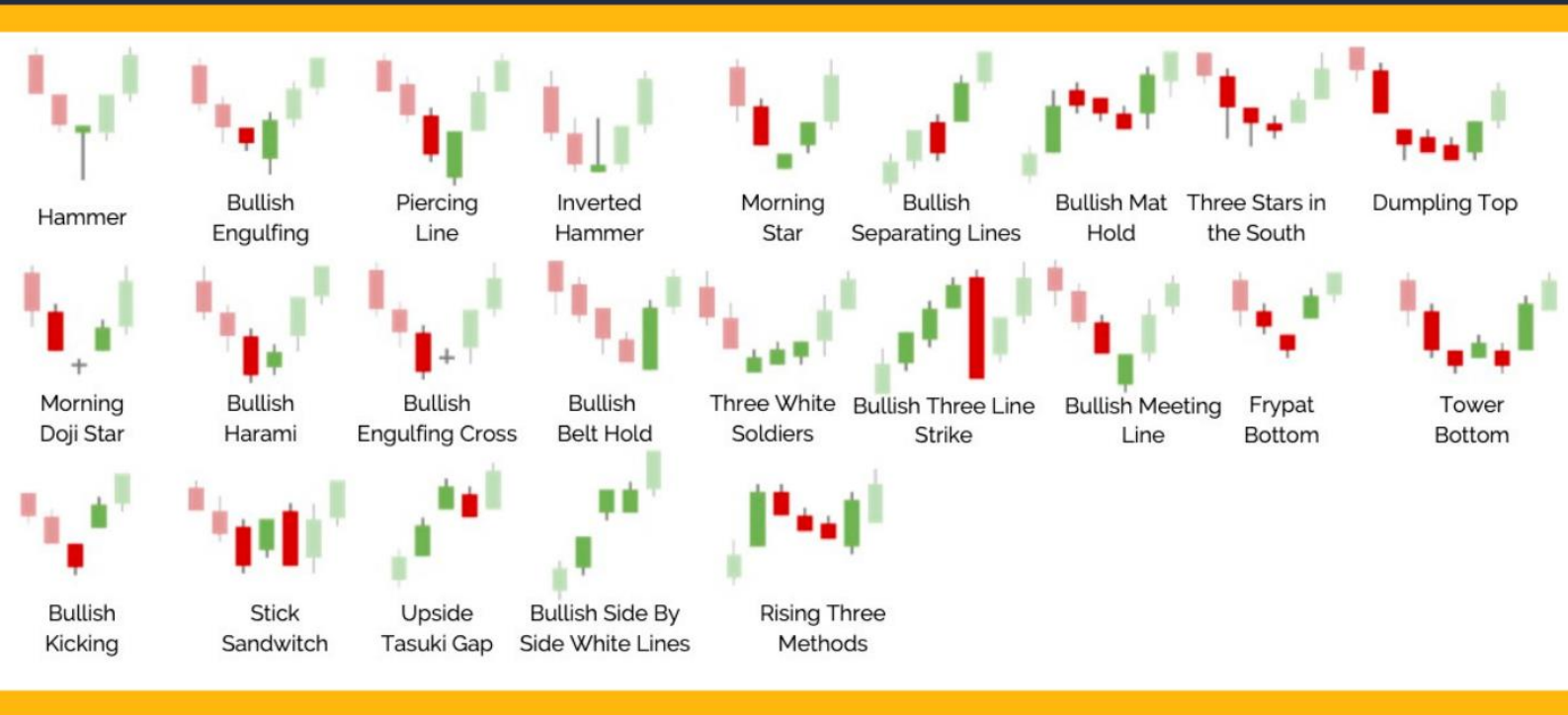


# Candlestick Patterns

# CHEAT SHEET

30+ Candlestick Patterns That Can Easily Improve Your Trading



# Candlestick Patterns Cheat Sheet

Alphaex Capital

<https://www.alphaexcapital.com/>

Copyright © 2021 Alphaex Capital Limited  
All rights reserved.

