Brilliant Charts User Manual

Introduction

Thank you for choosing to be a member of the **Brilliant Traders Club**. You haven't purchased yet another trading system, but a comprehensive set of trading tools that will give you the edge you have been looking for. You now have a trading coach you can always email and seek advice from. Don't hesitate to share your trading progress, your struggles and your understanding of the system. I am here to help you become the trader you want to be. I have faith in you and I expect you to believe in yourself. Self-faith is the door to becoming what you dream of!

Once we have at least 7 traders using **Brilliant Charts**, there will be a Skype room available to all of you, where I will be active and discuss potential trade setups with you. It will be a place to learn and grow together. So, believe in yourself and look forward to your days as a successful trader!

This user manual will go through each individual indicator and explain the uses and parameters available for each one of them. After this presentation, you will get to see a list of trade setups that I am very fond of that you can use for trading **Brilliant Charts**. So let's get down to business!

Presentation of the indicators

A. Brilliant VWAP

The **VWAP** (Volume-Weighted Average Price) is the ratio of price to total volume traded over a period of time. **Brilliant Charts** uses a monthly, weekly and daily **VWAP**. You will notice strong reversals at **VWAP** levels over and over again, which means they can be used for determining entry points, but also as trend indications. You generally want to trade in the direction of the current volume of the market, so if price is above the daily **VWAP** and you are trading an intraday chart, you would want to be looking for long entries or take quick profits on the shorts. It is used by many pension funds or mutual funds for safe trading. Paying attention to it means that you know what side the smart money is on.

You generally won't have to alter the parameters, but here is a brief explanation of each one:

- **sydney_hour** - time of Sydney Session based on your broker's timezone (hh:mm); it is recommended that you leave this blank and the indicator will automatically calculate this for you;
- **startbar** - if **use_tf** is set to *false* and you don't set any date in **use_date**, it will start the **VWAP** calculation X bars ago, where X=**startbar**;
- **use_date -** allows you to set a custom time and date for the start of the **VWAP** calculation;
- **use_tf** - if *true*, it will use the **tf** setting to calculate the time and date for the start of **VWAP** calculations for you;
- **tf** - if **use_tf** is set to *true*, specify the timeframe you want to use (*60*=H1, *240*=H4, *1440*=D1, *10080*=W1, *43200*=MN1); so, for instance, if you choose *1440*, the indicator will start plotting the daily VWAP, beginning with today's open time and price.
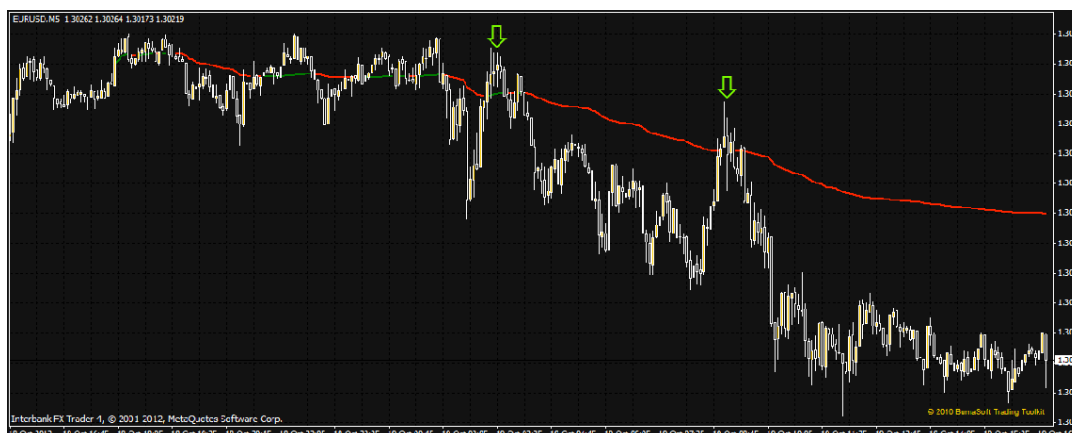
B. Brilliant Time Based Key SR

The **Time Based Key SR** levels are powerful intraday supply and demand levels. In the order of strength (first one is the strongest), they are:

- 3MH and 3ML;
- 3WH and 3WL;
- 3DH and 3DL;
- 1MH and 1ML;
- 1WH and 1WL;
- 1DH and 1DL.
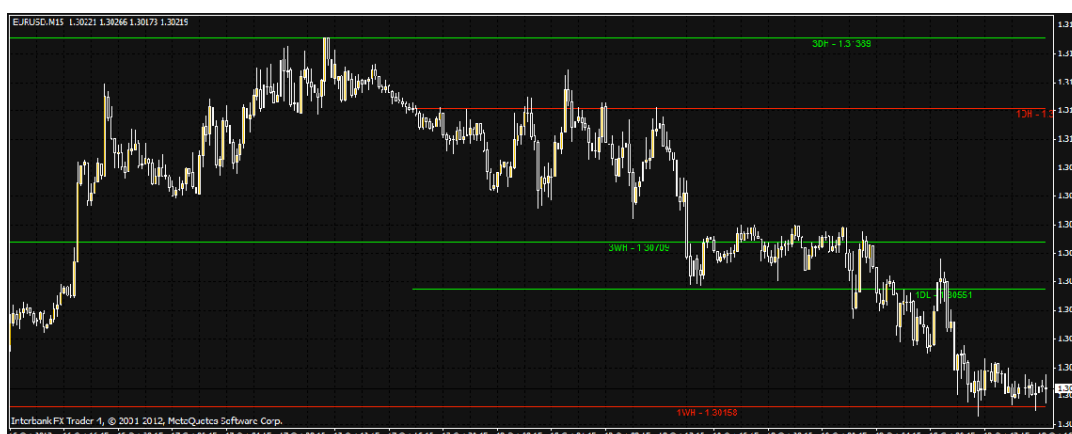
These are psychological levels, based on time (3 month high and low, 3 week high and low, 3 day high and low, 1 month high and low, 1 week high and low, 1 day high and low). Besides using these as supply/demand levels, they can also be used for determining the bias of the market. If the price is below 3ML, 3WL, 3DL, 1ML, 1WH, or 1DL, there is a strong bearish bias in the market (below 3ML the strongest). If the market is above 3MH, 3WH, 3DH, 1MH, 1WH or 1DH, there is a strong bullish bias (above 3MH the strongest). Between 1DL and 1DH, the market is ranging and there is no clear direction. Be cautious when the market has recently went above/below these

levels. You need evidence that the move is sustainable and not a fakeout. More about this in the strategy section of the manual.

For detailed information on how to trade supply/demand areas, I highly recomend that you refer to my Supply and Demand Black Book, included with this manual (it can also be found here: http://toplessons.in/forex/articles/the-supply-and-demand-black-book-free-download).

The parameters for this indicator are:

- **ShowLabels** - if *true*, it will display text labels below the levels, to identify them easily;
- **Color1DL, Color1DH, Color1WL, Color1WH, Color1ML, Color1MH, Color3DL, Color3DH, Color3WL, Color3WH, Color3ML, Color3MH** - set the colour of each key level;
- **EnableAlerts** - if *true*, it displays an alert box whenever price is within PipOffset (see below) pips range of one of these levels; very useful if you're planning a bounce trade;
- **PipOffset** - pip range for the alerts;
- **sydney_hour** - optionally set the Sydney Open time according to your broker time (e.g. 18:00); it is recommended to leave it blank and the indicator will automatically calculate this for you.

