“Moving Average Refinements”

Patterns To Watch For Part 2

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What Can Moving Averages Tell Us?

It depends on:

1. Period of the Moving Average
2. Period of the Chart
3. Slope – Trajectory
4. Stack – Strength
5. Crosses – Trend Change?

What Can Patterns Tell us?

- Pullbacks – Length & Durations (Reactions)
- Trading Ranges – Battle between buyers & sellers (Supply & Demand)
- Over Reactions (Large Range Pullbacks Trend Change?)

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Every Pattern Tells a Story of:

- Supply & Demand
- Buyers & Sellers
- Accumulation or Distribution

Terms:

Flags – Short Pullbacks after a trending run

Trading Ranges – Area of Decision making. Equilibrium. Accumulation or Distribution

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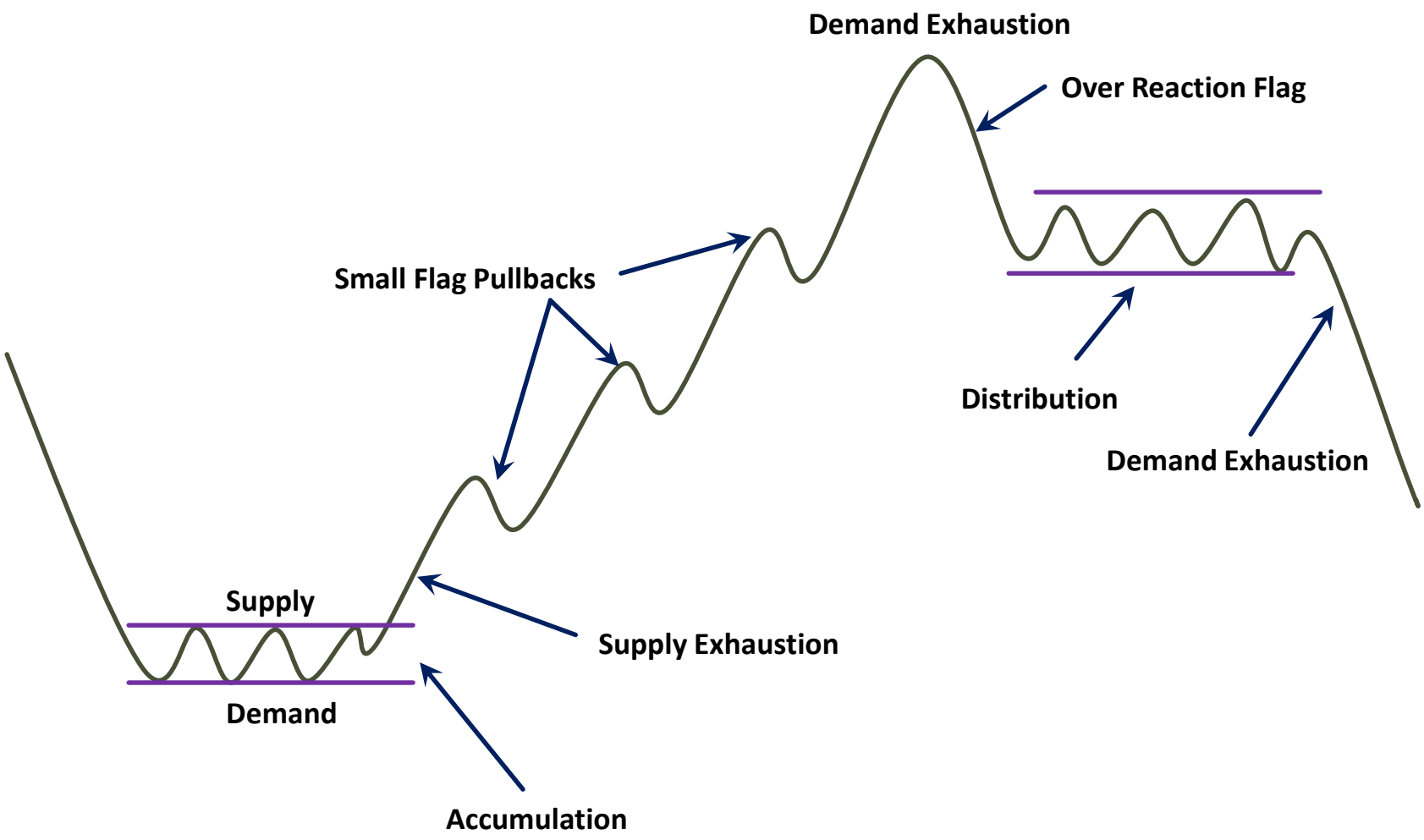
Patterns Result from Reaction to Supply & Demand



