

Nexgen's Trading Plan [John Novak the developer teaching the plan video](#)

Nexgen users learn how to day trade and be confident doing it. Trading consistently and accurately occurs through assessing the probability of winning a trade based on the patterns of the Fibonacci and indicators. Success is achieved by reading the indicators consistently and accurately placing high reward low risk trades. During your demo we will teach you the rules and looks for the highest probability winning trades, entry and in-trade management. The demo is geared to help a new trader evaluate and understand the Fibonacci support and resistance areas, class structure, teaching environment and to gain an overall sense of high probability trade rules. During the demo, traders understand the path to achieving his or her objectives. During your first few days and weeks, you will learn and start to apply Nexgen's rules and trade management. After you have acquired the necessary trading skills using simulation, the goal is that our clients can trade live money very confidently and profitably using any liquid market and under every type of market condition.

Nexgen encourages you to participate in class and share your practice trading with the educational room teacher for feedback. The live room is "chat and video" in which traders are encouraged to join in and ask questions as the market unfolds. Nexgen does not provide trading signals "as a service" nor offer personalized trading advice. Trades taken during class by the educator, any written or video documentation is for educational purposes only. All speculation, including day trading with leverage involves great risk as well as reward to please assess your financial situation carefully. Disclaimers at www.nexgent3.com.

Traders normally use 3-5 times required minimums per contract. [CLICK HERE FOR DETAILS](#)

\$400 or more per contract per day average is the goal. Example returns ([12 month](#))

\$100 per contract or less average stop is the goal. \$300 is normal max loss per day.

When you have completed the lessons, you will be able to say the following:

I am personally 100% capable and responsible for my analysis and trade management.

I have proven my trades generate a positive outcome through simulation and practice.

I understand the nuances of each trade setup through study and repetition on sim and replay.

I tell myself I am a confident profitable trader that will exercise my trading plan every day.

I will ask for feedback and help should I find myself doing losing trades by posting trades.

I will track each of my trades in a spreadsheet. [CLICK HERE](#) (click file "save as" example sheet)

I know when reports will be out that could create potential additional volatility risks and work to avoid trading during these [REPORTS](#)

