



I want to know all (basic/advance) about all the candlesticks patterns in forex trading in the context of buy and sell and which decision we have to make if we saw in the market and each should be covered these points

Actual pattern

Location either resistance or supply

Why this formed

How long it will stay

Which time filters we should use to analyze this

Where to enter and exit based on this and with example. Clearly say where to put stop loss and take profit and lot size, RR, and also how to use position index web site with this

Pips calculation based on each pattern

Any other things which you think important

Also I need good examples in each pattern

Make this as a good document type style so I can refer later










Great! Here's a structured outline for a comprehensive document covering **all candlestick patterns in Forex trading** with an emphasis on practical decision-making. I'll draft the beginning here and can expand this into a full downloadable document as needed.

Ultimate Guide to Candlestick Patterns in Forex Trading

Overview

Candlestick patterns are one of the most powerful tools in Forex trading, especially when combined with key concepts like support/resistance zones, proper risk management, and time-frame analysis.

This guide covers:

-  Basic and advanced candlestick patterns
-  Interpretation in the context of buy/sell
-  Use of resistance/support zones
-  Entry/exit rules
-  Time-frame filters
-  Stop Loss (SL), Take Profit (TP), Risk-Reward (RR)
-  Lot sizing using Position Size Calculators
-  Pips calculation with examples
-  Pro tips and high-quality pattern examples



1. Bullish Engulfing

✓ Actual Pattern

A small red candle followed by a large green candle that fully engulfs the red.

📍 Location

- Found at **support** or after a downtrend.

? Why This Formed

Indicates **buyers have overpowered sellers** and signals a possible trend reversal.

⌚ Duration

- Valid for 1–3 candles.
- Stronger on higher time frames (H1+).

🕒 Time Filters

- Use **H1, H4, D1** for better accuracy.
- Confirm with RSI (<30) or divergence for added confidence.

🎯 Entry & Exit Strategy

- **Entry:** Enter at the close of the engulfing candle.
- **Stop Loss:** Just below the low of the engulfing pattern.
- **Take Profit:** Previous resistance or 2–3× the SL distance.
- **Lot Size:** Use [MyFxBook Position Size Calculator](#)
- **RR Ratio:** Aim for 1:2 or 1:3

📈 Example

- Market: EUR/USD
- Time Frame: H4
- Pattern at major support
- Entry: 1.0860
- SL: 1.0830 (30 pips)
- TP: 1.0920 (60 pips)
- Risk: \$100 → Lot Size = 0.33 for SL 30 pips

▼ 2. Bearish Engulfing

✓ Actual Pattern

A small green candle followed by a large red candle that fully engulfs the green.

Location

- Found at **resistance** or after an uptrend.

Why This Formed

Sellers have taken control, and the uptrend may reverse.

Duration

- Watch next 2–3 candles for confirmation.

Time Filters

- Best seen on **H4, D1**

Entry & Exit Strategy

- **Entry:** Enter after bearish engulfing close.
- **Stop Loss:** Above the engulfing high.
- **TP:** Near support or 2× SL
- **Lot Size:** Via Position Size Calculator
- **RR:** Minimum 1:2

Example

- Market: GBP/USD
- Time Frame: H4
- Entry: 1.2600
- SL: 1.2640 (40 pips)
- TP: 1.2520 (80 pips)
- Lot Size: 0.25 (Risking \$100)

3. Doji

Actual Pattern

A candle with a very small body and long wicks on both sides.

Location

- **Support or resistance zones**, or at tops/bottoms of trends.

Why This Formed

Indecision in the market, often a reversal or pause.

Duration

- Signals reversal if followed by a strong confirming candle.

Time Filters

- Most valid on **H1, H4, D1**.

Entry & Exit Strategy

- Wait for confirmation candle.
 - **Entry:** After confirmation candle closes in the direction of trade.
 - **SL:** Above/below Doji wick.
 - **TP:** 2× SL
 - Use RR and lot size calculator accordingly.
-

Tools & Tips

How to Use [Position Size Calculator](#)

1. Input account balance
 2. Select risk percentage (1–2%)
 3. Input SL in pips
 4. Choose currency pair
 5. Use the calculated lot size in your trade
-

Pips Calculation

For most pairs:

- **1 pip = 0.0001**
- For JPY pairs (like USD/JPY): **1 pip = 0.01**

Example:

- Buy EUR/USD at 1.1000
 - TP at 1.1050 = **50 pips**
 - SL at 1.0980 = **20 pips**
 - RR = 1:2.5
-

Pro Tips

- Combine patterns with support/resistance zones and indicators.
- Higher time frames = better reliability.
- Avoid trading only on patterns in low volatility.
- Check multiple pairs for pattern correlation.

