

FAQ OF MECHANICALTRADER.COM

Why did the market reverse? What was the mathematical cause? How do the big traders control this market? How do the big traders consistently make money in daytrading and overnight positions?

These were the questions I faced in 1997. I have answers that can be proven to all of them.

Why do I train people how to day trade?

I love to talk shop with those that have the same interest as I do...I am a pretty good corporate trainer and love to build software systems and the information technology that explains it. So, I will end up doing all this training stuff to train ME, why not do it for others and collect some dinero to pay confiscatory income taxes? Trading is rather boring if you do it by yourself...if you have a couple interesting conversations during the week that talk about what interests you, it makes life worth living (not counting the wife and boat and traveling, stuff like that is nice too).

What does it take to be a successful daytrader?

Discipline...some computer skills...lots of organization...and a methodology of how a market reverses that works every day..and can be back tested and found to work every day.

What makes you successful, when so many others have failed?

For the past 12 years I have not had too many distractions..didn't have a cat or a dog and I have successfully kept women at (more than) arms length during this development process! LOL!

Development has been largely completed since mid-2008, I have been waiting on software platforms to get their act together so the trading tools could be fine tuned and nearly automated. **NO! There is no automated Holy Grail..**you will have to sit there for a couple hours a day with mouse and Latte in hand and prepare to have fun with minimal stress.

My background was as a systems analyst using data management tools. My computer background and trading expertise is ENTIRELY self taught. I owe nobody nothing for what I know. What I teach is very focused, and it works every day, it's clear, concise (no bulky, complex manuals...I abhor paperwork btw).

Technically trading a market is nothing more than managing huge amounts of data and finding THE common causes of reversals. There are only two variables to technical trading - once you find WHY or HOW the market you are studying reverses direction.

Perseverance. Discipline...Hard Work (in the absence of not yet finding the answer)...and a non-existent social life (so I spend all my free time developing the answer). And yes, for all those "caring, concerned" people out there, my social life is doing fine since December 2007.

What is this One Minute Methodology thing?

All major reversals reverse on one of the 3 technical causes of reversals – this is taught in the *Fundamentals of Futures Trading* seminar. After completing that, you know how to read a chart and identify low risk trading opportunities. Next, you are faced with, "What do I do with this information?" Well, **DayRaider** is a turnkey solution..you just show up, follow the plan and trade – you will always protect your trading account equity and never be faced with how to daytrade the Mini Dow – you will have a plan that will provide low risk trade entries and you will understand every single major reversal that occurs and you will be able to profitably trade it. After a couple months you will see the more complex trades within the **One Minute Methodology**, but you can start out with the simple stuff on the first day and always make a nice profit every week.

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What are the “Mechanical Trades”?

I call these Kindergarten Trades or KT. After studying and backtesting the **One Minute Methodology** for a week or two...you have to complete homework in *Module II* of my training program. Several subscribers have done it perfectly, as good as I have done it (man, I'm a great teacher!). This stuff is not hard...a 6th grade math student would zoom through this stuff in an hour or two. The entire training is self paced – you can juggle it with your current work schedule or dive into it full time and figure it out in a week or less. None of this is hard. It does require you to look at things simply around a couple concepts – you want to trade as much as possible from a “black and white” perspective with very little 'gray' during your trading day. KT trades put you in that situation many times per week.

There are training videos and PDF's that show exactly the logic, how and why Kindergarten Trades are executed. Follow the training materials, replicate the trades during Paper Trading..then on the first day of Live Trading take the dang trade(s). Period. Do it. If you can't make a decision based on clear methodology and black and white criteria with a small stop loss, get out of day trading..it's not for you!

OK, but you STILL haven't told me how the Kindergarten Trades work....

Here's the answer:

A Positive Deviation, plus 2 Dow Behaviors close the short position, and/or enter long.

