



## Screener of m / Double Tops

Screener of M, Double Tops.

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

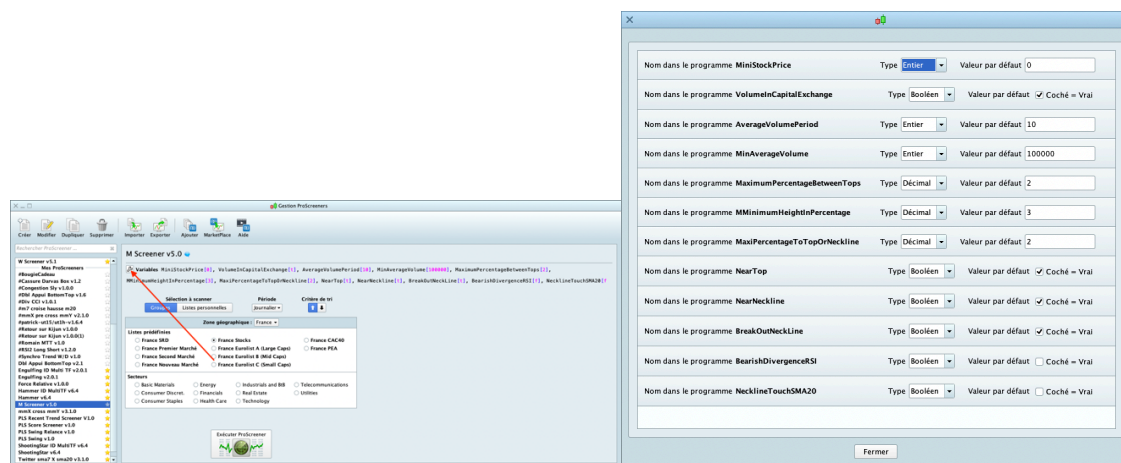
The screener scans the market for M (double tops), the adjustable parameters allow you to modify the search criteria so that the results given are the ones you want to see.

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 above neckline,
- minimum 10 candles between the 2 tops.

The following parameters can be adjusted in the "variables"  menu:



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

**General filtering of stocks according to price and volumes (based on the daily timeframe regardless of the screening timeframe):**

- MiniStockPrice = Minimum stockprice, not to have penny stock in the results for example.
- VolumeInCapitalExchange = Average volume expressed in capital (checked) or number of exchanges (unchecked). Filtering is done on the average volume to avoid erroneous results due to high volume peaks on a candle.
- AverageVolumePeriod = The period of the average volume,
- MinAverageVolume = Minimum Average Volume for filtering. In number of transactions or capital exchange, depending on the previous settings.

This filtering ensures a minimum of liquidity on the results returned by the screener.

**The configurable criterias specific to the search :**

- 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 screener searches for stocks whose current price is maximum at X% above 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 screener searches for stocks whose current price is maximum at X% over 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 screener search for 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 screener only returns 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 screener only returns stocks whose lowest of the neckline is touching the sma20. Checked = Filter ON / Unchecked = Filter OFF.

## Results Rankings

Results are classified in the column "Top / Neckline / BO" :

- 0 = stockprice in the middle of the M
- 1 = stockprice is near tops
- 2 = stockprice is near neckline
- 3 = stockprice is currently breaking out the neckline



**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.