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Candlestick Forum

Identifying Breakout Patterns: Ultimate Entries Candlestick Logic

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Identifying Breakouts With Candlestick patterns

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Charts provided by CQG and Metastock

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The Major Candlestick Signals

- Doji
- Bullish & Bearish Engulfing Signals
- Hammer
- Hanging Man
- Piercing Pattern
- Dark Cloud
- Bullish Harami
- Bearish Harami
- Morning & Evening Stars
- Kicker Signals
- Shooting Star
- Inverted Hammer

Simple Scans

12 Major signals

50 -60 signals

DOJI RULE

The price/trend will usually move in the direction of how the price opens after the doji

CANDLESTICK

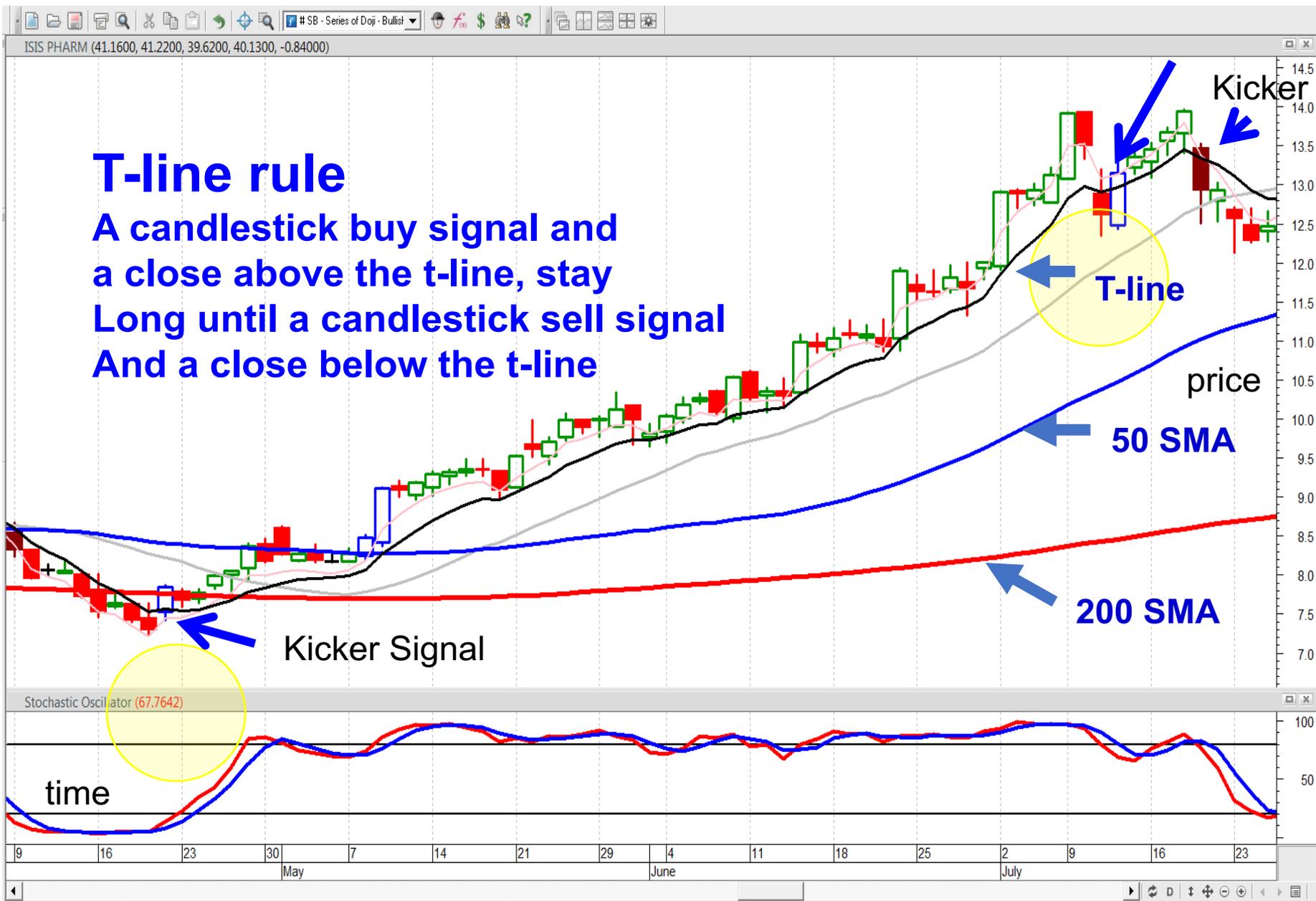
Trading Forum



• T-line

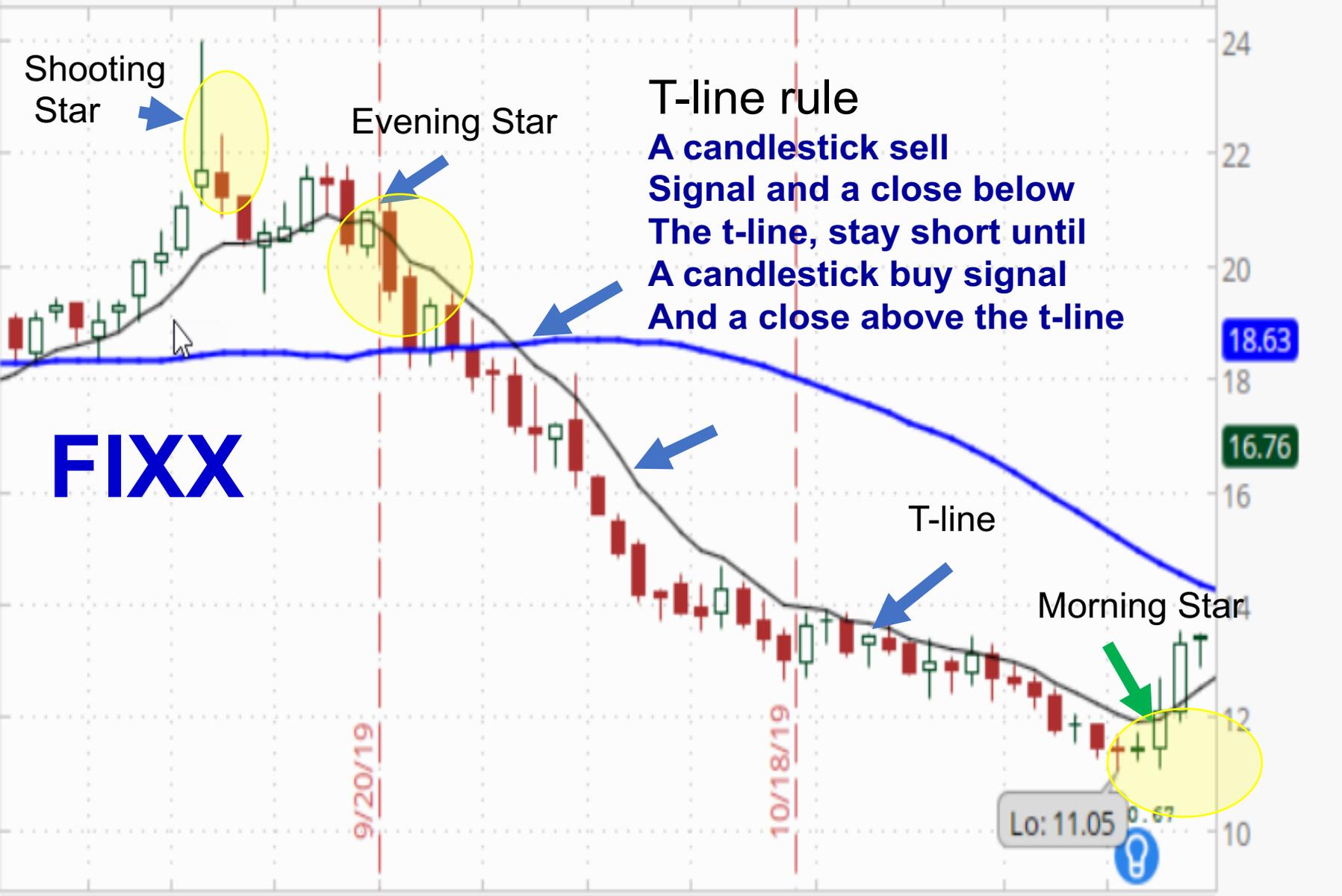
• What is the T-line?

• Fibonacci Characteristics



T-line rule

A candlestick buy signal and a close above the t-line, stay Long until a candlestick sell signal And a close below the t-line



FIXX

T-line rule
A candlestick sell
Signal and a close below
The t-line, stay short until
A candlestick buy signal
And a close above the t-line

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***Breakouts Illustrated with
candlestick signals and
Patterns***

