

Ichimoku Cloud Crash Course

By @Cryptocred



DISCLAIMER

This is not financial advice. Trading is a very risky endeavour and can result in tremendous losses. Contact a licensed professional for advice.

This is me sharing my personal opinion and personal interpretation of a system I've had NO FORMAL TRAINING IN.

How do I set it up?

Adjusted settings (10/30/60/30)

Doubled for conservative signals

Adding to favourites

P.S. Huge h/t to @CarpeNoctom, @LedgerStatus, and the Blockchain at Berkeley course!

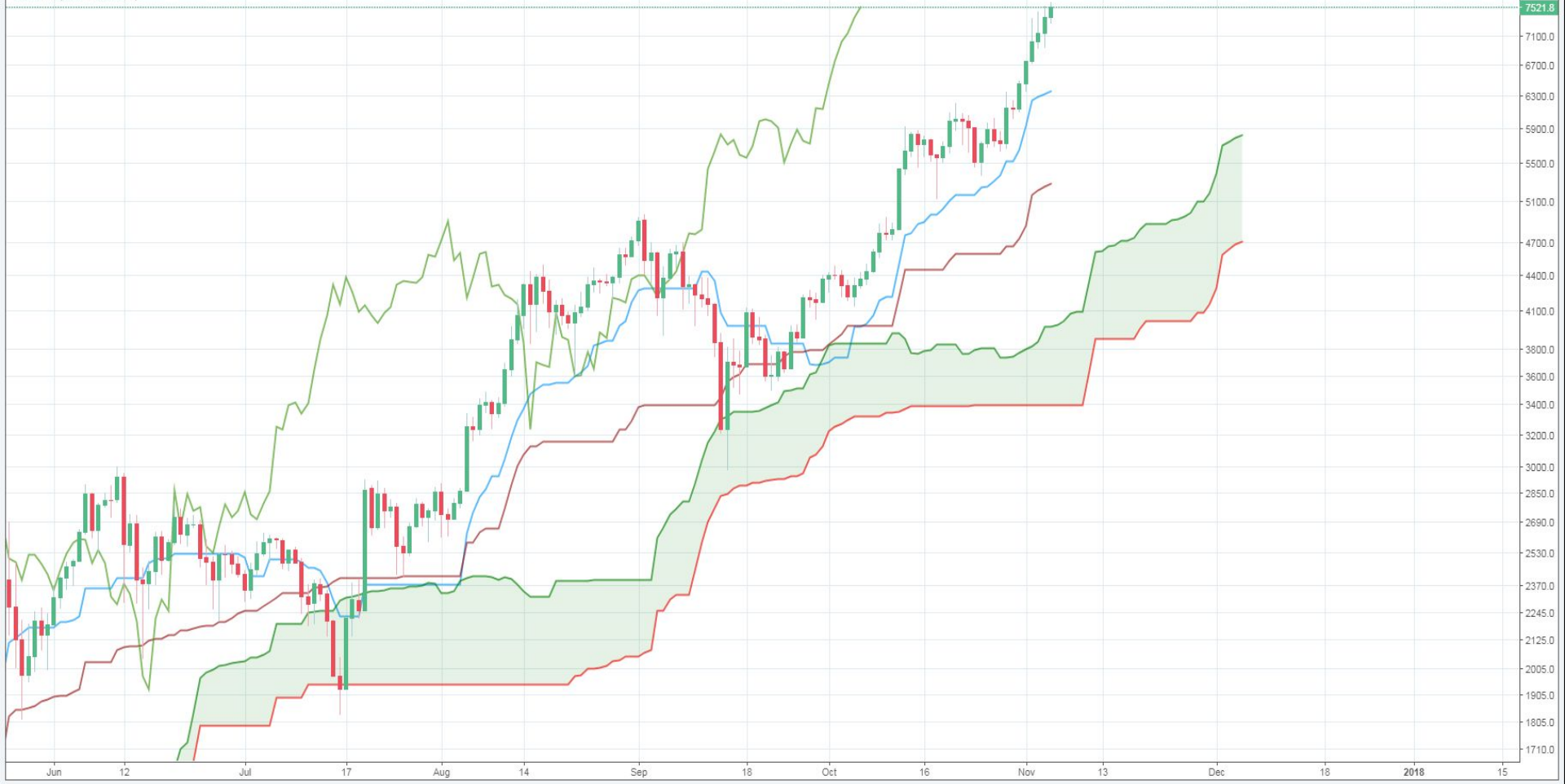
A lot of the strategies in this presentation I've learned from these guys and from the course, so follow them both and I heartily recommend investing in the BaB course.

