

What is Technical Analysis ?

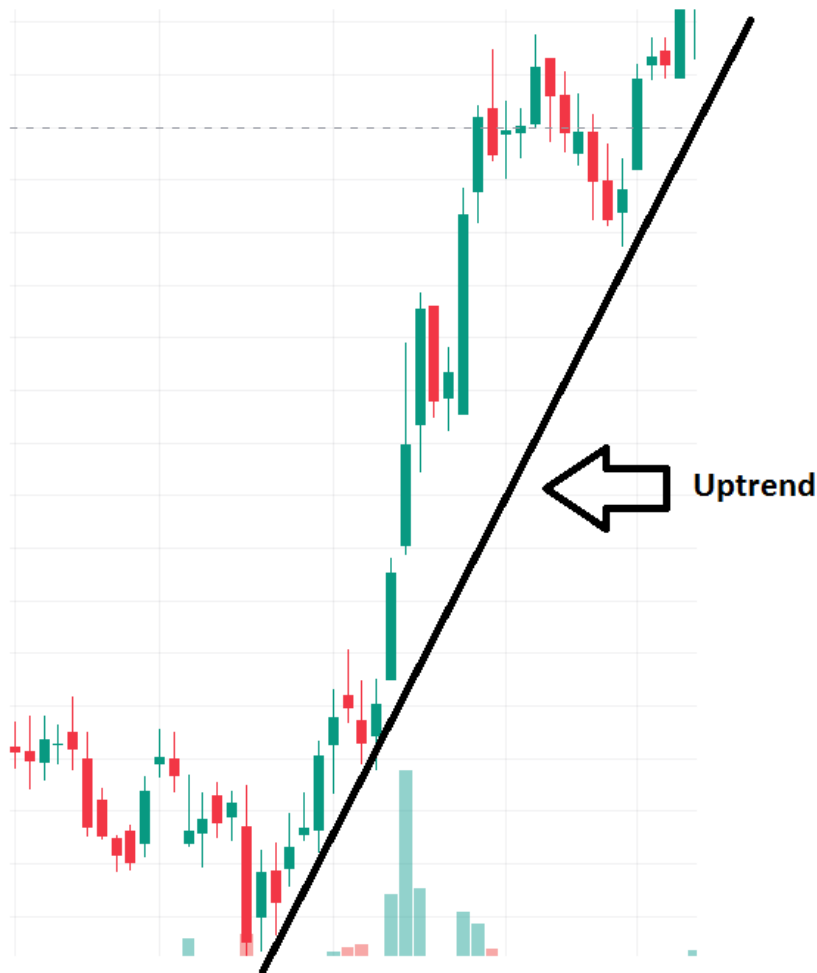
Answer:-

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).



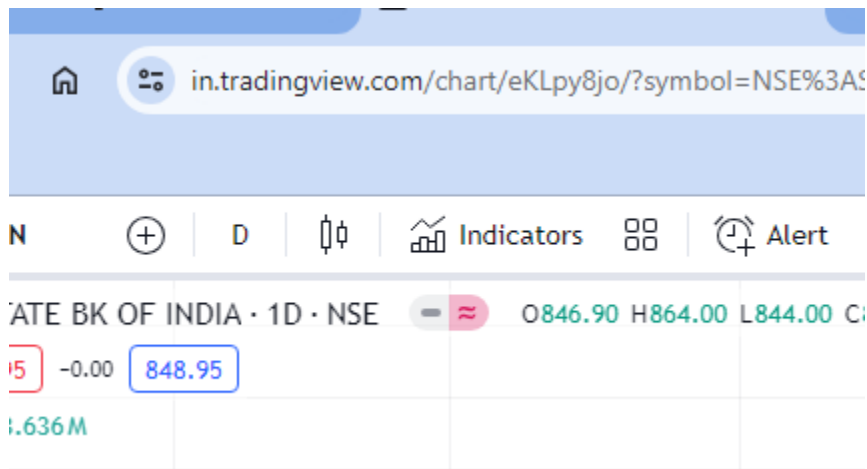
Technical indicators and chart patterns help traders make decisions.

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

Technical Analysis with Technical Indicators (RSI , MACD, Moving Average , Bollinger Bands)

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

Step 1:- go to tradingview.com



Step 2:-

The image shows a trading software interface. At the top, there is a navigation bar with several icons and labels: a bar chart icon followed by the text 'Indicators', a grid icon, an 'Alert' icon with a plus sign, a 'Replay' icon with double left arrows, and two navigation arrows (left and right). Below this bar, a data row is visible with values: a minus sign, a pink circle with a tilde, '225.10', 'H313.90', 'L282.75', 'C310.70', and '+28.60 (+10.14%)'. A large black arrow points upwards from the text 'Click on Indicators' to the 'Indicators' button in the navigation bar. A dashed horizontal line is positioned below the text. A dropdown menu is open, titled 'Indicators, Metrics & Strategies'. It contains a search bar with a magnifying glass icon and the word 'Search'. Below the search bar are four menu items, each with an icon and text: 'Personal' with a person icon, 'Technicals' with a bar chart icon and highlighted in blue, 'Financials' with a bar chart icon, and 'Community' with a mountain icon.

Indicators

Alert | Replay

225.10 H313.90 L282.75 C310.70 +28.60 (+10.14%)

Click on Indicators

Indicators, Metrics & Strategies

Search

- Personal
- Technicals**
- Financials
- Community

Step 3:-

Indicators, Metrics & Strategies

rsi

(Search rsi)

