


Welcome to Nexgen Software Services. This guide is designed to teach you the basics chart patterns that will enable you to make confident winning trades as quickly as possible.



3 SKILLS NEXGEN WILL HELP YOU MASTER

CHART READING

Chart reading plays a pivotal role in trading the market, accounting for approximately 90% of the overall process, while actual trading makes up the remaining 10%. Achieving mastery in chart reading encompasses three vital elements: determining where the market is "LIKELY TO CONTINUE," "LIKELY TO GO," and "LIKELY TO STOP." This is the basis for trade entry and management.

TRADE ENTRY PRECISION

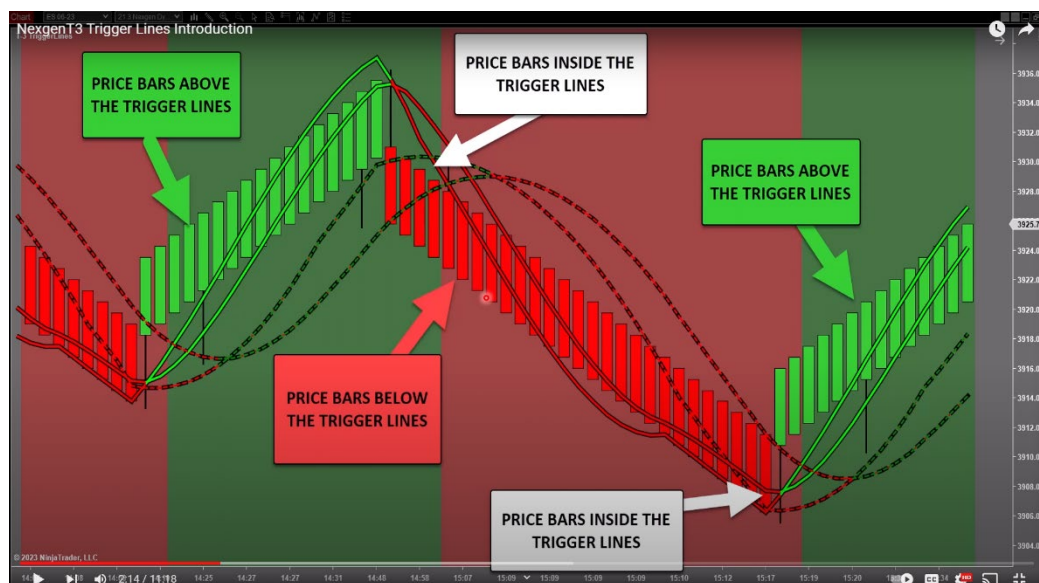
During your demo you will use Nexgen's time-tested rules enabling you to make informed decisions and execute each trade with precision. The ability to assess where the market is likely to continue its current trend, where it is likely to move in the future, and where it is likely to encounter potential reversals or pauses is instrumental in successful entry timing and location.

TRADE MANAGEMENT

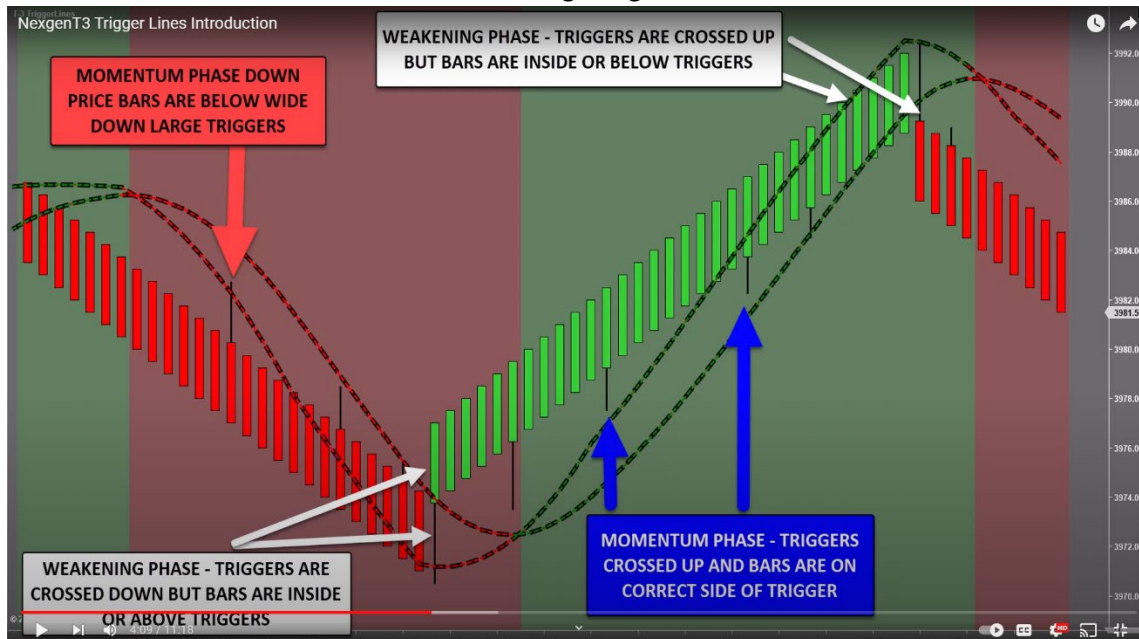
Mastering entry timing is a relatively manageable concept, while trade management holds paramount importance in safeguarding capital by minimizing losses on unsuccessful trades and maximizing profits on each trade. By assuming calculated risks and effectively managing them, traders may enhance their likelihood of executing profitable trades. Ultimately, risk management stands as a crucial aspect of day trading, enabling traders to increase their chances of long-term success by efficiently handling their risk exposure.

Watch this short T3 Trigger Line video - <https://youtu.be/pXHN7m3a9OI> (pay particular attention to the MOMENTUM PHASE & BAR LOCATION relative to the small and large triggers while watching this video.

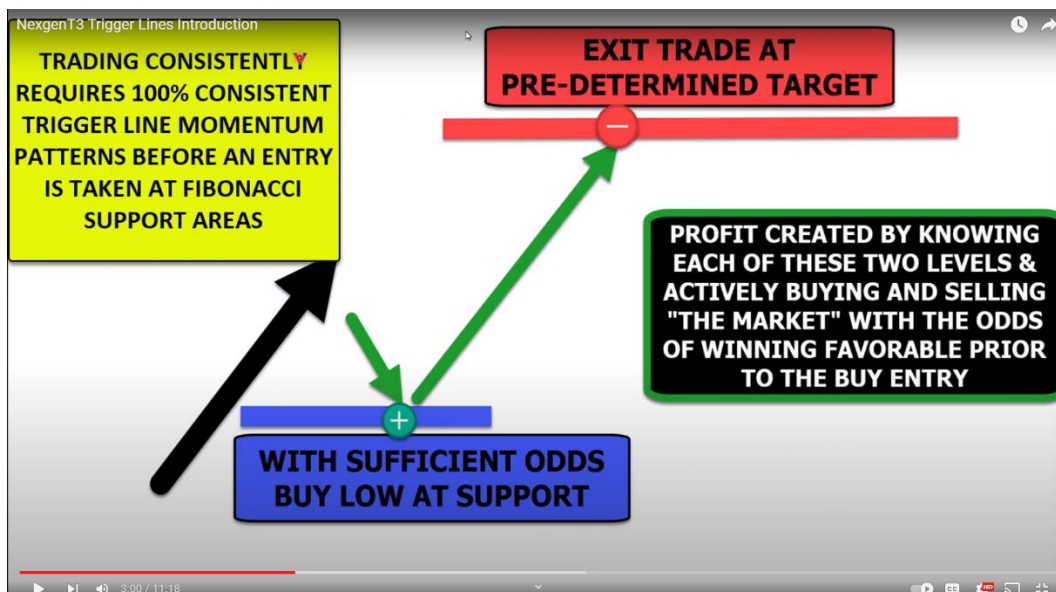
At [2:14](#) in the video it discusses "PRICE BAR LOCATION". At the time of entry, price bars will either be located above /below the small triggers (after the market makes a top or bottom), or price bars located above / below the large triggers when doing "trend trades" after an extended run in one direction.



From the video at [4:09](#)- this is the example of the “momentum phase” of the large triggers. This will be one of the MOST IMPORTANT looks when doing Nexgen’s “TREND TRADES”.

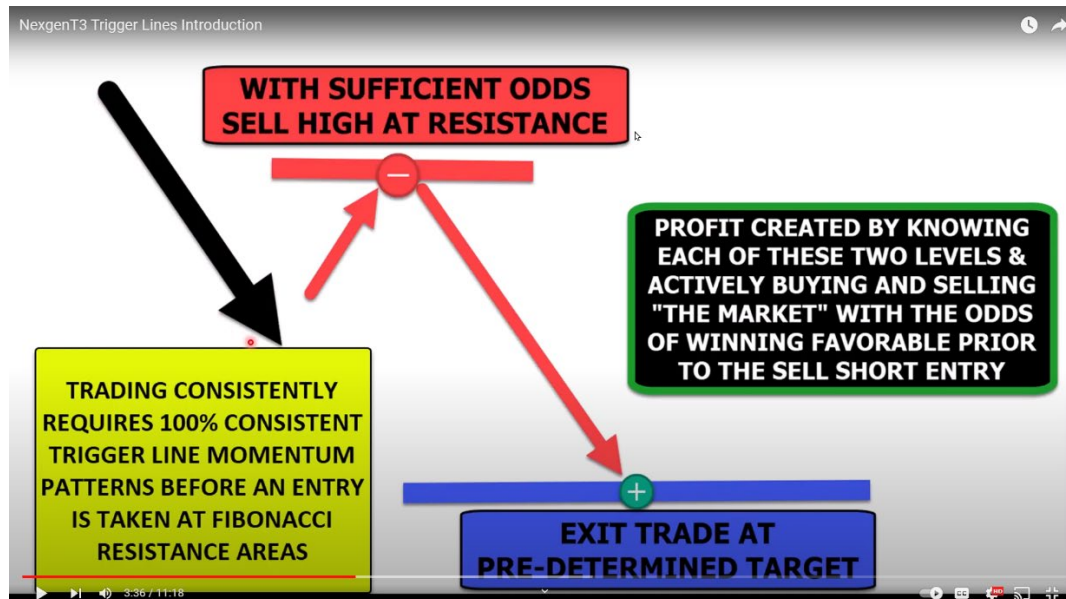


At [3:00](#) minutes in the video “LONG (buy entry)” trade setups are defined as MOMENTUM PHASE of the price bars versus trigger lines combined with a “retracement” or pull back to some form of Fibonacci support as generated by the T3 Fibs ProTrader software. These areas include Fibonacci lines, Mid bands, One to Ones or HVA lines when you start using the T3 Market Flow indicator on a range chart.



At [3:40](#) minutes in the video “SHORT (sell entry)” trade setups are defined as MOMENTUM PHASE of the price bars versus trigger lines combined with a “retracement” or pull back to some form of Fibonacci

resistance as generated by the T3 Fibs ProTrader software. These areas include Fibonacci lines, Mid bands, One to Ones or HVA lines when you start using the T3 Market Flow indicator on a range chart.