Link (non-sponsored & not a referral link) - <https://bab.teachable.com/courses>

What am I looking at?

BITFINEX:BTCUSD, D 7521.8 ▲ +151.9 (+2.06%) O:7370.0 H:7590.0 L:7272.0 C:7521.8

Bitcoin / Dollar, D, BITFINEX
Ichimoku (20, 60, 120, 30)

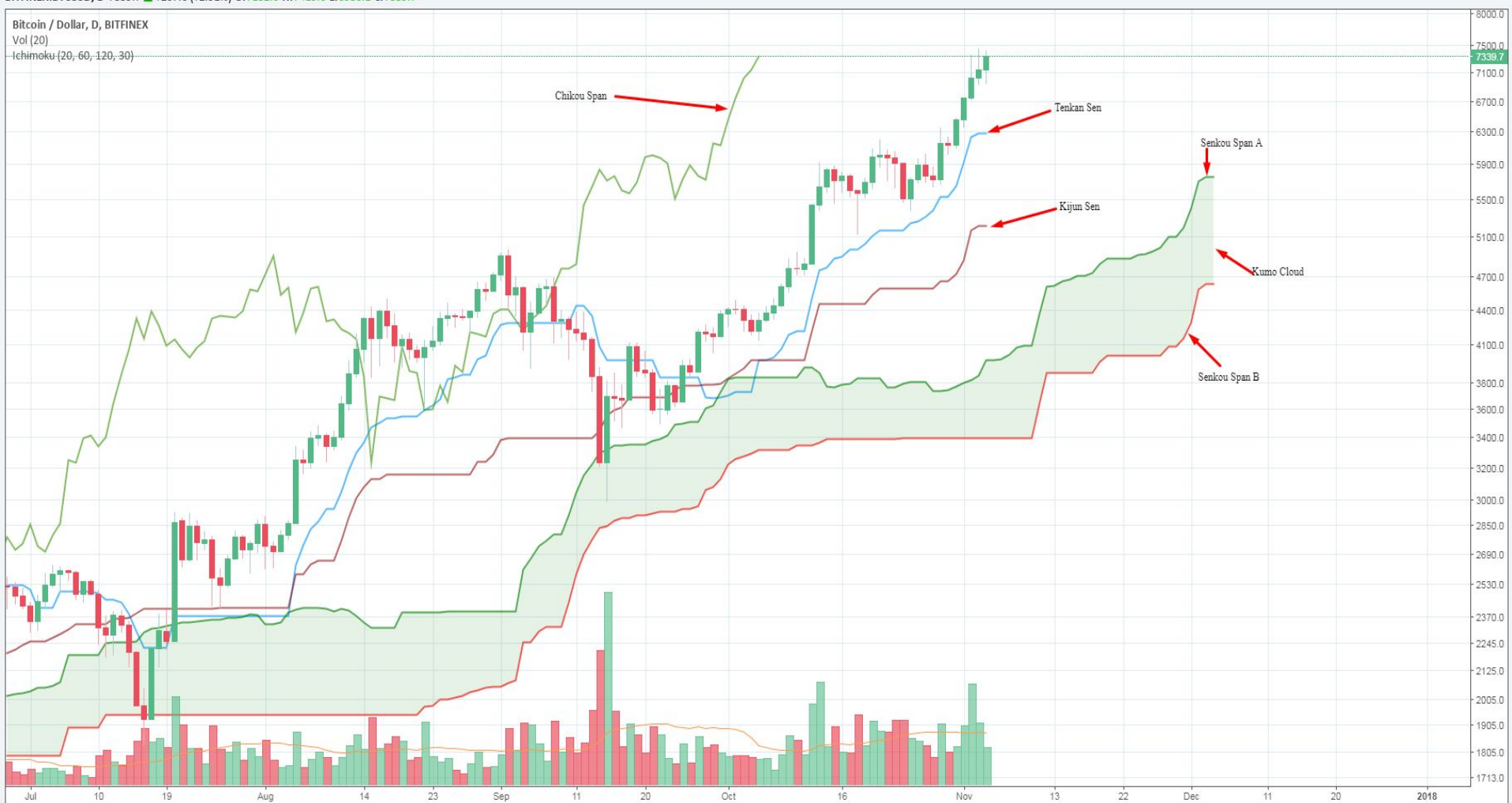


BITFINEX:BTCUSD, D 7339.7 ▲ +207.6 (+2.91%) O: 7132.0 H: 7419.0 L: 6930.1 C: 7339.7

