Orbit the Tool: Tutorial 02

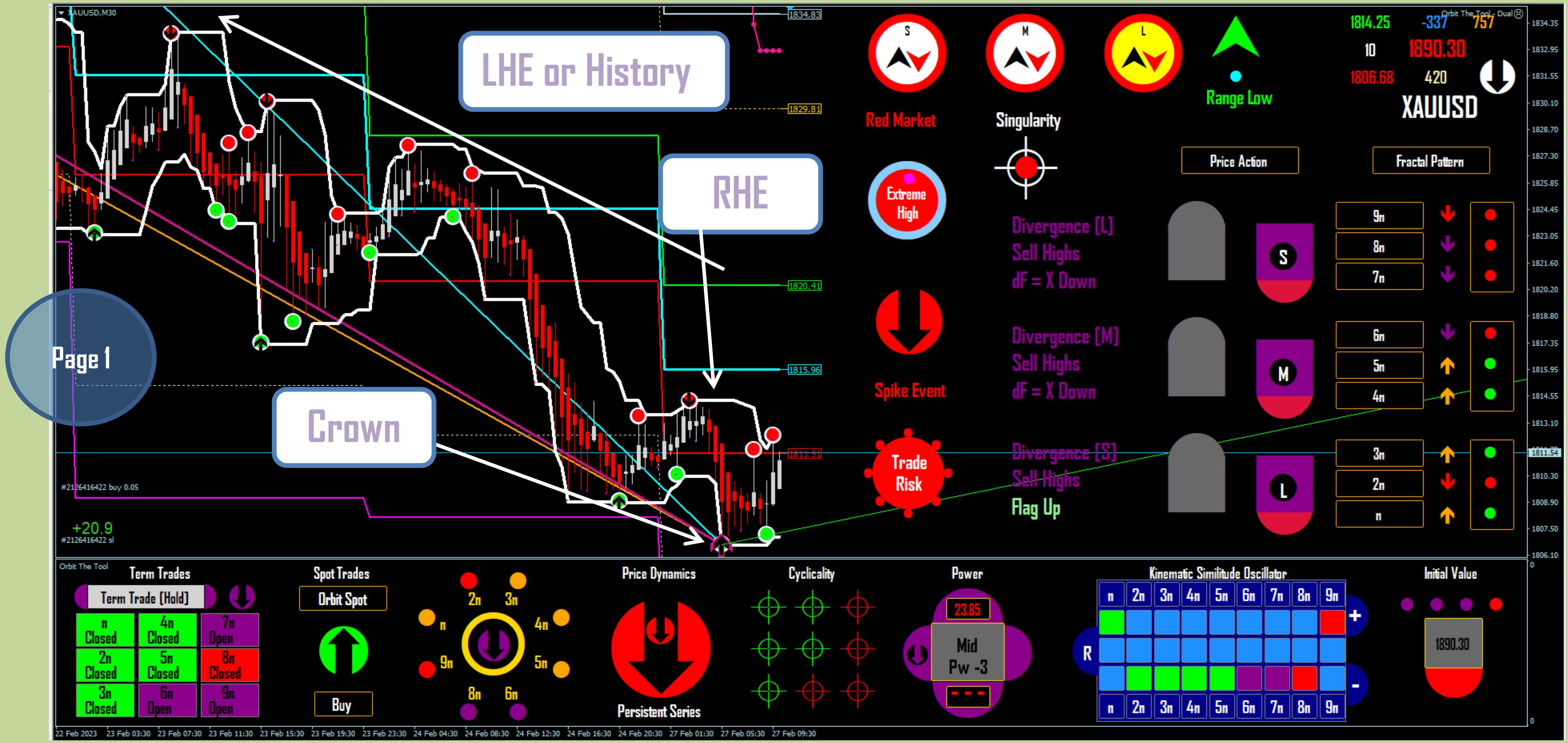
2023

Orbit the Tool: Tutorial

We have said that, Orbit the Tool is an Oscillator Model of market movement. An Oscillator Model is a dynamical model in which the variable evolves through a periodic (or, in the case of markets, an aperiodic trajectory), or orbit in ambient space. This periodic trajectory is a loop through ambient space as the state of the system returns to where it began after some indeterminate time. To show what this means in practice we show below an example trade lasting over 24 hours and undertaken to demonstrate what an Oscillator Model means in practice and how it works in reality.

