

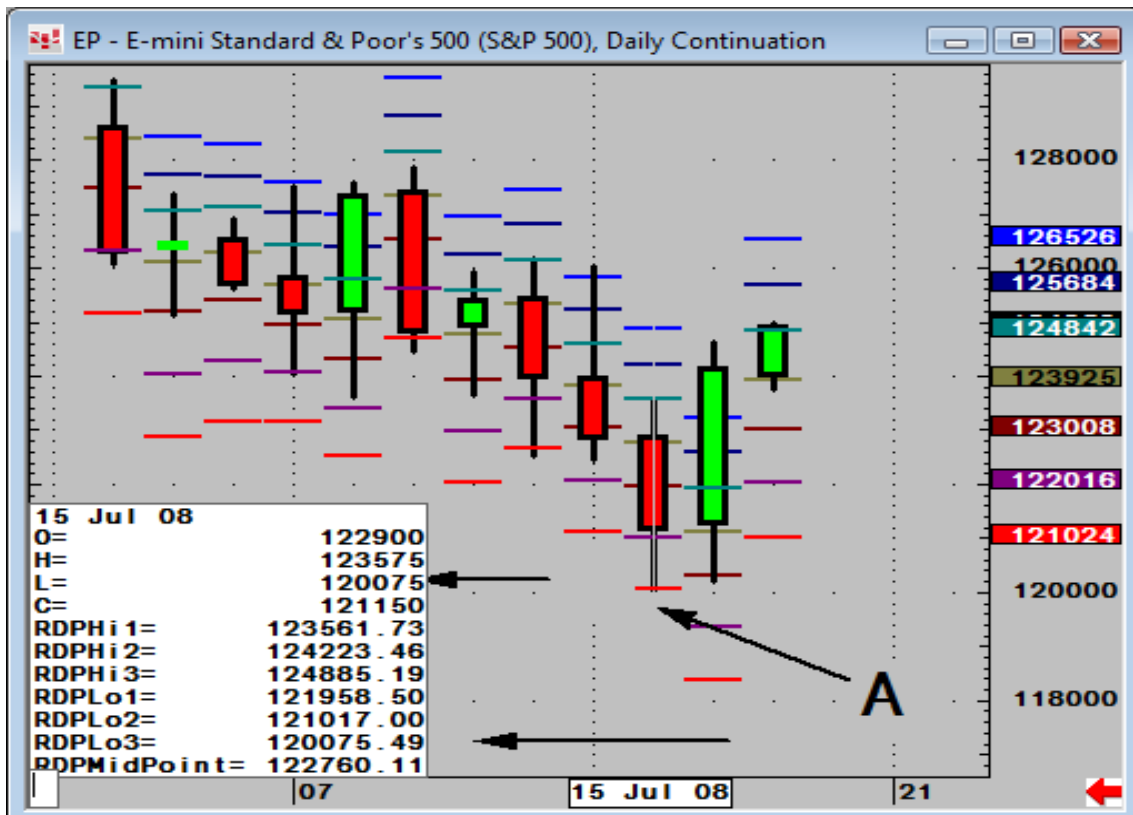
## Trading Time: A Case Study

The Downey ([www.trading-time.com](http://www.trading-time.com)) suite of studies quantifies many technical scenarios. One of the more popular strategies is linking limits of range for the trading day and connecting those with the limit of range on multiple timeframes for a specific time that day. These levels present optimum points for profit-taking on a trend following trades and also provide low-risk, counter-trend opportunities. The various divergence-based concepts can then be added for additional confirmation or subsequent fresh-trend following positions. The recent low in the S&P after weeks of selling is a prime example of the ability to trade with high volume, as risk is so tightly defined in spite of the increased volatility.

The following charts highlight how the studies combine.

