

---

ADVANCED SERIES

---



cryptosmartceek.com

---

# SUCCESS FORMULA

Technical Analysis &  
Risk Management Mastery

---

Master advanced charting techniques, Fibonacci retracement,  
MACD, volume analysis, and professional risk management.

---

By **AVIK KANRAR**

Founder, cRyPtO sMaRt

First Edition · 2026 · Free Educational Series

**FREE COURSE**

---



---

◆

## *Author's Note*

---

◆



**Avik Kanrar**

Founder, cRyPtO sMaRt

---

Congratulations on completing the Beginner's Guide and taking the next step with the Success Formula.

This course is for traders who understand the basics and are ready to go deeper. You will learn tools that professional traders use every single day — Fibonacci retracement, MACD, volume analysis, multi-timeframe confirmation, and advanced position sizing.

But here is the truth most trading courses won't tell you: indicators alone do not make you profitable. What makes you profitable is combining the right tools with disciplined risk management and the patience to wait for high-probability setups. That is the real success formula.

Every concept in this book builds on the previous one. By the end, you will have a complete, repeatable trading system that you can apply across stocks, forex, and cryptocurrency markets.

Take your time. Practice each concept. And remember — consistency beats intensity.

Trade smart. Stay disciplined.

---

*Avik Kanrar*

[cryptosmartceek.com](http://cryptosmartceek.com)

# Table of Contents

---

## PART I — ADVANCED CHARTING

01	Reading Price Action Like a Pro	6
02	Candlestick Patterns That Matter	8
03	Fibonacci Retracement Mastery	11
04	MACD — The Trend Momentum Tool	14

## PART II — CONFIRMATION & VOLUME

05	Volume — The Truth Behind Price	17
06	Multi-Timeframe Analysis	20
07	Confluence — Stacking the Odds	23

## PART III — RISK MASTERY

08	Advanced Position Sizing	26
09	Risk-Reward — The Mathematical Edge	29
10	Building Your Trading System	32
11	The Success Mindset	35

## APPENDIX

	Quick Reference Sheet	38
	Glossary	40

# PART I

---

## ADVANCED CHARTING

Mastering the tools that professionals use every day

---

# 01

## CHAPTER 1

---

# Reading Price Action Like a Pro

Understanding what price is really telling you

---

Imagine you are watching a football match with the sound turned off. You cannot hear the commentary, but you can still understand what is happening just by watching the players move. That is exactly what price action trading is — reading the market's story directly from the price chart, without relying on any indicators.

Every candle on your chart tells a story. It tells you who is winning the battle between buyers and sellers — and more importantly, who is losing control. Learning to read these stories is the single most valuable skill you can develop as a trader.

### What is Price Action?

Price action is the study of raw price movement over time. Instead of relying on lagging indicators that tell you what already happened, price action tells you what is happening right now. It is the foundation upon which all other technical analysis is built.

### The Four Things Every Candle Tells You

Every single candlestick contains four pieces of information: the Open (where price started), the High (the maximum price reached), the Low (the minimum price reached), and the Close (where price ended). The relationship between these four values creates the candle's shape, and that shape tells you a story.

A candle with a long body and short wicks means one side dominated the entire session — buyers if it is green, sellers if it is red. A candle with a tiny body and long wicks means there was intense fighting but nobody won convincingly. These visual clues are the language of the market.

#### SIMPLE WAY TO THINK ABOUT IT

Think of each candlestick as a single round in a boxing match between buyers and sellers. The candle body shows who won the round. The wicks show how hard each side fought. A series of candles shows you who is winning the fight overall.

### Why Price Action Beats Indicators

Here is a secret that many beginners do not realize: every single indicator — RSI, MACD, Bollinger Bands, Stochastic — is calculated FROM price data. They are all derivatives of price. So when you learn to read price directly, you are going straight to the source instead of reading a translation.

This does not mean indicators are useless. They are incredibly helpful as confirmation tools. But price action should always be your primary decision-maker, and indicators should serve as your secondary confirmation. Think of it this way: price action is the captain, indicators are the crew.