C. Brilliant Session Levels

This indicator automatically marks the session open levels (horizontal levels and optionally, vertical levels and labels). The opening hour of each major session is most of the time the beginning of a big market move. The horizontal levels determined by the session open prices are also powerful supply/demand areas on the intraday charts.
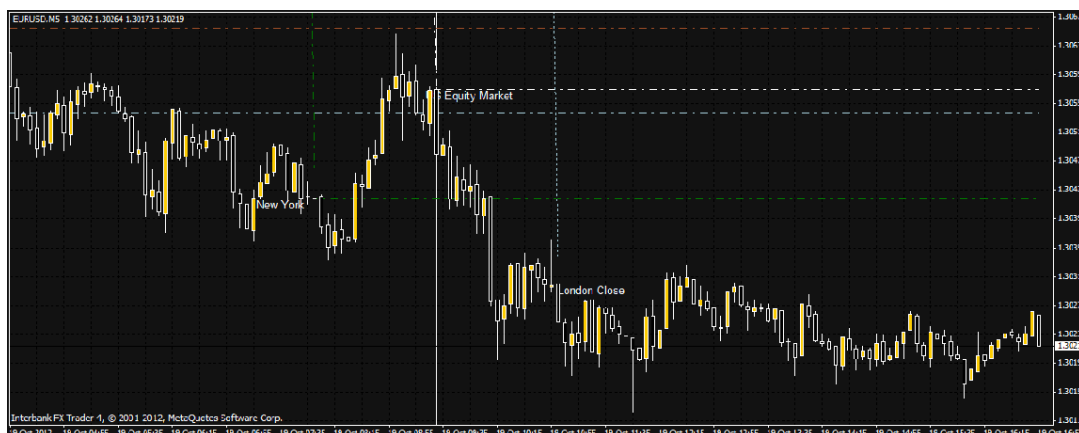
Like with all the previous indicators we discussed, these are not just used as supply/demand indications or for timing, but also for determining the immediate bias of the market. If price is below the active session's open price, then the bias is to the short side. If it's above, then the bias is for the long side. When two or more such bias

indications (session levels, key levels, vwap) are in synch, that's when you have the best trends.
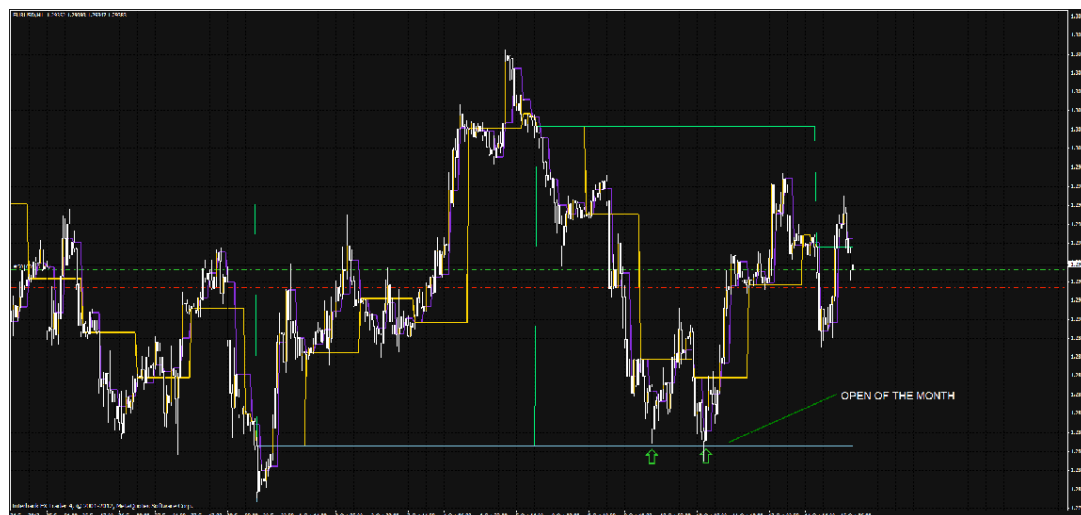
The parameters are:

- **sydney_hour** - optionally set the Sydney Open time according to your broker time (e.g. 18:00); it is recommended to leave it blank and the indicator will automatically calculate this for you;
- **maxlookback** - for how many bars in the past to plot these levels;
- **show.sydney** - if *true*, it will display the Sydney Open level;
- **show.tokyo** - if *true*, it will display the Tokyo Open level;
- **show.frankfurt** - if *true*, it will display the Frankfurt Open level (European Market Open);
- **show.london** - if *true*, it will display the London Open level;
- **show.usa** - if *true*, it will display the US Market Open level;
- **show.emo** - if *true*, it will display the US Equity Markets Open level;
- **show.londonclose** - if *true*, it will display the London Close level;
- **show.usaclose** - if *true*, it will display the US Market Close level;
- **show.verticalMarkers** - if *true,* it will mark the opens with a vertical time line;
- **show.labels** - if true, it will display labels to make it easier to identify the levels;
- **vlinecolor** - sets the colour of the vertical lines;
- **historicals** - if *true*, it plots the past levels also (from previous days), so that you can do some research on how price reacted to them in the past.
- you can alter the level colours from the Colors tab of the indicator properties window.

D. Brilliant Open Levels

The **Open Levels** indicator plots the open price levels of the higher timeframes on your current timeframe. It is very useful for determining bias, timing your trades and supply/demand.
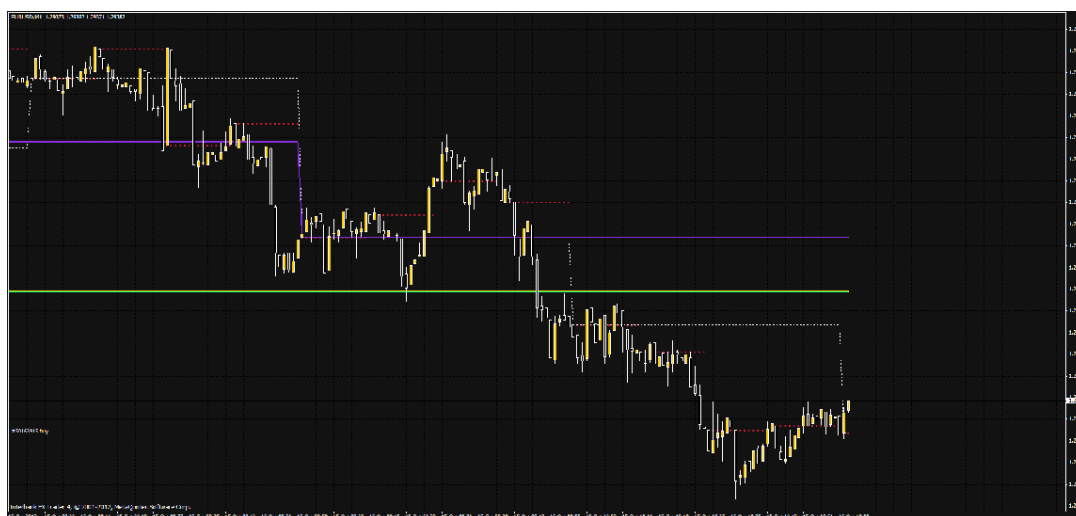
The red dots represent the M15 open levels, the dotted white lines are the H1 open levels, the magenta lines are H4 open levels and the golden line is the D1 open level. There are also weekly and monthly levels. The higher the level timeframe, the more powerful supply/demand it offers, i.e. monthly open levels are very strong, as you can see in the image below:


The parameters you can alter are:

- **sydney_hour** - optionally set the Sydney Open time according to your broker time (e.g. 18:00); it is recommended to leave it blank and the indicator will automatically calculate this for you;
- **maxlookback** - for how many bars in the past to plot these levels;
- **m5** - if *true*, it displays the M5 open levels;
- **m15** - if *true*, it displays the M15 open levels;
- **m30** - if *true*, it displays the M30 open levels;
- **h1** - if *true*, it displays the hourly open levels;
- **h4** - if true, it displays the H4 open levels;
- **d1** - if *true*, it displays the daily open levels;
- **w1** - if *true*, it displays the weekly open levels;
- **mn1** - if *true*, it displays the monthly open levels;
- **showbias** - if *true*, it will display a multitimeframe bias meter, showing you where price is relative to the open of each timeframe, up to the daily; it can be handy for intraday scalping in the direction of the market flow;
- **Corner** - 0 means top left, 1 means top right, 2 means bottom left, 4 means bottom right; this is so you can display the meter on any corner of the chart you'd like;
- **StartX** - set the X offset of the meter box;
- **StartY** - set the Y offset of the meter box;
- **HeaderColor** - set the color of the meter box and text.