Candlestick Analysis

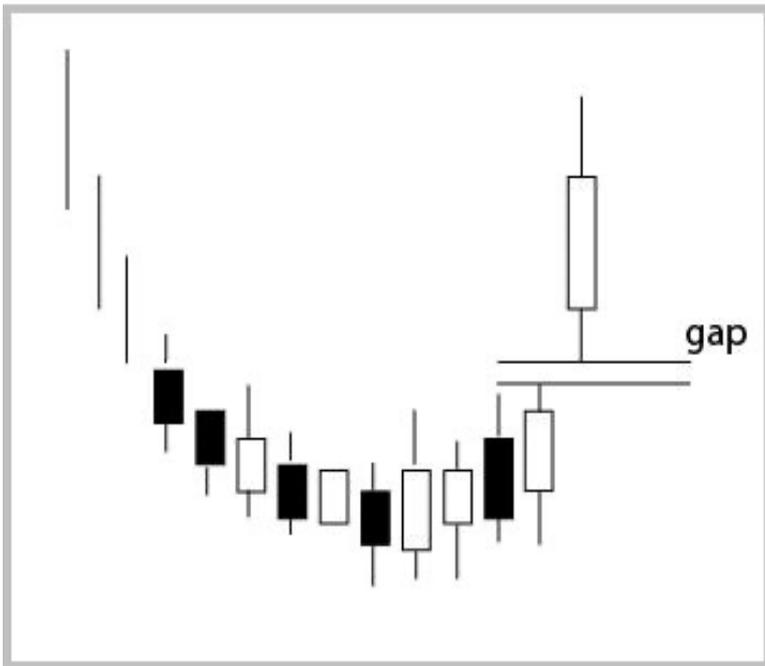
1. Direction of move

2. Timeliness of a move

3. Magnitude of a move

Fry Pan Bottom

Fry Pan Bottom



- The downtrend starts waning with the appearance of small trading bodies
- As the trend starts slowly curling up, a gap up in price indicates that strong buying sentiment has now returned



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Source: Metastock

Fry Pan Bottom



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S.IONQ - IONQ, Inc., Daily (Delayed by 15 mins) | Thu Apr 06 2023 14:10:32, CQG 22.12.8050

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Source: CQG

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Dumpling Top

Jay Hook Pattern

Jay Hook Pattern



- The first move of the uptrend is very strong.
- A candlestick sell signal indicates a pullback about to occur.
- After a few days, small indecisive candles start to appear
 - Doji, small Hammers, Bullish Engulfing signals

J-hook expectations



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Source: Metastock

TIM PARTICIPACS (21.8400, 22.0300, 21.6300, 21.6900, -0.19000)

