Trade For Wealth™
Achieving Sustainable Prosperity with a Global Market Approach
With Oliver L. Velez
Accomplishments

2009 International Trader of the Year

Ranked #1 Trader’s Website by:

Forbes.com

Technical Analysis of Stocks & Commodities

Optimized Indicators for S&P 500 Stocks

Ranked #1 Trading Service by:

Barron's

First In Business Worldwide

FOX News.com

Winner 1st Annual International Trader of the Year Award 2009
5 Int’l Best-Selling Books written by Oliver Velez, including *Tools and Tactics of the Master Day Trader*, one of the best selling trading books of all-time.
Accessibility to Wealth

Recent Wealth Plays

MNKD up 918%* in 1 year
BAC up 138%* in 6 months
RIMM up 162% in 6 months
GCA up 132%* in 5 months
AAPL up 120%* in 7 months
DGP up 52% in 3 months

*Using Oliver Velez' Add and Reduce Method

We’ve gone Mobile
Text the word WEALTH to 99222
Do it now!

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Phase I - Initiation
7-Day Master Equity & Forex Programs which include full 2-day seminars and 5-days of live trading.

Phase II - Immersion
Several weeks to several months of ongoing mentoring in a structured, simulated trading environment.

Phase III - Professional
Graduates start trading with $75,000 and move up to trading as much as $2,000,000.

The firm bears the losses.

Traders receive 80% to 95% of all net profits.

Phase IV - Master Trader
Trader becomes a colony leader of other traders and gets a percentage of their trading profits.
## FX Trader Advancement

### 7-Day Master Forex Trader™ Program

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<th>Buying Power</th>
<th>Lots Max Position</th>
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### *** TRAINING STAGE GRADUATION ***

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# Equity Trader Advancement

## 7-Day Master Trader Program

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### ***TRAINING STAGE GRADUATION***

| Development | 4 | $75,000 | 500 | $250 | $500 | $400 | 80% |
| | 5 | $100,000 | 700 | $350 | $700 | $700 | 80% |
| | 6 | $150,000 | 1000 | $500 | $1,000 | $1,200 | 80% |

| Mastery | 7 | $250,000 | 1600 | $800 | $1,600 | $2,080 | 85% |
| | 8 | $375,000 | 2500 | $1,250 | $2,500 | $3,250 | 85% |
| | 9 | $550,000 | 3600 | $1,800 | $3,600 | $4,680 | 85% |

| Elite | 10 | $800,000 | 5400 | $2,700 | $5,400 | $7,600 | 90% |
| | 11 | $1,350,000 | 9000 | $4,500 | $9,000 | $12,600 | 90% |
| | 12 | $2,000,000 | 14000 | $7,000 | $14,000 | $19,600 | 95% |
Section I

Understanding How All Market's Behave
The Three Major Wealth Building Markets
The Market’s Single Cycle
The Market’s Three Trends
The Market’s Four Stages
The Market’s Four Transitions
Section II

The Wealth Building Tools
The Four Major Wealth Time Frames
The Wealth Time Frames

1) **60-minute Chart** – This time frame can be a powerful intra-day window allowing for the occasional early entry opportunity for wealth traders. An over reliance on this time frame can be troublesome, though, so the wealth trader is advised to only take entries in this time frame based on the most powerful of all events, namely the Bull Twin Tower. As an exit time frame, it can also afford the wealth trader with earlier than normal warning signs that it’s time to lighten up. Keep it in front of you at all times.

2) **Daily Chart** – This is the granddaddy of all time frames for the wealth trader. It is used greater than 80% of the time to act both on the buy and sell size. If I did not deploy an incremental buy and sell approach, the weekly time frame would be the key one. Because I ease in and out of plays, the daily is by far the most superior one of all. If I had to pick one time frame to look at, the daily would be it. All of the action bars and events are to be taken on this key time frame.

3) **Weekly Chart** – This key time frame runs a close second to the Daily. Action bars and events that occur here are very powerful, and tend to warrant larger sized buys and sells. When studying or reviewing, the wealth trader is advised to look at each stock or underlying instrument with the Daily and Weekly chart side by side. If my approach was an “all in” style, versus an incremental one, the weekly would be the key one to act on.

