Nirvana's CHART PATTERN Recognition Module Profitable Trades Jump Off the Chart! **Patterns Custom Patterns** Chart Pattern Strategies Chart Pattern Profit Analyzer **PLUS: NEW Chart Pattern** Seminar by Ed Downs **PatternScans** Across the Entire Market

CPRM5: Chart Patterns Unleashed!



Ed Downs CEO and Founder, Nirvana Systems, Inc.

I am thrilled to introduce our latest and most advanced pattern recognition add-on for OmniTrader and VisualTrader—Chart Pattern Recognition Module 5.

In 2004, we released the groundbreaking CPRM technology and it is our most popular add-on for good reason: Chart Patterns are the best way to measure the psychology of any market. Since its original release, we have advanced the technology with numerous improvements that you will read about in this mailer.

I am especially excited about CPRM5. We now have the best of both worlds—Chart Patterns AND Chart Pattern Systems, integrated into one great package. CPRM5 is the most powerful, most complete Chart Pattern Recognition package available—period.

The Best of Both Worlds

For CPRM5, we focused on creating both kinds of Technical Analysis *events*—Signals AND Patterns, which work extremely well together.

CPRM5 is designed to find and display patterns in your charts, whereas CPS5 Systems use patterns to find prime trading opportunities. Now you can get a great Signal from CPS5 and confirm it with additional patterns firing around the Signal, making it easier than ever before to find and trade the most profitable opportunities.

With CPRM5 and CPS5, you automatically get accurate Chart Pattern Signals in your Focus List AND see the best Patterns in your charts as "confirming" information. It's the best of both worlds!



Find the Patterns YOU Want to See

Using the improved Chart Pattern Profit Analyzer, you can easily see which patterns are the most profitable and select those you want displayed in your charts—see page 10.

We have also added a new feature called **Custom Patterns.** There are times when you may want to see a very specific pattern, like very steep *trend lines* or very *wide saucers*. Now you can, with the NEW Custom Patterns tool. See page 11 for details!

Get A Great Education on Patterns

I just completed my new Chart Pattern seminar, *The Most Accurate Chart Patterns and How to Use Them* for Omni Trader University. In the course, I show you how to identify and trade the most accurate patterns based on our CPRM technology. As an added bonus, you will receive this powerful new seminar when you order by the deadline.

AND Get PatternScans—FREE!

Our servers scan the market every day to find key patterns, and deliver them through OmniScan. These scan lists help you find great opportunities, and you don't have to run the Strategies. Just update OmniScan, and they are there! This service normally costs \$49 a month, but we will include it FREE for 1 year with your CPRM5 purchase.

CPRM5 is sure to make a huge difference in your trading, and it's an enormous value. We've pulled out all the stops to make it the most powerful and complete Chart Pattern package in the world. Prepare to be amazed at the *moves* CPRM5 identifies before they happen. This is what Technical Analysis is all about.

Sincerely,

Ed Downs CEO and Founder, Nirvana Systems, Inc.

The Most Powerful Pattern Recognition In the World just got better!

It has often been said that a picture is worth a thousand words. It may in fact be worth thousands of **dollars**.

Our CPRM technology includes many innovations not found anywhere else, including Pattern Strength, Pattern Indicators in the Focus List and the Pattern Tutor, to name a few.

This powerful add-on for OmniTrader and VisualTrader generates over 200 patterns, like the Head & Shoulders shown in this example—a key pattern that is typically over 75% accurate!

CPRM5 raises the bar again! CPRM5 enables you to find and identify the patterns you want to see, each and every day, through four new innovations: the Chart Pattern Profit Analyzer, Custom Patterns, CPS5, and PatternScans.

Get the Patterns You Want – Now!

Chart Pattern Profit Analyzer

For CPRM5, we have improved the Chart Pattern Profit Analyzer to function as both a report and a selection mechanism. Now you can identify the most profitable patterns by sorting on "Hit Rate" or other statistics, and then select them in the interface.

NEW Custom Patterns

CPRM5 will identify extremely accurate patterns in your charts automatically. And now you can create your own Custom Patterns right in the interface and see them form instantly in the charts. For those who want specific trend lines, consolidations, or any other pattern identified, this feature is priceless!



CPRM5 automatically recognizes over 200 individual patterns.

NEW CPS5 Systems and Strategies

Chart Pattern Systems work hand-in-glove with the Chart Pattern Profit Analyzer. Activate the new CPS5 Strategies and let OmniTrader or VisualTrader generate Buy and Sell Signals on the symbols in your list.

