

The State Of

NIRVANA

Trade the Waves! with Nirvana's WaveTrader

Trade the **MOST POWERFUL** Buy and Sell Signals

Find the **LEAST RISK ENTRIES** of Any System

INCLUDED: NEW Elliott Wave Strategy

"An important breakthrough for our OmniTrader and VisualTrader customers."

— Ed Downs, CEO and Founder
Nirvana Systems, Inc.

New Seminar: Trade the Waves!

Learn how you can profit from the huge waves we are seeing in the current market!



INSIDE

- 2 Catch the Wave with WaveTrader**
- 3 Yield the Greatest Profits**
- 6 Trade the Waves! Seminar**
- 8 Elliott Waves in OmniTrader**
- 10 WaveScans: Find the Best Stocks**
- 11 Special Introductory Offer**

Catch the Wave

with WaveTrader



Ed Downs
CEO and Founder,
Nirvana Systems, Inc.

There are many ingredients to successful trading. But the first, most important thing to get right is entering trades that have the least risk. Drawdowns are painful and lead to losses. What if you only entered trades that had strong market momentum in their favor—trades that are positioned at the most powerful reversal points of the market?

There is a technical method that embodies this concept. It's called **Higher Lows & Lower Highs**. It's a simple concept to understand, but difficult to automate. Most charts are not very *smooth*—it takes a discerning eye to detect the formation of a new “wave” before the move occurs. That's what we have been focusing on.

After months of research and testing, we are pleased to introduce our latest plug-in for OmniTrader and VisualTrader—Nirvana's WaveTrader. It works because markets sell into weakness on a lower high, and buy into strength on a higher low. Successful technical analysts have used this technique for years to trade *with the trend*. Now you can, too.

In live seminars, I show users how to confirm their entries with Higher Lows and Lower Highs by visual inspection. But what if you had a Trading Strategy that fired Signals at these high-energy points across an entire list of symbols, and presented them in your Focus List? What would that be worth to you in your trading?

Many trading concepts use the principle of Higher Lows and Lower Highs. In classic Swing Trading, you want to buy on pullbacks—points that form Higher Lows and Lower Highs. In corrections, you want to Short on the first Lower High. And then, of course, there are *Elliott Waves*—a topic we will explore on page 8.

Perhaps the best feature of Wave Trading is how well it allows you to control risk. When you enter a trade on one of these Higher Low or Lower High pivots, simply place your Stop just below (or above) the turn. These Stops will be very tight relative to the distance the chart can cover—making the Reward:Risk ratios extremely high.

Virtually all trading styles can benefit from the Wave Trading method. You get a special new WaveTrader System that you can add as a Confirmer to other Strategies. You also get Trending and Reversal Strategies, a Real Time Wave Strategy AND a seminar dedicated to the Wave Trading concept.

Finally, we are pleased to announce a new scan service called WaveScans. These powerful daily scans will populate your Focus List with the most tradeable and most profitable candidates you have ever seen. We're including a FREE TRIAL with WaveTrader!

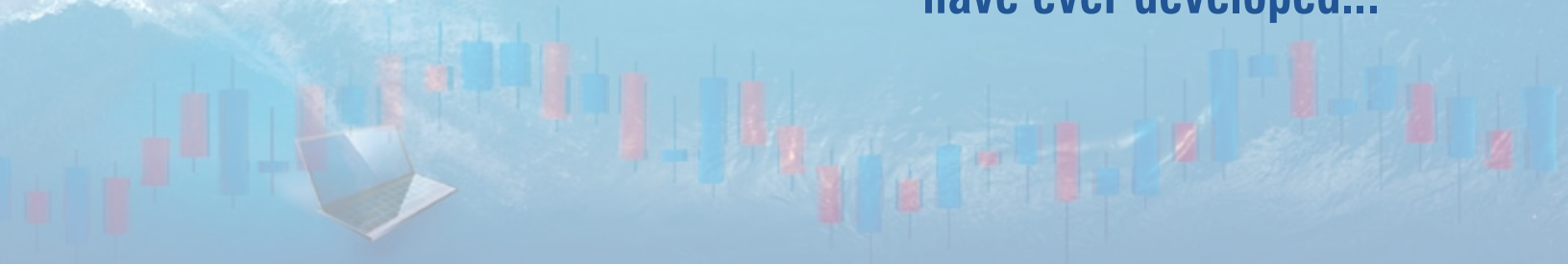
We have combined WaveTrader, our Elliott Wave Strategy, *Trade the Waves* seminar and WaveScans into an attractive bundle as part of this introductory offer. And of course, our software products are always 100% guaranteed. I am very proud of these products, and am certain they are going to help you in your trading.

