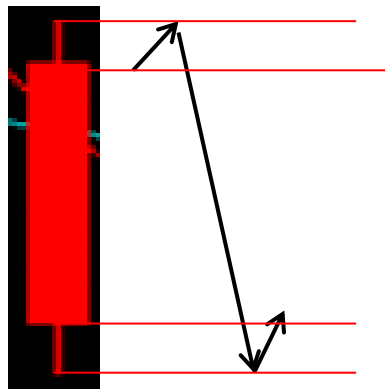
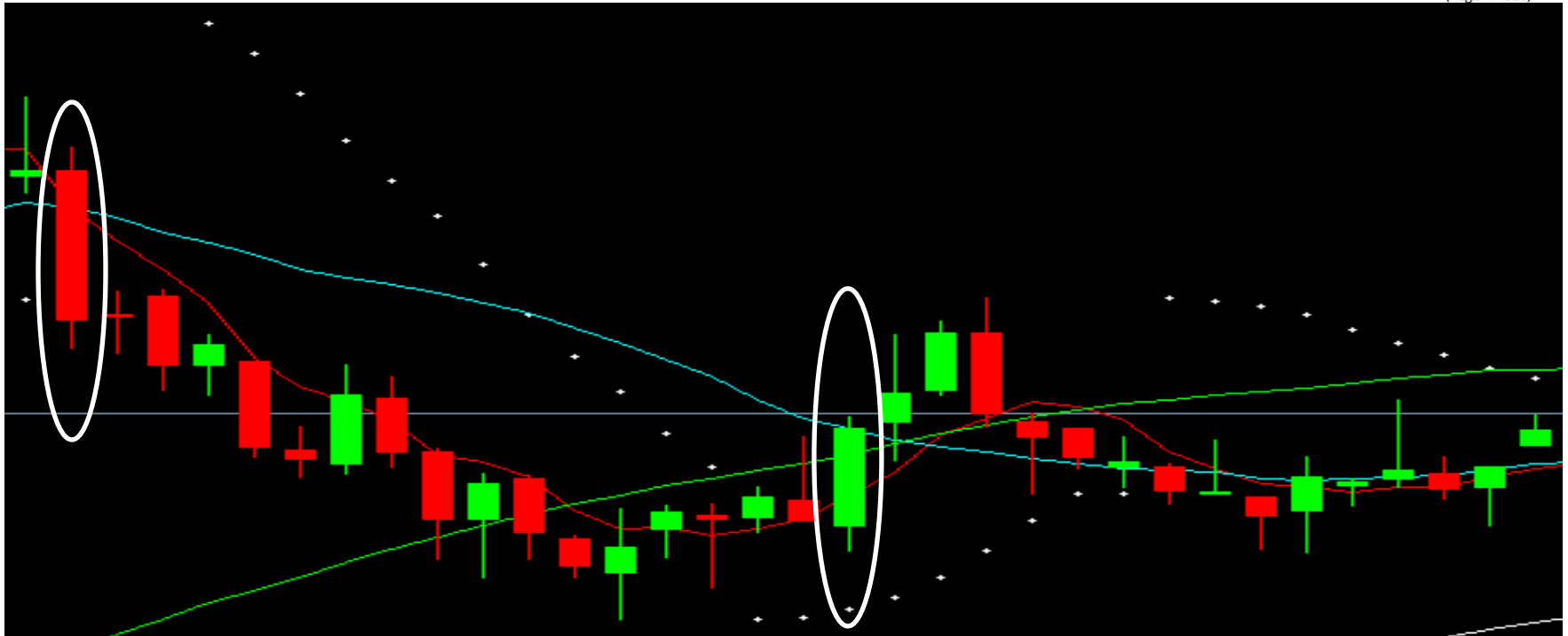


Candlestick Pattern

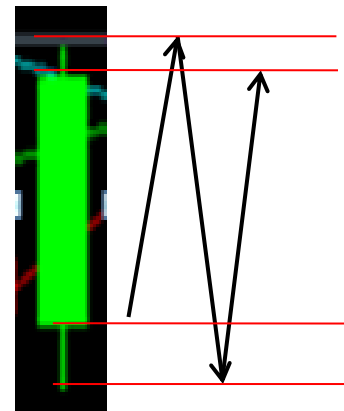
Candlestick movement



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Open High
Close Low

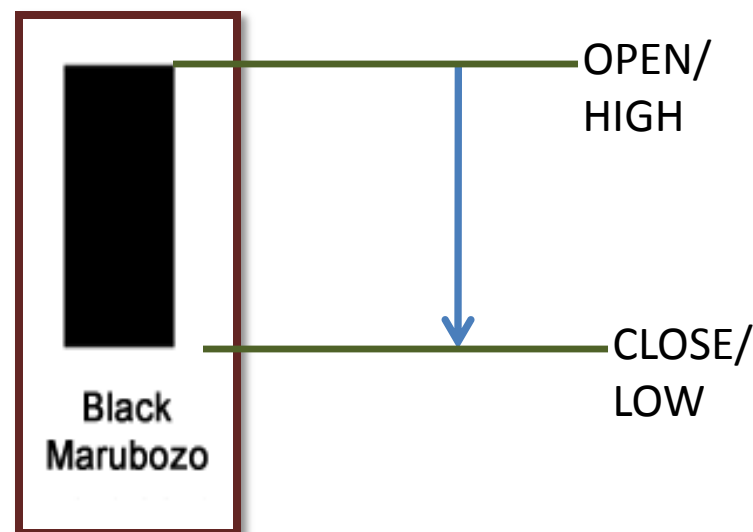
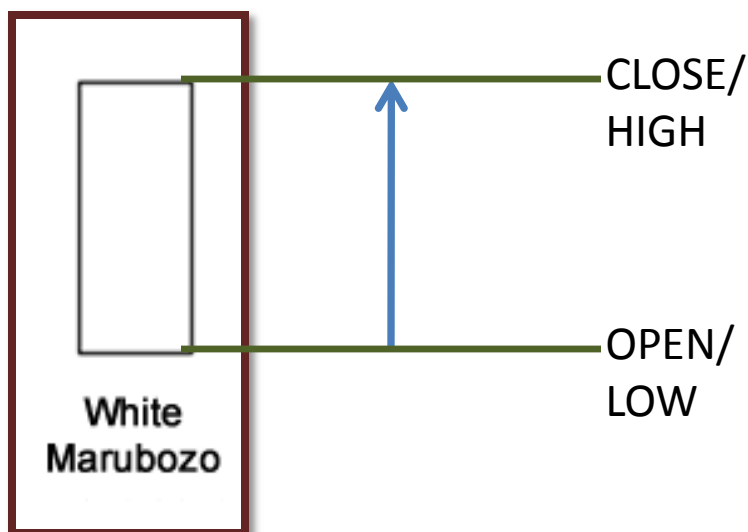
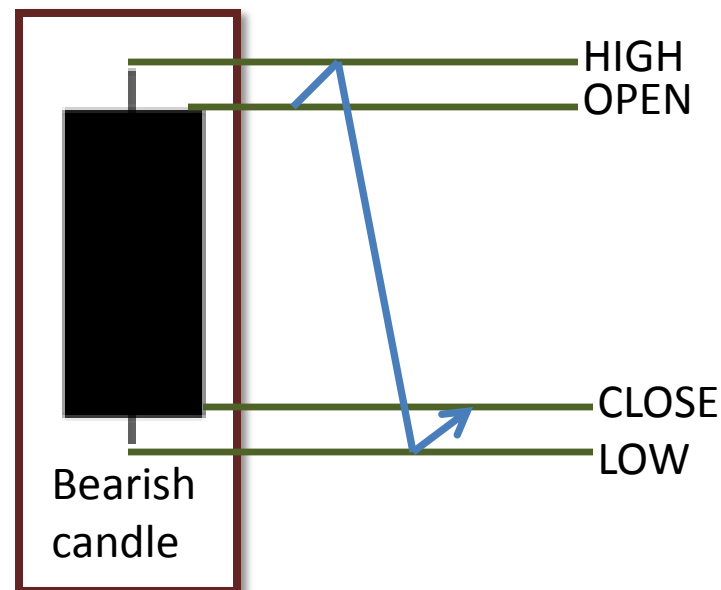
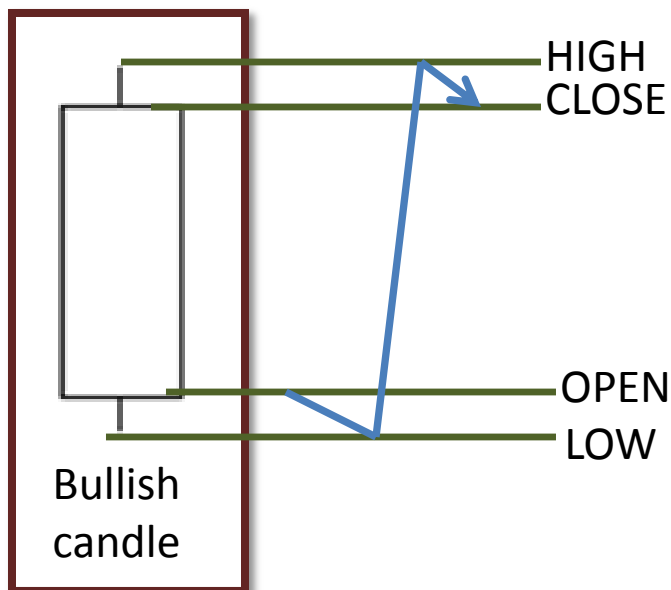


