

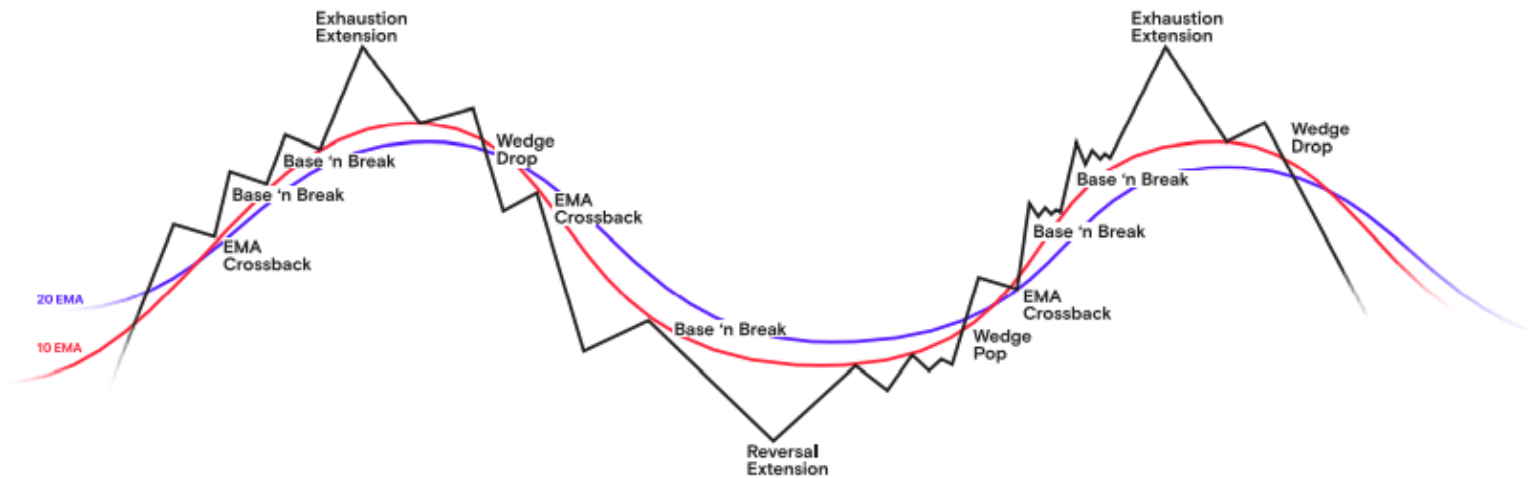
# SWING TRADING MASTERCLASS

## MARKET CYCLE MASTERY



WEBINAR 1 | WORKBOOK

# Cycle of Price Action



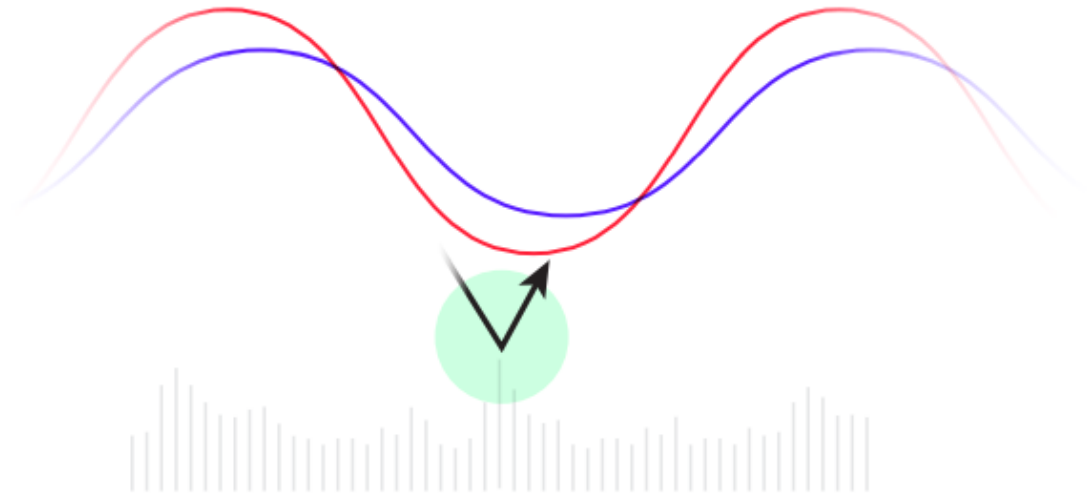
When a stock tops, turns into a downtrend, and then eventually bottoms out it follows these steps:

**Exhaustion Extension** →  
**Wedge Drop** →  
**EMA Crossback** →  
**Base n' Break** →  
**Reversal Extension**

When a stock bottoms, turns into an uptrend, and then eventually tops out it follows these steps:

**Reversal Extension** →  
**Wedge Pop** →  
**EMA Crossback** →  
**Base n' Break** →  
**Exhaustion Extension**

# Reversal Extension (Bottoming)



This is generally capitulation and a sign that the market is bottoming.

Look for a defined support level on a higher timeframe.

When price approaches the higher timeframe level, it must be extended from the 10 EMA on the lower timeframe chart (air between price and the moving average).

When the stock starts to put in a reversal bar, go long.

Heavy volume capitulation on the reversal bar is a key ingredient in this setup.

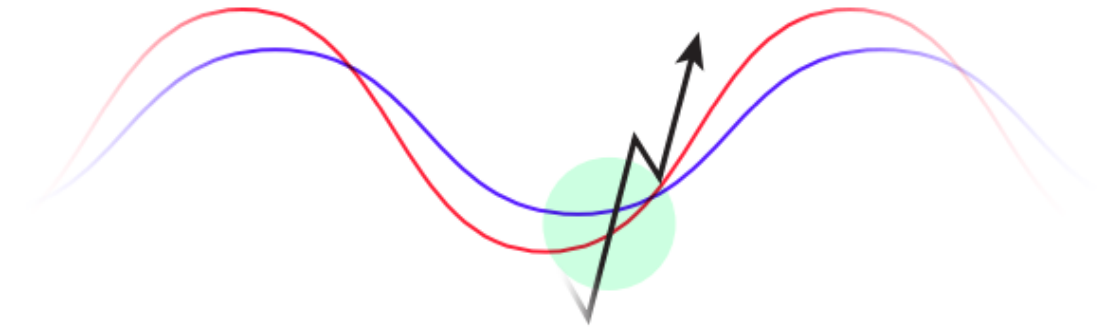
Initial stops go below the low of the reversal bar area.

The first profit target is the 20 EMA on the trading timeframe.

Stops move to cost when partials are taken with discretion used to exit the remaining shares.

*This is also an excellent pattern to add on pullbacks in an up-trending stock. For example, a stock is pulling back to the Daily 20 EMA and you look for a Reversal Extension on the 5-minute chart. The higher timeframe support level is the Daily 20 EMA with the Reversal Extension setup taking place on the intra-day 5-minute chart. This may be a Base n' Break setup on the daily chart executed via a reversal extension on the intraday chart to manage risk.*

# Wedge Pop



This is the first time the market trades back up across the moving averages after a reversal extension.

Price trades in a tight range as it works lower.

Often for longs, the stock is showing relative strength to the underlying index.

The 10/20 EMA should be tightening, showing a lack of overall momentum despite being “dragged” in the direction of the underlying market.

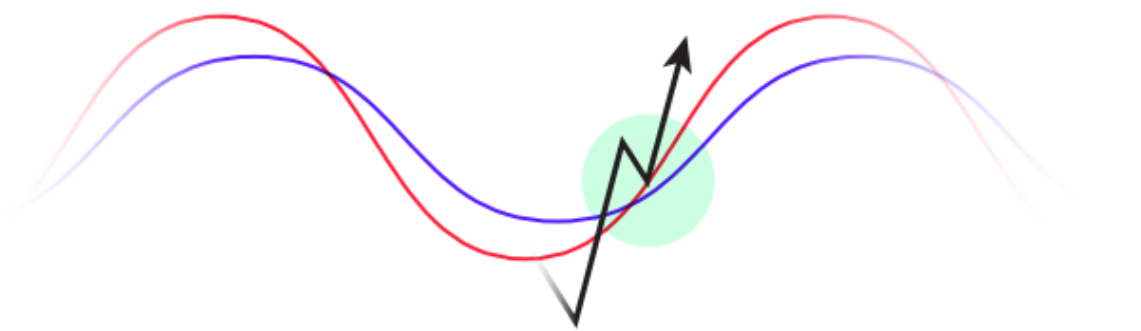
When price recaptures the tight 10/20 EMA, go long with a stop below the near-term price consolidation.

Ride the EMAs as a trailing stop once the trade triggers.

*\*This pattern can also be “confirmation” that a previous reversal extension is valid.*



# EMA Crossback



This is the first retest of the Moving Averages following a Wedge Pop.

Price has already recaptured the 10/20 EMA on the chart to be a candidate.

It then pulls back into the 10/20 EMA for the first time.

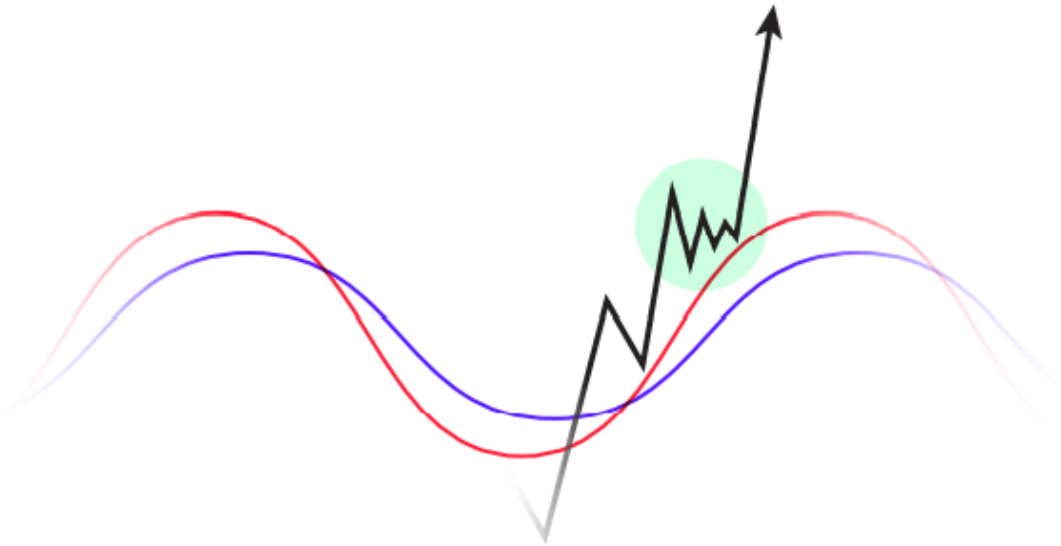
Buy the stock against the 10/20 EMA.

Stops are placed below the moving averages.

Raise stops in a trailing format with the 10/20 EMA.

