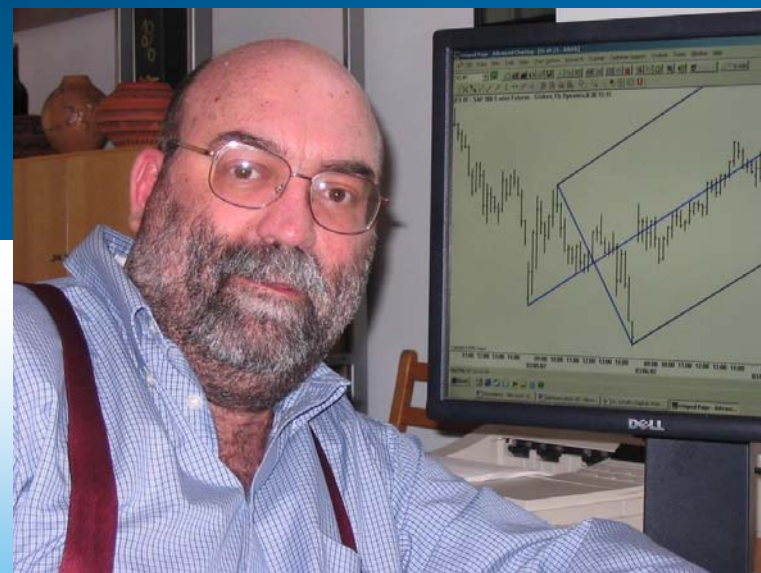


# Swing Highs, Swing Lows: Are We There Yet?

**Timothy Morge**  
October 22, 2007



# Swing Highs, Swing Lows: Are We There Yet?

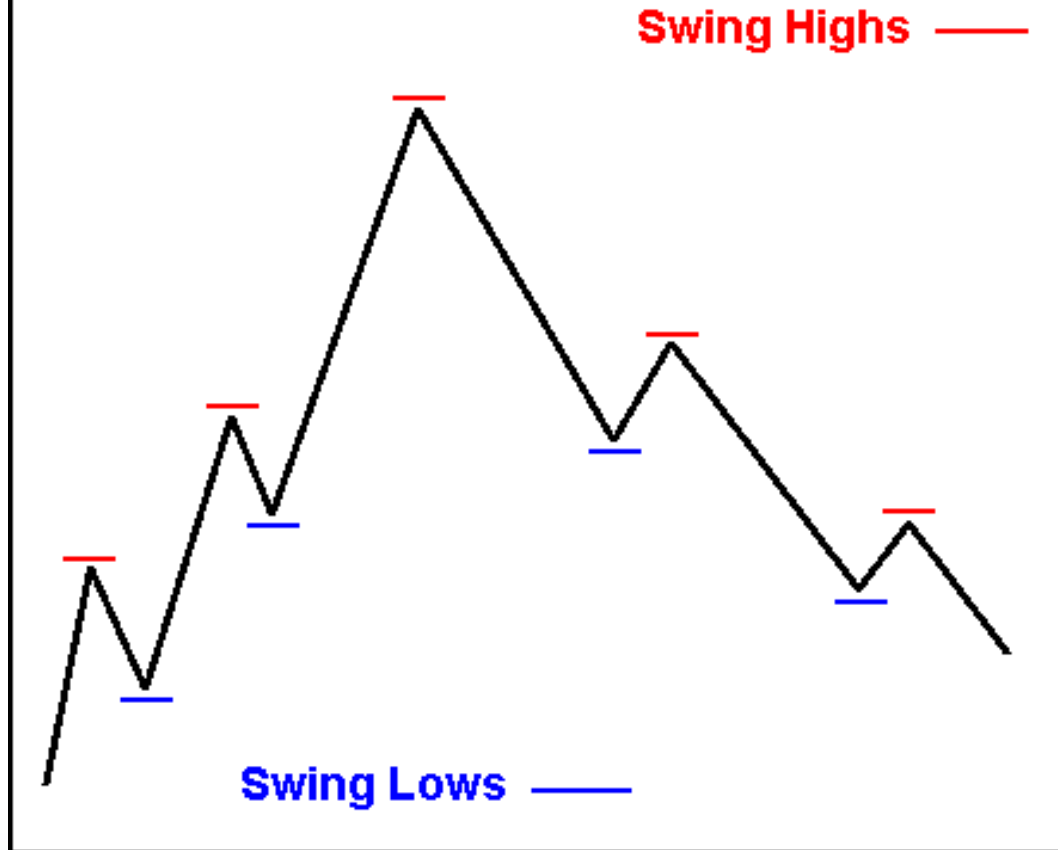
By definition, a swing trader wants to sell rallies in a down-trend (swing lows) and buy dips (swing highs) in an up-trend, then ride the swing and try to box in profits as prices move in their favor. Whether you use swing highs and lows as entry points in the markets, or as formations to hide your stop loss orders above or below, the question is always the same: Are we there yet?

Join Timothy Morge, professional trader, money manager and educator, as he goes in depth to discuss how he identifies swing highs and swing lows as they unfold. After thoroughly explaining his methodology, Tim will take questions from the audience on his various techniques.





# Traditional Swing High Swing Low Line Chart



**Swing High "A"**



**Is this a new Swing High?**

Not enough price information to confirm this as a new swing high.

When price made a higher high above Swing High "A," this low became confirmed as the swing low.

