

Trend Continuation Patterns Cheatsheet

Quick Reference for Pullback & Consolidation Setups

The Core Principle

Trends don't move in straight lines. They advance, consolidate, then continue.

The goal: Enter during consolidation, ride the next leg.

Flag Patterns

Bull Flag



ELEMENT	DESCRIPTION
Pole	Sharp, high-volume advance
Flag	Downward sloping parallel channel
Duration	Flag should be shorter than pole
Volume	Declining during flag, expanding on break
Target	Pole height added to breakout point

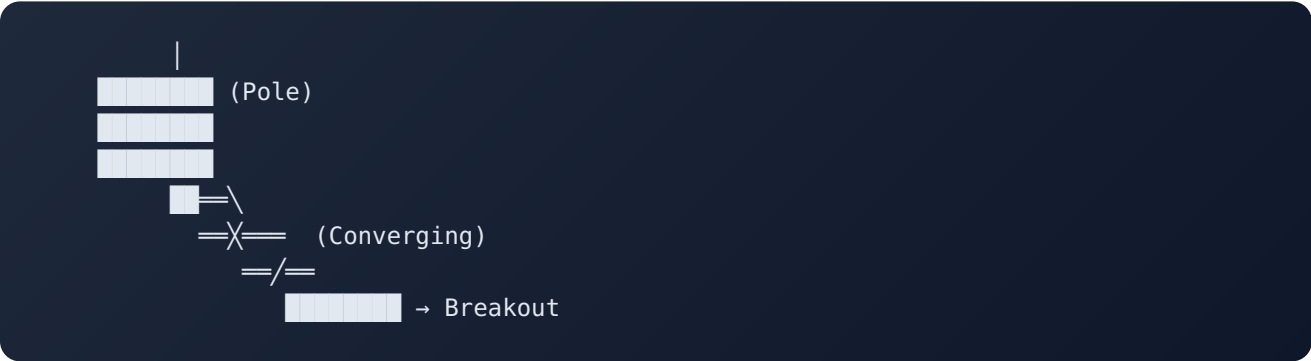
Bear Flag



ELEMENT	DESCRIPTION
Pole	Sharp, high-volume decline
Flag	Upward sloping parallel channel
Duration	Flag should be shorter than pole
Volume	Declining during flag, expanding on break
Target	Pole height subtracted from breakout point

