



CHAOS ANALYSIS

INTRODUCTION

➤ **THE CREATOR OF
CHAOS SYSTEM**

- Bill M. Williams, Ph.D., is the founder of the Profitunity Trading Group
- Leader in the education of traders and investors
- He is a trader with over 49 years of experience
- He has taught seminars throughout Europe, Asia and the United States on subjects including the Fractal of the Elliott Wave, the MFI, the Wise Men, and the Profitunity "Alligator."



**2nd BEST
TRADER
IN THE
WORLD !!!**

Bill William trading group has done more than 20 years of intensive research into applying the new science of chaos to the world of stock and commodity trading

Name: Justine Williams-Lara

**President of the Profitunity
Trading Group**

**Experienced 14 years in both the
stock and commodity**

**She has trained over one
thousand traders**

**Teaches all Private Tutorial
classes in her office in Southern
California**

**Specialty: teaching new traders
how to become consistent
winners in the markets**



**SHE
REALLY
ROCK
MY WORLD !!**

**IF YOU ARE READY TO
LEARN, WE CAN TEACH YOU
RIGHT NOW!**

"LET GO YOUR MIND"

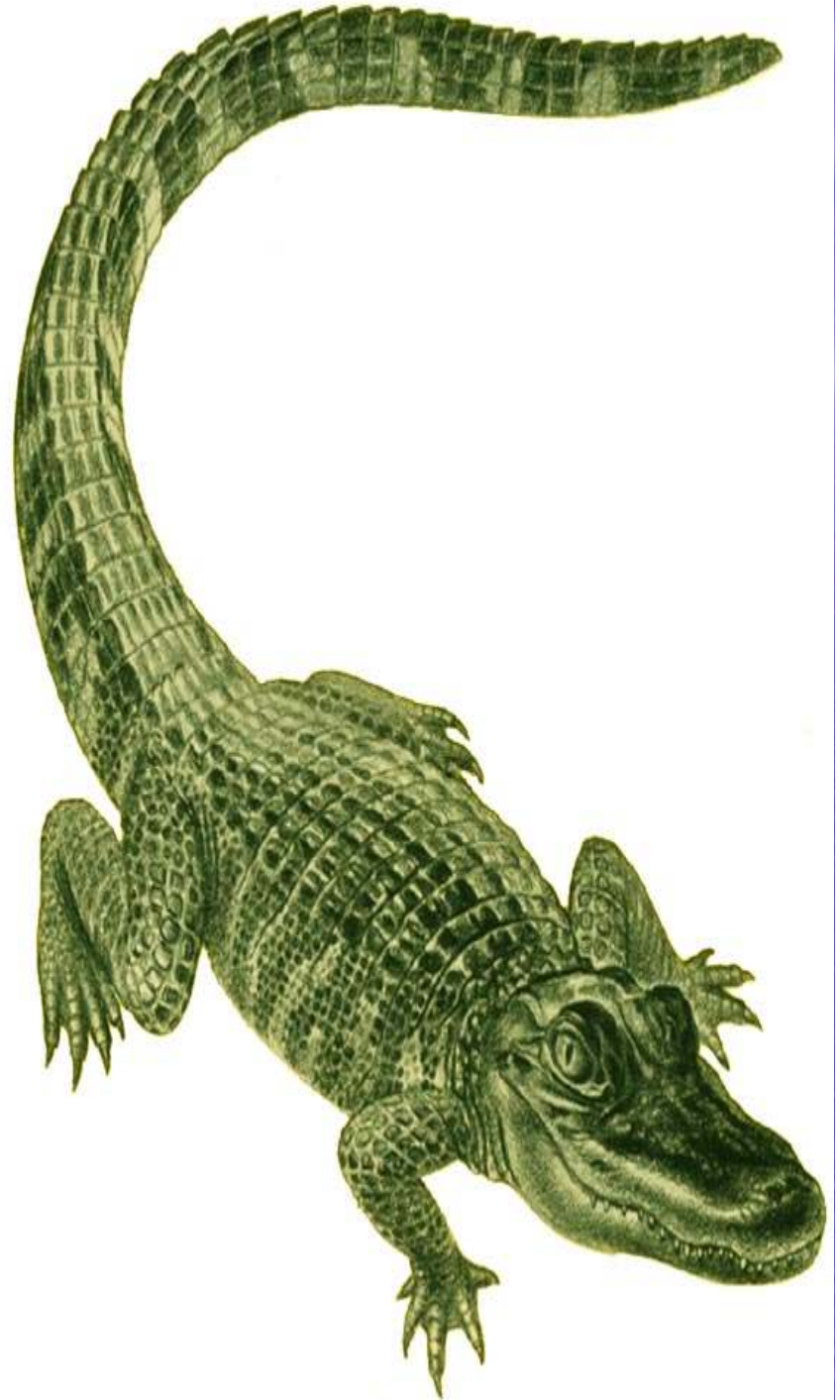
TRADING IS SIMPLE !!!

TRADING IS SIMPLE !!!

WHAT YOU WILL LEARN TODAY ??

- **The Mighty Alligator**
- **The First Wise Man**
- **The Second Wise Man**
- **The Third Wise Man**

The Mighty Alligator



OUR GOALS FOR TODAY

- **Introduce the Alligator (Gator)**
- **Understand traders' biggest problem**
- **Discuss Anatomy of the alligator**
- **How to set up "Gator" on chart**

THE MIGHTY ALLIGATOR

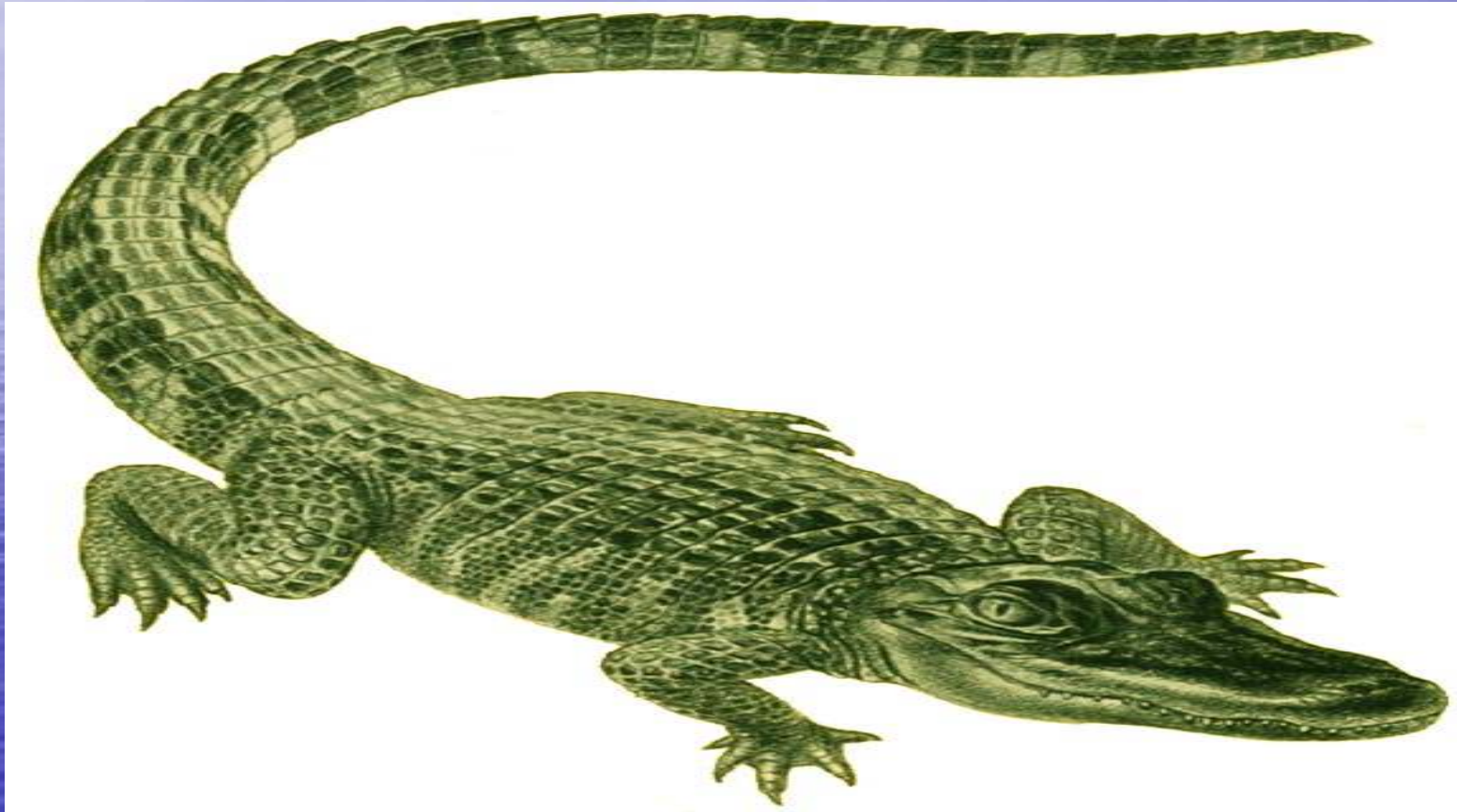
Our Compass and Odds Maker

- Serves as a compass to keep us trading in the appropriate direction regardless of which way the immediate price is moving

