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November 3, 2022

Candlestick Forum

Uncovering Strong Reversal Signals Using Candlestick Analysis

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Founder & Managing Director
Candlestick Forum

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Uncovering Strong reversals With candlestick signals and patterns

www.candlestickforum.com

www.stephenbigalow.com



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Charts provided by CQG and Metastock

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The Major Candlestick Signals

- Doji
- Bullish & Bearish Engulfing Signals
- Hammer
- Hanging Man
- Piercing Pattern
- Dark Cloud
- Bullish Harami
- Bearish Harami
- Morning & Evening Stars
- Kicker Signals
- Shooting Star
- Inverted Hammer

Metastock Scans

12 Major signals

50 -60 signals

Doji Signals

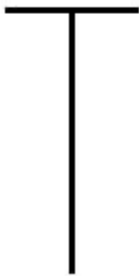
Doji Star



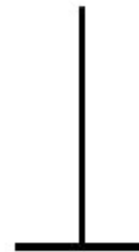
Long-legged Doji



Dragonfly Doji



Gravestone Doji



Simple Doji rule

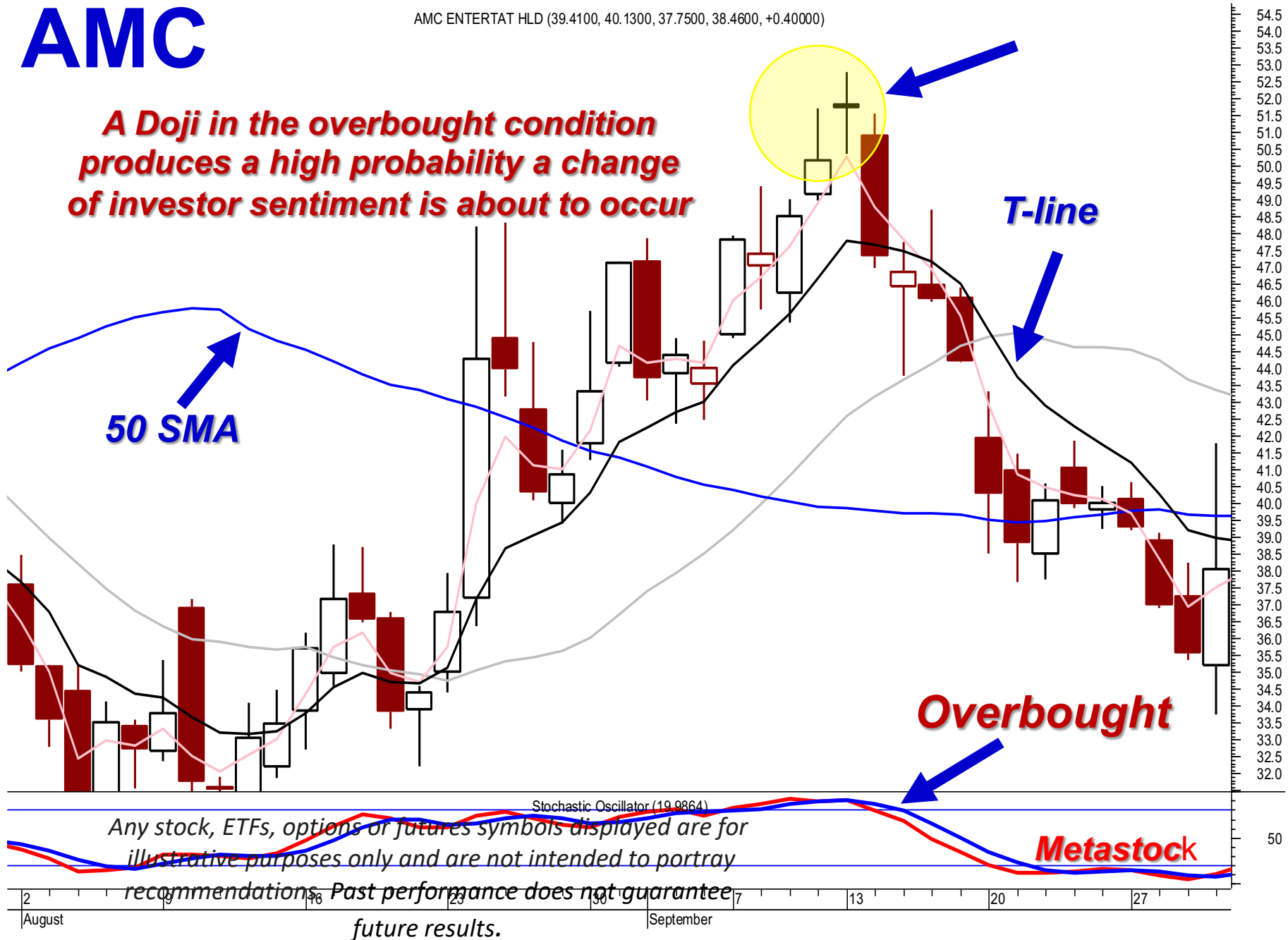
DOJI RULE

The price/trend will usually move in the direction of how the price opens after the doji

AMC

AMC ENTERTAT HLD (39.4100, 40.1300, 37.7500, 38.4600, +0.40000)

A Doji in the overbought condition produces a high probability a change of investor sentiment is about to occur



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recommendations. Past performance does not guarantee

future results.

Metastock

CANDLESTICK

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• T-line

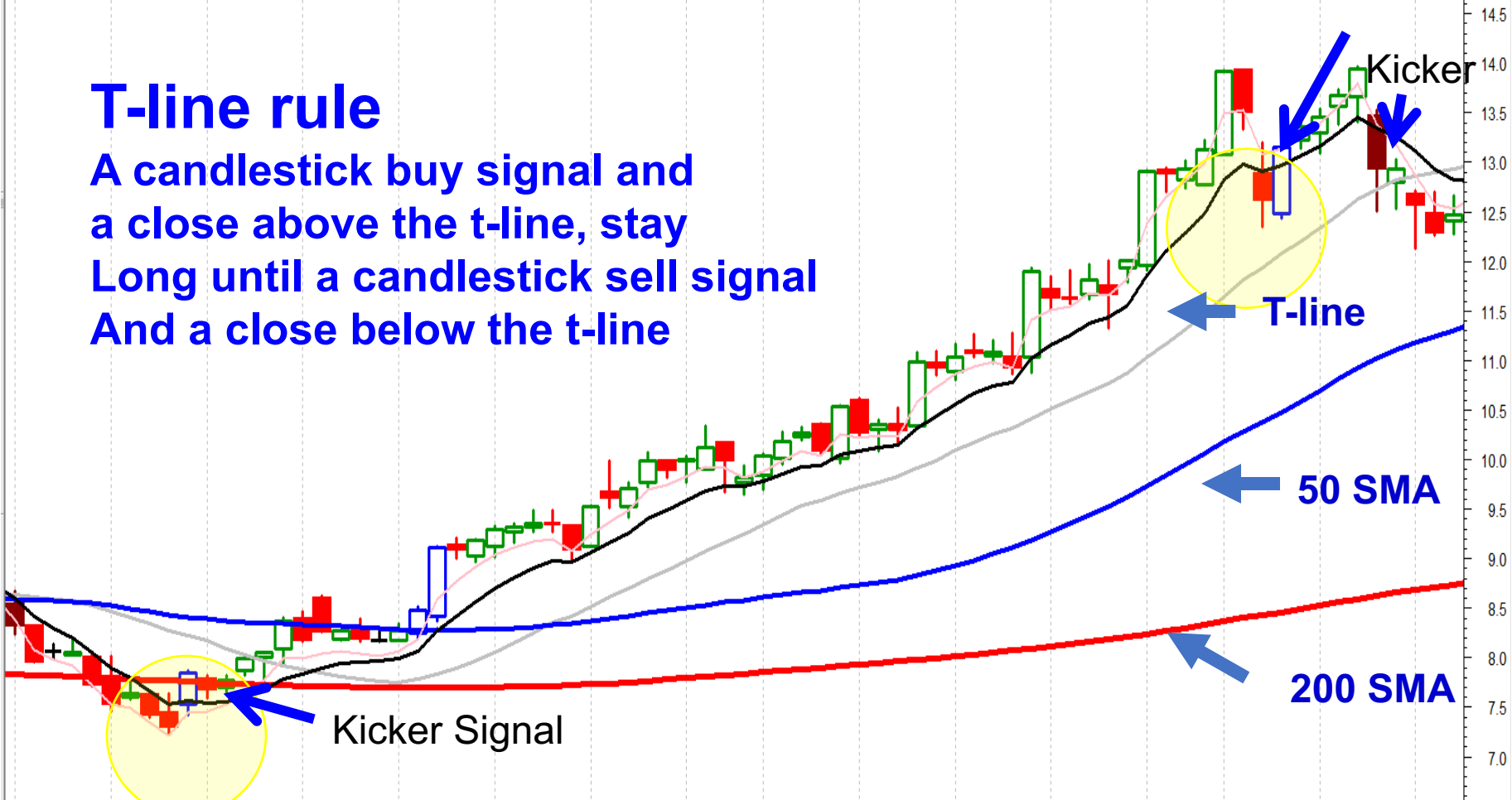
• What is the T-line?

• Fibonacci Characteristics

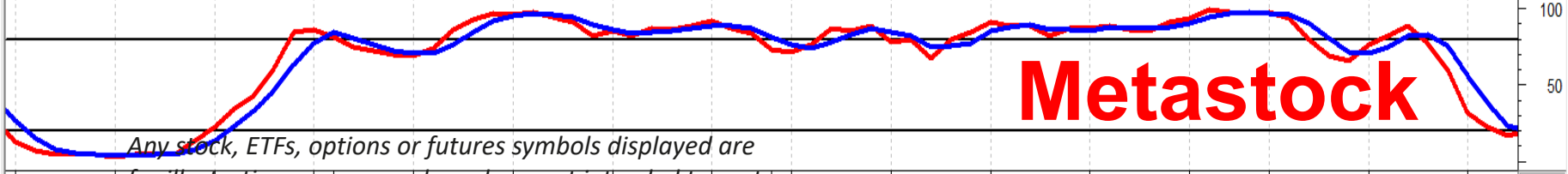
ISIS PHARM (41.1600, 41.2200, 39.6200, 40.1300, -0.84000)

T-line rule

A candlestick buy signal and a close above the t-line, stay Long until a candlestick sell signal and a close below the t-line



Stochastic Oscillator (67.7642)



Metastock

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T-line Truism

**A candlestick Buy signal and
a close above the t-line**

Extremely High **probability
an uptrend is confirmed**

FIXX 1 Y 1D [NASDAQ]

D: 2/3/20

O: 15.8

H: 16.79

L: 15.66

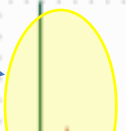
C: 16.76

R: 1.13

SimpleMovingAvg ...



