

PRICE BREAKS THROUGH

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Simple , Easy , Most profitable and Non-Subjective Price Action

TO : Every newbie who finds it difficult , and in some cases impossible , to learn from **BIG THREADS and only charts .**

Introduction

Hi , My name is Chanya . I am 21 years Old and I have been trading for over three years now . But , honestly , my first two years had been nothing but swear pain in my butt . I only blew one account though , kind of had a zigzag scenario , because since day one , I gave utmost importance to money management . I myself created 19 indicator based flop systems which worked for only a week , and then collapsed . Then , one day , I can not even remember how , I came across James16 thread . Well , I will say nothing more about that day other then that was the day when I was finally on the right path . I had been so consumed with other stuff before then that it would not be wrong to say I was Dumb back then . Indicators were my only point of concentration . And its obvious but I will still tell , I never had success . I am saying from experience , Please , If you have any , any indicator on your chart , RIP IT OFF , Throw your monitors off the roof of your house which ever dared to show you the presence of indicators and buy a new one ;-D . Human eye's and its confluence with the mind is the best indicator one could ever have , and luckily , its already built in , so , now extra expenditure there ...You do not need any other bullshit ...

I was shown a new way at James16 . PRICE ACTION . Remember , there are two types of methodologies taught at J16 thread , Traditional J16 stuff and JARROO's method . This PDF file is about JARROO's Method . Their most of the basics are same , but at the same time , they are different . It took a hell lot of hours (Months) to understand what was being taught there because of the mess that unfortunately

**every public thread becomes . On top of that , nothing is organized .
Everything is so mixed up that a new comer is confused beyond
imagination . I had no other way to understand the stuff other than
read and **FIGURE OUT** , and I hated that . Seniors at J16 are as helpful
as anybody can imagine in their dreams , but after a couple of
question , one himself starts to feel like a sour Puss**

**BUT , luckily for you , I am organizing the JARROO's method in this
one PDF file so that you , A new comer , can easily understand the
information that J16 group provides , but always remember ,
success comes from experience and there is no short cut to that . I
did not had this privilege , so I hope you appreciate it . So , Lets get
started .**

Preface

**The information that I am providing here belongs totally to JARROO . I am just
organizing it . Same story told by two different people is always a bit
different so keep your minds a bit open .**

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- 5) What are and How to draw HCR and LCS**
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Chapter 1

Life of a Newbie when HE/SHE finds a new thread

When I first came to James16 thread , people were (and still are) going crazy with happiness that they were part of the thread . I thought “ hey lets give it a try ,what's the harm ? It's not like I am already consistently profitable !!! How HARD CAN IT BE ??? “

I have never been more wrong . First I thought “ Boy , its 6000 + pages , maybe I can read it all ! “ ... I couldn't . I mean how could anybody understand whats available from a thread that starts directly . Or am I just being a lazy Cow ??? I hope not !!!

Then , I was told that I must read a first few hundred pages . I started again , but got lost after every few pages because of random posts that takes away the concentrations ...

Then , I started misinterpreting the material and started using it the wrong way .

Then , I almost quit when GHOUS , a senior member , volunteered to teach me via Skype sessions . I learned traditional J16 stuff from him , and later , Moved on to Jarroo's method which , with the time I had spent at the thread I had very little Idea about and the rest was clarifies by Jarroo himself ...

Chapter 2

Term to remember

There are just three new terms that you should remember

- 1) PBT&CA / PBT&CB – Price breaks through and closed above / Price breaks through and closed below .**
- 2) HCR – Highest close of resistance .**
- 3) LCS – Lowest close of support .**

At this stage , do not worry about what they are and how they should be drawn or whatever . At this stage , just remember these terms and what they mean .

Chapter 3

How to set a template of a chart

To make things easier for you all to understand and visually study , I suggest you set your default template as following .

- 1) Open up a blank chart**
- 2) Move to daily Time Frame**
- 3) Remove the Grid**
- 4) Optional – Attach a grid indicator and make it show the Big round numbers only .**

Chose the background color as what ever you like . Right click on the chart , go to templates and Chose “ Save template “ and name the template as default.tpl

This should do it .

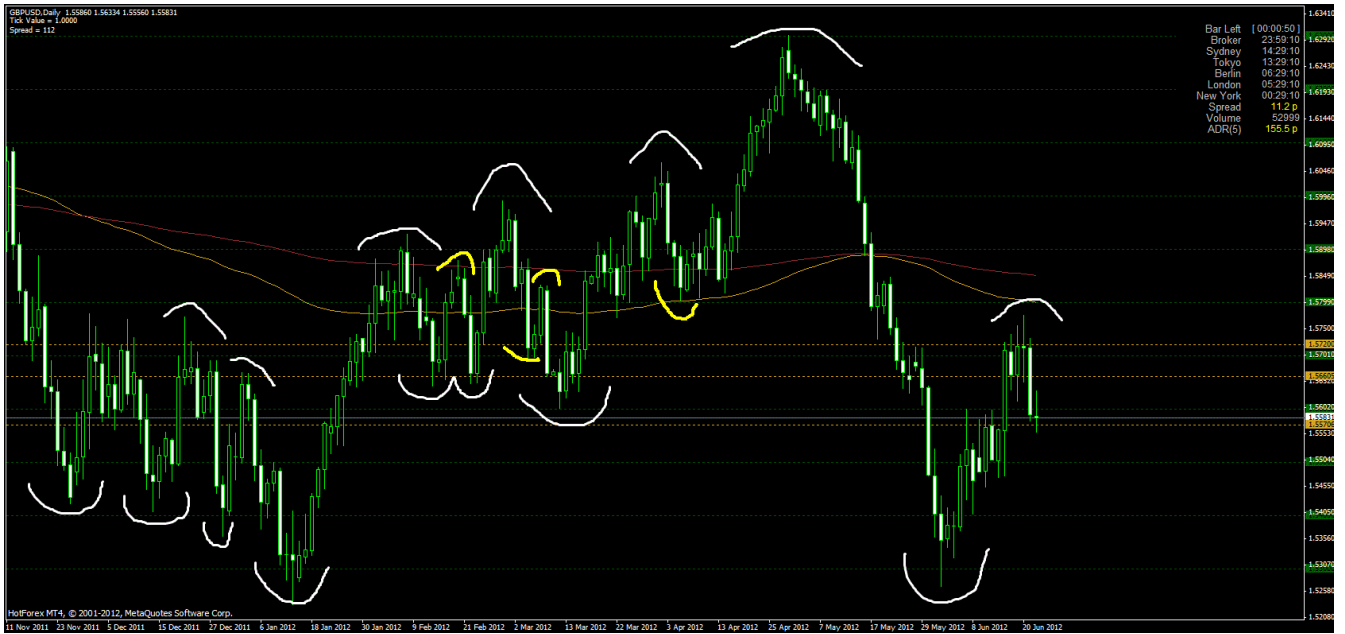
Chapter 4

Identifying where markets reversed in past

STEP 1

This is very basic stuff . Just a visual thing , but Important . You have to be able to Identify Swings in the market ... Here are a couple of charts that shows what swings are if you do not already know ... I am marking the major and obvious swings because those are more reliable and we should use only those in the beginning ... Even after that because opportunities aren't rare with this stuff ... Swing is very basic thing ... Nothing complex . Its where price turned... Simple ...





