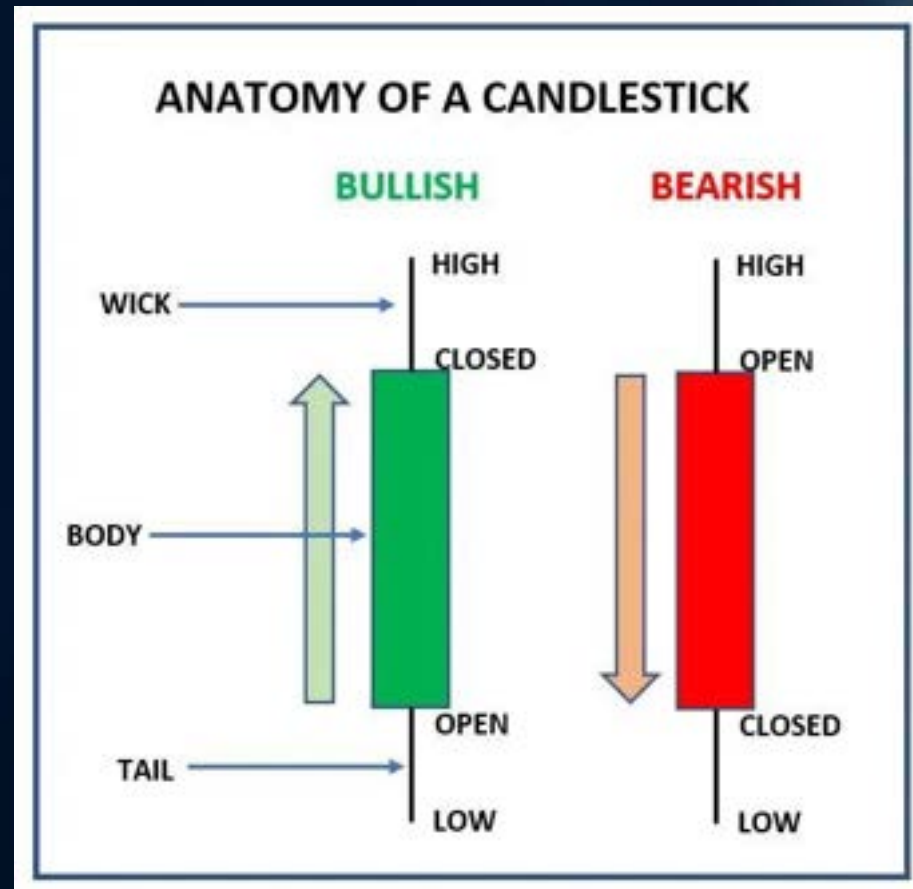


How to Read a Candlestick

What a Candlestick Represents:

Each candlestick represents price movement within a specific time period (like 1 minute, 1 hour, 1 day, etc.). It shows four key prices:

- **Open:** The price when the period started.
- **Close:** The price when the period ended.
- **High:** The highest price reached during the period.
- **Low:** The lowest price reached during the period.



How to Read a Candlestick

Bullish Candlestick:

•A **bullish** candlestick forms when the **closing price** is higher than the **opening price**. This means the price has risen during that period, showing that buyers (the bulls) are in control.

