



## CC Price Compression Levels (PCLs)

The CC Price Compression Levels (PCLs) use price volume analysis, volume aggregation and multiple time frame confluence to calculate and display accurate levels of commercial interest. These areas have a high probability of providing support and resistance. Candid Commodities utilizes two types of PCLs:

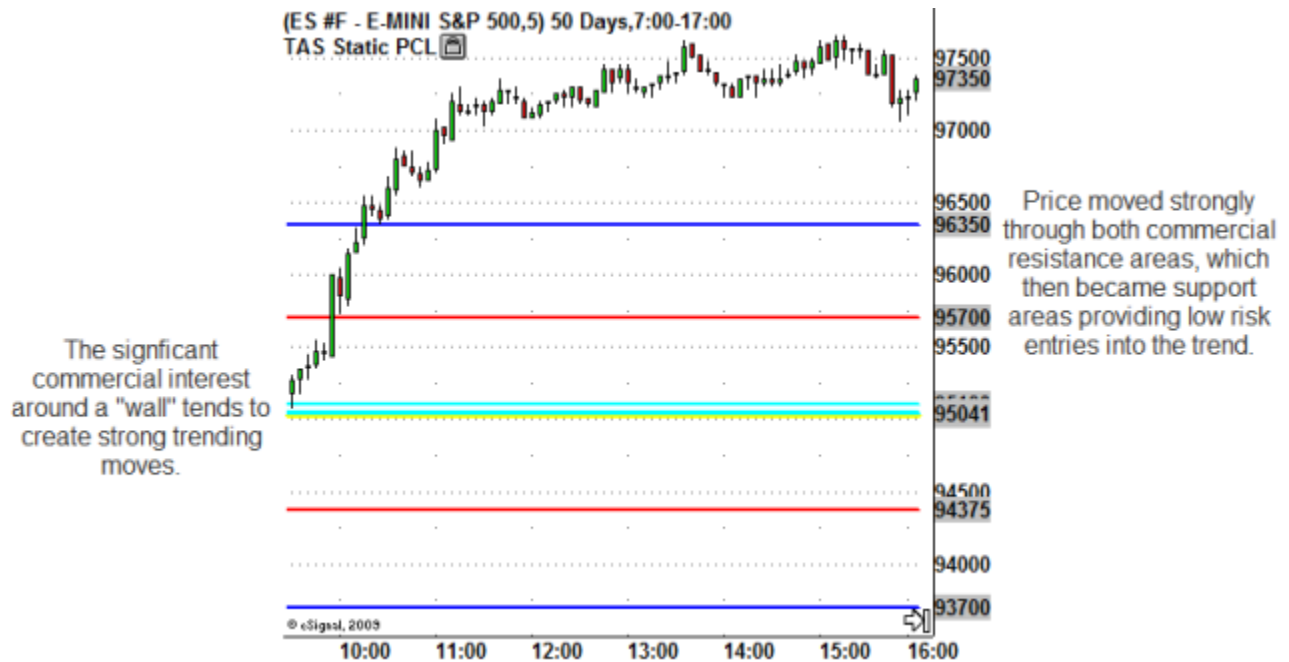
**Static PCLs:** The levels are set upon the open of the trading session and remain the same throughout the session – referred to as “Statics”.

**Dynamic PCLs:** The levels take into account market flow and change in accordance with certain market conditions – referred to as “floaters”.

Both our Static and Dynamic PCLs have up to 10 horizontal lines you can display. The four center lines are referred to as Points of Control (POC) – three of these are colored cyan and one is yellow. The first areas of commercial support and resistance are plotted with red lines on either side of the POC lines. Outside these lines support and resistance areas are designated by blue lines and, finally, green lines. Typically, in the trade room, the green lines are only displayed on an “as needed” basis.

## CC Static PCLs

- An inherent advantage of using CC Static PCLs is the trader knows the significant price areas for the session before beginning to trade.
- Static levels are only affected by changing the opening and closing time parameters for the trading session displayed.
- Tightly compacted POC lines designate an area of particularly strong commercial interest that provides high probability, low risk entries for extended directional moves. These areas are often referred to as “walls.”

