

Crypto Trading Notes



TRADING VIEW

Moving Averages 20 50 100 200

TIME FRAMES

Daily - long-med term view (investor)

4h - 8h - 12h - 1-2 month trades (swing trader)

1h - 2h - once a day / two days trade (daily trader)

Indicators

Majority of indicators are lagging indicators

- Buy breakouts when trend is going down

RS Flow

- Wait resistance into support or vice versa
- When price breaks through support or resistance, use volume to tell if its real or a false out

When 200 day MA meets 50 = golden or death cross

- in an uptrend MA lines provide support, in downturn = resistance

Volume

- Volume needs to back moves in the market
- if you get a fast pump with volume slowing down trend is down
- volume above volume trend line means big moves in market

PRICE

VOLUME

CONCLUSION



UPTREND Supported by volume,
look for long entries
(Bulls gaining control)



uptrend not supported by
volume, exit long entry
on further sign of reversal
(Bulls tired)



Downward Supported by
volume, look for entries
(Bears gaining control)



Downward not Supported by
volume. Exit long entry
on further sign of
reversal.
(Bears tired)

- Market Shifting moves accompanied by high volume, if not clear must

RSI

- Different from Stochastic
- Momentum Indicator
- Oscillates between 0-100
- RSI is a LEADING Indicator
- When RSI is oversold look for BUY
When RSI is overbought look to TAKE PROFITS
(RSI can remain overbought + oversold for long periods of time)

Bullish Divergence price going down, RSI going up

Bearish Divergence price going up, RSI going down

Stock RSI

0-20 Oversold

When red + blue lines cross, usually is indication of oversold/overbought

20-80 Neutral

80-100 Overbought

TIMEFRAMES

{ Day trader - 4h (3 days)
Medium term trader - 12h (7-10 days)
Investment - Daily (2-3 weeks)

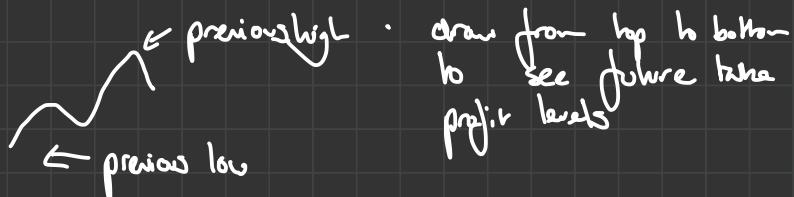
- RSI's typically stay oversold for less than 1 week
- RSI's best in sideways consolidation to be

Fibonacci Retracement

- Works well only in moving market (up or down)
- Gives key levels for buy + sell orders
- If trending UP draw from bottom to top to see how far you can come down
- If trending DOWN draw from top to bottom to identify how far we can go up

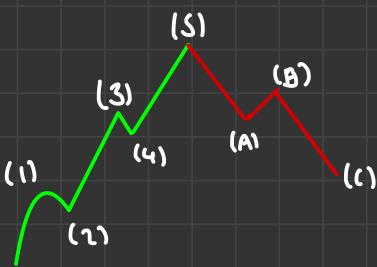
1, 2, 3, 0

- .618 is golden zone (e.g. in bull market draw fib from bottom to top looking at 0.618 for potential buy level)
- if 0.618 broken, indicates change of trend
- if entering price discovery, draw fib for previous trend e.g.



Elliott Wave Theory

- Usually 5 legs to upside



- if you know you're buying at leg 4 for example, set take profit orders as you're in the last leg
- Waves are patterns of emotion, they play over and over again

UPTREND rules:

- Wave (2) cannot retrace $\geq 100\%$ of the 1st wave
- Wave (3) cannot be the shortest of waves (1,3,5)
- Wave (4) cannot go below the tip of wave(1)

BBWP

Bollinger Band width Percentile

- Range from 0-100
- Once hit 100 percentile, should look to see pull back or consolidation
- Slope of MA indicates current general market direction
- When BBWP is above MA, in uptrend
when below + MA has -ve slope \rightarrow going into consolidation

MACD (Moving Average Convergence Divergence)

- 26 period - 12 period EMA \rightarrow MACD

9 period EMA (smooths data out more) called signal

- Looking at how lines converge or diverge
- Histogram indicates momentum

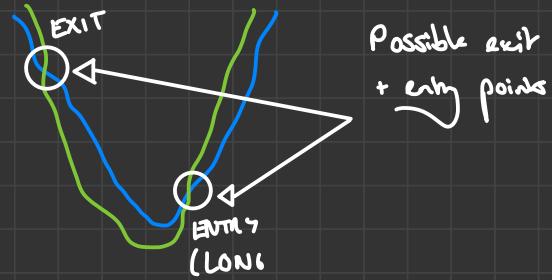


- As histogram begins to flatten to upside or downside, indicates loss of momentum

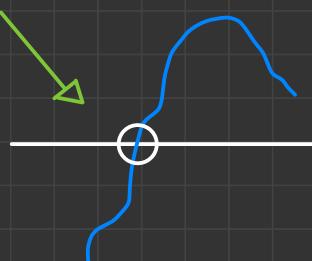


loss of momentum in down trend

- Signal line crossover



- Mid line crossover - As MACD crosses mid line, shows chart is moving away from bearish to bullish

