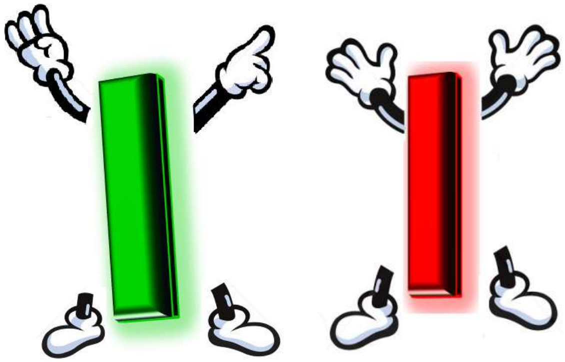
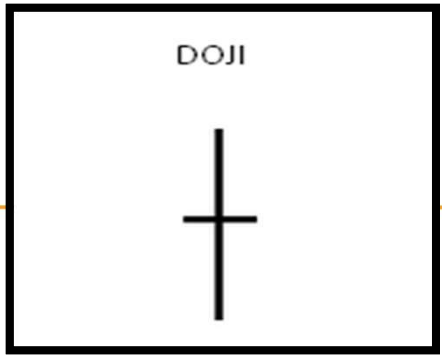
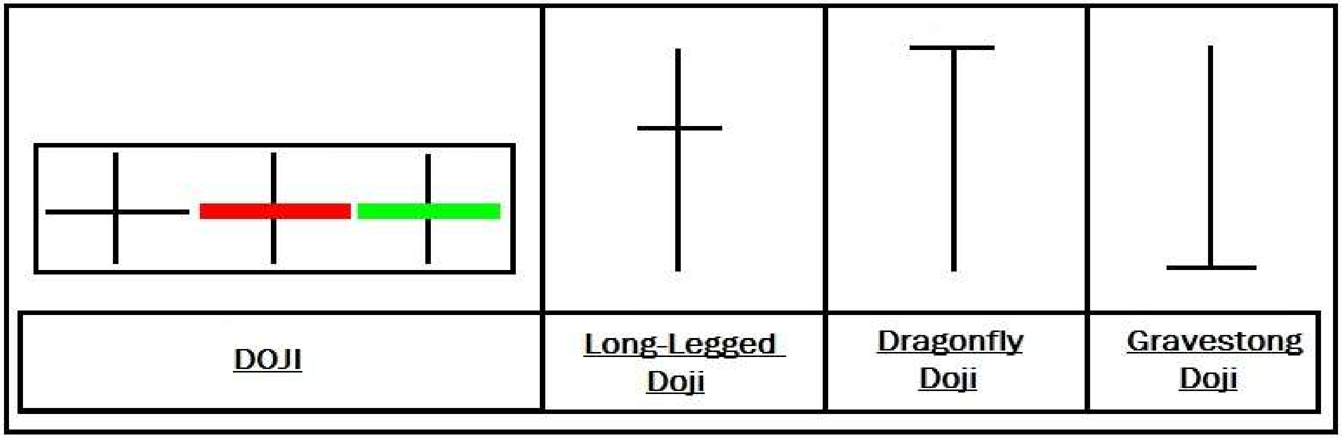
CANDLESTICK STUDY



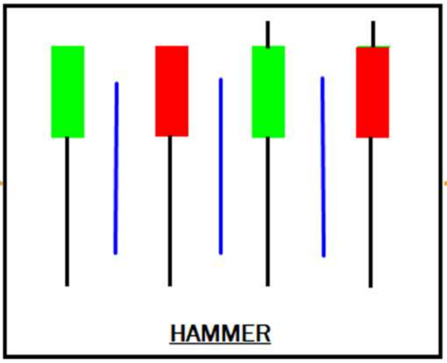
DOJI (BULLISH / BEARISH)



- This candlestick is formed when the opening and closing prices are virtually equal.
- Trend should be Up or Down for a good period.
- Large volume on the signal day increases the chances that a blow off day has occurred, although it is not a necessity.
- For Confirmation if market open with gaps down or up or sustain above or below the closing price.
- Stop loss will be above the high or below the low of the DOJI.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

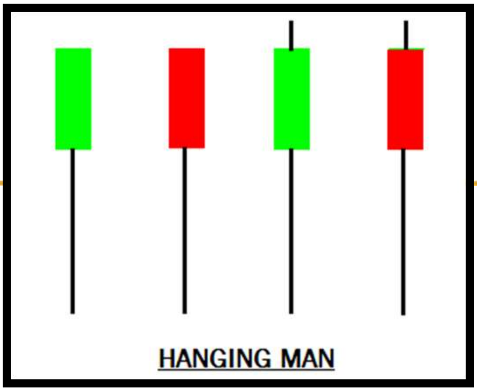


HAMMER (BULLISH)



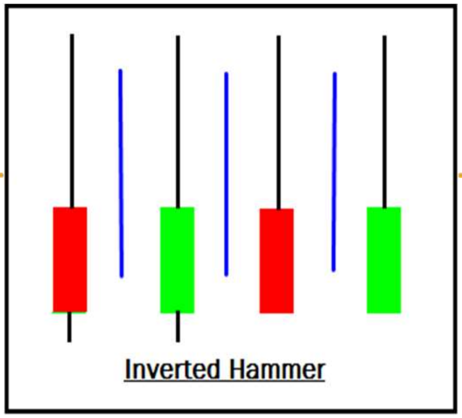
- The Lower shadow should be at least twice the length of the body.
- Trend should be down for a good period.
- The color of the small body is not important.
- There should be no upper shadow or a very small upper shadow.
- Large volume on the Hammer day increases the chances that a blow off day has occurred.
- For Confirmation if market open Gap Up or sustain above the body.
- Stop loss will be below the low of Hammer.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

HANGING MAN (BEARISH)



- **The Lower shadow should be at least twice the length of the body.**
- **There should be no upper shadow or a very small upper shadow.**
- **Trend should be Up for a good period.**
- **The color of the small body is not important.**
- **For Confirmation if market open Gap down or sustain below the body.**
- **Large volume on the signal day increases the chances that a blowoff day has occurred although it is not a necessity.**
- **Stop loss will be above the high of Hanging Man.**
- **Target 1:2 Ratio minimum for more modify stop loss time to time.**

INVERTED HAMMER (BULLISH)

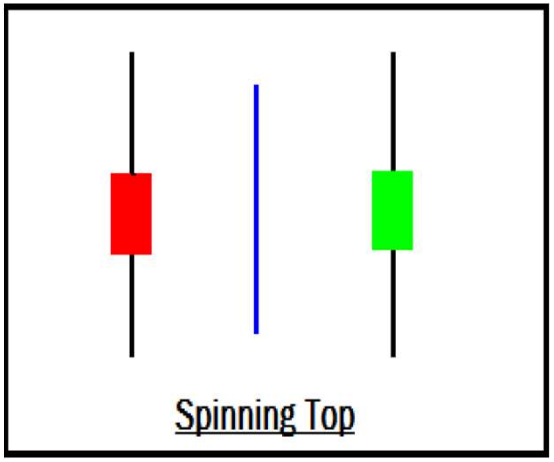


- The upper shadow should be at least two times the length of the body.
- Trend should be down for a good period.
- The color of the small body is not important.
- There should be no lower shadow, or a very small lower shadow.
- For Confirmation if Gap up from the previous day's close.
- Large volume on the day of the inverted hammer signal increases the chances that a blow off day has occurred.
- Stop loss will be below the low of Inverted Hammer.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

SHOOTING STAR (BEARISH)

- The upper shadow should be at least twice the length of the body.
- Trend should be Up for a good period.
- The color of the small body is not important.
- There should be no lower shadow or a very small lower shadow.
- For Confirmation if Gap Down Open or sustain below the candle.
- Large volume on the Shooting Star day increases the chances that a blow-off day has occurred although it is not a necessity.
- Stop loss will be above the high of Shooting Star.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

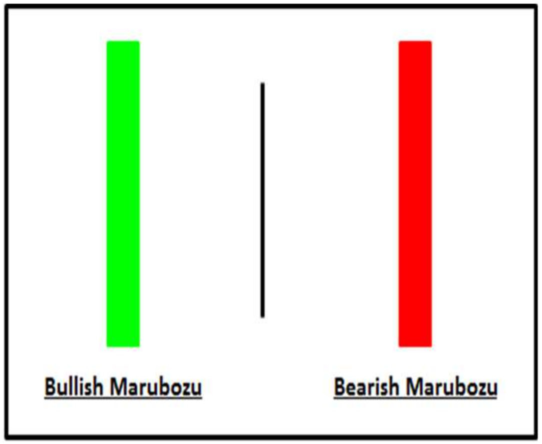
SPINNING TOP (BULLISH / BEARISH)



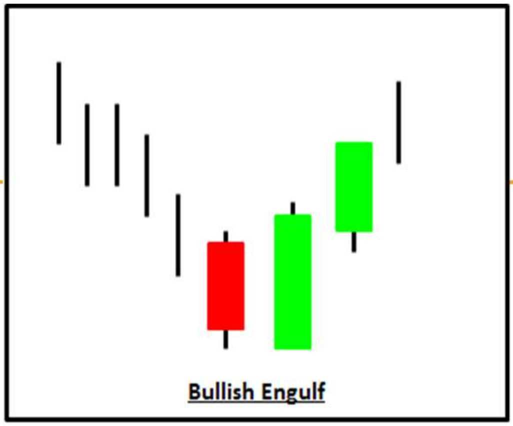
- The longer shadow with the small body.
- Trend should be Up or Down for a good period.
- The day after the Spinning Top signal opens lower or higher.
- The color of the small body is not important.
- Large volume on the Spinning Top day increases the chances that a blow-off day has occurred although it is not a necessity.
- Stop loss will be above the high or below the low of spinning top.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

MARUBOZU (BULLISH / BEARISH)

- A Green Marubozu contains a long body with no shadows.
- The open price equals to the low price and the close price equals to the high price.
- A Red Marubozu contains a long black body with no shadows.
- The open equals to the high and the close equals to the low.
- Trend should be down / up for a good period.
- The candle showing the market is in control of Buyers or Sellers.
- Buy/Sell if market open Gap Up / Down.
- Large Volume on signal day.
- Stop loss will be the Low or High of Marubozu.
- Target 1:2 Ratio minimum for more modify time.

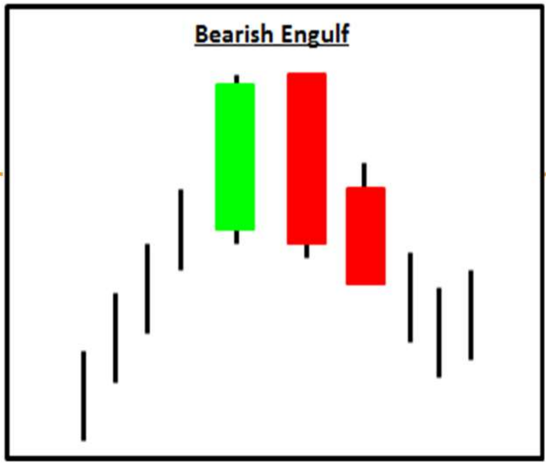


ENGULF (BULLISH)



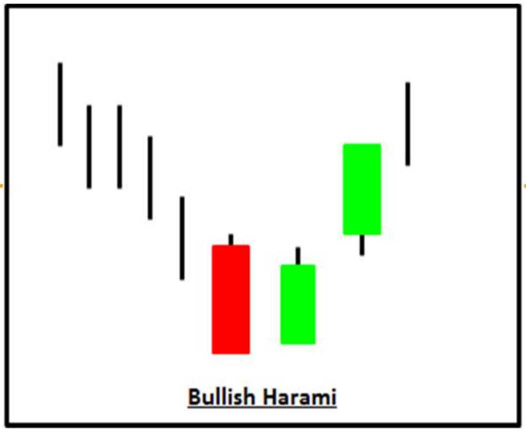
- The body of the second day completely engulfs the
- body of the first day. Shadows are not a consideration.
- Trend should be down for a good period.
- The first candle is bearish and continues the downtrend. # Next day market will open with Gap down but closed above the previous candle's Open price.
- Large volume on the engulfing day increases the chances that a blow off day has occurred.
- For confirmation if market open Gap Up then go long.
- Stop loss will be below the Low of Bullish Engulf.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

ENGULF (BEARISH)



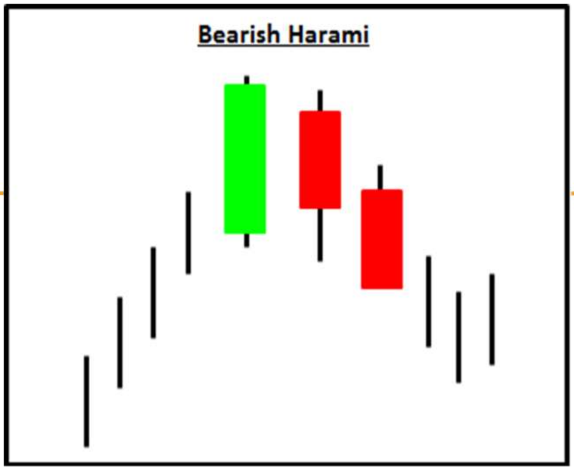
- The body of the second day completely engulfs the body of the first day.
- Shadows are not important.
- Trend should be Up for a good period.
- The first candle is Bullish and continues the uptrend; # Next day market will open with Gap Up but closed below the previous candle's Open price.
- Large volume on the engulfing day increases the chances that a blow off day has occurred.
- For confirmation if market open gap down then go short.
- Stop loss will be above the high of Bearish Engulf.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

HARAMI (BULLISH)



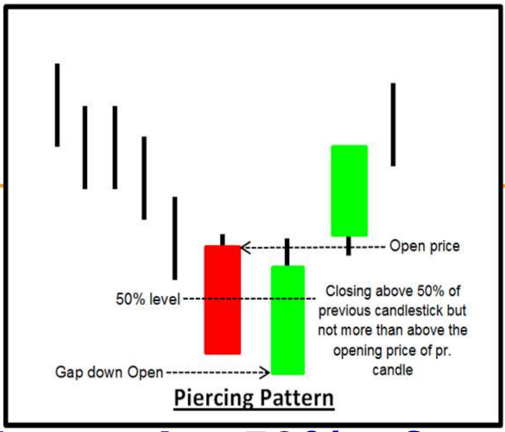
- Trend should be down for a good period.
- # A long red candle occurs at the end of the trend. # Next day gap up open but closes lower than the open of the previous day.
- High volume during these two trading days is a significant confirmation.
- Shadows are not a consideration.
- For confirmation if market open gap up then go long.
- Stop loss will be below the low of bullish harami.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

