



Richard's Guide to Trailing Your Stop Loss With the Pitchfork Tool

Intro: How to Draw a Pitchfork on Your Chart

**If you're wondering about my charts or my pitchfork, note that I handle all of my analysis on the TradingView platform.*

To draw a pitchfork, simply anchor three important swings or pivots on a chart.

The pitchfork lines, called median lines, will be projected at an angle into the future.

When drawn correctly, price will tend to follow a pitchfork's angled direction and interact with its median lines.



By simply connecting 3 major swings on a 4 hour chart, you can see how price interacted and respected that pitchfork's median lines.

Notice where that downward move came to an end, right at the lower blue median line.

This is just one example.

Drawing pitchforks on any chart and any time frame will show the same sort of interaction between price and median lines, therefore making it a useful tool to help set targets and trail stops.

Setting Targets and Trailing Stops (Stop Loss Orders)

The proper way to draw a pitchfork (when managing targets and trailing stops) is to use important swings that will angle the median lines in the intended direction of your trade.



On the chart above, I show the original entry right at the low of that correction with the original stop loss.

A great way to bank profits as your trade progresses is taking partial profit as price reaches your pitchfork's

median lines, with your final target set at the upper blue median line.

This is how I personally set targets when following my EPS strategy.

Trailing your stop loss will be much easier if you follow my steps:

- Once your center median line has been reached, move your stop loss to break even, plus a few ticks in your favor. You could also take partial profit at the median line if you want.
- Once the middle section between the upper median line and center median line has been reached (blue dotted line), trail your stop upwards to behind the lower blue dotted lines.

- Once price breaks through the upper blue dotted lines and the high marked by the black line, you should be very close to your final target and should aggressively trail your stop loss higher, to below the center median line.

If you follow this simple procedure, you'll allow the market enough room to move while hiding your trailing stops behind market geometry lines - thus *limiting* risk and *scaling* your profit potential until the moment the trade is closed.

To your trading success,



Richard K

Head Trader & Market Analyst
Price Action & Income

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