



CHART PATTERNS

CHEAT SHEET
FOR FOREX TRADERS



FOREX
SPRINGBOARD



Spotting chart patterns is overwhelming. Don't worry; that's completely natural when you're just getting started.

We remember how complicated it was when we started out in pattern analysis.

Sure, there're so many articles and YouTube videos that make it look super easy. But things get harder when you're looking for patterns on your own chart.

Now, we can't find the patterns for you, but at least, we can give you this cheat sheet that has helped a lot of traders, and it will probably help you as well!

We've outlined all the popular patterns and their suggestions regarding the direction of the market.

In addition, we have included tons of examples!

Whenever you are in doubt, browse through and read what's relevant to your situation.

Happy and profitable trading!

OVERVIEW

(You can zoom into the picture)

DOUBLE BOTTOM



DOWNTREND
This pattern forms during a downtrend.

REVERSAL
This pattern signals a change in price direction.

SIGNAL
The reversal of a downtrend into an uptrend.

DOUBLE TOP



UPTREND
This pattern forms during an uptrend.

REVERSAL
This pattern signals a change in price direction.

SIGNAL
The reversal of an uptrend into a downtrend.

HEAD AND SHOULDERS



UPTREND
This pattern forms during an uptrend.

REVERSAL
This pattern signals a change in price direction.

SIGNAL
The reversal of an uptrend into a downtrend.

FALLING WEDGE



DOWNTREND
This pattern forms during a downtrend.

REVERSAL
This pattern signals a change in price direction.

SIGNAL
The reversal of a downtrend into an uptrend.

INVERSE HEAD AND SHOULDERS



DOWNTREND
This pattern forms during a downtrend.

REVERSAL
This pattern signals a change in price direction.

SIGNAL
The reversal of a downtrend into an uptrend.

RISING WEDGE



UPTREND
This pattern forms during an uptrend.

REVERSAL
This pattern signals a change in price direction.

SIGNAL
The reversal of an uptrend into a downtrend.

BEARISH FLAG



DOWNTREND
This pattern forms during a downtrend.

CONTINUATION
This pattern signals the continuation of the trend.

SIGNAL
The uptrend is healthy.

BULLISH FLAG



UPTREND
This pattern forms during an uptrend.

CONTINUATION
This pattern signals the continuation of the trend.

SIGNAL
The uptrend is healthy.

BULLISH PENNANT

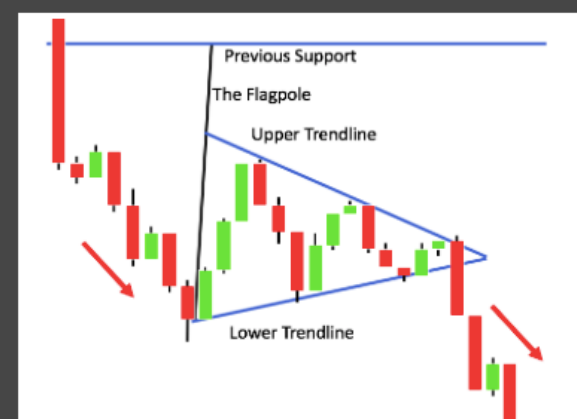


UPTREND
This pattern forms during an uptrend.

CONTINUATION
This pattern signals the continuation of the trend.

SIGNAL
The uptrend is healthy.

BEARISH PENNANT



DOWNTREND
This pattern forms during a downtrend.

CONTINUATION
This pattern signals the continuation of the trend.

SIGNAL
The uptrend is healthy.

ASCENDING TRIANGLE



UPTREND
This pattern forms during an uptrend.

CONTINUATION
This pattern signals the continuation of the trend.

SIGNAL
The uptrend is healthy.

DESCENDING TRIANGLE



DOWNTREND
This pattern forms during a downtrend.

CONTINUATION
This pattern signals the continuation of the trend.

SIGNAL
The uptrend is healthy.

BULLISH RECTANGLE



UPTREND
This pattern forms during an uptrend.

CONTINUATION
This pattern signals the continuation of the trend.

SIGNAL
The uptrend is healthy.

