Advanced Level: Chart Magic Simplified with *PU Prime*

Highlights

01 What is candlestick pattern

02 Island Reversal pattern

03 Concealing Baby Swallow

04 Cup & Handle

05 On-neck & In-neck





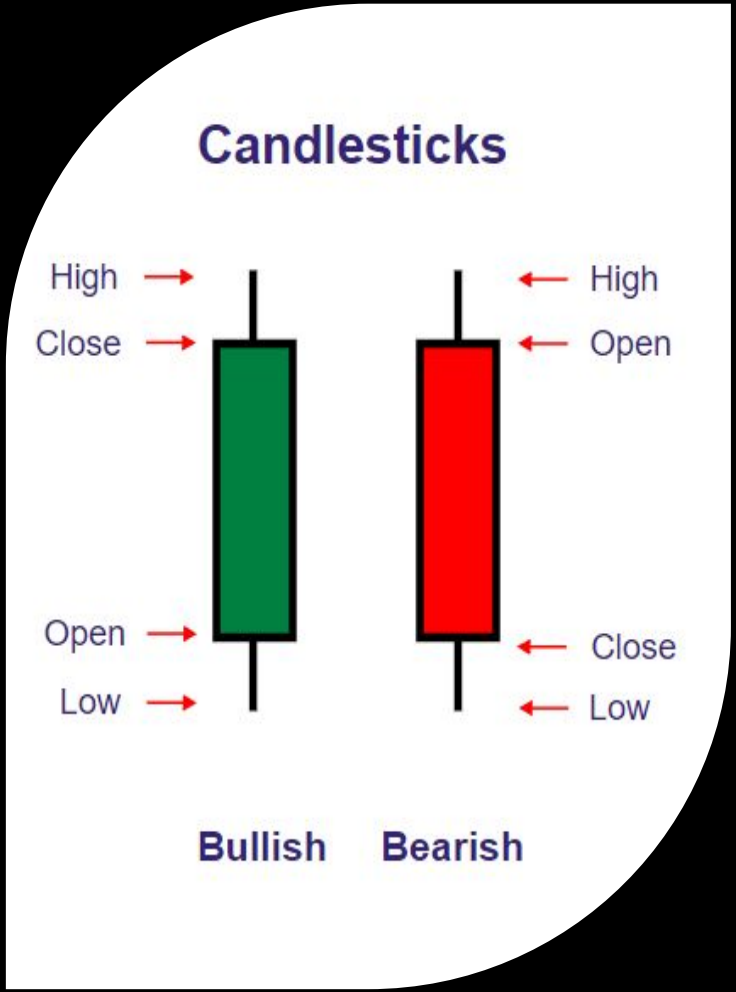


What is Candlestick Pattern

A candlestick pattern is a visual representation of a price movements for an asset class

Each candlestick represent a specific time frame and display four key pieces of information

- Opening price
- Closing price
- Highest price
- Lowest price



Island Reversal Pattern

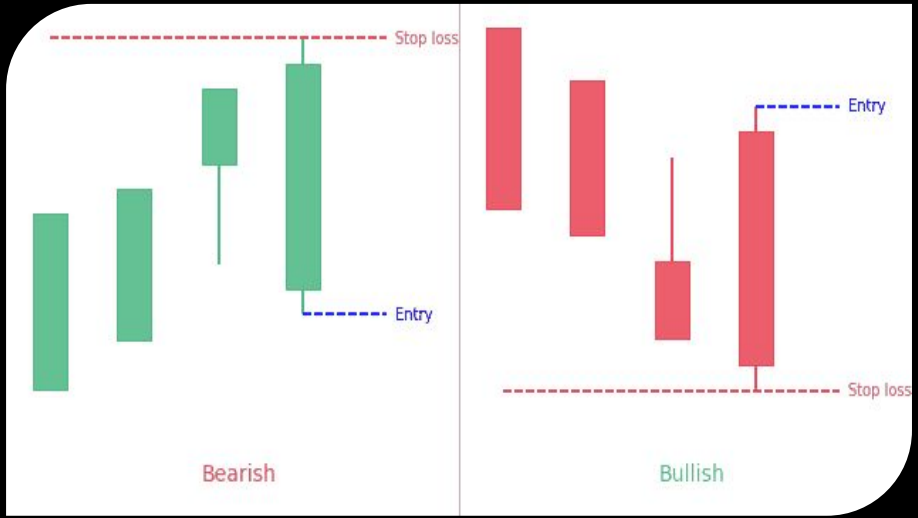
It is a trend reversal signal where a price gap is identified and followed by another gap in the opposite direction leave the candlestick or a group of prices isolated like an island.

- *Gap appear mainly is due to a sudden shift in market sentiment and supply-demand imbalances*



Concealing Baby Swallow

It needed 4 candlestick to formed this price pattern and it is a trend reversal pattern. Very important at the 4th candlestick that have to swallow the gain/loss of the previous session which indicate a shift in momentum of the demand and supply.



Cup and Handle

This price pattern is signalling a continuation of a trend that resemble the shape of a teacup .