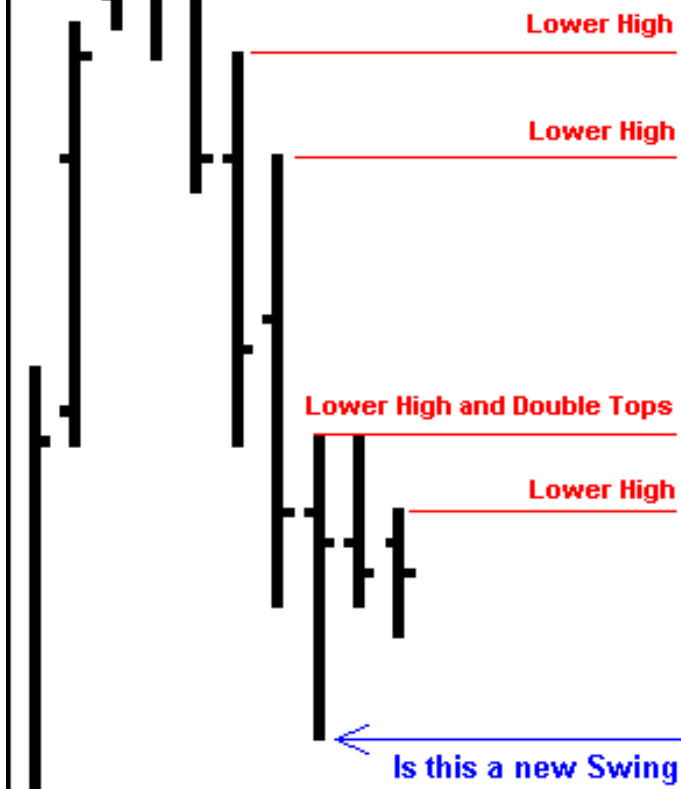
**Swing Low "A"**

**Double Bottoms**

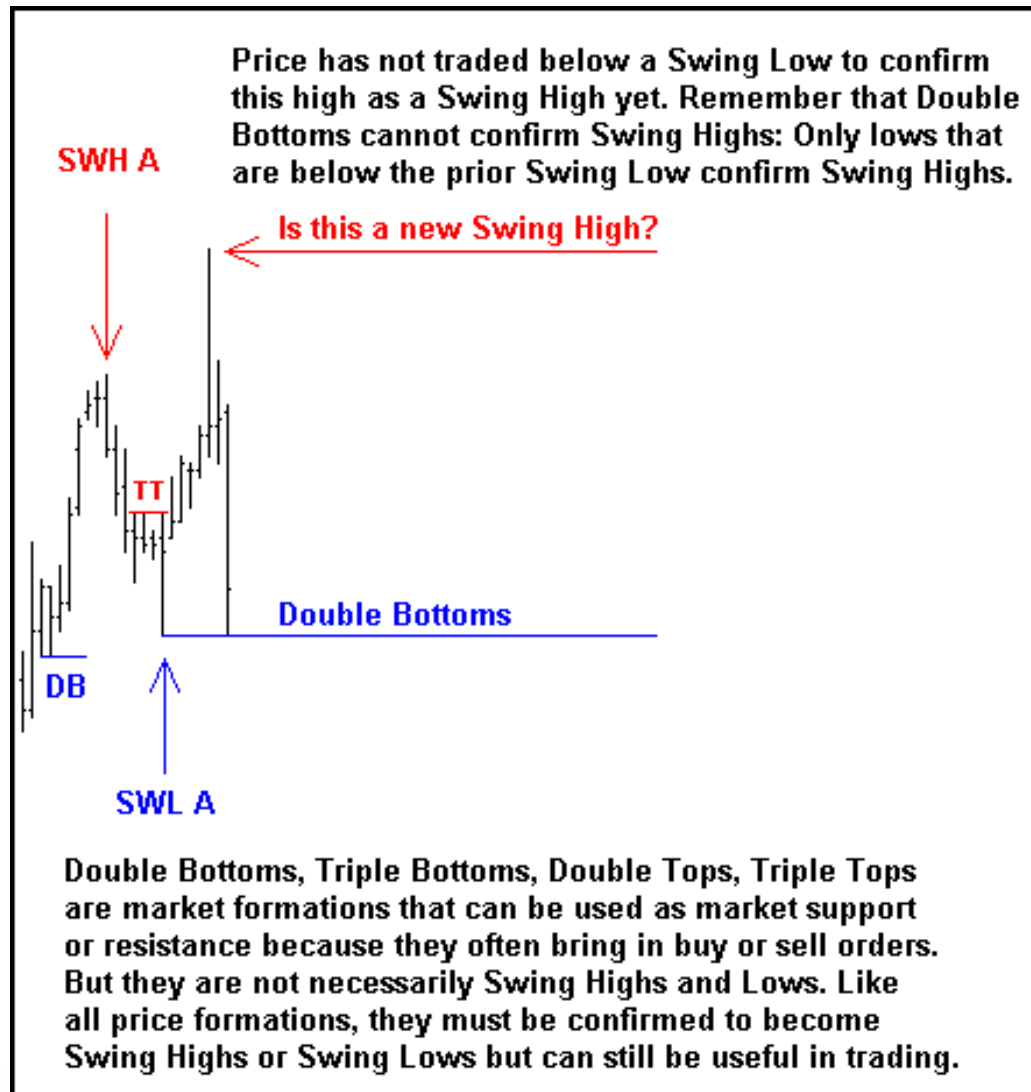
Double Bottoms, Triple Bottoms, Double Tops, Triple Tops are market formations that can be used as market support or resistance because they often bring in buy or sell orders. But they are not necessarily Swing Highs and Lows. Like all price formations, they must be confirmed to become Swing Highs or Swing Lows but can still be useful in trading.

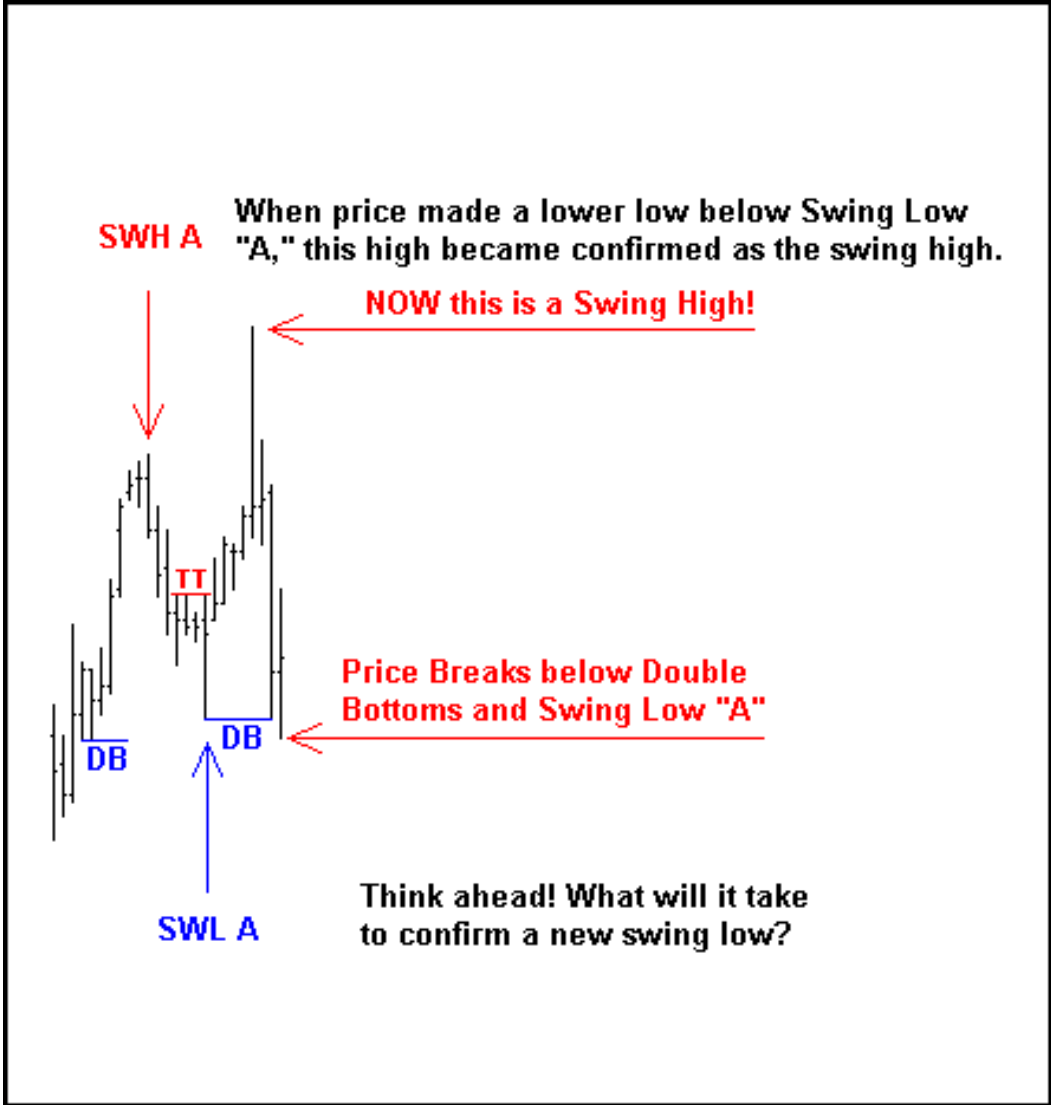
## Let's Zoom in!

How can we spot a Swing Low?

