

What is Technical Analysis ?

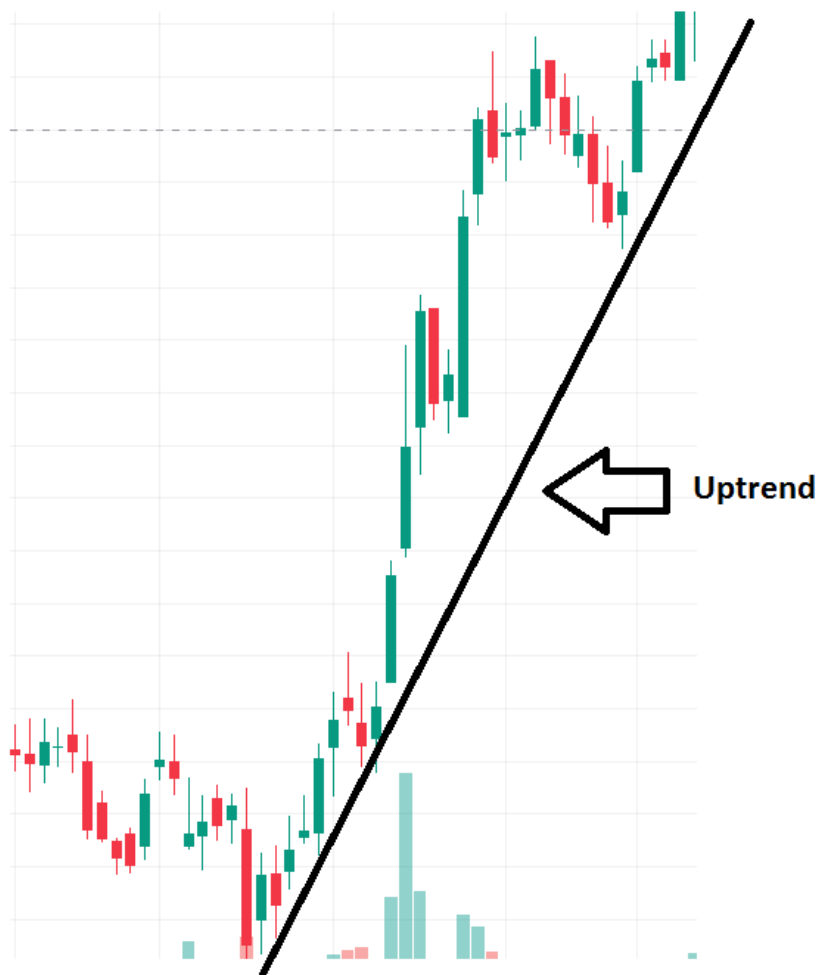
Answer:-

Technical analysis is a method used in the stock market to **predict future price movements based on historical data.**

Traders use charts to spot trends and patterns in prices.

There are three types of trends: -

- ❖ Uptrend (prices go up),



❖ Downtrend (Prices Go Down),



❖ and Sideways (prices move within a range).

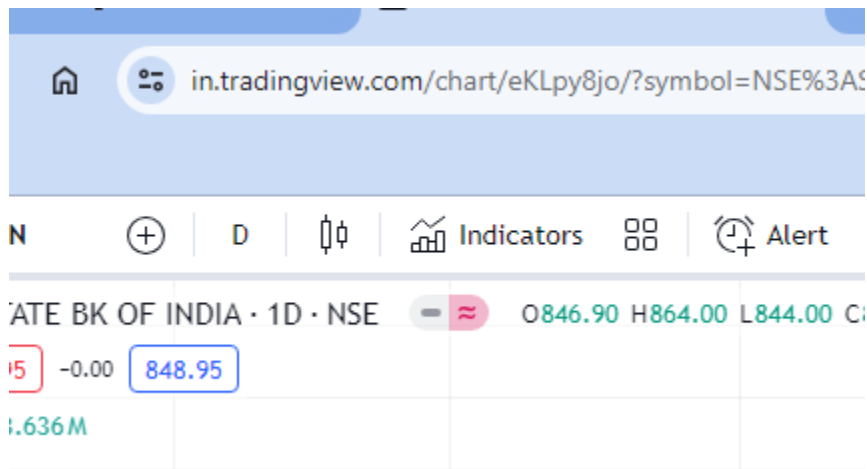


Technical indicators and chart patterns help traders make decisions.

