

# The Professor's Position Trading Methodology



## Rifle Trades

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August 22, 2013

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# Outline

- **Best times to trade – when the odds are in your favor**
- **Technical Indicators**
- **Rifle Trading Strategy**
- **Using the Dean's List to identify stocks**
- **Examples**

# The Four Best Times to Trade

**#1: When the market is changing direction**

**#2: Small change in the A-D oscillator.  
Small change = BIG MOVE (>100 Dow points).**

**→ #3: When the market is trending (Rifle Trades)**

**#4: When it's not – Scalp Trades**

# Trends vs. Non Trends

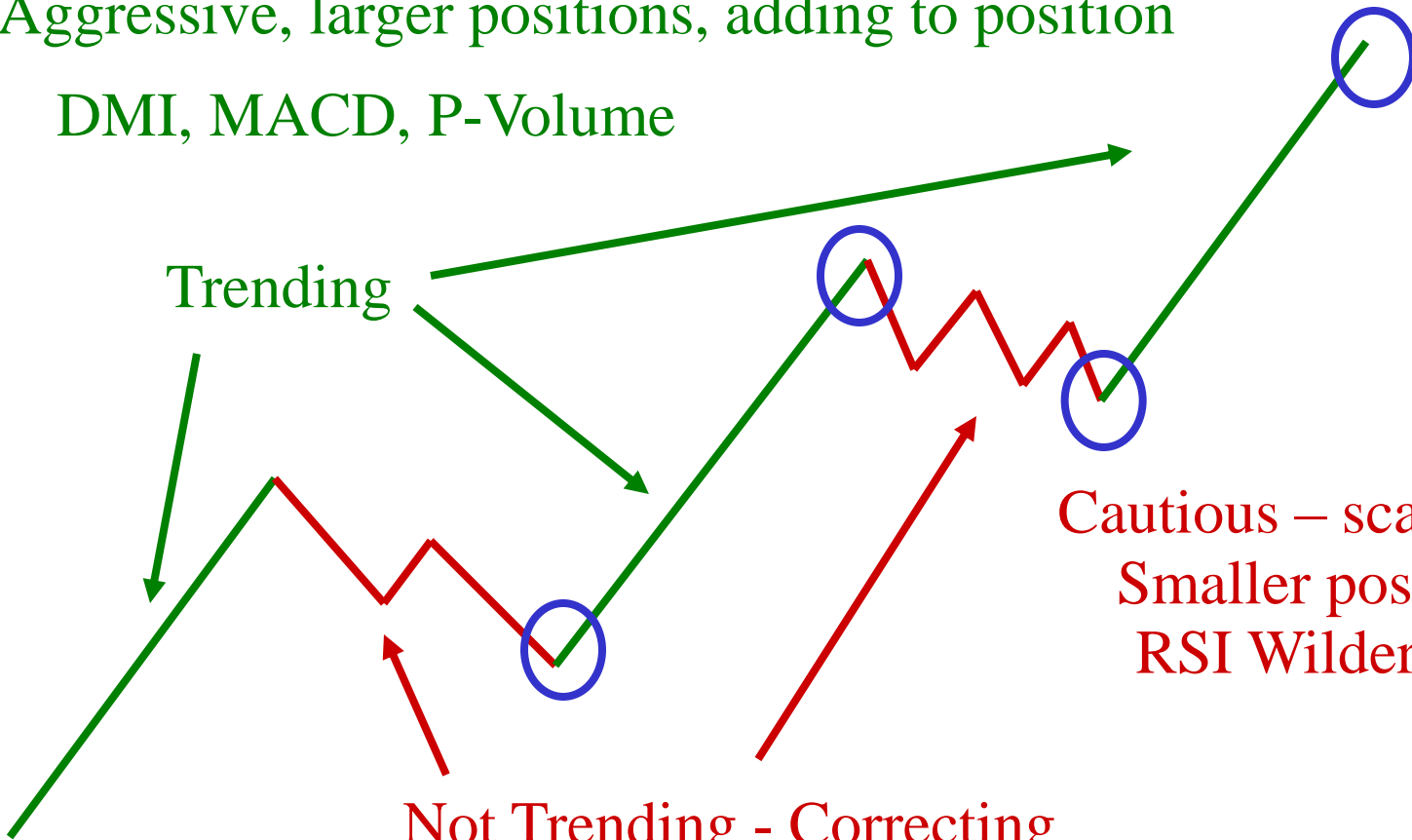
Aggressive, larger positions, adding to position  
DMI, MACD, P-Volume

Trending

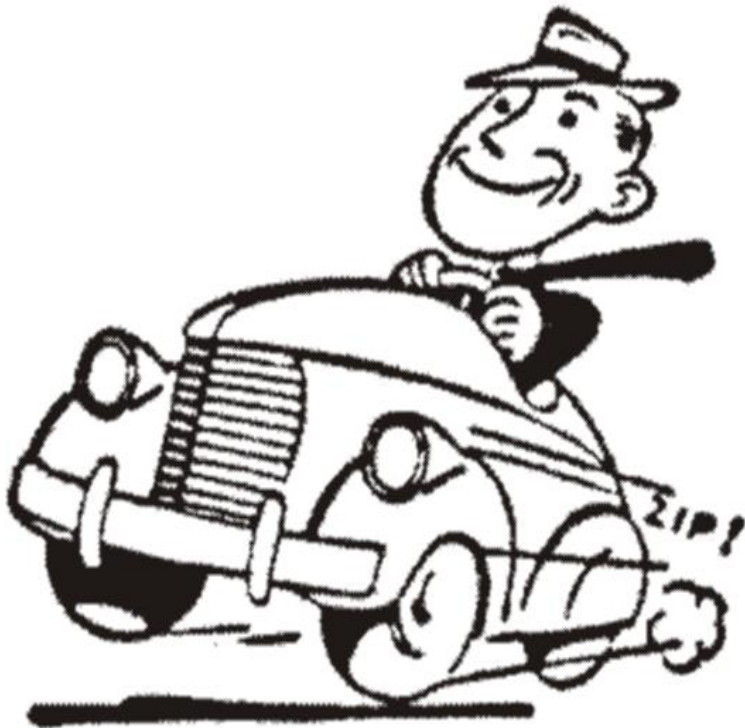
Cautious – scalp trades  
Smaller positions  
RSI Wilder

Not Trending - Correcting

○ - Look for a change in direction



# Stock Movement is Similar to Driving a Car



To get from point A to point B, a car needs three things:

- The car needs to be pointed in the right **direction**
- The car needs to be **moving**
- To continue moving, it needs **gas**

# Three Technical Indicators

- **Direction:** The Directional Movement Indicator (DMI)
  - Math formula developed by Wells Wilder, used to determine direction of a stock
- **Momentum:** Moving Average Convergence Divergence (MACD)
- **Gas:** Positive Volume Indicator

# Rules

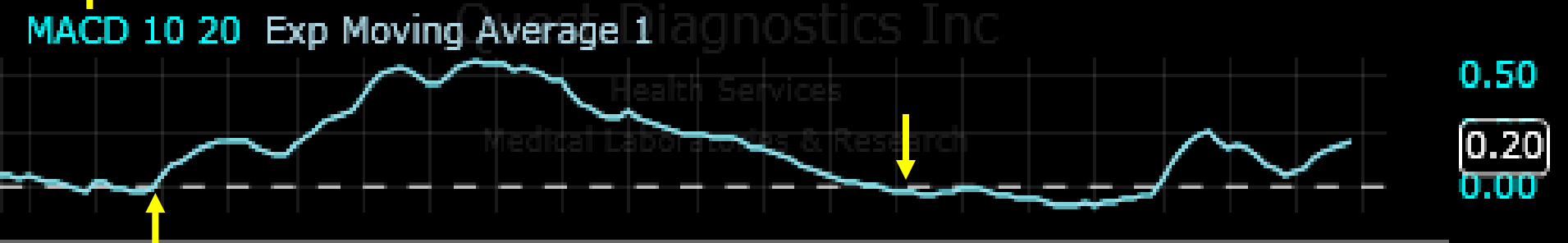
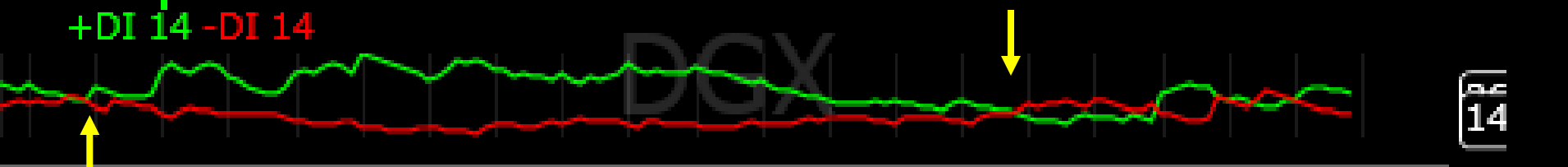
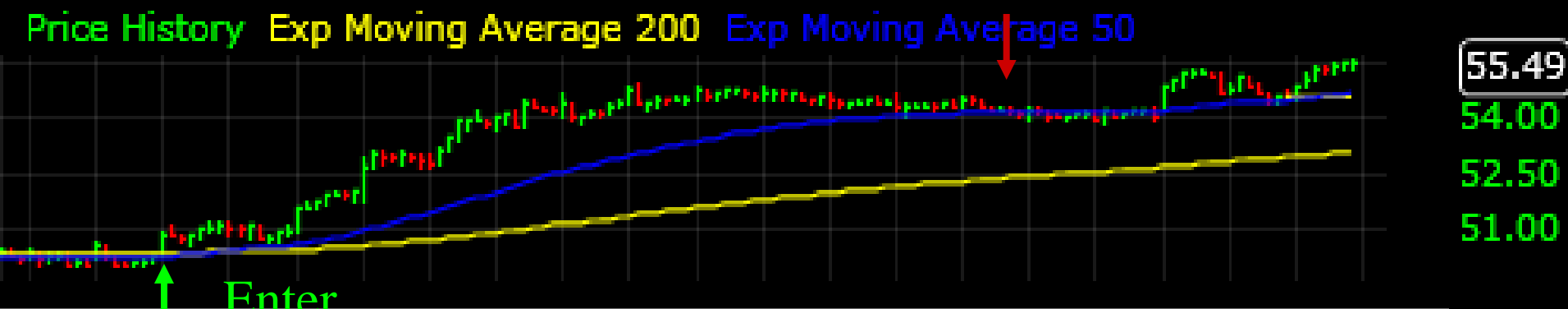
**Rule #1:** Buy when all three indicators turn positive

**Rule #2:** Sell when all three indicators turn negative. To protect profits, Sell when 2 of the 3 indicators are negative

**Do the opposite for shorts**



Jan 5 2011 04:00:00



# Using the MACD

- Most traders do not understand how to use the indicator
- Positive momentum: when the MACD indicator is **above the zero line**
- The standard MACD is 12-25-9. I use 10-20-1. Using the “1” eliminates the signal line .
- Also look for divergences. They are very useful in Position Trading