HARAMI (BEARISH)



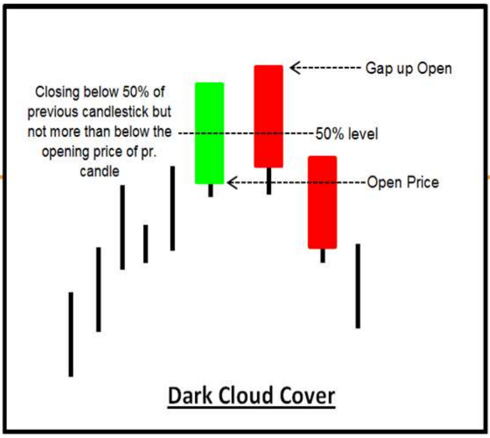
- Trend should be up for a good period.
- # A long Green candle occurs at the end of the trend. # Next day opens lower than the close of the previous day and closes higher than the open of the previous day.
- High volume during these two trading days is a significant confirmation.
- Shadows are not a consideration.
- For confirmation if market open gap down then go short.
- Stop loss will be above the high of bearish harami.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

PIERCING PATTERN (BULLISH)



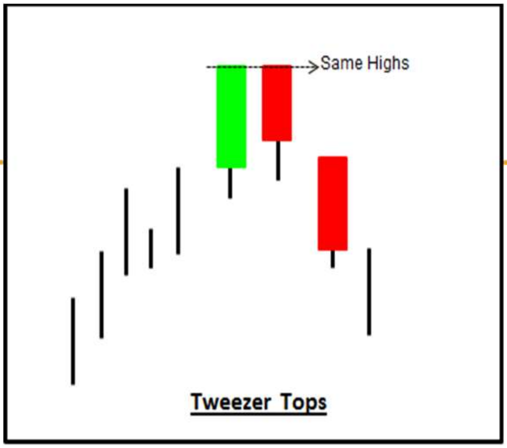
- **A long black candle occurs at the end of the trend. # Next day market open gap down of the previous day. The green candle closes above the 50% of the red candle.**
- **Trend should be down for a good period.**
- **High volume during these two trading session is a significant confirmation.**
- **Shadows are not a consideration.**
- **For confirmation if market open gap up then go long.**
- **Stop loss will be below the low of piercing pattern.**
- **Target 1:2 Ratio minimum for more modify stop loss time to time.**

DARK CLOUD COVER (BEARISH)



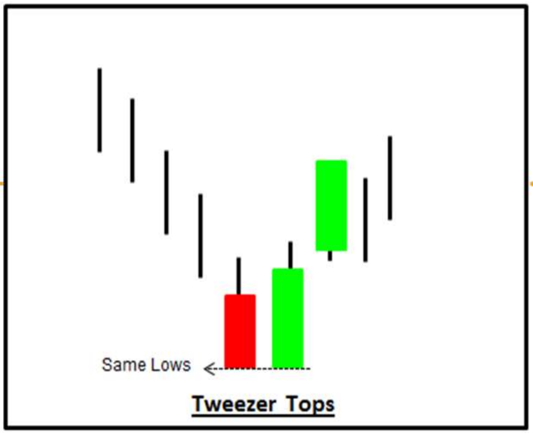
- # A long green candle occurs at the end of the trend. # Next day market opens above the previous close. The red candle closes below the 50% of the green candle.
- Trend should be up for a good period.
- High volume during these two trading days is a significant confirmation.
- Shadows are not a consideration.
- For confirmation if market open gap down then go short.
- Stop loss will be above the high of dark cloud cover.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

TWEEZER TOP (BEARISH)



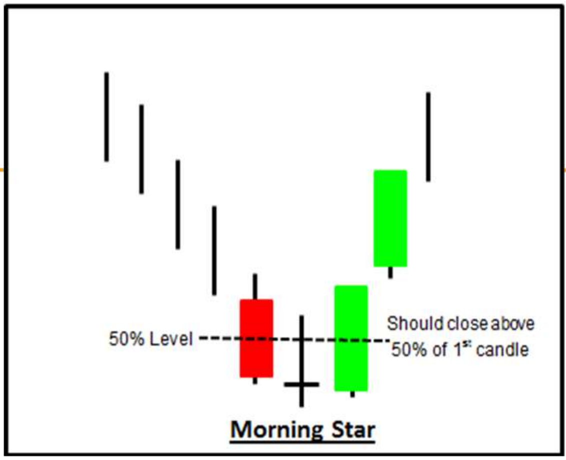
- 1st day consists of a long green candle.
- 2nd day consists of a short body candle that has a high equal to the previous day's high.
- Trend should be up for a good period.
- High volume during these two trading days is a significant confirmation.
- For confirmation if market open gap down then go short.
- Stop loss will be above the high of tweezer tops.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

TWEEZER BOTTOM (BULLISH)



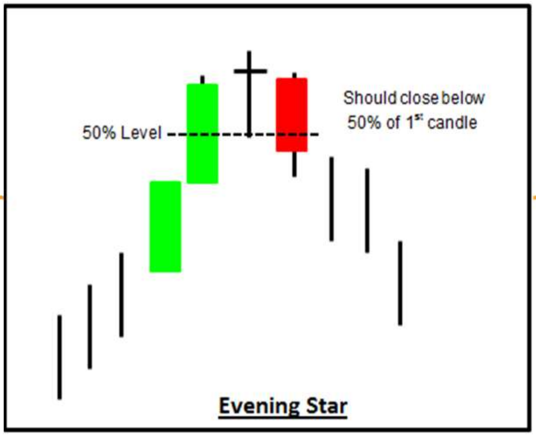
- 1st day consists of a long red candle.
- 2nd day consists of a short body candle that has a low equal to the previous day's low.
- Trend should be down for a good period.
- High volume during these two trading days is a significant confirmation.
- For confirmation if market open gap up then go long.
- Stop loss will be below the low of tweezer bottoms.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

MORNING STAR (BULLISH)



- # The body of the first candle is red, continuing the current trend. # The second candle is an indecision formation (Color doesn't matter). # The third day shows evidence that the bulls have stepped in. That candle should close at least halfway up the red candle.
- Trend should be down for a good period.
- A Gap between the first day and the second day adds to the probability that a reversal is occurring.
- High volume during these three trading days is a significant confirmation.
- For confirmation if market open gap up then go long.
- Stop loss will be below the low of middle candle.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

EVENING STAR (BEARISH)

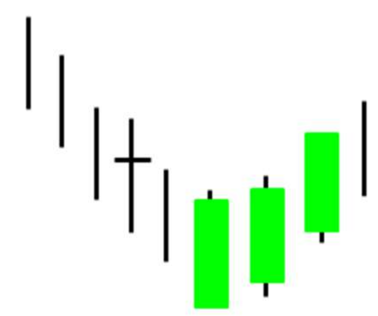


- Trend should be up for a good periods.
- # The body of the first candle is green, continuing the current trend. # The second candle is an indecision formation (Color doesn’t matter). # The third day shows evidence that the bearish have stepped in. That candle should close at least halfway down the white candle.
- A gap between the first day and the second day adds to the probability that a reversal is occurring.
- High volume during these trading days is a significant confirmation.
- For confirmation if market open gap down then go short.
- Stop loss will be above the high of middle candle.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

THREE WHITE SOLDIERS (BULLISH)

- The pattern has three green candles. All three of the candles are long and bullish. The candles lengths are almost same. The open of each candle is above the open of the previous candle.
- Trend should be down for a good period.
- Large volume during these trading days is a significant confirmation.
- Buy if Gap up open or sustain above candle.
- Stop loss will be below the low of 1st candle.
- Target 1:2 Ratio minimum for more

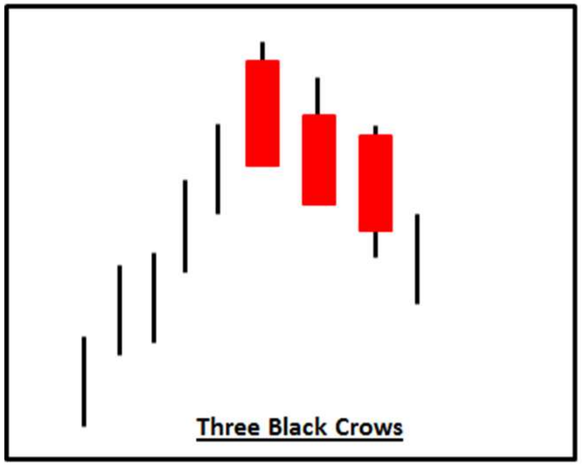
  modify stop loss time to time.



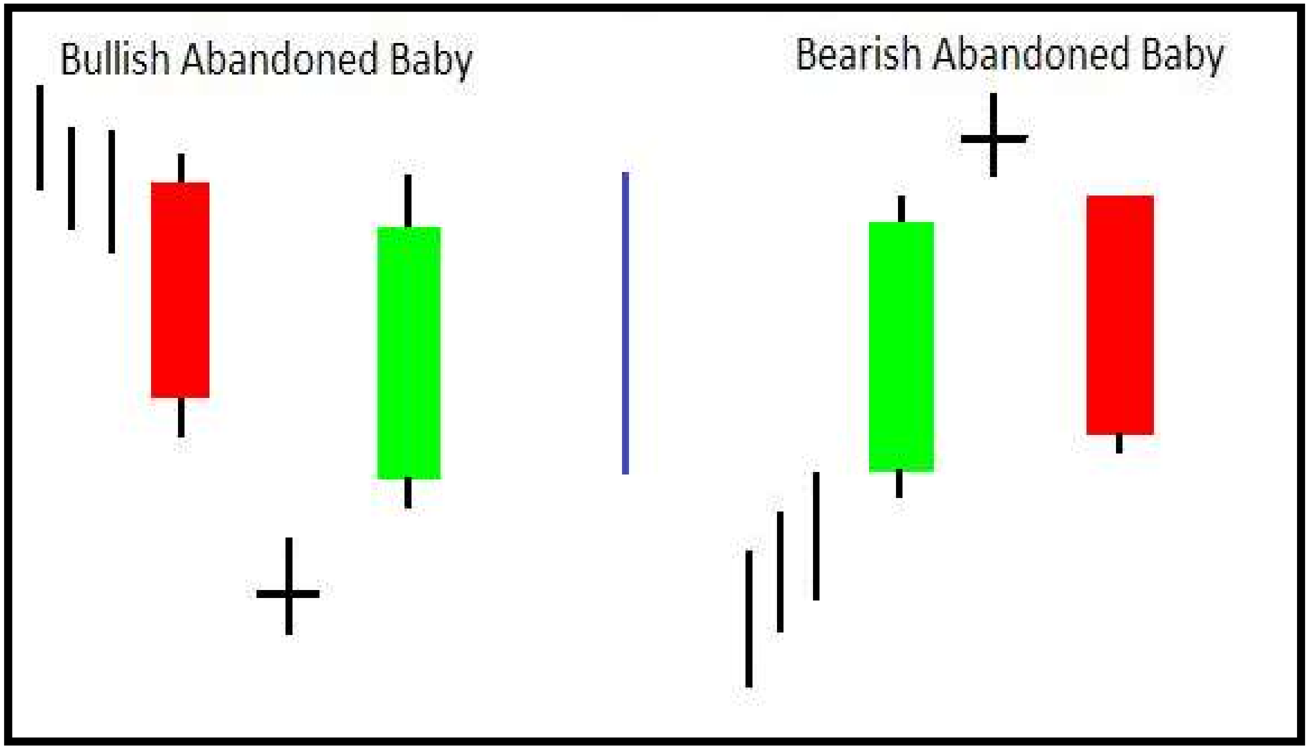
Three White Soldiers

THREE BLACK CROWS (BEARISH)

- Trend should be up for a good period.
- The pattern has three red candles. All three of the candles are long and bearish. The candles lengths are almost same. The open of each candle is below the open of the previous candle.
- Large volume during these trading days is a significant confirmation.
- Sell if Gap down open or sustain below candle.
- Stop loss will be above the high of 1st candle.
- Target 1:2 Ratio minimum for more modify stop loss time to time.

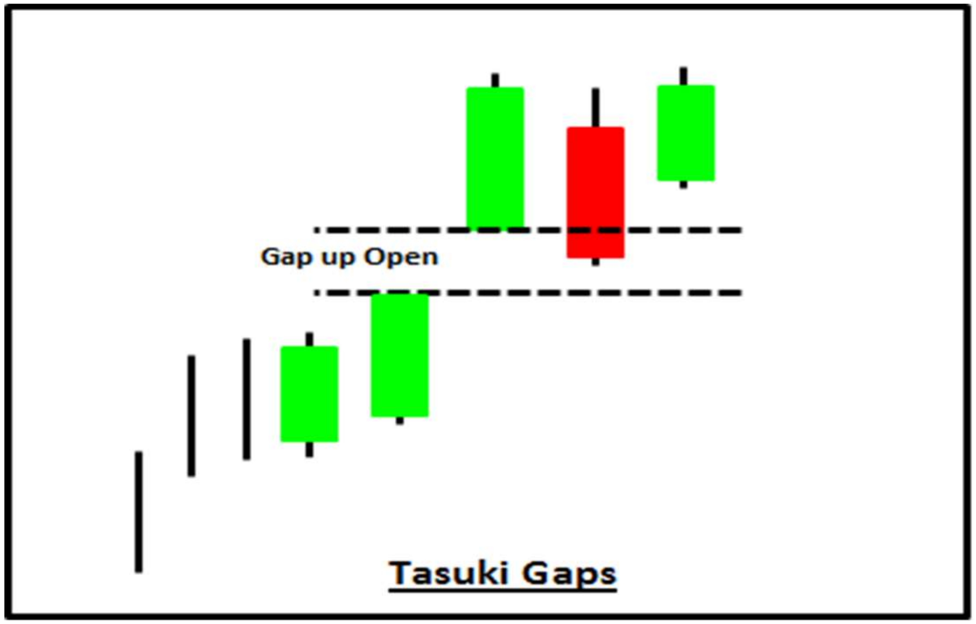


ABANDONED BABY (BULLISH & BEARISH)



- A rare reversal pattern characterized by a gap followed by a Doji, which is then followed by another gap in the opposite direction. The shadows on the Doji must completely gap below or above the shadows of the first and third day.