Sincerely,



Ed Downs
CEO and Founder,
Nirvana Systems, Inc.

“One of the greatest Trading Strategy breakthroughs we have ever developed...”



Least Risk Entry Points Yield the Greatest Profits!

If you take a look at the chart to the right, you can quickly see the power of the new WaveTrader plug-in for OmniTrader and VisualTrader.

Markets move in *waves*. They rally, pull back, rally, and pull back again within the primary trend. In declines, the opposite happens—a stock or futures contract will drop, pull back, and drop again.

It's like a roller coaster with higher *valleys* and lower *peaks*. These valleys and peaks form our Higher Lows and Lower Highs—the least risk entry point for any trade.

WaveTrader generates these high-probability Signals at precisely these points using a new Trading System that is included with the plug-in. This State of Nirvana illustrates the many great features of WaveTrader; here is a quick summary.

The Best Signals at the Least Risk Entry Points

Fire up WaveTrader and run it on the WaveScans list (see page 10) or any list of stocks you are watching. You are going to be amazed at how well the Strategy pinpoints new strength or weakness at these key turning points, above the prior Low (for Longs) or below the prior High (for Shorts).

It generates lots of great Signals, so you get plenty of candidates. By prospecting with the new WaveTrader Strategies, you are going to find some great opportunities in the market each day.



Recent End of Day Signals on WebMD. The market moves in Waves, and the least risk entry points for Longs and Shorts are easily identified by the Strategies in WaveTrader.

Ride the Waves for Maximum Profit with New Seminar

WaveTrader works like any other plug-in. The new Strategies are added to your Strategy List. Just activate them, run the To Do List, and start reviewing opportunities.

There are certain applications of WaveTrader that enhance its power even more, and to this end we have produced a special seminar, *Trade the Waves*, that shows you how to find the best Wave Trades and how to manage them for maximum profits.

Configurable WaveTrader Systems and Indicators

The Trading Systems that identify Higher Highs and Lower Lows are included as components, and are highly configurable. Add them to any Strategy you have been using to automatically confirm that a Signal is occurring near a probable Higher Low or Lower High.

Plus – Elliott Waves!

It was only natural to apply WaveTrader to the Elliott Wave concept. Never has it been easier to find and trade Elliott Wave opportunity points. See the examples on page 8!

Introducing *WaveTrader*

Entering Long trades at Higher Low or Short trades at Lower High provides a tremendous advantage, because this is where a market will accelerate buying or selling.

These charts demonstrate the effect. In April, ACXM rallied and then pulled back, forming a higher low. At this point, our HL*LH Trading System fired a Buy Signal.

You can see the explosive upside move that occurred after this happened. Why does this occur? Because the market can see the stock (A) gaining strength in April and then (B) turning back up. This is the classic “psychological definition” of a Higher Low. The market jumps in!

Because WaveTrader generated this Long Signal’s close to a recent Low, we can place our Stop just below the entry point. This is extremely important. If we consistently keep our losses (and drawdowns) small, our profits will grow our account. Movement in the chart ended up covering about 7 times this distance, making our Reward:Risk ratio 7 to 1.

Now look at the Short trade that developed in June. The market pulled back, rallied a little, and started down again. A Lower High! The Reward:Risk on this trade was a very healthy 4 to 1.

The second chart on AKAM demonstrates the power of WaveTrader to find low risk entry points—even on highly volatile stocks.

