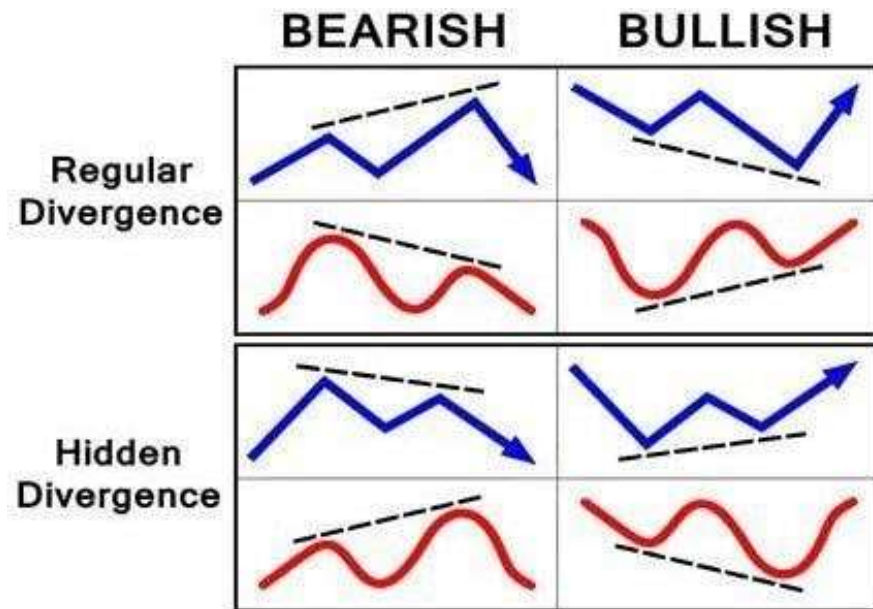


Trend reversals & Pullbacks

Divergences

- Trend Reversal
 - Regular Divergences
- Pullback
 - Hidden Divergences



Indicators

- 200 Exponential Moving Average (EMA) = Trend direction
- RSI Length (21) = Divergences
- MACD = Momentum Confirmation

- 200 Exponential Moving Average (EMA) = Trend direction
 - If price is above 200 ema, trend is **BULLISH**
 - If Price is below 200 ema, trend is **BEARISH**
 - If 200 ema is flat , market is **RANGING**



- Rule No 1

- If Trend is **BULLISH** on time frame you are trading, you would only look for Hidden Bullish Divergence (Pullback) or Bearish Divergence (Trend Reversal)
- If Trend is **BEARISH** on time frame you are trading, you would only look for Hidden Bearish Divergence (Pullback) or Bullish Divergence (Trend Reversal)
- If market is **RANGING**, you should not trade or switch to higher or lower time frame to find trading opportunity

- If Trend is **BULLISH** on time frame you are trading, you would only look for Hidden Bullish Divergence (Pullback) or Bearish Divergence (Trend Reversal) on RSI



- Once you see potential **Hidden Bullish Divergence**, you will wait and switch to smaller time frame than your trading time frame look for Regular Bullish Divergence

- Go to 15 or 5 min chart and look for Regular Bullish Divergence. You can switch to line chart to find divergence as divergences can be wide or tight
- Once you find divergence, draw trendline on RSI, in case of breakout confirm it on MACD as well . You should find MACD bullish crossover with RSI break out
- You will enter when you find both confirmations, putting Stop Loss and recent swing low and your target would be swing high of 1 hour chart. You can offload 70-80% of your order there and trail Stop loss with remaining order





- You can use Fibs to find targets