

# FUTURES CHEAT SHEET



# WHAT'S INSIDE

## THE POWER OF THE ABC PATTERN

- How to Build an ABC Pattern and enter that trade
- Buyer ABC Patterns with Chart Example
- Seller ABC Patterns with Chart Example

## RISK CONTROL AND TARGET SETTING

- ABC Pattern Risk Control
- ABC Pattern Target Setting

## WHERE TO FROM HERE?

# THE POWER OF AN ABC PATTERN

Before we discuss an ABC Pattern I believe it is critical that we understand one of the fundamental laws of trading, “Keep it Simple!”. Many of the traders I have had the privilege of coaching globally, now across 14 countries, came to me in an absolute confusion of complexity. They were taught that the more complex a strategy is, the more chance they have of being successful. I do not mean to be a little contrarian here, but complexity in trading is your number one enemy to success.

# KEEP IT SIMPLE!

The strategy that you trade must be easy for you to both understand and use in the market and this is where I find the ABC Patterns rule the Futures Markets. Because all Futures Traders Globally see exactly the same thing, at the same time, regardless of where they are in the world, good traders effectively all become Pattern Hunters.

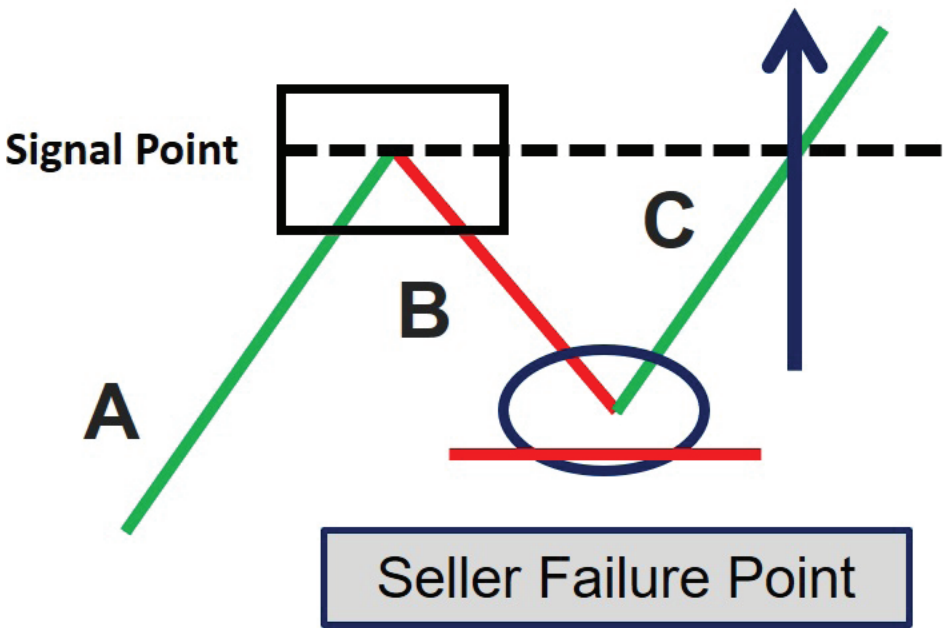


## PRO TRADER TIP

When trading the Futures Markets, your key to success is to identify who is failing in the markets and simply join the other team. This is profoundly powerful when there are only two teams on the Playing Field (not 3!!!!).

# BUYER ABC PATTERNS

When we build an ABC Pattern we are simply going to let the market tell us when to trade. Let’s break down the below graphic and build a pattern together.

