

THE KEVIN HAGGERTY
INNER CIRCLE
TRAINING PROGRAM

September 13th, 2005

SPX Example

You now have a core framework to work with and an understanding of the primary tools that will generate high-probability situations. The sequence tools are leading indicators, meaning that you can anticipate levels and zones in advance where there might be a high-probability trading opportunity with a positive mathematical expectation.

SPX Example

The following example sums up most of what you have learned so far.

Our initial SPX chart is the daily chart with a three-month linear regression channel because we want to know if price is extended.

SPX Example

S&P 500 (SPX) -- Daily chart



SPX Example

- The chart indicates that the 1076.32 low is at the 2.0 STDV band and just below the 200-day EMA of 1080.
- The 1076.32 low is 34 days from the previous retracement low of 1087.06, which was to the 2.0 STDV band and right on its 30-week EMA.
- Once the 1087.06 low was taken out, the RST was in position to form the 5 point.

The next SPX chart (five-minute) gives you a summary of the anticipated zone confluence, so you were prepared in advance.

SPX Example

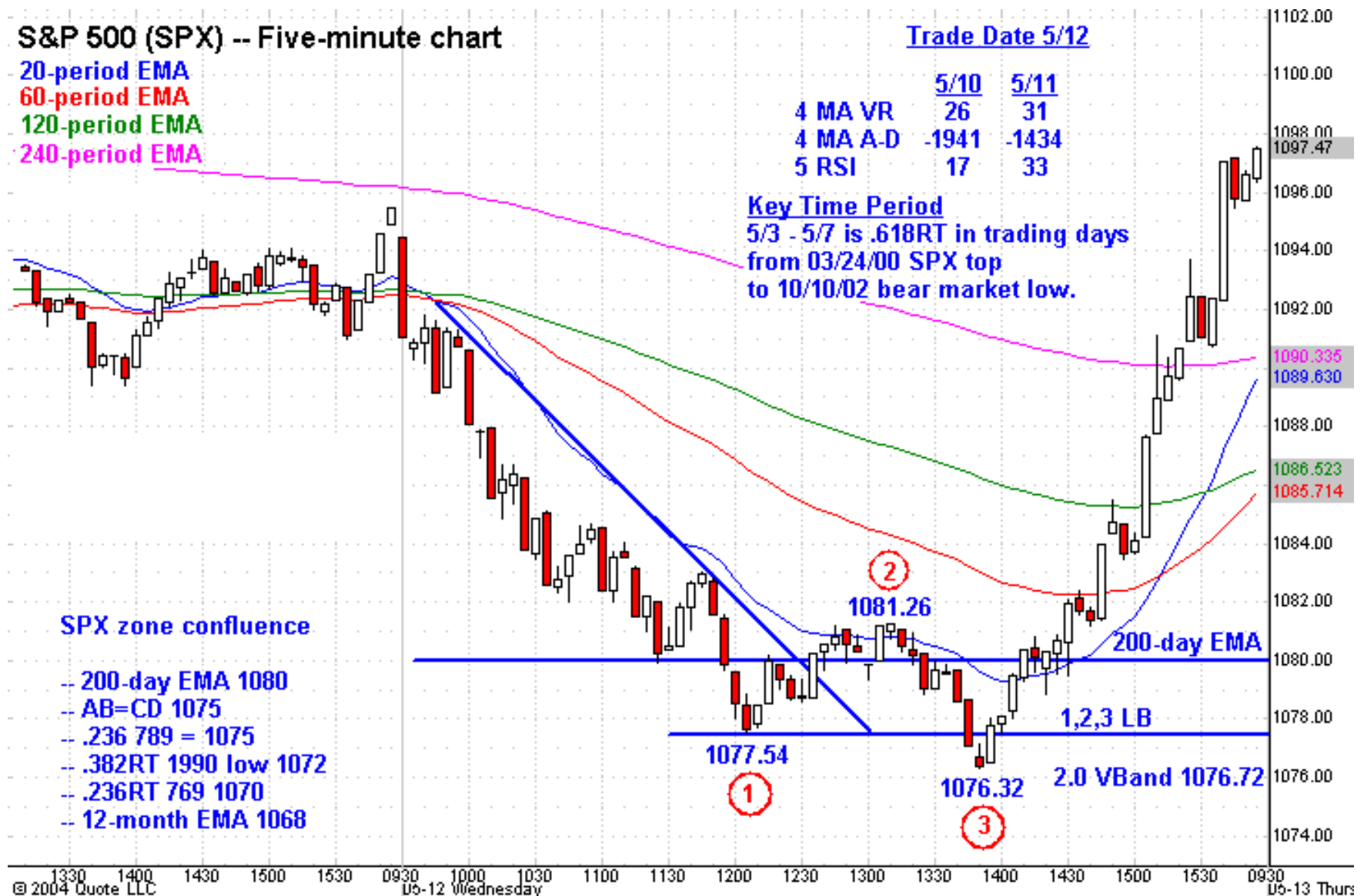
S&P 500 (SPX) -- Five-minute chart

20-period EMA
60-period EMA
120-period EMA
240-period EMA

Trade Date 5/12

	5/10	5/11
4 MA VR	26	31
4 MA A-D	-1941	-1434
5 RSI	17	33

Key Time Period
5/3 - 5/7 is .618RT in trading days
from 03/24/00 SPX top
to 10/10/02 bear market low.



SPX zone confluence

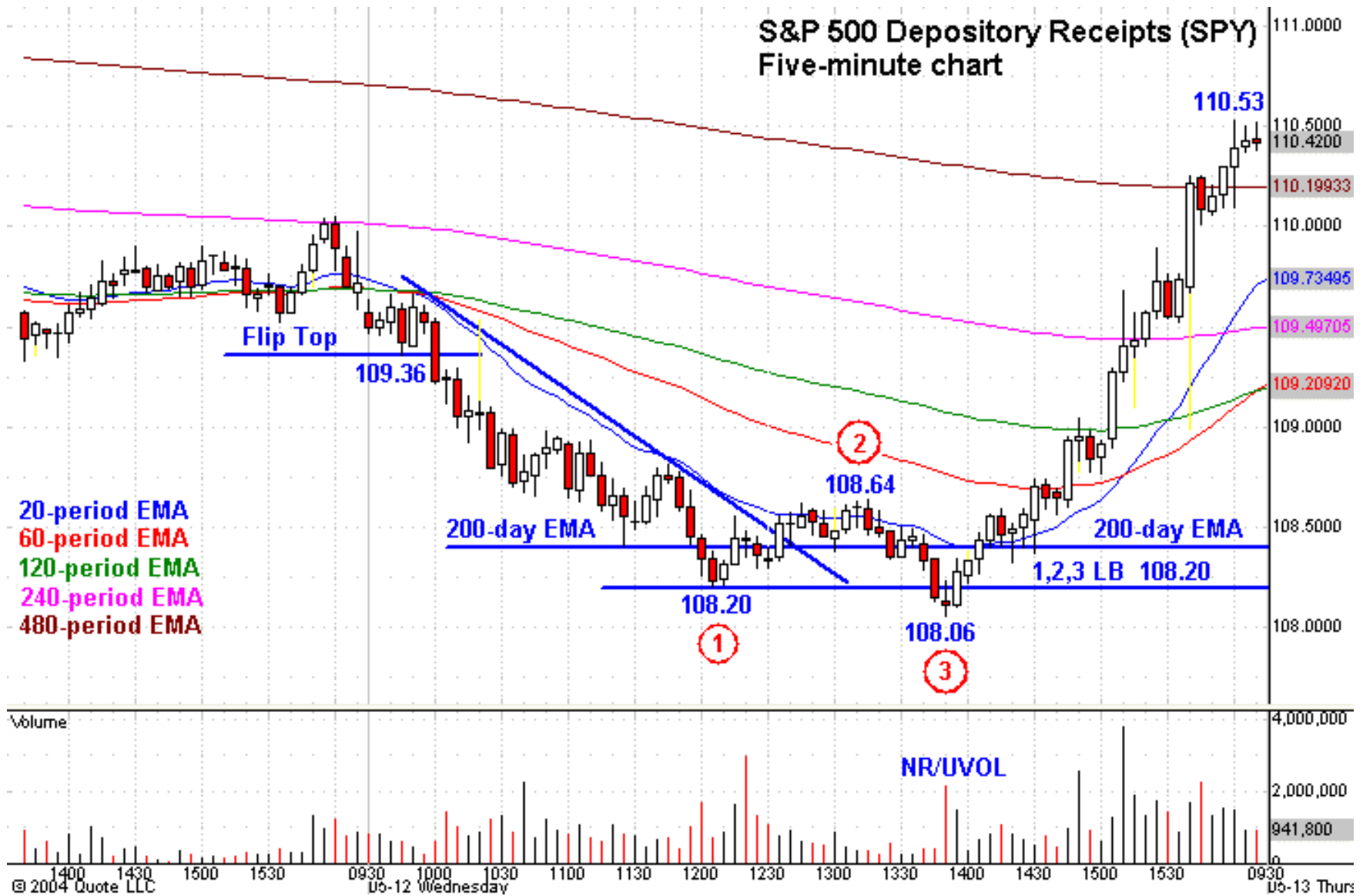
- 200-day EMA 1080
- AB=CD 1075
- .236 789 = 1075
- .382RT 1990 low 1072
- .236RT 769 1070
- 12-month EMA 1068

SPX Example

- It is significant to note that the 05/03 - 05/07 period is the .618RT in trading days between the 03/24/00 all-time 1553 high and 10/10/02 769 bear market low. This is a key time zone.
- As you see, it was a 1,2,3 lower bottom pattern following the 1076.32 low, which was right at the 2.0 VBand that day of 1076.72.
- It was a moonshot trade that closed at 1097.26 after re-crossing the 1080 200-day EMA to the upside.
- The short-term oversold condition into the 05/12 trade date is highlighted on the chart, and those of you not familiar with my table in the commentary and what it means will after this seminar.

The last chart is the SPY (five-minute) which gives you the actual entry, or else you might have chosen to trade the futures.

