Trading The Pullback Step By Step

Learn how to read market pauses and enter trends when momentum resumes.

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01 What it is and why it matters

- An impulse is a sudden surge in price driven by aggressive market participants. Momentum cools as early participants lock in gains.
- That cooling phase is a pullback. Price drifts backward without aggressive selling, offering an entry before the trend continues.
- Entering during the drift protects you from chasing extended moves. It gives you clear invalidation levels if the structure breaks.

02 How to spot it on the chart

- Identify a strong impulse move that prints consecutive candles expanding in one direction.
- Count the candles during the retracement. A healthy pullback takes more candles to retrace than the impulse took to form.
- Watch the depth. A slow and shallow drift shows weak counter pressure, while a fast vertical collapse signals an outright reversal.
- Wait for price to turn and break above the high of the pullback candle before committing capital.

03 How to do it in TradingView

- Select the Long Position tool from the left toolbar to plan your setup.
- Place your entry order just above the break candle that signals the resumption of momentum.
- Anchor your stop level below the lowest point of the pullback drift to define risk clearly.
- Keep the chart clear of clutter so you can read raw candle speed without distraction.

04 The common mistake and the pro response

- Amateurs panic and open counter positions into the drift, getting caught when the dominant trend resumes.
- Pros wait patiently for the breakout candle instead of guessing where the drift will end.
- If price breaks cleanly below the pullback low, do not argue. Accept that the setup failed, stay flat, and wait for new structure.

Checklist

- [ ] A clear impulse move has printed on the chart
- [ ] The retracement takes significantly more candles than the impulse
- [ ] The counter move is a shallow drift rather than a vertical drop
- [ ] A candle has closed back in the direction of the main trend
- [ ] Your entry is set above the break candle
- [ ] Your stop is placed firmly below the pullback low

Your next step

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