equiti plus

TECHNICAL VS FFUNDAMENTAL ANALYSIS

Both work, and its own importance

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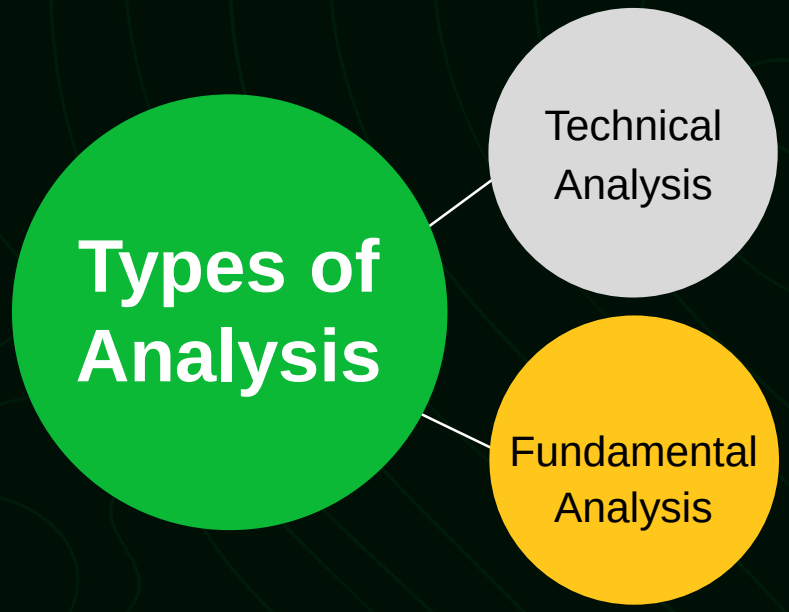


The Study of Charts (price and volume).

The study of the underlying forces that affects a financial product.

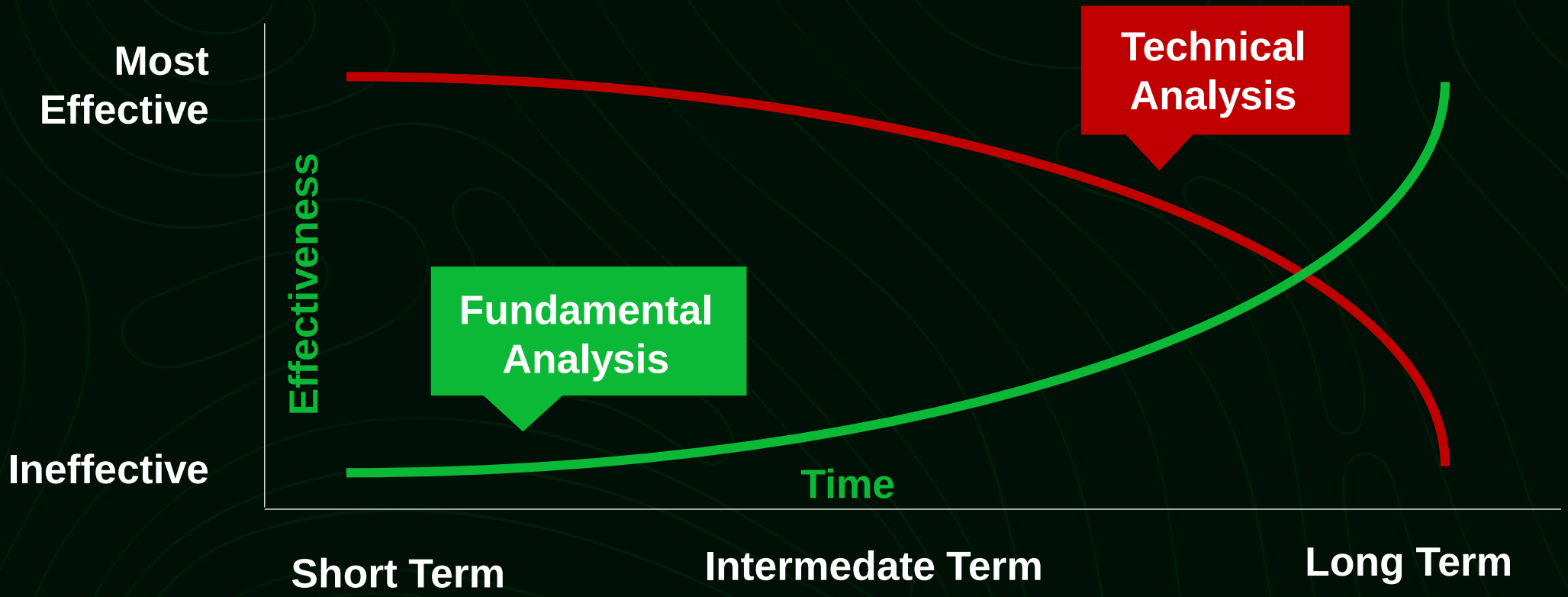
Technical Analysis uses price and volume to identify trading opportunities and systematize entry and exit processes, aiming to increase trading profits with high-probability entries and exits.

Technical Vs Fundamental Analysis

- **Fundamental Analysis:** Evaluating a price based on its project , team, future growth, roadmap, evaluation, news etc

- **Technical Analysis:** Forecasting future price direction by analysing past prices and volume data. This is mainly done by analysing charts and indicators.

Technical Vs Fundamental Analysis



Technical Analysis

Look-Price Action

Rhythm, Flow, and Trends in price action.

- The trend is your friend!”
- “It’s all in the charts!” and “History repeats itself!”
- “The market discounts everything”

The Trend Is your Friend

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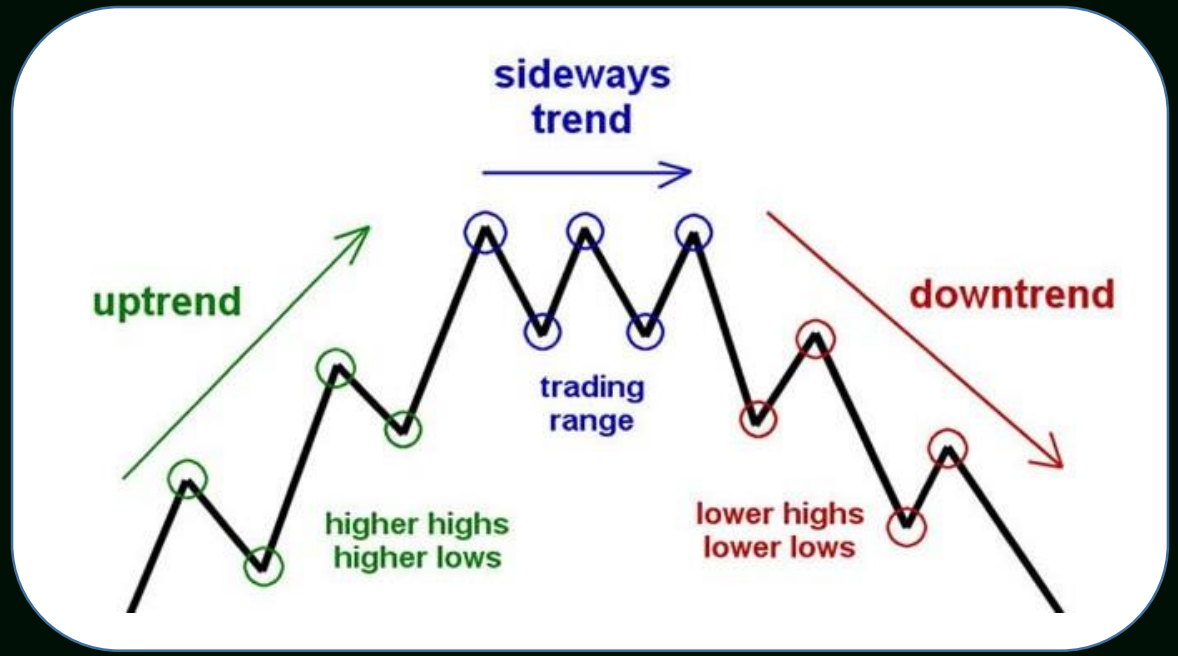
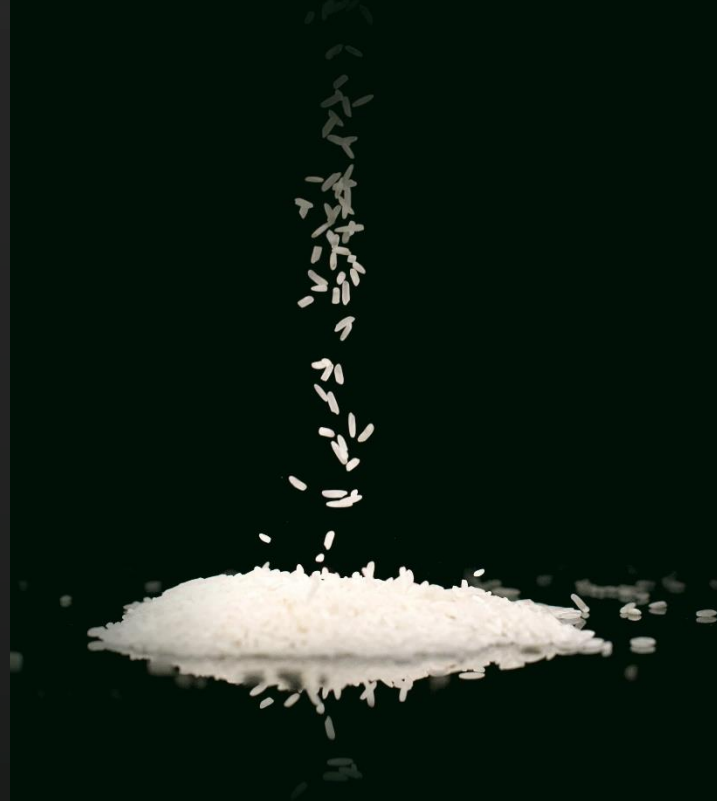

sideways
trend
uptrend
downtrend
trading
range
higher highs
higher lows
lower highs
lower lows

Candlestick Analysis



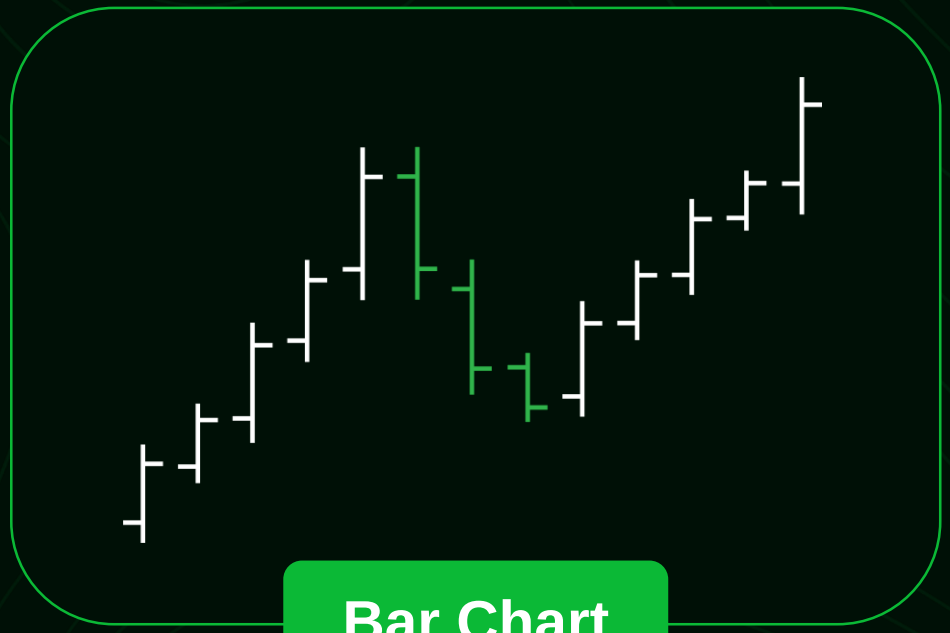
Candlestick charts were created in the 1700's for tracking rice prices.

"Psychological aspect the market is critical to trading success"

Munehisa Homma

(1724-1803) Father of Candlestick Charts

Candlestick charts are easier to read than bar charts.



