

3 Day Cycle Deep Dive

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Step 1: Categorize the trade (THESE ARE 3 COMPLETELY DIFFERENT THINGS!!!!!!!!!!!!)

1. 3 Day Setup = Using Signal Days

- a. 3 Days of Previous days high/low (AKA Day 1,2,3 Breakout traders)
- b. Inside Day
- c. First Red Day
- d. First Green Day

2. Day Count (Weekly Template AKA Day 1=Monday Day 2=Tuesday Day 3=Wednesday)

- a. Opening Range (Monday)
- b. Initial Balance (Tuesday)
- c. Wednesday (Day 3)

3. 3 Day Cycle (False break high/low of the week) Initiate Day 1

- a. Used in combination with previous 2 categories in order to find larger moves in the market
- b. Day 1=false break day
- c. Day 2=Trend day/Unidirectional moves
- d. Day 3= Reversal OR Parabolic/Capitulation style trend trades

What is the 3 Day Cycle?

- Recurring Market Cycle, that when identified, can be the groundwork of a Trade Setup.
- Consists of 3 days.
- Begins with a false break at the current weeks high/low.



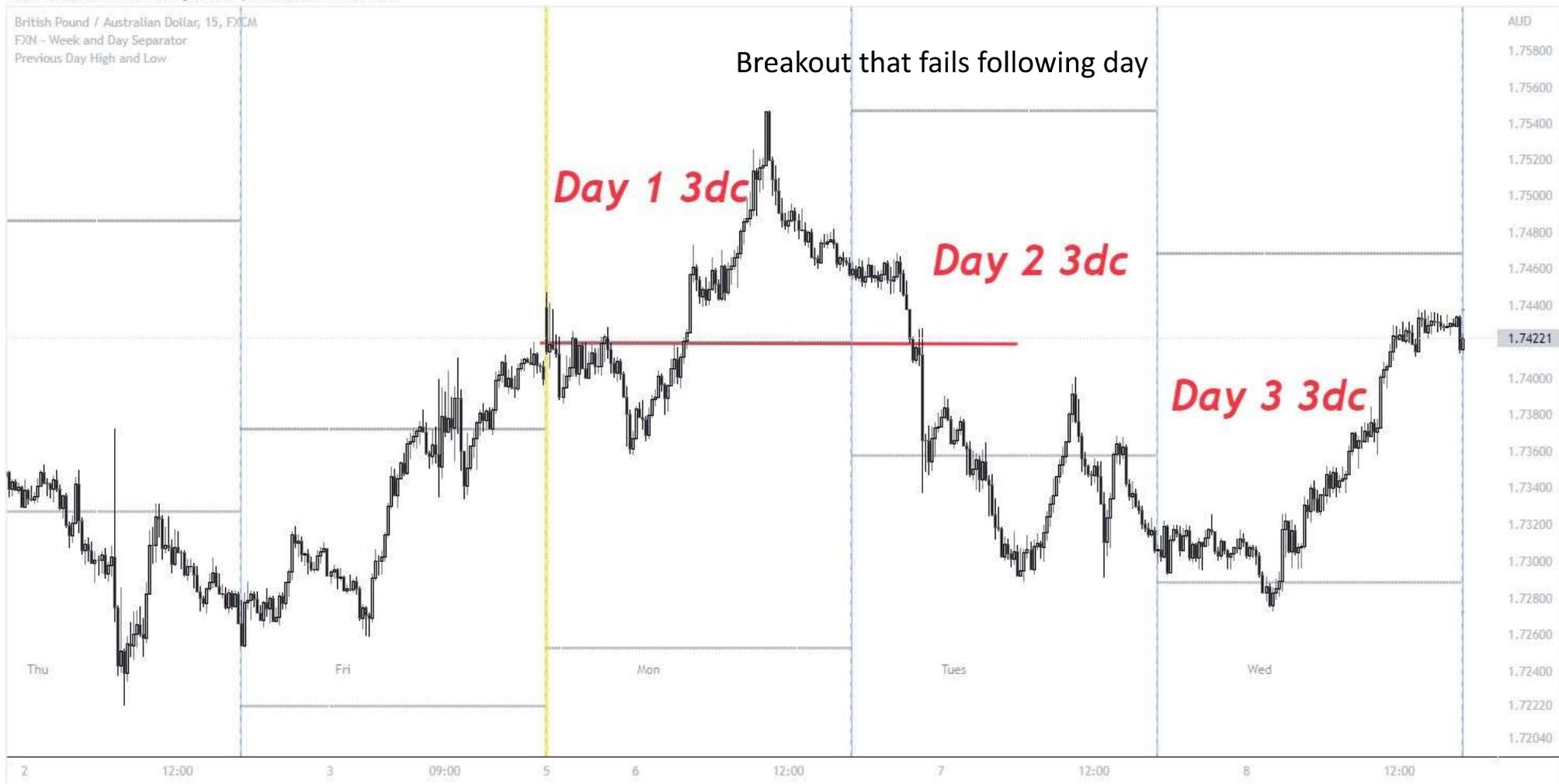
Finding Day 1

False Break Above Or Below A Previous Days High/Low AT THE HIGH OR LOW OF THE WEEK.

Attributes:

1. Breaks Below/Above Previous Days High or Low at the high of the week, and the day closes back inside of previous days range.
