THE KINGFISHER
by Rob Booker

A TRADING SYSTEM FOR PEOPLE
WHO LIKE TO MAKE MONEY
PART ONE: GET YOURSELF READY FOR SUCCESS

Fig. 1: These ladies are dressed and ready for success!
KINGFISHER IS ABOUT TRADING BACK AND FORTH, USING RSI OR SOME OTHER INDICATOR TO DO IT.

Here are the 5 essential steps for success. Do these things first. No Kingfisher trading until all these steps are complete!

1. **Get a trading account.** You can trade stocks at Robin Hood, TD Ameritrade, Think or Swim, or your favorite broker in your country. You can trade Forex at Oanda, FXCM, Gain, or just talk to Justin Hertzberg at ForestParkFX.com and he will help you set up an account and get cash-back rebates on every trade you place.

2. **Get charts.** You can use TradingView.com (which I love, and which I am going to use during this entire document) for stocks, futures and forex.

   If you don’t like TradingView, that’s ok! But don’t get mad when our charts don’t look the same. You can also (for forex) use Metatrader, which is the world’s most popular trading and charting software for forex.

3. **Get healthy!** What, you think that trading and health are separate things? They’re not! It’s the little things that matter. The best thing you can do is a little bit of cardio exercise on a regular basis. But anything works - do what works for you and what your doctor says is safe. Have more sex. Eat good food. Stop smoking. Don’t trade and drink at the same time. You don’t have to be an out of control
fitness fanatic. But you do need to start taking care of yourself.

4. **Get positive!** This might be the most important thing after steps 1 and 2. If you are a pessimist, then get ready for some major disappointment. This is not a complicated trading system. You are going to find a TON of reasons why this SHOULD NOT WORK. Kingfisher is simple. It’s tested. It’s reliable. But it is so easy that you’re going to start doubting it. If you can suspend your doubt and believe (even just for a week or two while you trade it), your results will be far better.

5. **Get transparent!** Connect your account to a service for showing your trading results. MyFXBook works for FX. Profitly works for stocks. Or do a blog and show your trades. Why? So that when you are struggling, we can look at your trades and see what’s going on.

**Some other ideas that didn’t make the list:**

Throw away your trading books, don't buy anymore trading books, delete all the indicators off your charts.

**Resources:**

http://forestparkfx.com  
http://oanda.com  
http://fxcm.com  
http://forex.com  
http://tdameritrade.com  
http://tradingview.com  
http://metatrader4.com
PART TWO:
THE KINGFISHER TRADE FOR FX

Fig. 2: Let’s go fishing!
THE BASIC KINGFISHER FOR FX

1. **Set up your charts.**
   Add the Relative Strength Index to your charts. Set the RSI to 28. Overbought should be 70. Oversold should be 30. If these terms don’t mean anything to you, get on YouTube and watch some videos about RSI.

2. **The RSI is so important. (But we will use other indicators, too, later)**
   This is what will tip us off that a trade is ready. In the chart below, look at the RSI (lower panel). It is above 70. This means a trade is ready. We can take it now for a very small gain, or we can take it in several other places for larger gains.
3. **Follow these steps.**
First, wait for the RSI to go above 70.
Second, draw a trendline underneath price.
Third, sell on a break below that trendline.
Fourth, target a recent pivot (8 hour pivots for short term charts, daily pivots for 1hr charts, weekly pivots for 4hr charts, etc).
Fifth, if price drops and then rises again, but makes a lower high (see #2 on the chart above), get ready to sell again. **WOO HOOO** this is a lovely second chance trade. Use this second trade to get out of trouble if your first trade is a loss.

You can reverse all of these steps for buy trades, if the RSI goes below 30.

First, wait for the RSI to go below 30.
Second, draw a trendline above price.
Third, buy on a break above that trendline.
Fourth, target a recent pivot.
Fifth, if you get into the trade and then it moves up (in your favor) but then back down (and farther than before), you are getting a second chance trade on a break of a new trendline.

You might notice I don’t talk about stop-losses here at all. That’s ok. We’re going to cover that soon.

Go to the next page for a chart.
Here’s the chart I promised 1 second ago:

**Fig. 4:** Buy trade on Kingfisher.

Here are some thoughts about the chart above:

The first trade is a bust. It just doesn't work. It almost makes you wonder why we’re waiting for the trendline break!!! (And good for you if you were wondering that, because we’re going to get more aggressive in a moment).
The second trade is better. And let me tell you - this happens OVER AND OVER again. The second trade is usually the best one. It is so nice. If you want to trade the Kingfisher, you might consider ONLY trading the 2nd setup. Skip the first, trade the second.

