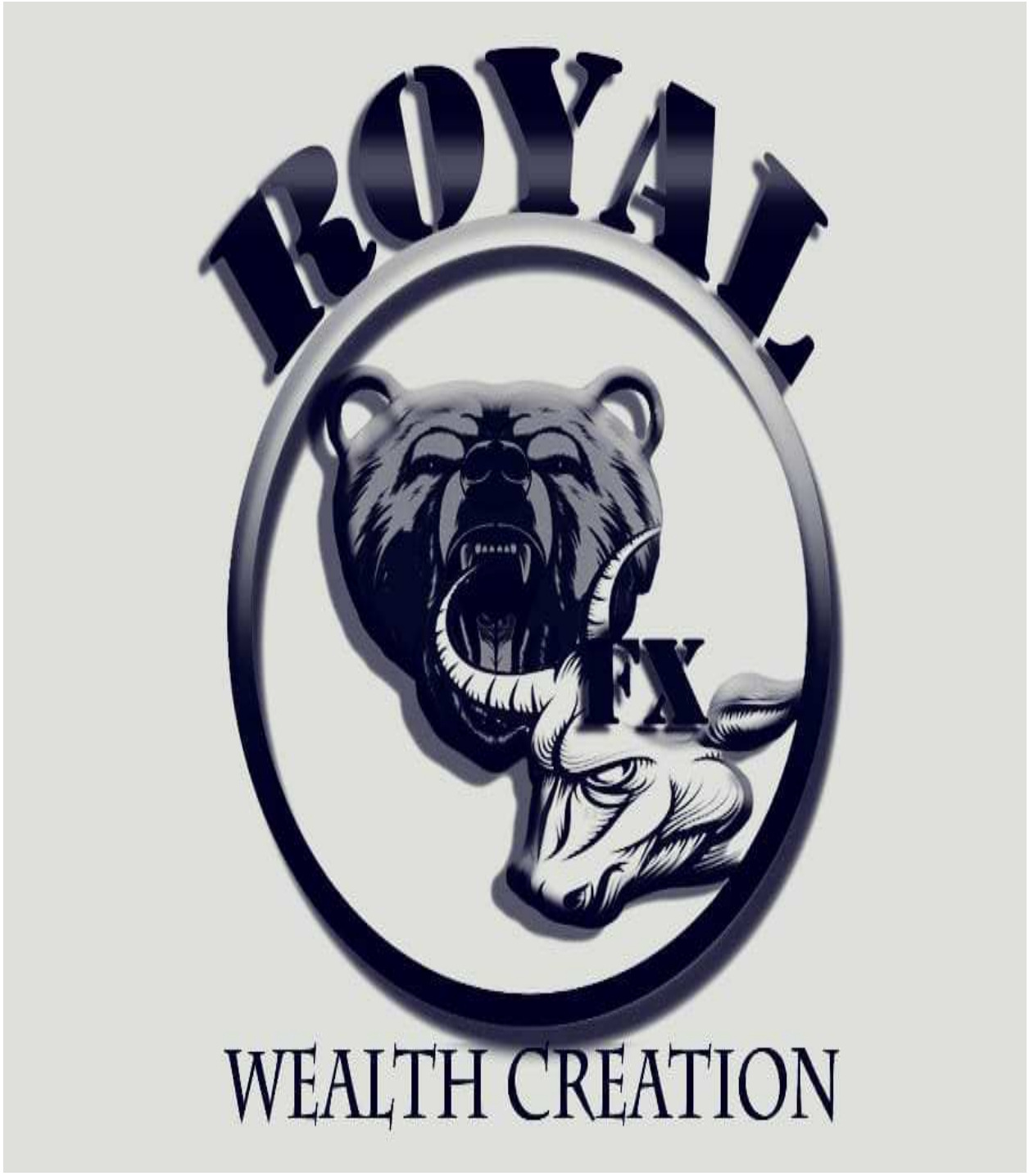
NASDAQ TRADING STRATEGY



BY THABANG LEBESE

WHAT IS NASDAQ?

NASDAQ IS A GLOBAL ELECTRONIC MARKETPLACE FOR BUYING AND SELLING SECURITIES ,AS WELL AS THE BENCHMARK INDEX FOR US TECHNOLOGY STOCKS .NASDAQ WAS CREATED BY THE NATIONAL ASSOCIATION OF SECURITIES DEALERS(NASD) TO ENABLE INVESTOR TO TRADE SECURITIES ON A COMPUTERIZED,SPEEDY AND TRANSPARENT SYSTEM ,AND COMMENCED OPERATIONS 0N FEBRUARY 8,1971. THE TERM NASDAQ ISALSO USED TO REFER TO NASDAQ COMPOSITE,AN INDEXOF MORE THAN 3,000 STOCKS LISTED ON THE NASDAQ EXCHANGE THAT INCLUDES THE WORLD'S FOREMOST TECHNOLOGY AND BIOTECH GIANTS SUCH AS APPLE,GOOGLE,MICROSOFT,ORACLE,AMAZON,INTEL AND AMGEN .

OTHERS NAMES FOR NASDAQ

- **NAS100**
- **US100**
- **NASDAQ100**
- **US100CASH**

THE STRATEGY

- **TREND DIRECTION**
- **V – PATTERN AND INVERSE**
- **Z – PATTERN**
- **SUPPORT AND RESISTANCE**

FOLLOW THE RULES OF THIS STRATEGY AND YOU SHALL NEVER GO WRONG*

STRATEGY REQUIREMENT

- **BROKER THAT OFFERS NASDAQ.**
- **BROKER THAT ALLOWS YOU TO TRADE NASDAQ WITH 0.01 LOTS**
- **LEVERAGE 1.500 NOT MORE THAN THIS.**
- **EQUITY OF ABOUT $500 AND ABOVE**
- **TAKE TRADES ONLY ON H1**

RECOMMENDED BROKERS

- **PEPPERSTONE**
- **OANDA**
- **AVATRADE**

NASDAQ TRADING STRATEGY

HOW TO IDENTIFY THE TREND DIRECTION

THIS IS THE MOST CHALLENGING THING IN TRADING, TO IDENTIFY WHERE THE MARKET IS GOING. I WON'T GO IN MUCH DETAILS WITH THIS AS THERE ARE MANY WAYS TO IDENTIFY THE DIRECTION OF THE MARKET. TREND DIRECTION SIMPLY MEANS THE DIRECTION OF THE MARKET, WHERE IS THE MARKET GOING. IS IT AN UPTREND OR A DOWN TREND? THIS IS THE CHALLENGING PART IN TRADING.
BUT I WILL TRY TO SIMPLIFY THINGS FOR YOU. THE ARE MANY WAYS TO IDENTIFY THE TREND OF THE MARKET, I MOSTLY USE ADVANCED PRICE ACTION FOR THAT WHICH TAKES TIME TO LEARN, THAT BUT IN THIS BOOK, I WILL REPLACE THE PRICE ACTION WITH TWO EXPONENTIAL MOVING AVERAGES TO MAKE THINGS EASIER FOR YOU. SINCE THIS IS A DAY TRADING STRATEGY FOR NASDAQ, WE WILL LOOK FOR TREND DIRECTION ON OUR H1 CHART.