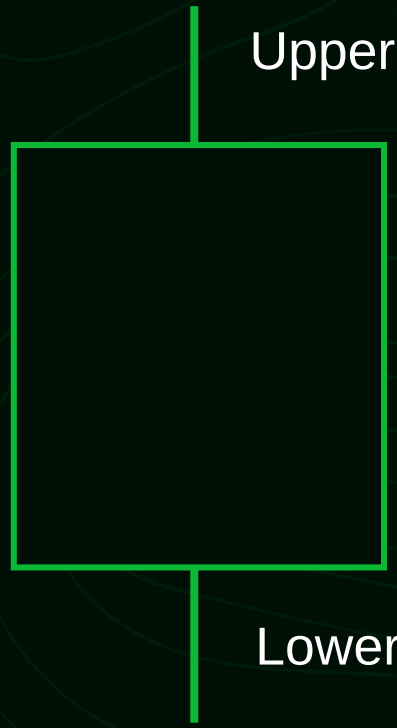
Bar Chart

Candle Chart

They also make it easier to tell

whether the open or close price was higher.

Candlestick have
3 major parts



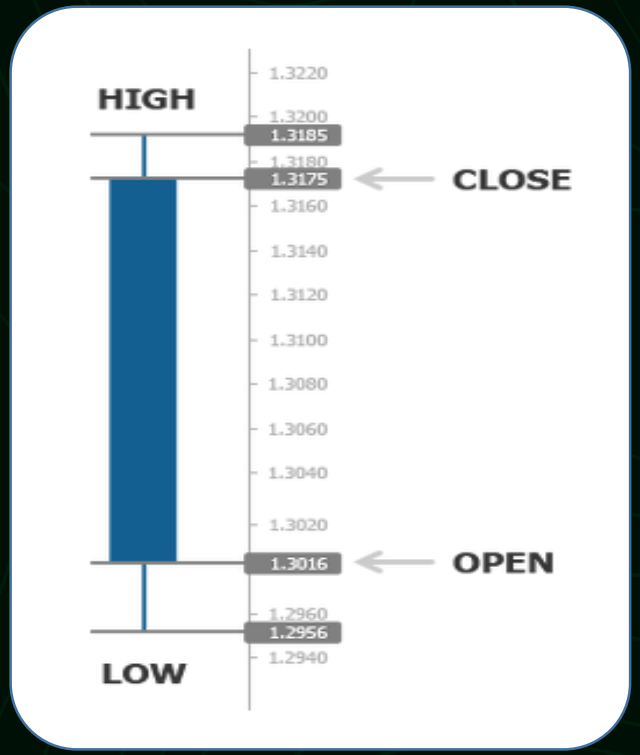
Upper wick/shadow (buying pressure)

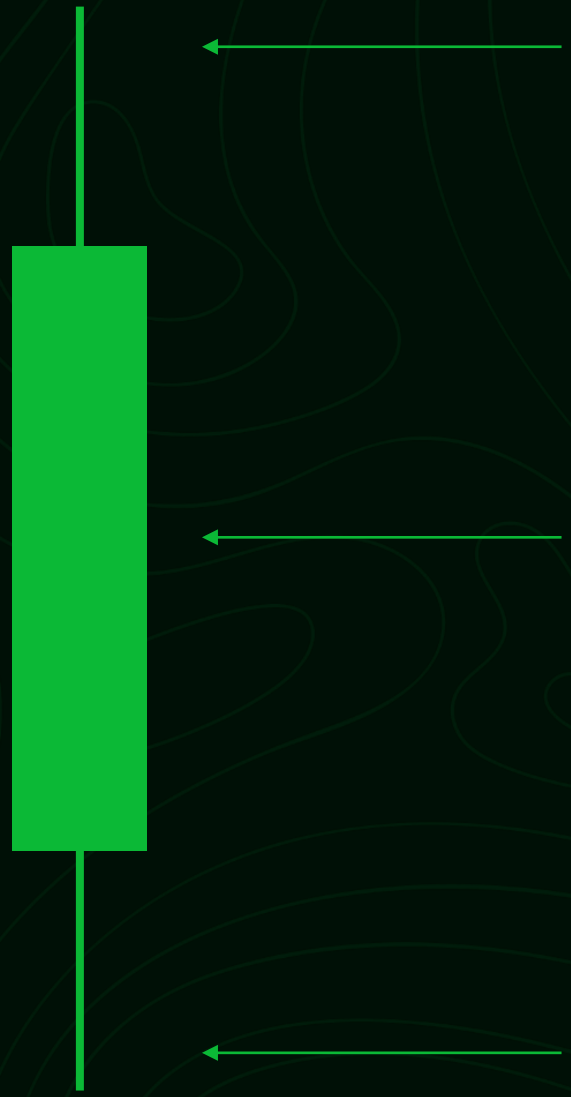
Real body

Lower wick/shadow (selling pressure)

Bullish candlesticks

have bodies, showing that the closing price is higher than the opening price.





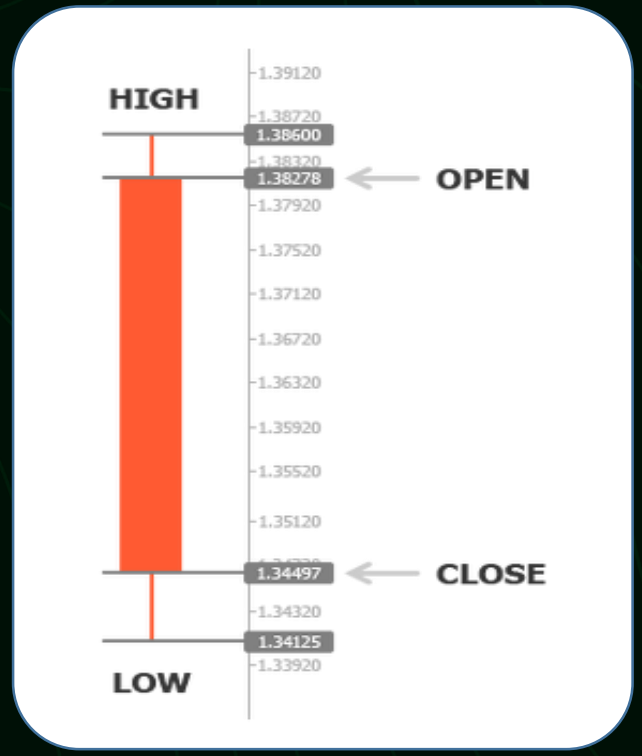
Wick or Shadow: This is the high price for the candle.

Body: This represents the difference between the opening and closing prices. If the candle is green, this means the close was higher than the open. If the candle is red, this means the opening price was higher than the closing price.

Wick or Shadow: This is the low price for the candle.

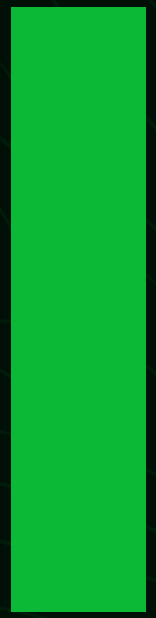
Bearish Candlesticks

have solid bodies, showing that the closing price is lower than the opening price



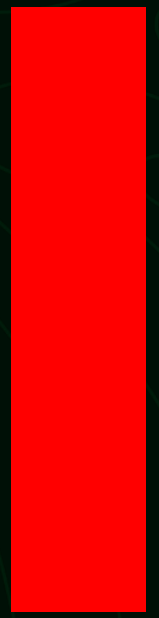
The basics of Candlesticks

Bullish Candle



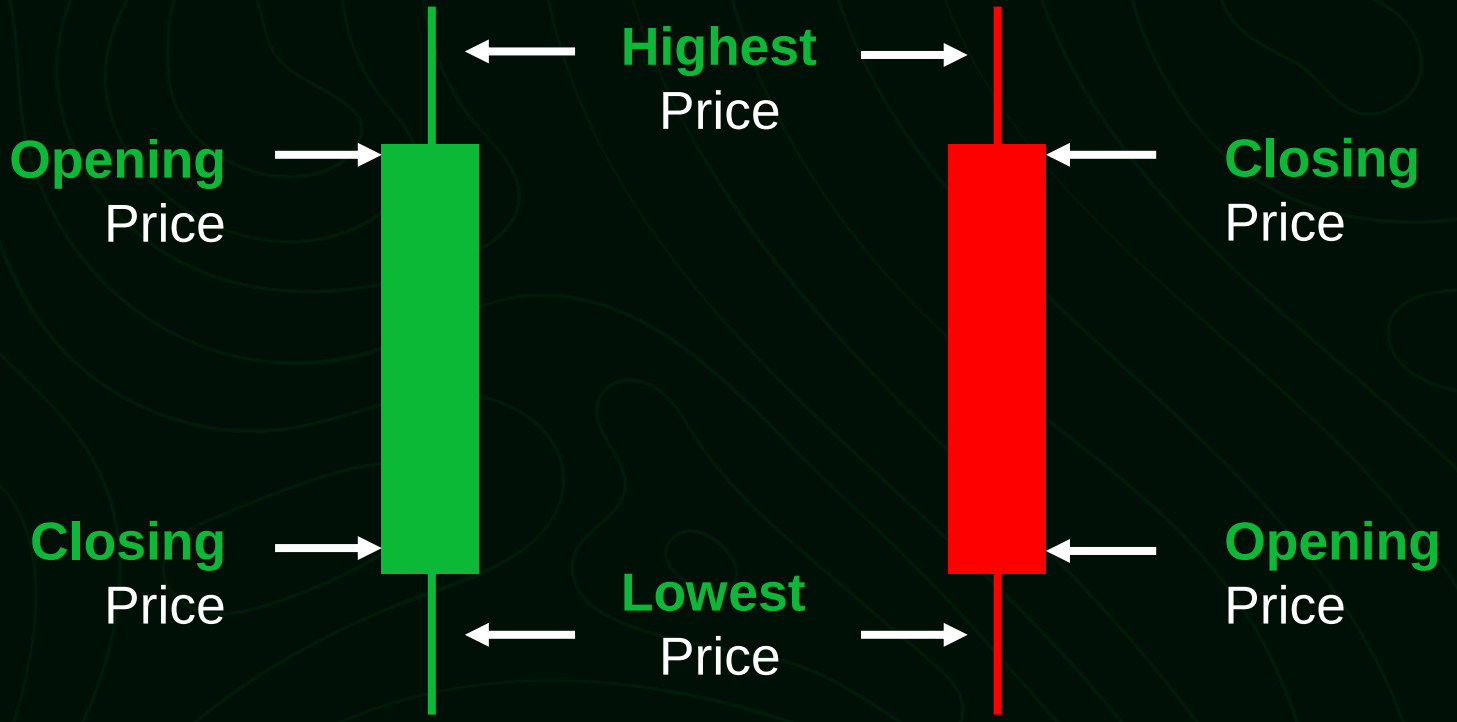
A bullish candle shows that the price has increased over the time period

Bearish Candle



A bearish candle shows that the price has decreased over the time period

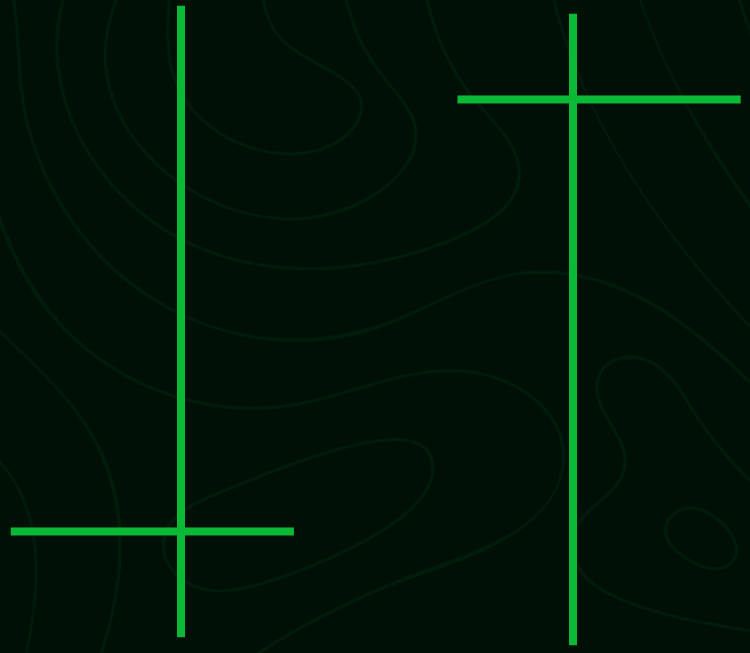
The basics of Candlesticks



Each Japanese candlestick represents a **specific time frame**. If the time period is set for 30 minutes, then each individual candle will take 30 minutes to form.