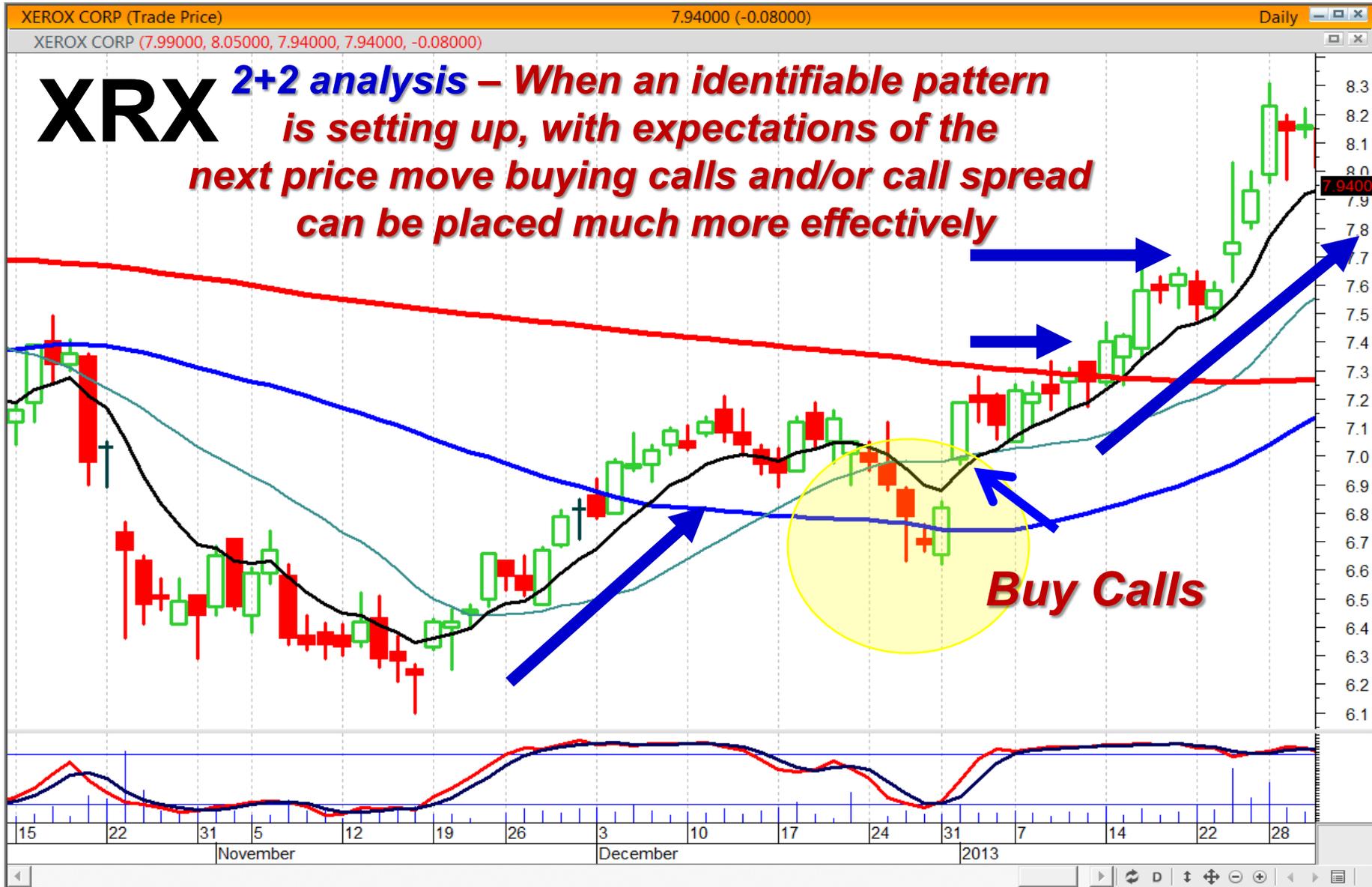
TJM Option strategies



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Source: Metastock

J-hook



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Source: Metastock

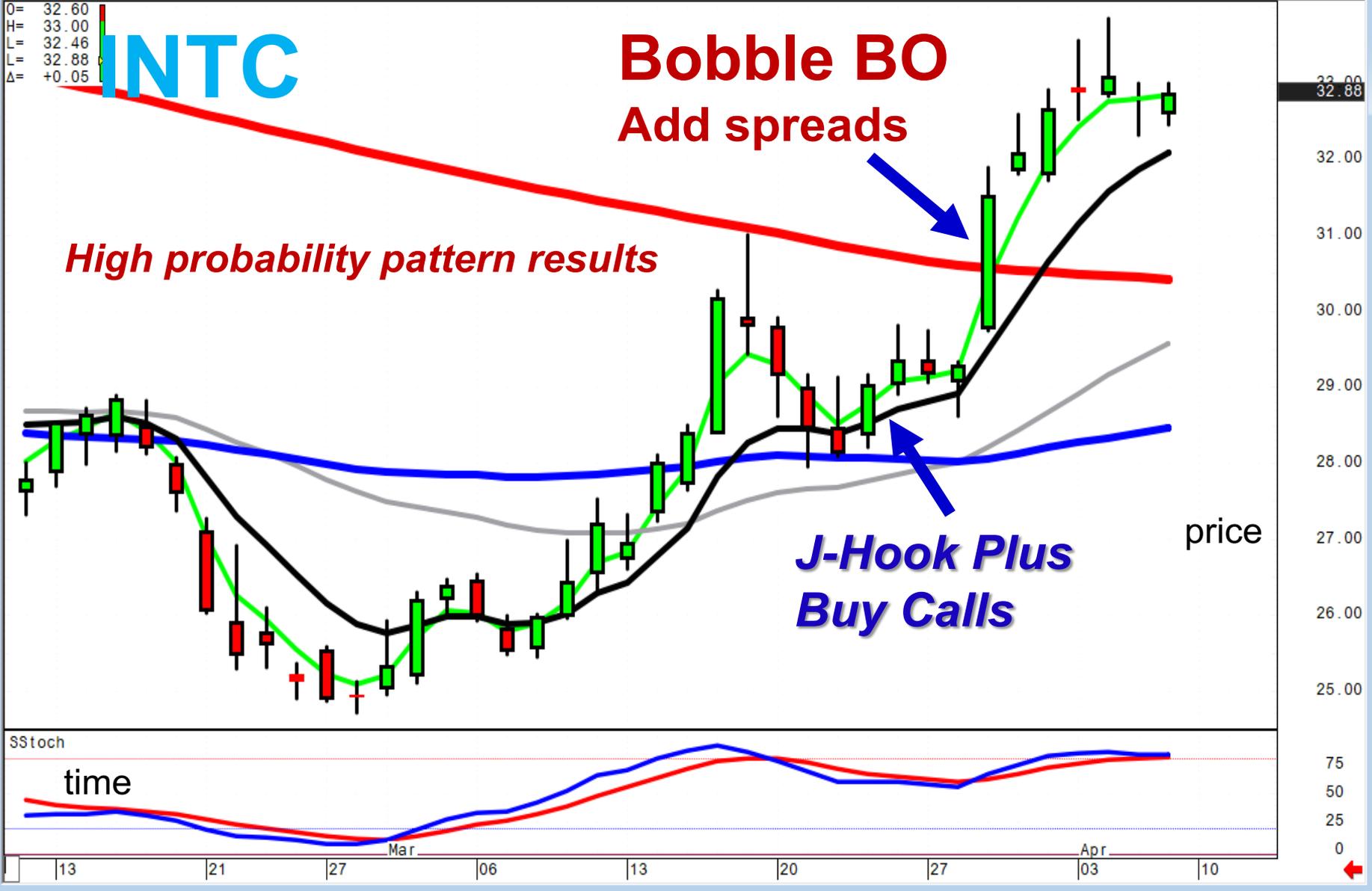
O= 32.60
H= 33.00
L= 32.46
C= 32.88
Δ= +0.05

