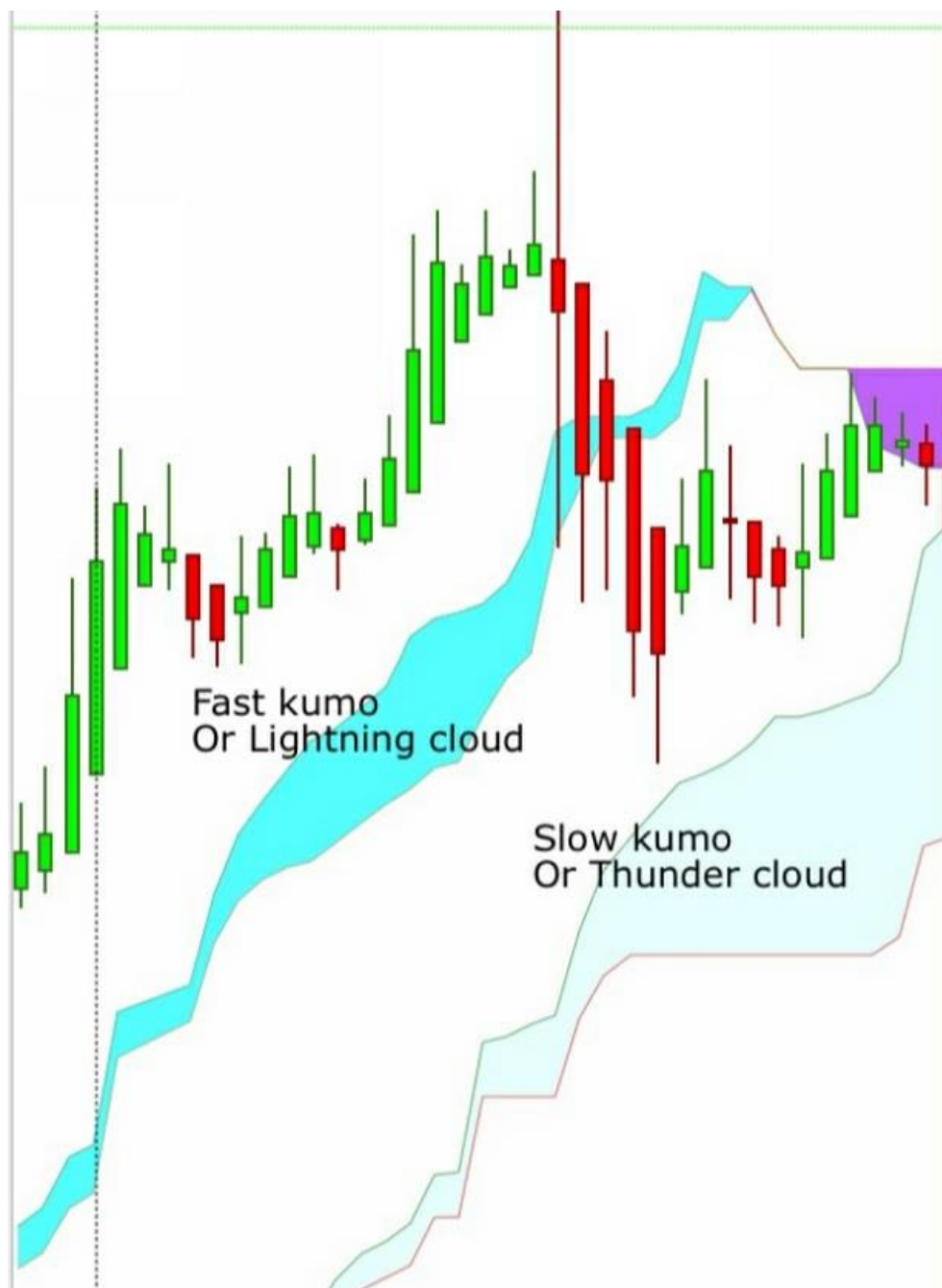


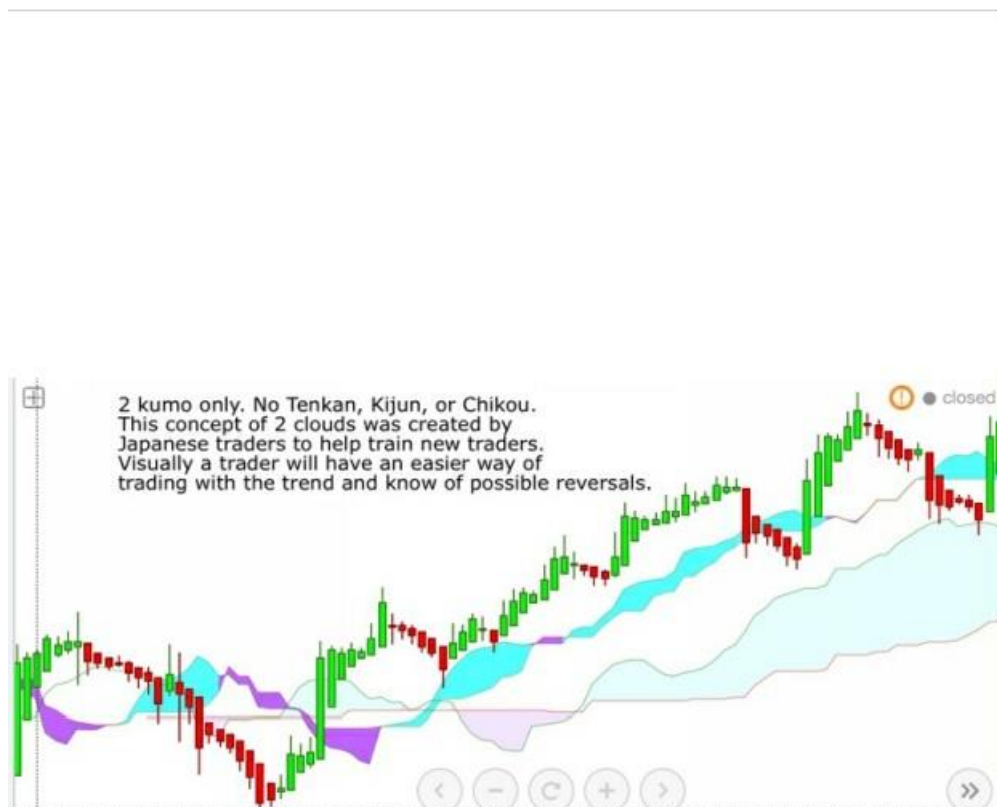
Ichimoku Thunder and Lightning Clouds was a concept of trading built by floor traders in Tokyo to teach new traders how to trade a fusion of price action and Ichimoku using not one cloud or kumo but two. This is helpful because price action is more than just candlesticks with 1-2 bar patterns. It's market order volatility, trend, supply and demand zones, and momentum. The first time I saw these double kumo charts I knew younger traders would be given an advantage to learn consistency and profitability. I too learned this concept of Ichimoku trading and found it to be useful. Ultimately this trading concept is a sort of trading with training wheels because traders likely develop their skills with time and have no need for so many kumo. Many people believe Ichimoku tradition is enough to keep the 5 lines on your chart with the standard 9, 26, 52, 26 value settings. This, however, is not the case with many pro traders in Japan that neither care to learn everything about Goichi Hosada Ichimoku theories or simply cannot digest that amount of information in a short time to use it with practicality. Pro trading is a business and you need to learn fast in order to survive. Wave, Time, and Price theories that Goichi Hosada built the foundations of Ichimoku on are good to learn if you have that time available. However trading occurs because of order flow, and this moves markets. Conceptually, unless you want to invest long term in an instrument and predict future moves weeks and months in advance, Hosada's theories are not day trader friendly. So we need not only efficiency but speed on our charts. With Ichimoku Thunder and Lightning Clouds we use 2 Kumo and only 2 Kumo. Tenkan, Kijun, and Chikou are not used or needed for this concept of trading. Why? Younger traders in Japan often faced with confusion with so much information on their charts made too many rookie mistakes. Markets and their movers need to be efficient. And so by eliminating 3 lines and placing one fast cloud, the lightning kumo, and one slow cloud, the thunder kumo, you pay more attention to price activity and just kumo interaction. The concept is so simple I know many colleagues whom refuse to take off their training wheels. The settings for the Thunder Kumo are 7, 21, 48, and 21. For the Lightning kumo 7, 12, 15, and 6. Just remove the Tenkan, Kijun, and Chikou from these clouds on your brokers charts and this is all we need along with Heiken Ashi candlesticks. The chart below is an example of Ichimoku Thunder and Lightning Clouds.



