

Title: Dangerously jacked for today after this TA! Hourly chart is too bullish to ignore!!

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Initial thoughts & disclaimers:

Hi all, Substantial_Papaya here bringing you an attempt at some technical analysis (TA) as a way to help myself make sense of all this information and get a deeper understanding by putting it into my own words. Although I'm still relatively new to the TA scene I think my background might be somewhat useful here and will hopefully give you all something exciting to look at other than those beautiful purple rings flooding the sub. Enjoy!

Before we go any further it seems important to note that I am clearly not an expert in TA and do not pretend to be so please do not take any part of this post as financial advice.

****About me:****

As my username suggests, I am obviously a well-endowed papaya who strikes fear into the pits of hedge fruits. On a more serious note, I am about six months away from earning a doctorate in clinical psychology so this ape needs some serious bananas to pay off student loans. Now you might be asking yourself "u/Substantial_Papaya, how does any of that help with TA and why should I care?" Those are excellent questions and honestly it probably doesn't, however, I've spent the past several years specializing in and conducting forensic assessment which essentially boils down to making sense out of a ton of data to identify diagnoses and recommendations for next steps. Dunno about you but seems to resemble TA so let's give it a shot.

Forgot to mention it above but I've been in on this wild GME ride since November '20 and have held XXX shares since well before the January sneeze. So far, GME has paid for my wedding happening later this year and now I want a spaceship or two for our honeymoon on the moon.

****BuT tHe StOcK iS mAnIpUlAtEd:****

A ton of DD has come out over these many months which seemingly supports this assertion. I totally understand the "TA doesn't work for manipulated stocks" sentiment, it truly does make sense and seems like a fair point. That said, if that is how you truly feel then why even bother clicking on a post about TA in the first place? Most likely it was either to leave a similar, somewhat useless comment OR there is some part of you that believes in TA. Lean into that second option and have some fun instead!

Time frames:

While looking at different indicators for this post I started seriously wondering why so many people who do TA use different time frames in their analyses. Luckily, [Investopedia exists](<https://www.investopedia.com/articles/trading/07/timeframes.asp>) and explained that they provide a variety of data that can be used to better understand trends and potential moves up or down. An indicator showing a bullish signal on the daily chart may very well be bearish on the hourly and we can use these discrepancies to refine our expectations about what the price might do in shorter and longer terms.

Even though we are all holding until the price of each share looks like a phone number, we are going to be using [Investopedia's suggested timeframes for swing traders](<https://www.investopedia.com/articles/trading/07/timeframes.asp>) because that's more exciting. According to Investopedia, swing traders apparently look to weekly charts for defining the primary trend, daily charts for decision making, and 60-minute charts to define the short-term trend.

Defining the primary trend:

[Weekly chart with Relative Strength Index \\\(RSI\\), Moving Average Convergence Divergence \\\(MACD\\),

and Linear Regression Channel](https://preview.redd.it/9lj0c7tj6ff81.png?width=1042&format=png&auto=webp&s=2e5ea8be0ba47637250c4a54fedbee4dfbe5d811)

Here we can see an overall primary upward trend on the linear regression channel as it slopes upwards and price does not appear likely to break out of the channel as of now. If the price suddenly drops I would expect a bounce off the channel towards the upside which is bullish overall. We can also see that RSI at its lowest levels on the weekly chart since well before the January sneeze and almost hit oversold territory but did not quite make it there. Although RSI and linear regression channel suggest bullish moves, MACD still looks to be in weakening bearish territory on this time frame.

[Weekly chart with Supertrend, Commodity Channel Index \(\text{CCI}\), and Directional Movement Index \(\text{DMI}\)](https://preview.redd.it/ew0ml2tk6ff81.png?width=1123&format=png&auto=webp&s=6da13ef4d6a79254e3bfa0d2185362c83792f215)

It seemed necessary to consider additional data before determining the overall primary trend which may have been a pertinent, yet depressing, decision. On this chart we can see a bearish signal on the supertrend indicator with a bullish crossover point at 198.23, meaning we have a ways to go before returning to bull territory. The directional movement index (DMI) also sadly points to a bearish primary trend since the negative directional line recently crossed above the positive directional line. DMI also indicates that the more recent bearish trend is still relatively strong on this longer timeframe as the average directional line (top line in blue) remains above 20 at this time. Finally, the commodity channel index (CCI) may be showing a bit of bullishness as it has started to rebound but needs more time to really give us anything to work with.

****Primary Trend Summary:****

Based on the available data above, it currently looks as though GME is showing a somewhat bearish primary trend on the weekly chart after the past several weeks of declining price. Although most data suggested a bearish primary trend, GME is still well within the linear regression channel and may see a bounce upwards if it begins to get close to the bottom.

What the daily says:

[Daily chart with Linear Regression Channel, Relative Strength Index \(\text{RSI}\), and Moving Average Convergence Divergence \(\text{MACD}\)](https://preview.redd.it/3l61xjtl6ff81.png?width=1122&format=png&auto=webp&s=3bf7aee803fa2b100485a7adcd95ec5933a8ffd2)

Here on the daily chart the linear regression channel shows a relatively weak downward slope which is bearish overall. Interestingly, It looks like we briefly broke out of the regression channel during the runup in late November as price closed above the channel for two consecutive days, however, the aggressive drop in price that followed brought us back and we have been there since. This is speculation but it seems like the price was brought down quickly to avoid a breakout that could have triggered a huge jump.

