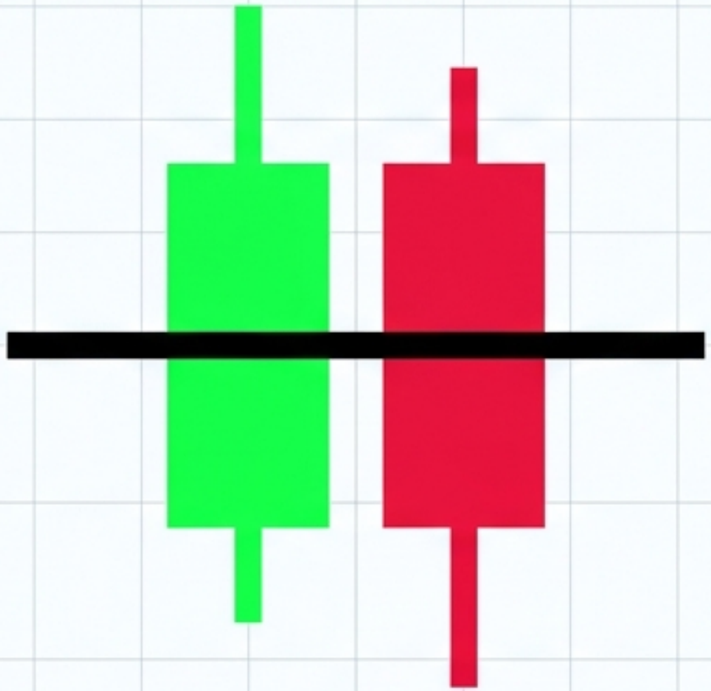


CLEAN CHART ANATOMY

Applying Alex Gerchik's Market Analysis Approach

Why indicators don’t work

Many traders rely heavily on RSI, MACD, moving averages, and other indicators, creating unnecessarily complex charts.

But this has nothing to do with real market analysis. **It is mostly driven by the fear of being left one-on-one with the market.**

The main problem is that indicators often generate conflicting signals.
As a result, **traders end up spending more time trying to reconcile those contradictions** than actually trading.

The more complex your trading system is, the less chance you have of making money. Declutter your charts.

— Alex Gerchik

Here’s the key difference:

An indicator is a mathematical derivative of the past price. It shows where the money used to be.

A level is the footprint of real money left by a large institutional player who is protecting their position right now.

Professional trading is done on a single, clean computer screen. The logic behind it is simple: locate the horizontal line of big capital and trade alongside it.

The Law of the Left and Right Sides

The ultimate rule for filtering out market noise:

The left side is history. Strong levels originate from the past. They are usually formed at points where a trend reverses or abnormal trading volume appears. The level is established by the left side of the chart.

The right side is the current reality. You do not just pull a level out of thin air. It is purely about observation: how is the price reacting to the historical line from the left?

Key principle: A false breakout can only occur relative to a historical level. If there were no level on the left, whatever happens on the right is just market noise.

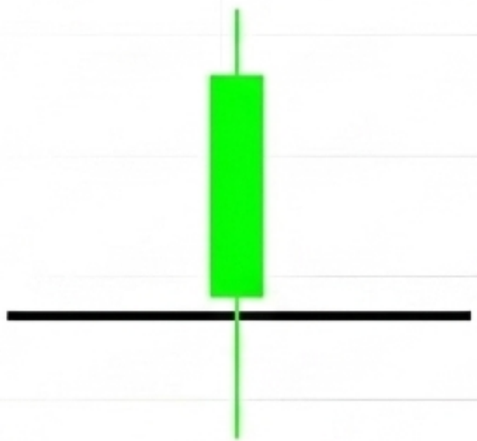
4 types of strong levels

If you are unable to see a level on a daily chart within 5 seconds, it is not there. A strong level is built strictly based on one of these four criteria:

Trend reversal point. The boundary of a pullback, whereupon whereupon the asset went on to refresh its local high or low. This represents the strongest fixed price.

Mirror-like level. Previous support turns into resistance, or vice versa. This serves as a marker for a global trend shift and the entry of a new large player.

