

**IN CRYPTO  
WE TRUST**



# Let's not digress and move directly to day trading.

Factors that can be included while determining day trading crypto strategies:

## #1 Volume

By trading volume, you can understand the popularity of particular crypto, and the amount of activity that happens around that coin or token.

A cryptocurrency must have considerable volume for day trading.

A good trading volume is an indication of a healthy investment.

Cryptocurrency trading volume is determined by the number of trades.

The higher the number of trades, the better the volume.

## #2 Volatility

Volatility refers to the price fluctuation, that is predominant in the cryptocurrency market which means the digital asset can be either a success or a failure for the trader.

For day trading, one should choose a cryptocurrency with upward price volatility so that you can make a profit as and when it spikes.

It is not unusual for a coin price to fluctuate by 10-50% in a day.

## #3 Cryptocurrency Exchanges

You must remember that the crypto you choose must be supported by the reputable exchanges.

Mostly the day traders store their asset in cryptocurrency exchanges which is quite risky, so the security is high.

You must look out for the number of coins listed on the exchange along with transparency and transaction fees.

## #4 Recent News

News can affect any industry and if it's good, the prices might rise and vice versa.

Cryptocurrency industry is sensitive to negative news as it is not regulated, unlike fiat currencies.

Popularity and impressions play an important role in the cryptocurrency industry as its being managed by people all across the world.

## #5 Active Team

For any crypto project success, you must see how active the team is!

The more they are active, the more prompt they can be in answering your queries.

A strong and active team is helpful as they send regular updates regarding the particular token or coin.

Understanding and using **Risk Management** and Position Sizing is literally the most important thing you can do to improve your trading!

When considering any trade, you need to know three different prices:

- Your **Entry Price** (the price you buy at)
- Your **Stop Loss Price** (the price where you exit an unsuccessful trade)
- Your **Take Profit Price** (your target price where you will close the trade)

Managing risk means that in **any** trade, your potential loss (or Risk) is limited to an amount that you determine in advance.

**The suggested Risk is 1% of trading capital per trade.**

Using a 1% Risk level protects your capital when you eventually run into a string of losing trades. If you lose on 5 consecutive trades, you've only lost 5% of your capital, which can be recovered quickly.

New traders and those with a smaller amount of trading capital may be better off risking only **0.5%** at first, while more experienced traders may risk as much as 3%.

**Anything greater than 3% Risk is not recommended.**

You manage Risk by using a Stop Loss order.

The potential loss in a trade is determined by the difference between your **Entry Price** and your **Stop Loss Price**.

The Stop Loss order limits your loss to whatever amount you already determined as your acceptable Risk (1% of your trading capital, for example).

The level for your Stop Loss should always be derived from a proper analysis, and not by picking an arbitrary number.

A Stop Loss order is designed to get you out of a bad trade with minimal loss of capital.

Do not get discouraged if your Stop Loss gets hit! Its part of the plan, its expected and normal to get stopped out of a trade.

- We suggest that you do not enter more than 2 or 3 trades at a time. It can be difficult to effectively manage more than 3 trades at once.



# Useful Links

(click these links)

- 👉 [Brave](#)
- 👉 [Ledger](#)
- 👉 [Coinigy](#)
- 👉 [PureVPN](#)
- 👉 [Trading View](#)
- 👉 [Discord](#)
- 👉 [Telegram \(PC/Mac/Linux\)](#)
- 👉 [3Commas](#)
  
- 👉 [Multicoincharts](#)
- 👉 [Cointrader - Chart any coin](#)
- 👉 [Telegram WhaleSniper](#)
- 👉 [TOTAL2](#)
- 👉 [CRYPTOCAP-BTC.D](#)

- 👉 [Binance tutorials](#)
- 👉 [Babybips Learn trading](#)
- 👉 [The patternsite](#)
  
- 👉 [Coinmarketc](#)
- 👉 [Coinpaprika](#)
- 👉 [Coinmarketcap](#)
- 👉 [Coinfi coin news](#)
- 👉 [Cryptopanic](#)



# 👉 Babybips Learn trading

free online course that helps

Course 3 of 11

## Elementary

The beginner's guide to technical analysis.

[Start Course ➔](#)

### Your Progress

Sign in to unlock progress tracking.



- Grade 1 Support and Resistance Levels
- Grade 2 Japanese Candlesticks
- Grade 3 Fibonacci
- Grade 4 Moving Averages**
- Grade 5 Popular Chart Indicators

### Course Outline

- Grade 1 Support and Resistance Levels
- Grade 2 Japanese Candlesticks
- Grade 3 Fibonacci
- Grade 4 Moving Averages**
- Grade 5 Popular Chart Indicators

### 4 Grade 4 Moving Averages

Thinking of trading in a trending environment? Try using moving averages!

- What Are Moving Averages?**

A moving average is simply a way to smooth out price action over time. Here's what it looks like.
- Simple Moving Average (SMA) Explained**

These are calculated by adding up the last "X" period's closing prices and then dividing it by X. Confused? Don't worry, we'll make it crystal clear.
- Exponential Moving Average (EMA) Explained**

Think an SMA is too easy breezy for you? Try your hand at using EMAs!
- Simple vs. Exponential Moving Averages**

How does an SMA differ from an EMA? It's pretty simple, actually.
- How to Use Moving Averages to Find the Trend**

One sweet way to use moving averages is to determine trends. And that's just the beginning!
- How to Use Moving Average Crossovers to Enter Trades**

If MA lines cross over one another, it may signal that the trend is about to change soon.
- How to Use Moving Averages as Dynamic Support and Resistance Levels**

Another way to use moving averages is to use them as non-traditional support and resistance levels. Here's how:
- Summary: Using Moving Averages**

You may forget your name, but you should never forget the basics of moving averages!

## What Are Moving Averages?

Moving averages are one most commonly used technical indicators.

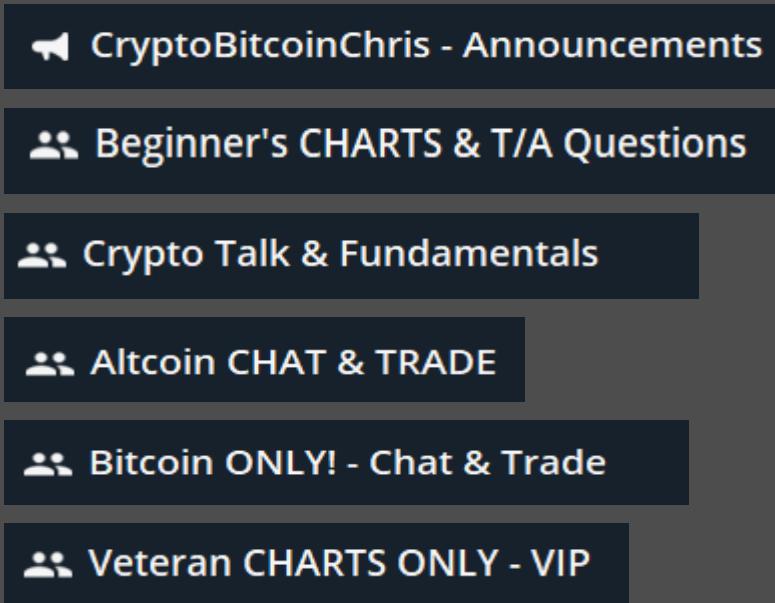
A **moving average** is simply a way to *smooth out* price fluctuations to help you distinguish between typical market "noise" and actual trend reversals.

By "moving average", we mean that you are taking the average closing price of a currency pair for the last 'X' number of periods.

On a chart, it would look like this:



## CbC Telegram channels



- Use the magnifying glass or ‘search’ function in Telegram to find posts that you are interested in.  
For example, you can search “divergence” or “candlestick” to find anything in the CbC channels on those topics.





DISCORD

Q&A

Saturday Night  
at  
9:30pm EST

Please make sure your mic and headsets are set up correctly and working before the meeting.  
It is always a great time.

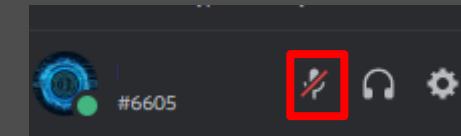
Download link:

👉 [Discord](#)

Double Click on the “General Cryptocurrency” voice channel to join.

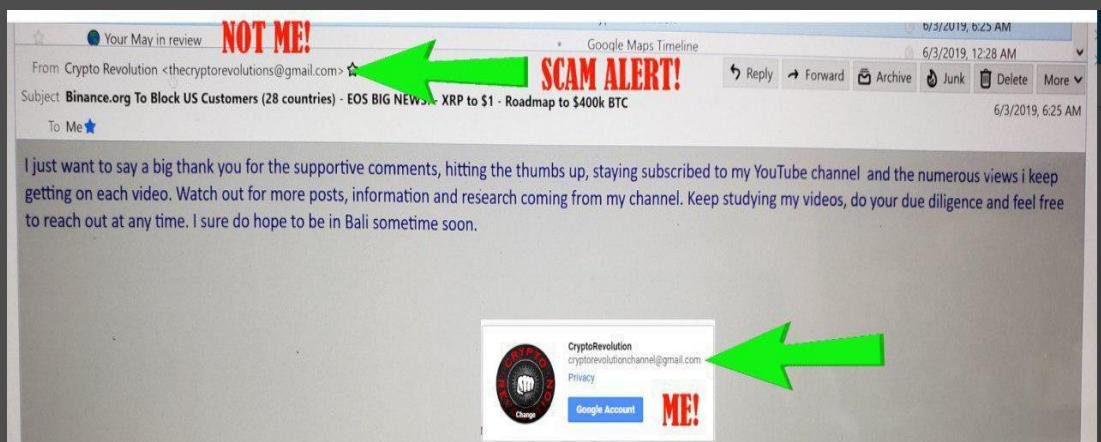
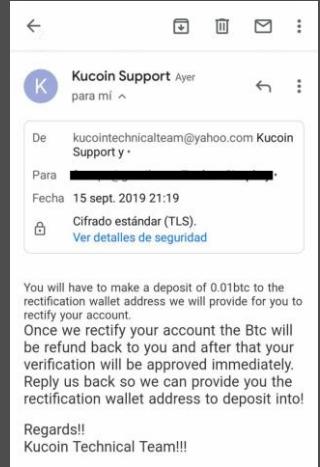
The screenshot shows a Discord server interface. At the top, it says "CryptoBitcoinChris Patrons". Below that, there's a "TEXT CHANNELS" section with a channel named "# cryptocurrency-chat". In the "VOICE CHANNELS" section, there is a channel named "General Cryptocurrency ...". A red box highlights this channel, and a blue hand cursor icon points to it from the left.

EVERYONE MUST MUTE THEIR MICS



Anyone who's been around crypto investors for too long can tell you that there's a certain trope involving scam artists in the blockchain community. They offer up great promises, out-of-control predictions, and grandiose talk about all things blockchain.

Always ask an admin if you are doubtful about something before posting it in group



More info about this:  
 [Bitcoin.org](https://Bitcoin.org)



# Orderbook

The Order Book is an electronic list of all the orders on an exchange that are waiting to be executed. All the Buy and Sell orders for a specific coin or token on the exchange are organized by price level. Within each price level, the orders are executed on a “**first come first served**” basis.

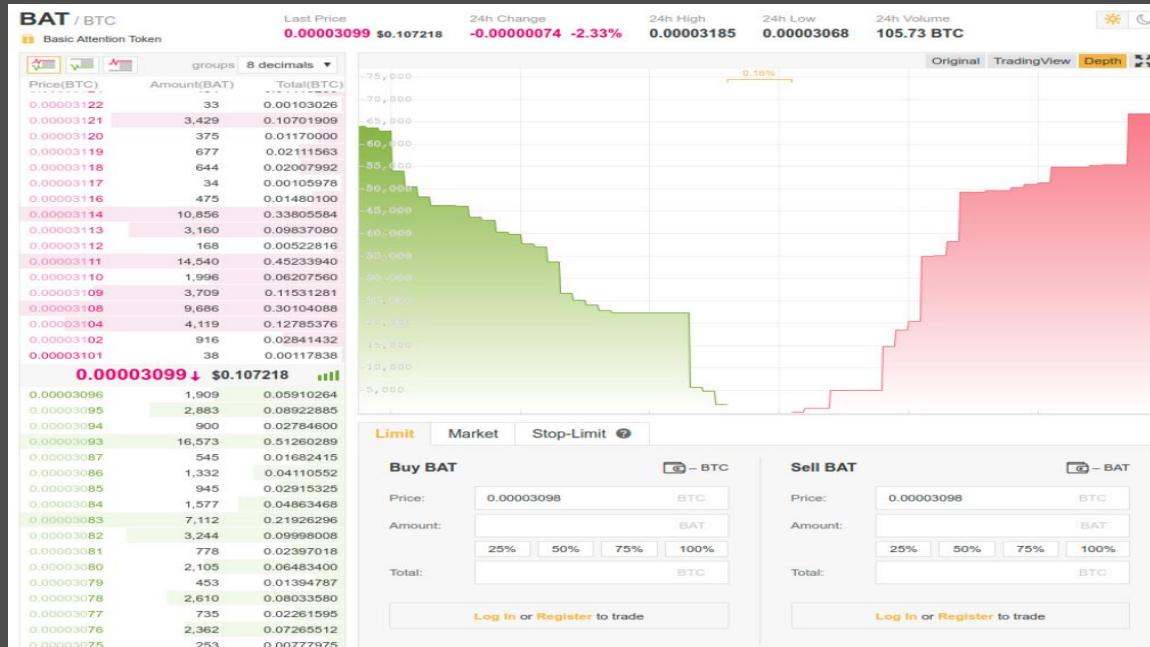
The Order Book shows you the number of coins or tokens being offered at each price – this is also known as ‘**market depth**’.

Buy orders are known as ‘Bids’, since you are bidding a price to buy an asset from someone.

Sell orders are known as ‘Asks’, since you are asking someone to pay a certain price when selling your asset.

Whenever a Bid meets an Ask, a trade is completed.

In the image below, the Order Book is the list of prices along the left side. The Depth Chart on the right is simply the visual picture of the orders in the Order Book.



Creating a buy wall can shift the market price higher, meaning you either don’t get your entry, or you have to pay a higher price to enter (this is known as “**slippage**”, the difference between what you expect to pay and what you actually pay).

You can avoid getting “**walled**” buy either splitting your large order up into several smaller orders at slightly different prices, or by placing several smaller orders over a slightly longer period of time to avoid a sudden shift in market price. Alternatively, you can simply take a smaller position.

A “sell wall” is simply the opposite of a buy wall and works the same way.



Tradingview indicator 5MA in 1

The screenshot shows the TradingView interface with a search bar at the top containing '5ma'. Below it is a sidebar with various categories like Favorites, Built-ins, Public Library, My Scripts, Volume Profile, and Marketplace Add-ons. The main area displays a list of results under 'Public Library', with the first result, '5MA' by inlander, highlighted with a red border. Other results include '7EMA\_5MA', '2BB + 5MA+ 3EMA+Ichikumo', and '5 Moving Averages With Forecast'.



200 MA = Yellow

100 MA = Blue

80 MA = Pinkish Purple

50 MA = Red

21 MA = Light Grey

MACD

HISTOGRAM = YELLOW  
MACD = BLUE

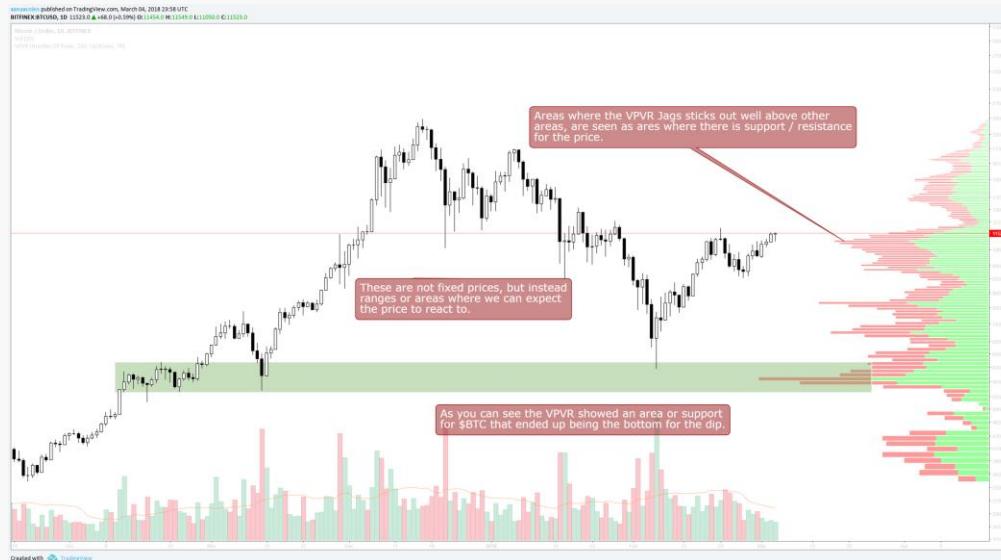
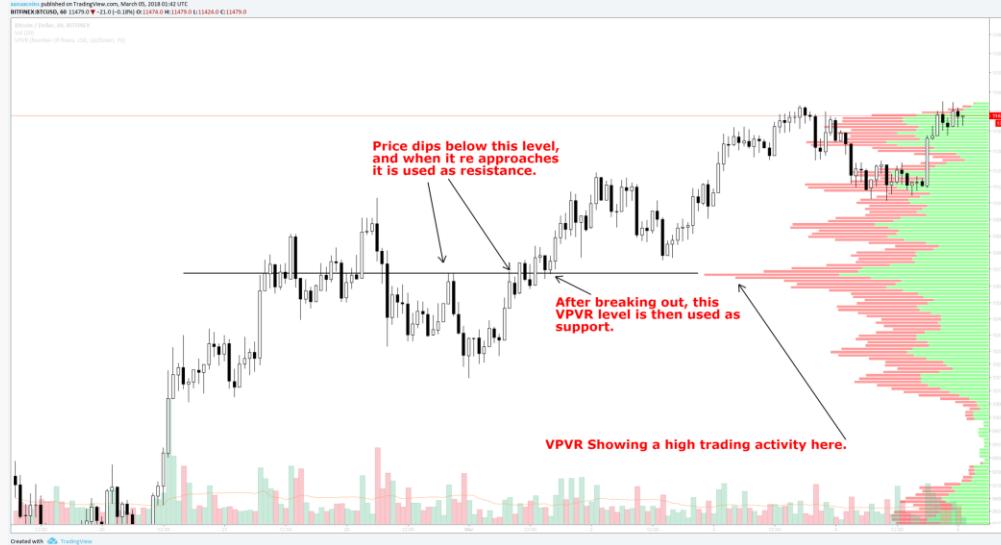
RSI = YELLOW



# VPVR Indicator

You have to pay for tradingview pro to turn VPVR on

The Volume Profile in it self is a indicator that displays the trading activity over a specific time period at certain price levels. Meaning, it shows what was bought and sold at those current levels, and displays them in a histogram on the side of your chart.



