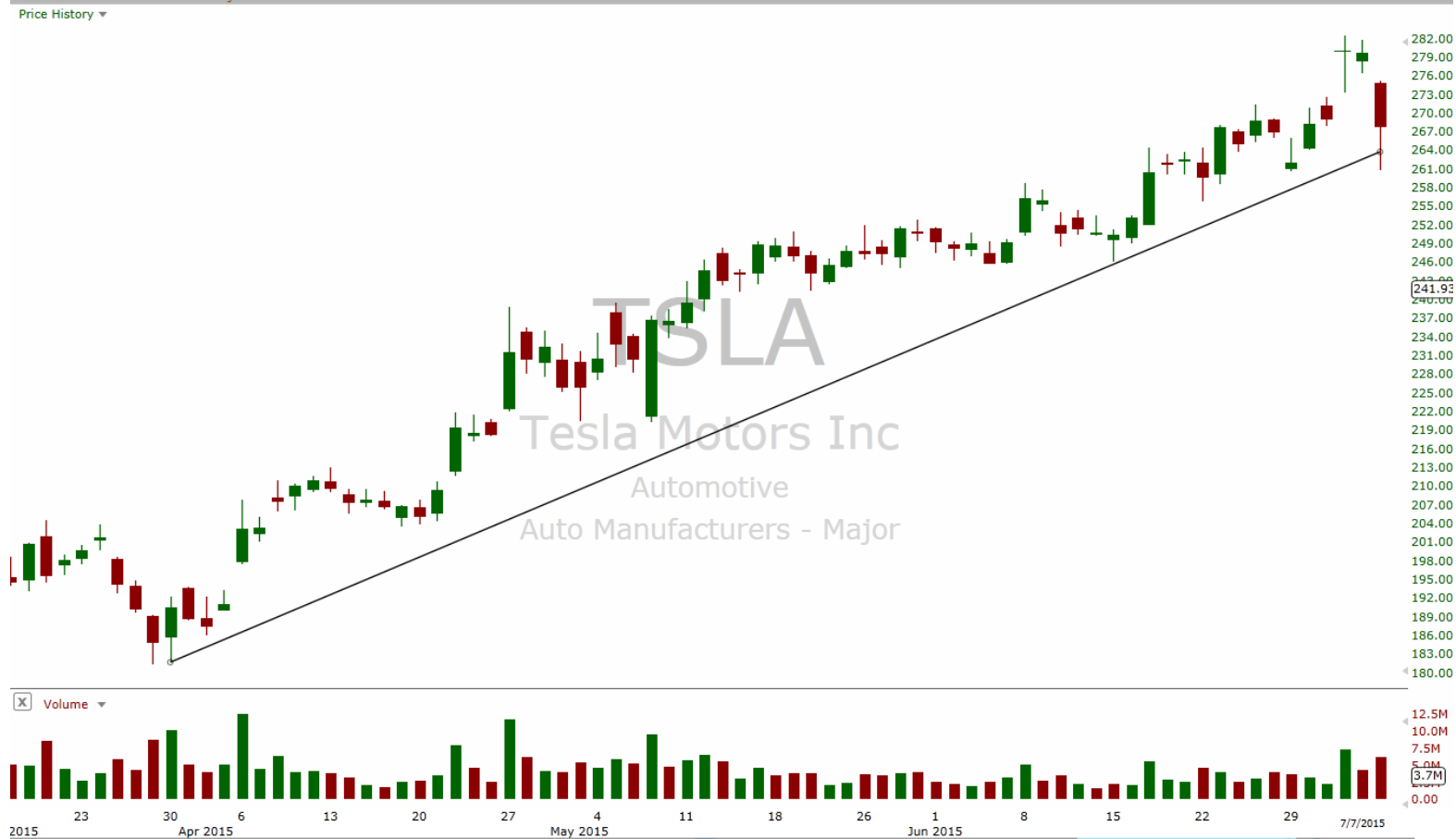
It's the buying pressure that moves a stock from \$185 to \$281 in 3 months.