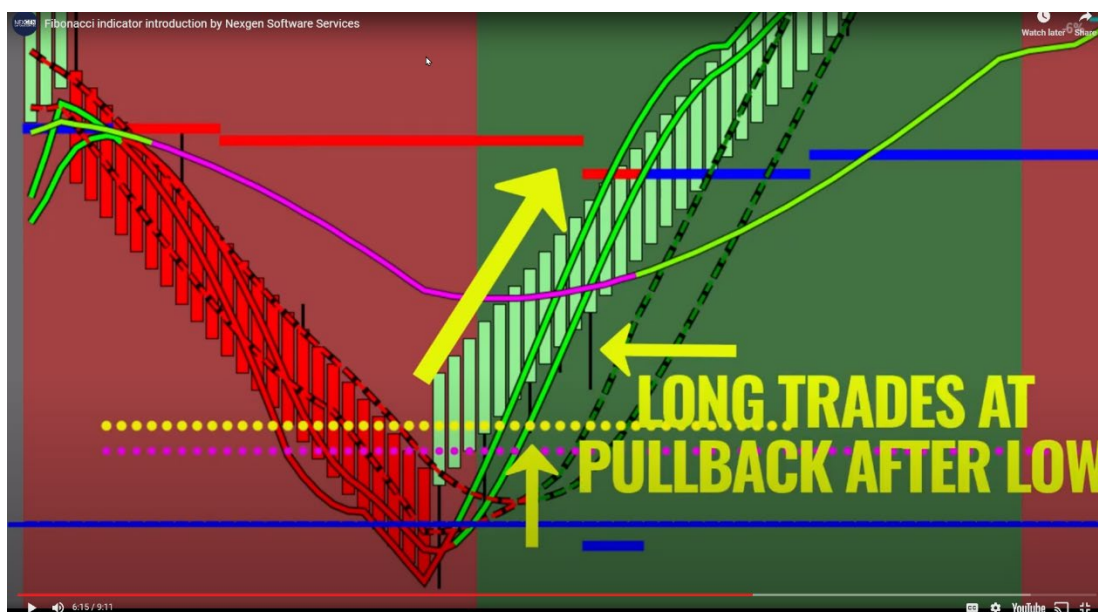
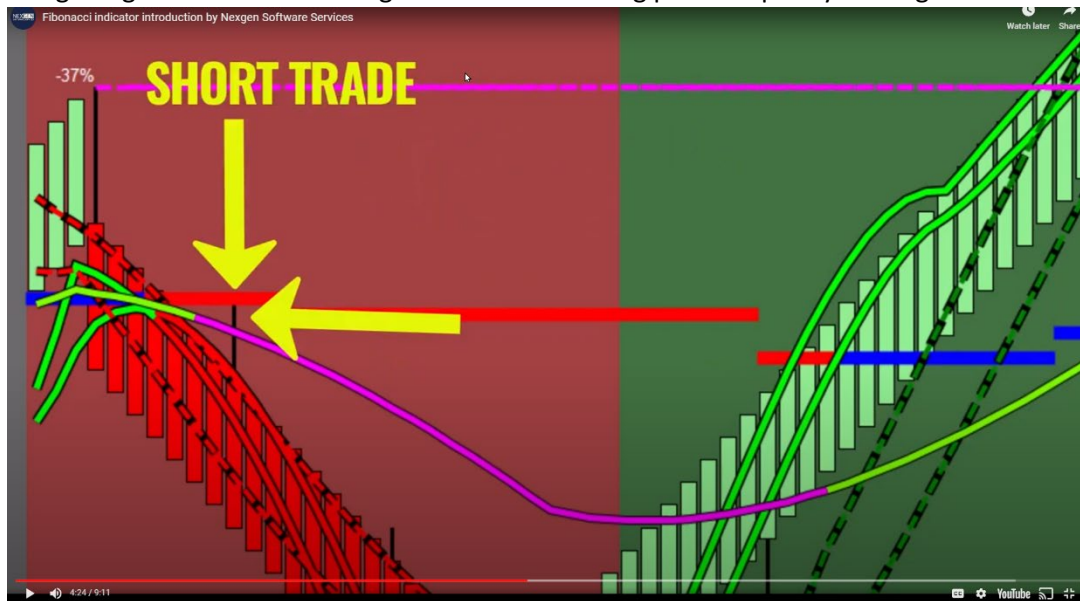


The T3 Fibs ProTrader is an advanced tool that utilizes Fibonacci analysis to establish crucial support and resistance levels within the market. Fibonacci ratios and levels create a roadmap for traders, guiding them in their trade entries and exits. Each trade executed towards a Fibonacci area or initiated from a Fibonacci area after it successfully holds as support or resistance.

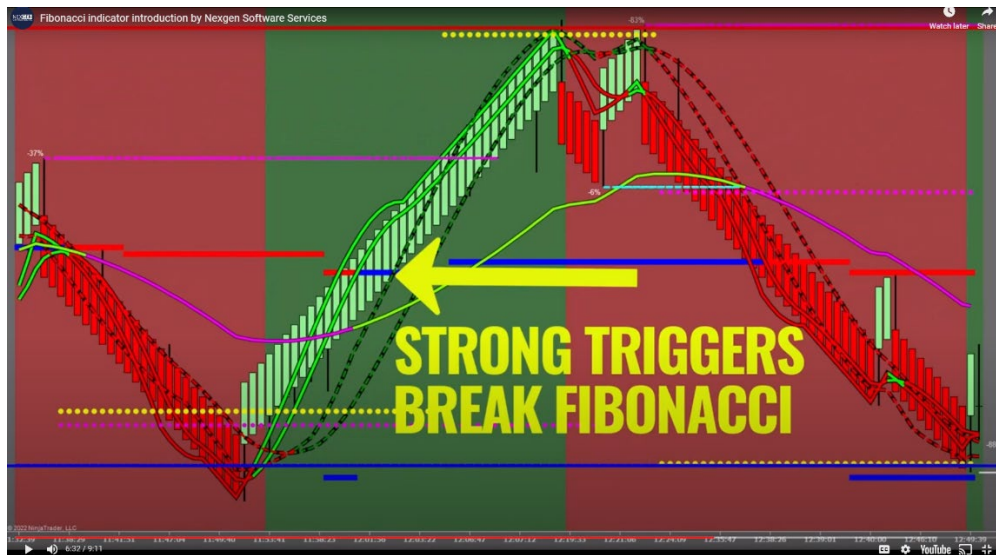
Please watch this video that explains what each of the Fibonacci levels are generated by the T3 Fibs ProTrader Software and some of the relationships between T3 Trigger lines and the Fibonacci levels.
<https://youtu.be/L-V3oFEWVZ8>

At [4:24](#) & [6:15](#) in the video, we start to introduce the concepts of Fibonacci & Trigger lines agreeing with one another. Each of the following pictures depict Fibonacci areas and the T3 Trigger line direction combined with a momentum phase of the trigger lines. This concept will be most important look when

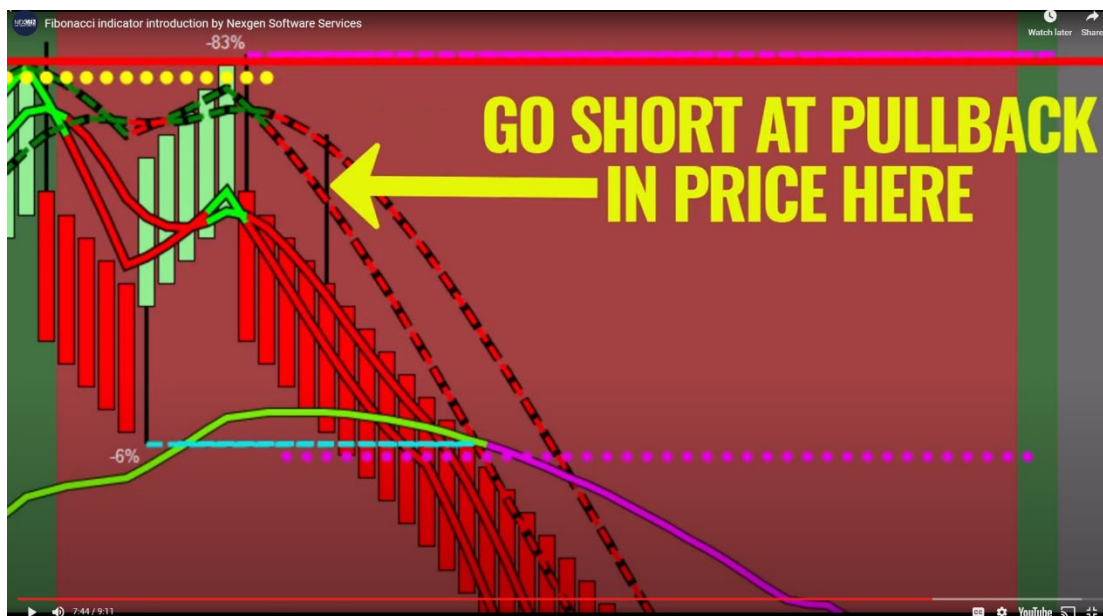
using Nexgen's Fibonacci trading software and trading plan for quickly making the correct trades.



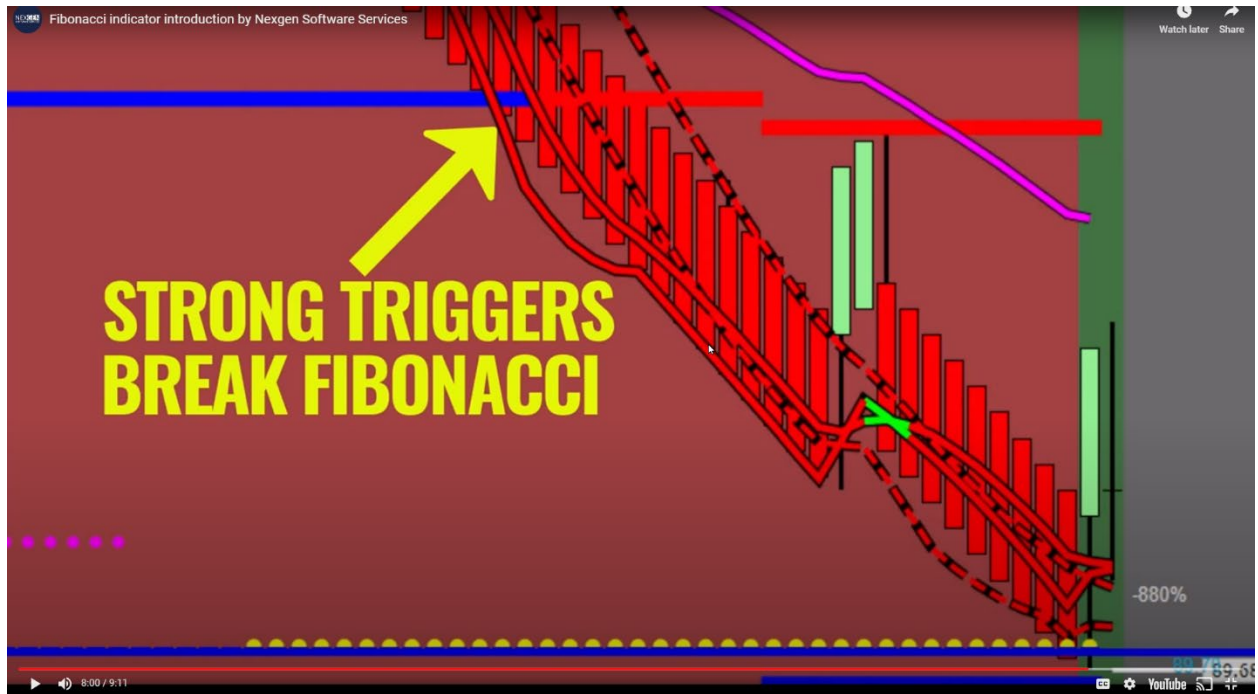
At [6:32](#) in the video, another VERY important concept is introduced. STRONG TRIGGER LINES MAY BREAK FIBONACCI AREAS! There is no reason to look for trades in the opposite direction if you have this look. This look may also allow you to hold on to a long position anticipating a breakout of Fibonacci levels to make more profit.



At 7:44 in the video, we will see after a Fibonacci top holds, and we have a momentum phase down in the T3 Trigger lines we can start taking short trades.

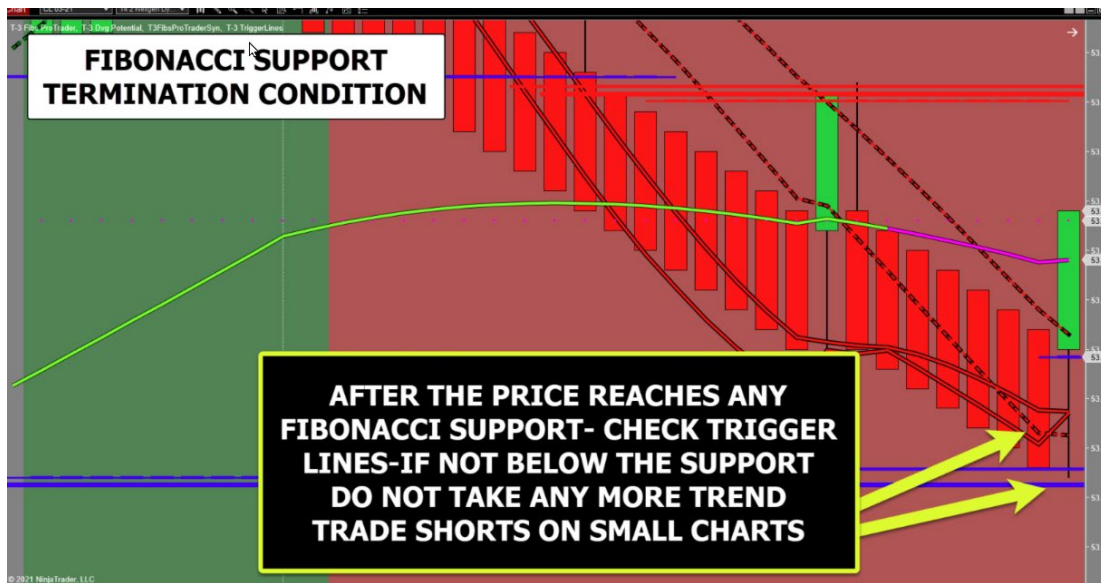


At [8:00](#) minutes into the video the concept of “STRONG TRIGGERS MAY BREAK FIBONACCI AREAS” is repeated and the market continues lower.

