

# Reversal Long

↕ Category	Long
⌚ Timeframe	Daily

## Description

Continuation of the higher timeframe trend, termination of the lower timeframe trend.

This is a failed breakdown of the higher timeframe trend that traps countertrend traders and stops with-trend traders out, creating fuel for an explosive move if countertrend traders are wrong and with-trend traders want back in. Only trade this setup in strong or hot stocks.

## Trade Checklist

- Are dips getting bought or do moving averages fail in the leading stocks?
- What is the rest of the group doing?
- Are there unfilled gap-downs, wicks, or other fresh resistance in the way?
- Is the stock trending clean and orderly?
- Are there recent big bearish bars?
- Does the shakeout look nasty and trapped many traders?

## Ideal Market Conditions

The market should be in an uptrend or short-term aggressively oversold.

## Setup Preconditions

- Strong stock in an uptrend, with most moving averages sloping up or a very liquid, high-ATR stock that is popular
- The stock has to be above or just undercutting a rising 50SMA, no obviously downwards-sloping moving averages!
- Price has to undercut the prior days low and ideally cut below a long-term range or a moving average
- The stock is trading clean and price movements are harmonious and controlled, no random chop or chaos

## Entry Techniques

Price has to cross an intraday pivot. ideally after making a higher low and taking out a previous intraday level. Beyond that, at least 2 of the following conditions have to be met:

- Undercut of a significant moving average and multiple bar lows on the daily chart
- Lower High or ABCD pattern on the intraday chart
- VWAP reclaim
- Return into prior day's range



## **Initial Stop Loss Placement**

- Low of the day

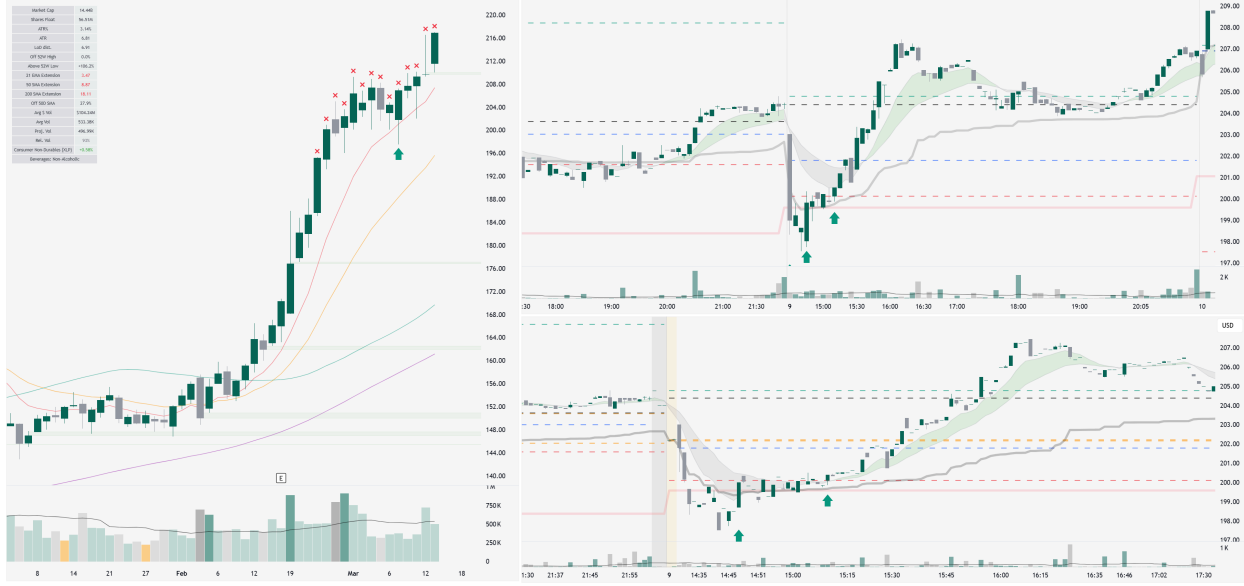
## **Red Flags**

- Other leading stocks break down and don't hold moving averages
- Recent bad news
- Recent heavy distribution bars
- Stock has already made 3 or more trend legs
- Group-wide weakness
- Bad macro news
- Overall market selloff or weakness
- Can't reclaim VWAP or doesn't hold above

## **Examples**

PersistentEdge created with TradingView.com, Mar 15, 2020 23:21 UTC-1

COKE - Coca-Cola Consolidated, Inc. - 1D - NASDAQ 0211.57 H117.00 L110.00 C116.91 +7.21 (+3.44%) 16494.99K



