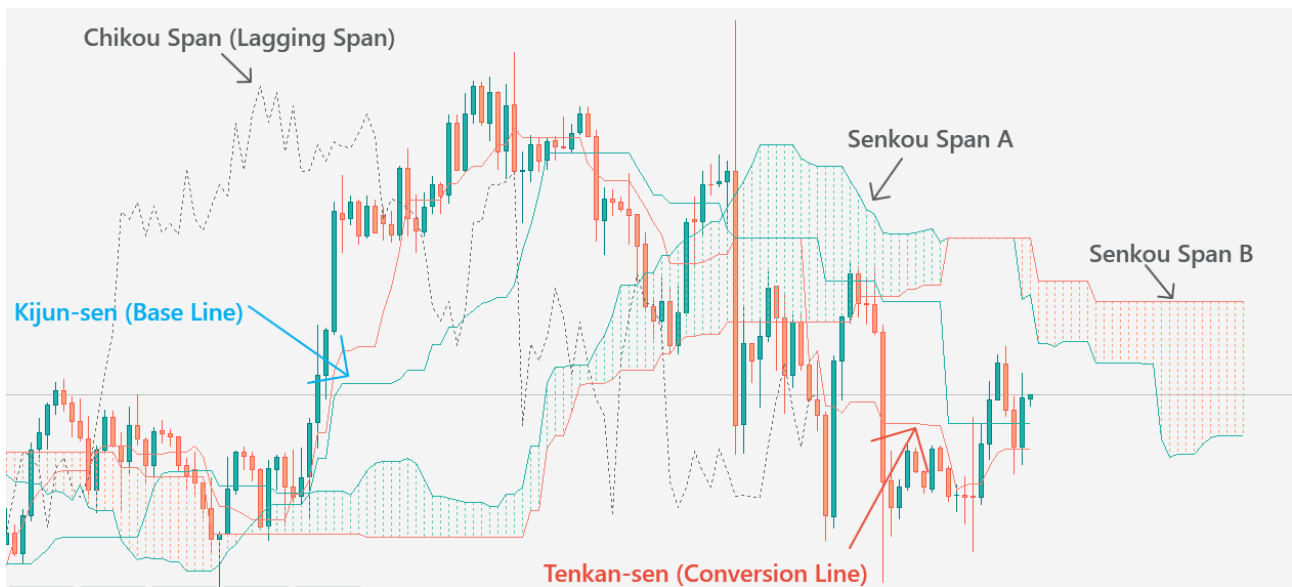


Ichimoku

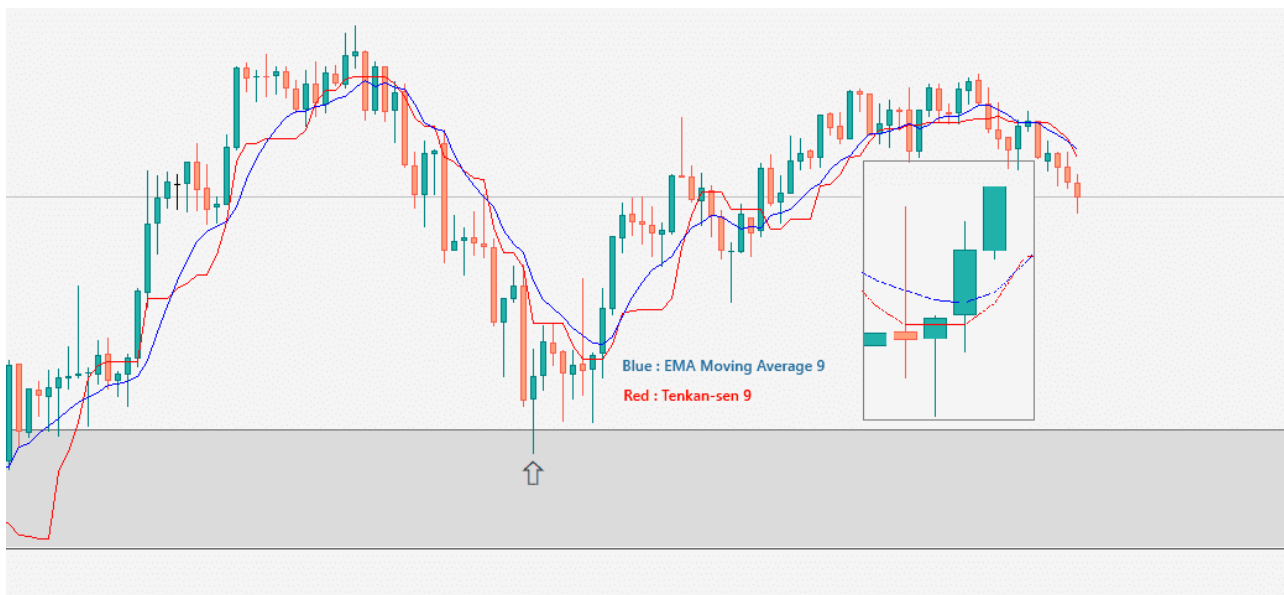
By RaHaGOD

This is the Ichimoku components image that is found everywhere, but I recommend not to pass it by easily. Study each component carefully to understand how the shifts and switches between Tenkan & Kijun or Span A & B happen and where. It will greatly improve your visual and analytical understanding. Whatever indicator you use, even a simple moving average, study it to grasp it well. If you understand it, it becomes usable; otherwise, it is just another tool like the others.



