

NEELY RIVER Theory

A New Paradigm for Understanding and
Trading (*not Forecasting*) Markets





Why are Markets Like Rivers

Water in a Lake

Fish Movement

Wind

North Bank

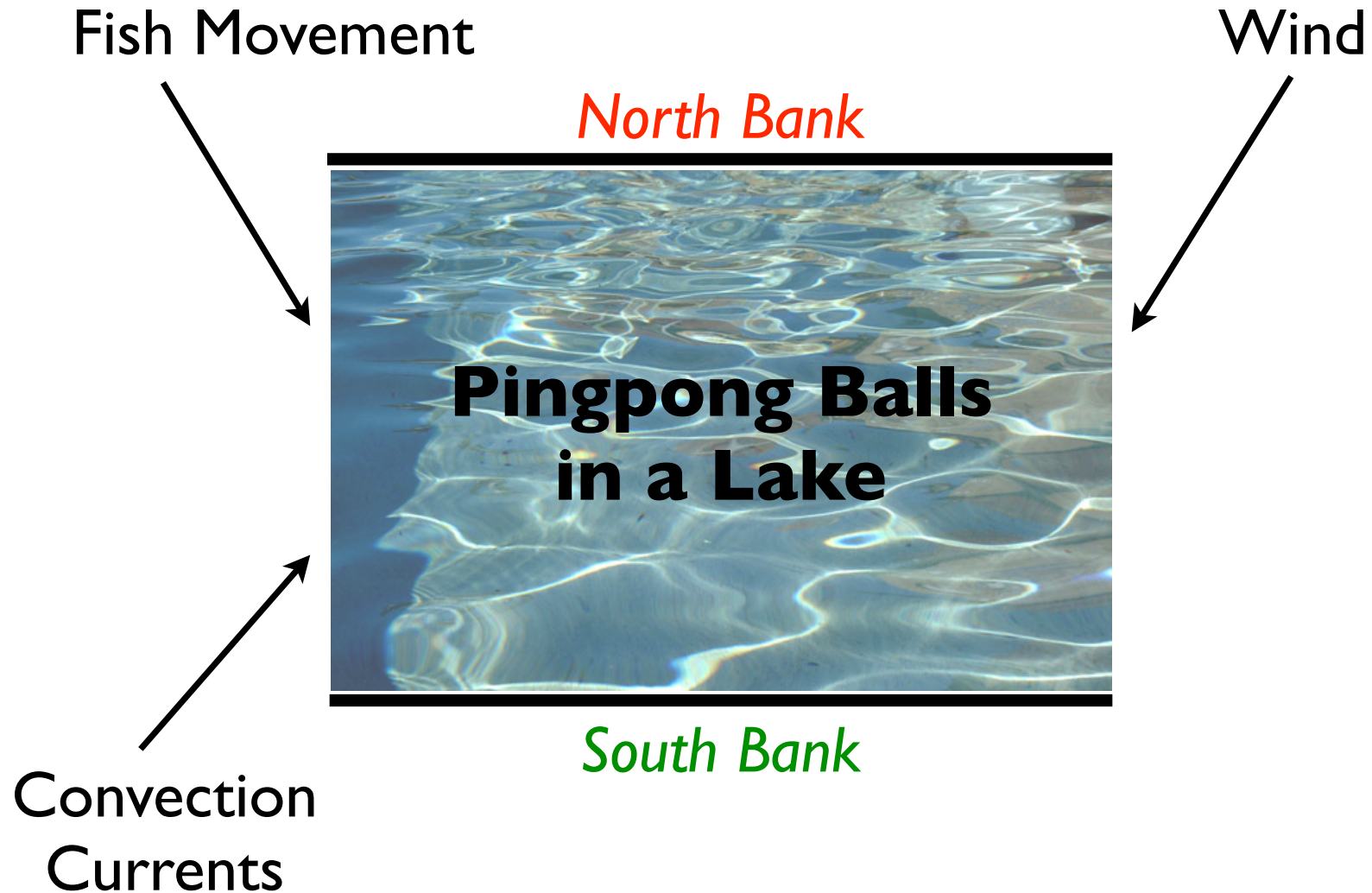


**Random, Chaotic
Unpredictable**

South Bank

Convection
Currents

Water in a Lake



Prices in a Market

Trader Actions

Events (news)

