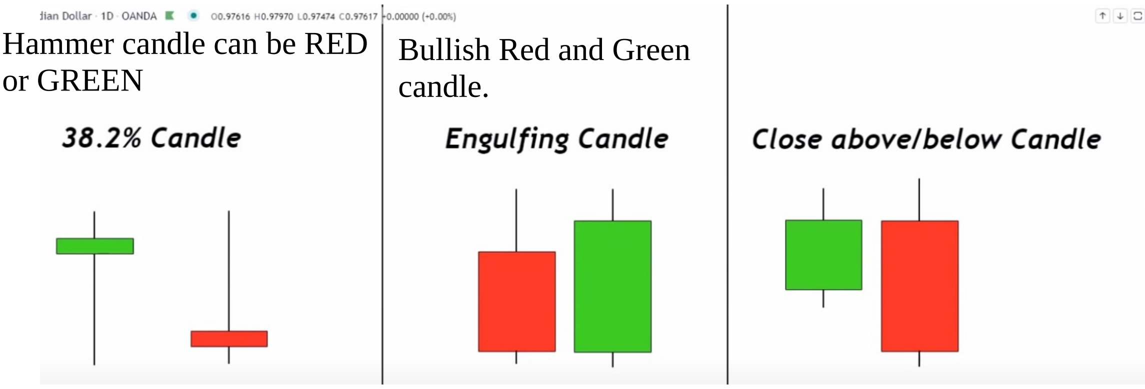
# The Only Candlestick Patterns Trading.



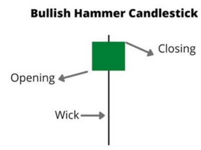

1. Identify the 38.2% candle pattern in an objective way using a fibonacci retracement from the top of that candle down to the low and as long as the entire body of that candle is below the 38.2% etracement then i know that as a **selling pressure**.
2. Identify the 38.2% candle pattern pull a fibonacci retracement from the swing low of the candle itself to the high of the candle itself as long as the entire body of that candle is above the 38.2% retracement then i count this as a valid 38.2 percent candle and i count this as a candle that's showing me **buying pressure**.

## NOTE:

The way we use these types of candles 38.2% is if this was to occur at the top of an uptrend it might be a sign of a reversal, if this was to occur in a downtrend on our pullback it might be a sign that we're about to continue in trend.

NOTE: The HAMMER "38.2% " CANDLE can be RED or GREEN.

Combing this candle stick in a major area of value can give a good results at times.




3. Engulfing candle is a candle that has a larger body than the previous candle and that changes colors. so for a bullish engulfing pattern i need to see that

1. The previous candle was red that the next candle is green and that the green candle has a larger body than the previous candle that is a bullish engulfing candle for me.
2. The bearish engulfing pattern is the opposite of bullish.

## Trading the 38.2% candle patterns Bullish version

## Conditions.

1. We're going to be using the 20 period moving average.
2. price must be trading above that 20 period moving average
3. Wait on 38.2 percent candle (price) to touch the 20 period moving average and wick off.

## Entry rules:

The close of that 38.2 candle is our entry and then we put stops and targets accordingly.

STOP: 20 pips below the low of the entry candle.


GBPNZD
5m
15m
1h
4h
D
W
Compare
Indicators
Financials
Templates
Alert
Replay
ATR 0.00538
Speed
British Pound / New Zealand Dollar · 4h · OANDA
−0.00320 (−0.16%)
1.97560
3.7
1.97597
EMA 1.96193
EMA
CM_TimeBased_Lines
Ancient Relic
ATR SL

# Bearish version

## Conditions.

1. **The market is trading below the 20 period moving average.**
2. **Wait for a candle to touch the 20 Moving average then  wick off of the 20-period moving average.**
3. 


STOP: Our stop  is going to be 20 pips above 53 plus 20 = 73,  and then we have a one-to-one reward to risk ratio