

Twitter Thread by Steve Burns



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10 of the Worlds Most Powerful Trading Rules:

A thread■■■

2. Your trading system must be built on quantifiable facts not opinions.

3. Start with the weekly price chart to establish the long term trend, and then work down through the daily and hourly charts to trade in the direction of that trend. The odds are better if you are trading in the direction of the long term trend.

4. The more times a support or resistance level is tested, the greater the odds that it will be broken. Old resistance can become the new support, and the old support may become the new resistance.

5. Moving averages can quantify trends and create signals for entries, exits, and trailing stops.

6. Bull Markets have no long term resistance, and Bear Markets have no long term support.

7. "The larger the market gaps, the greater the odds of continuation and a trend." – Linda Raschke

8. "As long as a market is having consecutive strong closes, look for an up-trend to continue. The up trend is most likely to end when there is a morning rally first, followed by a weak close." – Linda Raschke

9. Above the 200 day moving average is where bulls create uptrends. Bad things happen below the 200 day moving average; downtrends, distribution, bear markets, crashes, and bankruptcies.

10. "It is much easier to watch a few than many." – Jesse Livermore