



# CANDLESTICK PATTERNS E - BOOK

( ENGLISH )

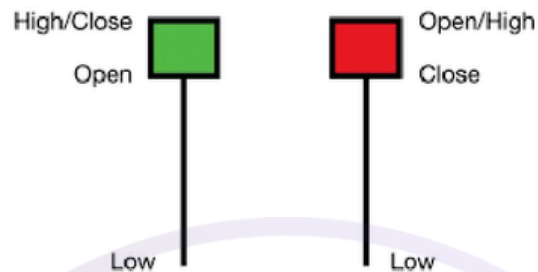
**by ClickVision**



Ultimate Trading Resource Ebook Bundle

# Candlestick Patterns

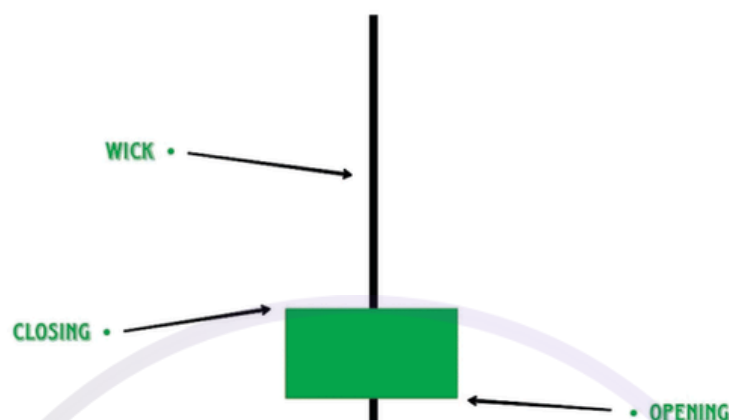
## Hammer



Hammer candlestick is a Japanese candlestick pattern used for market decision making. This is a bullish reversal pattern that usually appears after a downtrend. A hammer candlestick has a smaller body and a smaller wick at the top. The body is below the upper shadow. If we look at the candlestick and call it hammer, then the reason is that its shape is like a hammer.

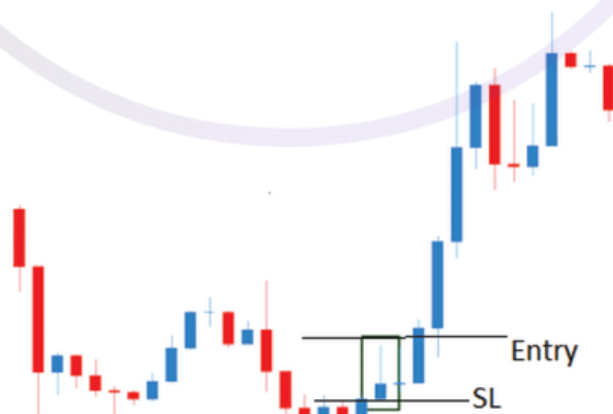


## Inverted Hammer



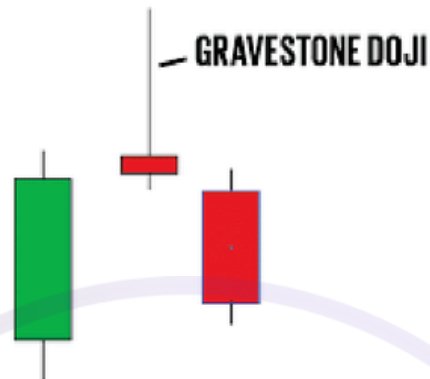
The inverted hammer candlestick is a single candlestick pattern that can provide valuable information about potential trend reversals in financial markets. It is typically found at the bottom of a downtrend and signifies a possible bullish reversal. The pattern consists of a small body near the top of the candlestick and a long lower shadow, resembling an upside-down hammer. The upper shadow, if present, is usually very small or non-existent. The small body indicates that there was little price movement between the open and close of the period.

The significance of the inverted hammer lies in its long lower shadow, which suggests that sellers pushed the price significantly lower during the trading period. However, the strong buying pressure seen towards the end of the period caused the price to recover and close near its opening level or even higher.



# Candlestick Patterns

## Gravestone doji

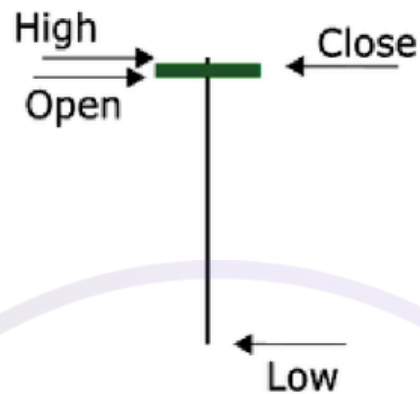


Gravestone doji candlestick is a bearish reversal pattern that usually appears after an uptrend. In this pattern, the size of the body is small and the upper shadow is small. The body is above the upper shadow.

