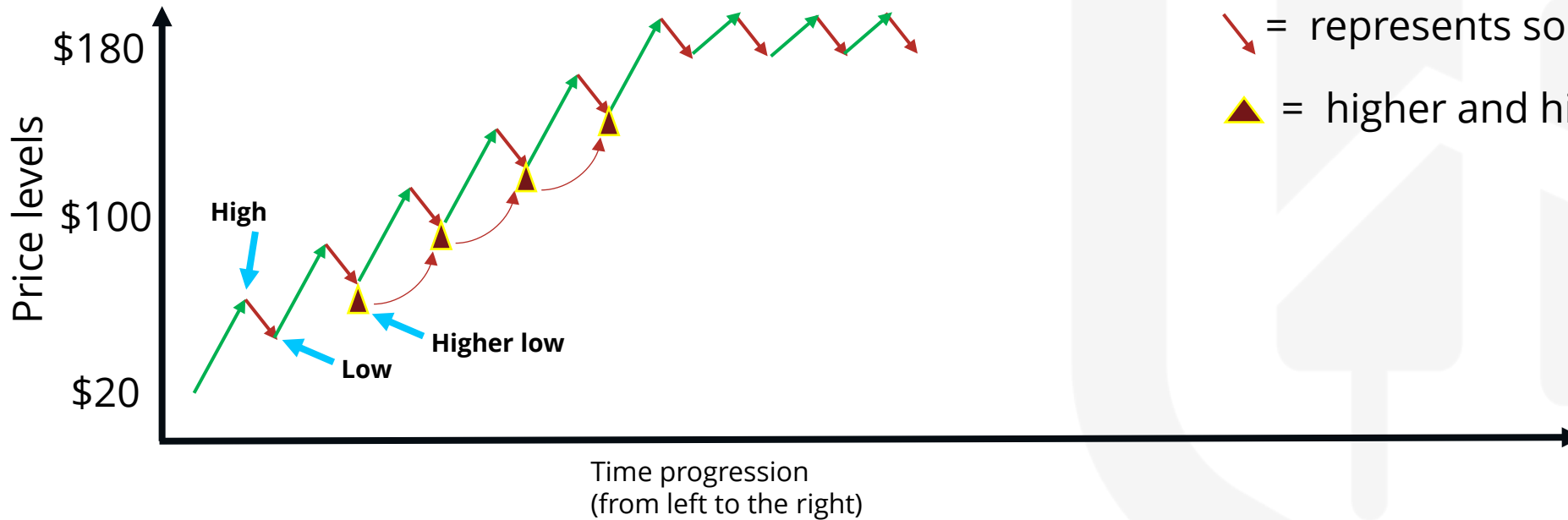


# Technical analysis: uptrend and downtrend



# Defining an uptrend

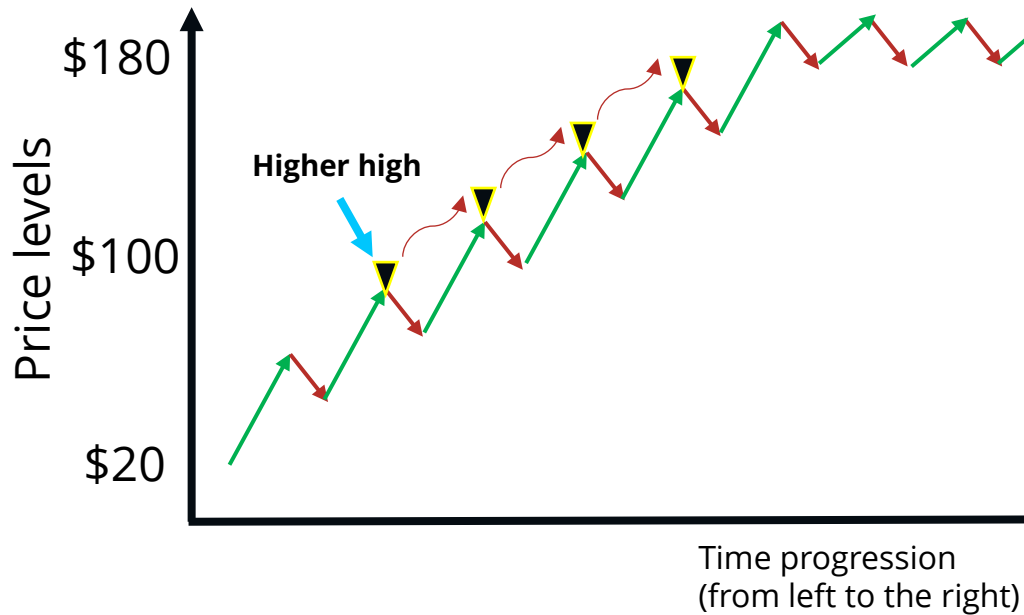
When price is moving up (increasing) and when we see **higher and higher lows** and **higher and higher highs** we say that this price is in an **up-trend**.