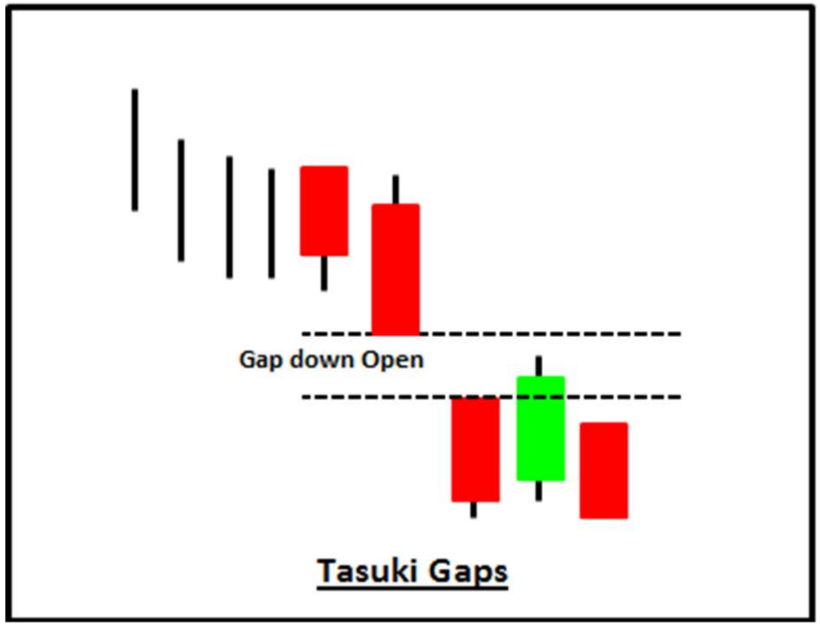
UPSIDE TASUKI GAPS



UPSIDE TASUKI GAP

A continuation pattern with a long White body followed by another White body that has gapped above the first one. The third day is black and opens within the body of the second day, then closes in the gap between the first two days, but does not close the gap.

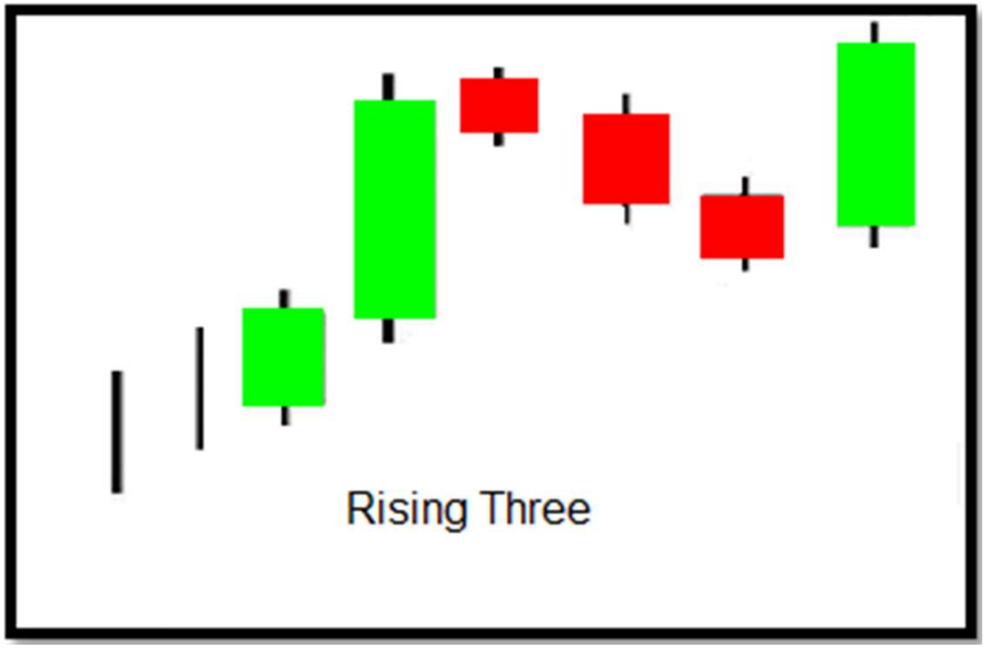
DOWNSIDE TASUKI GAPS



DOWNSIDE TASUKI GAP

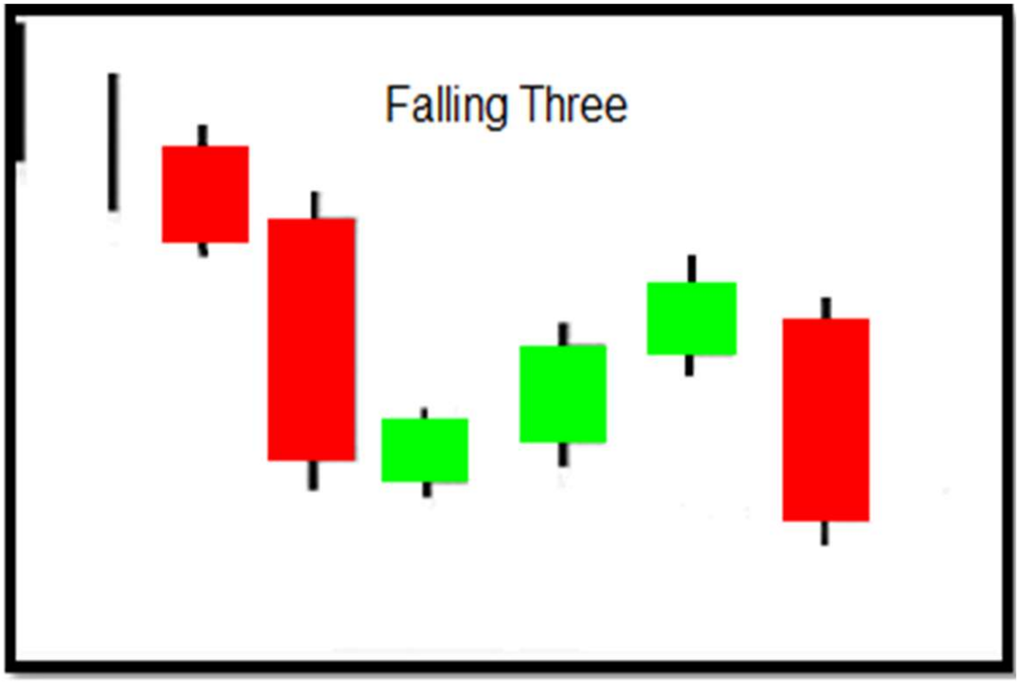
A continuation pattern with a long black body followed by another black body that has gapped below the first one. The third day is white and opens within the body of the second day, then closes in the gap between the first two days, but does not close the gap.

RISING THREE METHODS



Rising three methods is a bullish continuation pattern. A long white body is followed by three small body days, each fully contained within the range of the high and low of the first day. The fifth day closes at a new high.

FALLING THREE METHODS

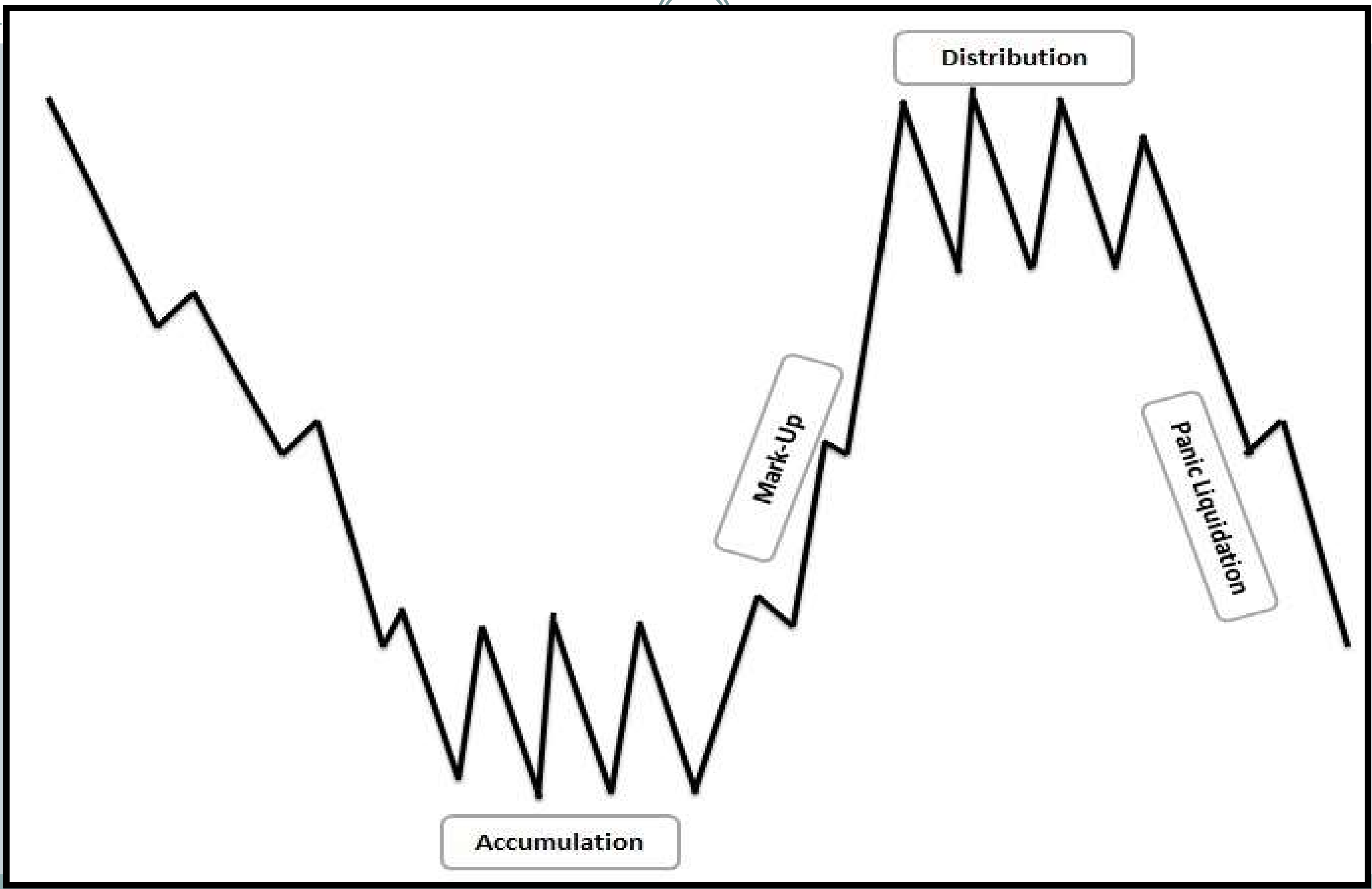


Falling three methods is a bearish continuation pattern. A long black body is followed by three small body days, each fully contained within the range of the high and low of the first day. The fifth day closes at a new low.

Chart Patterns and Their Study

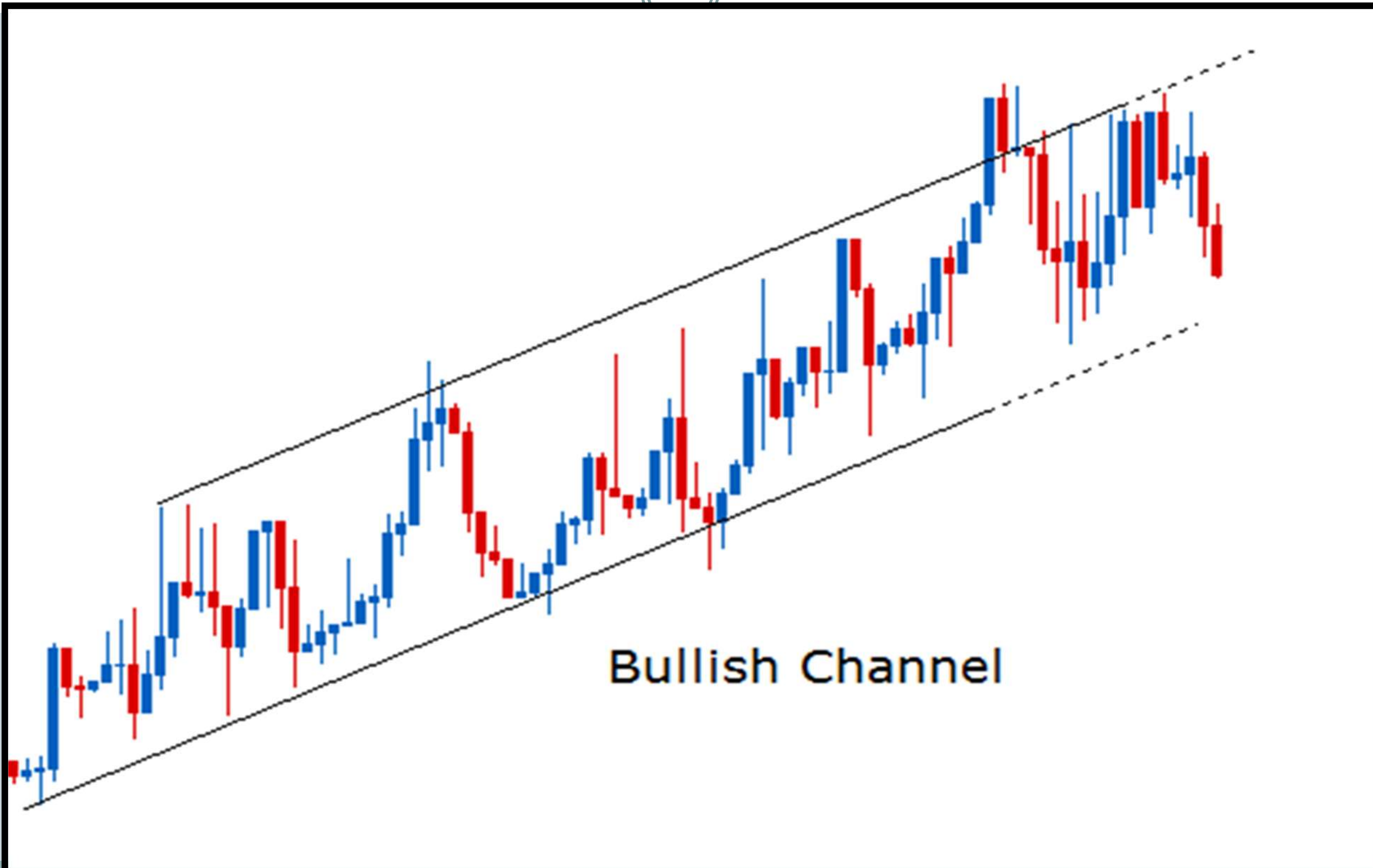
NIFM™ National Institute of Financial Markets
A Centre For Financial Excellence

