

QT PriceCounts
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Overview

PriceCounts is a price projection tool and like all chart tools is best utilized with other technical indicators otherwise known as the ‘rule of plenty’. PriceCounts can help determine market direction and macro risk. It can help develop attitudes about where a market can consolidate. PriceCounts can also suggest defined risk points for buying or selling a market, and can help to identify how dynamic a market price move can be. In summary, the tool can be applied to your specific trading needs.

The theory behind PriceCounts is based on the assumption that the initial leg of a new price trend reflects the potential power of a trend change to sufficiently serve as a guide to the probable extent of the price move, or where trade may consolidate or where to abandon a bear or bull stance. Put another way, the price counts calculated off an initial leg of a new trend is all the information needed to project one or more objectives in the direction of the new trend.

PriceCounts is not intended to be an ‘exact’ science; they are not the Holy Grail, but rather offer target areas for the various mathematical objectives. The counts should be utilized in conjunction with other technical tools and offer one more way to analyze charts and assist in managing your positions and risk.

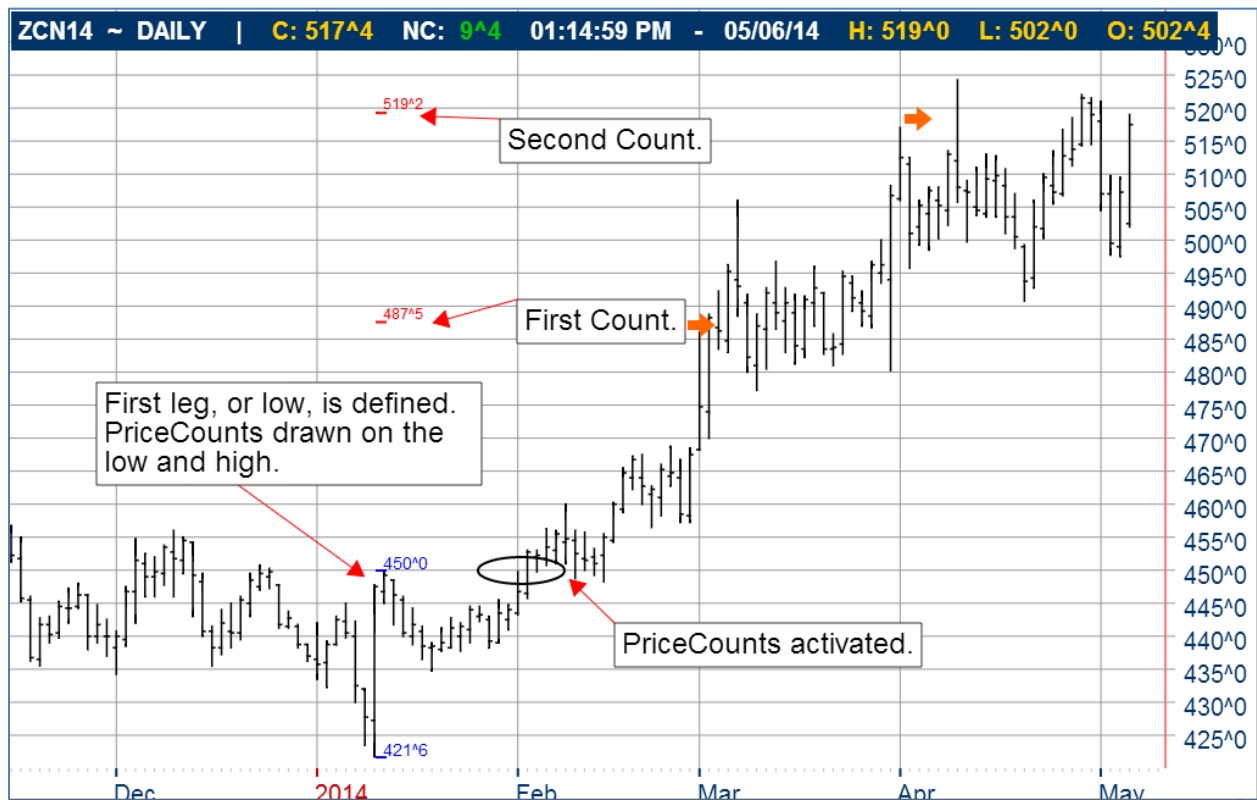
The PriceCounts study has been honed and modified over decades of technical experience and is available exclusively in the Market Center.

