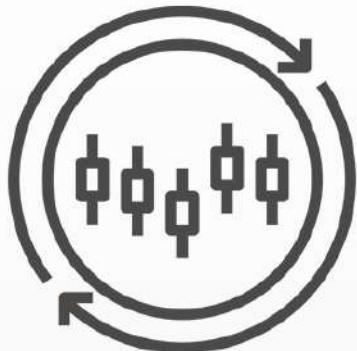


SWING TRADING



TRADING FREQUENCY

Approximately a couple a month to a few 100 trades a year



HOLDING PERIOD

Positions are held for days to weeks



DURATION OF TRADING

Several hours a day are required to adjust positions as needed.

Trades are identified by relying on technical analysis and price action to ascertain entry and exit points, viewing price charts on higher time-frames (between 1H and daily).

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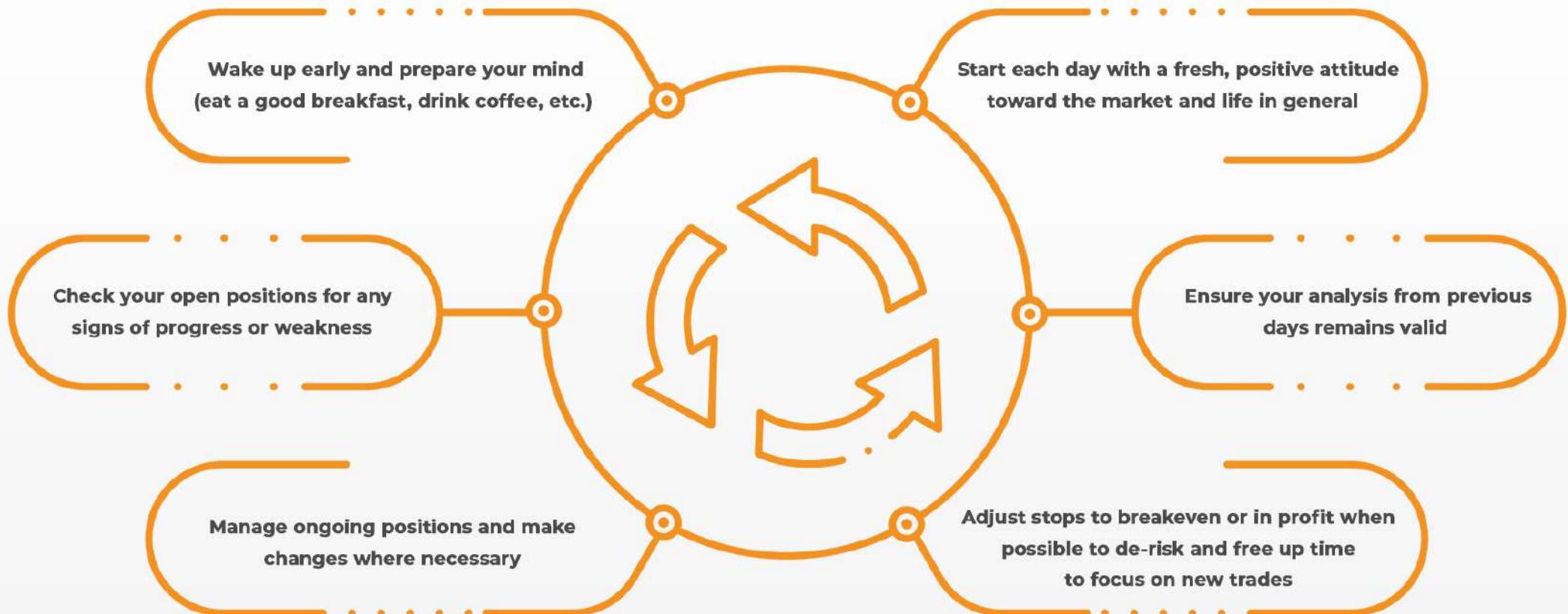


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DAILY ROUTINE OF A TRADER



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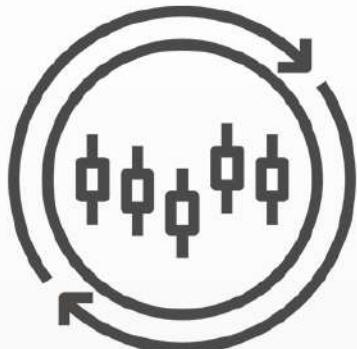
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DAY TRADING



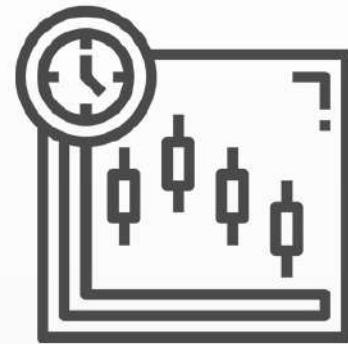
TRADING FREQUENCY

Can be multiple trades a day, amounting to thousands of trades a year



HOLDING PERIOD

Enter and exit positions on the day itself



DURATION OF TRADING

Considered a full-time job, with rather constant monitoring of the trade

Trades are identified by exploiting volatile intraday price fluctuations on liquid assets and viewing price charts on lower time-frames

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DIFFERENCES BETWEEN SUCCESSFUL & UNSUCCESSFUL TRADERS



SUCCESSFUL TRADERS

- ✓ are educated
- ✓ plan rigorously
- ✓ diminish risk
- ✓ learn from failures
- ✓ always adapt
- ✓ value accountability

UNSUCCESSFUL TRADERS

- ✗ are uneducated
- ✗ act haphazardly
- ✗ take extra risk
- ✗ repeat failures
- ✗ never adapt
- ✗ value getting rich

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LEADING VS LAGGING INDICATORS



LEADING:

- uses past price data to predict future market movements
- allows trader to potentially enter before the start of the move and ride the trend
- downside: can lead to false breakouts or bearish retests
- e.g. Fibonacci retracements, support and resistance, OBV



LAGGING:

- uses average of past price data - provides signal when price movement has already begun
- downside: lose a couple of percent of the move
- e.g. RSI, MACD, Stochastic

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WHAT DOES BLOCKCHAIN ENABLE?

- 1 Creation and real-time movement of digital assets 
- 2 Built-in trust rules for transactions and operations 
- 3 Time-stamping, ownership proof, rights and restrictions 
- 4 Identity ownership and digital representation 
- 5 Elimination of censorship or single points of failure 
- 6 Facilitation of tradable crypto markets 
- 7 Automation of business functions with self-enforcement 
- 8 Decentralized services and applications 
- 9 Transparency and privacy 

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CORRELATION BETWEEN BITCOIN DOMINANCE, BITCOIN & ALTCOINS

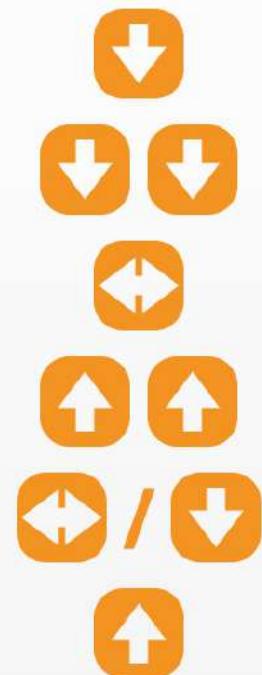
BITCOIN DOMINANCE



BITCOIN



ALTCOINS



UPTREND

DOWNTREND

SIDEWAYS TREND

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CENTRALIZED VS DECENTRALIZED EXCHANGES



CRITERIA	CEX	DEX
PRIVACY	PERSONAL DATA EXPOSED	ANONYMOUS
FUNDS	EXCHANGE CONTROLS FUNDS	USER CONTROLS FUNDS
SECURITY	SEVERAL EXCHANGE HACKS AND EXPLOITS PER YEAR	PRONE TO PHISHING SCAMS AND FAKE COINS
LIQUIDITY	HIGH LIQUIDITY	LOW LIQUIDITY
CENSORSHIP	GOVERNMENT RESTRICTIONS, LIMITATIONS, SHUTDOWNS	NO SHUTDOWNS, LIMITATIONS, SHUTDOWNS

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TYPES OF BLOCKCHAIN TOKENS



1. TRANSACTIONAL TOKENS

Payments for goods and services or bills

Act like traditional currencies
Bitcoin is a well-known transactional token



2. PLATFORM TOKENS

Utilize blockchain infrastructures to create own digital assets, decentralized applications on their platform

Blockchain platforms become their own "economies" with various applications, e.g. Ethereum



3. SECURITY TOKENS

Focuses on privacy

Number of coins transacted are known only to sender and receiver

Balance of security token wallet address only known by owner, e.g. Monero, Zcash



4. UTILITY TOKENS

Utilized for a blockchain product or service

Run on blockchain platform e.g. Ox, Basic Attention Token

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ICO VS IEO

What's the difference?



	ICO	IEO
FUNDRAISING	The developers	The crypto exchange
CROWDSALE COUNTERPARTY	Conducted at the token issuer's website	Conducted on the exchange platform
SMART CONTRACT	Managed by the startup behind the token sale	Managed by crypto exchange
AML/KYC REQUIREMENT	Project dependent	Exchange conducts AML/KYC (often optional)
PRE-LAUNCH SCREENING	None required - any startup can launch an ICO (in locations where they are legal)	Screening performed by the exchange before approving the cap raise
AUTOMATIC TOKEN LISTING AFTER SALE	No - the startup must find an exchange(s) to list its tokens	Yes - exchange lists the IEO

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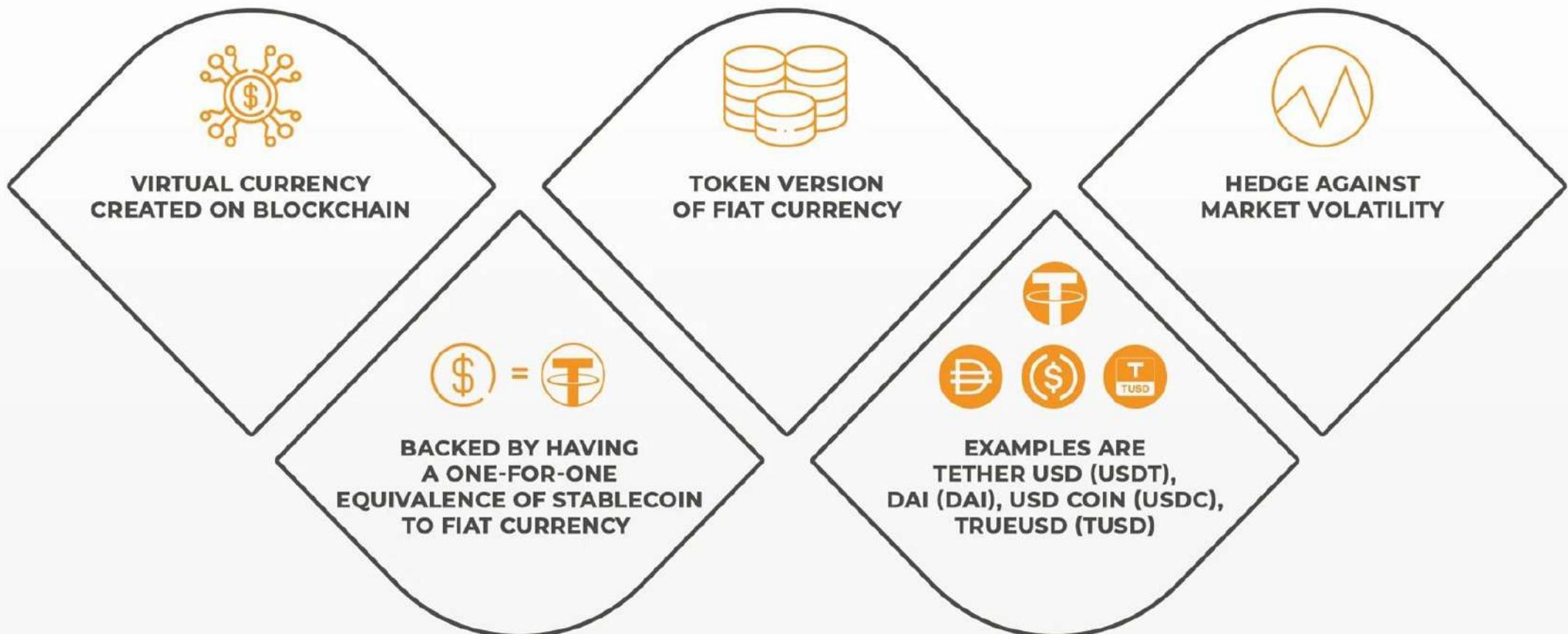


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WHAT IS A STABLECOIN?



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COIN VS. TOKEN

WHAT'S THE DIFFERENCE?



COIN

Functions as a currency, unit of account, and store of value

Usually has a native blockchain, i.e. Bitcoin, Litecoin, Monero

Operates without dependence on a platform



TOKEN

Has diverse use cases and utilities within exchanges, dApps, Daos, etc.

Generally hosted on other blockchains, such as Ethereum, Waves, or Polkadot

Built around emerging tech, innovative ideas, and real-world business models

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MINDSET FOR DESIGNING A TRADING SYSTEM



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HOW TO ARRANGE YOUR PORTFOLIO



TO HODL

70-90% of your portfolio



Major, High and Mid caps



Coins with strong FA, communities and tokenomics



Staked coins, masternodes, airdrops



Small/micro caps with proven teams
(max 5-10% of your portfolio)

TO TRADE

10-30% of your portfolio



Anything that's trending or has FA catalysts



Exchange listings, news releases



Hot sectors (DeFi, IEOs, etc.)



Futures/margin
(max 5-10% of your portfolio)

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IDENTIFYING TRADE SETUPS WITH BIRBICATORPRO



SUPPORT & RESISTANCE



Visually we can observe how BirbicatorPRO's Momentum Wave can be used as dynamic support and resistance. As such it is commonly used within trading system's based on moving averages to define dynamic support levels,. The Momentum Wave can operate with the same consideration, providing areas where price is likely to find local support or resistance.

SIGNAL SYSTEM



BirbicatorPRO is configured with several automated signals (alerts) that indicate potential trend reversal scenarios. The goal of the signal system is to provide warning of key changes in price action that may lead to changes in trading plans depending on each users trading plan. Signals that have been incorporated into BirbicatorPRO can be configured within TradingView directly on any components within the system. In addition, BirbicatorPRO provides pre-defined signals that correspond to inherent trend change metrics we believe are significant.