High Close
Open Low

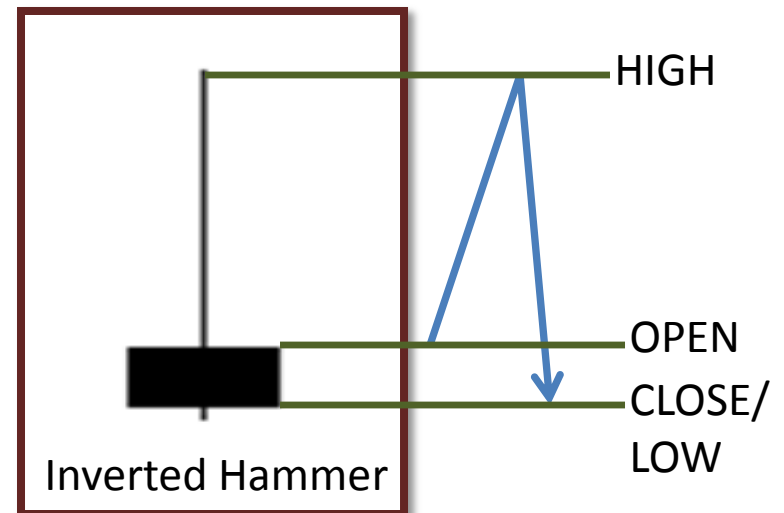
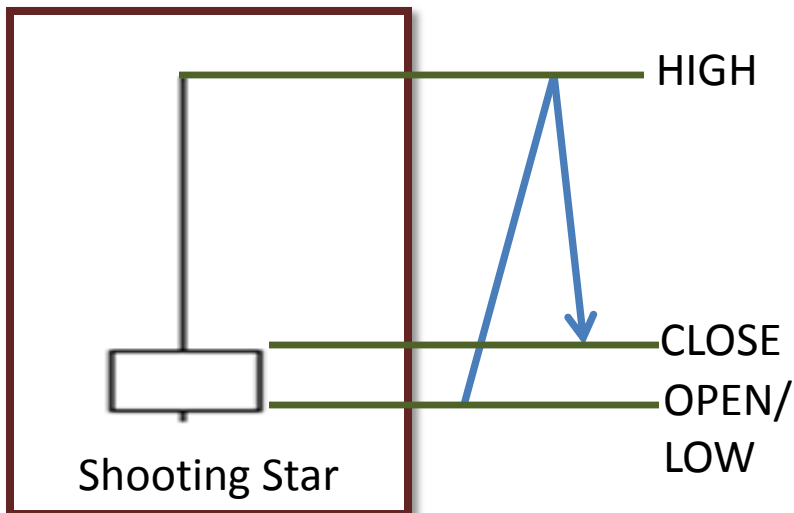
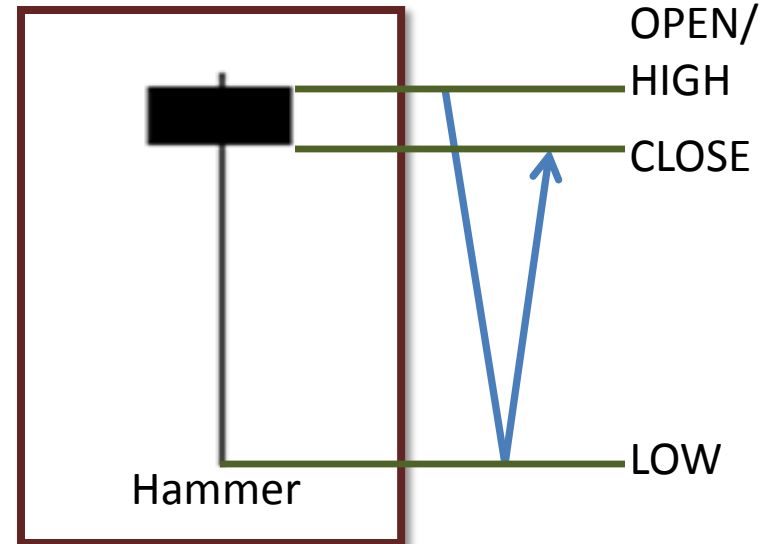
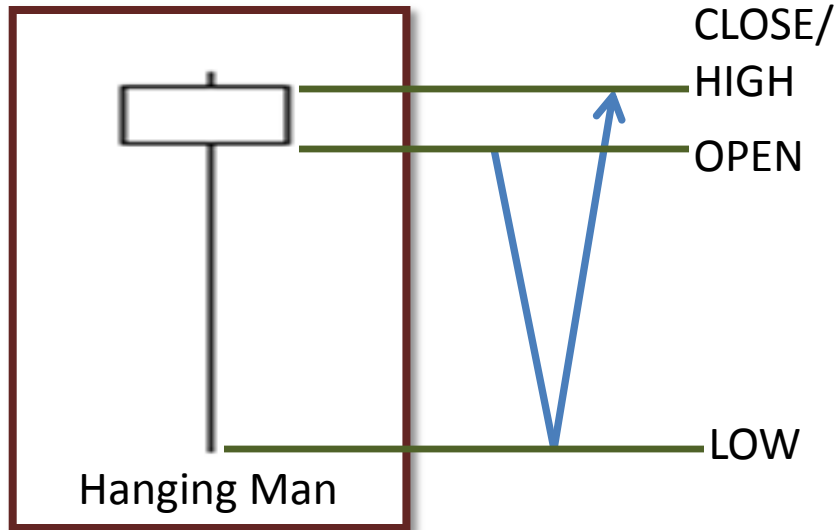
Candlesticks Movement



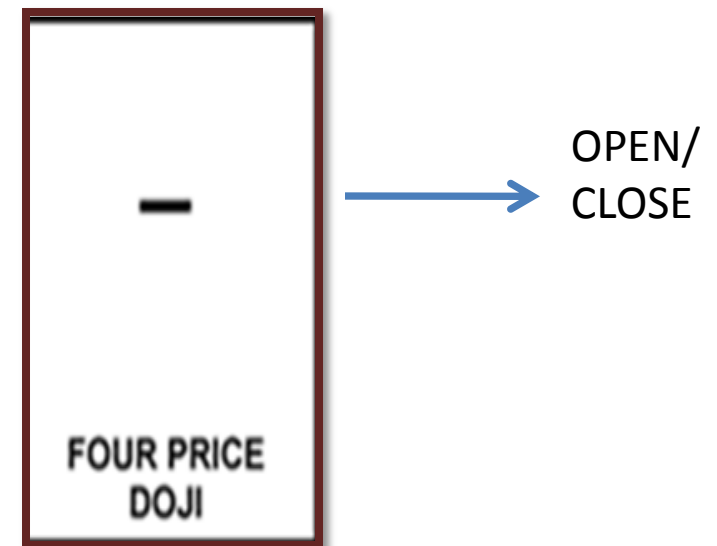
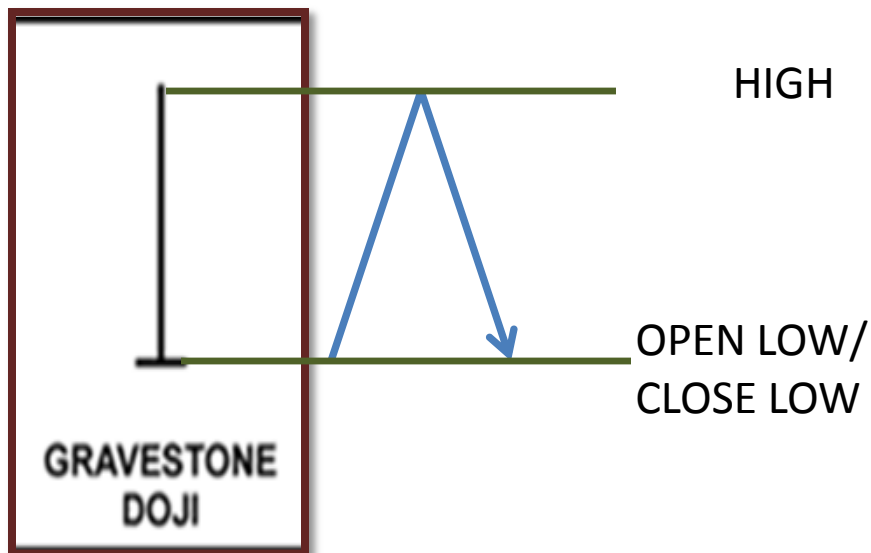
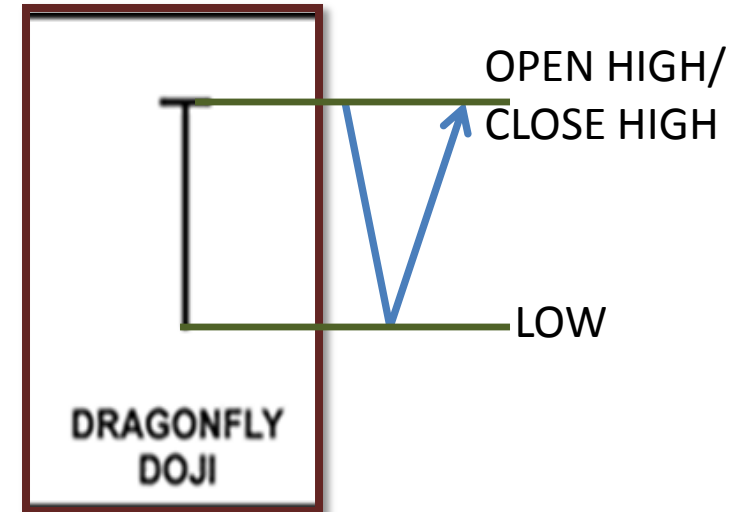
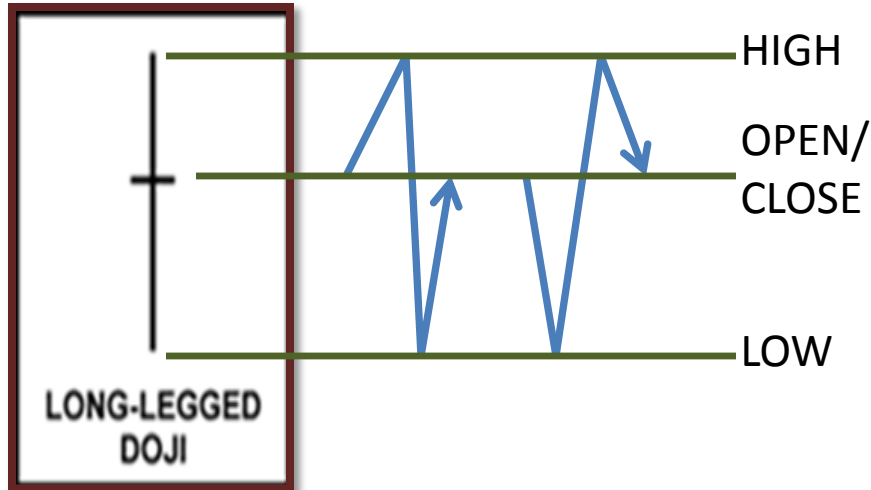
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Movement (cont...)