PatternScans Included

For a limited time, we are including our server-based PatternScans FREE with CPRM5, if you order by the deadline. See page 14 for details!

UNLEASHED:
Advanced Pattern Recognition p4
NEW Chart Pattern Profit Analyzer p10
NEW Custom Patternsp11
NEW Systems & Strategies p12
PatternScans Included p14

CPRM5 Recognizes All These **Important Chart Patterns**

After studying the market for over 25 years, I have come to the conclusion that patterns are important for confirming technical signals. I discuss these patterns in my book, *The 7 Chart Patterns that Consistently Make Money*. Each pattern identifies and takes advantage of a specific psychology in the market. CPRM5 not only identifies those 7 patterns but also 8 other key patterns that can be very profitable.



price approaches a Support level, buyers increase. Because there are more buyers than sellers, price "bounces" off the Support level. Sometimes, however, price will "drop" through a clear Support level. A steep decline occurs as more sellers dump their holdings.



Trend Lines are essentially sloped Support or Resistance zones. Trend Line Breaks offer powerful confirmation of a move, especially if the line is well-

formed and obvious to the market. Similarly, as price approaches a valid Trend Line and reverses, the market sees the reversal and reacts to it, fueling the move in the direction of the reversal.



Saucer Patterns are fairly rare, but show us a smooth transition in price from down to up. Market participants see the smooth change in trend and begin buying

in anticipation of a follow-through. Again, a self-fulfilling behavior.



Fibonacci Retracements demonstrate an interesting aspect of human psychology. As markets retrace 38%, 50% or 62% of a prior move, buying or selling will come in

as the participants anticipate a reversal.



Consolidations are very powerful and predictive patterns. When a tight range forms, AFTER a significant move up or down, we look for a break out of the

range as a highly confirmed sign that a continuation move will occur.



In 2012, Target fired several bullish patterns as it rallied from January lows, including a Trend Line Break in February and a Saucer in May.



Volume Climax is another interesting phenomenon that I discovered several years ago. As price reaches a low (or high) point, volume can pick up. If at a low, this occurs because more sellers are "giving up" and selling.

As price starts to reverse, there are few sellers, so it takes very little pressure to rally the stock.



Price Gaps indicate sudden changes in supply or demand. If there is good news, for example, a lot of buyers (or sellers, if the news is bad) will enter orders during the overnight session. When that happens, a price gap forms. These

imbalances in supply or demand are indicative of internal pressure and further price movement.



Candle Patterns are identified with strength values assigned based on performance. It is uncanny how often bullish or bearish Candle Patterns lead to a reinforced move in the market.

Examples of these patterns can be seen in this brochure. CPRM5 offers a comprehensive, accurate package for identifying the important psychological Chart Patterns.

and the Most POWERFUL Patterns Come Alive in Your Charts





Double Tops & Bottoms appear fairly often in charts. While Support and Resistance levels are useful, Double Tops & Bottoms identify bounces off recent highs and lows, providing excellent

trading opportunities. This is a great short term trading pattern, taking advantage of clearly identified Support and Resistance.



Triple Tops & Bottoms Even though these patterns appear rarely, when they do they are quite powerful. Typically, when a Support or Resistance level is touched multiple times, the

market will react to it. That's when YOU want to consider taking action—ahead of the crowd.



Cup & Handle Pattern The Saucer tells us that an increase in demand has occurred, and the Consolidation provides a classic and powerful continuation pattern. The breakouts from the

handle are usually very strong indications of continued upside movement.



Scallop Patterns are small Saucers that form in the middle of advancing/declining price. This pattern is related to the Cup and Handle pattern, except the pattern signal occurs on the right-hand

formation of the Saucer. It is quite accurate, indicating a confirmation of upward pressure.



Head & Shoulders This classic pattern goes back to the first books ever written about Technical Analysis. A Head & Shoulders is formed by two lows that form a *neck line* on either side of a

highest-high move. When the line is broken, that is usually a great place to go Short. Moves like the one shown in the capture to the right are not uncommon.



(Trading) Ranges are Consolidations, formed by a wider range. When a Range forms, price does not remain long at the trend line forming either boundary. Most often, price will bounce off the

boundary forming a Range Bounce Signal.



Channels are narrow ranges of price motion. When a break of a channel occurs, price often moves quickly and decisively away from the formation, as shown in the example to the right.



For Double Tops & Bottoms we post 3 pattern signals: early, intermediate, and highly confirmed.



