



Candlestick Flashcards

Revised February 2016

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Printer Release

The user of these flash cards is hereby granted written consent to print this document for appropriate use.

Appropriate use includes:

- Personal use
- Group study

These cards may not be printed for the following uses:

- Public distribution
- Resale or redistribution
- Any use for monetary gain
- Re-printed or re-branded to reflect a business other than TradeSmart University
- Any other use not expressly consented above under “appropriate uses”.

TradeSmart University
February 2016

How to use these candlestick flashcards

These flashcards are intended to be printed front and back, cut, and used to drill your recognition of candlestick patterns. Feel free to print them at home or take them to a regular printer such as Kinko's or Sir Speedy and have them printed for you. We recommend a heavier paper, such as card stock, as this will be more sturdy and make your flash cards last longer.

Instructions:

- 1) Print pages 5-12 front and back (the descriptions are inverse to allow for this printing).
- 2) Visually look at the printing to make sure the correct descriptions are on the back of the correct front images.
- 3) Use scissors or a paper cutter to cut along the bold black lines
- 4) Once your cards are cut, use them to drill your knowledge of candlesticks.

NOTE: If you use a professional printer, they will have the ability to cut the entire card deck at once, ensuring uniform card sizes.

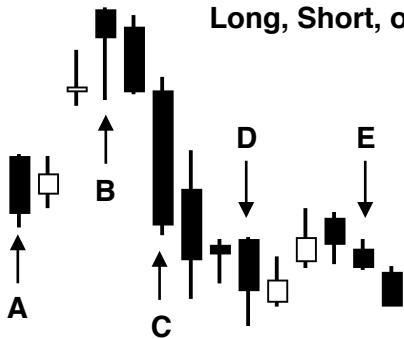
Name this candlestick



Name this candlestick



Long, Short, or Average?



VS.



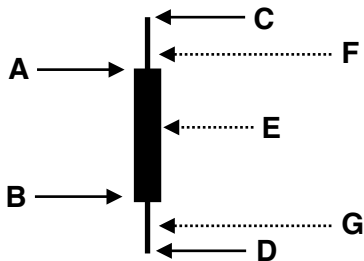
What is this?



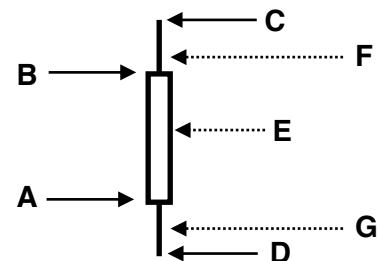
What is this?



Name the Black Candlestick Construction



Name the White Candlestick Construction



Candlestick Reversal Signals Indicate...

- You should _____ your stops
- Be aware of a _____ in swing direction
- They do NOT indicate you should immediately _____ your trading position.

Candlesticks Mean The Most When...

- They are the right _____.
- They occur in the _____.

Bullish Marabozu

- Long day White Candle
- Contains no upper or lower shadow
- Opens at the low, closes at the high
- The strongest bullish candle that appears
- Reveals the bulls are solidly in control



Bearish Marabozu

- Long day Black Candle
- Contains no upper or lower shadow
- Opens at the high, closes at the low
- The strongest bearish candle that appears
- Reveals the bears are solidly in control



Average Day vs. Long Day

- Look at the “average” candle size for a trade
- Long day candles are 2-3x the size of the “average” day candle
- Long day candles indicate strong momentum (Bullish= White, Bearish = Black)



Long Day vs. Short Day vs. Average

- A = Average Day
- B = Short Day (spinning top)
- C = Long Day
- D = Average Day
- E = Short Day (spinning top)



Long Upper Shadow

- Long upper shadows indicate selling pressure
- A long upper shadow at resistance is a strong signal of bearish pressure
- The long upper shadow shows the bulls were in control, but the bears pushed them back
- The longer the upper shadow, the more bearish the candle



Long Lower Shadow

- Long lower shadows indicate buying pressure
- A long lower shadow at support is a strong signal of bullish pressure
- The long lower shadow shows the bears were in control, but the bulls pushed them back
- The longer the lower shadow, the more bullish the candle.



White Candlestick Construction

- A = Opening Price
- B = Closing price
- C = Intraday high
- D = Intraday low
- E = Real body
- F = Upper Shadow
- G = Lower Shadow



Black Candlestick Construction

- A = Opening price
- B = Closing price
- C = Intraday high
- D = Intraday low
- E = Real Body
- F = Upper Shadow
- G = Lower Shadow



Candlesticks Mean The Most When...