Rules

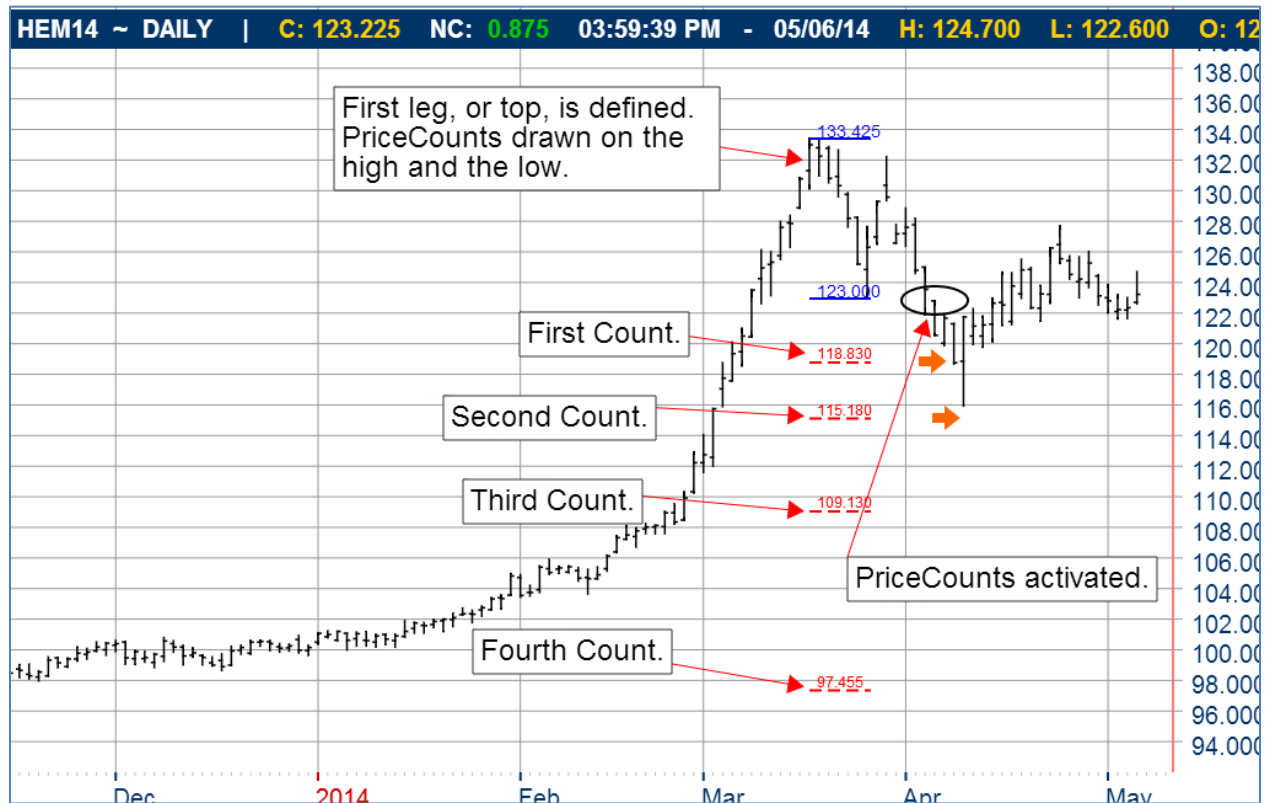
Defining the Move

Step 1 is to define the initial first leg to a top or bottom of a market. If you are measuring off a low in a market, choose your upside PriceCounts toolbar button and then click on first the low and then the high of that first leg up. The upside PriceCounts do not officially become activated until the market experiences a correction and then is able to come back and take out the initial recovery high. The same is true in opposite when working off of a high or top in a market.

Upside Counts



Downside Counts



Guidance

A good rule of thumb is to expand your chart fully so you can see the entire contract history to try and locate the pure high or low of a contract.

There can be room to argue what the true leg is that should be used for counts. In cases where a daily contract has significant history, you can ignore some of the old data if it pertains to a previous crop year or cycle where volumes were extremely light.

PriceCounts tend to be more reliable when they are used with front month or nearby contracts, not deferred months. Weekly charts also tend to be very reliable for long term projections. PriceCounts are not adaptable to short term formations.

The first move may be as small as two days in length just as long as there is an identifiable retracement of that first move.

The percentage likelihood of achieving each PriceCount objective decreases with each subsequent count.

The velocity of the first move (fewer bars) increases the percentages of attaining third and fourth price targets.

Similarly, if the size of the initial leg is less than 3% of the contract price there is a greater percentage of attaining third and fourth price objectives.

If a fourth count is exceeded off of a small leg, recalibrate the PriceCounts off of the next, larger leg.

