POWERFUL NEW *Patterns in CPRM3!*

Introducing Micro Patterns

Our new Micro Pattern innovation is very exciting, but first let's discuss how patterns work and more importantly – WHY they work.

Chart Patterns reflect market psychology. The interesting thing is, they also <u>cause</u> market events to occur. Take a look at Pattern Example #1 to the right. After a bottom formed on March 21, price rose to form a Rising Wedge over the next 9 days.

The pattern tells us that buyers and sellers were in approximate equilibrium while BTU was consolidating at $52. But when the upper resistance was decisively broken at $53, the pattern contributed to the rally itself, due to the bullish psychology it created.

Potential buyers see that this stock has broken a resistance level and want to buy. Potential sellers suddenly realize their stock could go a lot higher, so they hold. The result? More buyers than sellers, and the rest is history.

The Early Trade Gets the $

If you were fortunate enough to detect this Chart Pattern and buy at the point of the break, you could have made a nice profit, with very little downside risk. We simply place our initial Stop Loss at $52.

This Consolidation was identified by our new Micro Pattern capability in CPRM3. Micro Patterns are very quick patterns that indicate a short term imbalance between buyers and sellers. Armed with CPRM3, you see these patterns much faster than most other market participants, enabling you to act on them and profit by getting on board ahead of the crowd.

Micro Pattern Example #1: This Rising Wedge formed over just 9 days. The solid break through resistance led to a dramatic rally.

Micro Pattern Example #2: Saucers can also form over a very small number of bars. Here's a Rounded Top that led to a dramatic sell-off in March, followed by a Saucer Bottom ahead of the April rally.

Three Key Micro Patterns

For CPRM, we focused on three of our seven patterns that benefit from the "micro" approach; Consolidations, Saucers, and Fibonacci Retracements.

Micro Retracements, our third example, are very powerful patterns based on the Fibonacci Retracement principle. When price retreats between a prior high and low by 38%, 50%, or 62%, the odds of a reversal are very high. The Micro Retracement pattern fires the instant a reversal at one of these key levels is detected, putting you in the trade ahead of other traders.

The BEST thing about CPRM3 is you can isolate specific patterns that you want to use according to your trading style.

Micro Pattern Example #3: Fibonacci Retracements make profitable short term trading easier than ever before.

Fabulous Opportunities for PROFITS!

All of the patterns in CPRM3 work together to provide outstanding Chart Patterns.

The following Strength 5 Patterns were identified from August through April for Halliburton (see chart, right):

Pattern Identified:	Gain:
Trend Line Break (November)	8%
Rising Wedge (February)	13%
Rectangle Consolidation (March)	22%
Resistance Break (April)	12%
Total	55%

Using CPRM3, you will see chart after chart with similar, highly profitable Chart Patterns. Trade them as is or use them to confirm Signals from other Strategies in OmniTrader or VisualTrader. CPRM3 more than triples the profit potential of your trading.

Activate The Patterns That Match Your Trading Style

In CPRM2 we provided an interface that allowed users to activate or de-activate any of the 7 classes of patterns, such as "all Consolidations" or "all Trend Lines" in different time frames. For CPRM3, we have gone one step further. The interface lists all the underline individual types, so you can activate just the ones that you really want to see in your charts.

This is important because some patterns are more accurate than others depending on the setup you are looking for. In CPRM3, we identify 20 different Consolidations (see examples right). Consolidations indicate a relative equilibrium between buyers and sellers and can be exceptionally predictive.

Some Consolidation Patterns are over 90% Accurate!

When Thomas Bulkowski wrote *The Encyclopedia of Chart Patterns*, he rigorously tested each pattern type to determine its inherent predictive nature. In his testing over a 500 stock database spanning five years, he discovered that Falling Wedges were 88% accurate and Rectangle Bottoms were 93% accurate.

These are powerful statistics! But depending on the kinds of stocks or futures contracts the trader or investor is looking at, different patterns will be more effective. Therefore, selecting the individual patterns displayed in your charts can be of great benefit.

Sharpened Focus

Selecting individual patterns also helps the trader or investor focus on the best situations, rather than dealing with too much information. Being able to selectively turn on the best patterns helps you stay focused on the best opportunities.