ABT shows a normal Head & Shoulders and an inverted Head & Shoulders pattern.



A Channel forms on WAG for a profitable move.

It's the STRENGTH That Counts!

How We Solved the Chart Pattern Recognition Problem

It's actually not that difficult to just "find patterns." The HARD part is finding the good ones. When we created the Chart Pattern Recognition Module, we took a different approach that truly does "separate the wheat from the chaff." Here's how we did it.

Finding the Patterns: First, we painstakingly wrote code to recognize each of the Chart Patterns that I teach in my seminars, including the seven in my book—Gaps, Support/Resistance, Saucers, Fibonacci Retracements, Volume Climax, Consolidations, and Trend Lines, plus Candles.

Measuring the Patterns: We characterized each pattern according to visible criteria such as Trend Line touches, angle and so on, similar to what Thomas Bulkowski did in his book, *Trading Classic Chart Patterns* (except that our factors are different).

Ranking the Patterns: We then found all patterns in the stock market over 20 YEARS of market data. For each pattern variation (such as, a Lower Trend Line with 3 touches and a slope of 20 degrees) we saved off accuracy and profitability statistics in a patterns database.

From this information, we were able to define strength ratings from 1 to 5. The "1" rating shows ALL patterns while a "5" rating shows the best patterns according to profitability. Each pattern has its own strength rating factors that are user-adjustable.

The result is an automatic ranking system that allows us to only show the BEST patterns (or ALL patterns if we want more general confirmation). An example of patterns at different strengths is shown at the right. You can see that, at Strength 5, virtually all the patterns were profitable. The pattern strength rating system separates the most profitable patterns from the mediocre ones and is totally unique to CPRM5.









Finds ALL examples of any pattern, INSTANTLY!

The Pattern Tutor lets you find patterns that are similar to a pattern you see in a chart. CPRM5 has the ability to target specific patterns by name, such as "Symmetrical Triangles" or "Trend Line Breaks with 4 Touches of the Line".

This classification in CPRM5 makes it easy to identify these patterns. Just activate the Pattern Tutor, click the drop-down box, and select one. <u>Instantly, you will see every example of that pattern across all symbols in your Focus List</u>. Click through the list to see the individual examples.

CPRM5 identifies over 200 unique patterns. Using the Pattern Tutor, you will quickly learn about all these powerful patterns and how to use them in your trading. It's like having a "Pattern Assistant" right inside your OmniTrader or VisualTrader program.

The Pattern Tutor greatly enhances the Chart Pattern Recognition capability of CPRM5. Not only will you quickly discover how predictive specific patterns are, you will learn which ones predict the biggest moves, and hence the greatest profits.



CHART PATTERN Recogniti

The Most Powerful Chart Patte

Powerful and Easy to Use

This page demonstrates the amazing firepower of the Chart Pattern Recognition Module. When the To Do List is run, CPRM5 automatically analyzes your Focus List to find all the patterns. From there, you simply review, confirm, and trade.

Focus List Columns

Columns in the Focus List include Pattern Direction (PD), Pattern Type (Pat), and Pattern Strength (Str). A green dot in the Pattern Direction column indicates a bullish pattern, and a red dot identifies a bearish pattern. The Pattern Type shows an abbreviation for the pattern, like "TLN" for Trend Line. The Strength is the apparent strength of the pattern, based on the patterns database.

Just bring up the confirmed charts and examine the opportunities. You are so much further ahead by knowing which signals are confirmed by a powerful Chart Pattern.

"The Pattern Recognition is awesome! It shows patterns that I would never have seen without it. I am amazed how it is able to identify so many different patterns and how easy it is to see and use them." - Gary Rickle



This screen shot shows Chart Pattern Recognition Module 5 in action. The strength level has been set to "5" to only show the most powerful patterns.

on Module 5



ern Recognition on the Planet!



hill to tale to transfer to the construction of the transfer to the construction of th

30

25

7.7 M

Dynamic Strength Rating

As you click a Strength Rating on the Patterns toolbar, the Focus List will automatically adjust to only show patterns that have at least the designated strength. Only want the best patterns? Set your strength to "5" and sort the list on the Signal (Sig) column.

Prospect From the Patterns to Get Even More Candidates

Another great way to use CPRM5 is to sort on the Pattern Direction and Pattern Strength columns, and then bring up the charts that have strong patterns. Often, you will find a pattern-based trade that is so strong, it is worth taking on its own merit. CPRM5 is 100% automated, which makes it a breeze to use.