Candlestick Patterns

Doji



- In Japanese, "doji" means blunder
- The open and close are very close together, creating avery small body.
- Represent indecision between Bulls and Bears

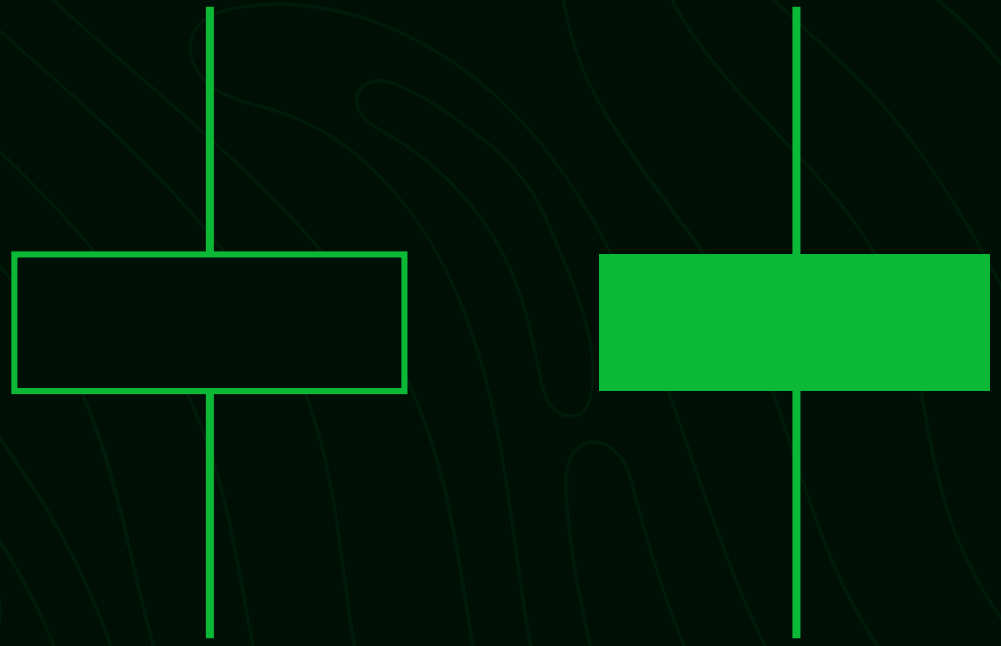
Doji candlesticks have the **same open and close price** or at least their bodies are extremely short. A Doji should have a very small body that appears as a thin line.
Doji candles suggest **indecision or a struggle** for turf positioning between buyers and sellers.

Dragonfly Doji

Gravestone Doji

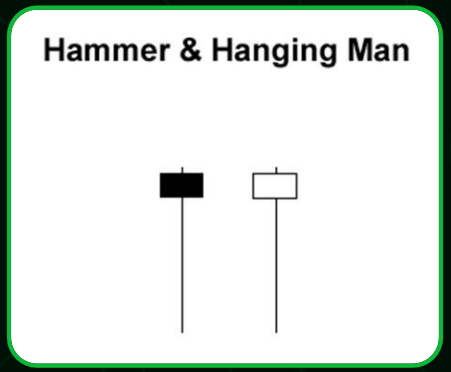
Spinning Top Doji

Small real bodies with equal buying and selling pressure.



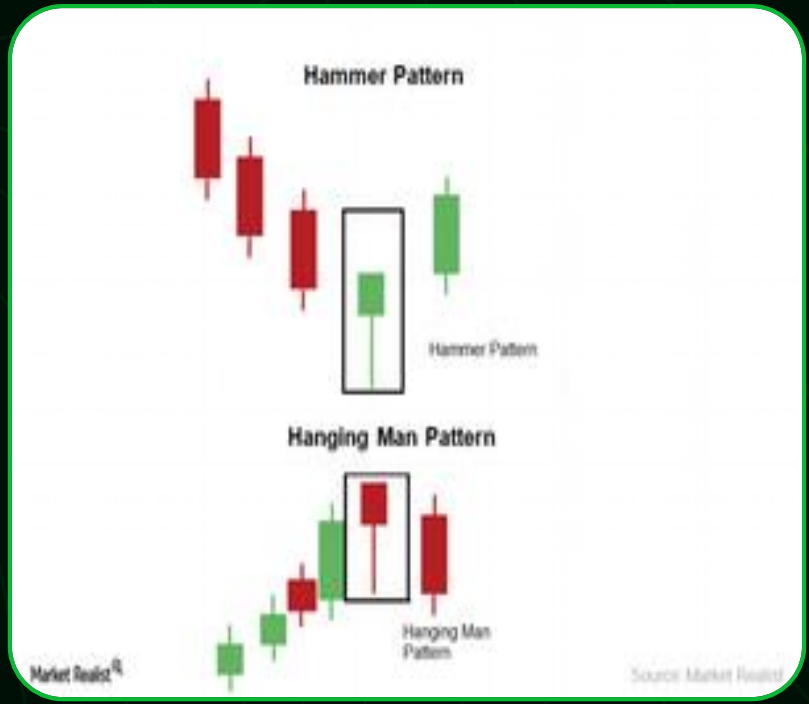

Bitcoin / U.S. Dollar · 1D · BITSTAMP O7332.05 H7400.00 L7150.23 C7184.08 −156.44 (−2.13%)
Exit Full Screen (ESC)
Fractal
Vol 20
Candles 5 0.05
Candlestick Patterns
Dragonfly Doji
Two consecutive Dojis
Three 'Near Dojis'
Doji
Dragonfly Doji
Dojis are often found at important turning points in the market
Jun
10
18
Jul
15
23
Aug
12
20
Sep
9
23
Oct
SELL 7184.94
5.71
BUY 7190.65
18:14:35 (UTC)
% log auto

Single candlestick patterns:
Hammer & Hanging Man



The Hammer is a bullish reversal pattern that forms during a downtrend. The long lower shadow indicates that sellers pushed prices lower, but buyers were able to overcome this selling pressure and closed near the open.

The Hanging Man is a bearish reversal pattern that can also mark a top or strong resistance level. When price is rising, the formation of a Hanging Man indicates that sellers are beginning to outnumber buyers.

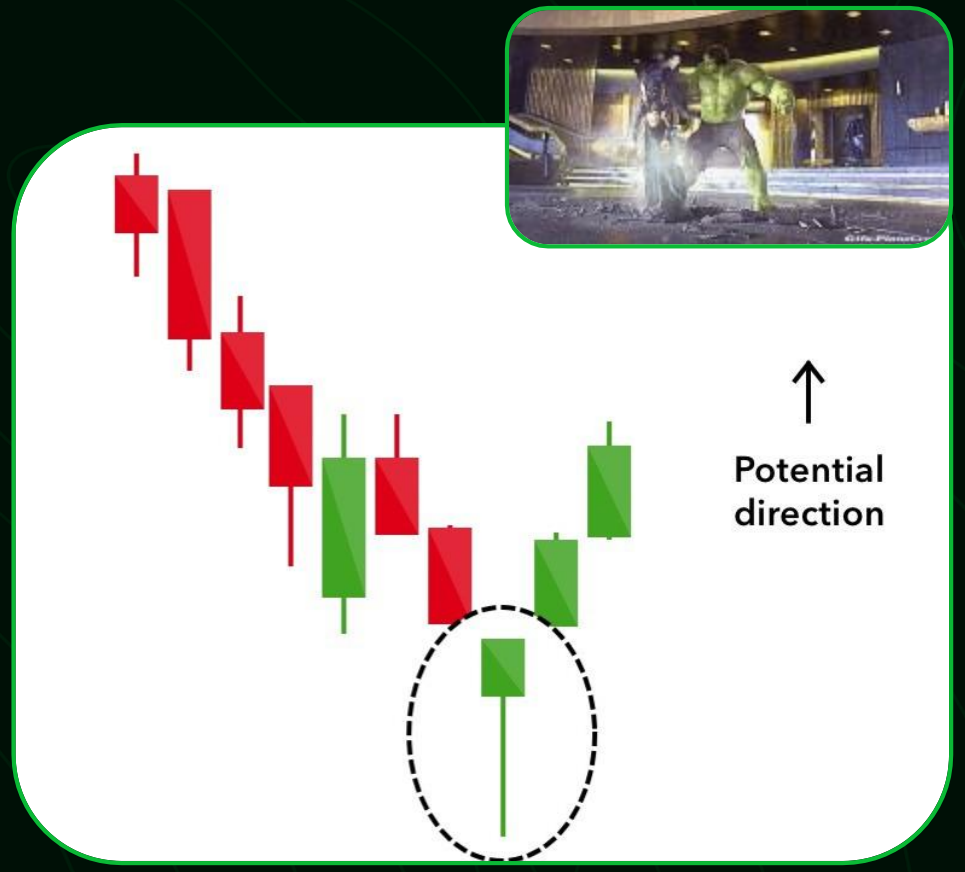


Hammer

The bears losing control of the market

Recognition Criteria for a Hammer:

- The long shadow is about two or three times of the real body.
- Little or shadow.
- The real body is at the upper end of the trading range.
- The color of the real body is not important.



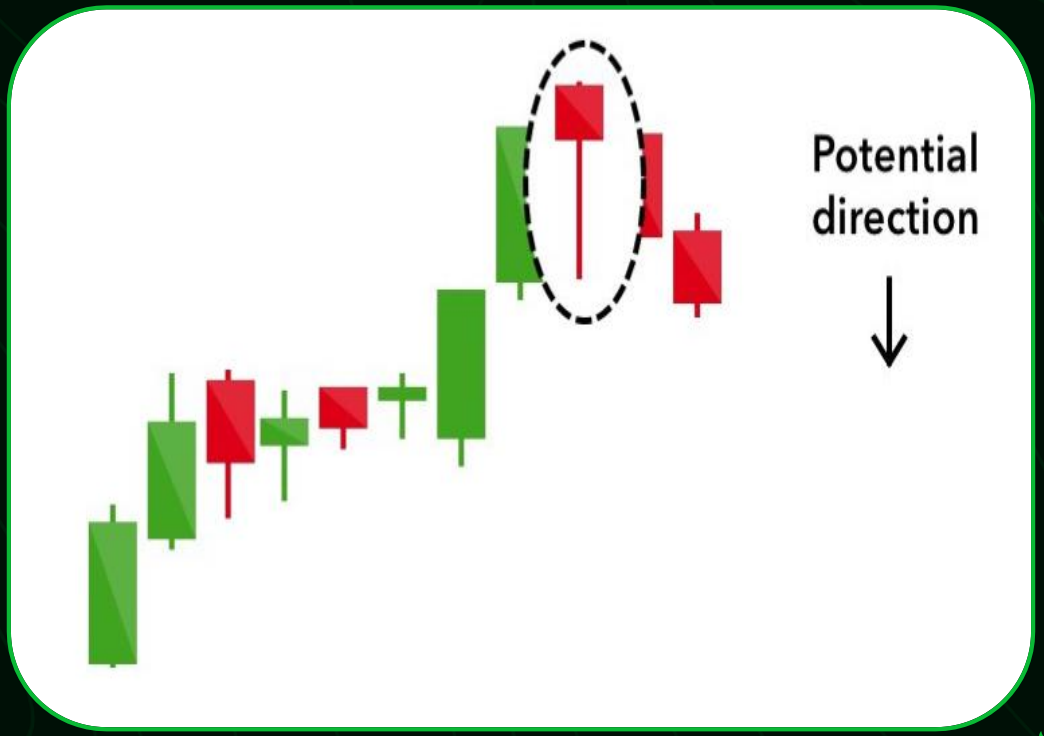
A trader should always wait for the next confirmation

Hanging man

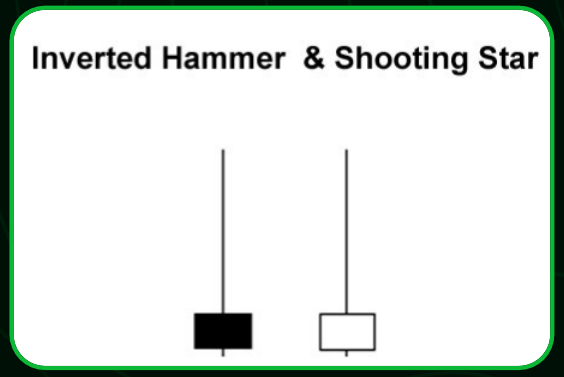
The bulls losing control of the market

Recognition Criteria for a Hanging Man:

- A long lower shadow which is about two or three times of the real body.
- Little or no upper shadow.
- The real body is at the upper end of the trading range.
- The color of the body is not important, though a red body is more bearish than green body.
- The longer the shadow, the stronger the potential for reversal



Single candlestick patterns:
Inverted Hammer & Shooting Star



The **Inverted Hammer** occurs when price has been fall suggests the possibility of a reversal. Its long upper shadow shows that buyers tried to bid the price higher.

