

Foundations Indicator – How To Use

For more details on setup and use visit <https://www.shecantrade.com/foundations-indicator>

The Foundations indicator shows when your favorite stock or market is ready to break out, move sideways or begin to lose momentum.

The Foundations indicator measures key variables and consolidates this information in a simple color coded tool that sits directly on your primary trading chart. This indicator can be used on any market including stocks, etfs, indexes and futures.

What it does

- Find trades,
- Improve trade entries and exits
- Determine the strength of the trend
- Identify direction of the move
- Build a watch list of trades
- Avoid false moves in the market
- Identify when market is more likely to break out and continue its move
- Highlight when momentum is decreasing and the move is slowing down
- Save you time
- Keep charts clutter free

Colors Represent Evidence of Move to Trade

The indicator uses colored dots to illustrate the signals to help inform your trades. Color ranges from bright red to green. The colors will change as price moves and either sets up for a move, or indicates the strength of the move is slowing.

When the indicator produces Red or Orange colors, this indicates weakness. Blue and Green dots represent the strengthening of a move and evidence of a break out.

I look for a series of 3 blue or green dots to enter trades where I expect a large move. Generally, the strongest pattern is a series of 3 rows of blue followed by 3 rows of green dots.

Red and/or Orange dots indicate that there is no trend, consolidation, or the move is over.

Direction of the Move

The Shecantrade foundations indicator will show you big moves and also show you the anticipated direction of the move. The direction of the move is illustrated by the appearance of a green line or no green line on the indicator above the stacked dots. If the anticipated move is up, a green line is visible. If there is no green line visible, the stock or market move is down.

Set Up

The indicator is installed on your main trading chart which can be any time frame. I typically leave the indicator on a 60 minute chart for swing trades. This indicator will allow you to collect information from three timeframes of your choice. I recommend choosing a short, medium and long term timeframe such as the 60mins, Daily and Weekly.

Visit <https://www.shecantrade.com/foundations-indicator> for detailed instructions to set up the indicator on your charts.

Examples:

Up Move:

In the example below, the indicator is showing you both the direction of the move and a set up for a trade entry. The green line on top of the dots indicates the direction is up and the stacked 3 blue or 3 green dots indicate an ideal entry before a big move. A trader looks for a stacked series of 3 blue or 3 green dots to indicate an anticipated move. The red and yellow dots indicate no momentum or a sideways move.

As you can see, the foundations indicator on May 24th showed a stack of 3 blue dots and a green line indicating a potential nice up move in NKE. A trader can use the 3 stacked blue dots as an entry to trade and stay in the trade until the indicator changes to red. In this example, the move lasted in to the next day but was not sustained. The indicator signaled an exit with red dots on May 29th.

The indicator signaled another entry at the end of May 30th, this move lasted 7 days before the indicator signaled an exit at the end of day on June 7th.



Down Move:

The lack of a green line on the indicator is signaling that PM was in a down move. On May 29th the indicator showed a stack of 3 blue dots and signaled a short (down move) trade entry. The price of this stock was at \$80.50 at the trade entry. The indicator continued to show stacked 3 green dots which showed the continuation of the move. Even though on May 30th the indicator showed 1 red dot, by the end of the day the indicator was back to all green and so did not trigger an exit. The indicator showed an exit on June 7th when price had moved down to \$76.50 at the market open with a red dot.



Disclaimer

If you find yourself interested in our trading styles, remember that it is important to diversify your investments and not throw all of your money into one basket or technique. If you do copy our buys and sells, you are doing so at your own risk. We're not recommending that anyone copy us, and believe that all investors should make their own decisions. We are here to teach by example, through our successes and mistakes. We do not claim to have a special insight into the markets that prevent us from making mistakes. Trading of stocks, and especially options and futures, may not be suitable for everyone. Though there are large potential rewards, short-term trading is very risky, especially when your accounts are fully margined. There is certainly a chance in which you can lose all of your money. In addition, prior to buying or selling a stock, option, or futures contract, an investor will need a broker, and they must meet suitability requirements in order to trade these specific instruments.

By accepting this disclaimer you are acknowledging the risks involved in trading the stock, options, and futures markets and are also acknowledging that you, the subscriber, and not SheCanTrade, are solely responsible for any losses, financial or otherwise, as a result of using this service. SheCanTrade, shall under no circumstances be liable for any lost profits, lost opportunities, misstatements, or errors contained within these pages. You also agree that SheCanTrade will not be held liable for data accuracy, server problems, or any special or consequential damages that result from the use of, or the inability to use, any or all of the materials published on our Website. You agree to hold SheCanTrade harmless for any act resulting directly or indirectly from this site, its data, content, materials, associated pages and documents You agree to defend, indemnify and hold us and our affiliates harmless from any and all claims, liabilities, costs and expenses arising in any way from your use of any services provided by SheCanTrade.