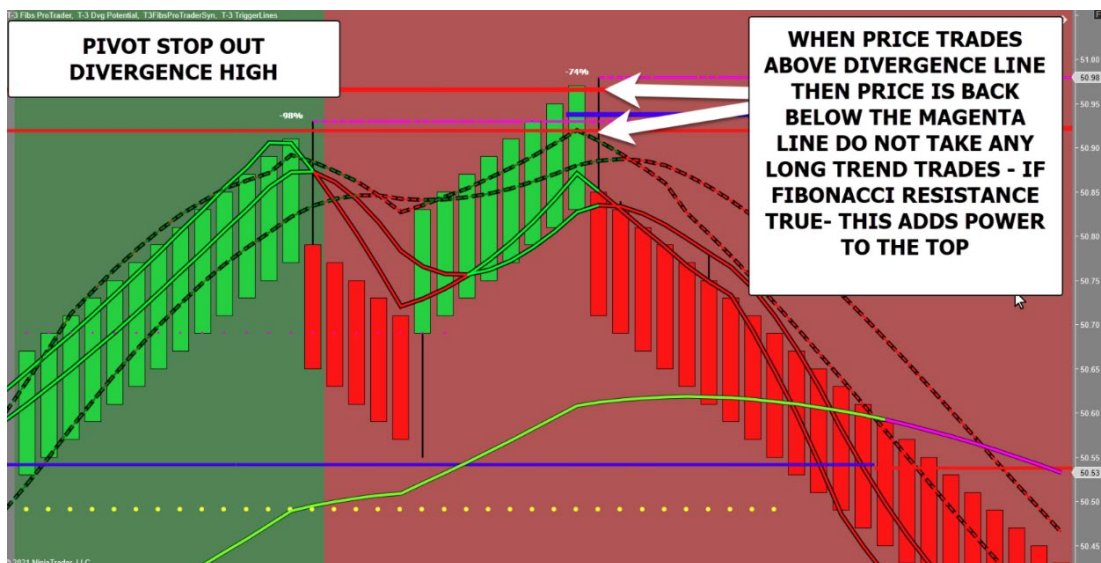


TERMINATION CONDITIONS: Before you start taking trades, it is imperative that you learn when “NOT” to take a trade. At Nexgen Software we have defined these areas as “termination conditions”. You can learn the looks in the user guide. [CLICK HERE TO OPEN THE PAGE](#)

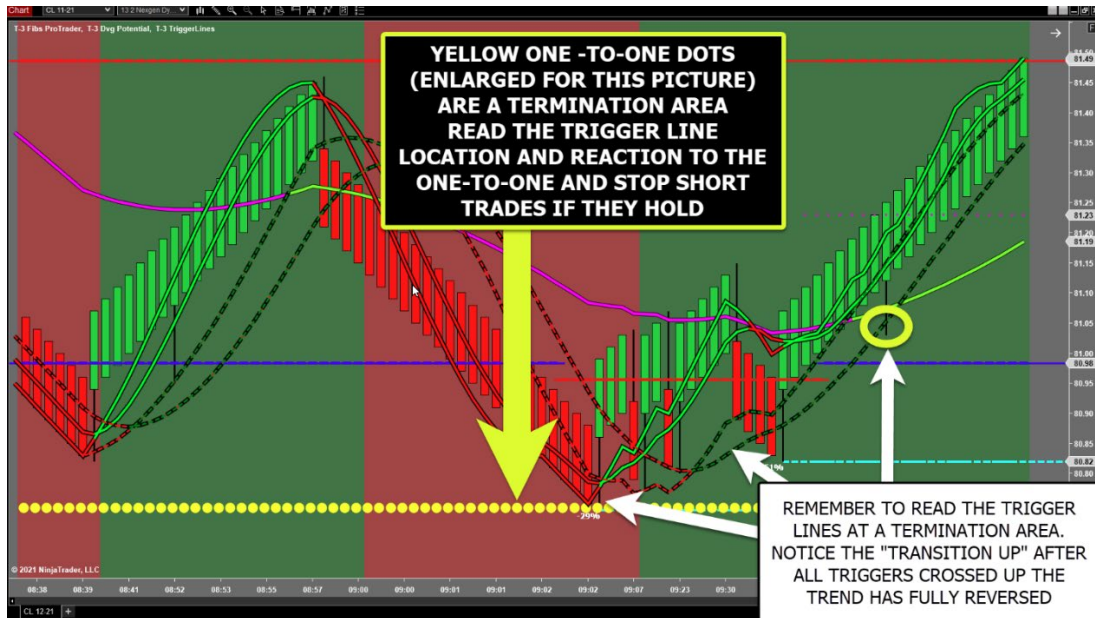
One example of a termination condition from the guide is when price reaches a Fibonacci area (blue support in the following picture). At this time, you must compare the strength and “location” of your trigger lines VS the Fibonacci area. If the triggers are NOT below the support and or “WEAK”, then you must stop taking short trades.



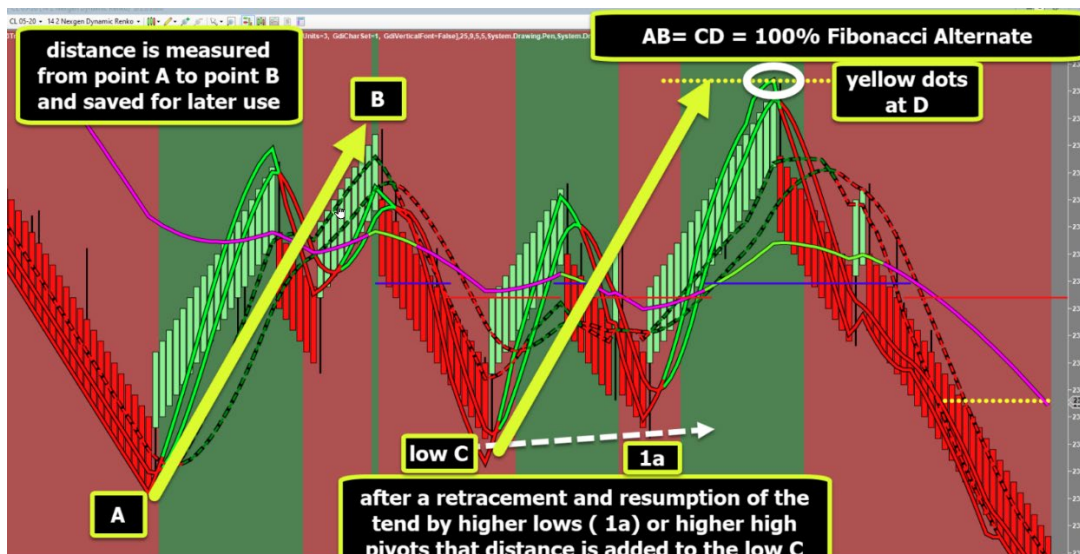
The same is true at Fibonacci resistance or prior T3 Divergence lines.



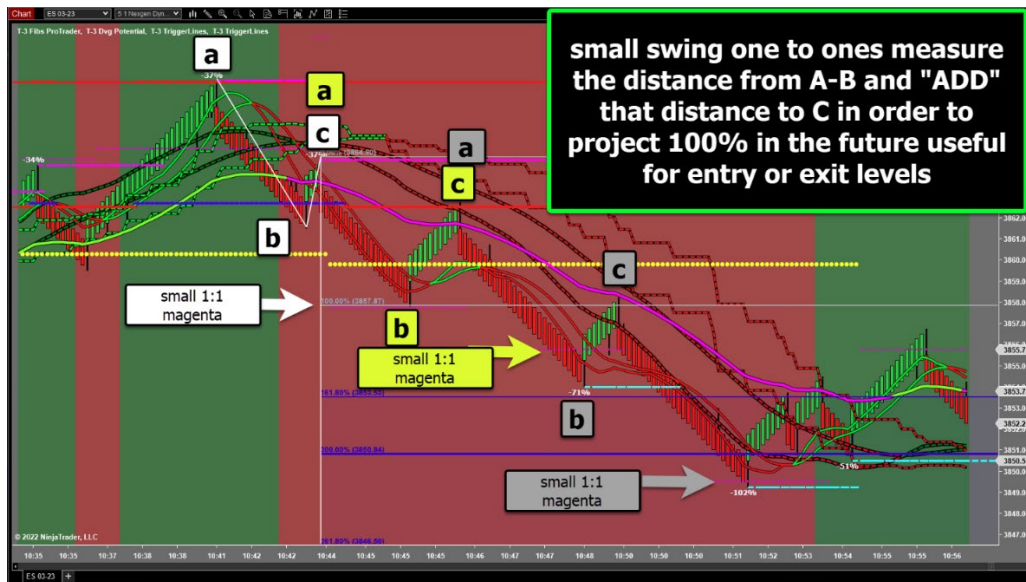
The Fibonacci-based Yellow or Magenta One to ones also will cause termination conditions if the T3 Trigger Lines have not moved beyond the One to ones.



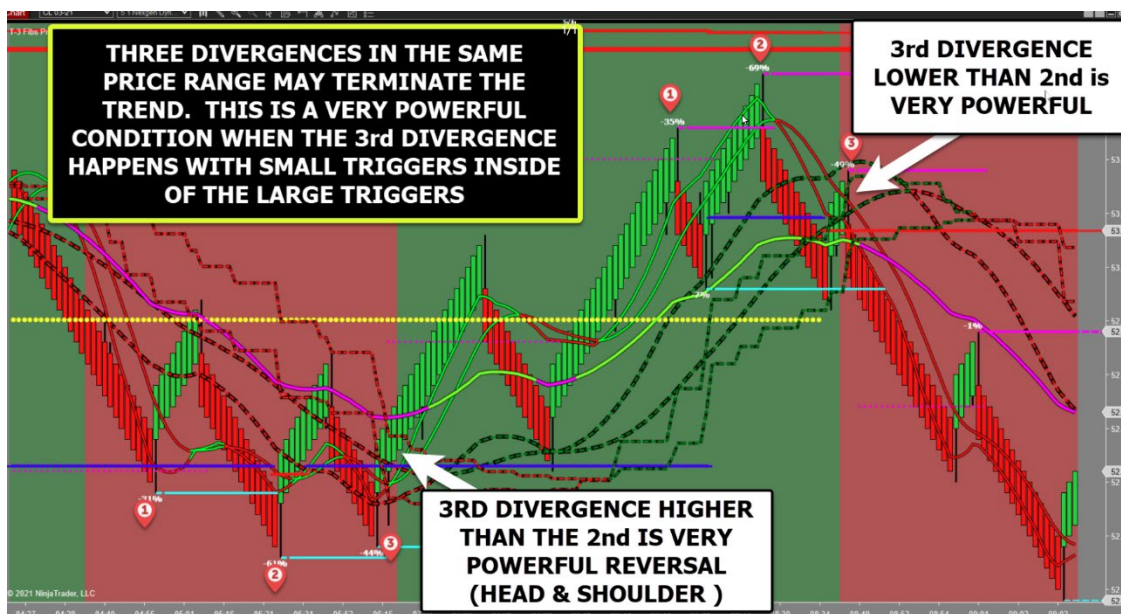
ONE TO ONES- "yellow dots" measure 100% alternate Fibonacci projections between "MULTIPLE" swings in the market. Why they are labeled as "large 1:1s" in the T3 ProTrader indicator.



ONE TO ONES- “magenta dots” The smaller swing one to one’s measure 100% alternate Fibonacci projections between “EACH SMALL SWING” in the market. Small one to ones are more or less useful (depending on the markets traded) for initial profit targets or helping to define entry areas.



Three divergences on the small chart (or 2nd higher or lower divergence) may cause a termination of the trend.



Now we will focus on Trade #1. The trend trade is the most easily identifiable for new traders. In the upcoming section we will break down each of the rules that are in the user guide.



