

# Trading Woodies CCI System

by Jeff

(This document has been approved by Woodie)

This document is for educational information and exchange of trading ideas only. Nothing mentioned in this document or your interpretation of the information or charts is to be taken as trading advice. Trades taken based on this educational information are strictly at your own risk. You should consult your broker or financial advisor before placing any trade.

Additionally, it is important for you to know that brokers and financial advisors still make their money from giving advice even though they can and have lost money everyday for millions of people.

This document revision R-0.7 is a work in progress. Rather than possibly missing a post in the room, please let me know via email listed at the end of the document if you see any mistakes or can suggest something that may improve its clarity. Please include the document version number, page and sentences that you are referring to if relevant. Your continued feedback will help make this a much more useful document for everyone.

The purpose of this document is to help people learn Woodies CCI system in its entirety, just as Woodie himself still trades it, without any confusion. This way they can spend time practicing and getting in quality screen time instead of trying to understand what the guidelines actually are. However, it only explains the guidelines. You will absolutely need many months of screen time to master this system. You

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will not be a successful trader unless you follow your rules and put in long hours of screen time and practice.

This document can also help long time traders of Woodies CCI system to get back to basics. If you are not doing as good as you want then remove everything off of your charts right now, start fresh and follow the guidelines.

Successful trading is much less than 20% trading system and more than 80% mental control. Your brain is worthless when trading. It tries to tell you how to trade. Do not listen to it. Shut it down. It sends out 200 emotional messages for every 1 logical useful thought. At that rate your account could be gone in weeks. You cannot use emotions in trading. A trading system is based on a set of pure rules. In hopes of helping new traders with this severe problem this document tries to overpower that mighty 80% mental control that is usually useless and force it to follow logical guidelines. Do not fight it. Get rid of the emotions. Do not think. Do not feel. Just follow the rules. All you need to do is react to the signals. Period.

This document demands that you follow your rules while trading. This is the only way you will become a successful trader. Woodies CCI is a very simple system. The rules are very simple. Don't let your lack of mental control ruin your trading. Keep focused on the system and you will do well. The guidelines tell you everything you need to know. Just follow them directly and precisely.

If you don't follow strict rules in all aspects of your trading you will not make money trading. I guarantee that. There is only one type of person that can make a fantastic living trading an account without rules. This person is called 'your broker', the living he makes is called 'your fees' and the account he uses and loses is called 'yours'. Follow your rules precisely or walk away from trading.

For semi-new to experienced traders it is strongly suggested that when you see an obviously very new person asking about the CCI that you do them a favor and don't tell them anything about your methods. Instead explain to them that it would be best for them being new to follow Woodies CCI, only Woodies CCI and no one else's but Woodies CCI system. Help them, do not hinder them by giving them information that they think is Woodies CCI system. They are new. They do not understand that many people have many variations on Woodies CCI. Please help them learn Woodies CCI first before they get confused. Send them to this document to help get them started. It will help them understand Woodies CCI system easier, have a better chance at being successful trading and will allow Woodies CCI Club room to stay much more focused on the trading at hand during market hours. It will benefit us all.

This document is very strict. It does not beat around the bush. It does not suggest or hint at what to do. It tells you exactly what to do. So follow it. Woodies CCI is very simple. This document has many added explanations and constantly repeats important information in hopes of providing you the knowledge and courage to follow Woodies CCI only. Do not mix trading methods. As soon as you become profitable at paper trading with this document then you can decide how you want to trade. Until then just follow the guidelines.

When I first came to learn Woodies CCI system I quickly became very confused. After reading so many documents and watching so many people I couldn't figure out what Woodies guidelines were apart from the many other great traders here. I then become very frustrated. All I wanted to do was trade Woodies

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CCI the way he trades it since he is the expert. Instead I spent many long months trying to learn the guidelines to Woodies CCI system.

This document sets out to define the guidelines of Woodies CCI. Follow them precisely and you will become an excellent trader. All too often new people will not keep a trading system simple and will not follow directions. They think it has to be complicated to be good. This is completely wrong. Follow these guidelines only and you will do very well at trading.

If you are new to the room or still trying to figure out how to trade Woodies CCI then do not read or follow anything else except for Woodie himself and this document. If you ask someone a question be sure to preface it with “What Would Woodie Do...” This will help keep you focused. Keep doing this until you are trading the guidelines consistently and you have become profitable over a long period of time.

This document is broken into the following sections:

- **Woodies CCI Club**
- **The Mindset**
- **The System**
- **The Charts**
- **The Trend**
- **The Trade Entry And Exit**
- **The Patterns**
- **The Preparation For Your First Trade**
- **Children’s Make-A-Wish Foundation**

## Trading Woodies CCI System

### Woodies CCI Club

Woodie (Ken Wood) created the Woodies CCI trading system and the Woodies CCI Club trading room. You can find his website at [www.WoodiesCCIclub.com](http://www.WoodiesCCIclub.com) with lots of documents, audio and video lectures, CCI trading information and other useful links to front-end tools and charting setups.

You can reach Woodie directly at his email address [Woodie@WoodiesCCIclub.com](mailto:Woodie@WoodiesCCIclub.com) or just come on into the room as he is in there everyday. If you email him you had better be sure to put the word 'CCI' in the subject line or he's going to delete it and for good reason!

We respect, admire and value Woodie a great deal. There is no other person like him in the trading community running a trading room like this whatsoever. He has worked so very hard to help as many traders as he can over the many years that he has been trading. He gives to us his system, its secrets, his time and trading knowledge, lots and lots of help and support as well as his friendship every single day in the room and all of it is free. Yes, I said free!

Woodie has been trading for over 26+ years and created the trading system you will be reading about in this document. He is well sought after. He has been interviewed on numerous popular radio stations for the trading community, published in Active Trader Magazine, given online presentations at the Chicago Board of Trade (CBOT), presented for MAN Financial in Chicago and will also be presenting at the Traders Expo in Chicago.

Woodie also puts on Trade-A-Longs across the USA, and soon in other countries too, to help teach his trading system. He has an Annual CCI Conference where all of the CCI traders can meet one another, share ideas and learn even more. All of these are events done at his cost only. He makes no profit on them. Any money remaining after the event has been paid for all goes to the Children's Make-A-Wish foundation. What a wonderful idea! He is an excellent trader and truly a unique and caring leader in the Trading Community.

Woodies CCI Club room is a world class trading room. We have traders in the room from all over the world and of all skill levels from new to advanced and professional as well as many pit traders too. We are a very large and diverse family of traders from all different walks of life.

In Woodies CCI Trading room we mostly trade index, bond and currency futures contracts. However, Woodies CCI works well on everything in the market that moves. We also talk about stocks, metals, and options. You may even catch us talking about oil, beans, corn, rice and pork bellies. No it's not a cooking room! CCI works on them all. If it moves then CCI will nail it for us!

The 1<sup>st</sup> Works Hotcomm software provides us with a room that is first class, high quality and equipped with high-tech multimedia features. We have real-time live charts, snapshot charts, voice, text, music, file trading and more being pushed to all members of the room on demand. During after-market hours and all weekend long we run trading simulations so that we can continue to learn, practice and discuss Woodies CCI system. There is never a dull moment in the room. Something is always going on. 1<sup>st</sup> Works Hotcomm charges a small fee for their advanced cutting-edge software but Woodies CCI Club room is free.

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In Woodies CCI Club room we are very serious about trading, helping one another learn, sharing CCI related trading ideas and focusing on the path to becoming highly successful traders. We have many hundreds of traders, currently 550+, every single day in the room all focusing on Woodies CCI system in some way or another. Imagine that concentration! The room has high spirits, positive attitudes, very friendly and we enjoy ourselves everyday. The room has traders in it 24 hours a day 7 days a week. We trade all three major markets: USA, Asian and European.

Woodies CCI system is like no other system in the world. You will see for yourself and you will love Woodie too. He's a wonderful, generous, warm, kind and caring person. His characteristics are very infectious to all that trade with him. All members are generous with their time and provide their help free with patience.

In fact, this document took many long hours over several months to put together. I did this in hopes of giving back just a little bit of what Woodie and his room has given to me. Thank you Woodie!

Some of Woodies CCI Club mottos are:

- Traders Helping Traders
- No Boasting Just Posting
- Positive Attitudes and Positive Posts
- A Candle Loses Nothing By Lighting Another Candle

You will not find a single room that is highly successful on so many levels as is Woodies CCI Club. Not to mention it's all free!

Thank you Woodie for all you have done for so many people in so many ways including trading!

## Trading Woodies CCI System

### The Mindset

If you want to learn Woodies CCI then follow these guidelines exactly. It is a complete system.

Do not follow any other document or method until you no longer need this document.

Let this document guide your state of mind while you are learning Woodies CCI. This document tells you precisely what to do and what not to do.

You must paper trade Woodies CCI for as long as it takes for you to become consistent in all aspects of trading and have a net outcome with positive gains before using real money.

Do not trade real money until you are consistent with these guidelines and profitable on your paper trades.

Do not assume that the majority of the people in the room trade just as Woodie does. In fact, it's better for you to assume that they do not. When asking for help remember to ask them if the information they are giving is exactly how Woodie would trade it. "What Would Woodie Do..."

Forget all the talk about your mind working against you and all of your points of failure, etc. If that talk hasn't helped you before it's surely not going to help you now. So forget about it! Do not focus on what you can and can't do any longer. Just follow the guidelines. This system isn't about you making any trading decisions for yourself. They are already made for you. Woodie CCI Trading system defines everything you need to be successful trader. Just follow the guidelines.

Woodies CCI system was designed so that it takes into account all parts of the difficult areas of trading. This includes when to enter a trade, when to exit a trade, trade management, when to take profits, how to protect profits, when to cut losers short and let your winners run, how not to overtrade, how not to use emotions or your own judgment on trade decisions, etc.

No other trading system in the world does all of this for you automatically. There is nothing else at all to think about or learn when trading with these guidelines. Just follow the guidelines. All of these things mentioned are inherent in Woodies CCI system. You do not need to know anything else. It is complete, consistent and clear. You are going to love Woodies CCI system. It will definitely be a refreshing change for you to see a trading system like this one. I guarantee it!

No matter what you hear, read or see anywhere do not change or add anything at all to Woodies CCI system. Woodie will make changes as needed. He's the expert. This system works perfectly just as Woodie has defined it.

Woodie has done many years of research, testing, and live trading on his CCI system. It works very well. Just follow it.

Forget everything else you have learned. Consider it useless for now.

Forget everything else you have read. Consider it useless for now.

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Forget everything else you have been told. Consider it useless for now.

Only follow Woodies CCI guidelines. I can't stress this enough but will keep trying throughout the rest of the document to guide your thinking this way.

Do not watch the chat room text during the day. The text only serves to confuse you and will keep you from focusing on your guidelines. There is so much extraneous text scrolling past during trading that it is close to impossible for you to gain any useful information when new.

While you are learning Woodies CCI system and still in need of this document do not listen or follow along with the moderators in the room while you are trading. Also, do not have the chat room or any chat room open while trading. Many do not follow Woodies CCI system directly. Do not assume that they do. Follow your own rules and trade by yourself. Only listen to the headphone or speakers when Woodie is moderating. Woodie does of course always follow his own system even though he is not new at it. What does this tell you?

You are trying to learn Woodies CCI system so you should always follow him. Make sure to turn the speakers on, but don't watch the text chat scroll by, when Woodie is moderating. You need to focus on trading according to these guidelines. There is no need whatsoever to follow other people, their methods or even their trades. It will not help you. It will hurt your trading progress.

Do nothing else at all during your trading hours except watch your charts and enter your orders into a simulation tool that uses live data. No chat rooms. No side rooms. No TV. No phones. No family. No excuses. You must focus on trading the system the entire time. Do not do anything else. Always take breaks during trading by removing yourself from the entire room you are trading in. You cannot focus all day long. Each time you come back to trade for a few more hours you will be relaxed, focused and ready.

Make sure your trade entry tool tells you when and what price you entered and exited each trade. You will want to review these later. After the market is over go review your trades and mark your charts with the entries and exits with reasons why you took the trade. Also go into the room and ask people any questions that you have. This is how you and others learn quickly. Do not however assume that they are telling you how Woodie would trade. Specifically ask them how Woodie would have taken the trade or how he would answer the question. Too many people don't understand that everything shown in the room or typed in text is not necessarily Woodies CCI system. You are only concerned with Woodies CCI system.

Focus on becoming a Woodies CCI system expert. This is your goal. You can do this just as many others have as well. You need to have a single-minded purpose-ness mindset while learning Woodies CCI system. In fact, you need this whenever you want to master anything.

Always get involved in the room after the market closes. There are lots of great traders and they will help you with many subjects. Woodies motto is Traders Helping Traders and this room has many wonderful people in it all willing to help 24 hours a day. Make sure to compare how you are learning to trade and how others trade. It will help reinforce these guidelines and you will learn them faster.

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Always practice trading the CCI Simulation charts that are running live in the room after the market closes and during the weekends. These will give you additional screen time and practice that will be invaluable to you as you are learning.

When asking people questions be sure to always ask, “What would Woodie do?” and “Is that the way Woodie does it?” Don’t worry about other people not trading the way you are learning to trade. Focus on one style until you are an expert at it.

Do not add things to the system for any reason. Just follow these guidelines to Woodies CCI.

Do not think. Do not justify bad decisions. Do not talk negative about yourself to others.

Do follow the rules precisely. Do talk positive about yourself when you follow the rules.

With Woodies CCI system you can expect losses. You should also expect larger gains. Follow the rules and this happens automatically. As you paper trade the system you will see this become true as you begin to master the system.

Be bored. Be very bored. This means you are following the rules and not using emotions to take trades.

How to master Woodies CCI system:

1. Watch your chart for a Woodie CCI pattern.
2. Wait. Watch. Keep waiting. Keep watching. Do not watch prices. Do not think.
3. When you see a Woodie CCI entry signal then react! and enter the trade with a hard stop.
4. Wait. Watch. Keep waiting. Keep watching. Do not watch prices. Do not think.
5. When you see a Woodie CCI exit signal then react! and exit the trade.
6. Go to Step 1.

You should notice that all you need to know now are 3 things:

1. What does a Woodie CCI pattern look like?
2. What does a Woodie CCI entry signal look like?
3. What does a Woodie CCI exit signal look like?



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Yes it really is this simple! The reason you are probably thinking that it can't be this easy is because all other systems make it hard, unclear or just flat out don't work and you get frustrated. We understand. We were there. Only you can make this system hard. So choose not to.