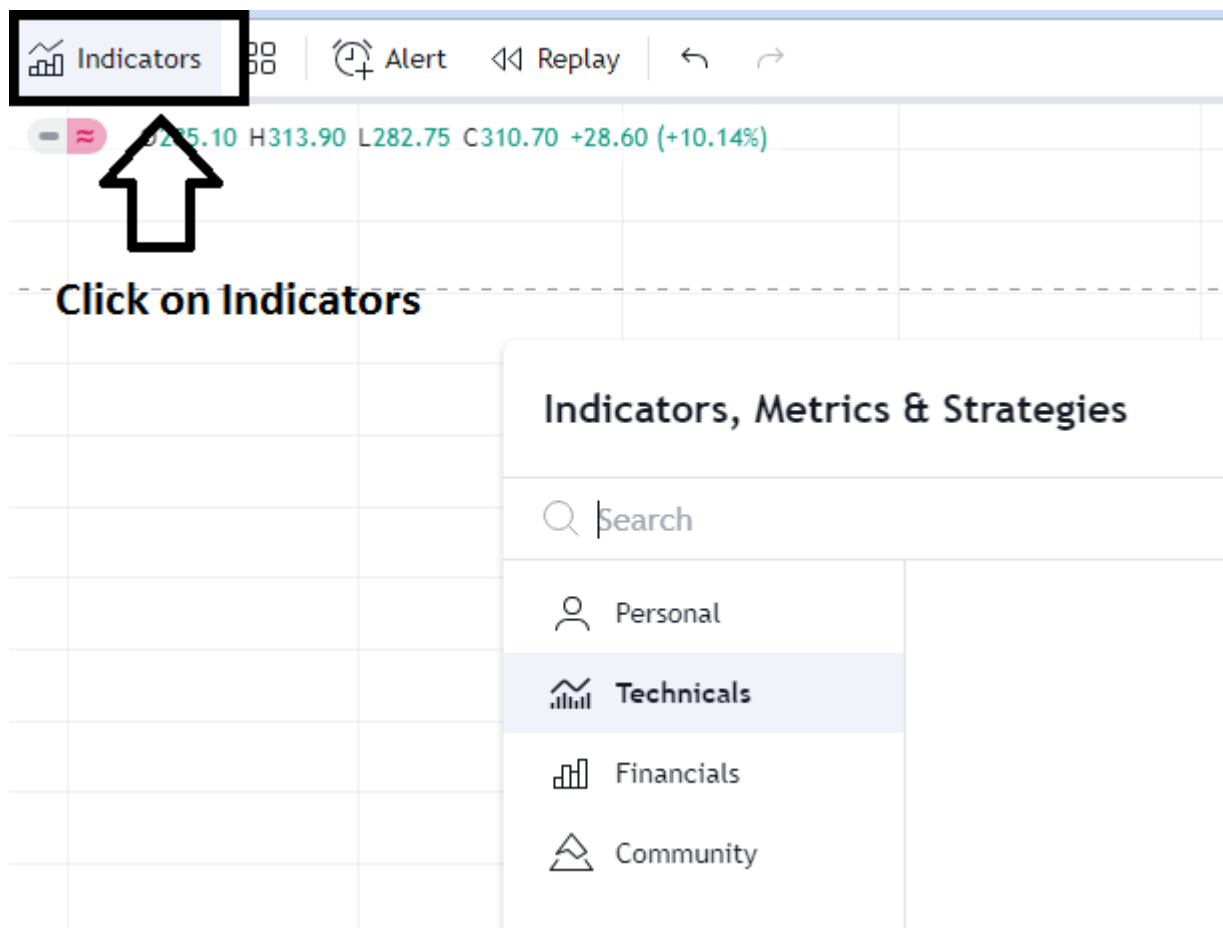
Note:- In Uptrend we Go for Long (Buying) and in Downtrend we go for short sell (Selling)

How can you practice uptrend and downtrend and sideways using indicators on Tradingview.com?