Bitcoin / Dollar, D, BITFINEX

Vol (20)

Ichimoku (20, 60, 120, 30)



How do I find support and resistance?

The Kumo Cloud (especially flat Kumo)

The Kijun Sen

The Tenkan Sen

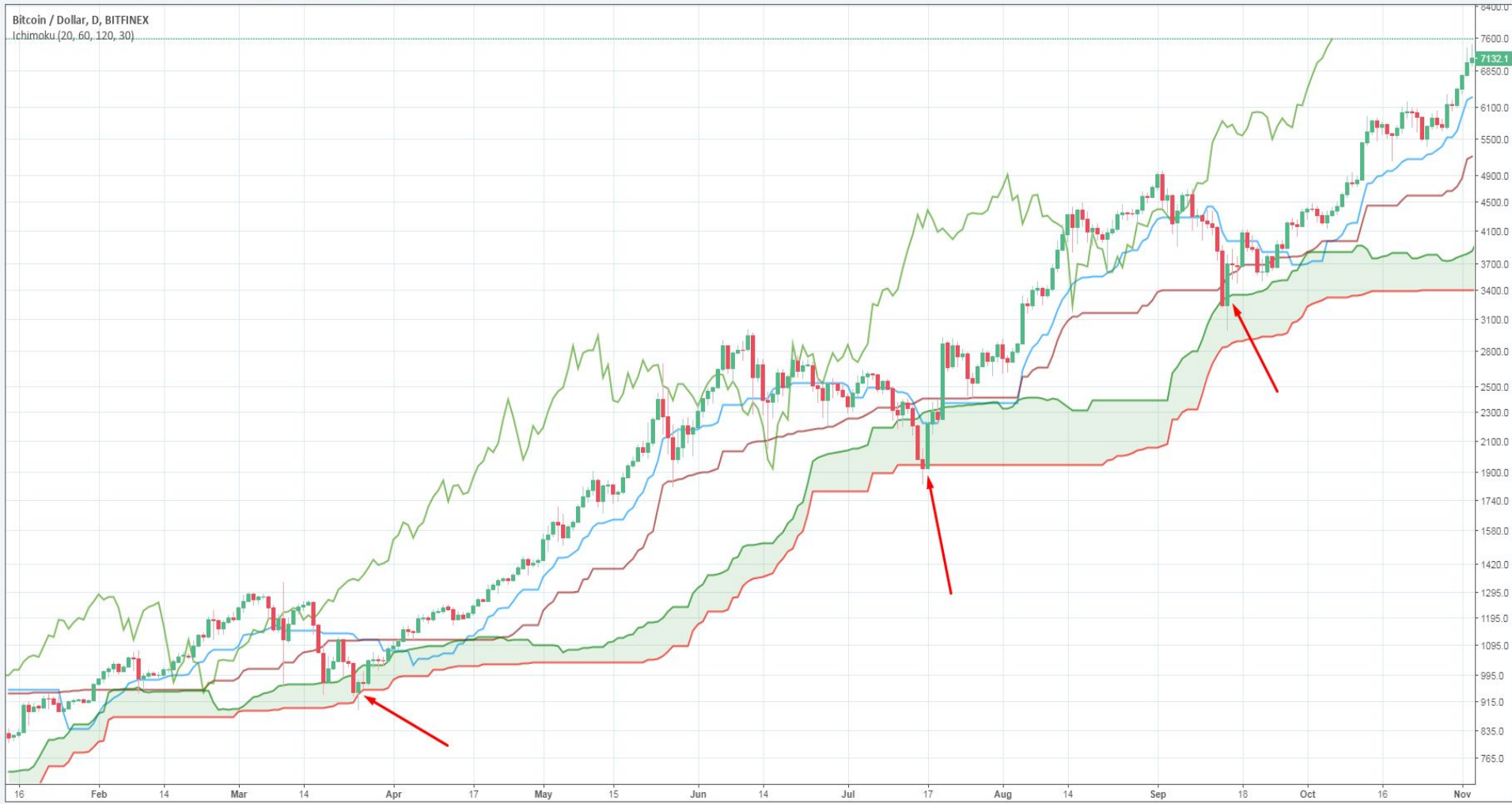
Can be integrated very well with trend lines/patterns/horizontal levels etc.