# The Breakout Strategy

The breakout strategy in general is about identifying resistance or support areas from where price is about to breakout in a new direction. Either it breaks out upwards from a recent low price area (support area), or it breaks down from a recent high price area (resistance zone).

The strategy is to buy at a point where the new uptrend seems confirmed.

So it's more likely not just a fakeout which falls back to the bottom but really the beginning of an uptrend.

When you find a breakout like in the example below, wait for confirmation of the breakout.

What we want to see is a higher low which stays above the last resistance zone (illustrated by our black line).



The breakout seems confirmed when price **stays above the recent resistance**, which should turn into support.

The confirmation is even stronger when we get a **second higher low**.



## Take Profit Target

We estimate where price might go from the breakout zone within a time frame from several days. That way we get our risk to reward ratio – which may just be a theoretical ratio based on your estimations, but still it's important to estimate it as it tells you why you make the trade and if it's worth the try. Rather than having now clue, with no analysis in advance and randomly buy and wait like a gambler



### Not Taking Profit – The „Too High Expectations Trap”

A huge beginners mistake is not to lock in profit when it's there because of greed: They have certain expectations how high price should go because they compare the chart with others where price had pumped in certain extreme highs.

Trading with such a strong bias is dangerous: Newbies tend to wait way too long to take profit, often till the top is past long ago and price is descending back.

Many even watch price go all the way back to their entry till they get out with nothing. Or even worse – they lose money in a trade where they could have had a great gain! But maybe „only“ 80% instead of the 200% they had been dreaming of..

**Profit is always better than no profit, right?**

You can let the other half ride and see how high it goes. Here comes our stop loss again – as risk management. We move it up above our entry, to a level where price is not allowed to fall back in order to hold the trend.



Now you're safe and even in profit in any case.  
Let the winner ride and move up stop loss again:



# Stop Loss

The next image below shows our example with the entry price and where we set the stop loss.

After your entry it's crucial to set a stop loss order as there is of course never a guarantee for anything.

Price could dump over night because of sudden negative fundamental news and stay under your entry. That's what you want to avoid.

## Stop Loss Area:

A stop loss makes sense at an area where the trend definitely seems to be broken (at least for the moment)  
- that's where pro traders get out of it quickly before bigger damage can happen.



## Important: Don't Be Afraid Of Getting Stopped Out

Not having an emotional problem with being stopped out separates the winners from the losers.

The winners can take it rationally: One big gain will compensate a couple of small losses by far. Especially in crypto. important.

## Example of getting stopped out:



With these parameters you are able to execute a trade, from the beginning to the end.  
Otherwise you don't know what you are doing and probably end up with **no** profit or even a loss.

### Knowing What Trading Is:

Trading is when you first make a plan about your trade. So you answer all of these questions in advance:

- 1.What's your goal (get more Bitcoin, more Ethereum, more USD?)
- 2.Why do you want to enter a trade – Which signals tell you that this price is going to go up (or down)?
- 3.How far do you expect price to move at least?
- 4.In which time frame do you expect price to move up (or down)?
- 5.Where would be your entry price?
- 6.Where would be your stop loss?
- 7.What's your hedging strategy?
- 8.Where do you take profit?

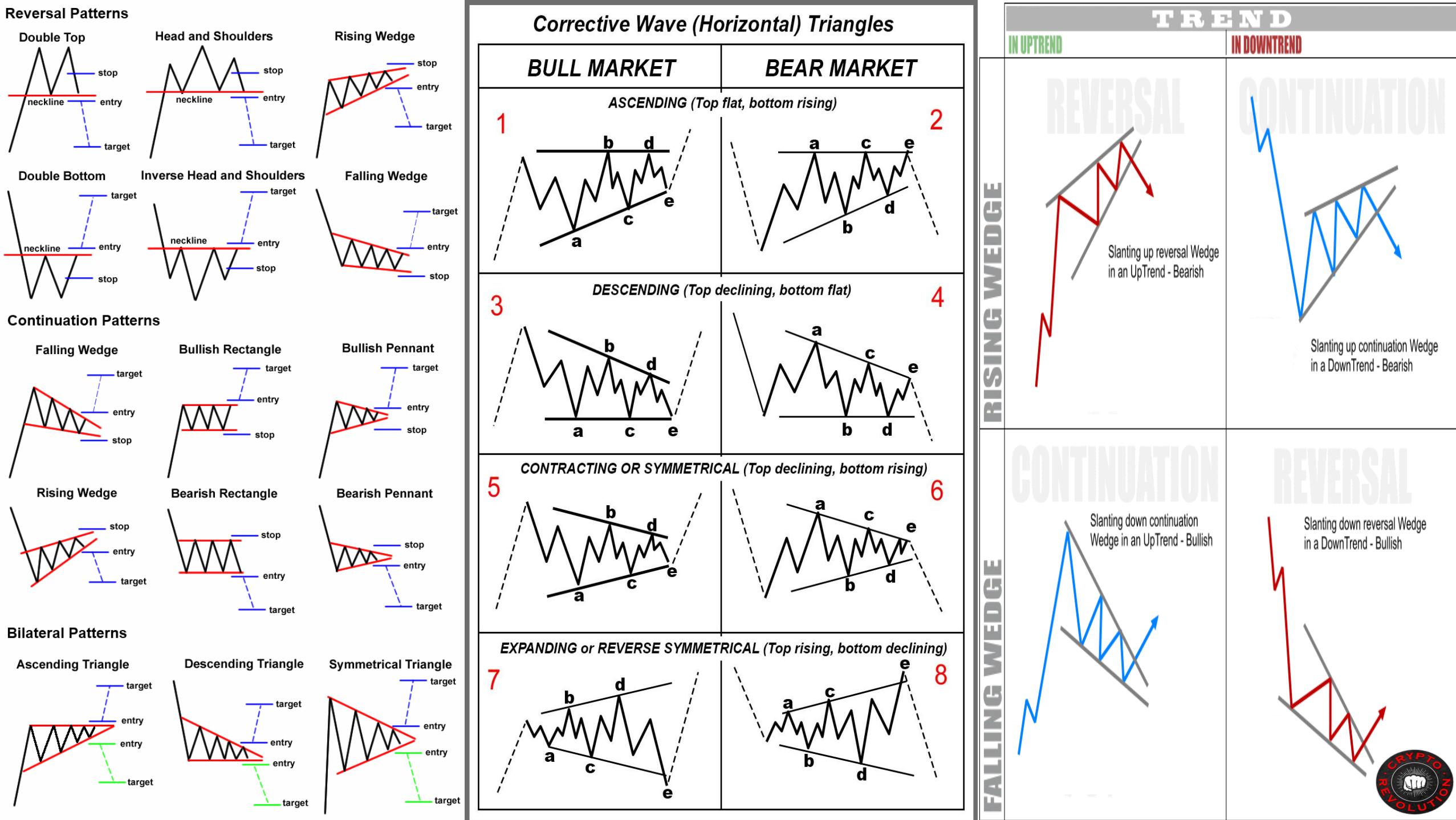
### Knowing What Trading Is Not:

Just buying somewhere, where price looks relatively low, without precise entry plan would be investing and not trading.  
Investments should be done based on fundamentals:  
You should know exactly why you expect a cryptocurrency to gain value over time and why it shouldn't just disappear at some point.  
Keep in mind that there is a big competition between those hundreds of altcoins which are just slightly adjusted clones of each other in many cases, or at least very similar concepts.  
Most likely few of them will survive in the longrun. So investing without an idea IF, WHY and WHEN this thing is going to pump, is not a smart investment strategy.

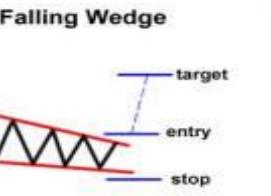
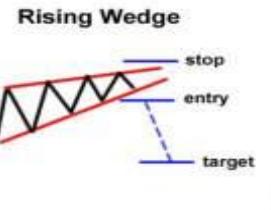
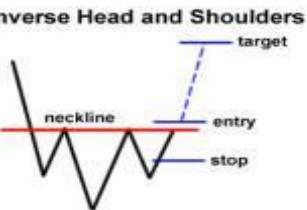
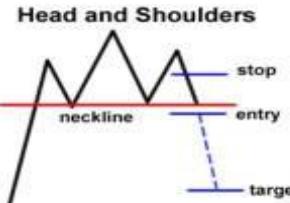
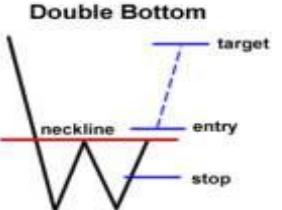
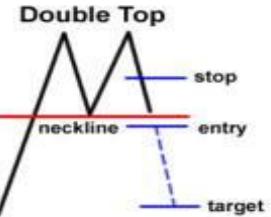
## Major Problems of Crypto Traders

1. Not having a clear plan for their trade and/or not sticking to their plan. Therefore they get emotional while watching price action.
2. Not taking profit when it's there.

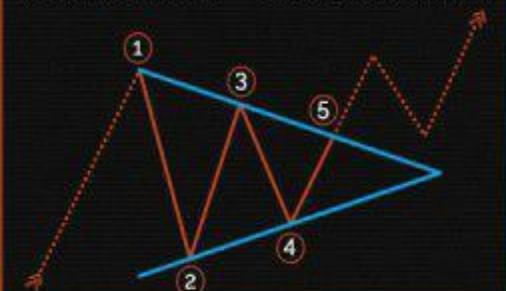




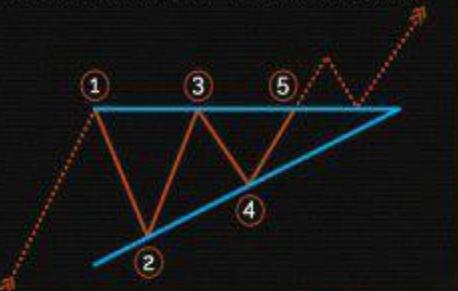
# REVERSAL CHART PATTERNS



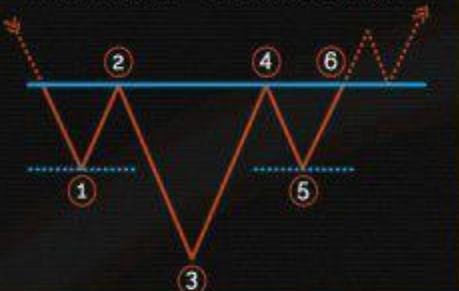
**SYMMETRICAL TRIANGLE**  
(CONTINUATION - BULLISH VARIANT)



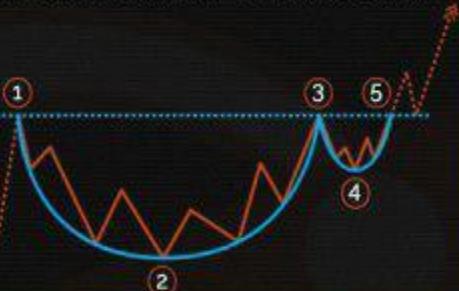
**ASCENDING TRIANGLE**  
(CONTINUATION - BULLISH ONLY)



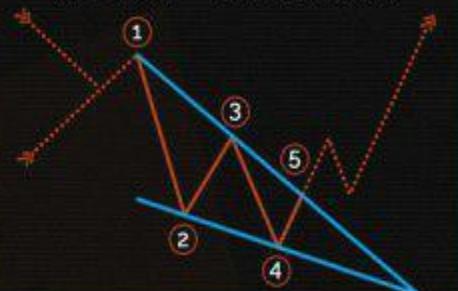
**INVERSE HEAD AND SHOULDERS**  
(REVERSAL - BULLISH ONLY)



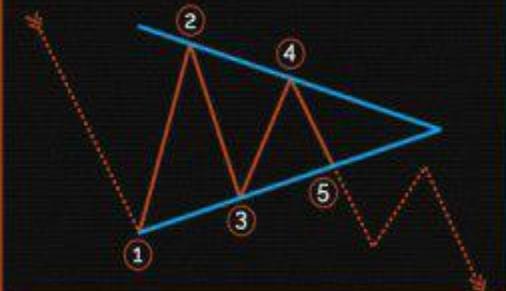
**CUP AND HANDLE**  
(CONTINUATION - BULLISH ONLY)



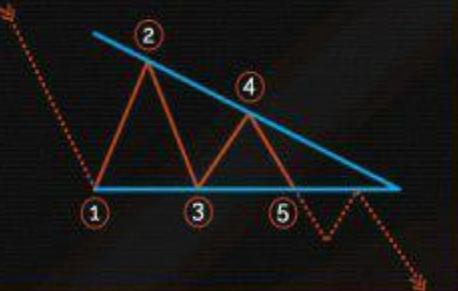
**FALLING WEDGE**  
(NEUTRAL - BULLISH ONLY)



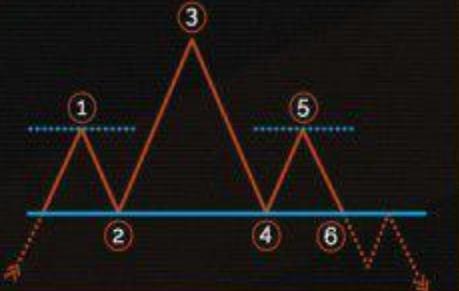
**SYMMETRICAL TRIANGLE**  
(CONTINUATION - BEARISH VARIANT)



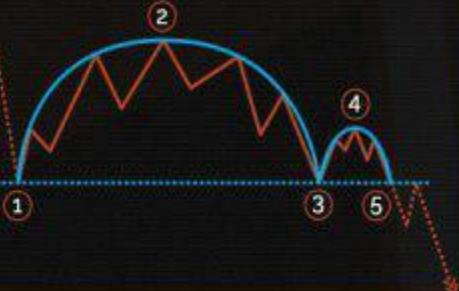
**DESCENDING TRIANGLE**  
(CONTINUATION - BEARISH ONLY)



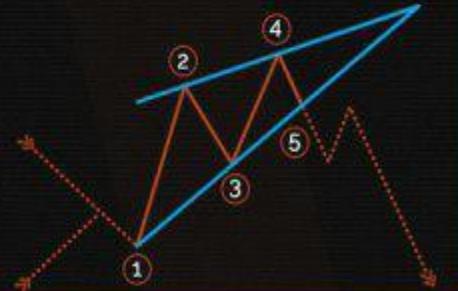
**HEAD AND SHOULDERS**  
(REVERSAL - BEARISH ONLY)



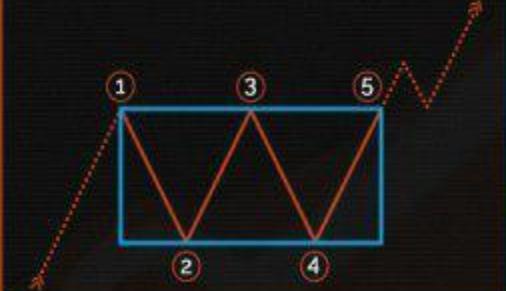
**INVERSE CUP AND HANDLE**  
(CONTINUATION - BEARISH ONLY)



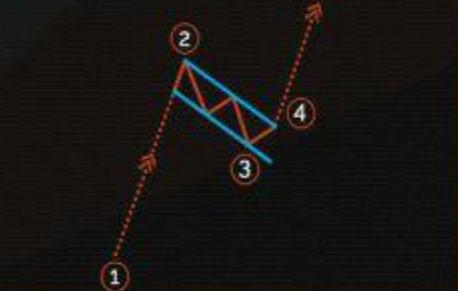
**RISING WEDGE**  
(NEUTRAL - BEARISH ONLY)



