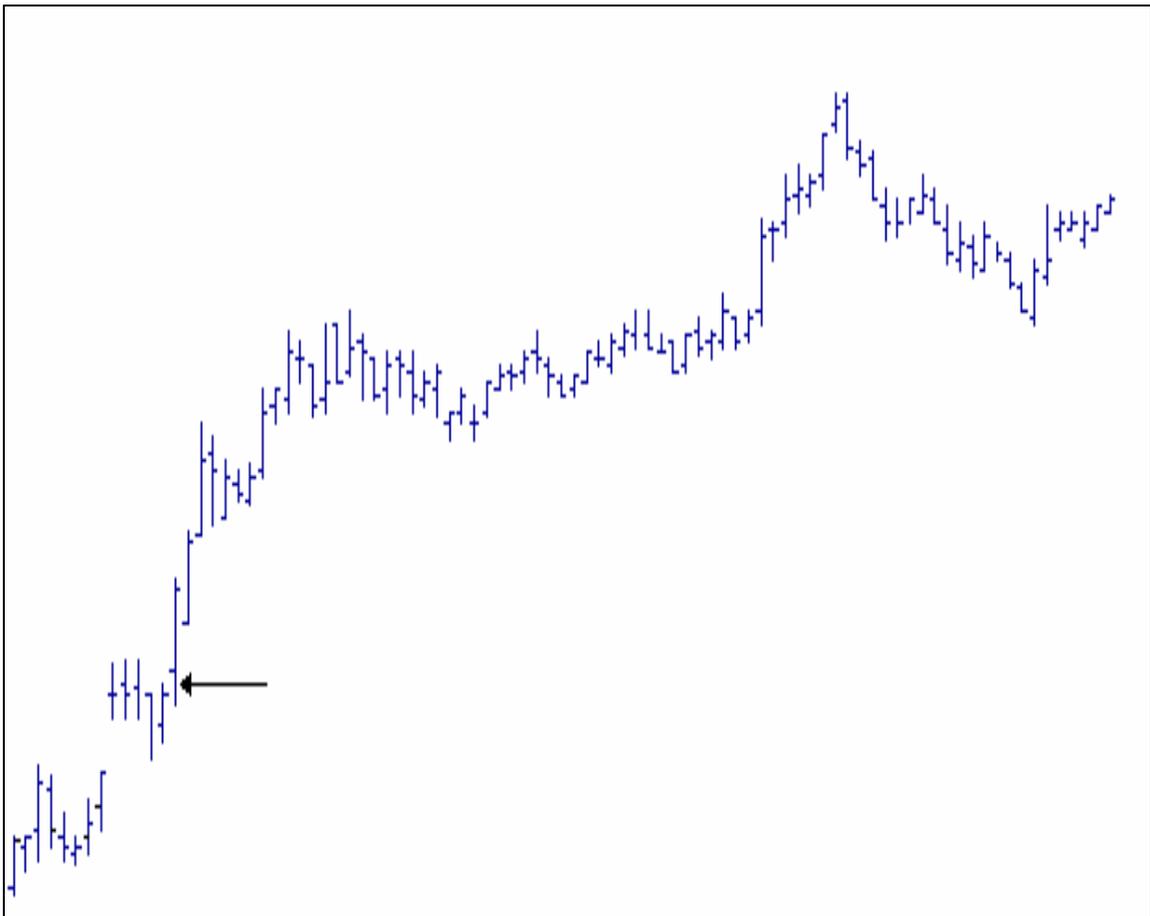


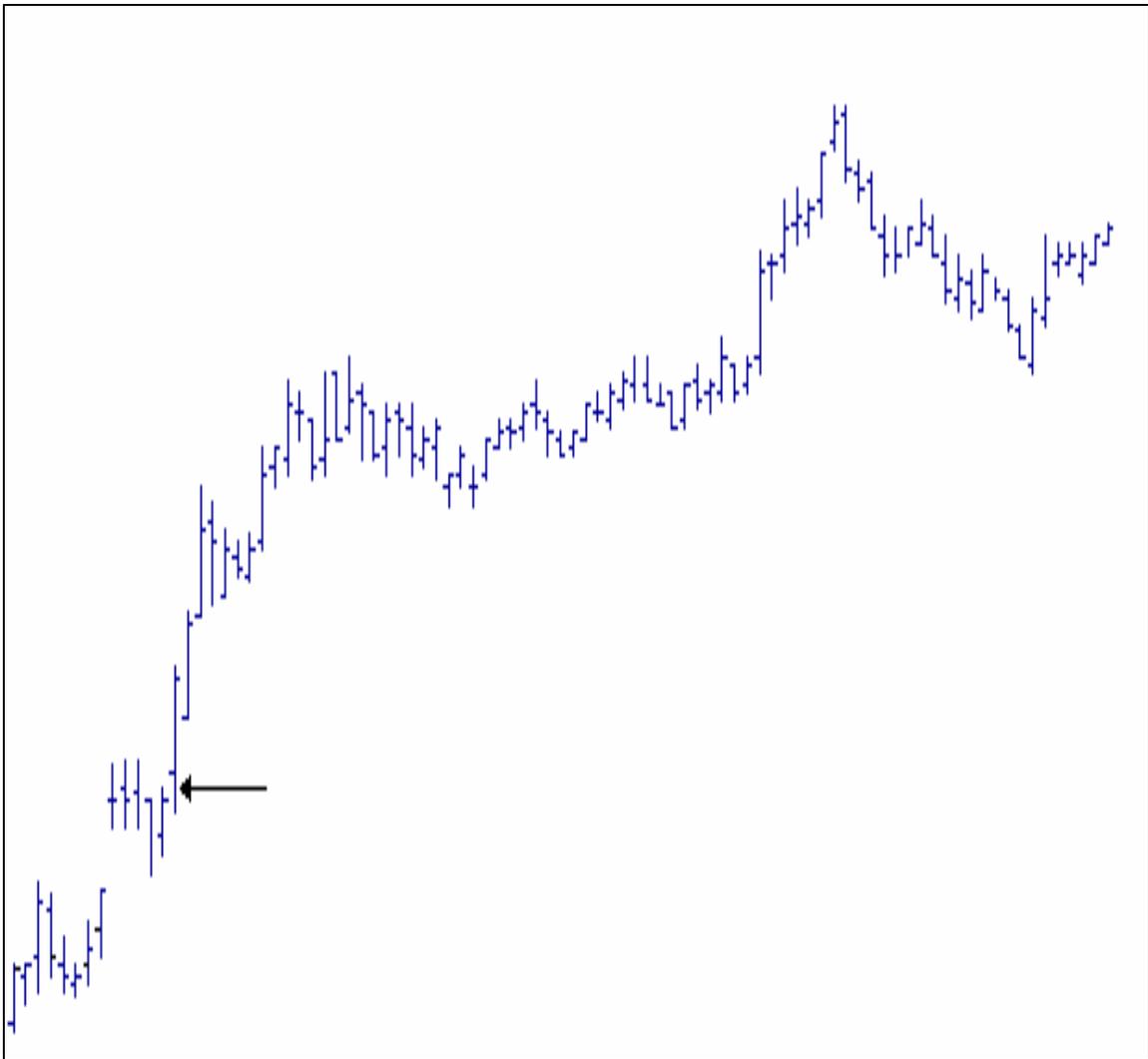
# Chapter 26

## THRUST BARS

One of the strongest signals that can be obtained on any chart, regardless of time frame, is what we call a ***thrust*** bar. Although thrust bars occur in both directions, the best and most trustworthy are those that occur in an upward direction. You will have to observe them for awhile before you can come to appreciate what we've written here. Your attention to thrust bars will be well worth the time you spend in learning to identify them. You must also learn how to manage trades that are the result of thrust bar actions.

