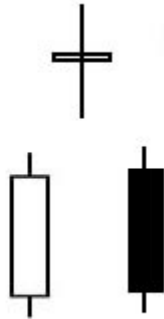




Abandoned Baby Bottom is a bullish reversal pattern, which is composed of a doji star, gapping away (including its shadow) from the previous and following candles. This pattern is seen in a downtrend. On first day, a long black candle is seen. On second day, a doji appears, which gaps below the low of previous day candle. On third

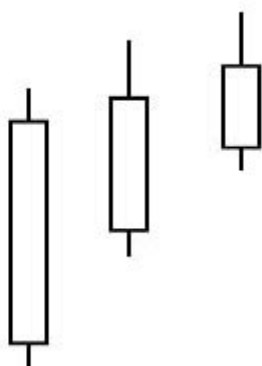
day, a white candle appears opening gap up. This pattern is similar to three bar reversal pattern.

Impact Post Pattern: Rally post this pattern will be fast as short sellers will be forced to cover fast.

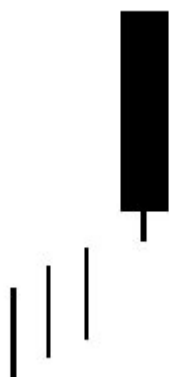


Abandoned Baby Top is a bearish reversal pattern, which is composed of a doji star, gapping away (including its shadow) from the previous and following candles. This pattern is seen in an uptrend. On first day, a long white candle is seen. On second day, a doji appears, which gaps above the high of previous day candle. On third day, a black candle appears opening gap down. This pattern is similar to three bar reversal pattern.

Impact post Pattern: Declines after abandoned baby top comes in the market very fast, since the ones holding long positions will sell their positions to book profits.

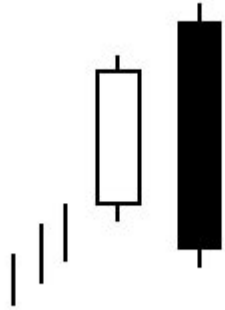


Advance Block is a bearish reversal pattern. This is similar to Bullish Three White Soldiers Pattern. It is characterized by three long white candles with consecutively higher closes. Each successive day is weaker than the one preceding it, which suggests that the rally is losing strength and there is possibility of a reversal in trend. This pattern appears after a clear uptrend. This pattern can be used by the traders as an early sign to lock in profits or move up the protective stop loss levels.



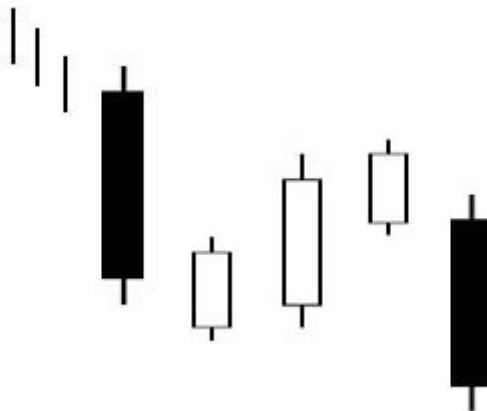
Bearish Belt Hold is a bearish reversal pattern, appearing in an uptrend. In this pattern, the day opens at its high level, but then price falls and closes near its low, not necessarily at the lows of the day. The candle is a Black Opening Marubozu. It has very small lower shadow but no upper shadow.

Strategy: A confirmation with either a black candle, large gap down or a lower close on the next day can be used to initiate short positions.



Bearish Engulfing is one of the important bearish reversal patterns. It appears after an uptrend. It's a two candlestick pattern. In this, a large black candle completely engulfs the preceding small white candle. Though it is not necessary for the black candle to engulf the shadows of the previous white candle, it should engulf the entire real body. Heavy volume on second day of the pattern creates higher probability of trend reversal.

Strategy: Confirmation on the third day in the form of a black candle, large gap down or a lower close can be used to initiate short positions.



It is a bearish continuation pattern. It is opposite of bullish rising three method pattern. The pattern occurs after a downtrend. A strong move down in the first candle is followed by two to four candles of bouncing action (ideally three). Once the bounce has completed, a strong red candle takes the stock below the lows of the first candle.

Some skills are essential to identify if a breakout (breakdown) is supported by more than a few traders while trading bearish falling three method in day trading.