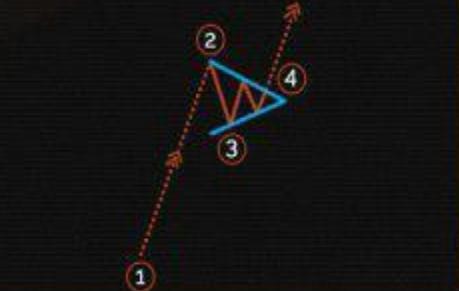
**RECTANGLE**  
(CONTINUATION - BULLISH VARIANT)



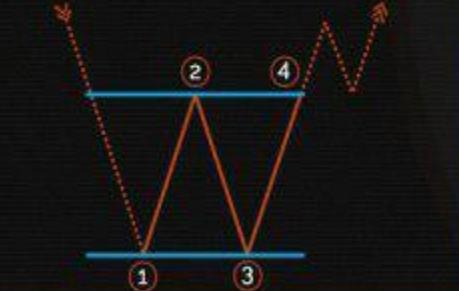
**FLAG**  
(CONTINUATION - BULLISH VARIANT)



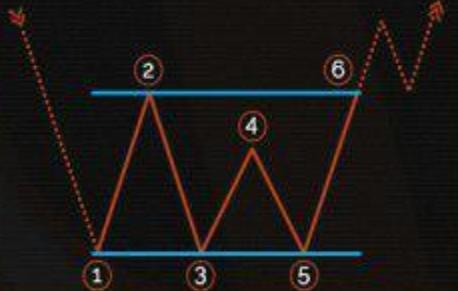
**PENNANT**  
(CONTINUATION - BULLISH VARIANT)



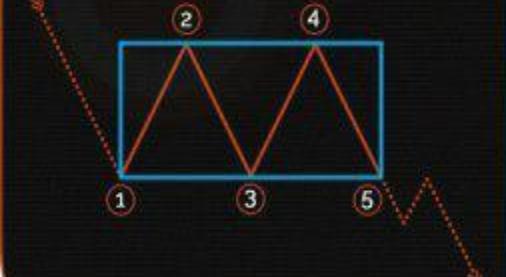
**DOUBLE BOTTOM**  
(REVERSAL - BULLISH ONLY)



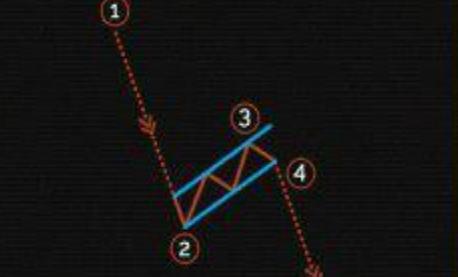
**TRIPLE BOTTOM**  
(REVERSAL - BULLISH ONLY)



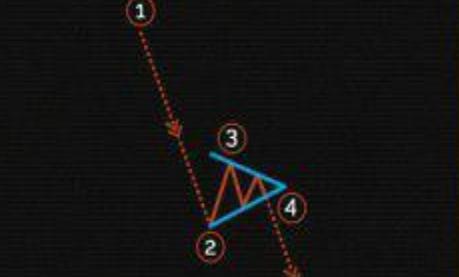
**RECTANGLE**  
(CONTINUATION - BEARISH VARIANT)



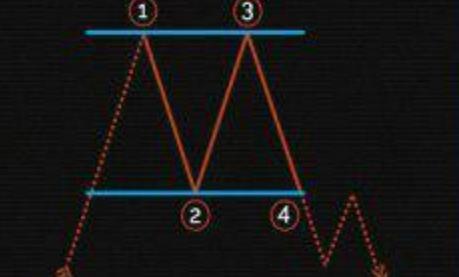
**FLAG**  
(CONTINUATION - BEARISH VARIANT)



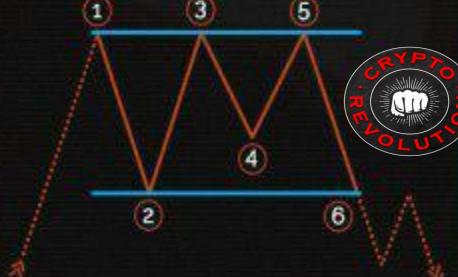
**PENNANT**  
(CONTINUATION - BEARISH VARIANT)



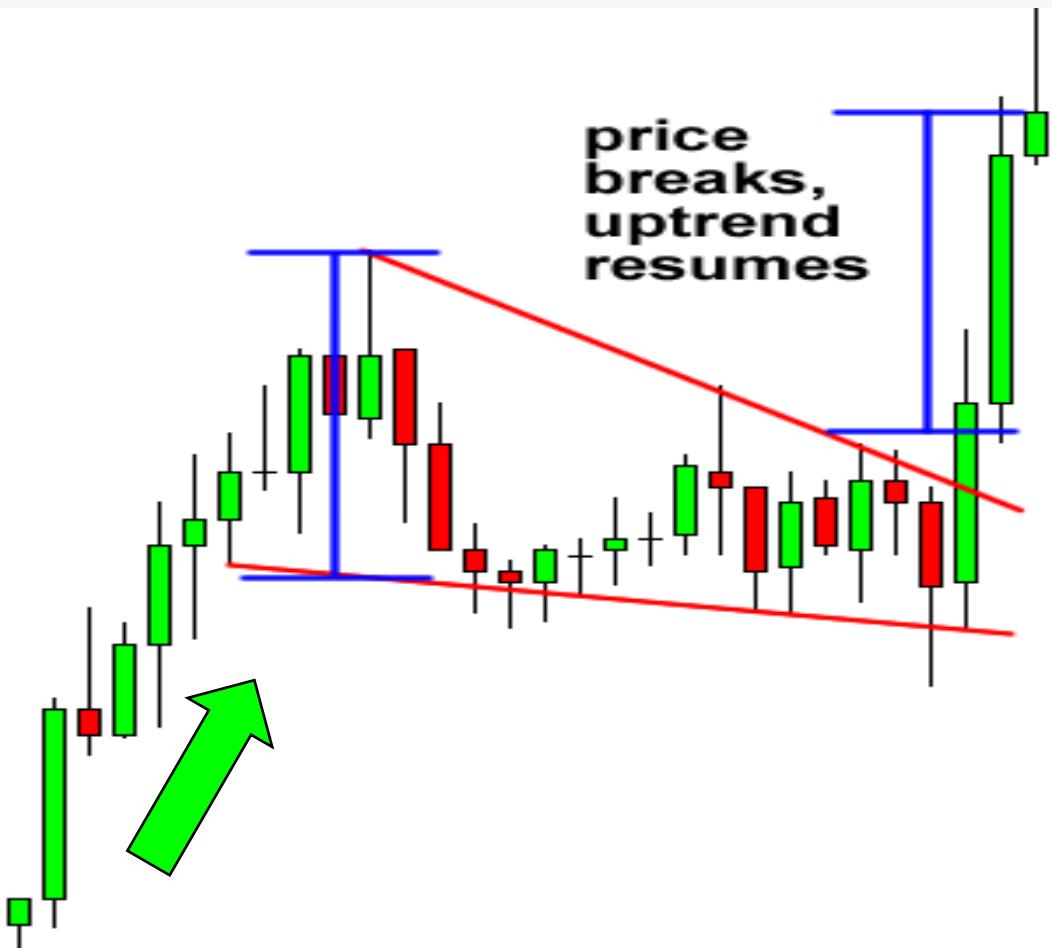
**DOUBLE TOP**  
(REVERSAL - BEARISH ONLY)



**TRIPLE TOP**  
(REVERSAL - BEARISH ONLY)







## Descending Broadening Wedge

Direction of Breakout & Average Max Gain/Decline After Breakout

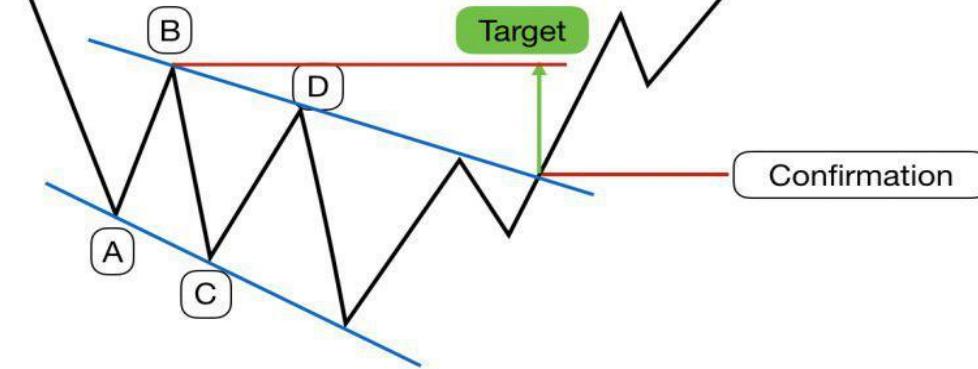


## Ascending Broadening Wedge

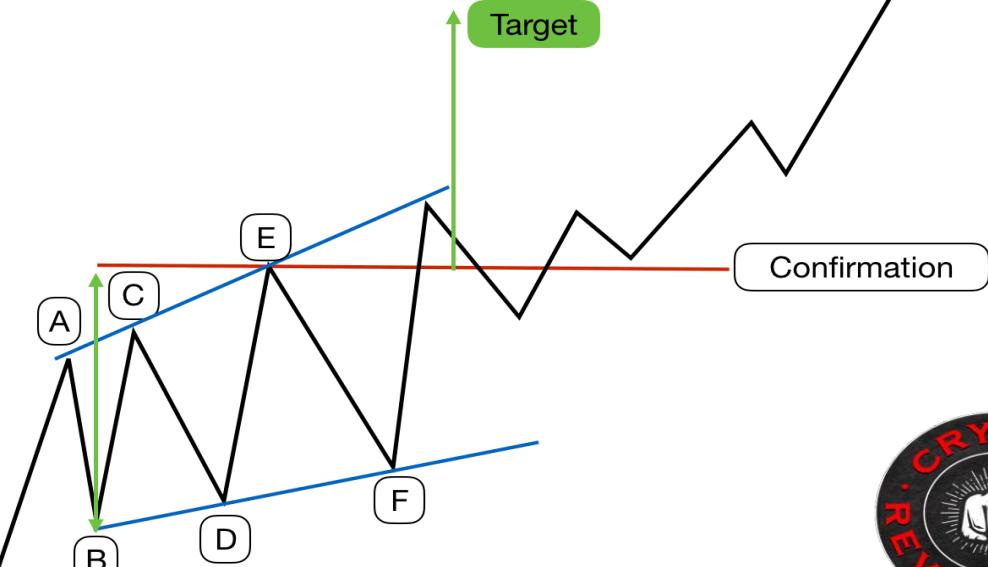
Direction of Breakout & Average Max Gain/Decline After Breakout



## Descending Broadening Wedges



## Ascending Broadening Wedges



2019-07-03 20:17:35

Binance - CVC/BTC (240)



O: 0.00000632 H: 0.00000638 L: 0.00000629 C: 0.00000632

MA (100, close, 0)  
MA (50, close, 0)  
MA (200, close, 0)  
MA (21, close, 0)  
MA (80, close, 0)

0.00000950

0.00000900

0.00000850

0.00000800

0.00000750

0.00000700

0.00000650

0.00000632

3.4227

0.00000600

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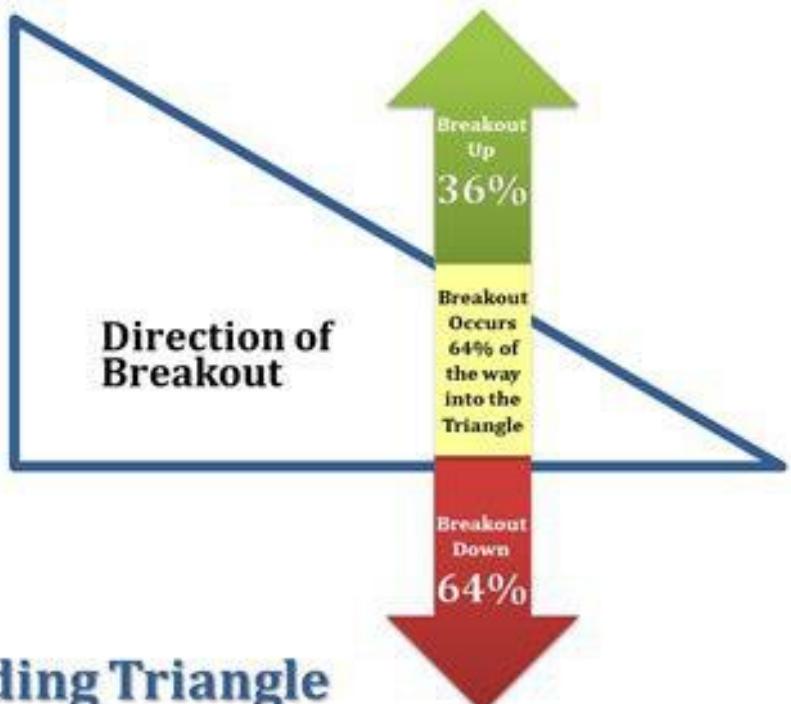
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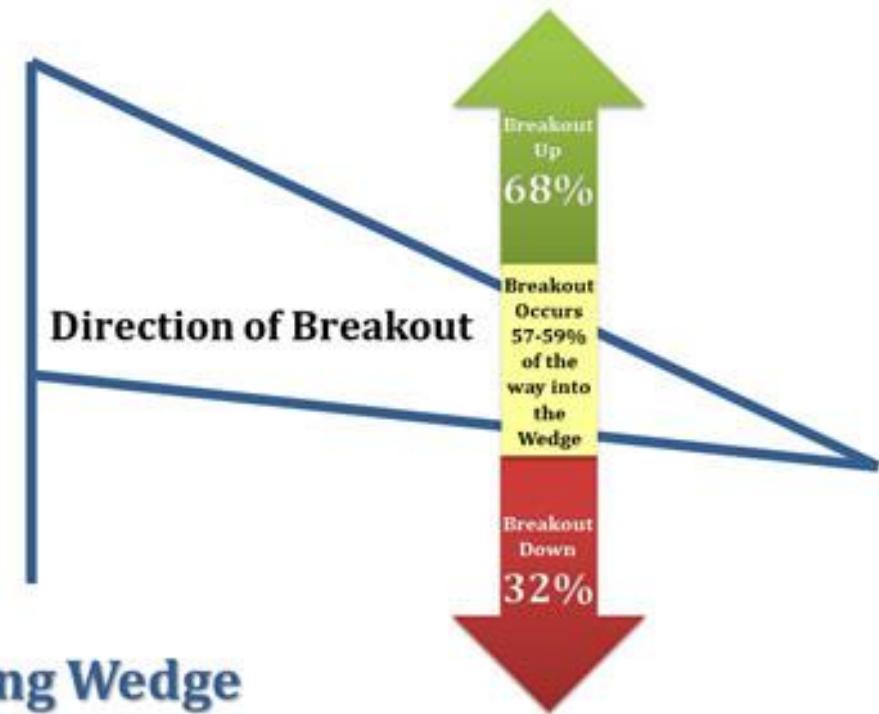
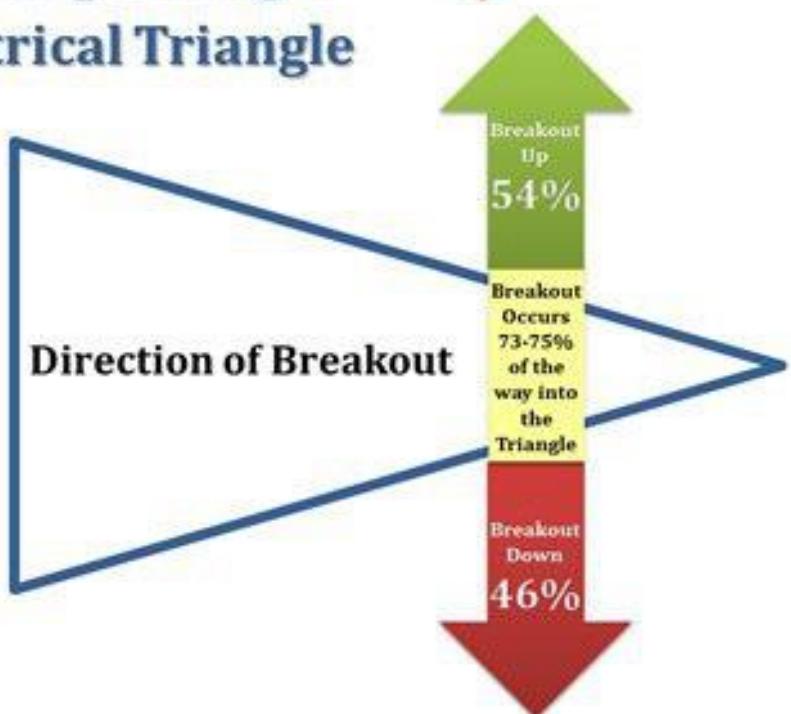
Trading Ranges on taller patterns is another trading strategy that works. You will find different trading ideas that work well for you specifically.