Chart Patterns



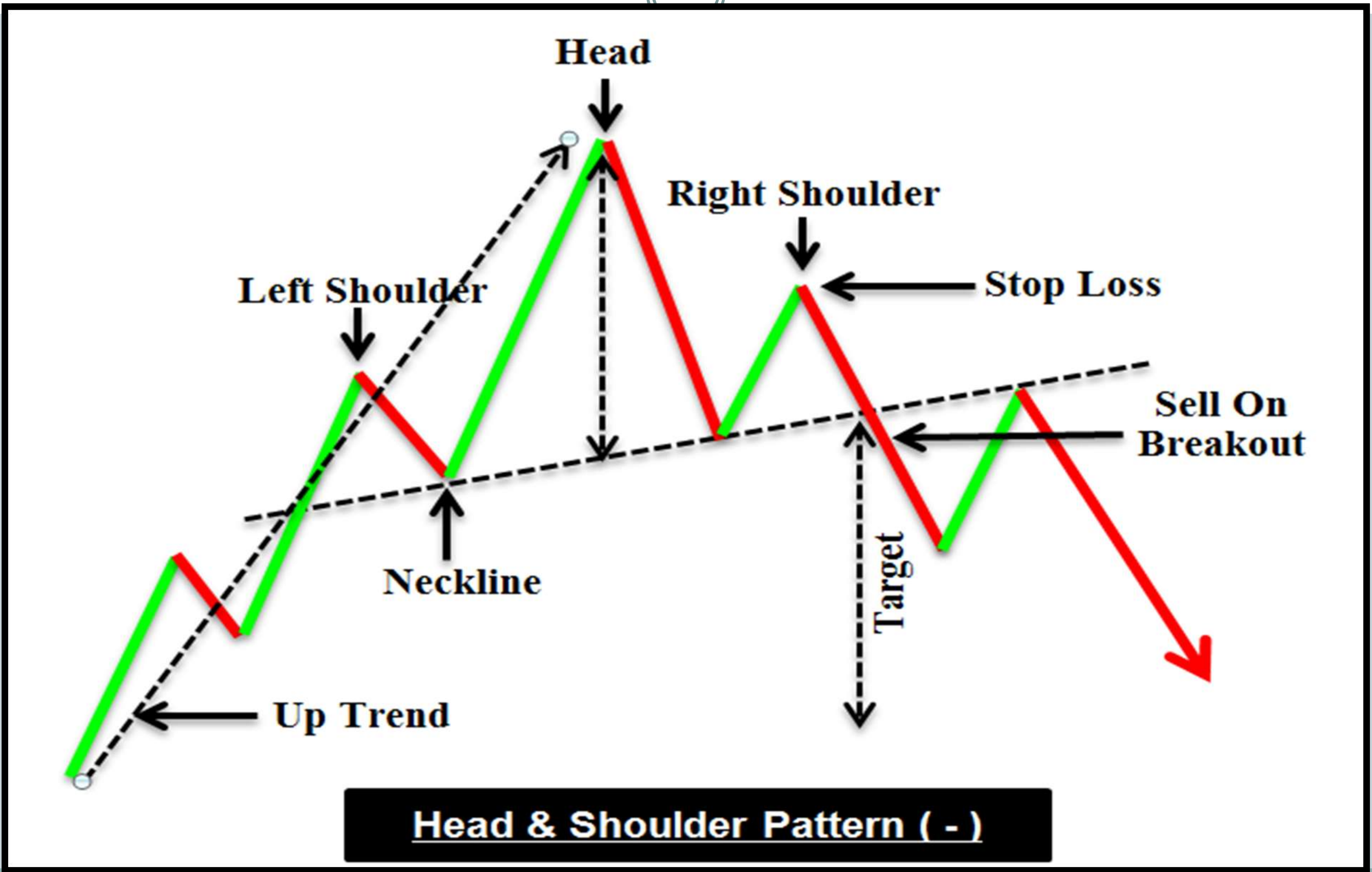
Bearish Channel

Bullish Channel

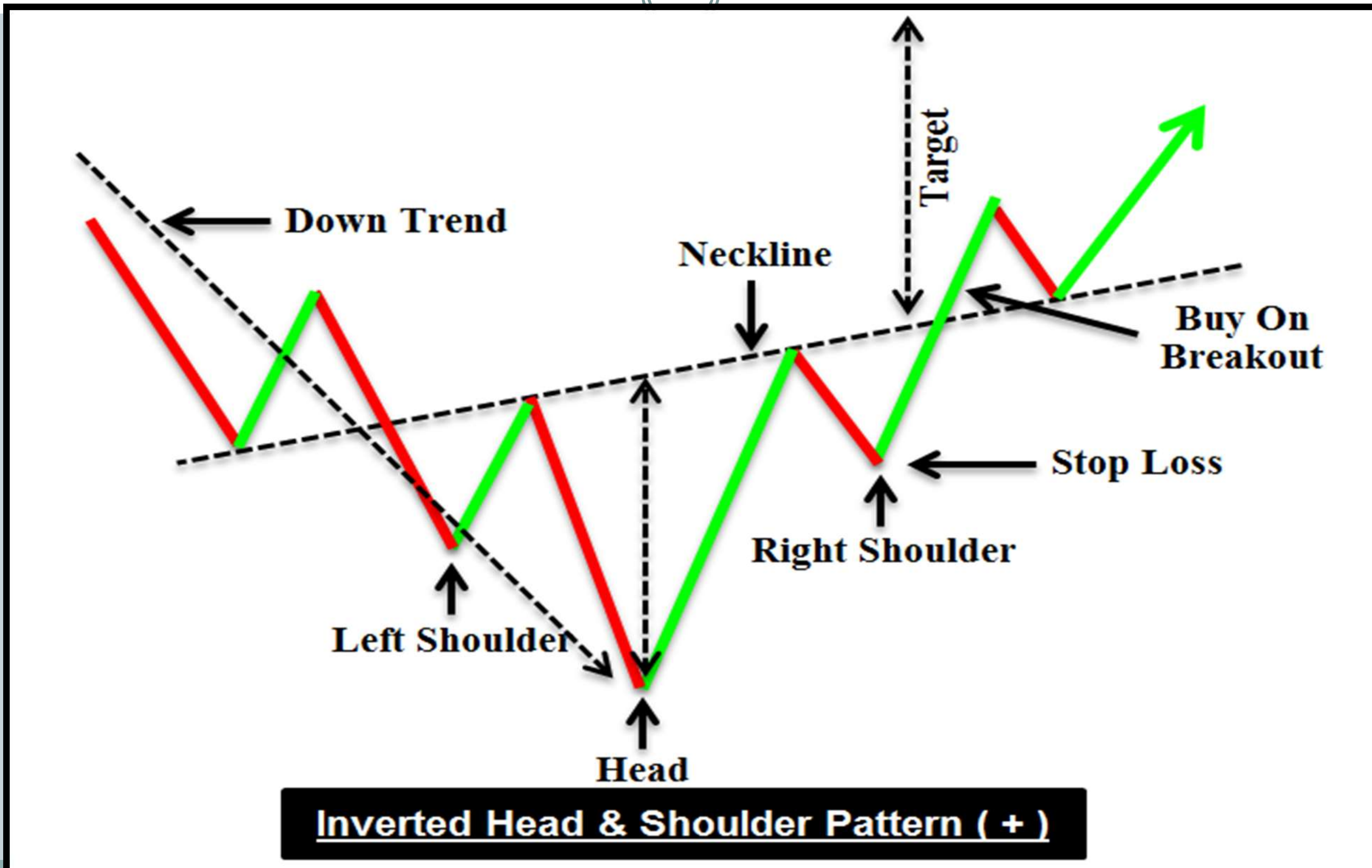


HEAD AND SHOULDERS

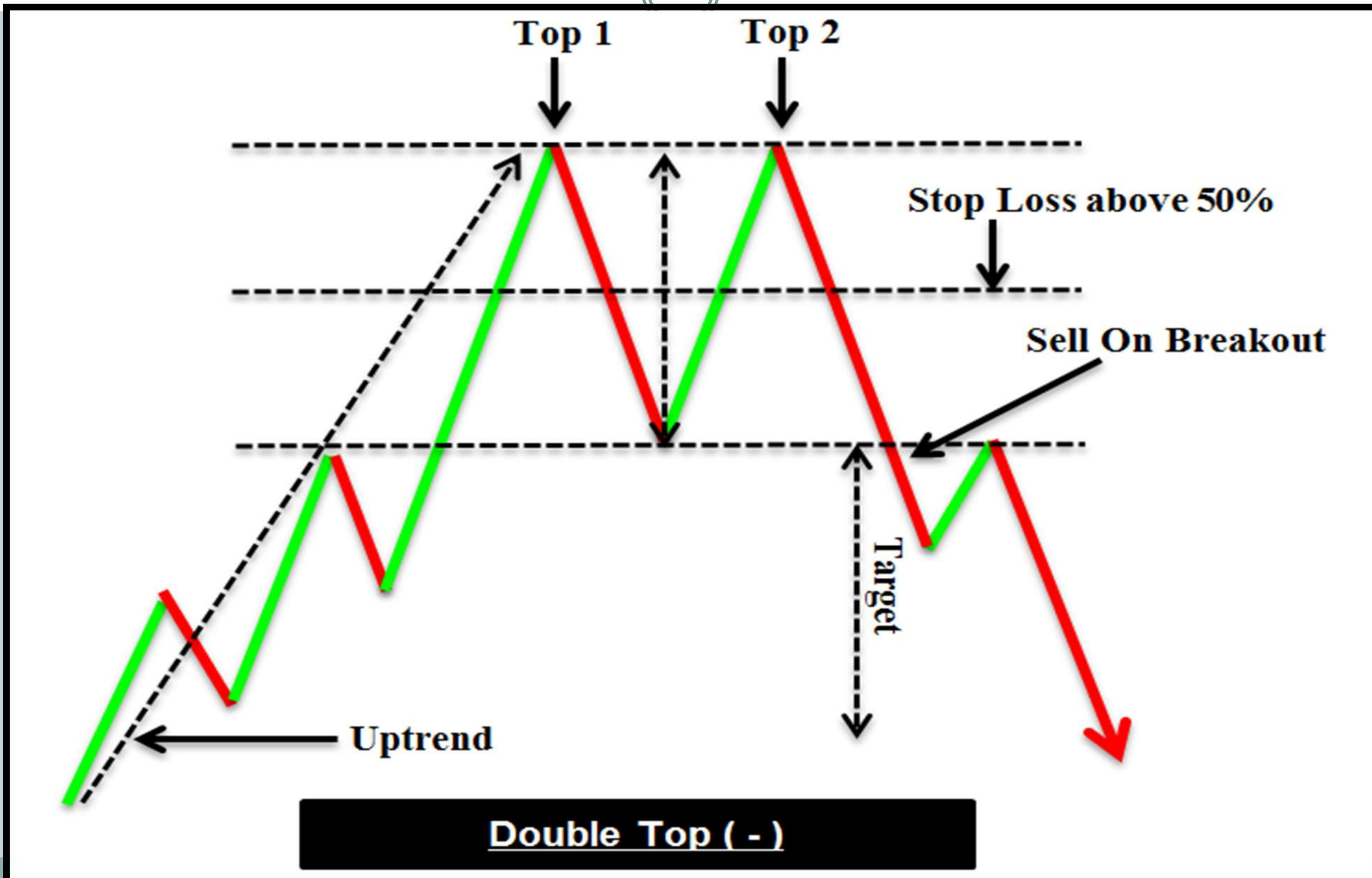
(Bearish)



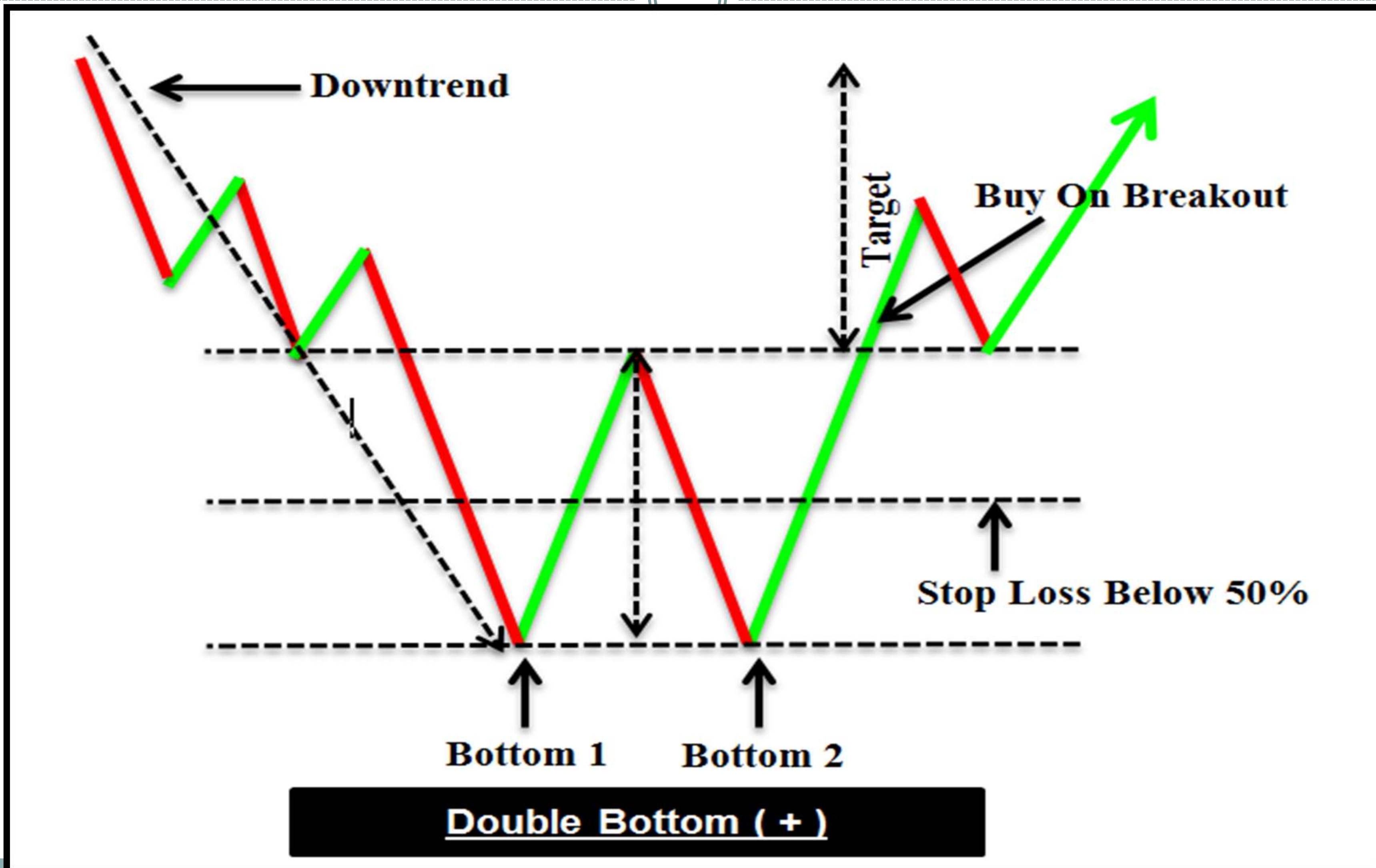
INVERTED HEAD AND SHOULDERS
(Bullish)