*\*Opposite for short sales or downtrending stocks*

## Base n' Break



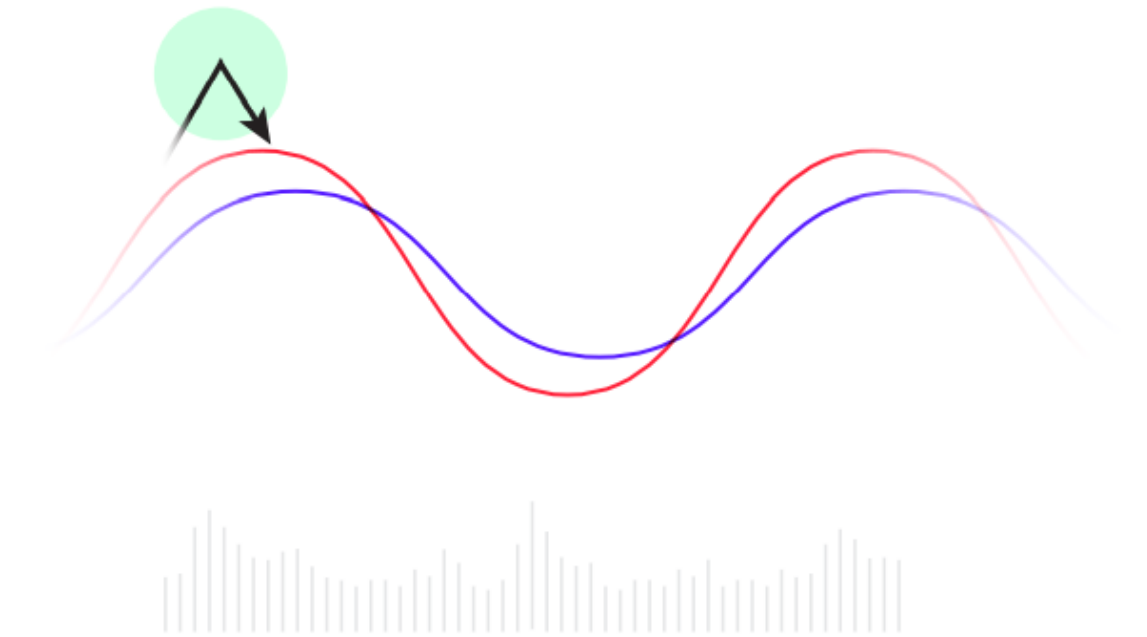
Price will build a basing pattern finding support at the 10/20 EMA. This is often a slightly longer consolidation rather than a short 1–3 day pullback.

Buy against the moving averages with confirmation adds on the base breakout.

Stops are placed at a loss of the moving averages.

Ride the moving averages higher while selling into pops away from the 10 EMA moving average with final stops at a loss of the EMAs.

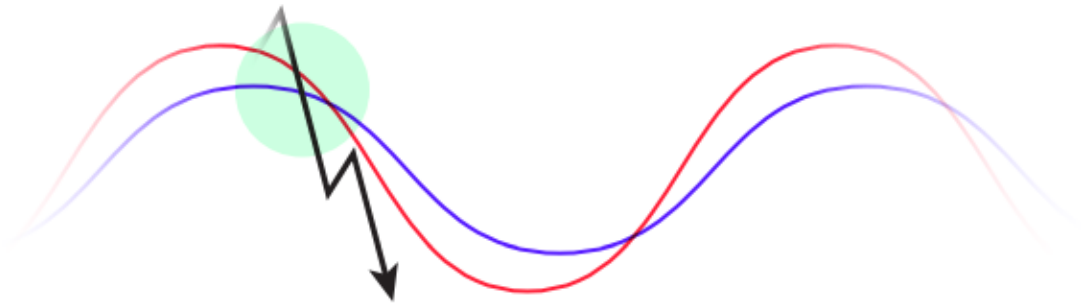
## Exhaustion Extension (Topping)



This is blowoff/euphoria and a sign the market may be topping. The further you get into an uptrend and the more extensions you get away from the 10EMA the more likely a stock is to re-base.

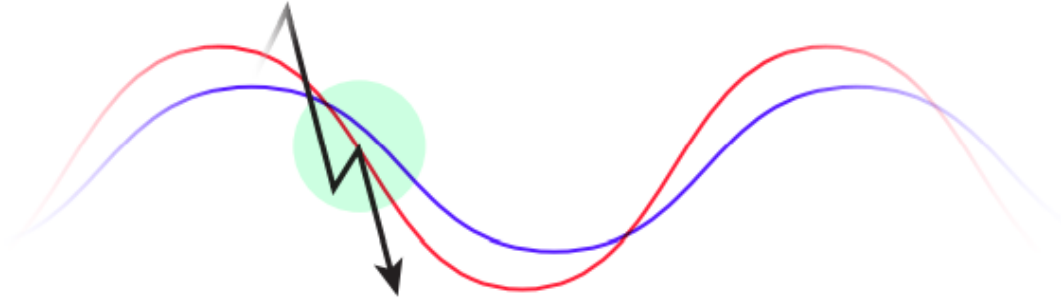
The second extension from the 10EMA is generally a good place to take profits. If you get a third extension you are often getting late in the intermediate term trend.

## Wedge Drop



This is the first time the market drops down across the moving averages after an Exhaustion Extension.

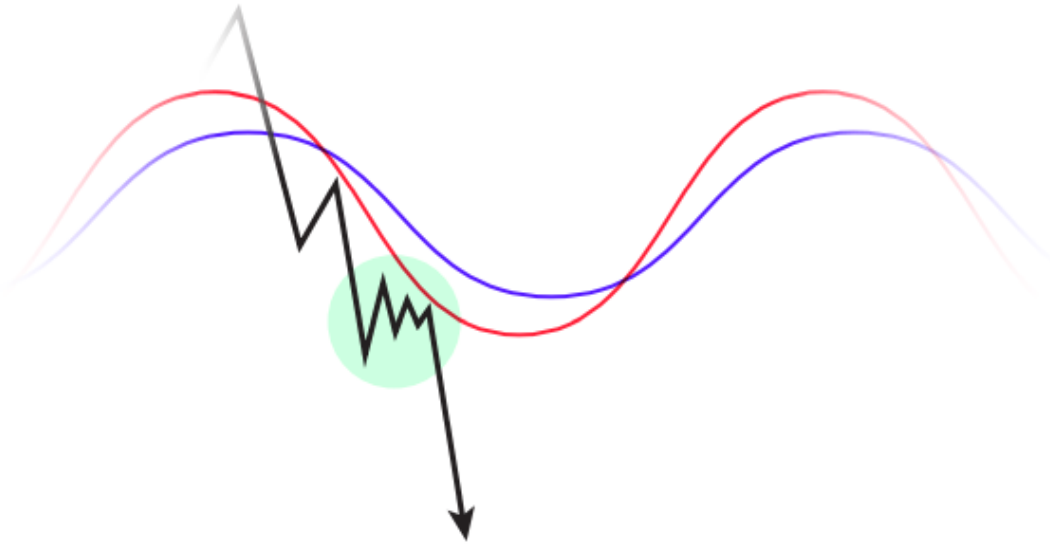
## EMA Crossback



Now we're back to a crossback, but this time we're in a down trend and rallying up into the moving averages.



## Base n' Break

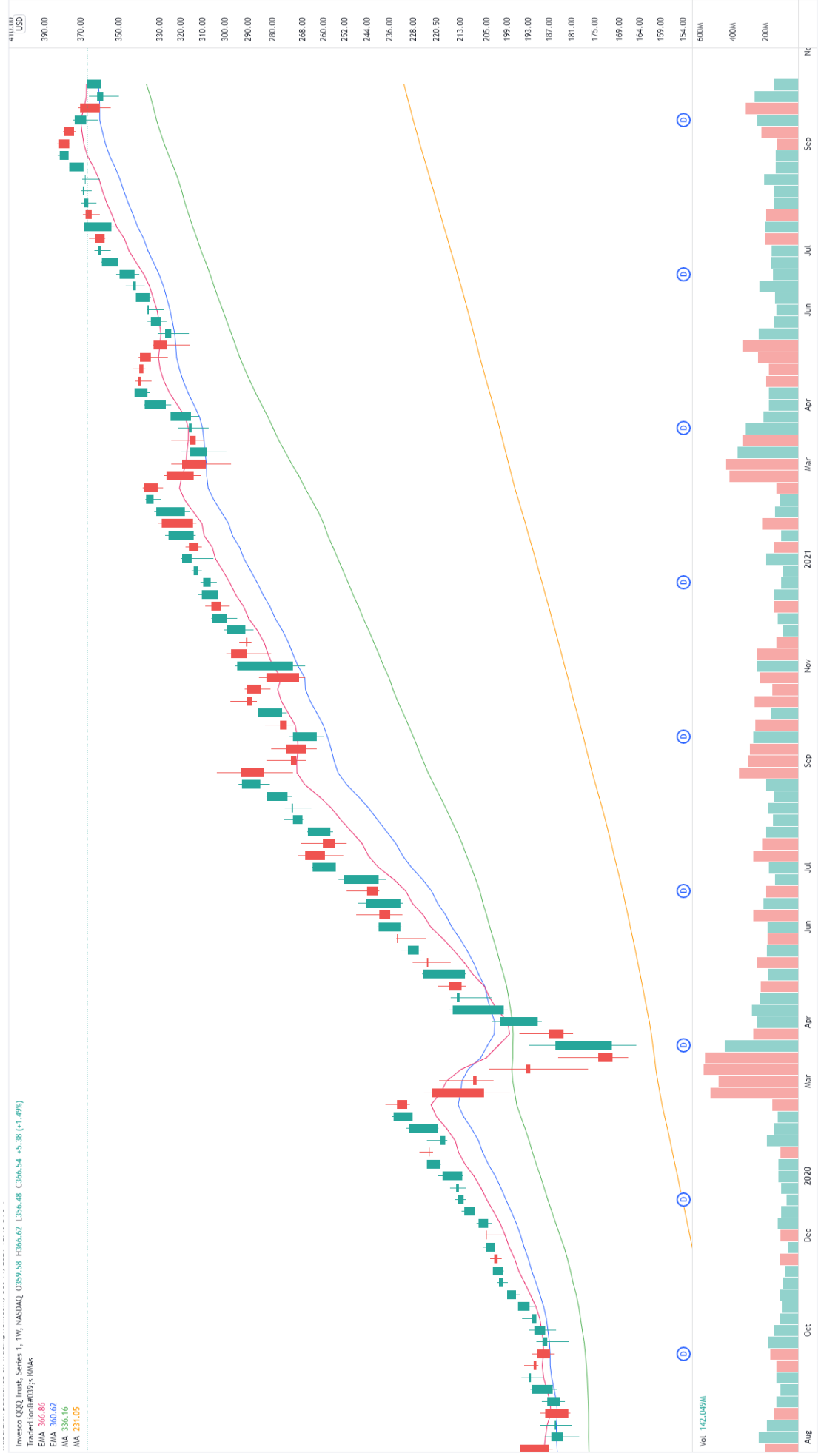


In a downtrend, we're basing to head lower. Note: EMA Pullback Entry.

