The Volume Secret

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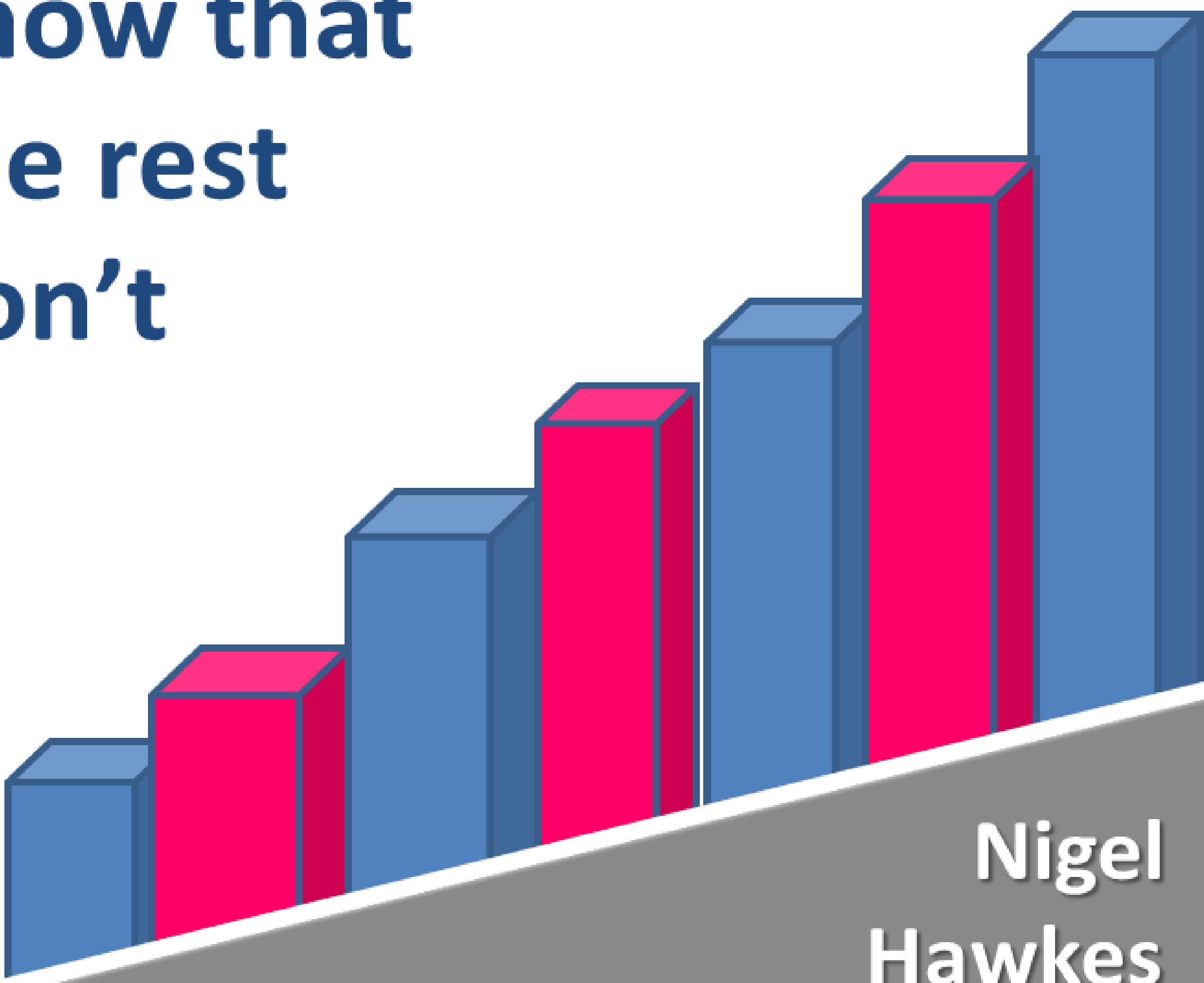
What the world's top traders know that the rest don't



Nigel Hawkes

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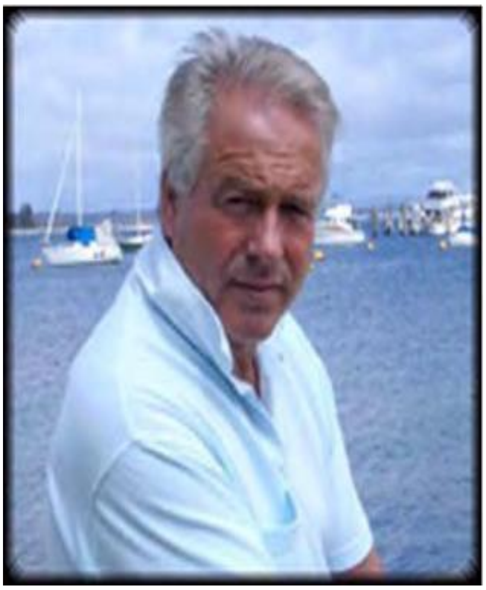
NIGEL HAWKES - MY TRADING JOURNEY

It was back in 1986 that I began my own trading journey.

This followed a very successful career in publishing, which resulted in my selling my titles, and the company, for a substantial sum.



At the time I had little knowledge of the financial markets and, like many others, turned to those who I thought were experts, to invest some of the proceeds of the sale.

Having handed over a considerable sum of money to a leading firm of City brokers in London, I subsequently left the UK for an extended holiday and was shocked to find on my return that my broker had managed to lose almost all of my money!

I could not believe that such an eminent brokerage, with an apparent understanding of the markets, could possibly behave in this way and lose such a sum and, so easily.

It was at this point I decided to take matters into my own hands, believing that if I simply used a modicum of common sense and followed the strategies of some well-known experts and gurus, then at least I could not do any worse.

My logic told me that if I placed 10 trades with 6 positive and 4 negative, then I would make money, and if I did this every week I could make a considerable amount of money.

So, I started, as many new traders do, by buying and reading many of the top selling trading education books and I also studied the theories of W D Gann and Elliott.

However, it did not take me long to realize that the theories and methods that these books were suggesting simply did not work, particularly when trading in volatile markets. Neither did the strategies, nor indicators they recommended, work intra-day.

In fact, just like my ex- broker, I too was losing money consistently. Things got so bad that, at one point, I even started placing trades in the opposite direction of my indicators and analysis, just to see if that worked.

I could not believe that as a bright and educated person, trading could make me look and feel so stupid. All my conventional ways of thinking just did not work in trading. This led to many days of depression. Logic told me I could make money from trading, but I was missing something.

Finally, I decided to go back to the beginning and examine every aspect of trading and the financial markets.

I decided to look carefully at every available indicator to try and establish, for myself, what actually works in the market, and more importantly works consistently.

At this point, I took myself off to the London Stock Exchange for two weeks to watch the pit traders in action, and try to discover the edge they had, that I didn't.

It was only after watching these traders in action that I realized they had one major advantage which was both to see and feel the market. It was this ebb and flow of the buying and selling orders that held the key to the market's direction.

In fact it proved to me that if I wanted to succeed as a trader I would need to ride this ebb and flow of buying and selling myself. But how? In other words I would need to put this market activity or VOLUME at the heart of my own trading.

It was during this lengthy period of research that I simultaneously stumbled upon the work of Richard Wyckoff. He too had undertaken extensive studies into the importance of VOLUME as a leading indicator and predictor of future price direction.

I even travelled to Phoenix in the US to meet some of his descendants, and also purchased some of his original manuscripts and notes.

I tested some of his theories and methods and decided to take them to the next level. Based on this success I then started to test my own theories about volume, building on Wyckoff's work. I developed these ideas into a software program, so that I could save hours and hours of analysis every day. This was a long and painful journey, which took thousands of hours and several programmers, but finally my software was complete. I excitedly began to apply it to my own trading.

It worked!

Finally, my days as a losing trader were over and, almost overnight, I started to make money.

This is what has grown to become Hawkeye. All my tools and indicators are based not only on the volume and price relationship, but also include standard deviation and pattern recognition.Here at Hawkeye we call this volume price analysis. However, it has taken me hundreds of hours, hundreds of thousands of dollars and three programmers to develop the unique Hawkeye suite of proprietary of tools and indicators. The indicators have quickly proved resilient and achieved consistently profitable results, across all markets.