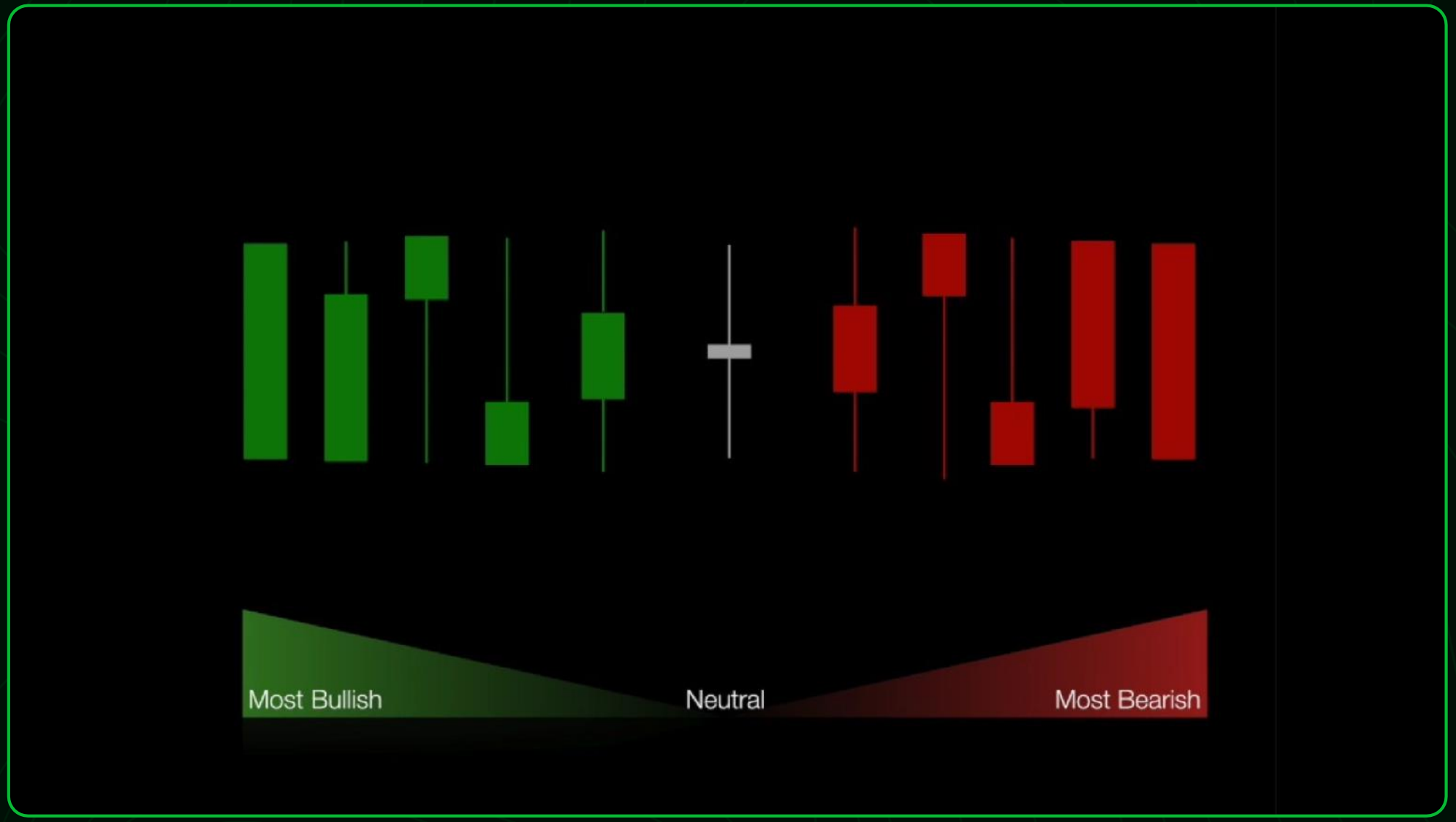
The **Shooting Star** is a bearish reversal pattern that looks identical to the inverted hammer but occurs when the price has been rising.

Inverted Hammer

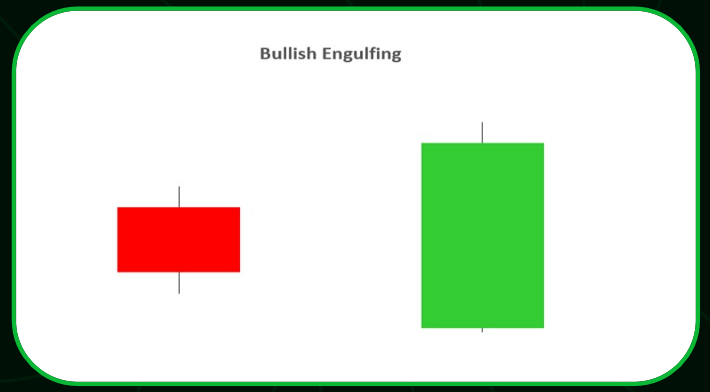
Shooting Star


Bitcoin / U.S. Dollar · 1D · BITSTAMP O7332.05 H7400.00 L7211.75 C7245.24 −95.28 (−1.30%)
Exit Full Screen (ESC)
Fractal
Vol 20
BTCUSD, 1D
Bitcoin / U.S. Dollar
Inverted Hammer
8400.00
8200.00
8000.00
7800.00
7600.00
7400.00
7200.00
7000.00
6800.00
6600.00
6499.98
6400.00
6200.00
6000.00
5800.00
5600.00
5400.00
26
29
Aug
6
9
13
16
20
23
27
Sep
4
7
10
13
SELL
7237.89
3.58
BUY
7241.47
17:11:59 (UTC)
%
log
auto


Bitcoin / U.S. Dollar · 1D · BITSTAMP O7332.05 H7400.00 L7211.75 C7238.22 −102.30 (−1.39%)
Exit Full Screen (ESC)
Fractal
Vol 20
Candles 5 0.05
Candlestick Patterns
Shooting Stars
BTCUSD, 1D
Bitcoin / U.S. Dollar
13200.00
12800.00
12400.00
12000.00
11600.00
11200.00
10800.00
10400.00
10000.00
9600.00
9200.00
8800.00
8400.00
8000.00
7600.00
7200.00
7088.38
6800.00
6400.00
6000.00
5600.00
5
8
12
15
19
22
26
Mar
5
8
12
15
19
22
26
SELL
7238.59
6.62
BUY
7245.21
Go to...
17:15:56 (UTC)
%
log
auto


Most Bullish
Neutral
Most Bearish

Dual Candlestick Patterns

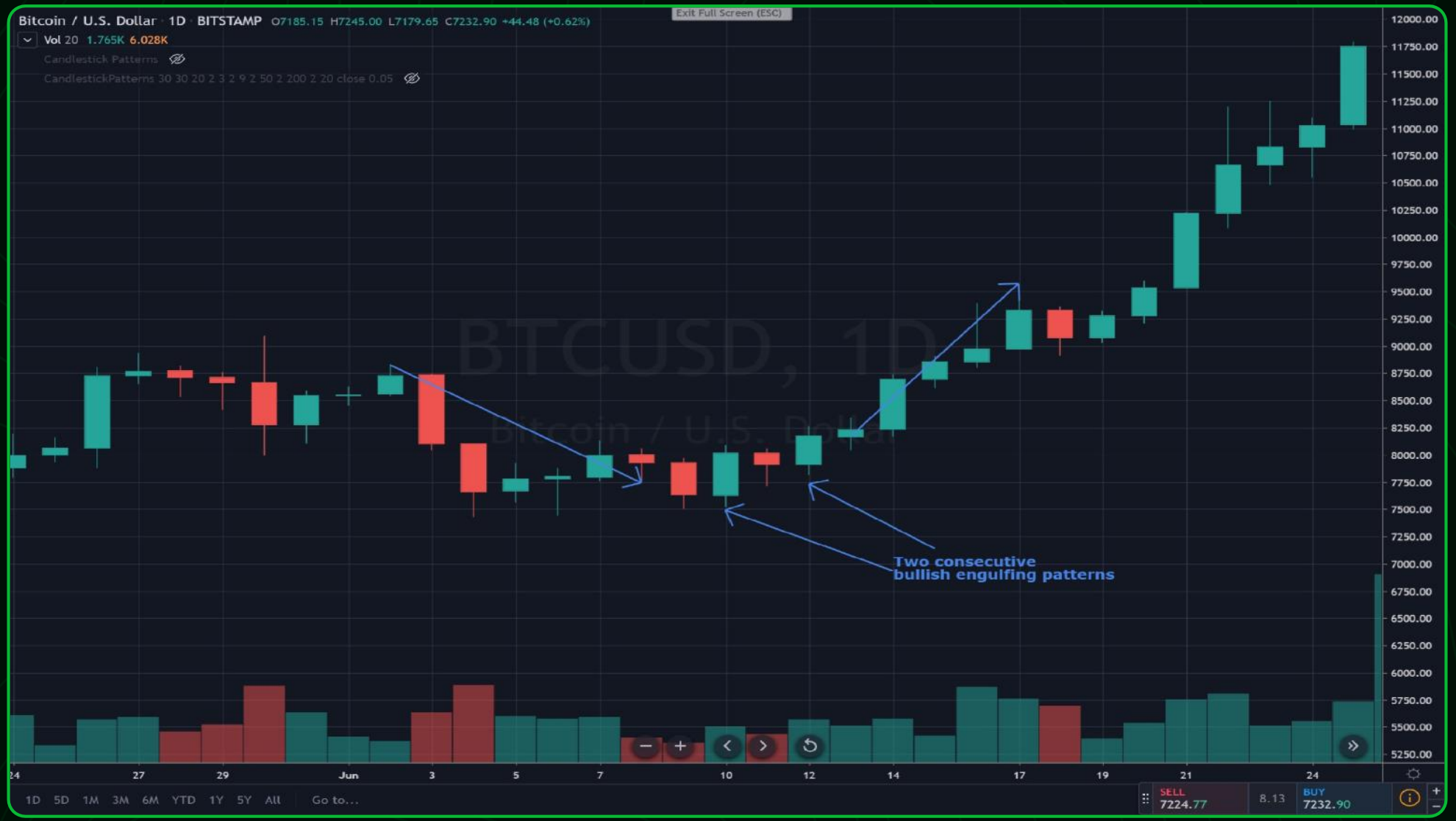


The Bullish Engulfing Pattern

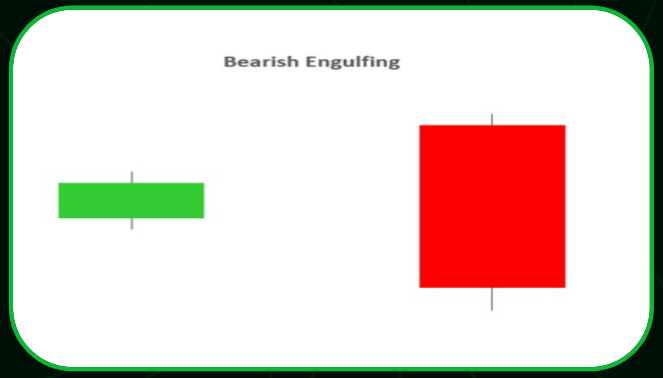
The **Bullish Engulfing pattern** is a two candlestick reversal pattern that signals a strong up move may be coming.

It happens when a bearish candle is immediately followed by a larger bullish candle.

This second candle **“engulfs”** the bearish candle.