But now, let’s get aggressive. And get in much earlier.

THE AGGRESSIVE KINGFISHER FOR FX

This is the same trade. Only more aggressive. GROWL!

1. **Immediate entry.** We’re going to enter IMMEDIATELY when the RSI goes above 70 or below 30. If we want to wait for it to go to 75 or down to 25 (or any other number we choose), that’s ok too. The longer you wait, the better the trade can be. But if you decide to wait longer, you will get fewer trades.
Fig. 5: An immediate, aggressive entry.

Some notes about the chart above:

We get in immediately on a sell trade when the RSI goes above 70. This trade is a mess. It goes bad almost immediately (don't say I didn't warn you).

But then, we get a trade #2 - and that one really moves nicely. Maybe you waited for trade #2. Good for you if you did that!

NOTE: We ALWAYS wait for a trendline break on trade #2.
But where do we stop out of these trades?

I promise we'll get to that. First, let's look at an example of an immediate buy trade.

![Chart showing aggressive Kingfisher buy trade.](image)

**Fig. 6:** Aggressive Kingfisher buy trade.

Some notes about the chart above:

We never get a #2 trade. The first trade is amazing.
I don’t have anything else to say about it.

**SOME THOUGHTS ABOUT STOPS**

Here’s how to think about stops: Decide that you will risk a TOTAL PERCENT amount of your entire account on each sequence of Kingfisher 1 and 2 trades.

For example, I’ll say “I'll risk a total of 3% on the next Kingfisher trades on AUD/NZD,” and then I know that I can trade with any trade size I like. But if I lose 3% trying to make trades #1 and #2 work, then I have to close the trades.

**SOME THOUGHTS ON BEST CURRENCIES TO TRADE**

You want to trade currencies that range. My favorites are:

- CHF/JPY
- EUR/GBP
- AUD/NZD
- EUR/CAD

But I’ll trade anything. I even like trading the USD/MXN with this system.

**SOME THOUGHTS ON TREND TRADING**

If you want to trend trade, watch a higher time frame chart (at least 4 times higher than the chart from which you look for Kingfishers). Look
for a trend on that higher time frame by looking at the 55 Exponential Moving Average - if price is above that average and it's pointed upward, the trend is up. If price is below the average and the average is pointed downward, the trend is down.

Then, only trade in the direction of that trend from the lower time frame. Now you’re a trend trader!

If you look at the 60m chart for the trend, trade from the 5m. If you look at the 240m chart for the trend, trade from the 15m. If you look at the daily chart for the trend, trade from the 60m.

**SOME THOUGHTS ON TIME FRAMES**

Kingfisher works fine on any time frame. If you want to trade from the daily charts, that’s fine (see Fig. 7 below). Or the 15m. Or the 1 hour time frame or anything else.
Fig. 7: The Kingfisher on a daily chart.

Some thoughts about the trades on the chart above:

Trade #1 is a bust. This is not a surprise. It makes some pips, actually. So it's not really that bad.

Trade #2 is good. Even waiting for the trendline break.

That's the basic Kingfisher. The robot can make these trades for you (it does not wait for a trendline break on trade #2, however).

ADVANCED FX TRADING WITH KINGFISHER
Wave Trend Trading with Kingfisher

This indicator is built by some guy named Lazy Bear on TradingView.

Here is the link for the indicator: https://www.tradingview.com/script/2KE8wTuF-Indicator-WaveTrend-Oscillator-WT/

Here is what a chart looks like:

Fig. 8: The Lazy Bear WT Indicator on TradingView.com
Some thoughts about this indicator on the chart above.

The WT indicator (if used INSTEAD of the RSI) can show MORE trades.

These are GOOD trades. You will get MORE Kingfisher trades with this indicator.

There are also bad trades. You still have to implement the max stop loss rules. *But if you want to be a trend trader, please consider using this indicator because it will give you a ton more trades.*

**Time Session Trading with Kingfisher & WT Indicator**

![Diagram showing time sessions and trades](image)

**Fig. 10:** The 11:30am-2pm trade on AUD/USD
Some thoughts on the chart above:

For whatever reason, **and this may blow your mind:**

1. Between 11:30am and 2pm New York Time,
2. On a lot of currency pairs (but AUD/USD and USD/CAD for sure),
3. If you get an Overbought or Oversold on the WT Indicator (in other words, a Kingfisher trade), on the 5 minute chart,
4. TAKE IT.