Chapter 5

What are and How to draw HCR and LCS

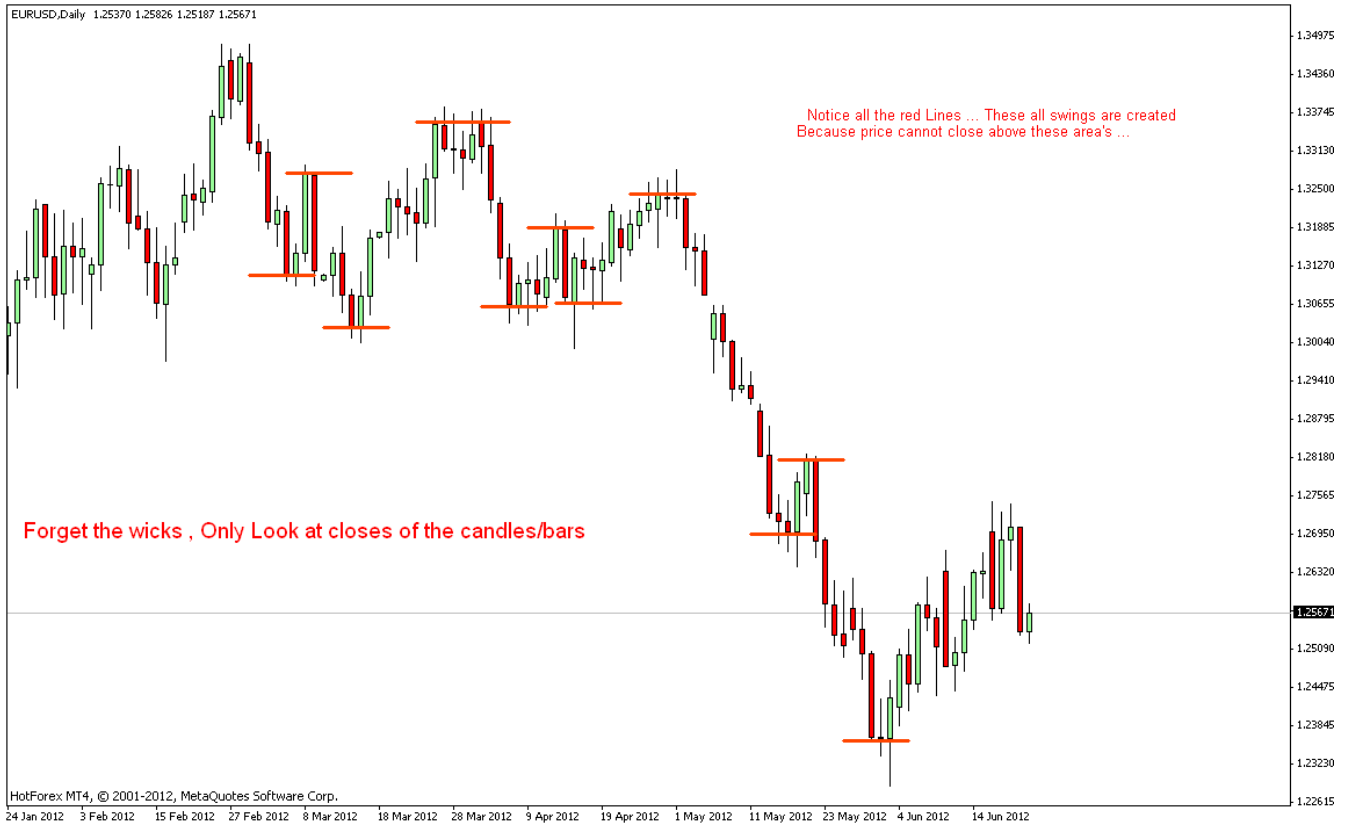
Step 2

Next step , Observe , Why swings are created ???

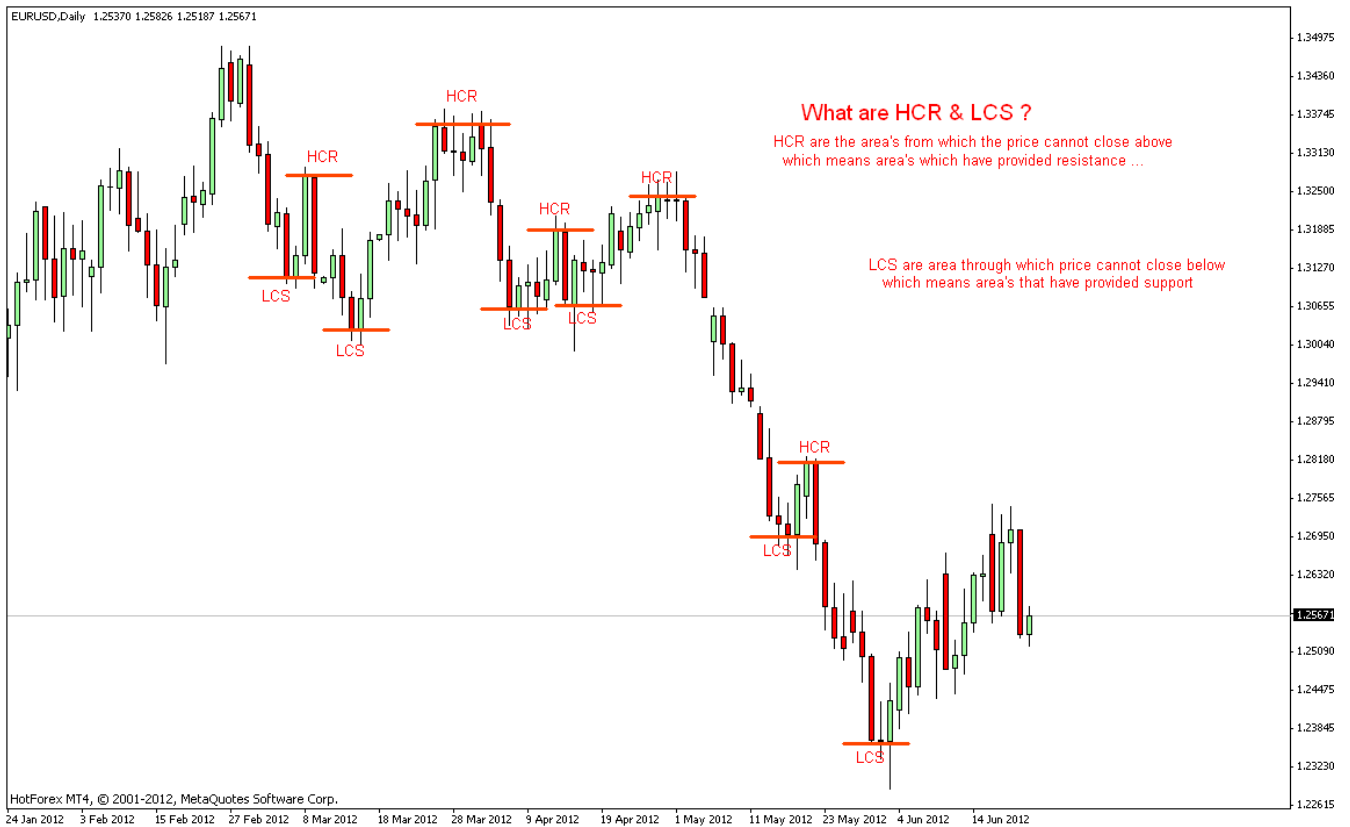
It's because of support and resistance ... Price reaches resistance , bounces off , and reverses thus creating a swing ... Price reaches support , bounces off , and reverses thus creating a swing ...

**Now what are these support and resistances ??? What are HCR and LCS ???
These are the areas from where , for some reason , the price cannot close across from Look at the charts Below ...**

These charts are the modification of the first chart shown in chapter 4 . See that again , and then come see these .



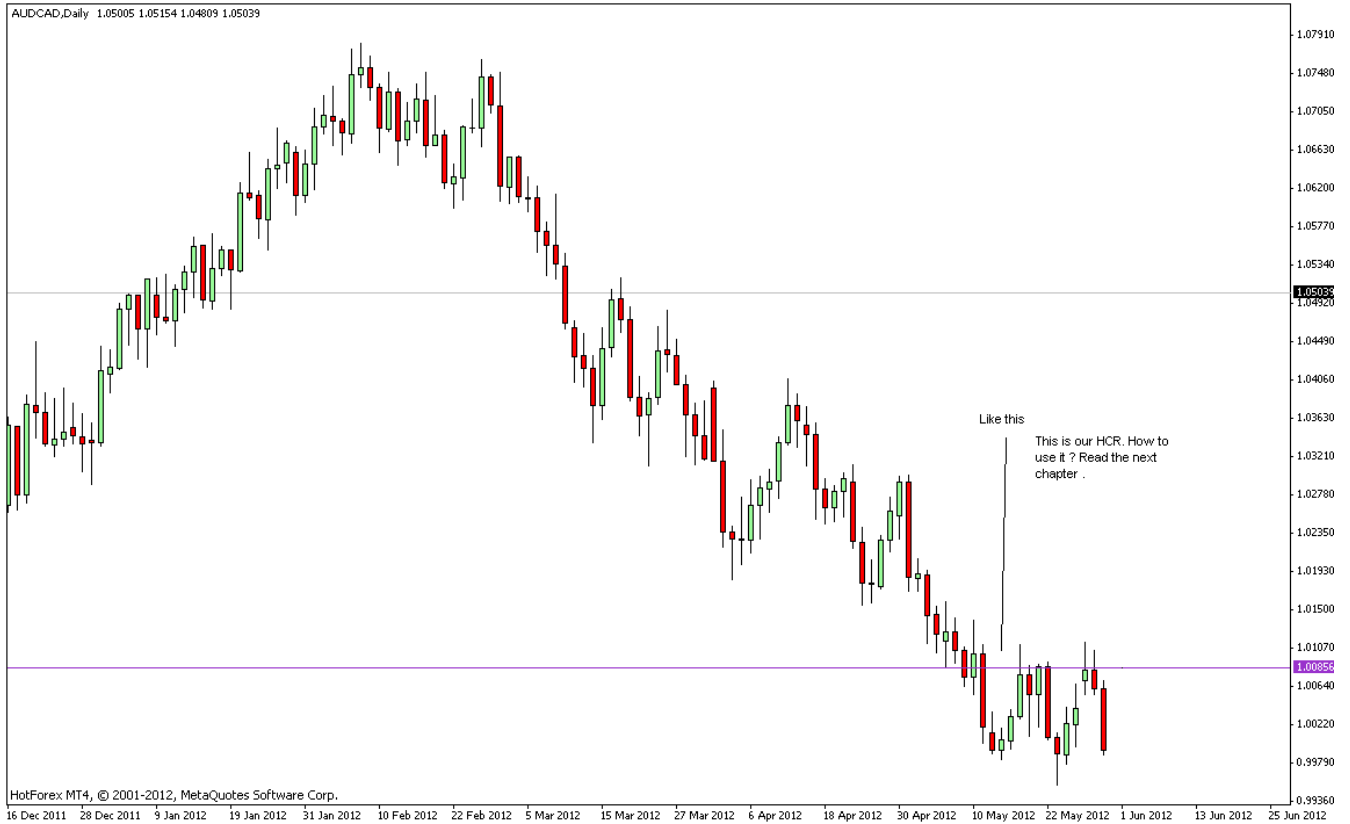
After studying the upper chart and understanding it nicely , see the chart below .



Notice , on both of the above charts , those red lines that represent the HCR's and LCS's , those lines are drawn at EXACTLY the closing prices .. THIS IS VERY CRUCIAL POINT . As I have said , HCR's and LCS's are the area's from where price cannot close across from , from which , it's easy to gather that HCR's and LCS's are in-fact exist at the highest and lowest closing prices .

