
Price Action Trading Chart Patterns Trading Strategy (by Albert Kuo)

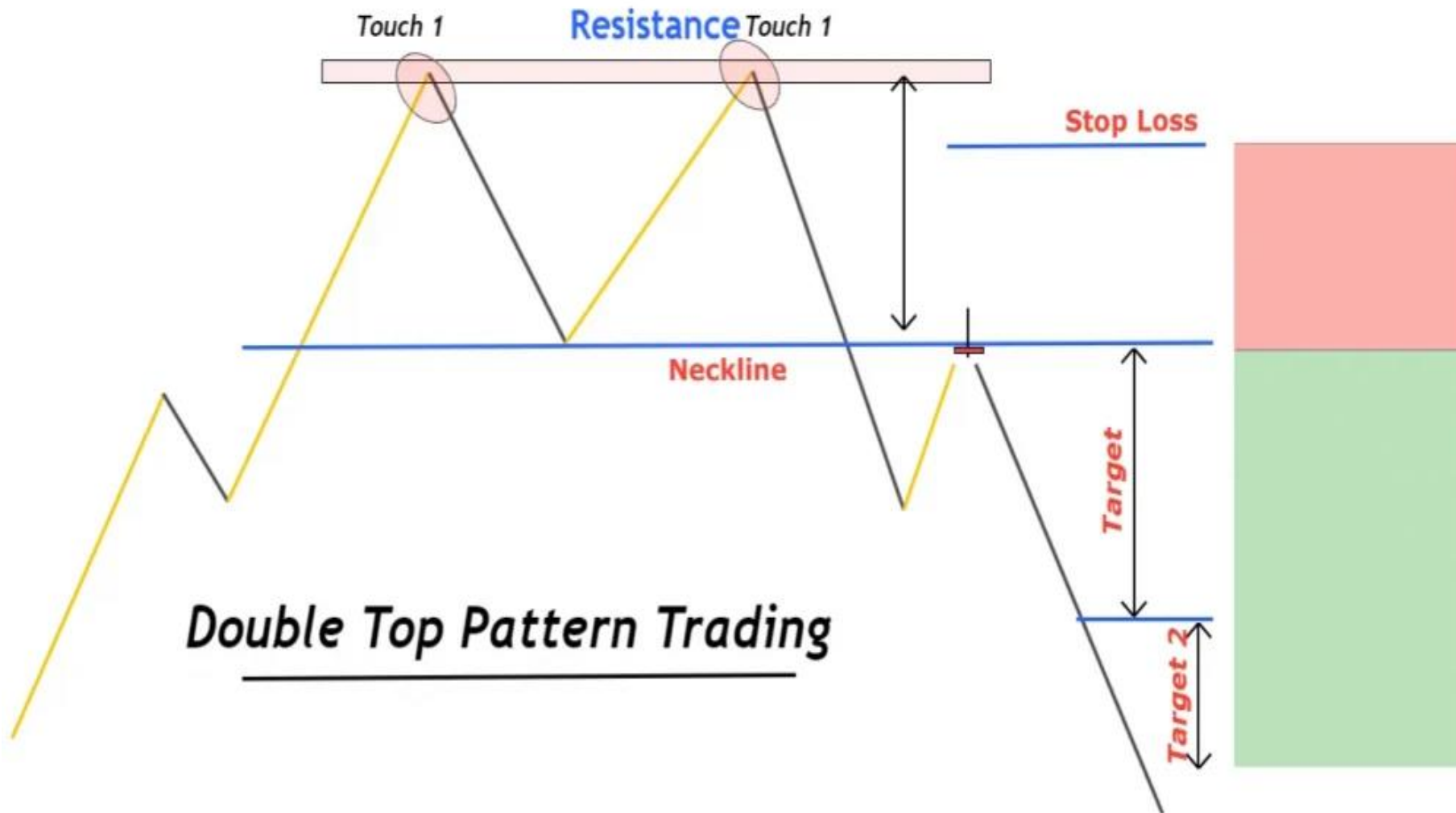


僅供內部教育訓練之用，請勿外流

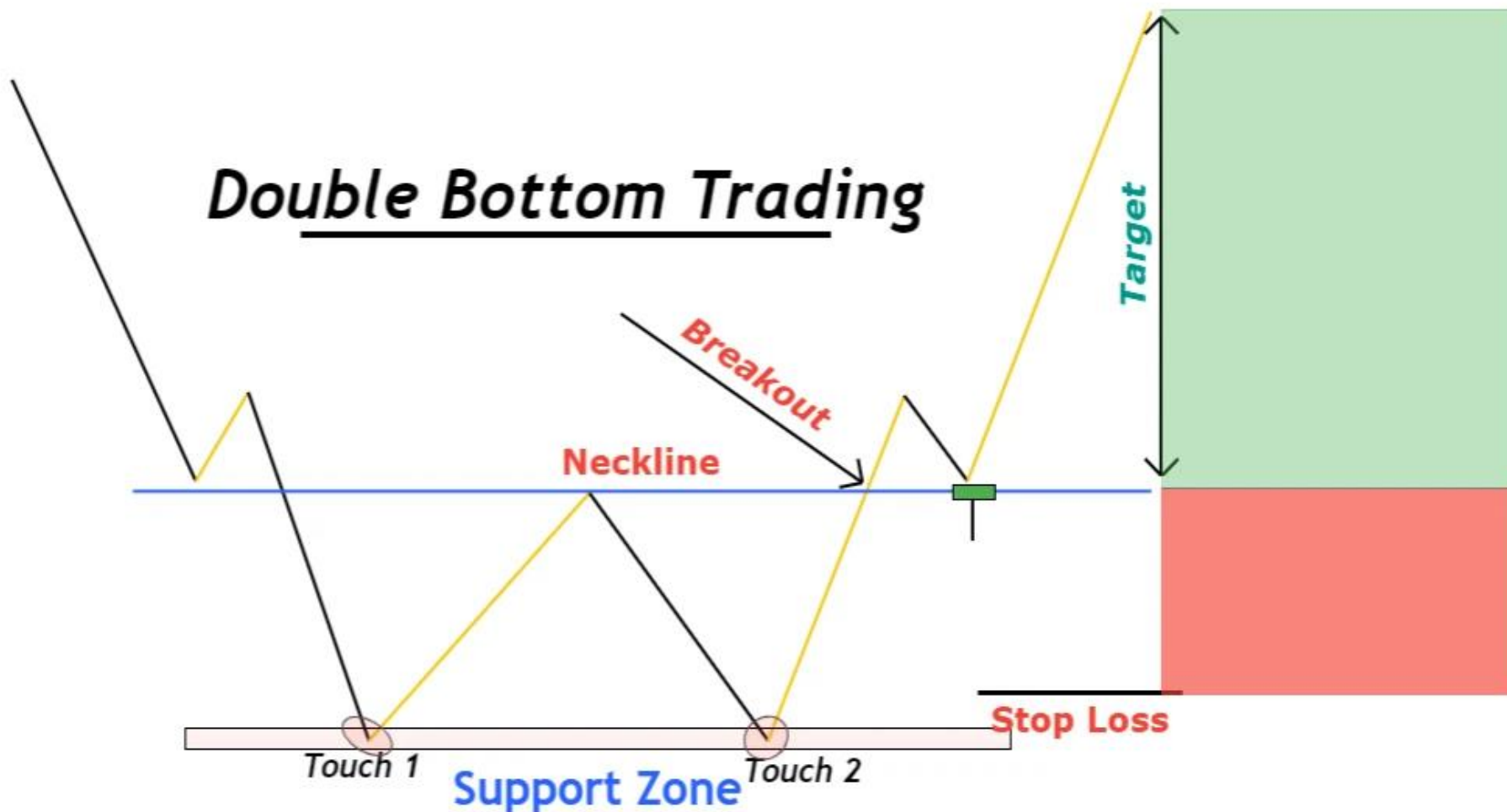
Introduction

- 1. Chart Patterns are the natural price patterns that resemble the shape of natural objects like flag, wedge, triangle, etc. These patterns repeat with time due to natural phenomena. Traders use these repetitive patterns to forecast the market.**
- 2. Chart patterns are also made up of price waves or swings on the bar chart, such as head and shoulders, double top, triple top, etc.**
- 3. Chart patterns can be categorized into three primary types as below:**
 - (1) Reversal Chart Patterns: Double Top, Double Bottom, Head and Shoulders, Wedge, Bump and Run**
 - (2) Continuation Chart Patterns: Wedge, Flag, Pennant**
 - (3) Bilateral Chart Patterns: Symmetrical Triangle , Ascending Triangle, Descending Triangle**

