

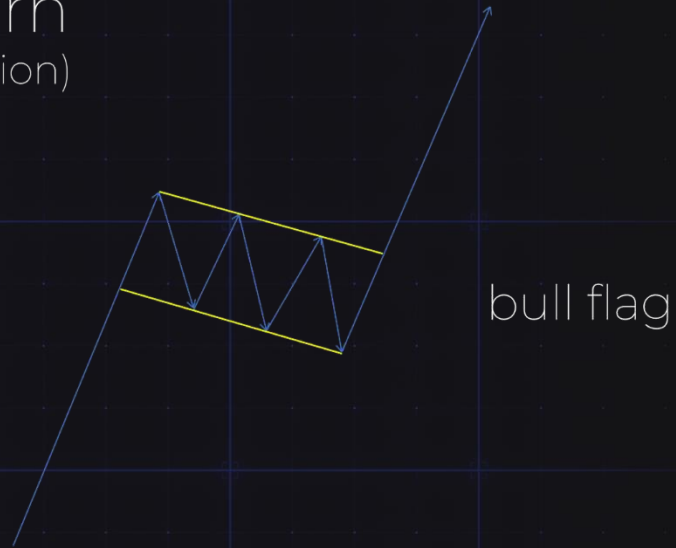


TRADING GUIDANCE

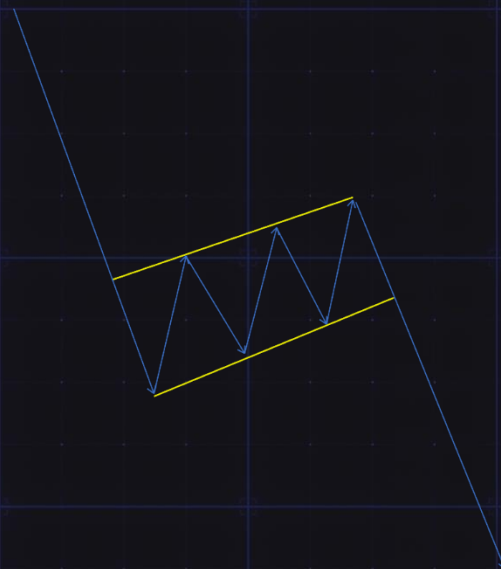
PATTERN BLUEPRINT

continuation

flag pattern
(continuation)



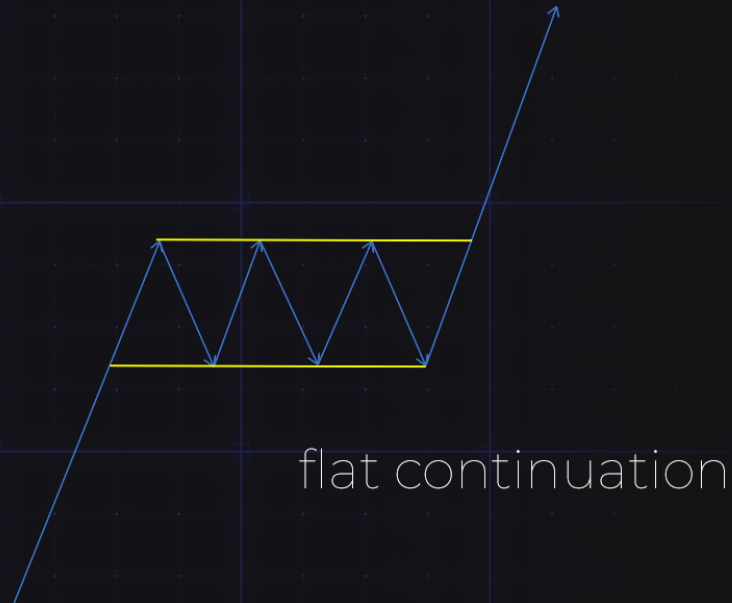
bull flag



bear flag

- The above continuation patterns are the bull flag and the bear flag. These patterns are spotted in a bullish trend or a bearish trend respectively forming the corrective phase in a trending market.
- They are called bull flags because the pattern resembles a flag on a pole.

