



# CANDLESTICK PATTERNS

TRADING JUNKIES

# **CANDLESTICK PATTERNS**

MARUBOZU BULLISH

MARUBOZU BEARISH

SPINNING TOP

DOJI

BULLISH ENGULFING

BEARISH ENGULFING

TWEEZER BOTTOM

TWEEZER TOP

HAMMER

HANGING MAN

INVERTED HAMMER

SHOOTING STAR

MORNING STAR

EVENING STAR

THREE WHITE SOLDIER

THREE BLACK CROWS

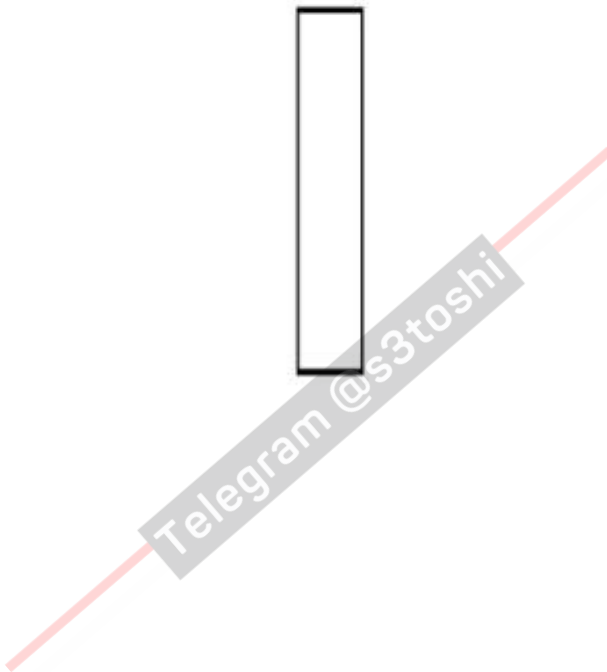
THREE INSIDE UP

THREE INSIDE DOWN

BULLISH HARAMI

BEARISH HARAM

## MARUBOZU BULLISH



A 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 means that the candle opened at its lowest price and closed at its highest price. This is a very bullish candle.

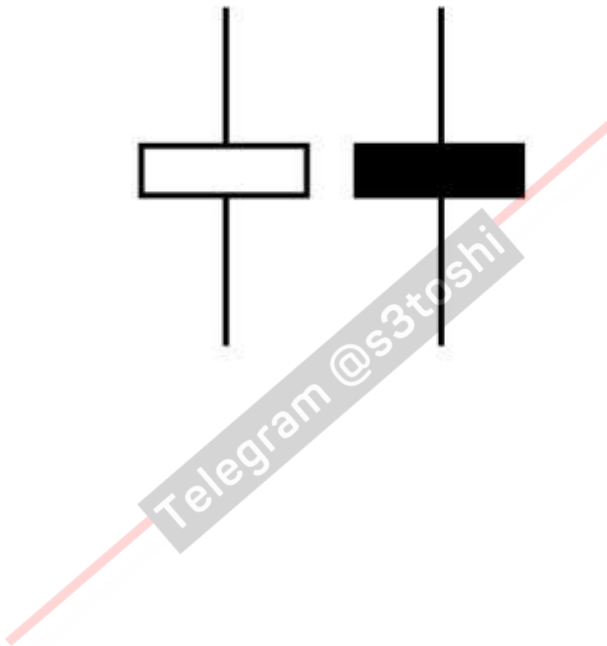
## MARUBOZU BEARISH



A Black Marubozu contains a long black body with no shadows.