Rules and Trigger looks for High Probability 5-1 Trend Trades

1. Dynamic Renko 14-2 larger, 8-2 middle and 5-1 smaller chart. STAY FOCUSED on 14-2 chart first.
 - a. [TRIGGER LINES on the 14-2 chart](#) must be REALLY STRONG and in one of the 3 phases that allows for high probability trend trades (see below) or do not do 5-1 trend trades.
 - i. [#1 Strong trigger look](#) – ALL Triggers strong up or down and small triggers above or below (direction dependent) each of the other trigger lines on the 14-2 chart.
 - ii. [Transition trigger look](#) – Trigger trend changed due to a key reversal in market and small triggers MUST BE BEYOND the synthetic triggers and normally both the small and large(dotted) triggers will be crossed in the transition direction.
 - iii. [Weakening trigger look](#) – small trigger inside trending up or down together- small triggers inside large triggers usually during an extended trend and breakouts.
 - b. Make sure 14-2 is not lowering the probability of your trade winning. Your odds of winning trend trades on the 5-1 smaller chart are drastically reduced with the following looks.
 - i. [14-2 chart trend trades, Fibonacci areas reached, Fibonacci or Lines with a large gap back to synthetic triggers or Prior Divergence lines.](#)
 - ii. [Divergence on all 3 charts or divergence multiple times on same chart.](#) This will reverse markets unless broken. Once broken not to be used again until after the next trend change.
 - iii. [Failures with divergence from wrong side of 5-1 synthetic triggers](#) when 14-2 is weakened. No more than two attempts at any one area.
 - iv. [Range bound look](#) small trigs in between large and small
 - v. [Weak 14-2 Triggers and Small Charts Fibs with Divergence – WHEN ITS OK AGAIN](#)
 - vi. [Transition of trigger lines and Small Charts Fibs Stopping it](#)
 - vii. [Triggers Past 14-2 Fibs and Small Chart Fibonacci or Pivot Stop out ending it](#)
2. [USE 14-2 ENTRY areas when possible](#)–Mid Band w/ correct color, Fibs w/ correct color – if there are no areas from larger charts you will focus on your smaller 8-2 / 5-1 charts and the Fibonacci areas or Mid bands/165 EMA (white dotted) areas. Yellow One to One Fibonacci areas can also be helpful to your entry areas on the smaller charts.
3. Fib2Fib oscillator helps define pullbacks for the trend trades – [to buy Fib2Fib must be at 25 or 0](#) [to SHORT \(sells\) Fib2Fib must be at 75 or 100.](#) **Fib2Fib location on larger charts is not important when doing 5-1 trend trades based on (STRONG 14-2 chart trigger Lines).**
4. Entering a 5-1 Trend Trade the confidence in which areas will be most likely for entry is paramount.
 - a. [The 8-2 chart helps define if the areas to use will be nearer or farther away.](#) With the 8-2 “#1 trigger line look” you will get in earlier just before the spot on the 5-1 chart. If you have a “weakening small trigger look” (especially if it violates large triggers) on the 8-2 chart you will use the farthest away areas on 5-1 or not at all if there are no areas, you will then retrace to the 8-2 or 14-2 Mid Band.
 - b. [If 14-2 transition look and 8-2 chart #1 trigger look](#) you will be doing a trade from the 5-1 areas if available (fibs or mid band). Notice when one of the two charts are in a #1 strong trigger line look getting in close to the areas is key.
 - c. [When 14-2 CHART TRIGGERS ARE in a transition look](#) price will normally retrace back to the Fibonacci areas if the market is still close to the Fibonacci areas. If the prior trend was very strong, require a deeper retracement into the middle large dotted triggers for less risk).
 - d. [14-2 CHART TRIGGERS in a powerful push #1 or transition look from areas](#) that caused the reversal are powerful Fibonacci or “pivot stop out” areas, you will normally only retrace back to the 5-1 Mid band if the market has made a strong move.
 - e. [14-2 CHART “weakening trigger look” with divergence on 5-1 chart](#) then you may experience a “deeper” retracement on the 5-1 chart which will bring higher Fibonacci areas YELLOW one to one dots or the 165 EMA areas into play. This will be true if there is a divergence prior to the pullback which will normally cause a pivot stop out of the prior highs or lows before resuming the trend.
 - f. [5-1 chart areas will NOT stop very strong momentum on the 14-2 chart](#) so do not skip your winning trades on the 5-1 chart when the 14-2 expectation is to break the small chart Fibonacci areas. (this is common fear with new Nexgen traders) you can manage the trade by lessening risk as you approach the areas but do not skip your entries.
5. [Defining the best entry spot](#) - Using all the charts current reads with what should happen next – The #1 perfect trades are obvious. Clearly seeing the less obvious trend trades is when profits increase.
6. [Knowing when to stop 5-1 trend trades](#)- when the 14-2 small triggers cross against the trend
7. [14-2 Trend Trade Example](#) -if not 5-1 trade due to areas can you edge trade? Larger Chart helps

Trading "edges" tops and bottoms

Counter Trend or Edge Trading in a range bound market is one of the best ways to make money spot the range bound look- [RANGE BOUND TRIGGERS](#). Edge trades are effective when conditions stop 5-1 trend trades "[STOP 5-1 Trend Trades 14-2 chart looks](#)" [Weak 14-2 Triggers and Small Charts Fibs with Divergence](#) The "Pivot Stop Out" entry at Fibonacci and divergence areas on 5-1 chart is a great way to limit risk and maximize from the edges and is the preferred entry method. NEVER counter trend trade against the 14-2 #1 trigger line look. Counters are best when 14-2 trigger lines are weakening. Trading the edges with a 14-2 /21-3 chart [PERFECT TREND TRADE LONG LOOK](#) and high probability looks on 21-3 charts agreeing will keep you with the trend. See entry looks below.