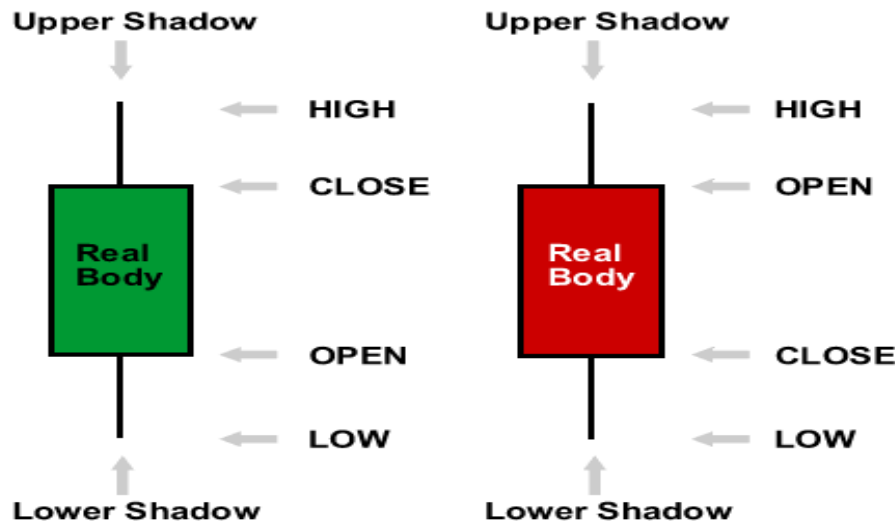


Doji Movement (cont...)



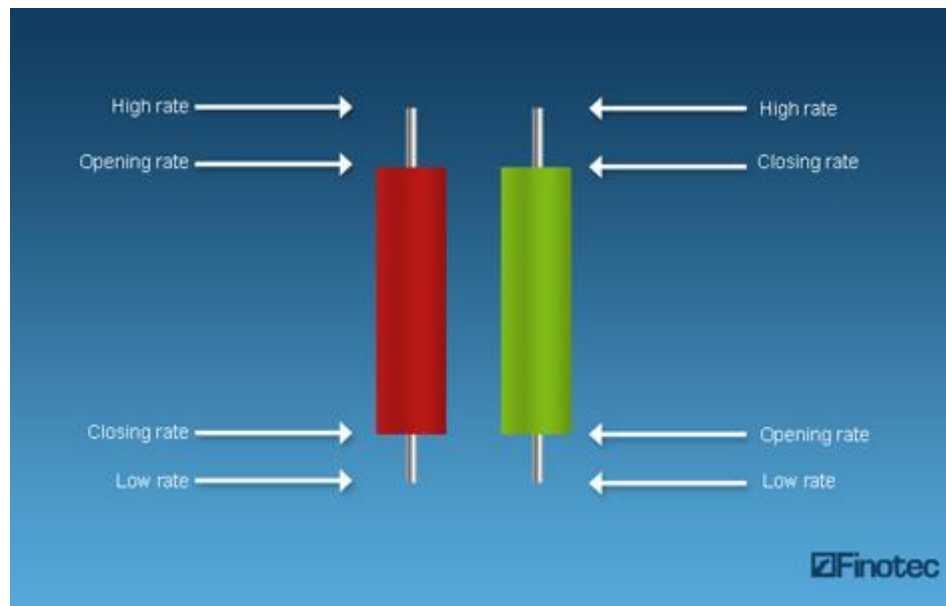
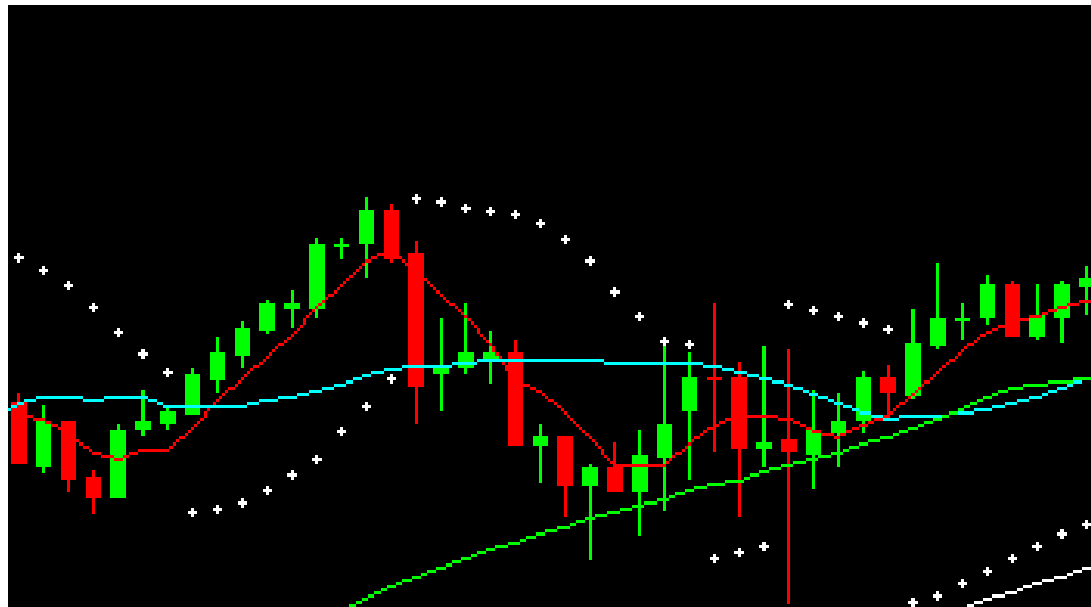
What is Candlestick Trading?

- Candlesticks can be used for any time frame, whether it be one day, one hour, 30-minutes - whatever you want! Candlesticks are used to describe the price action during the given time frame.



Candlesticks are formed using the open, high, low, and close of the chosen time period.

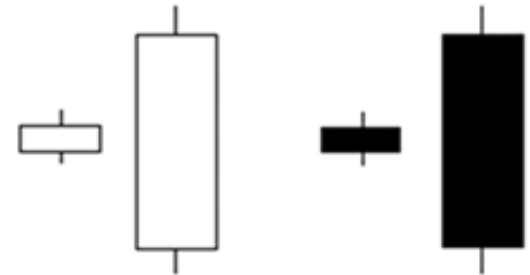
- If the close is above the open, then a hollow candlestick (**usually displayed as white**) is drawn or in **green**
- If the close is below the open, then a filled candlestick (**usually displayed as black**) is drawn or in **red**
- The hollow or filled section of the candlestick is called the "real body" or body.
- The thin lines poking above and below the body display the high/low range and are called shadows.
- The top of the upper shadow is the "high".
- The bottom of the lower shadow is the "low".



Body

- Short bodies imply very little buying or-selling activity.
- Long bodies imply very much buying or selling activity.
- The **Bulls mean buyers and Bears mean sellers.**
- Long white candlesticks show strong buying pressure. The longer the white candlestick, the further the close is above the open.
- Long black (filled) candlesticks show strong selling pressure. The longer the black candlestick, the further the close is below the open.