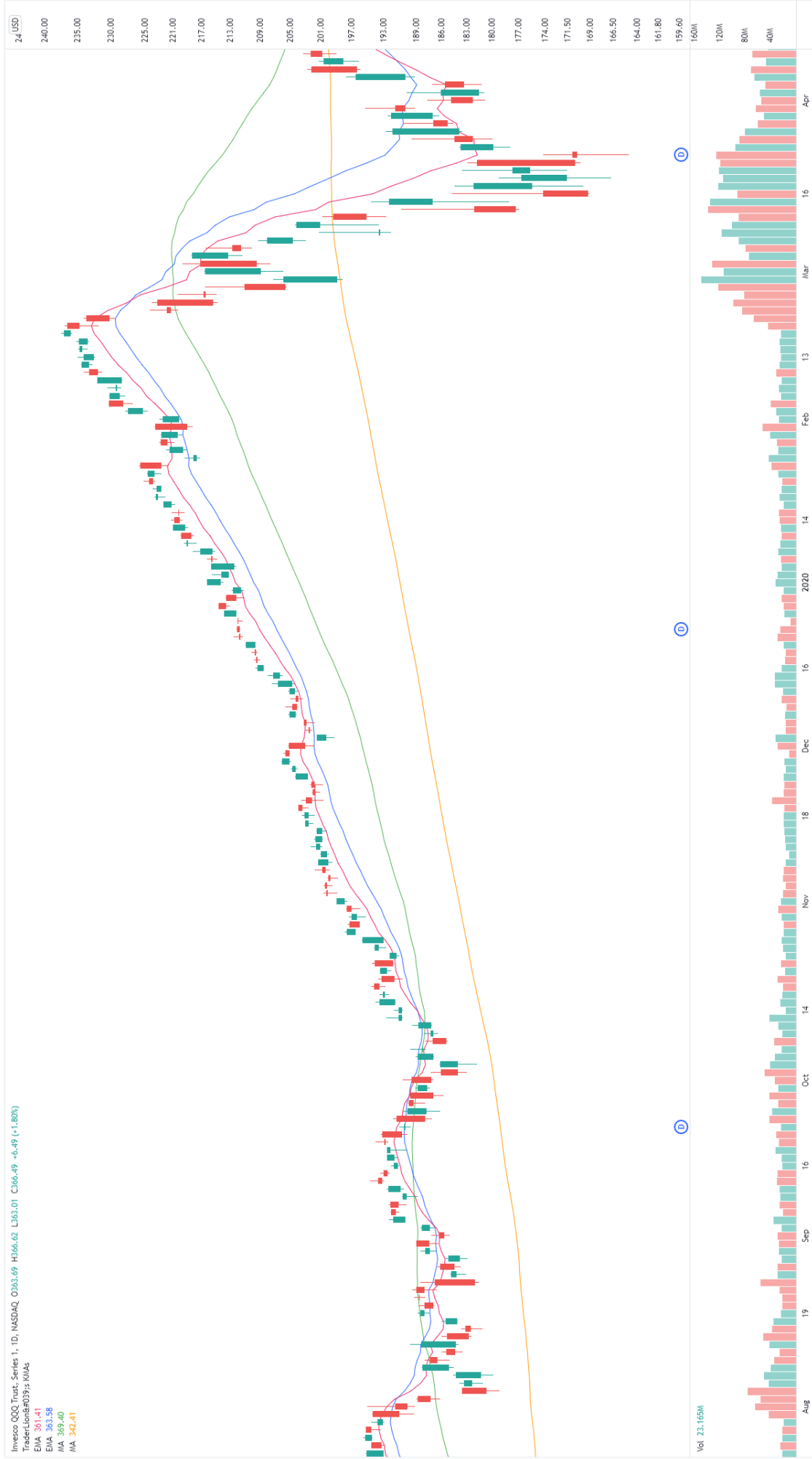
This is not really a step in the Cycle of Price Action, this is simply a pullback to the EMAs, but is much shorter in length than a Base n' Break. It may be in the form of a one to two day pullback and can be used as an opportunity to add to positions or raise stops on existing positions. It is important to note that the more extended you get into a trend, the lower the odds are of a pullback entry working



