

Point and Figure Tutorials (4)

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Bullish catapult formation

today we gonna have a look at a very important point and figure chart formation the bullish catapult. The name comes from because the first buy signal in this formation are very important and the signal is even stronger because of the second part of the formation. This means that demand in place and the quotations are gaining territory very fast to the upper side. How can we see in the image there was first a triple top buy signal which gained only to boxes 0,004. The pullback after the triple top of this formation is the only drawback because it can end in a false triple top breakout. But normally the odds of a triple top are my favor and it is recommended to whatch volume with the OBV (on balance volume) as a point and figure chart to see the action of informed buyers and sellers. The formation completes with a single buy signal in this chart at 1.3460 and look how nicely the bottoms in this chart showed accumulation there was almost no supply at this point where the quotations exploded in northward direction. At this day it was possible to make easy 60 pips in a relatively short time frame. I would like to call such a situation excellent because we have a great profit potential with relatively low risk.

Ascending triple top

in the image we see a ascending triple top and this pattern normally forms when we are in a bull market and the demand at this time increases. Many buyers like to jump on the rolling train and this shows up that the bottoms of the O columns are higher and higher. This action should be watched closely with the point and figure (OBV) indicator.

Advertising

If you like to participate in my point and figure training courses which gives you an edge as a trader feel free to contact me. After this training you will see the market moves much clearer as before don,t trade every pattern you see. Don,t make your broker rich because you have to make money.