TECHNICALS

Relative Strength Index

RSI Divergence Indicator

RSI Strategy ↕

Connors RSI

Stochastic RSI

COMMUNITY

RSI Candles

Personal

Technicals

Financials

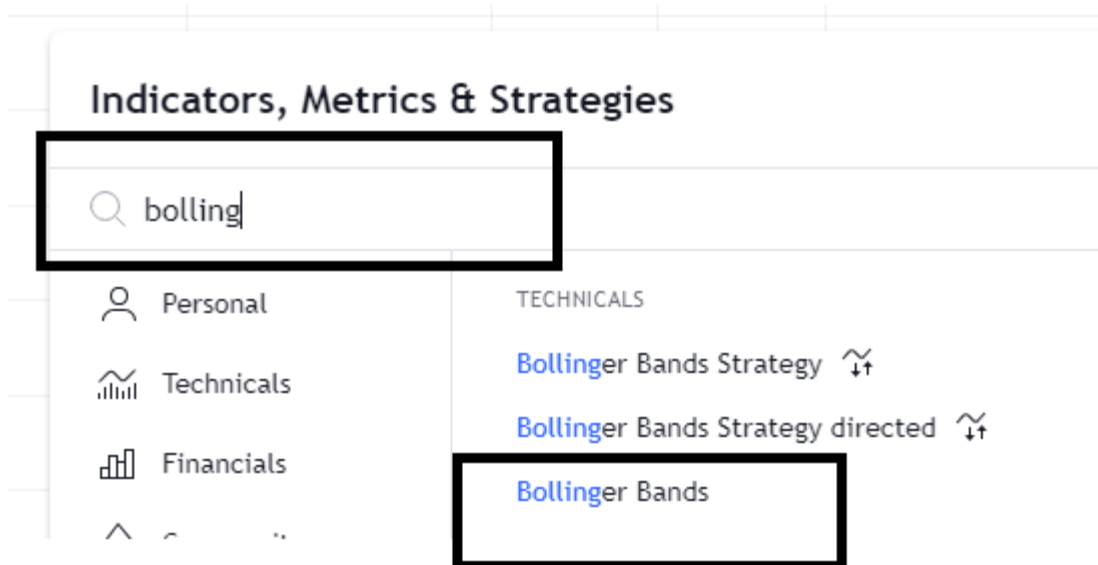
Community

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.

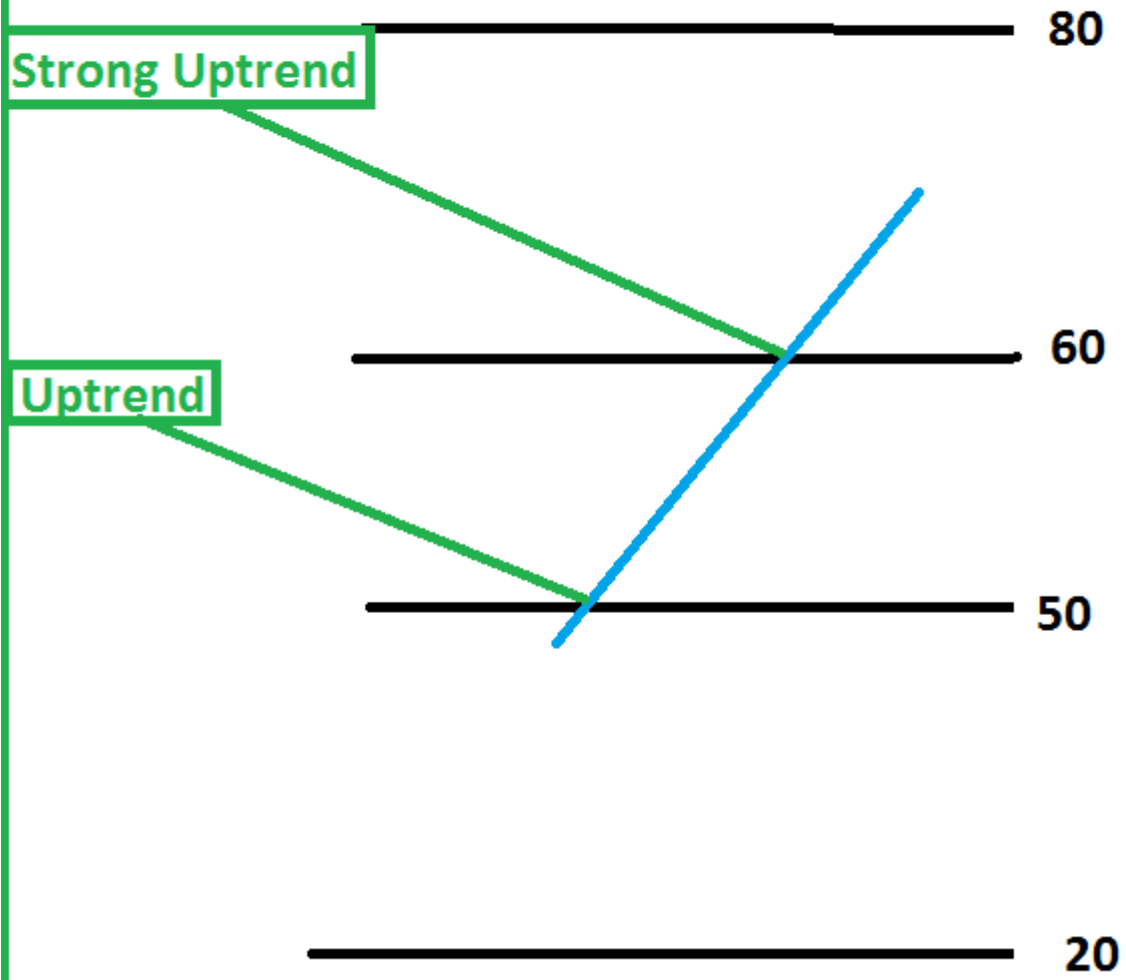
Low RSI levels, below 30, generate buy signals and indicate an oversold or undervalued condition.