# 02

## CHAPTER 2

---

# Candlestick Patterns That Matter

The patterns that actually predict price movement

---

There are hundreds of named candlestick patterns, and many trading books will try to teach you all of them. But here is the truth: you only need to master a handful of patterns to trade effectively. The key is not knowing every pattern — it is understanding WHY certain patterns work and recognizing them in real time.

## Reversal Patterns — When the Tide Turns

### Hammer & Inverted Hammer

A Hammer appears at the bottom of a downtrend. It has a small body at the top with a long lower wick — at least twice the body length. It means sellers pushed price down aggressively, but buyers fought back and closed near the high. The longer the lower wick, the stronger the rejection. This is a powerful bullish reversal signal.

### Engulfing Patterns

A Bullish Engulfing occurs when a small red candle is completely swallowed by a larger green candle. It signals that buyers have overwhelmed sellers with force. A Bearish Engulfing is the opposite — a small green candle consumed by a larger red candle. These are among the most reliable reversal patterns.

### Doji — The Market's Pause Button

A Doji has virtually no body — the open and close are nearly identical. It shows complete indecision between buyers and sellers. By itself, a Doji means nothing. But when it appears after a strong trend, it warns that the current move may be exhausting and a reversal could follow.

## Continuation Patterns — The Trend Resumes

Not every pattern signals a reversal. Some patterns tell you the current trend is likely to continue after a brief pause. Three White Soldiers (three consecutive green candles with higher closes) confirm strong bullish momentum. Three Black Crows (three consecutive red candles with lower closes) confirm bearish momentum.

### THE GOLDEN RULE OF PATTERNS

Never trade a candlestick pattern in isolation. A Hammer at a key support level is powerful. A Hammer in the middle of nowhere is meaningless. Always combine patterns with support/resistance levels, trend direction, and volume for the highest probability trades.

# 03

## CHAPTER 3

---

# Fibonacci Retracement Mastery

Using mathematics to predict where price will bounce

---

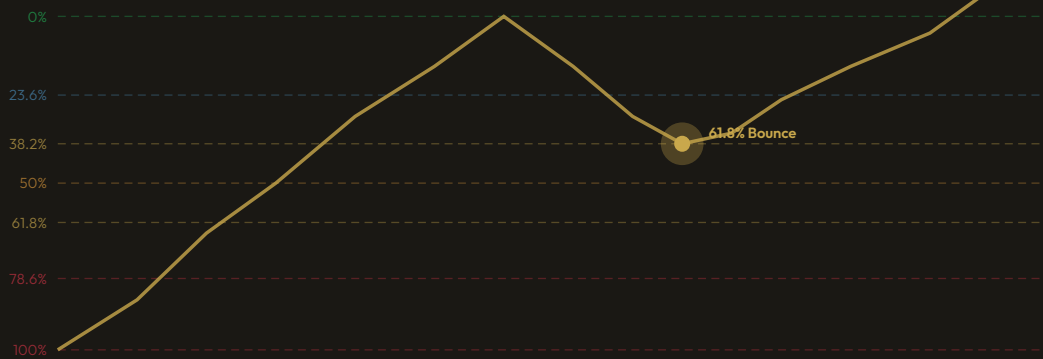
In the 13th century, an Italian mathematician named Leonardo Fibonacci discovered a sequence of numbers that appears everywhere in nature — in sunflower spirals, seashell curves, and even galaxy formations. Centuries later, traders discovered that these same mathematical ratios also appear in financial markets.

Fibonacci retracement is one of the most powerful tools in technical analysis. It helps you predict where a pullback is likely to end and the trend is likely to resume. Think of it as a roadmap that tells you the most probable rest stops on a journey.

### The Key Fibonacci Levels

- 23.6% — Shallow retracement, very strong trend
- 38.2% — Common retracement in strong trends
- 50.0% — Psychological midpoint (not technically Fibonacci)
- 61.8% — The Golden Ratio — most important level
- 78.6% — Deep retracement, trend may be weakening

### Fibonacci Retracement Levels



### How to Use Fibonacci in Trading

Step 1: Identify a clear swing low and swing high (for uptrends) or swing high and swing low (for downtrends). Step 2: Draw the Fibonacci retracement tool from the start of the move to the end. Step 3: Watch how price reacts at the key levels, especially 38.2%, 50%, and 61.8%. Step 4: Look for candlestick confirmation at these levels before entering.