Reversal Chart Patterns – Double Top Pattern

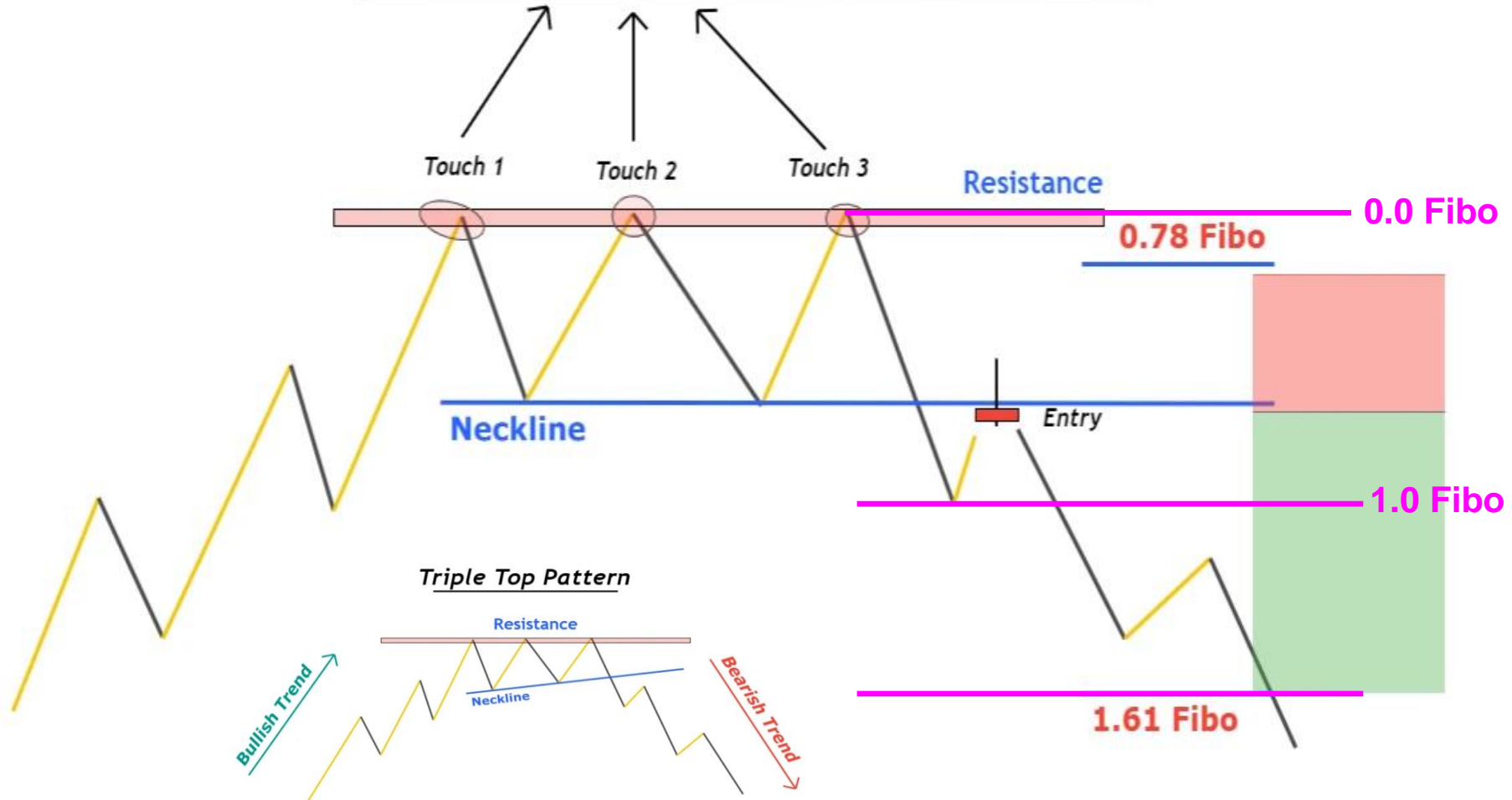


Reversal Chart Patterns – Double Bottom Pattern

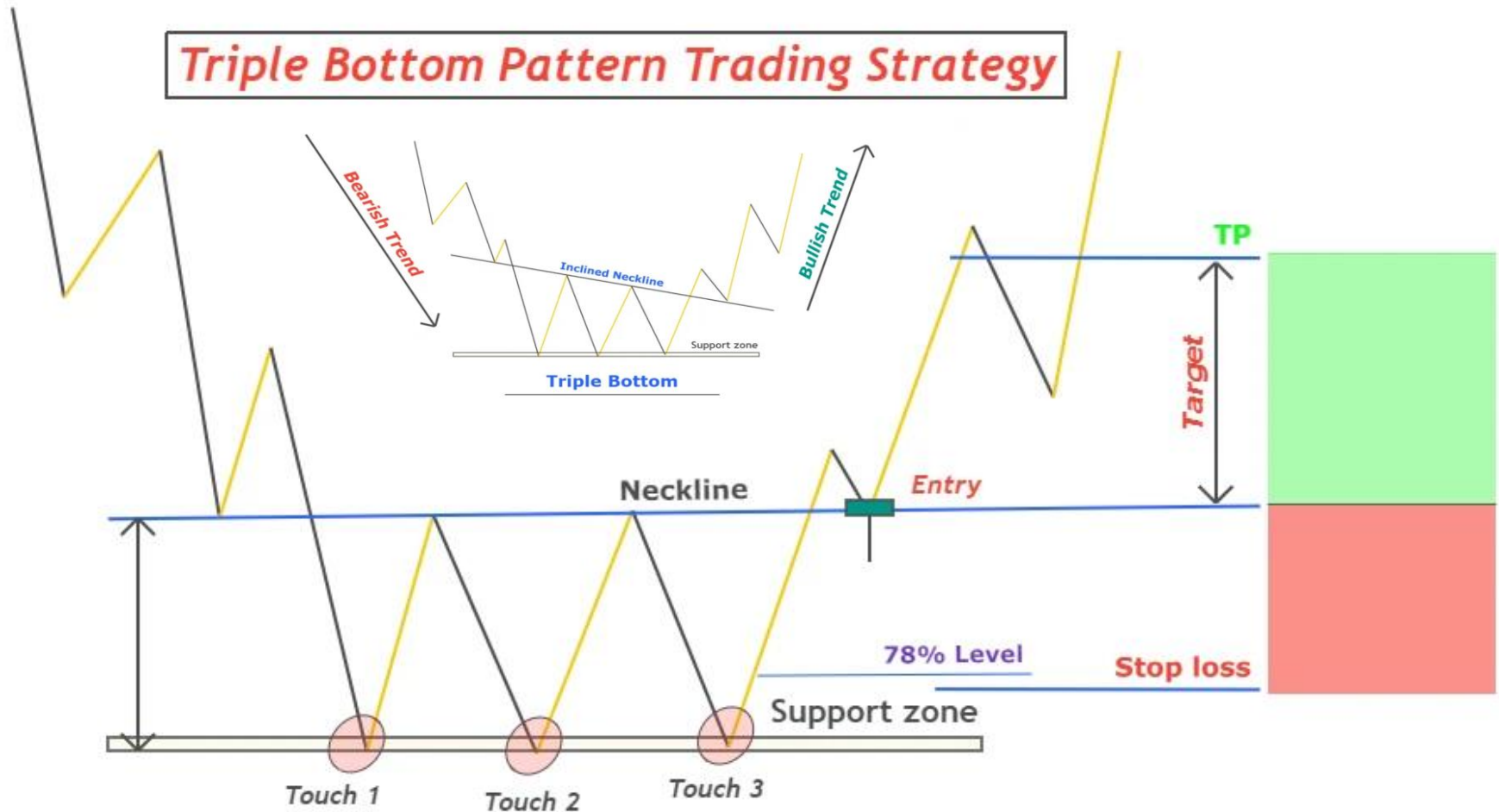


Reversal Chart Patterns – Triple Top Pattern