2023

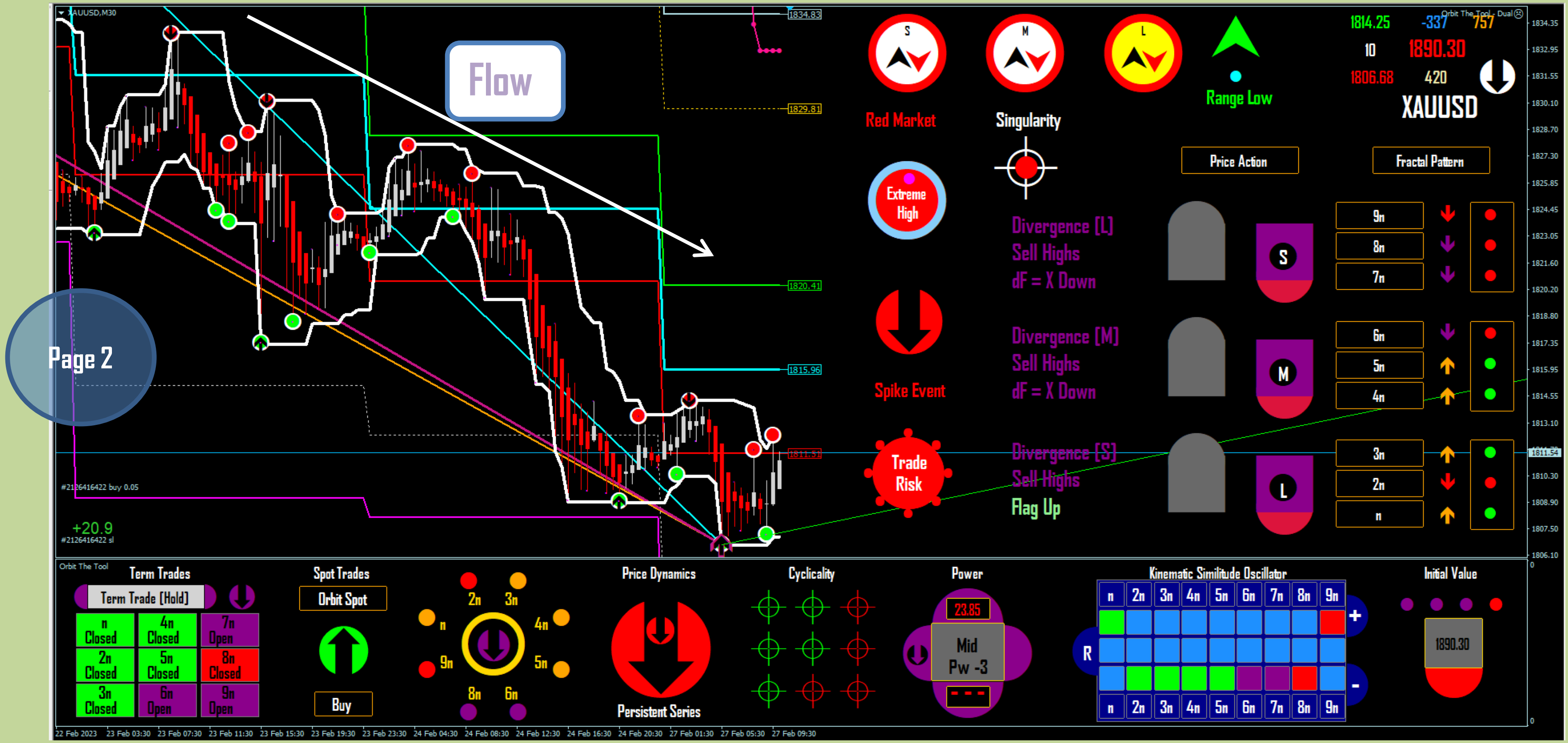
Risk: 1/20



1. On the day, 7 A.M. GMT, the system (market), hit a low, to complete its left hand edge (historical) movement **to** the point 1806.68 (Crown Low) (see top right register). Observe that by KSO and by the given price point, a down **phase** was complete as all intraday partitions **(n-6n)** were **–VE** at the same point and time. Their values therefore synchronized at the **KSO (-)** band. A time stop best described by Professor Gardis's projection of Mandelbrotian **Singularity**.
2. The same was true for all (n-6n) values in i) **Term Trades** (a measure of volatility deviation) and ii) **Cyclicality** (a measure of phase coherence).
3. The system (market), is a homeomorphic bijective function (equation), with inverse on (system is cyclical). Therefore, in response to a local or global spike event, we see right hand edge action trigger an inverse move higher and away from the new **lower low** that the system just registered in range. An automaticity.
4. Orbit the Tool, a tool, reads the system (market), and reports the exact state of the system to the user. The user reads the tool as reporting an inversion high from the changes in i) Term Trades ii) Spot Arrow iii) Cyclicality, iv) the KSO which are all summarized by the change in the Range Arrow = delta up.

2 of 2: Entry

Context of the Trade



1. As a user I read the state of the system (market), from the **Orbit Screenface**. Looking at the historical order of the flow (visually the order of bars), it was clear to me that price was in a sustained fall and the more rational thing was to have entered the **down trade** at **earlier** left hand Semaphores and then let the trade **run**. Why? The system is a fractal and once in direction its action is **recursive**. My decision to trade an inversion high at this time is what a day trader might do and not necessarily the most efficient way to exploit the disposition of the market (system), as seen from the flow. Another trader might decide instead to simply post a **limit order** at the 68% fib level of the MRI Tool to take a less risky trade down in a future consistent with the current flow.
2. My early entry was risky and measured to 1/20 because as you can see cyclicality, Term Trades and the KSO were **NOT** 100% synced intraday. But reading my risk at <350 points [see the top right register] and given a 1/20 chance I felt it was a small risk from experience.
3. So the trade was basically to be a short-term move. Reading the term arrows and letters for **S**, **M**, and **L** it was clear that a move up will not be sustained for long.
4. Similarly, reading the **Ordinals S**, **M**, and **L** from left to right I could see **double action** arrows which indicates intermittency in all terms and which tells me no term is immediately **directed** and therefore only my experience of the tool justified my early entry, along with a readiness to accept the calculated risk.

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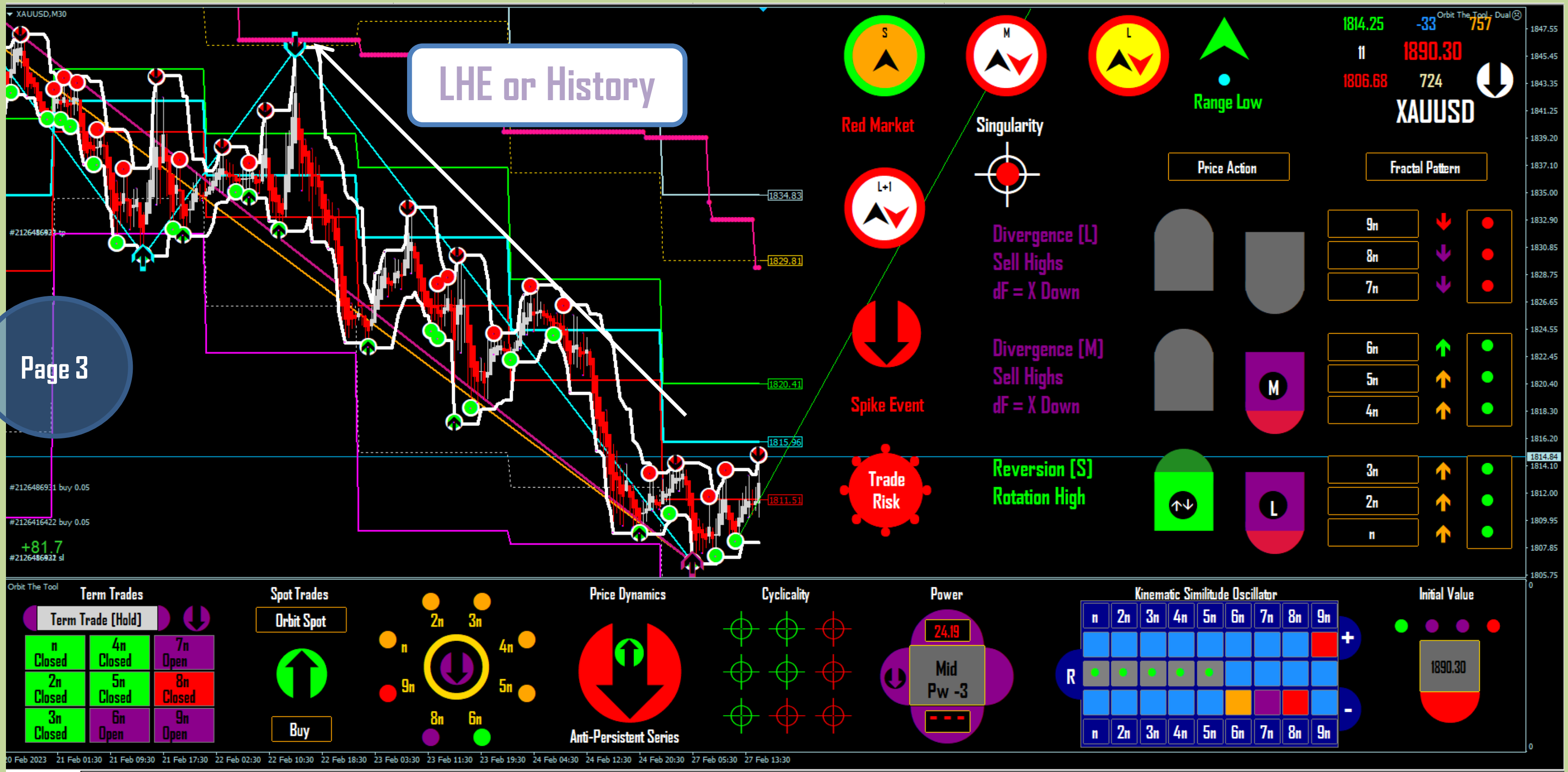
Context of the Trade: Added new trade



