

Six Bullish Candlestick Patterns (Buy Signals)

We start with six bullish candlestick formations that can indicate buy signals.

This is a selection of candlestick formations, there are others but we have selected for you key **formations that are commonly seen.**

1. The hammer

Characteristics: Short body, Long shadow, At the bottom of a downtrend. A green hammer indicates a strong uptrend

2. Inverse hammer

Traits: Long Upper Shadow, Short Lower Shadow. Strong buying pressure followed by selling pressure. Suggestion that buyers will soon take control of the market

3. Bullish engulfing

Characteristics: The formation consists of two candlestick charts:

A candle with a short red body, which is completely surrounded by a second green candle. This is an indication of a clear price increase

4. Piercing line

Characteristics: The Piercing Line consists of two candlestick charts: a long red candlestick followed by a green candlestick.

There is a clear gap between the close of the first candlestick and the open of the green candlestick

There is buying pressure as the price is being propelled at or above the previous day's mid-price.

5. Morning Star

Characteristics: Hope amidst a downtrend. The morning star is a three candlestick pattern: a short body candlestick between a long red candlestick and a long green candlestick. Usually the "star" and the longer body do not touch as the market leaves a gap between the open and the close. The selling pressure of the first day is fading and a bullish market is on the horizon.

6. Three wild soldiers

The Three White Soldiers pattern occurs over three days. It consists of strung together long green candlesticks with small shadows that open and close continuously higher than the previous day.

It is a very strong bullish signal that emerges after a downtrend and shows steady growth in buying pressure.