

MASTER CANDLESTICK STEP BY STEP

Driving Growth and Success
in the Trading



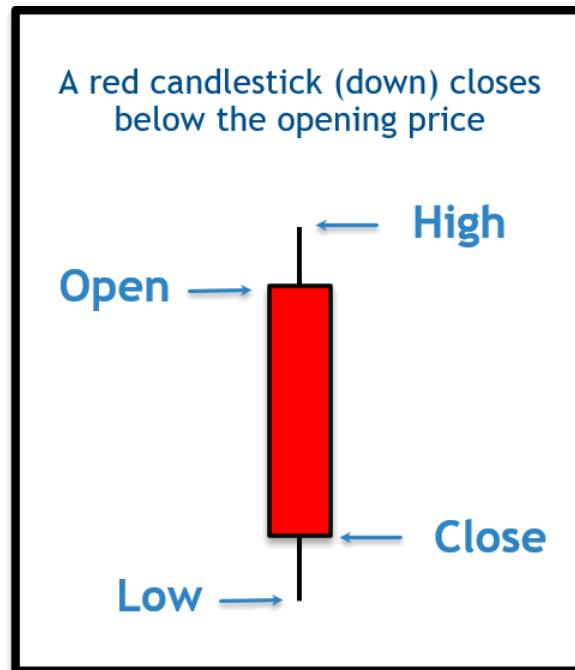
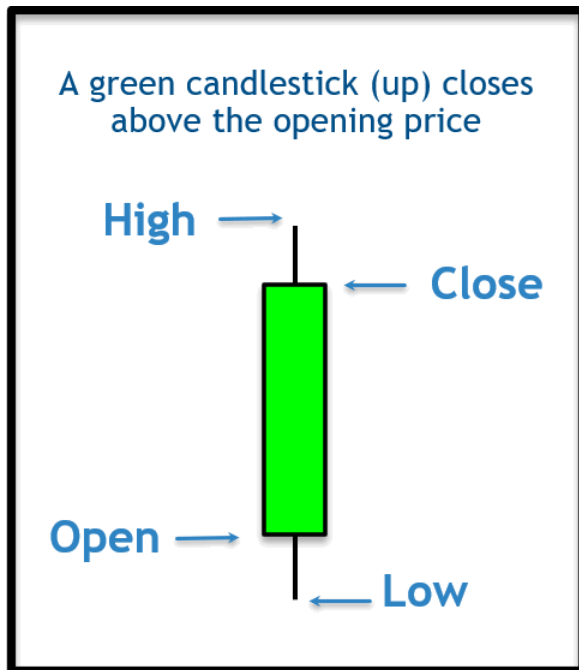
NOTES BY OM SIR

What you will Learn ?

- **Candlestick Basics**
- **Bullish Candlestick**
- **Bearish Candlestick**
- **Candlestick Chart Pattern**
- **Option Buying Candlestick for Call & Put**
- **Option Buying Chart Pattern for Call & Put**

Basic Candlestick:-

A Candlestick contains four components: open, high, low, and close.



Open= Price at the beginning of the period.

Close= Price at the end of the period.

High = the maximum price achieved during that period

Low = the lowest price of the asset during the period

How to Interpret Price Movement on a Candlestick Chart

There are two basic candlesticks which are illustrated on the image above:

Bullish Candle: When the close is higher than the open (usually green or white)

Bearish Candle: When the close is lower than the open (usually red or black)



