

TECHNICAL INDICATORS CHEAT SHEET

RSI (Relative Strength Index - 14)

- Overbought / Oversold:

RSI > 70 = Overbought (Sell Warning) | RSI < 30 = Oversold (Buy Warning).
- Bullish Divergence:

Price makes Lower Lows, but RSI makes Higher Lows (Impending Upside Reversal).
- Bearish Divergence:

Price makes Higher Highs, but RSI makes Lower Highs (Impending Downside Reversal).

MACD (Moving Average Convergence Divergence - 12, 26, 9)

- Bullish Signal Line Cross:

MACD line crosses above 9-period Signal line below the Zero baseline.
- Bearish Signal Line Cross:

MACD line crosses below 9-period Signal line above the Zero baseline.
- Zero-Line Rejection:

MACD pulls back to Zero line and bounces in direction of dominant trend.

BOLLINGER BANDS (20, 2.0 StDev)

- Volatility Squeeze:

Bands narrow tightly together; precedes explosive multi-hundred pip breakout.
- Walking the Bands:

In strong trends, candles continuously close along Upper or Lower Band.
- Double Bottom Band Reversal:

First low touches lower band; second low holds inside band (Buy Signal).

ATR (Average True Range - 14) FOR VOLATILITY STOPS

- Dynamic Stop Loss Sizing:

Stop Loss Distance = Current ATR × 1.5 (Adapts to changing volatility).
- Chandelier Exit Formula:

Long Exit = Highest High (22 periods) - (3 × ATR 14).
- Breakout Confirmation:

Valid breakout requires candle body range > 1.25 × current ATR value.