INTC

Bobble BO Add spreads

High probability pattern results

J-Hook Plus Buy Calls



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Source: Metastock



Best Friend signals

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AXSM

After a big price move, executing a spread reduces the risk but still takes advantage of the potential steady up move



Stochastic Oscillator (38.5915)

What are expected results of human nature?

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Source: Metastock

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Source: Metastock



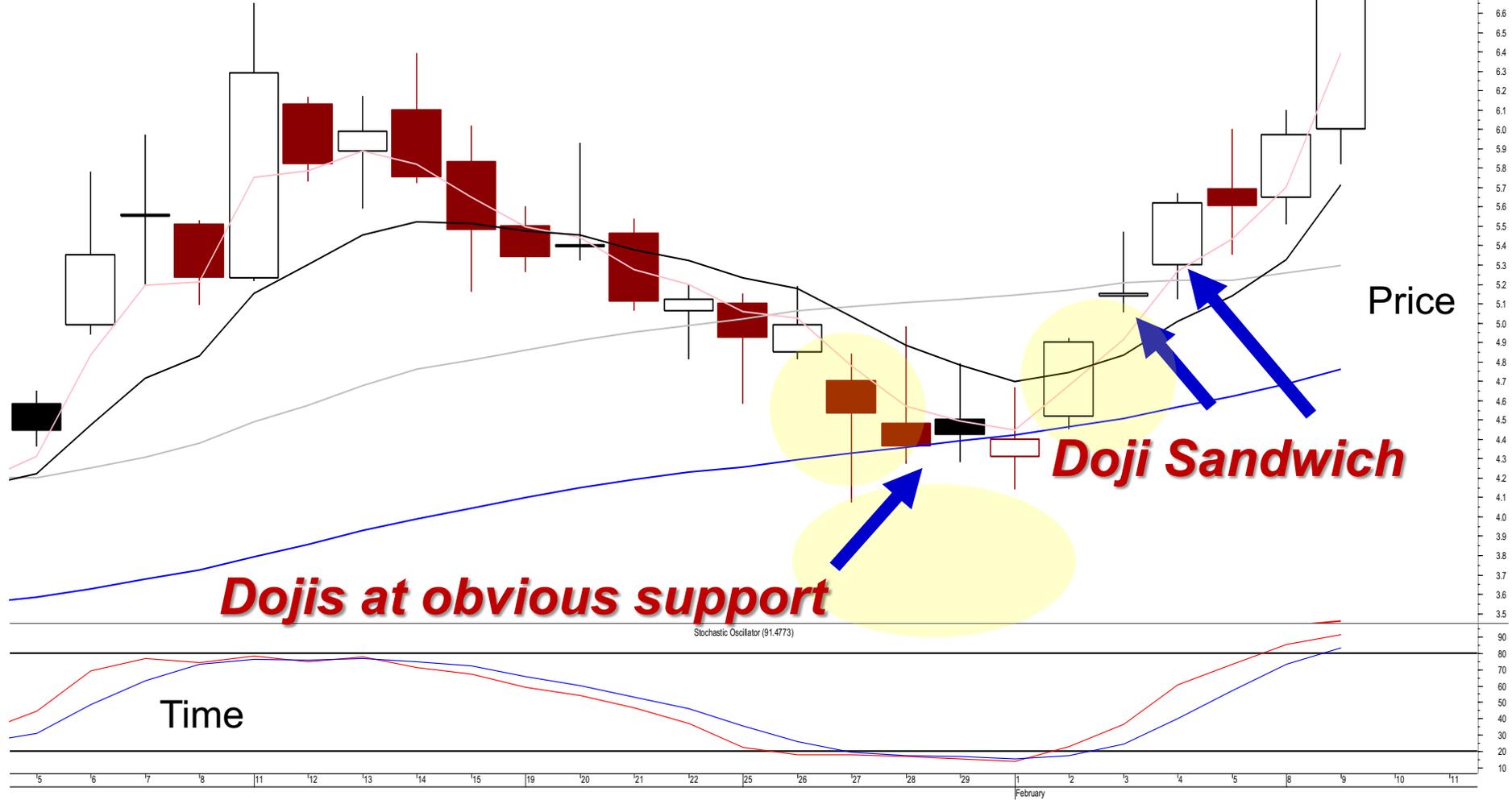
The Doji Rule

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GNLN

The Doji rule allows for very high probability option trade entries



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Source: Metastock



Kickers

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O= 4.40
H= 4.40
L= 4.38
Δ= 0.38