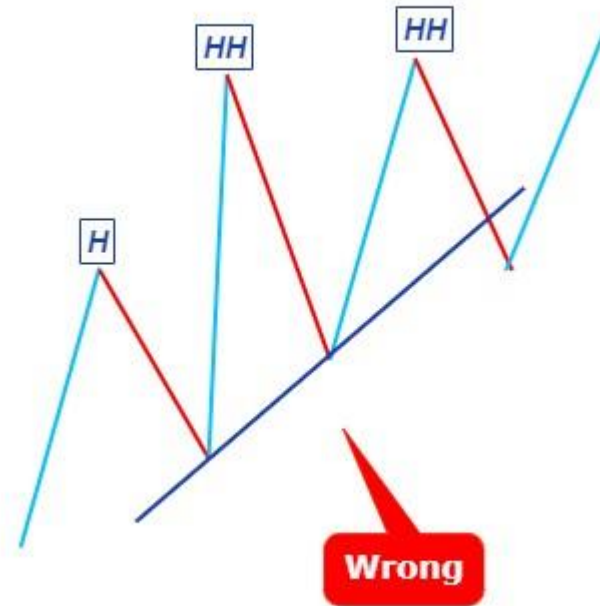
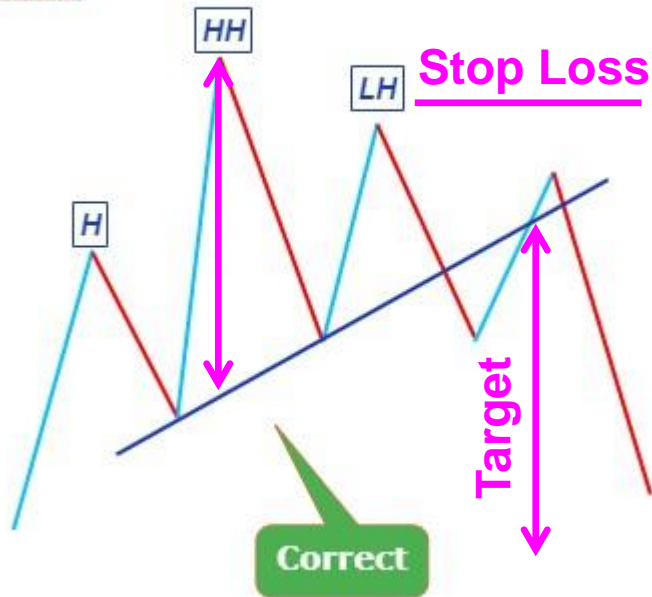
Triple Top Pattern Strategy



Reversal Chart Patterns – Triple Bottom Pattern

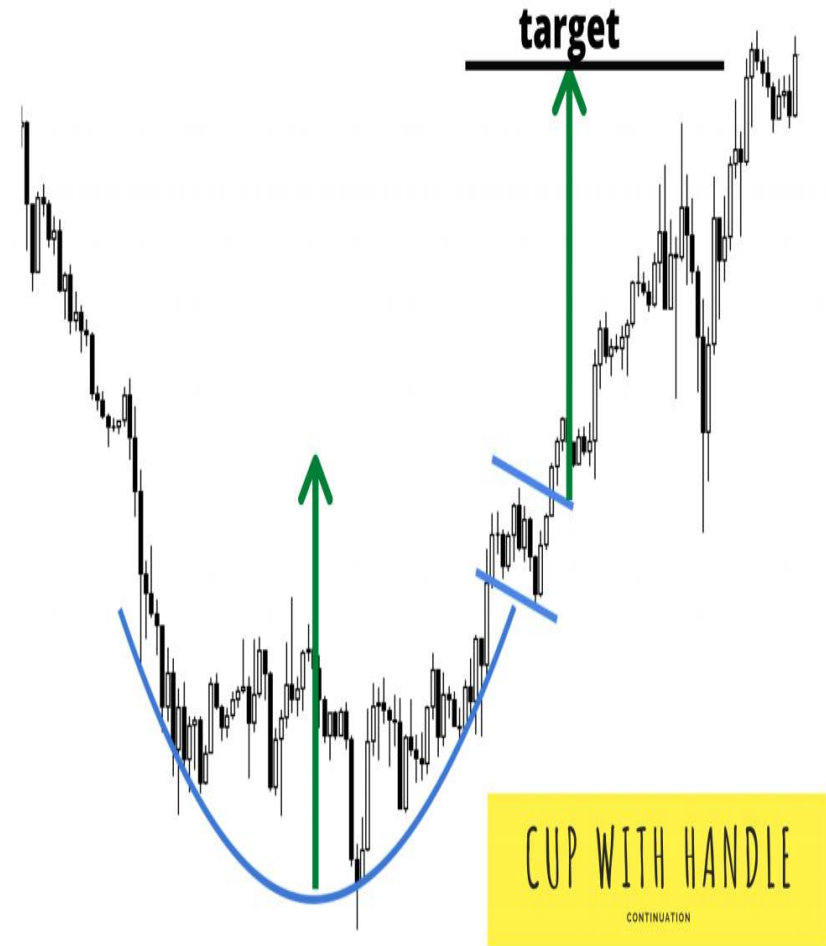
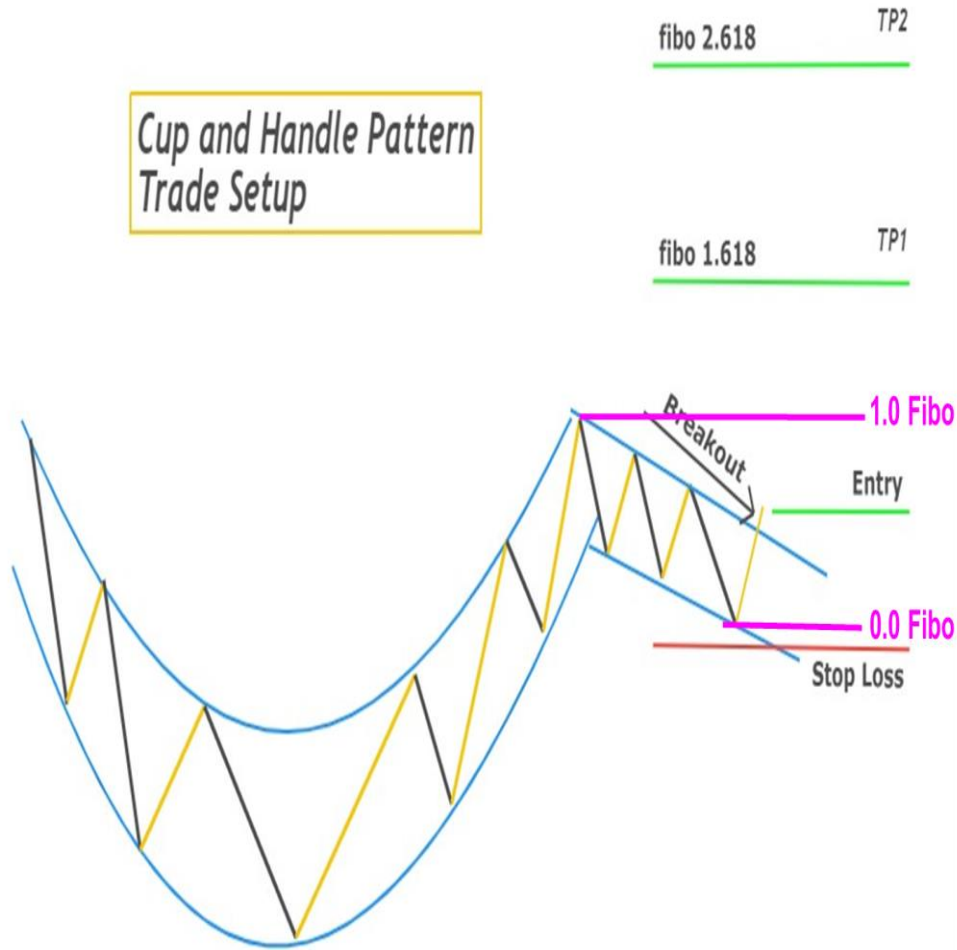


