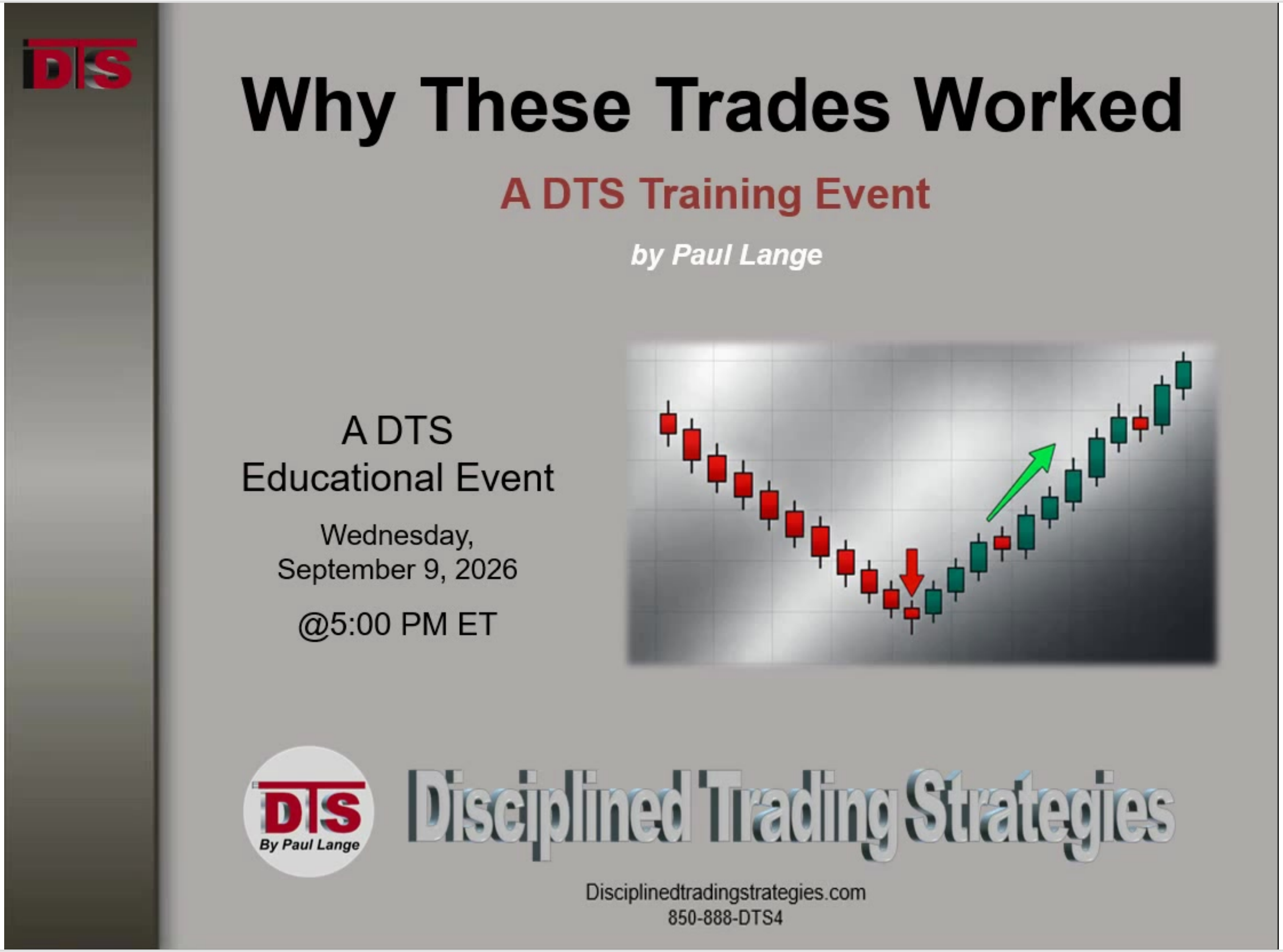
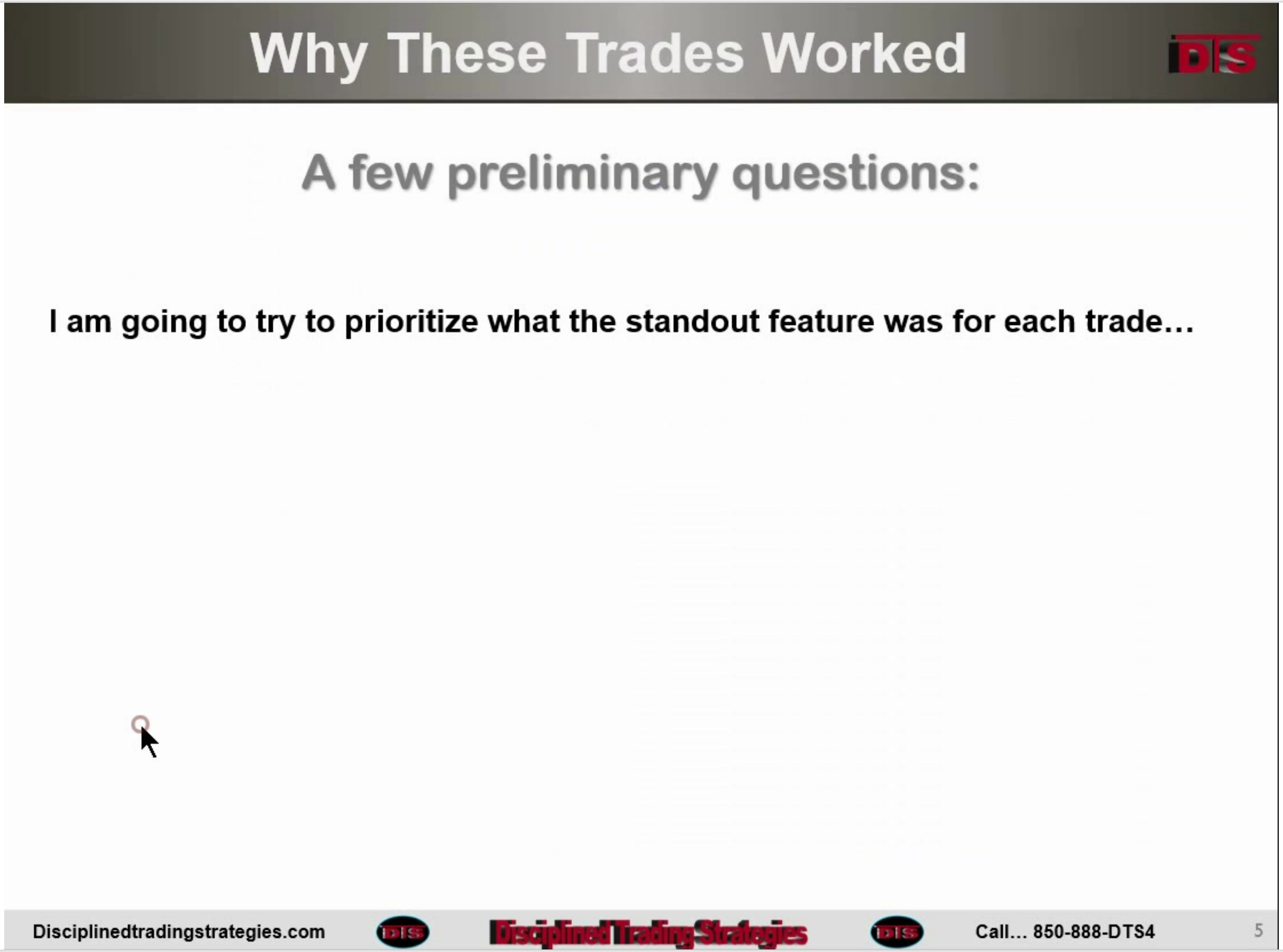
Why These Trades Worked



