

Range Trading Basics

By Crypto Ed

Trading Bitcoin has become more and more a “liquidity game”.

Range Trading is a strategy to find liquidity and trade it.



A “standard” bearish flag on 240 chart



Zooming in on that bearish flag, 1hr chart and drawing the range.

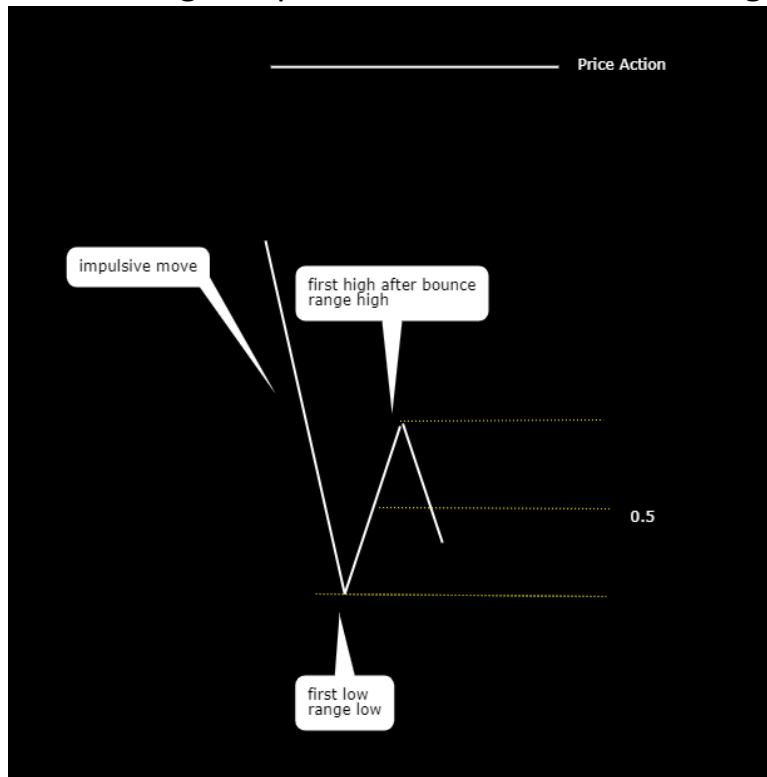
Suddenly a lot more (tradeable) info is on the chart.