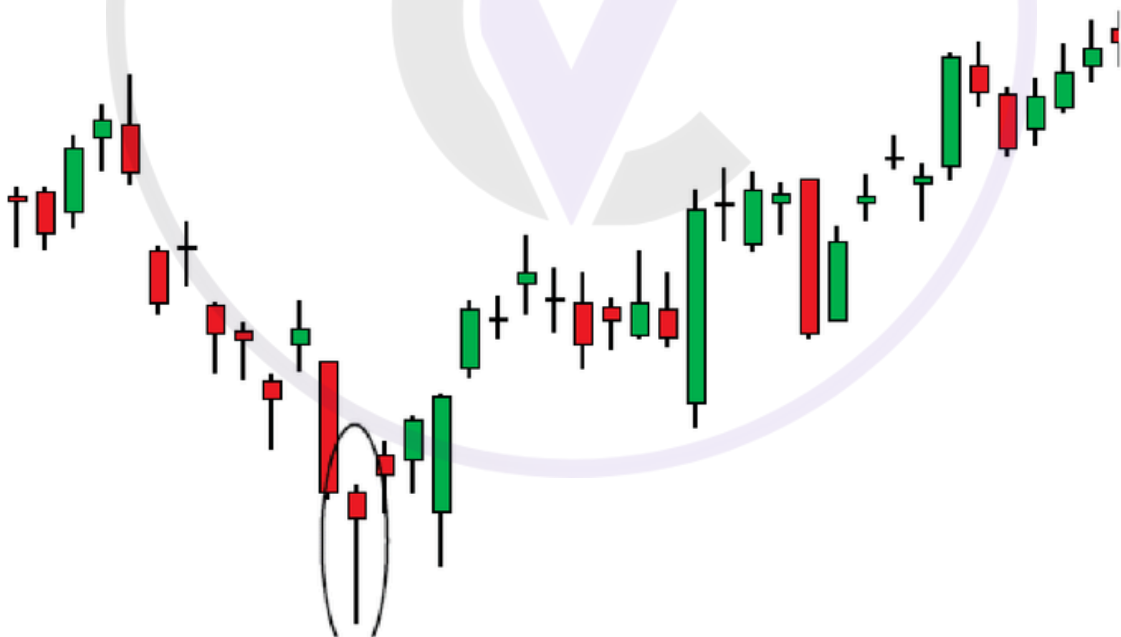




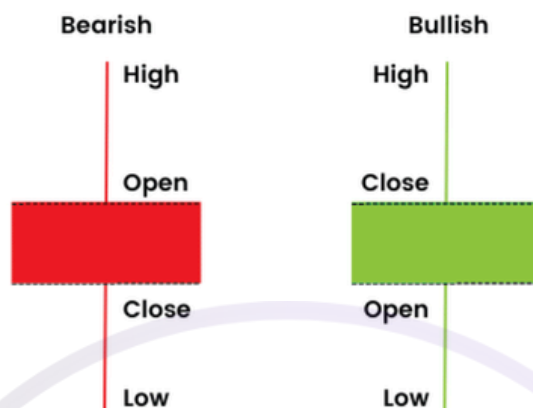
## Dragonfly doji



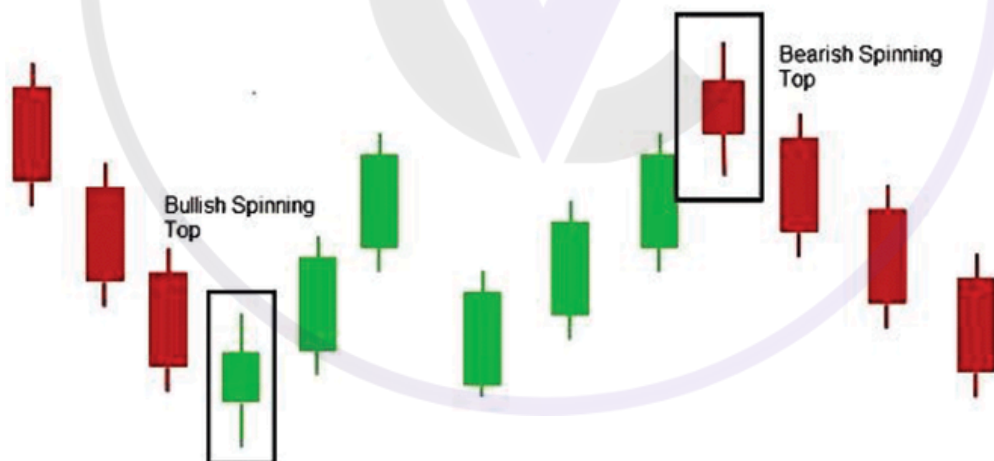
Dragonfly doji candlestick is a bullish reversal pattern that usually appears after a downtrend. In this pattern, the body size is small and the bottom shadow is small. The body is above the upper shadow.