Bitcoin / U.S. Dollar · 1D · BITSTAMP O7185.15 H7245.00 L7179.65 C7232.90 +44.48 (+0.62%)
Vol 20 1.765K 6.028K
Candlestick Patterns
CandlestickPatterns 30 30 20 2 3 2 9 2 50 2 200 2 20 close 0.05
Exit Full Screen (ESC)
BTCUSD, 1D
Bitcoin / U.S. Dollar
Two consecutive
bullish engulfing patterns
12000.00
11750.00
11500.00
11250.00
11000.00
10750.00
10500.00
10250.00
10000.00
9750.00
9500.00
9250.00
9000.00
8750.00
8500.00
8250.00
8000.00
7750.00
7500.00
7250.00
7000.00
6750.00
6500.00
6250.00
6000.00
5750.00
5500.00
5250.00
24
27
29
Jun
3
5
7
10
12
14
17
19
21
24
1D 5D 1M 3M 6M YTD 1Y 5Y All Go to...
SELL
7224.77
8.13
BUY
7232.90

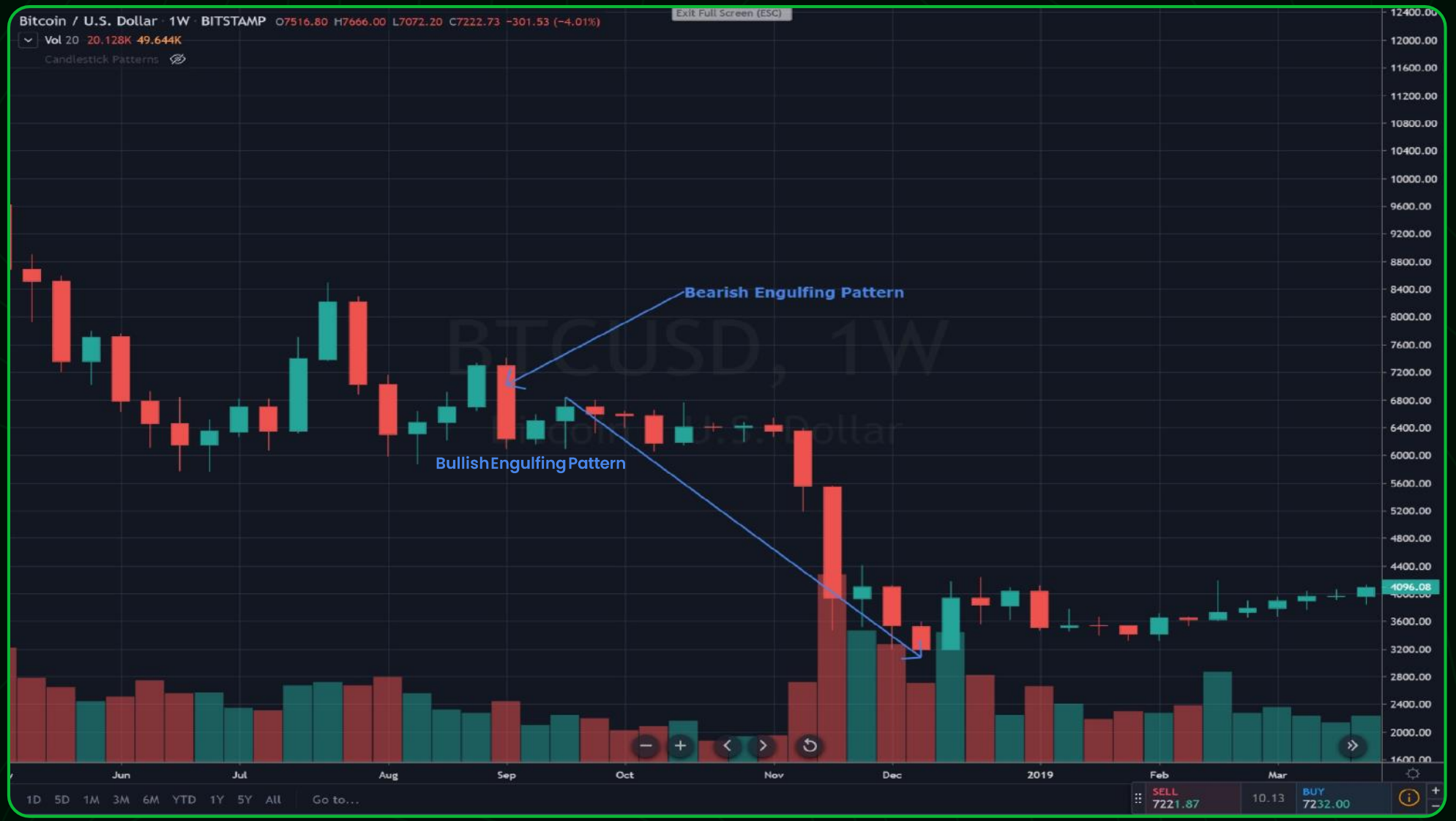
Dual Candlestick Patterns



The Bearish Engulfing Pattern

The **Bearish Engulfing pattern** is a two candlestick **reversal** pattern that signals a strong down move may be coming.

This type of candlestick pattern occurs when the bullish candle is immediately followed by a bearish candle that completely “engulfs” it.


Bitcoin / U.S. Dollar · 1W · BITSTAMP O7516.80 H7666.00 L7072.20 C7222.73 −301.53 (−4.01%)
Vol 20 20.128K 49.644K
Candlestick Patterns
Exit Full Screen (ESC)
Bearish Engulfing Pattern
Bullish Engulfing Pattern
BTCUSD, 1W
12400.00
12000.00
11600.00
11200.00
10800.00
10400.00
10000.00
9600.00
9200.00
8800.00
8400.00
8000.00
7600.00
7200.00
6800.00
6400.00
6000.00
5600.00
5200.00
4800.00
4400.00
4096.08
3600.00
3200.00
2800.00
2400.00
2000.00
1600.00
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2019
Feb
Mar
1D 5D 1M 3M 6M YTD 1Y 5Y All Go to...
SELL 7221.87
10.13
BUY 7232.00

Dual Candlestick Patterns

The first candlestick is the same as the overall trend. If price is moving up, then the first candle should be bullish.

The second candlestick is opposite the overall trend. If the **price is moving up, then the second candle should be bearish.**

The shadows of the candlesticks should be of equal length.

Tweezers

Tweezers

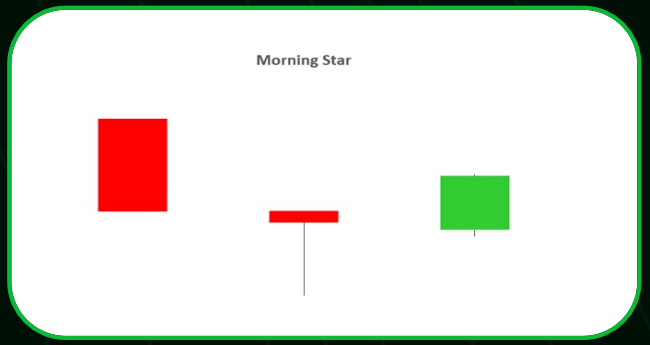

Bitcoin / U.S. Dollar · 240 · BITSTAMP O7214.95 H7245.58 L7193.42 C7235.07 +23.29 (+0.32%)
Exit Full Screen (ESC)
Vol 20 567 651
CandlestickPatterns 30 30 20 2 3 2 9 2 50 2 200 2 20 close 0.05
Candlestick Patterns
Tweezer Top
BTCUSD, 240
Bitcoin / U.S. Dollar
13000.00
12800.00
12600.00
12400.00
12200.00
12000.00
11800.00
11600.00
11400.00
11200.00
11000.00
10800.00
10600.00
10400.00
10200.00
10000.00
9929.00
36:51
9600.00
9400.00
9200.00
9000.00
8800.00
8600.00
8400.00
8200.00
29
13:00
Aug
3
5
7
9
13:00
12
14
16
1D 5D 1M 3M 6M YTD 1Y 5Y All
Go to...
SELL 7225.78
9.27
BUY 7235.05


Bitcoin / U.S. Dollar · 1M · BITSTAMP O7560.20 H7772.71 L7072.20 C7234.79 −315.88 (−4.18%)
Vol 20 53.371K 247.292K
Candlestick Patterns
Exit Full Screen (ESC)
BTCUSD, 1M
Bitcoin / U.S. Dollar
Tweezer Bottom
Lows almost identical
18000.00
17000.00
16000.00
15000.00
14000.00
13000.00
12000.00
11000.00
10000.00
9000.00
8000.00
7234.79
6000.00
5000.00
4000.00
3000.00
2000.00
1000.00
0.00
−1000.00
−2000.00
−3000.00
−4000.00
May
Jul
Sep
Nov
2018
Mar
May
Jul
Sep
Nov
2019
Mar
May
Jul
Sep
Nov
1D 5D 1M 3M 6M YTD 1Y 5Y All Go to...
SELL 7235.16
7.52
BUY 7242.68

Triple Candlestick Patterns

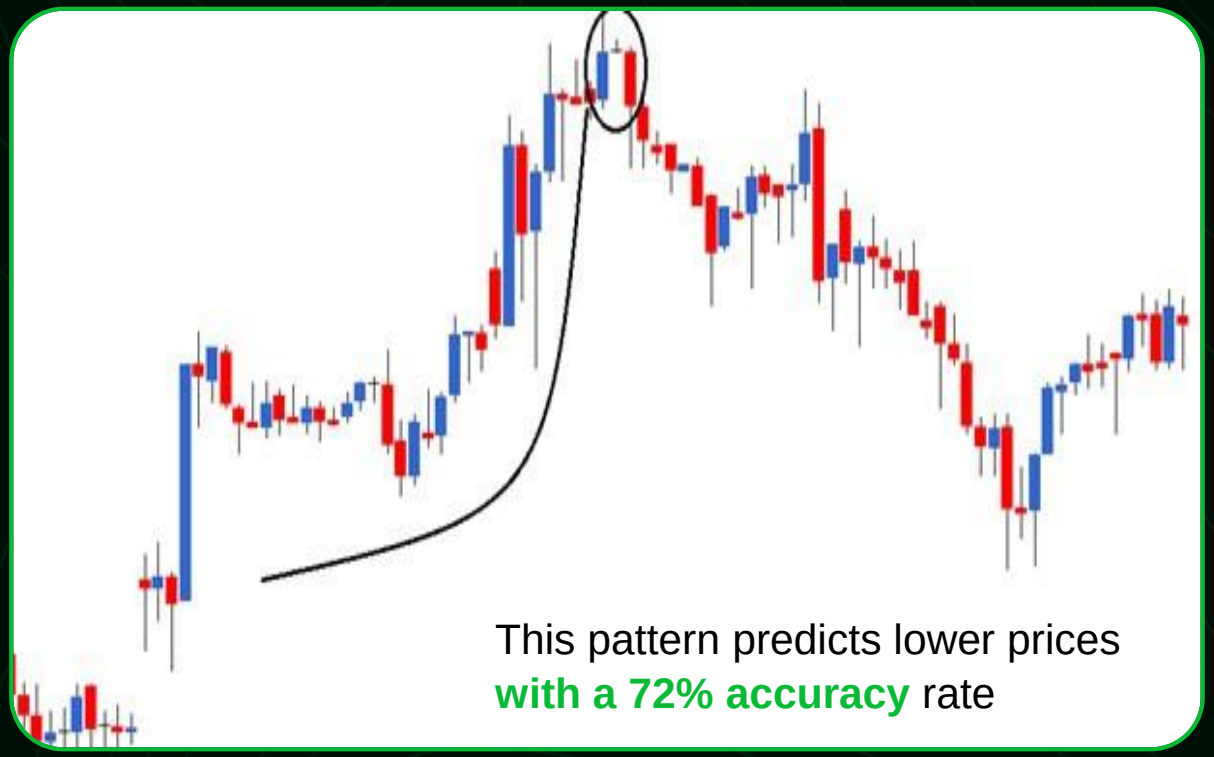
Morning Star

The morning star is a **bullish** candlestick pattern. It is a downtrend reversal pattern.