How to use this summary

- Use the chart on the left as the visual reference.
- Use the takeaways on the right to recall the teaching point.
- The goal is not to memorize labels - it is to recognize the picture in real time.



Start with the standout feature

- Each trade contains many valid observations.
- Prioritize the feature that carried the most weight in the decision.
- Then use the remaining evidence to confirm or weaken that idea.

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A few preliminary questions:

There is always that line in the sand.

One chart is borderline, so you look above...

You look below...

You look at the entry...

You can always say “pass” when it is not clear, but isn’t THAT often the line in the sand as well?

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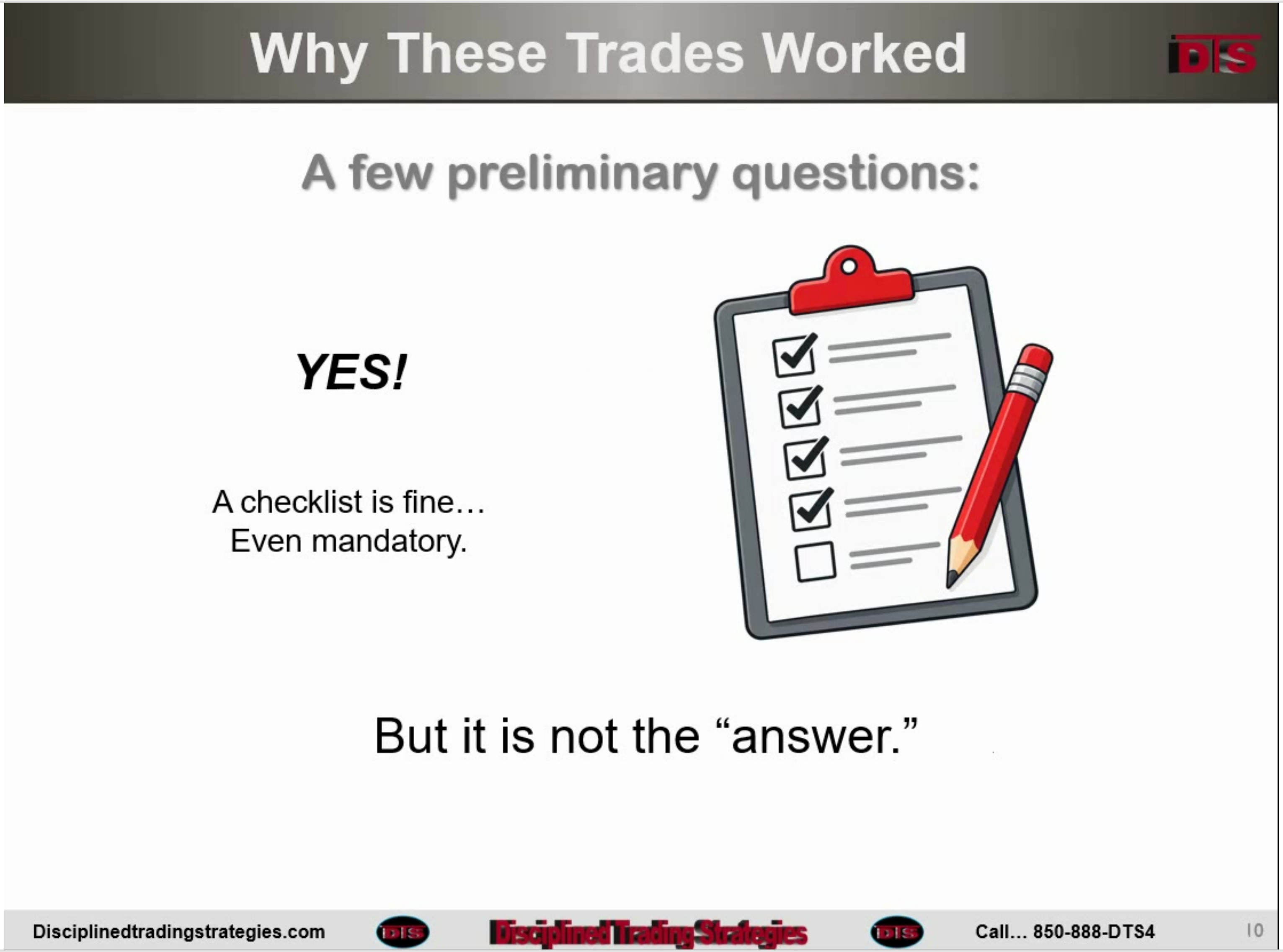
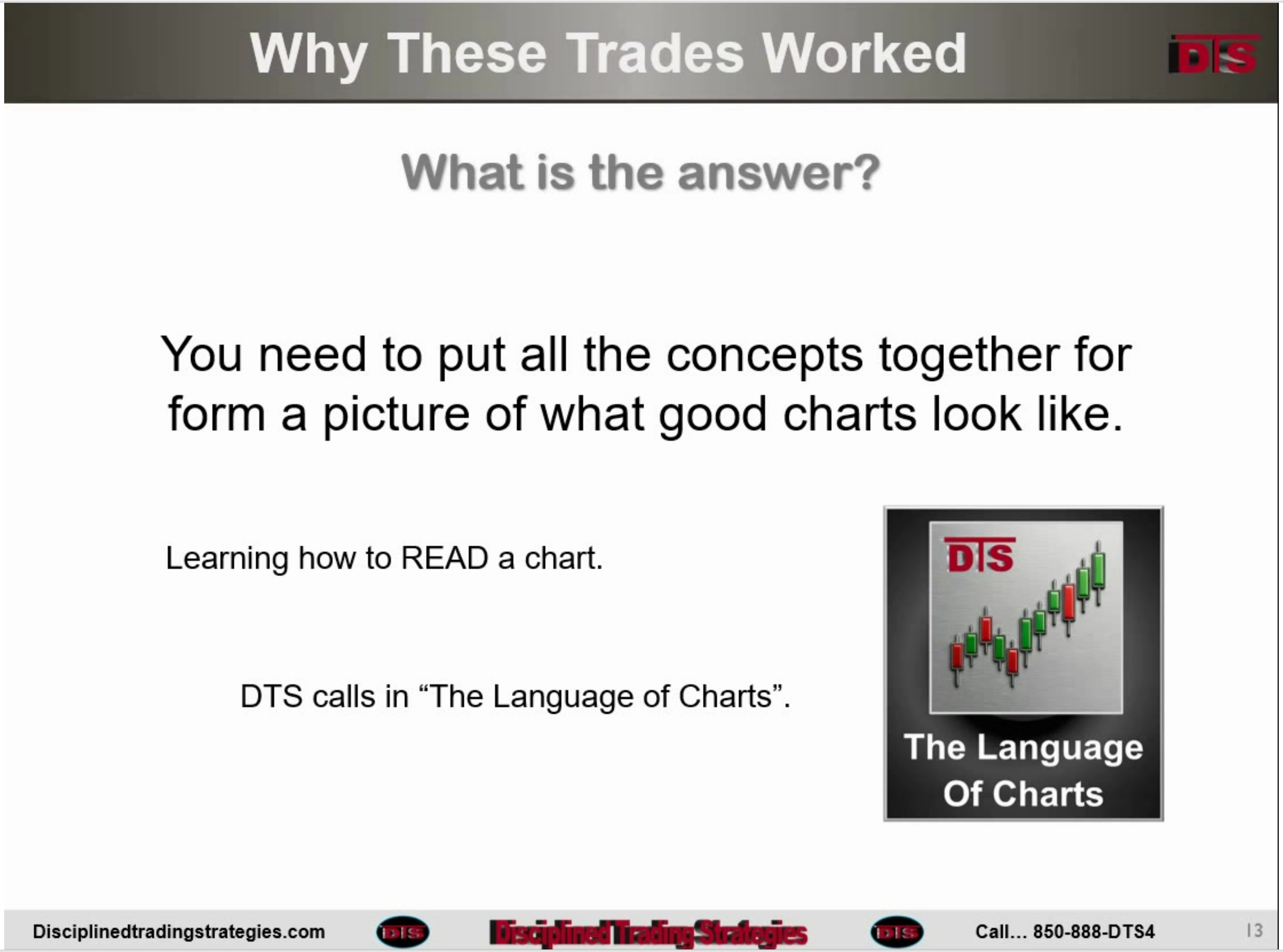
Find the line in the sand