## Spinning top



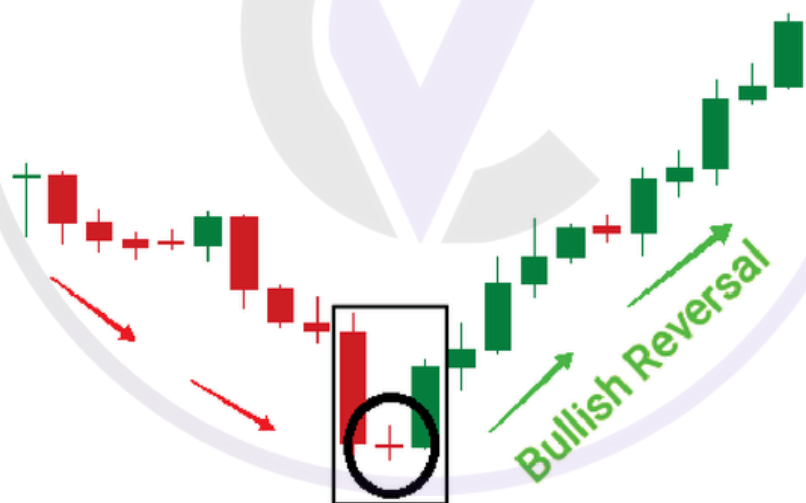
Spinning top candlestick is a neutral pattern that occurs between the top of the body and the bottom of the shadow. In this pattern the size of the body is very small and the shadow above and below the body is equal or slightly increased.



## Morning Star

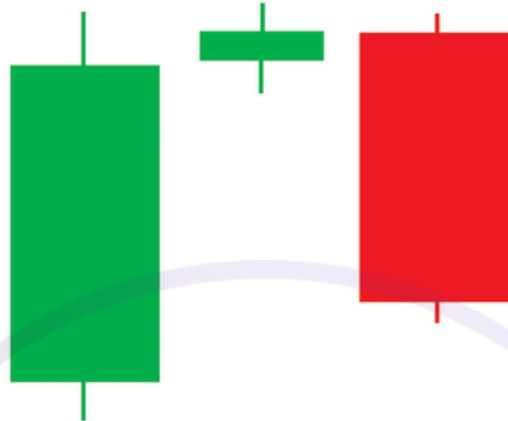


Morning star candlestick pattern is a bullish reversal pattern that occurs after a downtrend. This pattern is preceded by a long black (or red) candlestick followed by a small-bodied candlestick that occurs in a lower price range. This is followed by a long white (or green) candlestick which rises above the body of the first candlestick and closes rising above it.



# Candlestick Patterns

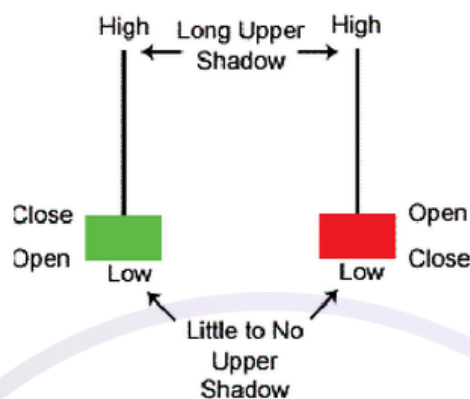
## Evening star



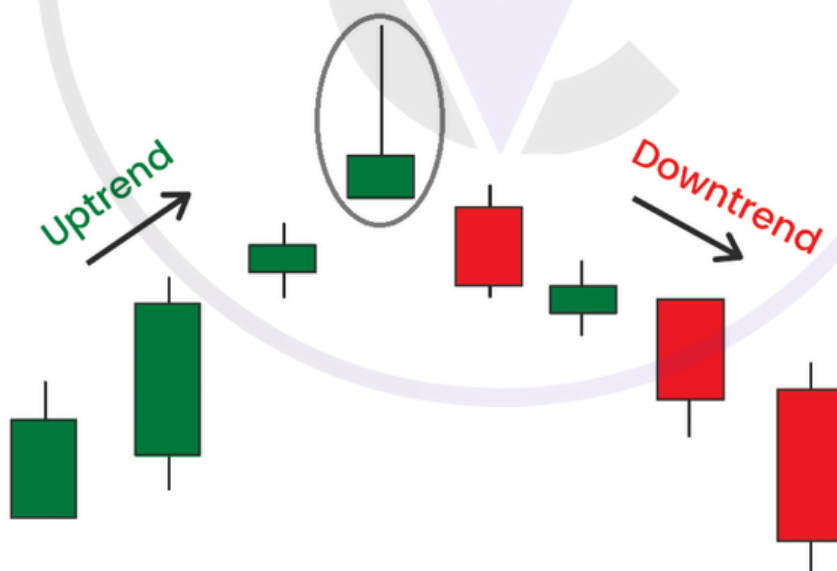
Evening star candlestick pattern is a bearish reversal pattern that occurs after an uptrend. This pattern is preceded by a long white (or green) candlestick followed by a small-bodied candlestick that occurs in a lower price range. This is followed by a long black (or red) candlestick that rises above the body of the first candlestick and closes rising below it.



