

In the following, we will use the terms:

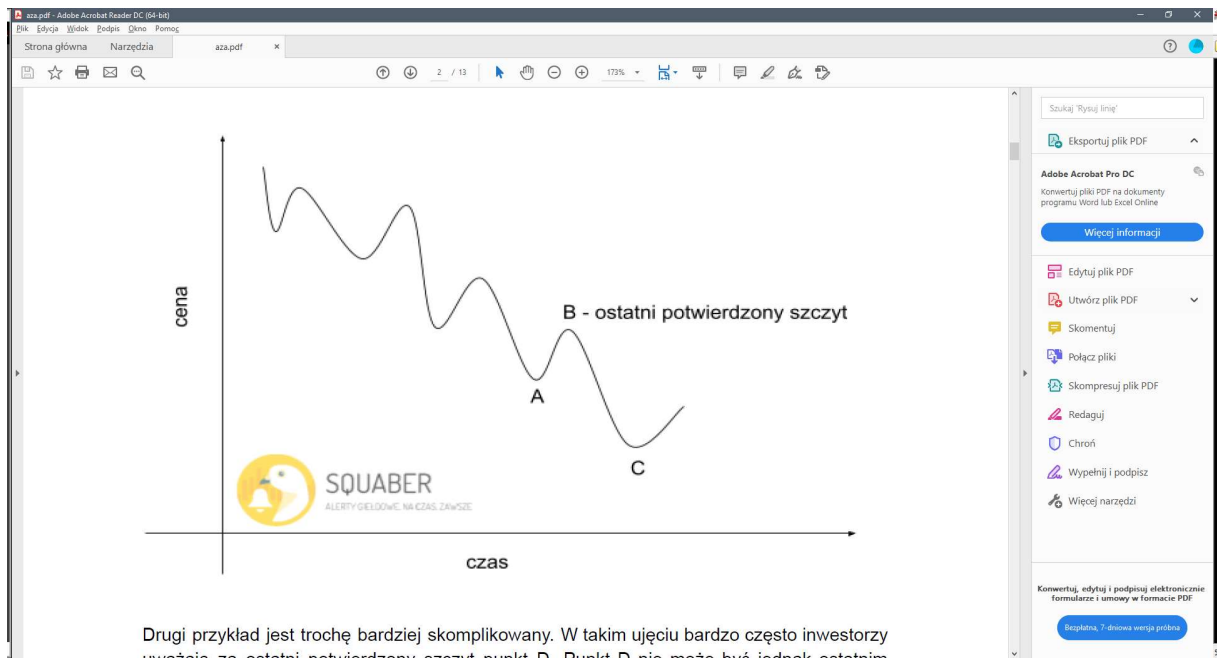
- last Confirmed peak (lcp, is in a downtrend),
- Last Confirmed Bottom (lcb, is in an uptrend).

Last Confirmed Peak (lcp)

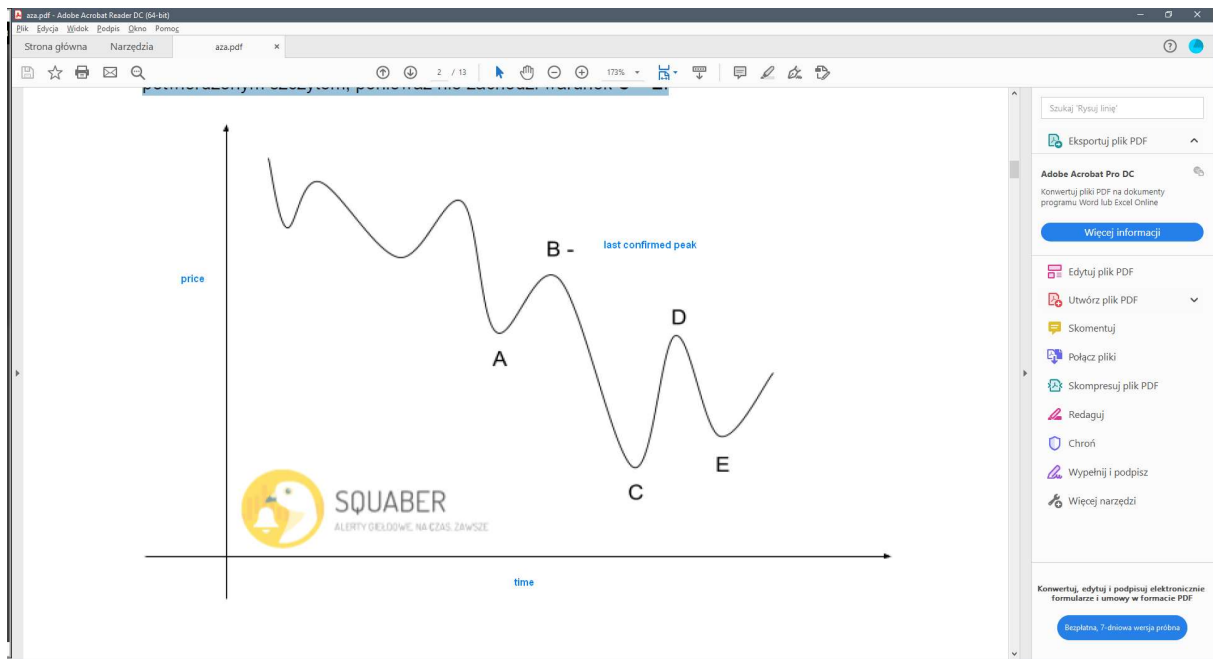
The last confirmed peak is in a downtrend. It means a local maximum between two local minima, the minimum being present later it must be lower.

