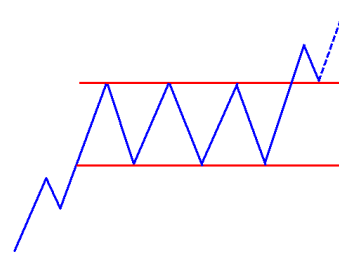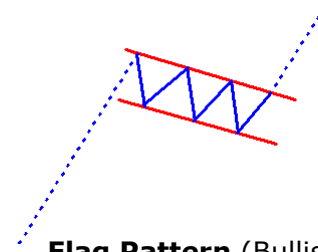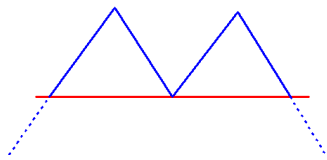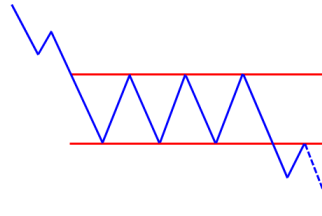**Double Bottom Pattern** (Bullish)
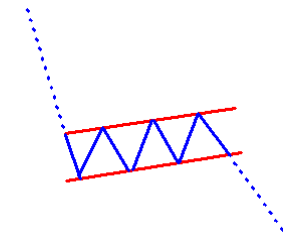
Rectangle/Box Pattern (Bullish)
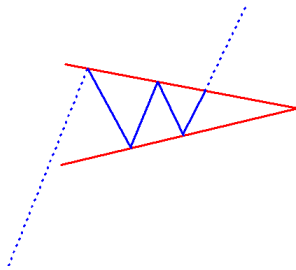
Flag Pattern (Bullish)
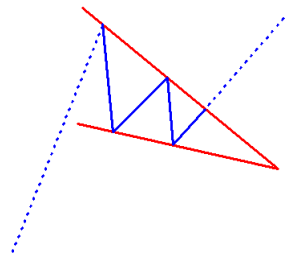
Double Top Pattern (Bearish)

Rectangle Box Pattern (Bearish)

Flag Pattern (Bearish)

Pennant Pattern (Bullish)

Wedge Pattern (Bullish)
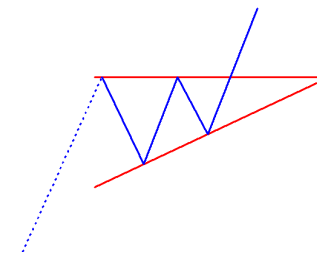
Ascending Triangle (Bullish)
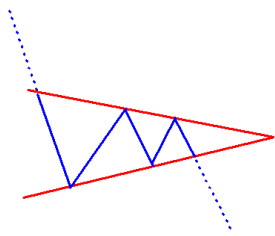
Pennant Pattern (Bearish)
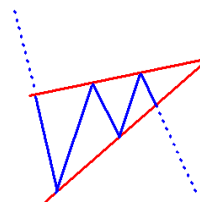
Wedge Pattern (Bearish)
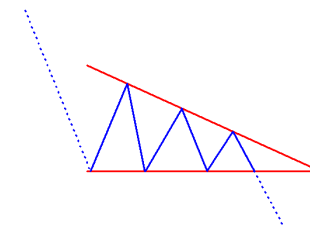
Descending Triangle (Bearish)

DOUBLE BOTTOM CHART PATTERN (BULLISH)
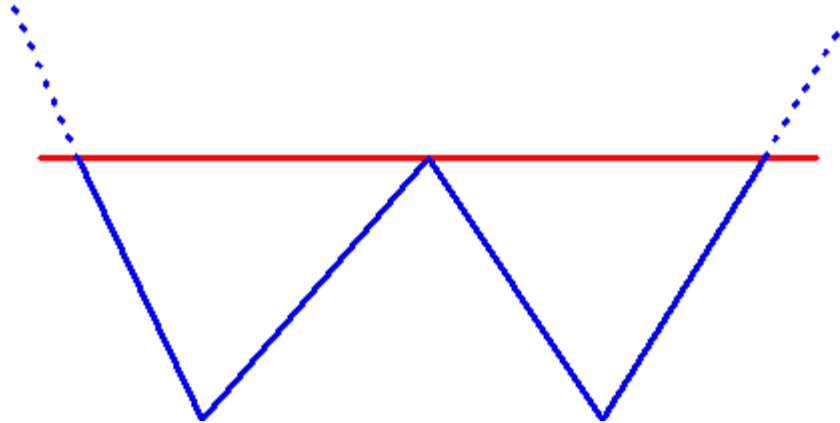
- A double bottom takes place when prices form two definite lows on a chart.
- A double bottom is only complete, however, when prices rise above the highest high.
- Volume in a double top is often higher on the left top than the right.
- Volume tends to be downward as the pattern forms.
- Volume does, however, increase as the pattern hits its high. Volume picks up all over again when the pattern completes, breaking through the confirmation level.

