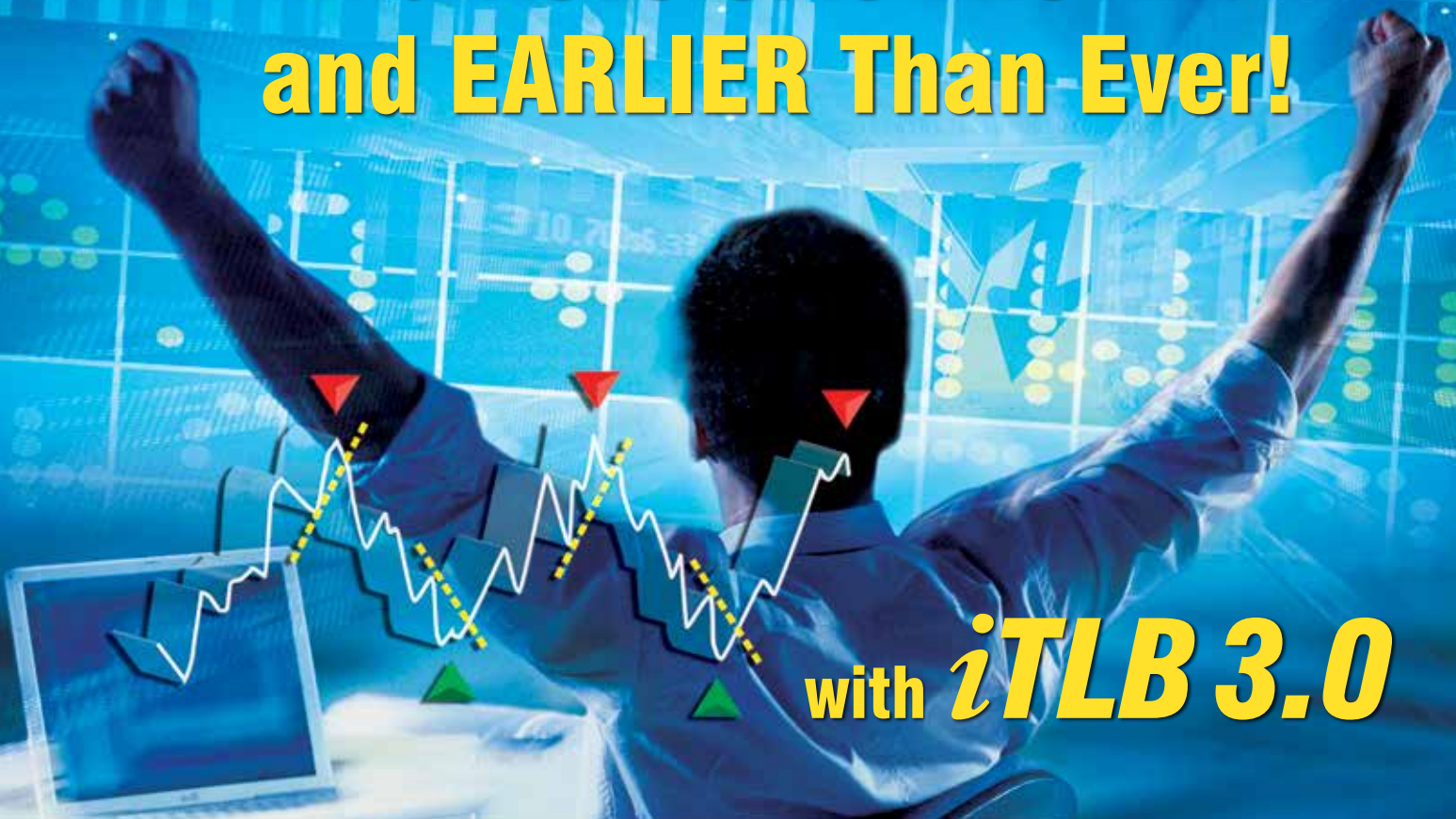


The State Of

NIRVANA



**Find Reversals FASTER
and EARLIER Than Ever!**



with ***iTLB 3.0***

“We remain 100% dedicated to providing state of the art tools that help our customers make money in the market.”

- Ed Downs, CEO and Founder
Nirvana Systems, Inc.



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New in iTLB 3.0

Here at Nirvana, we teach a philosophy called *Trade the Moves*. The really great thing about this method is that it doesn't matter what the market does—if you can catch the *early reversals in trend*—you can make quick, consistent profits.

All of us would like to catch **the first bar of a new move**. In fact, if we could catch it one or two bars AHEAD of the move, that would be fabulous! And that's exactly what the iTLB plug-in is designed to do, by applying Trend Lines to Indicators.