Bearish Harami Cross is a bearish reversal pattern. It appears in an uptrend. In this pattern, a long white candle appears, followed by a doji. This pattern is considered to be more significant than Bearish Harami Pattern.

In this pattern, on first day, a long white candle appears in an uptrend. Next day, it is followed by a doji, which is completely engulfed by the previous large white candle.

Strategy: Next day confirmation (though not required) in the form of black candle, large gap down or a lower close confirms the top and can be used to initiate short positions or liquidate long positions.

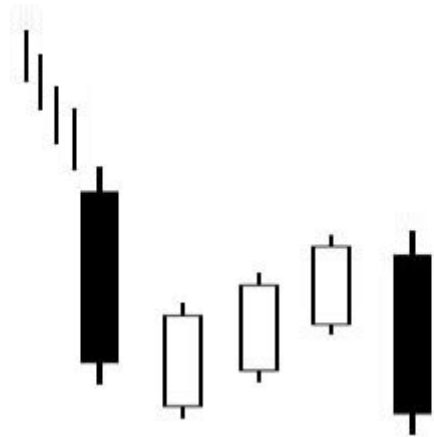


Bearish Harami is a bearish reversal pattern. It is characterized by a large white candle, followed by a small black candle. The black candle is contained completely within the previous white candle.

The pattern appears in an uptrend. A long white candle is seen, which is followed by a small black candle, which is completely engulfed by the previous day candle.

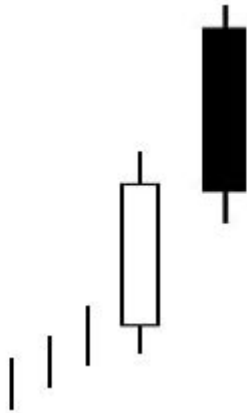
Shadows need not be compulsorily engulfed, but real body should be.

Strategy: A confirmation on the third day in the form of black candle, large gap down or a lower close makes sure that uptrend has reversed. Short positions can be initiated post confirmation.

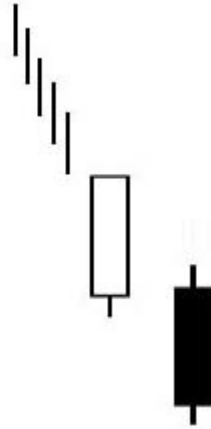


Bearish Mat Hold pattern is a variation of the Falling Three Method. It is comprised of 5 candles.

In this pattern, first candle is a long black candlestick in a downtrend. Second day candle is a white one, which gaps down. Third and fourth day candles continue to retrace losses from the first candle, but with lower volume. Fifth candle is a large black candle, which makes a new low.



Bearish Meeting Lines pattern is a bearish reversal pattern. It takes place in an uptrend. In this pattern, first candle is green, correlating the ongoing uptrend. Second candle opens at a new high, but closes at previous day's closing level. Traders can initiate short positions only after the low of the first candle is exceeded. Stop loss can be placed above the high level of the second candle.



Bearish Separating Line is a bearish continuation pattern. It is exactly opposite to Bullish Separating Line. In this pattern, first candle is a white one in a downtrend, followed by lower gap opening next day. Second day candle is a large black one, whose opening level is equal to previous day's opening level. It closes at lower levels.

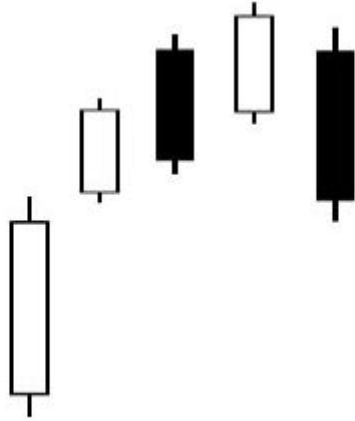
Bearish separating lines should be traded during a strong downtrend. Traders should make sure that the two candlesticks in the formation are of a decent size. A short position can be taken after the close of the second candlestick.

Strategy: Short positions can be created post close of second candle. The two candles in this pattern should be of decent size.



Black Marubozu is a large black candle with no wicks on either end. This candle is considered to be very bearish. This pattern can lead to a continuation of current downtrend or start of a bullish reversal.

