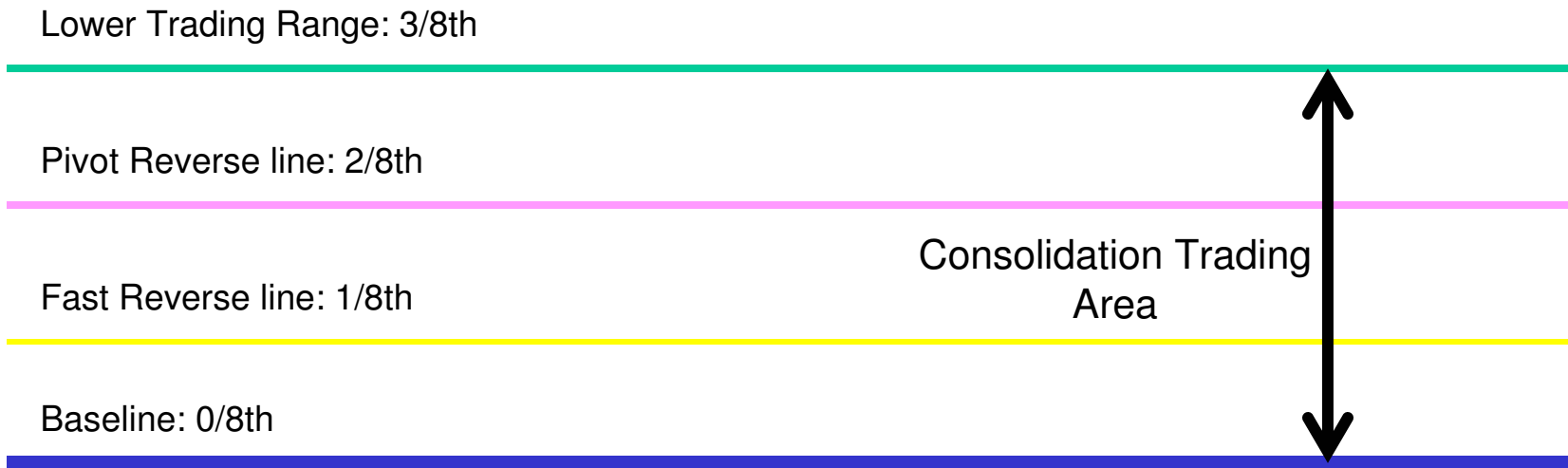


# Horizontal Lines

All markets must consolidate and compress and build the strength to explode out into the next trading Area inside its Internal Octave 8/8ths, but they must earn the right to push up into the next Area and out of the Consolidation area Many markets reverse the 1st time they close up on the 3/8th Line which is the Ceiling of this Area (and the bottom of the next higher Trading Area inside its 8/8ths)