Trading the Higher Lows & Lower Highs



Long and Short entry points on ACXM. Note the low risk Stop placement (indicated by the red lines).



In a difficult market, WaveTrader applies near surgical precision to find 4 out of 5 enormously profitable trades on Akamai.

More Than Just Great Strategies!

WaveTrader Strategies

Included with WaveTrader, you get several powerful Strategies—Trending, Reversal, and a special Real Time Wave Strategy. In the chart to the right we have activated all three at the same time.

The Trending Strategy fires all of the Higher High and Lower Low Signals it can find, while the Reversal Strategy identifies the FIRST Higher High or Lower Low after a trend change. This is similar to the Elliott Wave concept described on page 8, but it will generate more Signals.

Incredible in Real Time

The second chart shows the power of the WaveTrader Real Time Strategy. Note how well it identified EVERY PROFITABLE MOVE in the S&P eMini Contract on these three days (in the 15 Minute Chart). Not bad—not bad at all!

Great Building Blocks Too!

Not only do you get these powerful Strategies that are ready to run in OmniTrader or VisualTrader. You also get the “building blocks” that make WaveTrader tick.

The Higher High & Lower Low Trading Systems have “knobs” that allow you to make them more or less sensitive to swings in the market. Set it to only fire on those opportunities where there has been a large swing to form the high or low. Or, you can get more Signals by loosening the constraint.

For those who want to apply the System to other Strategies, this open System design makes it easy to do.



Owens-Corning demonstrates several classic Lower High and Higher Low Signals in this End of Day Chart.



Dell is a smooth-moving stock that works well with WaveTrader in Real Time. Here are some Signals generated in 5 minutes.

Trade the Waves

The NEW Trading

Learn how you can profit from the huge waves we are seeing in the current market!

I have incorporated WaveTrader into my own personal trading regimen, and I am just thrilled with the power of the prospects generated by these Signals. Now, we want to show YOU how to make the greatest profit possible with WaveTrader. So we have created a new seminar called *Trade the Waves*.

Catching the Wave

The various Trading Strategies provided in the WaveTrader plug-in are designed to find several types of Wave Trades. In *Trade the Waves*, we will explain how each one of these Strategies will help you find great trading opportunities in any market and in any timeframe.

WaveTrader identifies ALL high-probability entry points defined by the Higher Low and Lower High patterns. As such, there are a number of ways to use them. You can trade with the trend, and use them to identify high-probability reversal points, with the same low-risk Stop placement characteristics. These are some of the biggest winners!

Whether you Trade End of Day



or in Real Time



You can Trade the Waves and Profit!

Waves!

Seminar by Ed Downs and Jeff Drake

Included
with
WaveTrader

Use Confirmation to Find the Best Waves

While WaveTrader generates fabulous Trading Signals, it's important to know how to confirm the BEST Wave Trades. In *Trade the Waves* we'll show you which tools to use to find the best trend trades, as well as how to isolate the reversal opportunities that are ready to take off!

Not only will we discuss the best chart patterns to use to confirm profitable Wave Trades, we will also look at other powerful confirmation tactics such as higher time frame waves and trading with the overall market.

Ride the Wave. Bag the Profit!

The Wave Trading approach not only provides outstanding entry points, but it also makes Stop placement a breeze! In *Trade the Waves* we'll cover the different ways that you can manage a Wave Trade, and how the systems and indicators in the plug-in can be used to not only minimize risk on every trade, but also how they can help you know when the best time is to take profits and catch a new wave.

WaveTrader works in both OmniTrader and VisualTrader. Most of the examples are based on OmniTrader, but we have included a special section for our growing list of VisualTrader owners which focuses on the unique view of VisualTrader.

Armed with this information, you can test the concepts immediately in the Simulators included in OmniTrader or VisualTrader. You're going to be amazed when you see how easy it is to profit from the huge moves that we have recently seen in the market using these fabulous tools!

Normally, our Trading Method Seminars are priced at \$149, but you get *Trade the Waves* FREE when you purchase WaveTrader.

