candlestick chart patterns

candlestick chart patterns are essential tools used by traders and investors to analyze price movements in financial markets. These patterns provide visual insights into market sentiment and potential future price direction by representing price action during a specific time frame. Understanding candlestick chart patterns helps traders identify trends, reversals, and continuation signals, which are crucial for making informed trading decisions. This article explores the most common and effective candlestick chart patterns, their significance, and how to interpret them accurately. It also discusses the psychology behind these patterns and practical tips for applying them in trading strategies. By mastering candlestick chart patterns, market participants can enhance their technical analysis skills and improve trade timing. The following sections will delve into the basics, popular patterns, and advanced concepts, offering a comprehensive guide to this valuable analytical method.

- Basics of Candlestick Chart Patterns
- Common Bullish Candlestick Patterns
- Common Bearish Candlestick Patterns
- Reversal and Continuation Patterns
- Psychology Behind Candlestick Patterns
- Practical Tips for Trading with Candlestick Patterns

Basics of Candlestick Chart Patterns

Candlestick chart patterns originated in Japan over 300 years ago and have since become a fundamental element of technical analysis worldwide. Each candlestick represents four key data points: the opening price, closing price, high price, and low price within a given time period. The body of the candlestick illustrates the range between the open and close, while wicks (or shadows) represent the extremes of trading during that session.

These patterns are interpreted based on the shape, size, and color of the candlesticks, as well as their position relative to previous candles. Understanding the basic components and formation of candlesticks is critical for identifying meaningful patterns that can indicate bullish or bearish market conditions.

Structure of a Candlestick

A standard candlestick consists of three main parts: the body, the upper wick, and the lower wick. The body shows the difference between the opening and closing prices. If the close is higher than the open, the candle is typically colored green or white, signaling buying pressure. Conversely, if the close is lower than the open, the candle is red or black, indicating selling pressure. The wicks show the highest and lowest traded prices during the time period.

Significance of Candlestick Patterns

Candlestick patterns are valuable because they visually summarize market psychology and supply-demand dynamics. By analyzing sequences of candlesticks, traders can anticipate potential reversals or continuations in price trends. Patterns formed at key support or resistance levels carry greater significance and can provide high-probability trading signals.

Common Bullish Candlestick Patterns

Bullish candlestick chart patterns suggest potential upward price movements and buying opportunities. Recognizing these patterns can help traders capitalize on market rallies or trend reversals from bearish to bullish conditions. Below are some widely observed bullish patterns.

Hammer

The hammer is a single-candle pattern characterized by a small body near the top of the price range with a long lower wick. It typically appears after a downtrend and signals potential reversal. The long lower wick indicates that sellers pushed prices lower during the session but buyers regained control by the close.

Bullish Engulfing

This two-candle pattern occurs when a small bearish candle is followed by a larger bullish candle that completely engulfs the previous candle’s body. It signals strong buying momentum and often marks the start of an upward trend.

Morning Star

The morning star is a three-candle reversal pattern signaling a bottom reversal. It consists of a long bearish candle, a small-bodied candle that gaps lower or shows indecision, followed by a long bullish candle closing well into the first candle’s body. This pattern reflects a shift from selling to buying pressure.

List of Key Bullish Patterns

- Hammer
- Inverted Hammer
- Bullish Engulfing
- Morning Star

- Piercing Line
- Three White Soldiers

Common Bearish Candlestick Patterns

Bearish candlestick chart patterns indicate potential downward price movements or selling opportunities. These patterns help traders identify points where a bullish trend may be losing momentum or reversing. Understanding bearish patterns is crucial for effective risk management and timely exits.

Shooting Star

The shooting star is a single-candle pattern with a small body near the bottom of the price range and a long upper wick. It appears after an uptrend and suggests that buyers tried to push prices higher but were overwhelmed by sellers, potentially signaling a bearish reversal.

Bearish Engulfing

This pattern features a small bullish candle followed by a larger bearish candle that completely engulfs the previous candle’s body. It reflects strong selling pressure and may mark the beginning of a downtrend.

Evening Star

The evening star is a three-candle bearish reversal pattern consisting of a long bullish candle, a small indecisive candle, and a long bearish candle that closes deep into the first candle’s body. This formation suggests a shift from buying to selling dominance.

List of Key Bearish Patterns

- Shooting Star
- Hanging Man
- Bearish Engulfing
- Evening Star
- Dark Cloud Cover
- Three Black Crows

Reversal and Continuation Patterns

Candlestick chart patterns can be broadly categorized into reversal patterns, which indicate a change in trend direction, and continuation patterns, which suggest the existing trend will persist. Identifying these patterns is vital for timing entries and exits effectively.

