



TECHNICAL ANALYSIS &gt; TECHNICAL ANALYSIS BASIC EDUCATION

## Evening Star

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### What Is an Evening Star?

An evening star is a stock-price chart pattern used by [technical analysts](#) to detect when a trend is about to reverse. It is a bearish [candlestick pattern](#) consisting of three candles: a large white candlestick, a small-bodied candle, and a red candle.

Evening star patterns are associated with the top of a price uptrend, signifying that the [uptrend](#) is nearing its end. The opposite of the evening star is the [morning star](#) pattern, which is viewed as a bullish indicator.

#### KEY TAKEAWAYS

- An evening star is a candlestick pattern used by technical analysts to predict future price reversals to the downside.
- Although it is rare, the evening star pattern is considered by traders to be a reliable technical indicator.
- The evening star is the opposite of the morning star pattern. The two are bearish and bullish indicators, respectively.

### How an Evening Star Works

A candlestick pattern is a way of condensing presenting certain information about a stock. Specifically, it represents the [open, high, low, and close price](#) for the stock over a given time period.

Each candlestick consists of a candle and two wicks. The length of the candle is a function of the [range](#) between the highest and lowest price during that trading day. A long candle indicates a large change in price, while a short candle indicates a small change in price. In other words, long candlestick bodies are indicative of intense [buying or selling pressure](#), depending on the direction of the trend, while short candlesticks are indicative of little price movement.

The evening star pattern is considered a very strong [indicator](#) of future price declines. Its pattern forms over a period of three days:

- The first day consists of a large white candle signifying a continued rise in prices.
- The second day consists of a smaller candle that shows a more modest increase in price.
- The third day shows a large [red candle](#) that opens at a price below the previous day and then closes near the middle of the first day.



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### Special Considerations

The evening star pattern is considered a reliable indicator that a downward trend has begun. However, it can be difficult to discern amidst the noise of stock-price data. To help identify it reliably, traders often use [price oscillators](#) and [trendlines](#) to confirm whether an evening star pattern has in fact occurred.

**Important:** It's advisable to consult various different technical indicators to predict price movements, as opposed to relying solely on the signals provided by one.

Despite its popularity among traders, the evening star pattern is not the only [bearish](#) indicator. Other bearish candlestick patterns include the [bearish harami](#), the dark cloud cover, the shooting star, and the bearish engulfing. Different traders will have their own preferences regarding what patterns to watch for when seeking to detect trend changes.

### Example of an Evening Star Pattern

The following chart provides an example of the evening star pattern:



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As you can see, the three days depicted begin with a long white candle that indicates prices have risen from significant buying pressure. The second day also shows a rise in prices, but the extent of the increase is modest compared to the previous day. Lastly, the third day shows a long red candle in which selling pressure has forced the price to around the midpoint of the first day.

These are the tell-tale signs that an evening star pattern has occurred. Technical analysts trading this security would consider selling or [shorting](#) the security in anticipation of an upcoming decline.

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#### Related Terms

##### What Is a Doji Candle Pattern?

A doji is a name for a session in which the candlestick for a security has an open and close that are virtually equal and are often components in patterns. [more](#)

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##### Star

A star is a candlestick formation that happens when a small bodied-candle is positioned above the price range of the previous candle. [more](#)

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##### What Is a Morning Star?

A morning star is a bullish candlestick pattern in a price chart. It consists of three candles and is generally seen as a sign of a potential recovery following a downturn. [more](#)

##### Outside Reversal Definition

Outside reversal is a chart pattern that shows when a security's high and low price for the day exceed those achieved in the prior day's trading session. [more](#)

##### What Is a Bullish Belt Hold?

A bullish belt hold is a single bar Japanese candlestick pattern that suggests a possible reversal of the prevailing downturn. [more](#)

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