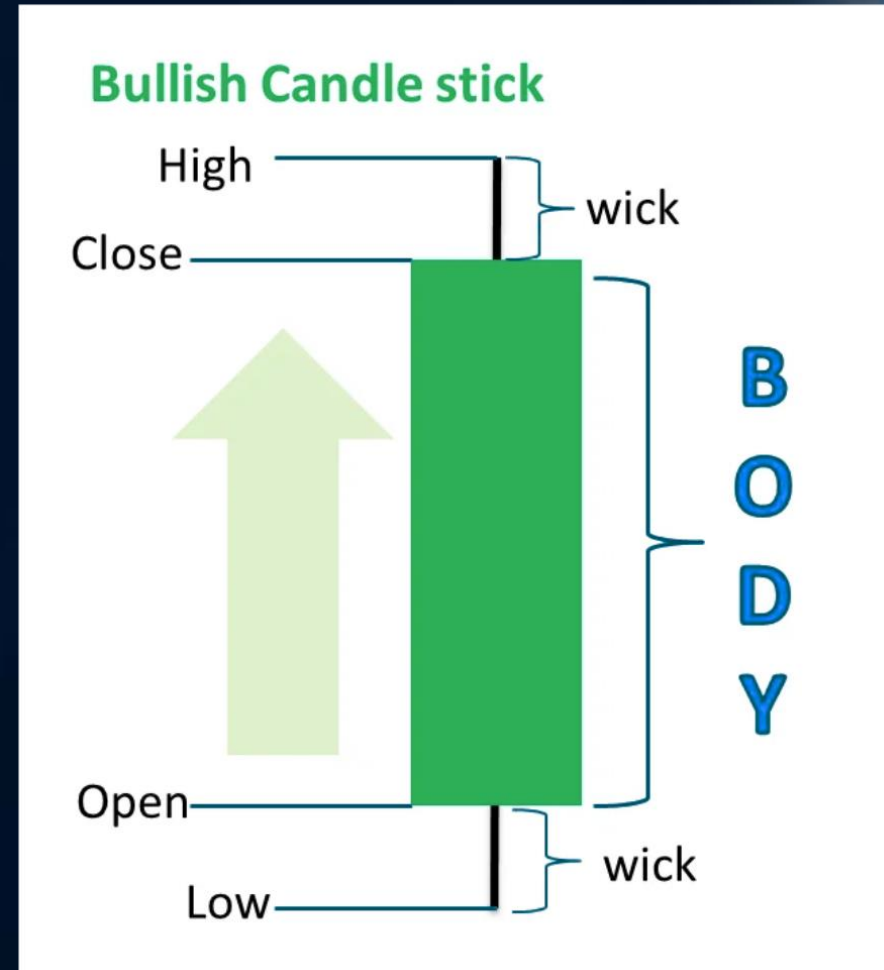
•The **body** of the candlestick (the rectangular part) is typically green or white (colors can vary depending on chart settings) to indicate that the price has gone up.

Understanding the Structure:

- The **bottom** of the body represents the **open** price.
- The **top** of the body represents the **close** price.
- Wicks** (or shadows) are thin lines extending above and below the body. The top wick shows the **highest** price reached, and the bottom wick shows the **lowest** price reached during that period.

Why It's Bullish:

- A bullish candlestick suggests that there was buying pressure during the period, meaning more traders were willing to buy the asset, driving the price higher.
- Traders often view this as a sign of strength, especially if it's part of a larger uptrend or following a series of bearish candlesticks (indicating a potential reversal to the upside).



How to Read a Candlestick

Bearish candlestick:

•A **bearish** candlestick forms when the **closing price** is lower than the **opening price**. This means that price has decreased during that period, showing that sellers (the bears) are in control.