- They are the right Color Combination
- They occur in the Right Location

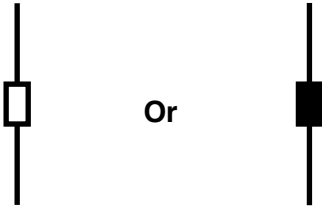


Candlestick Reversal Signals Indicate...

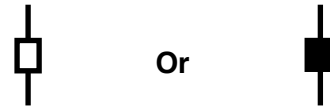
- You should tighten your stops
- Be aware of a possible reversal in swing direction
- They do NOT indicate you should immediately reverse your trading position.



Name this candlestick



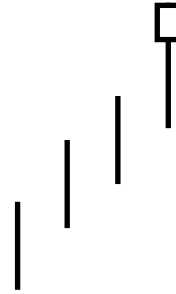
Name this candlestick



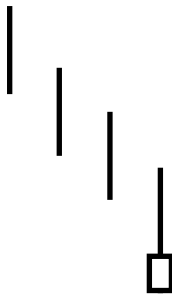
Name this candlestick



Name this candlestick



Name this candlestick



Name this candlestick



Name this candlestick



Name this candlestick



Name this candlestick



Name this candlestick



Spinning Top

- Broad classification of *any* smaller than average candle body
- Can be black or white
- May have upper, lower shadow, or no shadow
- Indicates a change in momentum
- Often the first candle of a reversal



High Wave Candle

- Subcategory of Spinning top candle
- Can be either black or white
- Has both a very long upper *and* lower shadow
- Indicates confusion in the marketplace
- Often the first candle of a reversal
-



Hangman

- A specific type of spinning top candle
- Occurs after an upswing
- May be black or white
- Contains a smaller than average real body
- Lower shadow 2-3x the size of the real body
- Little or no upper shadow
- A *weak* bearish reversal signal



Shooting Star

- A specific type of spinning top candle
- Occurs after an upswing
- May be black or white
- Contains a smaller than average real body
- Upper shadow 2-3x the size of the real body
- Little or no lower shadow
- A *strong* bearish reversal signal



Hammer

- A specific type of spinning top candle
- Occurs after a downswing
- May be black or white
- Contains a small real body
- Lower shadow 2-3x the size of the real body
- Little or now upper shadow
- A *strong* bullish reversal signal



Inverted Hammer

- A specific type of spinning top candle
- Occurs after a downswing
- May be black or white
- contains a small real body
- Upper shadow 2-3x the size of the real body
- Little or no lower shadow
- A *weak* bullish reversal signal



Doji

- Candle with the same open and closing price
- Shows complete balance among buyers and sellers and agreed upon price
- This candlestick very often occurs as part of a swing reversal
- Bullish if @ support
- Bearish if @ resistance



Long Legged Doji

- A specific type of Doji candlestick
- Has a both a long upper and lower shadow
- Shows indecision, but a balance upon price
- A strong reversal signal
- Bullish if @ support
- Bearish if @ resistance



Tombstone Doji

- A specific type of doji candlestick
- Has a long upper shadow
- Very little or no lower shadow
- A strongly bearish candle
- Extremely bearish if occurring at resistance



Dragonfly Doji

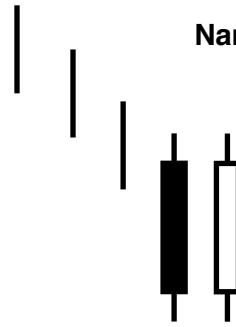
- A specific type of doji candlestick
- Has a long lower shadow
- Very little or no upper shadow
- A strongly bullish candle
- Extremely bullish if occurring at support



Name this Pattern



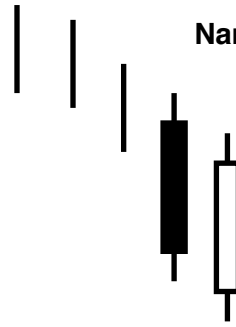
Name this Pattern



Name this Pattern



Name this Pattern



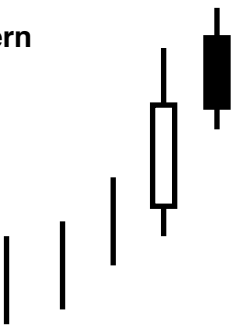
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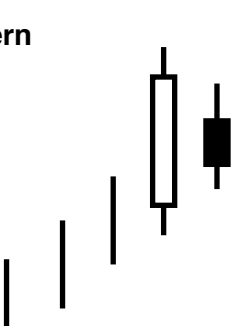
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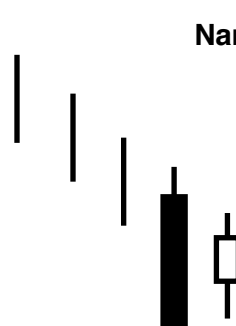
Name this Pattern