Buy the bottom, Sell the top





## Descending Triangle Symmetrical Triangle



## Declining Wedge Ascending Triangle



If you repeat this strategy over time,  
You will make amazing profits.

After, you have more experience and the  
alt market gets better, we will learn other  
possible entry points, with more risk, but higher  
rewards.

You are buying the breakout here and  
there is very little downside risk.

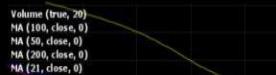
Lots of upside potential for  
this breakout

The potential for a loss  
is small compared to the upside

After you buy a breakout,  
your stop loss in this situation  
goes below the upper  
trend line of this triangle.

This is why buying breakouts is the safest  
trade you can make - very low risk, high reward  
trading.





# Confirmed breakout

**\*\*This is an EXAMPLE from an older breakout**

"candle body close" This  
4hr candle  
closed and the  
red candle opened

11713 sat target

Big Green Candle shows Volume  
confirmation of this breakout

I want you to pay attention to these cups that are forming. There are a few variations of patterns that are put together to form these cup n handles. Start thinking ahead and you will be able to buy in earlier because you will "know" what the future holds.

There are other places to buy in one these patterns. Buying the breakout is the lowest risk, but high maintenance

1. You can buy the bottom of the cup at the first sign its curving higher
2. you can buy the bottom of the handle
3. you can buy the breakout

FET Bull Flag

3056 sat target

6662 sat Target

falling wedge

Bull Flag

Bull Flag

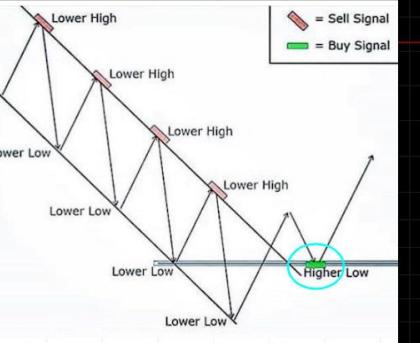


Remember: When looking for a change in trends this higher low is very important. Confirmation of the uptrend happens with the next higher high.

On the 2hr BTC chart looks like we have a slightly higher high too.

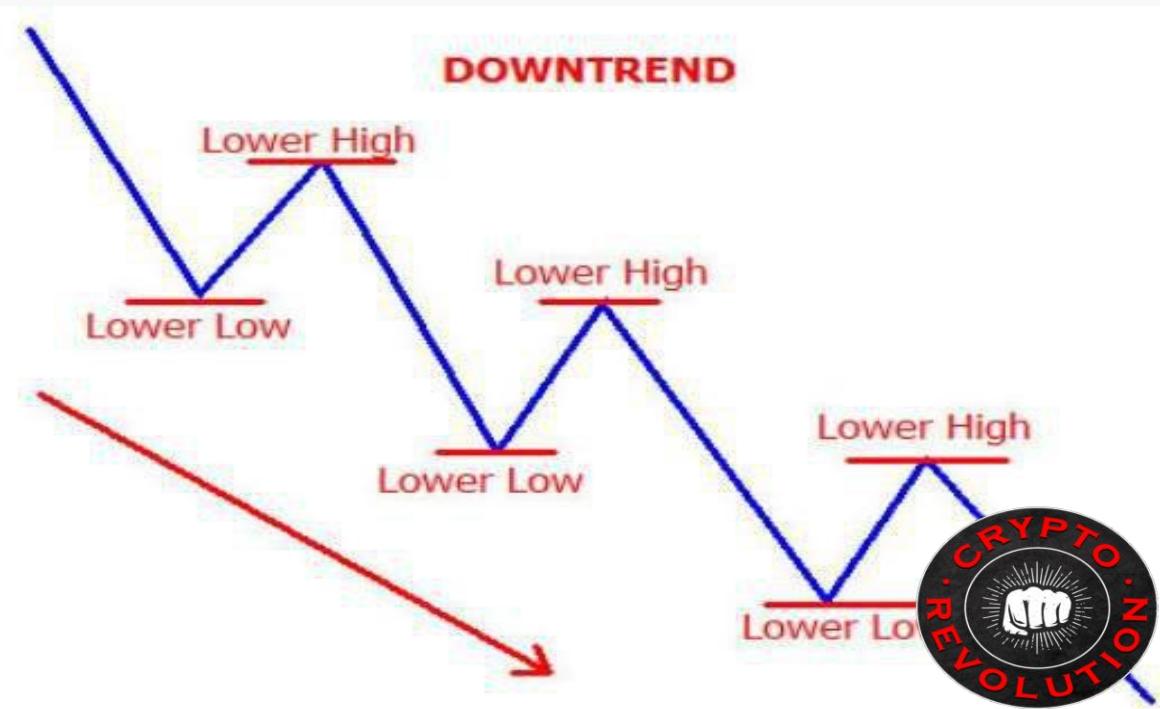
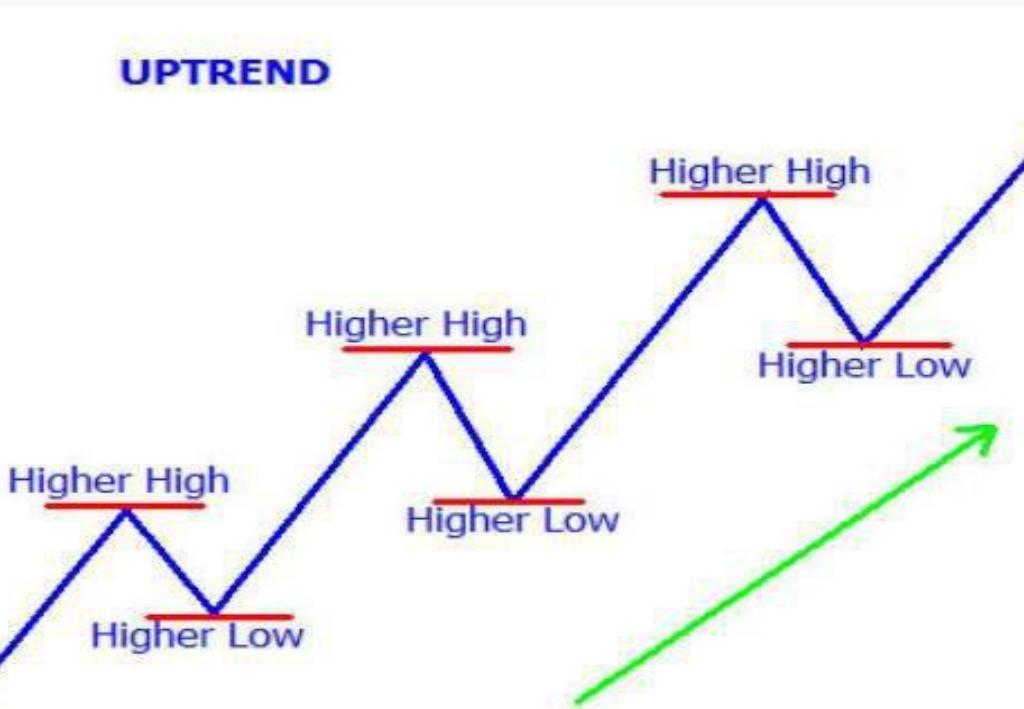


## Example:

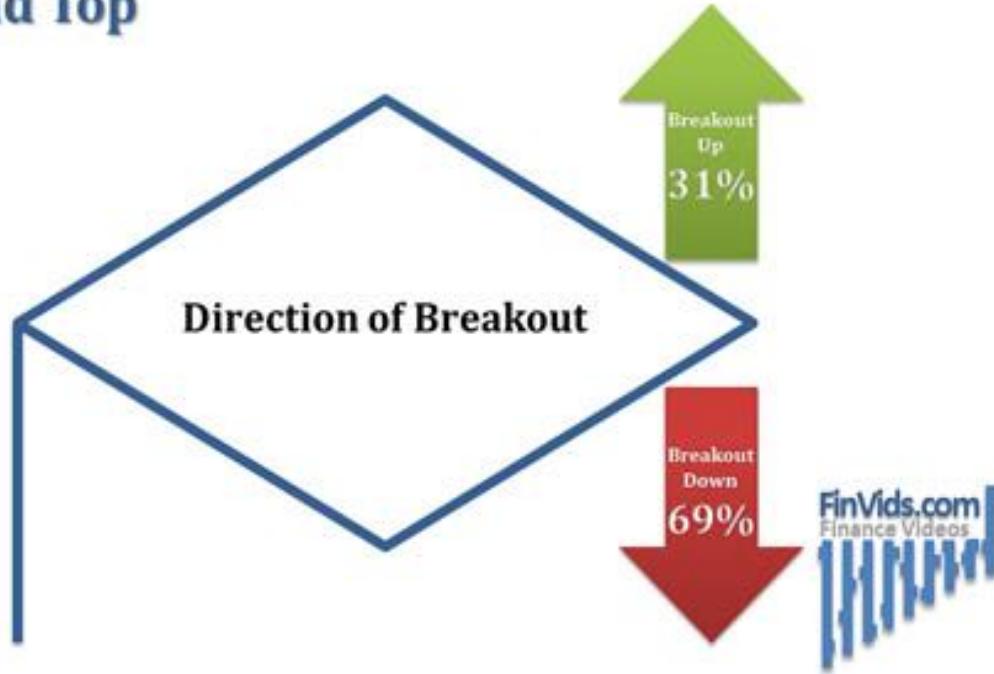


This is how to buy trend setups - "Bottoming Pa

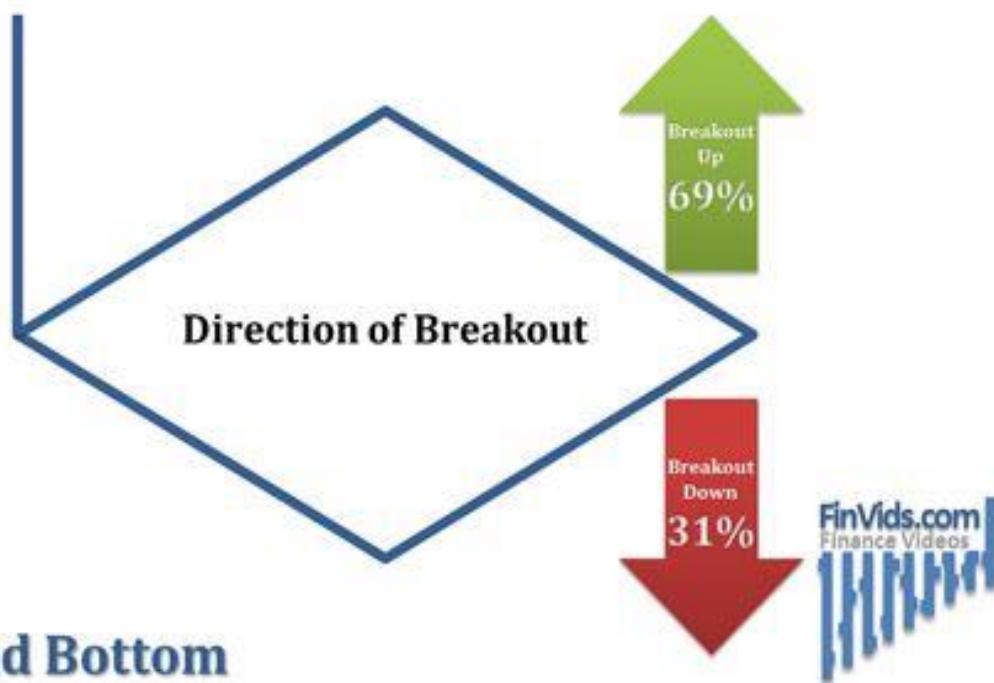
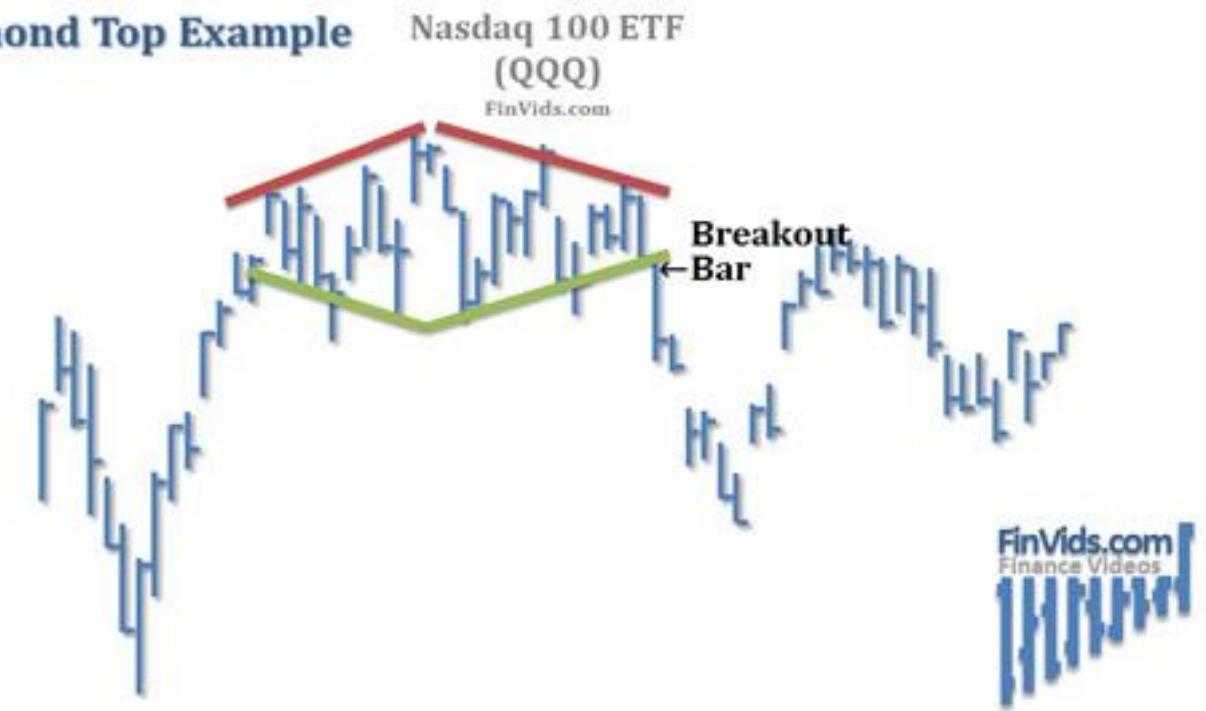




