ABOUT THIS BOOK

Successful trading is about getting both the trend and timing right. If you neglect one of these elements, you risk missing a rewarding trade.

H*eikin-Ashi Trends and Timing* is the long-awaited sequel to *Heikin-Ashi: How to Trade without Japanese Candlestick Patterns,* the first book that extensively covered this innovative trend technique. Building on the foundation of the first book, *Heikin-Ashi Trends and Timing* covers not only new heikin-ashi applications but also focuses on how to time trades successfully. Trends and Timing.

In the years since the publication of *Heikin-Ashi: How to Trade without Japanese Candlestick Patterns,* traders from London to Sydney, New York to Cape Town, and Stockholm to Buenos Aires have evolved their approach towards an evaluation of trends with the incorporation of heikin-ashi.

For those open to change and in search of simplicity, heikin-ashi unlocked new doors to trading trends. My dialogue with traders during these past few years has been intense, and at many times surprising. But why? Each of them has developed unique ways of using heikin-ashi to get higher profit. Most

traders use heikin-ashi candles with their existing set of technical indicators. A smaller group adopted haDelta and used it as their pivot in trading. In both cases, these traders saw immediate, positive changes after incorporating the principles of *Heikin-Ashi: How to Trade without Japanese Candlestick Patterns* into their trading approach.

The thought of a second book originated about three years ago following extensive conversations with traders and clients that sparked inspiration and new ideas. After trading, experimenting, and conducting research, I pieced together these snippets of ideas and thoughts. I am excited to finally share with you the follow-up of *Heikin-Ashi: How to Trade without Japanese Candlestick Patterns*.

This second book, *Heikin-Ashi Trends and Timing,* contains techniques built around heikin-ashi in both visual and quantifiable formats. For those expecting a money-printing press, you may be better served looking elsewhere. But, for those looking to incrementally improve their trading performance, broaden their understanding of heikin-ashi, and inject more creative-yet-proven strategies into their trading, this book is about *your relationship with heikin-ashi,* about how to use heikin-ashi in ways you may not already be used to.

It becomes increasingly apparent, even if we refuse to admit it, that *mind comes before method*. To align with this reality of trading, Chapter 1 discusses ten cognitive biases that affect all traders who use heikin-ashi. While the enemy population is likely far larger than the group of ten selected, the discussion is limited to those biases that most profoundly influence heikin-ashi trading.

One piece of feedback I often receive from traders, especially from FX and futures traders, is that it is challenging to follow two fast charts at the same time: price and heikin-ashi candle charts. It is easy to understand the reason behind this

discomfort. To help address this uneasiness, Chapter 2 introduces combined heikin-ashi and price charts, together with an algorithm to remove some noise from heikin-ashi charts.

It is impossible to find a trader who has never tried to make an educated guess about price targets, as it is human nature to test our prediction skills to anticipate the future, especially when it comes to prices. As financial markets are fertile ground for these experiments, Chapter 3 describes how price divergences and heikin-ashi indicators (haDelta) can be used to determine price objectives.

I have incorporated the *original* haOscillator into my charts for a long time as this indicator successfully quantifies the energy of heikin-ashi candles. Those who have already seen haOscillator at work can confirm its value. Behind all heikin-ashi indicators, there is a simple logic that derives from the trend technique itself. Chapter 4 describes the methodology behind haOscillator.

The behavior of haDelta and other heikin-ashi indicators depends on the instrument to which it is applied. Consequently, haDelta may exhibit varying levels of noise based on the evolution of the price. Chapter 5 explains how to resolve this with haDelta+.

Both life and trading very rarely offer perfect scenarios. A constant frustration for any trader is exiting too early from a trade that could have otherwise stayed open in a favorable trend. There are multiple solutions available to enhance the participation in a trend, and Chapter 6 will discuss one involving heikin-ashi haDelta.

Chapter 7 sets the stage for the complex discussions in Chapter 8. It marries consolidated price candles with heikin-ashi candles, an unusual approach to highlighting trends. If you already like the idea of blended candles, this section brings to light more about these trends.

Chapter 8 adds more "ashi" to trading. Bake-ashi charts are a new concept in Japanese charting, which can be somewhat challenging to understand at first. The reason behind this initial confusion is simple: the charts we use are static, with price information that does not change when new price data is added. But, bake-ashi charts are *dynamic*, changing their appearance as new price data flows in. We will discuss them for the first time, including how they are built and how we can use them as either stand-alone charts or together with heikin-ashi. Although the topic is trickier to digest, the dynamic character of these charts can help traders understand trends and reversals better when combined with the heikin-ashi technique.

Similar to calculating price objectives, Fibonacci-related tools appeal to every trader. Chapter 9 combines heikin-ashi technique with Fibonacci time extensions to get more evidence and confidence about higher-probability price reversals in the future.

Any trend has weaker and stronger sub-trends. The important segments of a trend offer better odds for profit and should be the primary focus for traders. How can we split a trend into weaker and stronger parts? Chapter 10 presents a method to achieve this separation, as well as a way to add the powerful heikin-ashi effect to the most substantial part of the trend.

In line with the approach described in the preceding chapter, Chapter 11 outlines a scalping technique where a statistical trend measure joins heikin-ashi to get higher-confidence, short-duration trades.

Chapter 12, the last chapter of the book, contains four different flavors that can be combined with heikin-ashi: RSI(2), volatility-triggered breakouts, Master/Slave trading, and the relationship between haOpen and the midpoint of a price candle body. The goal is two-fold: (1) use heikin-ashi benefits

alongside existing trading techniques; and (2) scratch the reader's mind to find new ways to have profitable trades.

I am convinced that the choice of ingredients in this new heikin-ashi book meets many of your needs for more sound and better trading. I hope you will enjoy it in a *safe and profitable* way.

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Home of heikin-ashi

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