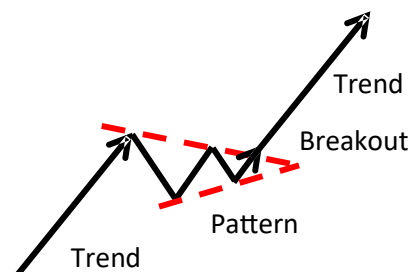
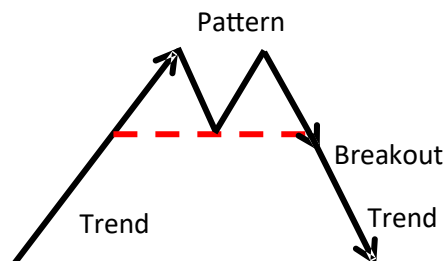


PATTERN STAGES AND TYPES

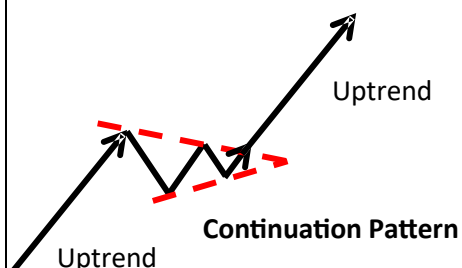
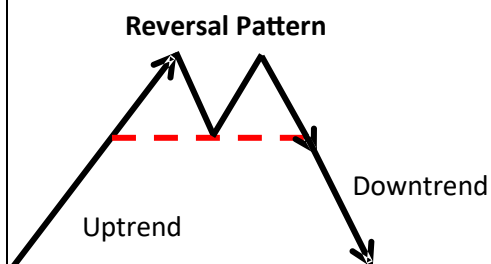
Four Stages to a Pattern

1. Trend
2. Pattern
3. Breakout
4. Trend



Two Types of Pattern

1. Reversal
2. Continuation



REVERSAL PATTERNS

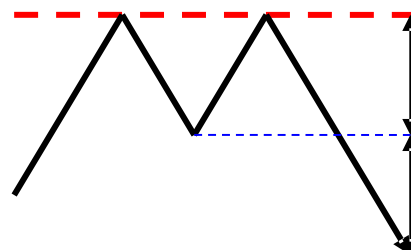
NAME

DESCRIPTION

DIAGRAM

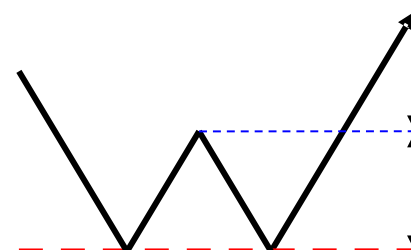
DOUBLE TOP

- A reversal pattern at the top of an uptrend.
- Price forms two swing highs at approximately the same price level.
- The pattern is confirmed on a break of the intermediate swing low.

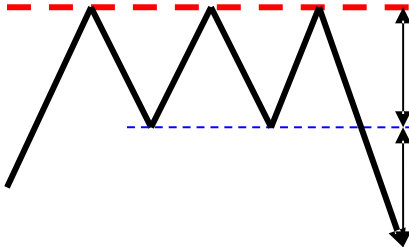
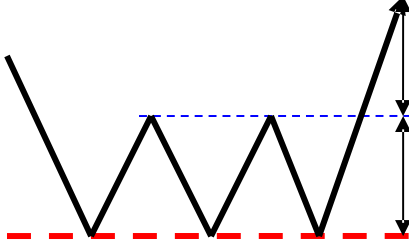
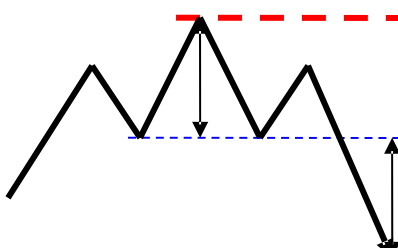
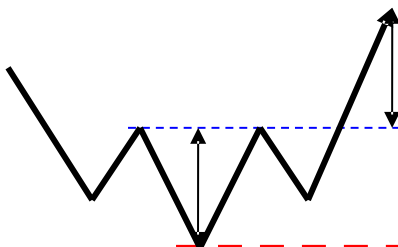


DOUBLE BOTTOM

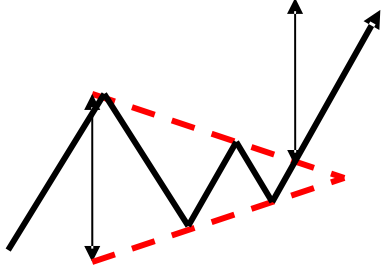
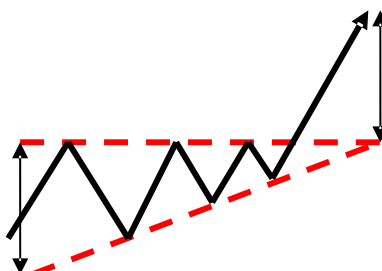
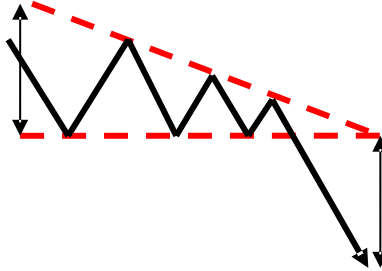
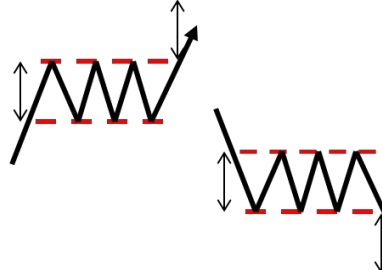
- A reversal pattern at the bottom of a downtrend.
- Price forms two swing lows at approximately the same price level.
- The pattern is confirmed on a break of the intermediate swing high.