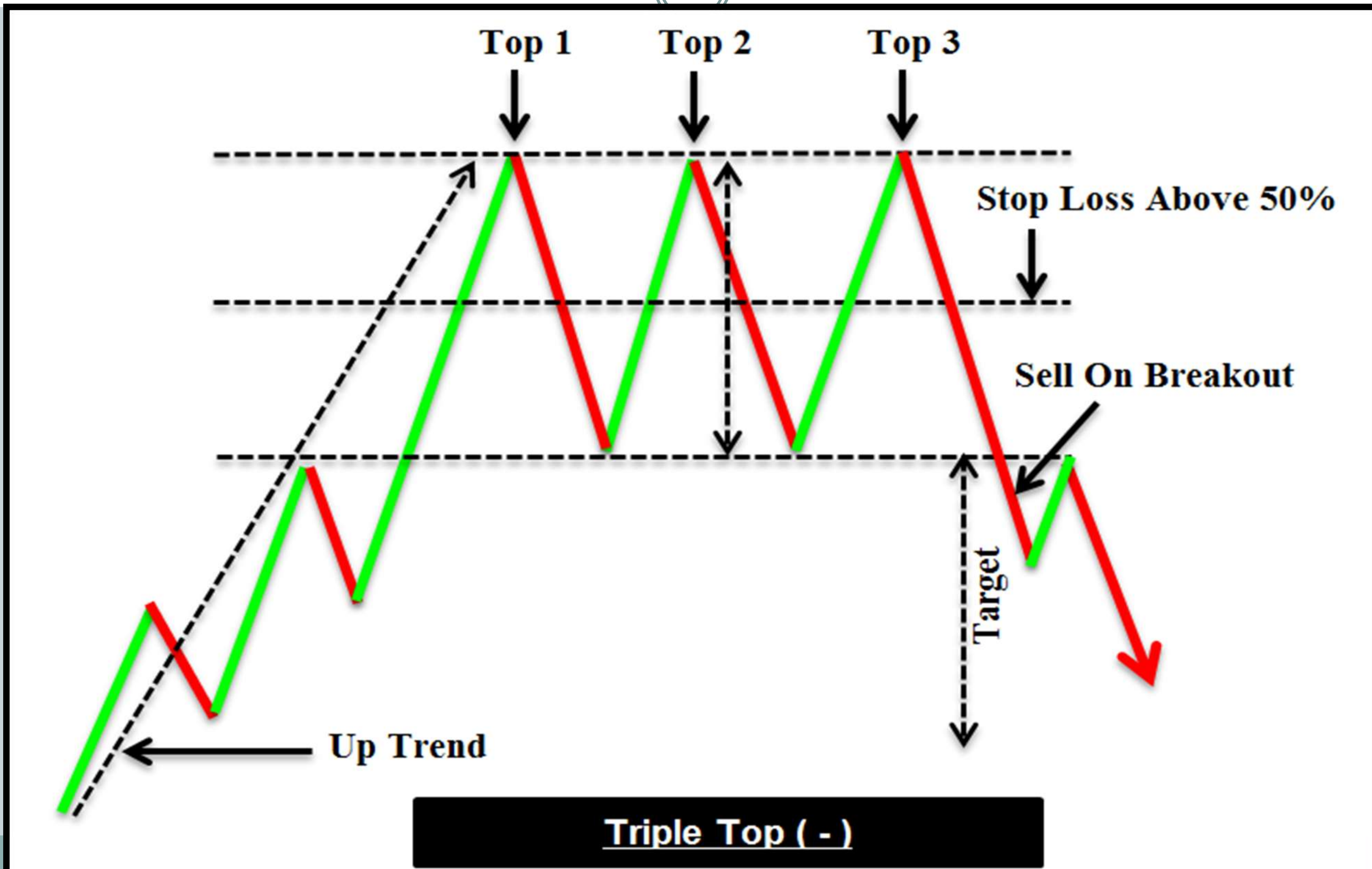
Double Tops (Bearish)



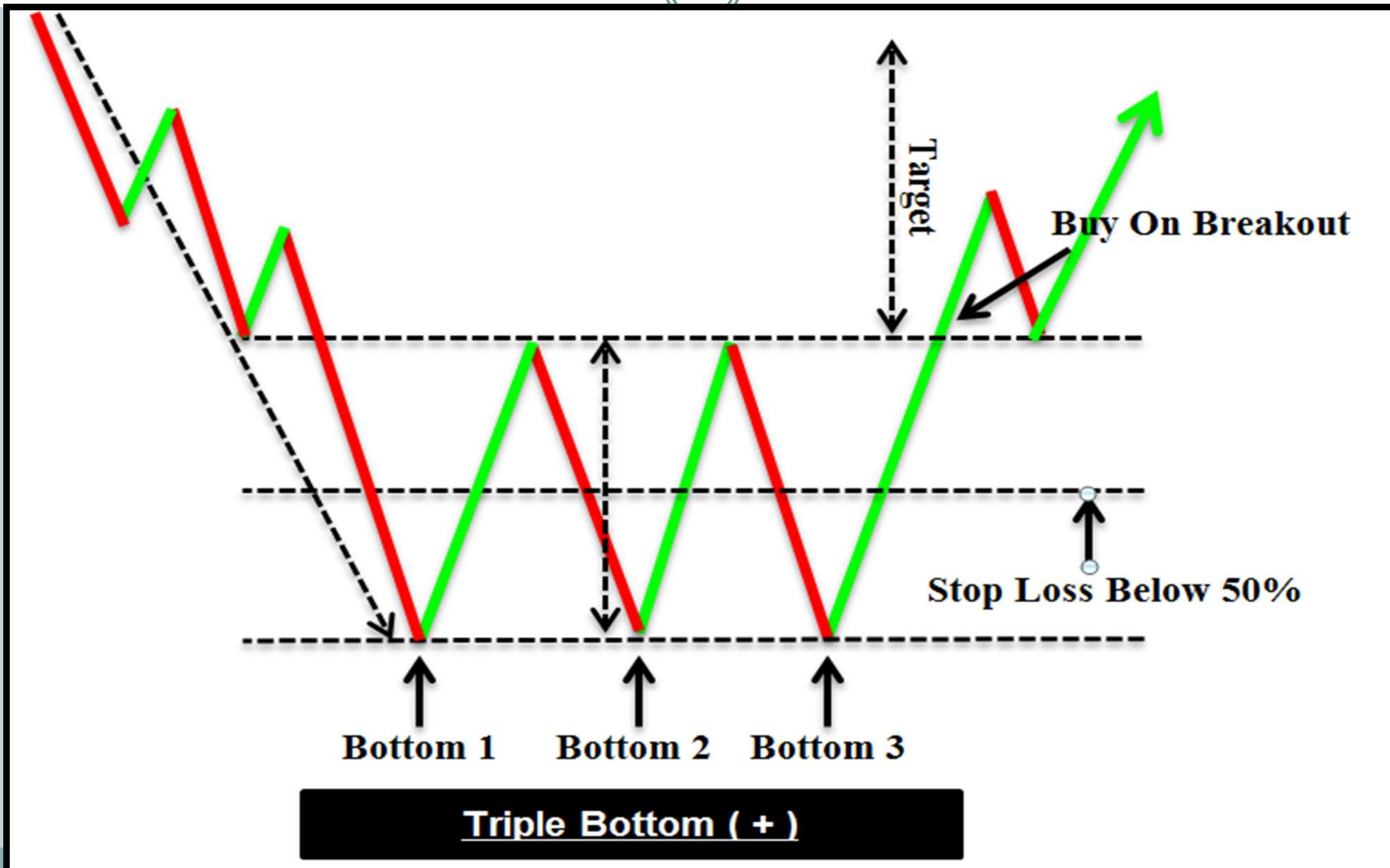
Double Bottoms (Bullish)



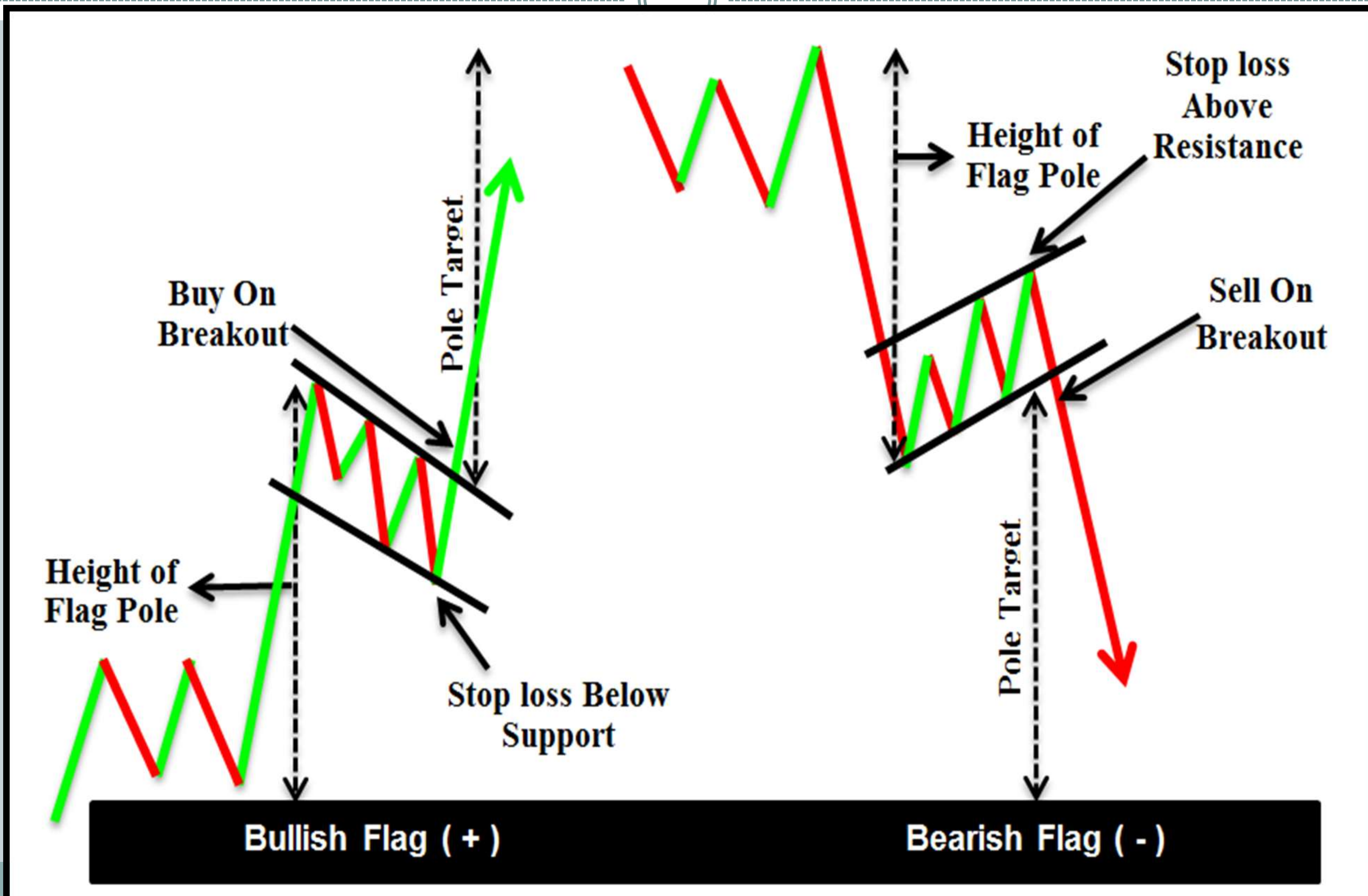
Triple Tops


Top 1
Top 2
Top 3
Stop Loss Above 50%
Sell On Breakout
Target
Up Trend
Triple Top (-)