Jan 5 2011 04:00:00

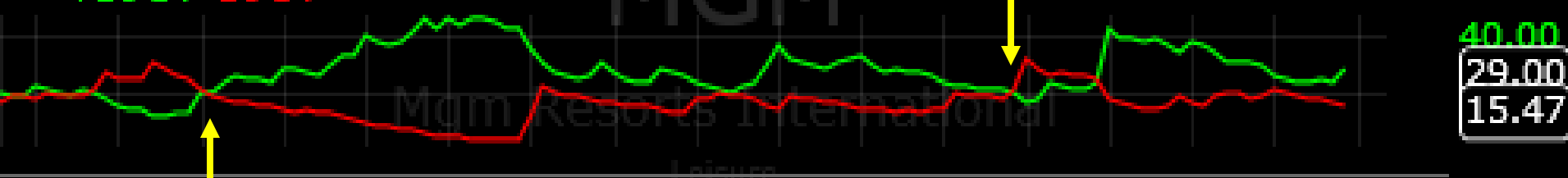
Price History Exp Moving Average 200 Exp Moving Average 50



15.46  
 14.70  
 14.00  
 13.30  
 12.60

+DI 14 -DI 14

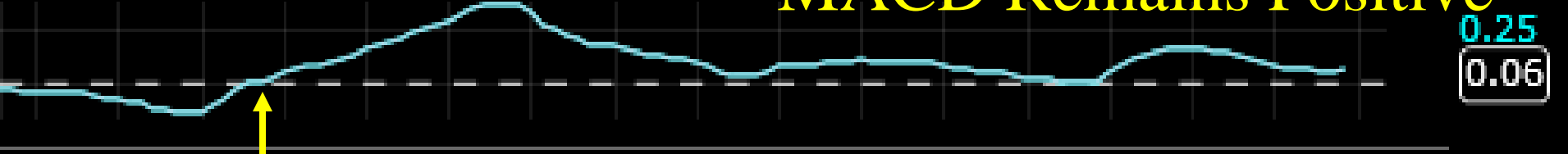
Buy



40.00  
 29.00  
 15.47

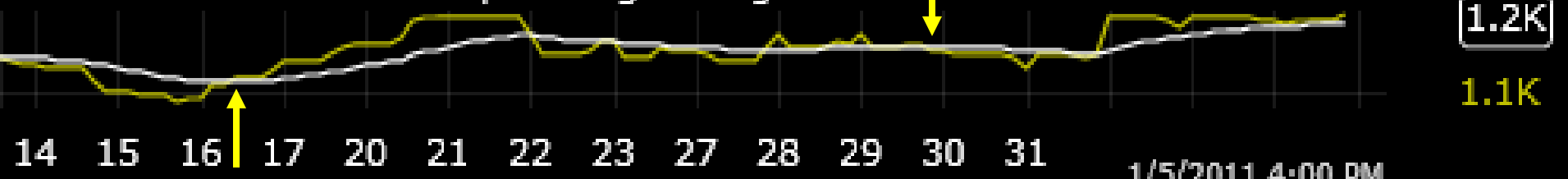
MACD 10 20 Exp Moving Average 1

MACD Remains Positive



0.25  
 0.06

Positive Volume Index Exp Moving Average 21



1.2K  
 1.1K

14 15 16 17 20 21 22 23 27 28 29 30 31

1/5/2011 4:00 PM

2010

# Setting up the Indicators from AIQ or the Internet

- **Use live data from AIQ Alerts screen or freestockcharts.com**
- **Basic trading screen should have:**
  - **a 60 min chart set for one month's data**
  - **DMI set for 14 periods**
  - **MACD set for 10-20. Set signal line to 1.**
  - **P-volume or Positive Volume Indicator with the moving average set for 21 periods.**

# **Basic Strategy for Trading Trending Markets**

**(Buying cake and Eating it too)**

- **Identify stocks that could be entering a trend mode**
- **Initial Buy (Basic Position) is always established on a DMI turn, after a Reversing Pattern**
- **Basic Position (The Cake) is always managed on a Daily Chart**
- **Subsequent trades (Eatin' Cake) are triggered and managed as Rifle Trades on the 60 min chart**

Jan 6 2011 10:08:20



# **Rifle Trades**

## **(Eatin' Cake)**

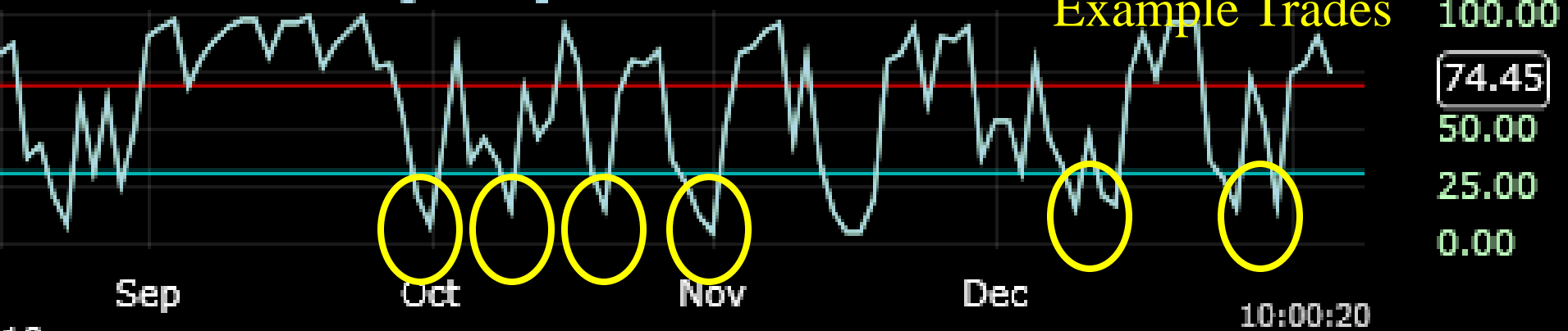
- **Once stock is in Uptrend on Daily Chart with positive PT Indicators, look for opportunities to RT on pullbacks**
- **Wait for 2 period RSI Wilder to become oversold (<30)**
- **Then use PT indicators on 60 min chart (The Rifle) to trigger the trade**
- **Manage the Rifle Trade on the 60s**

Jan 6 2011 10:00:20

Price History Exp Moving Average 200 Exp Moving Average 50



Wilder's RSI 2 Moving Average 1





Jan 6 2011 10:15:07

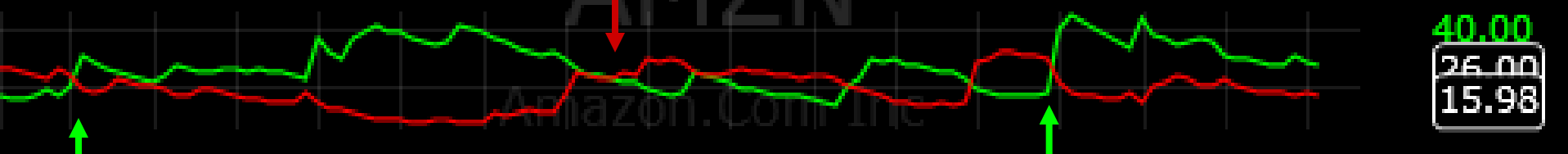
60 min chart

Price History Exp Moving Average 200 Exp Moving Average 50



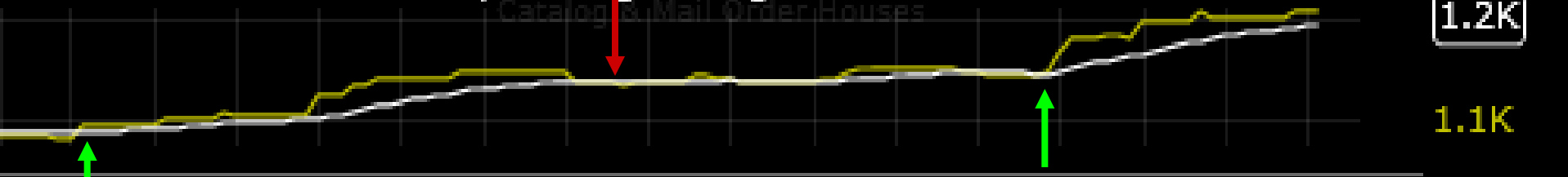
188.00  
**186.63**  
 184.00  
 180.00  
 176.00

Buy  
+DI 14 -DI 14



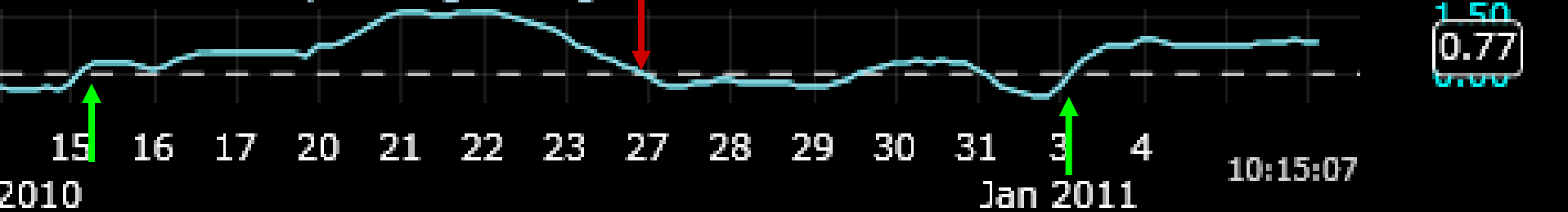
40.00  
**26.00**  
 15.98

Positive Volume Index Exp Moving Average 21



1.2K  
 1.1K  
 1.50  
**0.77**  
 0.00

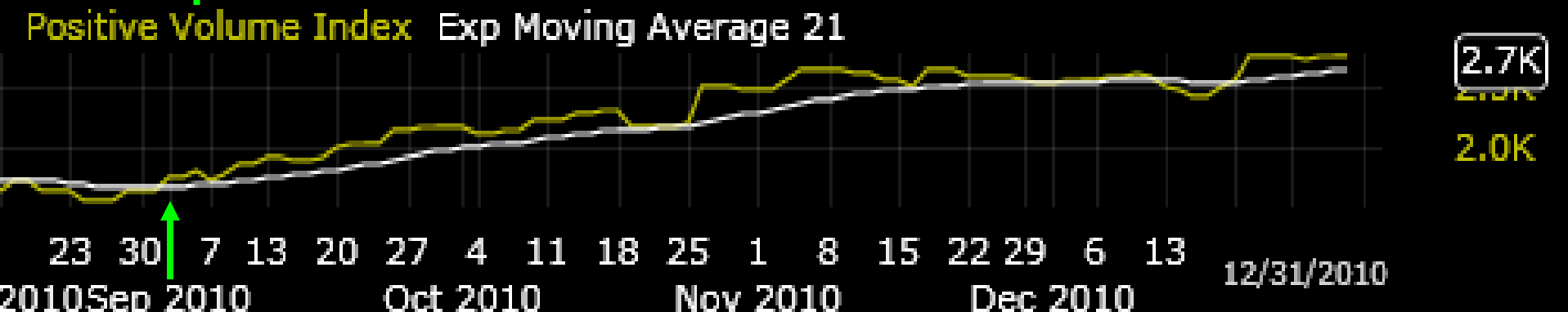
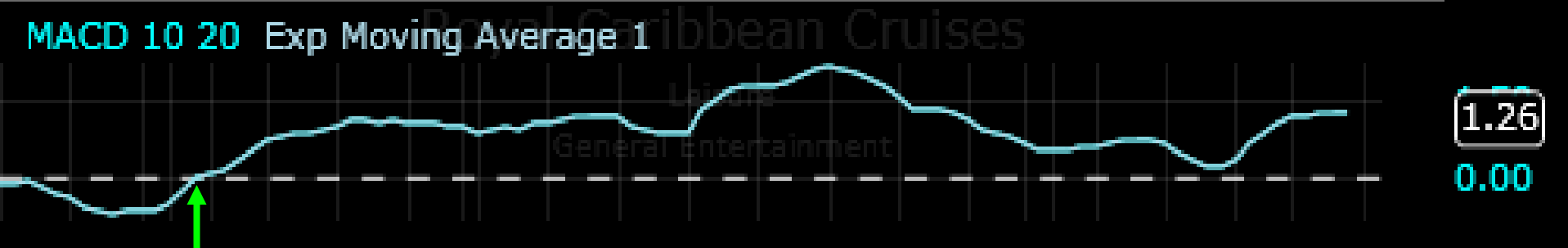
MACD 10 20 Exp Moving Average 1