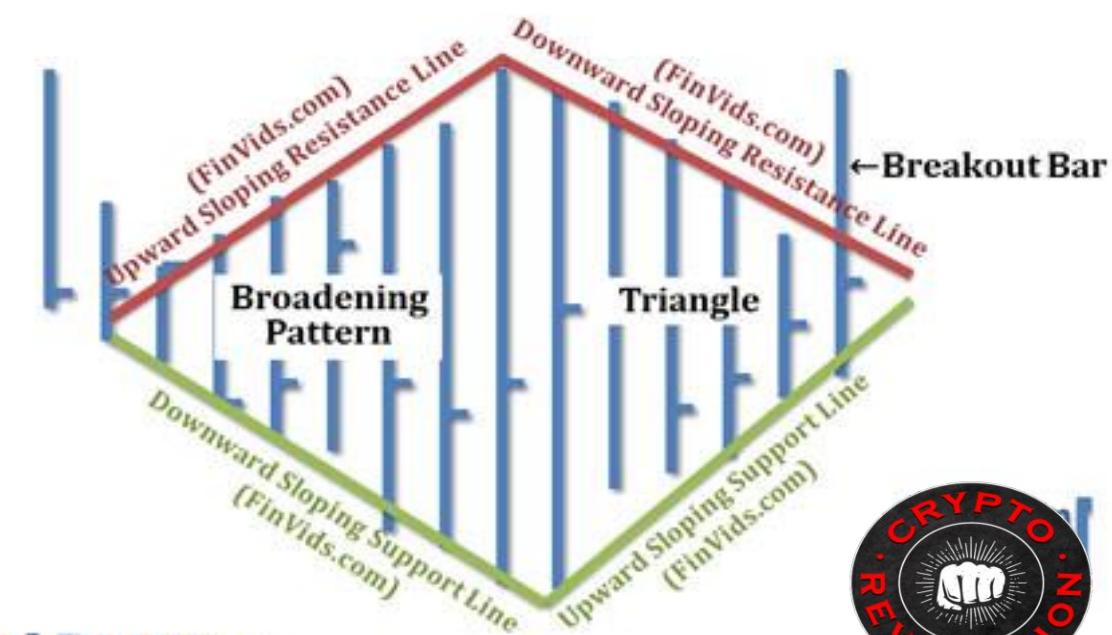
## Diamond Top



## Diamond Top Example

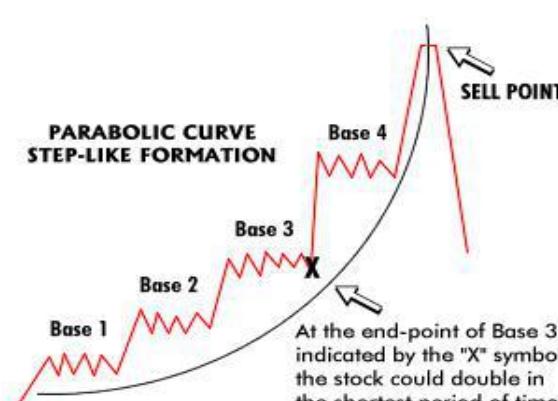


## Diamond Bottom



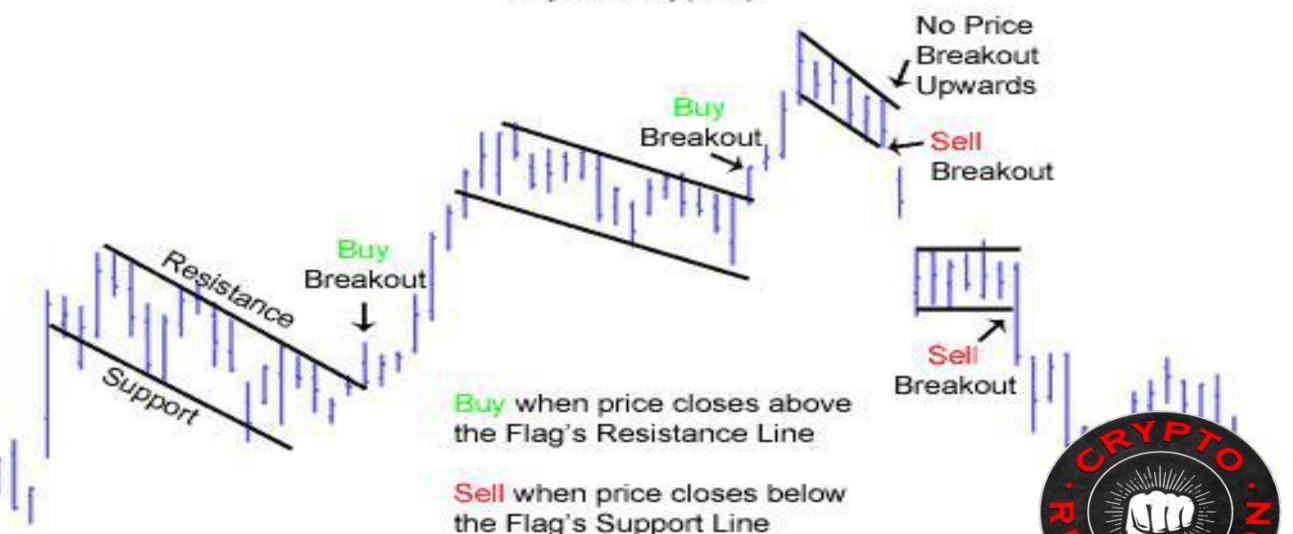


## The Parabolic Curve Pattern

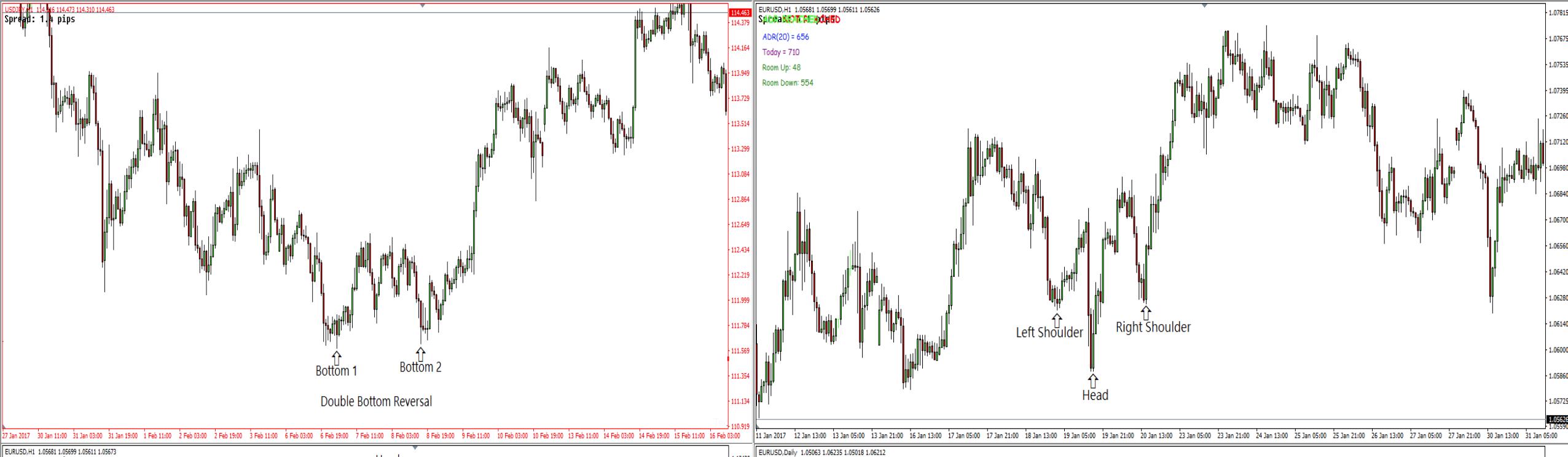


## Flag Continuation Pattern

Daily Chart - eBay (EBAY)

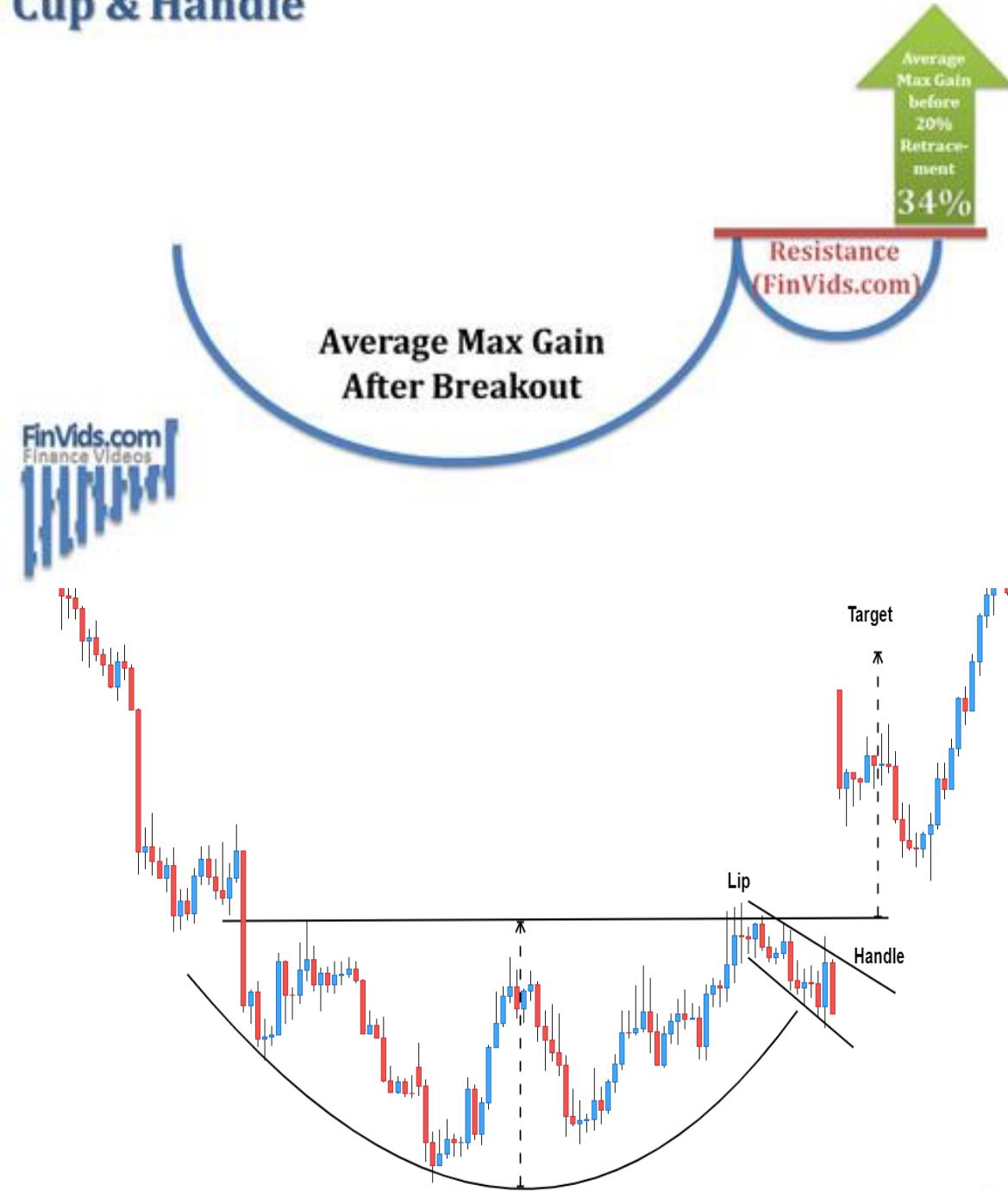


The Parabolic Curve is probably one of the most highly prized and sought after pattern. This pattern can yield you the biggest and quickest return in the shortest possible time. Generally you will find a few of these patterns at or near the end of a major market advance. The pattern is the end result of multiple base formation breaks.



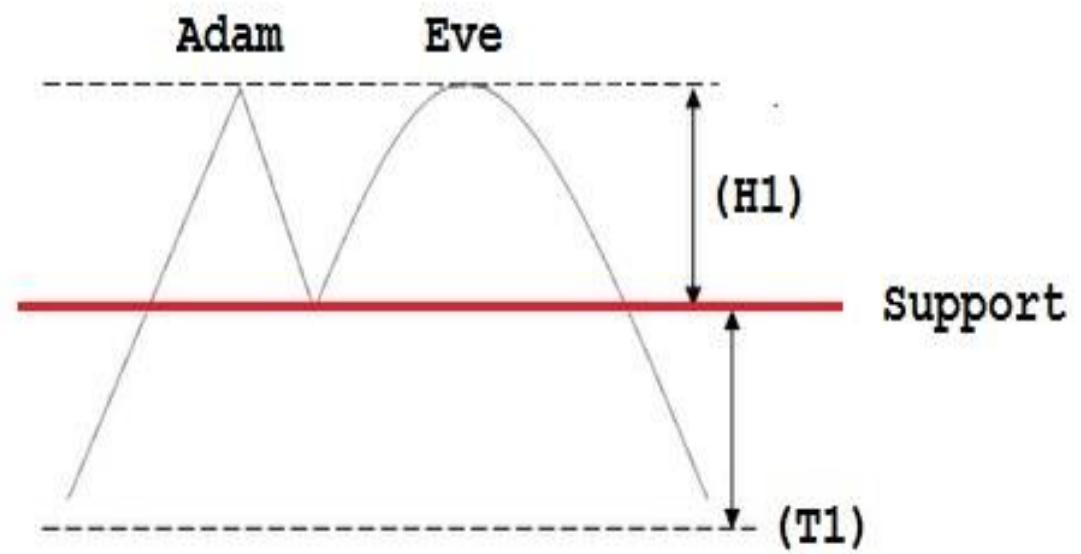
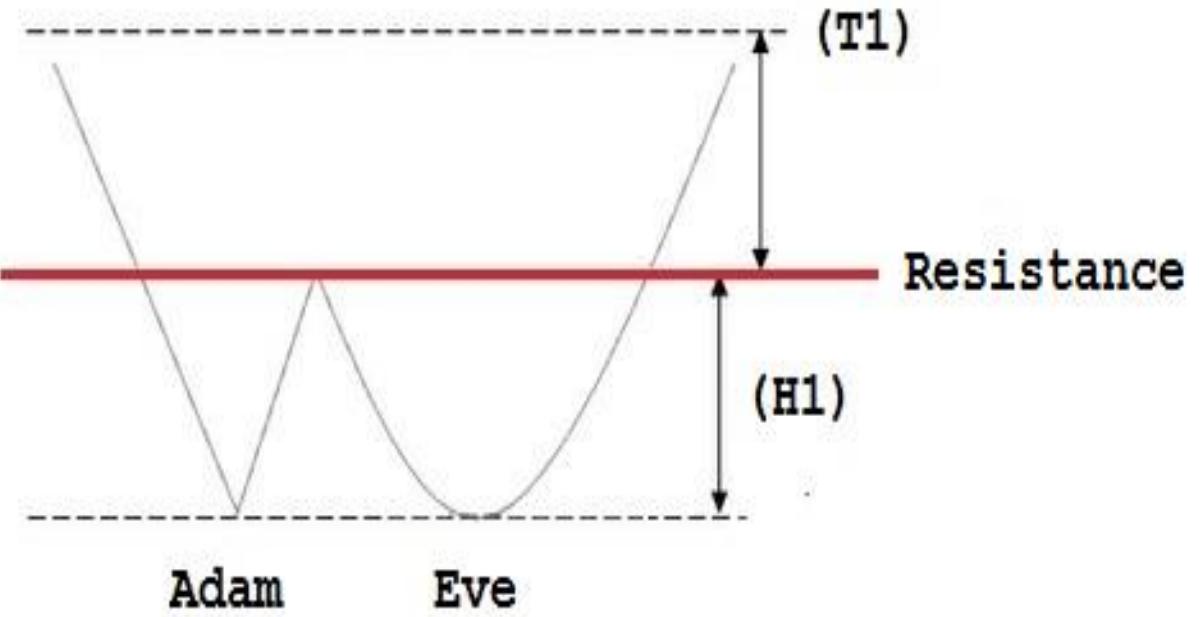