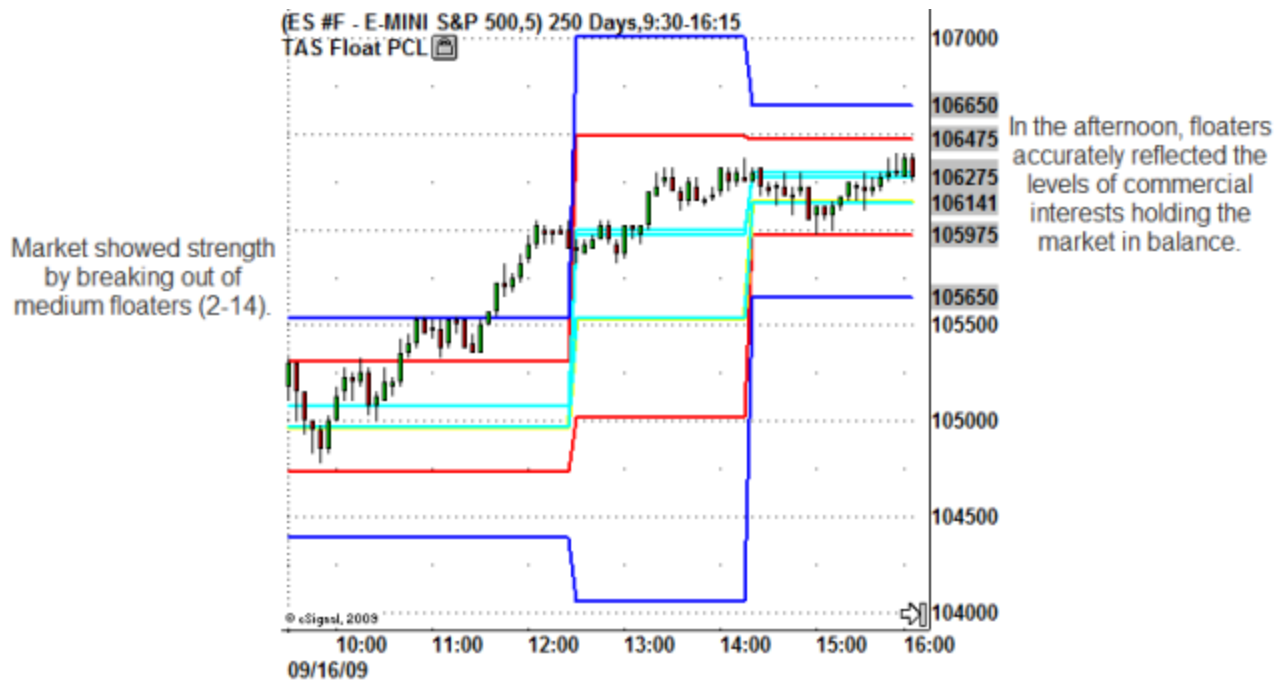


- If the POC lines are spread out over a wider range, a trader should be on the lookout for a more rotational trading session.
- Every now and then, one of the POC lines will be plotted outside of a red line. In this case, the market will often be biased in the same direction that the POC line is in relation to the red line.



## CC Dynamic PCLs

- The CC Dynamic PCLs designate the price areas we can realistically expect commercial interest to show up based on the current market conditions.
- How the floaters are plotted can be adjusted according to two inputs:
  - MinSignal\_123: a lower value in this input makes it easier for market conditions to trigger new floaters; a higher value makes it harder to trigger new floaters
  - Length: sets the number bars of data included in calculating the new floaters displayed
- Using higher values in both inputs will display more significant areas of commercial interest for higher probability trades. These are referred to as “slow” floaters.
- Using lower value inputs will create floaters that are more responsive to market conditions. These are referred to as “fast” floaters.
  - When fast floaters are contracted (cover a narrow range) the market is tightly balanced and can easily enter breakout conditions, if price closes outside the floaters.
  - Wider floaters provide for a greater potential rotational range.
- We recommend three standard settings, depending on how responsive you want your floaters to be:
  - Fast: 1-8
  - Medium: 2-14
  - Slow: 3-34



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