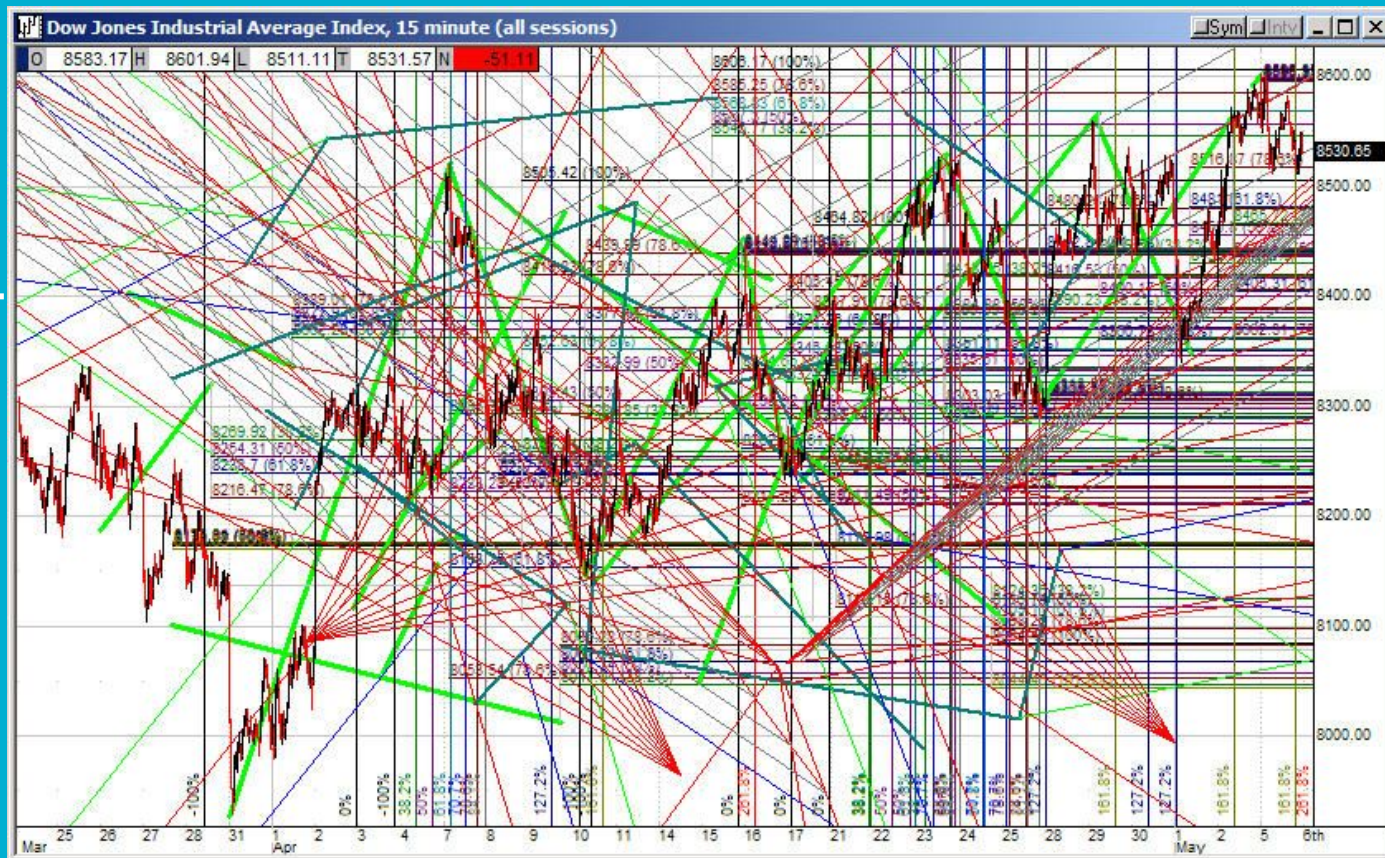


Technical Analysis In the Crypto Space

Connor Cranston



You will all learn how to do this today



Key Objectives

- How to use patterns, indicators and such
- Why technical analysis works
- Finding your trading strategy and sticking to it
- Looking for profitable trades
- Works for any market
- Entry and exit points



What is technical analysis (TA)

- An analysis of supply and demand in the market to determine where the price trend is headed. In simple terms, it is used to understand the market sentiment behind price trends - Source Investopedia
- Combination of trends, lines, candles, patterns, indicators and so on
- Short term method to trading
- Method of possibility and probabilities to give you the best outcome
- **HUMAN EMOTIONS ON A CHART!!!**



WALL ST. CHEAT SHEET™ WE'VE GOT THE WORD ON THE STREET

PSYCHOLOGY OF A MARKET CYCLE

THE FEELINGS APPEARING
AS THE MARKET FLUCTUATES.