BEARISH RECTANGLE

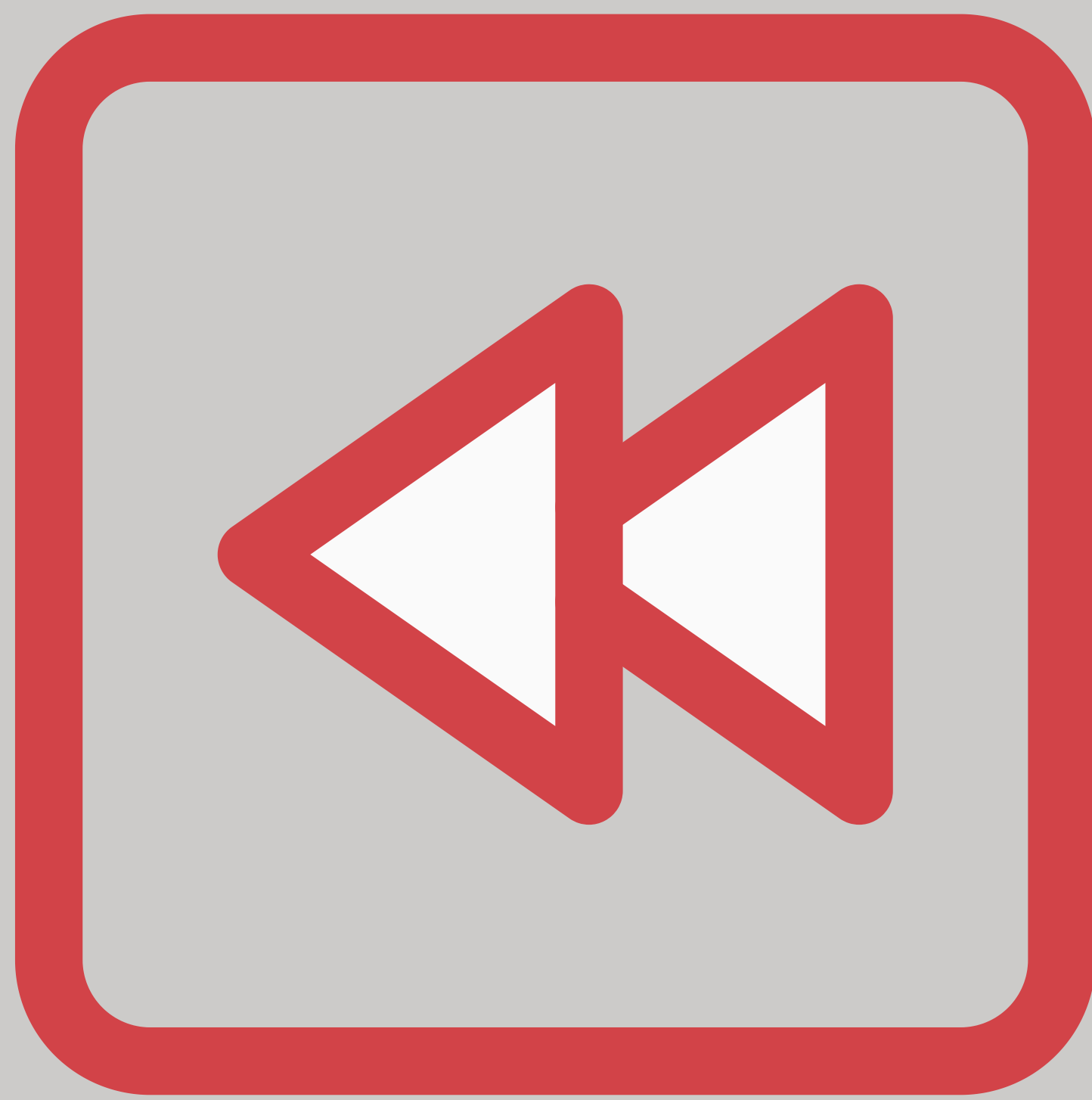


DOWNTREND
This pattern forms during a downtrend.

CONTINUATION
This pattern signals the continuation of the trend.

SIGNAL
The uptrend is healthy.





REVERSAL PATTERNS

Chart patterns that indicate a likely reversal of the prevailing trend.

Double Top

Double
Bottom

Head and
Shoulders

Inverse Head
and Shoulders

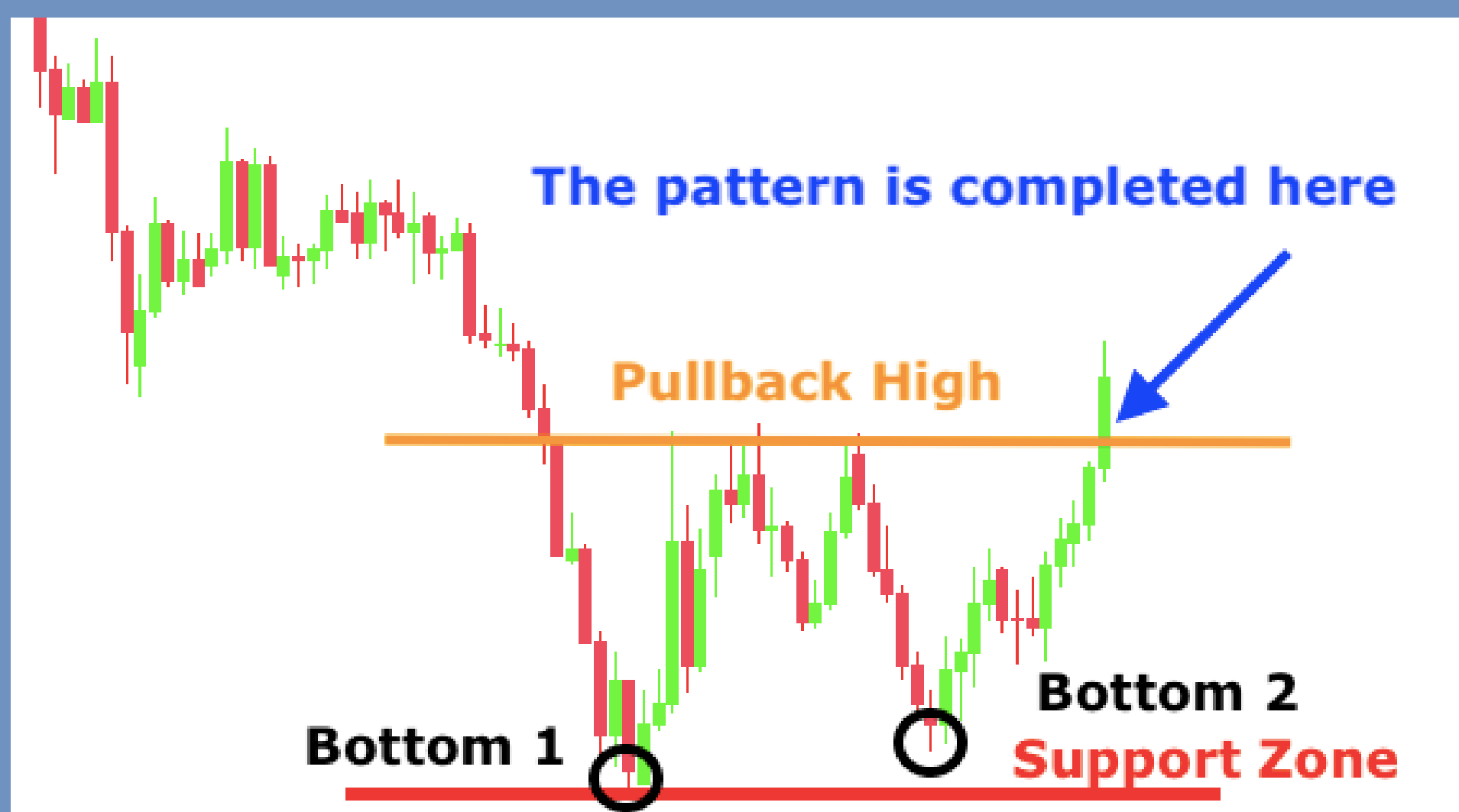
Rising Wedge

Falling Wedge

DOUBLE BOTTOM

A double bottom occurs when the price makes a low within a downtrend, and then pulls back upwards. Soon, there's another drop to a level roughly similar to the first drop. However, the price begins to rise again, and this time, it breaks above the pullback high.

What does it look like?