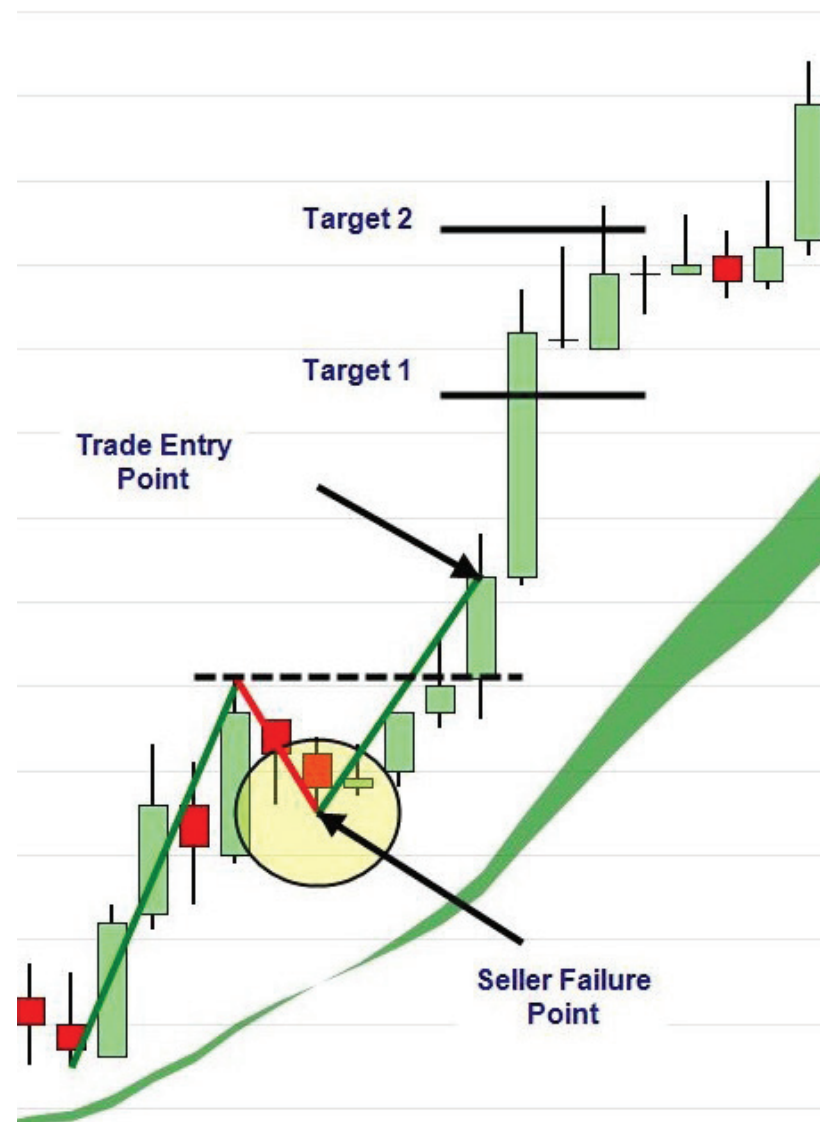


When we are in an uptrend, we are always searching for Buyer owned ABC Patterns. A Buyer owned ABC Pattern is a pattern in which the Buyers are strong and the Sellers are weak. Let’s measure this now.

1. Please note that the Green Leg, Leg A, is where we start to develop our pattern. The first leg in the pattern (Leg A) is a Buyer push in the market that has pushed the market up.
2. When the Sellers show in the market, we get Leg B and we color the Leg B Red to represent these sellers. Please note that Leg B is not as big as Leg A, meaning the Sellers are failing to push the market down as much as the Buyers pushed the market up. There is a very big hint here for Futures Traders globally that the Buyers are getting ready to buy.
3. The third Leg in the pattern, Leg C, is a Buyer owned candle that is clearly bigger than Leg B. Leg C is bigger than Leg B simply because Buyers are stronger in the market than the Sellers. This is when we want to be backing the Buyers but be careful here.

4. As a 5 Minute Chart Trader, we must wait for the candle to count down to zero before we decide on its color. We must also wait for the candle to close over the 'Signal Point' before we place a trade. The moment a candle closes over the Signal Point, the Buyers have proven their strength in the market and we want to be joining them immediately for the run up.