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

Uptrend :- From rsi 50 to 80

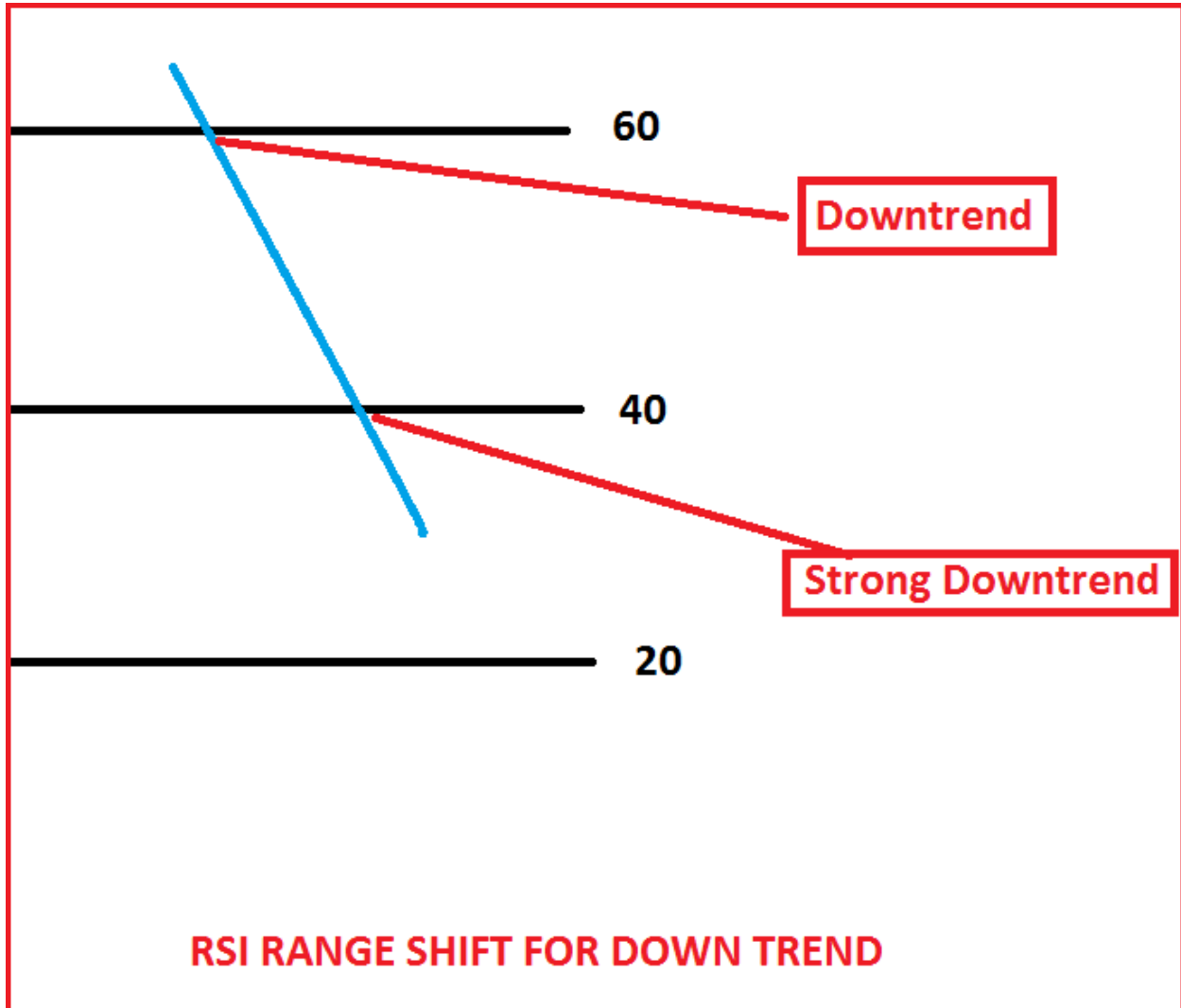
Strong Uptrend :- from rsi 60 to 80

RSI RANGE SHIFT FOR UPTREND



Downtrend: - From 60 to 20

Strong Downtrend: - From 40 to 20



Moving Average :-

while a declining moving average indicates that it is in a downtrend.



A rising moving average indicates that the security is in an uptrend

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 .



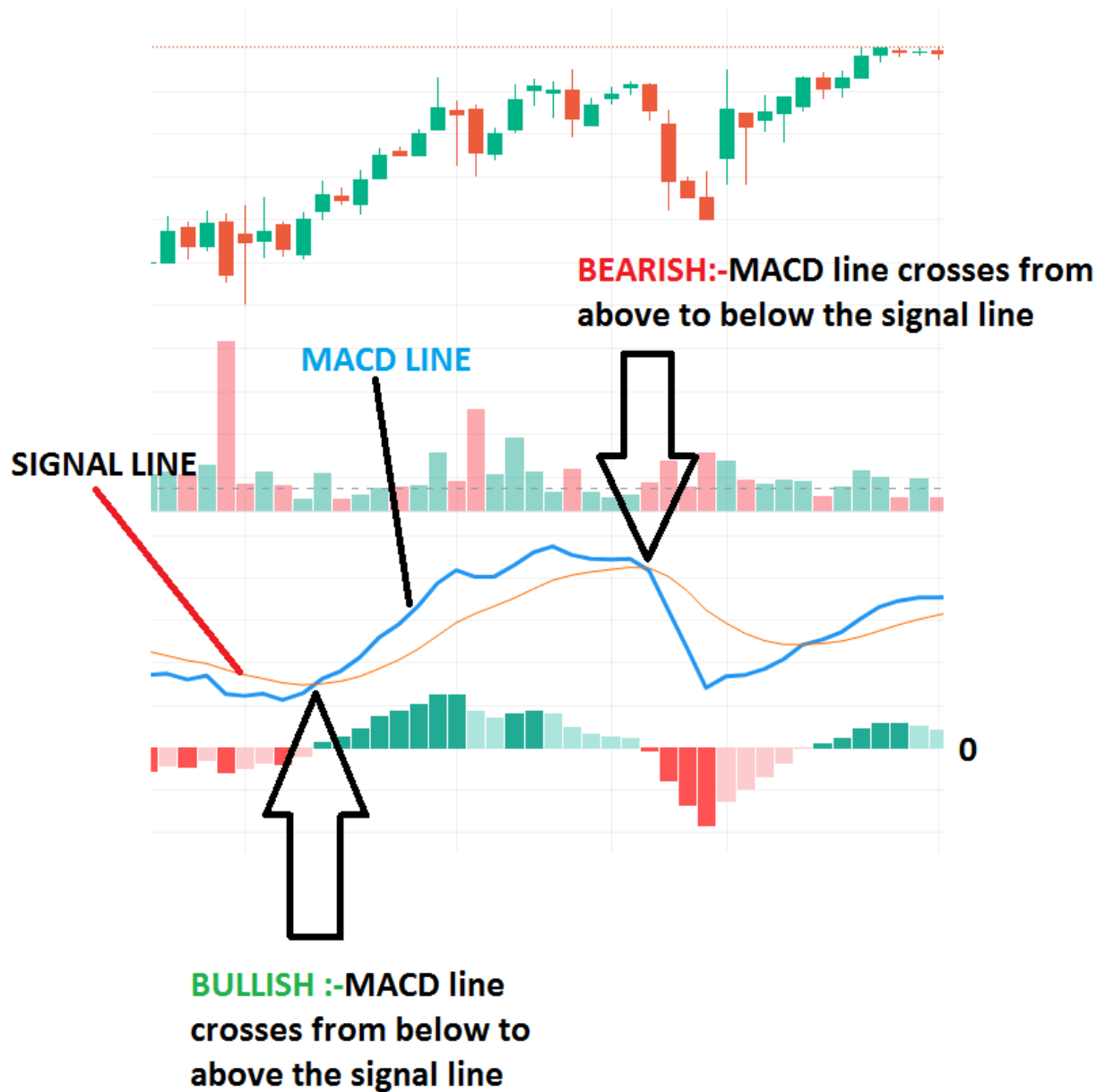
BULLISH :-When a short-term moving average crosses above a longer-term moving average

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

Macd Crossover:-

Bullish Crossover for Buy signal.