# RISK DISCLAIMER

---

**THE INFORMATION CONTAINED WITHIN THIS EBOOK IS FOR EDUCATIONAL INFORMATIONAL PURPOSES ONLY. NO FINANCIAL ADVICE OR GUARANTEES ARE GIVEN THROUGHOUT THE EBOOK.**

The contents of this eBook are supplied for its instructional value. Neither the author nor publisher offers any warranties or representations in respect of the accuracy of the material or their fitness for a particular purpose, nor does the author or publisher accept any legal responsibility or liability for any errors or omissions nor any loss or damage arising from their use. The reader should make his/her own evaluation as to the appropriateness or otherwise of any of the techniques or strategies described.

Trading financial assets (such as foreign exchange, commodities, indices, or stocks) carries a high level of risk and you may lose some or all of your money. Losses can and will occur as a natural part of trading. Don't trade with money you can't afford to lose. No system or methodology has ever been developed that can guarantee profits or ensure freedom from losses. No representation or implication is being made that using the information in this publication will generate profits or ensure freedom from losses.

No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Frequently there are considerable differences between hypothetical performance results and the actual results subsequently achieved by any particular trader or trading program. One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can properly account for the impact of financial risk in actual trading and the emotional and mental control and discipline. For example, the ability to withstand losses or to adhere to a particular trading program in spite of trading losses are material points which can also adversely affect trading results.

There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. Trading on margin carries an even higher level of risk, and may not be suitable for all investors. Before deciding to trade you should carefully consider your investment objectives, level of experience, and risk appetite. You must be willing to accept and take responsibility of your financial decisions. Clearly, everything here is general education material and does not constitute investment advice or a solicitation to buy or sell any financial asset. Past performance is no indication or guarantee of future performance.

**CFTC RULE 4.41. Some, but not all, of these results are based on simulated or hypothetical performance results that have certain inherent limitations. Unlike the results are shown in an actual performance record, these results do not represent actual trading. Also, because these trades have not actually been executed, these results may have under-or-over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated or hypothetical trading programs, in general, are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to these being shown.**

# COPYRIGHT NOTICE

---

© 2018 – 2021 Alphaex Capital Limited.

The right of Alphaex Capital to be identified as the author of this work has been asserted by the company in accordance with the Copyright, Design and Patents Act 1988. All rights reserved. Without limiting the rights under the copyright reserved above, no part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission.

Your support of the author's rights is appreciated.

Published in the United Kingdom.

# TABLE OF CONTENTS

---

<b><i>Risk Disclaimer</i></b> .....	<b>3</b>
<b><i>Copyright Notice</i></b> .....	<b>4</b>
<b><i>Introduction</i></b> .....	<b>6</b>
<b><i>What is a candlestick pattern?</i></b> .....	<b>6</b>
<b><i>Bullish Candlestick Patterns</i></b> .....	<b>9</b>
<b><i>Bearish Candlestick Patterns</i></b> .....	<b>10</b>
<b><i>Reversal Candlestick Patterns</i></b> .....	<b>11</b>
<b><i>Continuation Candlestick Patterns</i></b> .....	<b>12</b>
<b><i>The Candlestick Pattern Cheat Sheet:</i></b> .....	<b>13</b>
<b><i>The Next Step</i></b> .....	<b>14</b>

# INTRODUCTION

---

Learning to become a [forex trader](#) is difficult, right?

Especially when there are so many different ways, methods, strategies out there.

The most popular way to look for trading opportunities is by looking for candlestick patterns.

The problem here is that there are over 30+ [candlestick patterns](#) to learn from memory.

If you are like the rest of us, learning 30+ candlesticks and instantly recognising them in real-time can be a headache when you are starting out.

That is why we have designed this awesome Japanese **candlestick pattern cheat sheet**. It'll save you time and money (on painkillers).

If you are looking to find something that can quickly help you instantly recognise these 30+ patterns in real-time, then you should read on because we have a few helpful tips further down this article.

Now before you get your hands on this cheat sheet, let's go through the absolute basics...

## WHAT IS A CANDLESTICK PATTERN?

---

There are several [types of charts](#) that traders will use to find trading opportunities.

Most commonly these are:

- Line charts
- OHLC charts
- Candlestick charts
- Renko charts
- Point and Figure charts
- Etc.

