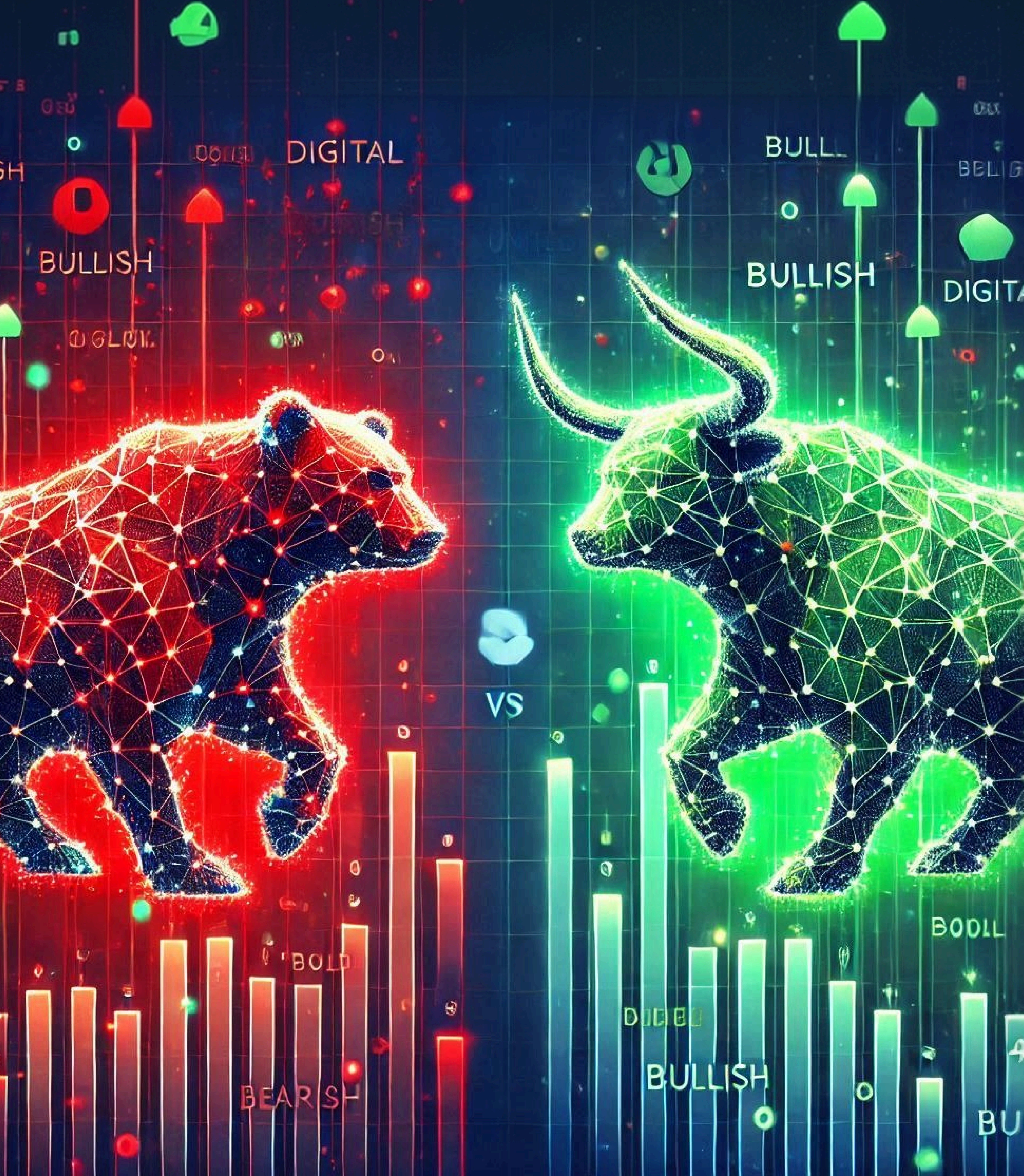
CRYPTO TRADING

From Beginner to Expert

By Gabriel Valor



Crypto Trading: From Beginners to Expert

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BONUS Chapter 9: Recognizing Whether a Coin is Bullish or Bearish Across Different Timeframes and How to Move in Each Case

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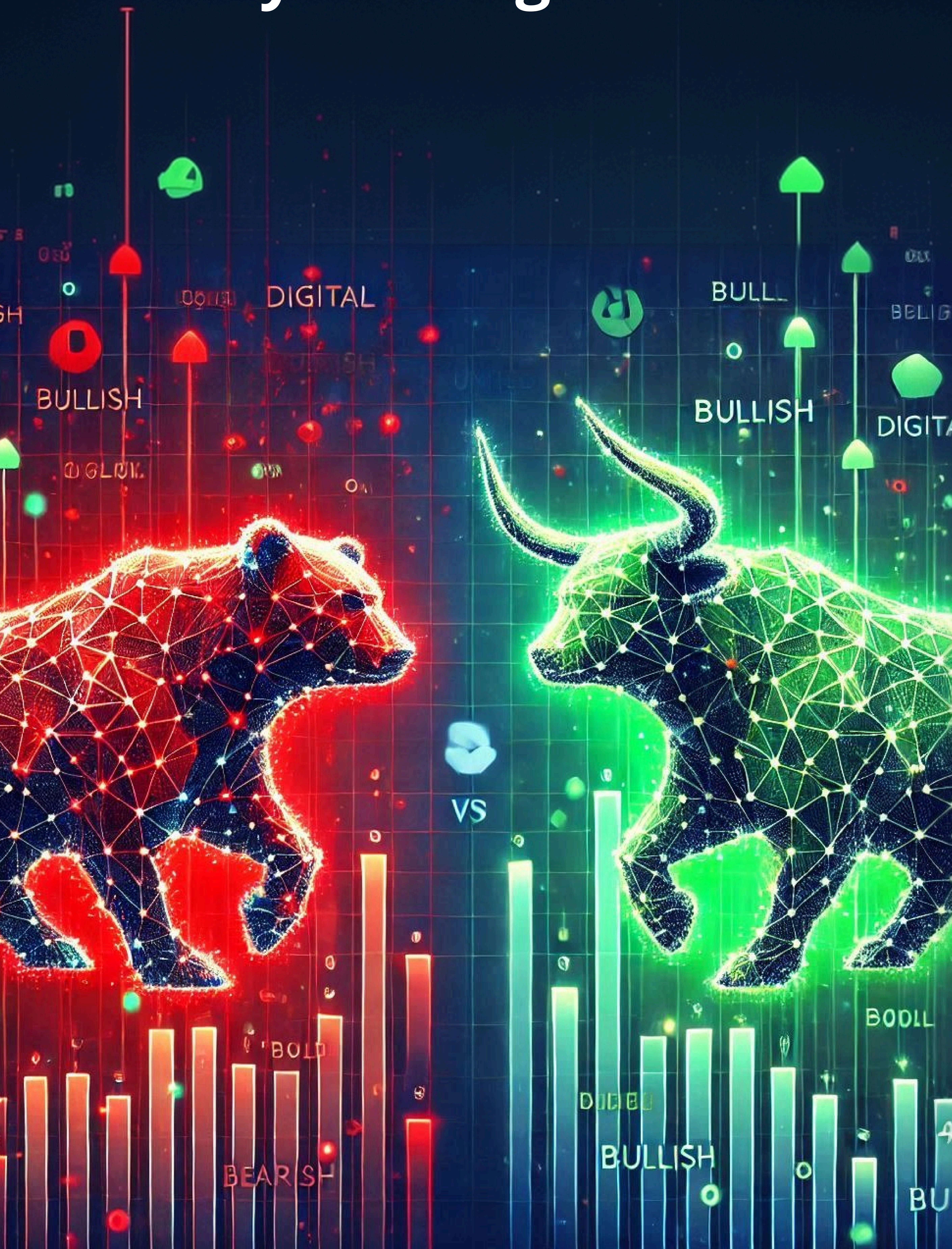
Chapter 1: Introduction To Day Trading



Day trading is the practice of buying and selling of financial instruments for the purpose of making a profit on each transaction by the end of the trading session.

Financial instruments refer to anything that trades in the financial markets such as cryptocurrencies, forex, equities. Before we start, let’s debunk a few myths and misconceptions about day trading that has been going around.

1.1 - Myth: “Day trading is pure scalping”

Many people have always treated day trading as a form of “fast in, fast out” type of trading. It can be as quick as a few seconds to a few minutes. That is what we call scalping the markets. When it comes to day trading, there are 2 ways to profit from the market. First is scalping as mentioned earlier, the second way is capturing the intraday swings.

Intraday swings are price movements that occur on higher timeframes such as the 30mins and 1 hour timeframe.

The objective for both scalping and capturing intra- day swings is the same… to make profits within the trading session.

Here's the thing, most of us will have thought that scalping will bring in more prof- its because of the great number of trades we take… The more trades the merrier isn't it?

Wrong! When it comes to scalping, you are in for a few seconds to a few minutes, how much do you think the market will move in that short span of time?

I'm pretty sure you know the answer is not by much, a couple of cents to a dollar probably... and you have to be glued to the screen to capture that few pennies for 50 times, even a 100 times! That's tough work!

A better way to approach the day trading the markets will be to capture the intraday swings. You might get 2 to 5 trades on average within the session, but for each move that you successfully capture, your profits are easily upwards of 2 to 10 times of scalping.

The best part is that you don't have to be glued to the screen!

You will have spare time to enjoy doing other things you love doing.

A much easier way to trade the 24 hour markets don't you think?

Are you going to be a scalper or an intraday swinger?

1.2 – Misconception: "I want to make $XXX amount everyday consistently"

We all have made this statement at least once when we are day trading. In fact, this is the goal of every day trader.

Let's pause for a moment and think, does the market move consistently every day?

It doesn't! Sometimes it moves like a whale, some- times it crawls like a snail.

The market moves differently every single day.

You can be making much more on days where the market is moving and not make a penny when it's moving slowly.

So, toss out the idea that you have to make XXX amount every day.

Instead, view day trading as a way to reach the final goal of a certain amount, say a $100,000 for that trading account.

1.3 – Misconception: "Stop using indicators as signals"

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1.3 – Misconception: “Stop using indicators as signals”

This is by far the most commonly abused tool to make quick profits. Indicators standalone aren’t going to get you very far because they tend to be lagging.