4) **Monthly Chart** – This major time frame is used more as an analytical one versus an action based one. The wealth trader is advised to occasionally review all stocks and other items through the eyes of the monthly chart to assess where major support and resistance points are. Long-term prior highs and lows seen on this time frame can serve as lofty targets and provide the wealth trader of the inherent possibilities in a play. The long-term trend in a stock is determined via the monthly time frame as well.
The Four Major Wealth Moving Averages
Your Actionable Sell Items

**Bear Elephant**
- Igniting Bear Elephant (1)
- Clearing Bear Elephant (2+)

**Topping Tail Bar**
- Near 20ma (1)
- Far Above 20ma (2+)
*Can be green or red*

**20ma Halt**
- Regular (2+)
- Bear Twin (3+)

**Bear Twin Tower**
- Regular (2+)
- Far Above 20ma (3+)

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Wealth Moving Averages

1) **20-period Moving Average (20ma)** – This simple moving average is the number one staple for wealth traders. No chart is ever looked at without the aid of the 20ma. It reveals a stock’s directional bias, serves as a significant area of support and resistance and tells the trader when a stock is overbought (far above) as well as oversold (far below). Significant areas of support and resistance are. There is an alternative that can be used for wealth trading, however, and it is advised that the trader experiment with it too - the 34-period moving average.

2) **50-period Moving Average (50ma)** – This major moving average is a very popular one for the institutional crowd. It has a wide professional following and as a result is a very reliable indication of major support and resistance. The wealth trader should know where the 50ma is at all times.

3) **200-period Moving Average (200ma)** – This simple but major moving average is the granddaddy of them all. It’s almost magical how often stocks and the overall market obey this slow moving line. Of all the moving averages, this one has the largest following, which makes it almost a self-fulfilling prophesy. It should always be in view and given the utmost respect.
The Mighty MACD
Moving Average Convergence/Divergence
How To Use Bollinger Bands for Wealth
Section III
The Wealth Action Bars
The Only Three Wealth Bars That Count
The Three Power Bars

- Bull Elephant
- Bull Tails
- Bear Elephant
- Bear Tails

Of all bars, The Elephants are the most powerful.
Buy / Stop Method

Step 1:
Buy toward the end of the Bull Bar's formation

Wealth Trading Tip:
With this stop method, the Velez Trained Wealth Trader only loses one bar.

Step 2:
Place a hard stop 1 to 5 cents below the Bull Bar's low if you are using an all-in strategy. If this buy is a partial, your stop is not placed until the final lot has been purchased.

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Short / Stop Method

**Step 1:**
Sell toward the end of the Bear Bar’s formation

**Wealth Trading Tip:**
With this stop method, the Velez Trained Wealth Trader only loses one bar

**Step 2:**
Place a hard stop 1 to 5 cents above the Bear Bar’s high if you are using an all-in strategy. If not, this stop is only to be used once your last lot has been sold short.
The Elephant Bars

Knowing When The Major Institutions are All In Unison
Wealth Trading Tip:
The most potent Bull Elephant Bars are the first of their kind as far as you can see to the left. In other words, the further you have to go back in time to see a bar that’s similar, the more powerful it is.

Bull Elephant Bar ends the down trend and ignites a steady move back to the upside.
Wealth Trading Tip:
An important key is to look for sudden change. When a single Elephant Bar stands out as being a rare breed compared to all or most of the bars to the left of it, that’s when it means the most.
Elephant Bars really stand out when a stock displays long periods of tiny bars. Take note of the size of the average bar between each highlighted Bull Elephant below.
Bull Elephant Bars

BOOT - Lacrosse Footwear Inc (NASDAQ) - Daily Candlestick Chart

Don’t miss the Igniting Gap event which initiated the entire advance. Mentally fill it in and you will see that the Bull Elephant in early March had a big bow wrapped around it.

Exhaustion Bull Elephant

Clearing Bull Elephant

Bull Elephant

Also, take special note of the higher lows.
Clearing Bull Elephant

Wealth Trading Tip:
Notice how each Bull Elephant Igniting Bar clears a chunk of price data to the left of it. These bars have the effect of wiping away or clearing all the former junk, which makes way for smooth sailing to the upside.

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Wealth Trading Tip:
Notice how the best Bull Elephant Bars clear a good deal of price data to the left of it.
Elephant Bars are amongst the most powerful footprints created by the big institutional players. But they are not all created equal. Those which ignite new moves while clearing a lot of price data to the left are the absolute most powerful. I regard Clearing Elephant Bars to be “double adds,” meaning I tend to buy more on them.

This Elephant bar clears all data to the left of it. Stacked Profit-taking Elephant Bar

No Follow-through Bear Elephant

Bull Elephant Bar

Baby Clearing Elephant Bar

Bottoming Tail Bar as “gift.”
A Bull Elephant Bar is made more potent if it clears data to the left of it. The more it clears, the more powerful and meaningful it is. Like all good things, sometimes there are flukes. The clearing Bull Elephant can’t possibly be a fluke. It’s as real as they come.
Clearing Bull Elephant

The Chinese have the Crouching Tiger. We have the Clearing Bull. What power! If it clears, I add to the position more heavily.
Clearing Bull Elephants

MGIC - Magic Software Enterprises Ltd. (NASDAQ) - Daily Candlestick Chart

When you know the footprints made by the big players, it's because clear how and when they act. The more you begin to see that their actions are repetitive and the same almost every time.

