

Attention Current CPRM Owners...

NEW

CHART PATTERN **Recognition Module 3**

Patterns

New in CPRM 3

- ***Micro Patterns***
Identify explosive short term moves
- ***Faster Pattern Engine***
Up to 10x faster than CPRM²
- ***Individual Patterns***
*20 Consolidation Patterns AND
24 Candle Patterns classified
according to strength*

**Special Upgrade
Offer Enclosed
for CPRM
Owners**

CHART PATTERN Recognition Module 3

A Quantum Leap in Automated Chart Pattern Recognition



Ed Downs
CEO and Founder,
Nirvana Systems, Inc.

At Nirvana we are always working on ways to improve the effectiveness of our tools and produce PROFITS for our customers. Recent breakthroughs by our development team have resulted in a quantum leap in our automated Chart Pattern Recognition technology.

If you're trying to make money in the market, Chart Patterns are the most powerful tool available to find and confirm your trades. Patterns indicate the psychology of the market. When a support level is approached, GREED entices investors and traders to increase their buying.

However, if the level is broken, FEAR quickly dominates the emotional makeup. The resulting price decline can be very dramatic, providing a fabulous opportunity to make money trading "the short side" of the market. Chart Patterns work day after day in every freely-traded market, and are powerful allies in our quest for profits.

We developed our first automated Chart Patterns almost ten years ago and included them in OmniTrader. In 2004, we released CPRM, a Chart Pattern Recognition Module capable of identifying ALL 7 patterns in my book, *7 Chart Patterns That Consistently Make Money*.

The many improvements in CPRM3 represent new, cutting edge advancements in the science of Chart Pattern Recognition.

First, we focused on Consolidations, which I consider to be the most powerful pattern. The new Consolidations include what I call Micro Patterns—tight ranges that often form in both daily and intraday charts. The breakouts that occur following these periods of equilibrium between buyers and sellers can be phenomenally profitable.

We then CLASSIFIED each pattern by type. According to Thomas Bulkowski, author of *The Encyclopedia of Chart Patterns*, certain Consolidations, such as Rectangle Bottoms, are more than 90% accurate.¹ Now, you can see which Consolidation is firing as you click the pattern dots in your charts.

But we didn't stop there—the new Pattern Selector allows you to individually choose which patterns you want to see. CPRM3 identifies 20 different Consolidations and 24 individual Candle Patterns. Trend Lines and Support/Resistance Lines are classified according to the number of touches on each line.

Use the new Pattern Tutor to see which patterns generate the best opportunities. Once you have selected the patterns you want to see, automatic Strength Ratings can isolate the best opportunities among those you have activated.

This technology is incredibly valuable. But for a limited time, we are offering low upgrade pricing on CPRM3 for existing CPRM customers. And of course, there is a 90-day money back guarantee. I know CPRM3 is going to improve your trading, because it's already improving mine.

Thanks and best of luck in your trading this year.

Sincerely,

Ed Downs
CEO and Founder,
Nirvana Systems, Inc.

¹ *The Encyclopedia of Chart Patterns*, page 439.



Unleash the **PROFIT** Potential of Pattern **POWER** with **CPRM3!**

POWERFUL NEW PATTERNS **CUSTOMIZABLE** **BLAZING SPEED**

It has been said that “a picture is worth a thousand words.” But when it comes to Chart Patterns, a picture can literally be worth thousands of DOLLARS.

We are very serious about perfecting our Chart Pattern Recognition technology for the benefit of our customers. Our latest release, CPRM3, more than triples the module’s effectiveness.

New Micro Patterns

To improve the patterns in our CPRM technology, we developed a new way to identify Consolidations, Saucers, and Retracements using ranges. This allowed us to find these patterns much faster. For example we can now find Consolidations that occur over fewer bars of data. Armed with CPRM3, you see these patterns much faster than most other market participants, enabling you to act on them and profit by getting on board ahead of the crowd. Read all about Micro Patterns on page 4.

Customize with Pattern Selector

In CPRM3, we expose all the individual types of patterns in each classification in the interface (that is, each type of Consolidation and Candle Pattern) so users can selectively turn them on or off according to their trading style and preference.

Using this flexibility, you can activate just the Candle Patterns you want to see, the most accurate Consolidations, the most powerful Trend Line Breaks, the clearest Support/Resistance, and so on.



Micro Patterns identify explosive, tight Consolidations, offering more profitable opportunities to trade than ever before.

This allows you to focus **ONLY** on those patterns that have the most potential. See the new, intuitive interface that enables this flexibility on page 9.

