

Nexgen's path and plan for trading skills enhancement

The purpose of this document is to teach you how to interpret your Nexgen software with incredible confidence and accuracy. This document will also give you exact instruction on how to enter and manage market positions so that you may reach your financial objectives. In this document, you will learn through examples of analyzing trades from the highest "structural" level down to the exact price and moment of entry and exit.

Profitable trading is a SKILL that must evolve through practice, repetition and consistency. You cannot buy skill you must earn it. At the completion of your demo you will be purchasing/ leasing software and our educational services, only after you hone your skills as a trader will you finally achieve the returns you seek from trading the market. For some this happens relatively quickly and for some this process will take 3-6 months. Nexgen is dedicated to helping you reach the finish line regardless of your current skill level and starting point or length of time it takes to be a success. We at Nexgen believe success is the only acceptable outcome for each of our clients.

Nexgen does not offer personalized trading advice and this document is for educational purposes only. All speculation involves risk. risk disclaimers at www.nexgent3.com.

Make simple financial declarations- \$3500-\$5000 per contract traded as minimum capital.

\$400 per contract per day is the goal / Risk 25% of profit to continue trading ([12 month](#))

\$100 per contract CL max stop loss **\$60** per contract NQ max stop loss
MAX LOSS PER DAY = # contracts * \$300 - If hit stop for day

Say "yes" for trading skill enhancement

- yes I am (solely) 100% responsible for my analysis and trades
- yes I have committed to "1" "MY" TRADE(s) based Nexgen's teachings
- yes I have proven my trades generate a positive outcome through simulation
- yes I am 100% comfortable with my trades and follow my rules on every trade
- yes I understand the nuances of each trade setup through study and repetition
- yes I will analyze every trade setup and I am patient to wait for the best trades
- yes I will annotate and post pictures of my trades in class while I am learning
- yes I will strive for my own betterment daily through study and self-reflection
- yes I will keep positive mental state, even if I make a mistake or take a loss
- yes I will ask for help if I do not understand something

Enhancement of Trading Skills Outline

- **Do not risk real money while building your trading skills.** Take this seriously, it is estimated that 95% of those without enhanced trading skills will lose money. Focus on your trading skill enhancement, the money will come after your skills improve dramatically.
- **PARTICIPATION** is vital to success. You will not “magically obtain” skills you did not possess prior to loading a software demo on your computer. You also cannot practice the “wrong” trading setups and improper trading skills and hope to achieve success. Only through an ongoing process of correct trade recognition, application of the rules, combined with feedback from the instructors to help enhance your skills, will you reach your financial trading objectives. Nexgen believes participation is the MOST IMPORTANT ELEMENT to your success.

3 Skills for Trading Success Trade Recognition , Entry & Exit

When you recognize trade setups with a high probability for a positive outcome and possess the skills to enter and exit correctly, you have all the components you need to be successful.

You will work through learning and improving on each of these skills as you become a successful. As stated, some students have worked through these steps in as little as a few weeks. Some it takes much longer and as regardless the length of time, you must achieve a high level proficiency in the following 3 areas if you truly wish to make any real money day trading the markets with Nexgen’s software.

1. Trade Recognition- It is imperative to learn and anticipate the correct setups that have high probability of positive returns. This is the very foundation of your trading plan. Study chart history, Market Replay, and live charts daily to find and annotate and capture pictures of the trade setups. The more you review, the better you get at recognizing the best setups.
2. Entry execution – The best trading plans utilize several types of entries. You will need to understand the different type of entries you should utilize depending on the “look” of your setups. A skill that is imperative you get right for successful trading outcomes.
3. Exiting the trade- This is where the money is made or lost. If you exit properly you will minimize risks when you lose and maximize the profitability of every trade.

START SIMULATION- It is vital that you not only recognize trades before they happen, you must now hone your skills as a trader by actually trading. You must prove your understanding of the plan by making simulated trades that are highly profitable. Only when you are completely comfortable pushing the button live, fine tuning your own version of the plan, will you be able to make real money trades.

1. Set up profit targets and stop losses in the simulator
2. Place the trades according to the rules
3. Annotate your charts with reasons for entry and exit. [example1](#) [example2](#) ([Video example](#))
4. Share your trades with the educator and or sales associate for review in class using [JING](#) to take pictures and [ScreenCast.com](#) to broadcast them. ([Watch Video](#))

It is vital that you not only recognize trades before they happen, you must “FINE TUNE” your own entry and exit criteria. During simulation, you will learn which entry techniques work best for you. You will also work on your trade management, moving of stops and targets to maximize profits and minimize risk properly.

