



Lesson 3 by Madiba Malebo

Trend Reversals, Failure
Swings and, Short Term

Trends

What is a **Trend**?

- The trend is simply the **general direction of the market.**
- Markets don't generally move in a straight line in any direction but are characterized by a series of Zig-Zags .
- It's the direction of those peaks and troughs that constitutes a market trend.

Trend Direction

- An **uptrend** is a series of successively higher peaks and troughs.
- A **downtrend** is just the opposite, a series of declining peaks and troughs.
- Horizontal peaks and troughs would identify a **sideways / range** price trend.

Trend Direction - Uptrend



Trend Direction - Downtrend



Trend Direction – Range / Sideways



Trend Decisions

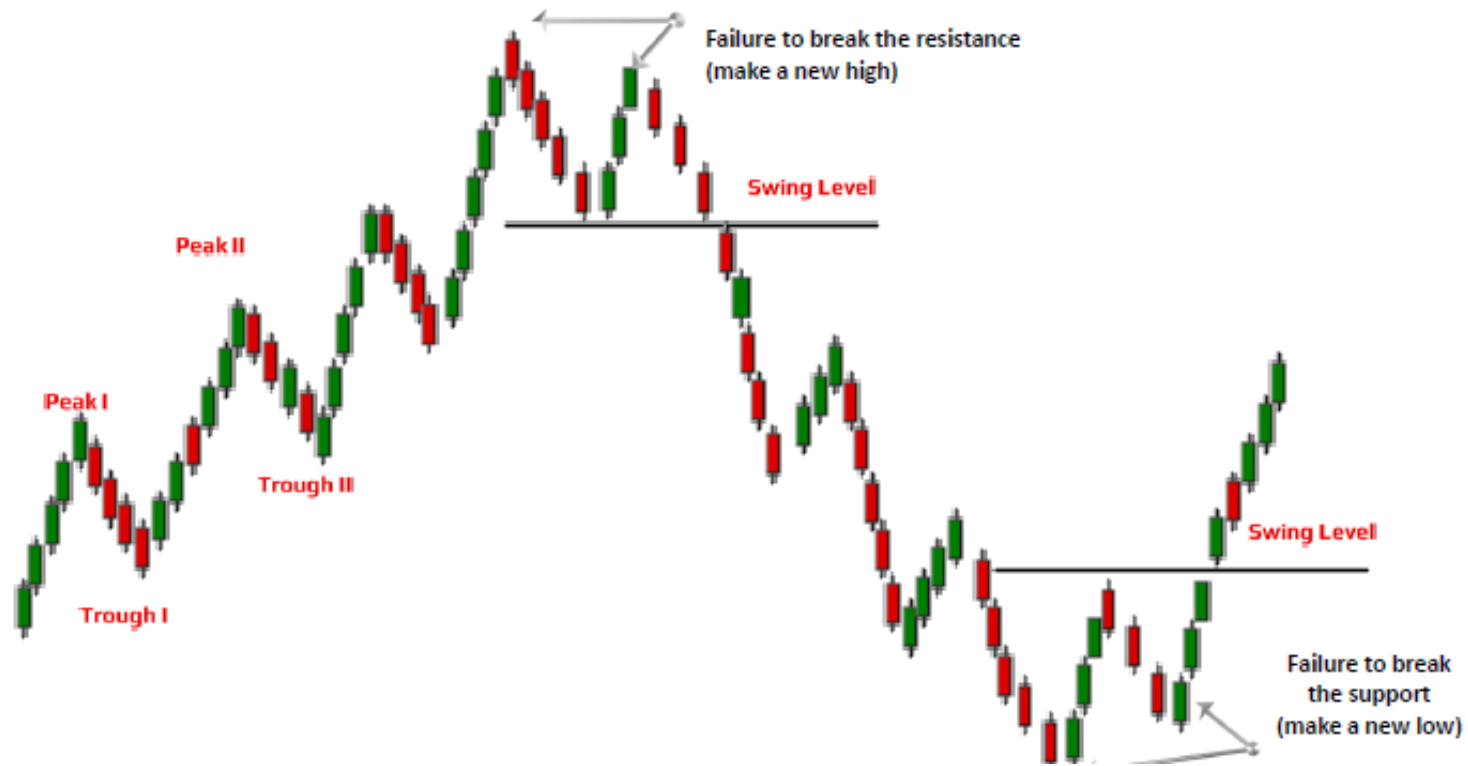
There are three decisions confronting the trader :

- **Buy** (go long) only if it is a **Uptrend**
- **Sell** (go short) only if it is a **Downtrend**
- **Do Nothing** (stand aside) if it a is **Range**

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the frame, creating a modern, layered effect. The rest of the background is plain white.