BTC/USD 1D - Kumo Cloud acting as support

BITFINEX:BTCUSD, D 7575.2 ▲ +205.3 (+2.79%) O:7370.0 H:7583.4 L:7272.0 C:7575.2

Bitcoin / Dollar, D, BITFINEX

Ichimoku (20, 60, 120, 30)



Kijun Sen acting as support - OMG/BTC 4H

OmiseGO / Bitcoin, 240, BITTREX
Ichimoku (20, 60, 120, 30)



ARK/BTC 4H - Kumo Cloud acting as resistance

BITTREX:ARKBTC, 240 0.00031810 ▲ +0.00000309 (+0.98%) O:0.00031643 H:0.00031818 L:0.00031600 C:0.00031810



Ichimoku Cloud Trading Strategies

Note: this list is not exhaustive, for the sake of brevity.

Tenkan-Kijun Cross (TK Cross)

Ichimoku as an Oscillator

Kumo Breakout

Kumo Edge-To-Edge

Kijun Bounce

Kijun Cross

Kumo Twists/Senkou Span Cross

Crosses Relative to Kumo Cloud

When a TK cross takes place, you must interpret this signal with reference to the Kumo Cloud

E.g. Bullish TK cross above the Kumo is a strong bullish signal, whereas the same TK cross below the Kumo only signals to close shorts

Similarly, a bearish TK cross inside the Kumo is a neutral bearish signal, whereas the same TK cross below the Kumo would be a strong sell signal

In short: the trend increases or diminishes the strength of the signal

Time Frames and Ichimoku

Normal rules apply: higher time frames give stronger and more reliable signals

I mostly use 30m, 1H, 4H, and 1D (and this seems to be quite popular among Cloud traders)

Some coins won't have enough history for Cloud to work properly, so you can either use a lower time frame or reduce settings to single Cloud as opposed to double (h/t @CarpeNoctom once again)

TK Cross

When the Tenkan Sen (Conversion line) crosses above or below the Kijun Sen (Base line)

In simple terms:

When the blue line crosses from below to above the cherry line, it's a bullish cross

When the blue line crosses from above to below the cherry line, it's a bearish cross

Remember to look where the cross is in relation to the Kumo!