It's the selling pressure that drops a stock from \$65 to \$36.83 3 WEEKS.

Order flow is the true force behind price action and sector strength or weakness.  
It's the reason why a stock moves higher or lower.



# Buying Order Flow: TSLA



There is so much more going on here in price action than simple “trend following...”

When you can read order flow from day-to-day, you KNOW when a trend is still valid, which means you can buy with conviction.

There is the “song” which is the long-term chart. And then there is reading the “notes” of the chart. Reading both is the ultimate in trading mastery.



# Order Flow and the “Notes”: Going Deeper in TSLA



When you learn to combine order flow and the price action in individual daily candlesticks, you can see the choppy, sloppy, hard to trade, money-sucking price action that occurred from July 27-August 17 BEFORE it happens.

This means you will avoid the “tough trade” and focus your time and money on obvious order flow every day...



# Selling Order Flow: GPRO



There were signs in order flow from July 27-August 10 2015 that showed us buying a breakout in GPRO was a bad idea.

When you *learn to identify, spot and track order flow*, you see these signs before the unsuspecting lemmings who bought the breakout at \$65...





# Tape Reading

Order Flow...Daily Candlesticks and Tape Reading  
The Holy Grail of Trading Profits



# Tape Reading Defined



Tape reading is mysterious for most traders. It sounds awesome but most people have no clue what it is...

Here is my definition: Identifying if the current price is moving closer to, or further away from a significant reference point.

It's also identifying how fast and how far the current price is moving away from that significant reference point...

Sounds difficult right? Well I'm here to tell you it's not. ***As a matter of fact you are "reading the tape" every trade you make.***

You just need some structure to use this powerful trading skill to make more money.



# Tape Reading in Action?



Imagine you have a list of stocks in your stock-watch.

Some stocks are positive. Some are negative for the day.

How strongly do you feel about those positive and negative readings?

Most likely you don't care. You simply notice they are "up or down."

This is not tape reading. This is observing without a purpose.

Sym	Price	Net Change	Net Change Since Open Daily
GS	180.38	-4.68	-1.88
IBM	143.70	-3.08	-0.87
HD	114.42	-2.18	-0.46
DD	48.60	-1.96	-1.14
MMM	139.84	-1.90	-0.10
UNH	112.36	-1.63	-0.14
TRV	97.76	-1.61	-0.20
CVX	76.67	-1.59	-0.62
CAT	73.10	-1.35	0.10
JNJ	91.31	-1.33	-0.27
XOM	72.46	-1.33	-0.50
BA	129.76	-1.26	0.21
V	69.16	-1.24	-0.13
UTX	90.68	-1.23	-0.14
JPM	61.50	-1.18	-0.23
AXP	74.08	-1.18	-0.20
PG	68.76	-1.17	-0.52
NKE	109.69	-1.16	0.47
MCD	94.85	-1.16	-0.03
AAPL	109.27	-1.10	0.21
MRK	51.59	-1.06	-0.41
DIS	100.97	-1.02	0.01
WMT	63.89	-0.97	-0.18
VZ	44.82	-0.90	-0.42
MSFT	42.61	-0.89	-0.20
KO	38.52	-0.64	-0.10
INTC	28.52	-0.56	-0.07
PFE	31.37	-0.52	-0.09
GE	24.00	-0.51	-0.18
CSCO	25.52	-0.38	0.07



# Reading the tape like a pro...



Imagine you have a position in GS (Goldman Sachs).

You bought 1,000 shares at \$181 an hour ago.

The current price is now trading at \$180.38.

You are currently **-\$620** in your position summary window...

Does anyone on the planet know how strong or weak this stock is, at this moment, better than you?

*This is tape reading*, when you are in a position. You know exactly how fast, and how far, the current price is moving closer to or away from a significant reference point.

