



Cracking The Money Code

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Product: Fundamentals trading course as a 185-page manual plus videos

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by Darrell Jobman

Anyone who has been trading the markets for a while is probably familiar with Larry Williams, the innovator and developer of numerous trading concepts and custom, proprietary indicators during a trading career spanning nearly a half century. As his website, www.ireallytrade.com, implies, he still really trades.

The essence of all of his years of trading knowledge and experience is gathered together in Williams' core fundamentals course, *Cracking The Money Code*, now available online. It's not a new course, having been developed and refined over the past 15 years to keep pace with changing market conditions and prices.

What *is* new is that Williams has collaborated with Lane Mendelsohn and Mendelsohn's R&D team to program Williams' indicators within Mendelsohn's TradeShark analytic trading platform.

Although TradeShark is a comprehensive analytic platform, Williams' students will have access within TradeShark to his unique indicators without having to delve into TradeShark's other capabilities or do any programming whatsoever.

It may surprise some traders that Williams, developer of so many technical tools associated with chart analysis, is a fundamentalist at heart; before paying attention to technical chart setups, he looks for fundamental conditions to be in place that create the conditions needed to produce the trending moves that account for most trading profits.

FEATURES

Williams' approach in this basic course focuses on analyzing data to find the fundamental setups that are most likely



FIGURE 1: A TOP IN GOLD? The opposite-position statuses of the commercials (red line), the small traders (blue line), and the big traders (funds) suggest a top in gold prices in the fall of 2012.

to result in trends, some short-term and some long-term. It is directed on identifying those times when the trading fruit is ripe for the picking.

Those prime times are based on his work in areas that were hardly recognized in the 1960s or 1970s when he was applying his unique twist on data, including:

- *Commitments Of Traders (COT)* report analysis that has evolved over the years. Williams' course explains the value of monitoring what the big guys — the commercials or “smart money” — are doing and, conversely, where the “dumb money” is going
- Seasonality factors, which may seem obvious in many agricultural markets but which can also be applied to financial markets by studying price patterns over the years
- Analyzing what premiums or carry-charges from one futures contract month to another month might indicate about supply/demand factors that influence prices

- The importance of monitoring open interest to decipher what shifts in trader participation in a market might suggest for the price outlook.

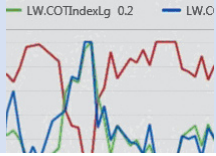
These factors and others covered in *Cracking The Money Code* are the underlying fundamental forces that drive markets, according to Williams. Of course, it's easy to say what traders should be watching — for example, the “elephant tracks” on charts — to spot what the smart money is doing and when.

But how can traders do that? Williams has indicators for that — actually, several indicators with his unique interpretation of COT data and his COT index. Note the circled areas on the chart in Figure 1 highlighting the opposite-position statuses of the commercials (red line), the small traders (blue line), and the big traders (funds), suggesting a top in gold prices in the fall of 2012.

How can you read the timing of market cycles and seasonality plays? There's a Williams indicator for that, providing forecasts of key price points and patterns weeks or months ahead.

How can you identify potential trends

QUICK-SCANS



This course focuses on analyzing data to find the fundamental setups that are most likely to result in trends.

or where to place stops? There are indicators for that, too. *Cracking The Money Code* explains these and other forecasting tools in detail. Williams also explains the rationale for the insights they provide and when they might be most useful in positioning for the next price move. Plus, Williams covers his money management rules, starting with limiting losses, and the emotional mindset necessary for successful trading.

The course is not limited to futures but covers stocks and forex as well, as do the indicators and price data available on TradeShark. The indicators that have been developed and programmed within TradeShark with Williams' input and collaboration are not included in the course price, but anyone following Williams would find it useful to see his indicators at work within TradeShark in a current market setting.

Admittedly, newcomers to trading are not going to be able to analyze and interpret data like Williams does, with his more than fifty years of trading experience. *Cracking The Money Code* is just the entree into the Williams school of trading. The course is easy for beginners to follow and understand, while experienced traders will also learn something new every time they review the course manual or videos. When they are ready, traders can move on to Williams' more advanced courses and presentations.

Williams would be the first to emphasize that it isn't trading courses or data, charts, indicators, or trading systems that determine success or failure as a trader. So much depends on personal temperament and character traits that make the difference between winning and losing traders. His unique indicators, applied to today's fast-paced, volatile markets

on a day-to-day basis, can help traders increase the odds of understanding what the markets are really doing.

Darrell Jobman has been involved in the trading industry for nearly 45 years, producing editorial content and educational courses for publications, brokerage firms, exchanges, and software companies.

FURTHER READING

- Gopalakrishnan, Jayanthi, and Bruce Faber [2011]. "Larry Williams And The Art Of Short-Term Trading," interview, *Technical Analysis of STOCKS & COMMODITIES*, Volume 29: November.
- Hartle, Thom [1997]. "Contextual Trader Larry Williams," interview, *Technical Analysis of STOCKS & COMMODITIES*, Volume 15: July.
- Williams, Larry [2011]. *Long-Term Secrets To Short-Term Trading*, 2d ed., Wiley Trading.
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