You know what's crazier? There are times like this for every fx pair. Of course, you still have to stick to your max loss rules. And you can’t just blindly go bananas and risk your entire account on each trade.

*But this is incredibly reliable.*

**The Big Trades with Kingfisher**

These trades use the Weekly Charts.

Here’s how to setup your charts:

1. Use the weekly chart
2. Plot the RSI set to 28
3. Plot Knoxville Divergence (Google it, or get it on TradingView.com)
4. Plot Pin Bars (this makes it even better)
5. Gird up your loins (get ready for battle) and get ready to make counter-trend trades
Take a look at the chart below:

![Chart Image]

Fg.11: The Weekly Chart with Kingfisher

Some thoughts about the chart above:

By now, you can see the Kingfisher trades. You don’t need me to point them out. Look at how the Kingfisher EXACTLY predicts the market turns.

That won’t happen every time, but it’s awesome when it does. And it’s big, big money.

And you can use monthly pivots as profit targets. Or even yearly pivots. WHAAT?! Yes, indeed. Yearly pivots.
Let’s put some pivots on the chart and see what happens.

Fig. 12: The Weekly Chart, plus Yearly Pivots. Delicious!

NOTE:

It’s not going to work every time. You’re going to have to ride out some horrible drawdowns sometime (or take some big losses) if you use the weekly charts. But when it goes in your favor - WOW. It’s the big time.
PART THREE:
THE KINGFISHER TRADE FOR STOCKS

Fig. 13: This is my favorite trade.
THE BASIC KINGFISHER FOR STOCKS

1. Setup your charts.
   This is easy:

   First, get the RSI (28) on your chart.
   Second, make sure you’re looking at the 1 minute chart.
   Third, make sure you’re sitting at your computer at the stock market open.

2. Get your stocks list ready.
   Make sure you’re looking at a set of stocks that jump up (and gap) or fall down (and gap) at the open.

THE TRADESIGHT TWITTER THING:
http://twitter.com/tradesight

That guy publishes a list in the morning, about 50 minutes before the U.S. stock market opens. It’s a list of stocks that will gap at the open.

Here’s what his list looks like:
That stock list gave me every idea for my Kingfisher trades in the month of May 2016. You can make it more complicated if you want, but I don’t think you want to do that.

THE DENIS AND ROB STOCK LIST:
https://docs.google.com/spreadsheets/d/1uKgq9GJ4yTMAA_s-rLqQMLs3tIDiZXbaYIXOfhoOieM/edit?usp=sharing

PLEASE READ THIS DISCLAIMER:

This is not a list of stocks that will guarantee you profits. It’s a list of stocks that tend to jump up (or down) at the open, and then continue moving in the same direction, and then retrace back down to their open price. These are perfect Kingfisher stocks, in my opinion. That does not guarantee profits, but it sure helps narrow down the list of stocks to look at.

HERE IS WHAT THE LIST LOOKS LIKE:

<table>
<thead>
<tr>
<th>SYMBOL</th>
<th>P/E</th>
<th>Volume</th>
<th>Close Yest.</th>
<th>Open Today</th>
<th>Difference</th>
<th>%</th>
<th>Current</th>
<th>Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRPT</td>
<td>no earnings</td>
<td>21,352,147</td>
<td>18.44</td>
<td>22.15</td>
<td>3.71</td>
<td>20.12%</td>
<td>23.35</td>
<td>$0.00</td>
</tr>
<tr>
<td>NVAX</td>
<td>no earnings</td>
<td>10,377,767</td>
<td>5.5</td>
<td>5.9</td>
<td>0.4</td>
<td>7.27%</td>
<td>5.78</td>
<td>$0.00</td>
</tr>
<tr>
<td>FCX</td>
<td>no earnings</td>
<td>45,726,544</td>
<td>11.11</td>
<td>11.39</td>
<td>0.28</td>
<td>2.52%</td>
<td>11.65</td>
<td>$0.00</td>
</tr>
<tr>
<td>NFLX</td>
<td>346.33</td>
<td>15,211,295</td>
<td>97.89</td>
<td>99</td>
<td>1.11</td>
<td>1.13%</td>
<td>100.2</td>
<td>$0.00</td>
</tr>
<tr>
<td>TWTR</td>
<td>no earnings</td>
<td>23,181,782</td>
<td>14.03</td>
<td>14.07</td>
<td>0.04</td>
<td>0.29%</td>
<td>14.4</td>
<td>$0.00</td>
</tr>
<tr>
<td>WLL</td>
<td>no earnings</td>
<td>32,068,751</td>
<td>11.1</td>
<td>11.31</td>
<td>0.21</td>
<td>1.89%</td>
<td>12.67</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