# **Sizing and Managing Rifle Trades**

- **Rifle Trades are sized at  $\frac{1}{2}$  the Basic Position**
- **Example: If Basic Position of 1000 shares of RCL was bought on Daily Chart**
- **Rifle Trade is 500 shares. Managed on 60s.**
- **If Basic Position was not established on DMI turn, first Rifle Trade is used to establish Basic Position.**
- **This Rifle Trade would be managed on Daily's, not 60s.**

Dec 31 2010 12:00:00

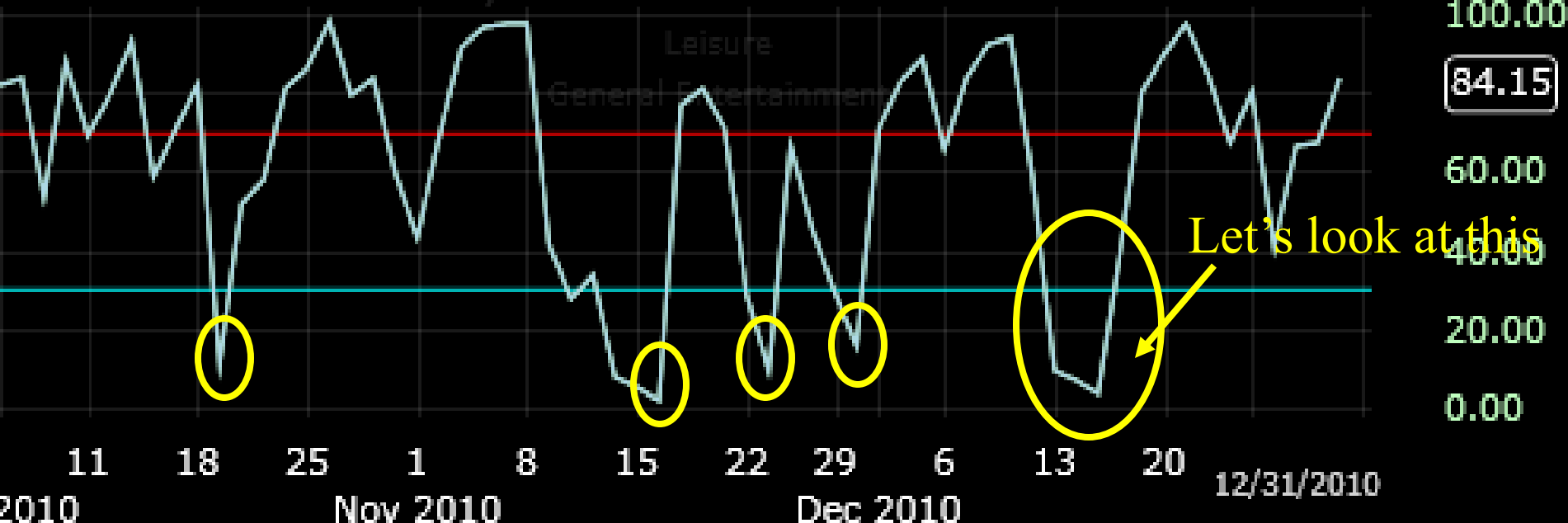


Dec 31 2010 12:00:00

Price History Exp Moving Average 200 Exp Moving Average 50



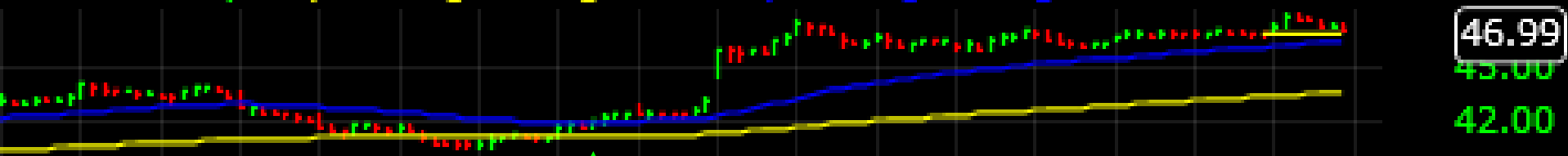
Wilder's RSI 2 Moving Average 1



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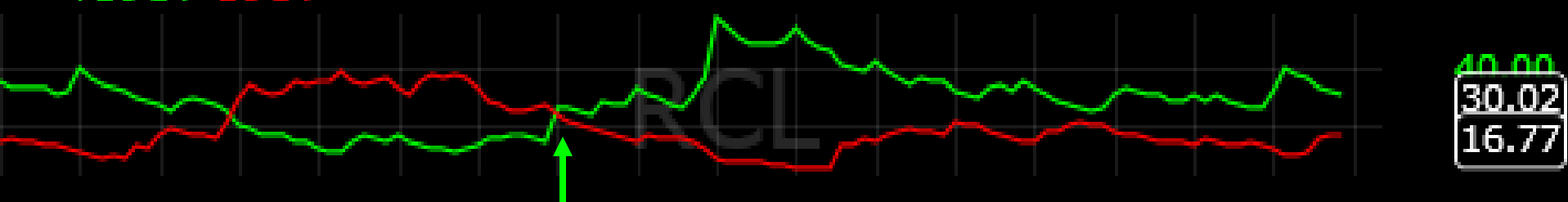
60 Min Chart

Price History Exp Moving Average 200 Exp Moving Average 50

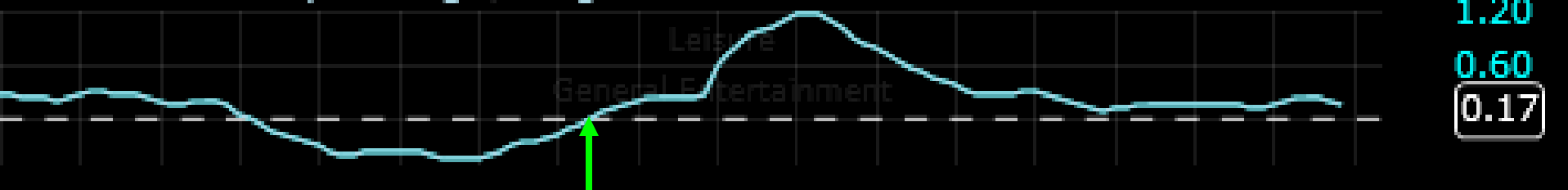


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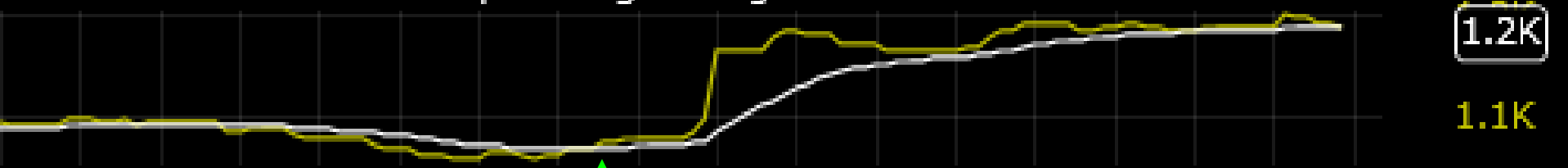
Buy 500 shares



MACD 10 20 Exp Moving Average 1



Positive Volume Index Exp Moving Average 21



9 10 13 14 15 16 17 20 21 22 23 27 28

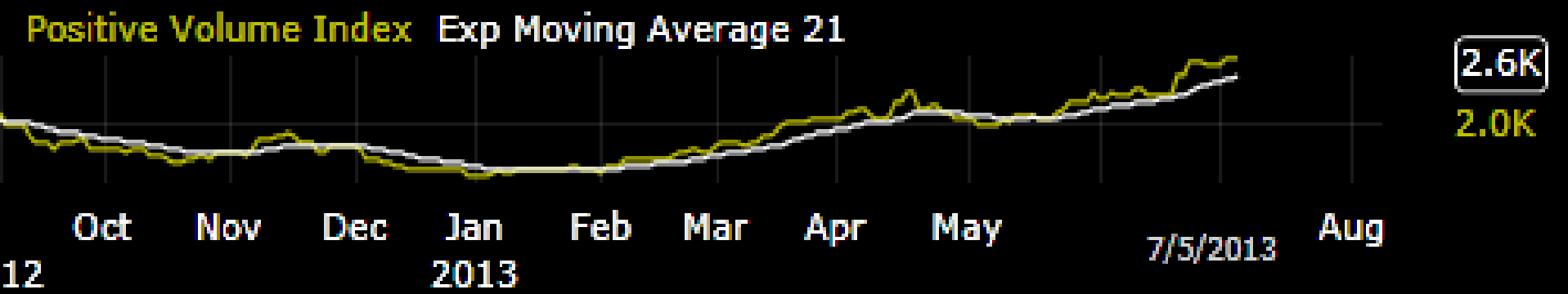
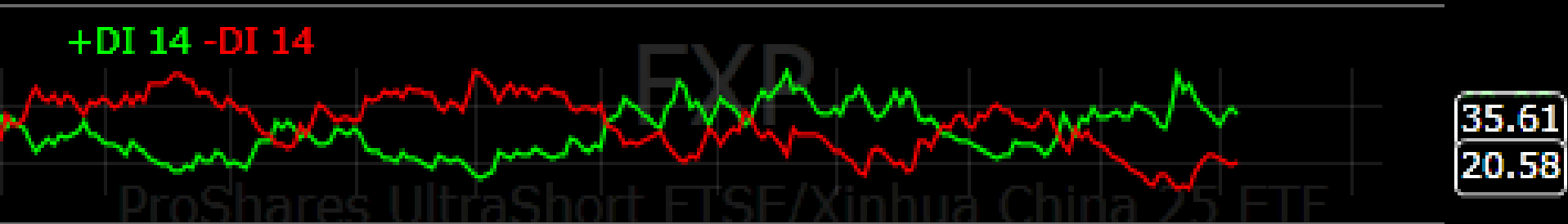
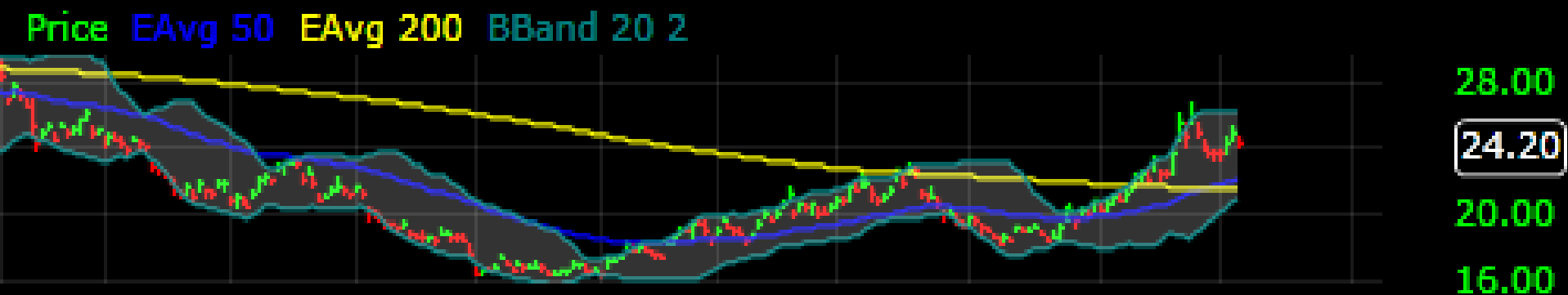
12/31/2010 4:00 PM