- ↘ = represents so called "pullback" in price
- ▲ = higher and higher lows

# Defining an uptrend

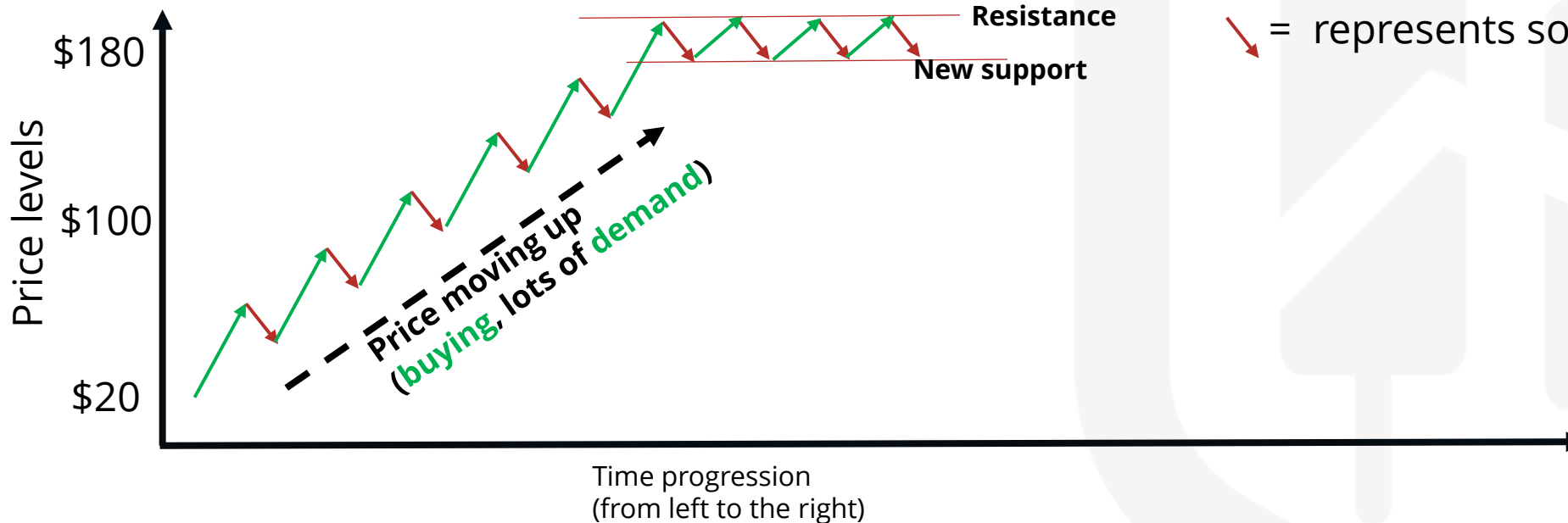
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# Defining an uptrend

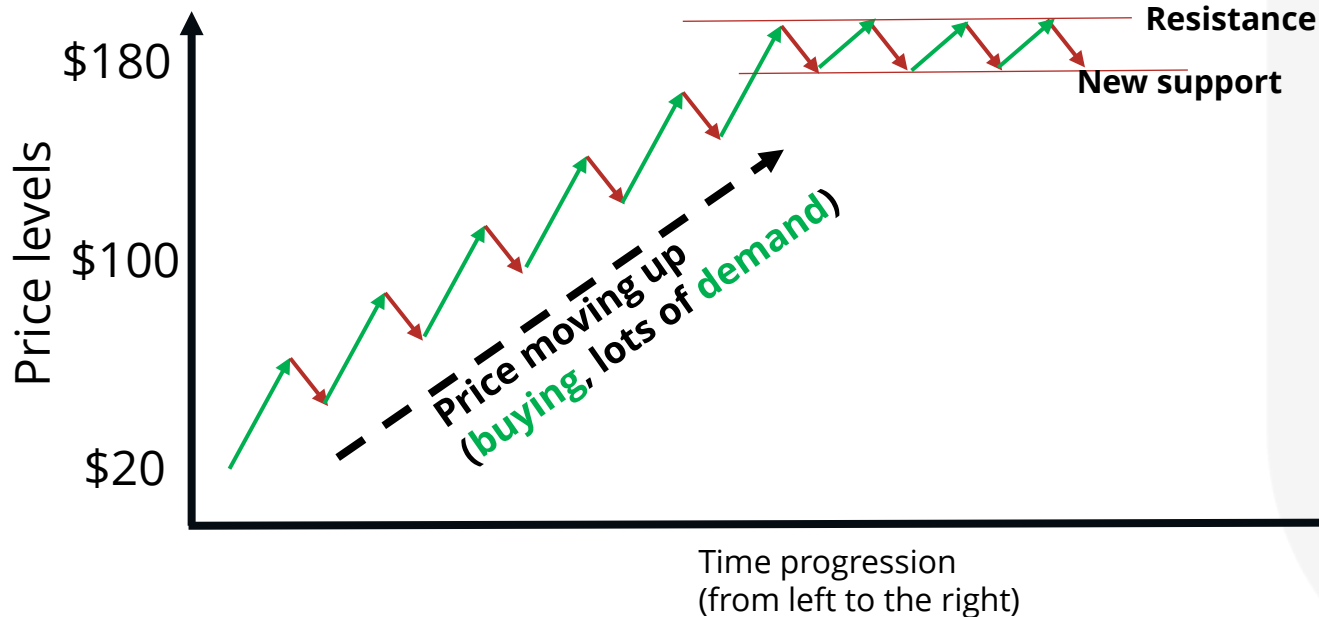
***In an uptrend, price of shares are going continuously higher with small pullbacks till trend stops!  
Eventually, price will not be able to go higher because it hit the **Resistance** price level.***