Now that you see it how do you trade this? I like to use charts to illustrate strategies because they offer more than words can sometimes. But I do want to outline one of the strategies within this method. The Kumo breakout. 1) Price and Lightning kumo must break out of thunder kumo. 2) Once the Heiken Ashi candlestick closes enter the trade. 3) Place stop loss above/below the last

price swing or on the opposite side of the thunder kumo or for a tighter stop, opposite side of lightning kumo. 4) Exit trade either when lightning kumo twists or when heiken ashi candlestick changes color.







Kumo Lightning Strike

This is where the fun begins with the double kumo concept. Since the faster kumo reacts quicker and is sensitive to price action changes like order flow acceleration and momentum an interesting thing occurs with the Lightning Kumo. When price moves fast and big Lightning kumo thins to a line like the lower case "l". This ultimately gives us an edge to enter the trade after a Lightning Strike even if it's in the slower kumo or Thunder kumo or before it. Why? Because 80% of the time a Lightning Strike occurs you will be in a nice big move. This coupled with price action like looking left of your chart to see structure and potential targets can greatly improve the balance in your trading account. The chart examples below better illustrate this unique Ichimoku technique.



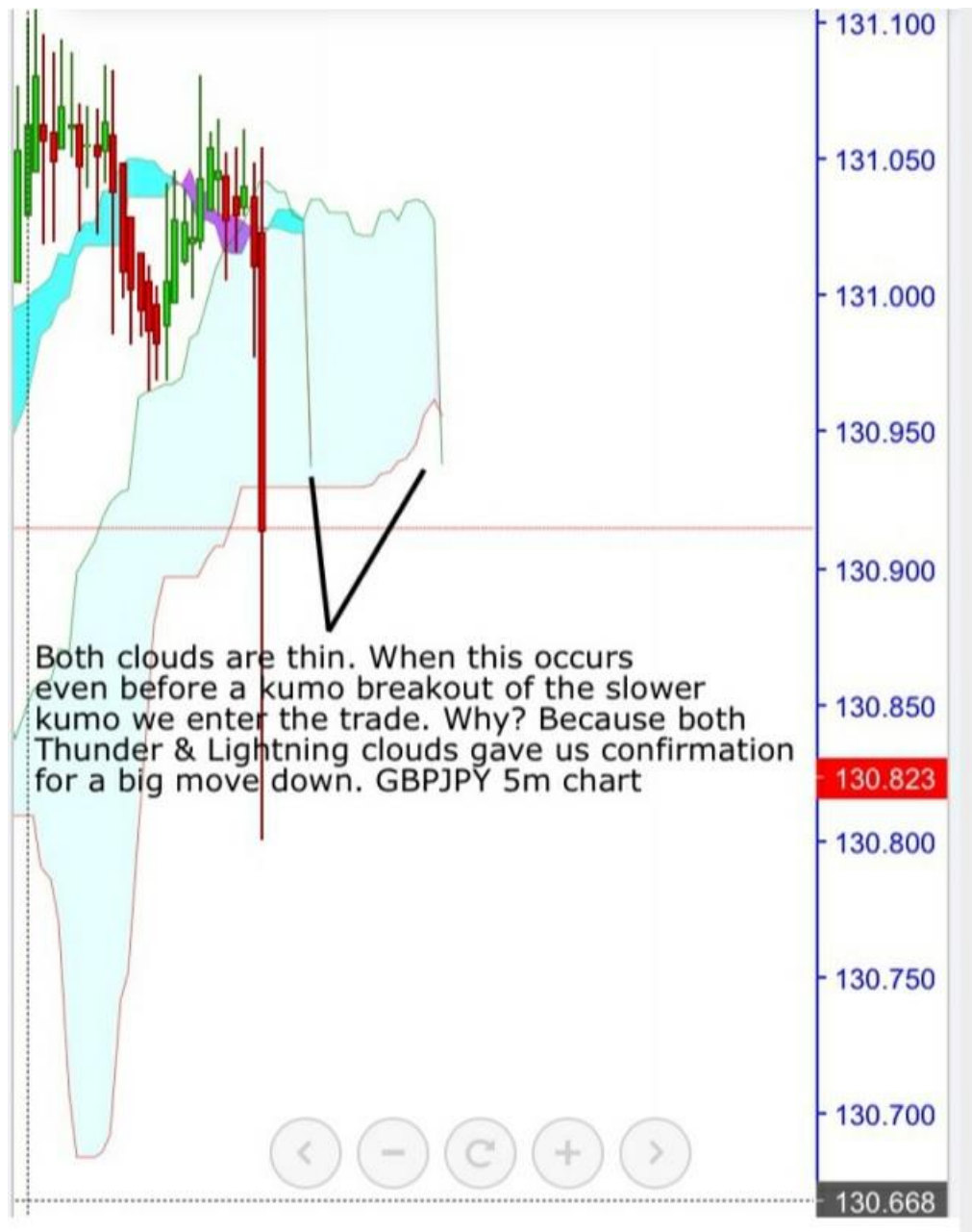


Thunder And Lightning Strikes

What happens when both the fast and slow clouds thin to a lower case letter "l"? Big moves we as Ichimoku traders capitalize on. Chart examples below.