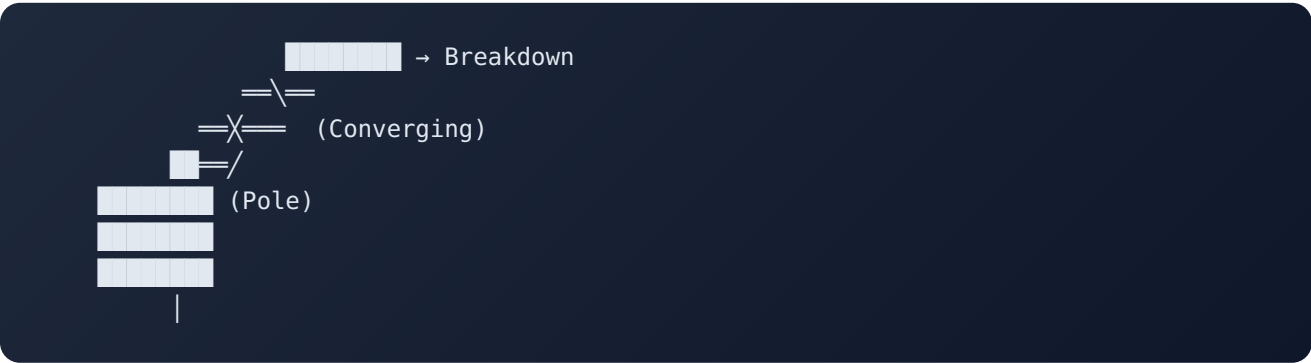
Pennant Patterns

Bull Pennant



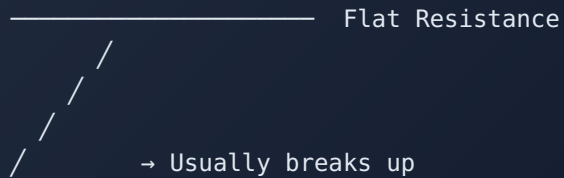
ELEMENT	DESCRIPTION
Pole	Sharp advance
Pennant	Converging trendlines (triangle)
Apex	Point where lines meet
Break	Usually before 75% to apex
Target	Pole height added to breakout

Bear Pennant



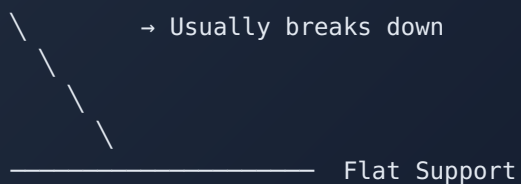
Ascending/Descending Triangles

Ascending Triangle (Bullish)



ELEMENT	DESCRIPTION
Structure	Flat top, rising bottom
Psychology	Buyers more aggressive each test
Break	Usually upward (70%+)
Target	Height of triangle at base

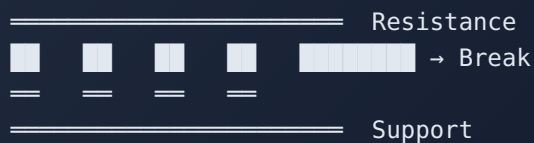
Descending Triangle (Bearish)



ELEMENT	DESCRIPTION
Structure	Falling top, flat bottom
Psychology	Sellers more aggressive each test
Break	Usually downward (70%+)
Target	Height of triangle at base

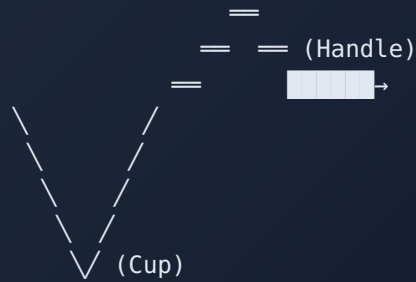
Rectangle (Trading Range)

Bullish Rectangle



ELEMENT	DESCRIPTION
Structure	Parallel horizontal lines
Prior Trend	Uptrend = expect upside break
Volume	Low in range, high on break
Target	Range height added to breakout

Cup and Handle

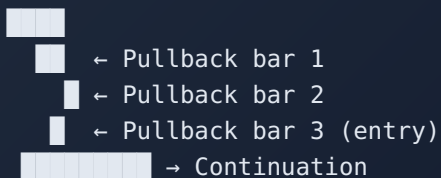


ELEMENT	DESCRIPTION
Cup	U-shaped base (not V)
Handle	Small pullback from right side of cup
Duration	Cup: weeks to months; Handle: days to weeks
Volume	Lower on right side of cup, spikes on break
Target	Cup depth added to breakout

Pullback Entry Patterns

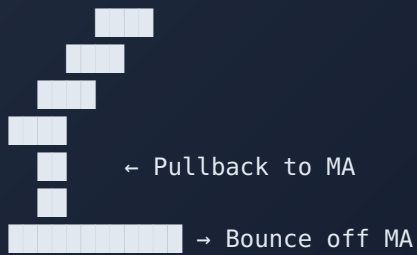
The 3-Bar Pullback

Uptrend:



Rules: - 2-4 bars against trend - Shallow retracement (38-50% Fib) - Lower volume on pullback - Enter when trend resumes

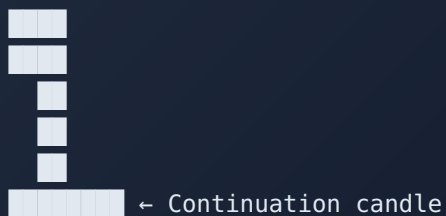
Moving Average Pullback



MA	BEST FOR
10 EMA	Aggressive (scalping)
20 EMA	Standard (swing)
50 SMA	Conservative (position)