Long vs. Short

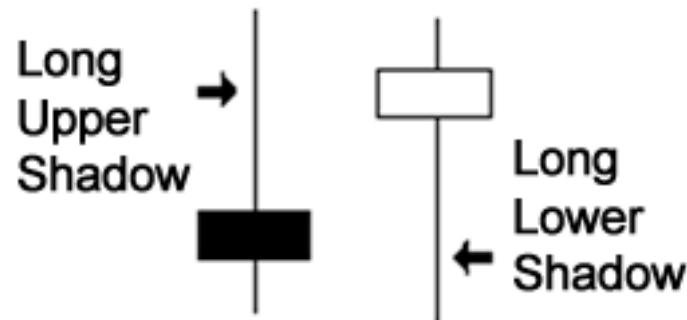


Mysterious Shadows

- The up and down shadows on candlesticks provide information about the trading session

Long Shadows

- If a candle has a *short lower shadow*, it means that buyers forced the price higher



shadow and that buyers forced the price higher

- If a candle has a *short upper shadow*, it means that sellers forced the price lower



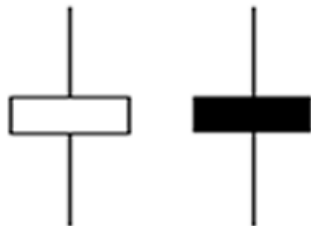
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Basic Candlestick Patterns – Single, double, triple and a group

Spinning Tops

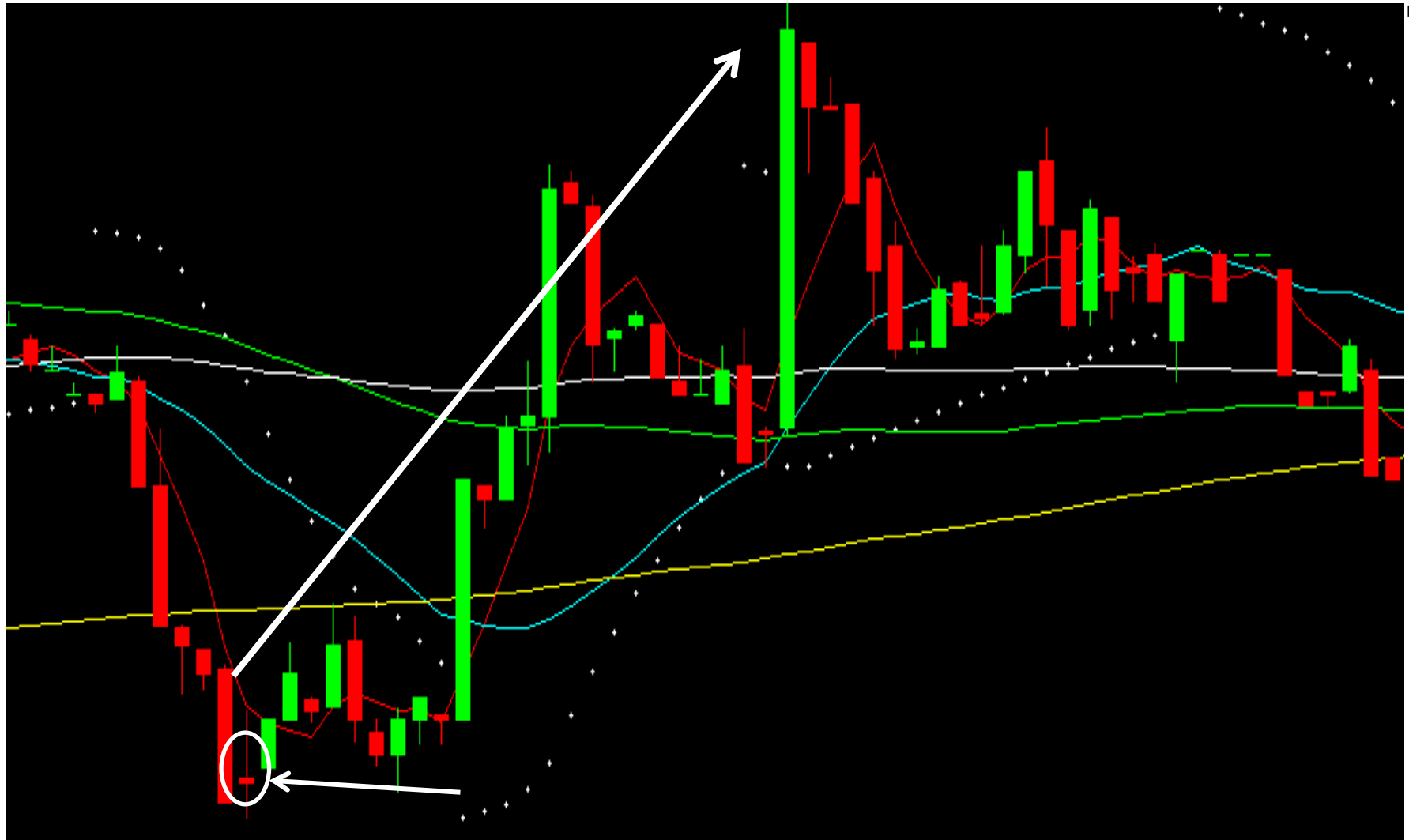
- Candlesticks with a long upper shadow, long lower shadow and small real bodies are called spinning tops
- The pattern indicates the **indecision** between the buyers and sellers

Spinning Tops



If a spinning top forms during an uptrend???

If a spinning top forms during a downtrend???





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Marubozu

- Marubozu means there are no shadows from the bodies.
- Depending on whether the candlestick's body is filled or hollow, **the high and low are the same as its open or close.**

Marubozu



White
Marubozo



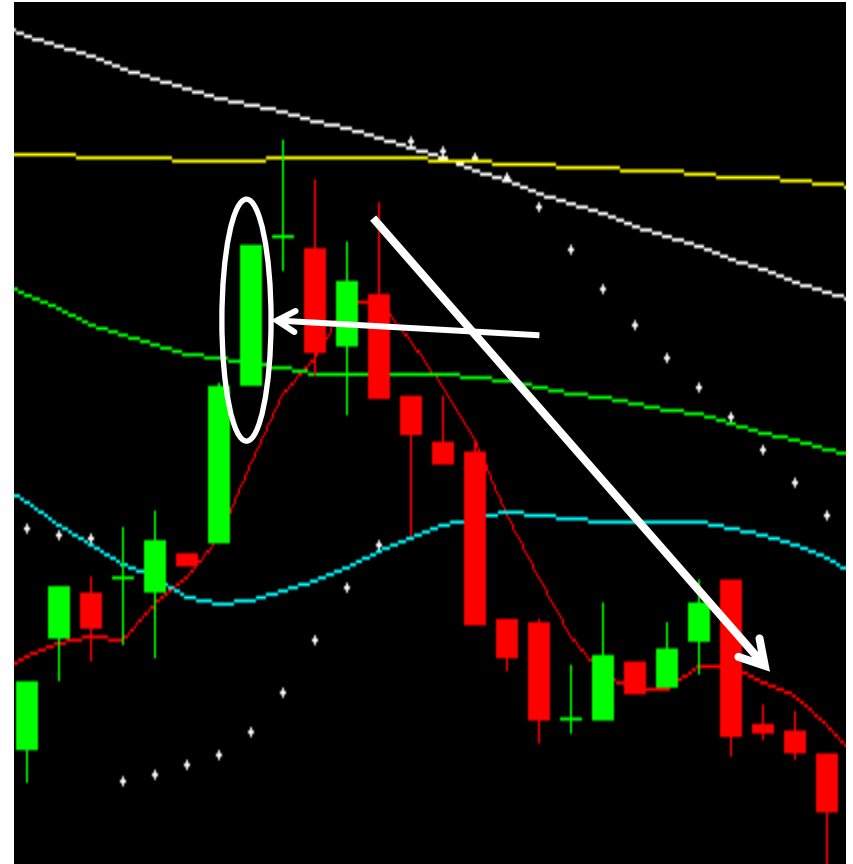
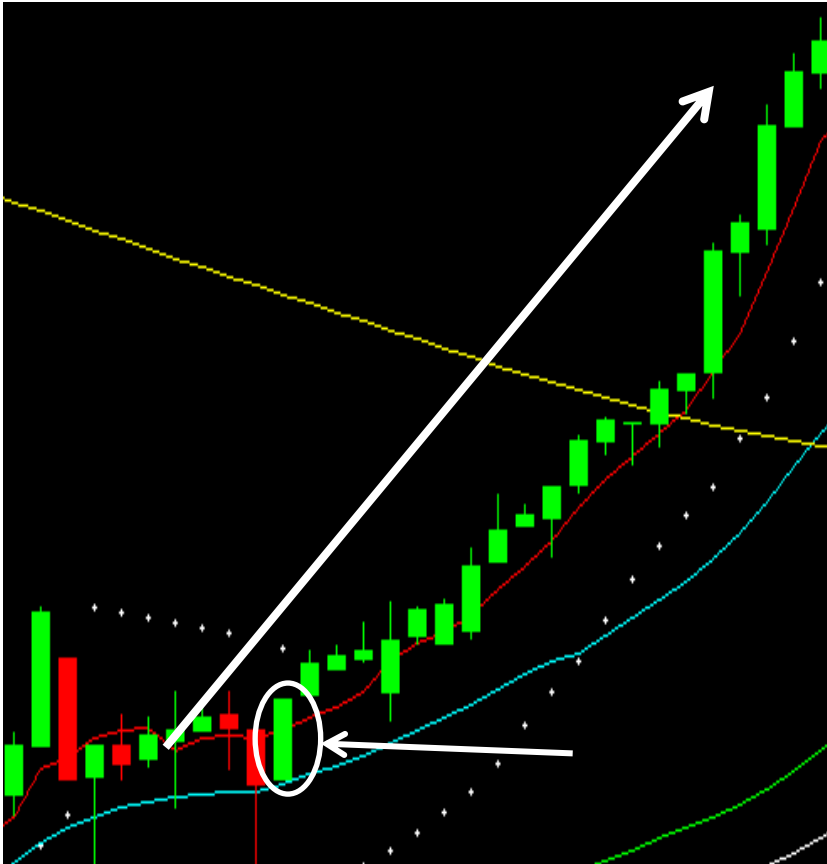
Black
Marubozo

White Marubozu

- Contains a long white body with no shadows.
- The **open price equals the low price** and the **close price equals the high price**.
- This is a very bullish candle.
- It usually becomes **the first part of a bullish continuation or a bullish reversal pattern**.