2010

# FXP (ProShares UltraShort FTSE/Xinhua China 25 ETF)

© FreeStockCharts.com

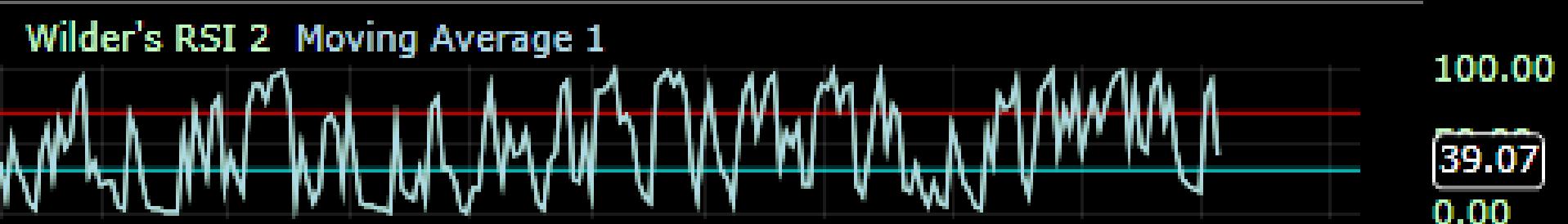
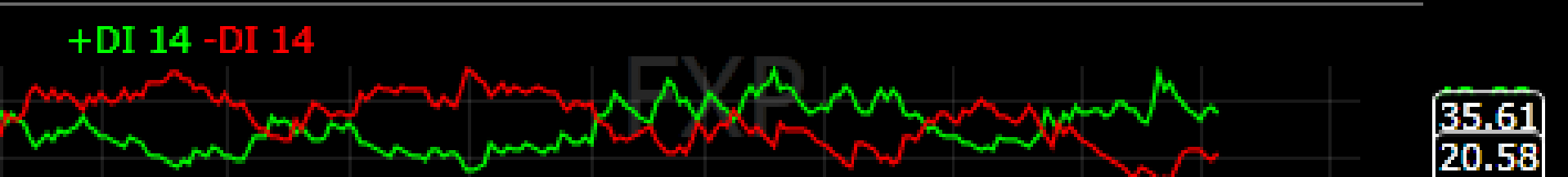
Jul 5 2013 12:00:00



# FXP (ProShares UltraShort FTSE/Xinhua China 25 ETF)

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Jul 5 2013 12:00:00



Oct Nov Dec Jan Feb Mar Apr May 7/5/2013 Aug  
2012 2013

# FXP (ProShares UltraShort FTSE/Xinhua China 25 ETF)

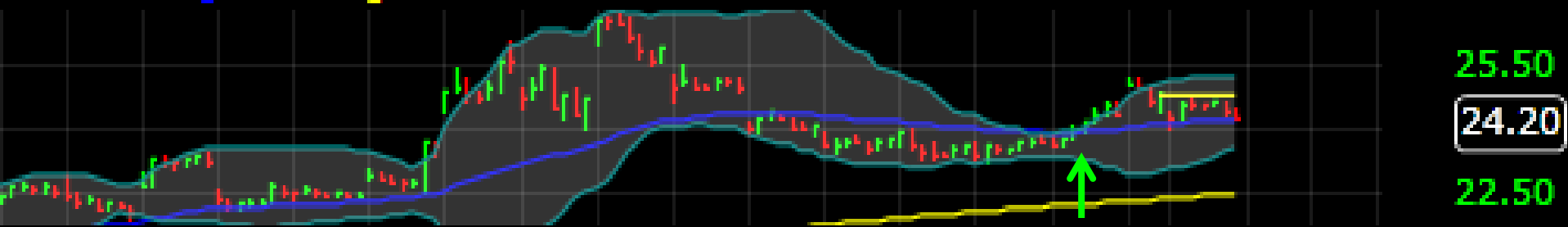
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Jul 5 2013 04:00:00

## Rifle Trade

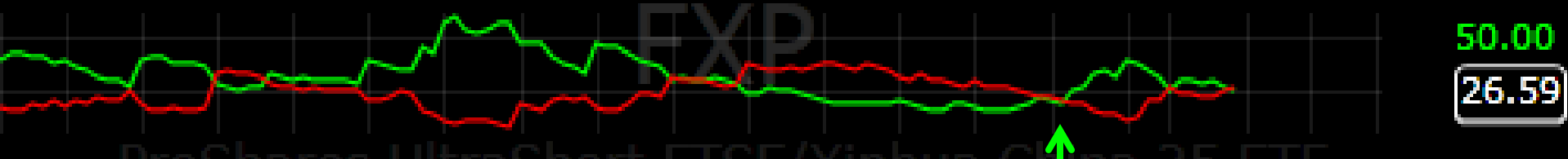
### 60 min

Price EAvg 50 EAvg 200 BBand 20 2



+DI 14 -DI 14

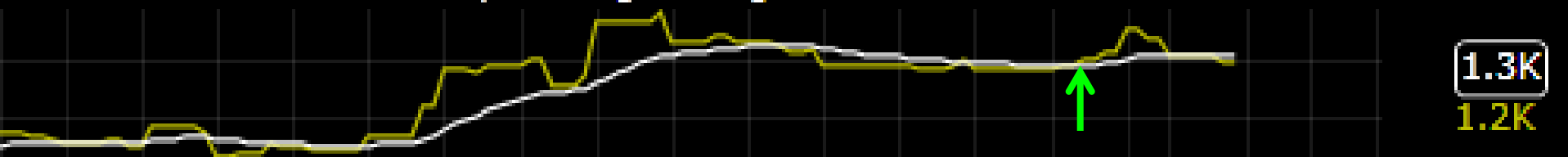
Buy



MACD 10 20 Exp Moving Average 1



Positive Volume Index Exp Moving Average 21



13 14 17 18 19 20 21 24 25 26 27 28 1 7/5/2013 4:00 PM 10  
2013



# Dean's List 050913

REMX Market Vectors Rare Earth/Str Metal 5 46.88

QLD PROSHARES - Ultra QQQ 4 68.51

UWM ULTRA RUSSELL2000 PROSHARES 4 59.85

PGJ PowerShares Golden Dragon Halter US 3 20.58

ITB iShares Dow Jones US Home Construct 3 25.57

SSO PROSHARES - Ultra S&P 500 3 79.34

EUFN iShares European Financials 3 21.60

DIG PROSHARE ULTRA OIL & Gas 3 56.93

PBE PowerShares Biotechnology & Genome 3 29.03

PMR PowerShares Dynamic Retail 2 30.02

PBS PowerShares Media 2 20.97

IYT iShares D.J. Transportation 2 113.98

→ TBT PROSHARES ULTRASHORT BARC 20 2 63.58

MRO USX Marathon Group 2 34.35

CAF Morgan Stanley China A Share Fu 2 23.80

QQQ NASDAQ 100 TR 2 73.05

YCS ProShares UltraShort Yen 2 68.00

DDM PROSHARES - Ultra Dow 30 2 94.68

Aug 2 2013 12:00:00

Price EAvg 50 EAvg 200 BBand 20 2



# TBT (ProShares UltraShort 20+ Year Treasury)

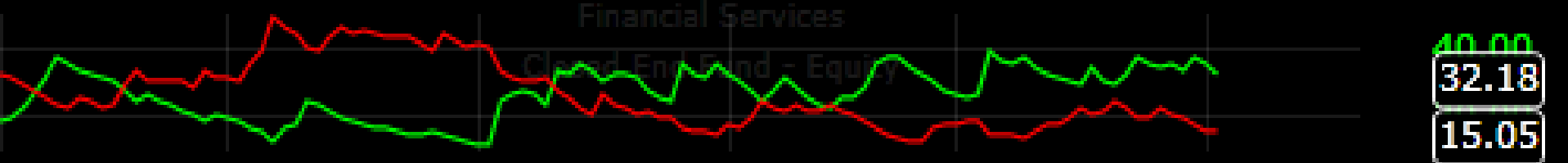
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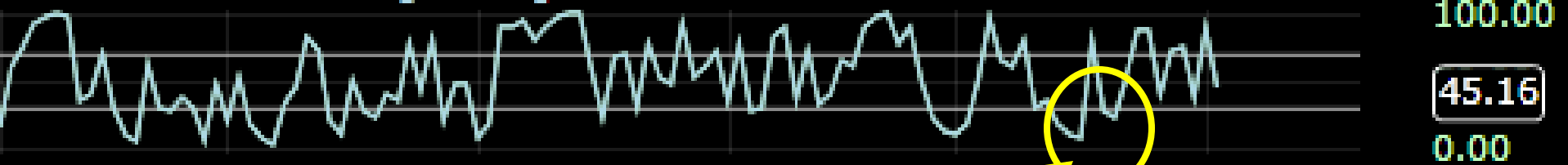
Price EAvg 50 EAvg 200 BBand 20 2



+DI 14 -DI 14



Wilder's RSI 2 Moving Average 1



Opportunity to Rifle Trade

8/2/2013

# TBT (ProShares UltraShort 20+ Year Treasury)

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Aug 2 2013 04:00:00

Price EAvg 50 EAvg 200 BBand 20 2

60 min chart

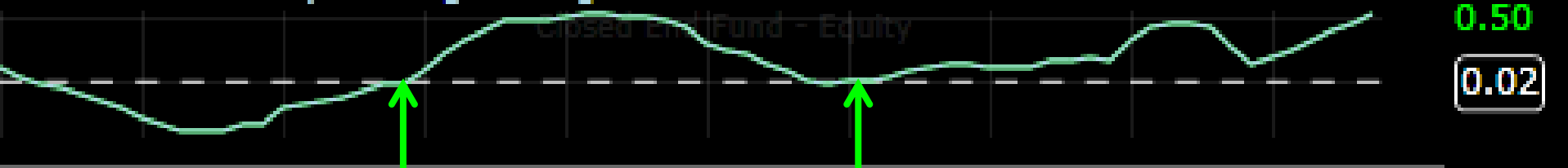


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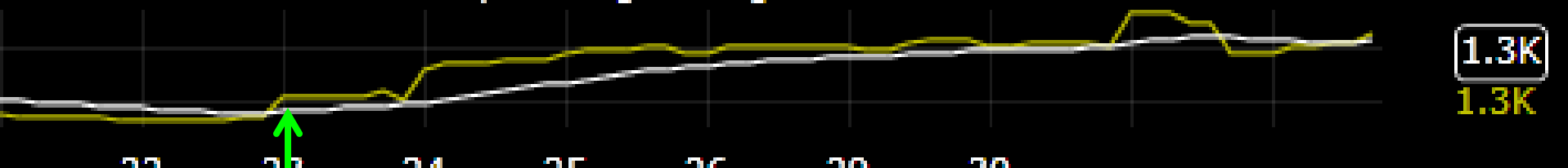
Fed Announcement