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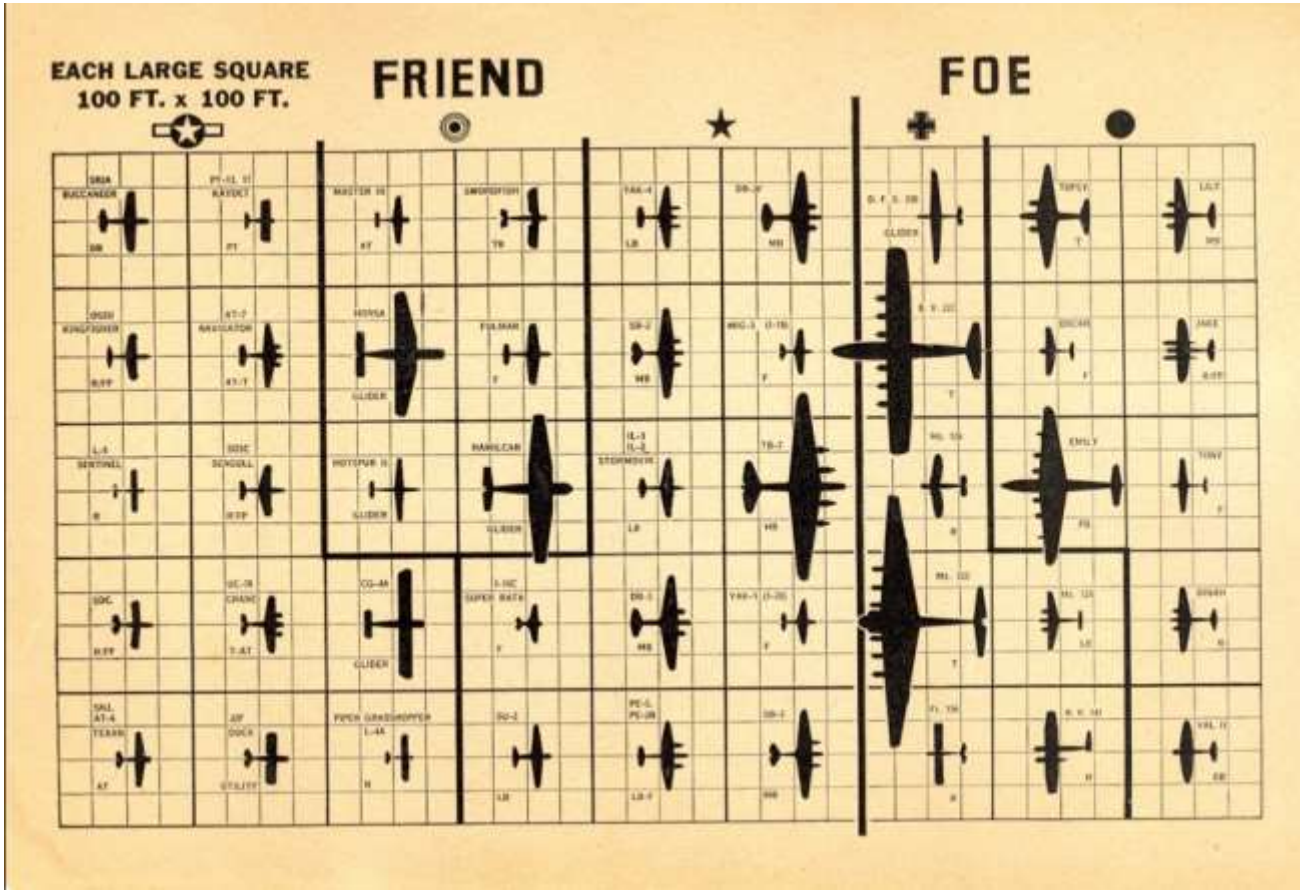
What Can Moving Averages Tell Us?

Know the most commonly recurring Patterns

Pattern Recognition: Learn the Good Guys vs. the Bad Guys



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What Can Moving Averages Tell Us?