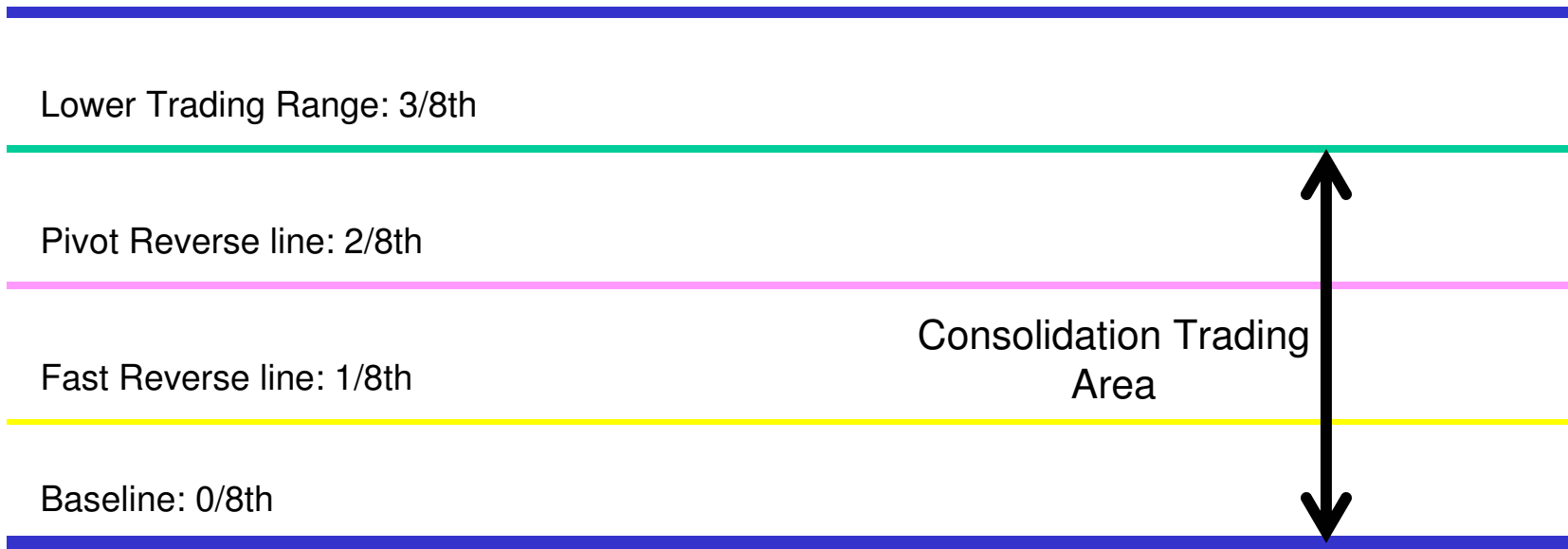


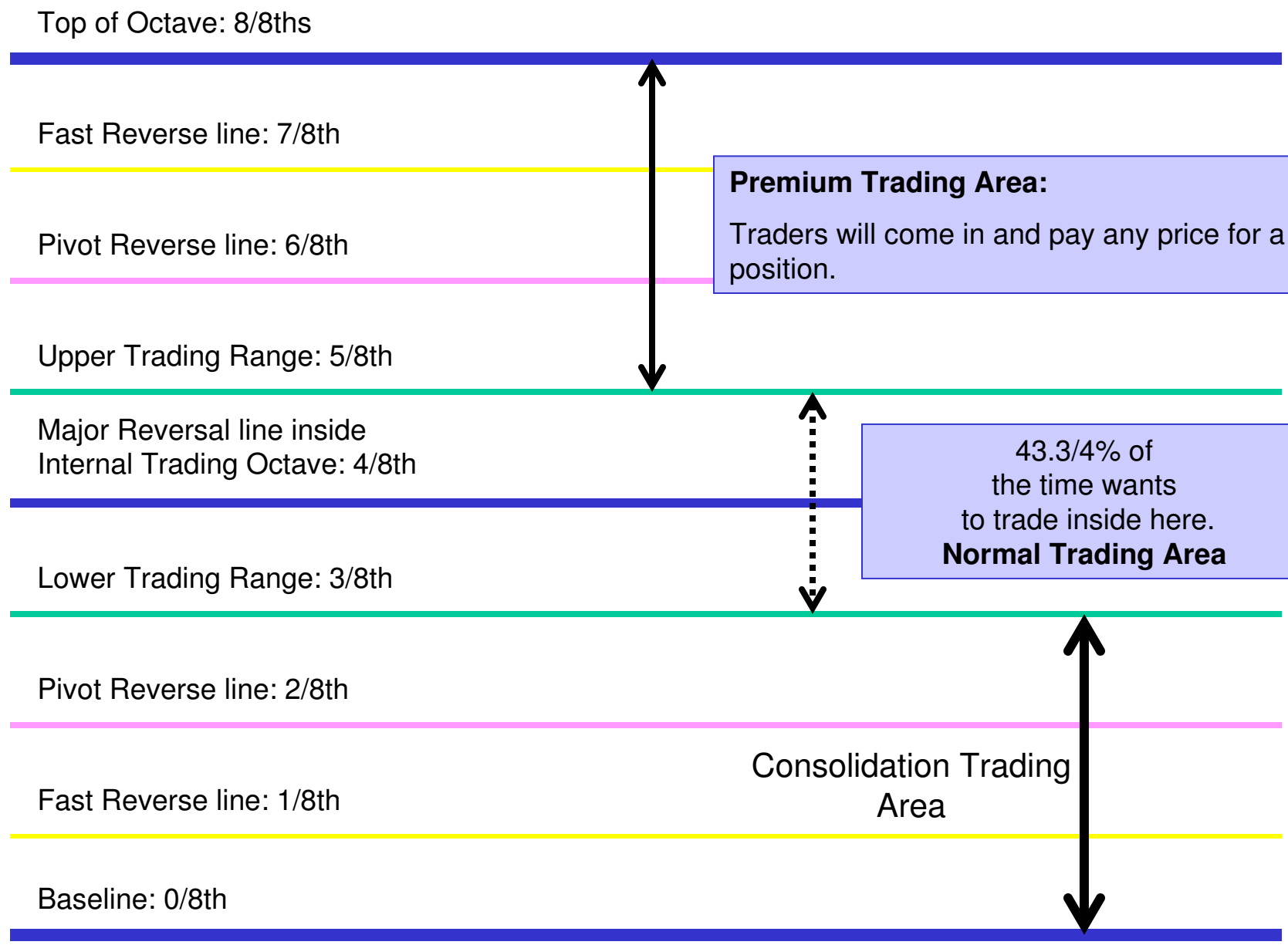
# Horizontal Lines

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Hardest line to break above or below (coming down).

**Major Reversal line inside Internal Trading Octave.**





-2/8th

All markets must close 4 cents below -2/8ths for the software or our trading strategy to move lower into the next Octave,

-1/8th Weak Over sold Condition

+2/8th above Octave

All markets must close 4 cents above +2/8ths for the software or our trading strategy to move higher into the next Octave,

+1/8th above Octave, Weak Over bought Condition

Thus, we now see that inside every Internal Octave there are three distinct Trading Areas: 1) lower Area of stable price movements trying to break above 3/8th. then it, after it breaks above 3/8th it wants to reverse more often inside its Normal Trading Range, then after it closes above 5/8th it breaks out and up into its Premium Area where all of the "Confirmation Traders" and "Late to the Dance Traders" and the "Buy High Traders"