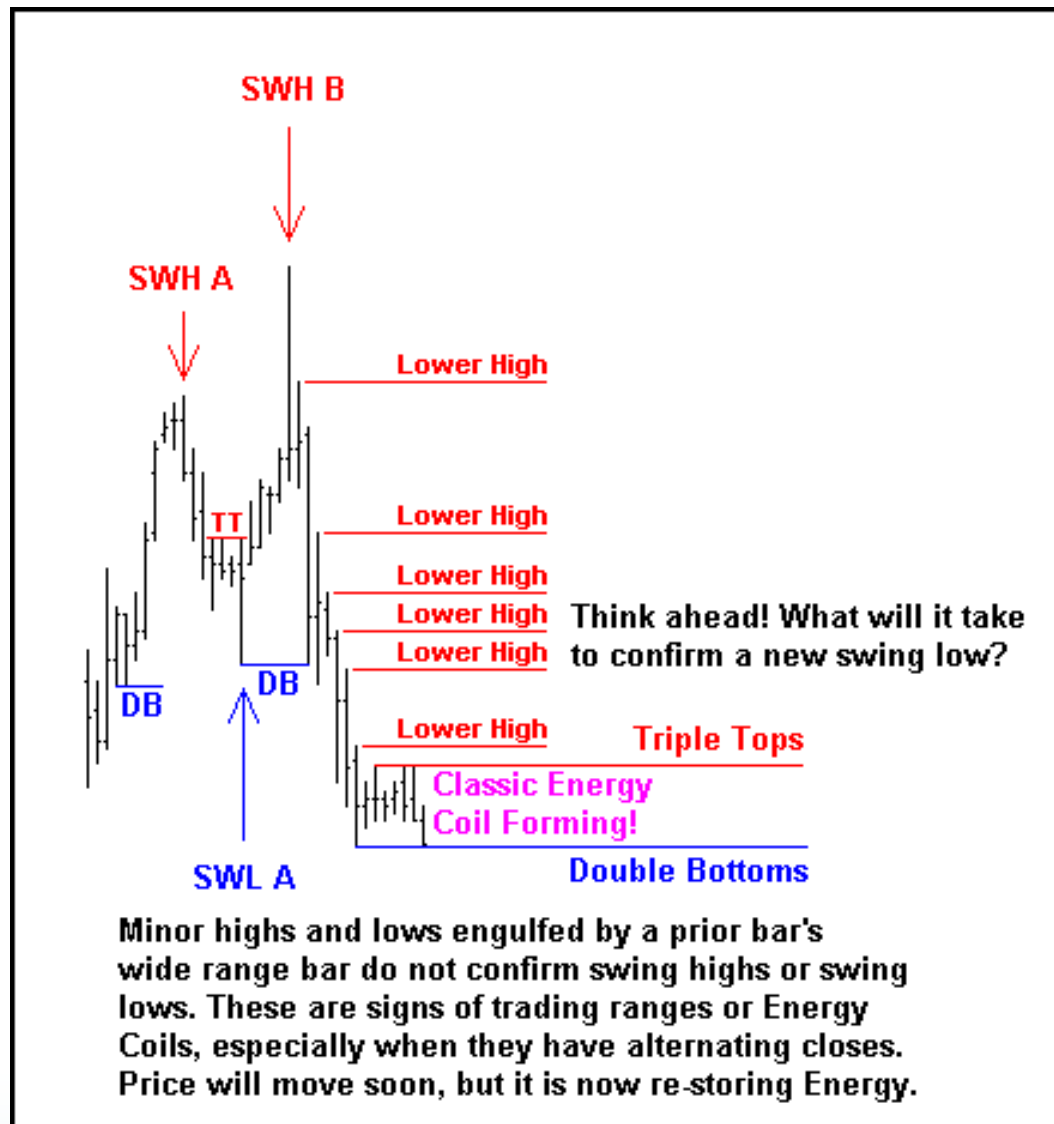


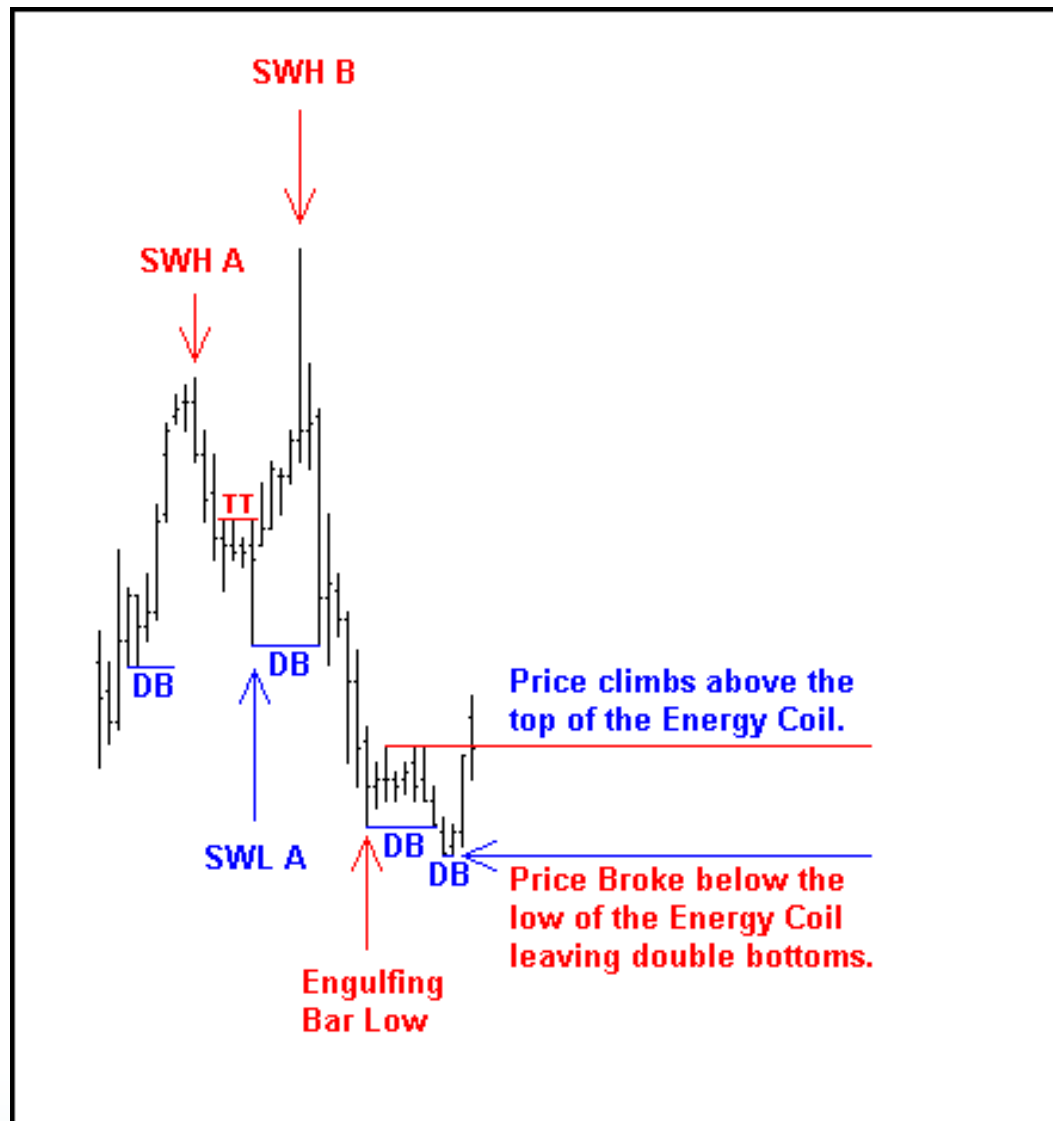
These are simply a series of lower lows. There is no indication yet that price has made a significant low.