SPX Example



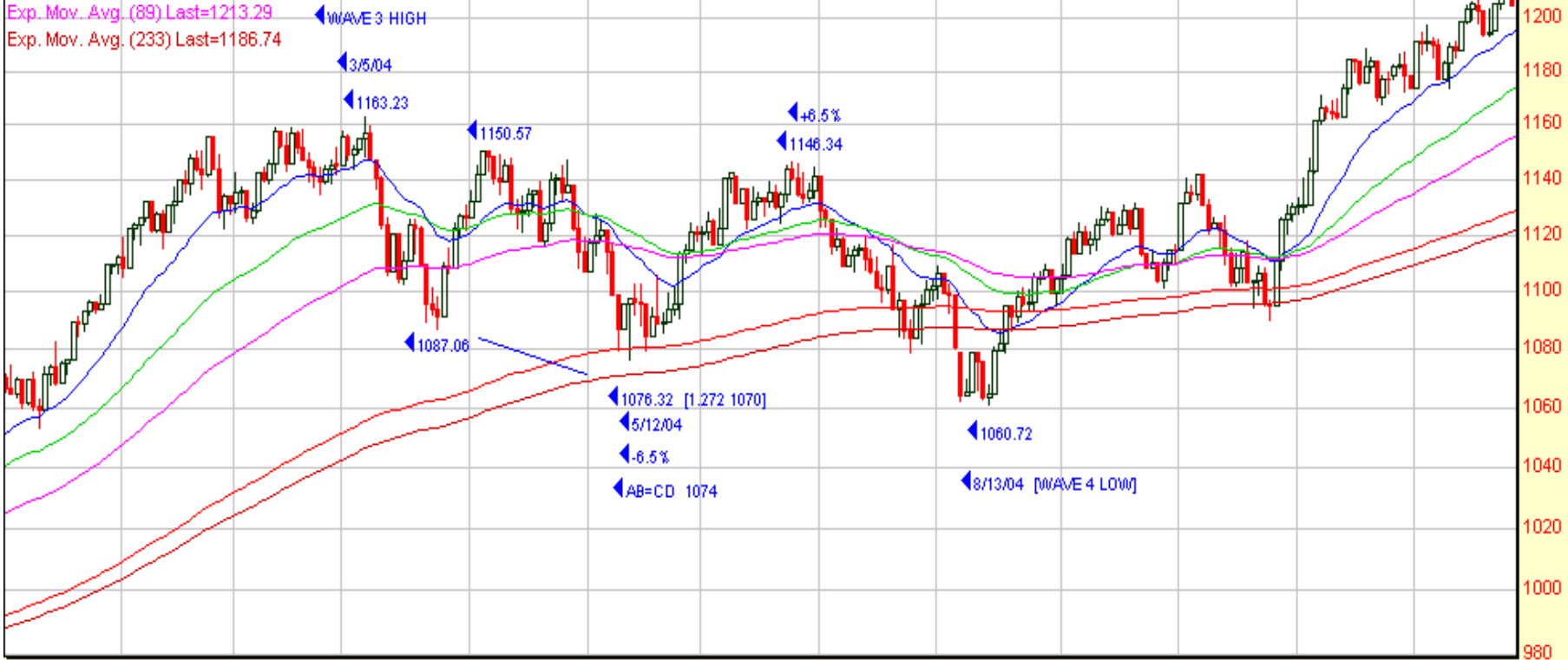
SPX Example

- Note the narrow-range 108.06 low bar on a significant increase in volume, which very often indicates a change in the current trend.

Key Point: This is a good summary case example to print out and keep handy on your desk.

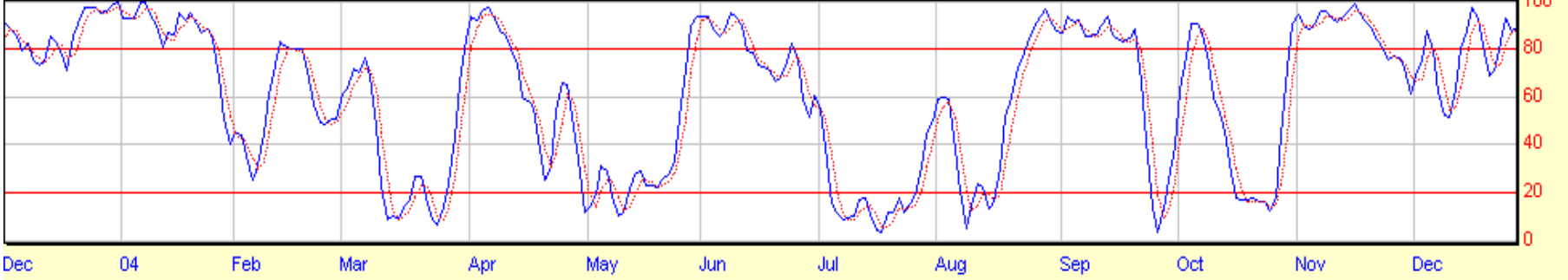
S&P 500 Index 1235.72 -4.84 -0.39%

Exp. Mov. Avg. (20) Last=1227.17
Exp. Mov. Avg. (200) Last=1192.78
Exp. Mov. Avg. (50) Last=1221.49
Exp. Mov. Avg. (89) Last=1213.29
Exp. Mov. Avg. (233) Last=1186.74



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (14,3,3)



Dec 04 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

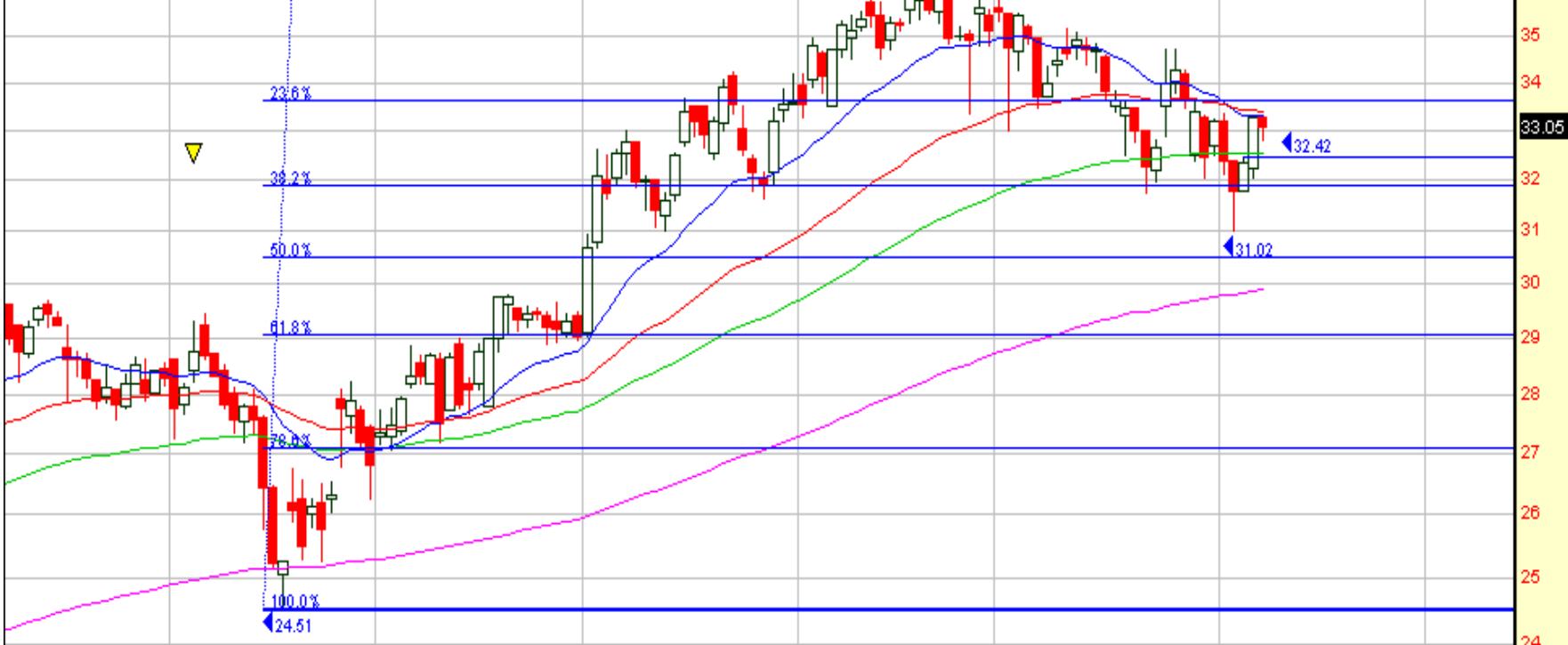
Coach Inc 33.05 -0.23 -0.69%

Exp. Mov. Avg. (20) Last=33.30

Exp. Mov. Avg. (50) Last=33.41

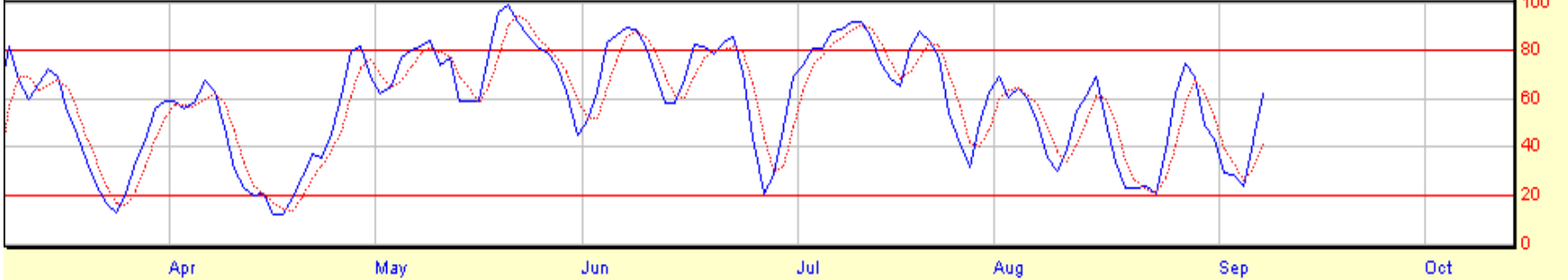
Exp. Mov. Avg. (89) Last=32.56

Exp. Mov. Avg. (200) Last=29.90



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (8,3,3)



