

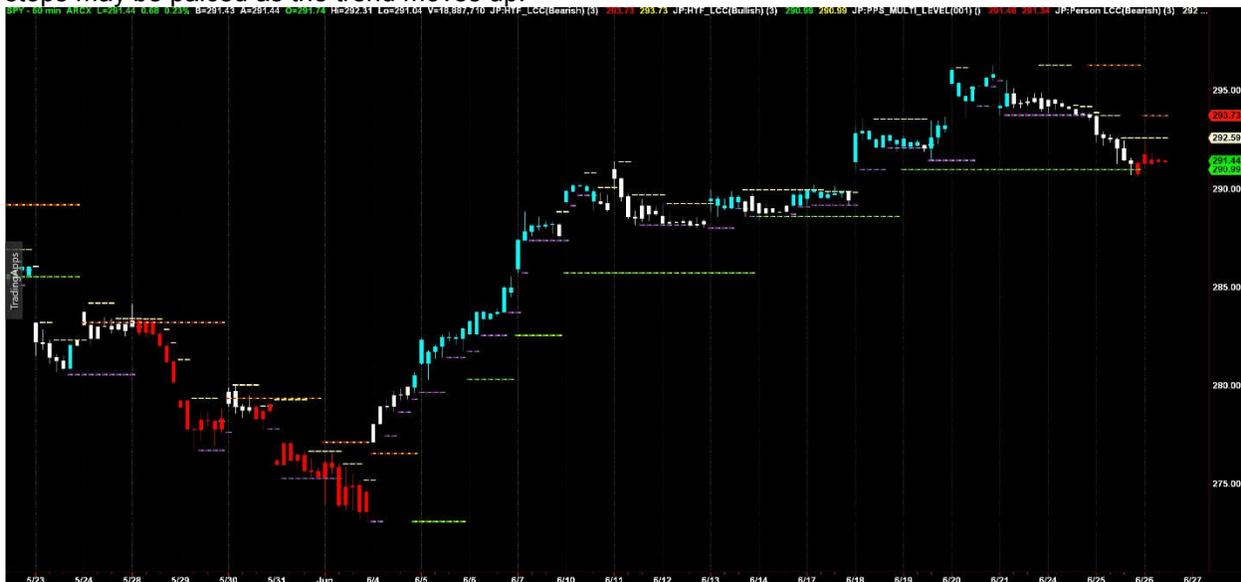
Trend Signal Identifier (TSI)

by John Person Inc.

What is the TSI indicator?

The Trend Signal Identifier (TSI) indicator gives a dual dimensional look at price trends by color coding the price charts that shows when prices are in a strong trend with a confluence of two time frames in momentum buy or sell mode with the added feature that includes stop levels (support & resistance) based on the dual time frames. **This tool allows users to choose the time frames for individual markets.**

The chart below is the S&P 500 ETF (\$SPY) that helped identify a bullish trend reversal using a 60 minute chart against a higher time frame anchor signal. As the prices move higher the candle bars change color to blue signaling both time frames are in synch confirming a confluence of momentum signals. The higher and lower time frame Last Conditional Change (LCC) support levels identify where stops may be palced as the trend moves up.



How to effectively use the TSI Indicator.

Trading with the TSI Indicator helps identify trend moves for any instrument such as Stock Indexes, Stocks ETFs and Futures and Forex markets. If the shorter-term time frame is in synch with a higher time frame, or short-term trend is in a buy mode with the higher time frame (dominate trend) also in a buy mode the chart color is cyan (light blue). If the dominate trend is up and the selected shorter-term trend is down the chart color is white. When the trend is bullish, the Stop or support levels are plotted on the charts. Magenta color represents the lower time frame and green identifies the higher time frames in up trends. These levels are based on John Persons original Last Conditional Change indicator first published in Candle Stick and Pivot Point Trading Triggers book (2005).

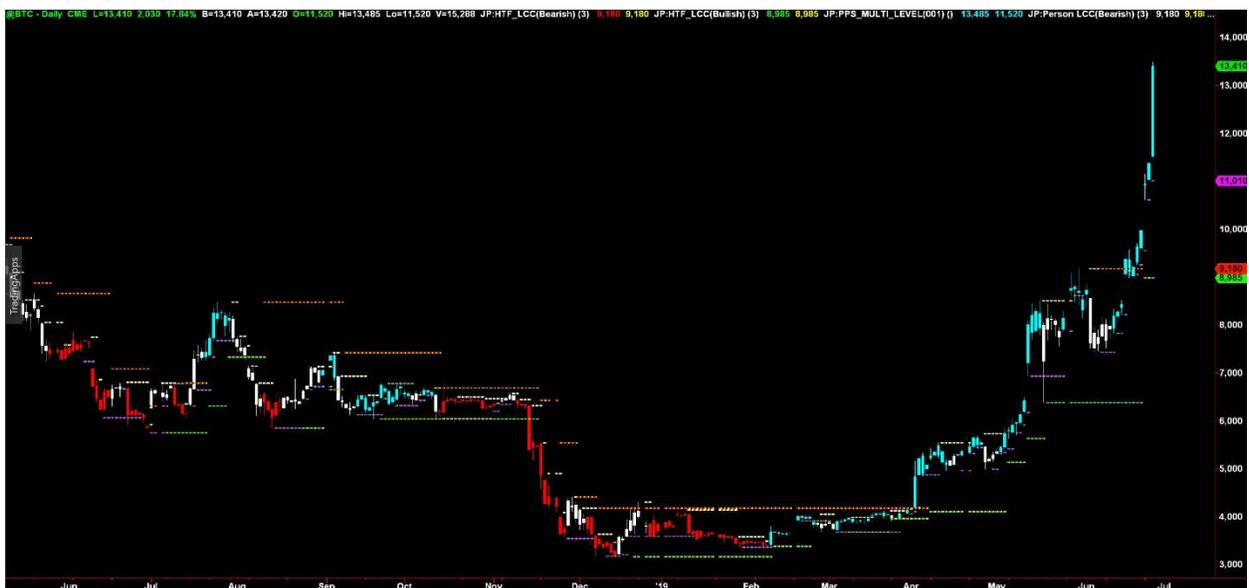
The graph below shows the 60 minute chart on crude oil. When the candle bars are red it signals both time frames are in synch as price is in a bearish mode. When the market is in consolidation we see two sided trading range as indicated by the white color bars. On June 20th when the bars are blue and have penetrated the Last Conditional Change(LCC) resistance levels it signals both time frames are in buy mode and we have a true LCC breakout buy signal. The green lines signal the higher time frames support or LCC levels for spots to place protective stops.