SIMPLIFIED MARKET CYCLE



Trends/ Trendlines

2018-03-23 19:40:47

Global Digital Asset Exchange - BTC/USD (D)

O: 8715.09000000 H: 8715.09000000 L: 8280.04000000 C: 8613.06000000

Volume (true, 20)

*Most important in TA
Connecting highs and lows
Great traders look for trend reversals
Must touch minimum 2 pts on top and bottom (3 is valid)
Okay to touch wicks and body
Which way is trend going (up, down, sideways)



charts by TradingView

Channel(s)

2018-03-23 19:50:57

Global Digital Asset Exchange - BTC/USD (D)

O: 8715.09000000 H: 8715.09000000 L: 8280.04000000 C: 8621.63000000

Volume (true, 20)

2 parallel trend lines that act as support and resistance
Consist of more channels within the channels
Look for breakout of the channel (above resistance)
Or breakdown of the channel (below support)

Resistance
Tested resistance
Support
Smaller channel
Broke support



charts by TradingView

Support/Resistance

2018-03-23 20:05:48

Global Digital Asset Exchange - BTC/USD (D)

O: 8715.09000000 H: 8715.09000000 L: 8280.04000000 C: 8585.01000000

Volume (true, 20)



Pop Quiz

Which is the most important concept in TA?

- A. Support/ Resistance
- B. Channels
- C. Trends
- D. All
- E. None

Pop Quiz

What psychological factor does TA on a chart show?

- A. Human emotions
- B. Numbers
- C. Patterns
- D. None
- E. All

Volume

2018-03-23 20:17:37

Global Digital Asset Exchange - BTC/USD (D)

O: 8715.09000000 H: 8715.09000000 L: 8280.04000000 C: 8594.50000000

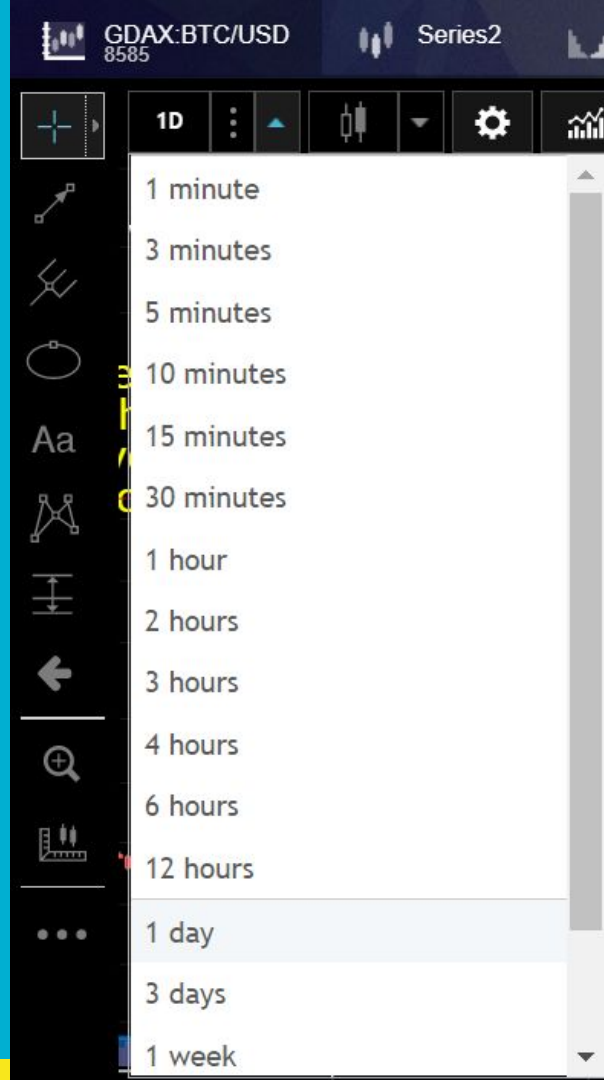
Volume (true, 20)

Number of shares of contracts that trade over a given period,
with higher volume representing more activity.
More volume = more strength
Less volume = less strength