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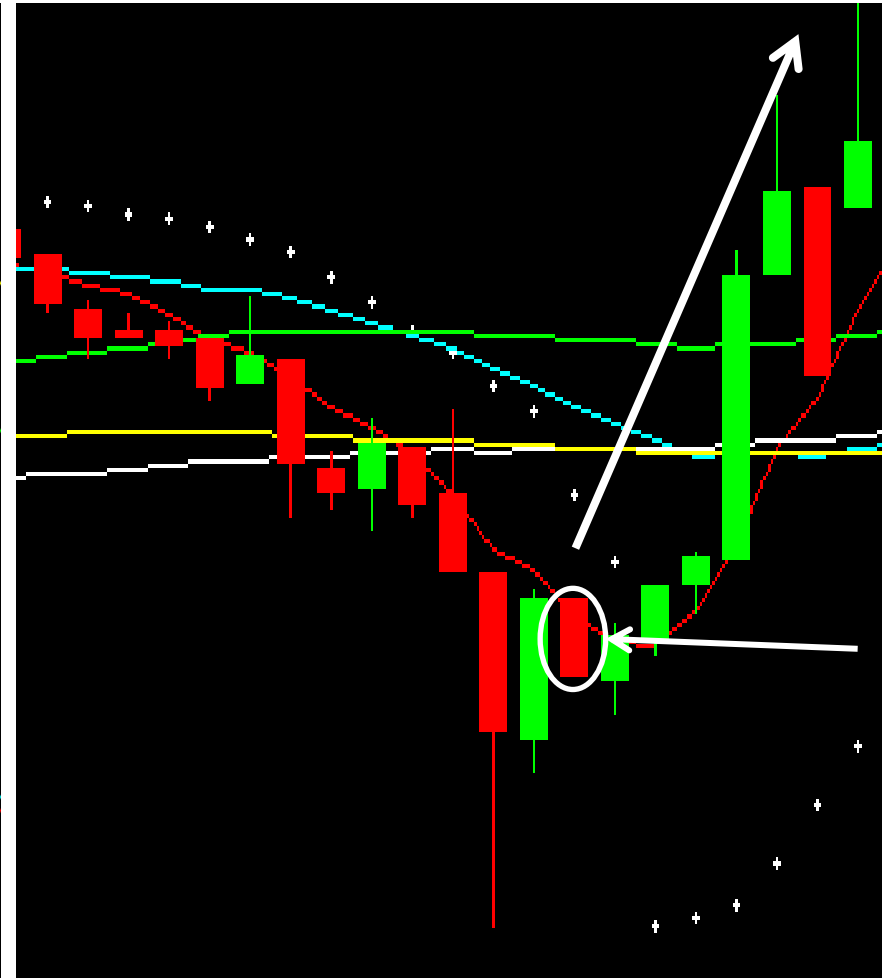
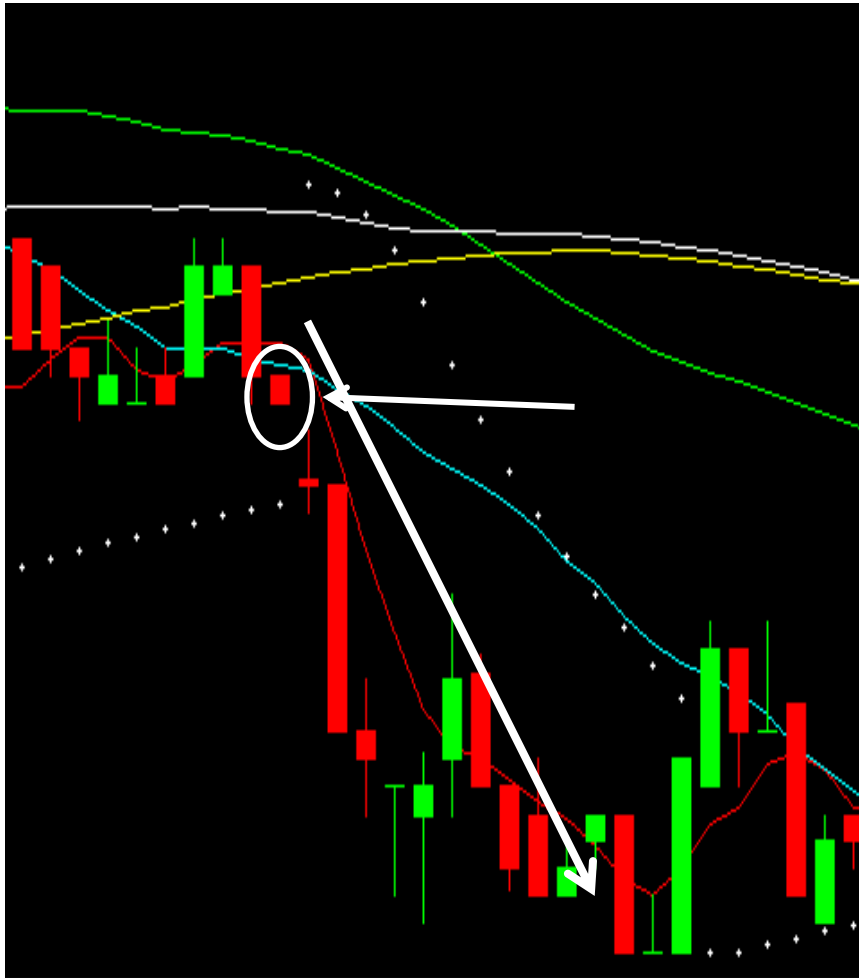


Black Marubozu

- Contains a long black body with no shadows.
- The **open price equals the high price and the close price equals the low price.**
- This is a very bearish candle.
- It usually implies **bearish continuation or bearish reversal.**

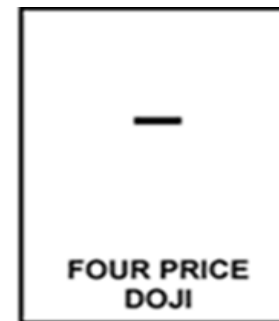
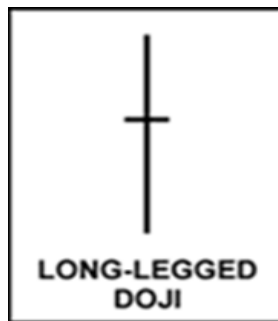


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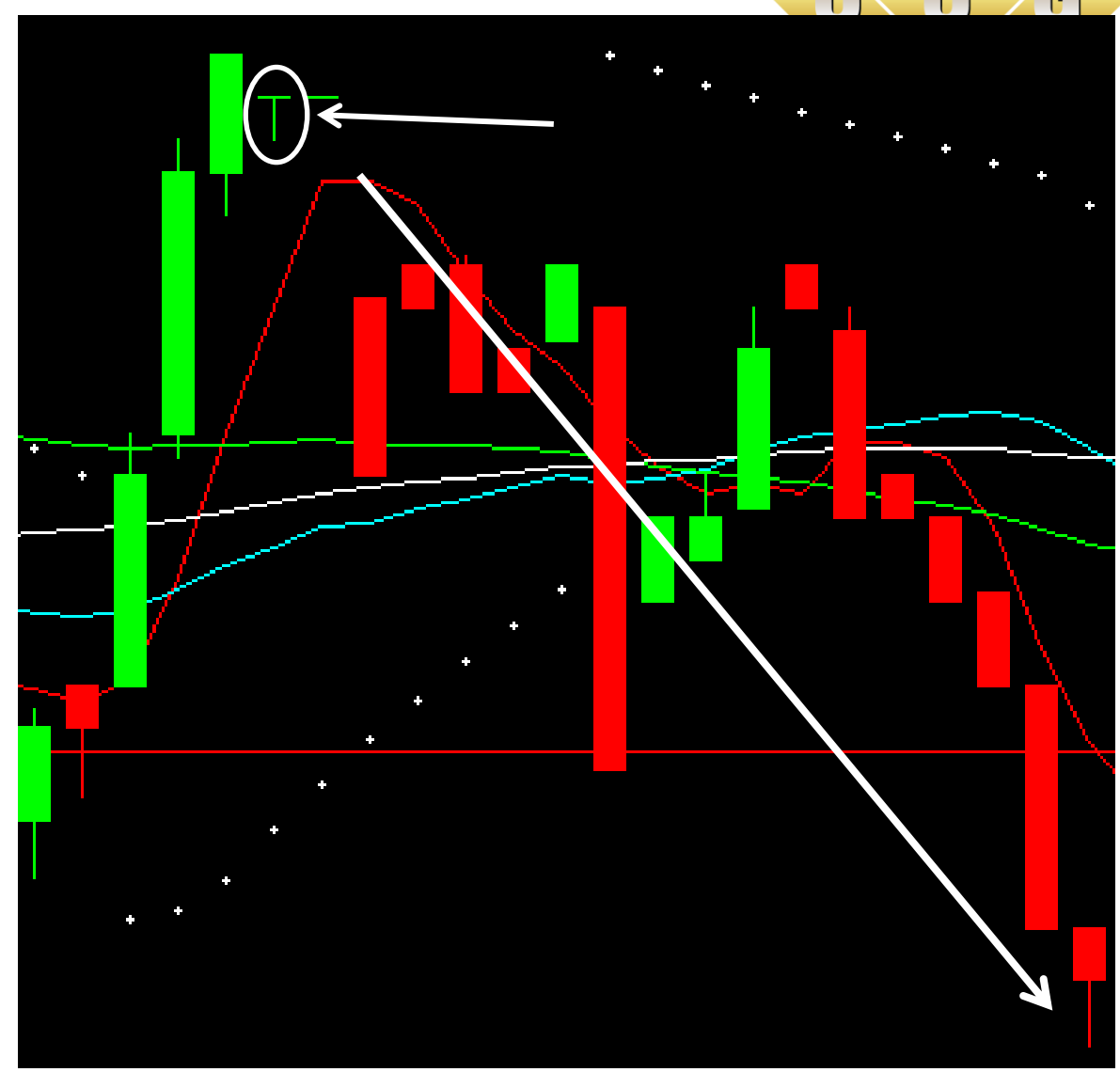
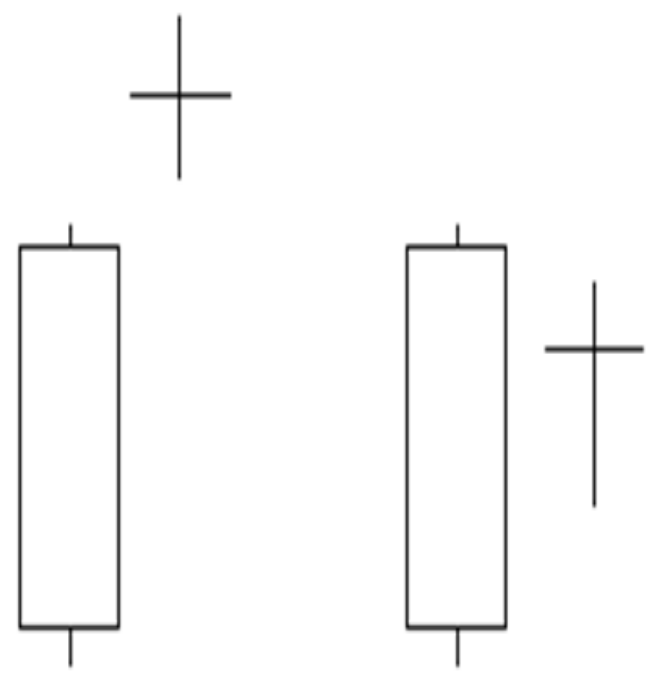
Doji