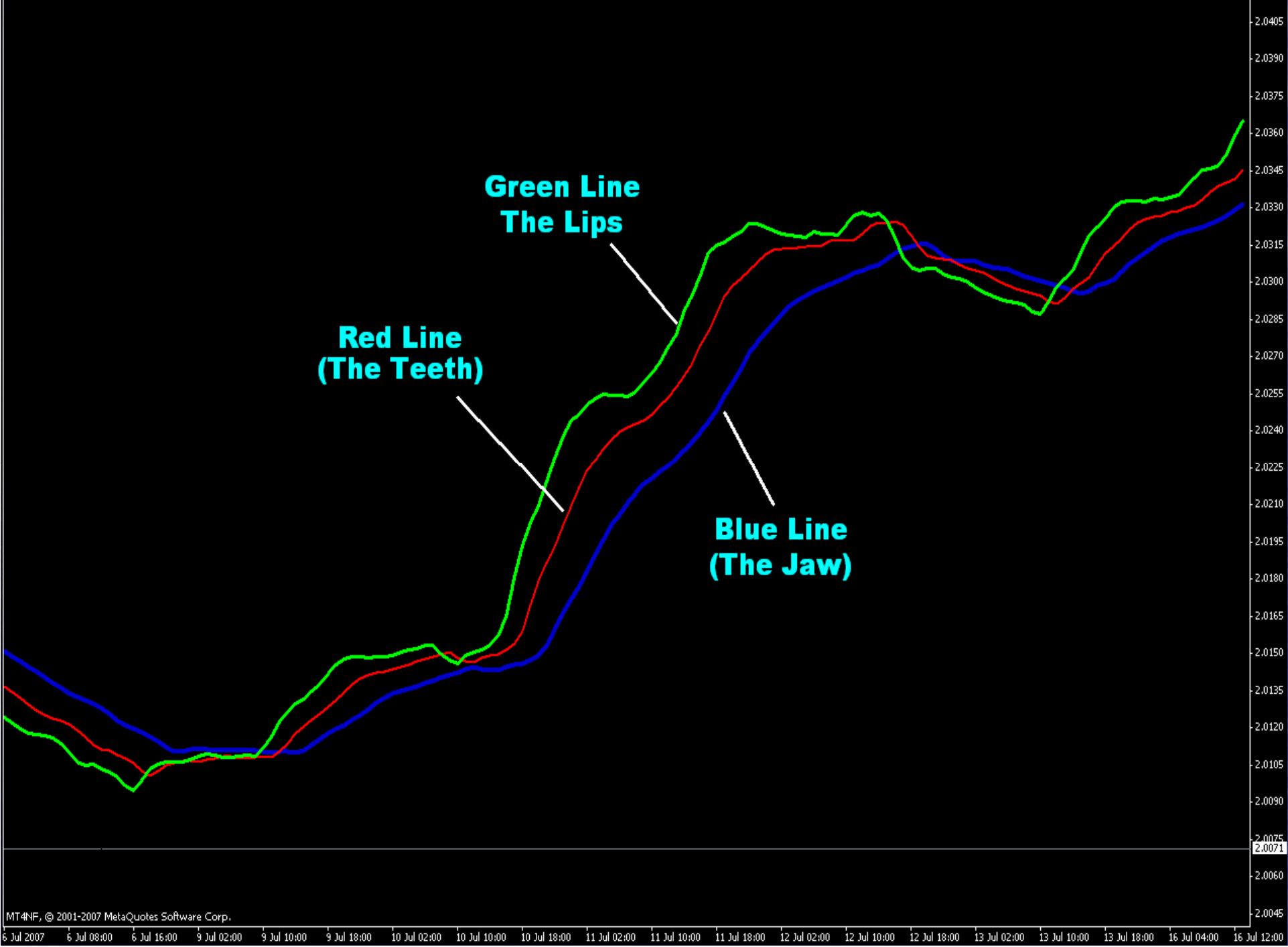
Traders' biggest problem

- MAKING PROFITS is not a problem
- KEEPING PROFITS is the biggest problem
- Traders often say “making money is easy, keeping it is hard”
- There IS a solution and we call it...

" The Alligator "

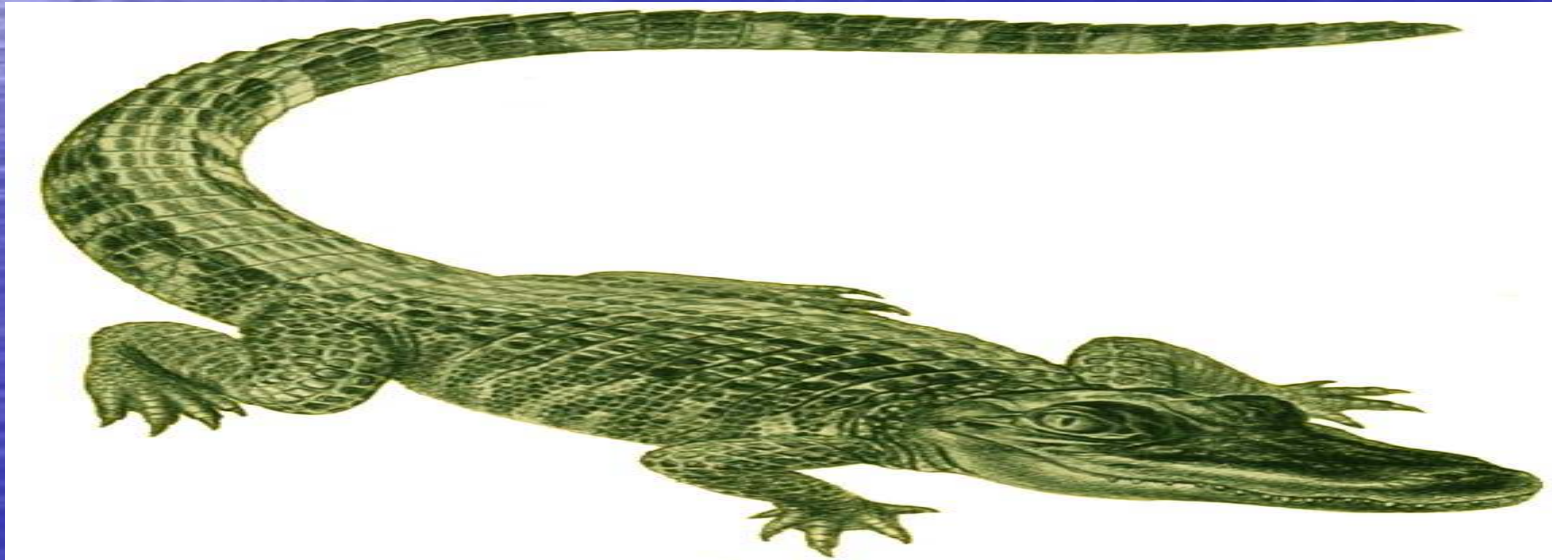


GBPUSD,H1 2.0099 2.0104 2.0071 2.0071



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SET UP ALLIGATOR



Why use the Alligator?

- To monitor the market's momentum
- **Simple indicator** – trend starts & stops
- **Protection device** – not to lose money during non-trending, ranging market
- Provides an advanced indicator signal – **Wise Man Signal**

Next Goals

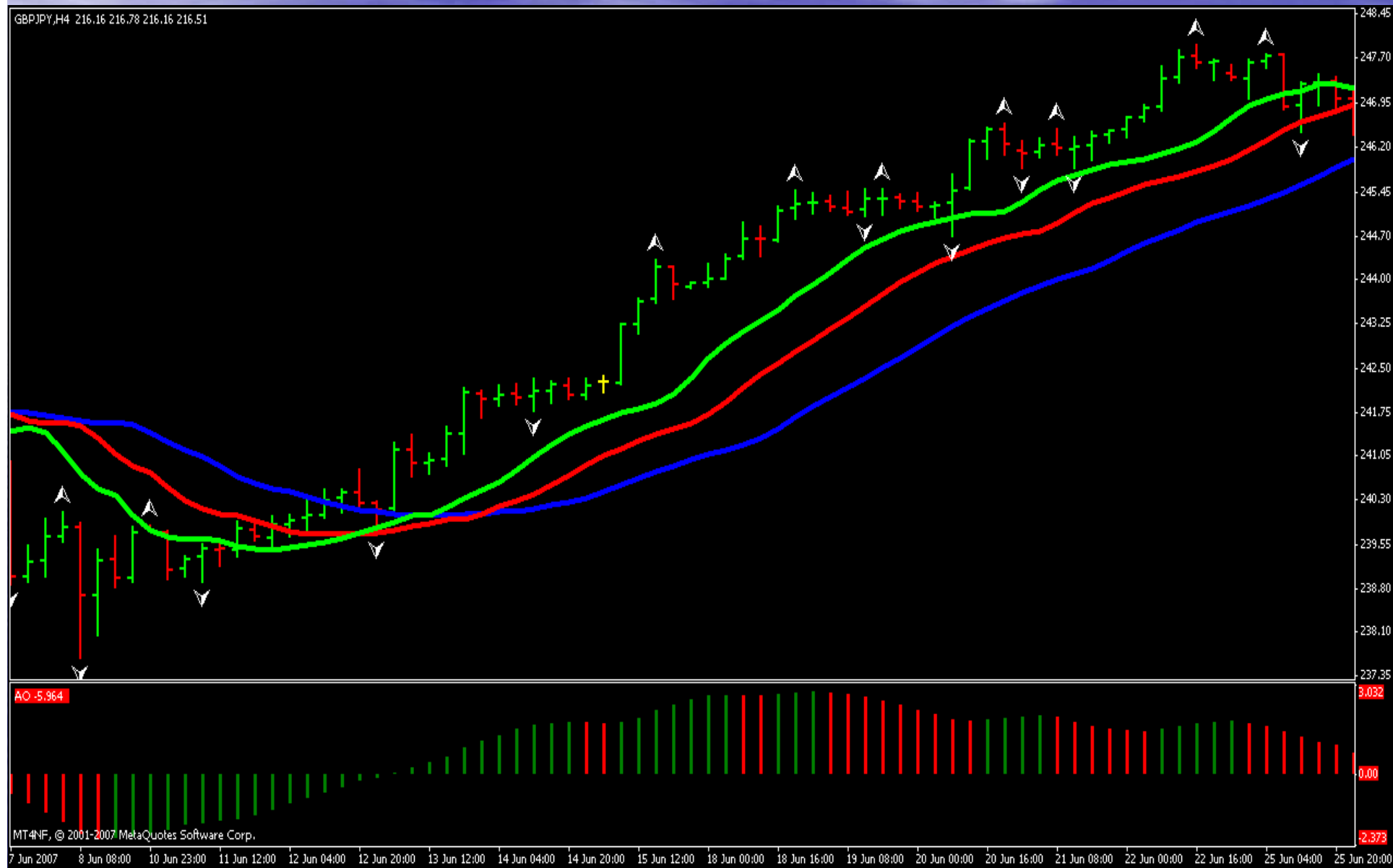
- Understand how the **“Gator”** works and behaves on the chart
- How to use the **“Gator”** to **filter our trades**

