a trend, there are also other inflection points, many of them obscure, where other professionals are taking positions. As a trend progresses, virtually all ideal entry and reentry points are identified by some element of the professional trading community as an opportunity to take a relatively small risk and small risk tends to attract large size. From this point forward, we'll refer to this particular market principle as the 12th Law of *Trend Dynamics*: Small risk attracts large size.

Of course, the difficulty in isolating those small risks is being able to identify what makes a risk/reward asymmetrical and compelling. There are specific traits that I look for.

[T]he Twelfth Law of *Trend Dynamics*: "Small risk attract large size."

ASYMMETRIC RISK/REWARD

One component that I want to see is the potential for a hand-off to higher timeframe control coupled with the likelihood that the hand-off will actually take place. I assess that potential by seeing how the lower and higher timeframe structures are arrayed. I also want to see exactly where the non-trend liquidation (NTL) target is posited relative to the structure I am leaning against for entry; and I want to know why price should be biased to move quickly to that NTL target because of specific market principles that I've recognized as present in the local price action. If I can't see all of these components, then I probably have a marginal trade. If I can see all of these components, then I often have a trade that is compelling in terms of being able to take NTL profits quickly and getting into position to leverage the remainder of the trade as trend-based.

HIGHER TIMEFRAME HAND-OFFS

All of the structural trades that we talk about in *Trend Dynamics*, such as RePos etc. are an attempt to identify where local price action in lower timeframes moving contratrend is about to reverse and give up control to a higher timeframe. This is one broad form of what we might call a hand-off from a lower timeframe to a higher timeframe.

With every entry, you want to be able to visualize in a very explicit way how such a hand-off is going to occur and why. Let me show you an example.

In Chart 168, opposite above, suppose we see a potential trade location at A, where we might entertain a contra-trend short trade location. We would drop down to a lower timeframe such as Chart 169, overleaf, and we see a gap opening on a 30" bar that coincides with the high at A on the higher timeframe.

While this may offer an attractive intraday opportunity to gain trade location intraday by fading such a gap, we can see on Chart 169, that the