

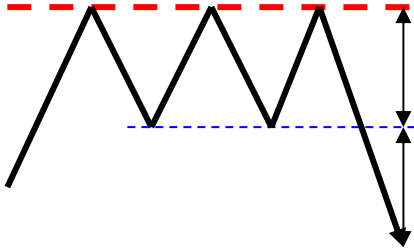
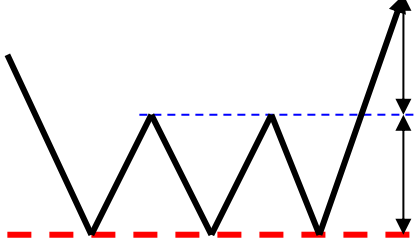
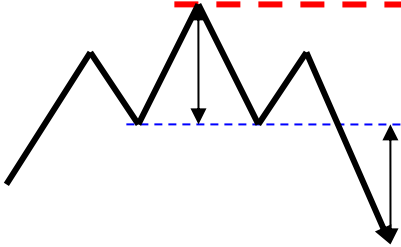
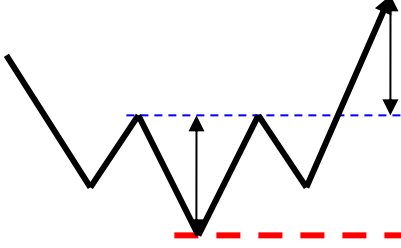
PATTERN STAGES AND TYPES

<p>Four Stages to a Pattern</p> <ol style="list-style-type: none"> 1. Trend 2. Pattern 3. Breakout 4. Trend 	<p>Pattern</p> <p>Trend</p> <p>Breakout</p> <p>Trend</p>	<p>Trend</p> <p>Breakout</p> <p>Trend</p> <p>Pattern</p>
<p>Two Types of Pattern</p> <ol style="list-style-type: none"> 1. Reversal 2. Continuation 	<p>Reversal Pattern</p> <p>Uptrend</p> <p>Downtrend</p>	<p>Uptrend</p> <p>Continuation Pattern</p> <p>Uptrend</p>

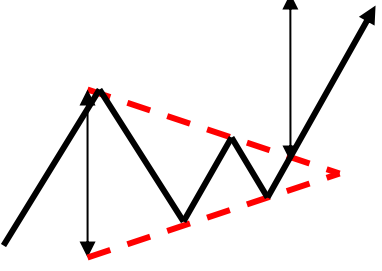
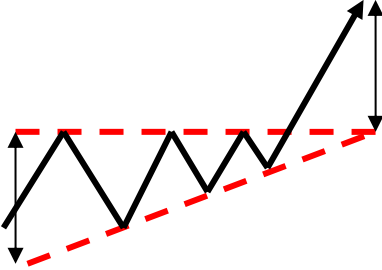
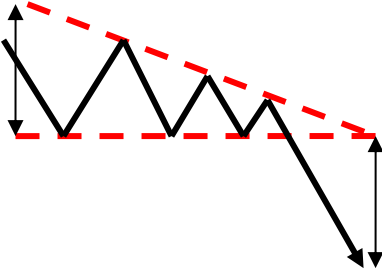
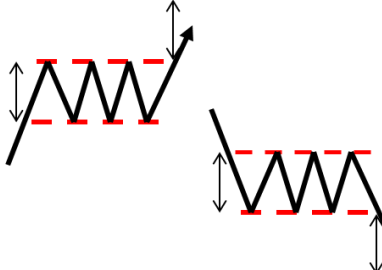
REVERSAL PATTERNS

NAME	DESCRIPTION	DIAGRAM
<p>DOUBLE TOP</p>	<ul style="list-style-type: none"> • A reversal pattern at the top of an uptrend. • Price forms two swing highs at approximately the same price level. • The pattern is confirmed on a break of the intermediate swing low. 	
<p>DOUBLE BOTTOM</p>	<ul style="list-style-type: none"> • A reversal pattern at the bottom of a downtrend. • Price forms two swing lows at approximately the same price level. • The pattern is confirmed on a break of the intermediate swing high. 	