DOUBLE TOP CHART PATTERN (BEARISH)
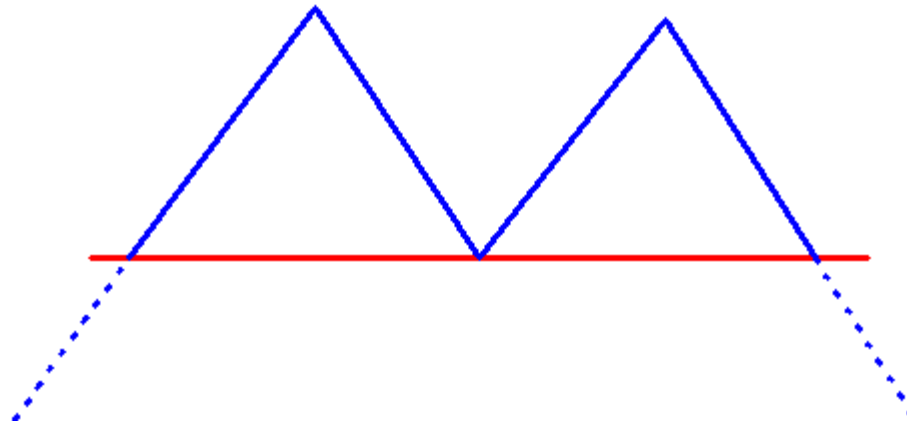
- A double top takes place when prices form two definite peaks on a chart.
- A double top is only complete, however, when prices decline below the lowest low.
- Volume in a double bottom is often higher on the left bottom than the right.
- Volume tends to be downward as the pattern forms.
- Volume does, however, increase as the pattern hits its low. Volume picks up all over again when the pattern completes, breaking through the confirmation level.

RECTANGLE / BOX PATTERN (BULLISH)
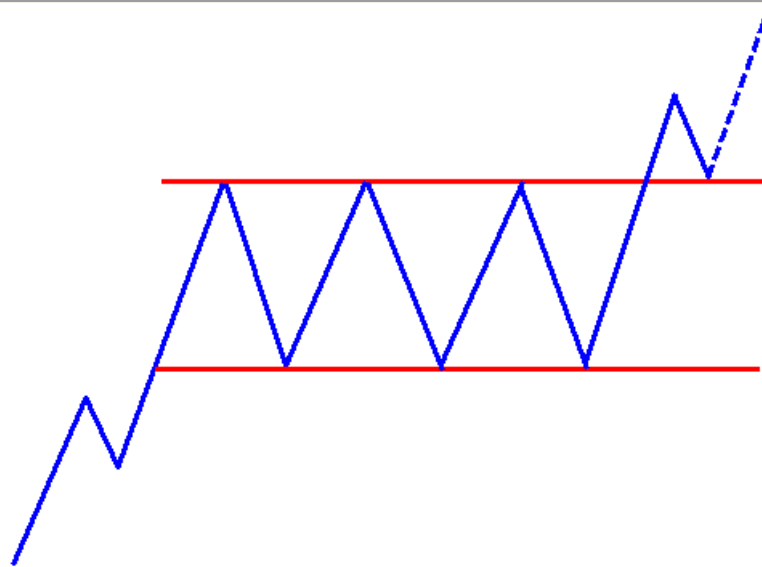
- Rectangles or box plays should generally be traded as continuation patterns.
- They are indecision areas that are usually resolved in the direction of the trend.
- Supply and demand seems evenly balanced at the moment. Buyers and sellers also seem equally matched.
- The same 'highs' are constantly tested as are the same 'lows'. The market vacillates between two clearly set parameters.
- While volume doesn't seem to suffer like it does in other patterns, there usually is a lessening of activity within the pattern. But like the others, volume should noticeably increase on the breakout.

