

A decorative graphic on the left side of the slide consists of two overlapping parallelograms. The front one is blue and the back one is a light green. They are positioned diagonally, with the blue one partially covering the green one.

Drawing Trendlines

By Cred



What are they?

Literally trend lines!

Joining highs and lows to identify:

- The trend
- Support and resistance
- Patterns, channels, etc.



What makes a good one?

Some criteria:

- 3 touches along the trendline constitute a valid trendline, 2 touches constitute a tentative one
- Ideally these touches should be spread out along the trendline and not be clustered together
- Longer lines are more powerful and price will react more forcefully to breaching them
- Usual time frame rules apply i.e. bigger time frames more likely to give valid lines



How do I draw them?

Thus:

- Connecting a high point with another high point
- Extend the line to see if it touches any other points to meet the criteria
- Do the same with lows
- Try to draw to the wicks but this isn't a hard rule
 - Don't skip a nice trendline just because the wick of a fakeout interferes
- I use the 1H, 4H, and 1D to draw my trendlines



Tips

Remember:

- Support and resistance are zones, not magic lines
 - Patterns and lines will never be perfect, especially in crypto - don't be lazy, but don't unduly restrict yourself either
- **Never** 'force' a trendline that you feel should be there but simply doesn't fit
- Keep an eye out for trendlines that were broken



Examples (live)