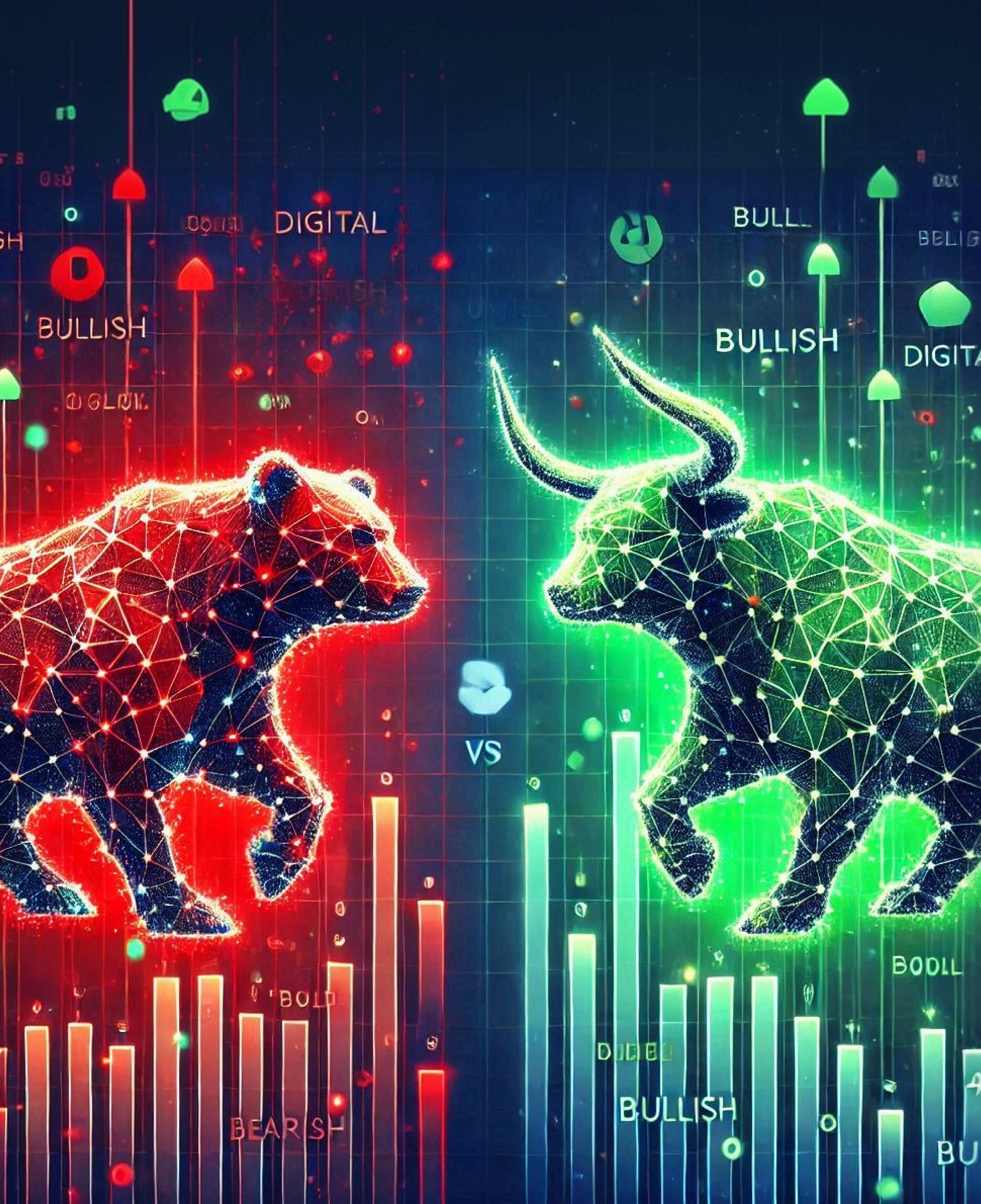
Trading indicators are tools that assist you to get a better picture of price movements. Such tools are the stochastics, RSI, Bollinger bands. Although pure price action trading does work to a certain extent, there are price patterns that cannot be visualised just by looking at candlestick charts.

To get the best trade setups possible, both price action and indicators have to be used together.

This will be covered more in the following chapters.

Conclusion: This chapter is the most important as it sets us on the same page with a realistic
understanding of day trading. Once you have realised the right way to approach day trading, everything becomes clearer.

Chapter 2: Choose a platform to start Trading Crypto



When it comes to trading cryptocurrencies, one of the most critical decisions you'll make is choosing the right platform. The platform you select will not only affect your overall trading experience but also play a key role in your success as a trader. With so many options available today, it's easy to get overwhelmed.

But in my personal experience, two platforms stand out as the best choices for both beginners and experienced traders alike: Bybit and MEXC.

These platforms have gained popularity not just because they're user-friendly, but because they offer the tools, resources, and flexibility needed to trade effectively. Let's explore why Bybit and MEXC are highly recommended.

Why Bybit?

Bybit is one of the fastest-growing cryptocurrency exchanges, known for its simplicity and efficiency. From my own experience, Bybit has been a reliable partner in trading, offering a wide range of cryptocurrencies and trading pairs that cater to different strategies and risk levels.

Here are a few reasons why I recommend Bybit:

- Bybit's interface is clean and intuitive, making it easy for anyone, even beginners, to navigate. Whether you're placing your first trade or managing a portfolio of different assets, the platform guides you step by step.
- High Liquidity and Fast Execution
- Derivatives Trading Options
- If you're interested in more than just spot trading, Bybit excels in derivatives trading.
- Bonuses for New Users

When you sign up for Bybit, they often offer attractive bonuses, such as deposit rewards or welcome gifts. This can give you a bit of a cushion or incentive when you're starting out, allowing you to test the waters with less capital at risk.

With leverage options, traders can amplify their gains (though, of course, this comes with added risk). Personally,

I've found this feature helpful for certain trades where I wanted to maximize certain trades.

Learn more about Bybit

Why MEXC?

Another excellent platform that I highly recommend is MEXC. While Bybit is fantastic for its wide variety of trading options, MEXC has carved out its own space with a focus on providing an expansive selection of tokens and lower fees. It’s a platform I use regularly, especially when I want access to newer or niche cryptocurrencies that aren't always available on bigger exchanges.

Here’s why MEXC might be the right choice for you:

Extensive Range of Cryptocurrencies

MEXC offers one of the largest selections of tokens available in the crypto space. If you’re someone who likes to diversify their portfolio or hunt for emerging altcoins, MEXC is where you’ll find them. This is particularly helpful if you're into exploring different market opportunities.

Lower Fees

MEXC boasts some of the lowest trading fees on the market, which is a huge advantage, especially for frequent traders. Lower fees mean more of your profits stay in your pocket, a crucial factor to consider when making multiple trades per day.

Security and Reputation
Safety is always a concern in the world of cryptocurrency. MEXC has built a solid reputation for maintaining a secure platform with strong measures in place to protect users' funds.

They've gained the trust of millions of traders worldwide, making it a go-to choice for both beginners and pros.

Welcome Bonuses and Rewards

Similar to Bybit, MEXC offers a generous welcome bonus for new users, sometimes going up to thousands in USDT or other rewards. This can give you a head start when you're beginning your trading journey. Additionally, MEXC often has special promotions and events that allow you to earn extra rewards for trading.

Visit MEXC here

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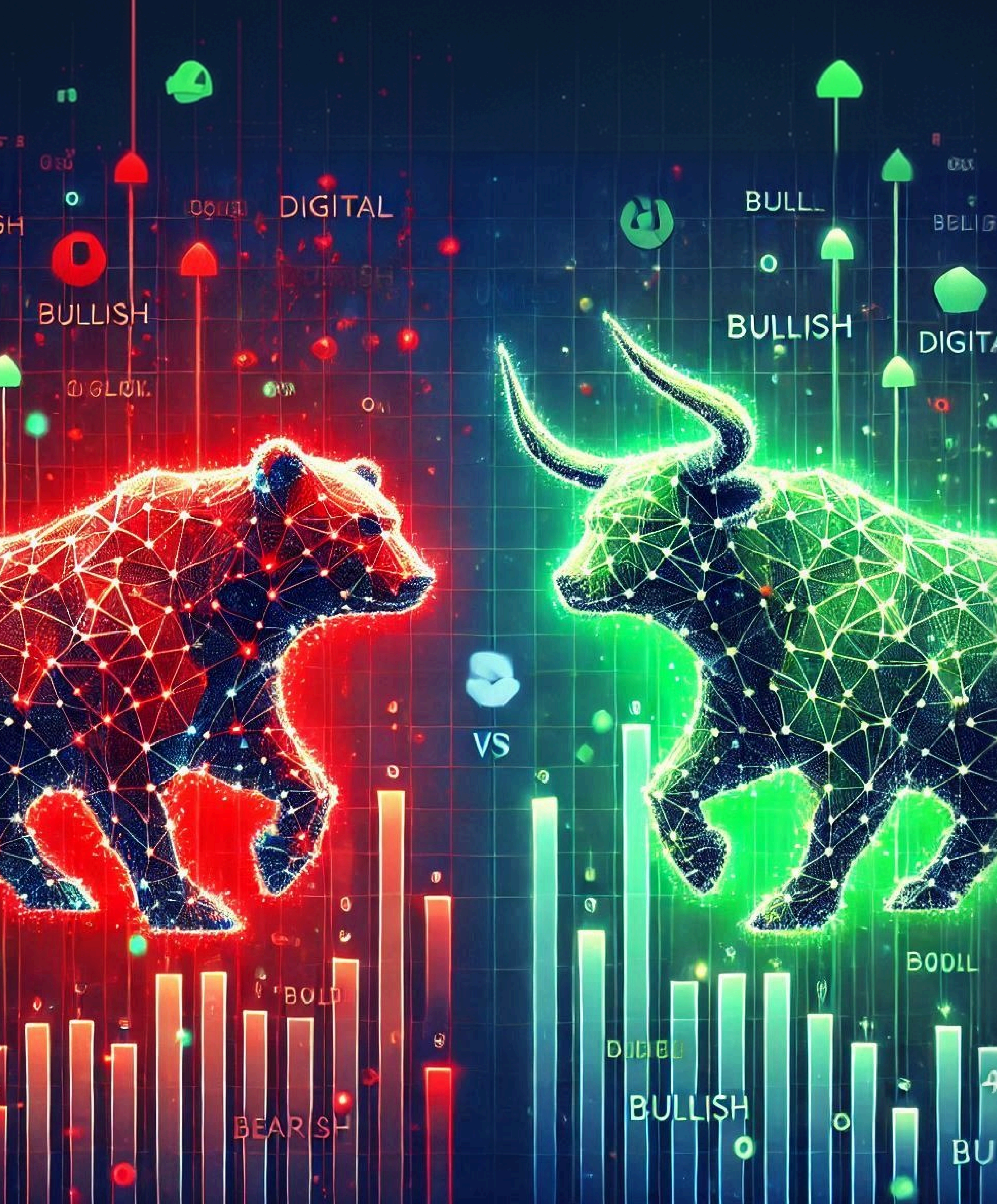

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How to Choose Between Bybit and MEXC?

While both Bybit and MEXC are excellent platforms, your choice may depend on your specific needs as a trader. Here are a few questions to consider:

- Are you interested in derivatives trading or leveraged positions?
- If yes, Bybit might be the better option, as it specializes in futures and derivatives markets.
- Do you want access to a wide range of lesser-known altcoins?

- MEXC shines in this area, offering an impressive selection of tokens that other exchanges may not list.
- Are low trading fees a priority for you?
- Both platforms offer competitive fees, but MEXC is known for having some of the lowest rates in the industry.

In my trading journey, I often use both platforms depending on the strategy I want to apply.

Bybit for more structured, higher-leverage trades, and MEXC when I want to explore newer tokens with low fees.

I always recommend diversifying not just in your assets but also in the tools and platforms you use.

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Getting Started: Simple Steps

1. Register on Your Chosen Platfor

Whether you choose Bybit or MEXC, the sign-up process is straightforward.

Both platforms require a valid email and a secure password. Once registered, you'll need to verify your identity (KYC) to unlock all features and bonuses.