It is very critical to determine whether Black Marubozu is a continuation or reversal pattern, as the candle often occurs with high volume.



Breakaway Pattern is a bearish reversal pattern. It consists of 5 candles. In this pattern, the current trend is seen beginning to slow and then filling of the gap is seen. First candle in this formation is a long white candle, which closes near its high. Second candle is a white candle, which gaps up. Third and fourth candles continue in the direction of the current trend and have smaller bodies. Fifth candle is a long black candle, closing inside the gap between first and second candle. A reversal is confirmed in the form of black candle or a large gap down on sixth day. **Strategy:** Short positions can be taken once low of the fifth candle is broken.

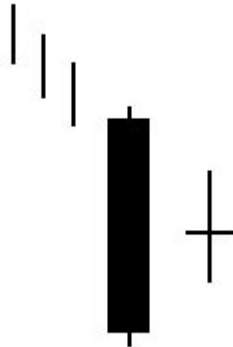


Bullish Belt Hold is a bullish reversal pattern, appearing in a downtrend. In this pattern, the day opens at its lowest level, but then stock begins to move up and closes near its high, but not necessarily at the highest point of the day. The candle is a White Opening Marubozu. It has a very small upper shadow but no lower shadow. **Strategy:** A confirmation with either a white candle, large gap up or a higher close on the next day can be used to initiate long positions.



Bullish Engulfing is an important bottom reversal pattern. It appears after a downtrend. It's a two candlestick pattern. In this, a large white candle completely engulfs the preceding small black candle. Though it is not necessary for the white candle to engulf the shadows of the previous black candle, it should engulf the entire real body. It's an important bullish reversal signal. Heavy volume on second day of the pattern creates higher probability of trend reversal.

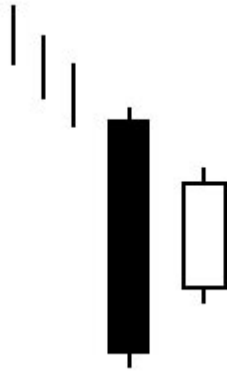
Strategy: Confirmation on the third day in the form of a white candle, large gap up or a higher close can be used to initiate long positions.



Bullish Harami Cross is a bullish reversal pattern. It appears in a downtrend. In this pattern, a long black candle appears, followed by a doji. This pattern is considered to be more significant than Bullish Harami Pattern.

In this pattern, on first day, a long black candle appears in a downtrend. Next day, it is followed by a doji, which is completely engulfed by the previous large black candle.

Strategy: Next day confirmation (though not required) in the form of white candle, large gap up or a higher close confirms the bottom and can be used to initiate long positions or liquidate short positions.

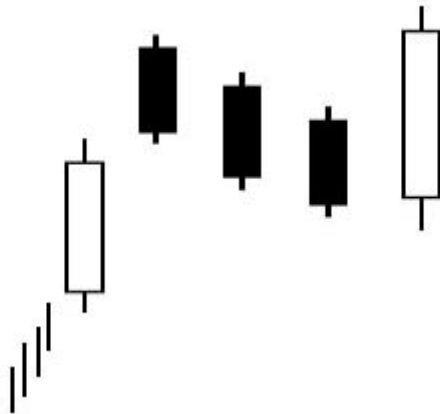


Bullish Harami is a bullish reversal pattern. It is characterized by a large black candle, followed by a small white candle. The white candle is contained completely within the previous black candle.

The pattern appears in a downtrend. A long black candle is seen, which is followed by a small white candle, which is completely engulfed by the previous day candle. Shadows need not be compulsorily engulfed, but real body should be.

The market is entering in an indecision or congestion phase post Bullish Harami.

Strategy: A confirmation on the third day in the form of a white candle, large gap up or a higher close makes sure that the downtrend has reversed. Long positions can be initiated post confirmation.



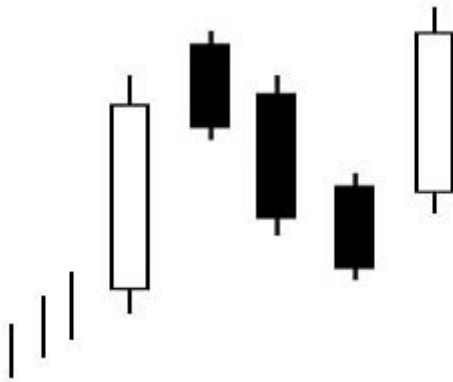
Bullish Mat Hold is a bullish continuation pattern. It is a variation of Rising Three Methods. The pattern comprises of 5 candles. The pattern is said to be potent when it appears in primary up trend. It is opposite of Bearish Mat Hold pattern.

