



The MONEY ZONE Module

The Money Zone may be the most important trading discovery we have ever made! Why do I say that? We are seeing consistently profitable trades using this new tool, which makes sense when you examine the principles it is based on.

Markets are essentially auctions. In an auction process, price moves back and forth from “overbought” to “oversold” as it establishes value. As the market turns back to the middle of this range, we can say that “price is moving back to value.” If it moves away from the range, we can say that “value is moving to a new price.”

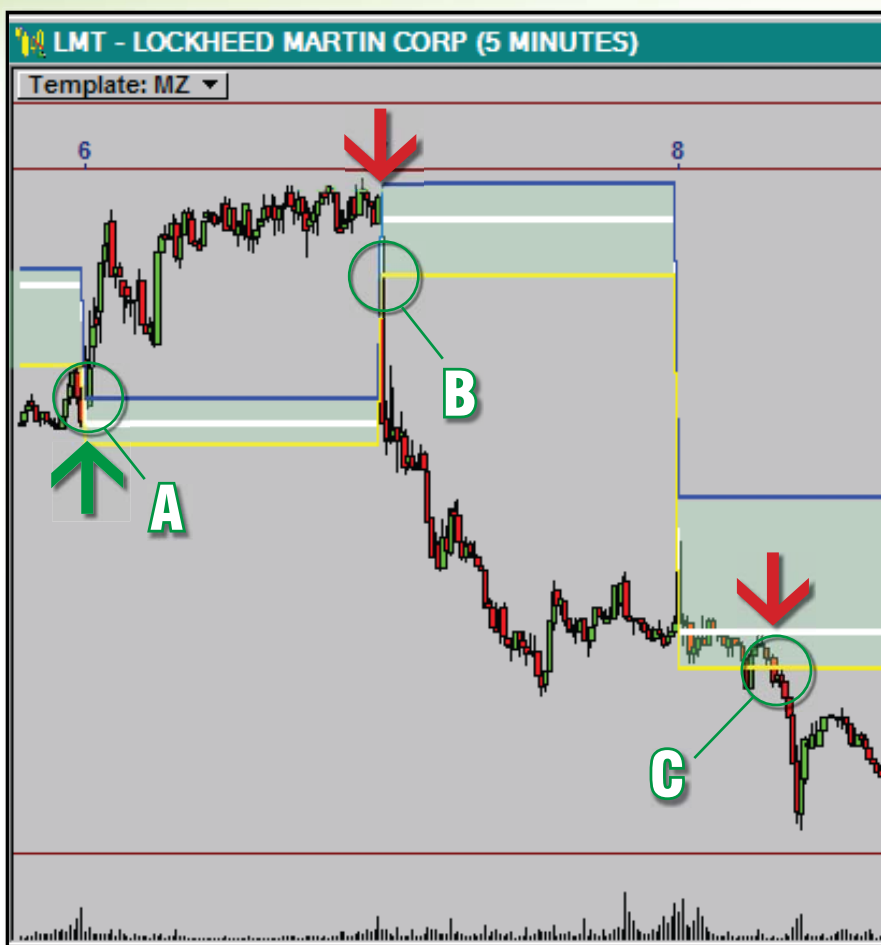
The Money Zone finds the current Value Range, making it much easier to determine when price is moving to a new value or returning to the previously established value.

The chart on this page shows an example of the Money Zone in Real Time. As price moves through a Value Range boundary, a profitable Breakout trade often occurs (see points A-D in the chart.) If, on the other hand, it bounces off a range boundary, it will typically move back to the Value Line (see point E), which can be traded as a Reversal.

Volume also plays an important role. By determining the price at which the most shares were recently traded, we know where buyers and sellers have the most agreement about value. A unique Volume at Price Indicator (VAP) shows us where this important level is in our charts. An example of “VAP confirmation” is shown on the next page.

We are seeing consistently profitable trades by using “the Zone” to confirm our Signals in OmniTrader. Whether you are trading in Real Time or End-of-Day, knowing when a market is moving from a Trading Range to a new Trend is the key to trading success!

In End-of-Day or Real Time, trading The Money Zone



One picture is worth thousands of DOLLARS.

- A** On October 6, we went Long as Lockheed Martin (LMT) broke the upper boundary of the Money Zone.
- B** The next session, LMT drops through the lower boundary for a great Short opportunity.
- C** Not done yet! LMT drops through the lower boundary again for another great Short trade.

Get in the Money Zone!

can be highly profitable!



- D** A HUGE rally ensued as we broke the upper boundary of the Money Zone.
- E** We went Short as the stock pulled back from the upper boundary of the Zone.

That's 7% profit in just 5 DAYS. The Money Zone also works in End-of-Day, using prior weeks or months for value calculations.

Money Zone Strategies...

The Money Zone Breakout Strategy identifies situations where price is moving out of the Value Range. Money Zone Reversal identifies places in the chart where price is moving back into the Value Range.

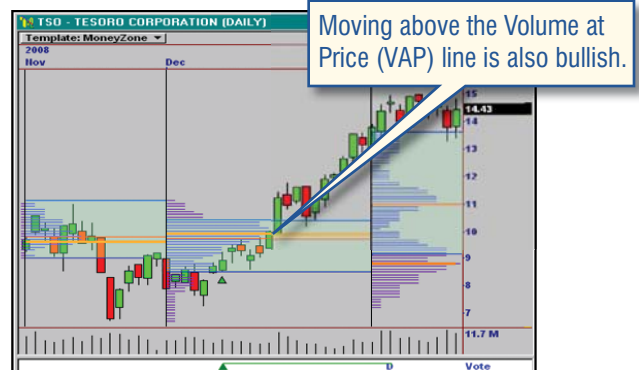


The Value Range is confirming the breakout on TSO.