## Shooting Star

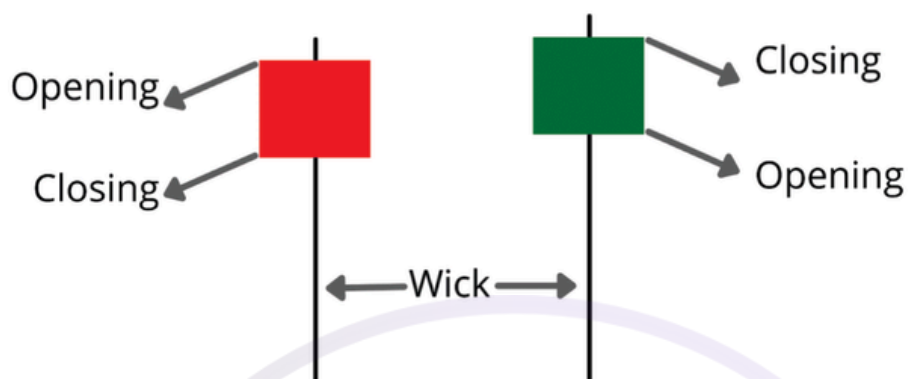


Shooting star candlestick pattern is a bearish reversal pattern that occurs after an uptrend. In this pattern, a long white (or green) candlestick appears first, followed by a small-bodied candlestick that is on the upper side. Next, a long upper shadow extending at least two bars back is generated above this small-bodied candlestick. The reason behind the name shooting star is that the shape of the long upper shadow makes it look like a shooting star.



# Candlestick Patterns

## Hanging Man

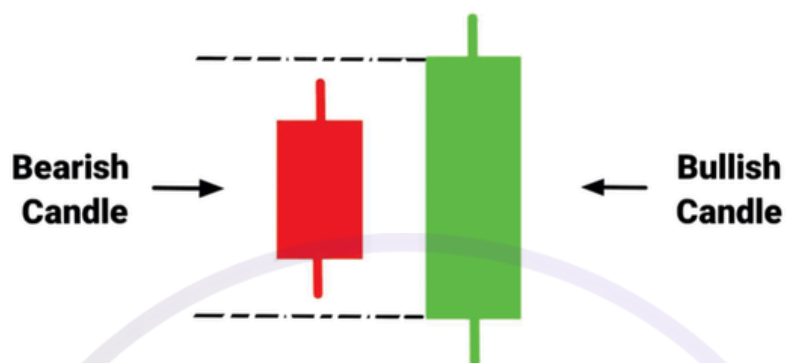


Hanging man candlestick pattern is also a bearish reversal pattern that occurs after an uptrend. In this pattern, a long white (or green) candlestick appears first, followed by a small-bodied candlestick that is on the downside. This small-bodied candlestick has a long lower shadow that extends at least two bars back.