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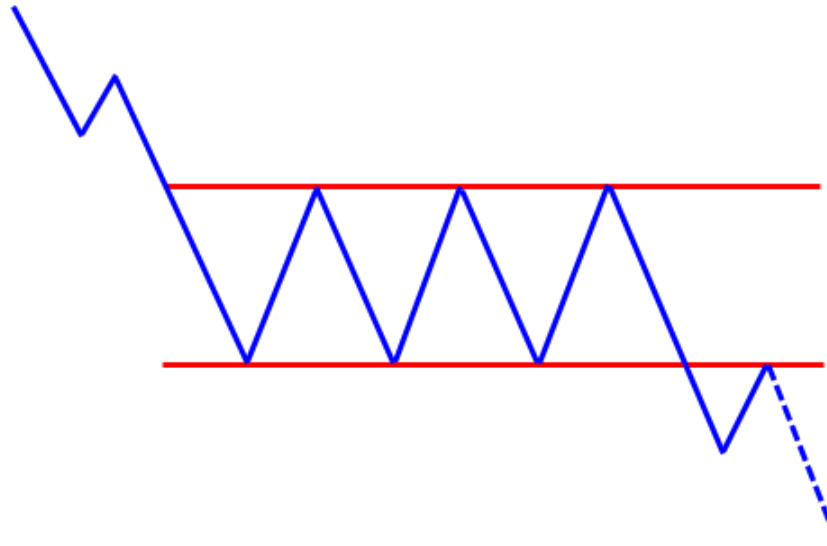- They are indecision areas that are usually resolved in the direction of the trend.
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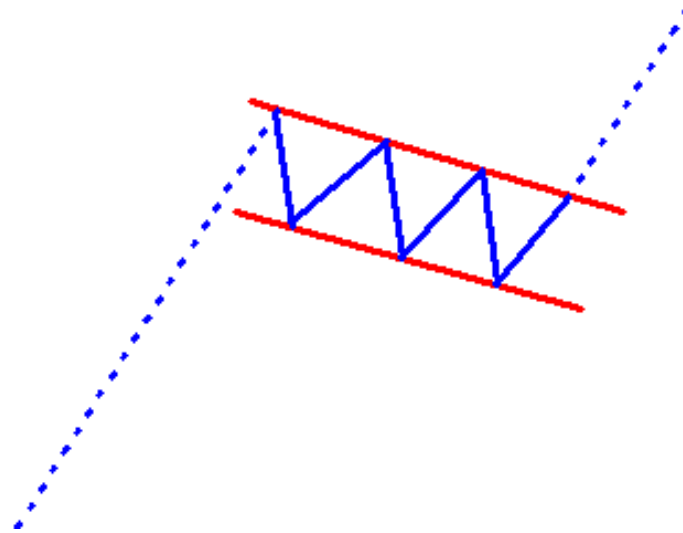
FLAG CHART PATTERN (BULLISH)

- Bullish flags are small continuance patterns that correspond to short pauses within a previous existing uptrend.
- They look flat or trade with a minor <u>downward</u> slope and typically take place in the middle of a substantial rally or the instant after a market has broken out of a basing period.
- Whether a bullish flag pattern forms during a significant rally or after breaking out of a consolidation period, the expected price action upon breakout is approximately equal to the earlier move into the flag.

FLAG CHART PATTERN (BEARISH)
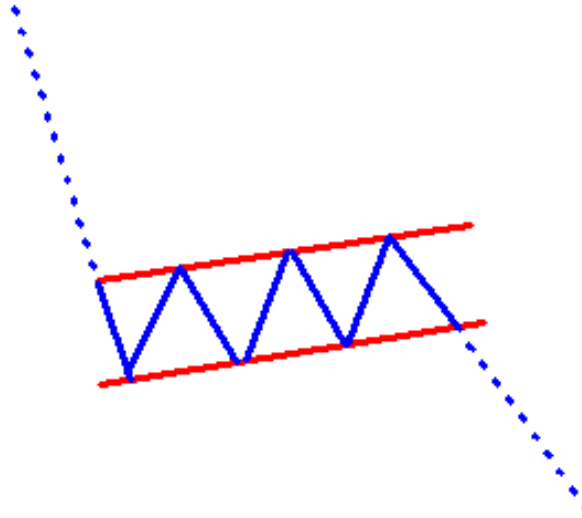
- Bearish flags are little continuation patterns that symbolize short pauses within an already existing downtrend.
- They look flat or trade with a slight upward slope and take place in the center of a large drop or immediately after a stock has broken down from a considerable rally.
- Whether a bearish flag pattern forms during a large fall or after breaking down from a distribution period, the projected price movement upon breakout is approximately equal to the preceding move into the flag.