COACH INC 33.28 0.94 2.91%

Exp. Mov. Avg. (8) Last=33.21

Exp. Mov. Avg. (20) Last=33.13

Exp. Mov. Avg. (60) Last=32.91

Exp. Mov. Avg. (240) Last=32.52

COH 9/8/05

33.28

33.28

33.2

33.1

33

32.9

32.8

32.7

32.6

32.42

32.42

32.5

32.4

32.3

32.2

32.1

32

© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Volume (Thousands)

140

120

100

80

60

40

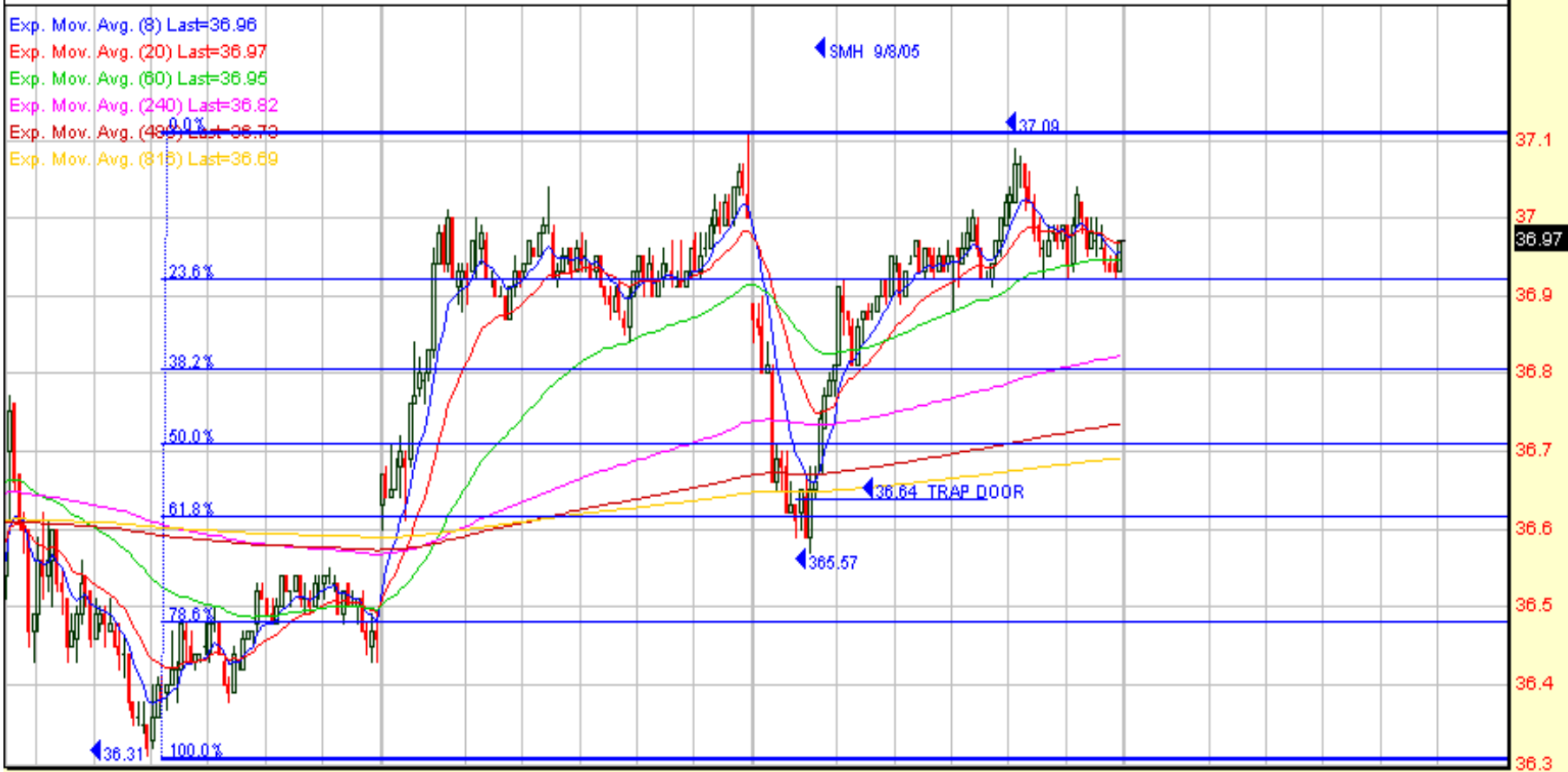
20

0

Tu 2:00 2:30 3:00 3:30 Wd 10:00 10:30 11:00 11:30 12:00 12:30 1:00 1:30 2:00 2:30 3:00 3:30 Th 10:00 10:30 11:00 11:30 12:00 12:30 1:00

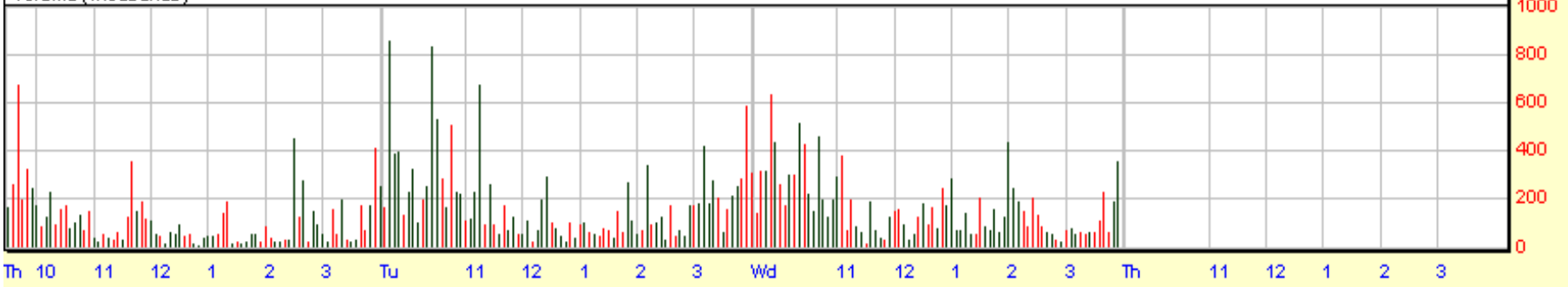
SEMICONDUCTOR HLDRS TR 36.97 -0.03 -0.08%

Exp. Mov. Avg. (8) Last=36.96
Exp. Mov. Avg. (20) Last=36.97
Exp. Mov. Avg. (60) Last=36.95
Exp. Mov. Avg. (240) Last=36.82
Exp. Mov. Avg. (499) Last=36.70
Exp. Mov. Avg. (815) Last=36.69



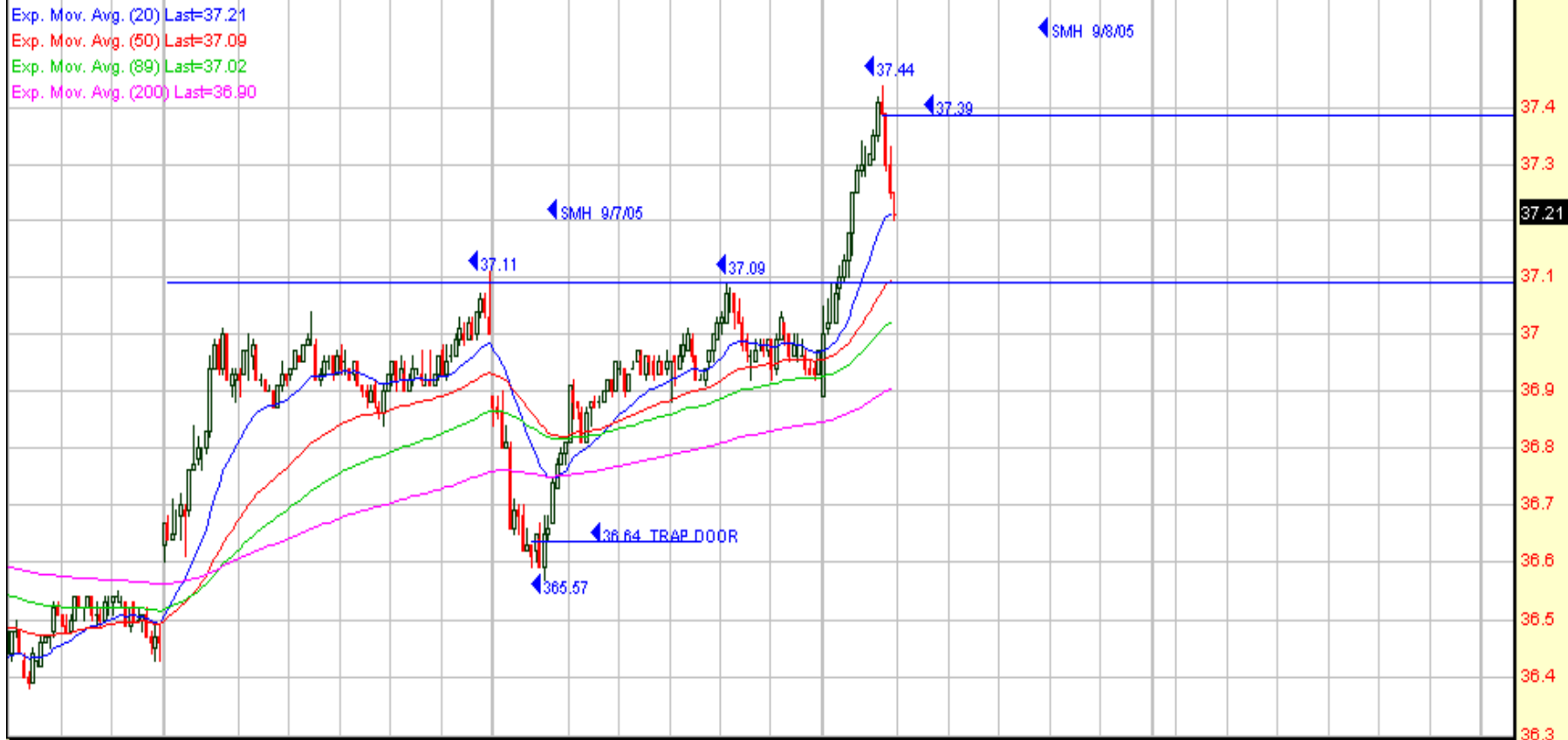
© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Volume (Thousands)