For iTLB 2.0, we applied the iTLB concept to several “oscillators”, including RSI, Stochastics, Momentum, and more. In iTLB 3.0, we added the Bull/Bear indicators. The resulting Systems identify the sharpest, cleanest reversals of any technique available to traders, and the new Bull/Bear Strategy is generating the highest profits of all (see page 5).

But the **BIG NEWS** in iTLB 3.0 is the application of iTLB to Moving Averages. This brand new technique has us very excited, because of the unique characteristics of Moving Averages.

On this page, you can see a few examples. By applying automatic, dynamic Trend Lines to Moving Averages of varying periods, we can get fabulous medium and longer term Signals based on changes in trend direction.

How do the new iTLB Signals compare to Signals on traditional price trend line breaks? There are times when the Moving Average trend lines are very close to price trend lines. However, Moving Averages often filter out noise in the price data, which means a good trend line can be detected even if price movement is somewhat erratic.



Here are some signals on BHI from the new TLB Moving Average (MA) Break Strategy, which uses the iTLB-MA System. Note how well this technique captures excellent entry points on short term trend reversals.



More Signals from the TLB MA Break Strategy on TER. In this case, the moving averages help handle price “noise” and identify the trend. Note how well the Strategy captured the trend reversals.

Trend Line Breaks on Moving Averages!

Trend Lines on Moving Averages are also more adaptive to price movement. When a chart forms a Trading Range, Moving Averages will adapt to the highs and lows formed by the range. When the chart starts trending again, the Moving Averages will space out their reversal point to generate longer term lines.

The Systems provided in iTLB 3.0 are completely configurable. You can create Strategies with any of the five different moving averages in OmniTrader or VisualTrader—Simple, Exponential, Adaptive, Weighted or Zero Lag Exponential (we have found the latter to work best in our testing).

The new iTLB Moving Average System provides outstanding trend-reversal Signals—a perfect complement to the iTLB Signals generated on classic indicators. We call them **Razor Sharp Reversals**; keep reading to discover why!



Outstanding Trend Entries: the TLB MA Break Strategy provides powerful signals in the direction of the primary trend. In this chart, the Strategy identifies short term corrections that provide optimal entry points on PCP.

Razor Sharp Reversals

Many indicators provide *leading information*. Take Momentum for example. This popular indicator measures the movement of prices up or down, forming a plot that rises or falls between two values. What happens if price stops going down?

Notice I didn't say, "What happens if price reverses?" I said, "What happens if price stops going down?" There is a big difference. When price stops going down, momentum turns up, and you can see that in the indicator.

But we only want to trade the best and "sharpest" reversals, which generally occur when Momentum and other indicators decisively break a prior trend. What is the best way to determine a sudden change in trend? A Trend Line Break, of course!



The RSI Trend Line Break (RSI-TLB) System: Sudden reversals in momentum are often indicative of a change in trend. Notice that most of these Signals occur on the earliest possible bar of the reversal.

Trading the Earliest Possible Signal

If you look at the charts on the prior page and this one, you can see the principle at work. The chart to the right is for the CCI TLB System. When Momentum turns up and breaks a line drawn across peaks in the indicator, a very nice, early reversal Signal is usually indicated.

Conversely, when Momentum turns down and breaks an upward-sloping trend line in the indicator, that's usually a good time to go Short. Now, you can get in on the big sell-offs at the earliest possible bar.

The Early Bar Gets the \$\$\$!

This is the first software that automatically generates Trend Line Breaks on indicators, and we understand why! It was a challenge to program. Trend Line Breaks on indicators can fire too many Signals as the indicator "wiggles" and breaks through minor lines. It took a tremendous amount of research and development to identify the earliest, confirmed breaks.

NEW! Bull & Bear Power Strategy

In iTLB 3.0, we have added a new TLB System based on the Bull Power and Bear Power indicators, built by subtracting the 13-day Exponential Moving Average from the day's high or low. This creates an oscillator that lends itself well to TLB analysis.

This new system does a fabulous job of picking early entry points. In recent testing on the S&P 100 we were seeing Hit Rates above 80% for Longs!