In this pattern, first candle is a long white candle. Second candle gaps up, but closes lower. Third and fourth candles continue to retrace gains, but with less volume. Fifth candle is a large white candle, making a new high.



Bullish Meeting Lines pattern is a bullish reversal pattern. It happens in a downtrend. In this pattern, first candle is black, correlating the ongoing downtrend. Second candle opens at a new low, but closes at previous day's closing level.

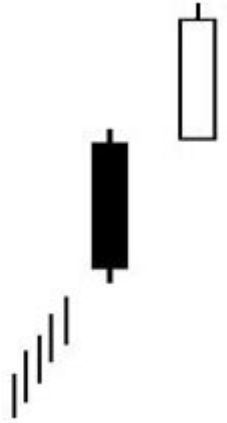
Strategy: Traders can take long position only after the high of the first candle is exceeded. Stop loss should be placed below the low of second candle.



Bullish Rising Three Method is a continuation candlestick pattern. It is ideally a five candle pattern in which second, third, and fourth candles are opposite in color of the first candle.

The first candlestick, should be a strong white candle with a wide spread and closing near the day's high. The second, third, and fourth candles should be small black candles which should not break below the lows of the first candle. The pullback by the three candles should be controlled in nature.

This pattern works best for day trading. It is considered to be reliable if three candlesticks consolidation occur right above a whole number. The last candle is another large white candle that rises above the highs of the first candle.



Bullish Separating Line is a bullish continuation pattern and is opposite of Bearish Separating Line. In this pattern, first candle is a long black candle. Second candle opens gap up at first candle's open level and closes up, thus forming a long white candle. This pattern is traded during a strong uptrend. Long positions can be initiated after the

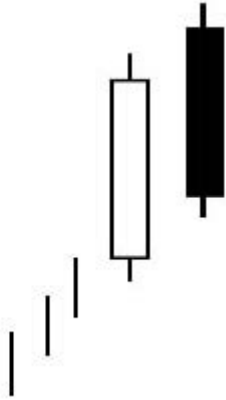
closing of second candles. Traders should make sure that both the candles are of decent size.



Closing Marubozu candles has no shadow extending from the close. Closing Marubozu candles closes at the high or low of the day, depending on the closing of the stock. It means, if the stock closes up, it closes at its high price of the day and if it closes down, then its closing price is equal to its low price for the day.

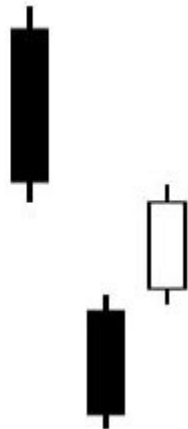
White Closing Marubozu: It is considered as bullish candle.

Black Closing Marubozu: It is considered as bearish candle.



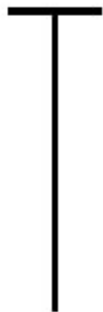
Dark Cloud Cover is a bearish reversal pattern. It appears in an uptrend. This pattern is comprised of 2 candles. First candle is a long white one, accompanied with heavy volume. Next day's candle opens above the previous day's high. But it closes below the mid-point of the first candle. However, the closing of second candle is not below the opening level of white candle.

Strategy: Short positions can be created once the low of the first candle is exceeded. Stop loss can be placed above the high of second candle.



Downside Tasuki Gap is a three day bearish continuation pattern. It starts with a black candle which gaps below the previous black candle. The third candle is a white candle opening inside the body of the second red candle.

One can go short on the close of the third candle. The trade should be in the direction of the defined trend, which is downtrend in this case.



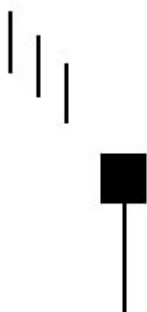
Dragonfly doji is a bearish reversal pattern. It is opposite to the gravestone doji. In this pattern, open, high, and close are at the high of the day.