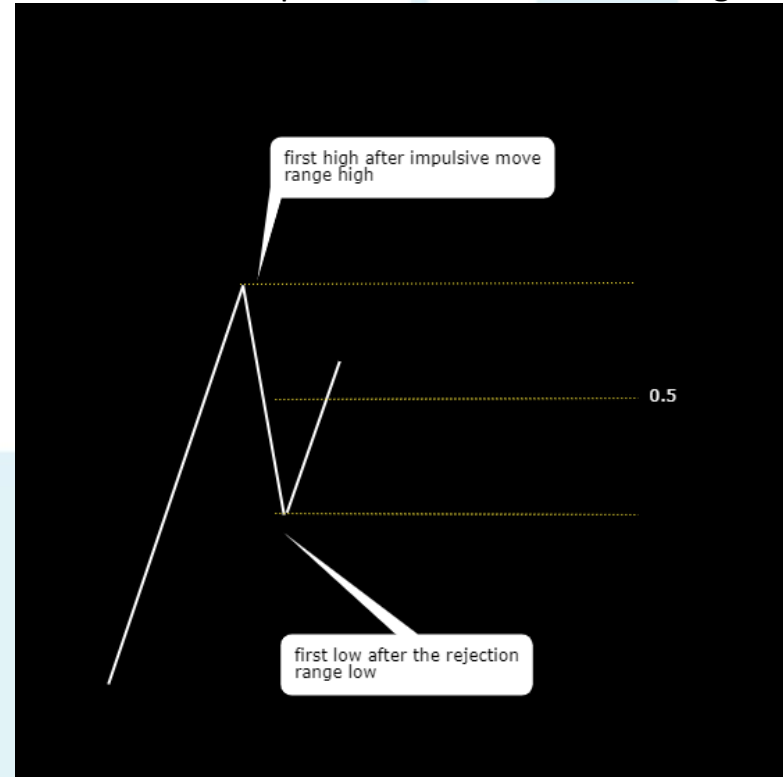
Identify a range

1) Right after the impulsive move

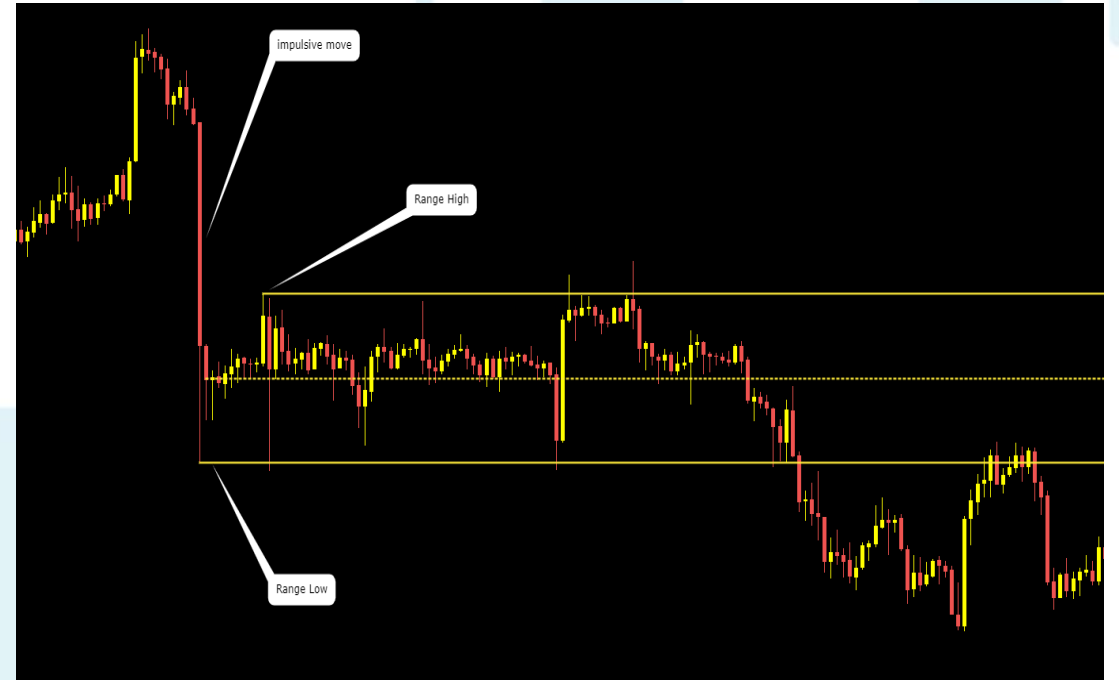
After the impulsive move, you take the first low as range low and the highest price after a reversal as a range high.



After the impulsive move, you take the first high as range high and the lowest price after bounce as a range low.



