

Developer's Note and Introduction: Many have written about what is the most important aspect of trading. One of my favorite books written in 1995, the best selling and immensely popular "Street Smarts" by Linda Bradford Rashke and Larry Connors, both legendary traders – the authors state that while there are 20 setups in the book, only one is needed to make a career trading. In fact they state the some of the best traders only trade one recurring pattern. The second most important thing they said, was money management.

With that in mind there are two setups offered in this manual that are both very high probability. Un-complicate your trading and study them, follow them, and look back at your charts and get familiar with the nuances of these indicators. Then learn to set money management rules for your trades. The BWT Precision Stop can help you put money management and risk perspective into your trades. Let them become your system, because without a system and rules, you are guessing. I believe if you reach deep inside yourself, that you can become successful

We understand that not all traders know Gann, Elliot Wave, Fibonacci etc. - there are many forces at play in the market at any time. These forces move price in one direction or another. Markets constantly react to news and support and resistance. The primary BWT Precision Trend Indicator logic is based solely on price and does not contain any far out unsubstantiated theory, but instead a proven mathematical algorithm. The nature of this algorithm is that the BWT Trend Indicators will not try to pick tops and bottoms (a risky game at best) but instead, must got with the direction of the market. Because this indicator is efficient at getting into any move near the preceding pivot or swings high or low, lag is minimal and can be adjusted with the indicators single input: Sensitivity.

The BWT Precision Indicators were developed to let you see the direction of the market in a clean un-complicated manner.

Blue Wave Trading and the **BWT Precision Indicators** are the **original and first** company to offer a paint bar indicator in our current style that plots **price and a signal** (*dot, arrow and text*) **ON the bar, in real time** at the **exact point of momentum transition** from buying to selling or vice versa.

Blue Wave Trading Precision Indicators

Blue Wave Trading has been in business since 2002 and I have personally traded the markets since 1997. I ranked 6th in a trading competition among 2500 of my peers in 2000. I have been interviewed at least a half dozen times by various industry publications, magazines and newsletters since that time. The BWT Zones was the top performing system of hundreds tracked by a broker still in business today that was very active in auto trade systems.

The most important thing that **BWT Precision Indicators** do for you as a trader is to give you a clear picture of market direction. The indicators are:

- **BWT Precision Trend : Plots Blue Bars for direction to the upside and Red Bars for direction down.** In addition to the colored bars, the BWT Precision Trend indicator plots a dot, a signal arrow and displays text of the exact price (signal price) of the buy or sell stop after a swing high or low has been confirmed. The BWT Precision Trend presents a clear picture of market direction.

- **BWT Precision Stop:** A Trailing Stop and indicator that plots the reversal point at the open of each bar. This allows the trader to know where the bars will change from red to blue or blue to red at the open of each bar.
- **BWT Precision CCI:** A visually enhanced version using the standard CCI formula with the BWT Precision Trend plotted on the Zero Line, and a dot that plots when the CCI turns from an extreme oversold or overbought levels at +/-100. Also included is the **CCI Average**, which is quite accurate when crossovers occur.
- **BWT Precision MA :** A very efficient low lag moving average that plots blue when direction is up and red when direction is down. A dot is also plotted on the MA when direction changes.
- **BWT BBand Oscillator:** An indicators that plots standard deviation as an Oscillator that also plots when a "squeeze" (when Keltner Bands plot inside Bollinger bands, indicating consolidation followed by breakout), Bollinger Bands are an important and useful indicator – viewing them as an Oscillator is a new twist that we believe provides a useful way to view expansion and consolidation
- **BWT Tick Volume Oscillator:** The Tick Volume Indicator was originally conceived by Bill Blau in his book "Momentum and Price" We have re created this indicator in the BWT style which plots dots at crossover points. The market oscillates with the ebb and flow of upticks and downtick, The BWT Tick Volume details this activity and cycles closely with price. The oscillator also provides excellent divergences.
- **BWT Natural Bands:** As the market moves in Average True Ranges, the BWT Natural Bands Plots Bands that contain 90% or more of this movement.

Below are a few screen shots of over a dozen similar performing BWT Strategies in which the **BWT Precision Indicator** logic was the core logic used to create the Strategies written for Tradestation.

These strategies cover several markets (ES, ER, FESX, GBPUSD, Equities etc.) and time frames. The BWT systems works on several markets and time frames and is not "curve fitted" to any particular market or data set which is testimony to it's robustness.

The purpose of including these reports here is to demonstrate that the discretionary logic of the BWT Indicators and the setups used in the strategies is valid. **THE SYSTEMS ARE NOT FOR SALE AT THIS TIME**

The profit targets in the systems are based on trading a 3 contract set and taking profits at six, seven and eight ticks...or 1.5 to 2 points in the Emini SP. Commissions Per Contract is included, slippage is not because all fills are limit orders. While some trades will not be filled in real time, in real trading we are achieving our objectives by trading the system signals manually.

I again remind you the systems are absolutely NOT FOR SALE, so please do not ask. They are here to show that the discretionary logic is sound. So now you have the answer to the question that everyone always asks..."If our system is so good, why are you selling it...???"

HOWEVER, you can have it as a *discretionary system* and the exact rules will be disclosed with a FULL purchase of the indicator package. You can also join the BWT Trading Room where the system will be traded and you can take signals from the system.

There is no false marketing hype with our systems or indicators. They are not 643,000 lines of code that a process gazillion calculations a second.

What they are is conceptually sound concepts, coded into a rule based system. No more no less. And my 10 years of experience of thousands of executed trades and as many hours of screen time.