## Cup & Handle

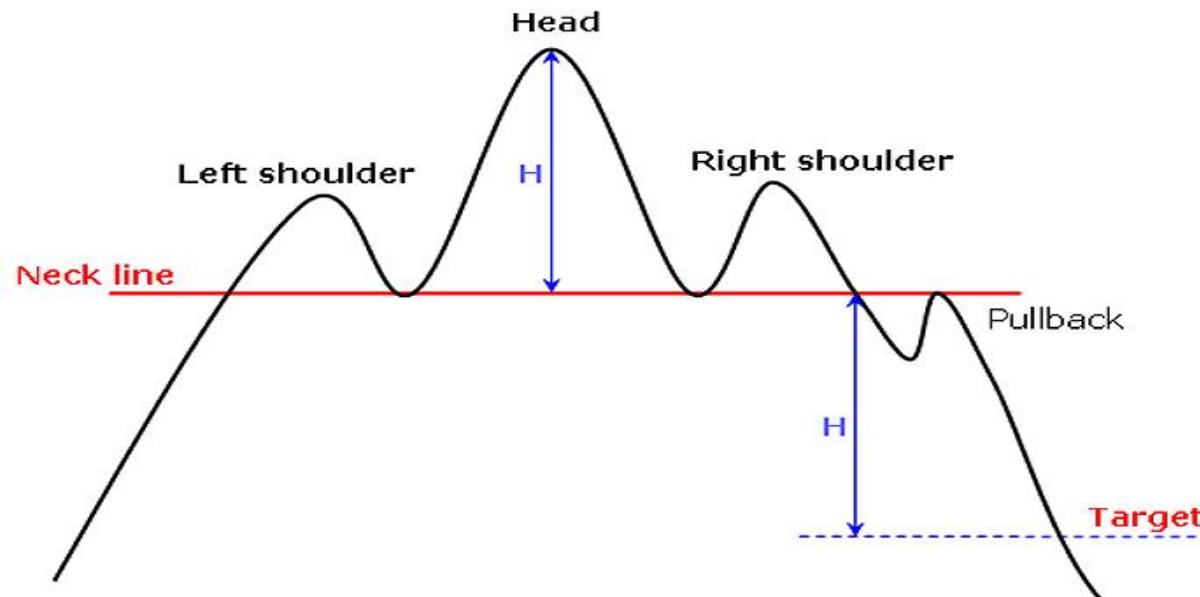


## Inverted Cup & Handle

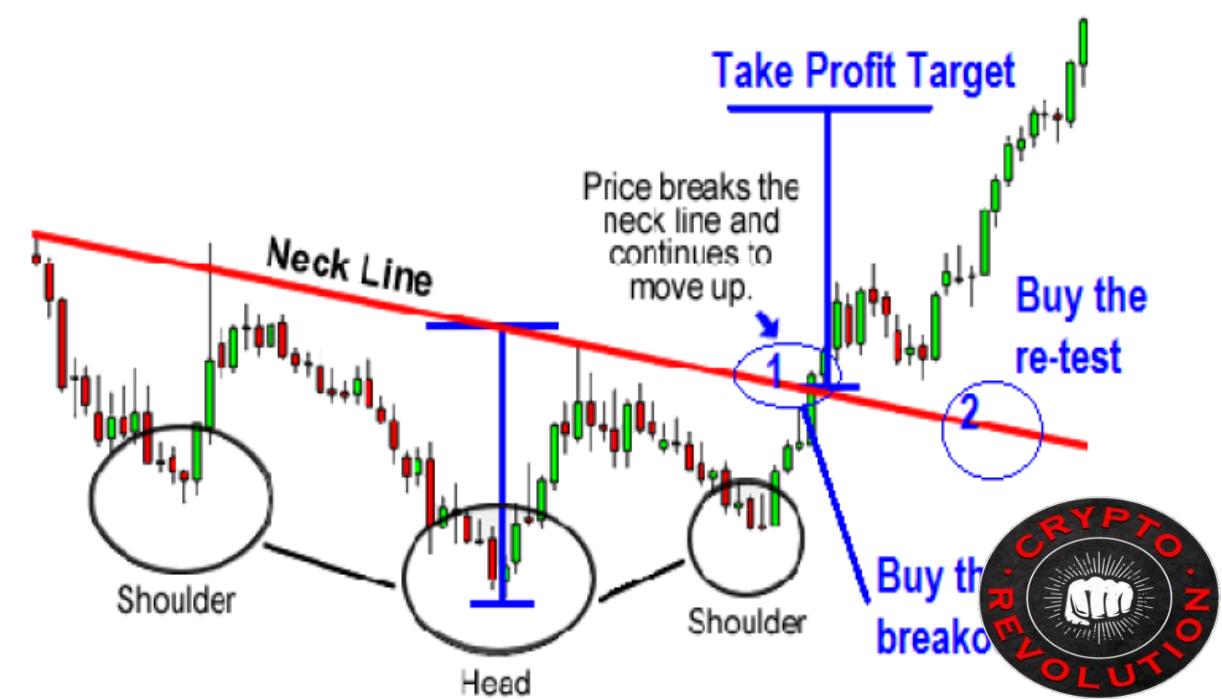
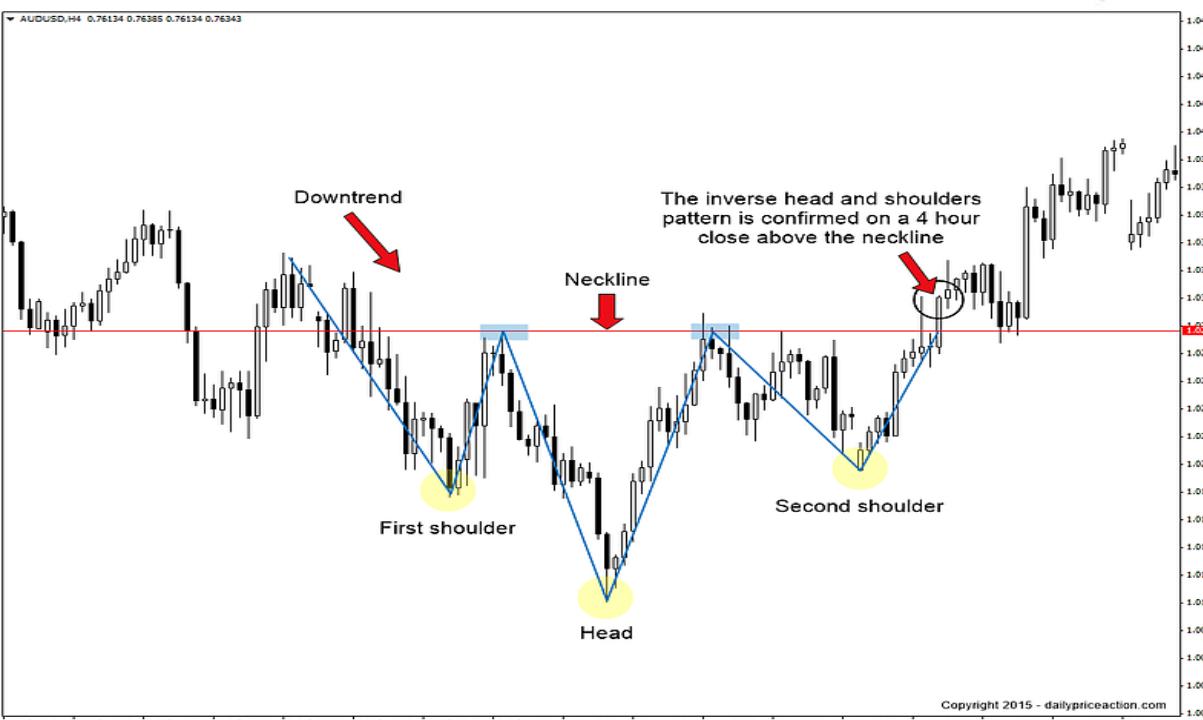




## Typical Head and Shoulders Pattern



Head & Shoulders



2019-09-20 06:35:33  
Binance - XRP/USDT (60)

O: 0.29170000 H: 0.29551000 L: 0.29169000 C: 0.29520000  
MA (80, close, 0)  
MA (21, close, 0)  
MA (700, close, 0)  
MA (30, close, 0)  
MA (100, close, 0)  
Volume (true, 20)



2019-09-21 02:50:07  
Poloniex - USDT/ATOM (60)

O: 3.24329755 H: 3.28312428 L: 3.24329755 C: 3.24880000  
Volume (true, 20)



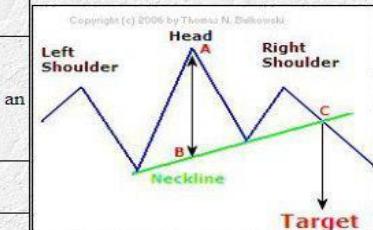
## Complex Head-and-Shoulders Top: Example



## Complex Head-and-Shoulders Top: Trading Tips

Consult the associated figure on the right.

Trading Tactic	Explanation
<a href="#">Measure rule</a>	Compute the height from the highest head (A) to the neckline directly below (B) and then multiply it by the "percentage meeting price target" (see <a href="#">Important Bull Market Results</a> ) before subtracting it from the breakout price (C). The breakout price is where price crosses an up-sloping neckline, or when the neckline slopes downward, use the right shoulder armpit. The figure to the right shows an example, but uses a <a href="#">head-and-shoulders top</a> .
<a href="#">Price reversal</a>	Price must have something to reverse, so if the rise leading to the pattern is small, expect a small decline.
<a href="#">Confirmation</a>	Wait for confirmation before placing a trade.
<a href="#">Trends</a>	A short-term rise leading to the pattern results in the best post breakout performance.
<a href="#">Price velocity</a>	A high velocity rise leading to the pattern often results in a larger decline post breakout. The link to the left explores this.
<a href="#">Inner H&amp;S</a>	If the pattern shows an inner head-and-shoulders top, then trade it. The figure to the right shows an example.
<a href="#">Neckline</a>	Patterns with near horizontal necklines perform best.
<a href="#">Yearly middle</a>	Patterns in the lowest third of the yearly price range perform best (this may change with more study samples).
<a href="#">Volume trend</a>	An upward volume trend suggests better post breakout performance. The link to the left defines this while this <a href="#">link</a> explains performance.
<a href="#">Pullbacks</a>	Pullbacks hurt post breakout performance. The link to the left defines terms while this <a href="#">link</a> explains performance details.
<a href="#">Symmetry</a>	Patterns with an extended right shoulder perform marginally better.



The Measure Rule



Inner Head & Shoulders

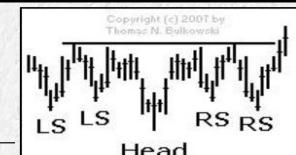
## Complex inverted head & shoulders



## Complex Head-and-Shoulders Bottom: Trading Tips

Consult the associated figure on the right.

Trading Tactic	Explanation
<a href="#">Measure rule</a>	Compute the height from the head low (A) to the neckline (B) directly above then multiply it by the 'percentage meeting price target' (see above "Important Bull Market Results"). Add the result to the breakout price (C). The breakout price is where price crosses a down-sloping neckline, or when the neckline slopes upward, use the peak of the right shoulder armpit. The figure to the right shows an example for a regular <a href="#">head-and-shoulders bottom</a> .
<a href="#">Price reversal</a>	Price must have something to reverse, so if the decline leading to the pattern is small, expect a small rise.
<a href="#">Confirmation</a>	Wait for confirmation (breakout) before placing a trade. I show point C as the confirmation point in the figure.
<a href="#">Neckline</a>	Patterns with down-sloping necklines perform better. The green neckline on the chart to the upper right shows an example (Measure Rule figure).
<a href="#">Yearly middle</a>	Patterns having breakouts in the middle third of the yearly price range perform best.
<a href="#">Volume trend</a>	An upward volume trend suggests better post breakout performance.
<a href="#">Throwbacks</a>	Throwbacks hurt post breakout performance as the <a href="#">study</a> discusses.
<a href="#">Symmetry</a>	Symmetrical looking patterns perform best (that is, the two outermost shoulders are the same or nearly the same distance from the head).



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## Divergence Trading

What if there was a low risk way to sell near the top or buy near the bottom of a trend?

What if you were already in a long position and you could know ahead of time the perfect place to exit instead of watching all your unrealized gains vanish before your eyes because your trade reverses direction?

What if you believe a currency pair will continue to fall but would like to go short at a better price or a less risky entry?

Well there is a way. It's called divergence trading.

Divergence is basically price action measured in relationship to an oscillator indicator. It doesn't really matter what type of oscillator you use. You can use RSI, Stochastic, MACD, CCI, etc. etc. The great thing about divergences is that you can use them as a leading indicator and after some practice, it's not too difficult to spot.

When traded properly, you can be consistently profitable with divergences. The best thing about divergences is that since you're usually buying near the bottom or selling near the top, your risk on your trades are very small relative to your potential reward. Cha ching!

### Higher Highs and Lower Lows

Just think "higher highs" and "lower lows". If price is making highs, the oscillator should also be making higher highs. If price is making lower lows, the oscillator should also be making lower lows.

If they are NOT, that means price and the oscillator are diverging from each other. Hence the term, divergence.

Divergences act as an early warning system alerting you when the market could reverse. For example, if bulls have steadily pushed EUR/USD higher, the appearance of divergence between price and indicator could mean that bulls are running out of gas and price will soon fall

Please keep in mind that I use divergence as an indicator, not a signal to enter a trade! It wouldn't be smart to trade basely solely on divergences as too many false signals are given. It's not 100% foolproof, but when used as a setup condition and combined with additional confirmation tools, your trades have a high probability of winning with relatively low risk.

On the flip side, I think it is just as dangerous trade against this indicator. If you're unsure about which direction to trade, chill out on the sidelines.

Divergences don't appear that often, but when they do appear, it'd behoove you to pay attention. Regular divergences can help you collect a big chunk of profit because you're able to get in right when the trend changes. Hidden divergences can help you ride a trade longer resulting in bigger-than-expected profits by keeping you on the correct side of a trend.

The trick is to train your eye to spot divergences when they appear AND choose the proper divergences to trade. Just because you see a divergence, it doesn't necessarily mean you should automatically jump in with a position. Cherry pick your setups and you'll do well.

- Regular divergences = signal possible trend reversal
- Hidden divergences = signal possible trend continuation

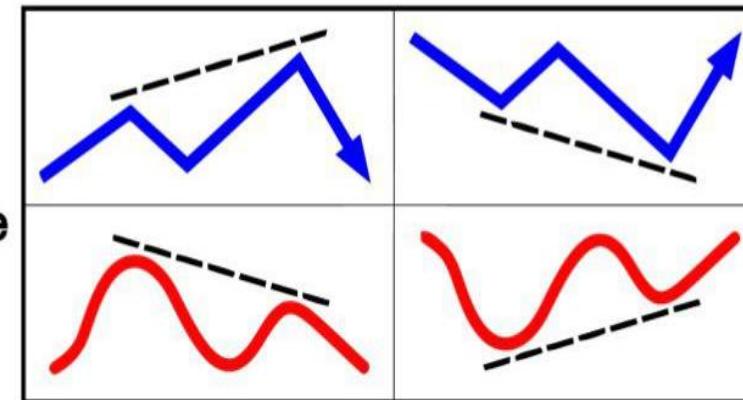


Type	Bias	Price	Oscillator	Description	Example
REGULAR	Bullish	Lower Low	Higher Low	Indicates underlying strength. Bears are exhausted. Warning of possible trend direction change from down to up.	
	Bearish	Higher High	Lower High	Indicates underlying weakness. Bulls are exhausted. Warning of possible trend direction change from up to down.	
	Bullish	Higher Low	Lower Low	Indicates underlying strength. Good entry or re-entry. Occurs during retracements in an uptrend. Nice to see during price retest of previous lows. "Buy the dips"	
	Bearish	Lower High	Higher High	Indicates underlying weakness. Found during retracements in a downtrend. Nice to see during price retests of previous highs. "Sell the rallies"	

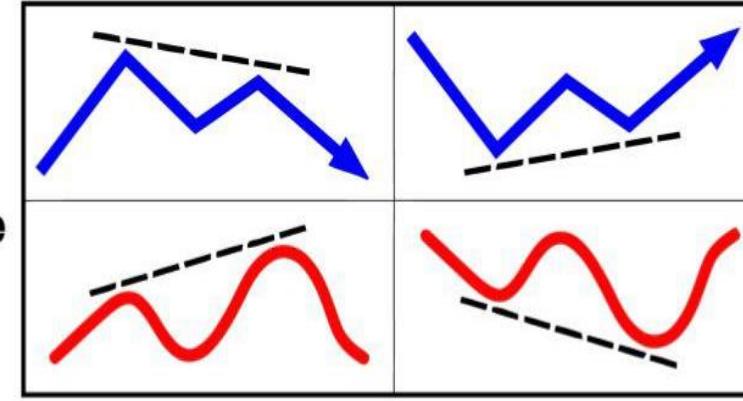
# Divergence Cheat Sheet

## BEARISH      BULLISH

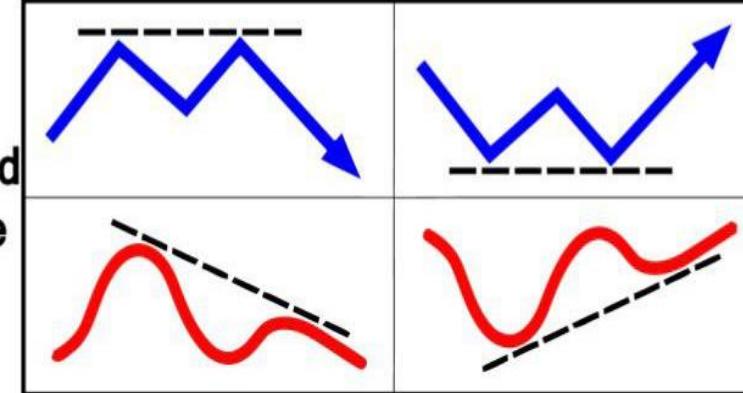
### Regular Divergence



### Hidden Divergence



### Exaggerated Divergence



## Regular Bullish Divergence

Indicates underlying strength. Bears are exhausted. Warning of possible trend direction change from downtrend to uptrend

After establishing a second bottom, if the **oscillator** fails to make a new low, it is likely that the price will rise, as price and momentum are normally expected to move in line with each other.

This normally occurs at the end of a DOWNTREND.



## Regular Bearish Divergence

Indicates underlying weakness. Bulls are exhausted. Warning of possible trend direction change from uptrend to downtrend

After price makes that second high, if the oscillator makes a lower high, then you can probably expect price to reverse and drop.

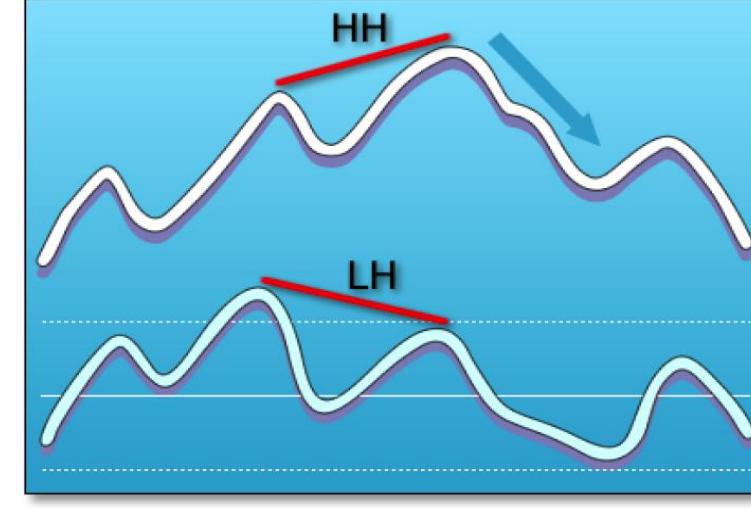
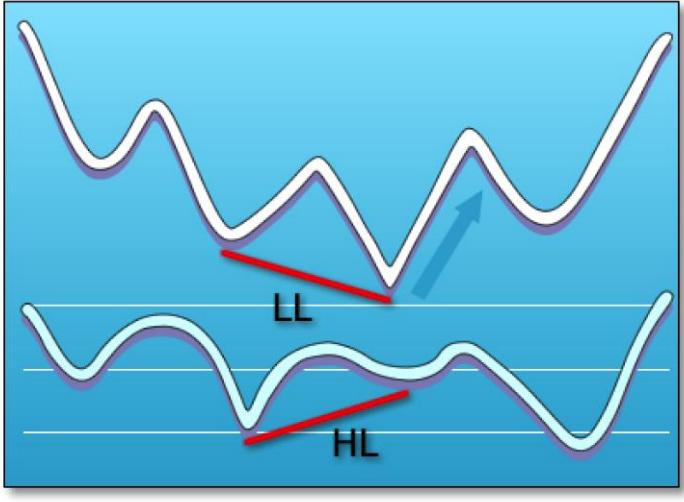
This type of divergence can be found in an UPTREND.



## A regular divergence is used as a possible sign for a trend reversal.

If the price is making lower lows (LL), but the oscillator is making higher lows (HL), this is considered regular bullish divergence.

