

Assess...

"History repeated itself : EURUSD 2/12/2013 6am PST to 10 pm PST.

Question: What early indications do you look for to assess that the RT that is forming may be a fake one and would end up being a TC."



1- A RT always happens when there is an uptrend, if you take that RT, go with the rules that go with- but you know that by selling in an uptrend it is going against the trend, where attention is needed, because it is a trade against the flow of the market.

2 so if a RT shows on a chart, I always consider the right side of that RT as a pull back. So I wouldn't want to sell, but rather I am expecting an abrupt change of direction back to the main trend.- that's my anticipation.

3 If a RT crosses the 21ema, or having shown a strong move down, I would wait for an eventual pull back up to the 21ema before thinking to take a short position.- and still would be a TC.

4 usely when a top is under confirmation, it is because a pull back is in progress. I will check for the 3 sisters or other formations that are under construction. Usely it help me to anticipate if ended it is a RT or a TC.

The exemple above shows(up to the crossing of 21ema) 3 sisters and also a SHS under construction when price has reached the 21ema. Already the 3 sisters should shows next an eventual correction or consolidation to come. In this case it was a correction, making a anticipation of pull back to 21ema, making the right shoulder at the same time.

This is what I was expecting when price reached the 21ema. (I was not expecting a TC)

because after the 3 sisters I did not expect a higher high, thus seeing(already at the 21ema) the left shoulder and the head.- It came to my mind to take a short since I was considering a down trend but changed my mind.

I don't know if I am giving enough explanations , but in any case ,if you have questions, just let me know.

Yvon