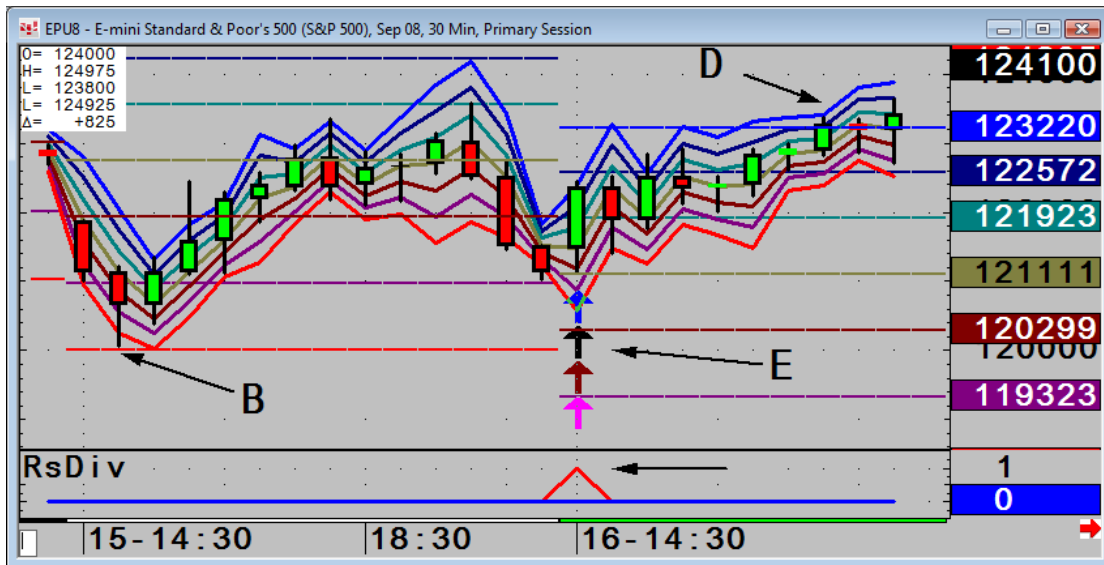
The S&P 500 daily continuation chart reveals a daily S&P and uses the Range Deviation Pivots. These have an inbuilt volatility skew. Risk is tightened against trends and widened with it. The third deviation represents the normalized trend skewed limit of range for the day. Point A shows that the limit was 1200.75, which proves to be the low of the day to the tick.

### S&P 500 Daily Continuation Chart



The S&P 500 thirty-minute primary session chart uses the Volatility Time Bands with compute 1, 2, and 3 deviations around the opening price. This quantifies what is normalized and extreme behavior for that specific time of day. At point B, the third band represents that limit. When it is combined with the Range Deviation daily limit, the band provides a low-risk opportunity.