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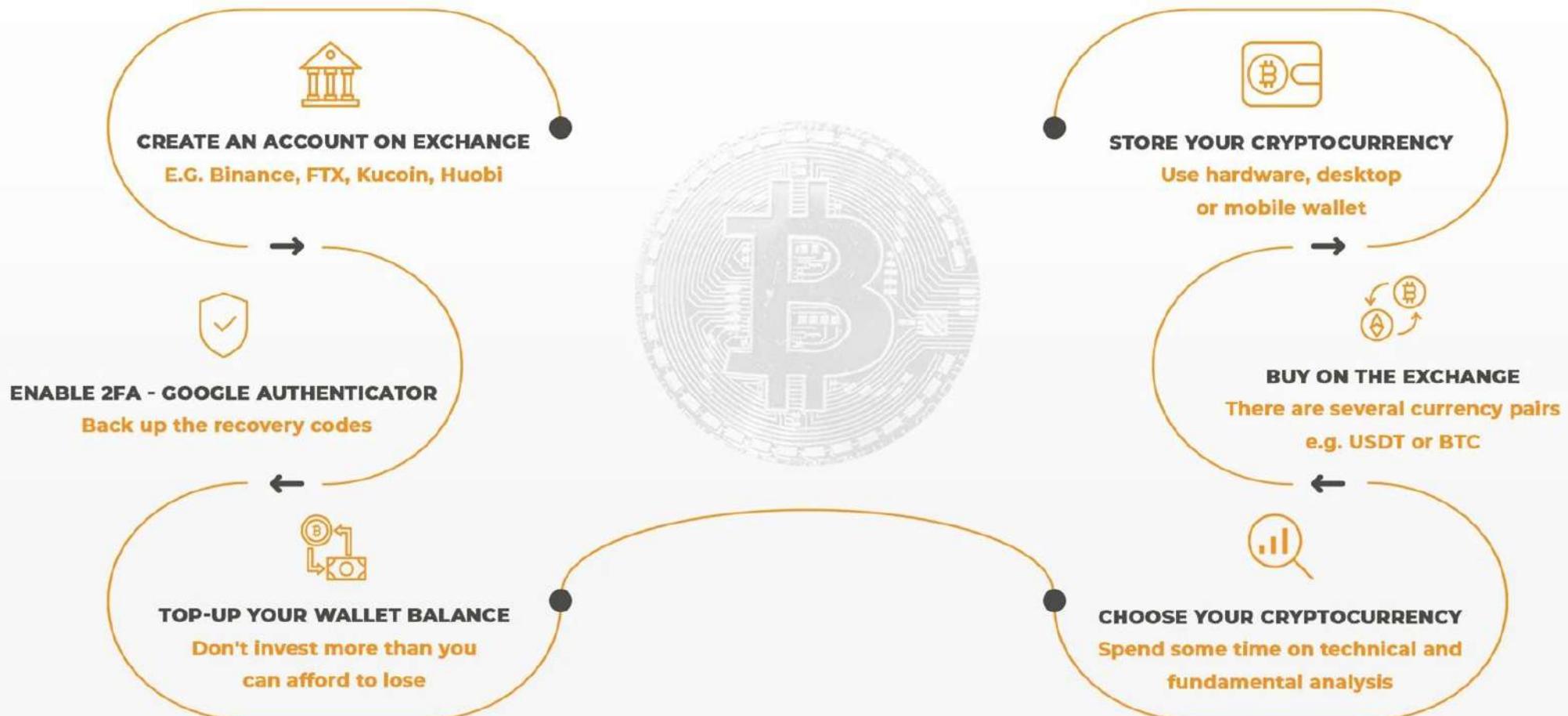


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HOW TO INVEST IN CRYPTOCURRENCIES



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IDENTIFYING TRADE SETUPS WITH BIRBICATORPRO

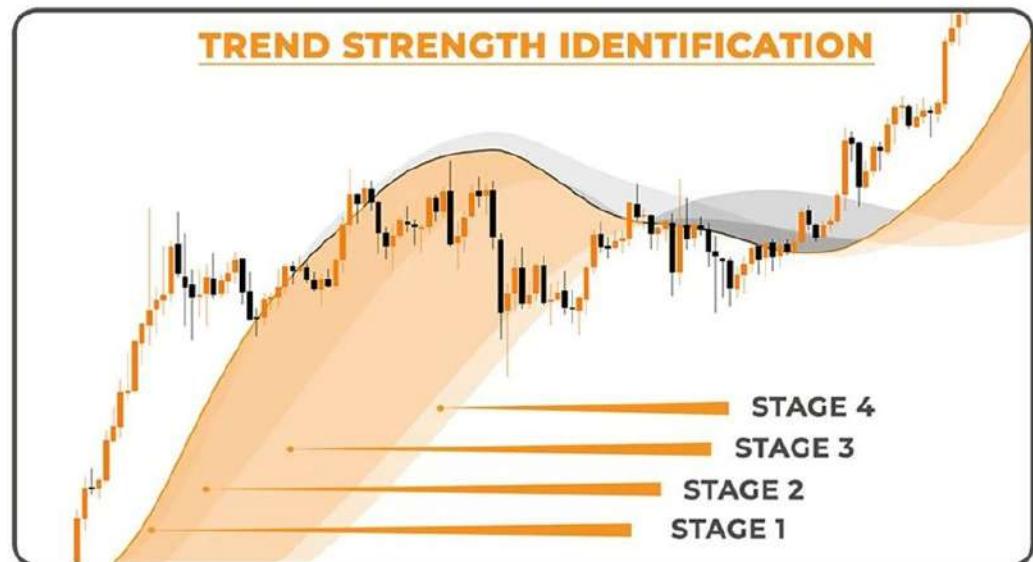


TREND MOMENTUM IDENTIFICATION



The BaseLine is always present and provides trend momentum identification, support and resistance and dynamic coloring based on the current price. The BaseLine is a composite moving average that has been specifically crafted using elements of Ichimoku, Sine Waves, and standard deviations using Fibonacci.

TREND STRENGTH IDENTIFICATION



For simplicity purposes the "power" of the wave is demonstrated by the rising and falling of each stage above or below the next. A fully "Bull" trend would be exemplified by The BaseLine being greater than Stage 1, and Stage 1 being greater than Stage 2, and Stage 2 being greater than Stage 3, and Stage 3 being greater than Stage 4.

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STEPS TO SECURE YOUR CRYPTO - PART 2



FUNDS ON EXCHANGES:



- Do not use any day-to-day email addresses for the exchanges.
- Ideally a unique email address for every exchange and with encrypted email provider.



- Generate a unique, secure password for every exchange (minimum 14 characters with uppercase, lowercase, numbers and symbols).



- Use a password manager to secure your log-in credentials and secure it with written backup and unique memorizable password.



- Enable Two factor authentication (2FA) on your exchange. Even better if you add two 2FA if possible.
 - For example an authenticator app and email code for sensitive actions like withdrawals.



- Add also secure password and 2FA for your email account.
- Hackers might try to access your email account and try to retrieve your exchange password through your email address.

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STEPS TO SECURE YOUR CRYPTO - PART I



DON'T

- Use public WiFi to access exchanges or funds.
- Tell others details about your security practices.



DO

- Have a backup for passwords, apps, seeds. Store them in a secure location.
- Use unique and strong passwords. Use a password generator for this.



STORE CRYPTO IN HOT AND COLD WALLETS

- Hot wallets that can be accessed through your browser with a secure password (e.g. MyEtherWallet) or your desktop (e.g. Electrum or Exodus).
- Cold wallets are crypto wallets that are not connected to the internet and you can carry it around (e.g. Trezor, Ledger, BC Vault)

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RISK MANAGEMENT & TRADING EXPERIENCE



Use Moderate-High Risk in Trending Markets.
Execute Learned Skills and Strategies.



Use Low-Moderate Risk in Ranging Markets.
Learn and Build Skills/Strategies.



**Constantly be Aware of Where You Are
in the Cycle and Act Accordingly.**

Use Low Risk in Falling Markets.
Work on Capital Preservation, Trade
Less Frequently and With Smaller Size.



Time Spent Trading/Experience Gained

Study Technical + Fundamental Analysis + Join a Trading Community + Seek Mentors + Always Ask Questions

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5 HEALTHY WAYS TO CULTIVATE PATIENCE



ADMIT THAT YOU ARE IMPATIENT

Dig deep and be self-aware of your limitations.



PRACTICE LOOKING AT EVENTS OBJECTIVELY WHEN TRADING

Imagine you are watching a television show about yourself. Pretend that the character is not you.

Observe how impatient you are. See yourself as an objective onlooker would see you, and think about how you might act more patiently.



REALIZE YOUR IMPATIENCE = PROTECTION FROM LOSING A TRADE

Because of your fear for a potential loss, you may impatiently close a trade for fear of a bigger loss.

Face these negative thoughts head on, and better control your impulses.



EXAMINE SITUATIONS THAT LEAD TO YOUR IMPATIENT BEHAVIOR.

Avoid specific situations whereby you will act impulsively.



SELF-TALK EXAMINATION

Inspect your underlying attitudes and beliefs. E.g. "I must make profit now."

Refute these thoughts with supportive beliefs "Time is on my side. " "there will be another opportunity."

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BENEFITS AND CHALLENGES OF BLOCKCHAIN TECHNOLOGY



THE CHALLENGES

COMPLEX TECHNOLOGY

CREATES A BARRIER TO ENTRY

REGULATORY UNCERTAINTY

CRACKDOWNS AND LOCAL BANS

IMPLEMENTATION CHALLENGES

LACK OF ADOPTION AND UTILITY

TAX COMPLICATIONS

ACCOUNTING DIFFICULTY AND EXPENSES



THE BENEFITS

INCREASED TRANSPARENCY

PUBLIC LEDGER OF TRANSACTIONS

ACCURATE TRACKING

VIA BLOCK NUMBERS AND TRANSACTION HASHES

IMMUTABLE DATA

SECURE LEDGER RECORDS CAN'T BE CHANGED

LOWER COSTS

NO HIDDEN BANKING FEES OR EXTRA CHARGES

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NECESSARY MIND-SET FOR DESIGNING A TRADING SYSTEM



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BLOCKCHAIN - HOW IT WORKS



A transaction is requested



The transaction is broadcasted to a P2P network comprising thousands of computers which are running nodes



Nodes validate the transaction through advanced algorithms



Transactions can involve crypto, contracts, records, digital art, and other assets
Verified transactions are grouped together in "blocks" of data on a ledger



The transaction is complete and final



Once completed, these blocks are permanent and unalterable



New blocks are attached to the existing chain of blocks
This is where we get the term blockchain

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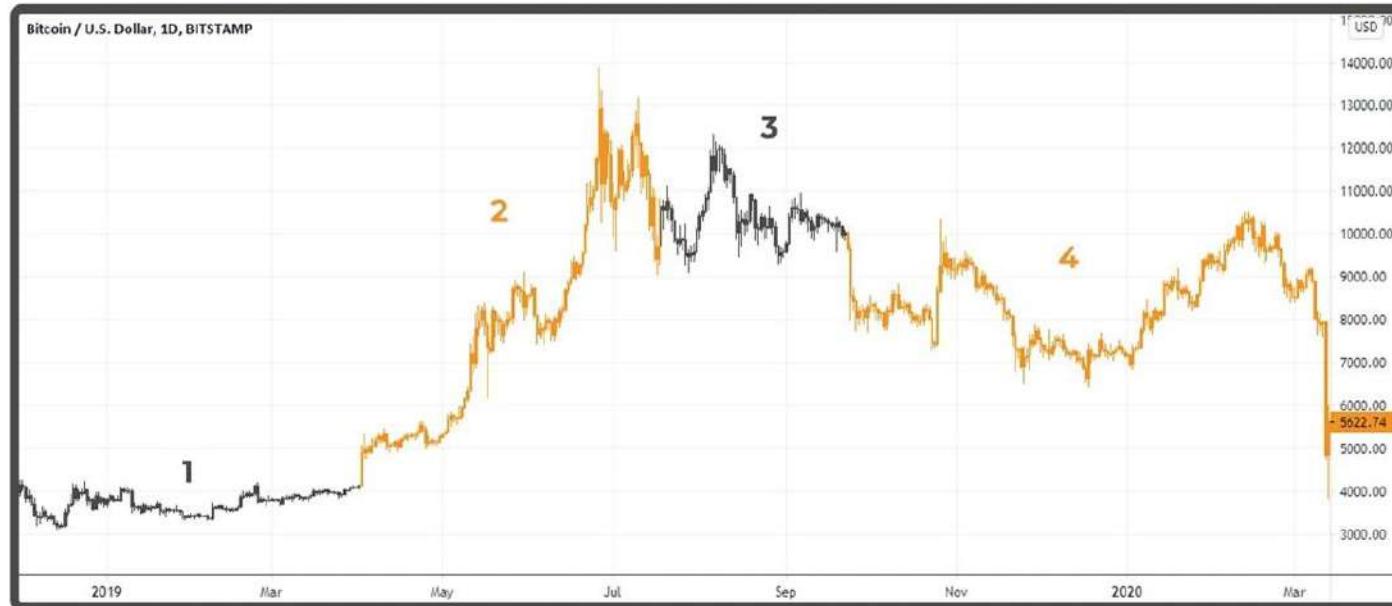


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4 STAGES OF MARKET CYCLE



1. ACCUMULATION

Sideways price action

"Smart money" accumulating

Identify reversal patterns (e.g., double bottom)

2. MARK-UP

Price rallying above resistance levels

Volume spike

Market sentiment goes from bullish to euphoric

3. DISTRIBUTION

Absence of higher highs

Bullish sentiment changes to neutral

Identifiable by reversal patterns (e.g. head and shoulders)

4. MARKDOWN

Prices form lower lows

Investors sell holdings and lock profits

Market sentiment turns bearish

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6 BENEFITS OF A TRADING BUDDY



REMIND EACH OTHER TO PRACTICE SELF-CARE

Before, during and after trading.

This can include having healthy meals, mediation, exercise and sufficient sleep.

LEND A LISTENING EAR

It's not always about trading issues.
Active listening and empathising
is often all that is needed



LOOK OUT FOR EACH OTHER

Look out for and support one another
by sharing helpful information and tips.

COMPLEMENT EACH OTHER

Find a buddy who complements you
so you can learn from each other
while looking out for one another

IDENTIFY AND POINT OUT

Watch each other for signs of trading
mistakes and point them out tactfully.

BE OPEN AND TRANSPARENT

Discuss with your buddy what you need from them in various
trading situations (e.g. point out to me when I'm not managing my risks).

Important note: choose a buddy with whom you feel safe and you can be open and transparent with.

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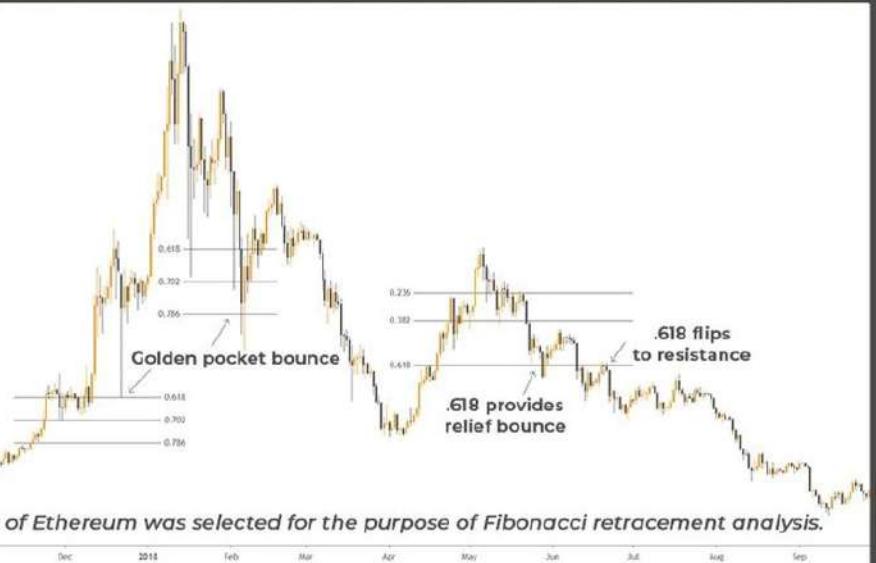


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THE POWER OF UNIVERSE IN REAL-LIFE EXAMPLE



From September to December, the price ran up and retraced to the golden pocket (.618-.786) before continuing higher.

From December to January, the price spiked again and retraced to the golden zone confluent with the .618 from the September low.

In April-May, ETH bounced, but it was a weaker move. The .618 initially provided support but then flipped to resistance.

In the last example, a warning sign was the weak reaction off the .618 and an exit signal occurred when it lost that level again.

Technical analysts can gain an edge by watching these levels, but should only act on them once price action provides confirmation.

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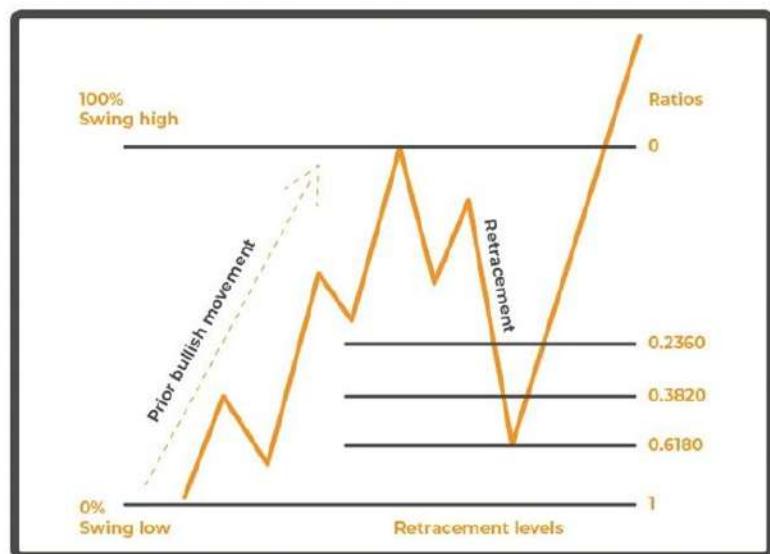
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FACTS ABOUT FIBONACCI LEVELS



Fibonacci retracement levels are horizontal lines on a chart that represent potential support/resistance levels.