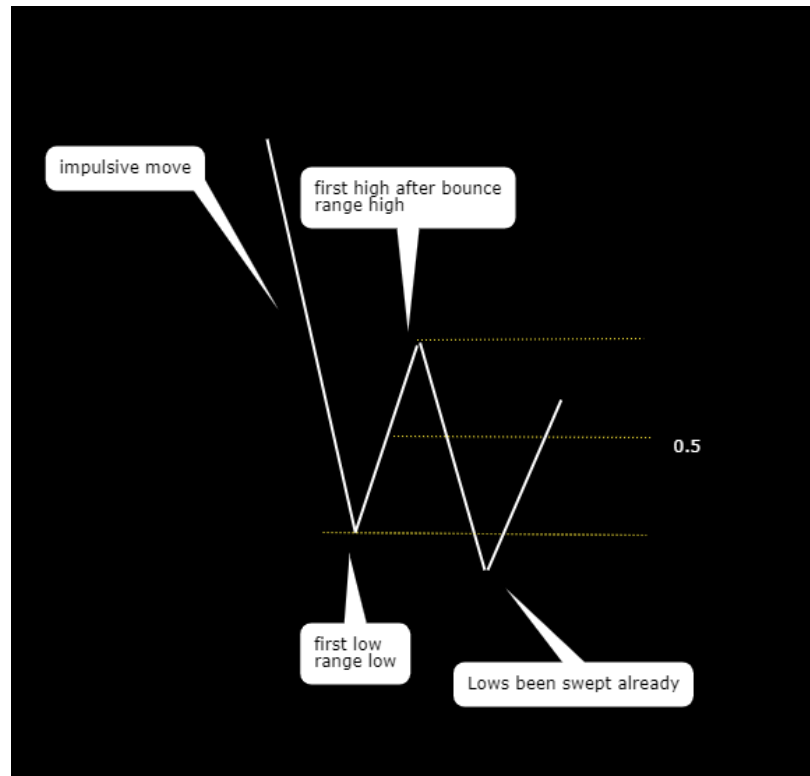
Live examples



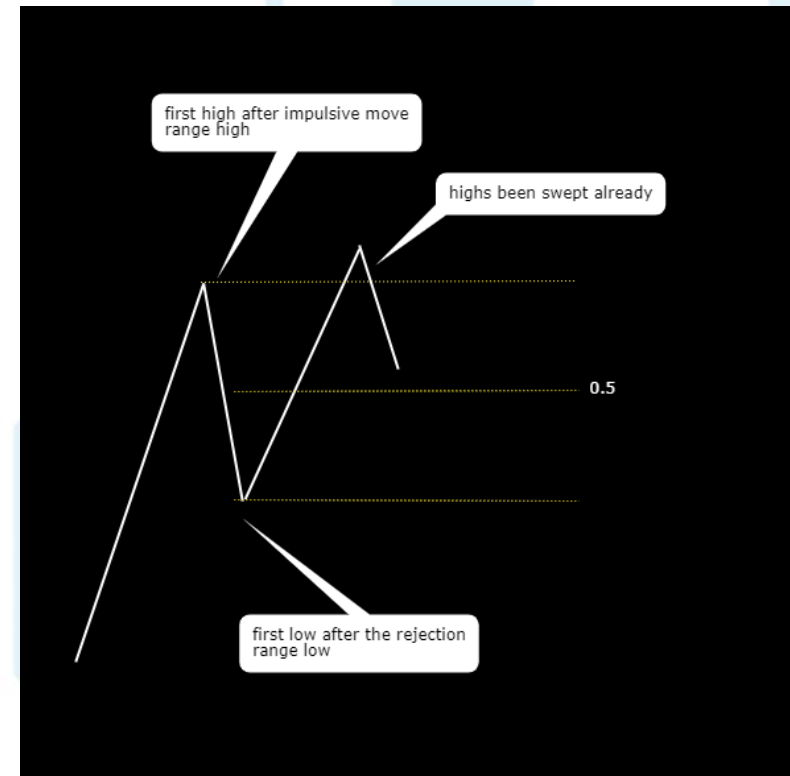
2) After the impulsive move when the first high/low is swept.



The impulsive move down happened and the first low is already swept. The high that led to the sweep of the low is the range high.



The impulsive move up happened and the first high is already swept. The low that led to the sweep of the highs is the range low.

