



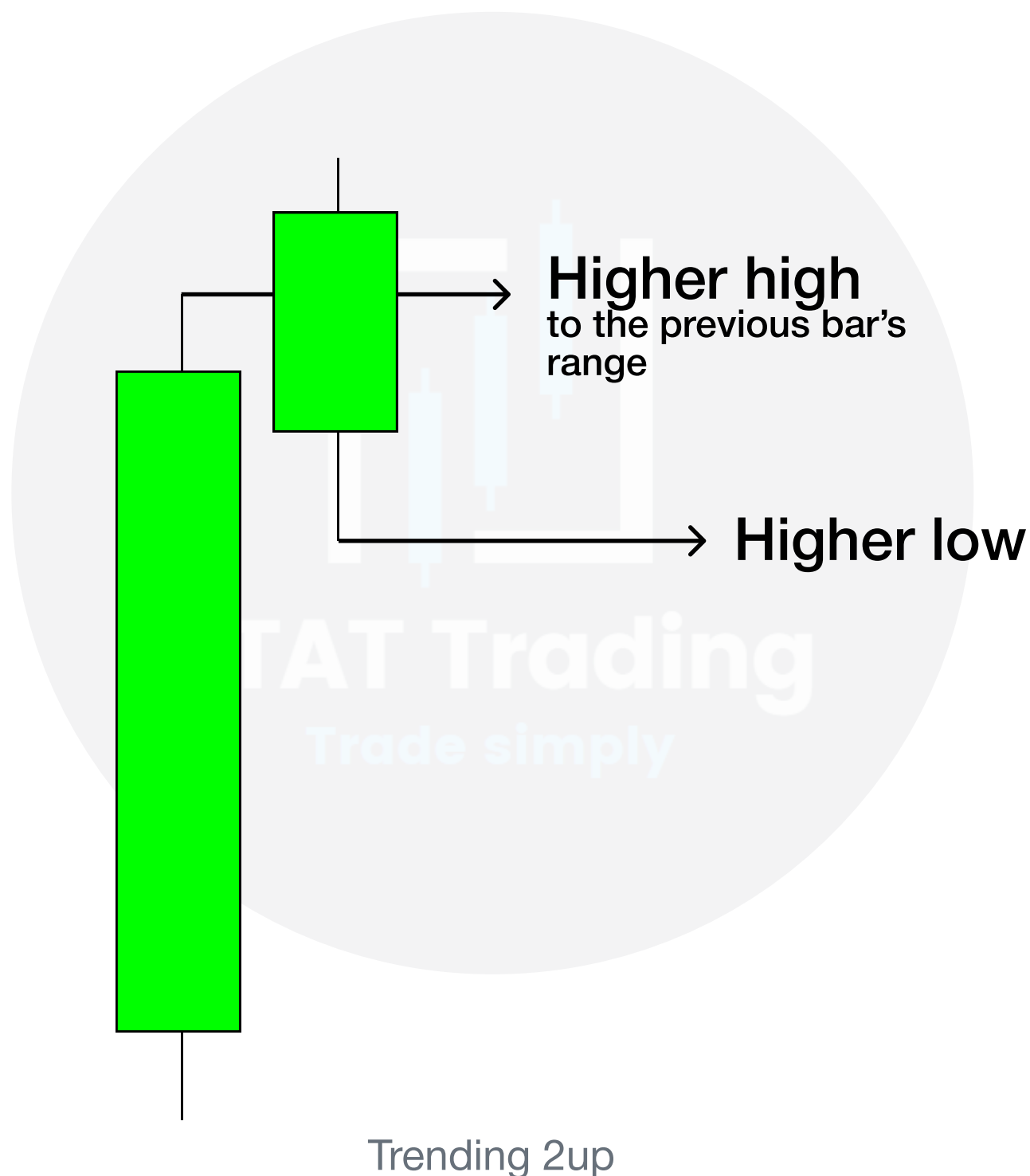
# THE STRAT

Trending Bar  
Scenario (2)