Name this Pattern



Name this Pattern



Tweezer Bottom

- Two day pattern occurring after a downswing
- First candle is black, second candle is white
- Matching lows where the close of the previous day matches the open of the 2nd
- Particularly strong when candle bodies are about the same size
- A Bullish Reversal signal



Tweezer Top

- Two day pattern occurring after an upswing
- First candle is white, second candle is black
- Matching highs where the close of the previous day matches the open of the 2nd
- Particularly strong when candle bodies are about the same size
- A Bearish Reversal signal



Bullish Piercing

- Two day pattern occurring after a downswing
- First candle is black, second candle is white.
- Second candle gaps down at the opening.
- Second candle trades up and closes at least 1/2 way into the first candle's real body.
- Size or presence of shadows does not matter
- A Bullish Reversal signal



Dark Cloud Cover

- Two day pattern occurring after an upswing
- First candle is white, second candle is black.
- Second candle gaps up at the opening.
- Second candle trades down and closes at least 1/2 way into the first candle's real body.
- Size or presence of shadows does not matter
- A Bearish Reversal signal



Bullish Engulfing

- Two day pattern occurring after a downswing
- First candle is black, second candle is white
- Second candle gaps down at the opening
- Second candle trades up and closes above the first day's real body (engulfs)
- Size or presence of shadows does not matter
- A Bullish Reversal Signal



Bearish Engulfing

- Two day pattern occurring after an upswing
- First candle is white, second candle is black
- Second candle gaps up at the opening
- Second candle trades down and closes below the first day's real body (engulfs)
- Size or presence of shadows does not matter
- A Bearish Reversal signal



Bullish Counter Attack

- Two day pattern occurring after a downswing
- First candle is black, second candle is white
- Second candle gaps down at the opening
- Second candle trades up and closes at (or close to) the same price as the previous close
- Size or presence of shadows does not matter
- A Bullish Reversal Signal



Bearish Counter Attack

- Two day pattern occurring after an upswing
- First candle is white, second candle is black
- Second candle gaps up at the opening
- Second candle trades down and closes at (or close to) the same price as the previous close
- Size or presence of shadows does not matter
- A Bearish Reversal signal



Bullish Harami

- Two day pattern occurring after a downswing
- First candle is black, second candle is white
- Second candle gaps up at the opening
- Second candle closes below previous day's open (inside previous day's body)
- Size or presence of shadows does not matter
- A Bullish Reversal Signal



Bearish Harami

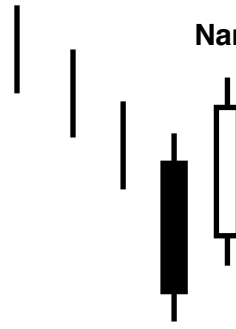
- Two day pattern occurring after an upswing
- First candle is white, second candle is black
- Second candle gaps down at the opening
- Second candle closes above previous day's open (inside previous day's body)
- Size or presence of shadows does not matter
- A Bearish Reversal signal



