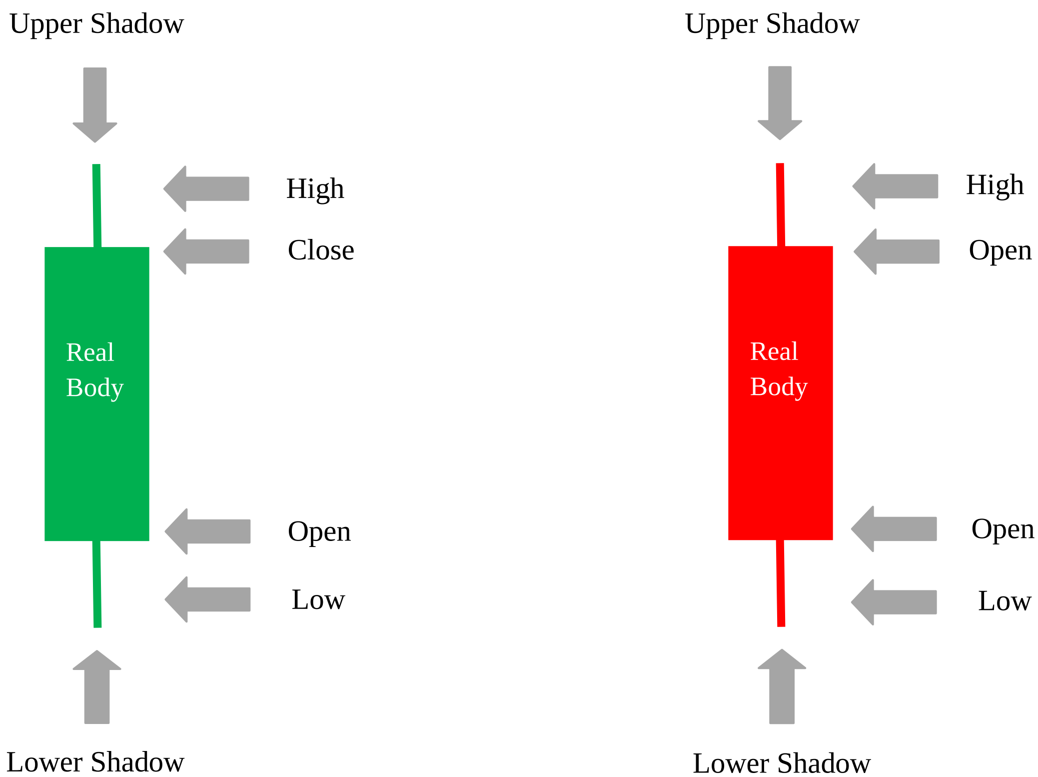
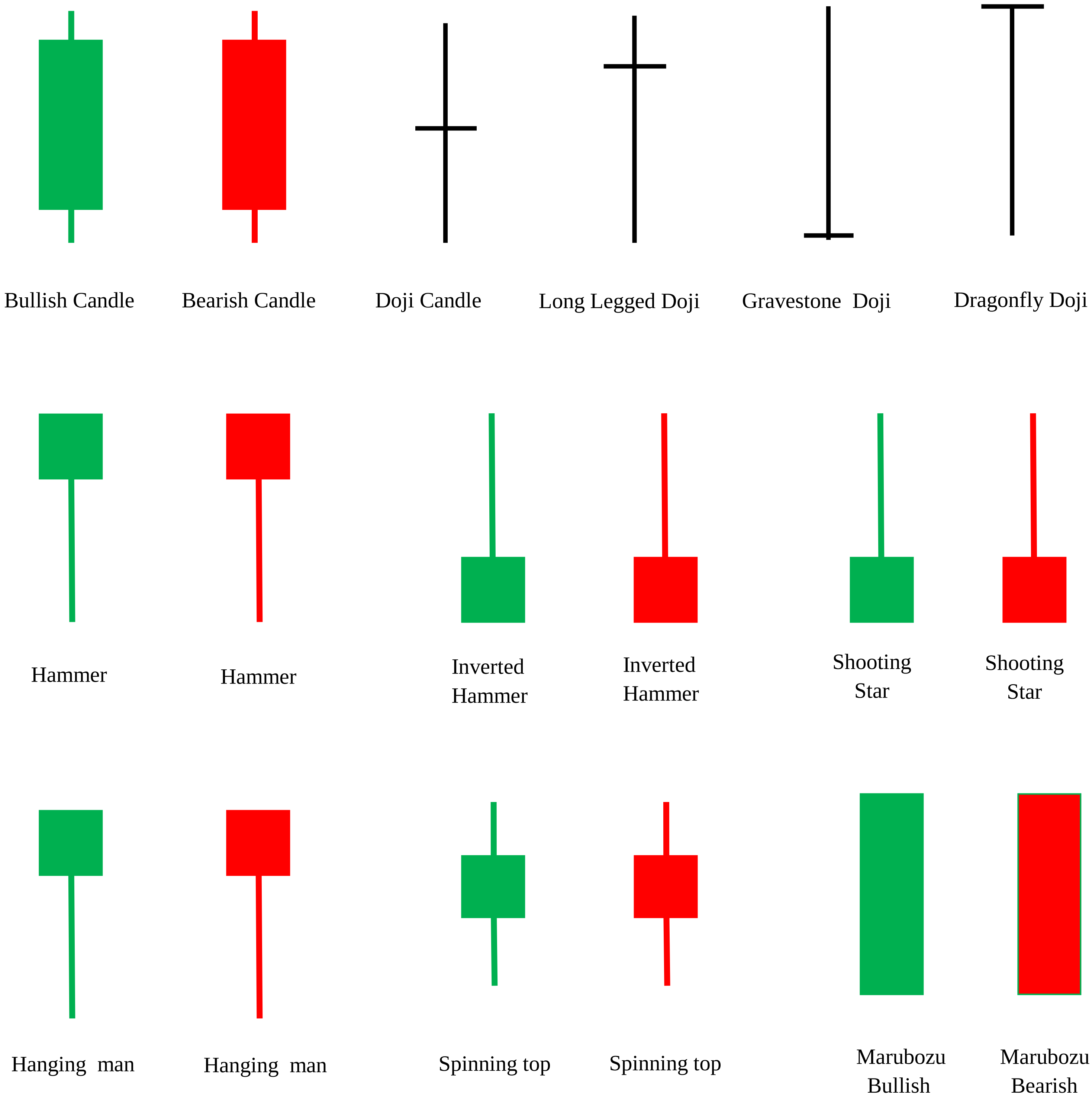
Candlestick Patterns (Every trader should know)



