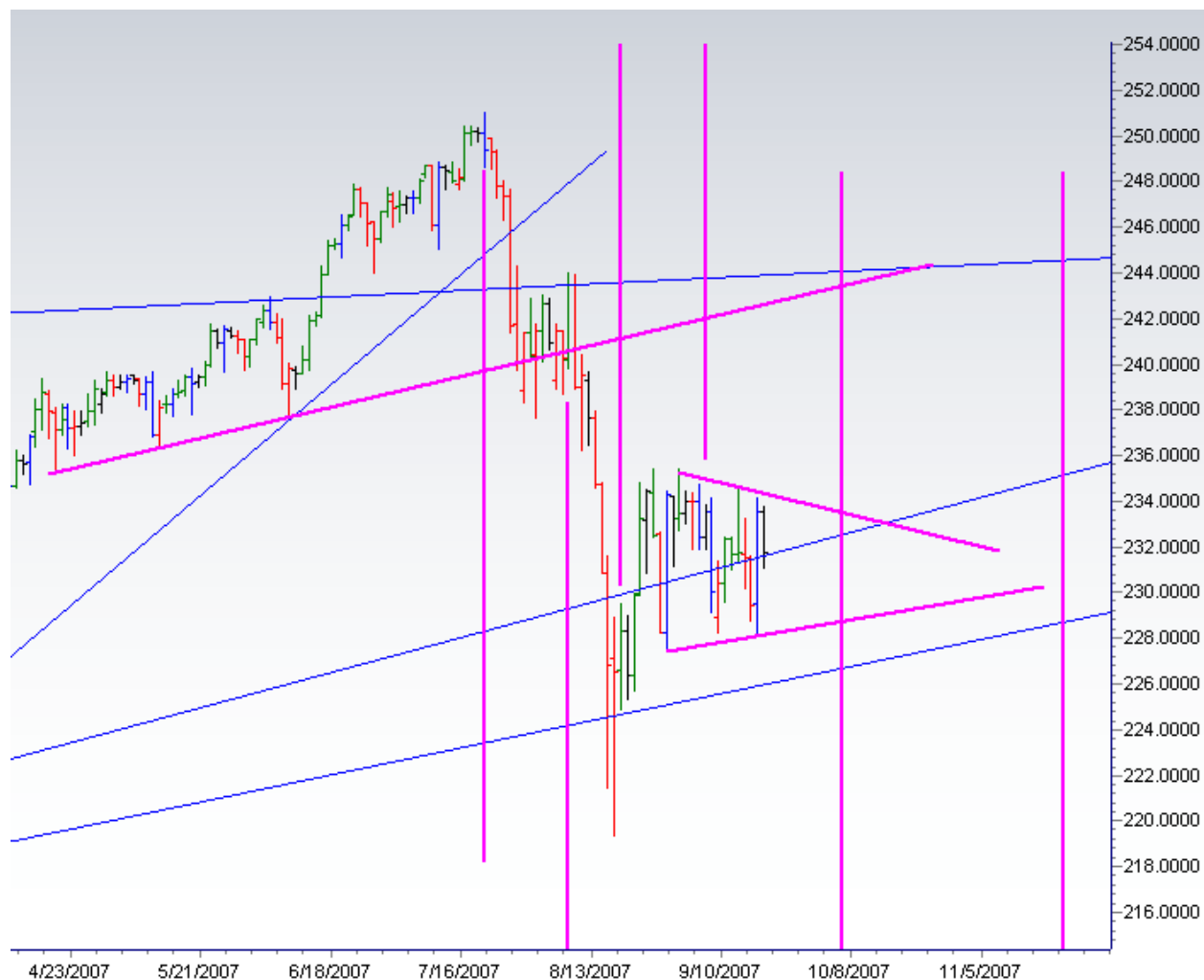


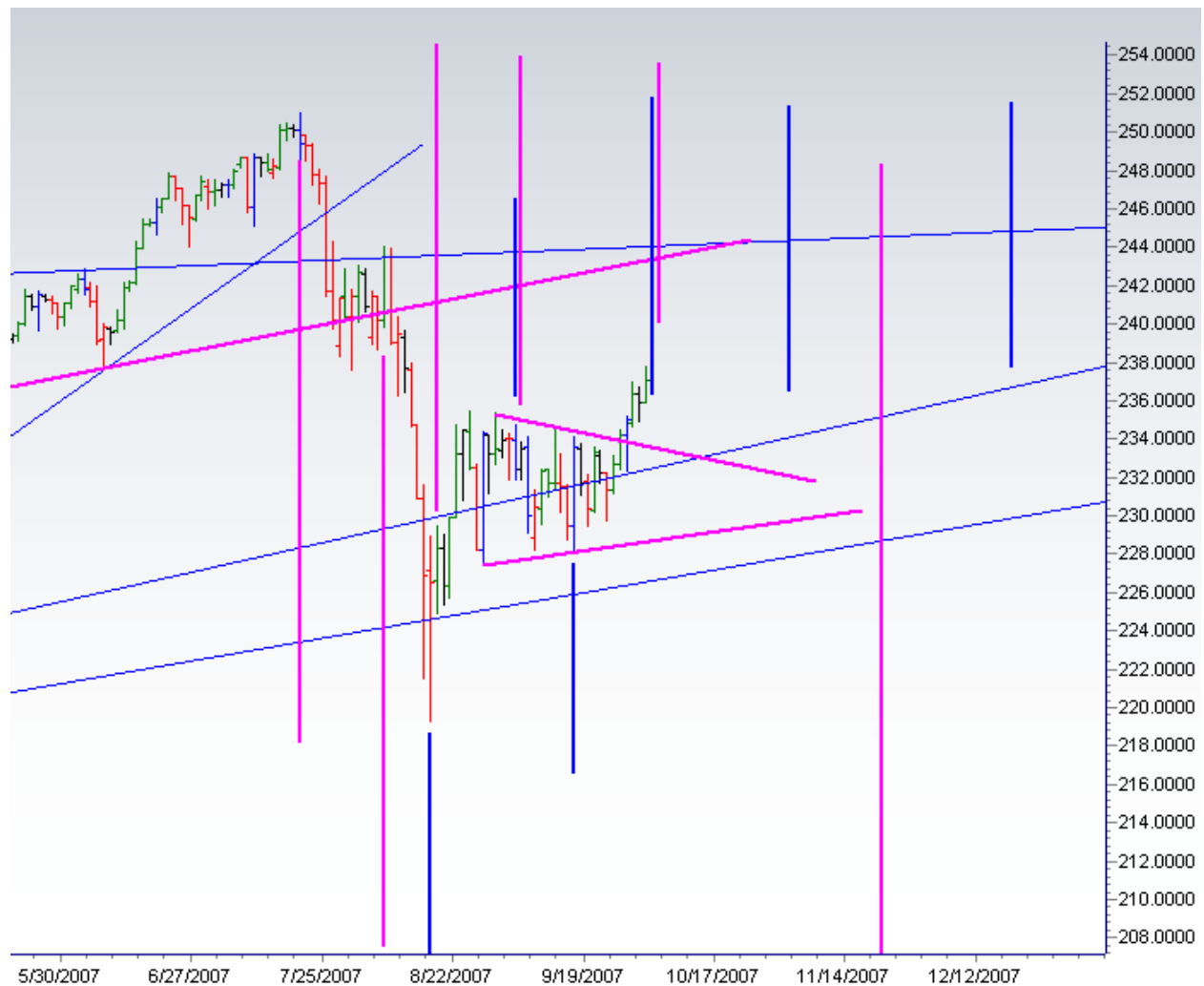
## Naked Time Pt 2.

In Naked Time Pt. 1 it was shown how using simple Fibonacci bar counts combined with trend lines can provide optimal timing for low risk entries. In this episode, a new series of counts will be added to try and find more entries. The plan is still to wait for time and price to converge at support/resistance. This may mean missing some moves but lost opportunity is preferable to lost capital.