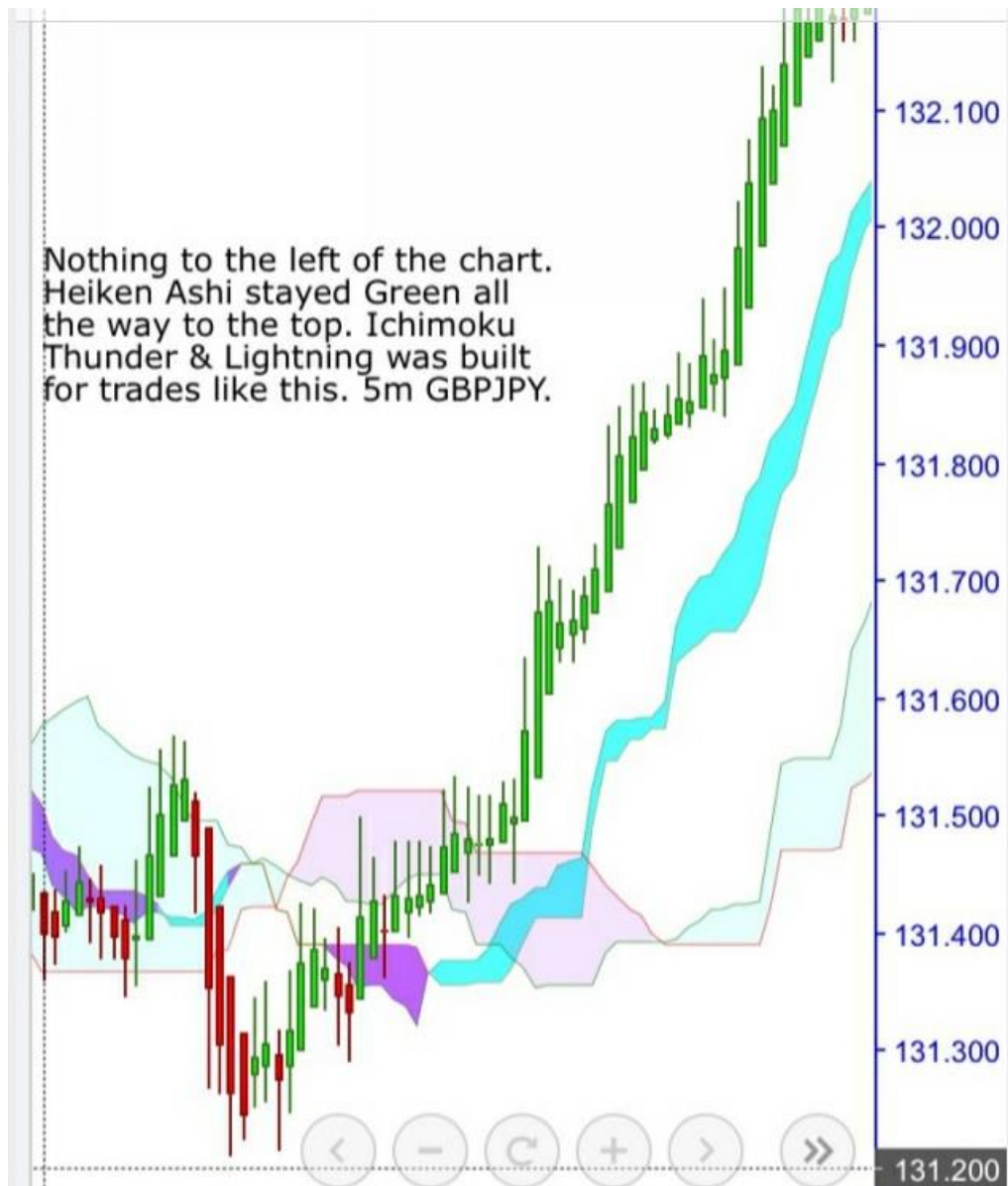


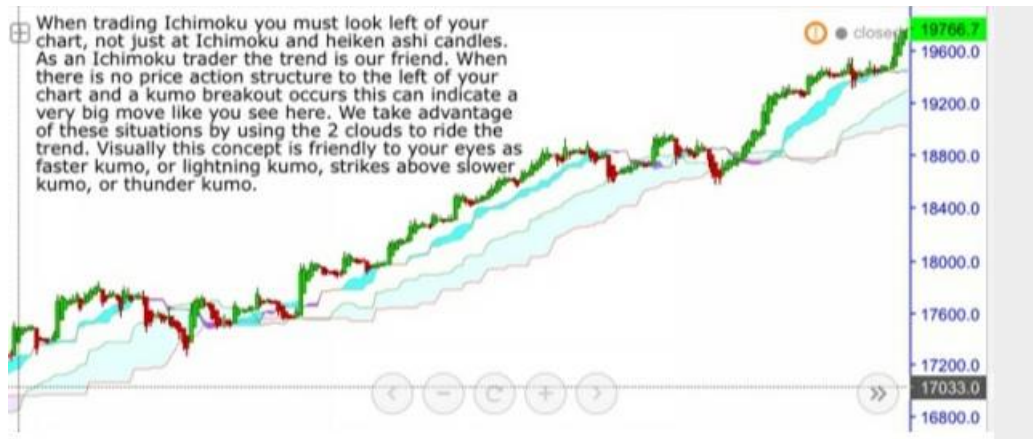


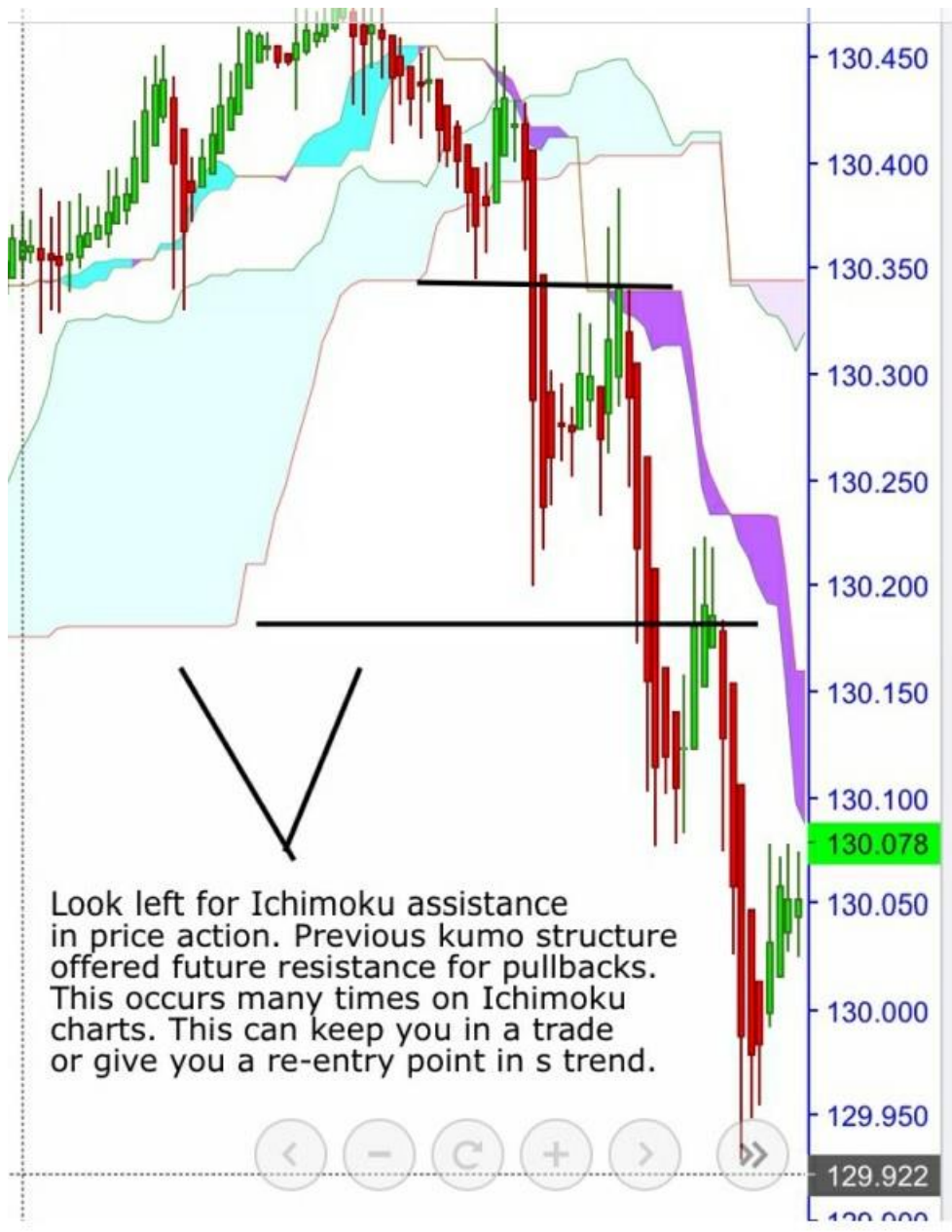
Here are more charts with Ichimoku Thunder and Lightning cloud concepts to know about.

When price is messy like this
avoid trading









Final Thoughts

Ichimoku Thunder and Lightning Clouds, or Ichimoku Raiden, in Japanese, is a simple yet powerful trading concept. It has helped many young traders in Japan develop their skills. Always look at the entire chart from left to Ichimoku right. Always be mindful of price action because this creates the cloud and not the other way around. And do not forget to take advantage of Lightning Strikes and Thunder and Lightning Strikes. If you see no structure left of your chart and a kumo breakout occurs you may be in a long profitable trade. And please use sound money management and do back test these concepts before using real money. May your fortunes rise to the clouds!