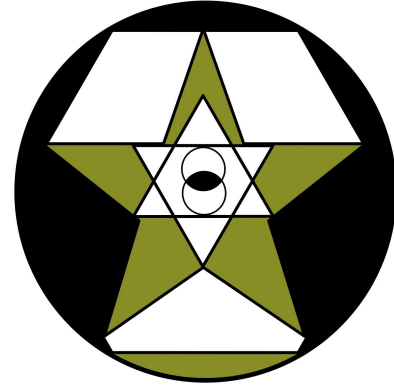


CFD Analysis by ITTAS™ STIOS

ITURNEDTOASTAR®



YOUNG PEOPLE ARE THE FUTURE OF OUR ECONOMY-THEY ARE THE ONES WHO WILL BE DRIVING INNOVATION AND GROWTH IN THE YEARS TO COME. WE ARE COMMITTED TO INVESTING IN THE FUTURE.



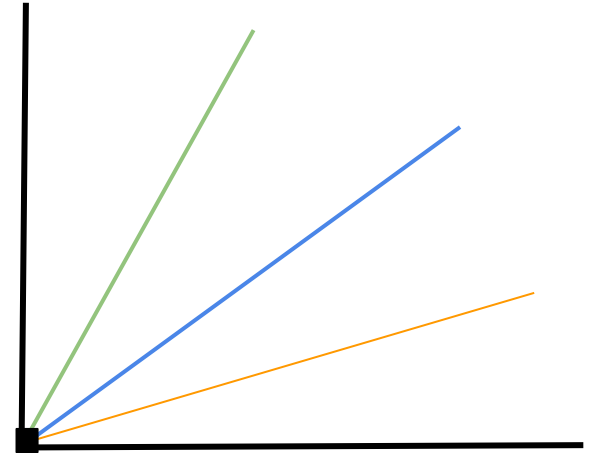
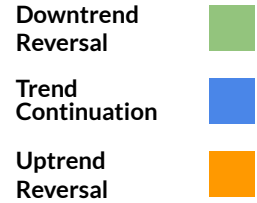
TRENDLINE ANALYSIS

Findings

The graph on the right, indicates the **STIOS** Trendline Theory.

Graph Implications:

- ★ Imagine the trendline you drew on your chart as a revving scale:
- ★ The higher it goes (Green), the more exhausted the trend gets. Therefore, a reversal will follow, due to momentum dissipating.
- ★ Alternatively, the lower the trend line sits (Orange), the weaker the trend gets. Therefore, indicating the downtrend/reversal is soon reaching its end.
- ★ When the trendline is sitting at the equilibrium zone (Blue), it indicates a strong trend is being upheld and support is to be anticipated.
- ★ On the flipside, this may be applied to a bearish market. (Trend line facing downwards)



CANDLESTICK PATTERNS ANALYSIS

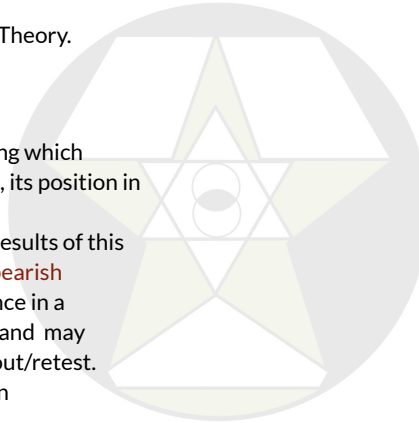
Findings

The Example on the right, indicates the **STIOS** Candlestick Pattern Theory.

Implications:

- ★ As effective as the candlestick patterns are for determining which direction the market is most likely going to move towards, its position in price and market structure tell us a unique story.
- ★ We will use the 'Hanging Man/Hammer' to illustrate the results of this theory: Initially the 'Hanging Man' is drawn to indicate a **bearish** reversal, usually after an exhausted uptrend. However, once in a downtrend, the 'Hanging Man' is regarded as a 'Hammer' and may indicate a **bullish** reversal or a **continuation** after a breakout/retest.
- ★ In our **STIOS** method, this theory is also applied to Pattern Breakouts(i.e. Double Top).

