

Using candlesticks with other parameters

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5:55 AM

- EMA:
 - They provide natural support/resistance
 - Use EMA's (not a compulsion)
 - For Support in Uptrend
 - For resistance in downtrend
 - Also it can be any of the EMA's (5,13,26)
 - 50 EMA also act as good support/resistance



- Hammers/Any bullish candlestick patterns: Buy signal on price falling down and support to the EMA only in uptrend
 - Only when below points met
 - Building a view
 - Having a confirmation
 - Having a follow-up
 - "What-if" analysis
 - Risk management



- Inverted Hammers/Any bearish candlestick patterns: Sell signal on price going up & resistance on EMA only in downtrend
 - Only when below points met
 - Building a view
 - Having a confirmation
 - Having a follow-up
 - "What-if" analysis
 - Risk management



- Here above concept will not work since the HH is above all the EMAs



- Bollinger Bands
 - Hammers: That fail to challenge the lower band confirm the support

- Inverted hammers: That fail to challenge the upper band confirm the resistance

- Observation-1

- Step-1: SW resistance BO



- Step-2: Add BB



- Step-3: Clear fall



- Observation-2

- BB Challenged in upside + inverted hammer
 - We can't call it as upper BB failed since the follow-up candles are going up. inverted hammer concept failed since BB is still expanding



- Interesting observation is that another inverted hammer works very well
 - Here we consider two follow-up candles after each inverted



- If we need to say BB challenge as failed, price will go down. Confirms upper BB challenge failed

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□ **Now the inverted hammer fail to challenge the upper band confirm the resistance**

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