
bitcoin
1 BTC
100M
SATS

“The root problem with conventional currency is all the trust that’s required to make it work. **The central bank must be trusted not to debase the currency, but the history of fiat currencies is full of breaches of that trust**.”

Satoshi Nakomoto

What We'll Be Covering

0. **Candles**
1. Support & Resistance
2. Trends & Trendlines
3. Indicators
4. Strategies
5. Advanced Trade Management
6. Building Wealth
7. Mindset & Personal Development

“Money won’t make you happy”

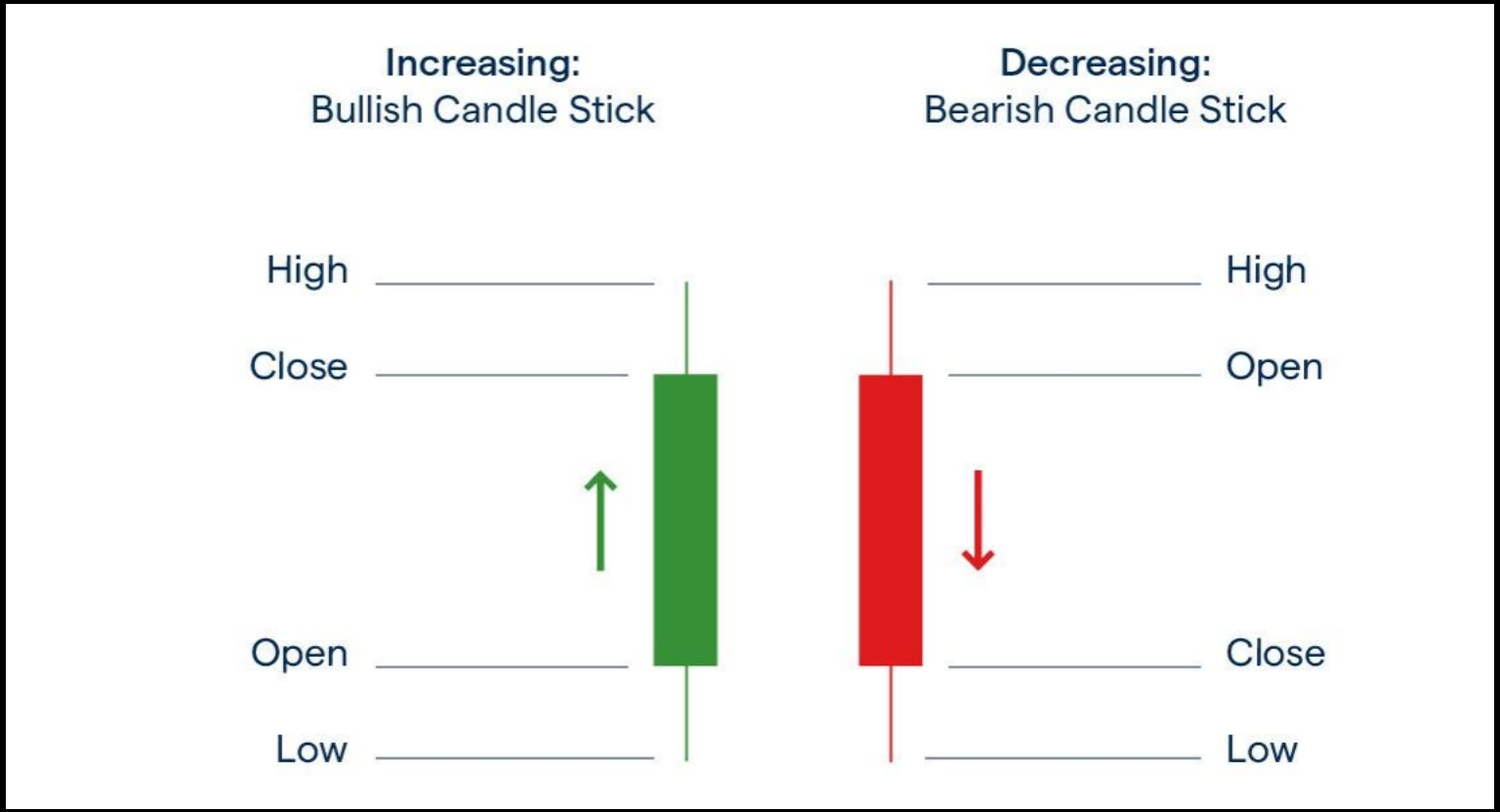
...nobody wealthy ever said this :-)

Getting The Most Out Of This Coaching Programme

Here are my “top tips” for getting the most out of this Coaching Programme:

1. Prioritise your progress.
2. Have a long-term mentality.
3. Ask questions and learn from experience.
4. Plan your trades and trade your plans.
5. Commit to your success!

Candles

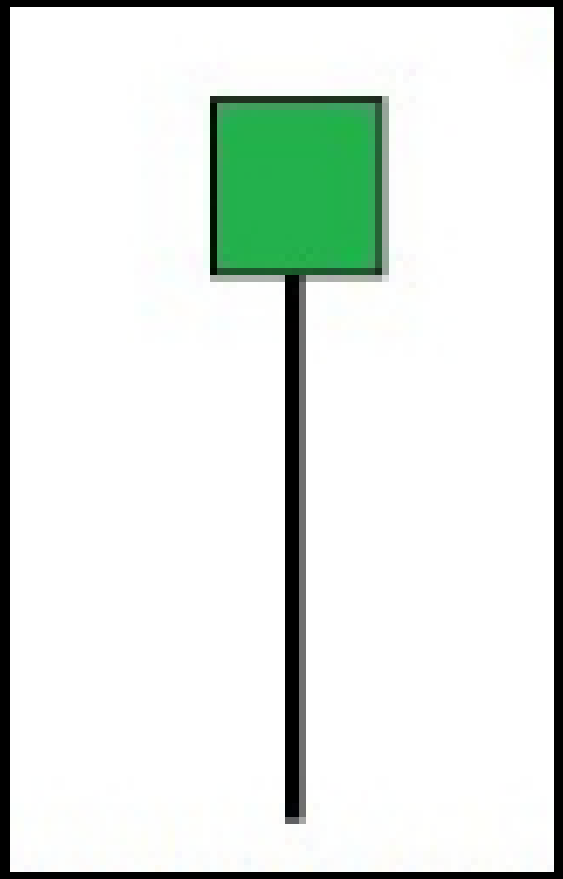

Increasing:
Bullish Candle Stick
Decreasing:
Bearish Candle Stick
High
Close
Open
Low
High
Open
Close
Low

Candles

As a rule of thumb, you should be able to tell if a candle is bullish or bearish within 2 seconds.