5. Let's work through a chart example so you can see exactly what I mean.

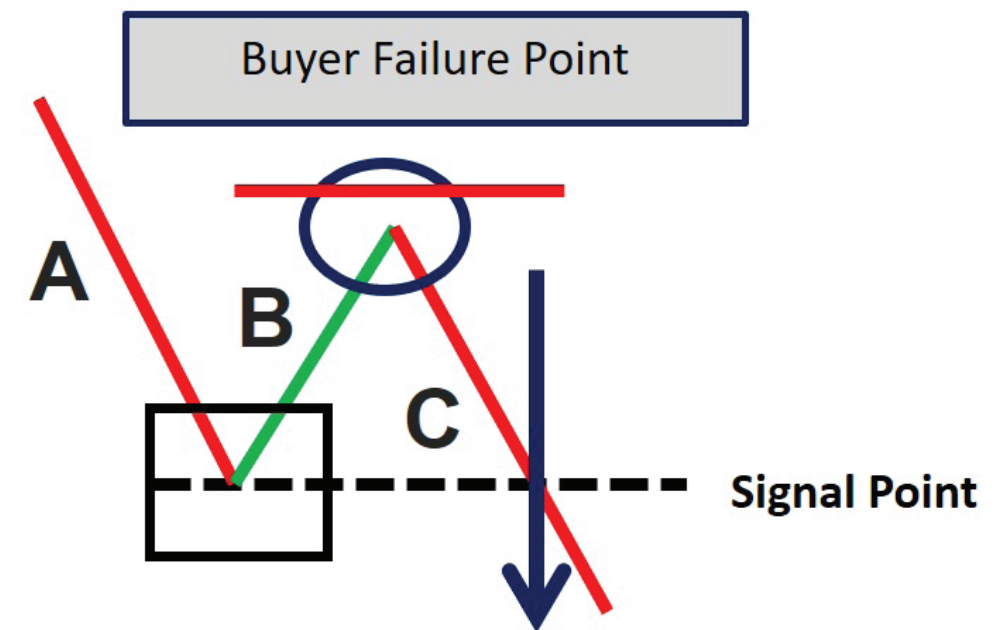


The Image above is a 5 Minute Euro Chart with the uptrend (Green Band Indicator) clearly in favor of the Buyers. Can you see Leg A (Green), Leg B (Red) and then Leg C (Green) with a Seller Failure Point inside the yellow circle?

This style of ABC Pattern is one of the best buy signals I have ever taught in the Futures Markets and when it is traded at the right time, in the right markets, with the right targets and the right stop strategy in place, it is a very robust strategy indeed.

## SELLER ABC PATTERNS

When we build an ABC Pattern we are simply going to let the market tell us when to trade. Let's break down the below graphic and build a pattern together.



When we are in a downtrend, we are always searching for Seller owned ABC Patterns. A Seller owned ABC Pattern is a pattern in which the Sellers are strong and the Buyers are weak. Let's measure this now.

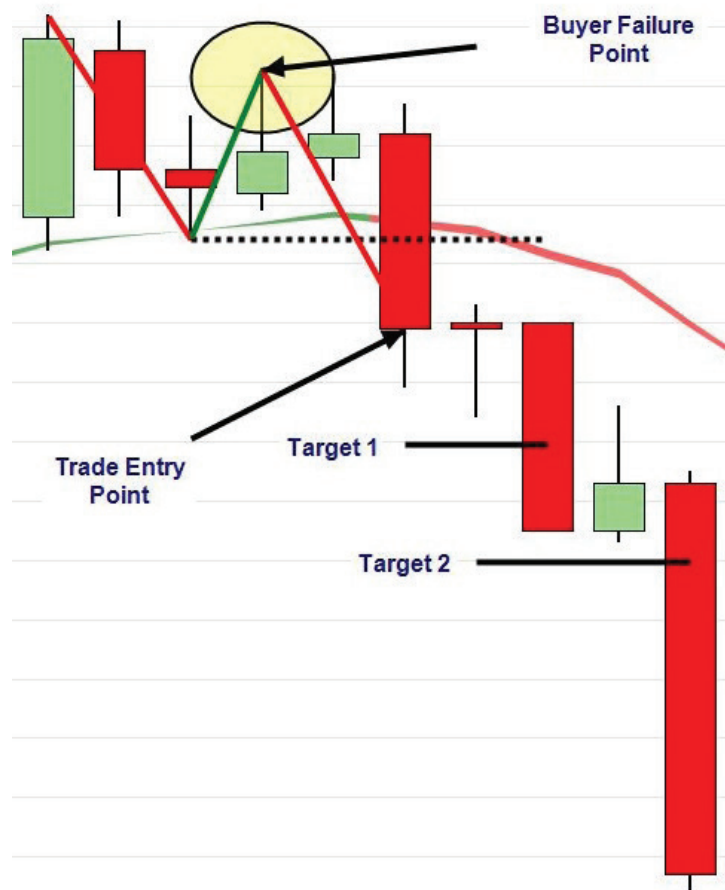
1. Please note that the Red Leg, Leg A, is where we start to develop our pattern. The first leg in the pattern (Leg A) is a Seller push in the market that has pushed the market down.