 - a. Sub Variation: Breaks through previous days level and days closes above/below that level. The following day, price comes back inside of the the range from 2 days ago and closes.
2. Can become a First Green Day or First Red Day (Signal for following day).
3. Day 3 **sometimes** turns into Day 1 at the close of the day.

British Pound / Australian Dollar, 15, FXCM
FXN - Week and Day Separator
Previous Day High and Low



U.S. Dollar / Canadian Dollar, 15, OANDA
FXN - Week and Day Separator
Previous Day High and Low



Day 2 of 3 Day Cycle

Attributes:

1. Continuation in direction of false break.
2. Can turn into..
 - a. FGD
 - b. FRD
 - c. Inside Day
 - d. Trend Day

Areas of Interest:

1. HOD/LOD
2. HOS/LOS
3. OR/IB (Was there a false break?) (Act as support/resistance)
4. Low Bear/High Bull (Support/Resistance)

Day 2 Trade Setups:

- Long/Short Squeeze
- Parabolic Trend Trade
- HOD/LOD Trade
- HOS/LOS Trade
- LHF Continuation (Trend Trade)

Method:

1. Support/Resistance References:
 - a. Low Bear/High Bull
 - b. Previous Days High/Low
 - c. HOD/LOD
2. Measure 3 Levels of rise/fall from Low/High of day for potential strike zone.
3. Use Support/Resistance References as additional confluence

Day 3

Attributes:

1. Last Day of the cycle
2. Can a lot of times turn into day 1 either on the current day or the next day.
3. Either a blow off day (Direction of trend) or a reversal day.

