

Support Resistance Defined – Unveiling the Truth



Support and resistance levels are key concepts in technical analysis used to identify potential reversal or continuation points in the price movement of a financial asset. These levels play a crucial role in helping traders make informed decisions based on historical price patterns. However, there are instances where the definition of support and resistance does not align with reality.

Liesl Sonnen, a renowned expert in technical analysis and founder of Liesl Sonnen Design, challenges the traditional explanation of support and resistance levels. In her groundbreaking study, she introduces a novel perspective that redefines how traders perceive these important price levels.



Support & Resistance Defined

by Liesl Sonnenliesl design (Kindle Edition)

★★★★★ 5 out of 5

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Enhanced typesetting : Enabled
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The Traditional Definition of Support and Resistance

Before delving into the lies behind the conventional understanding of support and resistance, it is essential to establish the standard definition for these terms.

Support level refers to a price level where buying pressure exceeds selling pressure, causing the price of an asset to bounce back and continue its upward trend. Traders often look for support levels as potential entry points to go long on a trade.

Resistance level, on the other hand, represents a price level where selling pressure outweighs buying pressure. When the price reaches a resistance level, it tends to reverse its direction and continue downward. Traders use resistance levels to identify potential short-selling opportunities or to exit existing long positions.

Liesl Sonnen's Revolutionary Approach

Liesl Sonnen's research challenges the widely accepted definition of support and resistance levels. Her findings suggest that these levels are not merely determined by supply and demand imbalances as widely believed, but they encompass psychological factors and market sentiment as well.

According to Sonnen, support and resistance levels are manifestations of collective investor behavior. They are influenced by the fear and greed of market participants, as well as psychological barriers that impact traders' decision-making. These factors collectively create support and resistance levels that may not always align with pure supply and demand dynamics.

Sonnen argues that by understanding and incorporating these psychological aspects into technical analysis, traders can gain an edge in predicting price movements and identifying profitable trading opportunities.

Implications for Traders

Accepting Liesl Sonnen's redefined support and resistance levels can have significant implications for traders. By acknowledging the influence of psychological biases and market sentiment, traders can avoid relying solely on textbook definitions and instead develop a more holistic approach to their analysis.

Rather than considering support and resistance levels as strict lines in the sand, traders can view them as zones where significant price reactions are likely to occur. This shift allows traders to apply additional tools and techniques to confirm the presence of supportive or resistive factors at those levels.

Sonnen also emphasizes that understanding the underlying psychology behind support and resistance levels can enhance risk management strategies. Traders who recognize when these levels are likely to fail can adjust their stop-loss orders or implement more conservative position sizing.

, the traditional definition of support and resistance levels may not fully capture the complexity of these important price levels. Liesl Sonnen's research offers a groundbreaking approach that considers the psychological factors influencing investor behavior.

By embracing this new understanding, traders can improve their technical analysis skills, spot potential market reversals more accurately, and enhance their overall trading performance. Stay ahead of the curve by incorporating Liesl Sonnen's redefined support and resistance levels into your trading strategy today.



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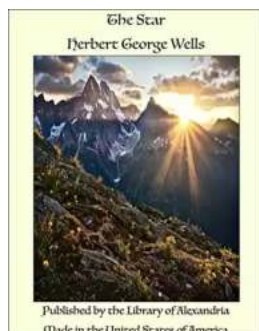
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Support and Resistance Defined is a very easy, very quick and highly accurate method for drawing support and resistance lines on any chart without any experience or rules to comply to.



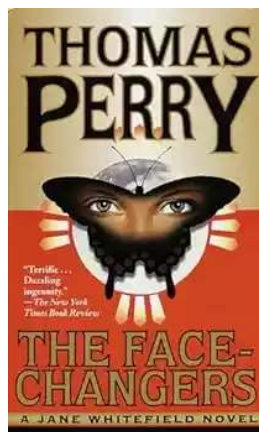
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