Using the alligator on a Chart

Trending Market – the lines of gator will be open

Corrective/ranging – Gator lines are interwinning

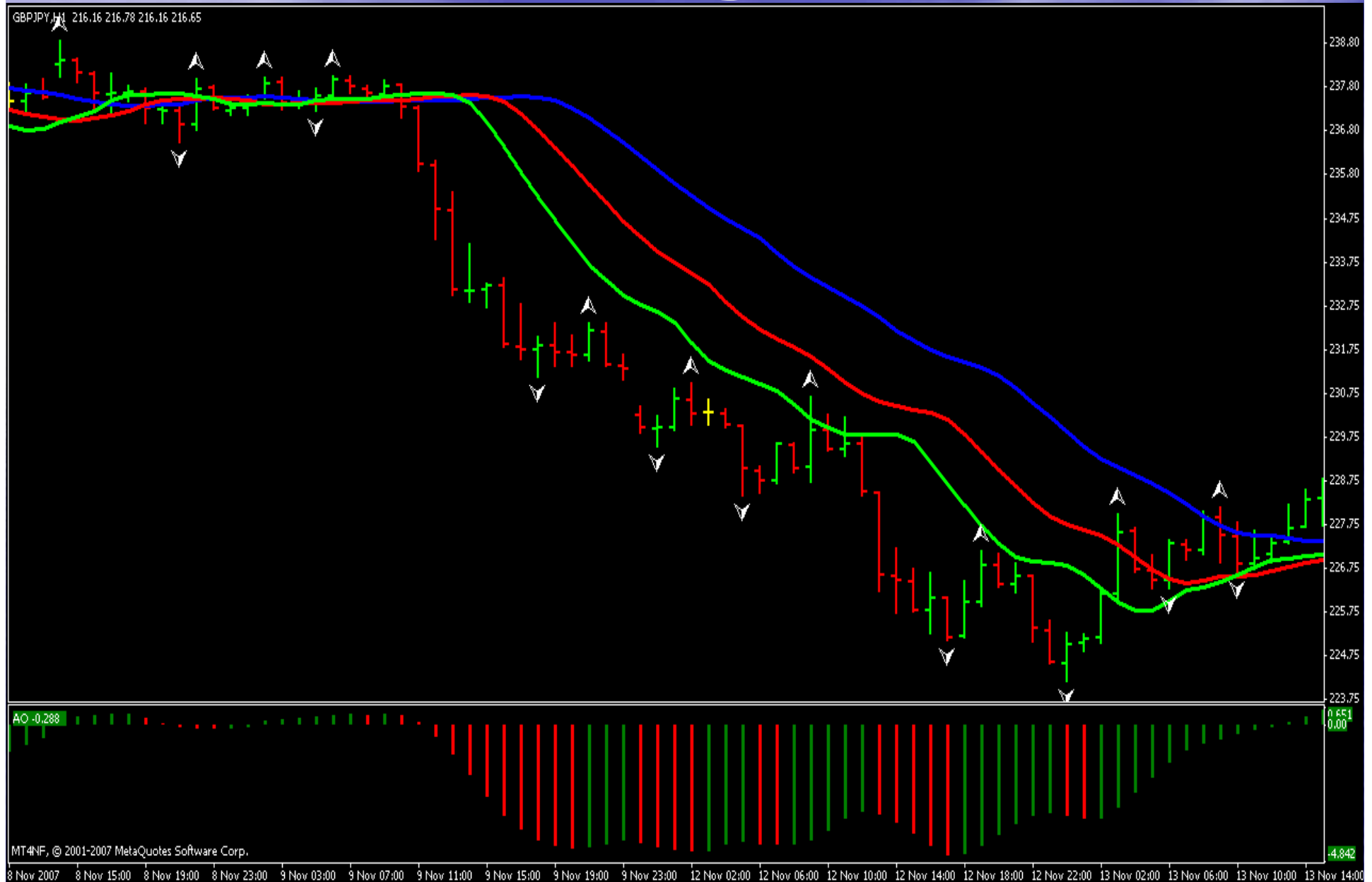
The Trending Gator 1



The Trending Gator 2



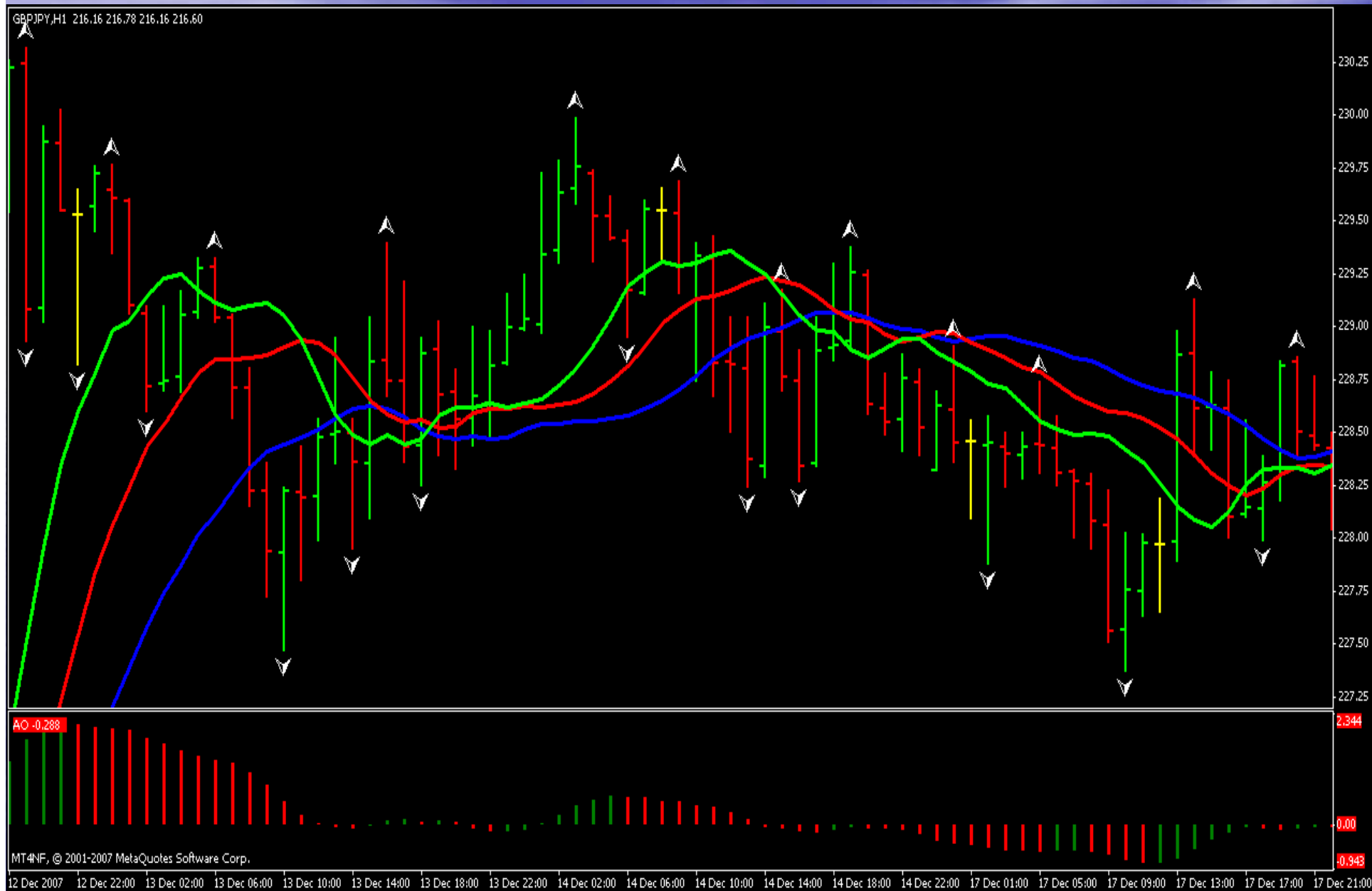
The Trending Gator 3



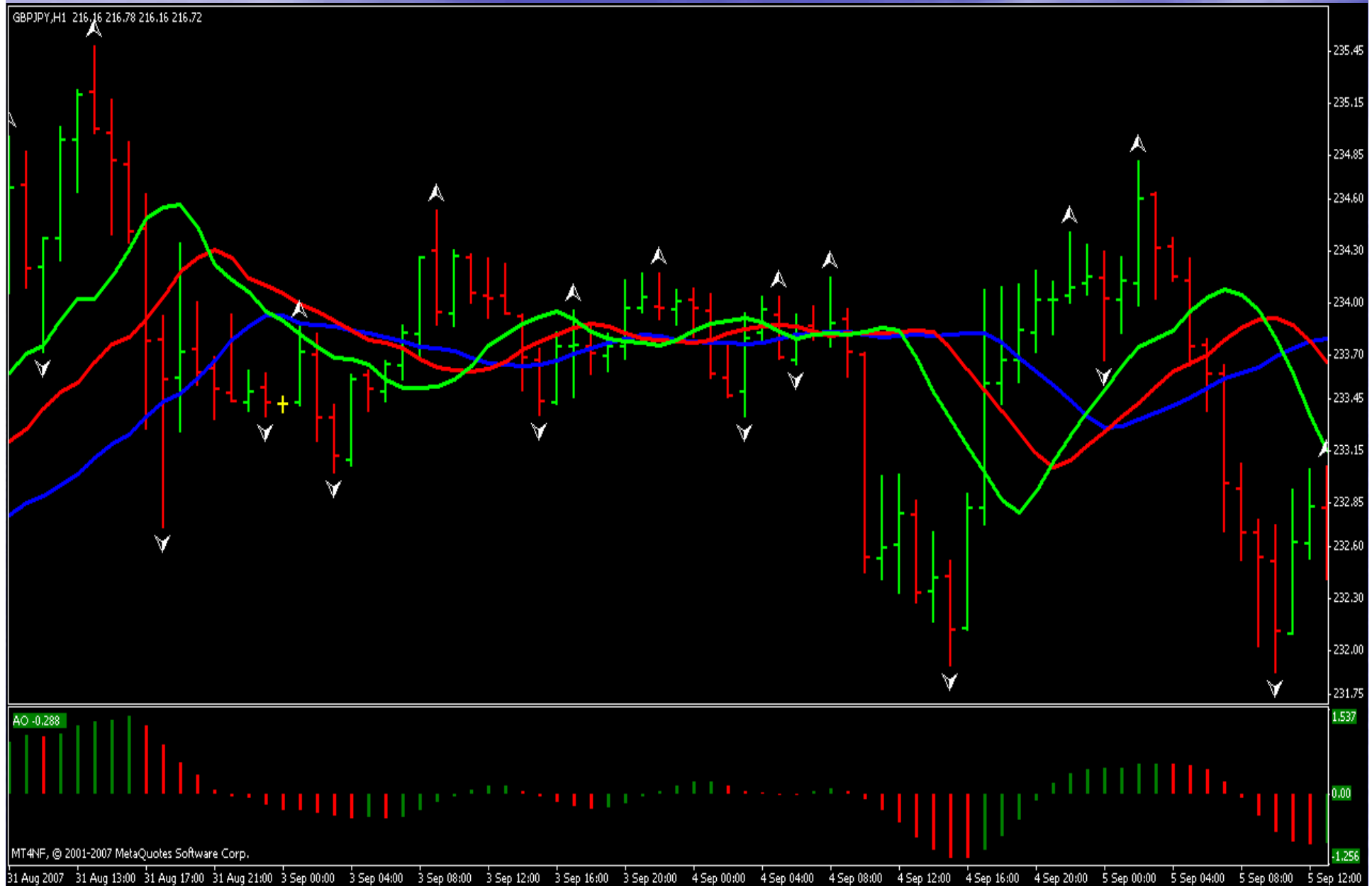
The Trending Gator 4



Corrective/ranging/non-trending



Corrective/ranging/non-trending



Corrective/ranging/non-trending



GATOR SUMMARY

Help us to buy, sell or stay out

Uptrend - BUY

Downtrend - SELL

**Corrective/Ranging/Non
trending- STAY OUT**

SIMPLE RIGHT?



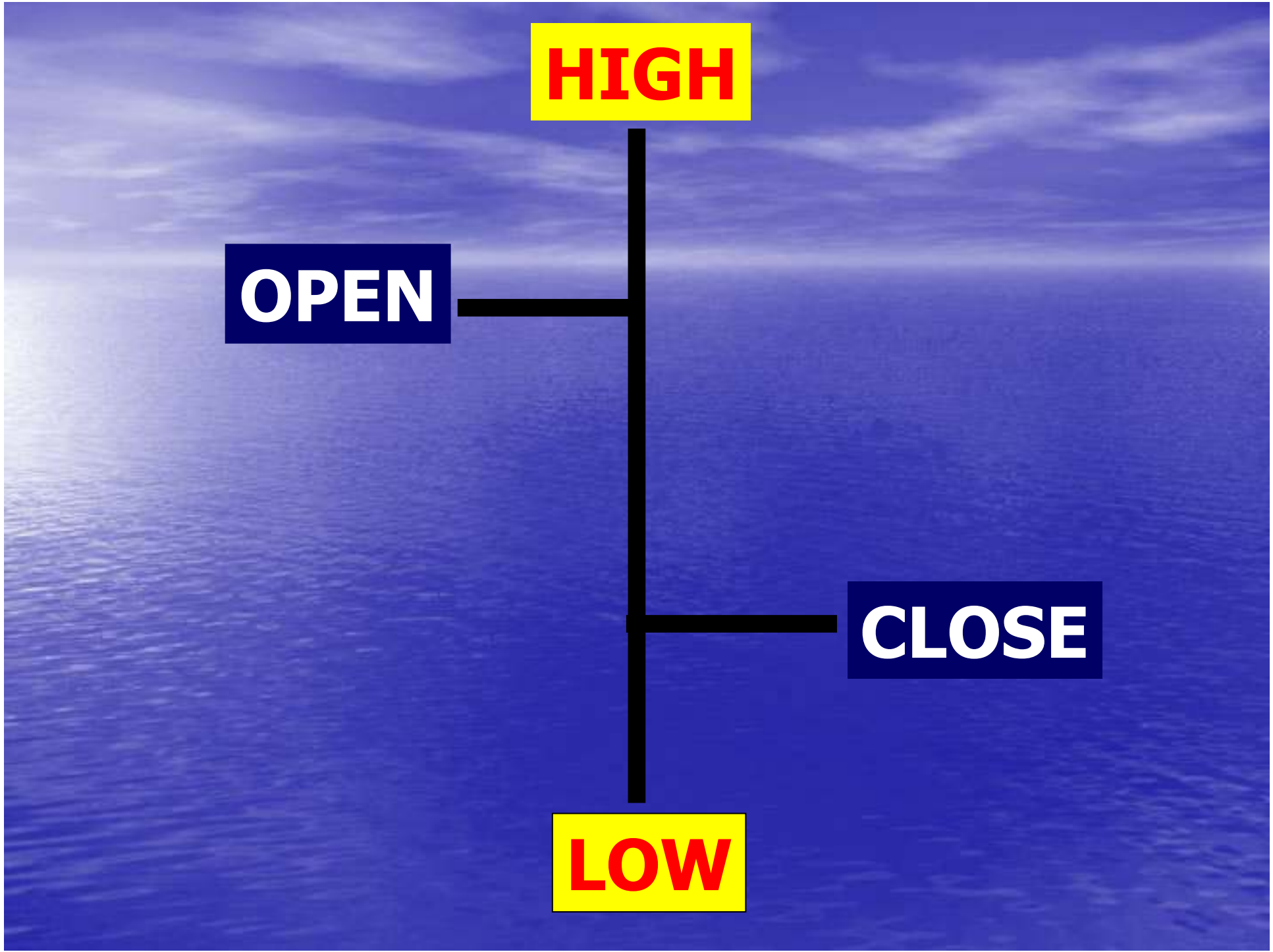
FIRST WISEMAN SIGNAL

HIGH

OPEN

CLOSE

LOW



Our Goal :

- To learn how to identify the **Bearish Divergent Bar** and **Bullish Divergent Bar**

Bullish Divergent Bars

- **Compare it to the previous bar**
- **The current bar must have a LOWER LOW than the previous bar, AND**
- **The current bar must CLOSE in the UPPER HALF of the bar**

Bullish Divergent Bars

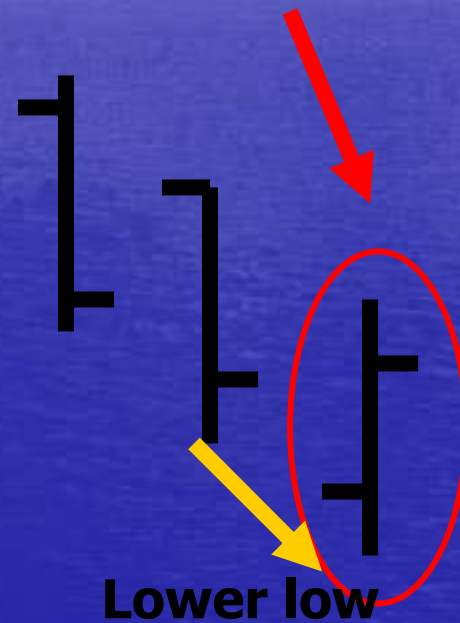
Close in upper half



Close in upper half



Close in upper half