Fibonacci sequence numbers commonly used by traders are 23.6%, 38.2%, 50%, 61.8%, and 100%

These horizontal levels indicate how much of the previous move has been retraced.

Following a retracement to one of the Fib levels, the prior trend usually resumes.

Fibonacci levels should be used with price action support/resistance levels and trend lines to add confluence.

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FIBONACCI SEQUENCE

APPLY THE POWER OF UNIVERSE TO YOUR TRADING



The Fibonacci method is based on a mathematical sequence where the last number is added to the previous number to arrive at the next number. With a few exceptions in the low numbers, the ratio of any number in the sequence to the next lower number is 1.618 (eg. 89/55 = 1.61818)

This number has a long history, dating back to the pyramids, which were built in proportion to the golden ratio. The number 1.618 (whose reciprocal is 0.618), is therefore known as the "golden ratio". Technical analysts use this ratio to determine where price reversals may occur.



Step 1 – Find an 'A to B' move
A = Look for swing highs and lows or tops and bottoms.
B = Where the trend move pauses and reverses to make a retracement.

Step 2: Find the retracement Point C
C = point where the retracement ends and price reverses into the original direction.

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7 STEPS TO BECOME A SUCCESSFUL TRADER



SUCCESS

ENJOY YOUR WINS AND REWARD YOURSELF WHEN YOU MAKE PROGRESS



OPTIMIZATION

ELIMINATE WHAT ISN'T WORKING AND REFINE WHAT WORKS WELL



PRACTICE

EXECUTE YOUR STRATEGY HUNDREDS OF TIMES TO MASTER IT



TESTING

TRY DIFFERENT STRATEGIES UNTIL YOU DISCOVER YOUR FAVORITE



PREPARATION

CREATE A DISCIPLINED ROUTINE FOR CONSISTENT PERFORMANCE



RISK MANAGEMENT

SET RULES AND BOUNDARIES BEFORE RISKING YOUR \$



PATIENCE

KNOW THAT LEARNING TO TRADE USUALLY TAKES A FEW YEARS



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WAYS TO INCREASE TRADING PRODUCTIVITY



1. SET ALERTS

GENERATE ALERTS TO YOUR MOBILE DEVICE AT PRICE LEVELS YOU ARE INTERESTED IN.
ALLOWS YOU TO GET ABOUT YOUR DAY WITHOUT HAVING TO CAMP IN FRONT OF YOUR SCREEN.



2. WORK ON YOUR TRADING PROCESS AND STICK TO IT

FIND A STRATEGY THAT WORKS BEST FOR YOU AND STICK TO IT TILL IT BECOMES A ROUTINE.
IT MAY BE BORING AFTER A WHILE, BUT YOU ARE BUILDING A POSITIVE LOOP THAT AIDS IN HIGHLY PRODUCTIVE ACTIVITY.



3. REVIEW YOUR TRADES

ALLOCATE SOME TIME TO REVIEW RECENT TRADE DATA IN YOUR JOURNAL.
TIME SPENT DOING THIS WILL IMPROVE YOUR STRATEGY, AND SAVE YOU TIME IN THE LONG RUN.



4. GO OUTDOORS

FRESH AIR AND A CHANGE OF SCENERY HELPS KEEP YOUR MENTAL BALANCE IN CHECK.



5. FIND A HOBBY THAT HELPS YOU RELAX

WORKING OUT RELEASES ANY PENT-UP EMOTIONS AND RECHARGES YOU.
MEDITATION HELPS CALM YOUR NERVES, HELPS YOU FOCUS ON YOUR BREATHING, PREVENTING YOU FROM TAKING TRADES ON A WHIM.

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DEVELOP THE RIGHT MINDSET

CONVERT A WEAK INTENTION INTO A STRONG ACTION



WRONG MENTALITY

NOT HAVING A TRADING PLAN.

FOCUSING ON PERFORMANCE GOALS.

MISSING BUY-IN ON A SETUP.

WANTING TO MAKE UP FOR A RECENT LOSS AND HOP ON A TRADE.

HAVING TO THINK ABOUT A TRADE.

UNCERTAIN WHERE TO PLACE YOUR STOP-LOSS.

THE RIGHT MENTALITY

ALWAYS PEN OUT SCENARIOS FOR YOUR TRADES!

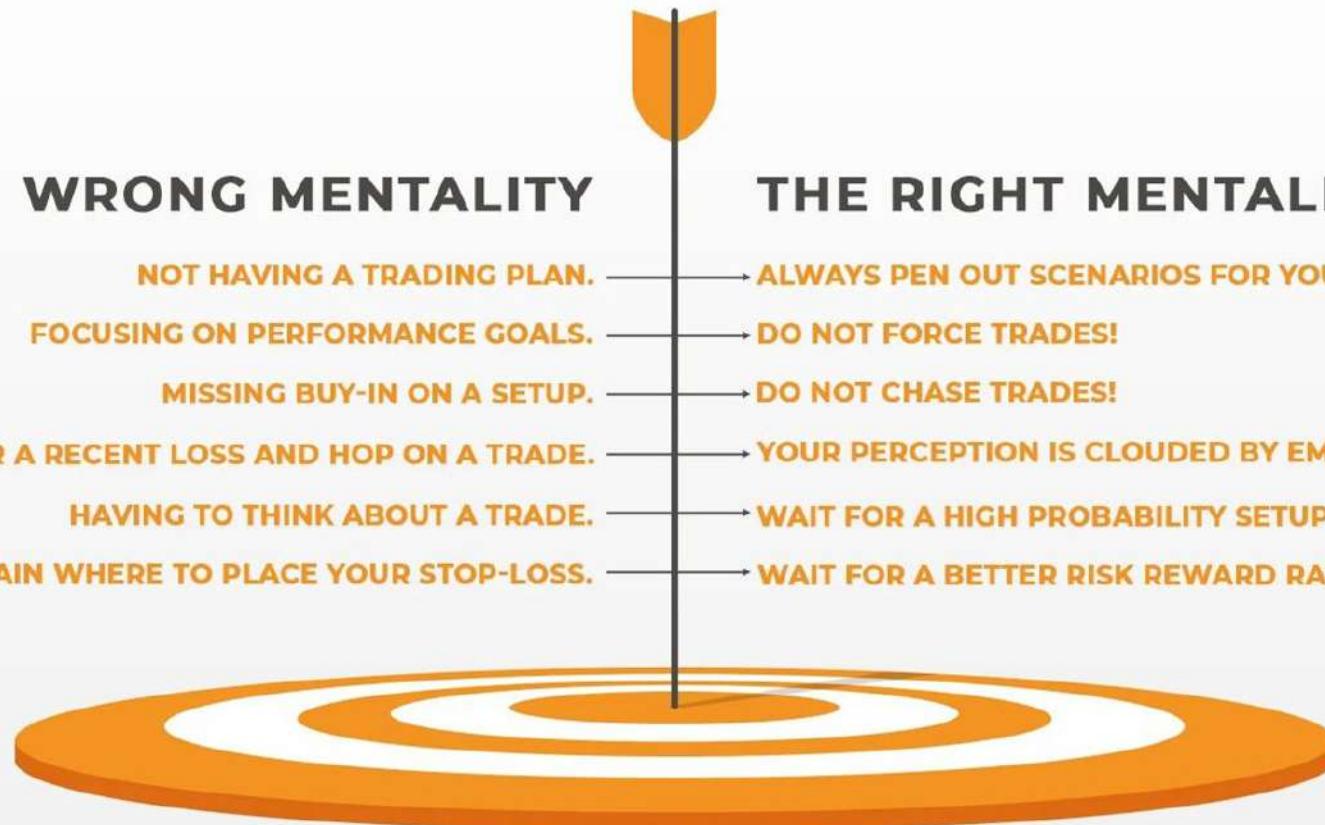
DO NOT FORCE TRADES!

DO NOT CHASE TRADES!

YOUR PERCEPTION IS CLOUDED BY EMOTIONS, WALK AWAY!

WAIT FOR A HIGH PROBABILITY SETUP INSTEAD!

WAIT FOR A BETTER RISK REWARD RATIO TRADE!

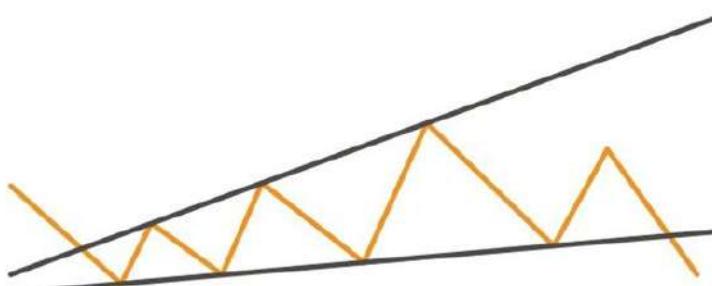


"Money is made by sitting, not trading." – Jesse Livermore

FACTS ABOUT ASCENDING BROADENING WEDGES



Ascending Broadening Wedge Pattern



Takes shape when prices make higher highs and higher lows, with each high/low occurring at least 3 times

Price breaks out to the downside more than 70% of the time, and pullbacks/throwbacks are common

More than 75% of the time, the breakout occurs in the direction from where price enters the formation

Breakouts to the upside are extremely reliable as they come with favorable returns and minimal failures

Upside breakouts outperform downside breakouts by a factor of about 2:1 before the first major pullback

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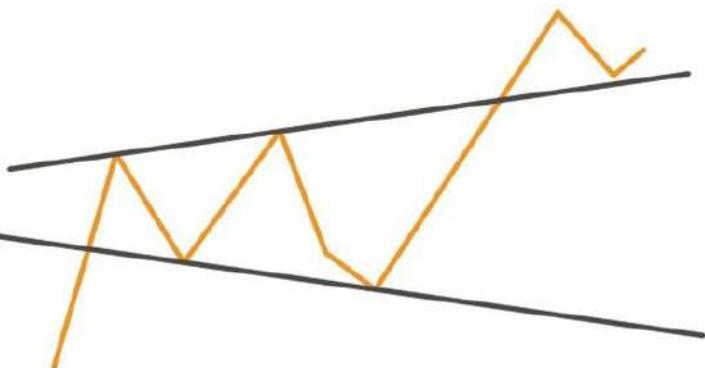


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FACTS ABOUT BROADENING PATTERNS

Broadening Pattern



If a diamond top or bottom is confirmed, a clearer and more reliable action signal is triggered

Basically a triangle in reverse, with an expanding price range rather than a contracting one

Rare and difficult to pinpoint on price charts, these patterns have limited efficacy for traders

The ascending broadening wedge is a variation that ranks high on performance and has a low failure rate

The breakout lines are in constant motion as the pattern develops, which makes them difficult to identify

When spotted on a chart, the analyst may wait for it to combine with a symmetrical triangle to form a diamond

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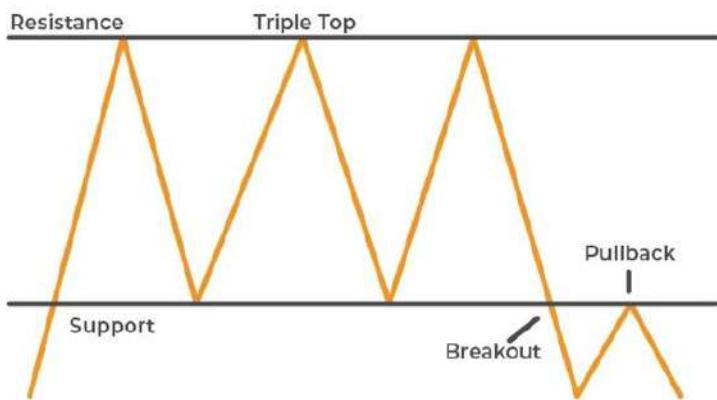


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FACTS ABOUT TRIPLE TOPS & BOTTOMS



Triple Top & Bottom Pattern



Same formation as a rectangle, except with the requirement of three touches at support/resistance

The peaks don't have to be exact. In fact, shortfalls can hint at the eventual breakout direction

Confirmation is given by price breaking below the two bottoms (or tops in the case of a triple bottom)

Pullbacks and throwbacks occur nearly 2/3 of the time and reduce performance as in every other pattern

Rare formation but ranks high among the classical patterns due to its reliability and very low failure rates

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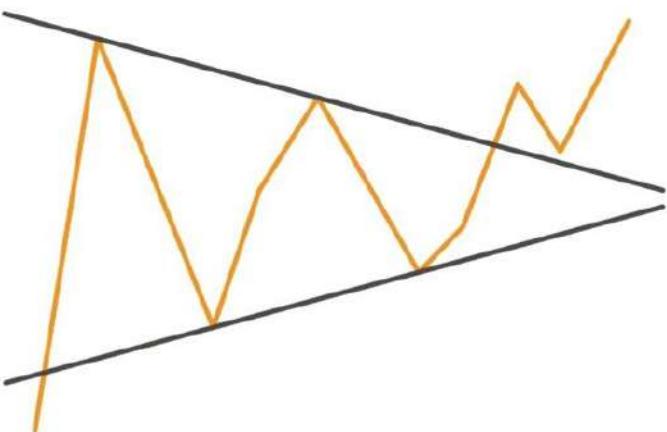


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FACTS ABOUT SYMMETRICAL TRIANGLES



Symmetrical Triangle Pattern



A coil formation defined by an upward sloping support line and a downward sloping resistance line

Congruency is not a requirement, but the converging lines often have similar slope angles

Upward breakouts are slightly more common than downward breakouts, but early fakeouts are common

Breakouts occur around 3/4 length of the formation on average, and throwbacks are relatively common

Performance is average for classic patterns, but increasing breakout volume adds a significant improvement

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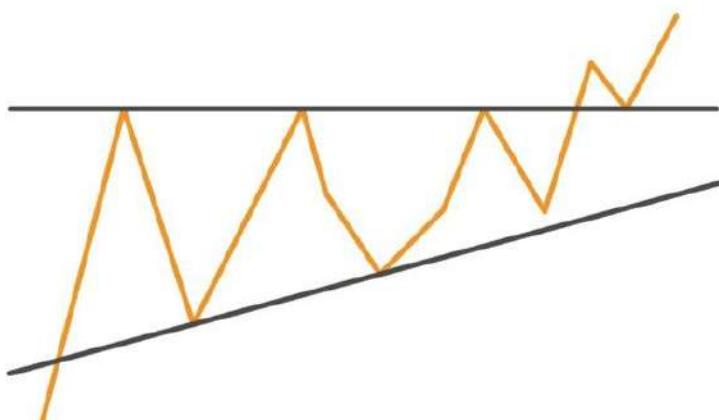


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FACTS ABOUT ASCENDING TRIANGLES



Ascending Triangle Pattern



Defined by a horizontal resistance line above an ascending support line below

Price action within the formation is erratic and early fake-outs are common

Upward breakouts happen about 3/4 of the time, often in continuation with the prior trend

Breakouts occur slightly less than 2/3 the length of the formation on average

Performance is average, but downward breaks perform slightly better than upward breaks

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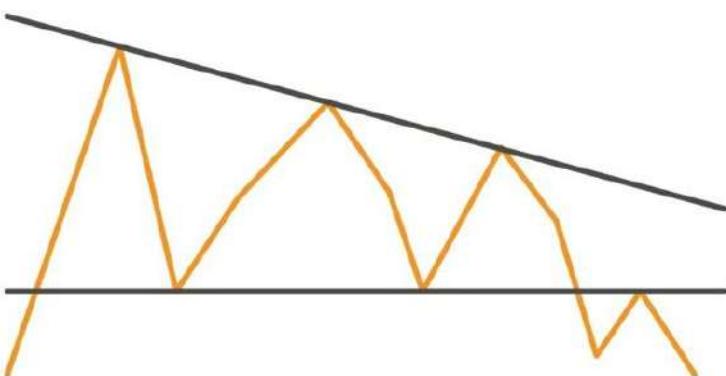