Shooting Star



Evening Star



T-line rule

A candlestick sell

Signal and a close below

The t-line, stay short until

A candlestick buy signal

And a close above the t-line

FIXX

T-line



Morning Star



9/20/19

10/18/19

CQG

Lo: 11.05 0.67



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T-line Truism

**A candlestick Sell signal and
a close Below the t-line**

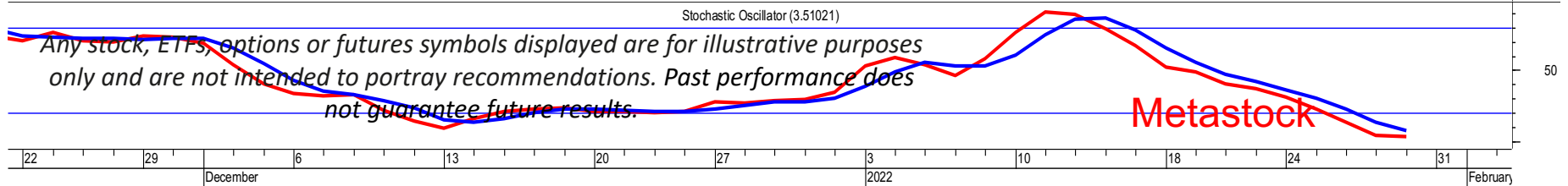
Extremely High **probability a
down trend is confirmed**

Evening star signal

LCID



High probability trade – witnessing a candlestick signal at a technical level everybody else is watching



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Metastock

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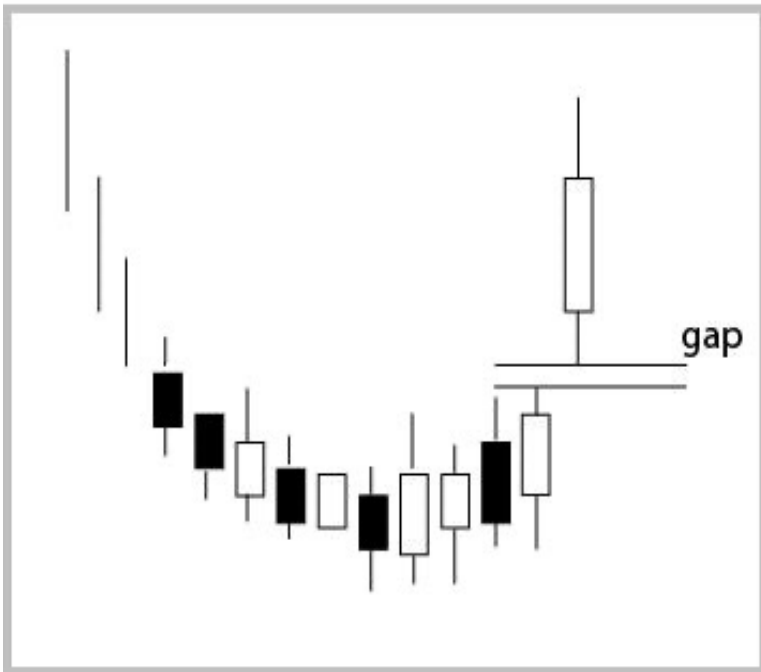
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2022
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February



High Probability Pattern Expectations

Fry Pan Bottom

Fry Pan Bottom



- The downtrend starts waning with the appearance of small trading bodies
- As the trend starts slowly curling up, a gap up in price indicates that strong buying sentiment has now returned

classic

What is expected coming out of
A Fry Pan Bottom?



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Fry Pan Bottom



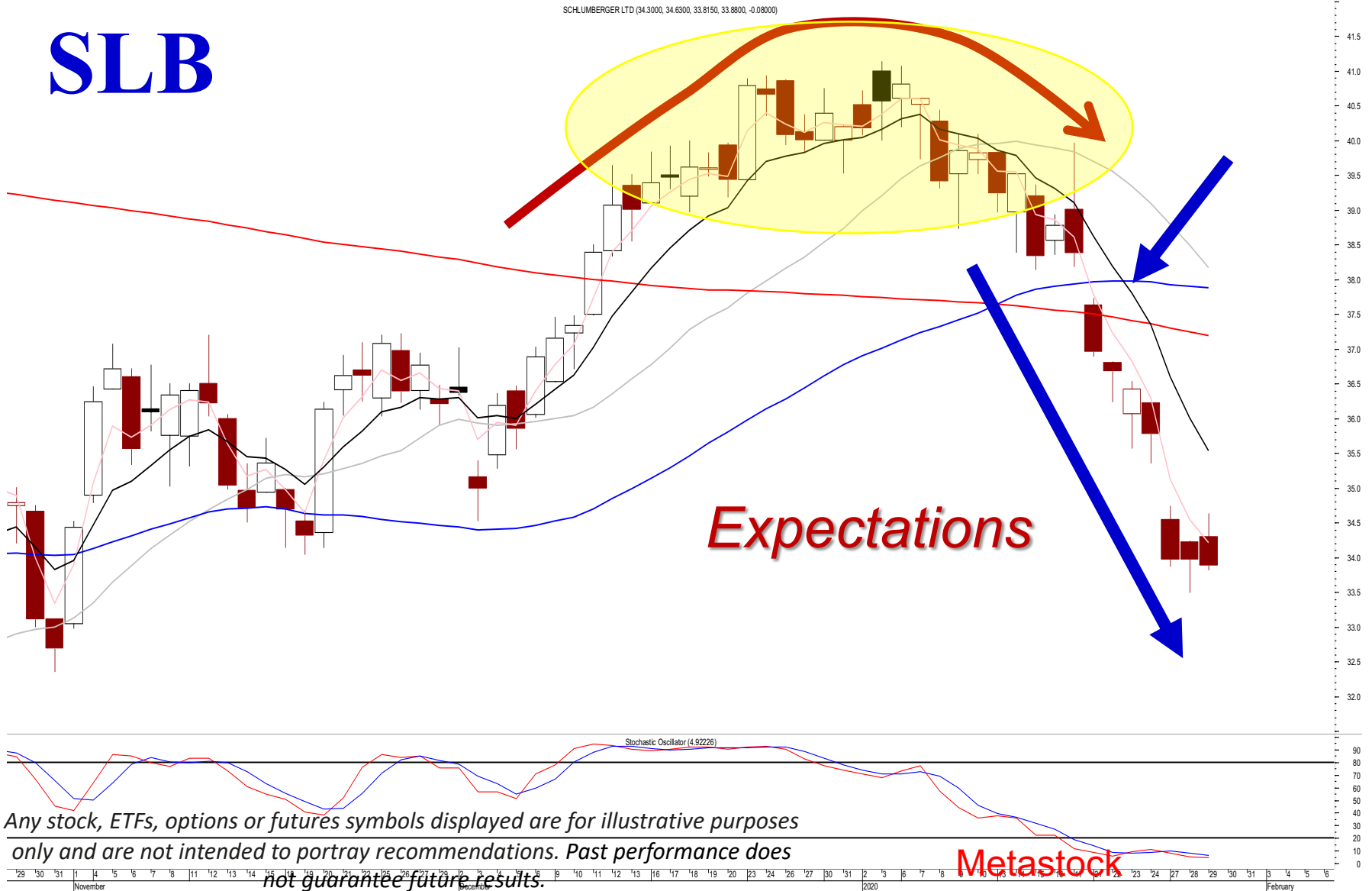
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Dumpling Top

Dumpling Top

SLB



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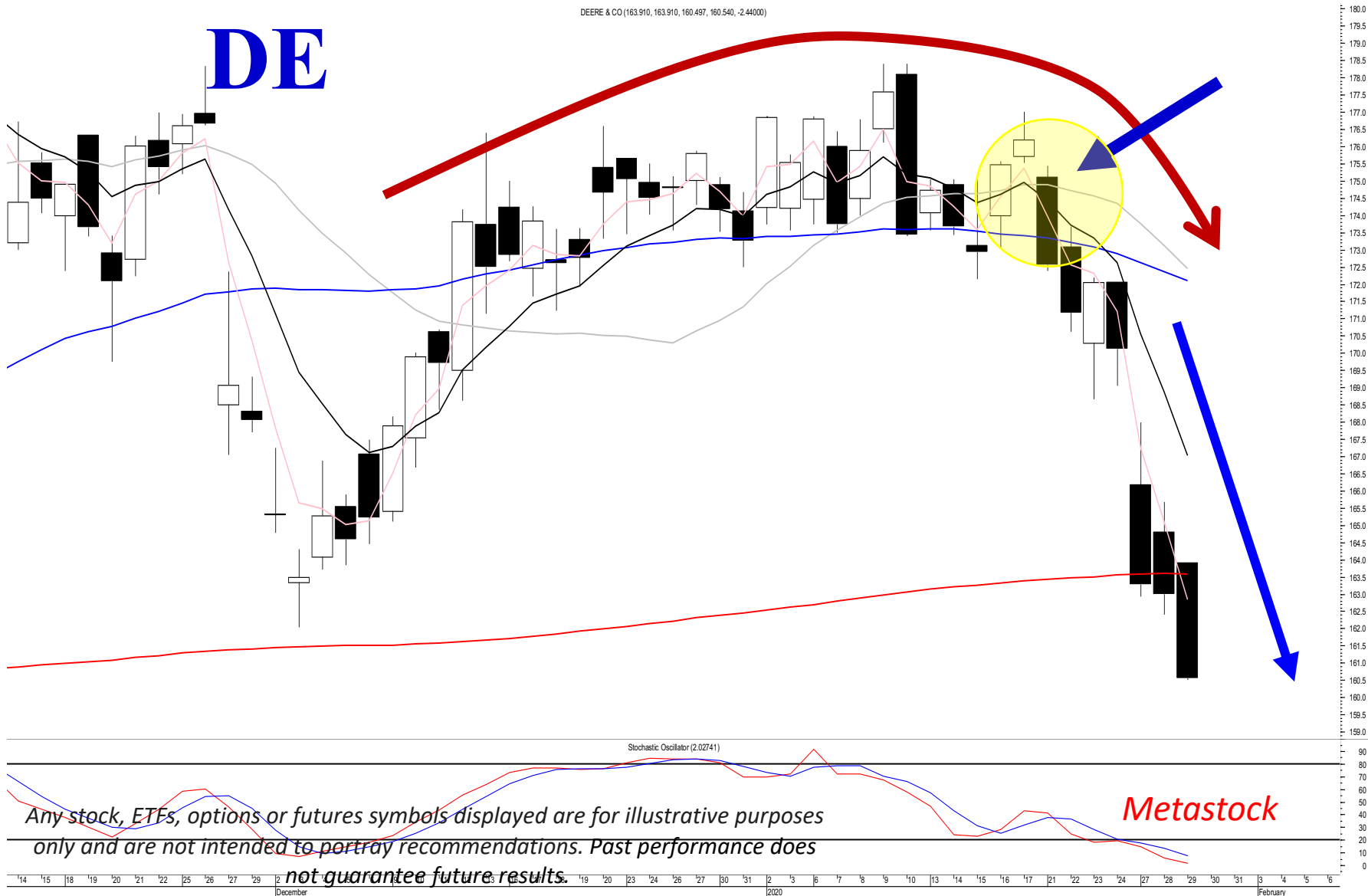
not guarantee future results.