E. Brilliant Period Range

The **Period Range** indicator displays the evolution of the high and low of a selected

timeframe. **Brilliant Charts** uses three such period ranges: *daily*, *weekly* and *monthly*, depending on the timeframe you are looking at. On *M1, M5, M15* and *M30*, you will see how the daily HIGH and LOW evolved in time. On the *H1* timeframe, you see the evolution of the weekly range, while on the higher timeframes, the monthly range evolution is being displayed. By monitoring these ranges, you will be able to spot short-term and long-term reversals or powerful trends. Let's see an example:
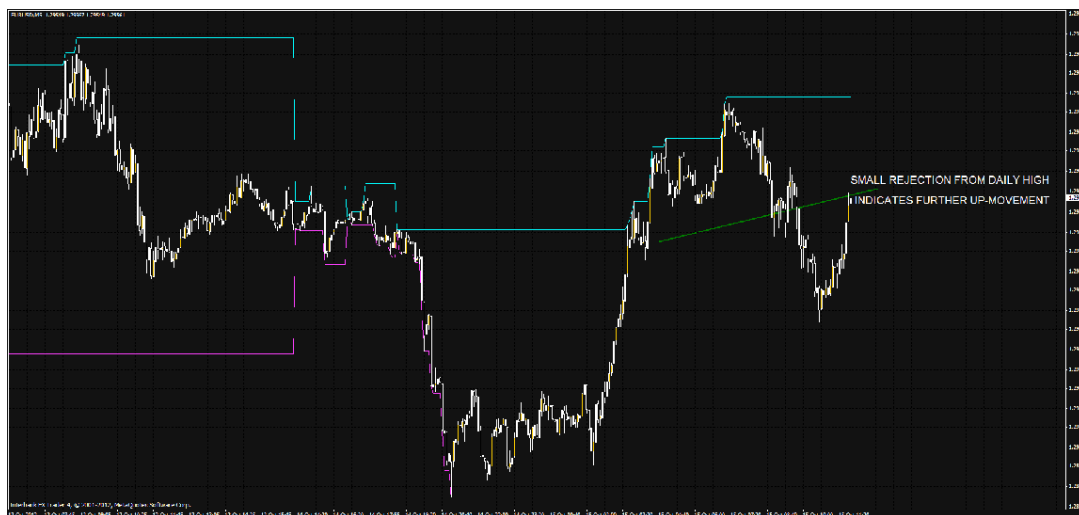
The first attempt to breach the HIGH of the current day gave just a small rejection, so we would expect prices to go higher, i.e. the momentum is strong. If we had a big rejection, we would be short-biased after that and consider the market to be in a reversal, targeting the LOW of the day. The main things we look at when price is either at the HIGH or LOW of such a range are:

- frequency and amplitude of rejections;
- frequency and amplitude of breaks.

For example, on EURUSD, you will notice that most of the time, when the market pushes the HIGH or LOW of the day by more than 10 pips, prices will usually attempt to break it a few more times and widen the range. When the push is only a few pips (especially under 5 pips), the market will make a big retracement. With screentime, you will start to see these patterns on the pairs you trade.

The parameters of this indicator are:

- **sydney_hour** - same as before;
- **tf** - can be *1, 5, 15, 30, 60, 240, 1440, 10080*, or *43200*, corresponding to the *M1, M5, M15, M30, H1, H4, D1, W1* and *MN1* timeframes, respectively;
- **shift** - if you want to see the previous period range, put 1 in here; 2 is the one before the previous and so on; should be normally left as 0 to use the current range;
- **ShowRangeStats** - if *true*, it will display range statistics, like the high and low prices of the range and the distance between current price and the high or low, plus the bias within the range (long or short);
- **corner** - 0 means top left, 1 means top right, 2 means bottom left, 4 means bottom

right; this is so you can display the statistics on any corner of the chart you'd like;

- **x** - X offset for the statistics text;
- **y** - Y offset for the statistics text;
- **textColor** - color of the text;
- **upColor** - color of the bias text when it says LONG;
- **downColor** - color of the bias text when it says SHORT;
- **maxlookback** - for how many bars on the chart to plot the period range.

F. Brilliant News Manager

This indicator lists the upcoming medium and high importance news releases for the current day and alerts you 15 and 5 minutes before these news events, so that you are cautious with your open positions and don't get into new trades. It will also warn you not to trade in *NFP, FOMC* or *Bank Holiday* days and be cautious in *NFP* weeks (first week of the month). These are times of low liquidity or excessive volatility, that are very hard to trade without shedding some tears.

The parameters are:

- **sydney_hour** - same as before;
- **medium_news_alert** - if *true*, it will play an audio alert 15 and 5 minutes before a medium impact news release;
- **high_news_alert** - if *true*, it will play an audio alert 15 and 5 minutes before a high impact news release;
- **corner** - 0 means top left, 1 means top right, 2 means bottom left, 4 means bottom right; this is so you can display the statistics on any corner of the chart you'd like;
- **text_x** - X offset of the text;
- **text_y** - Y offset of the text;
- **heading_colour** - colour of the heading text;
- **medium_importance** - colour of medium importance news text;
- **high_importance** - colour of high importance news text;
- **neutral_info** - colour of neutral information (e.g. No more news today)

G. Brilliant Fourier Forecast

The **Fourier Forecast** indicator looks at all market cycles and generates a forecast based on the *Fourier Transform*. A significant amount of mathematics is used in this algorithm. It repaints as new cycles come into the market, but nevertheless, if offers excelent real-time forecasts, that can be used for live trading, when correlated with the other signals (supply and demand, bias, etc.):
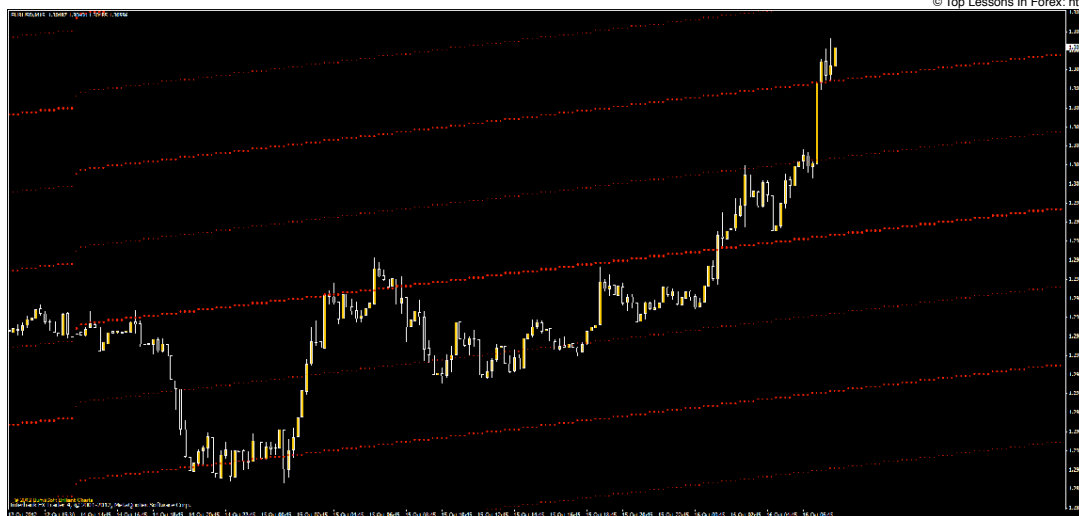

The parameters are:

- **LastBar** - from what bar to start forecasting from (0=last bar, 1=previous bar etc.); should be left as default, unless you want to do research on past projections;
- **PastBars** - bars to analyze for building the forecast;
- **FutBars** - bars to project in the future;
- **HarmNo** - number of harmonics; only alter this if you know what you are doing and have some math knowledge related to Fourier; the default is what I found to be optimal;
- **FreqTOL** - frequency toleration; only alter this if you know what you are doing and have some math knowledge related to Fourier; the default is what I found to be optimal;

