



GFF  
BROKERS

# A Candlestick Pattern Cheat Sheet

GFF Brokers

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## RISK DISCLAIMER

Transactions in forex, securities futures, commodity and index futures and options on futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract or forex lot, meaning that transactions are heavily "leveraged". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the clearing firm or forex counterparty to maintain your position. For futures trading, if the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit. With forex trading, if the market moves against your position to the extent that you are under the required margins levels, most forex software will automatically liquidate your positions.

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## Introduction

### **Candlestick Patterns: What They Indicate, What They ‘Tend’ to Do, and How Often They Occur**

The interpretation of candlestick patterns can often be more nuanced than it might at first seem. There are certain patterns that may seem highly indicative of a bullish or bearish outcome. You just “know” that the pattern is going to rise or fall. But reality would often betray what seems too likely. And unfortunately, what many candlestick pattern books won’t tell you is the historical odds of certain patterns, and how certain long-standing patterns may have a historical tendency to do the opposite of what they indicate.

So, that’s what we’re going to show you in this cheat sheet.

Here’s a snapshot of thirty patterns. It’s important to understand the format of the presentation:

- **Pattern type** means its “theoretical” directionality--bullish, bearish, or neutral.
- **Historical accuracy** refers to its historical performance. It’s important to note here that in practice, a pattern may go against its theoretical intention. For example, a bullish pattern may, in practice, yield bearish results more often than not, and vice versa. *So, pay attention to this criterion.*
- **Frequency** is pretty straightforward--it’s either low, moderate, or high in terms of its occurrence.

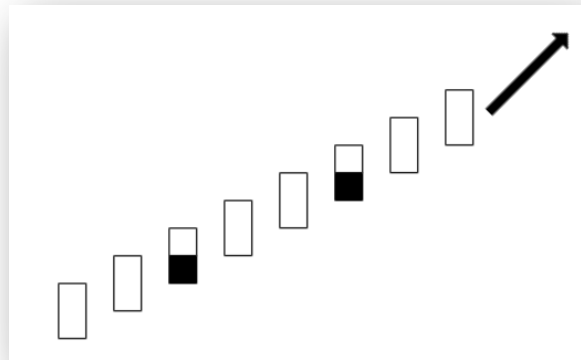
## 8 New Price Lines

**Pattern type:** Bearish reversal

**Historical Accuracy:** *Bullish continuation* 53% of the time

**Frequency:** Moderate

**Note:** This pattern is characterized by a series of higher highs (regardless of the candle's color).



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## 10 New Price Lines

**Pattern type:** Bearish reversal

**Historical Accuracy:** 51%

**Frequency:** Low



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## 12 New Price Lines

**Pattern type:** Bearish reversal

**Historical Accuracy:** *Bullish continuation* 51% of the time

**Frequency:** Extremely Low

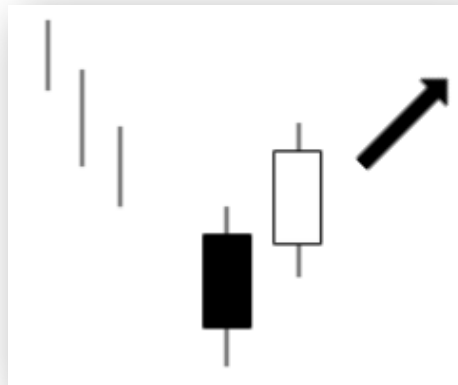


## Above the Stomach

**Pattern type:** Bullish reversal

**Historical Accuracy:** 66%

**Frequency:** High



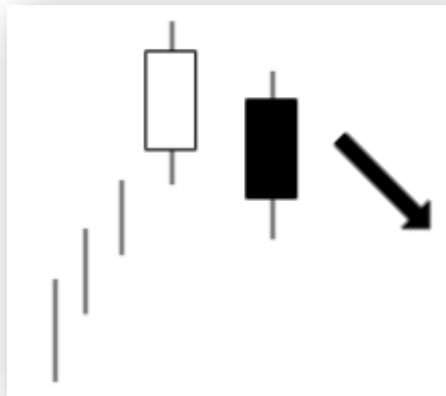
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## Below the Stomach