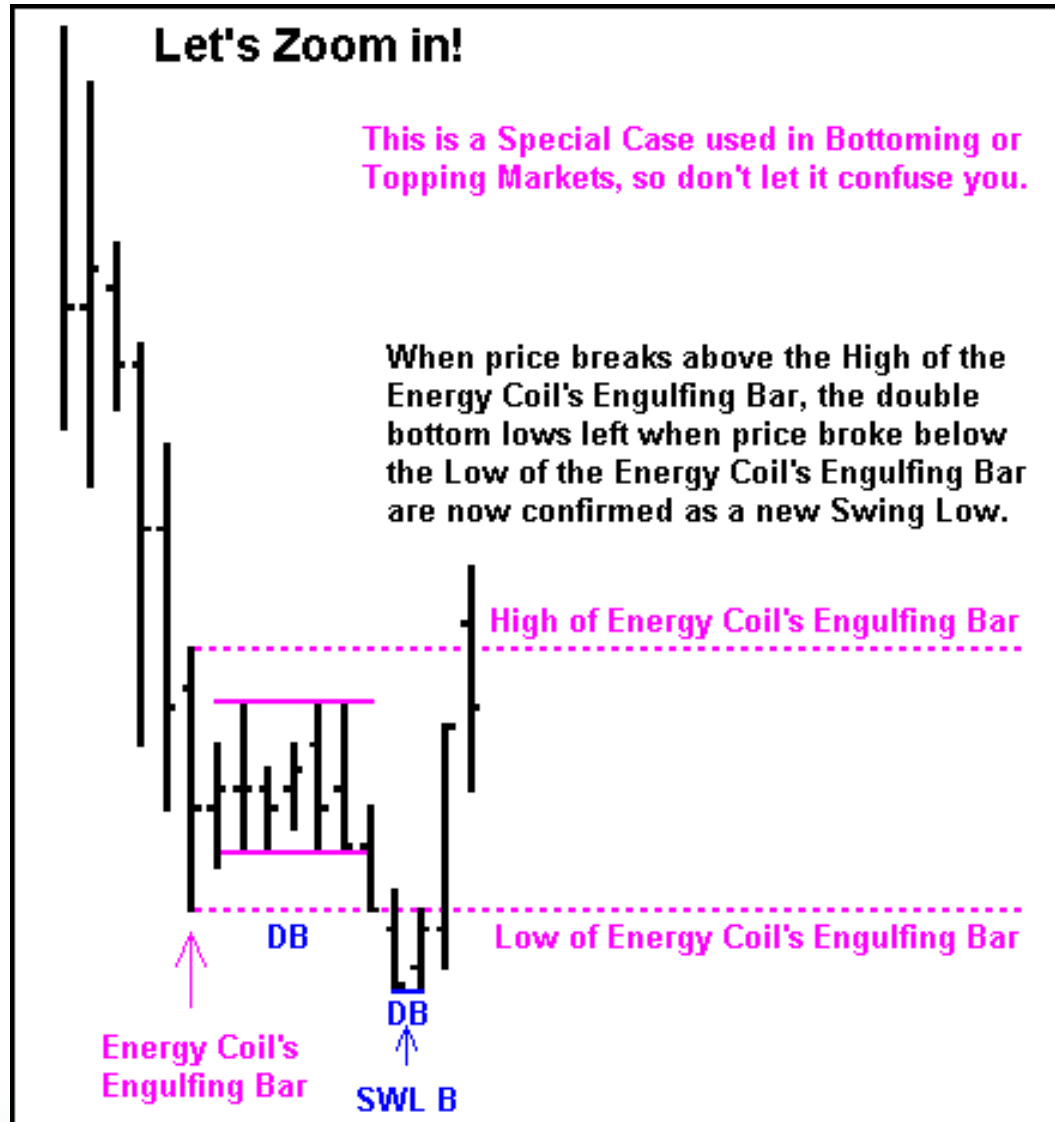




## Let's Zoom in!

This is a Special Case used in Bottoming or Topping Markets, so don't let it confuse you.

When price breaks above the High of the Energy Coil's Engulfing Bar, the double bottom lows left when price broke below the Low of the Energy Coil's Engulfing Bar are now confirmed as a new Swing Low.



Interactive Brokers

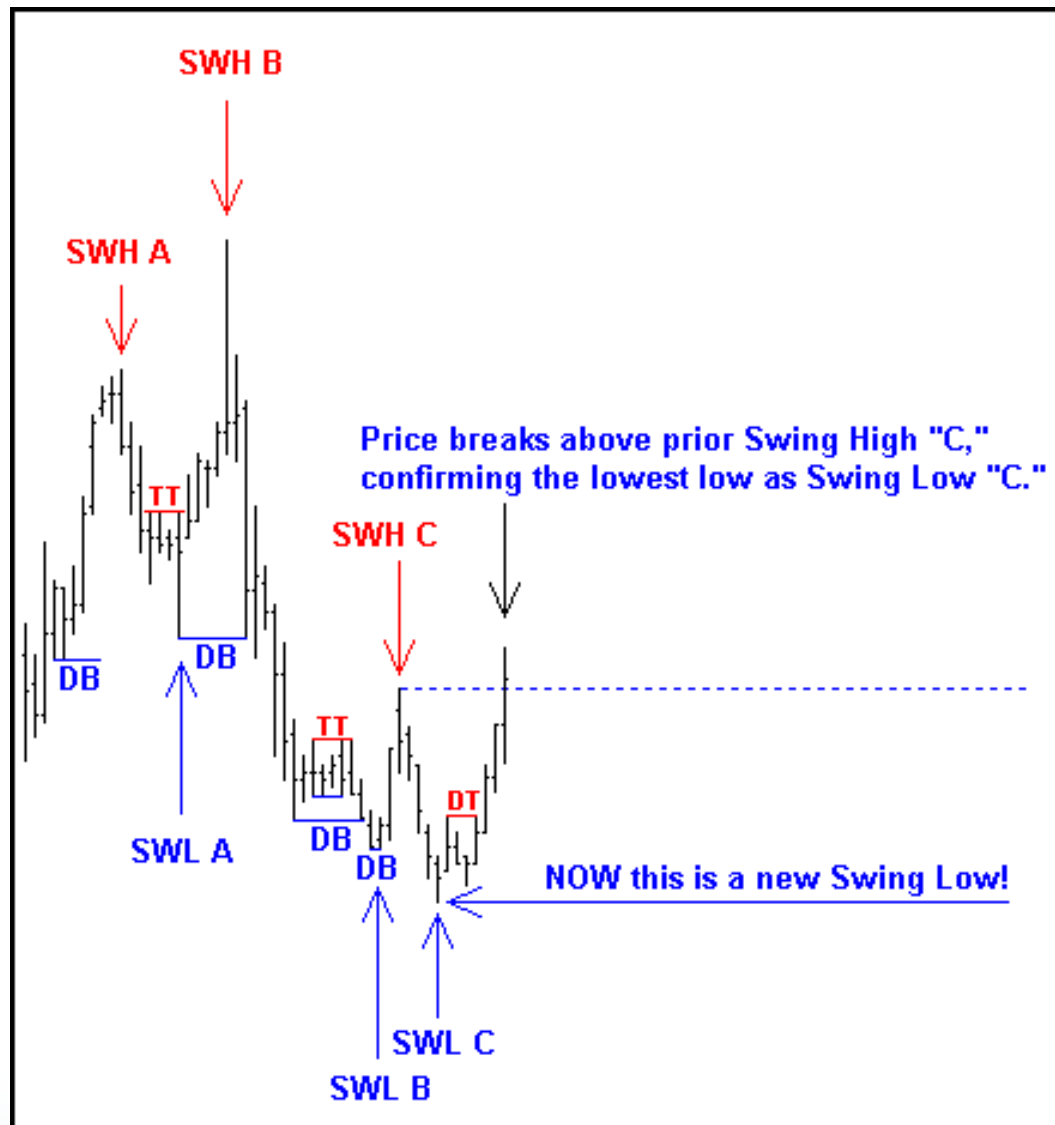
The Professional's Gateway to the World's Markets