There is a Baby Bull Elephant and “gift” not highlighted. Can you find it?

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How Institutions Tip-Toe
The footprints of the big institutions can easily be missed if they decide to tip-toe in, versus pile in. The “tip-toe” mode will create a series of smaller solid green bars. When viewed individually they are not all meaningful, but when you stack them as if they are a single bar sliced in parts, their actions are vividly revealed.

Note how each Marching Bull Elephant Bar clears a good deal of data to the left.

What would the astute Wealth Trader be doing today?
Don’t allow the big institutions to sneak past with with their chopped up footprints. Stack to reveal their true moves.
Marching Elephants

BPI - Bridgepoint Education (NYSE) - Daily Candlestick Chart

The Numbered Events
1 - Staked Bear Elephant
2 - Stacked Bull Elephant/Bull Twin
3 - Stacked Bear Elephant/Gift
4 - Stacked Bull Elephant/Clearing
5 - Stacked Bull Elephant/Bull Twin
6 - Stacked Bull Elephant/RBI

Hidden Bull Twin Tower

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SANM's powerful uptrend is likely over for a while. This is evidenced by the emergence of the biggest Bear Elephant Bar in quite a while. In fact, there is no bear bar close to its equal.

The astute Wealth Trader would look to exit all longs. The more aggressive traders would attempt an early short using options.
Biggest Bear Elephant Bar in all the past price data. What’s more, this bar forms well above the 20ma, making it even more deadly.

Marching Bull Elephant

20ma

Bear Elephant with GBI
Igniting vs. Exhaustion
Identifying the Start and the Finish
Two Types of Elephants

There are two types of Elephant Bars:
Igniting and Exhaustion

**Igniting Elephant Bars** change the direction of the current trend. In other words, they **ignite** a brand new move.

**Exhaustion Elephant Bars** continue or exasperate an already well established trend. Said another way, rather than change, they actually continue the current color.
Wealth Trading Tip:

After an extended decline, the appearance of an above average green bar formation marks the initial footprint of the bulls. This igniting sign marks a shift in the balance of power from the sellers, back to the buyers.

CLRT, an official Trade for Wealth play went on to higher prices.
Igniting Bull Elephant

CKSW - Clicksoftware Technologies Ltd. (NASDAQ) - Daily Candlestick Chart

- Vol: 448100
- Open Interest
- SMA (20): 7.11

Exhaustion Gap → Bottoming Tail Bar → Igniting Bull Elephant

Igniting Bull Elephant Bars abruptly change the stocks direction and behavior for the better.

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Exhaustion Bull Elephant

Wealth Trading Tip:
Exhaustion Bull Elephant Bars typically establish the end of a period of strength. In other words, they are topping events. They usually form after a series of other green bars, take place far above the 20ma and they tend to occur on very heavy volume.

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Exhaustion Bull Elephant

Wealth Trading Tip:
Exhaustion Bull Elephant Bars typically establish the end of a period of strength for at least a time. In other words, they are topping/pausing events. They usually form after a series of other green bars; they take place far above the 20ma and they tend to occur on very heavy volume.

Marching Bull Elephant Bars

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Exhaustion Bull Bar

- Bull Exhaustion Bar ends the up move
- Bull Elephant Bar
- Bear Elephant Bar follows a Bull Exhaustion Bar
- Marching Bull Elephant

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The Tail Bars
Identifying A Change in the Balance of Power
**Wealth Trading Tip:**
Location is an important key. The further below the 20ma a Bottoming Tail Bar forms, the greater the odds that it will produce the final low.
**Wealth Trading Tip:**
Location is an important key. The further below the 20ma a Bottoming Tail Bar forms, the greater the odds that it will produce the final low.
**Wealth Trading Tip:**
Note how far below the 20ma the Bottoming Tail Bar formed. These bars make for great all in bars or beefed up options plays.
**Wealth Trading Tip:**
Location is an important key. The further below the 20ma a Bottoming Tail Bar forms, the greater the odds that it will produce the final low.