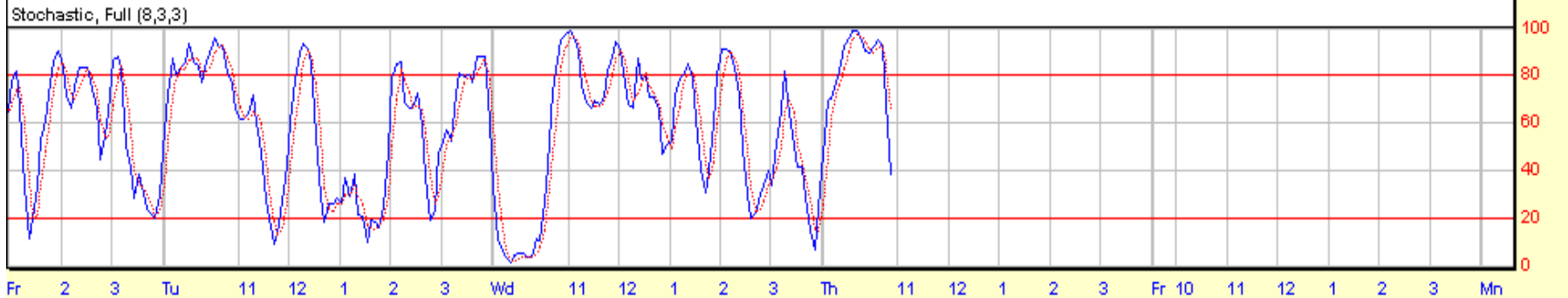
SEMICONDUCTOR HLDRS TR 37.21 0.24 0.65%

Exp. Mov. Avg. (20) Last=37.21
Exp. Mov. Avg. (50) Last=37.09
Exp. Mov. Avg. (89) Last=37.02
Exp. Mov. Avg. (200) Last=36.90

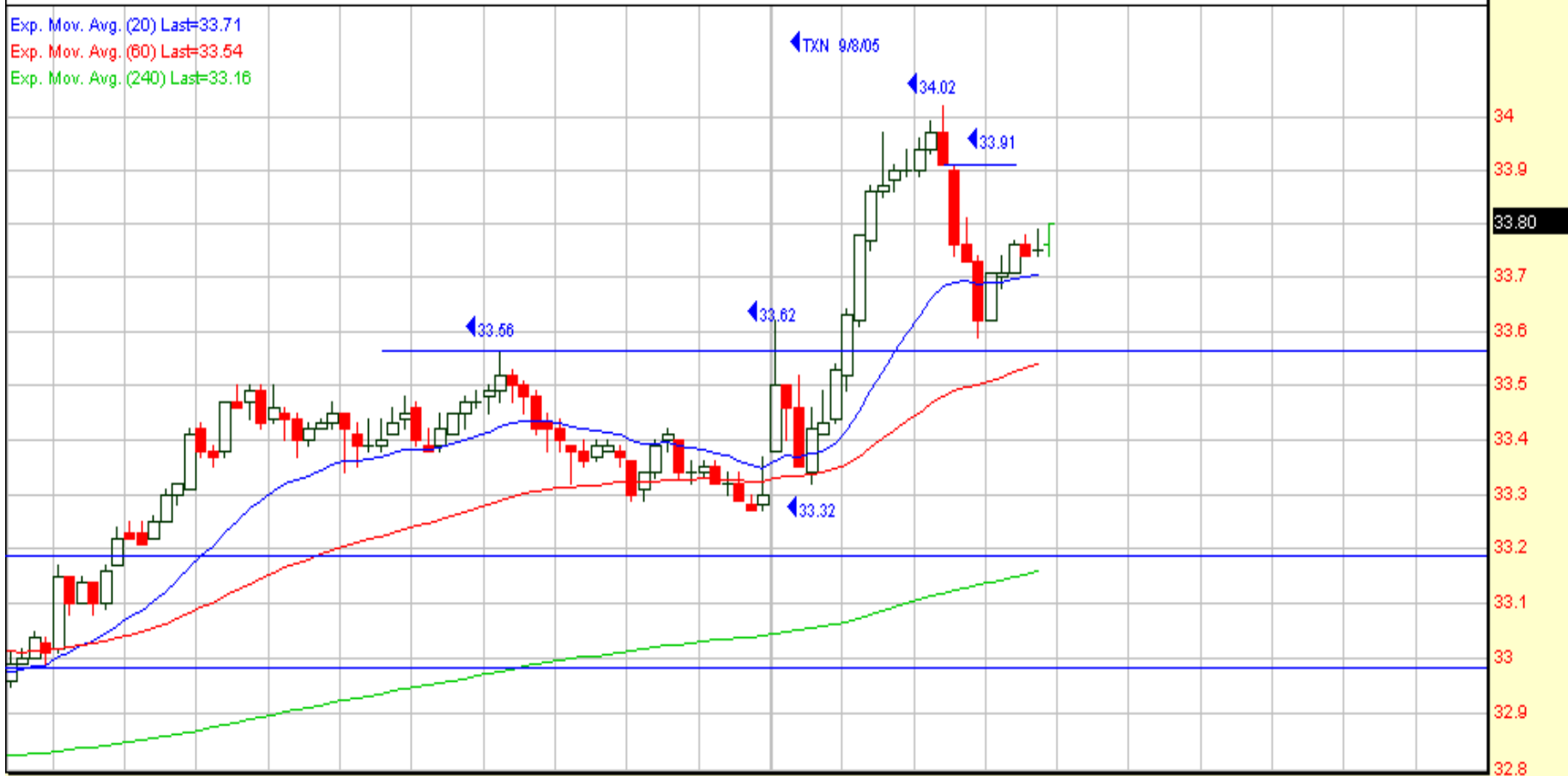


© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (8,3,3)

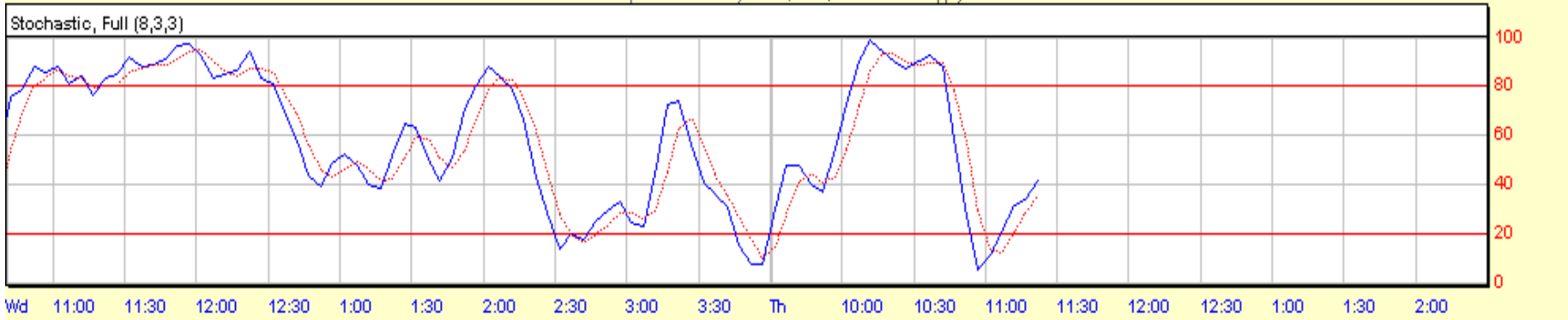


Exp. Mov. Avg. (20) Last=33.71
Exp. Mov. Avg. (60) Last=33.54
Exp. Mov. Avg. (240) Last=33.16



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (8,3,3)



