TCPS Practical Trading Guide

A free, image-free guide to RSI, MACD, Bollinger Bands, trend, and execution.

Free Guide · Beginner · 6-Language Study Edition

About this edition

This free edition is intentionally image-free so you can read it on any device and focus on the rules. The paid editions add annotated chart images for visual study.

How to study this book

1. Read one section and write the main rule in one sentence.
2. Open a clean chart and mark the rule yourself.
3. Write one hypothetical entry with a stop and target.
4. Review the section after 24 hours without looking at the answers.

Risk disclaimer

Educational material only. Nothing in this book is financial advice or a guarantee of profit. Trading leveraged products can result in the loss of all capital. Past performance does not predict future results. Use a demo account and a fixed risk limit before trading with real money.

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Why good indicators still produce bad trades

Most traders do not fail because they lack tools. They fail because they use familiar tools in the wrong environment, at the wrong time, or against the wrong trend. An indicator highlights a condition; it does not decide whether that condition matters.

RSI below 30 is a condition. A MACD cross is a condition. A Bollinger Band touch is a condition. None of them is a complete decision. The trader must add direction, location, and risk. When an observation is treated as a command, trade quality drops immediately.

A clean signal can also be a crowded signal. If everyone sees the same oversold reading and places a stop in the same area, the market can push through that area to collect liquidity. Clarity on the chart is not the same as safety in the trade.

- An indicator describes; it does not command.
- Context = trend + location + timing.
- A clean setup can be crowded.
- Never let one tool make the whole decision.

RSI: levels, trend, and divergence

Do not buy the first touch of RSI 30. Oversold means price has moved down aggressively; it does not mean the decline is finished. Wait for a sequence: RSI goes below 30, selling momentum stops accelerating, and RSI recovers back above 30. Then check whether the recovery is happening at a meaningful support area.

RSI 50 is often more useful than 30 or 70 for trend trading. In an uptrend, RSI spending more time above 50 shows that buyers remain in control. In a downtrend, RSI staying below 50 shows that rallies are corrective. Use 50 as a filter before using 30 or 70 as a trigger.

Divergence is a warning, not a trade command. A bearish divergence makes a higher price high with a lower RSI high; a bullish divergence makes a lower price low with a higher RSI low. It matters most at major support or resistance, after a stretched move, and with a confirmation candle.

- Do not buy the first touch of 30.
- Wait for the recovery above 30.
- RSI 50 = trend filter.
- Divergence needs location and confirmation.

- Structure leads; RSI supports.

MACD: crosses, histogram, zero line, and slope

A MACD cross is a confirmation, not an early prediction. Many bullish crosses appear after price has already expanded, so chasing them can produce a poor entry. The better use is during a pullback in an established trend: price reaches support, MACD stops falling, and then turns up.

The histogram shows whether momentum is expanding or contracting. Shrinking negative bars during a pullback mean selling pressure is losing force. Shrinking positive bars during a rally mean buying pressure is fading. The histogram is a clue, not an order.

The zero line defines the broader momentum baseline. Above zero, bullish momentum is generally stronger; below zero, bearish momentum is generally stronger. The slope of MACD often tells you more than the exact cross: a flattening line shows that the current push is losing force before the cross actually prints.

- Cross = confirmation, not prediction.
- Use MACD during pullbacks, not after vertical moves.
- Shrinking histogram = momentum is fading.
- Zero line = bias filter.
- Slope = transition; cross = confirmation.

Bollinger Bands: stretch, middle band, and compression

Do not buy every lower-band touch. Bollinger Bands describe volatility and relative stretch, not reversal. In a strong downtrend, price can press the lower band for a long time. The touch may confirm weakness, not value.

The middle band is often more useful than the outer bands. In an uptrend, a controlled pullback to the middle band can offer a cleaner continuation entry than chasing price near the upper band. In a downtrend, a rally to the middle band can offer a cleaner short.

Band compression shows that volatility is contracting. It does not predict direction, but it warns that expansion may be close. Mark the nearby support and resistance before the expansion, then trade the side that breaks and holds.

- Bands = volatility, not reversal.
- A band touch can confirm weakness.
- Middle band = dynamic reset level.
- Compression = prepare, do not predict.
- Trade the break that holds, not the first spike.