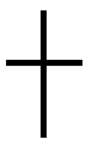


Bullish Candle
Bearish Candle
Doji Candle
Long Legged Doji
Gravestone Doji
Dragonfly Doji
Hammer
Hammer
Inverted Hammer
Inverted Hammer
Shooting Star
Shooting Star
Hanging man
Hanging man
Spinning top
Spinning top
Marubozu Bullish
Marubozu Bearish

A doji names a trading session in which a security has an open and close that are virtually equal, which resembles a candlestick on a chart. The word doji comes from the Japanese phrase meaning “the same thing.” A doji candlestick is a neutral indicator that provides little information.
The candlestick indicates indecision between buyers and sellers; therefore, a doji pattern can be seen as a potential signal for a trading opportunity. There are several types of doji candles that can occur on a candlestick chart.

For example

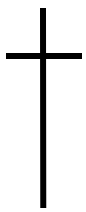
Doji Star



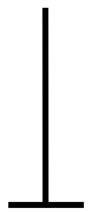
A long-legged doji has long upper and lower shadows and roughly the same opening and closing prices. The long-legged doji is a type of candlestick pattern that signals to traders a point of indecision about the future direction of a security's price and it is a far more dramatic candle. It says that prices moved far higher on theday, but then profit taking kicked in. Typically, a very large upper shadow is left. A clos below the midpoint of the candle shows a lot of weakness. Here’s an example of a long-legged doji