Reversal Patterns

Reversal patterns signal that the current trend is losing strength and a change in direction may occur. Examples include the hammer and shooting star for single-candle reversals, as well as the morning star and evening star for multi-candle reversals. These patterns are often confirmed by volume increases or other technical indicators.

Continuation Patterns

Continuation patterns indicate that the prevailing trend is likely to continue after a brief consolidation or pause. Examples include the rising three methods and falling three methods patterns, characterized by small counter-trend candles followed by a strong candle in the direction of the trend. These formations help traders maintain positions during trending markets.

Examples of Reversal and Continuation Patterns

1. Morning Star (Bullish Reversal)
2. Evening Star (Bearish Reversal)
3. Three White Soldiers (Bullish Continuation)
4. Three Black Crows (Bearish Continuation)
5. Rising Three Methods (Bullish Continuation)
6. Falling Three Methods (Bearish Continuation)

Psychology Behind Candlestick Patterns

Candlestick chart patterns reflect the underlying psychology of market participants, capturing the battle between buyers and sellers. Each pattern conveys shifts in sentiment, momentum, and confidence within the market. Understanding this psychology enhances interpretation accuracy beyond mere visual recognition.

Buyer and Seller Dynamics

Patterns such as the hammer and shooting star illustrate failed attempts by sellers or buyers to push prices beyond certain levels, indicating rejection and potential reversals. Engulfing patterns show decisive shifts in control, where one side overwhelms the other. Recognizing these dynamics helps anticipate future price behavior.

Market Sentiment and Momentum

Volume and volatility often accompany candlestick patterns, providing clues about the strength of the sentiment change. For example, a bullish engulfing pattern with high volume suggests strong buying interest and higher probability of successful reversal. Traders use these insights to validate pattern signals.

Practical Tips for Trading with Candlestick Patterns

Proper application of candlestick chart patterns requires combining them with other technical tools and sound risk management strategies. Relying solely on patterns without context can lead to false signals and losses.

Confirm Patterns with Indicators

Using moving averages, relative strength index (RSI), or support and resistance levels can confirm the validity of candlestick patterns. For example, a hammer pattern near a strong support level combined with oversold RSI increases the likelihood of a reversal.

Manage Risk Effectively

Setting stop-loss orders below or above pattern formations helps limit losses in case the anticipated move does not materialize. Position sizing based on volatility and account risk tolerance is also critical when trading candlestick signals.

Practice and Backtesting

Studying historical charts and backtesting strategies involving candlestick chart patterns improves pattern recognition skills and confidence. Simulated trading environments provide safe platforms to refine execution before applying real capital.

Summary of Trading Tips

- Combine candlestick patterns with technical indicators

- Trade patterns at key support and resistance levels
- Use appropriate stop-loss and position sizing
- Backtest strategies before live trading
- Be patient and avoid overtrading based on patterns alone

Frequently Asked Questions

What is a candlestick chart pattern?

A candlestick chart pattern is a visual representation used in technical analysis to predict the future price movements of an asset based on historical price data, displaying the open, high, low, and close prices within a specific time period.

What are the most common candlestick chart patterns?

Some of the most common candlestick chart patterns include Doji, Hammer, Shooting Star, Engulfing (Bullish and Bearish), Morning Star, Evening Star, and Harami (Bullish and Bearish).

How can candlestick patterns help in trading decisions?

Candlestick patterns help traders identify potential market reversals, continuations, and indecision, allowing them to make informed decisions about entry and exit points in the market.

What does a Doji candlestick indicate?

A Doji candlestick indicates market indecision where the opening and closing prices are virtually the same, signaling a potential reversal or pause in the current trend.

What is the significance of a Hammer candlestick pattern?

A Hammer candlestick pattern usually appears at the bottom of a downtrend and signifies a potential bullish reversal, showing that buyers are beginning to gain control.

How does the Engulfing pattern differ between bullish and bearish signals?

A Bullish Engulfing pattern occurs when a small bearish candle is followed by a larger bullish candle that completely engulfs it, indicating a potential upward reversal; a Bearish Engulfing pattern is the opposite, signaling a potential downward reversal.

Can candlestick patterns be used alone for trading?

While candlestick patterns provide valuable insights, they are most effective when used in conjunction with other technical indicators and analysis methods to increase accuracy.

