2B reversal pattern

the pattern is also called "**spring**", it reminds a little on the schedule letter M or W, and sends a signal about the possible spread upward or downward price trend, as soon as the price in the market ceases to form new, much higher highs or lows.

- I recommend selecting a **[Broker Forex with Terminal MetaTrader 4](#)**

2B for the first time **pattern (excellent and very strong reversal trading technique)** has been described in the book of Victor Sperandeo (among traders, he was then known as Trader Vic) «Speculating professionally." Trader Vic describes this excellent technique as follows": "When the upward price trend, if the price on the market touched the previous price peak, but could not cross it the first time, and immediately fell below the previous price peak, this suggests that the trend has been on the market about to make a turn". The opposite is generally true for the downward price trend.

Regulation pattern 2B apply as soon as the market price creates a new maximum or minimum, and then significant pullback. Following the implementation of the rollback, the price is once again trying to test generated a maximum or minimum price. Once this testing of "new" maximum or minimum is unsuccessful, it is a signal of potential reversal previous price trend. This setup is powerful enough and it signals the trader of the early correction in the market.

2B, the patterns can be found on the intraday setups and transactions within the day by finding trendy tops and bottoms is quite useful. Forex traders can also be used in the analysis of 2-tops and 2 bottoms volume of transactions. **If this volume is the second peak or the bottom is less than the first peak or the bottom, it tells him about the divergence and the formation of the possible formation of 2B**.
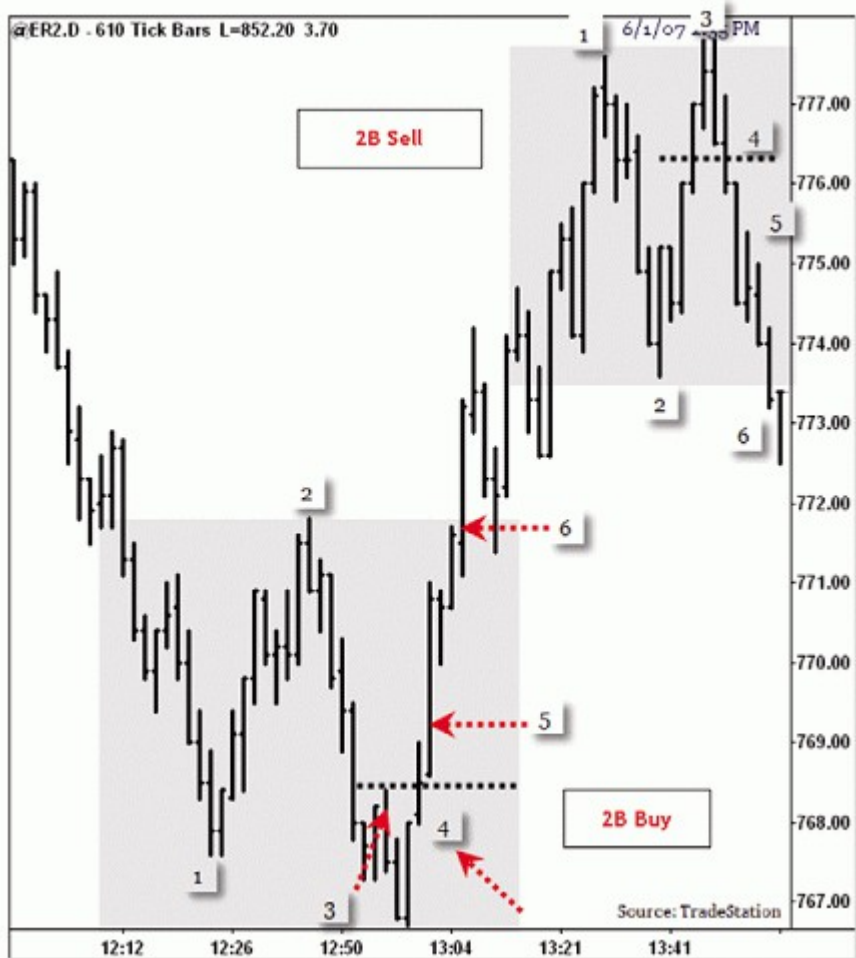
The rules for forming the vertices 2B.

The market is currently in an upward price trend and creates a new maximum (maximum of 20 bars), after which there is a rollback on the market (visible on the chart), which consists of 5-8 bars. After rolling back on the market, the price is trying to break this new highs and closed above it. That's right, this bar is called "break-out bar. But the closure over the top "**of the breakdown bar**" does not happen, because the price closes below the minimum "breakdown the bar." That way, completes the formation of pattern 2B on top. **Stop-loss is placed over the vibrational recent price peak**. Profit target is at a minimum of vibration, which was preceded by a new high.

New High

Breakout

Sell below

2B Sell

The rules for forming bottoms 2B.

