

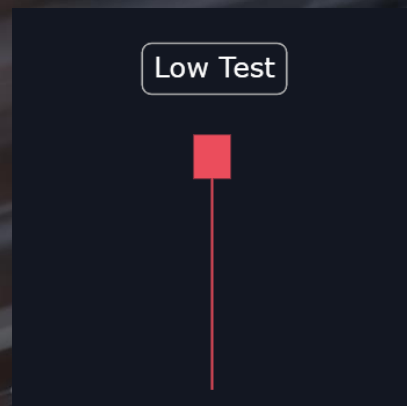
FALCON TRADING GUIDANCE CANDLESTICK IDENTIFIER



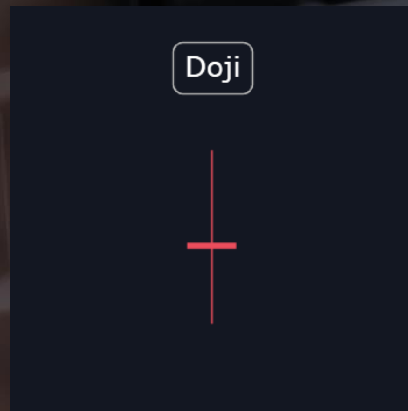
CANDLESTICK FORMATIONS



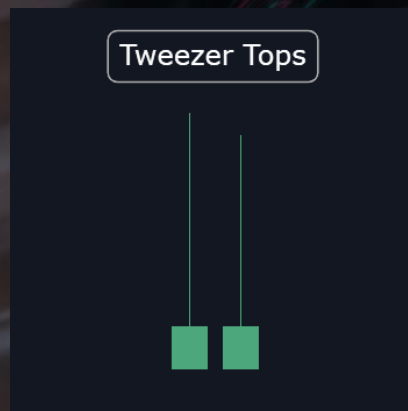
- A high-test candle is a rejection of a structural resistance level. The psychology behind the candle itself is that traders are testing a certain level during the initial stages of the candles formation and by candle close it has retraced significantly back to where it began.



- A low-test candle is the opposite of a high test. Rejecting a structural support area and signalling a move to the upside. Combined with patterns such as descending channels and double bottoms a low-test candle increases in significance.



- A doji is a low momentum candle that closes where it opens and hasn't really pushed far in either direction. We see doji candles primarily where there is a slow down in price so generally during the correction in an impulsive move, as it approaches a structural support level, or in the corrective phase continuously as price trickles its way sideways.



- This formation consists of two high test candles back to back that represent a double rejection of the area that they appear. Price has tested an area throughout the course of two full formations and closed back down close to the open of the candle. It is more powerful than a single high test and is often a sign that price is ready to head lower.

Tweezer Bottoms



- This formation consists of two low test candles back to back that represent a double rejection of the area that they appear. Price has tested an area throughout the course of two full formations and closed back down close to the open of the candle. It is more powerful than a single low test and is often a sign that price is ready to head higher.

Bullish Engulfing



- A bullish engulfing candle is momentum in the upward direction. We utilize bullish engulfing candles to analyze when price is moving impulsively or correctively. Candlesticks are not the only thing we utilize to determine what phase the market is in, but they are a key component.

Bearish Engulfing



- A bearish engulfing candle is momentum in a downward direction. We see bearish engulfing candles within the impulsive legs of selling opportunities. When momentum kicks into the market and a pair begins to sell off, we see bearish engulfing candles close.

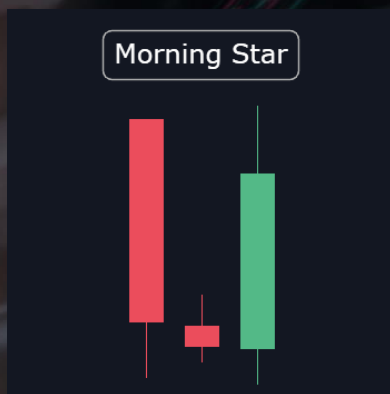
1H Retrace



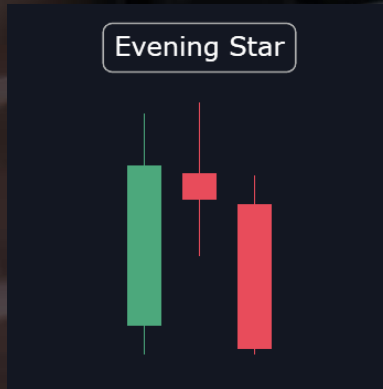
- The 1H Retrace candle is a very powerful candlestick formation. It essentially is the rejection of an outlined area by fully retracing the previous candle and closing above or below where the first candle opened depending on whether it was a buy or sell.



- Very much like a low-test candle however its going to be found in a different area. It's normally at the end of an exhausted run, the market is losing momentum and it is treated as a reversal type candle. It has a long lower wick; however, this candle is found at the top of a run rather than rejecting the bottom of a structural area. Same physical appearance however the difference is the area that you find it in.



- Same as the evening star – the morning star is not a very common candlestick formation. Price impulses to the downside, the doji candle represents a slow in momentum, and the impulse in the other direction confirms the reversal formation. Resembling the sun setting and rising.



- The difference is though when you do see a clear evening star especially on the higher time frames it can be a very good indication that heavy momentum is about to kick in. When you look at the evening star it is a bullish engulfing, followed by a doji, and then a bearish engulfing that is a similar size to the first bullish engulfing candle.
- We hope you took a lot of value away from this Candlestick Identifier Blueprint and gained some insight into the various candlestick formations we utilize within Falcon to help us execute our positions and determine direction of price. By understanding that candlesticks are secondary and used for confirmation of the patterns we use within the strategy, you are increasing your ability to forecast and analyze price action.