• EXPONENTIAL MOVING AVERAGES

WE WILL USE THESE TWO MOVING AVERAGES:

- **EMA – 9 PERIOD (BLUE COLOR)**
- **EMA – 18 PERIOD (RED COLOR)**

AFTER SETTING YOUR EMA'S YOUR CHART WILL LOOK LIKE THE ONE BELOW :

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THE ABOVE SHOW YOUR MOVING AVERAGES ON NASDAQ H1 CHARTS ,THE CHART WE USE TO TRADE NASDAQ .

EMA'S BUYING AND SELLING RULES

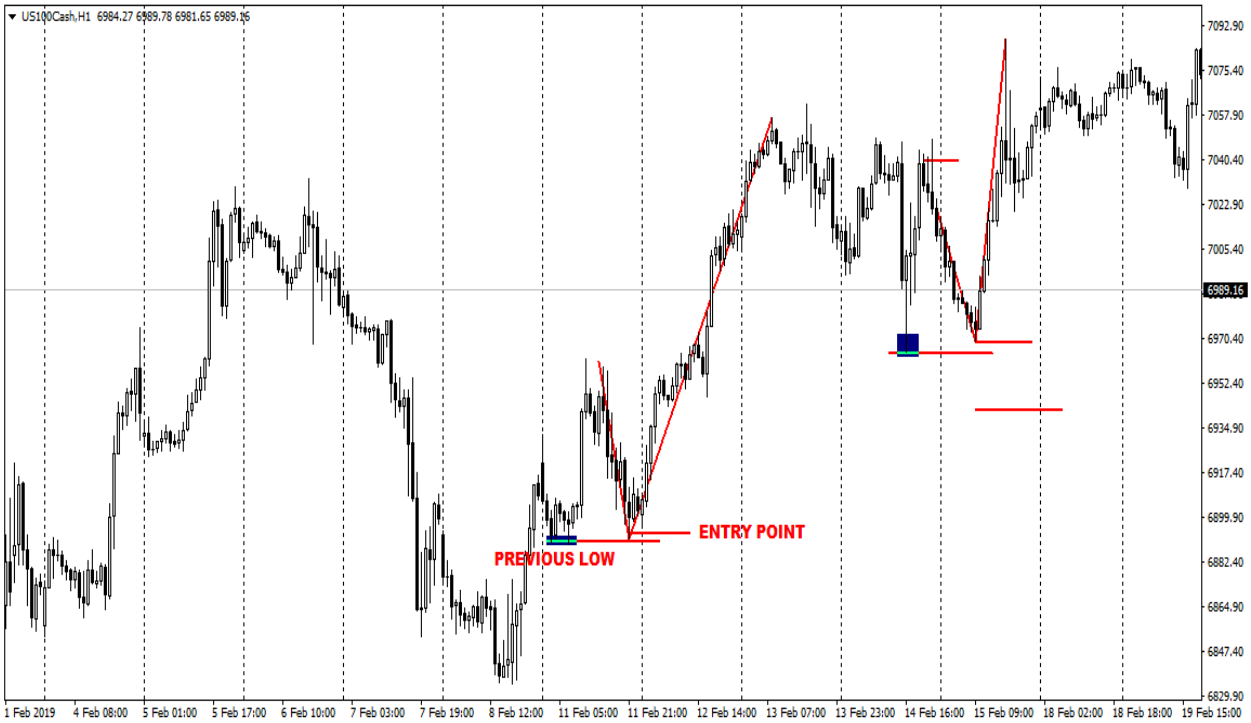
- **TO CONFIRM THE TREND CHANGE FOR BULLISH MARKET , WE WAIT FOR A H4/D1 CANDLESTICK TO CLOSE ABOVE BOTH 9 & 18 EMAS .**
  - **THEN PLACE A BUY ORDER AT H1**
- **TO CONFIRM THE TREND CHANGE FOR BEARISH MARKET, WE WAIT FOR H4 CANDLESTICK TO CLOSE BELOW BOTH 9 & 18 EMAS**
  - **THEN PLACE A SELL ORDER AT H1**

HERE IS AN EXAMPLE :



YOU CAN TRADE EVEN ON H4/D1 THE HIGHER THE TIMEFRAME THE ACCURECY YOUR ANALYSIS . TRADING ON HIGHER TIMEFRAMES INCREASES YOUR POSSIBILITIES OF BEING RIGHT .ALWAYS WAIT FOR CROSSOVERS BEFORE TAKING TRADES .