NEXGEN'S TREND TRADE RULES

TOP BOTTOM + TRIGGERS
using the large chart

NO TERMINATION =ROOM
using the large chart

ENTRY AT AREA & TRIGGERS
using the small chart

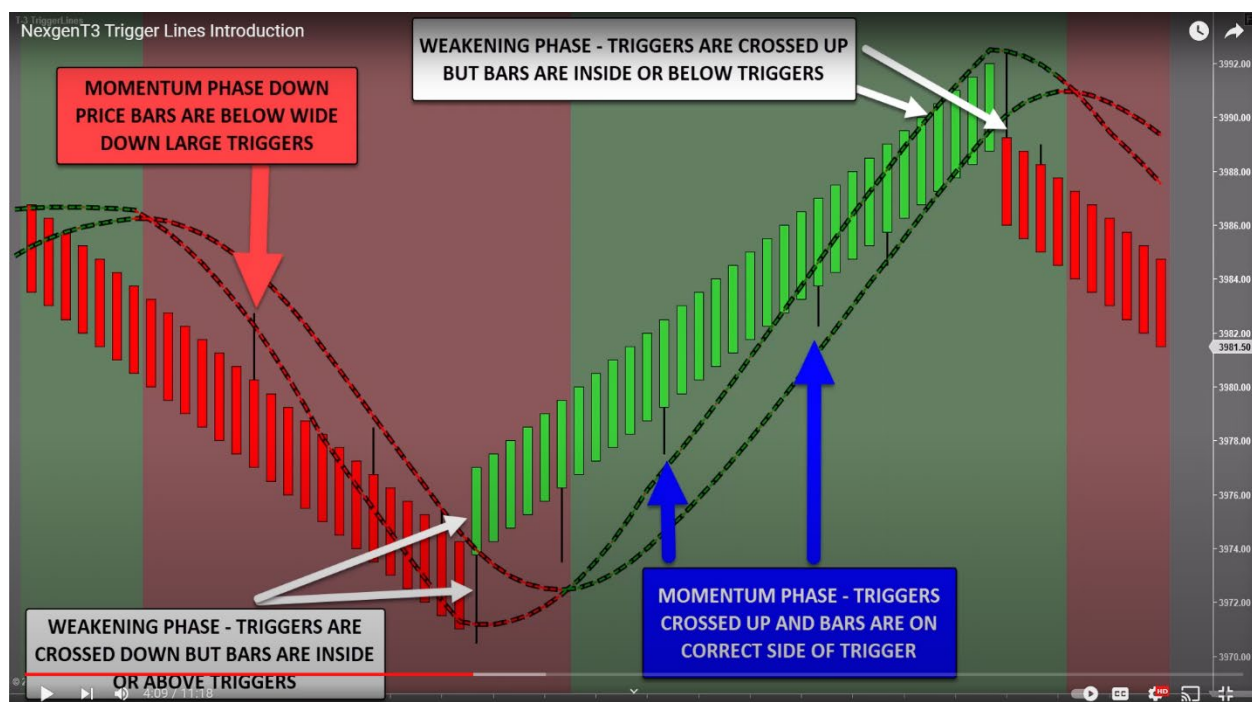
RULE #1. GOOD TOP/BOTTOM: Reversals or breakouts of Fibonacci are preferable, however as long as the T3 Trigger Lines are in a strong odds favorable momentum phase you will look for a trend trade. Manage trade tightly if there was not a good top or good bottom.

RULE #2 DO NOT under any circumstances trade directly into a Fibonacci-based termination area that has the potential to reverse the market. Check for room to your profit targets. The more room the bigger the target. If at a termination area, wait for a breakout or a reversal of trend.

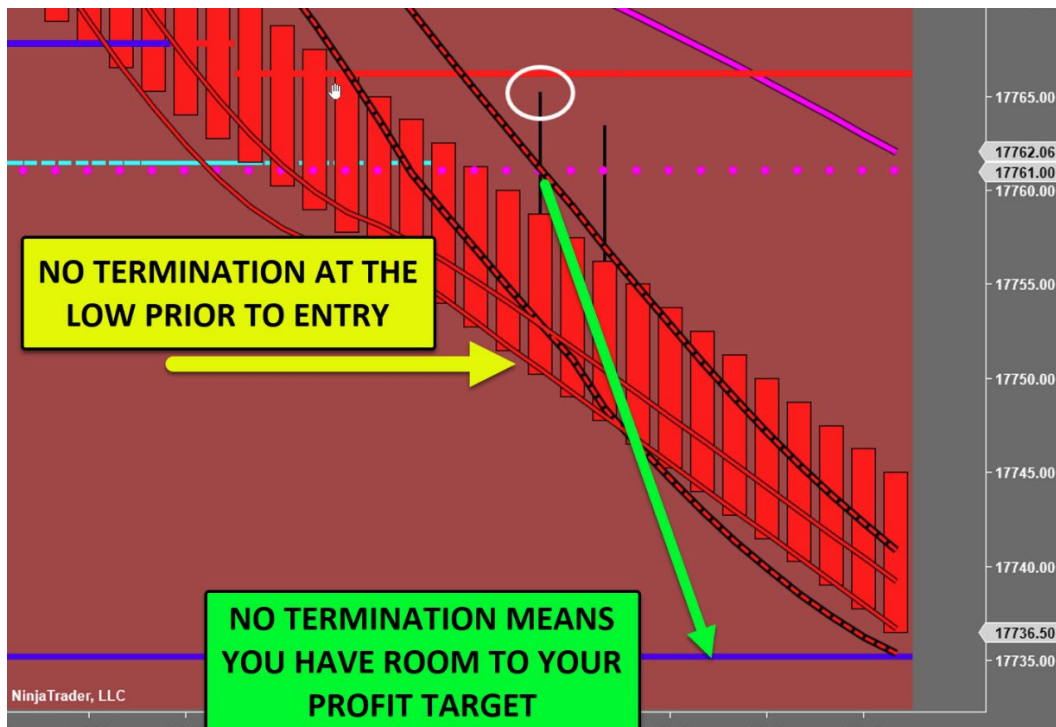
RULE#3 ENTRY AT AREAS: Pinpointing the entry area involves looking for specific indicators such as Fibonacci lines, mid-band, or one-to-one levels that are positioned "inside" the smaller chart large triggers. This identified area will serve as your entry spot. Utilizing this technique will define the entry area for each trend trade.

Top Bottom + Triggers is a concept that says, if you have a good top or bottom and then all of the trigger lines roll into a "MOMENTUM PHASE" look on the large trigger you will have a trend trade.

Remember, price bars in the momentum phase of the LARGE triggers is the ONLY time you will do a trend trade. To review that look from the trigger line video let's revisit the picture from earlier. The large triggers must be WIDE and price bars must be above or below the wide large triggers. This is Rule#1

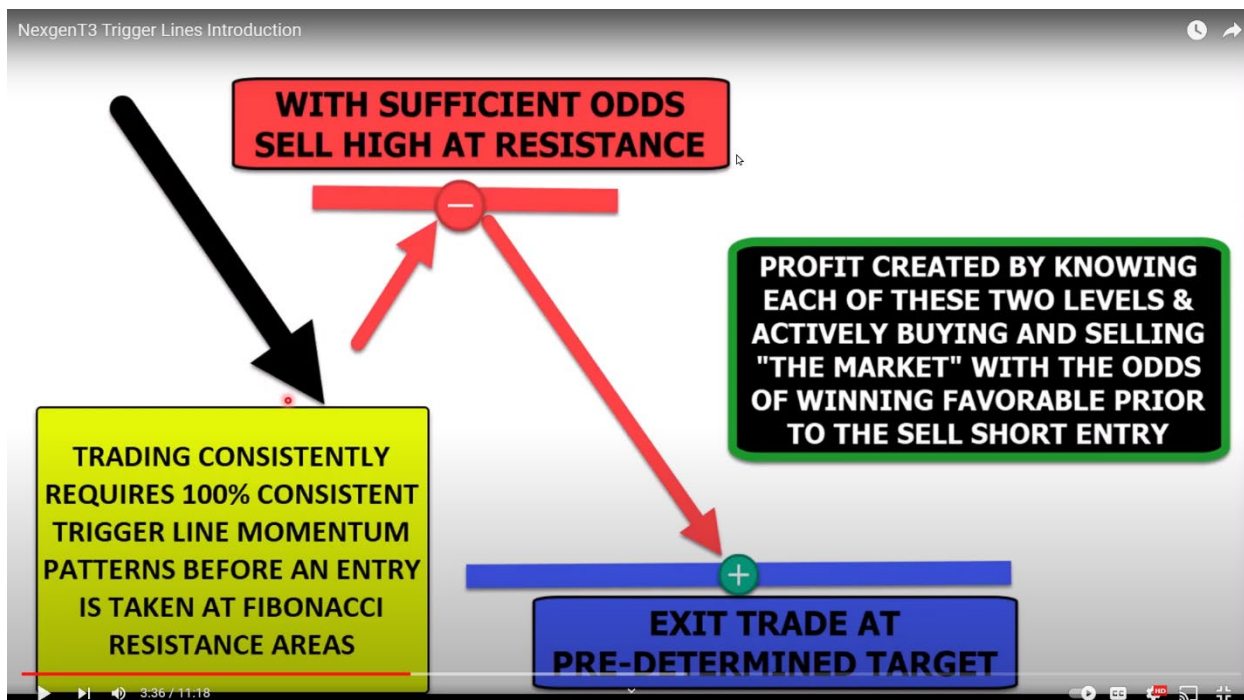


Rule #2 says do not trade into a termination condition. This also guarantees that you will have ROOM to a target prior to taking your entry. **Check the low prior to entry for a termination condition.**



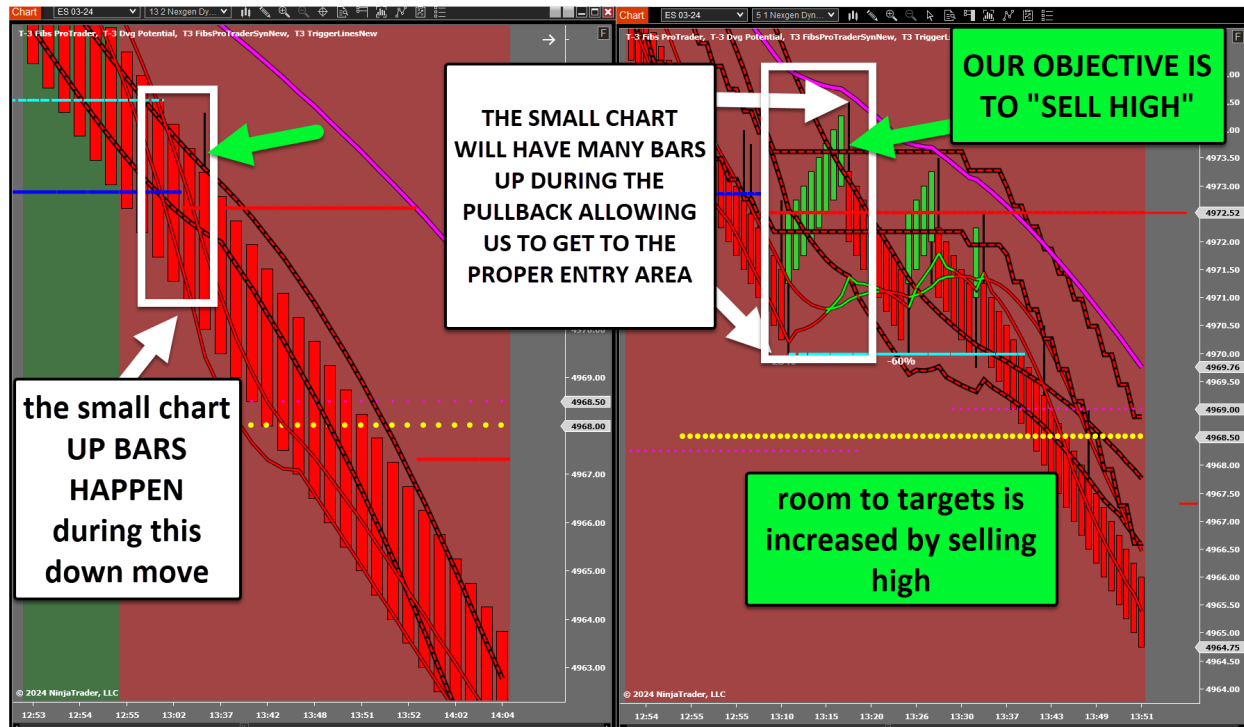
To check for room to the target, AKA “clear path”, calculate the profit potential from the entry window, not the top of the large chart bar, to the next possible termination spot which will be Fibonacci levels, one to ones or prior divergence lines. Entry windows are determined using smaller size charts.