This system is not about you and how you want to trade. It is about you following the rules. The system works perfectly time and time again. Just follow these guidelines to Woodies CCI and you will make tremendous progress in your trading.

Do not make trading Woodies CCI system hard just because you are used to making trading hard. There is no reason it should be. If you choose to make it complex then you will be defeating the goal of trading and not taking advantage of the simplicity of Woodies CCI system. Trading absolutely must be simple.

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### The System

You do not need to think, add things, or make things up while trading Woodies CCI. Woodies CCI system is a complete set of guidelines for you to follow. There is nothing to add to it. It's complete, precise and well proven in real-time over many years.

Most traders question every single reason why things work in a trading system. I think that is good. You should understand why and how everything you do works. However, don't let this get in your way of learning and adopting a trading system that has proven to work with an expectation of positive results. Woodies CCI system is just that type of trading system. Consider paper trading it until you see this for yourself. Learn and understand the system as you progress. Don't question it all at once. Follow the guidelines without question while doing so. You will learn the how and why it works as you progress.

Woodies CCI system is like no other system in the world. It's simple. It is complete. It is precise. It is clear. It's unambiguous. And because of that people get confused even easier it seems. So leave your brain on the pillow before you get out of bed to trade. You will do far better without it.

There are no conflicting signals in Woodies CCI. Do not get confused. There is nothing for you to guess about. The patterns, entry signals and exit signals are all clearly and precisely defined. Just drop all of your confusion and follow the guidelines.

The CCI indicator has some nuances that cannot all be explained in this document. This can only be learned from screen time and practice. But all the guidelines needed are outlined here and will go a very long way to help you trade well.

Woodie has tested his system live for many years and it is simple, complete and very profitable.

Woodies CCI defines the trade setups. It tells you when to enter the trade. It tells you when to exit the trade. That is all you need.

Woodies CCI is a remarkable system because you do not have to think or guess or figure things out. Just do what the guidelines tell you to do. No other system defines the setups, the entries and the exits as clear as Woodies CCI system does for you. Take advantage of that. Let it do the work for you.

In fact, lots of other trading systems might be profitable for you if you just had a clear and precise set of signals in which to go by that never contradicted themselves. These other trading systems mostly use lagging indicators and can't provide clear entry and exit signals. Without a clear and concise set of trading rules you cannot and will never trade successfully. Woodies CCI provides clear and concise patterns, signals and guidelines. Follow them and you will do well.

The other problem with other systems is that they end up adding too many indicators. You can't trade with so many indicators because you become paralyzed while analyzing them all and cannot recast to a signal. Why add so many things to your charts? Maybe it's because you were never told not to. Well now you have been told so don't do it.

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When you have a system that has too many indicators it is lacking clarity and you can no longer react to the entry and exit signals. Or worse yet you enter the trade but never exit because you can always come up with yet another signal or excuse to stay in. Woodies CCI defines clear exits. There can be no excuse whatsoever as to why you stayed in after the exit signal was given. That's one of the wonderful parts of the system.

Or maybe other systems were not profitable because you do not understand that having and following a precise trading plan is the only way you can trade successfully. So if you do not have a specific trading plan or are not successful and you are here to learn Woodies CCI then just follow him and stop the bad trading habits.

The CCI indicator formula is based on the momentum of prices over a given period of time. It is a leading indicator. It is not a lagging indicator. It outperforms most if not all other indicators. When combined with Woodies CCI system it can outperform all other trading systems.

Woodies CCI allows you to beat other traders into a trade by one or more bars and it tells you when to exit so you can not end up with large losses. Woodies CCI also keeps you out of bad trades as well as keeps you from over trading.

Forget all this talk about fear and greed or any other mindset type topics. You have heard these over and over. If it hasn't already helped you by now then it isn't going to help you to keep talking about it. Don't waste your time with it. Focus on the guidelines.

Think about it. Every time you talk about these things you never do come up with any guidelines on how to stop it at the end of your talk and end up not improving your trades anyways. It's like you continually want to talk about some phrases you learned in books, papers, and websites or even from people that may have never even traded. Focus on Woodies CCI and trading the guidelines only. Woodies CCI deals directly with greed and fear so you don't have to.

Woodies CCI system takes away all of those difficult mental trading issues you might have in regards to trading buy giving you a complete, precise and clear set of guidelines. You have "learned" so much about how to think from other trading system or books and it probably hasn't helped you much. In fact, it has probably even hurt you. Forget about that kind of talk for now. Consider it useless. Just focus on trading exactly according to the guidelines. Do not think.

For example, do not focus on trying to get your brain to understand that "Losses are a part of trading" or "Keep losses small and let profits run" or "Do not over trade", etc. You have already been told about these things hundreds of times and it is probably still not working for you. Why keep trying? Just follow Woodies CCI and this is all taken care of for you. His system defines all the rules needed for an entire trading system so that you do not have to think. All you do is just react to the signals and you will be fine.

Woodies CCI will tell you when to get in, helps you keep larger profits, and tells you when to get out with small losses. It also doesn't allow you to over trade. Just follow the guidelines and do not make this hard. No other trading system goes so far into managing every aspect of trading for you.

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One of the incredible secrets to Woodies CCI is that it defines things into terms never used before and removes the things that just serve to confuse you. This way you cannot carry your previous hang-ups over into this trading system. For example, you have probably been taught how to trade bear flags, gaps and wedges over 50 different ways. So which one do you end up doing? A new method each time maybe? That's the problem. And now you have learned so much about everything that you can't follow simple rules. Forget all that. Woodies CCI defines things in new terms so that you will not get confused.

While trading with Woodies CCI all you do is look for Woodies CCI Patterns. His system does not care what the price bars look like. It does not care what other indicators or other markets are doing. None of that matters. It just focuses on what your one single market is doing at the moment and gives you a trade when appropriate. This system is simple and works very well because of that.

Woodies CCI lets you break away from all of the confusion that the other web sites, chat rooms, newsletters, trading books and articles give you. Forget all that stuff. Consider it useless for now. Think of this as a brand new way of trading.

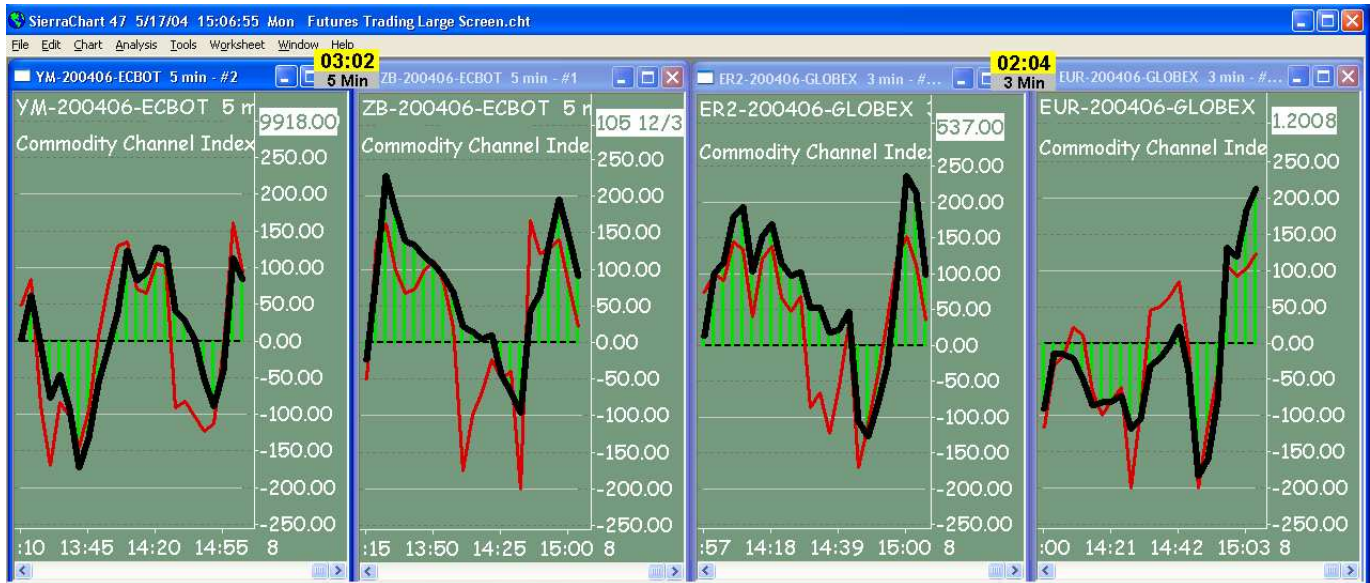
Woodies CCI patterns that define a trade work very well. He has been using them for many years and adding new ones as he finds them. He has confirmed that they work in real-time and uses them in his everyday trading. He did the hard part that took him many years of hard research. All you have to do is spot the pattern and take the trade.

I know you probably want to make this hard. You want to add indicators, watch prices, not use hard stops, not get out of losing trades when you see the exit signal and also want to over trade your account to death because it feels like you are doing something. You want to watch lots of chat rooms all day long and listen to everything they say. You want to watch news, TV and talk on the phone. You want to make the most fancy charts and have super cool features and alerts too. Do not make this hard. This is a simple system that works very well. Follow the guidelines without thinking, adding or complicating things and this will not happen.

If you do not yet have the belief that trading should be and is this simple or you do not have enough courage to follow the guidelines precisely and exactly as outlined here then you might as well forget reading the rest of this document. Throw it away, and move on. I will guarantee it will not help you if that is the case.

# Trading Woodies CCI System

## The Charts



The snapshot above is a complete set of charts that are used to trade Woodies CCI system. There are four different markets and only one time frame for each market.

We are showing the YM and the ZB on a 5 min chart, and also the ER and the EUR currency futures on a 3-minute chart. We don't change symbols or time frames during our trading day in Woodies CCI system. Absolutely everything we need is right there on that set of charts to trade 4 markets. In fact if we only want to trade a single market then we only need one of those charts. We look at nothing else at all. Simple.

Notice a few things about these trading charts. Clean. Simple. No Prices. And the CCI patterns are the only thing that jumps out at you. Everything else fades away into the background. No Distractions. This is very important to successful trading. You have to have the CCI pattern stand out like its 3-D. You have to be able to see only it from across the room. Fade all other things into the background. We only focus on the pattern.

Notice another thing about the charts. 1 chart with 1 market with 1 time frame. Simple.

Woodie only uses two CCI indicators to trade with. One is the CCI 14 period, shown as black, and called CCI. The other one is the CCI 6 period, shown as red, and called Turbo CCI or TCCI. The CCI formula uses the  $(H + L + C) / 3$  calculation and has a multiplier of 0.015.

Woodie himself may have price bars, Woodies pivots and even the 34-ema showing on the charts he pushes to the room in real-time. But he does NOT use them to trade with. So you won't either.

Do not put additional things mentioned above on your charts at all. They all work to some degree. But do not add any of them. They are not needed. If Woodie doesn't use them to take trades then why should you?

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Woodie only looks at one chart for each market he trades. He does not look at different time frames for confirmation. Each chart has only one time frame on it. Mostly he uses a 3-minute, 5-minute or a tick chart of some set number such as 33, 89 or 133 tick. Ask the room what Woodie uses as a time frame for a given market. Use that only and do not change it. Follow what Woodie does.

Woodies charts are set to display data for the normal market hours only. He does not use pre and post market data on his charts to trade with. This will change the CCI patterns at the beginning of the market if you do not use the same data display hours. Make one single chart with one single time frame for each market he trades. Set the data display time frame for each chart. For example most markets will be from 9:30 am to 16:15 pm EST. The bonds will be from 8:20 am until 5:00 pm est. Currency futures like the Euro and Yen are set to 24 hours.

Woodie does not change charts around, add things, subtract things or change time frames at all. He keeps them the same all the time. He does not switch time frames to see different patterns. He doesn't use larger time frames or smaller to confirm his CCI patterns, entry or exit signals. You should not do this either.

Set up your charts with exactly what Woodie uses to trade with. Do not modify them in any way. All you need to put on your charts is the CCI indicators set to 14 period and 6 period CCI. Set the background colors so that it is not standing out. Set the text size and color and any other items on the screen so that they do not stand out.

Make the two CCI indicators stand out as much as possible. Make them thick. These are the only things we want to have pop out at us when we are trading. No other information is important. If something other than the CCI pattern itself is standing out then you will focus on it and it will degrade your reaction time.

Remember that you are making trades based on one single chart with one single time frame. If that chart is a 3-minute chart then you can't expect to stay in very long. We are daytrading. We move fast. It doesn't matter if the prices keep moving and we could make more profit. You have to follow the system and do not second-guess it at all. Woodies CCI takes plenty of profit out of the market each and every day.

All you are supposed to do all day long is wait for a Woodie CCI pattern to scroll by. It should be boring. Good trading is defined as boring. Get over it. We wait for a CCI entry signal. We enter the trade. We wait for a CCI exit signal. We exit the trade. It is simple, well defined, very clear and works very well.

Notice the 2 count down timers on the charts above. They are the small almost square blocks. They show the time that is left before the CCI bar will print and create a new CCI bar. These can be used to time your entries. You will learn more about this later on.

New people love to add things to their charts because they do not know what else to do. Don't do this. Once you add the CCI signals to your charts and remove prices you are done! Woodie doesn't use price bars to trade and you do not need them either. If you are new to Woodies CCI, now, and I do mean right now, is the best time to learn this.

Do not make excuses about how you can't trade without it and your other indicators or how you are learning to not need them. You are wasting your time. You can't afford to trade with these things any

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longer. It increases the learning curve dramatically. It would be like learning to use a cane for walking in outer space. It will keep you from focusing on the task at hand. Don't add anything else to your charts. Only use what Woodie uses.



1 Chart Above – Woodies CCI Trades Showing Price Bars.

In the chart above you will see 4 Woodie CCI trades taken. The single yellow lines are trade entries and the double yellow lines are trade exits. Blue lines were used to outline the CCI trade pattern.

There were several other trades there as well. However, only 4 were shown. Those taken were a TLB short, a TLB short, a Ghost short and a TLB long. We take trades without looking at price bars. So should you. You will not do well if you look at price bars. Your performance will suffer because you are using them. You cannot learn Woodies CCI system while watching prices. The excuse that you still need them is absolutely wrong.

Of the 4 trades shown you can see that the first 2 TLB trades, from left to right, made very nice profits, and the next two trades, the Ghost and the TLB, made a very small profit and the other one a very small loss or b/e at best. Woodies CCI system controls your losses and lets your winners run.

