

Andrew's PITCHFORKS

by Mary McAfee

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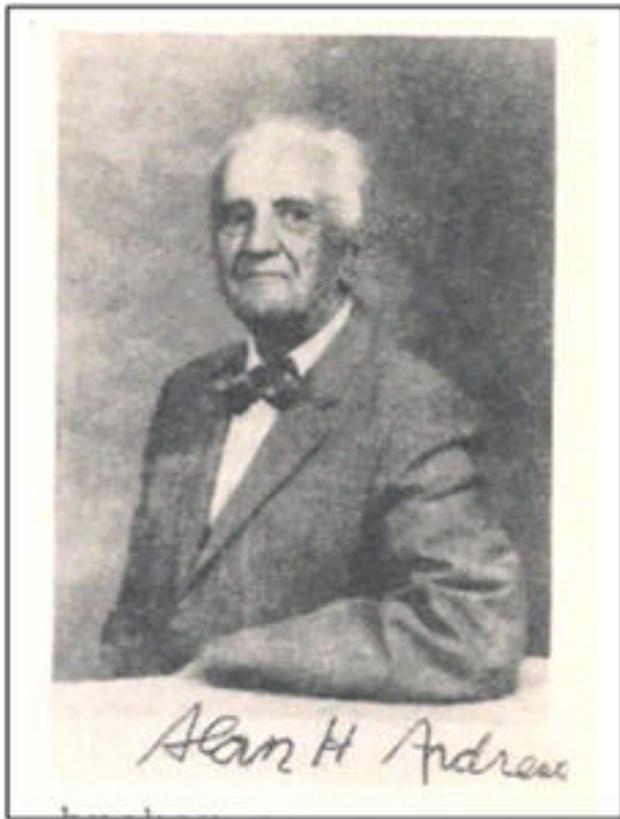
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What is a pitchfork?
(also known as "median lines")





Dr. Alan Andrews developed a technical market analysis tool called the Median Line and taught the method in the 1960's and 1970's.

Dr. Andrews stated in his Action-Reaction course:

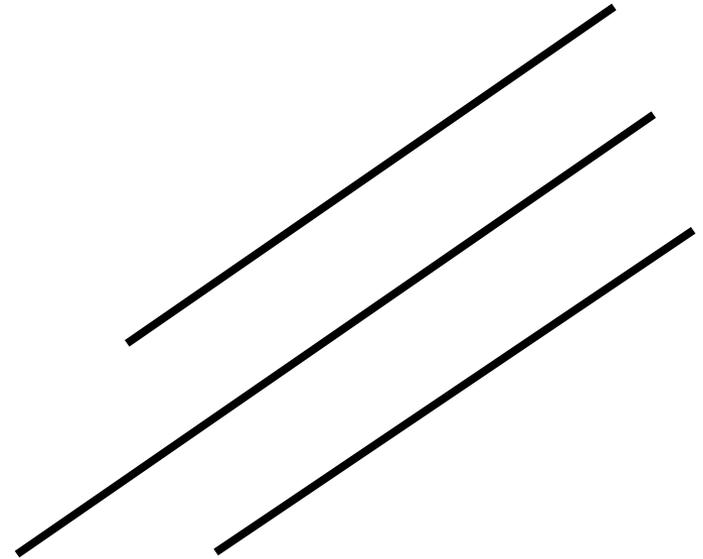
“...drawing a single line will enable the user to be one of the few who can tell:

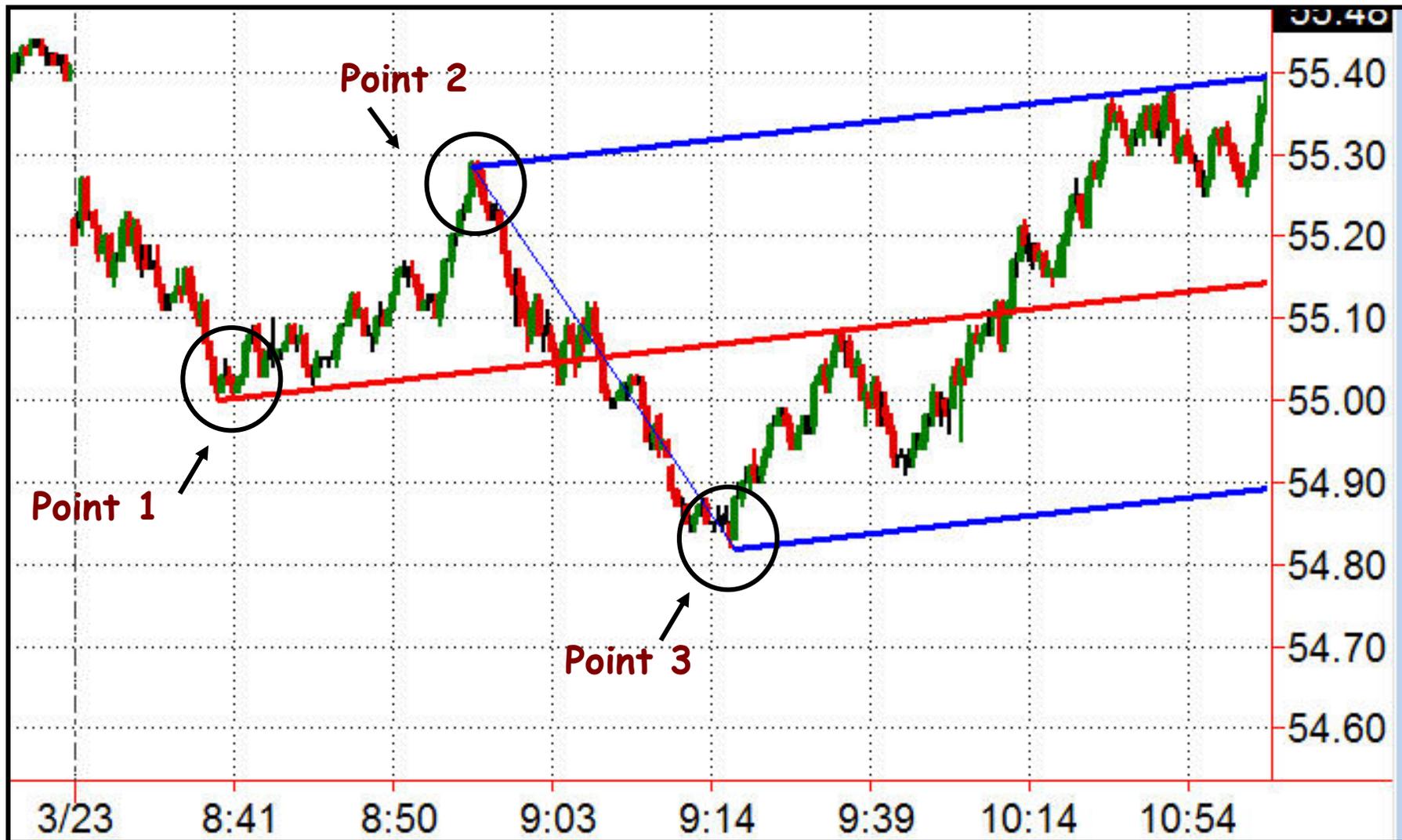
- ***where the prices are headed,***
- ***the place they will reach about 80% of the time, and***
- ***when, approximately, that place will be reached.”***