4.5 M

Select which patterns you want to see with the Pattern Selector.

New in CPRM5 Chart Pattern Profit Analyzer

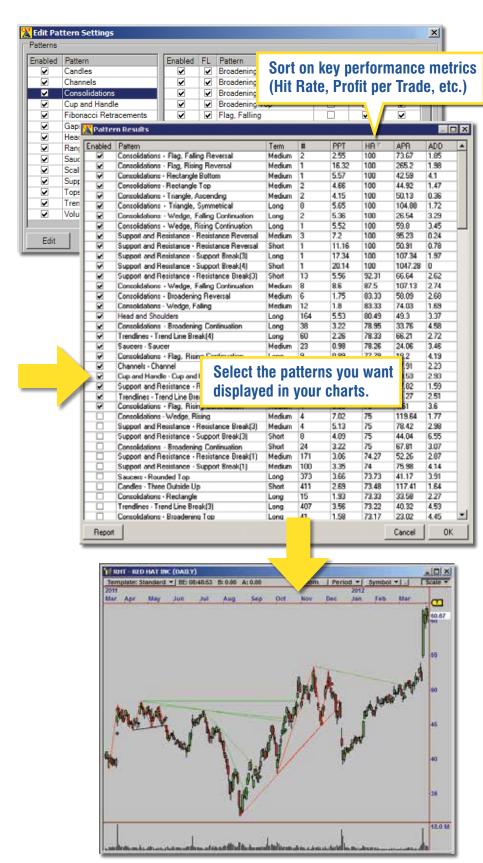
Identify & Select the Best Patterns in Seconds!

One of the truly great things about CPRM5 is its automation. You can plug the module into OmniTrader or VisualTrader and it instantly generates patterns in your charts. And you can also select patterns to use based on their performance, which is a tremendous benefit.

CPRM5 comes with a powerful tool called the **Chart Pattern Profit Analyzer**, improved for Version 5. It enables you to instantly determine which patterns are the most effective on your list.

With the improved Chart Pattern Profit Analyzer, you can use key performance metrics like Hit Rate or Profit per Trade to identify those patterns you want to use on your list—just check them on the left and only those patterns will be displayed.

You can also get printed reports showing the same information. This new feature makes it very easy to find and activate patterns that have the right combination of Accuracy, Profit per Trade, and Number of Occurrences in your list.



Quickly define specific patterns you want in your charts.

Chart Pattern Customization

Patterns in Control of the Control o

Custom Patterns

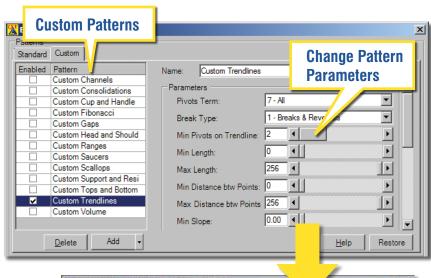
CPRM5 also comes with the ability to create **CUSTOM Patterns**. The interface is shown to the right.

There are many ways to use Custom Patterns. You may see a pattern that CPRM5 did not identify using standard settings, and you'd like to create a custom pattern so it is recognized in the future.

Or, you may observe (or have a theory) that a specific pattern, like a Trend Line spanning months of data, could be a really great confirming pattern.

Just add the pattern and move the sliders. INSTANTLY, you will see feedback from what you are doing in the displayed chart.

In just a few minutes, you can get the exact pattern you want, enable it, AND get performance reports for it. It's the ultimate Chart Pattern Customization feature, putting YOU in control and giving YOU the best possible view of the market.





Creating Custom Patterns is easy in CPRM5.

The Most Accurate Chart Patterns and How to Use Them

created for Omni
Trader University,
Ed Downs teaches how to use
CPRM to identify the most
accurate chart patterns. Ed

also reviews the structure for each pattern to find the best entry point, and shows how to manage pattern trades using information in the chart. This seminar will open your eyes to the amazing opportunities provided every day through the power of Chart Patterns and CPRM5! Regularly \$295—it's included FREE with CPRM5 for a limited time.

CPS5 Systems & Strategies A Pattern Prospecting Dynamo



CPS5 Chart Pattern Strategies turn OmniTrader into a Pattern Prospecting Dynamo.

We're pleased to announce that we are including Chart Patterns Systems with CPRM5 to make prospecting for great trades easier than ever before.

CPRM5 does a great job of displaying patterns in your charts. With CPS5, we've taken all the patterns in CPRM5 and created Systems out of them! Chart Pattern Systems allows you to use Chart Patterns in Strategies, which has many benefits.