Bearish Divergent Bars

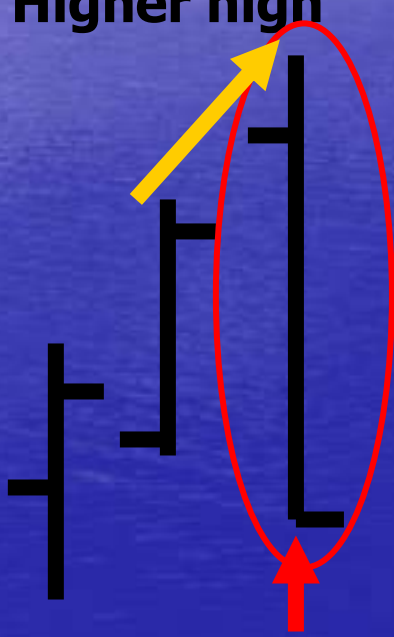
- **Compare it to the previous bar**
- **The current bar must have a HIGHER HIGH than the previous bar, AND**
- **The current bar must CLOSE in the LOWER HALF of the bar**

Bearish Divergent Bars

Higher high



Higher high



Higher high



Close in the lower half

Close in the lower half

Close in the lower half

MORE B/D/B RULES

- **VALID DIVERGENT BAR MUST HAVE ANGULATION**
- **VALID DIVERGENT MUST SATISFIED**
AO - AWESOME OSCILLATOR:
Bull d/b : AO RED, BELOW 0
Bearish d/b : AO GREEN, ABOVE 0

ANGULATION

- The angle between price bars and alligator
- Imagine stretching a rubber band, the further you stretch it the further it flies

Angulation have 4 rules

ANGULATION RULES

1) Begin where the price bars cross or go through the alligators mouth (Jaw,teeth,lips)

<--59:4



ANGULATION RULES

- 2. Draw or imagine a line that follows the alligator mouth. We usually pay attention to the jaw and teeth more than the lips**

<--59:4



ANGULATION RULES

- 3. Draw or imagine another line that basically follows the edges of the price bars.**

