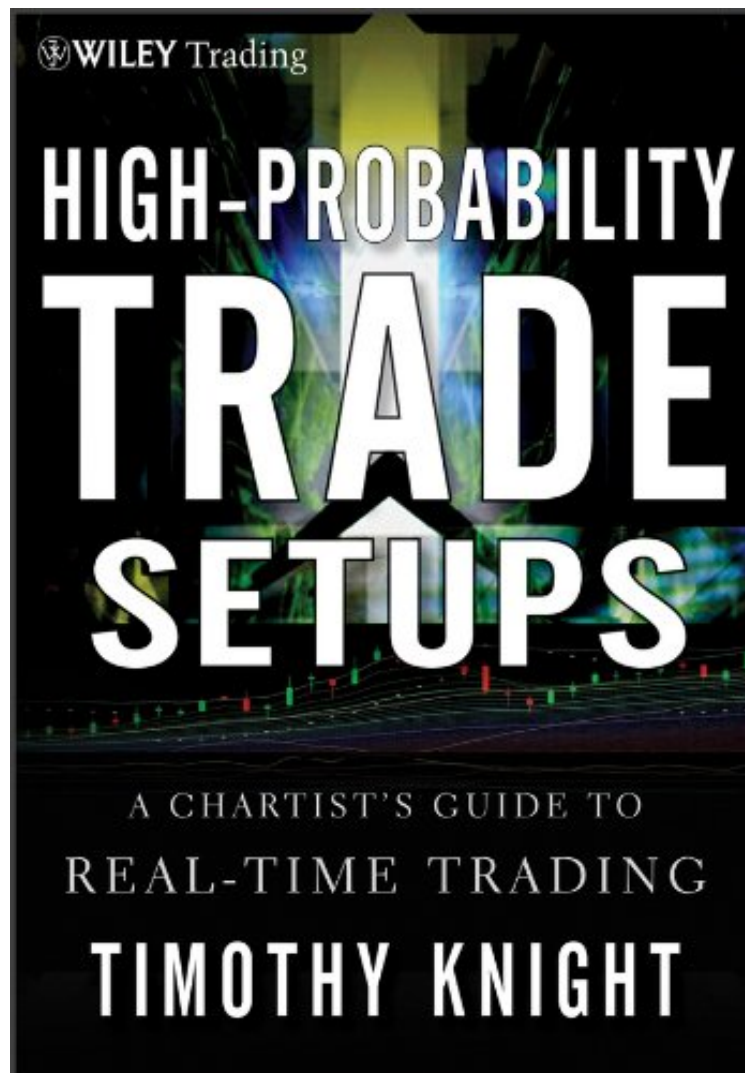



High-Probability Trade Setups: A Chartist's Guide to Real-Time Trading (Wiley Trading)

Timothy Knight

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Timothy Knight : High-Probability Trade Setups: A Chartist's Guide to Real-Time Trading (Wiley Trading)
before purchasing it in order to gage whether or not it would be worth my time, and all praised High-Probability Trade Setups: A Chartist's Guide to Real-Time Trading (Wiley Trading):

0 of 0 people found the following review helpful. Good intro to common chart patternsBy CustomerI watch Tim everyday on tasty trade . I don't agree with everything he says, but I find him entertaining as a permabear hoping Black Monday happens everyday. I enjoyed the book, though it is a bit bias toward downside set ups. I would caution those who attempt short in a bull market because there are fewer opportunities compared to the bull side.30 of 35 people found the following review helpful. A Review of High-Probability Trade Setups: A Chartist's Guide to Real-Time

TradingBy George RahalAuthor, Tim Knight, explains that, "The goal of this book has been to study a variety of common chart patterns," (p. 337) which is achieved through a systematic review each one. The book is also comprised of important, secondary material: an introduction to technical principles; a brief trading autobiography; stop-loss and trading rule suggestions; musings on being a bear, and other insights. Let me first comment on the secondary material. The short introduction is excellent for a novice. The writing explains, with simplicity, clarity, and precision--not too surprising, coming from an author of twenty books--the basic principles of technical analysis. I would probably have taken this introduction for granted if not for a personal experience. This summer, I gave student from Rollins College a crash course in finance, covering both technicals and fundamentals. His reading list included several chapters from an introductory and comprehensive book on technical analysis. He once mentioned, "After having gone through half the book, once I finally induced what the author meant by bullish and bearish, it became a lot easier to understand." Keep in mind, this student was particularly bright and had a near 4.0 GPA. Arduous hours of confusion could have been avoided if the book's introduction were to have explained the two terms we all take for granted. Had "High-Probability Trade Setups" been published in June of this year, it would have been my first choice for poor Sam. Moving on to the autobiographical section, Tim Knight writes, "Every trader has a story, and I think it's helpful to understand a particular trader's narrative to better grasp what they have to say about the markets." (p. 15) Although both claims made in the sentence are true, the author humbly fails to acknowledge that his trading story is particularly interesting. It includes his perspectives on the internet boom, the dot-com crash, the housing bubble and great recession; it also includes personal tales, such as how the founding of his business, Prophet, was aided by a fortuitous encounter with Andy Bechtolsheim, cofounder of Sun Microsystems, a year prior. All the sections, although seemingly disparate, are related. An entire chapter is dedicated to setting stop orders, a critical practice. Many of the patterns covered earlier serve as examples and guidelines for setting stops. In that chapter, the reader will encounter this valuable advice, "The price you choose for your stop-loss should be based on this one question: At which price is my basis for holding on to this position violated?" (p. 320) One of the best, money saving insights provided--also integrating the sections-- regards trading incomplete chart patterns with the anticipation that they will materialize: "You will find that jumping the gun like this will backfire so many times that it simply doesn't become worth the extra profit you might make." (p. 341) As to the chapter, "A Guide to Real Life Trading," suffice it to say that any trader, with any level of experience, benefits from reading and rereading trading rules! Another noteworthy insight is provided earlier in the work, "You will never get rich being a bear." (p. 7). It is common knowledge, and easily discernable, that the maximum profit on a short sale is 100%, and that the profit on a long can be several hundred or even thousand percent. However, the comment--perhaps due to its phrasing and coming from a bearishly inclined individual-- resonates against the proverbial big picture, and can perhaps influence one's general trading philosophy. The Main Topic and How Its Coverage Compares with Other Books In the Patterns section of the book, one chapter is dedicated to each pattern, for example, cup with handle, diamonds, flags, head and shoulders, etc. The structure remains the same for each chapter, which is comprised of four subsections: Definition of the Pattern; Psychology behind the Pattern; Examples; Summary. This systematic treatment makes the book easier to read, comprehend, and return to for reference. I am aware of four popular comprehensive books on technical analysis. Three that I have read are "Technical Analysis of Stock Trends" by Edwards Magee, "Technical Analysis" by Kirkpatrick Dahlquist, and "Technical Analysis Explained" by Pring. Tim Knight's book focuses on one topic, chart patterns; however, all the books mentioned have sections dedicated to them. So, allow me to propose and then answer a consumer question: "Why should I buy Tim Knight's book if I can get the same information from books that also cover additional topics?" To answer that question, I have created a table comparing these books' treatment of chart patterns based on five criteria. The ratings are as follows:

	0	1	2	3	4
Patterns Knight:	2	3	2	2	0
D:	0	2	2	0	2
M:	2	1	2	3	0
Pring:	1	2	2	2	2

(is not table friendly, so I apologize for the "table's" unaesthetic formatting.) Knight and Edwards Magee have the highest cumulative scores based on those criteria. "High-Probability Trade Setups" is far more readable than the latter for two reasons: Tim Knight's writing is simple and clear, and the chapters' consistent structure makes reference easy. His book thoroughly covers the psychology behind patterns, but of all four books, Edwards Magee do it best, which I speculate may be because they lived before the cold computer age. Consumer Profiles and Recommendations So where does all of the above leave us? I would make the most enthused recommendation of this book to someone who is completely new to technical analysis and who wants to test the waters. This book has all the information--although human guidance is important--a person, novice or expert, needs to practice technical analysis, without being overwhelmed by overlays, indicators and methods. I have concluded that trendlines and types of resistance and support (moving averages, retracements, and

previous highs and lows) are everything a successful technical trader needs. Chart patterns are predefined combinations of trendlines. Many technicians revert to simplicity after frustrated forays into the complex and the arcane. As T.S. (not R. N.) Elliott wrote, "And at the end of all our exploring, will be to arrive where we started, and know the place for the first time." For those still exploring, perhaps traversing dozens of books, whether this particular one would warmly settle in your library is more of a person call--it depends on how meaningful pattern analysis is, or will be, to your "toolbox". "High-Probability Trade Setups" would best suit experienced technicians as an encyclopedia-like reference book for several chart patterns. It can serve 1) to learn and review classical patterns and 2) to check the various real-life chart examples provided and see how they match with a pattern one has identified in real-time and is contemplating for their own trading. Finally, for those on the fence, I appeal to the secondary material already discussed. (There are also other aspects and musings of the book I did not cover in this review.) Mr. Knight's engaging biographical material is a treat in itself; his decades of practice and observation have garnered trading insights worth reading; and the material is useful to both novice and experienced traders. -Or, perhaps you are more like me, a long time reader of Tim Knight's blog, Slope of Hope, who has come to admire his wit, soul-bearing personality, and industriousness; and who thought you'd be in for a good read. I pay "High-Probability Trade Setups" the highest compliment an individual informed by financial culture can: it exceeded my expectations. To read more reviews, visit [...] .2 of 11 people found the following review helpful. Trade Setups by Tim Knight By Vince C. This is an excellent book for the non-professional. It is very helpful and a very easy read. I gained a much better knowledge of trading stocks with this book.

A comprehensive volume of today's most profitable trade set-ups A key element of trading is identifying situations in the financial markets that can produce a profitable trade. Fundamental analysts search for situations where a stock is undervalued or if a stock's prospective earnings growth is underestimated by a majority of investors. Technical analysts look at patterns in the market that historically indicate the direction of the market's next move. High Probability Trade Set-Ups catalogs the best trading situations from a variety of technical approaches. Engaging and informative, High Probability Trade Set-Ups provides a detailed explanation of twenty powerful, recurring tradable situations in the financial markets. Each pattern is thoroughly described, including its strengths and drawbacks, ease of identification, and the degree to which it produces profitable trades. Most importantly, the author provides entry and exit points for each set up. Examples of the set-ups include chart patterns such as ascending triangles, diamonds, gaps, pennants, and channels. Features many new technical tools for tracking individual stocks Contains a resource guide, which will help to monitor the market for the trade set-ups discussed throughout the book Reveals how to use ProphetCharts to perform advanced intermarket technical studies and identify the best opportunities Written in a straightforward and accessible style, High Probability Trade Set-Ups covers a lot of ground with respect to this approach and shows you how to use it to make the most of your time in today's dynamic markets.