



The Real Story of Real-Time Support and Resistance Levels

To find what really works in life, you have to find WHY it works. If not, you won't trust it. And if you don't trust it, you won't use it. In other words – [“If you know HOW....”](#) [Video Link].

Targets, levels, zones, LVN's, HVN's, POC's, stochastics, moving averages – what do they all mean?

Really early in my trading career, I found the only way to make money in this business was to find an edge. That edge could be from a variety of things such as getting an economic number early, a floor broker telling you where the stop orders in his deck were, front running big orders or maybe just tracking where other traders were stuck. At that point in time, I was unable to find any of those “floor” advantages. I knew somehow, somewhere there was an edge out there that I had to find.

As a floor trader in 1999, everyday I printed out the time and sales of the Dow futures contract. I painstakingly went through this stack of papers, circling every time the Dows price fell 15 ticks off the high. Then, I calculated how often that remained the temporary high of the day. I was inspired by how much these magical calculations worked almost all of the time - at a rate of 73% of the time. I came to some conclusions, did some more math and figured I had to execute my trades in 3 lots (contracts) to make any kind of decent money.

The following day...

I watched three opportunities come and go without pulling the trigger. So on the fourth set up, I wasn't going to miss it and I didn't. I sold it immediately and then thought, “Now what?”. I ended up with a 10 tick winner and then I thought, now it's time to put on 3.

So guess what happened on the next set up? Well, I missed it and I thought, “Aha! this is one of those 27% of the times that it doesn't work.” But I was wrong, it **did** work. I just sucked it up and waited for the next set up and sold 1 – why risk 3 just yet? Thank goodness I didn't sell 3, because this **was** one of those 27% of the times it didn't work. However, there was something else that didn't work for me – that was an EXIT STRATEGY. The market ran and ran and ran. Figuratively, I was running too, from my dreams. It ended up coming back and I lost “only” 50 ticks. Not bad – 10 tick winners and 50 tick losers. What an edge!

I tell you this because there isn't a single success story without multiple failure stories. I desperately needed an edge. I had a \$15,000 account. Only traded one contract at a time, barely one trade a day. This wasn't going to cut it. One of my mentors told me how important it was to review your trades. “Everyday, you should go through your trades at the end of the day and keep statistics”, he said. For me, that would take about 15 seconds - I bought it *there*, sold it *there*. Done. Like a bricklayer working all day and laying one brick.

All I needed was an edge and I knew it was out there. However, the exhaustion was bringing me down. I felt like I was trying – I spent over \$2000 in education, another \$1500 in membership application fees and a seat on the exchange. But was I really trying? We tell ourselves all the time about how hard we are working. Sometimes we are – sometimes we are not. Am I putting in the time or wasting my time? Was I really turning over every stone? I didn't think I was, but I convinced myself otherwise.

So it came down to a girl (doesn't it always). This girl was special – I had dated her for 10 years and she was the one I was going to marry. As soon as I started making money, I knew I wanted to propose. When I told her I was going to change careers, she told me to keep trying. She said that she would support me financially (she had a real job as a legal secretary). She knew that I had a real passion for this new career.

Believe it or not, **THIS** was actually the first edge I received. She didn't buy me an indicator or a trading system – she bought me time. The most valuable commodity of all. That extra time allowed me to immerse myself in the business of trading and be part of the venue of professional traders, called a proprietary firm. [What is a prop firm](#) [Video Link]? And how was that going to become my next edge? In the prop firm, I knew that I would be meeting other traders. Sure there were traders on the floor, but they had no vested interest in your success. The traders I met were part of a community – an environment created from being part of this prop firm.

I received an offer for a job as an electronic trader at this proprietary firm. As I was thinking about the job offer, I received my next edge. That edge was – SIMPLICITY. It was my Dad's comment, "look for nice cars in the parking lot" advice. Simple yet ingenious.

Then I found my next *edge* - MORE simplicity. The WHY markets moved - the other side of the trade. And then another edge - market relationships and then another - order flow and another and another. Our *edge* isn't always one thing, but it's often a combination of things, as long as the combination of things are simple. Stack the simple and let that be your edge.

I went on to have more success than I could have imagined. We traded European markets back then, so our day was only about 4 hours long. My Dad would often say, "What are you guys up to? You're making that kind of money and home by noon!". What could I say? Now I had one of those nice cars in the parking lot!

So how does that story tie into these Edge Zones™?

Let's walk through the concepts and techniques that create the simplicity of this edge. ["After you buy it – you're a seller"](#) [Video Link] is the core concept of understanding the fate of your competition. Everyone is worried about their position and their trades. Good – let them worry!

We're going to worry about their trades too. In fact, we won't even call them traders. We will call them baby birds and make them part of the [baby bird story](#) [Video Link]. You see, trapped traders are helpless just like baby birds. Your edge needs to be in locating where the traps are set.

High probabilities = great support and resistance

The dynamic and the logic needs to remain simple. The technique resides in the concept, but the success lies with you – from beginning to end, with consistent execution. You will no longer trade against the winners but now against the losers. You will buy from the anxious seller looking to puke their losers and in front of the stuck traders or helpless baby birds. The Edge Zones™ aren't just from past trapped traders, but also the real-time traders. The traders who get stuck after the game starts. Could you imagine a quarterback not looking at the defense after he breaks from the huddle? Remember that tempo matters. The faster something moves, the more people miss it. So let the Edge Zones™ track real-time tempo and it will lead you to the baby

bird nests.

How order flow is read automatically with the EZ's™

When you create the kind of visuals the EZs™ create you're automatically tracking orders including larger sizes. The EZs™ show this in a Footprint® filter. How does this help and how does it relate to [punching a guy in the face \[Video Link\] ?](#)

Watching trapped price action *is* Order Flow 101. Knowing the right questions to ask is what the Edge Zones™ track for you.

What happens when everyone sees price rapidly move up? They wish they would have bought it, right? Wouldn't it be great to have a feature that constantly shows you when that dynamic surfaces. Think about it, when a price moves up fast you create anxiety among bulls who wanted to buy and more importantly, shorts who *HAVE* to buy. It makes simple sense that if the market comes back to test that area of missed buying, there's going to be a lot of anxious buying. Back to the baby bird story but also another dynamic – [where the stops started \[Video Link\]](#).

Now that you have a better understanding of support and resistance you will finally be able to start trading it better during the toughest time to trade a market. Real time. Start focusing on real time support and resistance with the Edge Zones™. Learn more by watching [this video \[Video Link\]](#).

Anytime you can take 20 years of experience and illustrate it into a visual like EZs™ – that's pretty remarkable!

Anthony Drager