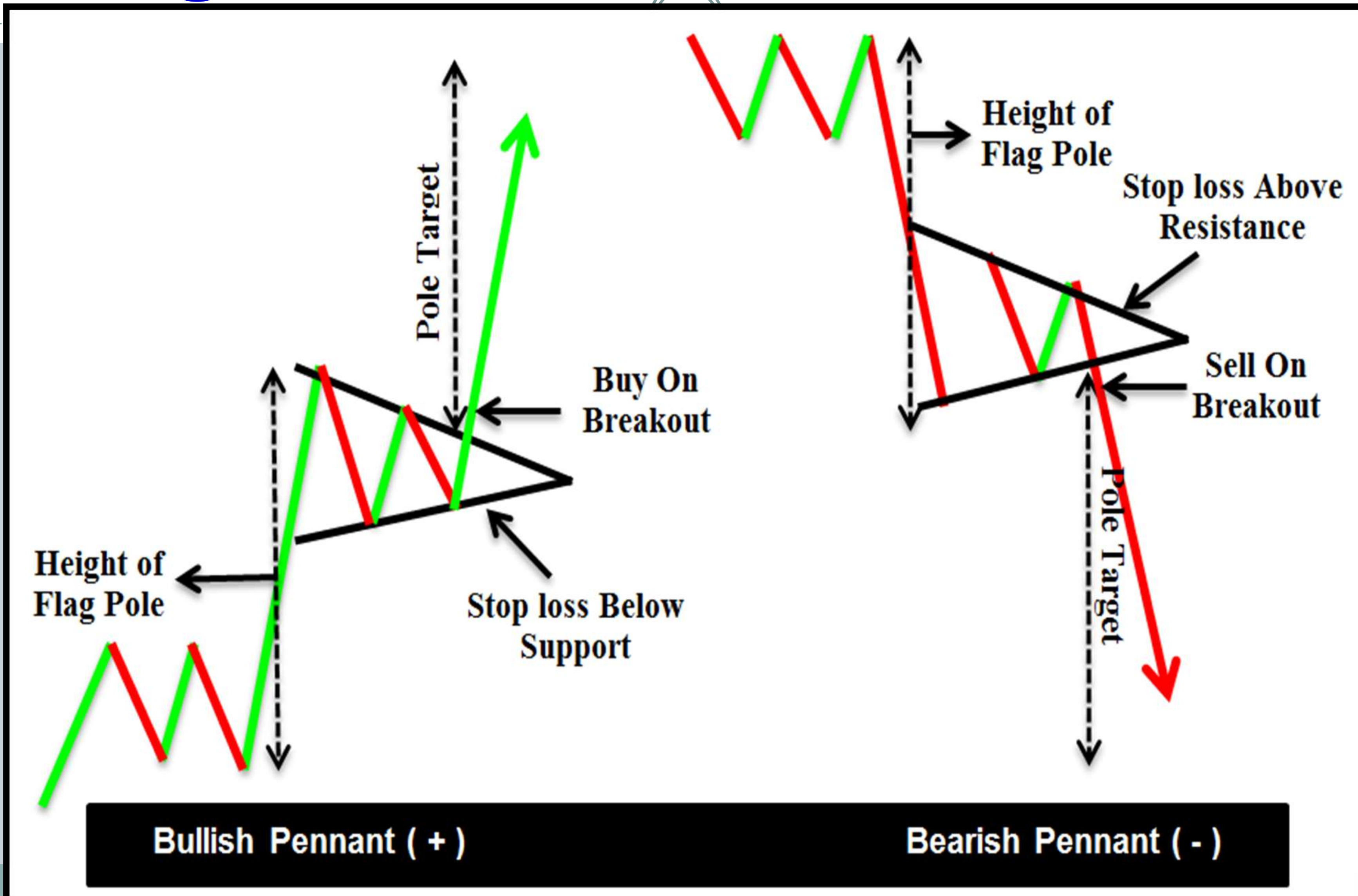
Triple Bottom



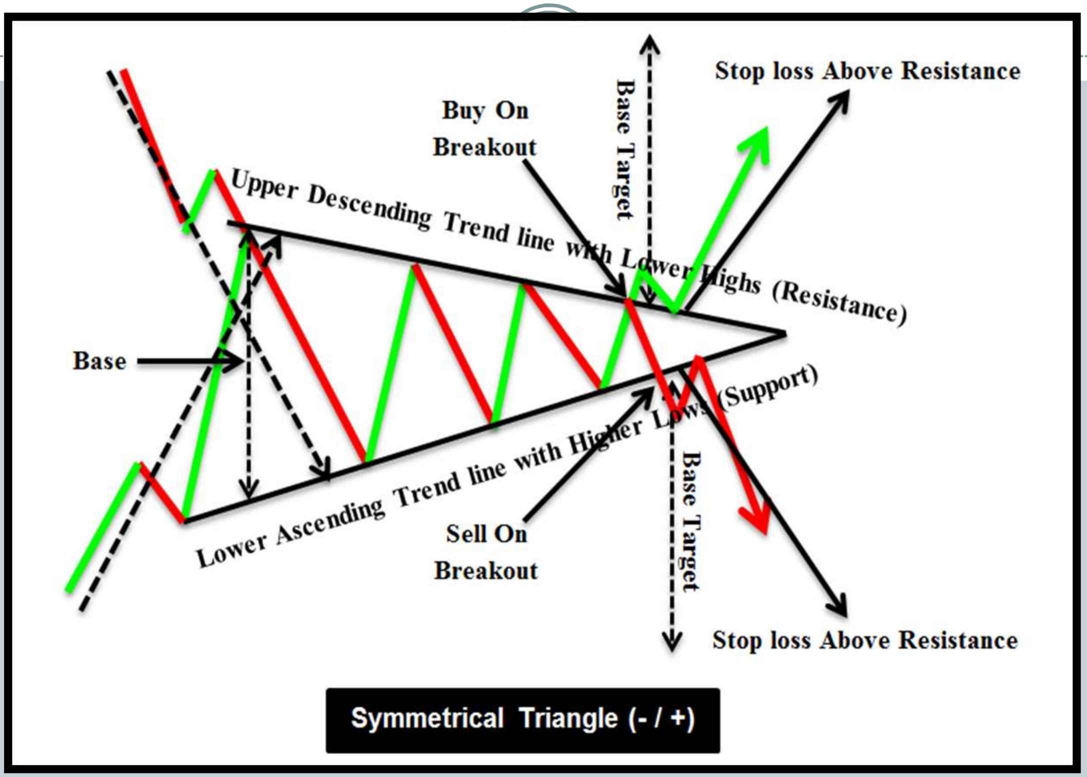
Flags & Pennants (Bullish & Bearish)



Flags & Pennants (Bullish & Bearish)

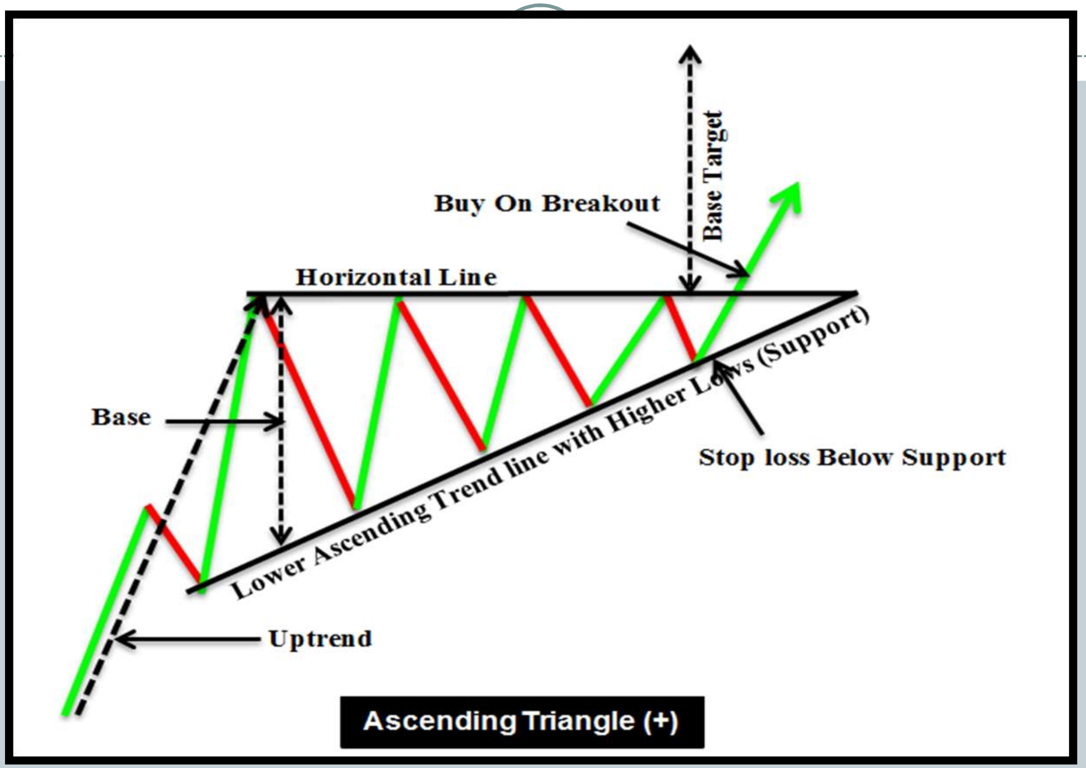


Symmetrical Triangles (Bullish/Bearish)



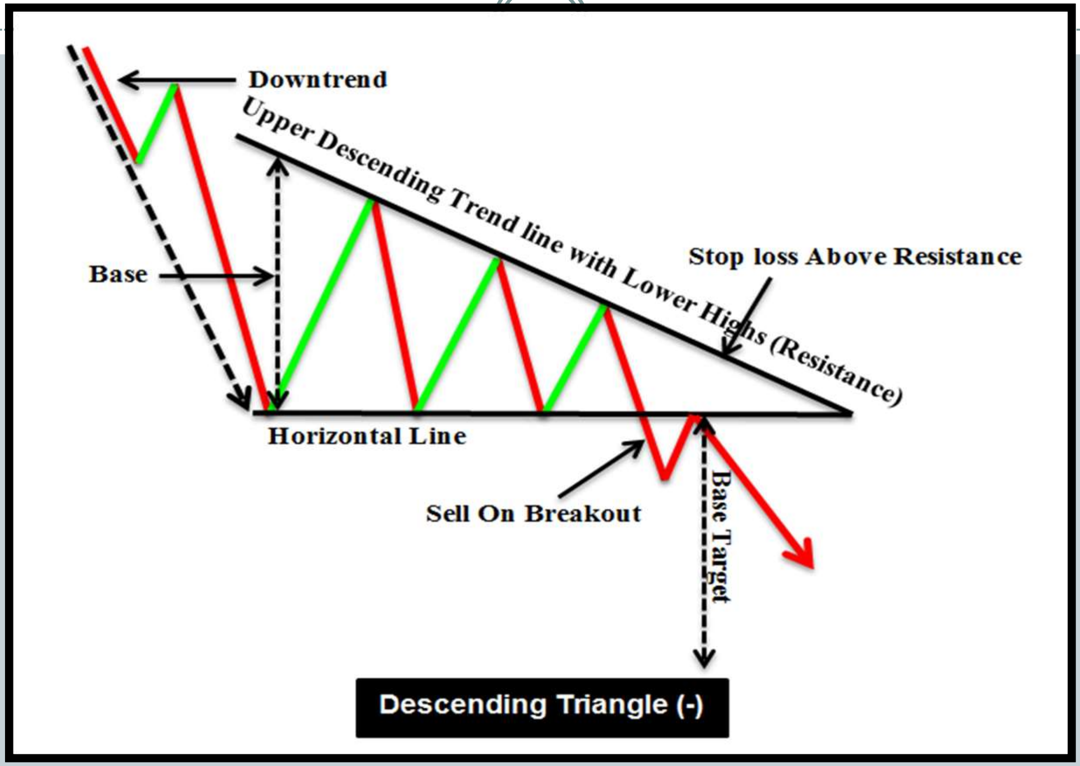
Lines drawn connecting peaks and troughs tend to converge at the apex which is at the center of the pattern. When price breaks outside of the pattern and if accompanied by increasing volume, there is a high probability that the future price will trend in the direction of the breakout.

Ascending Triangles (Bullish)



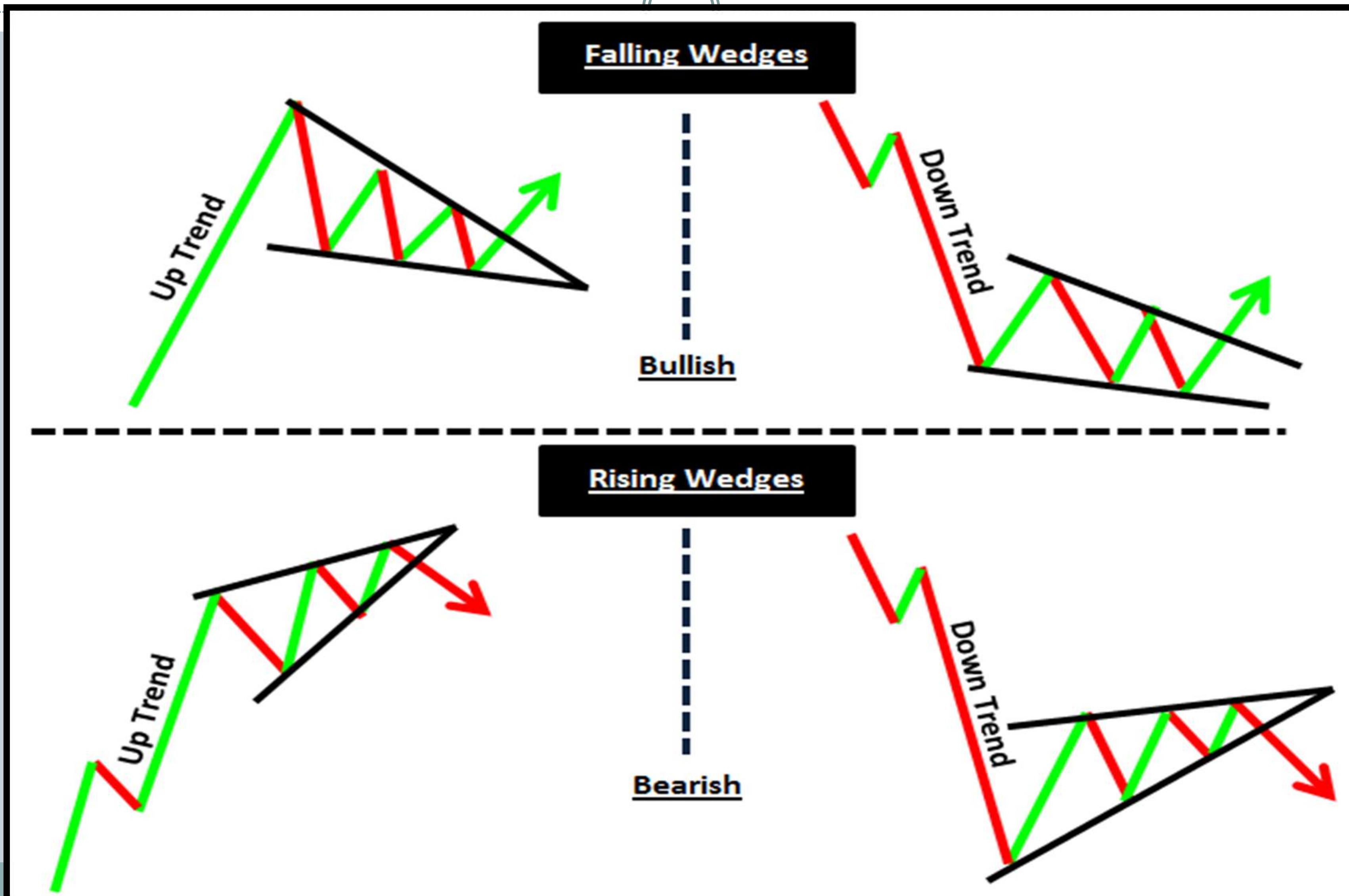
A line connecting the peaks is horizontal while the line connecting the troughs rises and converges with the top line as a series of rising troughs meets resistance at the same level. Volume often remains moderate to low throughout the formation of the triangle with marked increases on the breakout.