MACD 10 20 Exp Moving Average 1



Positive Volume Index Exp Moving Average 21



22 23 24 25 26 29 30

8/1/2013 3:00 PM

2013

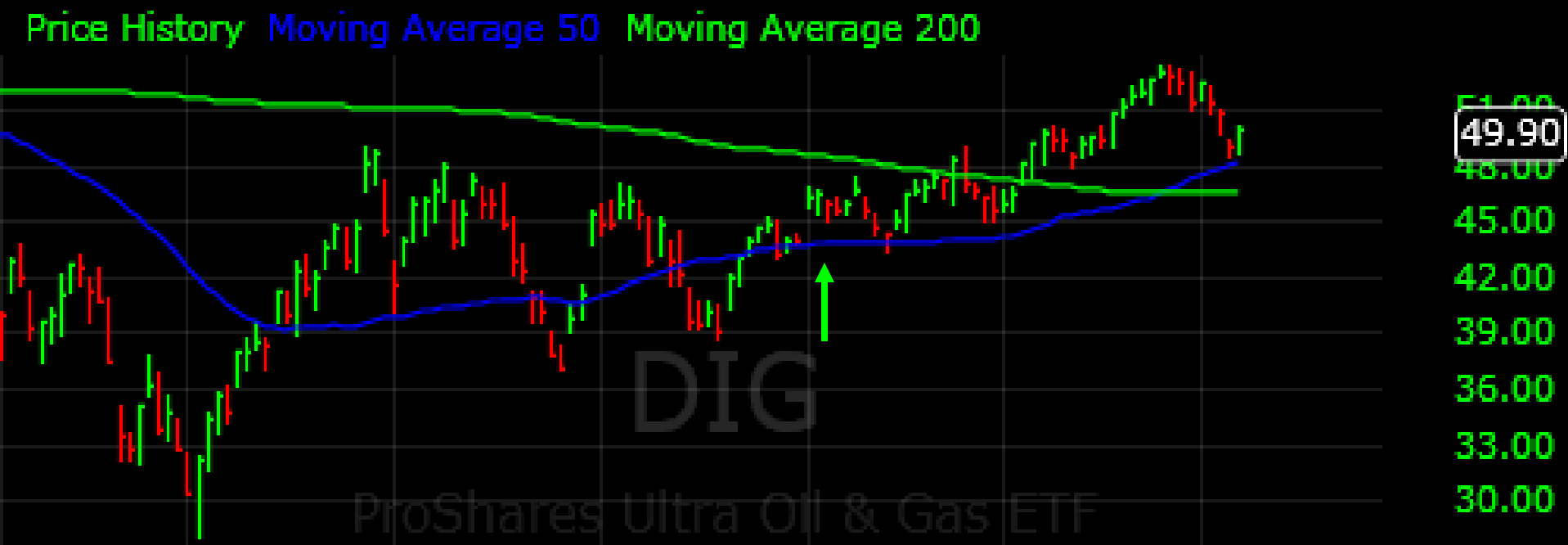
# Dean's List 01/03/2012

- **DIG Proshares Ultra Oil & Gas 3 46.27**
- **EWD iShares MSCI Sweden 3 26.11**
- **SSO PROSHARES - Ultra S&P 500 3 47.82**
- **DDM PROSHARES - Ultra Dow 30 3 61.64**
- **QLD PROSHARES - Ultra QQQ 3 84.43**
- XLFF Select Sector SPDR-Financial 3 13.34**
- CORN Teucrium Corn ETF 2 42.62**
- PBS PowerShares Media 2 13.50**
- RWR SPDR Dow Jones REIT 2 64.97**
- EWC iShares MSCI Canada 2 27.40**
- PRF PowerShares FTSE RAFI US 1000 2 55.36**
- PXE PowerShares Energy Exploration & Pr 2 23.34**
- XLI Select Sector SPDR-Industrial 2 34.49**
- EWQ iShares MSCI France 2 20.16**
- PWV PowerShares Dynamic Large Cap Value 2 19.48**
- EWZ iShares MSCI Brazil 2 59.70**
- XLV Select Sector SPDR-Health Care 2 35.14**

# DIG (ProShares Ultra Oil & Gas ETF)

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Mar 7 2012 12:32:23



# EWD (iShares MSCI Sweden Index Fund ETF)

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Mar 7 2012 12:37:56

Price History Moving Average 50 Moving Average 200

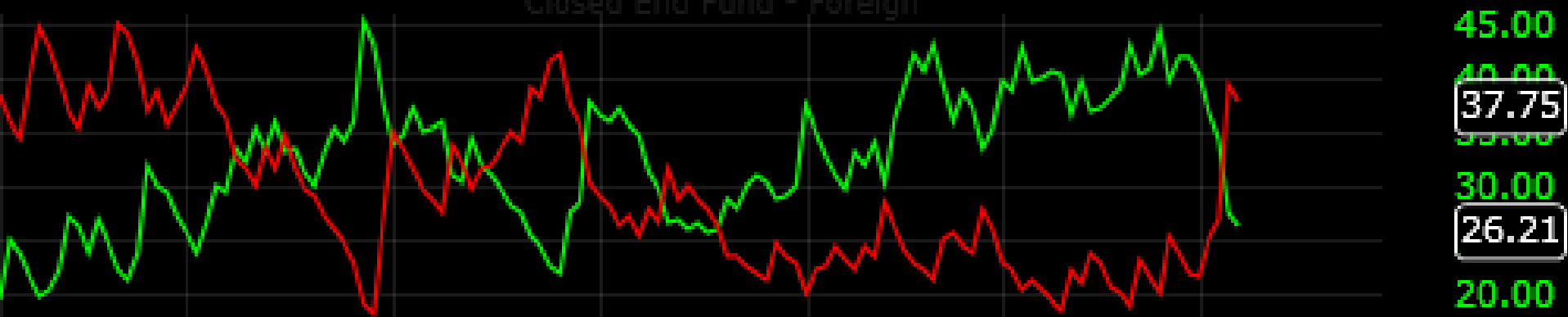


iShares MSCI Sweden Index Fund ETF

Financial Services

Closed End Fund - Foreign

+DI 14 -DI 14



Oct

Nov

Dec

Jan

Feb

12:37:56

11

2012

# SSO (ProShares Ultra S&P 500)

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Mar 7 2012 12:41:21

Price History Moving Average 50 Moving Average 200



+DI 14 -DI 14





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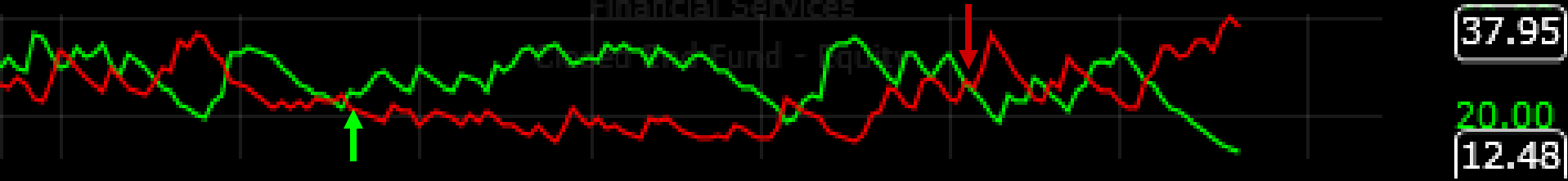
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May 21 2012 02:16:35

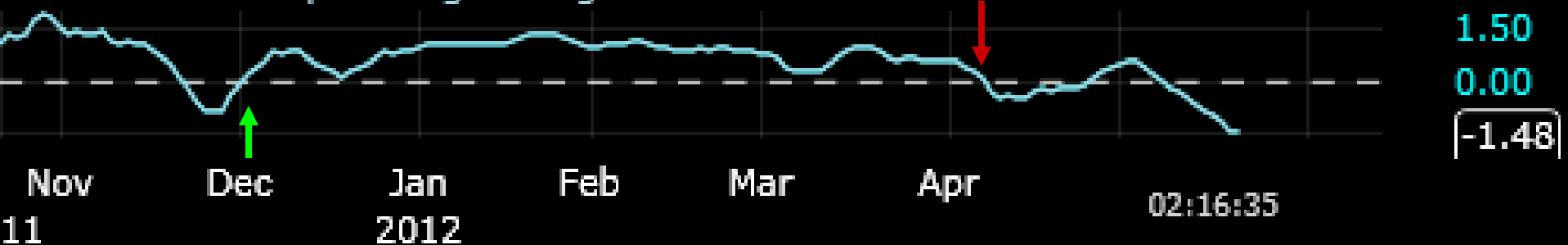
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+DI 15 -DI 15



MACD 10 20 Exp Moving Average 1

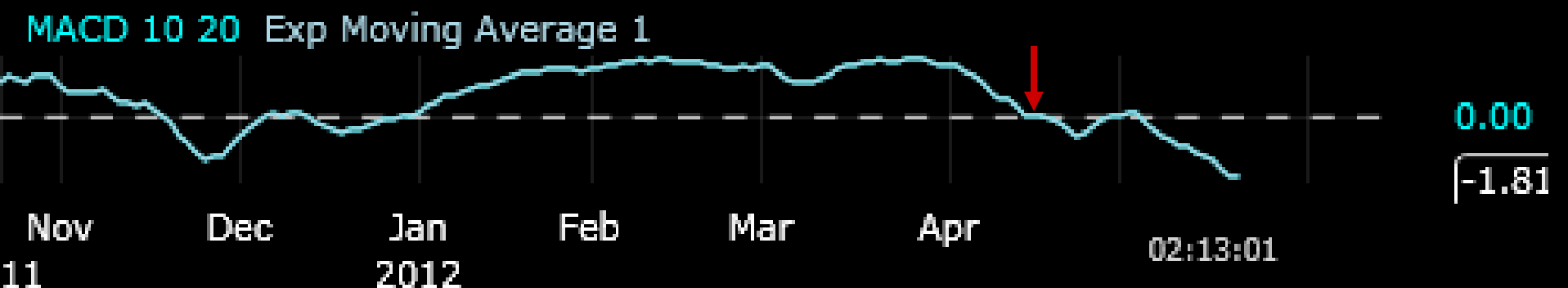
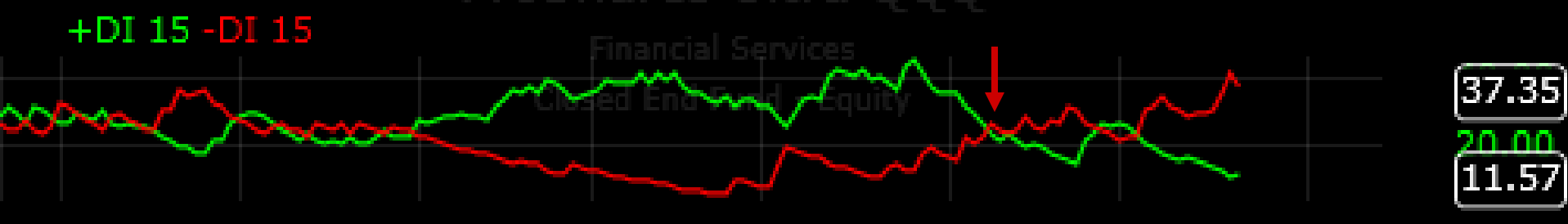