Prior highs serve as a key location of support as well. See dotted line.
EP - El Paso Corporation (NYSE)

- Bear Elephant far above 20ma
- Igniting Gap
- Bottoming Tail Bar
- Bull Elephant Bar

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**Bottoming Tail Bar**

**DIS - Walt Disney-Disney C (NYSE)**

- **Op:** 32.79, **Hi:** 33.22, **Lo:** 32.75, **Cl:** 33.22
- **Vol:** 19205699
- **Open Interest**
- **SMA (20):** 30.98

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**Chart Description:**
- **Igniting Gaps**
- **Igniting Gap/RBI**
- **Bull Elephant**
- **Bottoming Tail Bar** Far below the 20ma
Bottoming Tail Bar

GEOI - Georessources Inc. (NASDAQ)

Vol: 82297
Open Interest
SMA (20): 13.22

Clearing Bull

Igniting Baby Bull

Bottoming Tail Bar W/ 20-ma Halt
Putting It All Together

- Baby Bear Elephant well above 20-ma
- Igniting Gaps
- Bottoming Tail Bar far below 20ma

BUCY - Bucyrus International Inc. (NASDAQ)

Op: 65.35, Hi: 66.11, Lo: 65.01, Cl: 65.73
Vol: 1107327
Open Interest
SMA (20): 60.07

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Topping Tail well above the 20ma

Wealth Trading Tip:
Location is an important key. The further above the 20ma a Topping Tail Bar forms, the greater the odds that it will produce the final top for a while.

Bull Elephant Bar

20ma
Wealth Trading Tip:
Location is an important key. The further above the 20ma a Topping Tail Bar forms, the greater the odds that it will produce the final top for a while.
Topping Tail Bar

PCBC - Pacific Capital Bancorp (NASDAQ) - Daily Candlestick Chart

Wealth Trading Tip:
Location is an important key. The further above the 20ma a Topping Tail Bar forms, the greater the odds that it will produce the final top for a while.

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Section IV

The Wealth Action Events
The Twin Tower Event
The Most Powerful Event of All
Bull Twin Tower Set-up

The Criteria:

1) Solid (Red) Bear Elephant Bar followed by

2) Solid (Green) Bull Elephant Bar

3) Bull Elephant must trade above the high of the Bear Elephant Bar (or at least the red part of the bar)

The Twin Tower is a simple but very powerful two-bar set-up.
Bull Twin Tower Entry

1) Buy *above the high* of the Bear Elephant Bar

2) Stop *below the lowest low* of the two Twin Bars.
Wealth Trading Tip:
The most powerful Market Event is the Bull Twin Tower Set-up. Nothing compares to the power generated by this simple two bar occurrence. It is worthy of heavier buy participation. For the aggressive it is an excellent “all-in” event.
Bull Twin Tower

Wealth Trading Tip:
The most powerful Market Event is the Bull Twin Tower Set-up. Nothing compares to the power generated by this simple two bar occurrence. It is worthy of stepping up your buy amount.
Wealth Trading Tip:
The essence of the Bull Twin Tower’s power lies in the “no follow-through” concept. The fact that a strong showing by the bears in the first bar of this pattern can’t be followed through on means the bears are weak, spent and easily overcome by the bulls.

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Bull Twin Tower

CTN10 - Cotton #2 (ICEUS) - Daily Candlestick Chart

- Bear Twin Tower
- Bear Elephant
- RBIs
- Bull Twin Tower
- Bull Twin Tower Set-up

Vol: 34080
Open Interest: 189,965.00
SMA (20): 81.88

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Bull Twin Towers are by far the most powerful action event I look/wait for. When they occur, they are worthy of heavier participation than normal.
Bull Twin Tower

ICGE - Internet Capital Group Inc. (NASDAQ) - Daily Candlestick Chart

All key stocks, commodities, currencies enjoy their share of Bull Twin Set-ups. While it's nice to search for them, all one need do is be patient enough and they will actually come to you. When they do, you must be intent on making them count.

Stacked Bear and Bull elephants formed a Bull Twin Tower

Bull Twin Tower at the rising 20ma

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The goal of every Wealth Trader should be to enter or buy every Bull Twin Tower set-up that materializes in the wealth plays of their choice. They don’t have to be looked for. They simply have to happen to your stocks. And they will. Ever stock gets their share of Twin Tower Set-ups.

Stacked Bull Elephant which cleared all the data to the left.

Baby Bull Twin off the 20ma
The Criteria:
1) Solid (Green) Bull Elephant Bar followed by
2) Solid (Red) Bear Elephant Bar
3) Bear Elephant must trade below the low of the Bull Elephant Bar (or at least the green part of the bar)

The Twin Tower is a simple but very powerful two-bar set-up.
Bear Twin Tower Entry

1) Sell *below the low* of the Bull Elephant Bar.