The slope of alternate Median Lines of comparable length indicate the trend.

A pitchfork is a leading indicator that uses three parallel trendlines to identify possible levels of support and resistance.

The trendlines are created by clicking on 1 pivot at the **end of a previous trend (point 1), then clicking on a succeeding **higher pivot (point 2)** and then clicking on a **lower pivot (point 3)**.**





There is a high probability that. . .

- 1. Prices will reach the latest Median Line.**
- 2. Prices will either reverse on meeting the Median Line or gap through it.**
- 3. When prices pass through the Median Line, they will pull back to it.**
- 4. When prices reverse before reaching the ML, leaving a "space", they will move further in the opposite direction than when prices were rising toward the ML.**
- 5. Prices reverse at any ML or extension of a prior ML.**

Andrew's Pitchforks are superior to the Moving Average Method of recognizing trends because there is less "whipsaw" and closer positions are possible to the bottom and top pivots.

One reason for this is there is a probability that when prices pass through the bisecting lines, they will return to it before continued movement in the newly indicated direction. (Rule #7 - Penetration Rule)

“The pitchfork shows greater potential than trend lines because of its Fibonacci relationship with its median line.”

“Thus, they delineate, more often than not, not only the degree of expanded volatility, but also the timing of the breakout bursting out of the narrowing range.”

Rules Applying Mathematical Probability To Profit Using Pitchforks

Rule 1

Where price is always headed, rules.

Price is always headed toward the newest Median Line.

Rule 2

The rule of coming opposites applies all through life.

Rule 3

“Turn your mind about.” Mentally prepare yourself for the upcoming reversal in prices.

Think to yourself – “Price is skyrocketing upward. If price pivots here today at this price, I’ll draw a new Median Line bisecting the distance between today’s price and the price from when the rise started. If this is a Major Pivot, price should fall rapidly to this new Median Line.”

Rule 4

Rule for anticipating major Pivots.

If after a decline you can count 4 previous Pivots, the fifth one is highly probable to be the one from which a new trend starts.

Rule 5

Rule for easily detecting the major Pivot.

Watch for the Expanding Pivot, the Inverted Expanding Pivot and the Skewed Expanding Pivot formations.

Rule 6

Price tends to reverse at or near any Median Line or any extension of each Median Line.

Rule 7

The Penetration Rule is whenever price gaps past or plunges through any Median Line, there is a high probability that it will quickly return to it temporarily and then resume the trend it had before.