**Pattern type:** Bearish reversal

**Historical Accuracy:** 60%

**Frequency:** Moderate



## Belt Hold Bearish

**Pattern type:** Bearish reversal

**Historical Accuracy:** 68%

**Frequency:** Low



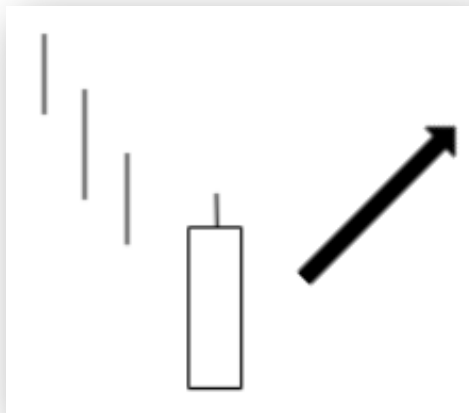
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## Belt Hold Bullish

**Pattern type:** Bullish reversal

**Historical Accuracy:** 71%

**Frequency:** High



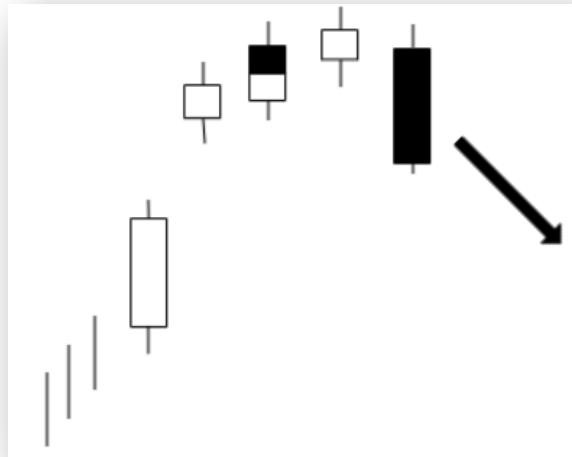


## Breakaway - Bearish

**Pattern type:** Bearish reversal

**Historical Accuracy:** 63%

**Frequency:** Rare



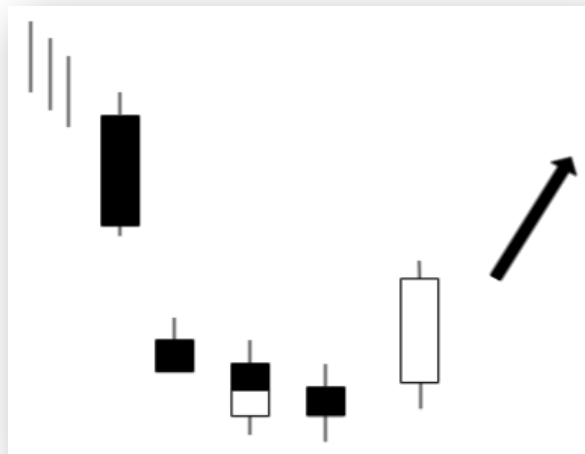
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## Breakaway - Bullish

**Pattern type:** Bullish reversal

**Historical Accuracy:** 59%

**Frequency:** Extremely Low

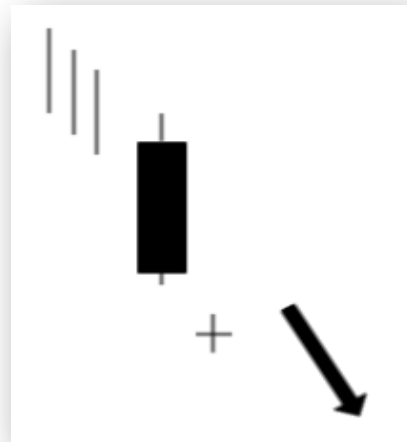


## Doji Star - Bullish

**Pattern type:** Bullish reversal

**Historical Accuracy:** Bearish continuation 64% of the time

**Frequency:** Moderate



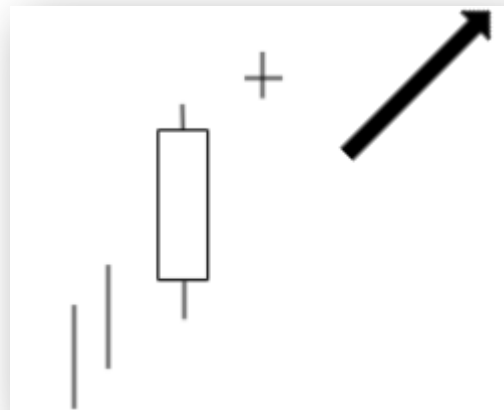
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## Doji Star - Bearish

