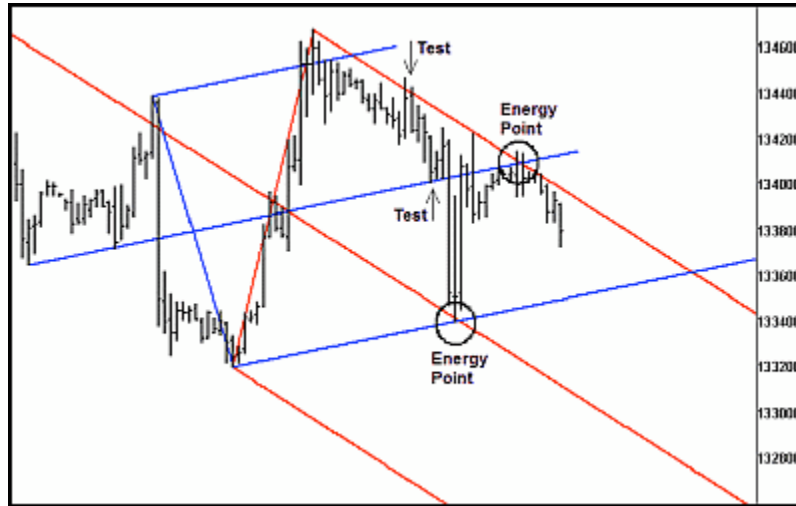


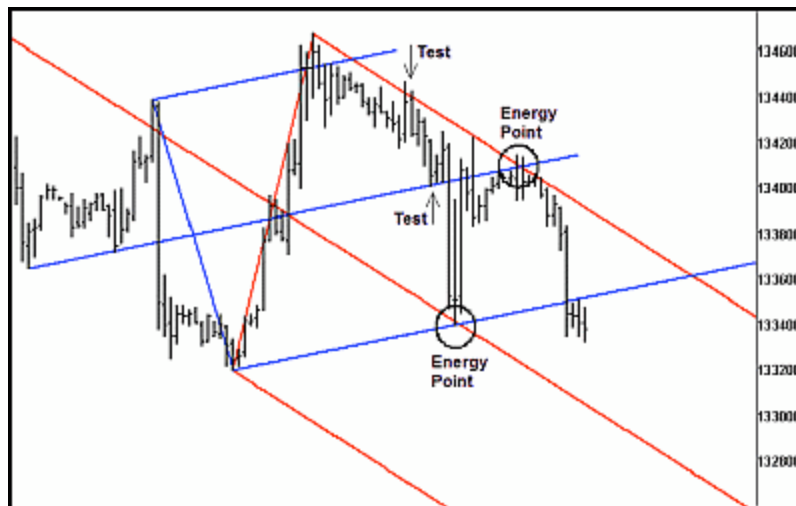
Do You Recycle Your Old Lines or Throw Them Away?

Sometimes I find myself working with a chart with two median line sets that have both been tested, and both have done a good job showing me where price should run out of energy. Let me show you an example of what I mean:



You can see on this chart, both the blue up-sloping median line set and the red down-sloping median line set showed me exactly where price should run out of energy—and indeed, price did run out of energy at those areas. And price was attracted right to the two energy points where the two lines of opposing force met, and price turned on a dime at those areas.

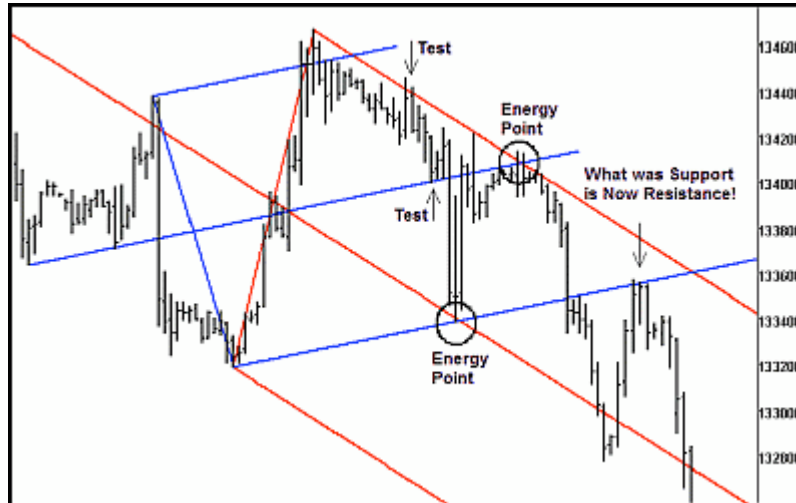
But like all good things in life, both of these lines won't work together forever. Eventually, price will break out of one of these median line sets. When that happens, is it time to break out the eraser and just work with the median line set that still hasn't been violated?



Price clearly made a new low and not only broke below the up-sloping blue lower median line parallel, but it continues to make lower lows and it is showing no sign of climbing back above the blue lower median line parallel. Clearly, the red down-sloping median line set is showing the probable path of price.

Now that the blue median line set has been violated, should I discard it?Á

Look what I would have missed if I had simply taken out the eraser and removed the violated blue up-sloping median line set! Even though the red down-sloping median line set was showing me the probable path of price, the blue median line set still had a vital role to play. What had been significant support became significant resistance!



If you had "recycled" the "broken" blue up-sloping lower median line parallel and paid attention as price approached it from below, you would have known exactly where price was going to run out of upside directional energy.

Don't be too eager to discard lines that have worked and worked for you in the past. They just may have a play or two left in them if you keep them on your charts and keep an open mind.

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