<--59:4



ANGULATION RULES

4. If those two lines show clearly that they are moving away from each other, you have angulation

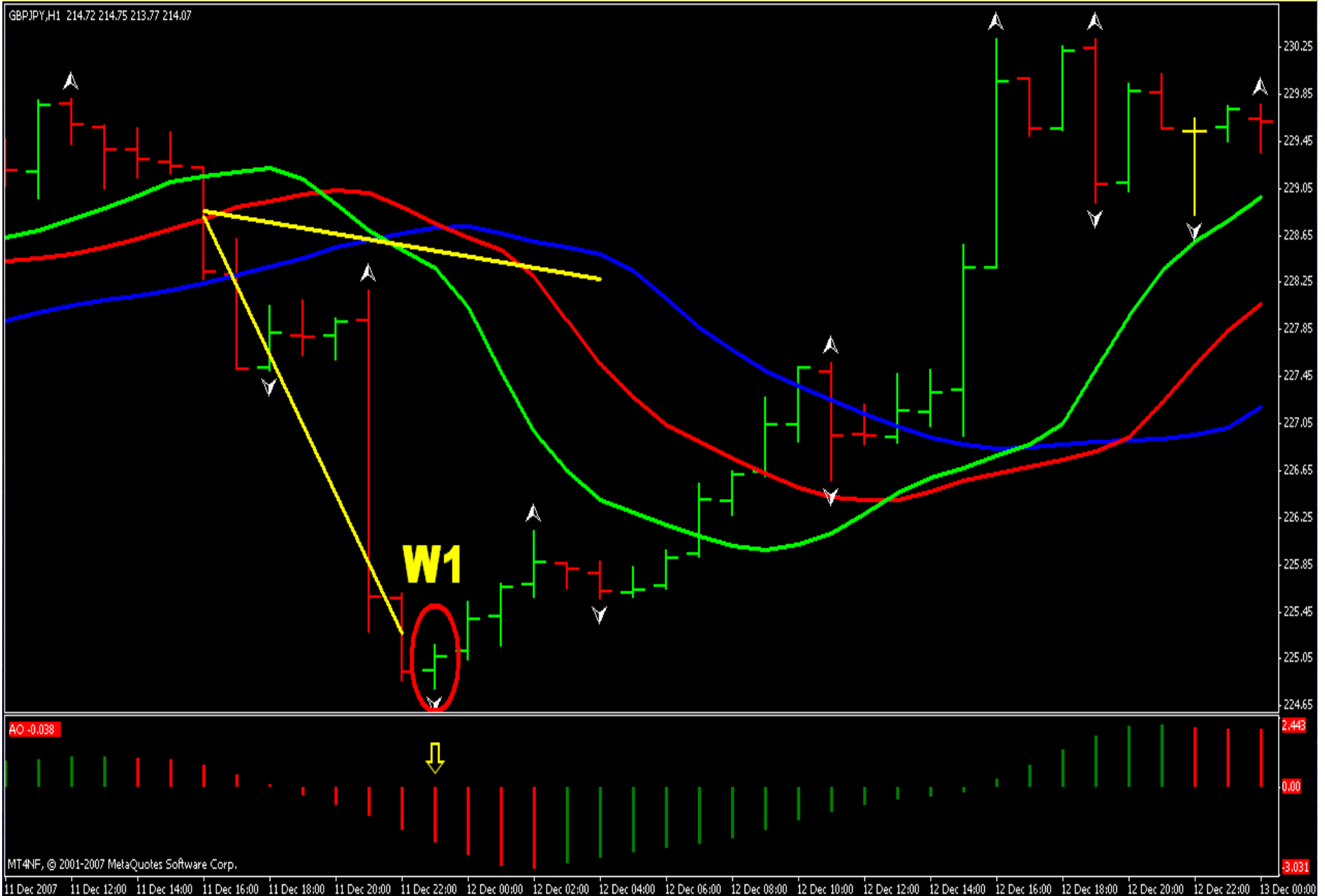
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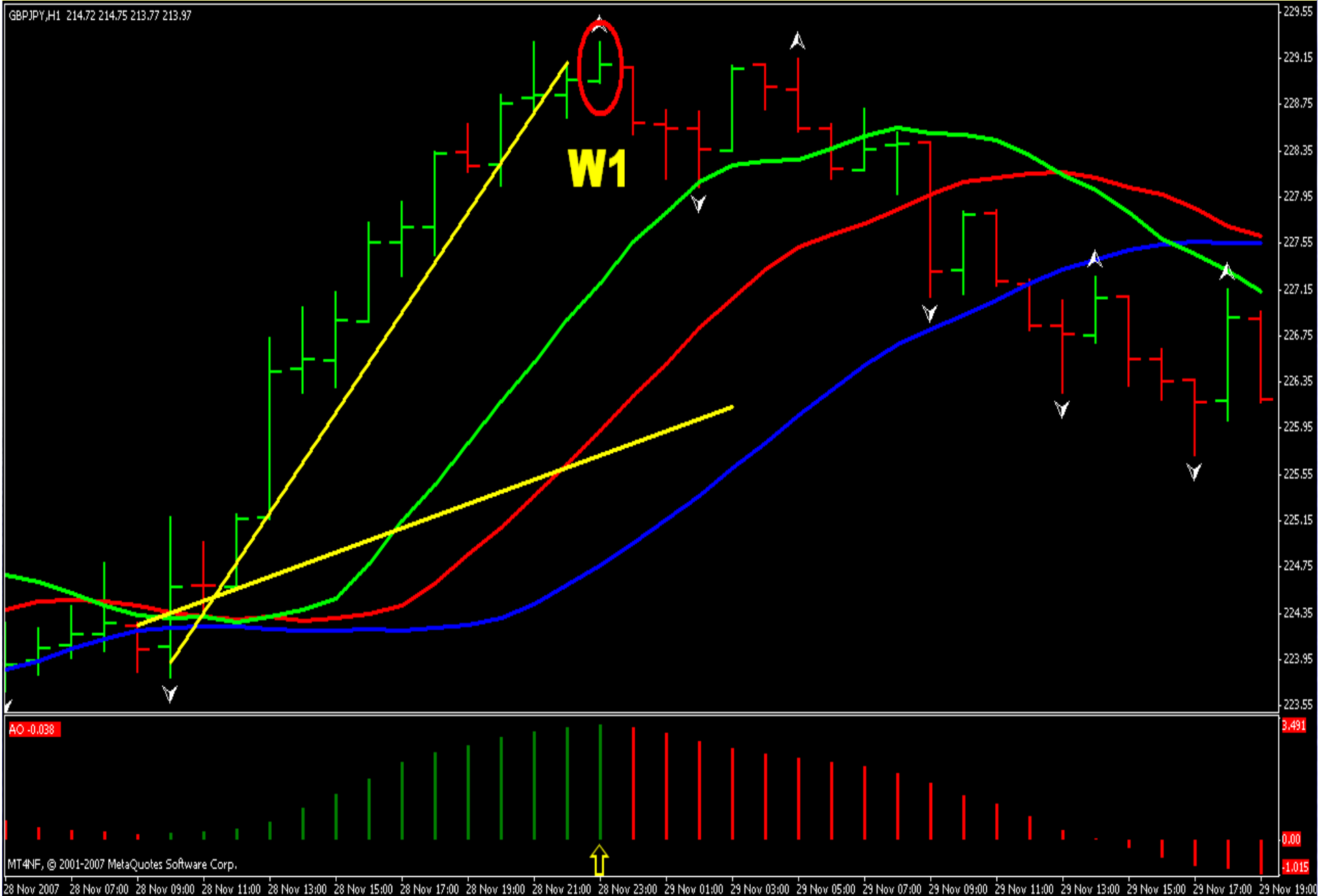
EX: B/D/B WITH ANGULATION & AO