↘ = represents so called "pullback" in price

# Defining an uptrend

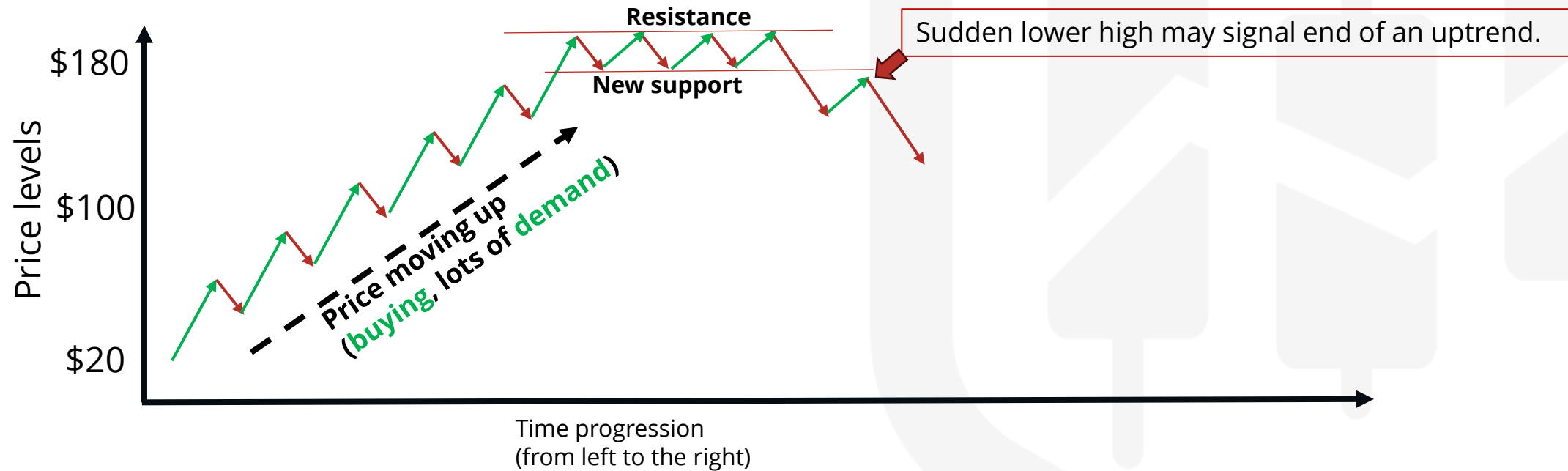
Each higher lows and higher highs represents **buyers** willing to pay higher prices as **sellers** are continuously increasing their offers to buyers, trying to make more and more profits.



↘ = represents so called "pullback" in price

Pullbacks represent moments when strong buyers are taking breaks and demand decreases till strong buyers go "for another run" up.

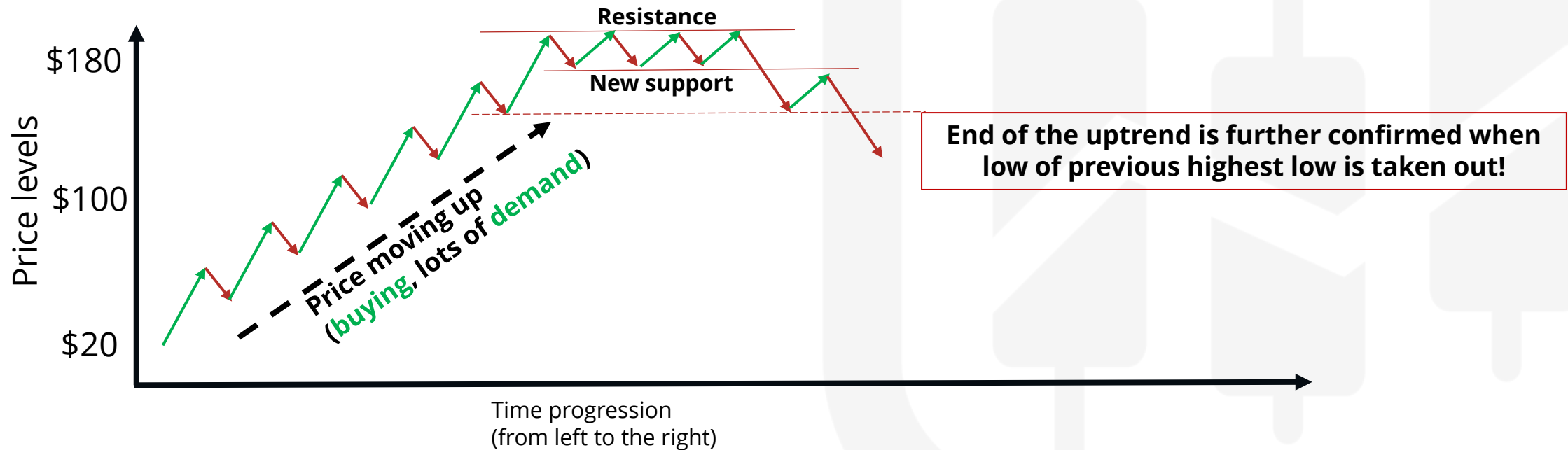
# Ending an uptrend: lower high or lower low