- Look above, below, and at the proposed entry before deciding.
- A borderline chart often becomes clearer when the surrounding evidence is considered.
- Passing is always valid when the picture never becomes clear.



A checklist is necessary - not sufficient

- Rules and checklists prevent avoidable mistakes.
- They organize the evidence, but they do not make the final judgment.
- The answer comes from understanding how the evidence fits together.



The answer is chart reading

- One isolated concept rarely decides a trade.
- Combine price action, time frames, gaps, support and resistance, and the entry pattern.
- DTS calls this learning the Language of Charts.

Trade example 1 - the gap picture

- The pattern closely resembles a core Mastering Gaps example.
- That resemblance is meaningful because the larger chart supplies context for the gap.
- The chart earns bearish points before the entry is considered.

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Trade example 1 - why it worked

- The gap down two days earlier was a major piece of evidence.
- The long-term pattern was critical to making the entire idea work.
- The two-day consolidation on the 60-minute chart added structure.
- The entry confirmed the broader idea instead of standing alone.

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Trade example 2 - weigh all time frames

- The daily chart could reasonably be read in more than one way.
- The decision therefore depended on evidence from the other time frames.
- A mixed daily chart is not automatically a pass when stronger evidence offsets it.

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Trade example 2 - the decisive clue

- The 60-minute W-bottom on September 4 was the biggest concept.
- Two additional positives offset the negative reading on the daily chart.
- The entry still had to be judged as confirming or non-confirming.