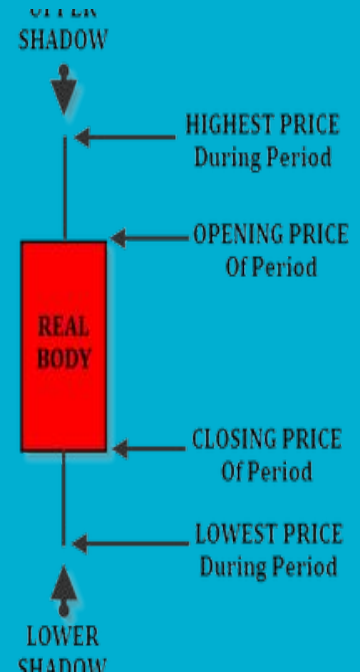
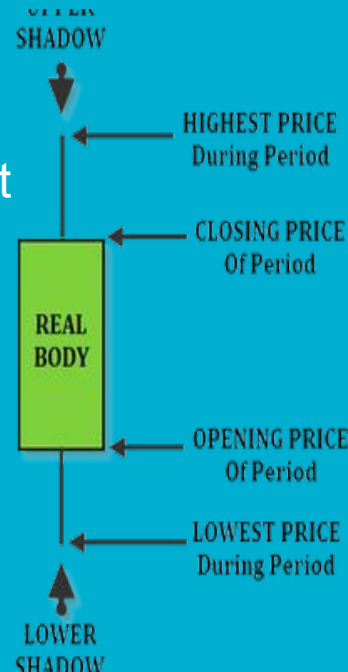
Time frames

- 1 hr and 1 day is most popular
- Smaller time frames for scalping (1 min -30 min)
- 1 wk, 1 mth, annually to look at overall trend
- Day trading = 1 min to 12 hrs
- Swing trading - 2 day and above
- Long term - 1 week and above



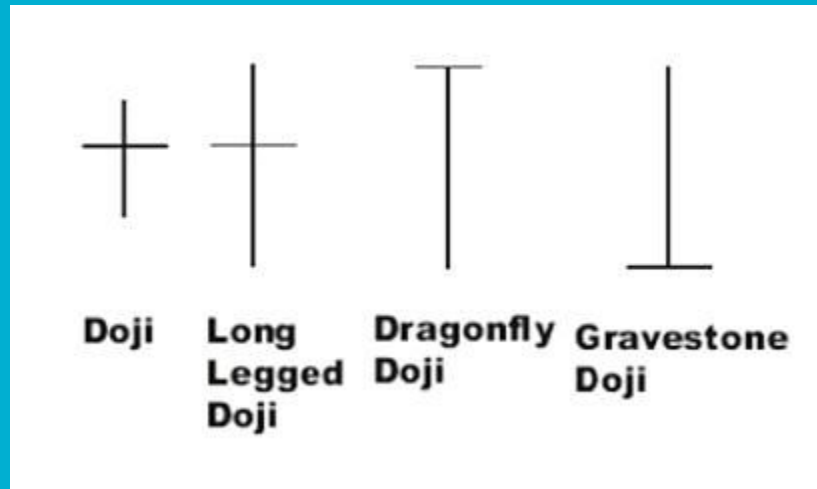
Candlestick

- A chart that displays the high, low, opening and closing prices of the security for a specific period
- Line = wicks
- Green/white = bull movement
- Red/ black = bearish movement



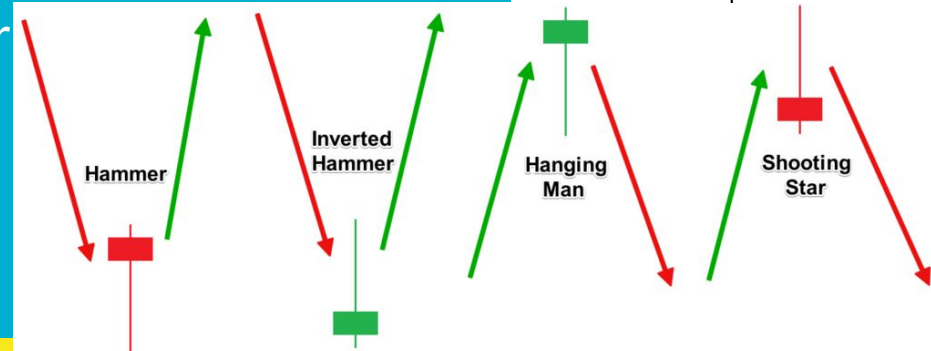
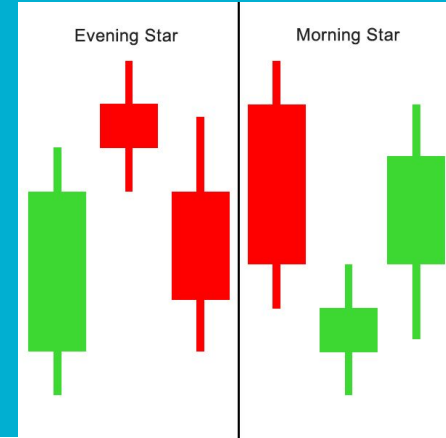
Important Candlesticks to Look Out For

