65 Chart Patterns You Can Trade

It's funny. In the process of writing the book, I have learned more about trading than the preceding decade.

I spent countless hours with professional traders (dozens of them). I had to objectively pour over more research papers than my four years at university required. I needed an assistant who is proficient in "academic lingo" to understand them.

Now, it's safe to say that most of that information didn't make it into this book. I didn't want a 1,000-page textbook. Instead, I wanted to include only the most useful components possible. Something that's easy to read and digest. However, that means that there is bias. We had to decide what to include and what to exclude.

So, to counter that bias, I have decided to add in some of the extras we found along the way (not all of them).

Below is a long list of chart patterns you can trade. If we wrote an in-depth guide on each pattern, we would probably fill 10 books and decade just as many years.

Combine a few of them and write out a strategy for yourself if you wish.

1. Head and Shoulders / Inverse Head and Shoulders: These patterns consist of a peak (head) flanked by two smaller peaks (shoulders), suggesting a bullish-to-bearish reversal in the case of the head and shoulders and a bearish-to-bullish reversal for the inverse pattern.
2. Double Top / Double Bottom: These patterns indicate consecutive peaks that are roughly the same size, suggesting a bullish-to-bearish

reversal for a double top and a bearish-to-bullish reversal for a double bottom.

3. Triple Top / Triple Bottom: These patterns have three peaks at nearly the same level, indicating a bullish-to-bearish reversal for the triple top and a bearish-to-bullish reversal for the triple bottom.
4. Cup and Handle: This pattern looks like a cup with a handle and is generally considered to be a bullish signal.
5. Ascending Triangle / Descending Triangle: These are patterns characterized by a rising lower trendline and a flat upper trendline for ascending triangle, and a falling upper trendline and a flat lower trendline for the descending triangle.
6. Symmetrical Triangle: A pattern with two converging trendlines, both slanted at an approximately equal rate. It can be either bullish or bearish, depending on the overall trend.
7. Flag: A short-term continuation pattern that signifies a small consolidation before the previous move continues.
8. Pennant: A small symmetrical triangle that begins wide and converges as the patterns mature.
9. Wedge: Rising wedges are bearish, and falling wedges are bullish. The pattern has a series of highs and lows that contract.
10. Rectangle Pattern: A continuation pattern where the price ranges between horizontal support and resistance levels.
11. Broadening Formation: A pattern where the price is making higher highs and lower lows. It can be both a bullish and bearish pattern depending on the context.
12. Rounding Bottom / Rounding Top: These patterns represent long-term reversal patterns. A rounding bottom is also referred to as a saucer bottom and represents a long consolidation period that turns

from a bearish bias to a bullish bias. A rounding top is a bearish reversal pattern that forms the shape of an upside-down U.

13. Island Reversal: An island reversal is a price pattern on bar charts or candlestick charts with a gap before and after the pattern. It is a sharp short-term shift in price direction.

14. Diamond Top Formation / Diamond Bottom Formation: These relatively rare chart patterns occur at the top of a considerable uptrend or at the bottom of a downtrend. The top formation signifies that the existing trend may be nearing its end, while the bottom formation signals a reversal of a downtrend.

15. Triple Exponential Average (TRIX) Crossover: A momentum oscillator used by technical traders that shows the percentage change in a triple exponentially smoothed moving average, generating trading signals similar to the Moving Average Convergence Divergence (MACD).

16. Rising Three Methods / Falling Three Methods: These are continuation candlestick patterns. The Rising Three Methods is used in uptrends and signals further bullish activity, while the Falling Three Methods is used in downtrends and signals further bearish activity.

17. Bump and Run Reversal Top / Bump and Run Reversal Bottom: These patterns indicate a rapid rise or decline in a stock's price, the "bump", followed by a quick reversal.

18. Bullish Engulfing Pattern / Bearish Engulfing Pattern: These are two-candle reversal patterns. The second candle completely 'engulfs' the real body of the first one, signaling a possible top for the bearish pattern and a bottom for the bullish pattern.

19. Hammer / Hanging Man: The Hammer is a bullish pattern during a downtrend, which indicates a potential market bottom, while the Hanging Man is similar but occurs at the top of an uptrend, signaling a potential market top.