SPECIAL BONUS: Elliott Waves in WaveTrader

The *Trade the Waves* seminar includes a special bonus section on using WaveTrader to trade Elliott Waves. You'll learn the basic tenets of the Elliott Wave Principle, how to use the eWave Trading Strategy, and powerful confirmation techniques based on the Elliott Wave concept.

Trade the Waves! SEMINAR AGENDA

Introducing WaveTrader

- Theory Behind WaveTrader
- WaveTrader Trading Strategies

Best Symbols for Wave Trading

- Favorable Characteristics for EOD
- Favorable Characteristics for RT
- Introducing WaveScans

Wave Trading with OmniTrader

- The Ideal Setup
- Best Chart Patterns to Use
- Measuring Potential Reward:Risk
- Managing a Wave Trade

Wave Trading with VisualTrader

- Overall Market Wave
- Catching the Early Waves!
- Riding the Waves

BONUS:

Elliott Waves and WaveTrader



Catch a Wave!

— you'll be sittin' on top of the Market.

Elliott Waves in OmniTrader

The First Elliott Wave Strategy for OmniTrader and VisualTrader!

Most people associate Elliott Waves with Robert R. Prechter Jr., who popularized the method in his book, *Elliott Wave Principle – Key to Stock Market Profits*. But the principle actually goes back to the 1930's when it was first discovered by R. N. Elliott.

While the nuances of Elliott Waves can be quite complex, the essential theory is easy to understand—Five Waves Up and Three Waves Down (see diagram to the right). And it is instantly obvious that each wave forms a Lower High or Higher Low!

A Simplified Approach

WaveTrader was the perfect tool for creating an Elliott Wave Strategy. As outlined on pages 4 and 5, the Systems in WaveTrader are designed to find sequential turns in a trend, which is basically what Elliott Waves really are.

We took these basic Systems and created a new Elliott Wave Strategy that fires three specific Signals, which are also depicted in the drawing.

▲ **Start of Wave 3.** This is generally considered the least risk place to enter Long.

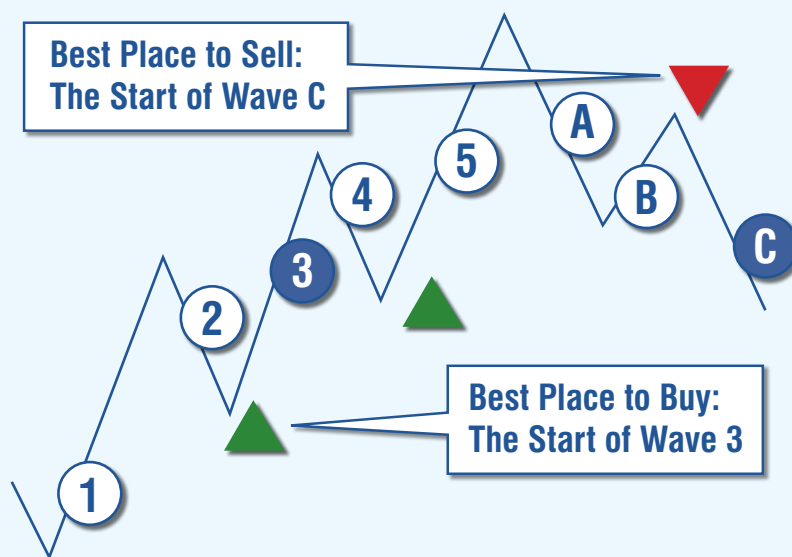
▲ **Start of Wave 5.** Another excellent entry point, this is the third wave up in the pattern.

▼ **Start of Wave C.** After the first Corrective Wave, the stock will rally and start down again. This is the

What exactly are Elliott Waves?

“Elliott pointed out that the stock market unfolded according to a basic rhythm or pattern of five waves up and three waves down to form a complete cycle of eight waves. The three waves down are referred to as a ‘correction’ of the preceding five waves up.”

– from Robert Prechter’s *Elliott Wave Principle*.