Step 1:- go to tradingview.com



Step 2:-



The screenshot shows the TradingView website interface with the "Indicators" menu open. The "Indicators" button in the navigation bar is highlighted with a black box, and a white arrow points to it. Below the navigation bar, the main content area shows the text "ATE BK OF INDIA · 1D · NSE" followed by a price of "3275.10" in a green box, a change of "+28.60 (+10.14%)", and a volume of "1.636M".

Click on Indicators

Indicators, Metrics & Strategies

Search

- Personal
- Technicals**
- Financials
- Community

Step 3:-

Indicators, Metrics & Strategies

rsi

Personal

Technicals

Financials

Community

TECHNICALS

Relative Strength Index

RSI Divergence Indicator

RSI Strategy ↕

Connors RSI

Stochastic RSI

COMMUNITY

RSI Candles

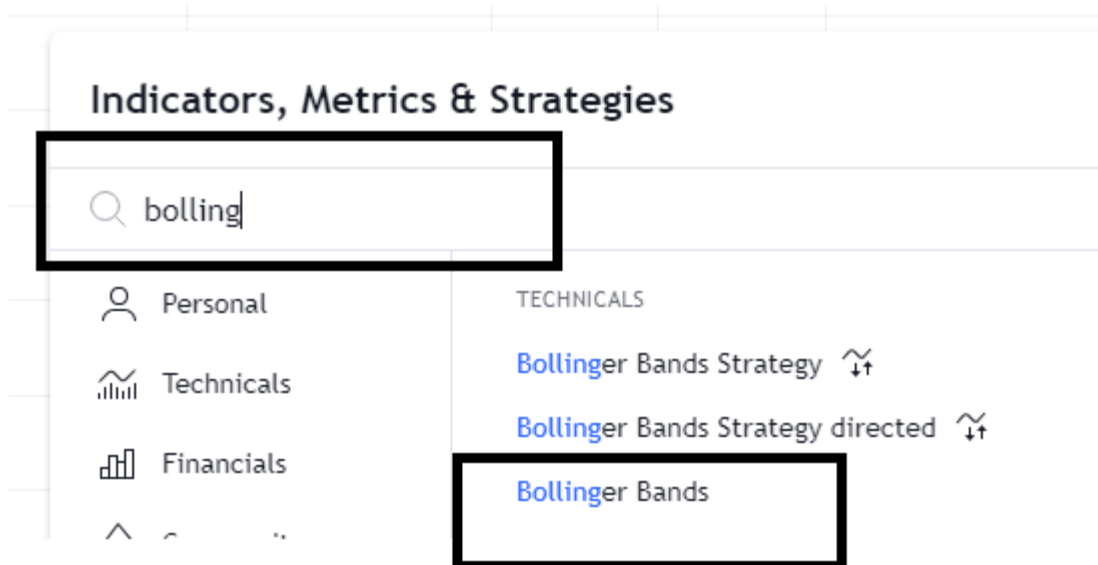
(Search rsi)

Click On it

Step 4:-



Same manner we can add other indicators like Bollinger bands , moving average , ema cross , macd .



Now Note down RSI Uptrend and Downtrend range:-

The RSI oscillates between zero and 100.

Overbought :- The RSI is considered overbought when **above 80** (never buy any stock if rsi is above 80 means stock is in overbought condition.)

And

Oversold :- Oversold when below 30.