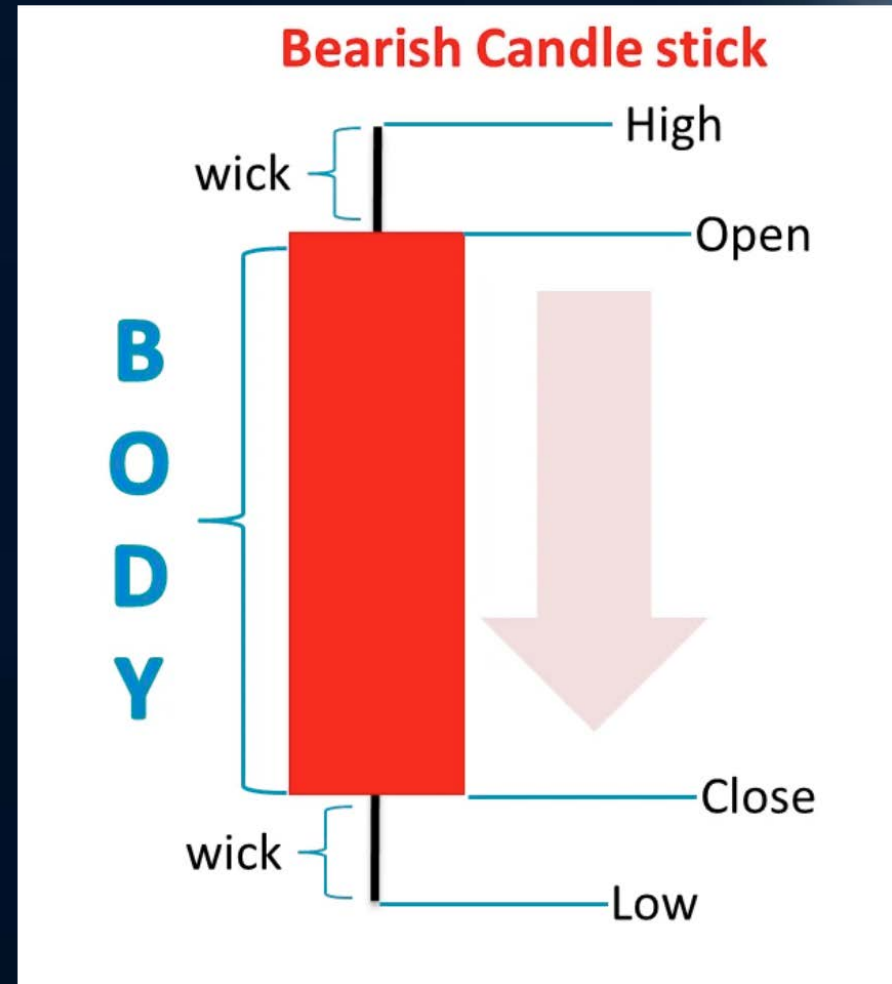
•The **body** of the candlestick (the rectangular part) is typically red or black (colors can vary depending on the chart settings) to indicate that the price has gone down. shows that the price of the asset decreased during the period. In simpler terms, the price opened at one level and closed at a lower level.

Understanding the Structure:

- The top of the body represents the open price.
- The bottom of the body represents the closing price.
- Wicks (or shadows) are thin lines extending above and below the body. The top wick shows the highest price reached, and the bottom wick shows the lowest price has reached during that period.

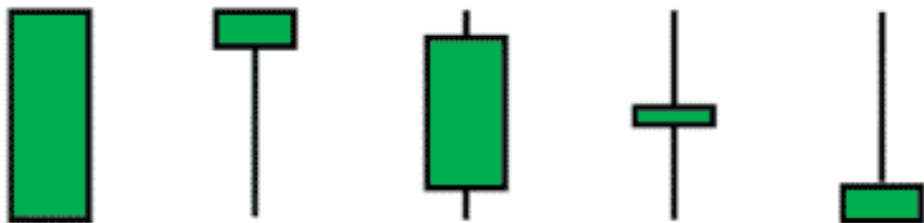
Why It's Bearish:

•A bearish candlestick signals selling pressure. It shows that the sellers are in control, and the price is moving downward. If there are multiple bearish candlesticks in a row, it might indicate a downtrend in the market.



How to Read a Candlestick

Levels of Bullishness



Most Bullish

2nd Most Bullish

Normal Bullish

Neutral Bullish

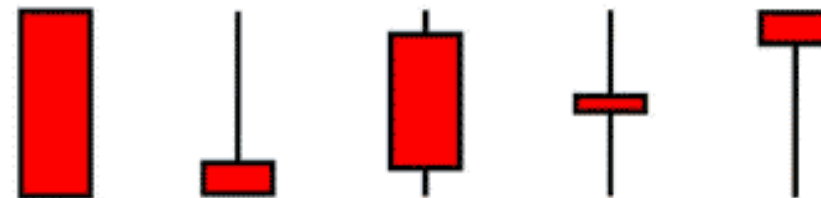
Least Bullish

Most Bullish: Marobuzu
2nd Most Bullish: Hammer
Normal Bullish: Bullish Spinning Top
Neutral Bullish: Doji
Least Bullish: Inverted Hammer



Most Bearish: Marobuzu
2nd Most Bearish: Shooting Star
Normal Bearish: Bearish Spinning Top
Neutral Bearish: Dohi
Least Bearish: Hanging Man