That list helps me answer the following questions:
1. Does this stock have enough volume? Can I even trade 1,000 or more shares? *If a stock has less than 1 million shares of volume daily, it is very difficult to trade for me.*

2. Does this stock have earnings? A PE under 20 means we should look to buy this stock.

3. Does this stock have NO earnings? A PE reading of “no earnings” means we only look to sell that stock.

4. Does this stock have a high PE? If so, we want to sell it or stay away.

5. Is this sector having trouble right now? If the energy sector (or tech, or whatever) is really in trouble right now, then we don’t want to buy these, we only want to sell.

6. Is this stock having a really bad year (YHOO, for example)? Then we only want to look for ways to sell it.

7. Is this stock having a really good year (NFLX, for example, or AMZN)? Then don’t touch it at all. Just don’t trade it and leave it to the masses.

Those are the 7 questions I ask when trading. You can watch this video in your members area to watch me do this analysis in real time and actually make trades:
How to take a Kingfisher stock trade in the morning:

1. Pick a stock with good volume, and pick the direction you’re going to trade it. Narrow down the list of stocks you want to watch to 5-7 at most.

2. At the open, use the 1 minute chart to look at each stock. Did it gap up or down? That’s good. (You will know it’s going to gap because it’s on the TradeSight Twitter list, or shows a gap on the Kingfisher Stock Worksheet).

Now you’re going to set up a trade. Here’s how I do it:
Fig. 14: The Kingfisher on EXPR. The 1 minute chart is my favorite.

SOME THOUGHTS ABOUT THE CHART ABOVE:
(I repeat myself a lot in the paragraphs below. That’s mostly intentional).

In the chart above, EXPR gaps lower at the open. Yay!
EXPR has a P/E of about 11. That’s good. It has earnings.
(if this were a sell trade, I would want to see that the stock has NO earnings, or a very high - above 30 - P/E).

*WE ARE LOOKING TO SELL STOCKS WITH BAD OR NO EARNINGS, AND BUY STOCKS WITH GOOD EARNINGS.*
Compare the earnings for this stock against its sector, and against the market as a whole.
A PE above 25 in almost all cases is BAD. Sell these stocks.
A PE around 11-15 is usually really good for buying, no matter what.
No earnings makes buying a real risk.

*WE ARE LOOKING TO TRADE STOCKS WITH GOOD VOLUME.*

We like to see daily volume of more than 1m shares.
We like to see lots of volume at the open.
If we don’t have volume, we cannot get filled on our trades.

Now, back to the chart above.

EXPR starts to creep upward at first, but struggles. That’s good! We don’t want it to IMMEDIATELY jump upward. If it did that, then we would miss the trade.

The only time I like to IMMEDIATELY buy or sell a stock at the open is when:

The RSI is above overbought or below oversold AND
The Wave Trend Indicator is above OB or below OS AND
The stock has great earnings (for buys)
The stock has terrible earnings (for sells)
In these situations I am more than happy to trade immediately.

So, most of the time, WE DO NOT WANT A HUGE MOVE AGAINST THE GAP right away.

In fact, we would prefer some movement downward (in the direction of the gap).

Back to the chart above;

In area #1, we see bullish Knoxville Divergence. I love to see that the RSI is OS (as in the chart above) and THEN we get bullish divergence. That’s my favorite signal to buy. *These two things do not have to happen at the same time - many, many times we will see the RSI go into OB or OS mode, and THEN we get bearish or bullish Knoxville Divergence.

In area #2, we see the Wave Trend indicator move out of oversold. This is my second favorite trigger to buy.

STOP LOSS AND PROFIT TARGET RULES

**Time-based stop.** I exit all stock positions before 10am. (I break this rule sometimes, and I’ll explain why in the Advanced section).