1. The system (market) is clearly persistent higher at this point but only in the sense of a short-term move as I am reminded at this time by the **Price Dynamics** icon which reads the system (market), as trading an anti-persistent range. Clearly, my risk must be somewhat less at this point because a) I see the short-term arrow green and pointing up, b) the short-term Ordinal is now directed up as I note a single arrow pointing and c) intraday KSO values are distributed to the R Band and marked by green dots which is bullish – of course Cyclicality and Term trades remain unchanged in "strength," but KSO 6n has joined the fray which is a big deal and looking at fractal patterns the fluctuation higher is more and more stable so I add another up trade. The Short-Term arrow is marked by **up** and **down** arrows telling me not to grow any ideas of a sustained rally action.
2. But really where is my confidence about the move coming from? I can tell you it is from the fact that the market is clearly a fractal and is repeating behaviour that is non-random and highly structured. Just look at the left hand – see how "similar" the fluctuations are? Each time to the same effect? Something not driven by a function (equation), CANNOT be so dynamically ordered and consistent and the same regardless of time frame.
3. I am not referencing the news or employing a "trading system," I am simply reading Orbit to follow the market (system), as Orbit reads the market exactly.

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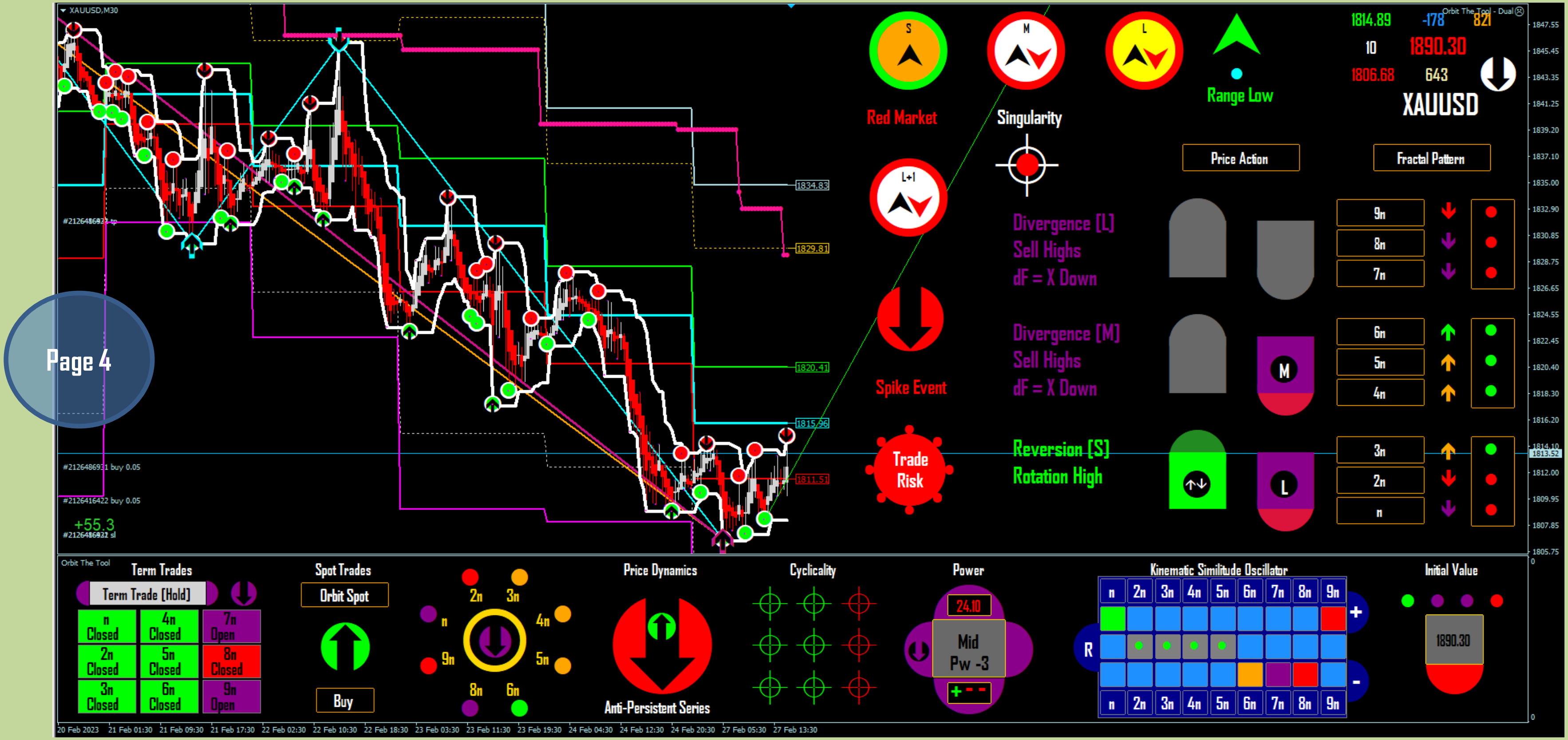
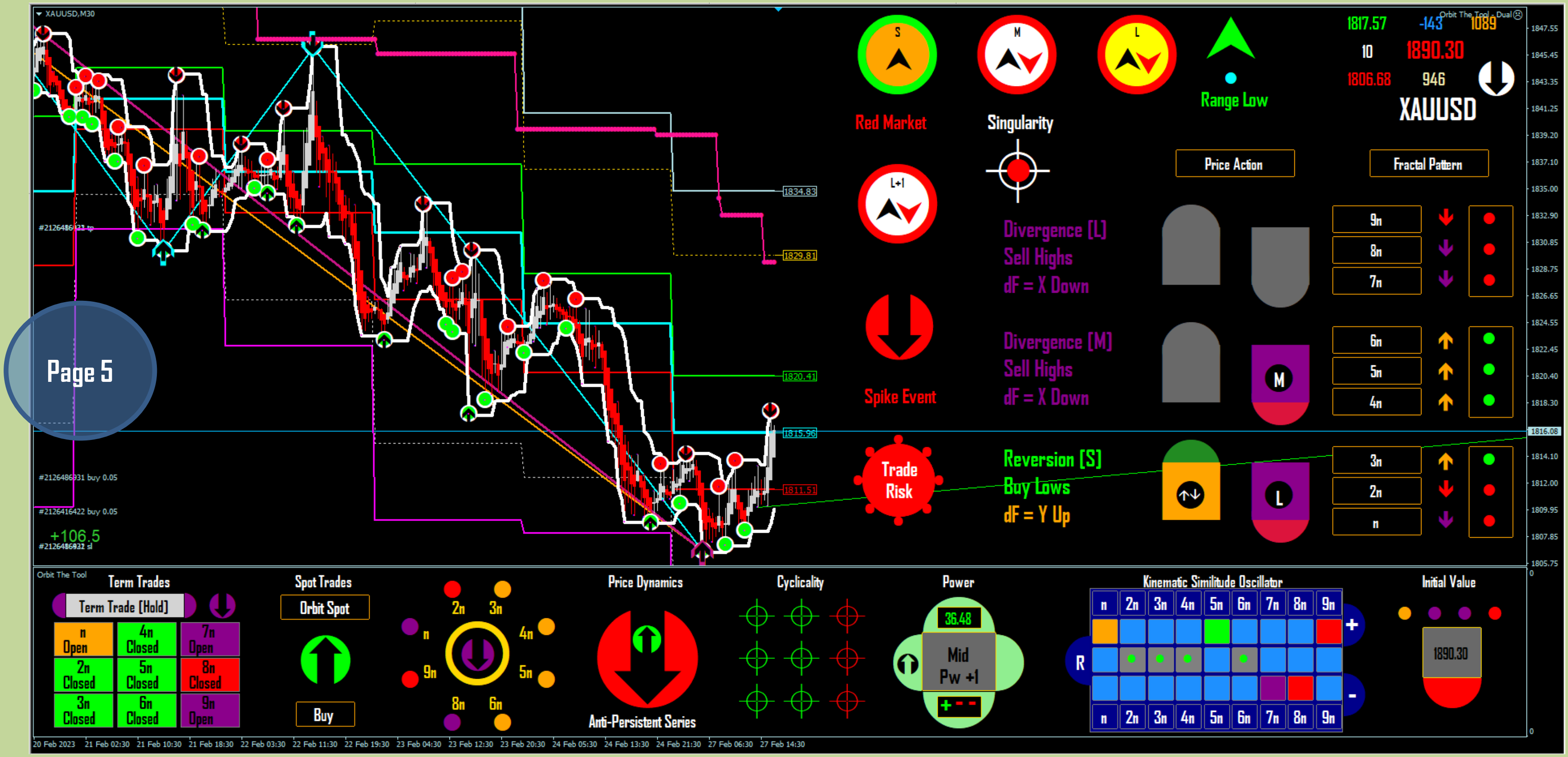
The importance of n



1. **n** completes a phase (loop, n = KSO **–** to KSO **+**), and puts us at zero risk from this point on as we gain 100% phase coherence in Cyclicality and all intraday partitions in Term Trades are positively directed below a –VE volatility level which the variable price is asymptotically approaching but yet to reach or break. So I know that the **up/down arrows** marking the short-term arrow is pretty instructive and therefore to keep watch for amplitude near term which by the left hand pattern (historical shape or fractal behaviour), is suggested as the 68% fib level of the MRI tool ahead.