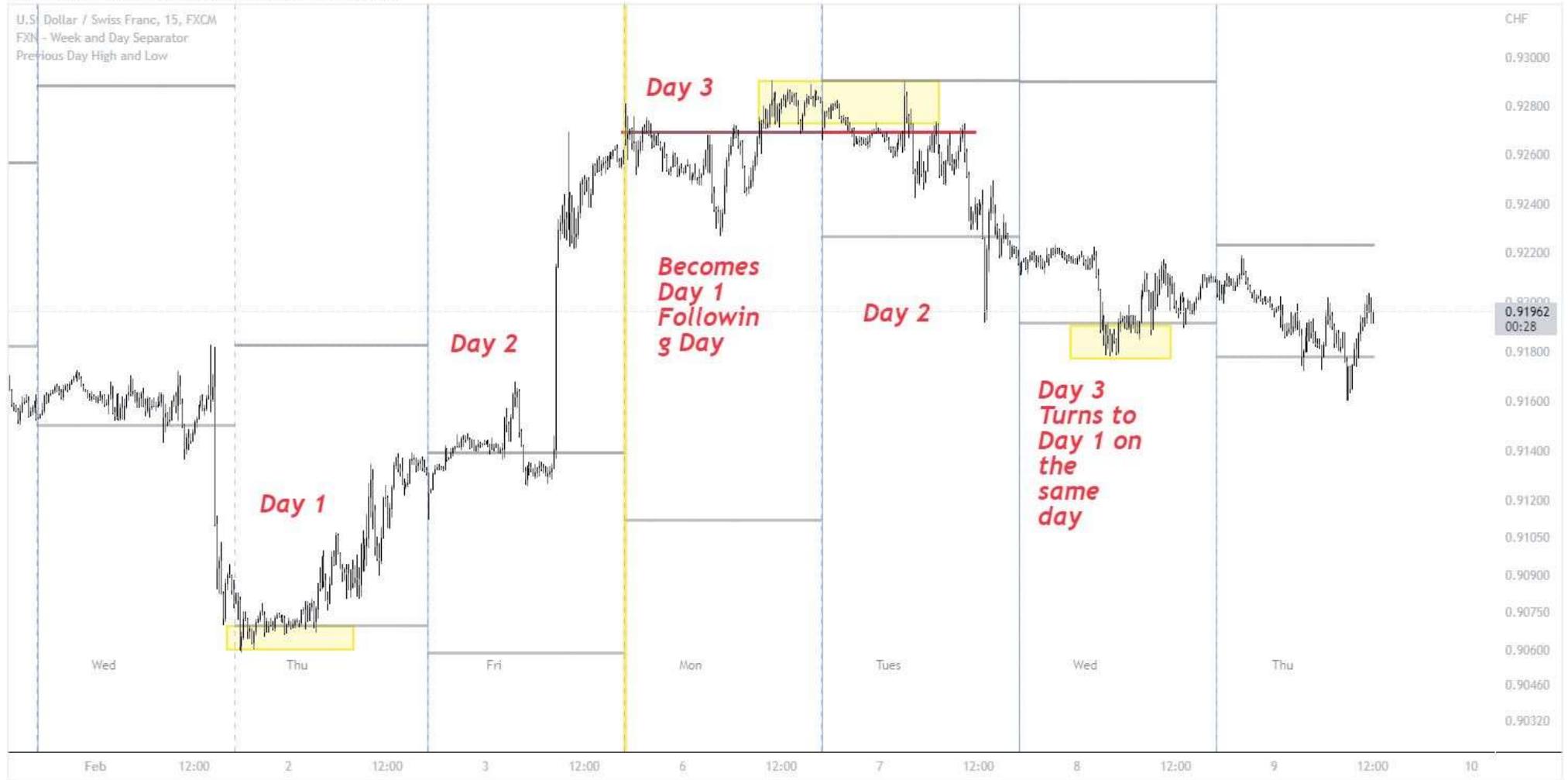
Trade Setups:

1. Parabolic/Capitulation Trend
2. Reversal HOW/LOW
3. LHF Continuation (Trend Trade)

Areas of Interest:

1. Low/High of week
2. Previous Days High/Low (Support/Resistance/Trapped Volume)
3. High/Low Of Day
4. High Bull/Low Bear (Support Resistance)
5. OR/IB

U.S. Dollar / Swiss Franc, 15, FXCM
FXN - Week and Day Separator
Previous Day High and Low



U.S. Dollar / Japanese Yen, 15, OANDA
FXN - Week and Day Separator
Previous Day High and Low



U.S. Dollar / Canadian Dollar, 15, FXCM
FXN - Week and Day Separator
Previous Day High and Low



**Day 3
Reversal
Day 3
Turns to
Day 1**

Watch for resets!