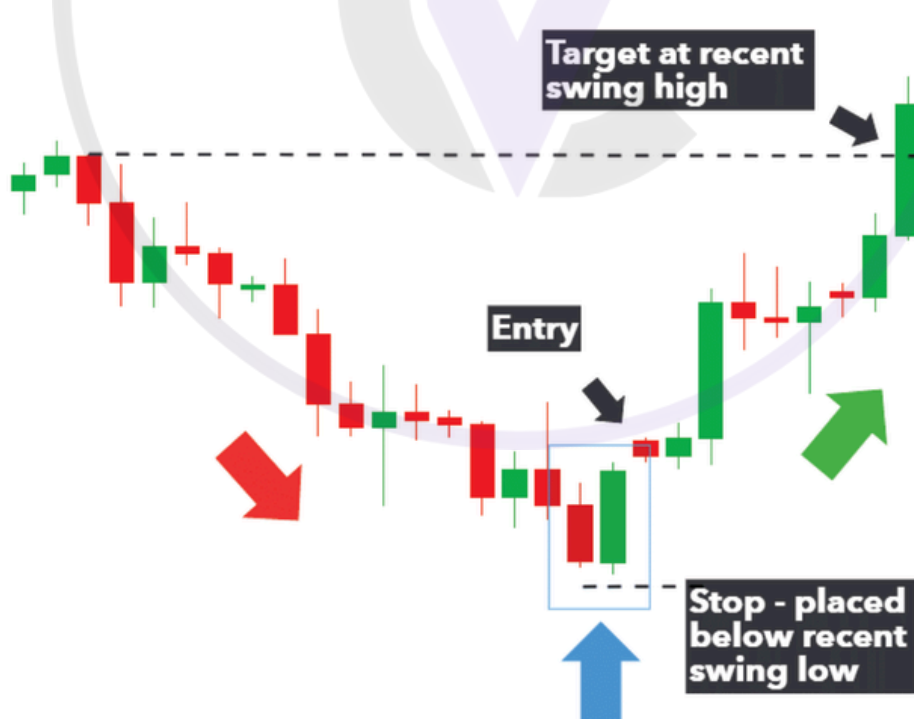


# Candlestick Patterns

## Bullish Engulfing

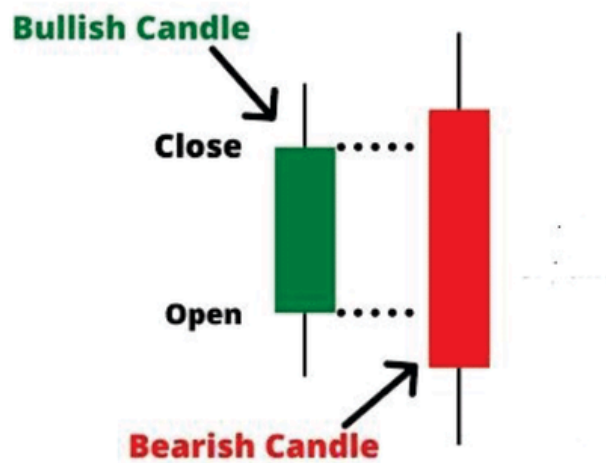


Bullish engulfing candlestick pattern is a bullish reversal pattern that occurs after a downtrend. In this pattern a long black (or red) candlestick comes first followed by a long white (or green) candlestick. The body of the second candlestick engulfs the body of the first candlestick, ie covers it completely.





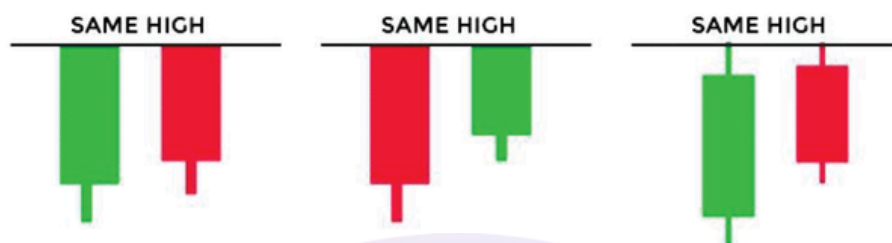
## Bearish Engulfing



Bearish engulfing candlestick pattern is a bearish reversal pattern that occurs after an uptrend. In this pattern a long white (or green) candlestick comes first followed by a long black (or red) candlestick. The body of the second candlestick engulfs the body of the first candlestick, ie covers it completely.



## Tweezer Top



The Tweezer top candlestick pattern is a bearish reversal pattern that occurs after an uptrend. In this pattern two candlesticks are together. The first candlestick is long and bullish while the second candlestick is short and bearish. The length of the upper shadows of both the candlesticks are approximately the same, hence it is called Tweezer top.



## Tweezer Bottom

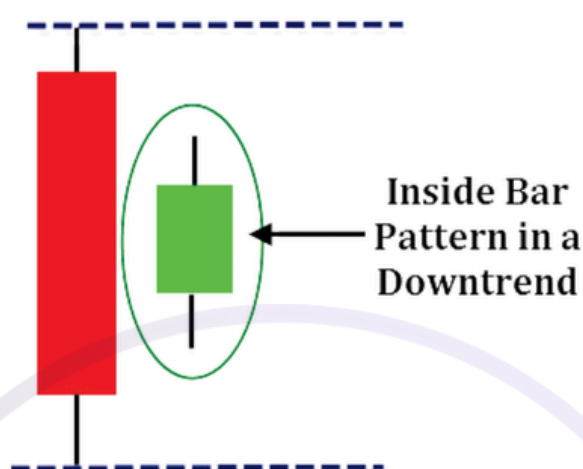


The Tweezer bottom candlestick pattern is a bullish reversal pattern that occurs after a downtrend. In this pattern two candlesticks are together. The first candlestick is long and bearish while the second candlestick is short and bullish. The length of the lower shadows of both the candlesticks are approximately the same, hence it is called Tweezer bottom.

AUD/USD ▾  
Binary  
Info ⓘ



## Bullish Inside Bar



Bullish inside bar candlestick pattern is a continuation pattern that occurs in the middle of an uptrend. In this pattern, a small candlestick (inside bar) is in the middle of a long candlestick. A large bullish candlestick is followed by a small candlestick (inside bar) the next day which is inside the range of the first candlestick.