It is very important to notice that Woodies CCI system will most often get you in 1 or more bars before the rest of the world. This is your edge! The pinkish purple lines drawn on price show you where people

## Trading Woodies CCI System

might enter the 4 trades based on the break of price bar trend lines. Each and every single price bar trend line break entry shown is 1 or more bars later than Woodies CCI entry. That costs you smaller profits, larger losses and sometimes can even turn out to be a disaster!

Notice the Ghost entry we took didn't go far on this particular trade but we still snagged a very small profit. But the price bar trend line method put you short and the market turned on you immediately after that for a nasty loss because you probably wouldn't exit until it broke the upside of that range. With Woodies CCI we exited with a small profit within the range because we got the CCI entry and exit signals right on time. This is a perfect example of how Woodies CCI system is protecting you, giving you small losses and large profits automatically.

The chart above shows prices to help you see that Woodies CCI trade patterns can be taken regardless of whether prices are watched or not. If we remove the section showing price bars won't we see the exact same CCI entry and exit signals? The answer is YES! So this should show you that you don't need price bars to take the trades in Woodies CCI system. And since you don't need price bars and watching them creates stress and emotions while trading then why on earth show them on your charts while learning Woodies CCI system? The excuse that you need them while learning is ridiculous. Woodies CCI system doesn't use them.

Controlling your costs while keeping it simple is very important when trading. You can use Sierra Charts [www.sierrachart.com](http://www.sierrachart.com) for charts at only \$80 a year, Interactive Brokers [www.InteractiveBrokers.com](http://www.InteractiveBrokers.com) for both a free data feed and also as a universal trading account from which you can trade anything under the sun. You can find various free count down timers to time your trade entry at [www.woodiescciclub.com](http://www.woodiescciclub.com). Woodie uses Sierra Charts, IB and the countdown timers with excellent success and so can you.

All these tools are very inexpensive, work perfect and are widely used to trade Woodies CCI system. This is because it is a very simple system, uses very few indicators and doesn't require the need for historical data. Get over your need to have fancy chart features, historical data and expensive tools. They are just not needed any longer. Save your money. This is one of the many wonderful benefits of trading Woodies CCI. While learning the system they are a completely viable low cost option.



## Trading Woodies CCI System

### The Trend

Woodie has defined the trend using the CCI indicator only.

Woodie does not use price bars to define the trend.

Woodie does not use the 34-ema to define the trend.

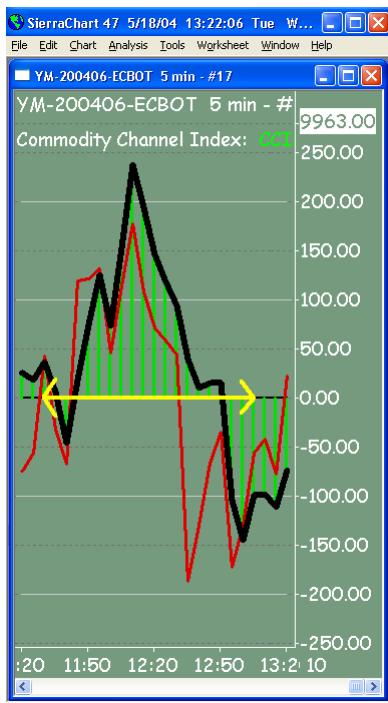
Woodie does not use a larger time frame to define the trend.

Woodie uses the same chart to define the trend as he does to spot a CCI pattern for that market.

Each market will have its own trend and is not to be considered when taking a trade on another market.

You do not need any other charts, markets or indicators to see and define the trend.

When learning Woodies CCI system you must trade with the trend. You do not trade counter-trend trades.



1 Chart Above – Zero-line (ZL).

The chart above shows a single yellow long line and is called the zero-line. It never changes and is referenced many times in Woodies CCI. It has a special meaning in the calculation of the CCI and you can think of it as the equilibrium of momentum over a given period. Pulling back, zigzagging around and crossing over this zero-line (ZL) can be significant in terms of movement.

## Trading Woodies CCI System

Woodies CCI trend definition is as follows:

- If the CCI is above the zero-line (ZL) for 6+ bars then the trend is up.
- If the CCI is below the zero-line (ZL) for 6+ bars then the trend is down.

If you are new to trading Woodies CCI system then you should only look for trades that are with the trend until you no longer need this document.

The CCI zero-line (ZL) is a very important and integral part of Woodies CCI system. All of Woodies CCI patterns are defined around the zero-line. It represents major support and resistance at this moment in time. I repeat, at this moment in time. This means that it does not represent a forward-looking projection of where the support and resistance will be in moments from now. The CCI patterns will be adjusted accordingly as the market moves and thus create a new current 'here and now' zero-line. The zero-line is tested over and over throughout the trading day.

Furthermore, the CCI +/- 100 value line represents minor support and resistance at this moment in time as well. The CCI +/- 200 and greater values represent overbought (+200 and higher) and oversold (-200 and lower) market conditions at this moment in time.

While a trend is taking place as defined by the 6+ bar rule you can have a few bars print on the other side of the zero-line and still maintain the current trend. But as soon as you see 2+ bars in a row on the other side of the zero-line then you should back off from looking for trades and wait to see what will happen with the trend. The trend might be changing. There is no need to be taking trades unless we are sure of what the market is telling us. Just be patient and wait.

Also, when bars are printing on both sides back and fourth every few bars it is telling you that there is no clear trend so you should not be taking any trades at all. Just stand back and wait. There will be plenty of good trades later. We do not take trades when there is no clear trend. Period.

Until you are following these guidelines consistently and making profits you should only be taking trades that are with the trend. Stay away from trades that are counter-trend.

## Trading Woodies CCI System

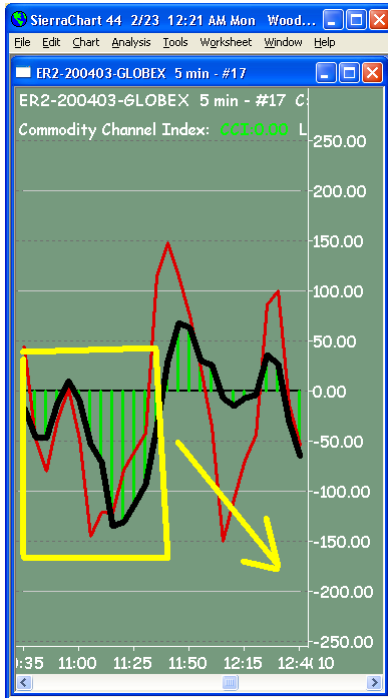


Chart 1

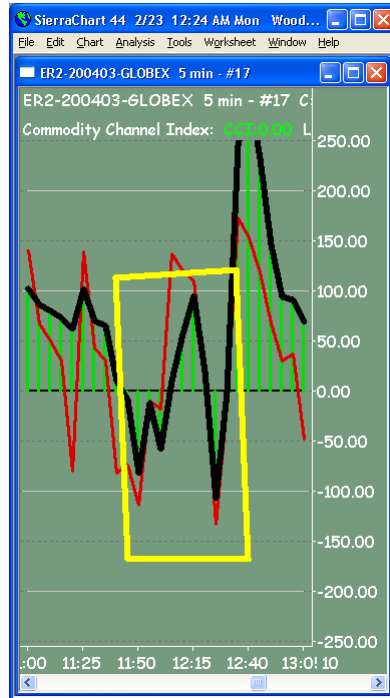


Chart 2

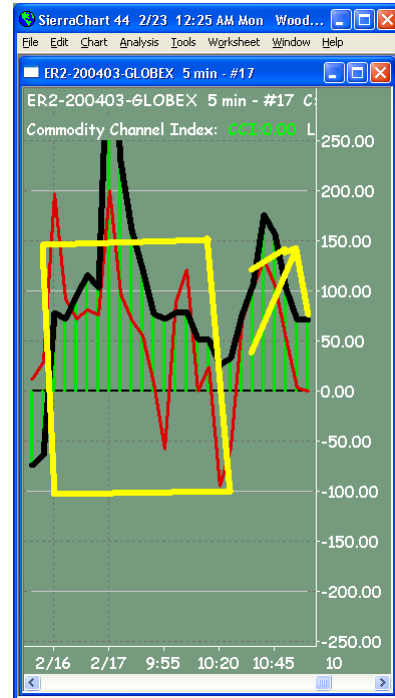


Chart 3

3 Charts Above – Determine The Trend.

We see that in chart 1 the yellow box has 6+ CCI bars below the zero-line so we are looking for shorts. Also notice in chart 1 that after the square yellow box the CCI crosses the zero-line and prints bars above it. For the first couple bars that are printing above the zero-line, maybe 1 to 2 CCI bars or 3 maximum, we would still be looking for shorts. But be warned that the more bars that print above the zero-line the more we would stop looking for short trades and start counting the number of bars above the zero-line. Once we can count 6 or more bars above the zero-line then so we can start looking for long trades.

In chart 2 we see a mix of bars above and below the zero-line. It looks like a mess. No real defined direction so no real trend. Just stay away from trading and wait until we get a solid set of 6 or more bars on either side. When no trend is defined then we cannot take any trades. This is one of the ways Woodies CCI System forces you to not over trade. It's built into the system. You don't have to think about it. It just happens if you follow the rules.

In chart 3 we see a clear trend of 6+ CCI bars above the zero-line so we are looking for longs.

After there is a clear trend defined you will look for CCI Patterns to take trades in the direction of the trend. Again, if you are new and still need this document then stay away from counter-trend trades. Also remember that many very experienced traders only take trend trades as well. After all the market should be moving in the direction you want to trade it to start with. There is no reason why you can't take trend trades your whole entire trading life. It's natural, it's normal and it's highly recommended that you do take trades with the trend.

Woodies CCI Patterns that are trend trades:

## Trading Woodies CCI System

1. Zero-line Reject (ZLR)
2. Reverse Divergence (rev diver)
3. 'with the trend' Trend Line Break (TLB)
4. 'with the trend' Horizontal Trend Line Break (HTLB)

Woodies CCI Patterns that are counter-trend:

1. Shamu Trade
2. Vegas Trade (VT)
3. Ghost Trade
4. Hook From Extreme (HFE)
5. 'counter-trend' Trend Line Break (TLB)
6. 'counter-trend' Horizontal Trend Line Break (HTLB)

Again, when new to Woodies CCI you should only take trend trades. Do not take counter-trend trades. You will notice that some of the trades are both trend and counter-trend type trades. If you are new then you just take that pattern when and only when you see it develop in the direction of your trend.

You will learn all of these patterns later in this document. They are all just simple CCI patterns defined by Woodie that you will learn to spot on your charts in order to take a trade. Using Woodies CCI patterns instead of everything else allows you to forget all the 'knowledge' you have about trading, take advantage of the momentum of the market movements and, more often, beat other traders into and out of the market by one or more bars. All this is done without emotions, guessing or confusion about whether you should be in or out of a trade. Simple as that.

## Trading Woodies CCI System

### The Trade Entry And Exit

To predict is for slaves... To react is for kings! We don't guess at what the market will do. We use Woodies CCI system guidelines to take our trades.

Another incredible secret to Woodies CCI is that all of the entry and exit signals are well defined and very clear. All you do is react to these entry and exit signals. No thinking needed.

You will need to read through the entire document to fully understand the information being presented next so do not get too wrapped up in it. Just start getting used to the nomenclature. Do not get frustrated. Just read on through the document a few times. You will be fine.

Woodies CCI exit signals are the same for all Woodies CCI patterns. They do not change.

Let me repeat that. Woodies CCI exit signals are the same for all Woodies CCI patterns. They do not change.

The idea behind these exit signals is that when the trade momentum is starting to fade or the trade is starting to go against you then it shows you a signal to exit. The CCI shows you this. You do not need to think or guess or go into hope mode. Just follow the guidelines and your losses will be small. You don't need to struggle to keep your losses small. Follow the guidelines and this is done automatically.

Do not predict what prices are going to do. We do not care. You should not care. And we do not want to see these types of comments posted in the room. It is nothing more than bias and useless guessing. We let the CCI tell us what price is doing. So should you.

Do not use small preset targets as your exit point. Use Woodies CCI exit signals as defined to exit your trade. There is even a rule to help you take some profits even if the CCI hasn't signaled a pure CCI exit yet and we are at a very nice profit so don't worry. If the market will only give you a small profit then that's what Woodies CCI will give you as well. Just let Woodies CCI take it from the market. Some people do use order management tools that places a profit limit order set to what we call 'home run' targets worth anywhere from \$300 to \$500+ per contract and this is fine. However, let the CCI and Woodies defined exit signals take you out of the trade.

Don't bother with the talk about risk/reward ratio target setting. This is mixing two types of trading methods and will not work while you are learning Woodies CCI system. Most that talk about it do not realize what risk/reward even means to a certain trade setup, not to mention how to find certain types of trade setups that will allow this type of trading. People love to talk about it because they think it's as easy as just setting stops at say a value of X and setting a target at 2 times that amount. This is just absurd. Take what the market gives you. Focus on the CCI signals. Let Woodies CCI tell you when to enter and when to exit. You need to learn this first before you can be successful in trading Woodies CCI system.

In fact, this type of ratio target setting requires extensive knowledge about trading setups, markets movements and the trader needs to have price measurement abilities. It's actually not hard, but few understand it. Furthermore risk/reward ratios are defined in terms of price. CCI does not show price directly and we do not look at price for our setups. Stop-loss orders are set in terms of price, not in terms

## Trading Woodies CCI System

of CCI movements so they can't easily be used in this fashion when new to trading Woodies CCI. Until you no longer need this document just use Woodies CCI exit signals.

As mentioned before, always protect yourself with predefined hard stop-loss orders for safety.

Do not watch price bars. Do not focus on prices. Do not focus on the losses or gains of your trade after you enter. Follow Woodies CCI only. Let your hard stop-loss order protect you from any disaster.

Woodie has defined both the entry and exit signals for all CCI patterns. Only enter and exit on these signals.

There is no other way to enter a trade. Quit trying to make stuff up. It's already defined.

There is no other way to exit a trade. Quit trying to make stuff up. It's already defined.

When you enter a trade the CCI will no doubt wiggle around, flip back and fourth and up and down to some degree. You must remember that we are not in this trade forever. The CCI we use is based on a short period of time. You should expect to be exiting soon relative to the time frame you are using. Do not turn this into an investment and go into what Woodie calls "The Hope Mode." Even if you just got in and the CCI bar flips against you then you will learn in this document that you will be exiting that trade at that moment. Be very clear on this point.