Levels of Bearishness



Most Bearish

2nd Most Bearish

Normal Bearish

Neutral Bearish

Least Bearish

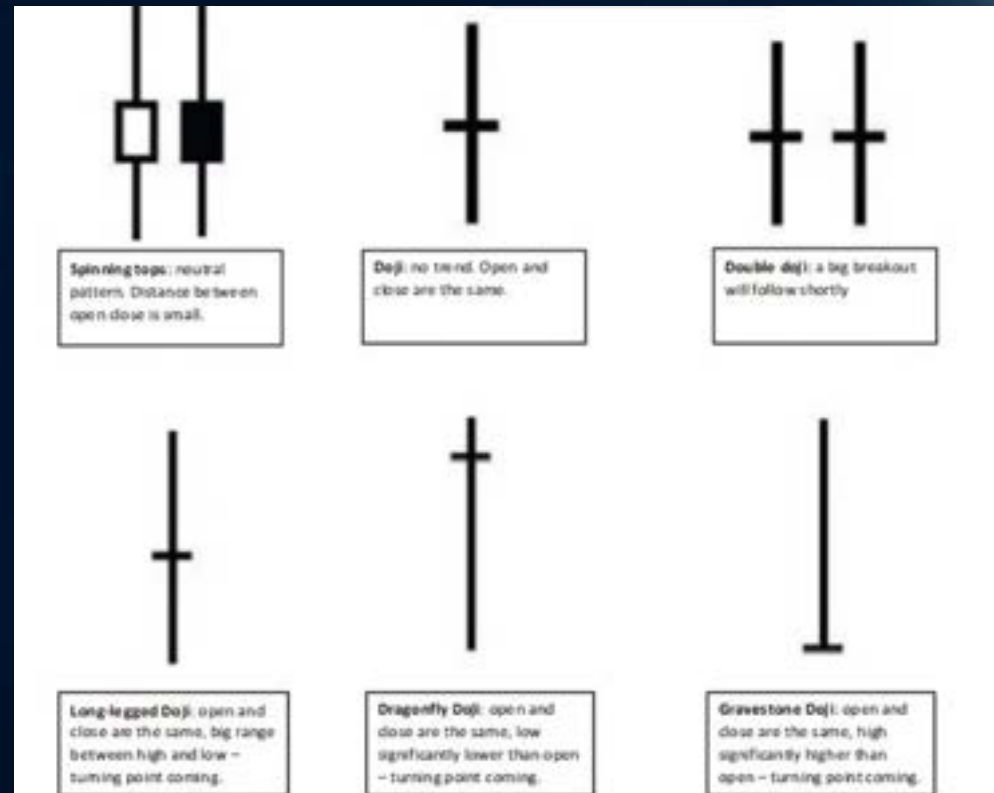
Candlestick Patterns

What Are Neutral Candles?

•Neutral candles, such as the **Doji** and **Spinning Top**, have small bodies, showing that the opening and closing prices are very close to each other. This suggests neither the bulls (buyers) nor the bears (sellers) were able to control the price during that period.

•Neutral candles are a helpful tool for understanding when the market is uncertain, providing signals that a trend could be changing. They shouldn't be used alone but can be combined with other indicators or chart patterns for better accuracy.

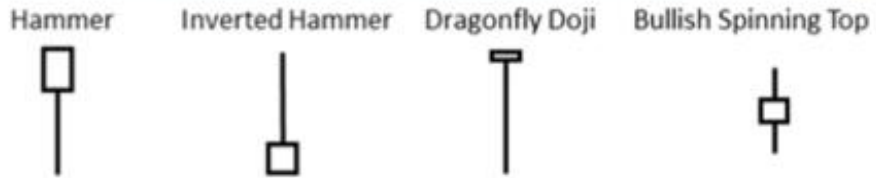
•Neutral candles like Doji and Spinning Tops suggest indecision in the market and are useful to watch when they appear after strong trends, as they may signal a reversal or consolidation.