Bullish Candles :-

BULLISH CANDLES



**Most
bullish**



**2nd Most
bullish**



**Normal
bullish**



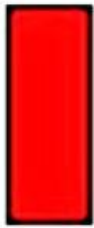
**Neutral
bullish**



**Least
bullish**

Bearish Candles:-

Candle Basics - Bearish Candles



**Most
Bearish**



**2nd Most
Bearish**



**Normal
Bearish**

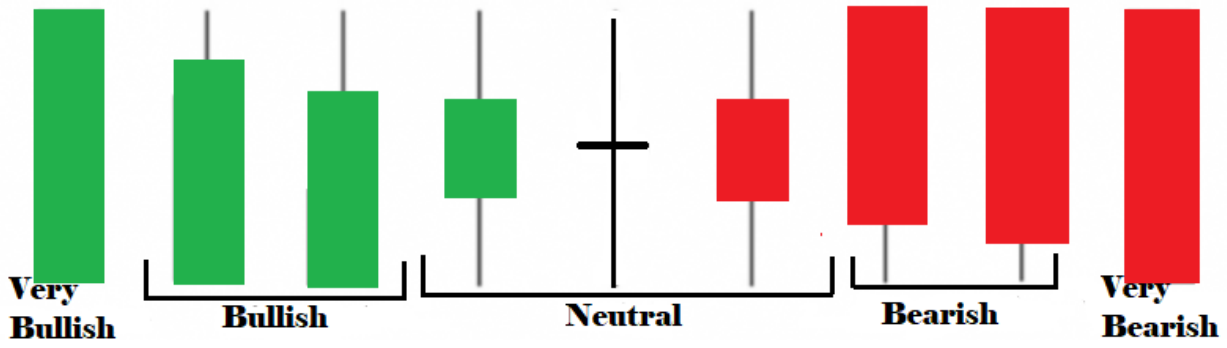


**Neutral
Bearish**

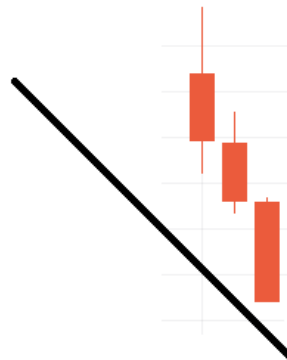


**Least
Bearish**

Bullish and Bearish and Neutral:-

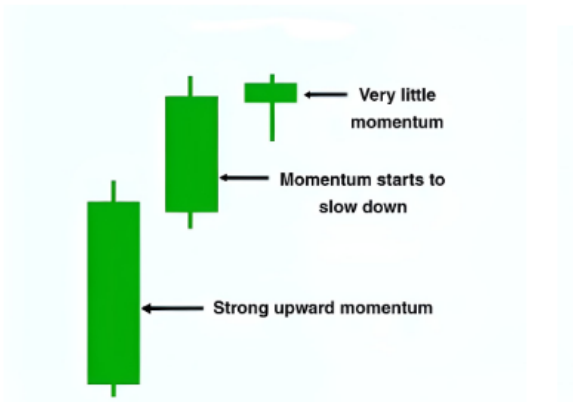


Increase in Bullish Momentum

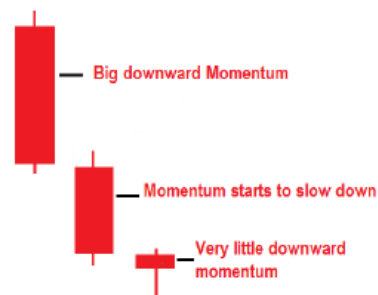


Increase in Bearish Momentum

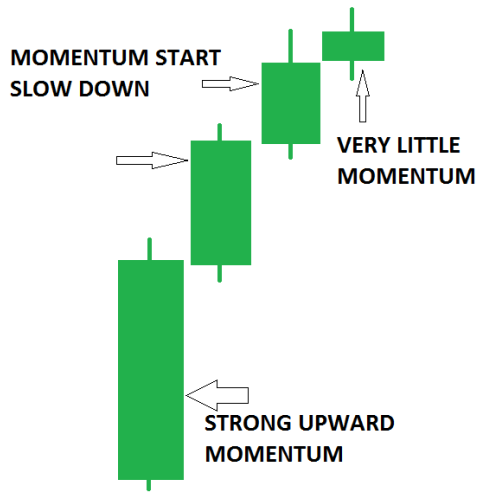
Decrease in Bullish Momentum



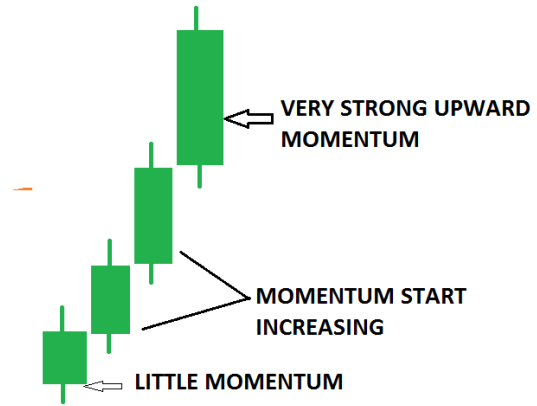
Decrease in Bearish Momentum



ACCELERATION VS DECELERATION



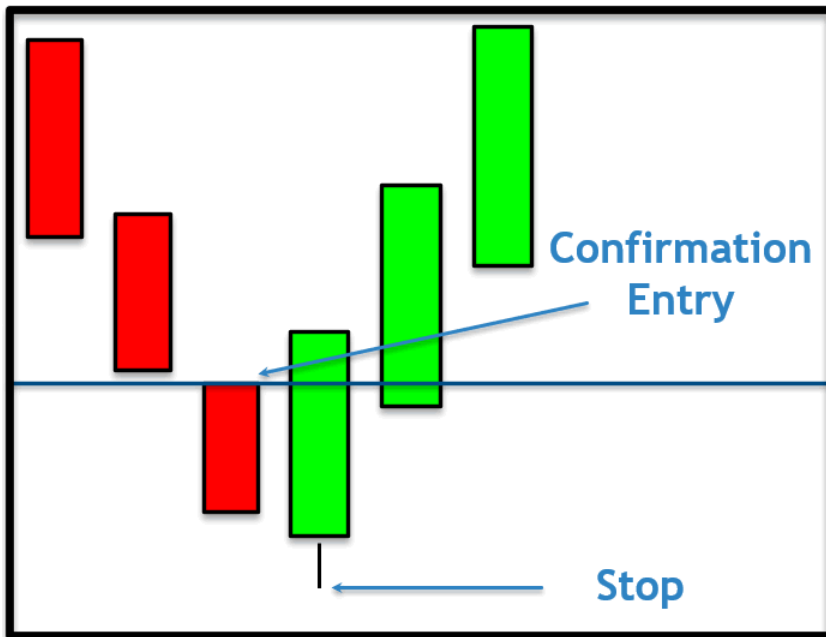
momentum decelerating



Momentum accelerating

Bullish Engulfing (candlestick appears in downtrend)

This signal is a strong reversal signal when it appears at the bottom of a price movement.



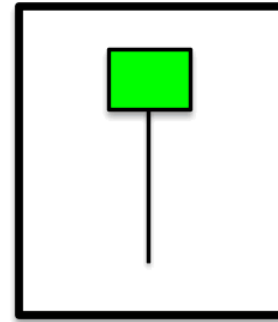
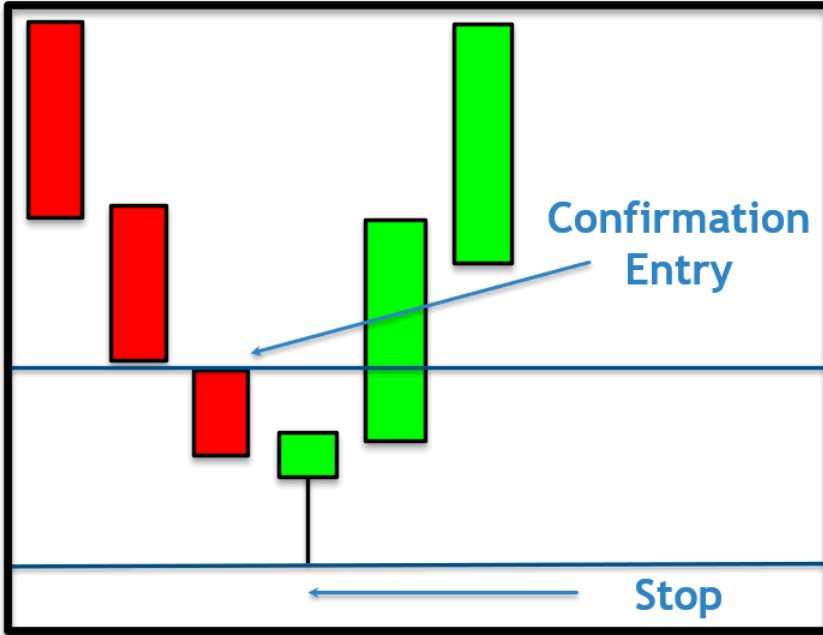
Pattern

Identifying the pattern on a chart:



Bullish Hammer (candlestick appears in downtrend)

Hammers occur in a downtrend and are considered bullish signals.