20 Consolidation Types Identified

According to Thomas Bulkowski's *The Encyclopedia of Chart Patterns*, Consolidations are the most predictive of all the patterns—some are more than 90% accurate. To take advantage of this, CPRM3 identifies individual TYPES of Consolidations found.

Rectangle Consolidations
A very powerful pattern when the range is broken in either direction.

Falling Flag
A very bullish pattern, flags form in less than 16 bars.

Ascending Triangle
A triangle with a resistance level on top. Typically leads to a strong rally when the upper line is broken.

Broadening Top
A rare and highly unstable pattern. When the lower line is broken, watch out below!

...And Many More!

24 Candle Patterns Identified by CPRM3

The following Candle Patterns are identified individually by CPRM3:

BELT HOLD	PIERCING LINES
COUNTER ATTACK	SHOOTING STAR
DARK CLOUD COVER	SIDE-BY-SIDE WHITE LINES
DOJI STAR	STICK SANDWICH
ENGULFING LINES	TASUKI
EVENING STAR	THREE BLACK CROWS
HAMMER	THREE INSIDE UP
HANGING MAN	THREE INSIDE DOWN
HARAMI	THREE WHITE SOLDIERS
INVERTED HAMMER	THREE METHODS
KICKING	THREE OUTSIDE UP
MORNING STAR	THREE OUTSIDE DOWN

Each Candle Pattern can be activated or de-activated using the interface shown to the right. Simply click next to the ones you want to use in your charts.

The Best of the Best!

For any of the 7 classic patterns (Consolidations, Trend Lines, etc.), you can also select time frame (Short, Medium, and/or Long Term). This allows you to isolate (for example) larger or smaller Symmetrical Triangles.

Once you have selected the patterns you want to see you can use the Strength Rating system to identify the specific patterns that have the greatest potential for movement, based on an extensive pattern performance database!

The ability to display individual patterns according to strength and time frame is a huge advantage for your trading. There is no other pattern system in the world that can compare to CPRM3.

Pattern Selector Interface:
Display Only the Patterns You Want

1) Select Pattern Classification
On the left side of the CPRM3 interface, select the general pattern class you want active in your charts (Candles in this case.)
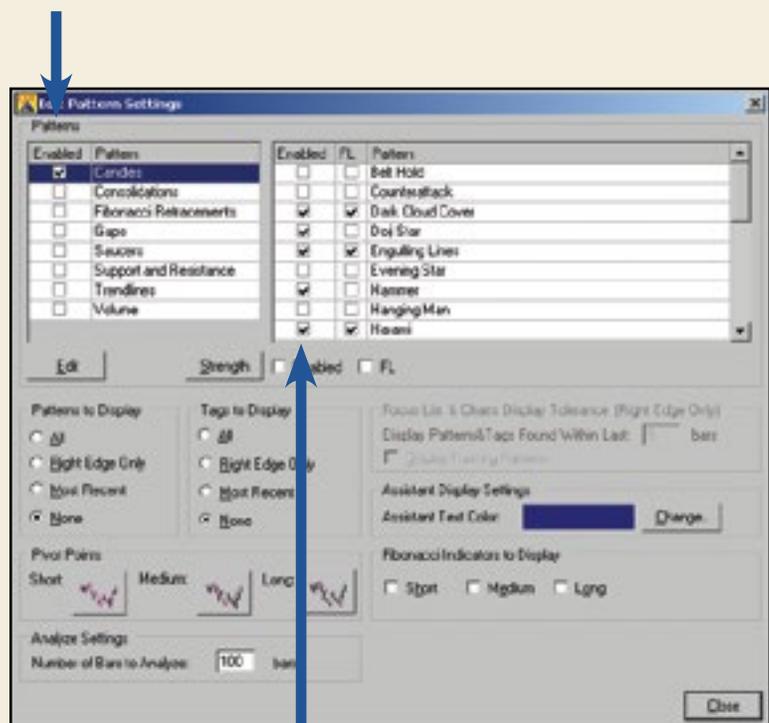
2) Select Specific Pattern Types
The right side of the display shows you all the individual types of patterns within that classification. Individually select the ones you want to see, both in the charts and the Focus List.

3) Select Pattern Strength (1 to 5)
The Pattern Strength toolbar has been updated for each pattern type. By clicking a Strength Rating (1=lowest to 5=highest) CPRM3 identifies pattern types with more or less historical significance.

Strength Toolbar