

# EmperorBTC

## TRADING MANUAL



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## INTRODUCTION

This is a sincere attempt to share the little knowledge of trading that I have.

I have tried to explain everything that I've learned in the simplest and complete form.

I hope you like the work and use it to its full advantage.

I will forever be here to help you when needed.

Love,

EmperorBTC.

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## **BEFORE YOU START**

I have been trading for about a decade. I have been liquidated, profitable, bankrupt several times.

Here are the RULES that you MUST follow to survive in the market long term.

Learn from history or perish. Here are my best trading lessons.

### **1. HOW MUCH TO INVEST.**

Don't invest at the cost of ruining your life.

Your investment should always be an almost insignificant amount. If you lose it, it should hurt a bit but not ruin your life. Don't go all in. EVER.

Don't invest more than you can afford to lose.

### **2. TRADE SPOT. THEN FUTURES.**

Practice a lot BEFORE trading.

Watch live charts, draw your levels, then paper trade.

After you're comfortable with this, trade spot for some time and ONLY THEN move to leverage/futures.

Using leverage without spot experience is a crime.

### **3. TWO SAVIOURS.**

You cannot and will not survive in the long term without following the two tools of capital preservation.

i. Stop Loss.

ii. Risk Management.

Both these tools are FAR more complicated than they sound. Read, understand and ONLY then trade.

### **4. DON'T BE A HERO TO FIGHT THE TREND.**

Don't try making quick trades by fighting the trend.

Use the weekly time frame and the 50 day moving average to find the trend and trade only in the direction of the market.

### **5. NO GOOD ASSETS.**

There are no good and bad assets. Don't get attached to a coin or a stock. Your aim is to make profits, to buy low and sell high.

Keep your logics, attachments and emotions away and TRADE THE CHART.

Eg. Cardano is shit but I made good money there.

## **6. EXIT AT THE FIRST SIGHT OF BEARISHNESS.**

Don't pray for a trade to go right. Don't hope.

Your aim is to leave the market ASAP. Once the trade goes the opposite direction, don't give control to the market and keep hoping.

EXIT. Start afresh.

Cut your losses. Keep them small..

## **7. PLAN.**

Don't trade if you don't have a planned entry, exit and invalidation point. Listening to opinions of others will always get you rekt. Don't even listen to me.

YOU have to plan your entry, position size and invalidation points.

## **8. IT'S SIMPLE YET MOST DIFFICULT.**

Trading is easy, you don't need complicated tools and 5 monitors. My mentor still trades with S/R lines & volume, on his laptop.

The catch is, you need a plan.

-Manage position size.

-Pre-determined entries.

-Exit on invalidation.

-Cut losses.

## **9. TRADE MORE.**

When learning, trade a lot. A LOT.

Trade with the trend, as many times a possible.

Your methods need real market testing. Trade more, let the market give you feedback, as much as possible.

The only way to get better at free-throws is to keep practicing.

## **10. LEARN. LEARN. LEARN.**

Trading is the most rewarding profession, ever.

You can't expect it to be easy.

Journalise all trade. Take notes and keep learning.

I have made tutorials for all topics here. It works. It's free.

These are some of the RULES off of my head that you must follow.

PLEASE don't try to fight them. It's better to learn from other's mistakes than commit them.

You can scroll through my twitter and telegram to find ALL the tutorials. It will take some efforts but it's worth it.

## INTRODUCTION TO TECHNICAL ANALYSIS

### TRADING BITCOIN MASTERCLASS

#### PART 1

##### INTRODUCTION

In the next few days, we are going to learn to trade Bitcoin for profits.

I will keep in mind to

1. Keep it as short as possible.
2. Making it completely comprehensible for extreme beginners.

##### TERMINOLOGY

Before you learn to trade, we MUST know the true meaning of a few terms.

I have written down the most important terms and tried to explain them in the simplest manner possible.

If you're a new trader, please go through them.

People who already trade can refresh their understanding.

##### WHERE CAN I SEE THE CHARTS?

There are several websites, I use tradingview.com

Simple, easy and offers everything most people need.

You don't need a paid version. The basic free version is enough.

**1 Bitcoin = 100 Million satoshis**

1 Million Bits

**Exchange-** In terms of Crypto, a marketplace which allows buying and selling of Bitcoin or other coins. Eg.Bybit,Bitmex.

**FOMO-** Fear Of Missing Out a trade. All beginners do it; they enter a trade without enough research in the fear of missing out profits.

**Total supply-** The amount limit of coins that will ever exist. Supply limit of Bitcoin is 21 million.

**Bull** is someone expecting the price to go higher, and **bear** is the opposite

**Bull market**- A market where the prices are seeing a continuous uptrend, leading to new highs being created. Generally, happens when new investors enter the market.

**Bear market**- A period where the prices are seeing a long term down trend leading to a sell off.

See the chart below



**Note-** A Bull market can have many bearish cycles and vise versa as shown below.



**Market Cap:** The market capitalisation of an Asset calculated by current supply of coins multiplied by CMP of one coin.

**Bubble**- A situation where the prices are irrationally high as compared to the actual value of the asset. Whole of an asset could be a bubble, or a market cycle could be a bubble.

E.g. Theranos as an asset/company was a bubble.

**FUD**- Fear, Uncertainty and Doubt

**Day trading**- Taking a position in the market, either buy or sell and exiting it the same day.

E.g. McAfee announcing in 2018 that Binance had been hacked was a FUD.0

**Swing trading**- This method looks for buying and selling positions in a weekly range.

Swing traders make my 2-3 trades a week. Most of my trades are swing trades.

**Positional trading**- The aim is to buy monthly lows and hold them for days, weeks or sometimes months. This is a longer term trading time period.

**Day trading**- Taking a position in the market, either buy or sell and exiting it the same day.

**Leverage**- Refers to the extra amount of asset bought or sold, over your capital limit. E.g. If you buy \$2000 of Bitcoin with a Capital of \$1000, you have a leverage of 2x. Sites like Bitmex allow leverage as per your choice.

**Margin**- The amount of funds required to open a leveraged trade.

E.g. If you want to open a position of \$1000 with a leverage of 5X, your margin requirement would be \$200.

$$200 \times 5 = \$1000$$

**Long Position**- This is a buy position buy with leverage.

E.g. If you have \$1000 as capital, you could buy \$2000 worth of Bitcoin with leverage, or even more.

Both profit and loss in this case is multiplied by the leverage you take.

E.g. A 10% rise/fall in price in case of a long position with 2x leverage will lead to 20% profit or 20% loss.

**Short Position**- Exact opposite of Long Entry. You enter a short entry when you expect the prices to fall.

Shorting allows you to make money in a bear market.

**Volatility**- It is the percentage movement in price of an asset over a period. A balanced volatile asset gives ample opportunity to short and long. Traders look for predictable volatility.

A very highly volatile or low volatile assets isn't considered good for trading.

**ROE:** Return-on-Equity. This is calculated by the actual capital employed in a trade and not through leverage.

**OHLC:** Open, high, low and close

**Altcoin-** All coins except Bitcoin.

**Bull trap-** A technique used by market makers to buy a huge amount suddenly, spiking the price. This makes everyone else think this is a Breakout and everyone buys.

They market makers then sell enormous amounts, pushing the prices down, in turn liquidating everyone else that had bought, producing a cascading effect of liquidations.

**Bear trap** is just the opposite of the above for making the prices go higher in the end.

**Ask/Bid:** Sell orders are asks and Buy orders are Bids.

**Spread**-The difference between what the sellers are ready to sell at and what the buyers are ready to buy at.

There always exists a small spread on all exchange, the Higher the liquidity, the lower the spread.

E.g. In the below situation, the spread is 10 dollars. See pic Below of an order book explaining the above terms.

Buy orders/Bids		Spread		Sell Orders/Asks	
Total	Size	Price	Price	Size	Total
747,223	747,223	9400	9410	3,731,274	3,731,274
3,568,036	2,820,813	9390	9420	2,332,840	6,064,114
7,048,963	3,480,927	9380	9430	1,728,521	7,792,635
8,822,801	1,773,838	9370	9440	3,081,414	10,874,049
11,143,384	2,320,583	9360	9450	1,620,956	12,495,005
13,392,109	2,248,725	9350	9460	1,497,310	13,992,315
15,323,065	1,930,956	9340	9470	2,084,872	16,077,187
19,327,453	4,004,388	9330	9480	1,430,021	17,507,208
25,571,016	6,243,563	9320	9490	1,086,179	18,593,387
31,153,483	5,582,467	9310	9500	3,112,621	21,706,008
36,034,534	4,881,051	9300	9510	1,198,667	22,904,675
38,668,310	2,633,776	9290	9520	1,389,359	24,294,034
41,774,073	3,105,763	9280	9530	1,715,920	26,009,954
44,288,829	2,514,756	9270	9540	1,576,841	27,586,795
47,892,377	3,603,548	9260	9550	2,111,784	29,698,579
52,571,524	4,679,147	9250	9560	1,819,708	31,518,287
54,180,364	1,608,840	9240	9570	1,239,504	32,757,791
56,326,559	2,146,195	9230	9580	1,571,611	34,329,402
58,518,220	2,191,661	9220	9590	1,066,856	35,396,258

**Support and resistance**- A support is a zone/line where we can expect the price to bounce back up. Resistance is a line/zone where we can expect the price to rebound downwards. We will study this in the next lessons

**Walls**: Extremely large orders at a range.

**Demand Zone**- A zone with huge buy orders. This is determined through the heat map.

**Supply Zone**- A zone with huge sell orders. This is determined through the heat map.

**Stop-Loss**: Order that is triggered when the price goes below this point. Used to cut losses.

Support/Resistance:

**Liquidity**- The measure of how actively the coin is being traded in the market.

A high liquidity coin/exchange has many buyers and sellers at the same time, making it easier to acquire or sell the coin at any time.

**Uptrend**- A price is said to be in an uptrend when it's making higher highs and higher lows. It can be confined in a channel.

Channel, uptrend and Higher High and Higher lows are shown in the chart below.

The Chart below showcases an Uptrend, an Uptrend channel and Higher highs and Higher lows



**Downtrend**--Opposite of uptrend, the prices here make lower highs and lower lows.

**Consolidation**- A period where the price is ranging in a well-defined region. This is a period of indecision and generally leads to a volatile movement in either directions.

**Correction**- A correction is a fall in price after making a new peak or an upwards rally. Many authors define the correction as 10% drop from all time high but its arbitrary.

**Sideways market**- an indecisive market which isn't leading to a breakdown or a Breakout, and not giving any signals in either way.

**Sell off**- Profit taking after a rally in price, which leads to lowering of price of the asset.

**Rally**- An upward trend leading to increase in price of the asset. Can happen in both bear and bull market.

**Accumulation**: The process by which one builds a position in an asset.

**Pattern**- A chart pattern is a predefined shape that have been historically studied by technicians. Traders try to use these previous performance statistics to predict future price movements.

E.g. A Head and Shoulders top is considered bearish. There are many such pattern which will be

**Fractal**: A pattern of Price movement which has occurred earlier and might occur again.

**Limit Order**: Order will execute at a predefined price, if the market reaches that price.

**Market Order**: An order to buy or sell at the current price level, executed immediately.

**Time Period/ Time Frame**- The time spread of each candle stick in a chart.

Common time periods are 15min,30 min, 1Hour, 4 Hour, Daily and so on.

**ATH**- All-time highs prices.

**Average Down**: Trying to lower the average entry cost of a position by slowly buying the asset at reducing rates.

**Liquidation**--When you are stopped out of your position because the trade went in the opposite direction and your margins are not big enough to carry the trade anymore.

**Arbitrage**: A method of making profit using the pricing difference between exchanges

E.g. If Bitcoin is trading at \$10,000 on Bitstamp and \$10,100 on Bitfinex, People will buy from Bitstamp and sell on Bitfinex.

## **PREMISE OF TECHNICAL ANALYSIS**

Now that we've completely understood a few important trading jargons, let's begin with Technical Analysis.

**Technical Analysis is the use of charting techniques to predict future price movement.**

1. It uses previous human reactions to a similar situation to predict future price movements.
2. Only price movement is taken into consideration while using technical analysis. All other information (like news, earnings) is not taken into consideration.

It might come as a surprise to all new traders that news is disregarded while studying charts.

Murphy in his Book on technical analysis explains in detail why it is so.

To keep it short, the price discounts everything. Market price of an asset already has taken into consideration all the fundamental news.

News, information and other analysis available in the public already have affected the price and hence the price is an amalgamation of all the fundamental information.

Technical Analysis is the study of price; hence by studying price, ALL the fundamentals have already been taking into consideration.

Hence, we can conclude that all the fundamentals affect the price. Since the technical analysis is the study of price movement it automatically takes all the fundamentals into consideration

## CANDLESTICKS

Technical analysis starts and ends with Candlesticks.

A clear understanding of candlestick is a must to trade.

While the subject of Candlesticks is really vast, there are only a few basics you need to understand.

The candlestick is used instead of a line chart because a simple line chart doesn't tell the movement at a given period of time **whereas a candlestick tells you the high, low, open and close at a given time period.**



There are 100s of kinds of Candlestick and it's an unending study but to start with I want to explain two important candles, hammer the Engulfing.

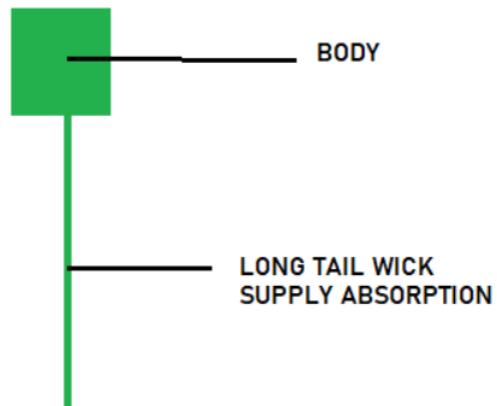
Hammer- In simple terms, it's a bottom reversal candle with a short body and long wick. This can be spotted at potential bottoms.



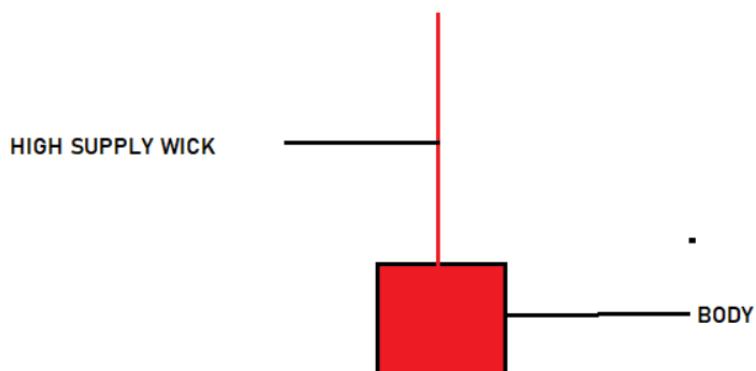
Engulfing- This occurs after a move is invalidated because of a sudden price movement in the opposite direction by the next candle. Example below.



The basic concept and assumption while studying the candlesticks is that a candle with long tail wick has seen the buyers being successful in pushing the price up by buying at this price level even though there was a significant selling. A candle with a short body long tail wick denotes supply absorption.



Similarly, a candle with a long overhead wick is bearish and shows that even though the bulls tried to push the price up the supply was too high for the price to go up.



Adding the above two we can conclude that a candle with a short body and with both a long upper wick and a long lower wick is a candle denoting indecision and confusion in the market. It might denote a reversal or could act as a warning for an end of a trend

In this tutorial we will learn to identify the supply and demands zone on the chart for entering high probability trade before learning anything else this the topic to master after reading this tutorial please open a live chart and try to identify the supplies and demand zones

### USING CANDLESTICKS TO FIND DEMAND AND SUPPLY

Apart from using candlesticks to identify price momentum in a certain time period, candlesticks can be used to identify the demand and supplies ZONES (demand and supply zone is different from support and resistance)

Using candlesticks to find the demand and supply zone is a high probability method to find a profitable entry since in the demand and supply zone there can be multiple entry triggers. The aim after identifying demand and supply zones is to enter at a point which has multiple entry triggers at one point.

### FINDING SUPPLY AND DEMAND PRESSURE USING CANDLESTICKS.

Candlesticks can be used to find supply and demand pressure, especially in intra-day trading. I hope this changes how you view and use candlesticks on a daily basis

Candlesticks with a long tail wick, about 2-3 times their body have overcome a big supply zone. This means that below that candle existed a huge supply order which was absorbed. This is generally bullish, means the demand in that zone was able to overcome the supply.



At this zone, traders could look for a safe long entry.

1. Look for candles with a long tail.
2. It should have bounced off of a previous resistance now turned support. (WE WILL LEARN MORE ABOUT SUPPORT AND RESISTANCE IN THE NEXT LESSON, FOR NOW ONLY CONCENTRATE ON DEMAND AND SUPPLY ZONE)
3. Wait for the price to break a resistance above.



The same principle is applicable with candles with a long overhead wick.

This implies that the candle was not able to absorb all the supply above itself, which is generally bearish.

We should look for signs of reversal at this level



In a similar manner, on confirmation of a candle which failed to absorb the supply above, a safe short entry can be made.

1. Look for candle with long overhead wick.
2. Wait for previous supply to be broken.

See pic below for a short entry.



**Confirmation** - A confirmation in trading is a positive signal to establish a bias for an entry

Example- if the current candle looks bullish a safe entry with confirmation would be when the price on the next candle goes above the highest price of the set bullish candle

Retest- After a price breaks a certain resistance it comes back to the point where the resistance was to establish that the resistance has been broken and the same resistance has now been turned into a support for the price structure.

**Let us try to understand the trade by using the following concepts of:**

1. Demand Zone
2. Supply Zone
3. Uptrend line (A DETAILED TUTORIAL WILL BE UPLOADED ON THIS)
4. Break-out
5. Retest
6. Confirmation



### How to find a short entry after a supply zone:

1. Long overhead wick candles generally denote supply.
2. Wait for them to close at same level.
3. Find new support.
4. Wait for it to break.
5. Wait for support to turn into resistance.
6. Enter short trade upon confirmation.



So, in this tutorial we have learned the concept of supply and demand and how to identify on chart. To reiterate, the use of supply and demand once mastered is the MOST useful tool to find high probability trade entry. Most beginners learn it very late hence are unable to identify high probability entry zones. It must be noted that supply and demand zone is not a tool for entering a trade but a tool for identifying the zones and areas of interest for high probability high profit trade.

Instead of spending too much time to identify the kind of candle stick that has been printed on a chart, we should rather concentrate on what the candle is trying to say about the demand and candle structure. As a trader our soul aim is to identify the trend (whether the demand and supply is more and enter it)

Please read this tutorial several times and try to identify the zones on your own on historical charts. DO NOT WORRY ABOUT FINDING THE ENTRY POINTS RIGHT NOW.

Only try to identify the zones finding entries will be taught in the next lessons.

I hope this tutorial was useful. This is the first trading lesson, don't worry or give up if you didn't understand a few concepts. Always here to help.

Love,

EmperorBTC

## INTRODUCTION TO CANDLESTICKS

### TRADING BITCOIN MASTERCLASS

#### PART 2

##### Deep Dive into Candlesticks

###### Part 1

In the previous PDF, we studied:

1. Demand and Supply Zones
2. Introduction to Candlesticks

In this PDF, we will cover Candlesticks in some more detail, discussing the major candlesticks and their types.

#### IMPORTANCE OF CANDLESTICKS

Technical Analysis starts and ends with Candlesticks.

Without proper understanding of Candlesticks, you should not be trading.

##### Please note:

1. Candlesticks are the most important tool in Technical Analysis, however, I always use them in confirmation with OTHER confirmations like Support and Resistance and Volume.
2. Using Candlesticks without Risk Management will always lead to liquidation. Risk Management is far more complicated than you think, I've made 3 Masterclasses about Risk Management, PLEASE read them before trading
3. Nothing can teach you to trade but trading itself.

As soon as you're done reading this pdf, go and practice the content on live or historical charts and observe how volume and S/R play a role in them.

While there are 100s of types of Candlesticks, I'm sticking to the most important ones that are actually practically used in trading.

**Tip:**

Don't get stuck in memorizing the names of the Candlesticks. You need to understand the LOGIC behind their formation and use that understanding to predict the future prices.

**BASIC CANDLESTICK UNDERSTANDING**

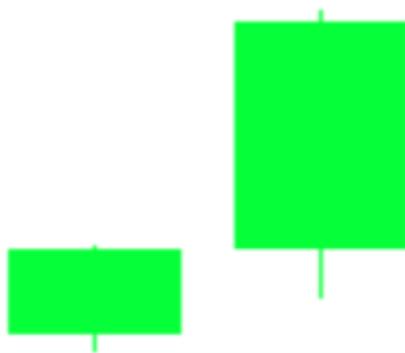
The fat part of the candle is called the candle body (candle open to close)

The thin line above and below the body is called the wick (highs and lows)



General assumption: the longer the candle body is, the more intense the buying or selling pressure.

Conversely, short candlestick bodies indicate little price movement and represent consolidation.



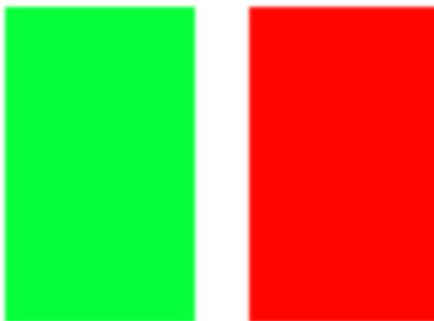
Wicks play a really important part in understanding the STORY behind the candlesticks. It shows the fight between the buyers and the sellers and who won it.

In continuation, we will learn to read the wicks.

## NO WICKS

Candles existing of full body and no wicks showcase the highest buying and selling pressure. These are known as Marubozu candles.

Example:



## LONG WICKS

### Long upper wick

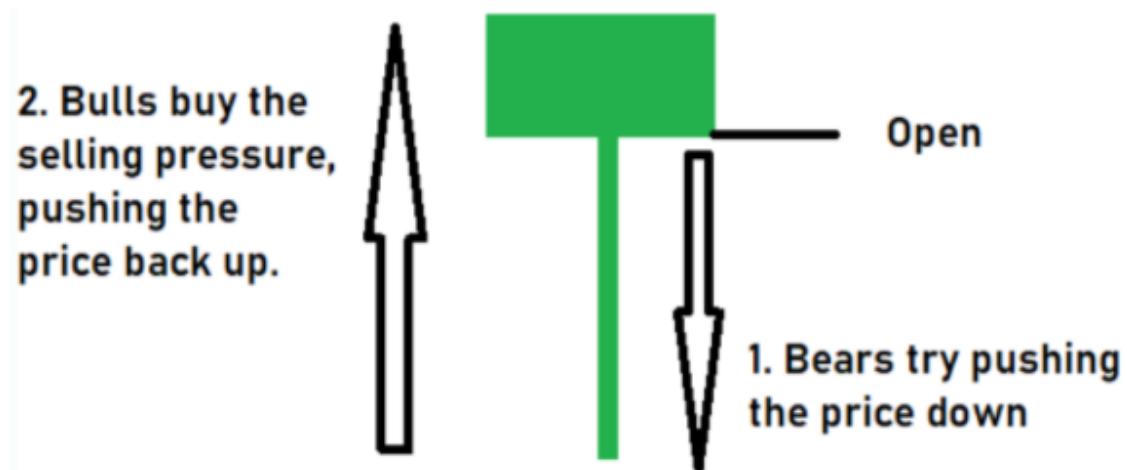
Candles with long upper wick and short body below denotes that even though the bulls tried to push the price higher, the sellers took control and there was just too much supply at this point to push the price up.