Initially I only used the software for my own trading. However, as my trading friends became aware of my success, I agreed to share my indicators and methods with them.

I was also curious to see if software and indicators could be used by other traders to replicate my success, and was delighted when all my trader friends made money consistently. This is when I realized that I had a product which could be shared with the wider trading community.

So Hawkeye was born in 2004.

Until now virtually all of my sales have come from word of mouth and personal recommendation. Selling my software has not been my primary concern. I make my living from using the software myself as I trade every day, mostly commodities such as coffee and cocoa and also the indices, in particular the ES (S&P500) and YM (Dow).

I trade commodities, holding for the longer term trends over days and weeks, which is where the big money is to be made. The indices I trade on shorter time frames using tick and time based charts, intra-day, scalping for ticks and points. These two extremes demonstrate the power and breadth of Hawkeye.

II am proud to say that, to date, that with now hundreds of Hawkeye traders globally, I could count on one hand those that have written to say that Hawkeye is not working for them.

This doesn’t surprise me, because Volume Price Analysis works. It works for me, it works for my friends, it works for hundreds of Hawkeye users and it will work for you. Indeed I would urge you to check out the many trading forums on the internet for yourself.

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I never thought that the thousands of hours I spent with a pen, paper and a calculator would culminate in a software system that is now used by many traders and runs on the most respected trading platforms available. **In fact, several hedge funds incorporate it into their own trading strategies**

I will continue on my own personal trading journey, which has taken me literally from the depths of despair to the heights of trading success, using the indicators in the software. Whatever has happened on your own trading journey so far, I would like to give you just one piece of advice which is this:
Please do not fall for any seductive trading strategies, or software, or training programs that do not have Volume at the very heart of their calculations.

- **Volume is the ONLY leading indicator.**
- **It is the ONLY indicator which signals a price movement BEFORE it happens**
- **It is the ONLY indicator which signals market intent**

All other indicators are lagging and only look great in hindsight.

With **VOLUME** as your main indicator, you **WILL** be successful and make money. It's even possible to be able to quit working for someone else and make trading your own full time business.

Good fortune and good trading

Nigel Hawkes

Introduction

My guess is that if you are reading this book you are probably one of the many traders who knows there is a better method than you are using already to find a way of consistently making money from the markets and are falling short of your potential.

In fact you may also be wondering why as an intelligent, educated person something so simple and straightforward as trading can seem so difficult and frustrating.
After all, we are simply trying to predict whether a price is going higher or lower and profit accordingly. What could be simpler? It should be no more difficult than tossing a coin.
How wrong can we be!

But, and it is a big BUT, what I want you to be clear about before you continue reading this eBook is that if you are struggling at the moment, it really is **NOT YOUR FAULT**. And believe me, you will arrive at this conclusion yourself by the end of this eBook.

You will also discover how the world's best traders really make their money. How you only need to understand one key relationship of market behavior to join that elite group of traders who make significant and consistent profits every day.

Introduction to the importance of Price

Several years ago, one of the most popular game shows which was sold around the world was called The Price is Right. Whilst the formats varied slightly, the principle was generally the same, as contestants in the show were asked to guess the price of various items. The winner was the one who guessed closest to the price, but without exceeding it.
Many investors and speculators still regard the financial markets as a constant game of "The Price is Right" but, of course, in trading there are always two parties to any price. More importantly, that price or opinion in the market is constructed from two separate parties, agreeing to disagree. After all, if one person is selling at price X, then they are expecting the price to fall. If another person is buying at price X, then they are expecting the price to rise.

In the financial markets, price can be viewed in simple terms, not just as a price, but more importantly as an opinion. Price is the fulcrum on which all market opinion is balanced, tilting backwards and forwards as each release of news, data, and world event is first absorbed, and then reflected in the price on the chart.

Price is the basic building block of every chart, and indeed I once asked a very famous trader, if he could only use one indicator, which one would it be - he answered price. Without the price, we have no measure of market sentiment, of where the fulcrum of the market is at any time. Price contains all the information in one simple bar, embracing all the views, news, hopes and aspirations from traders and speculators around the world, all of whom are driven by two primary emotions, fear and greed. Without the fulcrum of price, these two emotions would simply wither and die.

It is price which feeds the emotional responses, which is then displayed in one simple bar, on one simple chart. Price distills everything to one single fulcrum, where it balances for a split second, before moving on.

So price is the basic building block of any chart. It is the DNA of the market and contains all the collective information in one single number. As Wyckoff himself used to tell his students *“stock prices are made by the minds of men”* and in 1931 he went on to write “when demand for a stock exceeds supply, prices rise. When supply is greater than demand, prices decline.”

Each price bar is composed of four elements: the open, the high, the low and the close. Of these, as we will see later in this book, one element is key when considering any analysis of price.

The open of any price sets the fulcrum for that particular trading session, and represents the starting point, whether overnight or intraday. The open represents the benchmark against which all other price action is then measured, whether on a one minute chart or a yearly chart.

The high is the highest point that the market traded during any session. It is the price at which the buyers were no longer prepared to go any higher, and the price fulcrum then began to tilt lower.
The low is the lowest point that the market traded during any trading session, and is the price at which the selling was exhausted with the buyers seeing an opportunity to profit from a bargain.
The close is the last price agreed between buyers and sellers, ending the trading session. It is an important piece of information as it defines the market's final evaluation. It draws a line under the price action for the session, before moving on to repeat the process, once more.

So, let's consider price in a little more detail and in particular how the majority of traders use it in their analysis. To do so, let us look at the simplest chart imaginable which has one single bar. The open, high, low and close clearly defined.

What is this bar actually telling us?
All that it is telling us is, in fact, a history of market sentiment during a point in the trading session. If it is an up bar then it tells us that the closing price was higher than the opening price, and the balance of market sentiment throughout the session was positive.
Does it tell us, on its own, where the price is going next?
The answer is **NO**. The next price bar may be down, or it may be up. Price alone tells us nothing other than the history of where a market has been at any particular point in time. It is rather like driving a car by looking in the rear view mirror. You are not going to see what is coming, you will only see what has gone before.

The problem for many traders is that they compound this problem by then applying what we call "lagging indicators" which once again are based on an historical view of what has gone before. Imagine, for example, that we have seen 10 consecutive price bars rising. Does this mean that the next bar will also rise?
The answer, of course, is that no-one can be sure. However, one thing you can be certain of is that any indicator that looks at history will tell you that the next price bar is going to rise. Put simply the reason for this is that it has no other information on which to base its

decision, other than what has already happened in the recent past. And the forecast will be that the price will rise. It will arrive at this conclusion through no analysis, but based only on historical data.

Imagine for a moment you are the casino and I tell you that I have a system for forecasting where the little white ball will end up in the roulette wheel. I explain to you that my system is based on the history of where it has ended up in the past. Would you consider this to be a valuable system and helpful in forecasting the next spin of the roulette wheel?

The answer is, of course, NO. No one knows and no system or methodology can ever forecast where the ball will land based on past events. Yet this is what traders do, around the world, day in, day out, year in, year out. Placing their faith in systems which are based on historical data. Every single one of these systems is flawed. These traders may as well flip a coin, and indeed if you have read my introduction to this book you will know that I too was reduced to this state when using these types of indicators.

So what is a lagging indicator?

These are trying to forecast market direction by looking at past price history and if you recall, this is like driving a car but only using your rear view mirror. Eventually you will crash. It's just a question of when.

There are literally hundreds of such indicators and most can be found on your trading platform. They fall into two broad categories - trend following and oscillating. The most popular are those such as Moving Averages, MACD, Stochastic, Bollinger bands, RSI and Elliott wave, to name but a few.

All of these indicators have one thing in common because they all lag the market. They are great in hindsight. This is why most traders struggle to make a living, failing to understand that it is not their fault, but simply that they are using signals and indicators which are based on historic data and therefore virtually useless at predicting future price direction.

Despite their lack of success traders continue to struggle, trying every indicator they can, before moving on to yet another, only to discover that this too is equally useless.