**Pattern type:** Bearish reversal

**Historical Accuracy:** Bullish continuation 69% of the time

**Frequency:** Moderate

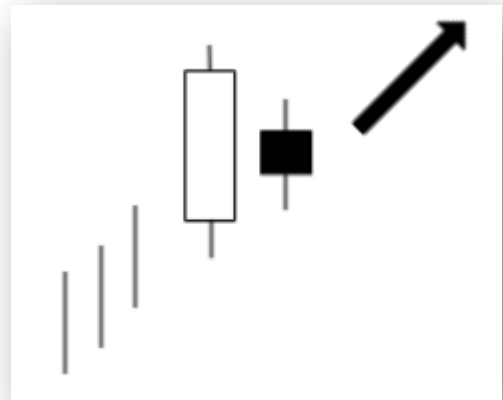


## Harami - Bearish

**Pattern type:** Bearish reversal

**Historical Accuracy:** Bullish continuation 53% of the time

**Frequency:** High



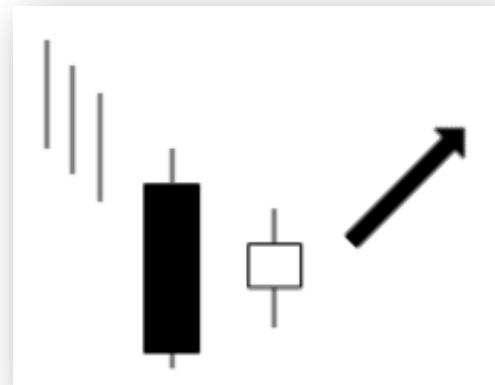
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## Harami - Bullish

**Pattern type:** Bullish reversal

**Historical Accuracy:** 53%

**Frequency:** High

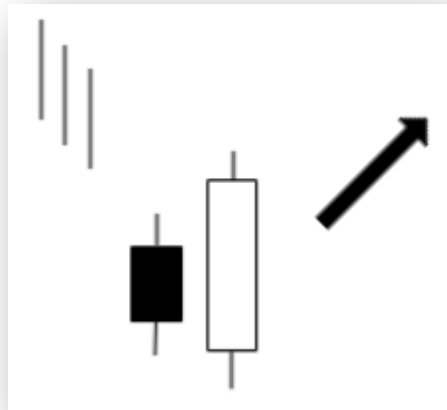


## Engulfing - Bullish

**Pattern type:** Bullish reversal

**Historical Accuracy:** 63%

**Frequency:** High



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## Engulfing - Bearish

**Pattern type:** Bearish reversal

**Historical Accuracy:** 79%

**Frequency:** High

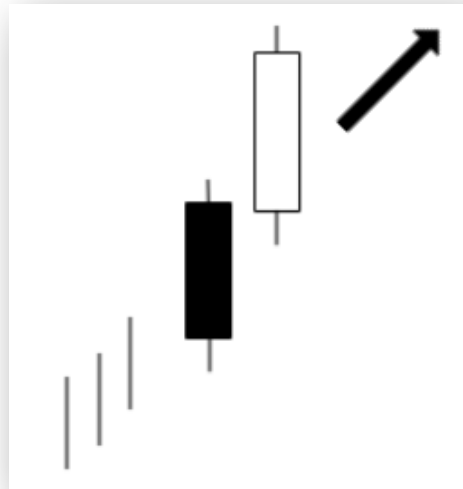


## Separating Lines - Bullish

**Pattern type:** Bullish continuation

**Historical Accuracy:** 72%

**Frequency:** Low



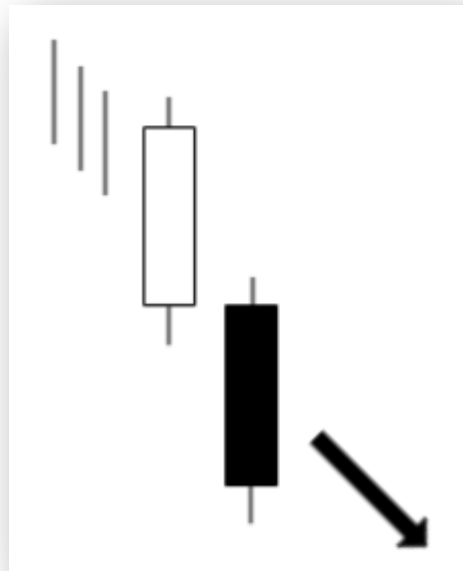
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## Separating Lines - Bearish