Know the most commonly recurring Patterns

1. Continuation Patterns
   - Pullback Bull Flags
   - Pullback Bear Flags
   - Horizontal Channels

2. Classic Bottoming and Topping Patterns
   - Classic Double Bottom/Top
   - Shake Out with Positive Divergence (Bullish and Bearish)
   - First Pull Back

These pattern work on any timeframe! Use them to show support, resistance and signs of strength or weakness

I use: 30 minute – 2 hour Intraday, Daily, Weekly, Monthly

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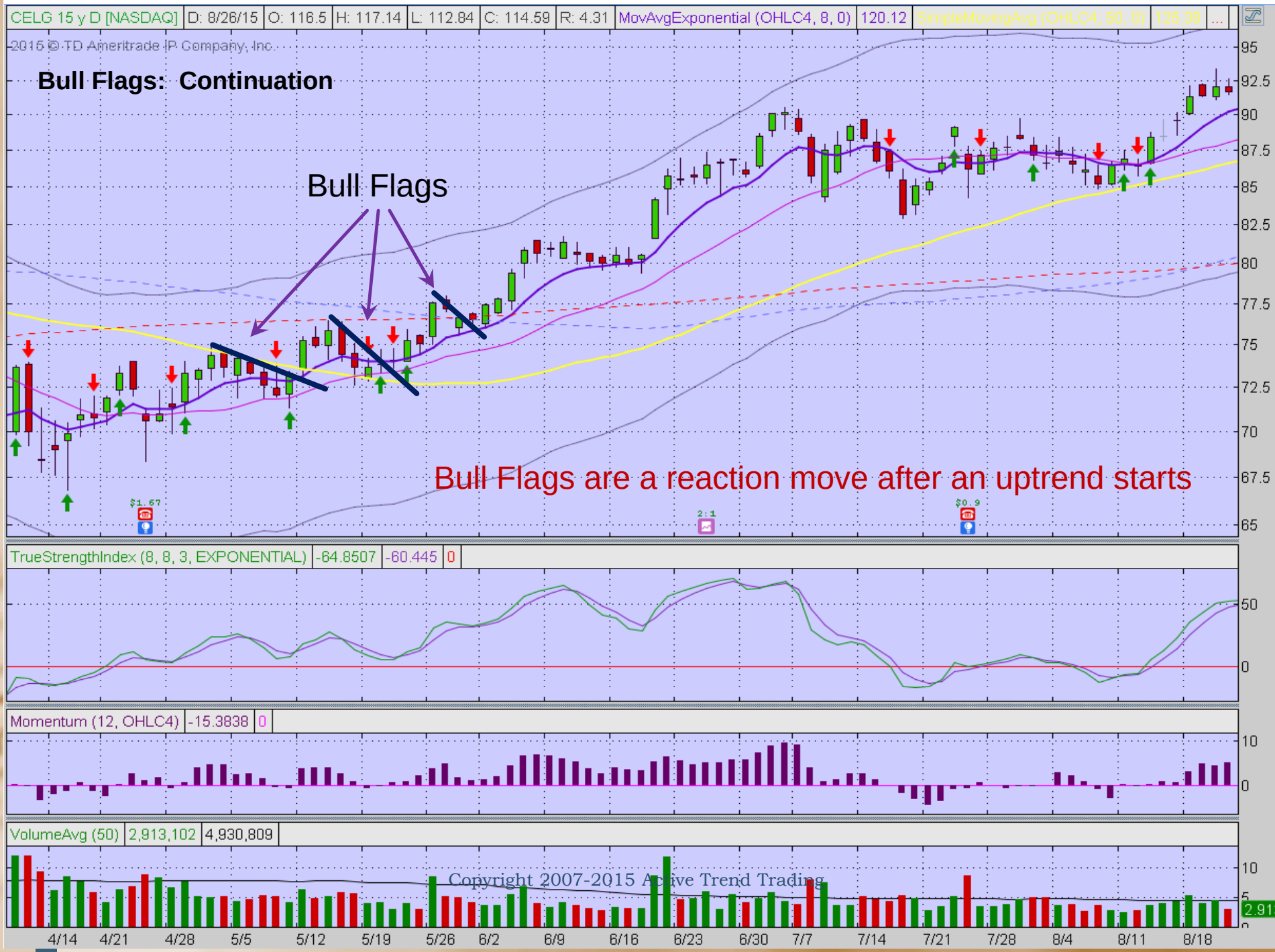
CELG 15 y D [NASDAQ] D: 8/26/15 O: 116.5 H: 117.14 L: 112.84 C: 114.59 R: 4.31 MovAvgExponential (OHLC4, 8, 0) 120.12 SimpleMovingAvg (OHLC4, 50, 0) 125.38
2015 © TD Ameritrade IP Company, Inc.
Bull Flags: Continuation
Bull Flags
Bull Flags are a reaction move after an uptrend starts
TrueStrengthIndex (8, 8, 3, EXPONENTIAL) -64.8507 -60.445 0
Momentum (12, OHLC4) -15.3838 0
VolumeAvg (50) 2,913,102 4,930,809
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4/14 4/21 4/28 5/5 5/12 5/19 5/26 6/2 6/9 6/16 6/23 6/30 7/7 7/14 7/21 7/28 8/4 8/11 8/18