2. Deposit Funds

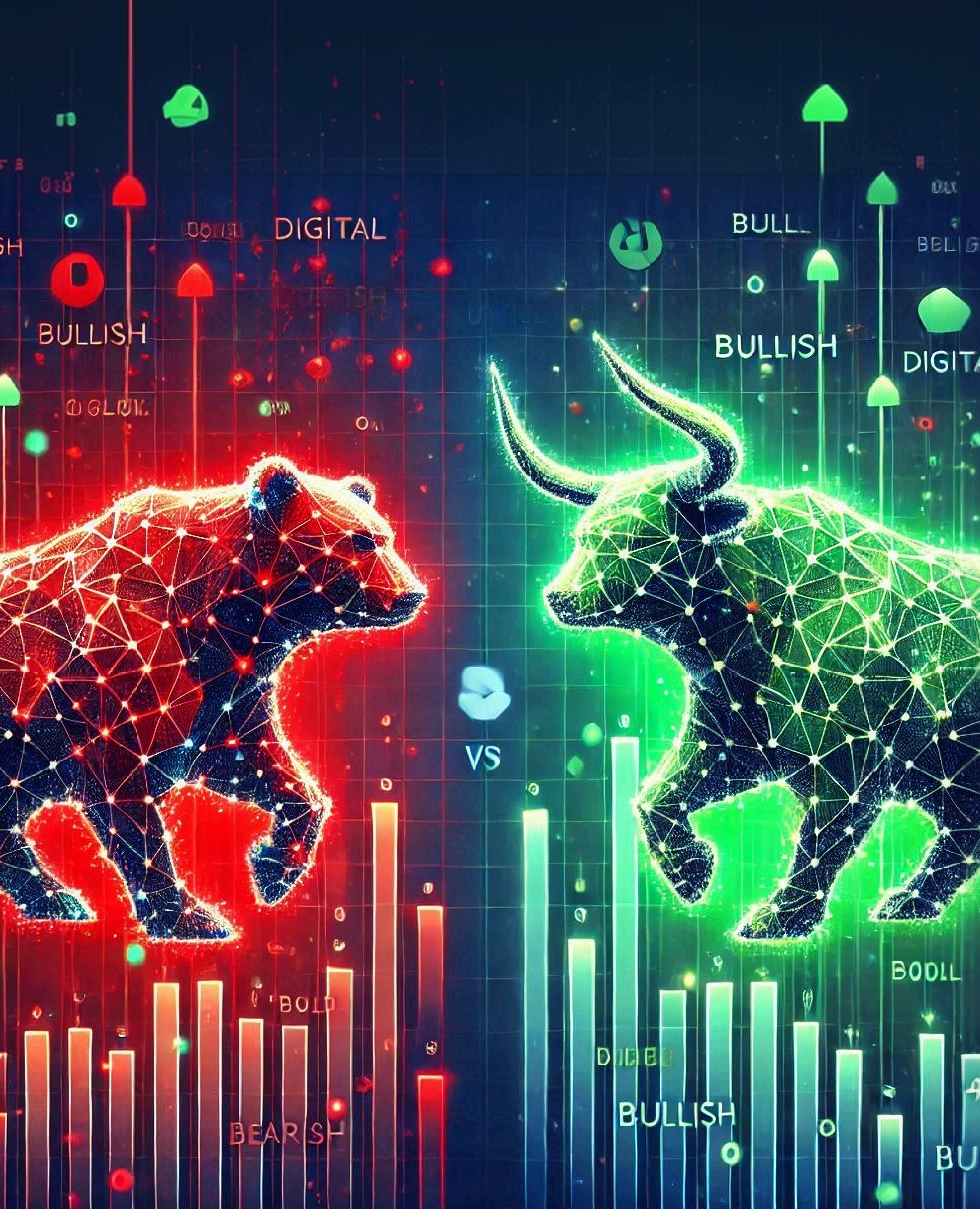
After registration, you can deposit funds into your account. Both Bybit and MEXC support a wide variety of cryptocurrencies and fiat currencies for deposits. Choose the option that works best for you.

3. Start Trading

Once you’ve funded your account, it’s time to start trading! I recommend starting small, especially if you’re new to the platform, and using tools like stop losses and take profits to manage your risk.

Every expert was once a beginner. The key is to start, learn, and improve.

Chapter 3: The Crypto Day Trading Accelerator Framework



The Crypto Trading Accelerator takes a prudent trading approach that stays with the market trend. It covers the following aspects:

•Identify coins with the highest market capitalisation
•Determining the right timeframe to use
•Determining the trend direction on the higher timeframes
•Find entry points in the lower timeframes
•Calculate the risk to take
•Setting risk defined targets

3.1 - Identify coins with highest market cap

In day trading, the coins with the highest market cap are the best ones to trade. To find these coins, you have to first head over to https://coinmarketcap.com/ and look for the top 10 cryptocurrencies starting with the largest market cap

If USDT and USDC appears in the top 10, ignore these two pairs as they are the USD equiv- alent and are rather flat..

The reason for using market capitalisation as a benchmark is that it is an indicator of the dominance and popularity of that cryptocurrency.

The more popular the coin, the better it is for day trading as it has a large number of market participants and liquidity so that your orders can be filled quickly.

If you are using CFDs to day trade, this will be less of a concern because the CFD brokerage will have only a limited number of cryptocurrencies to trade.

The main ones offered are usually BTC/USD, ETH/USD, LTC/USD. Tip: Focus on 1 or 2 coins to day trade such as BTC and ETH. These 2 coins have a decent price range movement per day to make sufficient profits.

Why Trading Volumes Matter

The next thing to look for when choosing a coin to day trade is its trading volumes. Cryptocurrency trading volume can provide a good indication of how liquid a cryptocurrency's market is.

The trading volume details the number of that particular cryptocurrency that has been bought and sold on trading platforms in 24 hours.

Having large trading volumes help avoid drastic price movements in a cryptocur- rency price after a significant sale.

A greater volume of cryptocurrency transactions leads to fair cryptocurrency prices and removes the chance of distorted pricing.

This is dramatically different with coins that have lower volumes. Coins with lower trading volumes constantly face liquidity challenges that often result in market manipulation, which hurts smaller investors and pushes them out.

Again this is less of a concern if you are using CFDs to trade as the brokers have sufficient liquidity for you to trade with them.

3.2 – Determine the right timeframe to use

When it comes to day trading, the Crypto Trading Accelerator methodology uses the multiple timeframes trading approach. The higher timeframe is used for determining whether we should be buying or selling a certain cryptocurrency.

The lower timeframe acts as the entry point for opening a trade. The reason for this is so that we can have a complete picture of price movements from a birds eye view and what is happening on the ground.

In order to determine which timeframes to use, the first question to ask yourself is are you a scalper or a intraday swinger?

For scalpers, the 5 minutes and 30mins charts serve as a good benchmark.

For intraday swingers, use the 1 Hour and 4 Hour charts.

In the next chapter, a detailed explanation will be provided of how I determine these timeframes for trading cryptocurrencies.

3.3 – Determine the trend on the higher timeframe

The trend on higher timeframe trends forms the overall market bias for that spe- cific timeframe. If the overall market bias is bullish, it is more likely to go up than down, even if the lower timeframes are going bearish.

Similary, if the overall market bias is bearish, it is more likely to go down than up, even if the lower timeframes are going bullish.

Following the higher timeframe market bias places the odds in our favour, giving us the chance to become the casino instead of the gambler.

In the following chap- ters, I will go into detail on how you can identify these trends accurately and be on the right side of the market.

3.4 – Find entry points on the lower timeframe

Once the higher timeframe trend or market bias has been determined, the lower timeframes will be used to search for the best points of entry using a combination of price action and indicators.

In uptrend markets, we look for buys only. In downtrend markets, we look for shorts only. In the following chapters, the setups that I used will be discussed further along with examples.

3.5 – Calculate the risk to take

Managing the risk of every trade is the most important aspect of whether you can be profitable. That way, even if you have a string of losses, your account will still have room to continue trading. Many day traders think that placing stop losses causes the market to hunt their stops before turning back to their intended direction. In some cases, the market just tanks and wipes the whole account out.

While this phenomenon is indeed very true, it cannot be avoided completely, espe- cially when trading cryptocurrencies. If you can't avoid it, then play along with it! Setting a predefined risk ensures that you are able to stay in the game, even if you are taken out once or twice. There will always be a second chance for entry.

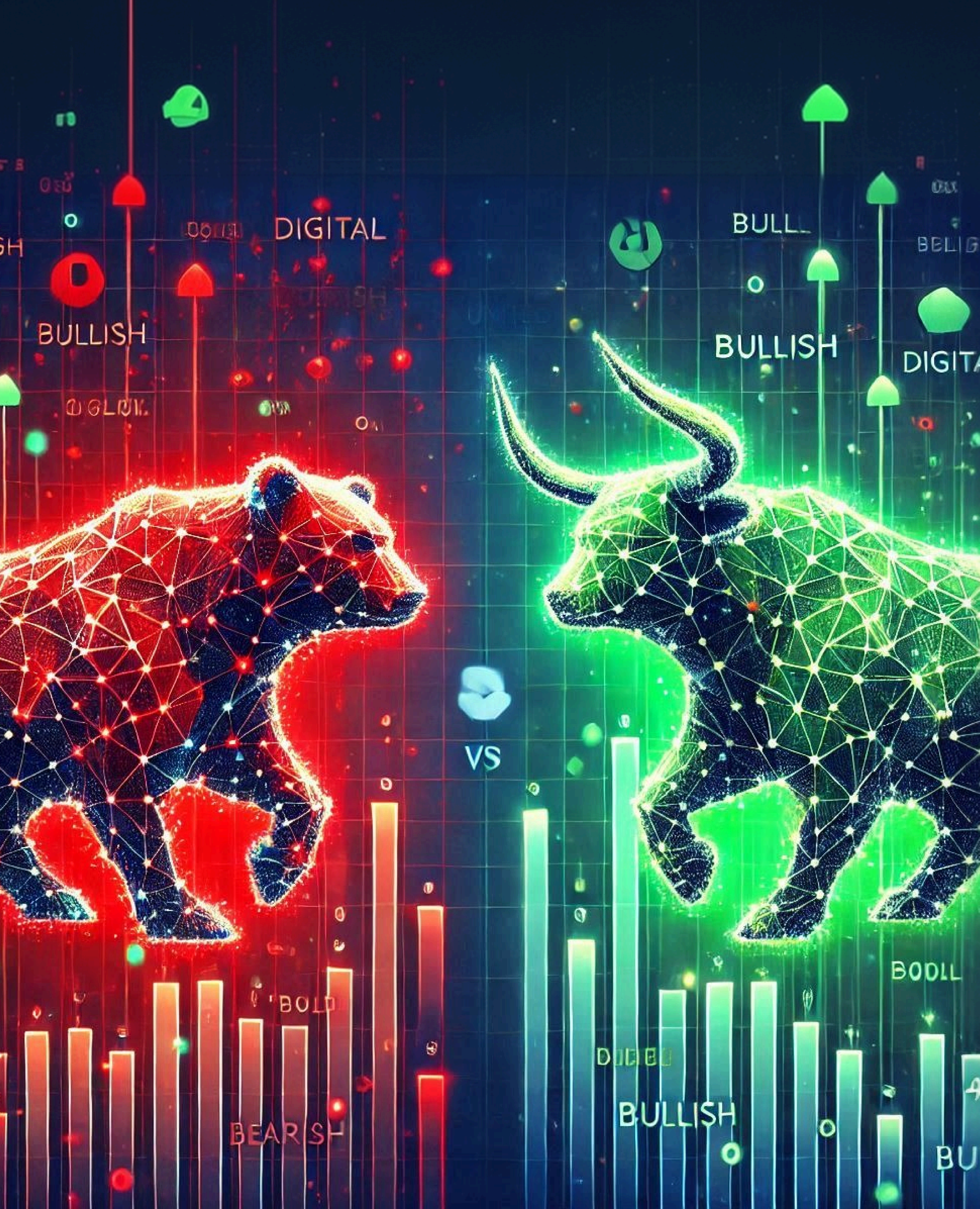
Why Use the Average True Range Indicator?

The ATR indicator is a market volatility indicator. By using this, you have the advan- tage of defining your risk based on the cryptocurrency's volatility since market prices are never moving in a straight line! There will be days where prices have a larger range of movement, so your defined risk has to cater more allowance for this price movement range. The ATR is the per- fect tool to measure this!

3.6 – Setting risk defined profit targets

Taking your profits consistently in a systematic manner is very important in day trading. For most trading sessions in the 24hr crypto market, the market move- ment is limited. Day traders do not go very far with letting profits run. We must take profits when- ever we can to lock in those gains. For setting targets, a 1.5 times of your risk will be an optimal target for taking profits. Setting targets ensures that you lock in your profits and see that account figure growing!

Chapter 4: How To Find The Best Timeframes To Trade



Finding the best timeframes to trade has always been a subjective one. Some pre- fer the one minute charts and others prefer the using Daily charts.

The key here is that it all depends on the price action of that particular cryptocurrency and also your trading objective.

4.1 – Use clean price movements

We first want to look at charts that have clean price movements. They consist of complete candlesticks, with little to no gaps on the open price from the previous closing prices. Let's compare these 2 charts of ADA/USD on the One minute vs ADA/USD on the Hourly chart. Do they look the same? Are there any difference between the two charts?

ADA/USD One Hour chart

Figure 4.2 : ADA/USD One minute chart

ADA/USD One minute chart

As you can see, the ADA/USD one minute chart has lots of incomplete candles, having many gaps in between. This is considered as a timeframe that is not ideal for trading.

Not even scalping! On the other hand, the hourly chart has complete candlesticks, with little to no gaps in between them.

This is considered an ideal timeframe to trade. Let's have another example. Compare these 2 charts of DOGE/USD on the 5 min- utes and Hourly charts.