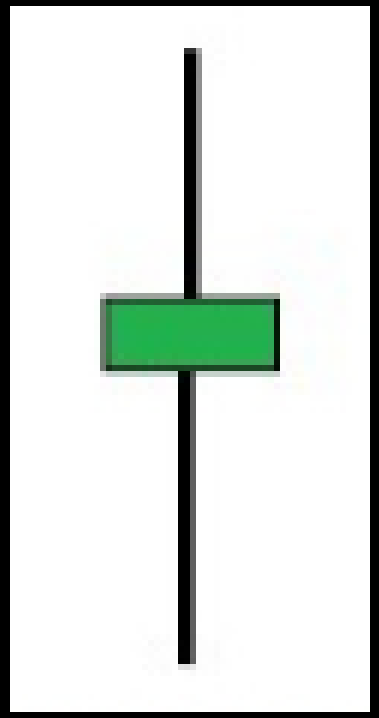
If you cannot then it is neutral.
Let’s try...

Candles



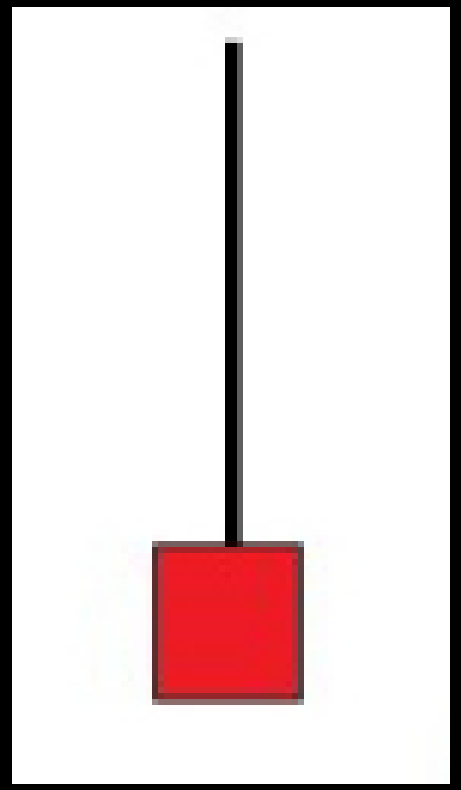
BULLISH

Candles



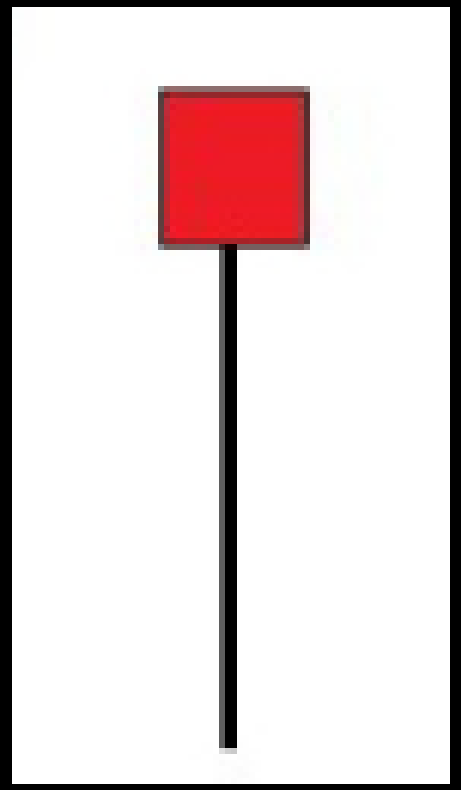
NEUTRAL

Candles



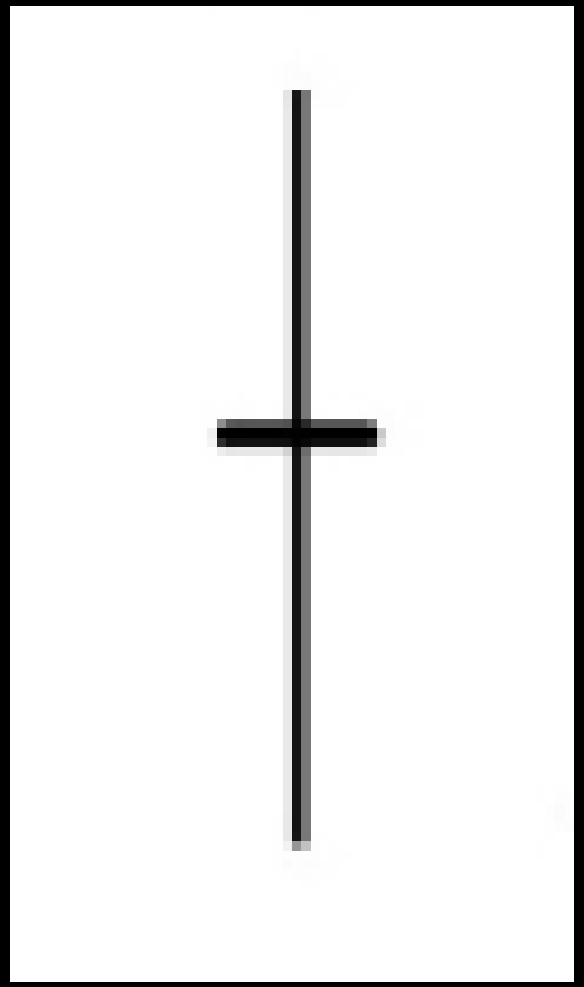
BEARISH

Candles



BULLISH

Candles



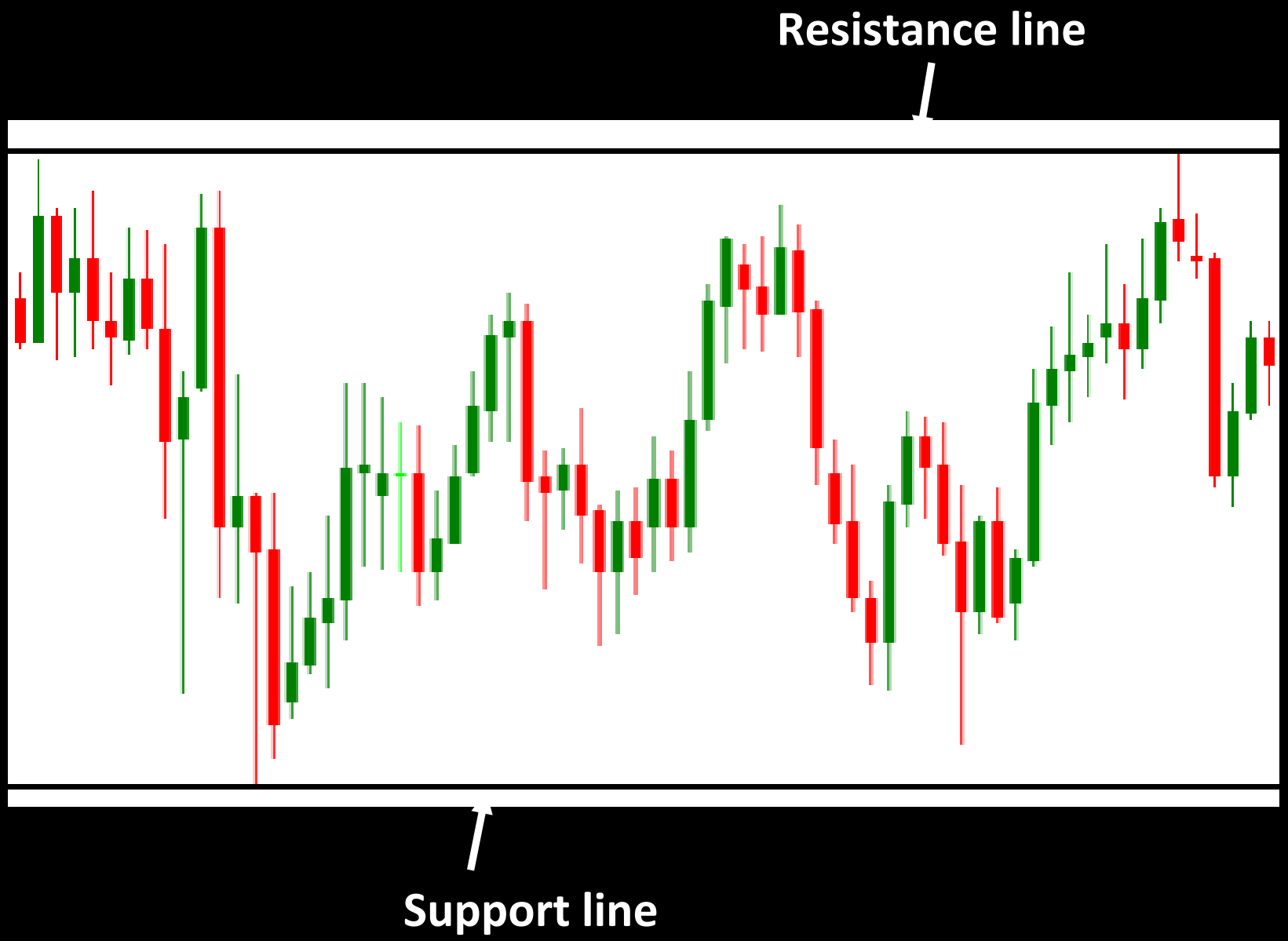
NEUTRAL

Support & Resistance

Support and resistance is the most basic underlying principle of technical analysis.

The term **“support”** is given to any level which has historically proven to support a price point. A strong support level will act as a ***floor*** for the price action.

The term **“resistance”** is given to any level which has historically proven to resist a price point. A strong resistance level will act as a ***ceiling*** for the price action.


Resistance line
Support line

THE GAME: The Bears vs The Bulls

The market is essentially a game between the bears and the bulls. They both have objectives; the bears want to control the market by forming new low prices and the bulls want to control the market by forming new high prices.

However, we must always remember that there will be “resting” times and every move needs a beginning and an end.

When we come to trade,, we must be aware of all levels of support and resistance which will indicate bearish and bullish price points.

We must be aware of previous levels of support. This is important for two reasons:

1. So we know where to enter
2. So we know where to exit for profit

Stair-Stepping

When we have levels of support and resistance within a trend, we can identify these in a sequence. When we look for levels of support or resistance, we scroll back in time to find previous levels of lower prices (support) and higher prices (resistance).

