

THE SYMMETRICAL TRIANGLE TRADING STRATEGY

You will learn one of the most proficient
ways to trade consolidations



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The Symmetrical Triangle Trading Strategy

If you like price geometry than noting beats the Symmetrical Triangle trading strategy. If you like geometry and you like to draw shapes like lines and triangles, then you're going to have a lot of fun trading the Symmetrical Triangle pattern.

Our team at I gY^c\`Hig/iZ\n`<j`YZh is working hard to put together the most comprehensive guide on different chart pattern strategies. In order to understand the psychology of a chart pattern, please start here: [Chart Pattern Trading Strategy step-by-step Guide](#).

The Symmetrical Triangle pattern can appear throughout any market and their popularity is notable with all types of traders trading on any time frame.

The first thing you need to know about triangles is that they are a form of support and resistance. You can learn more about the topic of support and resistance here: [Support and Resistance: What Is Going On At These Critical Areas](#).

The Symmetrical Triangle pattern is a volatile pattern that encompasses a wide ranging market that progressively becomes tighter and tighter as the pattern approaches its ending point.

Now ...

Moving forward, we're going to discuss what is a Symmetrical Triangle pattern and lay down a few notes about the psychology behind the triangle breakout.

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H Y6 ÷ `H<F99` ÷bX]WUcf/Ôađ Á ā ÁH fYY`H]a Yg`5 g`A UbmHf UXYgÁ/@đ Á
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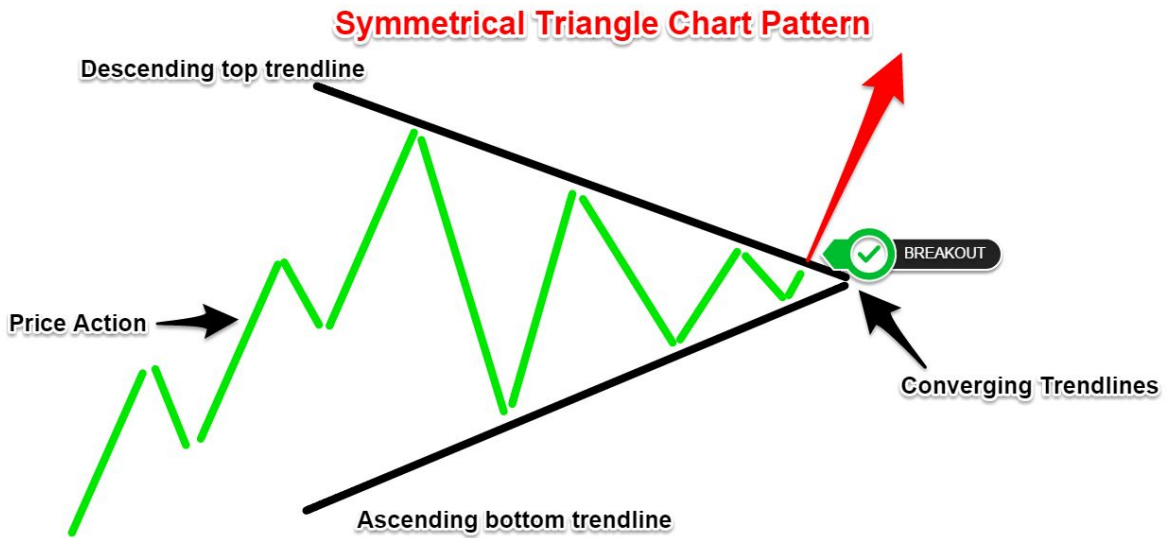
In technical analysis, a symmetrical triangle is one of the most popular triangle price formation that fall under the category of continuation patterns however, it really can be traded both ways. As the name suggests,

The price action needs to move in a series of lower highs and higher lows in order to be able to define a Symmetrical triangle pattern.

In terms of its characteristics all you need to look for is for two things:

An ascending bottom trendline that goes in the upwards direction.

A descending top trendline that goes in the downward direction.



The symmetrical triangle pattern can be drawn by simply connecting the swing high/low with two sloping lines that need to converge at some point in the future making the break inevitable.

You need two hits minimum on each of these two trendlines in order to be able to draw the Symmetrical Triangle pattern. As long as you got two hits each side minimum that defines a triangle pattern.

Now, we have to keep in mind that the symmetrical triangle is a neutral chart formation and it can break in both directions.

CdiZŽ'L] Zc'1 Z'[^VanWZV '[gdb 'i] Z'Hnb b ZigXVal gVc\az'eViiZgc'i] Z'[dadl ^c\`b dkZ`cZZYh id`WZ`kZgn`k`daZci`VcY`[Vhi`b dk`c\#

Here is a real example of a perfect looking Symmetrical Triangle pattern:



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 Y[~ !/0c ^!æ ^ Ád ^^ +Qã ãæ | +Ä[~ Á ^^ Á @ Á æ \ ^d |æ ^ È'; i UfUbnYX'Á

G4C' ; 8E8' GB' : 8G' LBHE' FC86<4?
 7<F6BHAG

.....AaZ'<ytVanjn` t'UZab X{aZ'@k k Z{xWYj'AxdM`jZ'
 <M{Zxl ¥'

What is basically happening here is the buyers and sellers are at a draw with each other.