Market price creates a new price low (at least 20 bars). Once formed a new price at least, there is a rollback on the market, consisting of 5-8 bars. After that, the price shall attempt to return to the previous trend, resulting in the closure of the bar below the new minimum. Here's this bar called the "**break-out bar**". But the subsequent continuation of price trend in the market is not observed. Very soon, the price rose above the maximum price "of the breakdown bar". As a result, 2B, the pattern is formed. Trading position for **the purchase price opens above the high bar**, which closed above the high of "breakdown the bar." **Stop-loss** orders should be placed under the previous vibrational minimum. The desired profit target is located on the vibrational price high, which preceded the New price minimum.

2B Buy

Buy Above

New Low

Breakdown

@ER2.D - 610 Tick Bars L=852.20 3.70

2B Sell

6/1/07 PM

2B Buy

Source: TradeStation

Terms for the deal to buy 2B.

1. Formation of a new minimum.

2. Going price rollback.

3. Shaped bar, which closed below the low price bar 1.

4. Note the maximum bar 3. We are waiting for the closing bars of 4.

5. Open the bargain on purchase of a maximum of 4.

6. Profit target (take-profit) - the old oscillating price maximum.

2B - conditions on the deal on the sale.

1. Formation of a new high.

2. Going price rollback.

3. Shaped bar, which closed above the high price bar 1.

4. Note the minimum bar 3. We are waiting for the bar close at 4.

5. Open the bargain on sale at a minimum of 4.

6. Profit target (take-profit) - the old oscillating price minimum.
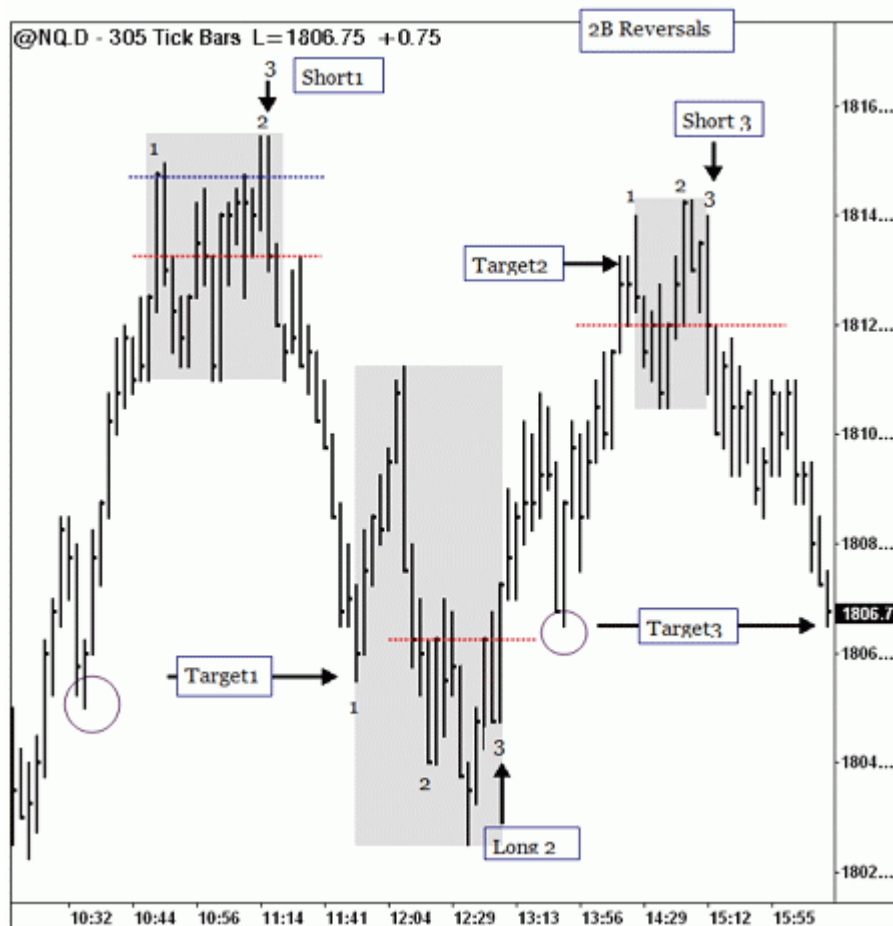
Series 2B patterns on intraday price chart:

The first example - a price **pattern 2B for the deal to sell**. Short trading position is opened at the closing of the bar (3). Targets for profit - oscillatory minimum, which was preceded by a bar. Stop-loss is placed above the high bar 2.

The second example - a price **2B the pattern for the deal to buy**. Long bargain opens above the high bar 2. Targets for profit is over the vibrational peak, formed up to the bar 1. Safety stop-loss order is placed under the "vibrational minimum", which was preceded by a bar 3.