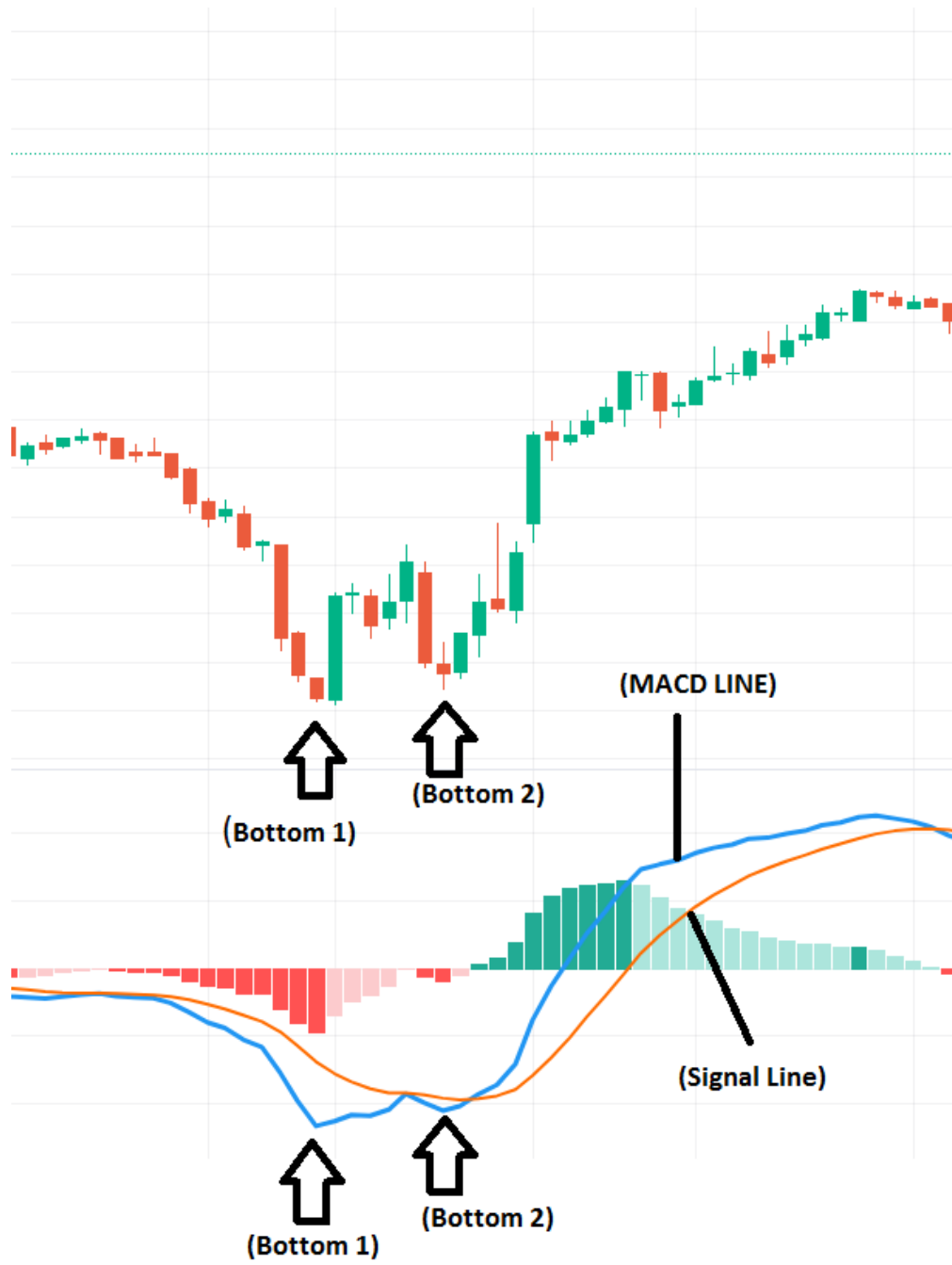
Bearish Crossover for Sell signal.



