

MARKETS

INDICES

TRADING

FINANCIALS

shares

stocks

# Checklist for Trading Options

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# 1. Chart Patterns

- Scan the major markets(DIA, QQQQ, etc) for DT or DB price patterns.
- Remember to look for “M” price pattern at tops and “W” patterns at bottoms.
- If you see the price DT or DB, then look at the MACD to see where the second bottom is on the indicator.
- Is it strongly diverging from the price?

## 2. Tag for Later Review

- These patterns can exist on the daily, weekly or monthly charts.
- If you see exactly what you want, then tag the chart into a special group or just write it on paper to review at the end of this checklist

## 3. Monthly, Weekly, Daily in Sync

- If you see the DT or DB price pattern you need, then note the time frame of the chart(D,W or M).
- If it is a daily divergence, for instance, then look at your weekly chart and even the monthly chart to be sure that neither is strongly leading your stock the opposite way from your divergence..

### 3. Monthly, Weekly, Daily in Sync Cont'd

- If the weekly is at least flat on the MACD fast line, then you can feel confident that your move will take place as you expected

## 4. Continued-Inter-market Check

- Have you seen the patterns you need on a stock or index that is related to a commodity such as Gold, Oil, Silver, etc?
- If so, you should also be looking for these same divergences, on the same time frame chart, on the underlying commodity futures charts