Metastock

Dumpling Top

DEERE & CO (163.910, 163.910, 160.497, 160.540, -2.44000)

DE



Jay Hook Pattern

Jay Hook Pattern



- The first move of the uptrend is very strong.
- A candlestick sell signal indicates a pullback about to occur.
- After a few days, small indecisive candles start to appear
 - Doji, small Hammers, Bullish Engulfing signals

J-hook expectations



J-hook

Why is a J-hook anticipated?

Best Friend signal

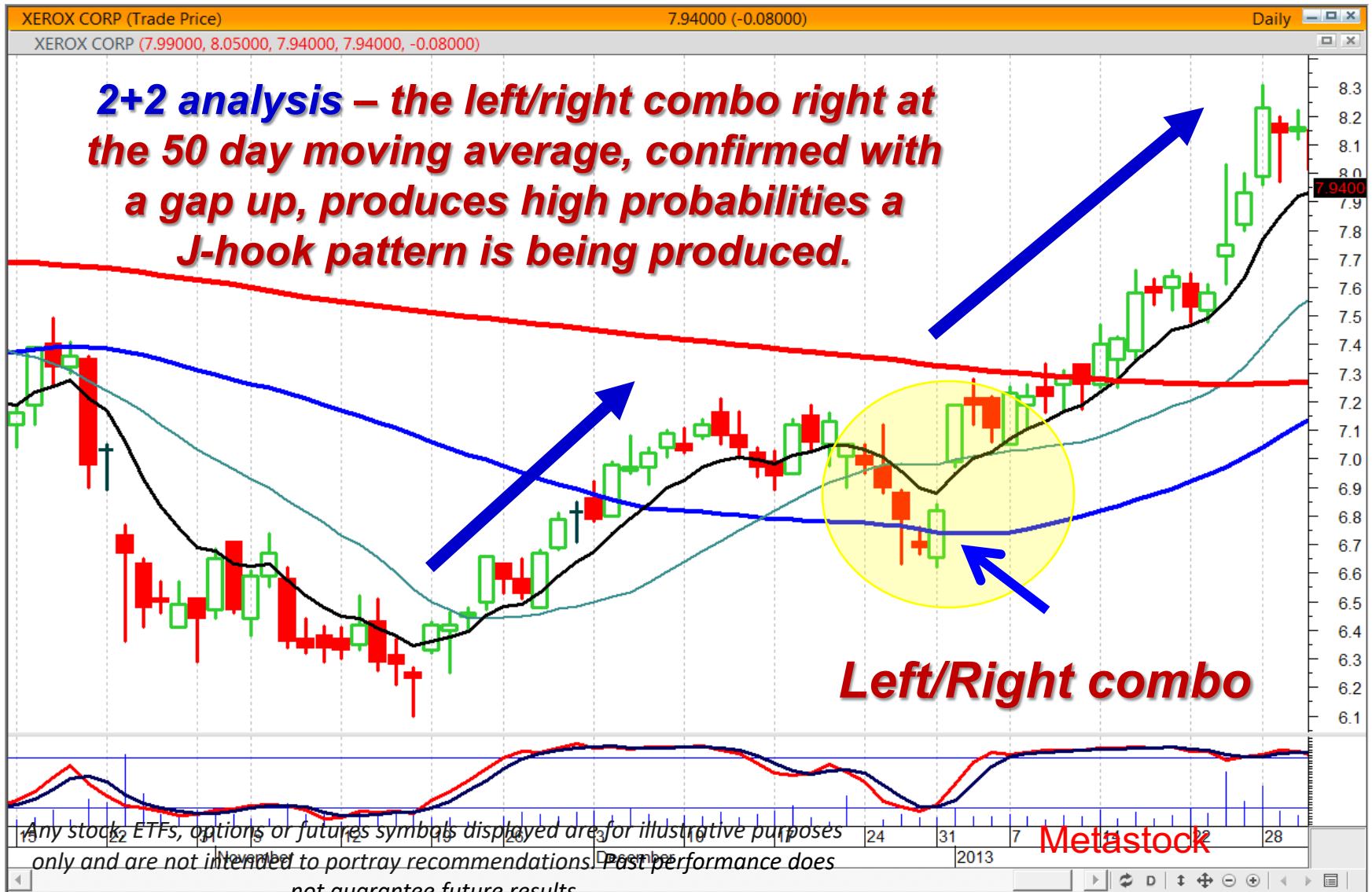
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guarantee future results.



J-hook





Best Friend signals

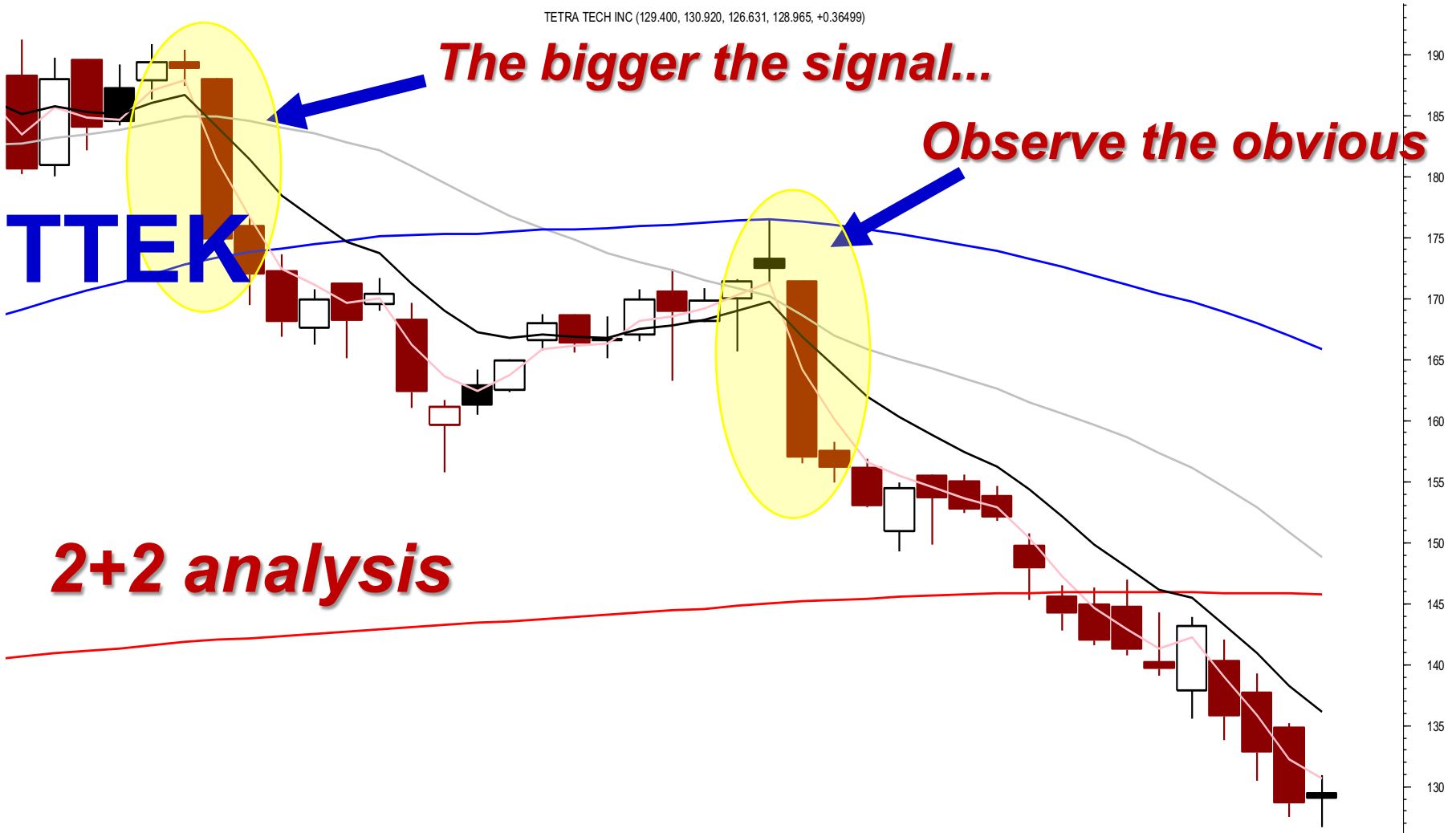
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The bigger the signal...

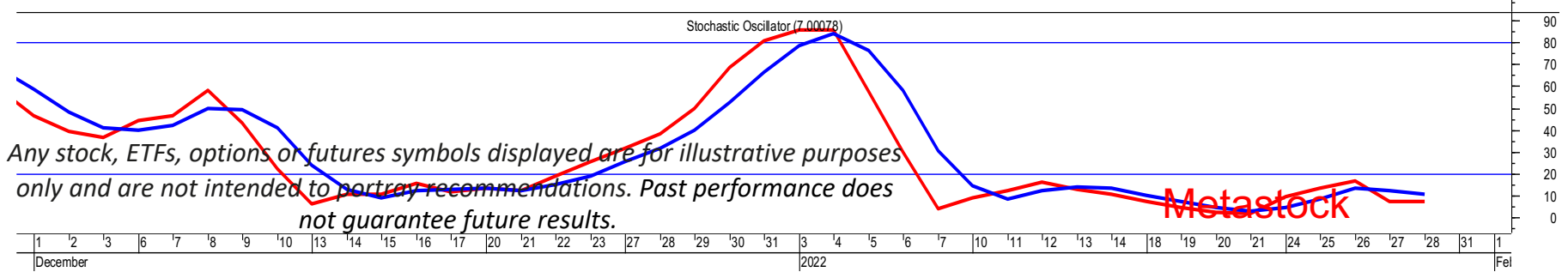
Observe the obvious

TTEK



2+2 analysis

Stochastic Oscillator (7,00078)