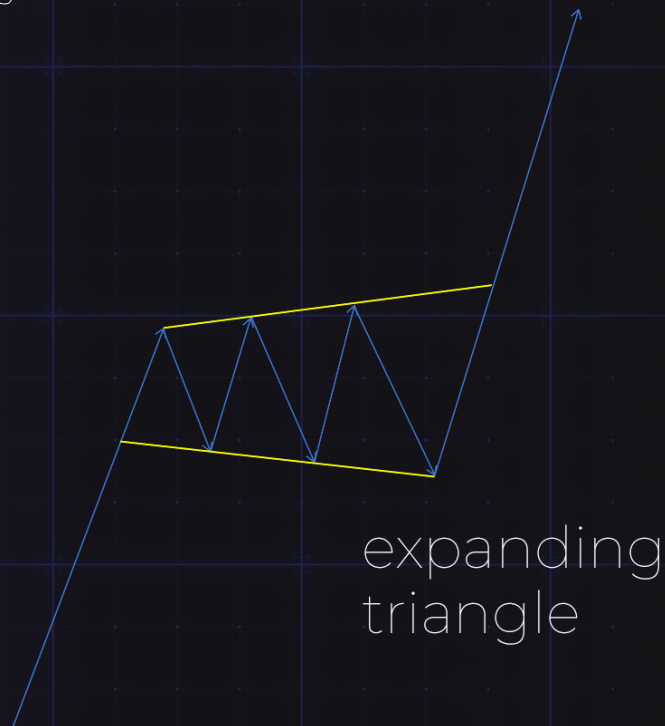
- We utilize these patterns heavily in Falcon to outline impulsive price movements to the upside and to the downside.
- These patterns are very common within the markets and throughout your journey within Falcon you will see a lot of opportunities utilizing the reduced risk entry – capitalizing on these flag formations.



- Flat continuation patterns can be either bearish or bullish and closely relate to the flag continuations within the market. They differ very slightly in shape however signal the same opportunity within the market.
- Again, these patterns are seen in either a bullish or bearish market.



- Another form of continuation pattern used within Falcon is the triangle continuation. Another shape that a continuation pattern can take within the market – it is rare to find picture perfect patterns within the charts however as price action develops you begin to class it as one of these various categories.



- The last form of continuation pattern we pay attention to within Falcon is the expanding triangle. As a flag or flat continuation would retain its general parallel structure the expanding triangle broadens as price action develops. This pattern results in a very nice risk to reward ratio with particular entries styles you'll learn throughout the content.

up next ...

reversal

rising wedge



- The rising wedge reversal pattern is one of the most common, price action is approaching the top of structure and this pattern signals the opportunity for a sell.
- The probability of this pattern playing out increases as more “touch points” become apparent throughout the course of the wedge.

falling wedge



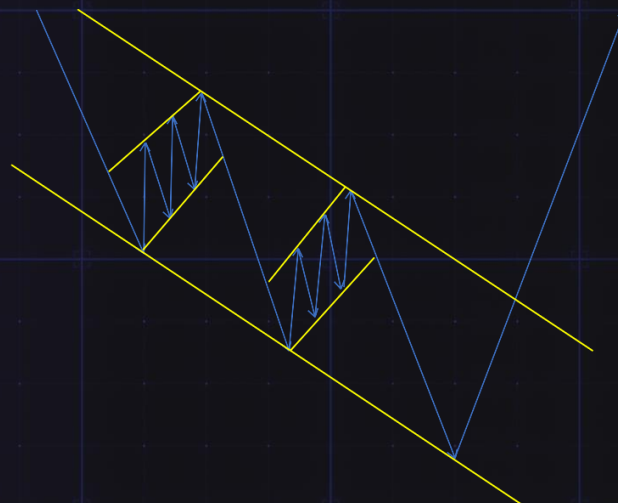
- The falling wedge is the same as price is approaching the bottom of structure signalling an opportunity for a buy.
- Both the rising wedge and falling wedge patterns are seen commonly and traded often within Falcon.

ascending channel

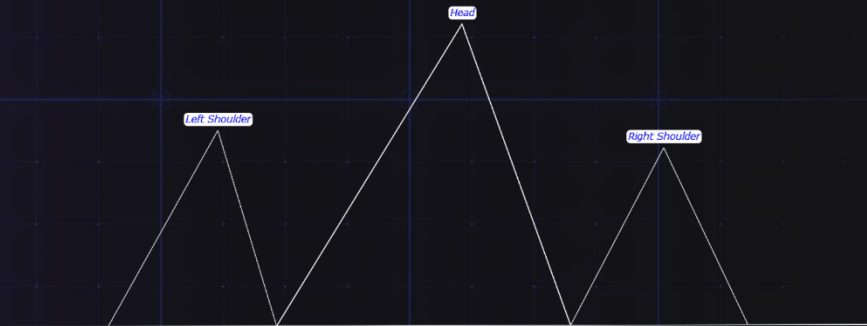


- The ascending channel is a reversal pattern that is extremely common within Falcon. It allows us to capitalize on very large risk to reward positions by combining it with our entry criteria and management techniques.
- As covered in the first season of the Falcon Quick Tips series, a third touch at the top of this pattern represents a high value area for a sell.