Now , I have just shown the HCR's and LCS's as small red lines for the ease of understanding . We in fact , use the horizontal line tool to draw the HCR's and LCS's .





Now , we know price is currently below this level . When price comes to it and closes on the other side of it , then our entry opportunity arises . How ? Lets see .

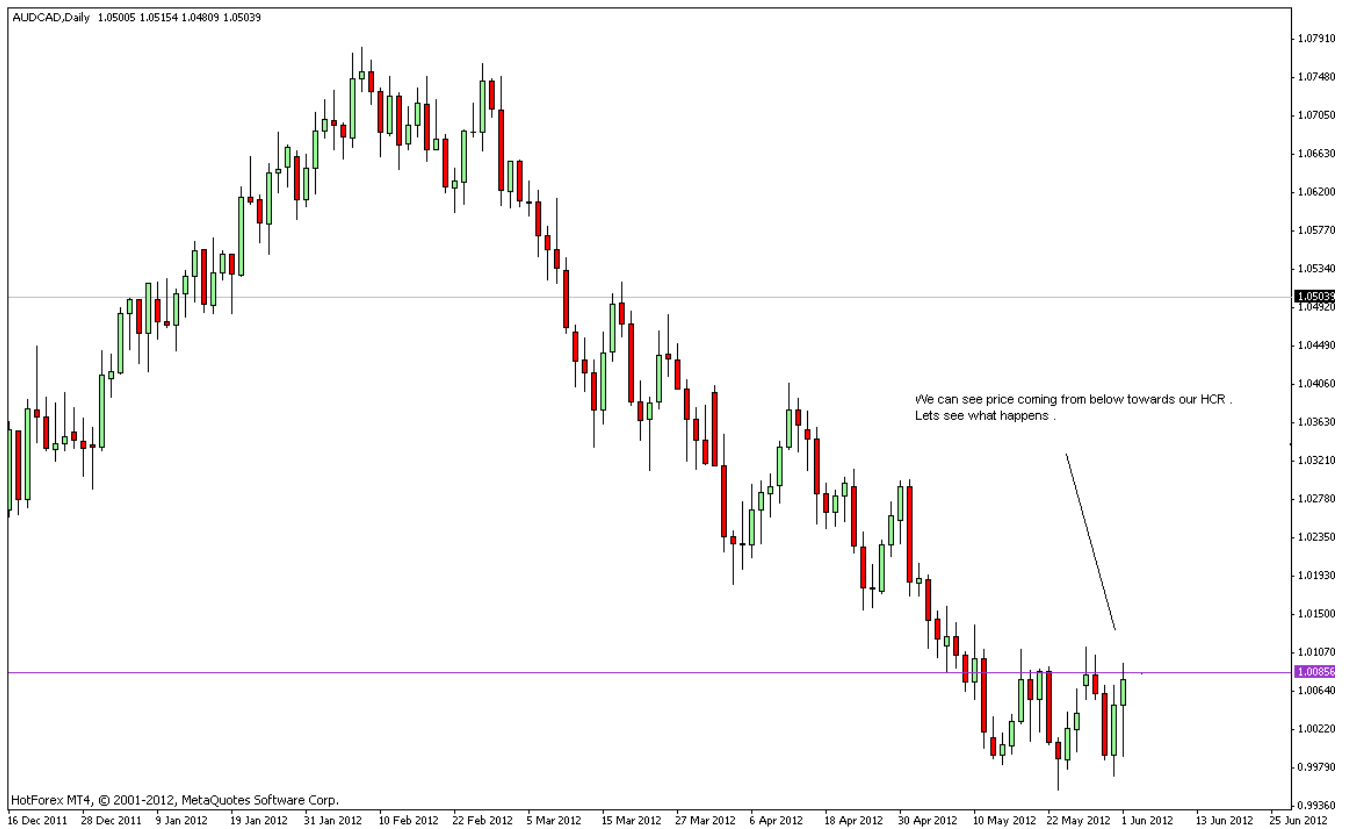
Chapter 6

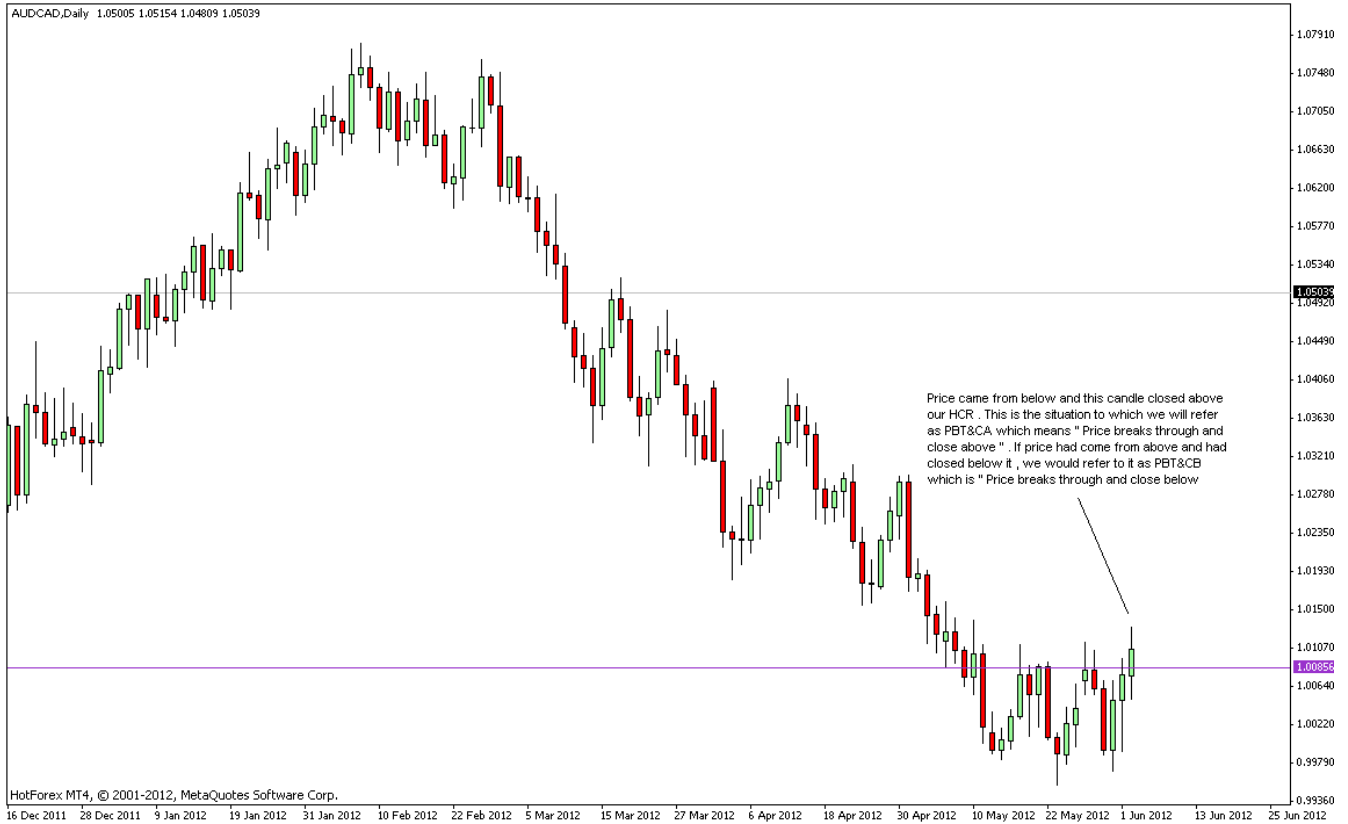
What Is PBT&CAorB

Step 3

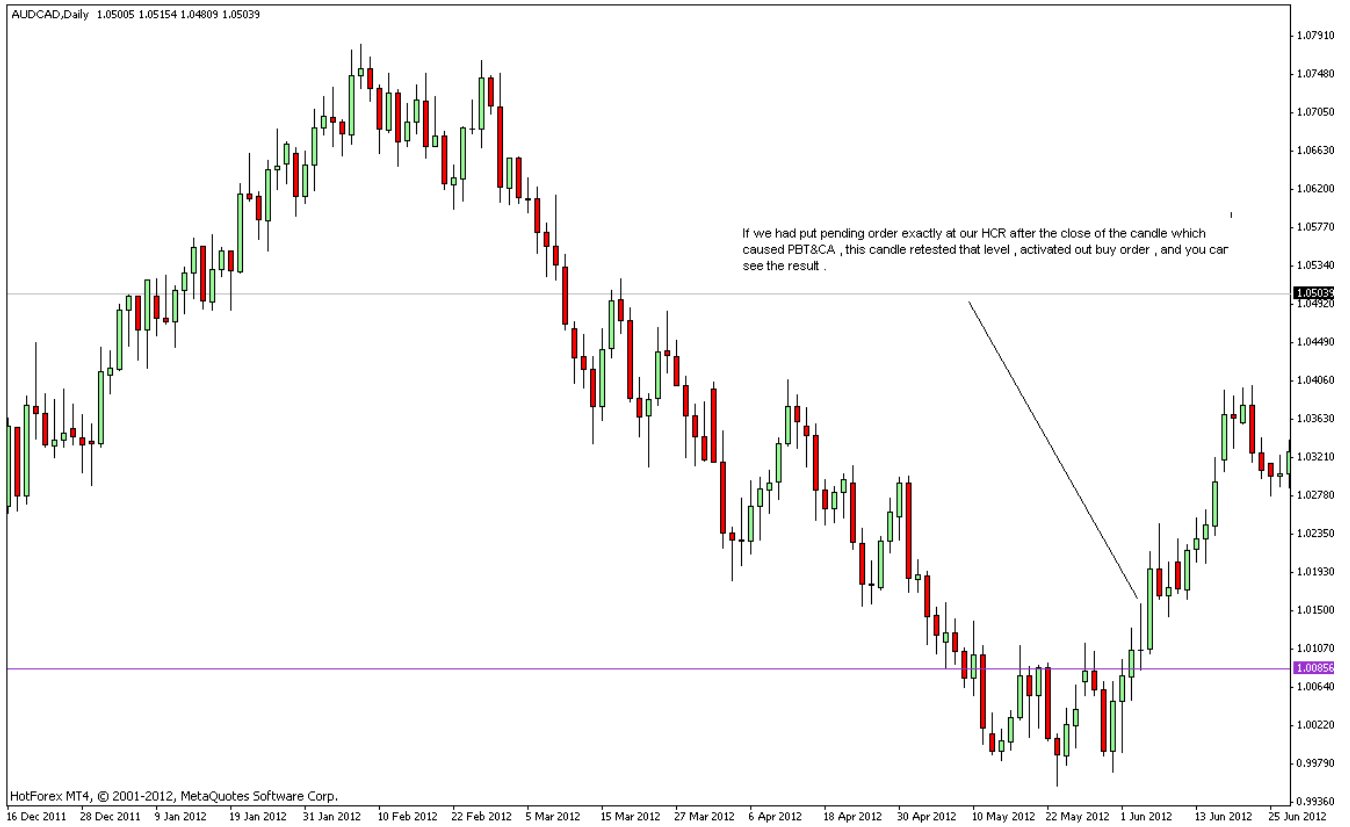
These strange looking letters are nothing but a short form of the phrase “Price breaks through and CA or Price breaks through and close below”

