GARGANTUA COSMIC TRADING

TRADING MADE EASY

Signal Generation Guide for Subscribers

Welcome to the Signal Generation Guide for our trading service! This document explains how buy and sell signals are produced on your charts, helping you understand and act on the signals effectively. The signals are based on key price levels known as the "**yellow area high**" and "yellow area low," which define a critical zone on the chart. These levels are updated daily to reflect recent market activity, and signals are generated when the price interacts with these levels in specific ways.

Overview of the Yellow Area

- **Yellow Area High**: This is the upper boundary of the yellow area on your chart, representing a significant resistance level.
- **Yellow Area Low**: This is the lower boundary of the yellow area, representing a significant support level.
- Update Times: The yellow area high and low are updated once each day at the **RTH close** of each **cash instrument**

These updates ensure the yellow area reflects the most relevant price levels for the current trading session.

How Signals Are Generated

Signals are generated when the price breaks out or breaks down from the yellow area, with specific conditions to confirm the validity of the move. The system ensures that signals are not triggered prematurely by requiring a prior confirmation of the price movement. Below, we describe how buy and sell signals are produced.

Buy Signals (Green Upward Arrows)

Buy signals indicate a potential opportunity to enter a long position, suggesting that the price may continue to rise after breaking above the yellow area high.

> **Initial Confirmation**: Before a buy signal can be generated, at least one bar must close above the yellow area high. This confirms that the price has already established upward momentum.

Trigger Condition:

- A bar closes above the yellow area high after the initial confirmation.
- The signal will only appear if certain timing and suppression conditions are met (e.g., after a reset at RTH close, or after a significant price movement below the yellow area low following a previous buy signal, or after a prior sell signal followed by a close above the yellow area high).

Additional Scenario:

- If the price dips below the yellow area high after the initial confirmation but does not close below the yellow area low, a buy signal can still be triggered when a subsequent bar closes above the yellow area high, provided at least one bar since the dip has closed above the yellow area high and no bars have closed below the yellow area low.

Visual Indication:

- A green upward arrow appears below the bar, positioned 60 pips below the low of that bar.
- A green point is drawn at the yellow area low to highlight the reference level.

Reset Condition:

- If the price closes below the yellow area low while the system is waiting for a buy signal, the setup is reset, and a new confirmation (a bar closing above the yellow area high) is required before a buy signal can be generated.

Sell Signals (Red Downward Arrows)

Sell signals indicate a potential opportunity to enter a short position, suggesting that the price may continue to fall after breaking below the yellow area low.

Initial Confirmation: Before a sell signal can be generated, at least one bar must close below the yellow area low, confirming downward momentum.

Trigger Condition:

- A bar closes below the yellow area low after the initial confirmation.
- The signal will only appear if certain timing and suppression conditions are met (e.g., after a reset at RTH close , or after a significant price movement above the yellow area high following a previous sell signal, or after a prior buy signal followed by a close below the yellow area low).

Additional Scenario:

- If the price rises above the yellow area low after the initial confirmation but does not close above the yellow area high, a sell signal can still be triggered when a subsequent bar closes below the yellow area low, provided at least one bar since the rise has closed below the yellow area low and no bars have closed above the yellow area high.

Visual Indication:

- A red downward arrow appears above the bar, positioned 60 pips above the high of that bar.
- A red point is drawn at the yellow area high to highlight the reference level.

Reset Condition:

- If the price closes above the yellow area high while the system is waiting for a sell signal, the setup is reset, and a new confirmation (a bar closing below the yellow area low) is required before a sell signal can be generated.

Timing and Suppression

- **Daily Reset**: At RTH close each day, the system resets its internal state, ensuring that signals are generated based on fresh price action relative to the updated yellow area high and low.
- **Suppression After Signals**:
    - After a buy or sell signal is generated, the system suppresses additional main signals for a period to avoid over-signaling. This suppression is reset under specific conditions:
        - After a buy signal, if a bar closes below the yellow area low, the system allows new buy signals once conditions are met.
        - After a sell signal, if a bar closes above the yellow area high, the system allows new sell signals once conditions are met.

Using the Signals

- **Buy Signals**: Look for green upward arrows below bars as an indication to consider a long position. The arrow suggests that the price has broken above the yellow area high with prior confirmation, indicating potential bullish momentum.

- **Sell Signals**: Look for red downward arrows above bars as an indication to consider a short position. The arrow suggests that the price has broken below the yellow area low with prior confirmation, indicating potential bearish momentum.
- **Context**: Pay attention to the timing of signals relative to the daily updates at RTH close, as well as significant price movements that reset suppression (e.g., a close below the yellow area low after a buy signal).

Conclusion

This guide provides a clear understanding of how buy and sell signals are generated based on the yellow area high and low. By focusing on confirmed breakouts and breakdowns, the system aims to provide reliable signals for your trading decisions. Always consider the broader market context and your risk management strategy when acting on these signals. If you have any questions or need further assistance, please contact our support team.