

Spotting Trends in Stock Market Patterns

Key Factors

- Sequence of higher highs and higher lows = bull market trend
- Sequence of lower highs and lower lows = bear market trend.
- Tools and techniques - Moving Averages, Bollinger Bands, RSI, and MACD.
- Price move with increase in trading volume = likely price trend will continue
- Price move with decrease in trading volume = likely price trend will not continue.
- Understand market sentiment



- Take a holistic view – avoid being blindsided by unforeseen external factors.
- Be aware of the impact of the human element.
- Optimistic sentiment will drive prices higher, euphoria will accelerate price rise.
- Heightened emotions make for volatile prices.
- FOMO = Fear of Missing Out
- Panic Selling = Market Crash
- Psychology influences markets can guide future decisions.