Formation

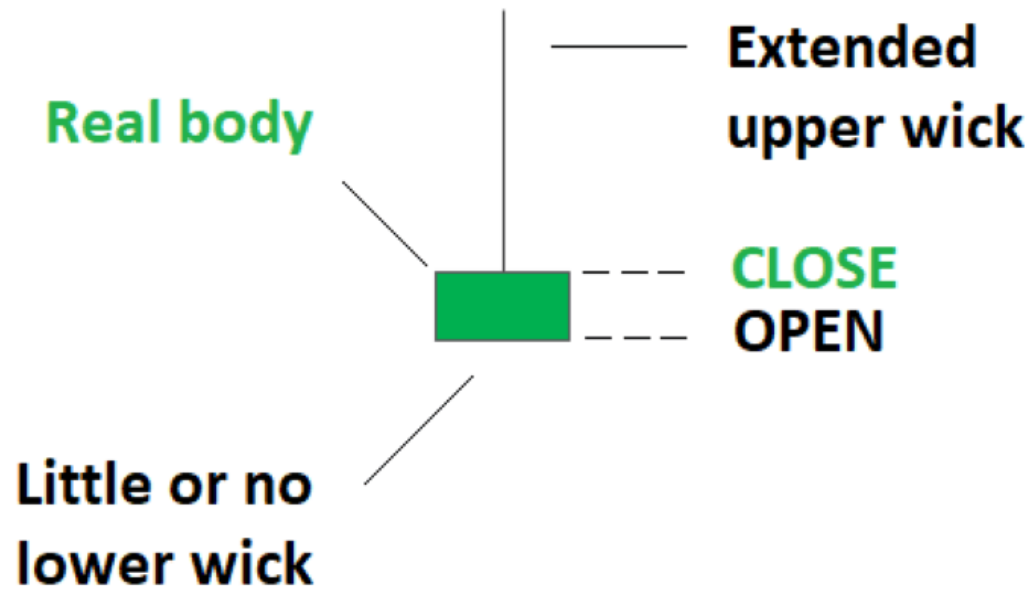
Identifying the pattern on a chart:



Inverted Hammer(candlestick appears in downtrend)

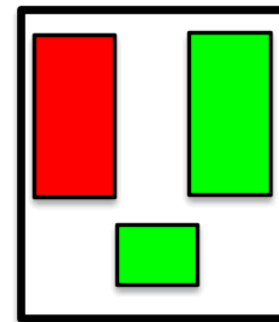
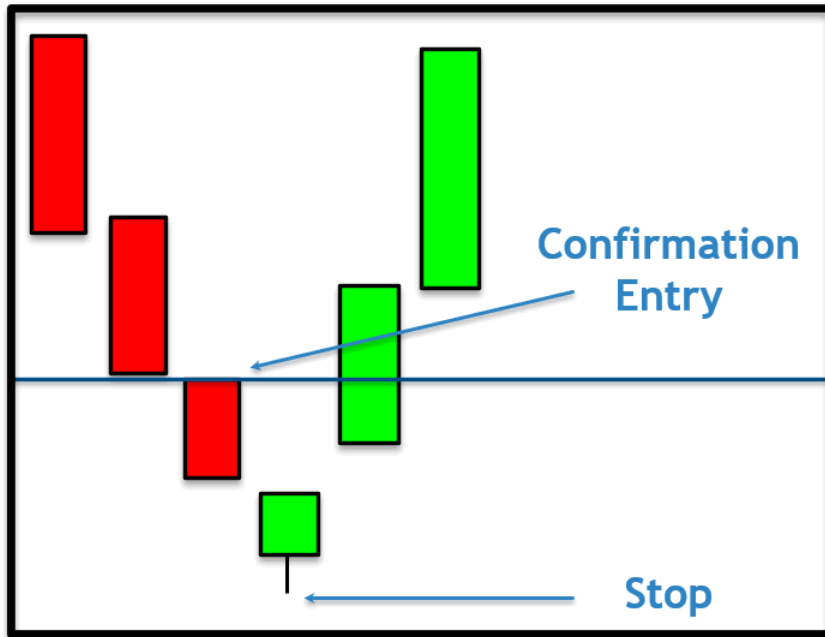
This signal is a strong reversal signal when it appears at the bottom of a price movement. The hammer candle color is irrelevant

Inverted Hammer Candle



Morning Star (candlestick appears in downtrend)

The morning star pattern is a signal of a potential bottom in the market.



Pattern

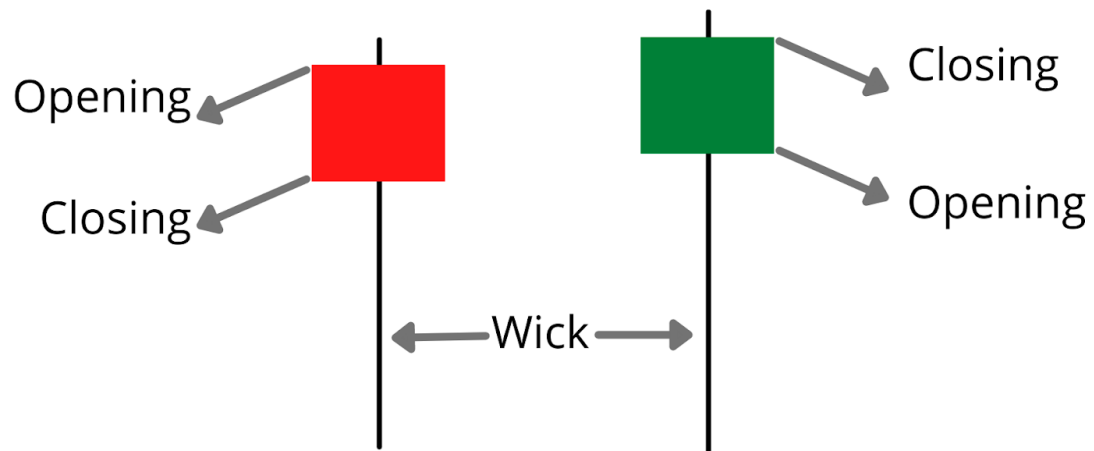
Identifying the pattern on a Chart:-



Bearish candlestick Patterns:-

HANGING MAN:- (candlestick appears in uptrend)

