# *The ForkTrading-Blueprint!*

***"Find High-Probability Trades with an 80% Edge, and Project the Most Probable Path of Price."***

*Find out more at: HowToChart.com*

# RISK DISCLAIMER

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## *“Trading with an 80% edge gives me peace of mind”*

Hi

My name is Emilio and I am the founder of HowToChart.com

I am a "Fork/Medianline" evangelist for over 15 years, because it enables me to find high probability trades.

The "Forks," or sometimes referred to as "Medianlines," empower me to project the most probable path of price. And the inherent edge of about 80% refers to the Profit Target I aim for, which is the Centerline.

# *“Over 80% To The Centerline?!”*

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In my trading world, classic technical analysis (TA) is subjective since there are no definite rules for the success rate of patterns like Flag, H&S, and Pennant. As a result, creating precise probabilities for each formation is challenging.

With a systematic trading approach backed by solid statistics, you can rely on these numbers even during unfavorable streaks. By being selective and trading only the best 30% to 50% of all setups, you increase your chances of success.

Now, let's talk about the Forks.

Unlike traditional TA, Forks have well-defined rules for chart application, allowing you to create statistics for any market you wish to trade. For example, Rule Nr. 1 states that price will reach the Medianline (or Centerline) about 80% of the time.

# “Over 80% To The Centerline!”

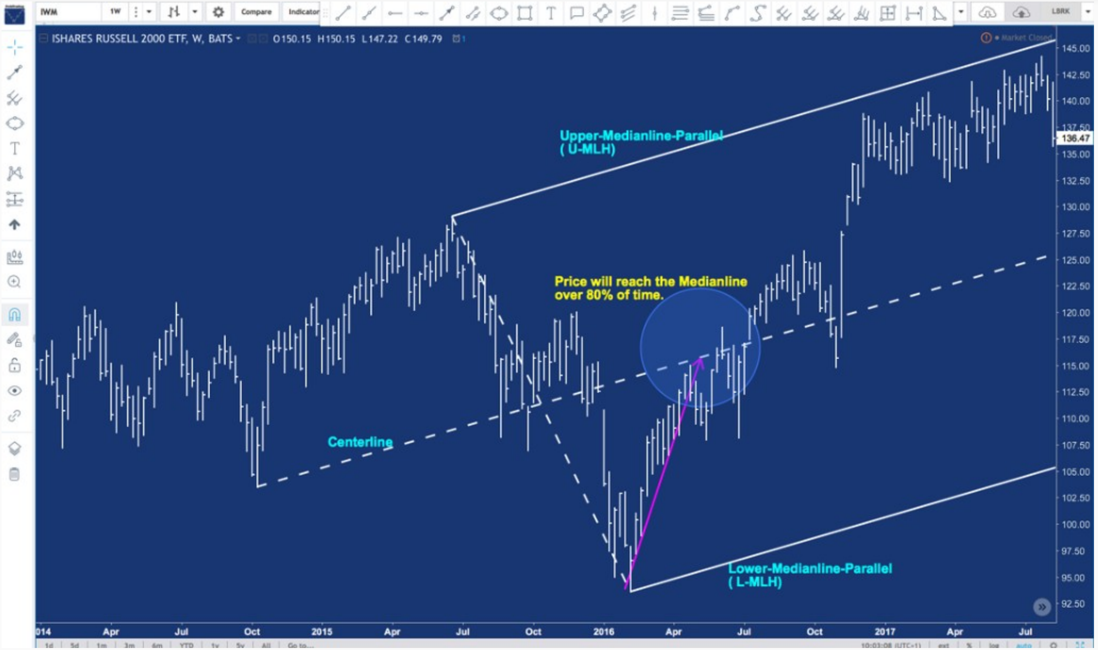
If you look at the picture, you see the "Lower-Medianline-Parallel (...or short: L-MLH), the lower parallel line of the Fork.

From there, or from any point on the L-MLH, price will reach the dashed Centerline over 80% of time.

Now imagine you have a setup and a high probability approach, where you can enter from or near the L-MLH, or for shorts, from the U-MLH.

You know that your chance to reach the Centerline is about 80% - proven by statistics!

**How confident would YOU feel to enter this trade?**



# *"The Basics Are Already Enough"*

This free ForkTrading Blueprint is made for you to learn how to apply the technique, not to know every formula or detail.

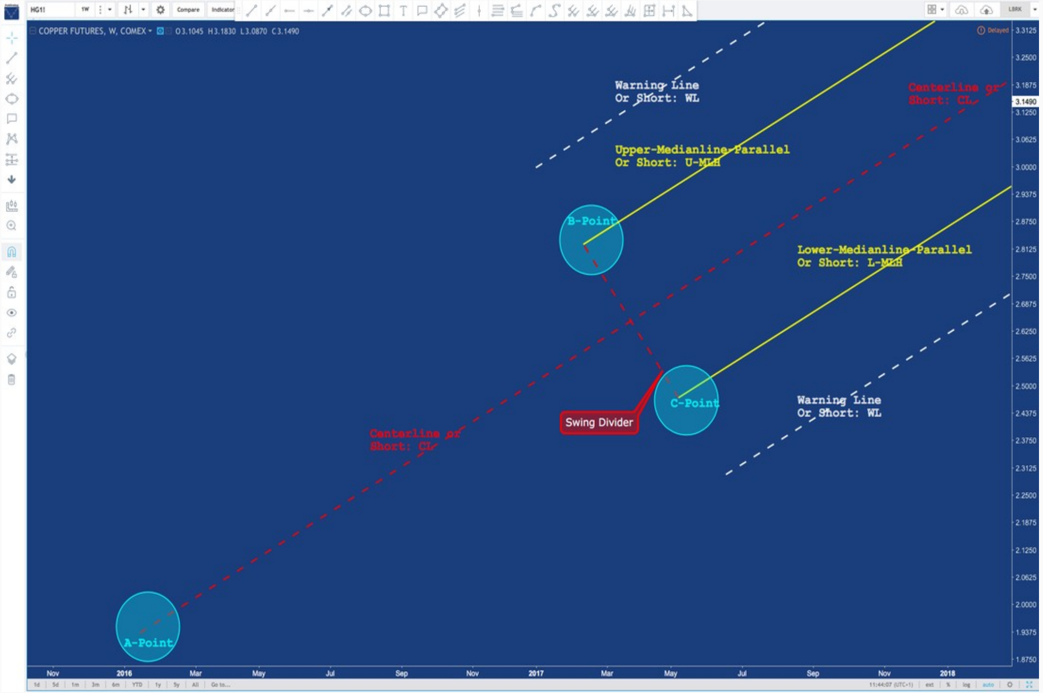
To start, learn the basics, but learn them well!
It enables YOU to spot high probability trades too.

Learn to earn, that’s what it’s all about.