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FACTS ABOUT DESCENDING TRIANGLES



Descending Triangle Pattern



Defined by a horizontal support line below and a declining resistance line above

Downward breakouts are more common, but upward breakouts are more reliable and profitable

Breakouts occur at about 2/3 the length of the formation on average

Traps and fake-outs are common, so price action must be carefully monitored after breakout

Declining volume during formation adds to the performance on downward breakouts

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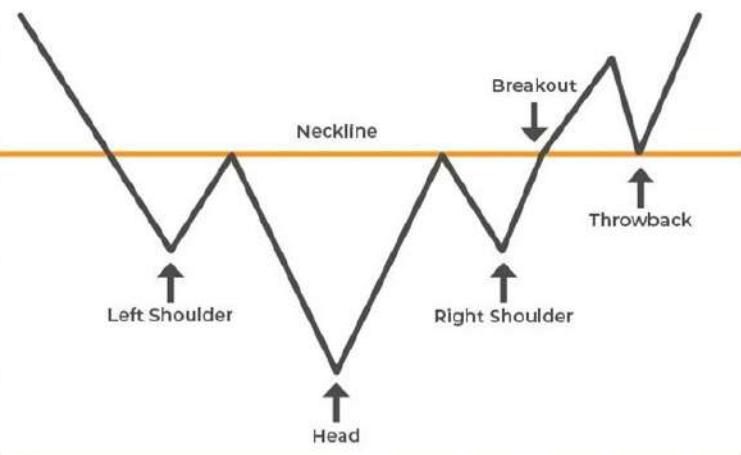


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FACTS ABOUT HEAD-AND-SHOULDERS



Head-And-Shoulders Pattern



Pullbacks and throwbacks are common, but failure rate is low once the pattern is complete

Complex formation that combines the three pattern characteristics: trend lines, s/r lines and rounding

Most often marks tops or bottoms and should only be traded after the formation has fully completed

Usually gives failed breakouts and false signals when occurring within consolidation periods

Increasing volume on bottom formations adds to performance: the opposite is true of top formations

Overall post-breakout performance is the highest among traditional chart patterns

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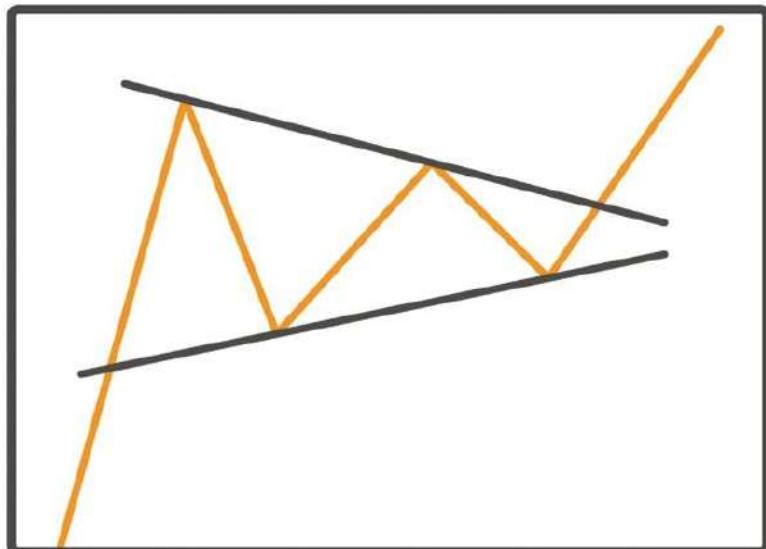


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FACTS ABOUT PENNANTS



Brief triangles that generally run parallel to or lean slightly away from the trend

Frequent formations that are known to play out rapidly and with reliable, effective results

Require a steep price trend and usually occur about halfway through the length of the move

Almost always break out in the same direction as the steep trend with few failures

Should be acted on immediately after breakout as few throwbacks/pullbacks occur

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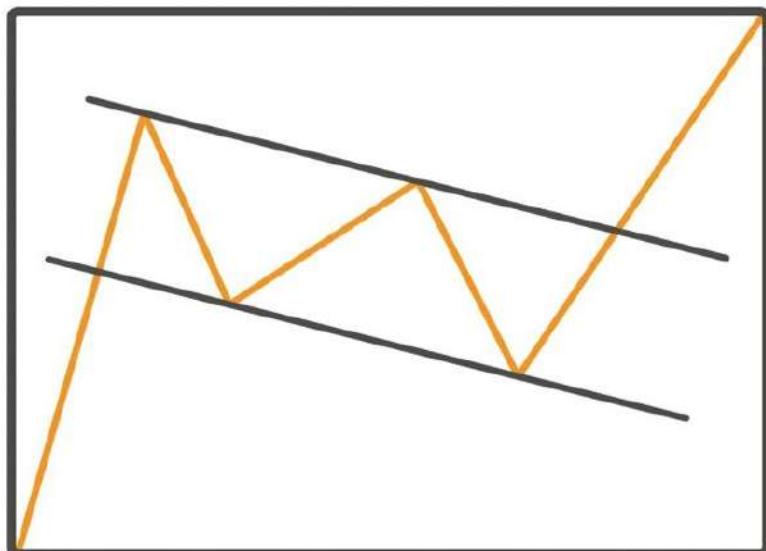


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FACTS ABOUT FLAGS



A brief channel that generally tilts in the opposite direction of the trend

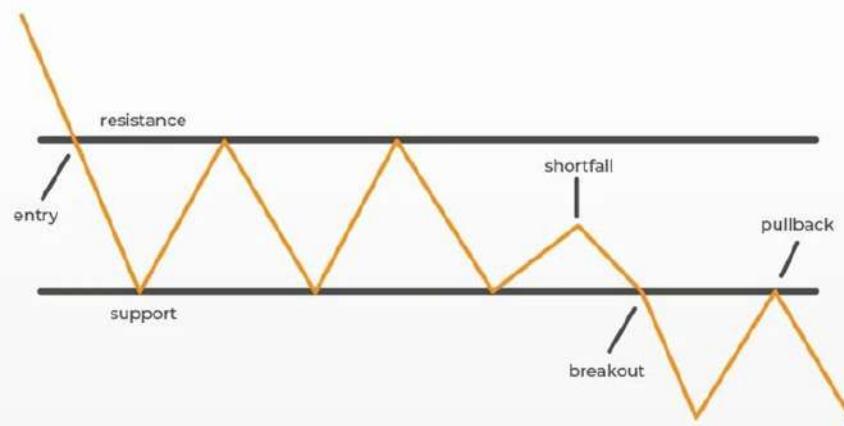
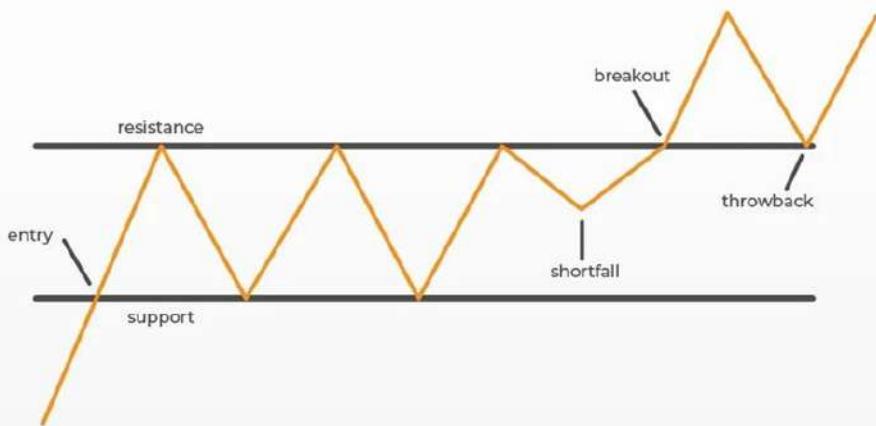
Frequent pattern with fairly reliable outcomes and a very low failure rate

Preceded by sharp price moves within strong trends in either direction

Usually occurs about halfway through the length of the steep price move

Has few throwback/pullbacks, so best acted on immediately after breakout

FACTS ABOUT RECTANGLES



More often a continuation than a reversal pattern

1 Early breakouts can hint at the final direction of the break

Reversal variations occur most frequently at bottoms

2 Once the breakout is confirmed, failure rate is very low

Over 75% of early breakouts are false signals

3 About 40% of the time, a throwback/pullback occurs

Shortfalls late in the formation often hint at the breakout

4 Volume during formation is not predictive of the end result

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FACTS ABOUT WEDGES



FALLING WEDGES
BREAK OUT
UPWARD MORE OFTEN.
RISING WEDGES
USUALLY BREAK
DOWNWARD.

WHEN VOLUME
DECLINES DURING THE
FORMATION OF THE
PATTERN, THIS TENDS TO
INCREASE POST-BREAKOUT
PERFORMANCE AND
SIZE OF THE IMPULSE.

THE MOST EXTREME
WEDGE BREAKOUTS
OCCUR AFTER PRICE
CLIMAXES ON
HIGH VOLUME.



RISING WEDGE



FALLING WEDGE

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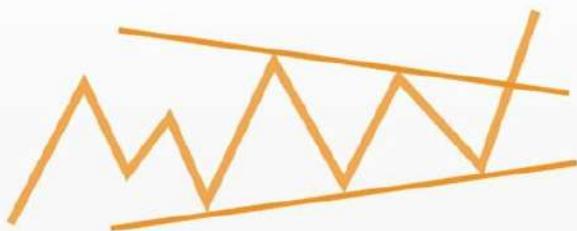
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TRIANGLES IN TRENDING MARKETS

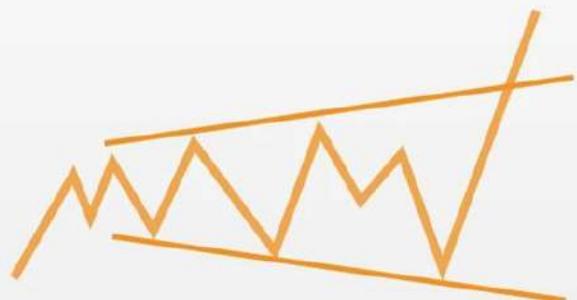


PART 2

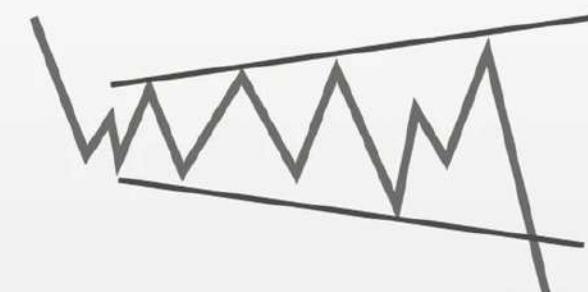
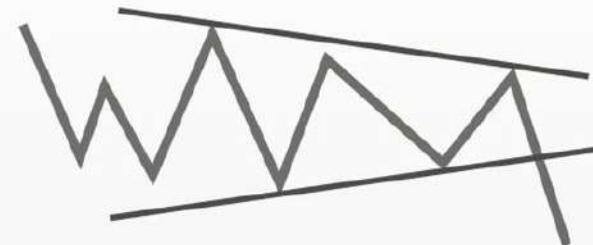
BULL MARKET



CONTRACTING OR SYMMETRICAL - DECLINING TOP, RISING BOTTOM



BROADENING OR REVERSE SYMMETRICAL - RISING TOP, DECLINING BOTTOM



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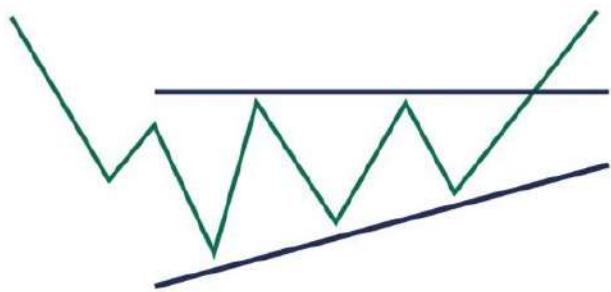
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TRIANGLES IN TRENDING MARKETS

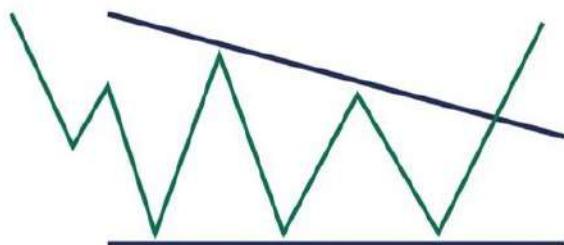
PART 1



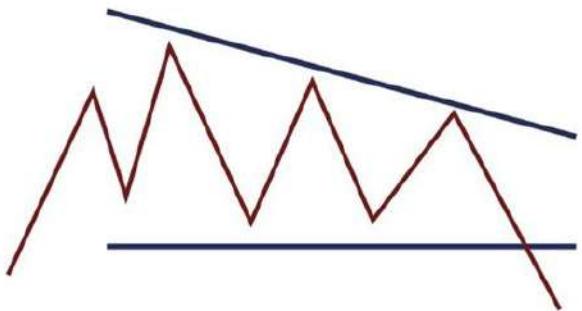
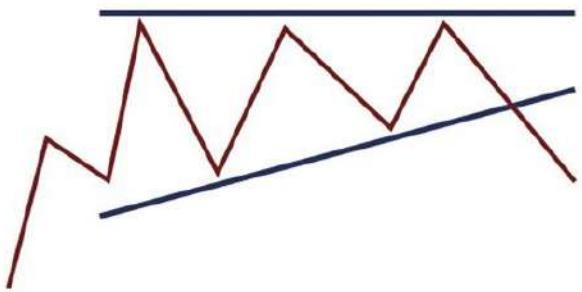
BULL MARKET



ASCENDING - FLAT TOP, RISING BOTTOM



DESCENDING - FLAT BOTTOM, DECLINING TOP



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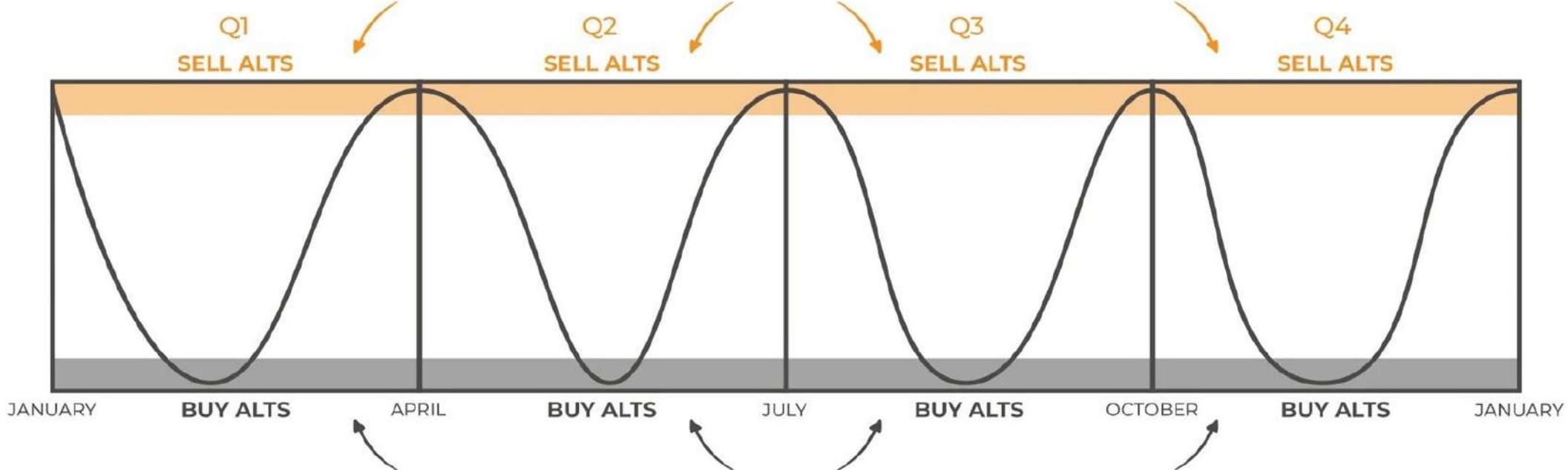


