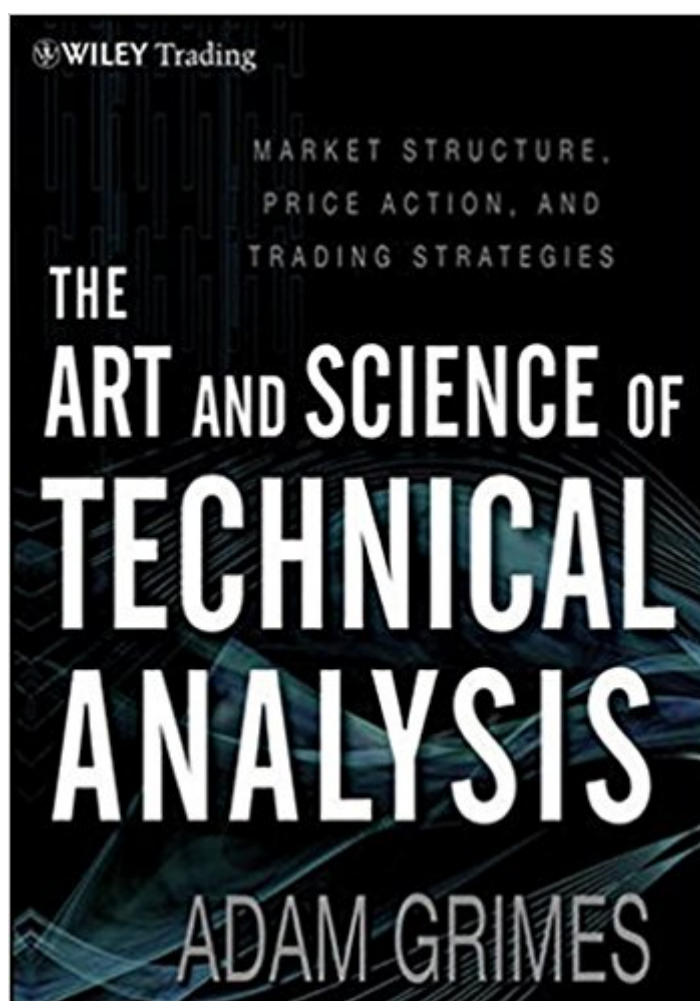


The book was found

# The Art And Science Of Technical Analysis: Market Structure, Price Action And Trading Strategies



## Synopsis

A breakthrough trading book that provides powerful insights on profitable technical patterns and strategies *The Art and Science of Technical Analysis* is a groundbreaking work that bridges the gaps between the academic view of markets, technical analysis, and profitable trading. The book explores why randomness prevails in markets most, but not all, of the time and how technical analysis can be used to capture statistically validated patterns in certain types of market conditions. The belief of the book is that buying and selling pressure causes patterns in prices, but that these technical patterns are only effective in the presence of true buying/selling imbalance. *The Art and Science of Technical Analysis* is supported by extensive statistical analysis of the markets, which will debunk some tools and patterns such as Fibonacci analysis, and endorse other tools and trade setups. In addition, this reliable resource discusses trader psychology and trader learning curves based on the author's extensive experience as a trader and trainer of traders. Offers serious traders a way to think about market problems, understand their own performance, and help find a more productive path forward Includes extensive research to validate specific money-making patterns and strategies Written by an experienced market practitioner who has trained and worked with many top traders Filled with in-depth insights and practical advice, *The Art and Science of Technical Analysis* will give you a realistic sense of how markets behave, when and how technical analysis works, and what it really takes to trade successfully.

## Book Information

Hardcover: 480 pages

Publisher: Wiley; 1 edition (July 3, 2012)

Language: English

ISBN-10: 1118115120

ISBN-13: 978-1118115121

Product Dimensions: 6.8 x 1.7 x 10 inches

Shipping Weight: 2.2 pounds (View shipping rates and policies)

Average Customer Review: 4.6 out of 5 stars 66 customer reviews

Best Sellers Rank: #129,577 in Books (See Top 100 in Books) #115 in [Books > Textbooks > Business & Finance > Investments & Securities](#) #266 in [Books > Textbooks > Business & Finance > Finance](#) #949 in [Books > Business & Money > Finance](#)