Macd Crossover with Macd Histogram :-



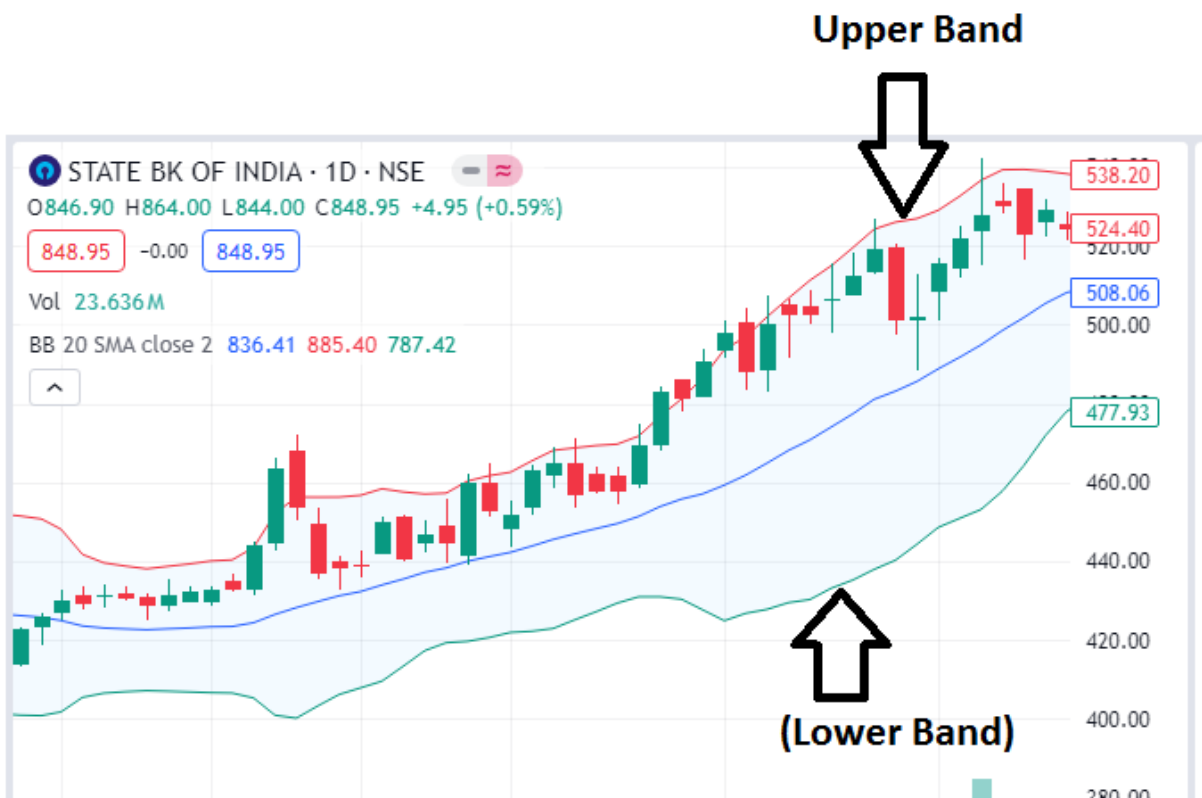
Macd W Pattern :-



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 ?

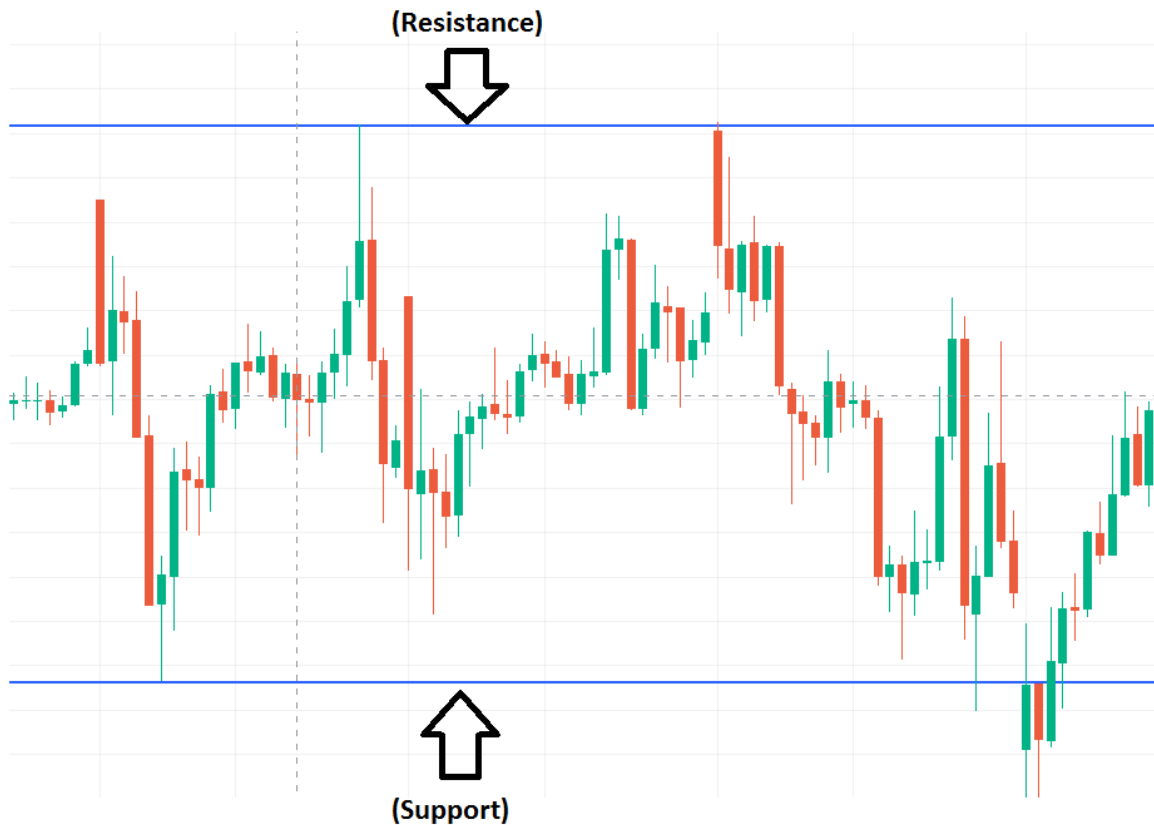
you can use it to identify Overbought and Oversold situation.

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.

Support and resistance



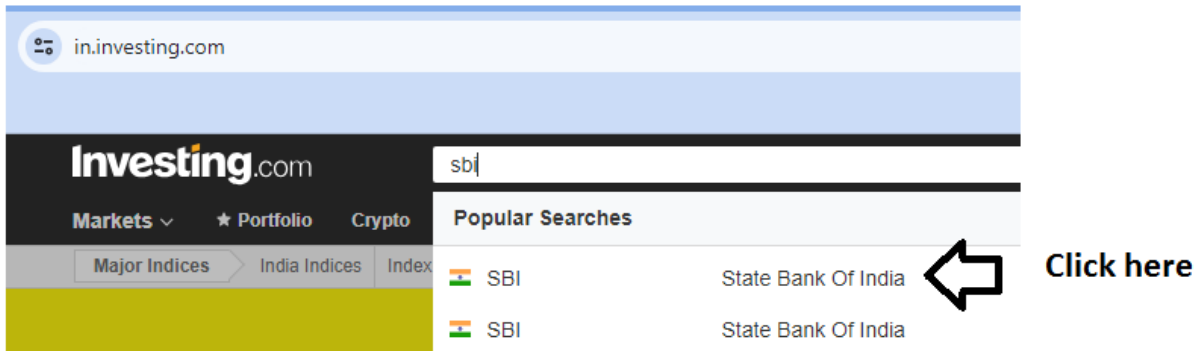
Support

Support is the level at which demand is strong enough to stop the stock from falling any further. In the image above you can see that each time the price reaches the support level, it has difficulty penetrating that level. The rationale is that as the price drops and approaches support, buyers (demand) become more inclined to buy and sellers (supply) become less willing to sell.