Long upper wick

### Long lower wick

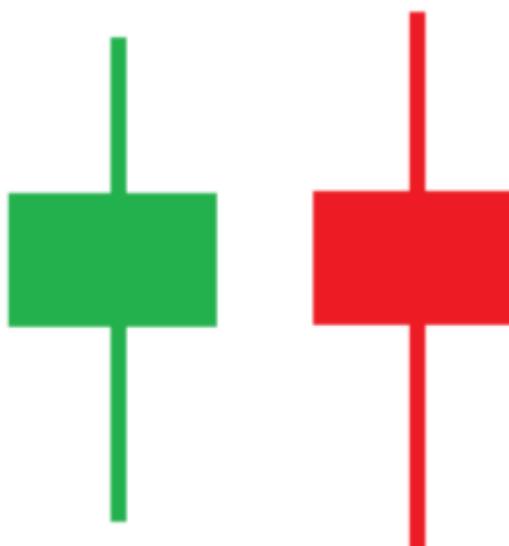
Candles with long lower wick (tail) indicates that the bears tried to push the price down but the selling pressure was absorbed and the price managed to go up.



## SPINNING TOP

Spinning top has long top and bottom wicks with a narrow body.

This implies indecision in the market.



Spinning top

However, if a spinning top appears at the top or bottom of the trend, it means a trend reversal.

This is explained in the chart below.



## DOJI

There are many types of Doji candles but we will focus on the concept of a Doji.

A Doji is identified by a narrow body and long wicks.

It means that the Price closed and opened at almost the same price.

This means grave indecision in the market.



Doji

Doji needs to be only relied upon after further confirmations from volume.

This further confirmations and confusing concepts like Dragonfly and Gravestone will be discussed later.

However, a Doji can have a different meaning depending on.

1. Where it occurs.
2. The proportions of the wicks.



A trade involving the Doji candle is explained below.



## HAMMER

A Hammer is regarded as one of the most important reversal tools.

It occurs at reversals and signifies the end of a trend.

The candle is marked by a long wick and an almost narrow body with small or no upper wick.



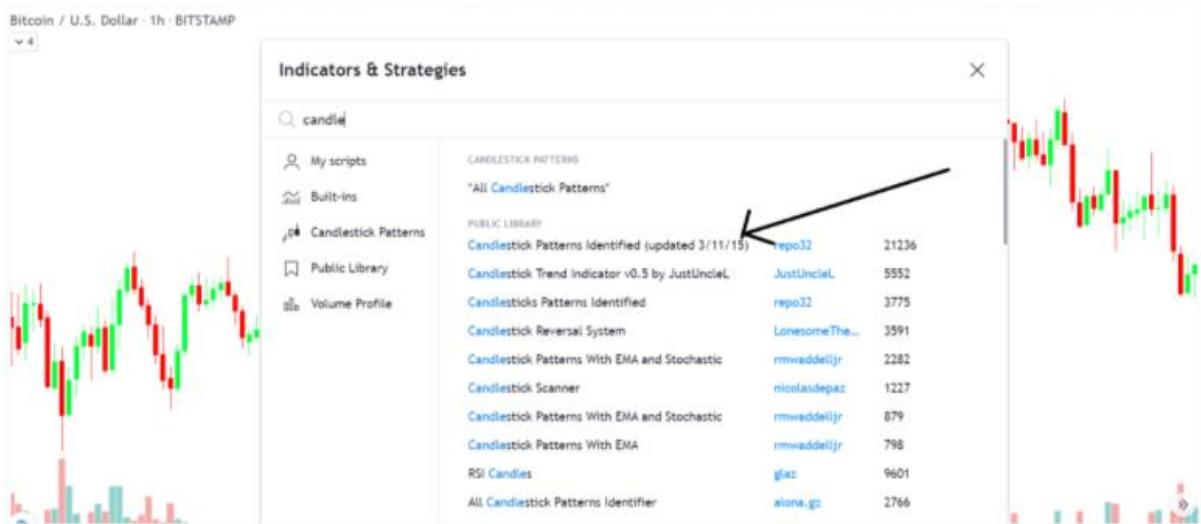


## CONCLUSION

- 1) Long candle body: more intense buying or selling pressure.
- 2) Short candle body: consolidation.
- 3) Long bottom wick: sellers trying to push the price down but not succeeding.
- 4) Long top wick: buyers trying to push the price up but not succeeding.
- 5) Narrow body and same proportion wicks: indecision AND could also mean the end of the trend.
- 6) Long wick and thick body occurring at the bottom or top of a trend: trend reversal if combined with volume.

**A tip:**

Go to Tradingview and use the candlestick pattern indicator to automatically identify the candle types.



P.S. The indicator is no substitute for any form of learning.

Identification doesn't mean being able to use the information.

Invest in your knowledge.

This was an intro to Deep dive into candlesticks. We will completely master the over time. Always here to help.

Love,

EmperorBTC

## SUPPORT AND RESISTANCE

### MASTERING HORIZONTAL SUPPORT AND RESISTANCE FOR TRADING BITCOIN

This is the most comprehensive real-world guide to Support and Resistance.

This is everything that you need to master it.

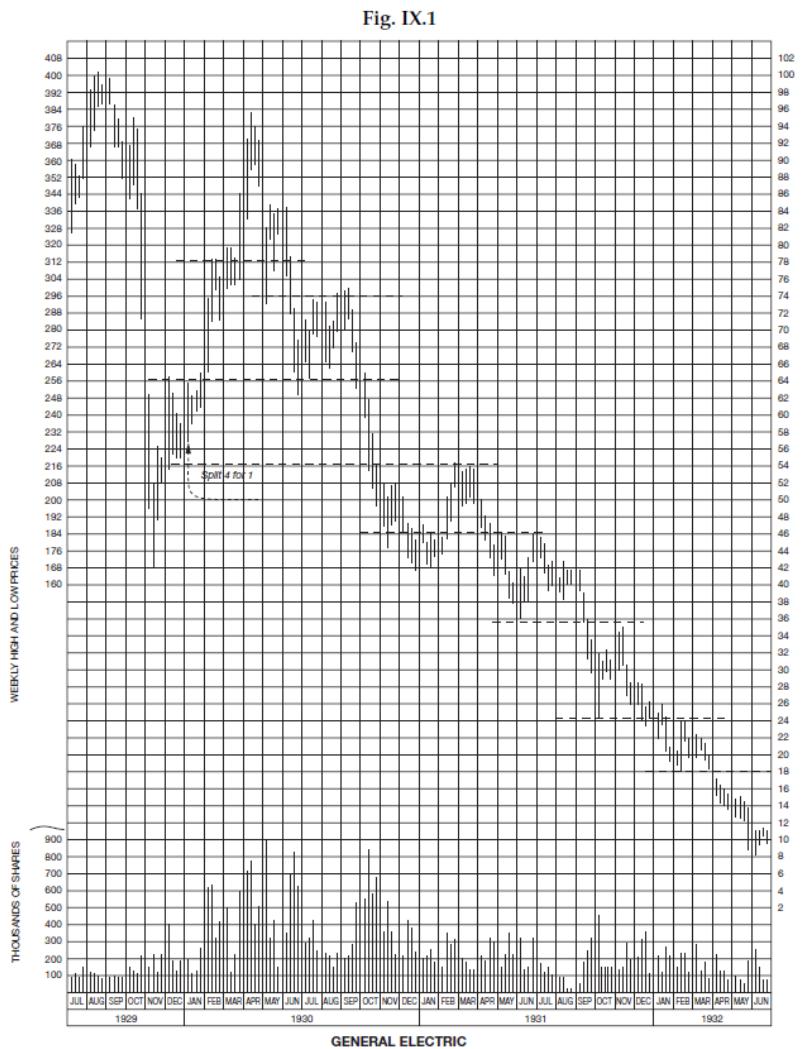
It's an exhaustive guide, don't read, STUDY IT.

#### 1. INTRODUCTION

S/R must be the most under-rated tool in trading which isn't given enough time or attention by most beginners.

Many successful traders personally known to me rely solely on S/R. This should speak enough for its importance.

We will study the following



## 2. FOCUS OF STUDY

- 1 Understanding S/R
- 2 Identifying and drawing a valid S/R
- 3 Nature of S/R when it Breaks
- 4 Fake Breakout/Breakdown
- 5 Identifying entry/exit at S/R lines
- 6 How institutional traders stop out retail traders.  
(Stop loss hunting)
- 7 High probability entry/exit

## 3. S/R CAN BE CATEGORIZED AS:

1. An area of supply/demand which acts as a probable zone for entry/ exit
2. Trending support and resistance(Trend-lines)
3. Horizontal lines denoting a price of either support or resistance. We will be studying these horizontal lines in this thread



#### 4. DEFINITION

A support line indicates a price where the buying pressure is more than the selling pressure, acting as a base for an upward bounce of price.

To elaborate, the demand is greater than the supply at these levels hence an upward move in price is generally probable.

## SUPPORT AND RESISTANCE

In the previous discussion of trend, it was stated that prices move in a series of peaks and troughs, and that the direction of those peaks and troughs determined the trend of the market. Let's now give those peaks and troughs their appropriate names and, at the same time, introduce the concepts of *support* and *resistance*.

The troughs, or reaction lows, are called *support*. The term is self-explanatory and indicates that support is a level or area on the chart *under the market* where buying interest is sufficiently strong to overcome selling pressure. As a result, a decline is halted and prices turn back up again. Usually a support level is identified beforehand by a previous reaction low. In Figure 4.3a, points 2 and 4 represent support levels in an uptrend. (See Figures 4.3a and b.)

*Resistance* is the opposite of support and represents a price level or area *over the market* where selling pressure overcomes buying pressure and a price advance is turned back. Usually a resis-

#### 5. DRAWING A SUPPORT LINE

A good starting point is to zoom out on the time frame that you're trading and try to touch as many lower points as logically possible.

The support should be easily visible upon minor observation and you shouldn't have to hunt or look hard for them.



## 6. COMMENT

It's practically acceptable if the support line crosses a candle/wick or doesn't touch the wick or only touches the wick.

The support line doesn't have to be perfectly aligned.

We are mostly looking for zones rather than a perfect straight price line.

7. The examples below illustrate the support line overlapping with candles and wicks or not perfectly touching the candles. In both these examples, the support line is valid.



## 8. RESISTANCE

Resistance line indicates the price where the selling pressure is higher than the buying pressure.

To elaborate, the supply is greater than the demand which pulls the price lower.

There's a good probability of price retracing from this price line.

9. Just like support line, zooming out on the time frame that you're trading and try to touch as many high points.

The resistance should be easily visible upon observation and you shouldn't have to hunt or look hard for them.

Examples of Resistance lines below.



## 10. OBSERVATION

The chart above also shows a vital concept of fake-breakout, breakout, retrace and confirmation. It will be explained later in detail.

## 11. UNDERSTANDING BREAKDOWN AND BREAKOUTS

A Breakout occurs when the resistance line is tested several times, leading to an increased demand in that price zone.

This increase of demand leads to a breakout.

**Opinion - The more times a resistance is tested, the weaker it becomes.**



## 12. BREAKDOWN

It is when the support zone is tested too many times, leading to an increase in supply at that price point, which leads to lowering of price i.e. Breakdown. PIC

### Opinion:

The more times we test a support, the weaker it becomes.

See pic below:

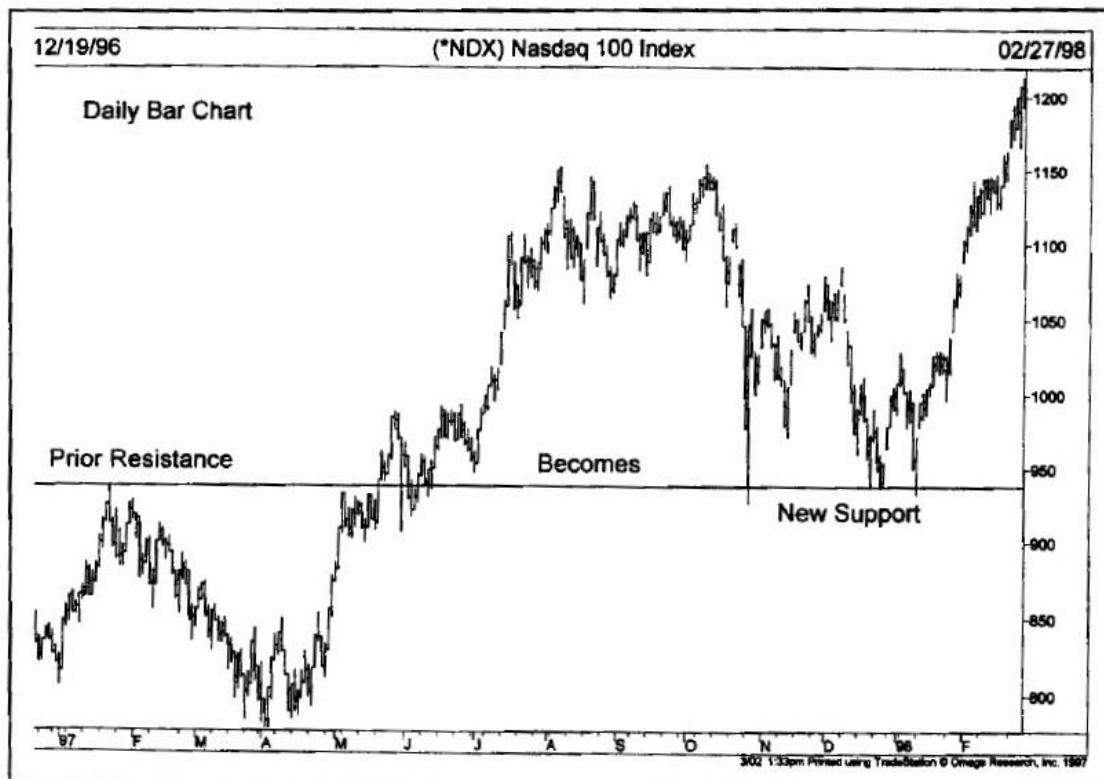


### 13. WHAT HAPPENS IF A SUPPORT OR RESISTANCE LINE BREAKS?

They start acting in the opposite nature.

A support line becomes a resistance and a resistance becomes a support.

This above concept is of utmost importance in understanding and confirming a TREND.



**Figure 4.5c** *Role reversal at play. Once the early 1997 resistance peak was broken, it reversed roles to become a support level. A year later, the intermediate price decline found support right at that prior resistance peak which had become new support.*

### 14. Resistance lines, when crossed, become new support, and the cycle repeats until the trend breaks. PIC

Study this chart carefully to see how Resistance level 1, when broken at 2, after formation of a new resistance at 3, becomes a new support at 4.



## Resistance Levels Become Future Support Levels

It is important to note at this point, however, that an area formation built by resistance will, if later penetrated, manifest itself as a support level. And, in the same manner, a support level will, when broken through, show up as a resistance point in future price movement. Each may repeat in its original role but more often they exchange roles. In other words, an area formation, whether originally one of resistance or support, may repeat later on in the same or the opposite position, tending to check whatever movement happens to approach its level from either above or below.

15. This cycle continuous till the breakdown. Take some time to understand the above graph.

### 16. USES OF SUPPORT AND RESISTANCE

Intuitively the use of the support line would be to enter a long when the prices bounces off the support line and that of the resistance line would be to go short when the price pulls back from resistance.



17. However, real world trading isn't this simple and the above usage needs understanding of the following:

- Breakouts, Break-down
- Fake Breakdown/Breakout
- Re-tests
- Confirmations
- Stop-loss hunting

These are explained below:

18. One of the more profitable ways to use support and resistance is to use them at the Breakdown/Breakout zone.

A Breakout leads to a strong upwards rally in price because of a huge demand at the resistance zone.  
Long at the Break-out.



The exact opposite is true for breakdown, which leads to a big pullback in price. Short at the breakdown.

See pic below for Break-out and Break-Down



#### 19. Advanced uses of Support and resistance in determining high probability entry.

Below I illustrate the advanced practices used by seasoned traders to determine high probability entries for profits.

However, they are easy to understand upon a repeated reading.

#### 20. HERE WE WILL STUDY:

1. Fake Breakouts and Fake Breakdowns
2. Stop loss hunting

Study of the above will help us understand how institutional traders stop out the retail traders and provide us with a probable solution against stop loss hunting.

21. Institutional traders stop out BOTH Long and Short retail traders, at the same time, at a similar price zone. A very common problem that retail traders face is being stopped out. Let us understand stop loss hunting in detail.

## 22. SHORT HUNTING AT RESISTANCE

The red line denotes the resistance line.

At Point A, few retail traders will short it thinking that the price will go down at the resistance.

But the price has a small breakout out. Triggering the stop loss of the people who went short.



23. This is a fake out as the price then reverses at the resistance. Even though the price goes down, the stop loss gets hit. Here the trader loses money even after being right. This is short hunting.

24. With the same chart, we will study long hunting at the resistance.

The wick crosses above the resistance line, most retail traders will long here, calling it a breakout.

The price is then reversed. Stopping out all the longs. This is long hunting at the resistance.



26.The same exact stop loss hunting is done at the support. Stop loss hunting for longs and shorts at the support can be seen here.

This is illustrated in the charts below.



Now that we have understood that taking long/short entries at the support and resistance can get you stopped out, let us look at the probable solution.

First solution is to look for the following

1. Breakout/Breakdown
2. RE-TEST
3. Follow through

The process of Confirmation and Retest can be used for both long and short entries

1. Confirming the Breakout
2. Confirming the breakdown
3. Confirming the support
4. Confirming the resistance

This chart explains the re-test and confirmation of support



In this chart, the support is established. Then the price comes back to be retested and the support is held and confirmed. This confirms the support line. Leading to an upwards rally.

In the same manner, a breakout from a resistance can be confirmed as shown in this chart.

The resistance is broken. The price comes back to confirms the breakout and is confirmed.

On confirmation, a high probability long entry is made.



## 2ND SOLUTION

After a break-out or a bounce from the support like, wait for the price to break another resistance above the support line or the break-out levels.

See the example below for entering a long after a bounce at support and break of resistance.



The same concepts can be applied for going short at resistance or breakdowns.

The above concepts will help all beginners from stop getting hunted by an institutional order block.

This module has covered ALL the information you need about horizontal support and resistance in great depth.

I will share trend-line support and resistance and Supply and Demand zone tutorials soon. Study it multiple times and you should be good to go.

### PART 1

#### 'HOW NOT TO LOSE YOUR MONEY'

Please retweet. It might help a trader from losing it all.

Fact - 90% of the traders lose money.

We will learn how to be in the top 10% by mastering Risk management in the next few threads. The most important but most ignored concept.

According to me, ALL of trading knowledge is futile if you don't follow Risk Management. Period  
Since 90% of the traders lose money due to lack of risk management, we don't need to further discuss its importance.

If we don't manage risk mathematically, we WILL FOR SURE lose all the capital. FOR SURE.

In this thread, we will try to understand  
'Optimum position sizing'  
The 5% Rule

NEVER risk more than 3-5% of your portfolio on a single trade.  
3% is what I prefer, 5% is an aggressive approach.

This might sound bizarre, a waste of time but let's understand it further.

3. *The total amount risked in any one market should be limited to 5% of total equity.* This 5% refers to how much the trader is willing to lose if the trade doesn't work. This is an important consideration in deciding how many contracts to trade and how far away a protective stop should be placed. A \$100,000 account, therefore, should not risk more than \$5,000 on a single trade.

Trading with only 5% of your capital doesn't mean your trade/position size is only 5% of your total capital.

What it means is that you're RISKING 5% of your equity in a single trade.  
Whatever happens, you will not lose more than 5% of your equity on a single trade.  
Trade Size will be determined by the LEVERAGE on that 5% equity.

This is illustrated in the note below.

Notice how 5% equity at risk of \$100,000 becomes a position size of \$100,000 by risking just \$5000

Caution: This is just an illustration, we will learn to use leverage later.

$$\text{Total Equity} = \$100,000$$

$$\text{Capital at risk} = 5\% \text{ of } \$100,000 = \$5000$$

$$\text{Trading Size} = \text{Leverage} \times \text{Capital at risk}$$

\* let's assume leverage = 20

$$= \$5000 \times 20 = \$100,000$$

\* leverage should be chosen based on the needed stop loss point.

Leverage usage is a function dependent on the Stop loss determined based on TA.

I use only technical analysis to determine the stop loss and the leverage multiple shall be determined by it.

We will learn the application of leverage in the "Stop Loss" thread.

But Why risk so little capital?

Per math, even if you have a very high strike rate (ratio of winning trades) eg 70%, there will come a time when you will have 6 consecutive losing trades.

High equity risk trades are historically proven to deplete all capital as explained below.

The chart below shows the consecutive losses a trader will DEFINETELY face over a period of time with the given hit rate.

Now imagine if someone with a respectable hit rate of 70% risked 40% of his capital

1000		
Hit Rate	Max. Likely losing streak	Max. Likely winning streak
10%	66	3
20%	31	4
30%	19	6
40%	14	8
50%	10	10
60%	8	14
70%	6	19
80%	4	31
90%	3	66

in each of the 6 losing trades. REKT.

It might come as a surprise that the most successful and long term traders have a strike rate of around 40%.

The best traders that I know personally and even myself don't have that high of a hit rate.

Then how does such low strike rate lead to profits in the long run?.....

## REWARD TO RISK RATIOS

40%.

The best futures traders make money on only 40% of their trades. That's right. Most trades wind up being losers. How then do traders make money if they're wrong most of the time? Because futures contracts require so little margin, even a slight move in the wrong direction results in forced liquidation. Therefore, it may be necessary for a trader to probe a market several times before catching the move he or she is looking for.

This brings us to the question of reward-to-risk ratios. Because most trades are losers, the only way to come but ahead is to ensure that the dollar amount of the winning trades is greater

The profitability is gained from obtaining a good R:R (Risk to reward) ratio over a period of time.

R:R, Stop Loss placements and the use of leverage will be explained in the next threads.



### 101.

- Don't risk more than 3-5% equity on a single trade.
- Position size matters, not leverage.
- Your position size can be as big as needed while risking only 5% of your equity.
- Leverage needs to be determined keeping the stop loss in mind.

DON'T RISK MORE THAN 5% ON ONE TRADE.

This concludes part 1 of Risk management,  
"Optimum Position sizing"

It might be boring but is THE MOST IMPORTANT part of trading.

Read it several times.

Next part of Risk Management to release soon.

Please share the thread to help a fellow trader.

Love,  
EmperorBTC

## RISK MANAGEMENT PART 2

### PART 2

#### 'ENTERING THE TRADE'

Entering a trade without ascertaining a certain thing is gambling.