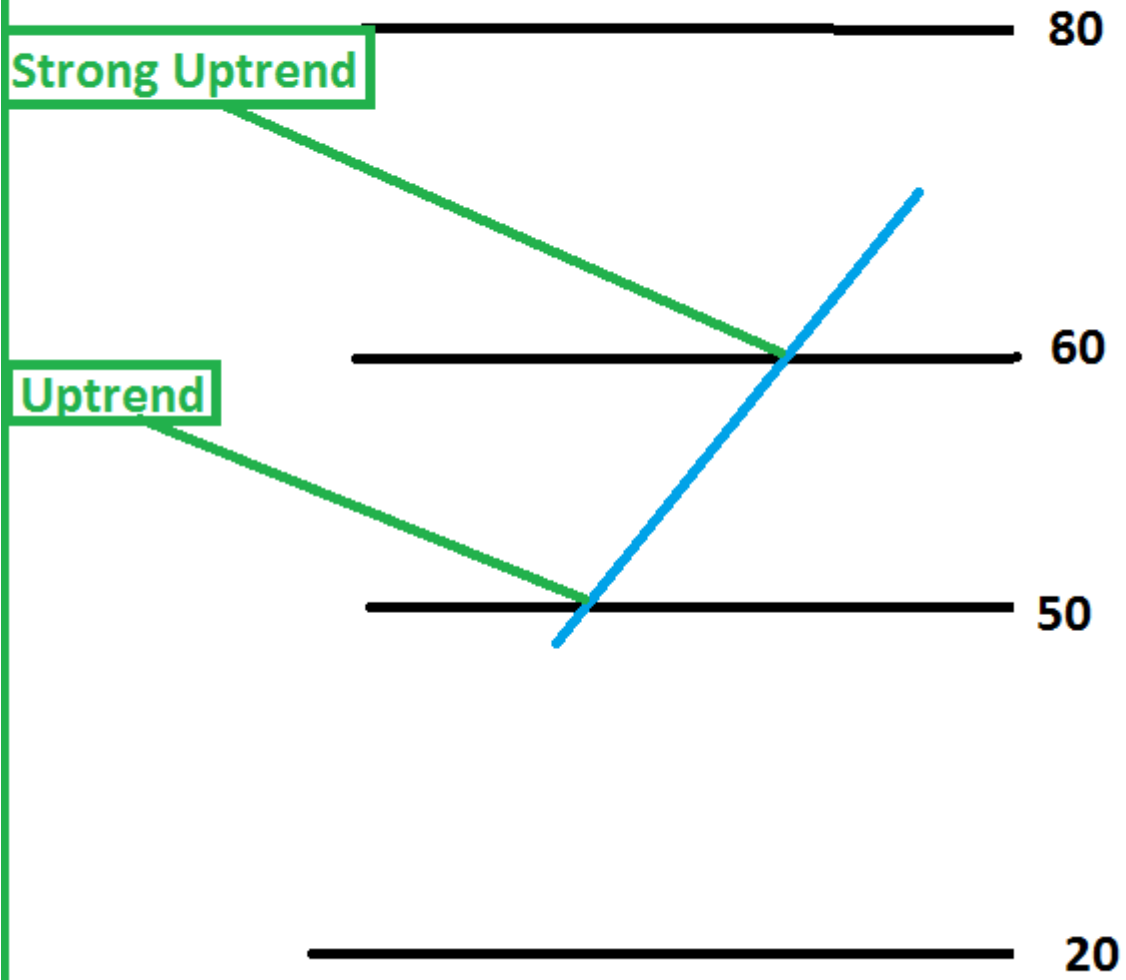
Low RSI levels, below 30, generate buy signals and indicate an oversold or undervalued condition.

High RSI levels, above 80, generate sell signals and suggest that a security is overbought or overvalued