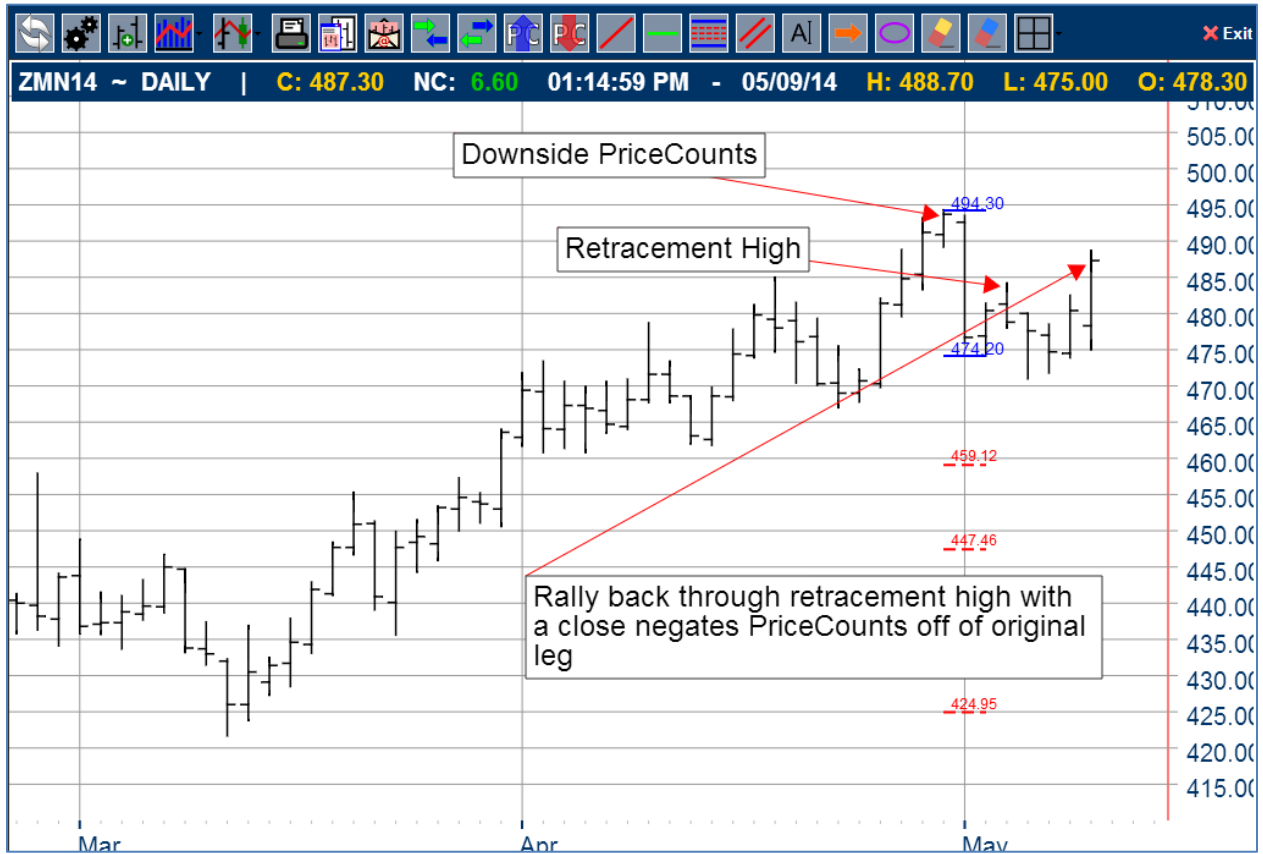
In advance of reaching a fourth count, and where there is a larger leg to measure from, it is a good idea to proactively scope out the counts on the larger leg and keep both sets of PriceCounts on your chart going forward.