In this masterclass we will learn the pre-requisites to enter a trade.

DON'T ENTER A TRADE WITHOUT DETERMINING THE FOLLOWING.

Please share.

We understand what reward to risk (popularly called risk to reward) is.

It will be denoted by R:R.

We will also try to bust a few myths about R:R and how to avoid losing trades.

**Before entering a trade, you need to determine 3 things.**

- 1. ENTRY TRIGGER**
- 2. STOP LOSS**
- 3. TARGET**

**1. ENTRY TRIGGER** = Reasons for entering a trade. There could be multiple reasons or a single reason for entry.

Generally, a set of reasons AKA confluence is a higher probability trade and a generally a safer entry.

Example of an entry trigger.



## 2. STOP LOSS.

The price in the opposite direction of the trade where the trade is exited, at a loss.

At this level, the reason for the entry becomes invalidated according to TA and the price can then move in the opposite direction, probabilistically.



3. Target is the possible price level that the asset might touch based on previous trends or confluence AND where a possible reversal could occur.

Target is the next path of least resistance from where the price might reverse.

We will always ONLY use TA to determine all 3.



A combination of the three coming together forms R:R.

We will try to understand what really R:R in this thread.

R:R simply is the ratio of the distance between entry and target, and entry and the stop loss.

Here is an example of the R:R ratio:

BITSTAMP:BTCUSD, 1D 18855.26 ▲ +83.83 (+0.45%) O:15975.49 H:16894.93 L:15875.50 C:16724.62



R:R is generally denoted in ratio form such as 2:1 or 3:1.

If the target is 10% above the entry and the stop loss is 5% below the entry, the RR is 2:1

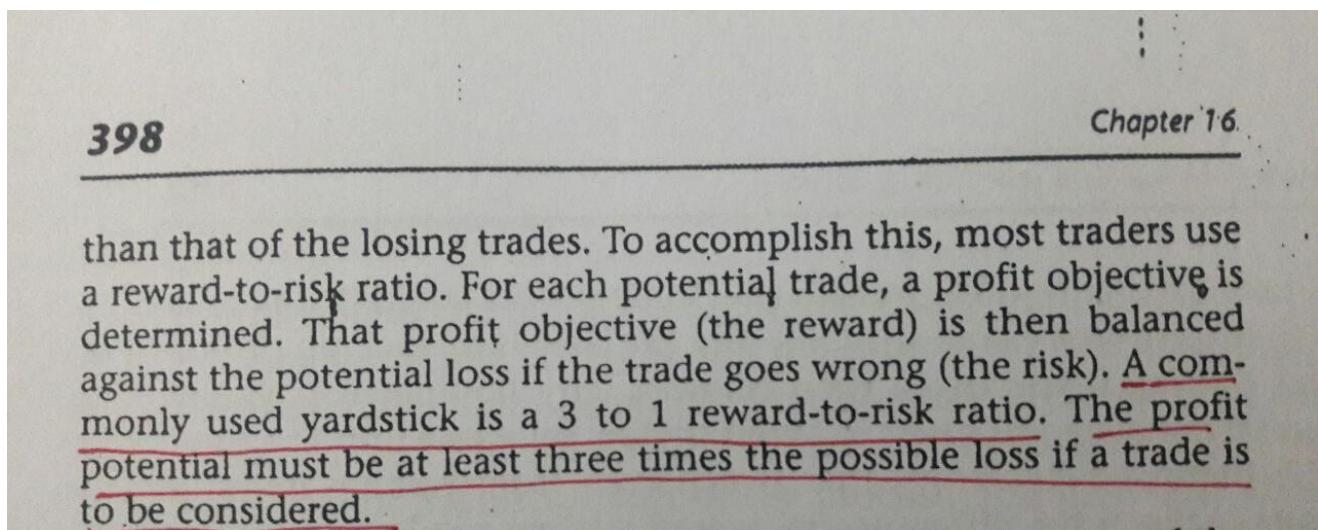
YOU SHOULD NOT BE ENTERING A TRADE UNLESS THE R:R IS KNOWN.

**MYTH:**

A fixed minimum R:R is necessary for taking a trade.

Even Murphy in his book has advocated for the same but in my opinion, it is a wrong benchmark to have.

Sticking to a fixed RR can prevent us from entering a high probability trade at times, eg at confluences.



So what is the right way to use R:R and how do traders with low Win rate turn out to be profitable?

Profitability depends on 2 factors. R:R and win rate.

Study the chart below:

<u>Your historical winrate</u>	<u>Minimum reward:risk ratio</u>
25%	3 : 1
33%	2 : 1
40%	1.5 : 1
50%	1 : 1
60%	0.7 : 1
75%	0.3 : 1

The above chart describes how much R:R is needed for a certain level of win rate.

Eg. If your win rate is 50%, you will be at breakeven at a R:R ratio of 1.

The formula to calculate the same is as below.

$$\text{Break-even win rate} = \frac{1}{\text{Sum of R:R ratio}}$$

eg R:R of 2:1

$$= \frac{1}{2+1} = 33\%$$

Hence a win rate of 33% is needed for a break-even trade at R:R 2:1

The above might seem confusing but the crux of the matter is,

- Test your strategy
- Find your win rate
- Use only the R:R setups which suits your win rate.

Eg. Always choose a trade with R:R greater than 2 if win rate is around 33%

#### **CONCLUSION.**

1. Find your win rate. Choose trades with R:R which suits your win rate.
2. Base the above only on TA.
3. Never enter a trade without knowing the target and SL.
4. Don't get stuck with a fixed R:R.

The completes the Risk to reward tutorial.

It is a must use to tool to avoid trades that don't suit our win rate. This gives a HUGE trading edge as most of the lower win probability trades can be avoided.

We will learn stop loss placement next.

Please share if this was useful.

## STOP LOSS

### MASTERCLASS ON STOP LOSS

99% of the traders fail because they don't understand Stop Loss.

Stop Loss is the most important topic to prevent liquidation and avoiding bankruptcy.

This is all you need to master stop loss.

**There are only 2 tools in trading which will prevent you from blowing up your account:**

**1. Risk Management**

**2. Stop Loss**

If you don't follow the rules of the above, YOU WILL FAIL. Period.

In this thread, we will master Stop-Loss, in detail.



## Different Charts = Different SL

A common fallacy amongst traders is that Stop Loss has to be a certain fixed percent of loss. Eg. Fixing Stop Loss at 5%. This is a very bad idea.

Stop loss should be based on TA alone.

Every setup is different and a fixed SL won't work.

Stop loss = Invalidation level.

Entry is made ONLY as per TA on a valid reason for a directional move. Once the reason for the entry has been lost, the trade must be exited.

The event at which the reason for entry ceases to exist is the invalidation level.

### Entry example:



Invalidation Point reached? GET OUT!

Stop Loss is a tool to be ABSOLUTELY used as soon as the setup reaches an invalidation point.

Always establish the invalidation point before entering a trade.

As soon as the invalidation event turns true, EXIT without a second thought.

Once the reason for the entry has been lost, exit the trade as the premise for the entry no longer exists.

If the entry was made because of a support being confirmed, but if the support gets broken, the reason for the entry no longer exists and hence, a stop loss must be entered



Let us understand placing the stop Loss with the help of few examples.

I will only be using simple Support/Resistance reasons for entry to keep it simple.

### 1. Placing SL during consolidation Break-out.

Note- I Place it a little below the invalidation level to prevent stop hunts.



2. Placing stop loss with
- Supply Demand Zone recognition
  - Break-out
  - Re-test Confirmation
  - Supply Zone Flip
  - Break-out confirmation



3. Let's try to understand a bit advanced stop loss using

- OBV
- Volume.

Price goes up, volume doesn't.

Price goes down, volume goes up.

THIS IS BEARISH.

Price goes up, OBV doesn't.

Support is broken.

Bullish invalidation = SL Entered.

Note - This is how 2017 top was confirmed



Stop Loss is a very controversial topic as some traders don't like to place a SL order as it could lead to stop loss hunting.

Some traders swear by a strict stop loss order being placed as soon as an entry is placed.

The solution to this dilemma is discussed below.

1. Place the SL BELOW the invalidation point to avoid SL hunting by wicks.
2. Exit the trade on invalidation with using SL manually AFTER the invalidation is confirmed to avoid stop loss hunting.

I personally exit manually after invalidation is confirmed to prevent SL hunting.



We will learn more about Stop hunting in the next thread.

## CONCLUSION.

1. Stop loss cannot be a fixed percentage as all trade setups are different.
2. Stop Loss is nothing but an exit at an invalidation level.
- Reason for entry no longer valid = Stop Loss.
3. Use ONLY TA to find stop loss. Stop Loss = Invalidation level.
4. Always have the Stop Loss determined before entering a trade.
5. You don't have to post the SL order, you can exit manually on invalidation to avoid false wicks aka Stop hunting.

P.S. Don't be in a rush to move your SL to break-even. This leads to your market participation without any benefit. We will learn about this concept Part 2 of Trading Bitcoin MasterClass.

Read the thread again, Practise it with Support/ Resistance and place SL at Invalidation.

Every setup needs its unique SL. Read the charts, adapt to different setups. Practice, Practice, Practice.

Hope this helps. Share if you found it useful to help other traders.

## VOLUME PART 1

### MASTERCLASS ON VOLUME FOR TRADING BITCOIN.

This is 1st module to the most comprehensive real-world guide to Volume Analysis.

Volume is a simple yet most powerful tool.

This is everything that you need to master it.

Please re-tweet so many more can see it and benefit.



Price and volume are the only 2 parameters you need to trade successfully.

ALL indicators and tools in existence are derived from the above.

We will complete the Volume study in 12 modules.

**In this thread, we will cover the 1st module, consisting of the following topics:**

1. Meaning
2. Volume Average
3. What is High/Low volume
4. Why is volume important-Smart money
5. Volume trends and reversals.
6. Entry at Support/Resistance
7. Conclusion

#### **WHAT IS VOLUME?**

It refers to the amount of asset traded over a fixed time. Purchase and sale of 1 unit is regarded as volume of 1 unit and not 2.

Eg. If the volume of on Binance for BTC is 403 million USD, it means there's been a purchase and sale of 403 million USD worth of BTC

Bitcoin Market Pairs						
Rank	Source	Pair	Price	Volume (24h)	Confidence	Volume (%)
1	Binance	BTC/USDT	\$9,497.59	\$403,761,673	High 100	1.90%
2	OKEx	BTC/USDT	\$9,498.01	\$508,645,813	High 100	2.39%
3	Huobi Global	BTC/USDT	\$9,499.66	\$250,257,947	High 100	1.17%
4	HitBTC	BTC/USDT	\$9,501.40	\$235,752,809	High 100	1.11%
5	Coinbase Pro	BTC/USD	\$9,515.04	\$74,128,727	High 100	0.35%
6	BKEX	BTC/USDT	\$9,497.95	\$199,008,291	High 89	0.93%
7	BitMax	BTC/USDT	\$9,497.81	\$150,695,351	High 100	0.71%
8	Hoo	BTC/USDT	* \$9,500.54	** \$128,855,911	High 100	0.00%
9	Binance	ETH/BTC	\$9,509.54	\$34,409,544	High 100	0.16%
10	CoinBene	BTC/USDT	\$9,499.88	\$165,776,713	High 85	0.78%

The table below explains how cumulative volume is calculated.

Trade	Time	Price	Sell Volume	Buy Volume	Cumulative Volume
1.	8:00AM	10000USD	500	500	500
2.	9:00AM	11000USD	650	650	1150
3.	10:00AM	10500USD	550	550	1700
4.	11:00AM	11000USD	400	400	2100

Many authors themselves get the concept of total volume wrong,

Eg. Below is an extract from a Forex Trading tutorial where the concept of Total volume is incorrectly explained.

Before this question can be answered, first it's important to explain exactly what volume is. Volume refers to the number of trades of a stock or other investment product over a specified period. If there were 1,600,000 buys of Google and 1,400,000 sells of Google on a given day, then the volume of trades of Google stock on that day would be 3,000,000. In other words, volume is the number of buys and sells of a stock over a given period. It therefore describes the interaction between buyers and sellers. This battle between bulls and bears is represented on a chart as a histogram and can be a great indicator as to where the market may head next.

On its own, the volume has no use.

Eg. It's of no use to know that the volume of Bitcoin in the last 24 hours was 1 billion USD. However, when combined with previous volumes and price action, it's helpful in taking a trade.

This is explained below.

What does low volume and high volume mean?

Low/high volume and low/high liquidity is a different concept.

When we talk about low/high volume, we're taking in a relative term.

A low volume refers to a volume lower than the average volume and vice versa for High volume.

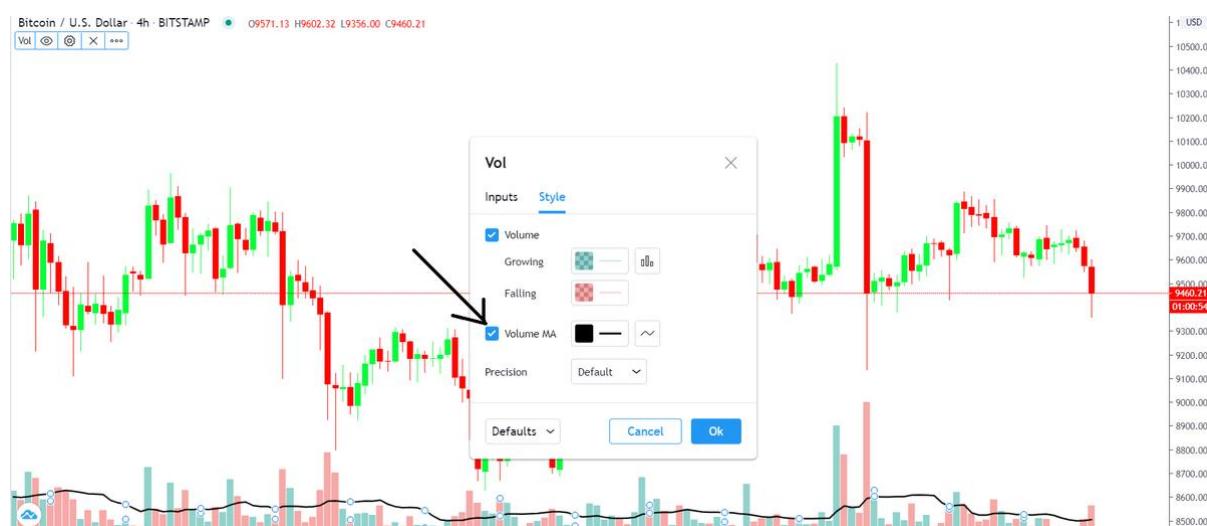
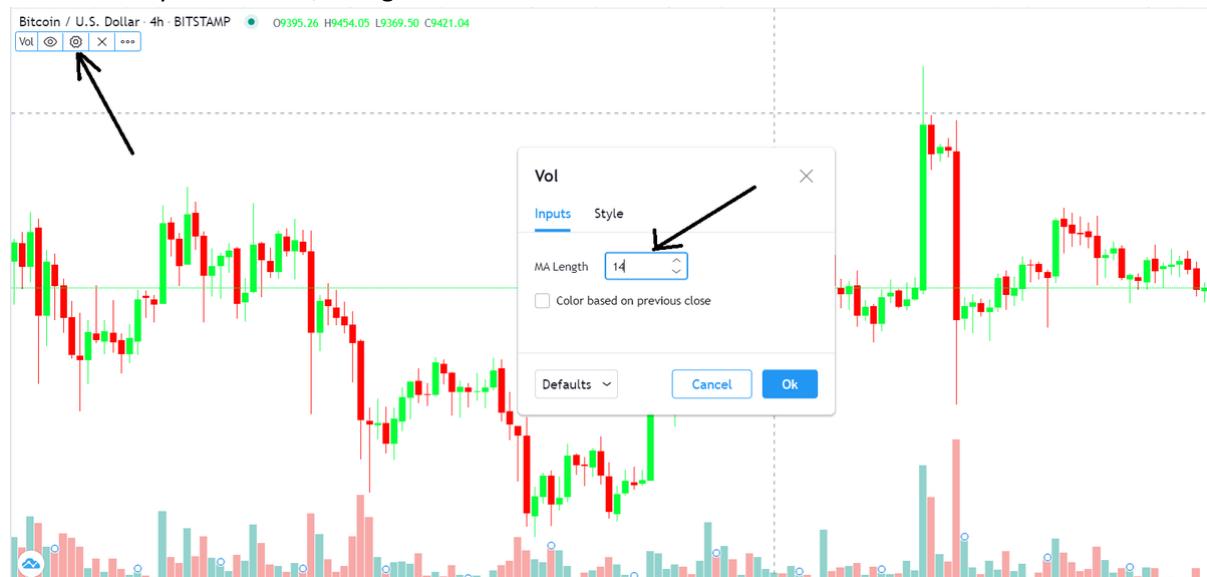


## WHAT DOES AVERAGE VOLUME MEAN?

It refers to the Moving average of the volume calculated on the basis of previous sessions. The average could be of any time period.

The default average on TV is 20MA, I use 14.

Here is how you can view/change it.



## SO WHY IS VOLUME STUDY IMPORTANT?

An increase in volume denotes an increase in interest and buying/selling by holders of big funds (Institutions) AKA smart money.

Smart money are the holders of higher capital and more information.

It's generally believed that smart money has access to better analysis and more info, hence the levels that see the higher volume is regarded as an area of interest.

Smart money moves in to buy/sell at a certain level, increasing the volume substantially.

A lower level of volume sees buys/sells only from the retail investors with little capital, showcasing a period of weak hands buying and a time of uncertainty.

Conclusion- Higher volume= Smart money with more info and funds buying, hence it's an area of interest.

### EFFECTS OF VOLUME.

The effects of Volume on price can be understood with the help of the following cheat sheet.

We will discuss all 4 situations in detail.

We will also study where we can Enter a trade and increase our positions after we have discussed all the 4 scenarios.

Price	Volume	Conclusion
		 Uptrend supported by volume. <i>Look for Long entries.</i>
		 Uptrend not supported by volume. <i>Exit Long entry upon further sign of reversal.</i>
		 Downtrend supported by volume. <i>Look for short entries.</i>
		 Downtrend not supported by volume. <i>Exit short entry upon further sign of reversal.</i>

#### 1. PRICE INCREASES WITH INCREASING VOLUME

The volume here acts as a support to the uptrend. This kind of uptrend is said to be confirmed by volume.

In the chart below, see how in an uptrend, the volume too incrementally increasing, confirming an uptrend with volume expansion.



## 2. PRICE INCREASES WITH DECREASING VOLUME.

See the chart below, following a down-trend, there is a slight uptrend. Many traders would assume this to be a reversal. However, this is accompanied by decreasing volume.

This proves it to be just a correction and not reversal.



Hence, increase in price with a decrease in volume points towards an uptrend not supported by volume. It isn't safe to long this uptrend. This kind of price volume movement denotes a correction in a down-trend rather than a reversal.

### 3. PRICE DECREASES WITH INCREASING VOLUME.

When price decreases with increasing volume, the volume here confirms the downtrend.

The chart below denotes a short entry and an addition to position upon further break of support. This is a multi-confirmation entry.



When the sudden increase in volume leads to a downtrend AND the support zone is broken, this leads to a High volume as well as High momentum entry.

High momentum short= Previous Support broken.

Also see how the position is increased upon breaking of a further support.

### 4. PRICE DECREASES WITH DECREASING VOLUME.

This decrease in price is not confirmed by volume and hence can be regarded as a correction in uptrend and not confirmation.

Notice how the volume decreases upon down-trend and hence this isn't a reversal for a short entry.



The bull market of 2017 saw an ATH of 19700.  
 However the ATH was not accompanied with equally high volume.  
 Notice how the volume at ATH is lower than the average volume.  
 The Volume at ATH is equal to what it was at 18000 levels.

It was a warning for MANY for the upcoming dump.



Trade entries at Support.

A support is confirmed with a volume expansion.

A long entry can be taken here which is generally a high probability trade.

To be more sure, you can enter upon break-out from a local swing high as in this case.



Long entry at Resistance is showcased below.

Notice how there is a sudden volume expansion at the resistance, which the volume rising substantially above the average volume.

Here we enter after volume expansion AND re-test for a High probability trade.



The short entries can be entered in the similar fashion, it has also been illustrated in case no. 3

Hence, increase in volume confirms the trend direction of the trend. It is important to relate the volume to the average volume.

End of module 1.

Most of my successful trades were based only on volume analysis.

There will be total 12 modules.

We will discuss Volume divergences, OBV, Pattern volume break-outs, Volume Profile, Market profile in the upcoming modules.

All the best. Study it many times

## BULLISH DIVERGENCE

### MASTERCLASS ON DIVERGENCE

#### PART 1

Get ready to master the most profitable tool in trading for predicting the tops and the bottoms.

A bit complicated, but if you read this thread, you will master it completely for scalping and swing trades.

Share it! All new traders need it.

#### PART 1

Aim- To help traders identify divergence AND learn entry triggers.

Most traders can identify a divergence but don't know how to use it to time the entry.

We will try to master the "entry" in this thread.

All real-world trades taken because of divergences have been shown below.

When price moves in a certain direction, the momentum oscillator too should move in the same direction (and manner)

Eg. When Price makes a higher high, the momentum oscillator too should make a higher high. This is called convergence.

#### See Example below:



In a rare occurrence, the momentum oscillator and the price don't follow a similar path. This phenomenon is called Divergence.

It occurs because the average change in the lookback period (the time period of the oscillator) is in a different direction as compared to the price.

Divergences are used to find a potential reversal on the larger time frame or a swing/scalp opportunity on the lower time frame.

A minimum of 4-hour time frame is preferred.

Since they may fail (very rarely) it is better to accompany the entry with further confirmations.

Important points.

- We will cover RSI divergences. MACD and OBV will be covered after a masterclass on those indicators (coming soon)
- Prices in this thread refer to the lows.
- Only the closing value is chosen for studying divergences since the source for RSI is the closing value.

## BULLISH DIVERGENCE MARKET-STRUCTURE.

-It is formed when the downtrend price move is going to reverse.

The LOWS of the price and oscillator are not in sync.

-Useful in predicting the bottom.

To find bullish divergences, ALWAYS LOOK AT THE LOWS of the oscillator and the price.



### Tips.

- Don't look for divergences in a non-trending market.
- There must be clear new levels i.e. Higher High, Higher Lows or Lower Highs and Lower Lows formed.
- Divergences are very reliable, adding further price movement confirmations leads to a more profitable setup.

## 1. STRONG BULLISH DIVERGENCE.

The price makes a lower low but the oscillator makes a higher low.

This means, although the price is decreasing, the overall average rate of change in the chosen period is increasing.

i.e. the sellers are not selling at the same momentum..



Entry using the same chart above.

The concept of-

- .Supply absorption candle
- .Momentum confirmation
- .Supply zone re-test
- .Adding position on re-test confirmation

is illustrated in this trade.

All these have been used in sync with Divergence for a high probability entry



## 2. MEDIUM BULLISH DIVERGENCE

-The price makes a double bottom (same level as earlier low) and the oscillator makes a higher low.