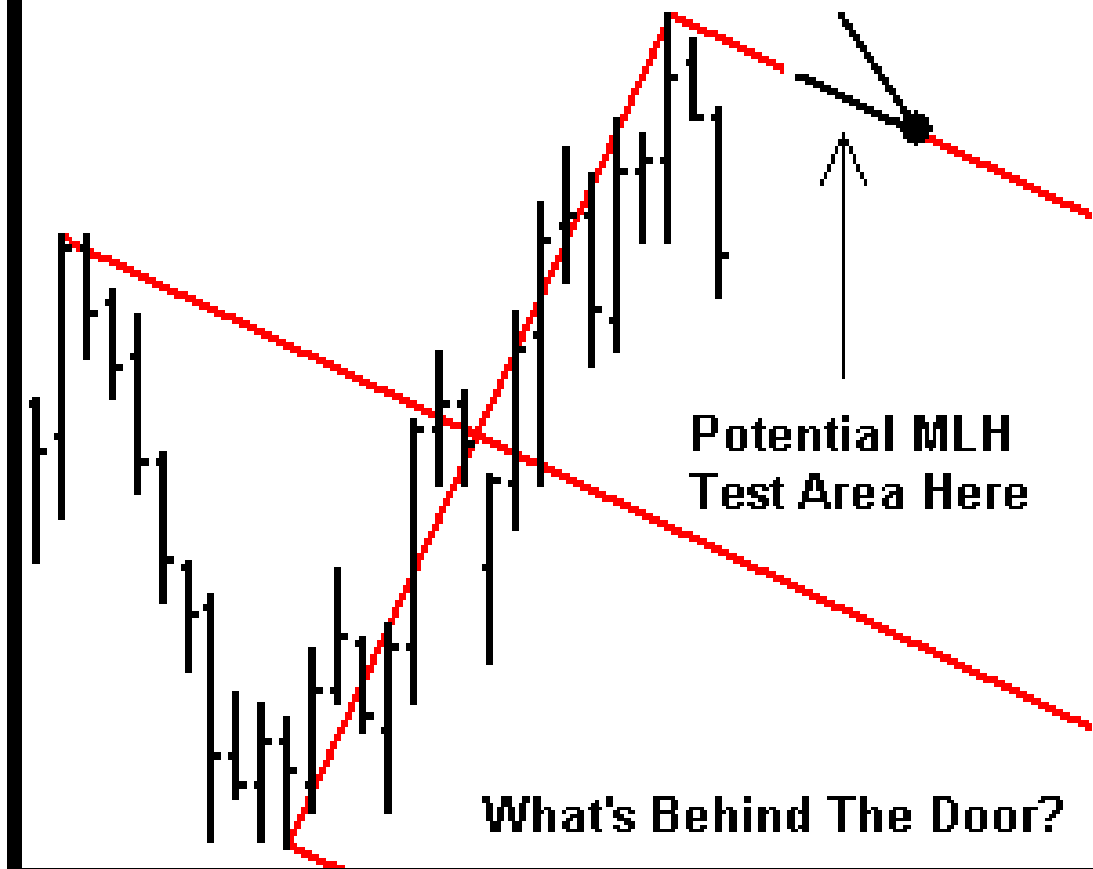
CME Group

A CME/Chicago Board of Trade Company





**Imagine The MLH Test  
Area As A Closed Door...**



**Interactive Brokers**

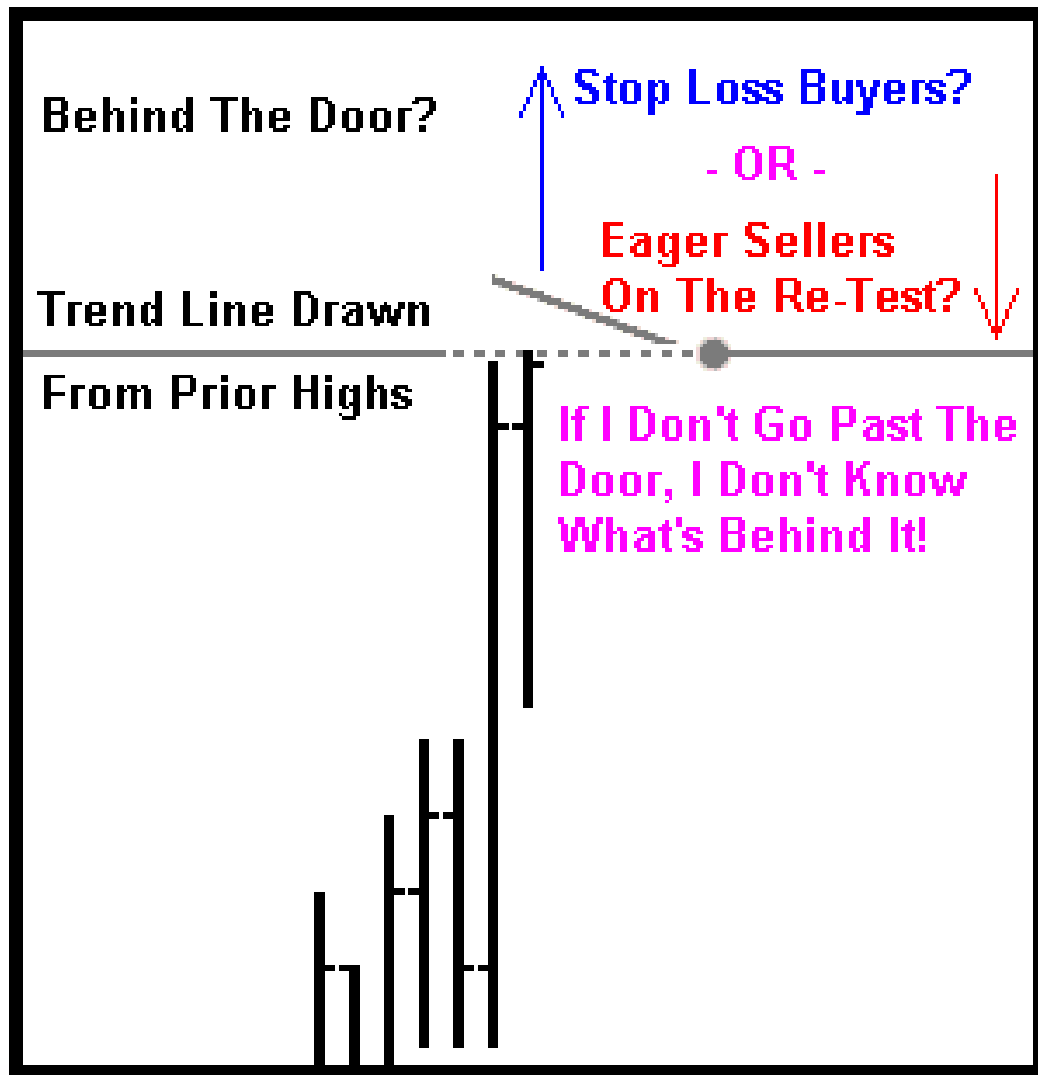
*The Professional's Gateway to the World's Markets*