2) Stop *above the highest high* of the two Twin Bars.

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The 20ma Halt Event

The Start of a Major Turn
20-ma Halt

EWM - MSCI Malaysia Index (AMEX) - Daily Candlestick Chart

Wealth Trading Tip:
When a stock moves above the 20ma for the first time in a while (see #2), what it does on the pullback to retest the 20ma determines if that initial showing of strength is real or not. If the retest of the 20ma is successful (see #3), meaning the 20ma halts the pullback, the stock is headed higher. If the 20ma does not hold (see circle), the initial move must be considered a fake.

1) Below the 20ma
2) Move above 20ma
3) 20ma Holds
20-ma Halt

SPY - SPDR S&P 500 (AMEX) - Daily Candlestick Chart

Wealth Trading Tip:
After a 20ma Halt (#3), the trader must expect much higher prices to come.

1) Below the 20ma
2) Above 20ma
3) 20ma Halt

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Wealth Trading Tip:
After a 20ma Halt (#3), the trader must expect much higher prices to come.

1) Below the 20ma
2) Above the 20ma
3) 20ma Halt
Circle one shows a bear 20ma Halt
Circle two shows a bull 20ma Halt

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20-Ma Halt

The 20-ma Halt (see circle) was the key that the trouble experienced by the recent breakdown was over and new highs were close at hand.

What should the Wealth Trader be considering on this bar? Answer ________________

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**20-Ma Halt**

**COL - Rockwell Collins Inc (NYSE)**

- **Op: 60.00, Hi: 60.39, Lo: 59.61, Cl: 60.04**
- **Vol: 1855000**
- **Open Interest**
- **SMA (20): 55.38**

**20-ma Halt Note:**
The 20-ma Halt is the beacon light the appears "after" a period of trouble. It's formation signifies that the worse is over and there are better times ahead for the stock.

**Doji Bars well above the 20-ma are strong sell signals. Strong "sells" can involve selling the stock, a covered ITM call, with or without a "leg."**

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DOV - Dover Cp (NYSE)

DOV gets well above the 20-ma after a single color power run. It is no surprise that the subsequent move down was severe enough to break the 20-ma and run into trouble for a while. Once the stock got back above the 20-ma, then successfully tested it, new highs were expected to abound. It’s not always enough that a stock gets above its 20-ma. The “halt” event after is what locks in its strength.
A major Topping Tail well above the 20-ma not surprisingly led to a severe drop. Only after the 20-ma Halt could the Wealth Trader know the stock was fully mended.
Igniting bars that clear a good deal of prior price data to the left should be played heavier than other elephant bars. They often lead to exponential gains.
20-Ma Halt

VICR - Vicor Corporation (NASDAQ) - Daily Candlestick Chart

Not necessarily a sell bar because the start of the Bull Elephant bar was close to the 20ma.

Marching Bull Elephant

Baby Bull Twin sets final low

20-ma Halt
RAVN - Raven Industries Inc. (NASDAQ) - Daily Candlestick Chart

This 20-ma Halt did not produce much. Nothing is 100%.

No Follow-through Bear elephant was actually bullish.

Stacked Bull Elephant cleared all data to the left.

Not Necessarily a sell bar
Why? __________

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ANF - Abercrombie & Fitch (NYSE)

1 - This Bear Elephant formed with a gap ignites the initial decline.
2 - This Bottoming Tail bar halts the initial decline.
3 - This Baby Bull Elephant that clears data to the left, while breaking above the 20ma potentially causes the Wealth Trader to buy back in.
4 - This Bear Elephant that clears data to the left ignites a renewed downward spiral.
5 - This 20ma Halt tells the trader the damage has been mended.

ANF is as wild as the teenagers it caters to. But often it’s the wild ones that offer the greatest profit potential. The benefit of the incremental buy is evident here. Is it not?
20-ma Halt

DV - Devry Inc (NYSE)

Igniting Gaps should mentally be filled in by the Wealth trader. This “filling” in will provide a clearer indication of what the gap means.

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20-ma Halt as a Gift

DV - Devry Inc (NYSE)

Vol: 811600
Open Interest
SMA (20): 61.95

Now it's very clear that the gap was really nothing more than a
igniting Bull Elephant that cleared all data to the left, making the
subsequent 20-ma Halt a "gift" scenario. And as we now know,
"Halts" often lead to new highs, which means they are worthy of
heavier additions.
Wealth Trading Tip:
Strong stocks rest one of two ways. They either dip or they drift. If the drift holds at the 20ma, much higher prices are to be expected.
Successful retests of the 20-ma don’t always involve a decline. They sometimes happen in the form of a sideways “drift”. A Clearing Bull Elephant Bar typically ignites the renewed advance.
The Wealth Trader must be sure to add to every power event that forms at a rising 20-ma. They often offer great "put-back-on opportunities after some lots/shares have been taken off on prior advances.