This means that at the same price levels, the momentum is increasing.

Illustration with a trade example presented below.



### 3. WEAK BULLISH DIVERGENCE

-The price makes a lower low but the oscillator has the same low levels (double bottom). This means, even though the price is decreasing, the momentum is intact.

Illustration of weak divergence presented below.



Trade using the same setup.

This was one of the most beautiful trades I have ever taken.

Pure price movement.

### Explained in the chart:

- Confirmation of bullish divergence
- Bullish candle confirmation entry
- Channel Break-out
- Capital addition upon retest

### Exit upon S/R Break



Here is another trade that was taken based on a weak bullish divergence with candlestick confirmations.

1. Divergence confirmed.
2. Supply absorbing candle appears.
3. Doji in a down-trend.
4. Bullish kicker, entry made above candle in point 2.



#### 4. HIDDEN BULLISH DIVERGENCE. (I don't trade it)

-In a weird manner, the price increases, the momentum oscillator value decreases.  
This signifies that even at a reducing momentum, there is enough buying interest to push the price up.

Explained with a trade setup below.



This completes the Part-1 of divergence masterclass.

Remember, for bullish divergence, ONLY LOOK AT THE LOWS.

Read it several times. It will change your trading game.

Will release Part 2 soon (Bearish divergences)

Please share it to help a fellow trader.

Love,  
EmperorBTC

## BEARISH DIVERGENCE

### MASTERCLASS ON DIVERGENCE

#### PART 2

This is the final part of the Divergence masterclass. We will cover bearish scenarios and shorting. Let's Go!

Note- 1. We only look at the value of the Body of the candle and not the wicks. 2. Bearish Divergence only looks at the Highs. Remember, Bearish divergence is used to find the tops, so look at the Highs only.

**1. STRONG BEARISH DIVERGENCE.** The price makes a Higher High but the oscillator makes a Lower High. This means that even though the price is moving higher, the average momentum of the look-back period is decreasing. This is a potential top signal.



Trade. Here is the shame chart explaining the short entry using 1. Short confirmation 2. S/R Break 3. EMA 200 Support 4. Exit on Support Break Take the time to study it.



Here is another set-up I used which luckily caught the exact top, giving a 19% short movement. Notice the volume expansion.



**2. MEDIUM BEARISH DIVERGENCE.** Here the price makes a double top but the oscillator makes a Lower High. This means that at the same price level, the momentum has decreased. This is one of my personal favorite setups.



Trade Setup- Using the same chart, a bearish entry is explained when the support line breaks. Notice the use of- 1.Bearish Engulfing 2.Retracement 3.Volume



**3. WEAK BEARISH DIVERGENCE** The price makes a higher high but the oscillator makes a double top. This means that the average momentum isn't ready to go up even as the price goes up. Simple confirmation break-down setup explained below.



**4. HIDDEN BEARISH DIVERGENCE.** The price makes a Lower High but the Oscillator makes a Higher High. This means that the price is going down even after there's an increase in the average momentum in the lookback period.



**Trade setup.** This setup, although did not catch the absolute top, but provided a high-profit short entry. Notice how the accumulation zone break is used as a short trigger.



This completes the last part of the divergence masterclass for RSI. We will cover MACD and OBV in near future threads. This is a very powerful and profitable concept. READ SEVERAL TIMES. MASTER IT. All the Best.

## OPEN INTEREST

### MASTERCLASS ON OPEN INTEREST

OI is the most important tool for Leverage Trading.

It's the best tool to judge

- Long/Short sentiment.
- True volume strength.
- Market Structure.
- True Liquidity.
- Shift in trend

Please share it. Every trader needs it.

THIS IS ALL YOU NEED.

Open interest is the metric that tells you the number of open derivatives contracts (Futures or options).

Each contract has 2 sides. Buyer and the seller or longs and shorts.

The number of open(active) trade contracts is called Open Interest.

## FUTURES OPEN INTEREST

*Open interest is the total number of outstanding futures contracts that are held by market participants at the end of the day.* Open interest is the number of outstanding contracts held by the longs or the shorts, not the total of both. Remember, because we're dealing with futures contracts, *for every long there must also be a short.* Therefore, we only have to know the totals on one side. Open interest is marked on the chart with a solid line along the bottom, usually just above the volume but below the price. (See Figure 3.8.)

People often confuse volume and OI. While they are related, they aren't the same.

Volume talks about the number of contracts traded during a day. Buy + Sell = 1 Contract Volume.

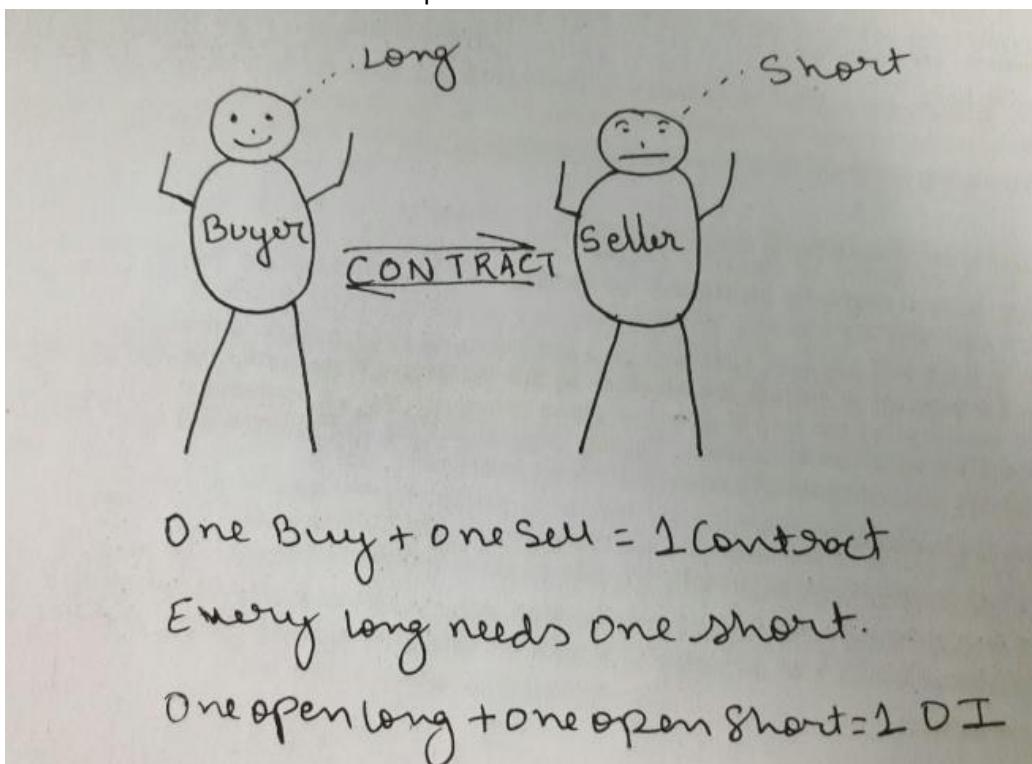
Open Interest is explained below.

OI talks about Open contracts i.e. Open positions.

Each contract has 2 sides. A buying (Long) and a selling (Short) side.

Hence in one trade, a buyer goes long and the seller goes short. This forms one contract and not two.

This one contract is denoted as 1 Open Interest.



OI Calculation.

It's not difficult and you can understand it very easily, with some patience.

3 Traders A B C are in the market.

A and B think the price will go up and enter a long of 5 contracts each.

C thinks the price will go down and enter a short of 10 contracts.

Day 1			
Trader	Long	Short	Contracts Open
Alpha		5	5 Long
Bravo		5	5 Long
Charlie			10 10 short
<b>Open Interest</b>			<b>10 Contracts</b>

In the above case, A and B have entered 10 longs together and C has entered 10 shorts.

The total contracts open in the market are 10 and hence the Open Interest is 10.

On Day 2

A decides to add 2 longs.

B decides to close 2 longs.

C does nothing.

The total open contracts remain the same.

Conclusion - OI doesn't change when contacts are transferred.

It changes only when newer contracts are created amongst the participants or by new players.

Day 2			
Trader	Long	Short	Contracts Open
Alpha	5+2=7		7 Longs
Bravo	5-2=3		3 Longs
Charlie			10 10 shorts
<b>Open Interest</b>			<b>10 Contracts</b>

Day 3

D, a new trader enters the market with 10 short Entries.

A increases his long entry by 10.

Total open contracts =20

Conclusion- New open interest is created when new contracts are created, either through new traders or through new market participants.

Day 3			
Trader	Long	Short	Contracts Open
Alpha	7+10 =17		17 Longs
Bravo		3	3 Longs
Charlie			10 10 Shorts
Delta			10 10 Shorts
<b>Open Interest</b>			<b>20 Contracts</b>

### Key takeaways from the calculation:

1. OI means open contracts/positions.
2. There has to be a long for every short, hence derivatives trading is often called a zero-sum game.
3. OI will increase only when new contracts are created in the market.

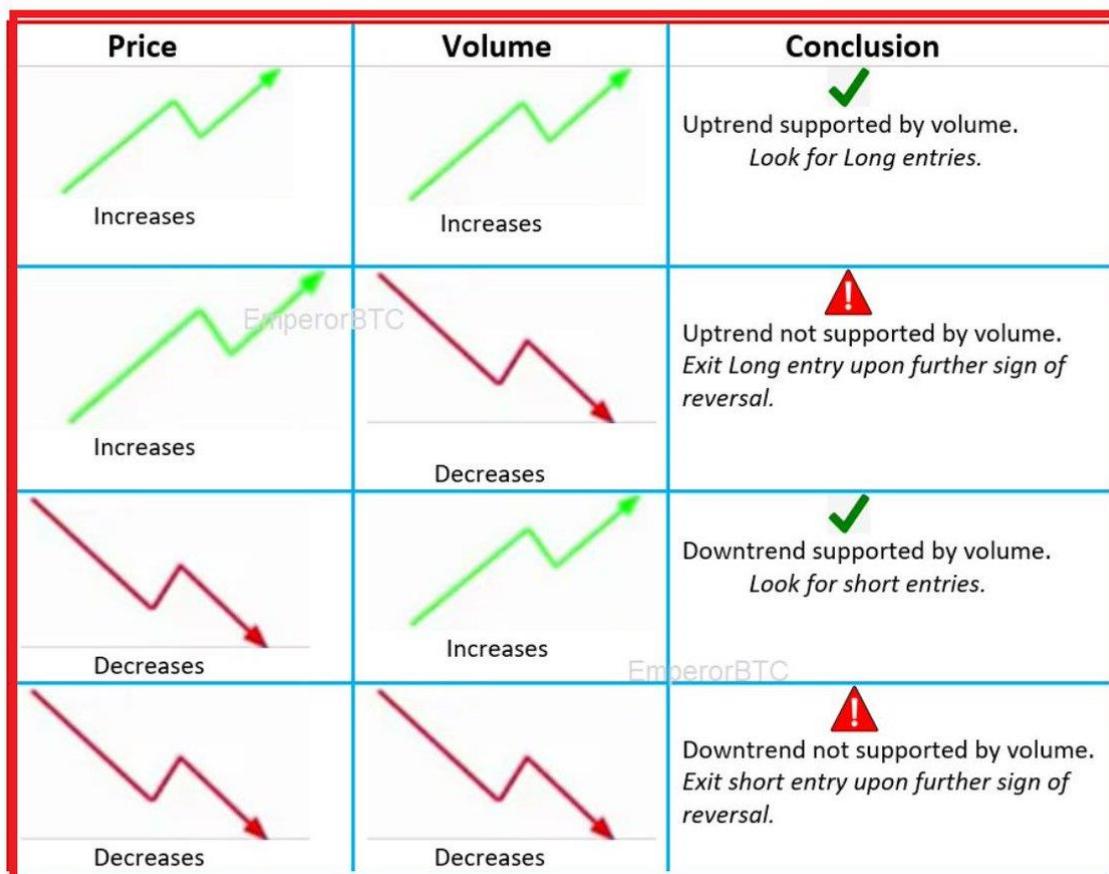
Like volume (explained in the chart below), OI has no use on its own.  
It's just data.

However, when studied along with price, it becomes one of the most important tools for leverage trading, ever.

I always use OI data for swing trading.

Explained Below.

## Price Volume Relationship



Open Interest, like price, is continuous data. The new contracts opened are added to the existing OI and that becomes the new OI value.

Volume, on the other hand, is calculated per day and is not continuous.



Let us now understand the 4 different scenarios in open interest and how to use them:

1. LONG BUILD-UP
2. LONG COVERING (UNWINDING)
3. SHORT BUILD-UP
4. SHORT COVERING (UNWINDING)

### 1. LONG BUILD-UP.

Price goes up  
OI goes up

A scenario where the price of the asset and the OI increases simultaneously is called a long Build up.

Here the market participants are entering into new contracts and the long sentiment is stronger, pushing the prices higher.



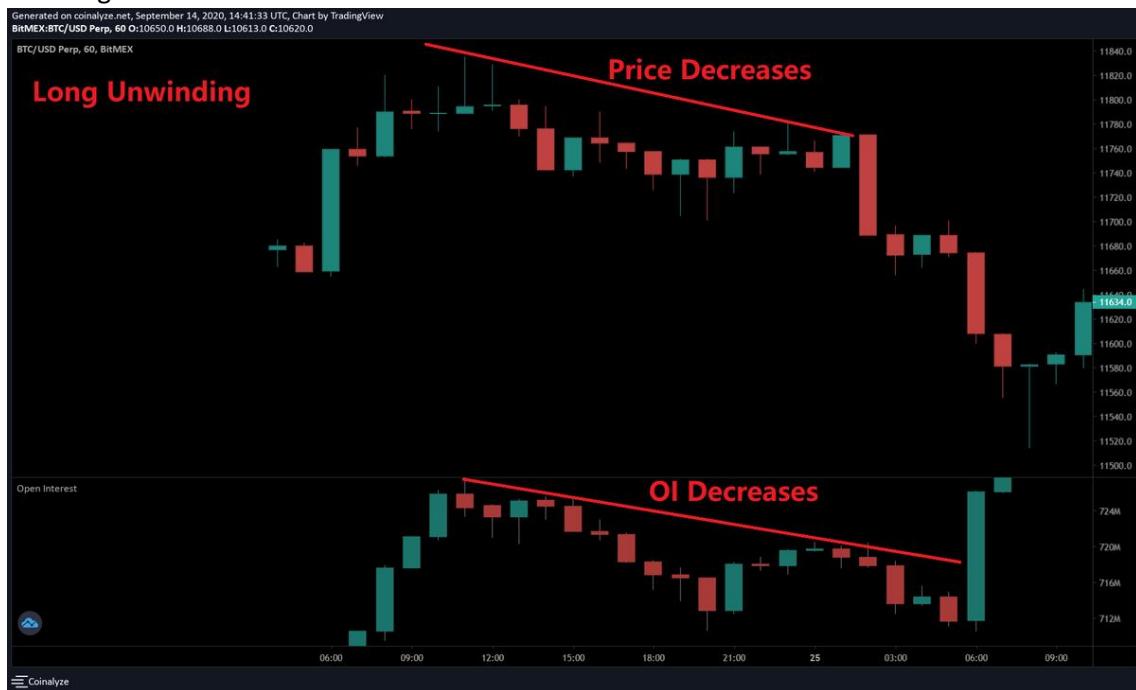
## 2. LONG COVERING/UNWINDING.

Price Down

OI Decrease

In this scenario the OI and the price both decrease.

This happens because Long previously entered are taking profits i.e. Contracts are being closed, reducing the OI.



This is also a declaration of larger traders covering (closing) their longs since they feel the target has been reached or the trend has reversed.

This mostly occurs after the price has seen a substantial rise (See the chart above) and is looking for a retracement or a Reversal.

### 3. SHORT BUILD-UP

Price down

OI Up

In this scenario the price goes down with the OI increasing.

The sentiment to open up a short trade is stronger.

New contracts are being formed and hence the OI is increasing.

Short entry scenario explained.



#### 4. SHORT COVERING (UNWINDING)

Price up

OI Down

Here the price increases with the OI decreasing.

This means that the people who had entered into a short position are closing their entries.

This generally occurs after the price has made a substantial correction.



The Open interest data when studied with Price movement, becomes a very strong indicator to be used with Price Action Trading.

Below we will understand two setups for different scenarios, Long and a Short entry.

Please take the time to study them in detail.

Short Build-up Explained in 1 chart.

1. Short Build up.
2. Support break.
3. Retest of support invalidation.
4. Short entry with OI confirmation.
5. Position addition.
6. Exit with Supply absorbing candle.



Long Build-up Explained in 1 chart.

1. Long Build
2. Resistance break
3. Volume Expansion
4. OI Confirmation

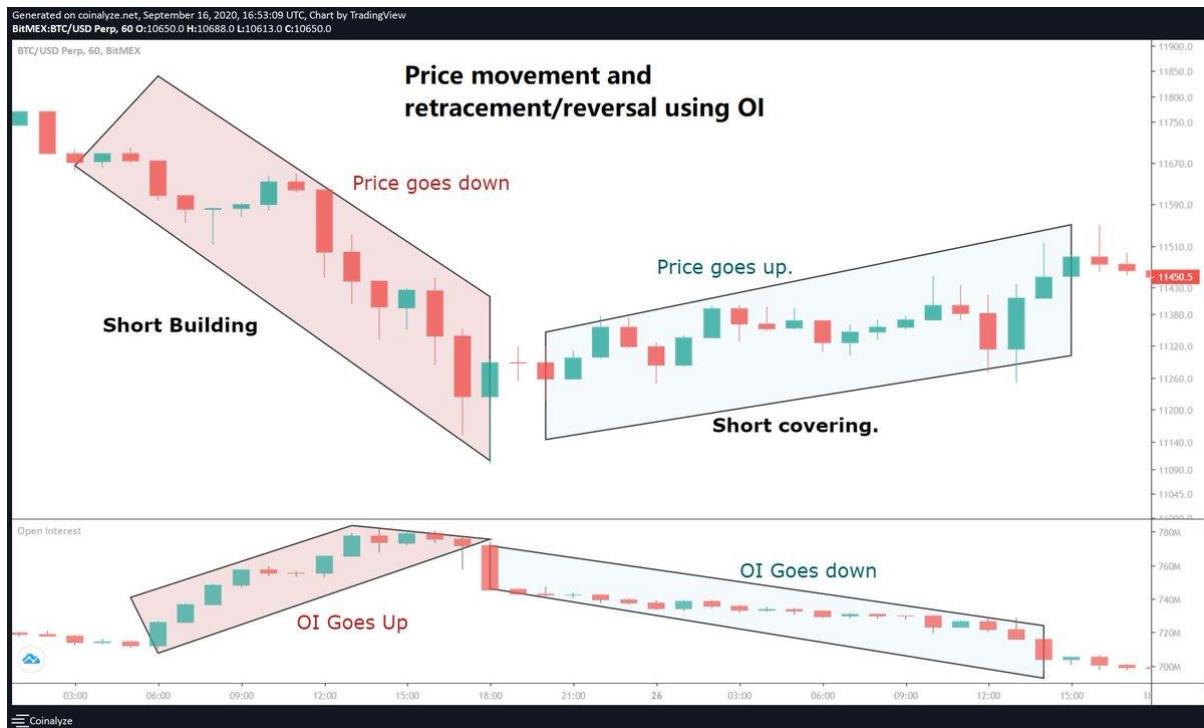
Study this in detail, how OI confirms a long using OI.



Let's look at price movement and how it's indicated by OI.

Here we see a clear Short buildup, where price Decreases while OI increases.

When the target for a short entry is achieved, the bigger players exit their contracts, leading to a reduction in OI and relief bounce.



Avoiding false reversals.

Reversal points are used to enter a swing trade.

However, many traders get trapped in a FALSE reversal.

Here is an example to voice a false reversal using OI.



Open interest is the most important day trading tool.

Many traders don't understand it enough.

This thread is all you need.

Read it multiple times, practice it on live charts.

Share and leave a like if this was helpful.

Will continue to make more detailed threads.

EmperorBTC

## HEAD AND SHOULDERS

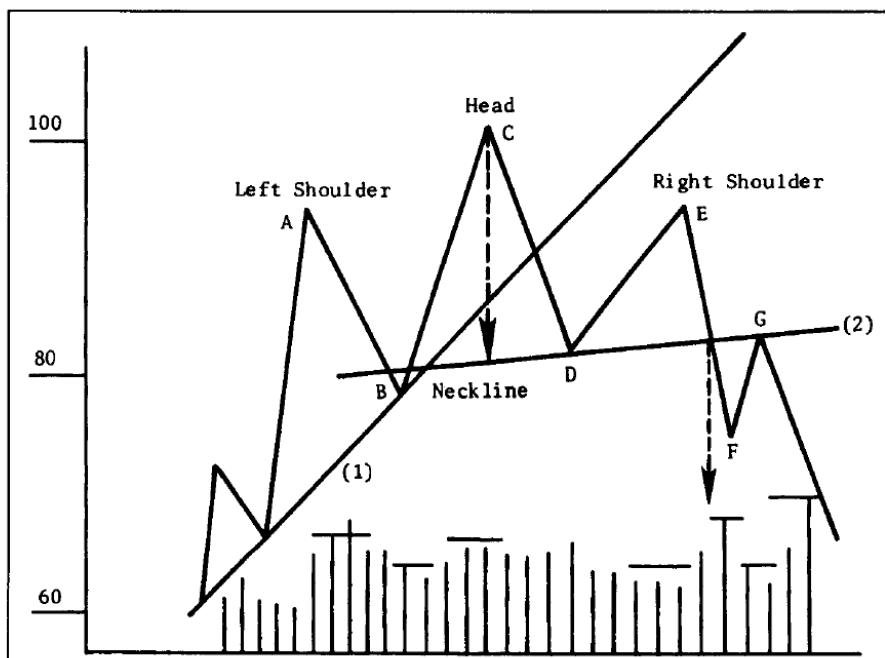
### MASTERCLASS ON HEAD & SHOULDERS PATTERN FOR TRADING BITCOIN

Comprehensive guide to head and shoulders pattern. Made exhaustive enough for Trading purposes. It's a frequently occurring, misunderstood and arguably the most useful pattern. RT would be appreciated.

H&S is probably the first pattern a trader hears of. Here is what we will cover.

#### CONTENT:

1. Nature
2. Identification
3. Occurrence
4. Historical performance
5. Finding entries
6. High probability trades
7. Stop losses
8. Miscellaneous
9. Conclusion



## 1. NATURE

The head and shoulders top is a reversal, bearish pattern, signifying a prospective drop in future prices. The formation of pattern with a breakdown from its neckline(base) starts a probable bearish move.



## 2. IDENTIFICATION

A prospective H&S pattern should have 3 distinct peaks. The middle peak is the head. This is the highest point of this pattern, sitting in between 2 shorter peaks, i.e. the shoulders. There must be an overlap in prices of these 3 distinct peaks.



The line where these prices overlap is called the neckline. A head and shoulders pattern is easily visible. So, don't force yourself into finding it. The more times the prices overlap, the stronger is the pattern.