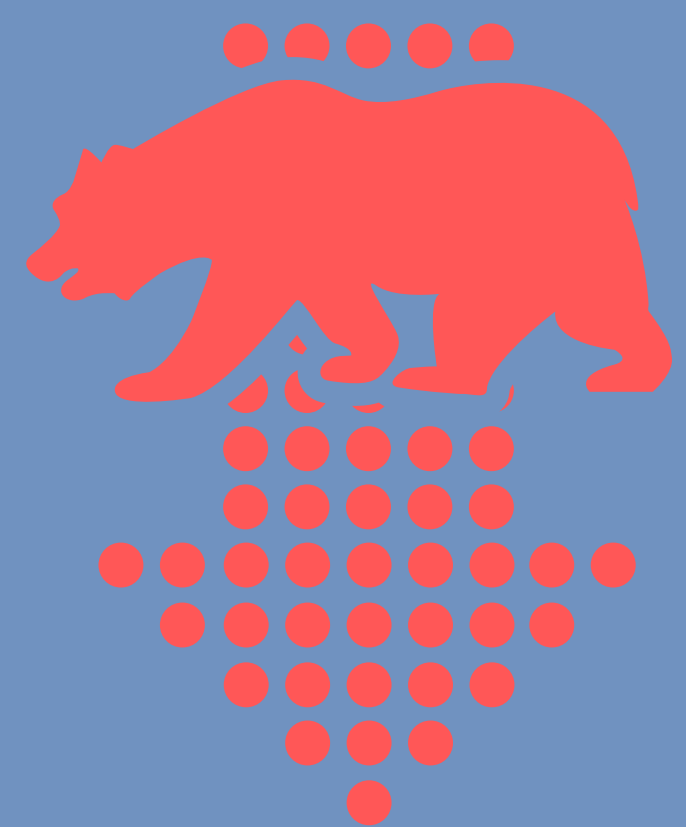
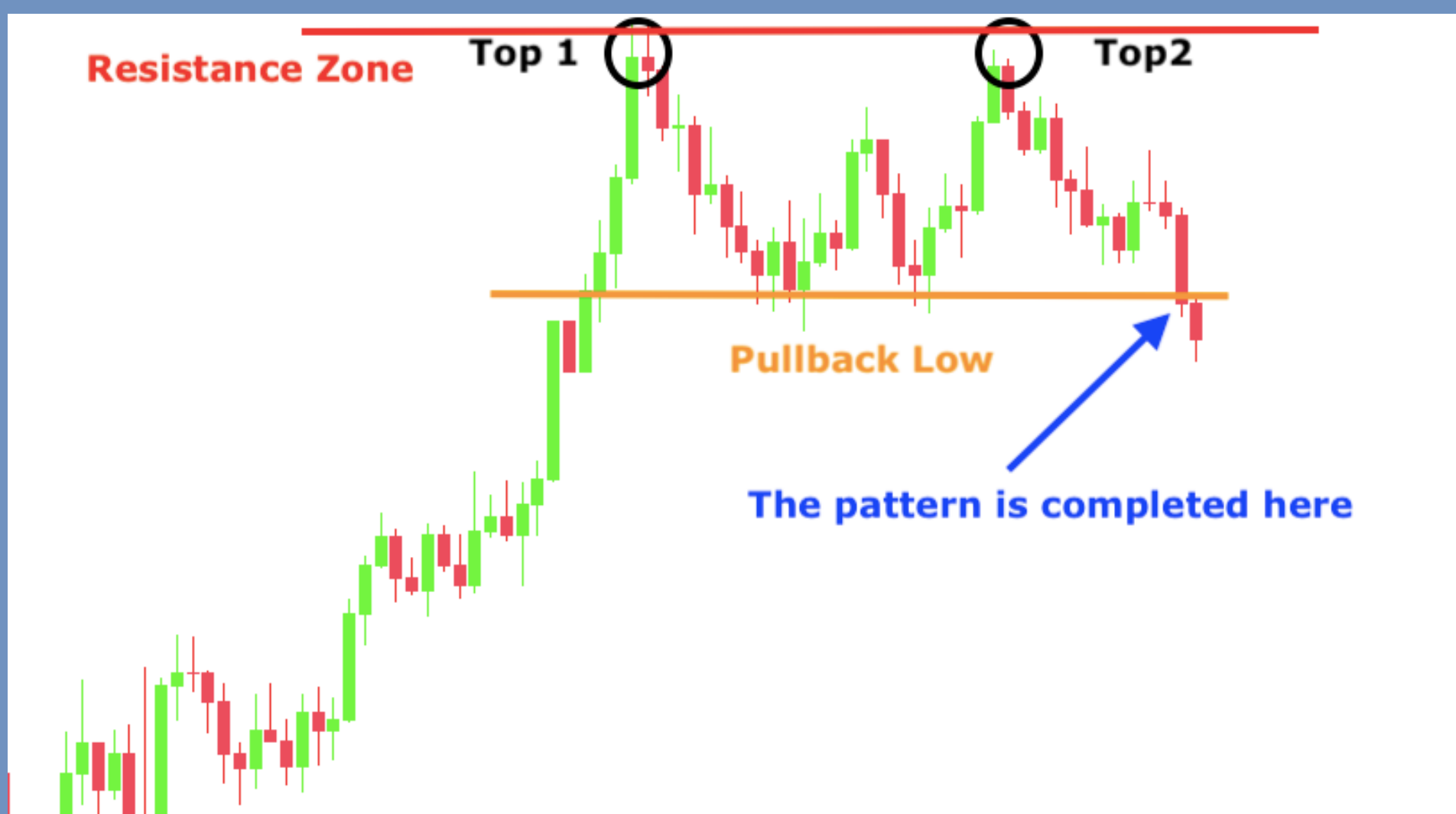
Examples



DOUBLE TOP

A double top occurs when the price makes a top within an uptrend, and then pulls back downwards. Soon, there's another high to a level roughly similar to the first high. However, the price begins to fall again and this time, it breaks below the pullback low.

What does it look like?