2. Clearly, n is a critical partition. To model the system (market), you need to calculate what is called a **facture primitive** and which must live in n. Markets do not "trend "in the simple sense, they **scale**. It is the growth in the size and details caused by the recursive actions of the fracture primitive that accumulates to be the size of 2n - 9n. So clearly a fracture is not just a shape but a recursive behaviour in the numbers that make the shape everywhere the same over and over again. Look at any time frame they are the same in profile always. Therefore, it is the recursive behaviour of n in given directions at any one time that defines the "shape" of the market from n – 9n. So the idea that you can measure time frames (as opposed to partitions), as nuanced and different is very ignorant of the dynamical structure of market movement.

Breakout



1. Again and as if to stress n as an important driver, n breaks the volatility bound and is now Open up and at the same time peaks in the KSO **(+)** band, a signal **inviting** the same action in its right flank. Observe the effects of this on 5n and 6n as the former repositions to repeat **n behaviour** at higher scale, while the latter moves out of the KSO **(-)** band to the **(R)** band and again a big deal in telling the user that the highs are definitely under attack per partition.
2. It is also important to observe the change in the Short-term Arrow at an intensified CLR up without a change in its up/down arrow marking. We also observe the change in the Power icon telling us in summary that momentum has intensified at the lowest of its 3 critical levels and giving us a measure of space in direction in the bounded range (0 – 100) as 36.48 green. I mean that is enough space for even live bulls to charge through.
3. Again in trading this move I am not referencing the news or employing exogenous information – they are irrelevancies as they do not inform in any direct sense the intricate build of the fractures across the feed (n - 9n). Fractures simultaneously under construction, and intent on one and only one thing, to deliver the final Spike Event in direction. But clearly this point (this ultimate Spike Event ID we speak about), is NOT **predictable**. Because market cyclicality is **aperiodic**. But we can see that prediction is not important since the market is **deterministic** for clear intervals and that is the ONLY sense in which the market may be profitably exploited with countable consistency.