Are they suitable for day trading?

DOGE/USD 5 minute chart

As you can see, the 5 minutes chart on DOGE/USD can still be traded since there is little to no gaps between the open and close prices and has complete candle- sticks, although it looks a little messy. On the Hourly chart, it is also an ideal time- frame to be traded.

4.2 – Your trading objective

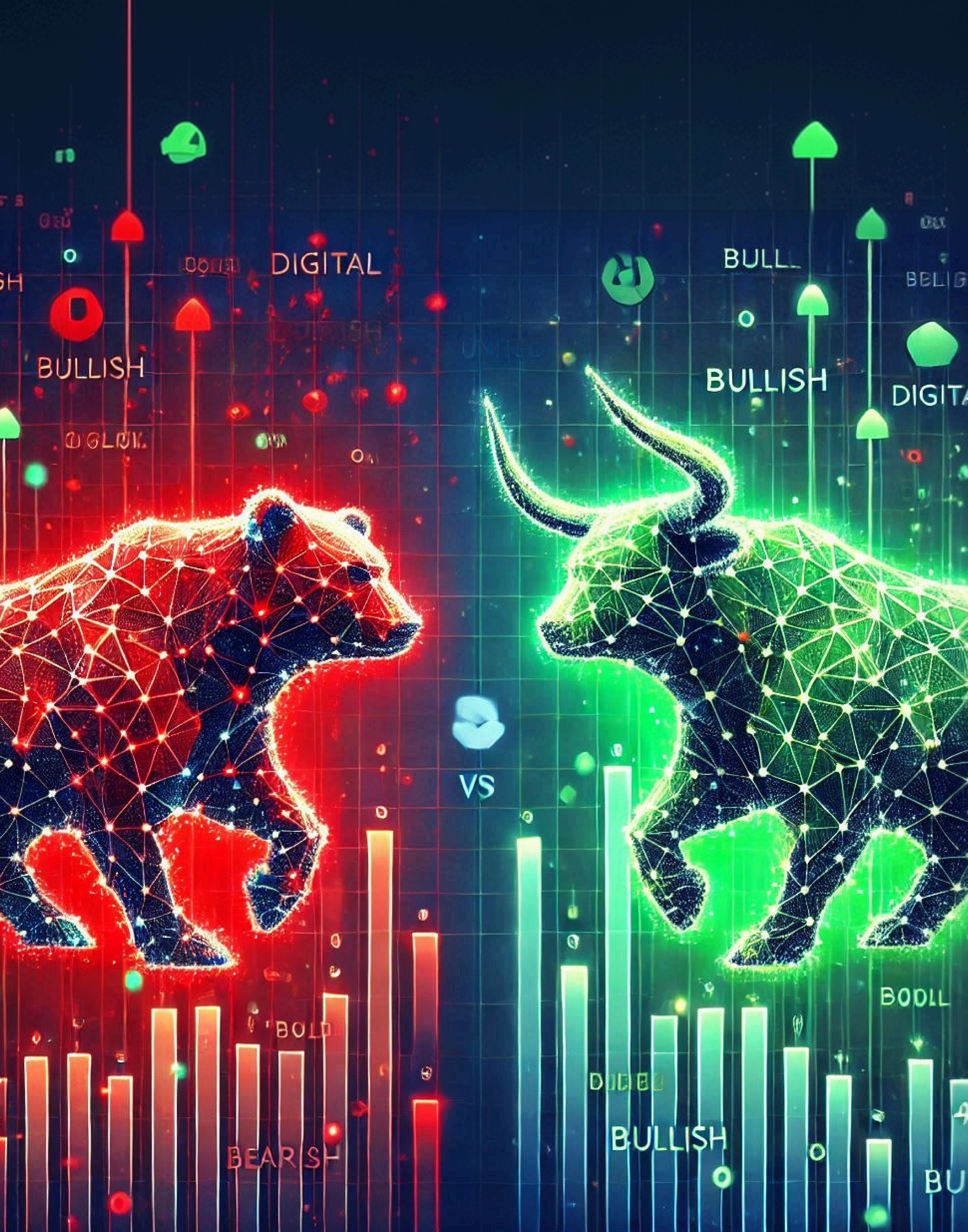
Now that brings us to the second criteria, your trading objectives. In the Crypto Trading Accelerator methodology, the optimal timeframes for intraday swingers are the 1 hour charts for entries and 4 hour Charts to determine market bias. For scalpers are the 5 minutes and 30mins charts as mentioned in the previous chapter. The trading objectives of intraday swingers are to capture a few price swings within the day without being tied to the screens.

For scalpers, they are willing to be at the screen for a few hours, capturing small profits in mere seconds or minutes. The lower the timeframe you go, the smaller the overall profits per trade will be, even if the charts show a huge move.

This means that for the scalpers, they will need a large number of trades in order to see some decent profits. Whereas for intraday swingers who are on the higher timeframes, they require only a couple of decent swings to make decent profits. As a rule of thumb, choose the higher timeframe that is 4 to 6 times longer than the trading timeframe.

If you are looking to enter on the 1 hour charts, then use the 4 hour or 6 hour chart as the higher timeframe.

Chapter 5: How To Achieve Positive Expectancy In Day Trad- ing



In day trading, there will always be wins and losses, similar to running a business. The expectancy of a trading setup refers to the outcome of taking that setup many times over a long period of time. Having a positive expectancy is also referred to as having a trading edge.

In order to achieve positive expectancy, you will need 2 things: A risk reward ratio and posi- tion sizing management.

What is risk-reward ratio?

The risk-reward ratio measures how much your potential reward is, for every dollar you risk.

For example: If you have a risk-reward ratio of 1:2, it means you're risking $1 to potentially make $2.

If you have a risk-reward ratio of 1:6, it means you're risking $1 to potentially make $6.

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If you have a risk-reward ratio of 1:6, it means you’re risking $1 to potentially make $6.

Risk-reward ratio is only part of the equation

The risk-reward ratio is meaningless on its own. Most people think that having a perfect risk reward ratio will definitely lead them to having profitable trades.

Here's an example: Let's say you have a risk reward ratio of 1:2 (for every trade you win, you make $2). But, your winning rate is 20%.

So out of 10 trades, you have 8 losing trades and 2 winners. Let's do the math...

Total Loss = $1 * 8 = -$8 Total Gain = $2 * 2 = $4 Net loss = -$4 As you can see, even having a good risk reward ratio doesn't guarantee you anything. Using the risk reward ratio as a standalone is a meaningless metric

Instead, you must combine your risk-reward ratio with your winning rate to know whether you'll make money in the long run (known as your expectancy).

Position Sizing Management

The next thing to know is how many coins should you purchase per trade so that you won't lose a big chunk of your account when you get stopped out. Here's the formula to do it:

Position size = Amount you're risking / stop loss amount Let's say...

Your risk is $1000 per trade and your stop loss amount is $1080 Plug and play the numbers into the formula and you get... 1000 / 1080 = 0.925 coins This means if your risk is $1000 per trade and your stop loss amount is $1080, then you'll need to trade 0.925 coins or 0.9 coins to make it easier.

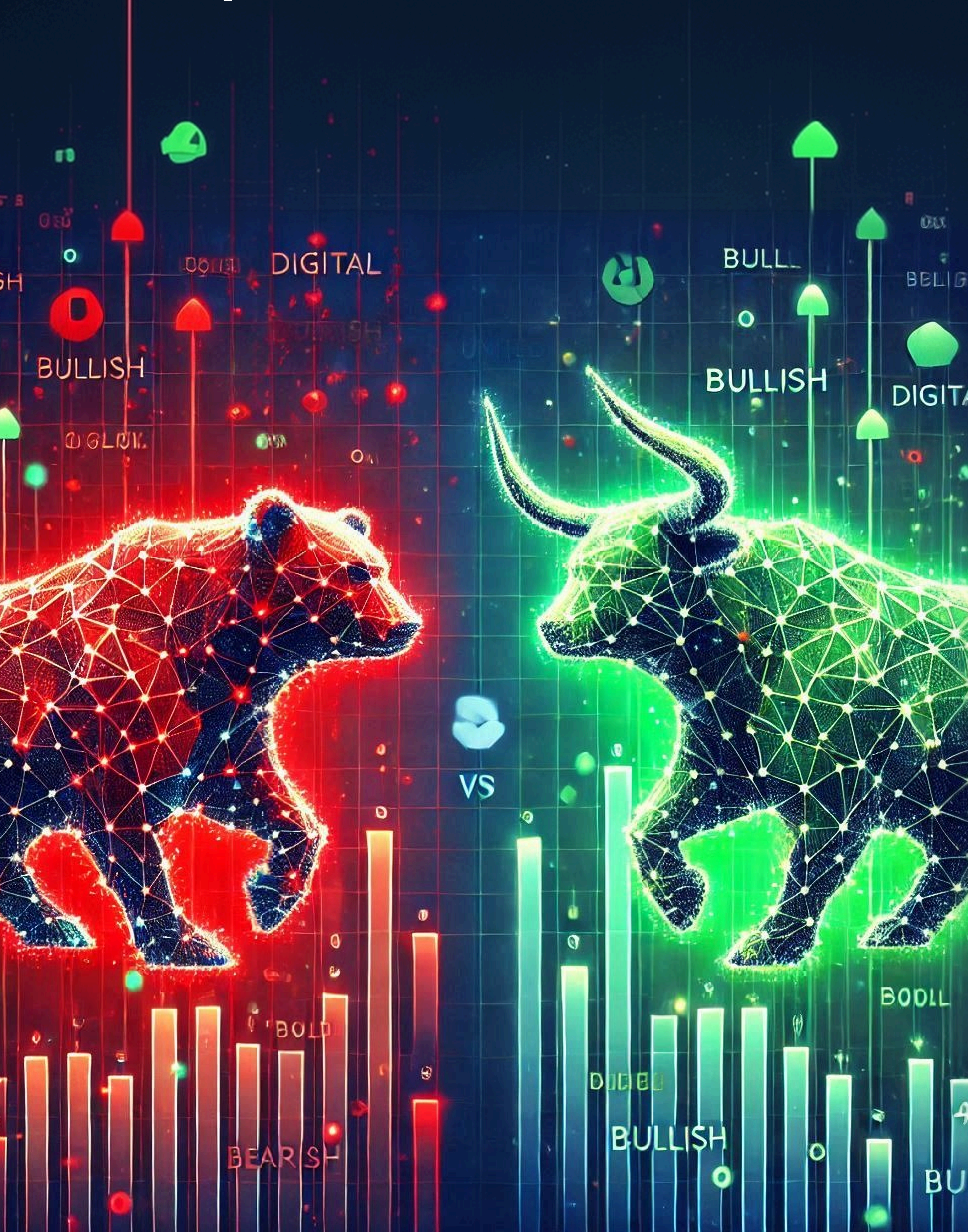
As a general guideline, the size of the trade depends on the amount you're risking.

Every trade that you enter should only risk at most 5% of your capital. For example, if you have an account size of $30,000, the risk per trade you can take is at most $1500.

Conclusion:

By employing risk reward, position sizing management and the right setups, you will be able to achieve positive expectancy.

Chapter 6: Crypto Trading Accelerator, Day Trading Setups



Now that you have learnt how to choose the right coin to day trade and the best timeframes to trade on, it is time to dive into the setups.

Methodology of the Crypto Trading Accelerator

Having a trading setup defines a set of conditions that we can consistently use and be as systematic as possible. In day trading, randomly entering based on stand- alone indicators, price actions and random tactics is a sure way to random your ac- count balances too.

Exponential Moving Average (EMA) vs. Simple Moving Average (SMA)

Moving averages are essential tools in technical analysis, used to smooth out price data and identify trends. The Simple Moving Average (SMA) is calculated by averaging a set number of past prices over a specific period. For example, a 10-day SMA averages the last 10 days of closing prices. It's useful for identifying long-term trends but can be slow to react to recent price changes.

The Exponential Moving Average (EMA), on the other hand, gives more weight to recent prices, making it more responsive to recent price movements.

This makes the EMA faster in identifying changes in trends compared to the SMA. It is often preferred for shorter timeframes or when you need a quicker response to price shifts.