What's Next?

Would you like this:

- As a **PDF/Word document** with images?
- Or as a **Notion template** for easy referencing?

Also, I can continue this list with:

- Hammer / Inverted Hammer
- Morning Star / Evening Star
- Shooting Star
- Harami
- Tweezer Top/Bottom
- Three White Soldiers / Black Crows
- Marubozu
- Spinning Tops

Let me know your format preference and I'll prepare the complete document for you.



Yeah continue with rest

Certainly! Let's continue our comprehensive guide on candlestick patterns in forex trading, focusing on practical decision-making aspects such as entry/exit strategies, stop loss/take profit placement, time filters, pips calculation, risk-reward ratio, and the use of position size calculators.

4. Hammer

Actual Pattern

A single candlestick with a small body near the top and a long lower shadow at least twice the length of the body.

Location

- Appears after a downtrend, typically at **support** levels.

? Why This Forms

Indicates that sellers pushed the price lower, but buyers regained control, closing the price near the opening level—signaling a potential bullish reversal.

Duration

- Valid for 1–3 candles.
- Stronger on higher time frames (H1 and above).

Time Filters

- Best observed on **H1, H4, D1** charts.
- Confirmation with RSI (<30) or bullish divergence enhances reliability.

Entry & Exit Strategy

- **Entry:** Enter at the close of the hammer candle or upon the next candle's confirmation.
- **Stop Loss:** Below the low of the hammer.
- **Take Profit:** Previous resistance level or 2–3× the SL distance.
- **Risk-Reward Ratio (RR):** Aim for at least 1:2.

Example

- Market: USD/JPY
- Time Frame: H4
- Entry: 110.50
- SL: 110.00 (50 pips)
- TP: 111.50 (100 pips)
- Lot Size: Use a position size calculator based on your risk tolerance.

5. Inverted Hammer

Actual Pattern

A single candlestick with a small body near the bottom and a long upper shadow at least twice the length of the body.

Location

- Appears after a downtrend, typically at **support** levels.

? Why This Forms

Suggests that buyers attempted to push the price higher, but sellers managed to bring it back down—however, the buying pressure indicates a potential bullish reversal.

Duration

- Valid for 1–3 candles.
- Requires confirmation from subsequent bullish candles.

Time Filters

- Best observed on **H1, H4, D1** charts.
- Confirmation with RSI (<30) or bullish divergence enhances reliability.

Entry & Exit Strategy

- **Entry:** Enter after a bullish confirmation candle following the inverted hammer.
- **Stop Loss:** Below the low of the inverted hammer.
- **Take Profit:** Previous resistance level or 2–3× the SL distance.
- **Risk-Reward Ratio (RR):** Aim for at least 1:2.

Example

- Market: EUR/USD
- Time Frame: H4
- Entry: 1.1800
- SL: 1.1750 (50 pips)
- TP: 1.1900 (100 pips)
- Lot Size: Use a position size calculator based on your risk tolerance.

6. Morning Star

Actual Pattern

A three-candle pattern:

1. Large bearish candle.
2. Small-bodied candle (can be bullish or bearish) indicating indecision.
3. Large bullish candle closing well into the body of the first candle.

Location

- Appears after a downtrend, typically at **support** levels.

Why This Forms

Signals a shift from selling to buying pressure, indicating a potential bullish reversal.

Duration

- Valid for 1–5 candles.
- Stronger on higher time frames.

Time Filters

- Best observed on **H4, D1** charts.
- Confirmation with RSI (<30) or bullish divergence enhances reliability.

Entry & Exit Strategy

- **Entry:** Enter at the close of the third (bullish) candle.
- **Stop Loss:** Below the low of the second candle.
- **Take Profit:** Previous resistance level or 2–3× the SL distance.
- **Risk-Reward Ratio (RR):** Aim for at least 1:2.

Example

- Market: GBP/USD
- Time Frame: D1
- Entry: 1.3000
- SL: 1.2900 (100 pips)
- TP: 1.3200 (200 pips)
- Lot Size: Use a position size calculator based on your risk tolerance.

7. Evening Star

Actual Pattern

A three-candle pattern:

1. Large bullish candle.
2. Small-bodied candle (can be bullish or bearish) indicating indecision.
3. Large bearish candle closing well into the body of the first candle.

Location

- Appears after an uptrend, typically at **resistance** levels.

Why This Forms

Signals a shift from buying to selling pressure, indicating a potential bearish reversal.