# Introduction

First of all, let's examine the terms when we talk about Forks:

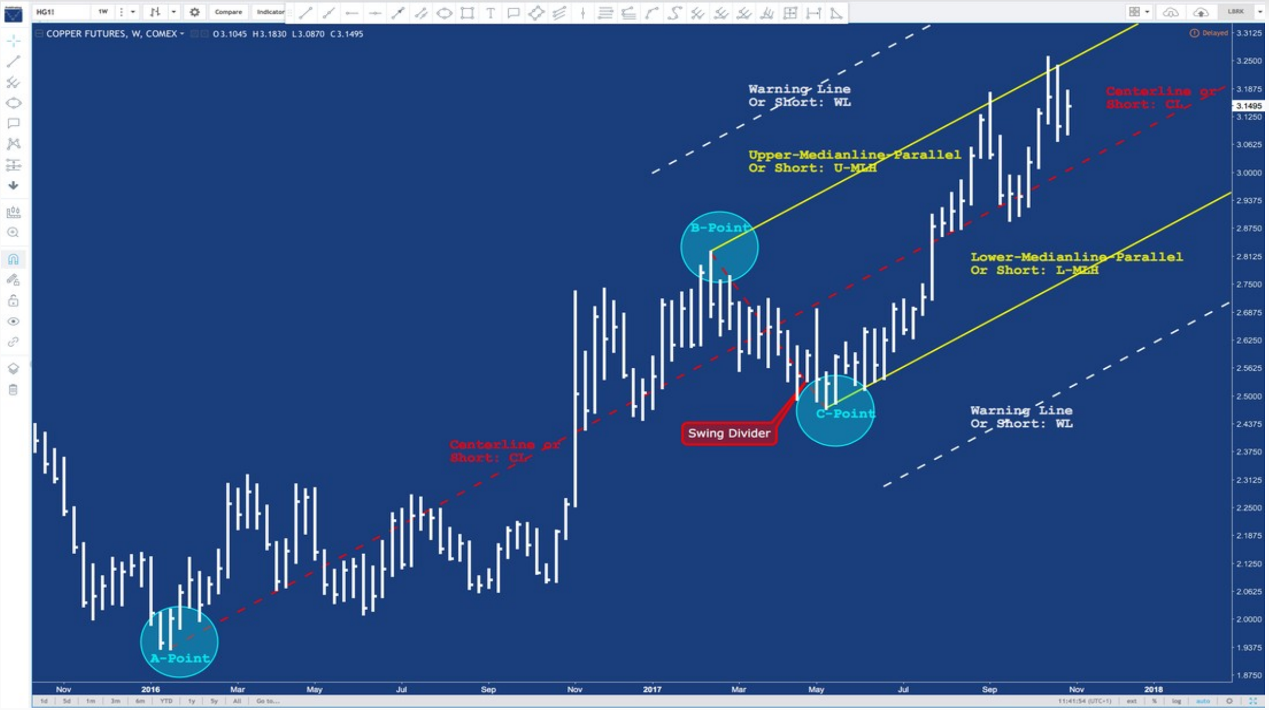
- Centerline - CL is the red line in the middle starting from A, dividing the B-C Swing
- Upper-Medianline-Parallel – U-MLH - the upper parallel line, starting at point B
- Lower-Medianline-Parallel – L-MLH - the lower parallel line, starting at point C
- Warning Line – WL - any parallel line, which is parallel to the U-MLH or the L-MLH, with same distance as from CL to U-MLH or CL to L-MLH (50% width of the Swing Divider)



# Introduction

Here you see a chart with the same Fork including the price bars.

Observe how the bars react at the lines!



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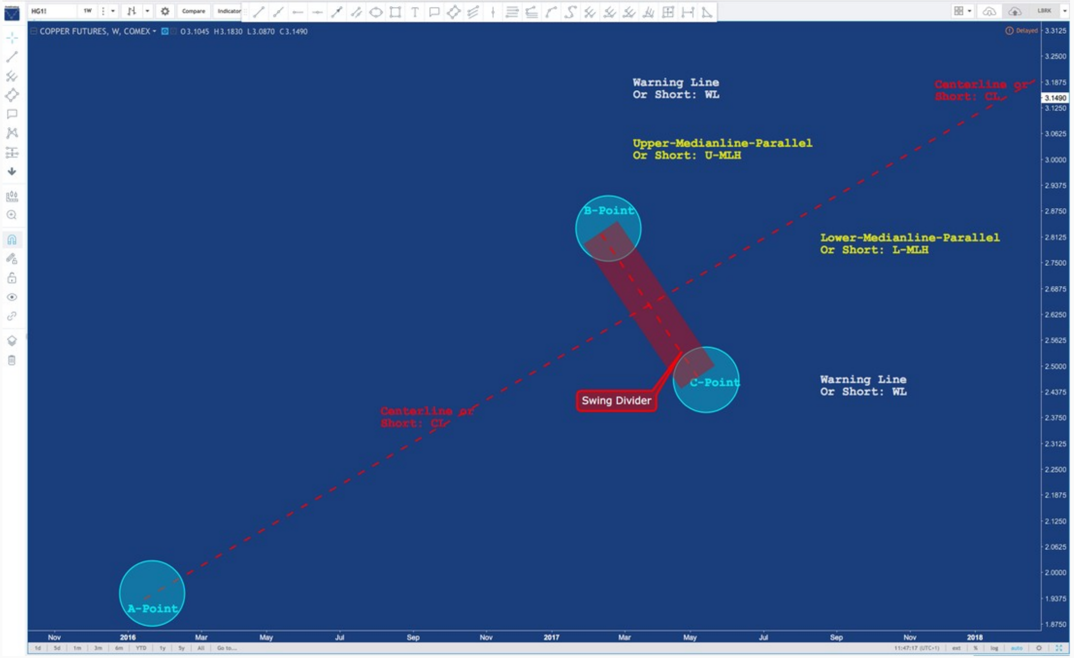
# 2 - Deconstructing the Fork

What is left if you remove the parallel lines (L-MLH and U-MLH) is the most important line, the Centerline or short CL.

The slope of the CL is mathematically calculated by dividing the B-C Swing.

Take 50% of the B-C swing and let the CL point through it.

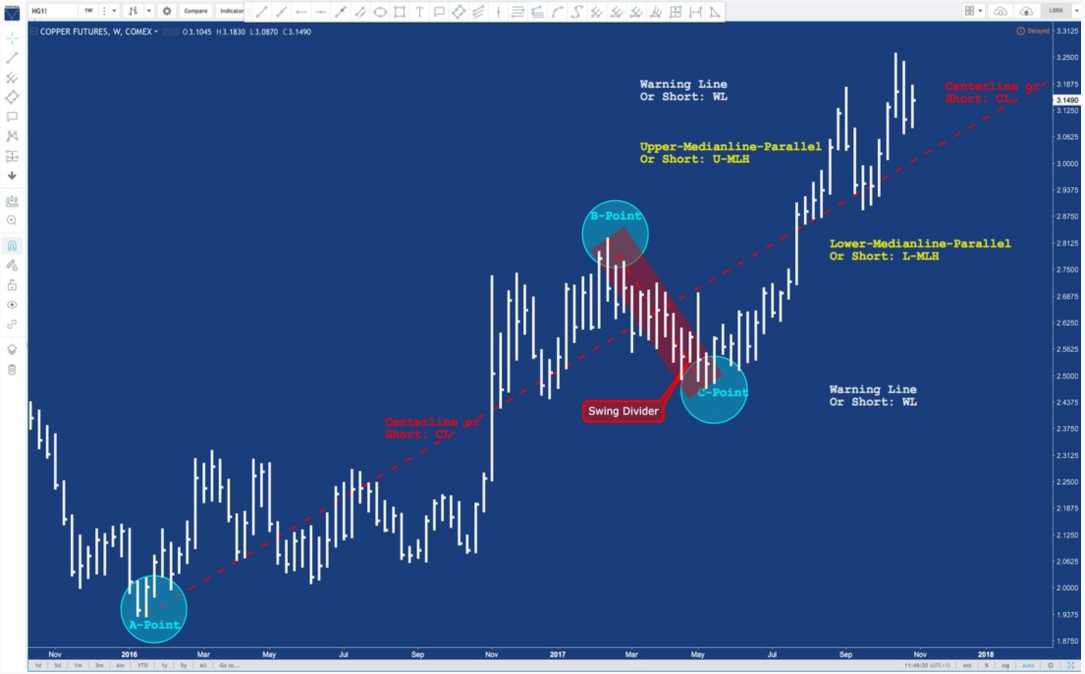
This is how you get the slope of the CL, where price is heading over 80% of time.