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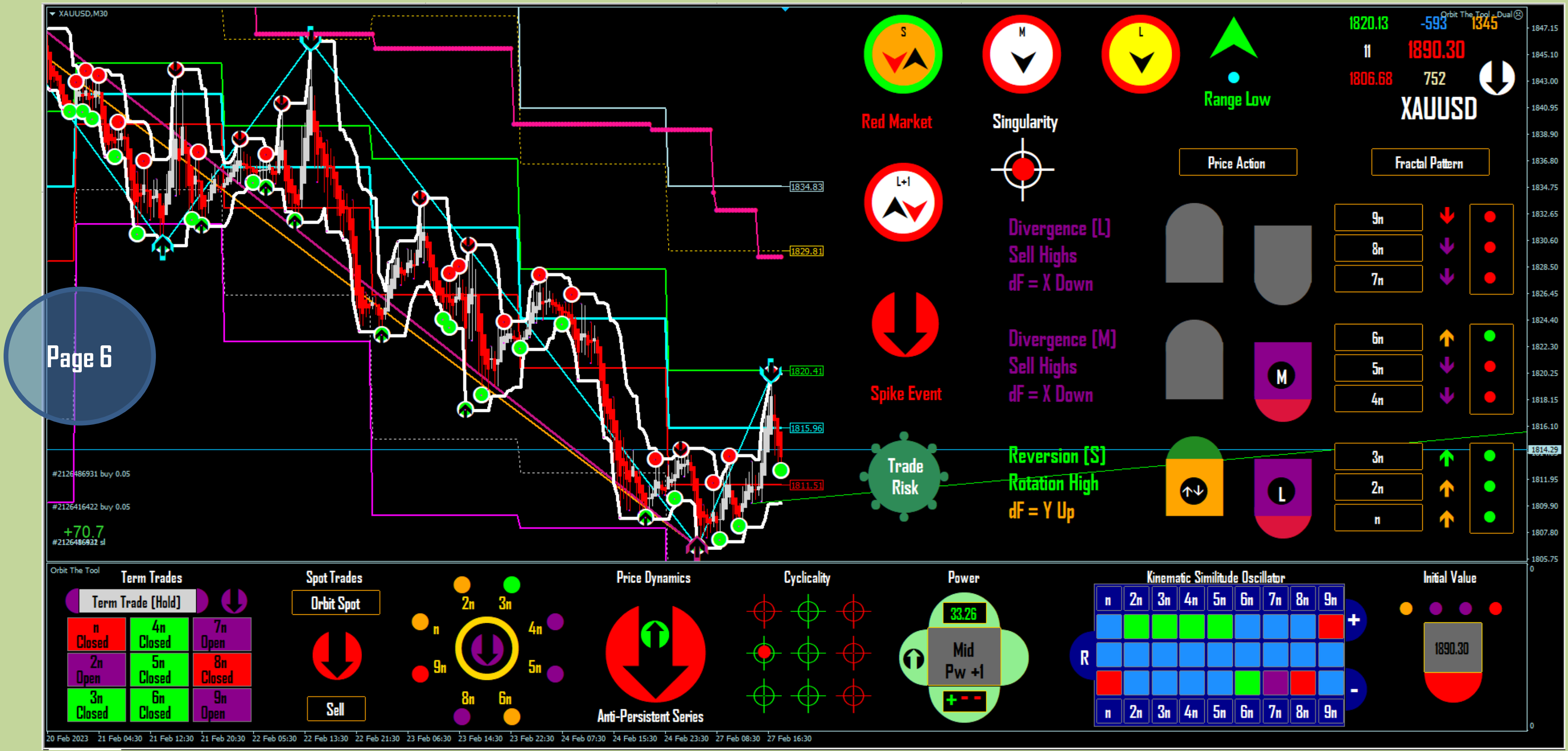
A rude reminder, sir you are in chaotic space



1. Topological transitivity or mixing is one of 3 properties which qualifies a system as chaotic. In markets it implies highly variable translation speeds and so we see here we have hit amplitude at A(3) Crown High or 1820.13 (68% MRI fib). But what happened next was a flash drop of over 500 points lower than the new peak in much less than an hour for a build that has taken 18 Clock Time hrs to peak. But as we show, it is not a whipsaw and we will discuss its exact dynamics in a future tutorial on dynamical patterns.
2. More important is that I am not a "good" trader I forgot to enter Take Profit. I mean that is crazy but that is what happened as you can see. Though an absent minded type I am aggressive so I entered (added), another trade (draw down did not change Range Arrow direction immediately and the S Ordinal indicated a perturbation correctly as opposed to a reversal short-term, even if the M and L Ordinals tell us that we are going down in future.
3. Experience shows that a fall or rise is inductive at peaks and troughs and therefore subject to repeated folding and stretching behaviours at such points which means that at the end of runs it takes time to express the flow to follow and strictly because we deal with a non random function or flow so I felt free to buy more as a way to compensate for my absent mindedness based on my knowledge of price dynamics.