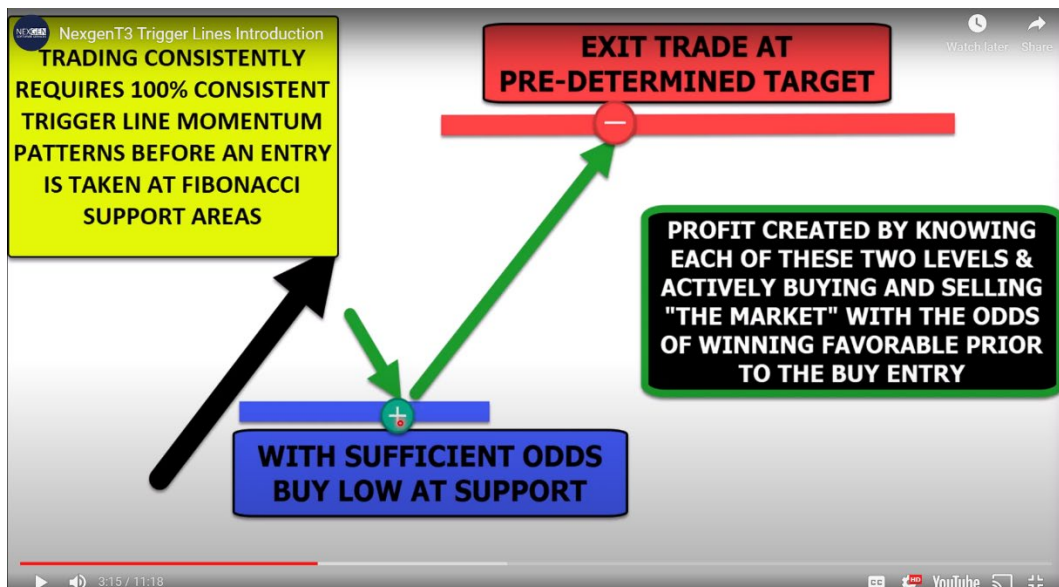


A concept that new traders to Nexgen take a few repetitions to feel comfortable with is that the "SMALLER ENTRY CHART" will be making UP bars when you are doing short trades. The up bars on the small chart will be contained in the 1 bar on the large chart. This is illustrated in the following picture from the trigger line video.

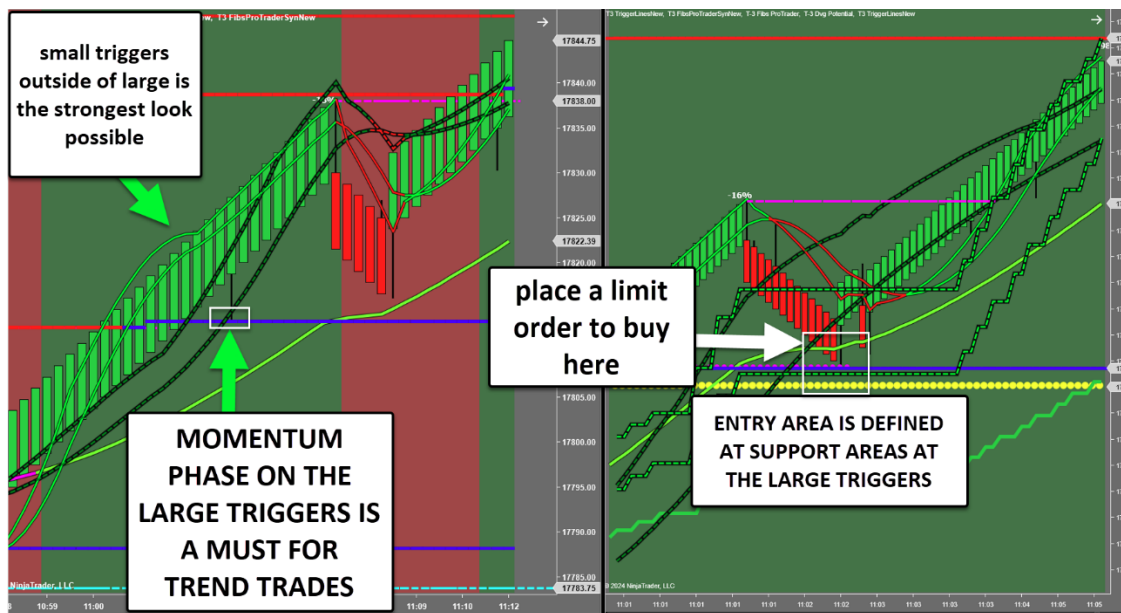
When doing short trades at resistance. You will see up bars on the small charts.



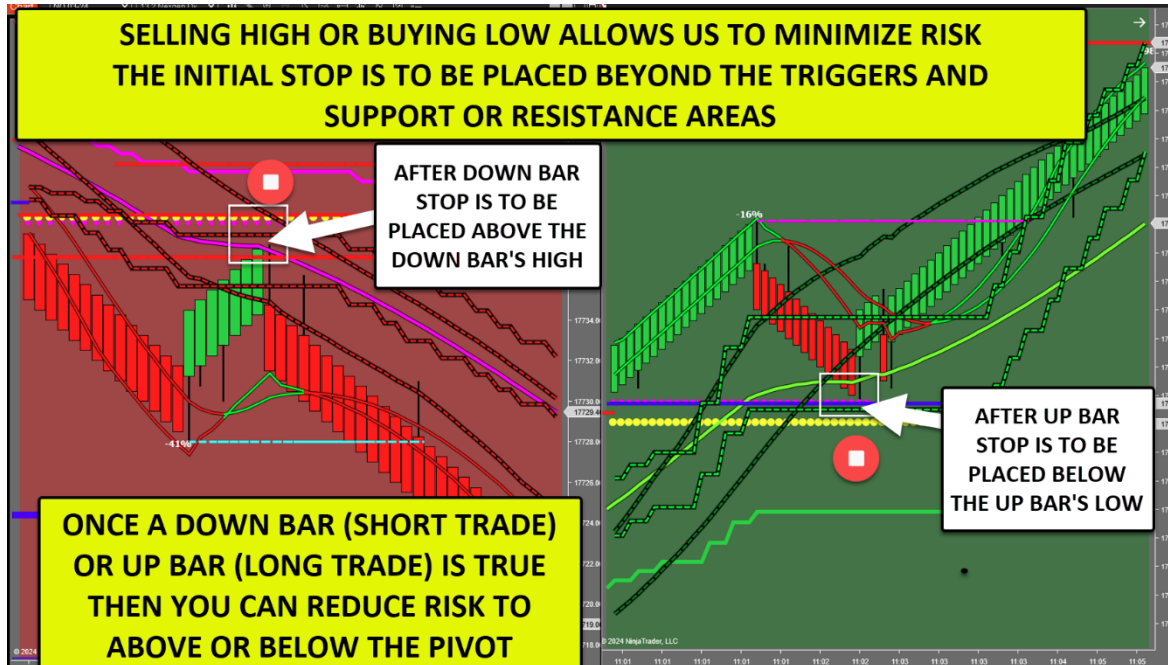
Entries for trades long will require STRONG TRIGGERS, NO TERMINATION / ROOM TO TARGET and then RULE #3 which is how to define the entry area This is illustrated in the following picture from the trigger line video.



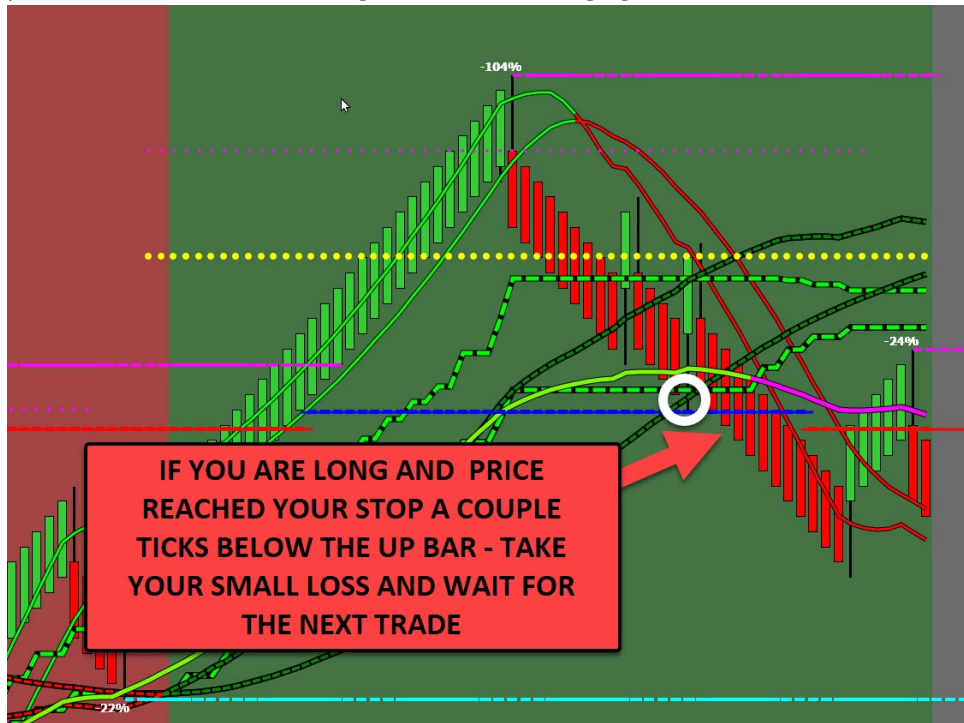
Areas to buy are any Fibonacci lines, one to ones, mid bands that are also at the large trigger lines. We want to buy the market at the spot when the large chart has the strongest momentum phase possible.



Initial stops are to be placed “where the market should not go”. Generally, 4-5 ticks above all trigger lines and the entry support or resistance areas. Classroom verbiage may call it the “window of opportunity”. After the market confirms the trade by making an up or down bar, we will further reduce our risk and move the stop behind the bar in the trade’s direction.



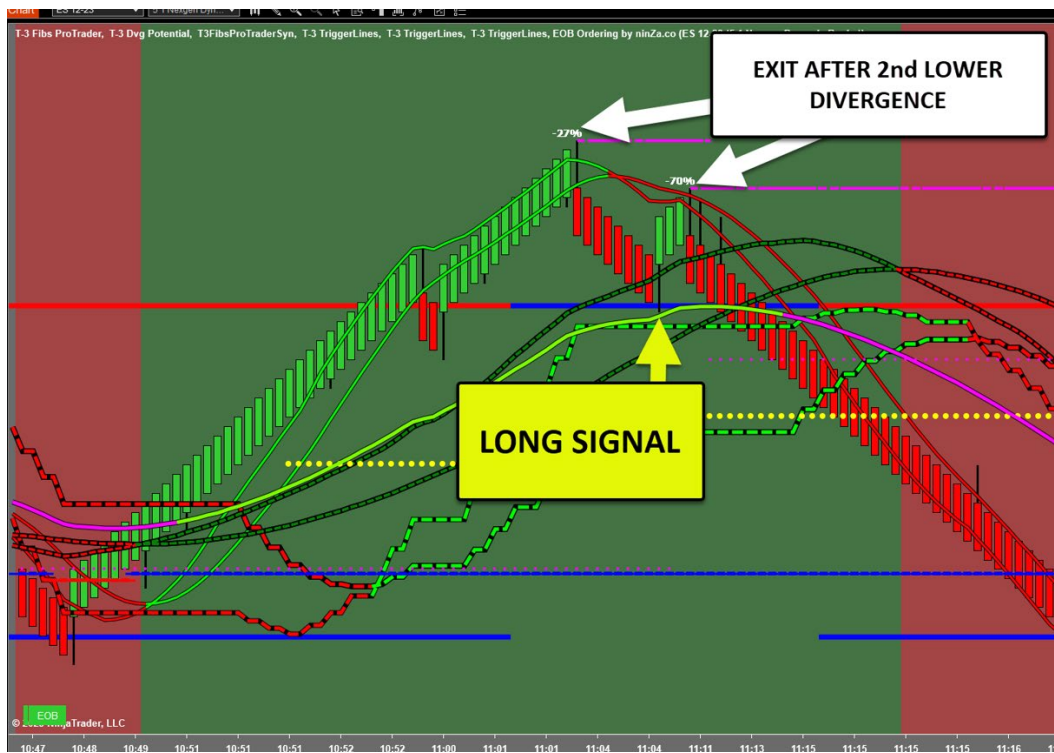
EXITING NO MATTER WHAT. For now, these are the patterns that will make you exit your position and wait for a new signal before entering again.



