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Morning Star

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What Is a Morning Star?

A morning star is a visual pattern consisting of three candlesticks that are interpreted as bullish signs by technical analysts. A morning star forms following a downward trend and it indicates the start of an upward climb. It is a sign of a [reversal](#) in the previous price trend. Traders watch for the formation of a morning star and then seek confirmation that a reversal is indeed occurring using additional indicators.

KEY TAKEAWAYS

- A morning star is a visual pattern made up of a tall black candlestick, a smaller black or white candlestick with a short body and long wicks, and a third tall white candlestick.
- The middle candle of the morning star captures a moment of market indecision where the bears begin to give way to bulls. The third candle confirms the reversal and can mark a new uptrend.
- The opposite pattern to a morning star is the [evening star](#), which signals a reversal of an uptrend into a downtrend.



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Bullish Candlestick Patterns Examples

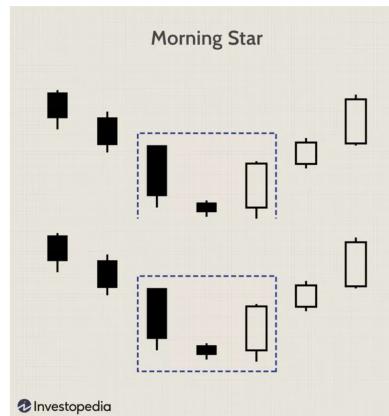
What Does a Morning Star Tell You?

A morning star is a visual pattern, so there are no particular calculations to perform. A morning star is a three-candle pattern with the low point on the second candle. However, the low point is only apparent after the close of the third candle.

A morning star is a three-candle pattern with the low point on the second candle. However, the low point is only apparent after the close of the third candle.

Other technical indicators can help predict if a morning star is forming, such as whether the price action is nearing a support zone or whether or not the [relative strength indicator](#) (RSI) is showing that the stock or commodity is oversold.

Here is what a morning star pattern looks like:



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Image by Sabrina Jiang © Investopedia 2020

The chart above has been rendered in black and white, but red and green have become more common visualizations for candlesticks. The important thing to note about the morning star is that the middle candle can be black or white (or red or green) as the buyers and sellers start to balance out over the session.

An Example of How to Trade a Morning Star

Morning star patterns can be used as a visual sign for the start of a trend reversal from bearish to bullish, but they become more important when other technical indicators back them up as previously mentioned. Another important factor is the volume that is contributing to the pattern formation.

Generally, a trader wants to see volume increasing throughout the three sessions making up the pattern, with the third day seeing the most volume. High volume on the third day is often seen as a confirmation of the pattern (and a subsequent uptrend) regardless of other indicators. A trader will take up a bullish position in the stock/commodity/pair/etc. as the morning star forms in the third session and ride the uptrend until there are indications of another reversal.

The Difference Between a Morning Star and a Doji Morning Star

The morning star pattern comes in a minor variation. When the price action is essentially flat in the middle candlestick, it forms a [doji](#). This is a small candlestick with no significant wicks—not unlike a + sign. The doji morning star shows the market indecision more clearly than a morning star with a thicker middle candle.



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The appearance of a doji following a black candle will generally see a more aggressive volume spike and a correspondingly longer white candle due to more traders being able to clearly identify a morning star-forming.

The Difference Between a Morning Star and an Evening Star

The opposite of a morning star is, of course, an evening star. The evening star is a long white candle followed by a short black or white one and then a long black one that goes down at least half the length of the white candle in the first session. The evening star signals a reversal of an uptrend with the bulls giving way to the bears.

Limitations of Using the Morning Star Pattern

Trading purely on visual patterns can be a risky proposition. A morning star is best when it is backed up by volume and some other indicator like a support level. Otherwise, it is very easy to see morning stars forming whenever a small candle pops up in a downtrend.

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Related Terms

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 Does Evening Star Mean?

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