Note - Look for symmetry in the shoulders. A high time frame, high range pattern where the Head is not higher than 2.5 times the shoulder range has higher chances of success.

Volume. The consensus is that the left shoulder should have the highest volume, the head lesser and the right shoulder the least. This isn't a rule but a general observation. It could change often.

patterns. As a general rule, the second peak (the head) should take place on lighter volume than the left shoulder. This is not a requirement, but a strong tendency and an early warning of diminishing buying pressure. The most important volume signal takes place during the third peak (the right shoulder). Volume should be noticeably lighter than on the previous two peaks. Volume should then expand on the breaking of the neckline, decline during the return move, and then expand again once the return move is over.

Note- In my experience, Low volume during Breakout could hint toward a back test soon. A high-volume breakdown might not see a retest immediately.

### 3. OCCURRENCE

The pattern generally occurs after a substantial rise in price, i.e. it occurs when a price has significantly risen and is looking for a reversal. John Murphy was of the opinion that the neckline is likely to be an upward trending.



However, it can occur in a horizontal and less likely in a downward sloping line. Here is an example of downward sloping H&S.



#### 4. HISTORICAL PERFORMANCE

H/S is probably the best performing pattern, in both bull and bear markets. Although the success rate of meeting the target calculated by range of the depth is only a little more than 50%, the rise is good enough to make ample profit.

The pattern has a low rate of failure. The patterns which fail AFTER breaking the neckline give enough upside to exit at break-even.

A break-out is generally followed by a throwback to the neckline levels in a trending market. Here we see a target being met and the price falling further before a throwback. Throw-back means the return of price to the neckline levels.



## 5. FINDING ENTRIES

The entry should be taken ONLY when the pattern is completed, not in an anticipation of a completion. Example of an anticipated pattern failure.



The entry is made once the neckline breaks to the downside. See the example below. Wait for the pattern to completely form. Wait for the breach of the neckline. Enter only if the above 2 events occur.



## 6. HIGH PROBABILITY ENTRIES AND FAILURE

The head and shoulders pattern could fail at times. Here is an example of a failed pattern. The failure generally occurs when the volume showcases an anomaly, or the market structure is looking only for a consolidation and not retracement.



To avoid the above as much as possible, a high probability entry can be entered in the following 3 manners

### 1. Waiting for a retest

### 2. High Volume break-out

### 3. High momentum Break-out Discussed below.

Retest of the Neckline. It is common for the Breakdown from the Head and shoulders pattern to go back up and test the neckline. An establishment of resistance at the neckline is a high probability entry for shorting.



Wait for the re-test in case of a low volume/ low momentum break-out. After the re-test, wait for a bounce from the neckline and then enter.

Sometimes the neckline does not get retested. In this case, if the Breakdown is accompanied by high momentum or high volume, a safe entry is available. Here is an example of High-volume break-down without a re-test, that was a safe entry.



**High Momentum Break-down** If the Break-down is such, along with breaking the neckline, a previous support is also broken, then a short entry can be taken without a re-test after the support is broken.



**Finding targets.** A common practice is to target the same number of points as is the range of the head. Many people have different opinion on measuring the range. I follow a Conservative method to measure from the neckline to the lowest point of the topmost candle.



## 7. STOP LOSSES

A method used by Peter Brandt is placing the stop loss above the high of the candle just before the Breakout. In my opinion this works well, however I'd place it a bit higher considering the volatility of Bitcoin. Illustration below



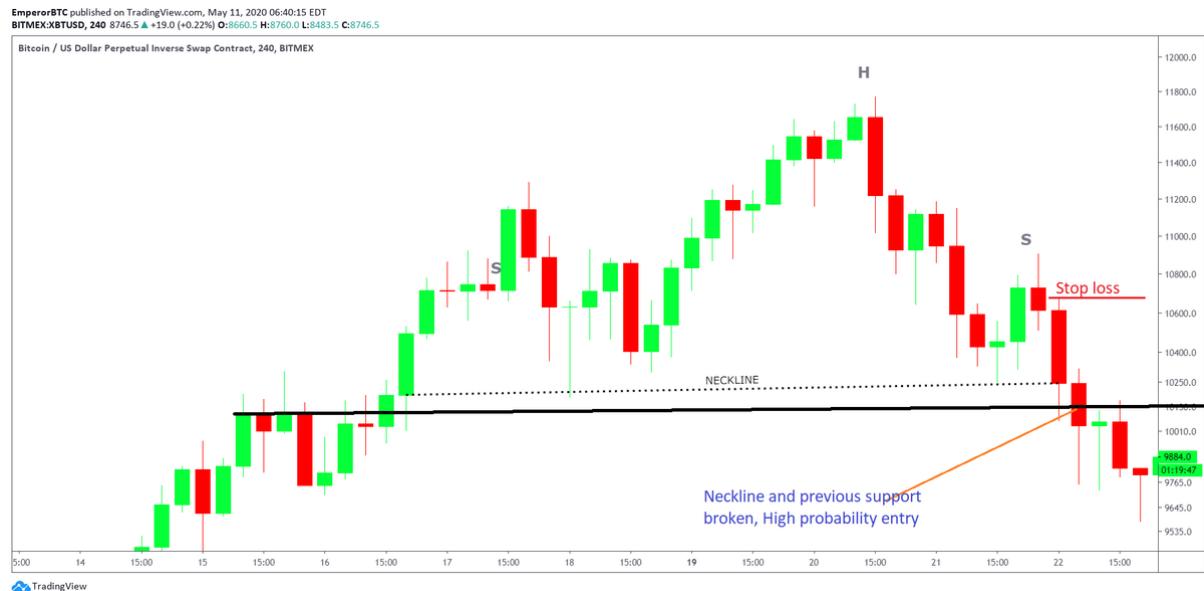
## STUDY THIS IN DEATL

Complete Market structure of H&S Price is in an uptrend. Price looks for a reversal forming head and shoulders. Neck line breaks down, followed back a retest of the Neckline. Price declines again at a range equal to the range of the head.....



Price then gets a throwback up to the neckline. The resistance at the neckline is broken. Followed by a retest of the Neckline and continuation to the upside.

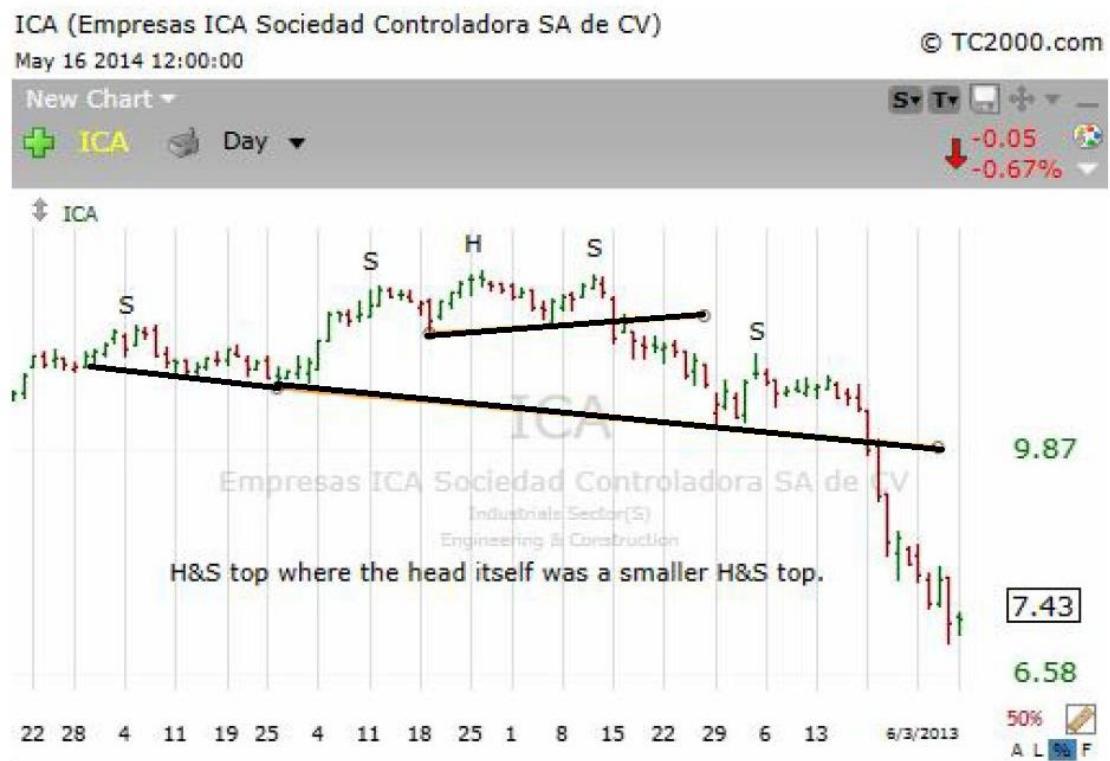
Trade Example with entry and stop loss.



Same general strategy can be followed for the 3 different high probability methods mentioned above.

## 8. MISCELLANEOUS

Sometimes the market structure see a H&S inside a H&S. The price movement for this structure is exactly the same.



We might also come across this pattern with 2 or more shoulders on either side. The effect on price remains the same.



## **9. CONCLUSION**

Head and shoulders is a powerful pattern with high probability of success. Wait for a confirmation, don't anticipate the pattern. Look closely at the volume during a breakdown. Read the above thread a few times and you will always have this pattern at your disposal.

I hope this was useful. If you don't understand a point or find it difficult, give it a go once more. Like everything else, It gets easier upon practice and repetition.

## MASTERCLASS ON PRICE ACTION TRADING.

An in-depth and detailed series on PA trading.

By the end of this series, you will master Price Action Trading.

### CHAPTER 1 - PRICE MARKET PSYCHOLOGY

Study- This thread will introduce the fundamental block of PA, Price Market Psychology.

How the market perceives the impact of news to influence the price is called Price Market Psychology.

We will be learning how Murphy, Fring, and others give importance only to price and nothing else.

According to PA, Price contains all the information needed to make a decision, and hence no other analysis is necessary.

## PHILOSOPHY OR RATIONALE

There are three premises on which the technical approach is based:

1. Market action discounts everything.
2. Prices move in trends.
3. History repeats itself.

### Market Action Discounts Everything

The statement “market action discounts everything” forms what is probably the cornerstone of technical analysis. Unless the full significance of this first premise is fully understood and accepted, nothing else that follows makes much sense. The technician believes that anything that can possibly affect the price—fundamentally, politically, psychologically, or otherwise—is actually reflected in the price of that market. It follows, therefore, that a study of price action is all that is required. While this claim may seem presumptuous, it is hard to disagree with if one takes the time to consider its true meaning.

## PRICE MARKET PSYCHOLOGY 101

1. Prices are determined by people's perception of changing fundamentals.
2. The strength of a fundamental is limited to how much impact it'll have on people's psychology about the asset price.

Explanation- The price of a freely traded asset is not determined by the news, but by the perception of the people about the impact of such news.

If the news can change the psychology of the market about an asset, only then will the price change.

4. Assets are worth what people think they are worth.

5. The psychology leads to multiple perpetual conclusions from one participant to another, and hence a trend is formed. A price trend because the psychology of a market is overall the same and changes over time in a trend.

Explanation - The value of the asset is what people think it's worth and the psychology of an asset's worth makes the trend.

This is why asset prices are not randomly scattered on a chart but in a trend.

6. An increase in earnings or market growth or technical advancements by a company/asset doesn't determine the trend of the price.

Only the perception of the market towards these changes determines the price.

More earning doesn't mean higher prices.

Explanation - It doesn't matter if the revenue or earnings of a company is increasing or their technology is advancing.

The price of an asset only depends upon the perception of the people ie. Market psychology about an asset.

## **Examples below:**

The price of McDonald's stock continued to decrease throughout the '70s.

At this time, McDonald's was booming, an increase in earnings, mass expansion of franchises.

Still, the prices decreased.

This means the market, didn't factor the revenues growth to be enough stimulus.



The Price of Amazon took 10 years to come back to where it was in 1999.

Do you think in the time period 2000-09, Amazon was less technologically advanced than in 1999?  
No.

It's just that, the market perception about Amazon in 1999 was a lot higher than in the later years.



Action, not just price.

Prices do not act as support or resistance. The structure and the path taken to reach there makes them a S/R.

For example, if a resistance is broken with low momentum and low volume, it's likely that it's not completely broken.



The longer the time period or the duration of the chart, the better performance of the chart patterns.

The reason why longer-term trends have a habit of being slightly more reliable is that they are less subject to random noise and manipulation.

The notion that the upwards movement of the price is because there are more buyers than sellers is not true. For any transaction to happen, there should be equal numbers of buyers and sellers.

The difference here is enthusiasm.

What truly happens is the enthusiasm of the buyers is more than the sellers for the price to move up.

There is more psychological enthusiasm to buy than to sell.

This completes the Price Market Psychology. I have skipped the history as its not much relevant.

This will help you understand how price is the king and that's all you need to study.

This series will be better than anything on the market. Stay tuned.

Chapter 1 complete.

## ALTCOIN BREAKOUT

### ALTCOIN BREAK-OUT

#### STUDY IN DETAIL

1. Breakout pattern
2. Accumulation
3. Breakout with volume
4. EMA bullish crossover
5. Breakout confirmed with a retest
6. Support established with EMA and Accumulation resistance.
7. Exit

I had shared a PDF about trading Altcoins on Telegram. I showed my Neo trade back in 2017-18. I will be taking the same example here to-

1. Identify a Breakout
2. Entry
3. Exit using the Bitcoin cycle. (Altcoins FOLLOW Bitcoin Price cycle. Explained earlier.)

One of the most common Breakout patterns on most Altcoins is Cup and handle. The name isn't important, it's basically a smooth bottoming with another retracement, that's smaller. This is followed by either accumulation or any other bullish pattern.



After the Cup and handle formation, a period of consolidation occurred. (Very common) We could only guess if it was a bullish consolidation or not, at that time. We will discuss below how a guess could have been made about it being an accumulation.



During accumulation, the average volume rises for the first time, on a bearish candle. However, in this instance, the movement, when studied with volume closely, isn't bearish in nature. This is explained in the chart.



This is clearly followed by the volume expansion continuing. The price rise to the resistance and volume continuing about the average volume. I've explained previously how, the more times resistance is tested, the weaker it becomes.



A clean volume Breakout with volume expansion and follow through. Accumulation confirmed.  
Study the chart below.



This is the interesting part, as for most accumulations, we see

1. Retest
2. S/R flip (previous resistance becomes support)
3. 50 EMA now acting as a support, front running the trend.



Perfect entry is made when

1. EMAs crossover had been bullish
2. Accumulation confirmed
3. Retest and S/R flip
5. 50 EMA acting as support



This was a lucky catch with a bit of skill and a lot of luck as described in the PDF. The RR here was massive. I was lucky to be in the right place and at the right time. Many people bought it at a lot lower and sold much higher.



As described, Altcoins FOLLOW BTC. The Chart of BTC perfectly matches Neo or any other alt with a delay. One could easily study the Bitcoin cycle and predict the top on Alts, as seen here. Remember, the Alt cycle follows BTC price cycle.



Study this to master pattern breakouts, confirmation, entry and potential exits. You can find all the other threads and my best trades Setups on telegram

All the best! Share it if you found it helpful, traders need it!

## EMA STRATEGY

Beginners are obsessed with complicated strategies. Simple methods work wonders in the long run. I will show you an EMA strategy to make big money without any leverage. Simple doesn't mean low profit. Share it! All beginners need it.

### TOOLS:

- **13,21 EMA on Daily**
- **200 EMA on 4 hourly**
- **Volume confirmation**

### PREMISE:

1. Bullish crossover on the daily chart for 13 and 21 EMA.
2. 200 EMA on the 4 hourly chart acting as support.
3. All breakouts confirmed by volume. (13,21 EMA sloping upwards)

On the daily chart, 13 and 21 EMAs, should form a bullish Cross over.

1. The 13 EMA should be over the 21 EMA after a contraction.
2. Both EMAs should be upward sloping.
3. The price should be above the EMAs.



On the 4 hour chart, the 200 EMA should act as a support and entry should be made upon confirmation by volume.

Here is a chart explaining a trade of 40% Profit.

1. 200 EMA Support
2. Entry on volume confirmation.
3. Addition to position upon accumulation confirmation.



The 200 EMA is powerful enough, that after the confirmations on the daily charts, high probability trades can be made without any other tools. Here is a trade with 1. Entry on support by volume confirmation. 2. Addition upon retest.



Here I've explained an entry and addition with the help of just volume expansion.



It's simple, easy to understand, it works and gives a high probability trade. I will be posting a 3 EMA strategy in future. Please share it. It Might help a confused beginner. Study it and practice!

All the best.

EmperorBTC.

## BEING PROFITABLE

How to be profitable in every market with low stress and high rewards. Trading is the most rewarding, most efficient and quickest feedback profession. It is also the most anxiety inducing, dangerous and stressful profession. to become profitable, Always.

Why do 99% of the traders fail? -Trading has no barriers or minimum qualification of entry, unlike being a doctor, engineer etc. MOST traders start without learning or reading, hence they fail. Imagine flying a 747 without training for it. Disaster will ensue, same for trading.

The true test of a trader starts in an uncertain market. As a trader, your aim is to make profit in all kinds of market, ranging, bullish, bearish. Trends last for months, as a trader, you should be able to make money by being long or Short This is what we're supposed to learn

You should be equally comfortable going Long and going short. You need a predefined, back-tested system. If you don't have this, you shouldn't even think about trading. Period. Predefined- Your system tells you when to enter. Back-tested- Tested for historical profitability.

1. Long Term Holdings- Don't hold anything that's below the 200 day moving average. This implies a fundamental flaw or a cyclic correction. At this point, no one knows where the bottom is. Don't try to be a hero. Cut your losses, take a walk and come back later.



2. Enter the Trend, Always. Find the trend on the higher time-frame eg. Weekly and then confirm it in lower time frame, Daily and Hourly and enter in the same direction. Don't try to counter trade. Remember, Find trend on higher time frame, confirm on lower and ONLY then enter

3. The reason Trader's fail is because Most are too lazy to Back-test Improve upon mistakes. Sit with live charts, draw your supports, area of interest, enter the trade and see the results. Live. Do it as much as you can. Over and over Again. Trade more. Learn more.

4. Make a trading journal. Write down why you entered, your target and the results. Write down what you learnt and what could be different. Only 10% of you will do it even after reading this. Not maintaining trading journal means you're wasting your precious time. Make one now.
5. There are no market experts. No-one for sure knows the future movements. Don't trust anyone. I've seen the best traders being wrong. Only your experience will bring you luck and profits. Experts are irrelevant, your own experience, if you learn from them, will teach you.
6. Best way to learn is to open 200 charts, mark your levels, use your current knowledge and set entries. This is learning on steroids. Let the market give you feedback. Your only aim is to not stop and follow Risk management

Do this without stopping.

#### **CONCLUSION:**

1. First learn, then trade.
2. Enter with the trend on confirmation.
3. Asset below 200DMA is funny.
4. Open too many charts and draw entries. Repeat 100X
5. Be comfortable with going long and short
6. Learn and become a trader, don't rely on luck.
7. Journalize.

You're Trading against PhDs in physics, against machines which can do millions of calculations every second, against the most secretive Algos. Learn and then fight. I've compiled all my tutorials for free here.

This is all you need.

Love, EmperorBTC

**MASTERCLASS ON TRADING METHODS**

Learn how to:

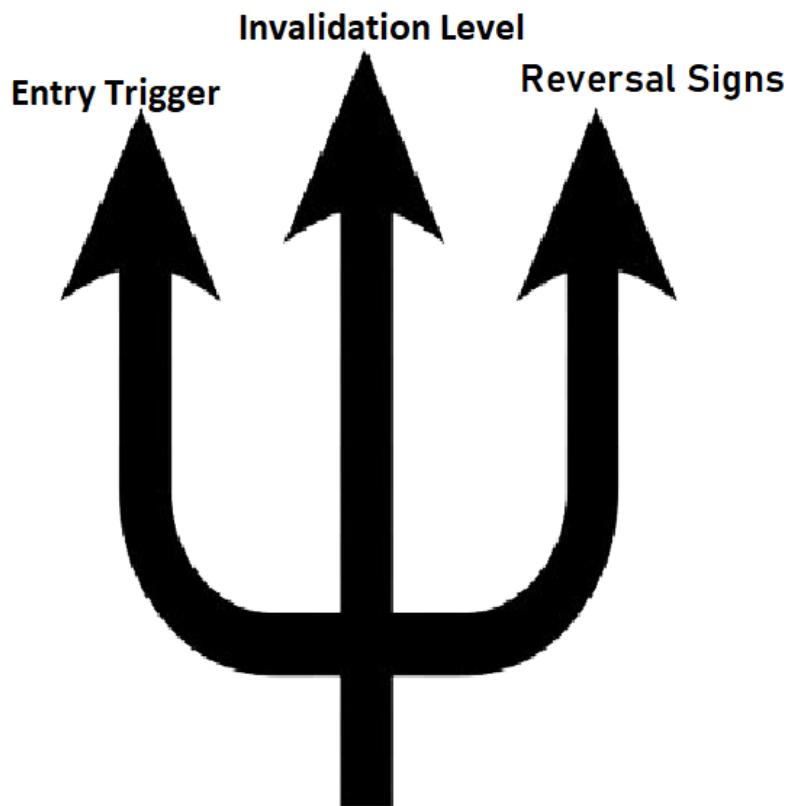
- Start trading
- Build a custom trading system
- How to be in the top 1%
- Capital Preservation

Please share if you find it useful.

The below assumptions apply only to trading and not investments. Part A-Trading Trident -Only enter when you have a clear "Trading Trident"

1. Entry Triggers as per your trading technique
2. Established invalidation levels (Stop loss)
3. Defined reversals (Profit taking)

## **THE TRADING TRIDENT**



## 1. ENTRY TRIGGERS

Few examples

- Support Confirmation
- Divergences (A bit advanced)
- Triangle break-out with Volume

Study the examples in detail. Don't worry if you don't understand them, it's been explained in detail from the basics later on.





## 2. INVALIDATION LEVELS (SL)

The level (or event) at which the reason for entry gets invalidated and the trade MUST BE EXITED IMMEDIATELY at a loss. This is called the stop loss level. Note- I personally exit (stop loss) manually to prevent fake stop outs due to volatility.



## 3. REVERSAL SIGNS

This is where ALL the beginner traders fail. Finding reversal levels to EXIT a trade in profit i.e. deciding when to exit a trade. I have covered the topic in detail earlier but here are some examples.

EmperorBTC published on TradingView.com, August 29, 2020 12:33:41 EDT  
 BATS:MCD, 1M, Cboe BZX  
 Vol



EmperorBTC published on TradingView.com, September 04, 2020  
 BITSTAMP:BTCUSD, 60 10274.71 ▲ +114.71 (+1.13%) O:10382.84 H:10388.26 L:10168.76 C:10274.71



## PART A - TRADING TRIDENT CONCLUSION

Enter a trade ONLY when you have a CLEAR 'Trading Trident' established as per your method and style of trading

### Rule of Trading Trident

1. Entry trigger
2. Invalidation level (Stop Loss)
3. Reversal Signs (Profit taking AKA Exit)

## **PART B - CAPITAL PRESERVATION.**

If you can participate in the market long enough while preserving your capital, you will generate enormous wealth just by doing it.