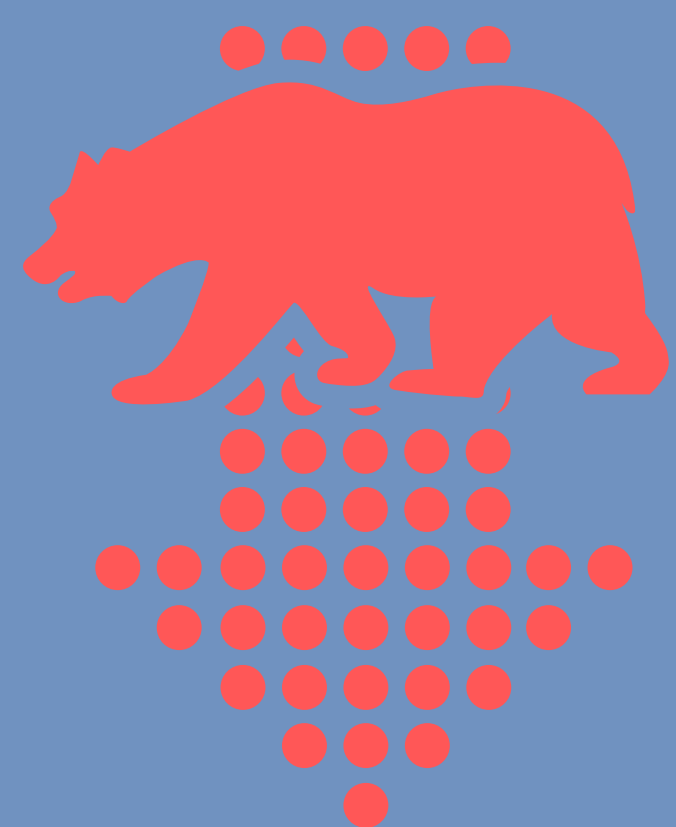
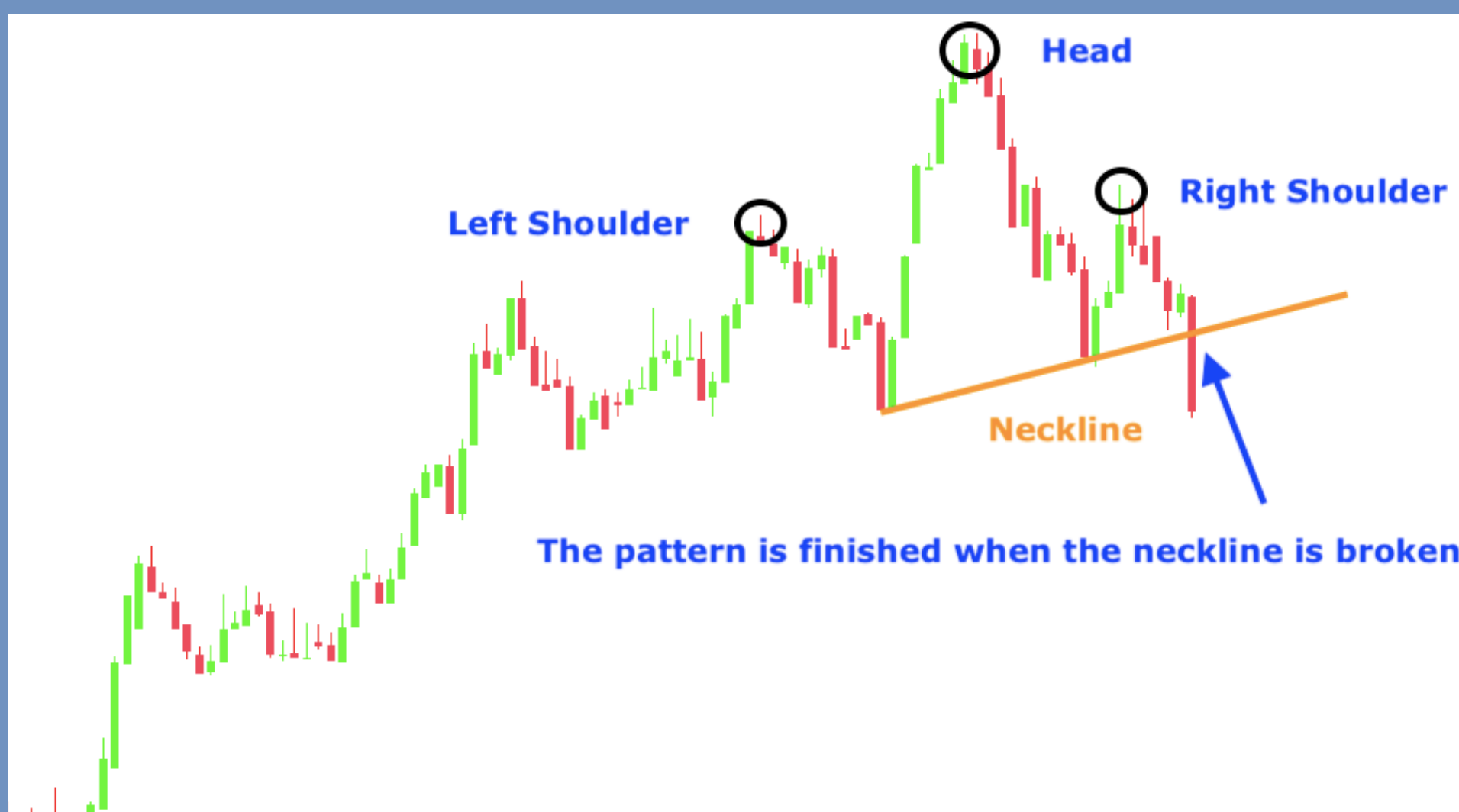
Examples



