

Trend Lines by Korosh AK

- A Shift in Supply and Demand

- Law of Supply

- At higher prices, the number of sellers will increase.

- Law of Demand

- At lower prices, the number of buyers will increase.

- Supply/Demand is always moving which means price is constantly moving.

- What Is a Trend?

- Uptrend: Consecutive higher and higher lows create uptrend + higher highs.

- Downtrend: Consecutive lower and lower lows create downtrend + lower lows.

- No Trend: Market moves sideways, often bound in a range.

- Using the Trend as Confluence

- Uptrend

- higher probability of support holding.

- higher probability of resistance breaking.

- higher probability of broken resistance turning to support.

- Downtrend

- higher probability of resistance holding.

- higher probability of support breaking.

- higher probability of broken support turning to resistance.

- Broken resistance turns into support.

- No Trend

- No increase in probability of support/resistance holding.

- Reduces probability of all arguments holding.

Trend lines of various UK

Small time frame

Medium time frame

Large time frame

Trends within Trends

- All about time frame
- Low time frame: arguments use less data and are more volatile
- Higher time frames: formed from low time frame trends. Less volatile and last longer.
- The higher the time frame, the longer you expect the trend to last and the more reliable the argument and vice versa.
- Pick up to 3 timeframes and only use those for your holding strategy.
 - If swing trading weekly, use different timeframes than your day trading timeframes.
- High and low are relative
 - When trading the 1Ht chart, the 15m is a lower time frame
 - 12Ht chart, 1Ht is a lower time frame.
- Keep it simple. Use 1 higher timeframe and 1 lower timeframe.
- No magic timeframe: Strategies can be found in all timeframes, none are inherently better than others.