Capital preservation is your utmost priority

-Removes all stress

-Prevents Total Loss

Premise- Most and even the best traders are right only 45-50% of the time. IT IS A GIVEN that a trade will go wrong 50% of more times. How do we ensure profitability and survival even after being wrong so often? This is explained below.

Your aim is to survive with ease even when you're wrong. This will be done through Risk Management. Risk management will reduce all trading stress and prevent losing the capital. You want to get rich without stress. If you don't manage risk, YOU WILL GO BANKRUPT, for sure.

I've shared my Masterclass on risk management. It's common sense, not rocket science. Follow it. Every time. I personally have blown my accounts because of not following risk management. It's simple math, no risk management = Full Rekt

## **PART C - LEARNING TO TRADE**

Trading can only be learnt by doing it. You can read 100s of books on playing basketball but you won't truly learn it till you play. How to start? Learn the basics. And Practice, over and over again. The more, the better

How much should you trade? As much as you can. Trade more. More frequently and let the market give you a feedback. Participate in the market, let it give you feedback, be flexible with your opinions. Enter only when you have a Trading Trident established.

The more you play, the better you get. Be sure to enter only on a Trading trident. Be sure to follow risk management and EXIT as soon as you find any reversal or invalidation. Repeat this a million times and that's all you need.

### **CONCLUSION:**

1. Enter a trade only when you have the trading Trident in place. Entry. Stop Loss and Exit.
2. Follow the rules of Risk management to avoid any fear of losing capital. NO RISK MANAGEMENT = SURE FAILURE. GUARANTEED. Risk management = No fear.
3. Learn to trade from beginner to advanced here. This is all you need and participate in the market.
4. Trade more. Trade as often as you can. Let the market give you live feedback on your technique. The more frequently you trade, the more you learn.

I hope you found the above thread useful. Please share it if you found it useful. Remember. Trading Trident + Risk Management +More frequent trading is all you need. We will learn "High Probability Entry" setups in the next thread.

## EMA, SUPPLY, SWINGS, POSITION ADDITION

I Apologise to the people who charge \$1000 to teach this.

Explained in one chart: -

- Using EMA as Support/Resistance
  - Addition to an open position
  - Supply absorbing candle
  - Swing high occurrence
  - Volume Confirmation
  - Supply Zone

Sharing it might really help someone.

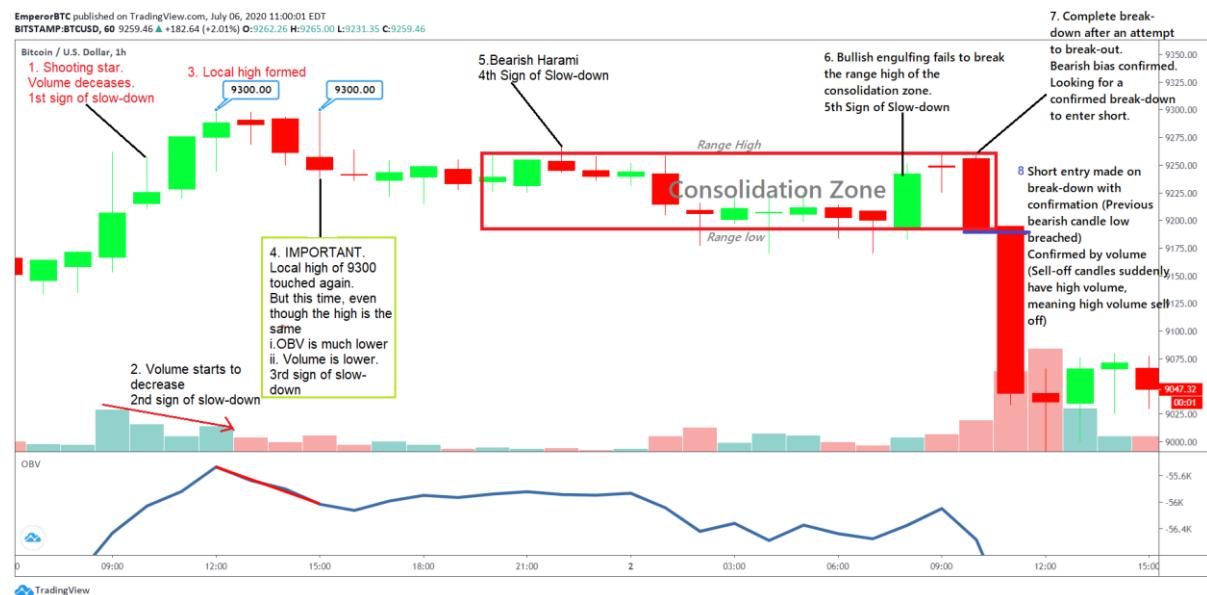


## QUICK LOOK AT INDICATOR CONFIRMATIONS

Explained in one chart- Using indicators to confirm Price movement.

Indicators are not entry signals but a statistical tool for comparison with the historical price.

Here, the lowering of OBV and Volume has been used to confirm a short entry along with Price movements.



## POSITION ADDITION ON SWINGS

Tutorial on adding more capital to an existing entry upon further confirmations:

1. Entry on Consolidation break-out.
2. Addition on Re-test.
3. Addition upon swing high break.

Let me know if this was understood. Will post more such setups.

Please RT if this was helpful.

EmperorBTC published on TradingView.com, June 03, 2020 12:29:42 EDT



## DEMAND SUPPLY TRADE SETUP

### Concept of:

1. Demand Zone
2. Supply Zone
3. Uptrend line
4. Break-out
5. Retest
6. Confirmation

### Explained in one chart

EmperorBTC published on TradingView.com, June 03, 2020 12:29:42 EDT



# IMPORTANT THREADS

## LEARN BASIC TA ON YOUR OWN

### LEARN TRADING FROM SCRATCH FOR EXTREME BEGINNERS.

Compiled by EmperorBTC

#### CHART PLOTTING METHOD - CANDLESTICKS

Technical analysis starts and ends with Candlesticks. They are the building blocks of TA. There are many forms of graphs like bars, Heikin Ashi, Renko, Point and Figure, but for me, Candlesticks has worked the best.

You can find a link to a very basic introduction to Candlesticks here.

[https://school.stockcharts.com/doku.php?id=chart\\_analysis:introduction\\_to\\_candlesticks](https://school.stockcharts.com/doku.php?id=chart_analysis:introduction_to_candlesticks)

Start with mastering Doji (there are about 8 types of Doji)

Engulfing patterns, Hammer, Marubozu, Shooting star, hanging man, tweezers.

Best book that I recommend for learning Candlesticks is encyclopedia by Thomas Bulkowski.

Don't read it in one go. Study it slowly.

#### LINES

There are 3 types of support and resistances.

1. Demand and supply zones.
2. Trend lines.
3. Horizontal lines.

**DEMAND AND SUPPLY ZONE** is the area where the liquidity is formed. Here is a tutorial on how to use

Candlesticks are a method to find demand and supply. I will be posting more tutorials on the same.

(See Chapter: Introduction To Technical Analysis)

**TREND LINES** are non-horizontal support and resistance lines. They are useful for day trading and giving powerful entries. You can find a brief introduction about them here.

<https://www.learn-stock-options-trading.com/trendlines.html>

I will be posting a detailed tutorial on trend-lines very soon.

**HORIZONTAL LINES** are one of the most important levels, on all time frames. I've already done a tutorial on them. (See Chapter: Support And Resistance)

If need be, you can refer Technical Analysis and Stock Market Profits by Richard Schabacker as reference for support and resistance

**MOVING AVERAGES.** There are 2 mostly used moving averages. Simple moving average or exponential

moving average. There are many traders who claim to have invented a secret moving average strategy. I don't think moving averages can work as a buy/Sell indicator. Rather, they help us recognize a trend.

Don't EVER make buying or selling decision based on moving averages strategy. Eg triple MA crossover strategy or 8,13,21,55 crossover strategy. They don't work in the long run.

Use them as a trend indicator and for confirmations. You can use the moving average feature on trading view and see how they work as support and resistance. There are many built in indicator like the 3SMA indicator to work around with.

**CHART PATTERNS.** The best book for studying chart pattern is the encyclopedia by Thomas Bulkowski.

However, John Murphy had also discussed it in brief in his book.

I have done a tutorial on the most common chart pattern head and shoulders here.

(See Chapter: Head And Shoulders)

You should start with studying triangles, flags, pennants, cup and handles, Adam and eve and master them.

Few tools to add to your support and resistance arsenal are Fibonacci retracements, channels and consolidation zones. Use these to find support and resistance and not as an independent tool themselves.

You can enhance your support and resistance zones using Ichimoku clouds. A bit convoluted for beginners but is a good tool. I will be providing my Bitcoin settings for Ichimoku in future.

The above topics are more than enough to get you started.

There are advanced tools that I used, like Open interest, Volume profile, funding rates, However, I suggest mastering the above topics and only then move to such topics.

Take it slow, build a strong foundation.

## VOLUME CHEAT SHEET

### SIMPLE VOLUME DEDUCTIONS

Memorize and understand the logic behind it.

<b>Increase in Volume, Green Candle</b>	<b>Bullish</b>
<b>Increase in volume, Red Candle</b>	<b>Bearish</b>
<b>Volume Lowers, Red candle in uptrend</b>	<b>Normal Correction</b>
<b>Volume Lowers, Green candle in down-trend</b>	<b>Normal Correction</b>
<b>Red candle, Volume decreases</b>	<b>Not Bearish, but be cautious</b>
<b>Green candle, Volume doesn't increase.</b>	<b>Not Bullish, Be cautious.</b>

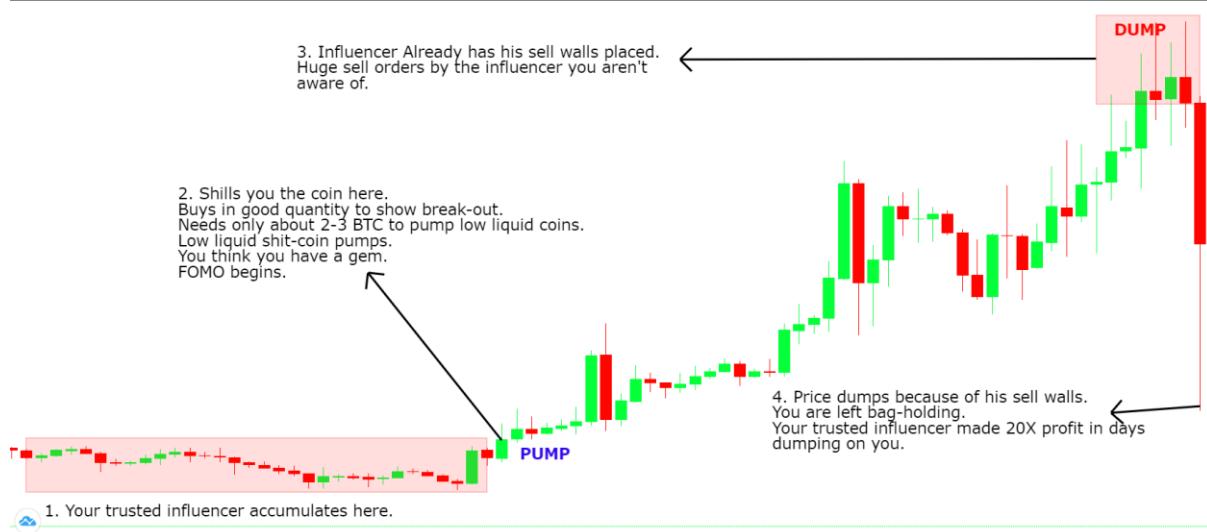
## HOW PUMP AND DUMP WORKS

### HOW PUMP AND DUMP WORKS - A GUIDE

This is a real example from January 2018 when 6 influencers on twitter decided to Pump and dump ON THEIR FOLLOWERS.

Note- These coins are low liquid assets with daily volume lower than 20K. Throwing in 1-2 BTC does the job to pump.

Stay safe.



## PRE-REQUISITES TO TRADING

### THINGS TO DO BEFORE YOU START TRADING BITCOIN.

I've been trading Bitcoin full time since 2016. Seen a lot of 'traders' burn their face.

Here are things you should do BEFORE you start trading BTC.

Before you even consider taking up trading Bitcoin, consider the following

- 90% of you will lose all your capital because of lack of knowledge.
- You're fighting against the greatest minds, the sharpest instincts, who have decades of experience trading the traditional market.

You need a predefined, backtested and multi scenario system. If you don't have this, you shouldn't even think about trading. Period.

Predefined - Your system tells you when to enter. You wait for an entry. You know when to exit. This is predefined. You don't enter anytime else.

Backtested - Traditional market traders backtest for at least a decade. BTC traders, for the lack of data at least need to backrest for 5+ years. Anything else is unacceptable at best.

Only if your system consistently gives a high probability entry, its worth considering.

Paper trading- Once your strategy has been backtested, you need to paper trader. At least for a month.

Make paper entries in the live market.

There isn't enough skin in the game but this gives your real-world live insight into your system.

Once the above has been done, you can move on to trading. But trading ONLY spot market.

Spot market doesn't offer any leverage which is a blessing for new traders.

Try this for a month. Only if you get successful in the spot market, think about moving to leveraged trading.

The above steps take time, patience.

Follow it for a stable but solid foundation before you enter leveraged trading.

## RECOMMENDED BOOKS

### BEST BOOKS TO LEARN TRADING.

This is a personal opinion.

1. Technical analysis and Stock market profits by Schabacker.

A difficult read but overall solid foundation.

2. Technical Analysis of the Financial Market By Murphy.

An easy read for most beginners.

3. Candlestick and Chart Pattern encyclopedia by Thomas Bulkowski.

A difficult read if you try to finish it in one go. Take it slow and use it as a reference.

4. Market Wizard Series by Schwager. Interesting insights.

5. Technical analysis and Stock trends. Edwards and Magee. Some might find it a dull books but it is valuable.

6. Trading Price action trends by Al Brooks. Would be interesting for those who only rely on indicators.

There could obviously be better books, but I'm just sharing the ones I liked out of many.

Cheers.

## MY BEST 10 TRADING LESSONS

### 10 BEST TRADING ADVICE

after a decade of trading.

I have been a full-time trader for about 10 years now. First 3 years were spent in blowing up my account several times.

Here are the 10 best lessons I can share with you.

Please share/RT if you find this useful.

1. You shouldn't be trading if you don't have a system which has been back tested for at least a few years worth of data or as long as the asset has existed

Back testing is easy and anyone can do it manually.

Back-test it on the asset of your interest as every asset is different.

2. A lessons from Jack Schwager that stuck with me.

Your system should have an edge. Period.

Relying only on money management won't work. You need an asymmetric bet. A low probability system won't work in the long run, even with godly money management.

Eg. Can you consistently win at Russian roulette with good money management?

The answer is obviously no. Gambling is a low portability bet. Money management can't earn you consistently with a low probability system.

Your system needs an edge, a probability of lot more than 50%.

### 3. There is no room for hard-work in trading.

Explanation- Trading should be calm, simple and a waiting game. Your system should tell you the entry and exit. You should not be breaking a sweat. If your system isn't there yet, don't trade.

You need hard-work to learn, discover, improve your system and read new things.

Use hard-work to practice, train and improvise. The actual act of performance should be easy.

All of the above is easy. Patience to execute and wait for an entry is difficult.

### 4. Your system won't work all the time and one failure will make your distrust it.

Stick to your system. If your system had been back-tested, paper-traded, stick to it.

There is no single system that works.

BUILD a one that works for you, and works good enough.

### 5. Check list for entering a trade

- Your system should clearly give an entry
- You have a predetermined reason for exit
- All possible support resistances should be clearly known.

If the above things aren't in place, Don't enter a trade. Ever.

Any other entry is probably a gamble.

### 6. Before you start trading, paper trade the live market for a few months. There is no rush. You are not losing out on anything.

Before you start day trading, trade spot for at least a month. It gets you used to the system and the volatility without the evils of leverage.

7. If you're leverage trading, a stop loss is a must. Have a look at this chart from 29th November 2017. No one expected this kind of range.

Several of my friends who got in the crypto bull run bus were liquidated.

No stop loss is a quick passage to liquidation.



8. Most difficult but important lesson.

Try learning the art, not the recipe.

Most new traders want to learn a method, a trick or a strategy. This won't ever work in the long run as the market changes. I can't tell you how many times I've to tweak my system..

because of fluctuations in market cycle and volatility.

Eg. At the cost of being trolled, I remember a scene from Breaking bad.

Gus Fring is going to kill Pinkman and Walt. Victor has been watching them cook and can take over.

Walt reminds Victor that he won't be able to cook if..

the outside temperature changes, when the moisture is higher, when the chemical properties change due to temperature.



This saved them Pinkman and WW.

**Conclusion** - Learn to study the price movement, thoroughly.

From the Basics. Give it time to build a solid foundation.

All indicators (except volume related) are derived from price. A study of price movement is superior to anything else.

9. Be fluid with your bias.

Legends like Peter Brandt are trolled for changing their opinions and bias very often.

Strong price opinions have no place in trading.

You need to learn that trends change very often. There is no shame in changing from a bullish bias to a bearish one

..if the charts say so.

Have strong principles, loose opinions.

Eg. Today itself I felt like BTC could breakdown to 8400. But as time progressed, I made a long Entry at 8670. Fluidity in bias brings you frequent opportunities.

Don't ever hold onto a losing trade if there are no signs of reversal. Hopes and prayers don't work in trading. Get out of a losing trade ASAP. Market will give you enough opportunities. Change with the trend.

10. I have never been able to catch the top and the bottom and have no interest (nor the ability) to do so.

Most amount of money is made during the movement between the top and the bottom.

Waiting for confirmations and taking lower profits will yield better result.

Always wait for multi-level confirmations to enter a trade and an entry on multi time frames.

This lowers the number of entries that you will find but increases the profit probability of your trade.

There were some tips I had off of my head. Many traders better than me could teach you something a lot better, but this is what comes to my mind right now.

I hope this was worth your time.

All the best trading.

## SCALP SHORT SAMPLE

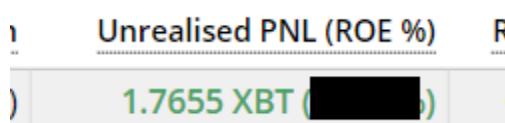
A guy with a girl's pic as his profile photo messaged me and said it's ridiculous that I call you all my family, and advised against it. I am going to take his advice and continue being ridiculous, my family. Here is the analysis of the short entry. Entry 9490 Exit 9210



The above chart explains the Entry. Look how I entered after multiple confirmations. Exit was easy. I expected the previous lows to be tested after so many short confirmations and placed my bids there.



The short went till 9100 range but I had my orders at 9200 itself. Could have been a lot more profit but wasn't looking to catch the bottom.



## LONG SWING SAMPLE

Analysis of the trade executed today. (Without typos this time) Entry- 8930 Exit - 9645 I was already in another Trade when the presented ascending triangle was forming. Basically, it's a pattern where the resistance keeps getting tested and new higher lows are formed constantly.



Notice how, the chart above, the volume increased as soon as we bounced off the upward trending trend-line, forming a new higher low. This could be taken as a probable upward move incoming.

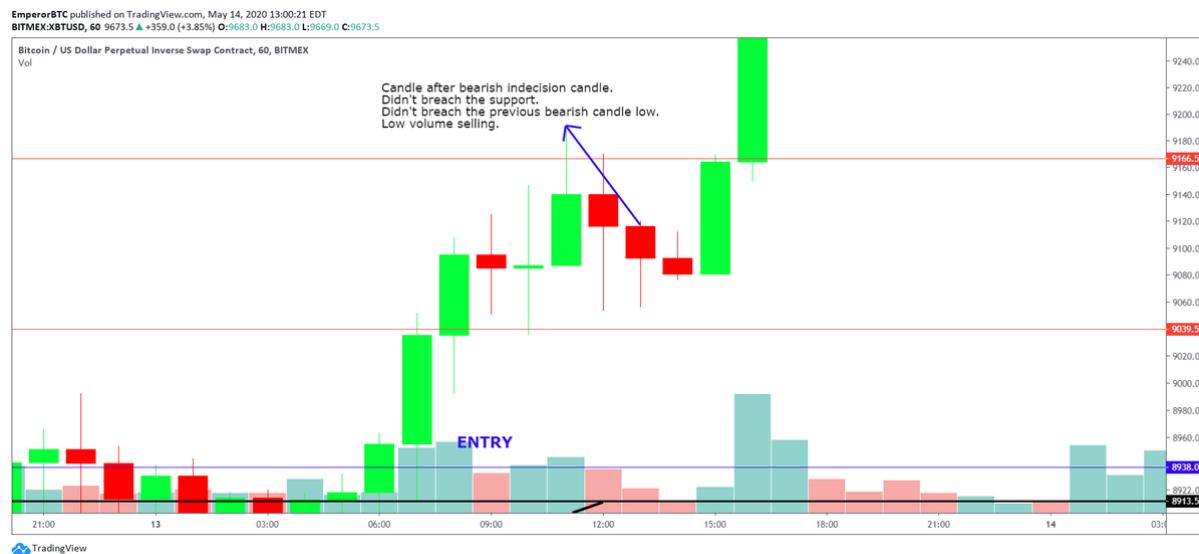
After closing the then existing trade shares in twitter earlier, a new entry was made at 8930 levels. Multiple confirmations taken into consideration to enter the trade mentioned in the chart.



After the entry, there was a concern if the ongoing uptrend was a temporary pump. The price showed many retracements, consolidation, lowering of momentum at the resistance and retests. This led to a belief of the uptrend being organic and not a temporary pump.



I tweeted yesterday that we need to keep a close eye on these levels. The price action then taking place mimicked the sudden dump that took place on 9th May. However, we didn't exist for the following reasons mentioned in the chart. A true test of patience it certainly was.



The exit was taken at 9645 levels. Multiple confirmations for exit have been mentioned in the chart. Obviously now we know it wasn't a perfect exit but I followed my system.



P. S. The fake ascending triangle Breakout will be explained in a tutorial on triangles in future. This might be a tough and time-consuming read. There are a few new terms, you might have to Google a little bit eventually you will get it, upon repeated reading. All the best.

\*SHARED ON TWITTER EARLIER, That's what I meant. Can't escape the typo it seems.



**Emperor** @EmperorBTC · 2m

After closing the then existing trade shares in twitter earlier, a new entry was made at 8930 levels.

Multiple confirmations taken into consideration to enter the trade mentioned in the chart.

