PSEDYS | TECHNICAL REFERENCE MANUAL V3.0

PP — Pivot Points

Technical Reference Manual v1.0

PSEDYS | Complete Edition
Classic · Woodie · Camarilla · DeMark · Static Support/Resistance · PDH/PDL Reset · MTF · Bot vs TradingView

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1. What are Pivot Points? Concept

Pivot Points are **static support and resistance levels** calculated from the previous period's H/L/C data (day, week, month). They are extensively used by intraday and institutional traders as a reference for direction and key levels.

Philosophy: The High/Low/Close of the previous session contains information about the price "equilibrium." Pivot (PP) = equilibrium point. S1/S2/R1/R2 = levels where the price will test support or resistance.

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2. Calculation Formula — Complete

2.1 Classic Pivot Points (Standard)

```
PP  = (High[prev] + Low[prev] + Close[prev]) / 3

R1  = 2 × PP − Low[prev]
R2  = PP + (High[prev] − Low[prev])
R3  = High[prev] + 2 × (PP − Low[prev])

S1  = 2 × PP − High[prev]
S2  = PP − (High[prev] − Low[prev])
S3  = Low[prev] − 2 × (High[prev] − PP)
```

2.2 Woodie Pivot Points

```
PP  = (High[prev] + Low[prev] + 2×Close[prev]) / 4   ← Close weighted more

R1  = 2 × PP − Low[prev]
R2  = PP + High[prev] − Low[prev]
S1  = 2 × PP − High[prev]
S2  = PP − High[prev] + Low[prev]
```

2.3 Camarilla Pivot Points

```
PP  = (High[prev] + Low[prev] + Close[prev]) / 3   (identical to Classic)
Range = High[prev] − Low[prev]

R1  = Close[prev] + Range × 1.1 / 12
R2  = Close[prev] + Range × 1.1 / 6
R3  = Close[prev] + Range × 1.1 / 4    ← key level
R4  = Close[prev] + Range × 1.1 / 2    ← major breakout

S1  = Close[prev] − Range × 1.1 / 12
S2  = Close[prev] − Range × 1.1 / 6
S3  = Close[prev] − Range × 1.1 / 4    ← key level
S4  = Close[prev] − Range × 1.1 / 2    ← major breakout
```

Camarilla R3/S3: mean reversion levels. R4/S4: breakout levels.

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2.4 DeMark Pivot Points

```
If Close[prev] < Open[prev]:  X = High[prev] + 2×Low[prev] + Close[prev]
If Close[prev] > Open[prev]:  X = 2×High[prev] + Low[prev] + Close[prev]
If Close[prev] = Open[prev]:  X = High[prev] + Low[prev] + 2×Close[prev]

PP  = X / 4
R1  = X / 2 − Low[prev]
S1  = X / 2 − High[prev]
```

2.5 Complete Numeric Example — Classic

```
Previous session:
  High = 108.50
  Low  = 104.20
  Close = 106.80

PP  = (108.50 + 104.20 + 106.80) / 3 = 319.50 / 3 = 106.50

R1  = 2 × 106.50 − 104.20 = 213.00 − 104.20 = 108.80
R2  = 106.50 + (108.50 − 104.20) = 106.50 + 4.30 = 110.80
R3  = 108.50 + 2 × (106.50 − 104.20) = 108.50 + 4.60 = 113.10

S1  = 2 × 106.50 − 108.50 = 213.00 − 108.50 = 104.50
S2  = 106.50 − (108.50 − 104.20) = 106.50 − 4.30 = 102.20
S3  = 104.20 − 2 × (108.50 − 106.50) = 104.20 − 4.00 = 100.20
```

3. Interpretation and Usage

```
PP > Current Close: bearish bias (price below pivot = more selling yesterday)
PP < Current Close: bullish bias (price above pivot = more buying yesterday)

R1, R2, R3: resistance levels in increasing order
S1, S2, S3: support levels in decreasing order

In normal market:
  Price oscillates between S1 and R1 (most frequent)
  Test R2/S2: rarer event
  Test R3/S3: rare event (high volatility)
```

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4. Types of Reset

```
Daily PP: calculated from the previous daily session's H/L/C
  → Resets at the new session opening (00:00 UTC crypto / 09:30 ET stocks)
  → Most used intraday

Weekly PP: calculated from the previous week's H/L/C
  → Resets Monday morning
  → Wider, more important levels

Monthly PP: calculated from the previous month's H/L/C
  → Important macro levels

Quarterly/Annual PP: used by institutions
```

5. Trading Signals

5.1 Bounce at Levels

```
Price tests S1/S2/PP from below → bullish bounce:
  Entry Long with SL below S1 (or S2)
  TP = PP (if entering at S1) or R1 (if entering at PP)

Price tests R1/R2/PP from above → bearish bounce:
  Entry Short with SL above R1
  TP = PP or S1
```

Confirmation needed: Do not enter at PP levels without confirmation (reversal bar, volume, RSI/Stoch OS/OB).