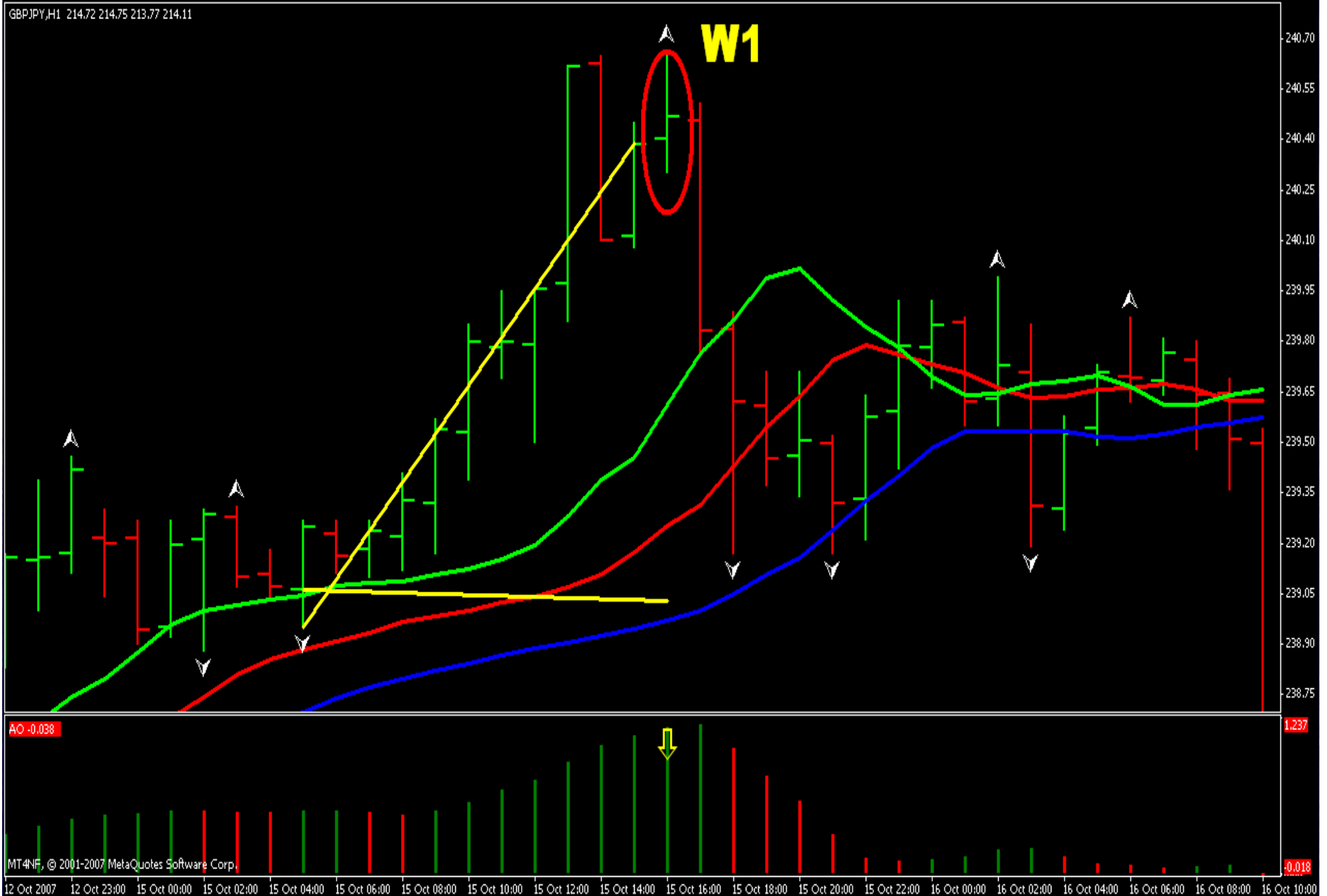
EX: B/D/B WITH ANGULATION & AO



EX: B/D/B WITH ANGULATION & AO

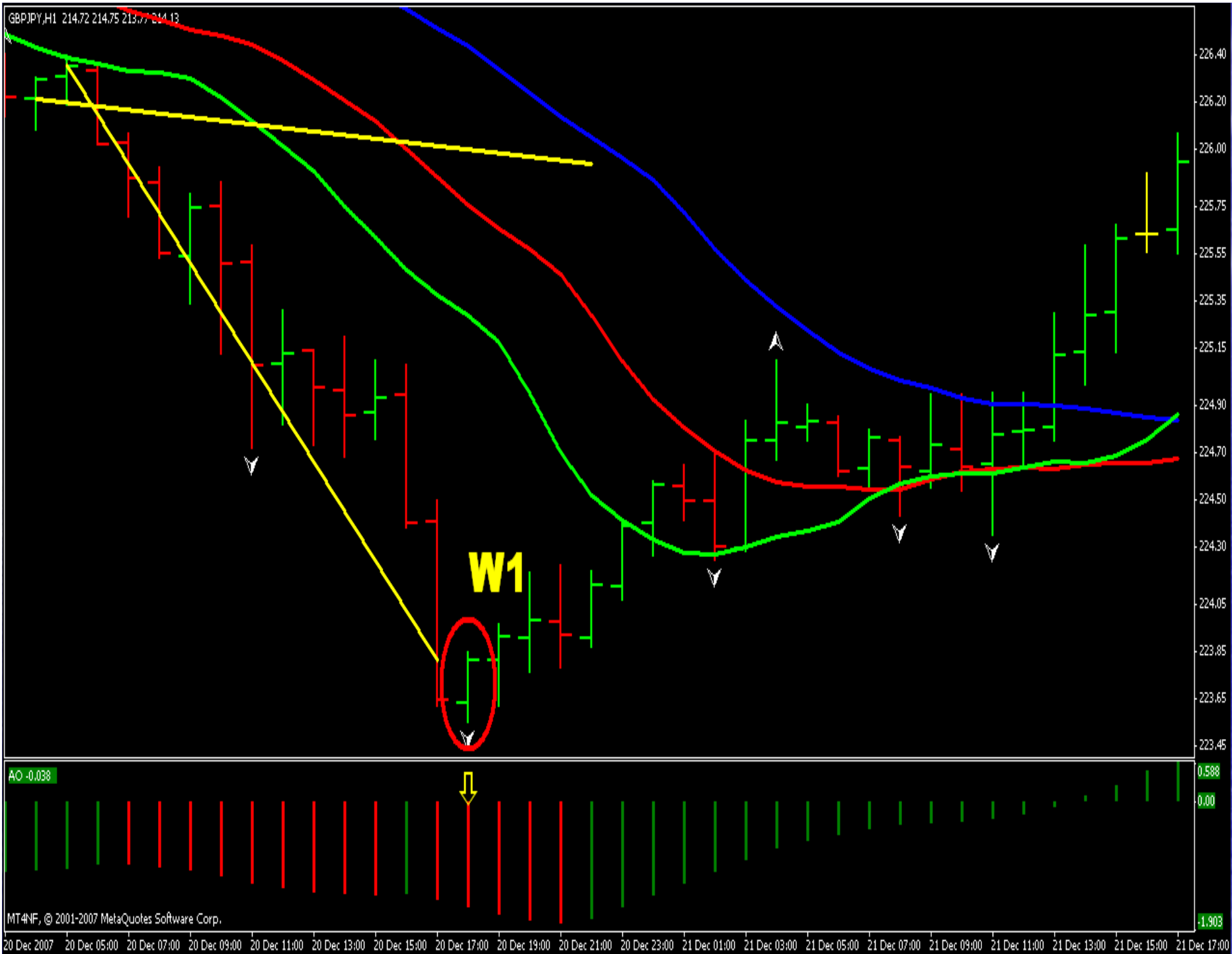


EX: B/D/B WITH ANGULATION & AO



HOW TO TRADE WISEMAN 1

- **BULLISH DIVERGENT BAR**
- **Entry** - place buy stop 1 tick above the high price + spread
- **S.Loss** -1 tick below the low price

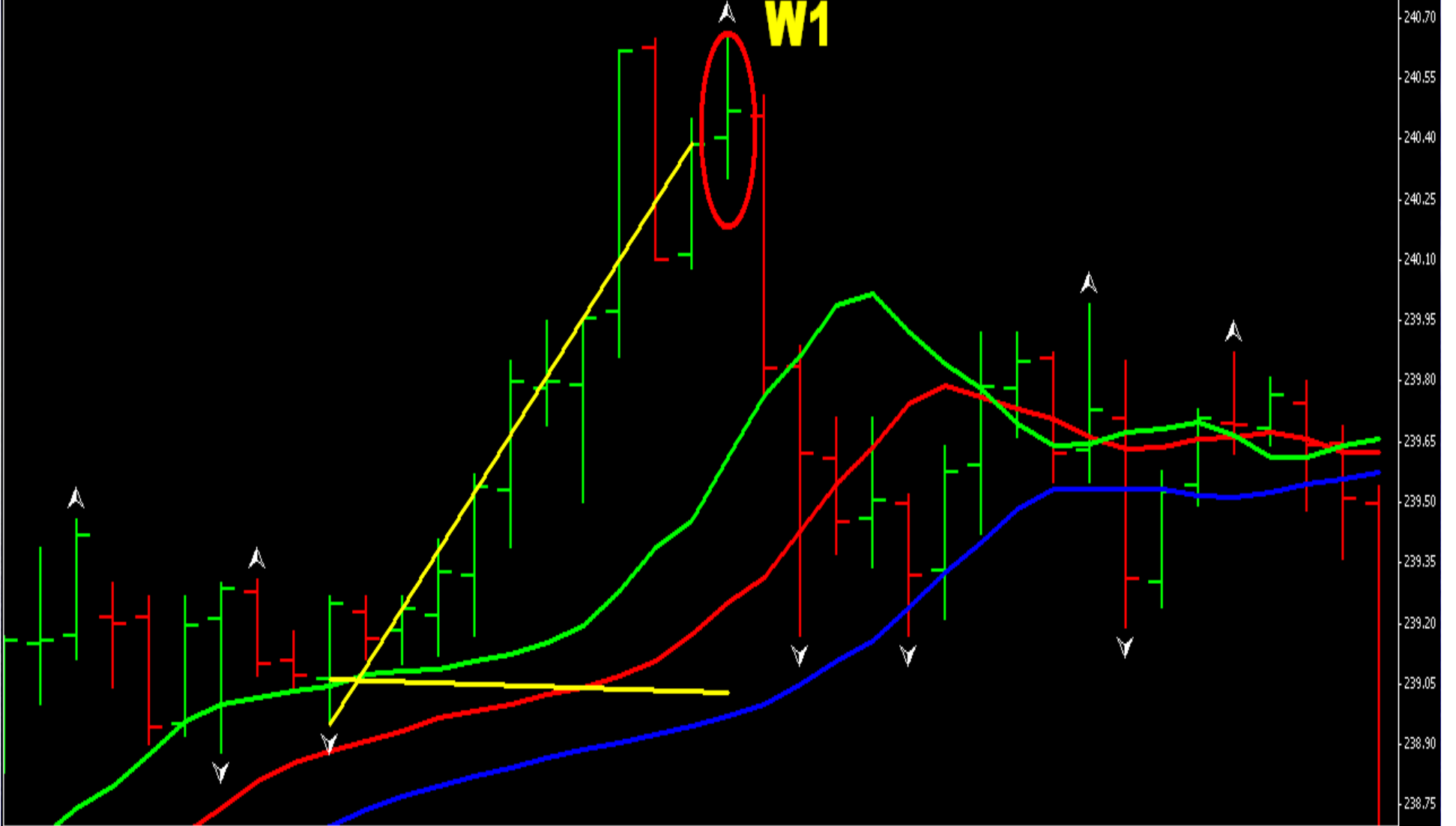


HOW TO TRADE WISEMAN 1

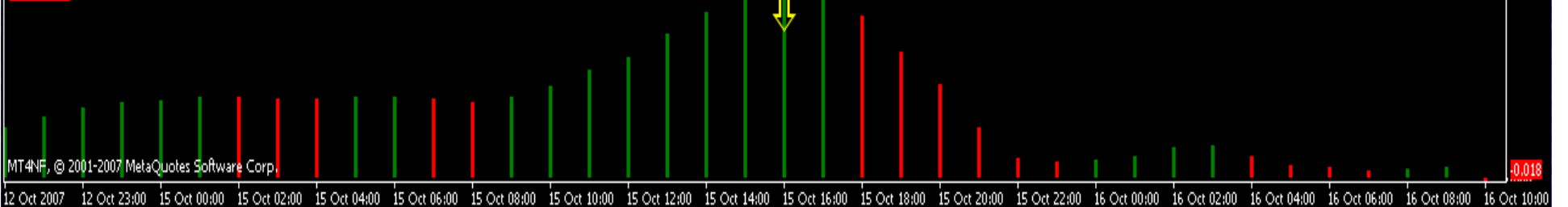
BEARISH DIVERGENT BAR

- **Entry** - place sell stop 1 tick below the low price
- **S.Loss** – 1 tick above the high price + spread

GBPJPY,H1 214.72 214.75 213.77 214.11



AO -0.038



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TRADING IS SIMPLE !!!

**W1 check – angulation, close
price, AO**

**Is a gambling phase but it can be
The **Best position in the world!****



THE SECOND WISE MAN SIGNAL

- Assume that you have entered position by using bullish / bearish divergent bar
- After that, we can **add on position** by using Second Wiseman – **“Super AO”**

WHAT IS AO ?



WHAT IS AO ?

- **Stand for awesome oscillator**
- **The best and most accurate indicator for 50 years**
- **Consist of 2 color**
- **Green = buying momentum**
- **Red = selling momentum**

WHAT IS AO ?