# QLD (ProShares Ultra QQQ)

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May 21 2012 02:13:01

Price History Exp Moving Average 50 Exp Moving Average 200



# Dean's List 040912

QLD PROSHARES - Ultra QQQ2117.74  
DUG Ultra Short Oil & Gas ProShares224.36  
PWB PowerShares Dynamic Large Cap Growth118.64  
EWW ProShare UltraShort Japan132.25  
PEJ PowerShares Leisure & Entertainment121.65  
IYW iShares D.J. Technology177.04  
QQQ NASDAQ 100 TR167.21  
EPI Wisdom Tree India Earnings118.95  
SSO PROSHARES - Ultra S&P 500156.23  
XLK Select Sector SPDR-Technology129.96  
EWY iShares MSCI South Korea159.24  
KXI iShares Global Staples Sector Fund170.03  
XLY Select Sector SPDR-Consumer Discret144.54  
PWC PowerShares Dynamic Market Portfolio146.18  
REMX MV Rare Earth/Strategic Metals ETF116.74  
XLV Select Sector SPDR-Health Care137.04  
PSI PowerShares Semiconductors115.42  
IYT iShares D.J. Transportation192.52  
PIN PowerShares India118.44  
RXI iShares Global Consumer Discret Fnd157.61  
XLF Select Sector SPDR-Financial115.30  
RWR SPDR Dow Jones REIT169.29  
DDM PROSHARES - Ultra Dow 30167.66  
PZI PowerShares Zacks Micro Cap Portfolio11.21  
XLP Select Sector SPDR-Consumer Staples033.74  
SPY SPDR TR0138.22  
PJP PowerShares Pharmaceuticals030.92  
PWO PowerShares Dynamic OTC Portfolio050.45  
TMF Direxion 30yr Treasury Bull 3x sh061.81  
PMR PowerShares Dynamic Retail025.50  
EWA iShares MSCI Australia022.93  
VNQ Vanguard REIT VIPERs062.24

The List had been positive  
and long since 2 January 2013

# Dean's List 041012

## (The Day the Horse Died)

	DUG	Ultra Short Oil & Gas ProShares	525.34
→	FXP	Ultra Short China	327.34
→	EEV	UltraShort Emerging Markets Proshar	327.84
	EWV	ProShare UltraShort Japan	332.93
→	SSG	Ultrashort Semiconductors	336.38
	DXD	ULTRASHORT DOW30 PROSHARES	213.78
	RWM	Short Russel 200 Pro Shares	227.49
	SDS	ULTRASHORT S&P 500 PROSHARES	116.16
	DRR	Morgan Stanley Inverse 2x Euro	144.34
	SKF	Ultra Short Financials	144.37
	SH	PROSHARES - Short S&P 500	136.99
	UUP	PS DB US Dollar	022.16
	TMF	Direxion 30yr Treasury Bull 3x sh	063.85
	QID	ULTRASHORT QQQ ProShares	031.54
	PWB	PowerShares Dynamic Large Cap Growt	018.27
	XLV	Select Sector SPDR-Health Care	036.62

# FXP (ProShares UltraShort FTSE/Xinhua China 25 ETF)

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May 21 2012 01:58:18

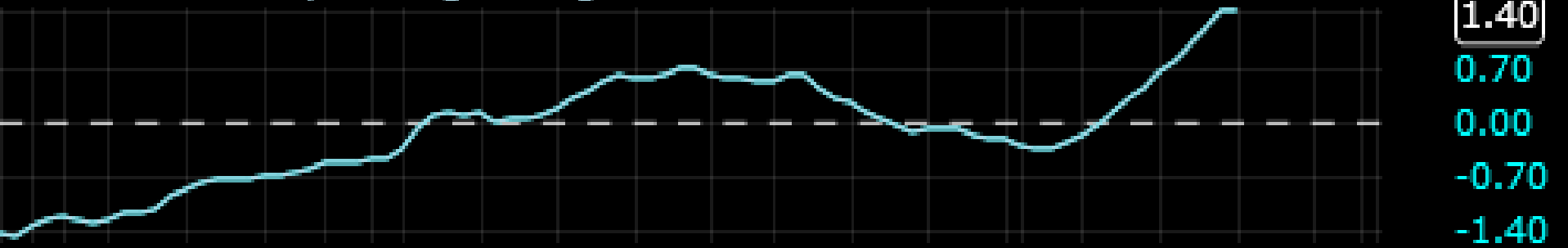
Price History Exp Moving Average 50 Exp Moving Average 200



+DI 15 -DI 15



MACD 10 20 Exp Moving Average 1

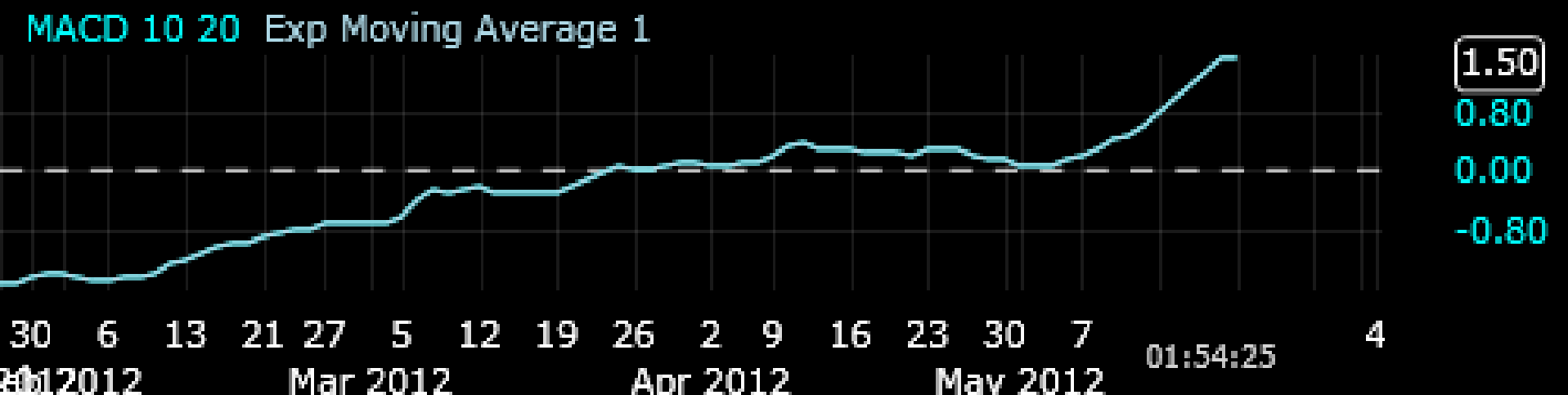
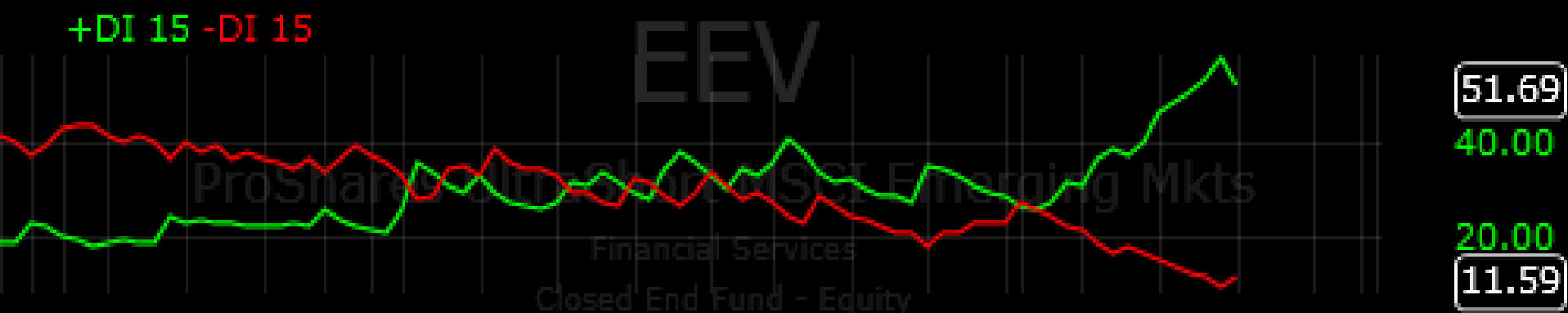
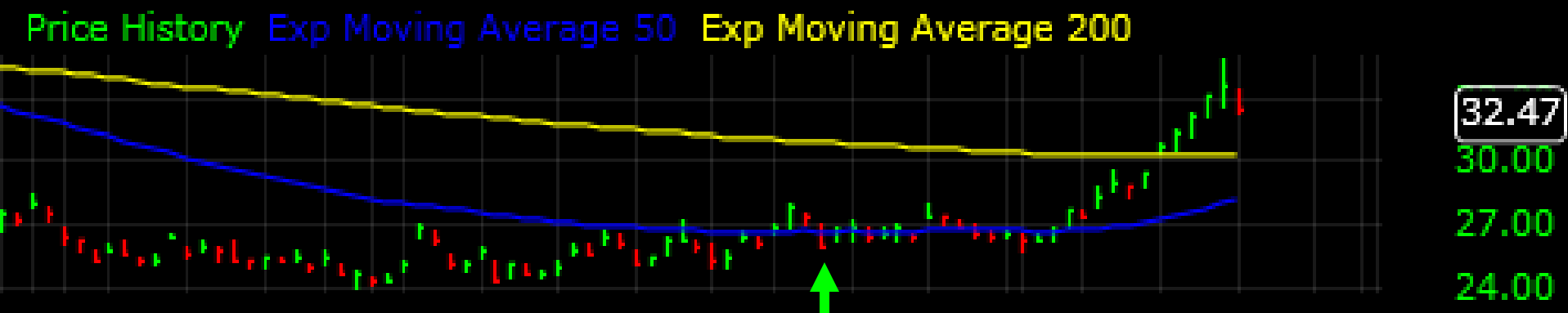


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2012 Mar 2012 Apr 2012 May 2012