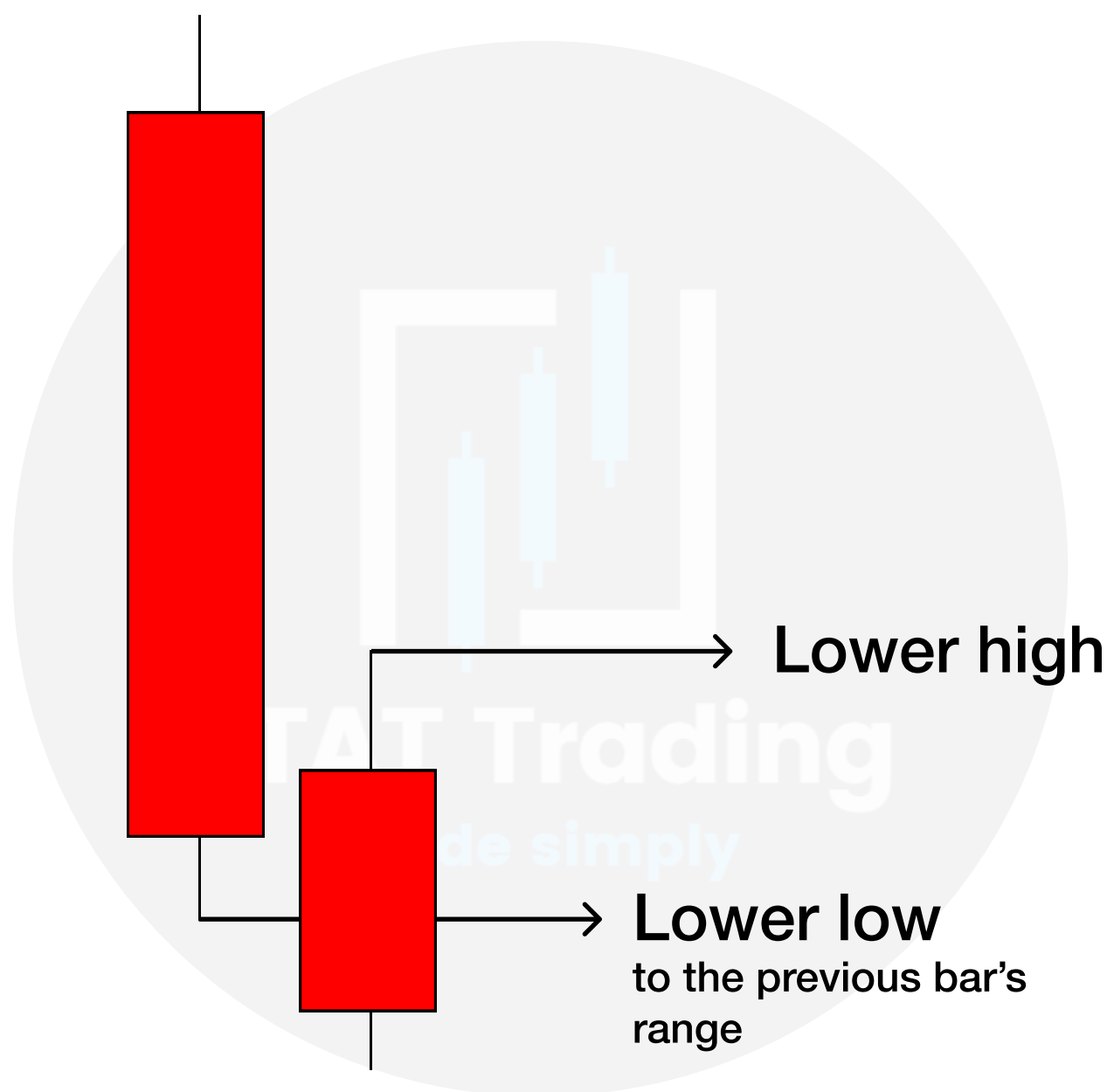
Trending / Directional Bar 2up	1
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Direction of candle, not color	3
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The current candles high broke the previous candles high and has a higher low.



The current candles low broke the previous candles low and has a lower high.