What timeframe is best for analyzing candlestick chart patterns?

Candlestick patterns can be analyzed on any timeframe, but the choice depends on the trader's strategy; shorter timeframes suit day trading, while longer timeframes are better for swing or position trading.

How reliable are candlestick chart patterns in predicting market movements?

Candlestick chart patterns are a useful tool but not 100% reliable; their effectiveness depends on market context, confirmation from other indicators, and proper risk management.

Additional Resources

1. *Japanese Candlestick Charting Techniques*
This classic book by Steve Nison is often credited with introducing the Western world to the power of candlestick charting. It provides a comprehensive guide to interpreting candlestick patterns and using them to make informed trading decisions. The book covers basic to advanced techniques, making it suitable for beginners and experienced traders alike.

2. *Candlestick Charting Explained*
Authored by Gregory L. Morris, this book offers an in-depth exploration of candlestick chart patterns and their practical applications. It includes detailed explanations of various patterns and how they can be combined with other technical analysis tools. The book emphasizes understanding market psychology behind the patterns.

3. *The Candlestick Course*
Steve Nison’s follow-up to his seminal work, this course-like book is designed to help readers master candlestick charting through practical lessons and exercises. It breaks down complex concepts into easy-to-understand modules and includes numerous real-world examples. This book is perfect for traders looking to deepen their technical analysis skills.

4. *Candlestick Patterns: An In-Depth Guide*
This book provides a thorough examination of over 50 candlestick patterns, explaining their formation, interpretation, and trading implications. It also discusses risk management strategies associated with these patterns. The guide is well-suited for traders who want a detailed reference on candlestick analysis.

5. *Profitable Candlestick Trading*
Marvin Appel’s book focuses on using candlestick patterns to develop profitable trading strategies. It combines pattern recognition with money management techniques to enhance trading performance. Readers will find practical advice on how to integrate candlesticks into their overall trading plan.

6. *Candlestick Charting for Dummies*
Part of the popular "For Dummies" series, this book simplifies candlestick charting concepts for beginners. It covers the basics of pattern recognition, interpretation, and application in various markets. The accessible writing style makes it a great starting point for novice traders.

7. *Encyclopedia of Candlestick Charts*
Thomas Bulkowski's comprehensive encyclopedia catalogs hundreds of candlestick patterns supported by statistical analysis of their effectiveness. It provides traders with empirical data to assess the reliability of each pattern. This book is invaluable for those who prefer a data-driven approach to candlestick trading.

8. *Candlestick Trading Bible*
This book serves as a practical manual for traders aiming to master candlestick patterns and improve their trading results. It covers pattern identification, entry and exit strategies, and combining candlesticks with other technical tools. The clear examples and illustrations enhance understanding.

9. *The Art of Japanese Candlestick Charting*
A visually rich guide that delves into the history and artistry of Japanese candlestick charts. The book combines cultural insights with technical analysis, providing a unique perspective on the subject. It's ideal for readers interested in both the tradition and practical applications of candlestick patterns.

Candlestick Chart Patterns

candlestick chart patterns: Candlestick Charting For Dummies Russell Rhoads, 2022-05-23 Demystify stock charts so you can up your investing game Candlestick Charting For Dummies is here to show you that candlestick charts are not just for Wall Street traders. Everyday investors like you can make sense of all those little lines and boxes, with just a little friendly Dummies training. We'll show you where to find these charts (online or in your favorite investing app), what they mean, and how to dig out valuable information. Then, you'll be ready to buy and sell with newfound stock market savvy. Candlestick Charting For Dummies helps you build a foundation of investing knowledge and lingo (bullish? bearish? What is a candlestick, anyway?), then shows you the chart-reading ropes with relevant and easy-to-understand examples. It covers the latest investing technology, cryptocurrency, and today's somewhat-less-predictable market environment. Get a refresher on stock market terminology and investing basics Discover how easy it is to understand price history and movement with candlestick charts Identify the best times to buy and sell securities, including stocks and crypto Learn from real life examples so you can invest with greater confidence and success This is the Dummies guide for beginner and intermediate investors who want to make smarter decisions with a better understanding of how to read candlestick charts.