- Doji = **Neutral**. A doji after a prolonged uptrend is a indicator of a top (vice versa). While in the beginning or middle of a trend = resume trend
- Long Legged = Open/Close \$ stays same. Same as doji, yet a stronger indicator
- Dragonfly = **Bullish**. Precedes a downtrend, wait for next candle to close above this doji
- Gravestone = **Bearish**. Precedes a uptrend, wait for next candle to close below this doji



More Important Candles

- Shooting Star = **Bearish**. Upper shadow 2x longer than body, appears in uptrend, longer the shadow and smaller body = the more reliable for reversal from uptrend to downtrend
- Hanging man = **Bearish**. Lower shadow 2x longer than body, appears in downtrend, it may indicate a top for the market
- Hammer = **Bullish**. Preceding downtrend, green/red, similar to dragonfly doji, look for hammer at bottom of downtrend
- Inverted hammer = Opposite of hammer
- Evening Star = **Bearish**. Consist of 3 candles, Uptrend
- Morning Star = Opposite of Evening



Which is which?

2018-03-23 20:46:13

Global Digital Asset Exchange - BTC/USD (60)

O: 8632.17000000 H: 8632.18000000 L: 8560.06000000 C: 8598.99000000

Volume (true, 20)



Head and Shoulder

2018-03-23 21:13:20

Global Digital Asset Exchange - BTC/USD (60)

O: 8608.74000000 H: 8624.95000000 L: 8608.74000000 C: 8623.00000000

Volume (true, 20)



Triangles

2018-03-23 21:51:51

Global Digital Asset Exchange - BTC/USD (240)

O: 8632.17000000 H: 8651.05000000 L: 8560.06000000 C: 8650.01000000

Volume (true, 20)



Wedges

2018-03-23 22:05:14

Global Digital Asset Exchange - BTC/USD (240)

O: 8632.17000000 H: 8678.99000000 L: 8560.06000000 C: 8677.30000000

Volume (true, 20)



Flags and Pennants

2018-03-23 22:18:53

Global Digital Asset Exchange - BTC/USD (60)

O: 8659.36000000 H: 8679.99000000 L: 8639.97000000 C: 8639.97000000

Volume (true, 20)



Pop Quiz

Which pattern is a major sign of a reversal?

- A. Head and Shoulder
- B. Flag
- C. Continuation
- D. A and B
- E. All
- F. None

Pop Quiz

What does a shooting star indicate?

- A. Bullish
- B. Bearish
- C. Neither
- D. B and C
- E. All
- F. None

Fibonacci Retracement

2018-03-24 15:38:39

Global Digital Asset Exchange - BTC/USD (D)

O: 8973.38000000 H: 8973.38000000 L: 8917.00000000 C: 8925.49000000

Volume (true, 20)

Fib retracements are great for pullbacks
and risk managements
Downtrend = invert the fib



Fibonacci Extension

2018-03-24 15:49:09

Global Digital Asset Exchange - BTC/USD (D)

O: 8927.80000000 H: 8999.00000000 L: 8666.81000000 C: 8944.00000000

Volume (true, 20)

Fib extension = A retracement movement where the crypto "retraces" a section of one of its previous moves.
In most cases, a crypto performs a retracement at 1 of 3 fibonacci levels: 38.2%, 50% and 61.8%.
Great for TARGET PROFITS



Important questions to ask yourself

- What is the direction of the overall market?
- Where are the major, intermediate and minor at? (up, down, side ways)
- Where are the key support and resistance lines?
- Where are my retracements? (33, 50 and 68%)
- Any signs of reversals?
- Which trading style do I plan on sticking to? (Fib, trends, elliot)
- What are the oscillators showing? (overbought or oversold)
- What cycle is this coin on? (new, finishing, middle)
- How much am I willing to risk?
- Where will I enter and exit the market?