

Harness the Power of Relative Strength

with Ed Downs





Part II
Trading Relative Strength
End of Day

What you will learn in Part II

What will be covered:

Agenda:

- The Daily Process
- Assess the Market
- Flag Positions
- Confirming Techniques
- Entries & Exits
- When to Trade, When to Step Aside and when to **STEP ON THE GAS!**



Preparations

- Activate the OmniScans
 - HRS Strength
 - HRS Weakness
 - HRS Launch
 - HRS Down

The screenshot shows the Focus List software interface. The main window is titled "Focus List" and displays a table of symbols and their corresponding strategies. The "Data Source" is set to "OmniScan". The "Starting Population" section shows a list of symbols and their counts. The "Criteria Rules" section shows a list of rules and their counts. The "Sort Value" section shows a list of rules and their counts.

Symbol	SortVal	Sig	Strategy
OMI	22.11	▲	HRS Breakou
BOIL	12.17		
CRDF	9.50	↑	HRS Breakou
FLWS	9.03		
LULU	9.00	↑	HRS Reverse
CVNA	8.88	↑	HRS Reverse
TQQQ	7.95		
CVET	7.85	↑	HRS PullBac
JKS	7.59		
DOCU	7.42		
UNG	7.20		
BGS	6.59		
MCHX	6.30	↑	HRS PullBac
CONN	6.02		
MOBL	5.76	▲	HRS Breakou
FLGT	5.76		
CTRA	5.64	↑	HRS Breakou
NTRA	5.57		
ROM	4.99		
GME	4.84	↑	HRS Breakou
TWTR	4.74	↑	HRS Breakou
QLD	4.55		
GSHD	4.52	▲	HRS Reverse
WDAY	4.20		
PETQ	4.17	▲	HRS Reverse
ZS	3.81		
TWST	3.70	▲	HRS Breakou
HTHT	3.55		
NEW	3.53		
FTT	3.53	▲	HRS Down

The "My Symbols Lists" section shows a tree view of lists:

- My Symbols (Count: 32)
- My Custom Groups
 - Custom Lists
 - HRS Launch (Count: 50)
 - HRS Strength (Count: 50)
 - Big Gaps (Count: 100)
 - CP57 Support Resistance Reversals (Count: 30)
 - CP57 Volume Climax (Count: 0)
 - CP57 Saucers (Count: 3)
 - CP57 Gaps (Count: 29)
 - CP57 Support Resistance Reversals (Count: 17)
 - CP57 Support Resistance Breaks (Count: 25)
 - CP57 Fibonacci Retracements (Count: 30)
 - CP57 Consolidations (Count: 30)
 - CP57 Trend Line Reversals (Count: 30)
 - CP57 Trend Line Breaks (Count: 30)
 - Pattern: Consolidations (Count: 30)
 - Resilient (Count: 30)
 - TP Down (Count: 30)
 - TP Up (Count: 100)
 - Trade Strong - RT Movers (Count: 4)
 - Trade Strong - Resilient Stocks (Count: 2,414)
 - Trade Strong - Falling Stocks (Count: 100)
 - Big Losers (Count: 30)
 - Top Down Trend (Count: 60)
 - Top Down Pull-Backs (Count: 21)
 - Keltner Shorts (Count: 48)
 - Keltner Longs (Count: 34)
 - RSI Below 20 (Count: 68)
 - RSI Above 80 (Count: 629)
 - Donchian Down (Count: 23)
 - Donchian Up (Count: 667)
 - FTT Scan DO (Count: 109)

The "Starting Population" section shows a table of list names and counts:

List Names	Count	Add	Delete
All Optionable U.S. Stocks & ETFs	4,343		

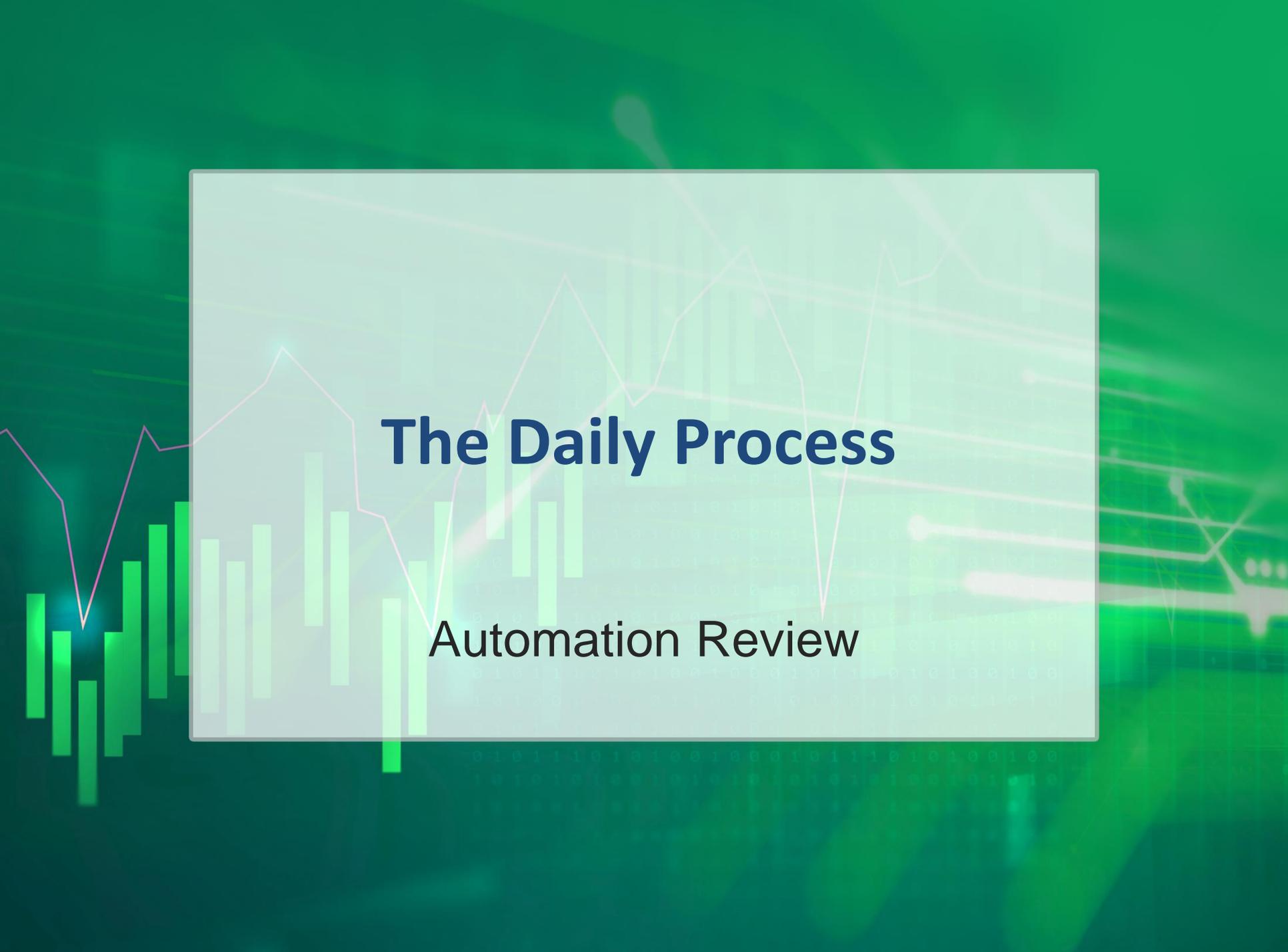
The "Criteria Rules" section shows a table of rules and counts:

Rules	Symbol	Count	Edit	Delete
avg(C,14)*avg(V,14)>100000	Current	4163		
C > HRS_PBL(3) and HRS...	Current	383		

The "Sort Value" section shows a list of rules and counts:

Sort Value	Count
HRS_DIFF (14, 3) - HRS_DIFF (1	68
	629
	23
	667
	109

OmniScans gives us lists that are “poised for action” in various modes.