Any levels of support or resistance prior to the most recent relevant extreme high or low price are irrelevant levels of support or resistance.

This is like “walking the stairs”, or stair-stepping. Before you trade, try to find at least 3-4 levels of support and 3-4 levels of resistance.

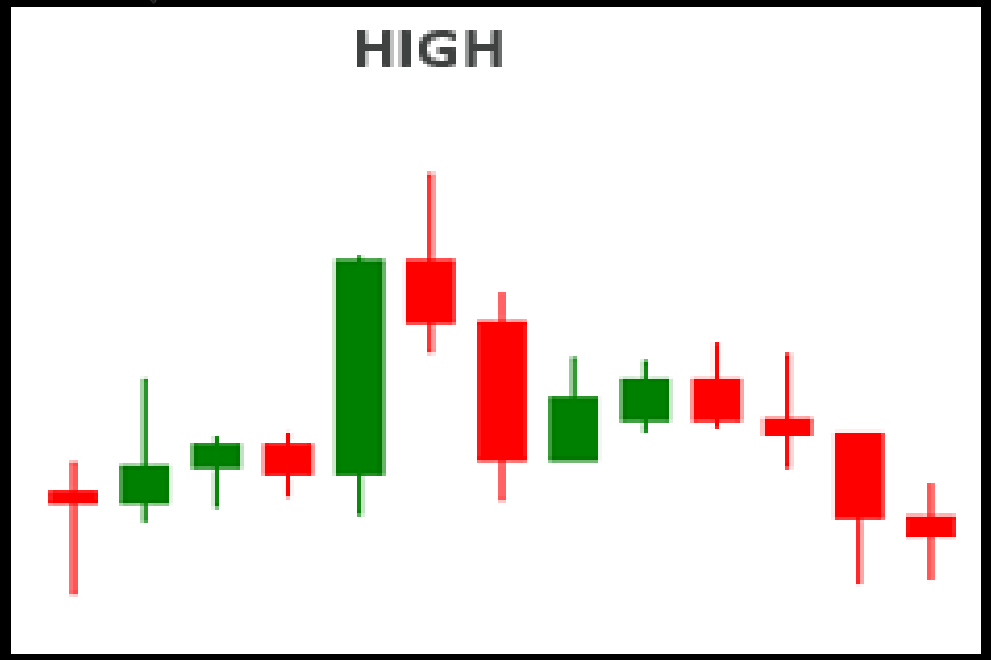
Finding Relevant Highs & Lows

You know we identify highs and lows by candlesticks that have two candles to the left and two candlesticks to the right that are higher or lower than the centre low/high.

For example:

A HIGH is a candlestick that has two candlesticks to the left and two candlesticks to the right that are LOWER than its HIGHEST point (of the wick or the body).

A LOW is a candlestick that has two candlesticks to the left and two candlesticks to the right that are HIGHER than its LOWEST point (of the wick or the body).


HIGH


LOW

A relevant high or low is the most recent ***extreme*** high or low. When identifying highs and lows, like when we look at support and resistance, there will be extreme highs and lows (major).

Then, we have other highs and lows, otherwise known as Last Swing Highs and Last Swing Lows, which are usually minor highs and lows or minor levels of support and resistance.

Any levels of support or resistance prior to the most recent extreme high or low are ***irrelevant*** with regards to the current price point, until the extreme high or low is broken.


Extreme High Price
Current Price


Current Price
Extreme Low Price

Flag Poles & Pennants

Flag poles and pennants are ***continuation*** price patterns after an area of consolidation. Flag poles are usually in the shape of a “flag” (diagonal rectangles with parallel support and resistance) and pennants are triangular.