Uptrend :- From rsi 50 to 80

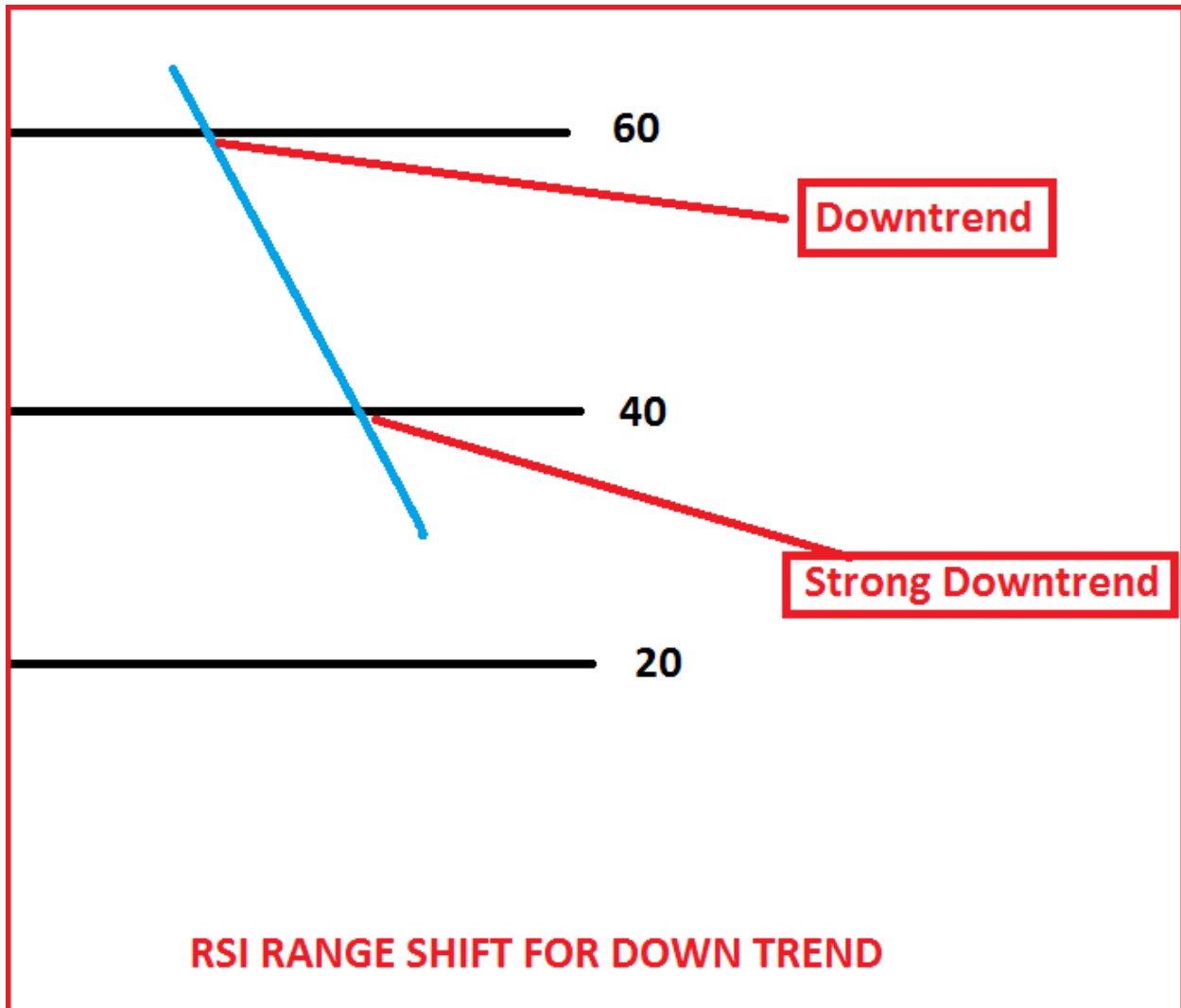
Strong Uptrend :- from rsi 60 to 80

RSI RANGE SHIFT FOR UPTREND



Downtrend: - From 60 to 20

Strong Downtrend: - From 40 to 20



Uptrend(buy signal):- price candles are above moving average and moving average is rising .

Downtrend (sell signal): price candles are below moving average and moving average is falling (declining)

Ema cross over Strategy:-

traders are bullish when the 9 EMA crosses above the 26 EMA or remains above the 26 EMA,

and

only turn bearish if the 9 EMA falls below the 26 EMA as shown below in diagram.

Bullish crossover for buy signal go for long position.

Bearish crossover for sell signal go for short sell .