The Daily Process

Automation Review

Daily Process Summary

Harness the Power
in just 10-20 Minutes:

- ✓ Run the To-Do List
- ✓ Assess the Market
- ✓ Review Positions
- ✓ Review Signals from OmniScan Lists
- ✓ Enter Trades



Relative Strength and other Special Indicators make it easy.

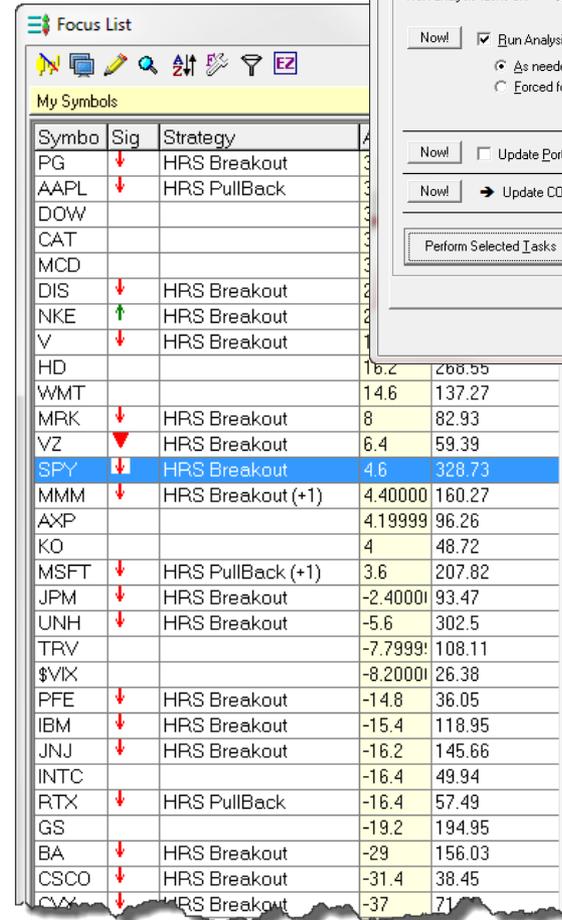


The ToDo List

We want to make sure:

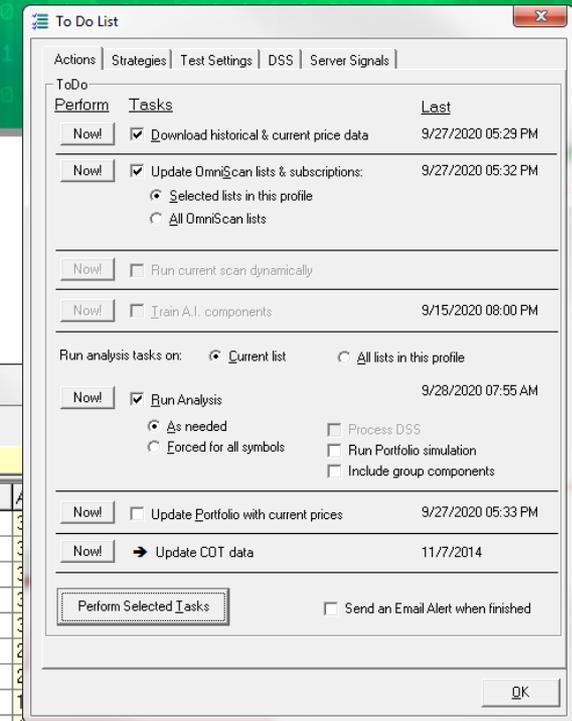
- Our Data is Updated
- Lists Refreshed
- Positions Updated
- Signals Generated

OmniTrader's To-Do List with OmniScans updates the Focus List automatically.



The Focus List window displays a table with the following columns: Symbol, Signal (Sig), Strategy, and Price. The table lists various symbols and their corresponding strategies and signals.