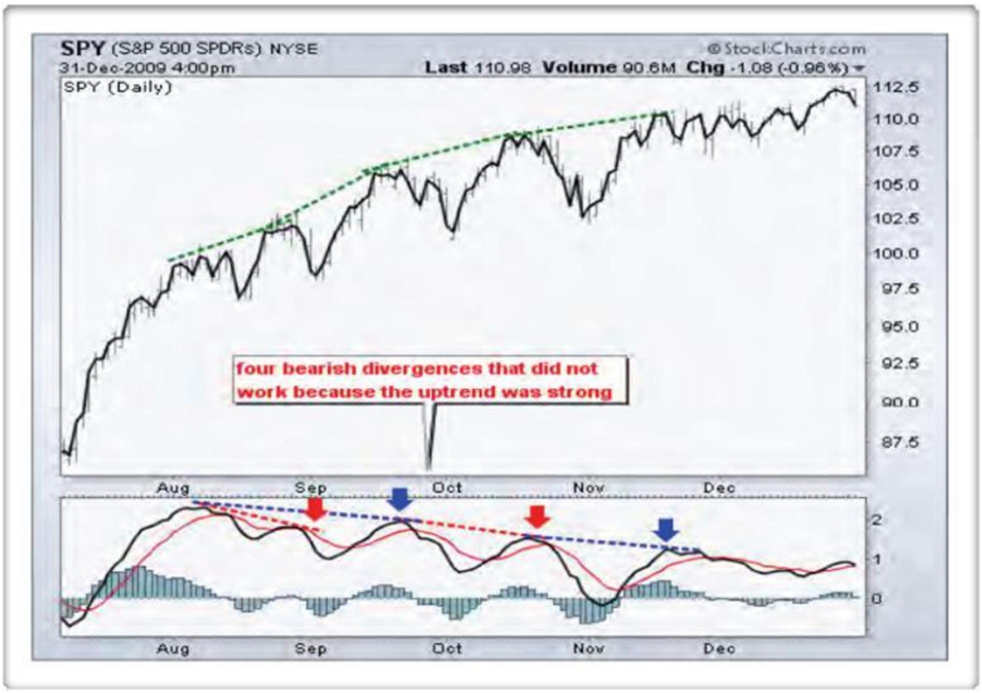
Finally, the realization dawns that there must be a better way to trade, and to make money consistently. Unfortunately, this usually comes at a high price, both emotionally and financially, as not only is it costly but it also undermines confidence, self-esteem and self-belief.

A further problem with all these indicators is that whilst they might work well under certain market conditions, they fail miserably in another. Of course, at the time you are never sure which it will be leading to further uncertainty, emotional trading decisions and further losses.

As an example let's take one of the most popular indicators used by traders, the MACD. MACD stands for moving average convergence divergence - what a mouthful! Many traders are taught, often at great expense, by a so called "veteran trader" to use this indicator to take trading positions.

The theory is that where price is at odds with the trend of the MACD indicator, then the price is likely to turn. Below is an example of where MACD divergence does in fact indicate that price is going to turn up owing to bullish divergence between the price and the MACD indicator.

However here is an example of where MACD failed to work.



It is possible to find as many examples of a failing MACD signal as you can a successful one, but many traders are seduced by the 'mystical' quality of MACD and persist with its use, preferring to believe in the system rather than abandon it for another indicator, even though this means losing more money.

Another very popular indicator is the Stochastic and here is an example:

Stochastics are used to highlight overbought and oversold areas on a chart. Finding overbought and oversold regions are an important part of a trading system and are very powerful. They are useful where the marker is moving sideways in what we call 'choppy' price action. In other words the market is moving sideways in a narrow area of the price chart.

However, they are notoriously unreliable in trending markets, which is of course where most traders make their profits. The problem is that it can be very difficult to know, at any given time, whether the market is in a trend, and if it is going to stay in a trend. So in fact most of the time Stochastics, and the many other trading indicators based on them, simply don't work.

Many traders who persist with Stochastics ultimately become frustrated, believing it is their fault when nothing could be further from the truth. It is simply that they are basing their trading decisions on lagging indicators which in turn are attempting to predict market direction by looking at past price action.

The truth is **lagging indicators just do not work**, and never will. When I first started I used them too. We all do. It's the herd mentality. All the traders I have taught over the years have come to me because they have lost money using them. So please, don't be seduced into using them as they all have two things in common.
First they will help you to lose money, and second, they have no value at all in forecasting the future direction of the market.

This is the major reason why the majority (perhaps even as high as between 70% and 80%) of trading accounts held with brokers are in deficit at any one time.

Of course being disciplined in following whatever system you are using is vital, but even with this is you are basing those decisions on the wrong set of tools, i.e. lagging rather than leading indicators, this creates fear, uncertainty and doubt. I am sure you will agree that this is hardly the best mindset that is likely to create the consistent, confidence in your trading and results.
Rather, this state of fear of losing a profit or making a loss generally means that being disciplined in your trading becomes all the more difficult.

Trading has changed over the decades, Old indicators worked well at the end of day but fall down at the live edge of the intraday market in these times today where everyone sees the price in real time, at the same time. Lagging indicators cannot possibly tell you the whole live story as it is happening now.

A further effect of using these indicators is that many traders take "the more the better" approach. In other words, covering their trading screens with as many indicators as possible in the hope of finding the perfect trade set up.

But all these indicators are trend following indicators. Why have more than one telling you exactly the same information. However, VOLUME stands head and shoulders above the rest ; it is real, it is NOW , and so not lagging. That is what you MUST base your decisions on!

The Tale of Four traders

Let me give you some examples of what happens when traders make emotional decisions. These examples are based on a Forex trader but apply equally to any other market.

Example - Trader 1

Our first trader has a good record at finding profitable trades. He places 100 trades and 60 are profitable, only 40 are loss making, a good average for most traders.

The average profit on his winning trade is 25 pips. This makes a total of 1500 pips. The average loss on the losing trades is 45 pips. A total of 1800 pips which gives an overall loss of 300 pips.

This example highlights a trap that even good traders can fall into and is caused by fear and emotion.

In this case the trader held onto the losing trades and closed out the successful trades much too early. Why?

Because the trader was **fearful of losing a profit**. One of the primary fears that all traders face.

Of course it is correct to aim for the nest set ups at entry but this is only the start of the story that will create your result. Remember exits are where you realise your REAL DEAL profit or loss in any position.

Example - Trader 2

This trader takes 100 trades, 40 of them are profitable and 60 of them make a loss.

His average profit per winning trade is 45 pips, making a total of 1800 pips. However, his loss on his losing trades is only 25 pips, making a total of 1500 pips. This gives a profit of 300 pips, the opposite of Trader 1.

The system or software this trader is using may not be giving him a good ratio of winning to losing trades, but at least he is able to control his emotions by staying in winning trades longer, and of course, cutting his losing trades short. Therefore, his winners are more profitable than his losses, giving him a small profit at the end of the trading period.

This trader is profitable, but perhaps not to the extent that his trading will allow him to trade for a living. However, this example does highlight that traders do not have to be right most of the time to make money.

This example illustrates how it is possible to have more losing trades than winners, yet still be in profit. However, whilst this is better than Trader 1, it may not offer the trader the path to complete financial independence.

Example - Trader 3

This trader takes as many winning trades as he does losing trades, and is probably a novice, using one of the hundreds of free trading packages available either from his broker or the internet.

Typically he makes 25 pips on each profitable trade, and loses 25 pips on average on each of his losing trades, therefore breaking even over time. However, these trades do not include the cost of “the spread” so over a longer time period he may end up with a significant loss.

Sadly, Trader 1 and Trader 3 make up the 70-80% of traders who are in a loss making situation. What’s even worse is the fact that these traders are not necessarily wrong in selecting their trades, many do in fact find potentially profitable trades. **It is simply their indicators or system that is unable to keep them in trades long enough to profit from any trend**. In most cases they will be using the charts and lagging indicators provided by their brokers.

So regardless of their trading strategy, the net result is small wins but bigger losses. A lethal combination that results in frustration and loss and ultimately many of these traders leave the market entirely, failing to fulfill the potential of a lifetime of sustainable results.

Example - Trader 4

Trader 4 has a trading plan and sticks rigidly to a trading system. It is also highly likely that he uses none of the well-known lagging indicators that you find on free brokerage trading platforms.