LIVE MONEY- Only when you have 100% confidence in your plan and your execution should you move to live money. Do not rush this move to live money. You cannot practice “too much”.

Trade Set Up Recognition Skills are Vital to Success

Trading at the highest level will require you to be able to quickly and accurately interpret the correct direction of the market and the exact "area" for the trade entry. To do this you must read your Fibonacci areas and trigger lines correctly. To learn Fibonacci Trigger line Reading Video([CLICK HERE](#)) The 14-2(chart) looks that will give you the trade setups. [CLICK EXAMPLE CHART \(Click for Video\)](#)

1. The "Stab Back / Pull Back" "strong trigger lines" look will generate TREND TRADES on any chart. Very strong wide small triggers is a visually appealing way to make sure you are on the correct side of the trend. When you have strong triggers on your 14-2 (or large chart) Look for a pullback in price to an "area" on the larger chart (OR AN AREA ON SMALLER CHART) and look to initiate trend trade (rules) in the direction of the strong trigger lines.

First, Learn to study your historical trend trades by watching this video-([CLICK HERE](#))

Explanation video for the following examples ([Video](#))

- a. [The Perfect Trend Trade Look](#)
- b. [Perfect Stab Back Flow entry area Perfect Stab Back look Market Flow Entry](#)
- c. [Large Chart Trend Trade Looks](#) – Several acceptable trend trade looks on 14-2 chart
- d. [Perfect Look Trend Trade Multi-Chart Example2 Stab-Back TT Example3](#)
- e. [Visualize 14-2 Triggers on smaller charts only Trend Trades at Fibonacci Areas](#)
- f. [Area / Target / Exit Visualization- Small triggers help determine the entry spot](#)

Transition your charts ([when to transition charts](#)) ([May Not Transition](#)) ([Trade Look](#)) ([Video](#))
Trigger Line reasons to stop trend trades on small chart ([Buying Example](#)) ([Selling Example](#))

2. Trend Trade Large Charts A pullback to support or resistance after a strong move in the market in one direction. Trend trades have synthetic triggers in the direction and will involve a Fibonacci and or Mid Band. At these pivotal areas, you use the smaller chart to enter as quickly as possible. The smaller chart will have a "Counter Trend" look at a key spot while the large chart will have a "trend trade" look. ([Video for examples below](#))
 - a. [Example1](#) (click to open) [Example8](#)
 - b. [Example2](#) (click to open) [Stab Back Pivot stop out Then Trend Trade Example](#)
 - c. [Example3](#) (click to open)
 - d. [Example4](#) (click to open)
 - e. [Example5](#) (click to open)
 - f. [Example6](#) (click to open)
 - g. [Example7](#) (Mid Band target for short & long trade with synth trigs up at Fibonacci area)
3. Multiple Time Frame Fibonacci Support or Resistance. When reached you must stop trading in the direction of the trend. Trade reversals in T3 market Flow and small triggers crossing in the opposite direction. Only when Fibonacci areas break (CHANGE COLOR) you can resume trading the prior trend. ([Video for examples below](#))
 - a. [Example1](#) [Example2](#) [Example3](#) [Example4](#) [Example5](#) [Example6](#)
 - b. [Example7](#) [Example8](#) [Example9](#) [Example10](#) [Example 11](#) [Example 12](#)
 - c. DO NOT do these trades if multiple Fibonacci areas have broken in a strong trend. This is best when no more than one key fib area has broken once two Fibonacci areas break in succession, Do not do counter trend trades until 14-2 triggers roll over and help you with this trade.
4. "Chop" or range bound markets are easily spotted when you have both support and resistance that may hold when the trigger lines dictated that both areas may hold. You may choose to trade the edges of the range here if wide enough on smaller chart or you may elect to wait for a breakout of these areas.

Reading Fibonacci and Triggers & Market Flow is Vital

The more time you spend focused on the relationship between Fibonacci areas and the trigger lines and Market flow the easier trading Nexgen Fibonacci areas will be.

Watch this video that discusses Fibonacci and Trigger Lines ([click for video](#)) Trigger Line Examples used in class and in video daily.

1. [Example1](#) [Example2](#) [Example3](#) [Example4](#)

The Market Flow indicator reads the volume and what is happening inside of the Dynamic Renko Bars.

