



This is a trade that trades in the direction of the trend with expectations it will continue trending.

The best time to trade this setup is when the market just broke out of its long-term range as this could be the start of a new trend — and offers the greatest reward relative to risk.

Now go watch this video below and learn how to trade trend continuation...

Here are two things to remember...

### **Tip #1: Know your trend**

By now, you know that not all trends are created equal. So, it's important to know what type of trend you're dealing with and trade them accordingly.

**Strong trend** – This type of trend tends to respect the 20-period moving average (MA) and has little to no pullbacks. It's easier to enter your trades on a breakout than on a pullback.

**Healthy trend** – The healthy trend tends to retrace towards the 50-period MA or previous Resistance turned Support. Thus, you can look to enter your trade at these areas.

**Weak trend** – A weak trend tends to retrace towards the 200MA or Support & Resistance area. You can trade it as how you would trade Support & Resistance (the same concept applies).

### **#Tip 2: The first pullback is the best pullback**

Here's the thing:

When the price just broke out, many traders will be left out (and have the fear of missing out).

So, when the first pullback occurs, these traders will attempt to get on board the trend.

And since the breakout just occurred, it means the trend is new. This offers a very favorable risk to reward on your trade as you're entering near the start of the trend.

However, if the market has been trending for a while now (after numerous pullbacks have occurred), the odds of you capturing a big trend is much lower as the trend is "exhausted".

You can still trade the pullbacks, but don't expect to get a huge move out of it.

So, the bottom line is... the first pullback is the best pullback.

Onward...