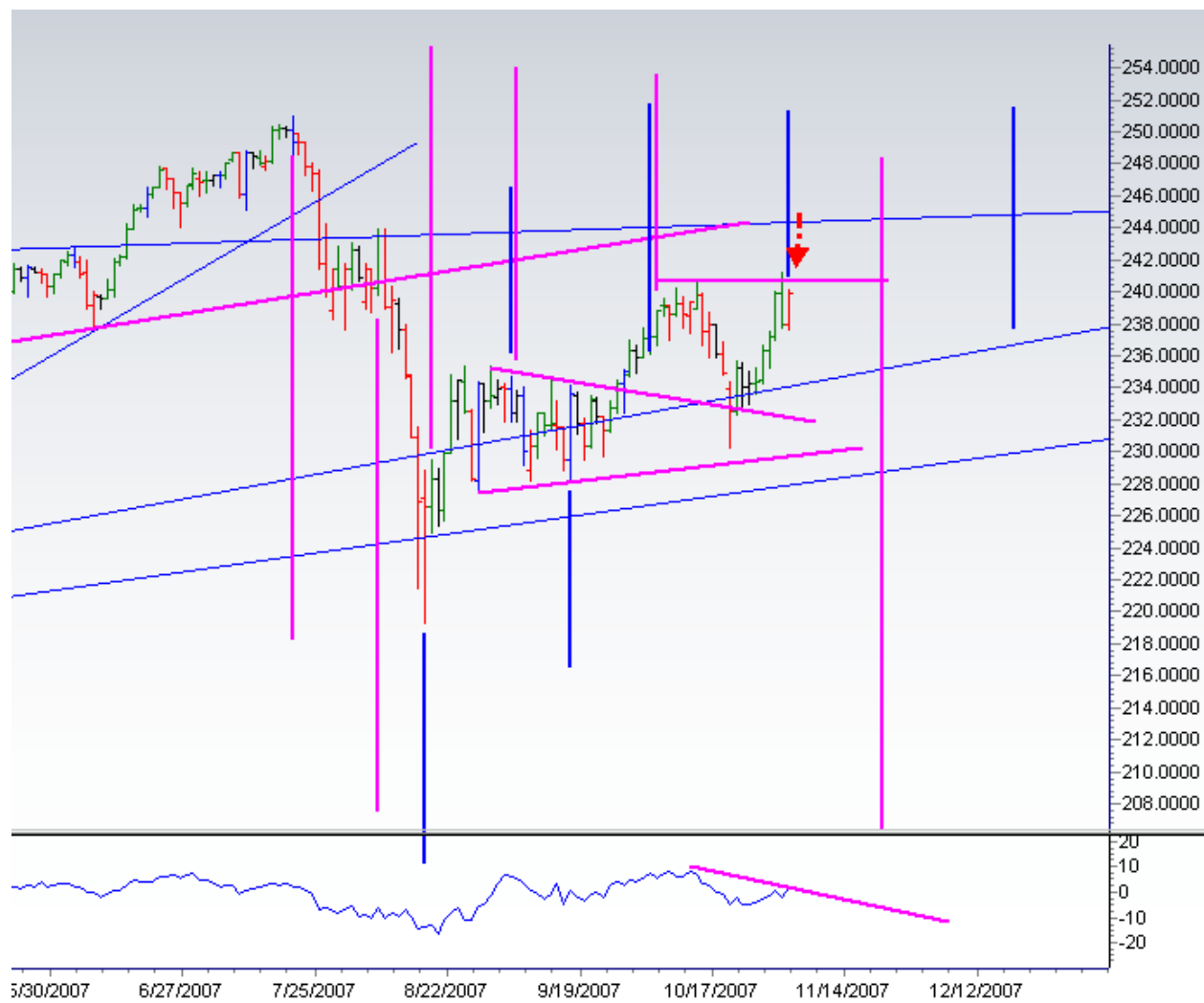
After a significant drop it's expected that price will retrace or consolidate forming a pendant/flag or the section 2 of a 1-2-3 pattern. Wave counting can also come into play. I prefer not to trade inside of consolidation unless there's enough range early in the pattern. I'm also always leary of the head fake and Ross Hook. So as was the case in the first trade, if price breaks to the upside out of the channel, the play is to wait for a pull back. If price doesn't fake out high and just follows low, the standard play of catching the breakout applies. And again, how price advances to the next time line is key. Falling into time could lead to a move up and a pull back opportunity entry. Rising into time is the ideal setup to short immediately. It's also worthy to note how bar 34 of the fib count picked up the turn within consolidation. That would have made for a great intraday trade. Time is a great heads up for top down trading for intraday.