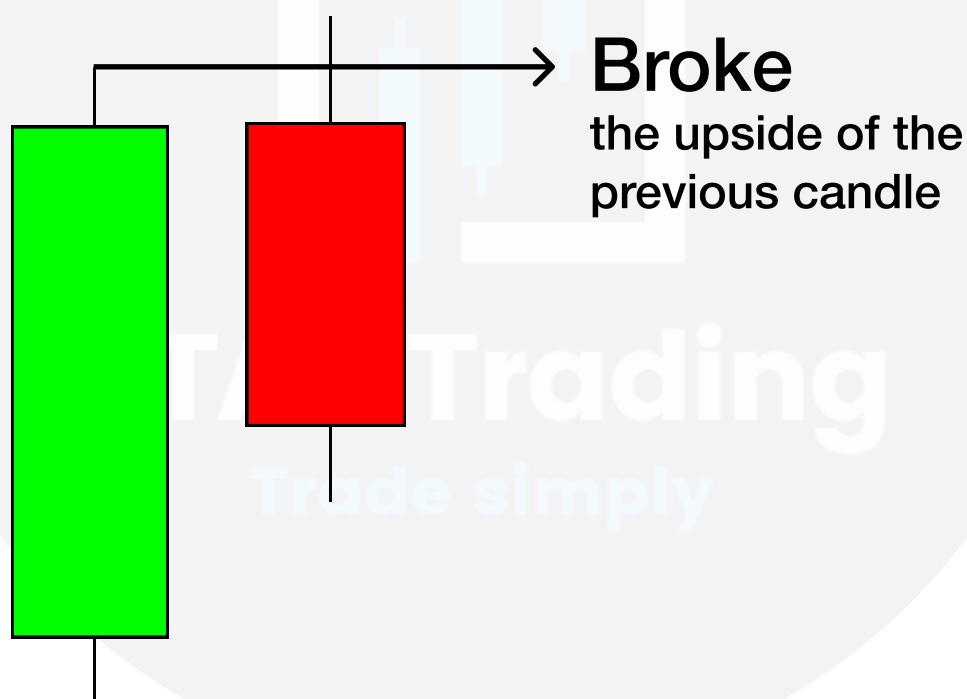
Trending 2down

2's are classified by their direction, not their color.

The most common mistake we see is people thinking this red candle is a 2down simply because it is red. That is incorrect.

It is a 2up, because it broke the upside of the previous candle and has a higher high and higher low to the previous candle.

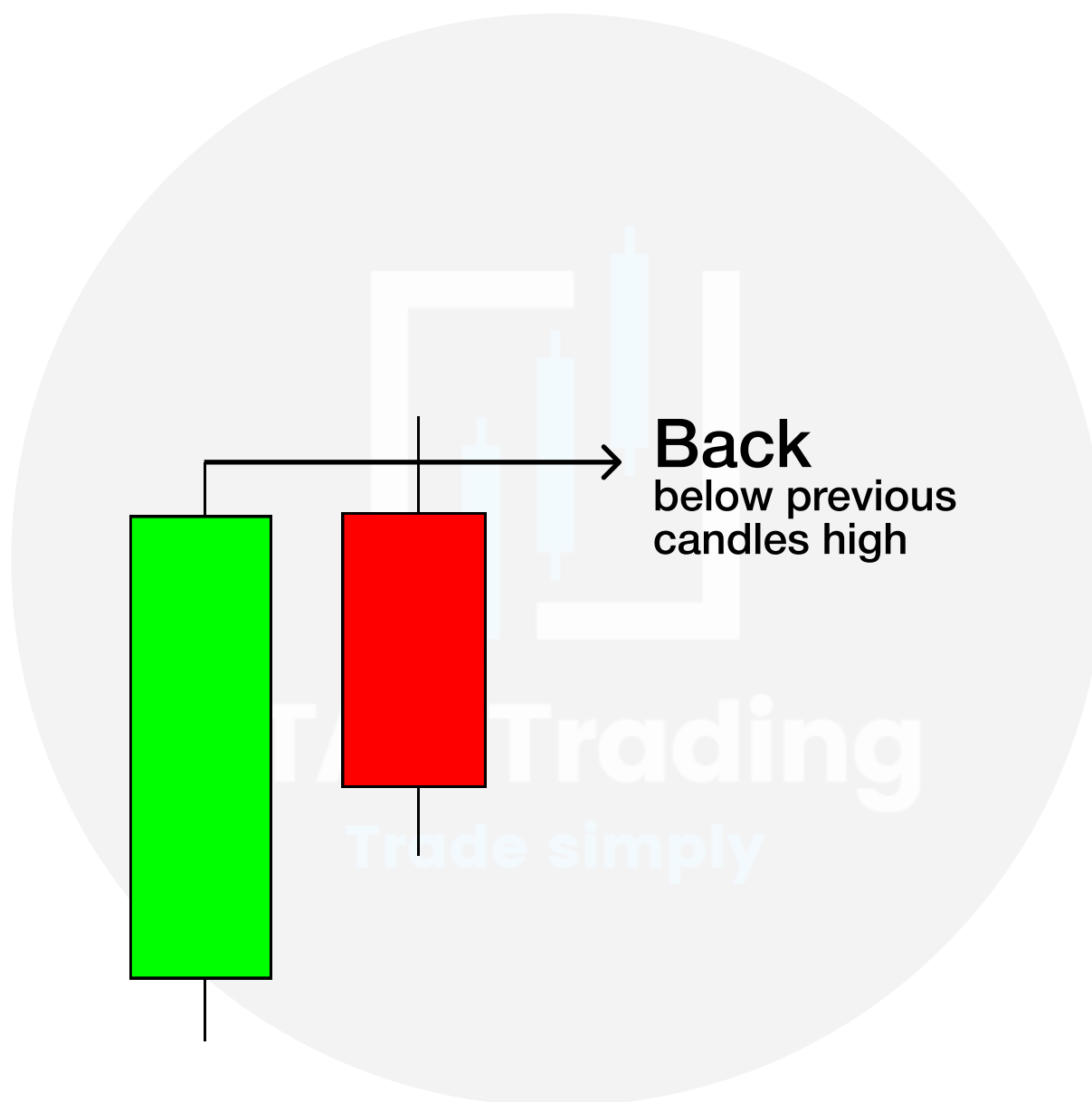
It is however a conflicted 2up.