**Pattern type:** Bearish continuation

**Historical Accuracy:** 63%

**Frequency:** Low

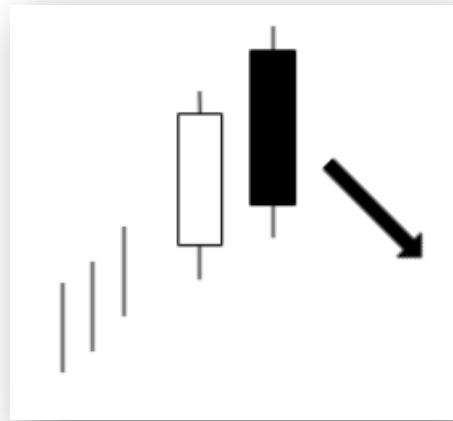


## Dark Cloud Cover

**Pattern type:** Bearish reversal

**Historical Accuracy:** 60%

**Frequency:** Moderate



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## Deliberation

**Pattern type:** Bearish reversal

**Historical Accuracy:** Bullish continuation 77% of the time

**Frequency:** Moderate



## Doji - Dragonfly

**Pattern type:** Bullish reversal in a decline; otherwise it signals indecision

**Historical Accuracy:** Reversal 50% of the time

**Frequency:** Moderate



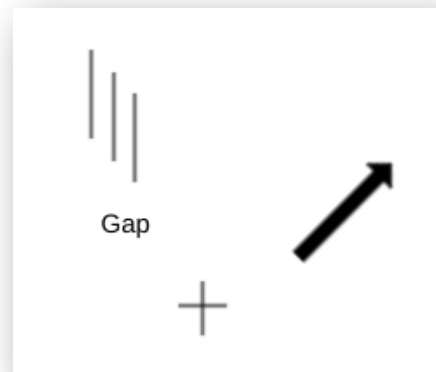
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## Doji - Gap Down

**Pattern type:** Bearish continuation

**Historical Accuracy:** Bullish reversal 56% of the time

**Frequency:** Moderate



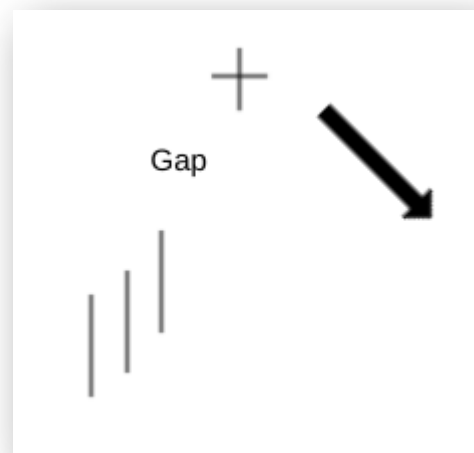
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## Doji - Gap Up

**Pattern type:** Bullish continuation

**Historical Accuracy:** Bearish reversal 57% of the time

**Frequency:** Moderate

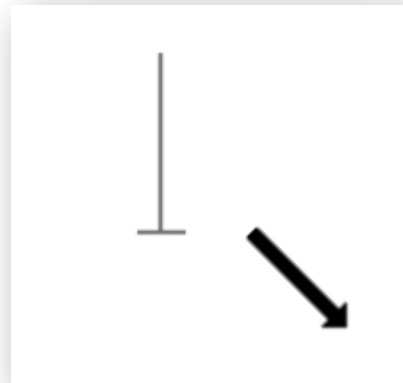


## Doji - Gravestone

**Pattern type:** Bearish if trend is up, otherwise it signals indecisions

**Historical Accuracy:** Bearish reversal 51% of the time

**Frequency:** Moderate



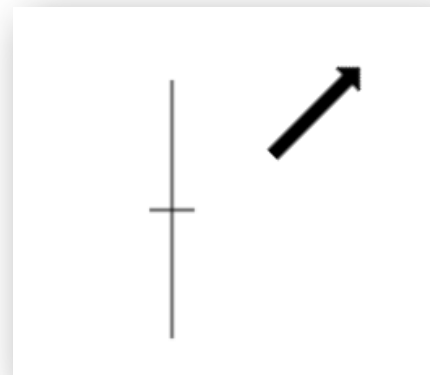
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## Doji - Long Legged

