

Forex RSI Control

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INTRODUCTION:

What is RSI?

RSI is the short version of Relative Strength Index. RSI is a

momentum oscillator which measures the speed and changes of the market price. The indicator was developed by Welles Wilder. He also developed other famous indicators such as Parabolic SAR, Average Directional Index etc. End of the RSI background story.

So, what's inside this report?

In this report, you'll discover the 2 methods for using RSI effectively. This short and to the point report will help to understand and learn how to use RSI effectively.

Here is the basic knowledge you can understand with RSI:

Trend

You can find the trend by knowing the direction of the RSI line.



The *middle line* on the RSI window is 50

If the RSI line is above 50, then trend is **up**.

If the RSI line is below 50, then the trend is **down**.

However, this is not the main method you're going to discover.

THE METHOD:

Method 1: Divergence

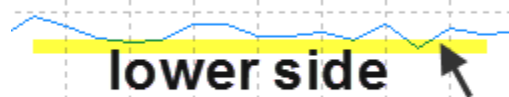
RSI also can be used to find divergence signal. Divergence happens when the **price of the market is not aligns with the RSI direction**.



For example, the EUR/USD price is trending up while RSI is trending down, notice the direction of market is not align with trend so this is **called divergence**. In this case, this is called buy divergence.

Divergence is indeed effective for finding accurate and early reversal signal.

Buy Signal:



Lower Side of price and RSI

- **The buy/positive divergence happens on the lower side of the price and RSI** (notice I don't use lower high or etc because I want to keep it simple to understand for most traders)

RSI divergence in action: Example 1



Example 2



Example 3:



Sell Signal:



- The sell/negative divergence happens on the upper side of the RSI and the price.

See RSI divergence in action:

Example 1



Example 2



Example 3:



Method 2: RSI Trend lines breakout

We can also use trend lines on the RSI to identify the turning point of the trend.

Buy signal: Enter on the next candle after the break of the trend line on RSI.

Example 1:



Example 2:

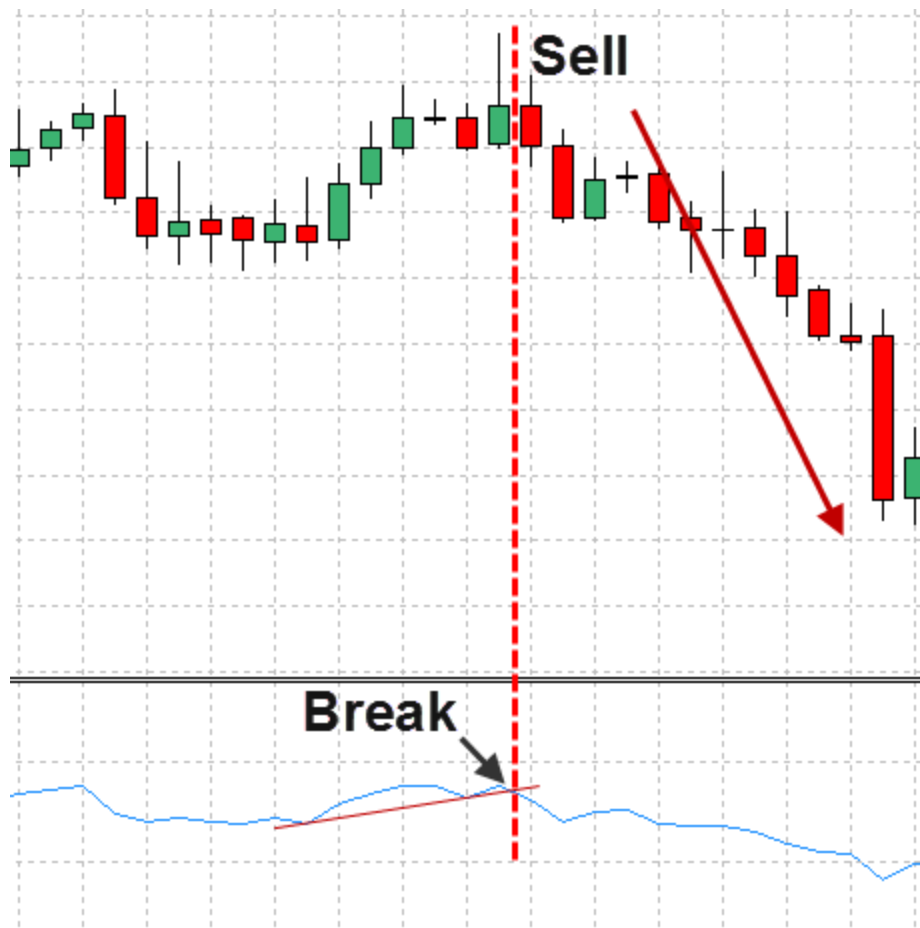


Sell signal: Enter on the next candle after the break of the trend line on RSI.

Example 1:



Example 2:



THE METHOD IN A NUTSHELL:

So, here is a basic outline of what you'll be doing with these methods:

- 1. Method 1: Upper divergence for sell, Lower divergence for buy signal.**
- 2. Method 2: Use trendline breakout to determine the turning point of the market.**

***Tip: Combine the methods with candlestick pattern will significantly boost the confirmation.

I hope you enjoyed reading this short, simple, FX FAST TRACK report

on an easy way to dominate RSI. I wish you the best success in your trading career

Best,
Tim Morris
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