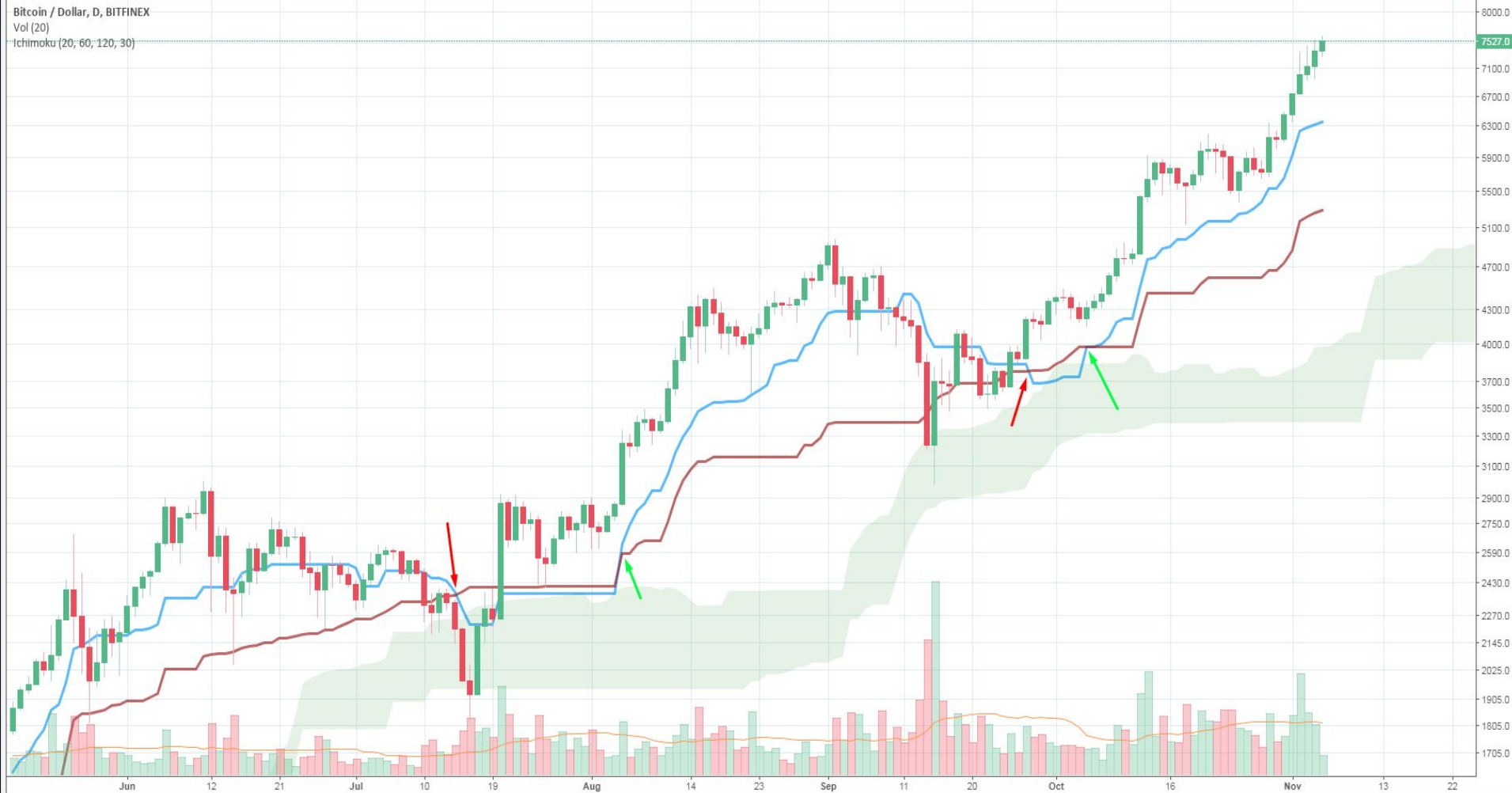
BTC/USD 1D - Bullish and Bearish TK Crosses

BITFINEX:BTCUSD, D 7527.0 ▲ +157.1 (+2.13%) O: 7370.0 H: 7598.0 L: 7272.0 C: 7527.0

Bitcoin / Dollar, D, BITFINEX

Vol (20)

Ichimoku (20; 60; 120; 30)



ETH/BTC 1D - Bullish and Bearish TK Crosses

BITTREX:ETHBTC, D 0.03926367 ▼ -0.00143630 (-3.53%) O:0.04063001 H:0.04092753 L:0.03900000 C:0.03926367

Ethereum / Bitcoin, D, BITTREX

Vol (20)

Ichimoku (20, 60, 120, 30)



Kumo Breakout

When price breaks above or below the Kumo Cloud

In simple terms:

When price breaks up through the top of the Kumo Cloud, this is bullish

When price breaks down below the last line of the Kumo Cloud, this is bearish

When price is within the Kumo Cloud, this is usually a no trade zone for me, with the exception of an edge-to-edge (to be covered later)