Before you ever start paper trading Woodies CCI you need to pick an appropriate type of trading style for you and your personality. These different types of trading styles are 'very aggressive', 'aggressive', or 'conservative'. Pick your method now and stick with it. It is suggested that you use the 'aggressive' method. However, no one can choose for you. Paper trade all 3 styles over time and choose for yourself. It needs to fit your style. You will know the right one when you are trading it. Do not worry about this. However, once you choose an entry style then stick with it long term. Do not decide how you enter before each trade. This will not work.

The 'very aggressive' trading style means that you enter at the first hint of a setup. This is when the CCI bar has just flipped or turned into position to create a CCI pattern for the first time. This would be our entry if we choose this style. This style is not recommended.

The 'aggressive' trading style means that you enter the trade when the CCI bar has flipped or turned such that it forms a CCI pattern setup and is still in that position when there is 20 seconds left on count down clock. The idea is that with only 20 seconds left on the clock before the CCI bar prints it is highly likely that the pattern will still hold the same position or close to it for you when it prints on the chart.

The 'conservative' trading style means that you enter as soon as the CCI bar actually prints on your chart to form the CCI pattern and then moves on to start forming the next bar. This style is not recommended.

The conservative trading style not recommended even for new traders as CCI is a momentum indicator and that implies certain things. We need to take advantage of that momentum. When the CCI bar flips or moves into position it is indicating that there is a change in recent prior momentum and we need to react to capture that recent momentum. Waiting for the CCI bar to actually finish by printing can and will most

## Trading Woodies CCI System

often be too late to get a good entry when compared to just 20 seconds or so earlier. Simply put, the fact that the CCI bar went into position and that it has been there for the entire bar until the last 20 seconds is enough proof that the momentum is on our side. Even waiting for the 20-second countdown clock can be too long. But when compared to the bar close method it's a much more reasonable choice. Nothing is guaranteed of course but if it turns on us we exit anyways so we are safe.

Having said that you could wrongly conclude that the very aggressive style would then be our best bet since momentum just changed or moved into position with that system. I wouldn't argue but we want to have some sustained proof that the move is going to hold. I hope that you can see the aggressive approach is a nice balance between the two. However, whichever one you chose you must stick with it. Do not keep changing methods. This will not work. You cannot trade react fast enough if you are trying to decide which approach you want to take while you are watching the trade setup in front of you. That would be called thinking and we know that does not work.

Even though you are paper trading always, always, always use hard stops. It's best to have these automatically placed at the time of your trade. These are the safety stops used just in case the market turns on you dramatically. That's all they are used for. Ask what Woodie might use for hard stops-loss orders on a particular market.

For example for YM we might use 12+. For ER we might use 1.0+. For ZB we might use 4+ ticks for our hard stops. This depends on which market you trade and may not work every day as well as it did the day before. But it's important to keep them the same from day to day. If you find these are too tight for the current day then stop trading and review your entries. Regardless of whether you are entering the trades correctly or the stops seem to be tight you can't keep trading that particular day. Do not re-adjust your stops while trading for that day. The market will be back tomorrow. Again, talk to others about what stops Woodie uses.

Important! You do not wait for a trade to hit your hard stop-loss to exit. These are used as protection against events that can occur during trading that you cannot react fast enough to. If you let your trade be taken out by these stop-loss orders when trading then you will lose your account and you are not trading Woodies CCI system correctly.

You do wait for a CCI exit signal to exit your trade. Once you see that signal then exit your trade. You may have a profit or a loss. It does not matter. Do not focus on that. Just follow the CCI patterns, entry and exit signals. You will become a very good trader. Your profits will take care of themselves.

If you get stopped out before you see a CCI exit signal or before you can exit your trade then that's fine. That is why the hard stop-loss order is set. Move on and wait for the next pattern to scroll by.

Woodie does not use the TCCI to enter a trade. Woodie uses the CCI pattern only to enter a trade. The TCCI is only used to help show divergence when the CCI isn't, to help draw trend lines and as an early warning signal to exit a trade.

In regards to entry signals the TCCI is used as an early warning only. It lets you know that the CCI might be changing its direction and end up following the TCCI. Use TCCI as a warning only. Not as an entry signal.

## Trading Woodies CCI System

If you want to wait for a trade entry signal until you get both a CCI pattern and a CCI confirmation signal as well then this is quite acceptable and works very well. Your trade entry style (i.e. very aggressive, aggressive or conservative) is still the same as far as how you enter the trade. You would just wait until you see both of these signals to occur together before entering the trade per your chosen style.

Also, you can choose to enter the CCI patterns with or without CCI confirmation signals. Adding CCI confirmation signals can add to the probability that the trade will be strong. The CCI confirmation signals are:

- trend line break (TLB)
- zero-line cross (ZLC or ZLX)
- +/-100 CCI cross (100c or 100x)

These CCI confirmation signals, in order listed above, are when the CCI indicator line breaks through a trend line, crosses the zero-line and lastly crosses through the CCI +/-100 value on the chart. You will understand these better as you read on. The TLB confirmation signal is also used as a CCI trade pattern. Don't let this confuse you. It can be used as both.

Some examples of a trade entry using CCI patterns and CCI confirmation signals are as follows:

- zero-line reject (ZLR) and a zero-line cross (ZLC)
- zero-line reject (ZLR) and a trend line break (TLB)
- reverse divergence (rev diver) and a trend line break (TLB)
- reverse divergence (rev diver) and a +/-100 Cross (100x)
- ghost and a trend line break (TLB) and a +/-100 cross (100x)
- vegas trade (VT) and a sham and a zero-line cross (ZLC)

You can even have 3+ pattern/confirmation signals on the last two trade entries listed above. You would enter the trade on the last pattern/signal that develops in the combination. Regardless of the type of trade style you choose trading with confirmation signals is not necessary but it adds power to the CCI Pattern setup and will likely result in a higher degree of success in your trading.

Another use of the CCI confirmation signals is to show you that the trade you entered, without waiting for a CCI confirmation signal, is on the right path and doing well. Some people even add to their position at this point but you should not do that while you are learning Woodies CCI.

It is also important to know that while watching the chart you will see the CCI indicator move and flip around a little or a lot. It might move fast or slow. No one can tell what will happen next. You cannot know what pattern will print next. No one knows. No one has a clue. All you do is follow the chart, spot a pattern, enter the trade when you spot an entry signal and exit it when you see an exit signal. That is what you do. So it doesn't matter what you think the pattern will do. You just react to what it does do. It may even flip back around and go back the opposite way again after you enter or exit a trade. We don't care



## Trading Woodies CCI System

because we know we can't predict what is going to happen. You shouldn't care either. Woodies CCI gives you safe profits and protects you from large losses. Let it work for you. React. Don't think.

Woodie has defined a set of pure CCI exit signals. There are no other CCI exits. Do not make up exits.

Woodie created the CCI exit signals for a reason. It is the most crucial part of the system. Why would you not follow them? If you want to be successful then you must exit when you get an exit signal.

Follow these exits precisely. No excuses. Period.

<u>CCI Exit Signals</u>	<u>Explanation</u>
1. CCI hooking or going flat	When the CCI 14 is hooking or in a horizontal direction.
2. CCI Trend Line Break (TLB)	When the CCI 14 crosses over a trend line.
3. Turbo CCI crossing into the CCI	When the TCCI 6 crosses over the CCI 14.
4. CCI cross of the zero-line (ZLC)	When the CCI 14 crosses over the CCI zero-line.
5. CCI hook from extremes (HFE)	When the CCI 14 hooks at or past the CCI +/-200 region.
6. CCI not moving / no progress	When the CCI stops progressing in the direction of our trade.
7. Profit about equal to hard-stop	Profit in ticks reaches about equal to that of hard-stop loss.

The exit signal defined as 'Profit equal to hard-stop' is not a true CCI signal of course. It's defined in terms of ticks equal to around your hard-stop loss order setting. You set your hard-stop loss away from the market at a set number of ticks that will allow free movement of the CCI work its own signals. It stands to reason that if the trade progresses with positive gains to equal this amount in ticks before giving a CCI signal that we should partial out. Play it safe and partial out 1 contract and set remaining position to b/e+1 as stated before when you see a nice profit. This condition will not always present itself. The CCI will signal far sooner than this will happen so don't focus on it.

The exit signal that is mentioned above as 'not moving / no progress' is one that will need some additional explanation. For this exit signal we would exit if the CCI trade is not moving much at all or does not keep going in our direction. We expect the trade to move after we get in. After all we did enter when momentum was in place so it's reasonable to expect it to keep going. If it stalls or becomes stagnant, even though it's still pointing in the same and correct direction, then we must exit. If the CCI bar presents this condition then it hasn't turned around on us and so we are not losing much if anything at all so we can give it some time to watch it closely. If it does not move forward into profits in under a few minutes then it's best to exit the entire trade. Woodie guarantees better trades down the road!

You will learn to recognize what these Woodie CCI exit signals look like as you read on through this document. However, for added clarity the CCI exit signals listed above can all happen anywhere in the

## Trading Woodies CCI System

CCI region on the chart except for the CCI cross of the zero-line exit signal, which has to occur at the CCI zero-line value, and the CCI hook from extremes exit signal, which has to occur at the +/-200 CCI value area or greater such as +/-250 or even +/-300, etc.

When one or more of these exit signals is seen it may mean that another one of Woodies CCI patterns is setting up. This new CCI pattern could be a signal for a trade entry that goes against your current position. This is why we exit our trade. For example a ZLR could turn into a sham. If we don't exit and go into "Hope Mode" then we are not following Woodies CCI guidelines and we will quickly lose our trading capital. Do not violate these guidelines.

If trading one contract then you will exit your trade in full as soon as you see one of these signals. You may give it a few seconds after the signal appears to see what the CCI bar is going to do but do not wait any longer than when there is 20 seconds left on the count down clock or a few ticks left on the tick counter before the bar prints.

Also, never wait for the CCI bar to print against you when you need to exit. Doing so would be way too long to wait around in the trade, which will cost you profits and give you larger losses. This exit rule is very strict because we want to lock in profits and the CCI is warning us that it may go against us so we must exit. Even if it doesn't end up going against us we don't care. We take the safe exit as shown by Woodies CCI and protect our trading capital. Another trade is few minutes away. We are in no hurry.

After entering a trade if it goes your way, maybe 7+ ticks for most futures, 4+ ticks on ZB, and 10+ on YM, but still has not given you a first exit signal then you need to change your hard stop-loss order to break-even plus 1 tick (b/e+1). Once a trade has gone nicely in your direction then do not let it turn into a loser. This is the guideline and you must follow it. Changing the hard stop-loss order is very easy using a good front-end tool. Usually just once click and it's done. Ask the room what Woodie uses as a profit point in which to move stops to b/e+1 for a particular market.

If trading more than one contract then you should consider exiting your contracts in at least two separate points. You can even use two exit points and leave some in as a runner as well. Just as long as you use Woodies CCI exit signals to partial out along the way you will be fine. Be sure to set the remaining contracts to b/e+1 to protect profits. The first spot in which you partial out your trade when trading multiple contracts is defined above. The next set of exit signals will be defined below. They are of course similar in nature.

The only exception to this rule is if right after you enter you see that it immediately turns on you, you get a very bad feeling in your stomach and you say "OH NO!" This type of exit is when the trade turns hard and fast against you in a very harsh manner or you entered completely by mistake. Do not stay in the trade to wait around and see what will happen. When this happens you must exit the entire position immediately. You cannot go wrong by exiting a trade right after you entered. Again, just exit the entire trade in full without questioning it or thinking about it. There will be better trades down the road. Woodie guarantees it!

If trading two or more contracts then you exit half or partial out at the first exit signal and set the stop-loss on the remainder of the contracts in your position to b/e+1.

## Trading Woodies CCI System

Also, never change your stops after you set them as defined by these guidelines. Do not trail your stops. This leads to more thinking and focusing on prices and will cause errors. Do not think. Do not change your stops. Never ever violate these guidelines. Even Woodie does not change his stops for this reason. You should not either.

To be very clear on this you would enter your hard-stops at the same time you took a trade. Then you would set your stops on the remaining position to  $b/e+1$  after you get your first CCI exit signal and partial out unless you had a CCI pattern failure or "OH NO!" entry in which you would exit your trade in full of course.

The next set of exit points are described below. These are really no different than the ones defined above except that they give the trade a little more time. This is fine. This is how Woodies CCI helps to automatically take profits (1<sup>st</sup> exit point explained above), protect our profits (setting our stops to  $b/e+1$ ), and keeping losses small and letting winners run (allowing the trade to progress after setting stops). It's all included so just follow it.

If you are trading 2+ contracts then after you partial at your first exit signal and set your stops to  $b/e+1$  you would then partial out of some more contracts and/or exit in full each time you see one of the following signals. You keep doing this until you have exited your entire trade position:

1. The CCI bar is still going against your trade with 20 seconds left to print.
2. The CCI bar actually goes ahead and prints against you.
3. You get another one of the exit signals defined above.
4. The CCI bar takes out the current swing high/low against your position. This condition requires you to exit your entire trade and not partial any longer.
5. The  $b/e+1$  stop-loss is hit. Here the entire trade is exited of course.
6. Price hits an amount of profit that you define as a home-run of maybe \$300 to \$500+ per contract in ticks.
7. A new CCI Pattern develops that would indicate a trade against your current position. However, if this happens then one of the above exit signals would have already occurred as well. I add it for completeness and understanding only.

Can you tell that we don't wait around very long?

Is it very clear to you that we exit when the CCI turns back the other way against our entry?

Do you understand that the very first exit point is the same when you are trading 1 contract or if you are trading 2+ or more contracts?

## Trading Woodies CCI System

Do you understand that all the exits are very well defined and require no thinking, guessing or hoping?

Is it clear that we want the trade to go our way as soon as we enter?

All this is done without watching price bars. We don't need them. CCI monitors them for us perfectly and will tell us when the momentum is turning against us. Trade the guidelines exactly as defined.

With every single trade and for all of Woodies CCI patterns you will enter and exit the trades the same way every time. No changes. No thinking. No making up new exit signals. No waiting around to see what will happen. You exit, exit, exit. Period. Follow the guidelines and you will be fine.

You do not have a choice about when to exit. Woodies CCI defines all exits for you.