V PATTERN AND INVERSE



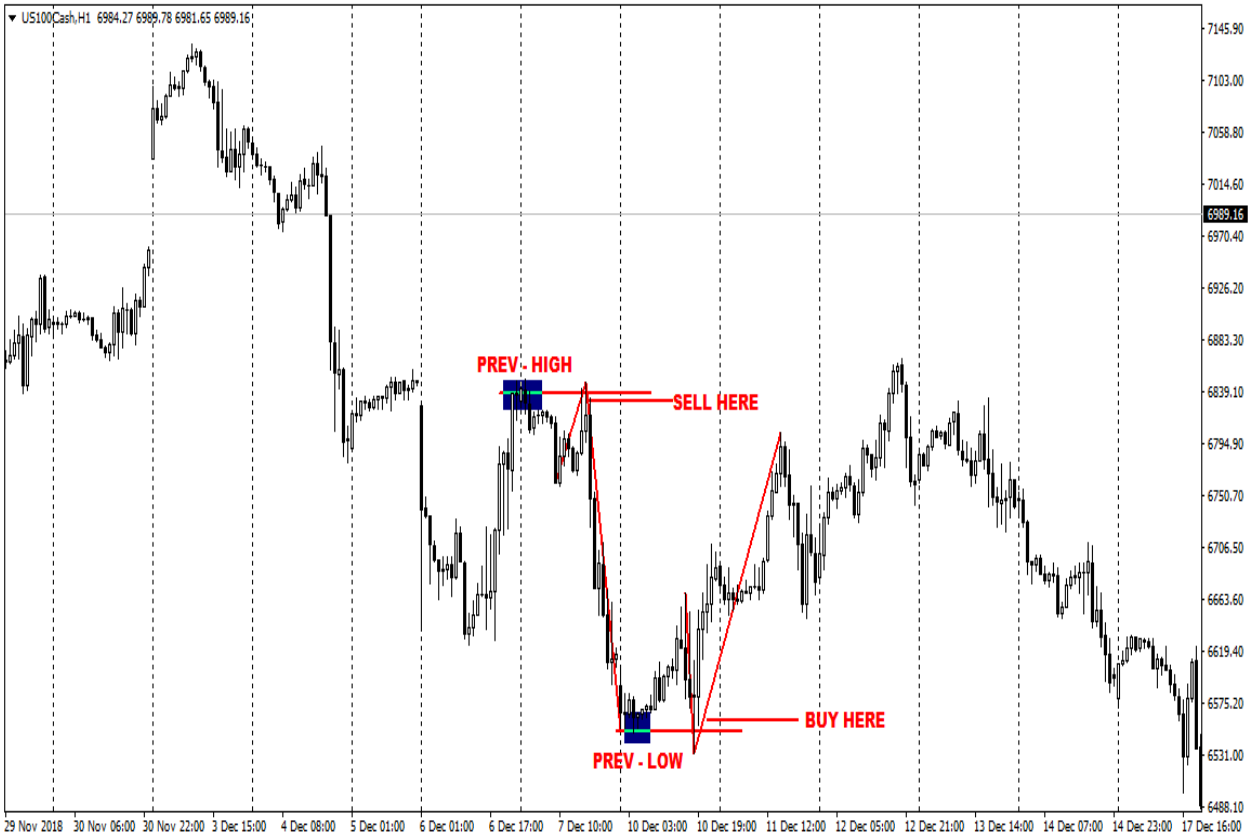
V – PATTERN AND INVERSE RULES

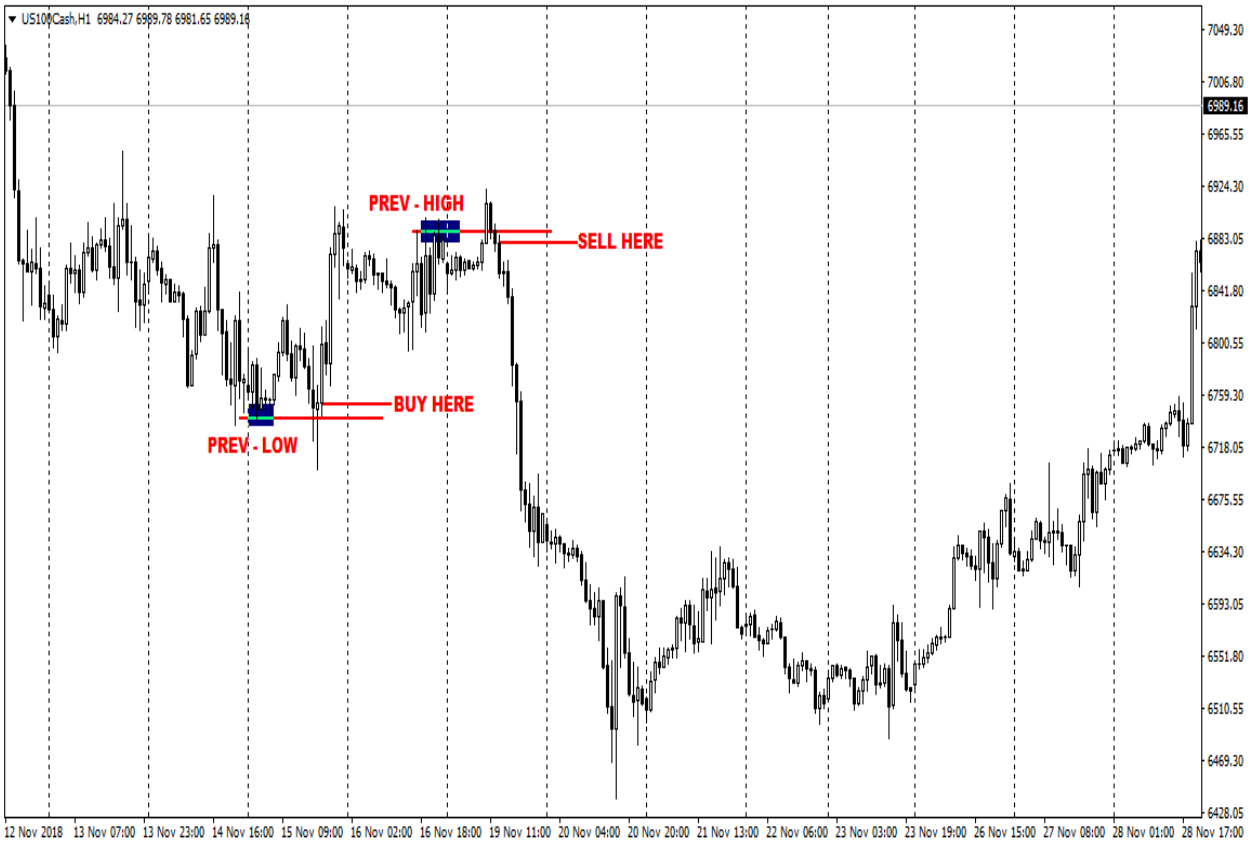
- **THIS IS SOMETHING YOU GONNA DO EACH AND EVERY DAY**
- **WAIT FOR NASDAQ TO PICK A DIRECTION IN A DAY AND THEN COME BACK TO RESPECT THE PREVIOUS LOW/HIGH .**
- **ALWAYS MARK YOUR PREVIOUS LOW/HIGH AND WAIT FOR THE PRICE TO COME AND RETEST BEFORE MOVING UP/DOWN.**
- **ALWAYS WAIT FOR CANDLES TO REJECTS BEFORE TAKING TRADES.**
- **BUY OR SELL ON THE RETEST BECAUSE WILL ALWAYS RESPECT THE PREVIOUS LOW/HIGH.**
- **THE PRICE CAN RESPECT THE PREVIOUS LOW/HIGH BUT AS LONG IS NOT FORMING A V PATTERN OR INVERSE,THAT SET-UP IS INVALID.**