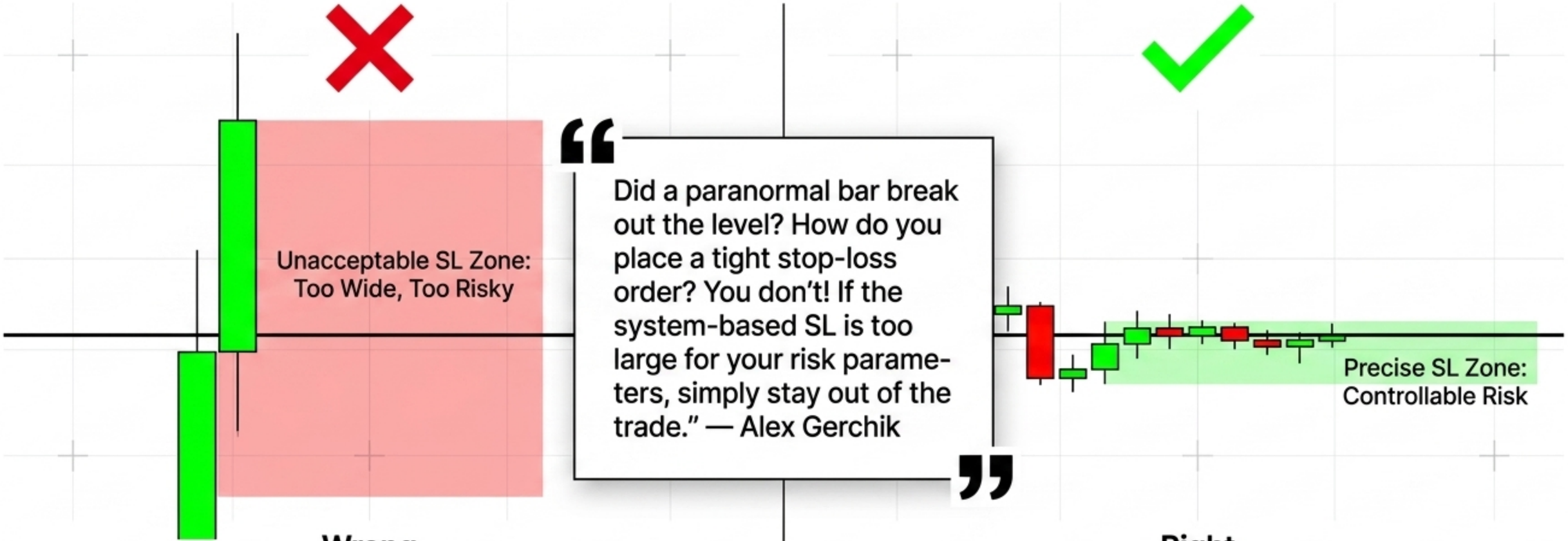
Limit consolidation. Daily bars repeatedly hit the same price line. This is the visible footprint of a large participant accumulating a position.



Paranormal bar. A candlestick whose size exceeds two or more average daily ranges (ATR). The highs, lows, and long tails of such bars create powerful liquidity retention zones.

The Fundamental Law of Entry Points

The purpose of a level on a clean chart is simple—it allows you to place a precise and technically justified stop-loss order. Nothing more.



> “Did a paranormal bar break out the level? How do you place a tight stop-loss order? You don’t! If the system-based SL is too large for your risk parameters, simply stay out of the trade.” — Alex Gerchik

Wrong

You must never enter a trade when an asset approaches a level with large, impulsive momentum bars, as your SL will end up being too wide.

Right

The right move is this: Wait for volatility to die down. **When** the bars at the level become small, the risk becomes controllable. **Only** then do you enter.

15-Minute Trading Framework

Here’s how you can analyze the market, as exemplified by stocks.

Step 1: Filtering

Filter out all cheap assets—those below $1—that lack volume. Do not waste your time on them.

Step 2: Spotting in-play assets

Opt for assets demonstrating strong gaps at the open or abnormally large volumes today.

Step 3: Marking levels

Write down the tickers.
Locate strong levels using the left side, especially round psychological figures ($50, $100).

Step 4: Automation

Set up price alerts and place limit orders.

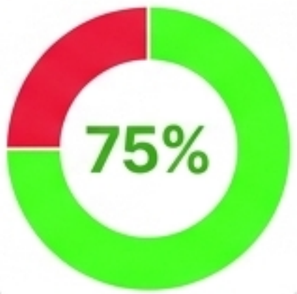
Step 5: Shut down the trading platform

The market must align with your scenario, not the other way around.
Either the order gets triggered according to your rules, or there is no trade today. Both outcomes are sensible.

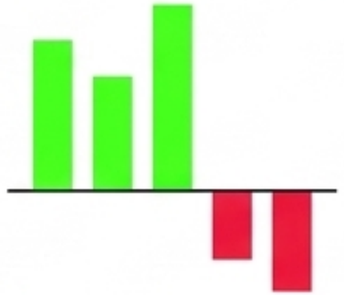
The next step: Trading based on figures, not a gut feeling

A clean chart clears the clutter from your screen. Stats clear the clutter from your decisions.

Trader's Statistics, a handy tool available in your Gerchik & Co personal account, automatically analyzes your trades to show you:



Your actual win rate for long and short positions separately.



Which 2–3 assets are generating profit, and which ones are silently draining your trading account balance.

EV: +1.5

Avg Spread: **0.2 pips**

Your actual expected value and average spread.

Forget about updating spreadsheets by hand. This tool immediately identifies which trades are based on your system and which are driven by wishful thinking.