# 2 - Deconstructing the Fork

Here you see the same chart with the same Fork including the price bars.

Focus on the bars and how they react at the Centerline (CL).



# 3 - Guidelines to determine where to set the A-B-C Points on a standard Fork:

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## Up-sloping Fork:

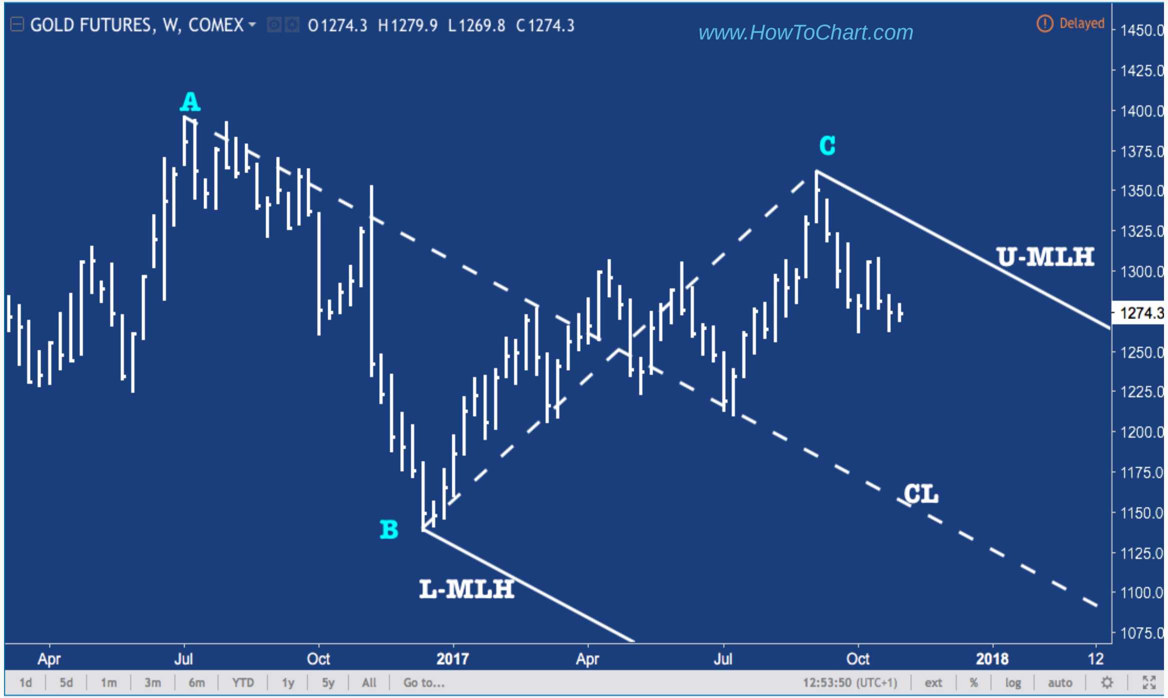
- point A is at the lowest point of the up-swing
- point B is the top of the up-swing
- point C is lower than point B, but higher than point A

# 3 - Guidelines to determine where to set the A-B-C Points on standard Forks:



## Down-sloping Fork:

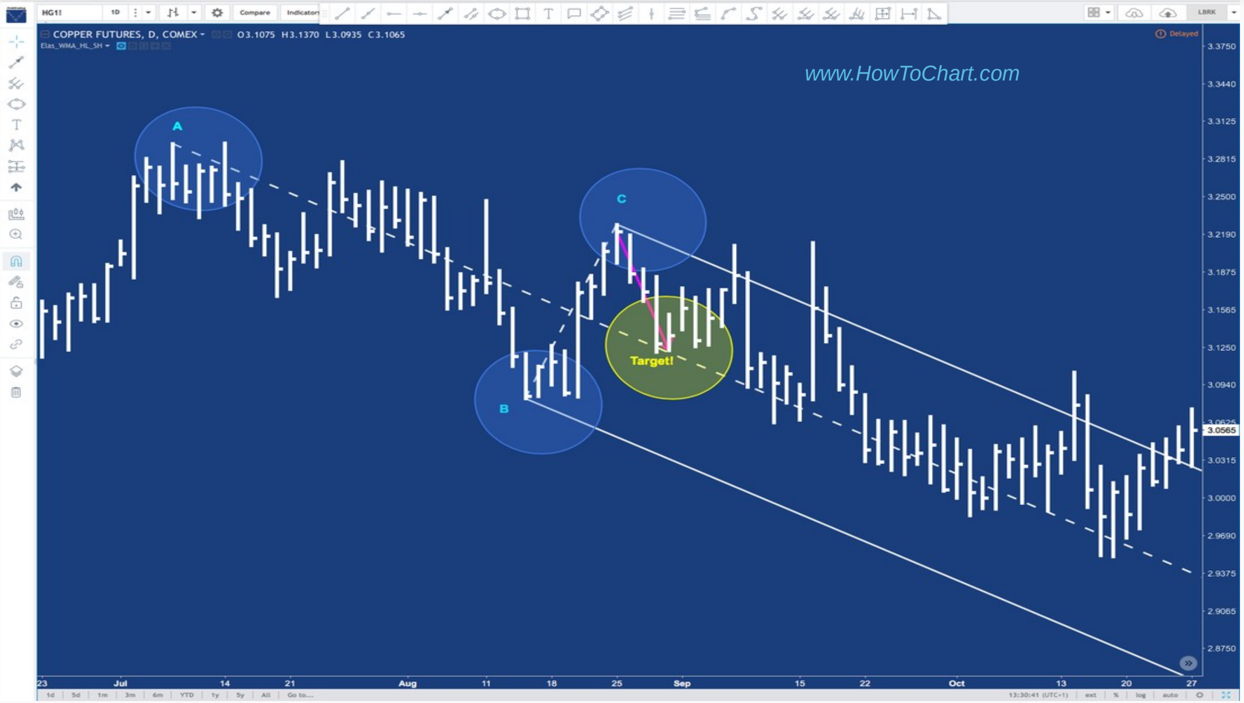
- point A is at the the top of the down-swing
- point B is the lowest point of the down-swing
- point C is lower than point A, but higher than point B



# Rule Nr. 1 - Where price is heading over 80% of time

From the introduction you now already now, that price starts to move anywhere from point C to the CL, over 80% of time.

Examine the following charts to become familiar with this rule.



