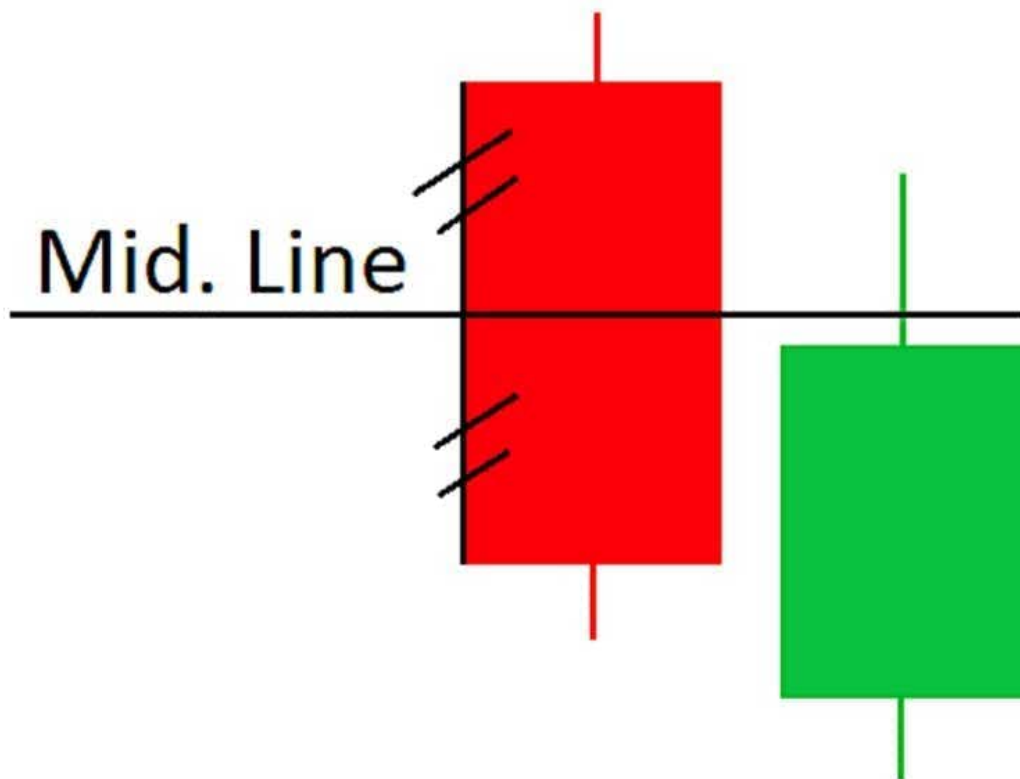


THRUSTING LINE CANDLESTICK

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WHAT IS A THRUSTING LINE CANDLESTICK PATTERN?



A valid thrusting line pattern starts with a bearish candle on the chart, followed by a “thrusting” bullish candlestick.

**This pattern leads to further downward pressure on the stock.
So, as a trader in most cases you will look to get short once
the pattern develops.**

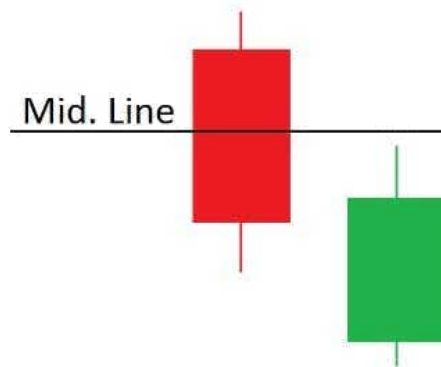
It is crucial the opening price of the second candle gap down from the closing price of the previous candle. The other important requirement is the closing level of the second candle not cross the mid-point of the first candle's body.

THRUSTING LINE CANDLESTICK

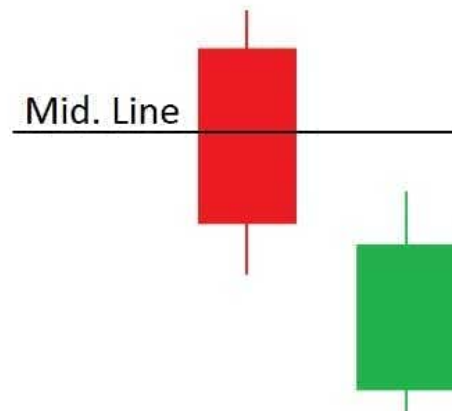
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TYPES OF THRUSTING LINE CANDLESTICK PATTERNS