Symbol	Sig	Strategy	Price
PG	↓	HRS Breakout	
AAPL	↓	HRS PullBack	
DOW			
CAT			
MCD			
DIS	↓	HRS Breakout	
NKE	↑	HRS Breakout	
V	↓	HRS Breakout	
HD			16.2 268.55
WMT			14.6 137.27
MRK	↓	HRS Breakout	8 82.93
VZ	↓	HRS Breakout	6.4 59.39
SPY	↓	HRS Breakout	4.6 328.73
MMM	↓	HRS Breakout (+1)	4.40000 160.27
AXP			4.19999 96.26
KO			4 48.72
MSFT	↓	HRS PullBack (+1)	3.6 207.82
JPM	↓	HRS Breakout	-2.4000 93.47
UNH	↓	HRS Breakout	-5.6 302.5
TRV			-7.7999 108.11
\$VIX			-8.2000 26.38
PFE	↓	HRS Breakout	-14.8 36.05
IBM	↓	HRS Breakout	-15.4 118.95
JNJ	↓	HRS Breakout	-16.2 145.66
INTC			-16.4 49.94
RTX	↓	HRS PullBack	-16.4 57.49
GS			-19.2 194.95
BA	↓	HRS Breakout	-29 156.03
CSCO	↓	HRS Breakout	-31.4 38.45
CYX	↓	HRS Breakout	-37 71



The To Do List window displays a list of tasks to be performed, including downloading historical data, updating OmniScan lists, and running analysis tasks.

Task	Last
Download historical & current price data	9/27/2020 05:29 PM
Update OmniScan lists & subscriptions: • Selected lists in this profile • All OmniScan lists	9/27/2020 05:32 PM
Run current scan dynamically	
Train A.I. components	9/15/2020 08:00 PM
Run analysis tasks on: • Current list • All lists in this profile	
Run Analysis • As needed • Forced for all symbols	9/28/2020 07:55 AM
Process DSS Run Portfolio simulation Include group components	
Update Portfolio with current prices	9/27/2020 05:33 PM
Update COT data	11/7/2014

To-Do List

Focus List



Assess the Market

It's All About Timing

The HRS_MKT Indicator

HRS_MKT(6) uses 6 Prior Bar Levels (PBLs) to determine current market condition.

The HRS Market Template plots this indicator as well as a **20p Moving Average**.

Establish Support/Resistance Lines around the **Break Bar** (where HRS_MKT goes to ± 6).



Trading Rules

Using an Index Symbol...

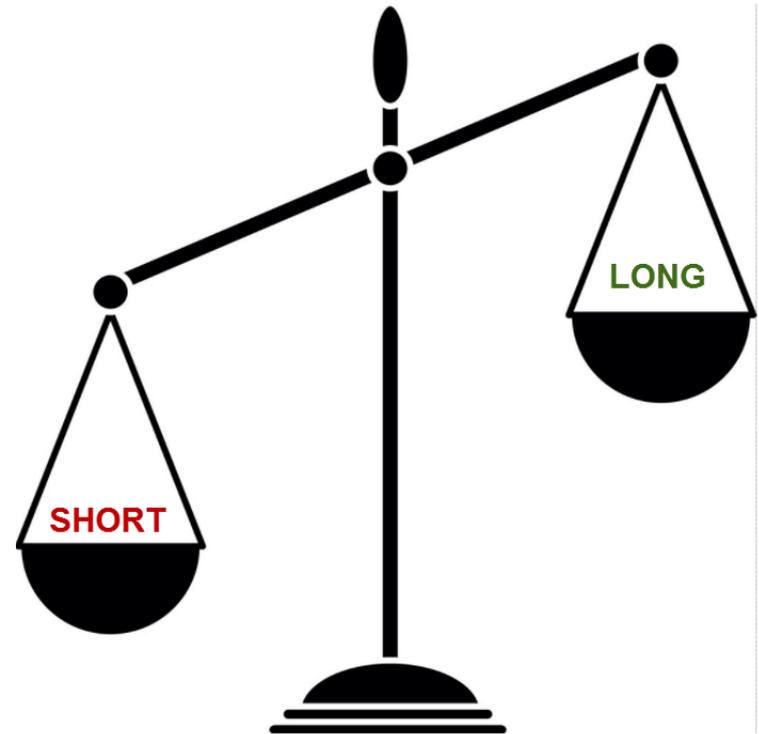
- Establish Break Lines on Extreme Moves of **HRS_MKT** and Add to Positions when broken.
- Add Positions on Pull-Backs to the **20p ZMA**

Exiting Positions

- The **Adaptive Trade Plan** is Normally Used.

