

Rsi Trading Checklist

Signal Pilot Education Hub

RSI & Harmonic Oscillator Trading Checklist

From Lesson 5: RSI >70 Is Often a BUY Signal (Yes, Really)

Use this checklist to interpret RSI correctly based on market regime using Harmonic Oscillator confluence and Volume Oracle.

Pre-Trade: Identify Regime & RSI Context

- [] **Determine market regime (CRITICAL)**
 - Use Volume Oracle or EMA alignment (price above/below 50 EMA)
 - Trending: Price consistently above/below major EMAs
 - Ranging: Price chopping through EMAs, sideways structure
 - Volatile: Skip trade (too choppy for RSI)
- [] **Check RSI value and interpret by regime**
 - **TRENDING UPTREND:** RSI >50 = bullish bias, RSI >70 = momentum (stay long)

- **TRENDING DOWNTREND:** RSI <50 = bearish bias, RSI <30 = momentum (stay short)
 - **RANGING:** RSI >70 = overbought (potential fade), RSI <30 = oversold (potential buy)
 - [] **Check Harmonic Oscillator confluence (5 indicators)**
 - RSI, Stochastic, CCI, Williams %R, MFI
 - 5/5 or 4/5 agreement = high confidence signal
 - 3/5 or less = wait for clarity (conflicting signals)
 - [] **Look for divergence (warning signal only)**
 - Bullish divergence: Price makes lower low, RSI makes higher low
 - Bearish divergence: Price makes higher high, RSI makes lower high
 - Divergence alone is NOT entry signal (wait for structure break)
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Entry Criteria (All Must Be Met)

- [] Regime identified (trending or ranging via Volume Oracle or EMA)
 - [] RSI interpretation matches regime:
 - **Trending:** Entry on RSI pullback to 40-50 (uptrend) or 50-60 (downtrend)
 - **Ranging:** Entry on RSI extremes (>70 fade, <30 buy) with Harmonic agreement
 - [] Harmonic Oscillator shows 4-5/5 agreement (high confidence)
 - [] Structural confirmation via Janus Atlas (sweep, breakout, or hold)
 - [] Plutus Flow delta alignment (positive for longs, negative for shorts)
 - [] No trading against HTF trend (never fade RSI extremes in strong trends)
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Trade Execution

Entry:

- [] Entry price: \$__
- [] RSI value at entry: __
- [] Harmonic Oscillator agreement: __ / **5 indicators**
- [] **Regime type:** ____ (trending / ranging)

Stop Loss:

- [] **Trending:** Stop below/above swing structure (not based on RSI)
- [] **Ranging:** Stop beyond range boundary (2-3% past support/resistance)
- [] Stop price: \$__
- [] Position size: __ (based on stop distance)

Take Profit:

- [] Target 1 (1.5R): \$__ (next structure level)
 - [] Target 2 (2.5R): \$__ (HTF resistance/support)
 - [] Target 3 (trailing): Let price action guide (don't exit just because RSI hits 70/30)
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Invalidation Criteria (Exit Immediately)

- [] Divergence confirmed + structural break (price breaks key level)
 - [] RSI extreme exhaustion (>85 or <15) + price rejection
 - [] Regime shifts (trending → volatile, ranging → trending)
 - [] Harmonic Oscillator flips (5/5 bullish becomes 4/5 bearish)
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Post-Trade Review

Regime accuracy:

- Did you correctly identify trending vs ranging? _____

RSI interpretation:

- Did RSI behave as expected for this regime? _____

Harmonic Oscillator value:

- Did 4-5/5 agreement lead to better outcomes? _____

Lessons learned:

- _____

Win/Loss: _ R-multiple: _

Remember:

- RSI >70 in uptrend = continuation (NOT reversal signal)
- RSI <30 in downtrend = continuation (NOT reversal signal)
- Regime determines interpretation (trending vs ranging)
- Harmonic Oscillator 4-5/5 agreement = high confidence
- Divergence = warning, not signal (wait for structural break)
- RSI is a filter, not a trigger (always require structural confirmation)

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