#### THE GOLDEN RATIO SECRET

The 61.8% level is called the 'Golden Ratio' for a reason — it is the single most watched Fibonacci level among professional traders. When price pulls back to 61.8% and shows a reversal candlestick pattern, it creates one of the highest-probability trade setups available.

# 04

CHAPTER 4

---

## MACD — The Trend Momentum Tool

Combining trend direction with momentum strength

---

If RSI tells you the speed of price movement, MACD tells you the direction AND momentum of the trend. MACD stands for Moving Average Convergence Divergence — which sounds complicated, but the concept is beautifully simple once you understand it.

MACD consists of three components: the MACD line (the difference between two EMAs), the Signal line (an EMA of the MACD line), and the Histogram (the visual difference between MACD and Signal). Together, these three elements give you a complete picture of trend health.

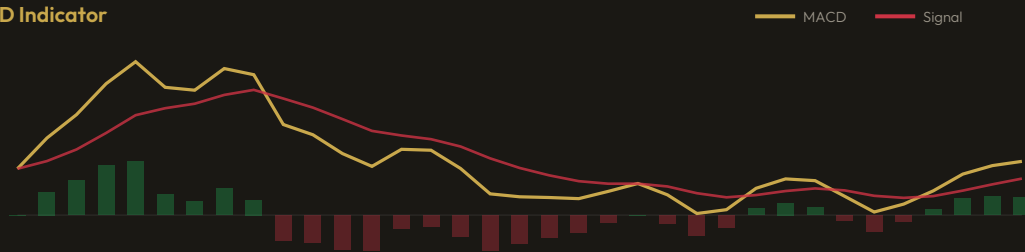
### MACD Components Explained Simply

**MACD Line:** Think of this as the speedometer — it shows how fast the trend is moving

**Signal Line:** Think of this as the average speed — it smooths out the noise

**Histogram:** Think of this as the accelerator — growing bars mean the trend is gaining power, shrinking bars mean it is losing steam

### MACD Indicator



### MACD Trading Signals

**Bullish Signal:** When the MACD line crosses above the Signal line and the histogram turns green and grows — this is your buy signal. **Bearish Signal:** When the MACD line crosses below the Signal line and the histogram turns red and grows — this is your sell signal.

**Divergence:** When price makes a new high but MACD makes a lower high, it is bearish divergence — warning that the uptrend is weakening. When price makes a new low but MACD makes a higher low, it is bullish divergence — suggesting the downtrend is losing power. Divergence is one of the most powerful early warning signals in trading.

#### IMPORTANT

MACD is a lagging indicator — it confirms trends, it does not predict them. Never use MACD alone.

Always combine it with price action, support/resistance levels, and ideally volume confirmation before taking a trade.

# PART II

---

## CONFIRMATION & VOLUME

Adding layers of evidence to your trading decisions

---

# 05

## CHAPTER 5

---

# Volume — The Truth Behind Price

Why volume is the lie detector of the market

---

Price tells you what the market is doing. Volume tells you how serious the market is about it. Imagine someone says 'I love this restaurant.' Now imagine a thousand people say 'I love this restaurant.' The message is the same, but the conviction behind it is completely different. That is what volume does for price movement.

Volume measures the total number of shares, contracts, or units traded during a specific period. High volume means many participants agree with the price direction. Low volume means few participants are involved, and the move may not be trustworthy.