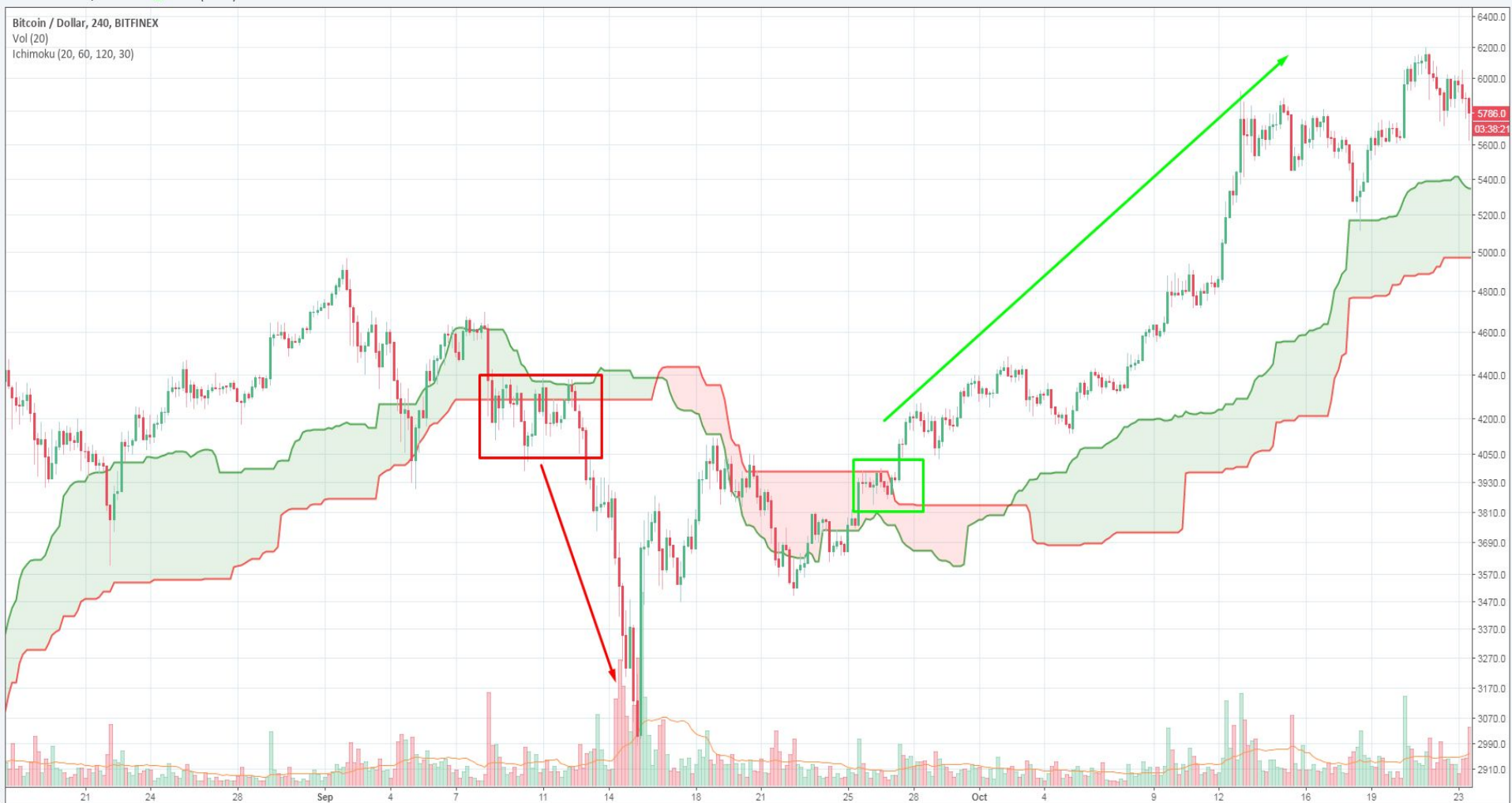
BTC/USD 4H - Kumo Breakouts

BITFINEX:BTCUSD, 240 7502.2 ▲ +132.3 (+1.8%) O: 7518.1 H: 7518.2 L: 7491.1 C: 7502.2

Bitcoin / Dollar, 240, BITFINEX

Vol (20)

Ichimoku (20, 60, 120, 30)