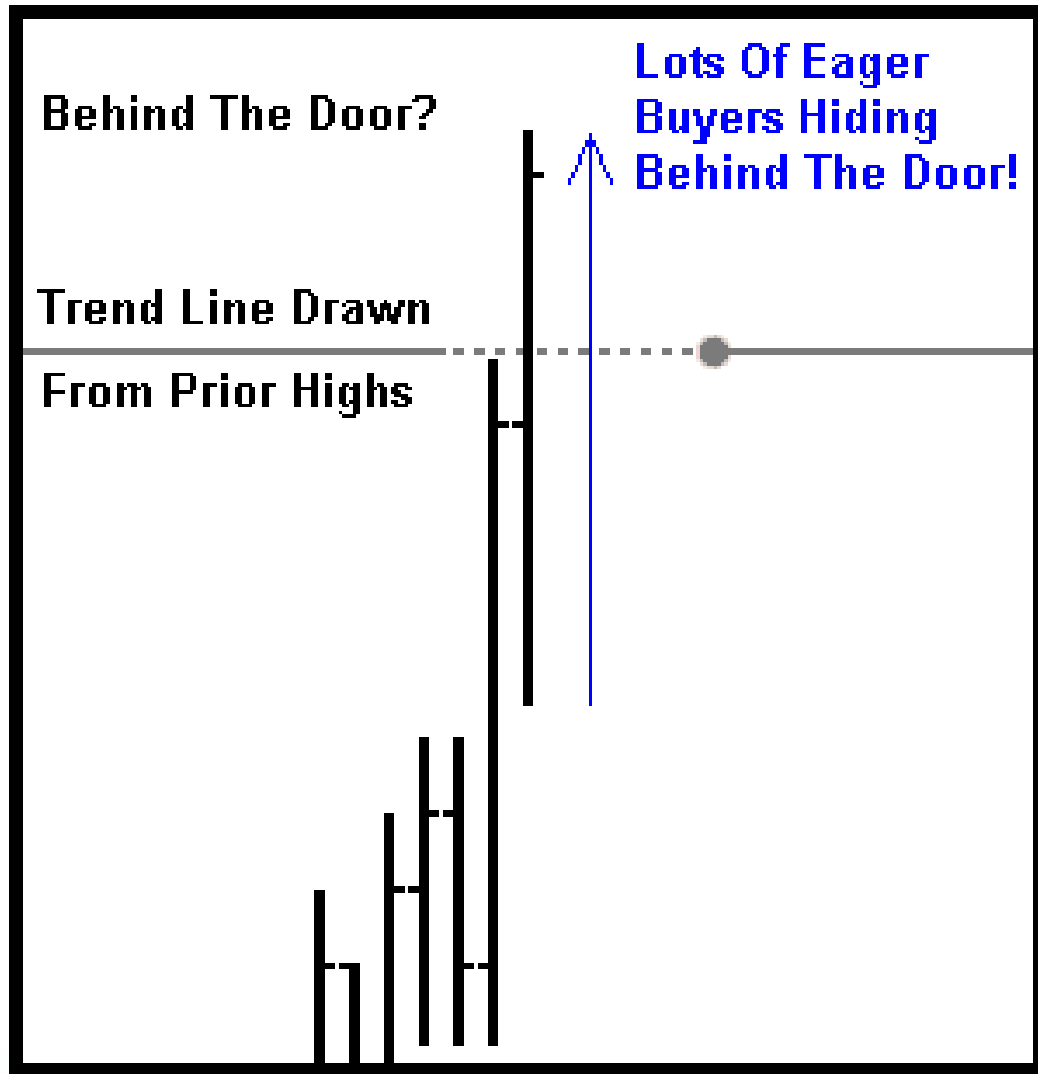


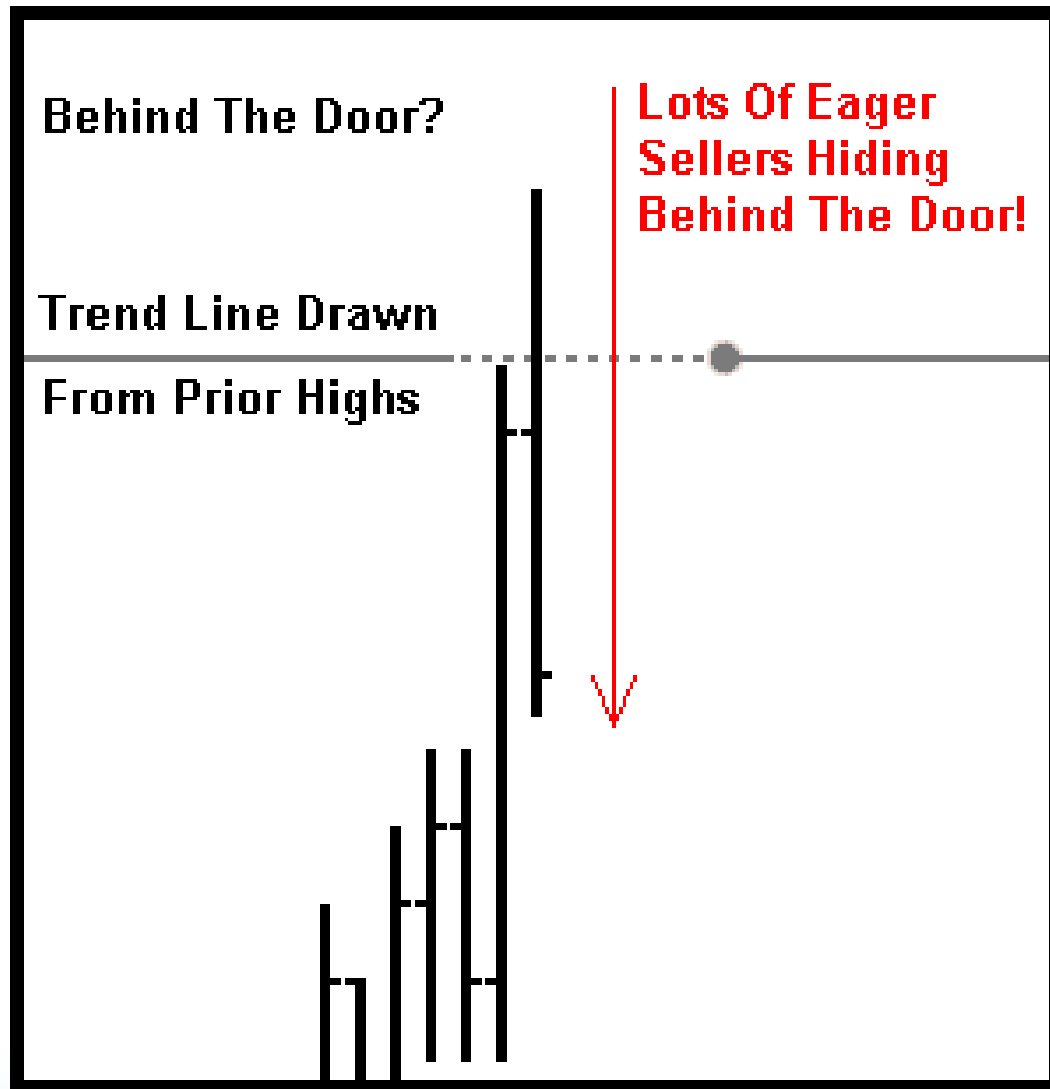
**CME Group**

A CME/Chicago Board of Trade Company

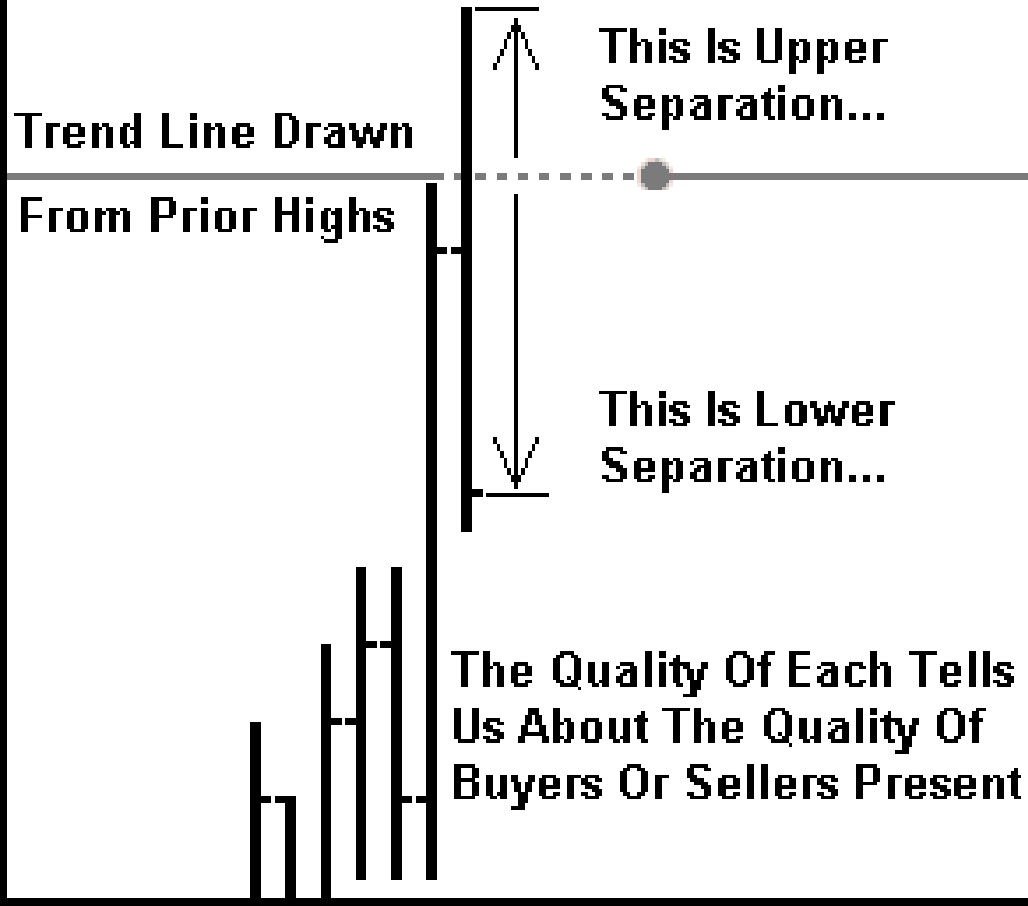




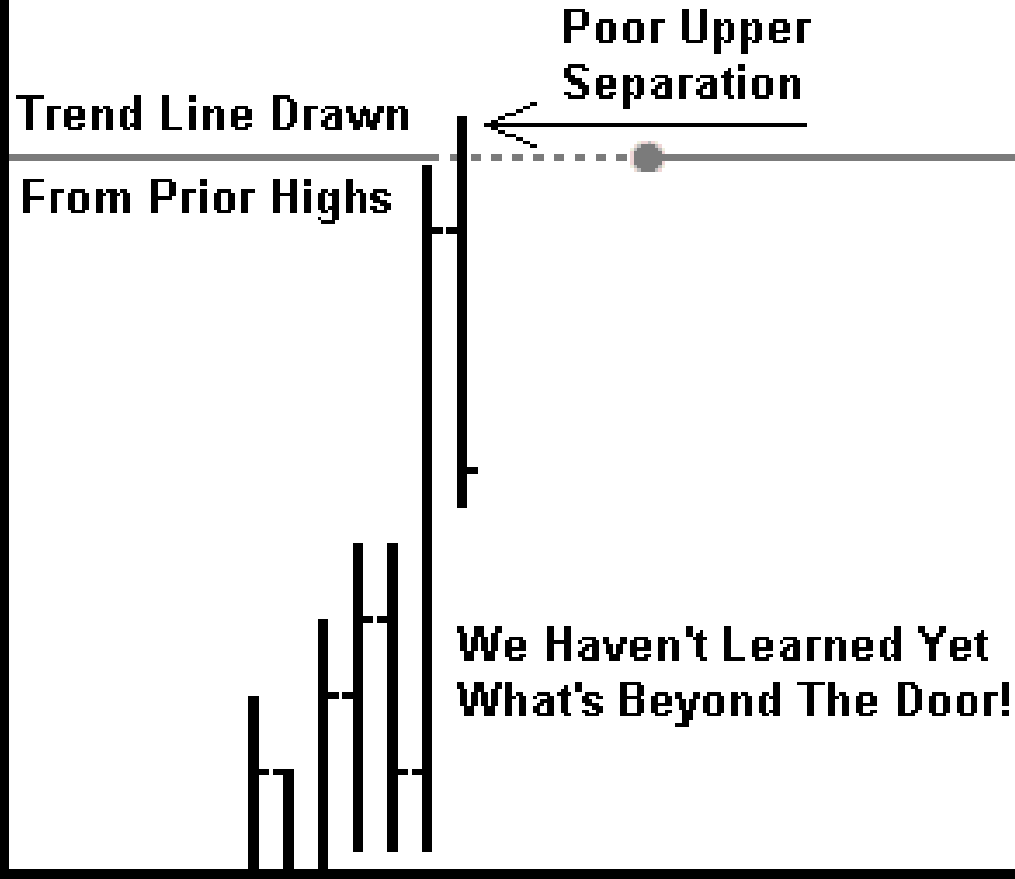




**Price Was Rejected  
Above The Trend Line**



**Price Was Rejected  
Above The Trend Line**



**Interactive Brokers**

*The Professional's Gateway to the World's Markets*



**CME Group**

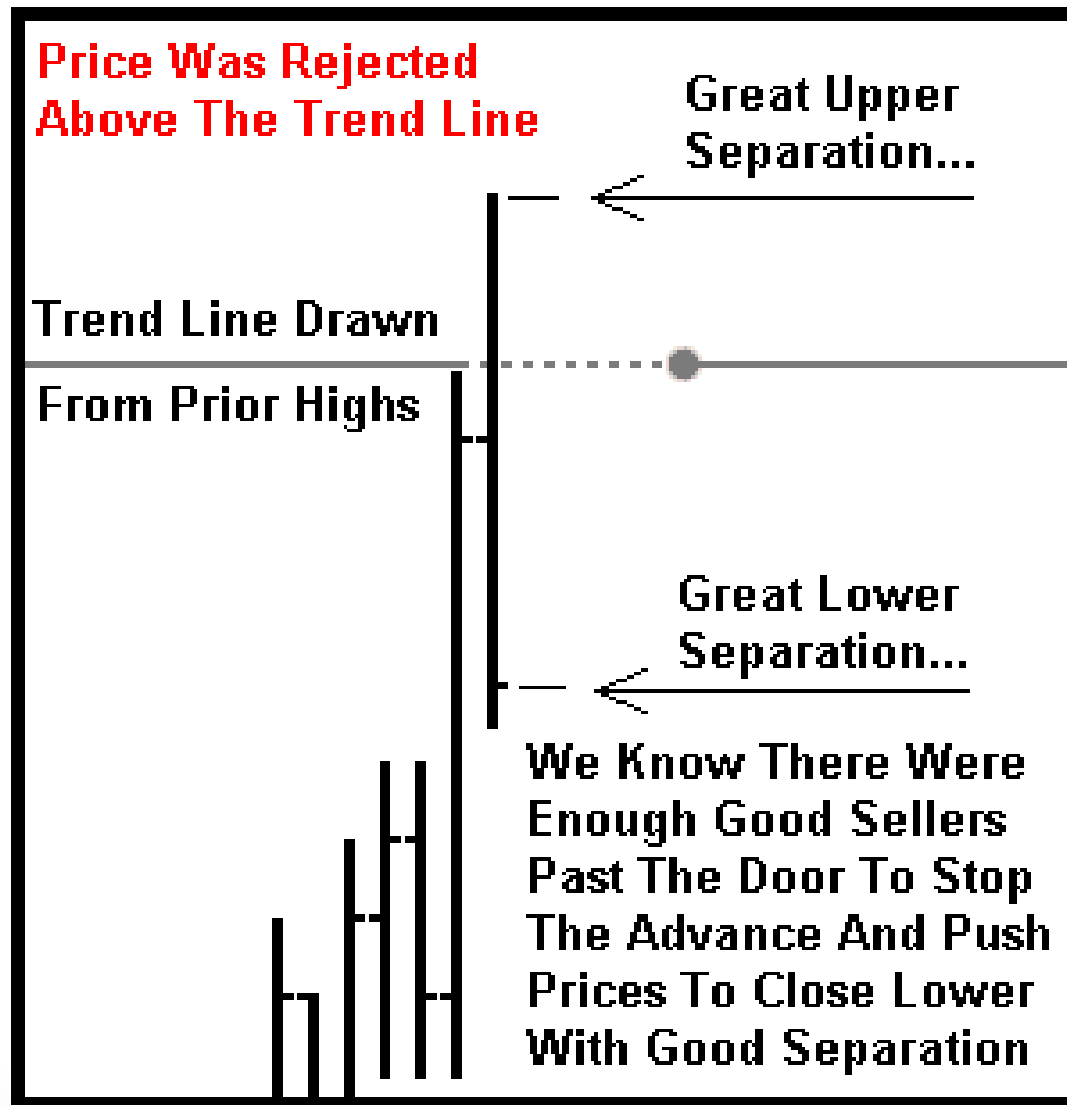
A CME/Chicago Board of Trade Company

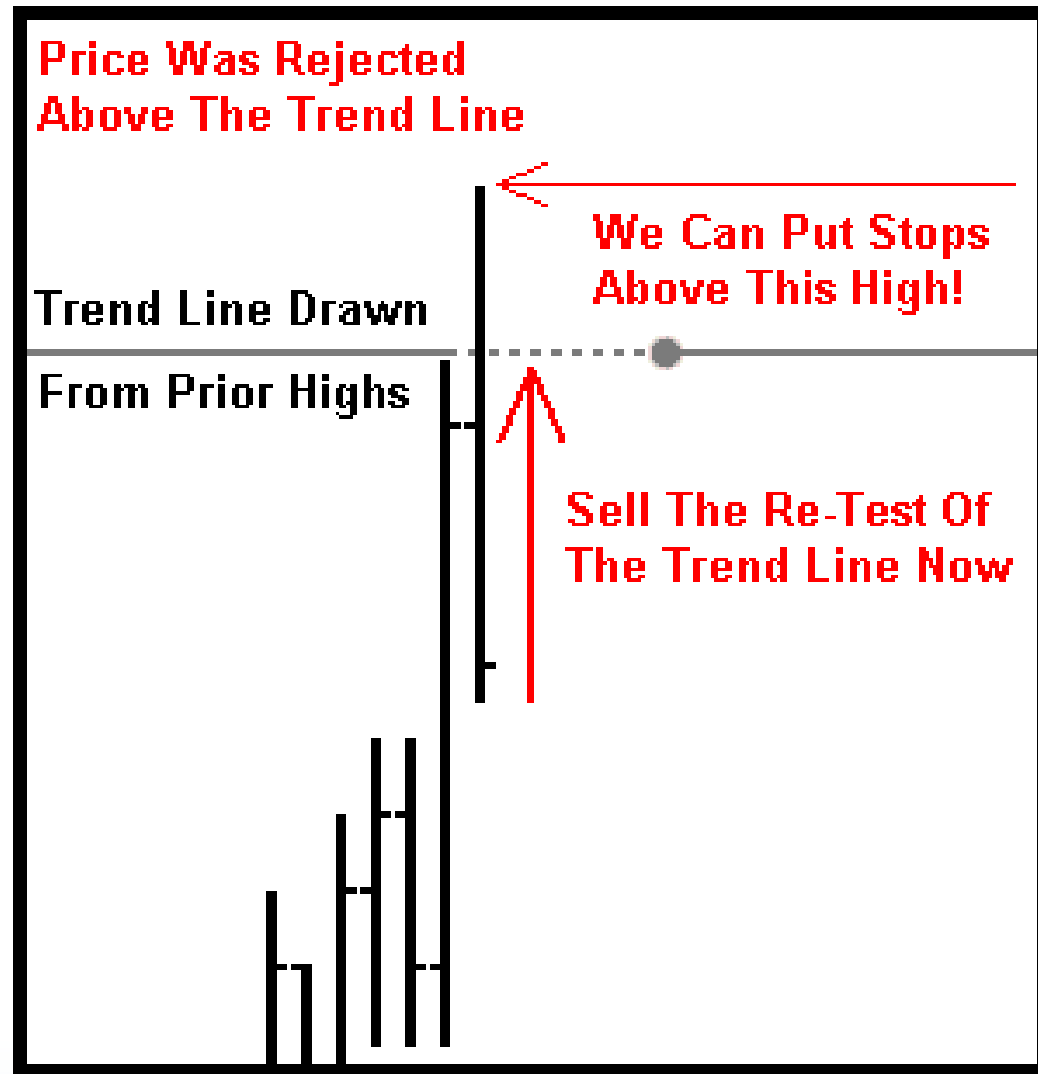