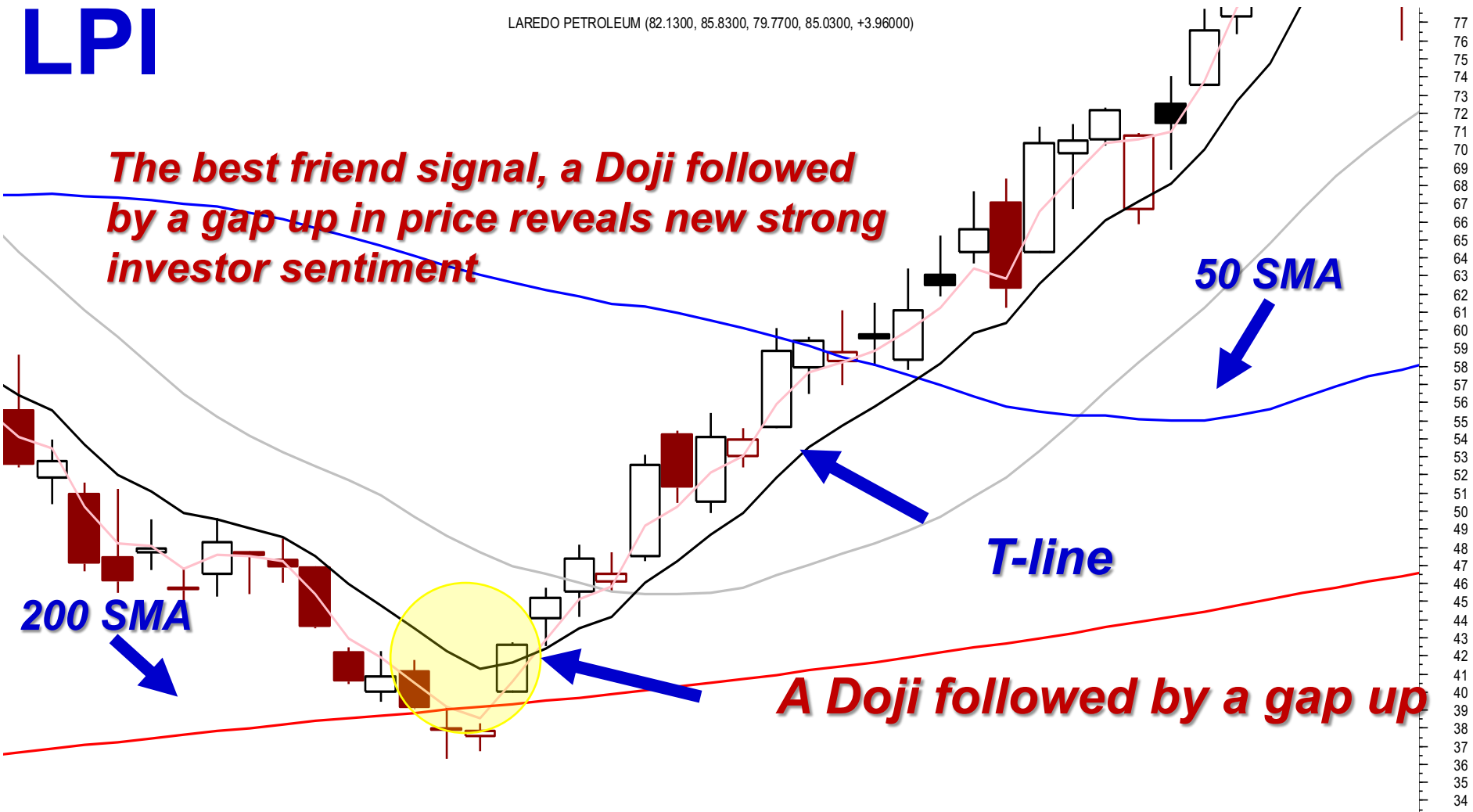
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LPI

LAREDO PETROLEUM (82.1300, 85.8300, 79.7700, 85.0300, +3.96000)

The best friend signal, a Doji followed by a gap up in price reveals new strong investor sentiment



50 SMA

200 SMA

T-line

A Doji followed by a gap up

Stochastic Oscillator (69.1662)

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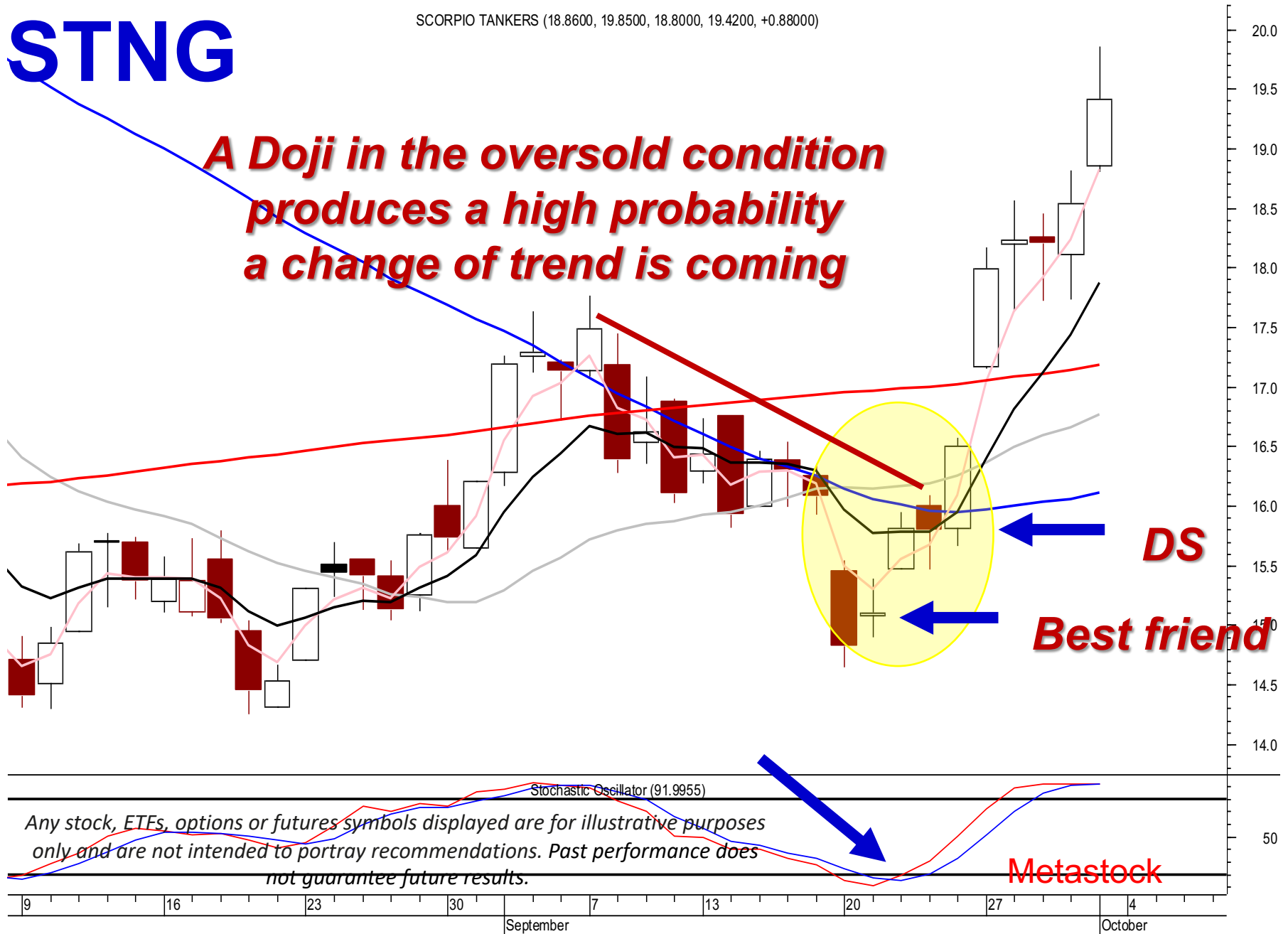
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STNG

SCORPIO TANKERS (18.8600, 19.8500, 18.8000, 19.4200, +0.88000)

A Doji in the oversold condition produces a high probability a change of trend is coming



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High Probability *Trade set ups* *Confirmation*

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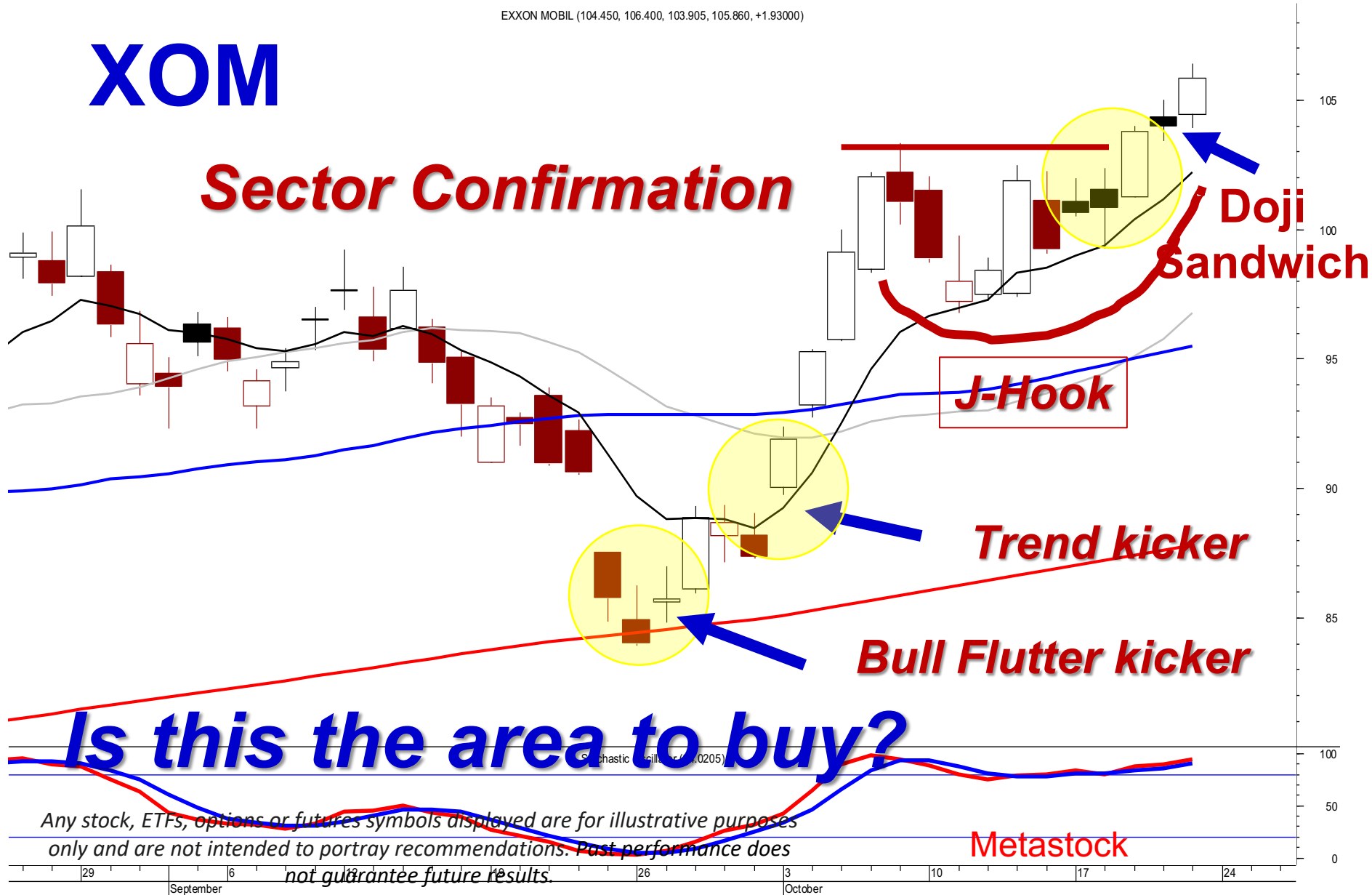
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Sector Confirmation

EXXON MOBIL (104.450, 106.400, 103.905, 105.860, +1.93000)

XOM

Sector Confirmation



Is this the area to buy?