North Channel



Equal, Opposing
Financial Forces

South Channel

Prices in a Market

Trader Actions

Events (news)

North Channel



**Trading in a “Lake”
Environment**

Equal, Opposing
Financial Forces

South Channel

Water in a River

New Force Impacts Equilibrium

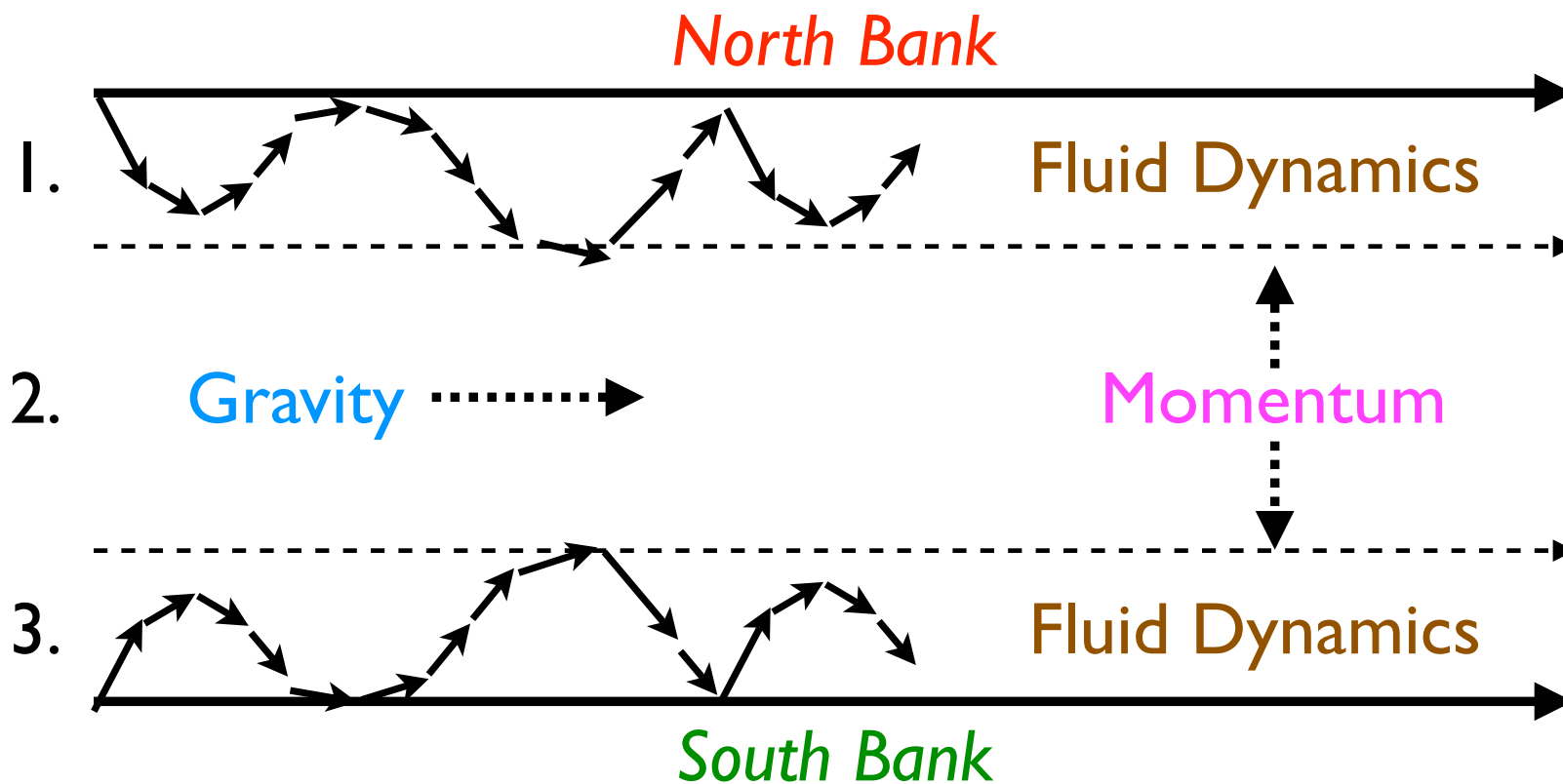
North Bank

Gravity

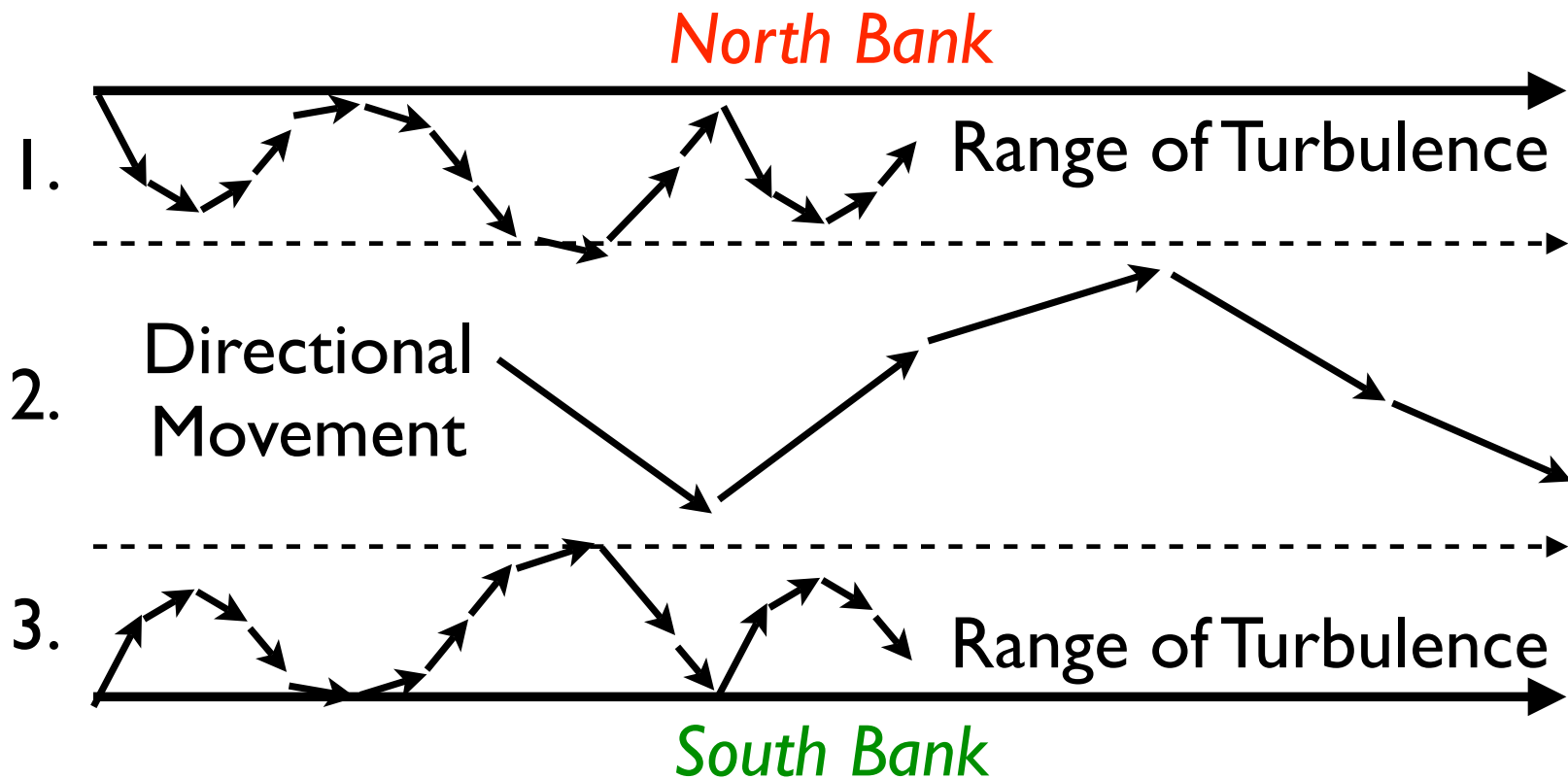


South Bank