# Ending an uptrend

Now, there will be a distinct moment when even most eager strong **buyers** are not willing to pay higher prices anymore and they will **stop buying**. This will now be seen clearly because there will be no higher highs.

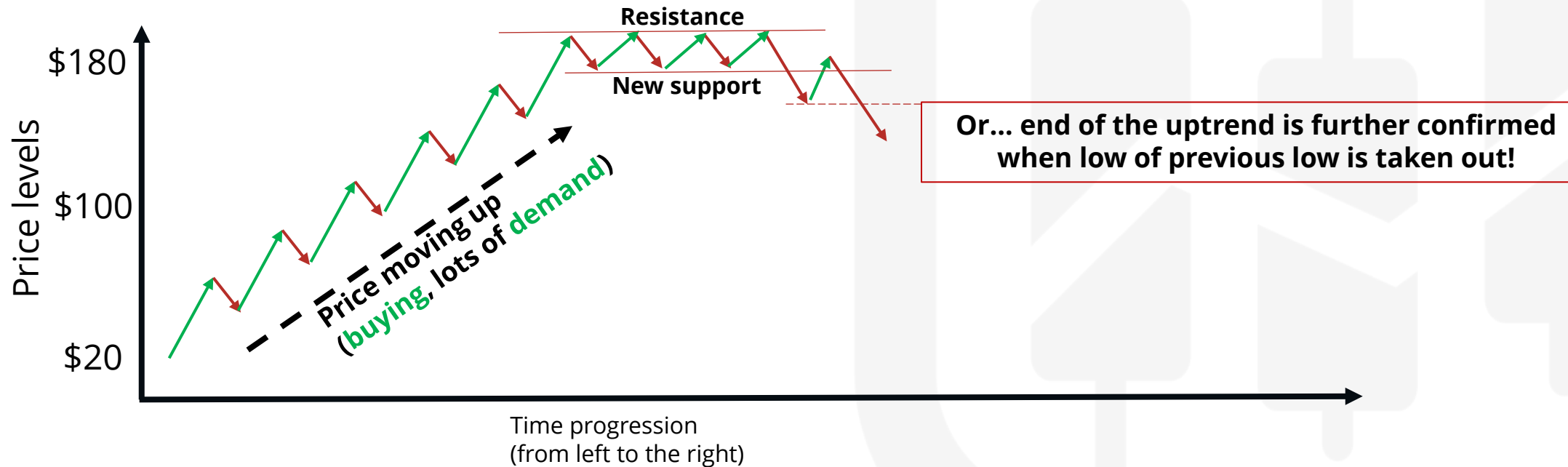
In fact, a **distinct lower high** will be formed signaling that an uptrend may have come to an end, as they always do!



# Ending an uptrend

Now, there will be a distinct moment when even most eager strong **buyers** are not willing to pay higher prices anymore and they will **stop buying**. This will now be seen clearly because there will be no higher highs.

In fact, a **distinct lower high** will be formed signaling that an uptrend may have come to an end, as they always do!



# Uptrend: Do not go longer term "short", against the trend



Distinct **candle low** has to have lowest price surrounded by two candles with higher lowest prices.

