# TACTICAL INCOME

# Zero to Trading in 21 Days

# Day 4: Trend Recognition

**Learn:**
Test your knowledge and understanding of the concepts presented in the video.

**Review:**
Summarize the main points and concepts from the video.

**Apply:**
Demonstrate how you will apply the concepts from the video into your own trading.

- What are the three basic types of trend?

- What is the definition of an up-trend?

- What is the definition of a down-trend?

- What does it mean to trade with the trend?

- Why is it generally a good practice to trade with the trend?

- How do you recognize the trend?

- Why do you want to avoid recency bias in trend recognition?

- On a one-year chart of SPY, identify the trend, what is it?

- On that chart from the previous exercise, identify the major peaks and major valleys of the price movement.

- Analyze the charts for SPY, QQQ, and IWM. Identify a period of time when the trend was sideways.

- From the prior exercise, from the time period of sideways trend, identify the moment the previous trend (before the sideways trend) ended, giving way to the sideways trend. How did you know that was the end of that trend? Based on your analysis, what kind of rule can you develop for your trading to similarly recognize when a trend has ended?