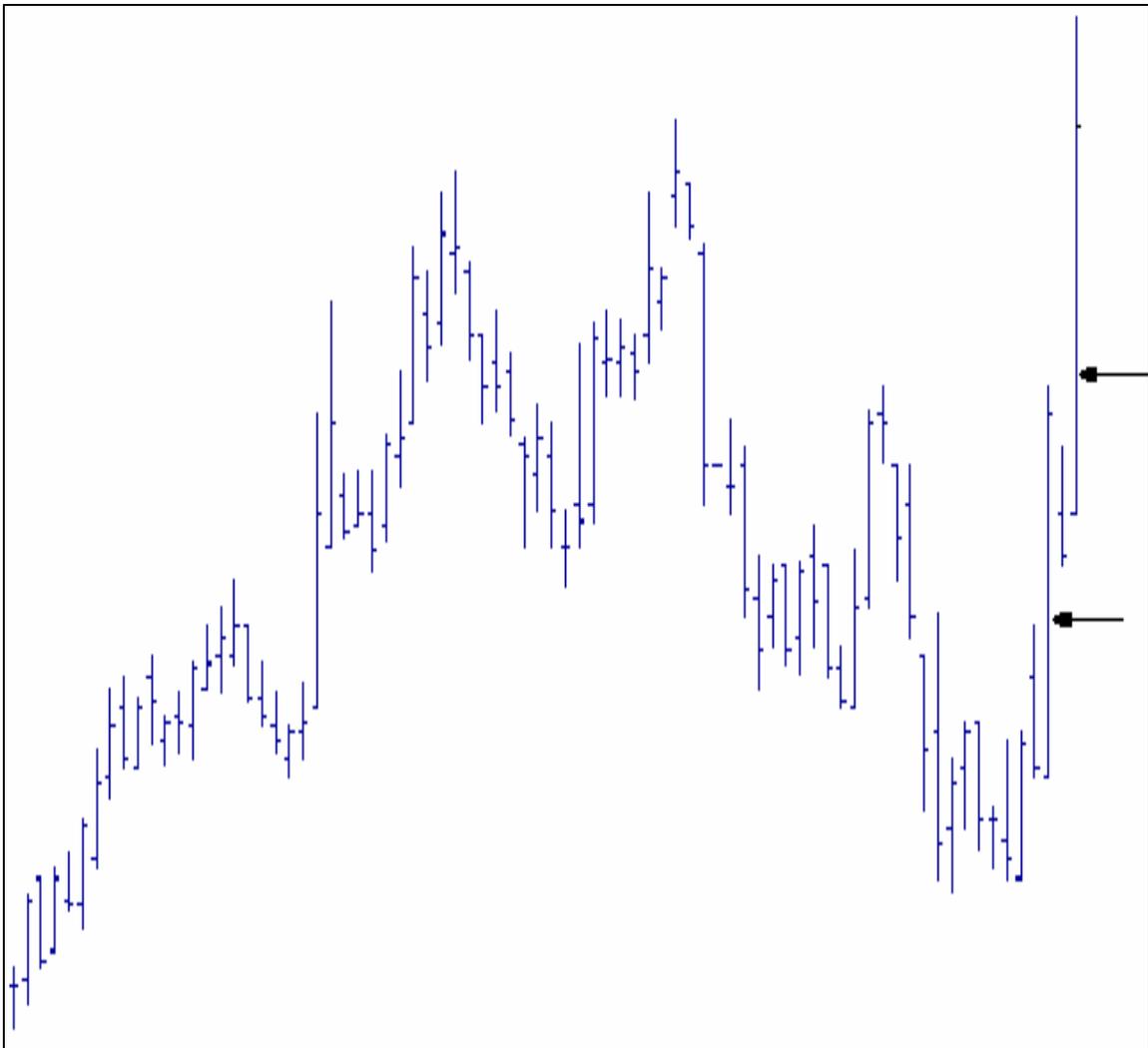
In general, we buy a break out of the high of an upward thrust bar. We'll show you some so you can get a better idea of what we're writing about. The thrust bar below is at the point of the arrow.





Thrust bars close at or very near their highs. They are usually close to double or greater than the size of those bars immediately preceding them, although this is not necessarily the case. As you study them, you will learn to recognize them when they are not much larger than those bars preceding them. They invariably come out of clusters of congestion.

We buy the high, or the breakout of the high, of the thrust bar once we see it close at or near its high. Sometimes it is all we can do to get in one tick above the thrust bar high.

