

Notes from Targeting: How to choose the right targets

1. Multiple Time Frame Analysis
 - a. Target #1 is 1st opposing zone on the ZTF
 - i. Allows quick profits
 - ii. Settles/eases your mind
 - b. Target #2 is the opposing zone from the Perspective Time Frame
 - i. Allows bigger profits per trade
 - ii. Capture the full trend
2. ATR (Average True Range Indicator)
 - a. In a normal trend roughly 60% of the ATR will move in your favor
 - b. In a strong trend that increases to 70%
 - c. Measure the Daily ATR and add or subtract the correct percentage from the prior day's close
 - d. This lets you know where the end of the trend is likely to be for the day
 - e. Your targets should be within that
 - f. Estimate time for the trade with the ATR of the ZTF.
 - i. 60% of the ATR from the ZTF divide that into the potential profit
 - ii. $10 \text{ points} / .60 \text{ (60\% of the 5 min ATR)} = 16.66$ if this is on a 5 min chart (5 x 17) = 85 min for the trade to hit target
 - iii. If you reach the target early, your trend is strong, and you may be able to hold on
 - iv. If it takes longer to reach the target, the trend is, weak and you may need to exit
3. Fibs
 - a. We can apply the Fib Extension (projections) to the last impulse and identify possible targets
 - i. Apply the fibs to the Trend Time Frame (ITF)
 - b. Correlate this with multiple fibs on the last couple impulses
 - c. Correlate this with the ATR projection