Conflicted 2up

Trending up but failing to hold direction since now back below previous candles high and red.

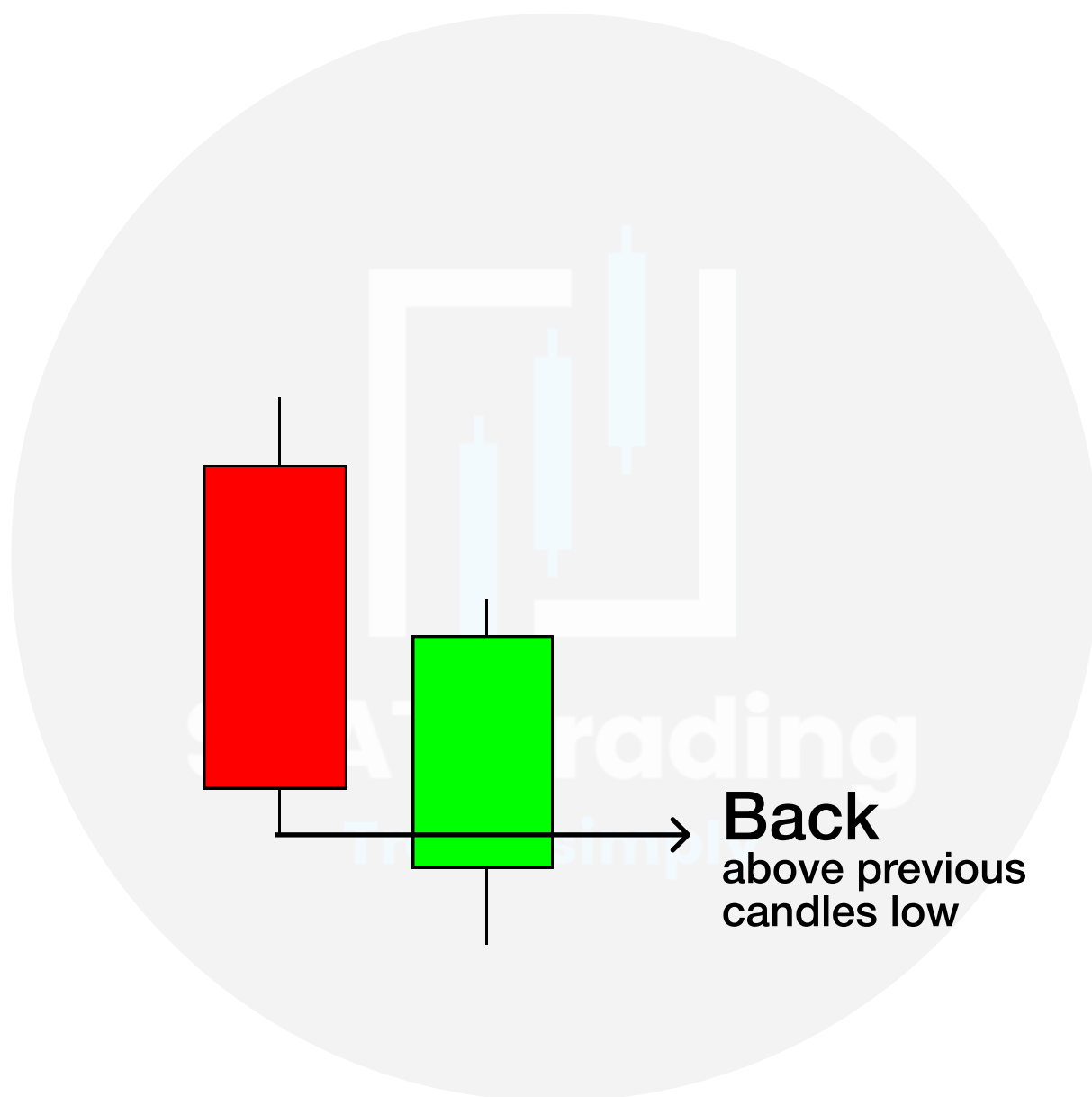
Aggressive buyers are gone.