Rule 8

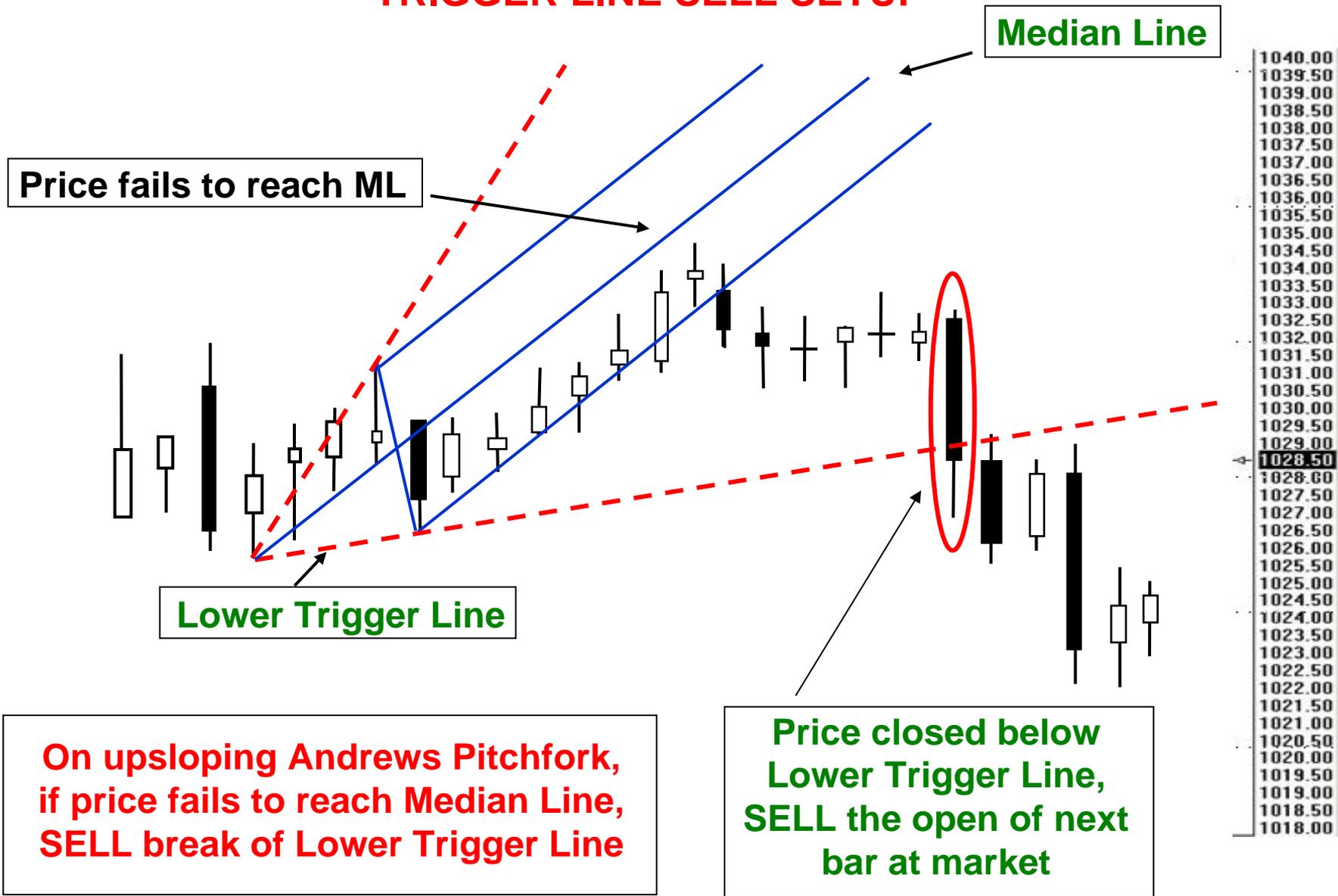
Price failure rule. When price fails to reach the Median Line as shown by a space between the Pivot of reversal and the Median Line, the probability is that this price reversal will go further than it did on its approach toward the Median Line.

Rule 9

The price failure rule is negated when the next price trend is also a failure in reaching the Median Line. This is almost always a signal (a shakeout) of a big move in the direction indicated by the last “space.”

Trigger Lines

TRIGGER LINE SELL SETUP



Price fails to reach ML

Median Line

Lower Trigger Line

On upsloping Andrews Pitchfork, if price fails to reach Median Line, SELL break of Lower Trigger Line

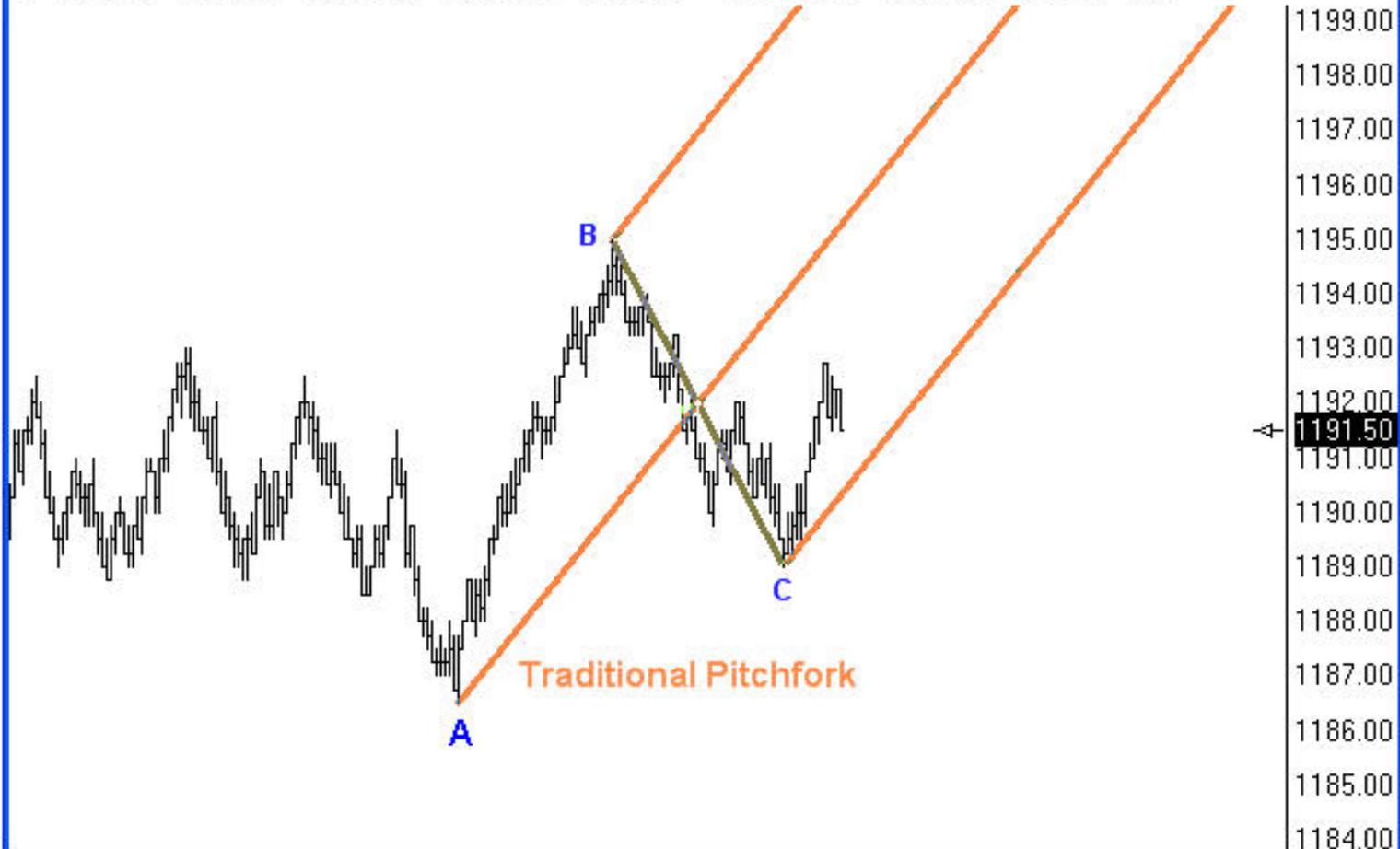
Price closed below Lower Trigger Line, SELL the open of next bar at market

