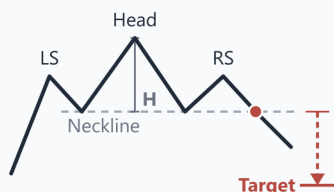


Chart Patterns

13 patterns, one page

REVERSAL PATTERNS

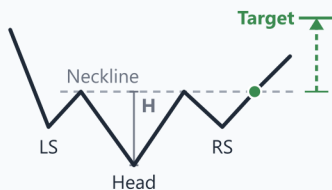
End a trend. Trade the break of the neckline or trendline.



Head and shoulders

BEARISH

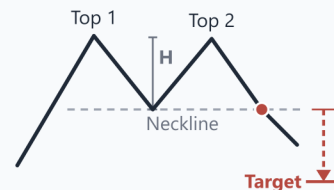
Sell a close below the neckline.
Stop above the right shoulder.



Inverse head and shoulders

BULLISH

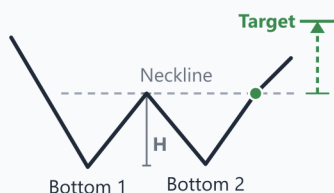
Buy a close above the neckline. Stop
below the right shoulder.



Double top

BEARISH

Sell a close below the middle low.
Stop above the tops.



Double bottom

BULLISH

Buy a close above the middle high.
Stop below the lows.



Rising wedge

BEARISH

Sell a close below the lower line.
Target the wedge start.



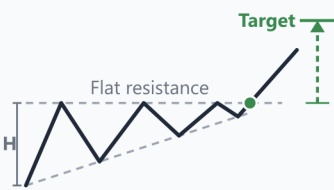
Falling wedge

BULLISH

Buy a close above the upper line.
Target the wedge start.

CONTINUATION PATTERNS

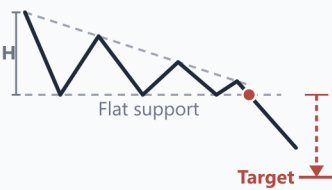
Pause, then carry on in the direction of the trend.



Ascending triangle

BULLISH

Buy a close above the flat top. Stop
below the last higher low.



Descending triangle

BEARISH

Sell a close below the flat base.
Stop above the last lower high.



Bull flag

BULLISH

Buy a close above the flag. Stop
below the flag low.



Bear flag

BEARISH

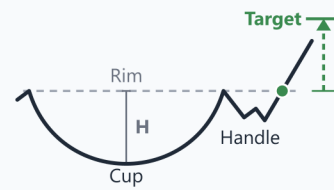
Sell a close below the flag. Stop
above the flag high.



Pennant

BULLISH

Trade the close out of the pennant
in the pole direction.



Cup and handle

BULLISH

Buy a close above the rim. Stop
below the handle low.

BILATERAL PATTERN

No bias until price closes outside.



Symmetrical triangle

EITHER WAY

Trade the side that closes out
first. Stop inside the triangle.

How to trade any pattern

- 1 Wait for a candle to close beyond the line. A touch is not a break.
- 2 Put the stop beyond the pattern, where the idea is proven wrong.
- 3 Target = the measured move (H) projected from the breakout.
- 4 Size the trade so the stop costs 1% of the account, max.

H = pattern height. Dot = breakout close. Green bullish, red bearish.