There are plenty of different types to help analyse the markets, but you are here to learn about the candlestick patterns – so let's focus on that.

The candlestick pattern is favoured due to its simplicity and ease of analysis at a glance.

You can easily identify whether it was a Buy candle or a Sell candle.

You can easily identify its highs and lows during the session.

You can easily tell the strength of the markets through the candlestick too.

The above also gives you different patterns and shapes that give a leading indicator of where the market may go.

Compared to the line charts which just plot the close price after each session.

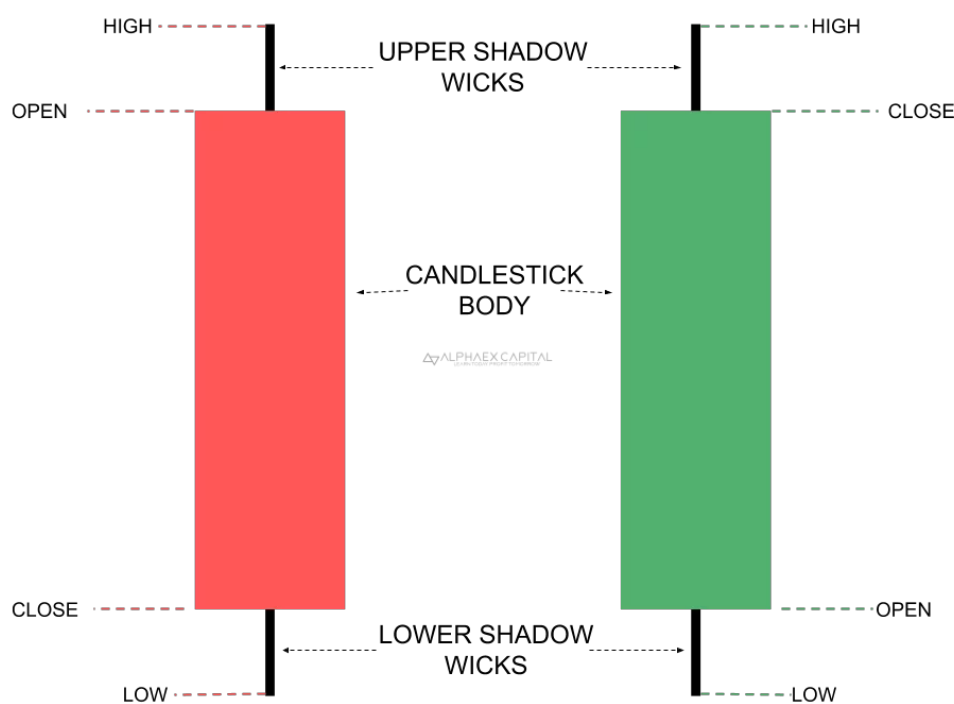
To put it another way, using candlesticks compared to line charts is like watching a movie in HD vs. black and white.

HD gives you every little detail and colour to inspire your imagination, whereas in black and white it gives you enough imagery to tell the story.

We want things in high definition.

So that is why we look at candlesticks.

So let's look at the structure in more detail:



Here are the key points:

**Open** – This is at the point where the session opened. On a bullish candle, the open is at the bottom of the body. On a bearish candle, the open is at the top of the body.

**Close** – This is at the point where the session closed. On a bullish candle, the close is at the top of the body. On a bearish candle, the close is at the bottom of the body.

**High** – This is the market reached it's the highest price during the trading session. This gives you an idea of how high the market moved in one trading period.

**Low** – This is the market reached it's the lowest price during the trading session. This gives you an idea of how low the market moved in one trading period.

**Alphaex Pro Tip: Execution Rules** -> [Read our article on how to execute a trade properly based on the candlestick patterns](#)

Now you've locked in the idea of what candlestick patterns are, let's dive straight into the different segments of the forex candlestick pattern cheat sheet.