There is no clear trend forming and thus it will keep squeezing smaller and smaller following the trend lines.



Think of it as a tug of war that is going on between the buyers and sellers.

As the two lines get closer and closer together, it is quite evident that something will have to give. Whoever wins the battle will be who you want to grab a ride with by entering a buy or a sell.

The only real challenge with triangle patterns is identifying the real triangle breakout and having enough confidence to hold the trade until the minimum target has been reached.

Now, let's see how you can effectively trade with the Price Channel trading strategy and how to make profits from basically using no technical indicator.

.....@tk k Z{x0Vji'Ax0Ml` jZ'AxVXb` '@xMZ` t`°` Ł | t`? | jZy`

The Symmetrical trading strategy will help you increase your account balance quite rapidly. You simply have to employ this step-by-step guide on triangle trading to make sure you're correctly reading the information given by the classical Symmetrical Triangle.

Moving forward, we present the sell side rules of the Symmetrical Triangle trading strategy:

HiZe` &`XZci {n`Vi`āVhi`il d`ād] Zg] ^] h`VcY`il d`] ^] Zgād] h`VcY`YgMl` V`Hnb b ZigXVā] gVc`āZ eViiZg: Vh`XdccZXi`c`i] ZhZ`hl` c`ēd`c`ih#

It should be pretty easy to draw the Symmetrical Triangle pattern.

Just connect at least two higher lows with an ascending trendline.

Repeat the same process with at least two lower highs using a descending trendline.



CdiZŻ`B V` Z`hj g`ndj `ZmZcY`i] Z`igVc\`ā`ācZh`id`i] Z`g\`] i`d`[`i] Z`X] Vg`j` ci`āi] Zn`XdckZg`Z#
HiZe` ` `8] ZX` `[`i] Z`egZkV`āc`\`i`gZcY`h`b`dk`ā`\`j`el` Vg`Yh

The symmetrical triangle pattern works best when used as a continuation pattern. This means that before the symmetrical triangle pattern forms we need to have a prior trend (bullish).

The prevailing trend prior to the Symmetrical Triangle formation can provide a clue about the triangle breakout direction. For high probability setups we encourage you to only trade the triangle breakout in the direction of the prevailing trend.



The Symmetrical Triangle is more bullish if it's formed within an uptrend.

When the triangle breakout happens this will attract many other people to the "party"

So far, so good.

Now we need to define our entry technique which brings us to the fourth step of the Symmetrical Triangle trading strategy.

HiZe` (`L V↑[dgi] Z`l gVc\z`WgV` dj i`VcY`7J N`dca`V[iZgi] Z`WgV` dj i`XVcYa`XadhZh`WdkZ`i] Z`YZhXZcY`c`i`gZcYa`cZ`#

We treat the triangle breakout with caution, which is why we wait for price confirmation in the form of the breakout candle closing above the Symmetrical triangle pattern.

It will benefit you more to wait for the breakout candle to close above the Symmetrical Triangle pattern. This will prevent you from taking unnecessary risk and you'll avoid many of the false breakouts.



Many times people will place pending orders above and below the Symmetrical Triangle pattern in anticipation of a triangle breakout. This is a trap and it's one of the reasons why the false triangle breakout happens.

We want to avoid that!

CdiZŽi] Z`W`hi`i Vn`id`ZciZgVcni`neZ`d[igVc\`ā`h`dca`n] Zc`i] Z`egXZ`] Vh`Wd` Zc`VcY`XadhZ
 WdkZ`i] Zj`ehYZ`igZcYacZ` °`c`i] Z`XVhZ`d[V`W`V`ah] W`ZV` dj`i`VcY`i] Zc`i] Z`egXZ`] Vh`Wd` Zc`
 VcY`XadhZ`W`adl` i] Z`Ydl`chYZ`igZcYacZ` °`c`i] Z`XVhZ`d[V`W`V`gh] W`ZV` dj`i`#

The next logical thing we need to establish for the Price Channel trading strategy is where to take profits.

See below...

HiZe`)`i`V`Z`Egd[1`&`Vi`i] Z`Vi`i] Z`hVb`Z`egXZ`Y`hiVcXZ`V`h`i] Z`i`gVc\`ā`=Z`^] i!`i`V`Z`Egd[1` `Vi`
 `m`gVc\`ā`=Z`^] i

The textbook profit target for any type of triangles is the height of the triangle projected in the direction of the breakout from the breakout point.