You MUST identify the correct high or low prior to the flag pole or pennant forming.

Normal horizontal consolidation usually looks like areas in the shape of “flat rectangles” …

“Flat Rectangle” Horizontal

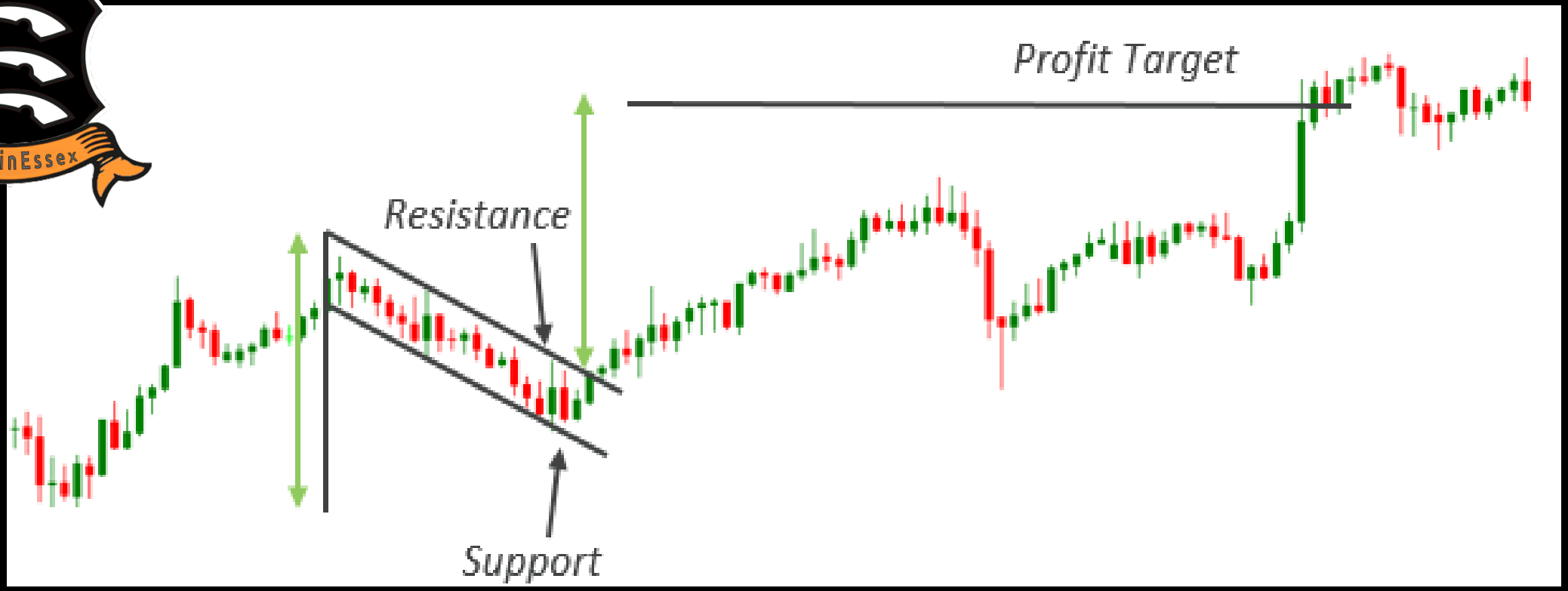
There are 2 types of Flag Poles:

1. Bullish
2. Bearish

There are primarily 3 types of Pennants:

1. Flag Pennant
2. Ascending
3. Descending

Bullish Flag Poles



Entry – Break of, or above, resistance.

Stop Loss – Below support/last swing low, as normal.

Target – The continuation is expected to be equivalent to the original bullish "pole" move