Reversal Chart Patterns – (Inverted)Head and Shoulders Pattern



Reversal Chart Patterns – Cup and Handle Pattern

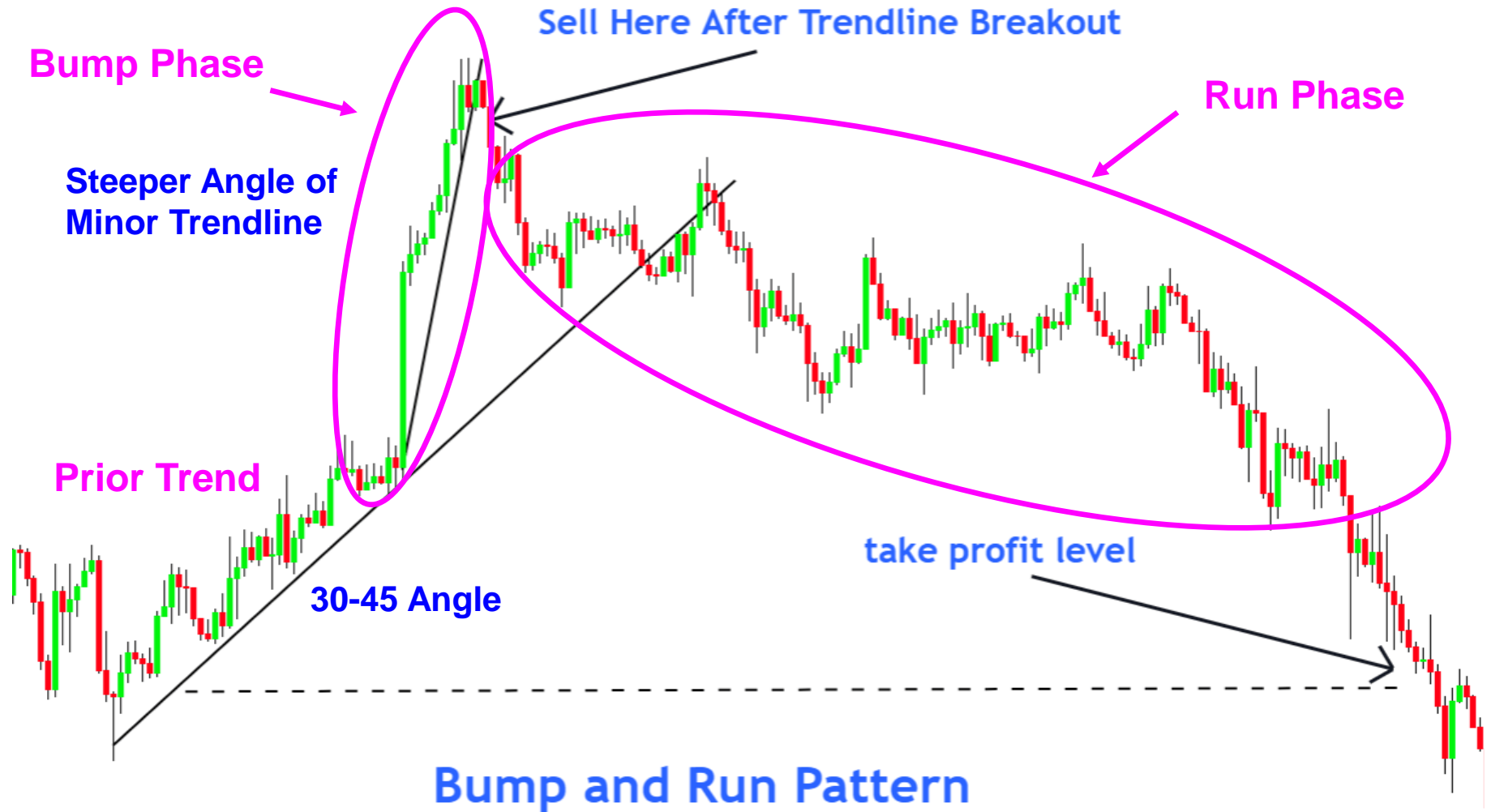
*Cup and Handle Pattern
Trade Setup*



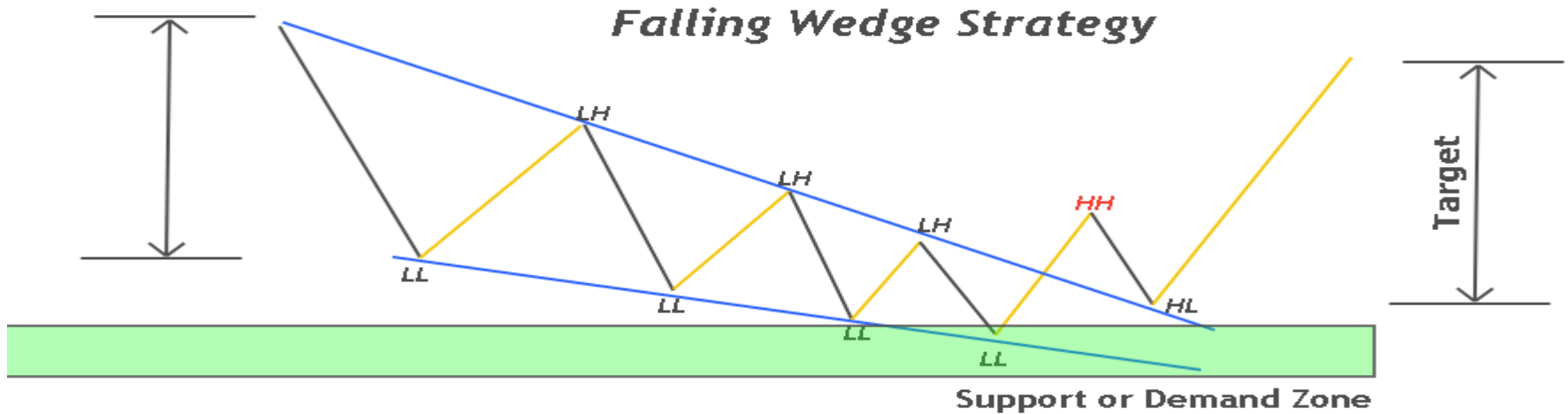
Reversal Chart Patterns – Inverted Cup and Handle Pattern



