



HUNTRADERS



**The foundations of
technical analysis**

Table of contents

2. The foundations of technical analysis

2.1. Definition

2.2. Assumptions

2.3. Information

2.4. Trend-like movements

2.5. History

2.6. Technical analyst or chartist?

2.7. Does the past show the future?

2.8. Random Walk Theory

2.9. Dow Theory

2.9.1. Dow Theory I.

2.9.2. Dow Theory II.

2.9.3. Dow Theory III.

2.9.4. Dow Theory IV.

2.9.5. Dow Theory IV.

2.9.6. Dow Theory VI.

2.9.7. Criticism of the Dow Theory

2.10. Scaling stock prices

2.11. Trends

2.11.1. Definition

2.11.2. Three directions of trends

2.11.3. Three classes of trends

2.12. Resistance and support

2.12.1. Lines

2.12.2. Swaps

2.12.3. Psychology

Table of contents

2.13. Trendline

- 2.13.1. Trendline
- 2.13.2. Drawing trendlines
- 2.13.3. Experimental and real
- 2.13.4. Use of trendlines
- 2.13.5. Significance of trendlines
- 2.13.6. Which points to connect?
- 2.13.7. Handling the breaks
- 2.13.8. Trendline break
- 2.13.9. Swaps
- 2.13.10. Fan Principle
- 2.13.11. The magical number of “three”
- 2.13.12. Relative steepness
- 2.13.13. New trendlines

2.14. Channel

- 2.14.1. Channel
- 2.14.2. Price target calculation of channels
- 2.14.3. Establishing new channels

2.15. Correction

- 2.15.1. Intended correction
- 2.15.2. Fibonacci correction

2.16. Reversal day

2.17. Gaps

- 2.17.1. Breakaway gap
- 2.17.2. Runaway gap
- 2.17.3. Exhaustion gap
- 2.17.4. Support and resistance
- 2.17.5. Island reversal

Table of contents

[2.18. Elliott Wave Theory](#)

[2.18.1. History](#)

[2.18.2. Foundations](#)

[2.18.3. Elliott Waves](#)

[2.18.4. Elliott Fractals](#)

[2.18.5. Elliott and Fibonacci](#)

[2.18.6. Correction Waves](#)

[2.18.6.1. Zig-zag correction](#)

[2.18.6.2. Flat correction](#)

[2.18.6.3. Triangle correction](#)

[2.18.6.4. The Rule of Alternatives](#)

[2.18.7. Channels](#)

[2.18.8. Fibonacci Ratios](#)

[2.18.9. Fibonacci Correction](#)

[2.18.10. Fibonacci Time Zones](#)

[2.18.11. Summary](#)

[2.19. Technical checklist](#)