Keep in mind to only use Market Flow at Fibonacci or Trade Setup areas that have a higher probability of holding.

1. [Basic Market Flow Reading Example](#)
2. [Understanding the High Volume Area \(HVA\)](#)
3. [Using Small trigger direction to enhance HVA Line Entry](#)
4. [Stranded Buyers & Sellers Reversal Example](#)

Watch this video that discusses Market Flow & Fibonacci areas ([click for video](#))

1. [Example1](#) [Example9](#) [Example17](#) (examples in order of video examples)
2. [Example2](#) [Example10](#) [Example18](#)
3. [Example3](#) [Example11](#)
4. [Example4](#) [Example12](#)
5. [Example5](#) [Example13](#)
6. [Example6](#) [Example14](#)
7. [Example7](#) [Example15](#)
8. [Example8](#) [Example 16](#)

1. Small trigger relative to BOTH synthetic triggers. (LOCATION when touching FIBONACCI)
 - a. when the small triggers are above the synthetic trigger longs will be easier. [Example](#)
 - b. when the small triggers are below the synthetic triggers shorts will be easier.
2. Synthetic triggers location relative to Fibonacci and "crossed in direction".
 - a. if triggers are crossed up or above Fibonacci areas longs are easier
 - b. if triggers are crossed down or below Fibonacci areas shorts are easier
3. Never trade into an support or resistance area that caused a reversal if trigger line has not significantly made it beyond the Fibonacci lines.
4. If the small triggers are BETWEEN two synthetic triggers without much distance between them. This is especially true if one is crossed up and one is crossed down, the market may be choppy and it is better to wait for a clear breakout before trading.
5. If there is a large gap between price and small triggers and the synthetic trigger the market will generally work to close that gap. This is especially true from Fibonacci areas. [SEE EXAMPLE HERE](#)
6. Pullback entries at small triggers that are WIDE and FAVORING the entry will have a high probability of working especially when small triggers and Fibonacci areas line up.
7. At double tops and bottoms, monitor your small trigger positioning and watch for potential reversals when the small triggers are not also making highs or lows. " trigger divergence "

TREND TRADE SMALL CHART – Written rules

LARGE CHART LOOK- When you have a “stab back look”/ strong trigger lines on a larger chart, the trend trade will be more likely to win.

TRIGGER LINES Triggers and Synthetic crossed with the trade direction is best. After price and triggers break through Fibonacci areas to create new Fibonacci state, support becomes resistance, or resistance becomes support. This happens in strong trending markets.

AREA TO TRADE - BEST AREA= Fibonacci(s) + Mid Band/165 EMA + Synthetic Triggers in a relatively small range. Note if small triggers are very wide into the area, and there are multiple levels to choose, focus on the farthest away “last” support or resistance line. This will give you least risk and define a hard edge. While multiple areas are best, you may use a single area for trading.

Fib2Fib OSCILLATOR – Line value of 75 or 100 “sharp point” for a short order or 25 or 0 “sharp point” for a buy order. Exception will be at (50) if **both** synthetic triggers are crossed and at the Fibonacci areas for sell in a strong trending market. (both triggers crossed in favor)

DO NOT GET IN IF AREAS ARE VIOLATED -

If the small triggers are wide and strong and violate the last area you wish to trade, wait until they roll back across the area and are helping the area crossed in the right direction.

MAKE SURE BEFORE TRADE

The market has not already reversed from target or trouble spots or the trade will be less likely to win.

MAKE SURE YOU HAVE ROOM TO YOUR TARGET

You must have room to target areas so your risk will be well rewarded.

ENTRY OPTIONS -

1. Get in AT the best spot if stops can be placed beyond ALL synthetic triggers and areas. This is especially true if you use multiple timeframe charts and both charts agree to the areas and direction. This usually also involves an area +Synthetic triggers at the area. (market flow high volume into the area also helps this trade setup)
2. Market Flow shifts from buyers to sellers or sellers to buyers if using MF or PRIOR HVA's- This may take the form of (STRANDED BUYERS OR SELLERS) -Fib2Fib “sharp points” with reversal bars or may take the form of a high volume white paint bar reversal.
3. If market is too strong into the areas waiting for a pullback to small triggers after they roll if is a last resort. This too will usually have a HIGH VOLUME AREA (magenta/green) line from Market Flow.