Entry Signals

Trend Reversal – Failure Swing



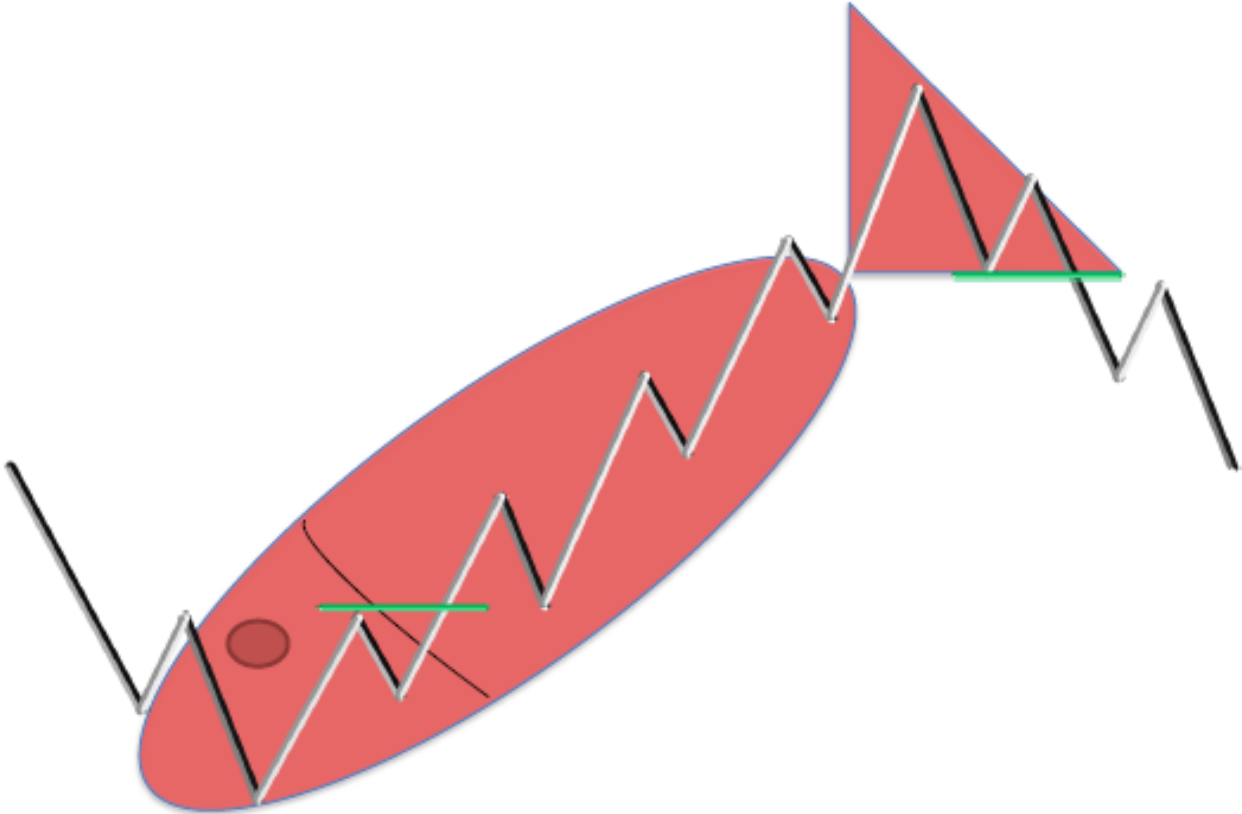
BUY

When we see a failure swing for Up

SELL

When we see a failure swing for Down

Technicians don't eat **Heads & Tails**



Be Careful!

**Not All
Failure Swings
Are Correct**

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