Continue to check weekly counts on a market to identify areas where weekly counts coincide with day chart projections.

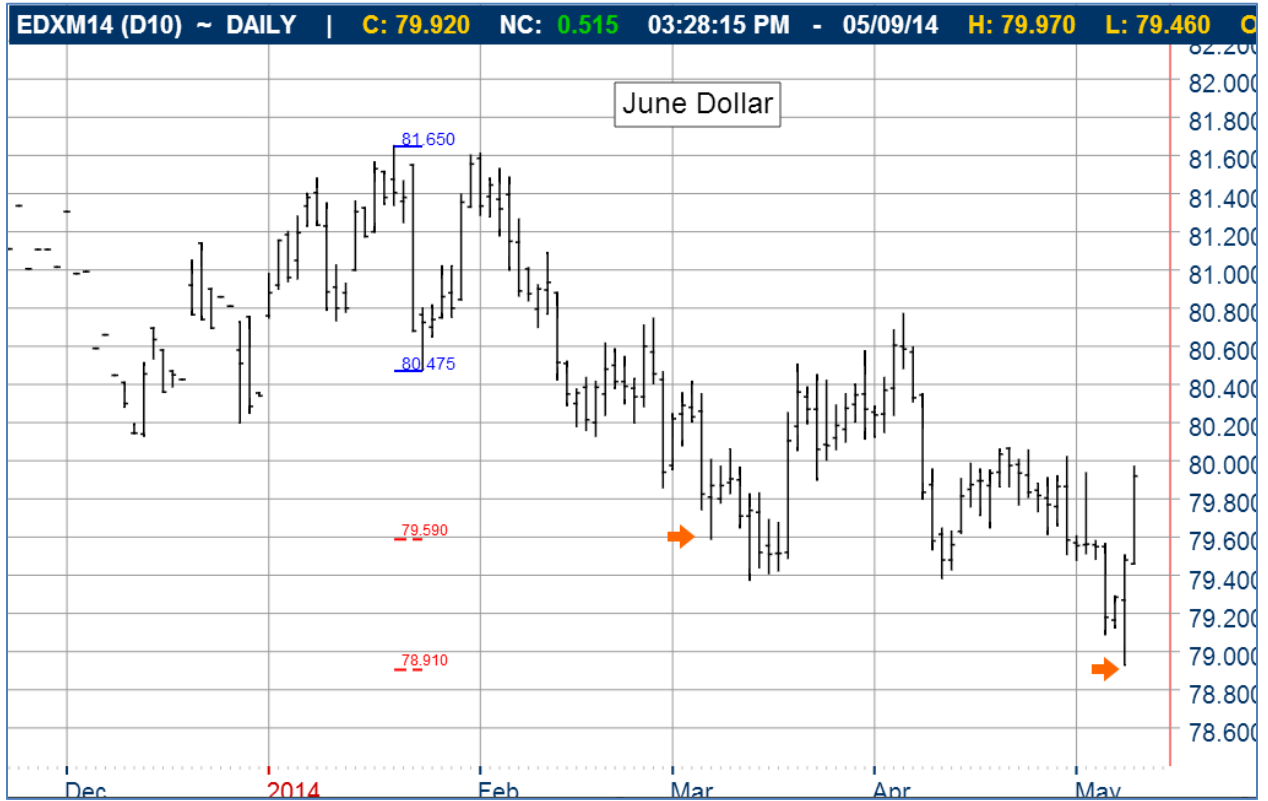
PriceCounts become 'activated' when a leg has been developed, retraced and the market moves beyond the original leg.