**Loss-based stop.** I exit my stock positions if I've lost 2.5-3% of my account on a set of trades in one stock. (I break this rule but not often).
**Cent-based stop.** Sometimes I will close a trade if price moves just 10-20 cents beyond my entry, and I'll just take the loss.

I do not believe any ONE of these things is BEST. None of them are best and all of them work ok.

*Remember, people who teach you to trade like a robot are treating you like a non person. Real people do not act consistently all the time. I do not act consistently all the time. My goal is not to be consistent. My goal is to play the game to win.*

**Price-based profit.** I like to take profit when price hits: A middle bollinger band (bands set to 60,2). Or a short-term pivot point (like the 8hr pivot). But I like the Bollinger Bands target best.

**Cent-based profit.** I also like to take profit when price has moved 10-50 cents a share.

**SOMETIMES I HOLD TRADES OVERNIGHT**

If a trade is moving in the “right direction,” whether it’s a loss or a gain, I might hold it until the next day. Sometimes, for example, I’ll be in a profitable trade and it just keeps moving further and further into profit. This is a good thing. I will keep the trade open. Or, a trade might be a loss for most of the day, and then near the end of the day, it comes WAY back, close to profit - and that shows me that I was simply very early with the trade.
If the trade is a very small trade size, I might hold for the next day.

If the trade is a loss and it is going the WRONG way - there is never a good reason to hold on.

**WARNING: LOOK AT EACH STOCK BEFORE YOU TRADE**

Some stocks need to produce 2 or 3 signals (multiple Kingfishers) before they are ready to start moving into profit. You can simply go back in time before you take a trade and look at the last 10 days - and ask yourself, “Does this move quickly or does it take time? Is it better to wait for multiple divergences?” If you see that it needs time - just wait, wait, wait. Then take the trade. *Even if just 2 out of the last 10 trades needed extra time, wait.*

**Summary of How I Like to Trade Stocks**

1m chart.
Gaps or strong moves at the open.
Stock has daily volume of more than 1m shares, optimally 2m+.
Before I buy, I like to see that stock has earnings.
Before I sell, I like to see a high P/E, or no earnings.
(this is not a guarantee of success, you’ll find plenty of stocks with no earnings that go up, and stocks with earnings that go down). *This is because TRENDS TRUMP EVERYTHING. (See the advanced section).*
I look for three things to happen to buy (do the reverse for sells):
The RSI goes below 30.
The Wave Trend Indicator goes Oversold (below 50).
We get Bullish Knoxville Divergence on the 1m.
If I get all three, I like to make a buy trade.

I avoid “story” stocks in the news, like AMZN, AAPL, NFLX.
I like to take 10-50 cents / share profit.
In other words, I like to get in and get out FAST.
I like to exit at the middle Bollinger Band.
I have a max stop loss of 3%.
I sometimes exit earlier with a smaller loss.
I like to be out of all trades at End of Day, or even earlier.

**Advanced Kingfisher Trading with Stocks**

Longer Term Trading with Kingfisher and Stocks (using Options).
Fig. 15: X prints a beautiful Kingfisher on the Weekly chart.

IN THE CHART ABOVE:

X prints a Kingfisher on the RSI. (The Wave Trend would be fine too).
Now it’s time to ask, “Is this a good company?”
Does the company have earnings?
Is the sector / industry in an upward or downward trend?
If you can say, “This looks like a garbage company,” from looking at earnings and the industry, then sell it. **Short the stock.**

**Or buy a bear put spread.** (This means you buy one put contract that’s in the money and then you sell another that is out of the money - this caps your profit but it helps you actually pay to take the trade). This is a debit transaction.

**Or you could buy a bear call spread** - you sell one call at a low price (so it’s in the money) and it generates some cash (a credit). Then you buy
another call at a higher price (this is a debit). Overall you BRING IN money. If X falls or stays at the same level, this trade is a win. If the stock rallies, you are somewhat protected by the long option. The two contracts have the same expiration.

I don’t have a lot of advice about choosing a strike for the options. With the next chart, we will talk more about targets when you use shares.

If any of that options stuff confuses you, join the crowd. I don’t trade options for this very reason. It’s a lot of math I don’t care to do.

Let’s look at another example.

Fig. 16: NVDA fired off a bearish Kingfisher.