**Pattern type:** Indecision

**Historical Accuracy:** Bullish continuation 51% of the time

**Frequency:** Moderate



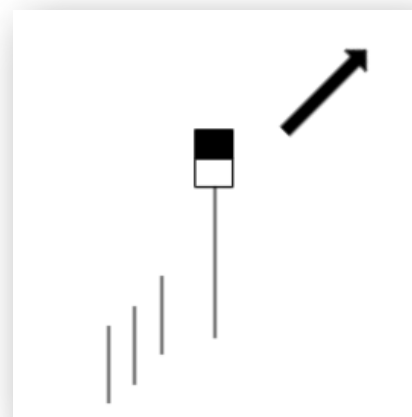
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## Hanging Man

**Pattern type:** Bearish reversal

**Historical Accuracy:** Bullish continuation 59% of the time

**Frequency:** High



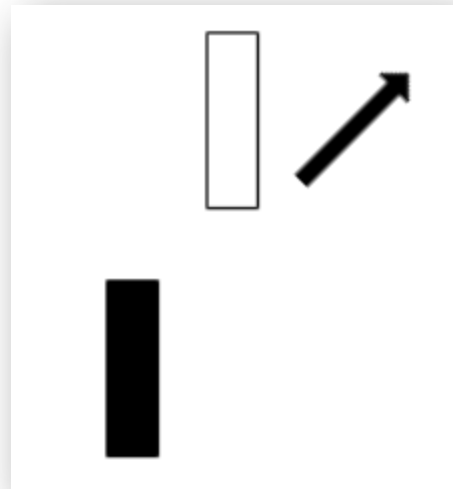


## Kicking - Bullish

**Pattern type:** Bullish reversal

**Historical Accuracy:** 53%

**Frequency:** Rare



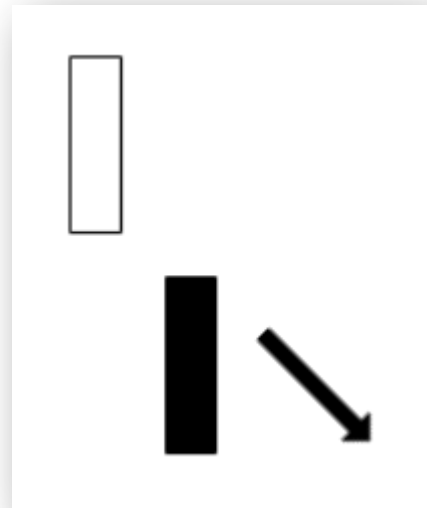
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## Kicking - Bearish

**Pattern type:** Bearish reversal

**Historical Accuracy:** 54%

**Frequency:** Rare

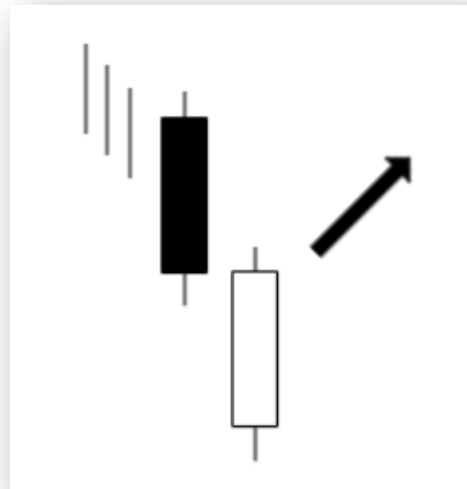


## Meeting Lines - Bullish

**Pattern type:** Bullish reversal

**Historical Accuracy:** 56%

**Frequency:** Low



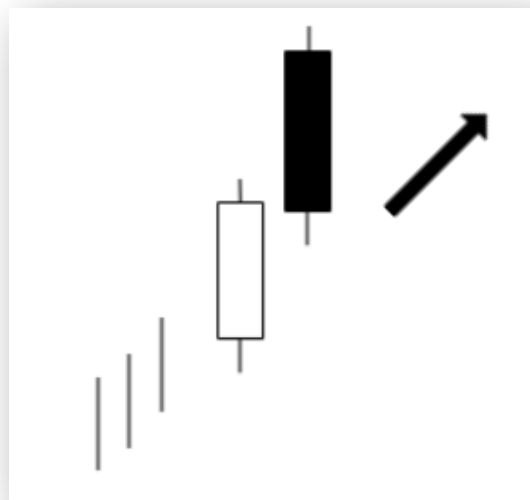
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## Meeting Lines - Bearish