Remember, Candlesticks are merely displaying behaviours of investors based on the chosen time-period, they are only effective when you use them accordingly to your "holding time". *They are also the results of decisions already made.*



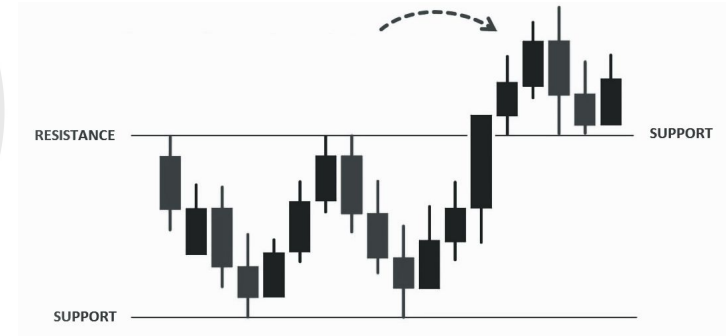
MARKET STRUCTURE

Findings

The Example on the right, supports the **STIOS** Market Structure/Price Theory.

Implications:

- ★ *Have you heard of the theory that big banks and investment firms open/close positions at whole number intervals, regarding price points in the stock price? (i.e. Buy: Open 1500 - Close 1800). Not only does our STIOS method prove it to be valid, it utilises this theory in all its positions(trades).*
- ★ The whole numbers therefore create market structure, where support/resistance levels are to form.
- ★ Support/Resistance zones are not only determined by these whole numbers sectioned out on the chart, but by other confluencing structures the market forms too, based on calculative patterns. (i.e. Trendlines; Fibonacci zones; Moving averages, etc)
- ★ Having two or more confluences(patterns) either validating support/resistance, makes it stronger and gives your edge a higher probability.
- ★ The main reason we look to Market Structure(Support/Resistance) is to determine whether the market is in an: **Uptrend**; **Downtrend** or **Consolidation**.



FAIR VALUE GAP/LIQUIDITY VOID

Findings

The Example on the right, indicates the **STIOS** Fair Value Gap/Liquidity Void Theory.

Implications:

- ★ (FVG) or Liquidity voids are practically imbalances in the market, created by breakouts with strong momentum, which have continued in the direction of the breakout and had not retraced or retested previous resistance/support.
- ★ These gaps are simply depicted in the chart. This occurs after prices moves sharply in one direction, in a matter of seconds/minutes-depending on the time-frame.
- ★ These (FVG)/gaps are valuable to our **STIOS** method, as they are seen as a more effective indicator of Support/Resistance levels(Where does price usually Breakout/Fake-out?). They work as really great take profit points too. With 99.8% accuracy.(Sometimes you have to sound...)
- ★ "To be a master of price action, one must understand inefficiencies/imbalances; and how time affects market behaviour" - Star Makeys.



PRICE ACTION/TIMING OF ENTRY

Findings

The Example on the right, indicates the **STIOS** Price Action/Timing of Entry Theory.

"Timing is everything. Do not guess it-know it!"

Implications:

- ★ When we have defined our edge and have calculated the amount of risk we are willing to take based on the probabilities we have determined for our edges, we look to the current behaviour of the market. "Does the current market behaviour/conditions validate my edge?"
- ★ The US Open is the most effective time period to open positions based on our **STIOS**. The momentum and volatility gives us a shorter lead time to validate or invalidate our edges. It also allows you to avoid false breaks, before opening a position in the US open. (Less time = Less risk; Tighter Stop loss = Less risk)
- ★ Additionally, because the nature of the market is 'Push-Pull', looking at our pairs, when price goes up at 15:30, this indicates that we will open short positions (we consider the sudden momentum/reversal as a 'Stop Hunt' or 'False break'. The Candlestick patterns and where the stop hunt heads to (Retracement/Fibonacci zones) will give us an indication as to when to enter.
- ★ Optimal entry times for our **STIOS** method are between (16:15-17:15). This is usually when you will see buy/sell positions closing and resistance/support levels being validated-giving a stronger edge to act on.

Remember, this is subjective and entries could happen before 16:00 or not at all, depending on the circumstances (Breaking news changing the trend) and willingness to risk the volatility.



MONEY & RISK MANAGEMENT

Findings

The Example on the right, supports the **STIOS** Money & Risk Management Theory.