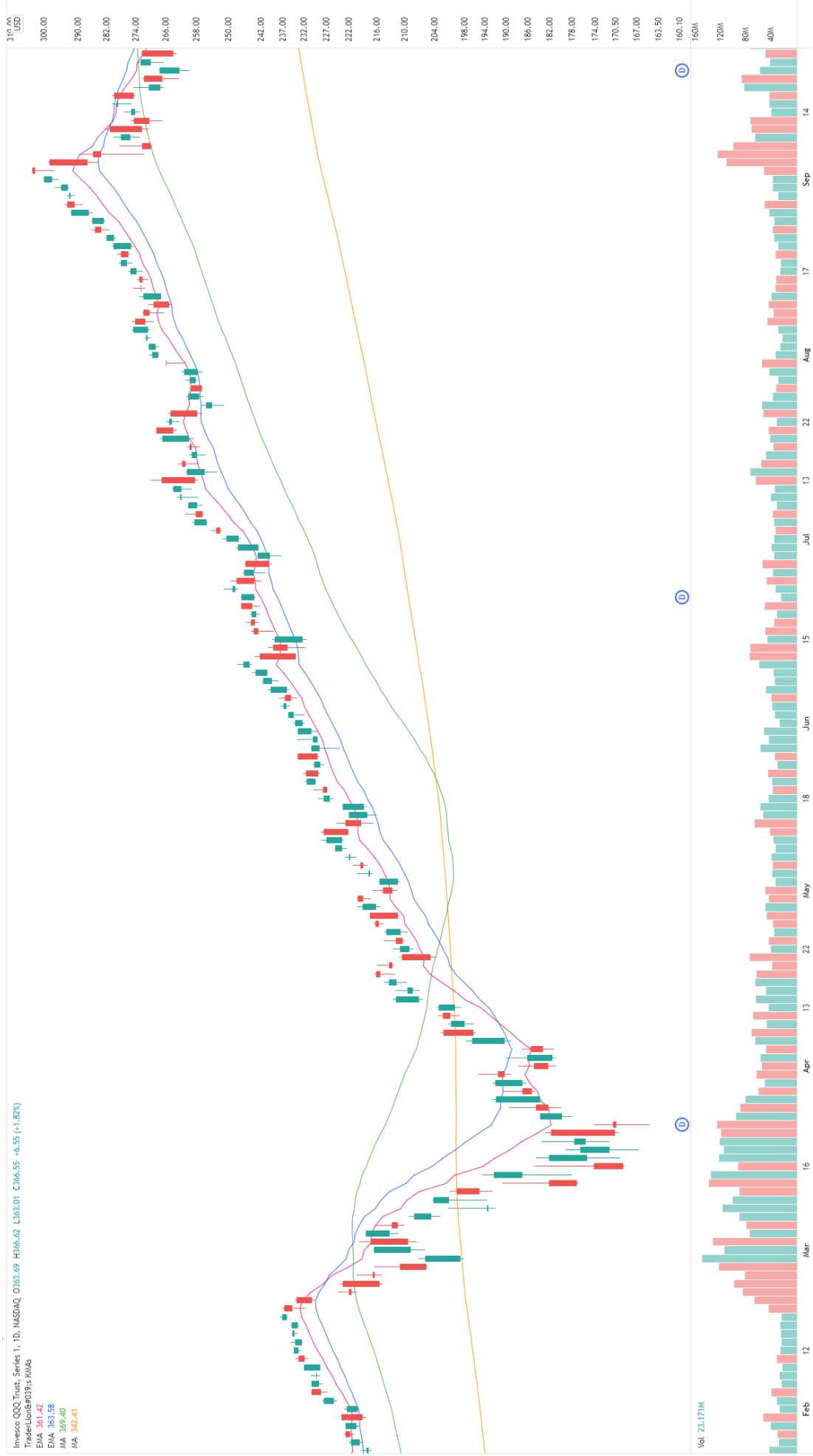
# QQQ WEEKLY 2019 - 2021



# QQQ 2019-2020 CORRECTION

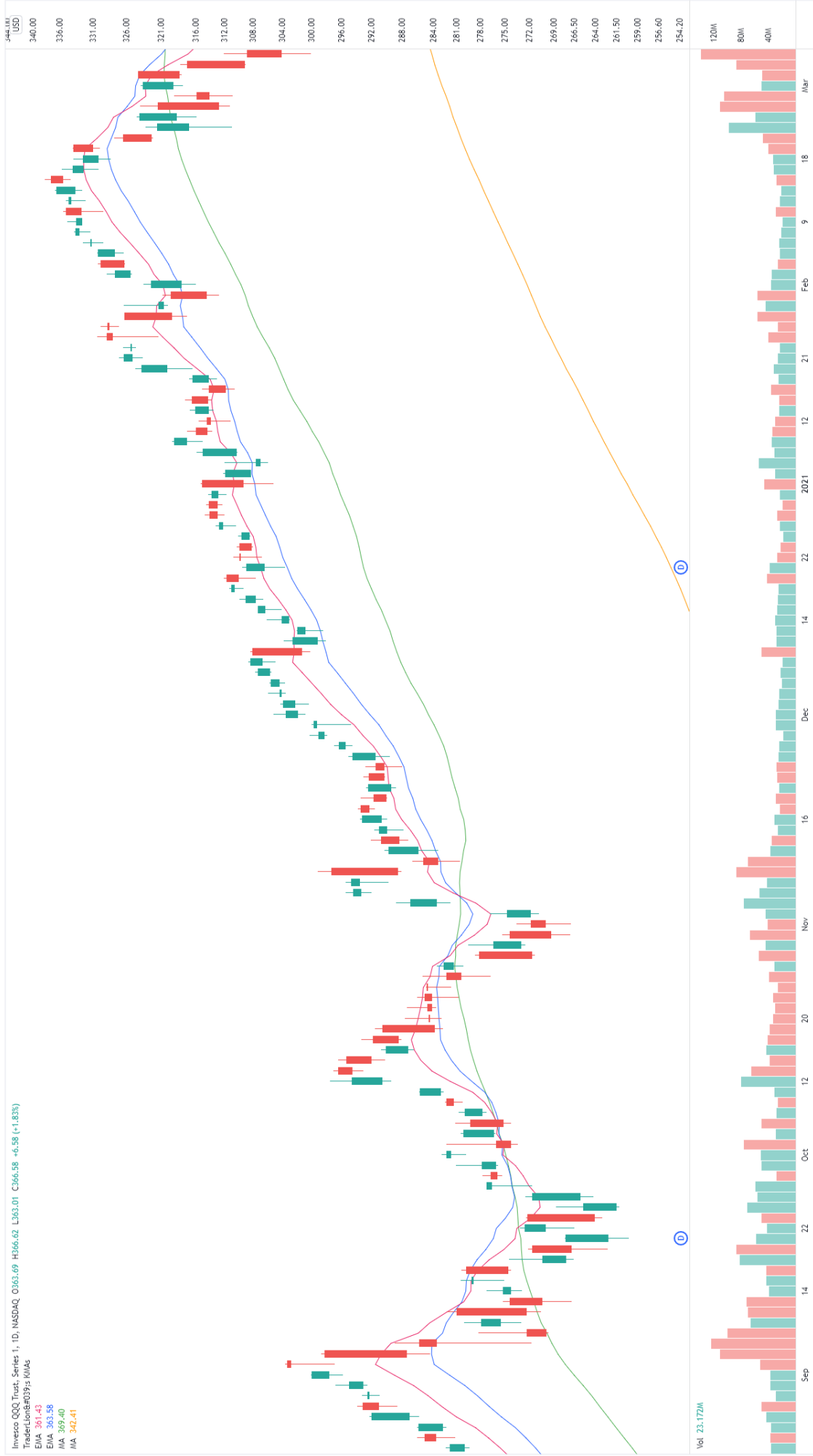


# QQQ MAR 2020 CORRECTION + NEW UPTREND

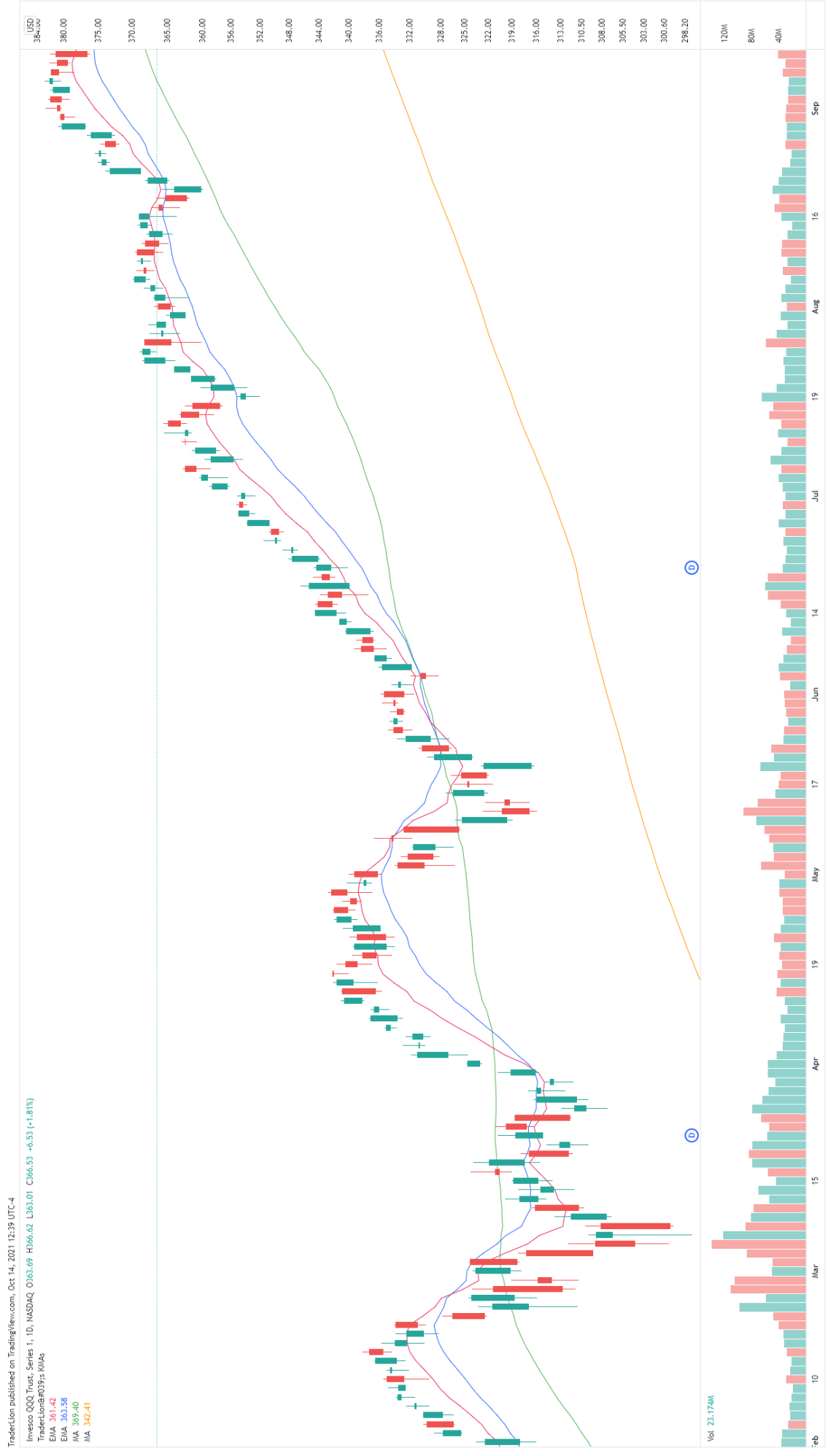




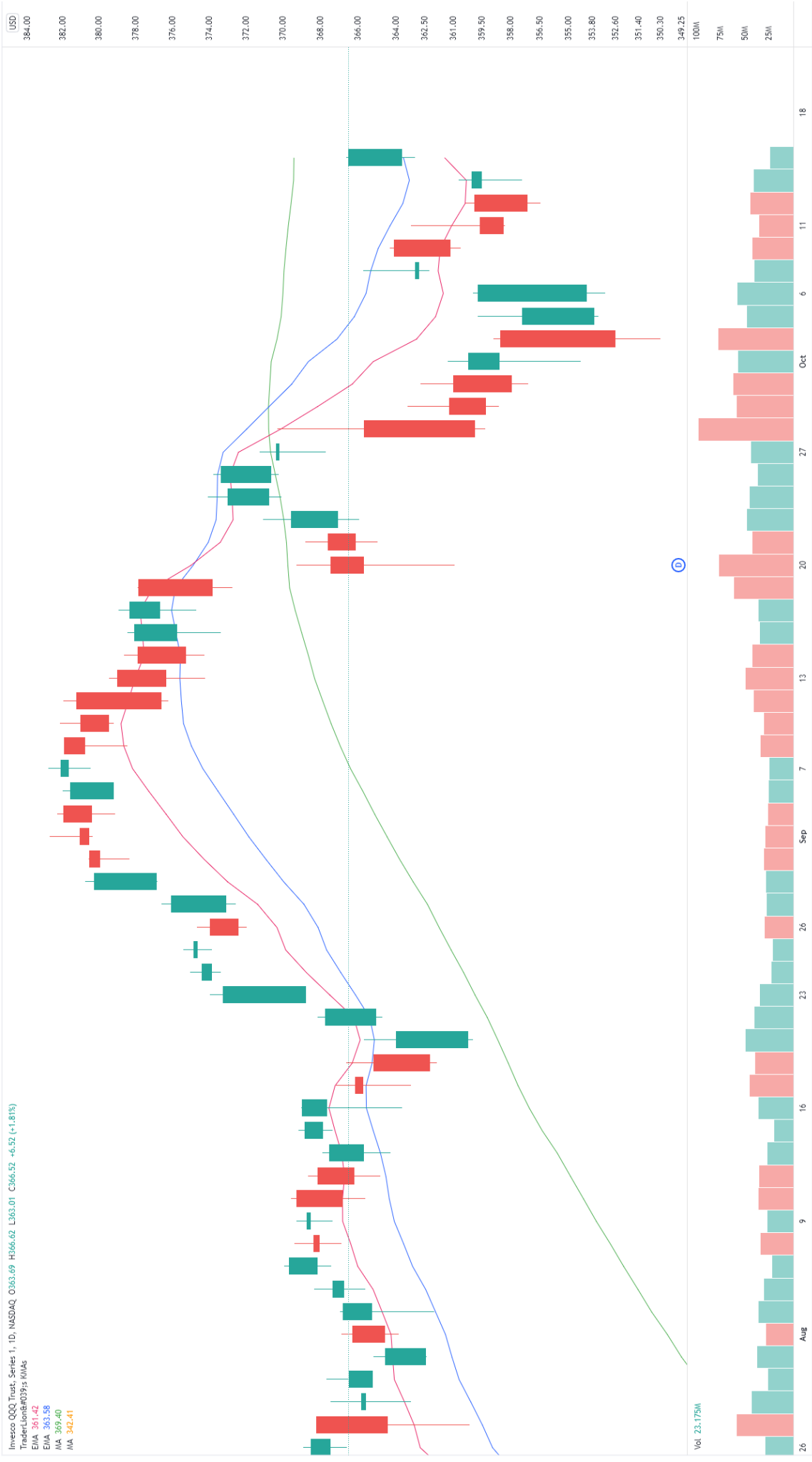