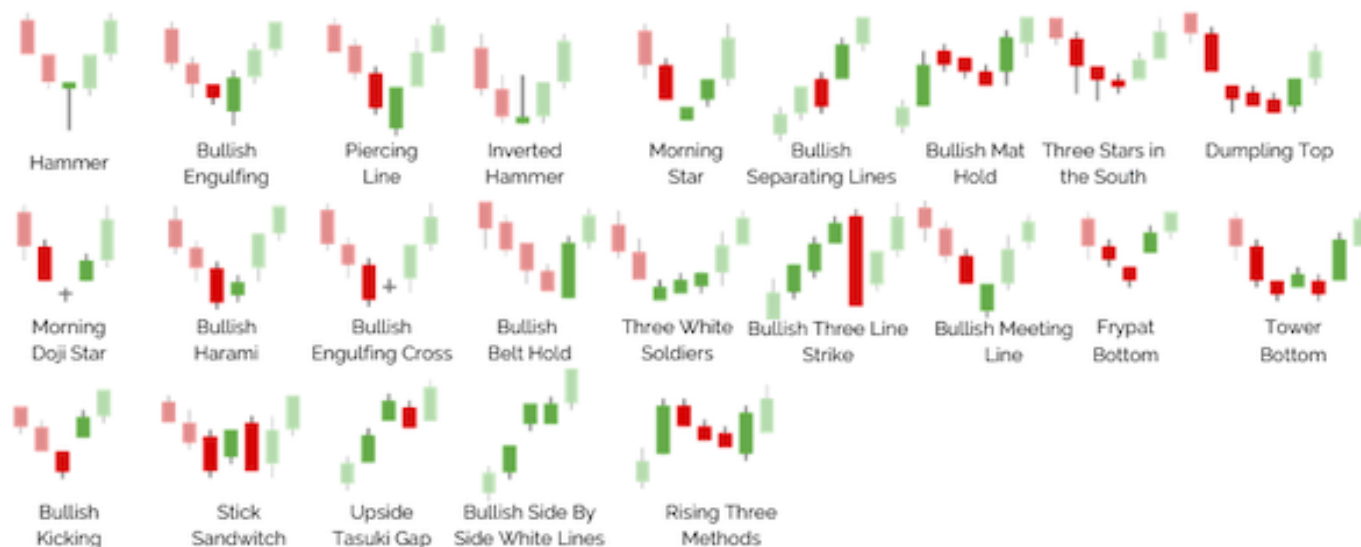


# BULLISH CANDLESTICK PATTERNS

Below we have the candlestick patterns that may signal a bullish move in the markets.

These are really-effective to know because when these patterns are showing themselves, you can quickly adjust your trading ideas to either continue or reverse your trading bias.

## BULLISH CANDLESTICK PATTERNS



These are great examples of bullish candlesticks that you can reference to now and then to familiarise yourself with the patterns.

**Alphaex Pro Tip: As you get started, don't try and focus on ALL patterns at once. Instead, focus on the most recognisable ones such as the Bullish Engulfing and Hammer patterns.**

This will allow you to identify them easily, and gain experience quickly in how to utilise them effectively.