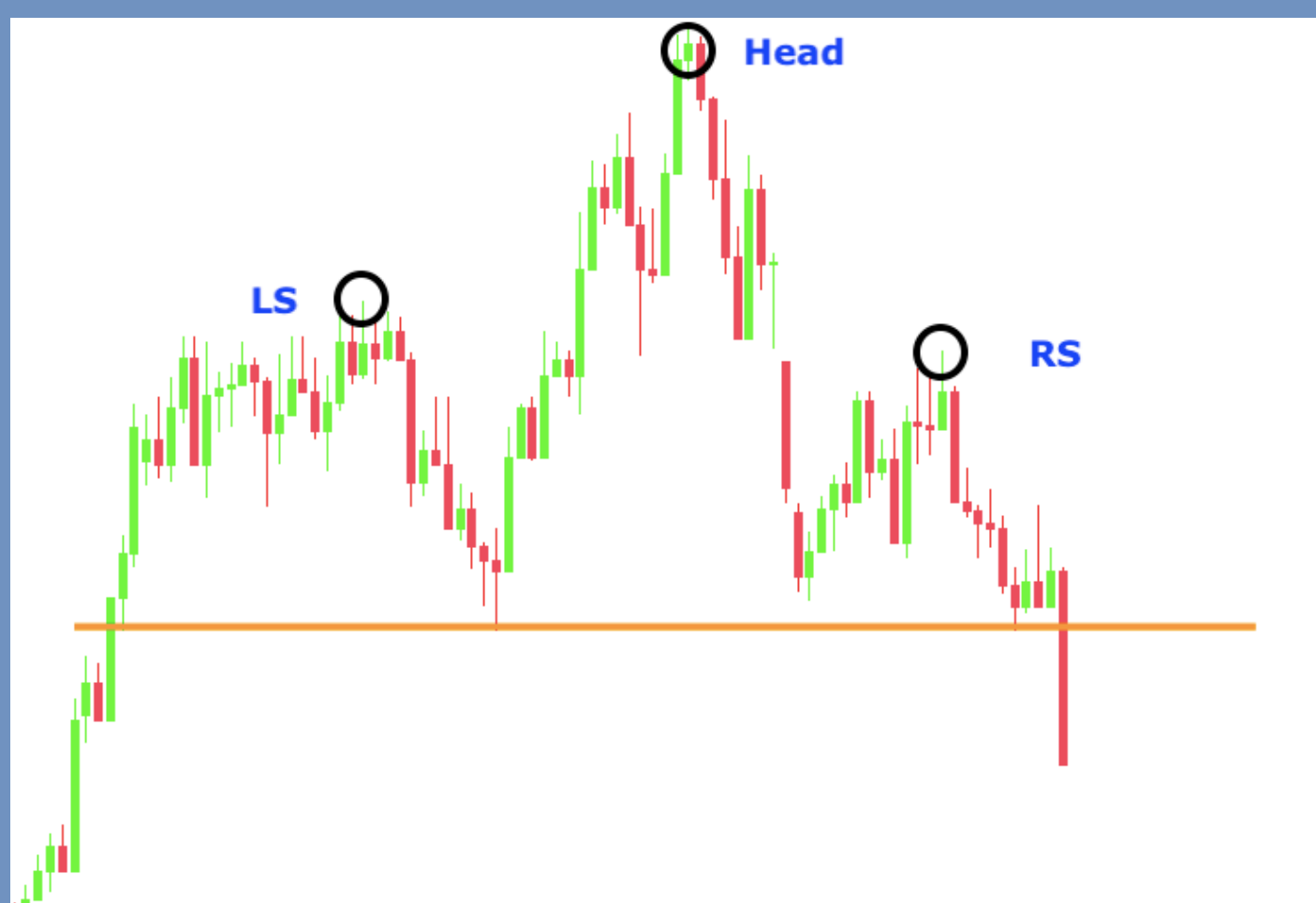
HEAD AND SHOULDERS

This pattern is characterized by three consecutivemarket highs, but these are located at different levels: two lower highs (shoulders) aside and one highest high (head) in between. In addition, there's a neckline that we get by connecting the pattern's lows.

What does it look like?