BWT Precision Scalp Trading System uses similar logic as described above

TradeStation Strategy Performance Report - @ES.D 2584 Share Bars (2/27/2008-8/27/2008)

Account (US Dollar)

Display: Table View

TradeStation Performance Summary [Collapse ^](#)

All Trades

Total Net Profit	\$10,552.50	Profit Factor	2.02
Gross Profit	\$20,947.50	Gross Loss	(\$10,395.00)
Roll Over Credit	\$0.00		
Open Position Profit/Loss	\$0.00		
Select Total Net Profit	\$10,552.50	Select Profit Factor	2.02
Select Gross Profit	\$20,947.50	Select Gross Loss	(\$10,395.00)
Adjusted Total Net Profit	\$7,342.83	Adjusted Profit Factor	1.59
Adjusted Gross Profit	\$19,702.30	Adjusted Gross Loss	(\$12,359.47)
Total Number of Trades	311	Percent Profitable	91.00%
Winning Trades	283	Losing Trades	28
Even Trades	0		
Avg. Trade Net Profit	\$33.93	Ratio Avg. Win:Avg. Loss	0.20
Avg. Winning Trade	\$74.02	Avg. Losing Trade	(\$371.25)
Largest Winning Trade	\$82.50	Largest Losing Trade	(\$465.00)
Largest Winner as % of Gross Profit	0.39%	Largest Loser as % of Gross Loss	4.47%
Net Profit as % of Largest Loss	2269.35%		
Slct. Net Profit as % of Largest Loss	2269.35%	Adj. Net Profit as % of Largest Loss	1579.10%
Max. Consecutive Winning Trades	32	Max. Consecutive Losing Trades	3
Avg. Bars in Winning Trades	13.42	Avg. Bars in Losing Trades	30.75
Avg. Bars in Total Trades	14.98		
Max. Shares/Contracts Held	3	Account Size Required	\$1,395.00
Total Commission	\$1,785.00	Total Slippage	\$0.00
Return on Initial Capital	10.55%	Annual Rate of Return	20.10%
Buy and Hold Return	(7.86%)	Return on Account	756.45%
Avg. Monthly Return	\$1,507.50	Std. Deviation of Monthly Return	\$738.04
Return Retracement Ratio	2.57	RINΔ Index	26243.43

Performance Summary | Trade Analysis | Trades List | Periodical Returns | Performance Graphs | Trade Graphs | Settings



TradeStation Strategy Performance Report - @ES.D 2584 Share Bars (2/27/2008-8/27/2008)

Account (US Dollar)

Monthly

TradeStation Periodical Returns: Monthly

Mark-To-Market Monthly Average Analysis:

Period	Avg. Net Profit	% Gain	%Profitable
February	\$667.50	0.67%	100.00%
March	\$1,075.00	1.07%	89.74%
April	\$2,207.50	2.17%	91.38%
May	\$1,912.50	1.84%	90.38%
June	\$977.50	0.92%	89.36%
July	\$1,082.50	1.01%	87.50%
August	\$2,630.00	2.44%	96.00%

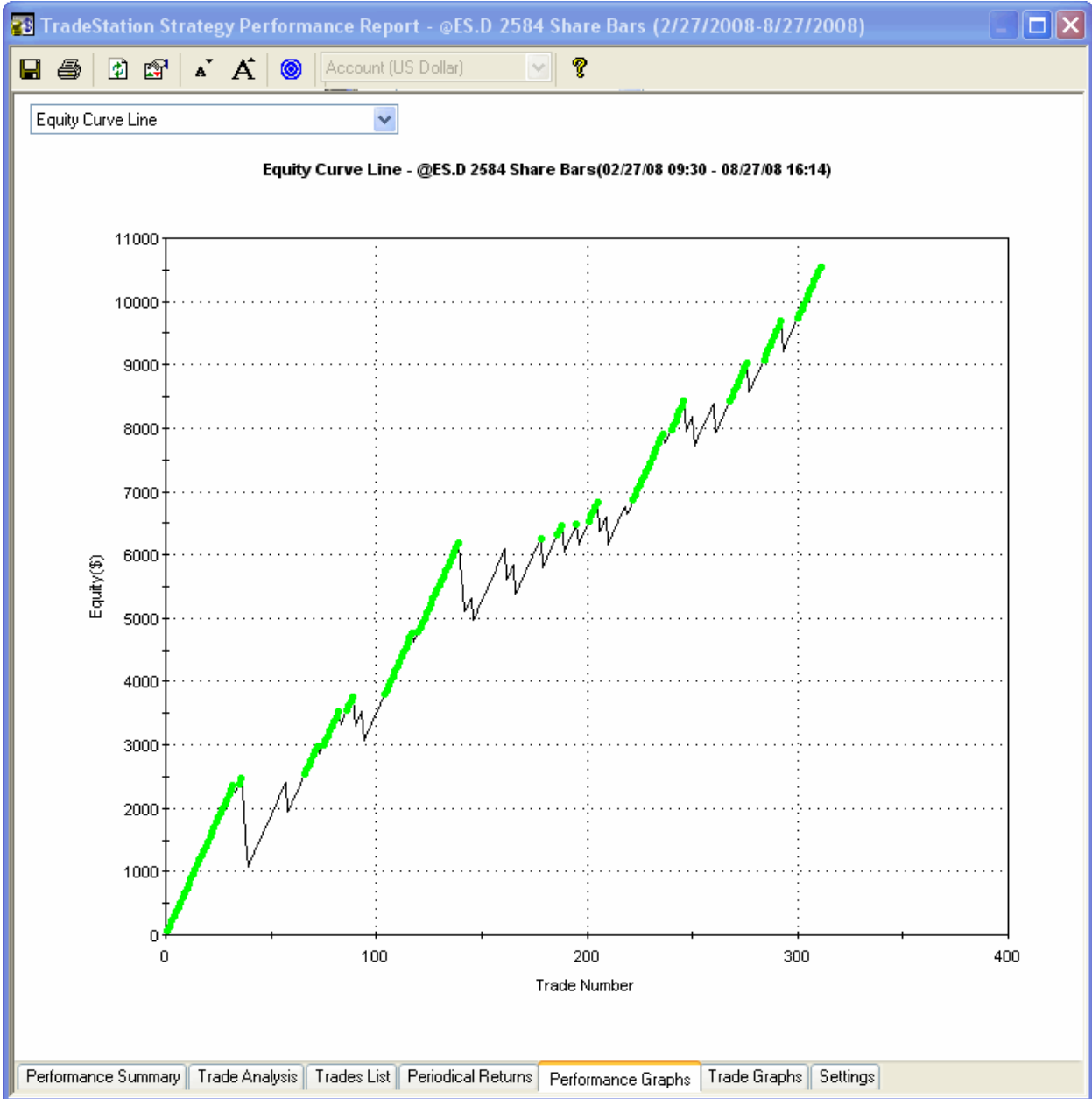
Mark-To-Market Period Analysis:

Period	Net Profit	% Gain	Profit Factor	# Trades	%Profitable
8/1/2008	\$2,630.00	2.44%	3.83	50	96.00%
7/1/2008	\$1,082.50	1.01%	1.43	56	87.50%
6/1/2008	\$977.50	0.92%	1.46	47	89.36%
5/1/2008	\$1,912.50	1.84%	2.22	52	90.38%
4/1/2008	\$2,207.50	2.17%	2.29	58	91.38%
3/1/2008	\$1,075.00	1.07%	1.71	39	89.74%
2/1/2008	\$667.50	0.67%	100.00	9	100.00%

Mark-To-Market Rolling Period Analysis:

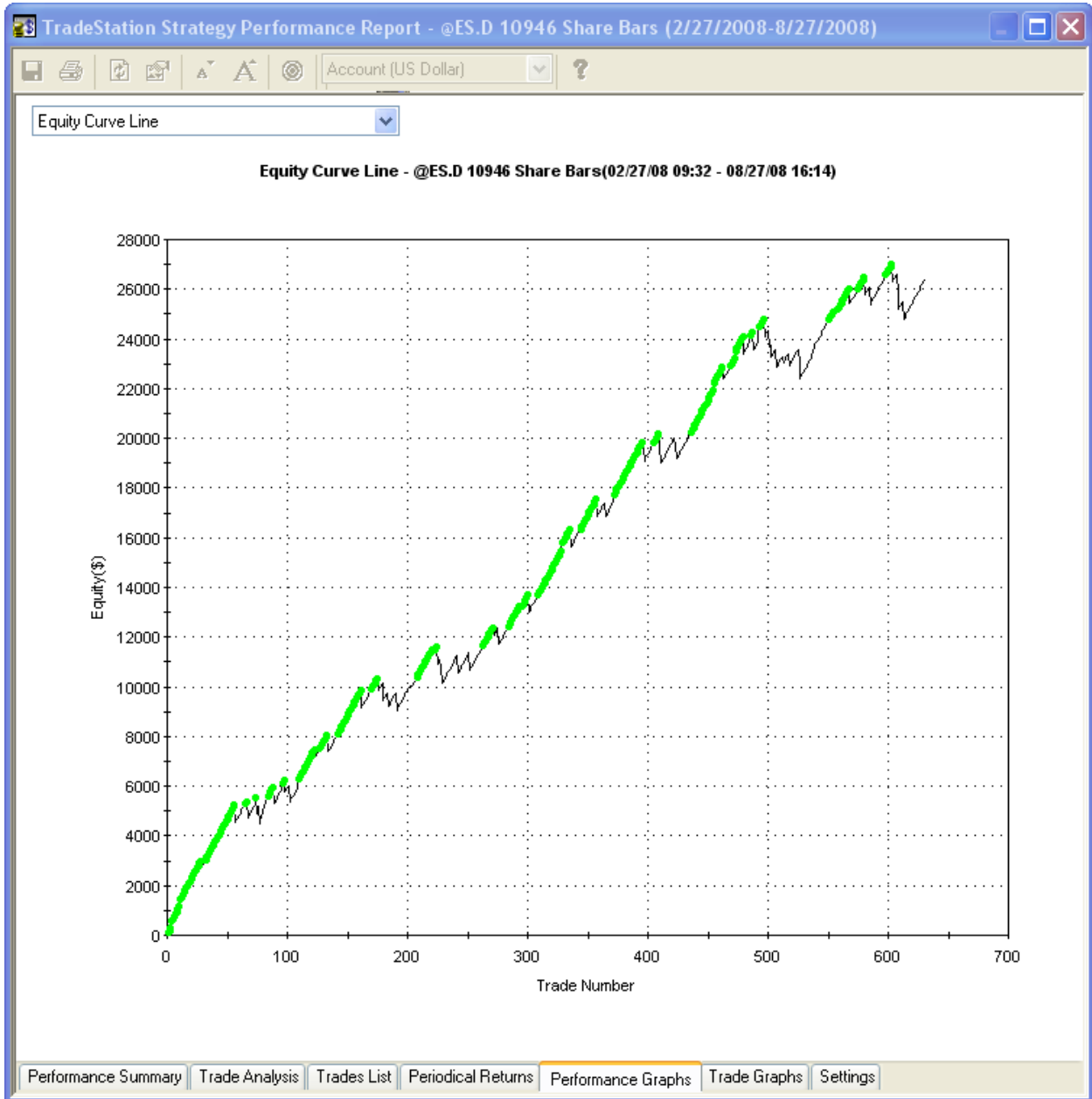
Period	Net Profit	% Gain	Profit Factor	# Trades	%Profitable
8/1/2008 - Today	\$2,630.00	2.44%	3.83	50	96.00%
7/1/2008 - 8/1/2008	\$3,712.50	3.47%	2.07	106	91.51%
6/1/2008 - 8/1/2008	\$4,690.00	4.43%	1.84	153	90.85%
5/1/2008 - 8/1/2008	\$6,602.50	6.35%	1.92	205	90.73%
4/1/2008 - 8/1/2008	\$8,810.00	8.66%	1.99	263	90.87%
3/1/2008 - 8/1/2008	\$9,885.00	9.82%	1.95	302	90.73%
2/1/2008 - 8/1/2008	\$10,552.50	10.55%	2.02	311	91.00%