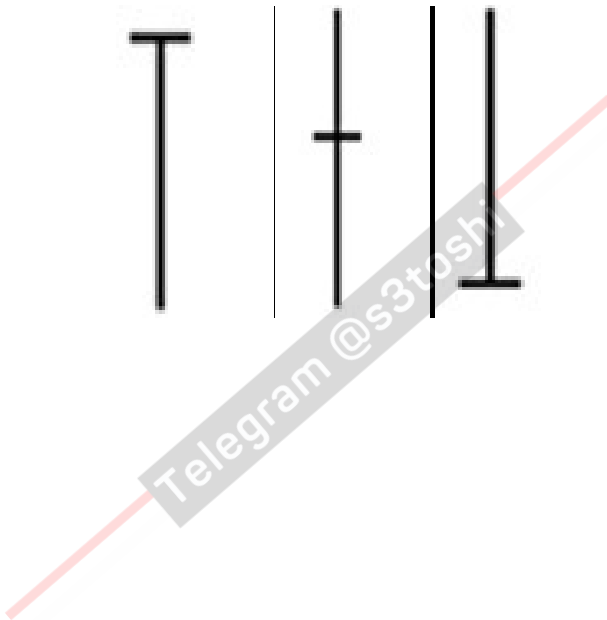
The open equals the high and the close equals the low. This means that the candle opened at its highest price and closed at its lowest price. This is a very bearish candle.

## SPINNING TOP



A Spinning Top is a Japanese candlestick with a small real body and long upper and lower shadows. The short body of the candle suggests that there was a lot of indecision in the market regarding the direction of the price, while the long shadows indicate that both buyers and sellers were active during the session.

## DOJI



A Doji is a single candlestick pattern that is formed when the opening price and the closing price are equal. The lack of a real body conveys a sense of indecision or tug-of-war between buyers and sellers and the balance of power may be shifting.

## BULLISH ENGULFING



The Bullish Engulfing pattern is a two candlestick reversal pattern that signals a strong up move may occur. It happens when a bearish candle is immediately followed by a larger bullish candle.

This second candle “engulfs” the bearish candle. This means buyers are flexing their muscles and that there could be a strong up move after a recent downtrend or a period of consolidation.

## BEARISH ENGULFING

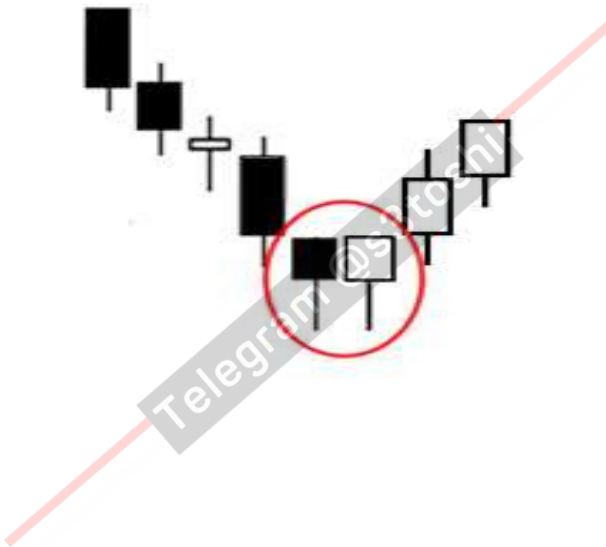


This type of candlestick pattern occurs when the bullish candle is immediately followed by a bearish candle that completely “engulfs” it.

This means that sellers overpowered the buyers and that a strong move down could happen.

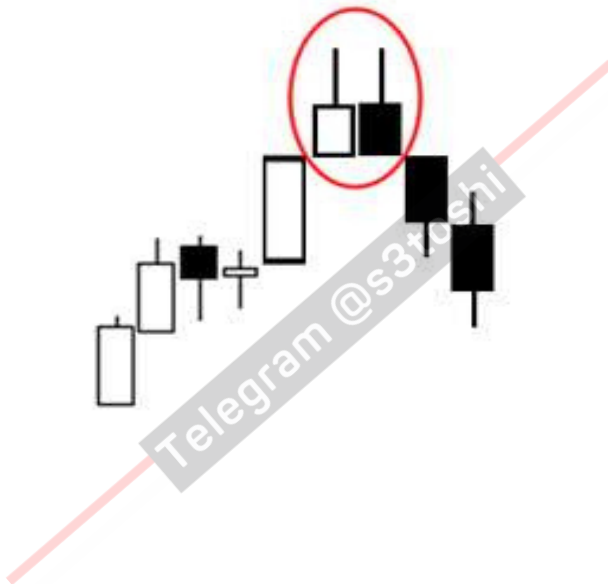


## TWEEZER BOTTOM



This type of candlestick pattern is usually spotted after an downtrend, indicating that a reversal will soon occur. The shadows of the candlesticks should be of equal (or near-equal) length. Tweezer Tops should have the same highs, while Tweezer Bottoms should have the same lows.