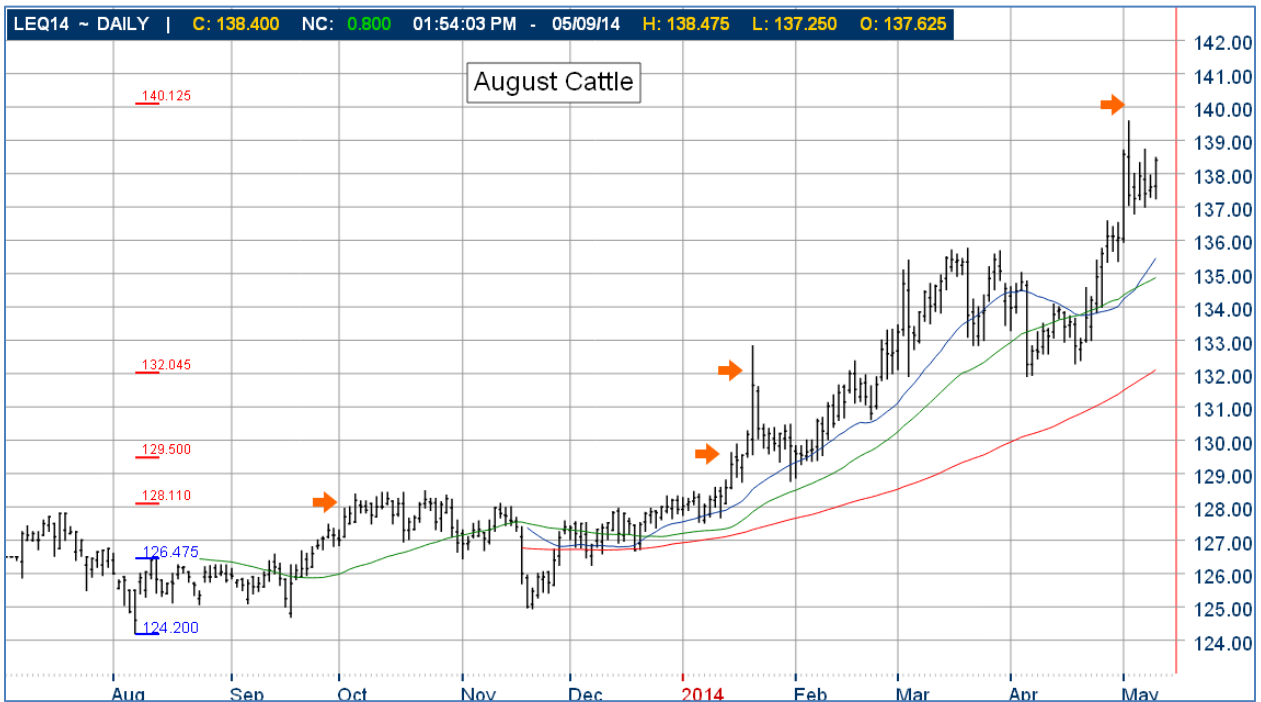
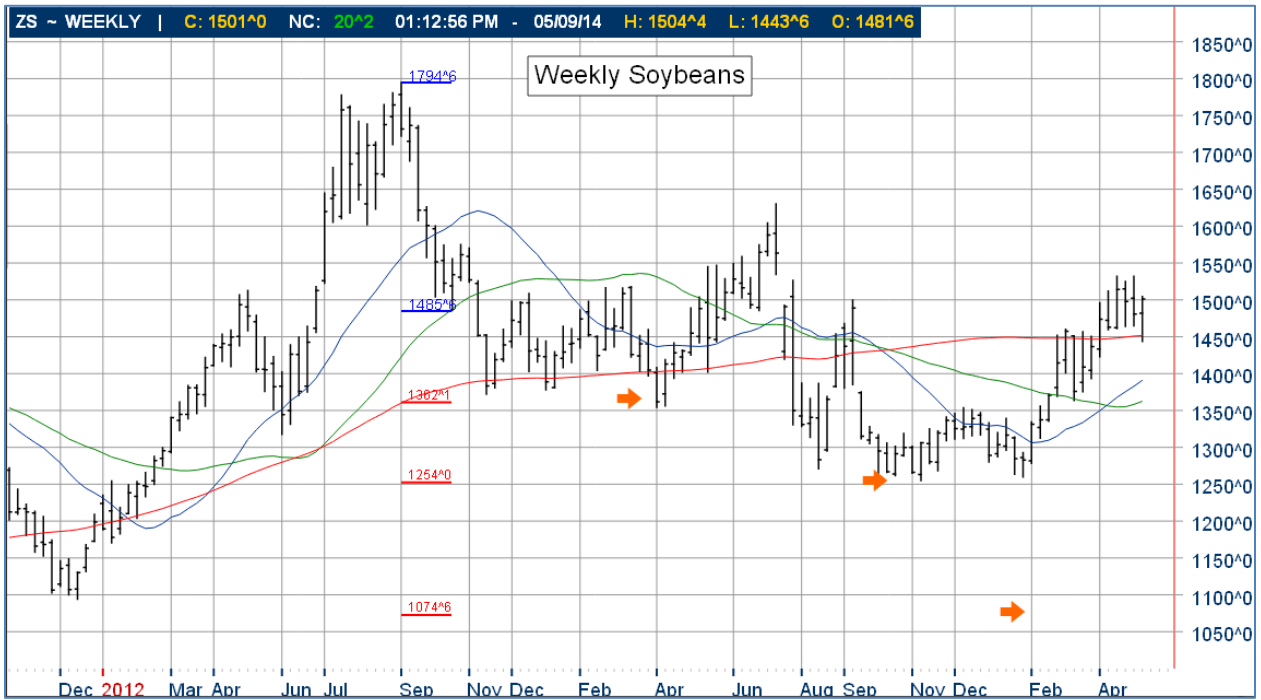
After Price Counts are 'activated' and the market subsequently violates the retracement low/high on a close, those price counts are negated. Example – first