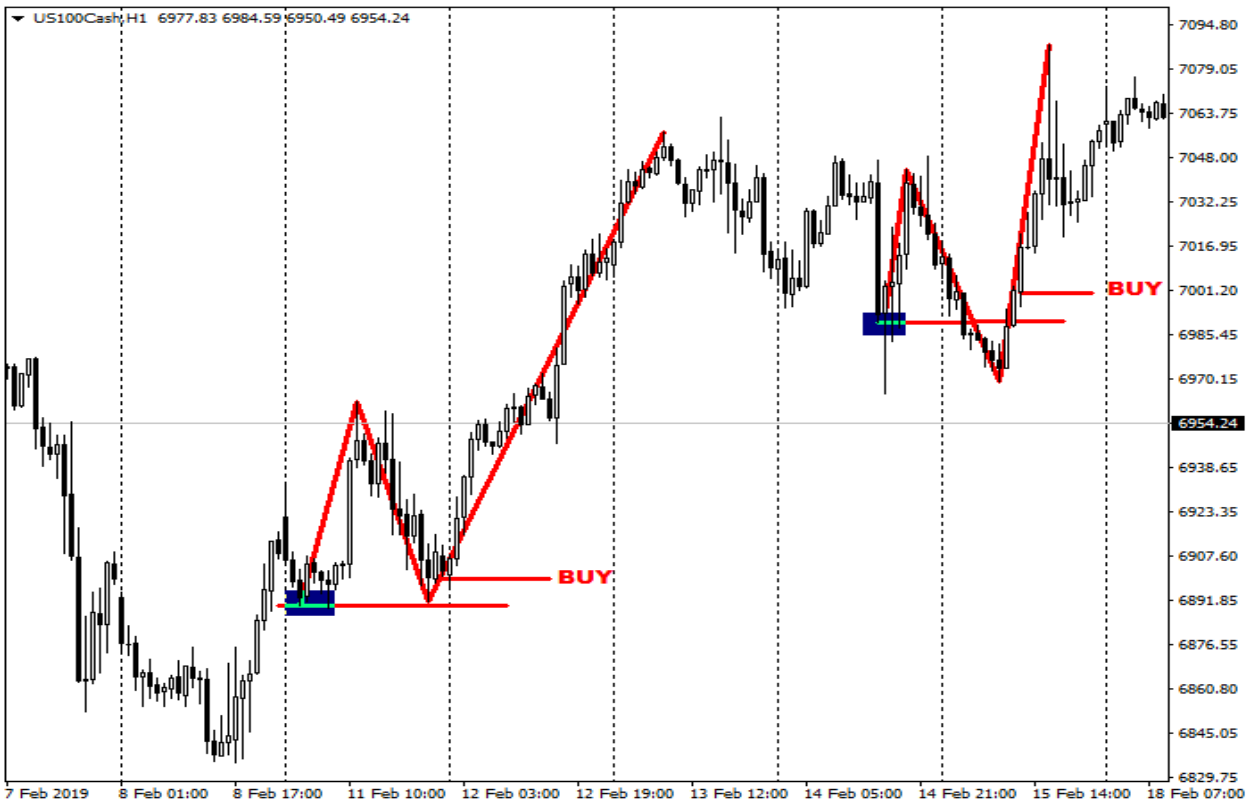
ENTRY RULES

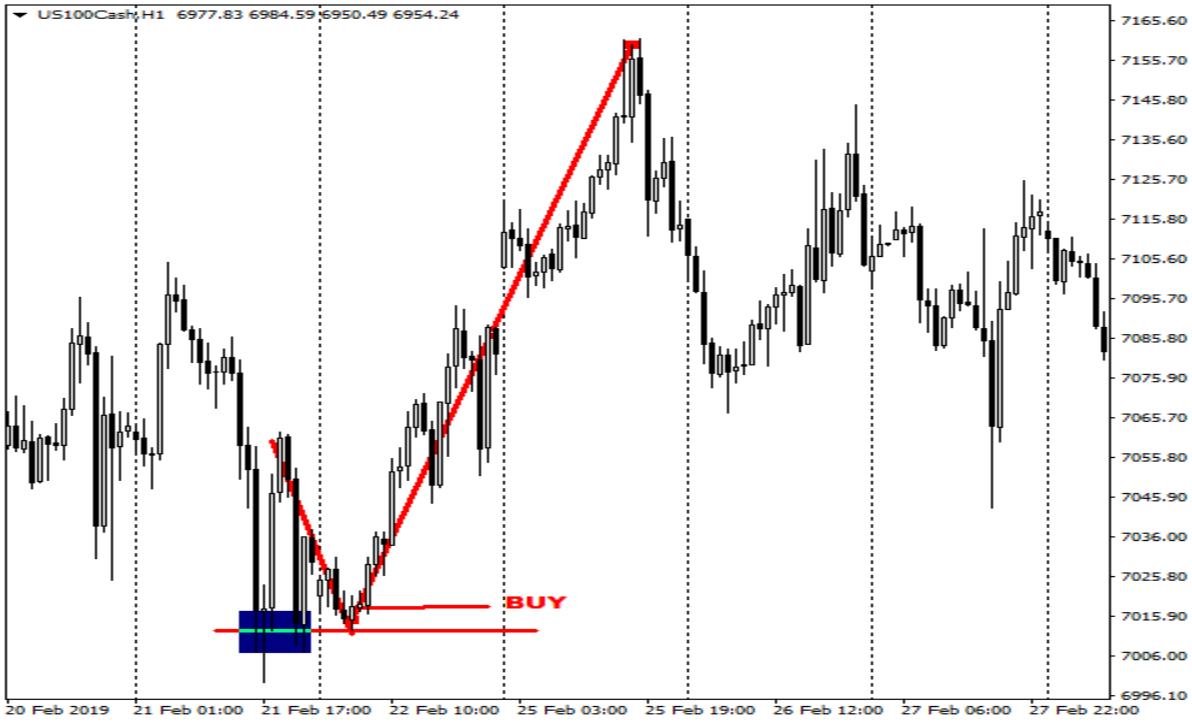
- **ENTER ON THE RETEST.**
- **ALWAYS TARGET PREVIOUS HIGHS AND LOWS FOR TAKE PROFIT AND STOP LOSS.**
- **LET YOUR STOP LOSS BE 100 POINTS AND ABOVE .**

LET'S TAKE A LOOK AT SOME EXAMPLE :


US100Cash,H1 6984.27 6989.78 6981.65 6989.16
PREV - HIGH
SELL HERE
BUY HERE
PREV - LOW
7145.90
7103.00
7058.80
7014.60
6989.16
6970.40
6926.20
6883.30
6839.10
6794.90
6750.70
6706.50
6663.60
6619.40
6575.20
6531.00
6488.10
29 Nov 2018
30 Nov 06:00
30 Nov 22:00
3 Dec 15:00
4 Dec 08:00
5 Dec 01:00
6 Dec 01:00
6 Dec 17:00
7 Dec 10:00
10 Dec 03:00
10 Dec 19:00
11 Dec 12:00
12 Dec 05:00
12 Dec 21:00
13 Dec 14:00
14 Dec 07:00
14 Dec 23:00
17 Dec 16:00