Failed 2up

Trending down. Failing to hold direction since now back above previous candles low and green.

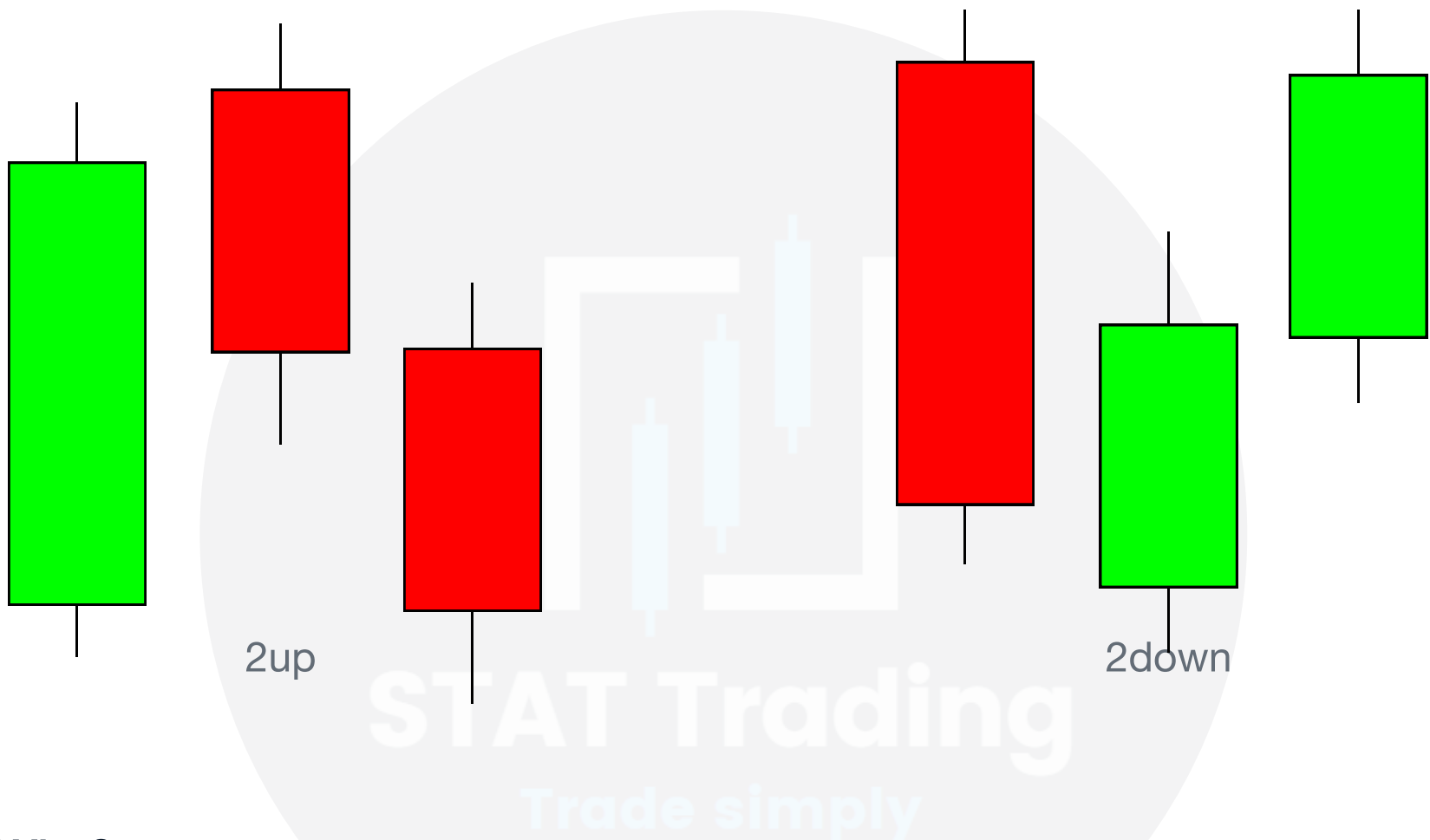
Aggressive sellers are gone.



Failed 2down

We refer to candles that are the opposite color of their direction as conflicted or failed 2's.

- green - 2down
- red - 2up



## Why?

- When you think of an up candle, you think green. When you think of a down candle you think red. When they aren't, this is what makes them conflicted 2's.
- Since the intended original direction failed, it shows us the market participants are unwilling to continue in that direction and are losing steam.
- We often see reversals occur in the other direction on the next candle.