SYMMETRICAL TRIANGLE CHART PATTERN (BULLISH)
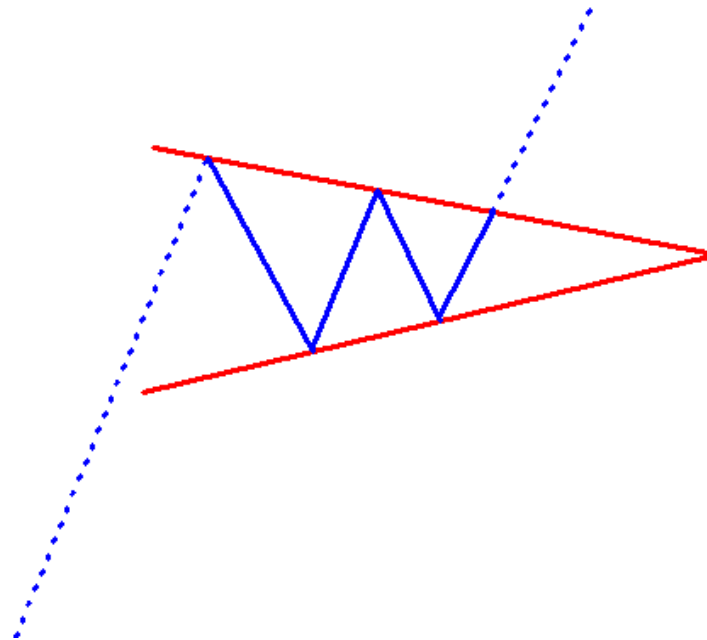
- Bullish symmetrical triangles appear as a string of higher lows & lower highs as the forces of supply & demand are nearly equal. Each rally is seen as a selling chance while each dip is met with buying.
- The pattern is typically big and takes several hours or even days to form whereas *a Bullish Pennant forms over much shorter span of time* (i.e., a few minutes to an hour two)
- A market seems to gain energy as it is squeezed together into the triangle. Then, seemingly without warning, the market explodes out of the pattern.
- Bullish symmetrical triangles appear in up trends and in general resolve themselves to the upside. Breakouts to the upside must include a considerable increase in volume to confirm the breakout.

ASCENTING TRIANGLE CHART PATTERN (BULLISH)
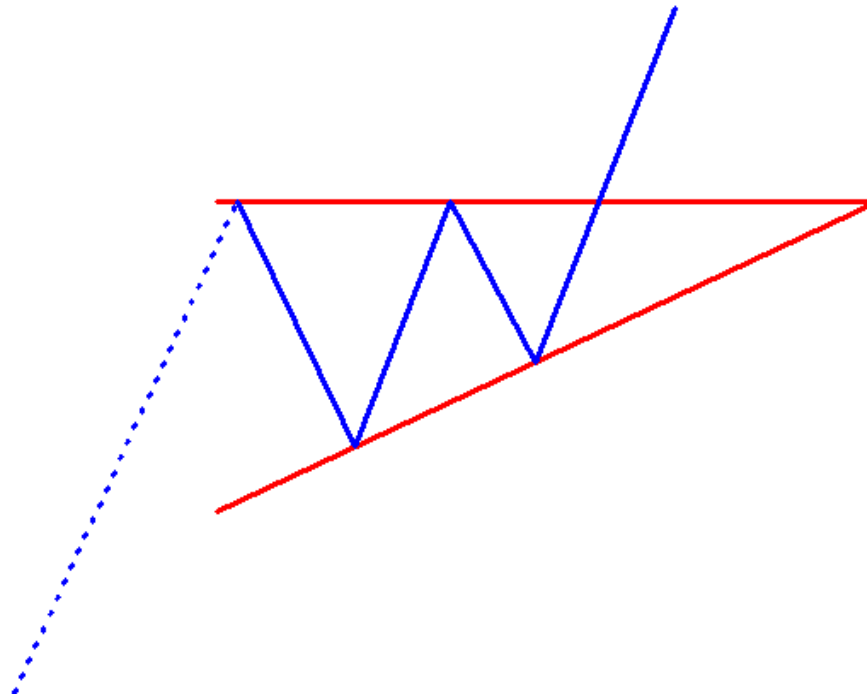
- Ascending triangles develop in uptrends and are characterized by a sequence of higher lows <u>but the same highs</u>. They have a clear-cut bullish prejudice
- Bears have lost the capacity to take the market back down to the preceding low while the bulls are able to take the market back to the preceding high.
- Breakouts should be accompanied by a large increase in volume. Failure to achieve this does not make the breakout null, but a red flag is raised as the pattern gets less reliable.