5.2 Breakout

```
Close > R1 with volume (RVOL > 1.5):
  → Breakout R1 → active bullish trend
  → Next target: R2
  → SL below R1 (former resistance becomes support)

Close < S1 with volume:
  → Breakdown → target S2
  → SL above S1
```

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5.3 Combined Filters

```
# Bounce at PP
bounce_long = (
    close <= pp * 1.002 and      # at or slightly below PP
    close > pp * 0.995 and       # not too far below PP
    rsi < 45 and                 # RSI pullback
    bullish_candle               # reversal bar
)

# PP bias filter
above_pp = close > pp            # bullish bias
below_pp = close < pp            # bearish bias
```

6. PP in Different Regimes

Trending: Price exceeds R1/R2 or S1/S2 without returning. Levels become retest zones. PP as bias filter.

Sideways: Price bounces between S1 and R1 repeatedly. Most effective regime for PP trading.

High volatility: Price may reach R3/S3 or even exceed. Camarilla R4/S4 relevant.

7. MTF

```
Daily PP: reference for intraday (1M-1H)
Weekly PP: reference for swing trading (1H-4H)
Monthly PP: macro reference (4H-1D)

Confluence: area where Daily PP + Weekly PP overlap = extremely important level
```

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8. PSEDYS — PP as Reference Levels

```
# PP levels available from daily calculation
pp_daily  = (prev_high + prev_low + prev_close) / 3
r1_daily  = 2 * pp_daily - prev_low
s1_daily  = 2 * pp_daily - prev_high

# Bias filter
bull_bias = close > pp_daily
bear_bias = close < pp_daily

# Target calculation
tp1_from_s1 = pp_daily        # if entry at S1
tp2_from_s1 = r1_daily        # if entry at S1
```

9. Validation Bot vs TradingView

```
□ Classic PP = (H_prev + L_prev + C_prev) / 3
□ Daily reset at 00:00 UTC (crypto) or 09:30 ET (stocks)
□ H_prev / L_prev / C_prev = complete previous daily session
□ Woodie: PP = (H+L+2C)/4
□ Camarilla: levels based on Close × factors 1.1/12, 1.1/6, 1.1/4, 1.1/2
□ Tolerance: 0 (exact formula)
```

10. Practical Exercises

Exercise 1: Price at R1 with RVOL = 2.5

Situation: BTC/USDT 15M. Price reached R1 = 67500 with 2 large bullish bars (RVOL = 2.5). EMA stack bullish.

Response: Valid R1 Breakout — Long with target R2. Reaching R1 with double average volume = real breakout (not a false spike). Long entry at R1 retest (if it retests) or at confirmation bar (Close > R1). SL below R1. Target R2 = 71800 (from example).

Exercise 2: Price below PP all day

Situation: ETH 1H. Daily PP = 2850. Price remained below 2850 all day. Attempts to return to 2848.

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Response: Confirmed bearish bias — Short at PP retest. Price below PP all day = persistent intraday distribution. Testing PP from below = probable resistance. Short at retest 2848-2852 with SL above PP + 0.3% = 2858. TP = S1 (e.g., 2780).

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11. Cheat Sheet — Quick Summary

Concept	Value / Formula
PP (Classic)	`(H_prev + L_prev + C_prev) / 3`
R1	`2 × PP − L_prev`
R2	`PP + (H_prev − L_prev)`
R3	`H_prev + 2 × (PP − L_prev)`
S1	`2 × PP − H_prev`
S2	`PP − (H_prev − L_prev)`
S3	`L_prev − 2 × (H_prev − PP)`
PP bias	Close > PP = bullish; Close < PP = bearish
Daily reset	00:00 UTC (crypto) / 09:30 ET (stocks)
Bouncer target	S1 → PP → R1 (normal range)
Breakout	Close > R1 with RVOL > 1.5 → target R2
Woodie PP	`(H+L+2C)/4` (Close weighted more)
Camarilla R3/S3	Mean reversion levels
Camarilla R4/S4	Major breakout levels
DeMark	Based on Close vs Open ratio
Cause #1 error	Incorrectly defined previous session

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