IMTE

Do all candlestick signals have the potential to Produce significant returns?

Bearish kicker

This becomes a very strong put trade entry

\$4.00 →



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Source: Metastock

When to Buy? When to Sell?



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Source: CQG



**Candlestick charts
indicate what investor
sentiment is 'actually'
doing**

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**The probabilities of
candlestick patterns
greatly improve option
trade strategies**

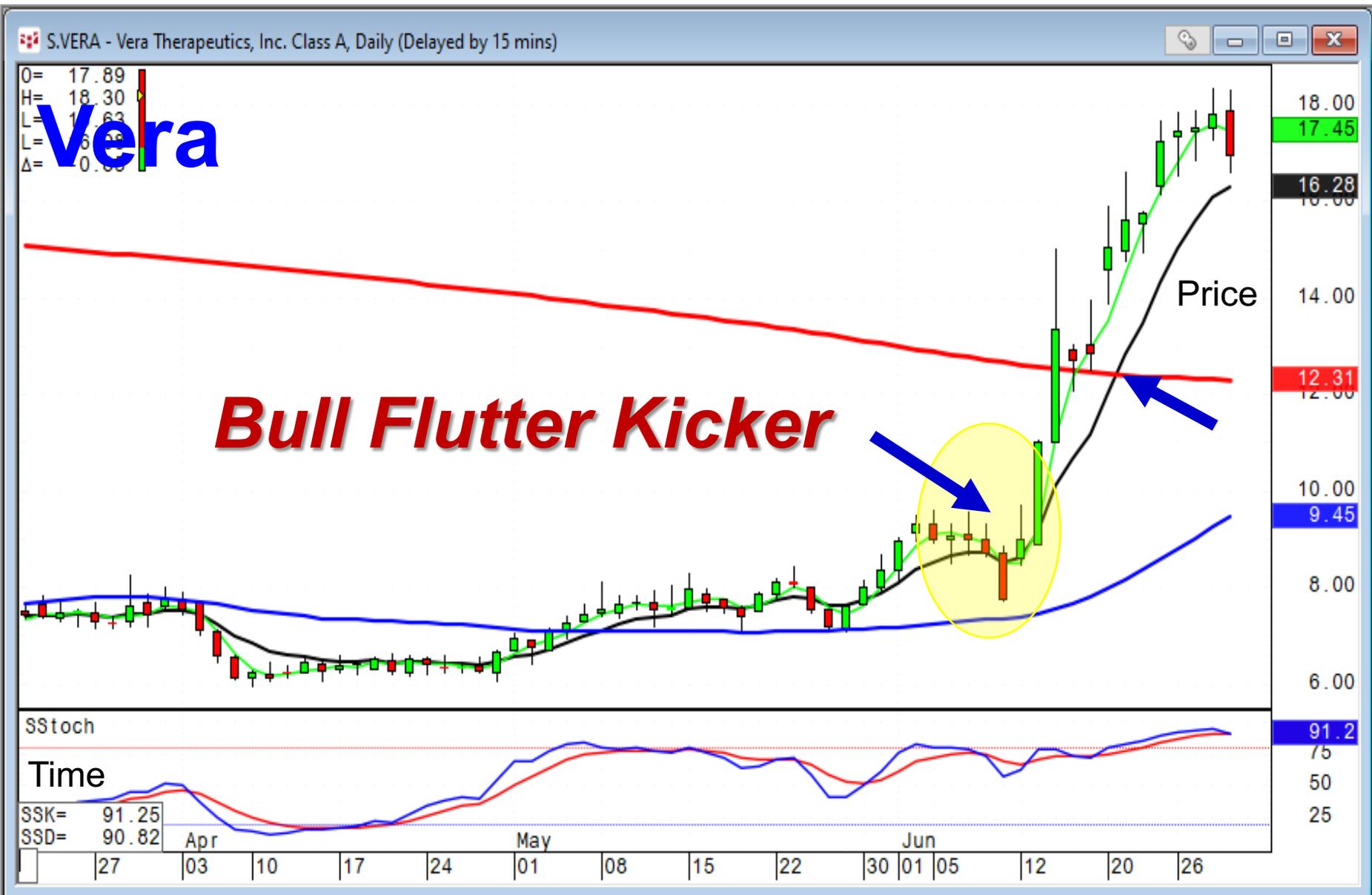
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O= 15.40
H= 15.57
L= 15.06
L= 15.12
Δ= -0.16