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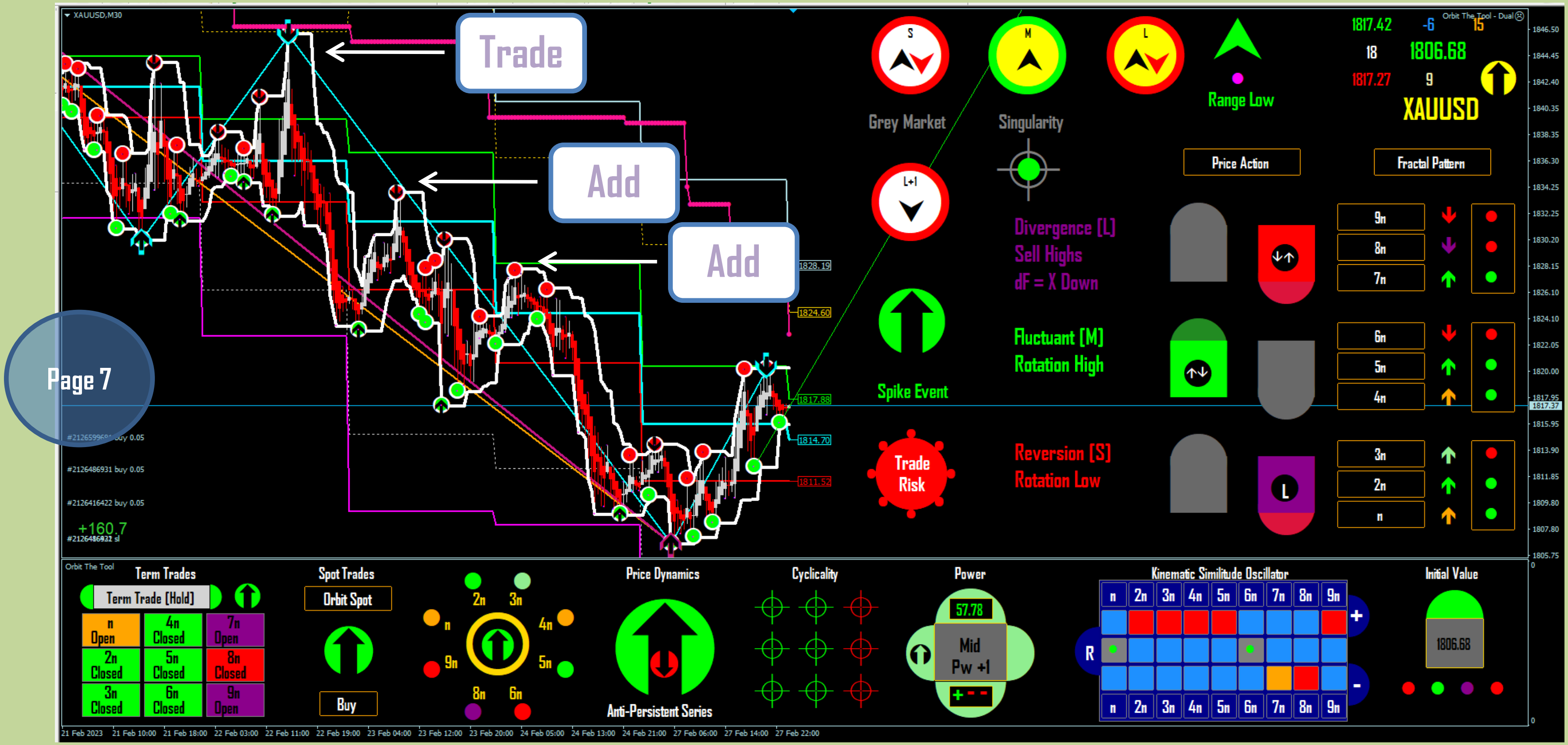
Take Profit



1. I held my longs until new day open to a much higher value and at which time I took profit. By this time I had been trading 7 A.M. GMT - 1 A.M. GMT non stop, I needed to break, I needed to sleep (yes I missed nothing the market had to offer but it is not healthy and not sustainable. I have traded this way for this tutorial only), Normally, one would set Take profit at trade inception and which as we see would have been spot on at the 68% MRI Fib (or posted a down limit order).
2. But the point is that availability management is a key success factor. You cannot follow the market 24/7 even with the best tool in the world and in fact it is a random result whether you gain efficiently **day trading**. Because a trader following the pattern we see in **swing mode,** is more likely to accumulate profit to scale (especially if making periodic additions at highs in this case). The risk is small doing so if one is early to start trading to the pattern we see in the overall flow. A day trader is subject to highly variable income and much higher risk in my opinion.
3. Again I did not set Take Profit and as can be seen in this screenshot at open new day. Careful observation would show that had I done so I would have earned more as price revisited this same area of the strange attractor from my earlier entry. In precept, these revisitations are a property of chaotic variables. But am I really careless or do I simply have different information? I know that I am trading a **function**. What is a function? A mathematical process that takes in input (extreme point) and applies an operation (repeated folding and stretching), and outputs a result (new low or high), this causes delays or hold ups that give us time.

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Trade Action context

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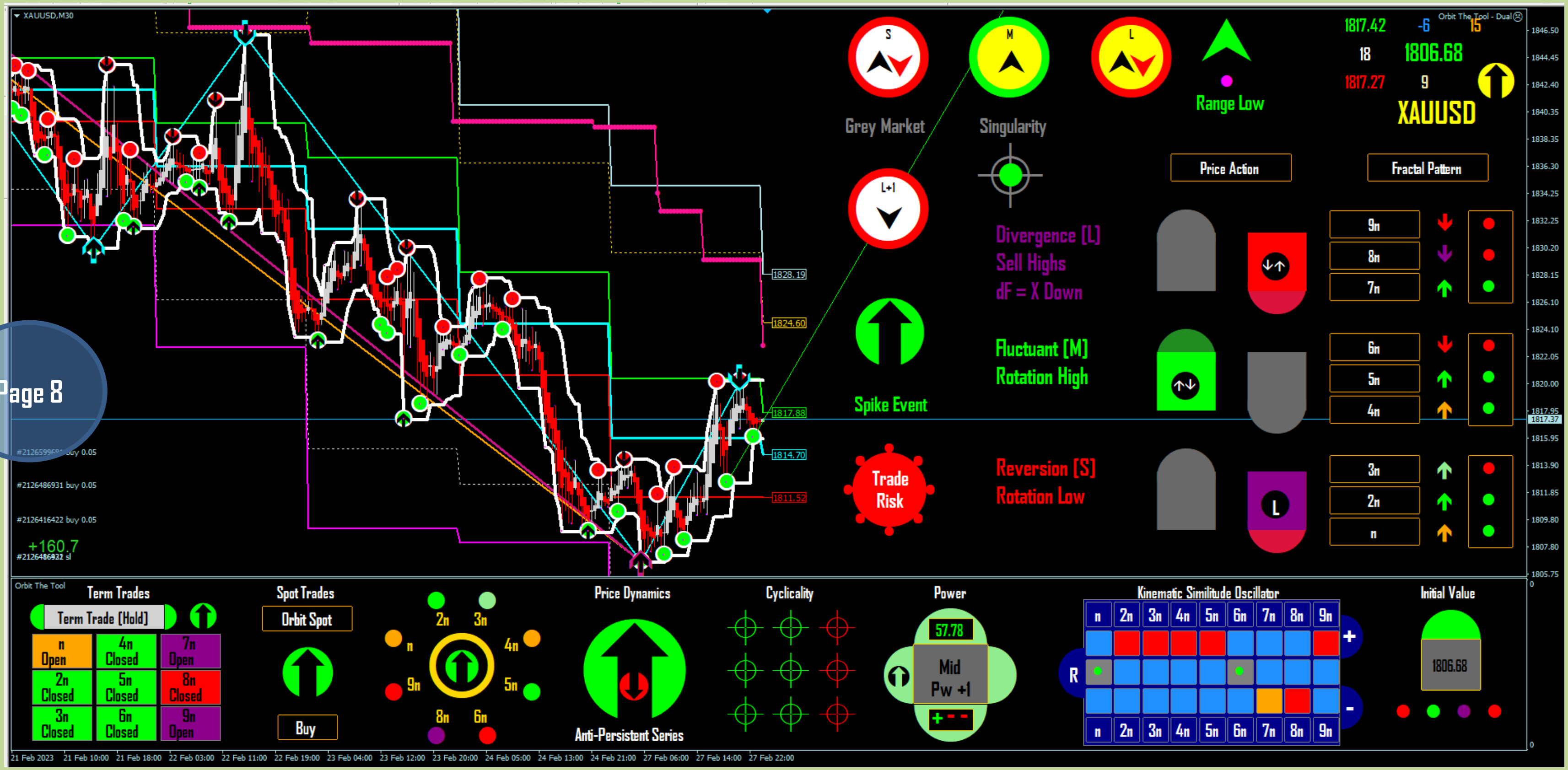