Forces at Work



Three River Zones



Money in a Market

New Force Impacts Equilibrium

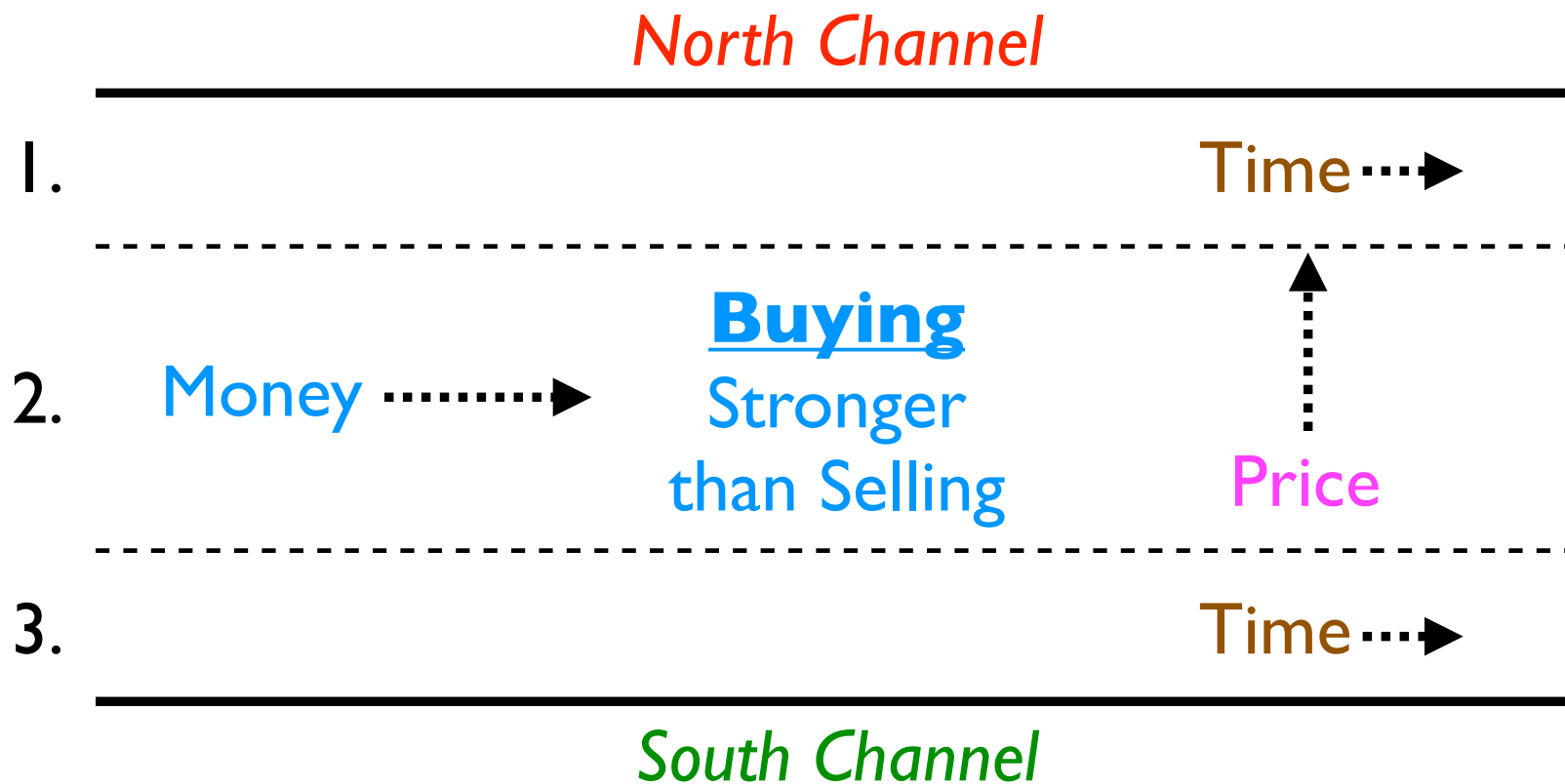
North Channel

Money→



South Channel

Forces at Work



Forces at Work