TSLA 15 y D [NASDAQ] D: 8/26/15 O: 227.93 H: 228 L: 215.51 C: 216.55 R: 12.49 MovAvgExponential (OHLC4, 8, 0) 233.06
2015 © TD Ameritrade IP Company, Inc
Bear Flags: Continuation
Bear Flags
2014 year
$184.27
$180.06
TrueStrengthIndex (8, 8, 3, EXPONENTIAL) -44.0088 -37.2629 0
Momentum (12, OHLC4) -17.58 0
VolumeAvg (50) 2,173,846 4,190,667
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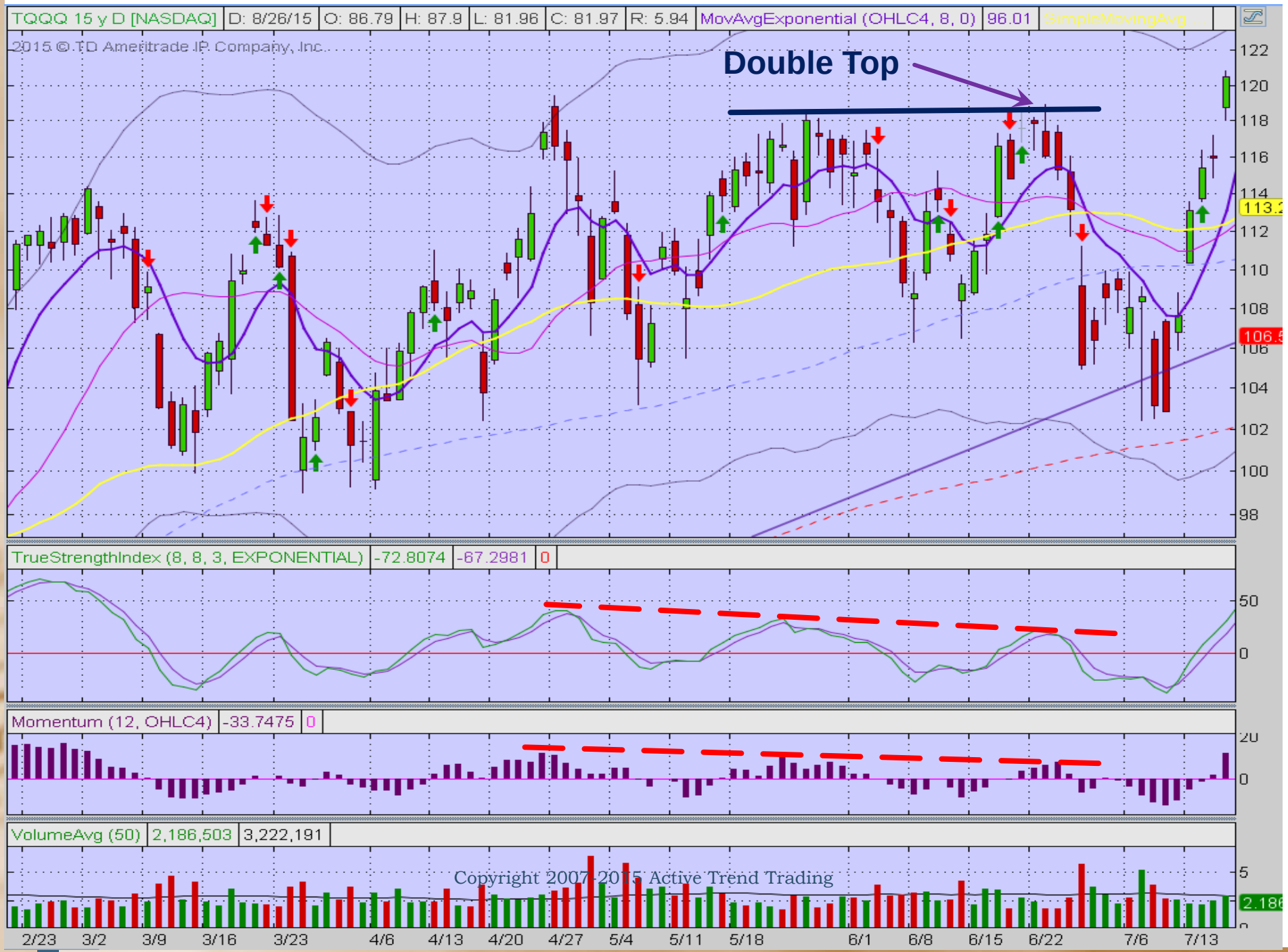
1/5
1/12
1/19
2/2
2/9
2/16
3/2
3/9
3/16
3/23
4/6
4/13