## Customer Reviews

Trading is a tough endeavor. And while it's difficult to derive a method that generates superior

risk-adjusted profits in today's extremely competitive markets, it's even harder to successfully apply such a method in actual trading. The approach found in *The Art and Science of Technical Analysis*—one which, in many ways, challenges the traditional thinking of technical analysis—can help you achieve this goal. Written in a straightforward and accessible style, this book breaks away from many of the standard trading books that have come before it. *The Art and Science of Technical Analysis* doesn't detail a rigid system to be strictly followed, nor does it present a group of setups and patterns that can be quickly assembled by a trader. Rather, it provides comprehensive coverage of the issues you need to be aware of in order to capture consistent profits from technically motivated, directional trading. Based on nearly two decades of author Adam Grimes's experience as a trader, analyst, and systems developer, this reliable resource contains valuable insights for both individual and institutional traders, and has been designed with both established and aspiring traders in mind. Divided into four informative parts, it skillfully: Explores some of the probability theory supporting the concepts of successful trading, examines a specific approach to chart reading that builds the foundation for a deep intuition about price patterns in markets, and provides an overview of the Wyckoff market cycle Offers an in-depth look at the underlying foundation of price movements through coverage of trends, trading ranges, and the transitions from one to the other Outlines specific trading patterns and examples of those patterns; advocates a specific way of looking at indicators and other confirming factors; addresses the importance of sizing trades and managing positions; and calls attention to the various risks associated with trading Focuses on the elements of trader psychology, from cognitive biases to issues of emotional control, and lays out the challenges that developing traders usually face Rounding out this discussion are three information-packed appendices. The first is a trading primer that will be useful for developing traders or managers who don't have a familiarity with the language used by traders. The second expands on some specific details and quirks of moving averages, the MACD, which are used extensively in other sections of the book. And the last appendix contains a list of trade data used in the performance analysis found in Part Four. What you need to succeed in today's markets is a verifiable edge. *The Art and Science of Technical Analysis* will give you that edge and put you in a better position to improve your overall trading performance.

This book, written for both the self-directed and institutional trader, explores the tools and techniques of discretionary trading—the art of trading. Not just a collection of trading patterns and ideas, this is a book that looks deeply into the art of technical analysis, and gives traders the tools and techniques they need to profit in today's competitive marketplace. Divided into four

informative parts, this reliable guide shows traders how to incorporate a rigorously researched trading methodology into a discretionary framework. Along the way, you'll learn a method of looking at charts that focuses on the supply/demand dynamics that move all markets, specific trading patterns the author has used profitably for over a decade, and psychological techniques to deal with the stresses of trading. You will also come to a new understanding of the role risk management and position sizing play in the trading process, and dive into the path of growth and trader development that leads a trader from beginner to professional. Created with the serious trader in mind; whether individual or institutional; The Art and Science of Technical Analysis puts the author's approach in perspective and will put you on a path to consistent profits. Topics covered throughout the book include everything from the foundations of technical analysis and market structure to trading strategies, indicators and other confirming factors, sizing trades and managing positions, and tips for evaluating your performance and growth as a trader. Engaging and accessible, The Art and Science of Technical Analysis; along with its informative appendices; will give you the edge needed to improve your trading endeavors.

Been trading for about 4 years and have read numerous books, watched webinars and took classes. Although there is a lot to learn and absorb, the main problem I have encountered is an organized and logical presentation of trading concepts. Adams book is by far the best I have read in putting the market in context where I can make sense of the trading puzzle. His teaching of random markets, (the majority of times), with how to recognize supply and demand imbalance opportunities, (at certain times), is an eye opener. My trading has improved immensely and for the first time I have a sense that consistent profitability in the market is possible with identifying, understanding and internalizing your "edge". There is a saying, "When the pupil is ready the teacher will appear". If your ready, Adam Grimes is a great teacher. I highly recommend this book.

If you only read one trading book, this should be that book. I've wasted incredible amounts of time on trading books that basically say the same thing, which isn't worthwhile. Thank goodness I kept looking and reading, else I wouldn't have found this book. It's the one to get. Probably the only truly useful trading book. Like others have said, it won't tell you which trades to do, but it will teach you how the whole "markets" universe works and you can go from there. This is the one to get and read. Thank you, Mr. Grimes.

Grimes provides nothing less than a complete methodology for analyzing price action. His book is

exhaustive and rigorous but organized in such a meticulous manner that there's refreshing simplicity to his presentation, which is just crystal clear on every topic. Grimes is willing to acknowledge and confront the issue of randomness with careful consideration, which I think is something most traders would often rather not acknowledge. It's alarming how frequently EMH is either ignored or casually dismissed in trading literature. The very notion of price randomness was a full-on system-shock to my psychology early in my trading days. If you are new trader, deal with it, and deal with it early. This book will help with that and will absolutely refine your thinking. It's a gift and it may frankly be the best primer on Technical Analysis ever written. I have never read anything better.