How to Use Them:

- SMA is ideal for long-term trend analysis, as it smooths out short-term fluctuations.
- EMA is better for shorter-term trend spotting, helping to identify more immediate changes in market direction.

Traders often use both in combination, such as the 50-period SMA for trend direction and the 9-period EMA for entry and exit signals.

Long trade setup: Here are the steps to execute a long trade using the pedal to the metal strategy:

1.On the 4 Hour timeframe, check that the 30 sma is above the 200 sma.

This means that market bias is bullish. Look for Long trades only.

1.Head over to the Hourly timeframe, and look for the stochastic oscillator %K to cross above the %D. The crossover must take place below the overbought level of 80.

Ensure that the candle closes bullish and the close price is greater than the
mid-price. The mid-price is calculated as (high – low)/2.

1.Entry is anywhere between the mid-price and the close price of this candle.

1.The stop loss level is set at Entry price minus the 1.5 times of the ATR (14) value.

2.The profit target is set at 1.5 times of your stop loss risk. Your stop loss risk is the difference between the entry price and the stop loss level.

To calculate the profit target level, add 1.5 times of this stop loss risk to the entry price. Let’s look at a few examples.

Long entry example 1: BTC/USD Figure 6.3 – Higher timeframe 4 hour chart on BTC/USD

On the 4 hour timeframe, the market direction was bullish with the 30 SMA above the 200 SMA. This tells us that we only look for Longs on the 1 Hour Chart.

Lower timeframe 1 Hour Chart on BTC/USD

On the 1 Hour, we realised there was a stochastic crossover of the %K above the %D line that took place below the overbought value of 80.

1.The candlestick that was in line with this crossover had closed bullish above the mid price.

2.We waited for the price to retrace back between the close and the middle price within the next candle before placing the market order for a long entry.

3.The risk was based off 1.5 times the ATR value. The target was added from the entry based of 1.5 times of the risk.

To illustrate better, here are some figures from the trade.

Close price = 55140.34, Mid-price = 54,840 ATR value = 721.29

Entry: 55014.07

Stop loss level = Entry price – (1.5 x 721.29) = 53932.13

Stop loss risk = 1.5 x 721.29 = 1081.93 Target profit level = Entry price + (1.5 x stop loss risk) = 56,636.96

The target profit level was achieved within 6 candles. If you had bought 1 BTC/ USD, that will be profits of $1622.89 in a day!

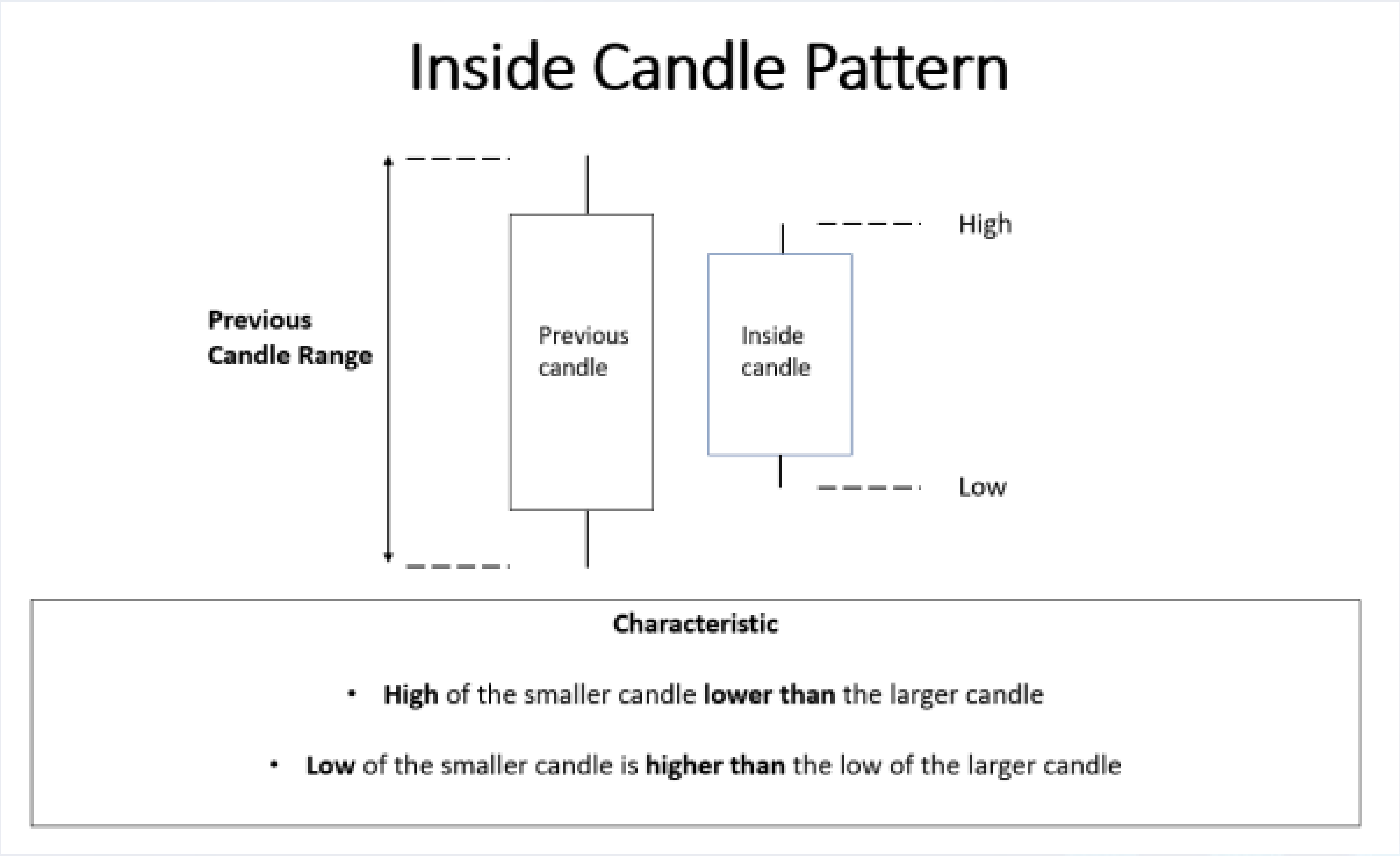
But it also depends also from the leverage you use.

For example if you're using 20x leverage the profit is 20x that.

The Inside Candle Pattern The next thing you must know before heading over to the strategy is the inside candle pattern.

The inside candle pattern is a two candlestick price pattern that occurs when the second candle has a price range that is completely inside the first candle's price range.

The high of the second candle is lower than the first, and the low of the second is higher than the first. Its price range is measured from the low to the high of the candle.


Inside Candle Pattern
Previous Candle Range
Previous candle
Inside candle
High
Low
Characteristic
• **High** of the smaller candle **lower than** the larger candle
• **Low** of the smaller candle is **higher than** the low of the larger candle


Examples of an Inside Candle in the actual market

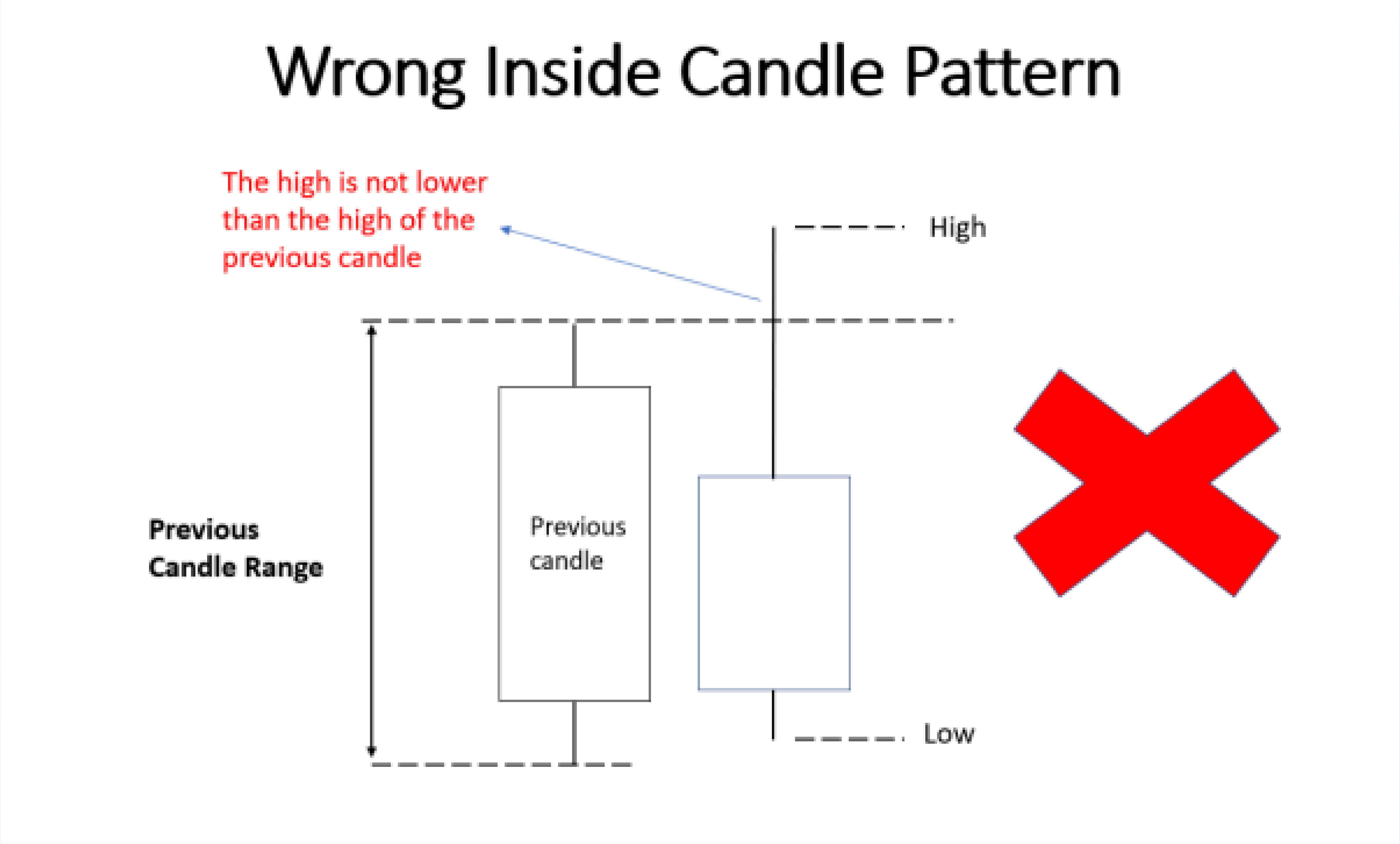
What Is The Rationale Behind This Movement?

The Inside candle pattern shows that the market is facing some indecision and is consolidating, causing prices to move in a smaller range.

It tells you that the cryp- tocurrency is setting up for a potentially explosive move up or down.

Common Misconception With The Inside Candle Pattern

Some people confuse Inside Candles with candles that only have a body located in- side the previous candle's range, but not the highs and lows.



Remember, for a correct inside candle pattern, look at the high and low to ensure it is within the previous candle's range.

Long trade setup:

Here are the steps to execute a long trade using the explosive breakouts strategy:
1.On the 4 Hour timeframe, check that the 30 sma is above the 200 sma. This
means that market bias is bullish.

Look for Long trades only.
1.Head over to the Hourly timeframe, and look for the inside candle pattern.

1.Ensure that the inside bar pattern is below the Upper Bollinger Band.

1.Also ensure that 2 candlesticks before the inside candle pattern is below the Upper Bollinger Band

2.Entry is using a buy stop order at the high of the inner candle. Cancel the order if it is not triggered in 1 candle.

3.The stop loss level is set at Entry price minus 1 times of the ATR (14) value.

4.The profit target is set at 2 times of your stop loss risk. Your stop loss risk is the difference between the entry price and the stop loss level.

To calculate the profit target level, add 2 times of this stop loss risk to the entry price. Let's look at a few examples.

