

### **Chart Patterns - Continuation Patterns**

#### **Bullish/Bearish Pennants Descending and Ascending Broadening Wedge** Works best with 5 touches. There should be Flagpole should be unusally steep, a partial rise or decline usually. typically caused by an impulse Descending: Breaks upwards 72% of the move, breakout upwards 57% of the time. Partial rise works 33% of the time, Partial decline works 79% of the time. time. Tight patterns form better. Ascending: Breaks downward 52% of the DESCENDING BROADENING WEDGE ASCENDING BROADENING WEDGE time. Partial rise works 60% of the time. **BULLISH PENNANT BEARISH PENNANT** "BULLISH" "BEARISH" Average success rate 60% Partial decline works 65% of the time **Ascending/Descending Triangle Bull/Bear Flag** Requires at least 5 touches, avoid if pattern has a lot of white space. Tight patterns perform better than Descending: Breakout upward 53% of the time, loose patterns, when pattern is 60% complete. upwards breakout 60% of the time. Flagpole needs to be steep and Ascending: Breakout upward 63% of the time, vertical or is invalid. when pattern is 62% complete BEAR FLAG **BULL FLAG** DESCENDING TRIANGLE "BEARISH" "BULLISH" ASCENDING TRIANGLE "BEARISH" Average succes rate 68% "BULLISH" Falling/Rising Wedge Descending/Ascending/Inverse Scallop Requires at least 5 touches. Breakout trade. Place stops ASCENDING SCALLOP ASCENDING INVERSE Falling: Breakout upward 68% of the above/below handle. "BULLISH" **SCALLOP** FALLING WEDGE "BULLISH" time when pattern is 61% complete "BULLISH" Hits price target around 60% of the Rising Breakout downward 60% of time. the time when pattern is 66% complete DESCENDING INVERSE DESCENDING SCALLOP "BEARISH" **SCALLOP** "BEARISH" RISING WEDGE "BEARISH"



# **Chart Patterns - Reversal Patterns**

#### **Triple Tops/Bottoms Double Tops/Bottoms** Breakout trade. Triple bottoms perform best at the end of Buy upon breakout of support/resistance. a huge downtrend, tops after a huge Patterns that have a weaker pullback uptrend. perfrom better. If the 3rd valley has a slightly higher bottom or slightly lower top expect better Can also be Adam and eve, Adam and performance. adam or eve and eve top or bottom. TRIPLE TOP TRIPLE BOTTOM **DOUBLE TOP DOUBLE BOTTOM** Triple top 77.59 Double top 75% "BEARISH" "BULLISH" "BEARISH" "BULLISH" Triple bottom 79.33% Double bottom 78.55% Adam & Eve Bottom / Top Rounded Bottoms / Tops Forms a rounded bottom, top as price Breakout trade. If there is no reverses. significant trend before pattern, Taller Patterns perform better. expect a weak breakout. Bottom: Reversal 66% of the time. 65% chance it heads the wrong direction so wait for confirmation of If pattern fails to have price reversal, **ROUNDED BOTTOM ROUNDED TOP** "BULLISH" **ADAM & EVE TOP** "BEARISH" ADAM & EVE BOTTOM Look at cup and handle pattern. breakout. "BULLISH" "BEARISH" Head & Shoulders/Inverse Head & Shoulders V Top / Bottoms Price trends on direction then reverses usually at the same angle. Price sharply rises or declines in a tight channel, when channel is broken Breakout trade, wait for confirmation. watch for the V shape to form. Enter on breakout of neckline. **V** ВОТТОМ Patterns with a downwards or V TOP "BULLISH" "BEARISH" upwards sloping neck perform better. **INVERSE HEAD AND** Patterns with an extended right Extended V Top / Bottoms SHOULDERS shoulder perform worse. "BULLISH" If there is no significant trend Price trends one direction then reverses usually at the same angle. beforehand expect a weak breakout. Break out trade. Traded similar to cup and handle Average Success rate 83% Price sharply rises or declines, then forms a flag, pennant, triangle or rectangle and breaks out. **V** ВОТТОМ V TOP "BEARISH" "BULLISH" **HEAD AND SHOULDERS** "BEARISH"



## **Chart Patterns - Bilateral Patterns**

#### Rectangle

Minimum 5 touches required, taller patterns perform better

Top 63% chance of upwards breakout. partial rise predicts breakout 75%, partial decline 70%

Bottom: 59% chance of upwards breakout, partial rise predicts breakout 75%, partial decline 77%

### Symmetrical Triangle

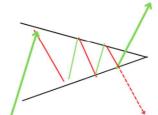
Requires at least 5 touches.

Upwards Breakout 60% of the time, when pattern is 73% complete.

Downwards Breakout most of the time, when pattern is 74% complete.

Average success rate 72%

# **BULLISH RECTANGLE BEARISH RECTANGLE** "BULLISH' "BEARISH"

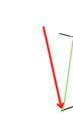


SYMMETRICAL TRIANGLE

"BULLISH"

BROADENING TOP

SYMMETRICAL TRIANGLE



"BEARISH"

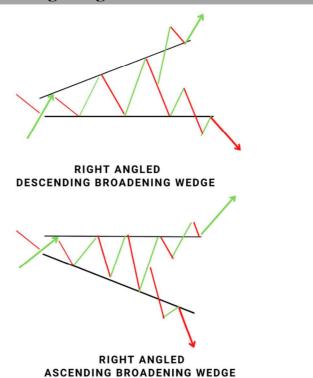
#### Right Angled Descending/Ascending Broadening Wedge

Requires at least 5 touches. Taller patterns perform better than shorter ones. Patterns both tall and wide outperform.

There should be a partial rise of decline usually before breakout.

Ascending: Usually upwards trend prior to pattern, upwards breakout 54% of the time, partial rise works 63% of the time while decline works 81%

Descending: Breakout upwards 63% of the time, Partial rise works 50% of the time, decline works 76%.



#### **Broadening Top/Bottom**

Requires at least 5 touces. There should be a partial rise or decline before breakout usually.

Top: Price usually trends upward first, breakout upward 61% downward 39%. Buy at A or short at B

Bottom: Price usuallt trends downward first, upwards breakout 59% of the time downward 41%.

Short at A or buy a B

### **Cup and Handle**

Breakout trade. Enter at the handle breakout and place stops above/below handle.

Average success rate is 76%



**CUP AND HANDLE** (REVERSAL) "BULLISH"

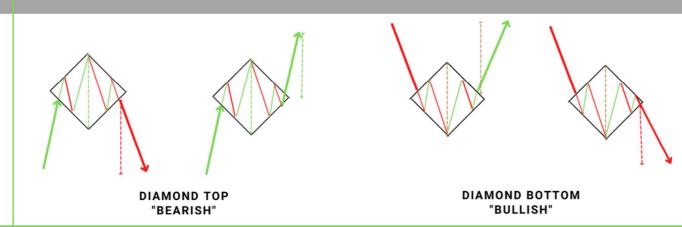


(CONTINUATION) "BULLISH"

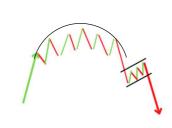
### Diamond Top / Bottom

Breakout trade, Price should touch each trendline 1-2 times, the diamond is usually sloped to one side.

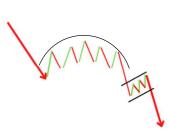
Bottom breaks up 79% of the time, top breaks down 95% of the time. Strong move into the diamond means strong move after. increasing volume better.



**BROADENING BOTTOM** 



**CUP AND HANDLE** (REVERSAL) "BEARISH"



**CUP AND HANDLE** (CONTINUATION) "BEARISH"