

## Point and Figure Tutorials (10)

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### Trendlines

how can we see in the first image there are two important trendlines. The blue line is the bullish support line and the red one is the bearish resistance line. We can see how the quotations breached the blue line from the north to the south indicating distribution. We had a valid sell signal outside the scope of bullish territory which is north of the blue line, so this could be the end of an uptrend. But we have to see also the close chart for confirmation because this is important. If so it,s better to look at the short side of the market because odds are better on this side. The red line indicates bearish resistance so mostly in a downtrend price recovers to the red line and breaches the line sometimes but do not make a valid buy signal north of the bearish resistance line. This indicates that we are expecting a typical bull trap that are normally valid in downtrends. The red line shows us that the predominating trend is downwards. Look how nicely the red line is respected from the market there are no valid buy signals. It,s a good way to eliminate false buy/sell signals.

### Result

look the result of the first formation that ended up in a crystal clear triple bottom sell signal and the market spoke with one voice. In brief trendlines are a big help to see where the market is heading.

### 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.