Long entry example

1: ETH/USD Figure 6.17 – Higher timeframe 4 hour chart on ETH/USD

On the 4 hour timeframe, the market direction was bullish with the 30 SMA above the 200 SMA. This tells us that we only look for Longs on the 1 Hour Chart.

Lower timeframe 1 hour chart on ETH/USD

On the 1 Hour, we realised there was an inside candle pattern that took place below the upper bollinger band. The 2 candles before the inside candle pat- tern were also below the upper band. This gave us the green light.

1. We placed a buy stop order just above the inner candle high and that order was triggered.

2. The risk was based off 1 times the ATR value. The target was added from the entry based of 2 times of the risk.

3. To illustrate better, here are some figures from the trade.

ATR value = 44.59 Entry: 3226.9

Stop loss level = Entry price - (1 x 44.59) = 3182.31

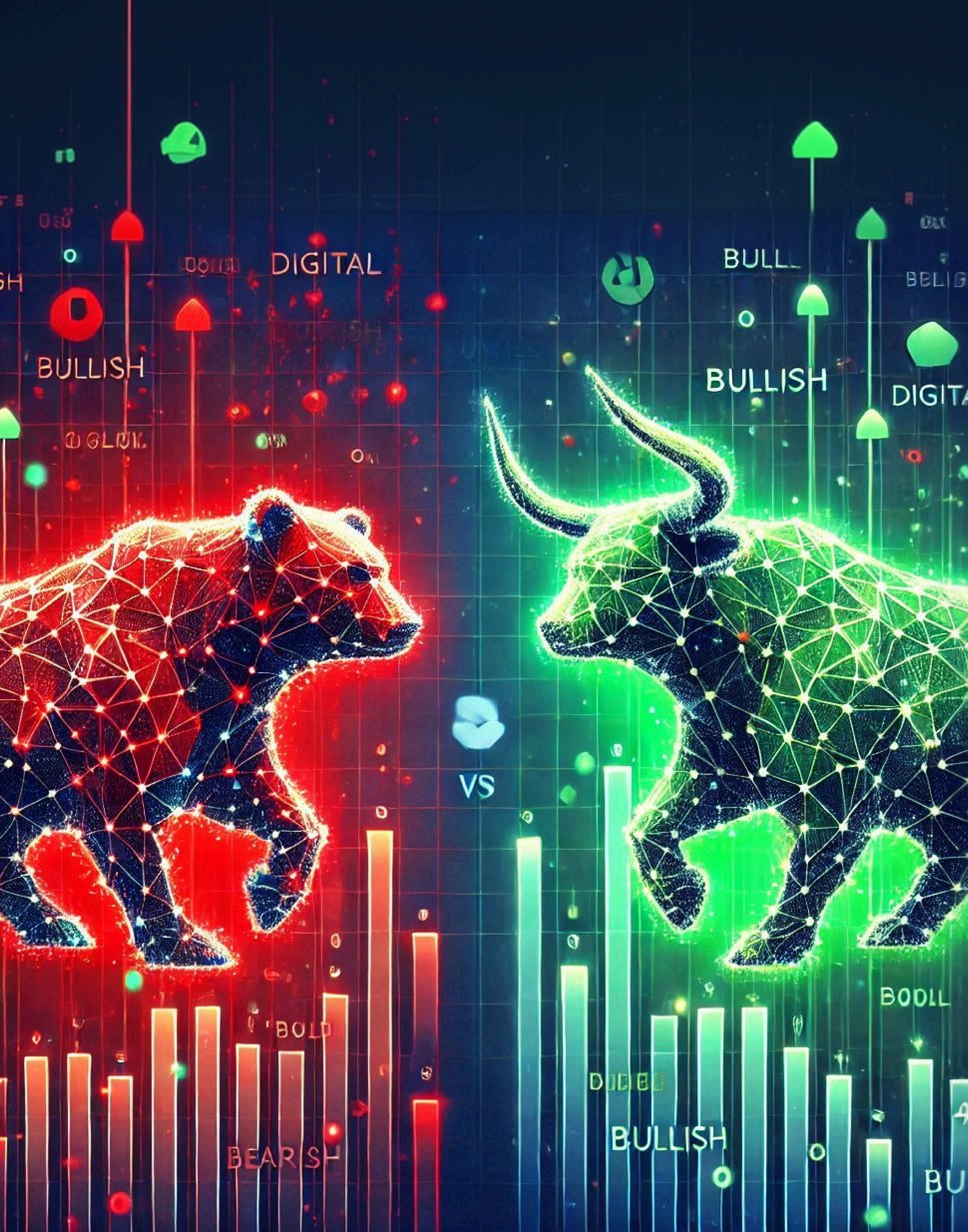
Stop loss risk = 44.59

Target profit level = Entry price + (2 x stop loss risk) = 3316.08

The target profit level was achieved within 6 candles. That was on the large green candle in the diagram above.

If you had Long 10 ETH/USD, that will be profits of
$891.8 in a day!

Chapter 7: How To Extract More Profits While Keeping Your Trades Risk Free?



After going through the examples, you would have realised that on some occasions, there could be more profits to extract on that single trade.

What most people will do is to set their targets even further than 2 times the risk amount. More often than not, their trades will turn from winning to losing ones.

Using Trailing Stops to take profits

In order to let your profits run, we use trailing stops. Trailing stops are stop orders that you can adjust manually on the BYBIT or MEXC platform.

As for other crypto platform, do check their help articles on how you can do that as every platform has a slightly dif- ferent way of doing it.

Trailing stops are in fact just buy stop and sell stop orders. Recall that in chapter 6, the risk that you take is the stop loss level that you set after opening a trade.

This stop loss level is a sell stop order if you have went Long or a buy stop order if you have went Short. As the trade moves in your favour, we shift this stop loss level nearer to our entry point.

How do we determine the best way to move the trailing stop?

In order to deploy the best way of trailing stops so that you can get a risk free trade, we have to use an indicator called the Parabolic SAR. The Parabolic SAR places dots on the chart to indicate potential reversals in price movement.

Once the price breaks above the dot that is above it, the PSAR changes to the bottom of the candle.

Similarly, once price breaks below the dot that is below it, the PSAR changes to the top of the candle.

Parabolic SAR on ETH/USD

Long Trailing Stop Example

Here’s an illustration of what goes on during the trade.

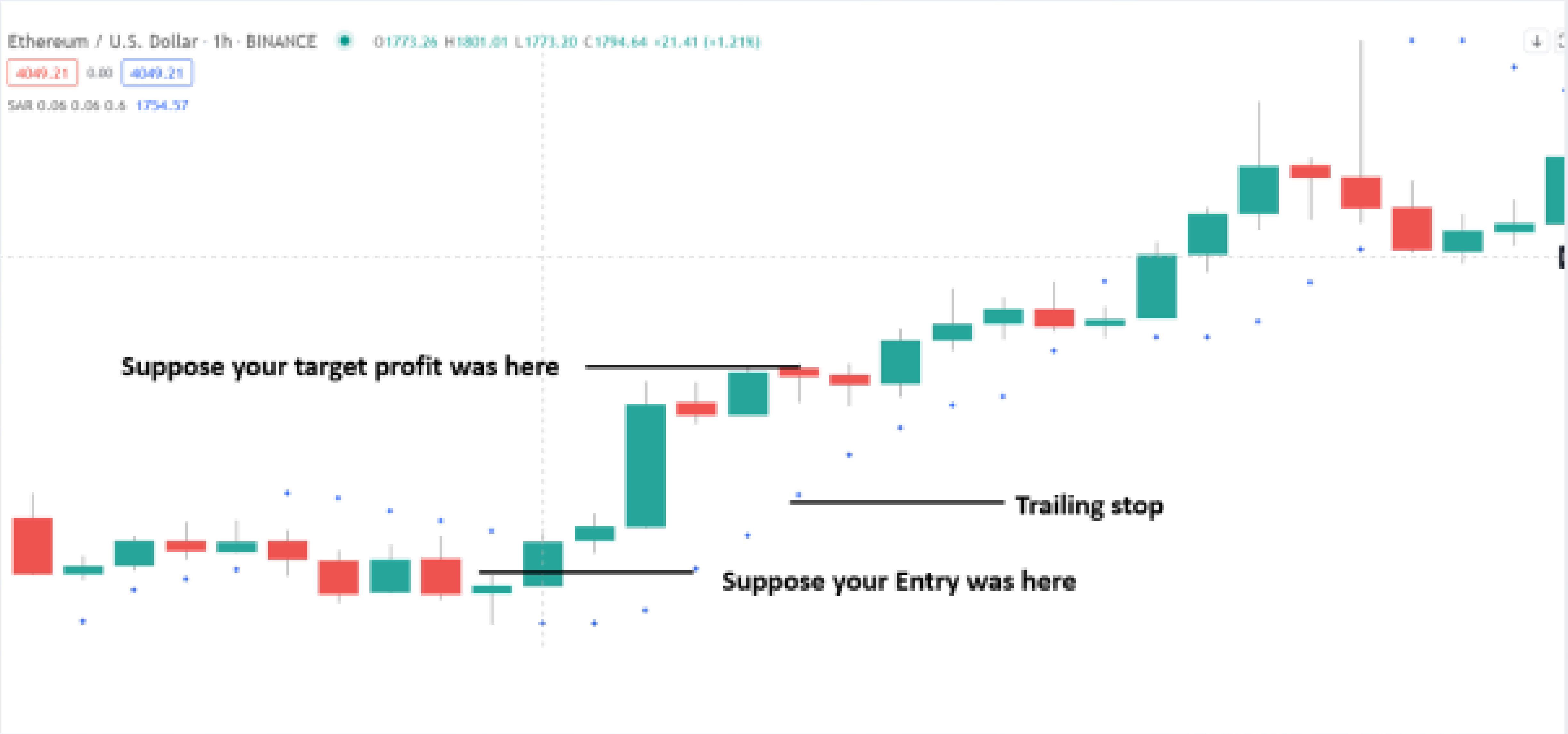
Suppose that your entry, stop loss and target profit are already defined as laid out in the setups.

You will now like to let these profits run.

You would take half of your position at the initial target profit level, leaving the other half to run.

By doing so, you have already locked in some profits.