Woodie has spent a great deal of time, many years in fact, defining these exits to be optimal.

Just exit the trade and wait for the next pattern to come along.

Woodie does not use pure limit orders to enter or exit trades. He mostly uses market orders to enter and exit his trades. When the CCI gives you the signal to enter or exit a trade and you try to use a limit order you could either miss the order or still be left holding a position in a bad trade.

When using market orders you need to trade thick and liquid markets so that there is not much slip on your order fills. Woodie usually only trades during standard market hours so using market orders tends to be fine.

When using market orders pay special attention to currency futures markets such as EUR, JPY, GBP, etc or even some futures indexes such as HSI as they can be very jumpy regardless of the time of day. Be forewarned that this can cost you unexpected losses. Try to trade these types of markets during times of heavy trading or just stay away from trading them at all until you no longer need this document.

If limit orders are needed for entry then you can use a front-end that will allow you to enter at the best price possible and chase it a set amount of ticks if the market moves away from you. This will allow you to try to get the best price and will still allow some limited chasing if the market moves away from you. Some people may use around 2 ticks for this.

Regardless of how you enter your trade consider just using pure market orders to exit your contracts. You do not want to be left behind trying to get a better price while the market moves away from you. When you get the CCI signal to exit the trade you want out now. Do not try to get cute. Just exit. Period.

## Trading Woodies CCI System

### The Patterns

There are currently 8 patterns in Woodies CCI.

Woodie has defined all of them. Do not follow any other methods, patterns or systems. They will add another level of complexity and will only serve to confuse you while you are learning this system.

Do not rename any of the patterns. I'm sure it is very obvious why this shouldn't be done but some still try to do it. You could go ask the traders that tried this but they are no longer trading. Just stick to the system as Woodie has defined it.

Woodie is researching and testing new patterns all the time. He will let us know when he finds another great new pattern.

Woodies CCI Patterns can be used on any time frames. It can even be used very successfully on daily charts and larger time frames as well. Note that Woodie uses a CCI 20 period on charts with daily time frames and larger. He does not use the TCCI at all on the daily or larger time frame charts.

You want to take CCI patterns that are robust, full-bodied, and clear. Not ones that are constricted, tightly wrapped around the zero-line, condensed or strange looking. There are far too many trades to take during the day for you to force a bad trade. Re-read this again and again. Follow it closely. This is one of the parts of Woodies CCI system that keeps you from over trading. You do not need to think about overtrading. Just follow the guidelines and it will be taken care of automatically.

The Woodie CCI Patterns that we use to trade are as follows and are not necessarily listed in order or winning percentages.

<u>Woodies Top 8 Setups</u>	<u>Trade Type</u>
1. Zero-line Reject (ZLR)	trend
2. Shamu Trade	counter-trend
3. Trend Line Break (TLB)	both
4. Vegas Trade (VT)	counter-trend
5. Ghost Trade	counter-trend
6. Reverse Divergence (rev diver)	trend
7. Hook from Extremes (HFE)	counter-trend
8. Horizontal Trend Line Break (HTLB)	both

## Trading Woodies CCI System

### #1 - Woodies CCI Zero-line Reject (ZLR) Pattern:

A zero-line reject (ZLR) pattern is a CCI bounce off of or near the zero-line (ZL). It can bounce off of or near the zero-line anywhere from +100 to -100 for both long and short trades. Some people like to narrow the range down to +/- 50 which can provide a better pullback. The entry would be the first bar that rejects or flips up away from the zero-line.

The market psychology behind Woodies CCI ZLR pattern is that it shows traders when to buy the dips and sell the pullbacks. No other indicator in the trading world can do that except for the CCI.

You can combine the ZLR pattern along with a trend line break (TLB) pattern to add strength to the signal for a greater probability of success. If using the ZLR along with the TLB then you would wait for the CCI to cross the TLB pattern to enter. You will learn more about the trend line break (TLB) pattern later in this document.

The ZLR trade is a trend trade. New traders of Woodies CCI should be taking this type of trade. In fact this could be the only Woodies CCI pattern trade you take during your entire trading career and still create excellent profits for yourself.

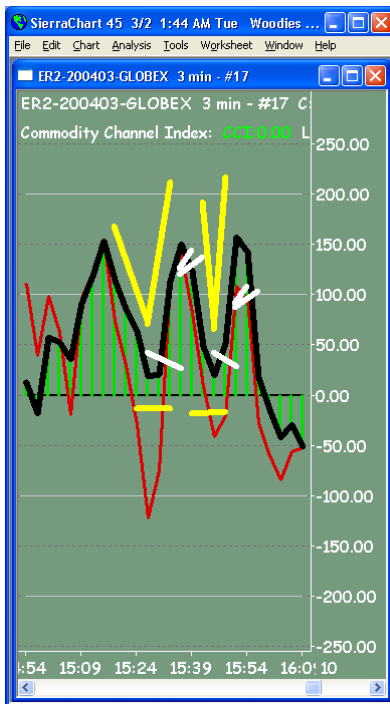


Chart 1

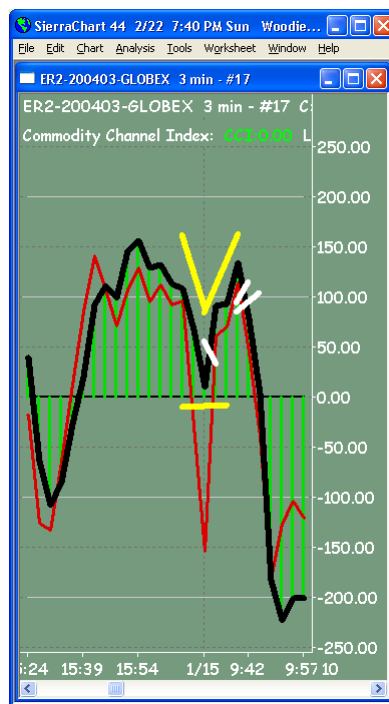


Chart 2

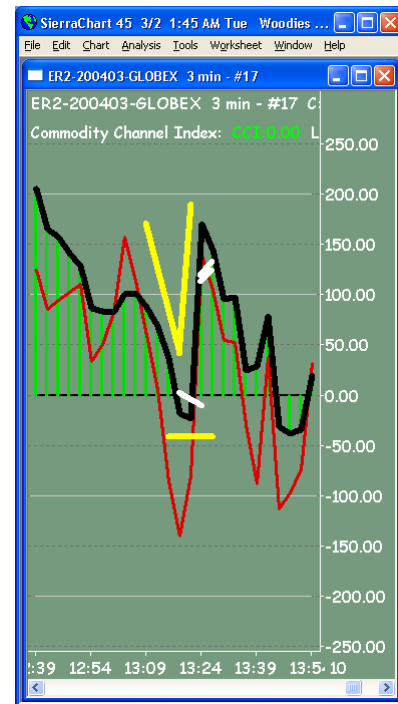


Chart 3

3 Charts Above – Zero-line Reject (ZLR) long trades.

The yellow lines show the ZLR patterns. The single white lines show where the entry would be and the double white lines show where the exit would be.

## Trading Woodies CCI System

Notice that chart 1 above shows two ZLR long trades. They both bounce off the ZL within the +/-100 area. We enter a ZLR when the CCI line first starts to reject the ZL or we can say the first bar that flips away from the ZL.

In chart 1 above we exit the first ZLR on a CCI hook and the second ZLR we exit on a TCCI cross into CCI.

In chart 2 above we exit on a CCI hook.

In chart 3 above we exit on a TCCI cross into CCI.

Notice that on chart 3 above the CCI hooks at the same time the TCCI hooks which gives us two exits signals at the same time.

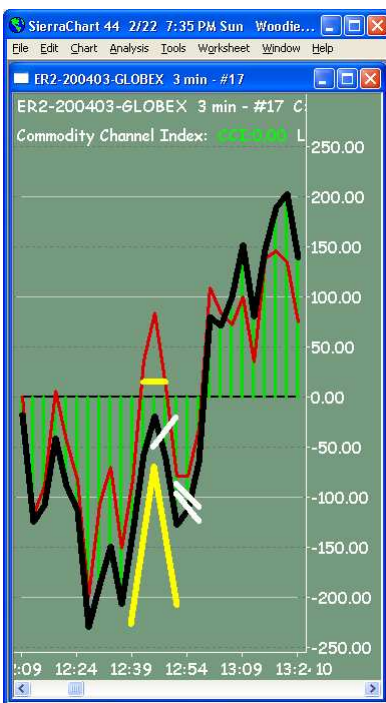


Chart 1

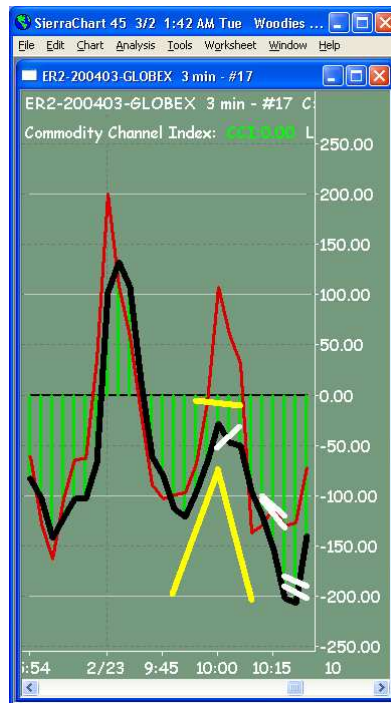


Chart 2

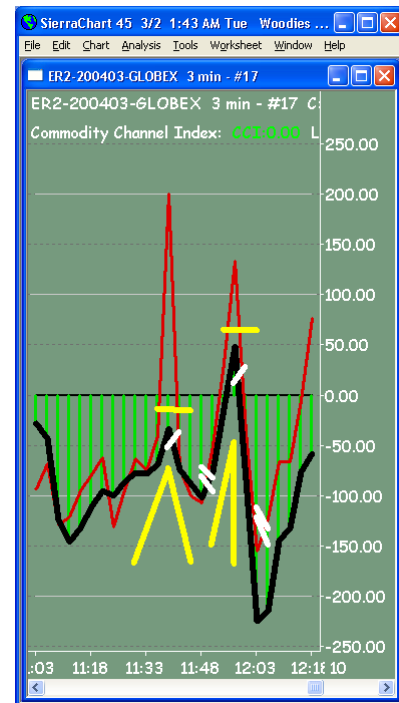


Chart 3

3 Charts Above – Zero-line Reject (ZLR) short trades.

The yellow lines show the zero-line reject patterns. The single white lines show the entry for this type of trade and the double white lines are the exit signals.

In chart 1 above we see that the ZLR was close to the ZL. The exit on this trade was a CCI hook.

In chart 2 above we also see a ZLR close to the ZL. There are two exits on this chart. One is a TCCI cross of CCI and the second exit is a CCI hook. We don't know what the trade will give us before we get in and we don't care. We take the exits as they come and it works out very well.

## Trading Woodies CCI System

In chart 3 above we see two ZLR trades. The first ZLR exit is a CCI hook. Notice that the second ZLR is a bounce off the zero-line from the opposite side. This is fine. In fact it could go as high as +100 and we could still take it as a ZLR short trade. Remember that some people prefer to take ZLR trades that are closer to the ZL within the +/-50 area.

The exit signals are the same as in any other trade. Go review the section on how to enter and exit trades.

It is very important to remember that when you take one of these trades it does not mean you are supposed to stay in it forever. Always follow Woodies CCI exit signals.



## Trading Woodies CCI System

### #2 - Woodies CCI Shamu Trade (shamu) Pattern:

A shamu pattern is when the CCI passes through the zero-line (ZL), flips back around and comes through the ZL again, and then once again turns around and crosses through the zero-line to continue its original direction. It's sort of a zigzag pattern around the ZL. It doesn't have to be directly on the zero-line but it's better when it is. When the zigzags on the CCI happen within the +/-50 area it makes for a better pattern.

Notice that the shamu trade pattern is a failed zero-line reject pattern. Originally it was a ZLR pattern. But the ZLR turned around and failed so we had to exit. This is why you do not wait around and hope a trade is going to correct itself and go back your way. If you were in all of these trades as the initial ZLR trade and it turned on you but you did not exit then you would be racking up potentially large losses. You must exit based on the guidelines Woodie has created. That is the defined system. You have no choice.

The shamu trade is a counter-trend trade and was developed as a type of stop-and-reverse (SAR) trade to the failed ZLR. New students of Woodies CCI should not be taking this type of trade. However, keep your eye on it and learn as you progress.



Chart 1

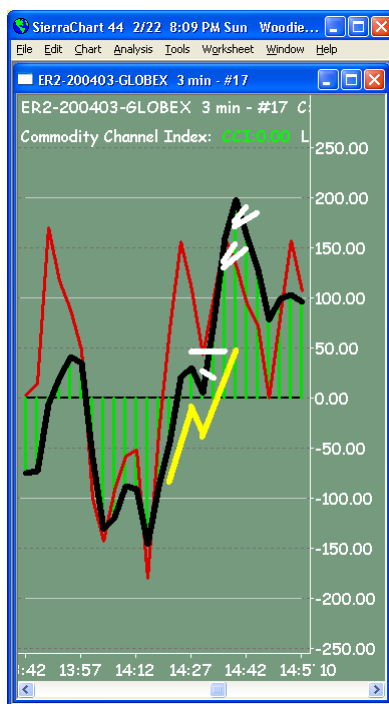


Chart 2

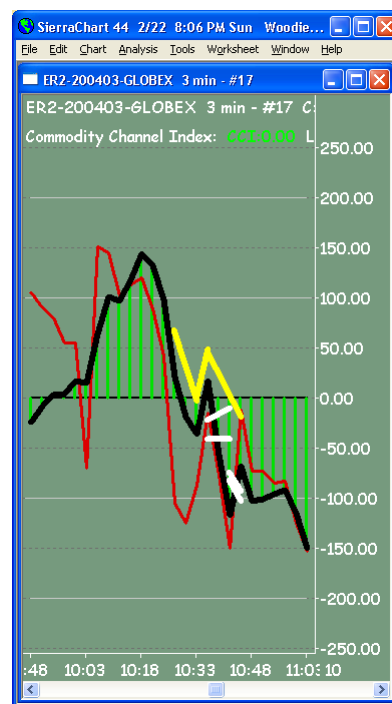


Chart 3

3 Charts Above – Shamu Trade Pattern.

The yellow lines show the CCI pattern. The single white lines show where the entry would be and the double white lines show where the exit would be. The single white lines show the entry for this type of trade and the double white lines are the exit signals.