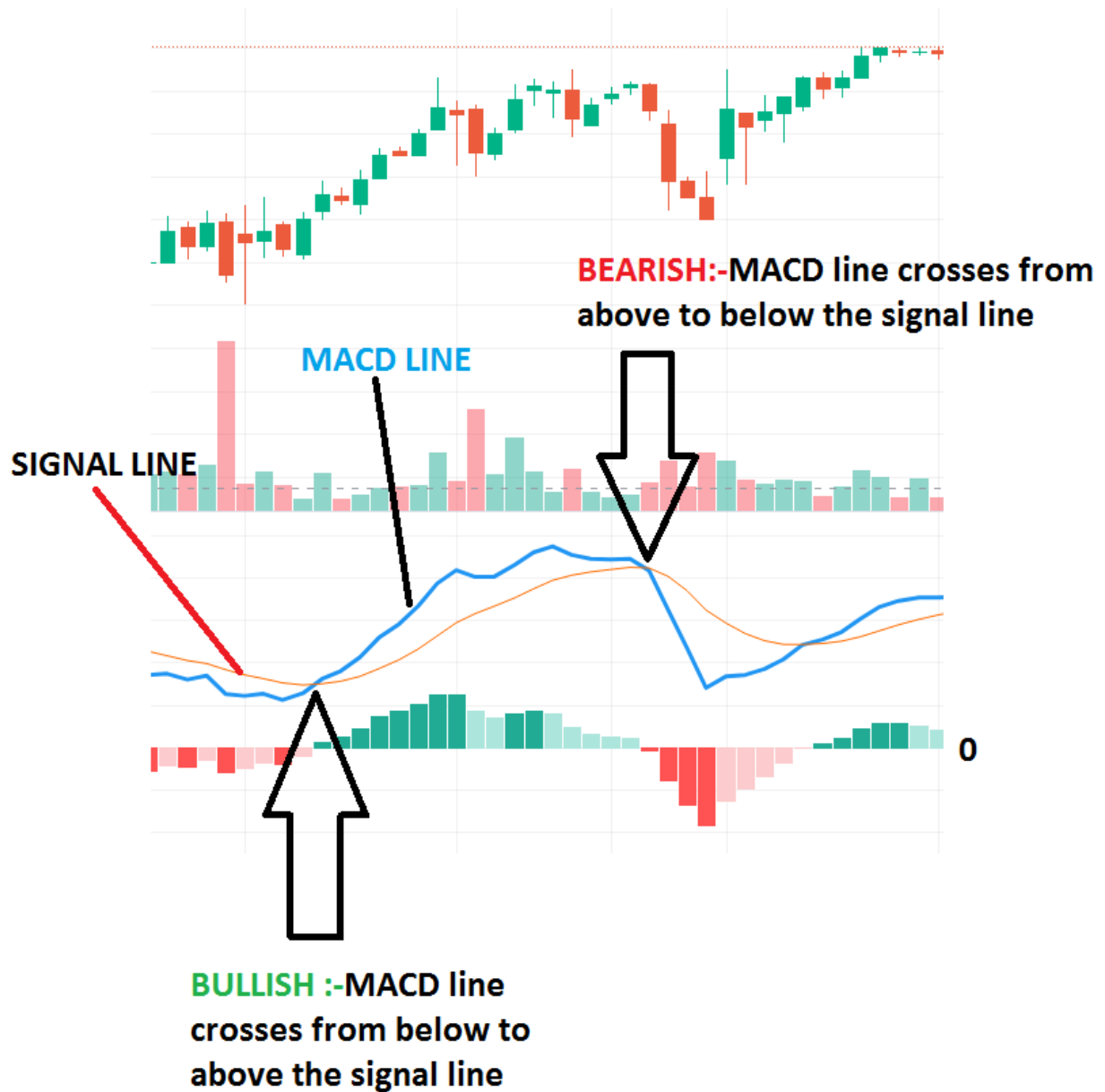
BULLISH :-When a short-term moving average crosses above a longer-term moving average

BEARISH :- when a short-term moving average crosses below a longer-term moving average

Macd Crossover:-

Bullish Crossover for Buy signal.