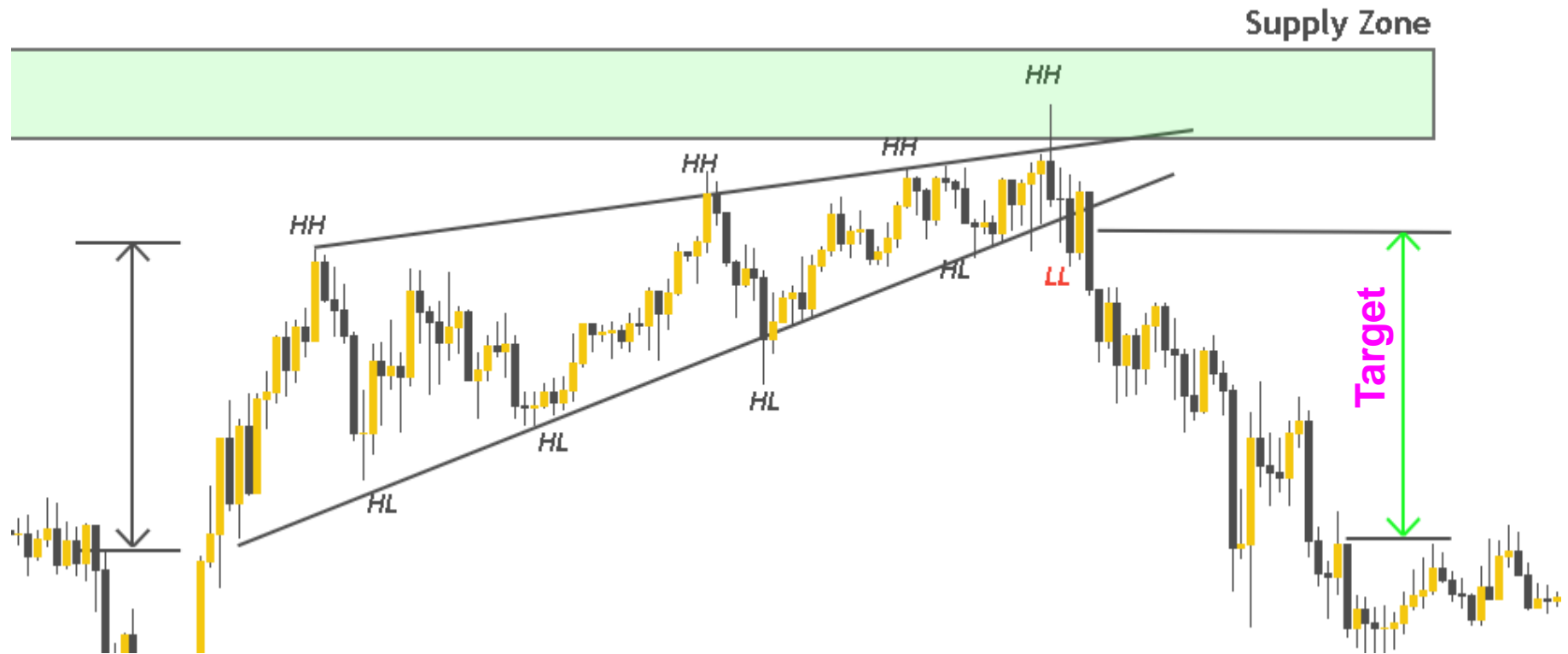
Reversal Chart Patterns – Bump and Run Pattern



Reversal Chart Patterns – Falling Wedge Pattern



Reversal Chart Patterns – Rising Wedge Pattern



Target can also be set at Fib. 1.272, 1.618.....

Continuation Chart Patterns – Falling Wedge Pattern

RigK published on TradingView.com, April 01, 2020 12:54:56 SAST
SAXO:XAUUSD, 1D 1593.73 ▲ +16.15 (+1.02%) O: 1578.44 H: 1601.03 L: 1570.24 C: 1593.73