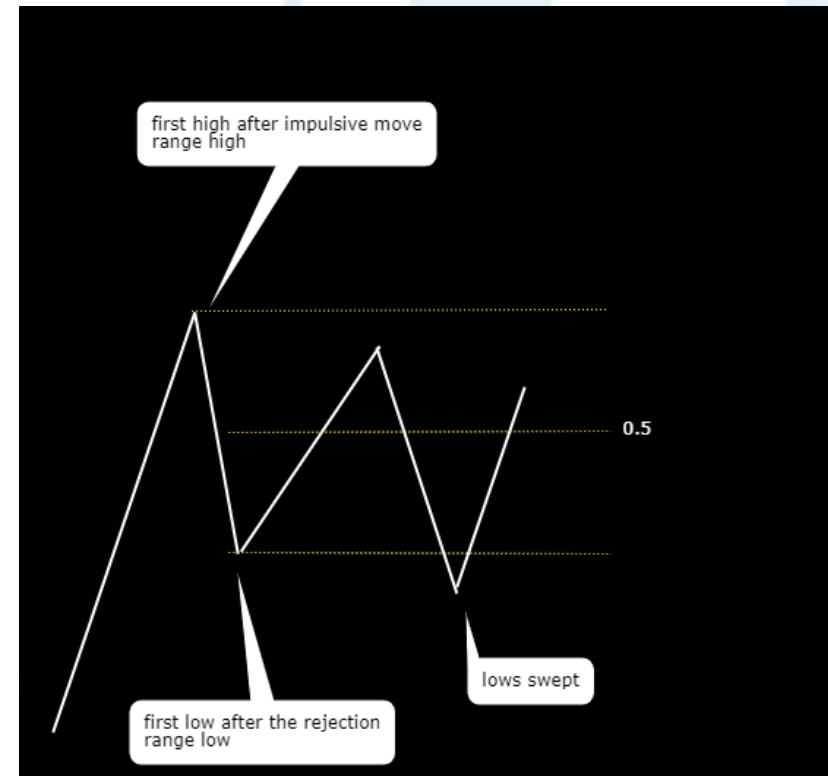
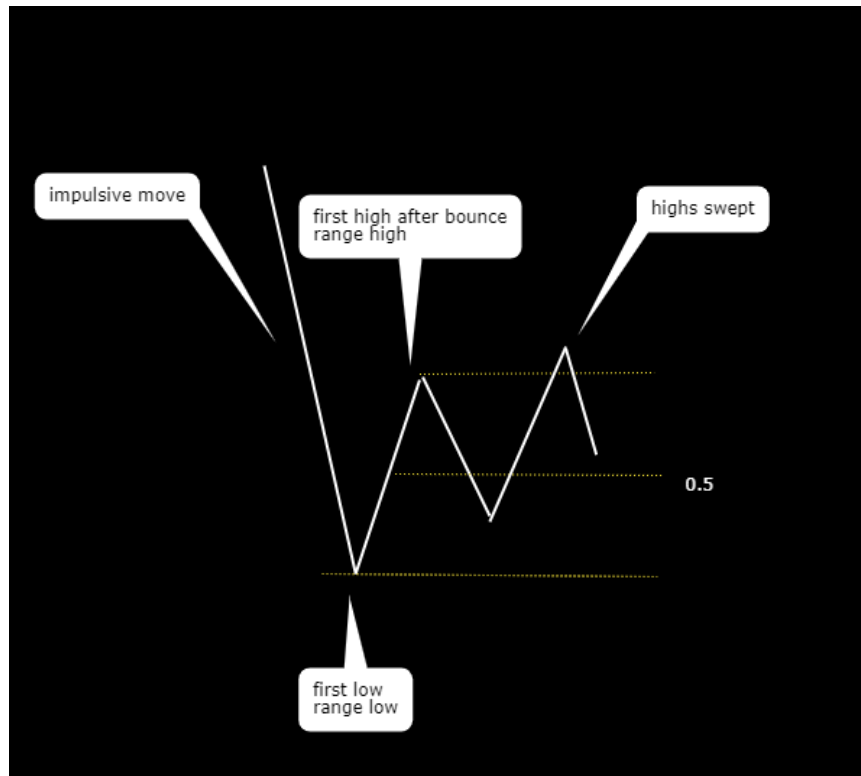