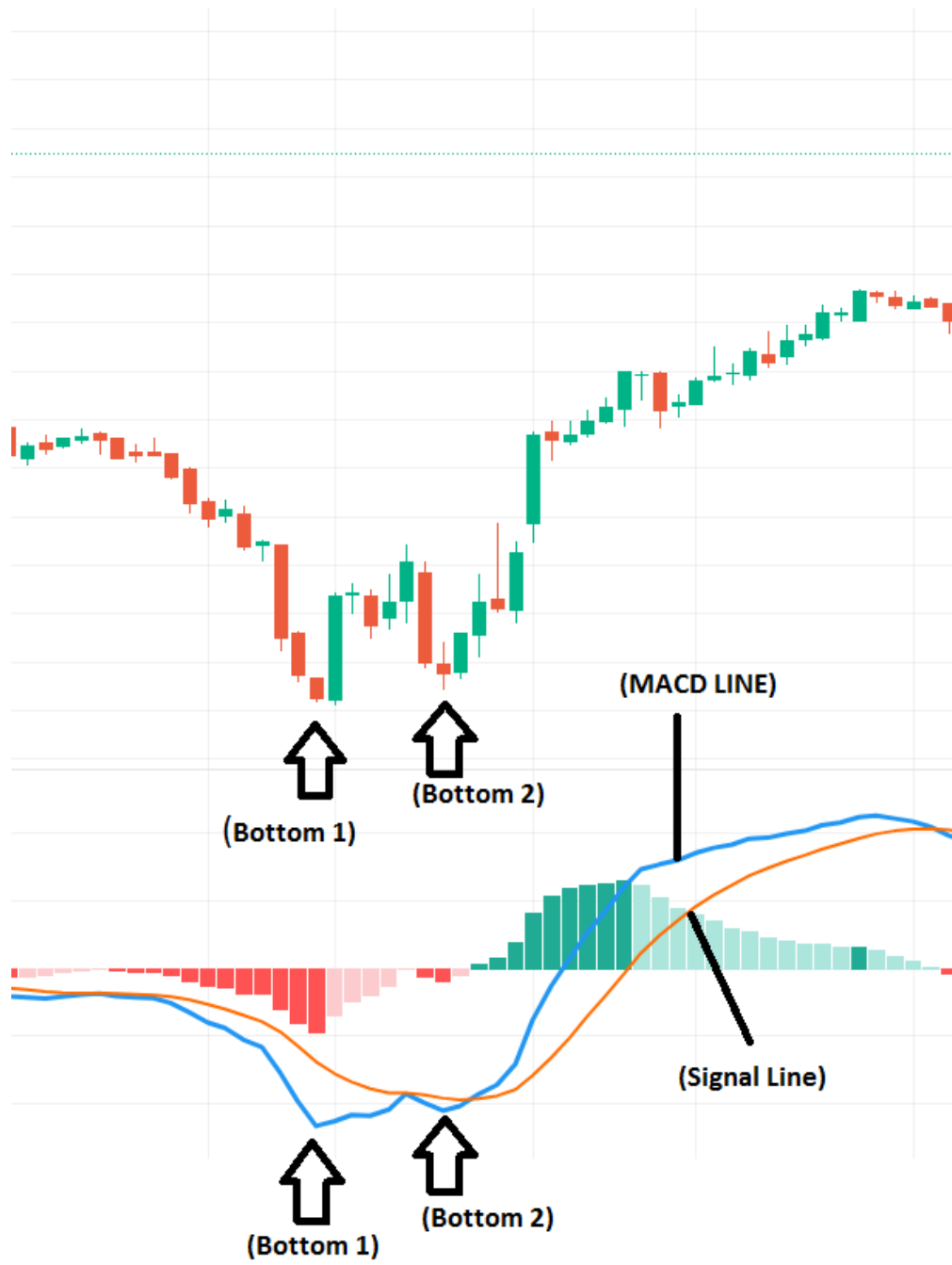
Bearish Crossover for Sell signal.