Long vs. Short Balance

- Following these Rules should establish a **natural balance** in the direction of the market.





Flag Positions to Consider for Entry

Using the Right OmniScan

Invest with HRS Strength

The **HRS Strength** OmniScan can be used for position trading.

Nearly all candidates will be in very strong up-trends like this stock.

Hedging can be accomplished with **HRS Weakness**.





Confirm the Signals

Increase Your Accuracy

Confirmation

Confirmers:

HRS_ACC Turning Up

- indicates increased accumulation of Relative Strength

HRS_DIFF Green

- indicates high current Relative Strength

Chart Patterns:

- Consolidations
- Retracements
- Support/Resistance

Avoid Trading into Earnings.





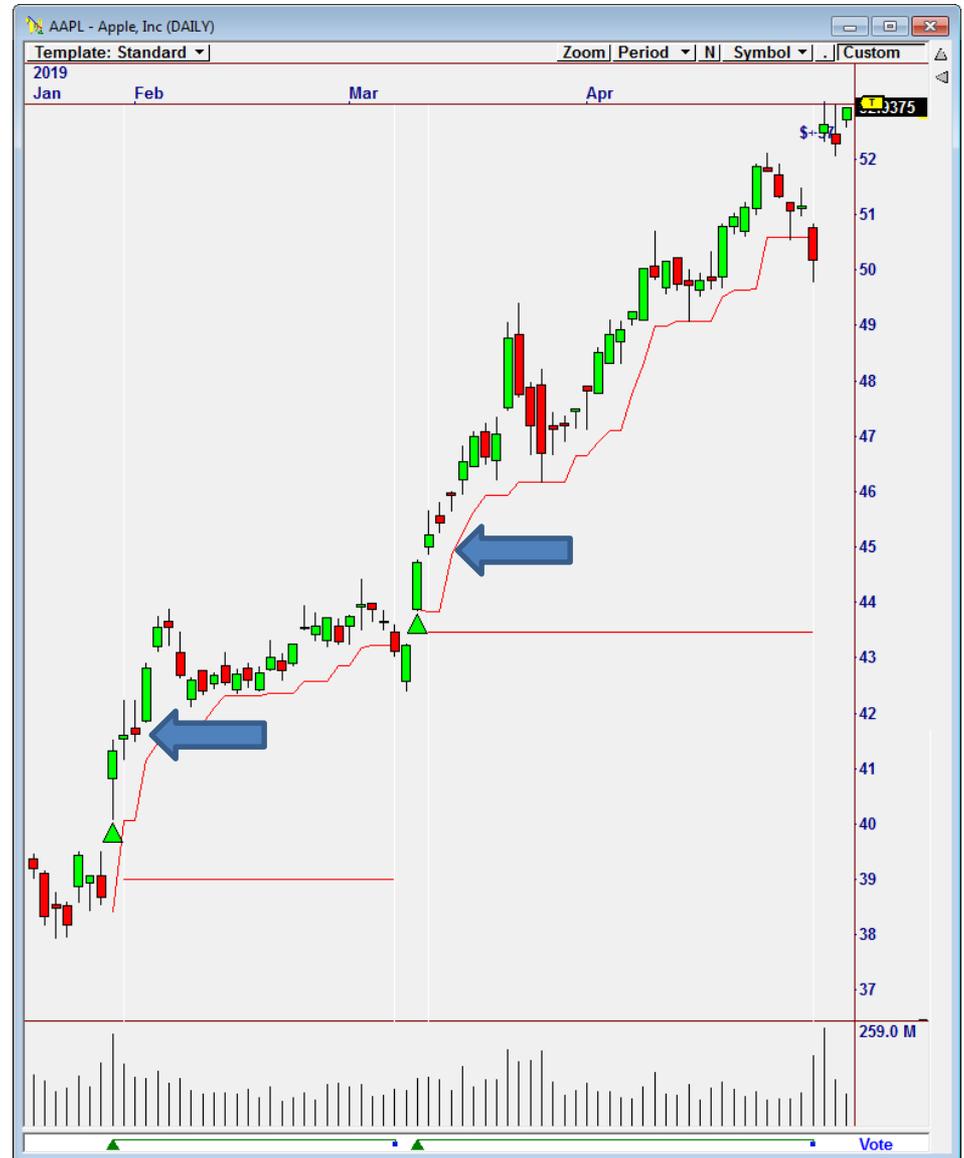
**Enter/Exit Trades:
MOC or MOO?**

Getting a Jump on the Market

MOC is (slightly) better.

Strong Technical Signals are often followed by very strong impulse moves the next session.

Entering before the Close increases the chance for additional overnight movement.



The background features a dark green gradient with faint, glowing white and light green lines representing data trends and network connections. On the left side, there are stylized green bar charts and a pink line graph. The overall aesthetic is high-tech and data-driven.

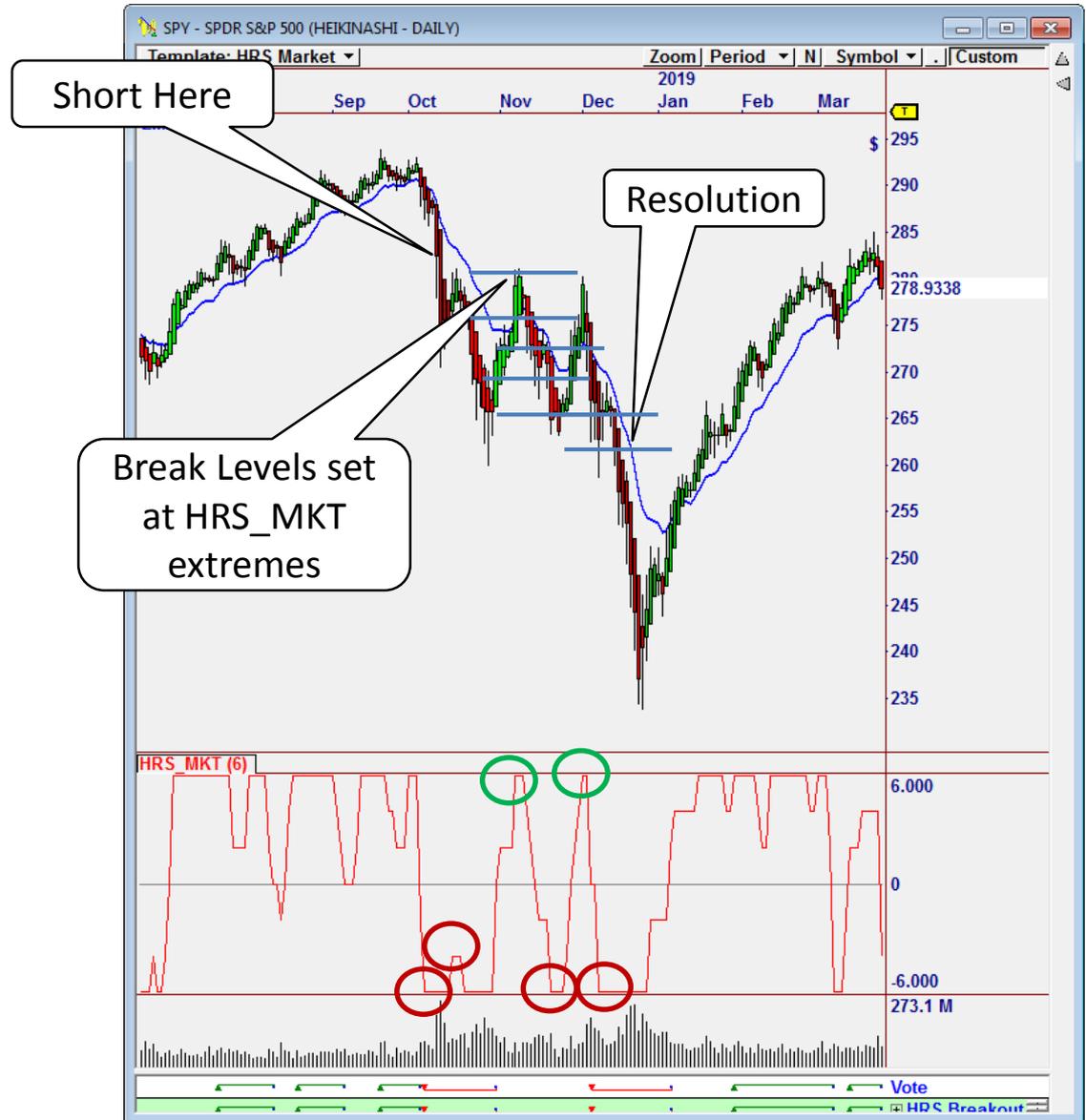
When to Stop Trading. When to Step on the Gas!