Examples



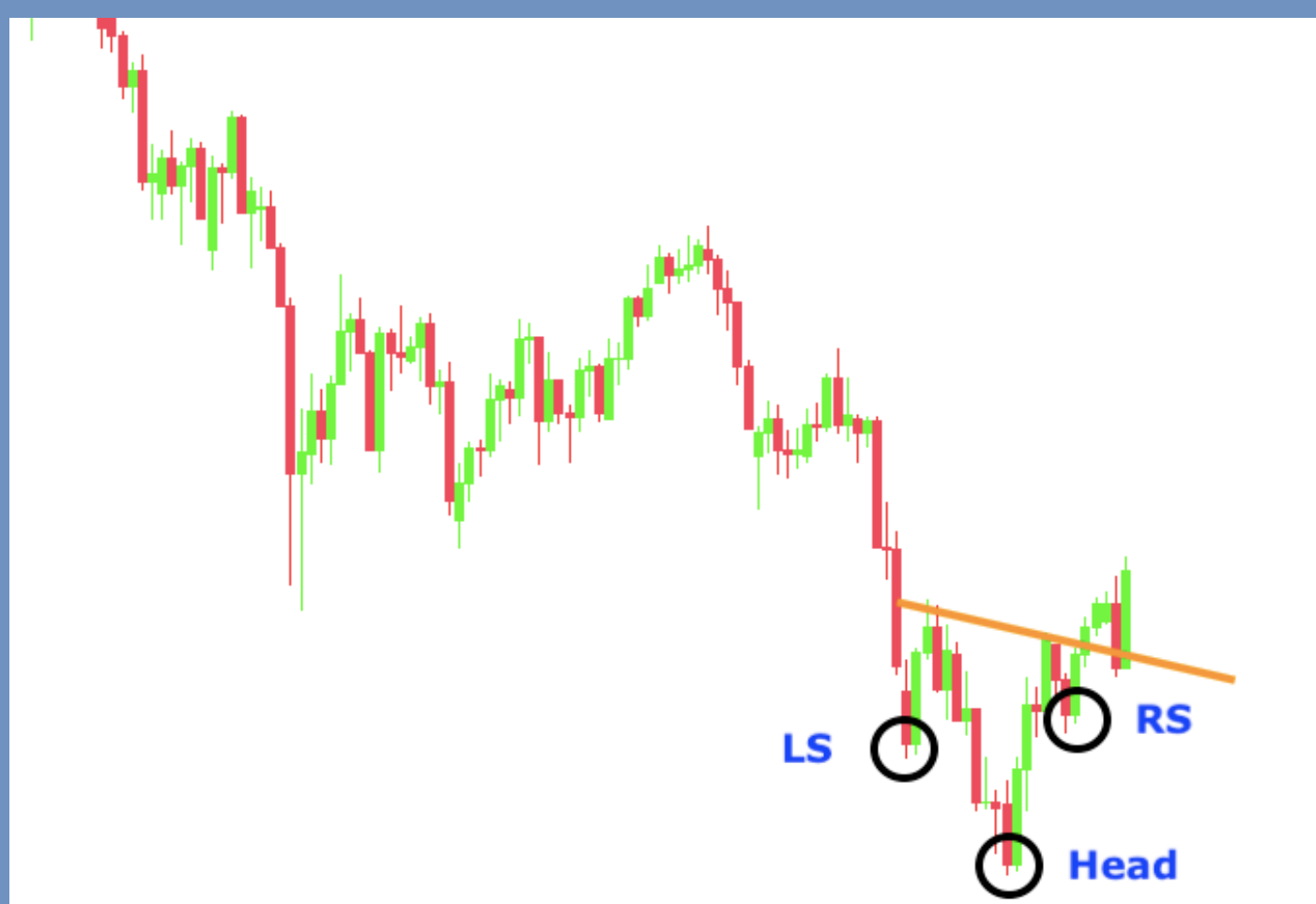
INVERSE HEAD AND SHOULDERS

This pattern is characterized by three consecutivemarket lows, but these are located at different levels: two higher bottoms (shoulders) aside and one lowest bottom (head) in between. In addition, there's a neckline that we get by connecting the pattern's highs.

What does it look like?



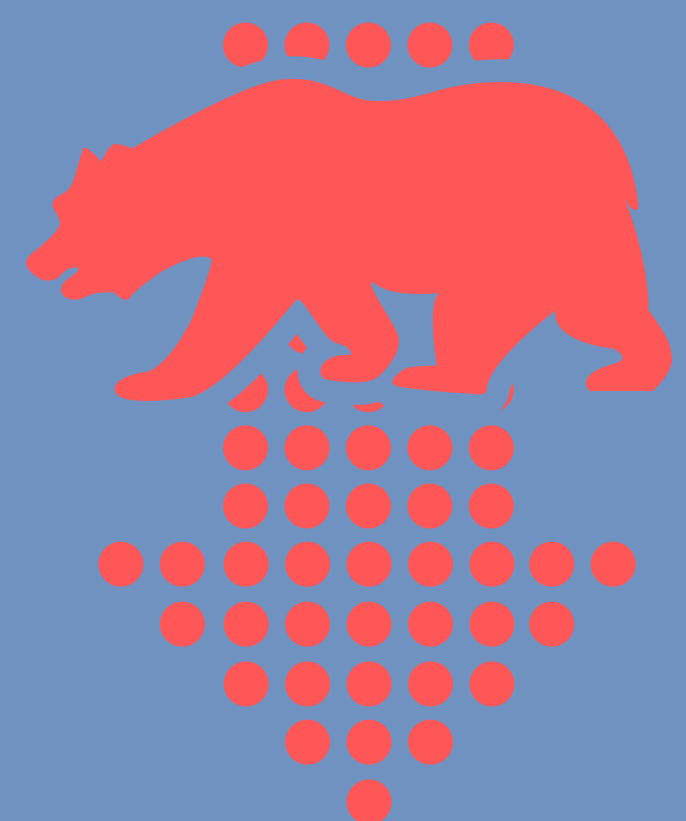
Examples



RISING WEDGE

The rising wedge pattern forms when the price of the currency pair moves up within a narrowing range. To avoid false breakouts, you should wait for a candle to close below the bottom trend line before entering.

What does it look like?



Examples



FALLING WEDGE

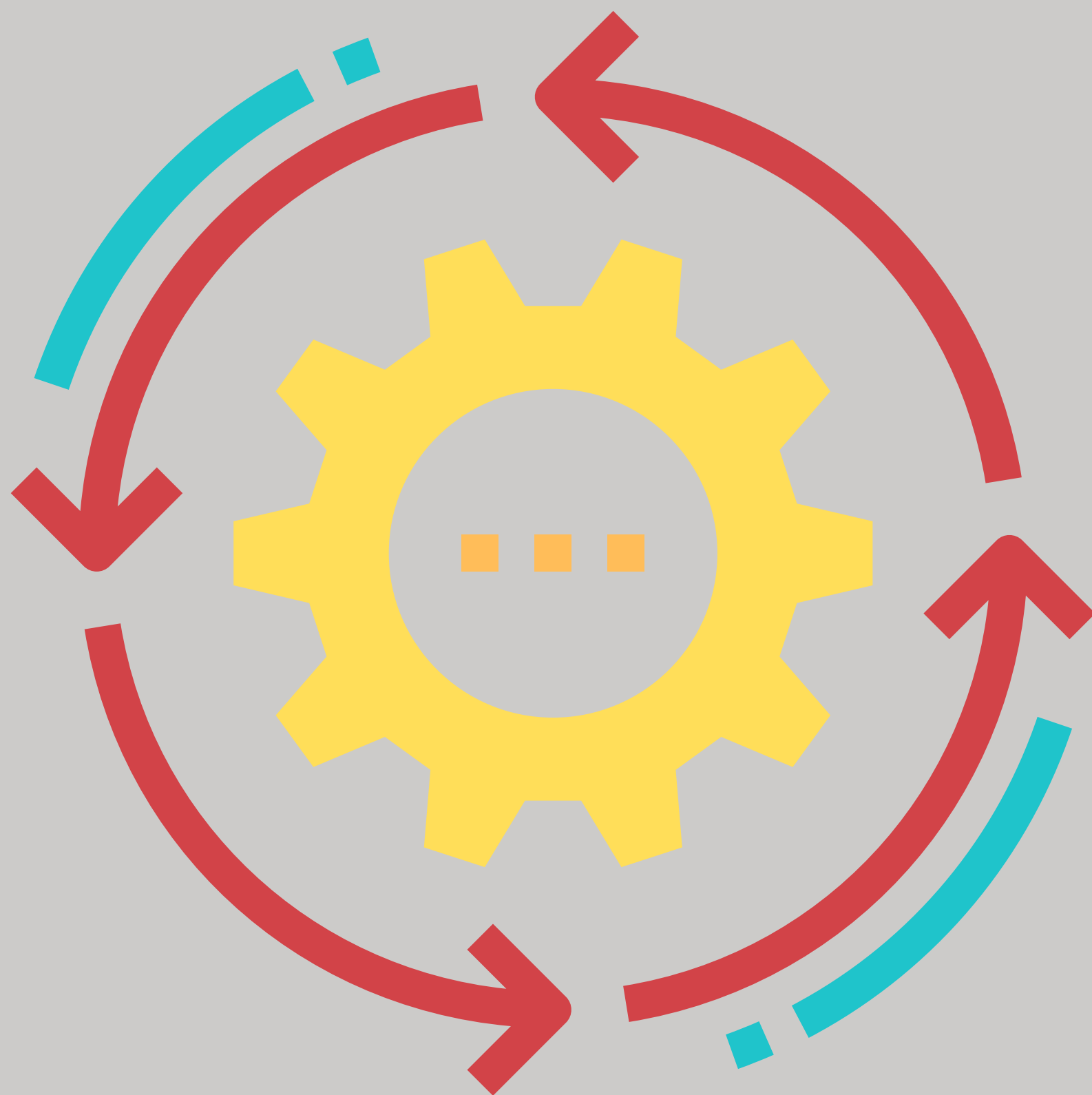
The falling wedge pattern forms when the price of the currency pair moves down within a narrowing range. To avoid false breakouts, you should wait for a candle to close above the top trend line before entering.