This is a particularly good book if you have wasted time reading the typical technical analysis books as I have. The first book that started to wake me was Evidence Based Technical Analysis, which is essential first reading for would be analysts and traders. Grimes lays out a more focused and personal view of what works in markets. The essence on my first read is that the most important thing is a testable edge. Hand back testing and statistical analysis are the tools that can give a path to possible profits, but the development of a trader is a long and emotional one as Grimes points out. Testing ideas for profitability is the minimum requirement whether you use the subjective patterns Grimes lays out, or any more mystical approach too. Say you believe in Elliott wave, or Gann or Fibonacci retracements. Get a charting package and walk through past history day by day testing the idea as consistently as your "method" allows. Even if your results are positive, you still have work to do in achieving real results. Do not count on gurus or get rich quick schemes to get you to shortcut this process. If you think your method is untestable...well, it isn't. All in, an excellent book in showing the trading game as it is, and what you must do if you intend to survive it.

I feel the need to edit this review, to sort of set things straight with the benefit of a good deal of time to think about the book and about trading in general. This is not a pretty good book, it is a very, very book. I think when I wrote my original review I was a little amazed by my own success after a long period without much success at all. That review was probably more about me than about The Art and Science of Technical Analysis. Everything I said below is true. A book will not make you a trader. This particular book, though, can definitely and drastically shorten a trader's learning curve. It puts focus on the things that truly matter--it is a rigorous approach based on empirical data and on what really works. There are so many trading books out there and only a small percentage that are really and truly worth reading. This is one. This book contains a lot of information that's helpful for traders--if you've ever bought a house, this book is like the realtor taking you on an area tour. Ok,

now I know the neighborhood. It will not, and can not, make you a profitable trader, nor can any book. Believe me. I trade for a living, which to me is the most amazing thing ever. I started trading towards the end of 2003, in the midst of the recovery from the dot com crash. I started out by going over and over the Investor's Business Daily top 100 stock list, thinking I was so very smart, as if no one had ever thought to do that, LOL. I lost 17% of my account in the first 2-3 weeks. Welcome to trading! Over the next nearly 10 years I tried every indicator I could get my hands on. I was constantly looking through Stocks and Commodities magazine looking for that new indicator that would give me the edge I felt I lacked. I have about 40 indicators coded into Excel at this point. I tried the simple ones, and I tried the Big Math indicators that took me three months to figure out how to translate into Excel. You would be hard pressed to come up with an indicator I don't know about. I tried longer term trading, swing trading, and a little day trading. I lost money at every turn. I subscribed to a ton of different services, and, while I use none of them now, they all helped me (very slowly) understand how markets work. Still, I was a loser. I even tried trading penny stocks (ugh). I was a trend trader, a contrarian, a fundamental trader, a momentum trader. It took me until about two years ago to find the market that matches my time frame, style, and the way I think, for lack of a better term. I instantly had considerably more success, but my net was still negative over time. It got to the point where I was so frustrated and angry after a particularly big loss that I deleted every bookmark and email remotely related to markets. even to finance. For one weekend, I was done. So, what did I do? Did I finally find that magic methodology or indicator that made it all come together? Not really, although I did find some tools that are very helpful. More than anything, though, I just really, really wanted to be a trader more than anything, and I stuck to it through all of the losses and disappointment. I was there at 9:15am (Eastern) ready to go day after day after day. I reviewed my trades after hours, and if I didn't trade I still reviewed the market. I went over my losing trades again and again. I looked at price action I should have traded. I compiled as many statistics as I could think of--do I tend to make money going long? Short? Early in the day? Midday? End of day? When the market was long term trending? In a long term trading range? And so on. More than anything, I just watched the market move, for hours every day. Time passed, and I came to a point where I was profitable four out of five days, but that fifth day I would give it all back and then some. I was in that mode for about a year, but I kept at it. Then, after my requisite 10,000 hours of structured practice, I put it all together, finally. A good thing, too, because I was almost out of money. The American football quarterback Steve Young once said that after being in the NFL for several years, he could see the field much better, and things seemed to slow down for him. It almost became easy. I can now relate to that a bit. I now day trade e-mini index futures, and make good money almost every