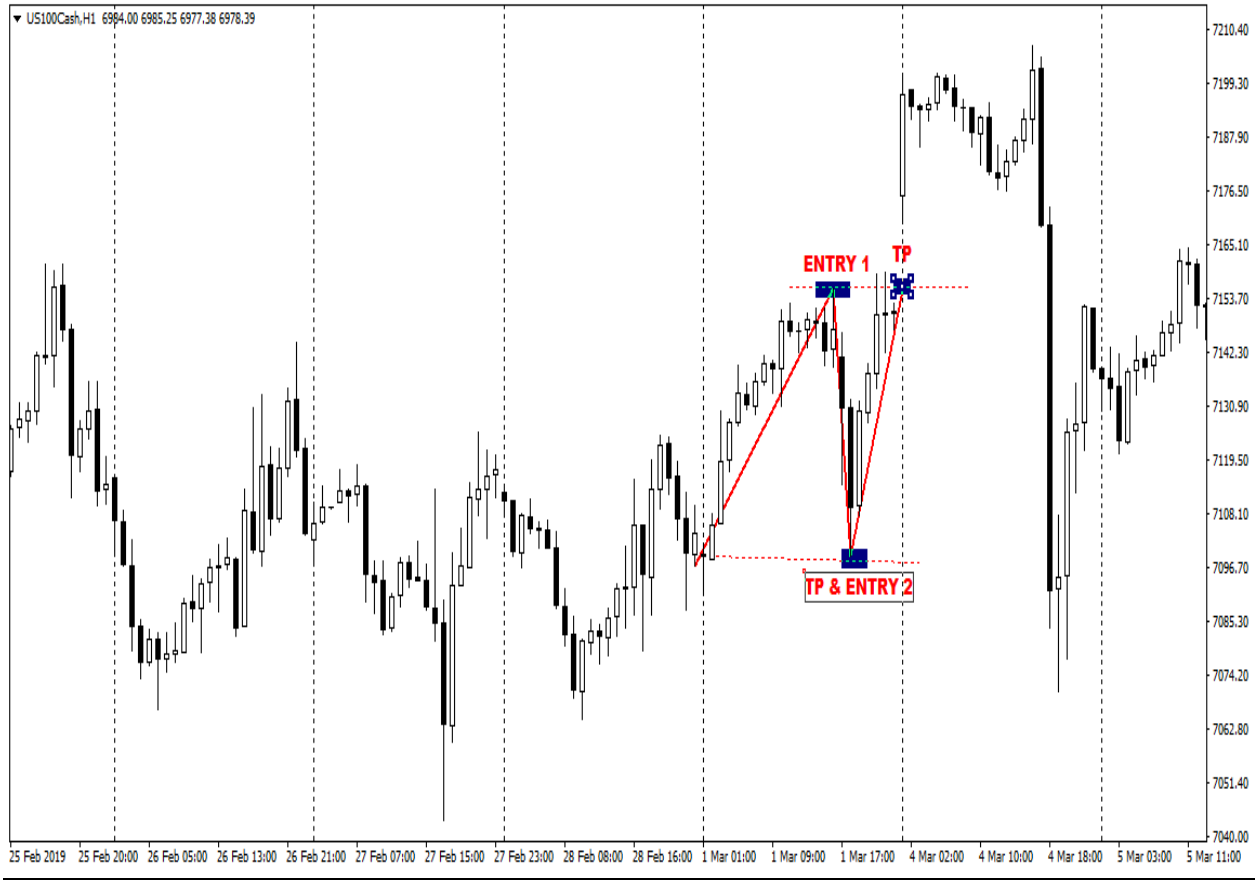

US100Cash,H1 6984.27 6989.78 6981.65 6989.16
PREV - HIGH
SELL HERE
BUY HERE
PREV - LOW
7049.30
7006.80
6989.16
6965.55
6924.30
6883.05
6841.80
6800.55
6759.30
6718.05
6675.55
6634.30
6593.05
6551.80
6510.55
6469.30
6428.05
12 Nov 2018
13 Nov 07:00
13 Nov 23:00
14 Nov 16:00
15 Nov 09:00
16 Nov 02:00
16 Nov 18:00
19 Nov 11:00
20 Nov 04:00
20 Nov 20:00
21 Nov 13:00
22 Nov 06:00
23 Nov 03:00
23 Nov 19:00
26 Nov 15:00
27 Nov 08:00
28 Nov 01:00
28 Nov 17:00





I HOPE IT MAKES SENSE , NOW LET MOVE ON...