Your entry point, becomes that significant reference point, to “read the tape.”

Starting to see how this tape reading stuff works? Good. Now lets make it better.

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Back to Our Original Goal of this Report

**The Only Four Price Points  
You Need to Increase  
Winning Trades by 50%**



# Why 4 Price Points and Why Once per Hour?



Identifying long-term order flow is out of the scope of this report but... we can discuss the **current** order flow and tape reading:

- How to spot it.
- Why this strategy increases your winners by 50%.
- How to apply this knowledge.





# Current Order Flow: How to spot it.



Remember our definition of tape reading? “Is price moving closer to or further away from a significant reference point?”

We compared reading price in a stock watch versus your position. Having a reference point (your position) made tape reading “easy.”

To spot current order flow and to read the tape of the current order flow (large orders by institutions or the **big money**) you will use these significant reference points.

- The change from the previous close.
- The relationship of the last price to the previous days high or low.
- The change from the open to today’s opening price.
- The color of the current hourly candlestick.





## Simple Short-Term Criteria

BEFORE you consider a new trade, you will require a minimum of 3 out of 4 indicators to be aligned.



# Buying Scenarios



- If the net change from the previous close is positive.
- If the last price is higher than the previous days high.
- If the last price is higher than today's opening price. (Green Candlestick)
- If the last price of the current hourly (60 minute) candlestick is higher than the opening price of that hour.

When these criteria are present, you can then look for entry signals.

\*\*Some charting packages use the first 60 minutes as an hour. Some use the first half hour and then each hour after...be sure to know which settings apply to your charting package so you know when the new hour starts and ends.



# Sell-Short Scenarios



- If the net change from the previous close is negative.
- If the last price is lower than the previous days low.
- If the last price is lower than today's opening price. (Red Candlestick)
- If the last price of the current hourly (60 minute) candlestick is lower than the opening price of that hour.

When these criteria are present, you can then look for entry signals to sell-short.

\*\*Some charting packages use the first 60 minutes as an hour. Some use the first half hour and then each hour after...be sure to know which settings apply to your charting package so you know when the new hour starts and ends.



# Why this strategy increases your winners by 50%.



Order flow is big money demand (buying pressure) and big money supply (selling pressure).

One of the most challenging aspects of trading is identifying which trend you are trading.

If you are struggling with your consistency, trading the current order flow, is the most amazing, simple and powerful method to **always be on the same side as the big money.**

You will never be subject to picking a top or bottom. You spot the big money, identify an entry signal and then, determine if the profit potential warrants the risk.

Using this method instantly makes you better trader because it “forces you” to trade with the big money.

I strongly suggest you join us for a 30 day trial for only \$10 to see how we set the trades up in the pre market game plan meeting and how we spot and trade the signals in the Live Trading Room.

[Click here now to join us for 30 days.](#)



# How to apply this knowledge.



As each day begins you have reference points.

As the first print or “open price” is established, you have a new reference point for the day.

As each new hour begins, you have new reference points.

This is how you read the current order flow and read the tape within that order flow.



# The Game Plan and the Live Trading Room



Imagine teaching someone how to drive safely by simply telling them what to look for and what to avoid.

That is what this report does.

We have pointed the way, but there is much more detail discussing long-term order flow and profit potential.

I hope you decide to invest the ten bucks and join us for 30 days to get a more detailed picture of ***how we make daily adjustments*** and choose which stocks to apply this system to.



# About Pete Renzulli



- **My Background:** [Click to meet Pete \[videos\]](#)
- Entrepreneur for 25 years
- Trading over 20 years
- Full-Time prop trader for 14 years
- Series 24 for over ten years (manage licensed traders)
- 3 successful prop trading firms
- CEO Keystone Trading Group and Trading Education Blogs
- Former CMO and Mentor T3 Live and T3 Trading Group.
- Traveled the country for 8 years teaching stock trading seminars
- Mentored or managed thousands of traders in person and online