1. [AT MULTIPLE FIBONACCI AT EDGES](#) with "small" Pivot stop outs (triggers do not break areas)
2. [PIVOT STOP OUT AT EDGES](#)
3. [LONG PIVOT STOP OUT AT FIBS IN CHOP](#)
4. [SHORT PIVOT STOP OUT AT FIBS](#)
5. [DOUBLE TOP AT PIVOT STOP OUT EXPECTED TO HOLD](#)
6. [ALL CHARTS LOOK](#) – CLICK ON IT TO EXPAND AND SLIDE TO RIGHT TO SEE ALL
7. [ALL CHARTS LOOK WITH BIG GAP](#) (long) (short) [EDGE OF FIBONACCI WITH BIG GAP](#)
8. [UNDERSTANDING MOMENTUM INTO A PIVOT STOP OUT](#)
9. [WATCHING SYNTHETIC TRIGGERS FOR HELP WITH PIVOT STOP OUTS IN STRONG TREND](#)
10. [USING 8-2 CHART TO WEAKEN MARKET BEFORE COUNTER TRADES](#)

Entry Logic

1. **If #1 Strong Trigger line look(14-2, 8-2)** and the 5-1 areas are obvious it is best to put a limit order just before the areas and get long on the way down or short on the way into the areas. You will become very comfortable with the #1 look very quickly. NOTE: there is [nothing to worry about when your small triggers on the 5-1 chart are against you](#) when doing a trend trade entry on the 5-1 chart. Small triggers will always be crossed against the entry for price to reach the entry area. You will learn to embrace the feeling of getting in when the market is coming against you.
2. [If market is moving quick or an area that is a bit wider](#) and you are not sure of the entry, you may look to the market flow indicator/strategy for confirmation at the areas. If you get in early or into a "trouble spot" , you can manage your trade when and if you have divergence and a market flow signal against your position.
3. [If the support or resistance you wish to use for the trade are VERY far](#) from the recent high or low and the small triggers on the 5-1 chart are VERY strong then you will not be hurt waiting for an up or down bar on the 5-1 chart and the small triggers pinching and rolling on the 5-1 chart. The #1 mistake new Nexgen traders make is trading against very strong trigger lines either on the 14-2 or the 5-1 chart.

Trade Management Rules

1. Profit Targets- \$200 dollars is ½ of your daily goal and should be your target on each trade. Once you have graduated to two contracts then you can trade for the next Fibonacci targets with the "runner" or second contract.
2. [ONLY AFTER UP or DOWN bar on the 5-1 chart](#) will allow you to trail your stop behind a pivot.
3. [If 5-1 chart makes a new pivot high or low](#) move your stop behind the new pivot to reduce risk. Make sure that you are not too quick to move stops when you have the #1 trigger line looks on your other charts. It is better to risk few extra ticks than miss 20 tick winners.
4. [Stop logic for several different looks on the same chart.](#)
 - a. If you have divergence early in trade and entry not from best spot get out. If you are in from the farthest spot stay in your trade especially if your triggers are very strong.
 - b. If you are in your trade on the 5-1 and the small triggers cross strong in your favor do not get out of your position.
 - c. If you get close to your areas or targets start to reduce your risk.
5. [If market flow chart has White Paint bars](#) you will then be able to reduce your risk.
6. [The 14-2 Trigger Line Looks will dictate](#) how much emphasis you put on the smaller charts.

Nexgen's video education for trading examples and additional info

1. [Video Review of Trading Plan rules with Range Bound Day](#)
2. [Video Review of Trading Plan rules with Trend & Edge Trades](#)
3. [Video Review of Trading Plan rules very busy Trend and Edges](#)
4. [Video Review of Trading Plan rules with very strong trend day](#)

IT IS IMPORTANT TO SHARE YOU TRADES IN CLASS SO YOU KNOW THEY ARE CORRECT!!

5. [Share your trades with the educator and or sales associate for review](#) in class using [JING](#) to take pictures and [ScreenCast.com](#) to broadcast them. ([Watch Video](#))
6. Older trend trade videos (learn from older videos which say the same thing many ways)
 - a. [Long List Nexgen YouTube Videos Trend Trades](#)
7. Strength of the large chart trigger lines is always a factor on if an area will hold or break.
 - a. [Long List Nexgen YouTube Videos for Fibs and Trigger Lines](#)
8. Breakouts of Fibonacci Trend Continuation – What the trigger lines must do
 - a. <https://www.screencast.com/t/v16gbMuhd> one trade then fibs must change color
 - b. <https://www.screencast.com/t/ZnIrt9CL> if they don't change, we can go the other way
 - c. [5-1 chart stops markets when large chart weak and direct hit of fibs and divergence](#)
 - d. [Over run of 14-2 Fib to direct hit & Gap to 14-2 Synthetics stops the trend](#)
 - e. [Huge synthetics 14-2 gap and lots of reasons for reversal](#)