Implications:

- ★ Risk management is a solution to avoid suffering painful losses. Trading platforms offer a tool called stop-losses. We use stop-losses as a risk management tool and not a means of invalidating an edge. Therefore, our stop-losses have breathing room.
- ★ We believe that if an open position/trade causes you deep stress, or makes you emotional/overthink, whether you're skilled at investments or not, you should not be opening positions nor participating in the markets. *Closing positions in profits may be an exception.*
- ★ Each individual has their own level of risk tolerance. We believe that our **STIOS** accommodates for all. Whether you are a scalper, day-trader, swing trader, long term investor, the **STIOS** method will provide you with an edge to profitably invest in the financial markets, while enduring minimal risk.
- ★ An edge defined by our **STIOS** has to withhold a minimum Risk:Reward ratio of 1:4(25% risk should have a target of 100% reward). This has been proven to be possible using the **STIOS**. The better the timing of the entry, the less risk the investment will take on. *Patience is a risk management tool.*

Remember, fear is your greatest enemy, not the market. Accept that the outcomes are out of your control, so that the information presented in the market is not threatening to you- preventing you from making investment errors.

<u>Income</u>	
Salary	6,000
Commission	11,564.54
(Rental Income)	0
(SMME)	2,500
<u>Expenses</u>	
Rent	3,600
(Loan Repayment)	0
Rates & Taxes	1,471.86
Bank Fees	350
Medical Savings	500
(Schooling)	0
Electricity	800
Groceries	2,250
(Public Transportation)	1,800
(Petrol)	0
<u>Optimal Expenses</u>	
Toiletries	600
(Clothing)	1,000
(Entertainment)	1,000
(Cellphone)	0
Internet	700
(Streaming Services)	0
(Car Service Savings)	0
<u>Unique Expenses</u>	
Birthday	300
Home-Inventory	1,000

<u>Available</u>	4,693
<u>Investments</u>	
TFSA	1,000
Investments	800
(Child Save)	400
Holiday Savings	500
(Car Savings)	600
Extra to Bond	393

Remaining: R1,000

This person is eligible to confidently perform well in the **STIOS** method, as there is discretionary income after all bills and planned expenses deducted from net income. Additionally, there are diversified investment vehicles incorporated with a remaining balance post-investments.

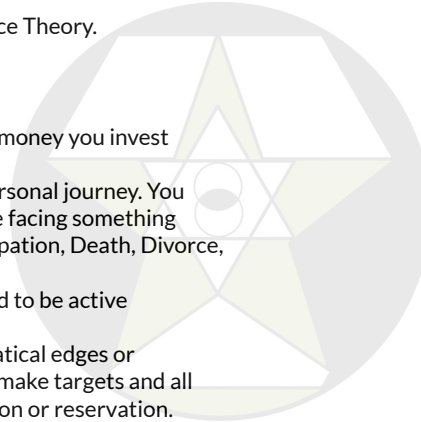
EMOTIONAL INTELLIGENCE

Findings

The Example on the right, supports the **STIOS** Emotional Intelligence Theory.

Implications:

- ★ No.1 Rule: Do not 'trade' with money that is needed. The money you invest should be disposable income you are willing to lose.
- ★ Handling your emotions is key to your investment and personal journey. You should not be making investment decisions, when you are facing something emotionally stimulating or in deep stress(i.e. Loss of occupation, Death, Divorce, etc).
- ★ Respect your money, respect your career. You do not need to be active everyday, the reason we are doing this is to gain freedom.
- ★ All positions should be systematic and based on mathematical edges or behavioural patterns. We do not rely on a single trade to make targets and all edges defined by **STIOS** is to be acted on without hesitation or reservation.
- ★ Emotional intelligence is your greatest form of risk management. Be objective by accepting the risk, be willing to scale back or let go of the edge(when opposing news is released).
- ★ Stop comparing yourself to others. You are different and so is your journey. Focus on your growth and what works for you. You are a winner!



The 5 Fundamental Truths of Trading

1. Anything can happen.
2. You don't need to know what is going to happen next to make money.
3. There is a random distribution between wins and losses for any given set of variables that define an edge.
4. An edge is nothing more than an indication of a higher probability of one thing happening over another.
5. Every moment in the market is unique.

The 7 Principles of Consistency

1. I objectively identify my edges.
2. I predefine the risk of every trade.
3. I completely accept the risk or I am willing to let go of the trade.
4. I act on my edges without reservation or hesitation.
5. I pay myself as the market makes money available to me.
6. I continually monitor my susceptibility for making errors.
7. I understand the absolute necessity of these principles of consistent success. And therefore, I never violate them.