Z – PATTERN



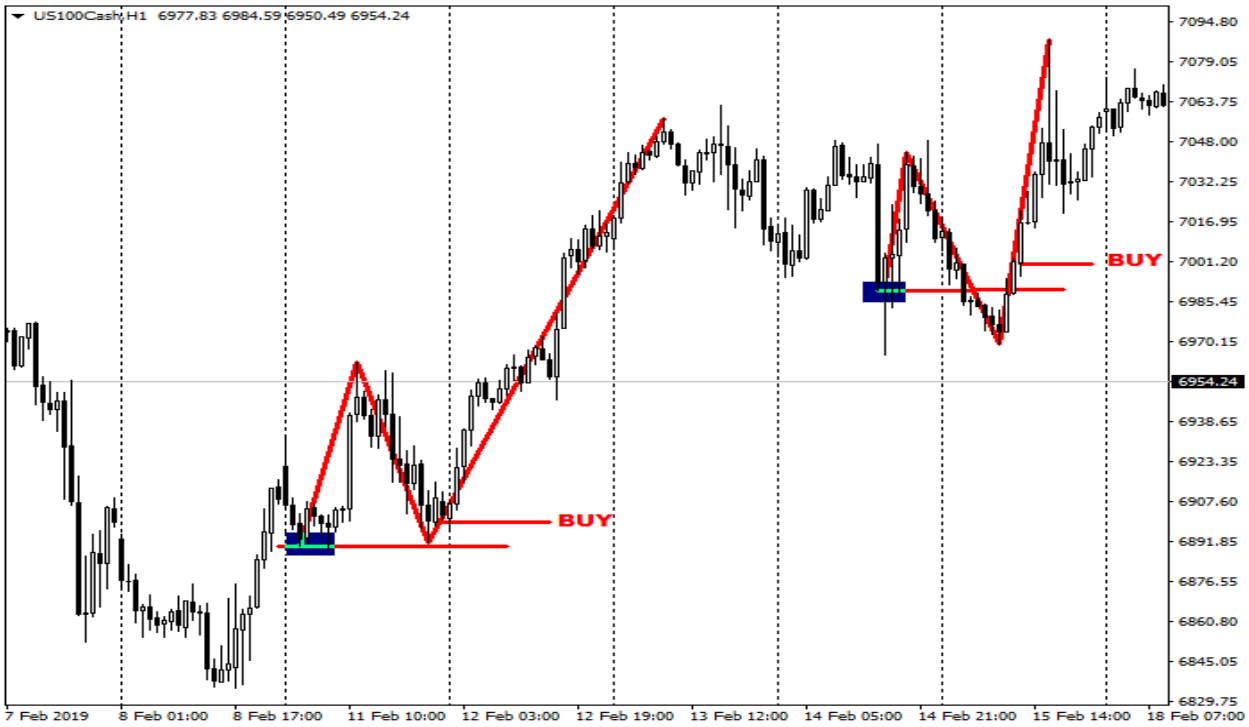
Z – PATTERN RULES

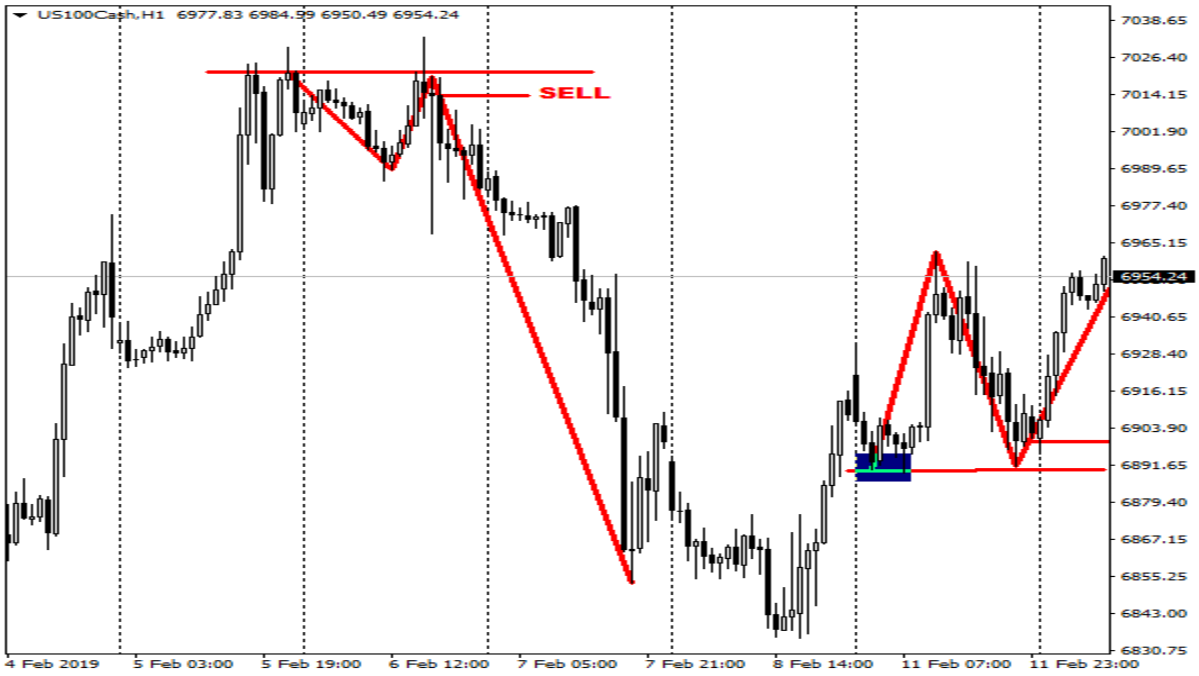
- **WAIT FOR NASDAQ TO PICK A DIRECTION IN A DAY AND THEN REVERSE FORMING A V – SHAPE(INVERSE) AND THEN COMPLETE THE Z PATTERN .**
- **AS IT REVERSES IT WILL RESPECT THE PREVIOUS LOW/HIGH AND SHOT UP/DOWN COMPLETING THE PATTERN.**
- **WAIT FOR IT TO GO UP/DOWN TO RESPECT THE PREVIOUS LOW/HIGH BEFORE TAKING TRADES.**
- **NASDAQ HAS TENDENCY OF PICKING DIRECTION AND THE REVERSE TO RESPECT THE PREVIOUS LOW/HIGH BEFORE MOVING UP/DOWN TILL THE FOLLOWING DAY.**

ENTRY RULES

- **WAIT FOR IT TO PICK A DIRECTION AND SHOW REJECTING CANDLES BEFORE TAKE TRADES**
- **BUY/SELL IMMEDIATELY AFTER RETESTING THE PREVIOUS HIGH OR LOW .**

HERE ARE SOME EXAMPLES :





LOL, YOU MUST BE CONFUSED ,LET ME CLEAR UP THE CONFUSION BUDDY!!!

ALWAYS MARK YOUR PREVIOUS LOWS/HIGHS

PREVIOUS HIGH RESPECTED BY PRICE :



ENTRY

- **FIRST THING YOU DO IS TO MARK YOUR PREVIOUS HIGH.**
- **WAIT FOR THE PRICE TO RETEST ON THE PREVIOUS HIGH.**
- **PLACE YOUR SELL ORDER AND RIDE IT DOWN.**