You can use these new Trading Systems to generate Alerts in Real Time, confirm Signals in other Strategies, and of course, to create new Strategies. The good news is we've done it all for you!

We used the improved Chart Pattern Profit Analyzer in CPRM5 to find the best Patterns for trading the general market, and then created new Strategies based on them. This new Strategy collection is called CPS5, and is specifically designed to identify the best opportunities in your List, using the patterns in CPRM5 to generate Buy and Sell Signals.

The Strategies can be used to prospect for new opportunities in the market, and can also be modified to add Filters, Trade Plans, and other Strategy components.



CPRM5 and CPS5 work together to identify the best possible opportunities.

Use the CPS5 Chart Pattern Strategies to find great candidates in today's market. Then let CPRM5 show additional high-strength patterns that are occurring in your charts, as shown in the example to the right on LVS.

With Signals from CPS5, confirmed by specific Chart Patterns in CPRM5, you will easily be able to see which Signals have the greatest potential based on multiple events firing in your charts.



The Best of Both Worlds

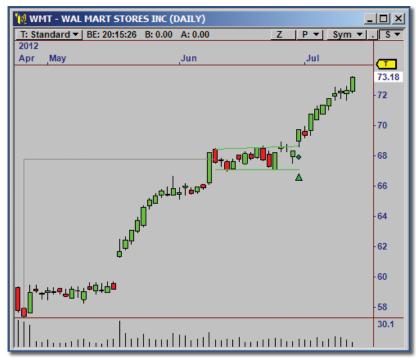
To the right is an example of how CPRM5 and CPS5 work together to identify great trades. Using the Chart Pattern Profit Analyzer, we discovered that Broadening Consolidations are one of the most accurate patterns.

The CPS5 Consolidation Strategy fired a Long Signal on WMT on June 29, 2012. Note that CPRM5 also detected a Breakaway Gap. The stock moved 5% in 9 days.

The CPS5 Strategies find Signals like this every day. We are very pleased to include these powerful Chart Pattern Strategies at no additional cost when you purchase CPRM5.



LVS generated a Broadening Top Signal with a Breakaway Gap, followed by a Support Bounce 8 days later.



WMT Signals a Broadening Consolidation with a Breakaway Gap.



Automatically get the BEST Patterns Across the Entire Market Every Day!

Nirvana Systems has taken the powerful technology behind our pattern recognition tools and developed a service that is unmatched in the industry. PatternScans, delivered through OmniScan, gives you immediate access to the best chart pattern candidates over the ENTIRE MARKET!

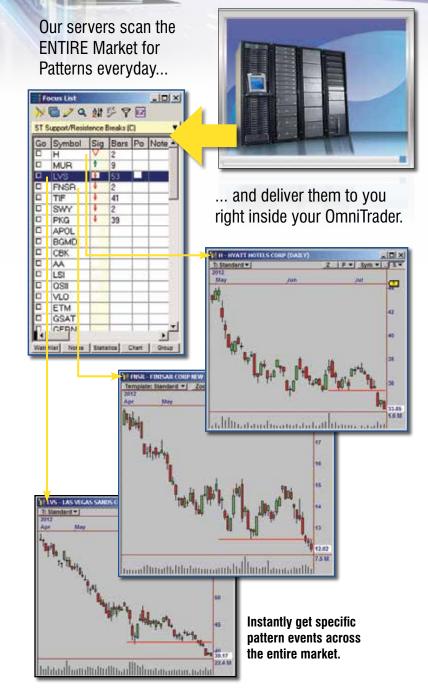
Shortly after the daily session closes, our servers power through mountains of data to identify the stocks that are poised to move based off a major pattern event.

An email notification is sent to you to let you know that the scans are ready for you to review. You can apply any of your favorite trading strategies to the PatternScan list, or simply look through the candidates to see which opportunities you want to take advantage of.

To the right is a recent example of Support/Resistance breaks delivered by PatternScans. No other scanning service provides you with the quality candidates that you will receive from PatternScans.

Get PatternScans FREE with CPRM5!

When you purchase CPRM5 before the deadline, you will automatically be subscribed to this premium service for one year at no extra cost! Order CPRM5 today, fire up PatternScans, and see why many successful traders rely on PatternScans for great trading candidates each day.





7000 N. MoPac, Suite 425 Austin, Texas 78731 USA Toll Free 1. 800. 880. 0338 PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE
PAID
AUSTIN, TX
PERMIT #1546