Performance Summary | Trade Analysis | Trades List | **Periodical Returns** | Performance Graphs | Trade Graphs | Settings





TradeStation Strategy Performance Report - @ES.D 10946 Share Bars (2/27/2008-8/27/2008)			
Account (US Dollar)			
Display: Table View			
TradeStation Performance Summary Collapse ^			
All Trades			
Total Net Profit	\$27,305.00	Profit Factor	1.66
Gross Profit	\$68,597.50	Gross Loss	(\$41,292.50)
Roll Over Credit	\$0.00		
Open Position Profit/Loss	\$0.00		
Select Total Net Profit	\$20,532.50	Select Profit Factor	1.50
Select Gross Profit	\$61,825.00	Select Gross Loss	(\$41,292.50)
Adjusted Total Net Profit	\$19,921.31	Adjusted Profit Factor	1.43
Adjusted Gross Profit	\$66,013.97	Adjusted Gross Loss	(\$46,092.66)
Total Number of Trades	779	Percent Profitable	90.50%
Winning Trades	705	Losing Trades	74
Even Trades	0		
Avg. Trade Net Profit	\$35.05	Ratio Avg. Win:Avg. Loss	0.17
Avg. Winning Trade	\$97.30	Avg. Losing Trade	(\$558.01)
Largest Winning Trade	\$322.50	Largest Losing Trade	(\$690.00)
Largest Winner as % of Gross Profit	0.47%	Largest Loser as % of Gross Loss	1.67%
Net Profit as % of Largest Loss	3957.25%		
Slct. Net Profit as % of Largest Loss	2975.72%	Adj. Net Profit as % of Largest Loss	2887.15%
Max. Consecutive Winning Trades	46	Max. Consecutive Losing Trades	3
Avg. Bars in Winning Trades	5.22	Avg. Bars in Losing Trades	12.23
Avg. Bars in Total Trades	5.89		
Max. Shares/Contracts Held	3	Account Size Required	\$4,072.50
Total Commission	\$4,695.00	Total Slippage	\$0.00
Return on Initial Capital	273.05%	Annual Rate of Return	263.89%
Buy and Hold Return	(7.83%)	Return on Account	670.47%
Avg. Monthly Return	\$3,900.71	Std. Deviation of Monthly Return	\$1,533.35
Return Retracement Ratio	8.37	RINA Index	8701.17
Sharpe Ratio	n/a	K-Ratio	n/a
Trading Period	5 Mths, 29 Dys, 5 Hrs, 24 Mins	Percent of Time in the Market	2.25%
Time in the Market	4 Dys, 2 Hrs, 24 Mins	Longest Flat Period	4 Dys, 23 Hrs, 23 Mins
Performance Summary Trade Analysis Trades List Periodical Returns Performance Graphs Trade Graphs Settings			



The BWT Precision Scalp Trading System is robust on many markets and Time Frames



TradeStation Strategy Performance Report - @ES.D 10946 Share Bars (2/27/2008-8/27/2008)

Account (US Dollar)

Monthly

TradeStation Periodical Returns: Monthly

Mark-To-Market Monthly Average Analysis:

Period	Avg. Net Profit	% Gain	%Profitable
February	\$2,785.00	2.79%	96.55%
March	\$5,692.50	5.54%	92.31%
April	\$2,760.00	2.54%	89.47%
May	\$5,227.50	4.70%	93.27%
June	\$4,630.00	3.98%	92.00%
July	\$3,552.50	2.93%	89.42%
August	\$1,795.00	1.44%	90.24%