20. Shooting Star / Inverted Hammer: The Shooting Star is a bearish reversal pattern that continues an uptrend with a long upper shadow, followed by a close near the low. The Inverted Hammer is a bullish reversal pattern that forms after a decline, marking bottoms or support levels.

21. Piercing Line / Dark Cloud Cover: These are two-candle reversal patterns, indicating a potential reversal in trend, with the Piercing Line being bullish and the Dark Cloud Cover being bearish.

22. Morning Star / Evening Star: These are three-candlestick patterns signifying a potential bottom (Morning Star) or a reversal pattern that continues an uptrend with a potential top (Evening Star).

23. Bullish Harami / Bearish Harami: These are two-candle reversal patterns, where a large candle is followed by a smaller candle within its body, signaling a possible reversal from bearish to bullish (Bullish Harami) or from bullish to bearish (Bearish Harami).

24. Three White Soldiers / Three Black Crows: These are reversal patterns characterized by three long-bodied consecutive candles, signaling a potential reversal from bearish to bullish (Three White Soldiers) or from bullish to bearish (Three Black Crows).

25. Doji / Long-Legged Doji: These are neutral patterns that suggest a great amount of indecision in the market. The Long-Legged Doji indicates there are both buyers and sellers in the market.

26. Dragonfly Doji / Gravestone Doji: These Doji patterns often signal a turning point or reversal in the current trend, with the Dragonfly Doji indicating a potential bullish reversal and the Gravestone Doji indicating a potential bearish reversal.

27. Bullish Marubozu / Bearish Marubozu: These are types of candlestick patterns where there are no shadows from the bodies, suggesting the buyers (Bullish Marubozu) or the sellers (Bearish Marubozu) controlled the price of the asset from the first trade to the last trade.

28. Tweezers Top and Bottom: These are reversal patterns. The Tweezers Top indicates a bearish reversal after a bullish trend, and the Tweezers Bottom indicates a bullish reversal following a bearish trend.

29. Abandoned Baby Top and Bottom: These are also reversal patterns, with the Abandoned Baby Top indicating a bearish reversal after a bullish trend and the Abandoned Baby Bottom indicating a bullish reversal after a bearish trend.

30. Three Inside Up and Down: These are reversal patterns where the Three Inside Up indicates a bullish reversal, and the Three Inside Down indicates a bearish reversal.

31. Three Outside Up and Down: Similar to the Three Inside patterns, the Three Outside Up is a bullish reversal pattern, and the Three Outside Down is a bearish reversal pattern.

32. Three-Line Strike: This pattern consists of three bearish candles within a downtrend, followed by a bullish candle that opens lower than the third candle's close and closes higher than the first candle's high. The inverse of this pattern occurs in an uptrend and indicates the start of a new downtrend.

33. Two Black Gapping: This bearish continuation pattern appears after a significant peak in an uptrend, with a gap down that yields two bearish candles posting lower lows, indicating the start of a new downtrend.

34. Three Black Crows and Three White Soldiers: These are reversal patterns where the Three Black Crows indicate a bearish reversal after a bullish trend, and the Three White Soldiers indicate a bullish reversal after a bearish trend.

35. Upside Gap Two Crows and Bullish Upside Gap Two Rabbits: These are market reversal signals that occur in an advancing market, where Upside Gap Two Crows predict a bearish reversal after an

uptrend, and Bullish Upside Gap Two Rabbits predict a bullish reversal after a downtrend.

36. Identical Three Crows and Three Advancing White Soldiers: These are reversal patterns, with Identical Three Crows indicating a bearish reversal after a bullish trend and Three Advancing White Soldiers indicating an exceptionally bullish reversal after a downtrend.

37. Advance Block and Deliberation Block: These are bearish continuation patterns that indicate the continuation of a downtrend.

38. Belt Hold Line: This pattern can be either bullish or bearish. It occurs when a security opens sharply lower than the previous day's close but rallies later in the day to close either above or close to its opening price.

39. Breakaway: This is a bullish pattern during a downtrend, or a bearish pattern during an uptrend.

40. Separating Lines: This continuation pattern can be either bullish or bearish and occurs when a corrective period's high and low are equal to the high and low of the prior corrective period.