Observe the charts below to see when these phrases are used ...

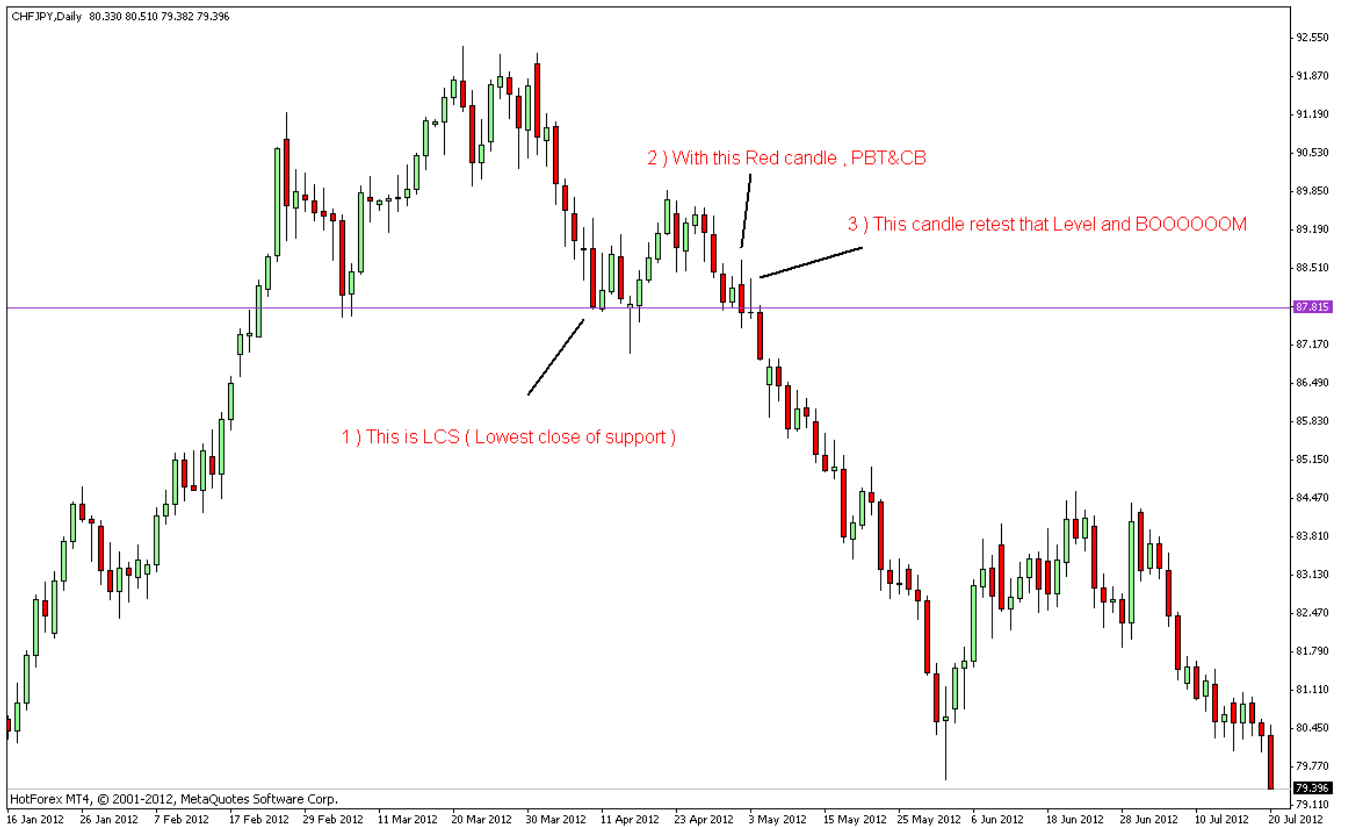




**See ? Not so difficult is it ? Now comes the part we have all been waiting for .
 ENTRY . How to enter . Well , in this situation , when PBT&CA , WE WOULD HAVE
 PUT A PENDING BUY ORDER AT OUR HCR EXACTLY . This is how we enter . Wanna
 see how that would have worked out ???**



BOOM. Look at this another example



Chapter 7

Trade management : Target levels and how to draw them

Step 4

This is as important as any other thing . I for one give it more importance then all the rest of the stuff because I think this is what decides either a trade would be a loser or a winner . You might have heard , if two traders take the same trade , their results will most probably be different no matter how experienced they both are . Well , this is the origin of that difference .

What we do here at J16 in regards to Jarroo method is that after taking the trade , or even before taking a trade , we look for the level (area's of support and resistance) that might stop or reverse our trade on us . We mark them immediately .

VERY IMPORTANT NOTE : Remember , the very first level that will come in our way after taking a trade is the most important because that is where we reduce our risk either by taking partial profits or moving to BE at the very touch of that level by the price . I always move to BE at first level .

Then , as now we are probably risk free , we sit and watch and wait . What are we waiting for ? We are waiting for any candle to **CLOSE across from our first level . When any candle closes across from our first level , we move our stops behind that level . Which means we have locked in some of our profits .**

We do this every time the price crosses any level , 2nd 3rd 4th , what ever and **closes across from it , we move our stops behind it . That way , we are locking our profits as the trade progresses . We continue to do this until we are taken out by the price reversal .**

Let me go back to the AUD/CAD daily chart that we were previously discussing .

Pay very Close attention , this is important .