2. When the Buyers show in the market, we get Leg B and we color the Leg B Green to represent these buyers. Please note that Leg B is not as big as Leg A, meaning the Buyers are failing to push the market up as much as the Sellers pushed the market down. There is a very big hint here for Futures Traders globally that the Sellers are getting ready to sell the market.

3. The third Leg in the pattern, Leg C, is a Seller owned push that is clearly bigger than Leg B. Leg C is bigger than Leg B simply because Sellers are stronger in the market than the Buyers. This is when we want to be backing the Sellers but be careful here.

4. As a 5 Minute Chart Trader, we must wait for the candle to count down to zero before we decide on its color. We must also wait for the candle to close over the 'Signal Point' before we place a trade. The moment a candle closes over the Signal Point, the Sellers have proven their strength in the market and we want to be joining them immediately for the run down.

5. Let's work through a chart example so you can see exactly what I mean.



The Image above is a 5 Minute Euro Chart with a trend change from up (green) to red (down) and as such a great time to be pattern hunting. Can you see Leg A (Red), Leg B (Green) and then Leg C (Red) with a Buyer Failure Point inside the yellow circle?

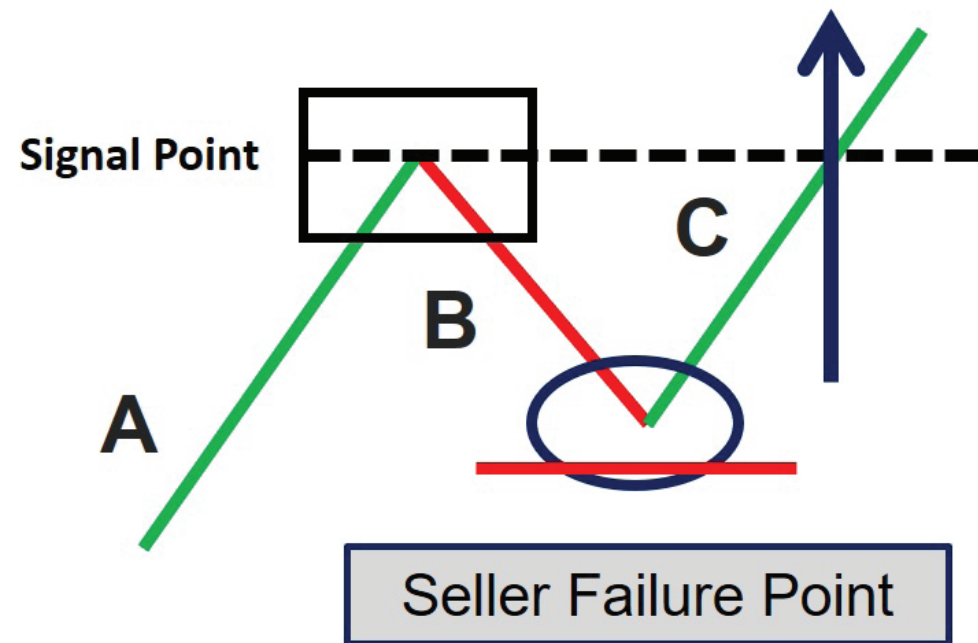
In the case of both charted trade examples, the market has go well beyond both Target 1 and Target 2. Target 1 is \$360.00 AUD and Target 2 is \$720.00 AUD per contract traded. In both examples, this \$720.00 AUD target was paid in under 20 Minutes so I think that is \$720.00 reasons to get very good at trading ABC Patterns!!!