- **Doji candlesticks** have the **same open and close price** or at least their bodies are extremely short.
- A doji should have a very small body that appears as a thin line.
- There are four special types of Doji candlesticks



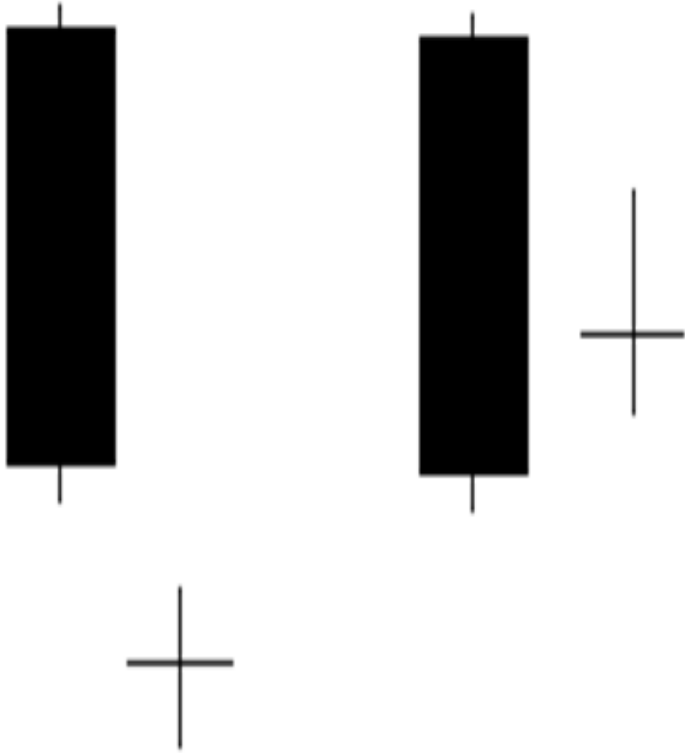
- If a Doji forms after a series of candlesticks with long hollow bodies (like White Marubozus), the Doji signals that the buyers are becoming exhausted and weakening.
- In order for price to continue rising, more buyers are needed but there aren't anymore!
- Sellers are licking their chops and are looking to come in and drive the price back down.

Long White Candle + Doji

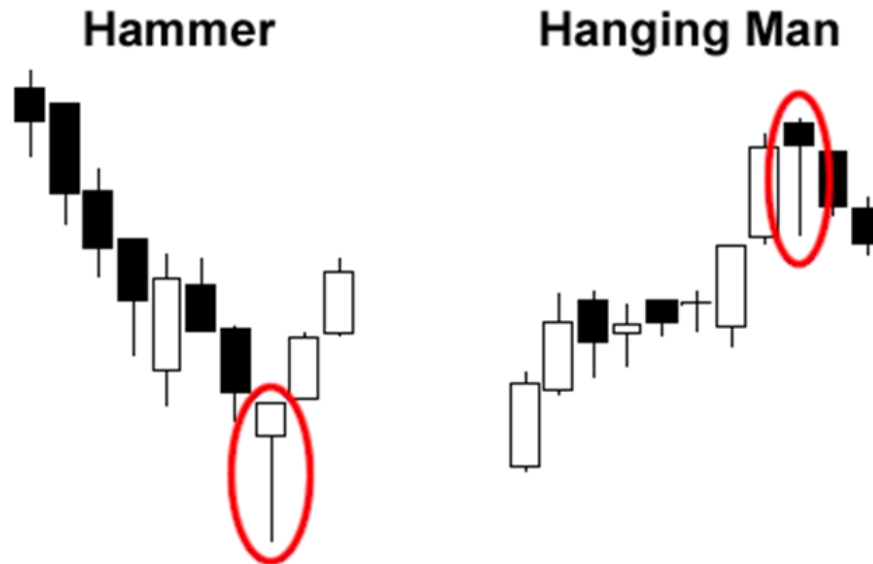


- If a Doji forms after a series of candlesticks with long filled bodies (like Black Marubozus), the Doji signals that sellers are becoming exhausted and weak.
- In order for price to continue falling, more sellers are needed but sellers are all tapped out!
- Buyers are foaming in the mouth for a chance to get in cheap price.