First of all, let me explain why Ichimoku—why I've spent so much time on it.

I was looking to improve my entry points. I used moving averages to avoid entering just anywhere and at least to have the price close above them, but in many cases, it was too late, and my stop loss became large, which messed with my trade management. Then I saw Ichimoku, and the Tenkan line... gives you much better entries and, unlike moving averages, often doesn't give false signals during trends. This was how I got familiar with Ichimoku, and now it's not just about entries and exits at all. I realized it's the only indicator that simultaneously shows you the present, past, and future, and understanding it can greatly help in comprehending market cycles.



Tenkan Sen/Kijun Sen Cross: Part I

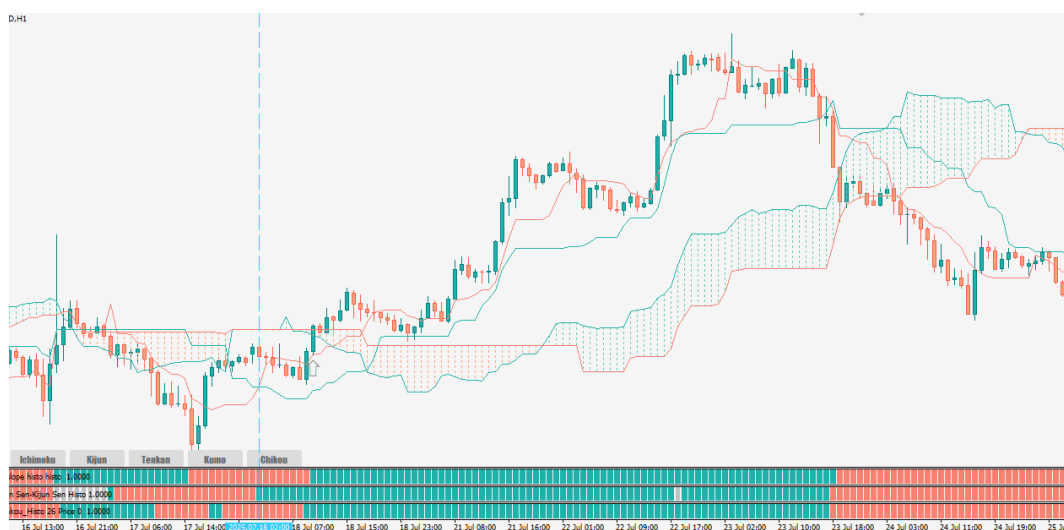
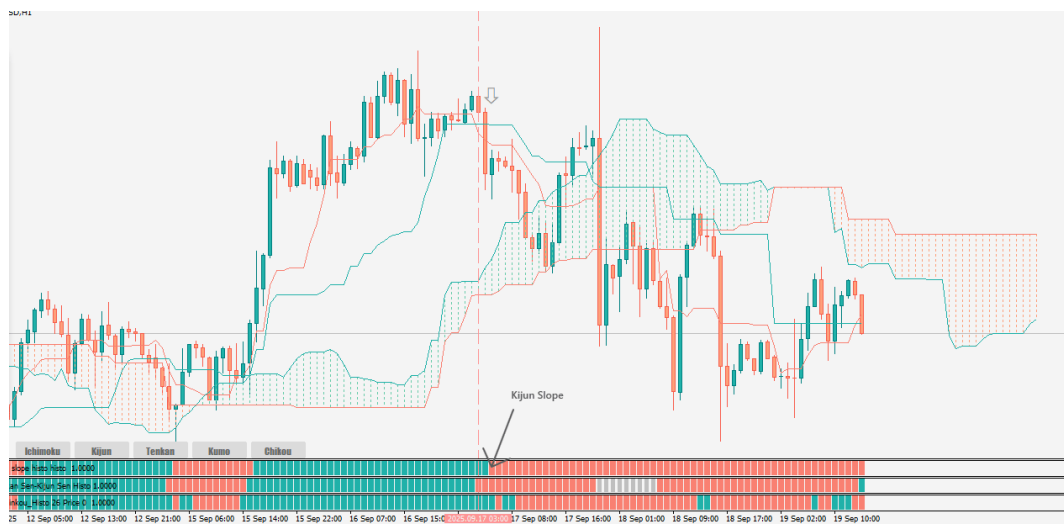
In all sources about crosses, it is mentioned that there are two types of crosses: bullish cross and bearish cross.

Bullish cross: When the Tenkan-sen crosses the Kijun-sen upwards.

Bearish cross: When the Tenkan-sen crosses the Kijun-sen downwards.

But here is one important point: the slope of the Kijun also matters. The slope of the Kijun should change direction in alignment with the cross; otherwise, the cross might have occurred due to market noise and high volatility.