Timing our Actions with Relative Strength

When to Stop Trading

When a strong move to ± 6 is encountered, we use Break Bars to establish Break Levels.

Wait until the Break Level is crossed.



Consensus Signals that say "GO."

If the majority of Signals are long or short from a market index (like the DJIA, shown here).

These often predict large moves in the given direction – a good time to increase positions in that direction.



A Large Number of Signals in the Same Direction almost always means a move will follow.



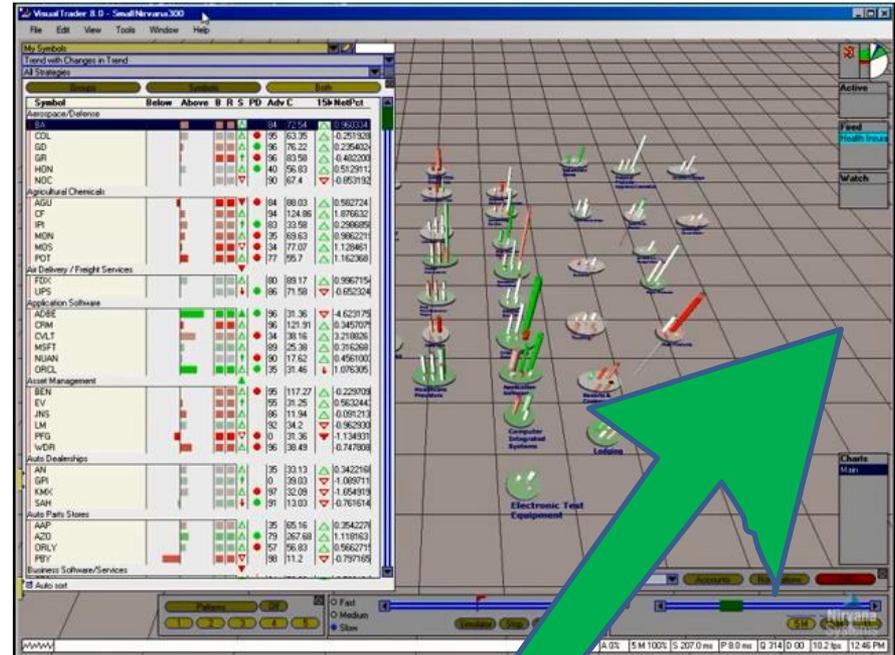
What's Next for “Harnessing the Power?”

A Preview of Part III

What's Next

Part III – Trading Relative Strength in Real Time

- Trading with Relative Strength in Real Time
- Why VisualTrader?
- The VisualTrader Setup
- Understanding the HRS Transform
- Using the List
- Using Alerts
- Practicing in the Simulator



Harness the Power of Relative Strength

with Ed Downs