Successful traders like to stick with dominate trends, many professional strategists and money managers look to buy pullbacks in strong trends. This tool not only shows when a trend changes from longer term sell mode to higher time frame buy modes but also identifies when to take short term buy signals with longer term uptrends. More importantly it shows where stop should be placed before a trend reverse.

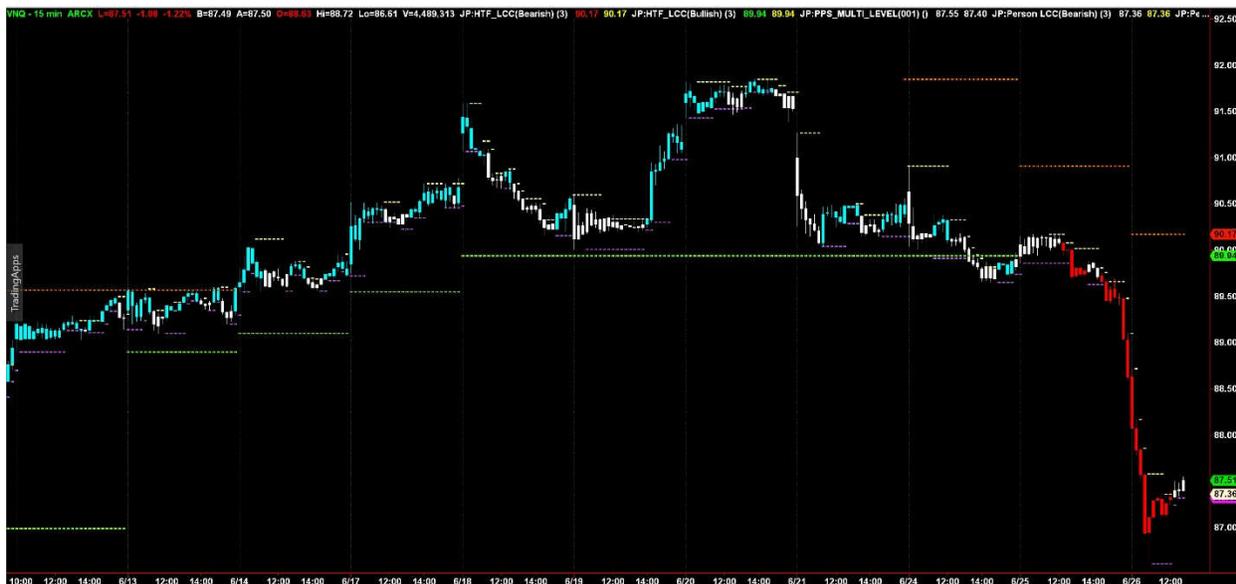
It also may help traders see the longer-term uptrend is intact while a short term time frame is in a consolidation period. This is when we see choppy, two-sided trading periods that tend to confuse or scare traders out of good longer term positions. Once the shorter-term time frames coincide back with the dominate trend you will see the charts color turns back from white to blue giving traders and added edge for a higher probability continuation move.

The analysis works for various trading instruments from Stocks, ETFs and Futures. The graph below shows Bitcoin using a short term daily against a higher time frame anchor. There is a similar pattern here as in the crude oil chart above. It is when the dual time frames are in synch with a buy signal as the chart turns blue but more importantly the price closes and trades above the Last Conditional Change resistance levels.



As the trend turns more positive, the green line helps traders see where to place more efficient stops. This is observation will help traders with better trade management. One more function is that is can help traders identify levels to scale in or add on to current longs when building a longer-term position.

Option traders looking for trend reversal patterns will love the significance a dual time frame signal set-ups for direction trades. The graph below is the Vanguard Real Estate ETF (\$VNQ). Clients in the PersonsPlanet trade room may recall this beauty of a trade with the September 86 strike Put options. The daily charts were set-up with a negative volume divergence pattern on Thursday June 20th. The catalyst for the decline was made on June 24th where the price closed below the green line, which was the higher time frame LCC support level. Then on June 25th the candles turned red confirm a dual time frame sell signal, with the LCC support line break.



A truly powerful and modernized trading indicator that is sure to be one of the most used tools in your decision making process. The TSI identifies a change in trend, a trend continuation with a trailing stop function along with identifying breakout levels. The TSI is built to give traders a superior edge in dynamic market conditions.

Risk Disclosure

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