

# Twitter Thread by Emperor ■

Emperor ■

@EmperorBTC



## MASTER THREAD On Trading Terminology. ■

If you are confused trading terms, but beginner and advanced, Read this thread.

Read. Share. And RT

Let's Go ■ ■ ■

## TECHNICAL TRADING TERMINOLOGY

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**1.VALUE AREA (VA):**  
The range of price levels in which a specified percentage of all volume was traded during the time period.  
Typically, this percentage is set to 70% but I use 68%.



**5.LADDERING:**  
You place multiple buy or sell orders when wanting to enter a trade setup and get an average entry price.

**6.FRACTAL:**  
A pattern of Price movement which has occurred earlier and might occur again.



**8.VOLUME WEIGHTED AVERAGE PRICE (VWAP):**  
Incorporates price and volume. It's a S/R line. When price is above VWAP it is above value and when it's below price it's below value.

**9.DEPTH OF MARKET (DOM):**  
It is a list/window that shows how many open limit buy and limit sell orders there are at different prices in real- time. Depth of market measures the liquidity of a particular



**10.DEVIATION:**  
When price goes below the support and it seems like support is broken, but it reverses. The same, but opposite happens with resistance. This is due to Stop Loss hunting.

**11.LIQUIDITY GRAB:**  
Market Makers deliberately move the price up or down to hit the stop loss of retail traders. This event of Stop loss hunting provides them with liquidity to enter or exit the market.



**2.VALUE AREA LOW (VAL):**  
The lowest price level within the value area.

**3.VALUE AREA HIGH (VAH):**  
The highest price level within the value area.

**4.POINT OF CONTROL (POC):**  
The price level for the time period with the highest traded volume

**7.AVERAGE DOWN:**  
Trying to lower the average entry cost of a position by slowly buying the asset at reducing rates.

**12.ARBITRAGE:**  
A method of making profit using the pricing difference between exchanges

The above Explains

1. Basics of Volume Profile. No need to Panics if you don't understand VP, just understand the definition for now.

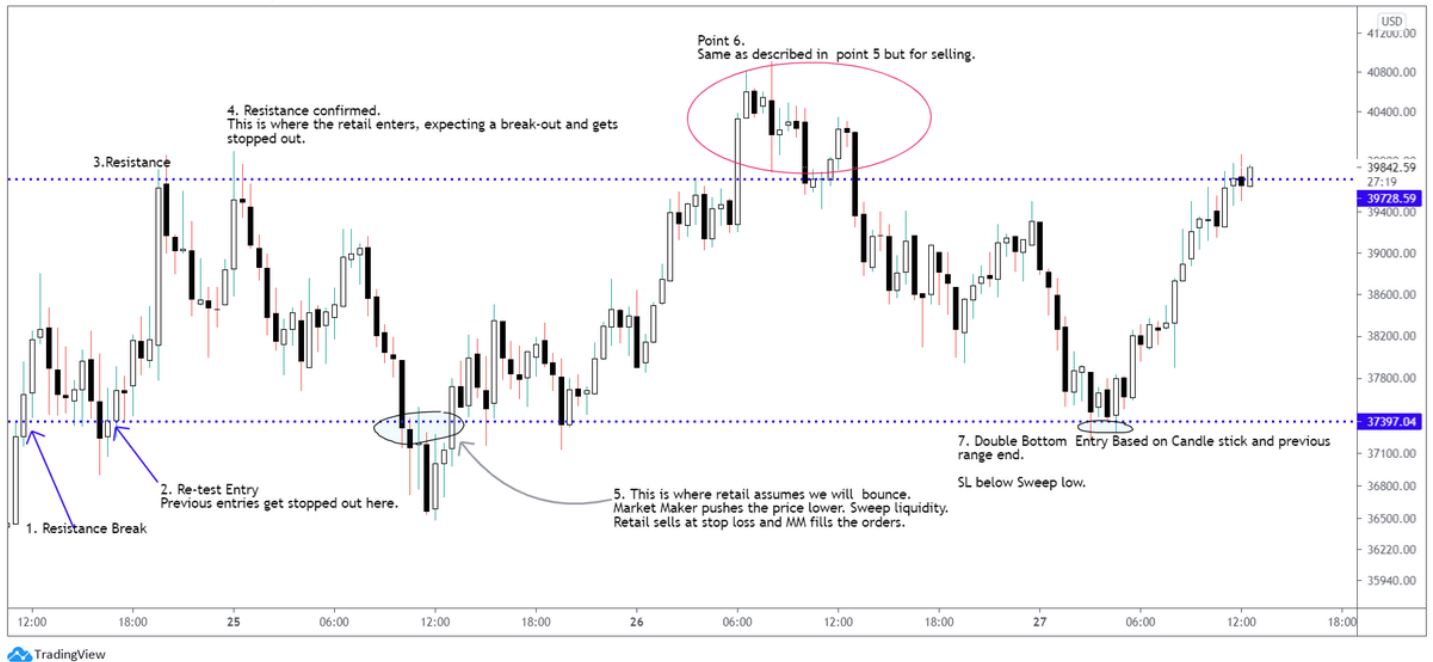
2. Explains DOM, Deviation and Liquidity Grab.