**Price Was Rejected  
Above The Trend Line**

**Trend Line Drawn  
From Prior Highs**

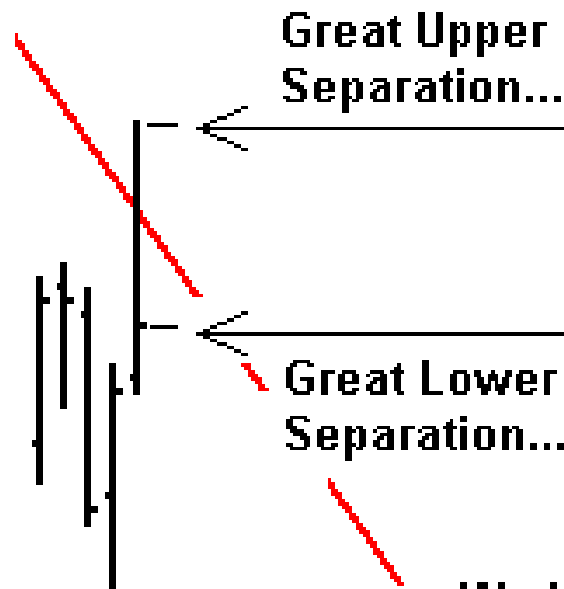
**Poor Lower  
Separation**

**Price Failed Above The  
Door But We Don't know  
Much About The Sellers**

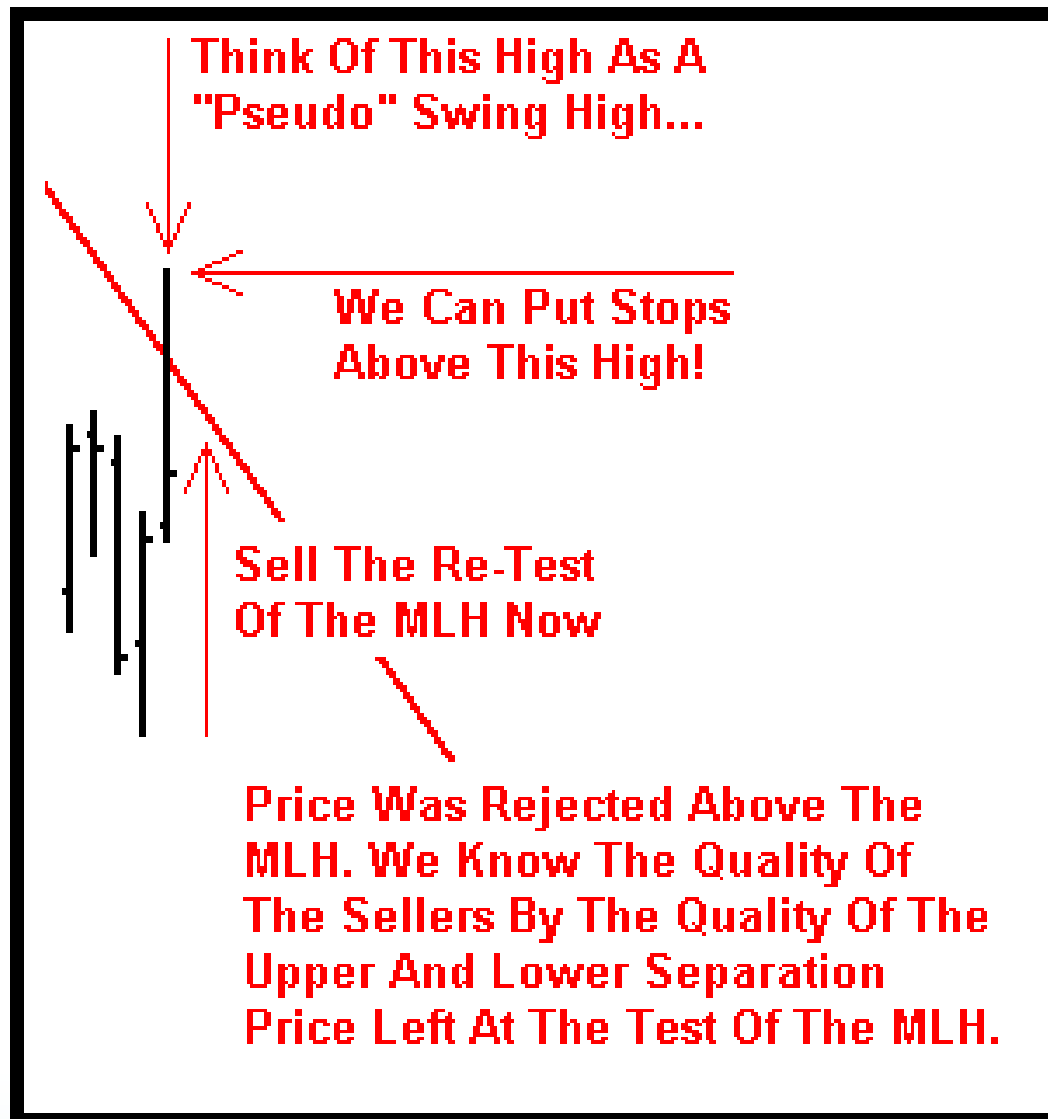




**Now Let's Make The Simple  
Trend Line An MLH Again...**



**We Know There Were  
Enough Good Sellers  
Past The Door To Stop  
The Advance And Push  
Prices To Close Lower  
With Good Separation**



**Interactive Brokers**

*The Professional's Gateway to the World's Markets*



**CME Group**

A CME/Chicago Board of Trade Company

# Q & A

**Tim Morge**

[www.medianline.com](http://www.medianline.com), [www.marketgeometrics.com](http://www.marketgeometrics.com)

**TimothyMorge@sbcglobal.net**

**Interactive Brokers**

**Rob Moore**

[www.interactivebrokers.com](http://www.interactivebrokers.com)

[RMoore@interactivebrokers.com](mailto:RMoore@interactivebrokers.com)

**312.542.6849**

**CME Group**

[www.cmegroup.com](http://www.cmegroup.com)

**800.331.3332**