Duration

- Valid for 1–5 candles.
- Stronger on higher time frames.

Time Filters

- Best observed on **H4, D1** charts.
- Confirmation with RSI (>70) or bearish divergence enhances reliability.

Entry & Exit Strategy

- **Entry:** Enter at the close of the third (bearish) candle.
- **Stop Loss:** Above the high of the second candle.
- **Take Profit:** Previous support level or 2–3× the SL distance.
- **Risk-Reward Ratio (RR):** Aim for at least 1:2.

Example

- Market: USD/CHF
- Time Frame: D1
- Entry: 0.9500
- SL: 0.9600 (100 pips)
- TP: 0.9300 (200 pips)
- Lot Size: Use a position size calculator based on your risk tolerance.

8. Shooting Star

Actual Pattern

A single candlestick with a small body near the bottom and a long upper shadow at least twice the length of the body.

Location

- Appears after an uptrend, typically at **resistance** levels.

Why This Forms

Indicates that buyers pushed the price higher, but sellers regained control, closing the price near the opening level—signaling a potential bearish reversal.

Duration

- Valid for 1–3 candles.

- Requires confirmation from subsequent bearish candles.

Time Filters

- Best observed on **H1, H4, D1** charts.
- Confirmation with RSI (>70) or bearish divergence enhances reliability.

Entry & Exit Strategy

- **Entry:** Enter after a bearish confirmation candle following the shooting star.
- **Stop Loss:** Above the high of the shooting star.
- **Take Profit:** Previous support level or 2–3× the SL distance.
- **Risk-Reward Ratio (RR):** Aim for at least 1:2.

Example

- Market: AUD/USD
- Time Frame: H4
- Entry: 0.7500
- SL: 0.7550 (50 pips)
- TP: 0.7400 (100 pips)
- Lot Size: Use a position size calculator based on your risk tolerance.

9. Harami

Actual Pattern

A two-candle pattern:

1. Large candle (bullish or bearish).
2. Smaller candle of the opposite color, completely within the body of the first candle.

Location

- Appears at the end of a trend, at **support** or **resistance** levels.

Why This Forms

Indicates a potential reversal as the market shows indecision after a strong trend.

Duration

- Valid for 1–3 candles.
- Requires confirmation from subsequent candles.

Time Filters

- Best observed on **H1, H4, D1** charts.
- Confirmation with RSI divergence enhances reliability.

Entry & Exit Strategy

- **Entry:** Enter after a confirmation candle in the direction of the reversal.
- **Stop Loss:** Below/above the low/high of the first candle.
- **Take Profit:** Previous support/resistance level or 2–3× the SL distance.
- **Risk-Reward Ratio (RR):** Aim for at least 1:2.

Example

- Market: EUR/JPY
- Time Frame: H4
- Entry: 130.00
- SL: 129.50 (50 pips)
- TP: 131.00 (100 pips)
- Lot Size: Use a position size calculator based on your risk tolerance.

10. Tweezer Top and Bottom

Actual Pattern

A two-candle pattern:

- **Tweezer Top:** Two candles with matching highs after an uptrend.
- **Tweezer Bottom:** Two candles with matching lows after a downtrend.

Location

- **Tweezer Top:** Appears at **resistance** levels.
- **Tweezer Bottom:** Appears at **support** levels.

Why This Forms

Indicates that the market tested a level twice and failed to break through, signaling a potential reversal.

Duration

- Valid for 1–3 candles.
- Requires confirmation from subsequent candles.

Time Filters

- Best observed on **H1, H4, D1** charts.
- Confirmation with RSI divergence enhances reliability.

Entry & Exit Strategy

- **Entry:** Enter after a confirmation candle in the direction of the reversal.
- **Stop Loss:** Above/below the high/low of the tweezer pattern.
- **Take Profit:** Previous support/resistance level or 2–3× the SL distance.
- **Risk-Reward Ratio (RR):** Aim for at least 1:2.

Example

- Market: GBP/JPY
- Time Frame: H4
- Entry: 150.00
- SL: 150.50 (50 pips)
- TP: 149.00 (100 pips)
- Lot Size: Use a position size calculator based on your risk tolerance.

11. Three White Soldiers

Actual Pattern

Three consecutive long bullish candles, each closing higher than the previous, with small or no wicks.

Location

- Appears after a downtrend, typically at **support** levels.

Why This Forms

Indicates strong buying pressure and a

Sources



Can you make pdf with images for this document

Your candlestick pattern guide PDF is ready. You can download it using the link below:



Next, I can add images for each pattern and complete the remaining patterns in the same document style. Would you like me to continue with that?