## TWEEZER TOP



Tweezer TOP pattern are candlestick reversal patterns. This type of candlestick pattern is usually spotted after an extended uptrend or downtrend, indicating that a reversal will soon occur. The second candlestick is opposite the overall trend. If the price is moving up, then the second candle should be bearish.

## HAMMER



The Hammer is a bullish reversal pattern that forms during a downtrend. It is named because the market is hammering out a bottom.

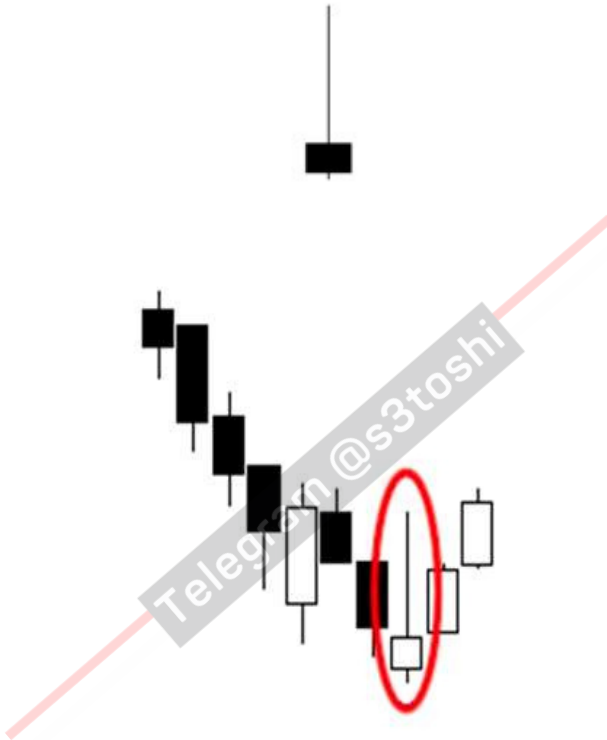
When the price is falling, hammers signal that the bottom is near and the price will start rising again.

## HANGING MAN



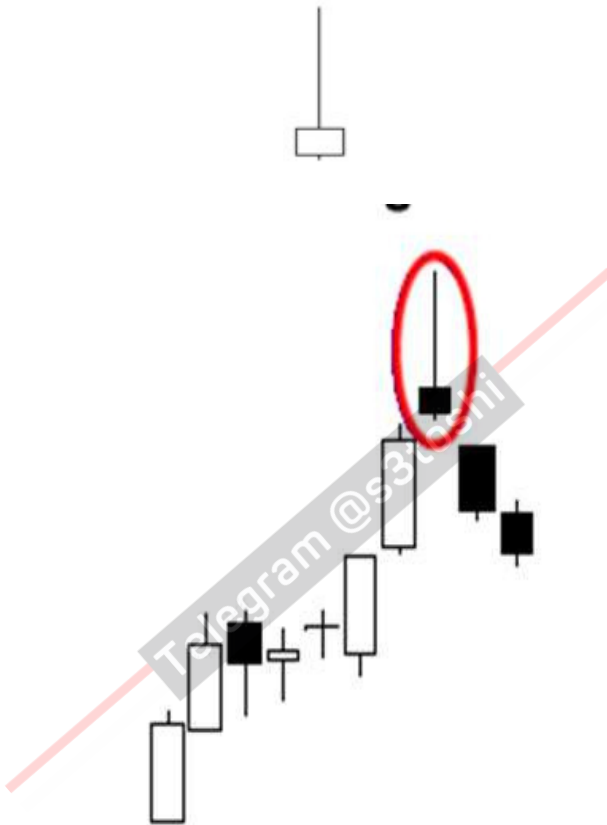
The Hanging Man is a bearish reversal pattern that can also mark a top or strong resistance level. When the price is rising, the formation of a Hanging Man indicates that sellers are beginning to outnumber buyers.