## Bearish Inside Bar



Bearish inside bar candlestick pattern is a bearish continuation pattern that occurs after an uptrend. In this pattern two candlesticks are together. The first candlestick is long and bullish while the second candlestick is short and bearish. The range between the high and low range of both the candlesticks is less than the range of the first candlestick, hence it is called inside bar.



## Bullish Harami



Bullish harami candlestick pattern is a reversal pattern that occurs after a downtrend. There are two candlesticks in this pattern. The first candlestick is long and bearish while the second candlestick is short and bullish. The body of the second candlestick is inside the body of the first candlestick. There is no gap between two candlesticks in this pattern, hence it is called Bullish harami.



## Bearish Harami

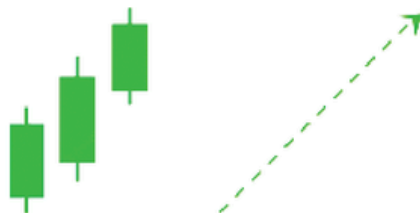


**Bearish Harami candlestick pattern is a bearish reversal pattern that appears after an uptrend. In this pattern, a large bullish candlestick is followed by a small bearish candlestick which engulfs the larger bullish candlestick.**





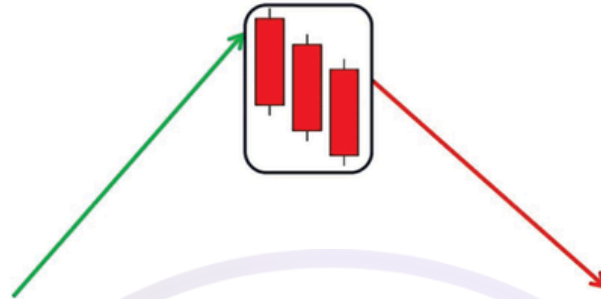
## Three White Soldiers



The three white soldiers candlestick pattern is a bullish reversal pattern that occurs after a downtrend. In this pattern, three white or green candles come together, which appear together on the daily chart. There is also an upward gap in this pattern.



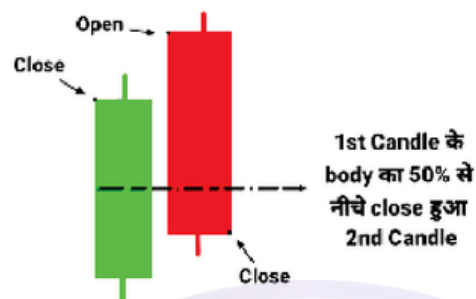
## Three Black Crows



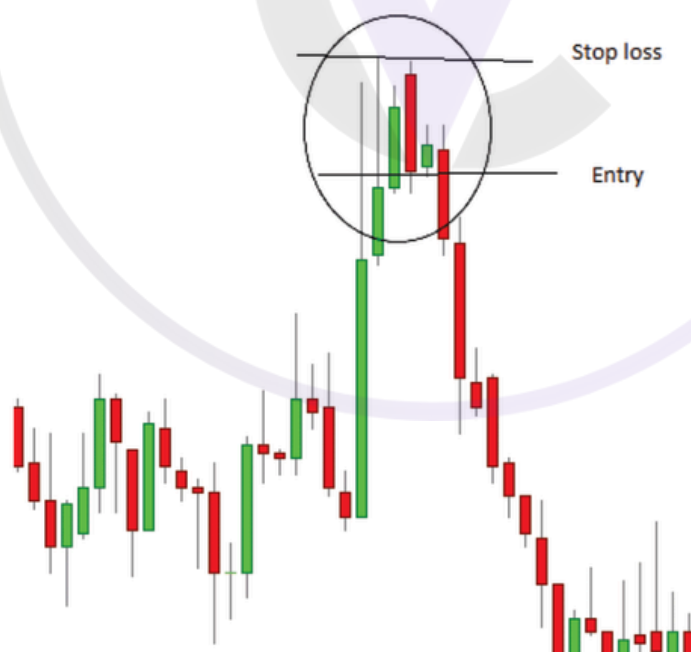
The Three black crows candlestick pattern is a bearish reversal pattern that occurs after an uptrend. In this pattern, three bearish candles come together, which appear simultaneously on the daily chart. There is also a downward gap in this pattern.



## Dark Cloud Cover

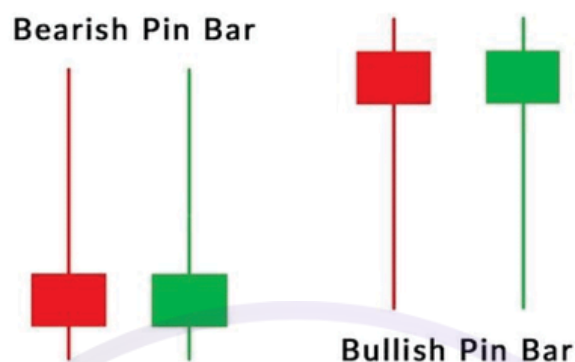


Dark Cloud Cover is a bearish reversal candlestick pattern that signals a bearish trend in the presence of an uptrend coming from higher levels. In this pattern, after a bullish candlestick, there is a small gap and then a bearish candlestick that partially or completely overlaps the previous candlestick. This pattern is a normal reversal pattern.