candlestick chart patterns: Candlesticks and Chart Trading Mastery Kritesh Abhishek, 2024-05-06 Unveil the secrets of successful trading with ‘Candlesticks and Chart Trading Mastery,’ a comprehensive guide designed to elevate your trading game to new heights. Delving into the intricate world of candlestick charts and powerful chart patterns, this book equips traders of all levels with the knowledge and strategies needed to make informed decisions and maximize profits. Discover the art of deciphering candlestick patterns and chart formations, empowering you to identify lucrative trading opportunities with precision and confidence. From the bullish engulfing to the bearish harami, each candle tells a story—and with expert guidance, you'll learn how to read between the lines and leverage these insights to your advantage. But it doesn't stop there. ‘Candlesticks and Chart Trading Mastery’ goes beyond mere recognition, offering practical techniques for defining entry and exit points with precision. Through the lens of technical analysis, you'll gain a deeper understanding of market dynamics and learn how to navigate fluctuations with finesse, ensuring every trade is executed with purpose and profitability in mind. Whether you're a novice eager to embark on your trading journey or a seasoned pro seeking to sharpen your skills, this book is your roadmap to success. Packed with actionable insights and real-world examples, it provides a roadmap for consistent, sustainable profits in today's dynamic market environment. No matter your experience level, Candlesticks and Chart Trading Mastery is your key to unlocking the full potential of candlestick charting and chart patterns. Let this book be your guide as you embark on a journey towards financial independence and trading mastery.

candlestick chart patterns: Candlestick Charts Clive Lambert, 2009-01-30 Clive Lambert is one of the UK's leading experts in the use and application of Japanese candlestick chart analysis. I have known him for many years and have learnt to greatly respect his depth of knowledge and the objectiveness it brings to his market strategies. - Adam Sorab, Chairman, Society of Technical Analysts (STA) The aim of this book is to introduce candlestick analysis to anyone from an absolute beginner to an experienced market professional. The text is written to be simple enough for someone new to the topic, but should not exclude those with more experience. The author's aim is to change the simple viewing of a candlestick chart into a search for the answer to the perennial question: Who's controlling the market; the Bulls or the Bears? Candlesticks are a fantastic way of getting a clear idea of market direction, and any changes that may be taking place in price trends. In this exciting new book, Clive Lambert walks you through what candlesticks are, the major patterns and importantly, the psychology behind them, using straightforward language that will appeal to all levels of ability. Having outlined the key patterns and described the real-life application of the techniques, he then ends the book with his 10 golden rules for trading with candlesticks. This book is a no-nonsense guide to the methodology and practical usage of this ancient Japanese charting technique and essential reading for any trader, broker or market operative, regardless of their level of experience or the markets they are involved in.

candlestick chart patterns: The Candlestick Chart Analysis Trading Guide O A Poz, Bible goes through dozens of different chart patterns and teaches traders what to look for, how to analyze them, and how to place profitable trades using these patterns. The book consists of four main parts which are Trend Line Patterns, Multi-Candle Patterns, Single Candle Patterns, and Useful Indicators. The easy to read format and explanations will allow traders to become proficient in reading price charts and be able to tell where price action is going next at a moment's notice. This book is a must read for those who wish to understand candlestick patterns and the underlying principles behind the patterns which allow for profitable trades. Towards the end we discuss useful indicators that readers can add to their own trading toolbox. The indicators covered pair extremely well with candlestick technical analysis strategies.The patterns covered in this book include Japanese Candlestick patterns, common patterns such as head and shoulders, hammer candles, the 5 different types of Doji, triangles, channels, pennants and flags, engulfing candles, Belt-Holds, and many other easy to use but powerful setups. We also discuss much rarer and lesser known candlestick patterns which can serve as extremely powerful trade setups such as Tasuki Gaps, Star patterns, and many more.This book is a must read for those who wish to compete against professional traders and take their skills to the next level.

candlestick chart patterns: *The Ultimate Guide to Candlestick Chart Patterns* Atanas Matov, Steve Burns, 2021-02-12 The Ultimate Guide to Candlestick Chart Patterns is your 'candlestick patterns cheat sheet' for making technical trading decisions. Learn to spot trends and act on them intelligently. This book has everything you need: An introduction to candlestick chart patterns and why they can take your trading to the next level 30+ detailed candlestick patterns with a historical example for every chart Exit and entry suggestions Candlestick chart pattern trading tips Real trading examples from TrendSpider From the book: HOW TO READ CANDLESTICK CHARTS A candlestick is a type of chart used in trading as a visual representation of past and current price action in specified time frames. Depending on the time frame of the chart, each candlestick consists of minutes, a day, a week or a month trading range. On an intraday chart, a candle might represent periods of time like 1-minute, 5-minutes, 15-minutes or one hour. A daily shows candles that represent each day's trading range. A weekly chart shows candles that represent each week's trading range. A monthly chart shows candles that represent each month's trading range. Note that during the day, a daily candle will change as the range changes and price reaches a final, closing price. Similarly, during the week and in the middle of the month, the candles in those time frames are still changing and are not finalized until their time frame closes. At the end of the day, week or month, the candle for that time period is finalized. A candlestick consists of the body with an upper or lower wick or shadow. Most candlestick charts show a higher close than the open as either a green or white candle. The opening price as the bottom of the candle and the closing price as the high of the candle. Also, most candlestick charts show a lower close than the open represented as a red or black candle, with the opening price as the top of the candle body and the closing price as the low of the candle body. ...and much more! By the time you finish this book, I think you'll agree that candlesticks are the best type of charts for most traders to use for trading price action patterns.