## RISK CONTROL AND TARGET SETTING

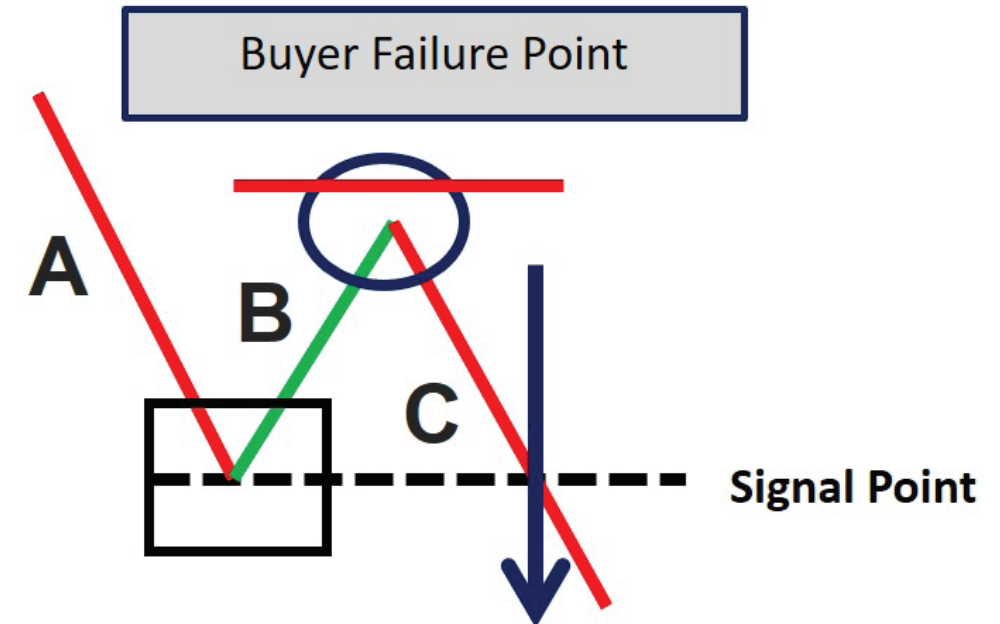
# ABC PATTERN RISK CONTROL

Risk control as an ABC Pattern trader is again not a complex process due to the design of the Futures Markets. Because every trader globally has 100% transparency of the markets, and every aspect of the markets, every trader can see when a certain team is failing and also when a certain team is succeeding. As such, every trader can see the 'Seller Failure Point' in the ABC Pattern Below.

As the entire market failed to go down at this exact point, and every trader globally can see this failure point, just below this point is a great place to put a stop-loss. Your stop loss should be positioned as per the red line in the image below. You will find that this is a very safe spot for your 'stop-loss' and will enhance your signal success rate significantly.



When trading the markets down using an ABC Pattern short, an identical pattern of thinking also applies. Let's work through it.



As we have already established, due to the global transparency of an Exchange Traded Futures Contract, every trader globally sees every aspect of the market, every second of the day. As such, every trader globally can see the Buyer Failure Point in the above pattern and can hence use this information to their advantage. The above Buyer Failure Point is a great spot to position your stop-loss to result in a high signal success rate.



