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Please refer to JPG on post for visual aid

All right, I saw on the last couple of posts some discussion around Trend Lines (TLs), which was very interesting to me, and I watched the way pips have drawn those TLs. I don't even want to call them TLs, because I'll show you how I see TLs. You people might differ from me. But, if you look at the graph I've included, and you will see the bottom and top, sort of brownish-orange lines; to me that is 2 TLs because it defines the overall trend and it defines boundaries of the price action, as well as the direction. So, the price action is confined within those 2 lines. It also shows the direction of the movement; the overall direction of the movement. So for me, that is Trend Lines. The moment you have defined the price within a certain range, you can find the top and the bottom, you've got 2 Trend Lines. You've got the direction, the overall direction. You can do it on a shorter term. You can do it on a longer term. In this case, I've used the 4-hour. I can say the 4-hour trend since October 2006 is upwards. When I go to the daily, I might find it's downwards because the top and bottom may be farther away, wider span of the time that I'm using. If I take the last 1...2...3...4...weeks. If you look from the beginning of April – No -- around the 10<sup>th</sup> of April – No – it's a week later. Say, the 17<sup>th</sup> of April. If I only use that piece of data on the 4 hours, then I could say the last 4-week trend is down because I could define a top and a bottom. But, if I use it like I've got it here, all those lines in between, and there are a lot of them. But, I want you to see how the price comes back to those lines. I call that lines Support and Resistance Lines. It's the same as a pivot line. Pivot lines are horizontal. This line, to me, is pivot lines in the sense of that it is support and resistance and you can draw them. What I like about them is you can follow the movement – you can follow the action of the market – and it (price) tends to come back to those points at least 2 or 3 times. If you just take the one just below the top orange line, it starts around the 28<sup>th</sup> of Nov. 2006 – and in this week we had a high testing it. Its amazing to see it. But it is there. No one can deny it. There's 1...2...3...4...5...6...7...8 points, definitely definable. & I just see another one there. The 19<sup>th</sup> of Jan. Just left of the close of that week. I haven't drawn it in yet. I'll quickly do it because its still open, so I can do it. You won't see it because its not live. But there it is – I've drawn it in – so there's another one confirming that TL. Then you look at that last one, just below, sorry, above, the bottom orange trend line – that long one --- there is 1...2...3...4...5...6...7...8...9...times that its tested it. If the price should come down from where it is now, that will be a line you got to keep in mind. So, its support and resistance lines. You can draw a lot of them. There still is another way I can draw some other lines in. But, you have got to remember that I don't see them as trend lines. I see it as support and resistance lines. What I like about them, as I said, it follows the movement of the market. Like in a down angle or slightly up angle. Where pivots are flat for the day or flat for the week. This follows the movement. I like them very much. When I do my analysis before hand to see where my profit targets will be, if I go to a profit target, you can use that as well. So, This can be very useful. So if you want to you can make use of them & you will see. Especially, I don't trade off it – ah – I won't say not, if the MACD confirms it – yes, I'll mostly definitely go for it – it is more about to know where your support are and where your resistance are. So if you are below it and going up, you can

use it as a profit target. If it hits it and comes down and MACD confirms it, you can use those lines as entry points the moment MACD confirms the direction of the trade. So, it's very, very, nice to know you can find support and resistance that way as well.