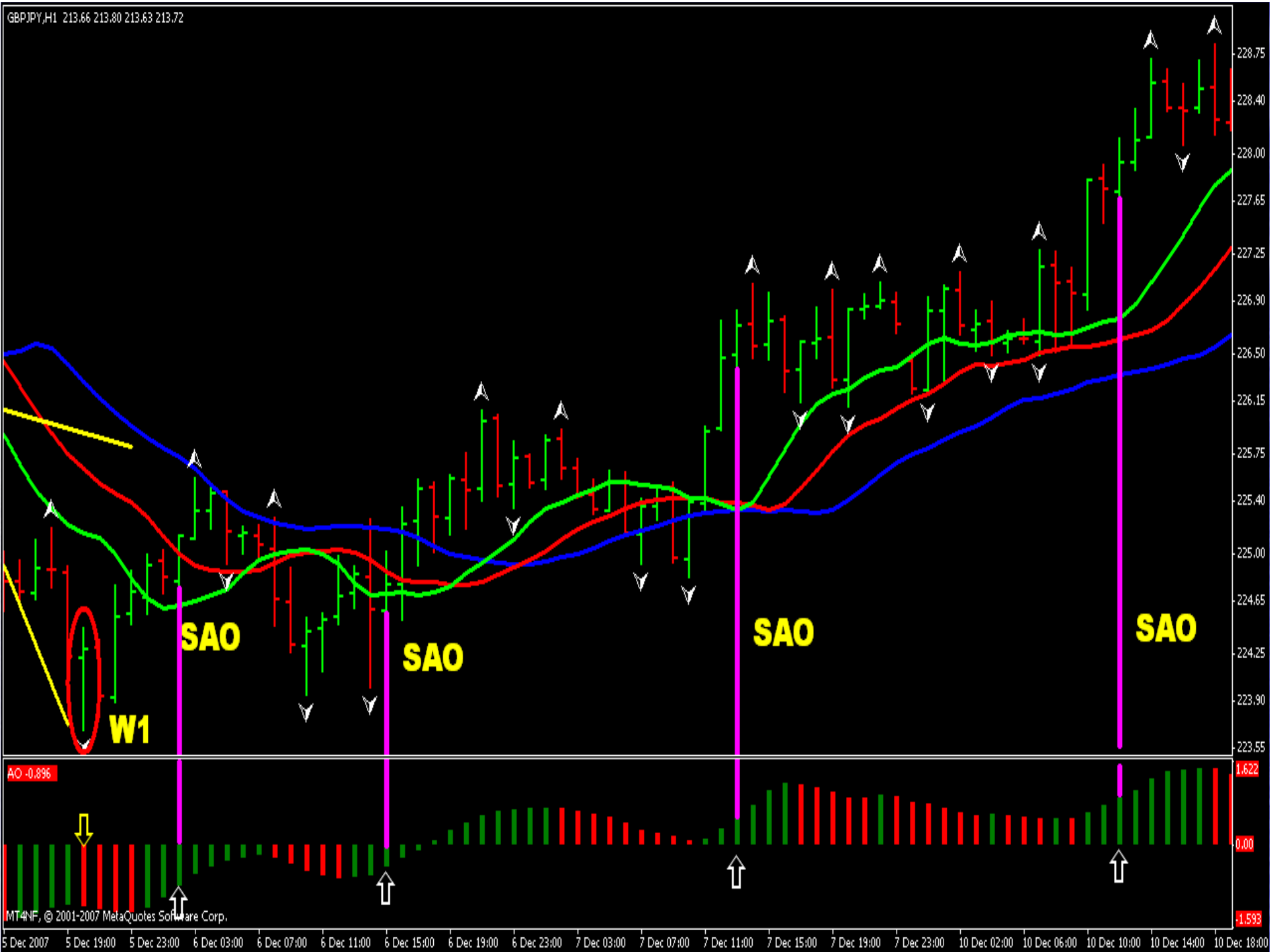
- **Help to identify immediate trend:**
- **AO above 0 = UPTREND**
- **AO below 0 = DOWNTREND**



HOW TO TRADE WISEMAN 2

- **Same w1 – pending order & SL**
- **AO change green - at 3rd bar**
- **New Super AO signal – must have another change in color**
- **Super AO is an add on signal only**

GBPJPY,H1 213.66 213.80 213.63 213.72



GBPJPY,H1 213.66 214.33 213.63 214.29



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26 Dec 2007 26 Dec 23:00 27 Dec 07:00 27 Dec 15:00 27 Dec 23:00 28 Dec 07:00 28 Dec 15:00 28 Dec 23:00 31 Dec 06:00 31 Dec 14:00 2 Jan 01:00 2 Jan 09:00 2 Jan 17:00 3 Jan 01:00 3 Jan 09:00 3 Jan 17:00 4 Jan 01:00 4 Jan 09:00 4 Jan 17:00

228.60
227.55
226.55
225.50
224.45
223.40
222.35
221.35
220.30
219.25
218.20
217.20
216.15
215.10
214.29
214.05
213.05
1.185
0.00
-4.75

MORE SIMPLE TO TRADE

**W2 just checking A0 3
times!**



THE THIRD WISEMAN SIGNAL

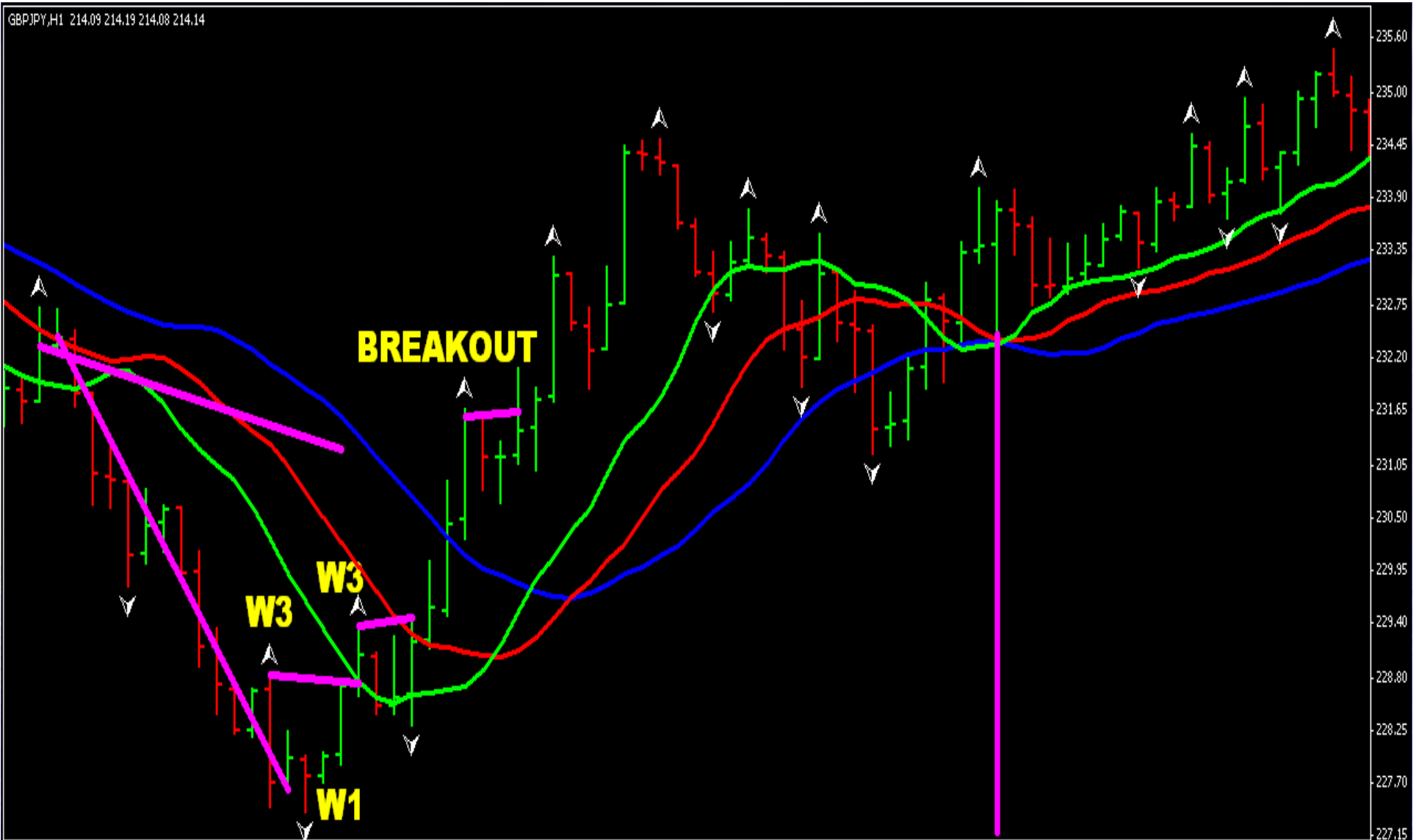
THIRD WISEMAN

- **WISEMAN FRACTAL** – no matter where it form and execute – only after w1,w2
- **BREAKOUT FRACTAL** – must be form and execute outside alligator – can be 1st signal

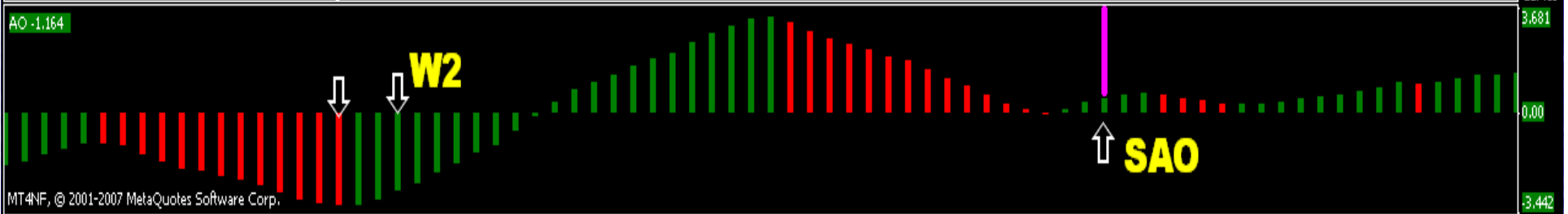
HOW TO TRADE WISEMAN 3

- **FRACTAL BUY – Upper Section**
- **FRACTAL SELL – Lower Section**
- **Same W1, W2, - pending order, sl**