What really has me excited about this daily chart is the combination of ****RSI hitting oversold for the first since February 2020**** and recent bullish crossover on MACD as of January 31st. The timing of these two bullish signals has me excited because of the recent increase in options activity that might spark a gamma squeeze if price can keep climbing.

[Daily chart with Supertrend, Directional Movement Index \(\text{DMI}\), and Commodity Channel Index \(\text{CCI}\)](https://preview.redd.it/z9poi12n6ff81.png?width=1128&format=png&auto=webp&s=45d8aad70cc0922c588f81f78b36d1c94f1a2989)

Unfortunately the good news did not carry over to the other indicators we are utilizing as DMI still indicates bearishness after the crossover in December. Although the trend is weakening, DMI also suggests that the bearish trend is relatively strong at this time. Similar to the weekly chart, CCI looks like it's heading towards bullishness but needs more time to move before a bullish signal can be called. Some slightly better news, however, is that even though supertrend continues to show bearishness the trend appears to be

weakening and is likely within reach in the coming days. Supertrend indicates that if we can get the price over \$133.75 we will be entering bullish territory.

****Daily Chart Summary:****

Overall, the daily chart has me feeling excited because it is looking like we are nearing the official end of a bearish cycle for GME. Most of the available data still shows bearish signals, however, they appear to be weakening and may likely indicate bullishness relatively soon. What is particularly exciting about the daily chart is that it shows we are likely in a good position for a significant move upwards as RSI hit the oversold zone for the first time in two years and did so three times in quick succession. Another aspect that has me jacked is that RSI is still under 50 despite the recent increases in price over the past couple of days which suggests we still have lots of room for upward price movement before hitting overbought territory. Considering the weakening bearishness of the other indicators examined we may very well cross over into bullishness soon which could trigger additional upward momentum.

Hourly looking hot:

[Hourly chart with RSI, MACD, and Linear Regression Channel](<https://preview.redd.it/4xjbmqio6ff81.png?width=1060&format=png&auto=webp&s=8cecc993e462661c5a5decc43fd09fe338a4c550>)

These hourly charts are looking really promising and have me completely jacked for what might happen today because it could change everything I just wrote for the weekly and daily charts if there is a big enough move. On the daily chart, the linear regression channel has a downward slope but looks like it will be shattered today towards the upside considering the consolidation that happened at the very top of the channel at the end of the day yesterday (February 1st) along with the other bullish signals we are seeing. RSI is also showing a juicy bullish signal as it seems to have formed a "failure swing bottom" after failing to dip back down into oversold territory and then creating higher highs. MACD is also showing a bullish trend that seems to have been weakening towards the end of the day but may very well change today.

[Hourly chart with Supertrend, DMI, and CCI](<https://preview.redd.it/z82irsip6ff81.png?width=1132&format=png&auto=webp&s=45c80b8cb10d35660097b74068d11c7f7232d882>)

Our other indicators on the hourly chart are also bullish and have me continually jacked. Supertrend shows a bullish signal that began at the end of January and would require the price to dip below \$101 to break which seems unlikely. DMI similarly shows bullishness after crossing over at the end of January and suggests the trend is relatively strong while also continuing to gain strength. Finally, CCI is also bullish after climbing from its most recent low of -123 to 128 at the end of January.

****Hourly Chart Summary:****

Everything points to bullishness on the hourly chart, although strength of the trend is a bit unclear at this time. The hourly chart also suggests that there may be some particularly large jumps in price today as resistance at the top of the linear regression channel is challenged today following a period of nice consolidation at the end of the most recent trading day. RSI shows that we have a bit of room to play with but will likely hit oversold territory with any meaningful price jump that occurs early in the trading day. As a result, it is probable that price will dip down after an initial surge which may provide a good buying opportunity for those interested.

Putting it all together (TLDR):

From looking at this set of indicators across various time frames, it appears that we are heading towards a solid day of trading today which may feature some bigger jumps as resistance at the top of the linear regression channel is challenged. Overall, however, it appears that the long term outlook is currently somewhat bearish on the weekly charts following the recent drop in price from highs in November. That said, the linear regression channel on the weekly chart shows an upward slope which may be our saving grace from falling into truly bearish territory as we could bounce off the bottom with another dip in price. In the more medium term it looks like we are in a good position to exit the current bearish signals that are present in the chart, particularly thanks to RSI hitting oversold territory three times at the end of January for the first time in two years. The daily chart also indicated a recent bullish MACD crossover while also

showing that RSI has room to run which may be perfect conditions for upwards price movement and subsequent bullish signals in the medium term. Considering the resounding signals of bullishness on the hourly chart it seems as though it is becoming increasingly likely that we will see bullish signals on the daily chart by the end of the week. If that happens I may just have to come out with a "TA round two" post if there is interest!

Information about indicators used in this post:

[Linear Regression Channels](<https://www.investopedia.com/articles/trading/09/linear-regression-time-price.asp>)

[Relative Strength Index (RSI)](<https://www.investopedia.com/terms/r/rsi.asp#toc-example-of-rsi-swing-rejections>)

* [More about RSI Failure Swings](<https://www.elearnmarkets.com/blog/rsi-failure-swings/>)

[Moving Average Convergence Divergence](<https://www.investopedia.com/terms/m/macd.asp>)

[Supertrend](<https://www.angelone.in/knowledge-center/online-share-trading/supertrend-indicator>)

[Directional Movement Index](<https://www.investopedia.com/terms/d/dmi.asp>)

[Commodity Channel Index](<https://www.investopedia.com/terms/c/commoditychannelindex.asp>)