

Bullish flag volume checklist

(Avoid the bull trap)

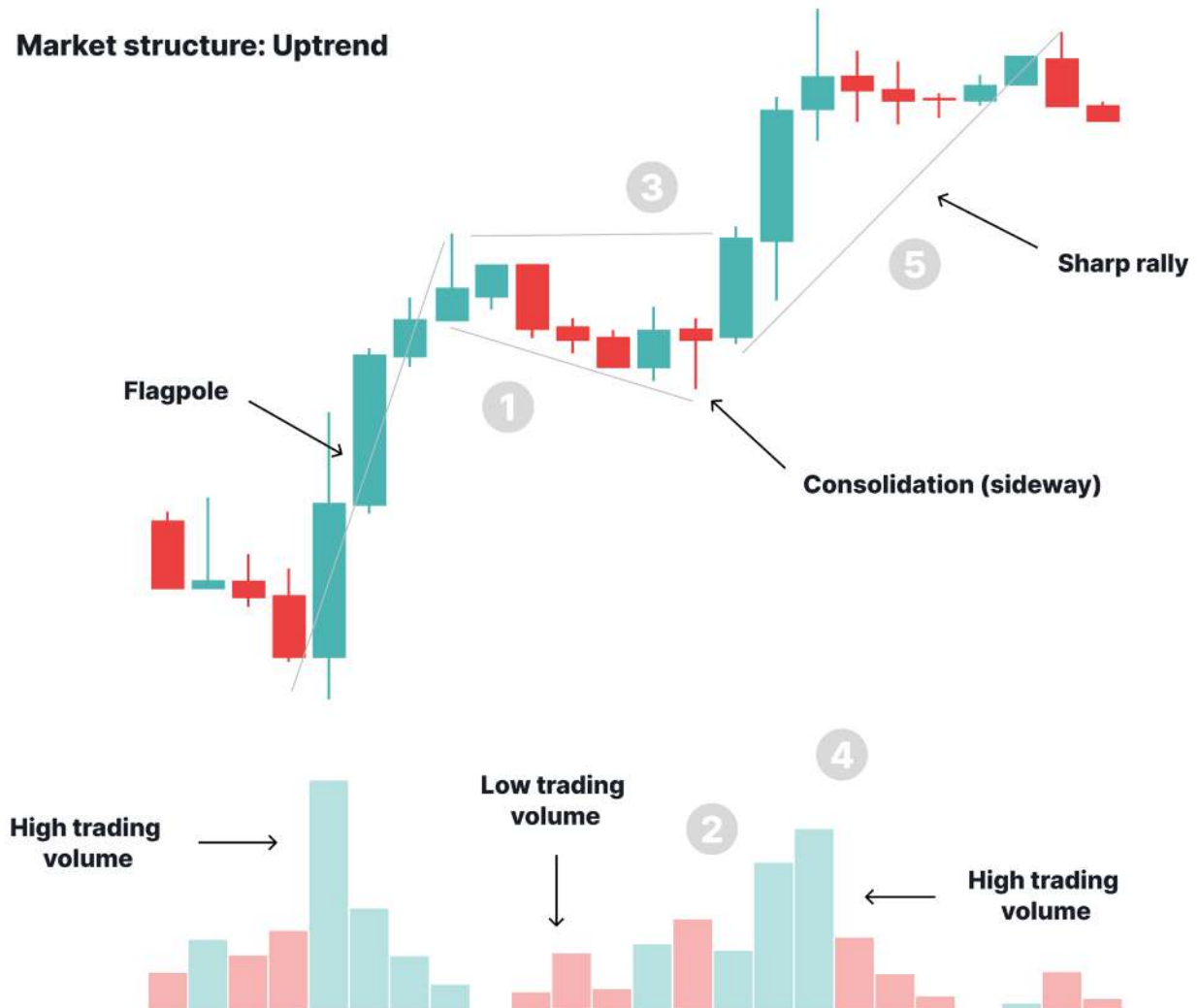
Use this checklist every time you trade a bullish flag breakout:

1

Pattern Confirmation

- ☐ Price forms a bullish flag (strong uptrend, then tight downward-sloping consolidation).
- ☐ Parallel trendlines define the flag.
- ☐ Consolidation must look controlled (not volatile or erratic).

Market structure: Uptrend



2

Volume Rule: The Breakout Test

- ☐ Volume must spike at breakout — at least 2x the 20-bar average volume.
- ☐ No spike = likely fakeout or bull trap.
- ☐ If volume is equal to or lower than average → do not enter.

3

Retest *(optional but ideal)*

- ☐ After the breakout, wait for price to retest the top of the flag (prior resistance now support).
- ☐ If volume stays healthy on the retest → high-probability continuation setup.

4

Avoid “Low-Volume Flags”

- ☐ Breakouts without surging volume often reverse fast.
- ☐ These are liquidity grabs—designed to trap breakout traders before reversing.

5

Extra Confirmation *(pro tip)*

- ☐ Check if volume during the flag declines (healthy pause).
- ☐ Then explodes upward on breakout = strong signal.
- ☐ If volume is high during the entire flag, it might signal distribution.

The information contained in this guide is for educational purposes only and is not intended as financial or investment advice. The products offered on our website are complex derivative products that carry a significant risk of potential loss. CFDs are complex instruments with a high risk of losing money rapidly due to leverage. You should consider whether you understand how these products work and whether you can afford to take the high risk of losing your money. Trading conditions, products, and platforms may differ depending on your country of residence. Unauthorized reproduction (whole or partial) prohibited.

Deriv (FX) Ltd is licensed by the Labuan Financial Services Authority.
Deriv (BVI) Ltd is licensed by the British Virgin Islands Financial Services Commission.
Deriv (V) Ltd is licensed and regulated by the Vanuatu Financial Services Commission.
Deriv (Mauritius) Ltd is licensed by the Financial Services Commission, Mauritius.
Deriv (SVG) LLC is a company registered in Saint Vincent and the Grenadines.
Deriv.com Limited, a company registered in Guernsey, is the holding company for these entities.

Copyright © 2025 Deriv Group. All rights reserved.