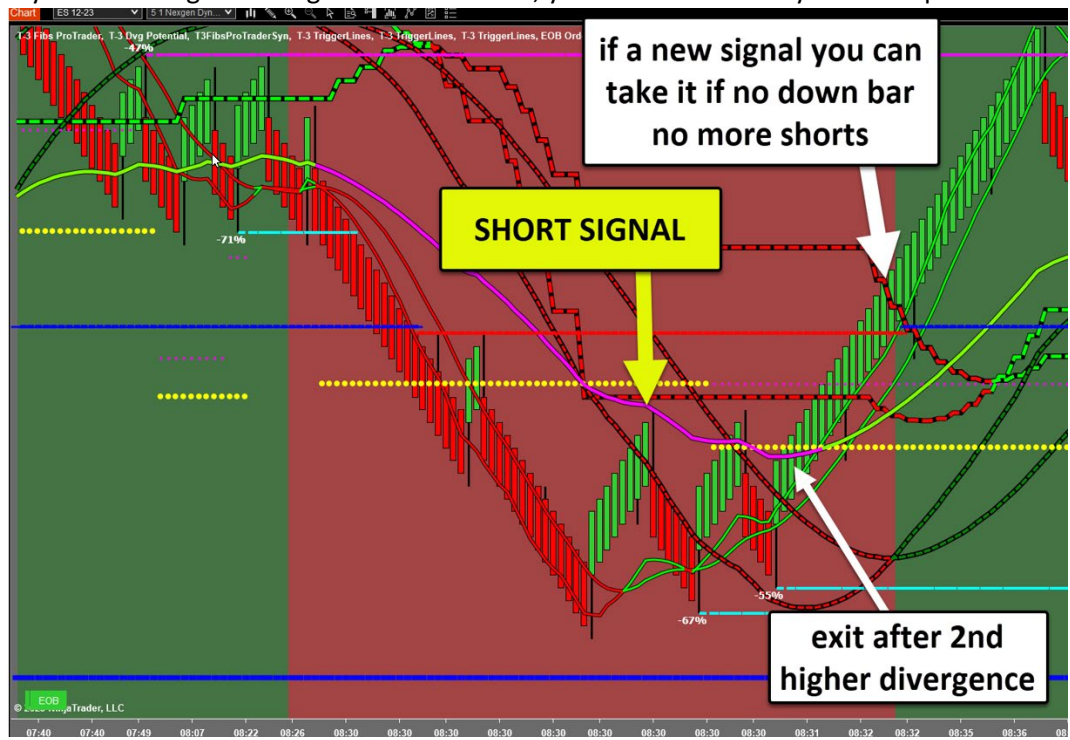
If you get a 2nd higher or lower divergence (depending on the direction of your trade), EXIT. You can always reenter if you get a new signal. This only happens 25% of the time, usually, it goes much further.



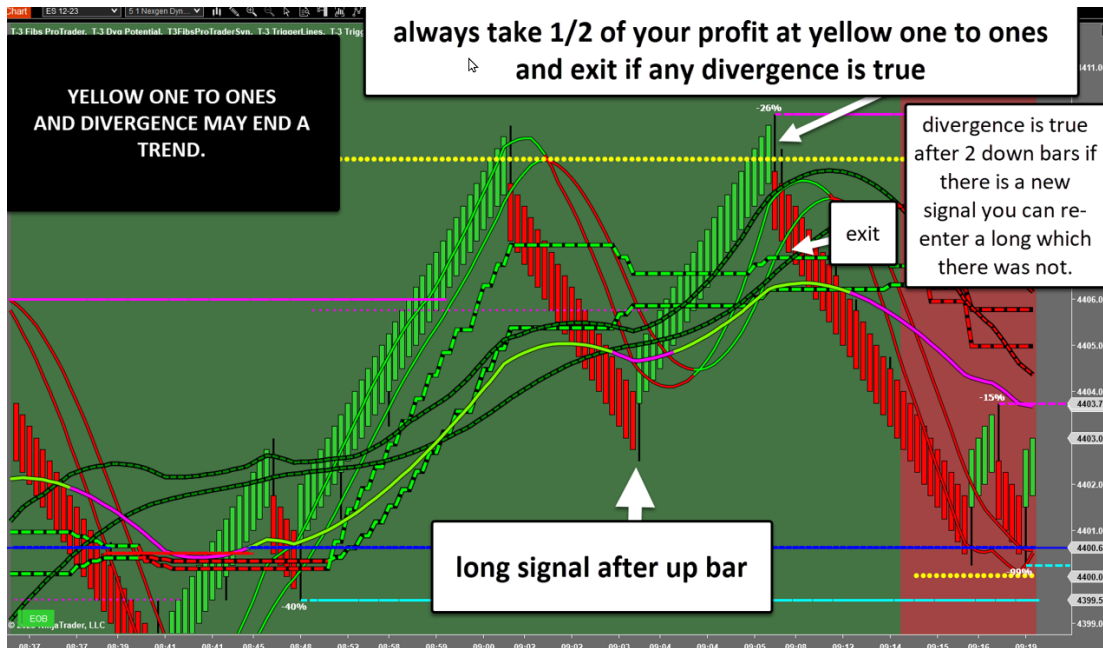
Most of the time, this happens 75% of the time and why lower divergence is a great exit.



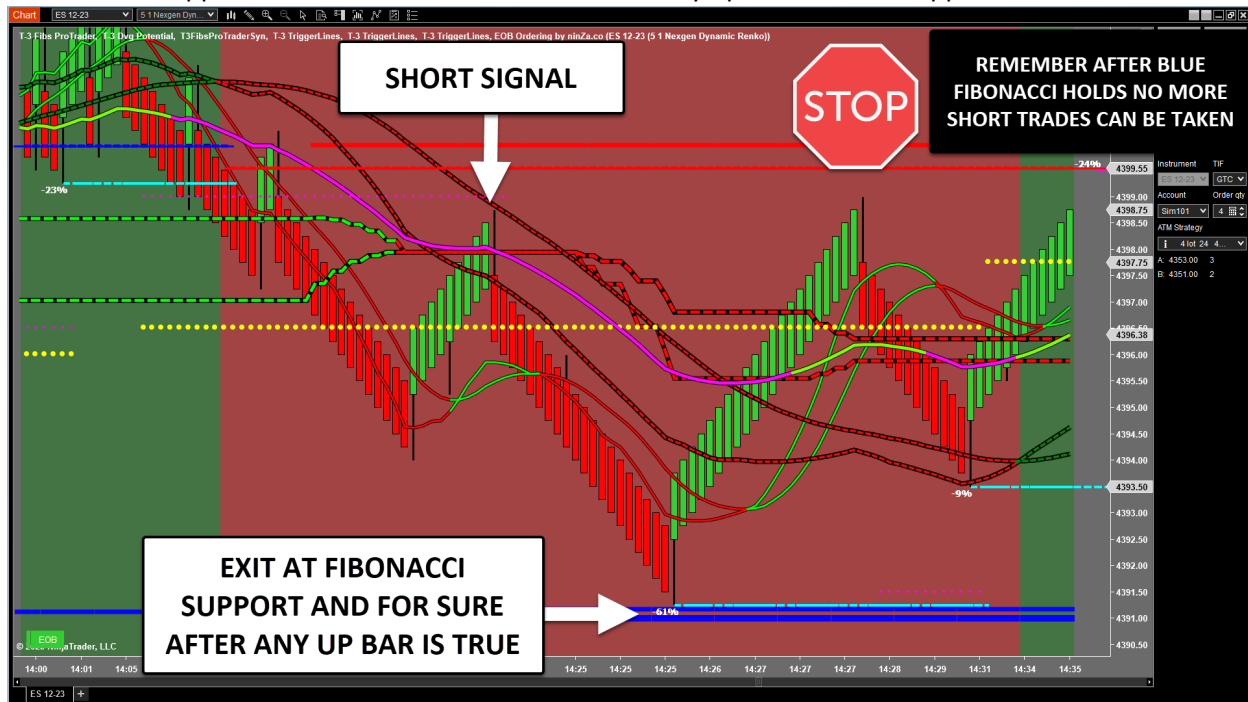
If you have a higher divergence than the last, you will need to exit your short position.



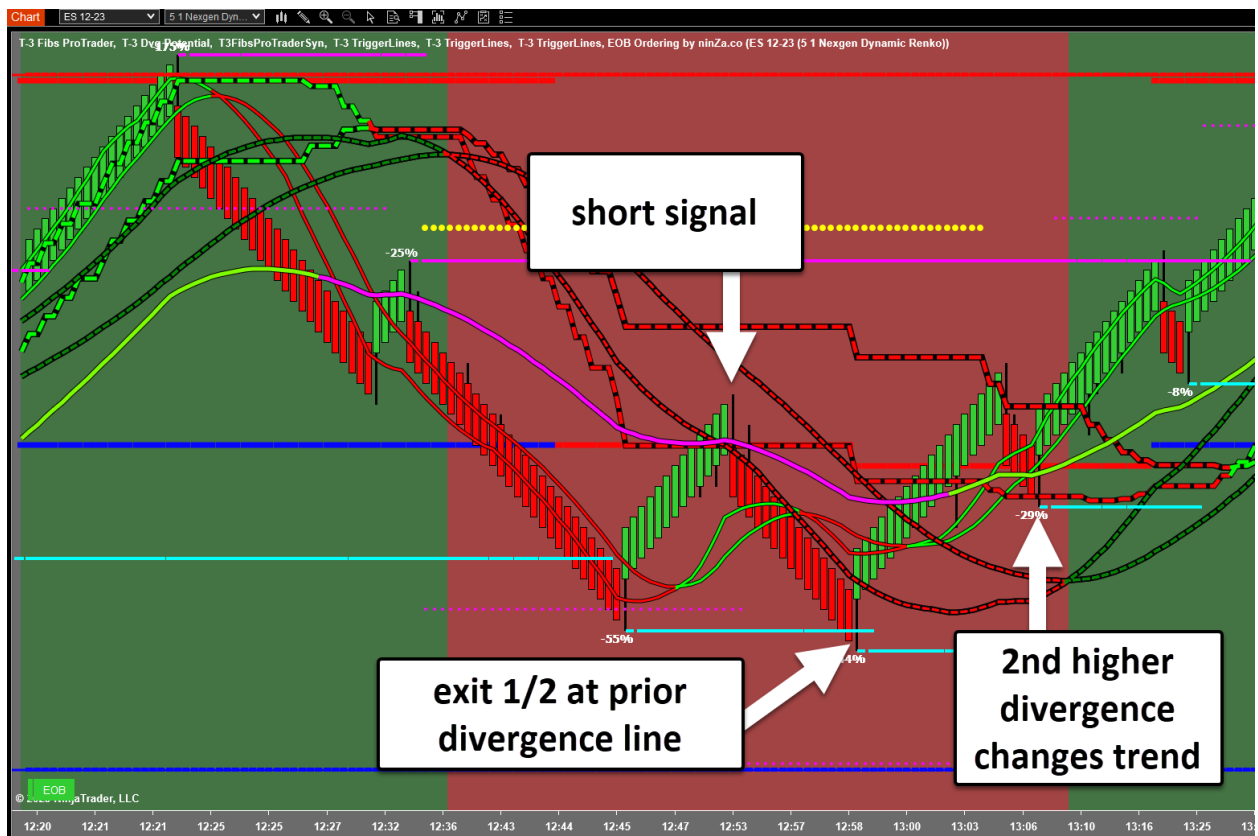
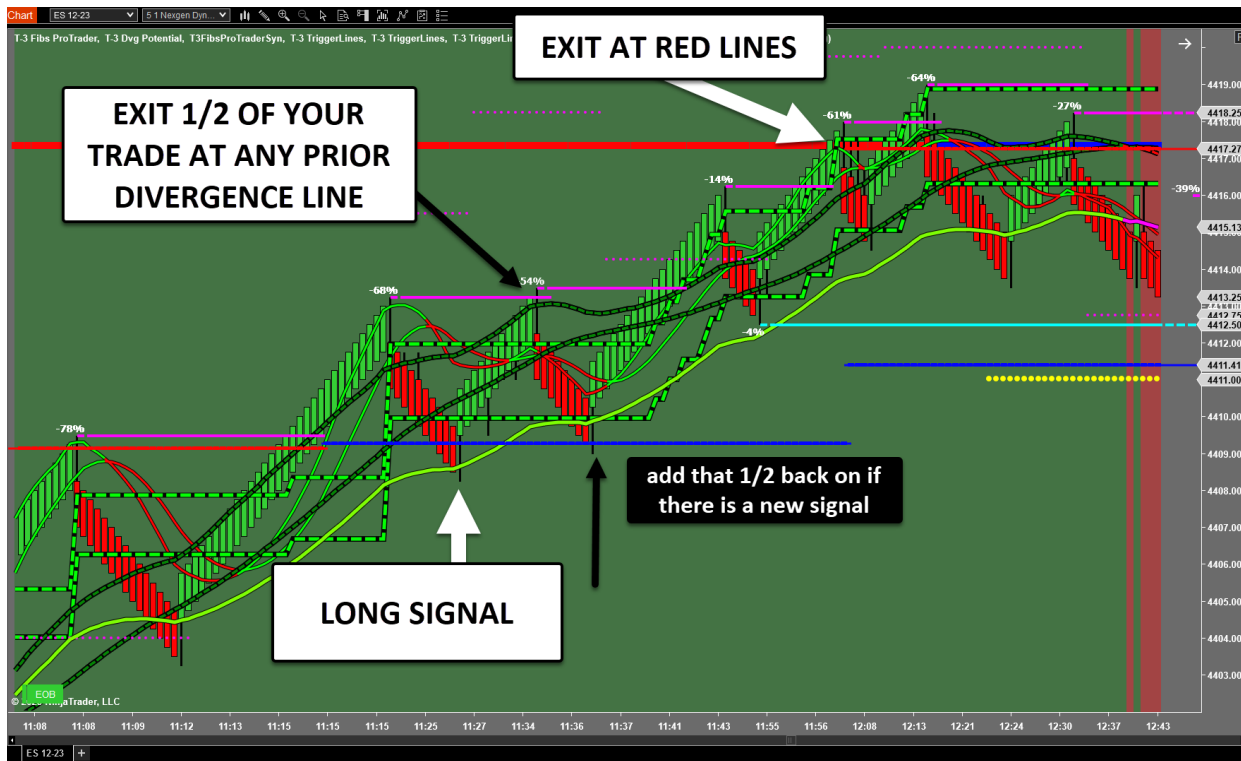
At one to ones, exit ½ and then exit if divergence becomes true.