More importantly, his software and system will be accurate at forecasting and staying with a potentially profitable trend. It may also signal when a trend is coming to an end. The net result for Trader 4 is he takes 70 winning trades at 55 pips and 30 losing trades at 15 pips. He therefore walks away with a staggering 2905 pips profit.

This trader is NOT ruled by emotion. He has a trading plan, which he keeps to, and has no emotional feelings about his wins or his losses. In other words, he has a complete trading system which is structured to keep him safe from the vagaries of the market and from himself, safe from his fear and emotions.

This trader is one of the handful of elite traders who are able to trade for a living. He or she might have been able to quit their job, and be free to make trading their business. This will allow the trader to achieve personal freedom and financial independence.

In these examples you can see how and why most traders do not fulfill their potential as traders and why it is very rarely their fault.

So how can traders become the traders they deserve to be? How can frustrated traders regain their confidence and so begin to trade with clarity and without fear? How can new and hopeful traders start their trading journey, safe in the knowledge they are using systems and software that will protect them both from the market and themselves, and give them the time and space to learn the art of trading.

It's actually very simple and in the next section of this book you will learn how I discovered this for myself and now want to share this with you.

Introduction to the importance of Volume

In my own trading journey I was one of those traders from the examples above and indeed any of the first three. I was trading using a variety of lagging indicators and was constantly ruled by emotion and fear when my indicators failed to work – and worse, when they gave me conflicting signals. In addition, I was driven to taking opposite positions to my analysis. This was how bad things got for me.

It was at this point that I took myself off to the London Stock Exchange where I went for two weeks and stood for eight hours a day watching the pit traders in action. In those days the pit, or the ring as it was called, was a seething mass of humanity, as traders of all shapes and sizes yelled and screamed at each other, signaling trades with their hands.

Sadly there are few places left where you can see this in action today, but the CME (Chicago Mercantile Exchange) is certainly one.

Observing these traders in action day in, day out, taught me three valuable lessons. First, these traders had the discipline of a trading environment. Second, they had “free money,” in other words, the bid and the ask, and finally (and most importantly) they could feel and smell the market.

They could see the flow of buying and selling and when any large institutional orders came through, then these traders would simply ride on their coat tails, taking advantage of the market’s momentum. As pit traders they could almost “see” the buying and selling. They could sense the fear and greed in traders’ eyes. A full market in full cry is a sight to behold, and will tell you instantly the weight of buying and selling in the market. This is what I wanted to replicate in my own trading.

I wanted a system that would mirror what was actually going on at the live edge of market and underpinning the price action above. What I had discovered was, of course, VOLUME which is the fuel that drives the market, and the more fuel there is the greater the momentum. In other words it is the only leading indicator.

This revelation is, of course, nothing new as all the great iconic traders of the past: WD Gann, Elliott, Wyckoff, Jesse Livermore and Richard Ney had all come to this realization as well.

Indeed, Charles Dow himself, the founder and creator of the Dow Jones Index understood the importance of volume, but it’s taken traders over 100 years to understand the importance of this fact.

A leading study of market volume published in 2001 by Gervails, Kaniel and Minglegrin of The Wharton School, University of Pennsylvania, considered market prices over a 30 year period and one of its major conclusions was that:

*"**Stocks whose trading activity is unusually large over a period, tend to experience large subsequent returns.**"*

Similar results have also been recorded by researchers Li and Starks of the University of Texas.

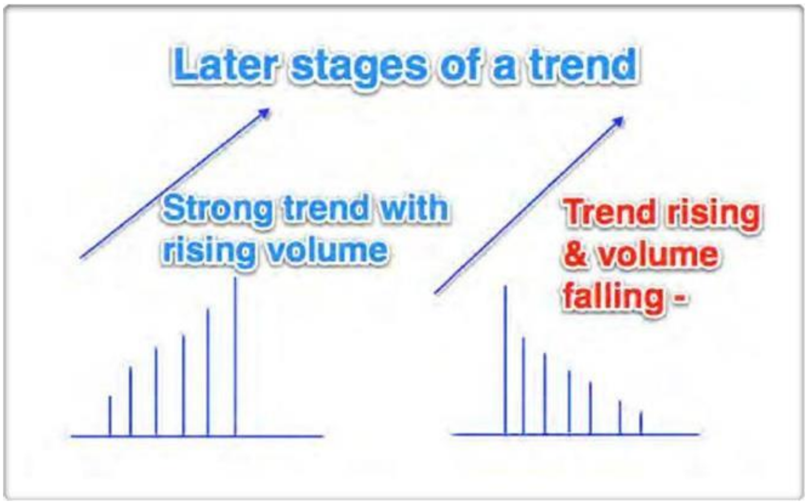
In other words, when there is unusually high volume in any given time period (which could be 5 minutes, an hour, a day, or a week), then the price tends to continue in the same direction in the future.

This principle has been shown to apply to all financial instruments and markets, so it applies equally to currencies, commodities, indices, equities (and of course Options based on these) and ETF's.

It is also a recognized fact that when prices are rising, the market will not fall purely as a result of low volume but will simply move sideways as it takes a breather.

Conversely any reversal from a falling market cannot occur without an increase in volume, and is sometimes also referred to as a volume climax.

This fact has been recognized for decades by pro traders as well as the iconic traders of the last century, such as WD Gann, Elliott, Richard Wyckoff and Richard Ney. They too understood the Volume is the most powerful leading indicator and here are some simple graphics to illustrate some statements.

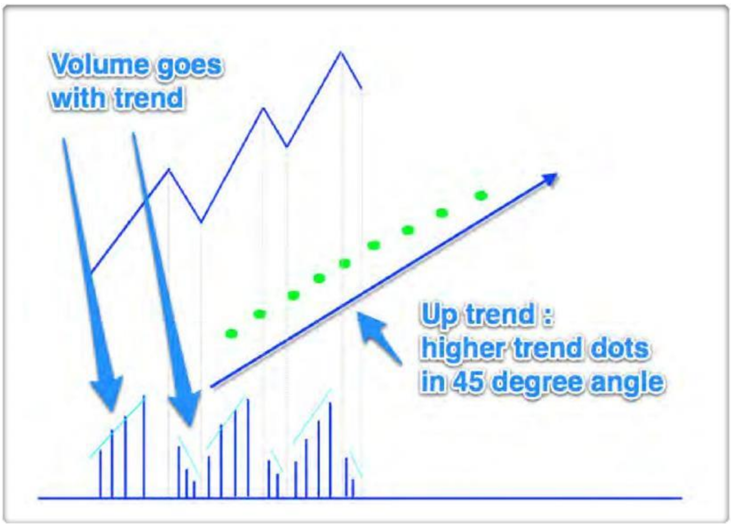


Volume confirms the strength of a trend or suggests its weakness.

If the market is rising, and we have volume increasing, then this suggests that we have a strong trend supported by an increasing number of buyers. After all, if this were selling volume coming into the market, then prices would fall, or perhaps move into sideways congestion before falling. As this is not the case, we can therefore conclude that the volume is BUYING volume, and expect the trend to continue for some time to come.

Conversely, if we have a rising trend but falling volume, then this is WEAK. After all, as we have just seen, if the buyers are still in the market, then this would be represented by RISING volume, and in the second example we have FALLING volume, so we can assume here that the buyers are NO LONGER INTERESTED. The trend is running out of steam and becoming exhausted. This is the first sign of a POSSIBLE change in trend. The buyers have left the market, and MAY now be replaced with SELLERS in due course.

In a trend, the volume will go with the trend, so expect to see the volume fall away in the pullback of the trend. This is NORMAL volume behavior. The buyers are taking a rest, before re-entering the market to buy once more. The reason this happens is there has been NO SELLING CLIMAX to signal a change in trend.



If we see the following diagram with the price in an uptrend an ultra-high volume bar appears. This is OFTEN a signal that the trend is about to reverse, as volume climaxes highlighting price reversals. This is particularly true if the extreme volume is associated with no equivalent reaction in the price.

