Candlesticks Chart Pattern

Candles in Market can be:

1. Bullish/Green Candle

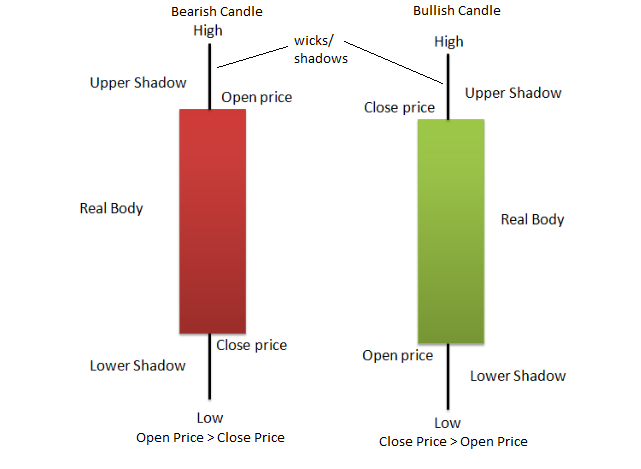
Open Price < Close Price

1. Bearish/Red Candle

Close Price < Open Price

A candle is made of following parts:

1. Real Body
2. Shadows/Wicks



Types of Candlesticks Pattern

1. Bullish Reversal Patterns🡪 Indicates that the ongoing downtrend is going to reversed to an uptrend.
2. Bearish Reversal Patterns🡪 Indicates that the
3. Continuous Patterns

Bullish Reversal Patterns or Bullish candlesticks Patterns are:

1. Hammer
2. Inverted Hammer
3. The Morning Star
4. Bullish Engulfing
5. Three white soldiers
6. Bullish Harami
7. Three inside up
8. Three outside up
9. White marubozu
10. On Neck Pattern
11. Bullish Counter Attack
12. Tweezer Bottom
13. Piercing Pattern

Bearish Reversal Patterns or Bearish candlesticks patterns are:

1. Hanging Man
2. Shooting Star
3. The Evening Star
4. Bearish Engulfing
5. Three black crows
6. Bearish Harami
7. Three inside Down
8. Three outside down
9. Black marubozu
10. Bearish Counter Attack
11. Tweezer top
12. Dark Cloud Cover

Continuation Pattern:

1. Doji
2. Spinning Top
3. Falling Three methods
4. Rising Three methods
5. Upside Tasuki Gap
6. Downside Tasuki Gap
7. Mat Hold
8. Rising window
9. Falling window
10. High wave

Market Indicision Candles:

Doji and Spinning top candles indicates market indicision because both buyers and sellers are fighting to stand.

But these candles are important as these gives alert that indicision will finish eventually and a new price direction is forthcoming.

1. **Doji Candle**



Doji candle have small body and longer shadows both sides.

Ideal doji have same open and close price and looks like a cross.

1. **Spinning Top**



It is simillar to doji.

The only difference between doji and spinning top is that the body of spinning top is larger as compared to doji.