Clearing Bull Twin Tower ignites the meteoric rise.
20-MA Power Run

The Move That Can Change Your Life
Once a bottom is complete, and an advance finally gets going, it will usually spend a period in what I call a 20-ma Power Move. This is the strongest part of the up move and some stocks have multiple power moves before the next major down cycle begins.
The bull signs of institutional buying were all over the place. Pay special attention to the Bull Twin Tower that formed via a stocked Elephant Bar.

- Bull Elephant Break
- Bull Elephant Igniting
- Bottoming Tail Bar at 20ma
- Bull Twin Tower Stack Gift

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20-ma Power Run

DLX - Deluxe Cp (NYSE) - Daily Candlestick Chart

Circles show Bull Twin Tower Set-ups at or near the rising 20-ma.

When a wealth play enters into a “power run” phase, all the hard work of building and methodically accumulating is paid off in a life changing way. All Blue Chip wealth plays eventually have their share of power runs.
20-Ma Power Run

HUSA - Houston American Energy Corpora (NASDAQ) - Daily Candlestick Chart

Bear Twin Tower well above 20-ma is a sell event

Not a Sell Bar

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The Nature of 20-ma Power Runs

20-ma Power Runs are often marked by their advances (tops) never getting too extended or over done above the 20ma. Each advance is steady and controlled and many of the bars that make up each advance are uneventful by themselves. It’s when you string the bars together that they make up something special.

Clearing Bull Elephant

Bull Twin Tower

This no follow-through Bear Elephant bar was neutralized by the clearing Bull Elephant Bar
It is important that the Wealth Trader not sell during 20-ma Power Runs, unless they begin to separate greatly from the 20-ma and begin to get ahead of themselves. Only now can the Wealth Trader consider lightening his load.

Marching Bull Elephant clears data to the left

Bull Elephant Bar @ 20-ma. Wealth Traders add
20-ma Power Run

ICGE - Internet Capital Group Inc. (NASDAQ) - Daily Candlestick Chart

Exhaustion Bull Elephant Bar followed by an Exhaustion Gap. Both are sellable/profit-taking events.

Marching Bull Elephant forms a marching Bull Twin Tower

Bull Twin Tower

Bull Twin Tower at 20-ma

20-ma Halt

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The Wealth Trader will always add to a play if it forms a Bull Elephant or Bottoming Tail bar at or near a rising 20-ma within a Power Trend.
The Sneaky 20-ma Power Move

The 20-ma Power Trend can be quite "sneaky" due to the uneventful way in which it advances. Note how each bar is rather small and almost meaningless by itself. It's only dynamic after the fact or after you string many bars together. This is the most profitable period of a stock's cycle, yet many traders fail to capitalize on them because they are overlooked or missed. Even those that are not missed are usually not added to because of the small nature of the bars. RBIs (Red Bar's Ignored) become the only tactic by which the Wealth Trader can add in the midst of these tight advances.
Adding Within a Tight Power Trend
Adding during a tight 20-ma Power Trend becomes difficult because of the uneventful nature of most of the bars. Adding on baby Bull Elephant Bars and all subtle RBIs is the only way to maximize the benefits of these periods.
Igniting Gaps
When the Institutions Get Surprised
Without filling in Igniting Gaps, some “double up” plays may be entirely missed. See follow-up chart.
With the gaps filled in, it becomes clear how powerful the subsequent add events are. As gifts, they warrant heavier play.

Clearing Bull Elephant

Igniting Bull Elephant

Bull Twin, BT and Marching Bull Elephant as "gifts."
**Bear Igniting Gap**

**OSG - Overseas Shiphdg (NYSE) - Daily Candlestick Chart**

- **Open (Op):** 43.11
- **High (Hi):** 43.58
- **Low (Lo):** 40.68
- **Close (Cl):** 41.06
- **Volume (Vol):** 1203600
- **Open Interest:**
- **SMA (20):** 48.03

Bull Elephant begins well above 20-ma, making the next day's gap that much more bearish.