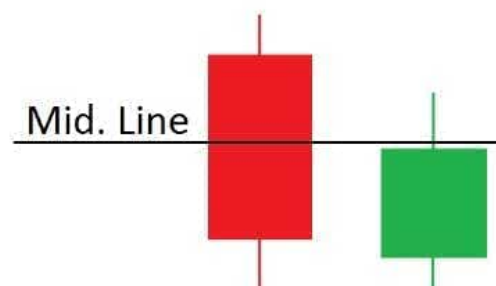
1. STRONG CONTINUATION THRUSTING LINE



2. MEDIUM CONTINUATION THRUSTING LINE



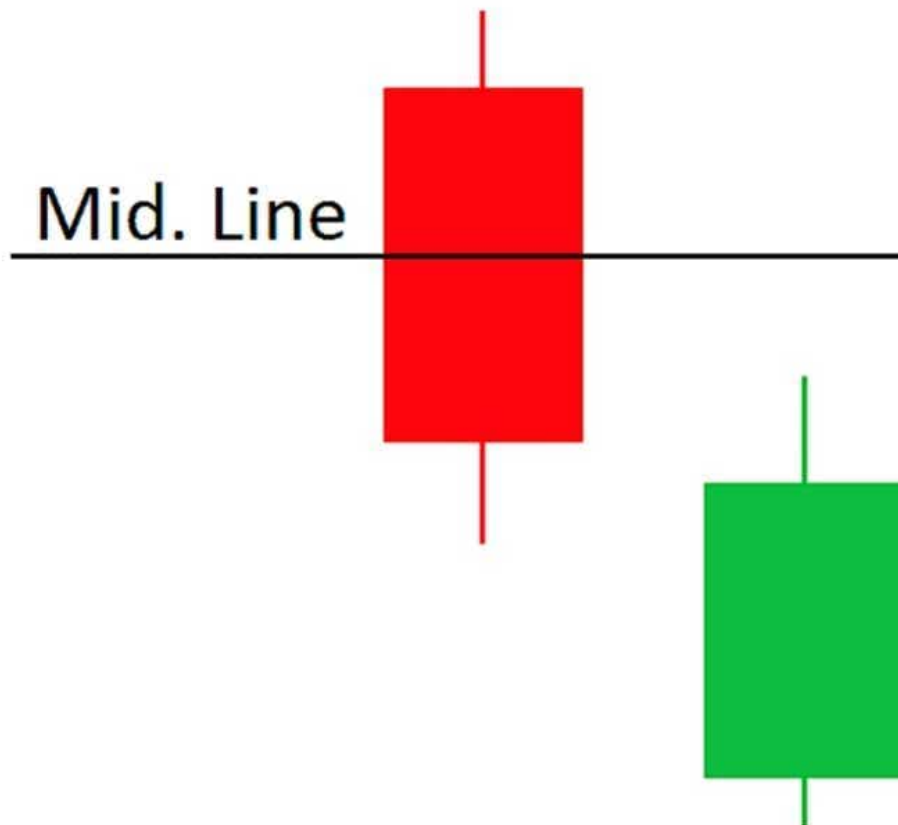
3. REVERSAL THRUSTING LINE



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STRONG CONTINUATION THRUSTING LINE