Hanging Man Pattern

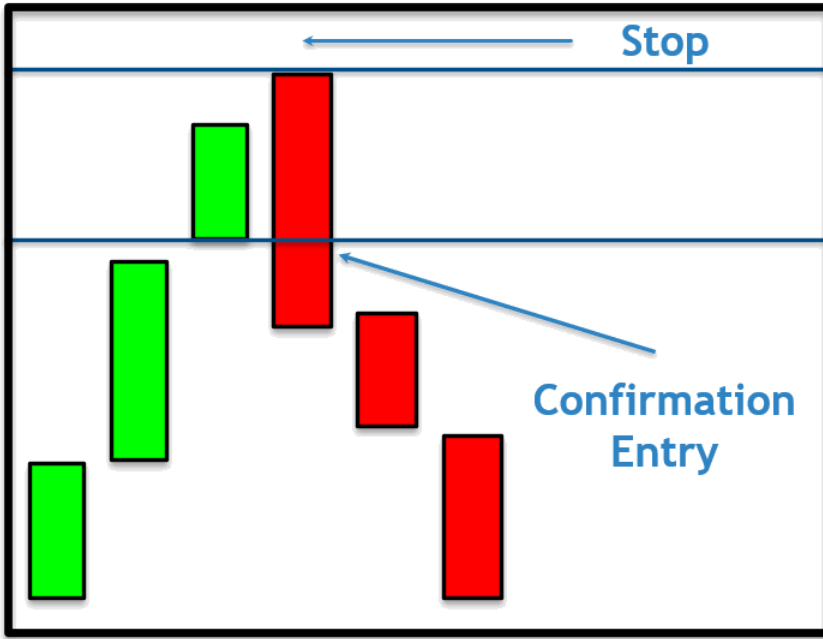


Identifying the pattern on a chart:-



Bearish Engulfing (candlestick appears in uptrend)

This signal is a strong reversal signal when it appears at the top of a price movement.



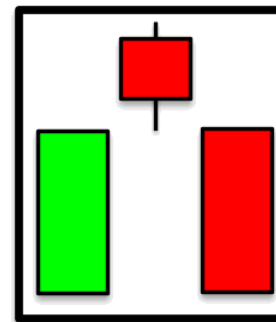
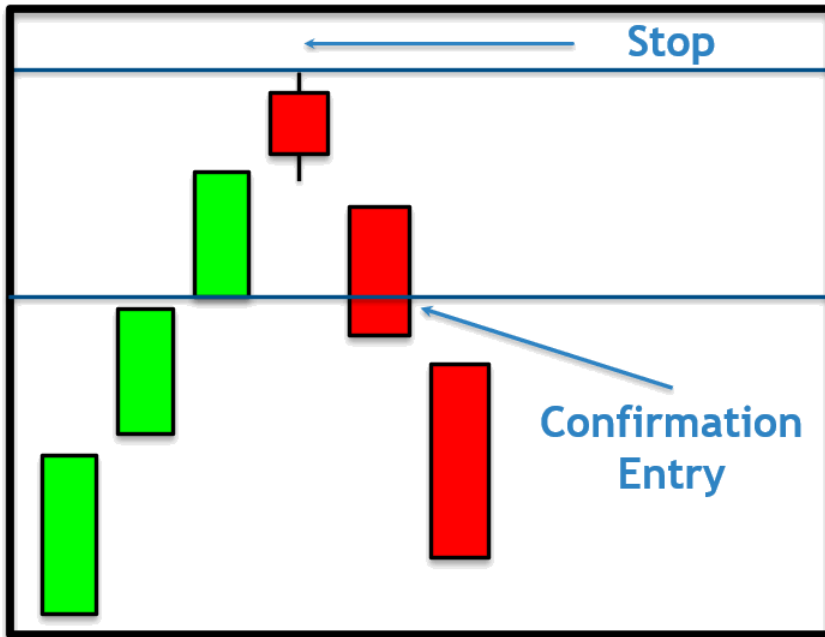
Pattern

Identifying the pattern on a chart:



Bearish Evening Star (candlestick appears in uptrend)

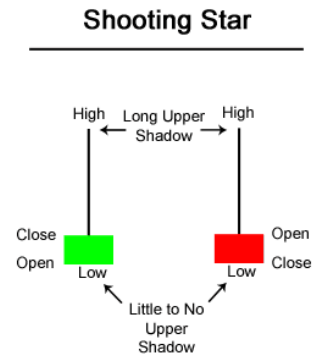
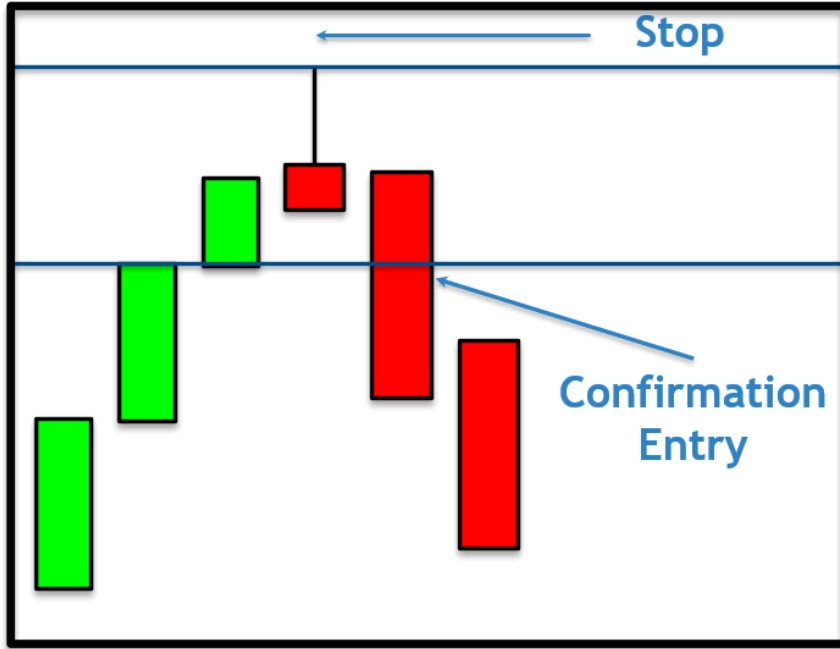
The evening star pattern is a signal of a potential top in the market.