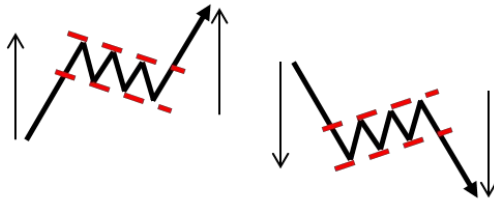
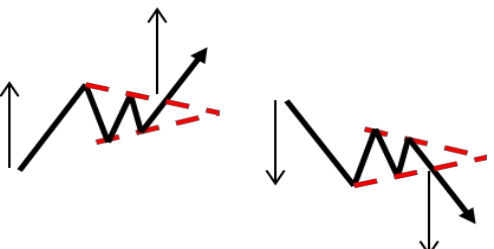
REVERSAL PATTERNS

| NAME | DESCRIPTION | DIAGRAM |
|------------------------------------|---|---|
| TRIPLE TOP | <ul style="list-style-type: none"> A reversal pattern at the top of an uptrend. Price forms three swing highs at approximately the same price level. The pattern is confirmed on a break of the lowest of the intermediate swing lows. |  |
| TRIPLE BOTTOM | <ul style="list-style-type: none"> A reversal pattern at the bottom of a downtrend. Price forms three swing lows at approximately the same price level. The pattern is confirmed on a break of the highest of the intermediate swing highs. |  |
| HEAD AND SHOULDERS | <ul style="list-style-type: none"> A reversal pattern at the top of an uptrend. Price forms a swing high, a higher swing high, and a lower swing high. The pattern is confirmed on a break of the neckline – the line joining the intermediate swing lows. |  |
| INVERTED HEAD AND SHOULDERS | <ul style="list-style-type: none"> A reversal pattern at the bottom of a downtrend. Price forms a swing low, a lower swing low, and a higher swing low. The pattern is confirmed on a break of the neckline – the line joining the intermediate swing highs. |  |


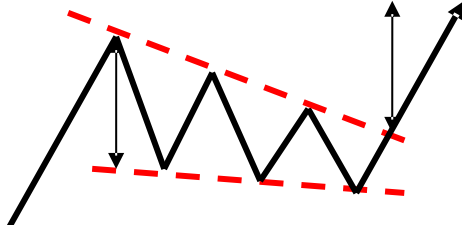
CONTINUATION PATTERNS

| NAME | DESCRIPTION | DIAGRAM |
|-----------------------------|--|---|
| SYMMETRICAL TRIANGLE | <ul style="list-style-type: none"> A continuation pattern. Price contracts with lower swing highs (falling trendline) and higher swing lows (rising trendline) towards a single point. The pattern is confirmed on a break of the triangle, usually occurring in the final third of the pattern. |  |
| ASCENDING TRIANGLE | <ul style="list-style-type: none"> A continuation pattern. Price contracts with level swing highs (short-term resistance) and higher swing lows (rising trendline) towards a single point. The pattern is confirmed on a break of short-term resistance, usually occurring in the final third of the pattern. |  |
| DESCENDING TRIANGLE | <ul style="list-style-type: none"> A continuation pattern. Price contracts with lower swing highs (falling trendline) and level swing lows (short-term support) towards a single point. The pattern is confirmed on a break of short-term support, usually occurring in the final third of the pattern. |  |
| RECTANGLE | <ul style="list-style-type: none"> A continuation pattern. Price forms a short-term range with level swing highs forming short-term resistance and level swing lows forming short-term support. The pattern is confirmed on a break of the pattern in the continuation direction. |  |

CONTINUATION PATTERNS

| NAME | DESCRIPTION | DIAGRAM |
|----------------|--|---|
| FLAG | <ul style="list-style-type: none"> A continuation pattern. Price forms a short-term consolidation, tilted against the direction of the market trend, between approximately parallel sloping support & resistance. The pattern is confirmed on a break of the pattern in the continuation direction. |  |
| PENNANT | <ul style="list-style-type: none"> A continuation pattern. Price forms a short-term symmetrical triangle pattern (smaller scale than the usual symmetrical triangle). The pattern is confirmed on a break of the pennant in the continuation direction. |  |

REVERSAL OR CONTINUATION PATTERNS

| NAME | DESCRIPTION | DIAGRAM |
|----------------------|--|--|
| RISING WEDGE | <ul style="list-style-type: none"> A continuation or reversal pattern. Price forms higher swing highs and higher swing lows which both converge towards one point. The pattern is confirmed on a break of the lower trendline of the pattern. |  |
| FALLING WEDGE | <ul style="list-style-type: none"> A continuation or reversal pattern. Price forms lower swing highs and lower swing lows which both converge towards one point. The pattern is confirmed on a break of the upper trendline of the pattern. |  |



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