



Indicator of M / Double Tops

This indicator displays M, Double Tops:

- red arrows above the tops,
- green arrow under the neckline,
- M drawing,
- theoretical objective of the M (optional).

Working on all TimeFrames, preferred using on 1 hour timeframe and higher.

You can find all our instructions in video format on our Youtube channel (english subtitles available):

<https://youtu.be/kkrygsb7l2M>

I. User Guide

This indicator displays M, Double Tops:

- red arrows above the tops,
- green arrow under the neckline,
- theoretical objective of the M (optional).

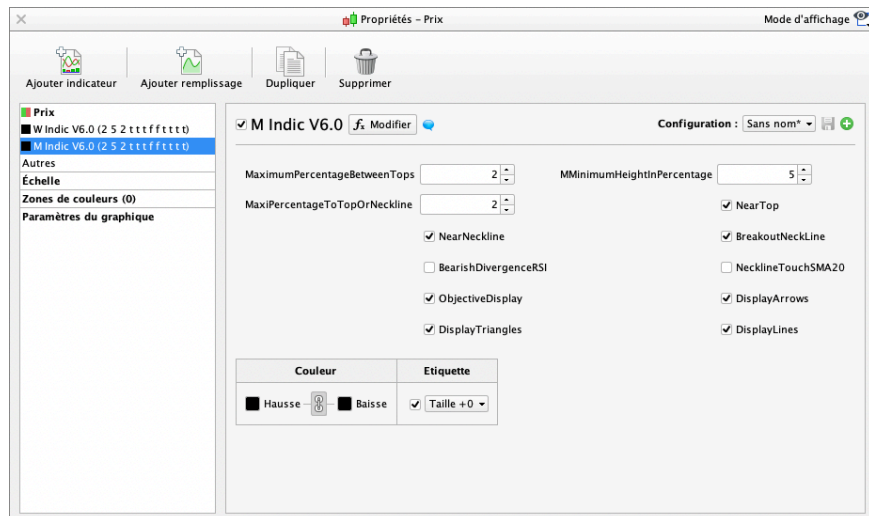
Working on all TimeFrames, preferred using on 15 minutes timeframe and higher.

Because the M is a bearish reversal pattern, the best configurations will be found during bullish phases of the market. However, the screener will return configurations during consolidations in bearish phases (e.g. identification of a range of lateralization of the price).

Fixed Criteria :

- the stock made a M pattern (body, wicks excluded) in the last 50 candles,
- the last lowest within 50 candles before the pattern must be higher than the M objective,
- neckline defined by the candle's body,
- since second top the stock price has never opened / closed under neckline,
- minimum 10 candles between the 2 tops.

Display depends on the settings available in the configuration menu :



The values shown above are given as example and do not constitute an optimal or recommended setting, everyone should find his own settings.

- MaximumPercentageBetweenTops = maximum percentage between the 2 tops. Depending on this parameter we will have more or less perfect M,
- MMinimumHeightInPercentage = M minimum height, expressed in percentage. The theoretical objective of the M being its height report under the neckline, this criteria makes it possible to filter according to the potential gain,
- MaxiPercentageToTopOrNeckline = maximum distance from the current stockprice to the top or neckline, expressed in percentage. Value used in the filters below,
- NearTop = filtering results with current stockprice close to the tops. The indicators displays M on stocks whose current price is maximum at X% under the tops. The percentage X is defined in the previous variable. Checked = Filter ON / Unchecked = Filter OFF,
- NearNeckline = filtering results with current stockprice close to the neckline. The indicators displays M on stocks whose current price is maximum at X% above the neckline. The percentage X is defined in the previous variable. Checked = Filter ON / Unchecked = Filter OFF,
- BreakOutNeckLine = filtering results with current stockprice breaking the neckline. The indicators displays M on stocks whose current price is breaking out the neckline. Checked = Filter ON / Unchecked = Filter OFF,
- BearishDivergenceRSI = filtering results with a bearish divergence with RSI on the tops. The indicators displays M on stocks whose tops shows a bearish divergence with RSI. Checked = Filter ON / Unchecked = Filter OFF,

- NecklineTouchSMA20 = filtering results to have the neckline in contact with the sma20. The indicators displays M on stocks whose lowest of the neckline is touching the sma20. Checked = Filter ON / Unchecked = Filter OFF.
- ObjectiveDisplay = display the theoretical objective of the M. The theoretical objective is the M height report above the neckline. Checked = ON / Unchecked = OFF.
- DisplayArrows = display arrows above tops and under neckline,
- DisplayTriangles = display M's triangles,
- DisplayLines = display M's lines.



NB: Pay attention to have the same parameters in the indicator and the screener, in order to have the indicator showing screener's result on graph

II. Observations and tips

Depending on the unit of time of the search it is interesting to modify the settings. Indeed when looking for a M in UT day, we aim for a swing trade with an expectation of gain of several percent.

Thus the settings can be :

- Minimum M height = 5%
- Maximum difference between tops = 2%

When we go down in the timeframes, for intraday trading for example, the target is usually smaller than on a swingtrade for a few days. Thus the settings should be lowered, for example as follows :

- Minimum M height = 3%
- Maximum difference between tops = 1%

The general idea is to have search criteria that correspond to the time horizon of the trade searched / envisaged.

A bearish divergence with the RSI on the tops increases the success rate of the M-configuration.

The M (double top) configuration is validated only at the breakout of the neck line, so the filtering to have the titles whose price is close to the tops will give you the titles whose M is not yet validated, but for which it would be possible to anticipate a potential M in formation.

DISCLAIMER

Our proposed tools (indicators and screeners) are not investment advices but tools allowing everyone to find specific graphic configurations.

Investing in the financial markets involves risks up to and including the total loss of capital.

The user of the proposed tools understands and accepts that the use of these tools is under his sole and entire responsibility. P2C Trading declines all responsibility in the use of the tools and the consequences that would result.