Blazing Speed

Current trend is a critical component in the classification of patterns like Measured Gaps, Volume Trend, and many other “continuation patterns.” CPRM3 uses a new way to identify trend—a method that is up to **10 times faster** than the old way.

With this improvement, users of OmniTrader and VisualTrader will be able to display more patterns and get results faster.

Enhanced Pattern Tutor

The Pattern Tutor has been redesigned to allow you to select any pattern type (like Symmetrical Triangles) and instantly see **ALL** examples of that pattern across your data! This is going to help you determine which patterns you want to use on a daily basis. Read all about it on page 10.

A Powerful Upgrade

This is, without a doubt, the most exciting module upgrade we have ever produced—one that is going to help you make money!

POWERFUL NEW Patterns in CPRM3!

Introducing Micro Patterns

Our new Micro Pattern innovation is very exciting, but first let's discuss how patterns work and more importantly – WHY they work.

Chart Patterns reflect market psychology. The interesting thing is, they also cause market events to occur. Take a look at Pattern Example #1 to the right. After a bottom formed on March 21, price rose to form a Rising Wedge over the next 9 days.

The pattern tells us that buyers and sellers were in approximate equilibrium while BTU was consolidating at \$52. But when the upper resistance was decisively broken at \$53, the pattern contributed to the rally itself, due to the bullish psychology it created.

Potential buyers see that this stock has broken a resistance level and want to buy. Potential sellers suddenly realize their stock could go a lot higher, so they hold. The result? More buyers than sellers, and the rest is history.

The Early Trade Gets the \$

If you were fortunate enough to detect this Chart Pattern and buy at the point of the break, you could have made a nice profit, with very little downside risk. We simply place our initial Stop Loss at \$52.

This consolidation was identified by our new Micro Pattern capability in CPRM3. Micro Patterns are very quick patterns that indicate a short term imbalance between buyers and sellers. Armed with CPRM3, you see these patterns much faster than most other market participants, enabling you to act on them and profit by getting on board ahead of the crowd.



Micro Pattern Example #1: This Rising Wedge formed over just 9 days. The solid break through resistance led to a dramatic rally.



Micro Pattern Example #2: Saucers can also form over a very small number of bars. Here's a Rounded Top that led to a dramatic sell-off in March, followed by a Saucer Bottom ahead of the April rally.



Three Key Micro Patterns

For the CPRM3 upgrade, we focused on three of our seven patterns that benefit from the “micro” approach; Consolidations, Saucers, and Fibonacci Retracements.

Micro Retracements, our third example, are very powerful patterns based on the Fibonacci Retracement principle. When price retreats between a prior high and low by 38%, 50%, or 62%, the odds of a reversal are very high. The Micro Retracement pattern fires the instant a reversal at one of these key levels is detected, putting you in the trade ahead of other traders.

The BEST thing about CPRM3 is you can isolate specific patterns that you want to use according to your trading style—see page 9 for a glimpse of our fabulous new interface.

