Macro Downtrend, Micro Uptrend, Intraday Downtrend: Trend Reversal Continuation Long

By disciplined_daytrader · January 25, 2023

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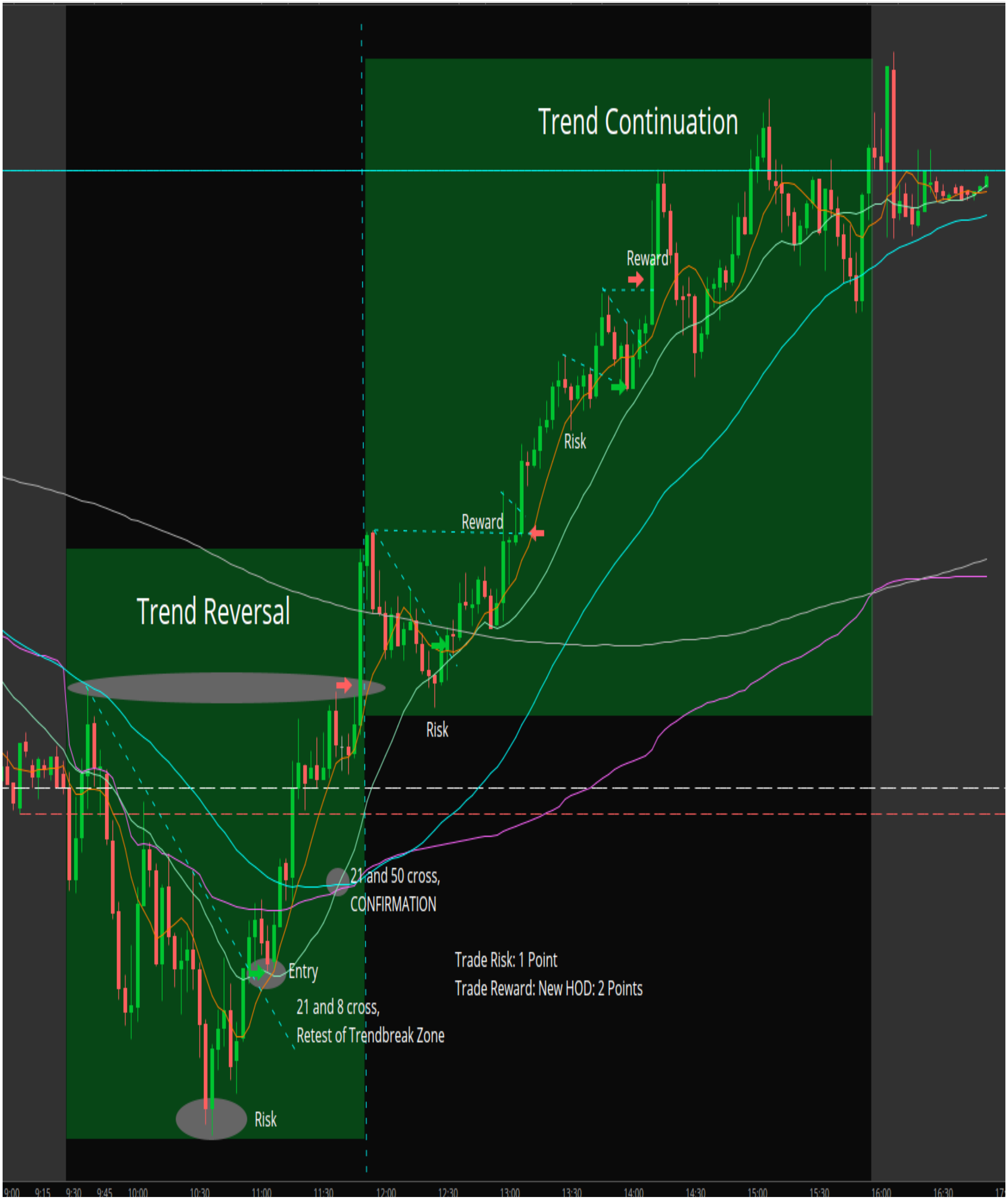
-In the previous post I discussed how the Trend Reversal Long trade happened. This post is for the continuation after that move. I call it Trend Reversal Continuation because the Trend has Reversed and Continued very fast to the upside for the rest of the day.

Where do we Enter?


Trend Continuation
Reward
Risk
Reward
Trend Reversal
Risk
21 and 50 cross,
CONFIRMATION
Trade Risk: 1 Point
Trade Reward: New HOD: 2 Points
Entry
21 and 8 cross,
Retest of Trendbreak Zone
Risk
9:00
9:15
9:30
9:45
10:00
10:30
11:00
11:30
12:00
12:30
13:00
13:30
14:00
14:30
15:00
15:30
16:00
16:30

- The Trend Continuation is the section that matters for this post. Once the reversal occurred then we can look for upward trend breaks that we can enter on and risk the previous higher low. The green arrows show this. The first example we can buy at the 21 test (white line) which coincides with the pullback trendline and then risk the higher low with a reward at a new higher high. In the future it can be more lucrative to hold maybe a 1 contract partial because it moves so much higher. It is probably smarter to get in and hold until at least the 8 has been tapped again. Its tricky though because this morning on the downtrend lower it crossed the 8 many times and faked out moves to the upside. I think in general if you get very extended from the 8 then its okay to sell but if you are just slowly riding it higher then its okay to hold.