Triple Candlestick Patterns

Evening Star

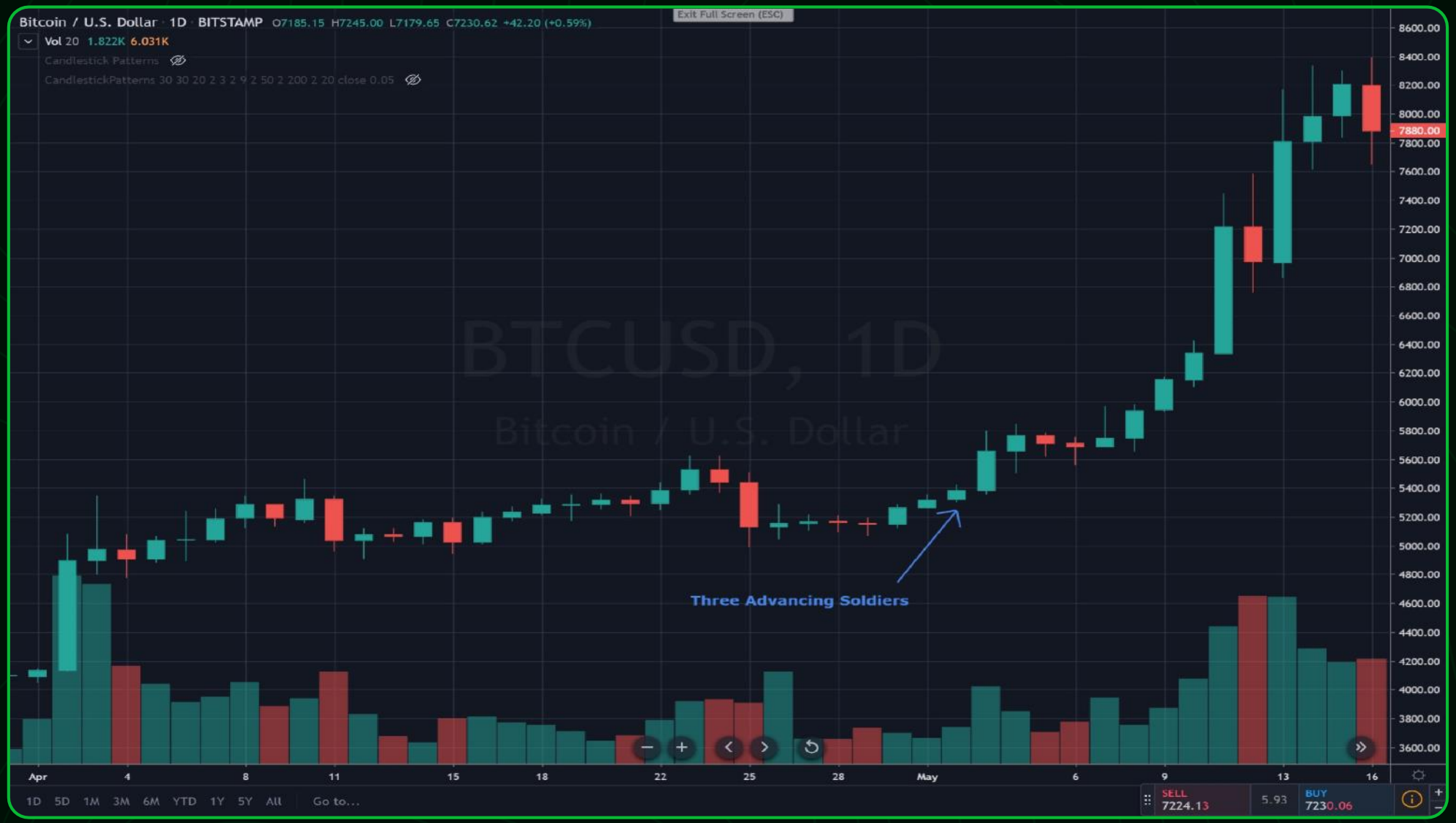


The evening star is a **bearish** equivalent of the morning star. The evening star appears at the top end of an uptrend. Like the morning star, the evening star is a three candle formation and evolves over three trading sessions.

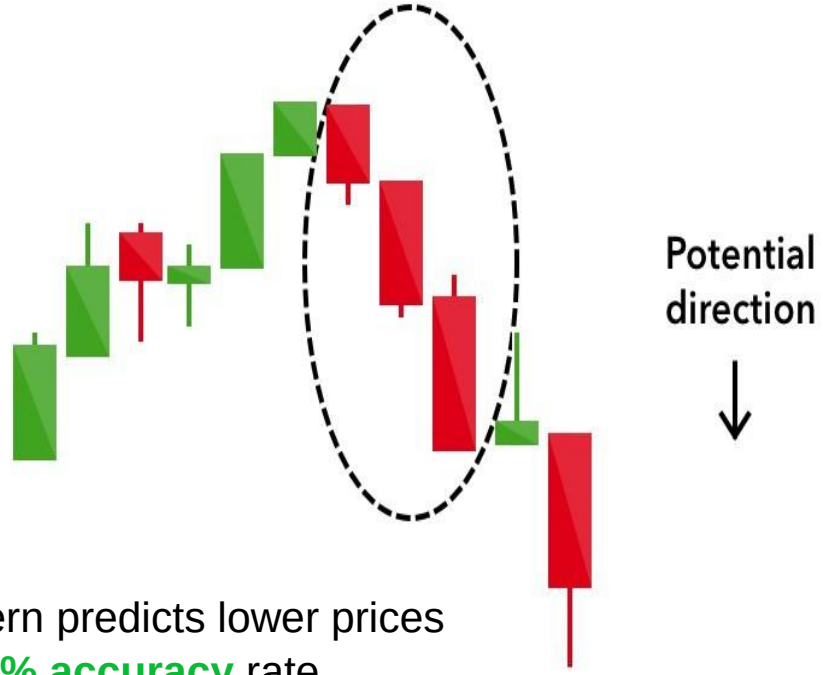
Three white/advancing soldiers

The three white/advancing soldiers pattern occurs over three days. It consists of consecutive long green (or white) candles with small wicks, which open and close progressively higher than the previous day.

It is a very strong bullish signal that occurs after a downtrend, and shows a steady advance of buying pressure.


Bitcoin / U.S. Dollar · 1D · BITSTAMP O7185.15 H7245.00 L7179.65 C7230.62 +42.20 (+0.59%)
Exit Full Screen (ESC)
Vol 20 1.822K 6.031K
Candlestick Patterns
CandlestickPatterns 30 30 20 2 3 2 9 2 50 2 200 2 20 close 0.05
BTCUSD, 1D
Bitcoin / U.S. Dollar
Three Advancing Soldiers
8600.00
8400.00
8200.00
8000.00
7880.00
7800.00
7600.00
7400.00
7200.00
7000.00
6800.00
6600.00
6400.00
6200.00
6000.00
5800.00
5600.00
5400.00
5200.00
5000.00
4800.00
4600.00
4400.00
4200.00
4000.00
3800.00
3600.00
Apr 4 8 11 15 18 22 25 28 May 6 9 13 16
1D 5D 1M 3M 6M YTD 1Y 5Y All Go to...
SELL 7224.13
5.93
BUY 7230.06

Three black/winged Crows



This pattern predicts lower prices **with a 78% accuracy** rate

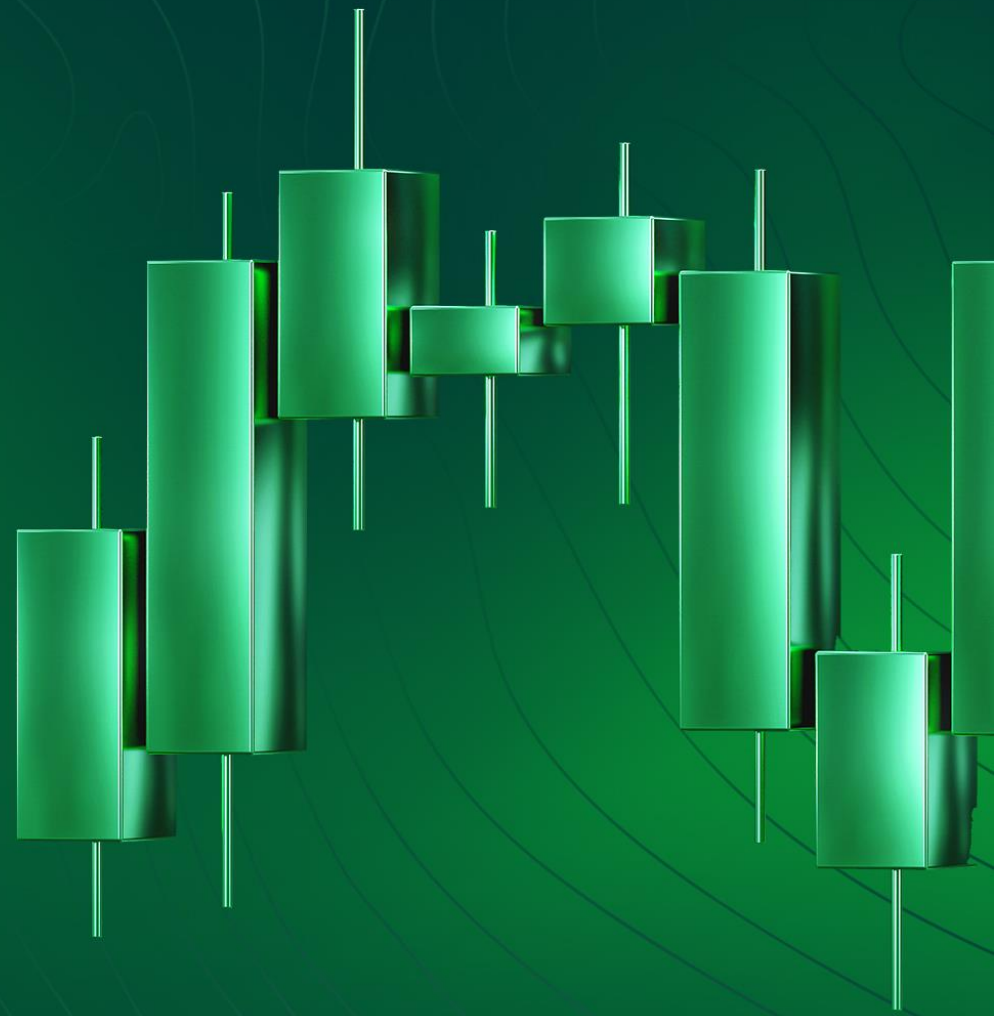
The three black/winged crows candlestick pattern comprises of three consecutive long red candles with short or non-existent wicks. Each session opens at a similar price to the previous day, but selling pressures push the price lower and lower with each close. Traders interpret this pattern as the start of a bearish downtrend


Bitcoin / U.S. Dollar · 240 · BITSTAMP O7214.95 H7236.00 L7193.42 C7220.11 +8.33 (+0.12%)
Exit Full Screen (ESC)
Vol 20 434 644
CandlestickPatterns 30 30 20 2 3 2 9 2 50 2 200 2 20 close 0.05
Candlestick Patterns
Three Winged Crow
BTCUSD, 240
Bitcoin / U.S. Dollar
8900.00
8800.00
8700.00
8600.00
8500.00
8400.00
8300.00
8200.00
8100.00
8000.00
7900.00
7800.00
7700.00
7600.00
7500.00
7400.00
7300.00
7200.00
7099.29
01:10:05
7000.00
6900.00
6800.00
6700.00
6600.00
6500.00
6400.00
6300.00
6200.00
18
19
20
21
22
23
24
25
26
1D 5D 1M 3M 6M YTD 1Y 5Y All Go to...
SELL 7220.02
7.71
BUY 7227.73

Three important things a professional trader should look into

- Length of the body shows who’s in control
- Length of the wick shows the price rejection
- Ratio of the wick to the body shows the
- complete picture
- Candlestick analysis should not be ever done in isolation

TECHNICAL INDICATORS



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Simple Moving Averages

- A **moving average** is simply a way to smooth out price fluctuations to help you distinguish between typical market “noise” and the actual **trend direction**. Fibonacci tool works best **when the market is trending.**
- This type of technical indicator is called a “**chart overlay**“.
- **They do NOT predict price direction; instead, they define the current direction with a lag**.