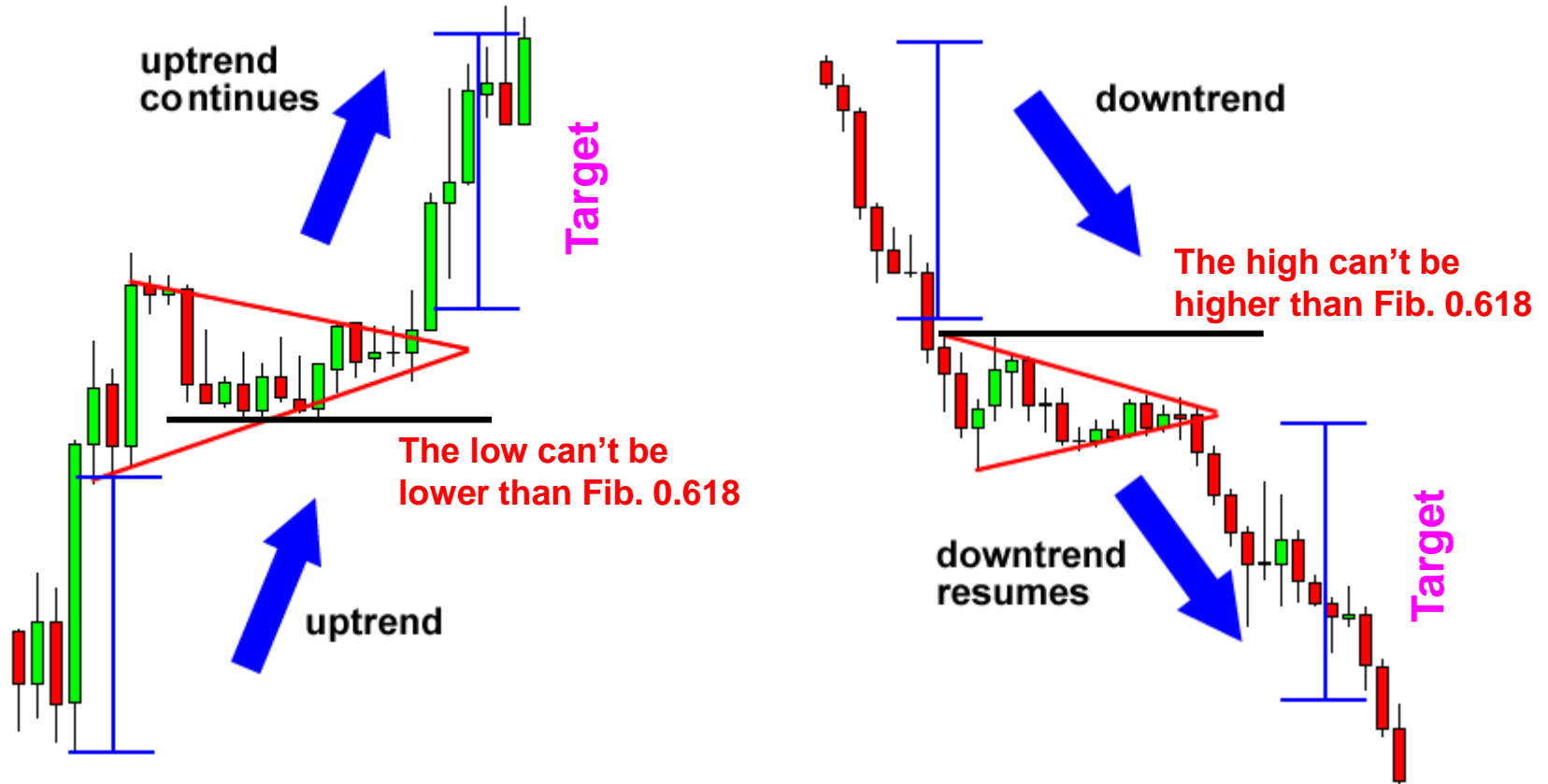


TradingView

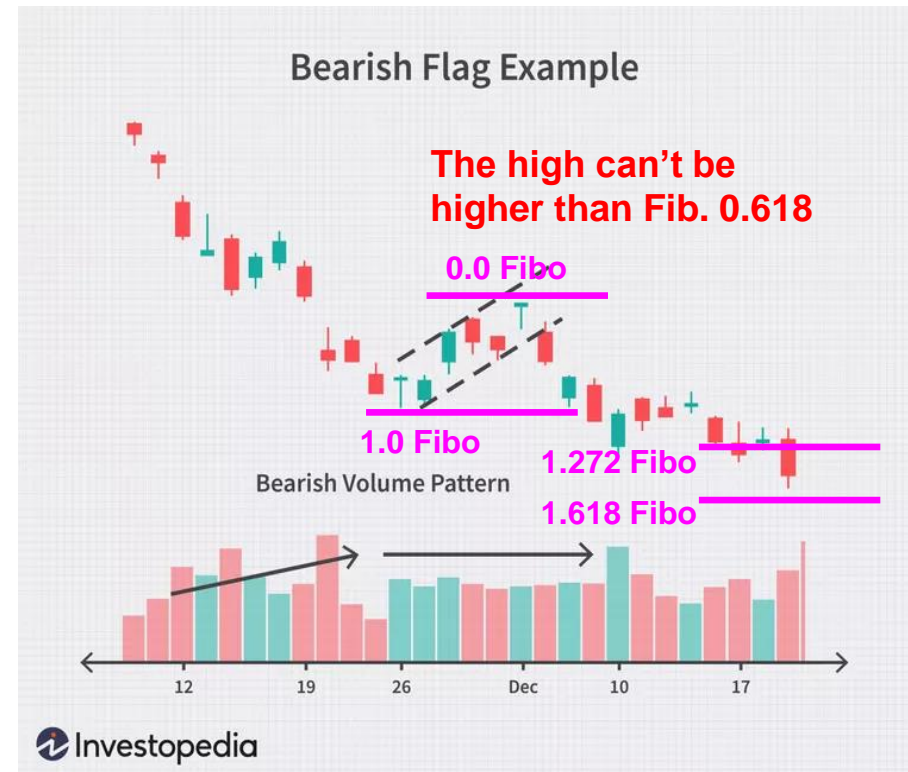
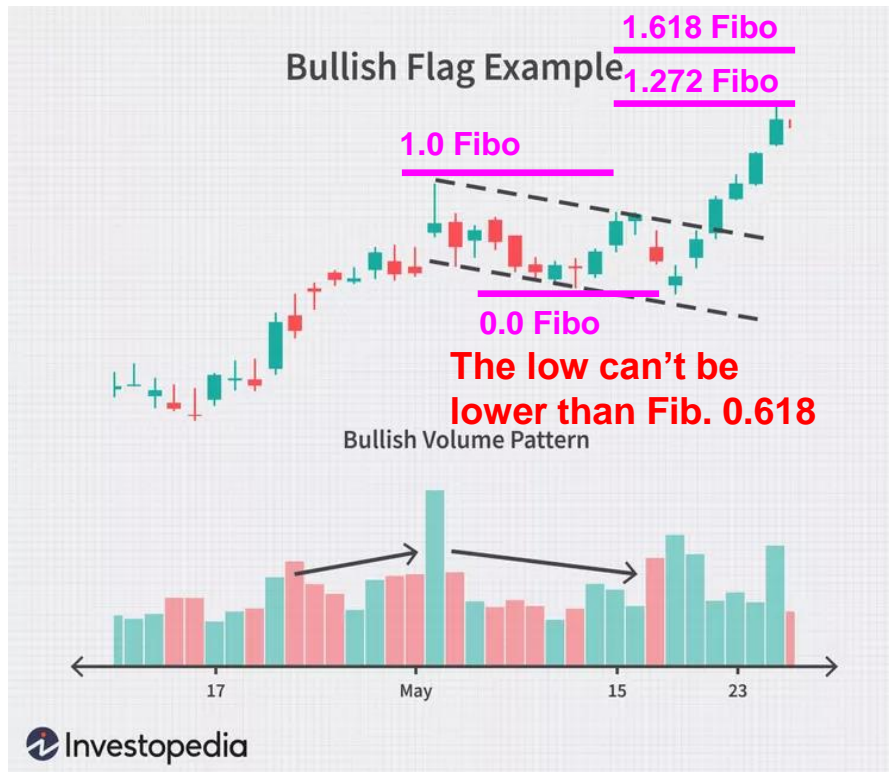
Continuation Chart Patterns – Rising Wedge Pattern