H. Brilliant Astro S/R

The **Astro S/R** plugin is an improvement of the *Planetary SQ9* tool included with the *Natural Cycle* package. It is a plug and play support and resistance indicator, using the movements of various planets, depending on the timeframe you switch to. Everything is automatic and you don't need to alter any setting. It automatically detects GMT offset from your broker time and selects the planet and scales relevant for your current timeframe. This is not relevant for bias, only for supply and demand.
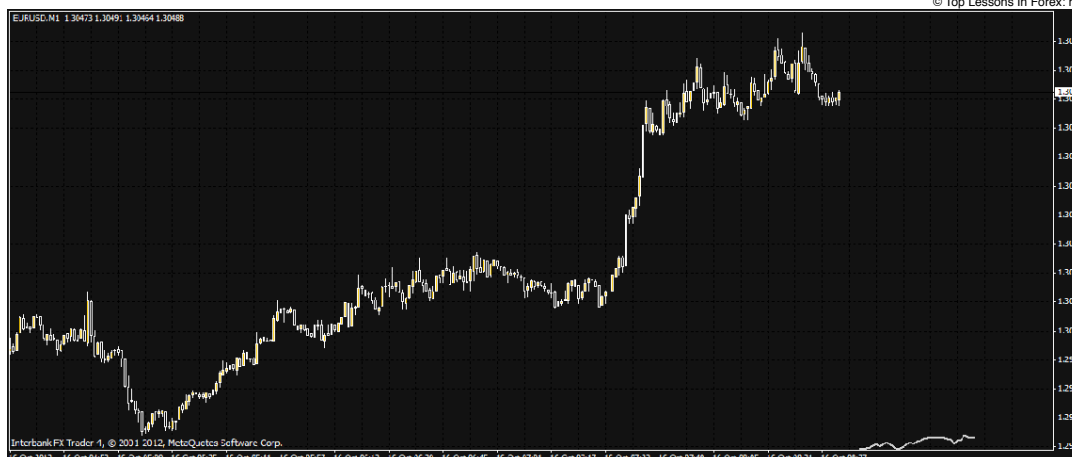
The parameters are:

- **sydney_hour** - same as before;
- **Angle** - angle of the aspect you want to plot (multiples of 90 are major aspects, multiples of 45 are minor aspects, multiples of 22.5 are micro aspects); this has something to do with financial astrology and the Natural Cycle package; if you're interested in learning about the subject, contact me and I'll give you some reading materials;
- **future_bars** - for how many bars in the future to extend these levels; this is a leading indicator, all levels are calculated ahead of time and never repaint;
- **maxlookback** - for how many bars in the past to plot the levels;
- **wingding** - ASCII code of the symbol used to construct the lines, the default (158) is just a dot symbol; for a full list of ASCII codes you can use and the coresponding symbols, please visit http://docs.mql4.com/constants/wingdings

I. Brilliant Tick Scalping Widget

The **Tick Scalping Widget** plots a mini tick chart pinned to the bottom right of your chart. It is only displayed on the 1 and 5 minute timeframes, to help you with scalping entries/exits. Enter when you see tick trends forming.
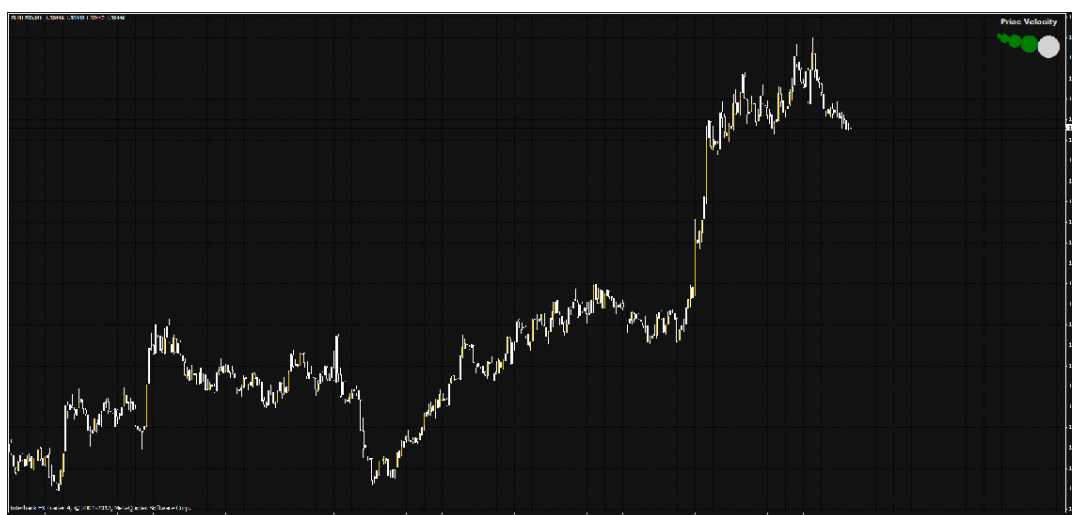
The parameters are:

- **type** - can be either *Bid* or *Ask*;
- **tick_count** - how many ticks to plot; be careful not to enter a big number, as it might extend to the right, beyond your chart view; it should be some number between 30 and 100, depending on your monitor size; if you have lots of space left to the right side of the tick chart, you can increase this number and it will show more data.

J. Brilliant Price Velocity

This is another scalping tool, visible only on the 1 and 5 minute timeframes, showing *price velocity*, from tick to tick, i.e. the larger the tick, the greener the price velocity is. It helps you figure out when big volume is coming into the market.

The parameters are:

- **x** - X offset of the velocity meter;
- **y** - Y offset of the velocity meter;
- **corner** - 0 means top left, 1 means top right, 2 means bottom left, 4 means bottom

right; this is so you can display the statistics on any corner of the chart you'd like;

- **min_speed** - size in points of what you consider the minimum speed; I recommend the default; when you get a minimum size tick, the smallest dot will be green; when the tick size is twice the minimum size, the second smallest dot will get coloured, and so on; all the dots are green when you have a tick 5 times or more larger than the minimum size;
- **neutral** - colour for neutral dots;
- **speedy** - colour for speed dots;

K. Brilliant Candles

There are six different **Brilliant Candles** plugins, that paint the candles depending on the amount of volume (*very low, low, average, high, very high* or *ultra high*). When mastered, it is a powerful tool for determining activity near supply and demand levels. The more red the candle is, the bigger the volume. Light blue or grey signifies low volume or average volume areas. Here, it is important to always have the context in mind, i.e. where does a specific colour plot and what happened before that. For example, if after a significant move down, you have a red up-bar (ultra high volume), right at a support level, that points to a bullish move. However, if this red bar is happening after a rally and into a significant resistance level, you would expect price to retrace. If it's after a rally, but there's no resistance level nearby, you can expect price to stall and then continue the upmove.

Please take the time to pay attention to these bars at various supply/demand levels and you will pick up the patterns yourself. After all, there is no neural network more powerful than the BRAIN.


The parameters, except **maxlookback** (which sets the number of bars on your chart to paint), all deal with what the algorithm considers low volume, high volume, etc., relative to the average volume over a specific number of bars. You generally don't want to alter any of these settings. This is what I use and they are the most optimal settings.

L. Brilliant Reversals

This indicator is based on a confluence of three different zig-zags and gives three stages of alerts: "*(1) Potential / (2) Good / (3) High probability long/short setup forming!*". When correlated with the other clues on your *brilliant chart*, it gives a significant edge in the market, since it is a powerful indication of overbought/oversold activity and can be used very successfully in trends, to buy the dips or sell the rallies.