Resistance

Resistance is the level at which supply is strong enough to stop the stock from moving higher. In the image above you can see that each time the price reaches the resistance level, it has a hard time moving higher. The rationale is that as the price rises and approaches resistance, sellers (supply) become more inclined to sell and buyers (demand) become less willing to buy.

How can you find support and resistance using Pivot points?



The screenshot shows the Investing.com website interface. The search bar contains 'sbi'. Below the search bar, there are two search results for 'SBI', both pointing to 'State Bank Of India'. A black arrow points from the text 'Click here' to the right side of the search results.

After it

State Bank Of India (SBI)

 NSE  Currency in **INR** · Disclaimer

860.25 **+20.95 (+2.50%) ▲**

 Closed · 05/07

Click here



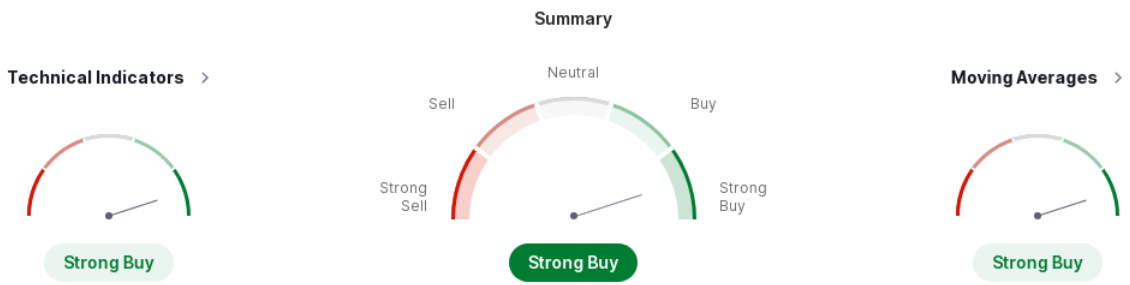
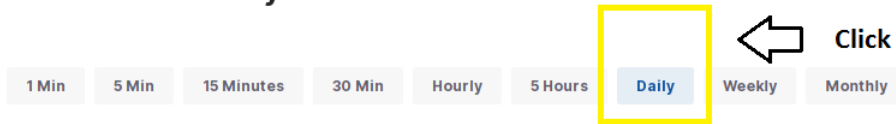
General Chart News & Analysis Financials **Technical** Forum

Technical Analysis Candlestick Patterns Analyst Price Target

SBI Technical Analysis

After it for Daily time frame analysis click on Daily as shown below.

SBI Technical Analysis ^①



S1, S2, S3 are support level and R1, R2, R3 are Resistance level check in Fibonacci

Pivot Points >

Name	S3	S2	S1	Pivot Points	R1	R2	R3
Classic	823.5	828.9	834.1	839.5	844.7	850.1	855.3
Fibonacci	828.9	832.95	835.45	839.5	843.55	846.05	850.1
Camarilla	836.38	837.36	838.33	839.5	840.27	841.24	842.21
Woodie's	823.4	828.85	834	839.45	844.6	850.05	855.2
DeMark's	-	-	831.5	838.2	842.1	-	-

Swing trading tips: - buy at support level and book profit at resistance level

Support and Resistance level using Bollinger Bands:-

We can use Lower band for support

And Upper band for Resistance

For Swing trading example: - Buy when price candles touching lower band and book profit when price reaches Upper bands.



Technical Analysis with Candlestick Pattern

What is a candlestick?

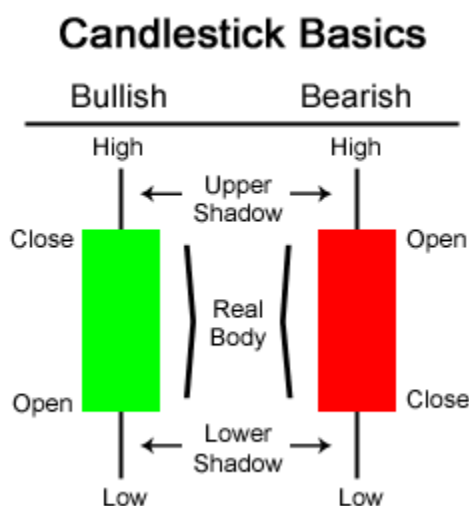
Each candlestick represents price information in a specific unit of time, such as one trading day in a daily chart, one hour in an hourly chart, and so on. By changing the time frame on a chart, the candlesticks will also change accordingly. Let's look into the components of candlesticks next to understand how they form and what they represent.

Candlestick Components

The four components of a candlestick are the **open**, **close**, **high**, and **low** prices for a **specific time** period.

How to Read Candlestick Charts Candlesticks summarize a period's trading action by visualizing four price points:

Let's look at an example of a daily time frame candle:



Open :- Open Price at the beginning of the period

close :- Close Price at the end of the period

High :- The maximum price achieved during that period

Low :- The lowest price of the asset during the period

What Are the Parts of a Candlestick Chart?