SOME THOUGHTS ABOUT THIS CHART:
I sold NVDA. I shorted 500 shares on this exact signal. The RSI printed a bearish Kingfisher 6 months earlier, and it caused a drop of 15% in the stock.

I love a profit target of halfway the distance to the yearly pivot. I like any profit target, actually. I just like making money. If it goes up, I can just stop out. If I lose, say, 2-3% on the trade, I will just close it.

BUT WATCH OUT:

![Chart of YHOO](image.png)

Fig. 17: This can happen. A huge drawdown.

In the above chart:

YHOO just rips higher.
If you try to sell this rally, you get crushed.

Why?
YHOO owned massively valuable shares in BABA (the Chinese company). So even though YHOO was a terrible company, BABA was not. U.S. based traders were buying YHOO as a proxy for BABA.

Rest assured - if you held onto this trade, you will eventually make a LOT of money. But it would hurt so bad for a long time.

Fig. 18: KO is awesome.

SOME THOUGHTS ABOUT THE ABOVE CHART:

“Traditional” stocks, like the ones you find in the DOW 30, or Investors Business 50 - these are the ones that work better on longer term charts.
IMPROVING YOUR SUCCESS WITH LONG TERM KINGFISHER

Don’t sell stocks in a giant market uptrend.
Don’t buy stocks in a giant bear market.
If you can’t tell the difference, then only buy stocks with amazing earnings, and only sell stocks with zero earnings.
Use trendlines before you get into a trade!
Use a “Cycle Indicator” to help you judge the end of a trend cycle!

Fig. 19: A trendline helps so much.

IN THE CHART ABOVE:

Using a trendline to get into the trade helps keep us out of the market unless “everything is breaking down”.

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INTERNATIONAL BUSINESS MACHS, W, NYSE

Pivots (Traditional, true, Yearly, 18) ~  O 52.63 H 54.22 L 49.69 C 53.50
Pivots (Traditional, true, Monthly, 19) ~  O 52.63 H 54.22 L 49.69 C 53.50
RB_KnoxDiv (30, 21, 20) ~  O 52.63 H 54.22 L 49.69 C 53.50
RB_Fax (12, 25, 70, 10, 70, 30) ~  O 52.63 H 54.22 L 49.69 C 53.50
RB_MPP (730, false) ~  O 52.63 H 54.22 L 49.69 C 53.50
CM_Price-Action-Bars (80, 6, 5, true, false, false, false, true)

RSI (28, close) ~  O 73.63 H 80.0000

The problem is this: *Even a trendline can’t help you sometimes. Sometimes the market is on a sick bull run (or bear run) and you won’t be right. This is why I really appreciate the 1 minute charts and short term trading.*

**USE A “CYCLE INDICATOR” OR SOME OTHER OSCILLATOR TO HELP YOU**

The Inverse Fisher on RSI is an indicator that treats rising prices different that falling prices on stocks (stocks go up in a far different manner than they go down, as any person who traded in 2001 or 2007-8 can tell you). *Other oscillators / indicators might show you “time cycles” which can help you stay away from really huge trends.*

Here is the Inverse Fisher on a chart:
Fig. 20: The Inverse Fisher is at the bottom of the chart.

SOME THOUGHTS ABOUT THIS CHART:

YHOO was in a strong trend. The RSI we use didn’t catch that. The Inverse Fisher did catch it. By using a 2nd MUCH SLOWER MOVING oscillator, we might have been able to stay out of YHOO until the time was right. *It’s still not perfect - but you get the idea.*

THE WARNING:

If the stock market goes nuts, take some time off.
If you have three losing days in a row on stocks for Kingfisher, stop. Paper trade for a week or more.

Remember, if you get caught in a bull or bear market, your best defense is to sell terrible companies with no earnings, or buy companies with great earnings.

Remember, it is sometimes MORE DIFFICULT to trade a longer term chart, than it is to trade a shorter-term chart. How long do you really want to fight a trend on a long-term chart, when you could trade that trend on a shorter-term chart?

In fact, that’s a perfect transition into trend trading: you’re going to do much better (as usual) if you check the trend first. In fact, the best use of the longer term charts (like the Weekly above) is to get the trend from that chart.

**Trend trading stocks with Kingfisher**

Trend trading Kingfisher works like this:

Use a longer-term chart for the trend. Use the 55 EMA for the trend. Use a shorter-term chart for the trade.