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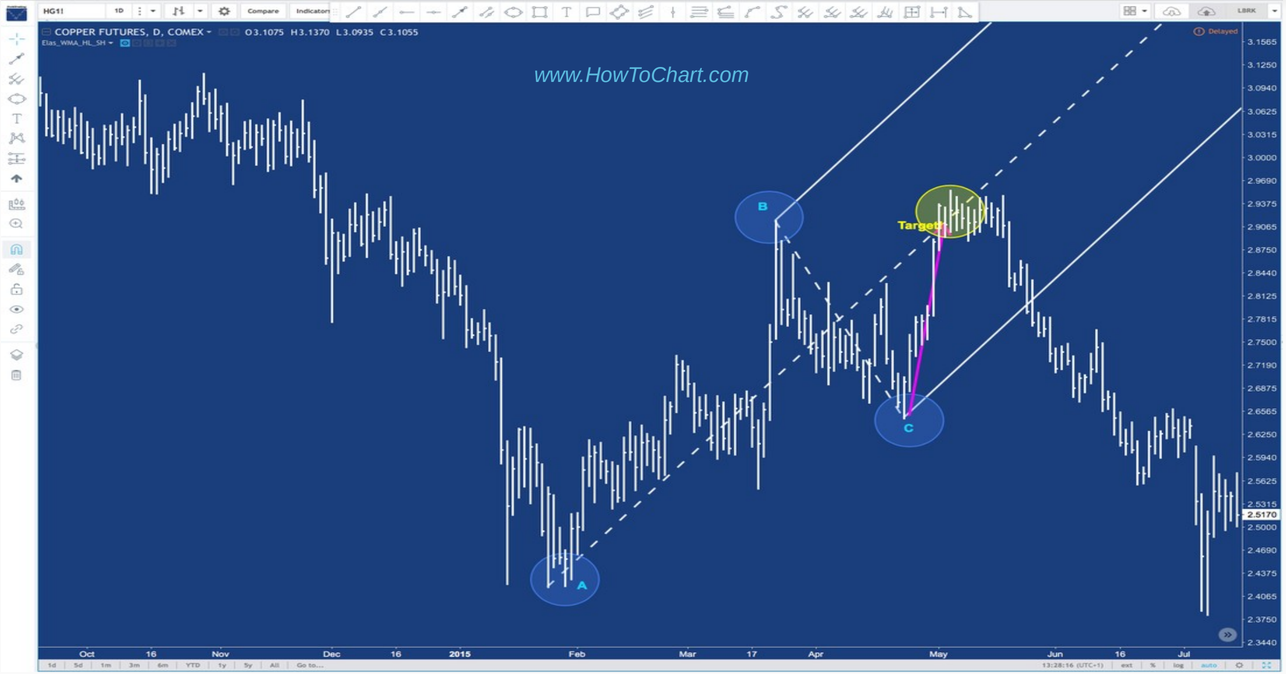

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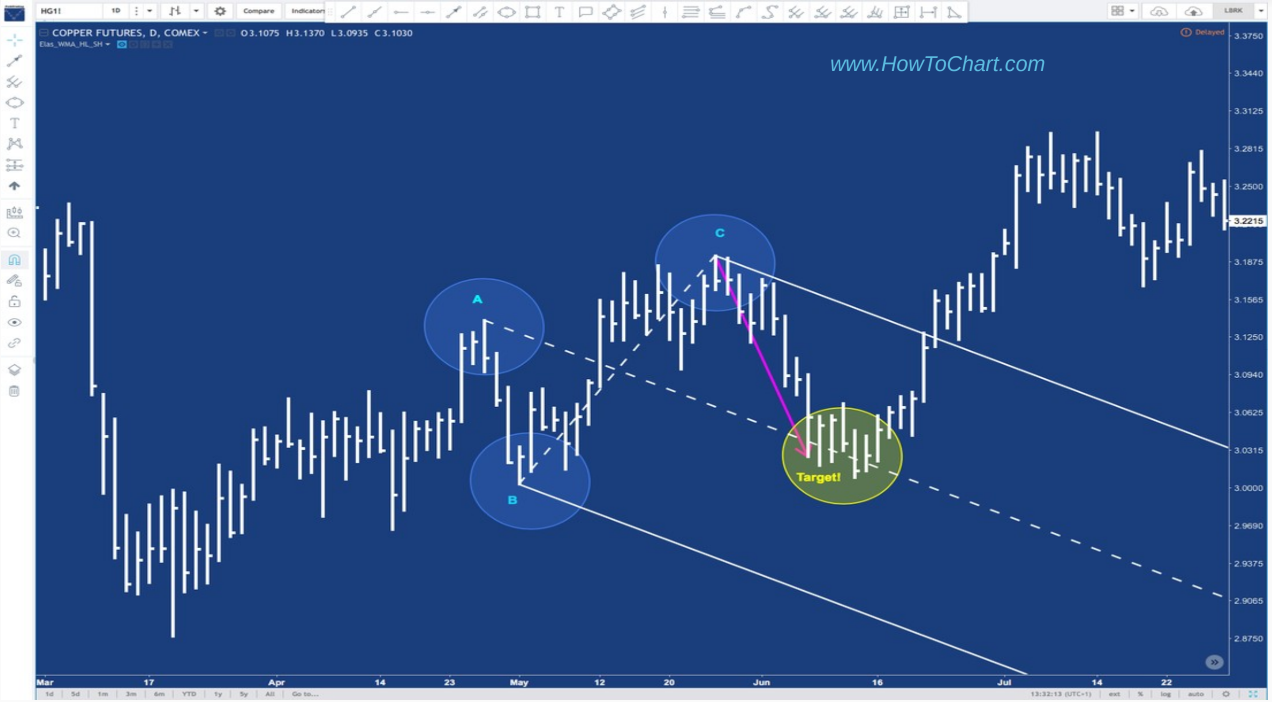