There are three main parts to a candlestick:

Upper Shadow (upper wick):

The vertical line between the high of the day and the closing price (bullish candle) or open (bearish candle)

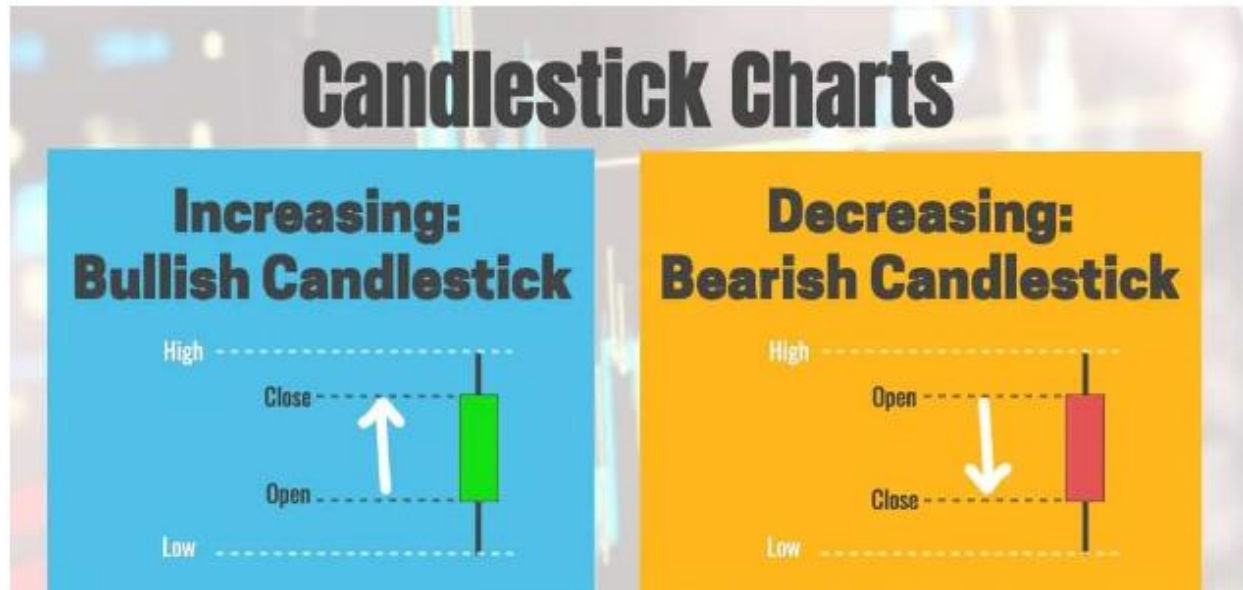
Real Body: The difference between the opening price and closing prices. This is shown by the colored portion of the candlestick.

Lower Shadow (Lower wick): The vertical line between the low of the day and the open (bullish candle) or close (bearish candle)

A green (or white) body indicates that an asset's price moved higher over the day's trading.

A red (or black) body indicates that prices ended lower than they were at the day's opening.

How to Interpret Price Movement on a Candlestick Chart



There are two basic candlesticks which are illustrated on the image above:

Bullish Candle: When the close is higher than the open (usually green or white)

Bearish Candle: When the close is lower than the open (usually red or black)

BULLISH CANDLES



Most
bullish



2nd Most
bullish



Normal
bullish



Neutral
bullish



Least
bullish

bearish candles



most
bearish



second
most bearish



normal
bearish



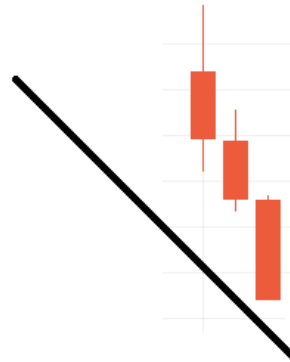
neutral
bearish



least
bearish

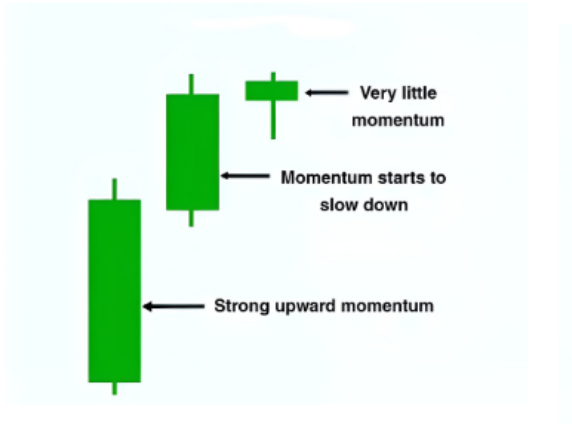


Increase in Bullish Momentum

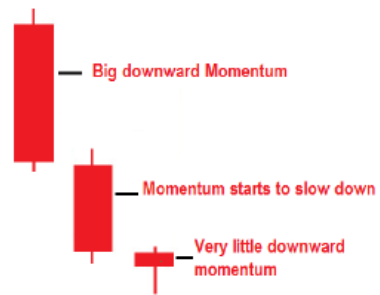


Increase in Bearish Momentum

Decrease in Bullish Momentum



Decrease in Bearish Momentum



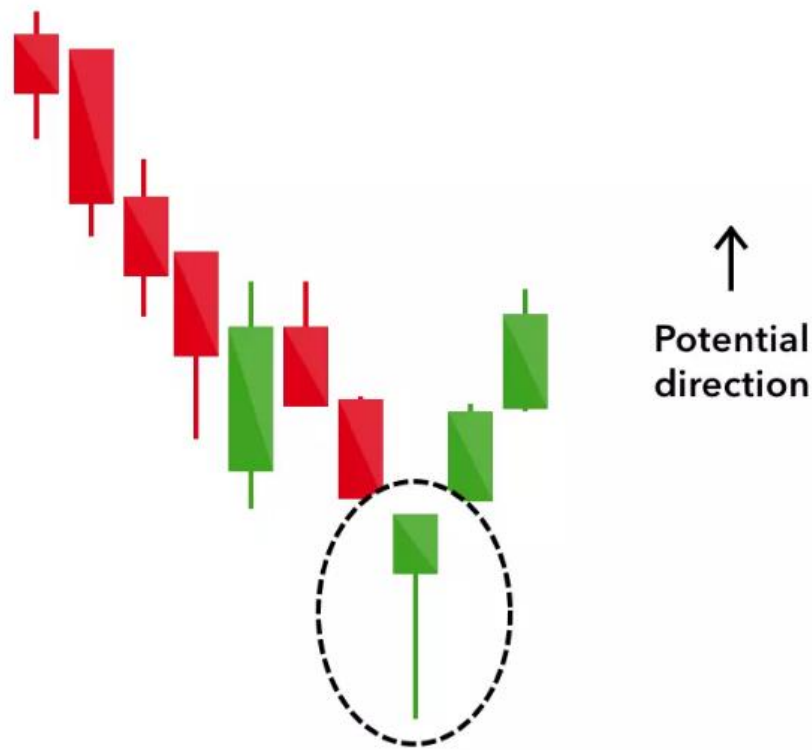
Bullish candlestick patterns

Bullish patterns may form after a market downtrend, and signal a reversal of price movement. They are an indicator for traders to consider opening a long position to profit from any upward trajectory.