Schiff Pitchfork

DEMO 360-Tick C: 1184.25 N: H: 1209.50 L: 1182.75 O: 1206.25 B: A: V:0 OI:0



15:20:01 C:1191.50 H:1192.25 L:1191.50 O:1192.25 V:360 I:360 S:1186.14 01-05-05 M:3



10:47

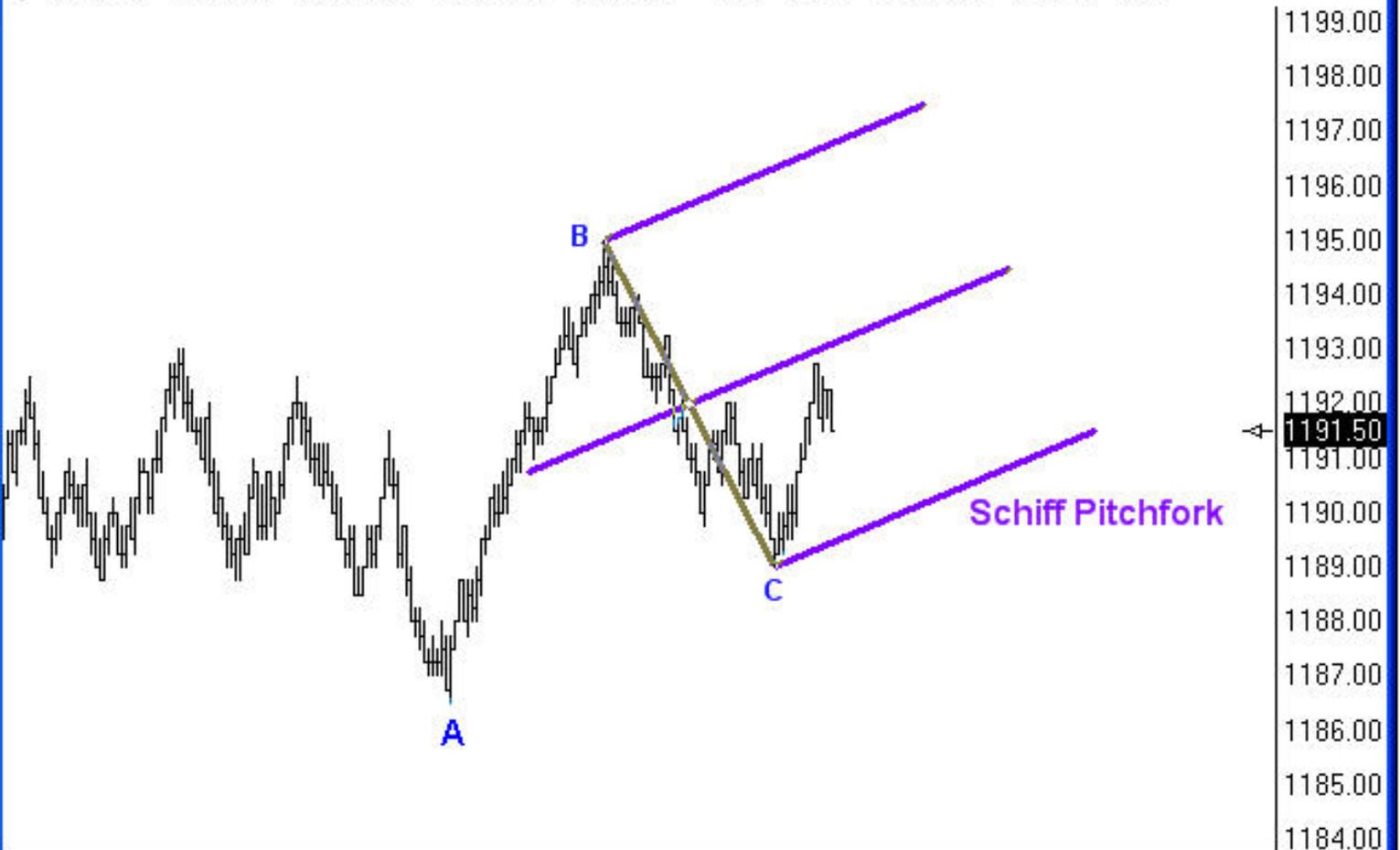
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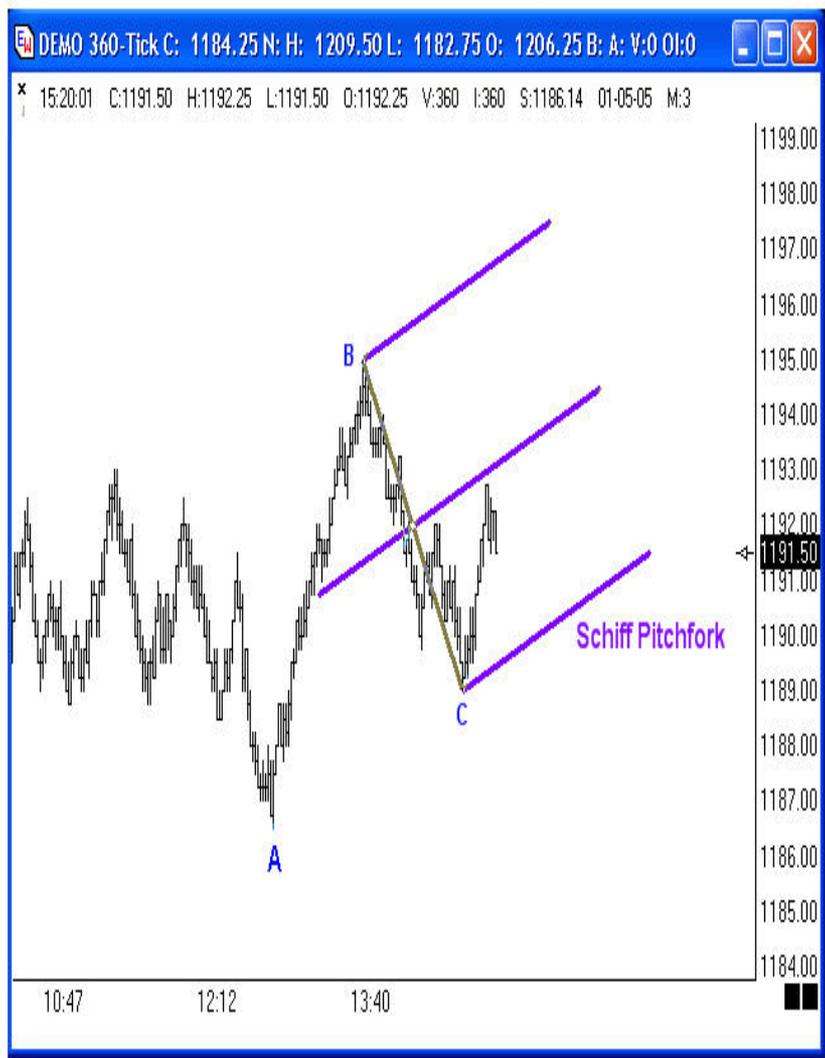
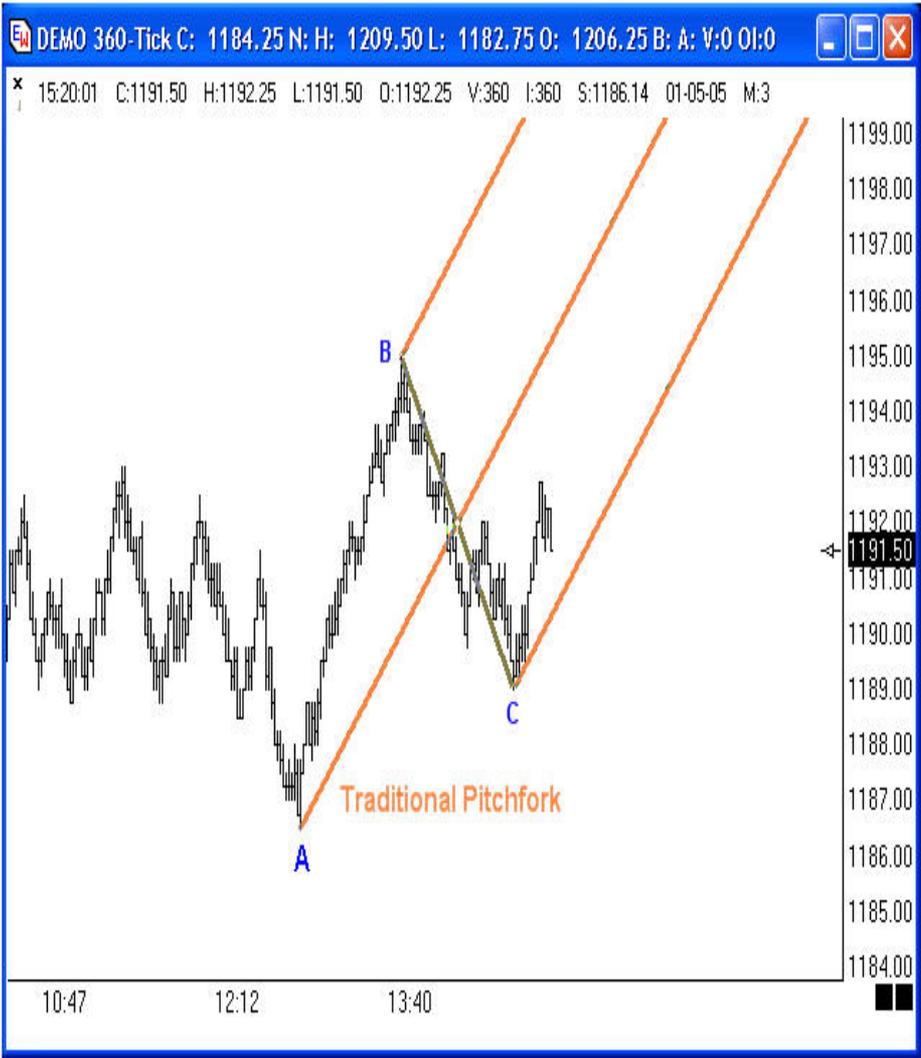


