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Rickshaw Man

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What Is Rickshaw Man?

The rickshaw man is a type of [long-legged doji](#) candlestick where the body can be found at or very near the middle of the candle.

KEY TAKEAWAYS

- The rickshaw man signals indecision in the marketplace.
- The rickshaw man has long upper and lower shadows, with a small real body near the center of the candle.
- The rickshaw man should be used in conjunction with other technical indicators, price action analysis, or chart patterns to signal a potential trend change or continuation.

Understanding Rickshaw Man

A candlestick shows the high, low, open, and close prices. The rickshaw man candle's open and close are at or very close to the same price level, creating the [doji](#). The high and low are far apart, creating long [shadows](#) on the candlestick. This shows indecision on the part of participants in a market.

The rickshaw man candle occurs when both bulls and bears control a security's price at different times during the same period. This disparity creates a wide trading range for the period, thereby generating long shadows on the candle. Despite the significant volatility indicated by the rickshaw man, it does not point to clear directional movement, and the price [closes](#) very near its [opening](#) price.

The dynamics indicated by the rickshaw man suggest indecision in the market, but it could send a signal to traders based on context. In some cases, the pattern may represent a period of [consolidation](#), which could suggest the continuation of previous trends. In other cases, the pattern could indicate indecision at the end of a bullish run-up, which could suggest a market [reversal](#). Traders with enough context may want to bet on a continuation or reversal, but in many cases, traders may want to hold off on taking any positions until a clearer [chart pattern](#) or price trend emerges.

The rickshaw man, like all long-legged doji, indicates that the forces of supply and demand are nearing equilibrium. While the pattern can be used to represent a security's movement over any amount of time, longer-term charts with more participants contributing to its formation are generally more significant.

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When analysts use the rickshaw man with other [technical indicators](#) they are more likely to pick up on reliable trading signals. For example, if the price is in an overall uptrend but has experienced a recent pullback, a rickshaw man coupled with an oversold [stochastic](#) making a bullish [crossover](#) could signal a bottom to the pullback is near—once the price starts moving up the pattern and indicator signals are confirmed.

The shooting star has a different context and formation than the rickshaw man. A [shooting star](#) occurs after a price advance. The shooting star has a long upper shadow, but the open and close occur near the low of the candle. The shooting star indicates a potential end to the uptrend.

Rickshaw Man Example

The daily chart of ROKU Inc. ([ROKU](#)) shows three examples of the rickshaw man candlestick. The first, on the right, occurs as the price starts to rise following a decline. The rickshaw man candlestick signaled indecision and the price continued to move sideways for two more sessions before moving to the upside.



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The next two examples also show indecision, and the price continues to move sideways following the rickshaw candlestick.

A trader could buy once the price moves above the rickshaw man high and set a [stop loss](#) below the rickshaw low. Similarly, a trader could [short](#) or sell once the price moves below the rickshaw low, and place a stop loss (if going short) above the rickshaw man high. This is not a highly reliable strategy, though, and using other forms of technical analysis is highly encouraged if attempting to use this candlestick pattern for trade entry purposes.

Rickshaw Man Limitations

A rickshaw man candlestick signals indecision. Other forms of technical analysis are typically required to indicate whether this is good, bad, or insignificant. If a trade is taken based on the rickshaw man candlestick, there is no inherent [profit target](#). It is up to the trader to also determine where they will take profit if the entry proves profitable.

The pattern occurs frequently, especially when the price action is already [choppy](#). Therefore, traders must look for the pattern only in specific contexts that enhance the pattern's reliability, if they opt to use it.

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[Unique Three River Definition and Example](#)

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[Long-Legged Doji Definition](#)

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