Kumo Edge-to-Edge

When price breaks into the Kumo and there're candle closes inside it, the target becomes the opposite edge of the Kumo

Use other elements of the Ichimoku Cloud system and other tools (oscillators, moving averages, et cetera) to see if the move is supported

In simple terms:

If price enters the Kumo Cloud and stays there, there's a reasonable chance that price reaches the opposite end of the cloud

DASH/BTC 4H - Edge-to-Edge

POLONIEX:DASHBTC, 240 0.03594914 ▼-0.00125747 (-3.38%) O:0.03616127 H:0.03616127 L:0.03586097 C:0.03594914

Dash / Bitcoin, 240, POLONIEX

Vol (20)

Ichimoku (20, 60, 120, 30)



ARDR/BTC 4H - Edge-to-Edge

BITTREX:ARDBTC, 240 0.00002619 ▼ -0.00000090 (-3.32%) O:0.00002595 H:0.00002629 L:0.00002575 C:0.00002619

Ardor / Bitcoin, 240, BITTREX

Vol (20)

Ichimoku (20, 60, 120, 30)



Kijun Bounce

A Kijun Bounce is when price retraces to the Kijun Sen and successfully uses it as a support level

This is the equivalent of price testing a horizontal or trendline support level, and bouncing from there

Thus, placing buys at the Kijun = Ichimoku version of buying support

In simple terms:

A Kijun Bounce is when price tests and bounces off the cherry line. This suggests that the support level has held, and the trend is likely to continue

