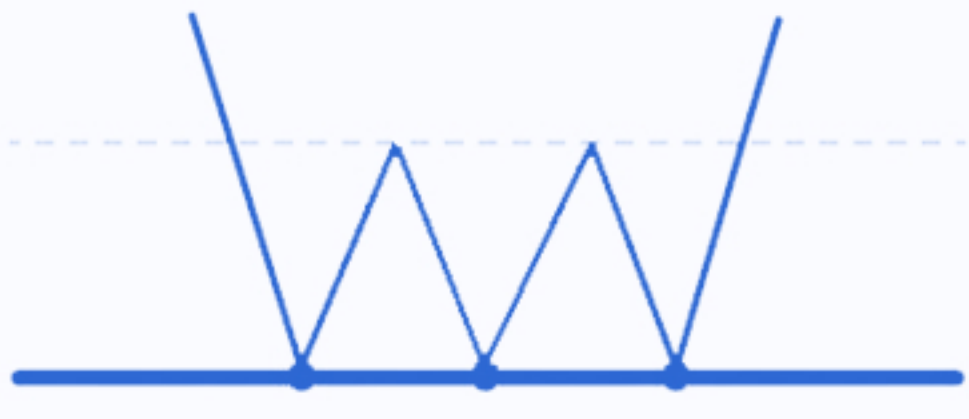


# TRIPLE BOTTOM & TRIPLE TOP

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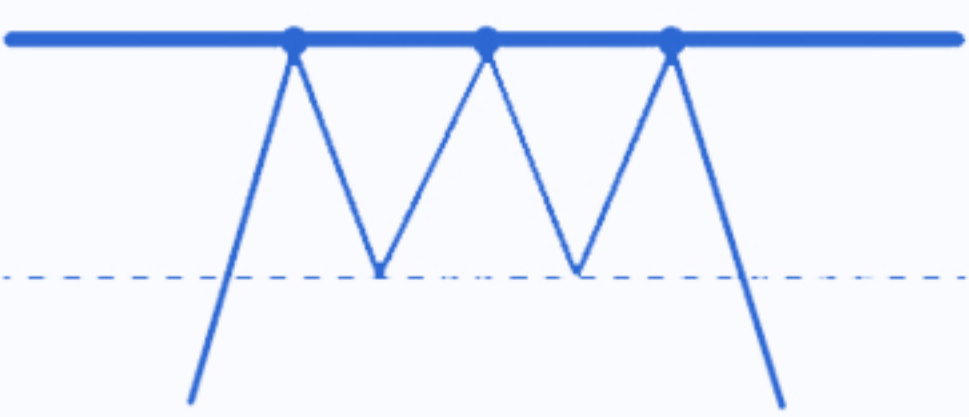
*Triple Bottom and Triple Top are reversal patterns that signal a potential change in the direction of a trend.*

## Types



### 1. Triple Bottom:

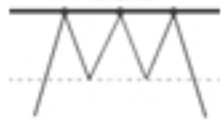
- Bullish reversal pattern
- Forms in a downtrend
- Characterized by three roughly equal lows



### 2. Triple Top:

- Bearish reversal pattern
- Forms in an uptrend
- Characterized by three roughly equal highs