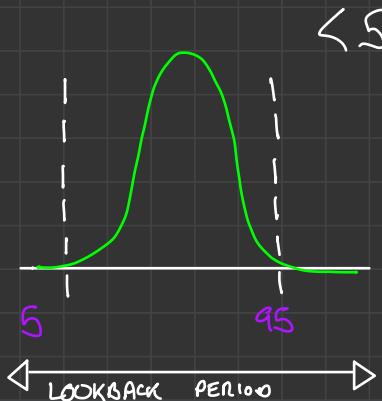


- Bullish or bearish divergence can occur when price doesn't match MACD trend

BBWP Advanced

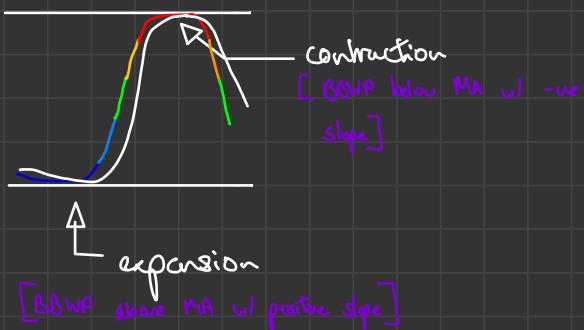
• 0 - 100

> 95 greater than the 95th percentile
of prices for the lookback period



< 5

less than the 5th percentile
of prices for the lookback period

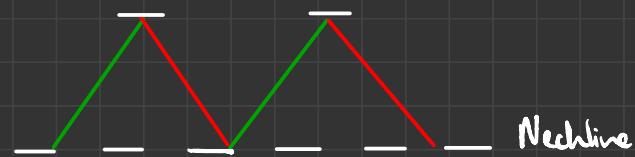


TA

- Need a consistent strategy



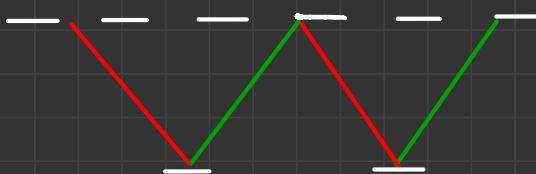
'Bullish Engulfing'



Neckline

(Price has no momentum
at this level)

Double top pattern, buyers rejected twice

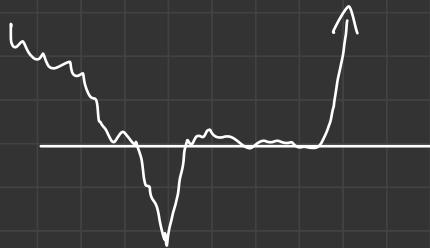


Double bottom, sellers bought up twice!

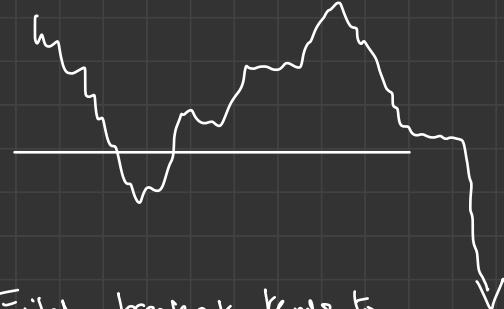


- 'The trend is your friend until the end of the trend'
- Consolidation can precede a breakaw

Ahead + Shoulders reversals



Failed breakdown = tends to perform better to upside



Failed breakout tends to perform better to downside

Regular vs Hidden Divergence

Regular Bearish:



Higher high on price

lower high on RSI

Regular Bullish:



lower low on price

higher low on RSI

Hidden Bullish :



higher low on price

lower low on RSI

Hidden Bearish:



lower high on price

higher low on RSI

Moving Averages Advanced

- 50 + 100 SMA cross biased by direction of lines =
entry signal
- If lines are pointing in direction of trend but you caught between some caution should be taken

Short Term 7 MA , 30 MA

Long Term 50 MA , 200 MA

Rule for MA Strategies :

- Trend on same side of trendline for current timeframe
- Slope analysis (pointing same as trade direction)
- Price action pulled into cross and then supported by MA lines:



- Ideally both 50 + 200 want to be tilted up but just 200MA is fine

- Consolidation around the MA's is a good sign
 - In obviously bearish/bullish trends, ignore counter crosses
 - When price continuously uses the 5SMA as support/resistance (long/short) with low volatility, good sign
 - When price overlapping all indicators, = no clear direction, no trade
 - Price Action more responsive to higher period MA's
 - 9 + 21 MA cross gives indication on corrections/reversals
-

Support + Resistance

- Quality trendlines matter
- 2 touches with high volume on each touch
- 3 or more touches generally to form the basis of a trendline

Things to look for:



- Multiple reactions to the level
- Act as both support + resistance
- Recently redefined = still valid

Personality + Emotional management edge [Psychology]

What are my main issues when trading?

- What timeframe / trading style suits my personality best?
- Intraday trading, 15min - 1h TF
- What time of day do I trade best at?
- What makes me more focused / trade better?
 - Exercise in morning
 - Cold shower
 - Sunlight exposure early
 - Taking mini breaks
 - Meditation
- Keep trading journal of thoughts + emotions during every trade

Questions to self before a trade:

- Is this an emotionally driven decision?
- Is this synonymous with the bulk of the market?
- Am I trading from an emotional state?

- You ~~DON'T~~ always need to be in a trade, only when your conditions are met
- Patience, confidence, knowing and accepting that losses are part of trading