Descending Triangles (Bearish)



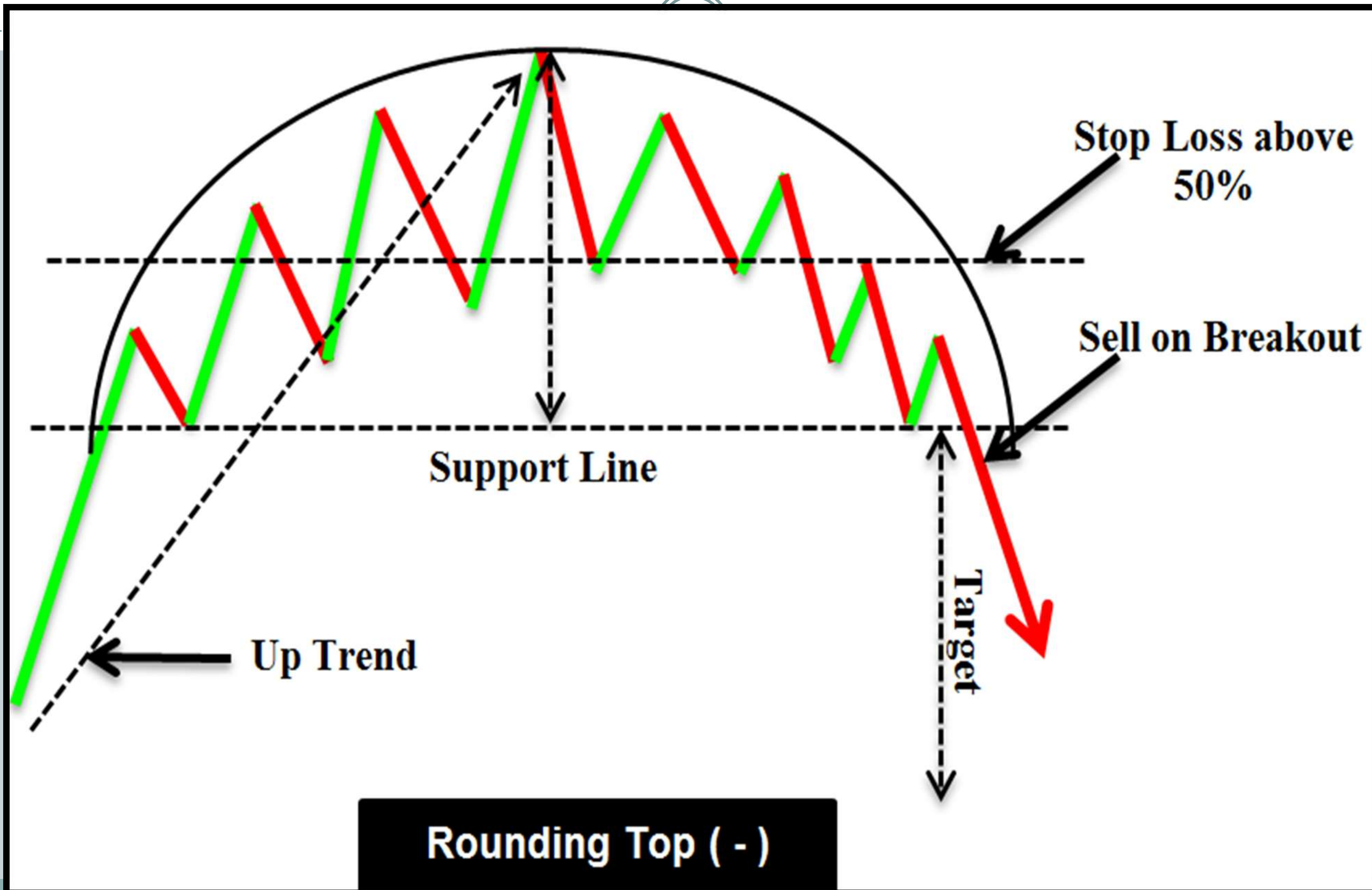
Troughs form a horizontal line while a series of falling peaks create a line that is a downward sloping resistance line. The indication is that supply becomes more aggressive as sellers lower their valuation perceptions. Breakout is usually to the downside.

Wedges

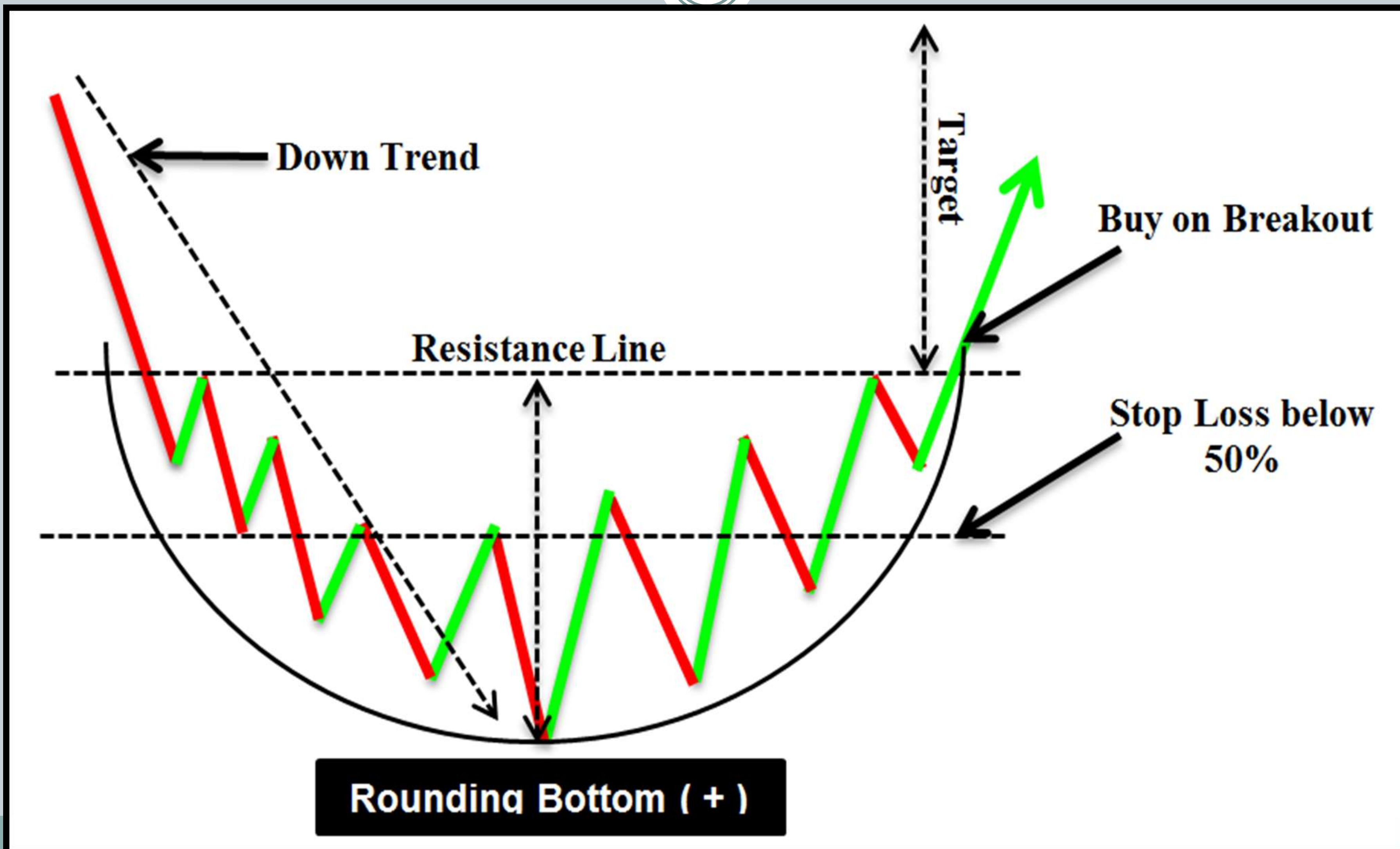


Falling Wedges
Up Trend
Down Trend
Bullish
Rising Wedges
Up Trend
Down Trend
Bearish