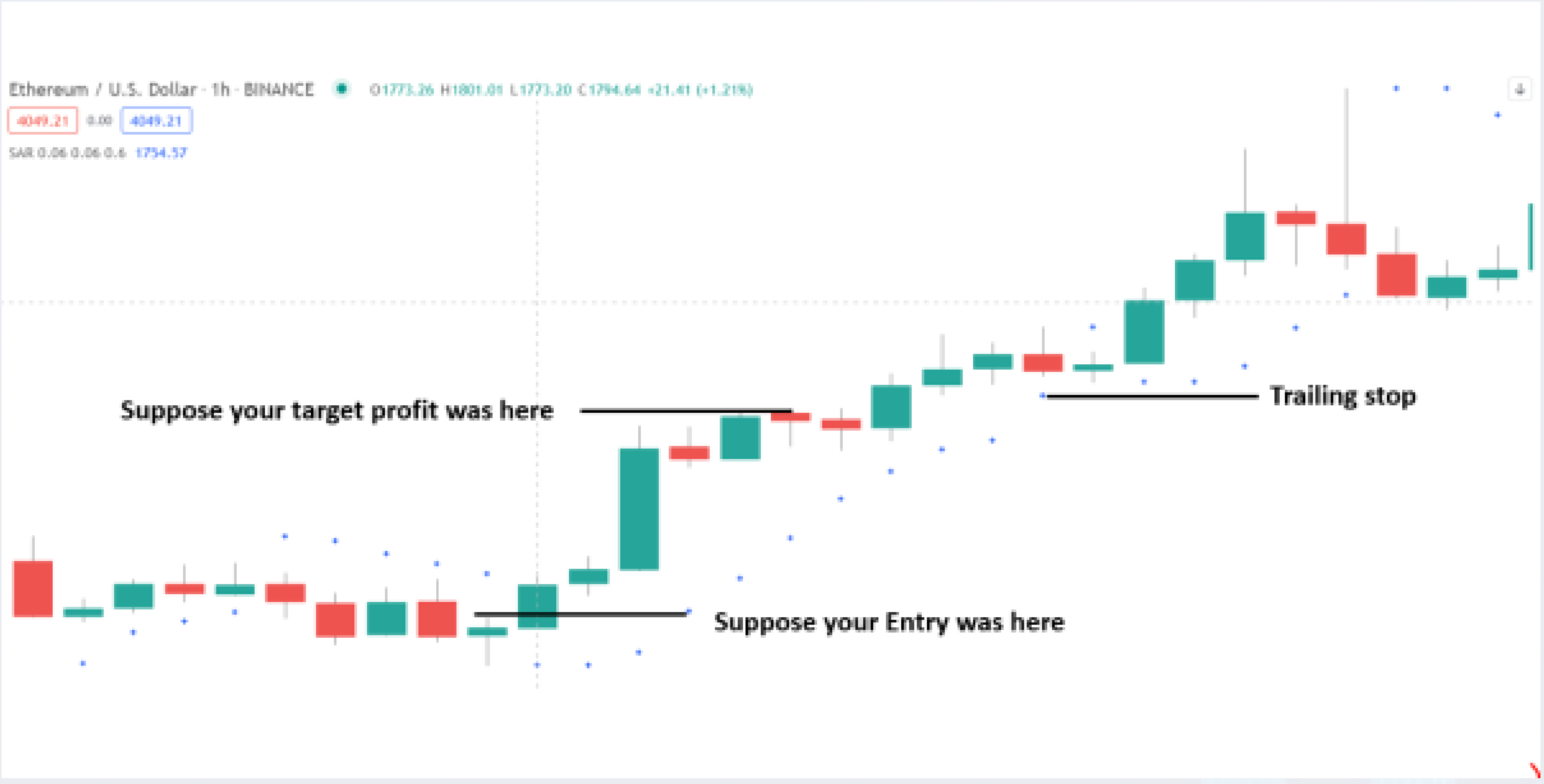
Long Trailing Stop Example 2



In figure above, the stop loss level for the remaining position will be shifted to the nearest parabolic sar level that is below the candle.

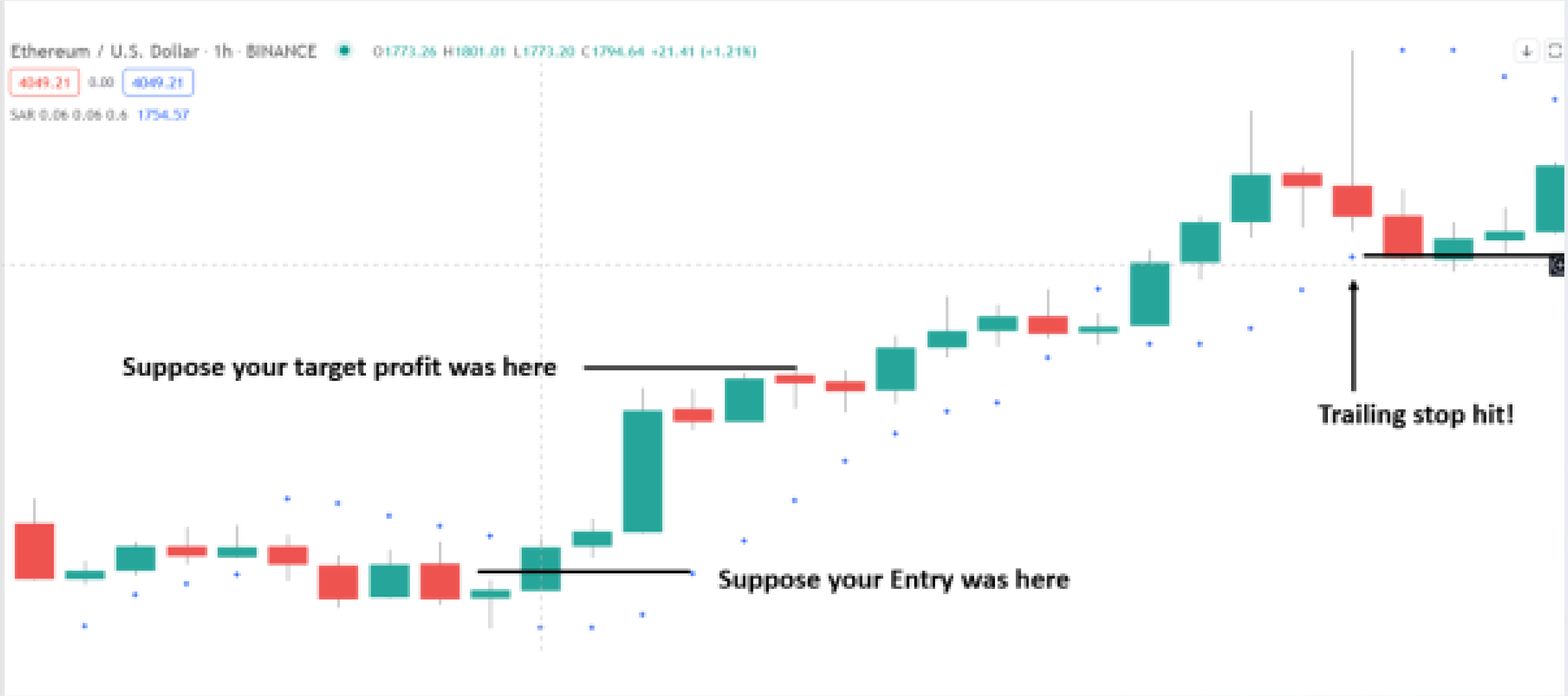
As price has not triggered the trailing stop order and continues moving up, we con- tinually shift our trailing stop according to the parabolic sar dots.

Long Trailing Stop Example 3



even though the parabolic sar dot has changed from bottom to top, price still has not triggered the trailing stop order. In such a case, we maintain our trailing stop order and allow price to continues moving.

Long Trailing Stop Example 4



At last, our trailing stop has been hit. We are out of the trade and locked in the profits for the remaining half position

Steps to using a Trailing Stop For a Short Trade

1. Calculate your take profit level based on the setups

2. Exit half of the position at the initial profit target, then shift the stop loss level of the remaining half to the nearest parabolic sar level that is above the candle.

3. As each candle closes and forms a new candle, a new parabolic sar dot will form. The trailing stop is continually shifted until price triggers the order.

Steps to using a Trailing Stop For a Short Trade

1. Calculate your take profit level based on the setups

2. Exit half of the position at the initial profit target, then shift the stop loss level of the remaining half to the nearest parabolic sar level that is above the candle.

3. As each candle closes and forms a new candle, a new parabolic sar dot will form. The trailing stop is continually shifted until price triggers the order.

Short Trailing Stop Example

Here's an illustration of what goes on during the trade.

Suppose that your entry, stop loss and target profit are already defined as laid out in the setups.

You will now like to let these profits run.

You would take half of your position at the initial target profit level, leaving the other half to run. By doing so, you have already locked in some profits.

Trailing stop short example

In figure above, the stop loss level for the remaining position will be shifted to the nearest parabolic sar level.

As price has not triggered the trailing stop order and continues moving down, we continually shift our trailing stop according to the parabolic sar dots.

Now that price has finally triggered the trailing stop order, we are out of the trade and locked in the profits for the remaining half position.

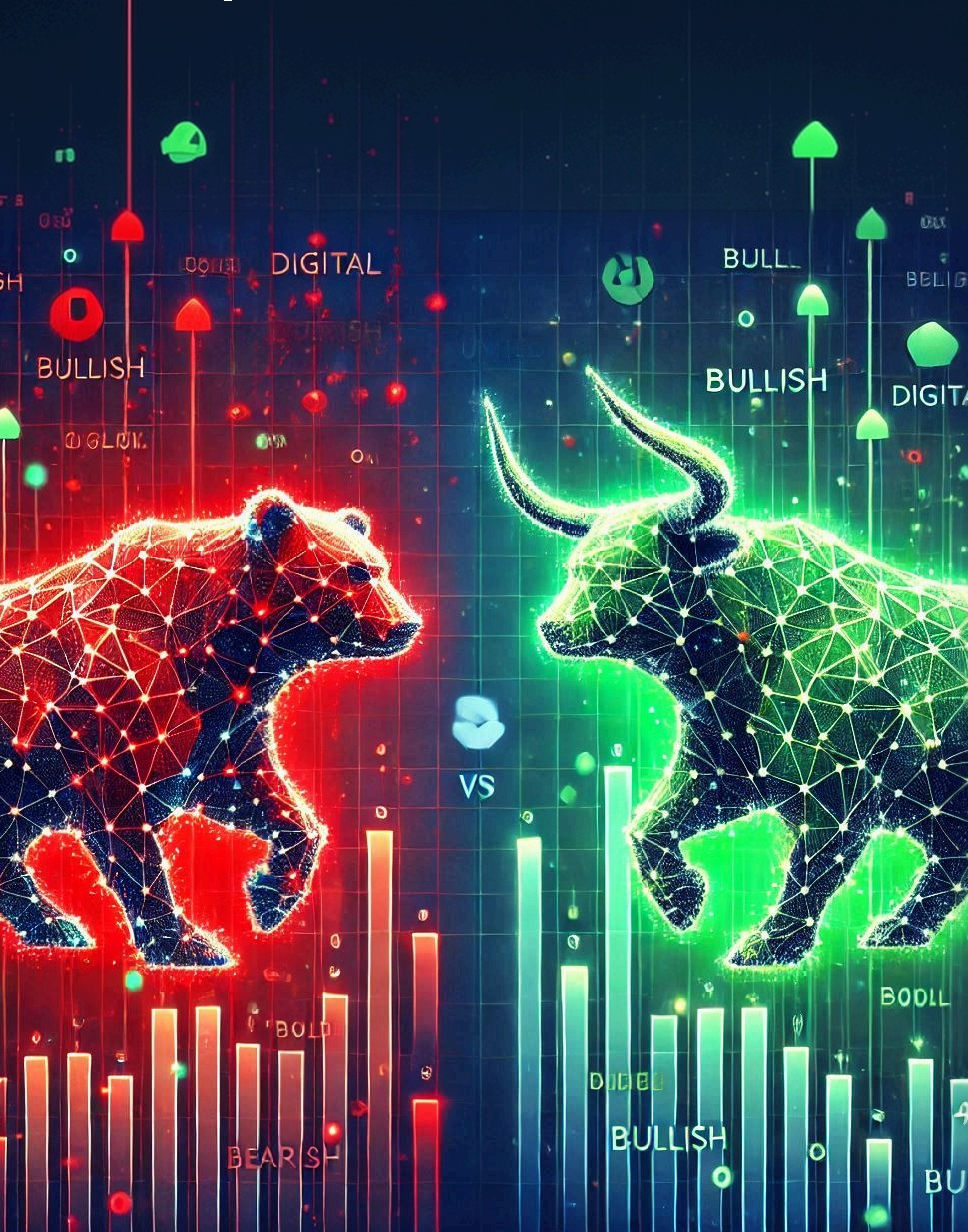
And there you have it, a risk free trade that allows you to let your profits run.

Additional Pointers For Using Trailing Stops

As you can see from the above examples, trailing stops are really decent tools to use. In the Long example, the remaining half position was able to extract almost all the profits from the bullish run up.

However, in the short example, prices did not run down as much and the trailing stop was hit. This is part and parcel of trading. The whole goal here is to ensure that you have created a risk free trade while allowing yourself to reap as much profits as possible!

Chapter 8: Crypto Trading Accelerator, Day Trading Setups



Alright you are now ready to begin your day trading journey. I hope you've found lots of valuable information and ideas to help you move forward in your day trading career.

The Five Essentials For Day Trading In order to become a profitable trader, you need to follow these five essential and fundamental steps before entering into the world of trading with your real money.

1. Start with demo trading or low budget

2. Preparation before a trade

3. Patience waiting for setups

4. Exercise Discipline

5. Review and journal trades

Start with a Demo Account or low budget

Once you have finished learning the content in this book, start off practicing the setups.

Instead of entering them, make a note to yourself of the entry and exits points.

Make sure that you have a clear understanding of how they look like as the markets are moving. Start off with mastering one setup first. Keep it simple.