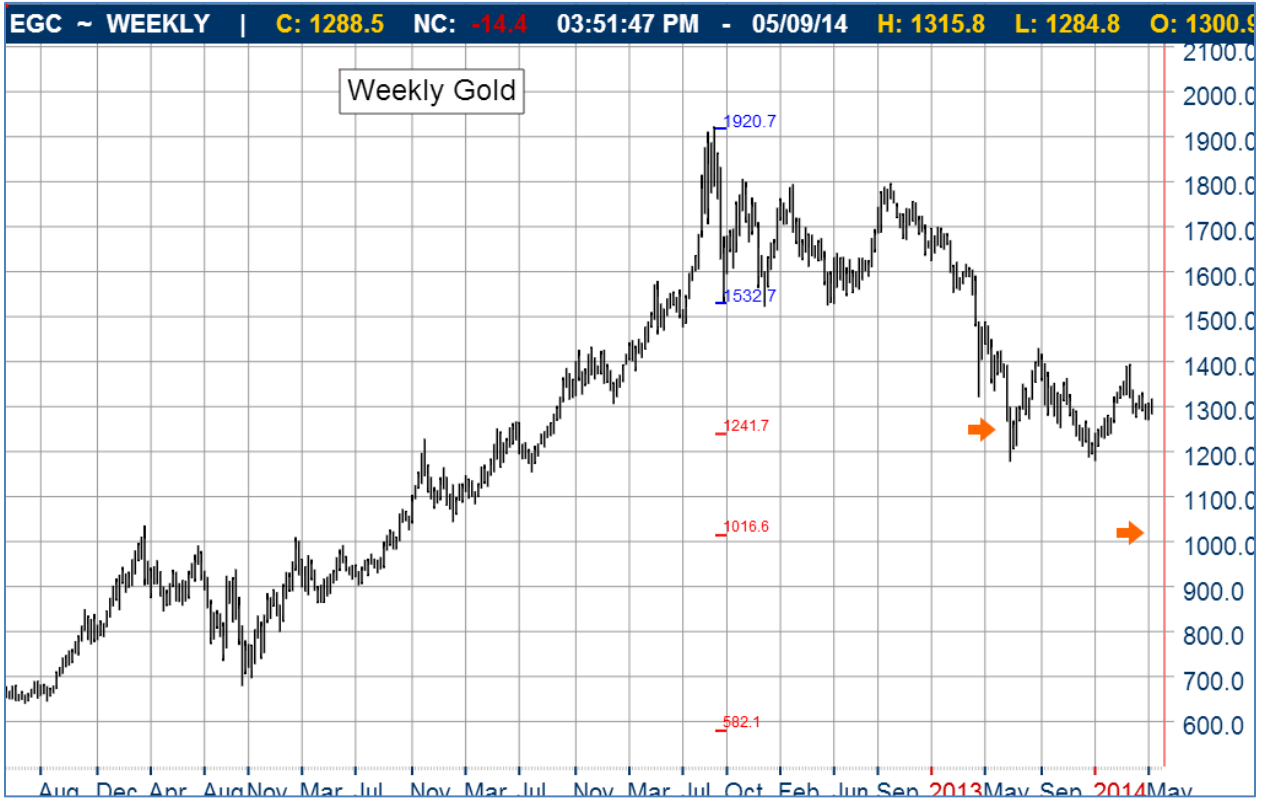
move is \$5.60 to \$6.20, market retraces to \$6.00 and makes new highs – if subsequent trade sees a close below \$6.00 those PriceCount objectives are to be erased.