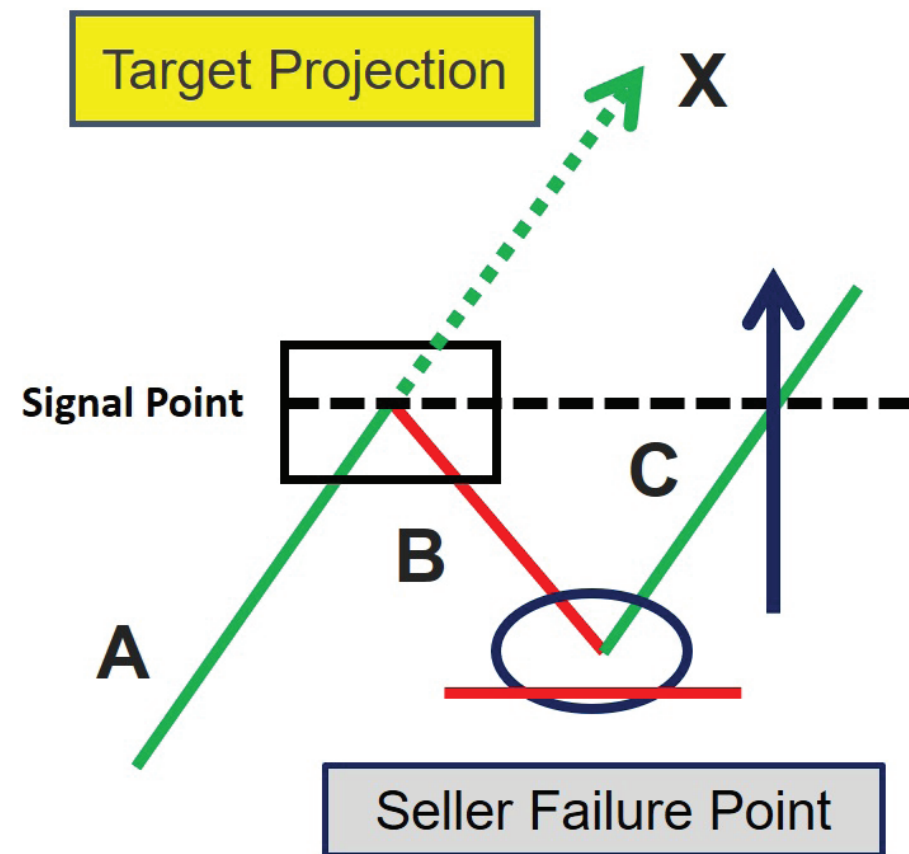
## INVITATION TO YOU!

If you would like to watch me measuring these ABC Patterns live in the market, then attend our Live Trading Webinar every Wednesday Night by clicking this link:  
<https://www.idta.com.au/events/>.



# BUYER ABC PATTERN BUYER TARGET SETTING

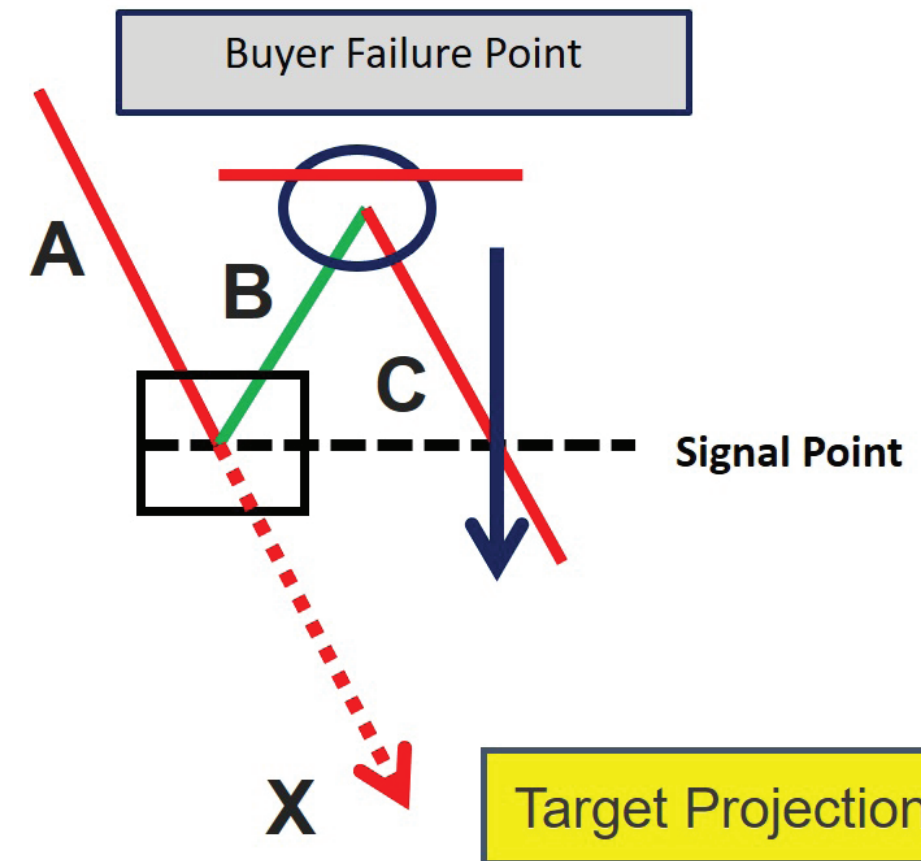
As the ABC Pattern is based on the pure price movement of the market, our intent is to use this price movement to suggest high probability trading targets regardless of the market you are trading in.



