

Market Emotion LESSON # 6.

Right something about market emotion that I wanna do with you people. It is very important to know that market has got emotion because people have emotion and they trade emotionally. So what is very important is to try and recognize that emotion in the market. If you look at the PDF you see at point number 1 that I 've marked with red circle is a tweezer top, but it's the position it is in. Its within the 21 and 8 ema so it is in the zone, is busy in the down trend, there is a tweezer top there so thats a very good sign . The next one is a shooting star, very high up to the 365 ema coming down all the way , so that was a good trade taken again. And then there is a lot of emotion building up, as u can see,3,4,5,6 and 7 is all on the trend line, and there is a triangle at the end before it breaks up. You can see that 1, 2,3 times it touches the trend line, found resistance there and then it breaks up. So all these tails to the bottom tells you that people are prepared to buy from it upwards. So there is a lot of emotion going on there. Eventually when it break out, you could have been in the deal because if you look at the MACD at the bottom, just before the break out occur , the macd gave a sort of a round bottom there, but look where it was, it was just between the 15 line and the zero so although the macd is not very wide there but there is a lot of emotion building into the motion of the market. A lot of emotion till it breaks out. 8th again give you there a tweezer top. That would have still worried me, I would come down to the 21, that would just have been my trade. Macd showed that as well. But look at that spinner there and the smaller spinner next to it, indicating the down move. Number 10 look at those 2 spinners. Then you go to number 11, there is a hanging man in between sort of a morning star with a hanging man in there, then 12 you have got your tweezer bottom there. So I have just went to the chart and chose this little area, not really taking it out especially, I just shift the chart and when I see this I decided I am gonna use this area. You can go and use any area , try and see what you find there in terms of candle sticks which is emotions. I am not gonna go in candle sticks and patterns. There is a lot of educational sites out there. You can just google candlesticks and you can get there. Just add forex in front because you can end up in an unwanted site or something. So it is very important that you study candle stick formations as well because that is the emotion of the market .it tells you what people are doing , what their actions are. And if you can see that, and if that occurs at a moving average, or

a trend line, something like that or a price level ,then you know that the chances are rally good that you are gonna be right. And if the macd supports it , it makes you case for a good profitable deal so much more stronger