# QQQ SEP 2020 CORRECTION + UPTREND



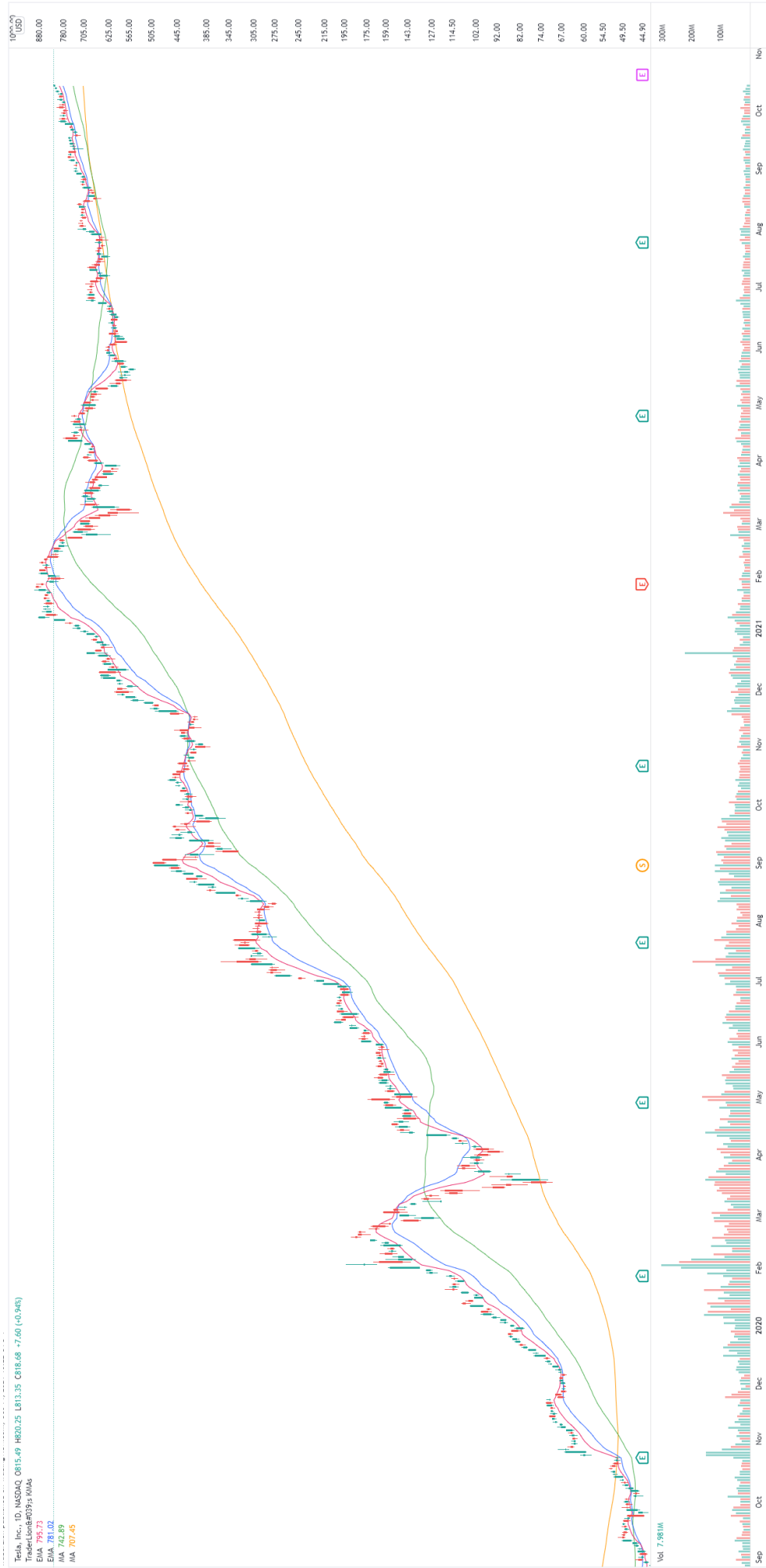
# QQQ FEB 2021 CORRECTION



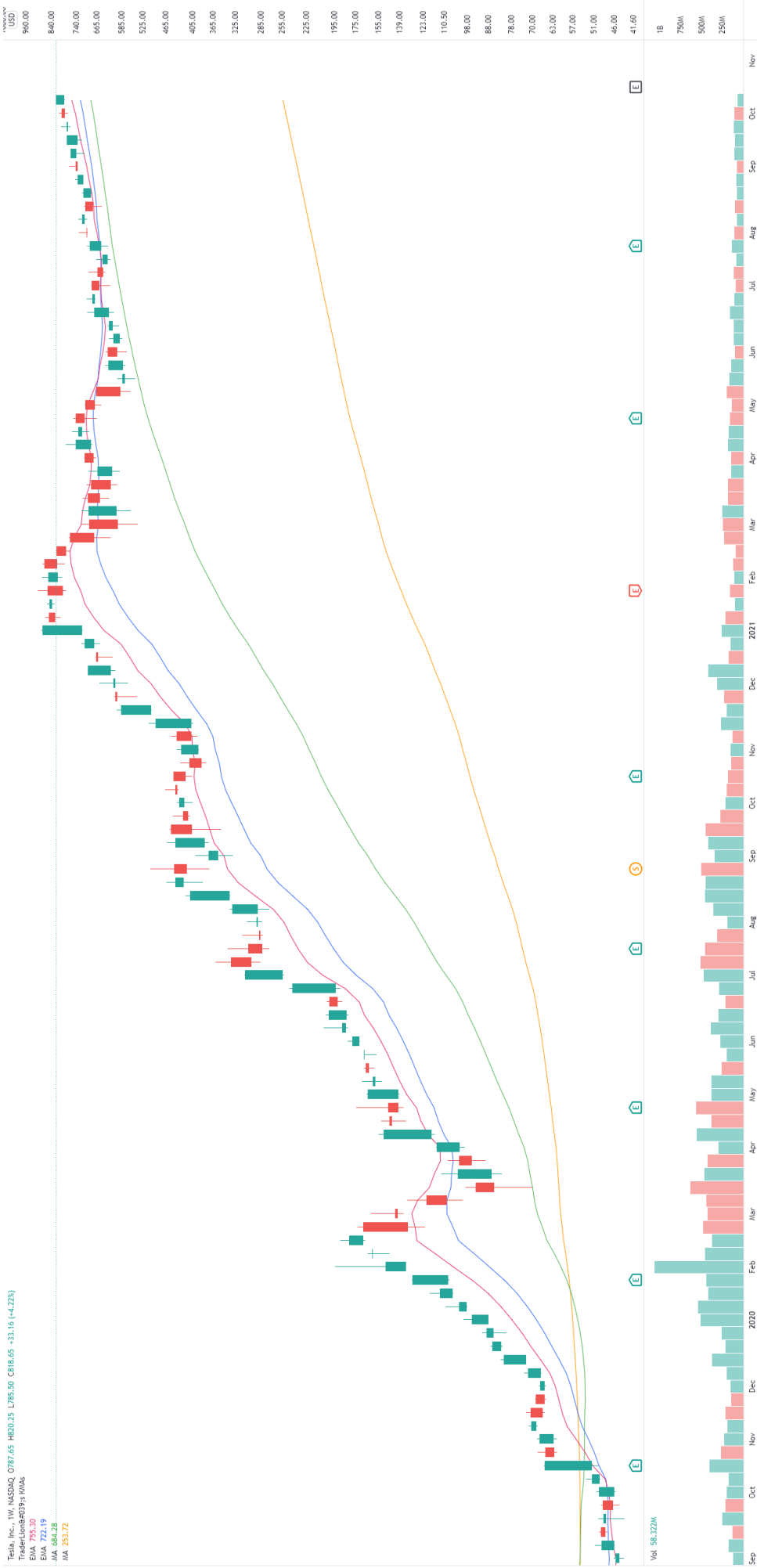
# QQQ CURRENT



# TSLA

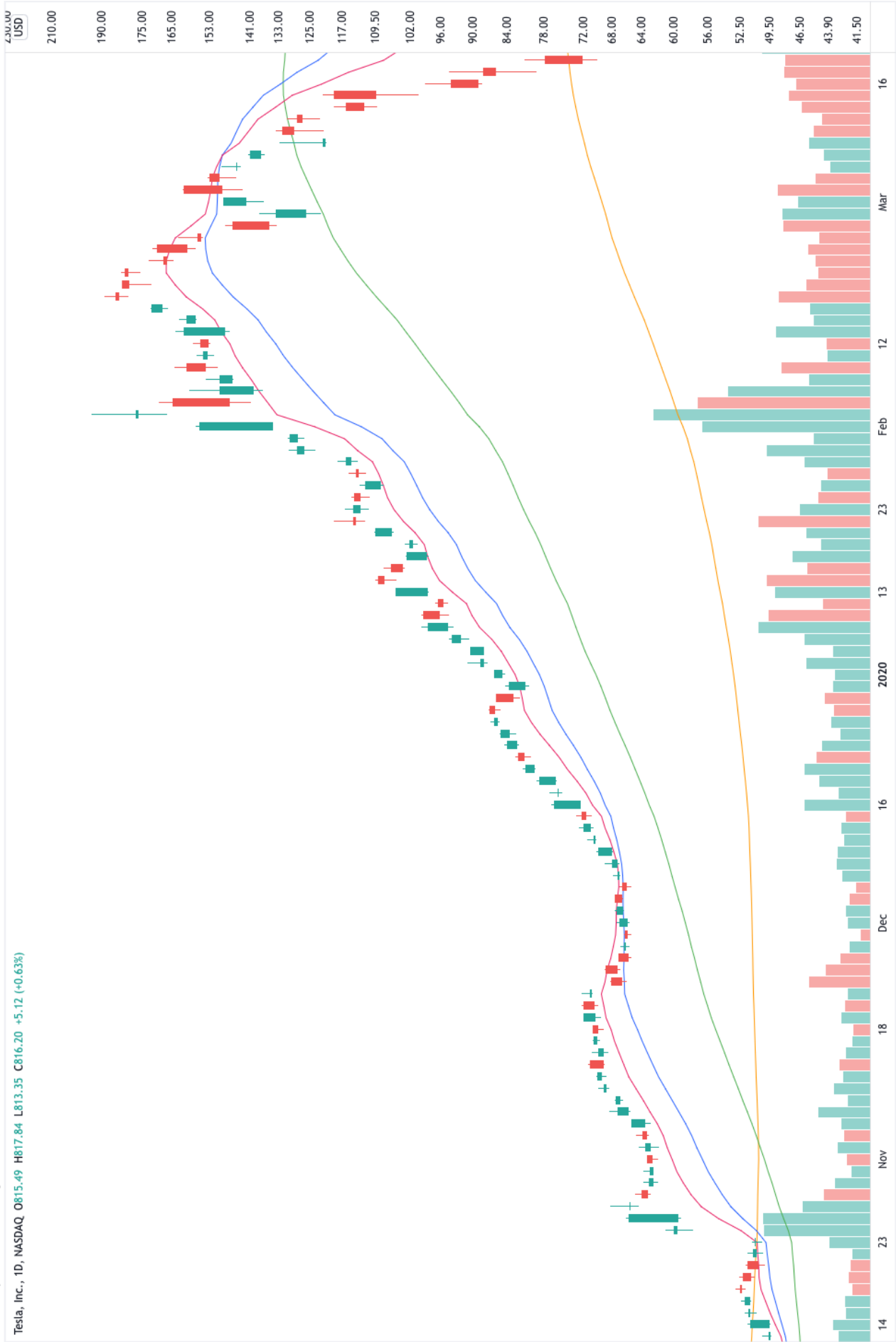


# TSLA WEEKLY

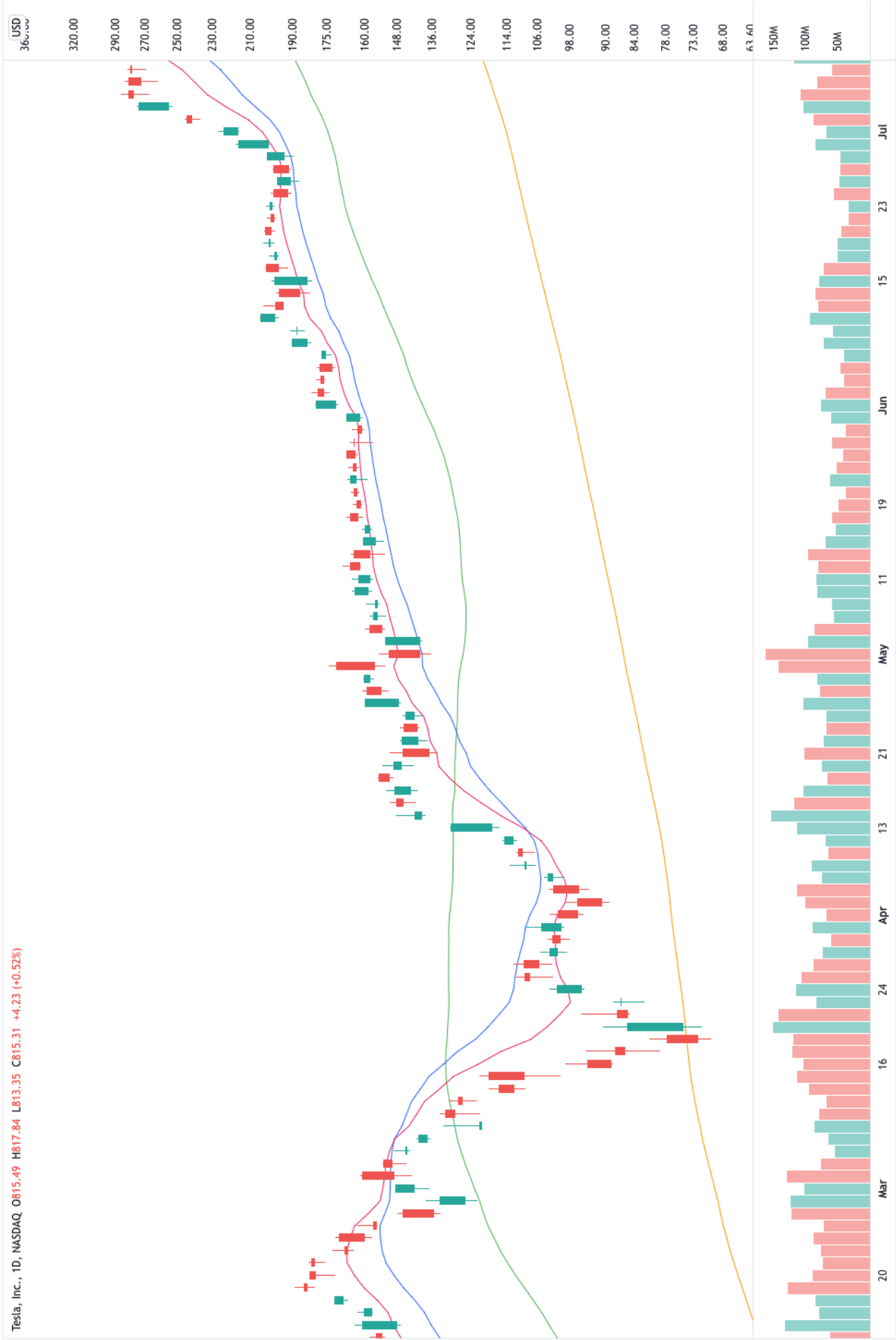




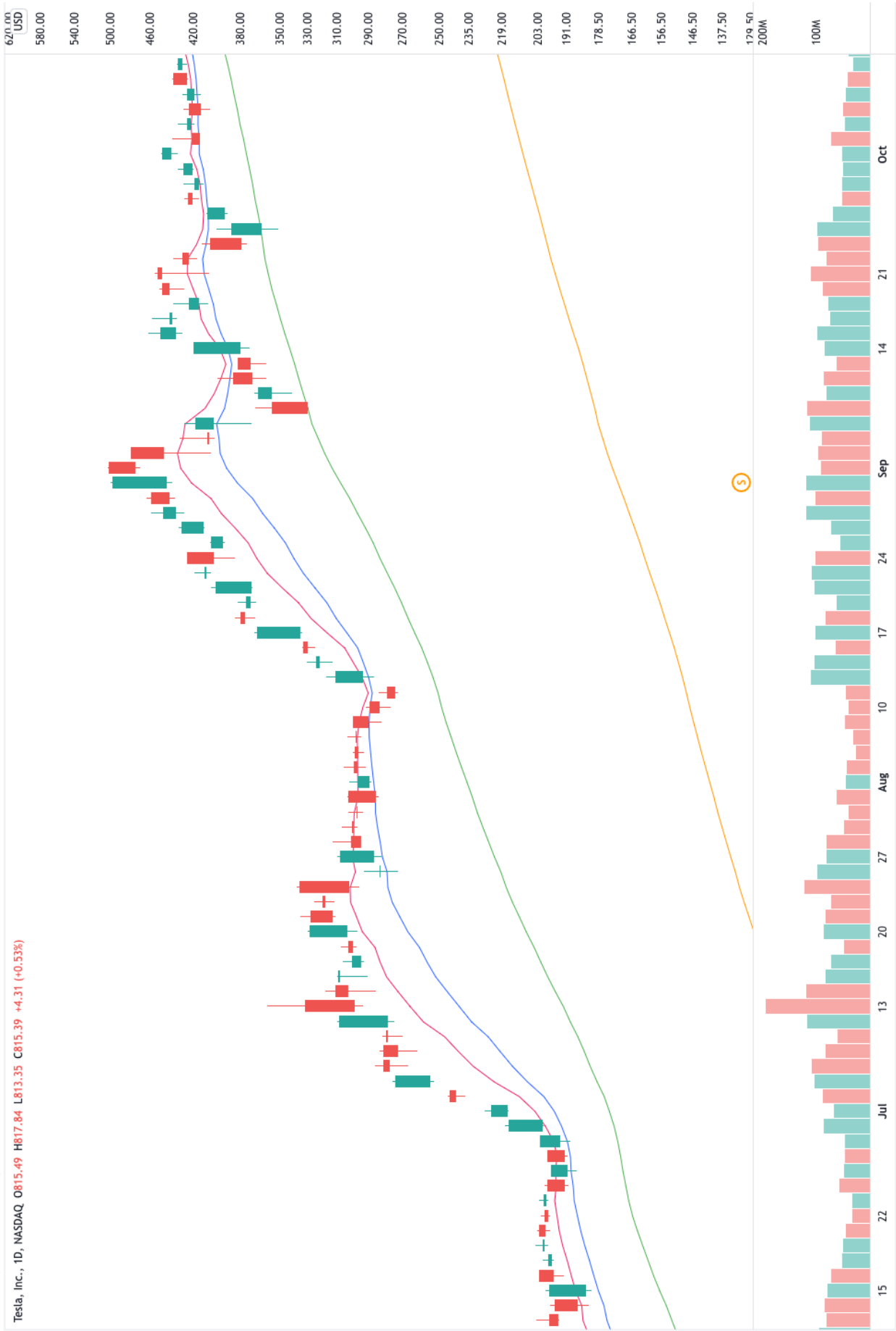