Pattern

Shooting Star (candlestick appears in uptrend)

The shooting star is a bearish signal that occurs at short-term tops in the market.



Quick Revision on Candlestick & Candlestick Chart Pattern :-

1)



Hammer Candlestick
(candlestick appears in a downtrend)

1)



Shootingstar Candlestick
(candlestick appears in a Uptrend)

2) **Dragonfly Doji Candlestick**



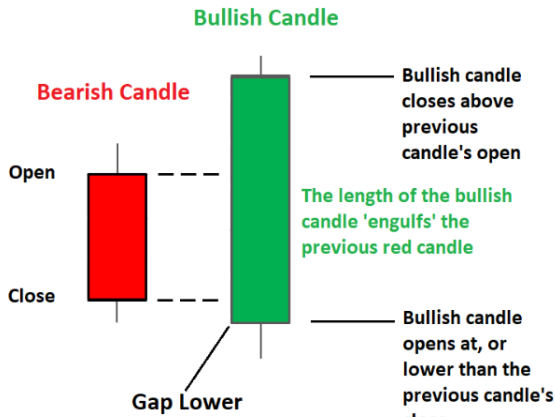
Dragonfly Doji
(candlestick appears in a downtrend)

2) **Gravestone Doji Candlestick**



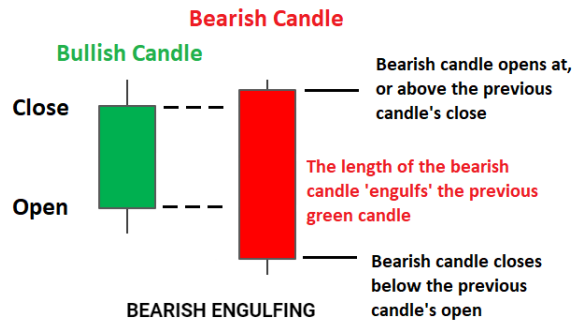
Gravestone Doji
(candlestick appears in a Uptrend)

3) **Bullish Engulfing Candlestick**



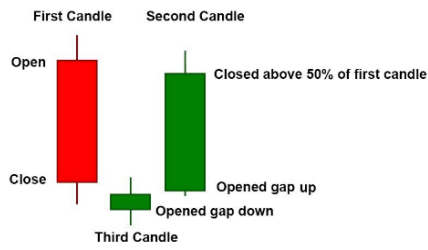
(candlestick appears in a downtrend)

3) **Bearish Engulfing Candlestick**



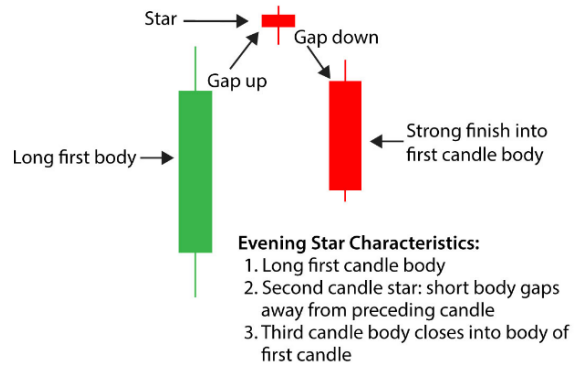
(candlestick appears in a Uptrend)

4) **Morning Star**



(candlestick appears in a downtrend)

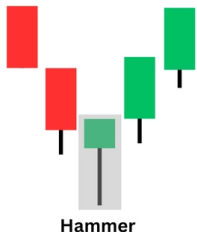
4) **Evening Star Candlestick Pattern**



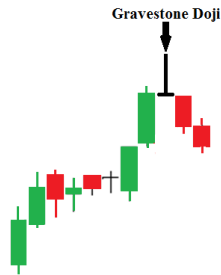
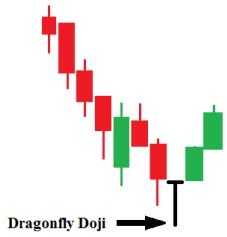
(candlestick appears in a Uptrend)

Option Buying Trading Candlestick Pattern:-

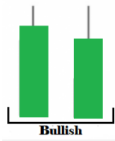
Call OPTIONS Buying Candlesticks:-



Put Options Buying Candlesticks :-



Big Green Candlestick with No Lower wick :-



Red Green Candlestick with No Upper wick :-



Candlestick Chart Pattern:-

W Chart Pattern:-



The Double Bottom is a bullish reversal pattern that is formed after the downtrend. Double bottom chart pattern occurs at the bottom of a downtrend.

The double bottom pattern is also known as the W chart pattern.

After the downtrend, you can see a double bottom pattern. In this you will get to see two supports and one resistance.

Both supports can be equal or slightly above or below each other. But will always remain below the resistance.

Where do you see the resistance. With the same resistance you have to draw a horizontal line. You can also call this horizontal line as neckline as shown above in diagram.

As soon as any candle gives a breakout of the neckline. From that on the next candle you can make your Buy entry position in the market.