## Trading Woodies CCI System

A Shamu Trade failure pattern is not shown. A failure of the Shamu Trade would be yet another swing back through the zero-line after our trade entry to take out the other side of the prior swing low/high. It does happen and all you do is exit based on the rules defined by Woodies CCI.

On all 3 charts there are two possible entry points shown as single white lines. It depends on if you always add confirmation signals to your trades. If you do then when taking the shamu trade then let it take the swing high/low out for the entry signal. However, most people would enter the trade on the first white line. If however the shamu pattern is a perfect one and is evenly split across the zero-line then the entry could be the zero-line cross (ZLC).

In the 2nd chart it shows two possible exits for the trade. The first set of double lines is when the TCCI is crossing into the CCI. You would exit your first contract at that point. If you were trading more than one contract you would then set the rest to b/e+1 and wait for the next exit signal to come. We see that the second exit signal is the second set of double white lines showing the HFE exit signal.

The first two charts are Shamu Trade long patterns. The 3<sup>rd</sup> chart shows a Shamu Trade short pattern.

Notice that the 2<sup>nd</sup> chart shows a shamu trade pattern that doesn't quite come down below the zero-line. That's ok. Not every pattern can be perfect. It's still a valid shamu trade.

The exit signals are the same as in any other trade. Go review the section on how to enter and exit trades.

It is very important to remember that when you take one of these trades it does not mean you are supposed to stay in it forever. Always follow Woodies CCI exit signals.

## Trading Woodies CCI System

### #3 - Woodies CCI Trend Line Break (TLB) Pattern:

A Trend Line Break pattern uses two or more decent sized bumps, using CCI or TCCI, to lay the trend line across them. Then when the CCI crosses or breaks that trend line (tl) that is the signal to enter the trade. One end of the trend line should be at CCI value +/-100 region or greater for it to be valid. Also, the more bumps you lay it across the more valid that trend line is. Using only two bumps is normal and creates a perfectly valid TLB. You can also mix the use of CCI and TCCI bumps for each trend line. This pattern is also used as one of the exit signals and as a CCI confirmation signal too. It comes in quite handy and is widely used in Woodies CCI system.

The TLB trade can be both a trend and a counter-trend trade. New students of Woodies CCI should be taking this type of trade if it is a TLB with the trend. Do not take this trade against the trend. However, keep your eye on it and learn as you progress.

You can combine the zero-line reject (ZLR) pattern and the reverse divergence (rev diver) pattern along with a TLB pattern to add strength to the signal for a greater probability of success. When combining these together you would still enter on the break of the trend line, as it will occur last.

Another method of entry on a TLB trade is to use the CCI confirmation signal cross of the +/- 100 value. This provides a greater chance that the trade will be successful. You do not have to use this method and you may get more profit on the TLB trade if you get in well before this point. However, if you do not add the CCI confirmation of a +/- 100 cross then your TLB trade might not work out so often. Pick a method and stick with it. Don't change daily.

You will very often find the TLB and ZLR show up together. Sometimes the rev diver pattern will show up with them as well. You should start to notice that CCI patterns all come one after another and also form together to make stronger signals. Do not let this confuse you. You only need one CCI pattern to take a trade. However if you combine more than one signal it adds to the probability of success for that trade.

## Trading Woodies CCI System

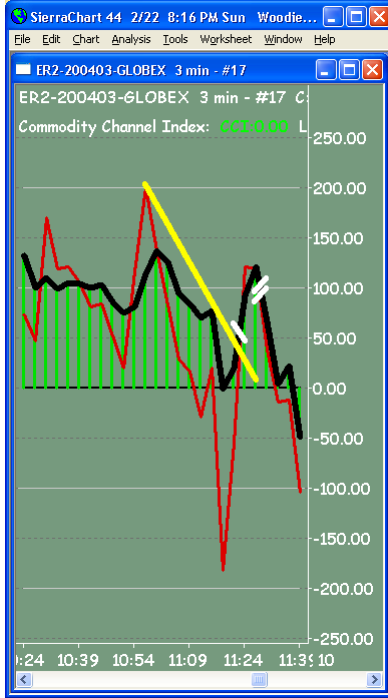


Chart 1

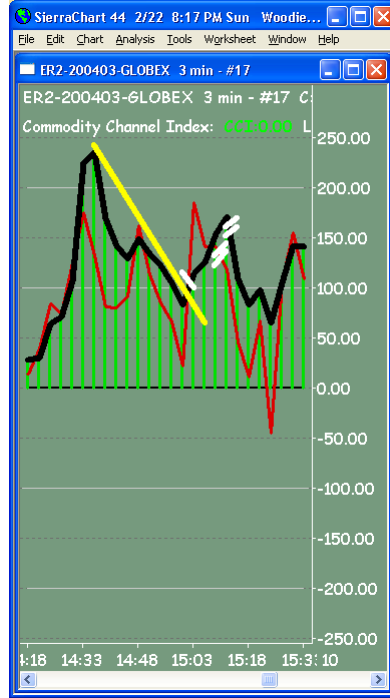


Chart 2

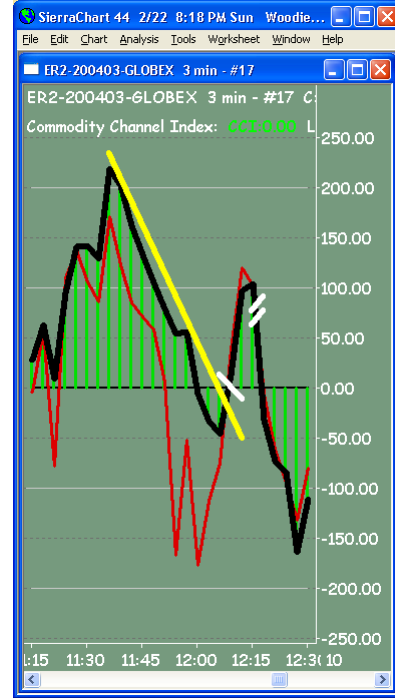


Chart 3

3 Charts Above – Trend Line Break Patterns.

The yellow lines show the CCI pattern. The single white lines show the entry for this type of trade and the double white lines are the exit signals.

Note that all 3 charts show the Trend Line Break pattern with the trend. No TLB counter-trends are shown. In the 1st chart we can see how the TCCI was used to draw the Trend Line Break trade. This is valid and works well.

Notice in the 2<sup>nd</sup> chart that there are two exit signals. One is where the TCCI crossed into the CCI. The second exit is when the CCI hooks.

The entry method of waiting for the CCI cross of the +/-100 is shown in the 2<sup>nd</sup> chart but just happens to be there by coincidence.

The exit signals are the same as in any other trade. Go review the section on how to enter and exit trades.

It is very important to remember that when you take one of these trades it does not mean you are supposed to stay in it forever. Always follow Woodies CCI exit signals.

## Trading Woodies CCI System

### #4 - Woodies CCI Vegas Trade (VT) Pattern:

The Vegas Trade Pattern is a combination of several things. First it needs the hook from extreme (HFE) CCI pattern and then a set of CCI bars shaped into a partial circular or rounding pattern following that. These rounding bars must be at least 3 bars minimum and can occur toward the zero-line or against it. In other words the rounding can be in any direction regardless of what side of the zero-line (ZL) the entire pattern is being formed on. However, the entire VT pattern must form on the same side of the zero-line.

This means that the swing high/low part of the pattern doesn't have to be the rounding part of the pattern. However, it is a stronger signal when the swing high/low is the rounded part. Also, it can even have two or more swing high/lows as well. The rounding is very important to the overall pattern and indicates a struggle that may well lead to a strong trend reversal.

That last part of the pattern is the trend line drawn straight across from the recent swing high or low. A break of this swing high/low is our entry into the trade.

The entire Vegas Trade pattern can have anywhere from around 8 to 12+ bars but when it gets too far spread out past that before an entry signal is seen then the probability of success is lowered and the strength of move could be less.

The Vegas Trade pattern indicates a potential for a very strong change in the trend.

Also, Woodie strongly recommends the use of the 25-lsma indicator as an additional criterion for VT entry. When the 25-lsma indicator shows that price is on the side of the direction of the VT entry then there is a greater likelihood that the trade will be successful. LSMA stands for Least Squares Moving Average and can also be found in some charting packages as Linear Regression Curve.

In other words, if the VT is setting up for a long entry then you want price to be above the 25-lsma indicator and, if possible, you also want the 25-lsma to be pointing in the upward direction as well. If a VT short is setting up then you want the price to be below the 25-lsma and, if possible, you want the 25-lsma to be pointing downward. Since we do not use prices to trade Woodies CCI system it is recommended that you do not view prices just to see a 25-lsma indicator. Rather, use a 25-lsma indicator placed in the CCI region that displays colors showing these four conditions.

The VT Trade is a counter-trend trade. New students of Woodies CCI should not be taking this type of trade. However, keep your eye on it and learn as you progress.

## Trading Woodies CCI System

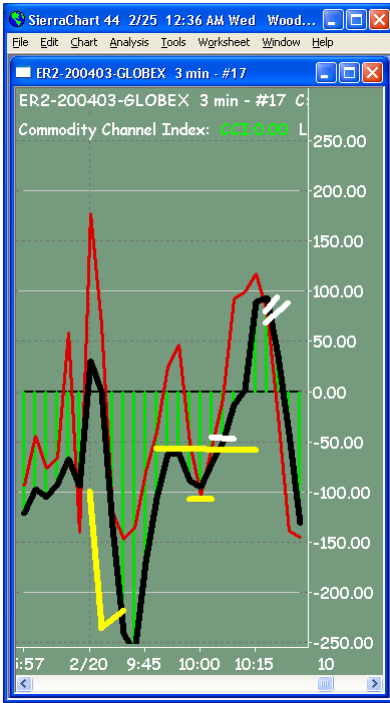


Chart 1

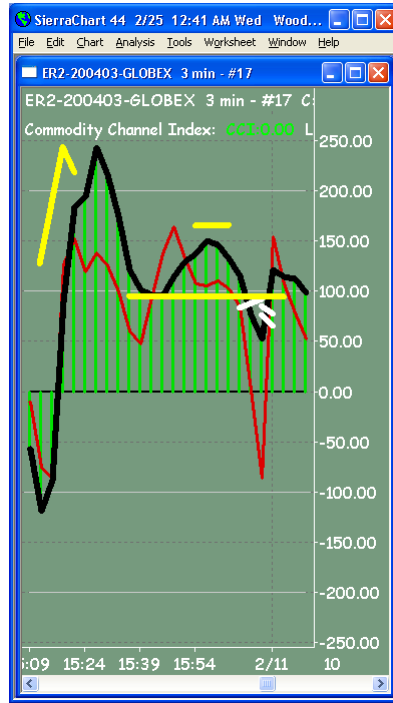


Chart 2

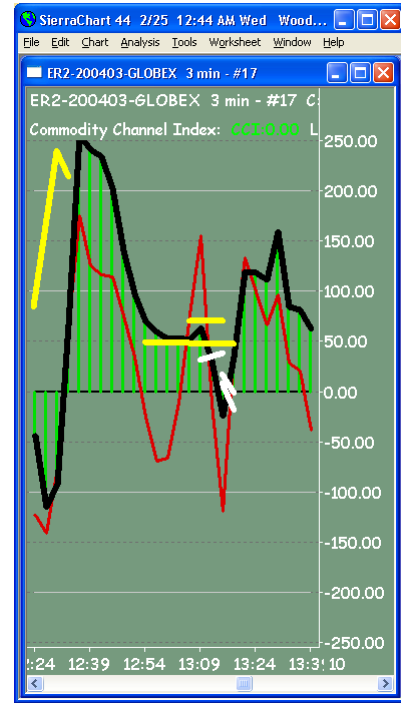


Chart 3

3 Charts Above – Vegas Trade Pattern.

The yellow lines show the CCI pattern. Specifically the yellow lines show the hook from extreme, the second pullback and the swing low/high trend line. The single white lines show where the entry would be and the double white lines show where the exit would be.

Chart 1 shows very limited rounding. Neither the swing high after the HFE nor the swing low after that shows very good rounding. It has 3 bars of rounding minimum so it's still valid. However, be careful as it could likely fail as a result of that. It may be best to stay away from this trade since it does not have the good rounding expected. There will be many other vegas trade (VT) patterns that could be taken so passing on a lame one won't hurt.

All CCI patterns can't be perfect but keep in mind that the closer the pattern conforms to the definition the greater the likelihood that it will be successful.

Chart 2 shows rounding on the swing low and the swing high. The entry signal is still the break of the swing low since it is above the zero-line. Notice that the entire pattern is more than 12 bars so the probability for success is far less.

Chart 3 shows very nice rounding after the HFE pattern. The best Vegas Trade patterns have the swing high/low part as the rounding section. It also shows an interesting sharp flip of the CCI bar downward that happens next and breaks the swing low. Since it broke the recent swing low, in this case, it gives us our CCI entry signal to take the trade.

## **Trading Woodies CCI System**

Remember that you will want to only take trades where the 25-lsma indicator shows that prices are on the side of the trade and, if possible, the 25-lsma indicator also is pointing toward the direction of the trade. The 25-lsma indicator is not shown in these charts. If it were shown you would see it located on the zero-line in the CCI section using a multi-color indicator to display it.

The exit signals are the same as in any other trade. Go review the section on how to enter and exit trades.

It is very important to remember that when you take one of these trades it does not mean you are supposed to stay in it forever. Always follow Woodies CCI exit signals.

## Trading Woodies CCI System

### #5 - Woodies CCI Ghost Trade Pattern:

The Ghost Trade pattern has 3 bumps in it. It has an arm, a head and then another arm in its pattern. The bumps used to spot this pattern can be made from the CCI or the TCCI. However, most people use CCI bumps for this pattern. It is preferable that the head is larger than the arms. To determine the entry point for the Ghost trade you draw a trend line across the underside of the Ghost across its neckline.

You can gauge the expected CCI movement for the Ghost Trade by measuring the distance from the top of the head to the neckline. The expected movement would then be a movement of that same distance from the neckline in the opposite direction to that of the head. You do not need to bother calculating the potential CCI move from the neckline as you will be exiting the trade as soon as the CCI gives you an exit signal anyways. All you need to do is follow the exit signals as defined in Woodies CCI.