DESCENDING TRIANGLE STOCK CHART PATTERN (BEARISH)
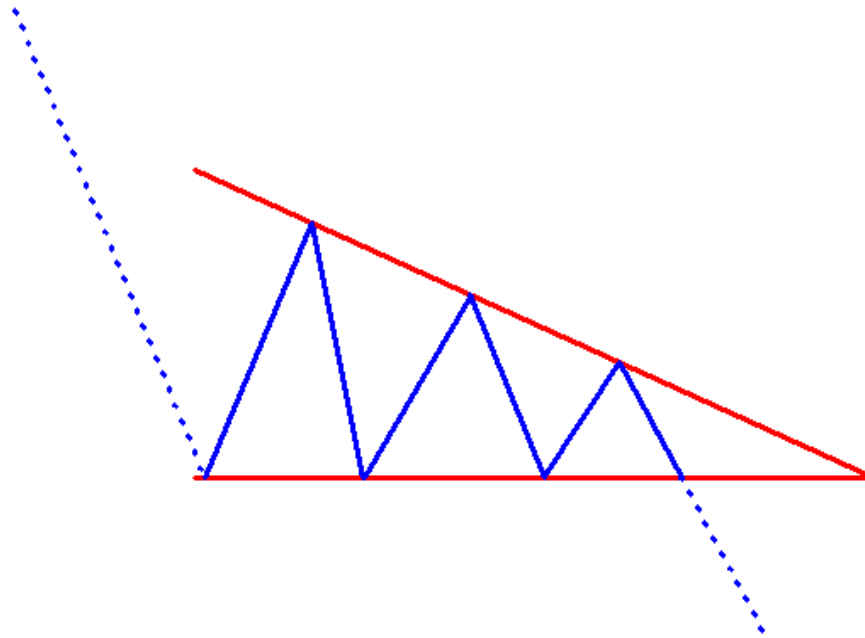
- Descending triangles develop in downtrends and are characterized by a sequence of lower highs <u>but the same lows</u>. They have a definite bearish prejudice.
- Bulls have lost the capacity to take the market back up to the preceding high while the bears are able to take the market back to the preceding low.
- The top downside breaks occur on typical volume followed by the market drifting lower for a few bars. Volume then picks up as traders throw in the towel, and the market falls.

- Pennants are tiny continuance patterns that stand for short pauses within an already existing trend. They are characterized by converging trend lines and have a definite bullish or bearish partiality depending on the overall trend.
- Bullish pennants on take shape in the center of large rallies or the moment after a market has broken out of a basing/sideways period.
- Bullish breakouts should be accompanied by a substantial increase in volume
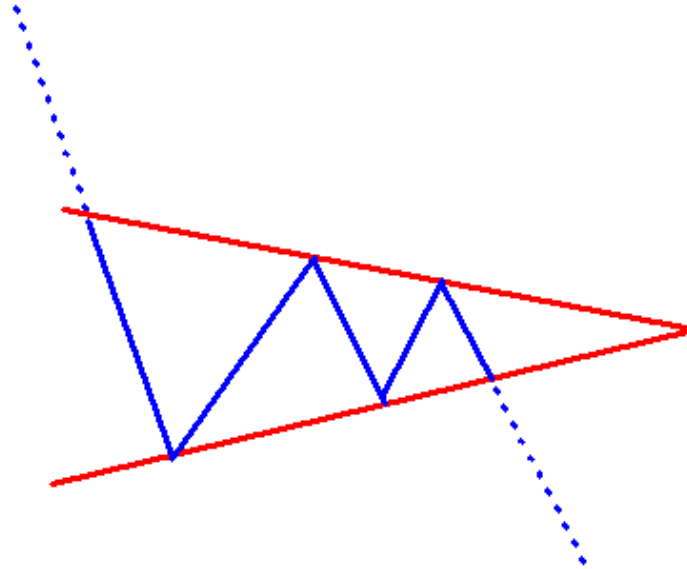
PENNANT CHART PATTERNS (BEARISH)