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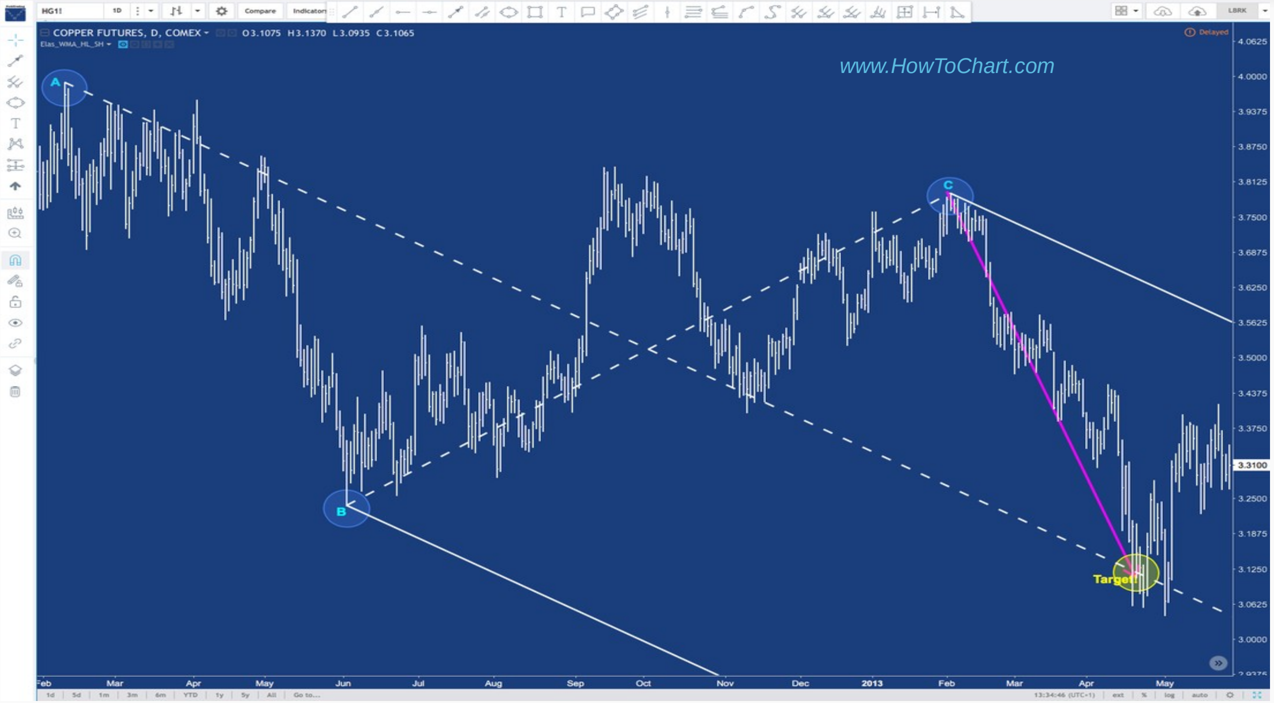
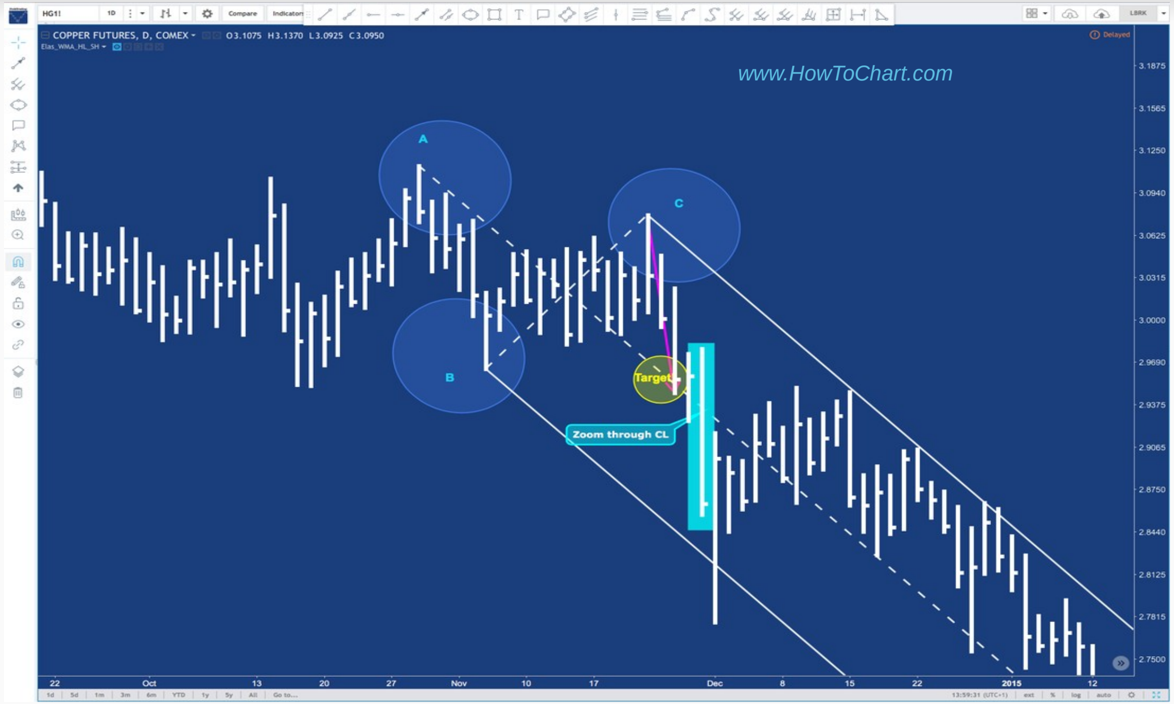


# Rule Nr. 2 - Price turns at the CL, or gaps/zooms through the Centerline

Often price doesn't just trade through the CL, but zoom or gap through it.

Observe how price gaps/zooms through the CL.

Observe how price behaves at the L-MLH and the U-MLH.



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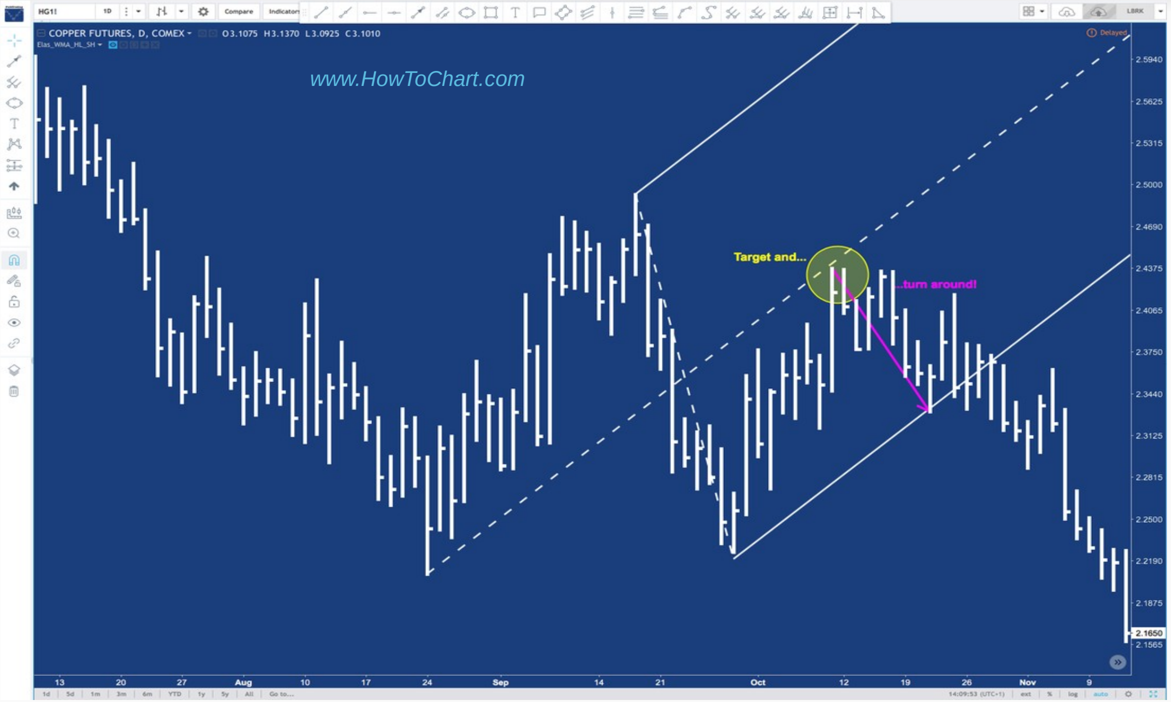
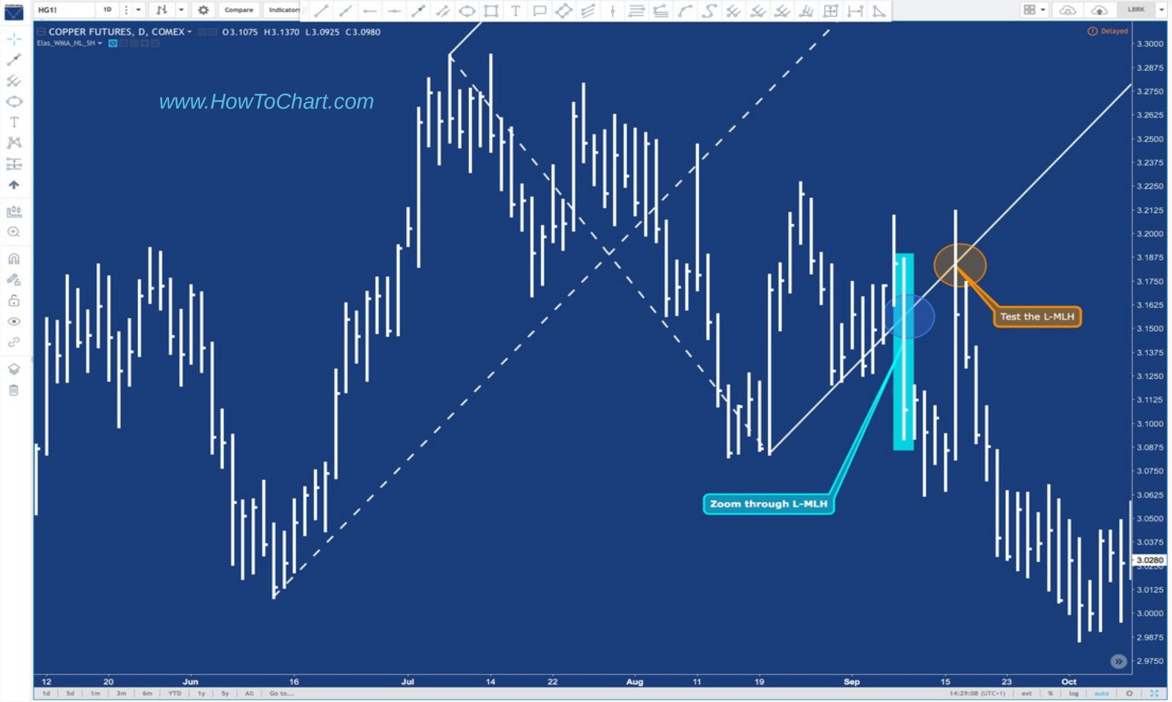