After all, if the market requires effort (Seen in VOLUME) to rise and fall, and the market has failed to rise with significant volume, then clearly the market is resistant to any further increase. Therefore, this volume must therefore be considered to be SELLING volume.
If it were BUYING volume then the market would have risen strongly. We can see an example of how a failure to rise on higher volume may appear on a price chart clearly in the next example below:

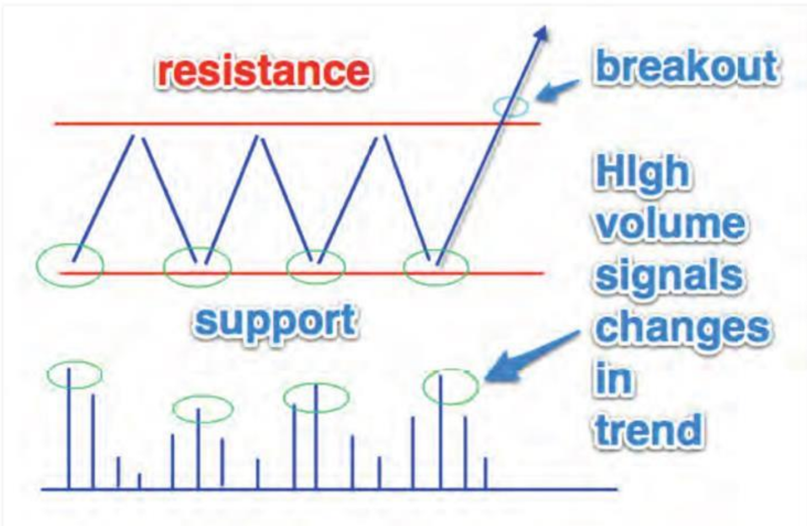
Here we can see that the price has risen strongly, with increasing volume, a positive sign. However, on the last bar, the volume has been ultra-high, but the market has fallen with a narrow spread price bar.

What is happening here is buyers are no longer interested at this price and those who are left are gradually being overwhelmed by the sellers who are starting to gain control of the market and a trend reversal is imminent.

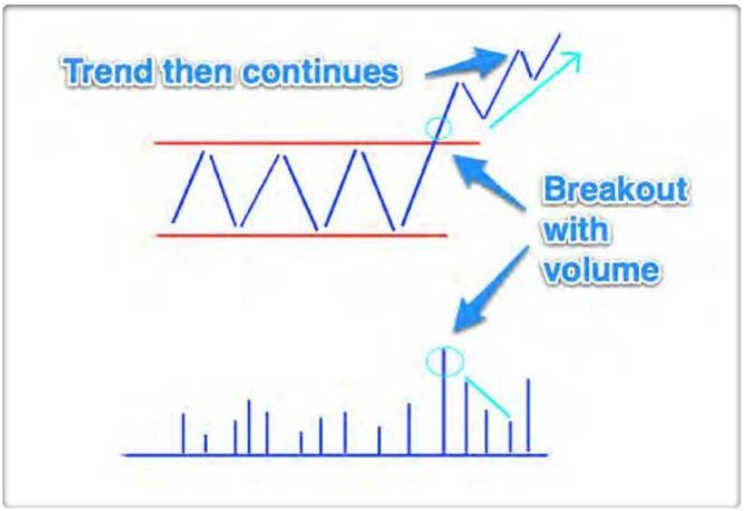
If the volume bar was BUYING volume then the market would have continued to rise as in the previous bar. Instead it has failed to rise and the price spread of the bar is narrow, so this MUST be selling volume coming into the market.

Points where the market trades on high volume are the points of strong support and resistance, and are the first signs of a change in trend or a breakout.

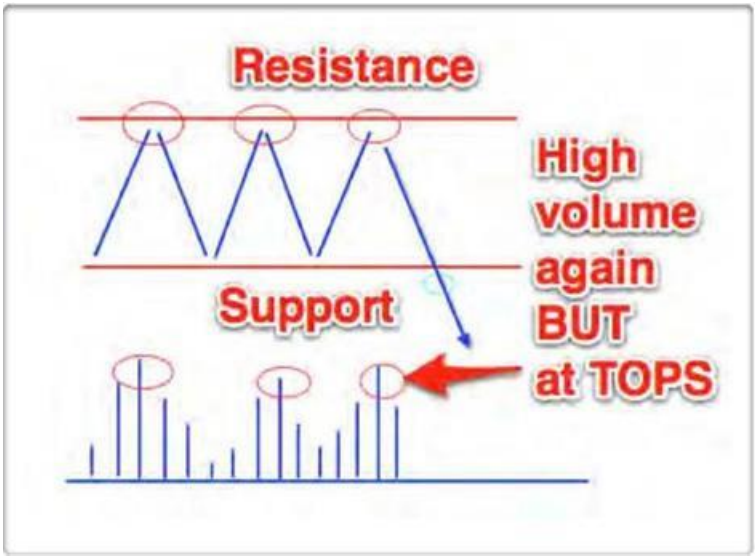
Volume helps us to confirm the potential breakout from an area of price congestion. In the example below, we can see that we have high volume at the **bottom** of each market reversal, which is suggesting BUYING or ACCUMULATION at these points.



The price support region confirms this view, so that when we do FINALLY see the breakout (as seen below), we have a GREAT signal from our volume bars, that this is a GENUINE breakout and therefore a LOW RISK TRADE for a “Long” trade.



In the next example below, the high volume is at the TOP of each trend, so in this case we can assume that this is SELLING volume with the market creating a region of price resistance.



As this is selling volume, then when we see the breakout to the down side, VOLUME once again VALIDATES this breakout, as we have seen the HIGH volume bars on each FAILED attempt to move higher.

Once again we have the potential for a low risk entry, should there be a break below support, if confirmed by volume.

Breakouts and market spikes can be validated or voided with the help of volume. Without volume, we are merely guessing at the future direction of the market. With volume, we have an insight into the market, and whether the interest is buying or selling.

However, just like price, volume in isolation tells us very little about the market's future direction. All it can signal on its own is interest in a market or event.

For this we need to combine price and volume together to give us the most powerful, analytical tool available which is the only methodology that will reveal the market's future direction.

Combining Volume and Price

Having discovered the two principal driving forces of the market, namely price and volume I was faced with the seemingly insurmountable problem of how to harness these forces for myself.

For this I turned back once again to the iconic traders of the past and in particular to Richard Wyckoff, and set about my studies literally with pencil and paper. As Wyckoff himself said: "forget all the decision making factors you ever used. All you need to know can be found in the tables of stock prices and volumes in your daily newspaper."

As a broker himself, Wyckoff had seen the "behind the scenes" plays of the large operators and realized "it was possible to judge the future course of the market by its own action ***that the action of stocks reflected the plans and purposes of those who dominated them,*** that the basic law of supply and demand governed all price changes, and that the best indicator of the future course of the market was the relation of supply to demand."

I travelled to Phoenix where I met Wyckoff's descendants and I even managed to purchase some of his original notes. From my studies of Wyckoff I discovered many of the elements which I later incorporated into Hawkeye. Of these, the most important is the relationship between price and volume.

From Wyckoff I also learnt that price alone can only tell us what a market's present technical position really is, and where the trend is probably headed. That volume determines the trend with more accuracy and detects turning points, when to open or close trades. **But that together, they form a complete picture.**

At this stage in my trading journey I also began to study volume spread analysis which too looks at volume and price, but only over the spread of the price bar. Volume spread analysis only considers the high, low and close of the price bar. This technique seeks to establish the cause of price moves by considering the imbalance between buying and selling, and thereby predict the future direction of the market.

I continued with volume spread analysis for a considerable period of time, and whilst it had some benefit and merit it was (and is) a highly subjective analysis of the market. It requires a great deal of study and whilst it provided a flavor of market sentiment and future direction it did give far too many conflicting signals. In other words, it seemed incapable of differentiating whether the activity contained within a price bar was buying or selling, or merely a pause in the price action.

In addition, to being a subjective methodology it was open to interpretation by each and every trader so there was no consistency, and I always felt that Volume Spread Analysis as a methodology and trading system could be improved upon.

It was at this point that I returned once again to the work of Richard Wyckoff and it was whilst I was reading some of his writings that it hit me.
Even his studies ignored **one crucial piece of information**, namely, **the opening price** and perhaps the best way to explain my eureka moment is to consider a simple analogy.

Imagine for a moment that you are at an auction. It is a cold, wet and miserable day in the middle of winter, and there are only a handful of other people in the room.
The auctioneer brings the next item into the sale room, a piece of antique furniture perhaps, and raises his hand with an opening bid, but there are no takers. There is no interest at this price.