Pay close attention to the slope of the Kijun at the crosses. They can be very helpful to you. Try first to observe Ichimoku and its components on a clean chart, noticing where their flat lines change direction and so on; this can be very useful. Here, because it wasn't clearly visible, I used an indicator to convey the concept better.



Tenkan Sen/Kijun Sen Cross: Part II

They talk about the Tenkan-Kijun cross in many sources like this:

(STRONG TENKAN SEN/KIJUN SEN CROSS SIGNAL

A strong tenkan sen/kijun sen cross Buy signal takes place when a bullish cross happens above the kumo.

A strong tenkan sen/kijun sen cross Sell signal takes place when a bearish cross happens below the kumo.

NEUTRAL TENKAN SEN/KIJUN SEN CROSS SIGNAL

A neutral tenkan sen/kijun sen cross Buy signal takes place when a bullish cross happens within the kumo.

A neutral tenkan sen/kijun sen cross Sell signal takes place when a bearish cross happens within the kumo.

WEAK TENKAN SEN/KIJUN SEN CROSS SIGNAL

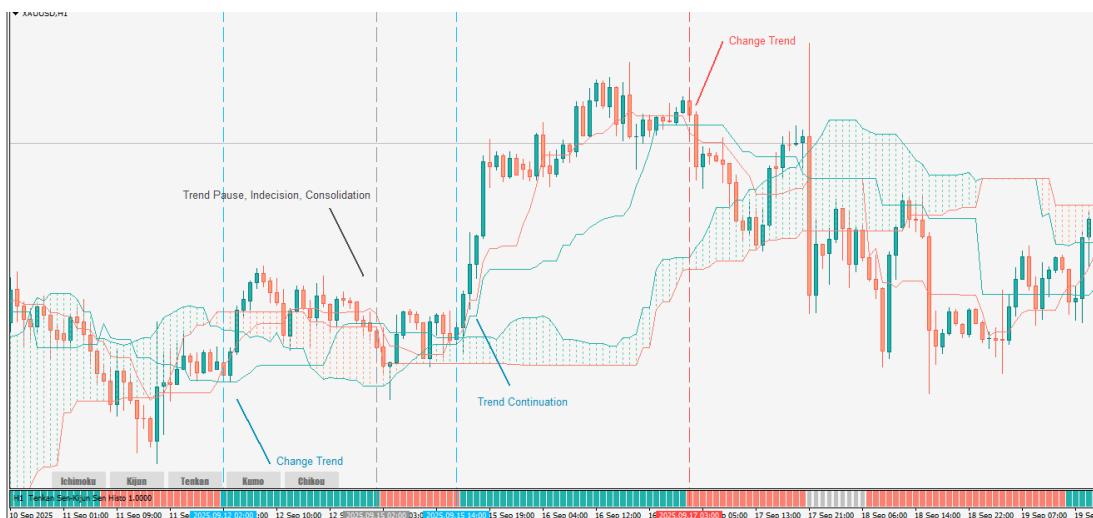
A weak tenkan sen/kijun sen cross Buy signal takes place when a bullish cross happens below the kumo.

A weak tenkan sen/kijun sen cross Sell signal takes place when a bearish cross happens above the kumo.)

some of which I can say are correct and some are wrong. I want to refer again to the nature of Ichimoku. I don't believe Ichimoku is a lagging indicator. In fact, it shows you the present, future, and past, which I will talk about more. Ichimoku can show us trend changes, trend continuation, and trend pauses.

Many bearish crosses that occur above the Kumo cloud can indicate a trend change, and many bullish crosses that occur below the Kumo cloud can also signal a trend change. Some bullish crosses above the Kumo cloud indicate trend continuation, and some bearish crosses below the Kumo cloud indicate the continuation of the downtrend. Crosses that occur inside the Kumo cloud can be a sign of trend pause—a rest for the trend, which may lead to either continuation or reversal.

Note that when I said about the crosses "can" (meaning it's possible) — other Ichimoku parameters also need to be checked for confirmation. I will get to those and explain them.



Tenkan Sen/Kijun Sen Cross: Part III

There are basically three types of crosses between Tenkan and Kijun. I'm not concerned with where the cross occurs; I'm talking about their nature.

The three types of Tenkan-Kijun crosses are:

- Bearish cross: when the Tenkan line crosses the Kijun line from above to below.
- Bullish cross: when the Tenkan line crosses the Kijun line from below to above.
- Flat cross (overlap. neutral): when the Tenkan and Kijun lines overlap or become flat together.

Earlier, I mentioned that during crossovers, **the change in shape of the Kijun is important**. Until the Kijun changes its shape, we should not trade, even if a crossover occurs.

In this image, I want to talk more about neutral crossovers. When a neutral crossover occurs, it mostly means the trend intends to continue in the direction of its previous crossover.

How to use it and where to exit, I will definitely explain. First, I need to talk about the Ichimoku parameters, and then the puzzle pieces will come together to form the bigger picture. Unfortunately, my time is limited too, but I'm doing my best to convey the information correctly.