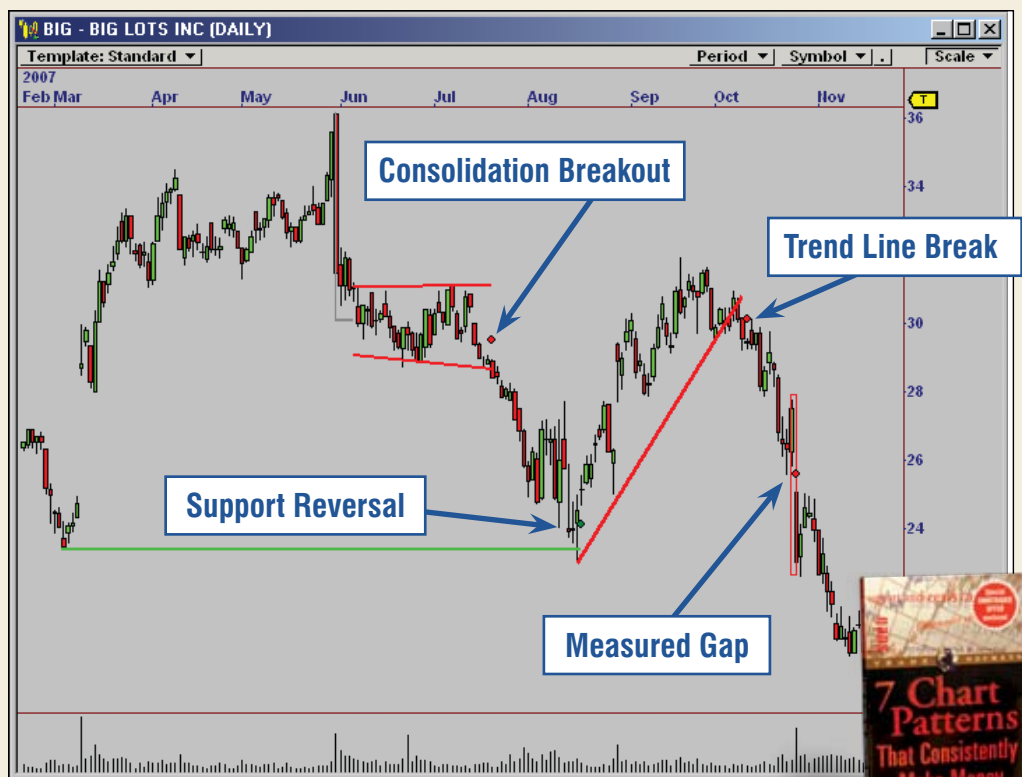


Micro Pattern Example #3: Fibonacci Retracements make profitable short term trading easier than ever before.

PLUS All the Classic Patterns Operating at Warp Speed!

These patterns are fast! In our testing, we discovered that the time required to identify all 7 original patterns has been cut down to about 1/10 what it was in CPRM2, meaning you can run more patterns and see them more quickly.

- Support Break
- Support Reversal
- Breakaway Gap
- Measured Gap
- Exhaustion Gap
- Resistance Break
- Resistance Reversal
- Saucer Reversal
- Volume Climax
- Volume Trend
- Fibonacci Reversal
- Consolidation Breaks
- Trend Line Break
- Trend Line Reversal
- Plus Candles!



CPRM3 comes with all seven classic patterns listed in *7 Chart Patterns That Consistently Make Money* by Ed Downs.

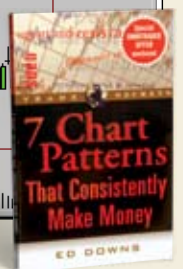


CHART PATTERN Recognition

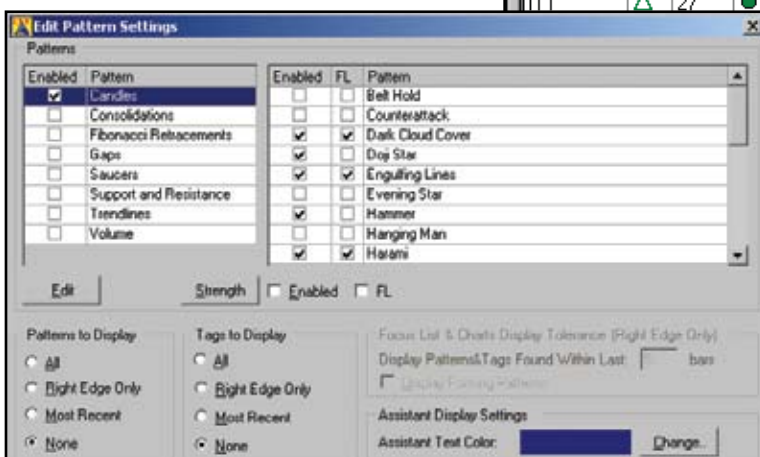
The Most Powerful Chart Pat

Micro Patterns

To improve the patterns in our CPRM technology, we developed a new way to identify Consolidations, Saucers, and Retracements using ranges. This allowed us to find these patterns much faster over fewer bars of data. Armed with CPRM3, you see these patterns faster, enabling you to act on them and profit by getting on board ahead of the crowd.

Pattern Selector

Tell CPRM3 which patterns you want to see. You can also specify term (Short, Medium, and Long) for each INDIVIDUAL pattern in the database.



Select which patterns you want to see with the new Pattern Selector.



on Module 3

Pattern Recognition on the Planet!



Pattern Tutor

Click on any pattern dot in the charts and instantly see ALL occurrences of any specific pattern. Not only will you quickly discover how predictive specific patterns are, you will learn which ones predict the biggest moves, and hence the greatest profits.

Blazing Speed

Now, thanks to a new trend algorithm, Chart Patterns run up to 10 times faster, meaning you can display more patterns and get results faster.

Individual Patterns Are Identified

Activate The Patterns That Match Your Trading Style

In CPRM2 we provided an interface that allowed users to activate or de-activate any of the 7 classes of patterns, such as “all Consolidations” or “all Trend Lines” in different time frames. For CPRM3, we have gone one step further. The new interface lists all the individual types, so you can activate just the ones that you really want to see in your charts.