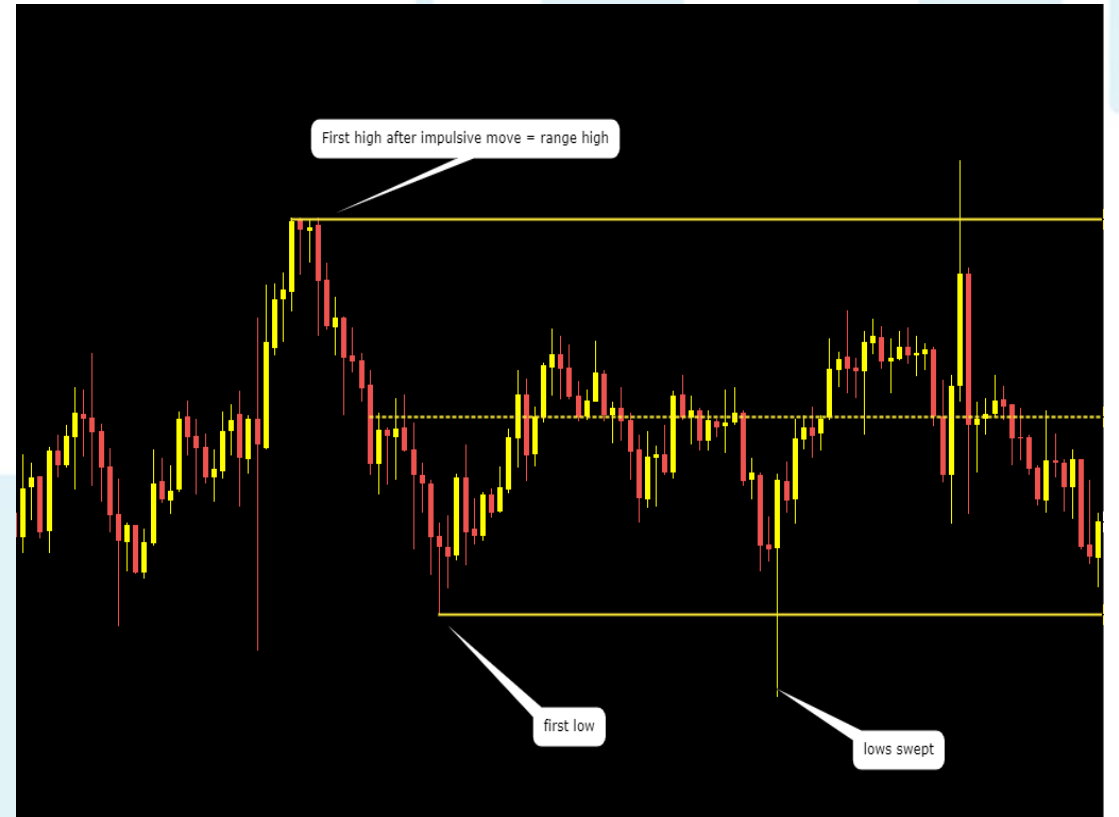
3) When the first low/high is not swept yet.

The low after the impulsive move did not get swept but the first high after the bounce did get swept. Take the high that got swept as a range high.