For example

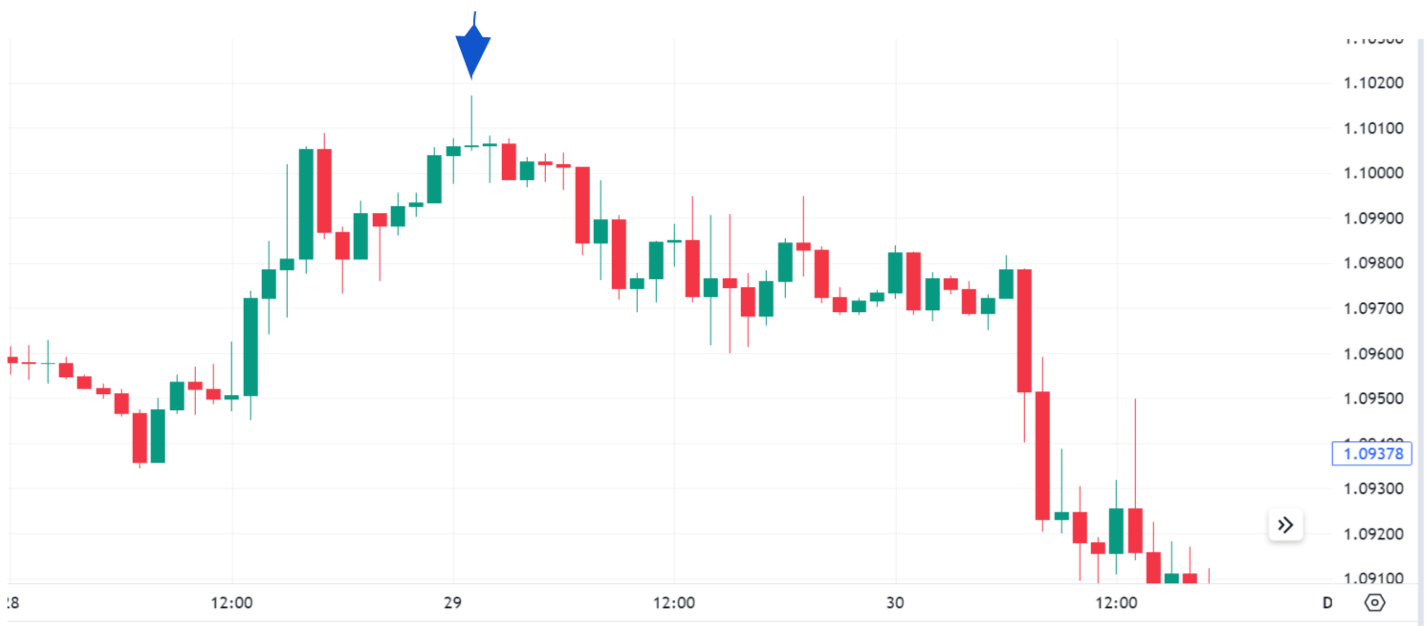
Long-legged doji



A “gravestone doji” as the name implies, is probably the most ominous candle of all, on that day, price rallied, but could not stand the altitude they achieved. By the end of the day. They came back and closed at the same level. Here ’s an example of a gravestone doji:

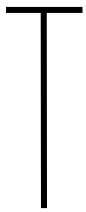


For example



A “Dragonfly” doji depicts a day on which prices opened high, sold off, and then returned to the opening price. Dragonflies are fairly infrequent. When they do occur, however, they often resolve bullishly (provided the stock is not already overbought as show by Bollinger bands and indicators such as stochastic).

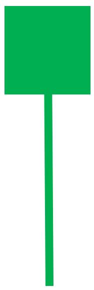
Dragonfly doji



For example

A hammer is a type of bullish reversal candlestick pattern, made up of just one candle, found in price charts of financial assets. The candle looks like a hammer, as it has a long lower wick and a short body at the top of the candlestick with little or no upper wick.