This is important because some patterns are more accurate than others depending on the setup you are looking for. In CPRM3, we identify 20 different Consolidations (see examples right). Consolidations indicate a relative equilibrium between buyers and sellers and can be exceptionally predictive.

Some Consolidation Patterns are over 90% Accurate!

When Thomas Bulkowski wrote *The Encyclopedia of Chart Patterns*, he rigorously tested each pattern type to determine its inherent predictive nature. In his testing over a 500 stock database spanning five years, he discovered that Falling Wedges were 88% accurate and Rectangle Bottoms were 93% accurate.

These are powerful statistics! But depending on the kinds of stocks or futures contracts the trader or investor is looking at, different patterns will be more effective. Therefore, selecting the individual patterns displayed in your charts can be of great benefit.

Sharpened Focus

Selecting individual patterns also helps the trader or investor focus on the best situations, rather than dealing with too much information. Being able to selectively turn on the best patterns helps you stay focused on the best opportunities.

20 Consolidation Types Identified

According to Thomas Bulkowski's *The Encyclopedia of Chart Patterns*, Consolidations are the most predictive of all the patterns—some are more than 90% accurate. To take advantage of this, CPRM3 identifies individual TYPES of Consolidations found.

Rectangle Consolidations
A very powerful pattern when the range is broken in either direction.



Ascending Triangle
A triangle with a resistance level on top. Typically leads to a strong rally when the upper line is broken.

Falling Flag
A very bullish pattern, flags form in less than 16 bars.



Broadening Top
A rare and highly unstable pattern. When the lower line is broken, watch out below!

...And Many More!

Customize Your Charts *for More Profits!*

24 Candle Patterns Identified by CPRM3

The following Candle Patterns are identified individually by CPRM3:

- | | |
|------------------|--------------------------|
| BELT HOLD | PIERCING LINES |
| COUNTER ATTACK | SHOOTING STAR |
| DARK CLOUD COVER | SIDE-BY-SIDE WHITE LINES |
| DOJI STAR | STICK SANDWICH |
| ENGULFING LINES | TASUKI |
| EVENING STAR | THREE BLACK CROWS |
| HAMMER | THREE INSIDE UP |
| HANGING MAN | THREE INSIDE DOWN |
| HARAMI | THREE WHITE SOLDIERS |
| INVERTED HAMMER | THREE METHODS |
| KICKING | THREE OUTSIDE UP |
| MORNING STAR | THREE OUTSIDE DOWN |

Each Candle Pattern can be activated or de-activated using the interface shown to the right. Simply click next to the ones you want to use in your charts.

The Best of the Best!

For any of the 7 classic patterns (Consolidations, Trend Lines, etc.), you can also select time frame (Short, Medium, and/or Long Term). This allows you to isolate (for example) larger or smaller Symmetrical Triangles.

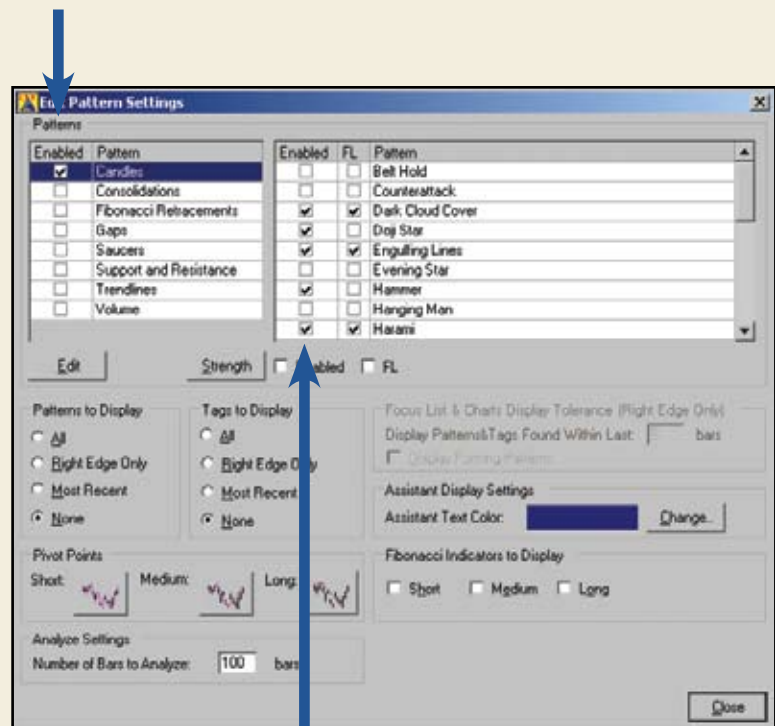
Once you have selected the patterns you want to see you can use the Strength Rating system to identify the specific patterns that have the greatest potential for movement, based on an extensive pattern performance database!

