

3 HIGH PROBABILITY CHART SETUPS EVERY TRADER MUST KNOW

The exact entry rules, pro tips, and common mistakes for 3 of the most reliable setups in the market.

3 ELITE SETUPS	70%+ AVG WIN RATE	3:1+ REWARD/RISK
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INSIDE THIS FREE GUIDE

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02	Cup & Handle	74% Win Rate 4:1 R/R
03	Ascending Triangle	73% Win Rate 3.3:1 R/R

01

Bull Flag

BULLISH CONTINUATION

72%

WIN RATE

3.2:1

REWARD / RISK



WHAT IT IS

A sharp, high volume price surge (the pole) followed by a tight, orderly pullback (the flag) before the stock resumes its upward move with explosive force.

ENTRY RULES

- Buy when price breaks above the upper flag trendline on volume
- Volume should dry up during the flag, then surge on breakout
- Flag should retrace no more than 50% of the pole
- Best when flag forms over 3 to 15 days

PRO TIP

The best bull flags form on light, drifting volume, almost like the stock is resting. When you see volume evaporate during the flag, that's institutional holders refusing to sell. The explosive breakout comes when they start buying again.

COMMON MISTAKE

Avoid flags that retrace more than 50% of the pole or take longer than 3 weeks to form. These are usually failed patterns, not true flags.

Win rate: 72% across 620 bull flag instances, NASDAQ stocks >\$20, 2012 to 2024, breakout confirmed on 1.5x+ avg volume.

02

Cup & Handle

BULLISH CONTINUATION

74%

WIN RATE

4:1

REWARD / RISK



WHAT IT IS

One of the most powerful patterns ever discovered. A stock falls and rounds out like a cup, rallies back to resistance, pulls back slightly (handle), then breaks out to new highs.

ENTRY RULES

- Buy the breakout above the cup's prior high (pivot point)
- Handle should drift slightly lower on low, declining volume
- Cup depth should not exceed 35% from peak to bottom
- Pattern takes weeks to months to form. Patience pays.

■ PRO TIP

The ideal cup has a smooth, rounded bottom, not a V-shape. A V-bottom signals panic and quick recovery, while a rounded base shows calm, orderly accumulation by institutions building large positions over time.

■ COMMON MISTAKE

Do not buy inside the cup. The only valid entry is the breakout above the prior high (pivot point). Buying early inside the cup dramatically lowers your win rate.

Win rate: 74% across 480 cup and handle instances, S&P 500 stocks, 2010 to 2024. Cup depth 15 to 35% produced highest success rate.

03

Ascending Triangle

BULLISH CONTINUATION

73%

WIN RATE

3.3:1

REWARD / RISK



WHAT IT IS

Price keeps hitting the same resistance while making higher lows, compressing into a point like a coiling spring. When resistance finally breaks, the explosion upward can be dramatic.

ENTRY RULES

- Buy the confirmed close above the flat resistance line
- Volume should contract as pattern matures, then surge on break
- More tests of resistance mean a stronger eventual breakout
- Enter within 5% of the breakout point for best risk/reward

PRO TIP

Count the number of times price touches the flat resistance line. Each touch uses up the available supply at that price. By the fourth or fifth touch, supply is nearly exhausted, and the breakout when it comes tends to be fast and furious.

COMMON MISTAKE

Beware of breakouts that happen at the very tip of the triangle (past 75% of its length). These late breakouts have far lower success rates. The best breakouts occur in the middle third of the pattern.

Win rate: 73% across 460 ascending triangle instances, U.S. equities, 2010 to 2024. Breakouts in first 60% of triangle length: 79% win rate.

You just learned 3 setups.

The full guide has 10.

The 10 Most Profitable Chart Setups guide gives you every pattern professional traders rely on. Real annotated examples, precise entry rules, and the mistakes that kill most trades.

7 MORE SETUPS IN THE FULL GUIDE

04	Inverse Head & Shoulders	75% Win Rate 4.5:1 R/R
05	Bear Flag	70% Win Rate 3:1 R/R
06	Double Bottom (W Pattern)	71% Win Rate 3.8:1 R/R
07	Flat Base Breakout	68% Win Rate 3.5:1 R/R
08	IPO Base / Rocket Base	69% Win Rate 5:1 R/R
09	Volatility Contraction (VCP)	78% Win Rate 4.2:1 R/R
10	Earnings Gap & Hold	76% Win Rate 5:1 R/R

[Get all 10 setups for just \\$17 →](#)

This guide is for educational purposes only and does not constitute financial advice. Trading involves risk of loss. Past performance does not guarantee future results. Win rates shown are based on historical backtesting (2010 to 2024) and may not reflect future performance. Always do your own due diligence and trade within your risk tolerance.