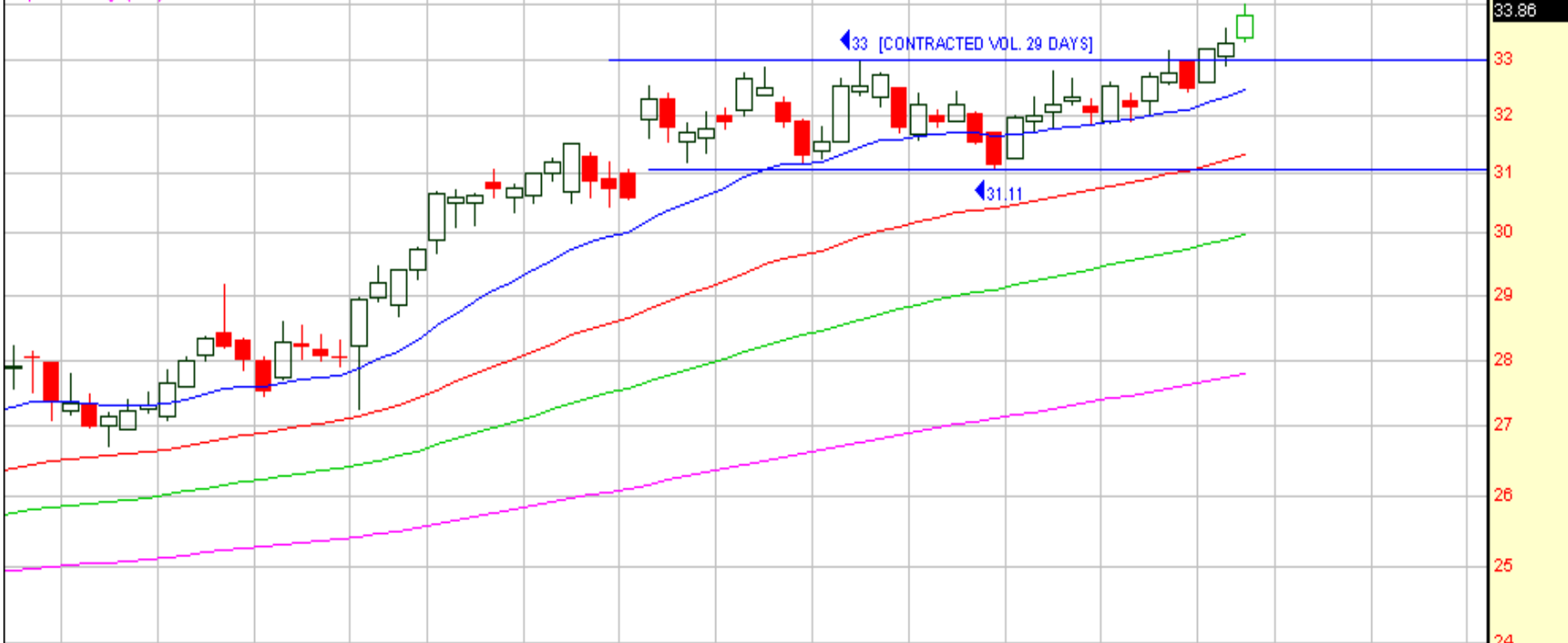
Texas Instruments 33.86 0.56 1.68%

Exp. Mov. Avg. (20) Last=32.46

Exp. Mov. Avg. (50) Last=31.32

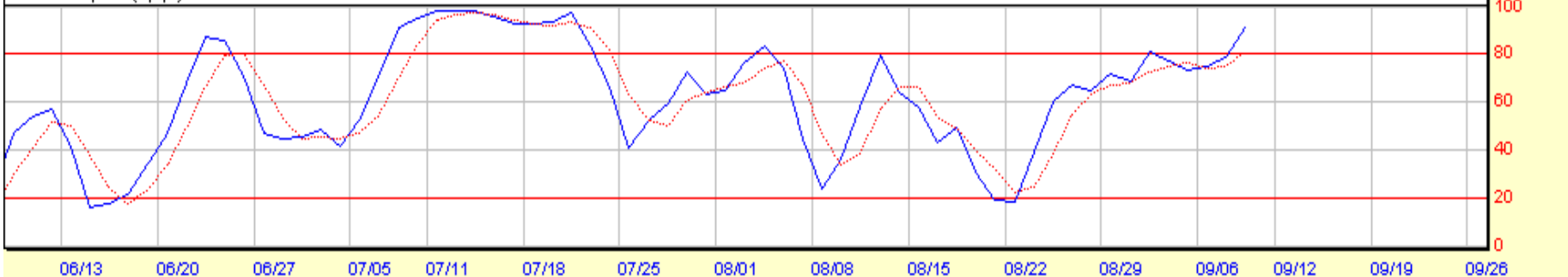
Exp. Mov. Avg. (89) Last=29.99

Exp. Mov. Avg. (200) Last=27.78



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (8,3,3)

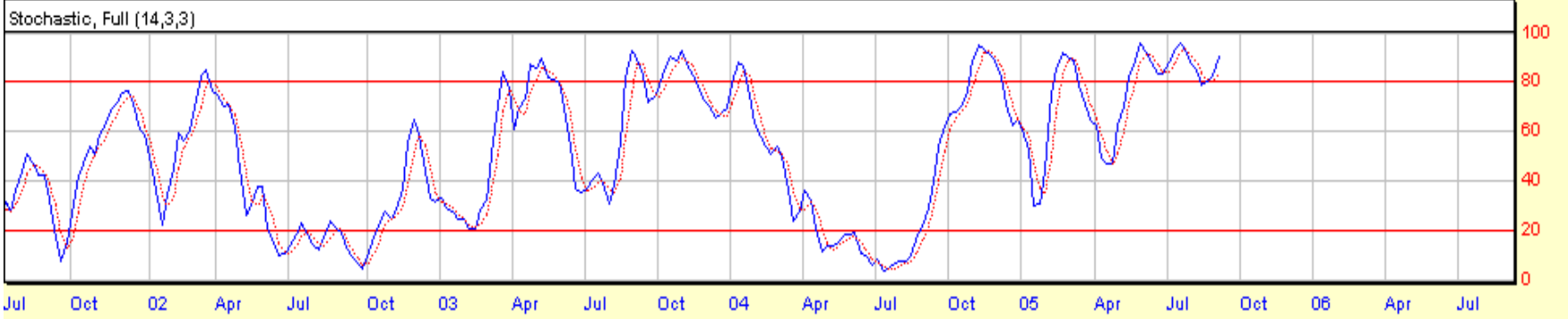


Texas Instruments 33.82 0.52 1.56%

Exp. Mov. Avg. (5) Last=32.28
Exp. Mov. Avg. (15) Last=30.49
Exp. Mov. Avg. (40) Last=27.91



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.



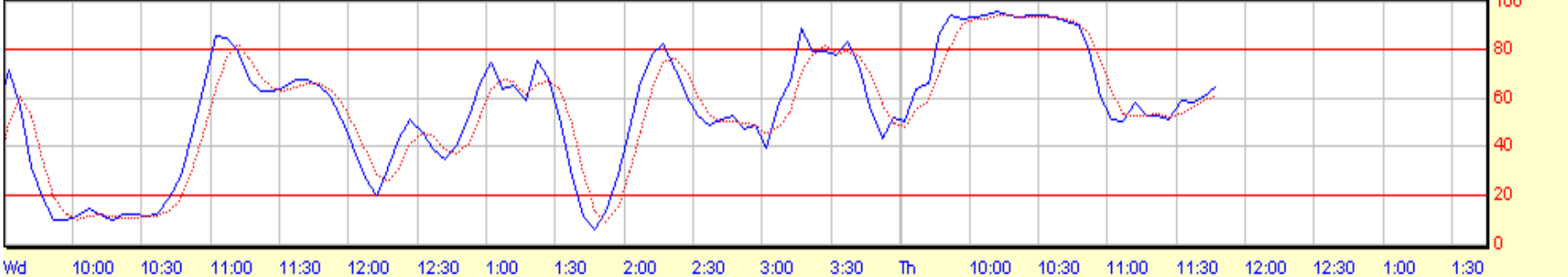
KLA-TENCOR CORP.-(Nasdaq NM) 50.10 0.63 1.27%

Exp. Mov. Avg. (8) Last=50.03
Exp. Mov. Avg. (20) Last=49.95
Exp. Mov. Avg. (60) Last=49.72
Exp. Mov. Avg. (240) Last=49.55

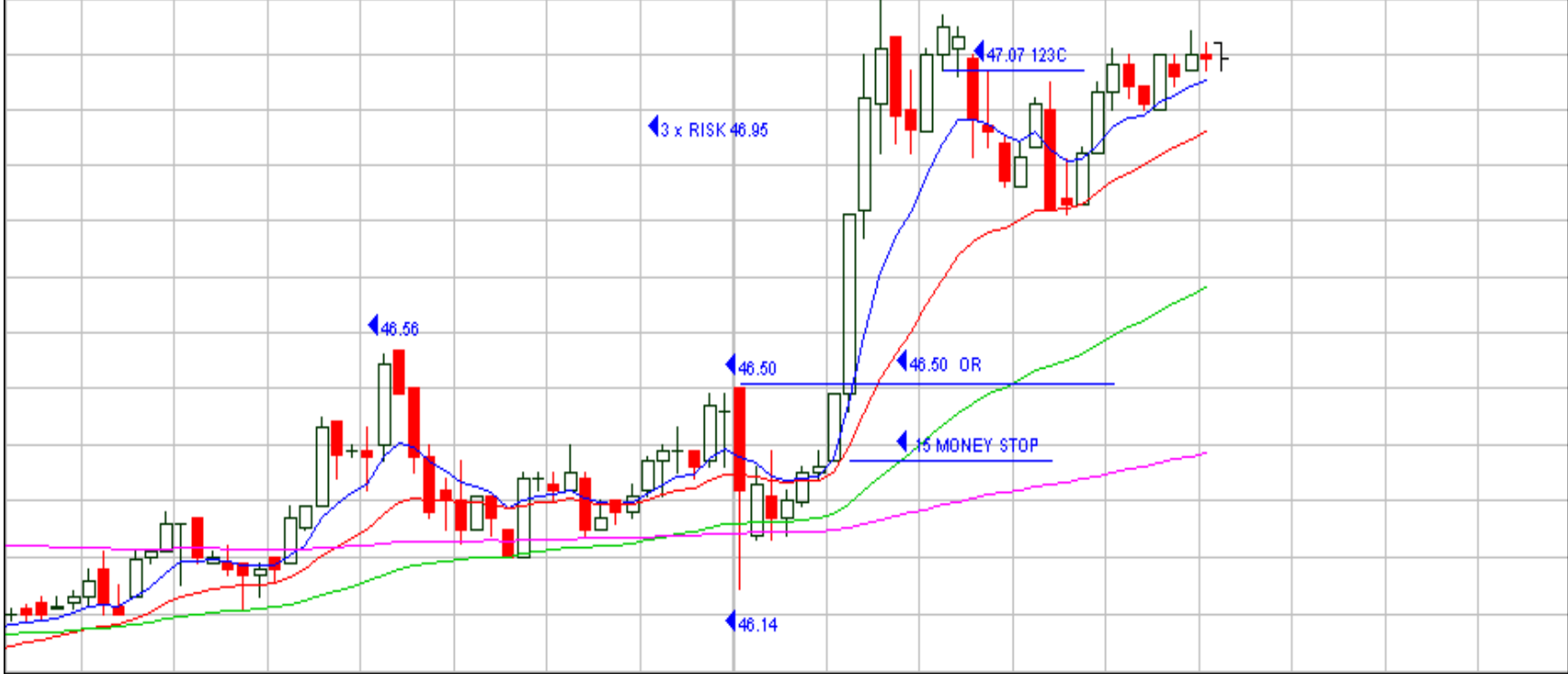


© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (14,3,3)