Negative Deviation, plus 2 Dow Behaviors close the long position, and/or enter short

There ya go, it's just that simple..it's not a matter of opinion..it's 90% black and white. You can even take the trades and NOT consider the Dow Behaviors! You can stay in the 90% and be perfectly happy or discuss the 10% with other subscribers in our free chat room.

the math is inviolate...the risk/reward is minimal if it DOES fail...considering that it works 9 out of 10 times....sometimes there is more than one criteria to judge a trading day, so that criteria requires some judgment once in a while, otherwise it's mechanical..and with a little experience of a few Kindergarten Trade (small) losses you'll catch on..otherwise, just ask me. The purpose of this methodology and all my trading tools is (for me)

a: prevent you from losing sleep,

b: avoid stress,

b: prevent your wife from divorcing you because you wrecked the financial balance sheet with big losses

c: prevent your wife from forcing you to sell the boat after you suffer huge trading losses because some snake oil salesman sold you a bill of goods.

CONCLUSIONS:

You will NEVER have large trading losses if you follow the **One Minute Methodology**.

If you follow the KT trading rules and take one or more “Dow Behaviors” trade per day I can say the following with ease:

You will NEVER have a losing trading day. The Mini Dow is controlled by powers that must move the market mechanically to make money every day. It is a manipulated market for your safety. **There are NO random numbers that cause reversals.** All numbers that cause reversals fit into a simple explanation of one or more Dow Behaviors. There are 6 Dow Behaviors. You can memorize them in about 15 or 20 minutes.

Profits from these trades (per occurrence) typically approach 100 or more Mini Dow Points. This occurs one or more times per day. 1 out of 5 days these mechanicals are typically not present during day trading...usually the next day makes up for it (350 to 400 Mini Dow points per day is common following a “missed” mechanical day).

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The **Methodology** intrinsically catches almost ever major reversal, every single day. Once a subscriber goes beyond the “mechanical” trades, there are frequently a dozen reversals per day that **DayRaider** smokes out with the **One Minute Methodology**. Can't be any more specific than that..but the logic and the ability to backtest 100% mathematical charts works time and time again.

How do you know when an Uptrend ends?

Refer to page 5 of my manual entitled *Module 1 – “How an Uptrend Ends”*

There is one arithmetic fact that...if this does NOT happen, the Uptrend **must** end. There are only 3 possible outcomes before this arithmetic fact occurs, so you sit back, wait and trade accordingly. There is about a 6 minute window to this outcome one or more times per day. Close the long position when it does happen and likely prepare to enter short. Reverse the logic and process and you will then find out when and if the Downtrend has ended (obviously you close the short position and likely prepare to enter long).

Trailing stops are not used, profit objectives are known before your trade entry occurs, length of trade after entry are all included in the **One Minute Methodology** – it is graphically represented in **DayRaider** every hour every day. There are occasions when trading is not clear...you can simply wait 'x' number of minutes and the situation will likely resolve itself. Once you know the basics of the **One Minute Methodology**, you should be able to explain 5 or more hours of every trading day (there are 6.5 hours in Session I trading 5 days a week) the rest of your life.

Follow the plan...don't doubt me...backtest everything I say and write and claim...the answers are consistent and pretty straightforward.

I DON'T NEED ANY OF YOUR KNOWLEDGE. It won't help. Forget it. Start over..learn what I teach and what I document and what I prove and ONLY operate within those boundaries. I've found the #1 thing that causes trading losses – people don't have a plan., they constantly exhibit self doubt...that's how they get into large stop losses and inconsistent trading history. Never 'bet the farm'. **Let the market come to you,** and only trade low risk scenarios that **DayRaider** and the **One Minute Methodology** handle every trading day.

Good Trading! Make your own decision...this is NOT for everyone... I don't need your money, nor your approval of what I've already accomplished....but I do accept compliments, lol. I will continue to offer this service for a limited time, thus rubbing it in to all those at the CME that said **“it couldn't be done!”**. **I love it!**

All The Best,

Stuart D. Kidney



Stuart & Shirley at 2009 Super Bowl Party in Santa Ana, Costa Rica