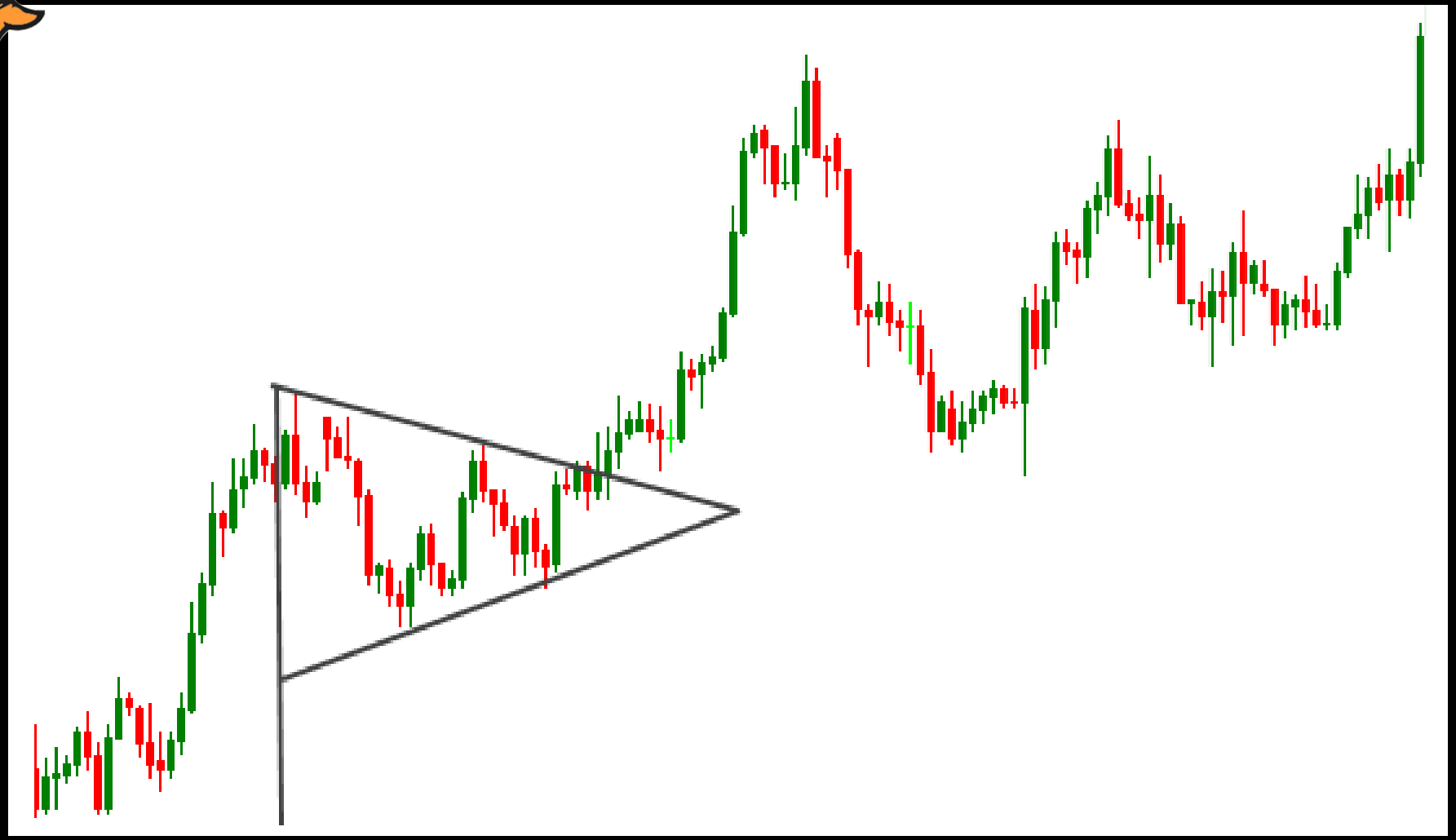
Bearish Flag Poles

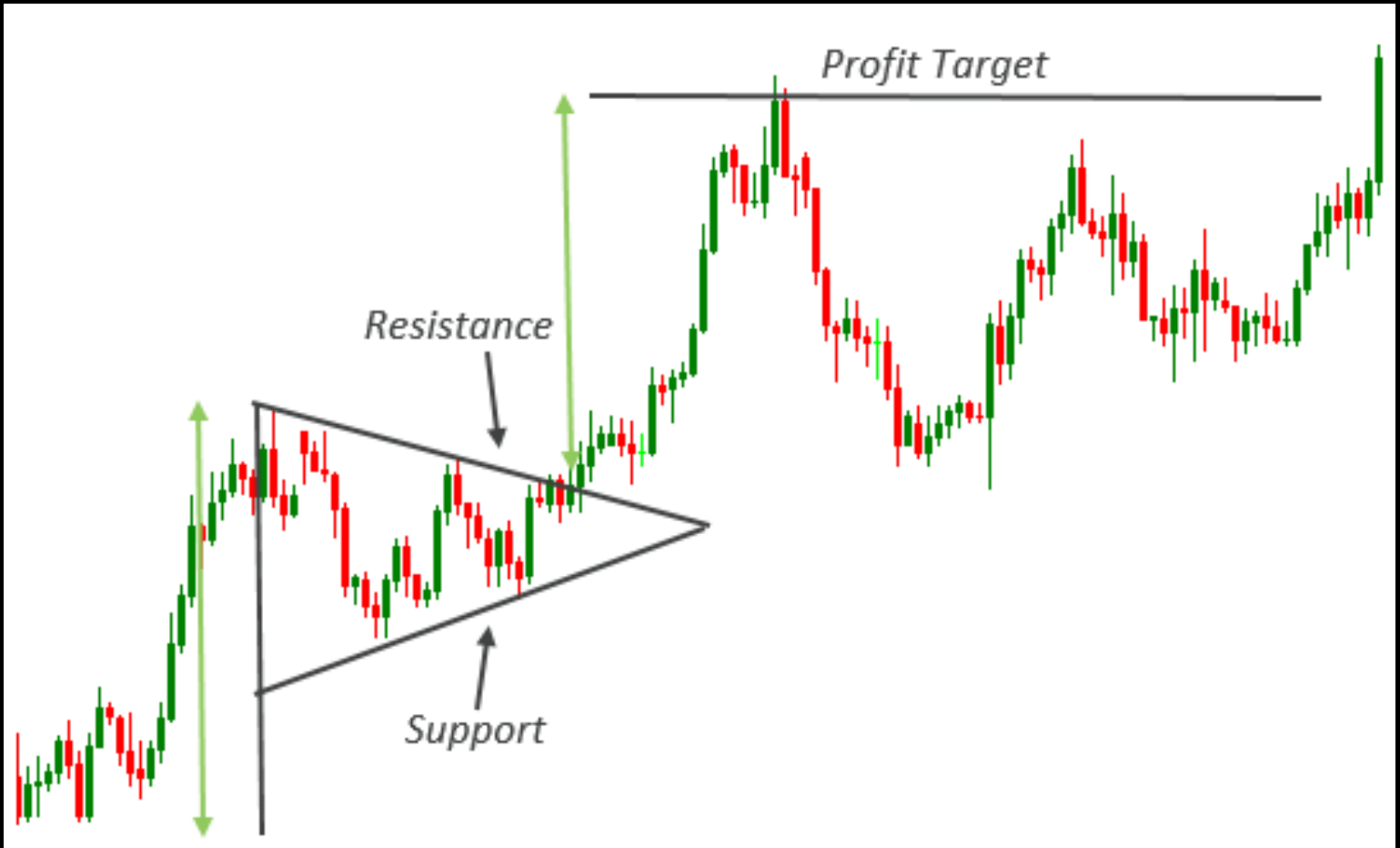
Entry – Break of, or below, support.

Stop Loss – Above resistance/last swing high, as normal.

Target – The continuation is expected to be equivalent to the original bearish "pole" move

Bullish Flag Pennant





Entry – Break of, or above, resistance.

Stop Loss – Below support/last swing low.

Target – The continuation is expected to be equivalent to the original bullish "pole" move