Once you have a solid strategy that you’ve mastered, make sure there is no emotion at- tached to it

Keep practicing it, and then start practicing a second strategy, and learn to incrementally add size in those strategies.

Preparation before a trade

As the crypto market trades 24 hours a day, always ensure that you are able to check the markets every hour that you are able to.

Since our strategies focuses on the Hourly charts and on Bitcoin and Ethereum, you'll have lots of time to screen the markets and prepare for a trade if any setups appear.

Patience waiting for setups

Becoming a consistently profitable trader requires extensive preparation, and con-siderable patience.

Successful trades usually look easy after they're done, but re- quires more patience than you might imagine if you have not day traded before.

Many times you will feel that the markets are crawling while waiting for the setup to appear.

That’s when you will start having “illusions” and randomly taking trades.

Successful traders are patient and resist the temptation to be involved in every move.

These traders wait for opportunities where they feel comfortable and confident, like a hunter waiting for its prey. The advantage of trading the intraday swings is that you don't have to be glued to the screens for hours.

All you need to do is set an alarm that alerts you a few min- utes before the hourly candle closes to check for any setups forming.

That way you can do anything you like during the hour. It keeps your mind fresh for trading.

Exercise Discipline

Discipline is the backbone of successful trading.

Emotions like fear and greed can cloud judgment and lead to impulsive decisions, but discipline helps traders stick to their strategy.

This means following predefined rules for entering and exiting trades, setting stop-loss levels, and avoiding overtrading.

To cultivate discipline:

- Have a Plan: Always trade with a clear strategy. Know your risk tolerance, target profits, and exit points before entering a trade.
- Stick to Your Rules: No matter how tempting it might be to chase a trade, trust your system.
- Limit Emotions: Avoid making decisions based on fear of loss or excitement over potential gains.

By exercising discipline, you not only protect your capital but also build the consistency necessary for long-term success. Remember, in trading, patience and self-control often yield better results than impulsive action.

Review and Journal Your Trades Last and the most important of all is to record and review every trade that you have taken.

Keeping records of your trades will enable you to learn from your mistakes, spot patterns and understand the setups even more clearly.

Journal your trades daily by including the following in your trading journal:

1. The time of the day you made the trade

2. The strategy you were going to use

3. Your risk reward

4. Position sizing/management of your trade

5. Execution of exits (Eg. did you follow profit targets or stop losses?)

You can take screenshots of the trades you've entered and record them in an excel sheet.

This is just a suggestion, but you have to find the best way that works for yourself.

Exercise Discipline

Join Our Crypto Signals VIP Channel
If creating your own strategies feels overwhelming or time-consuming, there's another powerful alternative: join our Crypto Signals VIP Channel.

Here, you can access expertly curated trading signals, crafted by professionals with years of experience.

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Conclusion

You are now armed with the tools to day trade the crypto markets successfully. As long as you follow the process of:

- Identifying coins with the highest market capitalisation
- Determining the right timeframe to use
- Determining the trend direction on the higher timeframes
- Finding entry points in the lower timeframes

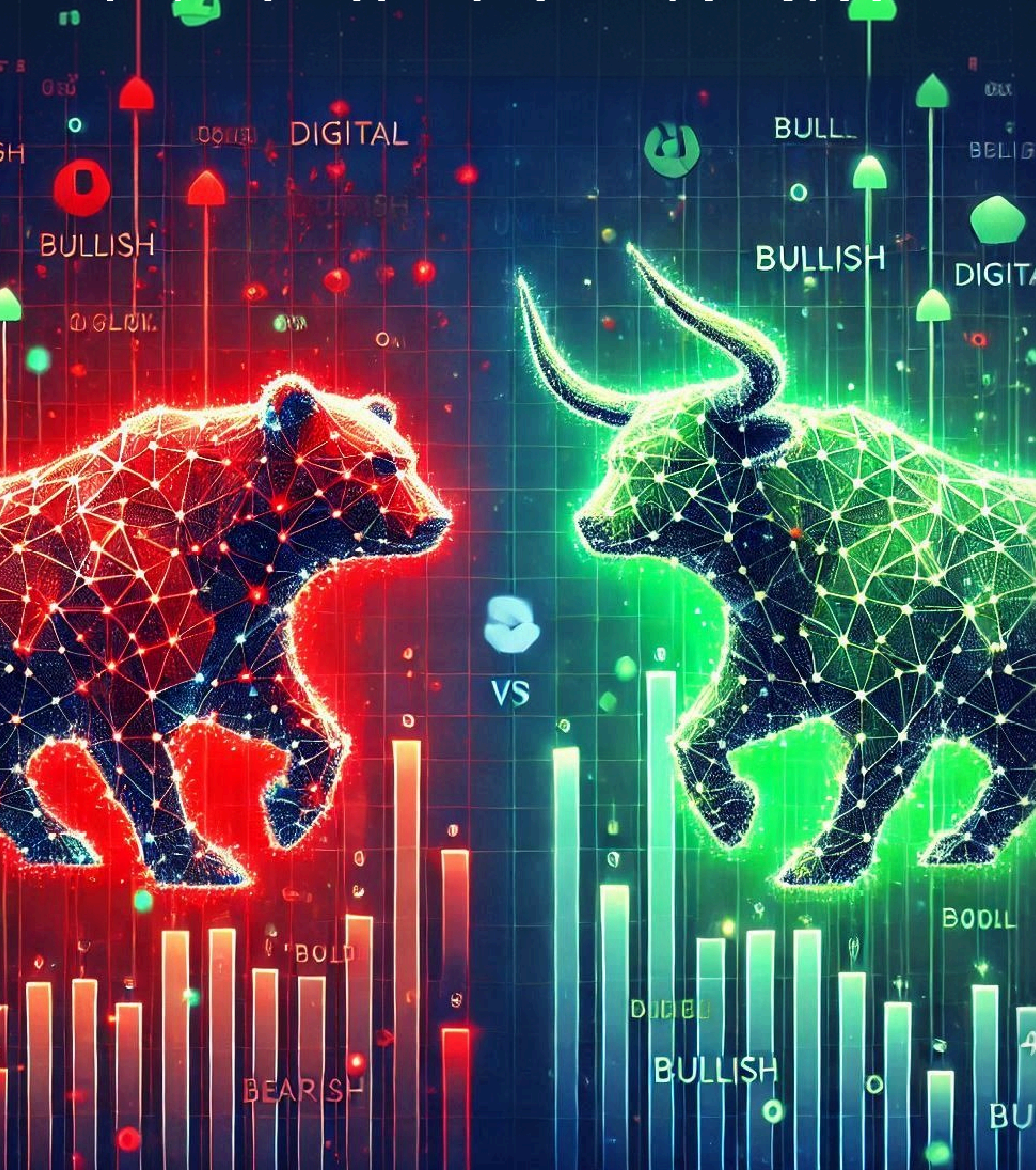
- Calculate the risk to take
- Setting risk defined targets

You will be on your way to seeing great results!

Happy Day Trading!

BONUS

Chapter 9: Recognizing Whether a Coin is Bullish or Bearish Across Different Timeframes and How to Move in Each Case



Chapter 9: Recognizing Whether a Coin is Bullish or Bearish Across Different Timeframes and How to Move in Each Case

In this chapter, we're going to dive into a crucial skill for every trader: knowing how to identify whether a cryptocurrency is bullish (price going up) or bearish (price going down) on different timeframes, such as intraday, daily, weekly, and monthly.

By recognizing these trends, you can better decide when to enter and exit positions, and how to make your trades more profitable.

1. Intraday (1-4 Hour Timeframe)

Intraday trading is all about quick movements. The main goal here is to catch short-term trends that could last anywhere from a few minutes to a few hours.

Bullish Indicator: If the price is above the 50-period Exponential Moving Average (EMA) and the 200 EMA, this typically signals a bullish trend.

Look for the 50 EMA crossing above the 200 EMA, which is known as a golden cross.

This often signals that the price might continue to rise.

Bearish Indicator:
if the price is consistently below both the 50 EMA and the 200 EMA, this points to a bearish market.

A death cross, where the 50 EMA crosses below the 200 EMA, is another strong sign of downward momentum.

If the price is below these two EMAs, it's often best to look for selling opportunities or avoid buying.

How to Move:

- In a bullish intraday trend, consider buying on pullbacks to the 50 EMA or higher support levels.

- In a bearish trend, look for shorting opportunities (if available) or selling your positions when the price is near resistance levels or the 200 EMA.

2. Daily (1-Day Timeframe)

The daily chart is one of the most popular for swing traders.

Here, you're looking for medium-term trends, usually lasting a few days to a week or more.

- Bullish Indicator: A bullish trend is indicated when the price is above the 200 Simple Moving Average (SMA) and the 50 EMA. When the 50 EMA is above the 200 SMA, this suggests a strong bullish momentum. Another key signal is when the price is consistently moving above the 200 SMA and you notice higher highs and higher lows.
- Bearish Indicator: A bearish trend is when the price is below both the 50 EMA and the 200 SMA. Additionally, look for the 50 EMA crossing below the 200 SMA (a death cross), signaling that the bears are in control.

How to Move:

- In a bullish daily trend, buy on dips or when the price pulls back to the 50 EMA.
- In a bearish daily trend, consider selling when the price approaches key resistance levels or when the trend shows no signs of reversal.

3. Weekly (1-Week Timeframe)

The weekly chart is more about longer-term trends, so it's suitable for those of you who like to hold trades for weeks or even months.

Bullish Indicator: If the price is trading above the 200 SMA and the 50 EMA, especially with the 50 EMA above the 200 SMA, this is a clear signal of a bullish trend.

This means the overall market sentiment is positive, and the coin is likely to continue rising.

- **Bearish Indicator:** A bearish weekly trend is when the price is below both the 50 EMA and 200 SMA, indicating that the momentum is downwards.

When the 50 EMA is below the 200 SMA, and the price keeps testing lower lows, that's your sign that a bearish trend is in play.

How to Move:

- If the trend is bullish, look to buy on weekly pullbacks to the 50 EMA or on support levels. The 50 EMA will often act as dynamic support.
- If the trend is bearish, look for short positions or exit your positions, especially if the coin is consistently rejecting higher levels and staying below the 200 SMA.

4. Monthly (1-Month Timeframe)

The monthly timeframe is often used by long-term investors who are looking to hold for extended periods. It gives you the big-picture view of the market.

- Bullish Indicator: A bullish trend on the monthly chart is when the price is above both the 50 EMA and the 200 SMA. The 50 EMA should be above the 200 SMA, indicating that the market is overall in an uptrend. Look for higher highs and higher lows.

- Bearish Indicator: A bearish trend on the monthly chart is when the price stays below the 50 EMA and 200 SMA, with the 50 EMA crossing below the 200 SMA. This suggests the broader market sentiment is negative, and the coin is likely to keep dropping.

How to Move:

- During a bullish monthly trend, consider holding onto your long positions and adding more on any pullbacks or dips.
- During a bearish monthly trend, it may be best to stay out of long positions and possibly consider shorting if you're an experienced trader or look for coins with stronger bullish momentum.

Key Takeaways:

- **Intraday (1-4 Hour): Fast, reactive trading; use 50 EMA and 200 EMA.**
- **Daily (1-Day): Swing trading; focus on 50 EMA and 200 SMA for trend confirmation.**
- **Weekly (1-Week): Longer-term trend analysis; look for a crossover of 50 EMA and 200 SMA.**
- **Monthly (1-Month): For long-term investors; assess the big picture using 50 EMA and 200 SMA.**

By understanding these timeframes and how to interpret bullish and bearish signals, you can make more informed decisions on how to trade and position yourself in the market.

Whether you're an intraday trader looking for quick profits or a long-term investor holding for weeks or months, being able to spot these trends will significantly improve your chances of success.

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Use the Same Signals We Do and Profit from Altcoins

Benefits of Our Signals:

- Perfect for Beginners
- Time-Saving
- Proven Results
- Focus on Execution

VIP MEMBER

Challenges Without Signals:

- Requires advanced knowledge of market analysis
- Too time and effort to study and monitor trends
- High risk of costly mistakes due to inexperience

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