It is important not to get married to one specific indicator in this set. The reason why there is more than one indicator, is that each one of them gives you one piece of the whole puzzle. Don't just buy or sell simply because you get an alert or a big dot is plotted on your chart. Let's take the case when you have a powerful trend on your chart. In this case, it is foolish to sell at the *Brilliant Reversals* red indications. The best strategy is to ignore them and pay attention to the green indications, buy the dips and shoot for bigger targets, until you see evidence of weak momentum and you have a strong resistance in front of you. I will expand more on this concept in the strategy section.
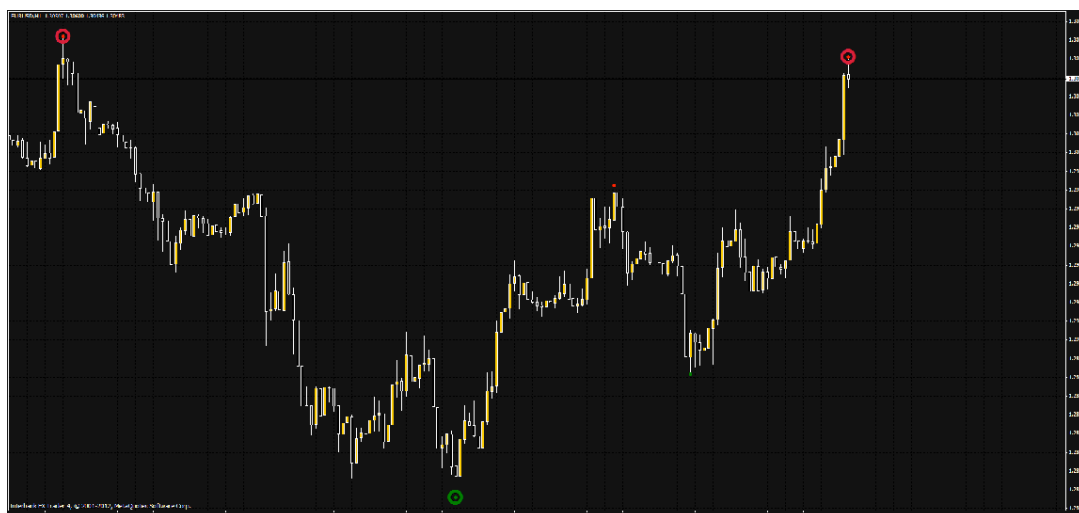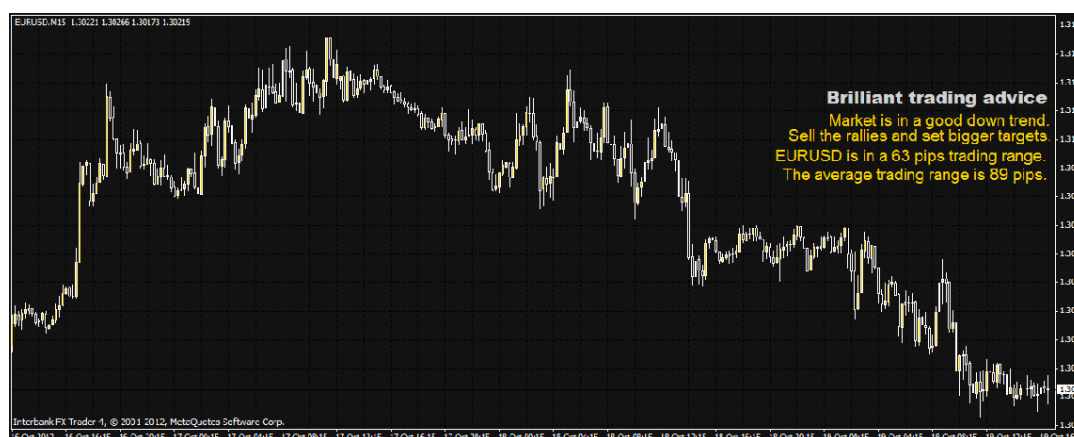

The parameters are:

- **small_bar_count1** - you need a **small_bar_count1** bar high/low to get a potential setup alert;
- **medium_bar_count1** - you need a **medium_bar_count1** bar high/low to get a good probability setup alert;
- **big_bar_count1** - you need a **big_bar_count1** bar high/low to get a high probability setup alert.

You can alter these and experiment with smaller or bigger numbers, depending on the volatility of the pair you trade. The defaults are good for most pairs, however. The way the indicator works is by looking at the current bar's high and low and counting the number of bars to the left that are below it's high or above it's low. A 36 bar high, for example, is a bar with a high greater than the 36 bars before it. And that's a level 1

reversal alert (potential short setup). It informs you of the fact that there's a rally going on and price is starting to be overbought. A level 2 high reversal (good probability short setup) is when you have a 60 bar high, and a level 3 reversal (high probability) is when you have a 156 bar high. These are the defaults, but you can alter them if you notice the alerts are too early and you get many frequent repaints.

M. Brilliant Trading Advice

This indicator is your trading assistant. It will tell you if the market is ranging, trending up or trending down, and advise you as to what kind of strategy you should employ. It also informs you about the current and average trading range of the pair you trade.
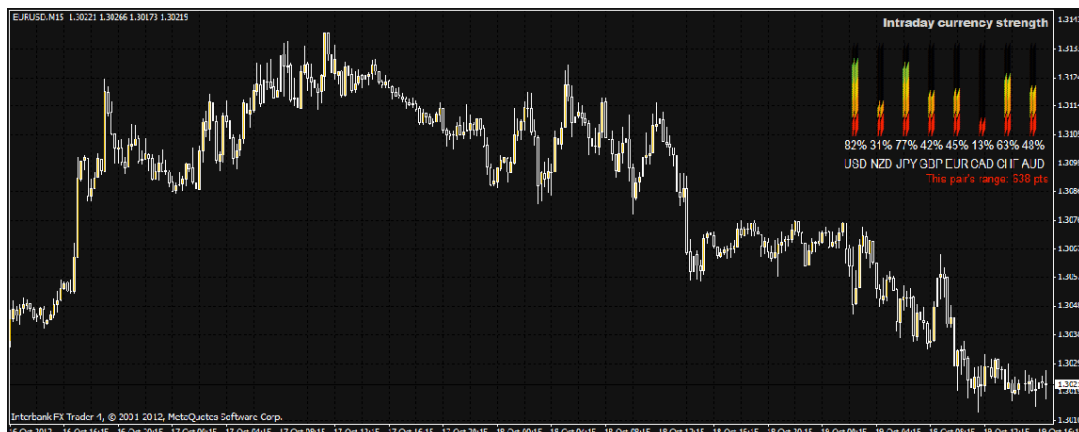

The parameters are:

- **corner** - 0 means top left, 1 means top right, 2 means bottom left, 4 means bottom right; this is so you can display the statistics on any corner of the chart you'd like;
- **x** - X offset for the text;
- **y** - Y offset for the text;
- **text_color** - colour of the text.

N. Brilliant Currency Strength Board

This indicator shows the strength of the 8 major currencies. On the weekly chart, you can see the medium term strength and on the monthly chart, the long-term strength of the currencies. For the intraday strength, you will watch the Currency Strength Oscillator, explained below.
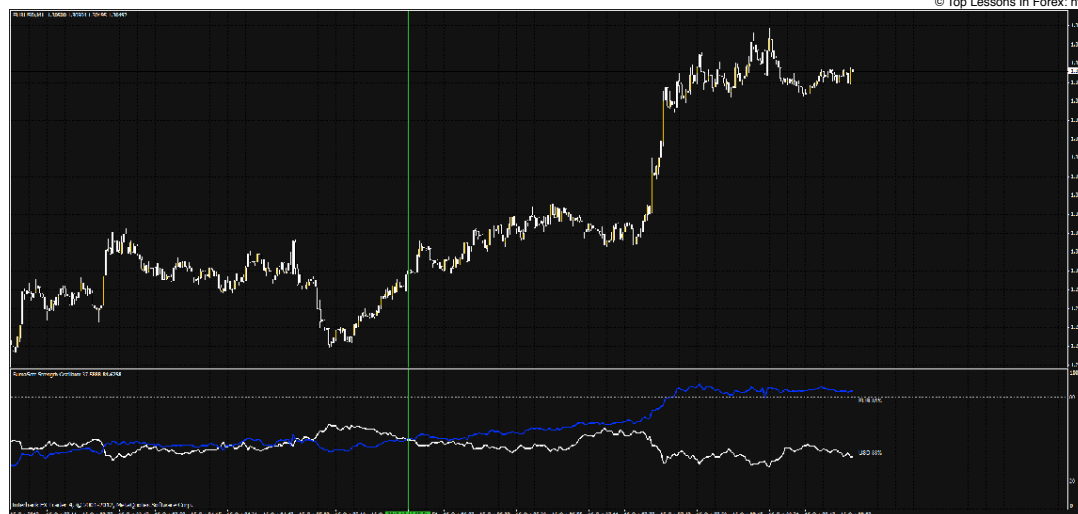
The parameters are:

- **sydney_hour** - same as before;
- **buy_level** - if the percentage strength is above this level, the text will be green, just to alert you that the uptrend is strong and the currency is bullish;
- **sell_level** - if the percentage strength is below this level, the text will be red, just to alert you that the downtrend is strong and the currency is bearish;
- **tf** - timeframe used to measure the strength of a pair (strength is measured according to the location of price relative to a certain range (daily, weekly, or monthly usually);
- **x_offset** - X offset of the currency board;
- **y_offset** - Y offset of the currency board;
- **ShowThisRange** - if *true*, it will display the range of the current pair;
- **ShowBiggestRange** - if *true*, it will display the pair with the widest range;
- **ShowBestTrend** - if *true*, it will display the pair with the best trend.