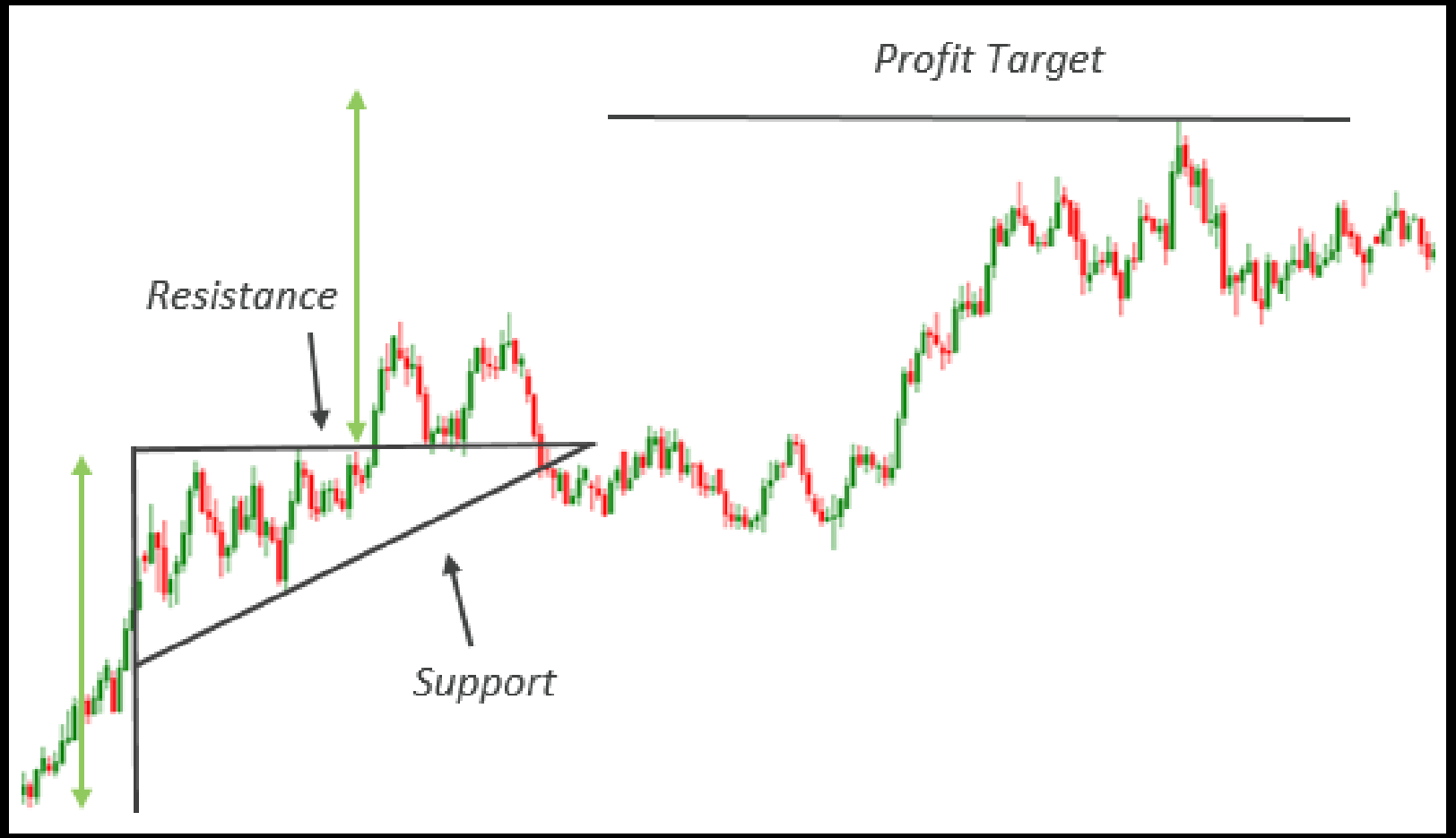
Bearish Flag Pennant

Entry – Break of, or below, support.

Stop Loss – Above resistance/last swing high.

Target – The continuation is expected to be equivalent to the original bearish “pole” move

Ascending Pennant



Entry – Break of, or above, resistance.

Stop Loss – Below support/last swing low.

Target – The continuation is expected to be equivalent to the original bullish "pole" move

Descending Pennant

Entry – Break of, or below, support.

Stop Loss – Above resistance/last swing high.

Target – The continuation is expected to be equivalent to the original bearish “pole” move

Wedges

A wedge is like a pennant but wedges are ***reversal*** price patterns.

Wedges are generally formed on longer-term timeframes and, like pennants, have a support line and a resistance line.

Wedges are like triangles with regards to having two trendlines that come together to form a “triangular” shape.

Falling Wedges

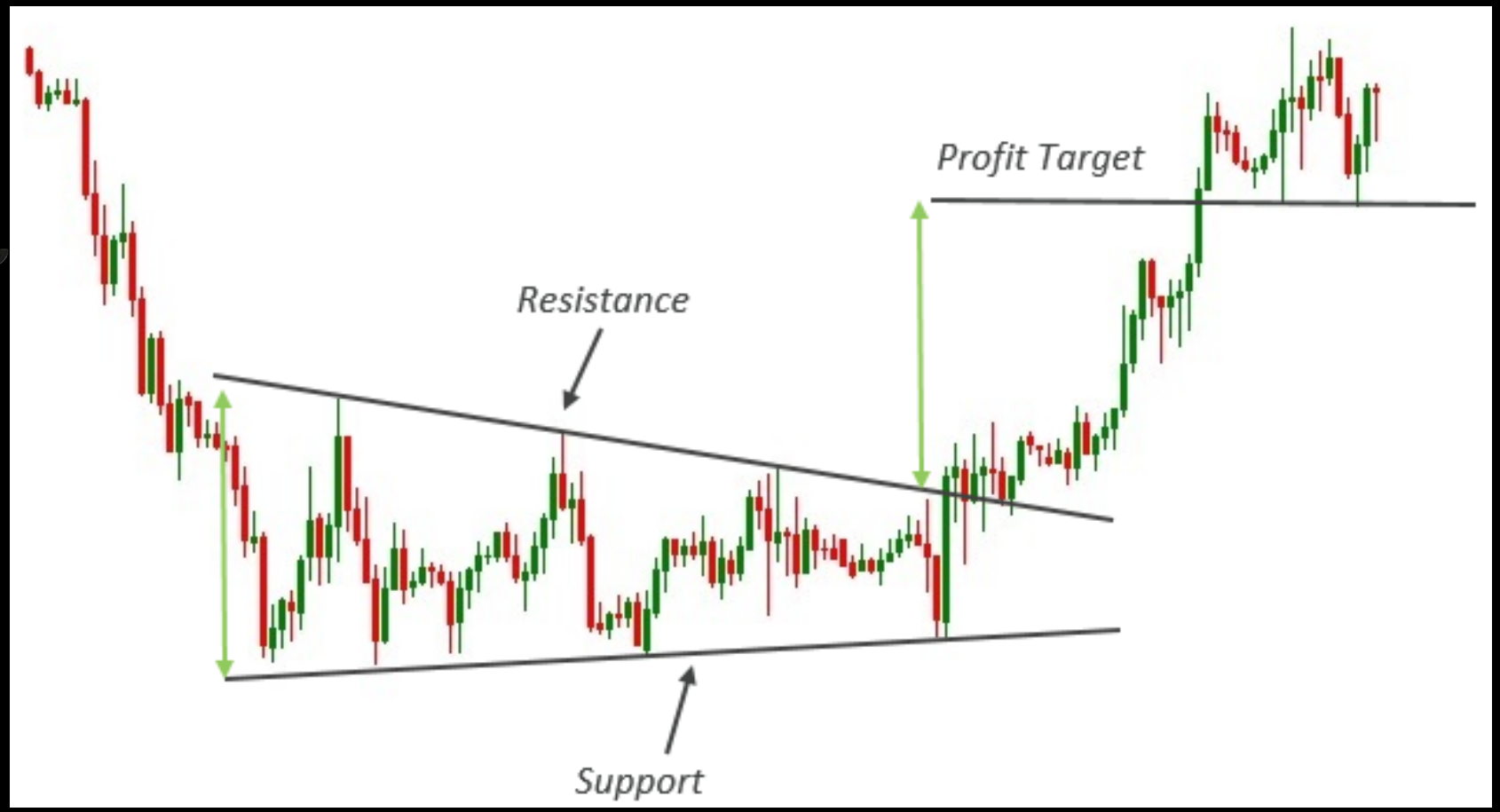
A falling wedge is generally a bullish pattern which signals the likelihood of a break to the upside, with a potential uptrend forming.

The resistance line is usually at a steeper angle than the support line, with the support line being “flatter”.