What does it look like?



Examples





CONTINUATION PATTERNS

Chart patterns that indicate a likely continuation of the prevailing trend.

Bullish Flag

Bearish Flag

Bullish Pennant

Bearish Pennant

Ascending Triangle

Descending Triangle

Bullish Rectangle

Bearish Rectangle

BULLISH FLAG

Bullish flag patterns can be found in strong uptrends. The shape of the pattern is similar to a flag on a pole, hence the name. The pole is the result of a nearly vertical price increase while the flag is formed as the price consolidates after the increase.

What does it look like?



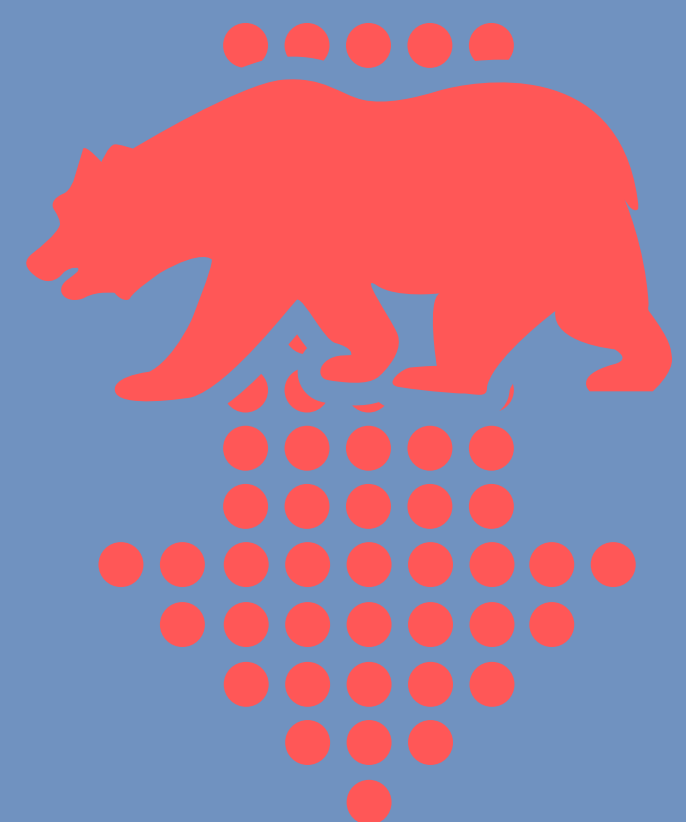
Examples



BEARISH FLAG

Bearish flag patterns can be found in strong downtrends. The shape of the pattern is similar to a flag on a pole, hence the name. The pole is the result of a nearly vertical price decrease while the flag is formed as the price consolidates after the decrease.

What does it look like?



Examples



BULLISH PENNANT

The bullish pennant is similar to the bullish flag pattern. The key difference is the consolidation phase that shows a less intensive effort to reverse the trend.

What does it look like?



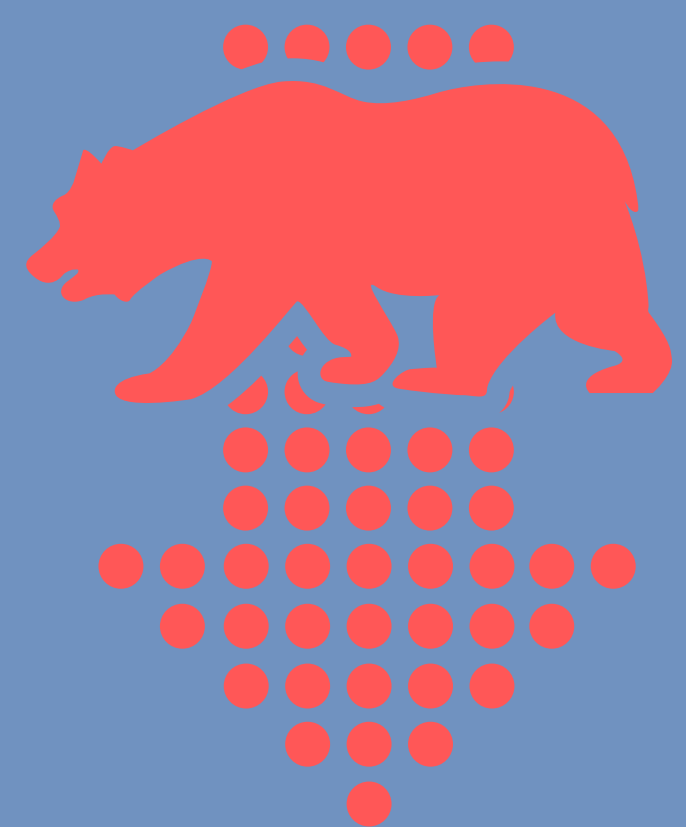
Examples



BEARISH PENNANT

The bearish pennant is similar to the bearish flag pattern. The key difference is the consolidation phase that shows a less intensive effort to reverse the trend.

What does it look like?



Examples



ASCENDING TRIANGLE

The ascending triangle pattern forms when the price is making higher lows, but it is unable to break through a resistance zone. It shows how buyers gain more and more control as the price runs up to the resistance level. Eventually, a breakout occurs that is usually followed by a significant increase in price.

What does it look like?