O. Brilliant Currency Strength Oscillator

This indicator displays the evolution of the two currencies relevant for the pair you trade, e.g. on EURUSD, it will show the evolution of the EUR strength vs. the USD strength. The crosses are important to watch and this is also a good trend indication. When one of the currencies is much stronger than the other, that is an indication of a good trend and it is advisable to trade with it, not against it.

The parameters are:

- **sydney_hour** - same as before;
- **plotback** - for how many bars to plot the oscillator.

P. Brilliant Dashboard

The **Dashboard** is a template that uses multiple instances of three indicators: the **Brilliant Currency Strength Board**, **Brilliant Currency Range Stats** and **Brilliant Currency Trend Stats**. The first one we already discussed. The **Range Stats** indicator has the following parameters:

- **tf** - timeframe to measure (it measures the HIGH to LOW range);
- **x_offset** - X offset for the statistics;
- **y_offset** - Y offset for the statistics;
- **top_count** - how many pairs do you want to list in the top best range pairs.
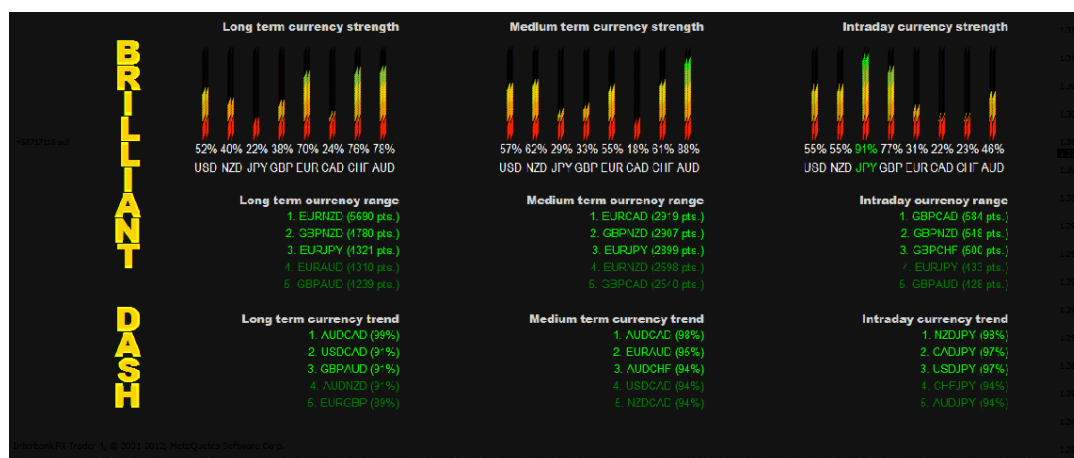
The **Trend Stats** indicator has the following parameters:

- **tf** - timeframe to measure (it measures the location of the current price relative to the HIGH-LOW range);
- **x_offset** - X offset for the statistics;
- **y_offset** - Y offset for the statistics;
- **top_count** - how many pairs do you want to list in the top best trending pairs.

This tool can be used to diversify your portfolio and pick the best pairs to trade based on trend strengh and amplitude of ranges. You will see the top 5 best ranges and trends, from a long, medium and short term perspective.

Explanation of the five stages (templates)

A. Why this specific combination of indicators?

Over the years, I came to realise that the most important things in market analysis are: price action, volume, time/time cycles, corelation and psychological training. Each of these indicators falls into one of these categories. Doing the same analysis without the help of these indicators would require years of screen time and tedious work every day and would only apply to the higher timeframes. To do the same thing for 1 or 5 minute timeframes is close to impossible without the aid of software.

- ✓ **Price action**: Brilliant Reversals, Key SR Levels, Session Levels, Open Levels, Astro S/R
- ✓ **Volume**: VWAP, Brilliant Candles, Price Velocity, Tick Scalping Widget
- ✓ **Time/time cycles**: Fourier Forecast, Key SR Levels, Session Levels, Open Levels, Astro S/R
- ✓ **Corelation**: Currency Strength Board, Currency Strength Oscillator
- ✓ **Psychological training**: News Manager, Trading Advice (plus Top Lessons videos coming soon)

B. Why the five stages?

Since you are new to the system, it will be overwhelming to look at the full template from the beginning. That is why I have divided the indicators into five stage templates: Brilliant Stage 1…5, coresponding to the five pillars of trading we discussed before (*price action, volume, time, corelation and psychological discipline*).

You will start by working with the stage 1 template on a demo account and get as much screen time as you possibly can for one full week (5 trading days). Then you do the same with Stage 2, then Stage 3, etc. At the end of 5 weeks, you should be familiar with all the indicators and start to spot patterns. From now on, you will work with the full template. Do it for one month, on your demo account. I advise you to move to a live account once you are confident and had at least one month of consistency on the demo, unless you are already a seasoned trader and fast learner. Don't forget that you can always email/Skype me if you have any questions or need some help to get accustomed to the system better. I am available for occasional free Skype coaching

sessions.

✓ **Stage 1**
- will make you familiar with *volume analysis*;
- you will be watching the **Brilliant Candles**, **VWAP** levels, **Price Velocity** and **Tick Scalping Widget**;
- mostly watch the 1 and 5 minute timeframes and occasionally switch to the 15 minute to see the candle colours and price reacting to **VWAP** levels;
- remember: the more red a candle is, the higher the volume in it; if it's light blueish or grey, there is low volume.

✓ **Stage 2**
- will make you familiar with *corelation*;
- you will be watching the **Brilliant Currency Strength Board** and **Currency Strength Oscillator**;
- 1, 5, 15 and 30 minute timeframes will show you the intraday strengths, 1 and 4 hour charts show the medium term strengths and daily and higher show the long term currency strengths;
- pay attention to the crosses in the strength oscillator on the intraday charts (1, 5 and 15 minutes especially).

✓ **Stage 3**
- will make you familiar with *price action* and key levels;
- you will be watching the **Brilliant Reversals**, **Astro S/R** and **Key SR Levels**;
- watch any timeframes you'd prefer, paying special attention to the intraday charts (H1 and below);
- pay attention to the reversal alerts in corelation with where price is (near support/ resistance).

✓ **Stage 4**
- will make you familiar with *time* cycles;
- you will be watching the **Period Range**, **Fourier Forecast**, **Open Levels** and **Session Levels**;
- monitor the intraday charts, paying close attention to the way price reacts to the levels and how the **Fourier** aids in determining reversals;
- pay close attention to the beginning of major sessions (*London Open, US Open, US Equity Markets Open*) and how price tends to make big moves at those times.

✓ **Stage 5**
- you will build up a little *discipline*;
- you will watch the **Trading Advice** text along with the price action and the impact of major news items listed in your **Brilliant News Manager**;
- you will not be trading these 5 days, which is part of your discipline (*tame your greed, build your patience*).

The Brilliant Strategy and it's application

The *brilliant* approach to trading is a little different than what you might have learned before (wouldn't be too brilliant otherwise, would it?). As you are certainly aware, the internet is loaded with information about technical analysis. You might wonder how

accurate any of this information might be if everyone uses it according to the textbooks. Where is the edge in doing the exact same things as everyone else is doing? Well, there is an edge, but it's not in your favour. The banks, funds and smart traders are all happy that the herd is trading according to the textbooks out there, because they know what the average trader (a.k.a. *sucker*) will do, step by step. They can exploit the herd mentality, by simply trading against it. When everyone's buying, they sell. When everyone's selling in panic, they buy. That's how wealth is made.

First of all, think about the best deals in real life. When you're looking for a bargain, you always look for the smallest price you can pay for the item you desire. In other words, you buy cheap. It might not be the cheapest, but close. On the other hand, when you have something to sell, you want to sell it as expensive as you can. Now, when you move to the currency markets, to trade EUR/USD for instance, you have to ask yourself if the EURO is cheap enough to buy or expensive enough to sell, meaning when price is rallying, you're waiting there for the first opportunity to short the market, instead of jumping in with the herd, because as soon as you make that mistake, you will see price retracing and taking out your stop loss, time after time. When price is dropping, you sit there behind the bushes, looking for the best opportunity to buy some cheap EURO, so that you can sell for a good price later on. Always relate your trading to real life business instead of treating it like a casino game.