...with Volume Confirmation!

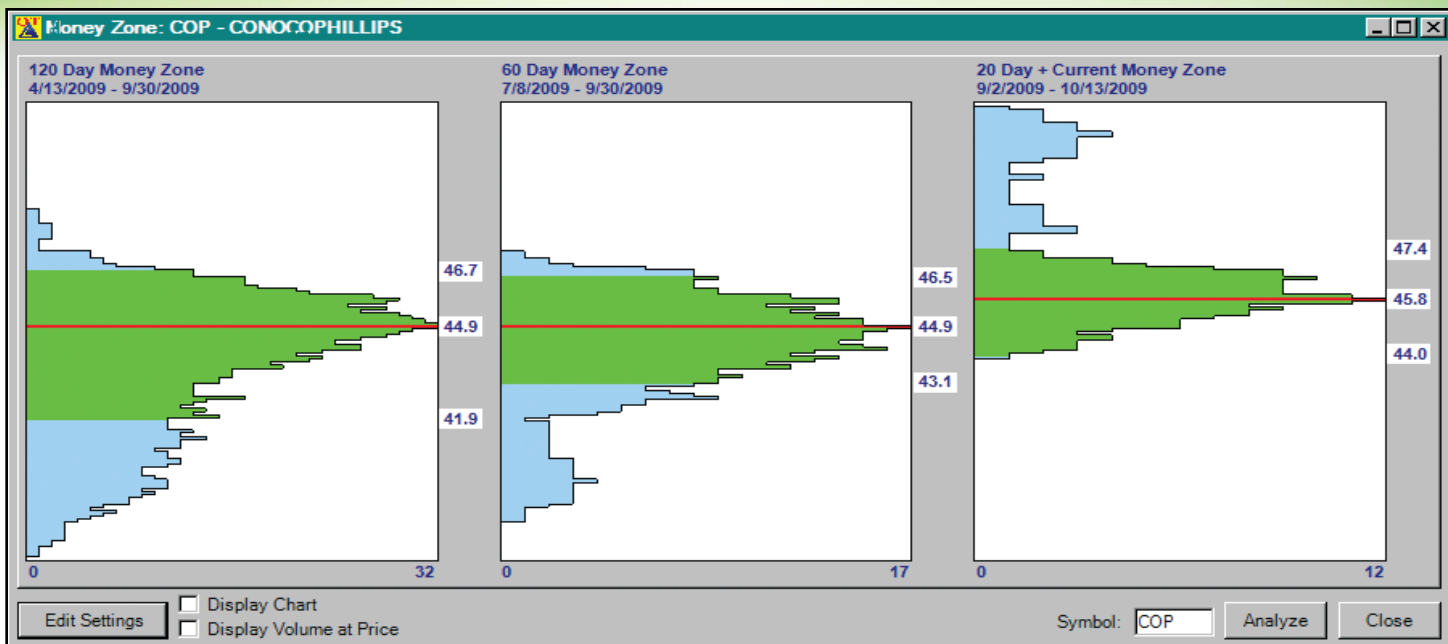
Once we get a Breakout or Reversal Signal, we can identify the best Signals by examining Volume at Price (VAP). If VAP is concentrated near the Signal bar, the trade is much more likely to be profitable (see charts).

These are the only Strategies available that are based on the concept of **market value**. Use them in conjunction with the new EZ-View feature to quickly identify the most explosive moves at the top of your Focus List!



Same chart with Volume added. We note that the "Breakout bar" is also breaking the Volume centerline—even more bullish!

The MONEY ZONE's Multiple Timeframe View



In the Money Zone Module, the Value Range is plotted in three timeframes and shown as a green area. When Value Lines occur at the same price (as shown here), a strong move usually develops as price moves away from the lines.

The Money Zone is an outstanding tool for trading in any given timeframe (Daily, Weekly, or Real Time). It also includes a special tool for looking at the Money Zone in multiple timeframes, called the Master View.

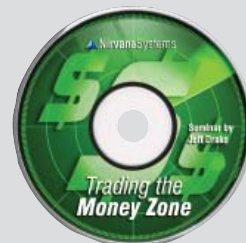
Using this tool, we identify places where price is either penetrating the range boundary for each timeframe, or whether it is returning to value in each timeframe (at the same time). This level of confirmation provides the highest degree of directional accuracy.

In Jeff Drake's seminar, *Trading the Money Zone*, he goes over all the trading rules for using the Money Zone in one timeframe as well as how to use the Multiple Timeframe tool shown above. This information will empower you to trade with confidence in the Money Zone!

Jeff Drake's *Trading the Money Zone*

Jeff Drake, creator of the Money Zone Module for OmniTrader, produced this concise yet powerful seminar on using it to win in the markets. He covers all the important topics, including:

- The Concept Behind Money Zone
- Understanding the Money Zone
- Trading in the Zone
- Trading Outside of the Zone
- Mastering the VAP Indicator
- Using the Module in Multiple Timeframes
- The Money Zone Module Trading Strategies



FREE with
the Module!
(\$249 value)

Money Zone vs. Market Profile®

The original Market Profile, developed by Peter Steidlmeyer, attempts to identify "value areas" by plotting a picture that builds during a session. This concept is used by floor traders and others to determine whether a security is trading near its established value.

The Money Zone improves on this concept by plotting a "Value Range" at every bar. It also generates a Volume Histogram on the left side of the chart (Market Profile did not consider volume in its calculation). Using this information, we can determine whether the next move is likely to return to, or pull away from the prior Value Line, as explained in our seminar, *Trading the Money Zone*.