## Key Characteristics



**Three Peaks/Troughs:** Should be at approximately the same price level



**Volume:** Often decreases with each subsequent peak/trough

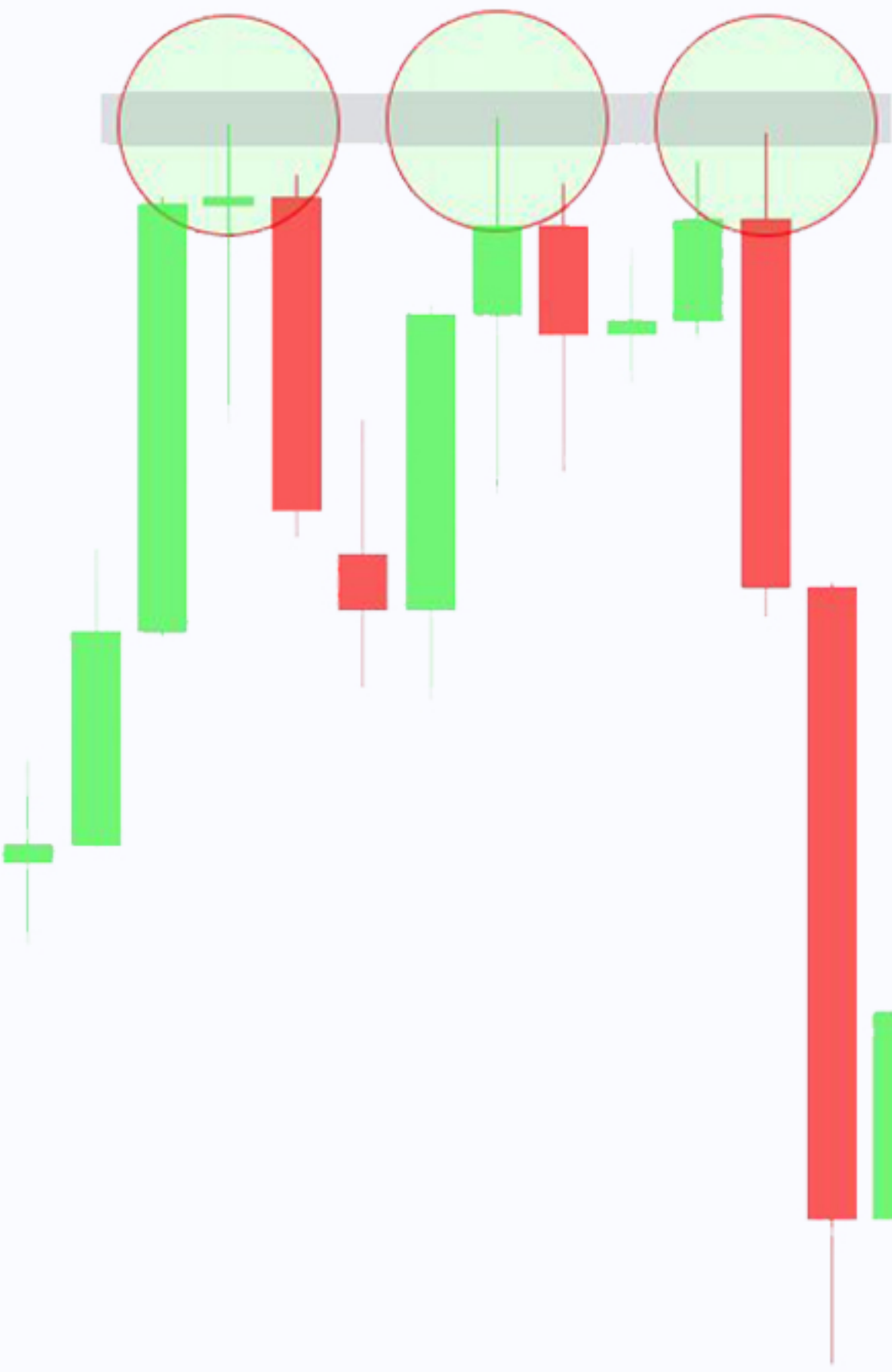


**Neckline:** Resistance line (Triple Bottom) or support line (Triple Top) connecting the highs/lows between the peaks/troughs



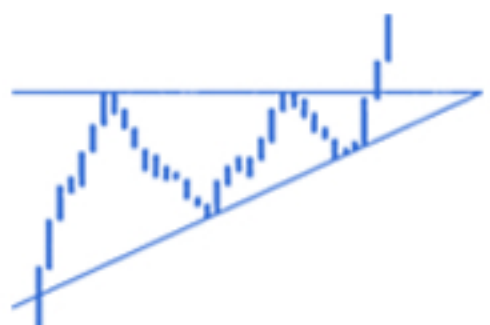
**Duration:** Can form over weeks or months

## Identifying Triple Bottom/Top Patterns



1. Look for three distinct lows (Triple Bottom) or highs (Triple Top) at approximately the same level
2. Confirm that the pattern follows a clear trend
3. Draw the neckline connecting the highs (Triple Bottom) or lows (Triple Top) between the three peaks/troughs
4. Check for decreasing volume on each subsequent peak/trough
5. Wait for a break above the neckline (Triple Bottom) or below the neckline (Triple Top) for confirmation

## Trading Strategies



### 1. Breakout Trading:

- Enter a long position (Triple Bottom) or short position (Triple Top) when price breaks through the neckline
- Place a stop loss below the third trough (Triple Bottom) or above the third peak (Triple Top)



### 2. Price Target:

- Measure the distance from the neckline to the lowest trough (Triple Bottom) or highest peak (Triple Top)
- Project this distance from the breakout point for a potential price target



### 3. Retest Strategy:

- Wait for a retest of the neckline after the initial breakout. Enter the trade if the neckline holds as new support (Triple Bottom) or resistance (Triple Top)

## Risk Management



**Use a stop loss below the third trough (Triple Bottom) or above the third peak (Triple Top)**



**Consider scaling out of the position as price approaches the target**



**Be aware of potential support/resistance levels that may impact the price movement**

## Variations

### 1. Inverted Triple Top:

Forms in a downtrend, signaling a potential bullish reversal

### 2. Inverted Triple Bottom:

Forms in an uptrend, signaling a potential bearish reversal

### 3. Complex Triple Bottom/Top:

Additional minor peaks or troughs within the main pattern

## Tips for Trading Triple Bottoms/Tops

Confirm the pattern with other technical indicators (e.g., RSI, MACD)

Look for volume confirmation on the breakout

Be cautious of false breakouts, especially on low volume

Consider the overall market context when interpreting these patterns