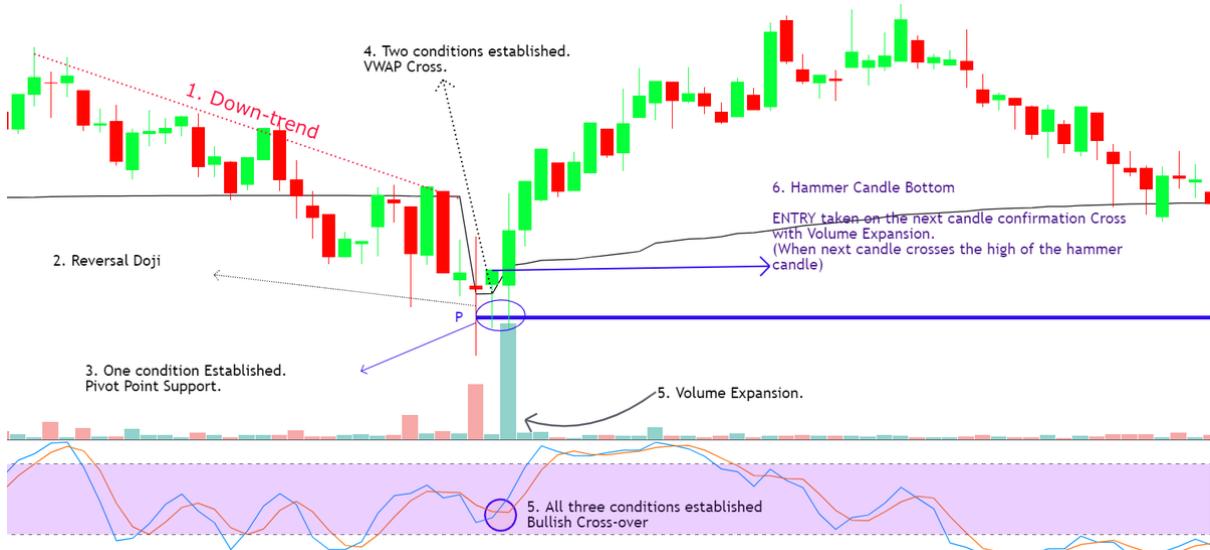


## DAY TRADING STRATEGY

### CRYPTO DAY-TRADING SECRET STRATEGY

SIMPLE. HIGH PROFIT. NO NONSENSE.

One of the best strategies for Scalping crypto. Share it to help all beginners. 🚀🚀



We will use three basic indicators:

**1. Pivot Points**

**2. VWAP**

**3. Stoch RSI**

Note- This strategy will have a MUCH higher probability of success if basic Price action, volume and Candlestick pattern is kept in mind.

USE THE STRATEGY: I will introduce the tools and then explain the strategy. I Will talk about the calculations to arrive at the indicators separately. IMPORTANT- Don't use the indicators alone. Eg. Stoch RSI has less than 26% hit rate so you can't use it alone to trade.

#### TOOL 1 - PIVOT POINTS

They are reversal points based the historical prices. Go to the indicators tab and type 'Pivot point standard' The settings to be used have been disclosed in the pic below. Note- You can choose your own settings but I have disclosed the ones I use.

### Indicators & Strategies

🔍 Pivot

⭐ Favorites	BUILT-INS
👤 My scripts	Pivot Extension Strategy ↓↑
💻 Built-ins	Pivot Points High Low
📊 Candlestick Patterns	★ Pivot Points Standard ←
📘 Public Library	Pivot Reversal Strategy ↓↑
📊 Volume Profile	Rob Booker - Ziv Ghost Pivots
	Rob Booker - Missed Pivot Points
	Rob Booker - Intraday Pivot Points
	PUBLIC LIBRARY
	Pivot Point ←
	HPotter 9401
	Pivot Point Supertrend ← LonesomeThe... 8032

### Pivots

Inputs Style

Type: Fibonacci

Show historical pivots:

Pivots Timeframe: Daily

Number Of Pivots Back: 15

Defaults Cancel Ok

This is what they will Look like.

Ignore All notations and just remember.

ALL the lines are Support or Resistance lines (Lines of Interest)

It doesn't matter if it's been denoted as P,R or S.

We will learn how to use them below, practically.



You can also use the custom Indicator for Pivot Point by HPotter. The settings for this indicator are already tweaked by the author. Note- I don't know the author hence not able to provide credit.

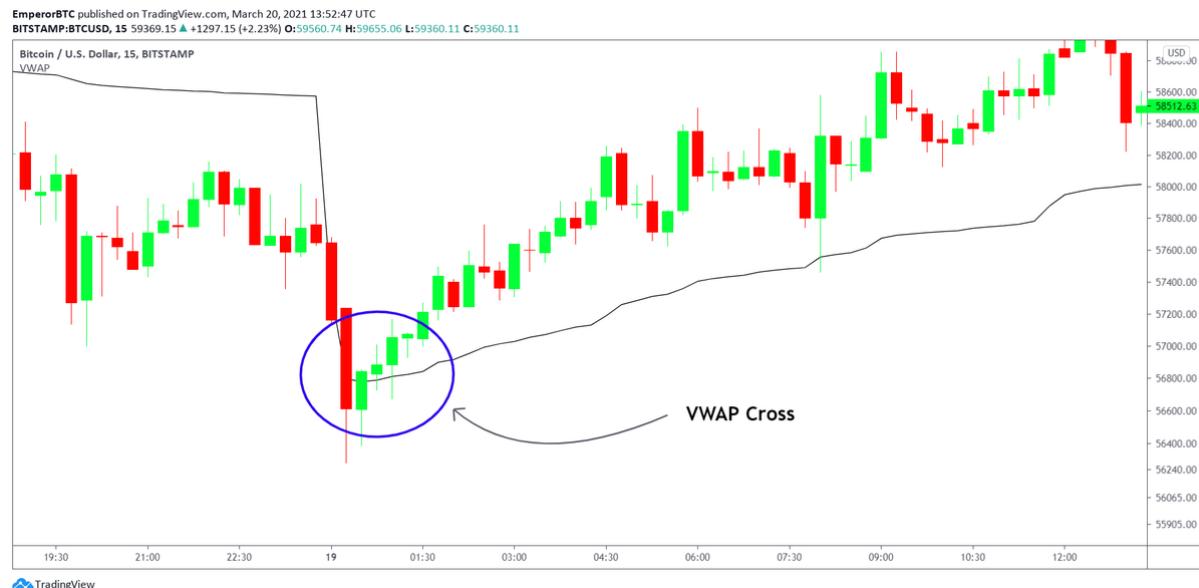
Indicators & Strategies X

🔍 Pivot

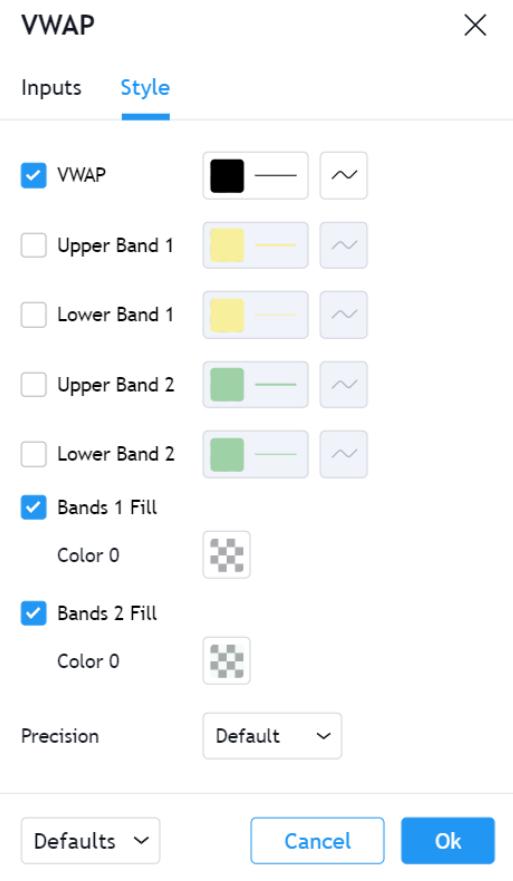
⭐ Favorites	BUILT-INS
👤 My scripts	Pivot Extension Strategy ↕
⚠️ Built-ins	Pivot Points High Low
〽️ Candlestick Patterns	⭐ Pivot Points Standard ←
🔖 Public Library	Pivot Reversal Strategy ↕
📊 Volume Profile	Rob Booker - Ziv Ghost Pivots
	Rob Booker - Missed Pivot Points
	Rob Booker - Intraday Pivot Points
	PUBLIC LIBRARY
	Pivot Point ←
	Pivot Point Supertrend
	HPotter 9401
	LonesomeThe... 8032

## TOOL 2 - VWAP

Volume Weighted Average Price indicates an overall trend of the market by INCLUDING VOLUME in the average prices. Sometimes, it filters out fake-outs with low volumes, hence being a powerful indicator. We are looking for a VWAP Cross.



Note on VWAP - It CANNOT be used on its own -It works best on time frame lower than 4 hours. I have highlighted my VWAP settings below.



### TOOL 3 - STOCH RSI

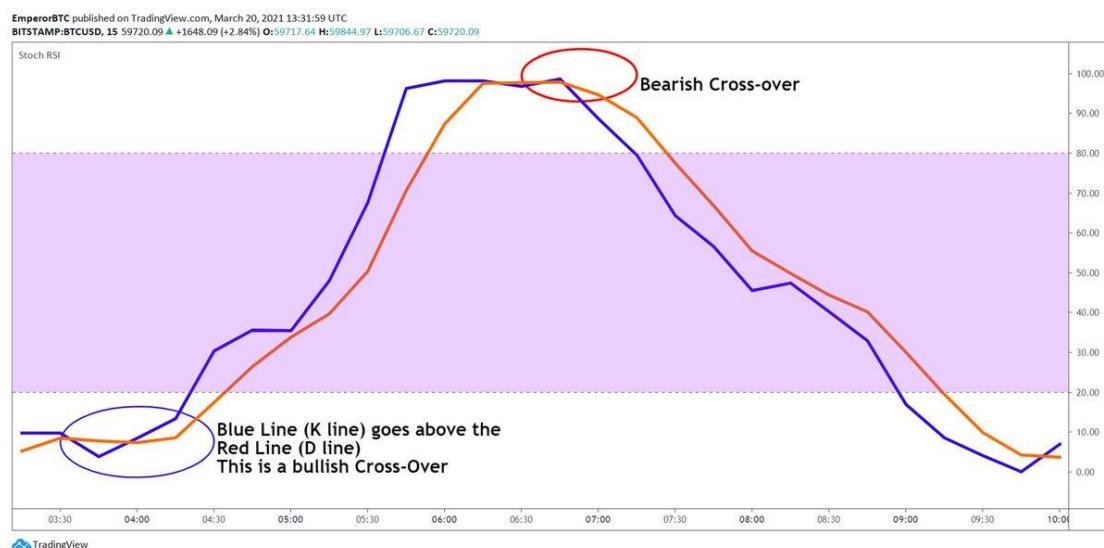
It is comprised of 2 Lines.

K- The faster line (Blue line in example)

D- The slower Line (Red line in example)

When the Blue line goes above the red line, it's a Bullish cross-over.

Note- We will not deal with the concept of over-bought and over sold here.



CONDITIONS for LONG entry. The tools mentioned should give the following signal.

- Bullish Stoch RSI cross-over.
- VWAP Break to the upside.
- Pivot point support established or resistance break.

The sequence of signals doesn't matter.

Note - Exact opposite for Shorting.



- Strategy works best for scalping.
- Can be combined with Volume Expansion.
- Occurrence of candle-stick pattern increases probability.

ONLY Enter AFTER all three of the above have taken place.

Entry to be made on candle confirmation

(Next candle above the current candle)



Understanding of Price actions and practice over time will make this the most successful and Addictive strategy.

Here is an example of Pivot Points acting as support and as resistance on the next target.



Using basic knowledge of

- Volume
- Candlestick Patterns
- Confirmations

Will lead to a higher probability entry.

Note- It will reduce the amount of entry but increase the profitability ration. Example.



### **CONCLUSION:**

- Use the strategy for Day-trading
- Don't use the indicators alone
- WAIT FOR ALL the signals.
- This is not a perfect strategy. It will fail.

Follow Risk management. Always. Combining it with PA, Volume will give magical results.

So, this is my secret and now it's yours.

I enter into MANY scalp entries but don't share much because

- It's too fast.
- Needs constant management.
- Is risky if done without Risk Management

Try is on live charts and PLEASE share it a lot. Love you guys. I need to sleep now.

## ALTCOIN SWING STRATEGY

## ALTCOIN SWING TRADING

1. Go to Coingecko.
  2. Find Coins with high Volume/MC ratio.
  3. Use the EMA Swing trade strategy.
  4. Find coins on the verge of crossover.
  5. Enter on OBV and Volume increase.
  6. Exit on bearish cross.

Repeat. Repeat. Repeat.



## FINDING ALTCOIN ENTRIES

### MASTERCLASS ON FINDING ALTCOIN ENTRIES.

Research, Enter, HODL and trade the break-out.

Please share if you find this useful.

EmperorBTC published on TradingView.com, August 26, 2020 13:49:52 EDT  
BITFINEX:NEOUSD, ID 17.79 A +0.74 (+4.33%) O:16.96 H:18.11 L:16.85 C:17.79



### MY CRITERIA OF CHOOSING A COIN:

1. MUST have a product/ service ready.
2. Fair distribution and Tokenomics.
3. Pre-sale/early investors must be vesting.
4. Founders must be either public OR have a big community if anonymous.
5. Working website with history.
6. No volume bots.

## TOKENOMICS



## TO TRADE OR TO HOLD?

If you're going to trade, I have made a lot of strategies already.

If you're looking to hold, We will discuss

1. When to enter for holding.
2. When to enter.

After FA as mentioned in the above, We begin to find the entry.

I USE ONLY CHARTS to find the entry.

Jack D. Schwager has mentioned many times how he only uses TA to find entry for his investments.

We discussed in detail in 'Introduction to TA' how chart is all you need.

It might come as a surprise to all new traders that news is disregarded while studying charts.

Murphy in his Book on technical analysis explains in detail why it is so.

To keep it short, the price discounts everything. Market price of an asset already has taken into consideration all the fundamental news.

News, information and other analysis available in the public already have affected the price and hence the price is an amalgamation of all the fundamental information.

Technical Analysis is the study of price; hence by studying price, ALL the fundamentals have already been taking into consideration.

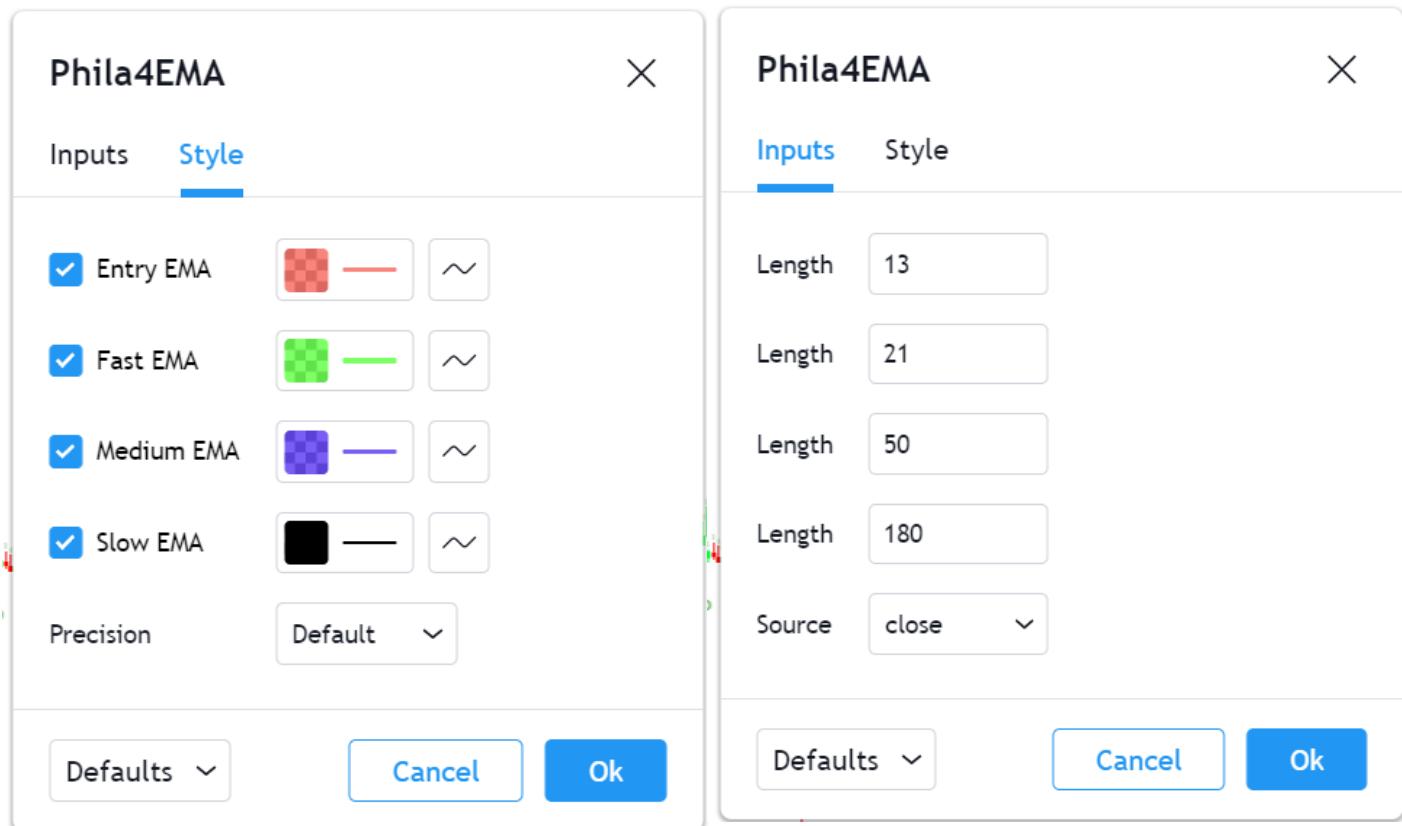
Hence we can conclude that all the fundamentals affect the price. Since the technical analysis is the study of price movement it automatically takes all the fundamentals into consideration

## STRATEGY FOR HODL ENTRY:

1. 13,21,50,180 EMA Cross.
2. Volume around the Cross.
3. EMA squeeze before the Cross.
4. Enter on Breakout candle crossing the high of previous candle.
5. Volume must increase after EMA Cross breakout.
6. Better if Breakout candle is an engulfing.

I am sharing the settings for the EMA here.

**Time Frame - Daily Chart.**



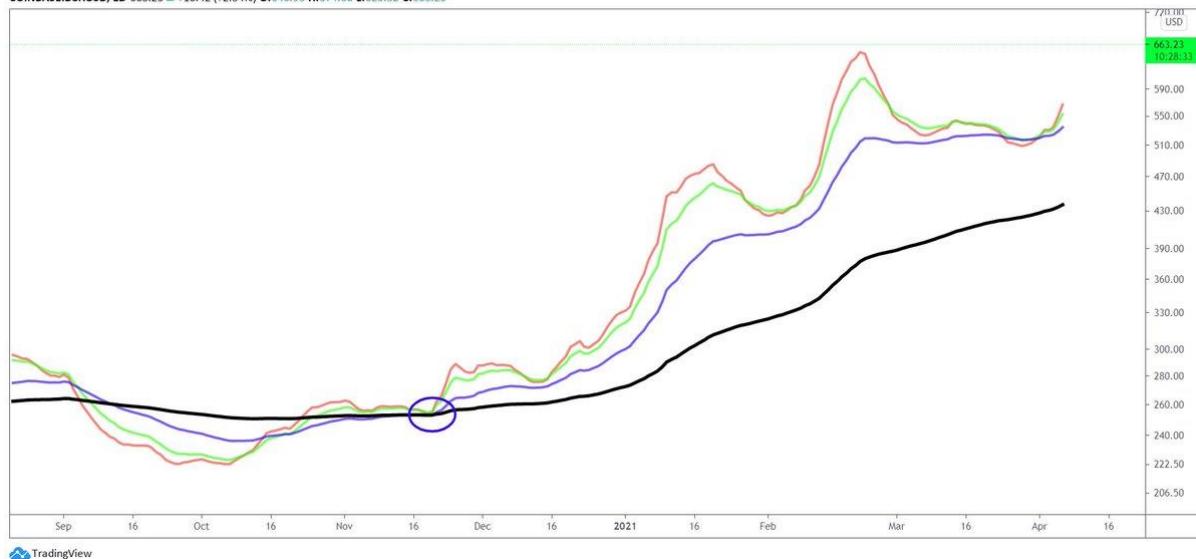
**THE CROSS**

We are looking for a bullish cross of the 13,21,50 and the 180 EMA. These are my personal settings and can be tweaked by anyone. But this is what I use.

The 13 (RED) has to be above 21(Green), and so forth with 50 (Blue) and 180 (Black)

\*Candles hidden for clarity.

EmperorBTC published on TradingView.com, April 06, 2021 13:31:28 UTC  
COINBASE:BCHUSD, 1D 663.23 ▲ +16.42 (+2.54%) O:646.96 H:674.00 L:623.52 C:663.23



## VOLUME

This doesn't always occur because very few people use this technique, but while the whales accumulate, you can see a little increase in volume.

If a clear volume change occurs, it means the break-out has a higher probability.

### Illustrated below:

EmperorBTC published on TradingView.com, April 06, 2021 13:39:15 UTC  
COINBASE:BCHUSD, 1D 660.38 ▲ +13.57 (+2.1%) O:646.96 H:674.00 L:623.52 C:660.38



## THE SQUEEZE

It means the MAs coming closer, illustrating an accumulation. This can suggest a change in trend in either direction.

If the volume is increasing during squeeze, it is most likely bullish.

The Volume also must carry through after the break-out.

## THE ENTRY

This is where true edge comes in play.

The entry edge can only be gained with experience, failure and a lot of trying.

Here are two entry options below.

The risky entry is when the candle next to the engulfing cross the engulfing candle's high.



**Here is an example of how it works:**

PLEASE note.

1. Use volume for entry.
2. Use PA for confirmation.
3. This is not fool proof but gets better with experience.

The exit has been done as one of the EMAs turns bearish.



#### **CONCLUSION:**

1. Wait for EMA squeeze.
2. Look for volume on Accumulation.
3. Find Cup and handle or rounding bottoms.
4. Use PA for Confirmation.
5. Exit on bearish cross-over.

This is my strategy of Buying Alts for the short terms.

It's simple and it works. I am in MANY alt positions right now with this tool.

This is for HODL, I will share Alt swing trading tutorial soon.

A request-

PLEASE try it on as many charts as possible and share below if you find the above set-up in play on any coin.

Kindly share it if you liked the thread, it might help someone.

ALL THE BEST.

## ALTCOIN CHEAT SHEET

### CHEAT-SHEET

#### FIND ALT-COIN BOTTOM

1. Wait for Down-trend to break
2. Support base formed
3. EMA cross

Enter only when all 3 conditions are satisfied.

Volume expansion should occur on ALL price pumps.

Works best on 4 hour and Daily Time frame.

TP= Bearish Cross

Share it



EMA used for a bullish Crossover is 21 and 50.

When 21 EMA is above 50 EMA, It's considered a bullish trend.

When cross occurs with volume expansion, it's even better.

Hope the strategy is clear.

## VOLUME EXIT

### MASTERCLASS ON VOLUME EXIT

When should you exit a trade?

Determine Exits using Volume.

We will try to explore how.