The chart below shows the clearest example of the last confirmed peak.

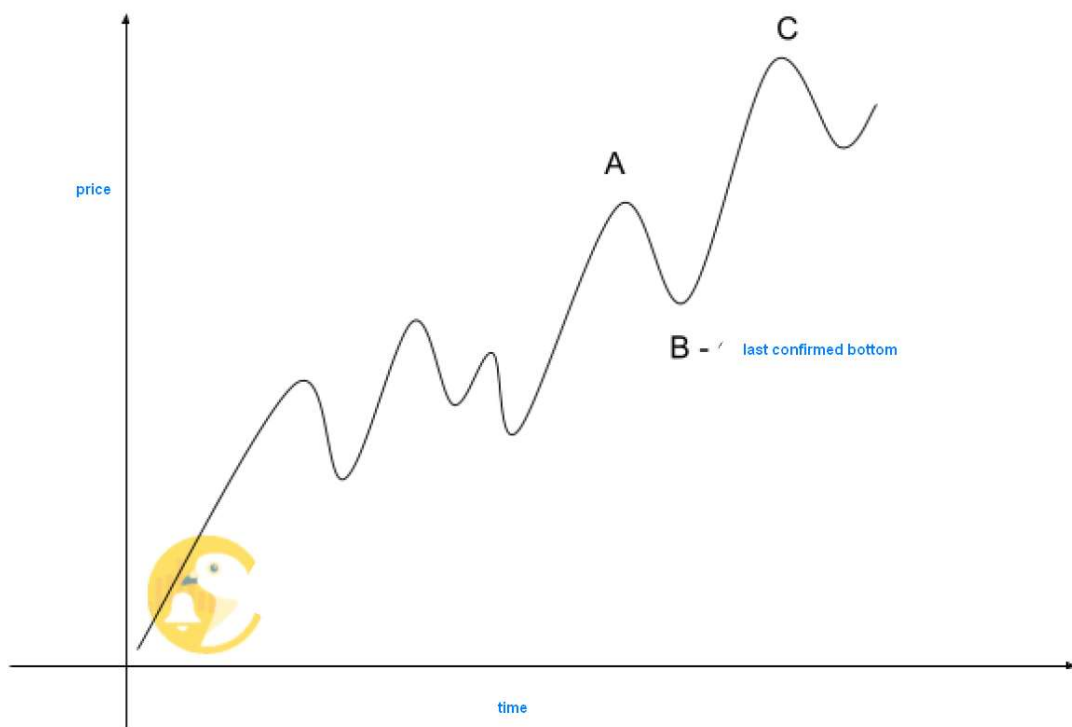
Point B is the maximum between points A and C, with $A > C$.