Now, this doesn't mean that you trade against the trend all the time, because this will kill your account faster than anything else. Just like in real life, when you notice that the trend of real estate prices is for them to increase over time and, if you're dirty rich you keep buying the cheapest real estate deals you can find instead of selling everything you own, and accumulate assets, you will keep buying EURO if the trend is up, instead of selling, but when you buy, you make sure you get a good price, i.e. *buy the dips, not the tops*. In an uptrend, you only sell to take profits, not to open short positions. In a downtrend, you only buy to take profits and not to open long positions.

One key thing here (and this is where my approach is very different than your 'normal' trading methods) is that you don't wait for extra price bar confirmations, i.e the best time to sell is at the close of a big bullish bar or the top of a pin bar and not below a 30 pip pin bar. Waiting for a pin bar or other candlestick patterns to plot before you pull the trigger means that the market has already moved a significant amount of pips in the direction you anticipated and you will incur unwanted drawdown by entering so late. You need a big stoploss to accomodate for any retracements before price continues in your favour and it might not move so much if it already has (during the time it formed the pattern). By entering at or near the source of a move, you have a lot more possibilities to manage your trade in case you got it all wrong. It will rarely hit your stop loss imediately and most of the time give you a decent move in your direction, during which you can tighten your stop or even secure it completely. This doesn't mean that I don't sometimes enter after seeing some sort of confirmation, but I only do that when I am almost 100% sure (of course, in trading, you can never be sure) that price will breakout from a consolidation area and give me a fair amount of pips before I start worrying. If I am confused about what the price is doing or it simply doesn't look like a clean breakout, I will pass.

The set of *brilliant* indicators is specifically tailored so that you won't need additional confirmation. The key thing here is to learn this system well, take the necessary screen time to get familiar with it, gain confidence and trust yourself, because it will be hard to trade short when price is rallying or long when it's dropping. But that's just one psychological fear that you simply have to deal with on your own. All I can do is explain how this works and how you can test it for yourself.

Let's move on to explaining each trade setup in detail. These are not set in stone and as time goes by, you will probably find your own setups or favour some of them over the others, but these are the setups I currently use. They are split into two categories: **Confident Setups** and **Cautious Setups**.

A. Confident Setups

These are setups that don't require any additional price action confirmation. They are aggressive from a psychological point of view (hard to pull the trigger), but actually safer than the cautious setups, in that you get a much better entry most of the time and are less exposed.

▪ VWAP Confidence Setup

This setup involves going against the greedy or fearful herd. The herd is greedy when there is ultra high volume after a rally, on up bars. People buy at an expensive price, thinking that price will shoot up forever. They are greedy for more. This is a time to sell to them. The herd is fearful when there is ultra high volume after a drop, on down bars. People sell at cheap prices, in fear that prices will continue to drop forever. They fail to understand the truth of impermanence. Regarding that, I urge you to read my "*Buddhist ideas for enlightened trading*" ebook. If it's not available on Top Lessons yet, it will be there soon, so check the site out regularly. Anyway, back to the setup.

Ingredients for this setup are:

- price has been moving extensively in one direction (it can be up or down) and you get a potential, good or high probability setup alert from the Brilliant Reversals indicator;
- price meets with a daily, weekly or monthly VWAP level;
- everything is done on ultra high volume (bars painted red) or very high volume (dark pink bars);
- probability increases if a new M15 or H1 bar is about to open;
- probability increases if there is another key level near the VWAP or a cluster of key levels to block price;
- probability increases if the Fourier Forecast is in favour of the reversal;
- probability increases if the strength oscillator is in favour of the trade or just about to cross in the other direction.

Let's look at the example above. Price was dropping below the 1DL level (which we discussed before that it can be used for bias, if price is below it, we are short-biased!), then we had a high probability long reversal alert and it went up to the daily VWAP level and 1DL level. The test happened on a big red up bar, so there was ultra high volume. It was also very close to an upcoming hourly open. So we had VWAP plus a key level there, acting as resistance, the bias was to the short side, ultra high volume, H1 bar opening in a few minutes. You pull the trigger right at the touch of the VWAP. In this case, there was an 8 pip drawdown before price dropped. It can happen, but most of the time you will get a much better entry than if you wait for price bar confirmations. A 15 pip stop loss would have been enough, just above the daily open level (which was 12 pips above the VWAP, another indication of short bias). Going with the bias of the market, you would have a nice exit at the 1WH & Astro S/R level, for +40 pips. Not all trades are as good as this one, some will give you 100 pips, some just 10 pips and some of them will be losers (but significantly fewer than the winners). You will get a better feel for exits with screen time, but for starters, you can use the reversal alerts and key levels. For example, you can exit when you hear the potential long setup forming alert.

You have another example on the Top Lessons website: http://toplessons.in/forex/blog/brilliant-charts-vwap-confidence-trade-secrets-behind-the-curtain
More examples and videos coming up soon.

▪ HILO Range Reversal

The main ingredients for this type of trade are:

• after bouncing from the low of the period range, there is a rally up to the high of the range (vice-versa for longs);
• the trading advice text informs you that the market is ranging;
• you get a good or high probability short/long setup alert;
• if an M15 open is just a couple minutes away or an H1 open is less than 5 minutes away, you can wait for it before entering, as price might push further until the open;
• probability increases if there are one or more key levels or VWAPs in the area, which could block price from going further.

You can take a quick 10-15 pip scalp on this, target the low of the range or let this turn into a swing trade if it is in line with the higher timeframe trend.
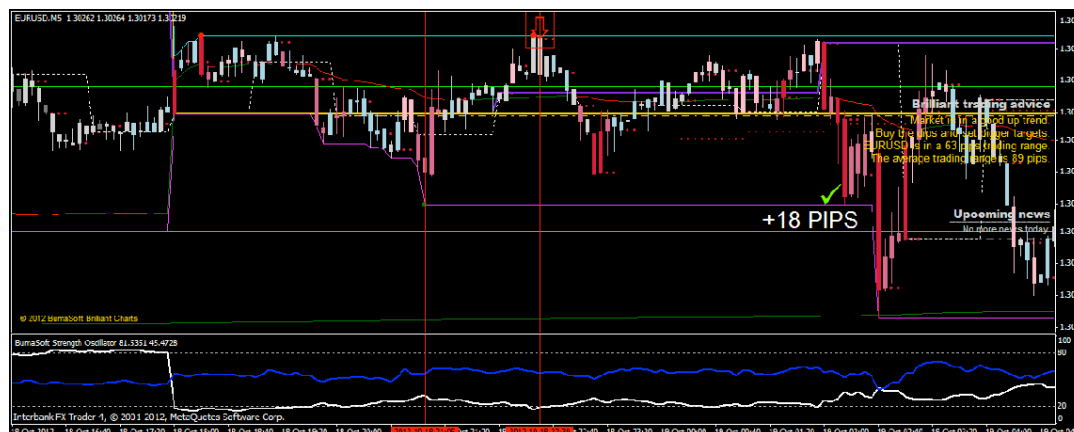
In the example above, I marked the bounce from the low of the day with the first vertical red line. The second vertical line marks your SELL entry, at the high of the day, where there are also two small red dots, meaning an M15 open level. An M15 bar opened right at the high of the day, after a bounce from the low of the day and there is also a "potential short" setup alert (red dot before arrow). The market was ranging in a tight channel at that time. If you took profit at the low of the day, you would get +18 pips profit with no drawdown (price just moved at breakeven point once, but not higher). One other important thing to note here is that the daily VWAP is virtually useless in a tight range. You see price going up and down through it. In tight ranges, the trading advice box will tell you to buy dips and sell rallies, so at those times, you don't use the VWAP. You only use it when the trading advice box tells you that you have a good trend and that's when the VWAP gives you high probability entries.

Other video and screenshot examples will be posted on Top Lessons soon.

B. Cautious Setups

▪ Key Level Shake & Pop (SPS)

I will exemplify this one using a long setup, but the short setup is analogous to this one. For this trade, you need price to be at a key S/R level, VWAP or H1, H4, D1, W1 or MN1 Open level. Let me list these levels according to strength (with the first one being the strongest):

• 3MH/3ML;
• 3WH/3WL;
• 3DH/3DL;
• Astro S/R thick levels (multiples of 90 degrees);
• Monthly Open Level;
• Weekly Open Level;

- 1MH/1ML;
- 1WH/1WL;
- Daily VWAP;
- Weekly VWAP;
- Monthly VWAP;
- Daily Open;
- H4 Open;
- H1 Open.