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ALTCOIN HYPE CYCLES



POINT OF MAXIMUM FINANCIAL RISK



POINT OF MAXIMUM FINANCIAL OPPORTUNITY

- HIGHEST HYPE

- LOWEST HYPE

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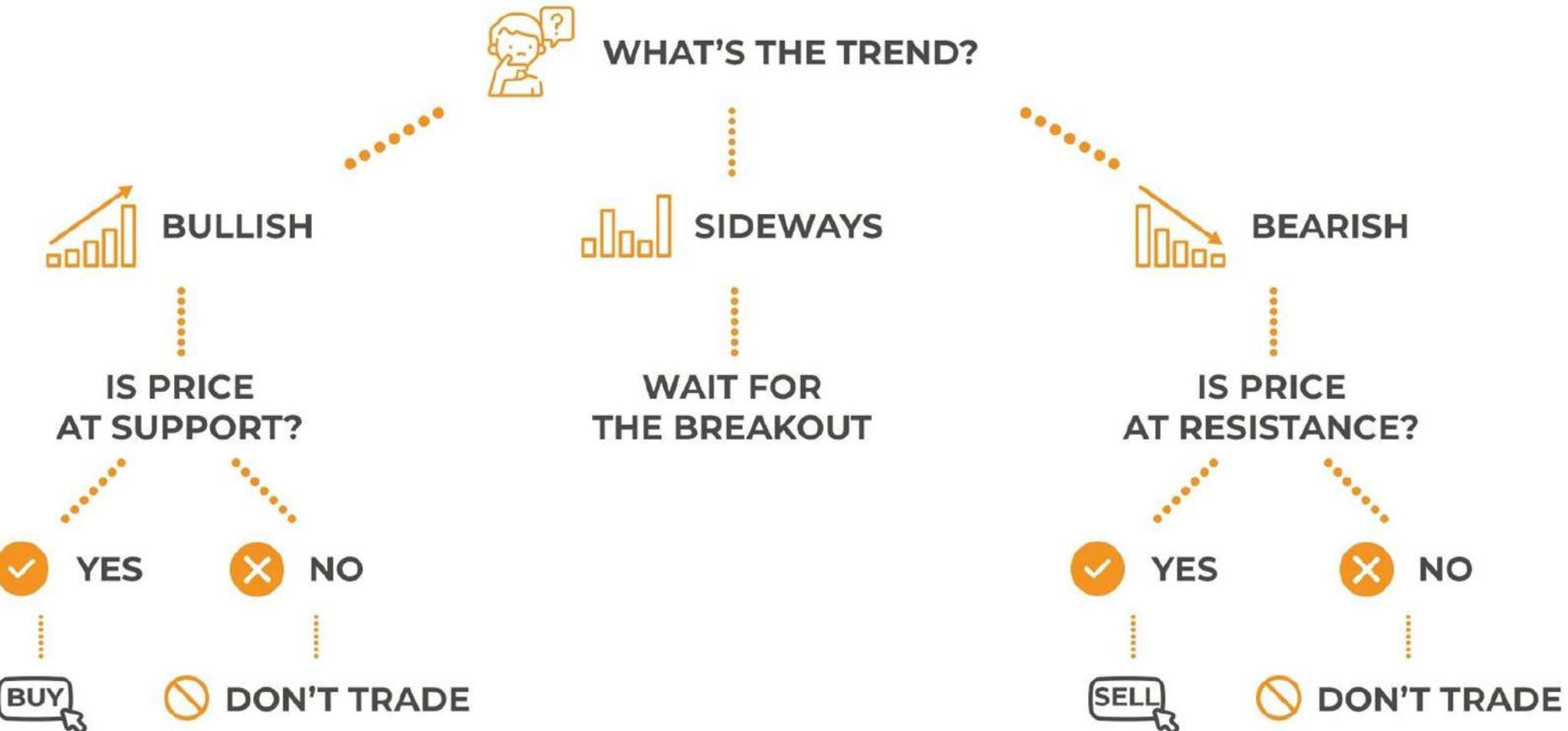


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BEFORE YOU TRADE



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PROS & CONS OF SWING TRADING



Pros



Cons

Ability to capture market trends and generate more income

1

1

Heavy time commitment to mastering technical analysis

Ability to earn solid returns in the short-to-medium term

2

2

Costly detachments from the market between trades

Less involved and can be done on a part-time basis

3

3

Vulnerability to drawdown during market turns

Less time spent searching for trade setups

4

4

Lack of opportunities during ranging periods

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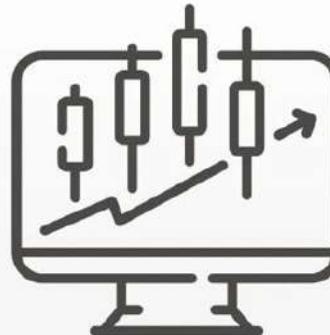


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PROS & CONS OF INTRADAY TRADING



Pros



Cons

Less risk from overnight price movements	1	1	Higher costs from frequent trading commissions
Profit from smaller price moves and tighter stops	2	2	Frequent stop-outs and low win rates
Access to leverage to offset low startup capital	3	3	High fees, funding costs, liquidations
Increased learning by way of numerous trades	4	4	Snowball effect of cascade losses when trading leverage

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HEALTHY PROCESS IN HANDLING LOSS



4-STEP

DISBELIEF?

ANGER?

SADNESS?

DEPRESSED?



1

ACCEPTING REALITY OF LOSS ACKNOWLEDGE

- UNABLE TO UNDO LOSS
- FACE REALITY AND DEAL WITH EMOTIONS (EG. MEDITATION)
- TAKE TIME



2

GIVE YOURSELF PERMISSION TO FEEL

- LET EMOTIONS ALL OUT
- E.G. TEARS, SHOUTING INTO PILLOW, RUN
- BETTER SERVING EMOTIONAL HEALTH



3

SHARE YOUR FEELINGS

- FIND A CONFIDANT AND SHARE YOUR LOSS
- ALLOWS YOU TO PROCESS AND SORT YOUR EMOTIONS
- BURDEN WILL BE LIFTED OFF CHEST



4

LEARNING FROM LOSS

- EVALUATE LOSS BY JOURNALING IT DOWN
- HELPS YOU IDENTIFY YOUR EMOTIONS NEXT TIME YOU TRADE

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KNOW YOUR NUMBERS



TOTAL NET PROFIT



This represents your bottom line. It is calculated by subtracting the gross loss of all losing trades (including commissions) from the gross profit of all winning trades.

$$\text{Gross Profit} - \text{Gross Loss} = \text{Total Net Profit}$$

PERCENT PROFITABLE



This represents your likelihood of being profitable on any given trade.

$$\text{Winning Trades} / \text{Total Trades} * 100\% = \% \text{ Profitable}$$

MAXIMUM DRAWDOWN



This measures the greatest drop in account equity that a system has historically suffered. If the amount is greater than you are willing to risk, it is not suitable.

PROFIT FACTOR



This is your gross profit divided by gross loss (including commissions). It represents the amount you can expect to make for each dollar risked. Anything above 1 indicates profitability.

$$\text{Gross Profit} / \text{Gross Loss} = \text{Profit Factor}$$

AVERAGE TRADE NET PROFIT



This is your profit expectancy, or how much money you earn per trade on average. Use a long enough lookback period on this to avoid skew.

$$\text{Total Net Profit} / \text{Total Trades} = \text{Trade Net Profit}$$

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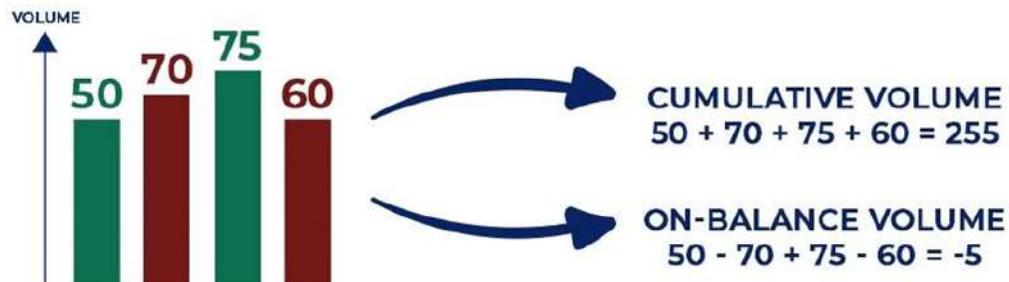
VOLUME INDICATORS



IDENTIFY PRESSURE FROM BUYERS AND SELLERS AND HELP US DETERMINE WHO IS IN CHARGE.

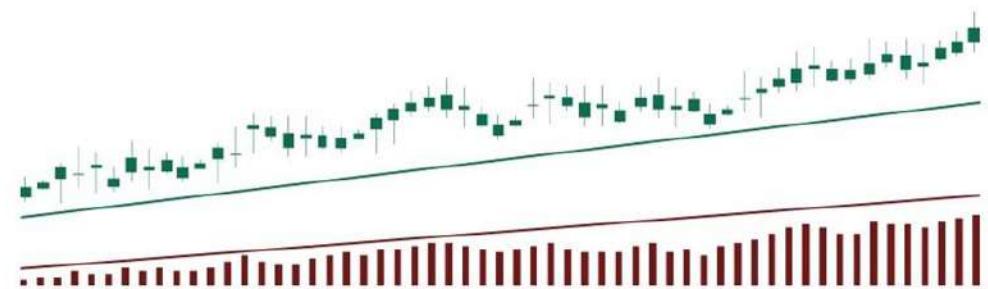
ON-BALANCE VOLUME (OBV)

1. MEASURES CUMULATIVE BUYING AND SELLING PRESSURE.
2. POINTS OUT POTENTIAL REVERSALS WHEN SHARP SPIKES OCCUR. THESE HAPPEN WHEN SELLING PRESSURE SUDDENLY SWITCHES TO BUYING PRESSURE OR VICE VERSA.
3. CONFIRMS TREND STRENGTH WHEN OBV AND PRICE TRENDS MATCH.
4. PAINTS DIVERGENCES WHEN PRICE IS RISING BUT OBV IS BEGINNING TO DROP, OR WHEN PRICE IS FLAT OR SLIGHTLY DROPPING BUT OBV IS RISING/SPIKING.



ACCUMULATION/DISTRIBUTION (A/D)

1. USES THE RELATIONSHIP BETWEEN CLOSING PRICES AND THE PRICE RANGE OF EACH CANDLE.
2. VOLUME IS SAID TO BE ACCUMULATED WHEN THE DAY'S CLOSE IS HIGHER THAN ITS MIDPOINT FOR THE DAY.
3. VOLUME IS SAID TO BE DISTRIBUTED WHEN THE DAY'S CLOSE IS LOWER THAN ITS MIDPOINT FOR THE DAY.
4. THE MAIN USE OF THE A/D LINE IS TO DETECT DIVERGENCES BETWEEN PRICE ACTION AND VOLUME.



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VOLATILITY INDICATORS

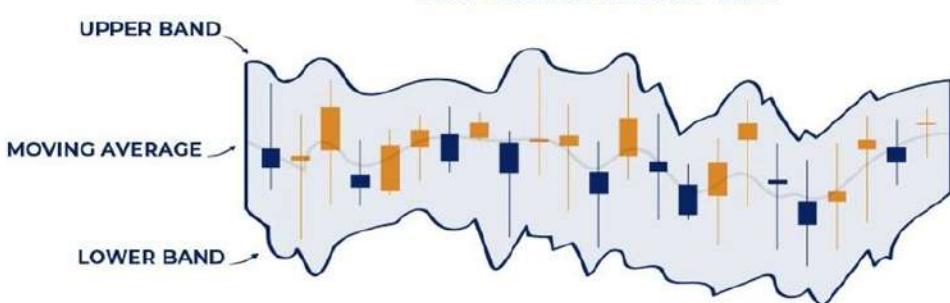


MEASURES RATE OF PRICE MOVEMENT, REGARDLESS OF DIRECTION.



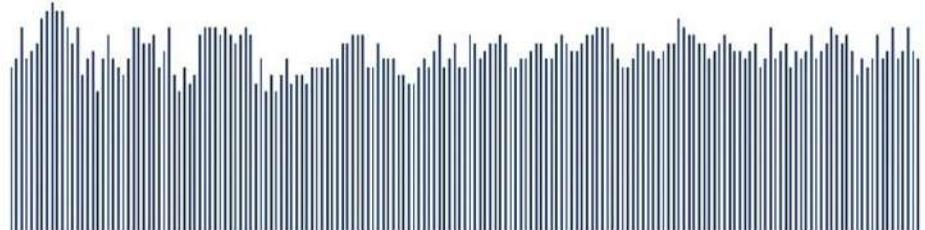
BOLLINGER BANDS

1. CREATES A PRICE CHANNEL AROUND THE CURRENT MARKET PRICE
2. THE MIDDLE LINE IS A MOVING AVERAGE. WHEN THE PRICE IS ABOVE THE MIDDLE LINE, IT SERVES AS A SUPPORT LINE. WHEN THE PRICE IS BELOW THE MIDDLE LINE, IT WORKS AS A RESISTANCE.
3. THE UPPER AND LOWER LINES ARE BASED ON STANDARD DEVIATIONS. THE UPPER LINE WORKS AS RESISTANCE, THE LOWER LINE WORKS AS SUPPORT.



AVERAGE TRUE RANGE (ATR)

1. PURE VOLATILITY INDICATOR THAT DOES NOT PROVIDE INDICATION OF PRICE TREND
2. A BULLISH REVERSAL WITH AN INCREASE IN ATR WOULD SHOW STRONG BUYING PRESSURE AND REINFORCE THE REVERSAL. A BEARISH SUPPORT BREAK WITH AN INCREASE IN ATR WOULD SHOW STRONG SELLING PRESSURE AND REINFORCE THE SUPPORT BREAK.



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MOMENTUM INDICATORS

OSCILLATORS (STOCHASTIC, CCI)



IDENTIFY TREND STRENGTH



HIGHLIGHT DIVERGENCES

STOCHASTIC (STOCH)

Can be used to identify divergences. **Signal** line crossing **stoch** line triggers a buy or sell signal. Strong buy signals occur during upside trends, when a cross happens in **oversold** area (0-20). Strong sell signals occur during downside trends, when the cross happens in **overbought** area (80-100).

COMMODITY CHANNEL INDEX (CCI)

CCI value **+100** after strong upswing can signal a new uptrend. **CCI** value **-100** after strong downswing can signal a new downtrend. **CCI** crossing over the **„0”** line indicates trend momentum has begun weakening and can be taken as a sign to close the position or take profit.