With the support line being relatively flat, this indicates that the selling pressure is subsiding and that the support is holding, therefore a bullish move is likely.

Usually the price will test the support and the resistance at least twice before a breakout is likely to occur. The more times the support is resistance is tested, the greater the move when the breakout occurs.

The buy signal occurs when the price breaks and closes above the resistance line on a timeframe of, ideally, 4H or higher.



Entry – Break of, or above, resistance.

Stop Loss – Below support/last swing low.

Target – The continuation is expected to be equivalent to the original bullish "pole" move

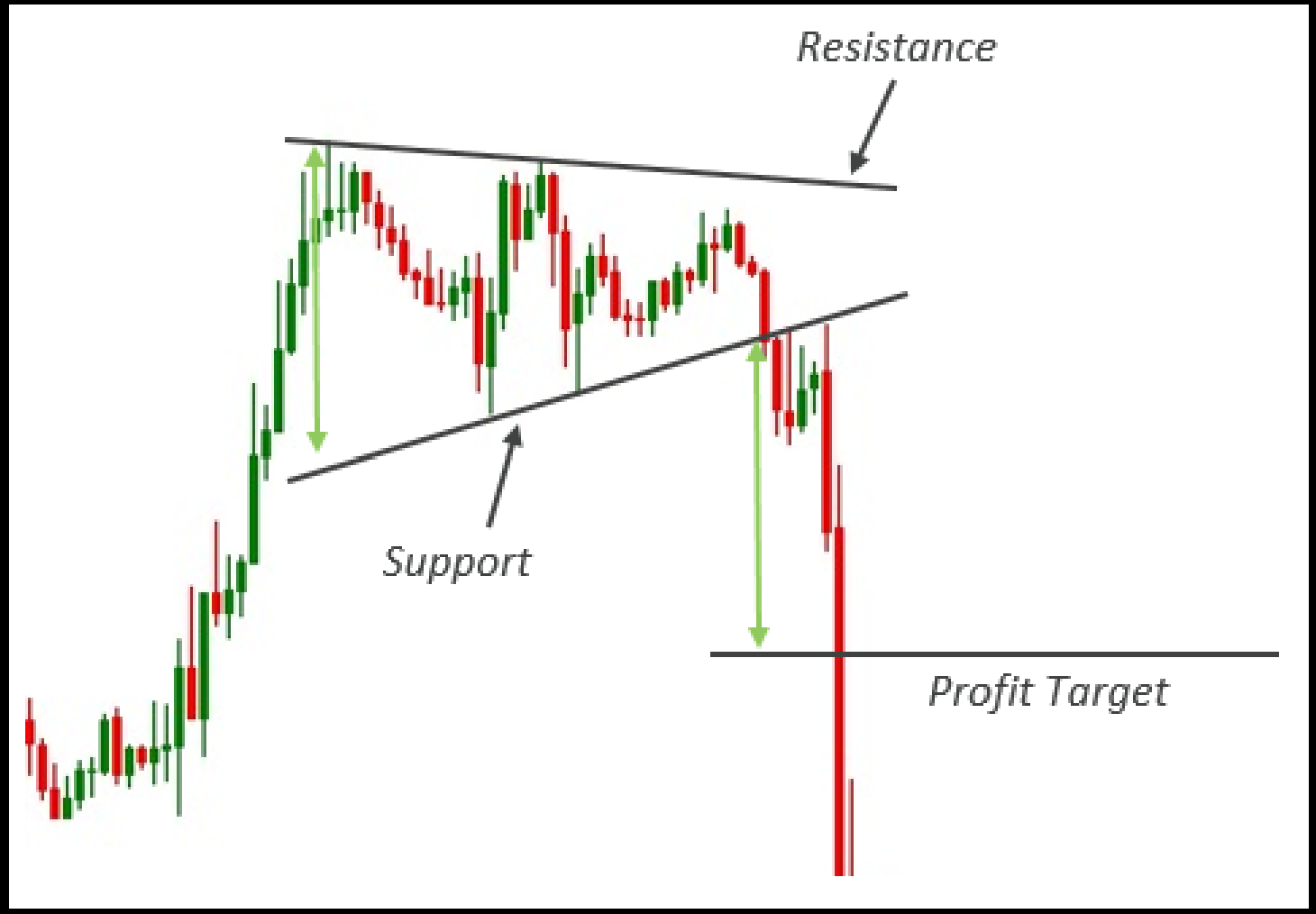
Rising Wedges

A rising wedge is generally a bearish pattern which signals the likelihood of a break to the downside, with a potential downtrend forming.

The support line is usually at a steeper angle than the resistance line (the levels of support are rising to form a steeper support line), with the resistance line being “flatter”.

With the resistance line being relatively flat, this indicates that the buying pressure is subsiding and that the resistance is holding, therefore a bearish move is likely.

The sell signal occurs when the
price breaks and closes below the
support line on a timeframe of, ideally, 4H or higher.



Entry – Break of, or below, support.

Stop Loss – Above resistance/last swing high.

Target – The reversal is expected to be equivalent to the maximum range of the wedge

Indicators

As traders progress their development and education, many will often veer into the path of indicators.

Indicators won’t ever be perfect systems for predicting future price movement, but what they can do is help us determine direction and higher probability trade setups as we work towards making profits from the market.

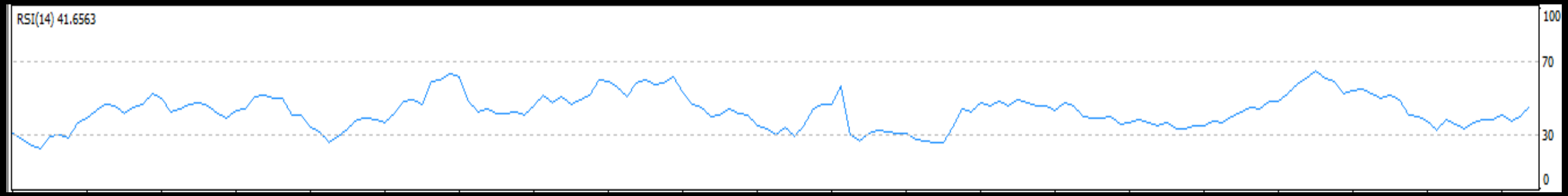
There are hundreds of indicators but we are going to cover the most important few, in our opinion, that you will be able to use to confirm your analysis and/or identify potential entry and exit points for trades.

RSI

The Relative Strength Index (RSI) indicates potential areas where a trend/direction may be ending.

The RSI tells us where the market is overbought and or oversold, and will identify a value between 1 and 100.

There are two important levels to be aware of; the 80/70 level and the 20/30 level.



If the RSI reads above the 80/70 level,
asset being traded is potentially overbought and we can expect prices to fall.

If something is being bought a lot, somebody else needs to be selling it at some point, right?