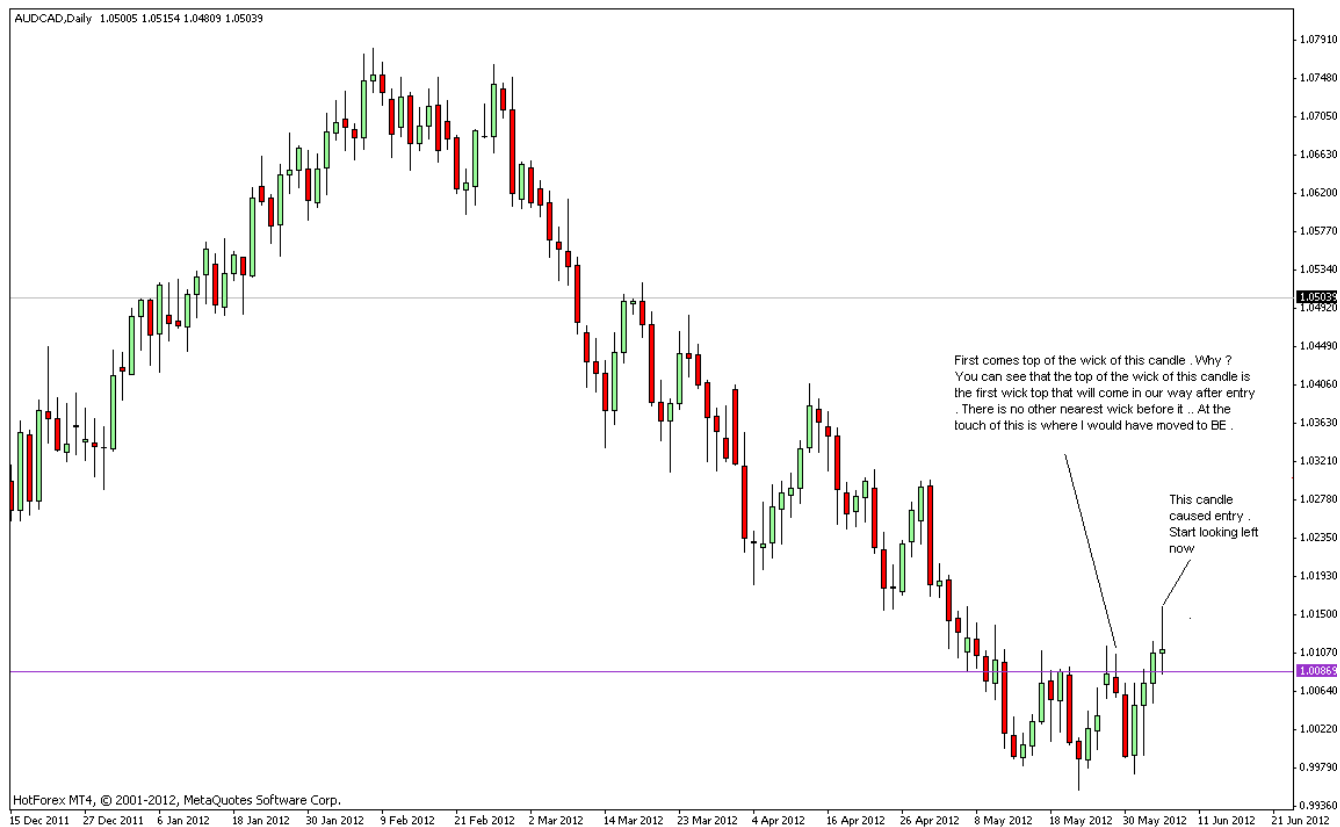
Levels are of two types

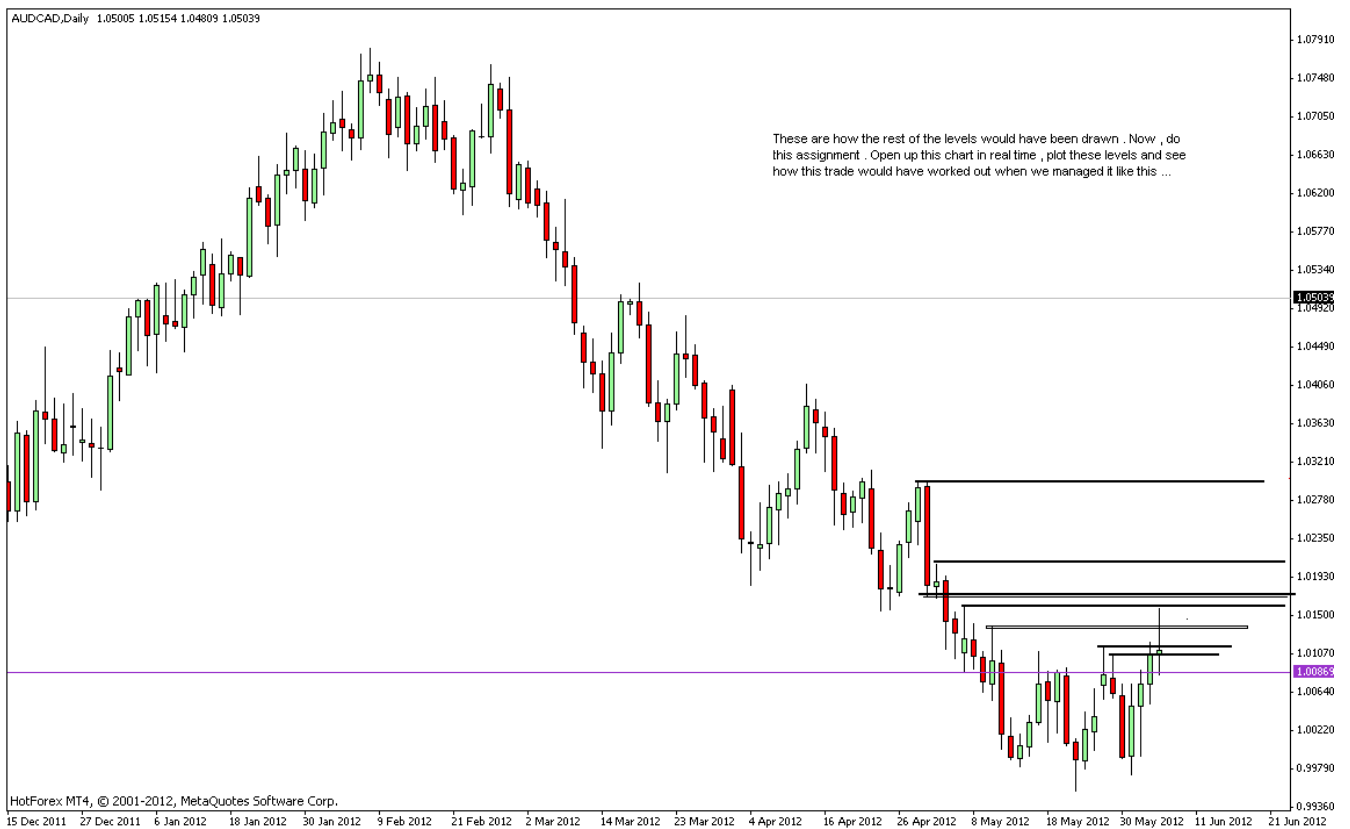
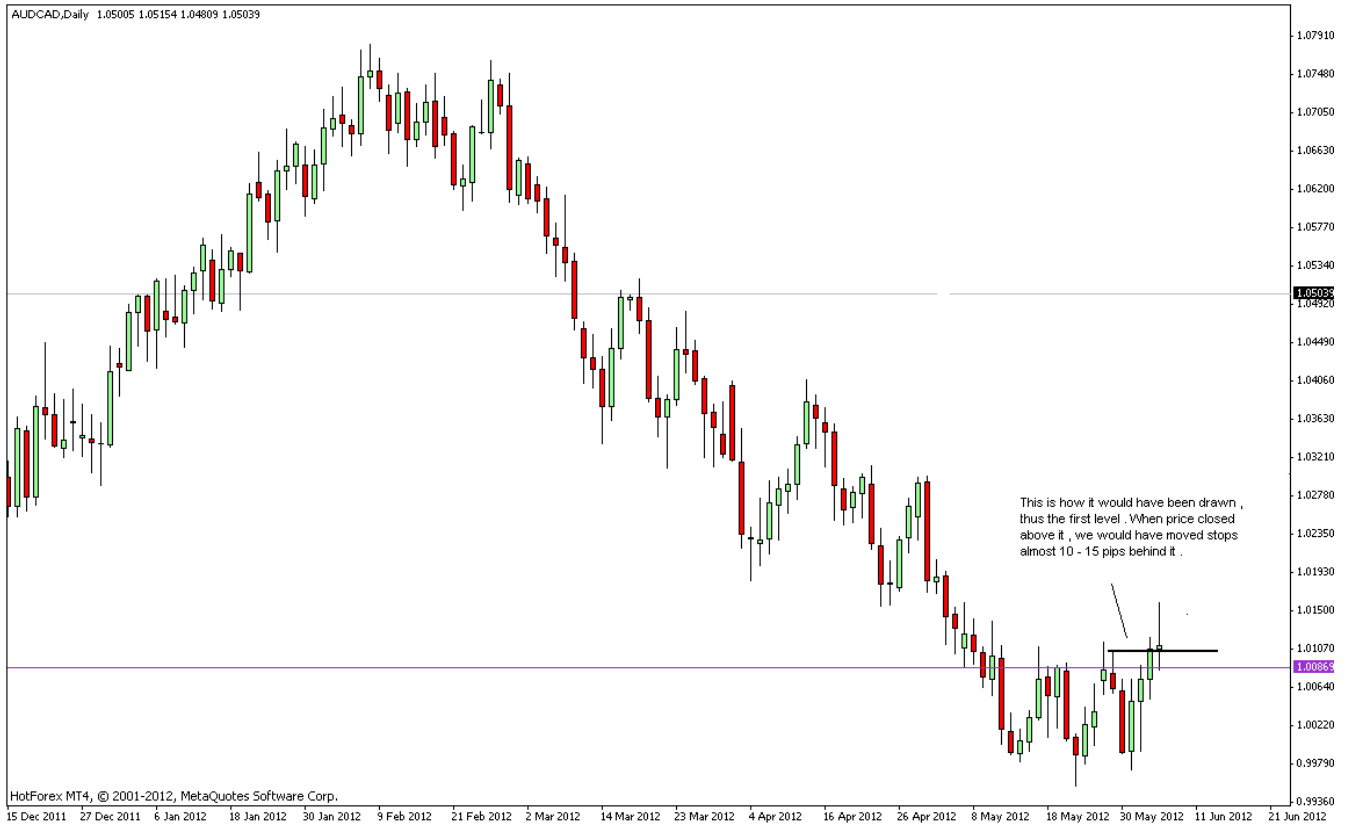
- 1) Tops and bottoms of wick of the most recent candles .**
- 2) Obvious PPZ's**
- 2) Very big round numbers like 1.0000 or 1.5000 etc**
- 3) HCR's and LCS's that might come in the way**

Mark them step by step .

