



\$harpeCoach

\$harpeCoach 33 Day Intensive

Lesson Plan – Day 1

Objectives for Session:

- Review potential curriculum for the course – give high level view of material and where we are going
- Agree on objectives for next 33 days (Discussion on tools and Data)
- Review SharpeCoach Book and how it works
- Understand how to organize time networks
- Understand concept of logic in creating price bars
- Understand the concept of the Initial Balance Period
- Understand influence of Higher Timeframes on Lower Timeframes
- Understand how Highs/Lows form on Lower Timeframes first and roll out to Higher Timeframes

Charts to Review:


- Screenshot of Highs and Lows
- Build chart from scratch
- CFW Class on Bar Formation – Weekly-Daily
- Different IBP Charts
- CFW Charts

Lesson Plan – Day 1

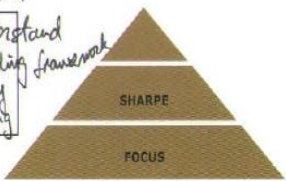
- **\$harpeCoach Focus Book**
 - Purpose of the Book is to create a result for an intense period of focus (26 Day) and then map out and track our progress over the 26 Days
 - **Step One – Create the Result Statement**
 - Should have a date of completion
 - Should be worded as if the Result is already completed
 - Should state the outcome in a concise manner that is memorable
 - Should be actionable – Statement should state or imply some sort of action that leads to the Result

- **Examples:**
 - By January 26, 2018 I am so thankful that I now have a solid foundation from which I understand markets using different timeframes volume validation.
 - By January 26, 2018 I am grateful that I led my students to deep understanding of how to evaluate markets that will serve them indefinitely into the future.
 - By March 23, 2018, I am very grateful that I understand Chuck's trading method and am prepared to start using it in my trading.
- **Write the Result Statement at the beginning of every day in the book at the top of the page**
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- **Step Two – Identify 5 Steps you will take everyday to move you to your Result Statement and why (purpose) they are important to do so**
 - 5 Steps a day insures massive action on a Daily basis towards your Result
 - The Why is important. Purpose is the driver of our lives. Purpose explains to the brain why it is important to complete the step. As a result, our brain will be more motivated to step out and complete the Step
- **Step Three – Sign the Focus Book in the morning after writing the Result Statement and identifying key steps for the day and their purpose.**
- **Step Four – Record the Evidence of your \$harpeFocus for the day**
 - List out 3 steps you took today to move you toward your Result
 - List out the next step for each step completed today.
 - If you completed an area of focus, what is the next area of focus to begin on?
- **Step Five – List your observations for the day**
 - These maybe:
 - How well you thought you did
 - Challenges you had for the day
 - What you learned
- **Every day you complete these Five Steps, you are building massive momentum that is accelerating your learning curve.**

• **SharpeCoach Focus Book Daily Entry Example:**

FOCUS  It's Sep 2018, the 25th and I am very grateful that I deeply understand Clude's market analysis and trading framework and am ready to use it in my manual and automated trading.

DAY 6 Sep 06, 2018




A.M. BRIEFING **P.M. DEBRIEF**

Here's how I take it to the SharpeEdge today:

1.	Review lesson 4 and also take a look at the topics from lesson 5, not done yet. At least 30 minutes	Deepen the understanding
2a	Relaxation session (10 or 30') in the afternoon	Create the sustainable also schedule that my intuition keeps telling me that I need.
2b	Go to bed at 10:00 PM (instead of 10:30 PM)	
3	Do the homework, send it to Clude by 6:00 PM work at least 1h on it. (fill up if needed)	Deepen the understanding (in alignment with my Results Statement)
4.	Revise trading Plan	Continuous improvement of it, so that I can take trades (paper or real) based on it.
5.	Fully participate in tonight's class	Deepen the understanding.

I reaffirm my personal resolve to dig deep, push hard and SharpeFocus for 21 days.