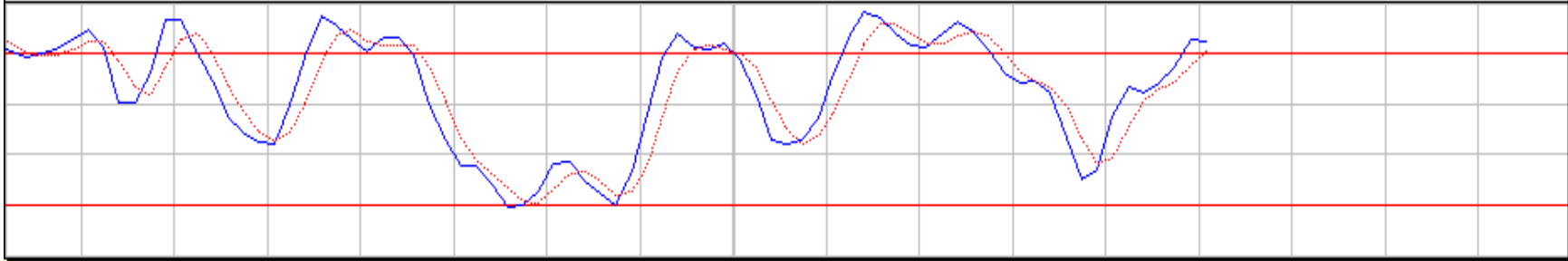
Exp. Mov. Avg. (8) Last=47.05
Exp. Mov. Avg. (20) Last=46.96
Exp. Mov. Avg. (60) Last=46.68
Exp. Mov. Avg. (240) Last=46.39



47.2
47.09
47
46.9
46.8
46.7
46.6
46.5
46.4
46.3
46.2
46.1
46

© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

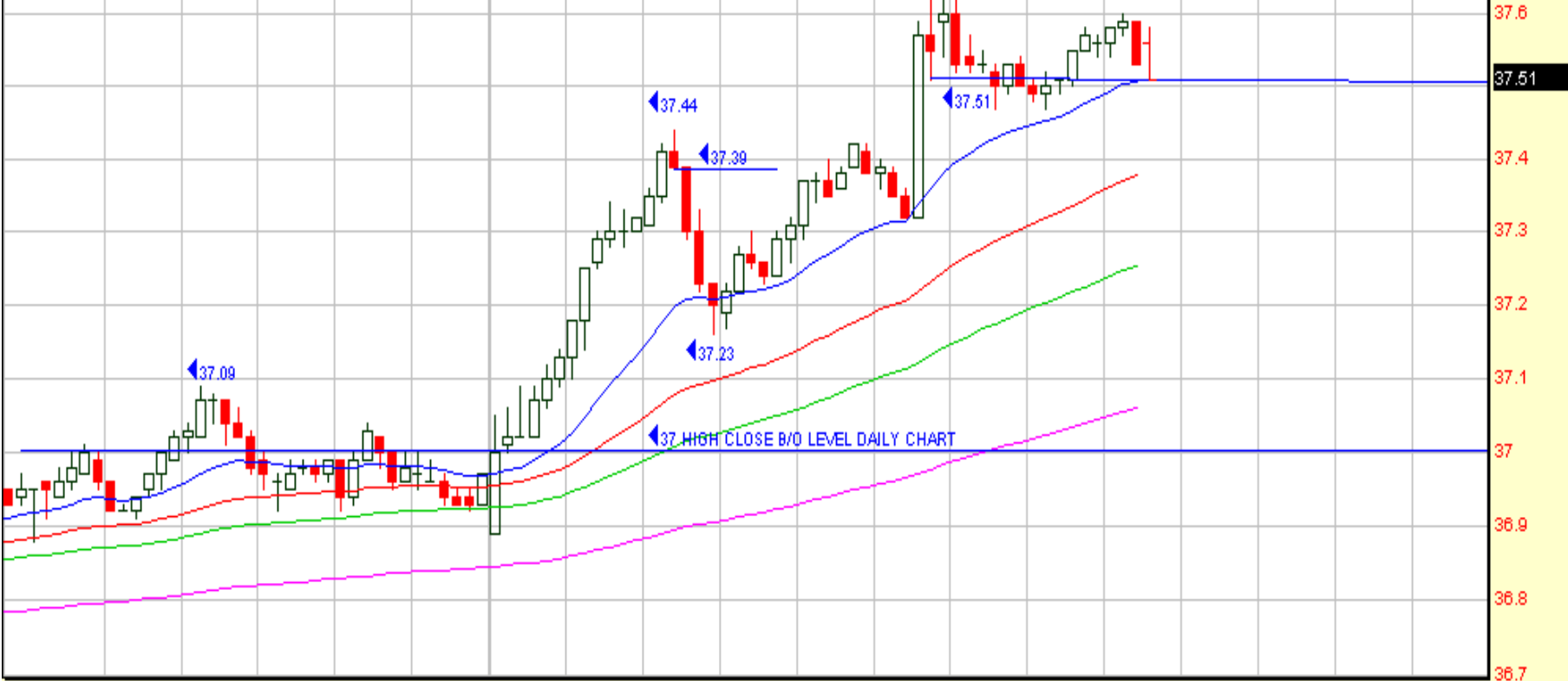
Stochastic, Full (14,3,3)



100
80
60
40
20
0

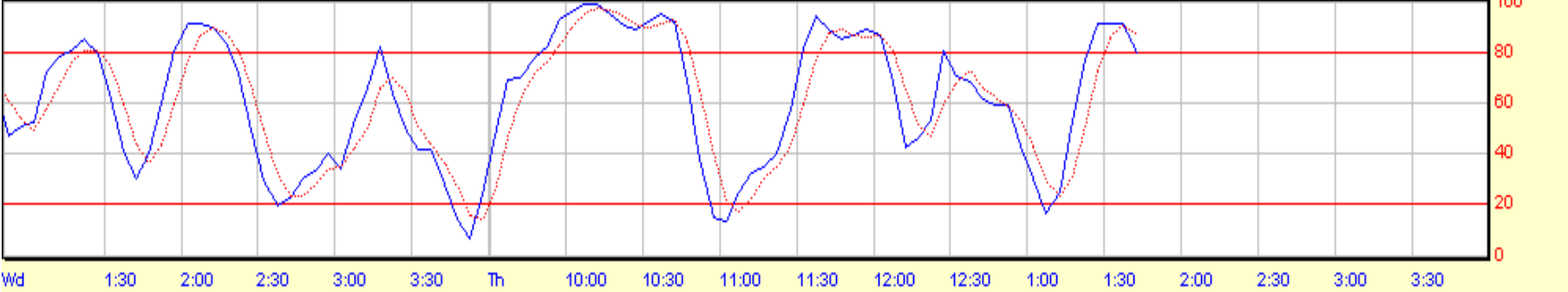
Wd 12:30 1:00 1:30 2:00 2:30 3:00 3:30 Th 10:00 10:30 11:00 11:30 12:00 12:30 1:00 1:30

Exp. Mov. Avg. (20) Last=37.51
Exp. Mov. Avg. (50) Last=37.38
Exp. Mov. Avg. (89) Last=37.25
Exp. Mov. Avg. (200) Last=37.06



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (8,3,3)



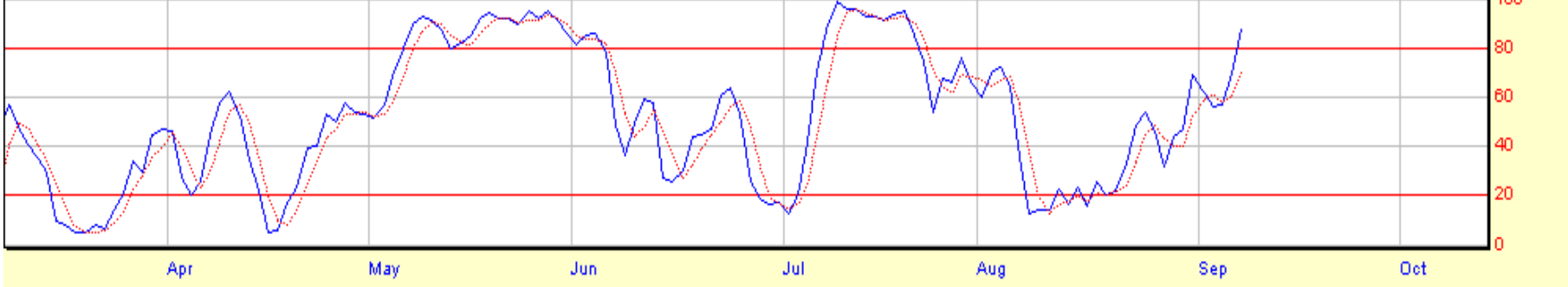
Semiconductor Holdrstr 37.46 0.49 1.33%

Exp. Mov. Avg. (20) Last=36.76
Exp. Mov. Avg. (50) Last=36.29
Exp. Mov. Avg. (89) Last=35.53
Exp. Mov. Avg. (200) Last=34.47



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (8,3,3)



STANDARD & POORS DEP REC 123.50 -0.41 -0.33%

Exp. Mov. Avg. (20) Last=123.53

Exp. Mov. Avg. (60) Last=123.62

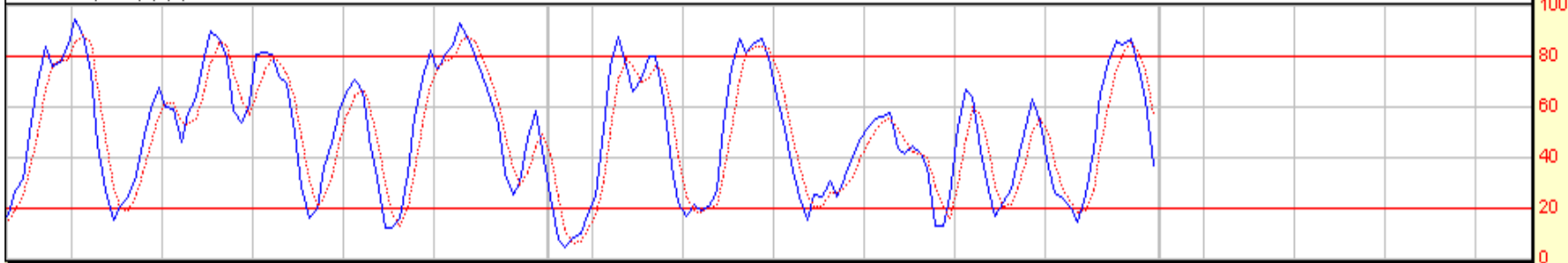
Exp. Mov. Avg. (240) Last=123.46

SPY 9/8/05



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (8,3,3)