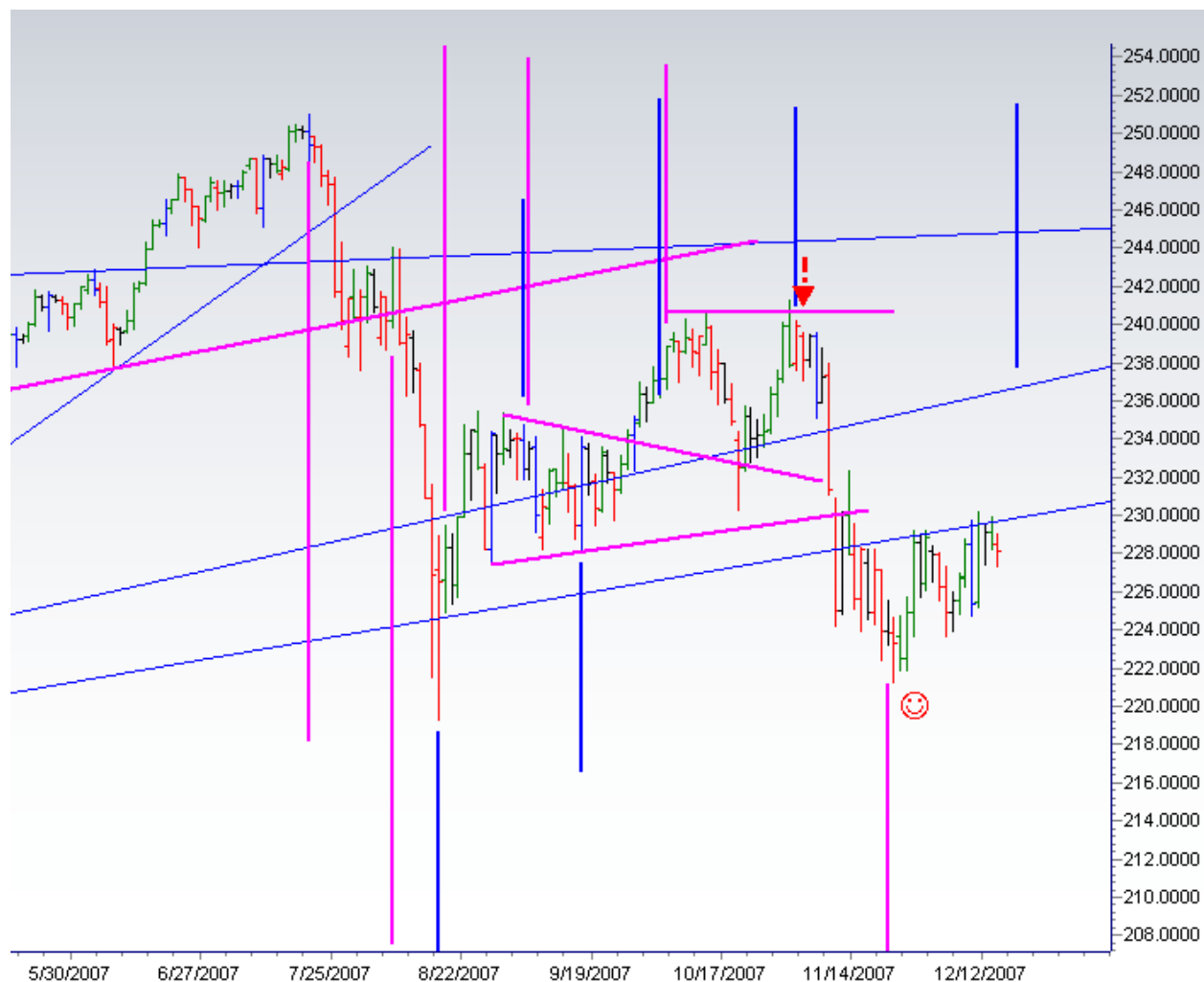


The next chart adds fib counts from the low. There is a cluster at the previous count 34 just mentioned and price rose on the current 21 and went right up to a cluster of the previous 55 and current 34. A good short entry on the potential Ross Hook? Not according to the plan. Time + Support/Resistance or no trade. There is no immediate discernable resistance so no trade despite the cluster. If price drops and doesn't pull back, the plan will pick up the move below the consolidation. So there's no need to fret missing some of the move if it plays out that way. Plan the trade, trade the plan.



The chart below shows that the cluster ended up being one of those rare instances when the time marks meant nothing. At the end of the article I'll show how there was a different cycle of time that was taking precedence that picked the turn bang on and how there was hidden resistance. None the less, the pattern ended up playing right into the plan for a great setup. A double top type pull back right at time and right at resistance of the 1st camel hump. As a double check, I like to bring up an oscillator to check for divergence and sure enough there is negative divergence. If this were baseball we'd be staring at a hanging curve ball. Swing for the fences.