Now you might be asking yourself what is the triangle height?

We need to work with the triangle parameters to calculate the triangle pattern height. By measuring the distance between the highest point formed within the Symmetrical Triangle pattern and then the lowest point we obtain the triangle height.



So, the triangle height can be obtained by simply measuring the price distance from the highest to the lowest price point within the triangle formation.

To measure a profit target from the triangle breakout you simply take the triangle height and project that from the breakout point.

The Symmetrical Triangle trading strategy employs multiple entry techniques.

The first take profit comes at the same price distance as the triangle height and because we have found out that more often than not there is a high probability of a much bigger movement generated by the triangle breakout we have a second profit target at 2 x triangle height.



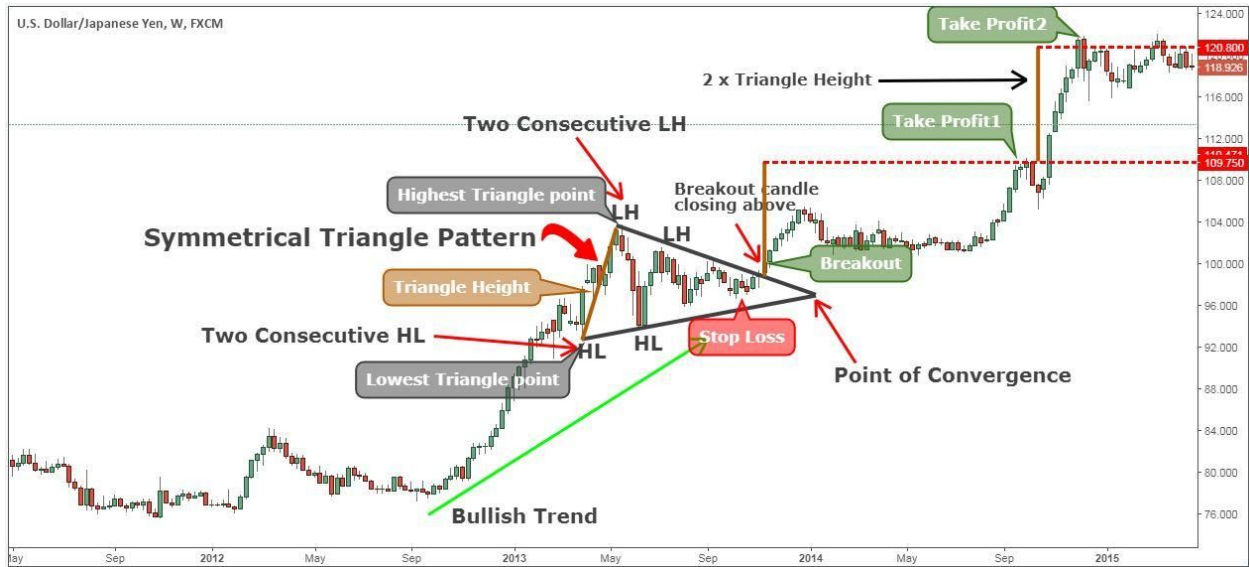
The next important thing we need to establish is where to place your protective stop loss.

See below...

Hi Ze ~ * /Ea/XZ i] Z`egli ZXi kZ`hide`adhh`WZadl` i] Z`hl` c`\`adl` `egdgid`i] Z`l` gVc\`a`7gZV` dj` i

A common approach when using a Symmetrical Triangle trading strategy is to hide your protective stop loss just below the last swing low prior to the triangle breakout.

You can use different stop loss techniques as well, like placing the SL below the Symmetrical Triangle pattern.



CdiZžžž'] Z`WđkZ'1 Vh`Vc`ZmVb eā`d[V`7J N'igYZ` J`hZ'i] Z`hVb Z`g`āh` `Wj`i`c`g`kZgZ` ` [dg
 V`H: AA`igYZ`#`ε`i] Z`[^] g`WZādl !`ndj `XVc`hZZ`Vc`VXij Vā7J N'igYZ`ZmVb eā!`j h`c`\`i] Z`E`gXZ
 8] VccZāigV`c`h`igMiZ`n`#



•.....t nl Vj| y0l

The Symmetrical Triangle trading strategy is one of the most proficient ways to trade consolidations because the triangle pattern generally occurs during ranging periods. Generally, we draw the symmetrical triangle pattern to highlight these ranging areas.

You can very easily capitalize on this simple trading pattern by following our step-by-step guide presented throughout this article.

When trading Symmetrical Triangle patterns, it's worth to keep in mind that sometimes these chart patterns can simply continue to move sideways and emerge into a consolidating market.

Thank you for reading!

Make sure to continue checking out [TSG website](#) for further educational Chart Pattern strategies.

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Zm°b eaz°h°d[d°dj ghi°gi Z\°n°id°] Zæ°ndj °eZg[ZXi°i] h
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