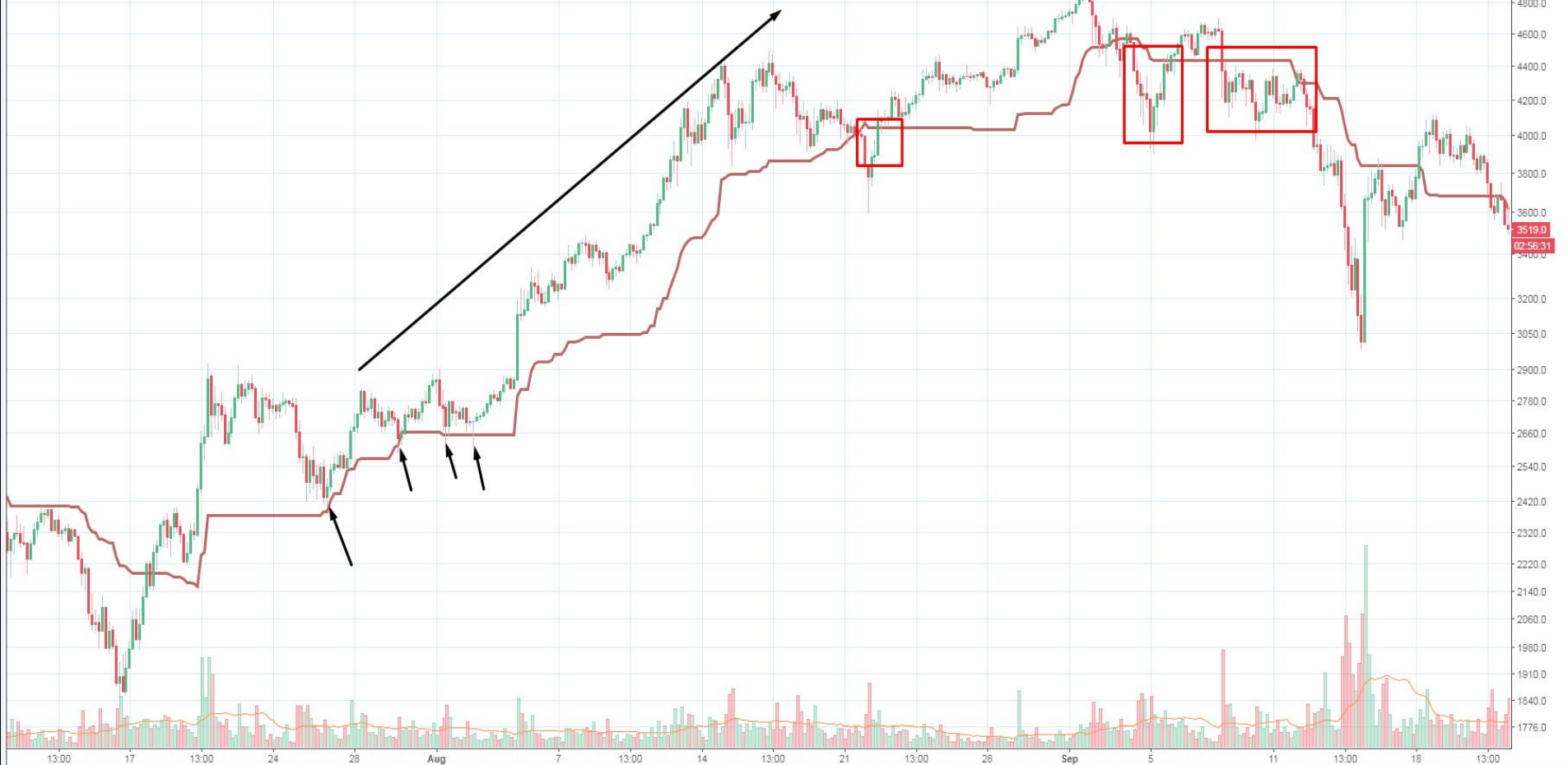
BTC/USD 4H - Kijun Bounces

BITFINEX:BTCUSD, 240 7480.0 ▲ +110.1 (+1.49%) O: 7518.1 H: 7546.6 L: 7464.0 C: 7480.0

Bitcoin / Dollar, 240, BITFINEX

Vol (20)

Ichimoku (20, 60, 120, 30)



Kijun Cross

When the price crosses above or below the Kijun Sen (Base line)

In simple terms:

When the price crosses from below to above the cherry line, it's a bullish signal

When the price crosses from above to below the cherry line, it's a bearish signal

LTC/BTC 1D - Kijun Crosses

BITTREX:LTCBTC, D 0.00726901 ▼ -0.00018209 (-2.44%) O:0.00743178 H:0.00750482 L:0.00715147 C:0.00726901



Kumo Twists/Senkou Span Crosses

The Senkou Span Cross signal occurs when Senkou Span A crosses Senkou Span B

Lots of possible signals, but I'll stick to the simple one:

The future Kumo should reflect the position you're taking

In simple terms:

If you want to buy, look for the future Kumo to be green

If you want to sell, look for the future Kumo to be red

LTC/BTC 4H - Kumo Twists/Senkou Span Crosses

BITTREX:LTCBTC, 240 0.00727056 ▼ -0.00018054 (-2.42%) O:0.00728002 H:0.00730499 L:0.00721111 C:0.00727056

Litecoin / Bitcoin, 240, BITTREX

Vol (20)

Ichimoku (20, 60, 120, 30)



BITTREX:LTCBTC, 240 0.00727056 ▼ -0.00018054 (-2.42%) O:0.00728002 H:0.00730499 L:0.00721111 C:0.00727056



Ichimoku as an Oscillator

The greater the disparity between the Kijun Sen and the Tenkan Sen, the more overbought/oversold the price is (depending on the trend)

This is also known as TK disequilibrium (which corrects and returns equilibrium)

In simple terms:

If the gap between the cherry line and the blue line becomes big, it suggests price will need to correct

BTC/USD 2D - TK Disequilibrium

BITFINEX:BTCUSD, 2D 7493.4 ▲+123.5 (+1.68%) O:7370.0 H:7598.0 L:7272.0 C:7493.4

Vol (20)

Ichimoku (20, 60, 120, 30)



Final Remarks

Put it all together - don't isolate strategies

Reminder: when trading TK crosses, look at where the cross is relative to the Kumo

See if other indicators support the Ichimoku signal you're going to follow

#cloudknows

Further Reading

<https://bab.teachable.com/courses>

http://stockcharts.com/school/doku.php?id=chart_school:technical_indicators:ichimoku_cloud

<https://www.youtube.com/user/carpenoctom>

<https://www.youtube.com/user/ChaosTrader63/videos>

<http://www.ichimokutrader.com/>

http://www.kumotrader.com/ichimoku_wiki/index.php?title=Main_Page