For example, use the 60m chart for the trend, and then use the 1m chart for the trade.
Fig. 21: MXL on the 60m chart. 55 Exponential Moving Average shows the trend.

Fig. 22: The 5m chart, trading with the trend

SOME THOUGHTS ON THE CHART ABOVE:
If the stock is trending UP on the 60m chart, take only buy trades on the 5m chart (preferably even on the 1mr chart).

Figure 22 shows two really nice buy trades that happen right after the stock market opens.

Perfect profit targets include daily pivot points, missed pivot points, intraday pivot points, the middle bollinger bands, or a gain of 10-50 cents (since we are trading from the short-term charts).

SOME ADDITIONAL NOTES ABOUT TREND TRADING STOCKS:

If we see the price below the 55 EMA, and the EMA is sloping lower, we're going to do sell trades only on the 1m chart.

This is even better because this company in particular has ZERO EARNINGS.

When price turns around and moves up, and the 55 slopes upward, we would look for buy trades only.

But we would do so cautiously because the company has no earnings. Or we would still just look for sell trades if we just hate trend trading and want to ignore reality.

Sometimes the market sends terrible companies higher. Even when they have no earnings.

60m Trend = 1m/5m Trade
240m Trend = 5m/15m Trade
Daily Trend = 1hr Trade
Watchlists:

**The Kingfisher Stock List by Denis and Rob**
https://docs.google.com/spreadsheets/d/1uKgq9Gj4yTMAA_s-rLqQMLs3tIDiZXbaYIXOfhoOieM/edit?usp=sharing

**TradeSight’s Gap List (published each day 30m before market open)**
https://twitter.com/Tradesight

1. **Set up your charts.**
Add the Relative Strength Index to your charts. Set the RSI to 28. Overbought should be 70. Oversold should be 30. If these terms don’t mean anything to you, get on YouTube and watch some videos about RSI.
PART FOUR:
THE KINGFISHER TRADE FOR FUTURES (ES and GC)

Fig. 22: Um, what?
The Basic Kingfisher Trade for ES

Watch the market from 6:30am NY Time to the NY Open (9:30). If you see a Kingfisher on the RSI or the Wave Trend, take it. Use the 5 minute chart. Take profits at the middle Bollinger Band.

Here’s what it looks like in action:

Fig. 23: The Sweet Spot for ES trading

SOME THOUGHTS ABOUT THIS CHART:
I don’t really have any thoughts about it. It’s pretty obvious.

Here’s another example:

Fig. 24: I could post these all day long. That’s a sell trade.

More examples:
Buy trade: [https://www.tradingview.com/x/YfIXmqjb/](https://www.tradingview.com/x/YfIXmqjb/)
Buy trade with pin bar: [https://www.tradingview.com/x/8a946V2s/](https://www.tradingview.com/x/8a946V2s/)
2 buy trades on same day: [https://www.tradingview.com/x/N80TnbGX/](https://www.tradingview.com/x/N80TnbGX/)
Sell trade right before open: [https://www.tradingview.com/x/VBsh1XOs/](https://www.tradingview.com/x/VBsh1XOs/)
Buy trade at market open: [https://www.tradingview.com/x/5349PiU2/](https://www.tradingview.com/x/5349PiU2/)
Basic Kingfisher for GC (Gold)

Start watching at 9pm NY Time (can you even trade at this time?)
Look for a Kingfisher on the Wave Trend indicator.
Take the trade.
Take profit at the Bollinger Bands.

Here's an example:

Fig. 25: The sweet spot for gold futures starts at 9pm.

On the next page, I'll link to a bunch of additional examples.
More examples of GC Kingfisher trades:

A sell trade: https://www.tradingview.com/x/uNo8t6GF/
A buy trade: https://www.tradingview.com/x/jagoTojb/
A buy and sell trade: https://www.tradingview.com/x/q4gRWXhy/

Ok, that’s enough examples to get you started. These trades on gold futures are not as good as the ones on the ES.

Gold trades always seem to work better with Knoxville Divergence included.

Stop-Losses and the Kingfisher Trade for Futures

Decide how much of your account you’re willing to lose on the trade.

Then, choose a trade size small enough that you give yourself 10+ ticks of room for the trade to move against you.

The point is this: Your trade size doesn’t really matter. What matters is - how much are you willing to risk in order to give the trade a chance to be profitable?