# Candlestick Patterns

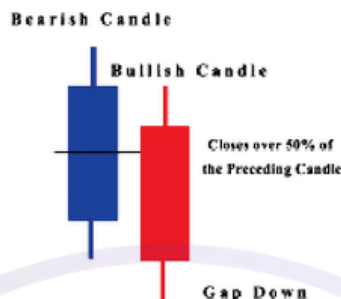
## Pin Bar



Pin bar candlestick pattern is a reversal pattern which is very popular in price action trading. This pattern consists of a single candlestick with small wicks above and below it. This candlestick is called pin bar. In this pattern the wicks above and below the pin bar are much smaller than the body of the candlestick.



## Piercing Bullish

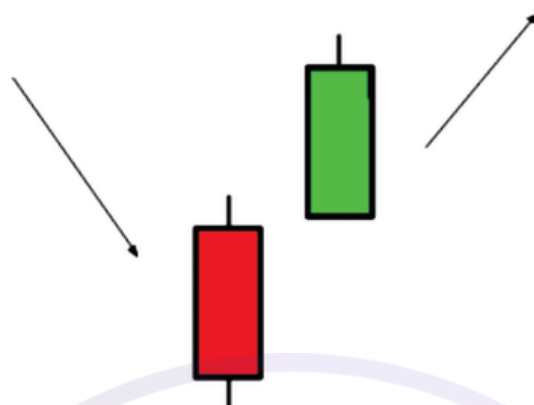


This is a Bullish reversal pattern which reverses the downtrend of the market. When the market is in a downtrend and a piercing bullish candlestick is formed, it is a strong reversal signal. In this pattern, the first candlestick is very bearish and the second candlestick forms an open and uptrend. In this pattern, the high of the share price of the second day should be at least 50% above the level of the first day. This indicates that the mood of the market is changing and now the Bullish trend is about to come.



# Candlestick Patterns

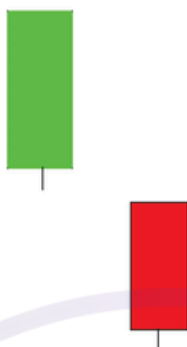
## Bullish Kicker



The Bullish Kicker candlestick pattern is a bullish reversal pattern that occurs in an uptrend. The first candlestick in this pattern is a short and bearish candle that opens up and gap down. The second candlestick is a long and bullish candle that extends to the length of the first candlestick. There is a gap between both the candlesticks.



## Bearish Kicker

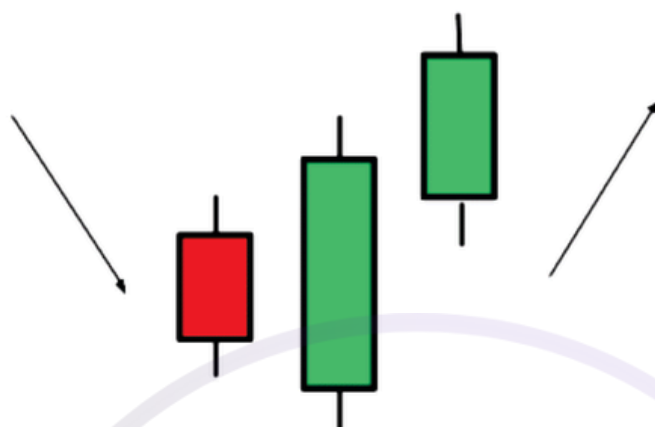


The Bearish Kicker candlestick pattern is also a reversal pattern that occurs in a downtrend. The first candlestick in this pattern is a long and bullish candle that opens up and gap up. The second candlestick is a short and bearish candle that extends to the length of the first candlestick. There is a gap between both the candlesticks.





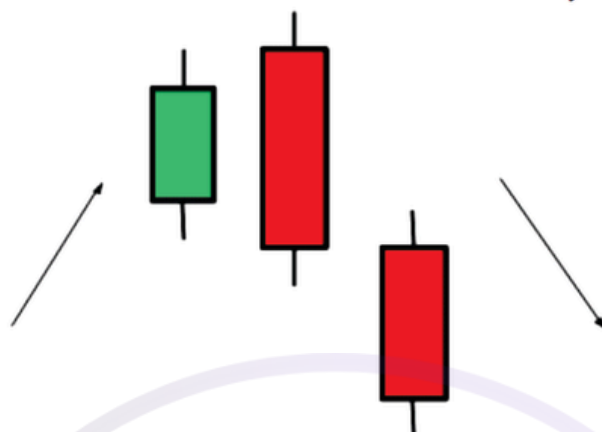
## Three Outside Up



The Three Outside Up candlestick pattern is a bullish reversal pattern that occurs in a downtrend. The first candlestick in this pattern is a long bearish candle which indicates a downtrend. The second candlestick is a small bullish candle that opens above the first candlestick. The third candlestick is again a long bullish candle which extends above the first candlestick and completely covers the second candlestick. There is a gap between all the three candlesticks.