**Pattern type:** Bearish reversal

**Historical Accuracy:** Bullish continuation  
51% of the time

**Frequency:** Low

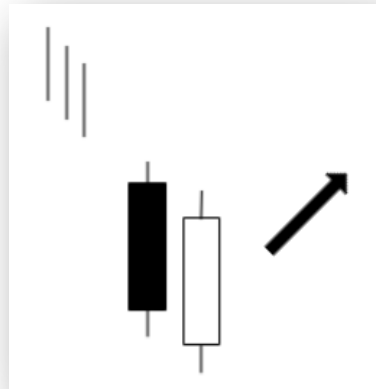


## Piercing Pattern

**Pattern type:** Bullish reversal

**Historical Accuracy:** 64%

**Frequency:** Moderate



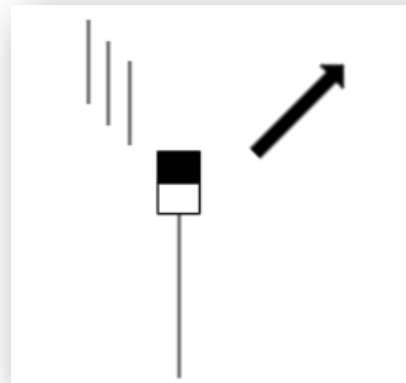
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## Takuri Line

**Pattern type:** Bullish reversal

**Historical Accuracy:** 66%

**Frequency:** High



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## Three Black Crows

**Pattern type:** Bearish reversal

**Historical Accuracy:** 78%

**Frequency:** Moderate

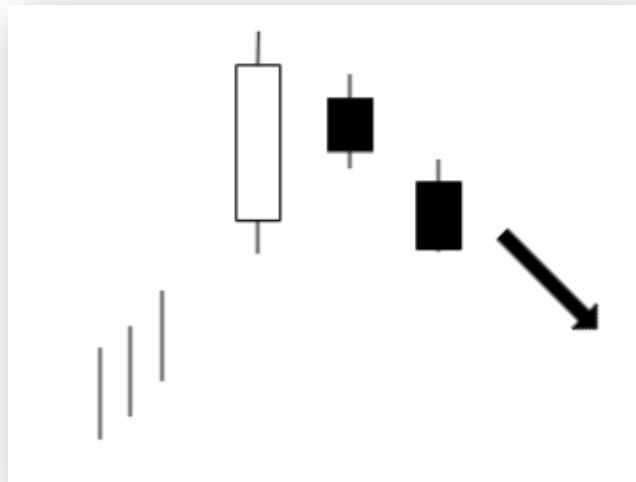


## Three Inside Down

**Pattern type:** Bearish reversal

**Historical Accuracy:** 60%

**Frequency:** High



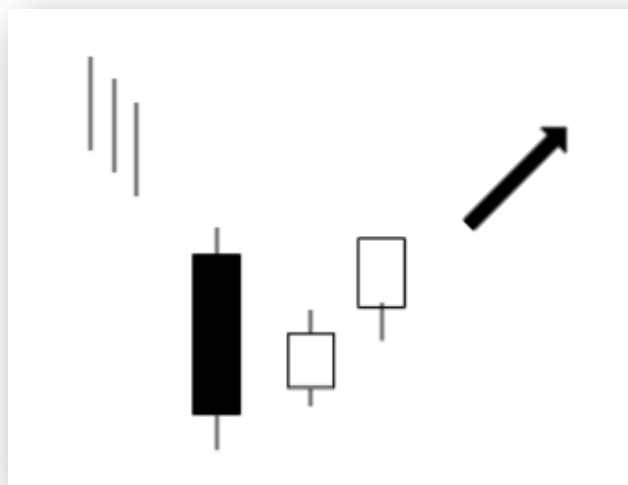
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## Three Inside Up

**Pattern type:** Bullish reversal

**Historical Accuracy:** 65%

**Frequency:** High



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