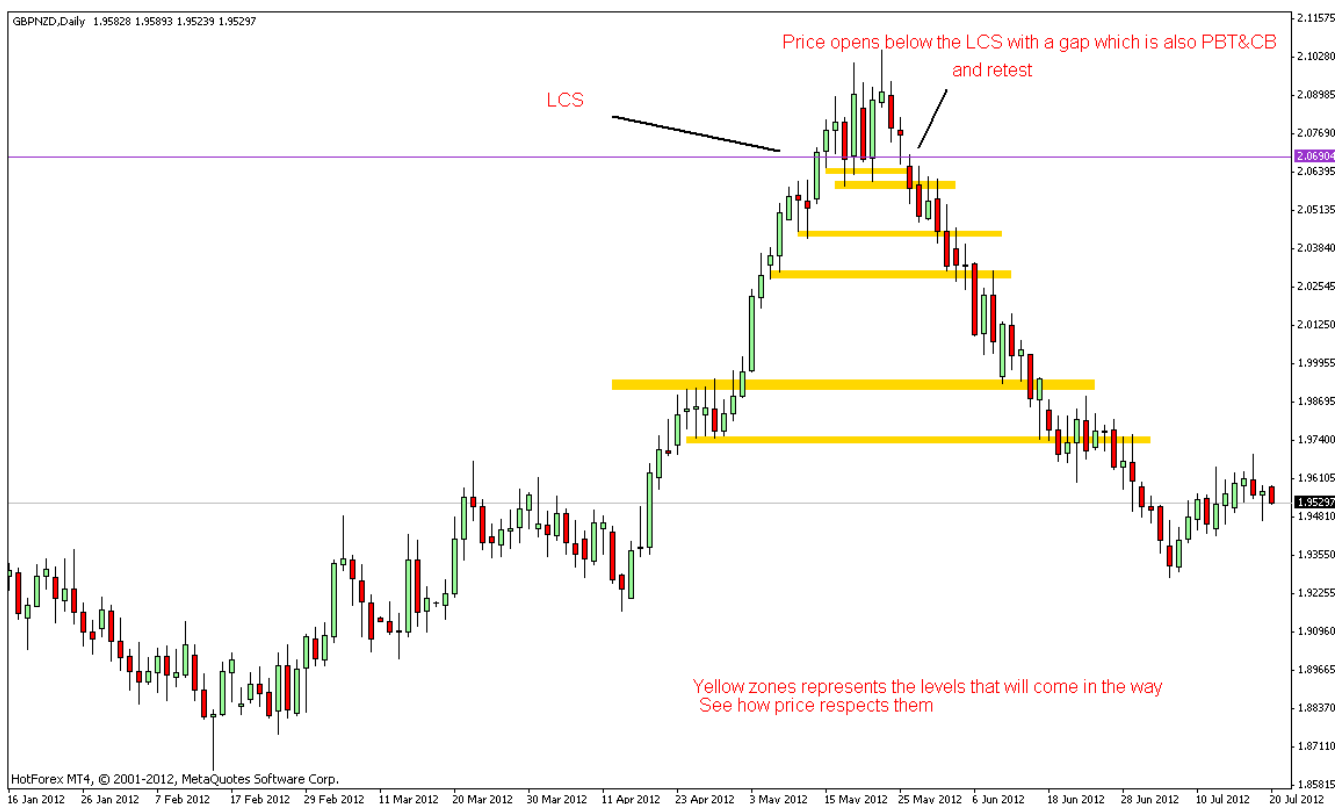
Now , what are tops and bottoms of wick of the most recent candle ? For that , zoom in one more step from the zoom I am currently showing . From the

**candle that triggered entry , start looking left candle by candle and mark the wicks of the recent candles . Skip those candles which have no wicks .
See the charts Below ...**





Another Example of levels



Chapter 8

Initial Stop loss and take profits

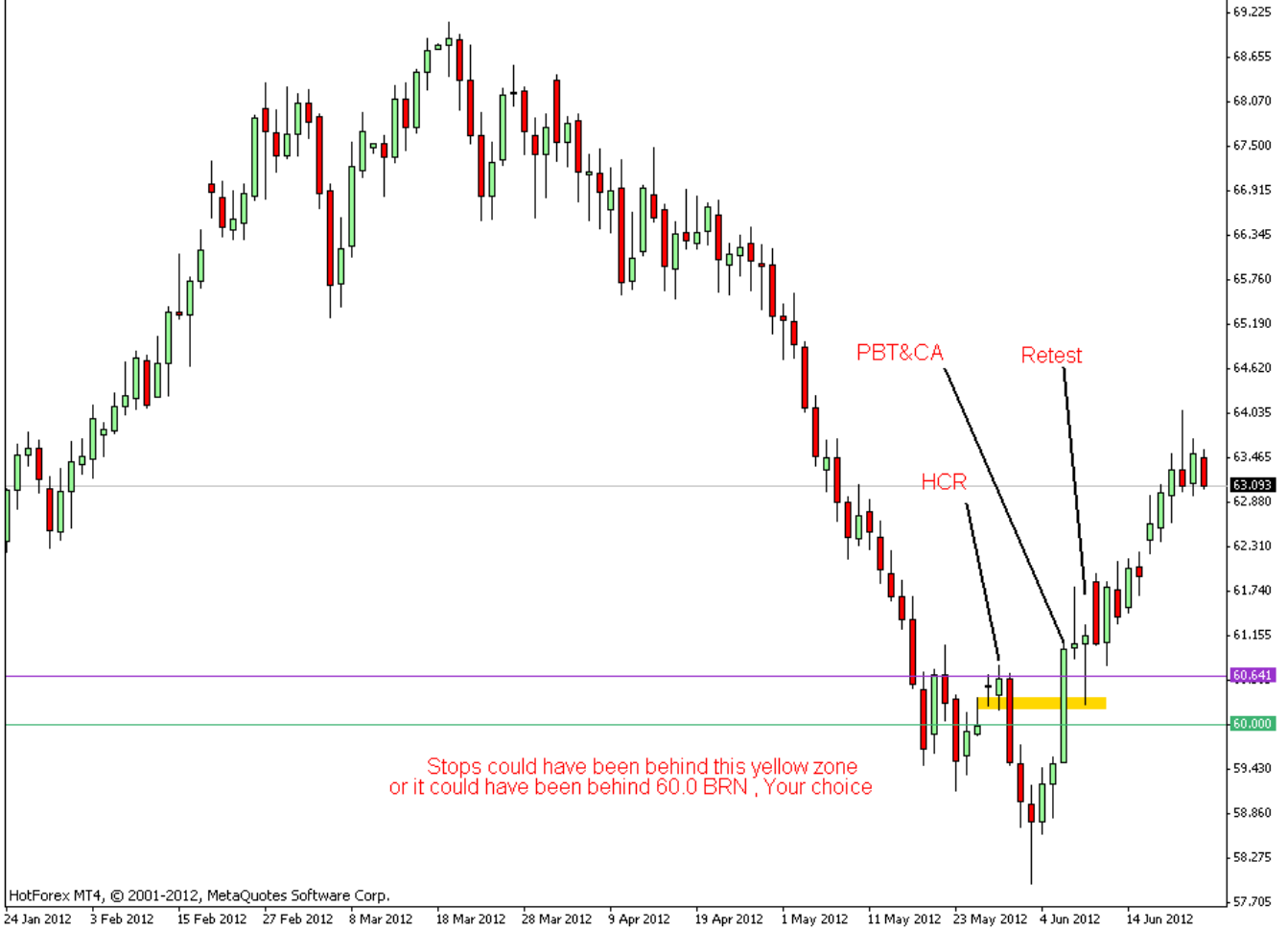
Step 5

There are no take profits here . Manage the trade as I have explained and continue until the trade had been taken out by the market . Simple .

As for stops loss , its simple . Keep stops tight . If stops are kept large , it would destroy the whole concept of this type of trading , which is that we are relying on the level (Whether it be HCR or an LCS) to hold . So , keep stops behind a place that is near to a level that we are entering and will also provide added confluence to protect our stops in case price decides to be a little naughty . This area can be the most recent PPZ . See the charts below .



NZDJPY,Daily 63.463 63.568 63.066 63.093



Chapter 9

Time Frame

For those of you who are familiar with traditional J16 material , you all are probably used to of having days after days of waiting for the right setup to appear . Well , the good news for us Jarrooer's is , we do not have to wait .

Now that you are familiar with this stuff , you can probably know or can figure out how many pairs per day will provide us with opportunities . If you ask me how many trades on average I take on daily bases , I would say about 2- 8 . Some days , there will be many opportunities , some days there will be less . There will rarely be days when there are no opportunities .

Let me tell you , I always trade daily time frame . Suppose , on average I take 30 trades per week , I can guarantee that 18-20 will be winners , 8-9 will be BE and 2-3 will be minor losses as we have our stops very very small . That's how great this stuff is .

The point is , I trade daily time frame . Rarely weekly . So , if daily provides me with so many opportunities , why go to lower time frames in the first place ???