TradingView

PersistentEdge created with TradingView.com, Mar 15, 2020 16:14 UTC-1

BAKX - The Pacific Retailers, Inc. Common Stock - 1D - NYSE 052.10 454.72 L51.35 C53.25 +0.54 (+1.38%) 161.24K



TradingView



PercentEdge created with TradingView.com, Mar 15, 2024 15:54 UTC-1

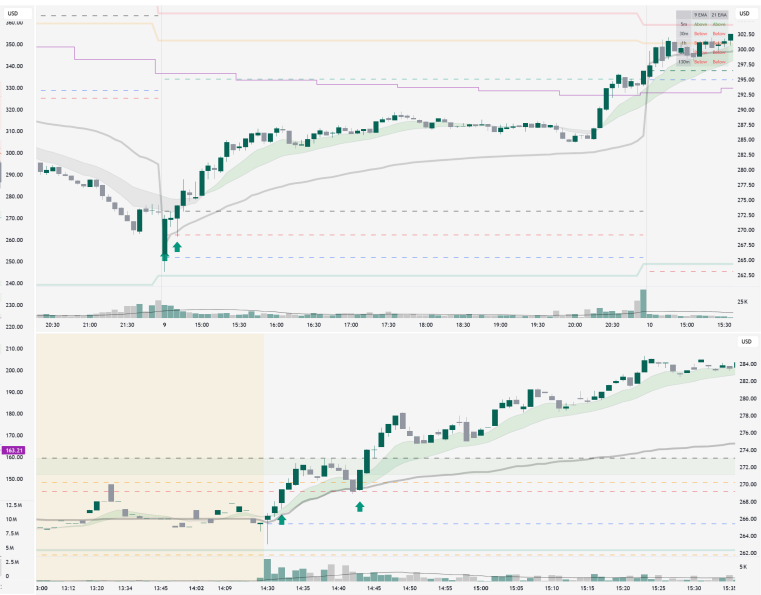
PLC - Fluence Energy, Inc. - 1D - NASDAQ @ 15.76 157.41 1.0 (0.6%) 15.38 (-0.24) (-1.5%) VBI: 3716



TradingView

PercentEdge created with TradingView.com, Mar 15, 2024 15:49 UTC-1

TER - Teradyne, Inc. - 1D - NASDAQ @ 219.00 2019.35 1.234.97 0.6% (-0.07%) WEL: 1718



TradingView

PercentEdge created with TradingView.com, Mar 15, 2024 15:19 UTC+1

CAVA - CAVA Group, Inc. - 1D - NYSE: CAVL 13 081.34 180.48 021.00 -1.65 (-1.23%) 162:22M



17 TradingView

PercentEdge created with TradingView.com, Mar 15, 2024 11:34 UTC+1

PSX - Psyllon, Inc. - 1D - NASDAQ: PSX.L3 124.22 124.22 10.36 (+1.4%) 169:44M



17 TradingView

PersistentEdge created with TradingView.com, Mar 10, 2026 13:55 UTC-1

IRDM - Iridium Communications Inc - 1D - NASDAQ O23.75 H24.46 L23.41 C24.24 +0.23 (+0.96%) Vol1.64M



TradingView

PersistentEdge created with TradingView.com, Mar 08, 2026 19:45 UTC-1

PSLV - Fiserv, Inc. - 1D - NASDAQ O19.93 H21.60 L19.88 C20.14 +0.26 (+1.47%) Vol13.05M



TradingView

PersistentEdge created with TradingView.com, Mar 08, 2024 19:37 UTC-1

FSV - Fasty, Inc. - 1D - NASDAQ O19.93 H21.60 L19.88 C20.14 -0.30 (-1.47%) Vol13.05M

Market Cap	3.86B
Shares Out	193,499
EPS	8.89
PE	2.47
EPS (Dil)	8.76
EPS (Non-Dil)	7.45
EPS (Full)	105.91
21 Day Average	1.74
50 Day Average	1.64
200 Day Average	1.51
Open Price	19.93
High	21.60
Low	19.88
Close	20.14
Volume	13,050,000
Market Volume	25,344
Market Volume (30d)	112,863
Market Vol	4.71
Market Volume (30d)	21,344
Market Volume (30d)	21,344



TradingView



IREN - 20.08.2025

RR - 30.09.2025

RR - 05.09.2025

ONDS - 20.08.2025

IREN - 05.09.2025

ALAB - 02.09.2025

OPEN - 07.08.2025

CIFR - 03.12.2025

RDDT - 02.01.2025

