Mastering Trendlines Without Falling for Traps

Learn how to read swing structure so you stop shorting right before a breakout.

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01 What It Is and Why It Matters

- A descending line shows where sellers previously stepped in. It marks dynamic boundaries, but it is never an unbreakable wall.
- Every touch absorbs available orders. A level tested repeatedly loses supply and grows fragile instead of stronger.
- Trendlines fail because traders focus only on highs. If lows stop expanding downward, the balance of power has already shifted.

02 How to Spot It on the Chart

- Find two clear swing peaks to draw your baseline. Wait for an explicit third touch to validate the line.
- Examine the reaction after each tap. Touch three should push price downward to form a fresh lower low.
- Watch the approach to touch four. If price prints a higher low instead of continuing down, prepare for a sharp upward break.

03 Drawing the Setup in TradingView

- Open your chart on the 4H timeframe to filter out lower timeframe noise and uncover true market structure.
- Press Alt+T on your keyboard to immediately activate the trendline tool without searching through side menus.
- Anchor the line across the distinct swing highs. Extend it rightward while keeping your focus firmly on the emerging lows.

04 The Common Mistake and the Professional Pivot

- Amateurs blindly enter short orders on the fourth touch simply because the line held before. That habit causes painful losses.
- Professionals study the preceding dips. When dips turn shallow, they step aside and wait for the breakout.
- If a breakout candle closes back below the line, treat it as a trap, stand down, and wait for structural clarity.

Checklist

- [ ] Verify the chart is set to the 4H timeframe
- [ ] Confirm the diagonal line connects at least three separate swing highs
- [ ] Measure the swing low that formed directly after the third touch
- [ ] Check whether the most recent dip formed a higher low instead of a lower low
- [ ] Cancel any resting short orders if downward momentum shows shallow pullbacks
- [ ] Wait for a decisive breakout candle to close before taking action

Your next step

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