descending channel



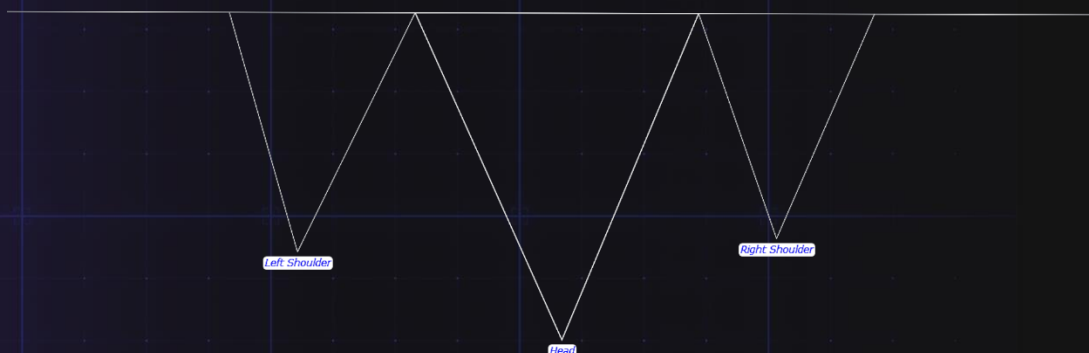
- The descending channel allows us to capitalize in the same way with a buying opportunity. Price moves to the downside in a clear channel before finally reversing.
- The more touches on this channel the more probable it is of playing out – and playing out impulsively to the upside.



head & shoulders

- The head and shoulders pattern is very common amongst many different FX strategies. However, within Falcon this pattern is strictly used as another piece of evidence to take a trade.
- Price forms the left shoulder, retraces to the “neckline”, tests higher to form the head of the pattern, tags the neckline once more, before forming the right shoulder of the pattern and breaking lower.
- Price has now “rejected” this area 3 times and increases probability of heading to the downside.

inverse head & shoulders

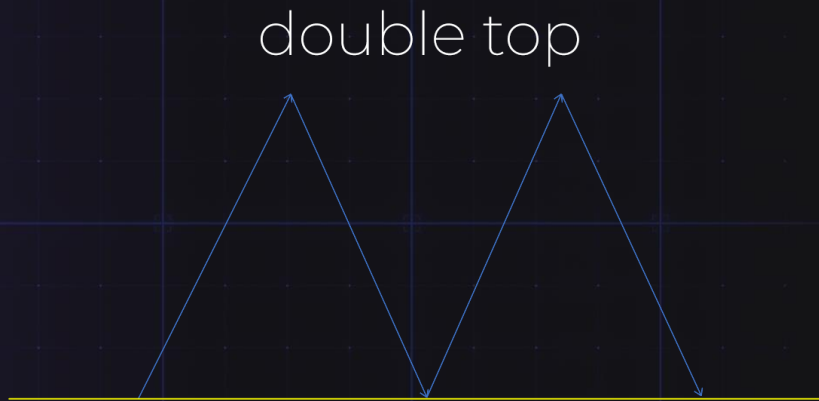


- The same is true for the opposite which is called the inverse head and shoulders pattern.
- Three rejections of a certain area or structure results in that added evidence to look for buying opportunities within the position.



double bottom

- The double bottom reversal pattern is price tagging the same “area” twice and confirming a certain structure or level. It signifies a buying opportunity and is commonly used within Falcon to determine entries.



double top

- The same is true for the double top reversal formation. Price comes back up to tag the same area for a second time – confirming the opportunity for a sell and bias to the downside.
- Both the double bottom and double top can also for triple bottoms and triple tops – although they will not be listed as they are straight forward.

We hope you enjoyed the insight into the most common patterns utilized within the Falcon style and strategy. This blueprint provides you with the patterns you should be keeping an eye out for as you continue your journey throughout the content and to becoming a consistently profitable trader within the markets.

For more insight in to how we trade – check out the Falcon Foundation Series as well as a subscription to Falcon FX Pro.

The Falcon Foundation Series



Falcon FX Pro Membership