STOP PLACEMENT - Your max stop value if getting in at area, then 2 ticks above/below pivot.

TRAILING STOPS- Wait for pullbacks then new highs or lows to trail stop behind pivots or tails. Note: “tails” on bars to use should exceed the last 2 bars prior highs or lows. Larger tails are better.

INDICATOR BASED EXIT

Divergences usually end trend trades. Reversal bars at synthetic trigger trouble spots when taking exception trend trades will also be an exit. You may also use “stranded buyers or sellers” on the Market Flow or

EXITS –Patiently waiting for your profit targets is essential for higher reward to risk ratios if your trigger lines are strong and small triggers have not violated the “farther” away synthetic triggers. If the indicators no longer support the setup and there is no support or resistance areas near to protect your trade, exit.

TREND TRADE LARGE CHART –

LARGE CHART LOOK- Should have a trend trade look (see trend trade rules) Smaller chart should have a key support or resistance line you are trading from. Can also use the edges of multiple timeframe Fibonacci areas as a potential counter trend trade.

AREA TO TRADE - BEST AREA= Fibonacci(s)+ Small triggers in a relatively small range of one another. Note if small triggers are very wide into the area, and there are multiple choices, try to use the farthest away support or resistance line.

Fib2Fib Oscillator - If you have potential/actual divergence this favorable, but not needed when larger chart has a perfect trend trade spot. Sharp points on the small chart Fib2Fib are very powerful when used at the key areas.

DO NOT GET IN IF AREAS ARE VIOLATED -

If the small triggers are wide and strong and violate the last area you wish to trade, wait until they roll back across the area and are helping the area crossed in the right direction.

MAKE SURE BEFORE TRADE

The market has not already reversed from target or trouble spots. if so NO TRADE.

MAKE SURE YOU HAVE ROOM TO YOUR TARGET

You must have room to target areas so your risk will be well rewarded.

ENTRY OPTIONS -

1. Get in AT the best spot if stops can be placed beyond ALL synthetic triggers and areas. This is especially true if you use multiple timeframe charts and both charts agree to the areas and direction. This usually also involves an AREA(Fib/MidBand) + Synthetic triggers at the area.

(market flow high volume into the area also helps this trade setup)

2. Market Flow shifts from buyers to sellers or sellers to buyers if using MF or PRIOR HVA's- This may take the form of (STRANDED BUYERS OR SELLERS) -Fib2Fib "sharp points" with reversal bars or may take the form of a high volume white paint bar reversal.

3. If market is too strong into the areas waiting for a pullback to small triggers after they roll if is a last resort. This too will usually have a HIGH VOLUME AREA (magenta/green) line from Market Flow.

STOP PLACEMENT - Your max stop value if getting in at area, then 2 ticks above/below pivot.

TRAILING STOPS- Wait for pullbacks then new highs or lows to trail stop behind pivots or tails. Note: "tails" on bars to use should exceed the last 2 bars prior highs or lows. Larger tails are better.

INDICATOR BASED EXIT

Divergences or reversal bars at synthetic trigger trouble spots exit.

EXITS -Patiently waiting for your profit targets is essential for higher reward to risk ratios if your trigger lines are strong and small triggers have not violated the "farther" away synthetic triggers. If the indicators no longer support the setup and there is no support or resistance areas near to protect your trade, exit.

Market Flow Chart Helpful Entry Ideas

Trend Trade look on 5-1 (CL) or (7-1) NQ to help define area. - if at the best spot or last spot for trend trade and setup is correct - enter after a 5 range reversal bar.

How to use a stop order entry at trend trade areas. [\(Watch Video Example\)](#)

Trend Trade entry rules using market flow white paint bar with very favorable range bar triggers. If you have multiple or all trigger lines helping your trade and the market is at the perfect spot for your trade buy or sell a white paint bar into the area for an early entry ([video for examples](#))

1. [Example High Volume areas helping w/ white paint bars](#)
2. [Example High Volume areas helping w/ white paint bars](#)
3. [A white paint bar into Fibonacci with both triggers in the direction](#)
4. [White paint bar into trend trade look and HVA LINE during stab back on 14-2](#)
5. [Fibonacci and Triggers agreeing for white paint bar entries immediately on close](#)

Entry with High Volume Line (green or magenta) when small triggers have rolled on range charts with market flow. Usually this is done with a limit order at or just prior to HVA line. ([video for examples](#))