# EEV (ProShares UltraShort MSCI Emerging Mkts)

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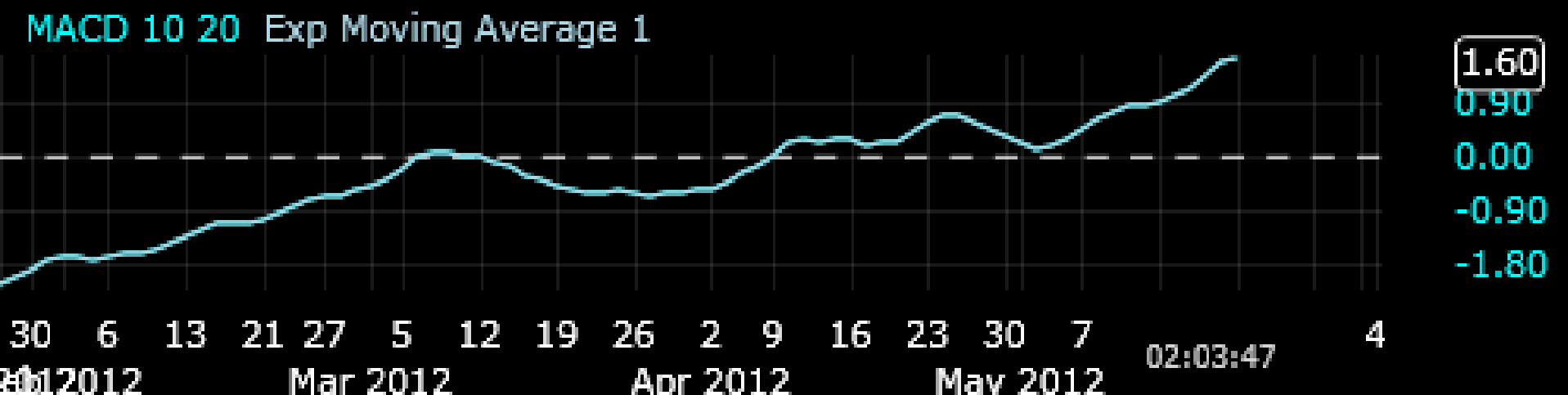
May 21 2012 01:54:25



# SSG (ProShares UltraShort Semiconductor)

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May 21 2012 02:03:47



# Dean's List 081613

RGLD ROYAL GOLD INC 14 61.66  
CDE COEUR D ALENE MINES CORP IDA 13 15.92  
SA Seabridge Gold Inc 11 14.32  
SLW SILVER WHEATON CORP 11 26.77  
ABX BARRICK GOLD CORP 10 19.33  
AU ANGLOGOLD LTD 9 14.75  
GDV MARKET VECTORS ETF TR 9 29.79  
FNV Franco-Nevada Corporation 8 46.24  
GG GOLDCORP INC NEW 8 31.07  
AUY YAMANA GOLD INC 8 11.26  
SIVR ETFS Physical Silver Shares 7 22.91  
CLF Cleveland Cliffs Inc 7 22.83  
SLV ISHARES SILVER TRUST ETF 6 22.34  
BIDU BAIDU COM INC 6 134.64  
PAAS PAN AMERN SILVER CORP 6 13.64  
AAPL Apple Computers Inc 5 502.34  
GMCR GREEN MTN COFFEE ROASTERS IN 4 76.38  
VALE Vale SA 4 15.37  
MT ARCELORMITTAL SA LUXEMBOURG 4 13.95  
SSG PROSHARE TRUST ULTRASHORT SE 3 28.23  
PBR PETROBRAS BRASILEIRO 3 14.43

GLD STREETTRACKS GOLD TR 3 132.58  
SAM BOSTON BEER INC 2 205.61  
DXD ULTRASHORT DOW30 PROSHARES 2 34.11  
MU Micron Technology 2 14.01  
NCR N C R Corp 2 37.40  
TOT TOTAL S A 2 55.25  
BTU PEABODY ENERGY CORP 2 17.44  
MYL MYLAN LABORATORIES IN 2 36.19  
OIL iPath S&P GSCI Crude Oil TR Index 2 25.40  
RTN Ratheon Company 2 76.74  
JCI Johnson Ctls Inc 2 40.54  
DOW Dow Chem Co 1 36.89  
DUG PROSHARE TRUST ULTRASHORT OI 1 61.56  
RCL ROYAL CARIBBEAN CRUISES LTD 1 38.65  
CMI CUMMINS INC 1 124.94  
TDC TERADATA CORP 1 61.68  
CEE Central Europe & Russia Fund 1 31.43  
PSE Pioneer Southwest Energy Partners 1 39.95  
HAL Halliburton Co 1 46.95  
NFLX NETFLIX COM INC 1 258.87  
SLB Schlumberger Ltd 1 81.92  
GPOR GULFPORT ENERGY CORP 1 53.42

→ RT on 8/15  
→ RT on 8/16

Look for Rifle Trades in middle of List

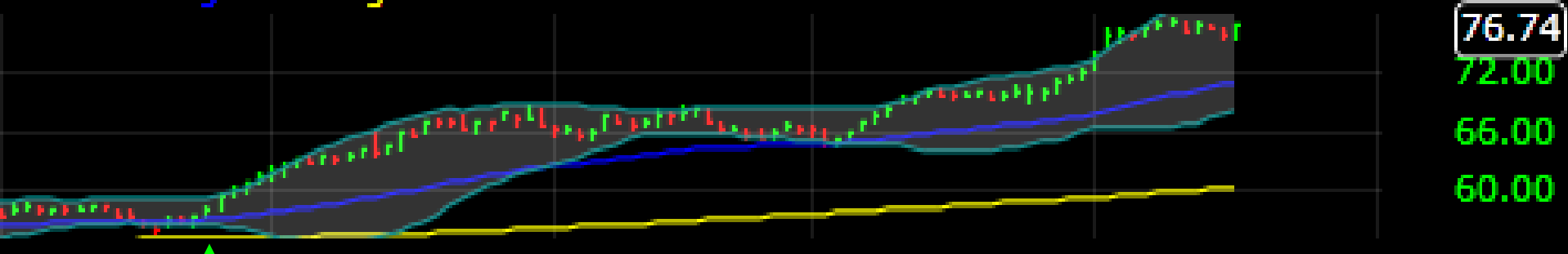


# RTN (Raytheon Co)

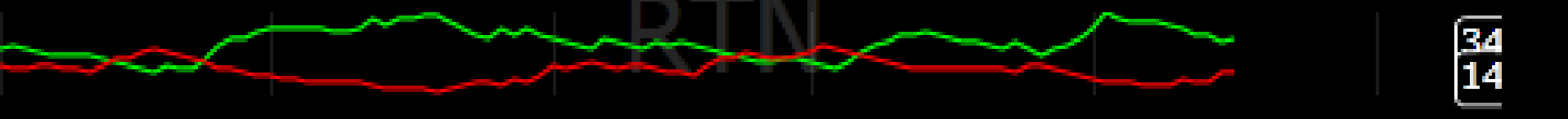
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Aug 16 2013 12:00:00

Price EAvg 50 EAvg 200 BBand 20 2



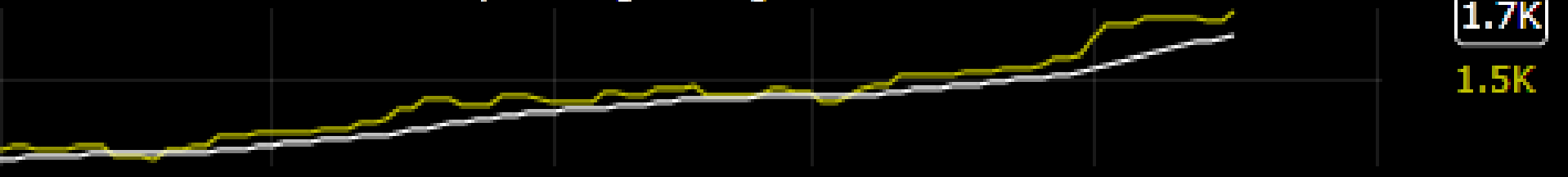
+DI 14 DI 14 Basic Position



MACD 10 20 Exp Moving Average 1



Positive Volume Index Exp Moving Average 21



13 May Jun Jul 8/16/2013 Sep

# RTN (Raytheon Co)

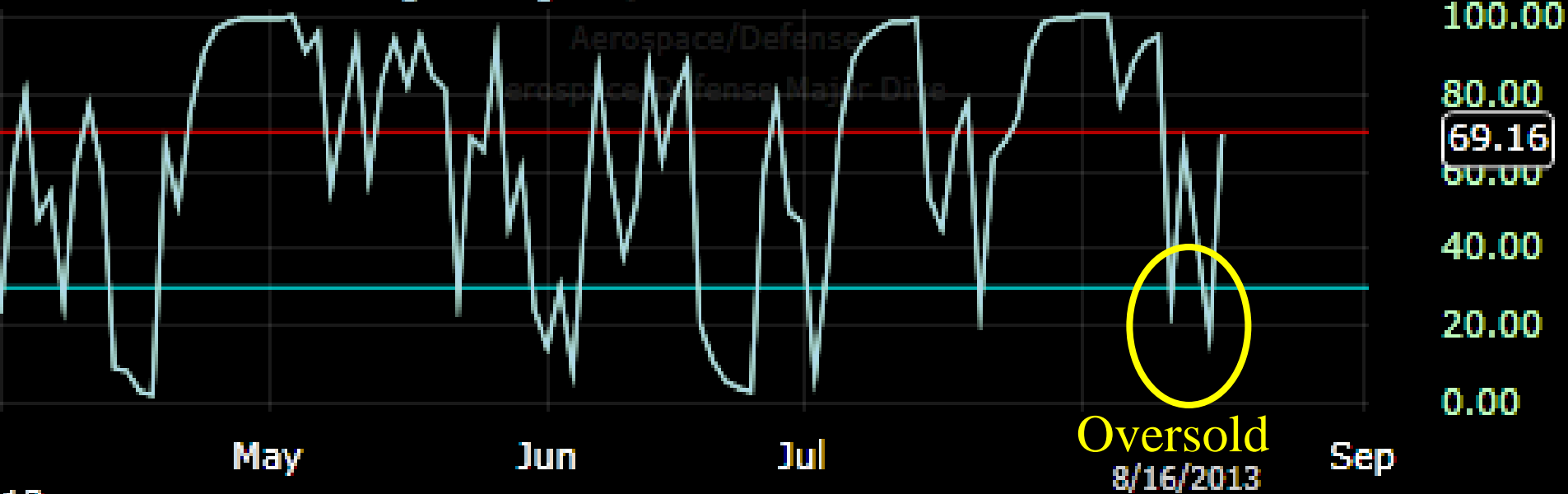
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Price EAvg 50 EAvg 200 BBand 20 2



Wilder's RSI 2 Moving Average 1 Raytheon Co



Oversold  
8/16/2013

RTN (Raytheon Co)

