

■ Support    
 ■ Resistance    
 ■ Trigger

## The Ultimate Chart Patterns Cheat Sheet

### Basics of Pattern Recognition

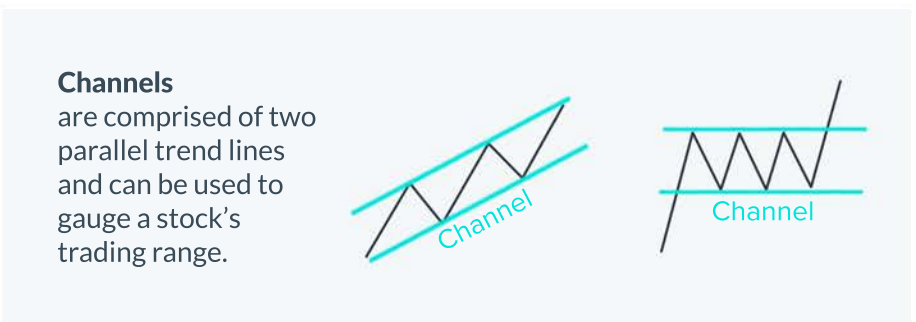
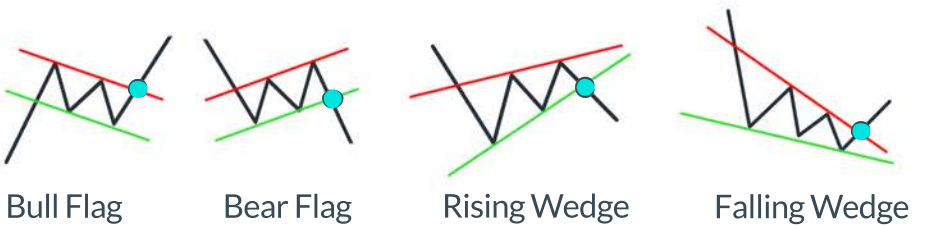
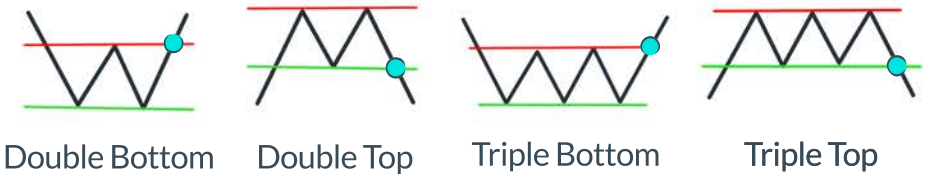
Chart trading relies on the assumption that certain setups are more likely to play out a particular way. These predictions are based on historical data but there is never 100% certainty that a setup will play out as expected.

### Risk vs. Reward

Technical traders must look for setups where the potential reward outweighs the potential risk. This can be accomplished by analyzing key support and resistance levels.

### Anticipation vs. Confirmation

When traders recognize a pattern formation, they have the option to anticipate the trade or wait for confirmation. Anticipation trades occur *before* the trigger price is reached whereas confirmation trades occur *after* the trigger price is reached.



### Support

A price at which buyers generally overpower sellers.

### Resistance

A price at which sellers generally overpower buyers.

### Trigger

The point at which a chart setup leads to a breakout or breakdown