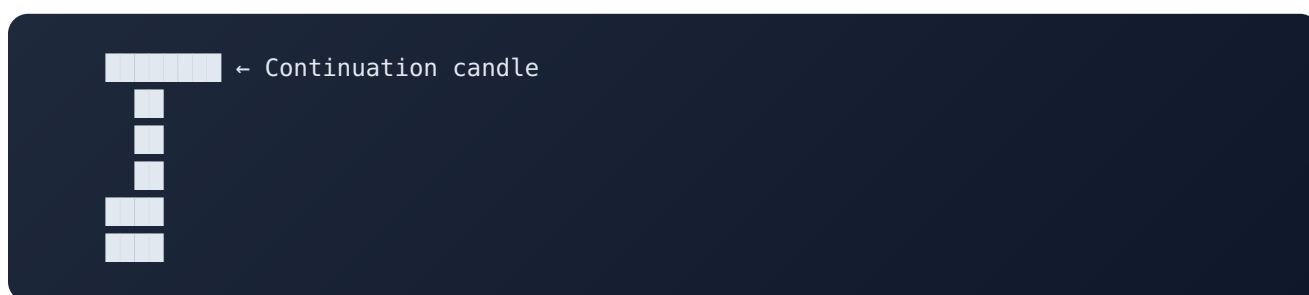
Continuation Candlestick Patterns

Rising Three Methods (Bullish)



ELEMENT	DESCRIPTION
Long green	Establishes trend
3 small reds	Contained within first green
Long green	Closes above first green's high

Falling Three Methods (Bearish)



Entry Strategies

STRATEGY	ENTRY POINT	RISK
Breakout	On break of pattern	Higher (false breaks)
Retest	On retest of breakout level	Lower (may not retest)
Anticipation	Before breakout on pullback	Higher (pattern may fail)

Measuring Targets

Measured Move Formula

Target = Breakout Point + Pattern Height

Flag/Pennant: Pole height

Triangle: Height at widest point

Rectangle: Range height

Cup & Handle: Cup depth

Quality Checklist

Before Trading Continuation Pattern

- ☐ **Clear prior trend** exists (not ranging)
 - ☐ **Pattern is proportional** (consolidation < trend move)
 - ☐ **Volume declining** during consolidation
 - ☐ **Pattern not overextended** (within time limits)
 - ☐ **Higher TF trend** supports direction
 - ☐ **Risk/reward** minimum 2:1
-

Pattern Failure Signs

WARNING SIGN	WHAT IT MEANS
Volume rising in pattern	Distribution, not consolidation
Pattern taking too long	Trend may be reversing
Break on low volume	Fake breakout likely
Immediate reversal after break	Failed pattern, exit
Counter-trend break	Pattern failed, may reverse

SignalPilot Integration

PATTERN	PENTARCH SIGNAL
Flag/Pennant setup	Look for TD in pullback
Breakout candle	IGN should fire
Extended flag (warning)	WRN may appear
Failed pattern	BDN on breakdown

PATTERN	JANUS ATLAS
Pullback low	Sweep + reclaim = strong
Breakout	No sweep = clean break

Time Rules

PATTERN	IDEAL DURATION
Flag	1-3 weeks (5-20 bars daily)
Pennant	1-4 weeks
Triangle	3-8 weeks
Rectangle	2-8 weeks
Cup & Handle	Cup: 1-6 months, Handle: 1-4 weeks

General Rule: Consolidation < 1/3 of prior trend duration

Stop Placement

PATTERN	STOP LOCATION
Flag/Pennant	Below pattern low (long)
Triangle	Below last swing low (long)
Rectangle	Below range support (long)
Cup & Handle	Below handle low

Buffer: Add 0.5-1 ATR for safety

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