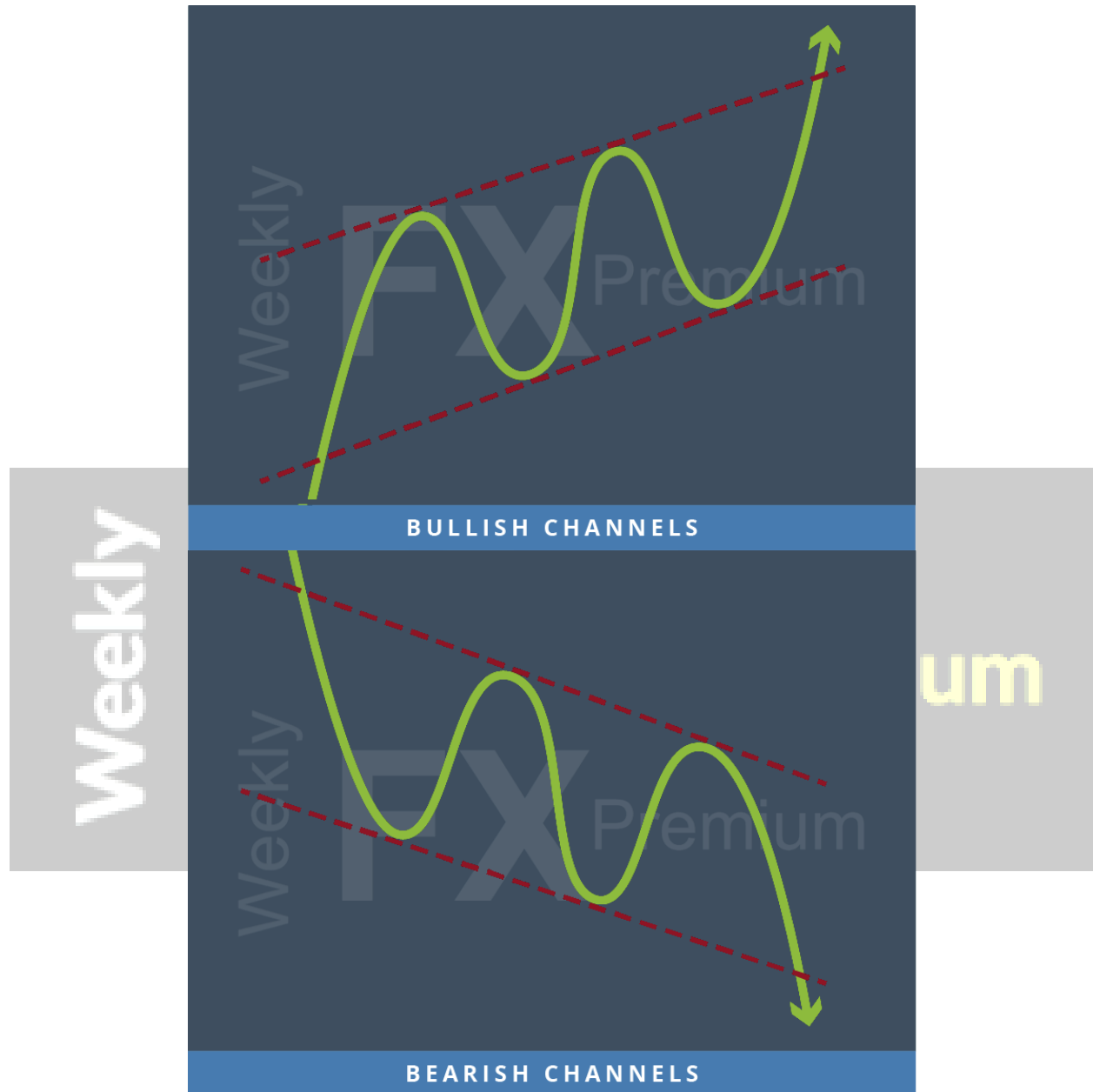


CHANNEL:



A channel is a chart structure that is bound by two parallel trendlines (the lower trend line and the upper trend line). A channel is defined by at least 4 points of contact (support and resistance). Channels can be rising, falling or simply horizontal. Occasionally channels evolve over time to triangles as traders attempt to undercut each other within the channel range.