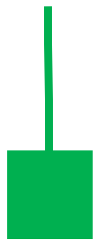
Hammer



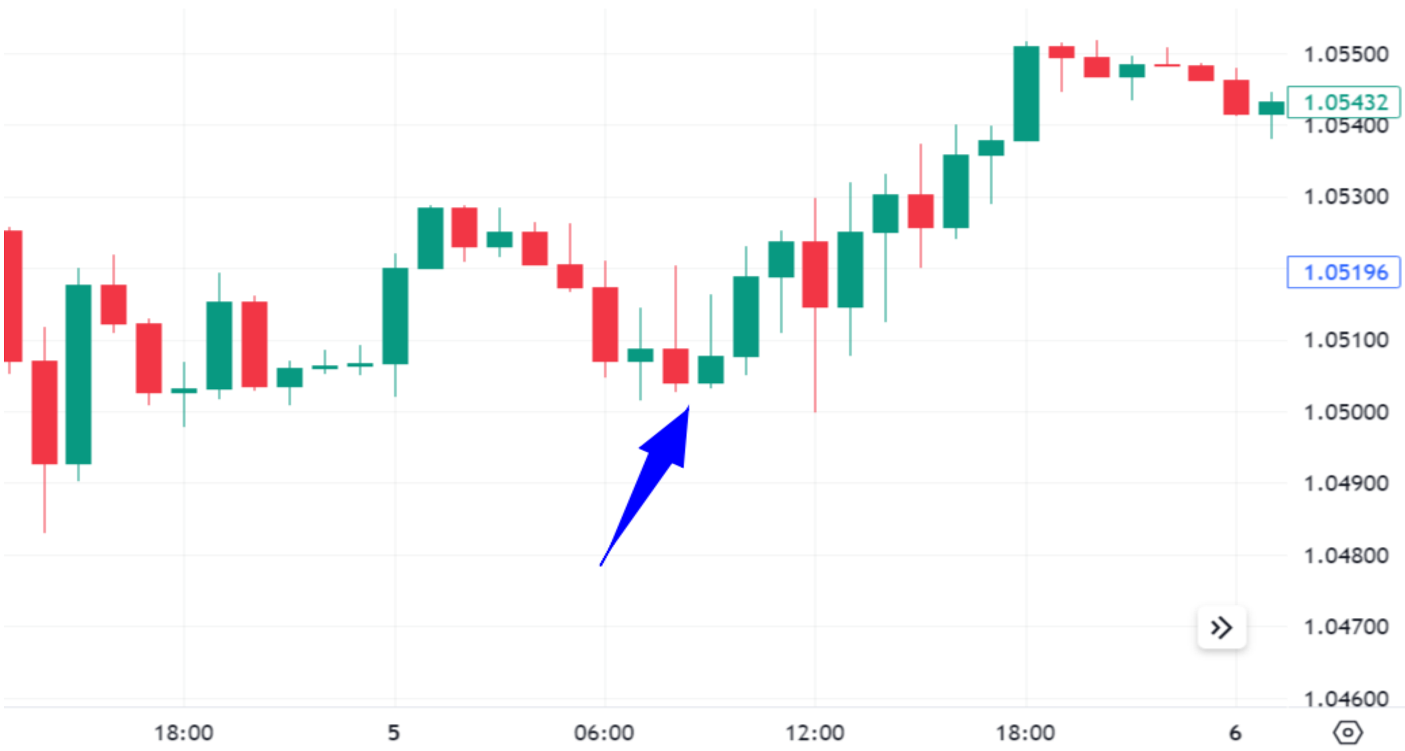
For example

The inverted hammer candlestick pattern (or inverse hammer) is a candlestick that appears on a chart when there is pressure from buyers to push an asset's price up. It often appears at the bottom of a downtrend, signaling potential bullish reversal.

Inverted Hammer

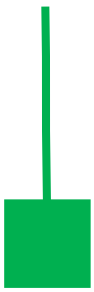


For example



A shooting star pattern is found at the top of an uptrend, when the trend is losing its momentum. The shooting star is actually the hammer candle turned upside down, very much like the inverted hammer pattern. The wick extends higher, instead of lower, while the open, low, and close are all near the same level in the bottom part of the candle.
The difference is that the shooting star occurs at the top of an uptrend. It’s a bearish chart pattern as it helps end the uptrend. The inverted hammer, on the other hand, is a bullish chart pattern that can be found at the bottom of a downtrend and signals that the price is likely to trend upward.

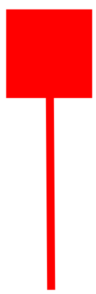
Shooting Star



For example

A hanging man is a bearish reversal candlestick pattern that occurs after a price advance. The advance can be small or large, but should be composed of at least a few price bars moving higher overall. The candle must have a small real body and a long lower shadow that is at least twice the size as the real body.

Hanging man



For example

A spinning top is a candlestick formation that signals indecision regarding the future trend direction.

Similar to a doji pattern, a spinning top is considered a neutral pattern, although many do end in reversals.

Spinnig Top

For example