Signature of Commitment

Evidence of my SharpeFocus included:

1.	Spent more than 30', & I think the pieces of the puzzle clicked in place...	1. Focus on applying the knowledge on charts, to deepen the learning.
2a.	Did a 10' session at 5:00 PM, just enough & in time	2a. Keep doing it for at least the period this class takes (Hill Sep 2x)
2b.	On track to GTB @ 10:15, not 10:00. Still OK	2b. This would be a great achievement, not done except when I get sick.
3.	Homework sent @ 6:00 PM	3. Keep this pace / schedule
4.	Skipped this today, and instead spent more time reviewing the concepts and thinking why they work.	4. Revise plan tomorrow, especially that Clude gave me a couple of rules to add/refine mine.
5.	Great class, was able to follow everything.	5. Keep the motivation high, as that significantly increases both participation and retention.

Observations:

Am pleasantly surprised at how well things blend and how logical they are (about market participants, price moves, and so on).

Organizing Time Networks and Terminology:

Timeframe Organization for Charts:

Timeframe Organization for Charts:

- 3year Charts -3x
- 1 Year Charts – 4x (tracked by displaying Monthly Bars)
- Quarterly Charts – 3x (Tracked by displaying Weekly Bars)
- Monthly Charts - 4x (Tracked by displaying Daily Bars)
- Weekly Charts – 5x – Display ID1 Bars
- Daily Charts – 5x -- Display ID2 Bars
- ID1 (Day/5) – 5x – Display ID3 Bars
 - 300 min (For 24 hour markets)
 - 90 min (For Equities)
- ID2 (Day/25)
 - 60 min (For 24 hour markets)
 - 18 min or 15min (for Equities)
- ID3 (Day/125) – 5x
 - 12 min
 - 3-5 min
- ID4 (Day/625) – 5x

Selection of type of Intraday Bars

- Minute Bars – We will use Minute Bars at times to identify significant Volume in the market
- Time Independent Bars
 - Tick Bars – We will focus largely on Tick Bars
 - Tick – every time the market trades
 - Volume per tick will vary – could be 1 contract/share or could be 1000 contracts
 - Generates a bar every x # of ticks
 - Example:
 - 5000 Tick Bar
 - Everytime that market trades 5000 ticks, a price bar is completed and a new bar begins
 - Benefits of using Tick Bars:

Timeframes Above Background:

- **Filter Timeframe** – One timeframe higher than the Background Timeframe
 - Example – Weekly Timeframe would be Filter Timeframe to the Daily Background Timeframe
 - Used to Identify Support/Resistance levels and direction from one Timeframe higher to build multi-timeframe support to the Background Timeframe
- **HTF2** – Two timeframes above the Background Timeframe
 - Example Monthly Timeframe would be HTF2 to the Daily Background Timeframe
 - Used as a check to see longer term direction and check for longer term Support/Resistance

Timeframes Below Background:

- **Trigger Timeframe** – One timeframe lower than the Background Timeframe
 - Example – ID1 Timeframe would be Trigger Timeframe to the Daily Background Timeframe
 - Used to refine and time entries on the Background Timeframe
 - Green Light/Red Light Condition for Background Trades – Permission you to trade the Background or not
- **Base Timeframe** – Two timeframes below the Background Timeframe
 - Example – ID2 Timeframe would be Base Timeframe to the Daily Background Timeframe
 - Used for feedback to identify potential Highs/Lows in formation of Background Bar. Also used to time up entries and tighten stops, monitor feedback in the trade at key levels

Examples:

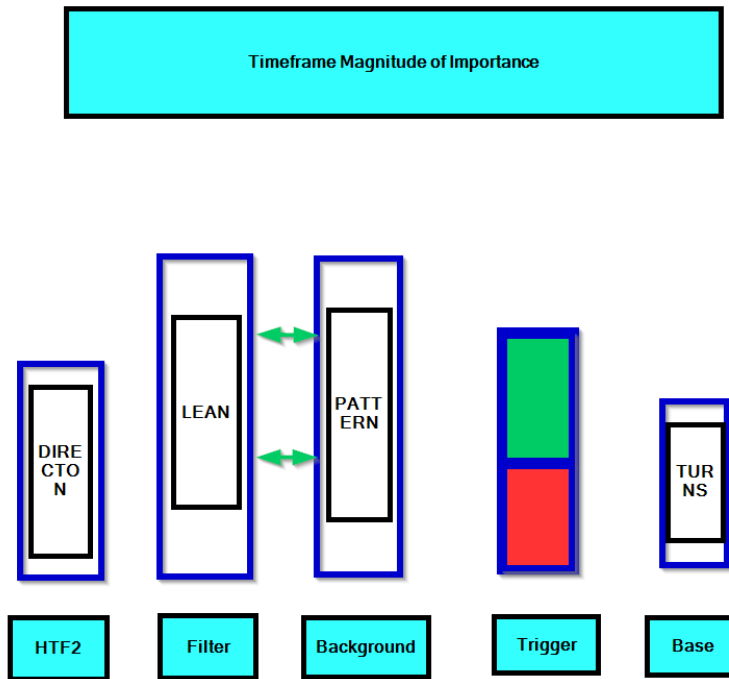
HTF2 – Weekly

Filter – Daily

Background – ID1

Trigger – ID2

Base – ID3



Logic in Price Bar Formation

- Every price bar must have a high and a low
- When the low of a bar is formed, the only direction remaining for the bar is to go higher
 - When a market goes lower at the beginning of the bar, it often does so to make its low for the period. It then reverses, moving prices higher for the remainder of the period
- When a high of a bar is formed, the only direction remaining for the bar is to go lower
 - When a market goes higher at the beginning of the bar, it often does so to make its high for the period. It then reverses, moving prices lower for the remainder of the period
- **At the heart of our method, we are creating a Value framework from which we can identify Price in relationship to Value. We will see when prices are undervalued (look to buy) and overvalued (look to sell). We use the logic in Price Bar Formation in conjunction with the Value framework to identify the high/low to make a trade. We then expect the bar to unfold using the logic in Price Bar Formation**

Logic in Higher Timeframes influencing Lower Timeframes

- **If we accept the logic above about the formation of prices, then it introduces another logic principle which is that Higher Timeframes influence Lower Timeframes by the direction of the Higher Timeframe.**

- **Example:**
- **If the Monthly low is in, the direction of the Weekly and Daily Bars will be higher**
- **We want to be aware of the trend and know that:**
 - **Uptrends – lows form first**
 - **Monitor early in the period for formation of the Period Low. When we think have the period low, we can roll down and trade the lower timeframes in that direction**
 - **Example – Monthly Uptrend – when we think Monthly low is in, we can trade Weekly and Daily Buys as Monthly Bar unfolds**
 - **Downtrends – highs form first**
 - **Monitor early in the period for formation of the Period High. When we think have the period high, we can roll down and trade the lower timeframes in that direction**
 - **Example – Monthly Downtrend – when we think Monthly high is in, we can trade Weekly and Daily Sells as Monthly Bar unfolds**