DEMO 360-Tick C: 1184.25 N: H: 1209.50 L: 1182.75 O: 1206.25 B: A: V:0 OI:0

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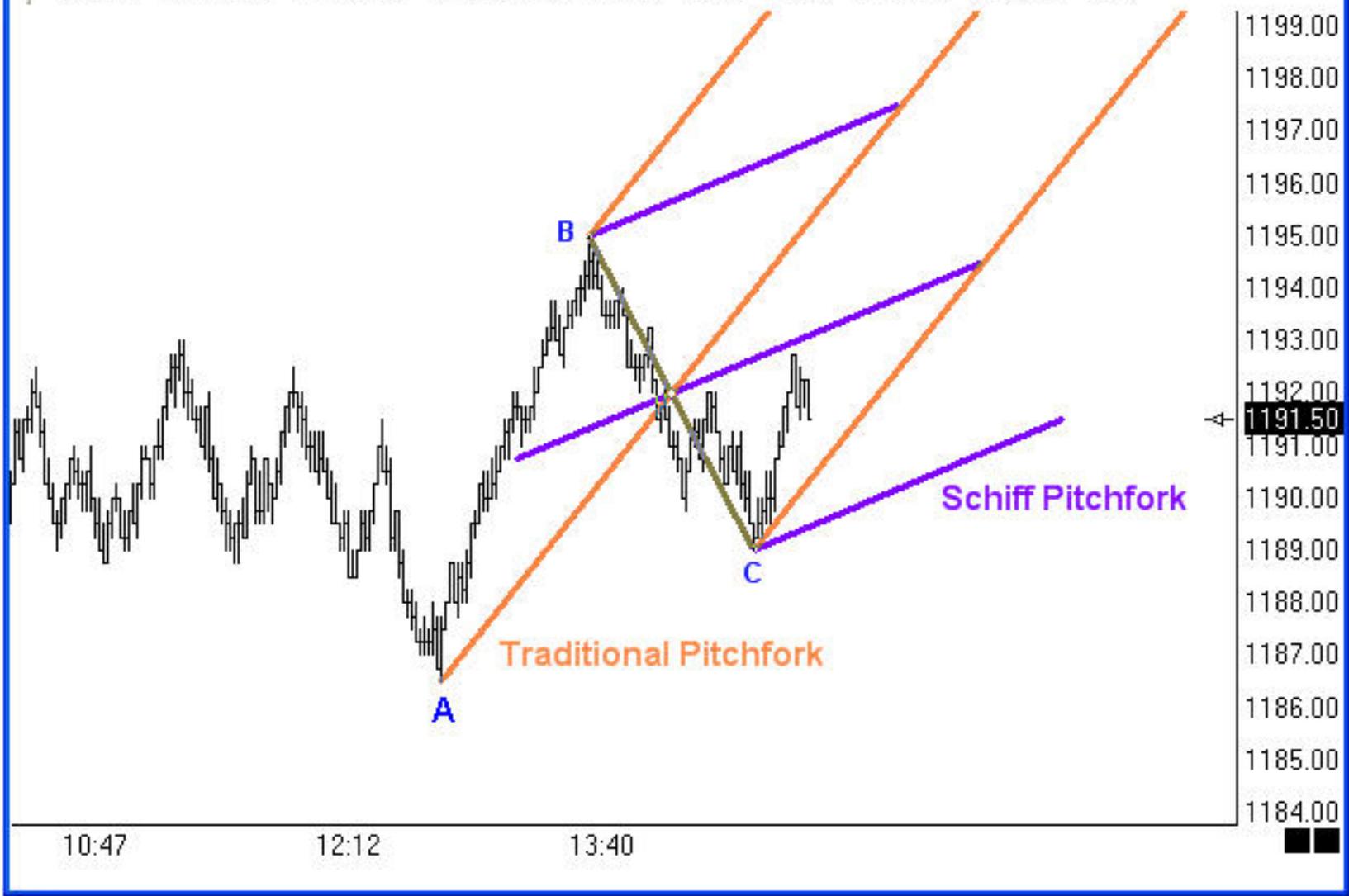


