

# AION Trading - Pitchforks

## 1 WHAT IS A PITCHFORK?

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In this document, we will cover pitchforks, which is one of our group's favorite tools to simplify a *position's entire management process*. What does that mean? It helps us limit risk every step of the way.

Proper position and risk management is part of any successful strategy and should be strictly enforced from the moment a trade is opened until its exit.

### 1.1 PRACTICAL USES FOR PITCHFORKS

The technical indicator known as Andrew's Pitchfork is not that well known and is rarely used by novice traders. However, it is a quick and easy way for traders to identify possible levels of support and resistance for an asset's price. I

It is created by placing three points at the end of previous trends and then drawing a line from the first point that runs through the midpoint of the other two points.

Use the lines as supports and resistances. The pitchfork can also help confirm a reversal in a trend.

### 1.2 RISK MANAGEMENT USING PITCHFORKS

To draw a pitchfork, simply anchor three important swings or pivots on a chart.

The pitchfork lines, called median lines, will be projected at an angle into the future.

Some helpful resources for our visual learners:

Accuracy of the Pitchfork - <https://www.youtube.com/watch?v=aaspOd4Mj8I>

20 Minute Comprehensive Video - [https://www.youtube.com/watch?v=WL53ouV1\\_Ac](https://www.youtube.com/watch?v=WL53ouV1_Ac)

Investopedia Article - <https://www.investopedia.com/ask/answers/05/andrewpitchfork.asp>

When drawn correctly, price will tend to follow a pitchfork's angled direction and interact with its median lines.



Now, here is how our group will differ from every other trading group. We are now ready to teach you STEP by STEP on how to draw this YOURSELF, so you can use this tool in the future for your own risk management. 😊

We are going to use Tradingview as our platform to make such analysis, feel free to find any other resource (ex. TD Ameritrade). Link: <https://www.tradingview.com/>

### 1.3 DRAWING A PITCHFORK ON TRADING VIEW

Diagram 1:



This is a scenario where we are going to draw a pitchfork given the steps above. Diagram 1 is a completely blank chart of SPY on a 4-hour timeframe. We get to interpret and determine the swing points.

To access the Pitchfork tool. Look to the toolbar on the left side of the screen and look for the icon that looks like this.



Click on it (circled in red) to now start your drawing.

Remember, this is open to interpretation, and depending how you draw it, it will serve as your PERSONAL tool.

For SPY, the interpretation an AION admin got was this (Diagram 2)

Diagram 2:



This is the simplest pitchfork you can draw on Tradingview. They have modified ones such as Schiff Pitchfork, Modified Schiff Pitchfork, Inside Pitchfork etc.

If you are lost on how I drew this, here is an enlarged picture of which points I used for my swings.



Please do try it out for yourself, applying it will help you better understand this topic.

## 1.4 INTERPRETATION



On the chart above, I show the original entry right at the low of that correction with the original stop loss.

**A great way to bank profits as your trade progresses is to take partial profit as price reaches your pitchfork's median lines**, with your final target set at the upper blue median line.

(This is how I personally set targets when following our strategy.)

Trailing your stop loss will be much easier if you follow my steps:

- **Once your center median line has been reached**, move your stop loss to break even, plus a few ticks in your favor. You could also take partial profit at the median line if you want.
- **Once the middle section between the upper median line and center median line has been reached** (blue dotted line), trail your stop upwards to behind the lower blue dotted lines.
- **Once price breaks through the upper blue dotted lines** and that high marked by the black line, you should be very close to your final target and you should aggressively trail your stop loss higher, to below the center median line.

If you follow this simple procedure, you'll allow the market enough room to move while hiding your trailing stops behind market geometry lines - thus **limiting risk** and *scaling* your profit potential until the moment the trade is closed.

## 1.5 CONCLUSION

What sets professional traders apart is the fact that they are excellent risk managers; they know how to keep their risk to a minimum while allowing their profits to scale *continuously*.

**TRADING IS A BUSINESS. WE SHOULD ALWAYS APPROACH THE MARKET WITH A PLAN.**



## 2 WHAT IS AION TRADING?

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Educational group only. A fast-growing community dedicated to helping users learn options trading.

- 1) We have a team of dedicated analysts to help you on your options journey.
- 2) Chatroom space to ask all the questions your heart desires.
- 3) Standardized education material put together by our team FOR you.
- 4) Coming soon\*\* Equity Research Reports and stock pick newsletters for our members.

### 2.1 INVITE ONLY

Discord only: <https://launchpass.com/aion-trading>

Telegram coming soon.

### 2.2 FEATURES

- Webull Partnership
- Focus on technology sector (Tesla, Microsoft, Apple, Roku, AMD, etc.)
- Focus on S&P 500 Index ETF (SPY) and 20+ Year Treasury Bond ETF (TLT)
- Dictionary of financial terms
- Earnings Calendar channel
- Technical Analysis
- Fundamental Analysis
- Material on different option strategies (Iron Condors, Butterfly spreads, etc.)
- Educational Content
  - Videos
  - Book recommendations
  - Live seminars