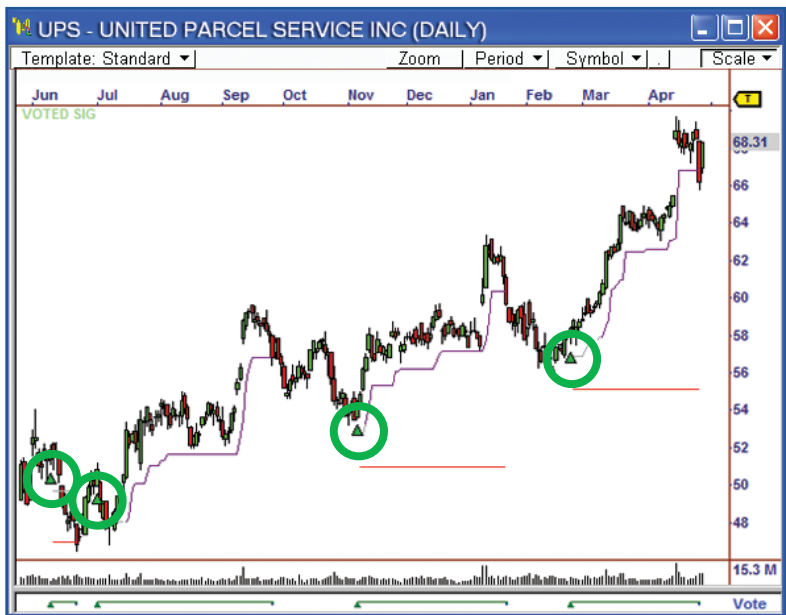
The iTLB systems generate higher odds of calling reversals than any other system in the standard OmniTrader collection, which means your odds of winning are greatly improved. Combine them with other indicators and methods (such as chart patterns) for highly confirmed reversal opportunities.

Trend Line Breaks on Indicators



The Commodity Channel Index (CCI) is another indicator that cycles between overbought and oversold levels. Here is the CCI-TLB system, illustrating profitable reversals on HNZ.

NEW in iTLB 3.0:



The new Bull & Bear Power iTLB Strategy generates longer term signals, using the Bull Power and Bear Power indicators to identify overbought and oversold levels. Trading Signals just don't get much better than this!

Outstanding Reversal Signals

The iTLB Strategies work amazingly well on stocks. The chart to the right shows how well iTLB Strategies can find powerful reversals. In the chart shown, the June downturn in BEAV was detected when 3 of the systems fired Short within a few bars. The Long reversal in late July was fortuitous, as the stock rallied 65% after the Signal.

The iTLB concept also works well on Mutual Funds. Mutual Funds can hold trends for long periods of time and then suddenly reverse. The iTLB method catches these reversals, allowing investors to switch between Mutual Funds at optimal times.

The iTLB 3.0 plug-in is a powerful addition for your OmniTrader tool box. The great thing about OmniTrader is you can activate these Strategies in addition to others you are already using to find the earliest confirmed reversals in your list. iTLB finds reversals quicker than any other method!



Signals on BE Aerospace using the **iTLB Reversal Strategy**. When multiple iTLB systems fire at the same time, there is usually a strong reversal indicated.

STRONG PERFORMANCE

The iTLB Strategies shown here generated 70% to 80% Hit Rates from 5/1/09 to 5/1/10 when tested against stocks in the S&P 100 index.

The new iTLB Strategies were over 75% accurate (statistics generated for Long trades only), with iTLB Bull/Bear generating an accuracy of 82%!

These statistics are impressive when you consider the fact that these are mechanical strategies!

Tests performed on stocks in the S&P 100:

Strategy	Trades	Accuracy
iTLB LNRH Strategy	191	81%
iTLB MACDH Strategy	69	70%
iTLB MFI Strategy	21	76%
iTLB Power Strategy(ST)	110	75%
iTLB Power Strategy(LT)	42	74%
iTLB RSI	123	72%

NEW! in iTLB 3.0:

iTLB Bull/Bear	152	82%
iTLB MA Break	236	76%

The AMAZING *i*TLB2 Power Strategy

Extra Bonus!

Consistently Profitable

The *i*TLB2 Power Strategy works by voting ALL of our *i*TLB Systems together, and only firing Signals when a majority says “BUY” or “SELL” (see example, right). It is simply amazing how well this works. Testing on stocks in the S&P 100, the Strategy has been consistently profitable over the past 5 years. And over the past year, over 74% of the Signals have made money.

An Incredible Value

The *i*TLB2 Power Strategy is just another testament to the power of the *i*TLB concept. In the same way we used the *i*TLB Systems to create *i*TLB Power, you can use them to create your own Strategies in Strategy Builder. The *i*TLB package offers incredible value for our OmniTrader users. I guarantee you won't find ANY System that has shown itself to be this accurate or this profitable at this price.



***i*TLB Power in Action.** When multiple *i*TLB Systems fire Long within a few bars, a Long Signal is generated. A STRONG MOVE usually follows from this point, as shown in this chart for KLIC.



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iTLB 3.0

Indicator Trend Line Break Plug-in