M Pattern (Double top):-

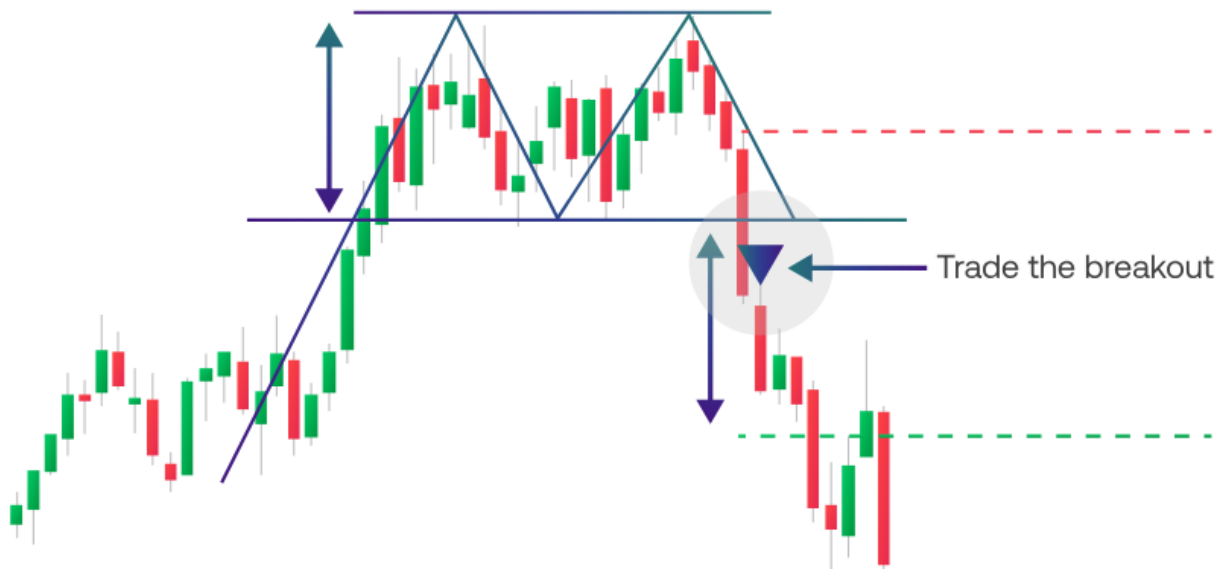
A double top pattern is formed after a market's price reaches two highs consecutively with small declines in between.

It forms an M-shape on a chart as shown below diagram.

The double top is a bearish reversal pattern, so it's thought that the asset's price will fall below the support level that forms at the low point between the two highs. It's crucial to confirm this support level, as basing your trade solely on the formation of the two peaks can cause a false reading.

In a double top, an upwardly trending market twice tries to hit new highs. But both times, it retraces as sellers drive the price back down – a sign that bullish momentum may be on the wane.

Often, the second top won't be quite as high as the first, as it's signaling the end of buying pressure.



Option Buying Trading Candlestick Chart Patterns :-

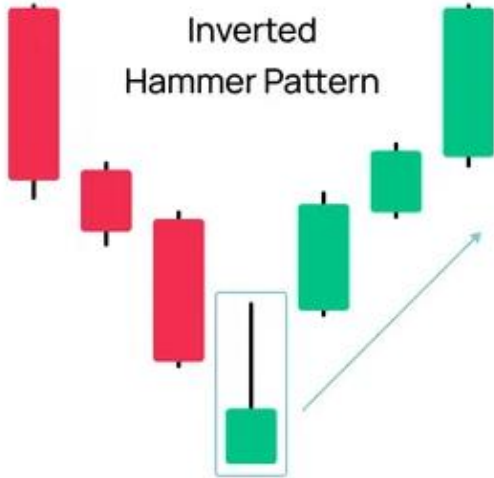
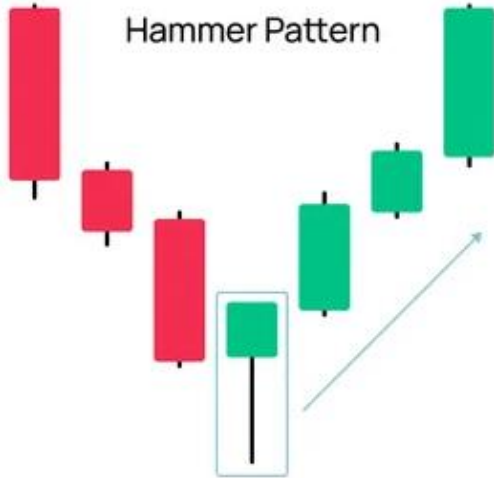
Call Options Buying Chart Patterns :-



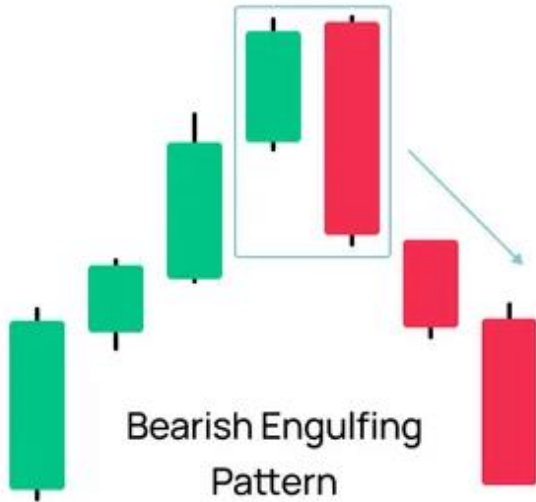
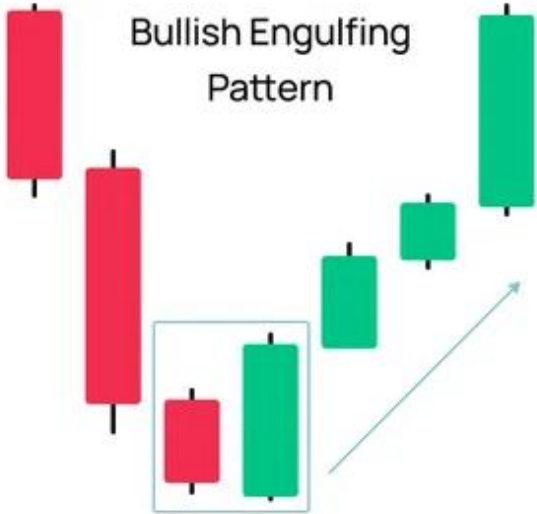
Put Options Buying Chart Patterns:-