The thrusting line with a strong continuation of the bearish trend

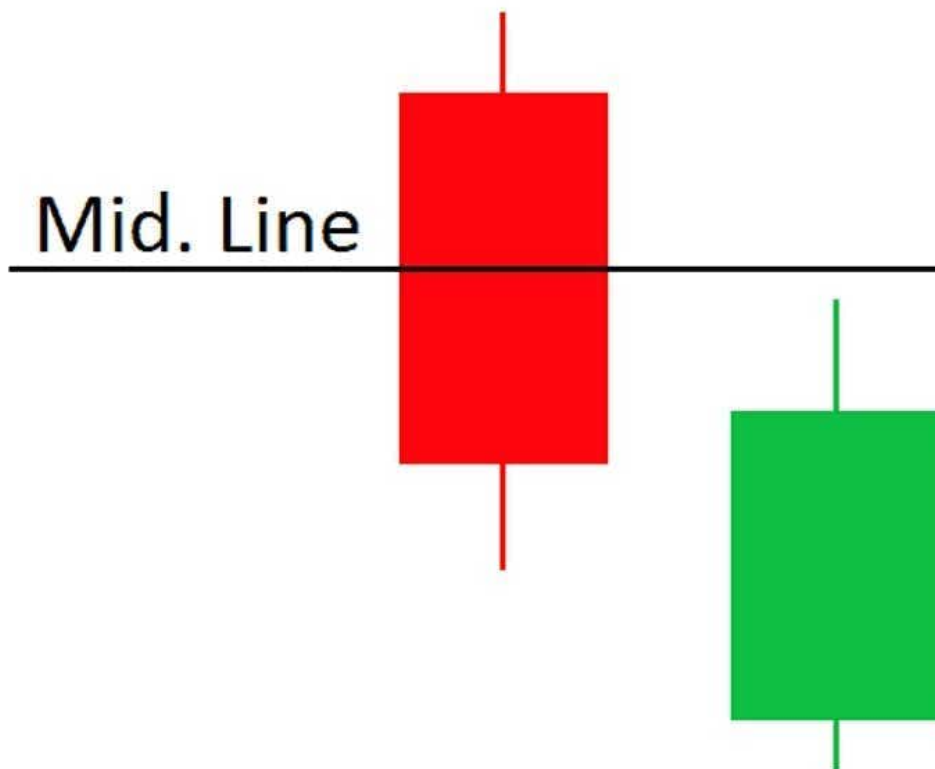
CHARACTERISTICS

- The opening of the second candle is relatively lower than the close of the first candle.
- The closing of the second candle is barely touching the close of the first candle.

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MEDIUM CONTINUATION THRUSTING LINE



The medium continuation thrust line pattern has the potential to send prices up or down.

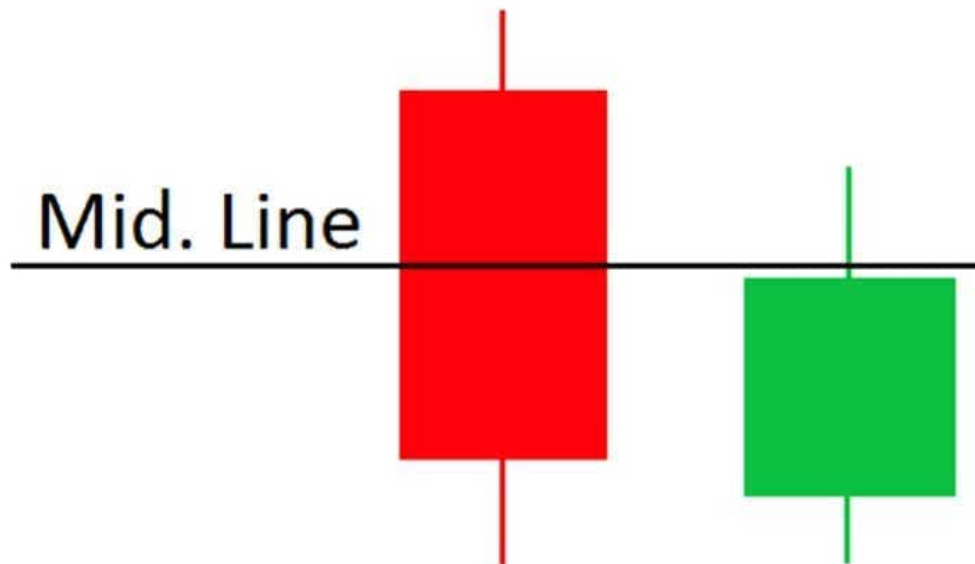
CHARACTERISTICS

- The opening of the second candle is relatively distanced (downwards) from the close of the first candle.
- The closing of the second candle is relatively distanced from the mid-point of the first candle; however, both candles need to overlap.

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REVERSAL THRUSTING LINE



It is also called a bullish thrusting line, or a weak continuation thrusting line. This type of thrusting line candle formation is more likely to reverse the price action, rather than continue in the direction of the bearish trend.

CHARACTERISTICS

- The opening of the second candle is almost on the same level with the close of the first candle.
- The closing of the second candle is almost on the same level with the middle point of the first candle.

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TRADING THE BEARISH THRUST LINE PATTERN



TRADE ENTRY:-

Prior to entry, you first need to confirm the pattern. This happens when a third candle is created and closes below the body of the second candle. This means that the third candle should be bearish. When this candle closes below the body of the second candle, we have received confirmation of the bearish thrusting pattern on the chart.

STOPLOSS:-

The proper Stoploss location for your bearish Thrusting Line continuation pattern is above the upper candlewick of the second candle.

PROFIT TARGET:-

There isn't a fixed target when trading the thrusting line continuation pattern. After all, a continuation pattern can run without stopping.

We stay in the trade until the price action breaks the blue bearish trend in a bullish direction. This is shown in the red circle on the chart. We close our Twitter trade and collect profits.