Notice that when you draw the neckline (trend line) on the Ghost pattern you combine a trend line break (TLB) pattern along with the Ghost pattern which adds strength to the signal for a greater probability of success. Sometimes the neckline will slant toward the zero-line. These are the preferred Ghost patterns over the ones in which the neckline slants away from the zero-line. However, both are fine to take.

The Ghost Trade is a counter-trend trade. New students of Woodies CCI should not be taking this type of trade. However, keep your eye on it and learn as you progress.

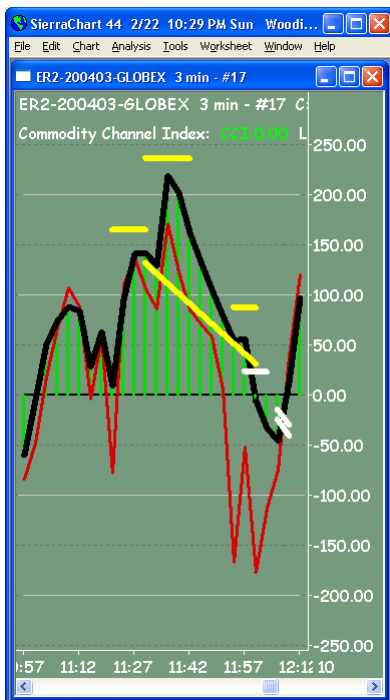


Chart 1

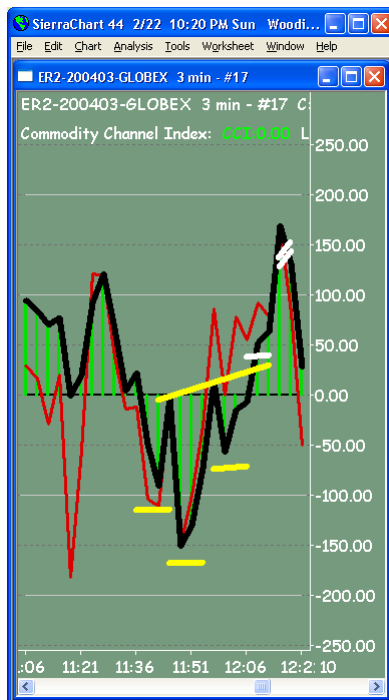


Chart 2

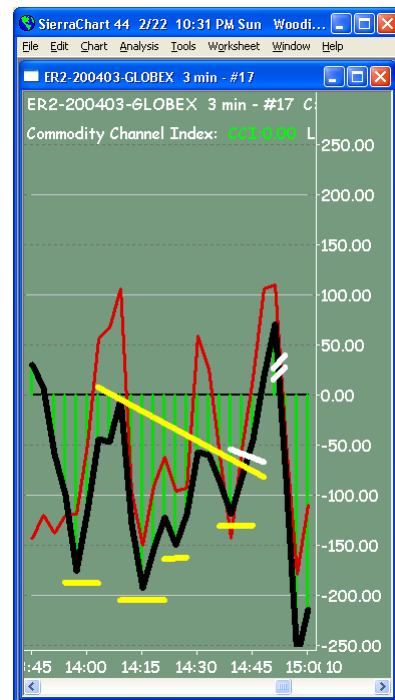


Chart 3

3 Charts Above – Ghost Patterns.



## Trading Woodies CCI System

The yellow lines show the CCI pattern. The single white lines show where the entry would be and the double white lines show where the exit would be.

The first chart has a very weak right arm. Notice that the trade didn't go very far before it hooked back up and we had to exit. The 3<sup>rd</sup> chart shows a Ghost pattern that had a double head. That's fine. Not all CCI patterns can be perfect.

Notice how all the necklines slant different ways. Some slant toward the zero-line and some away from it. Do not let this confuse you. Just enter the trade once it breaks the neckline, which is otherwise known as the TLB CCI pattern as well. This is yet another example of how the CCI patterns can and quite often do run together.

Be aware that the majority of the drawn Ghost pattern must be on the same side of the CCI zero-line. Sometimes a bit of it does form on the opposite side. This is perfectly fine if it is only a very small portion.

The exit signals are the same as in any other trade. Go review the section on how to enter and exit trades.

It is very important to remember that when you take one of these trades it does not mean you are supposed to stay in it forever. Always follow Woodies CCI exit signals.

## Trading Woodies CCI System

### #6 - Woodies CCI Reverse Divergence (rev diver):

The Reverse Divergence (Rev Diver) pattern is very simple. Do not let it confuse you. However, many people find it hard to understand and even harder to spot. This shows us two things. One, the documents and explanations are too hard to understand and just possibly confuse the matter. Two, and more interesting, is that it may show us that by bringing in your prior 'knowledge' into Woodies CCI system will give you headaches when trying to understand it.

This pattern was named using words that remind you of things you have tried to learn before. Maybe that is the reason why people find it so hard to spot. Forget the name and do not let it conjure up your past knowledge. None of that will help you and is absolutely not needed any longer. So forget everything you think you know about it. Do not question the pattern or why it works at this stage. Just learn to spot its 'look'. It's a very simple pattern I assure you.

You do not need prices to trade the Rev Diver pattern. You do not need to verify that it is a true reverse divergence pattern against price before you enter the pattern. We do not use prices to trade Woodies CCI system. Woodie has done many years of research and live trials on this pattern. He has determined that it truly is reverse divergence when compared to price over 95% of the time. This is why we as traders do not have to verify it against prices. We just react and take the trade. Besides, lets say it turns out not to be a true rev diver pattern when compared to price bars. The CCI will warn us anyways by showing us one of the Woodies CCI exit signals.

Reverse divergence CCI pattern is a trend continuation pattern. We spot it by looking for two inside bumps moving closer to the zero-line. By the word bumps we mean the CCI movements up and down. Some call these peaks and valleys. We say inside bumps to represent the bumps that are within the histogram or in other words bumps that are closer to the zero-line. We never use outside bumps to spot Rev Diver patterns.

The following two rules are all you need to spot the Rev Diver pattern:

- Rev Diver long – CCI above zero-line for 6 or more bars, two lower inside bumps
- Rev Diver short – CCI above below line for 6 or more bars, two higher inside bumps

The Reverse Divergence Trade is a trend trade. New students of Woodies CCI should be taking this type of trade.

You can combine the Rev Diver trade with a zero-line reject (ZLR) trade or the trend line break (TLB) trade to add strength to the signal for a greater probability of success. You most always have a ZLR pattern along with a Rev Diver pattern. In fact you usually have two ZLR patterns that make up a Rev Diver since both inside bumps usually occur within the +/- 100 CCI area. The inside bumps actually represents the CCI ZLR pattern. Look at the charts closely and you will see both of them on each chart.

## Trading Woodies CCI System



Chart 1

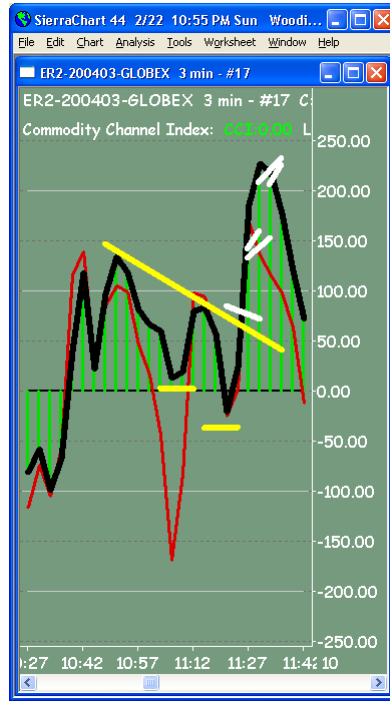


Chart 2

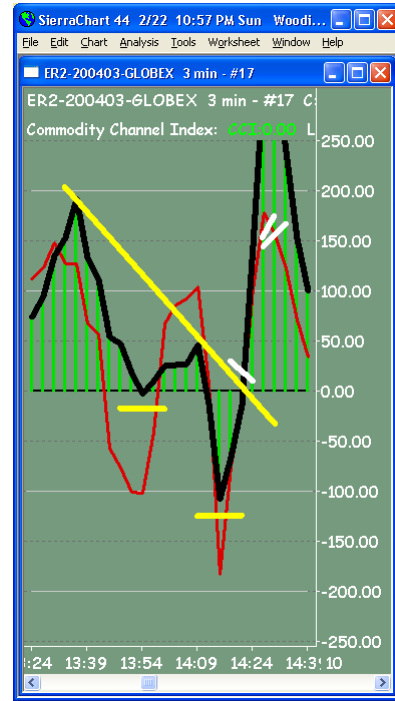


Chart 3

3 Charts Above – Rev diver Pattern.

The yellow lines show the CCI pattern. The two short yellow lines show the Reverse Divergence Trade pattern. The longer yellow line shows the Trend Line Break pattern that usually accompanies this trade. The single white lines show where the entry would be and the double white lines show where the exit would be.

Each chart shows a short yellow line where each inside bump can be seen within the pattern. Notice that the inside bumps are closer to the zero-line as they move across the chart. Two of the inside bumps shown actually go over the zero-line. In chart 2 you can see one inside bump goes over the zero-line a little bit.

In chart 3 one inside bump goes down under the zero-line a great deal. Technically this turned into an outside bump since it went down below the zero-line. Don't let this confuse you. It is still a rev diver pattern but you may want to avoid ones that do this. You could instead take this as a ZLR trade on the first bar that flipped up since it only went down to -100. Again, all of these patterns melt together in some fashion all the time. Don't worry about it. You will be fine. Just keep on reading.

However, as you know by now, we look for the more perfect CCI patterns to trade and the rev diver in chart 3 might not be a trade to take since it does go over the zero-line quite a bit and for 3+ bars as well. It is interesting enough to note that the trade was really strong and went quite far upward anyways. In fact, you could just ignore the rev diver pattern on chart 3 and take it as a simple TLB trade. I hope you are seeing by now that all of Woodies CCI patterns mix together or come one right after the next.

Notice that there is a zero-line reject (ZLR) pattern just before each of these rev diver entries on all 3 charts. This is not a coincidence. Lots of CCI patterns run together. Some will add to the potential for

## Trading Woodies CCI System

success and some will signal you to exit immediately because they are setting up a CCI trade signal against your current position. Don't let this confuse it. It's normal to see multiple Woodies CCI patterns combined together.

All 3 charts are showing the trend line break (TLB) pattern drawn as well. Most people use a rev diver pattern along with a TLB pattern as a signal for more confirmation to enter the trade. You can clearly see this in charts 2 and 3 where the entry is shown after the TLB is broken. However, you could enter the trade right after the second ZLR CCI turn up/down that forms the complete rev diver pattern. This entry by itself would be a rev diver trade with the added confirmation of a TLB.

The first chart shows two exits using the double white lines. Again, the first contract or set of contracts would be exited at the first set of double lines. The remainder of the position would be set to b/e+1 and you would wait for the next exit signal.

Notice that the 3<sup>rd</sup> chart shows a lower inside bump that actually goes onto the other side of the zero-line. This is a nuance and does happen. That is fine. Important to point out is that this is actually a valid zero-line reject long signal since it doesn't go past the CCI -100 area. This one goes a bit further so it could be taken with caution.

The exit signals are the same as in any other trade. Go review the section on how to enter and exit trades.

It is very important to remember that when you take one of these trades it does not mean you are supposed to stay in it forever. Always follow Woodies CCI exit signals.

## Trading Woodies CCI System

### #7 - Woodies CCI Hook From Extremes (HFE) Pattern:

The hook from extreme (HFE) trades are formed when the CCI prints a bar at or past the +/- 200 and then starts hooking back toward the zero-line. This trade is a very difficult trade. The HFE pattern is used as one of the Woodies CCI exit signals as well.

A HFE trade can happen very fast. As soon as you see it hook back toward the zero-line you enter. Make sure you have your hard stop-loss orders in as soon as you get filled on entry, as this trade can get away from you very quick. As soon as you see a signal to exit then you exit immediately.

You will get stopped out of this trade often and this can happen even without seeing a CCI exit signal. This trade has around a 50% chance of success if you take every single HFE trade you see. However it can provide you with much larger profits than losses. You must use hard stop-loss orders when trading Woodies CCI or any other system for that matter.

The hook from extreme trade is a counter-trend trade. New students of Woodies CCI should not be taking this type of trade. However, keep your eye on it and learn as you progress.

You can combine the HFE trade with either a trend line break or a +/- 100 cross CCI confirmation signal to add strength to the trade for a greater probability of success. Again, when new you are not to take this trade. There are a great many experienced traders that do not take this trade either.

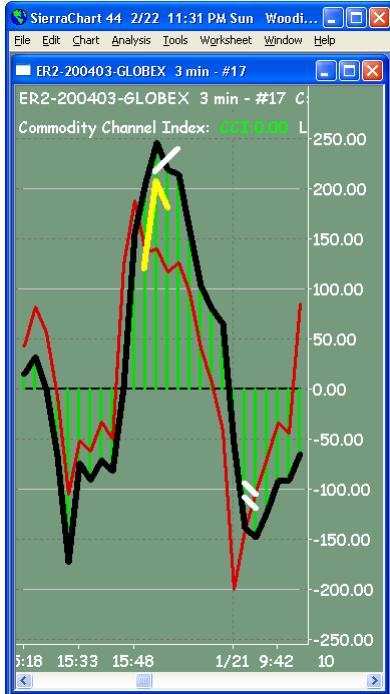


Chart 1



Chart 2

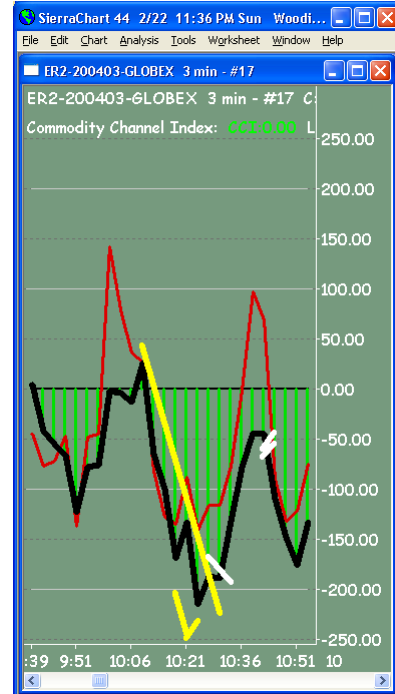


Chart 3

3 Charts Above – Hook From Extreme Pattern.

## Trading Woodies CCI System

The yellow hooking lines show the CCI pattern. The long yellow lines show the TLB pattern that also exists on these charts. The single white lines show where the entry would be and the double white lines show where the exit would be.