# Rule Nr. 3 - test/retest

If price gaps/zooms through the CL or one of the MLH's, chances are very high that price will test or retest (even multiple times) the gapped/zoomed line.

By test/retest we mean, that price will come back to the line, which was broken (zoomed or gapped):



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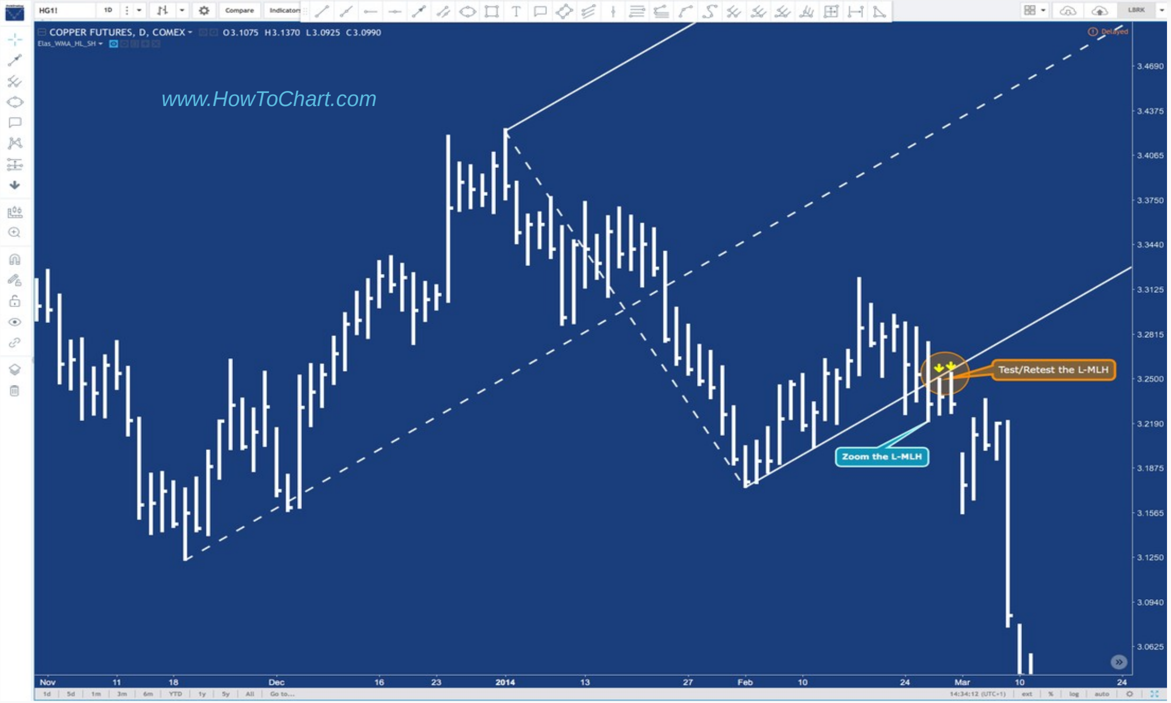
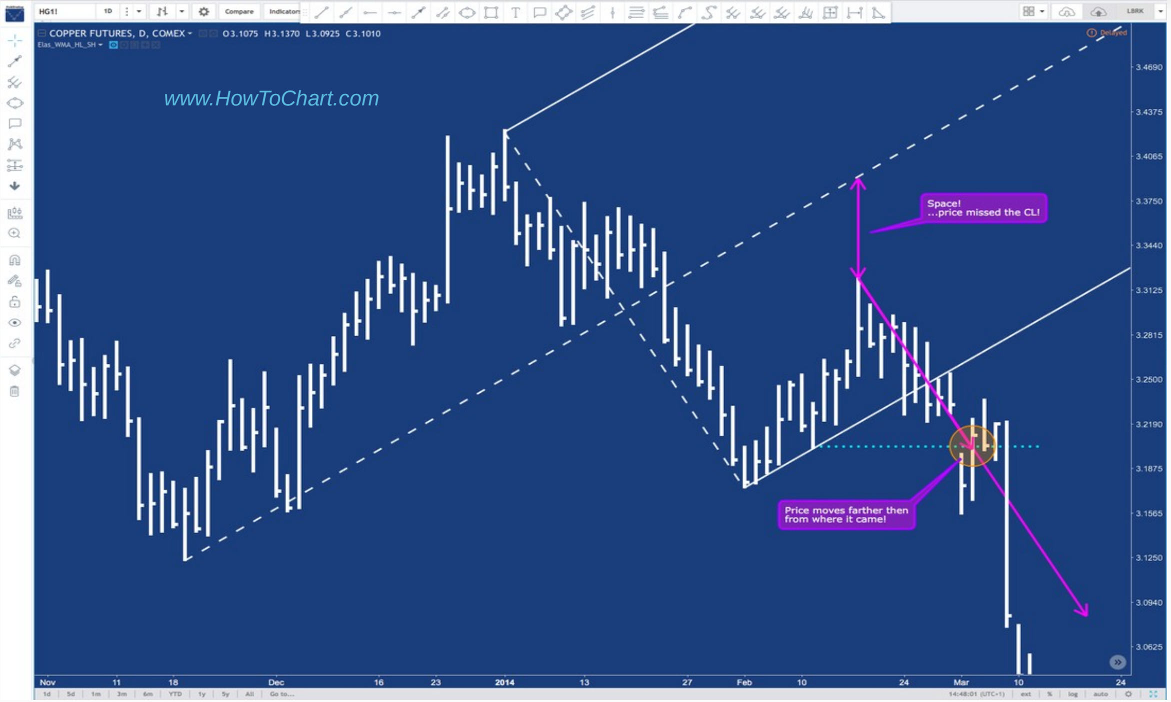


# Rule Nr. 5 - Hagopian's Rule

You may have noticed, that the Rule Nr. 4 is "missing", but it's on purpose.

