

Module 3 – Chapter 10 – Bearish Marubozu

The Bearish Marubozu is a pronounced bearish candlestick pattern, representing robust selling sentiment throughout a given trading session. Stemming from the Japanese term for "bald" or "shaven," the name "Marubozu" refers to the pattern's distinct lack of shadows, showcasing a steadfast commitment from sellers from the session's beginning to its end.

What The Pattern Looks Like

The distinct features of the Bearish Marubozu include:

- 1) **No Shadows:** The primary hallmark of a Marubozu is its absence (or nearly negligible presence) of upper and lower shadows. This suggests that the opening price was also the session's high, and the closing price was its low.
- 2) **Long Red Body:** The body of the candle is red signifying that the closing price was lower than the opening price.
- 3) **Size:** Typically, the Marubozu boasts a relatively long body in comparison to previous candles, highlighting the strong selling sentiment that prevailed throughout the session

Pattern Psychology

Delving into the mentality driving the Bearish Marubozu's formation:

- 1) **Consistent Bearish Momentum:** The session commences at its peak and concludes at its lowest point, underscoring a persistent selling pressure from start to finish. At no juncture did the buyers push the price above the opening, nor prevent the sellers from driving it down to the close.
- 2) **Undiluted Seller Control:** The sheer absence of shadows paints a picture of a trading period where one sentiment reigned supreme. For the Bearish Marubozu, it's evident that sellers maintained unwavering dominance.
- 3) **Potential Continuation or Reversal:** If this pattern emerges amidst a downtrend, it solidifies the bearish sentiment, hinting at a continuation. Conversely, if it materializes after an uptrend or at a recognized resistance level, it can signal a potent bearish reversal, suggesting that the bulls have been overpowered and a downward shift may be imminent.
- 4) **Prudence is Key:** While the Bearish Marubozu embodies potent bearish sentiment, traders must exercise caution.

If the Marubozu is spotted after an extended downtrend, it could also indicate the final thrust before a reversal or consolidation phase. As always, the broader context and auxiliary technical indicators must be factored in for a holistic analysis.



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What The Pattern Looks Like

In summation, the Bearish Marubozu stands as a testament to bearish supremacy in a specific trading session. Its unmistakable, shadow-free formation underscores a palpable confidence among sellers, making it an invaluable pattern for traders to be acquainted with. Nevertheless, it's imperative to interpret the Bearish Marubozu in conjunction with other technical

tools and within the larger market framework to glean the most accurate insights into prospective price trajectories.



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