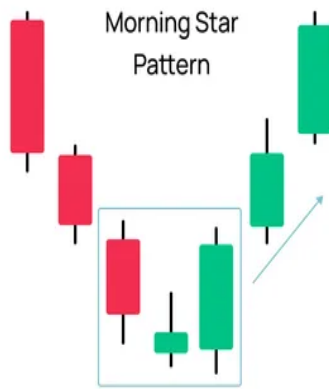
Hammer and Inverted Hammer



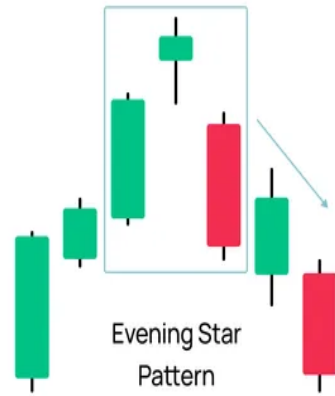
Engulfing



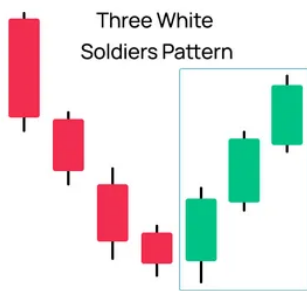
The Morning Star



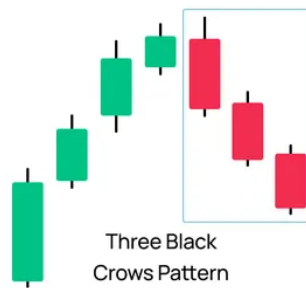
The Evening Star



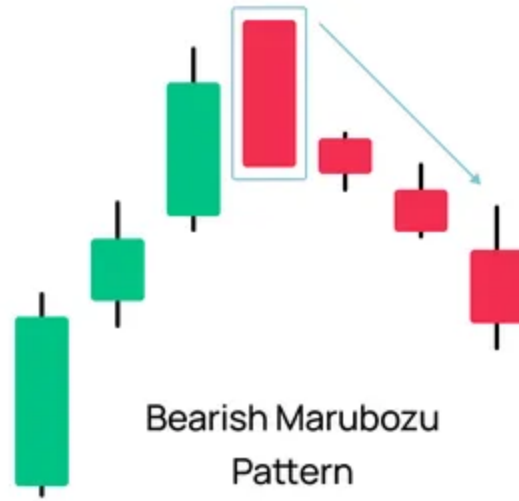
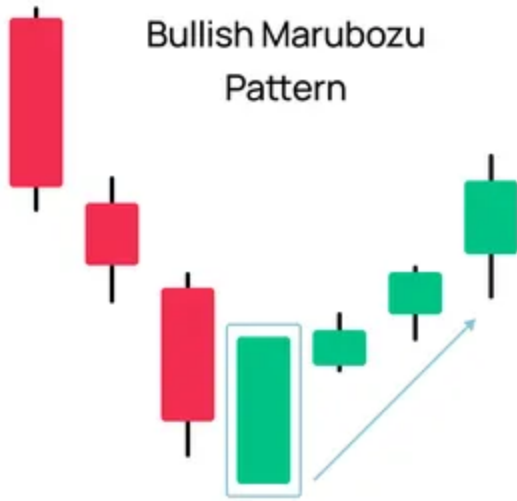
Three White Soldiers