Strategy: Long positions can be taken once high of the candle is exceeded.



Four price doji is a candlestick where open, high, low, and close are all the same. This candle reflects the highest extent of indecision between bulls and bears. This candle is normally seen on low trading volume. It often appears in pre-market and after hours trading.

It is advisable to avoid this candle and not to place too much importance on it.



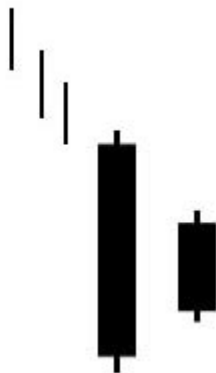
Hammer is a bullish reversal pattern, which occurs at the bottom of a trend. This pattern appears after or during a downtrend. It is a single candlestick pattern. It resembles with Bullish Dragonfly Doji. The only difference is doji has same opening and closing while Hammer has a small real body at the upper end. Colour of Hammer is not important. However, it is considered as more potent, if its colour is white. Lower shadow of Hammer should be twice as long as real body. There should be very little or no upper shadow.

Strategy: Long positions can be initiated if there is a large gap up or a higher close the next day of Hammer, which is considered as a confirmation of reversal of trend.



Hanging Man is a bearish reversal pattern, which occurs at the top of a trend. This pattern appears after or during an uptrend. It is a single candlestick pattern. It resembles with Bearish Dragonfly Doji. The only difference is doji has same opening and closing while Hanging Man has a small real body at the upper end. Colour of Hanging Man is not important. However, it is considered as more potent, if its colour is black. Lower shadow of Hanging man should be twice as long as real body. There should be very little or no upper shadow.

Strategy: Hanging Man indicates end of an uptrend, hence, short positions can be initiated post confirmation by way of gap down opening or a lower close or a black candle the next day of Hanging Man day.



Homing Pigeon is a bullish reversal pattern. It comprises of two black candles. The pattern appears after a clear downtrend. First candle is a long black candle. Second candle is an inside bar, which is also a black candle. Second candle closes inside the body of the first candle.

This pattern is a sign that current trend may be losing steam.

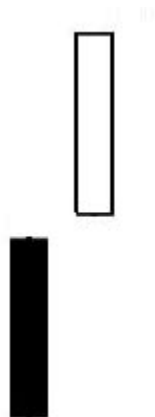
Long positions can be entered into after the high of the first candle is exceeded. Stop loss can be placed below the low of the first candle



Inverted Hammer is a bullish reversal pattern. This pattern is characterized by a long upper shadow and a small real body, appearing after a long black real body. It resembles with Bearish Shooting Star.

This pattern appears in a downtrend. In this pattern, a long black candle appears on first day. On second day, a small real body appears, which forms at the lower end of range. Second day's candle has upper shadow, which is at least twice as long as the real body and does not have lower shadow. Colour of the real body is not of much importance.

Strategy: A confirmation can be seen in the form of next day opening above hammer's body of a white candle with higher prices. Long positions can be initiated post confirmation.





Kicking pattern is a two-candle reversal pattern. On the chart, it seems as if price is kicking away the current trend, hence the name, Kicking.

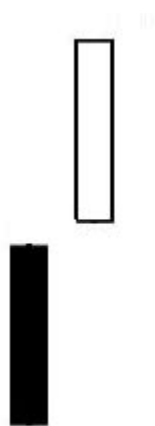
Bullish kicking pattern is comprised of a black marubozu followed by a white marubozu. This pattern is seen when

a) a marubozu of white follows a marubozu of

black, and

b) a gap between these marubozu

Strategy: In bullish kicking pattern, long positions can be entered into once high of the white marubozu is exceeded.



Bearish kicking pattern is comprised of a white marubozu followed by a black marubozu. This pattern is seen when

a) a marubozu of black follows a marubozu of white, and

b) a gap between these marubozu

Strategy: In bearish kicking pattern, short positions can be entered into once low of black marubozu is exceeded.



Ladder Bottom is a bullish reversal pattern and it appears at the end of downtrend. It consists of 5 candles.

The pattern gives early signs of deterioration of downtrend.