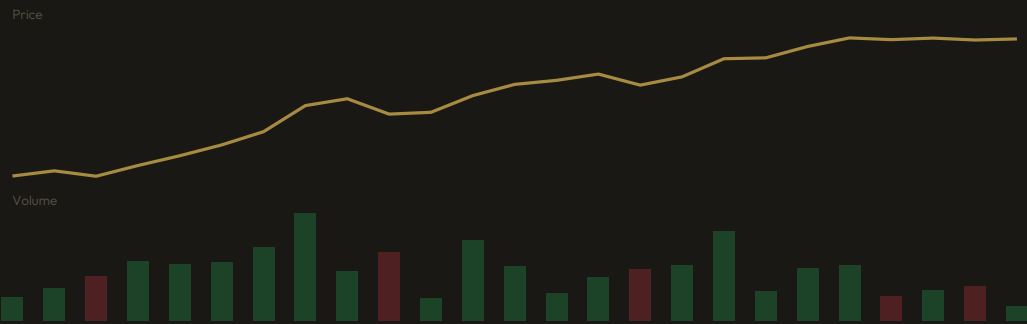
### The Three Volume Rules

Rule 1: Rising price + rising volume = strong, healthy uptrend (trust it)

Rule 2: Rising price + falling volume = weak uptrend (be cautious)

Rule 3: Breakout + high volume = genuine breakout (trade it). Breakout + low volume = likely false breakout (avoid it)

### Volume Confirms Price Movement



### WHY VOLUME IS YOUR SECRET WEAPON

Volume is the one indicator that cannot lie. Price can be manipulated temporarily, patterns can be faked, but volume represents real money entering or leaving the market. When you learn to read volume, you gain an edge that most retail traders never develop.

# 06

## CHAPTER 6

---

# Multi-Timeframe Analysis

Seeing the complete picture before you trade

---

Imagine you are standing in a forest looking at a single tree. You might think the tree is healthy. But if you zoom out and see the entire forest from a hilltop, you might notice the forest is on fire and heading toward your tree. That is exactly what multi-timeframe analysis does — it gives you the full picture.

Most beginners make the mistake of trading on a single timeframe. They see a buy signal on the 15-minute chart and enter immediately, not realizing the daily chart shows a massive downtrend. Multi-timeframe analysis prevents this mistake by aligning your trades with the bigger picture.

### The Three-Screen Method

Screen 1 (Higher Timeframe): Identify the overall TREND direction (Weekly or Daily)

Screen 2 (Middle Timeframe): Find the market STRUCTURE and key levels (Daily or 4-Hour)

Screen 3 (Lower Timeframe): Time your precise ENTRY (4-Hour or 1-Hour)

### Multi-Timeframe Analysis



The rule is simple: only take trades on the lower timeframe that agree with the direction of the higher timeframe. If the weekly chart is bullish, only look for buy setups on the daily and 4-hour charts. If the weekly is bearish, only look for sell setups. This single rule will dramatically improve your win rate.

### RECOMMENDED TIMEFRAMES

A common beginner combination: Weekly chart for trend, Daily for structure and key levels, 4-Hour for entry timing. As you gain experience, you can adapt these timeframes to your trading style. The principle stays the same: always trade with the bigger picture.

# 07

## CHAPTER 7

---

# Confluence — Stacking the Odds

When multiple signals agree, your probability soars

---

Confluence is the single most important concept in this entire course. It means finding trade setups where multiple independent signals point in the same direction. Think of it like a courtroom — one witness is okay, but five witnesses saying the same thing? That is a conviction.

A trade with confluence might look like this: the weekly trend is bullish (witness 1), price has pulled back to a key Fibonacci 61.8% level (witness 2), a bullish engulfing candle has formed (witness 3), volume is increasing on the bounce (witness 4), and MACD is showing bullish divergence (witness 5). Each factor alone is a hint. Together, they form a high-probability trade setup.

### Building a Confluence Checklist

Before every trade, check these boxes:

1. Trend: Does the higher timeframe agree with your trade direction?
2. Level: Is price at a key support/resistance or Fibonacci level?
3. Pattern: Is there a candlestick or chart pattern confirming your entry?
4. Momentum: Does RSI or MACD confirm your direction?
5. Volume: Is volume supporting the move?

You need at least 3 out of 5 to have a valid trade setup.

#### IMPORTANT REMINDER

More confluence does not mean more position size. A 5/5 confluence trade still gets the same risk management (1-2% max). Confluence improves your probability of winning, but no setup is ever 100% certain. Protect your capital regardless.