Trend and higher timeframe direction

Countertrend trading feels smart because it promises precision, but it often requires prediction. Trend-following is more forgiving because it aligns with pressure that has already proven it can move price. That does not make the trade safe, but it makes it more practical.

Do not chase strength. Wait for a pullback into support, the middle band, or a place where RSI and MACD can reset. A controlled pullback offers better timing and a tighter stop than buying a vertical candle.

The higher timeframe is a filter for lower-timeframe noise. If the daily chart is bullish, lower-timeframe pullbacks and bullish reversals deserve more attention than lower-timeframe shorts. If the daily chart is bearish, be skeptical of every small oversold bounce.

- Trade with the dominant pressure.
- Wait for a pullback instead of chasing.
- Higher timeframe direction filters noise.
- Countertrend trades need faster management.

Building a trade idea instead of collecting signals

Start with direction. Is the market trending up, down, or unclear? If you cannot answer, stay cautious. Next, find the location: support, resistance, the middle band, or a prior demand zone. Only then ask what the indicators add.

A practical long setup: the market is bullish, price pulls back into support, RSI cools without fully breaking, MACD stops weakening, and price stops accepting lower levels. The entry comes when price proves it can hold the area and push back with the trend.

A practical short setup is the mirror image: bearish structure, a rally into resistance, RSI strengthening only temporarily, MACD flattening, and price failing to reclaim the broken support. The short is a reasoned decision, not a reaction to red candles.

- Direction → location → indicator → risk.
- An argument is stronger than a pile of signals.
- The market should pull back, not collapse, for a long.
- The market should rally into weakness, not explode, for a short.
- If the idea cannot be explained in one sentence, skip it.

Risk, stops, and patience

Every trade needs an invalidation point. Without one, it is a hope, not a plan. Place the stop where the trade logic would be damaged, not where you feel comfortable. If the stop has no logical home, the entry is probably too late.

Separate a bad trade from a losing trade. A good trade can lose; a bad trade can win. Judge yourself by process first and outcome second. That is how consistency is built.

Patience is the ability to wait for the right evidence. Define what you need before the trade: trend alignment, location, momentum recovery, and a clear stop. If those conditions are not present, there is nothing to do. Protecting standards is more profitable than forcing trades.

- Stop = where the idea is wrong.
- No logical stop = no trade.
- Good process can lose; bad process can win.
- Define the checklist before the session.
- Waiting is part of the plan.

The final framework and a 30-day practice plan

The goal is not prediction. The goal is better decisions. Ask whether the trade aligned with the trend, occurred at a sensible location, used the indicators as confirmation, and had a clear invalidation. Those questions are controllable; prediction is not.

Use this sequence every time: market condition → important location → indicator support → risk definition → wait for the trigger. If one part is missing, pass. A mature trader does not try to trade every signal; they try to understand which signals matter in which environment.

For the next 30 days, review 10 charts per day. Mark the trend, the key levels, the RSI and MACD condition, and one hypothetical trade with a stop and target. At the end of the month, calculate the win rate and average reward-to-risk. The purpose is to build recognition, not to

prove you are right.

- Market condition → location → confirmation → risk → trigger.
- Pass when one part is missing.
- 10 charts per day for 30 days.
- Record the hypothetical stop and target.
- Review the data weekly.

RECOMMENDED TRADING PLATFORM

Crypto, stocks, and contracts in one account.

Deepcoin brings crypto perpetuals, USD contracts, on-chain trading, and stock-linked markets into one interface. Instead of opening several accounts for different assets, you can follow crypto, stocks, and contracts from the same screen.

The platform also shows fee-discount campaigns and reward programs inside the app. Availability and eligibility can differ by country, so check the regional terms before you deposit.

- Crypto perpetual contracts
- Stock-linked and USD contract markets
- On-chain trading
- One account for multiple market types
- Fee-discount and reward campaigns

How to open an account

1. Open the referral link in this book or scan the QR code.
2. Sign up with your email or phone number.
3. Complete identity verification if your region requires it.
4. Deposit funds and open the trading screen.
5. Check the rewards or referral center for current benefits.

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