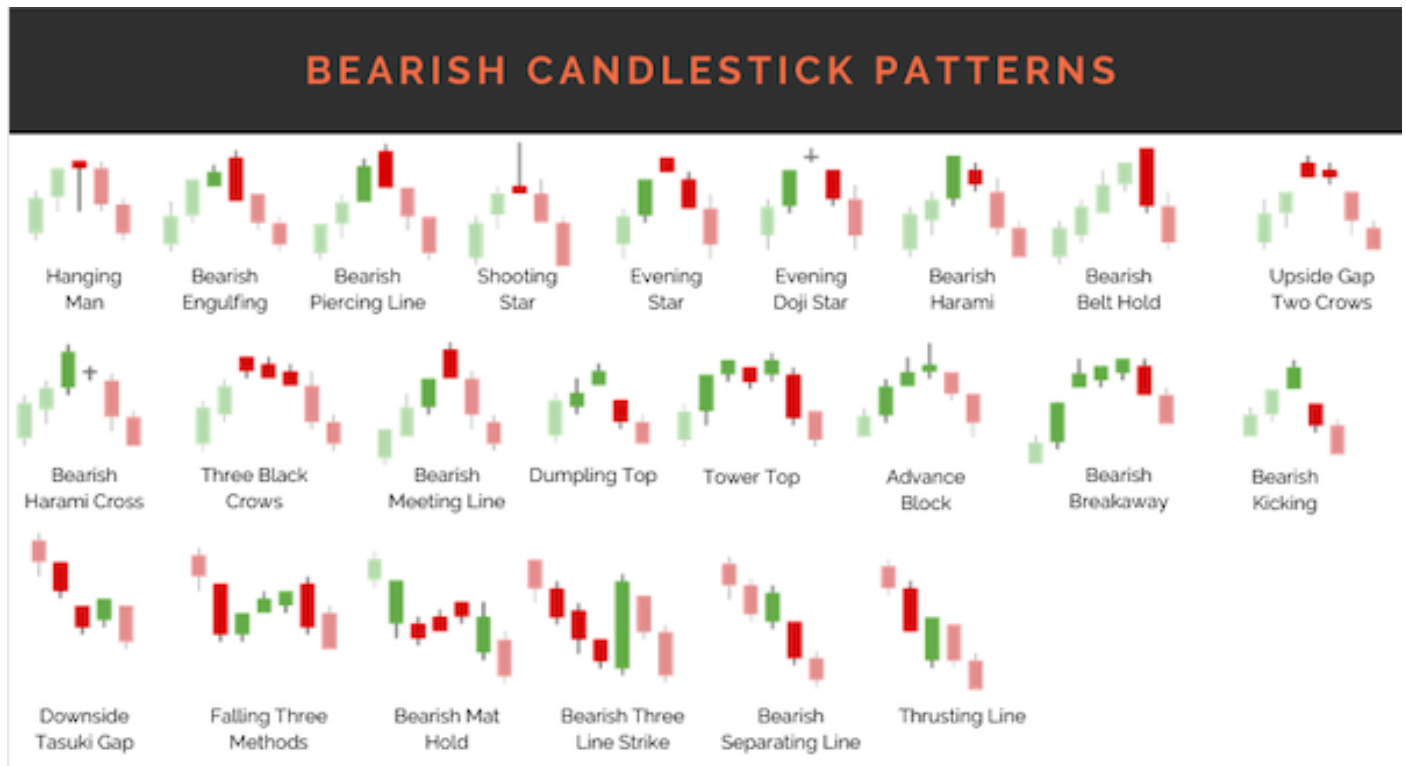
Moving on, it's time to review the patterns when the market turns bearish...

# BEARISH CANDLESTICK PATTERNS

Trading means you don't have a preference whether the market goes up or down.

As traders, we should always be looking for new opportunities.

That's why these bearish candlestick patterns can help you identify bearish momentum, quickly and effectively.



Follow these patterns and gain experience with them.

Once mastered, each day will present a new trading opportunity.

And now you are armed with the patterns that can help identify bullish and bearish movements.

# REVERSAL CANDLESTICK PATTERNS

We've grouped the bullish and bearish [price action patterns here to identify the ones that are reversal indicators](#).

This is a good idea to learn it like this as well because you can see that these patterns show you a potential entry and/or exit from a trade.

Allowing you to lock in the profits, or enter on the other side.

REVERSAL CANDLESTICK PATTERNS	
Hammer	Advance block
Hanging man	Dumping top
Bullish/Bearish engulfing	Bearish breakaway
Piercing Line	Bullish/Bearish belt hold
Dark cloud	Upside gap two crows
Inverted hammer	Three white soldiers
Shooting star	Three black crows
Bullish/Bearish kicking	Bullish/Bearish meeting line
Stick sandwich	Tower bottom
Morning star	Tower top
Evening star	Three stars in the south
Morning doji star	Frypat bottom
Evening doji star	Dumping top
Bullish/Bearish harami	Bullish/Bearish engulfing cross