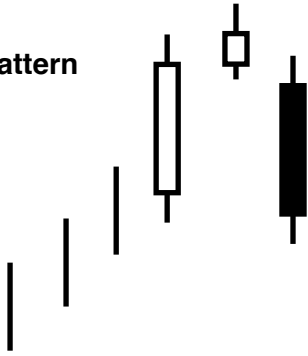
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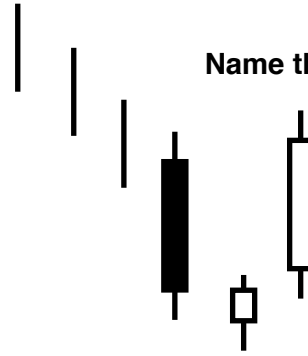
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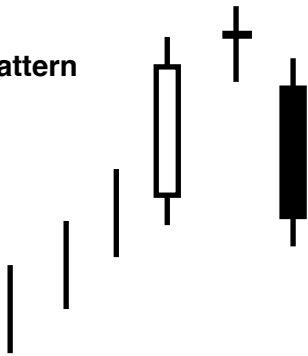
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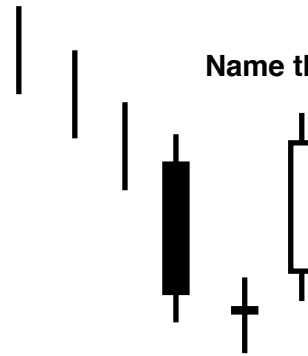
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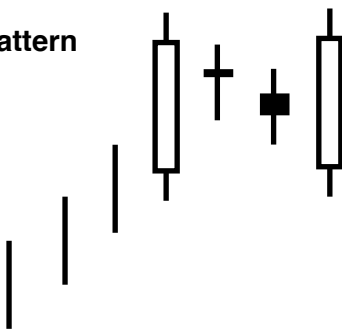
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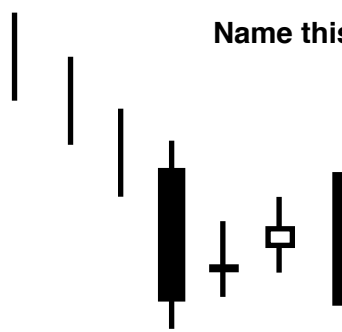
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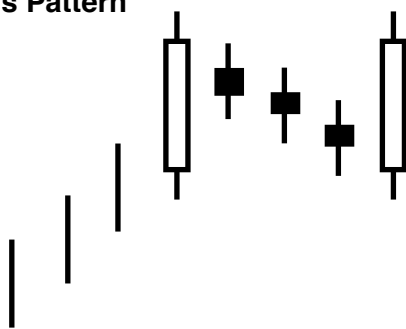
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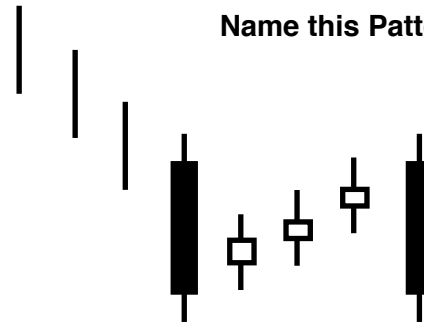
Name this Pattern



Name this Pattern



Name this Pattern



One White Soldier

- Two day pattern occurring after a downswing
- First candle is black, second candle is white
- Second candle gaps up at the opening
- Second candle closes above previous day's open (above previous day's body)
- Size or presence of shadows does not matter
- A strong Bullish Reversal Signal



One Black Crow

- Two day pattern occurring after an upswing
- First candle is white, second candle is black
- Second candle gaps down at the opening
- Second candle closes below previous day's open (below previous day's body)
- Size or presence of shadows does not matter
- A Bearish Reversal signal



Morning Star Reversal

- Three day pattern after a downswing
- First candle is black, second candle is spinning top, third is white
- Ideally second candle has a gap on one side
- Third day should push up at least 1/2 way into first day's candle
- A strong Bullish Reversal Signal



Evening Star Reversal

- Three day pattern after an upswing
- First candle is white, second candle is spinning top, third is black
- Ideally second candle has a gap on one side
- Third day should push down at least 1/2 way into first day's candle
- A strong Bearish Reversal Signal



Morning Doji Star

- Three day pattern after a downswing
- First candle is black, second candle is a Doji, third is white better than average candle
- Ideally second candle has a gap on one side
- Third day should push at least 1/2 way into first day's candle
- A strong Bullish Reversal Signal



Evening Doji Star

- Three day pattern after an upswing
- First candle is white, second candle is a Doji, third is black better than average candle
- Ideally second candle has a gap on one side
- Third day should push down at least 1/2 way into first day's candle
- A strong Bearish Reversal Signal



Bearish Rest After Battle

- A multi-day pattern (4 or more)
- First candle is long day black candle
- Followed by 2 *or more* spinning tops that do not close above the first day's open (can be any color)
- Final day is another long day black candle
- A strong bearish continuation



Bullish Rest After Battle

- A multi-day pattern (4 or more)
- First candle is long day white candle
- Followed by 2 *or more* spinning tops that do not close below the first day's open (can be any color)
- Final day is another long day white candle
- A strong bullish continuation



Falling Three

- A 5-day pattern
- First candle is long day Black candle
- Followed by 3 spinning tops that do not close above the first day's open (can be any color)
- Final day is another long day black candle
- A strong bearish continuation



Rising Three

- A 5-day pattern
- First candle is long day white candle
- Followed by 3 spinning tops that do not close below the first day's open (can be any color)
- Final day is another long day white candle
- A strong bullish continuation

