

highest high of the pattern. A point or other reversal signal broken.

g Top

a number of broadening tops over the years. Personally, I be rare and can sometimes be reversal. The classic broadening between them, two lower bottoms the first. The pattern looks like reversal points of the pattern than two months apart. If the ly wild swings up and down high volume would probably making a new high.

have a real price target that in this chapter. Basically, when own in earnest, they will break formation.

ult to identify, with high and on and wild and unintelligent w high and going short or just sell or short the breakout on Once prices are well below the rn, but this means we are well tant top and likely at the end arning. This advance warning the preceding rally, then it is a

The Inverted-V Top

The *spike top*, or *inverted-V top*, is very dynamic and powerful, but among the toughest to analyze or anticipate. With the other major top patterns covered—head and shoulders, double top, and triple top—a battle between bulls and bears takes place over a long period of time. This interplay between buyers and sellers sets up or prepares the market for the next move. The spike top or inverted-V formation has no progression from up trend to sideways and then down trend; instead there is a sharp reversal with little foreshadowing (see **Figure 4.22**).

The inverted-V top formation has three parts. First, there is a fairly sharp and extensive advance. The second part will be a high-volume pivot marking the top. This climax session could be described as a *key reversal* or a *two-day reversal*. Sometimes, volume on the turn may be light, which could be thought of as a market that had run of out steam. After this pivot, prices turn down and break the up trend. Some technicians have noticed a symmetry between the up trend and the down trend with respect to similar angles of ascent and descent that seem to approximate a 45-degree angle.

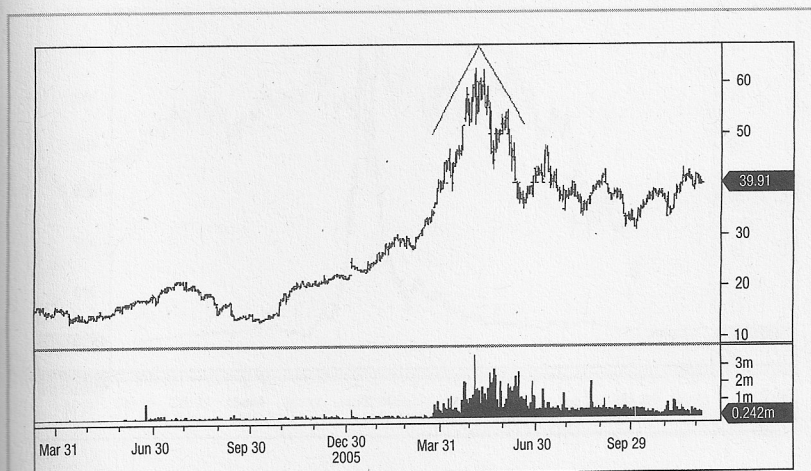


FIGURE 4.22 An inverted V-top on Andersons Inc.

Source: Bloomberg