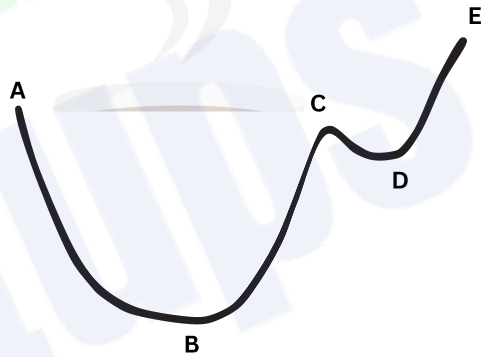
Low Cheats, Cheats and Swing Highs as Resistances

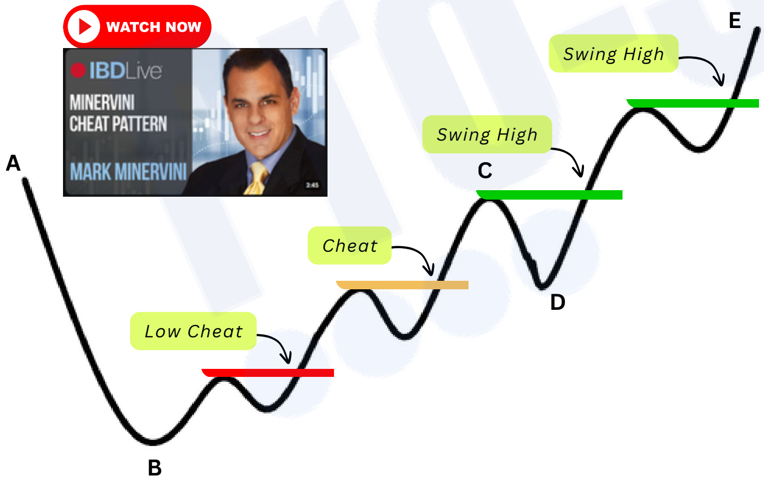
*We all know about resistance lines and the basics of breakouts, but taking it a step further is where the real edge comes in. Understanding **Low cheats**, **Cheat areas**, and **Swing High resistances** can give you that extra boost to make your trades more effective.*

Combining low cheats, cheat areas, and swing high resistances with traditional resistance lines can give you an edge. Let's find out what these mean.

*In a typical **cup-n-handle** pattern, a stock falls from Point A to B, then reverses from Point B to C, takes a small pullback to Point D, and finally breaks the resistance created by Point A to move to Point E, as shown in the picture to your left. The breakout of Point C is typically considered to be an ideal buy point in such a pattern.*

However, while its journey from Point B to C, there can be multiple pivot points where one can plan an entry. That's where Low Cheat and Cheat areas form.





*As mentioned above, from Point B to C, there can be multiple pivot points, which can be defined as Low Cheat and Cheat areas. The terms 'Low Cheat' and 'Cheat' are coined by none other than **Mark Minervini**, and he calls them to be his favorite points.*

***Low cheat** is a point formed at the **bottom one-third** or slightly below the middle of the cup.*

***Cheat** area is a point formed below the handle or somewhere **middle** of the cup formation.*

***Swing Highs** are the pivot points formed at the **top** of the cup formation as its handle, which are usually near the main resistance line. They are also formed as **next resistances** as the stock moves upwards.*

Low Cheat	Cheat	Swing Highs
• *Allows positional traders to catch up a stock **early as trend changes**, and thus **greater profit potential**.* • *Entry is less confirmed, making it **riskier if the breakout fails**. The trend might not change and it could just be a bummer.*	• *Allows swing & positional traders to catch up a stock once **uptrend is established**. Has increased likelihood of a breakout.* • ***Pay higher price** than entries made at Low Cheat levels.*	• *Allows traders to take an uptrending stock positioned at the **final consolidation** before breakout.* • ***Pay higher price**, and thus **Lower profit potential** than other two.* • *Since it's close to ultimate breakout, entry may be missed if breakout happens quickly.*

Identifying Low Cheats, Cheats and Swing Highs

- **Dashboard** to scan before breakouts happen.
- **Indicator** to see the resistance lines on charts.
- **Realtime Alerts** to know when breakouts happen.

Dashboard has a readymade filter for you to scan Low Cheats, Cheats and Swing Highs setups.

Lets you identify stocks that are near to breakout levels.

Indicator on TradingView plots color coded lines on your charts for Low Cheats, Cheats and Swing Highs setups.