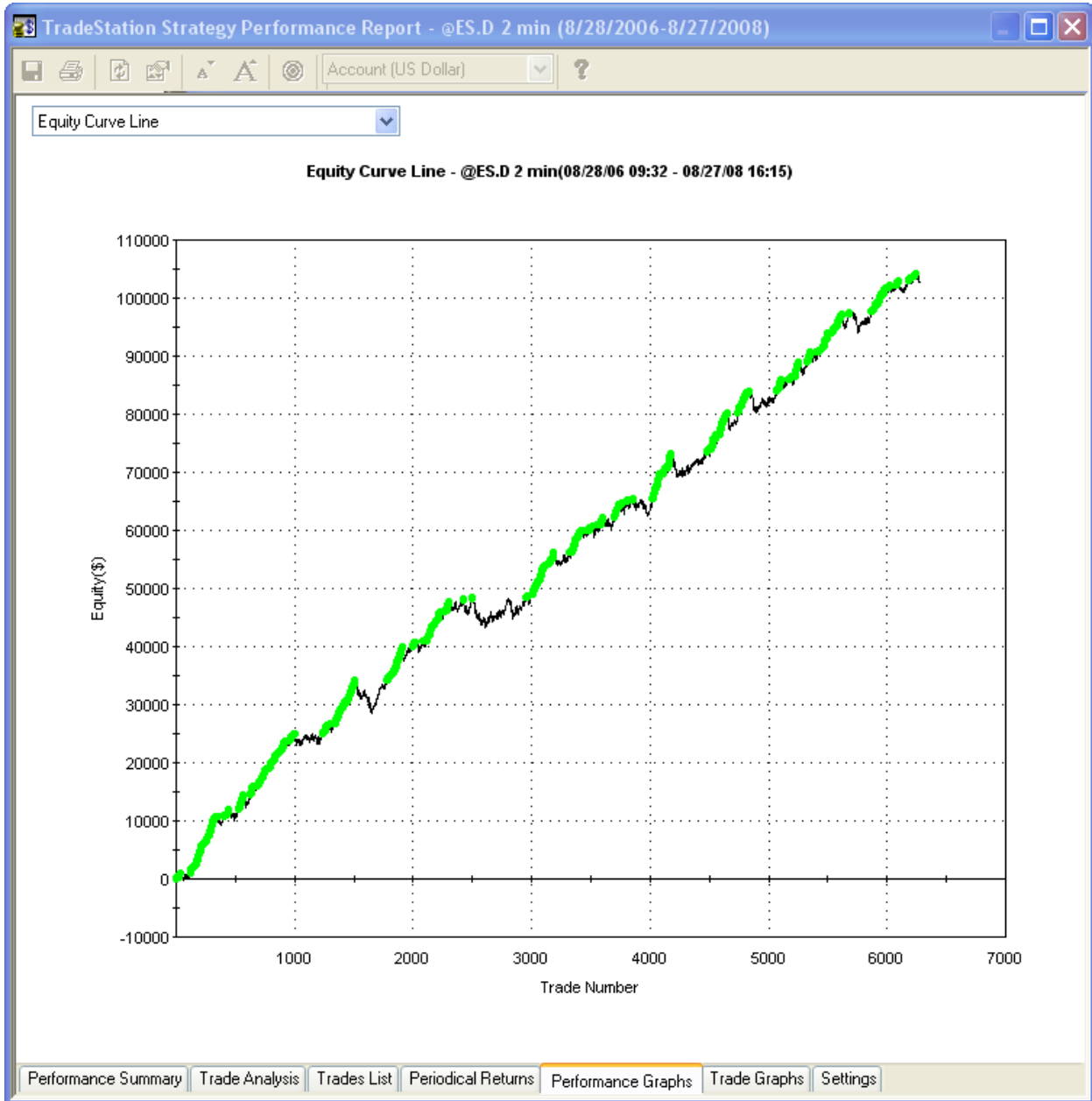
Mark-To-Market Period Analysis:

Period	Net Profit	% Gain	Profit Factor	# Trades	%Profitable
8/1/2008	\$1,795.00	1.44%	1.36	82	90.24%
7/1/2008	\$3,552.50	2.93%	1.57	104	89.42%
6/1/2008	\$4,630.00	3.98%	2.18	100	92.00%
5/1/2008	\$5,227.50	4.70%	2.38	104	93.27%
4/1/2008	\$2,760.00	2.54%	1.56	95	89.47%
3/1/2008	\$5,692.50	5.54%	2.03	117	92.31%
2/1/2008	\$2,785.00	2.79%	14.59	29	96.55%

Mark-To-Market Rolling Period Analysis:

Period	Net Profit	% Gain	Profit Factor	# Trades	%Profitable
8/1/2008 - Today	\$1,795.00	1.44%	1.36	82	90.24%
7/1/2008 - 8/1/2008	\$5,347.50	4.42%	1.48	186	89.78%
6/1/2008 - 8/1/2008	\$9,977.50	8.57%	1.66	286	90.56%
5/1/2008 - 8/1/2008	\$15,205.00	13.67%	1.81	390	91.28%
4/1/2008 - 8/1/2008	\$17,965.00	16.56%	1.76	485	90.93%
3/1/2008 - 8/1/2008	\$23,657.50	23.02%	1.81	602	91.20%
2/1/2008 - 8/1/2008	\$26,442.50	26.44%	1.90	631	91.44%

Performance Summary | Trade Analysis | Trades List | **Periodical Returns** | Performance Graphs | Trade Graphs | Settings



OVERVIEW

The **BWT Precision Indicators** were designed for the novice to the experienced trader. The less experienced traders will have a visually pleasing color coded depiction of market action, while the experienced trader will make use of more complex patterns, divergences and the like.

The BWT Precision Indicators will **NEVER miss a major move** or move of consequence. Our logic is more sensitive than competitor look a likes. This results in a greater degree of accuracy if desired.

The BWT Precision Indicators will give accurate signals on any time frame, any instrument from a 5 tick chart to a 5 minute chart, to a daily chart or higher.

The BWT “edge” is the power and simplicity of our indicators.