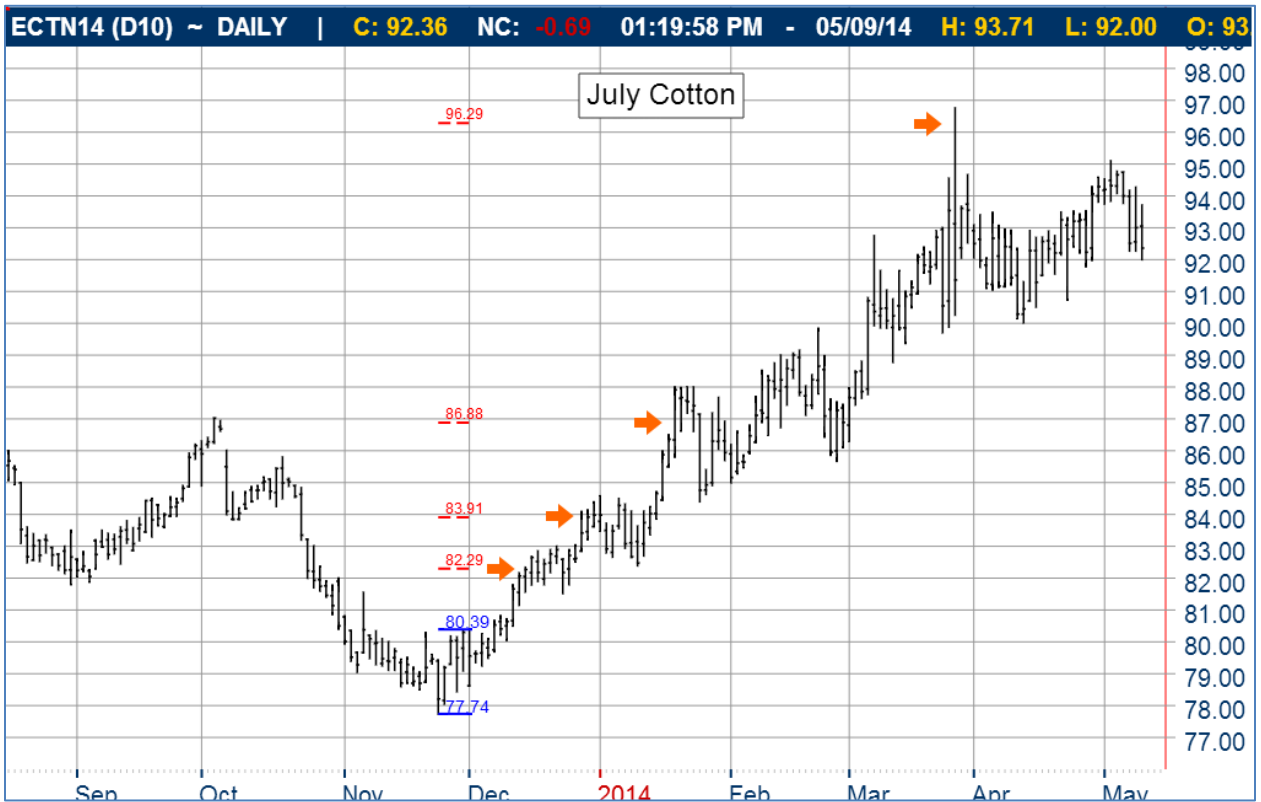
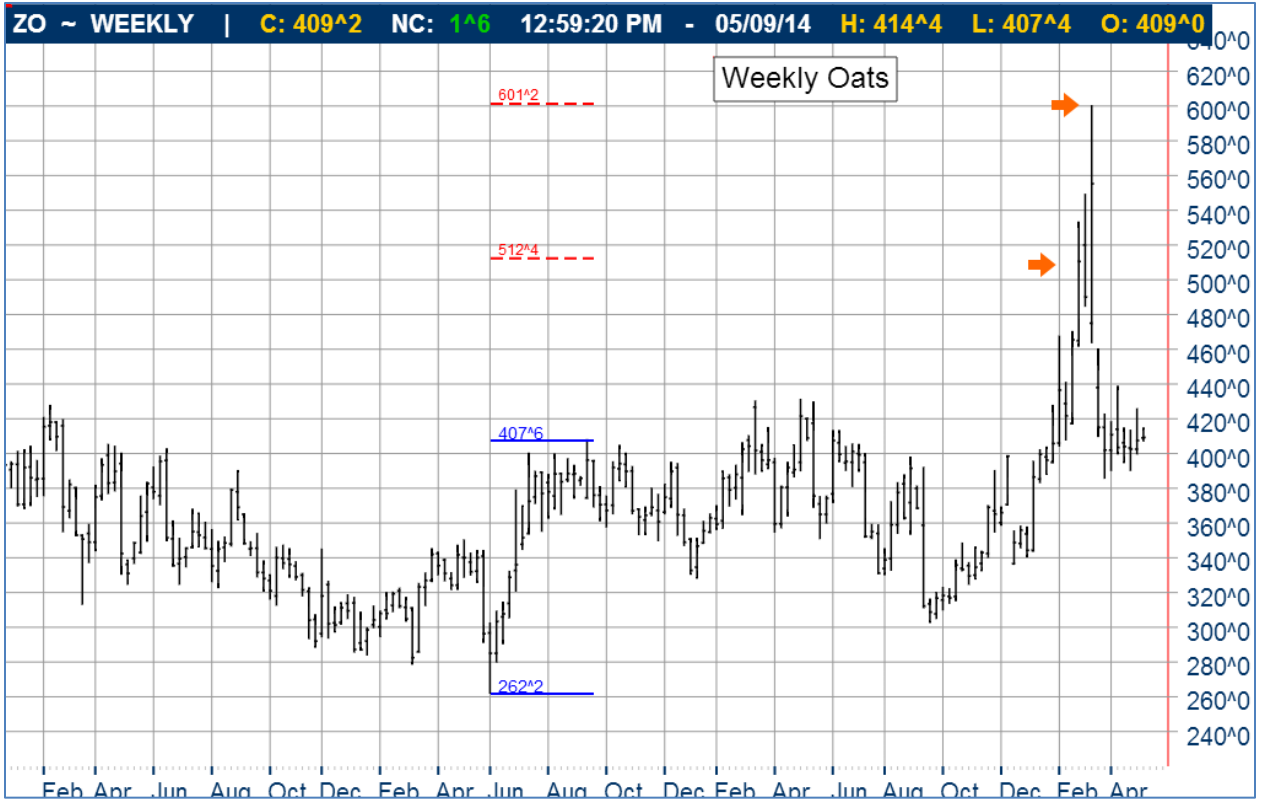