I never was able to verify this rule by accurate backtesting, so I don't lean on it and leave it out.

Here comes Rule Nr. 5:  If price turns before reaching the CL, or any of the Median Lines (U-MLH's, L-MLHS, WL's), then the chances are very high that price moves farther away from this line than from where it originally came.



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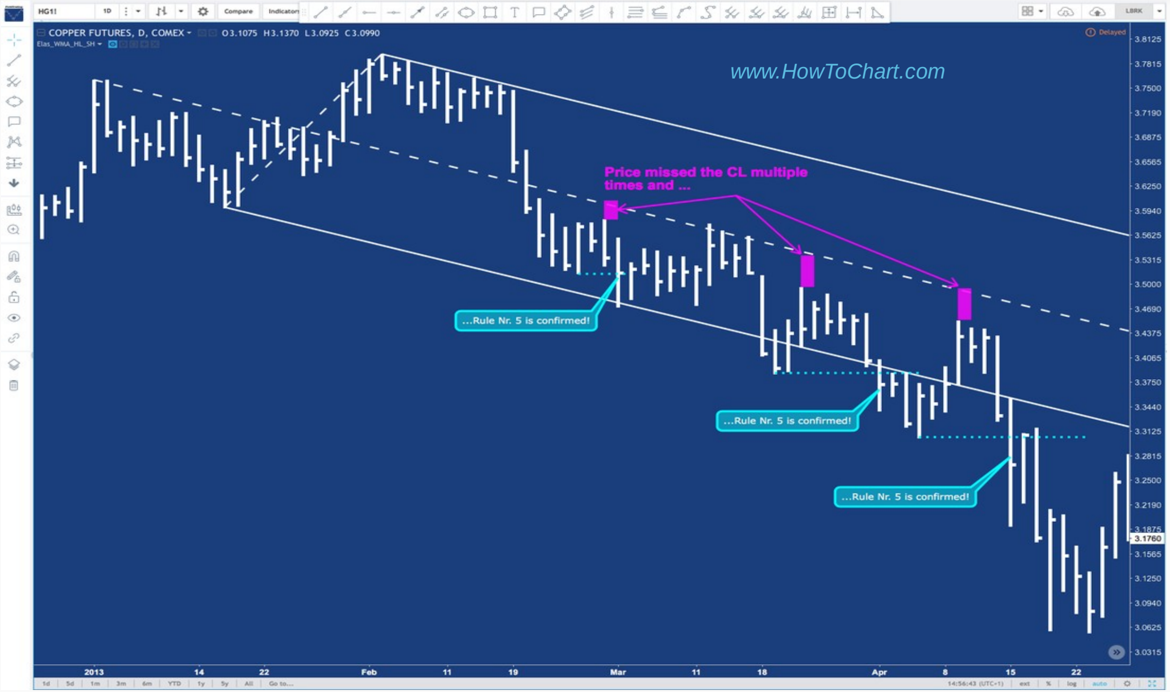
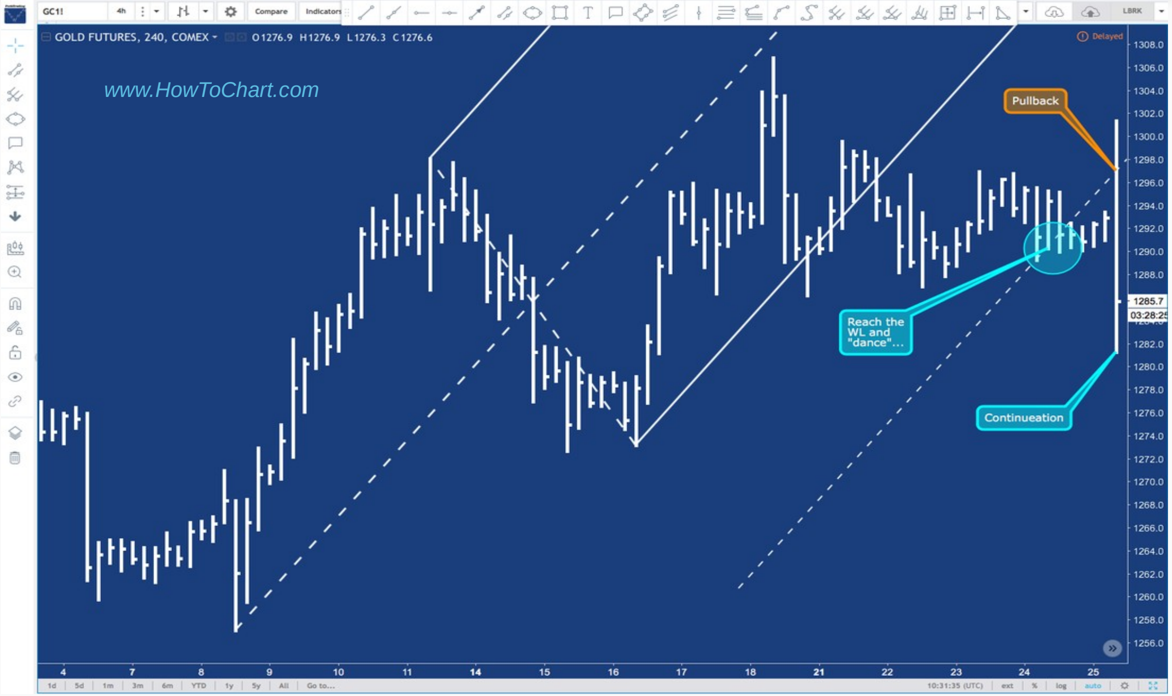


# Rule Nr. 6 - Warning Lines (WL)

If price trades through one of the H's (Parallel Lines = L-MLH / U-MLH), then the chances are high that (...after a potential test/retest) it will proceed to the next Warning Line (WL).

If price is reaching the WL, it "dances" on it, trade through it and revisit the line from the opposite side, before continue to trade in the previous direction again.