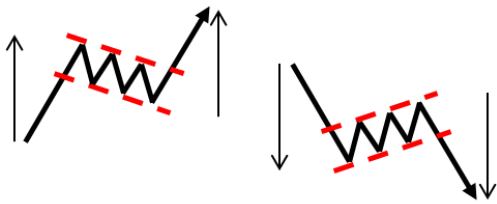
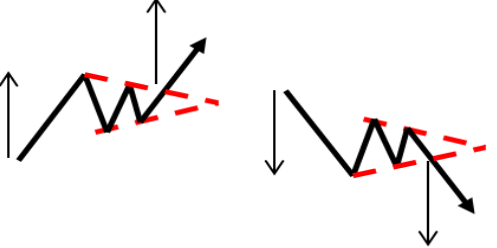
REVERSAL PATTERNS

NAME	DESCRIPTION	DIAGRAM
<p>TRIPLE TOP</p>	<ul style="list-style-type: none"> • A reversal pattern at the top of an uptrend. • Price forms three swing highs at approximately the same price level. • The pattern is confirmed on a break of the lowest of the intermediate swing lows. 	
<p>TRIPLE BOTTOM</p>	<ul style="list-style-type: none"> • A reversal pattern at the bottom of a downtrend. • Price forms three swing lows at approximately the same price level. • The pattern is confirmed on a break of the highest of the intermediate swing highs. 	
<p>HEAD AND SHOULDERS</p>	<ul style="list-style-type: none"> • A reversal pattern at the top of an uptrend. • Price forms a swing high, a higher swing high, and a lower swing high. • The pattern is confirmed on a break of the neckline – the line joining the intermediate swing lows. 	
<p>INVERTED HEAD AND SHOULDERS</p>	<ul style="list-style-type: none"> • A reversal pattern at the bottom of a downtrend. • Price forms a swing low, a lower swing low, and a higher swing low. • The pattern is confirmed on a break of the neckline – the line joining the intermediate swing highs. 	

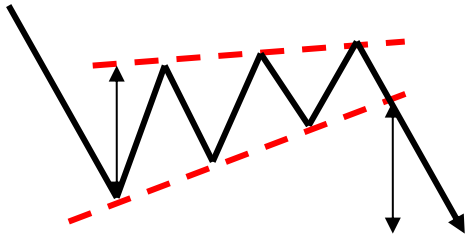
CONTINUATION PATTERNS

NAME	DESCRIPTION	DIAGRAM
SYMMETRICAL TRIANGLE	<ul style="list-style-type: none"> • A continuation pattern. • Price contracts with lower swing highs (falling trendline) and higher swing lows (rising trendline) towards a single point. • The pattern is confirmed on a break of the triangle, usually occurring in the final third of the pattern. 	
ASCENDING TRIANGLE	<ul style="list-style-type: none"> • A continuation pattern. • Price contracts with level swing highs (short-term resistance) and higher swing lows (rising trendline) towards a single point. • The pattern is confirmed on a break of short-term resistance, usually occurring in the final third of the pattern. 	
DESCENDING TRIANGLE	<ul style="list-style-type: none"> • A continuation pattern. • Price contracts with lower swing highs (falling trendline) and level swing lows (short-term support) towards a single point. • The pattern is confirmed on a break of short-term support, usually occurring in the final third of the pattern. 	
RECTANGLE	<ul style="list-style-type: none"> • A continuation pattern. • Price forms a short-term range with level swing highs forming short-term resistance and level swing lows forming short-term support. • The pattern is confirmed on a break of the pattern in the continuation direction. 	

CONTINUATION PATTERNS

NAME	DESCRIPTION	DIAGRAM
<p>FLAG</p>	<ul style="list-style-type: none"> • A continuation pattern. • Price forms a short-term consolidation, tilted against the direction of the market trend, between approximately parallel sloping support & resistance. • The pattern is confirmed on a break of the pattern in the continuation direction. 	
<p>PENNANT</p>	<ul style="list-style-type: none"> • A continuation pattern. • Price forms a short-term symmetrical triangle pattern (smaller scale than the usual symmetrical triangle). • The pattern is confirmed on a break of the pennant in the continuation direction. 	

REVERSAL OR CONTINUATION PATTERNS

NAME	DESCRIPTION	DIAGRAM
<p>RISING WEDGE</p>	<ul style="list-style-type: none"> • A continuation or reversal pattern. • Price forms higher swing highs and higher swing lows which both converge towards one point. • The pattern is confirmed on a break of the lower trendline of the pattern. 	
<p>FALLING WEDGE</p>	<ul style="list-style-type: none"> • A continuation or reversal pattern. • Price forms lower swing highs and lower swing lows which both converge towards one point. • The pattern is confirmed on a break of the upper trendline of the pattern. 	