TREND: HIGHER HIGHS, HIGHER LOWS

Vajgrt Labs - Education - Lesson 23 of 72 - 6 min read - Updated Oct 21, 2026

TL;DR

- An uptrend is a sequence, not a feeling: swing highs keep rising and swing lows keep rising - higher highs, higher lows. A downtrend is the mirror. When neither sequence holds, price is in a range, which is a condition, not a failure.

- SPY printed a textbook staircase in spring 2026: high 712.39 (Apr 17) -> low 702.28 (Apr 23) -> high 715.63 (Apr 27) -> low 708.37 (Apr 29) -> high 749.53 (May 14), with the pullback lows rising each time.

- Trend is a description of the past with no warranty: every trend in history has ended, none announced its last step in advance, and the first crack (a lower high) is a warning to note - not proof of a reversal.

THE TAKEAWAYS

- The definitions, kept mechanical: mark the swing highs (local peaks) and swing lows (local troughs). Highs rising + lows rising = uptrend. Highs falling + lows falling = downtrend. Anything else - highs rising while lows fall, both mixed - is a range or a mess, and ’no trend’ is a complete and tradeable answer.

- The real staircase, spring 2026: SPY’s swing high of 712.39 on Apr 17; pullback low 702.28 on Apr 23; higher high 715.63 on Apr 27; higher low 708.37 on Apr 29; then the climb extended - low 731.83 on May 12, high 749.53 on May 14, low 731.53 on May 19. Each pullback stopped above the last one. That is the whole pattern; everything else called ’trend analysis’ is decoration on these two sequences.

- The range, just as real: Jun 1-Jul 31, 2026, SPY’s price stayed inside 716.58-760.40 and the closes went from 758.54 to 747.03 - down 1.5% across two months of daily effort. Highs didn’t keep rising; lows didn’t keep falling. A trader demanding a trend verdict in July gets ’sideways’ - and sideways is information: it means trend-following expectations should be shelved and range behaviour (Lesson 4’s shelves) is running the market.

- Why this matters before options: an option’s price decays daily (Stage 6’s theta). A trend read tells you whether the underlying has been paying for direction at all - in the Jun-Jul corridor, a direction bet had to be right about timing inside a 44-point box while rent ran every day. Regime first, opinion second: that ordering is the spine of Lesson 6’s routine.

RULE: Name the regime before you form any opinion: staircase up, staircase down, or corridor. And hold the name loosely - a trend is what price has been doing, written in pencil; the first lower high is the market starting to erase it.

COMMON MISTAKES

- Declaring a trend from two candles. A trend is a sequence of swings - several highs and lows - not a strong day or two.

- Forcing a verdict in a range. ’No trend’ is a finding, and in Jun-Jul 2026 it was the correct trade plan input for two straight months.

- Reading ’uptrend’ as ’will go up’. The word describes the path already travelled; the failure mode is priced into Lesson 4 and Stage 4, not wished away.

- Buying the breakout as the safe entry. The highest high of the year (781.62, Oct 6) was followed by eight sessions of stall - new highs are where trends look best and are closest to being over.

DO IT - MARK THE STAIRCASE, THEN THE CORRIDOR

On SPY’s daily chart, mark the swing highs and lows of Apr-May 2026 from the raw bars (don’t copy the graphic first - mark your own, then compare). Write the two sequences as number chains in your journal and the verdict they force. Then do the same for Jun-Jul and write the corridor verdict. Finally, write the current verdict for this week, in one line, dated. Regime-naming, dated and in writing, is the first line of Lesson 6’s routine.

Education only - not financial advice. Chart figures: SPY daily and 5-minute bars via Yahoo Finance, checked Oct 15, 2026, cross-verified against the SPY Sheet (Oct 14, 2026 close 769.60). Level snapshot: the SPY Sheet’s own, Oct 15, 2026, 1:54pm CT. Vajgrt Labs - Education.