PLTR





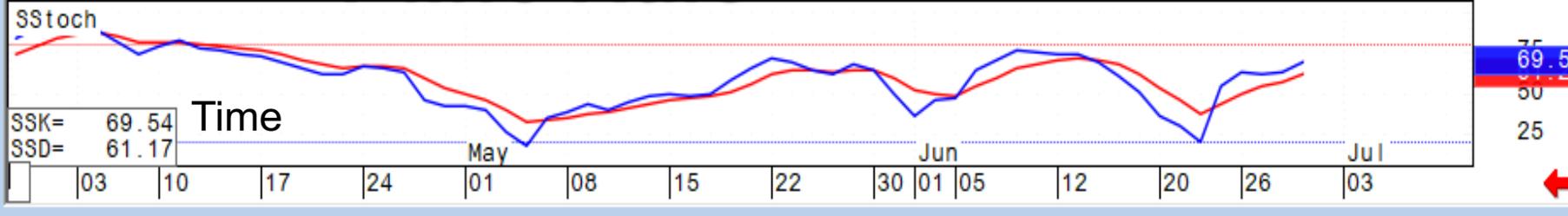
SWBI

A candlestick signal versus a non-signal

L= 13.21
Δ= +0.39



T-line Rule



SSK= 69.54
SSD= 61.17

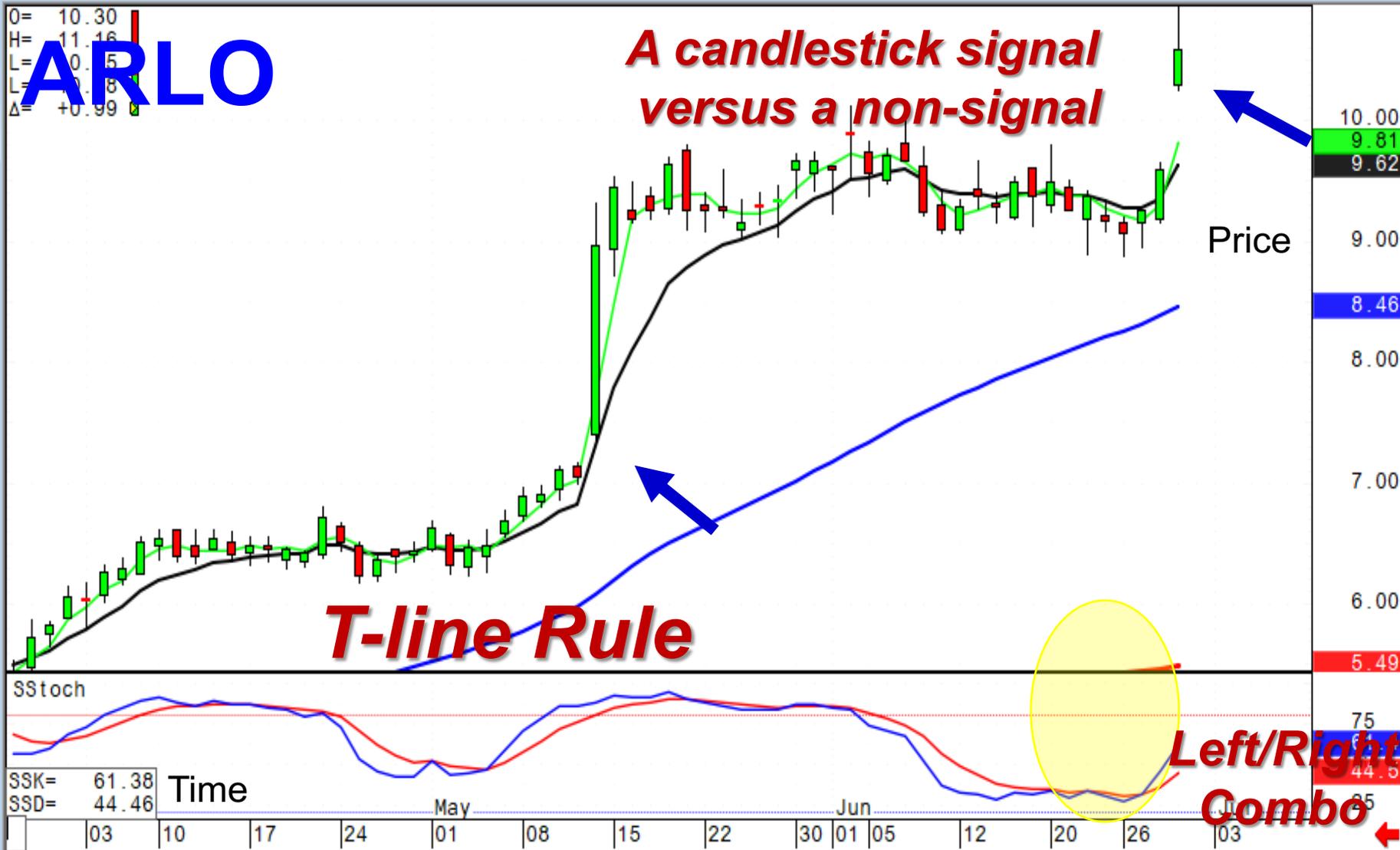
O= 10.30
H= 11.16
L= 10.15
L= 10.18
Δ= +0.99