How to make sure you have current charts and templates video <https://www.screencast.com/t/BIwvINic0h3>

How to clean out your data after replay weekend or if outages <https://www.screencast.com/t/ggWPjaSL6>

If your ninja doesn't open sometimes the workspace is corrupt. [CLICK HERE](#) then redownload workspaces

Maximize your screen size and screen space for better detail when reading charts. [CLICK HERE](#)

[ADJUST ROOM VOLUME](#) without losing all volume on your computer

[Ninja Trader Blog](#) that will tell you when a futures contract will roll to the next months. [TO ROLL CONTRACTS ADD THE NEXT MONTH IN NINJA 7](#)

[Make a market analyzer](#) to track the volume of each contract

[What at the yellow dots on my charts?](#) FIBONACCI 100% alternates (similar size swing prediction)

What are the EVALS on my charts? [Divergence testing Fibonacci areas or prior divergence areas](#) or [BIG gaps to synthetic triggers from 165 EMA](#)

Nexgen's T3 Market Flow -entry timing, management and confirmation at areas.

STAY FOCUSED ON THE 14-2 CHART first! Market flow is most helpful at correct areas that are dictated by the Nexgen Dynamic Renko bar setups. If you stare at the market flow it will cause you to make mistakes.

Market Flow Bar Patterns that you will be able to use to read the market.

The bars and dots – Green dots on bars, show more buyers at a price versus sellers. Magenta dots will show more sellers at each price versus buyers.

1. [Internal dot colors](#)- Green dots on bars, show more buyers at a price versus sellers. Magenta dots will show more sellers at each price versus buyers.
2. [Two black HORIZONTAL lines](#) inside the bar is where most of the volume traded. This area is called the HVA (high volume area) and can be an entry fine tuning mechanism.
3. [Tv Antenna looks](#)- reversal bars with a "stranded high-volume area"
4. [White Paint bar](#)- the white paint bars show high volume movements in relation to the prior bar.
5. [Volume Reversals \(ARROWS\) White](#)- When the very next bar after a white paintbar closes in the opposite direction. Best with trend and at prior support resistance areas fibs triggers and signals
6. [Volume Reversals Yellow](#) – volume dots in one direction followed by reversal volume dots
7. [Stranded Buyers](#) [Stranded Sellers](#)- A dot at the top or bottom of a reversal bar is a signal that shows that despite volume the market will be reversing anyway. At extremes is best use.
8. [Double Market Flow Signals](#) – Two [consecutive market flow signals show real strength](#).
9. Move the [PLOT YOUR DOTS ON TOP OF THE BARS watch short video here](#)

The one and only exception to no trade rules being met is if you have had a parabolic move on the charts and all your charts are in a #1 Trigger line look. [Trading ARROWS with the trend](#) in a #1 look.

Nexgen's T3 Market Flow Strategy

The T3 Market Flow is VERY effective at removing the stress of an entry execution. Once you reach an area that you wish to place a trade (rules met) then you simply turn on the market flow strategy.

1. To turn on the system – [DISABLE CHART TRADER RIGHT CLICK ADD & ENABLE SYSTEM](#)
2. [Market Flow System Inputs – change any inputs here](#)
3. Forex traders must make some additional adjustments to inputs [CLICK HERE FOR DETAILS](#)
4. Once you reach an area you wish to trade you may use any combination of manual or automated entries to fill your trade. ([watch this short video instruction](#))
5. Exiting a trade or orders you no longer want, just click the close button.
6. [Older Market Flow Video 14-2 chart versus a 13 range chart](#) then using 5 range for strong trend.
7. [Examples of Nexgen T3 Market Flow and general thoughts on a live market](#). Watch this short video for additional examples and explanations. Trend Trade Shorts Video showing correct and incorrect use of market flow signals.