THRUSTING LINE CANDLESTICK

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TRADING THE BULLISH THRUSTING LINES CANDLESTICK PATTERN



TRADE ENTRY:-

you would first need to attain the confirmation of the pattern. Again, this happens with a third candle. This time, the third candle needs to be bullish and it needs to break the middle line of the first candle. If the third candle closes above this level, then you would need to go long.

STOPLOSS:-

The right place for your stop loss would be below the lower candlewick of the second candle.

PROFIT TARGET:-

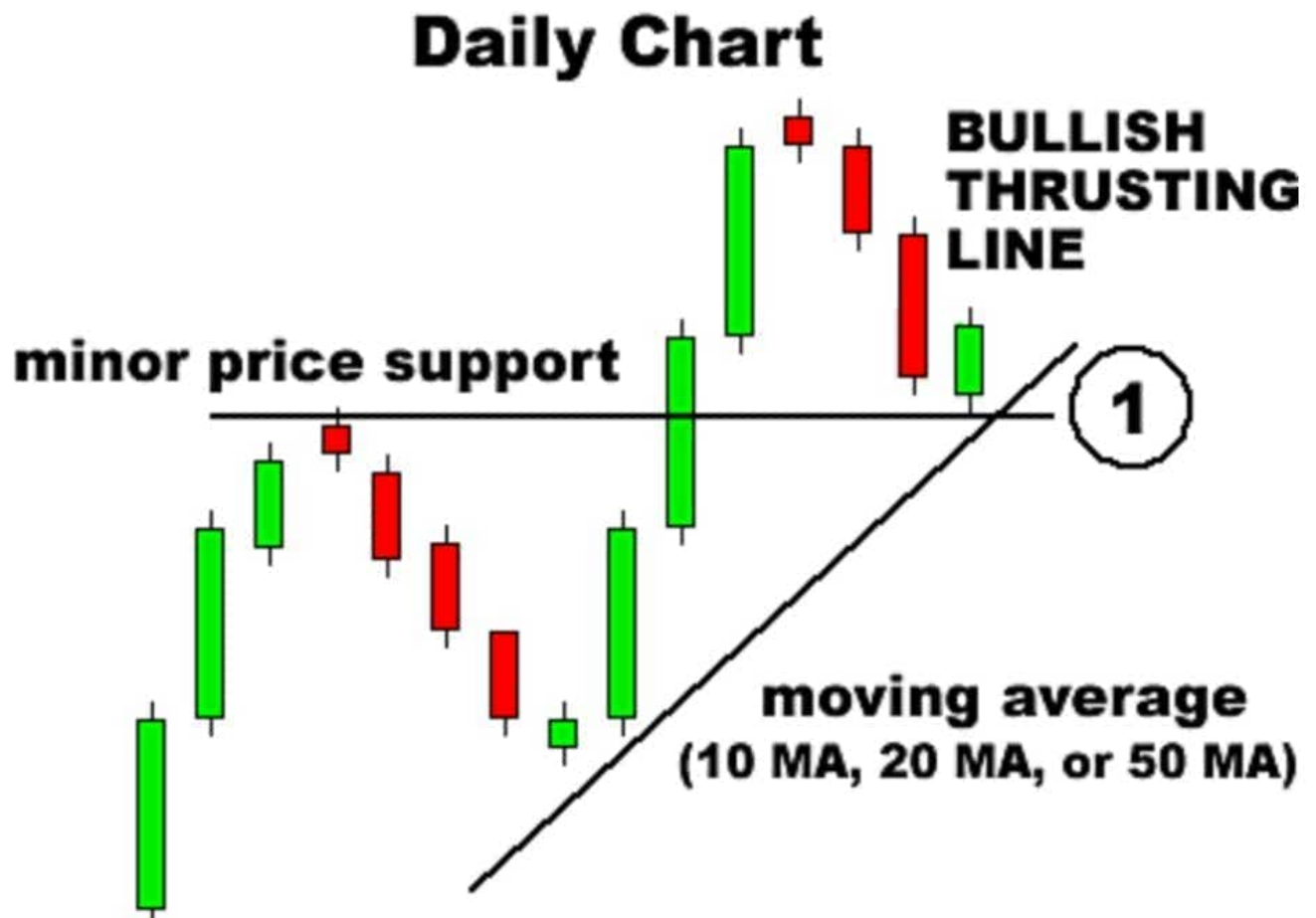
The profit target rules for the bullish thrusting line strategy are same as for the bearish thrusting line. To find the right exit point of your bullish thrusting trade, again, I recommend you use price action rules and time and sales.