He waits and, after a few seconds, reduces the price. Still there are no bids from the floor. Finally, he reduces the price still further, which prompts an opening bid from one person in the room. However, no other bids follow and the item is sold at a rock bottom price.

Now imagine the same sale room in the middle of summer. The room is packed, and it is standing room only, and the same piece of furniture is now being sold again.
The auctioneer raises his hand with an opening bid, which is immediately accepted and the bidding takes off, with the price climbing higher and higher as each subsequent bid is then replaced by a fresh and eager bidder. Finally, the bidding war stops and the piece is sold for three times its original price.

Encapsulated in this simple everyday event, are the key principles on which the financial markets are built. However, few traders ever have the good fortune to discover these simple secrets.
You are one of the lucky ones, as you are about to learn all about the volume secret, which when combined with price, produces the world's most powerful trading indicator.

Understanding how this volume and price relationship works will give you your own crystal ball into the financial markets and, possibly with it, the financial and personal freedom you seek.

So let's go back to our auction room to explore this relationship and the power it has for us as financial traders.
The first concept we need to grasp is that the markets are essentially very simple. Millions of words and thousands of books may have been published which attempt to explain how the markets move and why, but they are still very simple.

Some even use higher mathematics, others use the stars, and yet more rely on a vast and increasing array of technical indicators, all of which are guaranteed by the authors to make you money.

The reality is very different. The reason that all these books and theories are published is to make money for the authors, not for you. They are written to confuse and to shroud the markets in mystery, so that yet more money can be made from the unwary and ill informed. As I said earlier the financial markets are only driven by two forces - yes, just two i.e. Volume and price. Understand how volume and price work, and you will likely have your own key to success as a trader.

It is PARAMOUNT to study and master this relationship between volume and price, and once you begin to understand the power of these two forces in the market, then those lagging indicators that you may have been using to date become irrelevant.

So let us revisit the first of these which is volume, the single most powerful leading indicator we have, which tells us where the market is going next. And by the time you have finished reading this book, you will know how to read the market like a professional trader.

Think back for a moment to our auction. In our sales room, the price was bid higher and higher. Why? Well in simple terms there were several bidders for the same pieces of furniture. In other words, if we convert these 'several bidders' into financial terms, this is volume. Suppose those bidders had not been there, as we saw in the first example. Would the price have risen so fast? NO – because there was no volume activity to drive the price higher, and you can think of this analogy in many different ways.

As Joseph Granville, the famous financial author once wrote, "*Volume is the steam in the boiler that makes the choo-choo go down the track*," and this simple statement encapsulates what volume is all about. It is the fuel of the market. It drives the market both up and down, and without volume, nothing happens.
After all, would you expect a car to move uphill with no extra gas applied. Of course not, so why then should we expect anything different in the financial markets.

To move uphill takes effort, and in the financial markets this effort is volume. If the market is moving higher and we are seeing increased volume, then this is similar to our auction room analogy, with more bidders driving the price higher. Now the only difference in the financial world to the mechanical world, is that it also takes effort for a market to fall, so once again volume is the key.

In a rising market we need to see increasing volume as the buyers move into the market driving the price higher, and similarly in a falling market we need to see sellers moving into the market driving the price lower.

So in simple terms, if we can see volume, then we can also see whether the sale room is empty or full. If it is full, then we can expect to see higher prices in a rising market. If it is empty, then we may expect to see prices fall or move sideways. All of this is revealed on our charts with our volume indicator.

So, in a nutshell, volume expresses interest and enthusiasm in one simple bar. All the buying and selling decisions of investors and speculators around the world, are all captured in the pure activity of one volume bar. All the millions of trading decisions, whether to buy or to sell are all captured in this one bar.

After all, **there are only two reasons for buying or selling in the market**. The first is to increase risk in order to make money, and the second is to reduce the risk of losing money. If everyone is happy to increase their risk then the markets will rise with a consequent increase in volume as more buyers enter the market.

Conversely if everyone is reducing their risk by selling, then the markets will fall, again with increasing volume. What is revealed to us in this simple example is that if this is what is happening on our charts, then in the first case we buy, knowing that the market will rise, and in the second we sell, knowing that it will fall.

Master this concept and suddenly we have our own market predictor, our own crystal ball, and all from one indicator – volume.

Volume expresses interest and enthusiasm. Volume **IS** the fuel of the market, it is what drives the market, and without it, the market will simply drift. Volume exposes the truth of the market. Volume reveals conviction in the market, and all of this is revealed on our charts.

If the market is moving higher, but with falling or low volume, then this is simply telling us that this is not a genuine move. Equally, if the market is falling with falling volume, then once again this is not a genuine move. I hope you can now start to see how powerful volume is as it reveals so much, which is why we call it a leading indicator.

In fact it is the only leading indicator. In other words, it is the only indicator which tells us what the market will do next. Attempting to trade without it is much like trading with a blindfold. You may as well toss a coin.

Now let's consider price once again, the second key component in our volume price relationship.

In this case, imagine that you are looking to purchase an item on eBay. You search the site and eventually find just one seller who has the item listed for sale. How does this make you feel? Is this a fair price or is it an unrealistic price? You have no way of knowing, as you have no benchmark by which to judge the price, as there are no other sellers of the same product.

Now imagine that you are looking for another product on eBay, and come across hundreds of different listings for this product, where the price range is very narrow. How does this make you feel? You now have a benchmark against which to judge the price in the market, as you are able to make a comparison and reach a reasonable conclusion.

We do this all the time when we are both buying and selling. When we are buying, we constantly look for a validation of the price, whether in the shopping arcade buying an item of grocery, or in the car showroom, buying a new car.

When we are selling, we do exactly the same thing. We validate the price before we put our item up for sale, and chances are that we will advertise it somewhere in the middle of the price range.

These same principles apply in the trading world and provide the defining link between volume and price.

To put it simply, the more people who participate in a price move, or in our case the more volume associated with a price move, then the more that price move is validated. In other words, volume dictates the quality of the price, and just as in our eBay example above, when there is low volume, or only one seller, then our price is simply not validated. When we have many sellers, or high volume, then our price is validated. It really is that simple.

I hope that you can start to see how volume and price are the only two aspects of a chart that you need to understand. Learn how these work together, and you will join the elite group of traders who have the ability to literally “read the market” and have more certainty where the market is likely to be heading, before it happens.
Whilst volume validates the price, it also contributes to the price itself, and this is why understanding the volume and price relationship is vital to your trading success.

The markets, as we know, are always awash with news of every type, from the daily release of fundamental and economic data, to the political statements from governments and politicians, to the latest announcement from a central bank.

All of these pieces of news are absorbed by the markets and built into the latest price action. Now, as this new information is released into the public domain, volume reveals the effect of this information on price. By watching the change in volume, as this information is released, we can instantly see how the markets are reacting to the news, and how quickly the latest piece of news is being absorbed by the various market participants.

What this means is that the volume substantiates the importance or otherwise of the release. If the volume rises on the news and the price rises in tandem, then the market is placing significant emphasis on this piece of news. Clearly in this case the price is being validated by the volume surge.
Conversely, if the volume fails to rise on the news, then the market and the market participants have clearly discounted this item, and consider it to be unimportant or irrelevant, as they now wait for the next release to arrive.

So, now that you have a basic understanding of the price and volume relationship, you must consider some of the other key aspects of this pivotal relationship, and here I need to stress some important concepts to us as traders.

Studying price and volume independently is pointless, as it is only when the two combine in what I call VOLUME PRICE ANALYSIS, that the true power is revealed.

