

# Understanding Support / Resistance

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- Resistance & Support can drown by
  - Connecting high / lows
    - Horizontal trend line
    - Angular Trend line
  - Price Rejection
- Price Rejection:
  - Bulls try to go up, but Bears stops & viz via
  - Indicate trend **may** reverse
- At the same time for swing traders you can identify support/resistance by candlestick like
  - Hammers
  - Inverted Hammers
  - candles with long wicks (Showing the price rejection), either they are
    - Upper wick:
    - Lower wick:
    - Or Both
  - Gravestone Doji
  - Long legged Doji
- Wicks: Build up by Price rejection either by Bulls/Bears
  - When you see multiple candles with such upper wicks taking resistance at the top high of trend that area can be marked as a Resistance. This area can act as good resistance in the future.
  - When you see multiple candles with such lower wicks taking support at the low level bottom of trend that area can be marked as a Support. This area can act as good in the future.
- Note:
  - Don't check at middle of a trend
    - In between two resistance/ support line if you see these candles, you can since it may be a sideways action.
  - When you see these candles, you can trust the resistance/support more.
    - If there is 2-3 candles, you can trust it.
  - There is no compulsion on plotting support & resistance by price rejection
    - (My point) This pattern is like plotting support or resistance by looking into the wicks.
  - Support/ Resistance in the context of candles
    - If the close of the candle is far from the support line, it's more bullish