## INVERTED HAMMER



An Inverted Hammer is a bullish reversal candlestick. The Inverted Hammer occurs when the price has been falling suggests the possibility of a reversal. Its long upper shadow shows that buyers tried to bid the price higher. However, sellers saw what the buyers were doing, said “Oh heck no!” and attempted to push the price back down.

## .SHOOTING STAR



The Shooting Star is a bearish reversal pattern that looks identical to the inverted hammer but occurs when the price has been rising. Its shape indicates that the price opened at its low, rallied, but pulled back to the bottom.

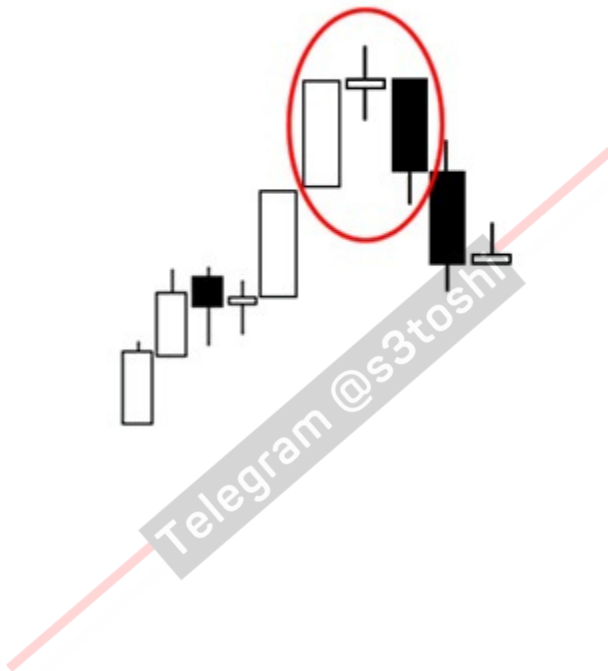
## MORNING STAR



The Morning Star is a bullish three-candlestick pattern signifying a potential bottom. It warns of weakness in a downtrend that could potentially lead to a trend reversal.

The morning star consists of three candlesticks with the middle candlestick forming a star.

## EVENING STAR

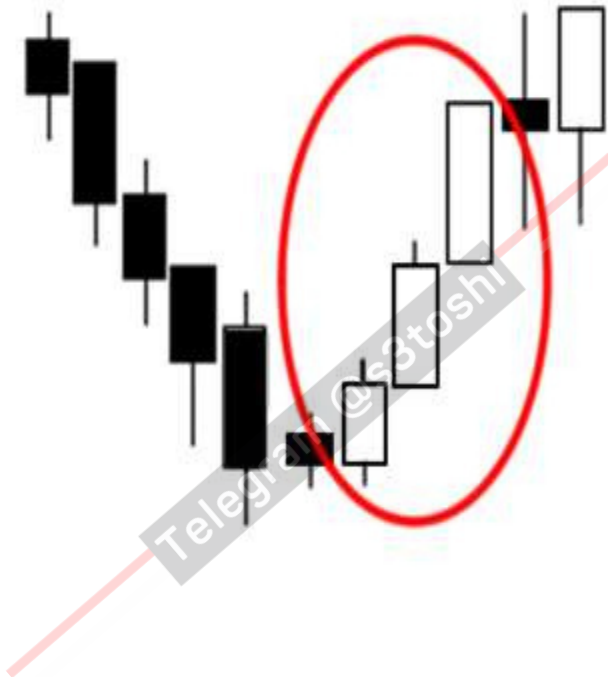


An Evening Star is a bearish reversal candlestick pattern consisting of three candles: a large bullish candlestick, a small-bodied candle, and a bearish candle.

Evening Star patterns appear at the top of a price uptrend, signifying that the uptrend is nearing its end.