On their own, price and volume only reveal vague market information. After all, what does price tell you, other than it is a price, to which the answer may be 'so what?'
Equally, volume on its own only tells us there is volume, and nothing else. However, when combined, the true market intent is revealed giving clear signals of both buying and selling intent, something that would not be revealed by either on its own.
Indeed, Ying, in his ground breaking work on the price volume relationship published in 1966, stated the following:
"*Price and volume of sales in the market are joint products of a single market mechanism; any model that attempts to isolate prices from volumes or visa versa will inevitably yield incomplete if not erroneous results*"

One of the questions many traders ask when first presented with this powerful concept is whether volume leads price, or does price lead volume, and the answer is, of course, the first of these – **volume leads price.**
This is why this technique is so powerful as it will tell you in advance, what the market is likely to do next. In simple terms, volume signals a price change BEFORE it happens, and this is the POWER of **Volume Price Analysis.**

So, for example, suppose we have a market which is rising, with rising volume. This is a strong signal that the market is bullish and therefore likely to continue for some time. However, sometime later, the volume begins to fall, and yet the market is continuing to rise, but at a slower pace. Well here, the market action is much like an oil tanker which takes time to come to a stop once the brakes are applied. It is the same with the market where the momentum of a trend will continue for some time after the buying momentum has either ceased or declined.
Just as with the engines of a large oil tanker when they are suddenly switched off, the ship will continue for several miles. It is the same with the market, which just like the tanker will continue on due to its momentum – it does not suddenly come to a dead stop.

However, what the volume is clearly signaling to us is that there is a change ahead. The volume is falling and market participants are no longer interested in higher prices. The volume price relationship is giving us a clear signal of a change in market direction, led by volume. Now you can start to see how powerful this technique is for us as traders, and why the world's top traders use this exclusively in their own trading.

Now that you have a basic understanding of the volume and price relationship let's look at a few more examples of how volume plays a key part in the current AND future direction of a market.

High or Low volume

As we have seen, volume is the second most valuable item of data after the price itself. Large volume confirms market activity and that market participants are involved in the move, including financial institutions, who bring the highest turnover to the market.
When the financial institutions are trading, it means they are interested in price at certain levels and they literally push the price up or down.

Low volume tells us that there are very few participants in the market, and that neither buyers nor sellers have any significant interest in the price. In this scenario no financial institutions will be involved, and therefore any moves from individual traders will be weak.

Volume and trend

Volume helps us to determine the health of a trend. An uptrend is strong and healthy if volume increases as price moves with the trend and decreases when price goes counter trend (correction periods or 'pull backs').
When prices are rising and volume is decreasing, it tells traders that a trend is unlikely to continue. Price may still attempt to rise at a slower pace, and once sellers take control (which is usually signified by an increase in volume on a down bar or candle), prices will fall.
A downtrend is strong and healthy if volume increases as prices move lower and decreases when the price begins to re-trace (pull back) upwards.
When price is falling and volume is decreasing, the downtrend is unlikely to continue. The price will either continue to decrease, but at a slower pace or start to rise.

Volume and Reversals

When volume spikes at certain price levels, traders know that this was an area of high interest for traders at that price level. If there is a great deal of interest, it means the level is a key one. This simple observation of volume allows traders to identify important support and resistance levels which could play a significant role in the future.

Where volume spikes are extreme (in other words larger than any historical spikes nearby), this is generally known as a volume climax. When this occurs traders should look for clues for the future direction of the move from the price itself, and this is often followed by a particular candle or price bar pattern.

Single volume spikes can bring price to a halt temporarily and these are often seen during fundamental and economic announcements on a daily basis. Geopolitical news too can cause a spike in volume, but then disappear equally as fast.

Reversals, however, happen not over a single day, but over a series of days. If higher-than-average volume stays in the market for several days a huge volume spike - volume climax - will crown a point of market reversal.

Volume and breakouts

Volume can help to validate all kinds of breakouts. When the market is consolidating on low volume, a pickup in volume can signify that a breakout is due. A breakout occurring on rising volume is a valid breakout, while a breakout that attracted no interest from traders occurring on low volume, is likely to be false.

Volume and Price

It is clear volume is a very important indicator for any trader, but there is a challenge with volume, in that it can take a long time to master its interpretation on a chart.

Having studied volume, volume spread analysis and having seen the light with volume price analysis, I then had to spend many thousands of hours programming and back-testing my theory before I was finally able to deliver what I believe is the ultimate trading system based on volume and price, and which forms the foundation of Hawkeye.

Volume Price Analysis is my own unique interpretation of the volume price relationship, and whilst it is firmly rooted in the work done by the iconic traders of the past, in particular the work of Richard Wyckoff and builds on volume spread analysis, VOLUME PRICE ANALYSIS also takes account of the significance of the opening price.

This facet of price is something all other analysts and programs tend to ignore.
Volume price analysis also takes account of the work of the famous Turtles experiment and the importance of average true range.

The result is the unique Hawkeye volume indicator which uses VOLUME PRICE ANALYSIS. The Hawkeye volume indicator looks at the open of the previous 20 bars, the close of the previous 20 bars, the high of the previous 20 bars and the low of the previous 20 bars before performing over 360 calculations on each bar to determine whether the volume of that bar is buying volume, selling volume or neutral volume.

Using Hawkeye with different trading markets

The Hawkeye volume indicator works in all markets and can be used in all time frames for both tick and time charts. From longer term swing and trend trading on daily and weekly charts, down to fast scalping on an intra-day basis.
Hawkeye volume lies at the heart of a suite of elegant but powerful trading indicators and tools all designed to help traders (and investors) pull explosive profits from the market.

Hawkeye and Forex

Before moving on some of you reading this may be thinking – well, this is all very interesting but there is no volume in the spot Forex market.
For equities we have the well-known exchanges such as the NYSE and LSE. While for futures we have the CME, CBOE and ICE and many more. All of these exchanges will report the volume traded during the trading session.
With the spot Forex market there is no central exchange and therefore no way to measure market activity. However, this is not a drawback because there is plenty of tick data available which, in fact, is superior in a number of ways. Let me explain.

Many traders are under the impression that tick volume is utterly useless in forex trading because there is no associated information in terms of contract size. All tick volume tells us is the market activity. After all, a tick is simply a change in price.

The importance of volume in stock trading is, of course, well known and well documented and having access to this information will alert traders to unusual market activity as we have already learnt.

In addition stocks, of course, are bought and sold for a variety of reasons including long term investment, buy and hold strategies and to underpin pensions and other investment vehicles.

On the other hand, currencies are bought and sold for a multitude of reasons – few of which relate to investment and are primarily bought and sold for two reasons.

First, for practical reasons where a company has to hedge currency risk or purchase overseas assets and resources in the local currency. Secondly, purely for speculative purposes, which is increasingly becoming the norm and, as such, volume size is now irrelevant.

If, for example, Honda the Japanese car manufacturer, decides to hedge 500 million Yen before shipping cars overseas, what relevance does this have to you as a currency trader? If you were watching this transaction using what is called level 2 data, which shows the size of transactions passing through the market, you would see these transactions in multi-million segments such as 15 million, 50 million etc. What does this tell you?

Nothing, you do not know who is moving this money or why. But what tick volume does tell you IS the level of activity going through the market.

First, the forex market has a normal daily pattern of activity which ebbs and flows as the various financial centers open and close, as the market moves across the globe.

This is generally reflected by relatively low volumes in Asia, large volumes in London, lulls before news releases and medium volume in the US. This is a normal trading day in the forex market and any deviation to this is something which should be considered as important.

Second, sudden bursts of tick activity at key price levels can also reveal points of strong support and resistance areas where speculators have either left “take profit orders” or stops and this can move the market temporarily until all these orders have been absorbed.
A sudden collapse in tick activity can also signal the end of a price move, as interest wanes and the market moves into a period of directionless drift.

So, tick activity reveals all this for you to see clearly, giving you a powerful insight into market sentiment, market interest and therefore market direction.
Until now meaningful analysis of volume in the spot forex market was merely a pipe dream for forex traders. But now with Hawkeye volume, forex traders can exploit the currency markets using its awesome power.
By using complex mathematical algorithms Hawkeye is able to establish with a 90% degree of accuracy, whether the tick volume flowing through the market is buying or selling volume.

Forex traders now have what is likely the most powerfully predictive trading system in the world at their fingertips.
Later in this eBook you will see examples of how Hawkeye takes this data and presents traders with the ultimate chart, where you will see a currency pair with associated volume which reveals the future direction and trend.

Volume AND Price = Trend

Having stated earlier that only volume can determine the health or otherwise of a trend, let us now turn to that famous saying: “let the trend be your friend” and examine how this is a meaningless statement. This is because most traders have neither the emotional strength, nor skill to either recognize a trend or stay in one to maximize profits. We know this because broker data now reveals that over 70% of traders lose money and lose consistently. However, staying with a trend is the only way to make consistent and explosive profits and build true capital wealth but, of course, herein lies the problem. And it is this.