Aug 16 2013 04:00:00

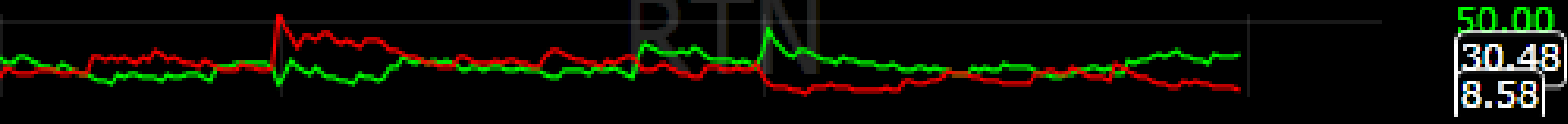
5 min chart

© FreeStockCharts.com

Price EAvg 50 EAvg 200 BBand 20 2



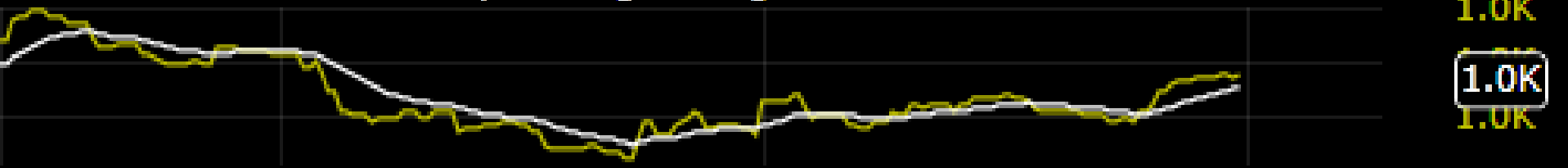
+DI 14 -DI 14



MACD 10 20 Exp Moving Average 1



Positive Volume Index Exp Moving Average 21



15

16

8/16/2013 4:00 PM

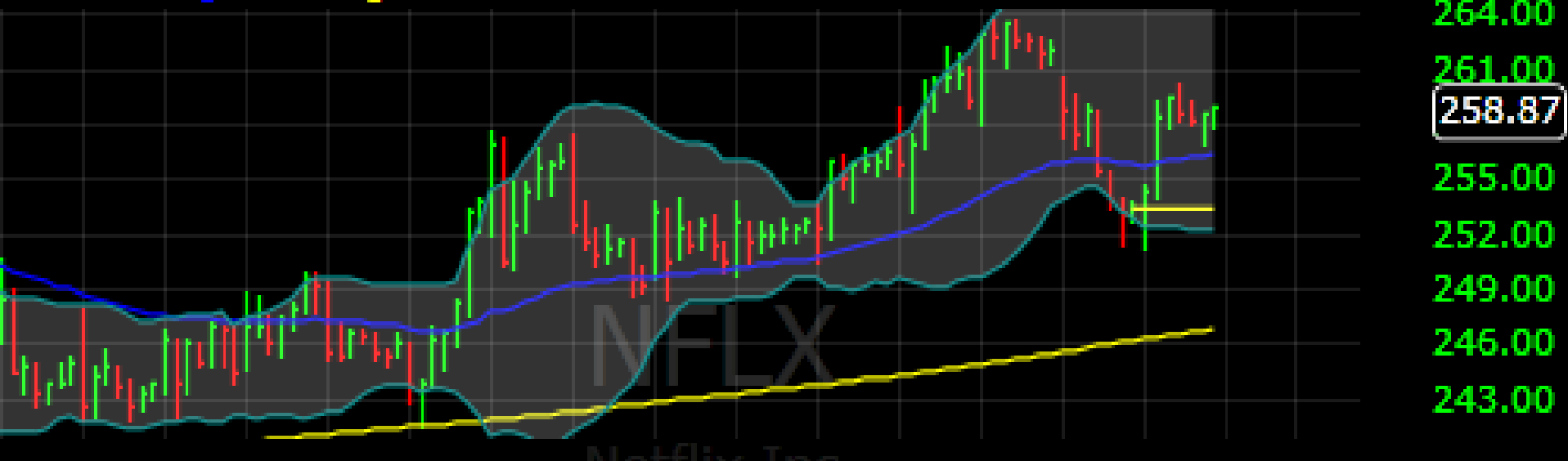
2013

# NFLX (Netflix Inc)

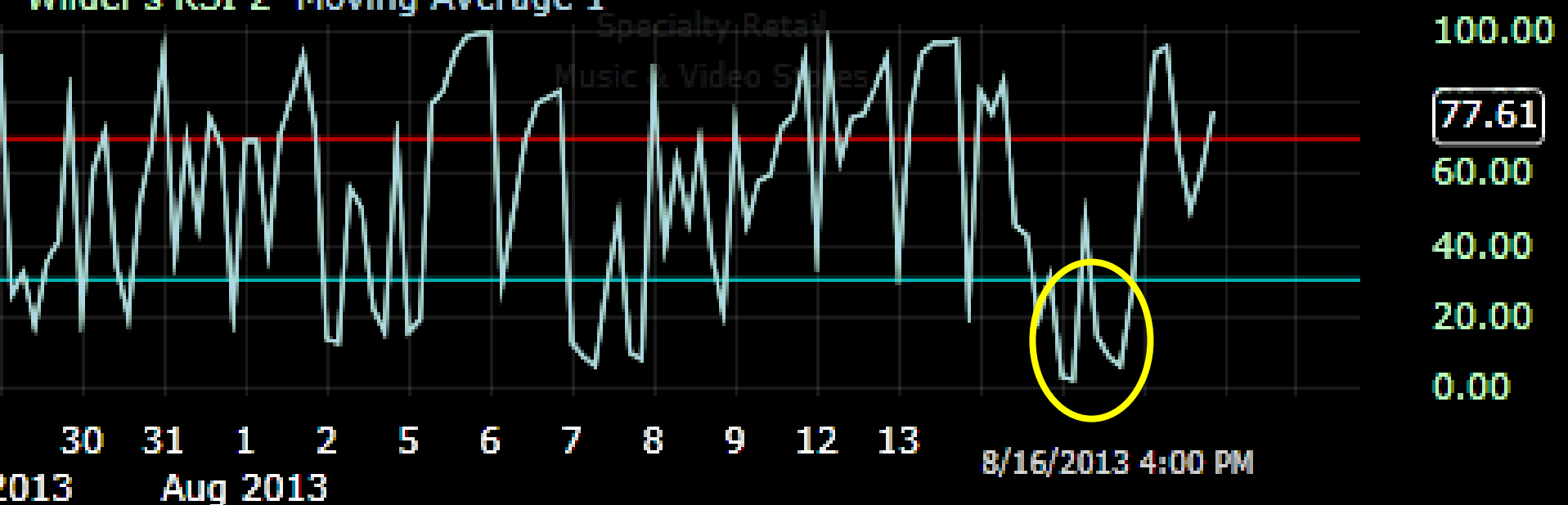
© FreeStockCharts.com

Aug 16 2013 04:00:00

Price EAvg 50 EAvg 200 BBand 20 2



Wilder's RSI 2 Moving Average 1

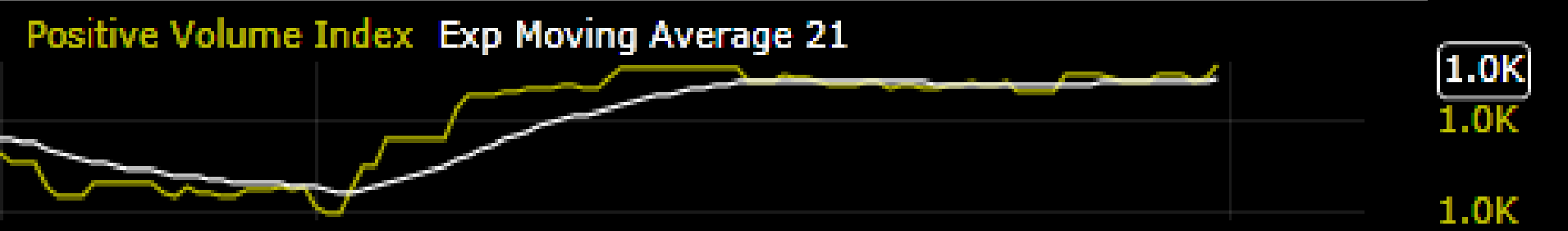
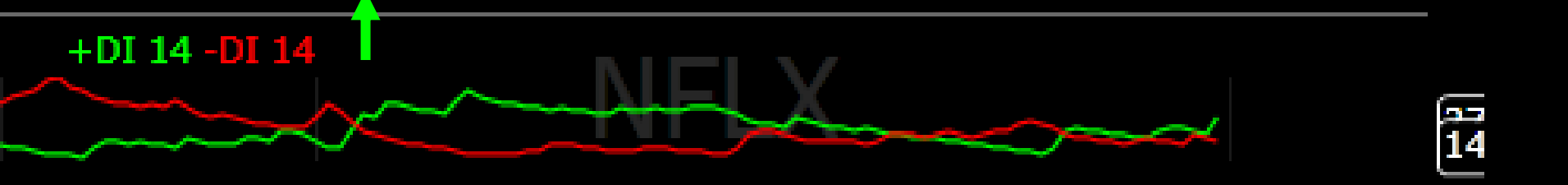
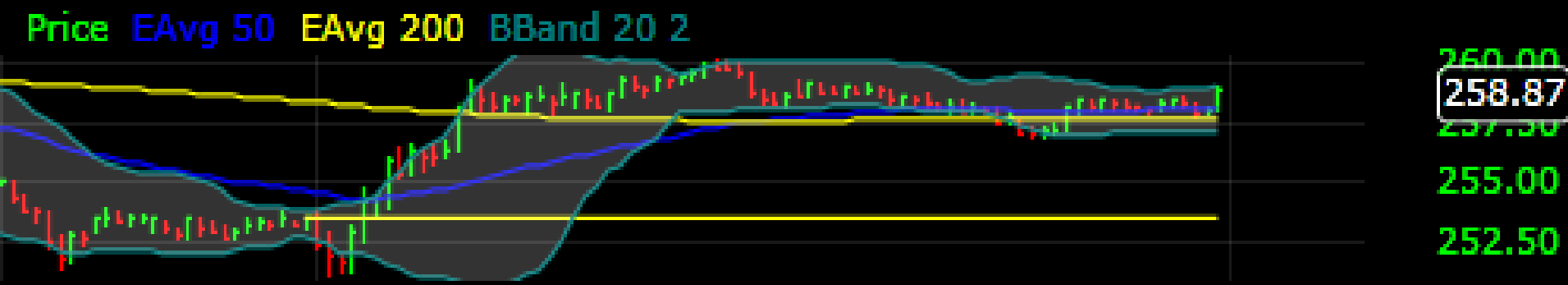


NFLX (Netflix Inc)

Aug 16 2013 04:00:00

5 min chart

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16 8/16/2013 4:00 PM

# Summary

- Use the Dean's List to find strong stocks or ETFs to trade.
- Establish a Basic Position on the Daily Charts using the PT indicators.
- After the stock moves into an Uptrend, look for periods when it becomes oversold to perform Rifle Trades on 60 min bars.
- Exit the trades when 2 or 3 indicators turn against the trade.
- That's it! Keep it simple.

# For More Information

- Call or email Barbara Greer at AIQ Sales:
  - Phone: 800-332-2999
  - Email: [sales@oneminutestock.com](mailto:sales@oneminutestock.com)
- AIQ's OneMinuteStock.com Cum Laude Service: <http://oneminutestock.com>
- Dates for future seminars and webinars.
- The Professor's Book: One Minute Guide to Stock Management
  - Available at [OneMinuteStock.com](http://OneMinuteStock.com)

# Thank You



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