Continuation Chart Patterns – Bullish/Bearish Pennant Pattern



Continuation Chart Patterns – Bullish/Bearish Flag Pattern

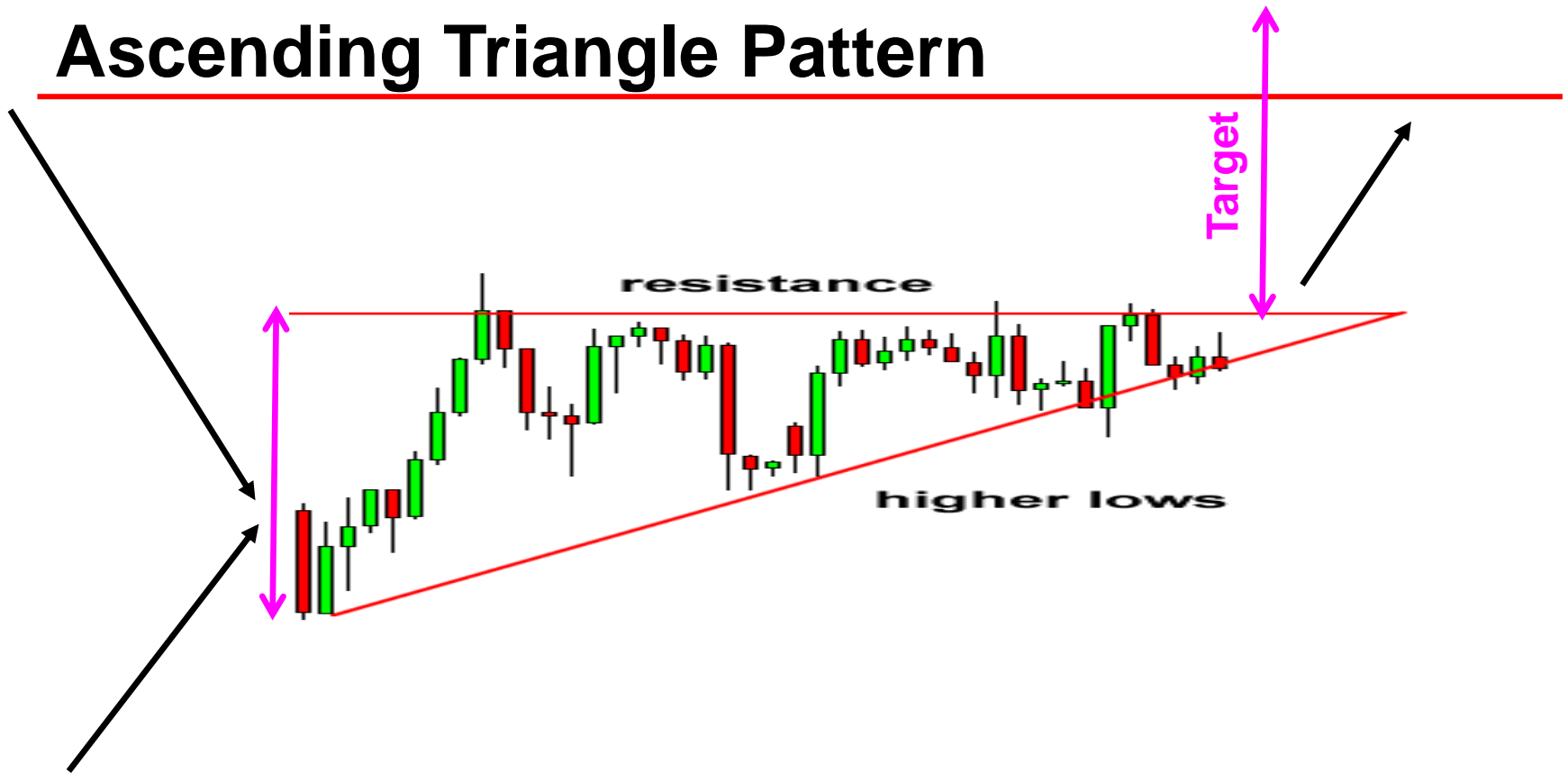


The difference between a flag and a channel pattern:

1. Flags are short-term patterns but channels are long-term.
2. Flags form after a sharp advance or decline but channels aren't dependent on prior move.
3. Flags represent a short correction or rest within the ongoing trend.

Channels usually define the ongoing trend.

Bilateral Chart Patterns – Ascending Triangle Pattern



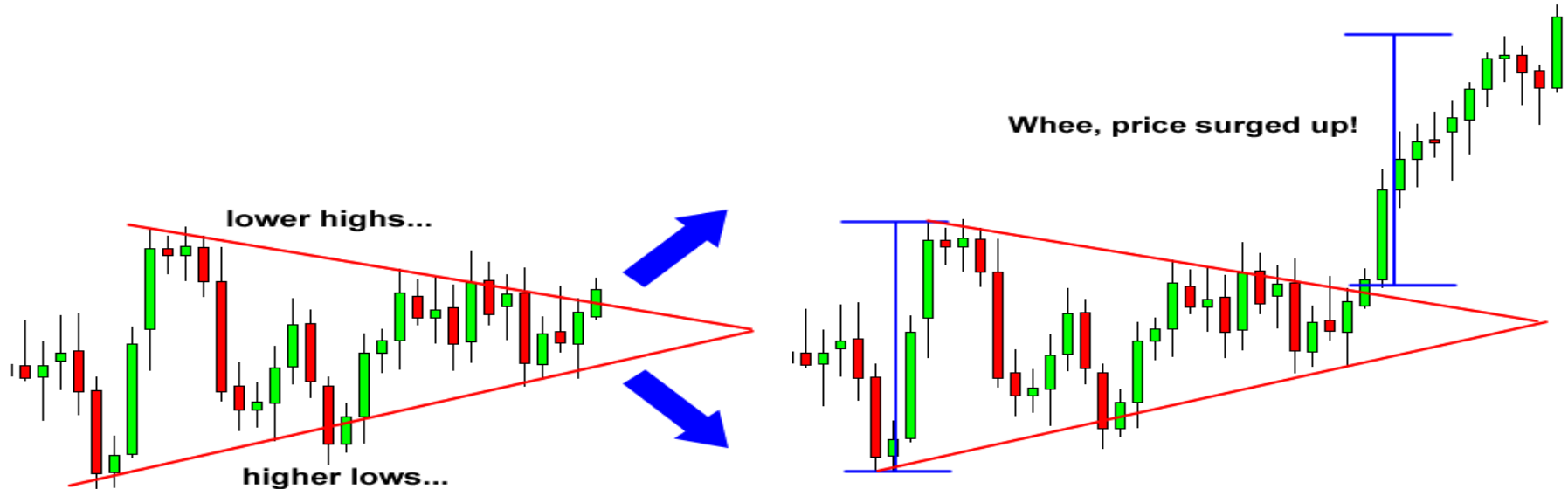
- *This chart pattern usually acts as a continuation chart pattern if it forms in the mid of uptrend.
- *Ascending triangle usually acts as a reversal chart pattern if it forms at the bottom of downtrend.
- *This is not always the case. If the resistance level is too strong and there is not enough buying power to push it through and prices will dive later.

Bilateral Chart Patterns – Descending Triangle Pattern



- *This chart pattern usually acts as a continuation chart pattern if it forms in the mid of downtrend.
- *Descending triangle usually acts as a reversal chart pattern if it forms at the top of uptrend.
- *This is not always the case. If the support level is too strong and there is not enough selling power to push it through and prices will surge later.

Bilateral Chart Patterns – Symmetrical Triangle Pattern

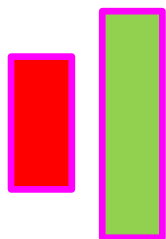


- *It's better for price to break above or below the trend lines $\frac{1}{2}$ to $\frac{3}{4}$ of the way through the pattern.**
- *The difference between a pennant and a symmetrical triangle pattern:**
 - 1. A pennant includes a flagpole at the beginning of the pattern but a symmetrical triangle doesn't.**
 - 2. A pennant is considered a short-term but a triangle pattern should be a mid- or long-term pattern.**

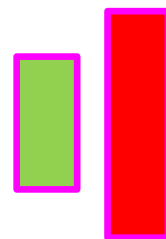
Profitable Candlestick Patterns

1. Engulfing Pattern

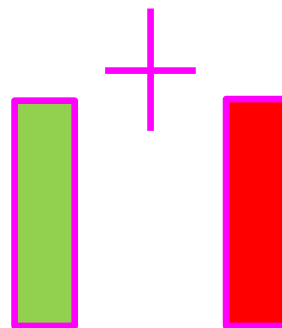
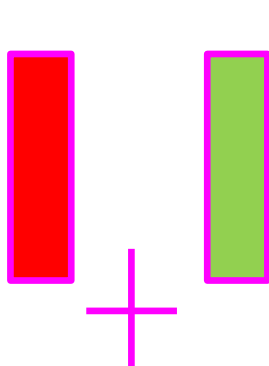
Bullish