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Your Actionable Buy Items

**Bull Elephant**
- Igniting Bull Elephant (1)
- Stacked Bull Elephant (1)
- Clearing Bull Elephant (2+)

**Bottoming Tail Bar***
- Near 20ma (1)
- Far Below 20ma (2+)
*Can be green or red

**Bull Twin**
- Regular (2+)
- Far Below 20ma (3+)

**20ma Halt**
- Regular (2+)
- Bull Twin (3+)

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Velez Opportunity Report

Plays That Rocked and the Reasons Why
Live Cattle

Sold two contracts

Velez Opportunity Buys
Wealth Trading Tip:
The Incremental Buy Approach is better than the All-in Buy Approach. It not only allows one to layer several smaller buys over a wider price range, it increases the odds of not missing moves due to shallow pullbacks.
Section V
Portfolio Management
Dividing Your Wealth
How to Apportion Your Money
The first goal of every Wealth Trader is to determine how they are going to divide their wealth account up. The choice will have a bearing on what equals one single lot, for purposes of easing into and out of wealth positions. There are primarily two main portfolio sizes for Wealth Traders to choose from, which in turn have a direct bearing on what a single lot is. They appear below.

**5 x 10 Position Portfolio System** - In this basic system, the wealth trader divides his total account by 5 to get the total amount to be allocated to each position. That amount is then divided by 10 to get the amount that equates to a single lot. Once the single lot number is known, adding and reducing becomes uniform and very easy.

**Example:** $100,000/5 = $20,000 per wealth position. $20,000/10 = $2,000 per single lot.

**10 x 10 Position Portfolio System** - In this basic system, the wealth trader divides his total account by 10 to get the total amount to be allocated to each position. That amount is then divided by 10 to get the amount that equates to a single lot. Once the single lot number is known, adding and reducing becomes uniform and very easy.

**Example:** $100,000/10 = $10,000 per wealth position. $10,000/10 = $1,000 per single lot.

**Special Note:**
While a system that allows for fewer bullets will beef up the single lot size (ex. 5 x 5 or 10 x 5), I find that this requires a level of selectivity with one's actions that is so extreme, most traders won't be disciplined enough to pull it off. Running out of bullets is the number one cardinal sin, which requires that you be absolutely sure that the action event you're playing is worthy of spending one. Your capital is the most precious possession you have in this game and it should be guarded with your life. It is however more acceptable to reduce the number of positions, if a higher lot size is a must. Example: 8 x 10. But I would not drop below 5, the absolute minimum.
5 Total Positions  10 Total Lots per Position

5 x 10

10 Total Positions  10 Total Lots per Position

10 x 10

The two most popular Wealth Portfolio Systems
Guidelines for Building Wealth

Rules NOT Set in Stone
Wealth Portfolio Guidelines

There are several portfolio guidelines that I believe should be utilized in the lifelong search for global wealth. They appear below.

1 - Never lose more than 15% of your entire portfolio on any given play. Example: $100,000 x 15% = $15,000. While this number might seem very large by traditional standards, it is a very rare occurrence for this to happen, because of the incremental entry and exit and add and reduce methods my wealth system deploys. A stock can actually decline by as much as 65% and still not come close to hitting the max dollar stop of $15,000 based on the example used.

2 - Don’t set technical stops until all 10 lots are used. This also may seem heretical based on other market approaches, but keep in mind that your true position is not fully established until your entire 10 lot position is fully vested. Only then, can or should you draw a line in the sand, since are now at the mercy of the market. Remember, once you have no more lots/bullets, you longer possess the ability to adjust your average price.

3 - After 6 lots are deployed, become extra selective with your actions. Choose one or maybe two of the most potent actions you’ve been taught. Example: Bull Tower Set-ups and Clearing Elephant Bars.

4 - Be sure to reduce on all exhaustion moves. While larger portfolios can utilize a 20 and 30 lot system, this is the part of my wealth approach that allows the wealth trader to keep the limited 10 lot system running. The general guideline is to reduce by a minimum of 1/3. 1/2 to 2/3 is more then norm.

5 - When one of your wealth plays enters a 20-ma Power Trend, do borrow buying power from other languishing positions. This guideline allows the trader to go beyond the 10 lot amount. That is why it is a guideline and not a hard rule. The trader must ensure that only when a stock has become truly special should this be done.
Wealth Portfolio Guidelines

There are several portfolio guidelines that I believe should be utilized in the lifelong search for global wealth. They appear below.

6 - When a troubled wealth play finally forms a major bottom, do borrow from other dormant positions not in play at the moment. This is another legitimate excuse to go beyond the 10 lot guideline, but the wealth trader must be disciplined and absolutely certain that the stock’s time to turn has truly come.