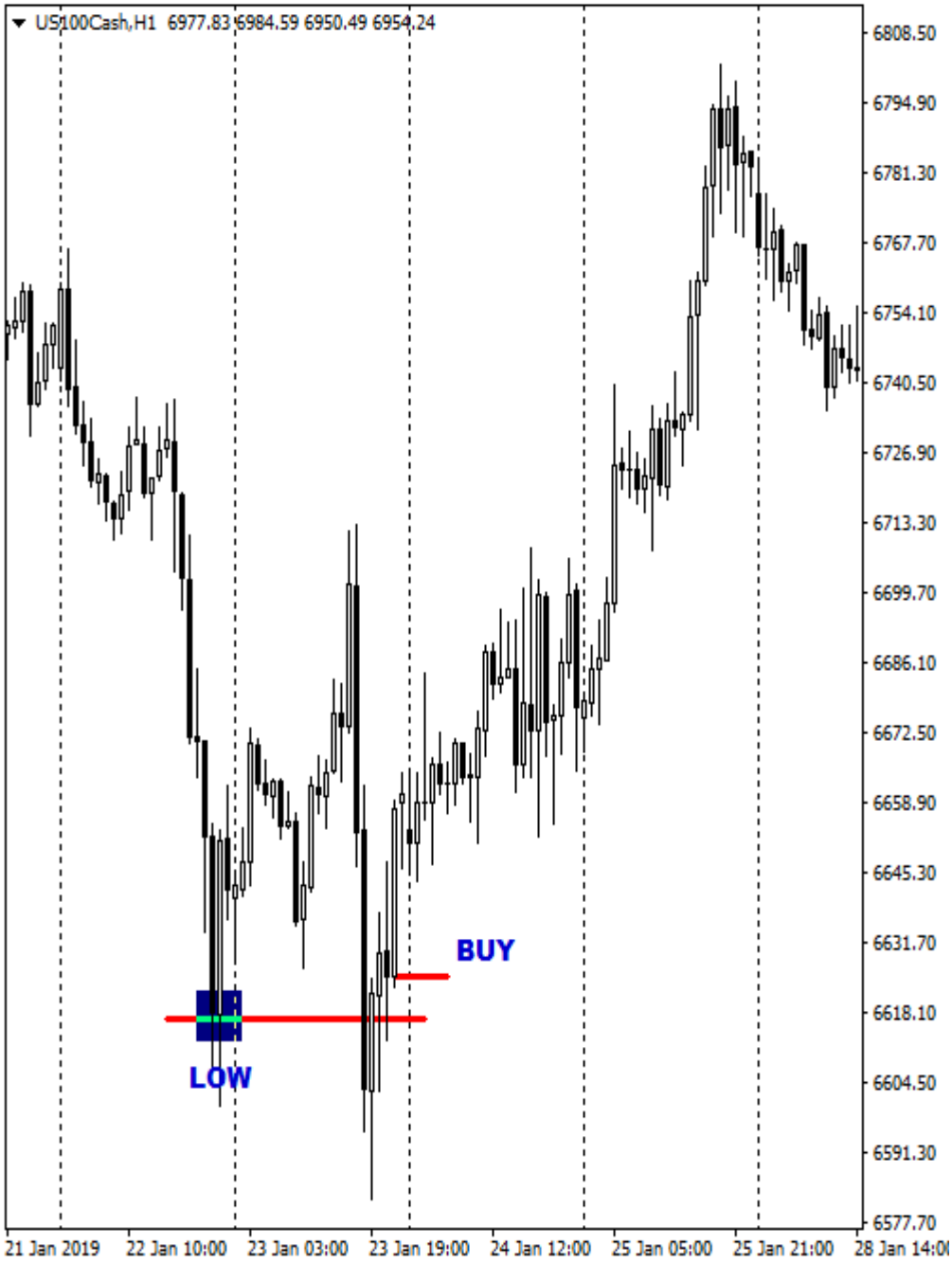
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HERE'S AN EXAMPLE :



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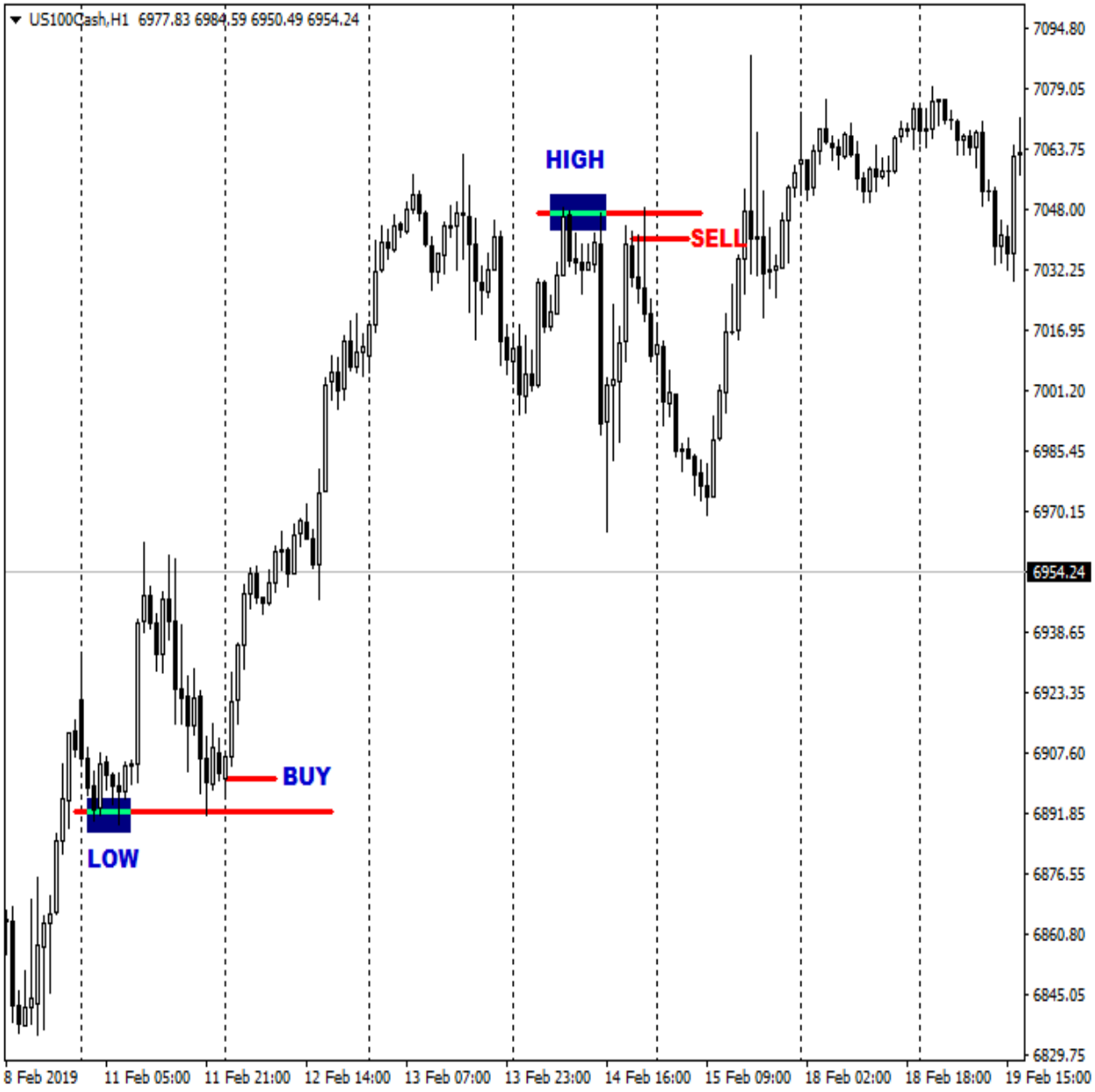
PREVIOUS LOW RESPECTED BY PRICE :