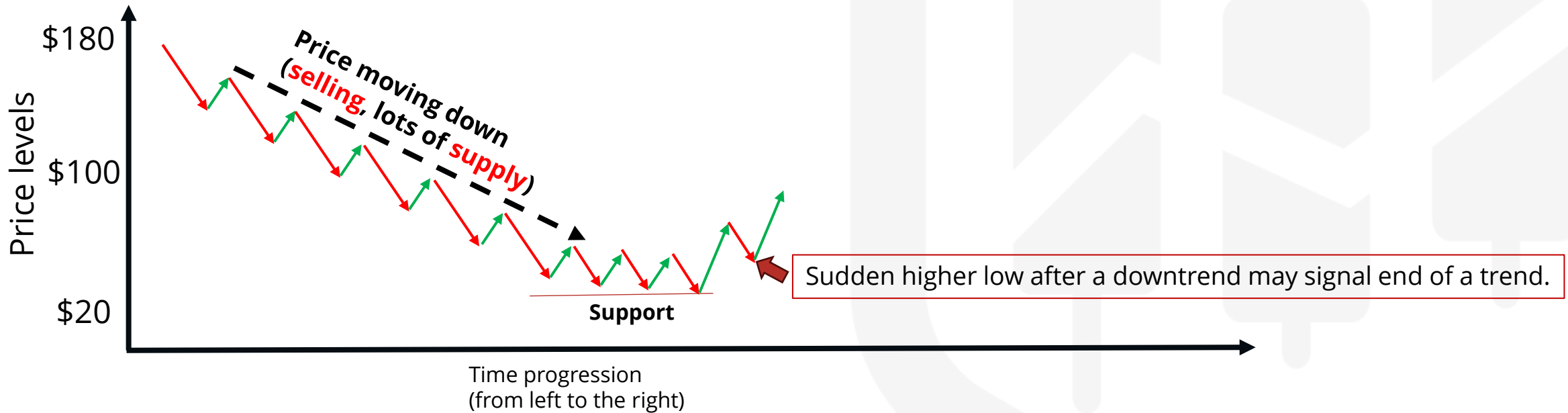
Distinct **candle high** has to have highest price surrounded by two candles with lower highest prices.

# Trend is your friend: don't go "Short" in an uptrend



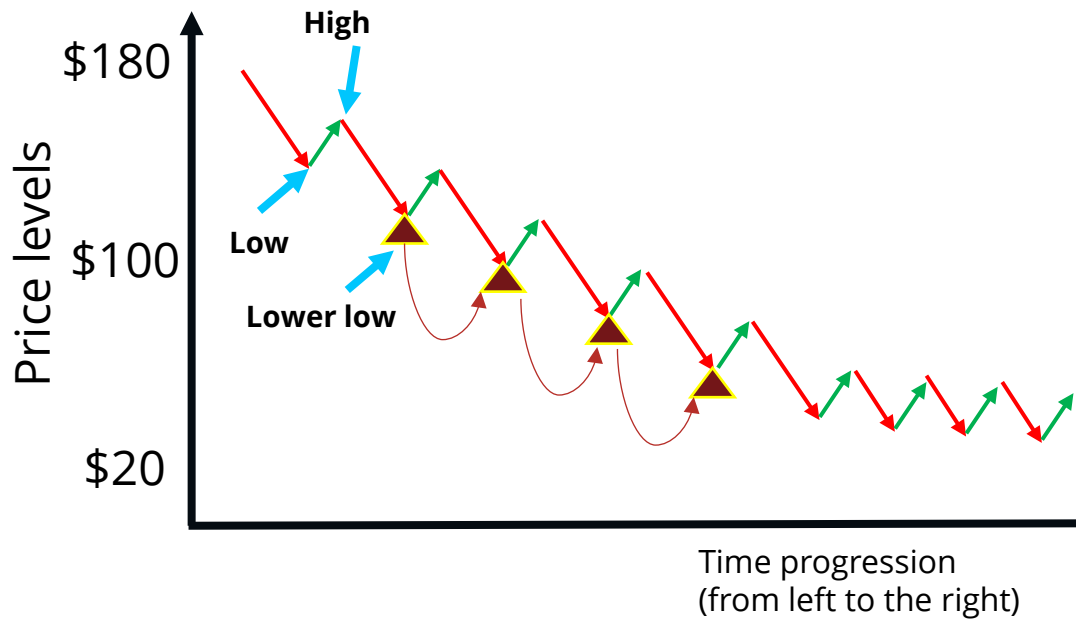
# Defining a downtrend

In a **downtrend**, price of shares are going continuously lower with small retracements till trend stops. Price suddenly can not go higher because it hit the **Support** price level.