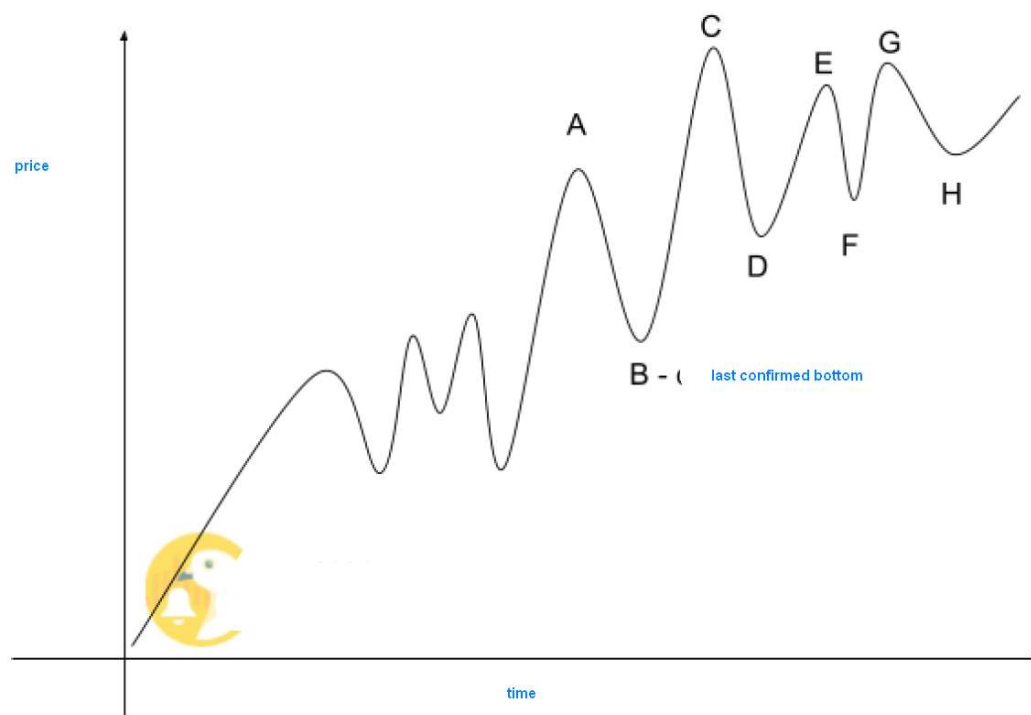
The second example is a little more complicated. From this perspective, very often investors they consider point D to be the last confirmed peak. However, point D cannot be the last confirmed peak as there is no $C > E$ condition.



Last Confirmed Bottom (OPD) The last confirmed bottom is in an uptrend. It means the local minimum between two local maxima, with the maximum occurring then it must be higher. The chart below shows the clearest example of the last confirmed bottom. Point B is the local minimum between points A and C, with $A < C$.