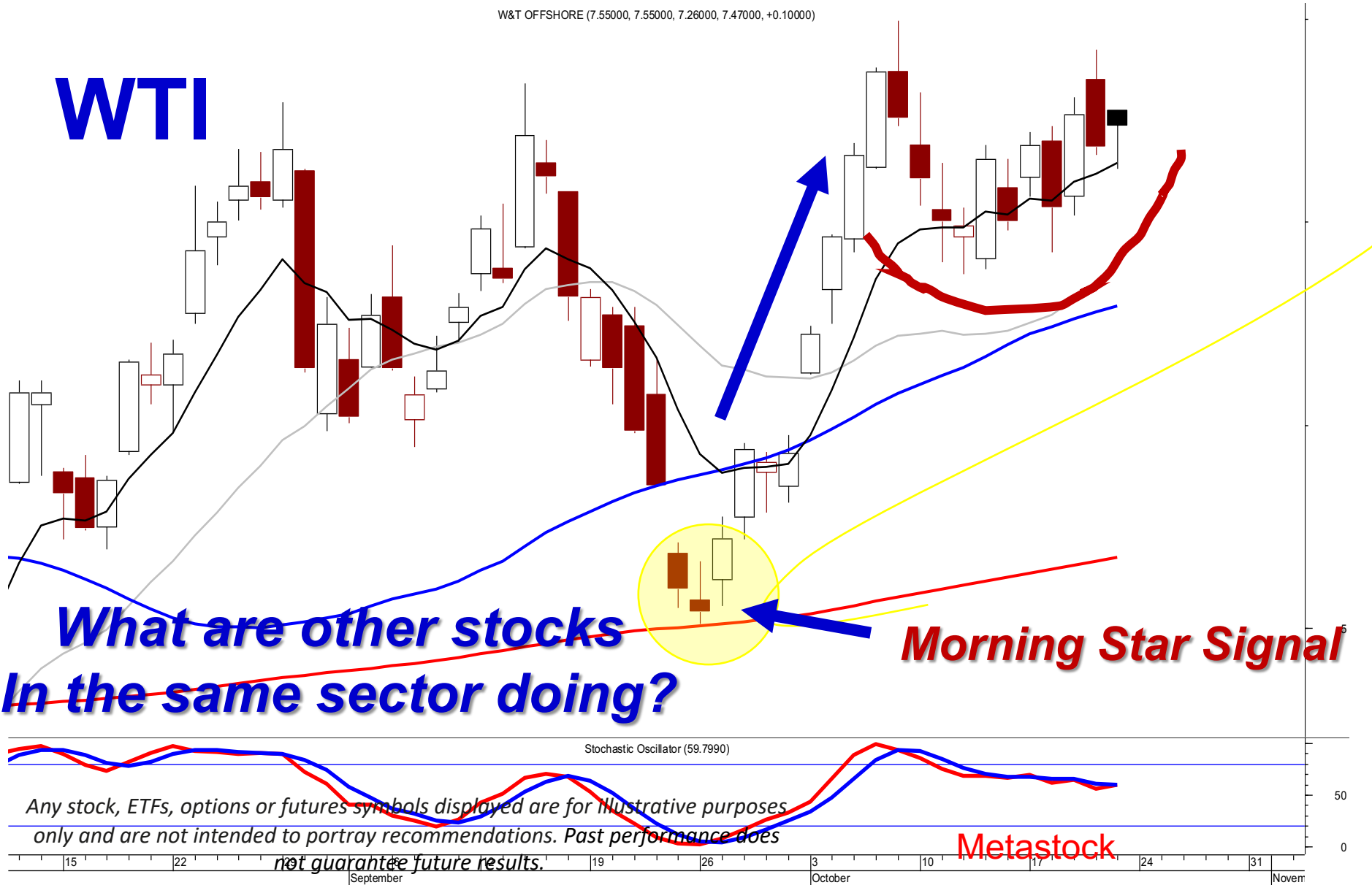
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Metastock

Sector Confirmation

W&T OFFSHORE (7.55000, 7.55000, 7.26000, 7.47000, +0.10000)

WTI



**What are other stocks
In the same sector doing?**

Morning Star Signal

Stochastic Oscillator (59.7990)

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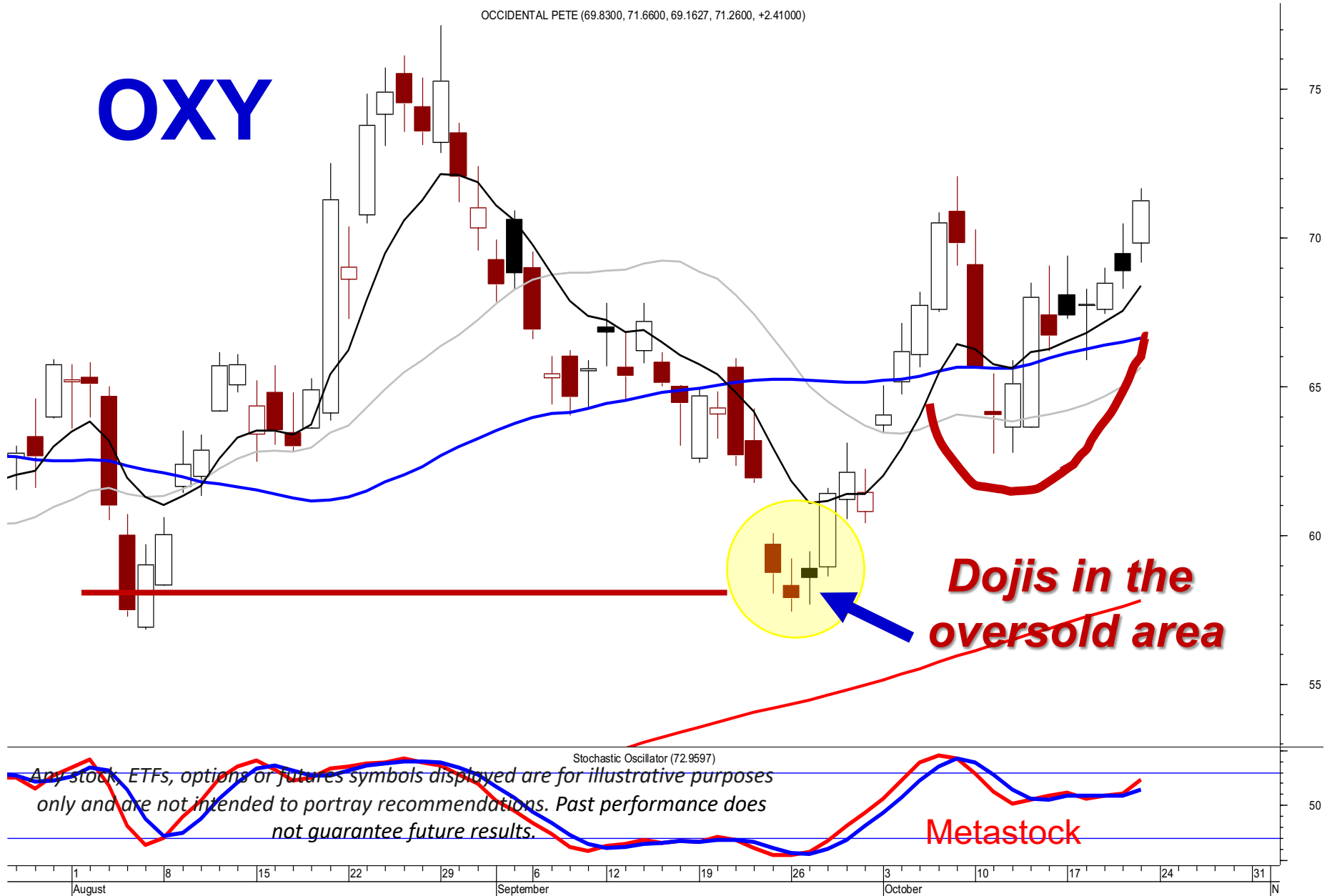
Metastock

15 22 29 19 26 3 10 17 24 31 | November

Sector Confirmation

OCCIDENTAL PETE (69.8300, 71.6600, 69.1627, 71.2600, +2.41000)

OXY



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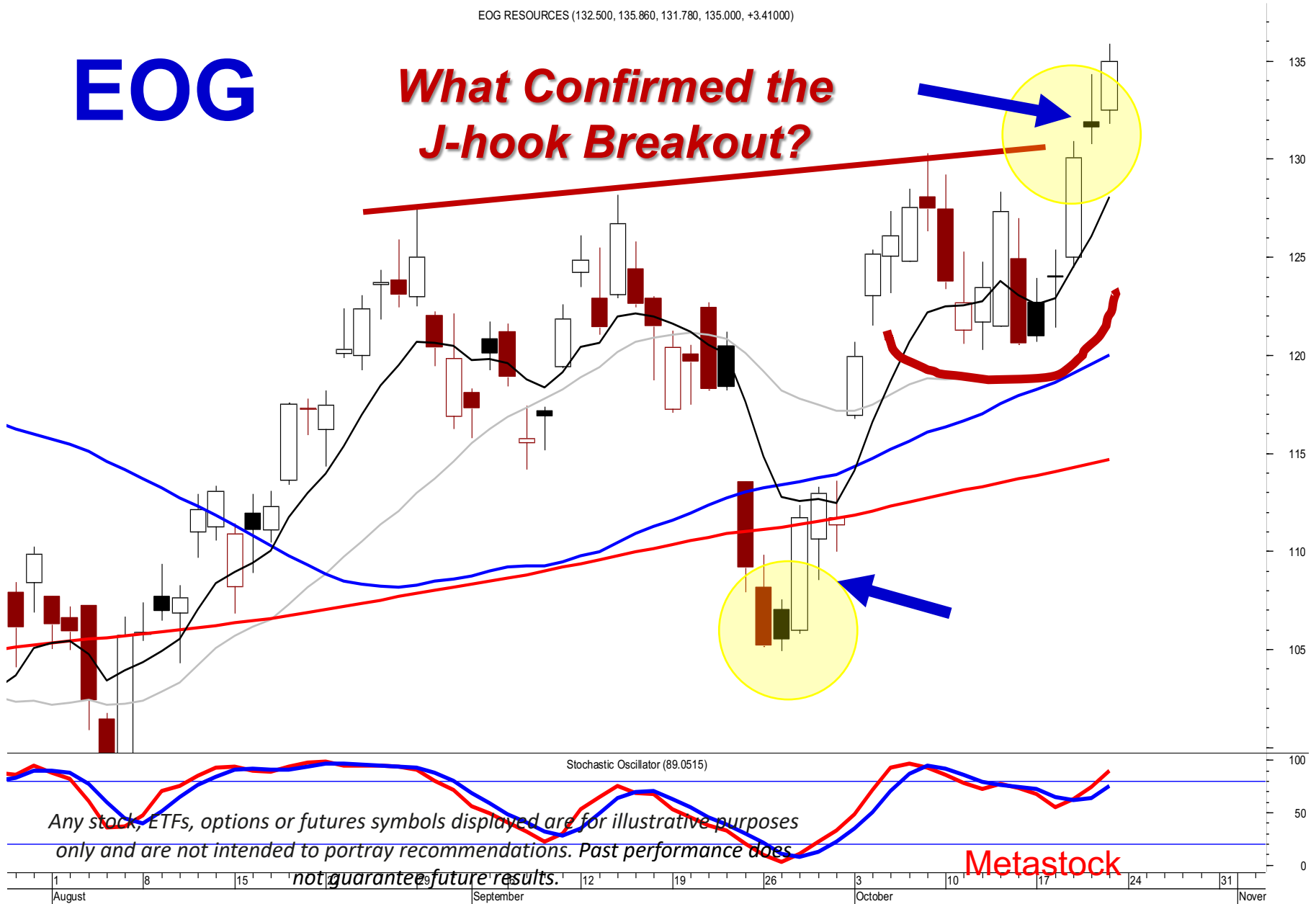
Metastock