Understanding the nature of Volume and Price Movement.

1. Price increase with Volume Increase is bullish.
2. Price increase with volume decrease is NOT bullish.
3. Price decrease with volume increase is bearish.
4. Price decrease with volume decrease is NOT bearish.

Price	Volume	Conclusion
 Increases	 Increases	 Uptrend supported by volume. <i>Look for Long entries.</i>
 Increases	 Decreases	 Uptrend not supported by volume. <i>Exit Long entry upon further sign of reversal.</i>
 Decreases	 Increases	 Downtrend supported by volume. <i>Look for short entries.</i>
 Decreases	 Decreases	 Downtrend not supported by volume. <i>Exit short entry upon further sign of reversal.</i>

Note- Please read the comments above carefully and have a look at the cheat-sheet.

Warning- Be careful with the 2nd and 4th statement.

Not bullish doesn't mean bearish and Not Bearish doesn't mean bullish.

Hence if such a volume divergence occurs, LOOK FOR EXIT.

Volume Below Average is = Caution.

If there is price expansion with volume below the Average Volume

OR

If there is price contraction with volume below the average Volume

This should be taken as a sign of caution. The price movement is happening with LOW MARKET PARTICIPATION.



If the movement after entry occurs with volume below the average volume, LOOK FOR EXIT.

Price action follows the direction of bigger market participation.

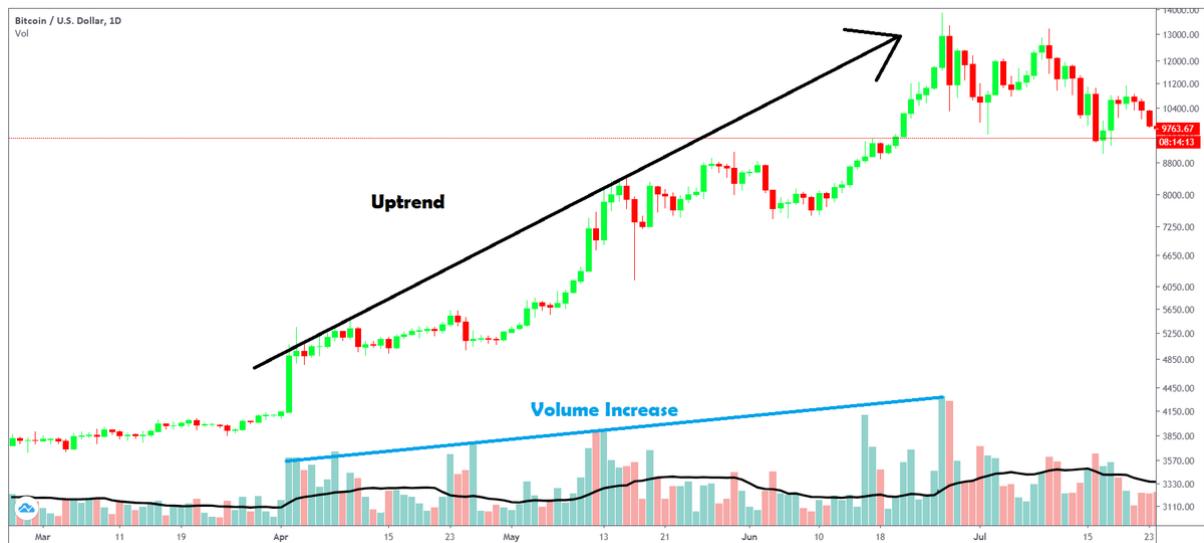
Volume below average = Only retail entry.

Higher volume= Bigger player entering the market.

## VOLUME DIVERGENCE

I have explained Volume divergence in the examples below which is self-explanatory.

If such an event occurs, look for further signs of reversal for an Exit.



## Trade Examples:

1. Support Region Tested Several times.
2. Price decreases with Increasing volume.
3. Entry made on new Support break.

Trivia- The more a support is tested, the weaker it gets.

The same principle can be applied to all the scenario described in the cheat-sheet.



## CANDLE BODY AND VOLUME ANOMALY

This theory was first described by David H. Weis.

Look for an exit if there is

- Uptrend
- Increasing Volume
- Low body spread & Long upper wick
- Sudden volume jump.

This is an anomaly in PA and should be looking for reversal.

## Read the chart:



## RETRACEMENT VS REVERSAL

Sometimes people judge a normal Retracement as reversal.

I don't suggest shorting a retracement.  
The short below explains retracement.

Position should be ADDED on retracement.

PLEASE read the chart carefully.



I have explained how to use Volume to judge exiting a trade.

You can summarise the above and try them on Live charts via Paper trading. Make 100 such entries to master volume.

I hope this was useful. Please share it if you found it useful.

All the best.

## DAY TRADING STRATEGY WITH RSI

### DAY TRADING STRATEGY WITH RSI

1. RSI forms Higher Low
2. Price makes Lower-Low
3. Volume decreasing on price re-tracement
4. VWAP Broken and support established.
5. Entry on resistance break.

#### Note:

Not for complete beginners.

Time frame 5-15 minute

Try it. Share it.



If the price goes low with a decrease in volume, it means there is a probability of the sell pressure ending.

This same concept has been used able to find a reversal

## FIND TOPS IN SWING TRADING

### FIND TOPS IN SWING TRADING

- OBV Divergence
- Decreasing volume as price increases
- Increasing volume as price goes down
- ANY bearish candle and the next candle crossing it's low.

**Note** - The short entry would be when the next candle crosses the harami low.



For those asking, These techniques work on ANY market:

Forex

Equity

Commodity

Crypto

Market changes, concepts remain the same.

## HIGH PROBABILITY ALTCOIN ENTRY GUIDE

### HIGH PROBABILITY ALT-COIN ENTRY GUIDE

In this guide, we will only study about the technical aspect (Charts) to be kept in mind while taking a position in an Alt-Coin.

Note:

1. The Best money is made in the Smaller Cap Alts by positioning yourself on a technical price trigger entry and holding for 5-6 months.
2. I don't recommend trading small caps on a daily basis (Day-Trading) Stay with major caps for day-trading.

All the best trading Alt-coins. I will try to share some good 10X projects on my telegram Telegram

#### We will try to cover in brief the following topics in this tutorial:

1. Breakout pattern
2. Accumulation
3. Breakout with volume
4. EMA bullish crossover
5. Breakout confirmed with a retest
6. Support established with EMA and Accumulation resistance.
7. Exit

**BREAK-OUT:** Break-out means the price over-coming a resistant and is able to break free from it to make higher move.

Here are several break-out patterns, we will try to understand one here.

One of the most common Breakout patterns on most Altcoins is Cup and handle. The name isn't important; it's basically a smooth bottoming with another retracement, that's smaller. This is followed by either accumulation or any other bullish pattern.

EmperorBTC published on TradingView.com, August 26, 2020 13:23:51 EDT  
 BITFINEX:NEOUSD, 1D 17.85 ▲ +0.80 (+4.67%) O:16.96 H:18.11 L:16.85 C:17.85



After the Cup and handle formation, a period of consolidation occurred. (Very common) We could only guess if it was a bullish consolidation or not, at that time. We will discuss below how a guess could have been made about it being an accumulation.

EmperorBTC published on TradingView.com, August 26, 2020 13:28:29 EDT  
 BITFINEX:NEOUSD, 1D 17.74 ▲ +0.69 (+4.06%) O:16.96 H:18.11 L:16.85 C:17.74



During accumulation, the average volume rises for the first time, on a bearish candle. However, in this instance, the movement, when studied with volume closely, isn't bearish in nature. This is explained in the chart.



This is clearly followed by the volume expansion continuing. The price rise to the resistance and volume continuing about the average volume. I've explained previously how, the more times resistance is tested, the weaker it becomes.

A clean volume Breakout with volume expansion and follow through. Accumulation confirmed. Study the chart below.



This is the interesting part, as for most accumulations, we see 1. Retest 2. S/R flip (previous resistance becomes support) 3. 50 EMA now acting as a support, front running the trend.



### Perfect entry is made when:

1. EMAs crossover had been bullish
2. Accumulation confirmed
3. Retest and S/R flip
4. 50 EMA acting as support

### Illustration Below:



## Entry Example:



As described, Altcoins FOLLOW BTC. The Chart of BTC perfectly matches Neo or any other alt with a delay. One could easily study the Bitcoin cycle and predict the top on Alts, as seen here. Remember, the Alt cycle follows BTC price cycle.



**OPINION:**

1. Invest in Projects which have a revenue positive model.
2. A public team removes the aspect of rug pulls and scams.
3. Try catching the projects below 100 million.
4. Look for unique and non-plagiarized white paper.
5. The Devs MUST be active on Telegram.

All the best.

EmperorBTC

## REVERSAL CANDLES

### MASTERCLASS ON REVERSAL CANDLES

People find it extremely difficult to exit trades and find reversals. We will Learn Reversal Candles to -  
Find Change in trend. - Exiting a trades. We will discuss Hammer in this thread. Share if you find this useful

#### Premise:

1. Reversal doesn't mean a start of an opposite trend.
2. It means re-evaluation or slow-down of trend.
3. DON'T take opposite trade on Reversal signs. E.g. If a long entry shows a reversal, it's NOT a sign to go SHORT
4. Take profits on reversal, not opposite trade.

tops and bottoms. Yet the term "reversal pattern" is somewhat of a misnomer. Hearing that term may lead you to think of an old trend ending abruptly and then reversing to a new trend. This rarely happens. Trend changes usually occur slowly, in stages, as the underlying psychology shifts gears. A trend reversal signal implies that the prior trend is likely to change, but not necessarily reversing. Compare a trend to a car traveling forward. The car's red brake lights go on and the car stops. The brake light was the reversal indicator showing that the

*Reversal f opposite trend*

To illustrate.

If a Reversal candle (Hammer in this case) is formed at the bottom of a down-trend, it doesn't mean a LONG entry must be taken. Reversal here means a change in change or re-evaluation which should make us look for an exit and not an opposite trend.



### Hammer:

1. MUST occur during a down-trend.
2. The body of the candle must be at the top
3. A long tail wick more than 2X the body.
4. Almost No or VERY short upper wick.

Opinion- Many traders believe that Confirmation isn't needed for hammer, however I always look for it.

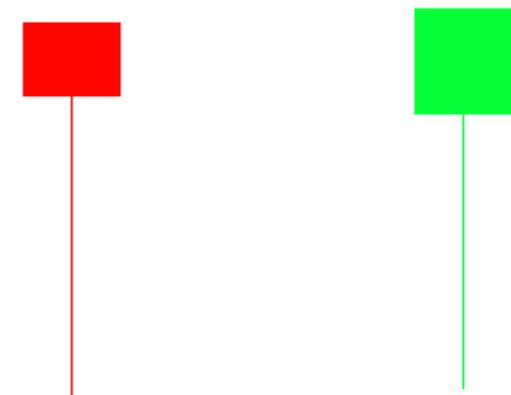


**IMPORTANT:**

Hammer candle can be of either colour, Red or Green. It is still a hammer.

Although a green hammer is more bullish but I have seen MANY red hammers creating a reversal.

Illustration of Hammers and Chart shared with red hammer.



**Red Hammer      Green Hammer**

**BOTH are bullish.**

### Observation:

1. In my personal view, Tall candles (Longer wicks) outperform short ones.
2. Hammer with higher volume needs lesser confirmation.
3. Hammer has a 60% reversal rate however if the next candle closes above the high of the hammer, the reversal is 90% sure.



### HOW TO USE HAMMER FOR TRADING

Explained in one chart.

1. Down-trend reversal.
2. Low Volume hammer.
3. Confirmation Close
4. EMA break and re-test.
5. Position Addition on EMA break.

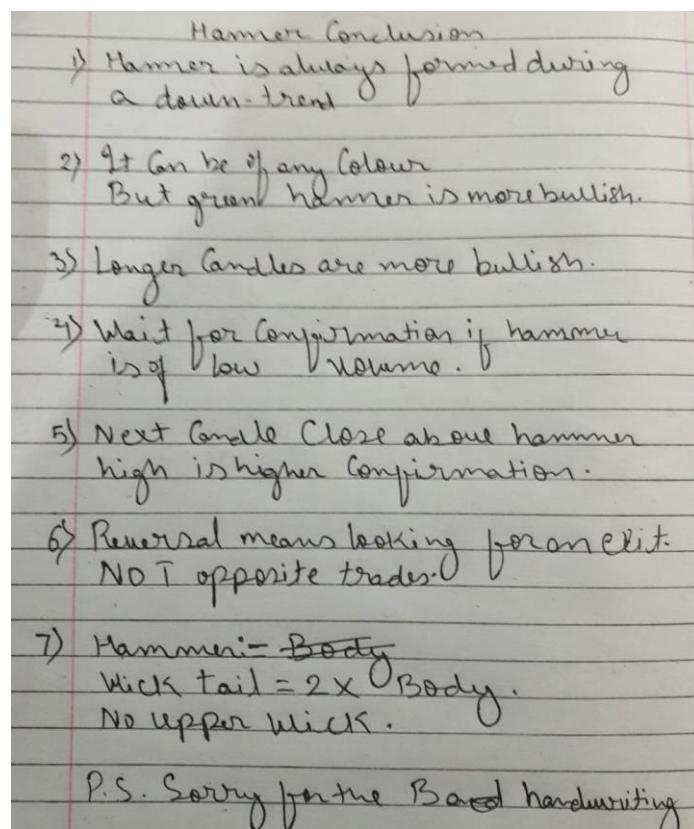


## Setup 2.

1. Stop loss at swing low.
2. Aggressive entry on volume cross average volume.
3. Conservative entry on candle close above Hammer.
4. Exit on EMA resistance confirmation. I mostly wait for confirmation but traders like @bloodgoodBTC tend to have an aggressive entry.



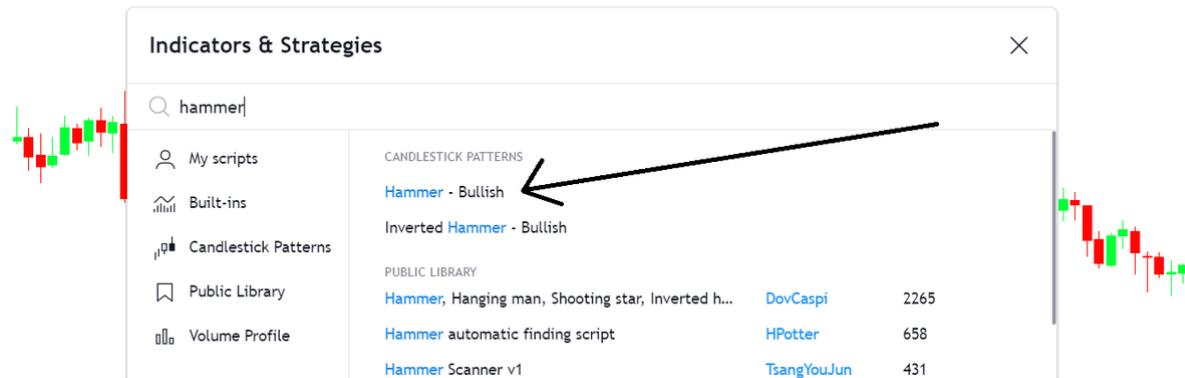
Main Summary of a Hammer. I have written my main point regarding a hammer. Keep them in mind.



This ends the hammer thread.

Tip - use the indicator tab on Trading view to help you recognise hammer BUT this is no substitute for understanding it. I hope it was helpful. Please share it if you liked the thread. We will discuss new reversal candles next.

· BITSTAMP



If you want to learn further, ALL trading tools have been discussed in detail on my telegram from beginner to Advanced level.

It's free, it works and simple for anyone to understand.

Love you guys,

EmperorBTC

## REVERSALS

### PRICE ACTION TRADING MASTERCLASS

#### Chapter - 2

Reversals explained in detail.

Like/RT would be appreciated.

In this lesson we will understand what reversal is and how to GUESS it.

I will be using PA Plus some indicators to find probable reversals.

Opinion- PA Traders don't really use indicators but I like to use it for some insight.

#### TIME PERIOD

A lot of people ask me about the time period a lot of times.

PA can be applied to any time frame.

From one-minute bars to weekly and monthly charts.

The interpretation is identical. However..

The only difference is that the battle between buyers and sellers is much larger on the monthly charts than on the intraday.

Higher the time frame, the better, but the principles stay the same.

Remember, chart patterns perform better on higher time frames.

#### REVERSAL EXPLAINED

Prices don't reverse at once. There is a transition period when the prices move in a horizontal manner.

This horizontal movement is called consolidation. Consolidation is likely to favour the previous trend. That means it's generally a continuation.



There could be several types of reversals.

1. Distribution
2. Accumulation
3. Pattern reversals
4. Tops and Bottoms

## TREND CONTINUATION

Consolidation occurs which turns out to be accumulation.

Price continues upwards.

Signs of guesses.

Resistance being touched continuously.

The more times resistance is touched, the weaker it becomes.

We could GUESS that it's going to break to an upside.



In the previous tweet, we could have used volume and other indicators too but I just wanted to use the PA.

Notice the retest of the high of the breakout candle.

This is extremely bullish.

## TOPS

A simple PA observation shows

1. Lower high being formed.
2. Continuous test of support (weakening)
3. Support breach with volume (used for confirmation)



## Tops Bonus:

Here is a clear indication of a top in Bitcoin back in 2017.

I saw the OBV being used on Tone Vay's broadcast by an analyst, I don't remember their name but I got the insight from there.

The reasons are explained in the chart.



## DISTRIBUTION

Here is a beautiful example of breakdown after consolidation after a Head and shoulders is being formed on the Bitcoin chart.

H&S is confirmed by volume.

The breakdown is confirmed by volume too.



## **CONCLUSION**

Reversals don't happen suddenly but after signs of:

- Strength in case of upward movement.
- Weakness in case of a breakdown.
- Consolidation in continuation or reversal.

It can be guessed by PA or Using PA with momentum or Volume indicators.

I've explained the relevant part needed for trading reversals.

There are infinite patterns that form at reversals but the main concepts remain the same.

Study the consolidation, find the signs or strength/weakness.

This completed reversal 101.

Leave a like if you liked it.

## MISCELLANEOUS POSTS

### THIS WILL CHANGE YOUR TRADING FOREVER

- Read my S/R, Reversal and SL Masterclass.
- Open top 20 coin hourly chart.
- Define the S/R, Entry, target and SL.
- Journalise the results. Note the remarks/lessons.

Do this EVERYDAY and watch yourself become a better trader.

EmperorBTC published on TradingView.com, June 03, 2020 12:29:42 EDT



Using simple techniques will bring the best trading results.

- Open 4 hourly chart.
- Add 200EMA

Use 200 EMA as the point of interest for entry/Exit.

Use the chart below to confirm entries using

- Demand/Supply
- Volume Expansion
- Candlesticks cross confirmation



In the example to explain the concepts, 21 EMA has been taken to explain the trading confirmation occurrences.

However, I want you to try the above concept for now on 200EMA for positional trading.

## TUTORIAL ON HOW TO IDENTIFY A TOP

- Look for bearish divergence  
(Highs of RSI and Price movement don't align)
- Look for hints of ANY bearish candle.  
Eg. Harami, Engulfing, Doji.
- Wait for Bearish Engulfing.
- Short on confirmation.

Understood?



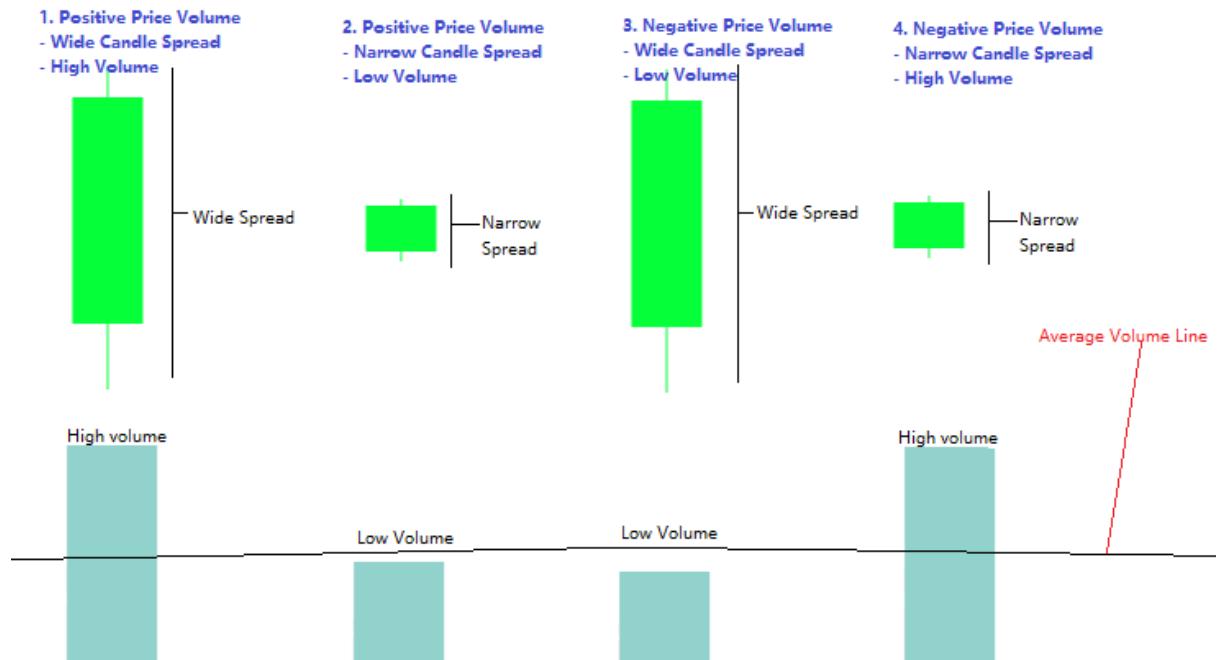
## CHEAT SHEET ON PRICE VOLUME CONFIRMATION

The length of the candle spread should be supported by a proportionate volume.

If not, its an abnormal movement and traders should be cautious.

This relation is explained in detail in the chart.

Understand the logic and memorise it.



This Strategy is taught by a Trading Guru in India in a 2-day Seminar (Confirmed by a follower)

### Setup:

1. Consolidation below 200 EMA
2. EMA Crossover
3. Breakout
4. Volume confirmation entry

The Rules are explained in the chart. Study it!

Share it, Might help a beginner.



## **10X ALTCOIN 101**

1. Volume/MC ratio>0.3
2. Lower Pump (Check coinGecko)
3. Lively TG with active Admins, PR, Tech guy. Instant doubt support.
4. Toxic against haters Pensive face
5. Constant update on website.
6. Researched by influencers(important)
7. Squeezing MA. Accumulation.

Get me?

## **CHOOSING A 10X ALTCOIN**

1. Go to coingecko
2. Check Lowcaps
3. Non-pumped coins
4. Study its tokenomics
5. Non-plagiaristic whitepaper
6. Join telegram, read everything
7. Follow the founders for leads
8. Stalk Devs, TALK to them
9. Buy upon Accumulation/EMA tightening.

Repeat.



**Follow to stay up-to-date:**



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<https://twitter.com/EmperorBTC>