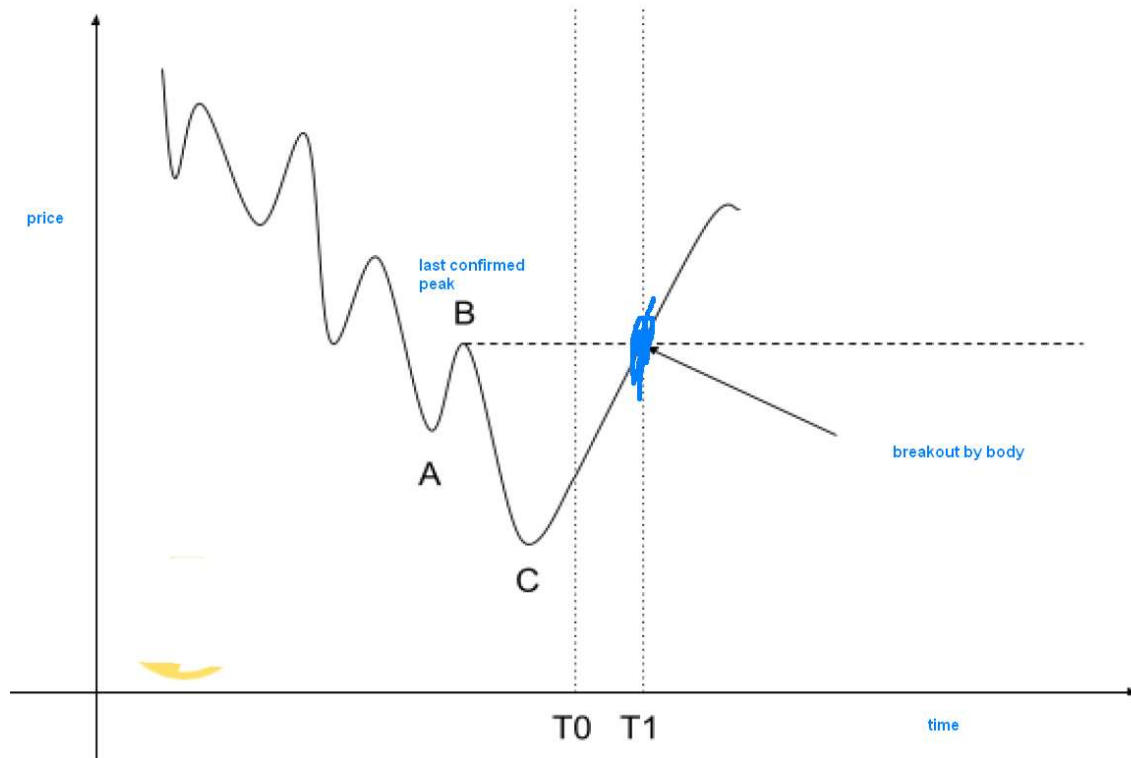


The second example is a little more complicated again. In this perspective, very often investors consider one of the points D, F or H to be the last confirmed bottom. These points do not they may be the last confirmed bottom because neither of them holds the other condition i.e. it is not true that the current price or point G or point E is higher than point C.

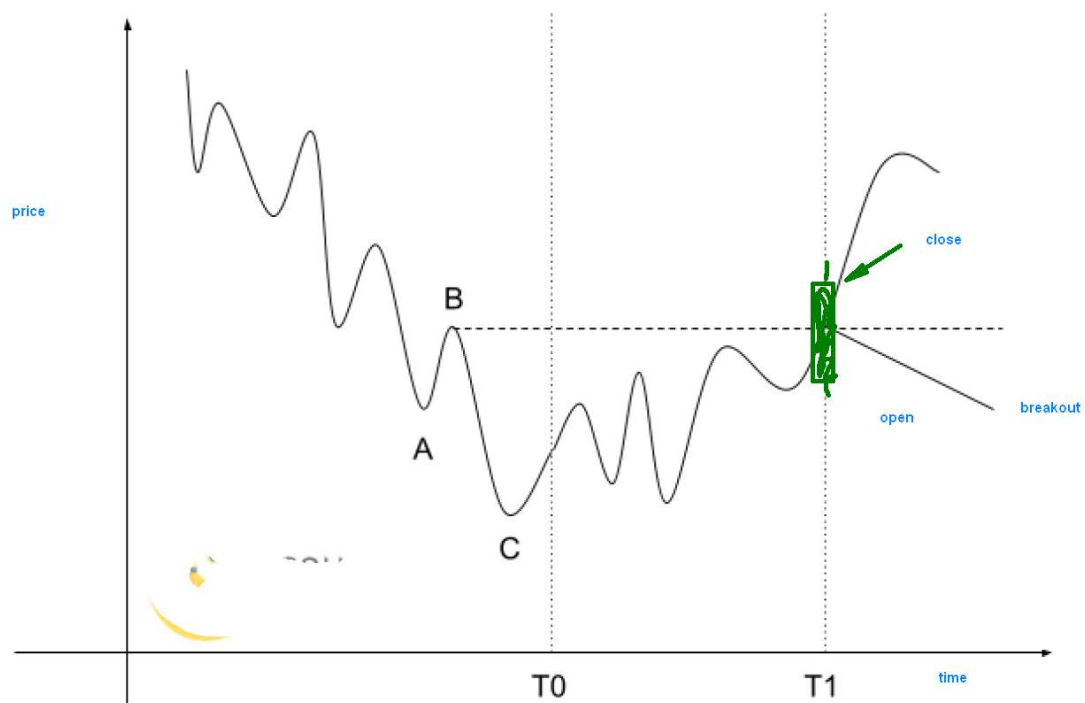


Reversal of the downtrend

The reversal of the downtrend occurs when the last confirmed high breaks. the breakout must occur with the candle body



Or



The presented examples are model, which, unfortunately, is often not the case such bright situations. Some elements of the strategy raise especially many doubts, hence

there are a few points to note:

1. For the correction to be considered sufficient, it must be formed by at least 3 candles or it must bear at least 30% of the previous impulse (with one or more light).

Remember to measure the pulse accurately, taking into account the extremes of candles.

2. For the level of LCP or LCB to be shifted, the local trough or, respectively the local peak must be struck by the candle body on the interval.

This means that the most important thing here is the closing price - it must be there below the hole or above the top.

3. Similarly, to talk about breaking the LCP or LCB and negating the current one trend, the breakout must be by the candlestick body on the interval. Again the key role is played by the closing price, which must be above the LCP or below LCB.

4. In both of the above-mentioned cases, violation of the specified level from which in the end, only the shadow of the day candle remains, it is not enough that move the LCP or LCB to a new place or talk about breaking them. For that you need it is the closing of the candle at the appropriate level.

all measurements are taken from LCP or LCB