Please take the time to read the above slowly and carefully.

Deviation explanation here.■

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BITSTAMP:BTCUSD, 30 39842.59 ▲ +533.03 (+1.36%) O:39652.90 H:39867.77 L:39652.90 C:39842.59



Cheat Sheet 2.


Explains Basic price patterns and price movements explained.

### 13.TIME PERIOD/ TIME FRAME:

The time spread of each candle in a chart.  
Common time periods are 15min,30 min, 1Hour, 4 Hour, Daily and so on.  
This means that in a 15m time frame a candle will take 15mins to close.

### 14.SUPPORT AND RESISTANCE:

A support is a zone/line where we can expect the price to bounce back up. Resistance is a line/zone where we can expect the price to rebound downwards.



### 15.ACCUMULATION:

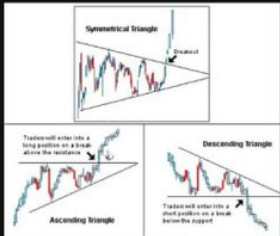
The process by which one builds a position in an asset.

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### 16.PATTERN:

A chart pattern is a predefined shape that have been historically studied by technicians. Traders try to use these previous performance statistics to predict future price movements.




### 17.SIDWAYS MARKET:

an indecisive market which isn't leading to a breakdown or a Breakout, and not giving any signals in either way.

### 18.UPTREND:

A price is said to be in an uptrend when it's making higher highs and higher lows




### 19.RALLY:

An upward trend leading to increase in price of the asset. Can happen in both bear and bull market.

### 20.DOWNTREND:

Opposite of uptrend, the prices here make lower highs and lower lows.




### 21.SELL OFF:

Profit taking after a rally in price, which leads to lowering of price of the asset.

### 22.CONSOLIDATION:

A period where the price is ranging in a well-defined region. This is a period of indecision and generally leads to a volatile movement in either directions.



### 23.CORRECTION:

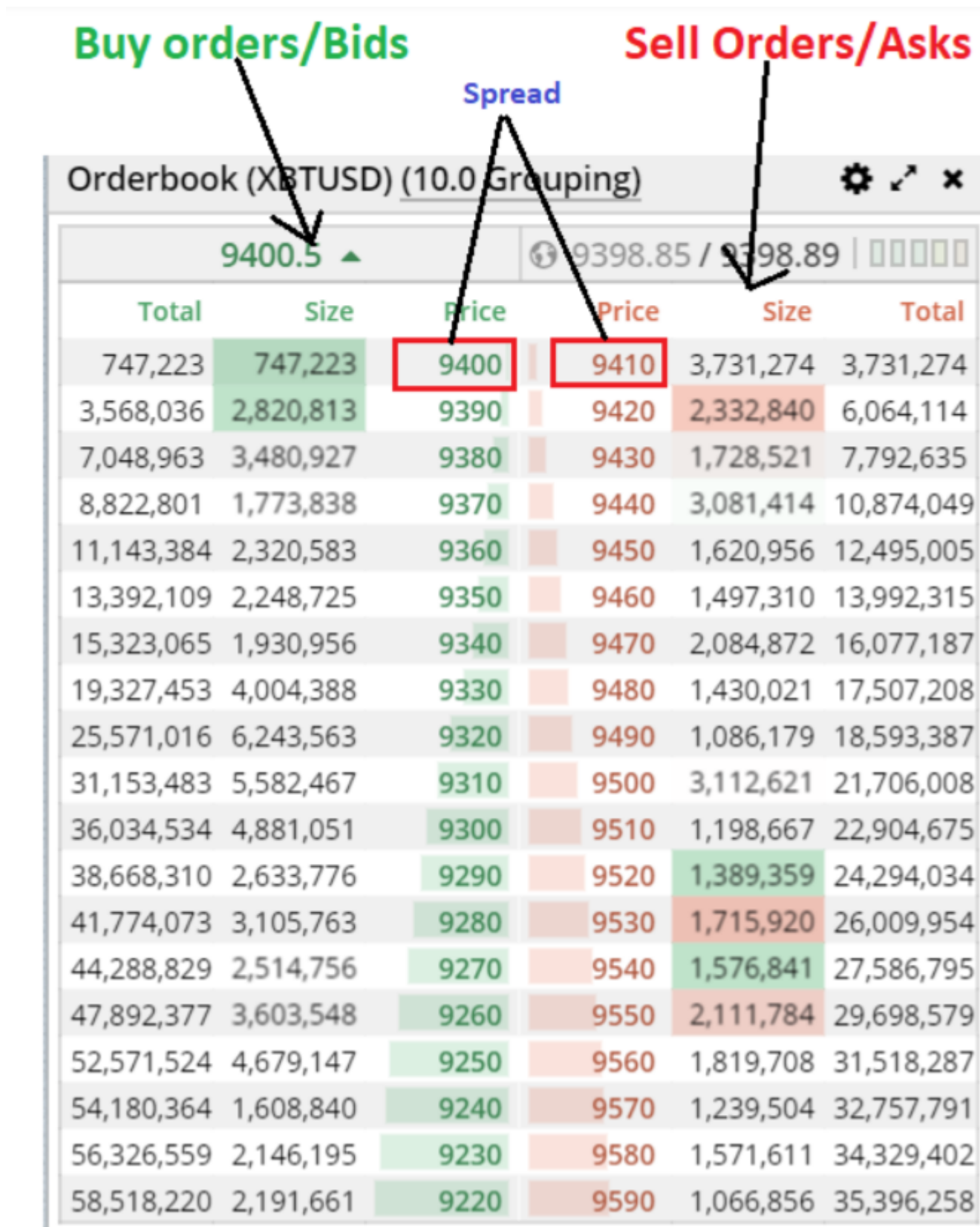
A correction is a fall in price after making a new peak or an upwards rally. Many authors define the correction as 10% drop from all time high but its arbitrary.