# TSLA 2019



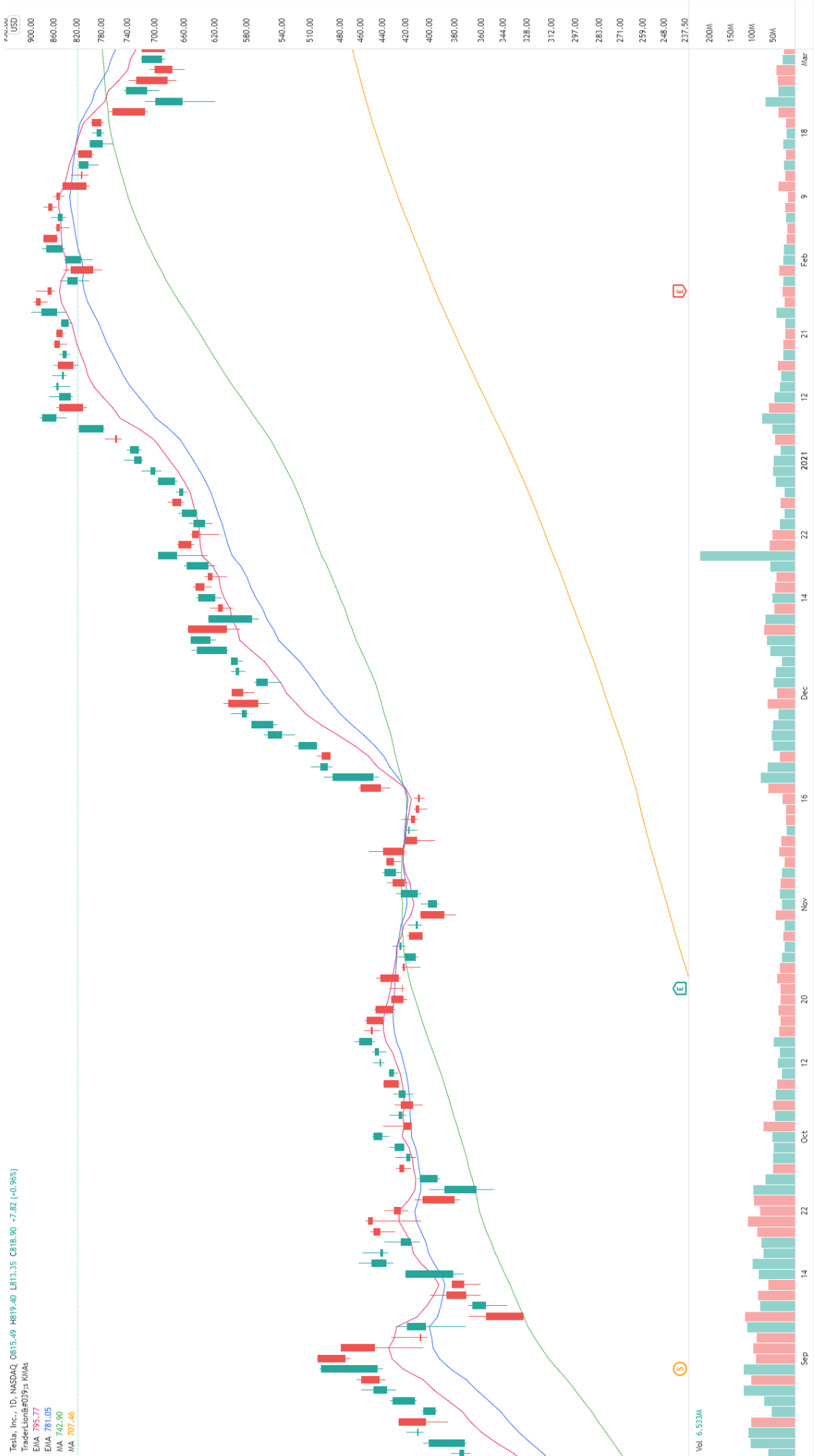
# TSLA 2020 FIRST BASE



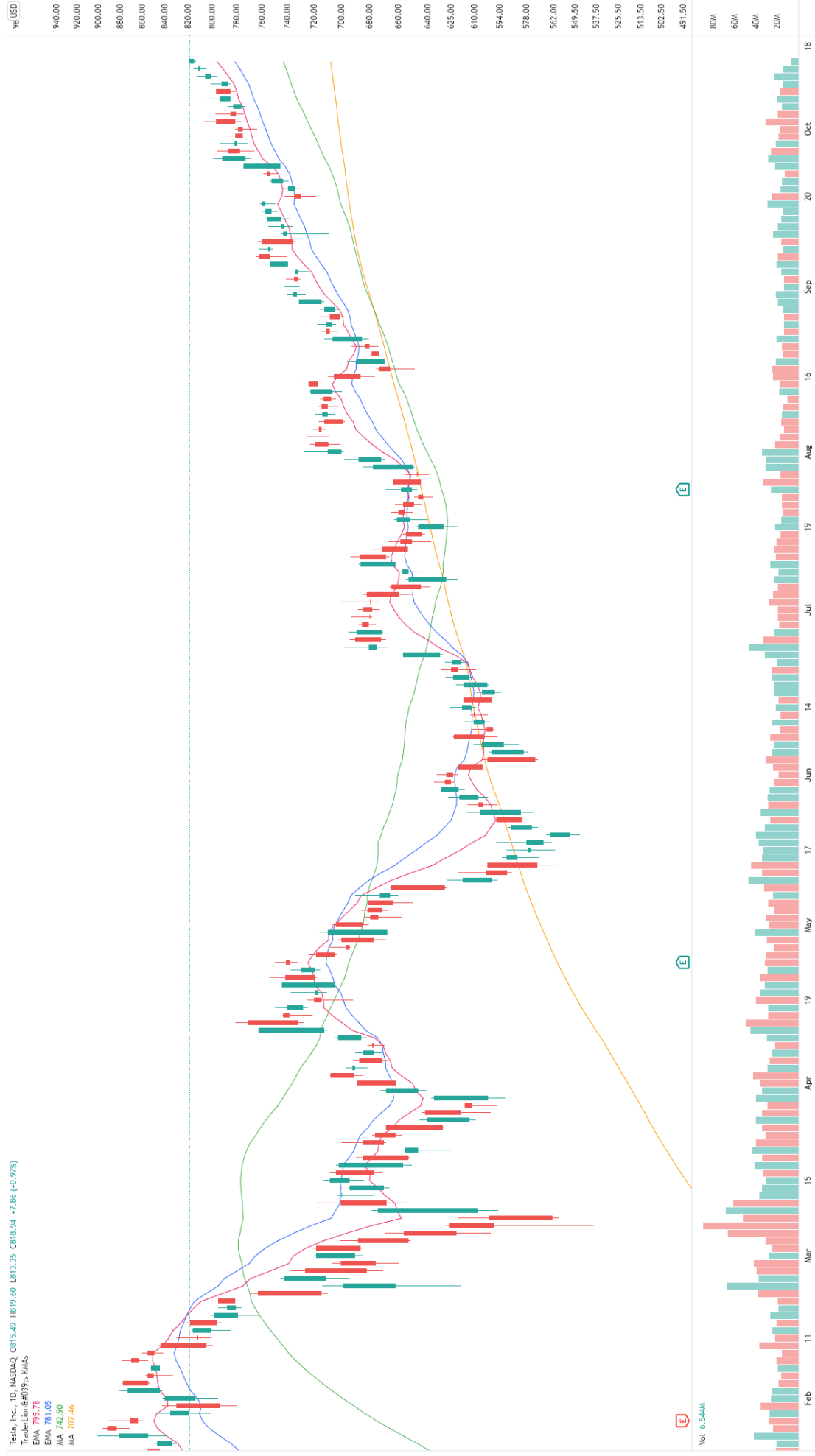
# TSLA 2020 SECOND BASE



# TSLA THIRD BASE

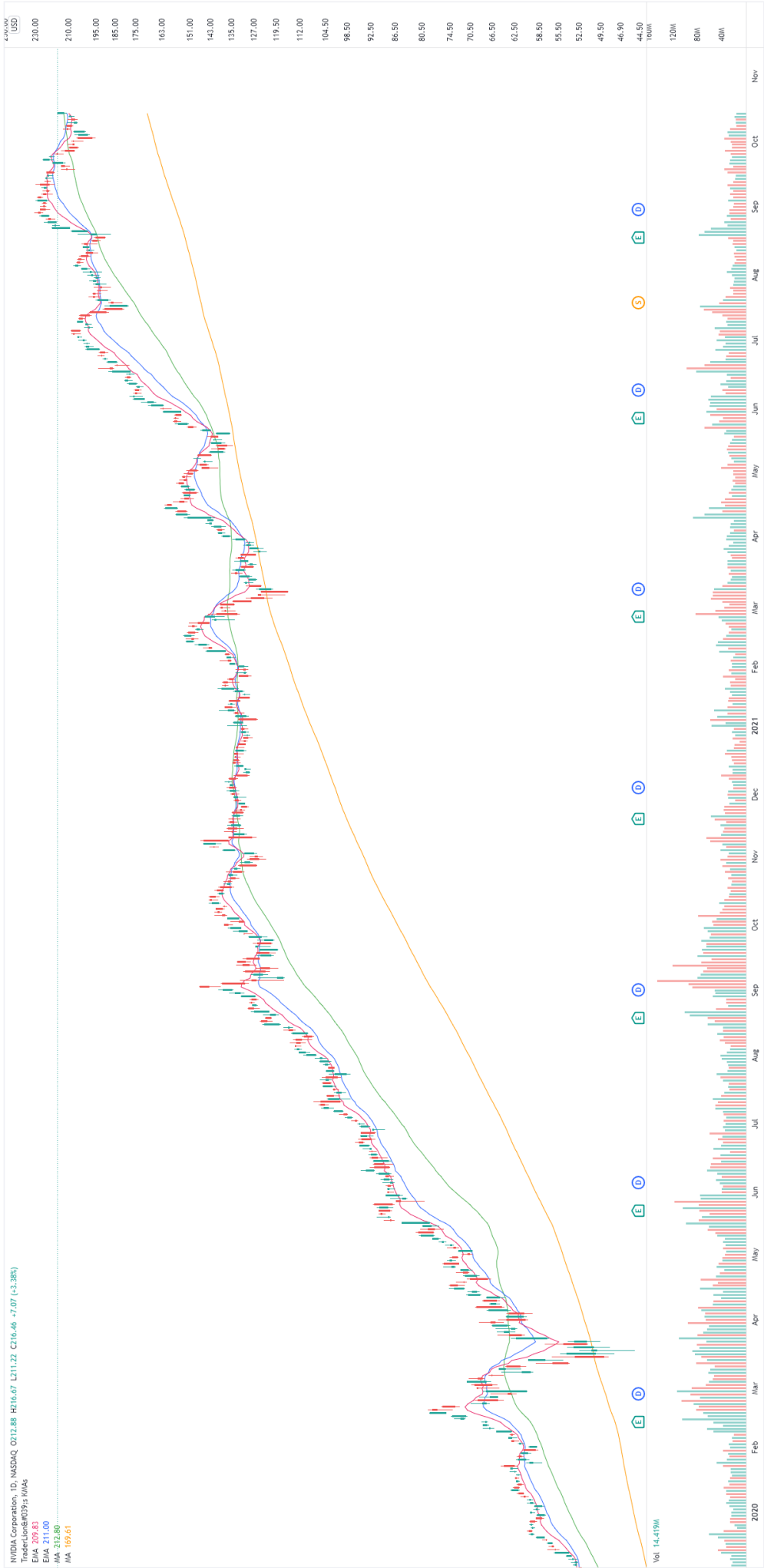


# TSLA 2021

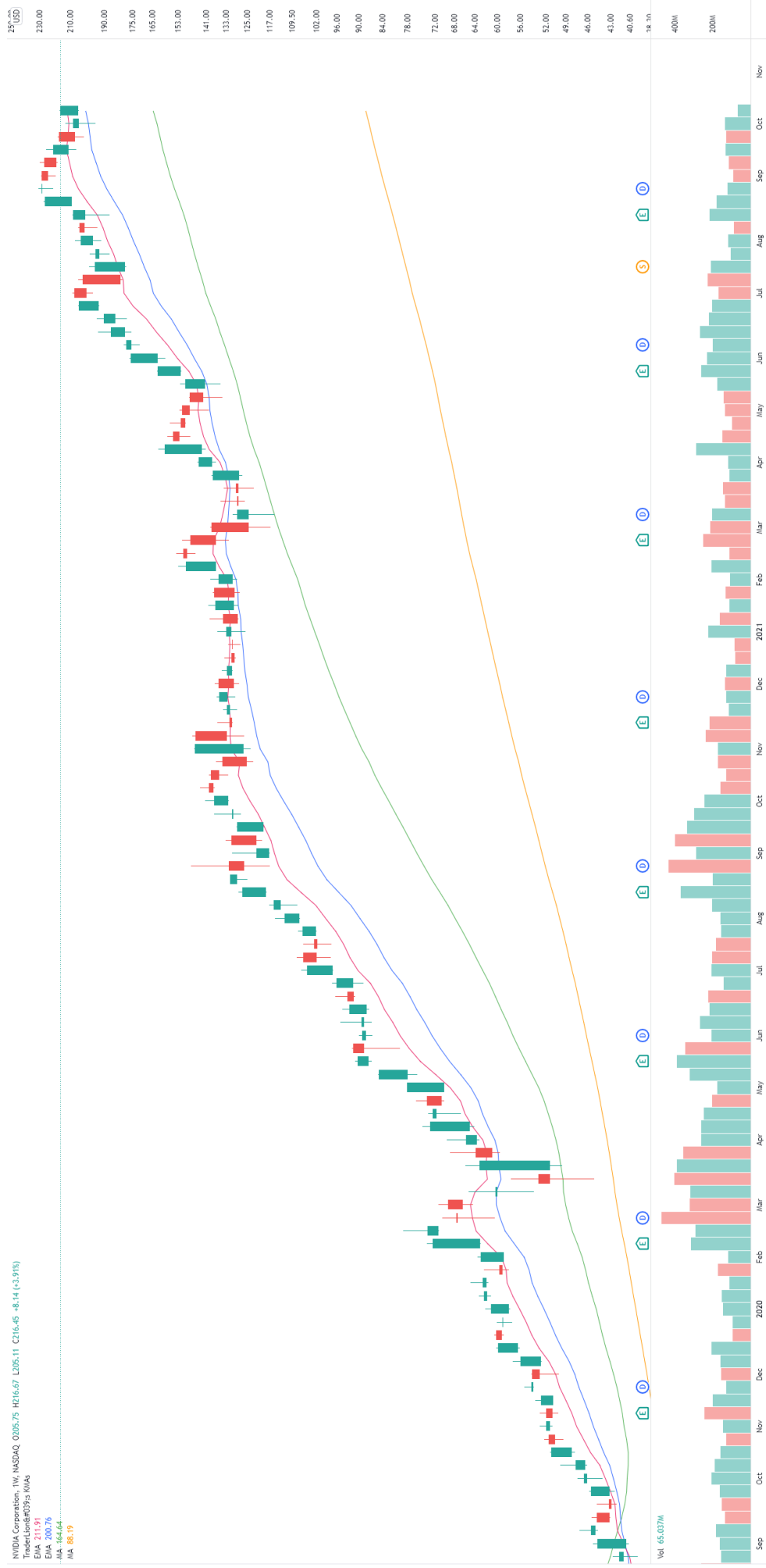




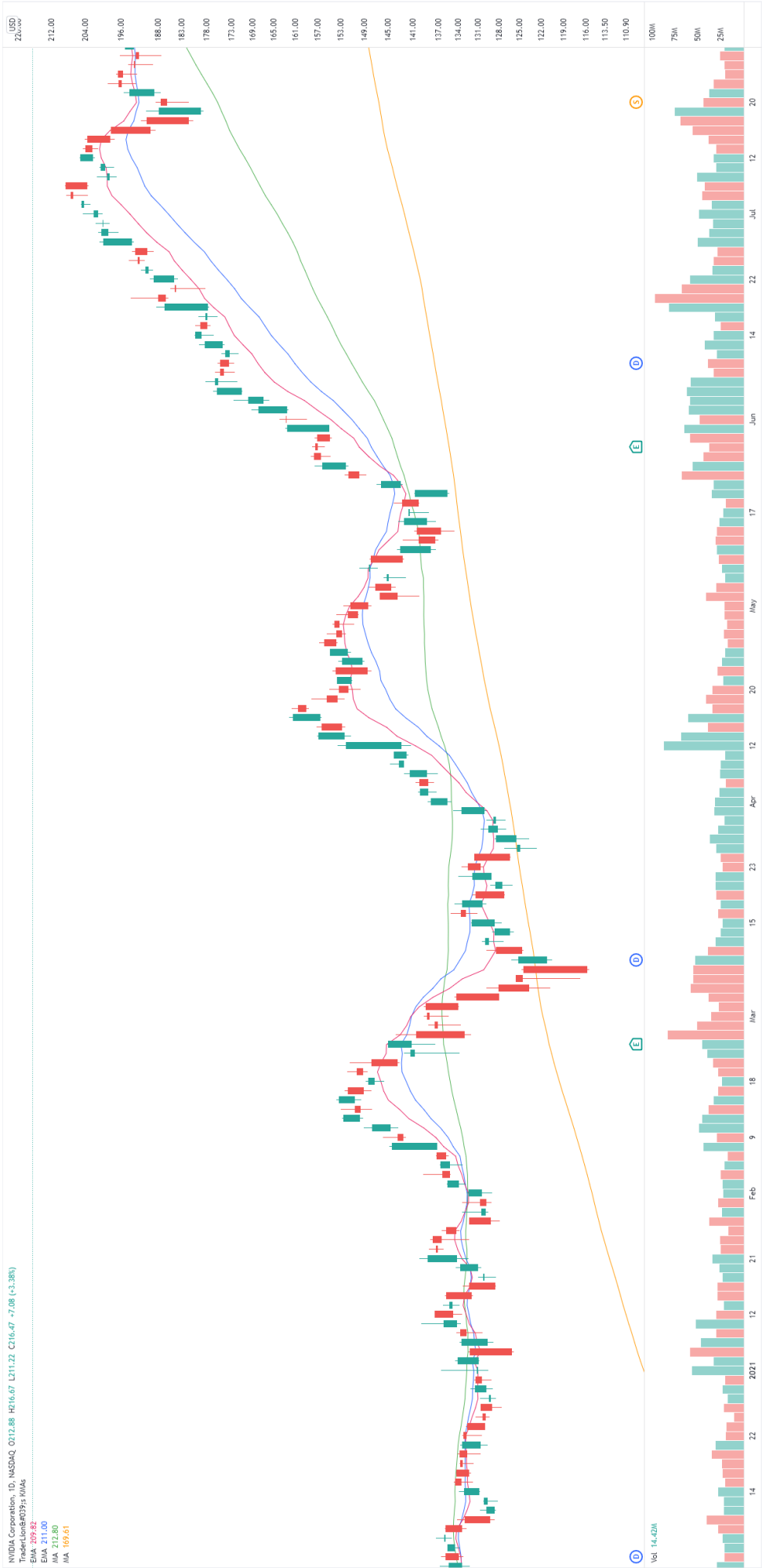