Long Black Candle + Doji

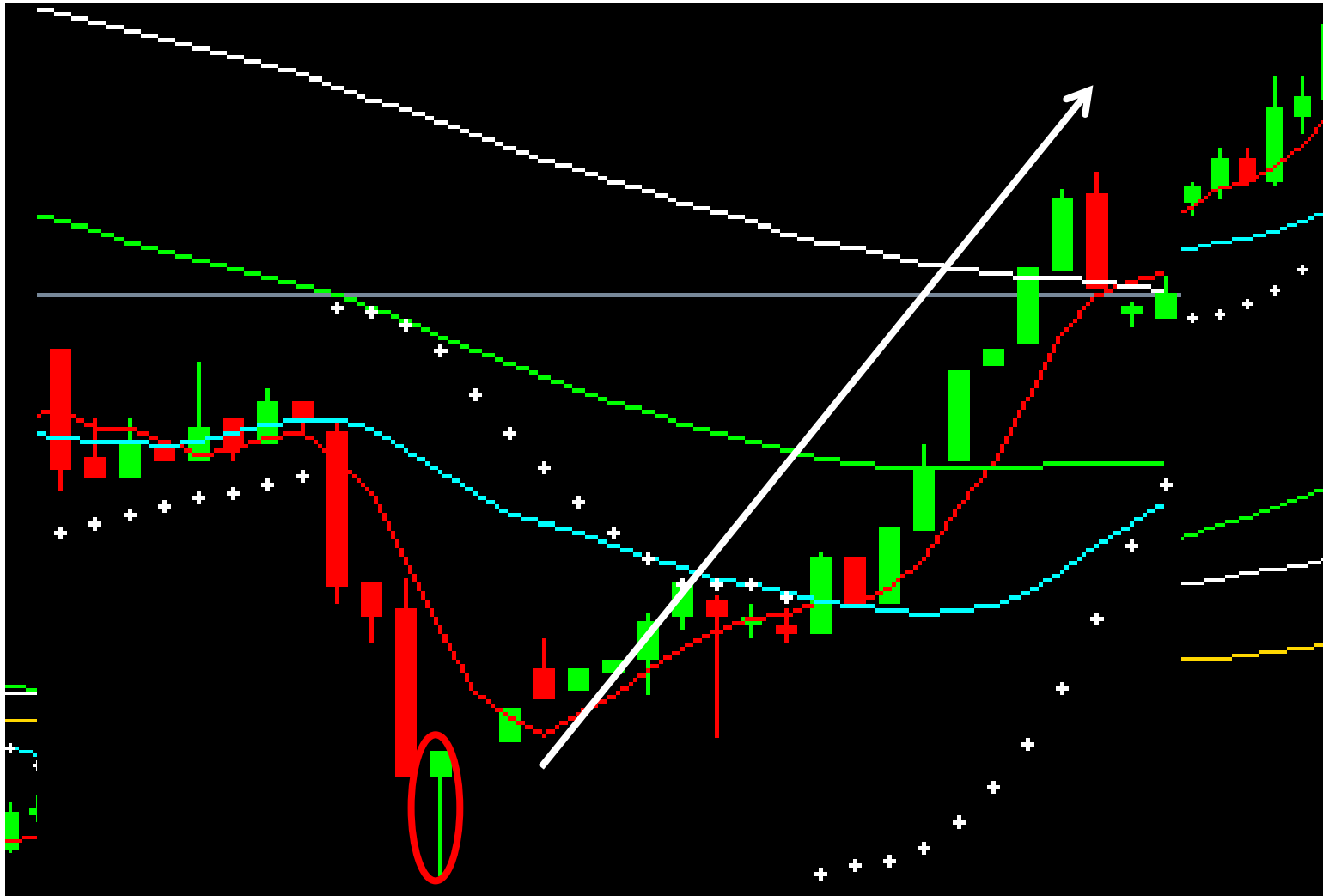


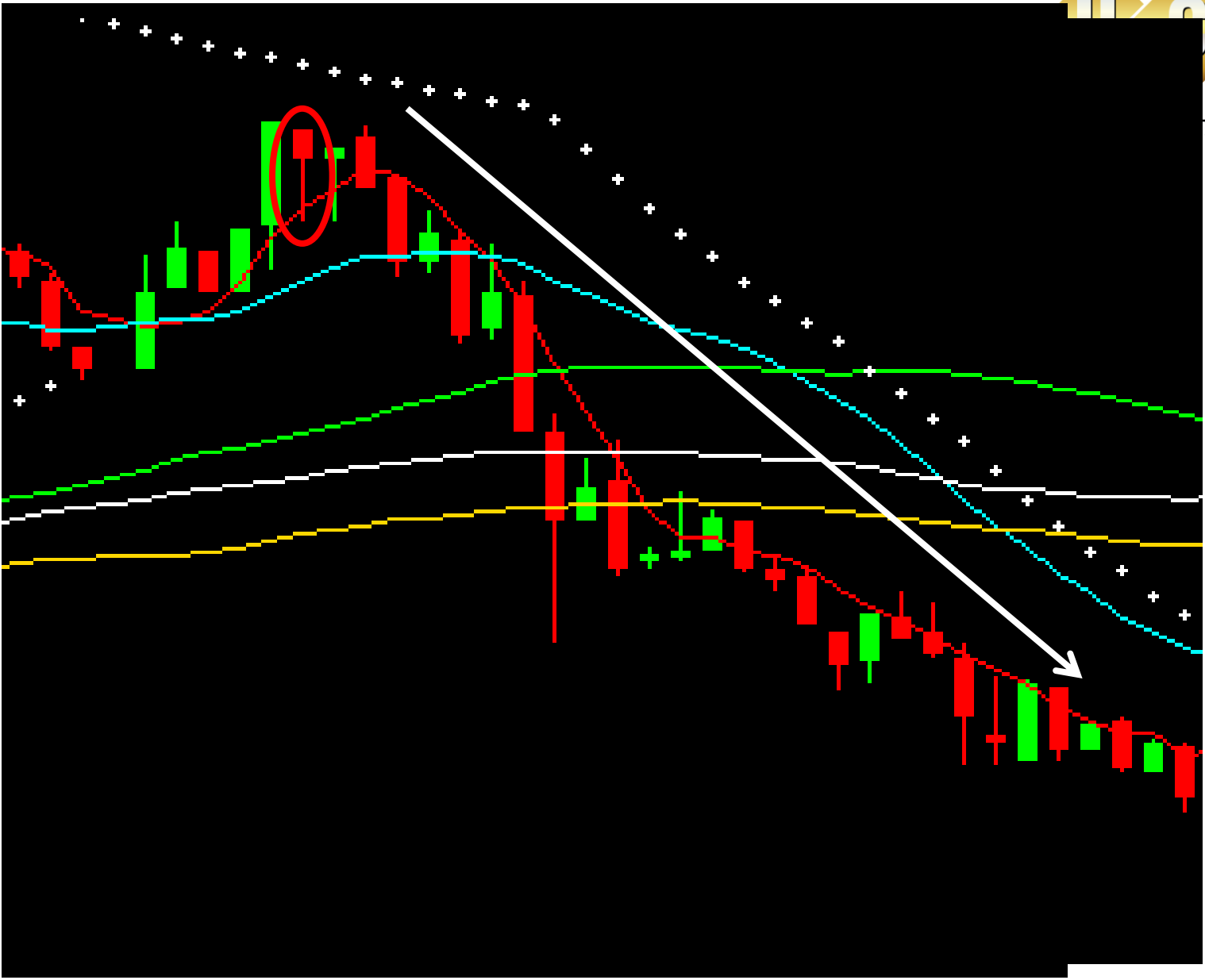
- There are a lot of candlesticks pattern that you need to study!!!



The **hammer** is a **bullish reversal pattern** that forms during a downtrend.

The **hanging man** is a **bearish reversal pattern** that can also mark a top or strong resistance level.

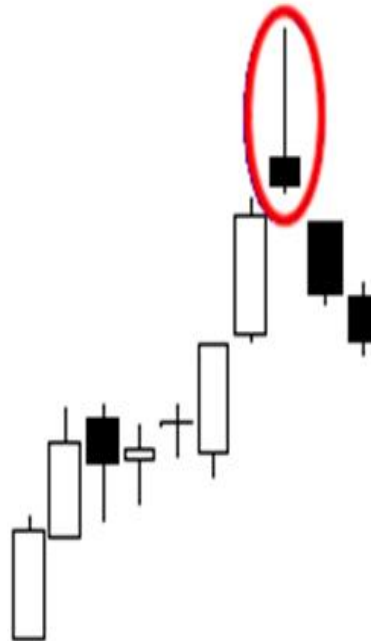




Inverted Hammer



Shooting Star



The **inverted hammer** occurs when price has been falling suggests the **possibility of a reversal**.

The **shooting star** is a **bearish reversal pattern** that looks identical to the inverted hammer but occurs when price has been rising

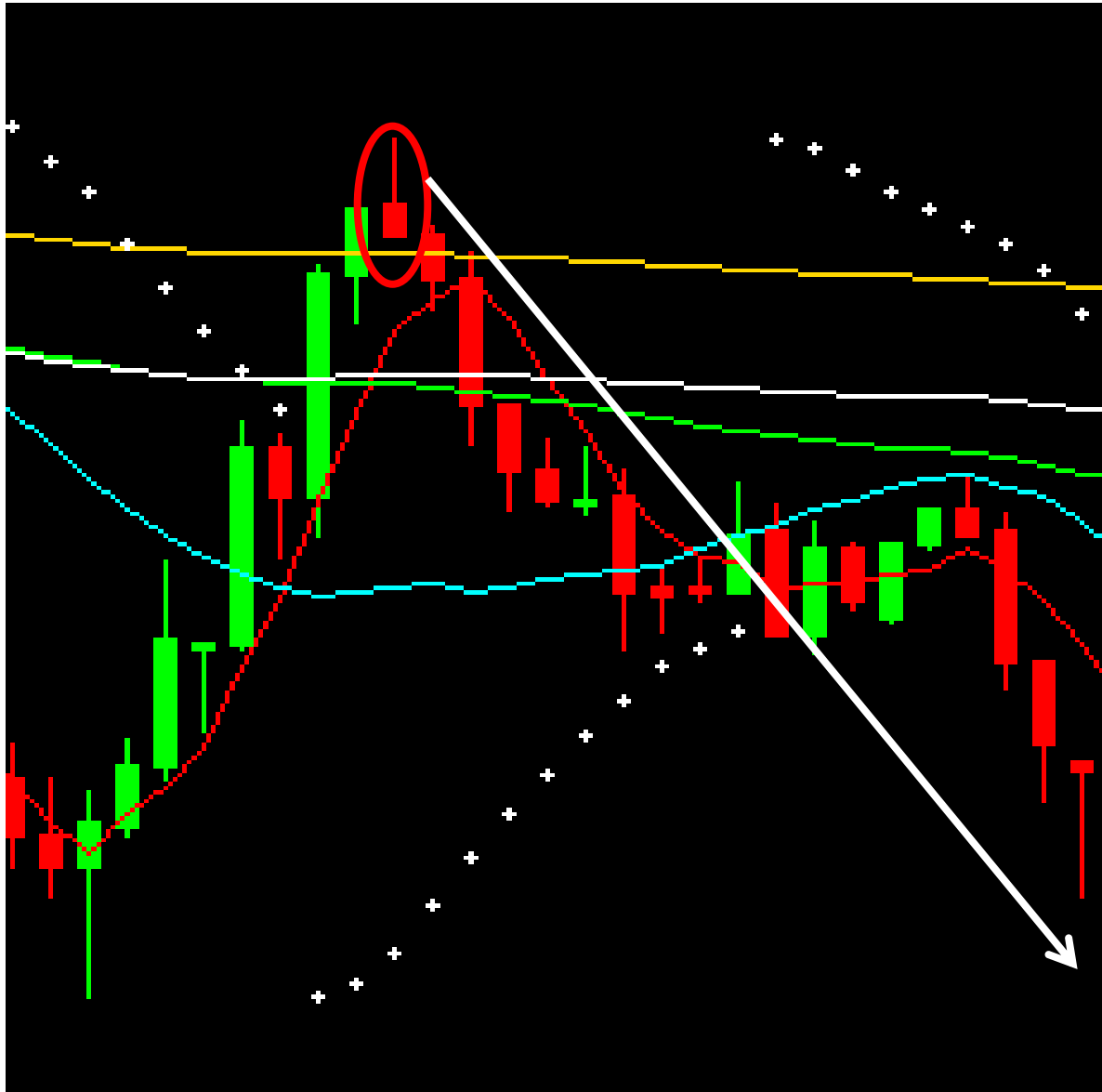


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Name	Bullish or Bearish?	What It Looks Like?
Spinning Top	Neutral	
Doji	Neutral	
White Marubozu	Bullish	
Black Marubozu	Bearish	
Hammer	Bullish	
Hanging Man	Bearish	
Inverted Hammer	Bullish	
Shooting Star	Bearish	