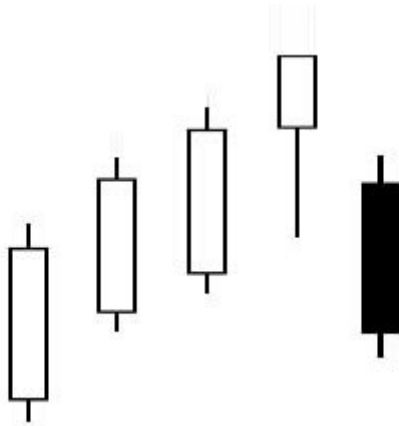
First three candles of this pattern are long black candles, which resembles the three black crows formation.

Fourth day candle closes lower, but with a long upper shadow, which goes into the body of the third candle.

Fifth day candle is a long white one which opens above the body of the

fourth day candle.

Strategy: Long positions can be entered into once high of the fifth candle is exceeded.



Ladder Top is a bearish reversal pattern and it appears at the end of uptrend. It consists of 5 candles. The pattern gives early signs of deterioration of uptrend. First three candles of this pattern are three long white candles, which resembles the three white soldiers formation. Fourth day candle closes higher, but with a long lower shadow, which goes into the body of the third candle. Fifth day candle is a long black one which opens below the body of the fourth day candle.

Strategy: Short positions can be entered into once low of fifth candle is exceeded.

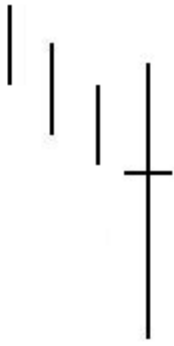


Long-legged doji is a candle with long upper and lower shadows and a small real body. The pattern shows that there is an indecision between the buyers and the sellers, and that the market is approaching transition period.

Long positions can be taken in case of Bullish Long Legged Doji, once high of the candle is exceeded.

Shorts can be initiated once the low of the candle is broken, in case of Bearish Long Legged Doji.

Bullish:



Bullish Long Legged Doji has very long shadows on both the ends. The patterns shows indecision of buyers and sellers. It is a bullish reversal pattern. In this pattern, market is in a bearish mood and is in downtrend. Then, a Long Legged Doji appears, which gaps in the current trend. This pattern requires confirmation by way of opposite move to the prior trend on next day.

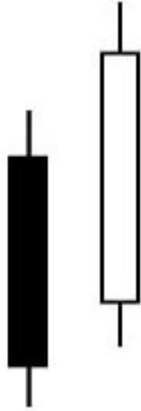
Bearish:

Bearish Long Legged Doji has very long shadows on both the ends. The pattern shows indecision of buyers and sellers. It is a bearish reversal pattern. In this, market is in a bullish mood and is in uptrend. Then, a Long Logged Doji appears, which gaps in the current trend.



One Black Crow is a bearish reversal pattern. It appears on charts after a clear uptrend. In this pattern, first candle is a long white candle. Next candle opens below the closing level of previous candle and it closes below the low level of the white candle. Criteria for this pattern is that both the candles should be "long".

Strategy: Short positions can be entered into once low of the black candle is exceeded.



One White Soldier is a bullish reversal pattern. It appears on charts after a clear downtrend. In this pattern, first candle is a long black candle. Next candle opens above the closing level of previous candle, and closes near the high level of the day. The closing is also above the high of the previous day. Criteria for this pattern is that both the candles should be "long". Long positions can be entered into once high level of the white candle is exceeded.

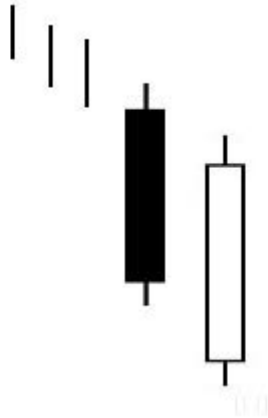


Opening Marubozu has no shadow extending from the opening level. It means, if the stock ended up, there would be no lower shadow, and if the stock ended down, then there would be no upper shadow.

It is not a powerful signal like closing marubozu, as closing level is important than opening. It is important to confirm that the primary trend is in place. One should wait for the high or the low of the candle to be exceeded before initiating a position in the direction of Opening Marubozu.