# PART III

---

◆

## RISK MASTERY

Turning knowledge into a consistent, profitable system

---

◆

# 08

## CHAPTER 8

---

# Advanced Position Sizing

Calculating the exact size for every trade

---

Position sizing is the difference between a trader who survives and one who blows up their account. It answers the most critical question in trading: how much should I risk on this specific trade? Get it wrong, and even the best strategy will destroy your account. Get it right, and you can survive long enough to become profitable.

### The Position Sizing Formula

Position Size = (Account Balance × Risk %) ÷ Stop-Loss Distance

Example: \$50,000 account × 2% risk = \$1,000 maximum loss

If your stop-loss is 50 pips away and each pip = \$20, then: \$1,000 ÷ \$20 = 50 units maximum position

### Position Sizing Formula



### Why This Formula Matters

Without this formula, traders guess their position size. Some risk 10% on one trade and 1% on the next. This inconsistency means a single bad trade can wipe out weeks of profits. With the formula, every trade risks the same percentage of your account, regardless of the asset, timeframe, or stop-loss distance. This consistency is what keeps you in the game long enough to win.

#### THE POWER OF PERCENTAGE-BASED SIZING

Here is a powerful tip: as your account grows, your position size automatically grows because the formula uses a percentage. If your \$50,000 account grows to \$75,000, your 2% risk increases from \$1,000 to \$1,500 per trade. Compounding works in your favor.

# 09

## CHAPTER 9

---

# Risk-Reward — The Mathematical Edge

Why you can be wrong more often than right and still profit

---

Here is a fact that surprises most beginners: you do NOT need to win most of your trades to be profitable. In fact, some of the most successful traders in history have win rates below 50%. The secret? Risk-reward ratio.

Risk-reward ratio compares how much you stand to lose versus how much you stand to gain on each trade. A 1:2 ratio means you risk \$100 to potentially make \$200. A 1:3 ratio means you risk \$100 to make \$300. The higher your reward relative to your risk, the fewer trades you need to win.



Look at the chart above carefully. With a 1:3 risk-reward ratio, you only need to win 25% of your trades to break even. Win 30% and you are profitable. Win 40% and you are doing very well. This is the mathematical edge that professionals use — they accept many small losses in exchange for fewer, much larger wins.

### Setting Realistic Targets

Minimum acceptable ratio: 1:2 (risk \$100 to target \$200)

Ideal ratio: 1:3 (risk \$100 to target \$300)

How to find targets: Use the next key resistance/support level or Fibonacci extension as your target. If the nearest target does not give you at least 1:2, skip the trade.

# 10

## CHAPTER 10

---

# Building Your Trading System

Creating a repeatable process you can trust

---

A trading system is not a magic formula that tells you when to buy and sell. It is a written set of rules that removes emotion from your decision-making. Think of it like a pilot's checklist — pilots do not fly by feeling, they follow a proven procedure every single time. You should trade the same way.

### Your System Must Answer These Questions

1. What do I trade? (Which assets, pairs, or markets)
2. When do I trade? (Which sessions, timeframes)
3. How do I enter? (What confluence criteria must be met)
4. Where is my stop-loss? (Exact placement rules)
5. Where is my take-profit? (Target levels using Fibonacci, S/R)
6. How much do I risk? (Position sizing formula)
7. When do I NOT trade? (News events, low liquidity, tilt)

### Back-Testing Your System

Before risking real money, test your system on historical data. Open past charts, pretend you do not know what happens next, and apply your rules. Record at least 50 trades. Calculate your win rate, average risk-reward, and total profit/loss. If the numbers are positive, you have a viable system. If not, adjust your rules and test again.

#### THE ONE-PAGE RULE

Write your trading system on one page. If your rules take more than one page to explain, they are too complicated. Simplicity is the ultimate sophistication in trading. A simple system you can follow consistently will always outperform a complex system you abandon under pressure.

### Paper Trading

After back-testing, trade your system in real-time with a demo account for at least 30 days. This tests not just the system, but your ability to follow it under live market conditions. Only move to real money when you have demonstrated consistent profitability in paper trading.

# 11

## CHAPTER 11

---

# The Success Mindset

The mental framework that separates winners from losers

---

You now have every technical tool and risk management technique you need to trade successfully. But tools without the right mindset are like a Formula 1 car without a skilled driver — powerful but dangerous. This final chapter gives you the mental framework to put everything together.