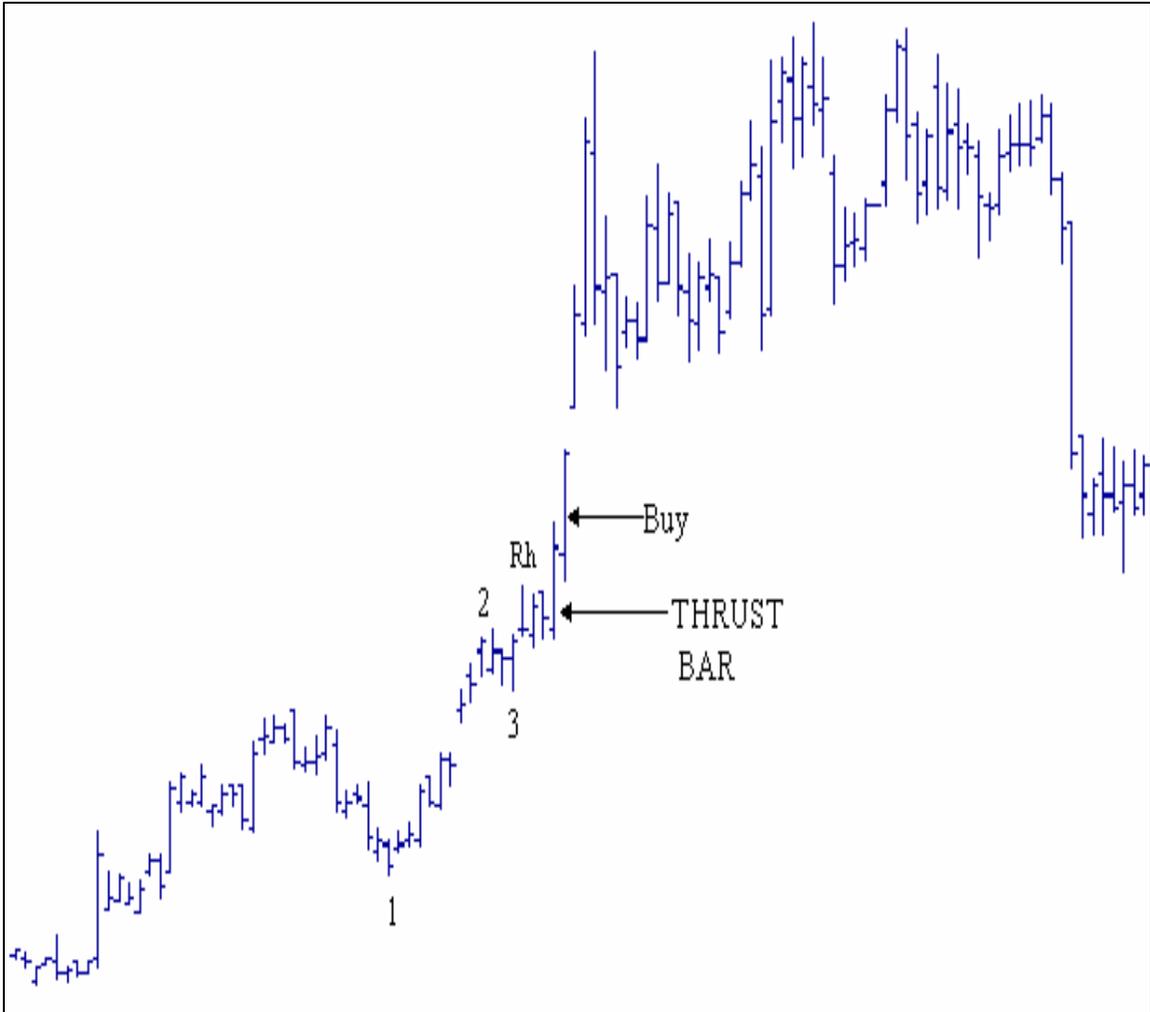


Other times, the following bar will dip a bit lower than the thrust bar high, thus giving us a chance to get in at a slightly lower price using the Trader's Trick. On the chart above, the lower arrow points to the thrust bar. The upper arrow points to the buy point. A "price or better" order is good to use with thrust bars if it is possible for you to enter such an order.

Thrust bars can also occur in trending markets. You wait for a 1-2-3 low followed by a Ross Hook. Then you look for a thrust bar on up to four bars of correction. Once again, you will have to work out the trade, money, and risk management.

There is no miraculous way to do it that applies to everyone equally. You will have to take into consideration your own trading style,

amount of acceptable risk, and the size of your account. We'll show you an example of a thrust bar occurring in a trending market. If however, you were trading 1-2-3's and Ross Hooks, you would have already been in this trade.