Leg A of your ABC Pattern is proof that the Buyers have the power to push the market up and they have the power to push the market a certain distance. All we need to do is grab this 'distance' and simply project this distance up the chart from your 'Signal Point'. The green dotted arrow on the image above to 'Point X' is a very effective target projection for buying based ABC Patterns.

# SELLER TARGET SETTING

As the ABC Pattern is based on the pure price movement of the market, our intent is to use this price movement to suggest high probability trading targets regardless of the market you are trading in.



Leg A of your ABC Pattern is proof that the Sellers have the power to push the market down and they have the power to push the market a certain distance. All we need to do is grab this 'distance' and simply project this distance up the chart from your 'Signal Point'. The red dotted arrow on the image above to 'Point X' is a very effective target projection for selling based ABC Patterns.

## WHERE TO FROM HERE?

## WHAT'S NEXT?

In this workbook, we have discussed the power of an ABC Pattern, how to use it, how to set targets and how to control your risk. You may be starting to realize that this thing called Futures Trading may not be as difficult as first thought. If you can see a stair step in the market, you can be a Futures Trader. We will now move on to forecasting, where we determine exactly what potential is up for grabs here. The potential is stunning, for any trader who is willing to set a realistic daily/ weekly goal and get on with the job of grabbing that goal. In my opinion, the key to massive success in trading is “Go Slow to Go Fast” and the next workbook will show you exactly how this is done!

## DON'T TRADE ALONE

Join hundreds of traders coming together in the journey to success in our IDTA Traders Facebook Group!

[www.facebook.com/InternationalDayTradingAcademy](https://www.facebook.com/InternationalDayTradingAcademy)



## Authorisation

The International Day Trading Academy (ACN 165 005 550) is a Corporate Authorized Representative (CAR Number 001250922) of Beyond Capital Asset Management P/L (ACN 610 259 179) (AFSL 484045) for the purpose of FUTURES Trading Education. For further information please refer to the Beyond Capital Asset Management Financial Services Guide: <https://www.beyondcapital.com.au/wp-content/uploads/2016/10/BCAM-FSG-2016.pdf>

## Trading Futures Utilizing Margin

**Trading Futures** and other products **on margin** carries a high level of risk, and may not be suitable for all investors.

**Margin** is defined as: The trading of securities with money borrowed from a broker. This has the effect of allowing you to trade a larger position in the market than you could otherwise trade based on your account balance. This has the potential effect of magnifying any profit you make from the trade as well as the potential effect of magnifying the loss made on the trade. This is why the term 'high level of risk' is used to describe 'Futures Trading'.

**Margin (Leverage):** The high degree of leverage can work against you as well as for you. Before deciding to invest in any futures trading product/s, you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with futures trading and seek advice from an independent financial advisor if you have any doubts.

## Trading Risk Warning

Trading futures and other products on margin carries two primary risks. You have a risk of gaining money every time you take a trade. This is typically referred to as a winning trade. You have a risk of losing money every time you take a trade. This is typically referred to as a losing trade.

## General Information Customer Caution Notice

The information in this presentation is General Information Only. Any advice given or implied is General Advice Only. Neither your personal objectives or financial situation or needs have not been taken into consideration. Accordingly, you should consider how appropriate the advice (if any) is to those objectives, financial situation and needs, before acting on the advice.

## Performance Customer Caution Notice

The past performance of this product is not and should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. This product, like all other financial products, is subject to market forces and unpredictable events that may adversely affect future performance.

## DAY TRADING FOUNDATIONS



[www.idta.com.au](http://www.idta.com.au) | 07 5551 4050 | [info@idta.com.au](mailto:info@idta.com.au)