ENTRY

- **FIRST THING YOU DO IS TO MARK YOUR PREVIOUS LOW.**
- **WAIT FOR THE PRICE TO RETEST ON THE PREVIOUS LOW.**
- **PLACE YOUR BUY ORDER AND RIDE IT UP.**

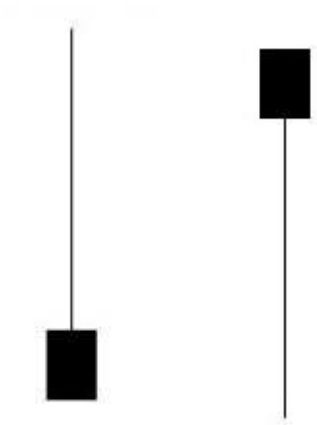
HERE'S AN EXAMPLE :



NASDAQ RETRACE A LOT SO ALWAYS USE STOP LOSS, TO AVOID BLOWING ACCOUNTS IN CASE THE MARKET GOES AGAINST.

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CONFIRMATION



(a) Bearish Reversal Pattern, may be black or white, colour doesn't matter but location

- **A long upper shadow is at least twice of the real body.**
- **Has a small Lower shadow or not at all.**
- **A Shadow formed represent higher prices rejection.**
- **A Black or Red Shooting Star is more bearish than a White or Green one.**
- **The Price will usually trade bellow the real body, therefore it is important to put our Stop Loss few pips above upper shadow.**
- **We look for them at Resistance Level to Sell.**

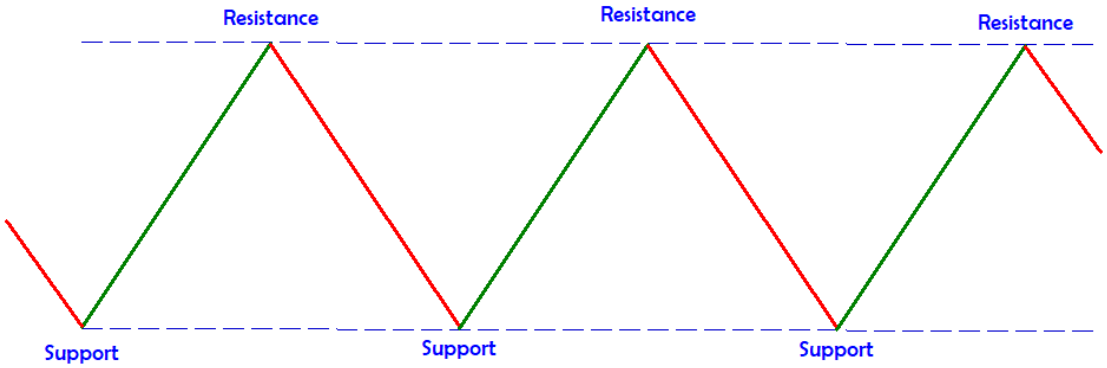
(b) BULLISH REVERSAL

- **Bullish single candle reversal pattern.**
- **Market ideally gaps down to a hammer candle.**
- **Colour may be either red or green.**
- **Lower shadow is at least twice of the real body.**
- **It has a small upper shadow or no shadow at all.**
- **A white hammer is more bullish than a black one, due to the bulls ability to force price close above the opening.**
- **The price usually trade above the hammer making us put our stop a few pips bellow the tail or wick.**
- **WE LOOK FOR THEM AT SUPPORT TO GO LONG**

SUPPORT AND RESISTANCE

SUPPORT AND RESISTANCE

Support and resistance is one of the most widely used concepts in trading, approximately all price action traders depends to it, I per self believes in support and resistance, if the market may make them vanish that is the day I will decide leaving Forex trading. Strangely enough, everyone seems to have their own idea on how you should measure support and resistance.



WITHOUT WASTING TIME

- **WHEN THE FOREX MARKET MOVES UP AND THEN PULL BACK,THE HIGHEST POINT REACHED BEFORE PULLED BACK IS NOW RESISTANCE.**
- **AS THE MARKET CONTINUES UP AGAIN,THE LOWEST POINT REACHED BEFORE IT STARTED BACK IS NOW SUPPORT.**

I know you get something now, think of support and resistance as you are playing a ball in a garage, what happens if the ball hits the wall? It goes and hits opposite wall right, think of it as a you're playing pool and you see a white ball moving, it hits that side, it then comes back and hit this side but if the applied force was too strong we see the white ball jump the walls of the pool, this means that we cannot be in one range of support and resistance. To sum it up S AND R ARE AREAS WHERE THE MARKET OR PRICE TURN, RESISTANCE IS A PEAK AND SUPPORT IS A TROUGH.

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HERE'S SOME EXAMPLES :



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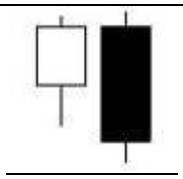
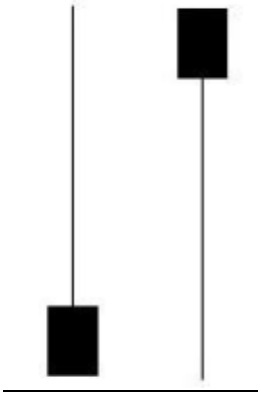
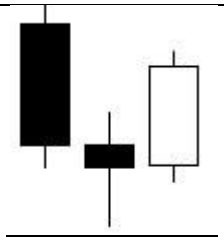
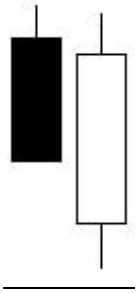
ANOTHER EXAMPLE :



ENTRY RULES

- **WE BUY AT SUPPORT**
- **WE SELL AT RESISTANCE**
- **WE LOOK FOR REJECTING CANDLES AT R&S BEFORE TAKE TRADES.**

CANDLES TO LOOK FOR :

NAMES	SHAPES
DOJI	
Engulfing pattern	
SHOOTING STAR /HAMMER/PINBAR	
MORNING STAR	
PIERCING PATTERN	

FOR MORE CANDLES PLEASE STUDY PRICE ACTION.

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ALL THE BEST BUDDY.....

You have the key, unlock (do something) your wealth, no one will do it for you, put in the hours, put in the effort and you will be rewarded. I would've never notice what I have brought to you if I didn't put in the effort and I want you to do the same, the world is governed by principles and it rewards those who work.GOOD LUCK!!!

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