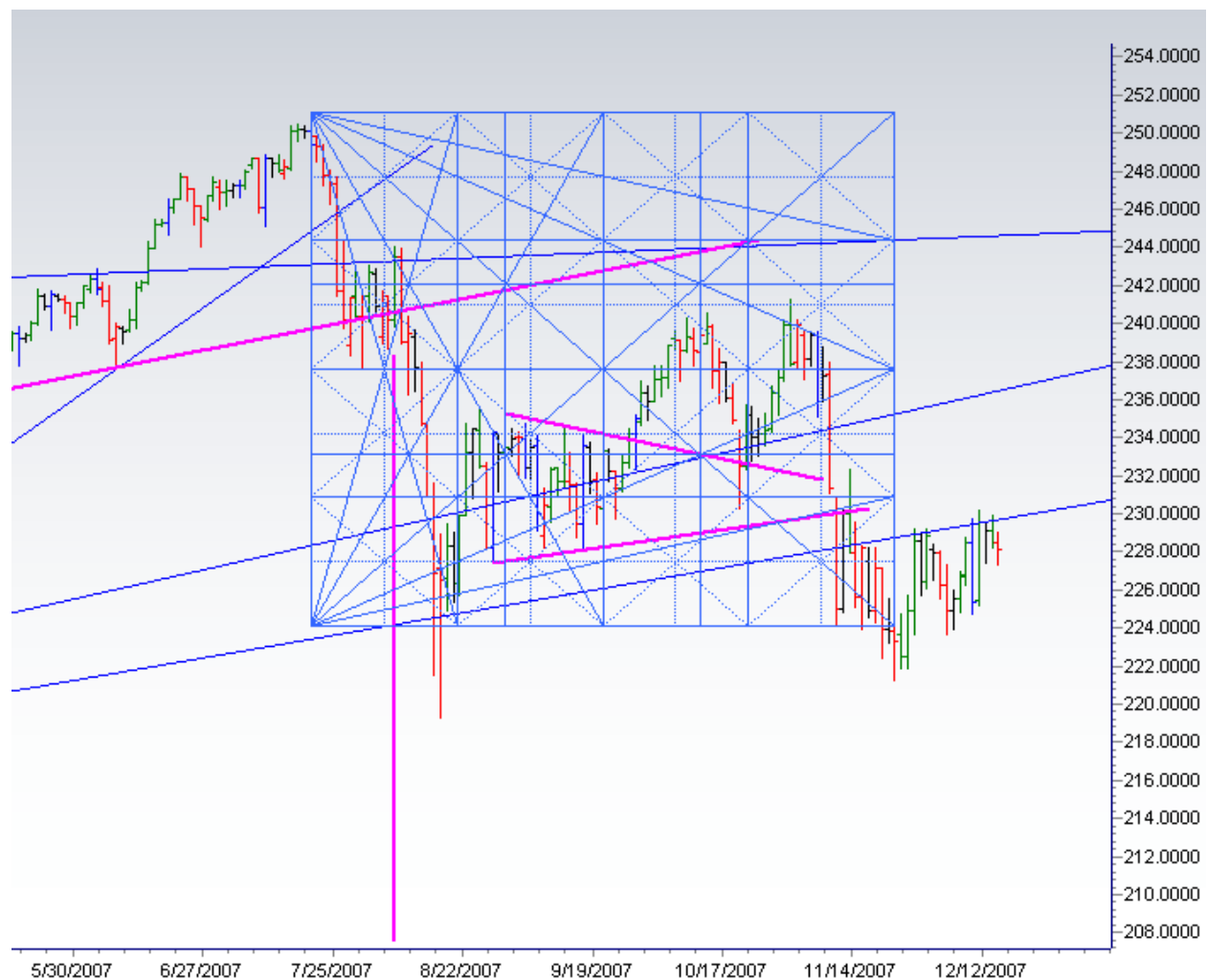




Going and gone. A good trade is only as good as the exit and price moved down straight into time for a no brainer exit. By sticking to the plan an opportunity for a better entry than the cluster area presented itself. One of my favorite mantras is this: Trading time is not about predicting the future. It's knowing when the future has arrived and risking accordingly.

This is also a good time to explain the cycle mentioned above that would have picked up that 1st camel hump. A Gann Square of 90 applied shows that price moved the full square and our exit was the termination of the square right at time. It also shows that the 1st camel hump peaked at 2/3's range of time and 3/8's of price falling down and

squaring perfect just shy of 3/4's of time and 3/4's of price. The 1x2 angle coming off of the top also acted as additional resistance for our entry on the 2nd hump.



In the 3rd and final installment of the series I'll go into some Gann type bar counts that can be added to the fibs without the need to break out a Square of 90 overlay or a Square of Nine chart. Until then, happy trading.