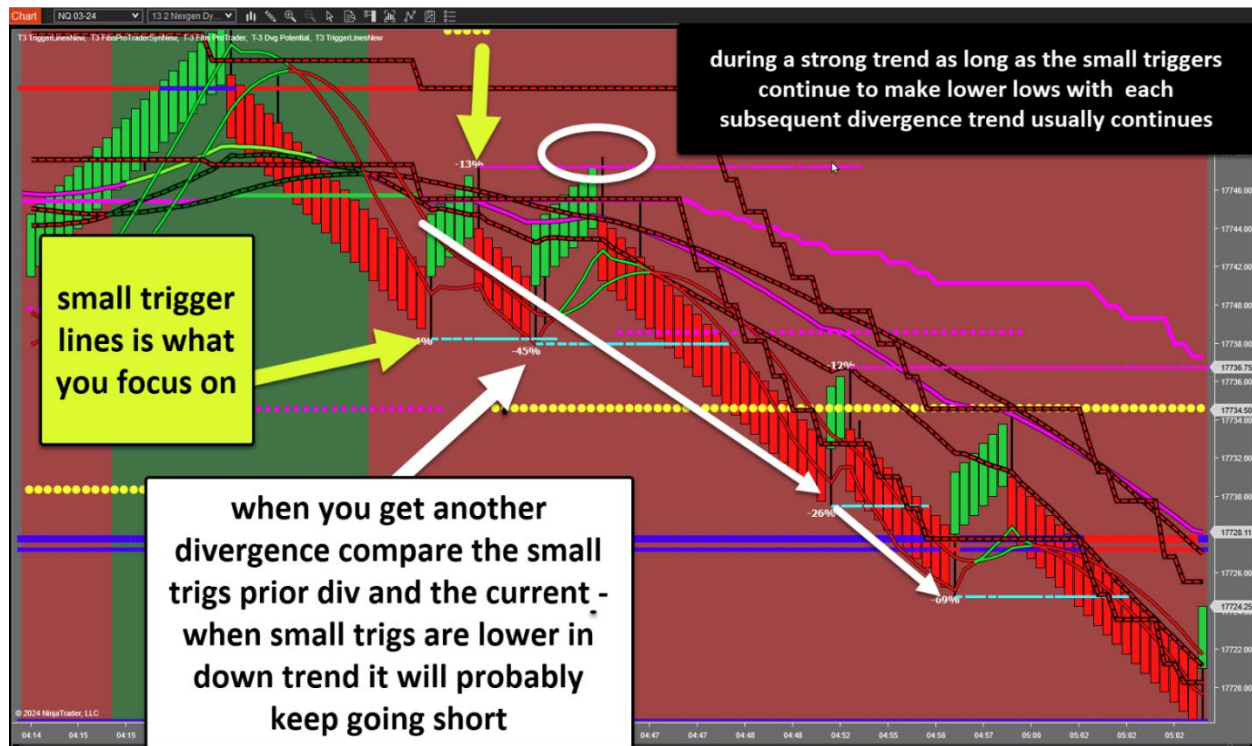
At Fibonacci support or resistance and 100% for sure if any up or down bar happens.



Exit 1/2 of your position at any prior divergence high line if you are over 100 dollars in profit



Divergences that have small triggers that are “trending higher or lower” will generally not stop the trend.



Once you are ready to add a third chart and move beyond only doing “trend trades”, please take the time to watch the introductory video for the HVA and Momentum based trades.

[WATCH THE VIDEO](#)

For HVA trades and Momentum Trades, we will be introducing a 3rd chart that is a range-based chart not a Nexgen Dynamic Renko Bar chart. A range chart by definition is a FIXED # of ticks in the bar. A 21-range chart has 21 ticks from high to low. An 8-range chart has 8 ticks high to low. The range-based charts use a faster trigger line setting than the Dynamic Renko charts specifically designed for the HVA and MOMENTUM TRADES.





NEXGEN'S MARKET FLOW HVA TRADE RULES

TOP BOTTOM + TRIGGERS

NO TERMINATION =ROOM

ENTRY AT HVA & TRIGGERS

RULE #1. GOOD TOP/BOTTOM: Reversals or breakouts of Fibonacci are preferable, Make sure the T3 Trigger Lines **DO NOT BREAK BEYOND THE AREA**. It is extremely important that you pay attention to the trigger line location when doing this trade.

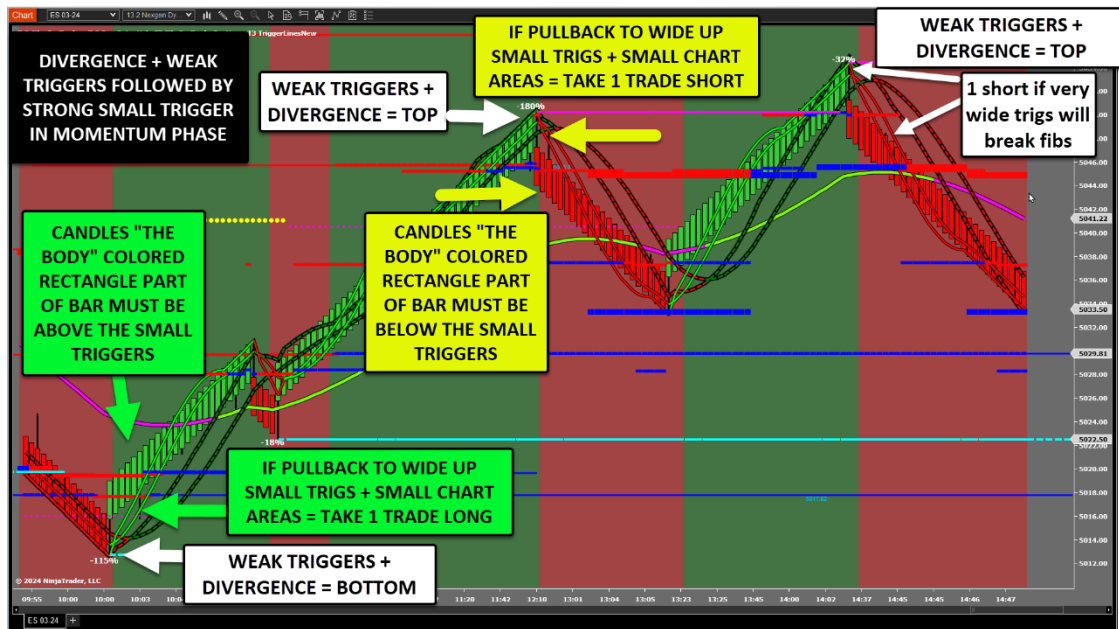
RULE #2 DO NOT under any circumstances trade directly into a Fibonacci-based termination area that has the potential to reverse the market. Check for room to your profit targets. The more room the bigger the target.

RULE#3 ENTRY AT HVA LINE: Pinpointing the entry area involves looking for the T3 Market Flow HVA LINE that is positioned "inside" the smaller chart SMALL & OR LARGE triggers. This identified area will serve as your entry spot. HVA LINES may be used during trend trades to help fine-tune an area. Utilizing this technique will define the entry area for higher probability HVA line trades.

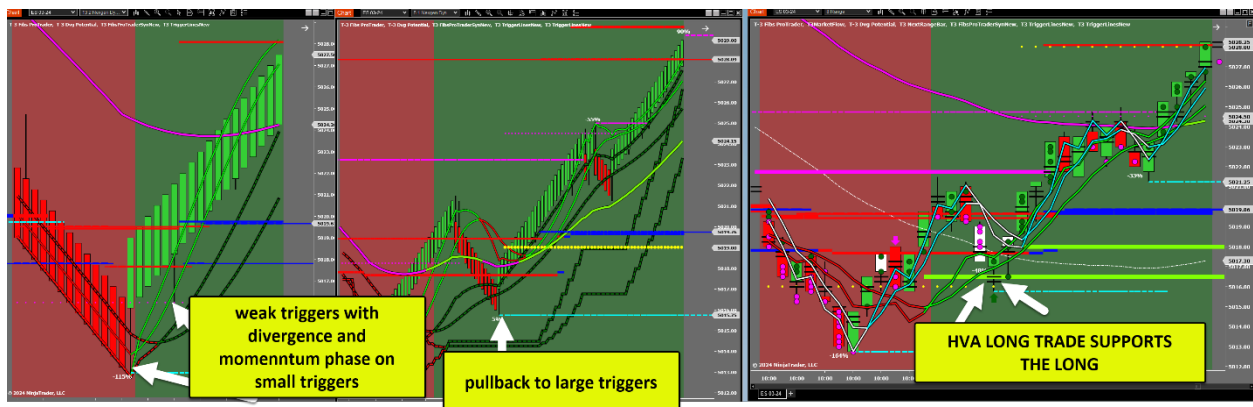
Rules #1 and #2 for T3 Market Flow High Volume Area Trades require a working knowledge of Termination Conditions. [REVIEW THE GUIDE](#)

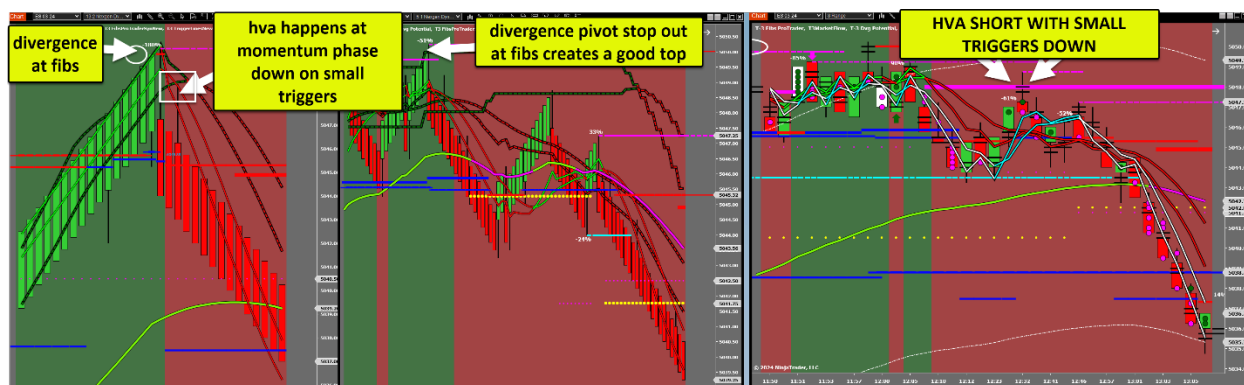
Before we get into using the HVA as an entry area, not every top or bottom happens at a FIBONACCI area. The addition of any large chart with WEAK TRIGGERS (small trigs inside the large) coupled with

divergence followed by a MOMENTUM PHASE of the small triggers may cause a trend reversal and if the HVA area agrees, you can use it as an entry area. Here are examples of weak triggers with divergence.



The entry for an HVA trade is simple, after a good top or bottom, buy or sell at the HVA LINE IF your trigger lines are in momentum phase. The trigger lines could be in a momentum phase on the large charts or the range chart.





NEXGEN'S MOMENTUM TRADE RULES

TOP BOTTOM + TRIGGERS

RULE #1. GOOD TOP/BOTTOM: Reversals or breakouts of Fibonacci are preferable, The T3 Trigger Lines cannot get NOT BEYOND Fibonacci tops or bottoms, when you can define a strong termination condition on ALL of your charts, this is the most preferable look.