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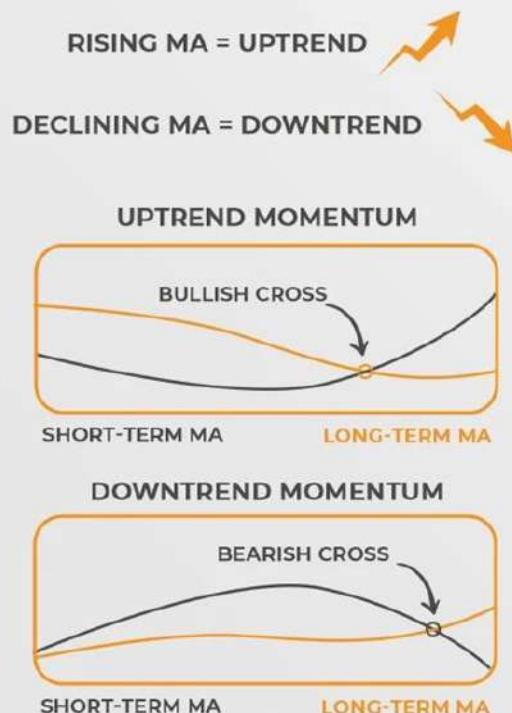


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TREND INDICATORS



MOVING AVERAGES (MA)



DETERMINE SUPPORT & RESISTANCE LEVELS

MOVING AVERAGE CONVERGENCE DIVERGENCE (MACD)

TREND FOLLOWING MOMENTUM INDICATOR

TRIGGERS TECHNICAL SIGNALS WHEN IT CROSSES ABOVE (BUY) OR BELOW (SELL) IT'S SIGNAL LINE



HELPS UNDERSTAND WHETHER BULLISH OR BEARISH TREND MOMENTUM IS STRENGTHENING OR WEAKENING RESPECTIVELY



TREND MOMENTUM IS WEAKENING

ICHIMOKU CLOUD

THE CLOUD IS A KEY PART OF THE INDICATOR



PRICE BELOW CLOUD = TREND IS DOWN



PRICE ABOVE CLOUD = TREND IS UP

TREND SIGNALS ARE STRENGTHENED IF THE CLOUD IS MOVING IN THE SAME DIRECTION AS PRICE

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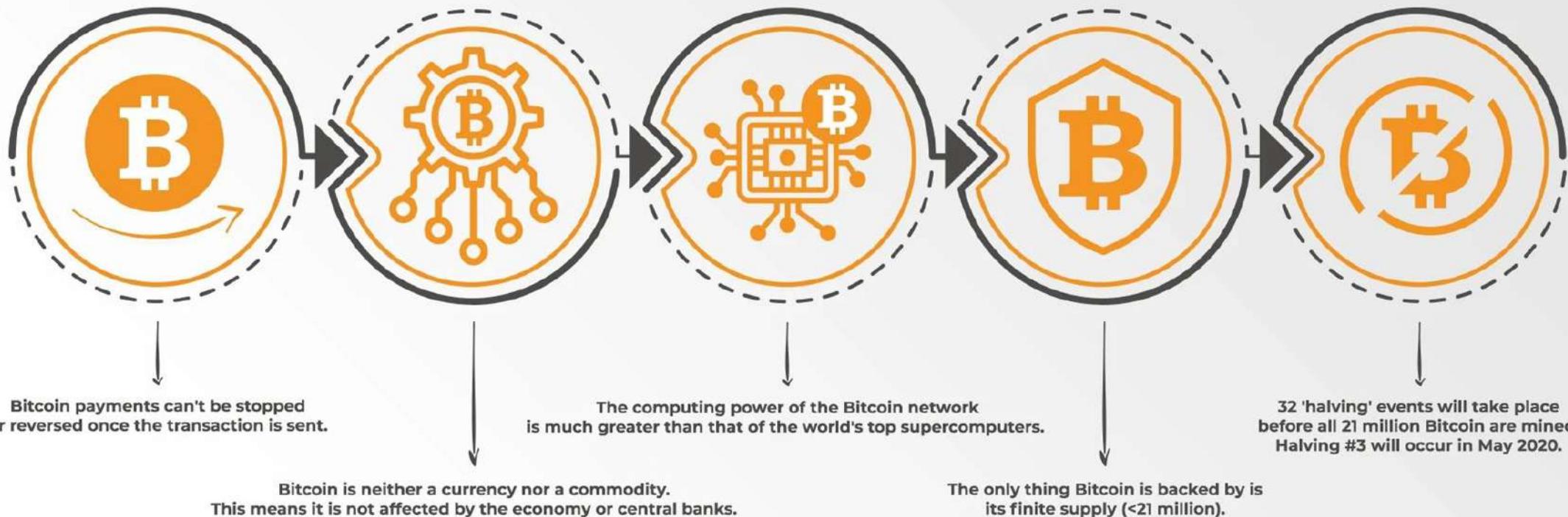
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5 FACTS

EVERY INVESTOR SHOULD KNOW ABOUT BITCOIN



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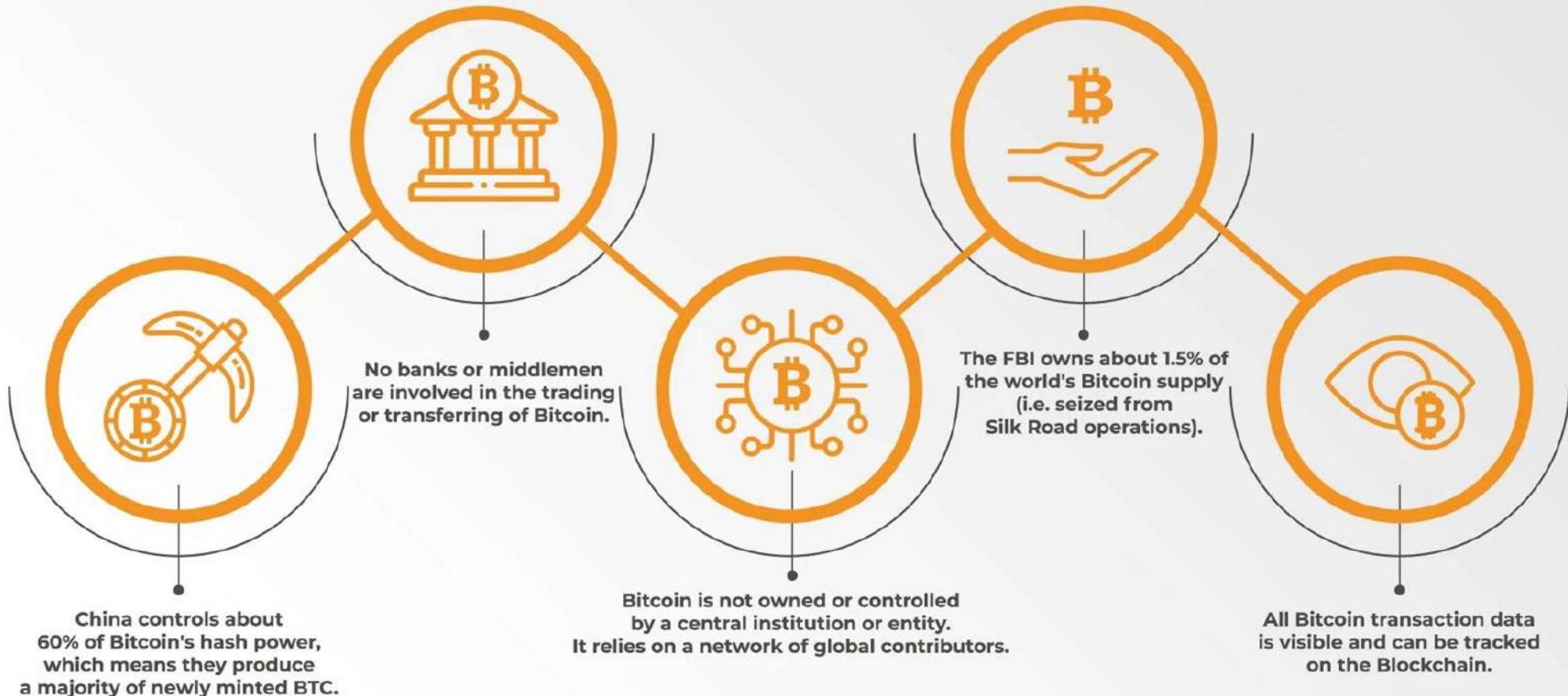
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ATTACHMENT TO TRADING

WARNING SIGNS



1

EVIDENT IN YOUR THOUGHTS

- HOPING FOR A CERTAIN OUTCOME OR THAT PRICE REVERSES
- UNABLE TO STAY OBJECTIVE



2

PRESENT IN THE WORDS YOU USE

- EXTREME AND EMOTIONAL WORDS
- "THE MARKET IS NUTS", "VOLATILITY IS KILLING ME", "MAN, TRADING IS TOUGH"
- WHAT WE SAY OFTEN REFLECTED IN OUR ACTIONS



3

EMOTIONS ATTACHED TO A WINNING OR LOSING TRADE

- FEELING GREAT/CONFIDENT AFTER ONE WINNING TRADE
- FEELING DEPRESSED/FRUSTRATED AFTER ONE LOSING TRADE



4

HODL-ING ON TO A LOSING A TRADE

- IN A LOSING POSITION AND ASKING OTHERS FOR THEIR OPINION ON THE TRADE
- DESPERATELY SEARCHING REASONS (E.G. USING OTHER INDICATORS) TO JUSTIFY WHY THE TRADE STILL LOOKS GOOD
- NOT MAKING RATIONAL DECISIONS

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TRADING PLAN TEMPLATE

RISK MANAGEMENT

MAXIMUM 2% OF CAPITAL

TARGETS

FIXED
TARGET

TRAILING
TAKE PROFIT

STOPS

CHANGE IN
MARKET
STRUCTURE

PERCENTAGE



TIMEFRAME

DAY TRADE
15 MIN - 1 HOUR

SWING TRADE
4 HOUR - 1 DAY

POSITION TRADE
1 DAY - 1 WEEK

CONDITIONS

TRENDING

RANGING

ENTRIES

BREAKOUT

RETRACE

OVERSOLD

MARKETS

EQUITIES

CRYPTO

FOREX

FUTURES

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CRYPTO MARKET CYCLES

Alt Season Takes Place

People are now willing to buy any altcoin, especially if it is "cheap". Conversations on Twitter and throughout financial media now revolve around the tech, how revolutionary it is, and how it will change the world. Even the dead coins on illiquid exchanges rally during the final stage leading up to a blow-off market cap top.

Many are unable to curb their Euphoria and Greed creeps in. Thinking that the coins will just keep going up even after massive gains, many neglect basic risk-management.

Majors Rally

As Bitcoin peaks, its market dominance receds and the resulting capital outflows make their way into major alts (e.g. Litecoin and Ethereum). Total crypto market cap reaches new highs as leading alts follow alongside the majors. Those who missed out on BTC now FOMO into alts.

Major FOMO kicks in. New individuals with no trading experience start rushing into trades without a plan.

Bitcoin Goes to ATH

Ridiculous price predictions appear. Hype media shows up everywhere, and money from investors in other markets keeps filtering in. Mainstream financial media is taken over by self-proclaimed experts and online paid groups reach ATH. The BTC price follows suit.

New money comes into BTC, euphoria starts kicking in..



To learn more about trading, become part of an exclusive trading community, or get private mentoring, visit www.thebirbnest.com now!

Panic...and then Hope

After the mania hype phase for BTC and alts, they enjoy a period of stability. The cycle loses steam as euphoria calms. Social media influencers and financial news figures become less prolific. Prominent individuals come forward to warn everyone about being overexposed to crypto and the risks involved. Prices begin to plummet across the board.

Individuals start feeling uncertain about the market, and panic starts creeping in. While wise money starts selling, retail investors continue hodling, with the hope that their coins will pump in time (aka. XRP army).

Depression Arrives

The top has long passed, and the majority of people have become bag holders. All kinds of negative emotions appear on social media as prices tumble lower. Many prominent crypto and financial figures predict very low prices on the horizon. Some say it will all go to zero.

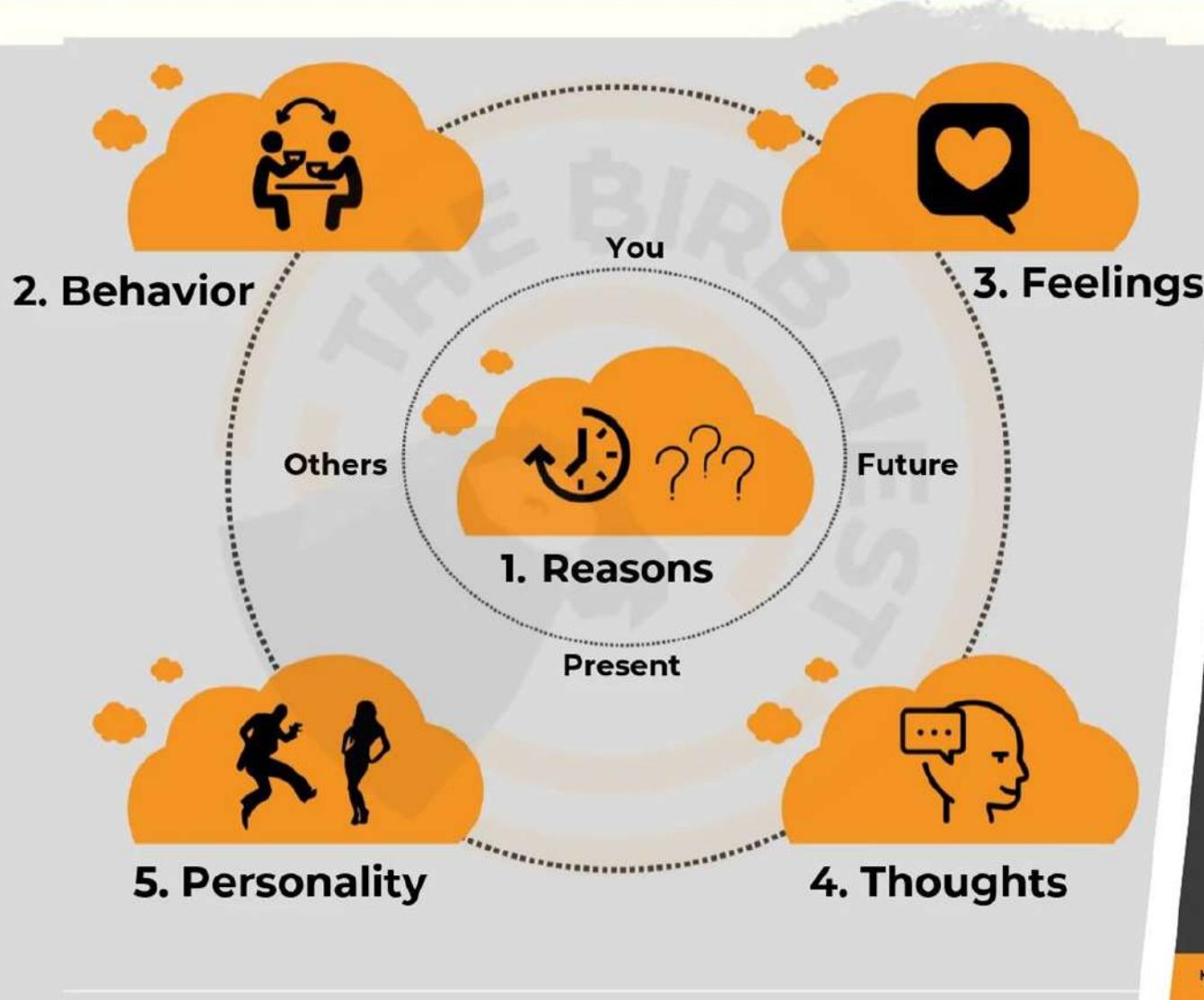
Anger, resentment, denial and blame turn the space into a melting pot of negativity called the depression phase

Bull Cycle Begins

Investors realize they've missed the bottom. Financial media start covering BTC regularly. Twitter and other social sites explode with crypto info. Traditional market participants get involved and start promoting crypto.

Those who have been patient and had a plan caught the bottom, while the rest start minor FOMO-ing.

BEHAVIORAL TRADER MODEL



Revisit reasons for trading. Reflect on how your decision impacts you and others in both the present and future (i.e. health, future plans, and relationships).

1. Revisit reasons for trading.

Exercise patience. Do not be idle when waiting for trades. Expand your knowledge and improve your edge.

1.

Regulate your emotions. Be self-aware. Take note of your feelings in specific situations. Should you realize that emotions take over, step away from your screen.

3.

4. Alter distorted thoughts, beliefs, and attitudes. Change your "get rich quick" mindset. Be wary about projecting your own biases onto the market.

5.

Personality is a combination of behavior, feelings, and thoughts. Understand how your trading personality may affect your tendency to respond to fear and greed.



5 WAYS TO IMPROVE YOUR

PSYCHOLOGICAL EDGE

IN TRADING

PATIENCE

Have the will to be patient, recognize situations that test your patience, and avoid being idle when waiting for a trade.