A carpenter has a toolbox with all types of tools for a specific job, but it his experience and wisdom that can set him apart in terms of quality of work from other carpenters. What makes one carpenter better than another is how he applies his tools, knowledge and experience. In the same way, the BWT Precision Indicators are indeed “tools of the trade” and how you apply them and your success will depend on your skill and experience. This is why there is no “best” way to use the BWT Indicators; different traders have different ways of using them successfully.

That may not be what you want to hear, but in order to grow and succeed as a trader, you should find a way to use the indicators that is in line with your trading style and risk tolerance.

In Mark Douglas’s popular book, *The Disciplined Trader*, he specifically stated that every trader discover his own “trading system” meaning you find what works for YOU.

For the benefit of all traders we will provide two trading ideas – one has been disclosed and the **BWT “Universal Trade Setup”**, is shown at te end of this document, which is a very simple way to trade with the BWT Precision Trend Indicator and the BWT Precision MA.

There is one input on the main trend indicator – Sensitivity. The sensitivity input essentially affects how sensitive you want the indicator to reflect directional change. Lower setting – more signals and more sensitive. Higher setting = less sensitive.

Think of the trend in Major, Medium and Minor degrees. Depending on your trading style and objective, you should adjust the sensitivity accordingly.

A more sensitive setting will capture the change in direction/trend at the earliest sign, but will also react to minor vibrations in the market.

When setting up on your charts, adjust sensitivity so that your charts are showing the major swings with an acceptable amount of noise. I cannot over emphasize the importance of adjusting the sensitivity on the charts to a setting that suits your trading style. If fewer trades are desired, adjust the Sensitivity higher.

You will also want to adjust sensitivity depending on the instrument you are trading, as different markets have different characteristics. Do experiment with sensitivity AND Time Frames. You WILL get awesome looking charts with a little fine tuning.

A Sensitivity setting of 1 or 1.4 is most commonly used, while a Sensitivity of 2 will capture trend moves that are larger because it will not react to every retracement. A sensitivity of less than 1 can be used in small and large time frames, which will result in the earliest signal, but potentially more noise. Again some experimentation will be worth your time.

Waiting for the next reversal is not money management...DO use your own common sense and money management when taking a trade.

You DO NOT have to take every signal. Be patient, and wait for signals and patterns that indicate higher probabilities. If you do not know patterns than get a book on Technical analysis and learn about patterns such as Double Tops and Bottoms, Rectangles, Wedges, Flags, Trend Lines etc... These are known as Price Action patterns.

When the bars form a pattern on the chart such as a double bottom, and the BWT Precision Indicators confirm the direction implied by the pattern, it is often a high percentage opportunity.

Choppy or indecisive market is part of trading and cannot be avoided by any system or indicator. Try to avoid trading during these times, or switch to a lower time frame to catch moves, as they will show up as you go smaller in granularity.

Some excellent setups can occur after a long consolidation, the BWT Precision Indicators will not miss a breakout from this type of market action. For most of you however, try to avoid trading during these times and let the market tip its hand with a good setup. Although many are aware, it still bears repeating, for day trading, the best action is in the first two and last two hours of trading.

The BWT Precision Indicators assist the trader in identifying trading opportunities by very clearly and graphically displaying color changes that correspond with changes in price and trend. Through thousands of hours of study, observation and actual trading we have created an indicator package that we believe is second to none. Why? Because less is more - having less lines, points, and objects on your chart gives a clearer picture of the only true no lag indicator - price.

Fewer indicators means less confusion, and our indicators will assist you in identifying key reversals and trend continuation, as well as providing an adjustable risk trail stop indicator that will give you the confidence to stay in a trade until the market lets you know when to exit. These indicators, like anything, require a little practice by watching them unfold in real time, and having patience to wait for trade signals and price action patterns.

Depending on time frame, some adjustment to the indicators will be required to give you good looking charts that show clearly defined swings with potential trading opportunities. I strongly urge you to learn to read price patterns such as tests and failures, Double tops, bottoms, wedges, channels etc. as price itself is a strong indication. Trading is not easy, and nothing in trading is as easy as it looks, including our indicators. Learning to read what the market is telling you takes time, practice and determination. The more you know how to read price patterns in the market, the more the BWT Precision Indicators will confirm what the market is saying, and the indicators will provide an invaluable aid in the interpretation of market action.

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limit your losses and you could lose more than your intended amount of money at risk. Past Performance of any trading system or methodology is not indicative of future results

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Indicators and Inputs:

BWT PRECISION TREND:

1. **Sensitivity: Lower is more sensitive, Higher is less noise. A setting of 1 or 1.4 is recommended.**
2. **Paint Bar;** Set True to Color Bars
3. **Show Me:** Set True to show Dot, Arrow and Price
4. **Show Text:** Set False if you DO Not wish to show price.

BWT Precision Stop:

1) Trail Stop Type

- a) **ATR Stop: Symmetrical looking plot creates dynamic support/resistance**
 - b) **Volatility Stop: This is the same logic as the Trend Indicator, except it plots as a dot above or below the bar, and indicates the exact reversal price**
 - c) **Average Volatility: An average of the Volatility Stop designed to smooth**
- 1.
 2. **ShowVolStop:** - Set to true to plot the same as the signals – they share the same algorithm. You can see the buy or sell stop one bar in advance with this setting. Set to false to plot an ATR stop. This will look more symmetrical in appearance. Set Sensitivity to the same setting as the Precision Show Me and Paint Bar studies.
 3. **ShowVolAvg:** Set to true to plot the VolStop as an average. Plot as dots or a line to show another appealing visual way to contain price, and show you which side of the market to trade. The rule for reversal if using the stop is a CLOSE above or below

BWT Precision CCI

Most CCI Inputs are self explanatory..

