(Swing Trading Strategy)

Bullish Hammer Reversal + Supertrend

Objective

Catch **trend reversals** after a decline and ride the **new swing uptrend** with controlled risk.

Indicators & Settings

- **Supertrend**: ATR **10**, Multiplier **3**
- **Candlestick**: Hammer
- **Timeframes**:
  - Best: **Daily**
  - Good: **4H**

What You're Seeing in These Charts

1. **Hammer Pattern After Downtrend**

   The price has been falling and then a candle forms with:

   - A **small body near the top**
   - A **long lower shadow**
     That's the classic **hammer** — rejection of lower prices.
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2. **Price at Support / Key Zone**
   Hammer appears near a **support level**, previous swing low, or demand zone — this adds context and increases the probability of reversal.

3. **Break Above Hammer High (Confirmation)**
   After the hammer, the **next candle closes above hammer's high** — a strong confirmation before entry.

How to Use This Pattern on Real Charts

1. **Confirm Downtrend First**
   Price should be below Supertrend and making lower lows.
2. **Find a Hammer Candle**
   A hammer with a long lower wick at a support/demand zone typically signals potential reversal.
3. **Wait for Confirmation**
   - Next candle **closes above the hammer's high**
   - Supertrend flips **from RED → GREEN**
     This gives your entry bias greater reliability.
4. **Place Entry & Risk Levels**
   - **Entry:** Break above hammer high
   - **SL:** Below the lowest point of the hammer
   - **Targets:** Recent swing highs / R:R 1:2 or 1:3
5. **Trail After Target 1**
   Shift stop loss to breakeven or use Supertrend as trailing stop once Target 1 is hit.

4. Supertrend Flip
   Once price closes above Supertrend line and the Supertrend flips from **RED to GREEN**, it confirms the trend shift — ideal for a safer buy.

Entry & Risk-Reward:

- Enter on breakout above hammer high
- Stop Loss below hammer low
- Targets: previous highs / 1:2 or 1:3 R:R