candlestick chart patterns: *Candlestick Patterns With Formula* , Collection of candlestick patterns with easy to set up formula based on Open, High, Low, Close values. There are 2 types of candlestick patterns - reversal and continuation, both bullish and bearish. Some of the patterns are very rare and they are not easy to spot by just looking at the charts. There are 67 candlestick patterns mentioned in this book. Formula will come in handy especially if you have charting software that can be customized. There is an URL link in this book where free Stock Scanning application can be downloaded & how to get readymade filters for all patterns mentioned in this book.

candlestick chart patterns: Day Trading Chartbook with all Patterns : Candlestick Patterns & Price Action Patterns Deepak S. Mote, This practical Day Trading Chartbook is your visual roadmap to mastering price action trading, candlestick signals, and high-probability chart patterns. With real candlestick chart examples and clear explanations, it's perfect for both beginner and experienced traders seeking precision and confidence in their trades. □ Price Action Concepts & Zone Analysis Understand market behavior around key price levels and learn how to plan high-probability trades: >Demand Zones >Entry Zones >Resistance Zones >Supply Zones >Exit Zones >Support Zones □ Essential Candlestick Patterns Recognize key candlestick formations that indicate reversals and continuations: >Bearish Engulfing >Shooting Star >Morning Star >Bullish Hammer >Inside Bar >Evening Star >Bearish Hammer >Pin Bar >Bullish Engulfing □ Powerful Chart Patterns Identify major chart structures that help predict market direction: >Downward Channel Pattern >Cup & Handle Patterns >Head & Shoulders Patterns >Triangle Patterns >Inverse Head & Shoulders Patterns >Rising Wedge Patterns >Bullish & Bearish Rectangle Patterns >Double Top Patterns >Upward Channel Patterns >Double Bottom Patterns >Falling Wedge Patterns Filled with real-market examples, this chartbook is a must-have guide to boost your trading accuracy and pattern recognition skills.

candlestick chart patterns: Getting Started in Candlestick Charting Tina Logan, 2008-05-02 If you want to gain an edge in today’s competitive markets, adding the candlestick methodology to your repertoire of technical analysis skills is essential. Getting Started in Candlestick Charting can help you achieve this goal, whether you’re new to chart analysis or looking to enhance your understanding of the approach. This reliable resource covers thirty of the most widely recognized candlestick patterns and includes real-world charting examples backed by informative commentary.

candlestick chart patterns: Money-Making Candlestick Patterns Steve Palmquist, 2012-10-16 Candlesticks are one of the most widely used technical tools in trading. Designed to provide detailed, at-a-glance information, these charts are integrated into almost every web site and charting software solution. But, despite their popularity, the definitions of these candlestick patterns are often vague and misleading. Now, for the first time ever, Steve Palmquist hands you the secrets for effectively using candlestick patterns in all market conditions. Data that would take years to compile and years to interpret is now at your fingertips. Based on intensive back testing and research, Money-Making Candlestick Patterns shows how to appropriately use the most popular candlestick patterns in bull, bear, and sideways trends. Built from PROVEN FACTS, not theory, you'll learn: Clear definitions of each selected pattern to remove guesswork and improve performance Exactly what you need to know about back testing to increase your wins and minimize your losses The impact of various market conditions on the most powerful patterns to remove surprises and increase profits Keys to eliminating common testing mistakes that can prevent you from making money The candlestick pattern that has shown triple ROI in back testing This book rigorously tests the assumptions inherent in standard candlestick pattern definitions. Each chapter breaks down the pattern to examine how parameters such as current volume, average volume, and price level will impact results. The definitions that most often produce profitable trades are identified and outlined with complete usage instructions for increasing your winning trade percentage. In this book, technician Steve Palmquist hands you his years of research. The information on back testing and the insight into your favorite patterns will give you a seasoned advantage in a fraction of the time. Thorough and efficiently organized, this book will allow you to use candlestick patterns to exploit every move the market makes.