Hammer

The hammer candlestick pattern is formed of a short body with a long lower wick, and is found at the bottom of a downward trend.

A hammer shows that although there were selling pressures during the day, ultimately a strong buying pressure drove the price back up. The colour of the body can vary, but green hammers indicate a stronger bull market than red hammers.



Inverse hammer

A similarly bullish pattern is the inverted hammer. The only difference being that the upper wick is long, while the lower wick is short.

It indicates a buying pressure, followed by a selling pressure that was not strong enough to drive the market price down. The inverse hammer suggests that buyers will soon have control of the market.



Bullish engulfing

The bullish engulfing pattern is formed of two candlesticks. The first candle is a short red body that is completely engulfed by a larger green candle.

Though the second day opens lower than the first, the bullish market pushes the price up, culminating in an obvious win for buyers.



Morning star

The morning star candlestick pattern is considered a sign of hope in a bleak market downtrend. It is a three-stick pattern: one short-bodied candle between a long red and a long green. Traditionally, the 'star' will have no overlap with the longer bodies, as the market gaps both on open and close.

It signals that the selling pressure of the first day is subsiding, and a bull market is on the horizon.



Three white soldiers

The three white soldiers pattern occurs over three days. It consists of consecutive long green (or white) candles with small wicks, which open and close progressively higher than the previous day.

It is a very strong bullish signal that occurs after a downtrend, and shows a steady advance of buying pressure.



Bearish candlestick patterns

Bearish candlestick patterns usually form after an uptrend, and signal a point of resistance. Heavy pessimism about the market price often causes traders to close their long positions, and open a short position to take advantage of the falling price.

Hanging man

The hanging man is the bearish equivalent of a hammer; it has the same shape but forms at the end of an uptrend.

It indicates that there was a significant sell-off during the day, but that buyers were able to push the price up again. The large sell-off is often seen as an indication that the bulls are losing control of the market.



Shooting star

The shooting star is the same shape as the inverted hammer, but is formed in an uptrend: it has a small lower body, and a long upper wick.

Usually, the market will gap slightly higher on opening and rally to an intra-day high before closing at a price just above the open – like a star falling to the ground.



Bearish engulfing

A bearish engulfing pattern occurs at the end of an uptrend. The first candle has a small green body that is engulfed by a subsequent long red candle.

It signifies a peak or slowdown of price movement, and is a sign of an impending market downturn. The lower the second candle goes, the more significant the trend is likely to be.



Evening star

The evening star is a three-candlestick pattern that is the equivalent of the bullish morning star. It is formed of a short candle sandwiched between a long green candle and a large red candlestick.

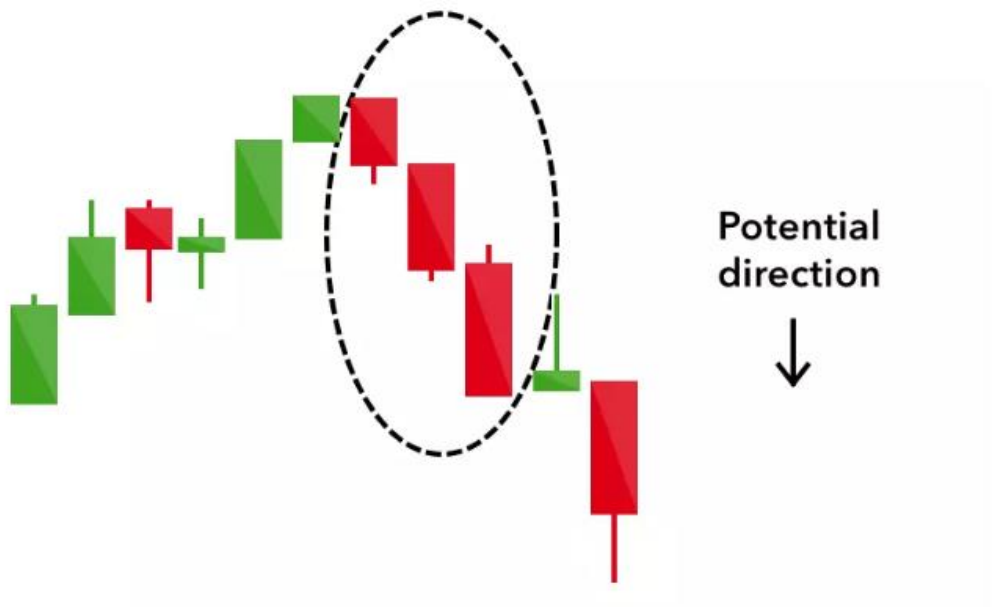
It indicates the reversal of an uptrend, and is particularly strong when the third candlestick erases the gains of the first candle.



Three black crows

The three black crows candlestick pattern comprises of three consecutive long red candles with short or non-existent wicks. Each session opens at a similar price to the previous day, but selling pressures push the price lower and lower with each close.

Traders interpret this pattern as the start of a bearish downtrend, as the sellers have overtaken the buyers during three successive trading days.



W Chart Pattern:-



The Double Bottom is a bullish reversal pattern that is formed after the downtrend. Double bottom chart pattern occurs at the bottom of a downtrend.

The double bottom pattern is also known as the W chart pattern.

After the downtrend, you can see a double bottom pattern. In this you will get to see two supports and one resistance.

Both supports can be equal or slightly above or below each other. But will always remain below the resistance.

Where do you see the resistance. With the same resistance you have to draw a horizontal line. You can also call this horizontal line as neckline.

As soon as any candle gives a breakout of the neckline. From that on the next candle you can make your Buy entry position in the market.

M Pattern (Double top):-

A double top pattern is formed after a market's price reaches two highs consecutively with small declines in between.

It forms an M-shape on a chart.

The double top is a bearish reversal pattern, so it's thought that the asset's price will fall below the support level that forms at the low point between the two highs. It's crucial to confirm this support level, as basing your trade solely on the formation of the two peaks can cause a false reading.

In a double top, an upwardly trending market twice tries to hit new highs. But both times, it retraces as sellers drive the price back down – a sign that bullish momentum may be on the wane.

Often, the second top won't be quite as high as the first, as it's signaling the end of buying pressure.

