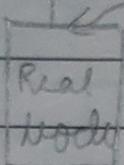


Candlesticks.

Bearish
Shadows

Pg 11 &



close

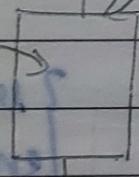
Real
body

low

open

Price figure
downward

Eg>

long
body

close

upper
shadow

high

open

low

close

low

close > open
close < open

bearish

Long body → strong buying or selling pressure.

In Eg > close is upper than open

⇒ close > open

contd

open > close ⇒ selling pressure

controls the market during this period

short and small bodies indicated

a little buying or selling pressure.

Pg 13 → (shadows)

→ trading action had a limit near open & close.

→ longer upper shadow } st that period of time sellers came late & sold a lot.

Additional

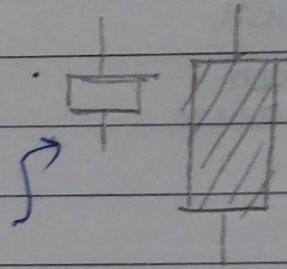
↓ lower
longer
shadow

→ At this time buyer came late
& drove the prices back up.

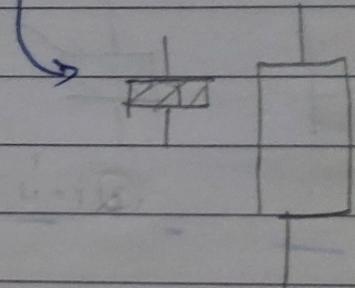
Pg 16. Types of candlesticks

Engulfing bar:

candlestick



? bearish
engulfing
candlestick



? bullish
engulfing
candlestick

Doji candlestick:

highest
closing price → same opening price
opening price → as that of closing
lowest price. price. (Market
couldn't decide)

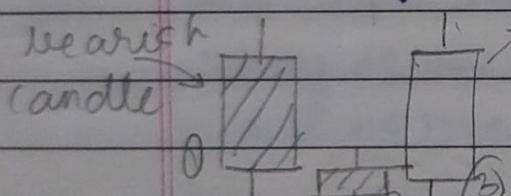
→ It indicates that the market is most
most likely to reverse. (see eg if
required Pg 21) → If this occurs big
moves - lower or higher.

Pg 23

Dragonfly Doji : (Bullish candlestick)
 If it is spotted at the end of a down trend it is likely to reverse this trend.

gravestone doji : (Bearish version of Dragonfly doji)

Morning star : (Bullish reversal)



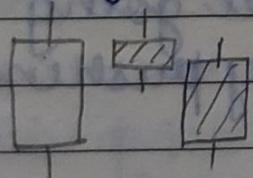
→ (1) Tells us how buyers took control of market

→ (2) seller couldn't push

the market up

Bullish candlestick is just above the smaller candle

Evening star pattern : (Bearish reversal)



→ Bearish (3rd candlestick)

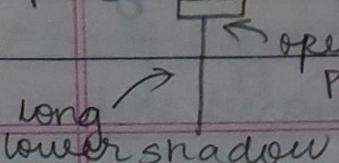
lower than the midpart of the middle candle

Pg 34

Hammer (Pin Bar)

closing price

little to no upper shadow



} Bullish reversal

(- shooting star pattern): ~~jiāo wú gǎo dǎ~~
bearish pin bar

long shaded opening body

closing price

closing price

5. knot

(+ marubozu): ~~jiāo suān yǐng~~

Harami Pattern: (+ the st inside bar)

mother candle

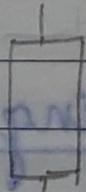


smaller candle



②

mother bar.



smaller body

(check PDF Pg 20. 4D)

Pg 45 ~ (chart)

Tweezer Top:

bullish candle



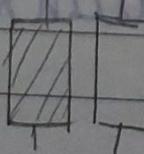
bearish candle



→ of occurs during an up trend - buyers buy to push the market

- market going up - sellers surprised buyers by pushing the market lower.

Tweezer bottom:



→ opp. of tweezers top

Page 54

Trending Markets:

Uptrend Market

→ Impulsive Move

(socate)

- buy at the start

- sell at the end.

→ Retracement move.

(socate)

- buy at the end

- sell at the start.

Downtrend Market

→ Impulsive Move

- buy at the end

- sell at the start

→ Retracement Move

- buy at the start

- sell at the end.

~~Support Line~~ → If drawn on the basis of the movement of market earlier, it says that the prices cannot go below that if it goes

Resistance Line → (opp. of support line) but if the resistance line is tested several times and the market goes up it is called breakout.

→ If support/Resistance breaks - A support line becomes a resistance & a resistance becomes a support.

N20797

- Cont. Rise in support and resistance leads to bull market.
- Support and Resistance is also used in long and short market refer Y.T
- ⇒ Equity → unit (company's share)
Eg Money(unit) → Rs

→ Company evaluate nota nai on the basis of equity

Eg to use - TCS
↓
I.R.E (equipments, salary, goods etc)

I.R.E → Equity
people put money in TCS by buying I.R.S what ... it will equity))

Ranging market → They tend to move horizontally between key support & resistance levels

— Trade ranging market after the breakout & wait for the pullback (resistance)
↑ (buy)

choppy Market → when we can't identify the boundaries of trendi ranging market. (stay away)

~~pg 70~~
Time frame:

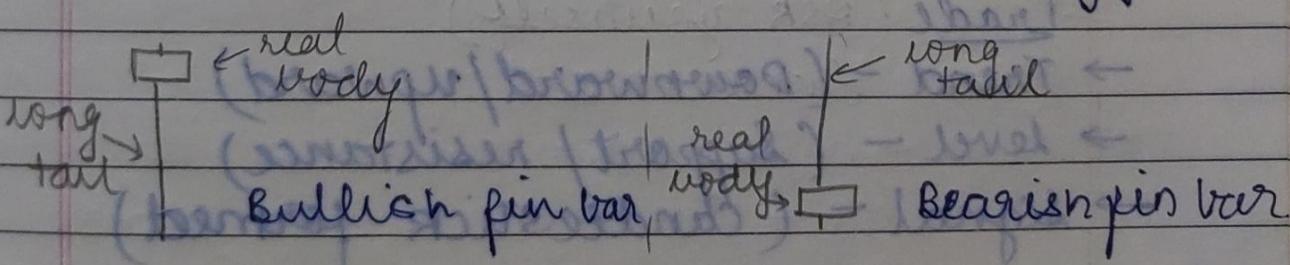
We start with → weekly → daily → 4 hr
(2mp+)

→ Support & resistance w.r.t weekly, daily
4 hr

→ Weekly analysis ⇒ market is trending, ranging or choppy (what big investors will do)

→ The last candle of weekly chart

Pin bar candlestick pattern strategy:



- use higher time frame to identify
- If the pin is formed in a trend then it will respect the trend.

Liquidity (comparing 2 markets)

more transaction
→ # more liquidity

less transaction
→ # less liquidity

contd:

- If this pin bar is formed at the support level then this means trend reversal (i.e. up trend) and vice-versa at the resistance. - At resistance the bears are powerful.
- If support & resistance can't be drawn (e.g. moving avg) MA
- (i) downtrend - use it as resistance.
- (ii) uptrend - use it as support (Pg - 90 for chart)

Trade (Ask yourself)

- Trend - (Downward/upward)
- Level - (Support/resistance)
- Signal - (Candlestick formed)

Risk/Reward

→ How much risk you are taking per reward. Lesser the ratio better is the trade.

Risk stop loss (%)
Reward profit to be taken (%)

win rate = wining trades
losing trades.

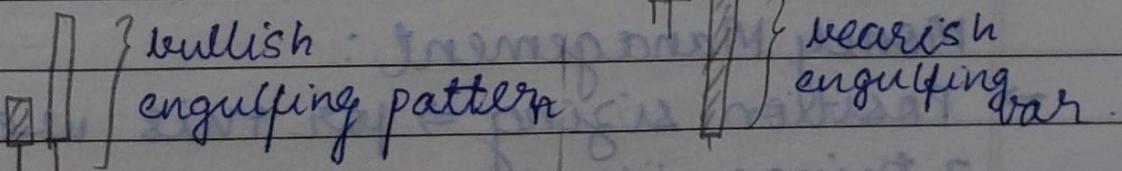
→ Find high probability setup (Pg no. 98)

→ confirm your trade with setups-with legs.
(Pg 99-105)

→ Trading in range bound market -

Bollinger bands indicators. (to measure markets volatility) - only used as a confirmation.

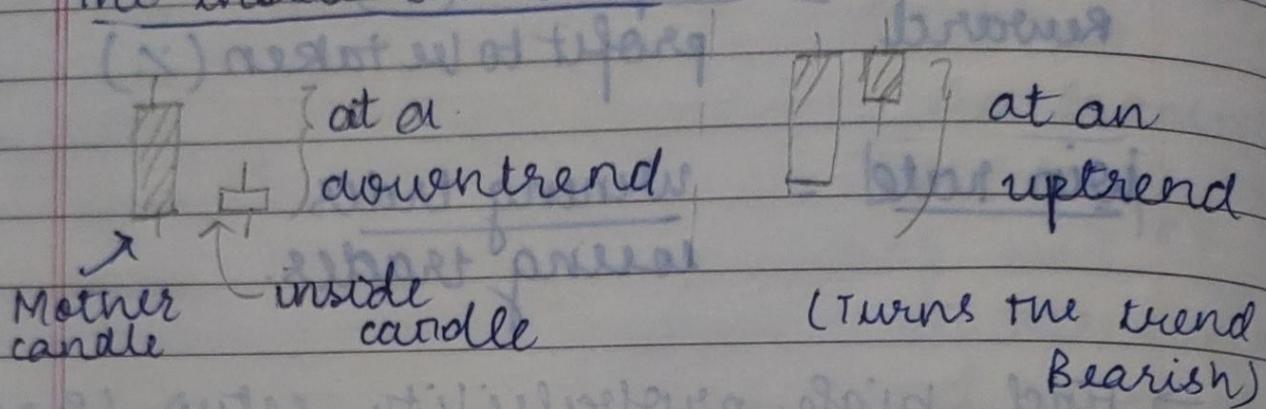
→ If this band squeezes then - less volatility
Engulfing bar pattern. (021-121) ^{change of trend out}



→ Always trade above 200 MA

→ Pg 114-136 Egs on how to trade engulfing bar pattern.

The inside bar candlestick



- This pattern leads to trend reversal
- If the bearish pattern appears in the uptrend the reversal chances is about 65% and bullish continuation signal about 52% of time.
- If bullish pattern appears the reversal is chances are about 70%.
- Trading inside bar false breakout
Rg (151-154)

Money Management:

- Position sizing → for this we need 2 things - (i) how much per trade we are ~~too~~ willing to lose from tot. amount in the account. (ii) stop loss per trade (accordingly)

→ (e.g. on binance acc)

position size = $\frac{\text{account size} \times \text{acc. risk}}{\text{invalidation pt. (stoploss)}}$
(also consider fees on the platform)