### S&P 500 Thirty-Minute Primary Session Chart

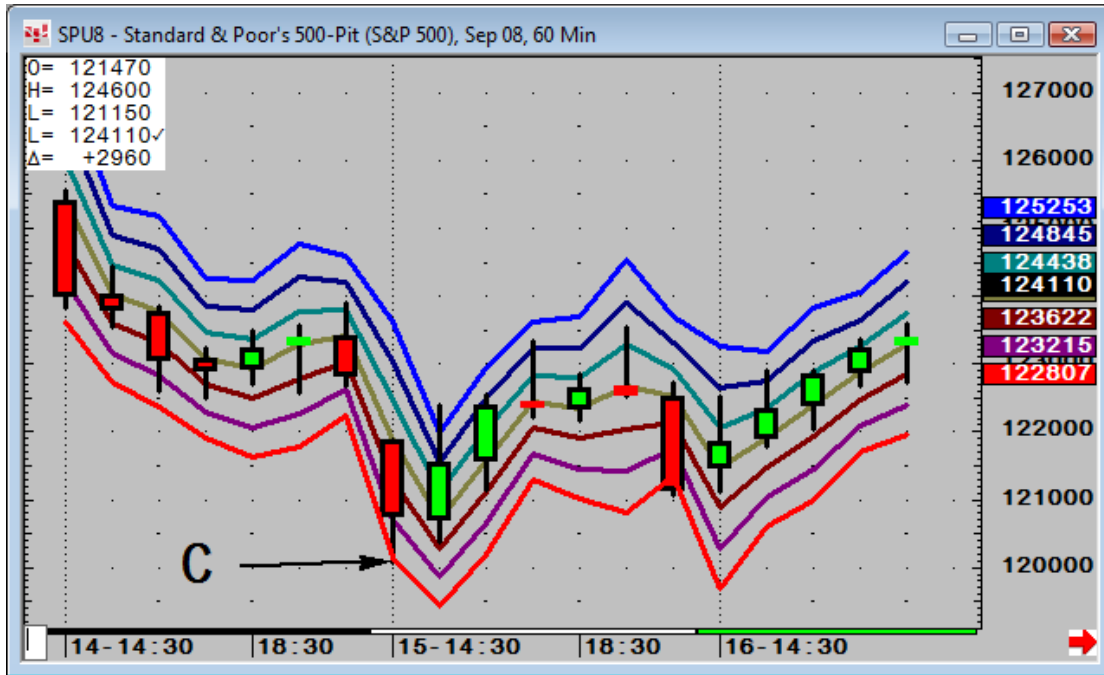


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Thu Jul 17 2008 11:54:37

The S&P 500 sixty-minute chart reveals the power of multiple timeframe extremes, shown on point C at the sixty-minute measure. It is also at the third deviation that was on point B on the thirty-minute S&P chart. All three separate timeframes signal an extreme at the same time.

### S&P 500 Sixty-Minute Chart



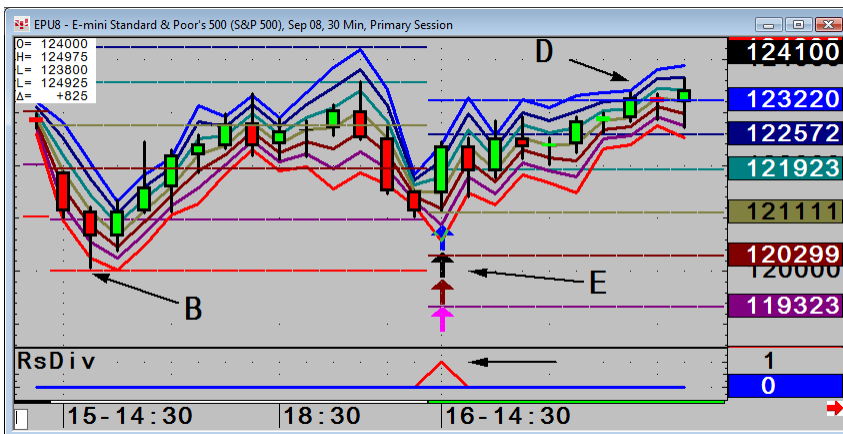
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The thirty-minute S&P primary session chart and the fourth thirty-minute S&P primary session – multiple divergences chart, see following page, on points E, D, and F highlight the combination of the divergence entries and then the optimum exit point for a day trade.

The four arrows on point E are multiple divergences placed through the Rsi. The pattern does not reference absolute high/lows for quantifying divergence but looks for divergence through a variety of relationships beyond that, such as the high/low/close divided by three. The pattern also looks for multiple pattern synergies on the same bar. This means that divergence can be signalled not only against the trend but also in sideways, thereby signalling an imminent breakout, or divergence as a continuation of the existing trend.