NO TERMINATION =ROOM

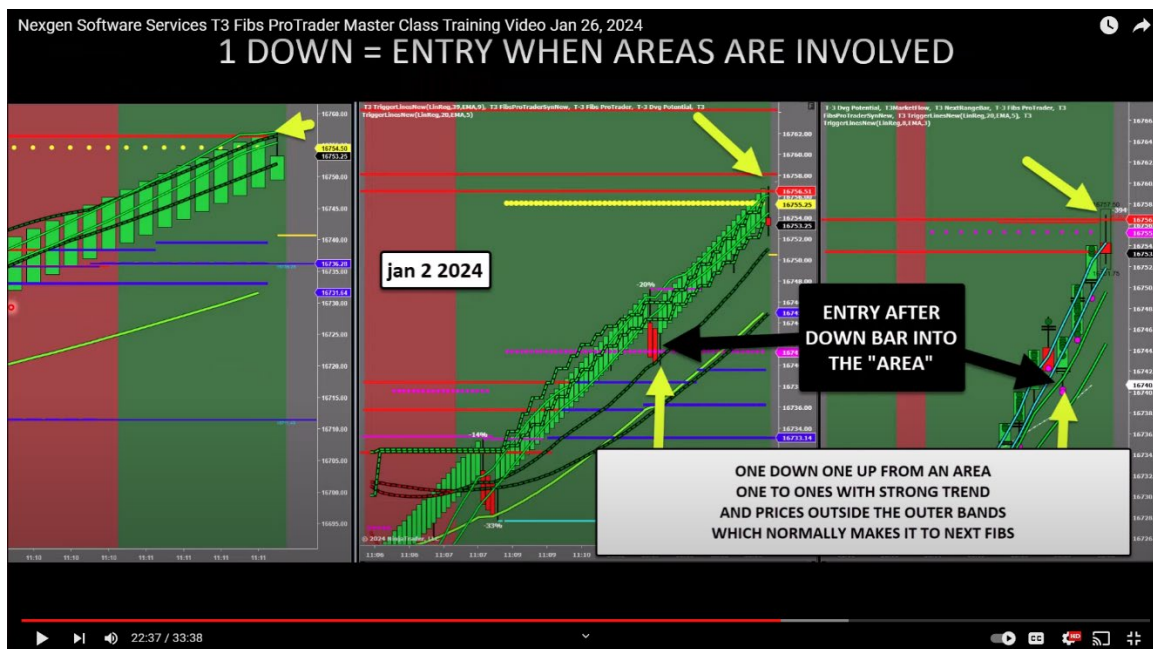
RULE #2 DO NOT under any circumstances trade directly into a Fibonacci-based termination area that has the potential to reverse the market or after price has lost momentum. Check for room to your profit targets. The more room the bigger the target.

ENTRY AT AREA & TRIGGERS

RULE#3 ENTRY AT AREAS: (small chart) Pinpointing the entry area involves looking for specific indicators such as Fibonacci lines, mid-band, or one-to-one levels when the small triggers are AT or BEYOND the area used for entry. Utilizing this technique will define the entry area for each trend trade.

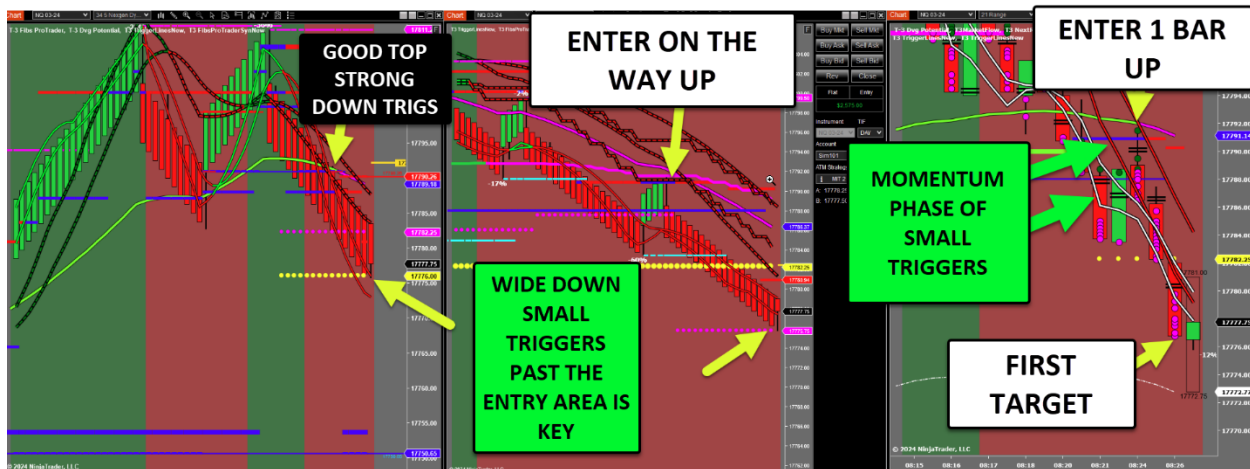
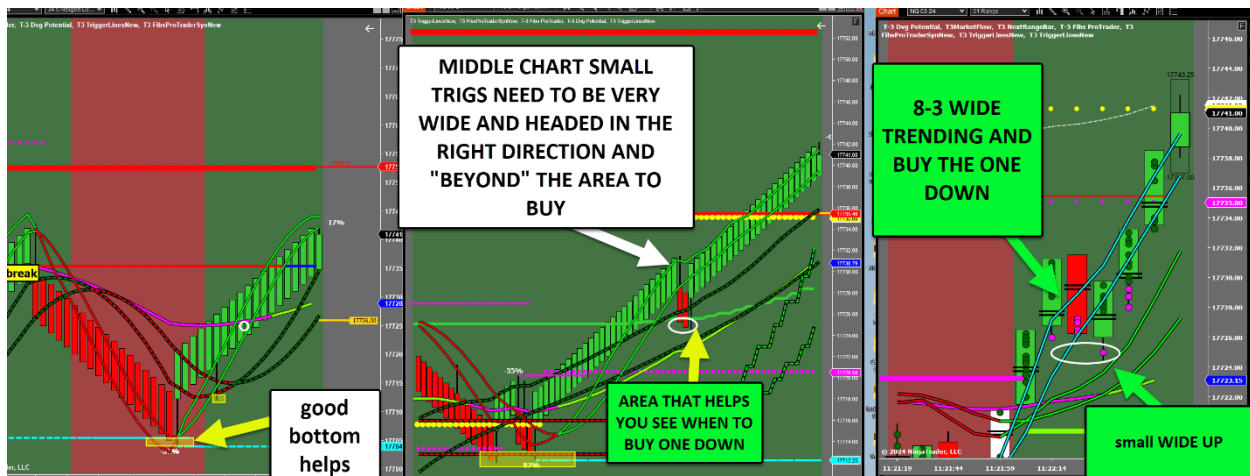
Effective momentum trades require there to be a strong momentum phase on more than chart. The “middle chart” small triggers MUST BE VERY WIDE AND AT OR BEYOND THE AREA TO BUY OR SELL. The range-chart triggers must be strong and trending in the same direction with a price bar momentum phase of the small triggers. Optimally, buying or selling 1 bar up or down on the range chart “AT” any support / resistance area will create the best trades.

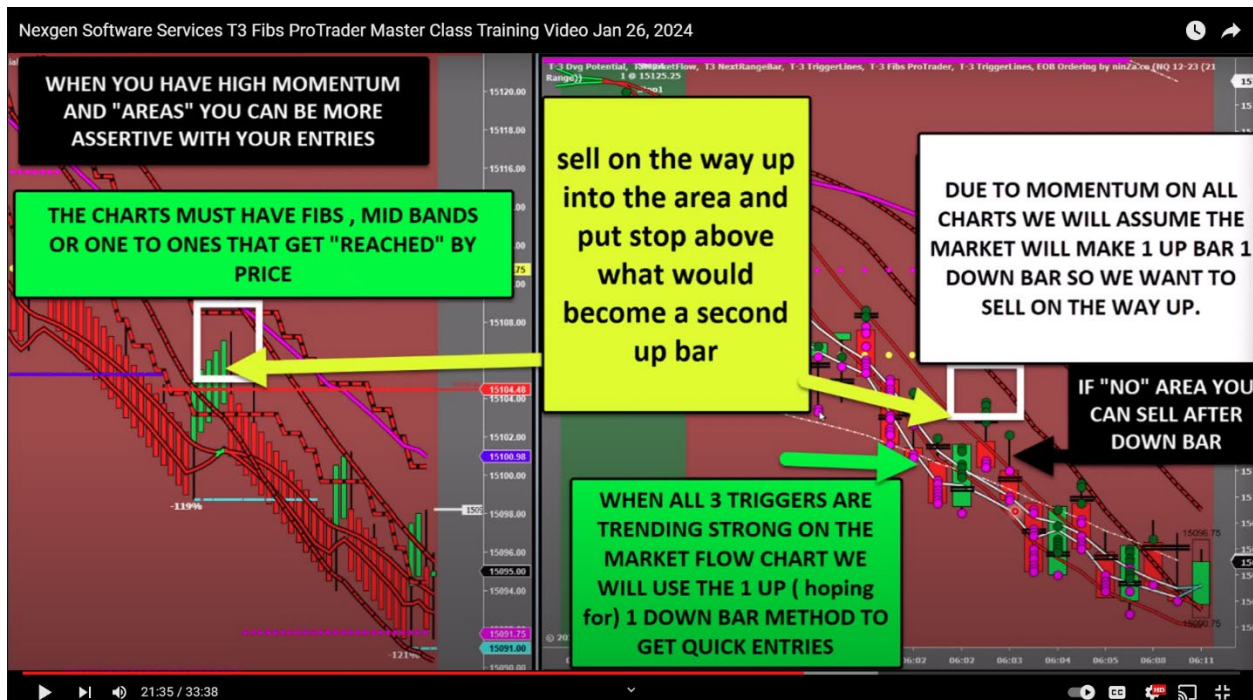
From the video example at [22:37](#) this is the perfect look for momentum trades.



This example from the video at [21:35](#) minutes is another example of 1 up into Fibonacci resistance momentum short.







From the video for momentum trades and hva trades at [20:24](#), using a 1 up 1 down trailing stop will allow you to stay in your trades as long as possible.



Using Range-based charts, the Outer Bands for deeper retracements with the 1st hit, pivot stop out, or divergences.

[EXAMPLE](#)

The Outer Bands will act as support or resistance until the price is back inside of them during a strong trend.

[EXAMPLE-](#) [EXAMPLE](#)

My daily goal is \$800+ per contract. I will keep trading until I have a \$200-dollar trailing stop (per contract) from equity highs. **My daily max loss limit #1 is \$400 per contract.** If at - \$400, I will assess (if I took all perfect trades with zero rule-breaking), then I will take a break, and then return to trade again later. ***If I did break any of my rules or do a poor job of trading, I MUST stop trading live money for the day. Make simulated trades and do not do any more damage.*** **NEVER BLOW OUT, AND NEVER LOSE MORE THAN \$750 PER CONTRACT IN ONE DAY!**

TREND TRADE CHECKLIST

IS THE MARKET COMING FROM A GOOD TOP/BOTTOM / BREAKOUT OF FIBS OR A WEAK TRIGGER LOOK WITH DIVERGENCE? Y___ N___

ODDS FAVORABLE LARGE TRIGGER MOMENTUM PHASE Y___ N___

TERMINATION CONDITIONS ARE NOT TRUE Y___ N___

ENTRY AREA INSIDE OF FAVORABLE LARGE TRIGGERS SMALL CHART Y___ N___

IF THE TREND TRADE TAKEN WITHOUT GOOD TOP BOTTOM- EXIT WITH WEAK TRIGGERS & DIVERGENCE

HVA TRADE CHECKLIST

IS THE MARKET COMING FROM A GOOD TOP/BOTTOM / BREAKOUT OF FIBS OR A WEAK TRIGGER LOOK WITH DIVERGENCE? Y___ N___

TERMINATION CONDITIONS ARE NOT TRUE Y___ N___

ODDS FAVORABLE TRIGGER MOMENTUM PHASE Y___ N___

ENTRY AREA AT HVA Y___ N___

MOMENTUM TRADE CHECKLIST

BREAKOUT OF SUPPORT OR RESISTANCE Y___ N___

MIDDLE CHARTS STRONG MOMENTUM PHASE SMALL TRIGGERS Y___ N___

SMALL TRIGGERS AT OR BEYOND THE AREA TO BUY / SELL Y___ N___

RANGE CHART BOTH TRIGGERS HAVE MOMENTUM PHASE Y___ N___