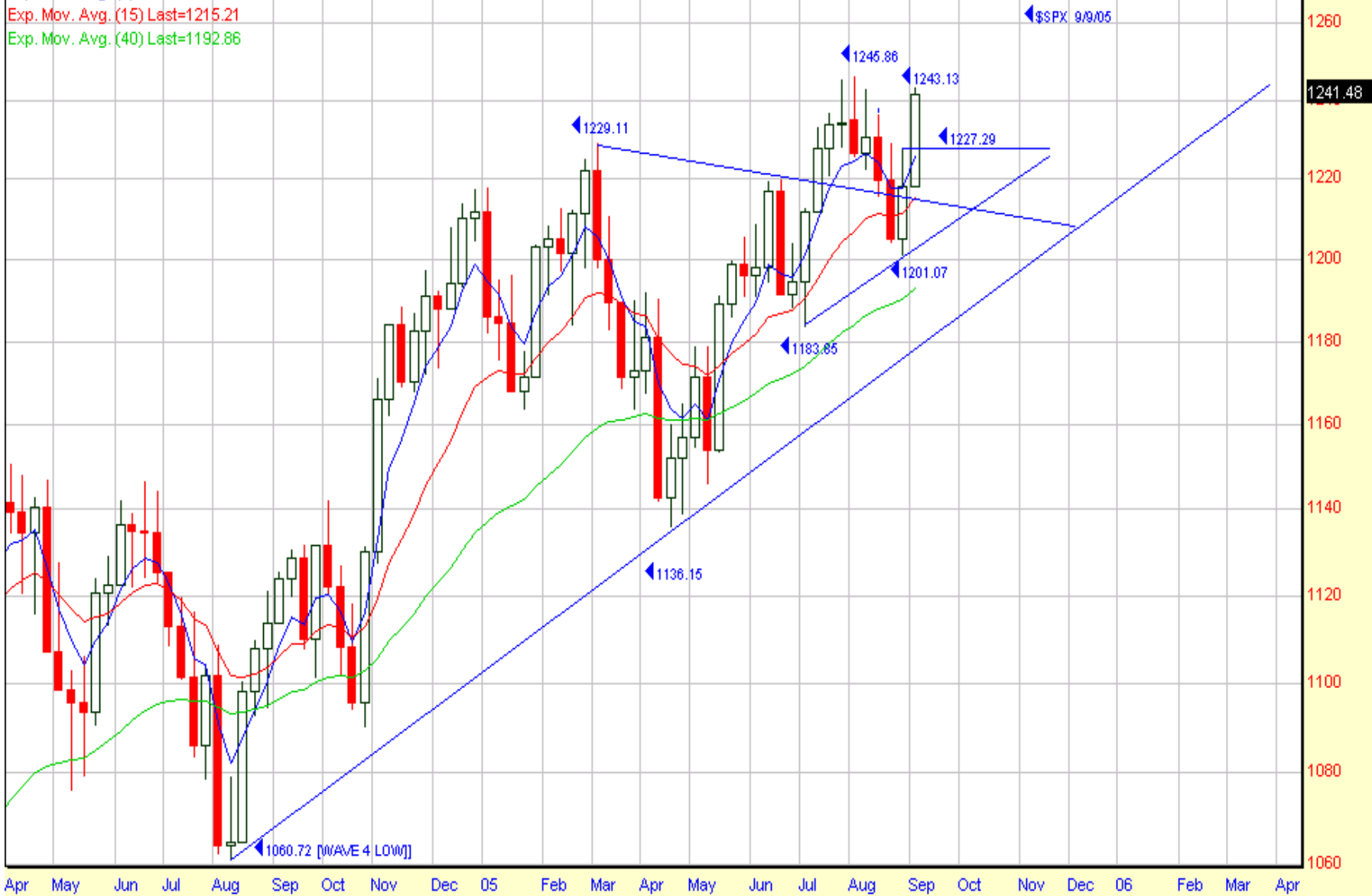
Wd 11 12 1 2 3 Th 10 11 12 1 2 3 Fr 10 11 12 1