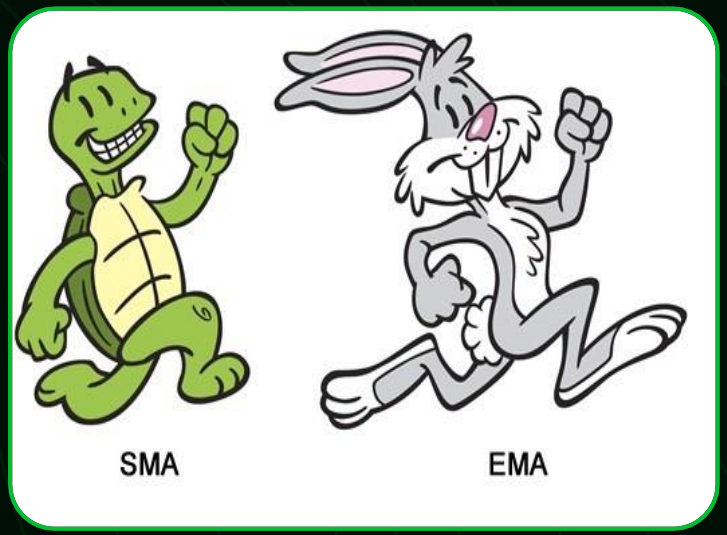
A **simple moving average** (SMA) is an arithmetic **moving average** calculated by adding recent prices and then dividing that figure by the number of time periods in the calculation.

A simple buy signal occurs when **prices close above the moving average.** And a simple sell signal occurs when the **price closes below the moving average.**

Exponential Moving Averages

- When trading, it is far more important to see what traders are doing Now rather than what they were doing last week or last month.
- An **exponential moving average (EMA)** is a type of **moving average (MA)** that places a greater weight and significance on the most recent data points.
- **They do NOT predict price direction; instead, they define the current direction with a lag.**

The EMA gives higher weights to recent prices,
while the SMA assigns equal weights to all values.
EMA reflects a quicker shift in sentiment.



Throughout the uptrend, the 10 **SMA** is above the 20 SMA.

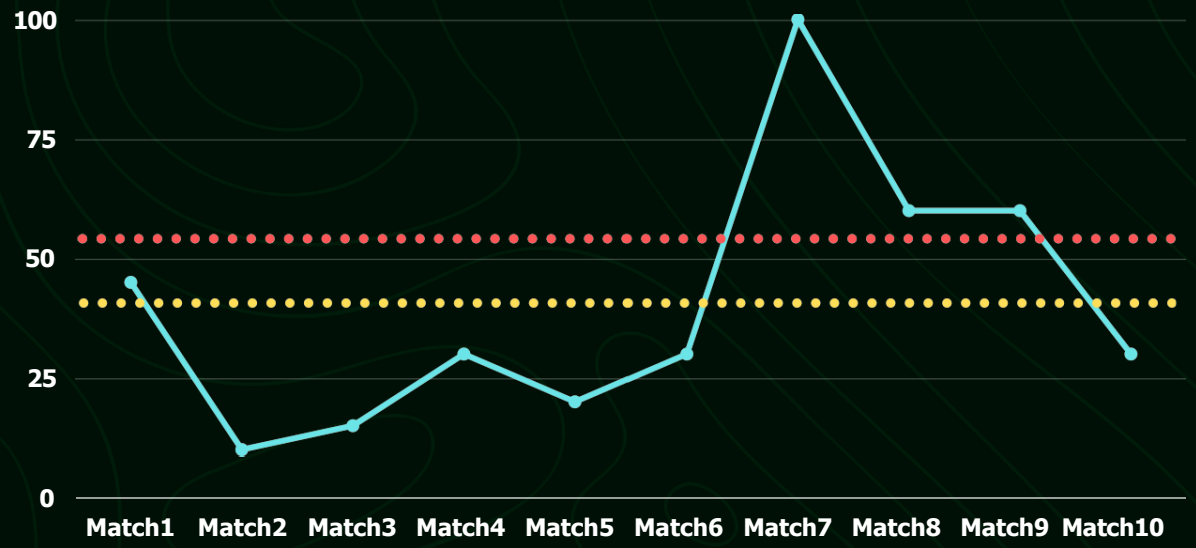
As you can see, you can use **moving averages** to help show whether a pair is trending up or down.


CryptoCoinJunky published on TradingView.com, September 19, 2018 00:36 PDT
COINBASE:BTCUSD, 60 6338.99 +3.29 (+0.05%) O:6344.82 H:6344.82 L:6318.50 C:6338.99
50 Day SMA = Red
200 Day SMA = Blue
Bearish Cross
Bearish Cross
Bearish Cross
8600.00
8400.00
8200.00
8000.00
7800.00
7600.00
7400.00
7200.00
7000.00
6800.00
6600.00
6400.00
6332.50
23:55
6000.00
5800.00
23
27
Aug
6
13
20
27
Sep
5
10
17
Created with TradingView

Golden Crossover

When a short period MA **(Moving Average, can be SMA or EMA)** breaks above, then a longer period Moving Average is known as Golden Crossover. Traders usually see it as a long-term uptrend. Moving Average can be **50, 100 or 100, 200 or 50, 200.**

Developing a Trading Strategy



Career Average
55

Last 10 Match Avg
40

How much will Virat Kohli score in the next match?

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Moving Average Crossover System

The black 50 day EMA line is closer to the current market price (as it reacts faster) when compared to the pink 100 day EMA (as its reacts slower).

Best used Moving Averages for the Golden Cross

- **20 and 50 EMA**
- **50 and 200 SMA**

The entry and exit rules for the crossover system is as stated below:
Rule 1) – Buy (fresh long) when the short term moving averages turns greater than the long term moving average. Stay in the trade as long as this condition is satisfied
Rule 2) – Exit the long position (square off) when the short term moving average turns lesser than the longer term moving average


Bitcoin / U.S. Dollar · 15 · COINBASE
MA 10806.81
EMA 10890.34
MA
Vol 160 125
9 EMA PULLBACKS
11000.00
10900.00
10800.00
10726.43
07:07
10600.00
10500.00
10400.00
10300.00
10200.00
10100.00
10000.00
9900.00
9800.00
9700.00
9600.00
9500.00
9400.00
9300.00
9200.00
06:00
12:45
15:00
18:00
21:00
21
03:00
06:00
09:00
12:00
15:00
18:00
21:00
22

Bollinger Bands

- Bollinger Bands, a technical indicator developed by John Bollinger, are used to measure a market's volatility and identify "overbought" or "oversold" conditions.

- **When the market is quiet, the bands contract and when the market is LOUD, the bands expand.**

- Bollinger Bands consist of a band of three lines which are plotted in relation to security prices.

- The line in the middle is usually a Simple Moving Average (SMA) set to a period of 20 days usually.

- The SMA then serves as a base for the Upper and Lower Bands (2 standard deviations from the middle brand)

- The Upper and Lower Bands are used as a way to measure volatility by observing the relationship between the Bands and price. Typically the Upper and Lower Bands are set to two standard deviations away from the SMA (The Middle Line)

1) When the price action hugs the upper band, it indicates strongly trending bullish price action. Traders can initiate long positions with a trailing stop. The reverse applies for prices hugging the lower band.

2) Short positions can be initiated when the price rejects a down sloping moving average, with a target at the lower band.

3) A change of trend can often be determined when the price first rejects one of the bands and then break through the band at roughly the same level

Mean Reversion Strategy

- Mean reversion is a financial theory which suggests that, after an extreme price move, asset prices tend to return back to normal or average levels. Prices routinely oscillate around the mean or average price but tend to return to that same average price over and over.

Bollinger **Bounce**

One thing you should know about Bollinger Bands is that **price tends to return to the middle of the bands.**

That is the whole idea behind the “**Bollinger Bounce**.”

The reason these bounces occur is because the **Bollinger bands act like dynamic support and resistance levels.**

Bollinger Squeeze

- When the bands squeeze together, it usually means that a **breakout** is getting ready to happen.
- If the candles start to break out above the TOP band, then the move will usually continue to go UP.
- If the candles start to break out below the BOTTOM band, then price will usually continue to go DOWN.

Ripple 4 ko"ís ckaíť: arťcí sc:cíal daQs or low:olaťiliťQ maíkcť, ťkcíc’s a sťío→ıg b"llisk ca→ıdlc bícaki→ıg abo:c ťkc "ppcí ba→ıd (gícc→ı ciíclc). Arťcí ťkc bícako"ť, ťkc XRPUSK i→ıiťiaťcd a→ı cxplosi:c "pwaíd mo:cmc→ıť, gai→ıi→ıg moíc ťka→ı 100%, skowi→ıg sc:cíal →ıcw kigks abo:c ťkc "ppcí ba→ıd.


BB
1.34600
1.34400
1.34200
1.34000
1.33800
1.33600
1.33400
1.33200
1.33000
1.32800
1.32600
1.32400
1.32200
1.32000
1.31800
When Price Is Stuck In A Narrow Range For An Extended Period Of Time, When We Finally Break Outside Of The Range It Will Often Result In A Strong Trending Market
RSI
60.00
40.00
20.00
0.00
7
07:00
08:00
09:00
10:00
11:00
12:00
13:00
14:00
15:00
16:00
17:00
18:00
1D 5D 1M 3M 6M YTD 1Y 5Y All
12:09:11 (UTC+8)
% log auto

RSI (Relative Strength Indicator)

The RSI is based on a 14 day time limit usually although this can be altered. The RSI is measured on a scale of 0-100 with overbought assets between 70-100 and oversold assets between 0-30. As the RSI index moves between oversold to overbought, or vice versa it can be seen as indicating a trend but in general at 50 it is considered to have no trend.

The RSI is calculated by calculating the momentum of the ratio of higher closes to lower closes - so themore the stock moves up - the more positive the RSI.

If you look at the **Bitcoin price** chart above you can see the 14 day RSI and two periods over the full 3 month time period that the chart shows. The first period is where the RSI indicator is showing the bitcoin price to be overbought as it is generally above the 70 mark. The second period is showing the Bitcoin price to be oversold as the indicator is breaching oversold territory and is therefore indicating a buy signal.


OverBought
OverBought


OverSold
RSI (14, close)
Oversold

MACD

MACD is an acronym for **M**oving **A**verage **C**onvergence **D**ivergence.

With a MACD chart, you will usually see three numbers that are used for its settings.

- **MACD line** is typically made up of the 12-period exponential movingaverage (EMA) minus the 26-period exponential moving average **(12 day EMA- 26 day EMA)** The Signal line is typically the 9-period **EMA of the MACD line.**
- The MACD is calculated by subtracting the 26-period **Exponential Moving Average (EMA)** from the 12- period EMA.
- MACD triggers technical signals when it crosses above (to buy) or below (to sell) its signal line.
- MACD helps investors understand whether the bullish or bearish movement in the price is strengthening or weakening. When the MACD crosses above the signal line, it is known as a bullish cross and when it crosses below, its known as a bearish cross