THRUSTING LINE CANDLESTICK

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The Set-up

Step 1:



Look for a **BULLISH THRUSTING LINE** resting on **MINOR PRICE SUPPORT**, and/or a rising Major Moving Average (10 MA, 20 MA, or 50 MA) on the daily chart.

THRUSTING LINE CANDLESTICK

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ENTRY

Step 2: Pull up a 15 min. chart of the stock.

Daily Chart

② 15 - min Chart



Step 3:

Note the high price of the previous day's daily THRUSTING LINE candlestick. Your entry point is 1/8th above this price.

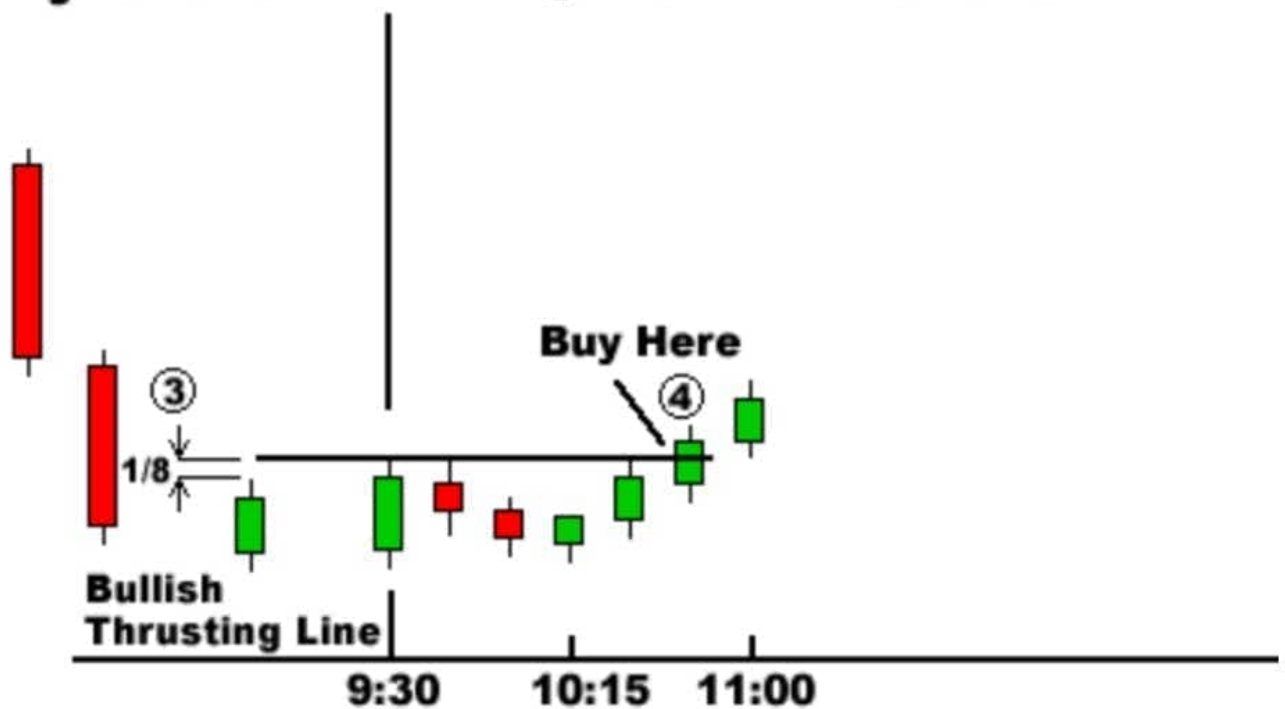
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ENTRY

Daily Chart

② 15 - min Chart



Step 4:

On the following day, allow the stock to trade for 5 minutes before entering. Enter the stock only if it breaks above the entry criteria (1/8th above previous day's high) and only after it has traded for 5 minutes. If the stock does not break above the entry point, do not enter.

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THE PROTECTIVE STOP

15 - min Chart



Step 5:

Observe the previous day's candlesticks on a 15 min chart. Find an internal line of support that is formed on the 15 min. chart. This will usually be an intra-day area where the stock moves down to and then rallies multiple times during the day. Place the initial protective stop $1/8$ below the area of intraday support. Exit the stock for a small loss immediately if the stock breaks below this price.

Step 6:

Monitor the stock as it continues to rally upward. Look for areas of support (either minor price support or base price support) on the 15 minute chart, and re-adjust your protective stop price upward as the stock continues to rally. This will protect your profits, and/or minimize your losses if the stock should turn against you.

THRUSTING LINE CANDLESTICK

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TAKING PROFITS



Use price action rules and time and sales to exit your position.