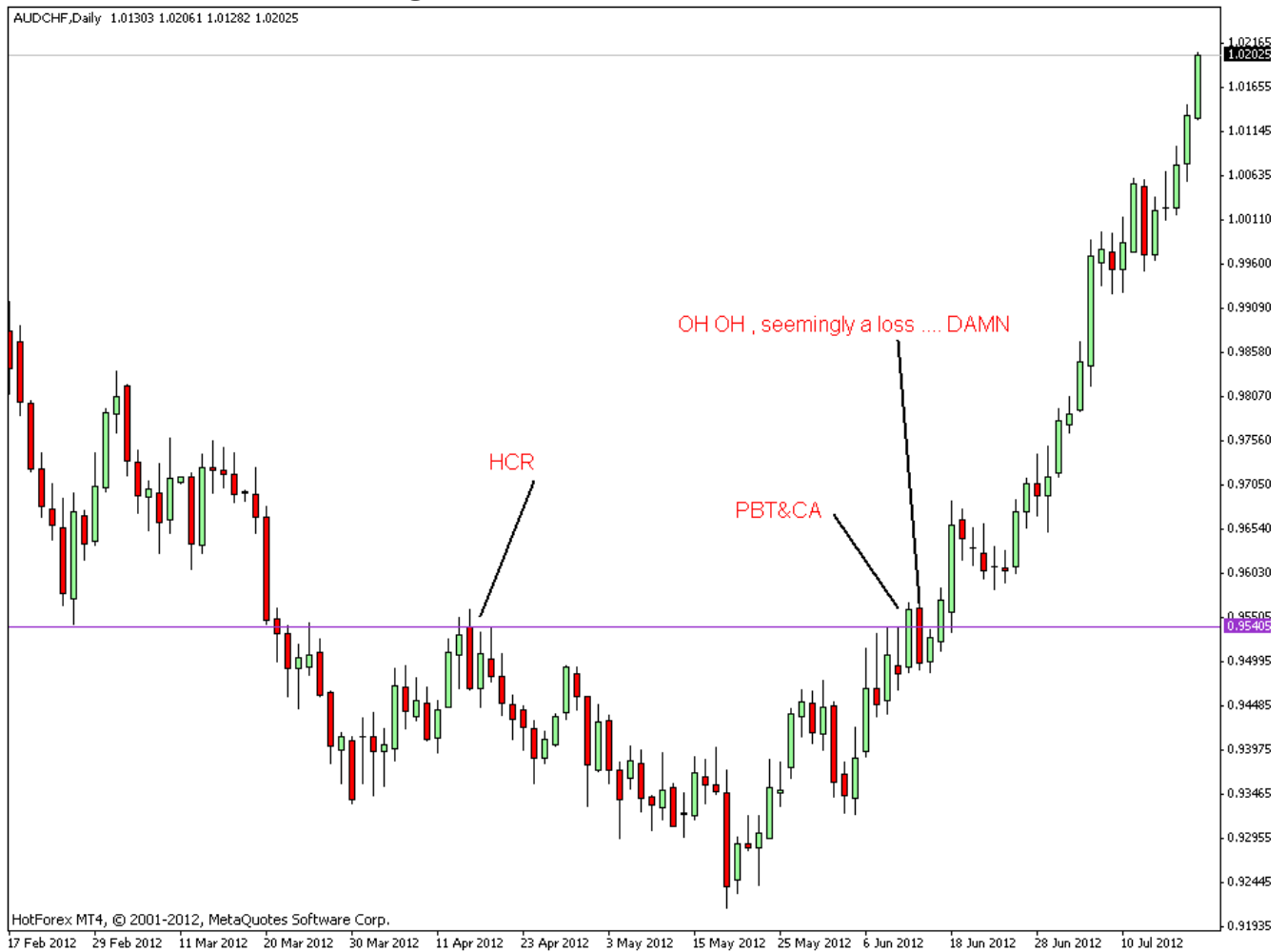
Even Jarroo I think never trades lower then daily , its his stuff . So , what more justification do I need to prove that I am not bluffin ??? This stuff works great with lower time frames also obviously because the concept remains the same , but we never went down as we never had the need to ... SIMPLE .

**So , you also do not ever go down , especially until you are totally handy with what you are doing . Trust me . Once you get used to Daily Time frame , it would be as hard to go down timeframe as its hard for an alcoholic to refrain from alcohol or
(Viewers Discretion)
stop virgin from masturbating :-D**

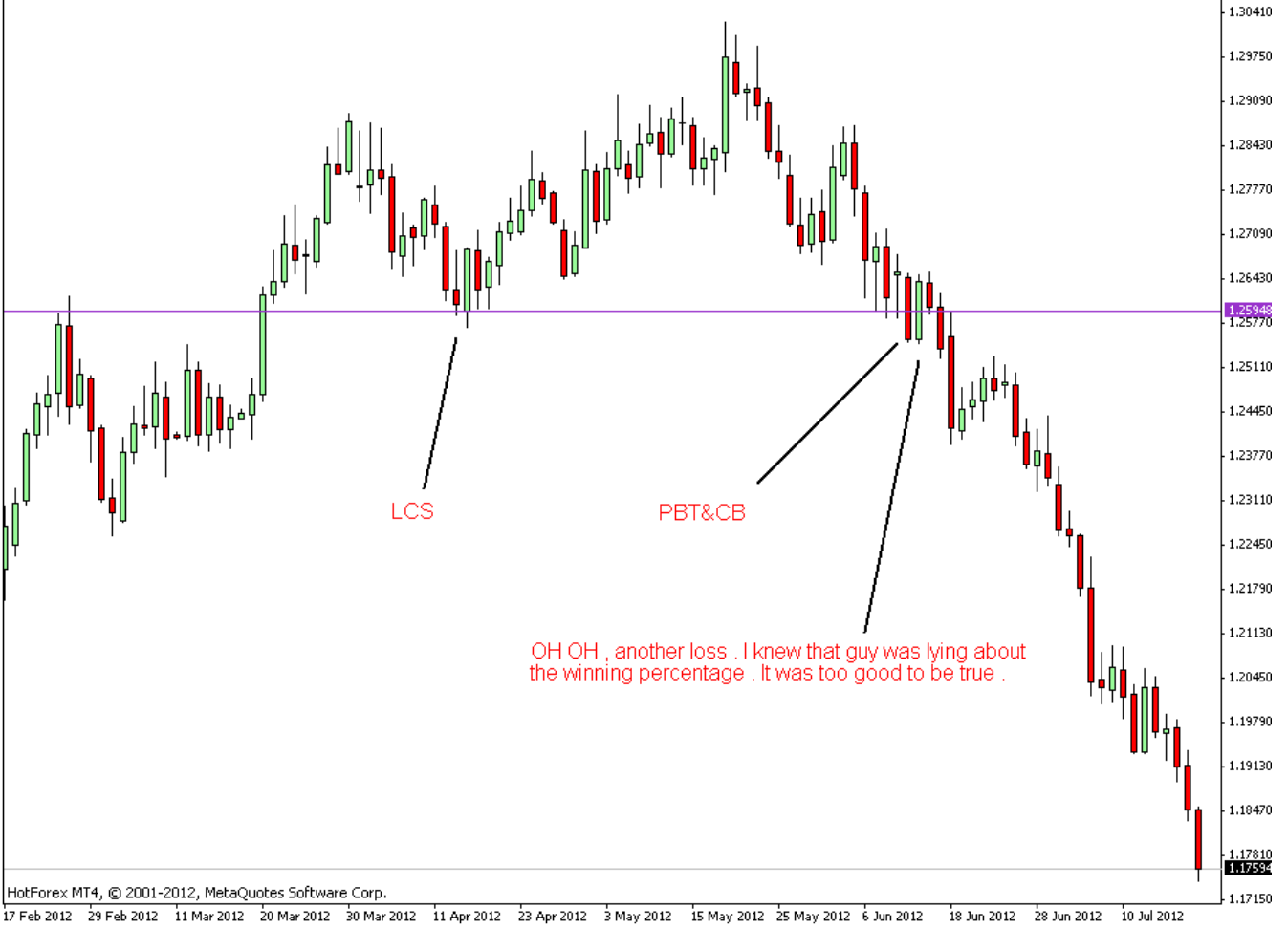
Chapter 10

One more point

While back testing this stuff , you will see situations like these .