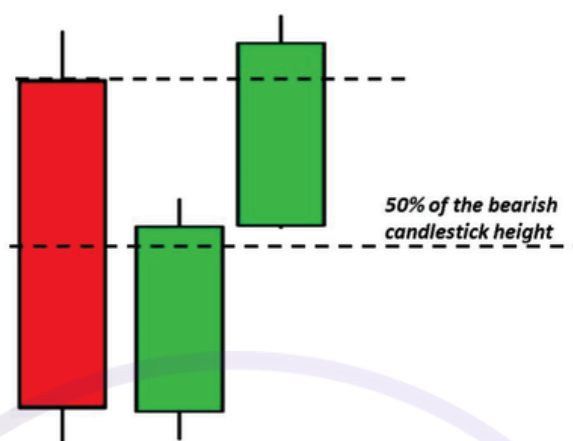
## Three Outside Down



The Three Outside Down Candlestick pattern is a bearish reversal pattern that occurs in an uptrend. The first candlestick in this pattern is a long and bullish candle, indicating a strong uptrend. The second candlestick is also a bullish candle but closes after going above the first candlestick. The third candlestick is a bearish candle that opens above the second candlestick and initiates a downtrend.



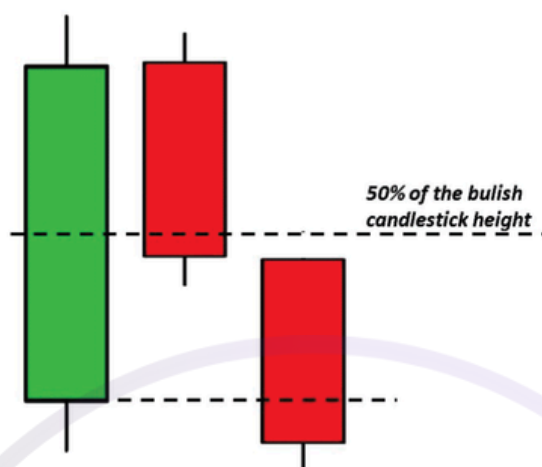
## Three Inside Up



The Three Inside Up candlestick pattern is a bullish reversal pattern that occurs in a downtrend. The first candlestick in this pattern is a bearish candle which opens up and gaps down. The second candlestick is a bullish candle which opens inside the range of the first candlestick and closes above its range. The third candlestick is again a bullish candle which opens above the range of the second candlestick and closes above its range.



## Three Inside Down

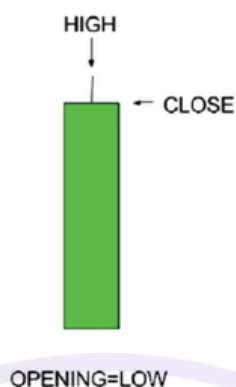


The Three Inside Down candlestick pattern is a bearish reversal pattern that occurs after an uptrend. There are three candlesticks in this pattern. The first candlestick is long and bullish while the second and third candlesticks are short and bearish. The length of the upper and lower shadows of the second and third candlesticks is short while the body is short, hence it is called Three Inside Down.



# Candlestick Patterns

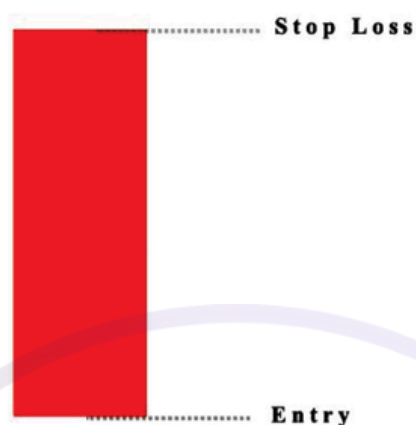
## Bullish Marubozu



The Bullish Marubozu candlestick pattern is a strong bullish pattern that occurs when the market is in an unstoppable uptrend. In this pattern, there is a single candlestick which has neither an upper shadow nor a lower shadow. This candlestick moves from the open price to the high price with a solid body.



## Bearish Marubozu



Bearish Marubozu candlestick pattern is a strong bearish pattern that occurs when the market is in an unstoppable downtrend. In this pattern, there is a single candlestick which has neither an upper shadow nor a lower shadow. This candlestick moves from the open price to the low price with a solid body.