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KMB - context before the short

- First ask whether the daily chart had become too extended to short.
- Compare the actual entry with the cleaner retest near 10:10.
- Use the timing and surrounding evidence to decide whether the trade is actionable now.

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PFE - support, timing, and the weekly

- Daily and 60-minute support were major parts of the setup.
- The 9:35 morning reversal time added important context.
- Always reconsider the daily chart after looking at the weekly chart.

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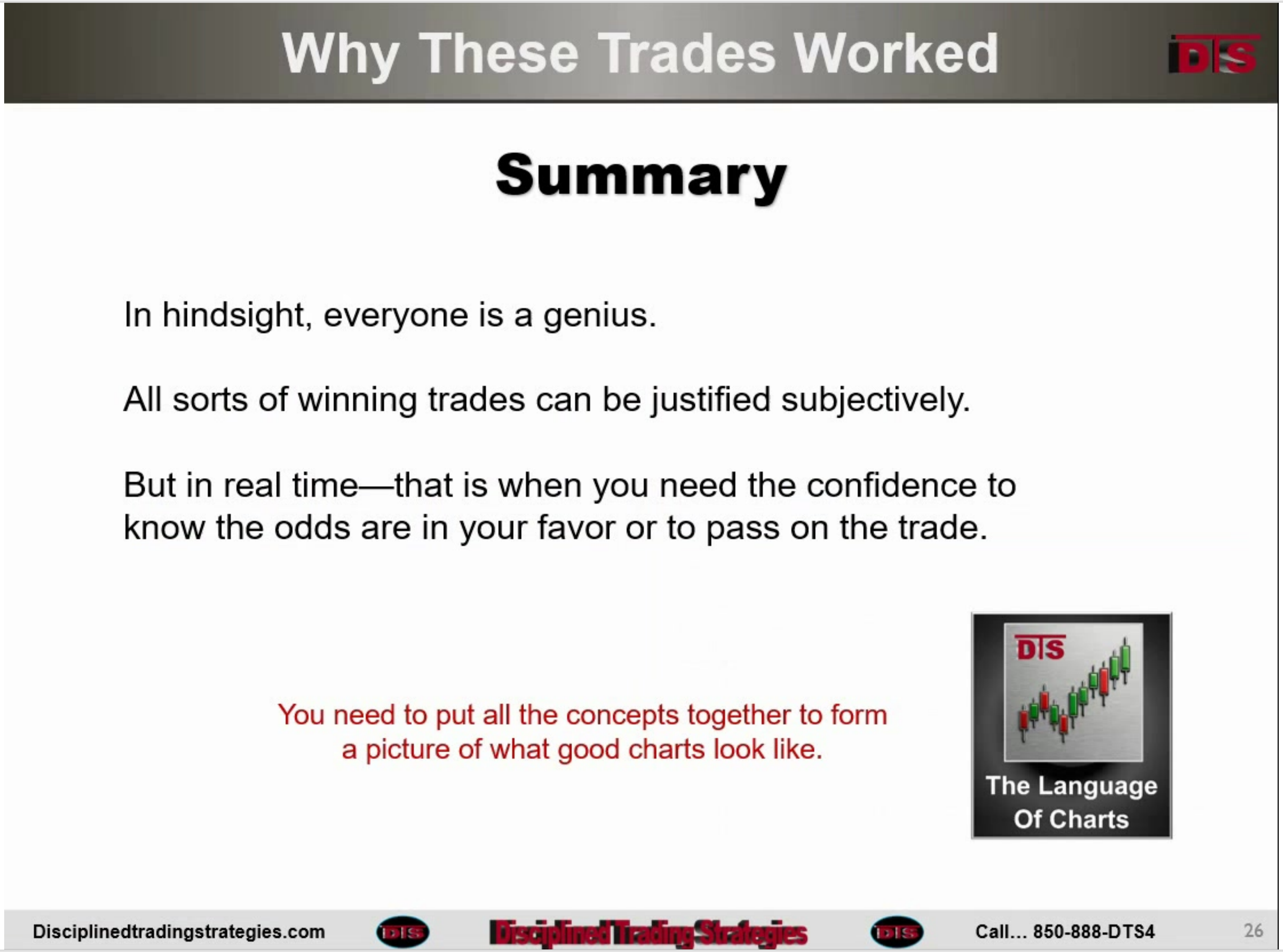

Real-time judgment is the test

- Hindsight can justify almost any winning trade.
- The real skill is knowing, before the outcome, whether the odds are favorable.
- Confidence comes from a complete picture - and sometimes the correct decision is to pass.