It is amazing how often this pattern can be found in stock market data. The first five waves (1-2-3-4-5) form successive rallies. The last three waves (A-B-C) form a correction on the downside. Our Elliott Wave Strategy fires Signals at the beginning of Wave 3 and 5, and the start of Wave C.

Lower High that represents the start of the C Wave—a great place to Short as the stock confirms that it is correcting and going lower.

The pattern can be inverted in a bear market, such that Waves 1-5 can form in a down market, and the A-B-C Waves form a recovery rather than a correction.

Prechter points out that Elliott Waves can be formed as *waves within waves* creating what he calls Cycle Waves.

His book is over 250 pages in length, which says something about the nuances and complexities of the complete theory.

Our goal was to simplify the theory into a practical application by counting Higher Lows and Lower Highs to identify the pattern and to determine whether the given stock is in the numbered or trending phase or the lettered (corrective) phase, and whether the pattern is inverted or not.

Elliott Wave Signal Examples

The result of this effort is a remarkable and powerful Strategy that quickly identifies Wave 3 moves that have explosive profit potential to the upside, and Wave C moves that are ripe for shorting.

To the right are three examples of Signals from the Elliott Wave Strategy. The first is on the stock ESI. You can clearly see the stock forming two 5 Wave patterns. The Signals offered fabulous entry points on both the Long and Short sides of the market.

The second example is one of many that can be found in stocks. The third is in Real Time (5 Minute Charts) on the Russell eMini contract.

Ride the Wave!

Because of the selective nature of this Strategy, you won't see a large number of Signals in your Focus List, but it is very likely that the Signals that are generated will lead to a chart that is in one of the two primary action modes – Wave 3 Up or Wave C Down.

The Strategy also finds Signals in an inverted Elliott Wave structure, where Wave 5 is down and Wave C is up. The software's job is to bring these powerful entry points to your attention—from there, it takes just a few seconds to review the chart and determine whether it is ripe for action.

The Elliott Wave Strategy is included FREE with WaveTrader. At last—simplified Elliott Waves for OmniTrader and VisualTrader!



ITT Educational Services (Daily)



FLIR Systems (Daily)



eMini Russell 2000 (5 Minutes)



WaveScans

Find the Best Stocks for WaveTrader

I'm sure you can feel the excitement around WaveTrader, but here's where it really gets exciting.

We all know that all charts are not created equal. In fact, some are just plain nasty. Out of the two stocks shown to the right, which would you rather trade? Well, we have great news for you. It's called WaveScans, and it's designed to find the symbols that are most favorable for Wave Trading techniques.

WaveScans for End of Day

We run WaveScans on our servers to identify those stocks, out of the entire stock market, that are favorable to Wave Trading. When you open your Focus List, you get smooth-moving stocks that form nice, rolling waves—like TRN in the picture to the right. Just download the WaveScans list and start prospecting!

WaveScans for Real Time

Every day, we also look at real time data to find those stocks that are suitable for Wave Trading in Real Time. They're not easy to find! But the effort has been well worth it. Load the list into OmniTrader Real Time, or import it into VisualTrader and engage the market with the best Wave Trading candidates available.

Free Trial Included

You don't need WaveScans to use WaveTrader. It is going to find great candidates in any list. The value of WaveScans is its ability to isolate those stocks that work best with these Strategies, which will save time in your prospecting. We are including a FREE TRIAL to WaveScans with your WaveTrader purchase. After the trial period ends, WaveScans continue for as low as \$19.95 per month—an incredible value when you consider the time-savings and benefits of these scans. Since the entire package has a money-back guarantee, you owe it to yourself to try WaveTrader with WaveScans.

Which Would YOU Rather Trade?



ISRG is all over the map. A trade anywhere in here gets blown out almost immediately!



TRN has low drawdowns and big moves – a Wave Trader's dream come true!



Trade the Waves!

Generate Consistent Profit in the Market!

 **Nirvana**Systems

7000 N. MoPac, Suite 425
Austin, Texas 78731 USA
Toll Free 1. 800. 880. 0338

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE
PAID
AUSTIN, TX
PERMIT #1546