- Pennants are small continuance patterns that stand for brief pauses within an already existing trend. They are illustrated by converging trend lines and have a definite bullish or bearish partiality depending on the overall trend.
- Bearish pennants take shape in the center of significant drops or the moment after a market has broken down from a significant rally.
- Downside breaks do not have the similar volume requirement as their bullish counterparts. Like other bearish breaks, there often is a delayed volume increase.

WEDGE CHART PATTERN (BULLISH)
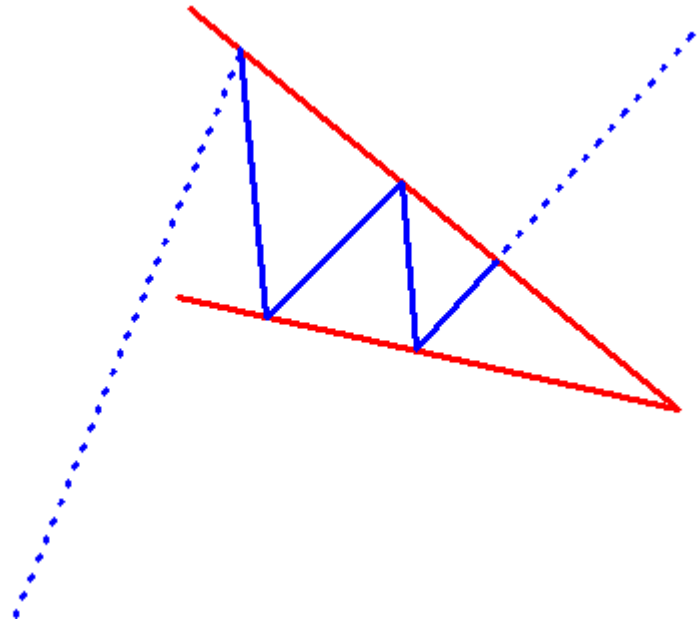
- Bullish wedges characterize short-lived pauses within a previously existing uptrend.

- They are characterized by converging trend lines and have a clear-cut bullish partiality.

- They are similar to bullish pennants with the exception of where pennants are generally flat, wedges have a definite slant <u>against</u> the overall trend.

- Bullish wedges, in general, appear in the center of a large rally or the moment after a market has broken out of a basing period.

- Bullish breakouts should be accompanied by a significant increase in volume with correct stops used if this is not seen.

WEDGE STOCK CHART PATTERN (BEARISH)
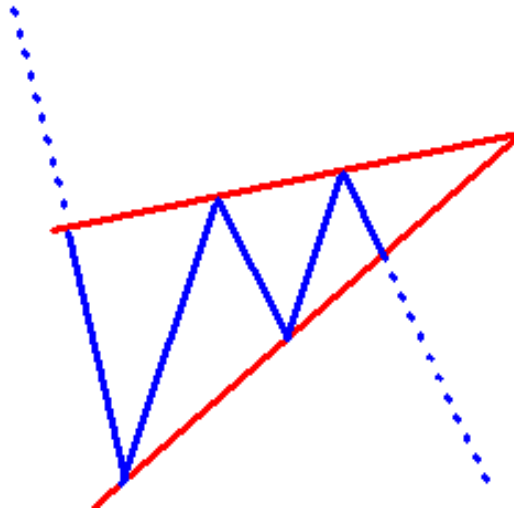
- Bearish wedges are tiny continuance patterns that correspond to temporary pauses within an already existing downtrend.
- They are illustrated by converging trend lines and have a clear-cut bearish bias.
- They are similar to bearish pennants with the exception of where pennants are generally flat, wedges have a definite slant <u>against</u> the preceding trend.
- Downside breaks do not have the similar volume requirement as their bullish counterparts. Like other bearish breaks, there often is a late volume increase.
- The projected price movement upon breakout is just about equal to the distance of the move into the pattern.