CCI Average: Shows and Average of CCI

Show Congestion: Plots yellow bars histogram when range contracts

BWT Natural Bands: The BWT Natural Bands plot two ATR bands above and below a 20 period Exponential Moving Avg. Price usually stays within the outermost bands 80-90% of the time

Sampling Period : Length of the center line average. The center line is a 20 peroid moving average.

xBandAtr: Number of ATR's from the center line

yBandAtr: Number of ATR's from the center line

BWT BBand Osillator: The BWT Precision ATR is an oscillator the turns with markets

Alert Line: Ignore

BB: Leave at 2...It is the Bollinger Band Length for the Std Deviation . The horizontal indicator Tells when a “squeeze” in in play.(Bollinger Band inside a Keltner Channel). This indicatoe the volatility has contracted and the market is consolidating.

KC: Length of the Keltner Channel ATR

Length: Length of the exponential moving average center line.

Sensitivity; Enter from 1 to 5 in increments of .1 ;

Displace: You can displace the plot forward a number of bars.

This allows a tighter setting while still giving room for the market to move.

Example: A sensitivity of 1.4 with a Displace of 1 might be similar to a sensitivity of 2.4 But with a better “stop curve” ...

BWT Tick Volume: The BWT Tick Volume is an Oscillator of up and down volume the shows when volume is supporting price action. When price change direction the Tick Volume should match...This indicator shows excellent Divergences when price moves higher or lower and indicator shows volume exhaustion.. This usually signals the end of a move.

BWT Three Line Break Indicator:

The **BWT Three Line Break Indicator** calculates columns or lines just like the **Three Line Break Charts**. There are however a couple of advantages to being able to add TLB as an indicator on a chart. First, you can overlay the traditional bar data on top of the TLB data to see exactly where in time the reversals occurred and the amount of time that was spent in each column. Also, this provides the ability to apply all other technical indicators; **The BWT Precision Trend, BWT Precision MA and BWT Natural Bands** create interesting possibilities for creating a trading system using this indicator.

The **Three Line Break** chart is popular in Japan for financial charting. These charts display a series of vertical boxes ("lines") that reflect changes in price values. Similar to **Kagi, Renko, and Point & Figure** charts, the **Three Line Break** chart **ignores the passage of time**.

The **Three Line Break** charting method is so-named because of the number of lines typically used. Each line may indicate "Buy", "Sell", and "trend less" markets. An advantage of **Three Line Break** charts is that there is no arbitrary fixed reversal amount. It is the price action which gives the indication of a reversal. The disadvantage of **Three Line Break** charts is that the signals are generated after the new trend is well under way. In Daytrading, however, the BWT Three Line Break Indicators can be plotted on any time frame chart including tick and volume, so entry can be soon after a swing high or low. The Three Line Break method rarely, if ever, misses major trend major trends.

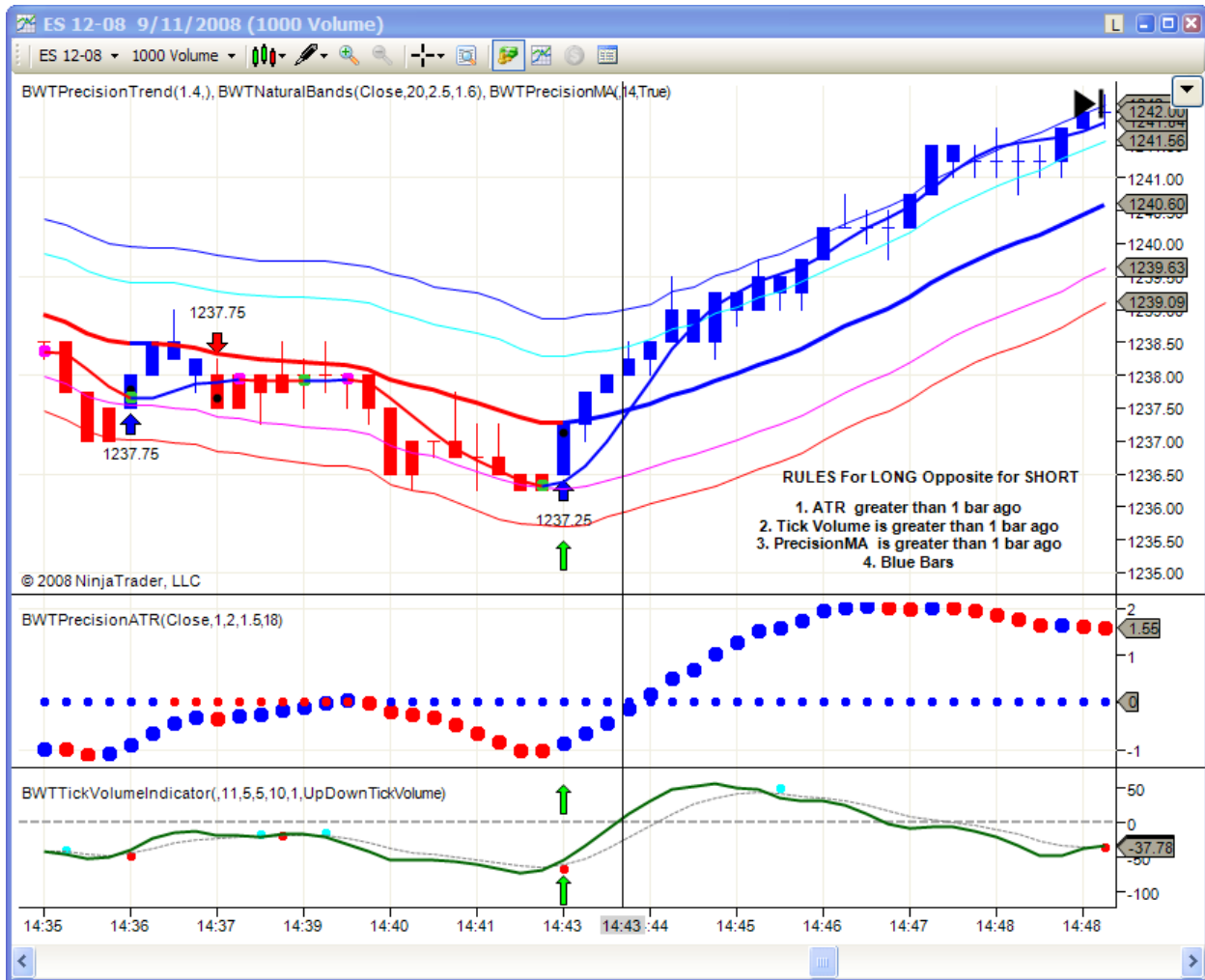
The sensitivity of the reversal criteria can be set by changing the number of lines in the break. For example, short-term traders might use two-line breaks to get more reversals, while a longer-term investor might use four-line, or even 10-line breaks to reduce the number of reversals.