### Think in Probabilities

Every trade has a probability of winning and a probability of losing. Even the best setup in the world can fail. Once you truly accept this, you stop getting emotional about individual trades. You stop celebrating wins too hard and stop agonizing over losses. You simply execute your system and let the probabilities work over time.

### The 100-Trade Mindset

Instead of judging yourself trade by trade, judge yourself over batches of 100 trades. Ask: 'Did I follow my system for the last 100 trades? What was my win rate? What was my average risk-reward?' This removes the emotional rollercoaster of individual outcomes and focuses you on the process that creates long-term results.

### When NOT to Trade

Knowing when to stay out of the market is just as important as knowing when to enter. Do not trade when you are angry, tired, or frustrated. Do not trade to recover losses. Do not trade because you are bored. The market rewards patience. The best traders spend more time waiting than trading.

#### Your Success Formula

Price Action (read the story) + Fibonacci/MACD (confirm with tools) + Volume (verify conviction) + Multi-Timeframe (see the big picture) + Confluence (stack the odds) + Position Sizing (protect capital) + Risk-Reward (mathematical edge) + Discipline (follow your system) = Consistent Trading Success

#### FINAL TRUTH

The market does not care about your feelings, your predictions, or your ego. It only rewards those who are prepared, disciplined, and patient. You now have the preparation. Build the discipline. Practice the patience. Success will follow.

# Quick Reference Sheet

## Fibonacci Levels

23.6% Shallow | 38.2% Common | 50% Midpoint | 61.8% Golden Ratio (most important) | 78.6% Deep

## MACD Signals

Buy: MACD crosses above Signal + Green histogram growing

Sell: MACD crosses below Signal + Red histogram growing

Divergence: Price vs MACD disagreement = early reversal warning

## Volume Rules

Trend + Rising Volume = Strong (trust it)

Trend + Falling Volume = Weak (be cautious)

Breakout + High Volume = Genuine | Breakout + Low Volume = Likely false

## Position Sizing

Formula:  $(\text{Account} \times \text{Risk \%}) \div \text{SL Distance} = \text{Position Size}$

Max Risk: 1-2% per trade | Min Ratio: 1:2 risk-reward

## Confluence Checklist

Trend  | Level  | Pattern  | Momentum  | Volume  (need 3/5 minimum)

# Glossary

---

- Confluence** — Multiple independent signals pointing in the same direction.
- Divergence** — When price and an indicator move in opposite directions.
- Doji** — A candle with nearly equal open and close, showing indecision.
- Engulfing** — A candle that completely covers the previous candle's body.
- Fibonacci** — Mathematical ratios (23.6%, 38.2%, 61.8%) used to predict retracement levels.
- Golden Ratio** — The 61.8% Fibonacci level — the most important retracement level.
- Hammer** — A bullish reversal candle with a small body and long lower wick.
- Histogram** — The visual representation of the difference between MACD and Signal lines.
- MACD** — Moving Average Convergence Divergence — a trend momentum indicator.
- Multi-Timeframe** — Analyzing multiple chart timeframes to confirm trade direction.
- Position Sizing** — Calculating the exact trade size based on risk percentage and stop-loss.
- Price Action** — Reading raw price movement without relying on indicators.
- Retracement** — A temporary pullback within a larger trend.
- Risk-Reward** — The ratio of potential loss to potential profit on a trade.
- Three-Screen Method** — Using three timeframes (trend, structure, entry) to analyze markets.
- Volume** — The total number of units traded during a specific period.



Education · Analysis · Community

## ABOUT THE AUTHOR



**Avik Kanrar**

Founder of cRyPtO sMaRt — a platform dedicated to making cryptocurrency and trading education accessible to everyone.

## CONNECT WITH US

YT

YouTube

FB

Facebook

IG

Instagram

X

X (Twitter)

TG

Telegram

WEB

Website

EM

Email

### *Master Your Success Formula*

The tools are here. The knowledge is yours.  
Now build the discipline to use them consistently.

**cryptosmartceek.com**