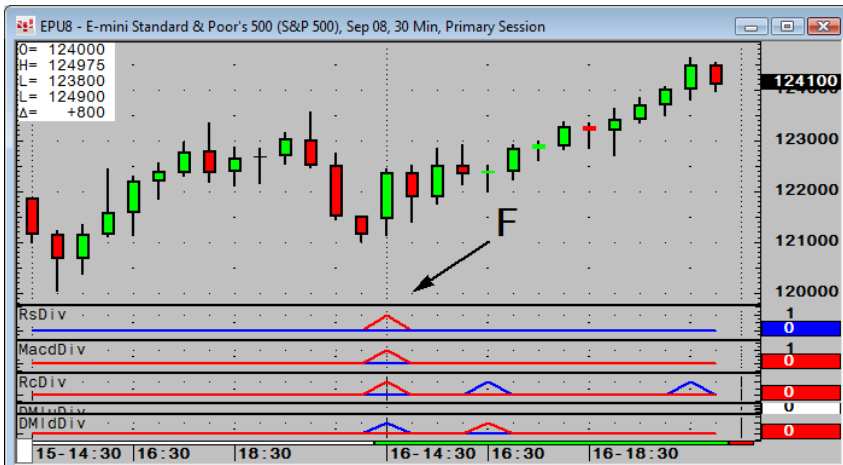
### S&P 500 Thirty-Minute Primary Session Chart



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### S&P 500 Thirty-Minute Primary Session Chart – Multiple Divergences

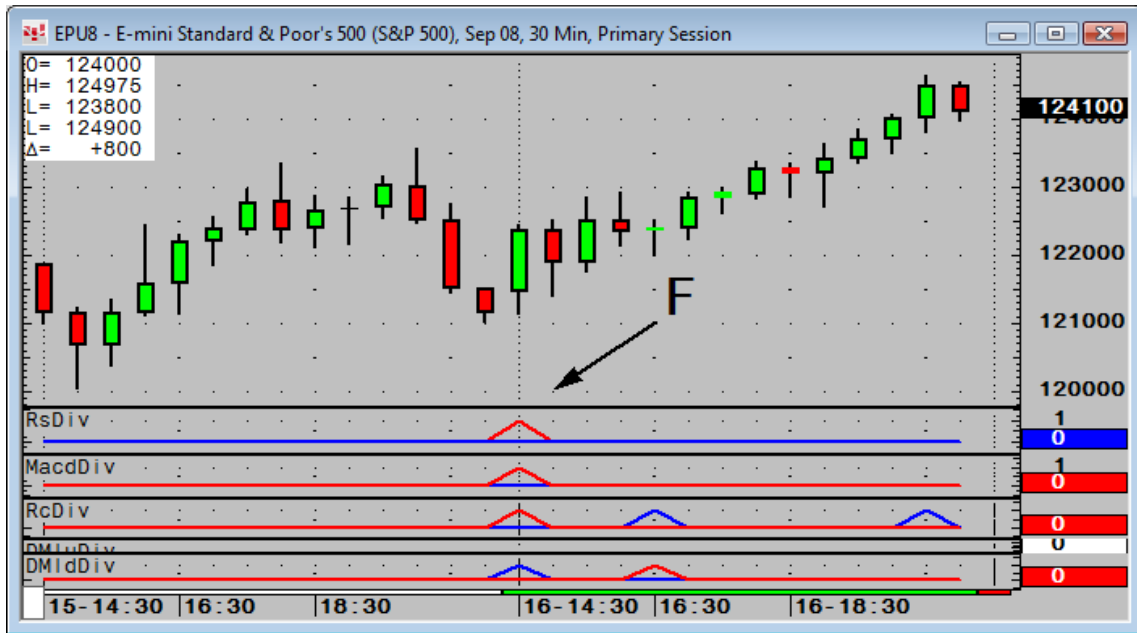


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Point F on the S&P 500 thirty-minute primary session chart – multiple divergences chart shows a range of different studies are diverging at the same point as the multiple pattern Rsi was. The studies include Macd, Rate of Change, Rsi, and Dmi, providing a powerful multiple-indicators-based trade. Finally, at point D on the S&P 500 thirty-minute primary session chart, the limits of the day are reached with the third range deviation, combining with the third Volatility Time Band for the optimum day trade exit point.

### S&P 500 Thirty-Minute Primary Session chart – Multiple Divergences



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