Macd Crossover with Macd Histogram :-



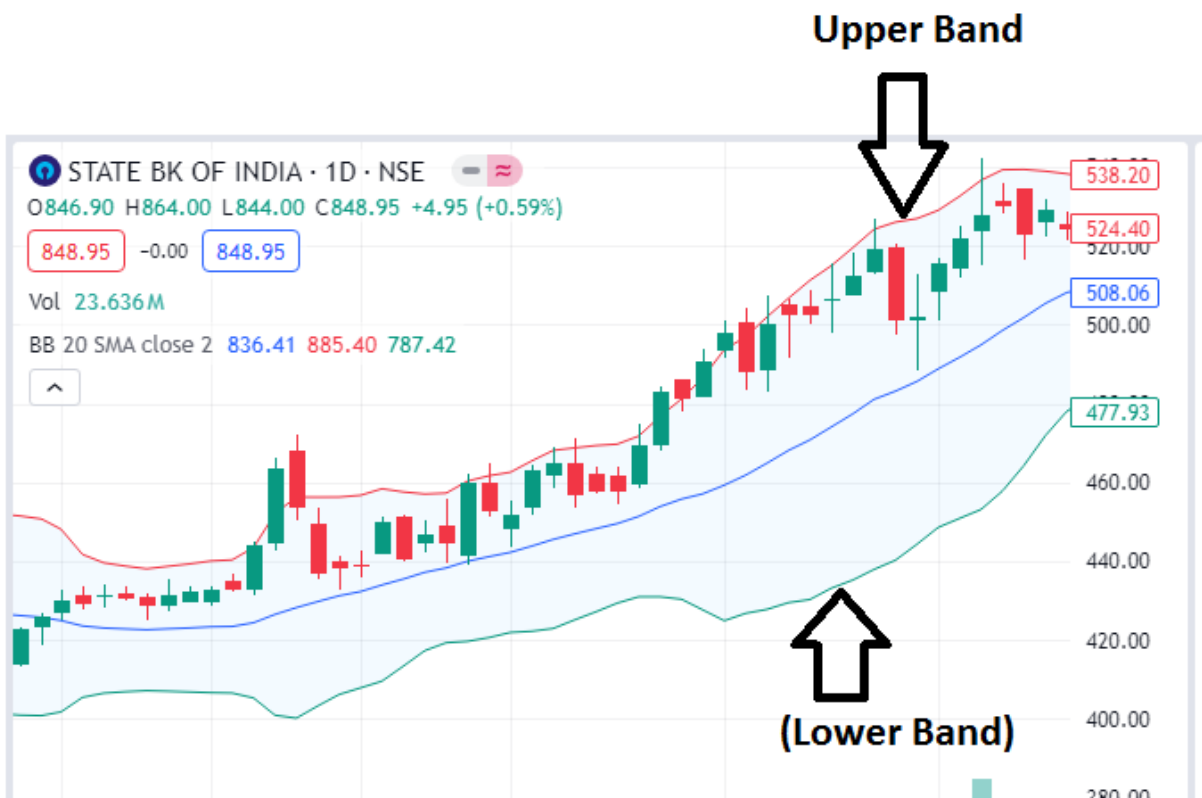
Macd W Pattern :-



Bollinger Bands:-

Bollinger Bands are typically plotted as three lines:

- ❖ An upper band
- ❖ A middle line
- ❖ A lower band



Bollinger Bands provide a visual representation of volatility.

The width of the bands (the distance between the upper and lower bands) increases when volatility is high and contracts when volatility is low:

- When the bands are far apart, it indicates high volatility.

- When the bands are close together, it indicates low volatility.

Overbought :-

When the price reaches the upper band, the asset is trading at a relatively high price and is considered overbought.

You could now look to sell the asset on the expectation that its price will fall back towards the central moving average band.

Oversold :-

When a price approaches the lower band, the asset is trading at a relatively low price and is considered oversold.

You could now look to buy the asset on the expectation that the price will go back towards the central moving average band.

Be cautious, however – just because the price may reach the upper and lower bands does not mean that the price will reverse. You will need further confirmation — using, for example, candlestick ,Rsi and Macd.

patterns or another indicator – that the price is reversing before you enter into a trade. How to use Bollinger Bands ?

you can use it to identify Overbought and Oversold situation.

1)When the price reaches the upper band it is considered overbought and tends to fall back towards the central band.

2)When the price reaches the lower band it is considered oversold and tends to rise back up towards the central band.

Note : With Bollinger Bands always confirm with Rsi and Macd technical indicators.