7 - When bullets and overall buying power is low, do use some of the options techniques you’ve learned to continue your wealth program. This also may seem heretical based on other market approaches, but keep in mind that your true position is not fully established until your entire 10 lot position is fully vested. Only then, can or should you draw a line in the sand, since are now at the mercy of the market. Remember, once you have no more lots/bullets, you longer possess the ability to adjust your average price.
Four Wealth Quizzes
Testing your Opportunity Spotting Skills
Action Bar Quiz

Velez Quiz Answers:
1) Tail Bar
2) Baby Bull Elephant
3) Tail Bar
4) Baby Bull Elephant
5) Bull Elephant
6) Baby Bull
7) Tail Bar
8) Bull Elephant

The below are what I call “action bars.” They serve as the footprints of institutions that should ignite entries on our part. These large behemoths wish their attempts to quietly accumulate a stock could go undetected. But they can’t hide from us. Not with me pointing the way. Peek-a-boo. I see you!

Did you get all the answers correct?

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Velez Quiz Answers:

The below are what I call “action bars.” They serve as the footprints of institutions that should ignite entries on our part. These large behemoths wish their attempts to quietly accumulate a stock could go undetected. But they can’t hide from us. Not with me pointing the way. Peek-a-boo. I see you!

Did you get all the answers correct?
Wealth Trade Quiz

GBCI - Glacier Bancorp Inc. (NASDAQ) - Daily Candlestick Chart

1) What Bar Ignited the entire advance?________________________
2) What Ended the advance in Late Jan?________________________
3) What was the first buy-back bar after the top in Jan?________
4) At the rising 20-ma, which bar did you buy?__________________
5) What did you do near the end of today?_______________________

My Add & Reduce Method Pays Off Big!
Note that my wealth moves would have turned a $3 rally into a $5 rally, increasing the potential 22% return to a $37% return.
A Wealth Appendix

Recommended Readings
Moody's May Downgrade Hungary after IMF Breakdown

Ratings agency Moody’s put Hungary on review for a possible downgrade on Friday, citing increased fiscal risks after it suspended talks with the IMF and EU on its existing $100 billion aid deal.

ECB's Trichet Calls for Fiscal Tightening

Who is Likely to Fail Europe’s Bank Stress Tests?

- Some Spanish Cajas Failed: Report - Stress Tests Cheat Sheet

UK Economic Growth Jumped Sharply in Second Quarter

Gulf Storm Puts BP Oil Spill Efforts on Hold

Friday: Countdown on Europe Banks, More Big Earnings

Amazon Shares Plunge After Earnings Disappoint

Microsoft Earnings and Revenue Rise, Top Forecasts

GM May File for IPO During Week of August 16

What Does Wall Street Really Want From Ben Bernanke?

- BLOOMBERG - Scenes from the Farnborough Airshow

Ericsson Profit More than Doubled in Second Quarter

Fed Will Intervene if Hiring Does Not Improve: Bernanke

Our current agreements with Time Warner Cable will expire on September 2nd.
German data brighten climate for stocks

Stressed? Not so much

Investors take their cue from a sharply higher gauge of German business confidence, putting to one side the much-anticipated results of EU findings on the health of the region’s banks due after the close.

• Asia racks up solid gains | Earnings relief lifts Wall Street | Stocks to Watch | Market preview

EUROPEAN STRESS TESTS | Take the MV 'stress' poll

ECONOMIC DATA

German Wall of data
Barometer of how business is faring in Europe’s largest economy leaps the most since the formal unification of East and West Germany.
• U.K. second-quarter GDP expands 1.1%
• ECB’s Trichet says its tightening time

TELECOM

Vodafone's revenue rises
Wireless giant's revenue climbs 5% to $17.2 billion, with strong in growth in some regions offset by a 4.2% drop in European revenue.
• Sales decline 8% at Ericsson; stock dips

OIL SPILL IN THE GULF

BP: 'Bonnie' forces halt
Tropical Storm Bonnie, which is projected to track into the Gulf, forces oil giant BP to temporarily

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### Today's Highlighted Webcasts

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Marching Elephant Bars
Knowing When The Major Institutions Are Trying to Hide
Baby Elephant Bars
Knowing When The Major Institutions Are Just Beginning to Act
My Add and Reduce Method™
When to Get Heavy and When to Get Light
Your Absolute Stop Rule

When to Call It Quits On a Play
Section VI

Hedging & Income Strategies
Dividends
The Wealth Trader’s Extra Bonus
Covered Call Writing
Adding Income Between your Major Wins
Going Naked The Right Way
How and When to Sell Hope
Buying Stock With Puts
How to Buy On The Cheap
Hedging with The Inverses
How to Short the Market Without Shorting
The Wealth Trader’s Final Exam
Testing Your Overall Knowledge of the World of Wealth Accumulation
How To Get Started
How to Begin The Trade For Wealth™ Program
Section VII
Putting It All Together