

Pullbacks.

There are three main pullbacks

1. Shallow pullback
2. The medium pullback
3. Deep pullback.

Shallow pullback.

Definition: A pullback that does not reach the previous **resistance level** before the market **breaks into new highs**.

Condition: we want to see a **pullback** that doesn't **touch** the **previous resistance level** for a bullish shallow pullback.

Trading shallow pullback.

The best way is by trading **breakouts of this resistance level**. After the **pullback** that didn't touch the previous **resistance level**, the market pushes higher going into higher highs as we break out of this **previous resistance level**. Here is when i want to start looking for trades and i'm looking for those trades based on the **close** of the **breakout candle**.

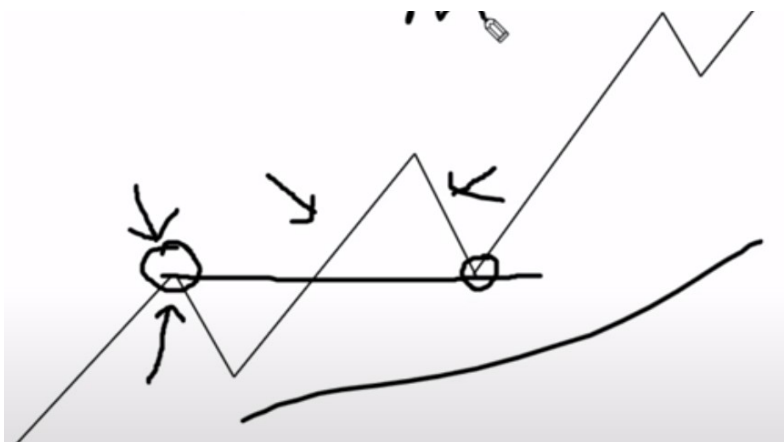


The medium pullback

A medium pullback is **after we see the break and close above a high**, we see our **impulsive move**, and that **pullback** comes into the previous **level of resistance**.

Whenever a **pullback** makes it down to the level of previous resistance or support that was broken depending on the trend this is an uptrend so it's going to be previous resistance

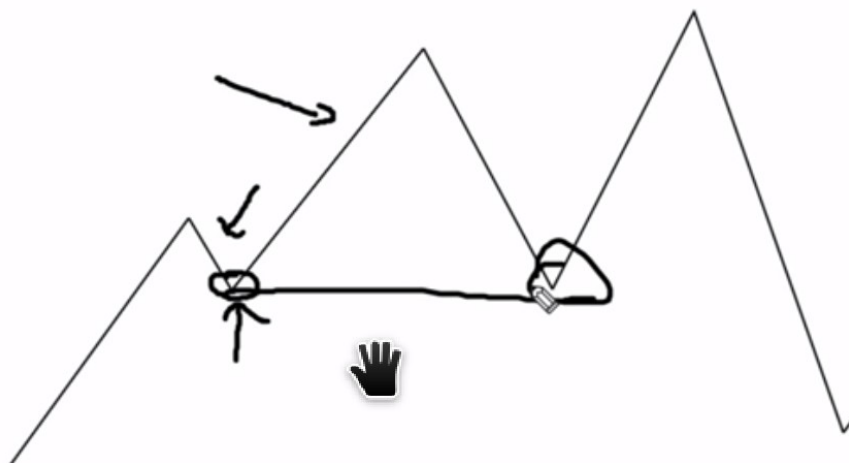
turn to support this is going to be our medium pullback.



Deep pullback

When the **market breaks** into **new highs** from our **previous resistance level** and then the **pullback makes** it all the way down to the previous **support level** of the **previous pullback**.

87 C 107.988 -0.042 (-0.04%)



Entry Shallow pullback.

After we see that shallow pullback that does not touch the previous resistance level, is a close above the body of the previous resistance level the breakout candle that closed not the high up here but the bodies of the candles of that swing high when i get a break and close candle like this big green one here above this line our bodies of the previous wing high that is my entry candle so our trade setup at this point we would have a stop loss below the swing low and there's a couple of ways we're gonna talk about stops and targets we'll do that momentarily stop loss below the swing low.