ARLO

A candlestick signal versus a non-signal

T-line Rule

Left/Right Combo



O= 5.69
H= 6.43
L= 5.69
L= 5.23
Δ= +0.80

AAOI

J-Hook Pattern Breakout

Fry Pan Bottom Breakout



SStoch
SSK= 80.64
SSD= 73.82

time

O 18.17
H 18.11
L 17.26
L= 17.75
Δ= -0.17

Power signals

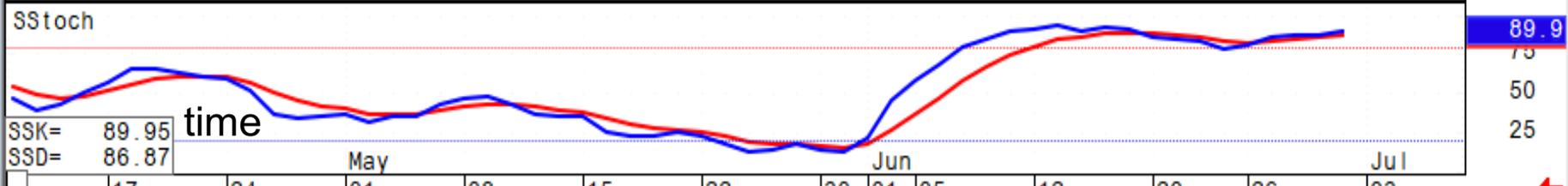


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Source: Metastock

O= 89.59
H= 89.19
L= 88.41
C= 89.19
Δ= +0.89

EMR





***High Probability
Expected results
Human Nature***

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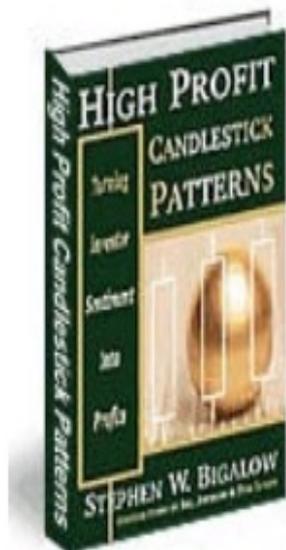
***Candlestick Signals
Alert that new
Investor Sentiment
Has appeared***

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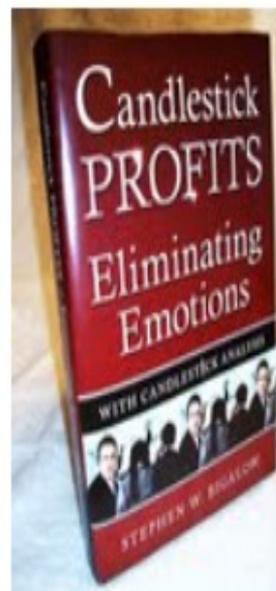
BOOKS

Sort by



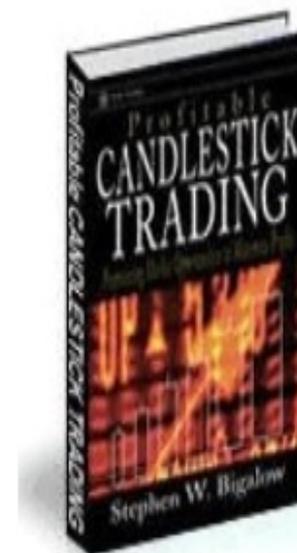
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\$55⁷⁷



Candlestick Profits - Eliminating Emotions With Candlestick Analysis

\$67⁷⁷



Profitable Candlestick Trading

\$47⁹⁵



Breakout Strategies ***With Candlestick patterns***

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