EMOTIONS

Pay attention to your emotions. Regulate FOMO, anxiety, or greed by diverting your attention - step away from your screen or refer to your trading plan.



CONCENTRATION

Try to not let previous trades affect your ability to carry out the current trade. Avoid opening a new trade if you are distracted, exhausted, or mentally unfocused.



COGNITIVE FLEXIBILITY

Have a plan A, B, or C in order to beat the market. Participate in other challenging tasks (e.g. learning an instrument) to train your cognitive flexibility.



REFLECTION

Avoid mental shortcuts and gut-feeling as a basis for a trade. Be open-minded and search for more possibilities before making inferences for a trade.



"The consistency you seek is in your mind, not in the markets."

- Mark Douglas

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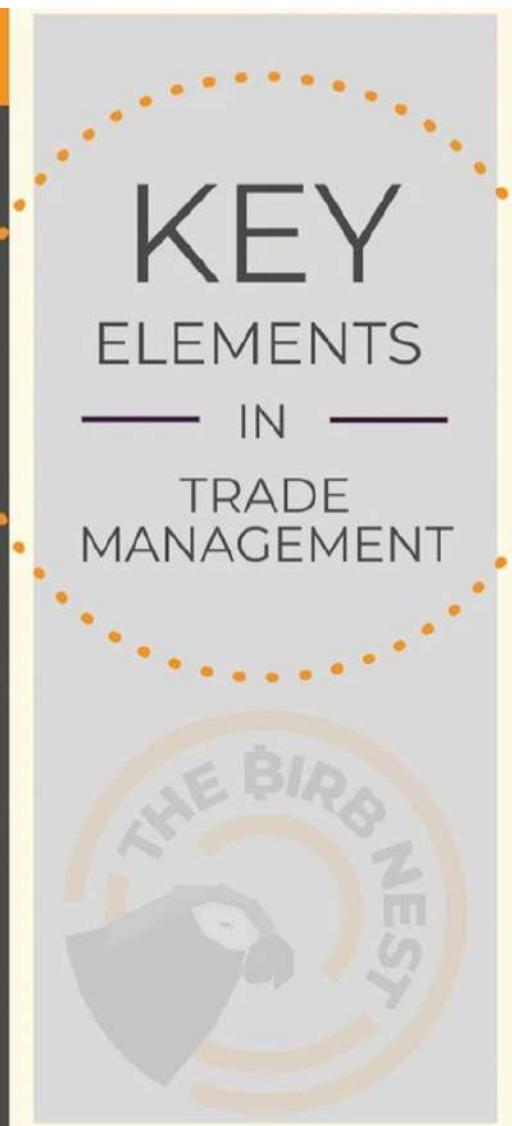
TECHNICAL ANALYST THOUGHT PROCESS



"The way I see it, investor sentiment and psychological behavior have created the clear patterns and trends visible in this chart..."



"I can use these visuals, along with my set of time-tested trading rules, to obtain data confluence. This information can give me a statistical edge over the average market participant."



Always calculate your risk/reward per trade, determine your entry and exit levels, and keep yourself honest by holding to your rules.



When the market hands you losses, accept them the same way you would with gains. Avoid changing your rules after a loss.



Use all of the trade management tools available to you. Trail your stops and profit targets to secure gains and minimize losses.



Focus on preserving capital rather than celebrating wins. Use your edge to compound gains instead of gambling with them.

TO TRADE... OR NOT?



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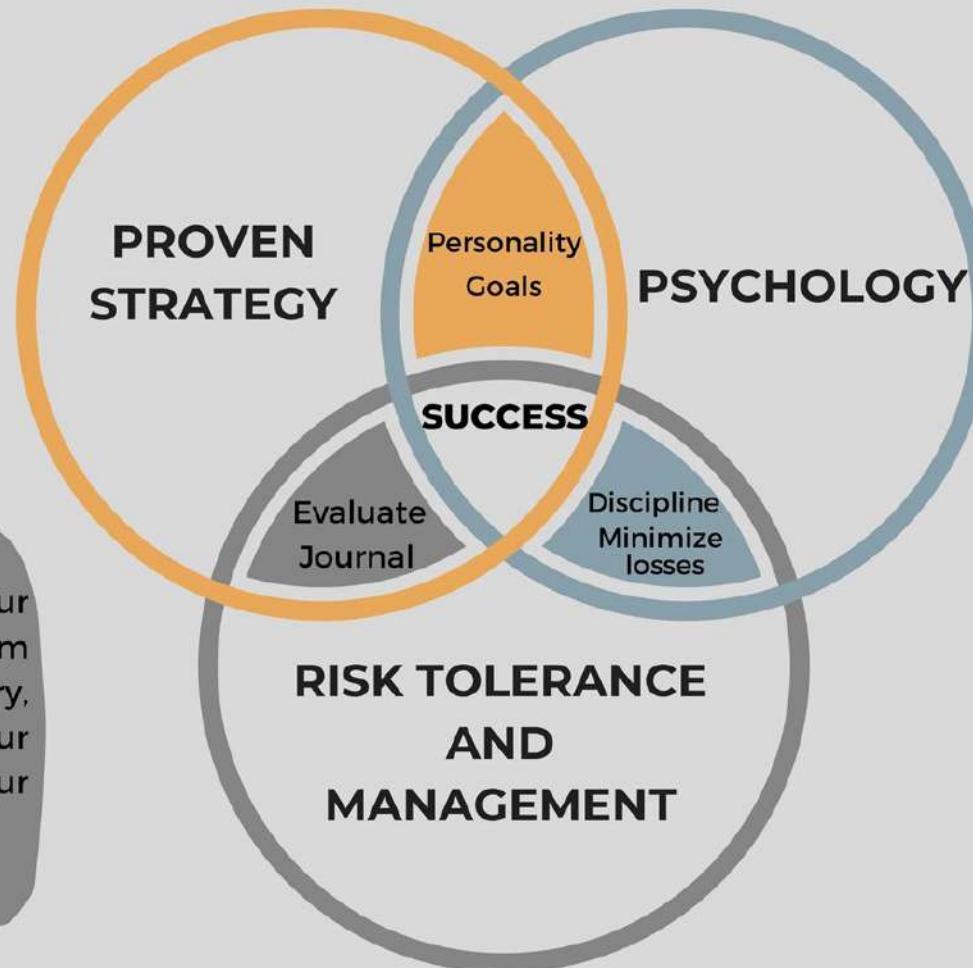
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INGREDIENTS FOR SUCCESS IN TRADING



Know your trading personality. Explore till you get the perfect personality-strategy fit. At the same time, set reasonable goals for yourself.

Diligently journal your trades. Review them regularly. If necessary, tweak and improve your strategy. Evaluate your improved strategy.



Instill discipline (set of rules and guidelines) as part of your routine. Understand that losing less when wrong is key. Trade with money you can afford to lose.



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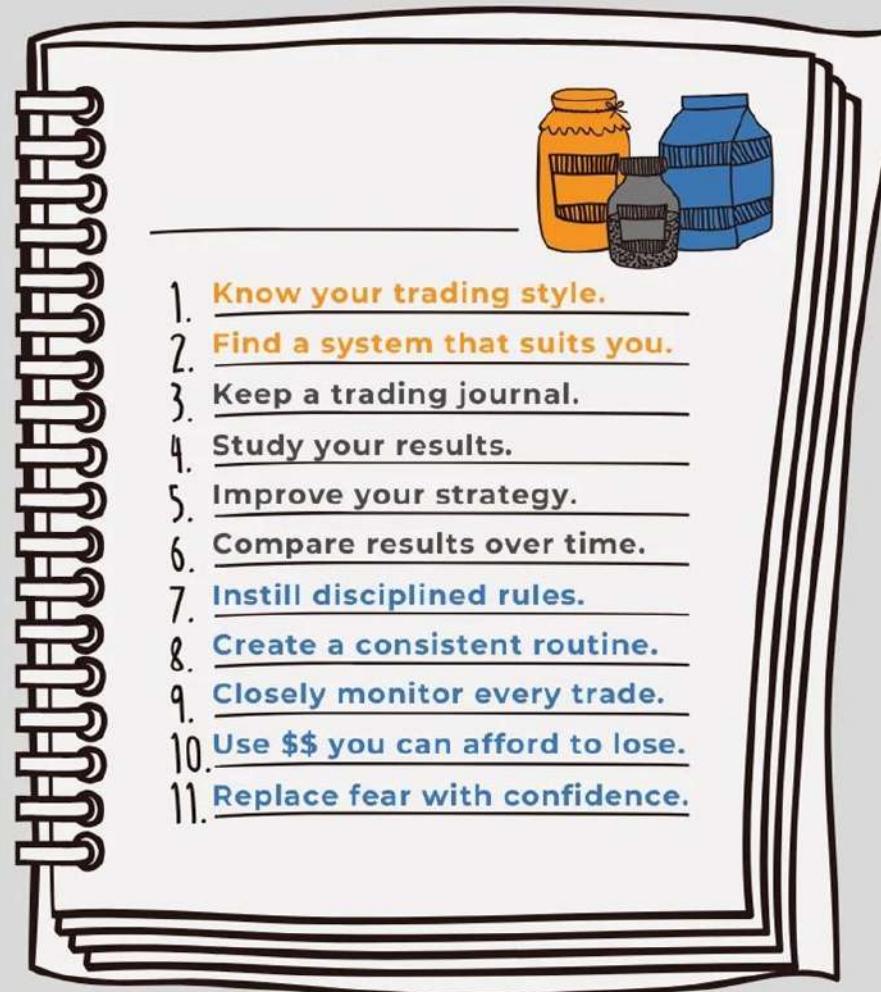
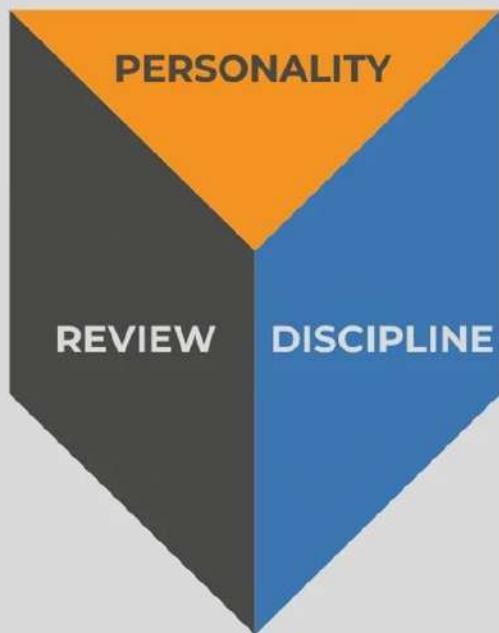


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INGREDIENTS FOR SUCCESS IN TRADING





HOW TO HANDLE A BAD TRADING DAY



MANAGE THE SITUATION

- Figure out what went wrong with the trade.
- Evaluate how the situation happened.
- Re-prioritize, avoid trading for the day.



FIX YOUR MOOD

- Talk through your problems with a friend/community to relieve that stress.
- Watch a comedy, laughter releases stress.



FOCUS ON YOURSELF

- Take deep breaths to calm yourself.
- Exercise, this will naturally make you feel better.
- Meditate, it helps you relax and decrease anxiety.



CHANGE YOUR POINT OF VIEW

- Learn from your mistakes, take steps to avoid them next time.
- Clear your mind by walking away from the situation. A walk always helps.



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WHY CREATE A TRADING PLAN?

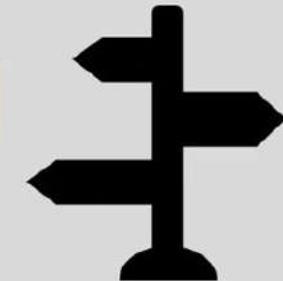


MANAGE YOUR RISK BETTER

Calculate the risk/reward on each trade to determine if it fits within your predetermined guidelines.

REDUCE TOUGH DECISIONS

Act according to your plan instead of making potentially life-changing decisions on the fly.



USE STRATEGY VS. EMOTION

Establish entry and exit rules rather than making up the criteria as you go along.

MAINTAIN DISCIPLINE

Remind yourself of your goals and limitations so that you can stay on course to victory.

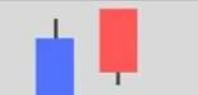
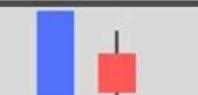




General Volume Price Analysis Rules

Volume	Price	Interpretation				
↑	↑	Bullish		Strong uptrend		Strong buyer interest, price ↑
↓	↓	Moderately Bullish		Weakening downtrend		Sell pressure ↓, bulls waiting
↑	↓	Bearish		Strong downtrend		Strong sell pressure, price ↓
↓	↑	Moderately Bearish		Weakening uptrend		Buy pressure ↓, bears waiting

CANDLE FORMATIONS I

	Hanging Man (In Uptrend)	Bearish	
	Hammer (In Downtrend)	Bullish	
	Bullish Engulfing	Bullish	
	Bearish Engulfing	Bearish	
	Dark Cloud Cover	Bearish	
	Piercing Pattern	Bullish	
	Harami	Bearish	



Patience in Trading I

Having clear trading goals in mind...



Staying busy...



Recognizing situations that affect your patience...



Keeps you from being impulsive.



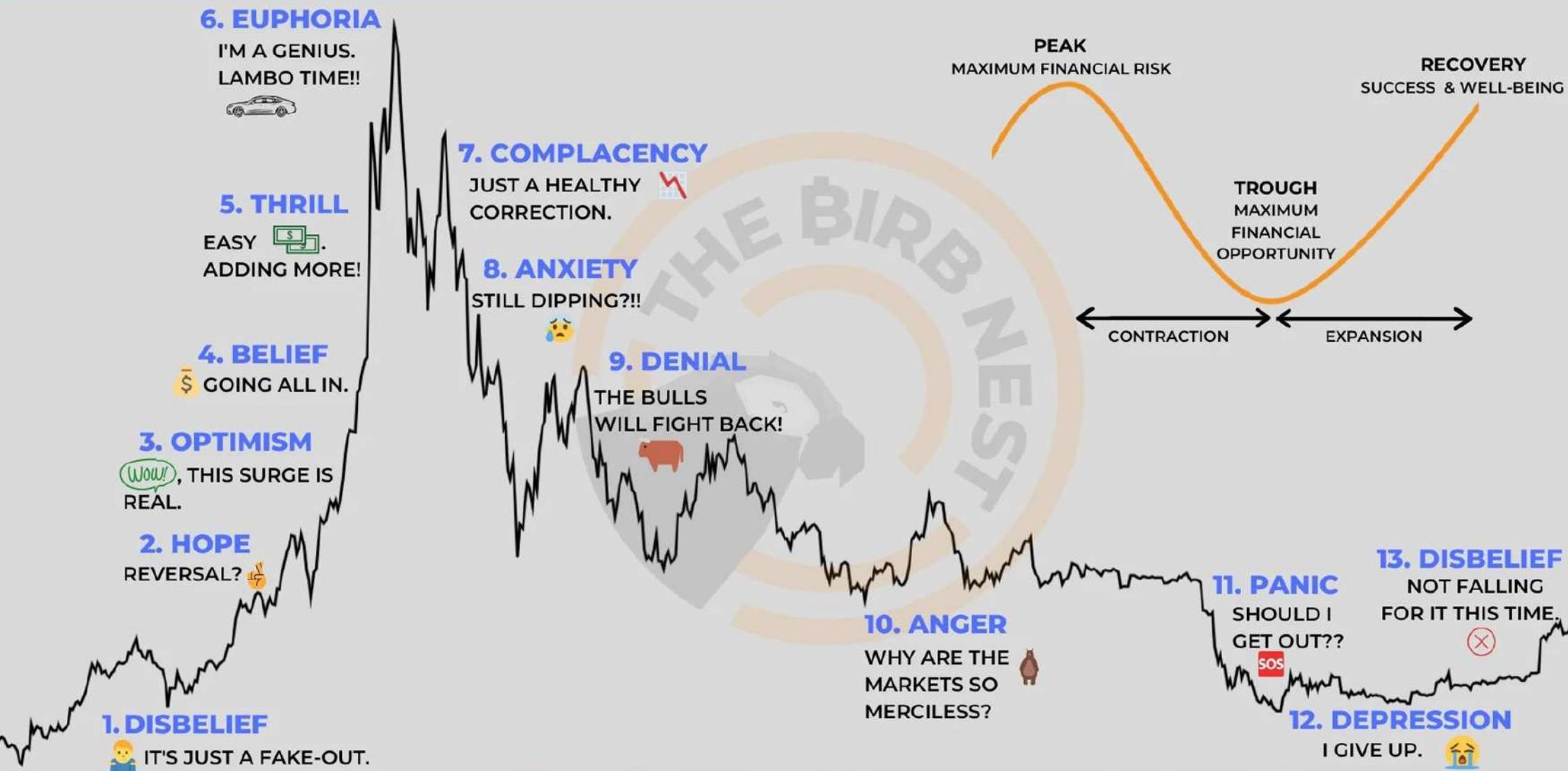
Makes you less likely to babysit your trades, profit & loss ratio ↑ .