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Us Crude Oil CFD, 15, FOREXCOM
FXN - Week and Day Separator
Previous Day High and Low



Dow Jones Industrial Average Index, 15, CURRENCYCOM
FXN - Week and Day Separator
Previous Day High and Low



FULL CYCLE EXAMPLES

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Us Crude Oil CFD, 15, FOREXCOM
FXN - Week and Day Separator,
Previous Day High and Low

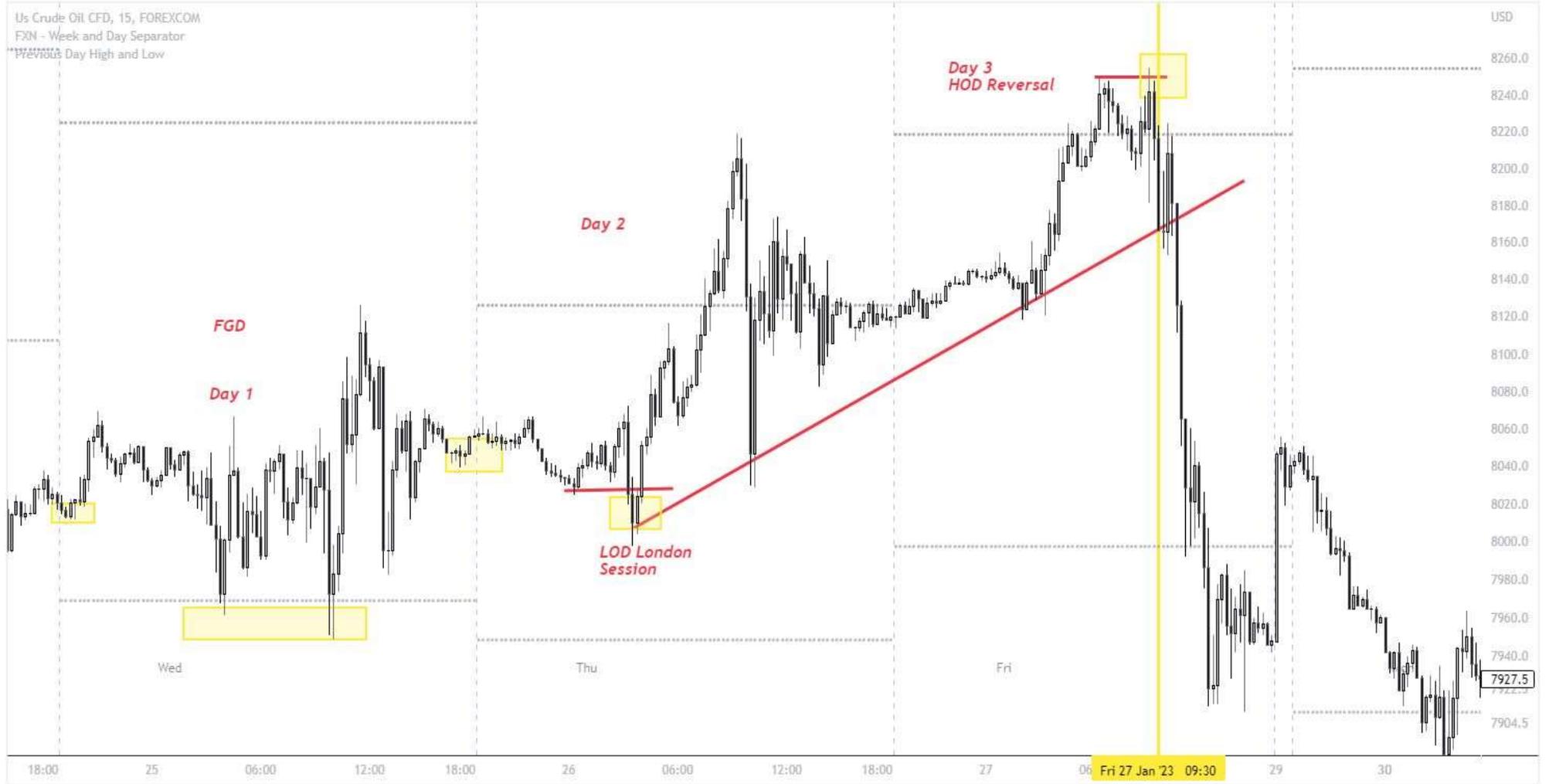


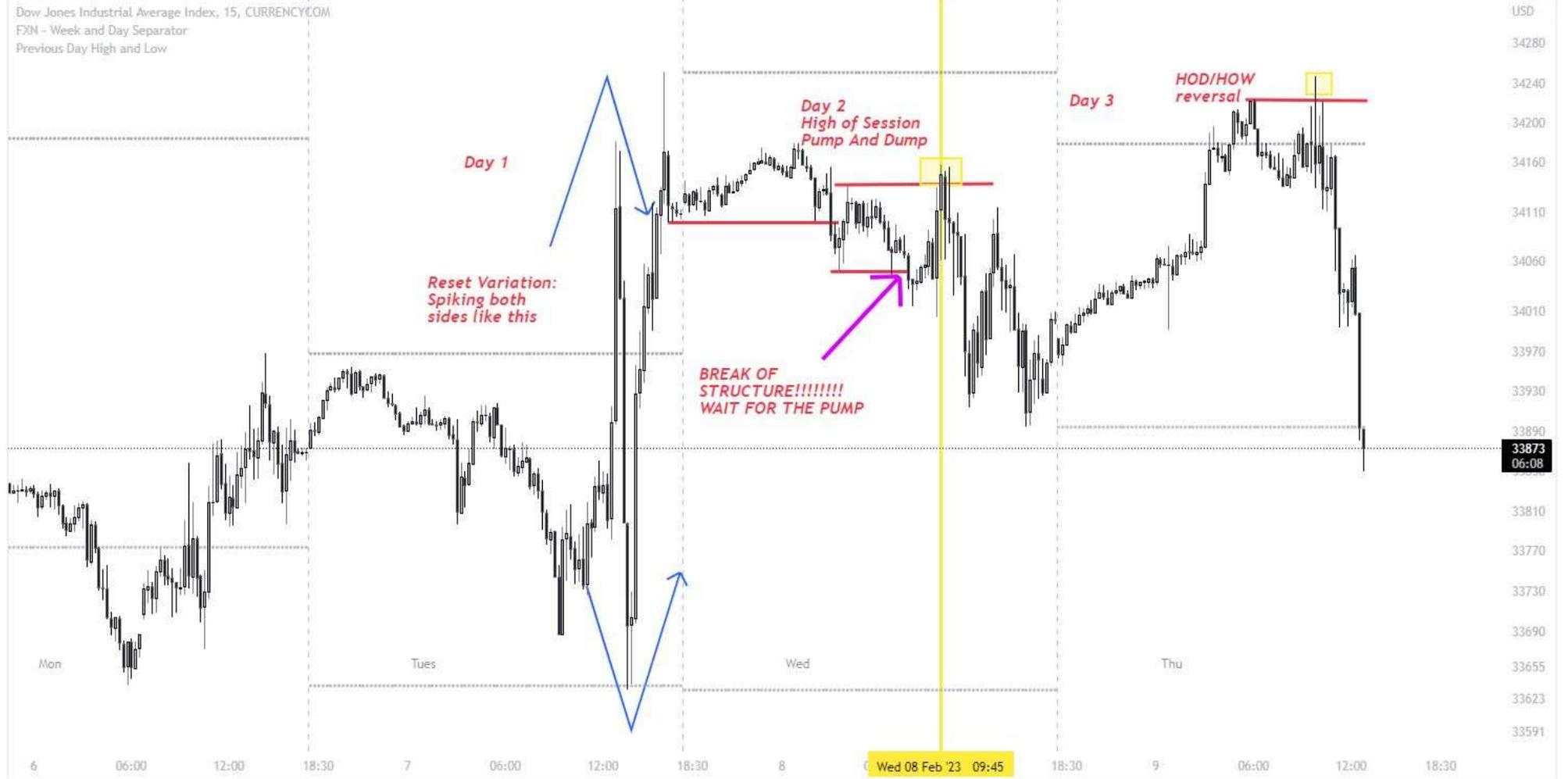
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Us Crude Oil CFD, 15, FOREX.COM
FXN - Week and Day Separator
Previous Day High and Low



Us Crude Oil CFD, 15, FOREXCOM
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**Previous Day High and Low





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