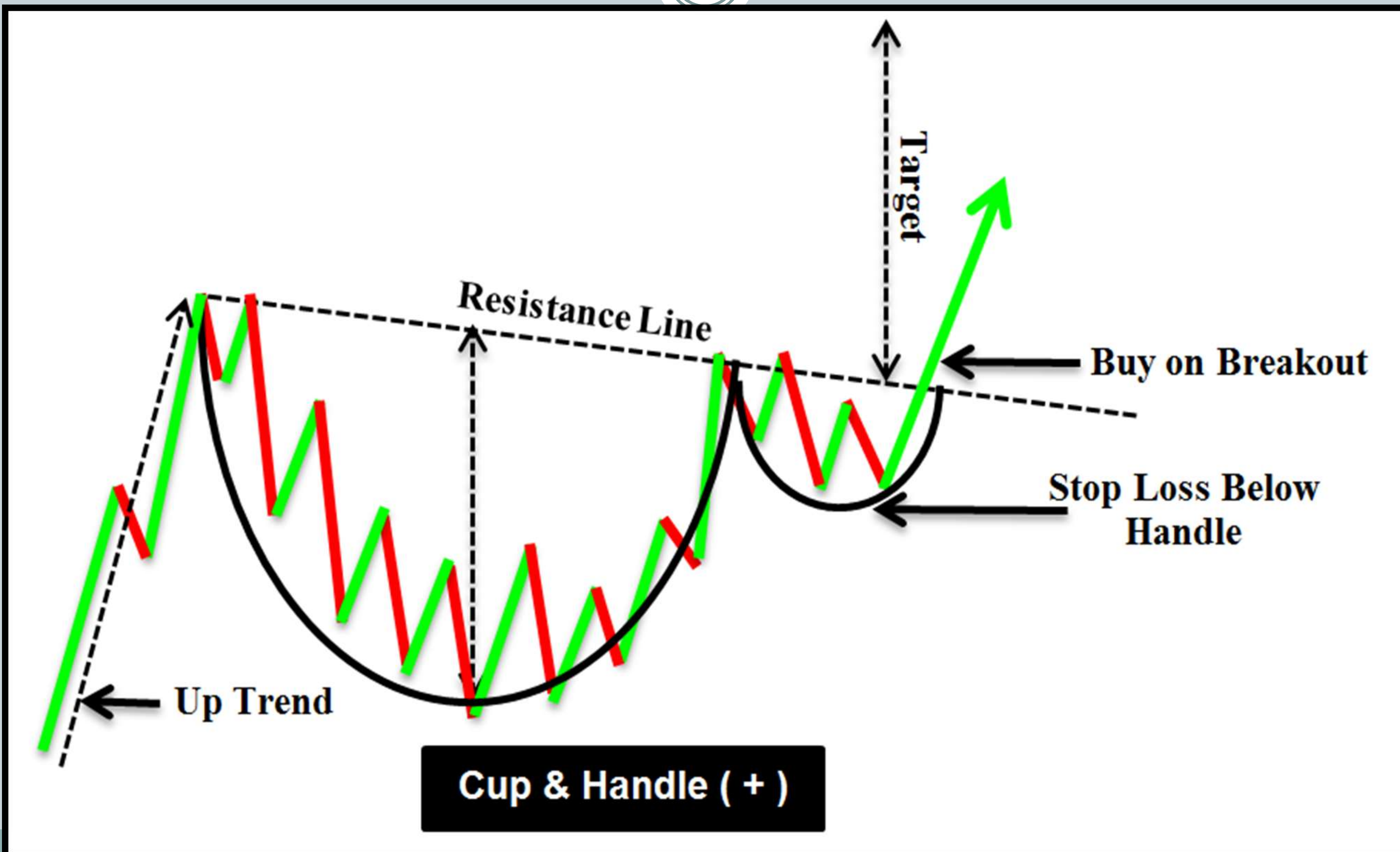
Rounding Top



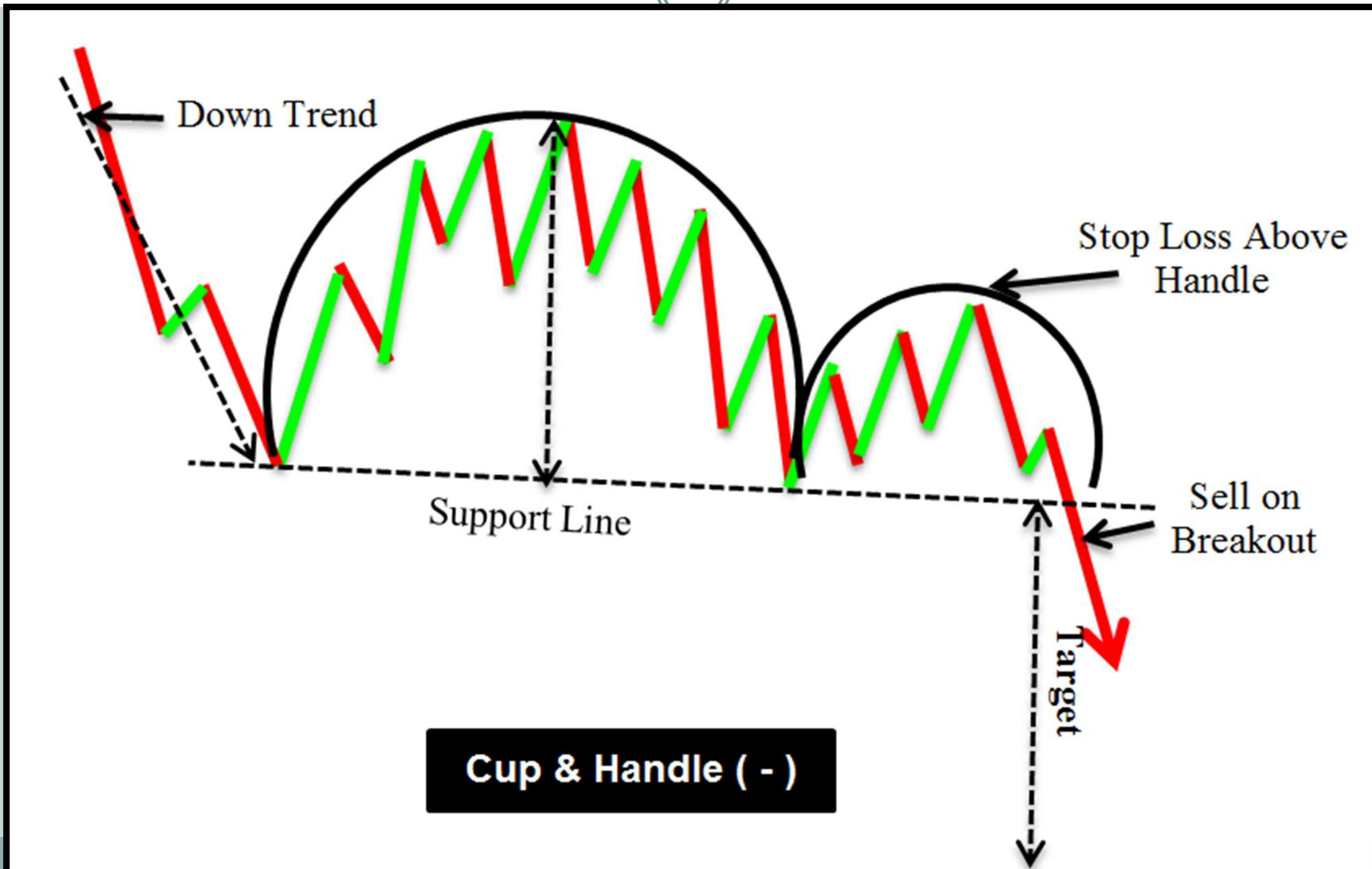
Rounding Bottom



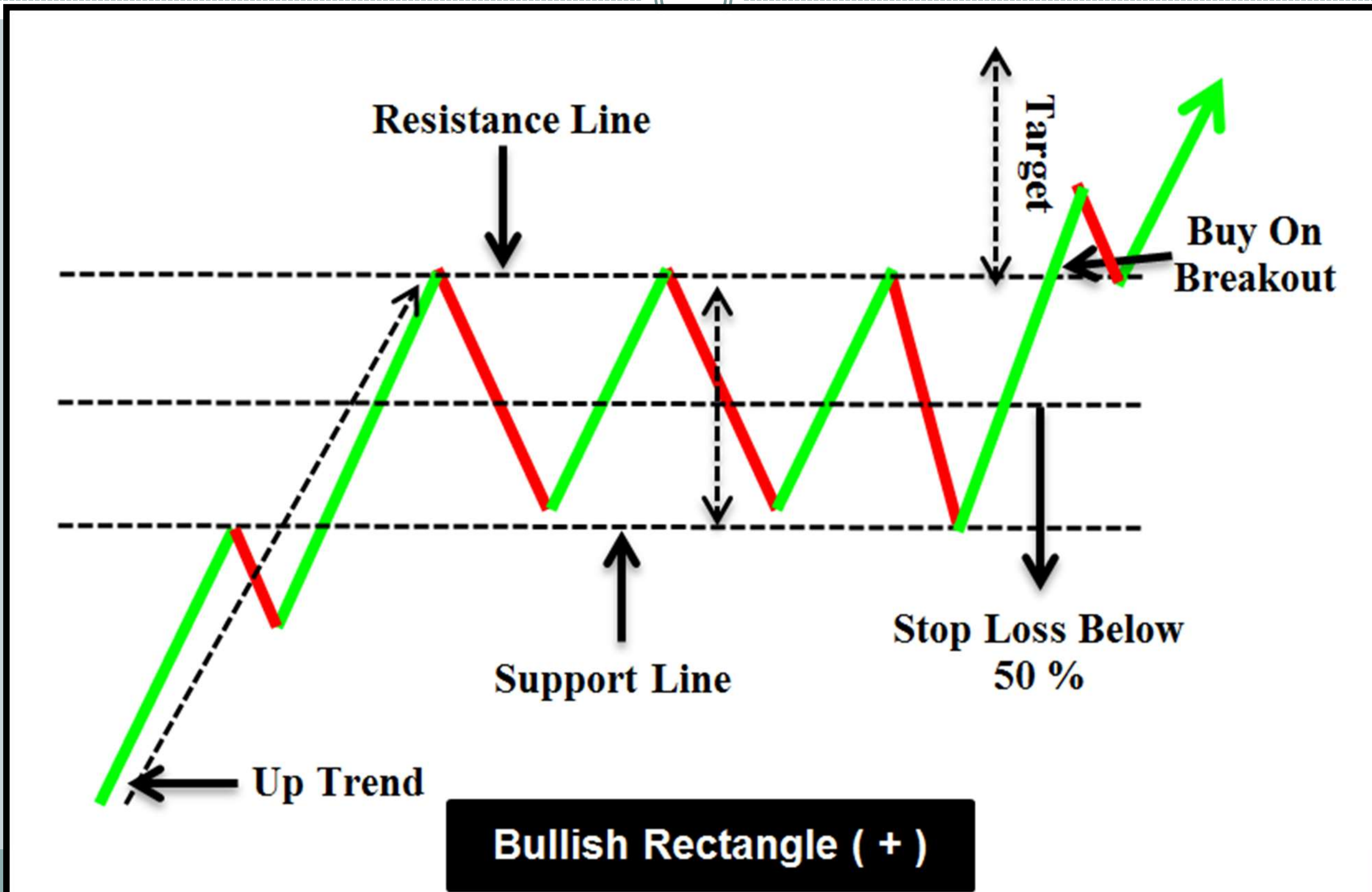
Cup & Handle Pattern



Inverted Cup & Handle Pattern

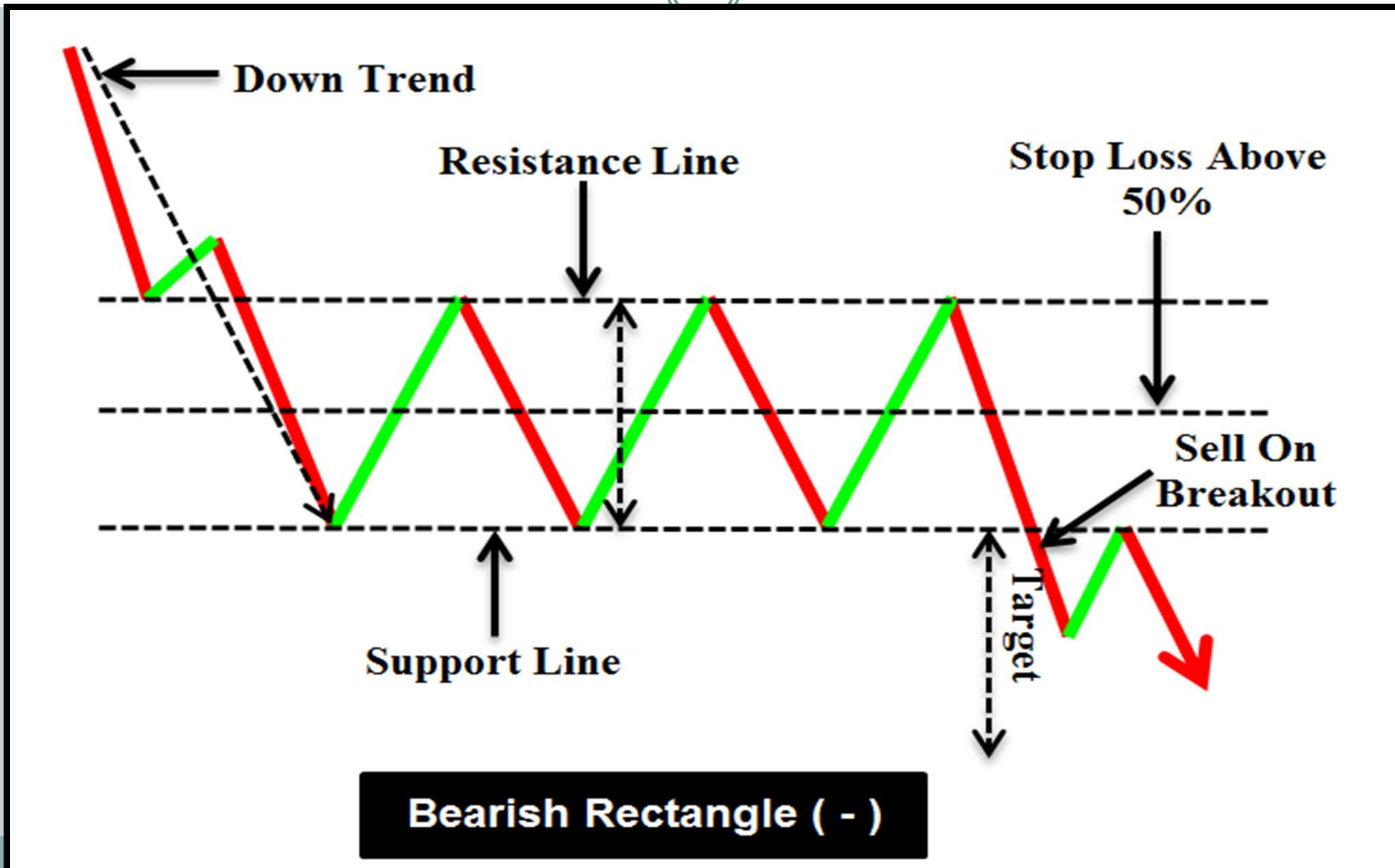


Rectangles



Resistance Line
Target
Buy On
Breakout
Support Line
Stop Loss Below
50 %
Up Trend
Bullish Rectangle (+)

Rectangles



Down Trend
Resistance Line
Stop Loss Above 50%
Sell On Breakout
Target
Support Line
Bearish Rectangle (-)

Risk management/emotional plan downloadable print off sheet.

Based on a (______________________) account size we only ever want to risk 1%.

2% can be used on trades which provide a great risk to reward trade of at least 1:3 and the trade provides multiple confluences as taught within the course structure.

First we have to work out what 1% is of your account balance. Simply use this method.

Divide your account balance by 100 to find 1% and then multiple by how many percent. For example, £5,000 divided by 100 is £50 which equals 1%.

My account balance is (_________________) divided by 100 = (__________) which equals 1%.

This may seem small, but when we chose the correct set ups, we can squeeze as much profit as we can by swing trading and aiming for trades with a minimum of 1:3, in most cases more. If you go through the market video breakdowns, you can see how some of our trades can be as high as 1:12 risk to reward.

If we can find good trades with minimal drawdown, it allows us to have smaller stops meaning higher reward ratios. We can do this by scaling down when we have highlighted an area of interest and awaiting a double tap confirmation and using the first rejection as a bench mark to place our stops.

By using this risk management method, it will prevent you from taking unnecessary trades out of emotion, lack of patience or greed. As it will force you to think, do I really need this trade in my life?

Depending on the trade you have analysed, you will first need to decide where to place your stop and where to place your targets, otherwise it is not a trade.

Below I have written which position size to use based on your desired trade and your preference of the stop loss. I have done this by dividing your 1% value by the stop loss pip amount to provide the value per pip, I have then converted the value per pip into a position size. Please see below.

For example, using a £5,000 account with a 20 pip stop would be £50.00 (1%) divided by 20, equals 2.5, which is £2.50 per pip. Meaning we can use a 0.25 size. Check your broker as discussed as move position up or down to meet the £2.50 requirement.

10 pip Stop Loss – (1%) divided by 10 = (____.____) per pip.
20 pip Stop Loss – (1%) divided by 20 = (____.____) per pip.
30 pip Stop Loss – (1%) divided by 30 = (____.____) per pip.
40 pip Stop Loss – (1%) divided by 40 = (____.____) per pip.

For 2% you would simply double the price per pip and position size.

Remember, if we use this method, it means we can get more than 50% of our trades wrong and still remain profitable.

If you use this mathematical method –
20 Trades placed over a period of 4 weeks.

Out of those 20 trades, at worse you get 12 wrong and 8 right which gives you a 40% win rate.

12 trades wrong – lose 12%
8 trades right – gain 16%

The questions you need to ask yourself and teach yourself before taking each trade can be found below…

1. Do I NEED to take this trade?

This question will prompt you to rethink and analyse the trade once more, ensuring you have as many confluences as possible before executing. The saying goes, check twice, cut once.

2. Can you place a good stop loss?

This is the most important question you need to ask. Can you actually place a stop loss and is it a realistic stop loss? Does your stop allow your trade enough space to breathe? Many traders simply click buy or sell and then add a stop loss, or they use the same stop loss every single trade without taking into consideration each trade is different. Our trades always need to be predetermined prior to execution.

3. Why are you taking this trade?

This question will ask yourself to consider the reasons behind you placing your trade, is this an emotional based trade? Are you taking you taking this trade because you have not made enough money this week? Revenge trading? Or is this trade set up a logical set up based on your trading rules and plan?

4. Based on your stop loss, what will you risk on this trade?

This question will prompt you to consider your position size based on your risk percentage.

5. What is your target?

A trade is not a trade, unless you know where your target is. Stop loss is the most important part of any trade but your target is equally just as important. Using the strategy within the course structure you should know where price will target, for example, if we break 0%, our next target is -27%. We also need to predetermine our target because we need to find out whether our trade is 1:2 risk to reward or more. We also need to predetermine our target because we need to know when to break even our trade. I always suggest that if your target is for example on this trade 100 pips, to breakeven your stop loss when you reach 25-30% of your target.

6. If this trade lines up with your analysis, why are you not taking this trade?

This question will encourage you to take your own analysis. As traders sometimes we can be great at predicting price, but we fail to act upon our own analysis.

7. How will you feel if you were right, but you did not take the trade?
This question will prompt you to remind yourself of the time you were right with your prediction but failed to act on it. When you remind yourself of this, it will encourage you to take the trade.