# Defining a downtrend

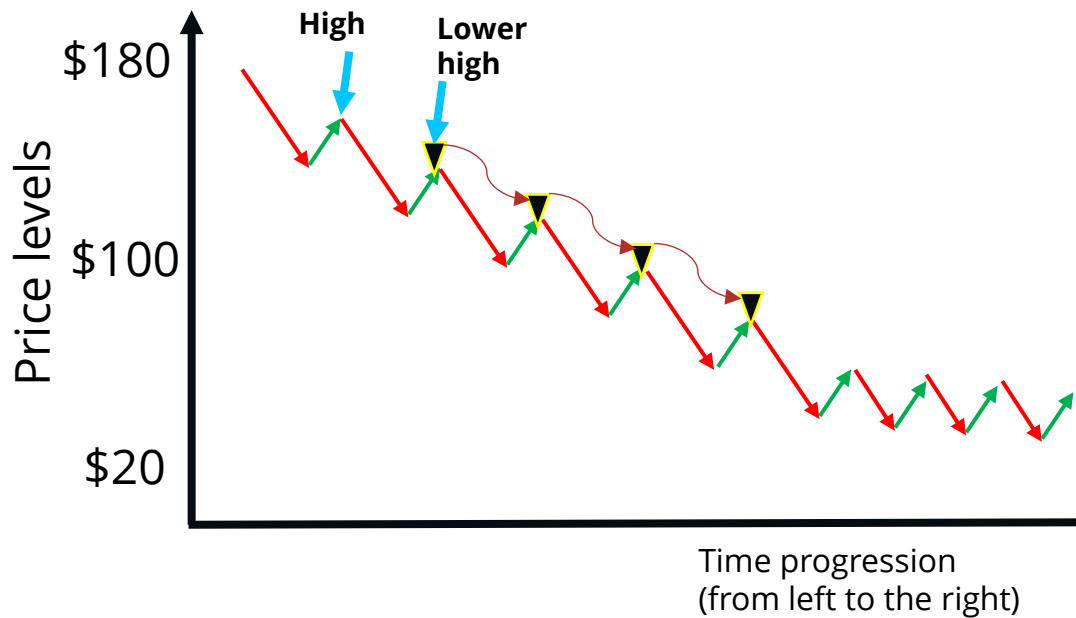
When price is moving down, when we see *lower and lower lows* and *lower and lower highs* we say that this price is in a **downtrend**.



↗ = represents so called "retracement" in price  
▲ = lower and lower lows

# Defining a downtrend

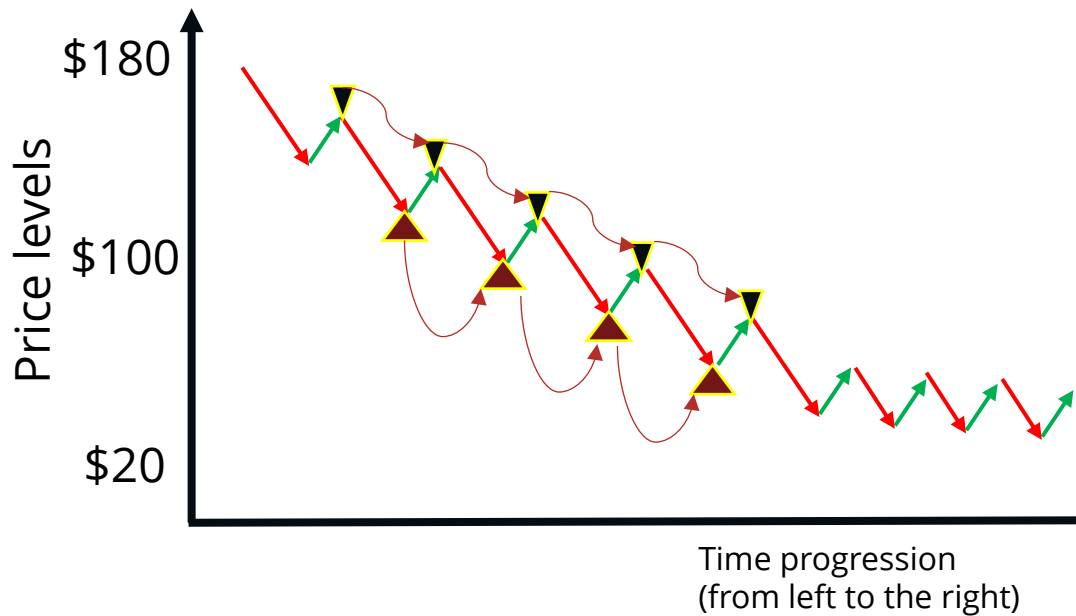
When price is moving down, when we see *lower and lower lows* and *lower and lower highs* we say that this price is in a **downtrend**.



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- ▼ = lower and lower highs

# Defining a downtrend

*When price is moving down, when we see **lower and lower lows** and **lower and lower highs** we say that this price is in a **downtrend**.*