# CONTINUATION CANDLESTICK PATTERNS

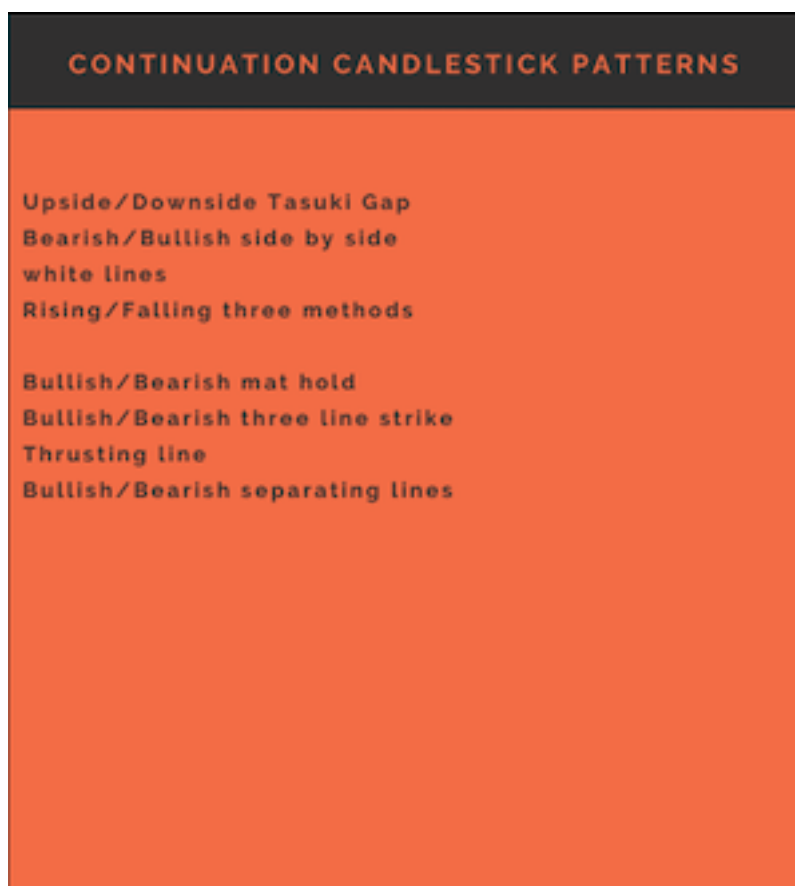
---

In addition to reversals, the candlesticks can also identify when the markets are ready to continue their trend.

The patterns placed here are great for opportunities to:

- Enter in a trend you may have missed out from earlier
- Add to your current trading position, increasing your position size to take advantage of the trend
- Exit a trade for profit, or realise a loss if the trend is going against you.

These continuation patterns are:

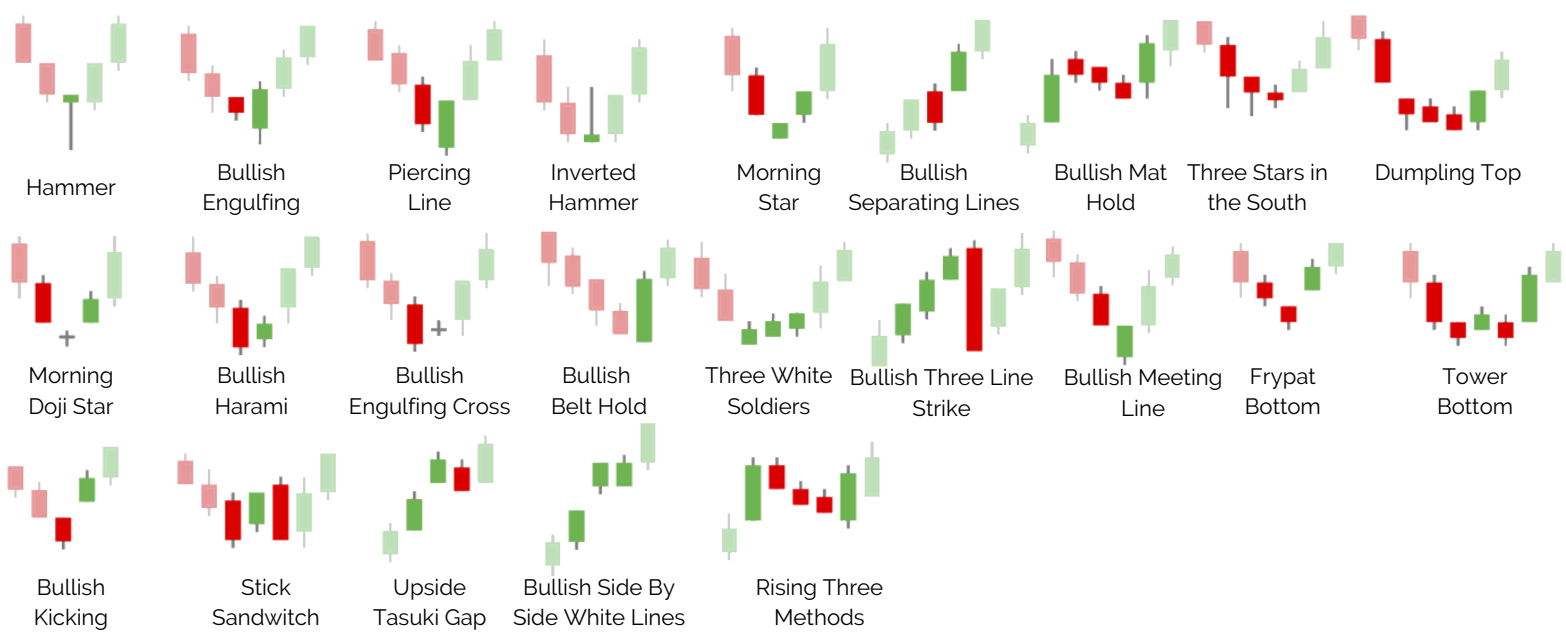


# THE ULTIMATE CANDLESTICK PATTERN CHEAT SHEET

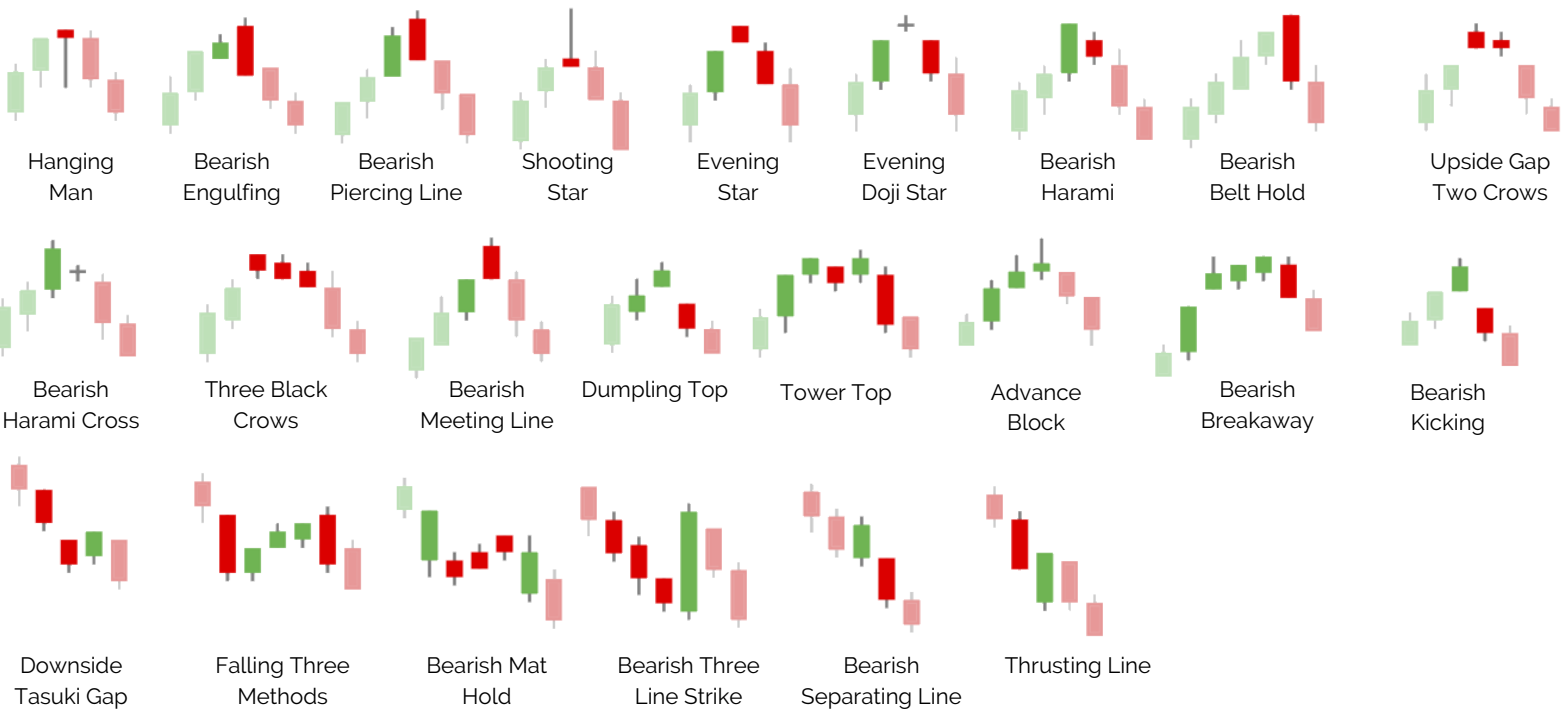
Bullish | Bearish | Reversal | Continuation