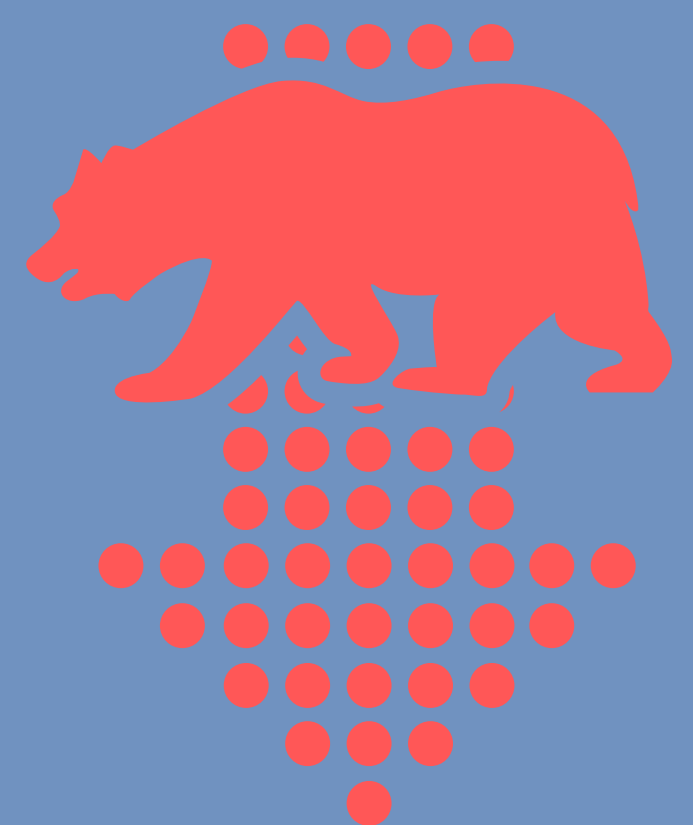
Examples



DESCENDING TRIANGLE

The descending triangle pattern forms when the price is making lower highs, but it is unable to break through a support zone. It shows how sellers gain more and more control as the price runs down to the support zone. Eventually, a breakout occurs that is usually followed by a significant fall in price.

What does it look like?



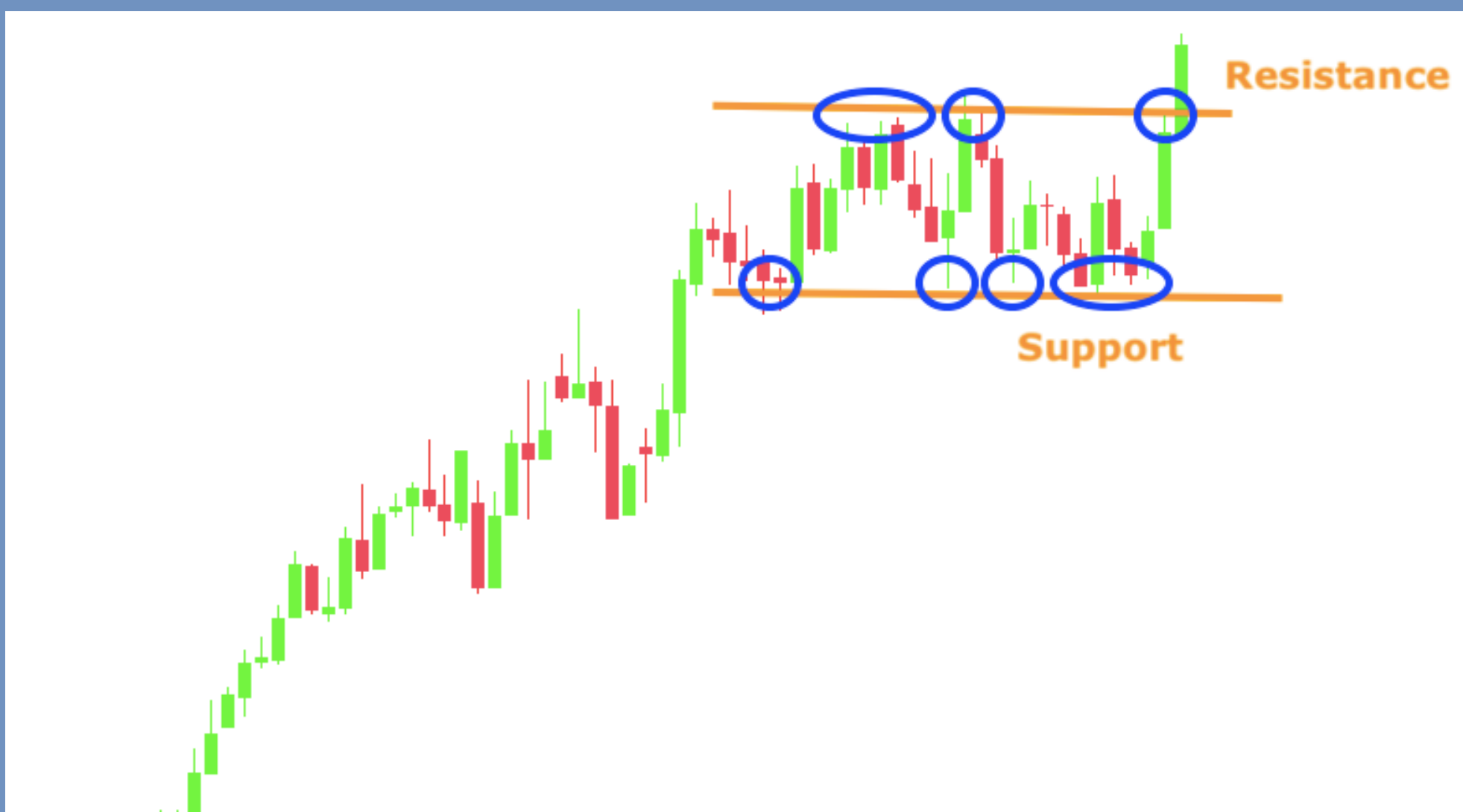
Examples



BULLISH RECTANGLE

The bullish rectangle pattern is a temporary sideways movement in an uptrend that usually appears at or near an existing resistance level that the price can't surpass immediately.

What does it look like?



Examples



BEARISH RECTANGLE

The bearish rectangle pattern is a temporary sideways movement in a downtrend that usually appears at or near an existing support level, which the price has a hard time beating.

What does it look like?



Examples

