



**Trend lines are a trader's friend. Know why?**

**16<sup>th</sup> January, 2019**

# Trend Lines:

Trend lines: At the foundation of identifying “**trends**” is a tool called the trend line.

A trend line helps technical analysts to determine the current direction in market prices.

Technical analysts believe in the phrase ‘**The trend is your friend**’, and identifying this trend is the first step in the process of making a good trade.

A trend line is a straight line that connects two or more price points and then extends into the future to act as a line of support or resistance.

They show direction and speed of price, and also describe patterns during periods of price contraction.

# Focus

- Direction : Going up or Down
- Speed : Degree
- Patterns : Triangle, Rectangle and Flag
- Bar charts or Candlesticks are more preferable to draw trendlines.

Source - Own observations and findings

# Direction - Escorts



Source – Spider Software Pvt LTD

# Direction - TISCO



Source - Spider Software Pvt LTD

# Speed – L&T



Source - Spider Software Pvt LTD

# Speed – Pharma Index



Source - Spider Software Pvt LTD

# Speed – Tata Motors



Source - Spider Software Pvt LTD



# Patterns – Reliance Industries



Source - Spider Software Pvt LTD

# Patterns – Falling Wedge in Hindalco



Source - Spider Software Pvt LTD

# Patterns – Ascending Triangle in Reliance



Source - Spider Software Pvt LTD

# Patterns - Flag and Pennant



Source - Spider Software Pvt LTD

# Pattern - rectangle



Source - Spider Software Pvt LTD

# Pattern – FLAG



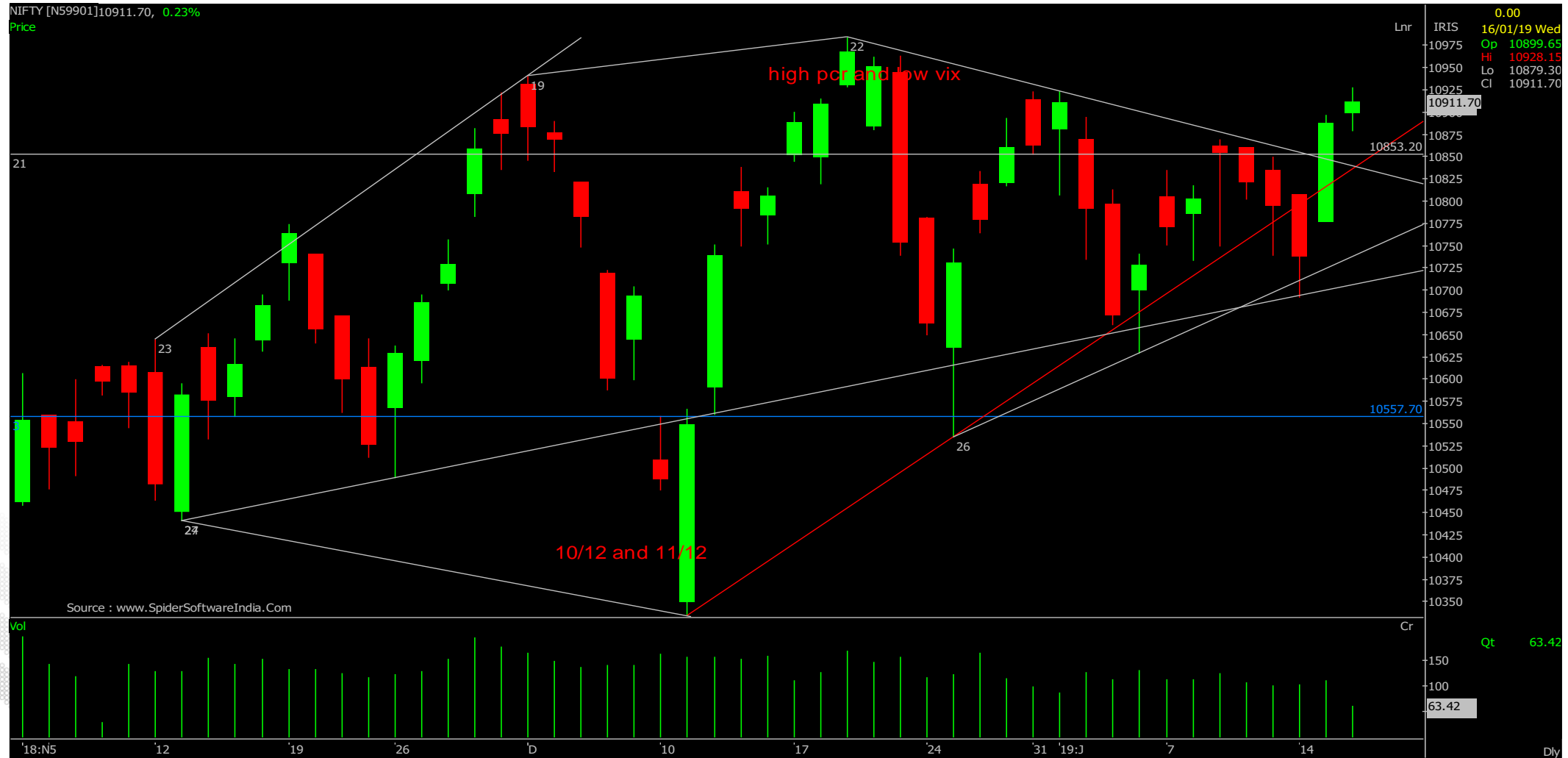
Source - Spider Software Pvt LTD

# Pattern – BankNifty ascending triangle



Source - Spider Software Pvt LTD

# Triangle and Diamond - Nifty



Source - Spider Software Pvt LTD



# Data Points of Nifty @ 10900

INDIA VIX – 16.20 (Neutral)

(ahead of elections base is going to shift from 10 to 13 and from 20 to 25)

PCR – 1.20 OF SAME SERIES (Neutral).

DAILY RSI – AT 55 (Neutral)

INR – WAS AT 71.05 (corrected from 74.50) (Chances of 72.50)

Crude was at 60.50 (substantial fall)

World Markets : Down / Mixed

# Nifty Bullish Break out – Heading towards 11200.



Source - Spider Software Pvt LTD

# Technical Analysis: When to Buy/Sell

## Fundamental Analysis: Why to Buy/Sell



## Question & Answer

Queries should be specific to stock that are in FNO segment.

## RATING SCALE

- BUY** – A condition that indicates a good time to buy a stock. The exact circumstances of the signal will be determined by the indicator that an analyst is using.
- SELL** – A condition that indicates a good time to sell a stock. The exact circumstances of the signal will be determined by the indicator that an analyst is using.
- Stop Loss Order** – An instruction to the broker to buy or sell stock when it trades beyond a specified price. They serve to either protect your profits or limit your losses.

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