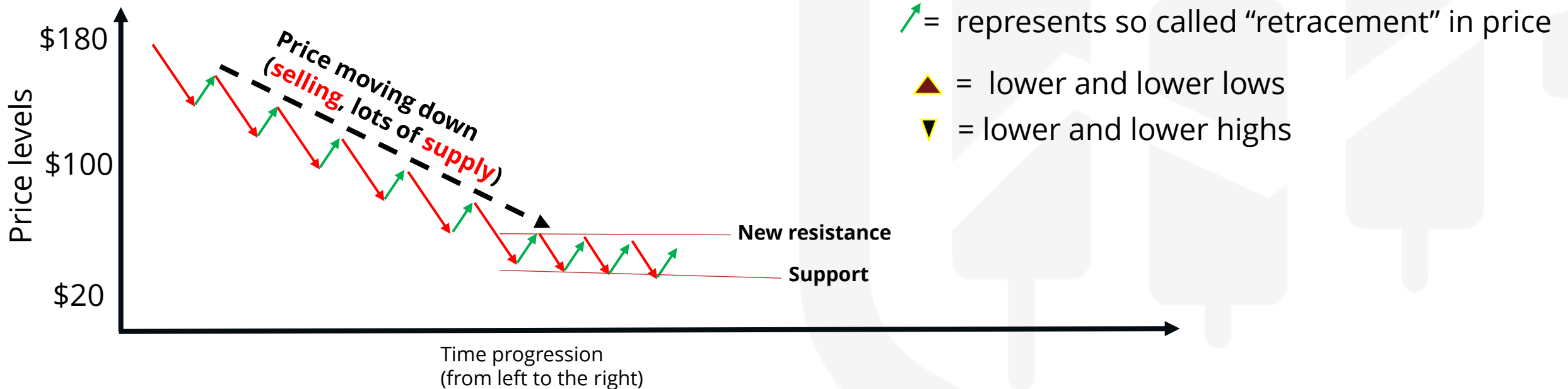
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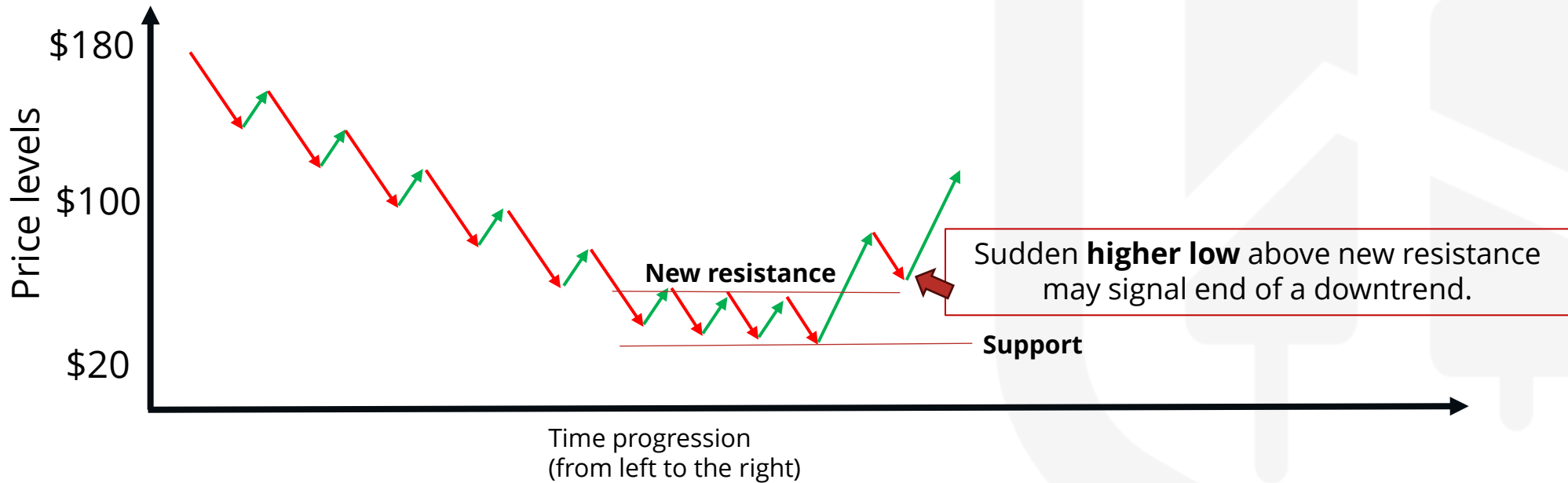
# Defining a downtrend

***In a downtrend, price of shares are going continuously lower with small retracements till trend stops. Price suddenly can not go higher because it hit the Support price level.***



# Ending a downtrend

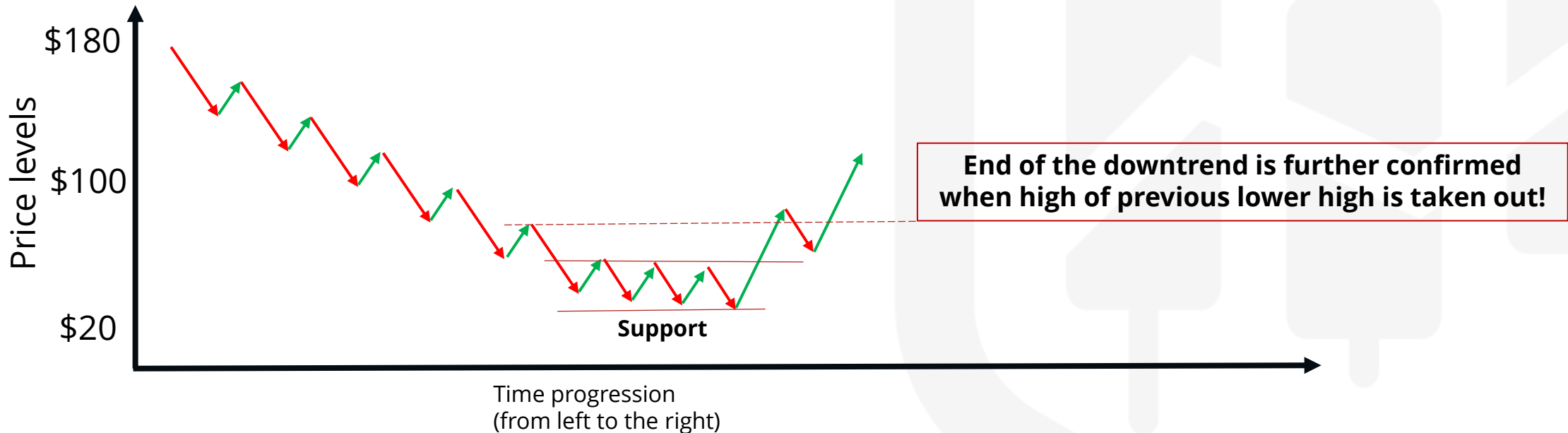
Each **lower lows** and **lower highs** represents **sellers** willing to sell at lower prices as **buyers** are continuously decreasing their bids to sellers trying to get better deals. Retracement represent moments when strong sellers are taking breaks and supply decreases till strong sellers go "for another run" down.