Sector Confirmation

EOG RESOURCES (132.500, 135.860, 131.780, 135.000, +3.41000)

EOG

What Confirmed the J-hook Breakout?



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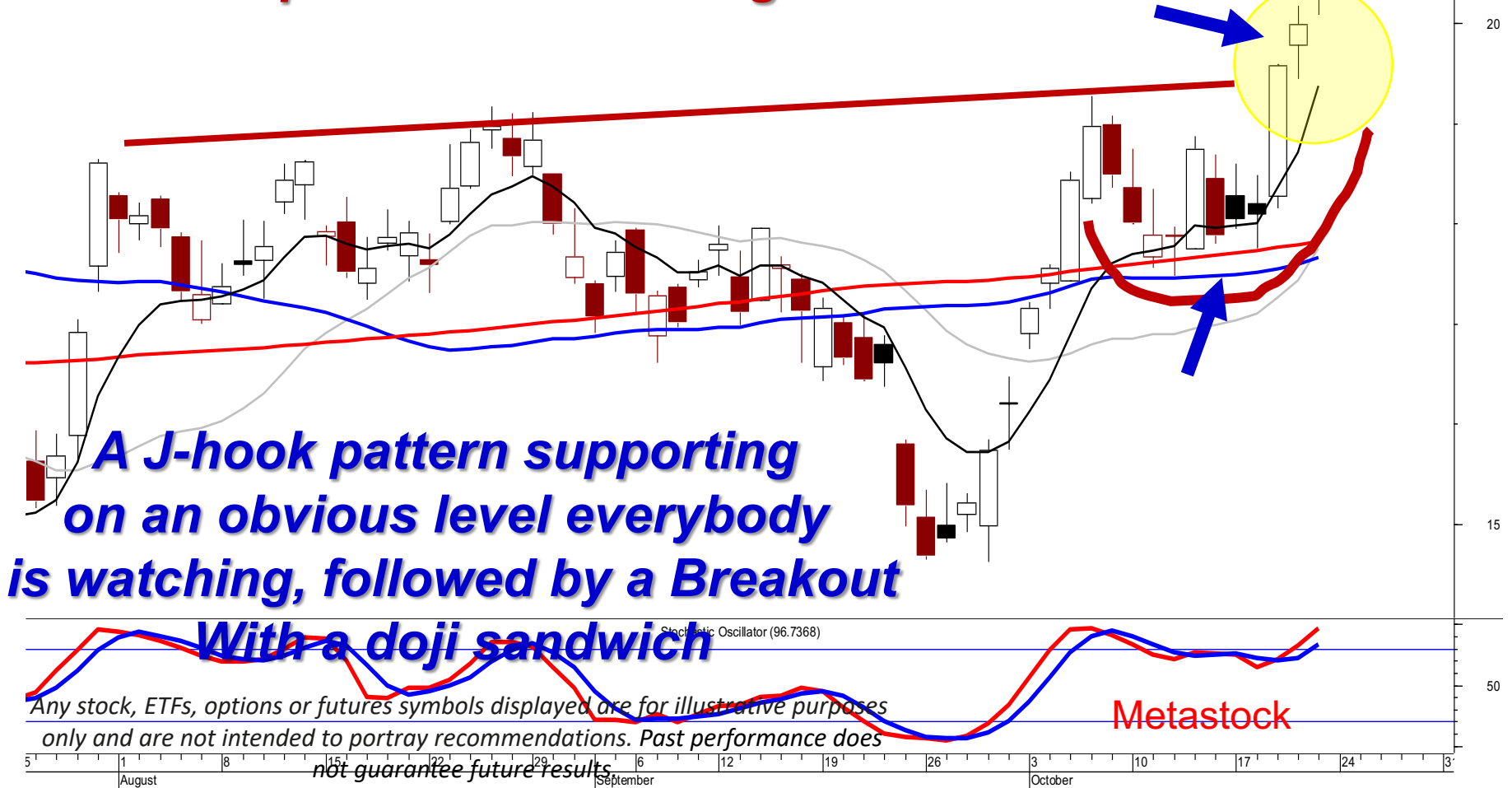
Metastock

Sector Confirmation

NOV

NOV INC ORD (20.2700, 21.7750, 20.0800, 21.6600, +1.67000)

What is the strongest trade potential is a strong sector?



A J-hook pattern supporting on an obvious level everybody is watching, followed by a Breakout

With a doji sandwich

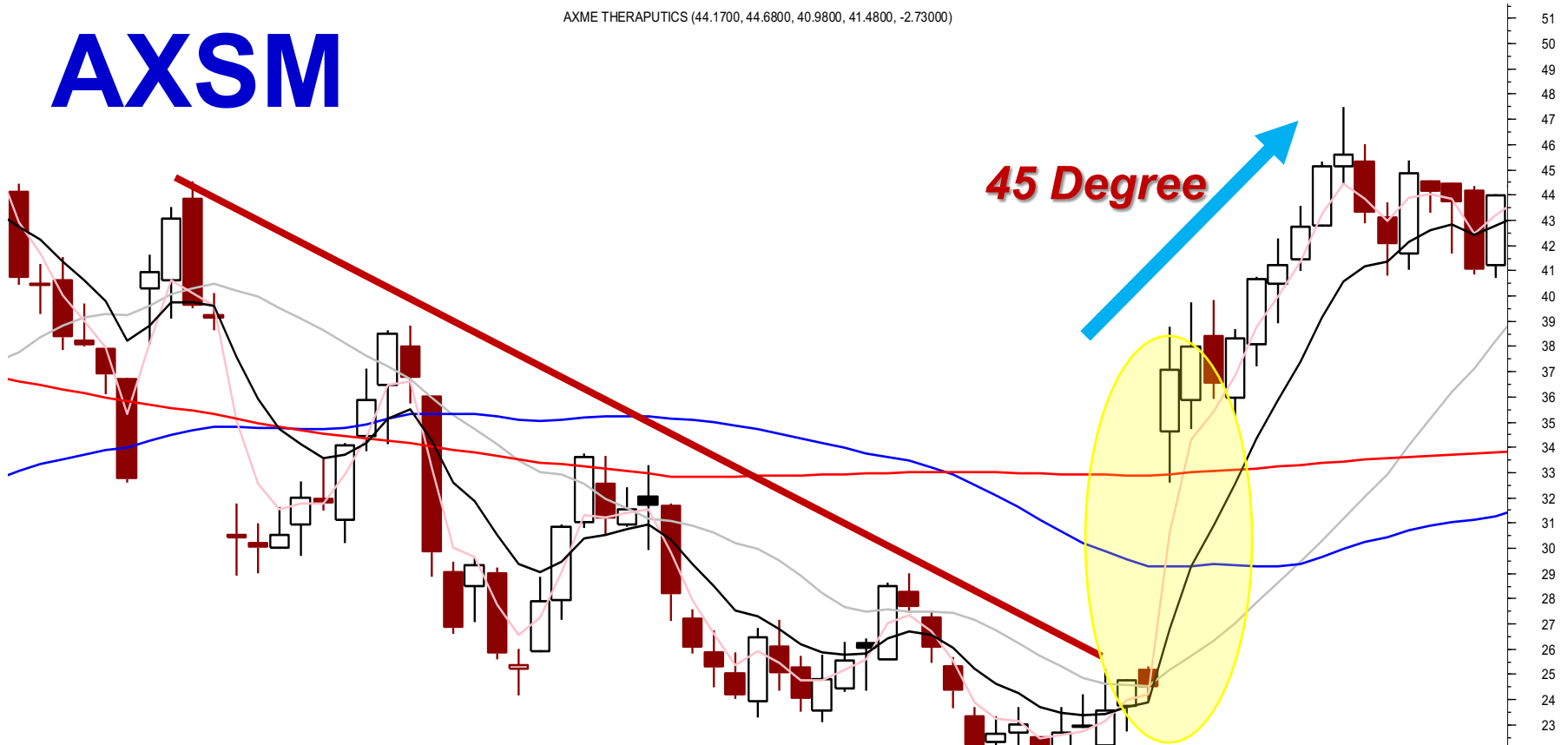
Metastock

not guarantee future results

Breakout Confirmation

AXME THERAPUTICS (44.1700, 44.6800, 40.9800, 41.4800, -2.73000)

