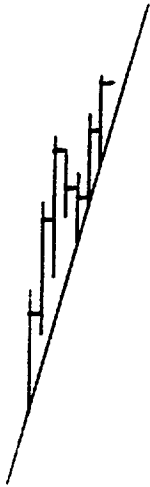


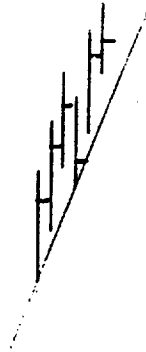
FIGURE 1: TREND LINE EXAMPLES

$d=2$

RULES ARE SYMMETRICAL FOR UPTREND AND DOWNTREND

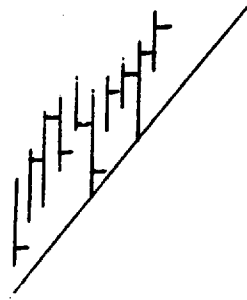


VALID



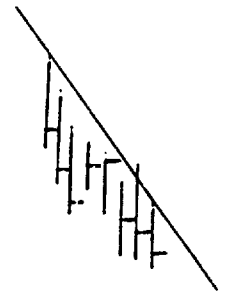
INVALID

PULLBACK ONLY ONE DAY



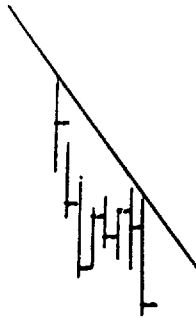
INVALID

BOTH POINTS SUBSEQUENT TO PULLBACK

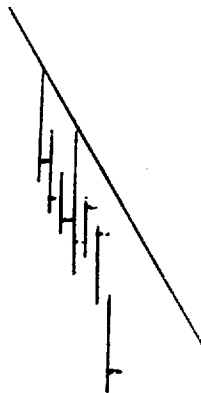


INVALID

TREND LINE PENETRATED

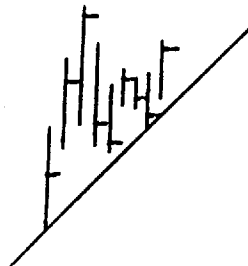


VALID

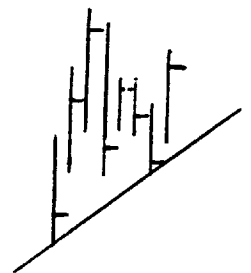


INVALID

BOTH POINTS PRIOR TO PULLBACK



VALID



INVALID

PULLBACK LOW CLOSE IS LOWER THAN LOW CLOSE PRIOR TO PULLBACK - TRUE PATTERN IS STILL IN FORMATION.