If the price is making a higher high (HH), but the oscillator is lower high (LH), then you have regular bearish divergence.



## Hidden Bullish Divergence

This can be seen when the pair is in a UPTREND.

Once price makes a higher low (HL), look and see if the oscillator does the same.

If it doesn't and makes a lower low (LL), then we've got some hidden divergence in our hands.



## Hidden Bearish Divergence

This occurs when price makes a lower high (LH), but the oscillator is making a higher high (HH).

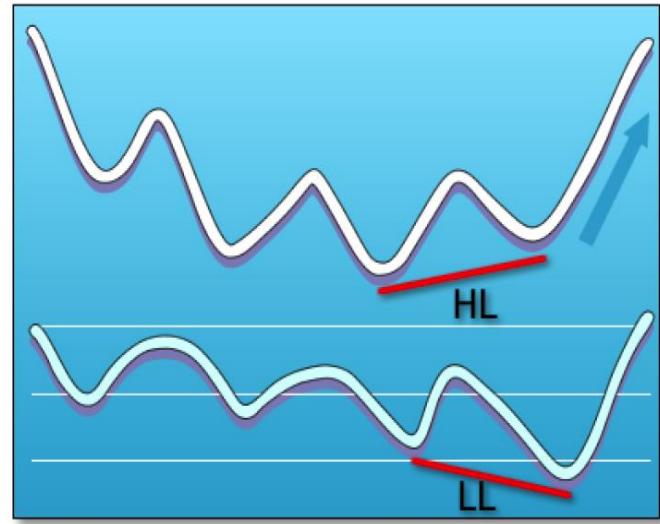
By now you've probably guessed that this occurs in a DOWNTREND.

When you see hidden bearish divergence, chances are that the pair will continue to shoot lower and **continue the downtrend**.

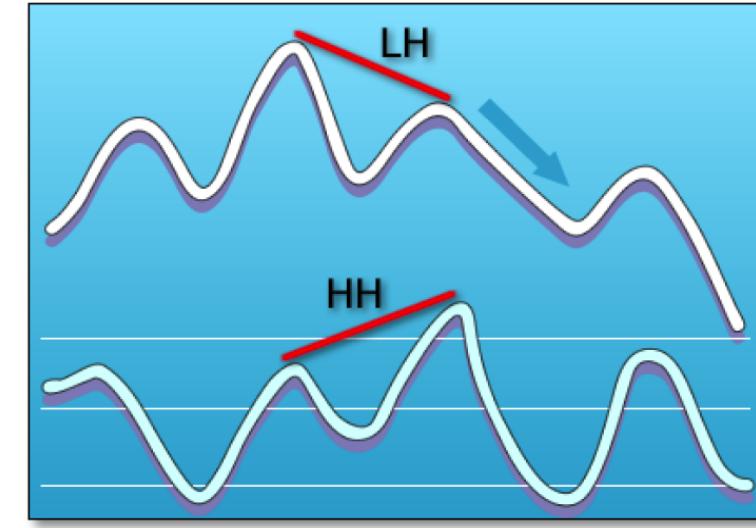


## A hidden divergence is used as a possible sign for a trend continuation.

If price is making a higher low (HL), but the oscillator is making a lower low (LL), this is considered hidden bullish divergence.



If price is making a lower high (LH), but the oscillator is making a higher high (HH), then you have hidden bearish divergence.



# Exaggerated Divergence

Exaggerated divergence is overall similar to classical (regular) divergence.

However, a substantial difference is the fact that the price movement pattern here forms two tops or bottoms, with the respective highs or lows located approximately on the same line.

At the same time, the technical indicator shows the respective tops or bottoms in a clearly visible upward or downward direction.

Exaggerated **bullish** divergence occurs when price creates a double bottom, while the technical indicator creates a higher low.

Exaggerated Bullish Divergence



Exaggerated **bearish** divergence occurs when price creates a double top, while the technical indicator creates a lower high.

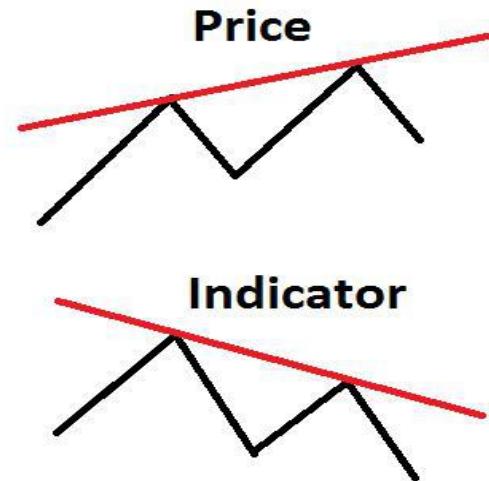
Exaggerated Bearish Divergence



BINANCE:CELRUSDT, 240 0.00764 ▲ +0.00021 (+2.83%) O:0.00747 H:0.00769 L:0.00747 C:0.00764

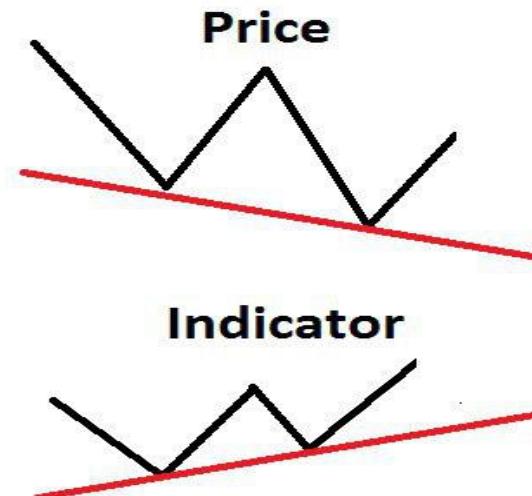


## Regular Bearish Divergence



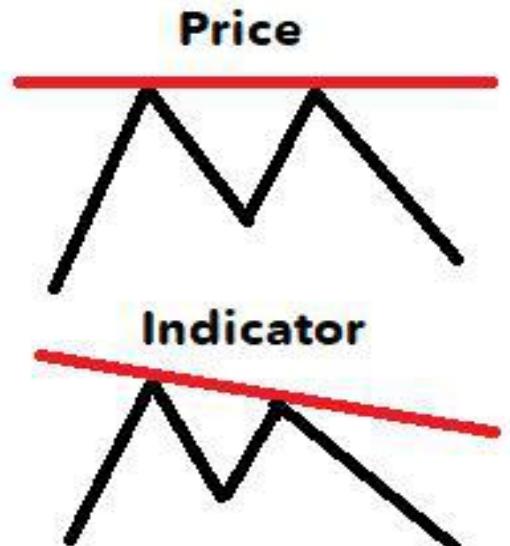
Price makes higher highs (HH), but the indicator makes lower highs (LH).

## Regular Bullish Divergence



Price makes a lower low (LL), but the indicator makes a higher low (HL).

## Exaggerated Bearish Divergence



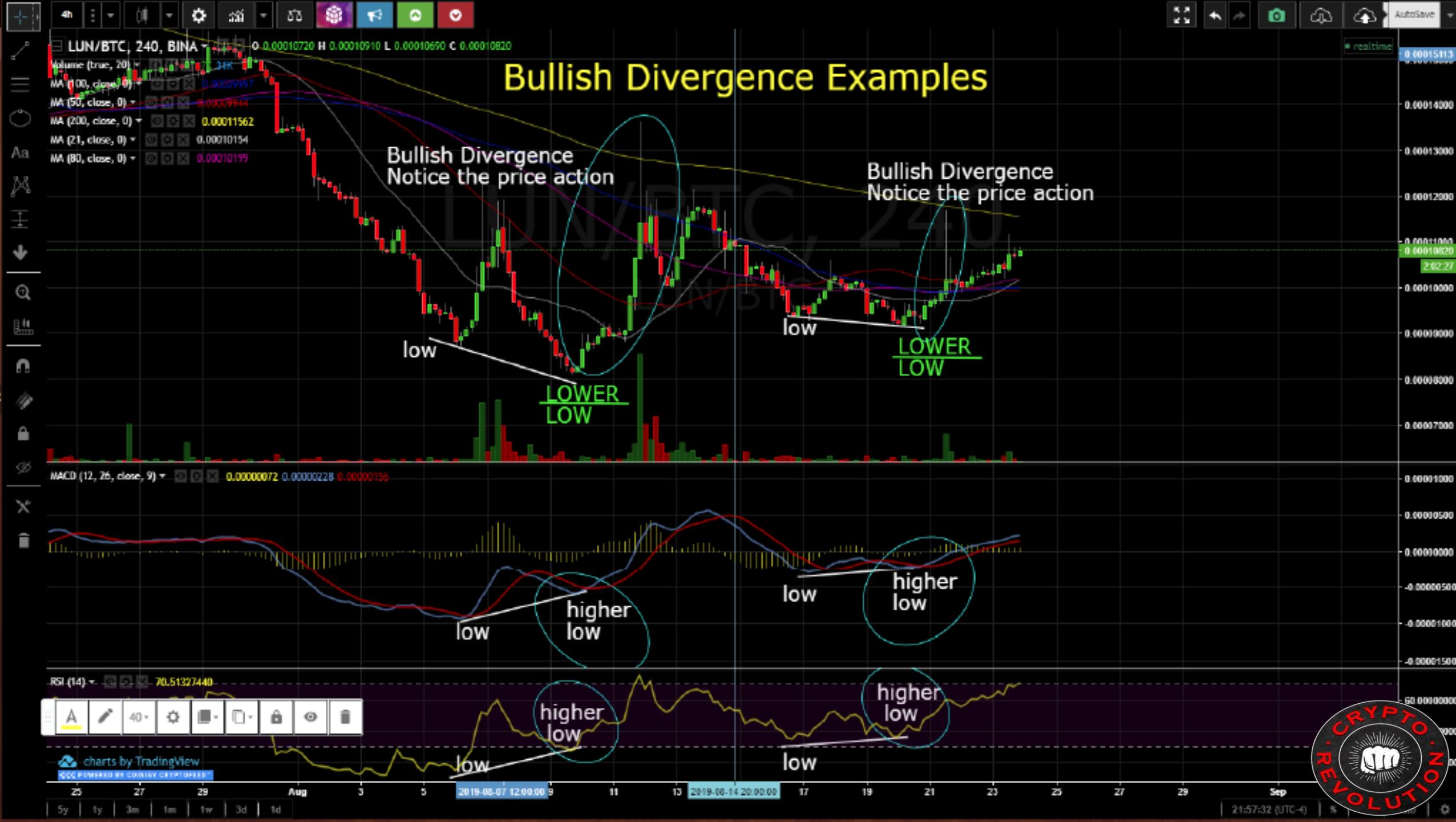
The price makes a similar high (SH) but the indicator makes a lower high (LH).

## Exaggerated Bullish Divergence



The price makes a similar low (SL) but the indicator makes a higher low (HL).





# Finding Fibonacci Retracement Levels

Traders use the Fibonacci retracement levels as potential **support and resistance areas**.

Since so many traders watch these same levels and place buy and sell orders on them to enter trades or place stops, the support and resistance levels tend to become a self-fulfilling prophecy.

The idea is to go long (or buy) on a retracement at a Fibonacci support level when the market is trending up, and to go short (or sell) on a retracement at a Fibonacci resistance level when the market is trending down.

In order to find these Fibonacci retracement levels, you have to find the recent significant Swing Highs and Swings Lows.

*For uptrends, do the opposite. Click on the Swing Low and drag the cursor to the most recent Swing High.*

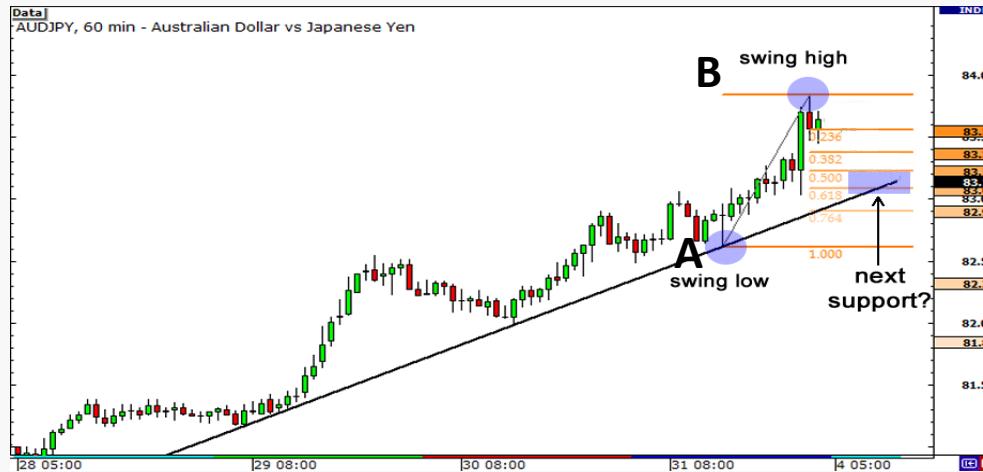
## Uptrend



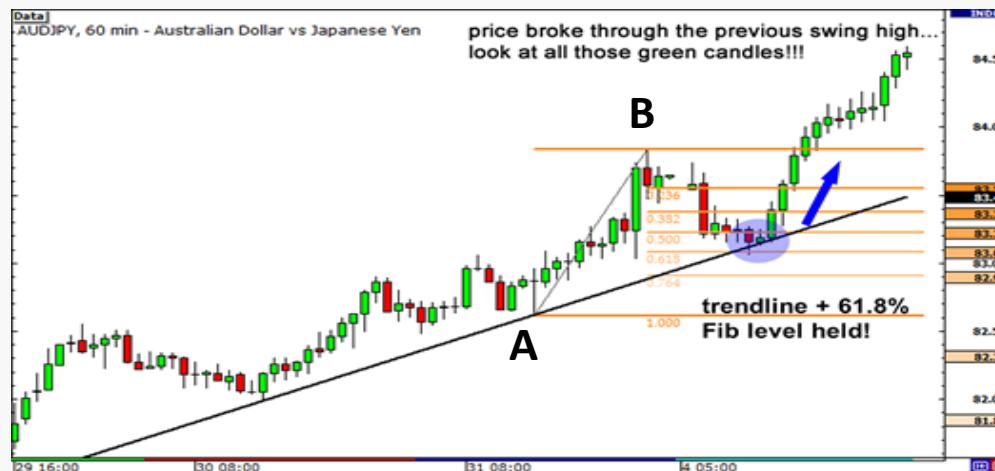
## How to Use Fibonacci Retracement with Trend Lines

Here we plotted the Fibonacci retracement levels by using the Swing low at 82.61 and the Swing High at 83.84.

*As you can see, price has been respecting a short term rising trend line.*



Fibonacci retracement level held, as price bounced there before heading back up. If you had set some orders at that level, you would have had a perfect entry!



## How to use Fibonacci Retracement with Japanese Candlesticks



## Finding the retracement levels of the run up using fib retracement

Uptrend



## Finding the targets of the bounce "bounce ideas"

Downtrend

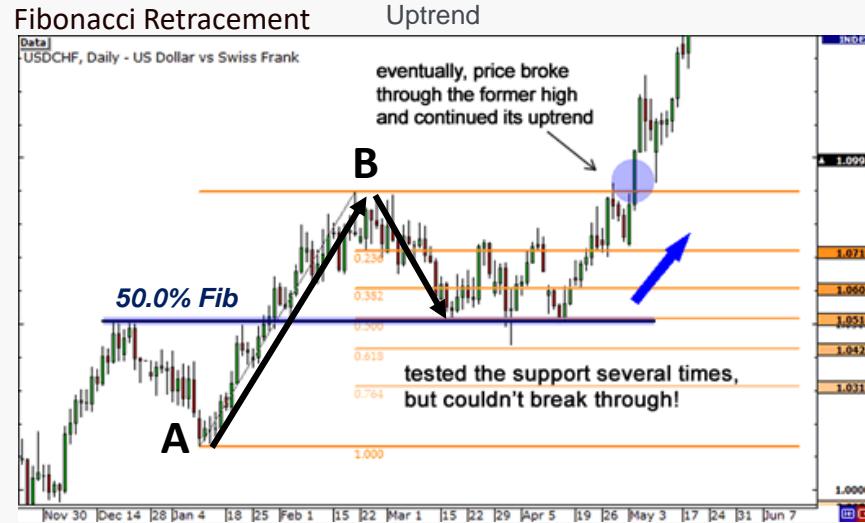


# How to Use Fibonacci Extensions to Know When to Take Profit

In an uptrend, the general idea is to take profits on a long trade at a Fibonacci Price Extension Level.