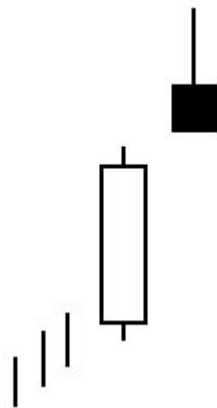
White Opening Marubozu is a long white single candlestick, having an upper shadow, but no lower shadow. It is considered to be a strong bullish pattern.

Black Opening Marubozu is a long black single candlestick, having a lower shadow, but no upper shadow. It is considered to be a strong bearish pattern.



It is a bullish reversal pattern. It occurs in a downtrend and is comprised of two candlesticks. The first candlestick is a long black candle, accompanied by high volume. The next candlestick makes a lower low, but then rallies to close above the midpoint of the first candlestick, but not above the opening of that candle. This pattern is one of the first signs that a potential bullish reversal is in play.

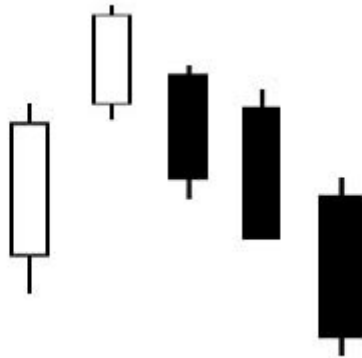
Strategy: Traders should wait for the high of the first candlestick to be exceeded prior to taking a long position. Stoploss can be placed below the low of the first candlestick. The more the second candle closes above the mid-point of the first candlestick, the greater the odds of a successful pattern. The potential buyers start thinking that new lows may not hold and perhaps it is time to take long positions.



Shooting Star is a bearish reversal pattern, appearing at market top. Its a small real body with long upper shadow and no lower shadow, which gaps away from the previous candle. This pattern appears in an uptrend. A white candle is seen on first day. Next day, gap up opening happens. This candle appears as a small real body, with upper shadow at least twice as long as the real body. It has no lower shadow. The pattern indicates that the uptrend is near to an end. Colour of the real body is not important. Gap is not always necessary.

Strategy: A confirmation is required on next day to ensure that uptrend has reversed or closer to the reversal. This confirmation can be in the form of a black candle, a large gap down or a lower close on next trading day.

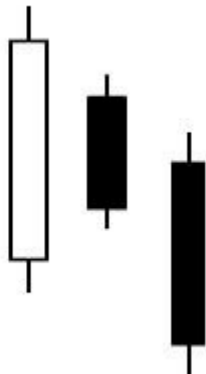
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Three Black Crows is a bearish reversal pattern. The pattern is seen after an uptrend. It consists of three large, consecutive declining black candles. Criteria for this formation is that all the three candles should close near the lows and each candle should open within the prior candles' body. However, this has an exception when the first candle of this formation opens in a gap.

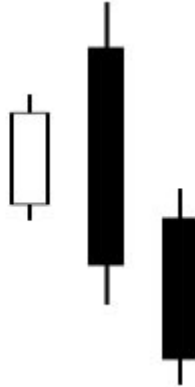
Traders should keep patience or wait for counter-trend rally before exiting long positions or entering into short position. Reason behind this is that the stock could have had a long pullback when the third candle forms. Hence, one should wait for a bounce before going short or exiting longs.

This pattern should be confirmed with previous support and resistance.



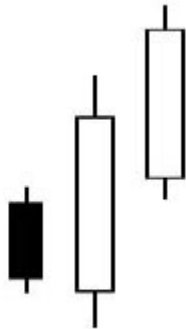
The Bearish Three Inside Down Pattern is another name for the Confirmed Bearish Harami Pattern. Its a bearish reversal pattern. In this pattern, first candle is a long white candle, which closes near its high. Second candle is a small black candle, which gaps away from the first candle and closes inside the body of the first candle, thus creating a harami pattern. Third candle exceeds the lows of the first two candles.

Strategy: Short positions can be created once the low of the third candle is broken successfully. Size of third candle often provides some indication to the strength of the reversal pattern.



Three Outside Down Pattern is another name for the Confirmed Bearish Engulfing Pattern. It is a bearish reversal pattern. In this pattern, first candle is a small white candle, which closes near its high. Second candle is a long black candle, which completely engulfs the first candle, closes near its low, thus creating a bearish engulfing pattern. Third candle breaks the low of the second candle, and closes near its low.

Strategy: Short positions can be initiated once low of the third candlestick is broken.