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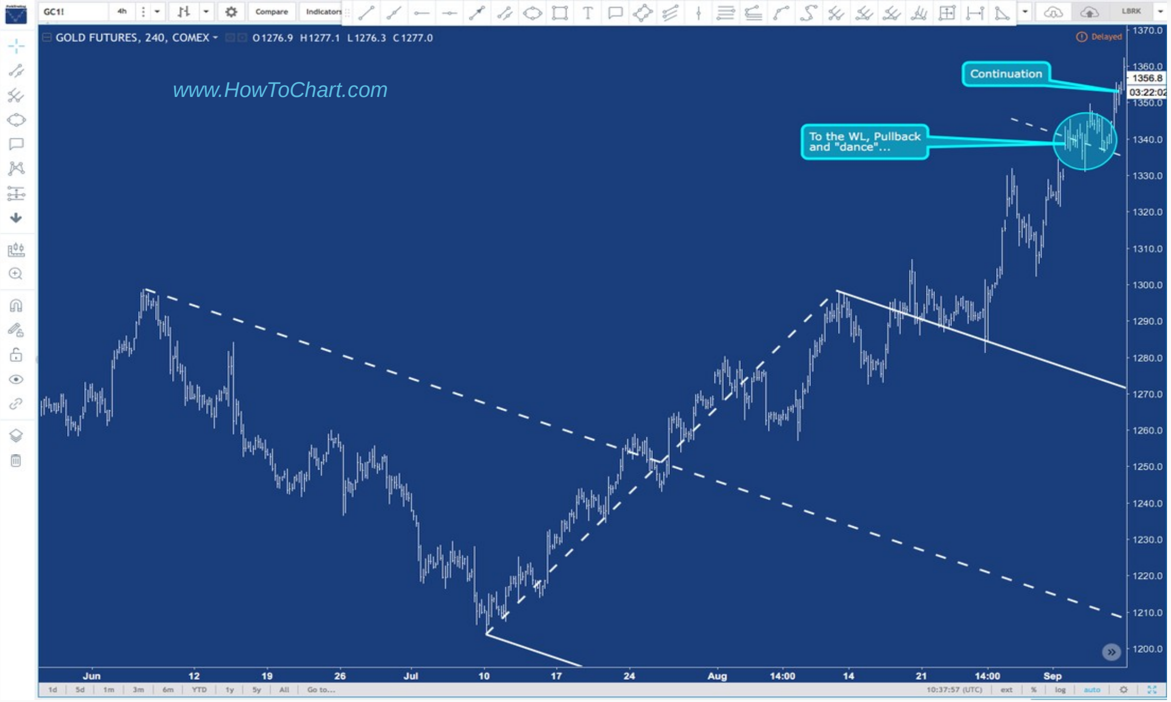
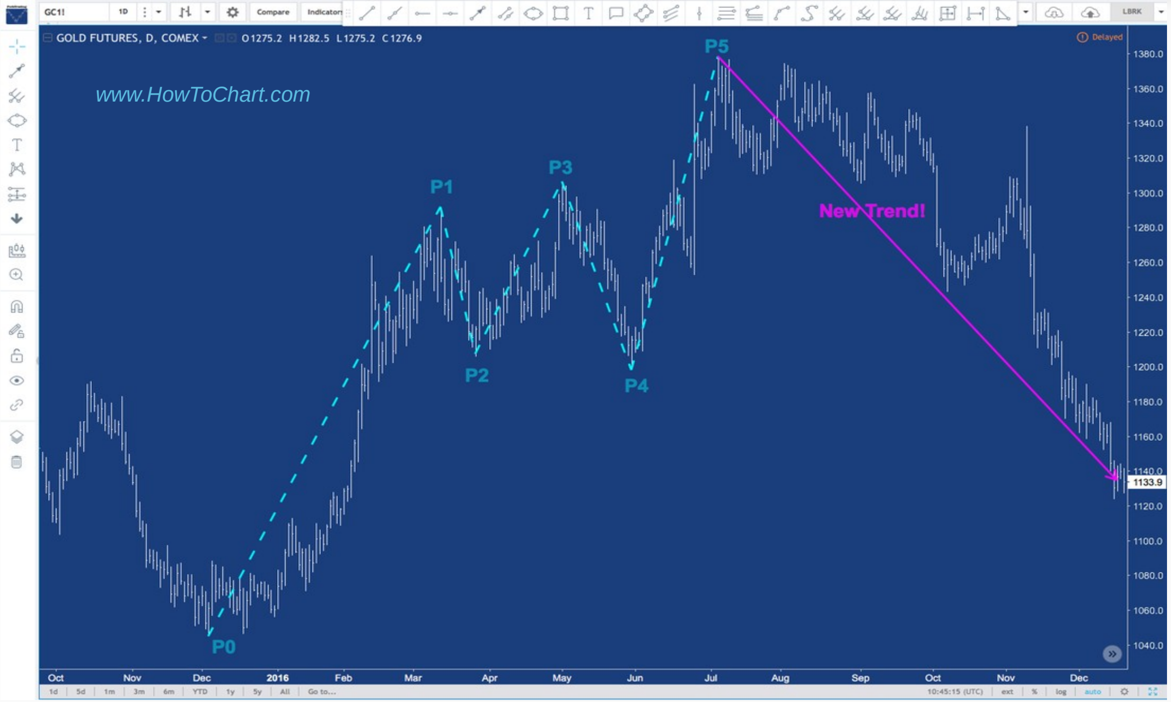


# Rule Nr. 7 - The 5-Pivot reversal

At Pivot 5 (P5) chances are high that the market turns around and starts a new trend in the opposite direction!

<u>Side note:</u>
I tweaked this rule for me for higher success:

A new trend is established, when (at least) the last pivot/swing/pendulum-swing is broken.



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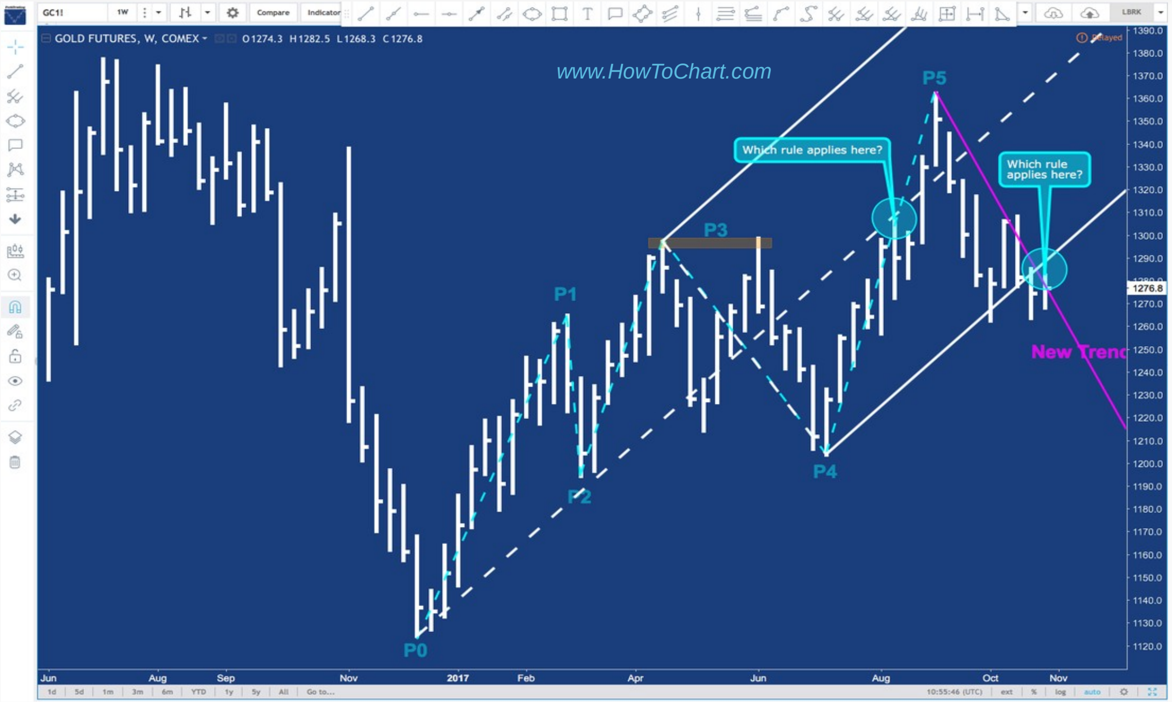

# Ho do you like it so far?
# Do you want more?

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Congratulations, you made it through the whole ForkTrading-Blueprint.

What’s next?

Just follow me on TradingView.com, YouTube and X, where I will talk more about Trades, Setups and the Forks of course.

I would love your feedback!

Emilio