S&P 500 Index 1241.48 0.00 0.00%

Exp. Mov. Avg. (5) Last=1225.74

Exp. Mov. Avg. (15) Last=1215.21

Exp. Mov. Avg. (40) Last=1192.86



S&p 500 Index 1241.48 0.00 0.00%

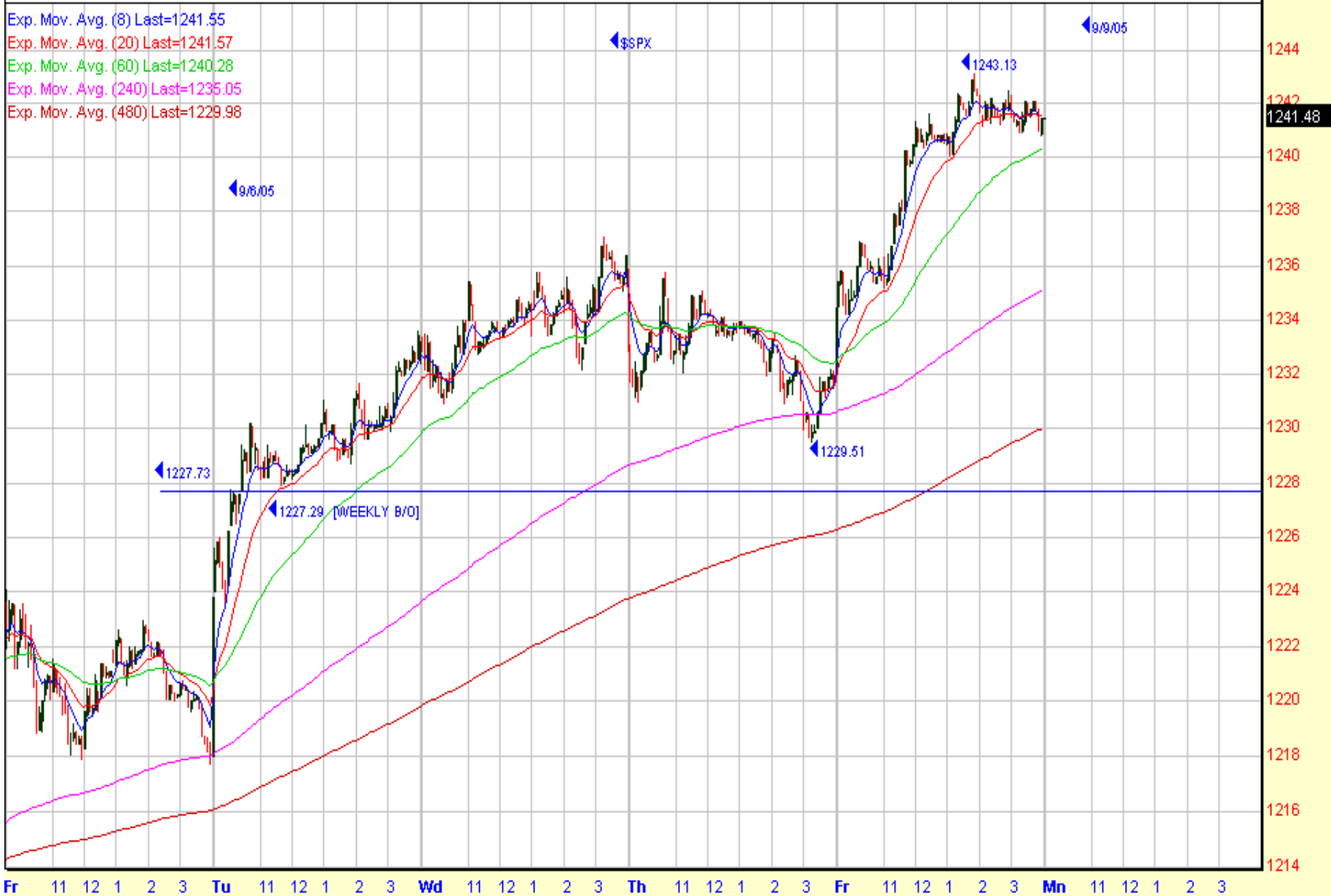
Exp. Mov. Avg. (8) Last=1241.55

Exp. Mov. Avg. (20) Last=1241.57

Exp. Mov. Avg. (60) Last=1240.28

Exp. Mov. Avg. (240) Last=1235.05

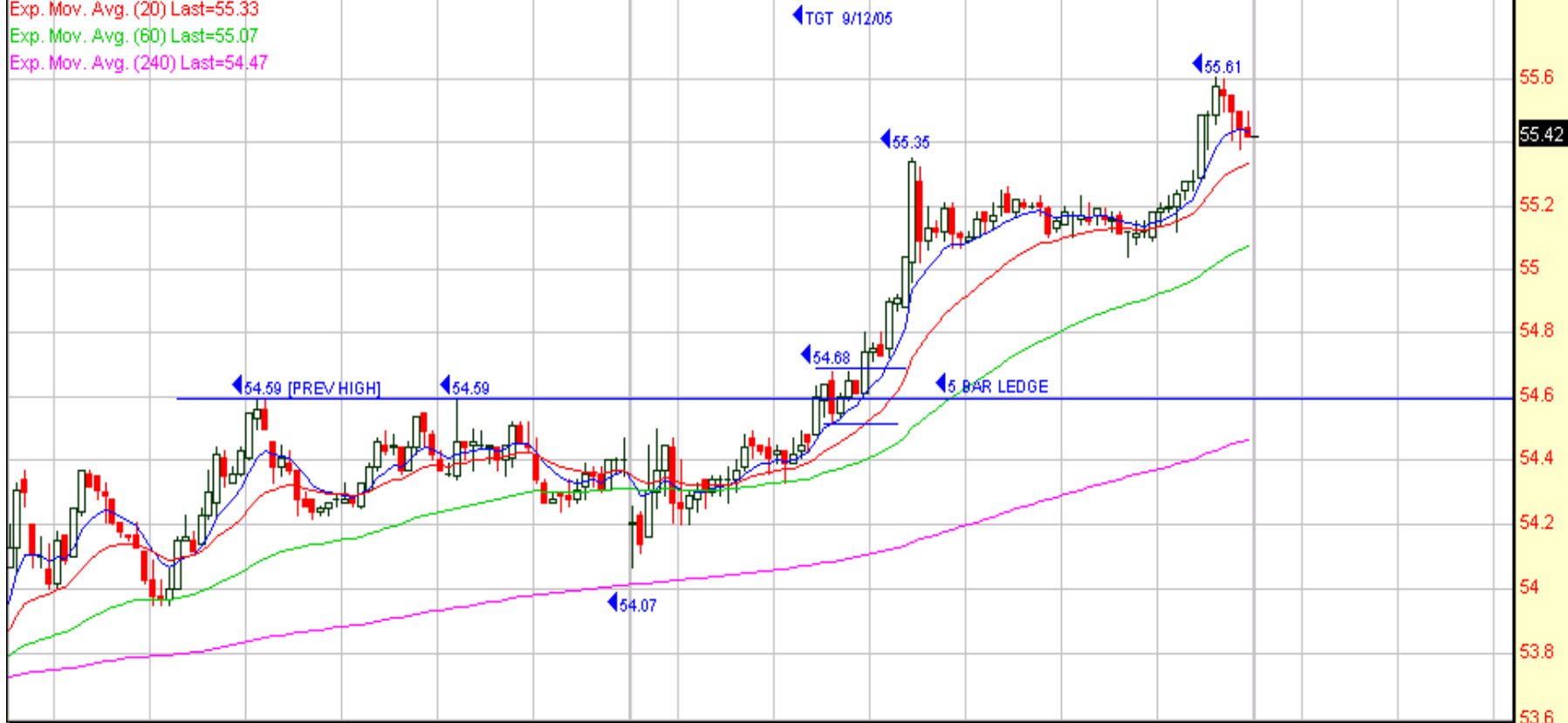
Exp. Mov. Avg. (480) Last=1229.98



Fr 11 12 1 2 3 Tu 11 12 1 2 3 Wd 11 12 1 2 3 Th 11 12 1 2 3 Fr 11 12 1 2 3 Mn 11 12 1 2 3

TARGET CORPORATION 55.42 1.02 1.88%

Exp. Mov. Avg. (8) Last=55.44
Exp. Mov. Avg. (20) Last=55.33
Exp. Mov. Avg. (60) Last=55.07
Exp. Mov. Avg. (240) Last=54.47



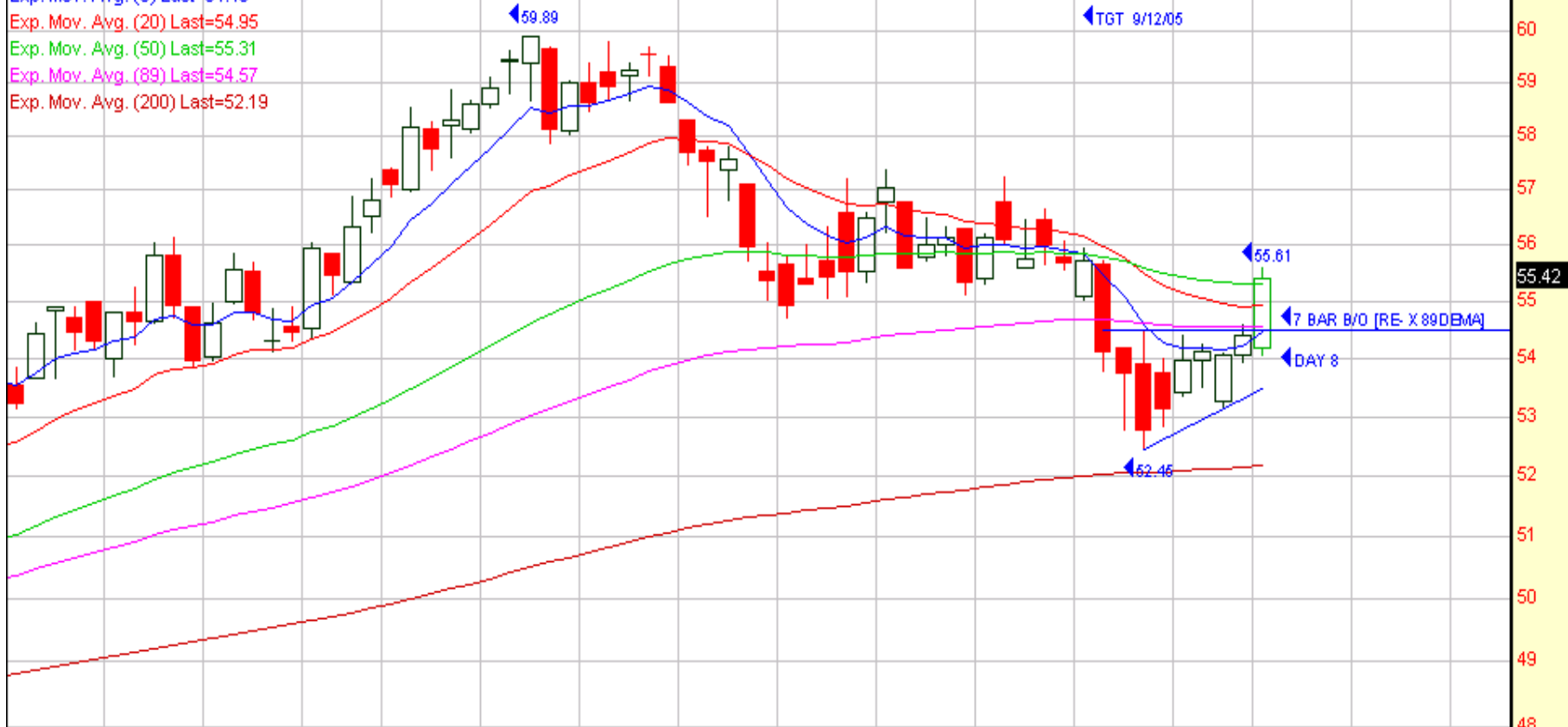
© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (8,3,3)



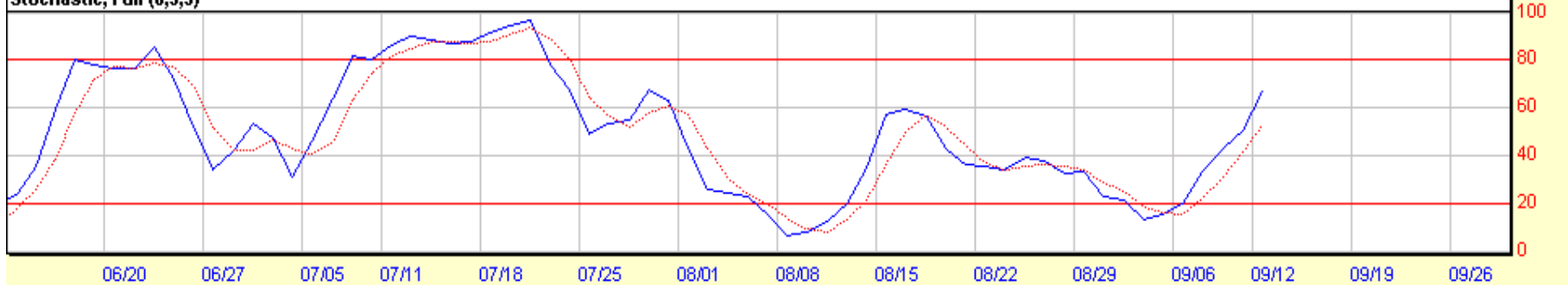
TARGET CORPORATION 55.42 1.02 1.88%

Exp. Mov. Avg. (8) Last=54.48
Exp. Mov. Avg. (20) Last=54.95
Exp. Mov. Avg. (50) Last=55.31
Exp. Mov. Avg. (89) Last=54.57
Exp. Mov. Avg. (200) Last=52.19



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Stochastic, Full (8,3,3)



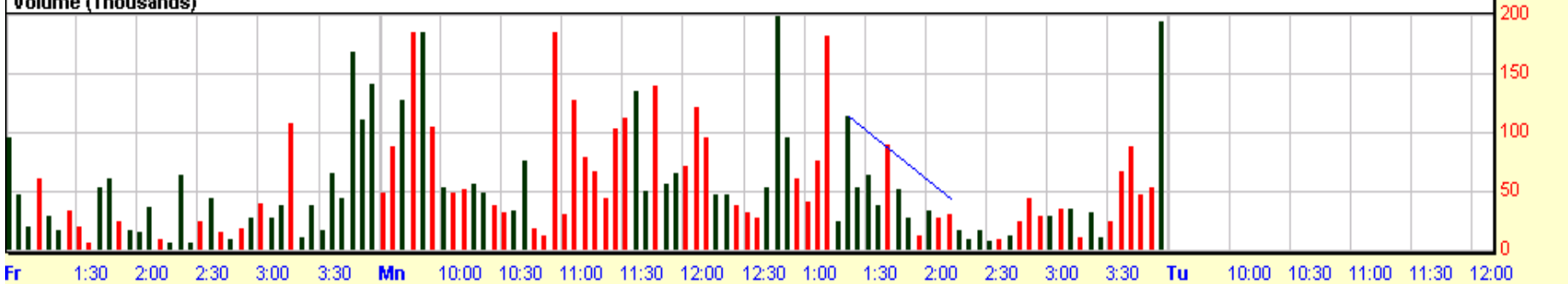
OIL SERVICE HOLDERS TR 118.02 0.00 0.00%

Exp. Mov. Avg. (8) Last=118.13
Exp. Mov. Avg. (20) Last=118.27
Exp. Mov. Avg. (60) Last=118.65
Exp. Mov. Avg. (240) Last=119.26



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Volume (Thousands)



DIAMOND OFFSHRE DRILLING 58.31 0.00 0.00%

Exp. Mov. Avg. (8) Last=58.56
Exp. Mov. Avg. (20) Last=58.70
Exp. Mov. Avg. (60) Last=58.91
Exp. Mov. Avg. (240) Last=59.06



© 1998-2004 Prophet Financial Systems, Inc. | Terms of use apply.

Volume (Thousands)

