

Single candlestick patterns

Green = Bullish

Red = Bearish

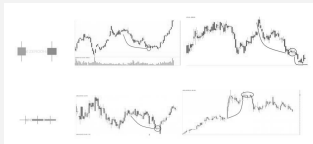
Black = Buy signal (Bullish/Bearish)

Marubozu



- Marubozu is a candlestick with no upper and lower shadow
- A Bullish Marubozu indicates that there is huge buying interest and the stock is now Bullish
- Can appear anywhere in the chart irrespective of the prior trend; the trading implication remains the same
- Buying Price: Close Price of Marubozu
- Stop Loss: Start Price of Marubozu

Spinning top & Doji



- A spinning top has a small real body; Upper and lower shadows are almost equal in length
- The colour of the spinning top does not matter
- Spinning tops convey indecision in the market with both bulls and bears being in equal control

Hammer



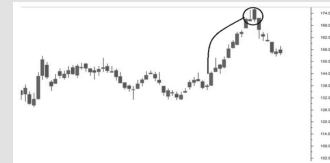
- A paper umbrella is characterized by a long lower shadow with a small upper body
- If the paper umbrella appears at the bottom end of a downward rally, it is called the 'Hammer'
- The prior trend for the hammer should be a downtrend
- The colour of the hammer does not matter
- Strong Bullish signal
- Buying Price: Close Price
- Stop Loss: Low Price

Hanging man



- A paper umbrella is characterized by a long lower shadow with a small upper body
- If the paper umbrella appears at the top end of an uptrend rally, it is called the 'Hanging Man'
- The prior trend of the hanging man should be an uptrend
- The colour of the hanging man does not matter
- Strong Bearish signal
- Buying Price: Close Price
- Stop Loss: High Price

Shooting star



- The shooting star looks just like an inverted paper umbrella
- It has a long upper shadow where the shadow's length is at least twice the length of the real body
- The body's colour does not matter, but the pattern is slightly more reliable if the real body is red
- The prior trend should be bullish
- Bearish pattern

Multiple candlestick patterns

Green = Bullish

Red = Bearish

Black = Buy signal (Bullish/Bearish)

Bullish Engulfing



- The bullish engulfing pattern is a two candlestick pattern which appears at the bottom of the downtrend
- The prior trend should be a downtrend
- The first candle should be a red candle reconfirming the bearishness in the market
- The second candle should be green, long enough to engulf the red candle

Bearish Engulfing



- Opposite of Bullish Engulfing

Bullish Harami



- The bullish harami is a bullish pattern appearing at the bottom end of the chart
- The market is in a downtrend pushing the prices lower, giving the bears absolute control over the markets
- First candle: a red candle with a new low is formed, reinforcing the bear's position in the market
- Second candle: the market opens at a price higher than the previous day's close. On seeing a high opening price, the bears panic, as they would have otherwise expected a lower opening price.

Bearish Harami



- Opposite of Bullish Harami

Morning Star



- A bullish candlestick pattern
- The market is in a downtrend placing the bears in absolute control
- First candle: the market makes a new low and forms a long red candle
- Second candle: The occurrence of a doji/spinning sets in a bit of restlessness within the bears, as they would have otherwise expected another down day
- Third candle: the market/stock opens with a gap, followed by a blue candle that manages to close above first red candle's opening

Evening Star



- Opposite of Morning Star