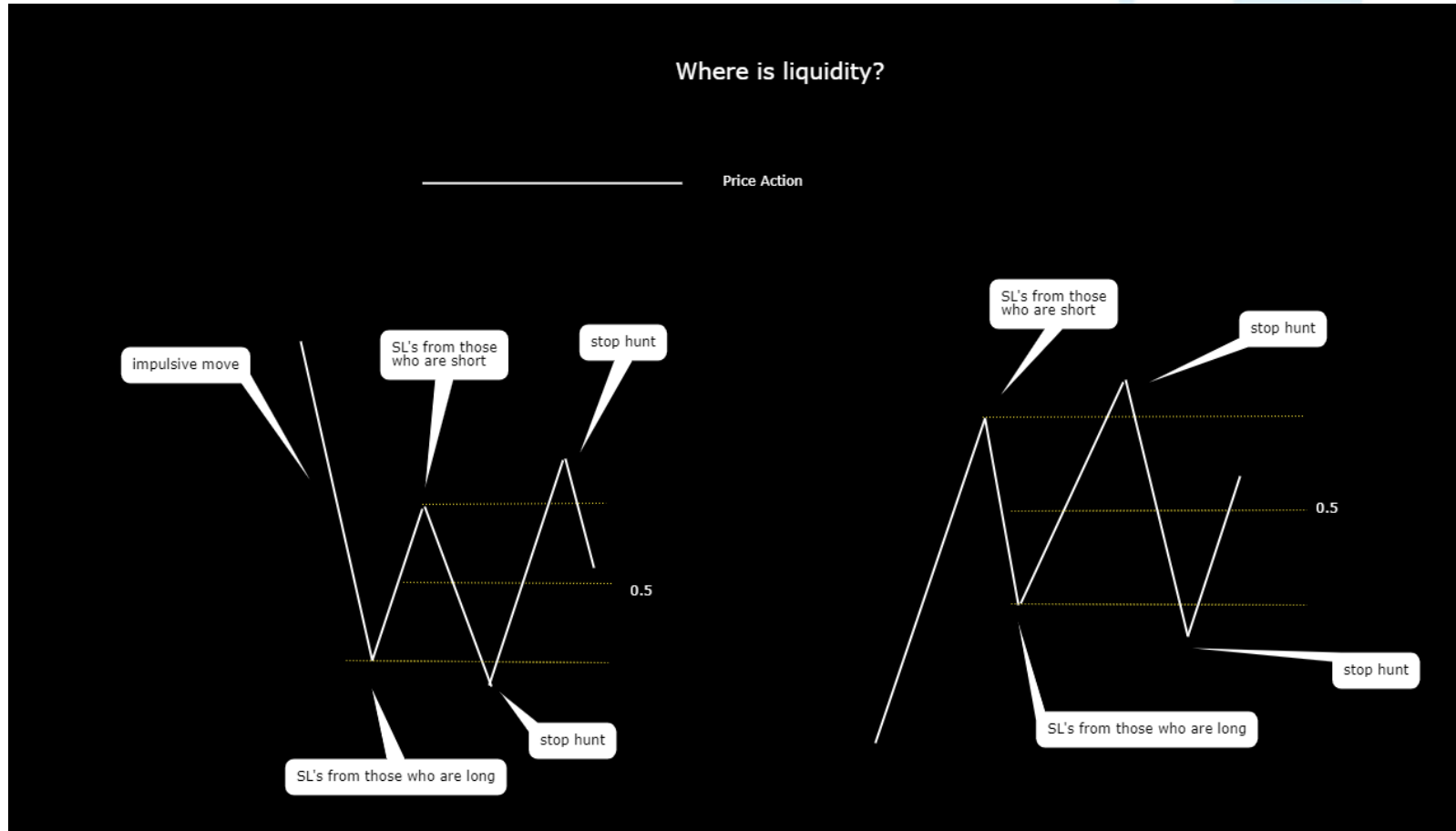
The high after the impulsive move did not get swept, but the first low after the rejection did get swept. Take the low that got swept as range low.



Live examples



It's all about liquidity.
Big players are always looking for the levels with the most liquidity. When in doubt about the range, check where are the most stops.





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The background is a dark blue collage of financial and technical analysis elements. It includes a candlestick chart with a magnifying glass over a specific area, a line graph with a green dot, a triangular diagram with a green dot, and various text labels like 'Stop Loss', 'Take Profit', and 'NOLOGY'. There are also some faint numbers and a small magnifying glass icon in the top right corner.

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