We feel compelled to say this again, **MAKE SURE You are following the rules from the plan before you turn on your market flow entry program.**

We know you will find the entry tools and trade management tools inside the T3 Market Flow Strategy very useful when studying and trading the market.

Exchange created video education for new day traders

1. CME Group –good educational videos- no endorsement of Nexgen by CME is suggested
2. <https://www.cmegroup.com/education/courses/introduction-to-futures.html>
3. <https://www.cmegroup.com/education/courses/trading-and-analysis.html>
4. <https://www.cmegroup.com/education/courses/building-a-trade-plan.html>
5. <https://www.cmegroup.com/education/courses/building-a-trade-plan/risk-management-and-your-trade-plan.html>
6. <https://www.cmegroup.com/education/courses/building-a-trade-plan/keep-a-trade-log.html>
7. <https://www.cmegroup.com/education/courses/introduction-to-futures/learn-about-contract-specifications.html>
8. <https://www.cmegroup.com/education/courses/introduction-to-futures/calculating-futures-contract-profit-or-loss.html>
9. <https://www.cmegroup.com/education/courses/introduction-to-futures/tick-movements-understanding-how-they-work.html>
10. <https://www.cmegroup.com/education/courses/introduction-to-crude-oil.html>
11. <https://www.cmegroup.com/education/courses/futures-vs-etfs.html>

If you wish to day trade weekly options vs futures – [list of weekly options link](#)

Nexgen's larger charts and swing trading

The short answer is YES, Nexgen's software works for longer term trading on any market. Please see the guide below for setting up the charts. However, before doing longer term trading you must have a complete understanding of the methods and everything that we teach day trading. Without this you not be able to easily apply our method to longer term charts. Nexgen's rules and fundamentals of reading the optimal setups on every timeframe and chart is the exact same regardless of chart. The only difference between day trading and swing trading is the size of the chart.

The "CONFIDENCE" in taking the trades and understanding the nuances will come from a large volume of historical and real-world repetitions. Once this "educational understanding " is complete you will be ultra-proficient trading any market and any time-frame combination.

Therefore, we "day trade" for a few simple reasons.

1. Trading with precision entries and exits, the more leverage the better.
2. Most days there are 5-10 trades daily possible day trading that would yield an average of 100-300% return on any increment of \$5,000 that you would wish to trade (bi-MONTHLY if not weekly).
3. We trade for 2-4 hours per day and not carry overnight risk which also requires 3-10 times the margin money required to day trades.

That said, learn day trading first so you can really speed through the learning curve in 30-120 days along with the ability to use historical chart study and "market replay" to speed up that process.

When you longer term trade (swing trade) you may see one or two trades per month or if you speed up charts to 1-3 day trades such as weekly options on SPY or Apple or Netflix type markets (swing trades) you may see 2-4 trades per week and the learning process would take you 1- 2 years at that pace to become ultra-comfortable enough to trade at a VERY high level.

We suggest that clients who wish to ultimately swing trade take the time to learn how to day trade first. It is ultra-important they achieve a VERY HIGH confidence and application of the rules for trade recognition, entry and exit management then take that knowledge to larger charts of their choosing when that understanding has been achieved.

Once you have completed the education for day trading the looks of the winning trades, the entry areas and profit objectives for each trade will become "self-evident" regardless of the chart or time-frame you end up trading in "the real world".

Building Larger Charts

TRY ## (continuous contract futures data) for larger historical chart study when you do not have to worry about contract months on futures. This will not update LIVE!

[ADD THE SYMBOL TO YOUR NINJA 7 LIST](#)

[CREATE YOUR LARGER CHARTS USING ## SYMBOL](#)

[BUILD LARGER CHART SETTING](#) with the pre-made larger templates and see how the charts look with more days of data- access the Fibonacci and Trigger lines for each of the charts.

[READ AND ASSESS THE CHART](#) (This is when it is important to understand the chart reading and have confidence in what will work when you test random markets)

[MAKE CHANGES AS NEEDED](#) (SETTINGS) adjust your large trigger synthetic background plot and the update period of the Fibonacci charts depending on how often you need updated Fibs.

At Nexgen we look forward to teaching you how to be successful using our Fibonacci based software. Please let us know if you have any questions. **A question unasked** is the only "bad" question.

Thank you again and happy trading.