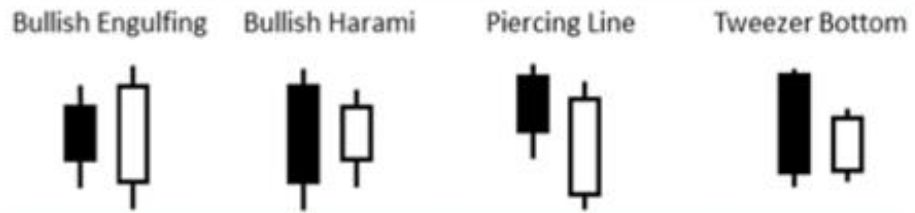
Candlestick Patterns

BULLISH PATTERNS

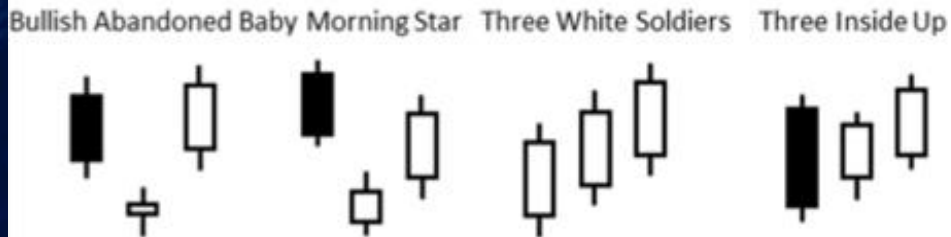
1-DAY CANDLE PATTERNS



2-DAY CANDLE PATTERNS

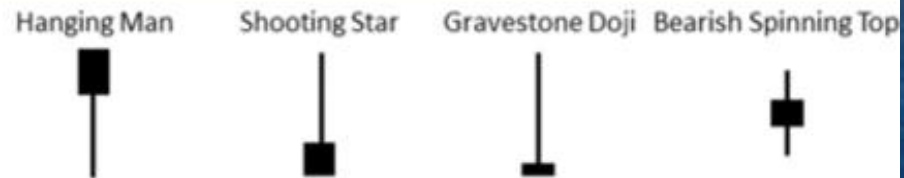


3-DAY CANDLE PATTERNS

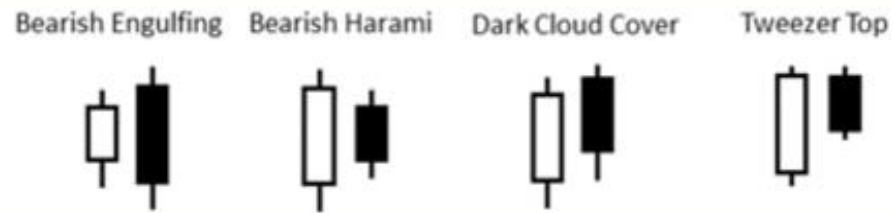


BEARISH PATTERNS

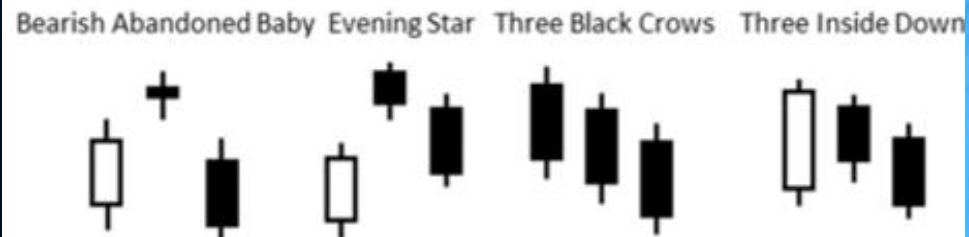
1-DAY CANDLE PATTERNS



2-DAY CANDLE PATTERNS



3-DAY CANDLE PATTERNS



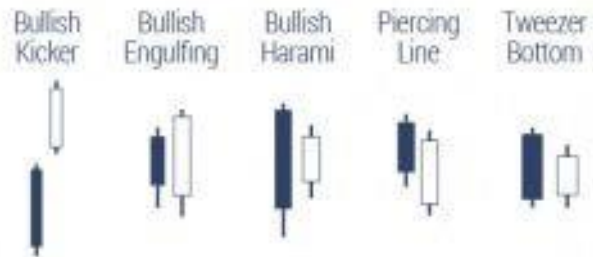
Candlestick Patterns

BULLISH CANDLESTICK PATTERNS

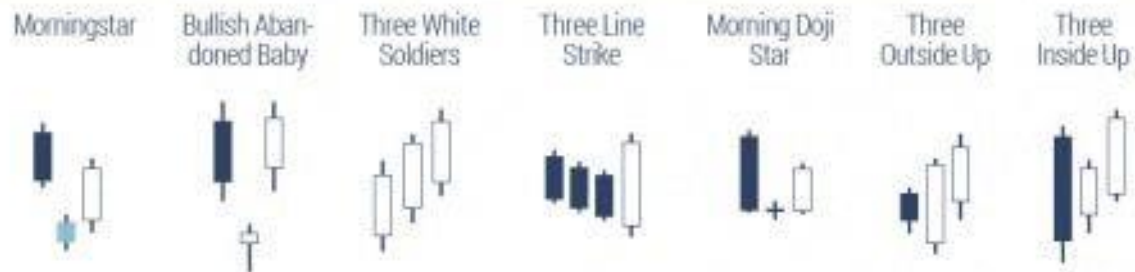
SINGLE CANDLE PATTERNS



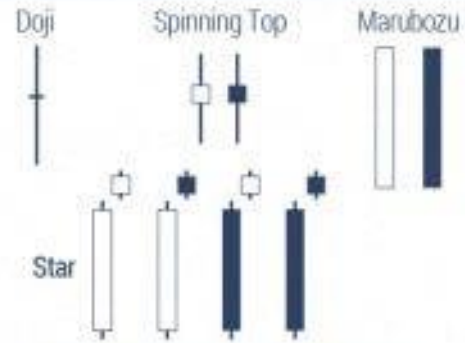