Bullish VS Bearish Candlestick Patterns

|  |  |
| --- | --- |
| **Bullish Candlestick Patterns** | **Bearish Candlestick Patterns** |
| These candlesticks patterns form at the end of **downtrend** or at the time of **consolidation** and indicates the beginning of the bullish trend.  After bullish candlestick patten, a green candle confirms the bullish trend or uptrend. | These Candlesticks patterns form at the **end of uptrend** or at the time of **consolidation** and indicates that beginning of bearish trend.  After bearish candlestick pattern, a red candle confirms the bearish trend or downtrend. |
| Hammer Candle  OR  Smaller real body bullish/bearish candle with longer lower shadow. Lower shadow should be more than twice of real body.  There can be no or little upper shadow.  Hammer candle can be red/green. But green hammer has more chances for trend reversal. | Hanging Man Candle  OR  Smaller real body bearish/bearish candle with longer lower shadow. Lower shadow should eb more than twice of real body.  There can be no or little upper shadow.  Hanging man candle can be green/red. But red hanging man has more chances for trend reversal.  . |
| Inverted Hammer Candle  OR  Small body bulllish candle with longer upper shadow. Upper shadow should be more than twice of real body.  There can be lower shadow but with very small or neglegible length.  Inverted Hammer candle can be red/green. But green inverted hammer has more chances for trend reversal. | Shooting Start  OR  Small body bearish candle with longer upper shadow. Upper shadow should be more than twice of body.  There can be lower shadow but with very small or negligible length.  Shooting star candle can be red/green. But red shooting star has more chances for trend reversal. |
| White Marubozu Candle    Long real body bullish candle with no/neglegible shadows. | Black Marubozu    Long body bearish candle with no/negligible shadows. |
| Piercing Pattern Candle    1st candle 🡪 Long Red (Bearish)  2nd Candle 🡪 Long Bullish Candle which pens gap down and closes more than 50% of real body of previous red candle. | Dark Cloud Cover    1st Candle 🡪 Long Green (Bullish)  2nd Candle 🡪 Long bearish candle which opens gap up and closes more than 50% of real body of previous green candle. |
| Bullish Harami (Pregnant)    1st candle 🡪 Long Bearish (Red) with long real body  2nd Candle 🡪 bullish small body candle within range of previous candle. | Bearish Harami (Pregnant)    1st Candle 🡪 Long Bullish (Green) candle  2nd Candle 🡪 bearish small body candle within the range of previous candle. |
| Bullish Engulfing Candle    1st Candle 🡪 Red (Bearish)  2nd Candle 🡪 Long Bearish candle which opens gap down and closes above the opening of previous red candle i.e., completely engulf the red candle. | Bearish Engulfing Candle    1st Candle 🡪 Green (Bullish)  2nd Candle 🡪 long Bearish candle which opens gap up and closes below the opening of previous green candle i.e., completely engulf the green candle. |
| Tweezer Bottom    1st candle 🡪 Long bearish candle  2nd Candle 🡪 Bullish candle with the same low as previous red candle. | Tweezer Top    1st candle 🡪 bullish candle  2nd Candle 🡪 bearish candle with the same high as previous candle. |
| Morning Star Candle    1st candle 🡪 Red (Bearish)  2nd candle 🡪 Doji , indicates indicision in market.  Doji should be completely out of real bodies of 1st and 3rd candle.  3rd candle 🡪 Bullish candle.  Doji can be either green or red but green doji is more effective. | Evening Star    1st candle 🡪 Green (Bullish)  2nd Candle 🡪 doji, it indicates indecision in market.  Doji should be completely out of real bodies of 1st and 3rd candle.  3rd Candle 🡪 Bearish candle  Doji can be either green or red but red doji is more effective. |
| Three White Soldiers    3 long bullish candle which do not have long shadows.  These open within the reald body of previous candle and closes above the previous candle. | Three Black Crows    3 long bearish candle which do not have long shadows.  These open within the real body of previous candle and closes below the previous candle. |
| Three Inside Up (Bullish Harami Confirming)    1st candle 🡪 Long Bearish candle.  2nd Candle 🡪 small bullish candle within range of previous bearish candle.  3rd Candle 🡪 Long Bullish candle which confirms bullish trend. | Three Inside Down (Bearish Harami Confirming)    1st candle 🡪 Long Bullish candle  2nd Candle 🡪 Small bearish candle within the range of previous green candle.  3rd Candle 🡪 Long Bearish candle which confirms bearish trend. |
| Three Outside Up(Bullish Engulfing Confirming)    1st candle 🡪 bearish candle.  2nd candle 🡪 Long bullish candle which opens gap down and completely engulf previous red candle.  3rd candle 🡪 Long bullish candle which confirms bullish reversal. | Three Outside Down (Bearish Engulfing Confirming)    1st candle 🡪 Bullish candle  2nd candle 🡪 long bearish candle which opens gap up and completely engulf previous green candle.  3rd candle 🡪 long bearish candle which confirms beginning of down trend. |
| On Neck Pattern    1st Candle 🡪 Long Bearish Candle  2nd Candle 🡪 Long bullish candle with same length as previous red candle. It opens gap down and closes near the previous red candle’s close. |  |
| Bullish Counter Attack Candle    1st candle 🡪 Long Bearish Candle  2nd Candle 🡪 Long Bullish candle with same length as previous red candle. It opens gap down and closes at about previous red candle close point. | Bearish Counter Attack    1st Candle 🡪 Long bullish candle  2nd Candle 🡪 Long bearish candle with same length as previous green candle. It opens gap up and closes at about previous green candle close point. |

Note:

1. Bullish candlestick patterns are forms at the bottom of down trend while bearish candlestick patterns are forms at the top of uptrend.
2. Below are the similar or identical candlestick patterns:
3. Identical Bullish Pattern
4. Hammer = Inverted Hammer
5. Bullish Counter Attack == On Neck Pattern
6. Bullish Engulfing == Three Outside Up
7. Bullish Harami == Three Inside up
8. White Marubozu == Piercing == Three White Soldier
9. Morning Star
10. Tweezer Bottom
11. Identical Bearish Pattern
12. Hanging Man == Shooting Star
13. Black Marubozu == Dark Cloud Cover == Three Black Crows
14. Bearish Engulfing == Three outside down
15. Bearish Harami == Three Inside Down
16. Tweezer Top
17. Evening Star
18. Bearish Counter Attack

Continuation Candlestick Patterns

|  |  |
| --- | --- |
| **Bullish Continuation Pattern** | **Bearish Continuation Pattern** |
| Rising Three    It is bullish 5 or 4 candle pattern which signals interruption but not a reversal of ongoing uptrend.  1st and last candle are 🡪 long green candles in direction of uptrend with last candle open in the midd of 1st candle and close above the close of 1st candle.  Middle candles are short counter-trend candles. All middle candles are in range of 1st candle only. | Falling Three Candles    It is bearish 5 or 4 candle pattern which signals interruption but not a reversal of ongoing downtrend.  1st and last candle are 🡪 long red candles in direction of downtrend with last candle open in the midd of 1st candle and close below the close of 1st candle.  Middle candles are short counter trend candles. All middle candles are in range of 1st candle only. |
| Rising Window    Two bullish candles which have space between their real bodies and even shadows also have gap.  The gap between candles is called gapup or rising window. | Falling Window    Two bearish candles which have space between their real bodies and even their shadows also have gap.  The gap between candles is called gapdown or falling window. |
| Upside Tasuki Gap    First two candles are the long bullish candles and second candles forms with a gapup.  3rd is the bearish candles which closes in the gap between previous two candles. | Downside Tasuki Gap    First two candles are the long bearish candles and second candles forms with a gapdown.  3rd is the bullish candles which closes in the gap between previous two candles. |
|  |  |