Schiff Pitchfork



DEMO 360-Tick C: 1184.25 N: H: 1209.50 L: 1182.75 O: 1206.25 B: A: V:0 OI:0

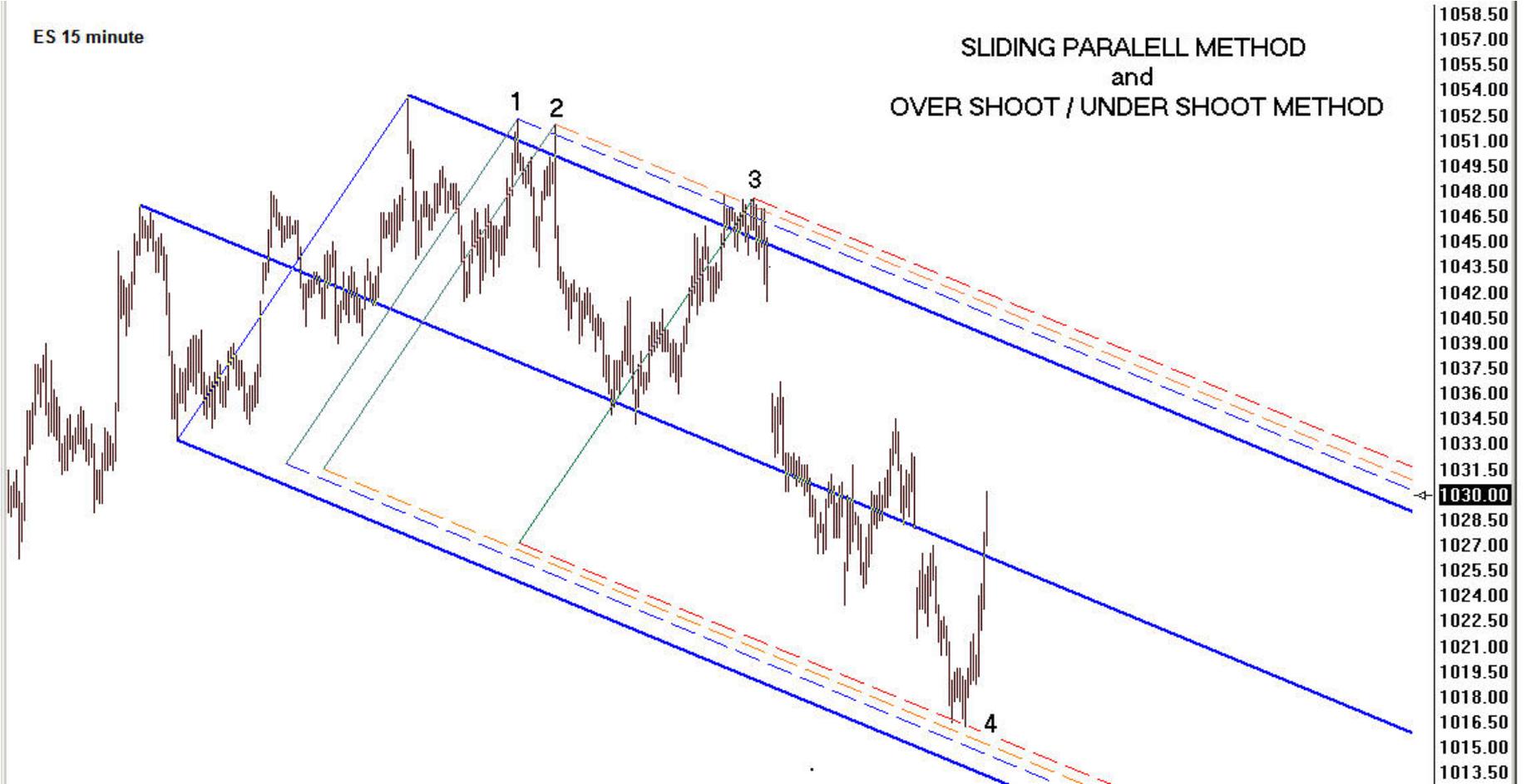
15:20:01 C:1191.50 H:1192.25 L:1191.50 O:1192.25 V:360 I:360 S:1186.14 01-05-05 M:3