# Ending a downtrend

Now, there will be a **distinct moment** when even most eager strong **sellers** are not willing to sell for lower prices anymore and they will **stop selling**. This will now be seen clearly because there will be **no lower highs nor lower lows**.

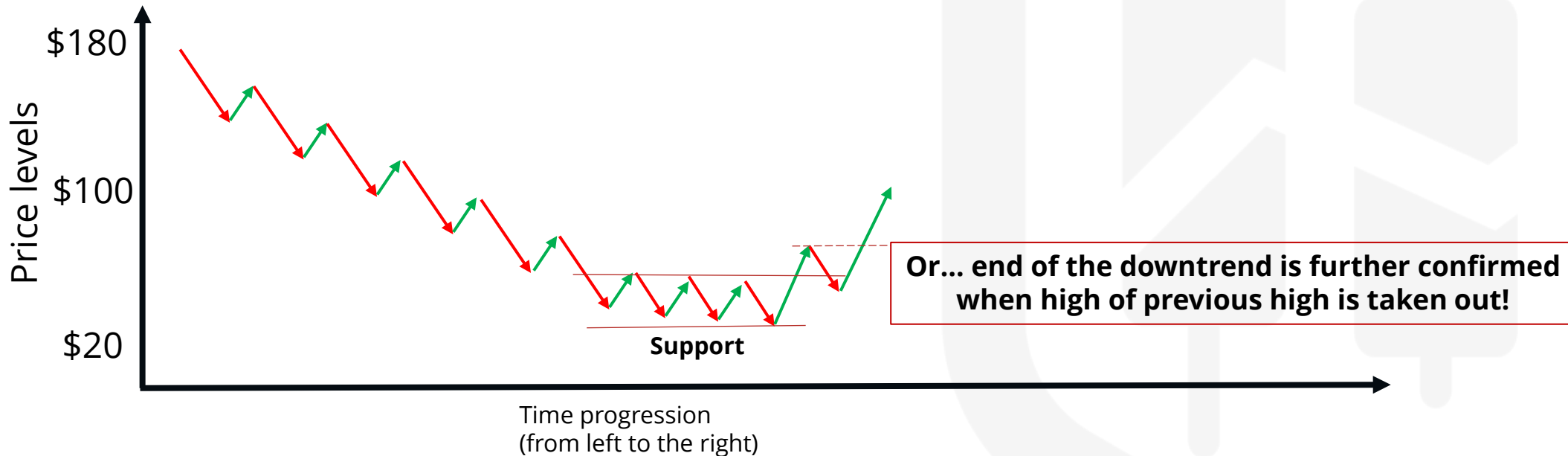
In fact, a **distinct higher low will be formed** signaling that a downtrend may have come to an end, as they always do!



# Ending a downtrend

Now, there will be a **distinct moment** when even most eager strong **sellers** are not willing to sell for lower prices anymore and they will **stop selling**. This will now be seen clearly because there will be **no lower highs nor lower lows**.

In fact, a **distinct higher low will be formed** signaling that a downtrend may have come to an end, as they always do!



# Downtrend on charts: “lower lows” and “lower highs”



# Downtrend on charts: don't go "Long" in a downtrend



"Trend is your friend" in action

# Summary

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1. **Uptrend** is established when price action is showing a clear pattern of **higher highs** and **higher lows** with price level *pullbacks* in between.
2. **Uptrend** may be coming to an end when **new lower high** is formed. This is further confirmed when previous highest low or previous low is taken out.
3. **Downtrend** is established when price action is showing a clear pattern of **lower highs** and **lower lows** with price level *retracements* in between.
4. **Uptrend** may be coming to an end when new **higher low** is formed. This is further confirmed when previous lowest high or previous high is taken out.