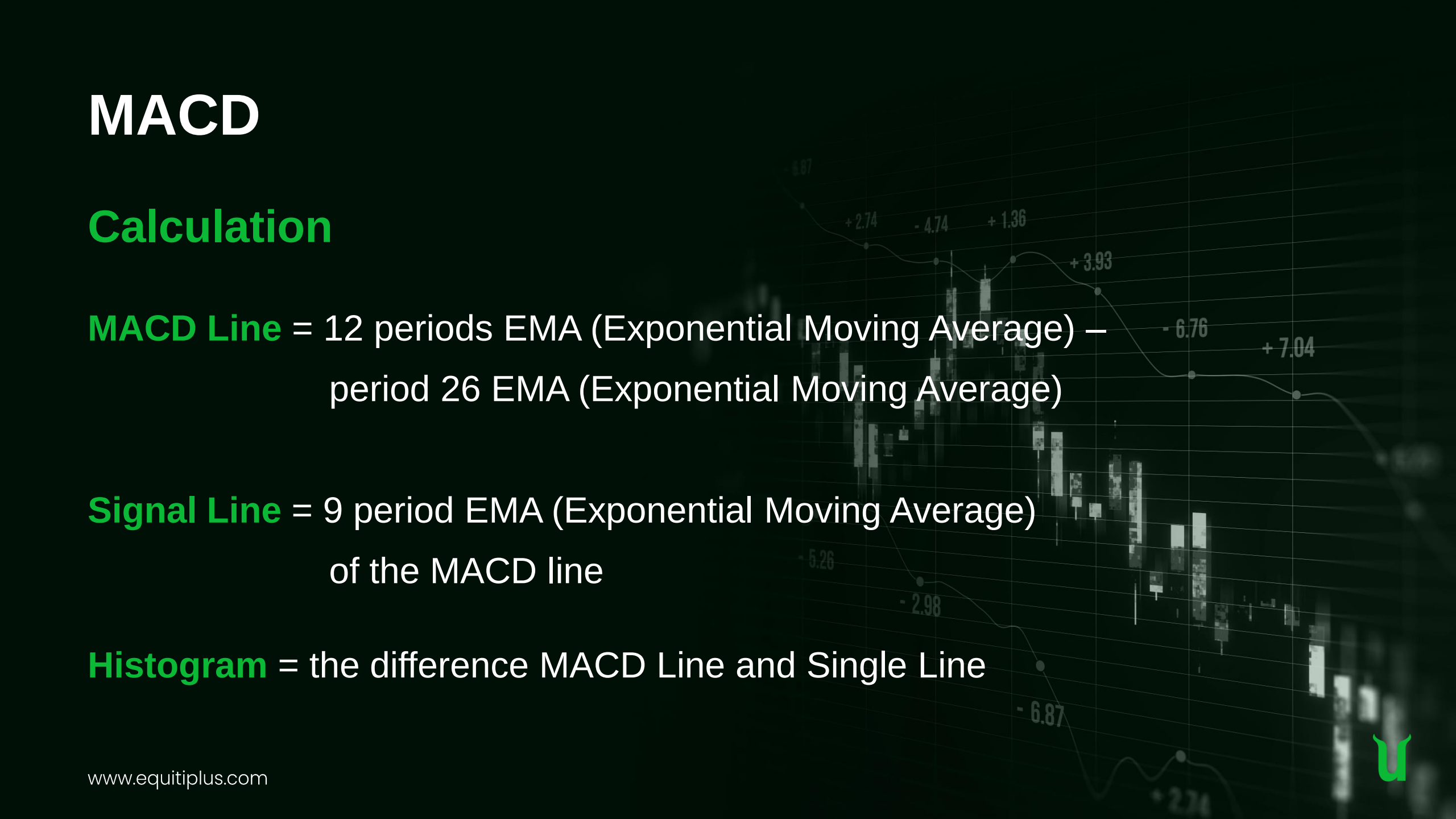
MACD

Calculation

MACD Line = 12 periods EMA (Exponential Moving Average) – period 26 EMA (Exponential Moving Average)

Signal Line = 9 period EMA (Exponential Moving Average) of the MACD line

Histogram = the difference MACD Line and Single Line



On November 16, 2017, the MACD blue line made a bullish cross above the signal line, presenting a buy signal. The MACD stayed above the signal line for over a month when the rice went on to rally more than 150 percent before its next bearish cross.
The bear cross occurred on Dec. 20, 2017, signaled a bullish-to-bearish trend change.

It's recommended to use the MACD in conjunction with other indicators like volume, RSI or price action because like any indicator the MACD is not 100 percent accurate and can give off false signals.

The **MACD** also helps in identifying overbrought and oversold conditions in the market

Parabolic SAR

One indicator that can help us determine where a trend might be ending is the **Parabolic SAR** (**S**top **A**nd **R**eversal).

A Parabolic SAR places dots, or points, on a chart that indicates potential reversals in price movement.

When the dots are below the candles, it is a **BUY** signal. When the dots are above the candles, it is a **SELL** signal

You can also use Parabolic SAR to help you determine whether you

Volume

Sl No	Price	Volume	What is the expectation?
01	Increases	Increases	Bullish
02	Increases	Decreases	Caution – weak hands buying
03	Decreases	Increases	Bearish
04	Decreases	Decreases	Caution – weak hands selling

VWAP (Volume Weighted Average Price)

VWAP stands for volume-weighted average price. As the name would suggest, it's the average price of the asset for a given period weighted by volume

VWAP = ∑ (Typical Price * Volume) / ∑ Volume

Trend Identification is a major benefit of using the Volume Weighted Average Price indicator.

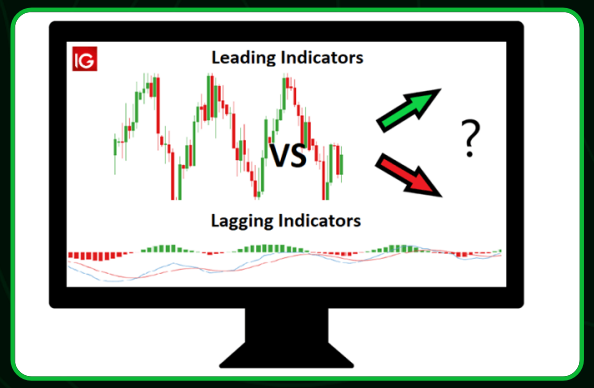
Bullish Trend is characterized by prices trading above the VWAP.

Bearish Trend is characterized by prices trading below the VWAP.

Sideways Market is characterized by prices trading above and below the VWAP.

The downside of the indicator is that is is a lagging indicator

Leading and Lagging Indicators



There are two types of indicators: **leading** and **lagging**.

A **leading** indicator or oscillators gives a signal **before** the new trend or reversal occurs.These indicators help you profit by predicting what prices will do next. Leading indicators typically work by measuring how “overbought” or “oversold” something is. This is done with the assumption that if a cryptocurrency pair is “oversold”, it will bounce back. They may give you fake breakouts. You should combine leading indicators with other tools such as Japanese candlestick patterns classic chart patterns, and support and resistance.

A **lagging** indicator gives a signal **after** the trend has started. They simply lag the market. They confirm the trend. Lagging indicators only give signals after the price change is clearly forming a trend. The downside is that you’d be a little late in entering a position.

Fibonacci Trading (61.8%, 38.2%, and 23.6%)

- **Leonardo Pisano Bogollo** an Italian mathematician from Pisa, known to his friends as Fibonacci discovered Fibonacci numbers.
- The Fibonacci series is a sequence of numbers starting from zero arranged in such a way that the value of any number in the series is the sum of the previous two numbers.
- The Fibonacci sequence is as follows: 0 , 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, 233, 377, 610…
- Divide any number in the series by the previous number; the ratio is always approximately **1.618 (Phi golden ratio).**
  For example: 610/377 = 1.618 377/233 = 1.618
- Further into the ratio properties, one can find remarkable consistency For example:89/144 = 0.618 144/233 = 0.618 **(expressed in percentage as 61.8%)**
- Similar consistency can be found when any number in the Fibonacci series is divided by a number two places higher. For example:13/34 = 0.382 21/55 = 0.382 **(expressed in percentage as 38.2%)**
- Also, there is consistency when a number in the Fibonacci series is divided by a number 3 place higher.For example: 13/55 = 0.236 21/89 = 0.236 **(expressed in percentage as 23.6%)**

Fibonacci discovered every number in the sequence is approximately 61.8% of the next number in the sequence.

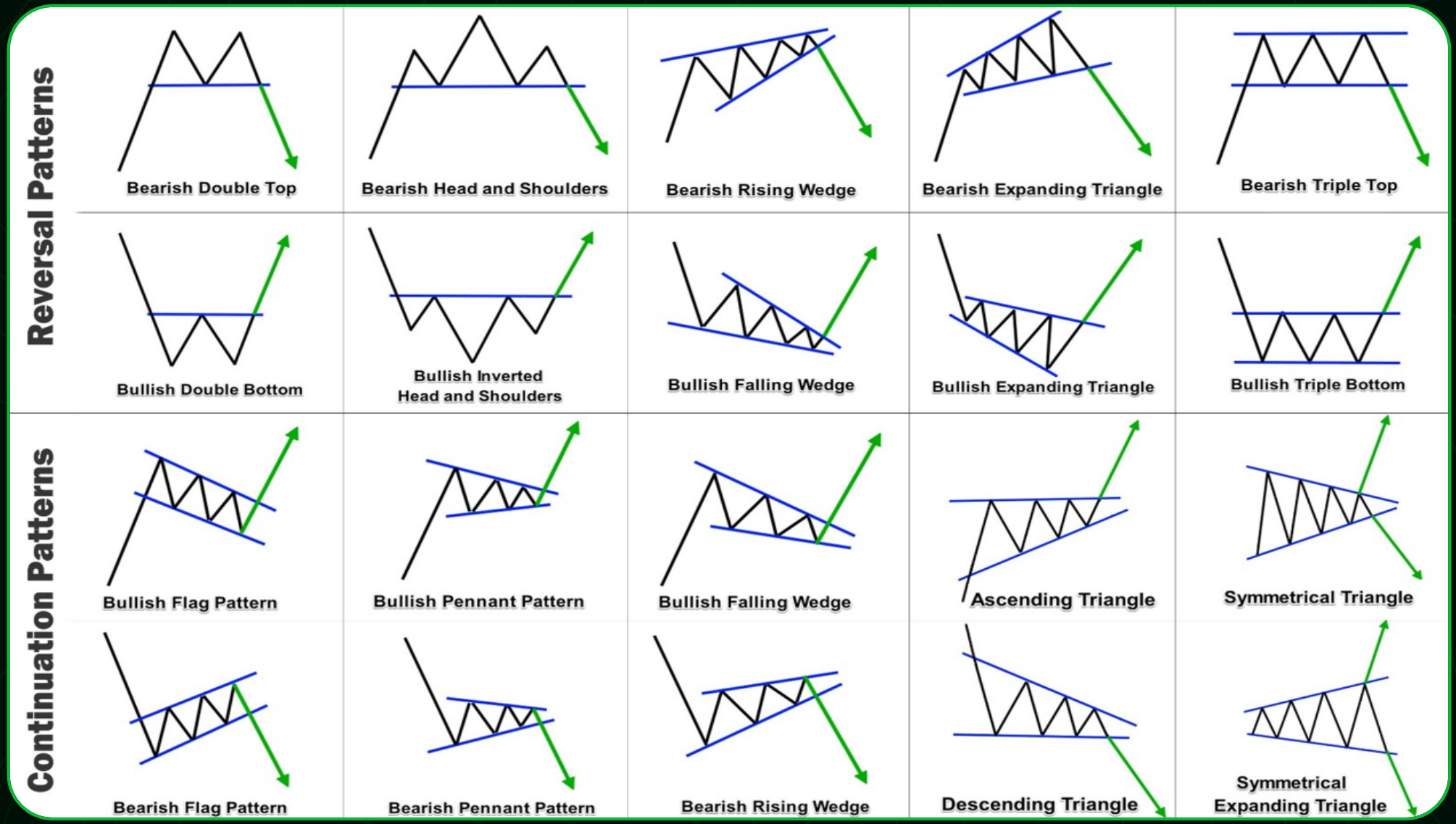
- 55/890.6179775280898876 = 61.8%
- 233/3770.6180371352785146 = 61.8%
- 144/2330.6180257510729614 = 61.8%
- This is not the only correlation. Fibonacci also uncovered that every number in the sequence is approximately 38.2% of the Fibonacci number two steps ahead.
- (13, 21, 34) 13/34 = 0.3823529411764706-38.2%
- (21, 34, 55) 21/55 = 0.3818181818181818=38.2%
- (55, 89, 144) 55/144=0.3819444444444444 = 38.2%
- (144, 233, 377) 144/377 = 0.3819628647214854 = 38.2%
- Also, we have another ratio! Every number in the Fibonacci sequence is 23.6% of the number after the next two numbers in the sequence:
- (55, 89, 144, 233) 55/233 = 0.2360515021459227 = 23.6%

Using Fibonacci Retracements (61.8%, 38.2%, and 23.6%)

- Fibonacci retracement levels are horizontal lines that indicate the possible support and resistance levels where price could potentially reverse direction. Fibonacci support and resistance levels are the levels at which you can expect a reversal, and the levels can signal entry points
- Fibonacci tool works best when the market is trending
- In technical analysis, this tool is created by taking two extreme points (usually a peak and a minimum) on the chart and dividing the vertical distance by the key Fibonacci coefficients equal to 23.6%, 38.2%, 50%, 61.8%, and 100%.

Retracements, which means periods in which the price moves against the trend, after which it moves back in the trend direction

Fibonacci Retracement


Reversal Patterns
Bearish Double Top
Bearish Head and Shoulders
Bearish Rising Wedge
Bearish Expanding Triangle
Bearish Triple Top
Bullish Double Bottom
Bullish Inverted
Head and Shoulders
Bullish Falling Wedge
Bullish Expanding Triangle
Bullish Triple Bottom
Continuation Patterns
Bullish Flag Pattern
Bullish Pennant Pattern
Bullish Falling Wedge
Ascending Triangle
Symmetrical Triangle
Bearish Flag Pattern
Bearish Pennant Pattern
Bearish Rising Wedge
Descending Triangle
Symmetrical
Expanding Triangle

THANK YOU

TO BE CONTINUED...