1. We were at amplitude and price had visited the same point twice at a clear limit consistent with left hand edge behaviour. We have demonstrated how Orbit works for half the loop through ambient space as predicted by the definition of an Oscillator model. A swing trader would still be in direction and profitable at this point and still in the trade subject to the risk of reversal. A day trader would exit to trade anew the next day. Therefore, the system (market) has now only one option and that is to complete the down loop as it returns to where it begun or KSO **(-)** band. We can see this from changes in the Ordinals and in the Orbit Arrow.
2. We were now in a **grey** market from **red** and we can see the Orbit or Secret Arrow pointed up. In a grey market and at clear amplitude this does not imply a move higher immediately but rather confirms exhaustion at a high stop. So we must conclude from the facts before us (Orbit Screenface), that a change in direction is on the cards regardless of the greens we still see. The Short-term arrow has changed indicating a different type of **up/down** arrows as has the Short-Term Ordinal indicating now a rotation lower by its double action arrow. Also note that 6n never made it to KSO **(+)** and this is a reflection of potential reversal from next lower low. This is to be discussed in a future tutorial on dynamical patterns.
3. The correct thing with experience is to sell the market before going to bed (though speculative it would be a 1/20 risk type of trade at this point). But since I am trading to demonstrate the tool for a tutorial, I simply went and crashed extremely exhausted.

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Conclusion of the loop through ambient space

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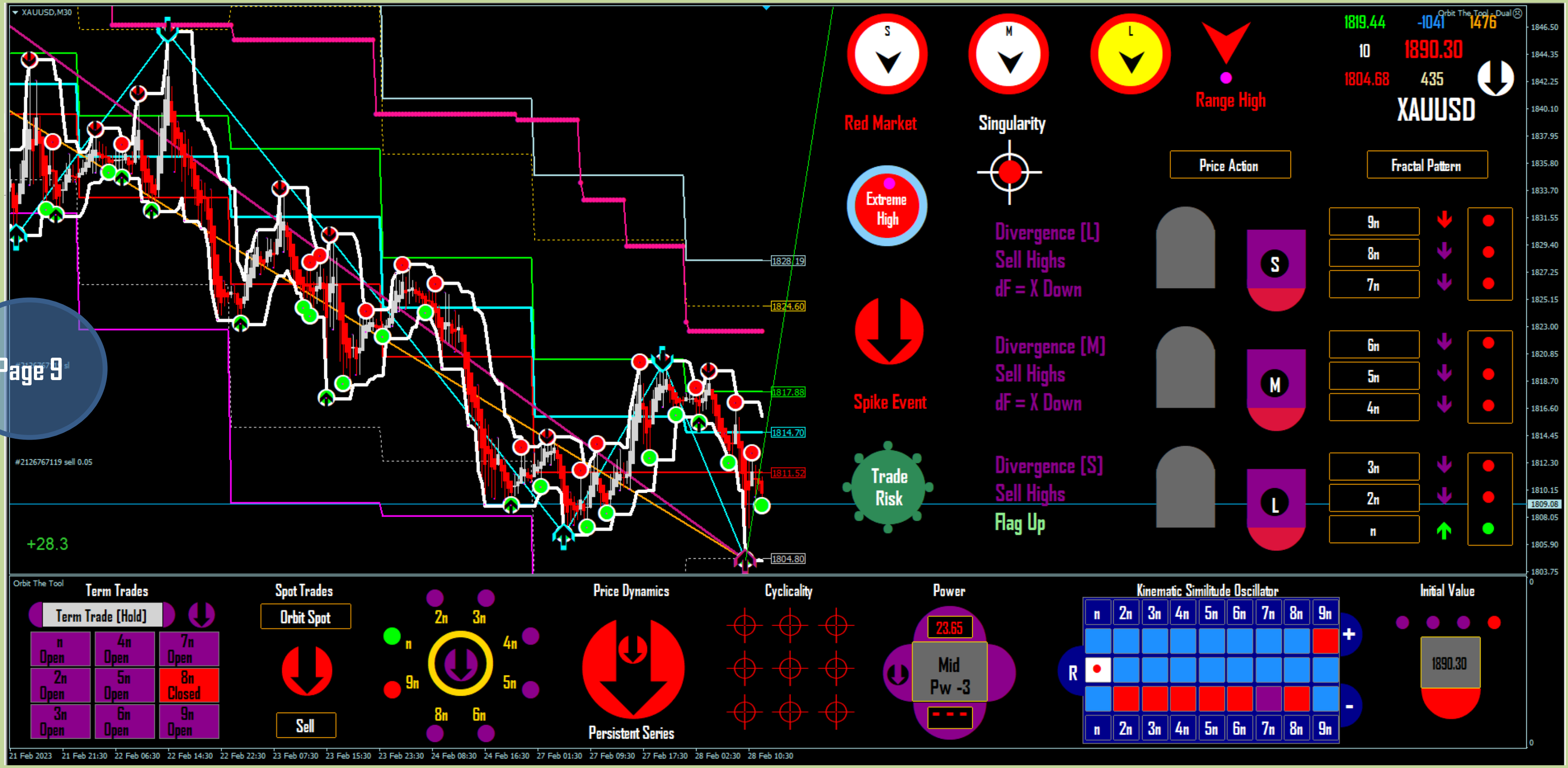