Bearish

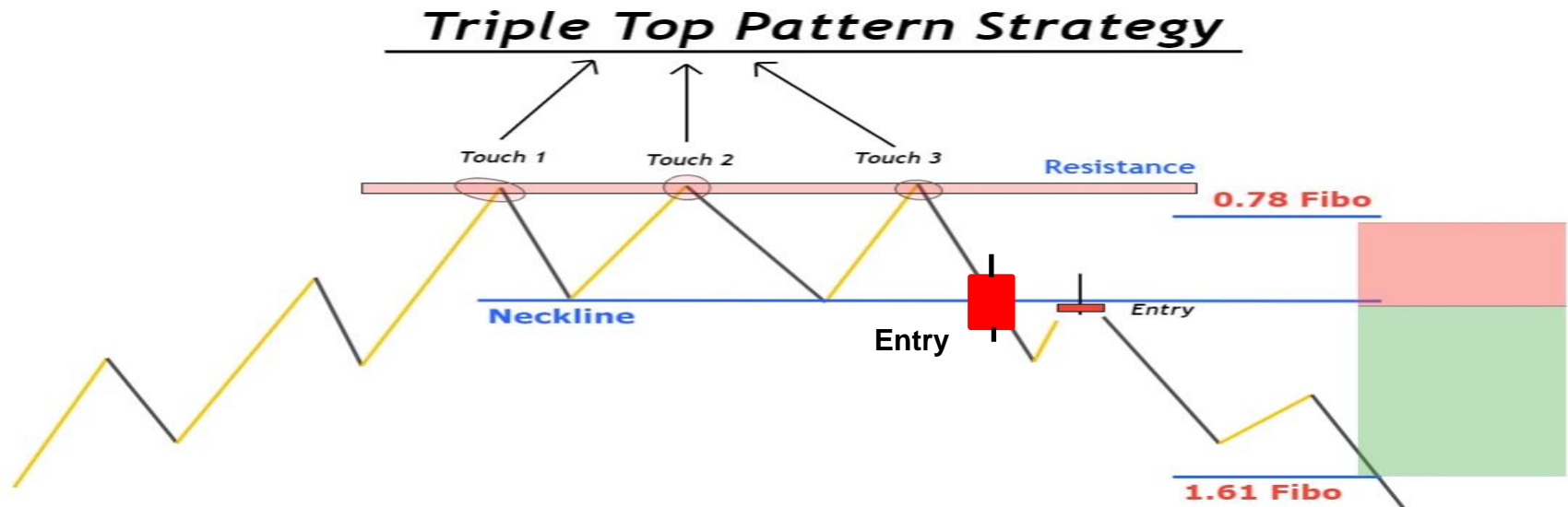


2. Morning Star and Evening Star



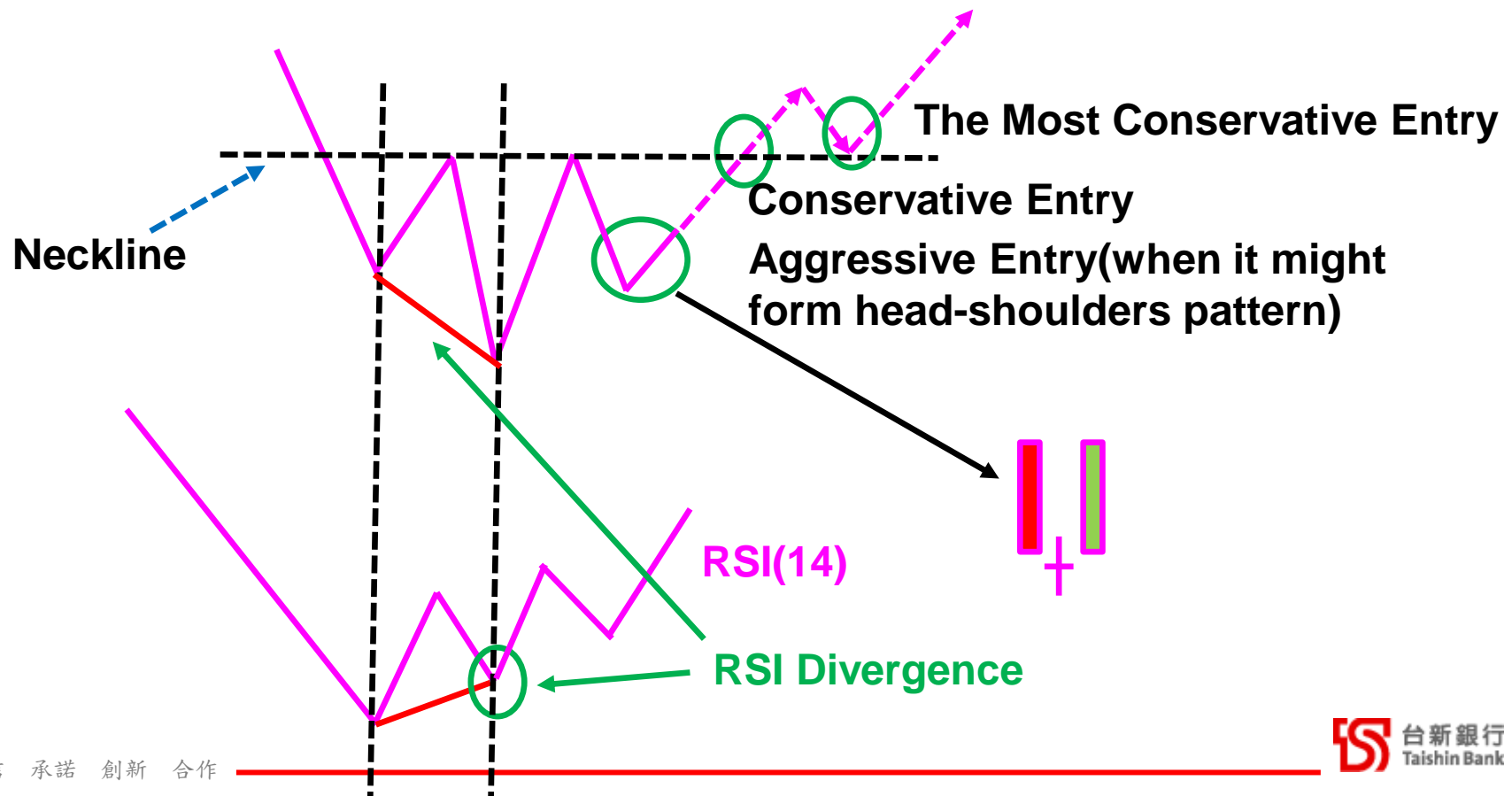
Trading Strategy

1. If a chart pattern forms and the prices go where they are supposed to go, we can make an entry directly after breakout of the trend line/key level, or wait for retracement or some Fib levels.
2. Breakout candlesticks should have at least 70% body (means small wick and big body).



Trading Strategy

3. A chart pattern has not formed yet but might form later, if we'd like to make an entry earlier before its formation, we should wait for a candlestick pattern to form or use some technical indicators to confirm the signal.



Example 1: GBPUSD 15-M Chart

albertkuo71 published on TradingView.com, Jan 20, 2023 09:15 UTC



Example 1: GBPUSD 15-M Chart

albertkuo71 published on TradingView.com, Jan 20, 2023 09:16 UTC



Example 2: GBPUSD 15-M Chart

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British Pound / U.S. Dollar, 15, OANDA O1.21642 H1.21667 L1.21496 C1.21572 -0.00070 (-0.06%)



Example 2: GBPUSD 15-M Chart

albertkuo71 published on TradingView.com, Jan 20, 2023 13:36 UTC

British Pound / U.S. Dollar, 15, OANDA 1.21572 -0.00070 (-0.06%)



Example 3: EURUSD 15-M Chart



Example 3: EURUSD 15-M Chart



Example 4: EURUSD 15-M Chart

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Example 4: EURUSD 15-M Chart

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Example 5: EURUSD 15-M Chart



Example 5: EURUSD 15-M Chart



Example 6: EURUSD 15-M Chart

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Example 6: EURUSD 15-M Chart

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