TWO CANDLE PATTERNS



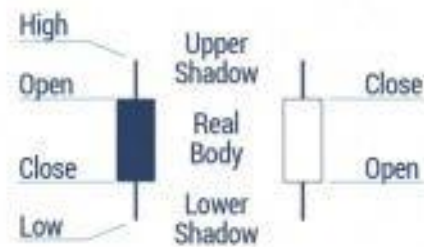
THREE+ CANDLE PATTERNS



NEUTRAL/BASIC PATTERNS



CANDLESTICK BASICS



BEARISH CANDLESTICK PATTERNS

SINGLE CANDLE PATTERNS



TWO CANDLE PATTERNS

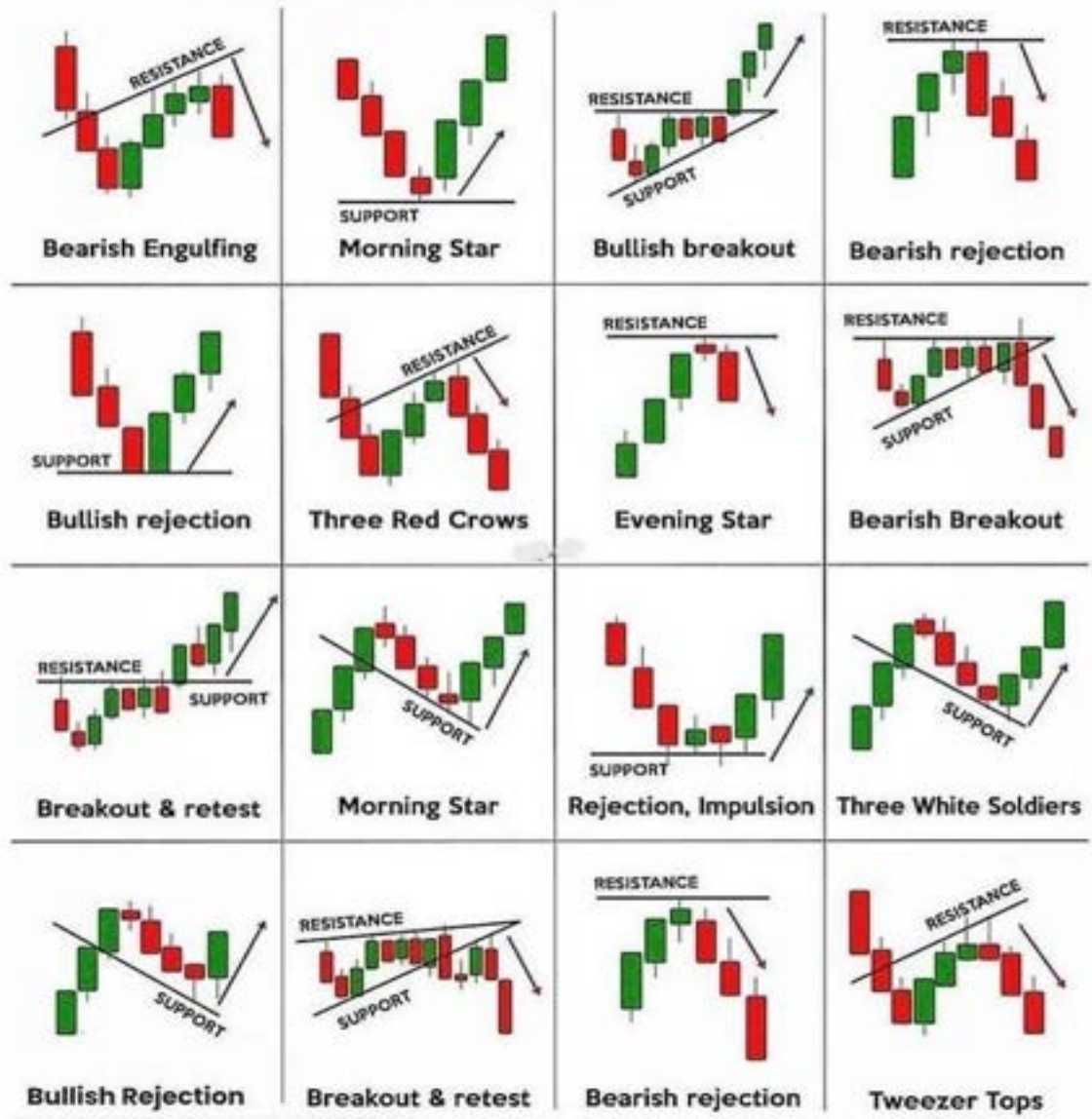


THREE+ CANDLE PATTERNS



Candlestick Patterns

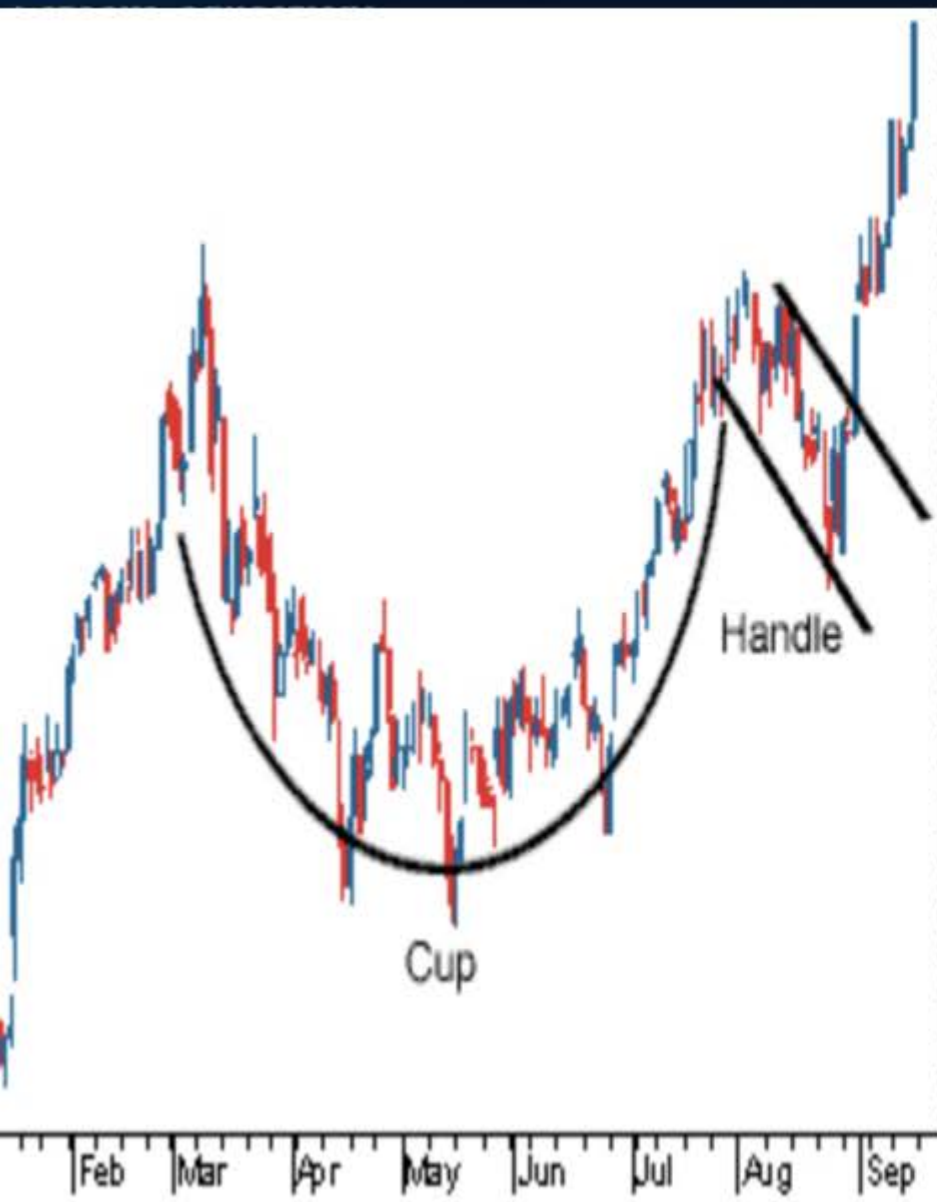
PRICE ACTION TRADING



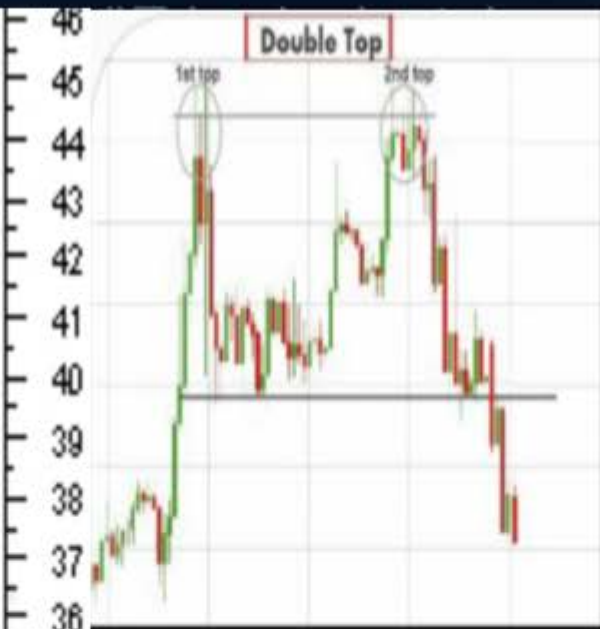
Patterns



Patterns

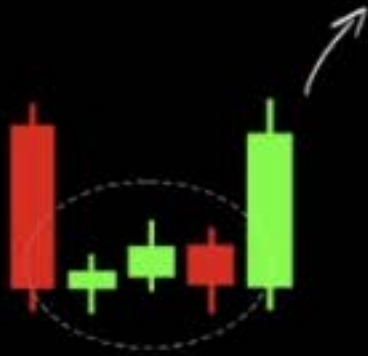


Source: Chart by MetaStock



Bullish Candle Patterns

Tower Bottom



Bullish Engulfing



Hammer



Three White Soldiers



Morning Star Doji



Candle Patterns

CANDLESTICK PATTERN GUIDE

	hanging man (in an uptrend) lower shadow must be twice length of real body	bearish
	hammer (in a downtrend) lower shadow must be twice length of real body	bullish
	bullish engulfing market should be in a trend, not moving sideways	bullish
	bearish engulfing market should be in a trend, not moving sideways	bearish
	dark cloud cover second bar opens above top of upper shadow of the first	bearish a top reversal formation
	piercing pattern occurs within a downtrend, opposite of dark cloud cover	bullish a bottom reversal formation
	harami	bearish reversal pattern
	harami	bullish reversal pattern
	morning star occurs near a bottom	bullish
	evening star occurs near a top	bearish
	morning doji star in a downtrend	bullish invalidated if next candlestick is red and gapped lower
	evening doji star in an uptrend	bearish invalidated if next candlestick is blue and gapped higher
	shooting star long upper shadow body colour is not critical	bearish not considered a major reversal only a warning
	inverted hammer occurs in a downtrend body colour is not critical	bullish not considered a major reversal only a warning