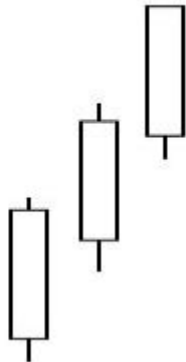
Three Outside Up pattern is another name for confirmed Bullish Engulfing Pattern. It is a bullish reversal pattern. In this pattern, first candle is a small black candle, closing at its low. Second candle engulfs completely the previous candle and closes near its high, thus creating a long, white candle. Third candle breaks the high of the second candle and closes even higher.

Strategy: The high of the third candle should be broken successfully, before initiating new long positions.



Three stars in the South is a bullish reversal pattern. This pattern is seen near the end of the downtrend and consists of 3 candles. It shows deteriorating of selling pressure. In this pattern, first candle is a large black candle, having small or no upper shadow, but has a long lower shadow. Second candle is a smaller replica of previous candle. It opens gap up but ends lower. Second candle get engulfed completely by the first candle. Third candle gets engulfed completely by the second candle and is a black marubozu.

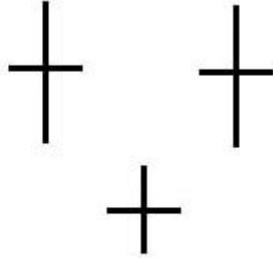
Strategy: Long positions can be initiated after the high of second candle is broken on upside.



Three White Soldiers is a bullish reversal pattern and is opposite of three black crows. This pattern consists of three large consecutive white candles with close at or near their high levels. If the first candle appears at previous support level, then there may be more strength and gains.

It is good to trade the stock once third candle appears. The first two candles often provide support on pullbacks.

This pattern should be confirmed with previous support and resistance.



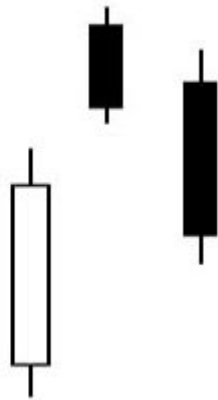
Tri-Star is a candlestick pattern comprised of three dojis. This pattern can occur at market tops and bottoms. Three dojis represent indecision, leading to reversal. This pattern is usually accompanied with light volume. However, the reliability of this pattern is low, so it is advisable to wait for confirmation.

Tri-Star Bottom: In Tri-Star Bottom, middle doji is lower than the first and last.

Strategy: One should wait for the highest high to be exceeded successfully, before going long. Stop loss should be placed below the low of the middle doji.

Tri-Star Top: In Tri-Star Top, middle doji is higher than the first and last.

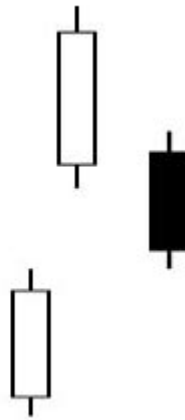
Strategy: One should wait for the lowest low to be exceeded successfully, before entering a short trade. Stop loss should be placed above the high of the middle doji.



Two crows is a bearish reversal pattern. In this pattern, during an uptrend, after opening gap-up, market closes lower. Next day, a black candle occurs, which fills the gap, and thus Two Crows pattern is formed. The pattern is an indicator of eroding uptrend and a warning about a possible reversal in trend.

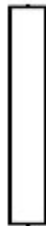
In this pattern, first candle is a long white candle, closing near its high. Second candle is a small black candle, which gaps away from the previous days close, and finishes near its low, which is still above the high of the first candle. Last candle opens inside the body of the second candle, and fills the gap between the first and second candle.

Strategy: Short positions can be initiated post successful breaking of low of third candle.



Upside Tasuki Gap is a bullish continuation pattern. Its a three day pattern. In this, a white candle gaps above the previous white candle. Third candle is a black candle, which opens inside the body of second candle.

Strategy: As its a bullish continuation pattern, one should trade in the preceding direction of the pattern. One can go long on the close of third candle.



White Marubozu is a bullish reversal/continuation pattern. It is a large white candlestick with no wicks on either end. It is considered to be an extremely bullish candle. The candle can lead to a continuation of the current uptrend or start of a bearish reversal.

This candle often occurs with high volume. So it becomes very crucial to determine whether it is a continuation or reversal.