*Sliding parallels and
warning lines*

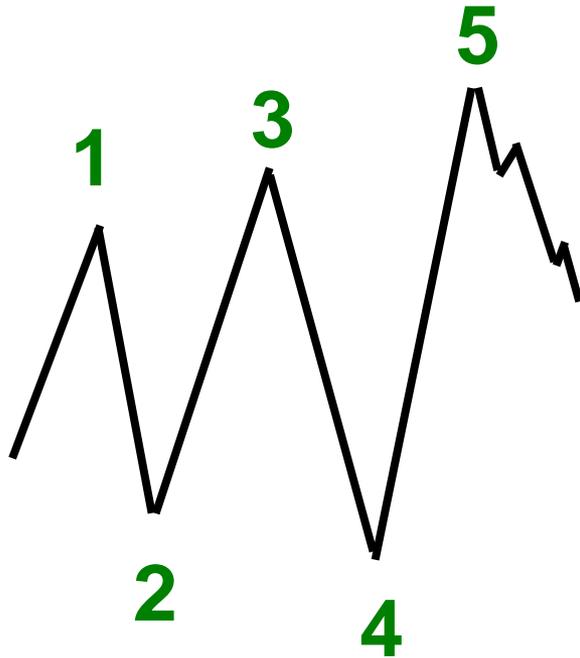
ES 15 minute

SLIDING PARALELL METHOD
and
OVER SHOOT / UNDER SHOOT METHOD

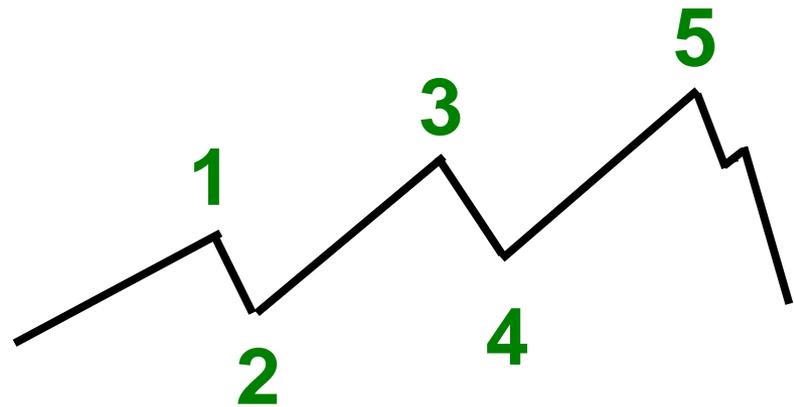


Expanding Pivots

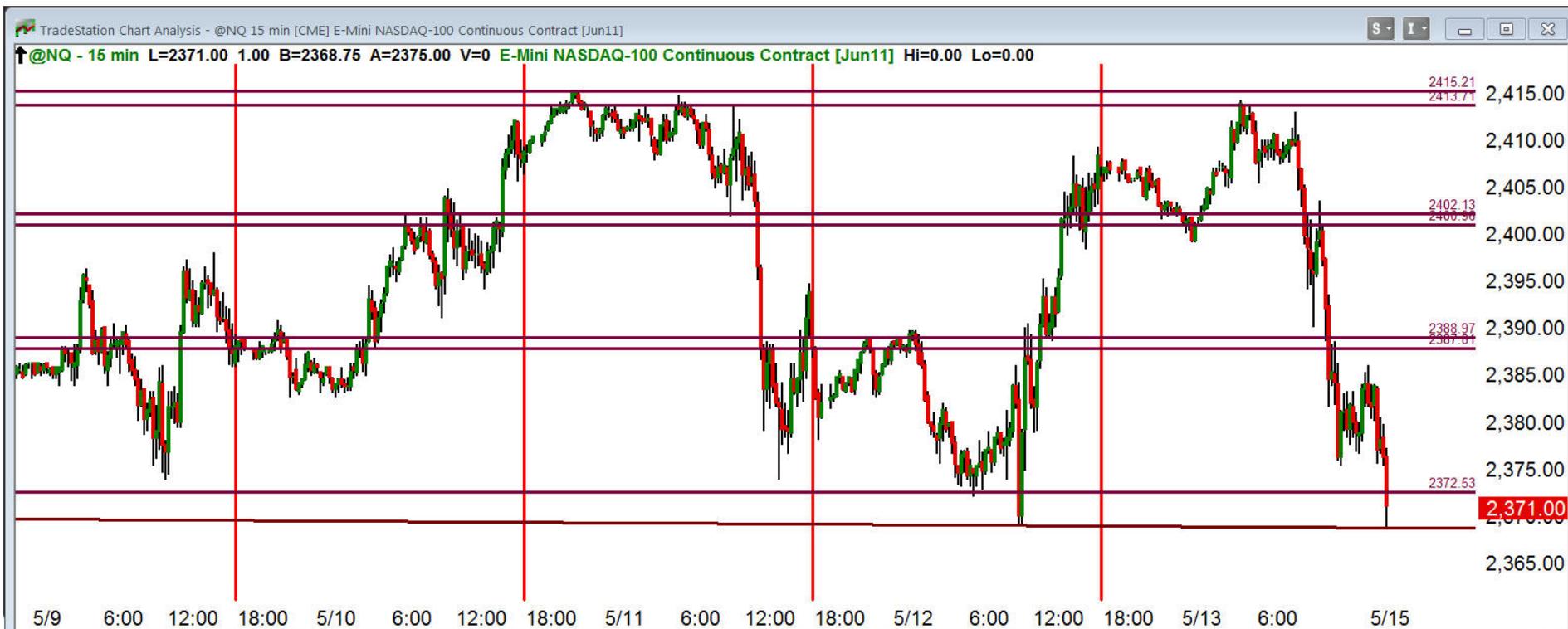
Expanding Pivots



Skewed Expanding Pivots



Horizontal Support/Resistance Ranges



Copy and paste these URLs:

1. When to Draw a new median line-Shane Blankenship

http://www.youtube.com/user/TimothyMorge#p/u/11/o-i8f_Uly-8

2. The Trend Continues or Change in Behavior?

<http://www.youtube.com/user/TimothyMorge#p/u/7/GUKiuKs2LwY>

Dissecting a Median Line

<http://www.youtube.com/watch?v=6snWsg0etpY>

Mountains? Does the trend hold?

<http://www.youtube.com/watch?v=GUKiuKs2LwY&NR=1>

13 videos to watch

<http://www.youtube.com/user/TimothyMorge#g/u>

DFW Options Group

*Where: Crystals Pizza in Irving
(southeast corner of
MacArthur and Airport Frwy)*

When: 4th Saturday of each month

Time: 8:30 a.m.

*Cost: \$11 to cover private room
and lunch*

RSVP: patmac2@earthlink.net