- If you are an experienced trader and you can execute with proficiency, the BWT Precision Indicators can be traded with a tight sensitivity. The Sensitivity above is set at 1 –A more sensitive setting will give you earlier signals, but may have more noise and whipsaws. If you are scalping, a sensitive setting would be appropriate. The CCI can be used to confirm overbought and oversold in all time frames.

TRADE SETUPS

1. The BWT "Precision Trade"

A perfect setup with the BWT Precision Indicators:



RULES:

1. ATR is Greater than it was 1 bar ago
2. Tick Volume is Greater than it was 1 bar ago
3. Precision MA is Greater than it was 1 bar ago
4. Blue Bars are plotting

SHORT TRADE EXAMPLE:

1. ATR is Less than it was 1 bar ago
2. Tick Volume is Less than it was 1 bar ago
3. Precision MA is Less than it was 1 bar ago
4. Red Bars are plotting



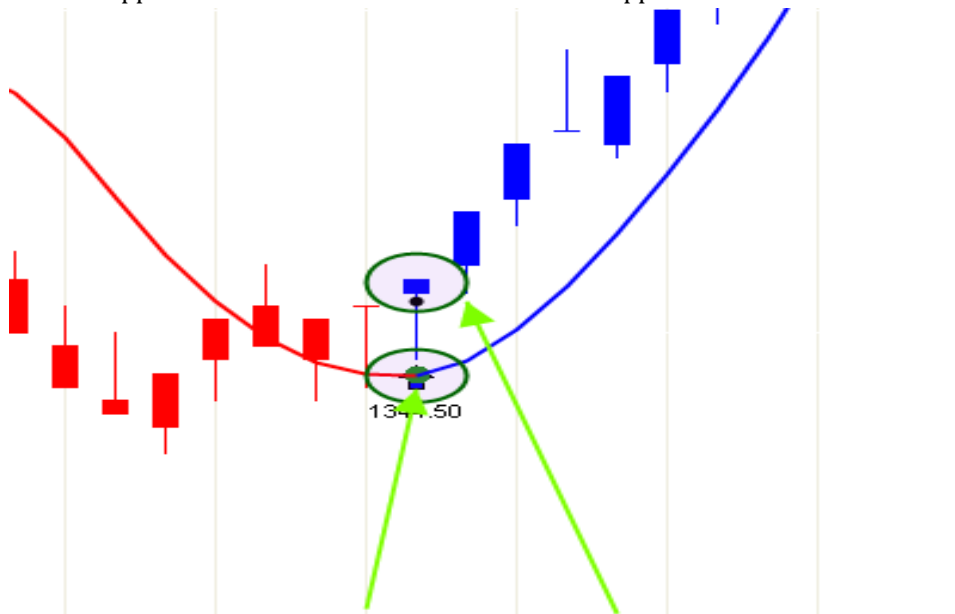
BWT Universal Trade setup:

For a BWT Universal Trade signal we need two things to occur

1. Change in the BWT Precision MA color from BLUE to RED or vice versa. This is indicated by the Precision MA changing color and a RED or BLUE dot that plots on the MA
2. We want a Blue Bar on the BWT Precision Trend Indicator and the BWT Precision MA turning from RED to BLUE. we need to see a candle to close RED to confirm our signal.

In the case of a buy signal the precision MA must turn from RED to BLUE (indicated by a blue dot). In order for our signal to confirm we need one of the following candles to close BLUE. At the close of this candle we place a buy @ market order. You may use a limit order and try to get filled on a pull back but you will miss some trades. The

Opposite of the above rules for a short trade applies. This is illustrated below.



We are in a short signal and looking to reverse,

We need two things to happen:

1. A blue dot on the MA
2. A blue candle

Once we have both of the above, we hit the reverse button and go from short to long at the close on the first blue candle after the blue dot.

A variation on the setup above is to take the entry on the next bar at *the signal limit price* or better. A mechanical rule based Automated System showed results of 85% winning trades on the Emini SP with a profit Target of 4-8 ticks.

**** Please feel free to contact us with your questions. If our tools work for you please let us know, you will receive a bonus indicator for your written and dated testimonial. We also welcome ALL your comments so that we may improve our products and service.**

To Your Successful Trading,

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