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candlestick chart patterns: Candlesticks, Fibonacci, and Chart Pattern Trading Tools Robert Fischer, Jens Fischer, 2003-08-14 An in-depth examination of a powerful new trading strategy Fischer provides an intriguing and thorough look at blending the Fibonacci series, candlesticks, and 3-point chart patterns to trade securities. Backed by explicit trading rules and numerous examples and illustrations, this book is an invaluable tool for the serious investor. Read it. —Thomas N. Bulkowski, author of Encyclopedia of Chart Patterns and Trading Classic Chart

Patterns In this groundbreaking new book, Fibonacci expert Robert Fischer and coauthor Dr. Jens Fischer successfully merge Fibonacci applications with candlestick charting to create an innovative trading strategy that will help you enhance profits and reduce risk. Filled with in-depth insights, helpful charts and graphs, and practical real-world examples, Candlesticks, Fibonacci, and Chart Pattern Trading Tools reveals how correctly combining these different strategies can give you a noticeable edge in challenging market times–regardless of whether you are a short-term or long-term trader–and improve your chances of success under a variety of market conditions. You'll be introduced to the critical aspects of this synergistic approach through in-depth analysis and detailed explanations of: Core combinations of Fibonacci trading tools with candlesticks and regular 3-point chart patterns The magic figure three and its relevance in pattern recognition Fibonacci-related trading strategies, selected candlestick chart patterns, and regular 3-point chart patterns Applications of these trading strategies–double tops, Fibonacci price extensions, PHI-channel applications PHI-ellipses as trading tools And much more Along with the computer technology of the WINPHI charting program included on the companion website, Candlesticks, Fibonacci, and Chart Pattern Trading Tools will help you understand and implement this profitable trading strategy to the best of your ability.

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candlestick chart patterns: The Complete Guide to Using Candlestick Charting Alan Northcott, 2009 The investment world is full of different methods for understanding how to best grow your rates of return and minimize risk. The Candlestick Charting method, first developed by Japanese rice traders in the middle of the 19th century, has become one of the favorite modern methods of analyzing and understanding the market through careful plotting and analysis of the data provided. This book will guide you through the seemingly complex, but revolutionary, useful method of candlestick charting to gain the highest possible rates of return while ensuring your risks are as minimal as possible. Candlestick charting is a complex language all in itself and for that reason, this book will guide you through the entire process of understanding the language, starting with the very origins of the technique. You will learn how it was developed and why it is still used today, including what changes have been made to the methods by Western investors. You will learn how the candlestick charts are prepared and what the different line constructions signify. Additionally, you will be shown how to read and differentiate between the different bodies, including the short and long white and black bodies, to measure high and low price levels, support, and resistance. You will be shown the various additional forms such as spinning tops, shadows, and doji. Next, the various different candle lines are outlined in full detail, showing you dozens of different formations including the single candle lines of the hammer, the hanging man, and the shooting star, the dual candle lines of dark cloud over, the piercing pattern, the engulfing pattern, last engulfing pattern, and harami. You will also learn the window candle lines, as well as the formations of three or more candle lines. Analysis of candle lines and the technical aspects, including how to discern stops, the risk/reward in each line, trends, the use of computers, and how to place and offset trades will supply you with the necessary information you need to read the candle lines. By interviewing dozens of experts in the reading and analysis of candle charts, this book is able to provide a comprehensive perspective of candle charts and how you can start using moving averages, analyzing three line break charts, renko charts, and kagi charts. You will be provided with practice charts for all three major types and additional resources to help you learn how to read and analyze each type. For anyone interested in the centuries old Japanese style of market analysis that is candlestick charting, this book provides a comprehensive overview from the very origins to the most modern of interpretations. Atlantic Publishing is a small, independent publishing company based in Ocala, Florida. Founded over twenty years ago in the company presidentâe(tm)s garage, Atlantic Publishing has grown to become a renowned resource for non-fiction books. Today, over 450 titles are in print covering subjects such as small business, healthy living, management, finance, careers, and real estate. Atlantic Publishing prides itself on producing award winning, high-quality manuals that give readers up-to-date, pertinent information, real-world examples, and case studies with expert advice. Every book has resources, contact information, and web sites of the products or companies discussed.

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