TQQQ 15 y D [NASDAQ] | D: 8/26/15 | O: 86.79 | H: 87.9 | L: 81.96 | C: 81.97 | R: 5.94 | MovAvgExponential (OHLC4, 8, 0) | 96.01 | SimpleMovingAvg
2015 © TD Ameritrade IP Company, Inc.
Double Top
TrueStrengthIndex (8, 8, 3, EXPONENTIAL) | -72.8074 | -67.2981 | 0
Momentum (12, OHLC4) | -33.7475 | 0
VolumeAvg (50) | 2,186,503 | 3,222,191
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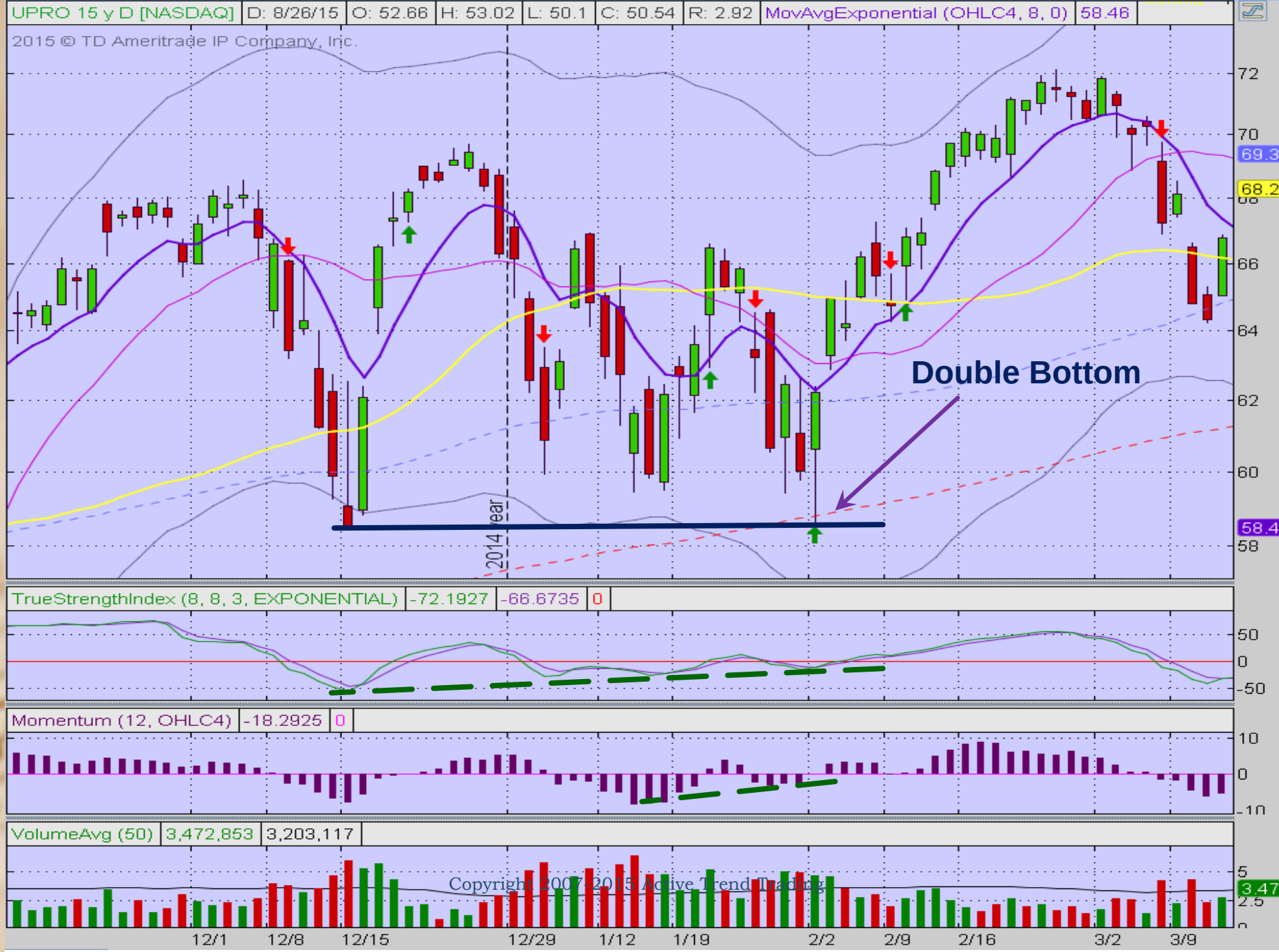
2/23 3/2 3/9 3/16 3/23 4/6 4/13 4/20 4/27 5/4 5/11 5/18 6/1 6/8 6/15 6/22 7/6 7/13