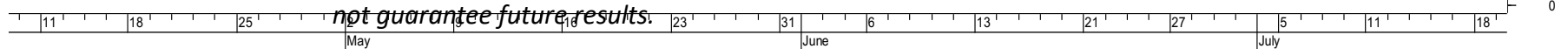
AXSM



**What are expected results
of human nature?**

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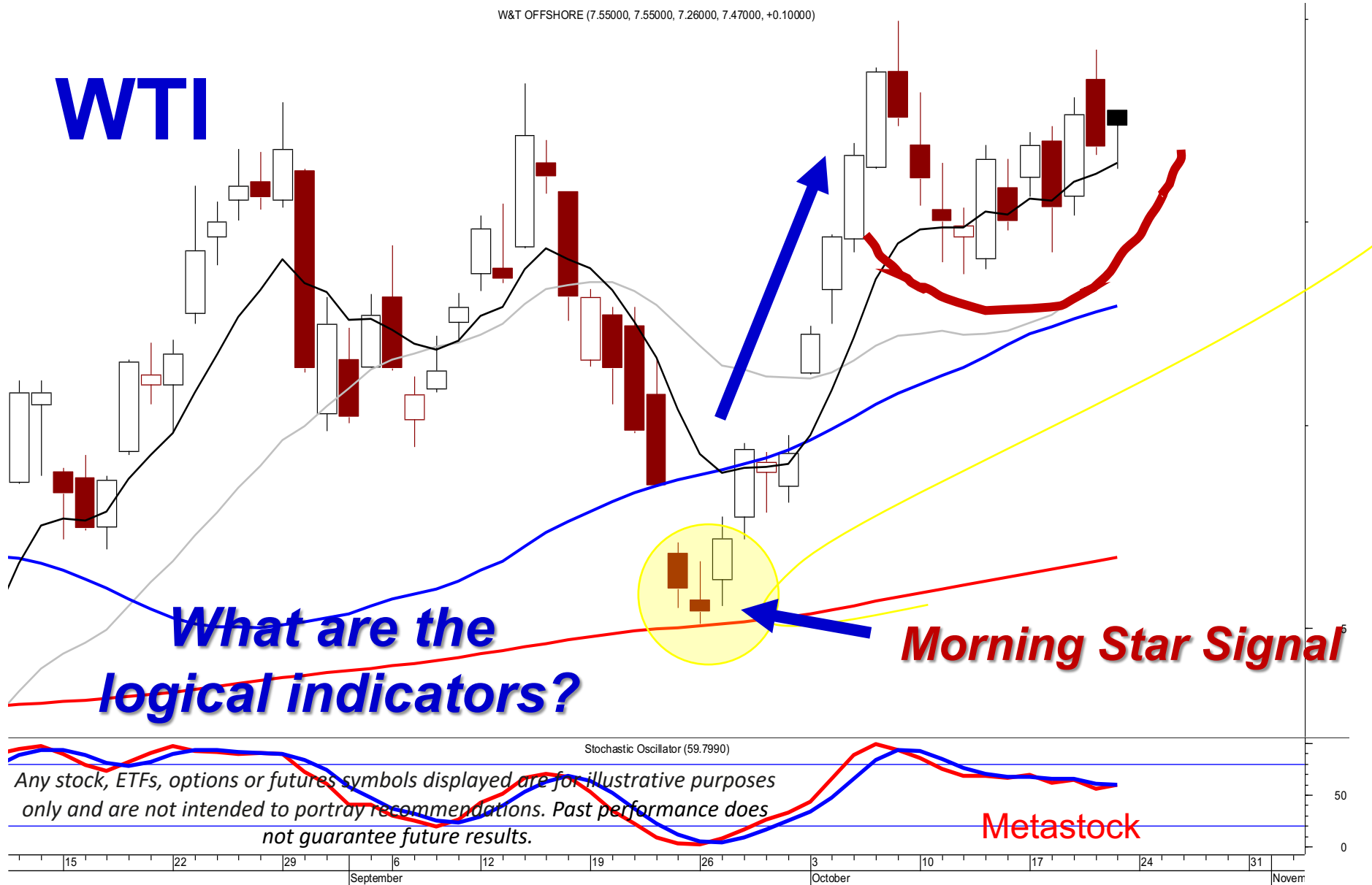
Market Direction



High probability

W&T OFFSHORE (7.55000, 7.55000, 7.26000, 7.47000, +0.10000)

WTI

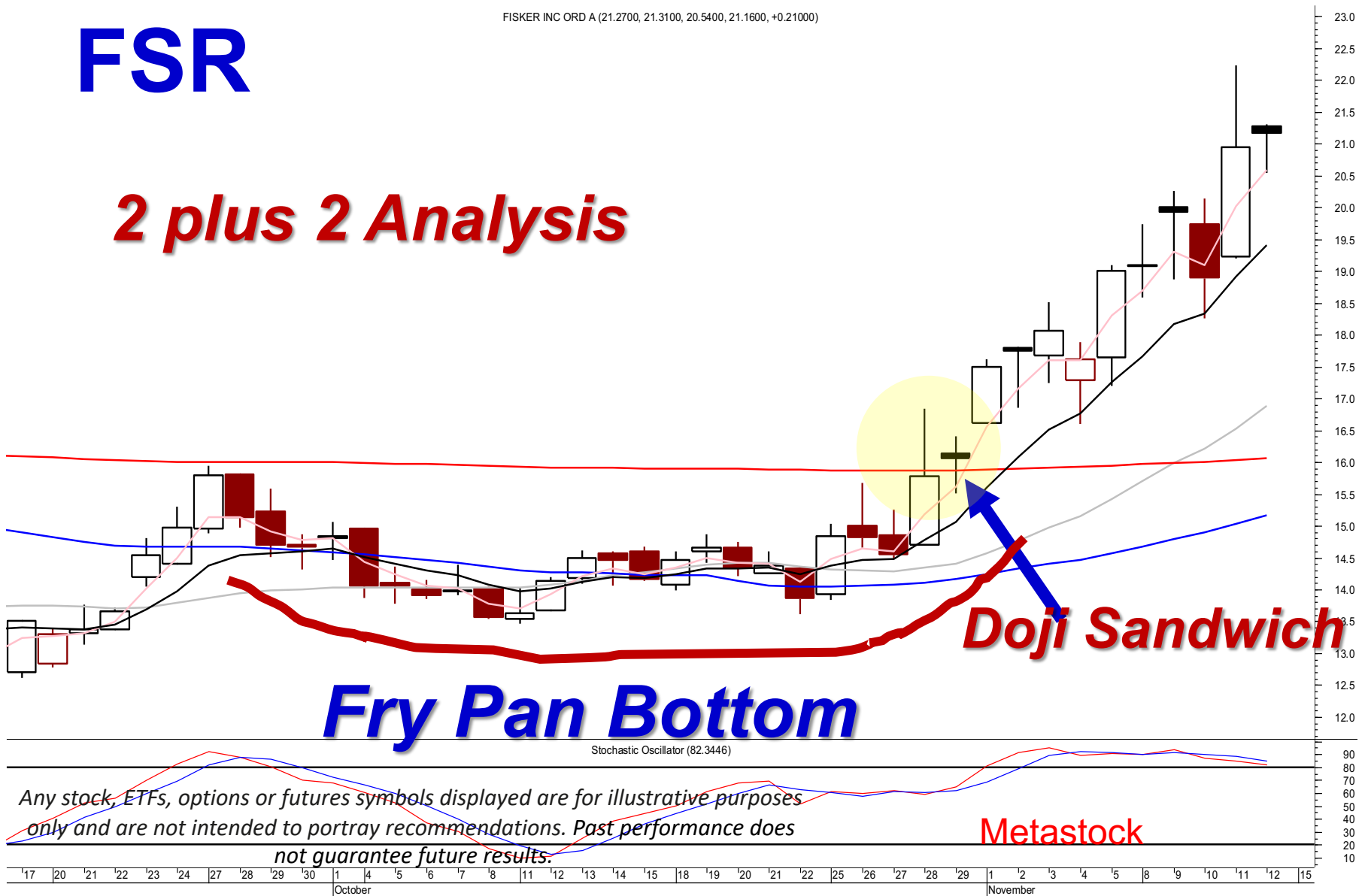


Breakouts

FSR

FISKER INC ORD A (21.2700, 21.3100, 20.5400, 21.1600, +0.21000)

2 plus 2 Analysis



Fry Pan Bottom

Doji Sandwich

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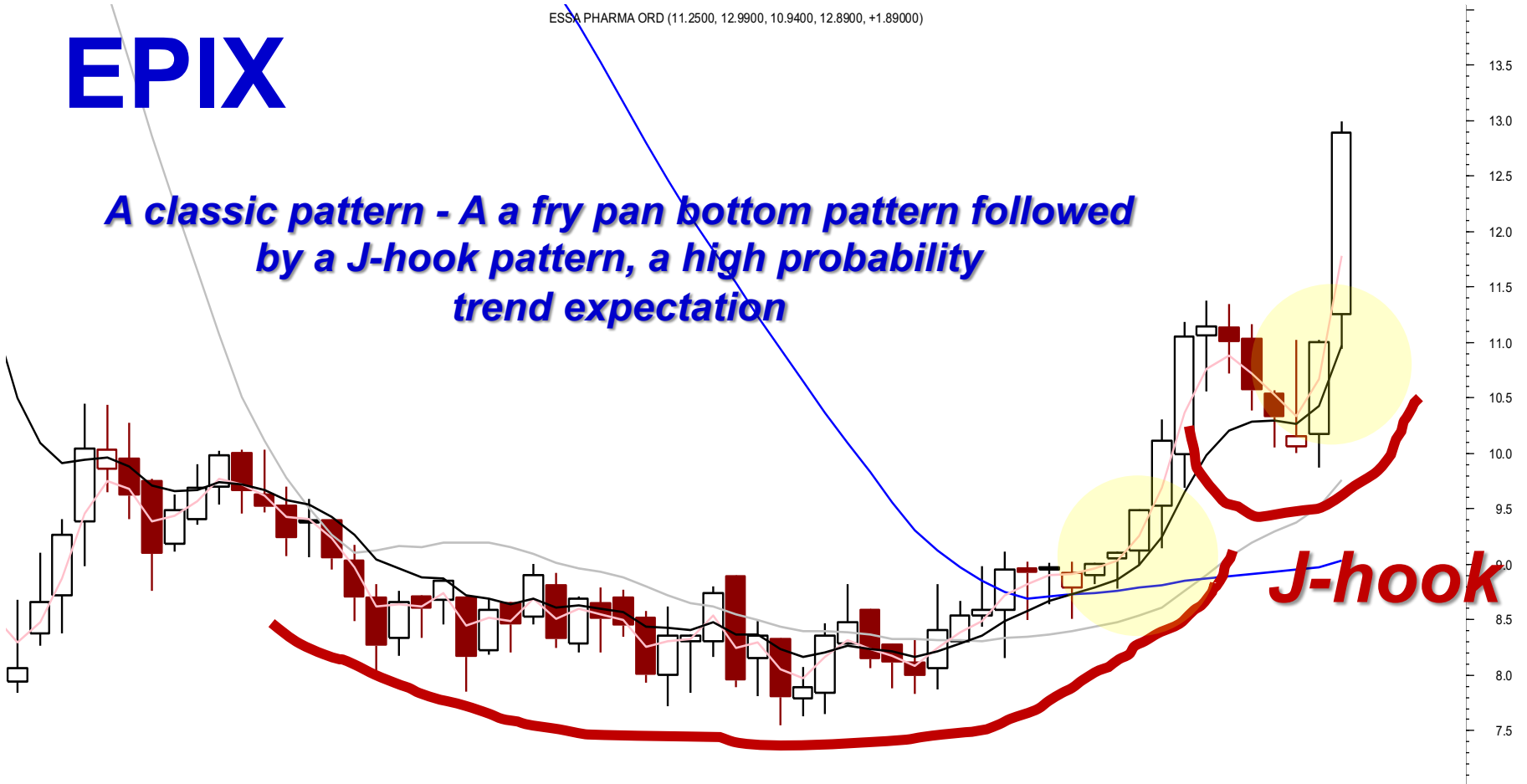
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Pattern expectations