Improves your trading environment.



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PATIENCE IN TRADING II

The desire to be patient...



Reducing screentime...



Eliminating temptations...



THE BIRBNEST

Fulfils an unsatisfied state.



Leads to less frustration and confusion.



Enables a focus on long-term results vs. short-term distractions.



CANDLE FORMATIONS II

	Harami	Bullish	
	Morning Star	Bullish	
	Evening Star	Bearish	
	Morning Doji Star	Bullish	
	Evening Doji Star	Bearish	
	Shooting Star	Bearish	
	Inverted Hammer	Bullish	

REGULAR DIVERGENCES



Bearish



Bullish

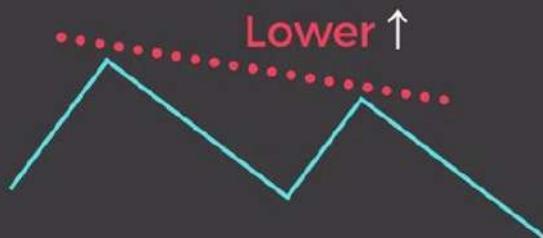
Price



Price

Lower ↓

Indicator



Indicator

Higher ↓

HIDDEN DIVERGENCES



Bullish



Bearish

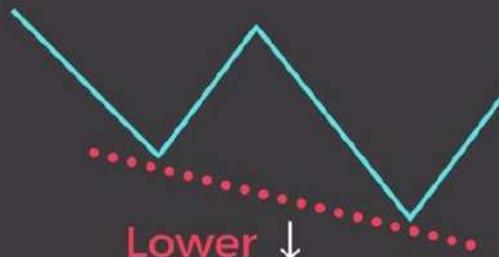
Price



Price

Lower ↑

Indicator



Indicator

Higher ↑

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DIVERGENCES SUMMARY



	Strong	Medium	Weak	Hidden
Bullish				
Bearish				

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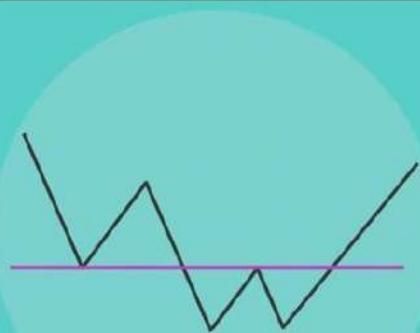
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TRADING GLOSSARY I

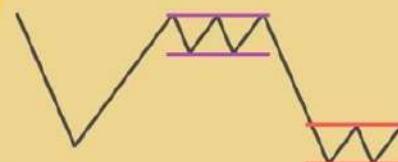


POLARITY FLIP



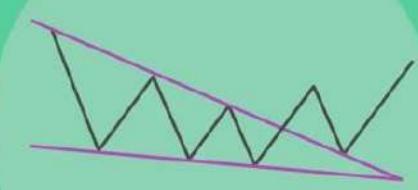
Occurs when price action turns a key resistance level into support, or a key support level into resistance. Used for entering or closing positions.

ORDER BLOCK



An area that price action has recently traded heavily within. This zone acts as a magnet for trading activity and is used as a support/resistance reference.

THROWBACK / RETEST



Happens when price breaks out and re-tests or "throws back" to the breakout level. Particularly evident in triangle, pennant, & rising/falling wedge setups.



TRADING GLOSSARY II

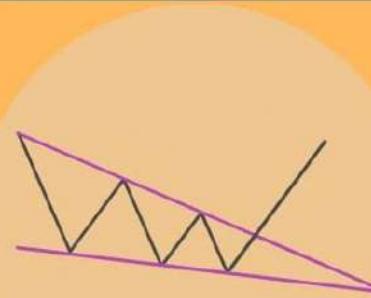


PULLBACK



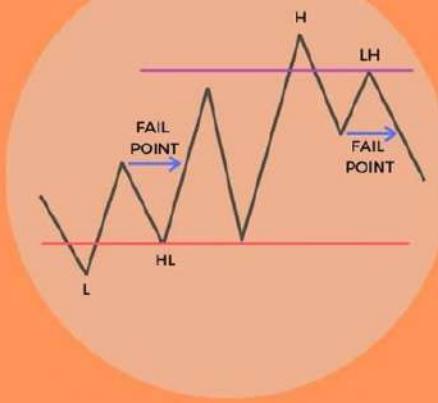
In a pullback, price breaks through a support or resistance line and then retracts back toward it. After a retest, price will likely continue breaking further away from it.

BREAKOUT



A breakout occurs when price crosses a key resistance or support level. These are used as signals to go long or short.

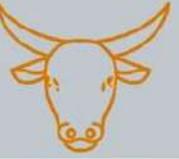
SWING FAILURE



A SF pattern happens at the end of a trend. After higher highs & higher lows in an uptrend, the price fails to make a new high. In a downtrend, the price fails to make a new low.

General Open Interest Price Analysis Rules



Open Interest	Price		Interpretation
↑	↑	Bullish 	Market is strong  New money flow into the market, continuation of uptrend 
↓	↓	Moderately Bullish 	Current downtrend weakening  Potential reversal, bulls waiting 
↑	↓	Bearish 	Strengthening downtrend  Money leaving the market, downtrend likely to continue 
↓	↑	Moderately Bearish 	Current uprend weakening  Potential reversal, bears waiting 

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TRADING GLOSSARY III



DESCENDING TRIANGLE



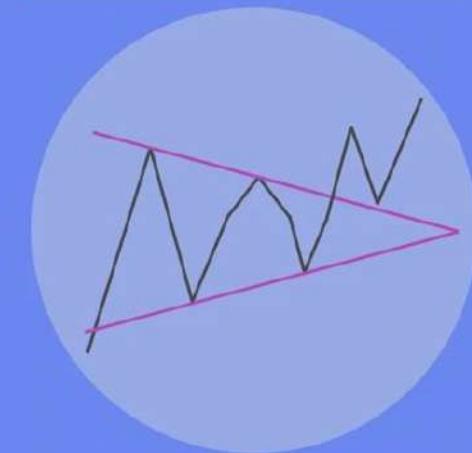
Defined by lower highs and equal lows. An upward break is roughly as likely as a downward one. Upward breaks statistically produce the highest returns among classical patterns.

ASCENDING TRIANGLE



Defined by higher lows and equal highs. An upward break is more common than a downward one. Breakouts tend to be less powerful than in descending triangles.

SYMMETRICAL TRIANGLE



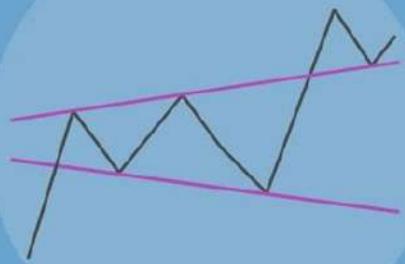
Defined by lower highs and higher lows, this pattern is also known as a coil. Upward breaks are about as likely as downward ones. These tend to outperform ascending triangles.



TRADING GLOSSARY IV

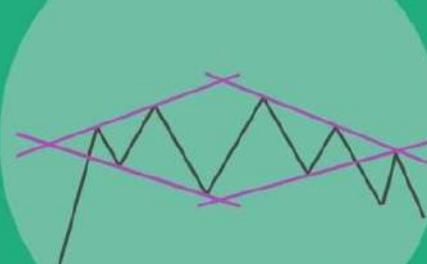


BROADENING PATTERN



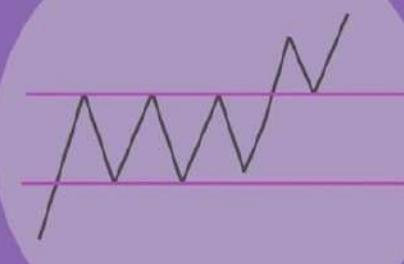
Defined by diverging lines as the price range expands. This is a difficult pattern to profit from, as the breakout point is loosely defined. It also has a high failure rate and is prone to traps.

DIAMOND TOP



A combination of a broadening pattern and a symmetrical triangle, this is among the most profitable patterns on downward breaks. Usually found at the top of a steep price rise. Low failure rate.

RECTANGLE (BOX RANGE)

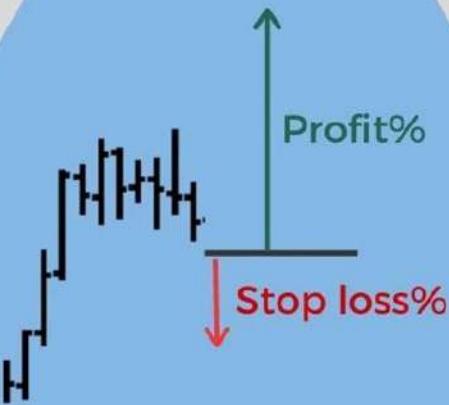


Defined by two parallel trend lines which act as support and resistance. Upward breaks are among the most profitable of all the classic patterns, and are accompanied by a low failure rate.



POSITION SIZING

1 Identify Target and Stop levels



2 Risk:Reward ratio

$$\frac{\text{Profit%}}{\text{Stop loss%}} > 1?$$



Discard trade idea



Proceed to next step

3 Calculate Sizing

Using 2% risk per trade as The Birb Nest's rule of thumb:

$$\frac{2\%}{\text{Stop loss%}} = \text{Sizing \%}$$

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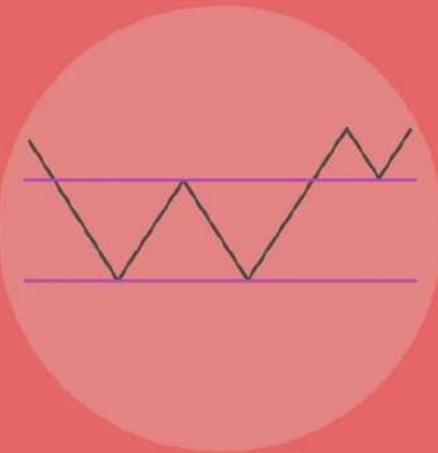
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TRADING GLOSSARY V

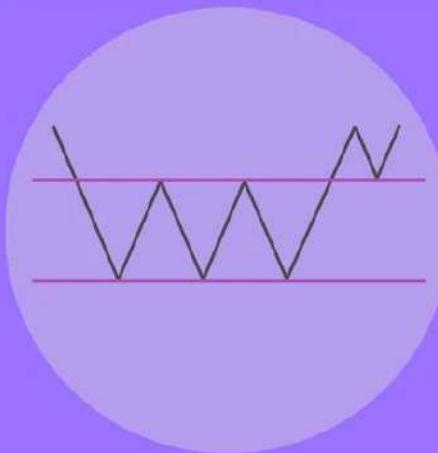


DOUBLE BOTTOM



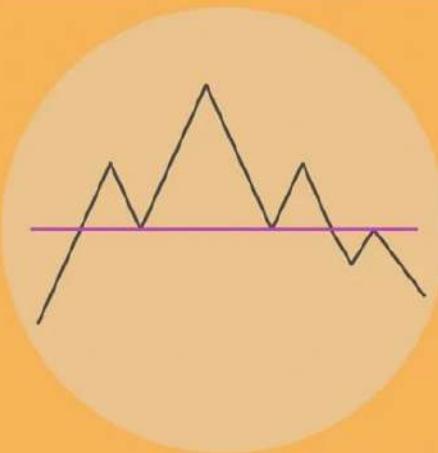
Double bottoms and tops are among the simplest, yet least reliable of the classic patterns. Only a small percentage result in outsized gains, and they come with a high failure rate.

TRIPLE BOTTOM

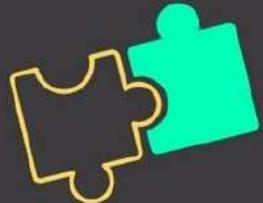


This formation is a rectangle with three touches to the support and resistance lines. Its performance is very robust. Upward breaks tend to be the most profitable, and failure rate is low.

HEAD AND SHOULDERS



A series of three well-defined peaks, either sharp or rounded. One of the most profitable patterns, especially the inverted version at bottoms. Failure rate is also among the lowest of the classic patterns.



RISK:REWARD & WIN RATE



Minimum Winrate = $1 / (1 + \text{Risk:Reward})$

20%

30%

40%

50%

60%

1:1	Not profitable	Not profitable	Not profitable	Break Even	Profitable
2:1	Not profitable	Not profitable	Profitable	Profitable	Profitable
3:1	Not profitable	Profitable	Profitable	Profitable	Profitable
4:1	Break Even	Profitable	Profitable	Profitable	Profitable
5:1	Profitable	Profitable	Profitable	Profitable	Profitable

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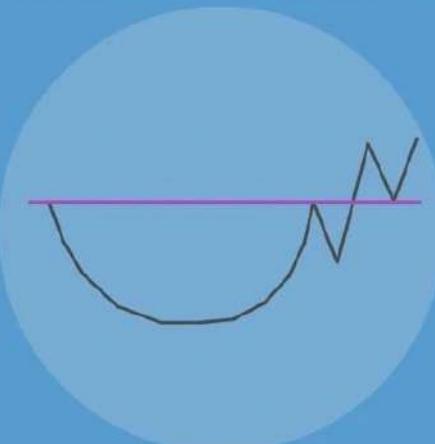
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TRADING GLOSSARY VI

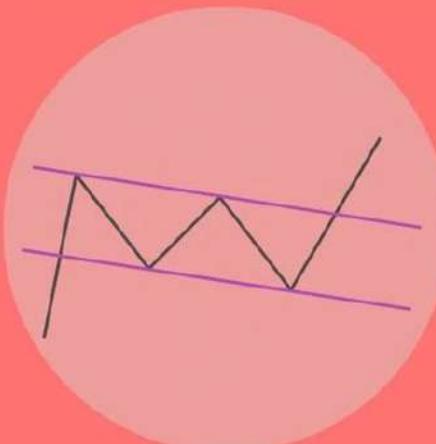


Rounded Bottom (Cup & Handle)



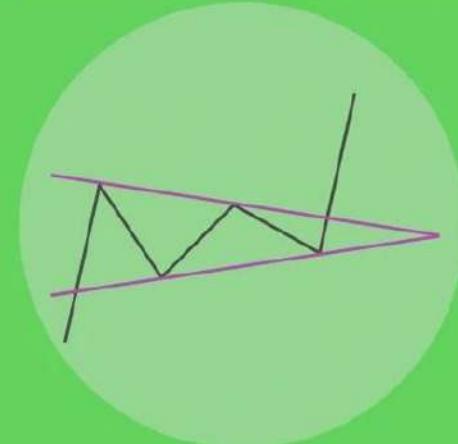
Rounded bottoms and tops are uncommon and usually spotted in HTF charts. Their performance stats are unimpressive. The cup & handle variation is a bit of an exception, but still suffers from a high failure rate.

Common Flag



Defined by two parallel lines that run slightly opposite or parallel to the preceding trend. The tendency is for price to break out in the same direction as before. Failure rate is low, so traders use these often.

Common Pennant



Similar to a flag but consists of two converging lines that form a triangle. Pennants most often appear on low timeframes and have a sharp move preceding them. They also have a low failure rate.



WHEN TRADING...



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