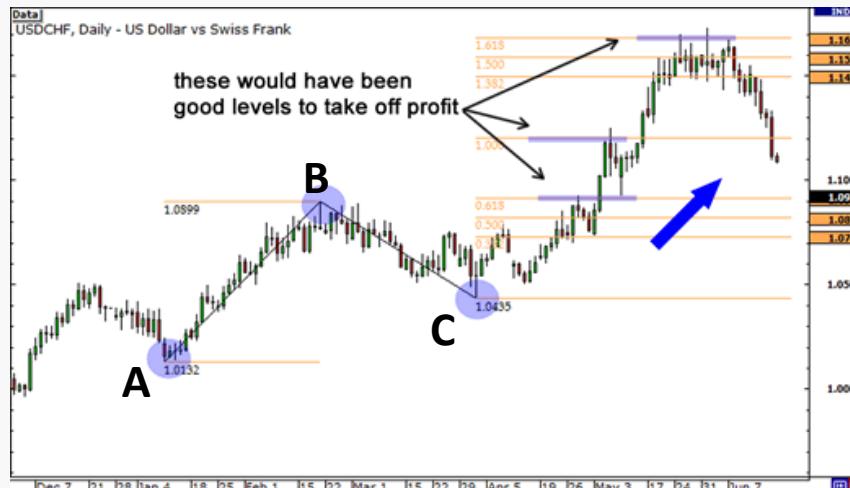
You determine the Fibonacci extension levels by using three mouse clicks.

First, click on a significant Swing Low, then drag your cursor and click on the most recent Swing High. Finally, drag your cursor back down and click on any of the retracement levels.

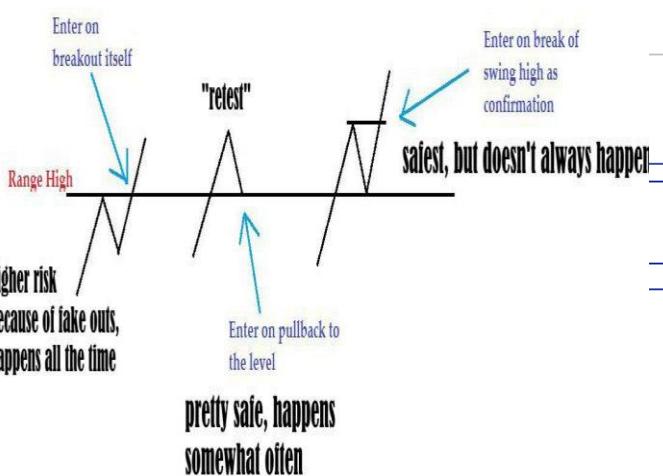


The 50.0% Fib level held strongly as support and, after three tests, the pair finally resumed its uptrend. In the chart above, you can even see price rise above the previous Swing High.

Let's pop on the Fibonacci extension tool to see where would have been a good place to take off some profits.



# 3 ways to buy the breakout



# Doji



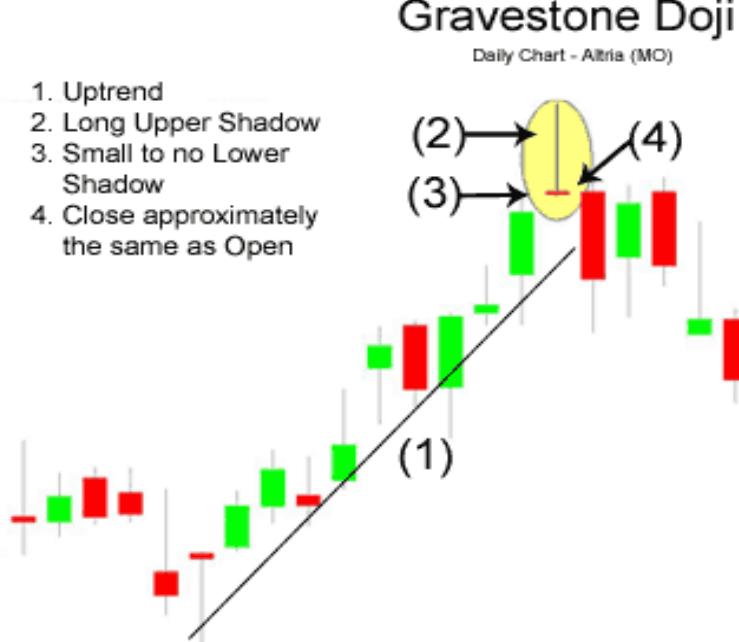
**Bullish Morning Star**



**Bearish evening star**

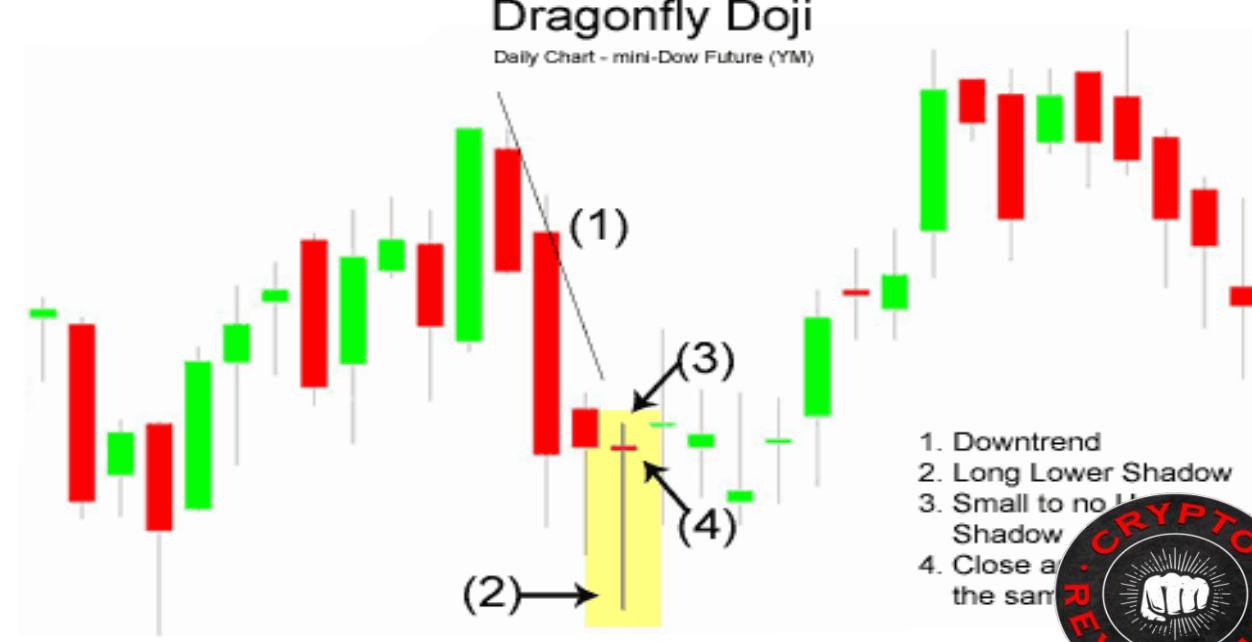


1. Uptrend
2. Long Upper Shadow
3. Small to no Lower Shadow
4. Close approximately the same as Open



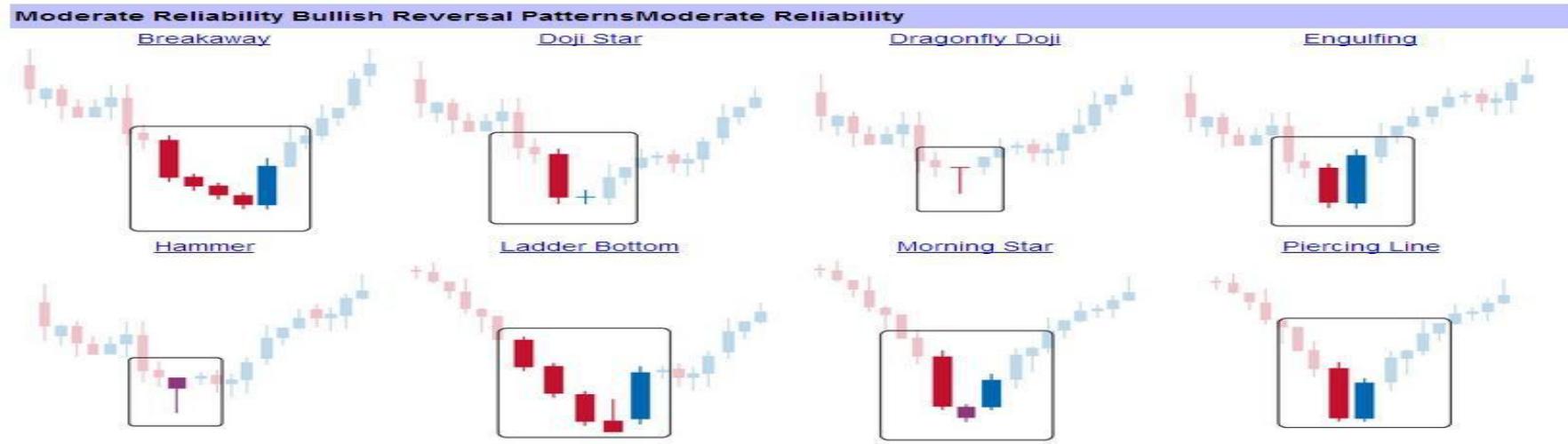
**Gravestone Doji**

**Dragonfly Doji**



1. Downtrend
2. Long Lower Shadow
3. Small to no Upper Shadow
4. Close at the same level as Open





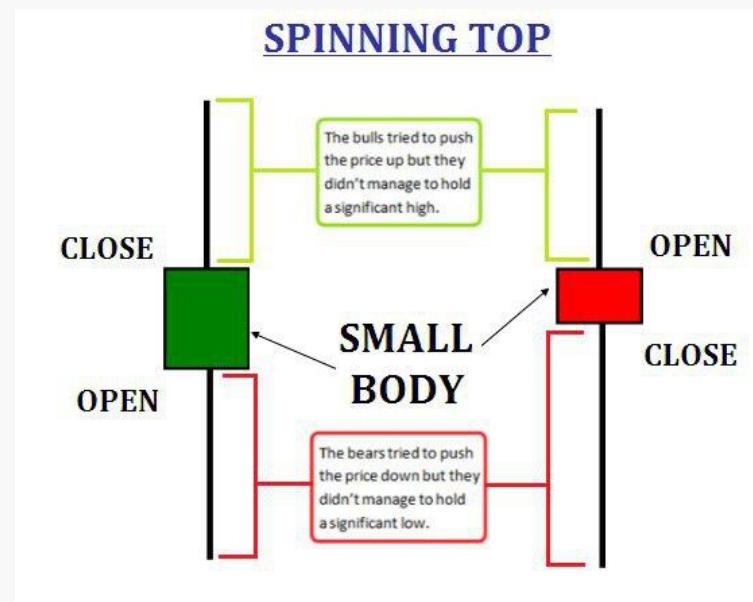
## Limitations of Using the Spinning Top

Spinning top candlesticks are common, which means many of the patterns witnessed will be inconsequential. Since assets often have periods of indecision, this makes sense. Spinning tops frequently occur when the price is already moving sideways or is about to start.

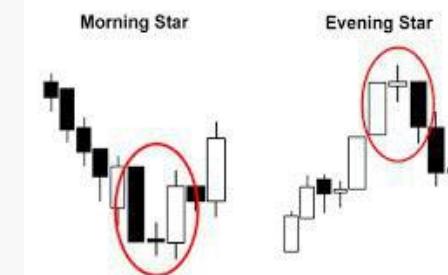
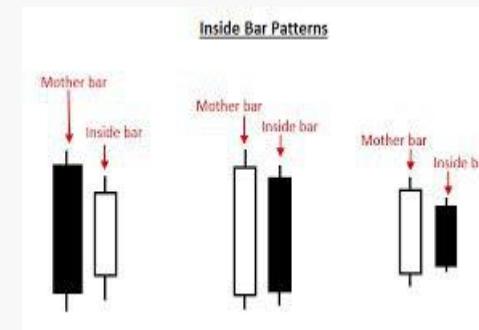
As for forecasting reversals, the common nature of spinning tops also makes this problematic. Many spinning tops won't result in a reversal. Confirmation is required, but even with confirmation, there is no assurance the price will continue in the new direction.

Trading around a spinning top can also pose some problems since the candle can be quite large from high to low. If confirmation comes after a spinning top and a trade is taken, placing a [stop loss](#) above or below the high/low of the spinning top could result in a large risk which doesn't justify the potential reward.

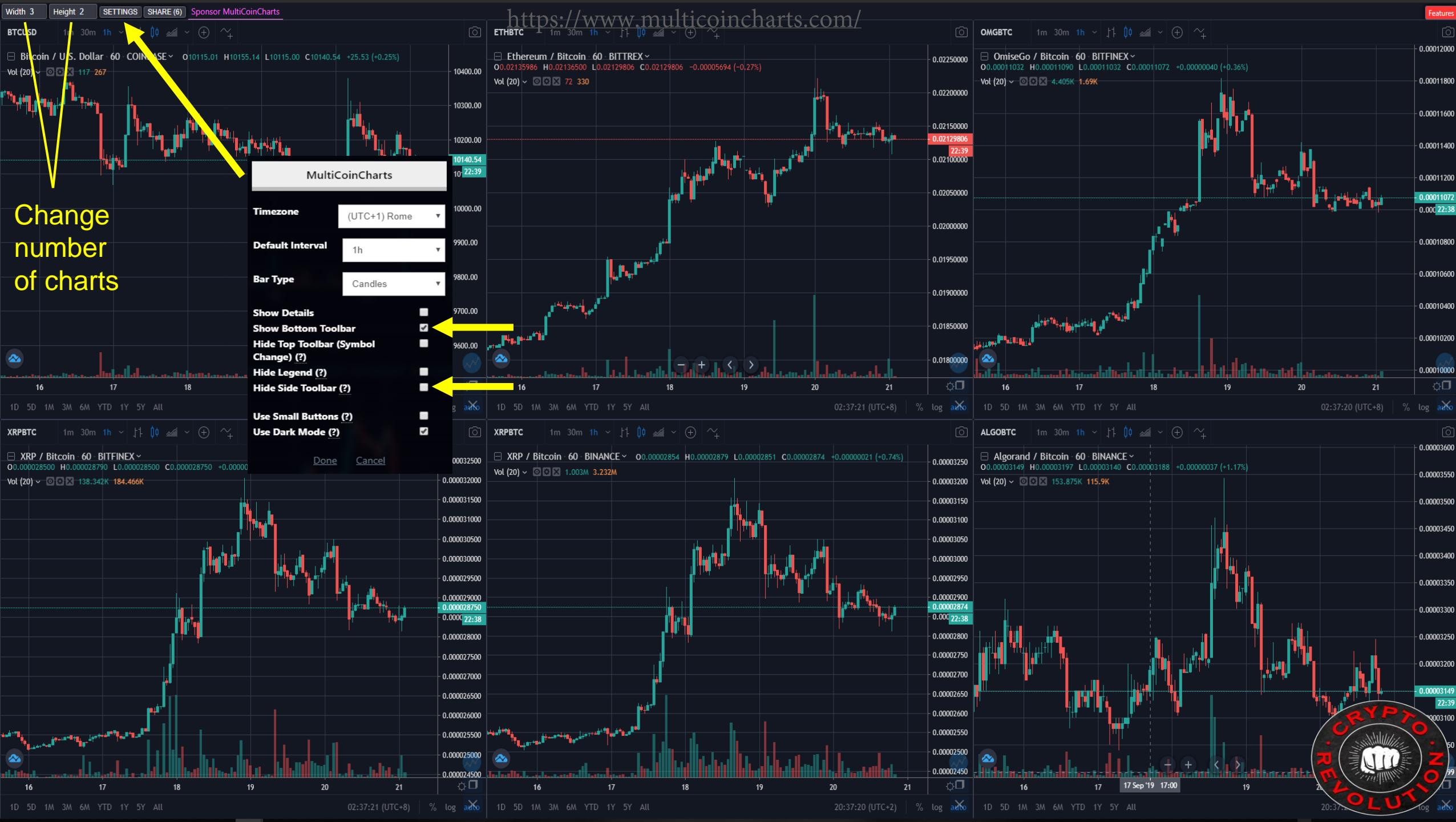
Assessing the reward potential of a spinning top trade is also difficult since the candlestick pattern doesn't provide a [price target](#) or exit plan. Traders need to utilize other candlestick patterns, strategies, or indicators to find a profitable exit.



Spinning Top Candlesticks - Spinning tops are a common candlestick pattern, which means they work best in conjunction with other forms of technical analysis. Spinning tops within ranges typically help confirm the range and the market's indecision. Spinning tops within trends may be reversals signals, but the candle that follows needs to confirm.







**NOTIFICATION PREFERENCES**

**COINIGY**

**IF YOU ARE MISSING BREAKOUTS YOU  
NEED TO SET YOUR ALERTS IN COINIGY.  
IT IS PRETTY EASY.**

**BINANCE APP, TRADINGVIEW,  
BOCKFOLIO, ETC ALL HAVE PRICE  
ALERTS.**

Price Alerts  Email  SMS

Trade Alerts  Email  SMS

Daily Balance Summary  Email

News Bulletins  Browser

Blockchain Updates  Browser

New Markets  Browser

Alert Sound  pop  airmorn  alarm  alarm2  alarm3  alarmalert  alarmclock

(Note: You will need to refresh all open tabs before this sound takes effect.)

Notifications Style Default

**PLATFORM PREFERENCES**

Charting Library Version charting\_library\_v1.11r (latest)  
charting\_library\_v1.11 (v1.11)  
charting\_library\_v1.9 (v1.9)

Autosave Charts & Drawings Enabled (C - Native TradingView AutoSave)

**Save Preferences**