Example #1



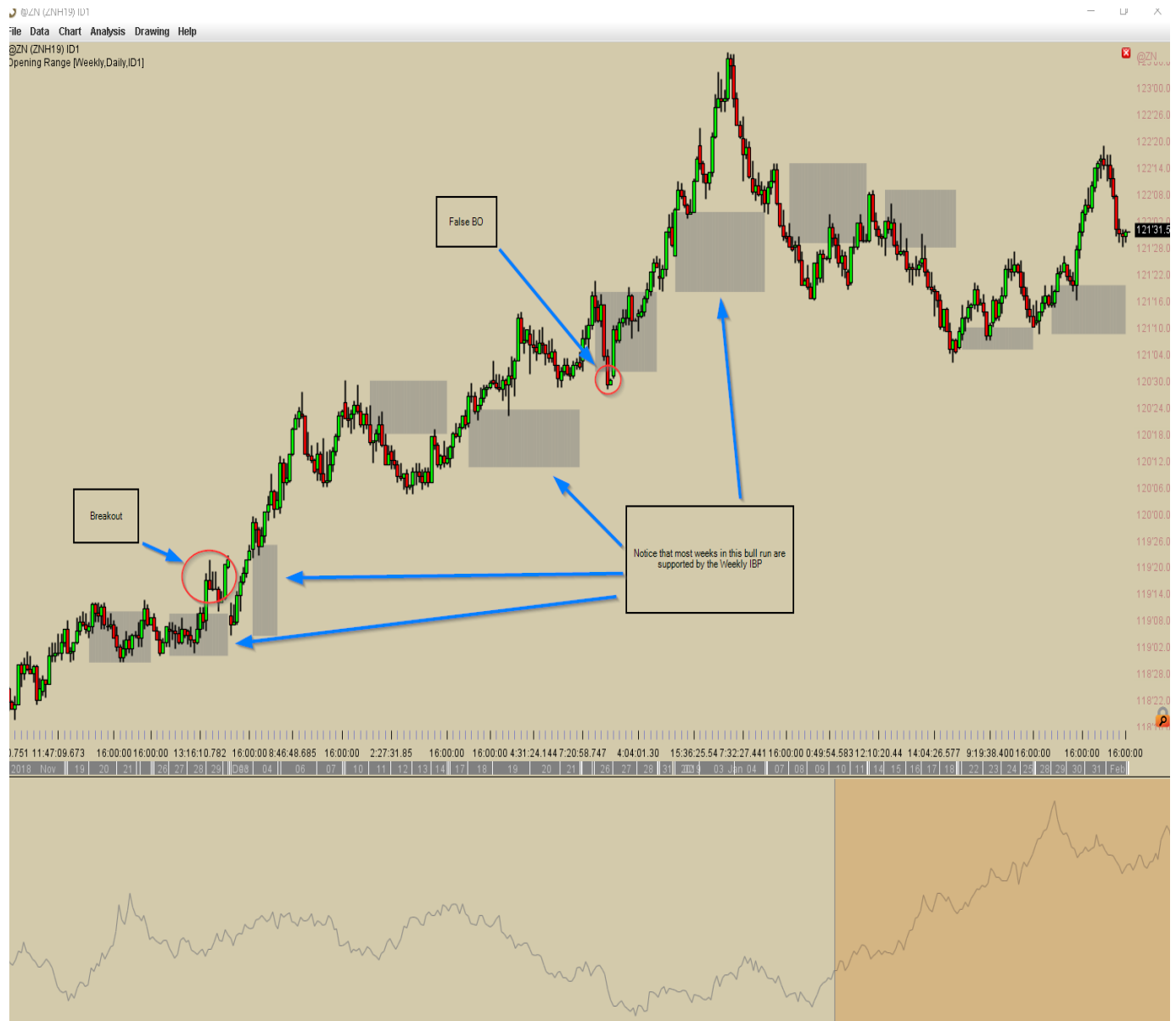
Example #2:



- **Initial Balance Period (IBP)** – the first sub-session of any timeframe that:
 - Often puts in the High/Low for the Period
 - IBP's are a great technique for confirmation that High/Low in a trend is in
 - Tradeable strategy – Trading BO of IBP or pullback to IBP post BO
 - Excellent for Stop Placement
 - Example – Daily Stop can be moved up after BO from Daily IBP
 - Timeframe Examples:

- Quarter – 1st Month
- Month – 1st Week (ending on the 1st Friday of the month)
- Week – Monday (1st Day)
- Day – 1st ID1
- IBP's work best when taken in direction of the prevailing trend
 - They work poorly when they BO into VA (will explain VA in later lesson)
 - Prices at confirmed High/Lows will rarely trade that price more than once

IBP Example



Homework:

- Build a chart with Daily bars
 - Identify on chart high for the month and the low for the month and circle on the chart for the past 12 months – Notice how the daily bars react to the high/low for the month
 - Go through and do the same with the high for the week and low for the week in a different color – Notice how the weekly highs/lows react in context to the monthly high/low
 - Go through and identify the IBP for each month and watch price behavior on the week's and days in context of the monthly IBP