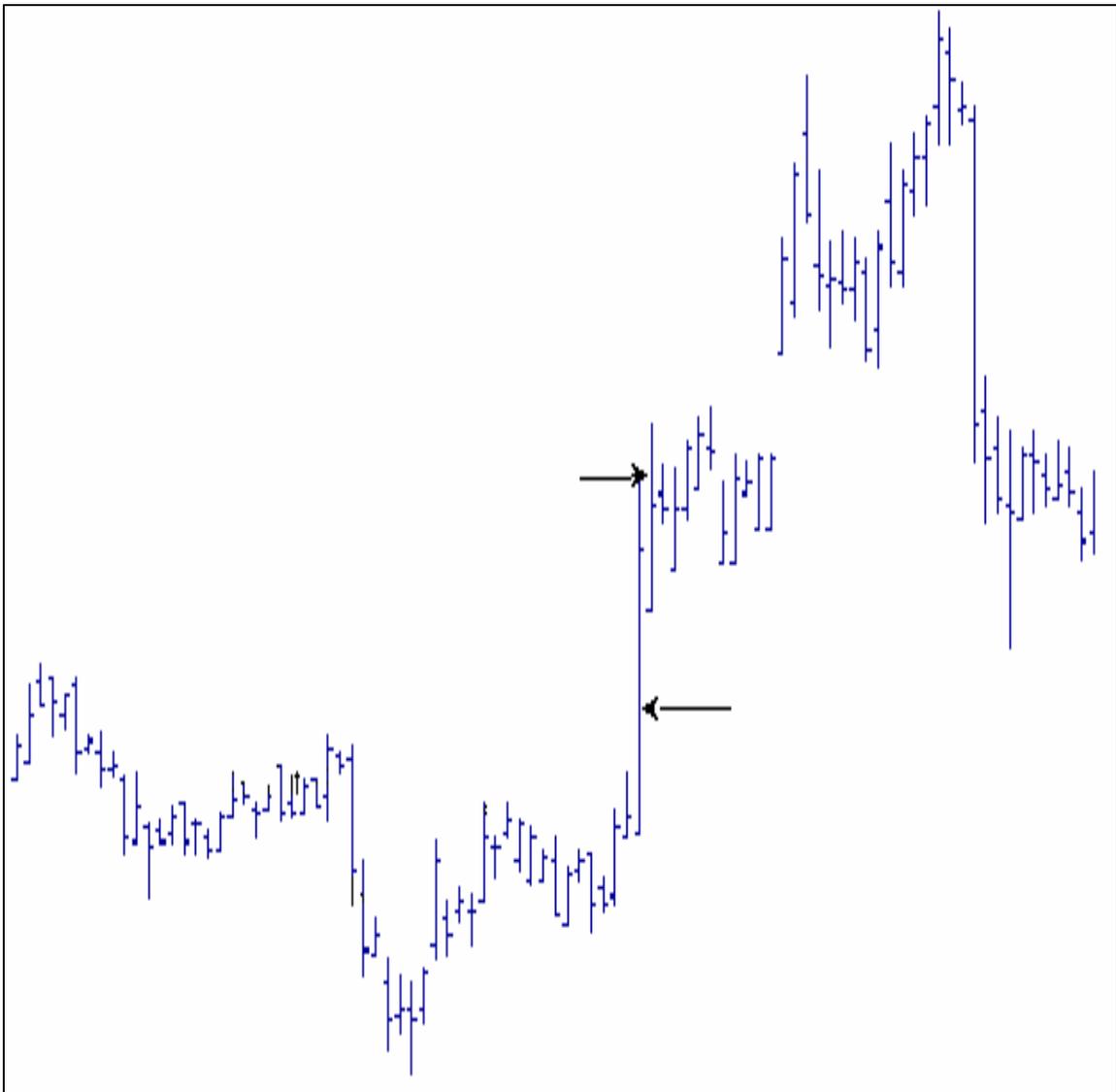


Just in case you think this always works, let's bring you down to earth with the chart on the following page.

Because you never know for sure how much further the market will go after a thrust bar, the trade must be treated as a scalp. You must cover costs as soon as possible. You must have a definite objective for the next part of your total position. If, after meeting the first objective, you still have a part of your position remaining, you can then attempt to let the trade ride as far as it will go.

The fill can come several bars later, but not more than four bars should be between the thrust bar and the fill bar.

Surely if you search through your charts, you will find other examples of thrust bars that didn't make much money. Remember, just because a bar is large doesn't make it a thrust bar. It also has to close at, or very near, the top of the bar. If you need a number for that, let's just say it has to be in the top 10% of the bar's range. You may wish to make it even tighter by saying the top 5%. Often you will do it, just making a judgment call based on what you see.



There are a number of “not-so-hot” thrust bars on this chart. We pointed out the most obvious one with the lower arrow, and the entry with the upper arrow. Take a look and see if you don’t see the others. That way you’ll get a reality check. But it is important to know about these and learn to use them in your trading. There are numerous times when thrust bars render excellent trades. At least they give you some clue that something real is, for the moment, happening.