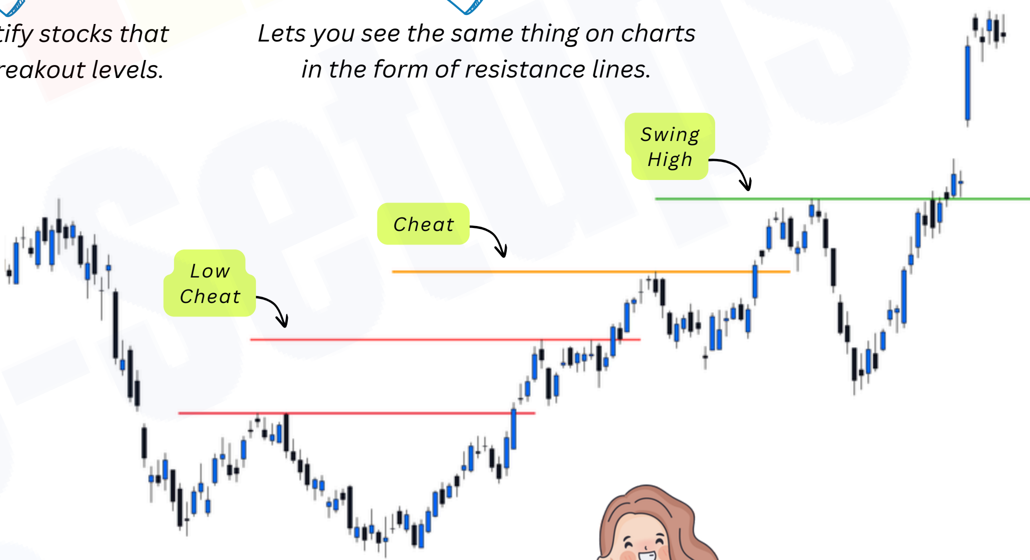
Lets you see the same thing on charts in the form of resistance lines.

Pro-Setups Trend & Dots

- Gray cloud turned Blue
- Crossover of Blue cloud over Red

Pivot Type

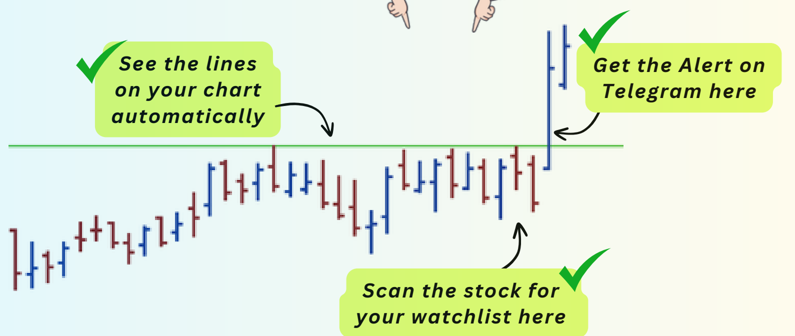
Pivot Type	Record Count
nan	1.6K
Low Cheat	40
Swing High / Pivot	39
Cheat	2



Alerts give you real-time alerts on stocks breaking out from Low Cheats, Cheats and Swing Highs setups.

Pro-Setups Alerts
426 members

- Volume Alerts — 09:32
  Pro-SetupsBot: Pocket Pivot Volume: AMRUTANJAN
- Breakout Alerts — 09:27
  Pro-SetupsBot: Swing High or Pivot Point Breakouts: ...
- Other Alerts (Shakeouts, Gap Ups) — 09:30
  Pro-SetupsBot: Shakeouts: ADANIPOWER
- 20EMA & 50EMA Undercuts — 09:23
  Pro-SetupsBot: Undercuts 20EMA: PPLPHARMA
- GMMA Cloud Alerts — 09:16
  Pro-SetupsBot: Blue dots in Uptrend yesterday plus Mov...



<u>Limitation:</u> *This is a qualitative filter, and our goal with this filter is to achieve around **90% accuracy**. To identify Low Cheat, Cheat, and Swing High areas, we apply precise criteria, which can sometimes mean a stock is left out due to a small variance, like a 0.01% difference in price. This means that, occasionally, you may see stocks that have recently broke out when they appear in the scan, or low cheats are identified as cheats or vice versa. These errors are mostly found in stocks with limited trading history such as recent IPOs.*