The 2<sup>nd</sup> and 3<sup>rd</sup> charts are showing the TLB added to the HFE trade. That provides a greater probability of success. The entry would be when the CCI line breaks the TLB pattern.

Notice that on Chart 1 we enter on the first CCI bar that flips back toward the zero-line when outside of the +/-200 CCI area. There is no real defined trend line since we do not have any nice bumps to draw it on. This is fine.

Chart 2 shows the entry after the break of the trend line and two exit points. The first exit is when the tcci hooks through the CCI. The second exit is also a tcci hook into the cci and the cci is starting to hook at the same time as well.

The exit signals are the same as in any other trade. Go review the section on how to enter and exit trades.

It is very important to remember that when you take one of these trades it does not mean you are supposed to stay in it forever. Always follow Woodies CCI exit signals.

## Trading Woodies CCI System

### #8 - Woodies CCI Horizontal Trend Line Break (HTLB) Pattern:

The horizontal trend line break (HTLB) trade is when a trend line is drawn horizontally across a series of bumps that are lined up in a nice straight row. You can use a mix of both CCI and TCCI bumps to draw the htl but most often you will see the CCI used in these patterns.

You can draw the trend line across these bumps regardless of whether they are inside or outside bumps as well as on either side of the zero-line. Of course since it is a horizontal trend line all the bumps will be on the same side of the zero-line. It is best to have the break of the HTLB pattern within the +/- 50 area so that there will be a greater possibility of success.

You would ideally like to have 3+ bumps on which to draw the htl. However, you must have at least 2 bumps and this is fine. Each bump at the same horizontal level can show that there is some type of support/resistance building up at that area. When broken through it can lead to a strong movement and a great trade. You will usually see a HTLB pattern in a choppy market. The HTLB trades can make for some of the very best trades during that choppy market.

The HTLB trade can be both a trend and a counter-trend trade. New students of Woodies CCI should be taking this type of trade if it is a HTLB trade with the trend. Do not take this trade against the trend. However, keep your eye on it and learn as you progress.

The exit signals are the same as in any other trade. Go review the section on how to enter and exit trades.

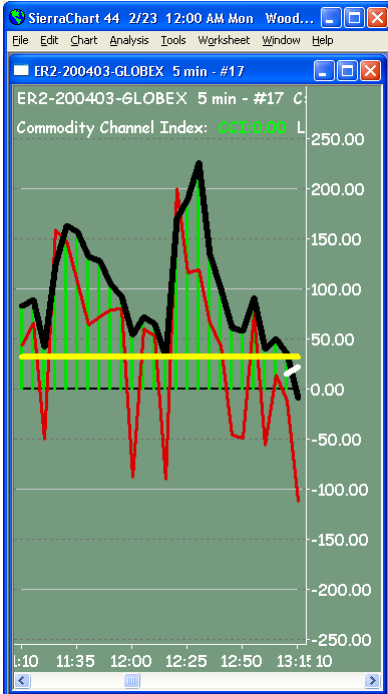


Chart 1

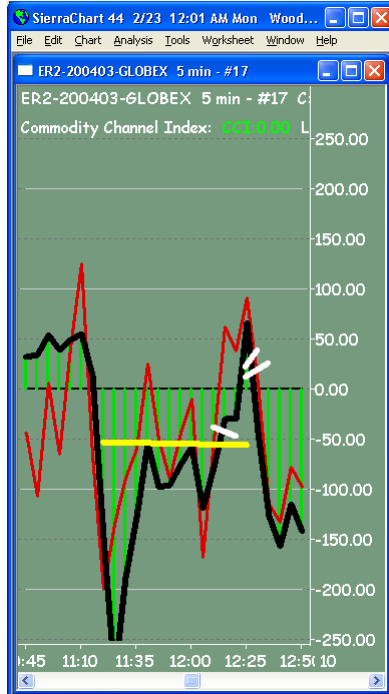


Chart 2

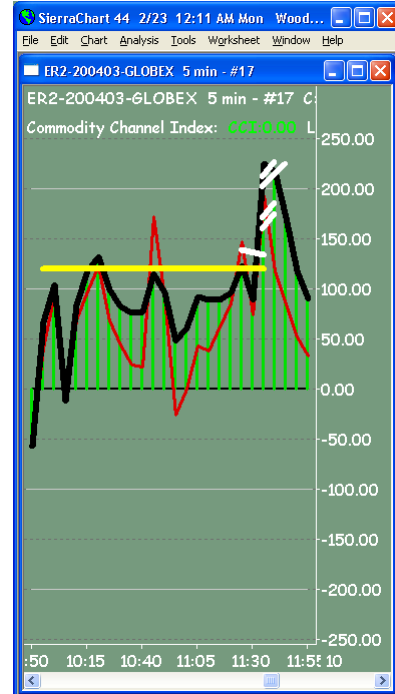


Chart 3

3 Above Charts – Horizontal Trend Line Break Patterns.

## Trading Woodies CCI System

The yellow lines show the CCI pattern. The single white lines show where the entry would be and the double white lines show where the exit would be.

Note that the charts are 5 min charts. Woodie says that you can have a good HTLB pattern on the 3 min chart but that the HTLB pattern on the 5 min charts are even stronger in terms of probability for success. Also, Chart 1 does not show the exit signal to the trade. Rather the snapshot was used to show a long term HTLB forming. This led to a very powerful move but is not shown on the chart.

The first two charts show HTLB patterns that are counter-trend trades. These are counter-trend trades because the CCI is on the opposite side of the trade entry direction for 6+ CCI bars. If you are new to Woodies CCI you should not take these two trades since they are counter-trend trades.

The 3<sup>rd</sup> chart shows a HTLB trade with the trend. The entry is when the CCI line breaks through the long horizontal trend line. If you are new to Woodies CCI then you should take this type of trade.



## Trading Woodies CCI System

### Preparing For Your First Trade

Each and every trade from the very first one you make should always follow the strict guidelines in this document. Do not change the methods and guidelines you have learned until you no longer need this document. If you find yourself failing or frustrated then stop doing whatever it is you are doing and go back to following this document.

It is suggested that you use a front-end tool that allows you to automatically send stop-loss orders upon position entry, track your trading results for the session and paper trade using live market data so that your results are more accurate.

Also be warned that even when using these front ends your trade entry and exits will not be exactly like real market conditions. These front ends cannot get you in the order queue as it is in real trading. With this in mind, if and when you go live consider trading only one contract to start with until you get the feel for how your live orders will get filled.

It is also suggested that even before you start to paper trade Woodies CCI that you become very good at spotting the CCI Patterns. Start with 1 market on 1 chart only just as we trade in real life. Spot Woodies CCI patterns, mark them on the chart as you go so you can review them later. When you are comfortable and spotting all the patterns that you are working on then move on to watching 2 markets at time and so on until you can recognize each pattern and the location of the entry and exits for the trade. Do not follow price or track winners or losers yet. Just focus on the look for the pattern. This should take many weeks.

Remember, do not track the prices during this time. Just spot Woodies CCI patterns over and over and over and over again all day long. Focus on spotting the entry and exit signals on the patterns. Get familiar with all 8 patterns over time. To begin with start with pattern number 1 and build up to all 8. Take your time with this training. Do not rush this training whatsoever. It is very important for you to master the CCI patterns, entry signals and the exit signals. Do not stop this training until you have strong confidence in spotting Woodies CCI patterns.

The benefit of this training is that it allows you to focus on the most important parts of Woodies CCI, which are CCI pattern recognition and CCI entry and exit signals. Also, it trains you to not follow price. Price is not needed and serves to scare and confuse you. It will only work up your emotions and force you to start making decisions that are not part of Woodies CCI. Just follow the patterns and signals.

Next, using a front-end tool that uses live data, start paper trading Woodies CCI system. Start back again with 1 chart with 1 market only. When first paper trading Woodies CCI only trade with 1 contract. The reason for this is so that you become completely aware of exactly where you must take your first exit regardless of how many contracts you are going to trade. You are now going to start tracking winners and losers during this process. Paper trading this 1 contract and becoming consistently profitable will take many weeks and months. Do not become discouraged. The more trades you take the closer you get to mastering the system.

The closer you follow these guidelines the sooner you will see more winning trades compared to losing trades. Also you will see smaller losses and larger gains on each trade. This is the goal. Do not stop this

## Trading Woodies CCI System

training until you are consistently following the rules for many weeks and making profits consistently as well. Do not add another chart whatsoever until you are mastering this.

After becoming profitable and consistent trading 1 contract on 1 chart and 1 pattern then you can either add 1 more chart or add 1 more pattern. It is recommended that you add 1 more pattern instead. This way you can become a master of Woodies CCI on a specific market and learn how it moves. Lots of people only trade 1 or 2 markets and only trade 1 or 2 patterns. Some experts only trade 1 CCI pattern, with a CCI confirmation signal added, all day long.

Once you progress to the point where you fully understand Woodies CCI patterns, entry and exit signals and are consistent and profitable using 1 contract then add 1 more contract for a total of 2. Remember, when trading multiple contracts on paper or live, regardless of whether you are new to Woodies CCI system or an expert at it, always take the first exit at the exact same place you exited when you were only trading 1 contract. This is the part of Woodies CCI system that automatically takes care of taking some profits out of the market and protecting your remaining position if you are trading multiple contracts. Just do it. This is another inherent and automatic part of the system that protects your profits.

Comments on paper trading Woodies CCI system:

- Remember that you cannot and should not use real money until you have mastered this system, following the guidelines precisely and are making consistent net profits over many months.
- If you do not do this then you cannot use real money to trade. Keep paper trading.
- If you don't then YOU WILL FAIL.
- If you don't then I promise you that you will fail and lose your money.
- Just because the bills need to be paid does not mean that the system will work faster for you.
- That is just ridiculous and I further promise you that you will fail even faster due to stress.
- Think of it this way. If you were going to make profits trading real money then you should be able to prove that you can do just that by paper trading using a simulation tool that uses live data. If you can't then why would you use real money?
- In fact it's even harder when you use real money so if you can't do it on the simulation tool then you will in no way, shape, or form be able to do it using live money with the additional stress it causes.
- Some people will not follow this guidance. They will use and then lose their real money – if that is you then we all want to THANK YOU! for giving us your money.

## Trading Woodies CCI System

All you are doing when you are successful at Woodies CCI is waiting for a pattern to scroll by. You enter based on Woodies defined entry signal and you exit based on Woodies defined exit signal.

Do not make things up. Do not follow other people's trades. Do not follow other people's methods. Focus on your trade only.

Do not watch prices, do not get into hope mode and do not wish the pattern would turn your way. It does not work that way. Watch the CCI pattern only. When you see the exit signal then exit. Your hard stop-loss orders will protect you so do not worry.

Do not watch how much you are making or losing on the trade. Watch the CCI pattern only. Again, your hard stop-loss order will protect you.

Do not do anything but wait for Woodies CCI pattern to scroll by. Wait for an entry signal. Then enter the trade. Then wait for an exit signal. Then exit the trade. Period.

You are in Woodies room to learn Woodies CCI. It is an excellent system already. So do not do anything else except what Woodie or this document tells you to do until you do not need these guidelines anymore.

Quit trying to add things like you learned to do from trading books, in other chat rooms and on other websites. It has probably led you to horrible results, addition of many lagging indicators and poor trading skills. You need to keep your trading system super simple and just follow the guidelines. You do not need anything else to become a successful trader. Woodies CCI defines it all for you. It may seem like things are missing but you will ultimately see that by following the rules you will be guided into controlled, consistent and successful trading.

Do not deviate from the guidelines. Do not add things. Do not think. Just follow Woodies CCI system guidelines as stated in this document.

Do not use your old methods when learning Woodies CCI system. It's not part of this system. This system is complete and tells you not to use any other things to trade with. Other systems never told you that did they? Well, this one does so don't do it.

And don't tell us you need to add things or watch price. We giggle to ourselves when we see people post that. We know better.

You are here to learn Woodies CCI so why not just follow Woodies CCI.

## Trading Woodies CCI System

### Children's Make A Wish Foundation

So much heartfelt thanks goes to Woodie for developing such an excellent trading system. He is a tremendously generous person for sharing it free with us and for creating a free room with tons of wonderful traders all helping other traders. You will not find anything close to what this room has to offer anywhere in the world. All thanks goes to him. Thank you very much Woodie!

Woodie has a great big heart and is a wonderful person. He is nothing but first class all the way! He is just an outstanding person. He is very patient, giving, fun and intelligent as well.

I hope that his document has helped you come up to speed fast and understand Woodies CCI in just a few weeks rather than the many long months and in some cases years it took for the rest of us to do it. You truly will not know how much time this document has saved you having to wait, listen and read through thousands of posts on each individuals take on CCI to learn the entire Woodies CCI system. Just ask others in the room what they had to go through. This document will give you more time to focus on and practice the system the way Woodie has defined it. The more screen time and practice you get the faster you will become a consistent and profitable trader.

Woodie does not charge a fee for his generous help or for this room. He only asks that if you have a great day or week trading that you give a donation to the Children's Make A Wish Foundation.

This document took a very long time to create and a great deal of effort as well. This document has brought the entire Woodies CCI system together in once place so you could then focus your efforts on quality screen time instead and start progressing toward mastering your trading.

If this document has helped you then please go thank Woodie in the room and let him know that you are going to give a donation to the Children's Make A Wish Foundation. It is very easy to do. There is a simple online form or you can call them directly. Thank you very much from the Make-A-Wish Children!

A donation may be made to [http://www.wish.org/home/giving-shopping/giving\\_honor.htm](http://www.wish.org/home/giving-shopping/giving_honor.htm) in honor of Woodies CCI Club. Please, on the form you must carefully include:

**Email Entry** = Woodie@woodiescciclub.com

**Donation Description** = YOUR EMAIL and YOUR ROOM MEMBER NAME

You can join us in Woodies CCI Club 24 hours a day 7 days a week. A link to the hotcomm chat software and most recent version of this document can be found at the yahoo group:

[http://finance.groups.yahoo.com/group/Woodies\\_CCI\\_For\\_Newbies/](http://finance.groups.yahoo.com/group/Woodies_CCI_For_Newbies/)

Please provide continuous feedback both positive as well as constructive criticism so that the document can be improved for the next person. Email the comments to the address below instead of the room.

Thank you very much and good trading!

Jeff [jeffandcci@yahoo.com](mailto:jeffandcci@yahoo.com)

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