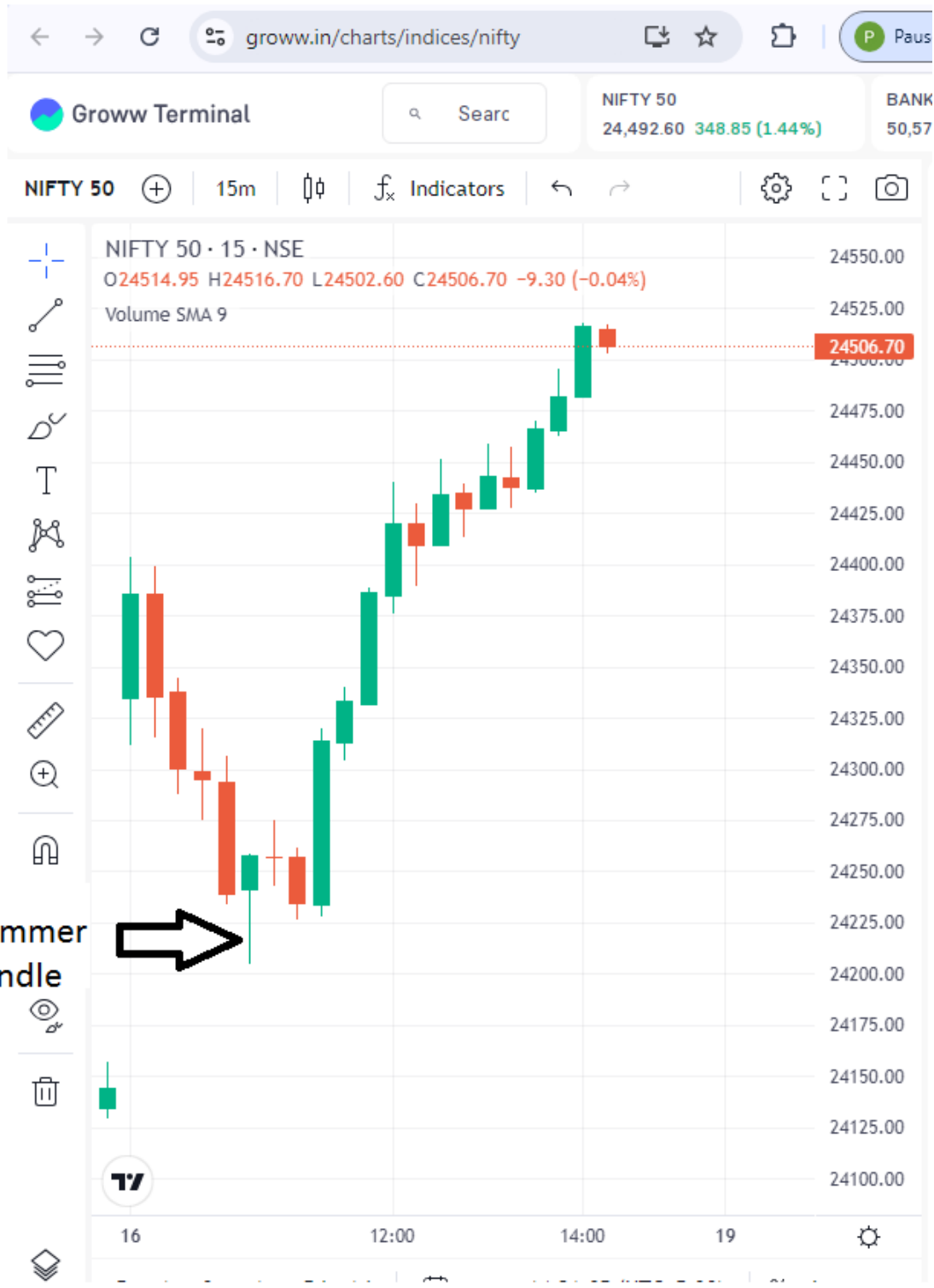
Three Black Crows



Marubozu

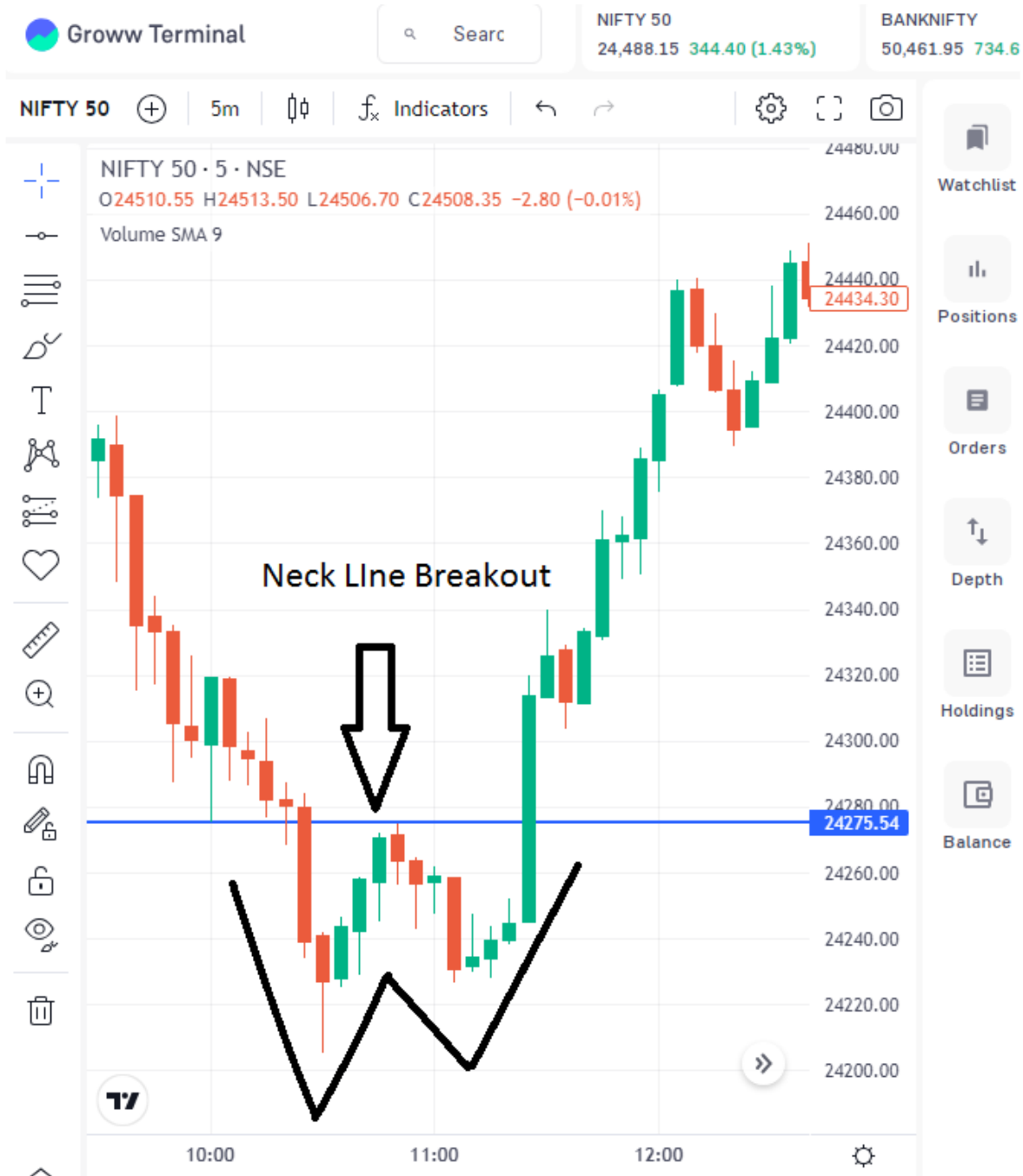


Case Studies:- Hammer candlestick in nifty chart



16-august-2024 (10:30am)

W Pattern Case studies in Nifty chart :-



16- August -2024 w pattern case study

W Pattern in Nifty chart :-



W Pattern in Finnifty chart:-

NIFTY 50	BANKNIFTY	FINNIFTY	All indices
25,051.85 41.25 (0.16%)	51,353.45 205.35 (0.40%)	23,565.25 179.05 (0.77%)	<



- Watchlist
- Positions
- Orders
- Depth
- Holdings
- Balance