1. [Using Small trigger direction to enhance HVA Line Entry](#)
2. [Multiple Fibonacci resistance then HVA small trigger line entry example](#)
1. [Multiple Fibonacci resistance then HVA small trigger line entry example2](#)
2. [Trend Trade Strong small trigs on 5-1 and HVA Lines on range charts as entries](#)

Entry at a multiple High Volume Areas from Multiple charts. This example shows both HVA lines

1. [Example1](#)

Using Market Flow Semi-Automated Signals for entry

You may wish to use semi-automated signals for entry into the markets along with your discretionary trading.

click to watch video for detailed explanation - <https://youtu.be/jufbWxMOyNE>

--- NEW VERSION COMING SOON WITH NINJA TRADER 8 RELEASE ([INTRO VIDEO](#)) ---

General thoughts

ALL TRADES are helped by HVA entries that coincide with small triggers rolling over and getting retested.

FIRST PULLBACK TO ANY TRIGGER LINE IS A GOOD SPOT TO WATCH!

Nexgen will constantly update a zip file that was placed on your desktop during installation with more example trades and pictures. Please study this file.

ALL TRADES that have very strong high velocity small triggers against the trade can wait for a reversal bar or more confirmation from the market flow.

Really pay attention to trigger strength on your range bars , Fibs Triggers and Mid bands on these charts are very powerful helpers when Renko bar charts get over run with stronger triggers. Watch for Fib2Fib Divergence and sharp points, they work for entries and exits.

A good trader will be able to take trades on any market, and any chart using the rules and methods provided by Nexgen. This makes our methods and software robust enough for any trader to use on any market.

Management of trades

Stops always go where the market should not go. If you can't fit your stop in your max stop, get in at better spot or wait for better trade. ([Stop Management Video](#))

Initial stops for trend trades at max risk ([Example](#)) then moved behind pivot ([Example](#)) and then trailed after reaching any type of "trouble spots" ([example](#)), usually getting to trend trade spots on larger charts for next setup. ([Example](#))

If no trouble spots reached, then trail stops after retracements after pivots on the smaller charts like 5-1 (7-1) or 5 range are made. Read your triggers while in the trade, if strong look then stay in and reach larger profit targets. We have used this picture in class for years ([SEE EXAMPLE](#))

STOPS ALWAYS TRAILED behind NEW MULTI DOT 13 Range bars to lesson risk. When doing any entries based on 13 range bars. ONLY BARS in the trade direction count for trailing stops. 2 ticks below or above bar is the rule. [Example Picture](#)

If using multiple contracts take \$200 profit on first 1/2 of CL – take 120 per contract on NQ and then move stops to entry prices so you won't lose.

ALWAYS get stingy with stops if you reach a prior larger swing high or low and take it out by only few ticks and then get any type of market flow bullish bearish signals [EXAMPLE PIX](#) take that money.

ALWAYS- IF LONG you run into ANY RED FIBONACCI LINE or MAGENTA MID BAND OR HVA LINE or ANY Synthetic trigger crossed against your position, MOVE YOUR STOP SO YOU DO NOT LOSE !! if you are 75% of the way to your first target (take it if it stalls there) and get stops up on runners. [Example Picture](#)

ALWAYS – IF SHORT you run into ANY BLUE FIBONACCI LINE or GREEN MID BAND OR HVA LINE or ANY Synthetic trigger crossed against your position, MOVE YOUR STOP NOW SO YOU DO NOT LOSE !! if you are 75% of the way to your first target (take it if it stalls there) and get stops up on runners.

ALWAYS get very tight on stops as you move into your profit target zone. Trail using reversal bar marker on 5-1 or 7-1 chart for simple trailing, if you trail behind smaller range bars this is acceptable as the volatility warrants.

REMEMBER: profitable trading is a SKILL that must evolve through practice, repetition and consistency. You cannot buy skill you must earn it. There will be risk of loss on every trade when investing in the market, if you take the time to learn your plan, and practice your plan 1000's of times and prove to yourself the plan works before trading money, you will learn to feel comfortable accepting this risk and understand the potential financial rewards for your trades.

Nexgen's software and education is second to none and once you have honed your skills, you will have all the tools necessary for making positive gains toward your trading objectives.

Please make sure you are participating in the online classes and posting your charts for feedback from the moderator of the room.

At Nexgen we thank you for your interest in our software, the live education and look forward to a long and rewarding relationship with you.