41. Side-by-Side White and Black Lines: The side-by-side white lines are a bullish continuation pattern, while the side-by-side black lines are a bearish continuation pattern.

42. Three Stars in the South and Unique Three River Bottom: These are bullish reversal patterns indicating a gradual weakening of a bearish trend and potential trend reversal.

43. Stick Sandwich: This reversal pattern can indicate a bullish or bearish trend, characterized by two similar-colored candles sandwiching a different-colored one.

44. In Neck Line and On Neck Line: These are bearish continuation patterns that form after a decline, followed by a small consolidation phase, and then the decline continues.

45. Rising Window (Gapping Up) and Falling Window (Gapping Down): The rising window is a bullish pattern, while the falling window is a bearish pattern.

46. Tasuki Gap Up and Down: These are continuation patterns, with the Tasuki Gap Up being bullish and Tasuki Gap Down being bearish.

47. Mat Hold Pattern: A continuation pattern featuring a large bearish candle followed by three smaller candles contained within the range of the first candle. The fifth candle closes at a new low.

48. High Price Gapping Play and Low Price Gapping Play: These are bearish and bullish continuation patterns, respectively.

49. Homing Pigeon: This is a bullish reversal pattern featuring a large bearish candlestick followed by a smaller bearish candlestick.

50. Ladder Bottom and Matching Low: These are bullish reversal patterns that emerge at the conclusion of a downtrend. The Ladder Bottom indicates a very specific set of conditions leading to a potential upward reversal, while the Matching Low signals a potential upward reversal due to two or more consecutive lows being equal.

51. Stalled Pattern: This is a bearish reversal pattern that occurs during an uptrend. The pattern consists of three candles: the first is a long bullish candle, followed by another bullish candle with a smaller body that opens above the previous day's close, suggesting that the upward momentum is slowing. The third candle is a bearish candle that closes within the body of the second candle, further confirming the potential end of the uptrend. This pattern serves as an indication that the uptrend is potentially stalling and could be coming to an end, suggesting a forthcoming downturn.

52. Upside Tasuki Gap and Downside Tasuki Gap: These are continuation patterns, the former being bullish and the latter bearish. Each features two similarly colored candles with a gap between them, followed by a differently colored candle that fills the gap but does not close it.

53. Separating Lines: This pattern can be bullish during a downtrend or bearish during an uptrend.

54. Up/Down-gap Side-by-Side White Lines: This is a bullish continuation pattern.

55. Three Advancing White Soldiers: An exceptionally bullish pattern that occurs after a downtrend.

56. Three Line Strike, Bullish, and Bearish: These are bullish and bearish reversal patterns, respectively.

57. Thrusting Pattern: It can be either a bearish or bullish pattern depending on its context within price trends and other technical analysis.

58. Bullish and Bearish Meeting Lines: These are patterns where a candle is followed by another of the opposite color that opens at a different level but closes at the same price as the first candle.

59. Bullish and Bearish Kicking: These are bullish and bearish reversal patterns, respectively, each formed by two gapping candles.

60. Concealing Baby Swallow: A very rare bearish reversal pattern that signals a potential start of a downtrend.

61. Bullish and Bearish Breakaway: These patterns each consist of five candles – four of one color and one of the other – and form reversal signals.

62. Bullish and Bearish Counterattack Lines: These are two-candlestick patterns that signal potential reversals. Each consists of a long candlestick followed by a candlestick of the opposite color that opens at a different level but closes at the same level as the previous close.

63. Bullish Ladder Bottom: A bullish reversal pattern that forms after a significant downtrend. It consists of five candlesticks, with the first

three being long and bearish, the fourth being a smaller bearish candle, and the fifth being a long bullish candle.

64. Bullish and Bearish Squeeze Alert: These patterns each occur during a trend and signal a potential reversal. They are three-candlestick patterns consisting of a long candle, a star, and a long candle of the opposite color.

65. Bullish Upside Gap Two Rabbits and Bearish Upside Gap Two Crows: These are three candlestick patterns that form during a trend and signal a potential reversal. They consist of a long candle, a short candle of the opposite color, and another long candle of the opposite color.