How do you know a trend has started? After all, it is only with hindsight that the trend is revealed and at this point it is easy to say that a commodity, a stock, an index or currency has been in a "long trend."

When the trend starts nobody knows that it is, in fact, a trend. A market may move higher for one bar and then move lower on the next, before moving sideways in price congestion. The fact is no one can tell, and no one can ever know until the market has moved on and revealed the trend in all its glory. Or can they? Simply read on to find out how.

Hawkeye Revealed

In trading there are only two types of risk. The financial or monetary risk on each trade, and the risk of the trade itself. Most traders will understand the first and this is both easy to define and to manage.

The financial risk is simply how much of your trading capital you are prepared to risk on the trade. A simple rule of thumb, which many traders use, is to apply the 1% rule. This effectively means that you could be wrong 100 times in row before losing all your capital. So, for example, if you had $1000 in your trading account then you would only risk a maximum of $10 on each trade, which would then define both the size of contract you could trade, as well as the maximum positioning of any associated stop loss.

This trading risk is straightforward and just needs calculating and adhering to within your trading plan. What is far more complex for most traders is defining the risk they are taking when entering a position. In other words, the probability of success or failure.

Just like tossing a coin, we are always looking to weight the probability in our favor. For a coin we would add a small piece of lead to one side of the coin so that it would generally fall with a bias to one side.

This is what we are looking to replicate in our trading. On every trade we are trying to establish the probabilities, so that we are taking the lowest risk trade with the highest probability of success.

This is the essence of trading, this ability to judge the probability of success or otherwise of a trade. This is something many traders find difficult and problematic as trading is much more of an art than a science. It is an art because markets are made up of people, their money, their hopes, their fears and their greed and it is this maelstrom of emotion, and often irrational behaviour, which is played out across trading screens on a second by second basis.

Furthermore, with the advent of high frequency trading and the speed with which money can flow in and out of assets at the touch of a button, it soon becomes clear why the majority, if not all, of the most commonly used indicators simply do not work.

This is yet another reason why volume is the only indicator which can reveal the market's true intent. In other words whether it is being driven by fear or greed.

This is where Hawkeye is unparalleled because with Hawkeye there is no need for hours of analysis to try and establish the market's intent and trend direction. With Hawkeye the trend is painted for you in much the same way as the volume bars are painted red for selling volume and green for buying volume. The trend is painted in a very similar way. This time with a green dot for a rising market and a red dot for a falling market and this is calculated and painted for you following a complex series of calculations which look at both price and volume. This is available for all markets and in all timeframes.

Now perhaps you can begin to see the predictive power of Hawkeye. It not only reveals the future direction of the market but in doing so allows traders to stay with a trend, and so extract the maximum profits from the trend. It is this combination of Volume Price Analysis with trend that will turn any trader into the consistently profitably trader we saw in our earlier example with *Trader 4.*

Hawkeye & Forex

Here is an example of how having a chart with trend and volume gives us a clear picture of where the market is heading next :

The GBP/USD is one of the most liquid of all the currency pairs in the forex market and a heavily traded pair Here we can see a classic example of a green trend higher, but with declining green volume, so we know that this trend will not run far before it begins to stall and move sideways.

Indeed this is perfectly illustrated in the last bars of the move higher where the buyers are rapidly moving out of the market to be replaced by sellers as shown by the red volume bars.

However, in this case the selling volume never gained any traction and the market merely drifted sideways, unsupported by increasing volume.

Clearly the downwards trend is now not going to continue for long and as a scalping trader we would now be looking for a possible position to the long side once we begin to see increased buying volume with green volume bars.

This would also be reflected in our green trend dots which would pick up the price action, working in tandem with our volume.


Sign of
a
weak trend
Rising market
Falling volume

Hawkeye & Futures

But Hawkeye works equally well in other markets. Here is an example from the very popular YM e-mini contract - a derivative of the Dow Jones index. Here we have a great example of how Hawkeye volume gives us clear signals as to the likely extent of the trend.

The chart shown is a time chart and in this case we have bearish volume as indicated by the red volume bars but, more importantly, this volume is falling, and as Hawkeye traders know, when a market is falling with falling volume, then the trend will run out of steam in due course. Indeed, in this case the selling volume was almost immediately replaced by a significant spike in buying volume - as denoted in green, with buyers entering the market and this was followed by a period of rising green volume signaling strong bullish sentiment which then supported the upwards trend.

A classic example of Hawkeye volume working on a very short, intraday chart with an instrument which has deep liquidity.

Hawkeye & Commodities

This time we see the Hawkeye volume working on a daily chart in the commodities market for corn.

As we can see over an extended period we had steadily rising bullish volume as shown by the increasing size of the green volume bars.

This provided confirmation of the trend but ultimately ended with a selling climax of ultra high volume, followed immediately by high volume, but this time selling volume in red. The market promptly fell from this level, as expected, giving a great trading opportunity to the short side.

Hawkeye & Equities

This following chart from the US equity markets is for Honeywell which is listed on the Dow Jones index and is a very heavily traded stock.

Here we can see a period where the stock was attempting to rally, following an initial fall but, as we can see, the green Hawkeye buying volume was relatively low and falling, suggesting weakness and a lack of momentum in the rally.

Shortly after, the stock began to move lower once again and this time the Hawkeye volume in red began to increase steadily in size indicating increasing bearish sentiment in the market and increasing selling activity which added momentum to the trend lower.

Once again a classic example of the power of having Hawkeye analyzing the price and volume to give us our trend. Not only does Hawkeye calculate the market activity in terms of volume and whether this is bullish or bearish, but it also paints the trend for you simultaneously giving you two powerful and predictive indicators in one package.

Hawkeye's unique differentiator is that the Hawkeye volume indicator interprets VOLUME PRICE ANALYSIS and then tells you whether the volume is buying, selling or neutral because it carries out over 360 calculations on each price bar. The volume bars are then painted accordingly, red for selling, green for buying and white for neutral. However, it does not stop there because the Hawkeye volume indicator then weights these bars and triggers powerful and accurate entry and exit signals, something which no other trading software can provide or offer. This unique approach moves trading analysis into the 21st century adding a whole new dimension, consigning traditional volume spread analysis to the history books, and lagging indicators to the waste bin.

But this is not all. The true power of Hawkeye is then revealed as it delivers **volume, price and trend in multiple time frames** giving high probability trades with low risk entries. Hawkeye can be used by any trader, from a complete beginner to a seasoned trader. If you are a novice trader, you will find the system immensely valuable and extremely intuitive and fast track you to great potential, without the painful journey that many of us have experienced in our own trading lives.

And finally….

My sole objective in developing Hawkeye is to help YOU avoid the pain that many have suffered and to achieve your own trading success, which in turn builds confidence and further success.

Hawkeye is about giving you that confidence to take a trade and to stay with it for as long as possible, removing emotion and taking away the fear as you start your own trading journey.

More experienced traders can now throw away their lagging indicators with confidence and embrace a new world free from the distortions of historic data.

I hope you have enjoyed reading this short book and found it both useful and educational. Hawkeye is the only software that works, and works consistently, in any market and in any timeframe because it is based on blending volume with price to give us market direction in multiple timeframes.

If you would like to join that elite group of traders who have found financial independence and personal freedom as part of the Hawkeye family, please join one of our FREE live training rooms or online workshops where you will see Hawkeye in action as we trade the markets, making real money in real time.

To join one of our FREE live training rooms, you are very welcome to register at one or ANY of the Hawkeye trading sites listed below depending on your preferred trading vehicle(s):

For Equities and Forex - www.hawkeyetraders.com

For Option traders - www.hawkeyeoptions.com

For Hawkeye ETFs - www.hawkeyeetf.com

For Hawkeye on MT4 platforms - **www.hawkeyemt4.com**

Finally, thank you once again for taking the time to read this free eBook and I hope that you have found it to be both enjoyable and informative. If you do nothing else, please investigate VOLUME for yourself. It is the ONLY way to trade and to be consistently profitable as a trader.

Discover Hawkeye volume for yourself, and get the trading edge you have desired.

Good fortune and good trading!

Nigel Hawkes