My Chart Patterns: Supernova

- **Overview:**
  An explosion in stock price that creates many opportunities to buy on the way up and short sell on the way down before fading into oblivion over several weeks or months.

- **Symptoms:**
  Can be triggered by anything: newsletter mentions, world events, message board hype, company news, etc.

- **Diagnosis:**
  They last longer and are much greater in magnitude than anybody thinks possible—be careful.

- **Treatment:**
  Stocks experience massive volatility and liquidity so it’s very easy to buy and short sell shares and why this is my all-time favorite chart pattern to trade.
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Chart courtesy of Stockcharts.com
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