day. The only price based indicators I use are a couple of simple moving averages and stochastics, and they're only of marginal use--just confirmation. The market doesn't care that the fast MACD line crossed above the slow one. These price charts we use can give us the impression that trading is some sort of mathematical game, and yes, ok, it's expressed in numbers, but really it's a daily competition, a fight between you and the other market participants. For every winner there is a corresponding loser, by definition. And, more importantly, not only can some of the competitors (the professionals--market makers, floor traders, banks, etc.) crush us little guys, but it's their job to do just that. This is the truth--the job of pro traders is to take retail traders' money, and they have a repertoire of jukes, fakes and other dirty tricks to try to shake us out of our positions for losses. So, if you want to survive in the markets, learn things like the price levels where the buy/sell struggle is taking place. Learn to identify when the big guns are making their moves, and ride along with them. One other important thing...there was another reviewer who mentioned that the markets are definitely efficient. Let me say I know through experience that this is simply not true. Efficient means that for any "market" (meaning, stock, bond, futures contract, property for sale, etc.), all possible information that can be known about that market is reflected in its price, and therefore, that market is priced absolutely correctly and fairly at all times. Although this is true most of the time, history tells us that this is nowhere near true all of the time. If it were true, bubbles like 2001 and 2007 could not have happened. In fact, I would still be working my 9-5 job if the market was efficient. I make my money when the market's price becomes slightly out of whack. The best description I've seen of all markets was by C.K. Chesterson, who was actually describing life in general: Life is not an illogicality; yet it is a trap for logicians. It looks just a little more mathematical and regular than it is; its exactitude is obvious, but its inexactitude is hidden; its wildness lies in wait. So, summing up, this is a good book, a good way to get necessary basic information about markets. But--and this is a very important but--what is necessary is usually not sufficient. For example, to be a cardiac surgeon, it's necessary to have a scalpel and a person who needs cardiac surgery. But this, of course, while necessary, is not sufficient to get the job done. Understanding what's in this book will only be the beginning of the journey. My best advice would be to open up an account with a good online broker who offers paper trading (trading with a fake account). At the same time, read everything you can about trading. Paper trade until you're sick of it and you think you should be trading for real, then paper trade for another couple of months. Then, trade real money with very small size. I can't emphasize enough, very small size. Keep a diary of your trades, and when you can say that you've been a winner over a six month period, start to gradually increase your size. And never, ever trade so large that you can lose more than 2% of your total account on any one trade. Yikes, didn't mean

to go on for so long.

[Download to continue reading...](#)

Day Trading: Make Hundreds Daily Day Trading One Hour a Day: Day Trading: A detailed guide on day trading strategies, intraday trading, swing trading and ... Trading, Stock Trading, trader psychology) How to become a consistently profitable forex trader: Revealed! The Easy Trading Strategies, Forex, Forex trading for a living, Forex trading price action, trading psychology, trading in the zone The Art and Science of Technical Analysis: Market Structure, Price Action and Trading Strategies Forex: Using Fundamental Analysis & Fundamental Trading Techniques to maximize your Gains. (Forex, Forex Trading, Forex Strategy, Forex Trading Strategies, ... Forex Trading Books, Trading Strategies) TRADING: Basic, Intermediate, Advanced and Tips & Tricks Guide to Crash It with Day Trading - Day Trading Bible (Day Trading, Trading Strategies, Option Trading, Forex, Binary Option, Penny Stock) Forex Trading: PROVEN FOREX TRADING MONEY MAKING STRATEGY - JUST 15 MINUTES A DAY (Forex trading strategies, Fx trading strategies, forex trading for beginners): For Beginning and Struggling Traders Trading: The Beginners Bible: Day Trading + Options Trading + Forex Trading + Stock Trading Beginners Guides to Get Quickly Started and Make Immediate Cash with Trading Trading Forex with Divergence on MT4 (Forex, Forex Trading, Forex Trading Method, Trading Strategies, Trade Divergences, Currency Trading Book 2) Day Trading: Trading Guide: Make Money on Stocks, Options & Forex (Trading, Day Trading, Stock, Options, Trading Strategies) Forex Trading: The Basics Explained in Simple Terms (Bonus System incl. videos) (Forex, Forex for Beginners, Make Money Online, Currency Trading, Foreign ... Trading Strategies, Day Trading Book 1) FOREX TRADING: The Basics Explained in Simple Terms (Forex, Forex for Beginners, Make Money Online, Currency Trading, Foreign Exchange, Trading Strategies, Day Trading) How to Draw Action Figures: Book 2: More than 70 Sketches of Action Figures and Action Poses (Drawing Action Figures, Draw Action Figures Book, How Draw Action Poses, Draw Comic Figures) FOREX Trading: A Simplified Guide To Maximizing Profits, Minimizing Losses and How to Use Fundamental Analysis & Trading Techniques to Thrive in a Bear ... For Beginners, Forex Trading Strategies) MT4 High Probability Forex Trading Method (Forex, Forex Trading System, Forex Trading Strategy, Oil, Precious metals, Commodities, Stock Indices, Currency Trading Book 1) Price Action Breakdown: Exclusive Price Action Trading Approach to Financial Markets Stock Market: Beginner's Guide to Stock Trading: Everything a Beginner Should Know About the Stock Market and Stock Trading You Can Forex Day Trading: Simple Candlestick Price Action Trading (Forex You Can Win Trade Book 2) Forex Range Trading With Price Action - Forex Trading System Investing for Beginners: An Introduction to the Stock



Market, Stock Market Investing for Beginners, An Introduction to the Forex Market, Options Trading  
The Simple, Battle-Tested, Algorithmic Forex Trading Strategy: Master the dark art of profitable  
forex trading even if you have never traded a single dollar or lost thousands in hobby trading

[Contact Us](#)

[DMCA](#)

[Privacy](#)

[FAQ & Help](#)