ALPHAEXCAPITAL  
LEARN TODAY. PROFIT TOMORROW.

## BULLISH CANDLESTICK PATTERNS



## BEARISH CANDLESTICK PATTERNS



### REVERSAL CANDLESTICK PATTERNS

### CONTINUATION CANDLESTICK PATTERNS

**Hammer**  
**Hanging man**  
**Bullish/Bearish engulfing**  
**Piercing Line**  
**Dark cloud**  
**Inverted hammer**  
**Shooting star**  
**Bullish/Bearish kicking**  
**Stick sandwich**  
**Morning star**  
**Evening star**  
**Morning doji star**  
**Evening doji star**  
**Bullish/Bearish harami**  
**Advance block**  
**Dumping top**  
**Bearish breakaway**  
**Bullish/Bearish belt hold**  
**Upside gap two crows**  
**Three white soldiers**  
**Three black crows**  
**Bullish/Bearish meeting line**  
**Tower bottom**  
**Morning star**  
**Evening star**  
**Three stars in the south**  
**Frypat bottom**  
**Dumping top**  
**Bullish/Bearish engulfing cross**

**Upside/Downside Tasuki Gap**  
**Bearish/Bullish side by side white lines**  
**Rising/Falling three methods**  
**Bullish/Bearish mat hold**  
**Bullish/Bearish three line strike**  
**Thrusting line**  
**Bullish/Bearish separating lines**

## ALPHAEX QUICK TIP THE ART OF EXECUTION

The best way to execute a trade from a candlestick pattern is to wait until the candlestick closes then place an order above the "trigger" candlestick's high (if it's a buy signal) or low (if it's a sell signal).

VISIT [WWW.ALPHAEXCAPITAL.COM](http://WWW.ALPHAEXCAPITAL.COM) FOR MORE TIPS

[/ALPHAEXCAPITAL](https://www.facebook.com/ALPHAEXCAPITAL)
[@ALPHAEXCAPITAL](https://twitter.com/ALPHAEXCAPITAL)
[@ALPHAEXCAPITAL](https://www.instagram.com/ALPHAEXCAPITAL)
[SEARCH: ALPHAEXCAPITAL](https://www.youtube.com/ALPHAEXCAPITAL)

# THE NEXT STEP...

---

After going through this forex candlestick pattern cheat sheet, you will have gained a visual aid that will help you establish and gain experience with these price action patterns.

[Forex trading](#) isn't meant to be easy.

By focusing on [learning to become better](#), practising the patterns and testing them out – only then you will gain an edge that is needed to conquer the markets.

Now you've read about candlestick patterns, even have a nice cheat sheet that can help you recognise them easier; the next logical step is to put it all together.

Learning about the markets, how they work, and how you can exploit them.

You can learn about all of this (and more) [here](#).

[Learn how traders exploit market movements to predict profitable trades, without spending all day on the computer.](#)

To your trading success,

Alphaex Capital.