GBPJPY,H1 214.09 214.19 214.08 214.14

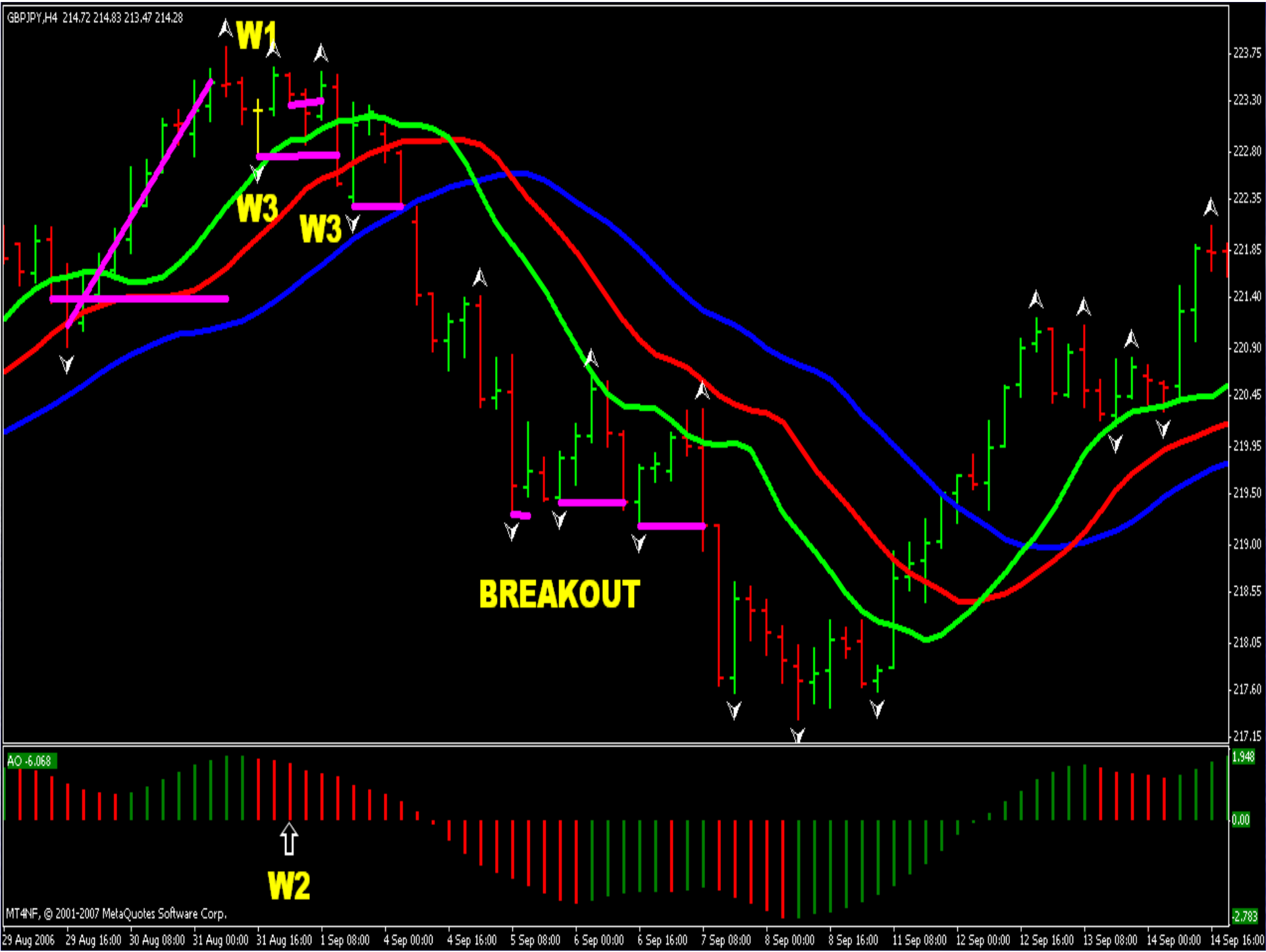


AO -1.164



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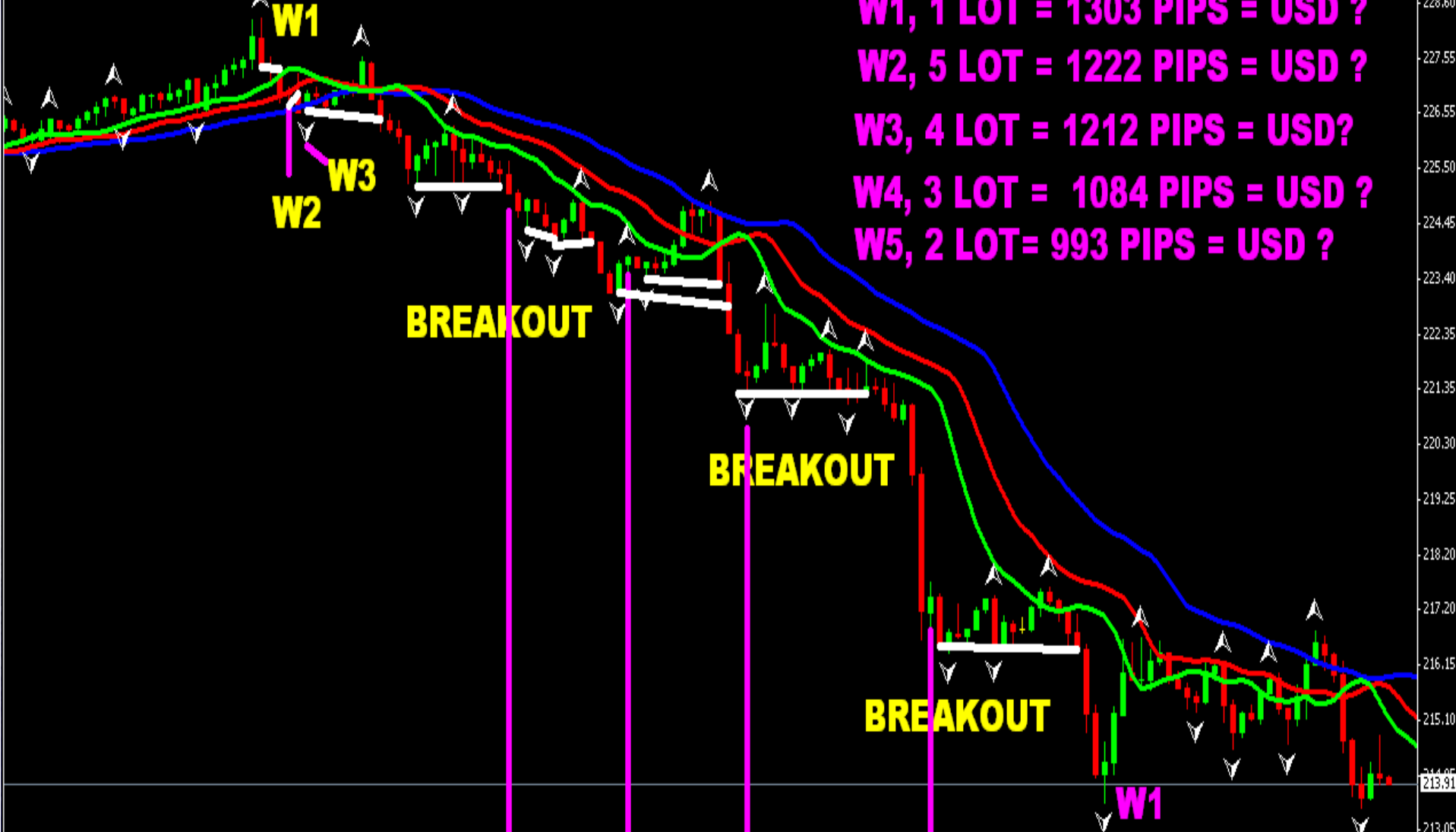
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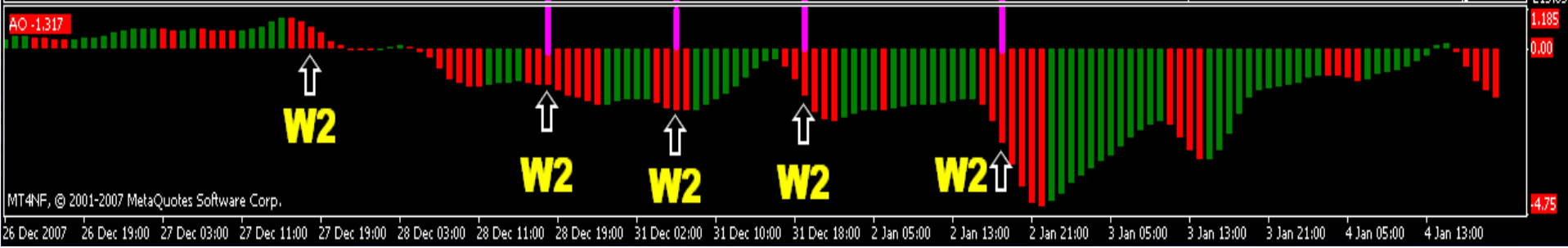
- **Once again, trading is SIMPLE**
- **W3 FRACTAL – anywhere, anytime after w1,w2**
- **FRACTAL BREAKOUT – formed outside alligator**

**What Happens When
the
Wise Men Get
Together?**

GBPJPY,H1 214.03 214.07 213.90 213.91



W1, 1 LOT = 1303 PIPS = USD ?
W2, 5 LOT = 1222 PIPS = USD ?
W3, 4 LOT = 1212 PIPS = USD?
W4, 3 LOT = 1084 PIPS = USD ?
W5, 2 LOT = 993 PIPS = USD ?



228.60
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226.55
225.50
224.45
223.40
222.35
221.35
220.30
219.25
218.20
217.20
216.15
215.10
214.05
213.91
213.05
1.185
0.00
-4.75

**LASTYLY GUYS,
TRADING IS SIMPLE,
SO**

JUST MAKE IT SIMPLE

K! 😊