# NVDA DAILY



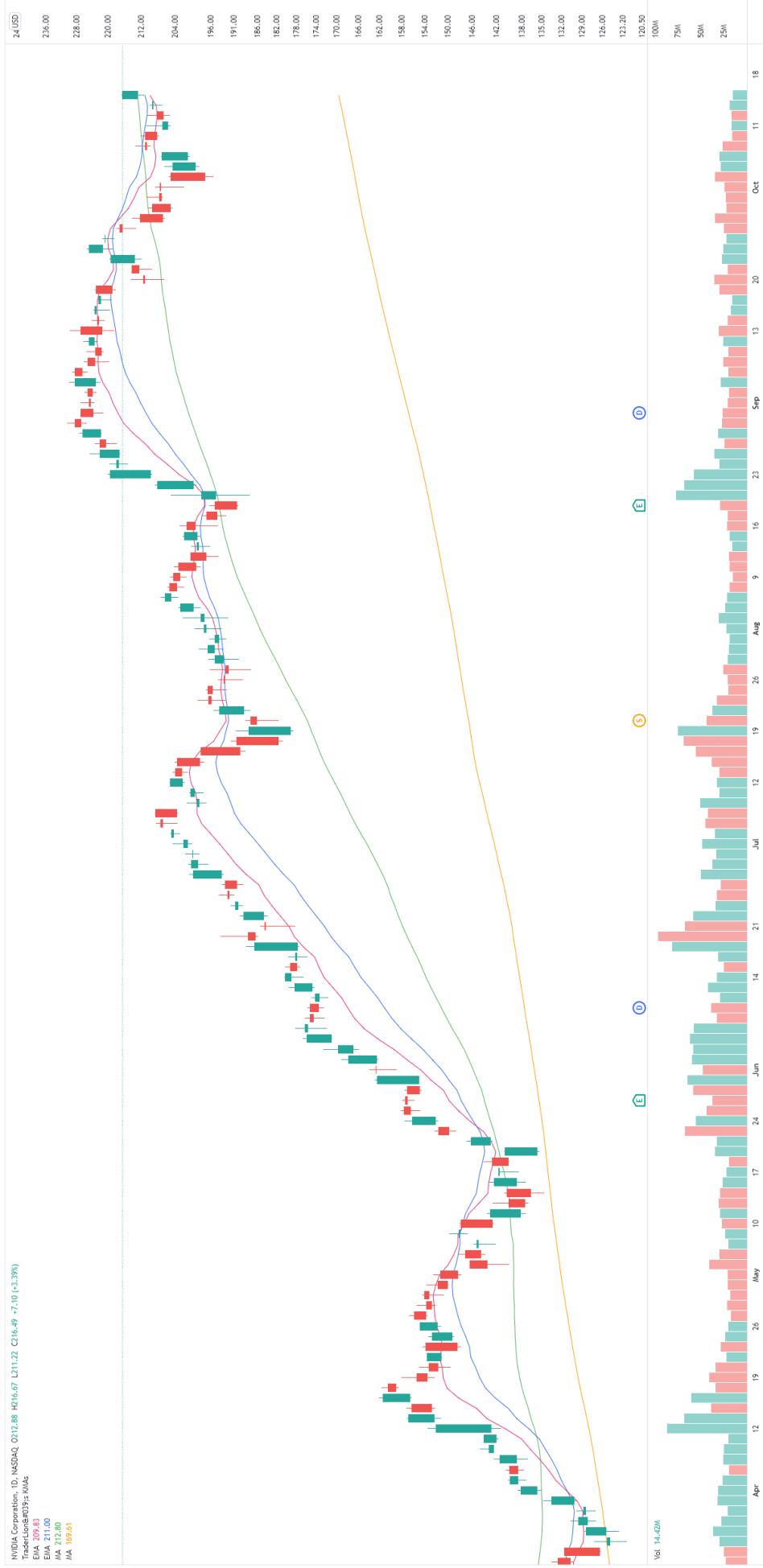
# NVDA WEEKLY



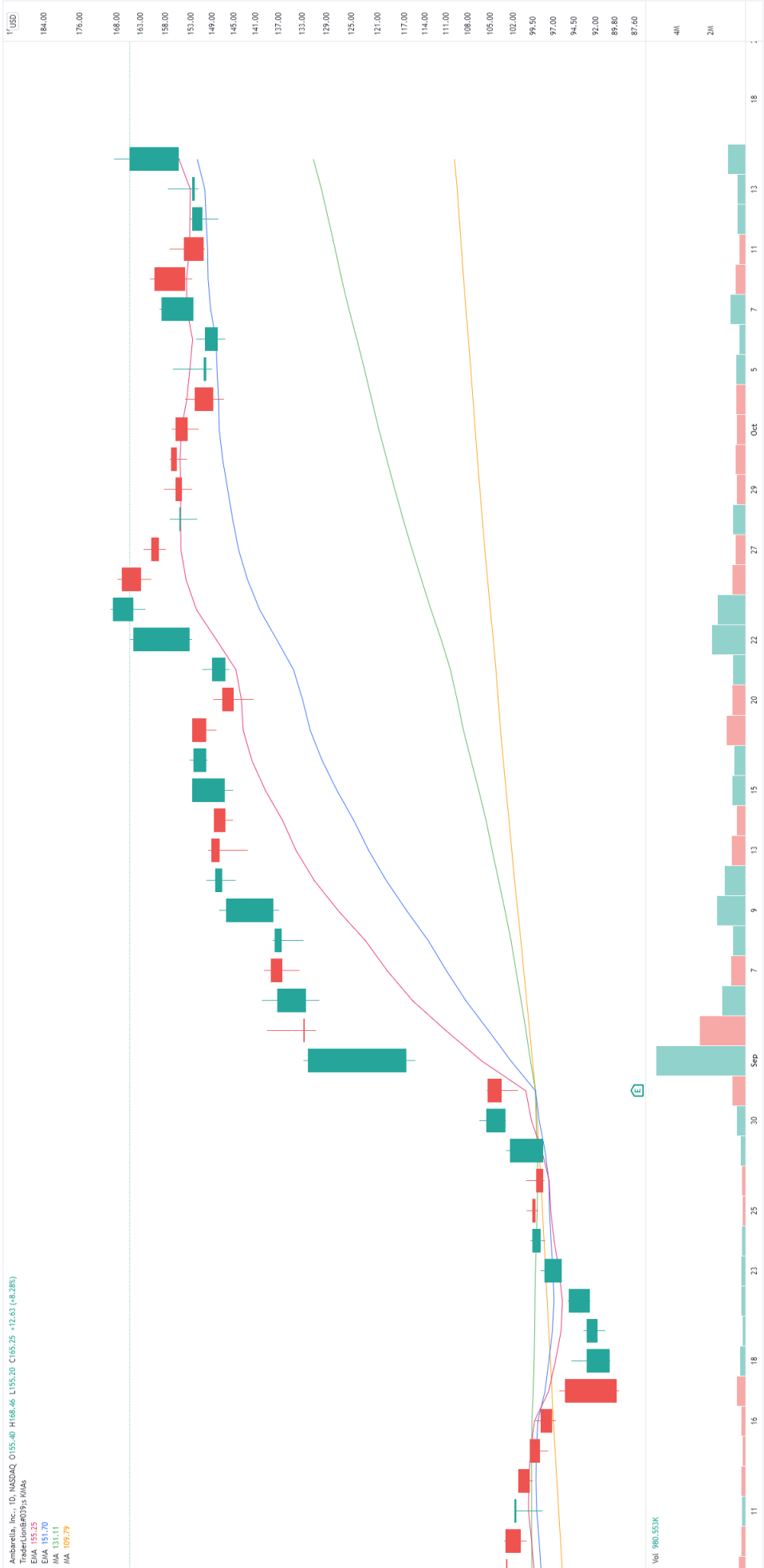
# NVDA BASE ONE



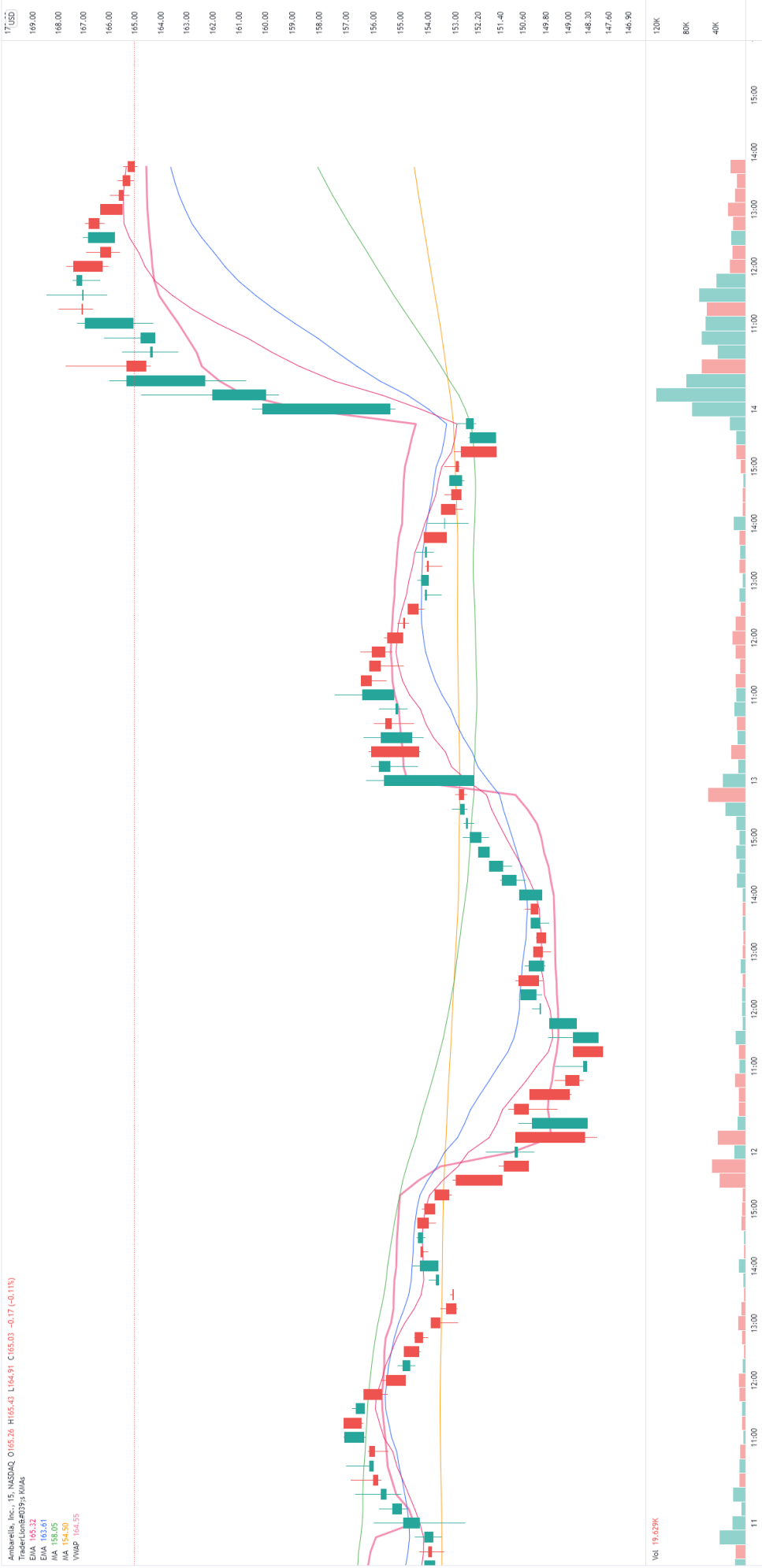
# NVDA CURRENT



# AMBA DAILY



# AMBA 15 MINUTE

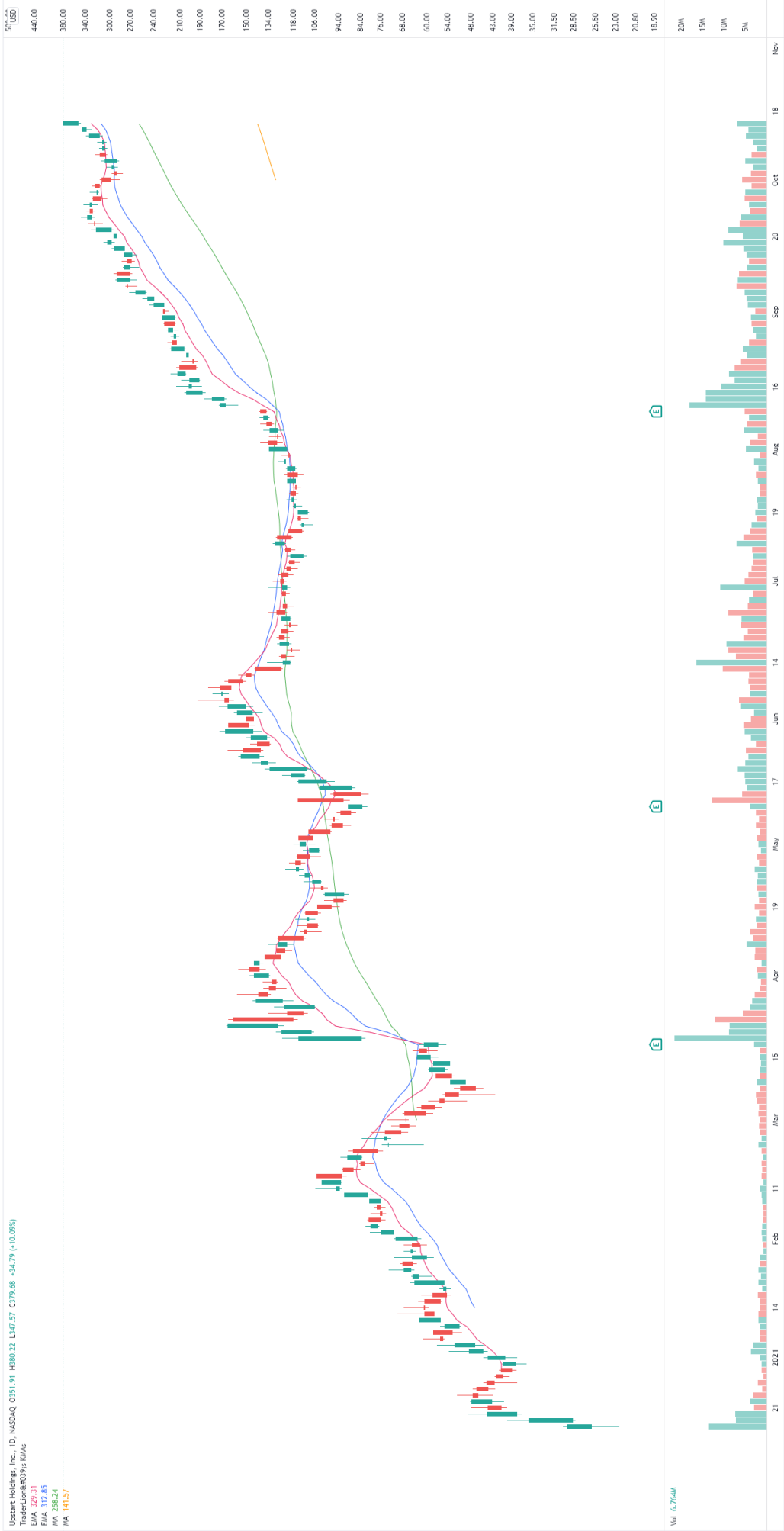


# **HOMEWORK**



Label the market cycles  
you have learned on the  
following chart.

# UPST



**OLIVER KELL | SWING TRADING MASTERCLASS**



1.

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**Snap a pic** of your homework

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2.



**Tweet it!**