1. In spite of my plans to wake up early and enter the market in day trade mode my human body failed and this was the market I met when I finally sat to trade at about 10 A.M. GMT the second day of this exercise. Anyone reading this should be able to now read the screenface accurately and I encourage that everyone try to do so to confirm learning.
2. For me my options were limited by market reality as the system (market) had completed its folding phase and was now stretching the space to which price was mapping, permitting me only the trade you see at a Semaphore lower than I would have liked. Knowing the train had moved I took the trade offered.
3. But as we can all agree we demonstrated what a mathematical Oscillator Model is and means in practice as we now see the variable return to where it began in relative terms per the KSO distribution of partitions with n positioned in this shot to deliver a final attack of the lows.
4. Intuitively you also know now that while the KSO is more obvious as a **phase** reader -----> all icons and context readers on the Screenface are actually doing the same exact thing at the same time as the KSO ------------> JUST THAT THE MARKET IS MORE **NESTED** THAN **A RUSSIAN DOLL** AND WE ARE ACTUALLY READING **LOOPS** WITHIN **LOOPS**. Keep this fact in mind always.

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The Main Points to Keep In View

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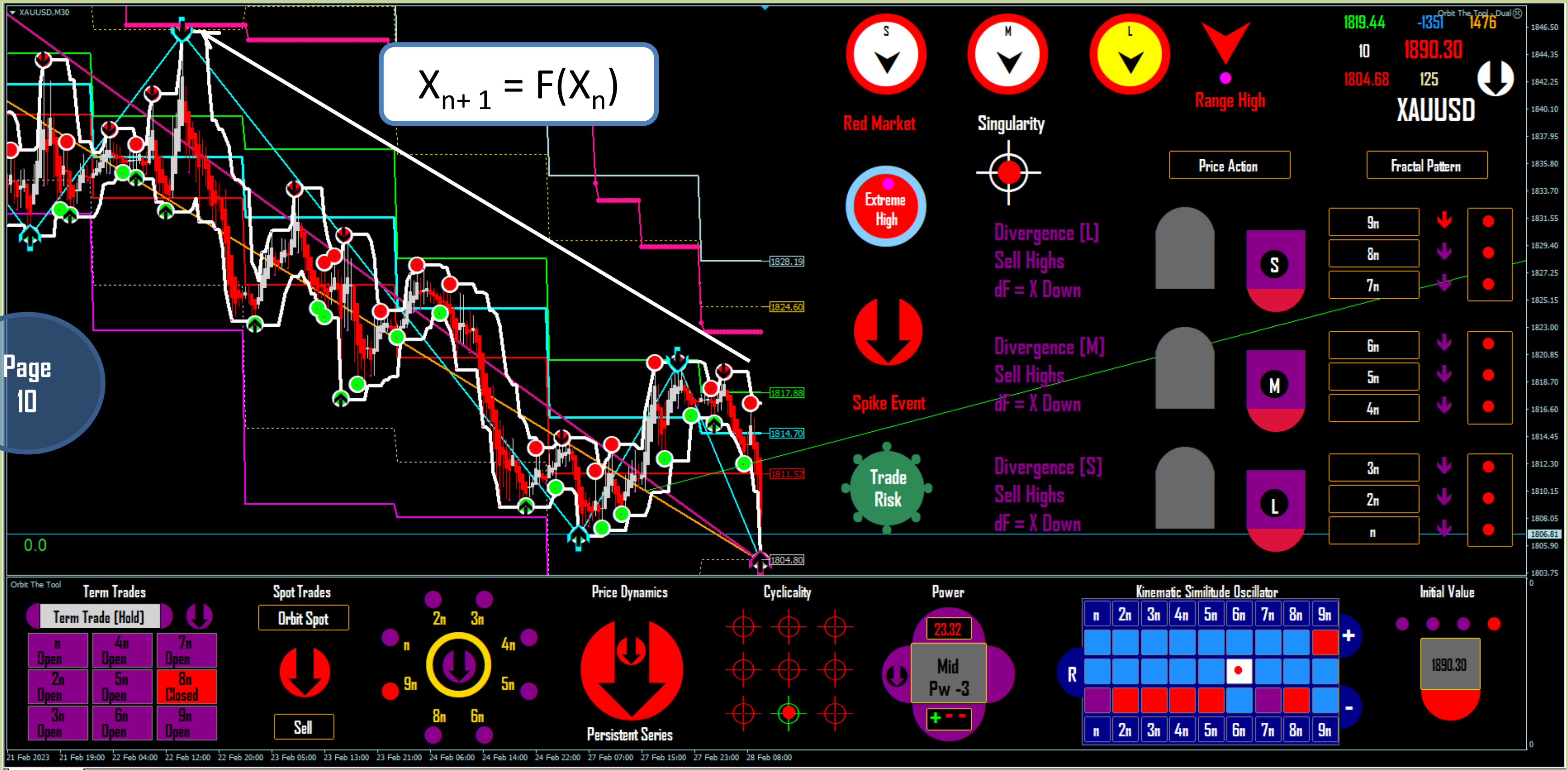

1. We have demonstrated what an **Oscillator Model** of the market is and how it works in live trading. We have established that the market is a chaotic system underpinned by a fractal structure.
2. We have shown that the market is driven by a **recurrence relation** of the form above. The evidence is clear in the historical order of bars and Semaphore Points in the left hand. The market's obedience to what amounts to a natural law is stark because the equation simply says that the next **stop** depends **ONLY** on the immediately current **stop** and nothing else – low to high and high to low – a bijection with inverse on.
3. We have shown that Orbit the Tool is **NOT** a "trading system" ----> the market is the system. Orbit is a tool that reads the equation correctly 100/100 times and the user employs Orbit to follow the system. Orbit can work with any trading system you use by correcting your trading system output to Orbit output.
4. The version of Orbit demonstrated is a **prototype**. A cloud version is planned contingent on finding funding. That version (which we shall discuss another time), is way more powerful than what you see here and indeed it can be argued almost unrecognisable compared to the prototype. But the basic principles will be the same.