The ability to display individual patterns according to strength and time frame is a huge advantage for your trading. There is no other pattern system in the world that can compare to CPRM3.

New Pattern Selector Interface: Display Only the Patterns You Want

1) Select Pattern Classification

On the left side of the new CPRM3 interface, select the general pattern class you want active in your charts (Candles in this case.)

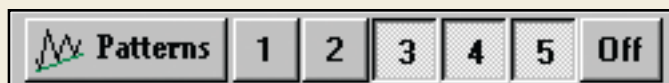


2) Select Specific Pattern Types

The right side of the display shows you all the individual types of patterns within that classification. Individually select the ones you want to see, both in the charts and the Focus List.

3) Select Pattern Strength (1 to 5)

The Pattern Strength toolbar has been updated for each pattern type. By clicking a Strength Rating (1=lowest to 5=highest) CPRM3 identifies pattern types with more or less historical significance.



Strength Toolbar



The Pattern Tutor

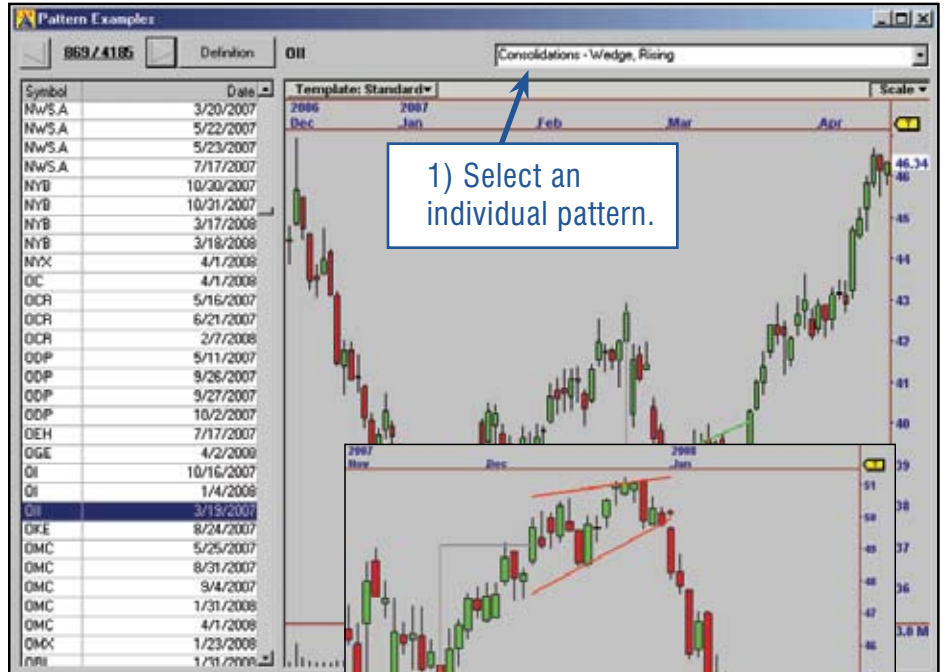
Enhanced to find ALL examples of any pattern, INSTANTLY!

The Pattern Tutor lets you find patterns that are similar to a pattern you see in a chart. For CPRM3, we added the ability to target specific patterns by name, such as “Symmetrical Triangles” or “Trend Line Breaks with 4 Touches of the Line”.

This enhanced classification in CPRM3 makes it easy to identify these patterns. Just activate the Pattern Tutor, click the drop-down box, and select one. Instantly, you will see every example of that pattern across all symbols in your Focus List. Click through the list to see the individual examples.

CPRM3 identifies over 50 unique patterns. Using the Pattern Tutor, you will quickly learn about all these powerful patterns and how to use them in your trading. It's like having a “Pattern Assistant” right inside your OmniTrader or VisualTrader program.

The new Pattern Tutor greatly enhances the Chart Pattern Recognition capability of CPRM3. Not only will you quickly discover how predictive specific patterns are, you will learn which ones predict the biggest moves, and hence the greatest profits.



2) See ALL the examples of the pattern in your symbol list.