You are not sure if the level will hold or not and don't have enough confidence to enter right at the level, without a confirmation. That's when you use this setup. Often, price will form a spring-like pattern, like in the image:

Basically, price will push through the level and traders will get suckered into selling the breakout. Then it will just go up and down, with smaller and smaller rejections from the key level and frequent tests, as if price would build up tension, like a spring, and is about to pop. That's why I call it the "shake and pop", because price is agitated and shakes up and down, then finally pops outside the range. The same thing happens with key resistance levels, but upside down. Price doesn't have to fake the level, either. It can print this pattern without poking the level, like in this image:
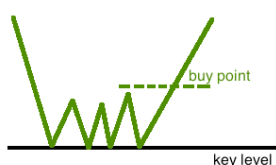
The main ingredients are a key level and a tight consolidation/shake/spring pattern. You then trade the breakout of that area, which usually happens at or very near 15 minute open times, so be sure to watch your red 15 minute open dots on a 1 or 5 minute timeframe to time this trade if the consolidation area doesn't have a clear range. It is advisable to trade in the direction of the dominant trend (trend from the higher timeframes), unless it is a very strong level (like the 3MH) and you have an overextended level 3 reversal alert (high probability setup). Still, whenever you trade countertrend, you should risk half the lot size you normally risk on a trend trade.

Your target should be at or near the next key level and the optimal place for your stop loss would be outside the consolidation or at least under the most recent low (for long trades) or above the most recent high (for short trades). If you're risking too much for too little, stay flat (i.e. don't trade it)! Only pull the trigger if it's worth it.

▪ Big Bang (BBS)

This is a breakout trade at a key level, astro S/R or the current high or low of the day (period range breakout). Let's exemplify with a breakout from resistance, to the upside. You need:

- at least three tests on the level;
- the amplitude of the rejections is decreasing with each test;
- the time between tests is decreasing;
- there is a clear price where all these tests occur, within a few pips range, so that you can place your pending BUY STOP a few pips above that price.

It will look something like this:
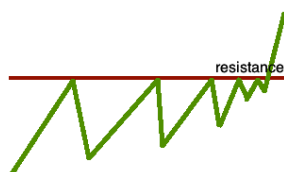
Since all the bounces happen at or very near the resistance, you can place your buy stop 1 or 2 pips + the spread above it. Look for a quick profit, as the market will shoot up quickly most of the time, then come back to test the breakout area (and sometimes fall back down). Use a tight stop, below the low of the last rejection.

▪ Time & Trend Scalp (TTS)

I generally trade this as a bounce from the Daily VWAP. If the Daily VWAP is slanting up and price is above it, that means we're in an uptrend. If it's slanting down and price is below it, price is in a downtrend. We wait for price to test the VWAP and plot an M15 open level. Once that happens and the price makes one tick in the trend direction, below the M15 open, we open a position. The stop loss has to be a few pips on the other side of the VWAP (you generally want to give it at least 10 pips + the spread space of movement). So, to sum it all up, these are the ingredients:

- VWAP test after an extensive move (potential, good or high probability setup alert on the Brilliant Reversals);
- M15 open level plotting just 1,2 or 3 minutes before or after price touches the VWAP;
- price ticks in the opposite direction after the M15 open.

This case here is an alternative to the VWAP Confidence Trade above. If you used the TTS setup, you would have half the drawdown in this case. Price touched the VWAP on ultra high volume, then we wait for the M15 plot, which coincides, in this case, to an hourly open, but price starts to tick up, so we don't enter the trade. We enter it when we get the first tick below the M15 open, which happens at the green arrow. Price then moves about 3.5 pips against us, a new M15 bar opens up and it starts to move in our direction. We get +40 PIPS at the 1WH level.

There is also a video on Top Lessons, showing you an example of this trade: http://toplessons.in/forex/blog/brilliant-charts-trade-video-agressive-time-trend-snap

- ▪ Late Party Setup (LP)

This setup involves the hourly open level, on a 1 minute timeframe. It's called "late party" because the "real" movement starts later in the hour, usually after the first half. In the first half of the hour, price ranges:

Buy at the break of the hourly open level, with your stop loss under the consolidation that triggered the breakout.

- ▪ 123 HILO

This is a great reversal at the high or low of the day. You need three tests of the high or low of the day, pushing it no more than 10 pips each time, preferably 5 or less. After the third test, you buy at an M15 or H1 open, as near to the high/low as possible:

Your target is the daily vwap, a strong key level or the other side of the range (the high if you buy at the range low, or the low if you sell a range high). You can also use the Brilliant Reversals indicator for quicker and safer exits.

This is by no means an exhaustive description of the way I trade, because I use a great deal of discretion also. You will be able to do that too and develop your own trade setups to suit your personality, once you get enough screentime and see how these tools work in tandem.

C. Improving accuracy and profit potential

Here are a few tips and tricks for improving the accuracy of your trades and maximizing profit potential:

- ✓ use higher timeframes to determine trends, then move to the lower timeframes to look for reversal trades in the direction of the higher trends (e.g. if the H1 trend is up, go to an M5 timeframe to find buying opportunities after declines in price);
- ✓ only trade at high volume times (first 3 hours of the European Session plus the London-US Overlap);
- ✓ on confidence setups, try using a wider stop loss (I use 15 or 20 pips on the 1 minute chart) and if price goes against you half of the stop size, scale in (add a new position), using the same stop loss as before; when price returns in your favour, close the first entry once it's breakeven and manage the second one, which is now a much better entry; make sure that your accumulated risk on both positions isn't more than 5%!
- ✓ look for exits at key levels instead of exiting once you have a predetermined number of pips profit; the market doesn't care about that;
- ✓ set bigger targets on trend trades, expecting price to continue the trend (thus making higher highs in an uptrend or lower lows in a downtrend);
- ✓ take quick profits in countertrend trades and use half the risk that you take for trend trades;
- ✓ use the **Brilliant Nostradamus** on a separate timeframe and use it to time your

entries; primarily look at the TIMING of the reversals and only secondarily at the direction, because sometimes cycles can invert; the direction of the turn is easy to figure out from the live price action, using the Brilliant Reversals indicator;

✓ keep a trading journal, noting the maximum drawdown, maximum profit and actual exit of each trade; once you get over 100 trades, you can draw some conclusions and improve your stop loss placement and your exits; practice on a demo account until you are confident enough to move to a live account; once you double or triple a demo account, you should be ready to move on; once you do, please risk money that you can afford to lose, otherwise you will be emotionally attached and won't stand by your own rules;

✓ once you have a streak of three winners in a day, stop trading; don't push your luck, don't get greedy and overtrade; similarly, if you have a losing streak, close your platform for a few hours or just relax until the next day, otherwise you will be inclined to take "revenge" on the market and bend the rules;

✓ try some meditation; only if you are calm you can have a clear mind and make the best out of what you do; each individual failure or success should be the same to you and not change your peace of mind; it's the long term success you are looking for; accept the losses, learn from them and know that in the long run, you will be in advantage; always have the big picture in mind;

✓ feel free to send me screenshots via email with your trades, so I can comment on them and help improve your thinking;

D. Final notes

It is my hope that **Brilliant Charts** will help you achieve your goals and that by doing so, you will be a better individual and live a free life. I will continue to improve this and make it as easy as possible to use, but I believe there is no way to get where you want to be without working hard for it. Put some faith in your abilities and trust that if other people are able to profit from these markets, you can do it also. After all, they are human beings, just like you. The only thing you're missing is their attitude, resilience and trust. Learn to feel and think like a successful person, be resilient in front of all minor failures, trust yourself and the system you are using. Smile whenever you make a mistake, understanding that it is a new opportunity for you to perfect yourself and get closer to your goal. Every mistake is a teacher and every failure a step towards success. Reflect on that. If you keep a journal and monitor your progress, learn from your mistakes and believe that you will achieve your goals, there is nothing to stop you!

Now, go out there and live your dream… brilliantly!