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TSLA 15 y D [NASDAQ] | D: 8/26/15 | O: 227.93 | H: 228 | L: 215.51 | C: 216.55 | R: 12.49 | MovAvgExponential (OHLC4, 8, 0) | 233.06
2015 © TD Ameritrade IP Company, Inc
Shakeout Bottom
Shakeout Bottom
$184.27
$180.06
2014 year
TrueStrengthIndex (8, 8, 3, EXPONENTIAL) | -44.0088 | -37.2629 | 0
Momentum (12, OHLC4) | -17.58 | 0
VolumeAvg (50) | 2,173,846 | 4,190,667
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1/5
1/12
1/19
2/2
2/9
2/16
3/2
3/9
3/16
3/23
4/6
4/13

CELG 20 y D [NASDAQ] | D: 8/26/15 | O: 116.5 | H: 117.14 | L: 112.93 | C: 113.03 | R: 4.21 | MovAvgExponential (OHLC4, 8, 0) | 120.04 | MovAvgEnvelope (0, 20, 10.0,...
2015 © TD Ameritrade IP Company, Inc.
Shakeout Top
Shakeout Top
2014 year
$1.01
$1.07
TrueStrengthIndex (8, 8, 3, EXPONENTIAL) | -70.4226 | -63.2309 | 0
Momentum (12, OHLC4) | -15.75 | 0
VolumeAvg (50) | 2,653,652 | 4,925,620
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1/5 1/12 1/19 2/2 2/9 2/16 3/2 3/9 3/16 3/23 4/6 4/13 4/20 4/27 5/4 5/11 5/18 5/25

CELG 15 y D [NASDAQ] | D: 8/26/15 | O: 116.5 | H: 117.14 | L: 112.84 | C: 114.04 | R: 4.31 | MovAvgExponential (OHLC4, 8, 0) | 120.09 | SimpleMovingAvg (OHLC4, 50, 0) | 125.38
2015 © TD Ameritrade IP Company, Inc.
First Pullback Bullish
First Pullback Bullish
$1.67
2:1
TrueStrengthIndex (8, 8, 3, EXPONENTIAL) | -66.7728 | -61.4061 | 0
Momentum (12, OHLC4) | -15.5213 | 0
VolumeAvg (50) | 2,878,489 | 4,930,117
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3/3 3/10 3/17 3/24 3/31 4/7 4/14 4/21 4/28 5/5 5/12 5/19 5/26 6/2 6/9 6/16 6/23 6/30 7/7

BIDU 15 y D [NASDAQ] | D: 8/26/15 | O: 139.9 | H: 142.18 | L: 136.06 | C: 137.89 | R: 6.12 | MovAvgExponential (OHLC4, 8, 0) | 149.44
2015 ©TD Ameritrade IP Company, Inc.
First Pullback Bearish
First Pullback Bearish
2014 year
$1.902
TrueStrengthIndex (8, 8, 3, EXPONENTIAL) | -66.5179 | -60.845 | 0
Momentum (12, OHLC4) | -38.1764 | 0
VolumeAvg (50) | 5,298,547 | 4,852,638
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9/15
9/22
9/29
10/6
10/13
10/20
11/3
11/10
11/17
12/1
12/8
12/15
12/29
1/12
1/19
2/2

Clarify, Simplify & Multiply

This has been the Motto of Active Trend Trading from the beginning!

We continuously work to Clarify & Simplify through refinements to the system to make it objective and easy to both learn and use.

The purpose of all presentations is to provide our fellow Active Trend Trader Members a jump start to accelerate progress up the Learning Curve.

We welcome suggestions on how to improve the learning process!

Trade Wisely & Profitably,

Dennis W. Wilborn

Founder & Lead Technical Analyst