Single
candlestick

Bullish Engulfing

Bullish



Bearish Engulfing

Bearish



Tweezer Tops

Bearish



Tweezer Bottoms

Bullish

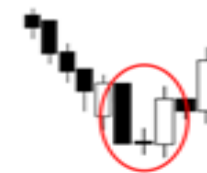


Double
candlestick

Triple candlestick

Morning Star

Bullish



Evening Star

Bearish



Three White Soldiers

Bullish



Three Black Crows

Bearish



Three Inside Up

Bullish



Three Inside Down

Bearish

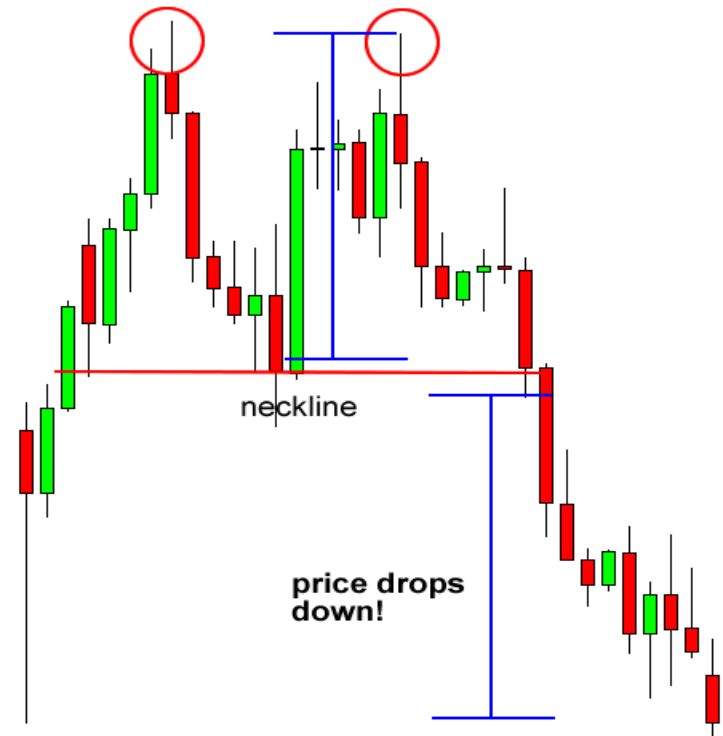


Chart pattern

- You have to know the basic chart patterns and formations
- When correctly identified, it usually leads to an explosive breakout
- Our goal is to spot big movements before they happen so that we can ride them out and rake in the cash

Double tops

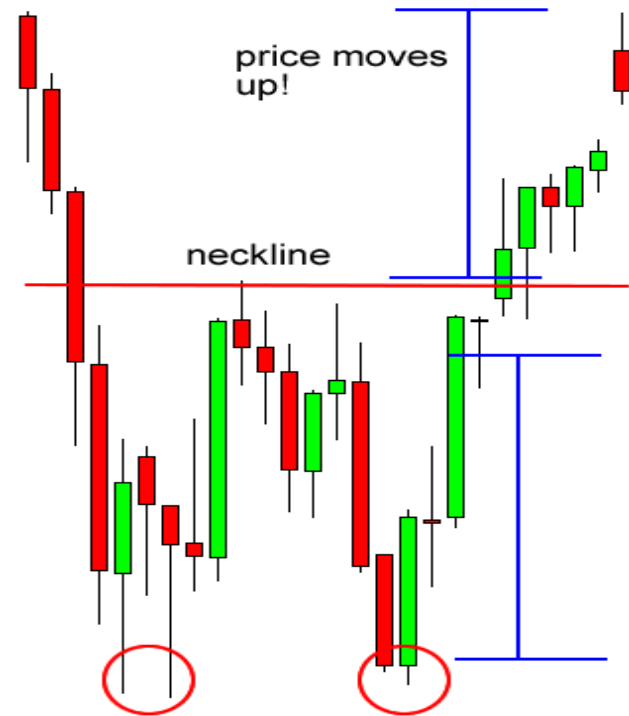
- Double top is a reversal pattern that is formed after there is an extended move up
- The "tops" are peaks which are formed when the price hits a certain level that can't be broken
- After hitting this level, the price will bounce off it slightly, but then return back to test the level again.
- If the price bounces off of that level again, then you have a **DOUBLE top!**



It is telling us that the buying pressure is just about finished.

Double bottoms

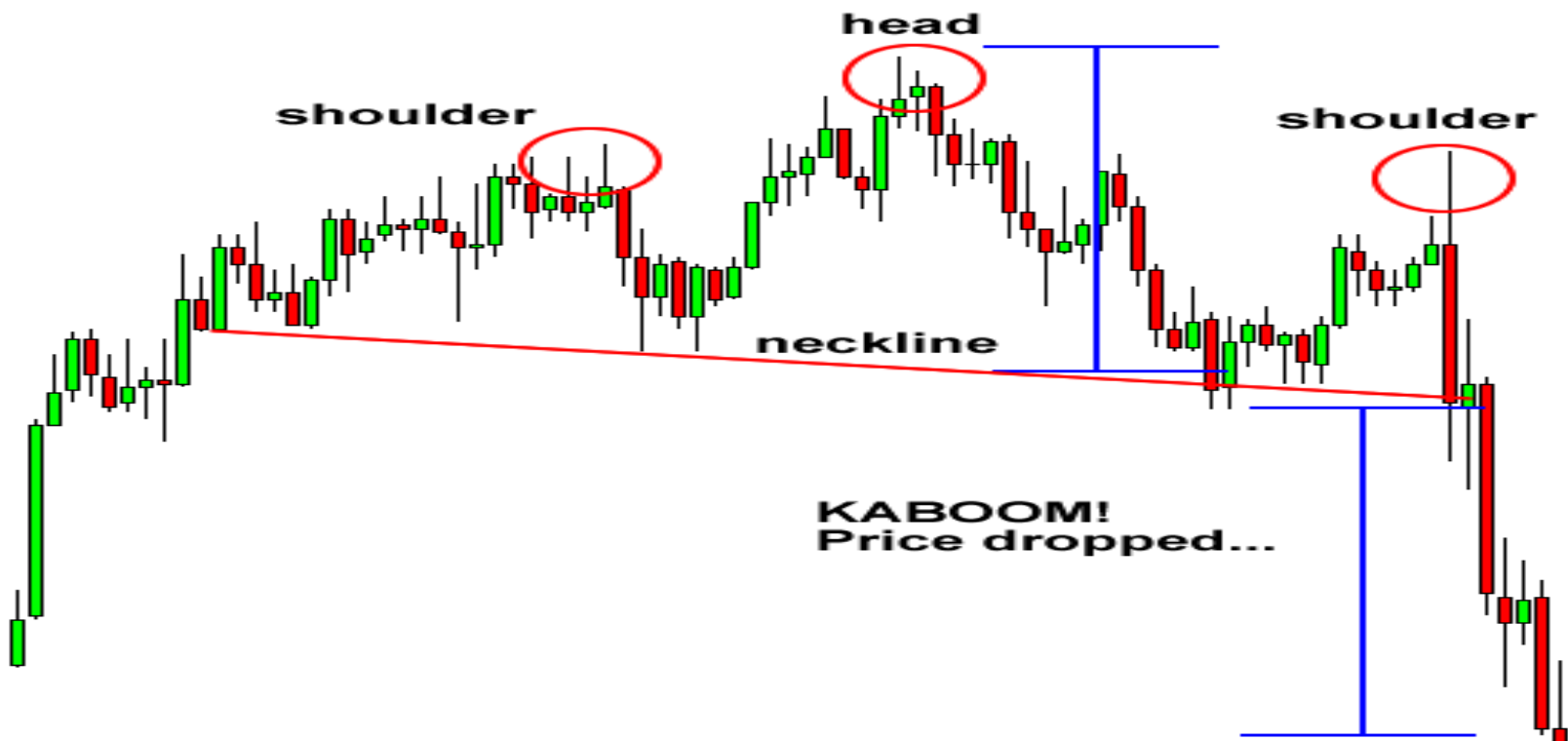
- Double bottom is also a trend reversal formation, but this time we are looking to go long instead of short
- The “bottoms” are lower peaks which are formed when the price hits a certain level that can't be broken
- After the previous downtrend, the price formed two valleys because it wasn't able to go below a certain level
- The second bottom wasn't able to significantly break the first bottom,



This is a sign that the selling pressure is about finished

Head and Shoulders

- It is formed by a peak (shoulder), followed by a higher peak (head), and then another lower peak (shoulder).
- A "neckline" is drawn by connecting the lowest points of the two troughs.



Inverse Head and Shoulders

- A valley is formed (shoulder), followed by an even lower valley (head), and then another higher valley (shoulder)
- A "neckline" is drawn by connecting the highest points of the two troughs