## THREE WHITE SOLDIER



The Three White Soldiers pattern is formed when three long bullish candles follow a downtrend, signaling a reversal has occurred. The first of the “three soldiers” is called the reversal candle. It either ends the downtrend or implies that the period of consolidation that followed the downtrend is over.

## THREE BLACK CROWS



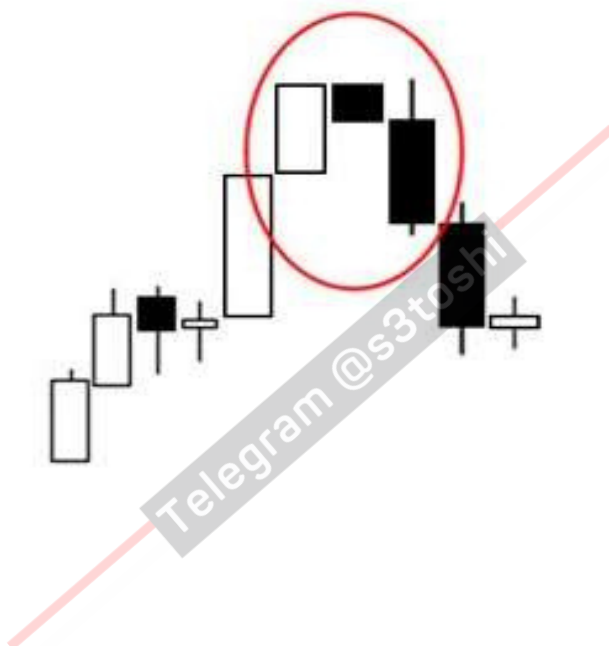
The Three Black Crows candlestick pattern is just the opposite of the Three White Soldiers. It is formed when three bearish candles follow a strong uptrend, indicating that a reversal is in the works. The second candle's body should be bigger than the first candle and should close at or very near its low. Finally, the third candle should be the same size or larger than the second candle's body with a very short or no lower shadow.

## THREE INSIDE UP



The Three Inside Up candlestick formation is a trend-reversal pattern that is found at the bottom of a downtrend. This triple candlestick pattern indicates that the downtrend is possibly over and that a new uptrend has started.

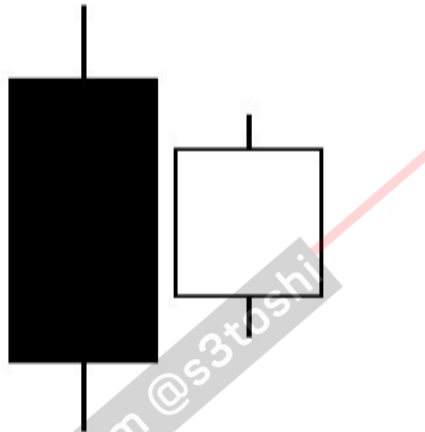
## THREE INSIDE DOWN



Conversely, the Three Inside Down candlestick formation is found at the top of an uptrend.

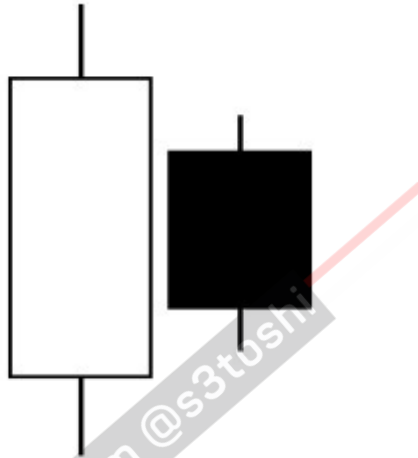
It means that the uptrend is possibly over and that a new downtrend has started.

## BULLISH HARAMI



A bullish harami is a candlestick chart indicator used for spotting reversals in a bear trend. It is generally indicated by a small increase in price (signified by a white candle) that can be contained within the given equity's downward price movement (signified by black candles) from the past couple of days.

## BEARISH HARAMI



A bearish harami is a candlestick chart indicator for reversal in a bull price movement.

It is generally indicated by a small decrease in price (signified by a black candle) that can be contained within the given equity's upward price movement (signified by white candles) from the past day or two.