We should wait for the RSI to cross back below 80/70 before selling.

If the RSI reads below the 20/30 level, the asset being trades is potentially oversold and we can expect prices to rally.

If something is being sold a lot, somebody else needs to be buying it at some point.

We should wait for the RSI to cross back above 20/30 before buying.


STEP 1:
RSI above 70
STEP 2: RSI
breaks back
below 70


STEP 1:
RSI around/below 30
STEP 2: RSI
breaks back
above 30

The best way to use the RSI is on bigger timeframes to get an idea of the overall market sentiment and direction. The RSI can be more unreliable on smaller timeframes.

Potential Pitfalls of the RSI

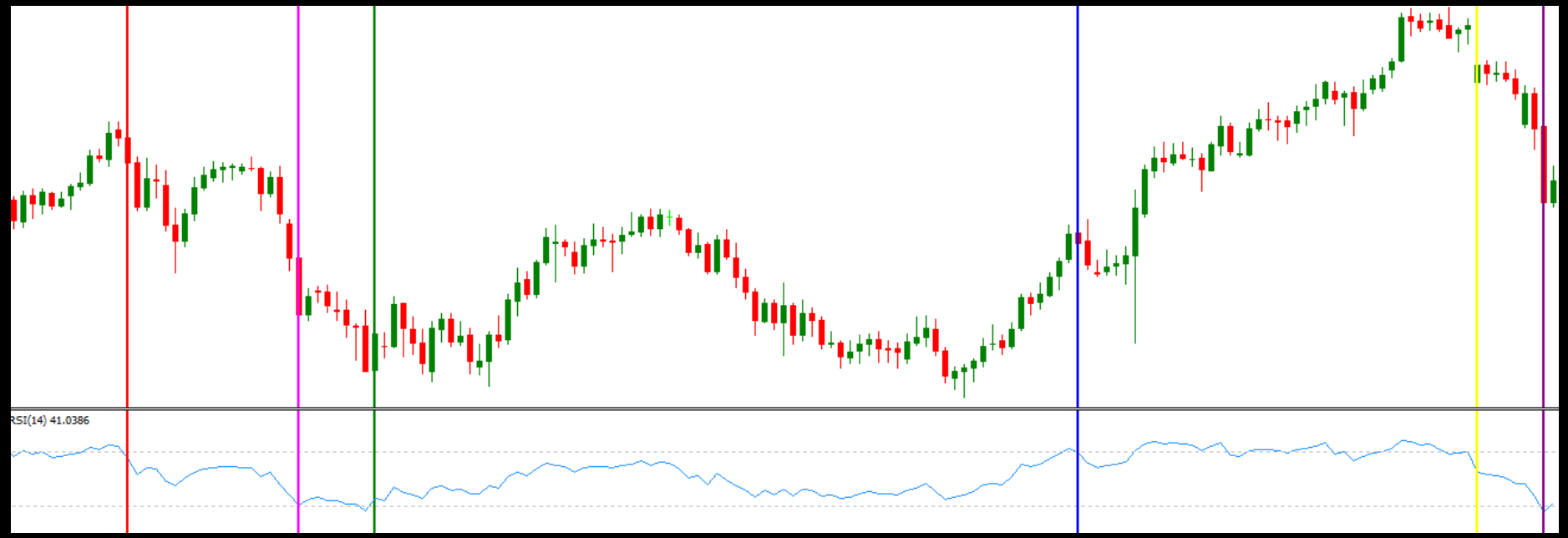
As with everything in Crypto, nothing is guaranteed.

The RSI naturally looks for reversals in price. This means that when the RSI crosses the 70 level then we are in “overbought” territory and are looking for selling opportunities.

However, prior to this, the price had been moving up and therefore we will now potentially be looking for counter-trend moves and trades in the opposite direction.

Conversely, when the RSI crosses the 30 level then we are in “oversold” territory and are looking for buying opportunities.

Prior to this, though, the price had been moving down and therefore we will now potentially be looking for trades in the opposite direction. Let’s look at an example…



NOTE:

It’s important to understand that we ***MUST*** use other signals such as candlesticks and candlestick formations, trendlines and support and resistance along with the RSI when looking to enter and exit a trade.

Don’t rely solely on the RSI.

Remember, what’s high can go higher and what’s low can go lower.

RSI Reversals

Now that you know what the RSI is, we can now look to use the RSI on timeframes of 4-Hour and higher to sell high and buy low (but can use 1hr timeframe to identify better entries).

We combine the RSI with levels of support and resistance and trendlines, and wait for candlestick formations for entries.

Moving Averages

A Moving Average is simply a tool that indicates the average price movement of the last X number of candlesticks, and is mainly used to “smooth out” price action over time.

Like all indicators, we use Moving Averages to help us forecast future price movement and direction.

There are many different types of Moving Averages but including Simple Moving Average (SMA) and Exponential Moving Average (EMA).

Simple Moving Average (SMA)

The SMA is simply (excuse the pun) a way of adding up the last X number of closing prices and dividing by X.

For example, we could use the last 10 candlesticks to find the average closing price of that time period.

You can use different SMAs for different periods.

The major pitfall of SMAs is that they are susceptible to spikes. They can give unreliable signals as they are slower to react to changes in price, and there could be times when we might think a new direction or trend may be forming but nothing has really changed.

Exponential Moving Average (EMAs)

Unlike the SMA, the EMA is less susceptible to price spikes and therefore is somewhat more reliable as an indicator to use for identifying the trend and direction. It reacts to changes in prices more quickly than the SMA.

The EMA looks at what is happening currently and averages out price action more fairly, ignoring any random spikes in price or events that are out of the ordinary and not affecting the current condition of the market or of what traders are doing right now.

In the example, the blue line is the EMA and the red line is the SMA. Notice how the blue line is somewhat closer to the current price throughout, giving a more accurate reading.

“Indicators should be used to help us indicate the potential price movement and future direction. They should not be relied upon or used on their own!”

Trading Quotes that you will hear…

…and what they really mean

“Be fearful when people are greedy, and greedy when people are fearful”

Basically, do the opposite of the trend … Sell into rising market and buy into a falling market.

“Buy the rumour sell the news”

Often you will see assets rise on rumours and once the rumour is confirmed they will sell off. This is normally because the news was already price in before formally announced.

The trend is your friend…until it ends

Why fight the market? If price is steadily rising then the trend is up
(follow it until it ends (Up or down))

“The market can remain irrational longer than you can remain solvent”

We are all pawns in a game for which we cannot comprehend how small we are. The markets will do whatever they will do and nobody knows the direction it can go with certainty. If you fight the market it will spit you out broke.

“Don’t try to catch a falling knife”

When prices dump there is always a tendency to think you are getting a bargain. Until it dumps further.
Always stagger your entries to yield a better average.
NEVER go all in as you’ll have no ammo available for when the dump stops.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1 BTC
100M
SATS