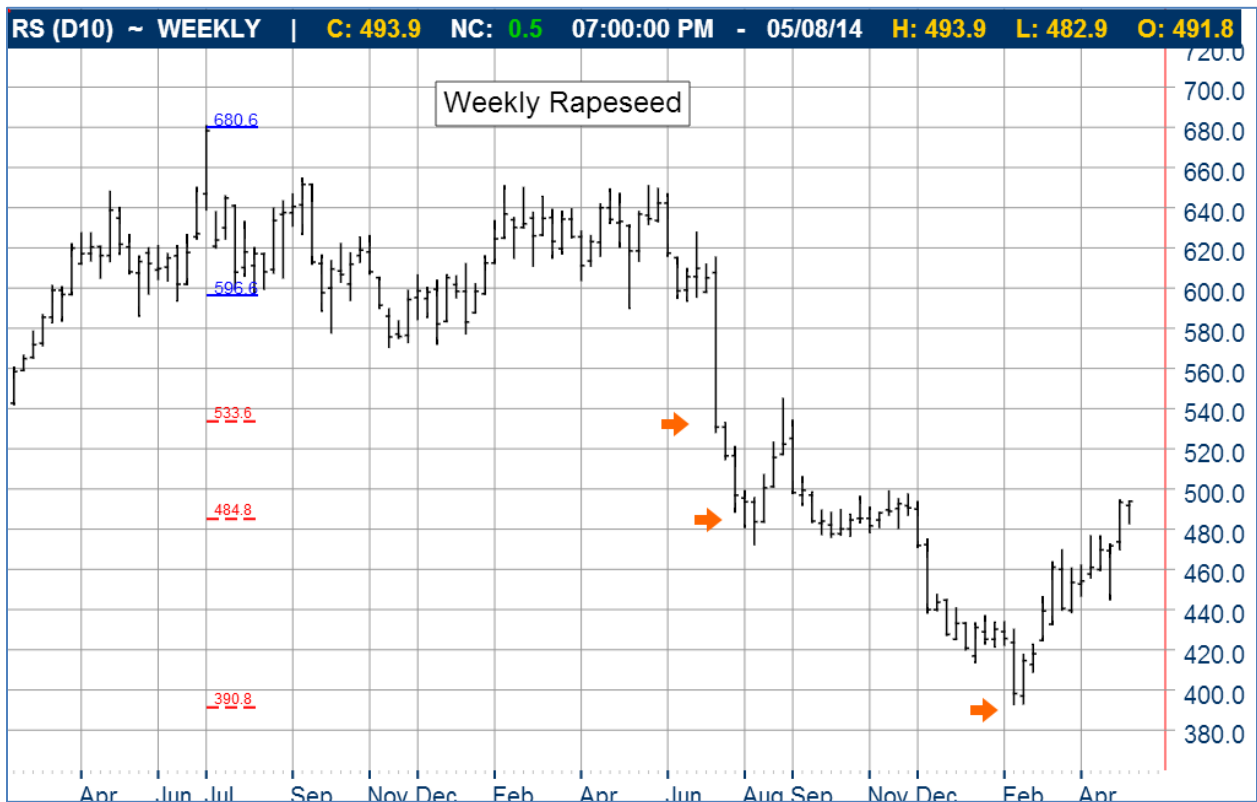
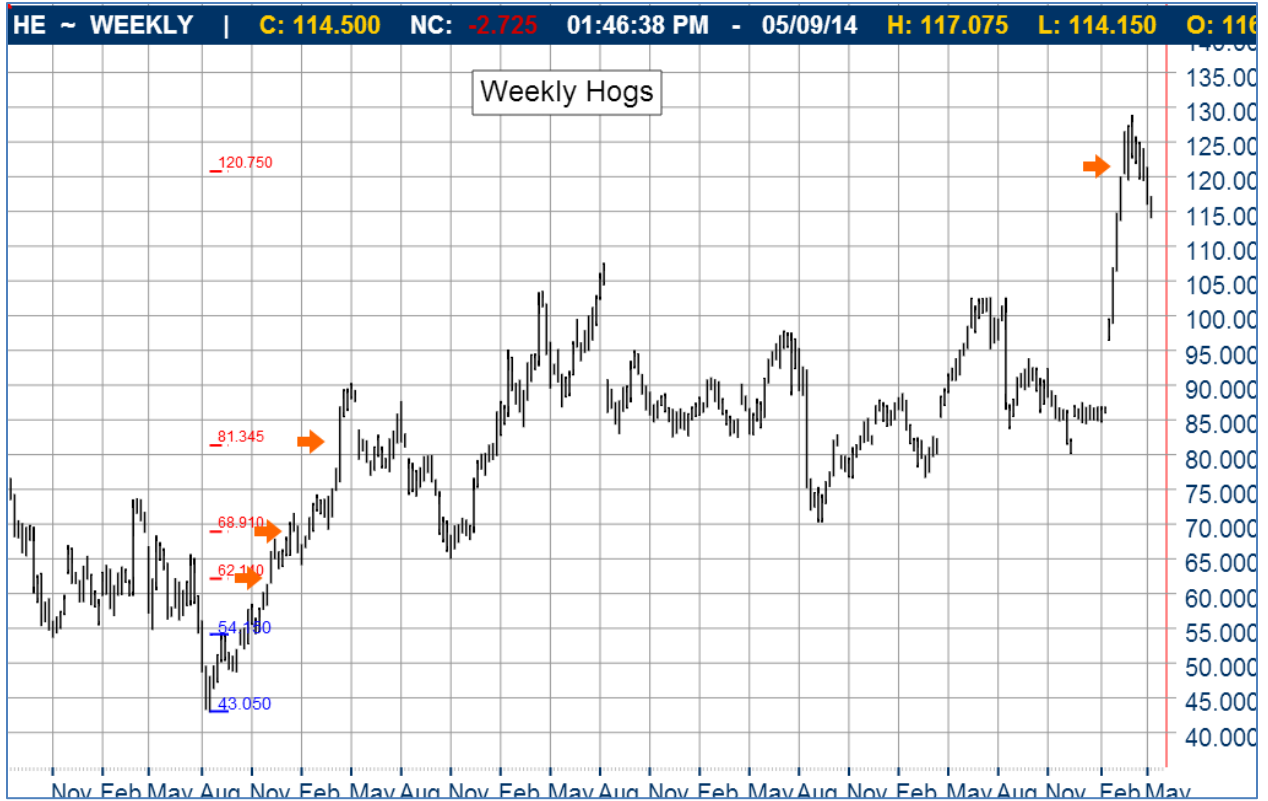
Examples











To try PriceCounts for yourself, come visit us at www.qtmarketcenter.com.