EURAUD, Daily 1.18486 1.18530 1.17412 1.17594

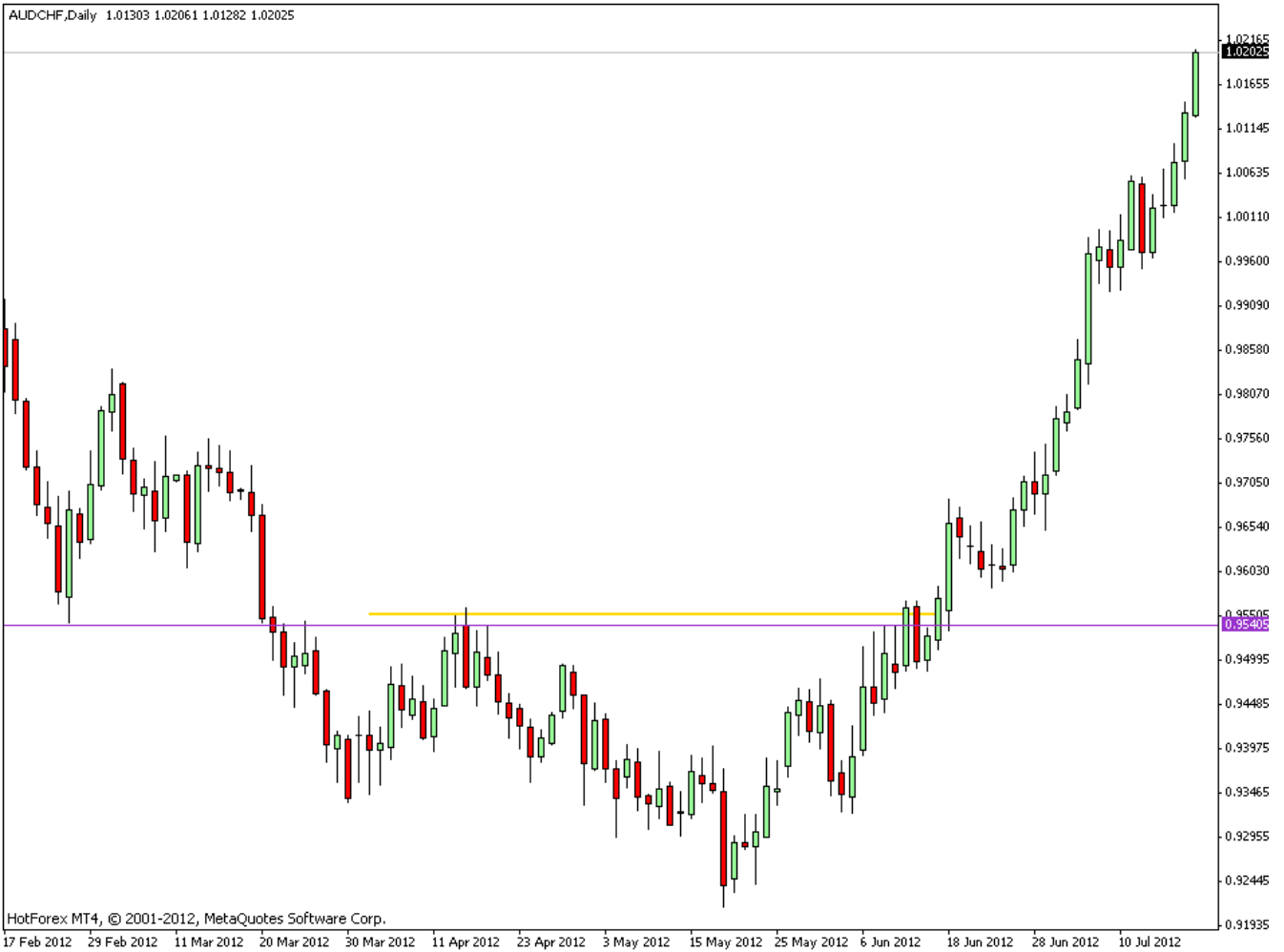
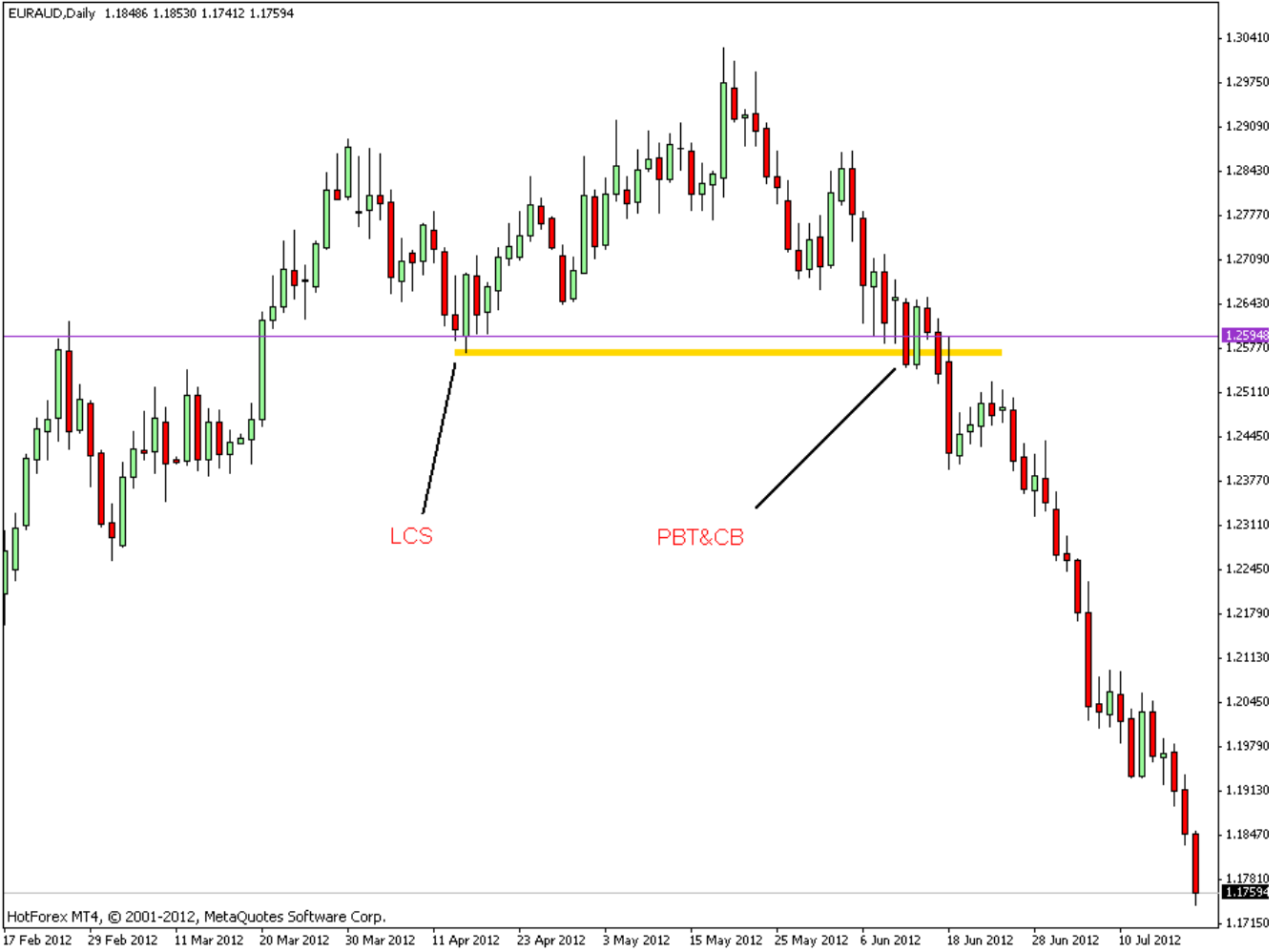


Hold your horses fella's ? WHY SO SERIOUS ???



These are not losses . These are BE's . Losses like I said are rare if you follow the rulez ... Wanna see how they were BE ??? First , Draw the first level on both of them .

Yellow zones would have been the first level on both of them .

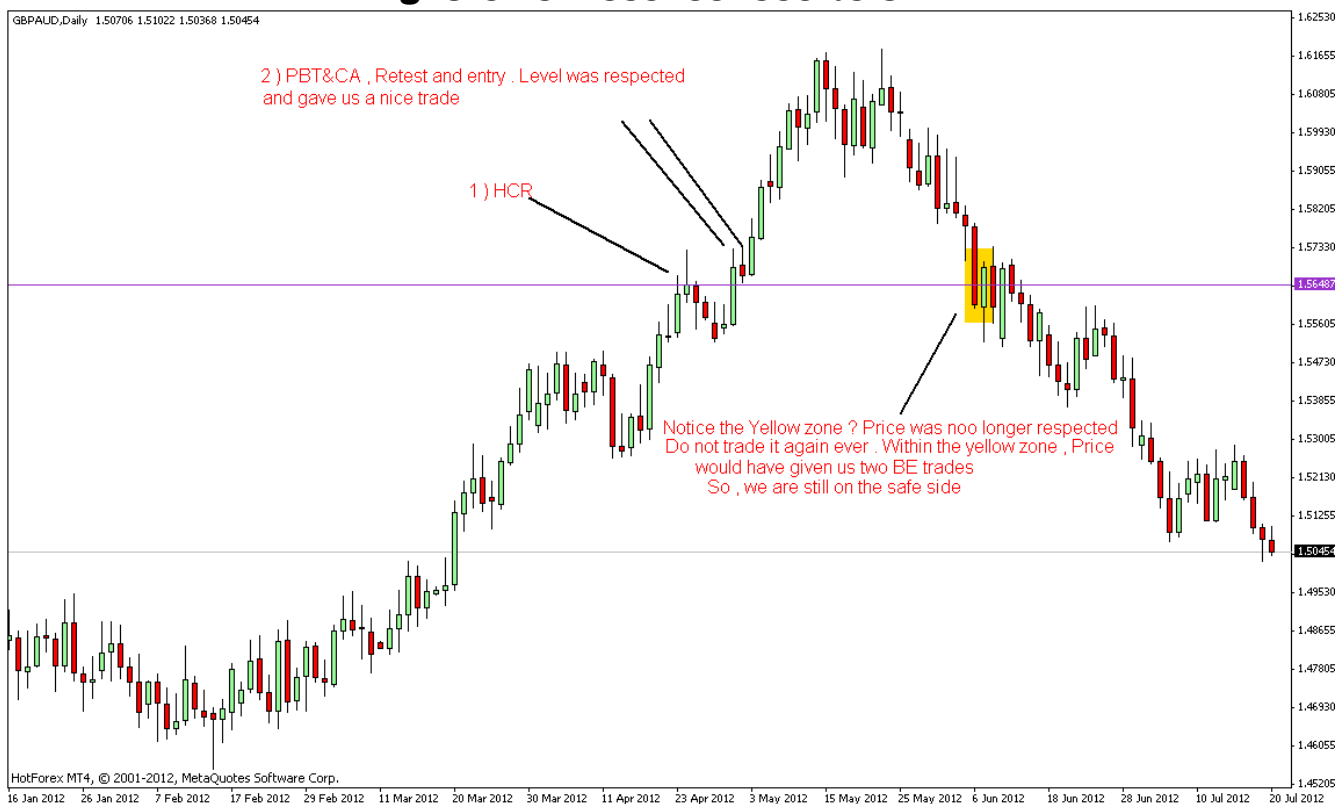


Like I said , what do we do at first level ? GET RISK FREE . In situations like these , you wont be able to see price hitting the first level on the daily time frame as you are just back testing ... Go down to lower time frame (H4 or even H1 if you like) and see the first level being hit ... Draw these same first levels and see for your self

CHAPTER 11

Oh , one more thing

**Very Important question that I almost forgot . Till when is the level Valid ???
Simple , its valid till price respects it . Its invalidated as price starts to ignore its Presence . See below .**



Chapter 12

Examples

Well , that about sums it all up . Everything . Be thankful that you are getting to learn this method . Its the most legit thing ever . Enjoy .
Here are a few recent trades that I took . In all of them , I could have entered a lot earlier , even at the beginning in some . But , I was busy with some personal stuff . Anyways , Happy Trading