The key is to spot a minor pullback after the price drop from the peak and back to the previous high level.

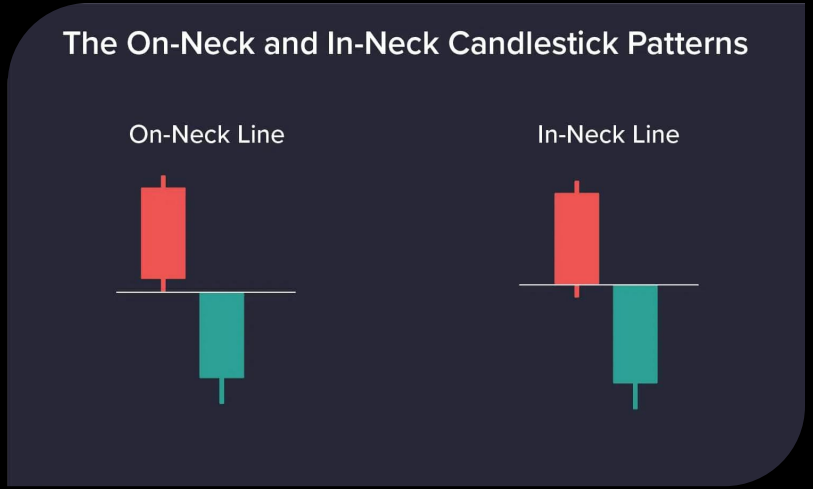
★ Can also observe the trading volume during the rebound and the minor pullback





On-Neck / In-Neck

This is a two-candlestick pattern that forms during a downtrend. The key is to notice the following candlestick attempt to reverse the trend but fails. Suggest the bearish momentum remain control and it is likely the downtrend will continue.



Candlestick vs Resistance and Support levels

- How is the candlestick look like when approaching the Support/Resistance level?
- Is the momentum loss when approaching the S/R level?
- Is the candlestick close above the resistance level or close lower than the support level?
- The trading volume when approaching the level?

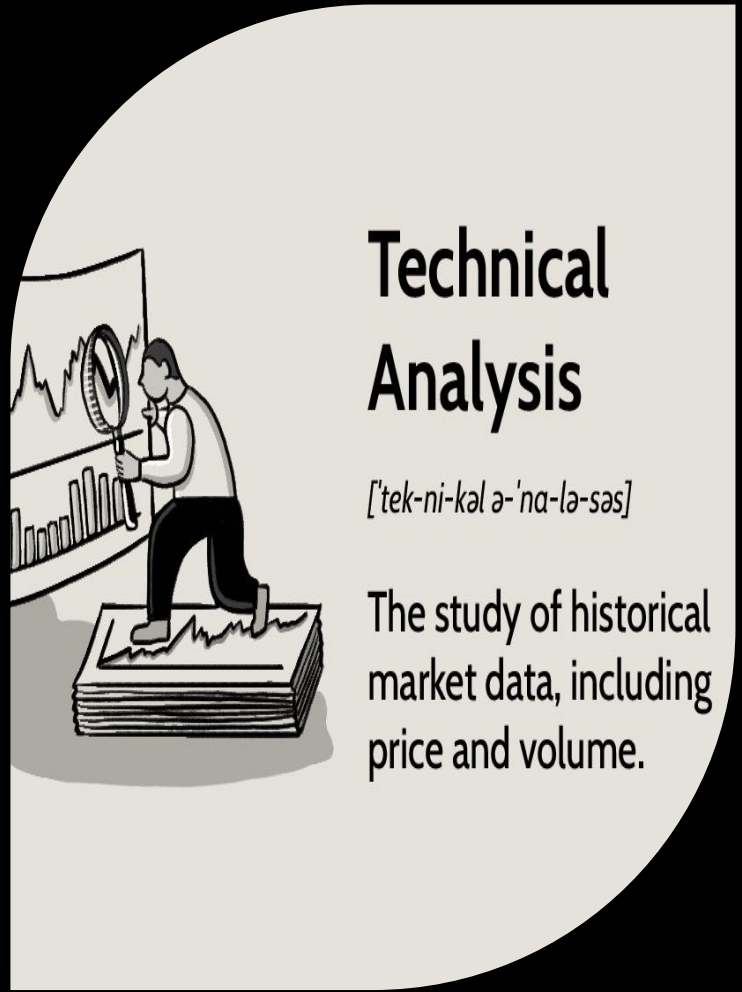


Example


AGAIN PRICE APPROCHING
RESISTANCE WITH HIGH
VOLUME AND WIDE CANDLE
PRICE APPROCHING RESISTANCE WITH
LOW VOLUME AND STRUGGELING TO
FOLLOWTHROUGH ABOVE RESISTANCE
RESISTANCE
VOLUME

Key takeaway

- Each candlestick tell you a story (Opening price, closing price, high & low level)
- Use it with key support and resistance area (not level ?)
- Take in trading volume into consideration as it can tell the momentum of a direction.



Thank You