Parallel Lines

To use the Parallel Lines tool on a chart, click the Parallel Lines button. The cursor will change to a pencil while in the draw mode. Parallel Lines are used to mark channel lines in trending markets. They are also useful for marking support and resistance points. Three points are necessary to draw Parallel Lines on a chart.

To draw Parallel Lines on a chart click on the 1st point from an intermediate High or Low by moving the cursor to the point, then click on the 2nd point. The 2nd point should be a subsequent High or Low in the same trend pattern. This can form the top or bottom line of a channel. Now click on the 3rd point. The 3rd point is the point that a parallel line will be drawn from. The distance between the 2nd and 3rd points can be divided for additional parallel lines if desired. The entire formation can also be encapsulated to form a parallelogram. If the SHIFT key on the keyboard is held down when the lines are deselected, then the lines will be plotted either perfectly horizontal or vertical (which ever they are nearest to) regardless of the last point.
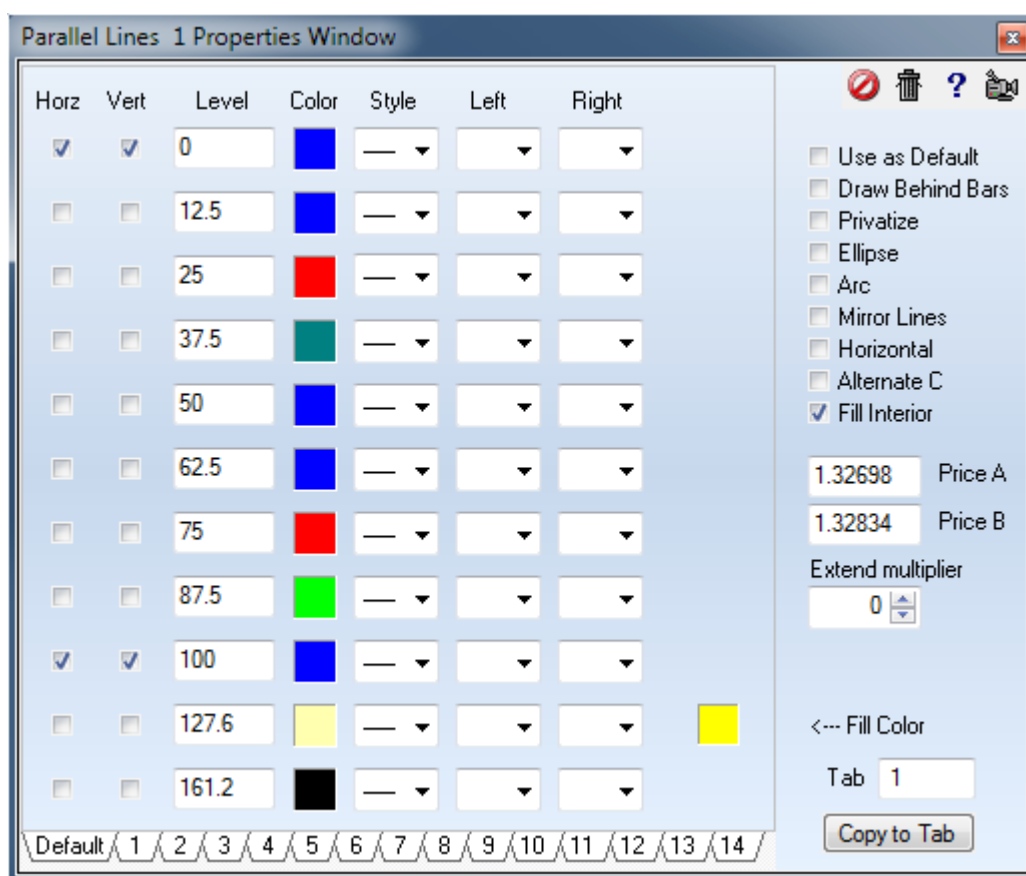

One of my Favorites – works with Gaps, Ms, Ws and Congestion

First support after test of high

Test

Price shouldn't take out this line on retrace for further down

A

Conservative traders enter on test of low at A as resistance

Test

1st target after test 100% of H/L range

Aggressive traders will enter on this bar

2nd target after test 200% of H/L range

Target would be the low
Watch close at 50% line
If HTF also heading down can put stop at tick or two above 50% line then lower to tick or two above each high

Adjusting Parallel Lines

Re-selecting the lines will activate the ability to move and adjust them to a different location. Click the

mouse on the end of the top or bottom line to activate the lines. The cursor will change to a pencil and square bullets will mark the original three points. Drag the square bullets to a new location and the lines will adjust.

Properties

After drawing Parallel Lines on a chart, click the Chart Objects button, select Parallel Lines, and then click Properties to view the properties window. The properties window can also be displayed by re-selecting the lines and then right-clicking the mouse. The following options are available in the properties window:

- Ellipse - Place a check mark in the 'Ellipse' box to change the formation to an Ellipse.
- Arc - Place a check mark in the 'Arc' box to change the formation to an Arc.
- Mirror Lines - Place a check mark in the 'Mirror Lines' box to cause a Mirror Image of the lines to appear.
- Horizontal - Place a check mark in the 'Horizontal' box to display a horizontal lines
- Alternate C - Changes the starting location of the 3rd draw point
- Fill Interior – Fills the parallelogram with the Fill Color.
- Price A - Manually enter the price for the first draw point, if desired.
- Price B - Manually enter the price for the second draw point, if desired.
- Extend Multiplier - Enter a number to specify the length of the lines.