### 24.ASK/BID:

Sell orders are asks and Buy orders are Bids.

I am adding a screenshot of the DOM to show how Bid, Ask and Orders look like.

This will explain what everything on an limit order book means.



Cheat Sheet 3.

A few advanced words about trading.



### 25.STOP-LOSS:

Order that is triggered when the price goes below this point. Used to cut losses.



### 26.SPREAD:

The difference between what the sellers are ready to sell at and what the buyers are ready to buy at. There always exists a small spread on all exchange, the Higher the liquidity, the lower the spread.

### 27.MARGIN:

The amount of funds required to open a leveraged trade.

### 28.WALLS:

Extremely large orders at a range.

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### 29.BULL MARKET:

A market where the prices are seeing a continuous uptrend, leading to new highs being created. Generally, happens when new investors enter the market.

### 30.BULL TRAP:

A technique used by market makers to buy a huge amount suddenly, spiking the price. This makes everyone else that this is a Breakout and everyone buys.

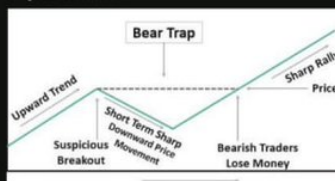


### 31.BEAR MARKET:

A period where the prices are seeing a long term down trend leading to a sell off.

### 32.BEAR TRAP:

The market makers then sell enormous amounts, pushing the prices down, in turn liquidation everyone else that had bought, producing a cascading effect of liquidations.



### 33.ROE: RETURN-ON-EQUITY.

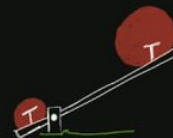
This is calculated by the actual capital employed in a trade and not through leverage.

### 34.VOLATILITY:

It is the percentage movement in price of an asset over a period. A balanced volatile asset gives ample opportunity to short and long. Traders look for predictable volatility.

### 35.LEVERAGE:

Refers to the extra amount of asset bought or sold, over your capital limit.



### 36.LIQUIDITY:

The measure of how actively the coin is being traded in the market. A high liquidity coin/exchange has many buyers and sellers at the same time, making it easier to acquire or sell the coin at any time.

Cheat Sheet 4.

This contains the miscellaneous words that traders need to know.

You can download the cheat sheets and refer it often.

### 37.ATH:

All-time high prices.

### 38.OHLC:

Open, high, low and close

### ALTCOIN:

All coins except Bitcoin.



### 39.POSITIONAL TRADING:

The aim is to buy monthly lows and hold them for days, weeks or sometimes months. This is a longer term trading time period.

### 40.SHORT POSITION:

Exact opposite of Long Entry. You enter a short entry when you expect the prices to fall. Shorting allows you to make money in a bear market.

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### 41.SWING TRADING:

This method looks for buying and selling positions in a weekly range. Swing traders make my 2-3 traders a week.



### 42.LONG POSITION:

This is a buy position buy with leverage.

### 43.TOTAL SUPPLY:

The amount limit of coins that will ever exist. Supply limit of Bitcoin is 21 million.

### 44.DAY TRADING:

Taking a position in the market, either buy or sell and exiting it the same day.



### 45.MARKET CAP:

The market capitalisation of an Asset calculated by current supply of coins multiplied by CMP of one coin.

### 46.ORDER:

An order to buy or sell at the current price level, executed immediately.

### 47.BUBBLE:

A situation where the prices are irrationally high as compared to the actual value of the asset. Whole of an asset could be a bubble, or a market cycle could be a bubble.

### 48.LIQUIDATION:

When you are stopped out of your position because the trade went in the opposite direction and your margins are not big enough to carry the trade anymore.



### 49.LIMIT ORDER:

Order will execute at a predefined price, if the market reaches that price. Market

### 50. EMPERORBTC

The man who loves you, but no one loves him back.

I hope the above cheat sheets help you in understanding a few words.

Don't worry if you still have doubts, it will all be click in future threads. Please share the above thread with everyone that you can. ■■

Read the cheat Sheet and post questions below

Thanks to Delta for Collaborating and making the threads possible through my assistant.

I promise to keep the best trading tutorials as fast as possible.■

You can help by Signing up at Delta & trading there

<https://t.co/U010rgKDrI>