EPIX

ESSA PHARMA ORD (11.2500, 12.9900, 10.9400, 12.8900, +1.89000)

A classic pattern - A a fry pan bottom pattern followed by a J-hook pattern, a high probability trend expectation



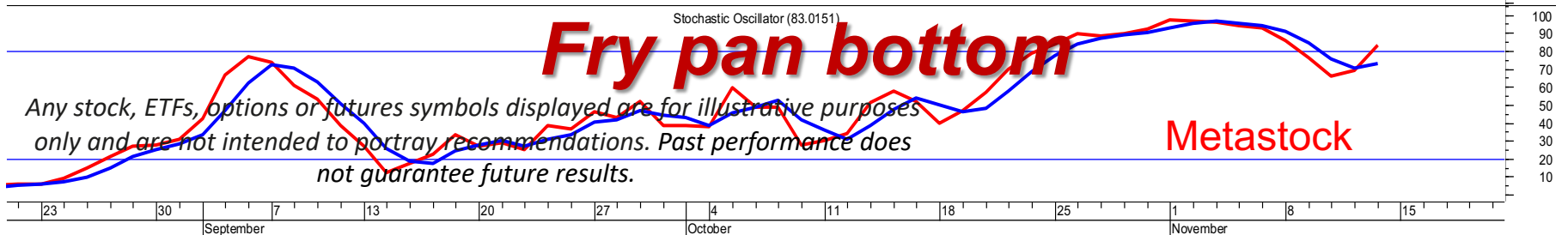
J-hook

Fry pan bottom

Stochastic Oscillator (83.0151)

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Dumpling Tops



Step 1 – Market Trend

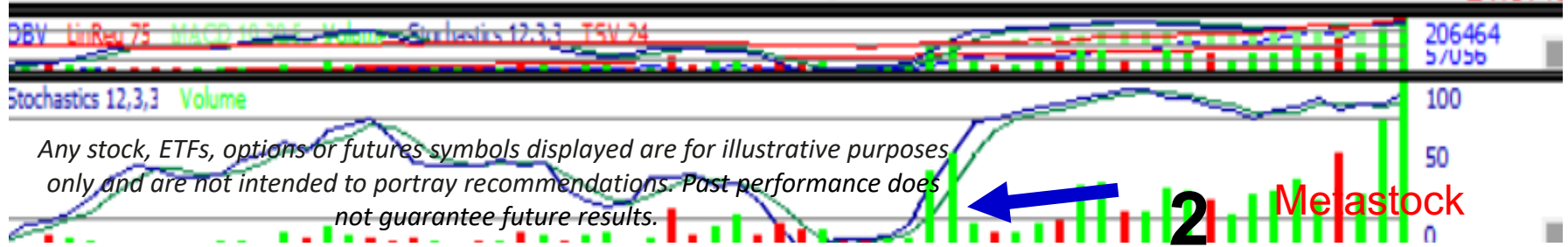
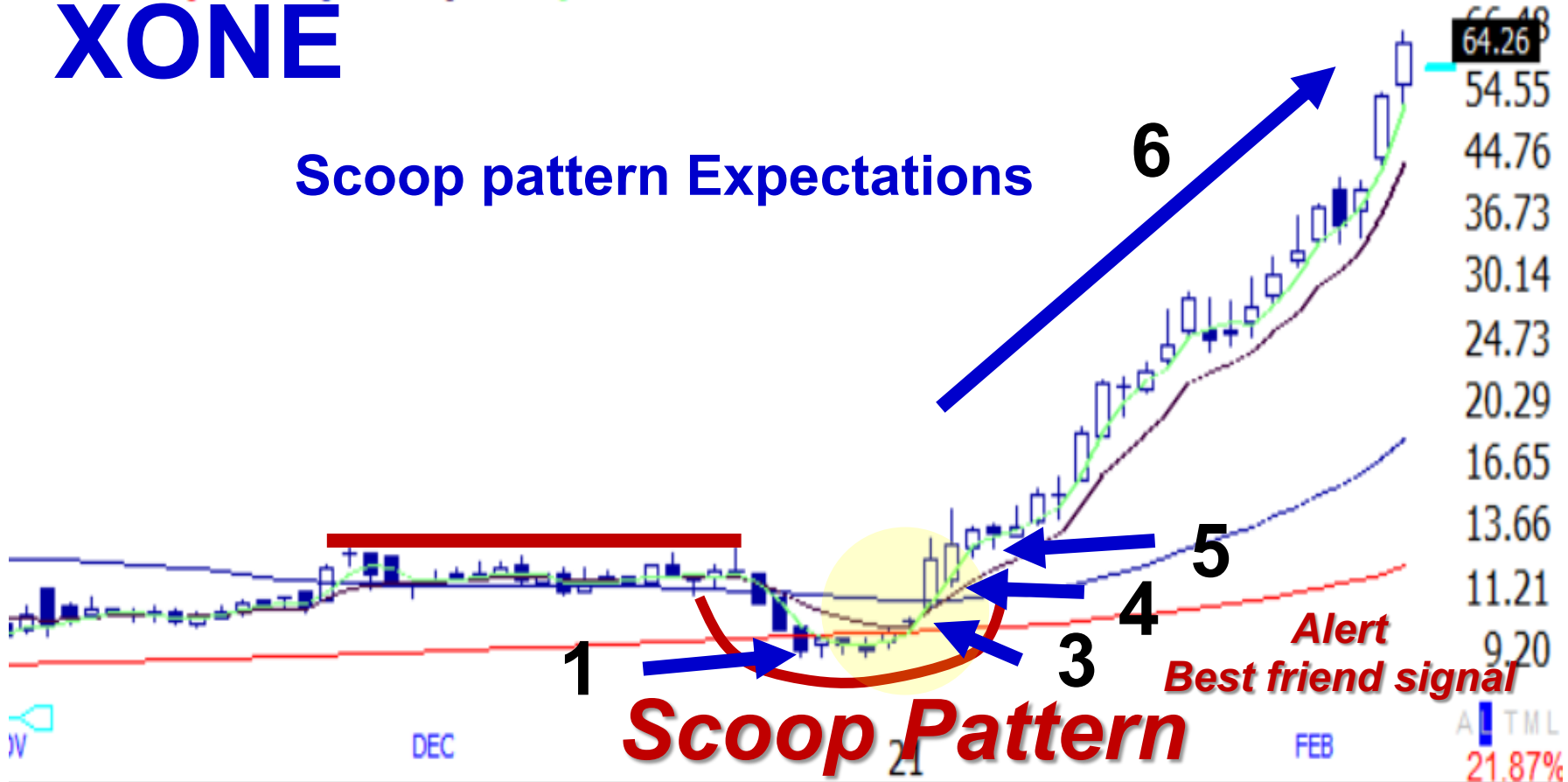


Power Trades

Price Chart MovAvg 200 MovAvg 50 MovAvg 8 MovAvg 3

XONE

Scoop pattern Expectations



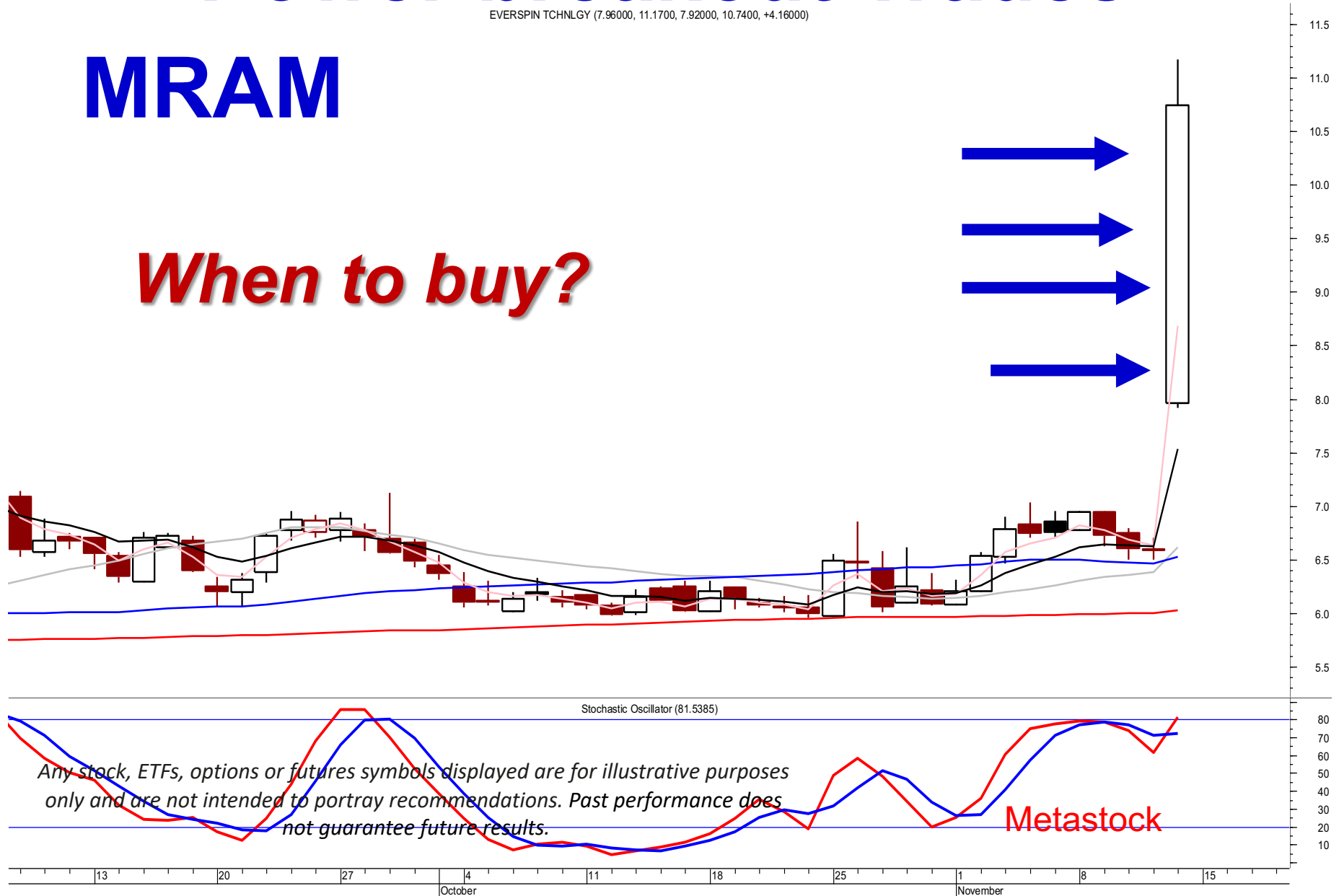
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Power breakout Trades

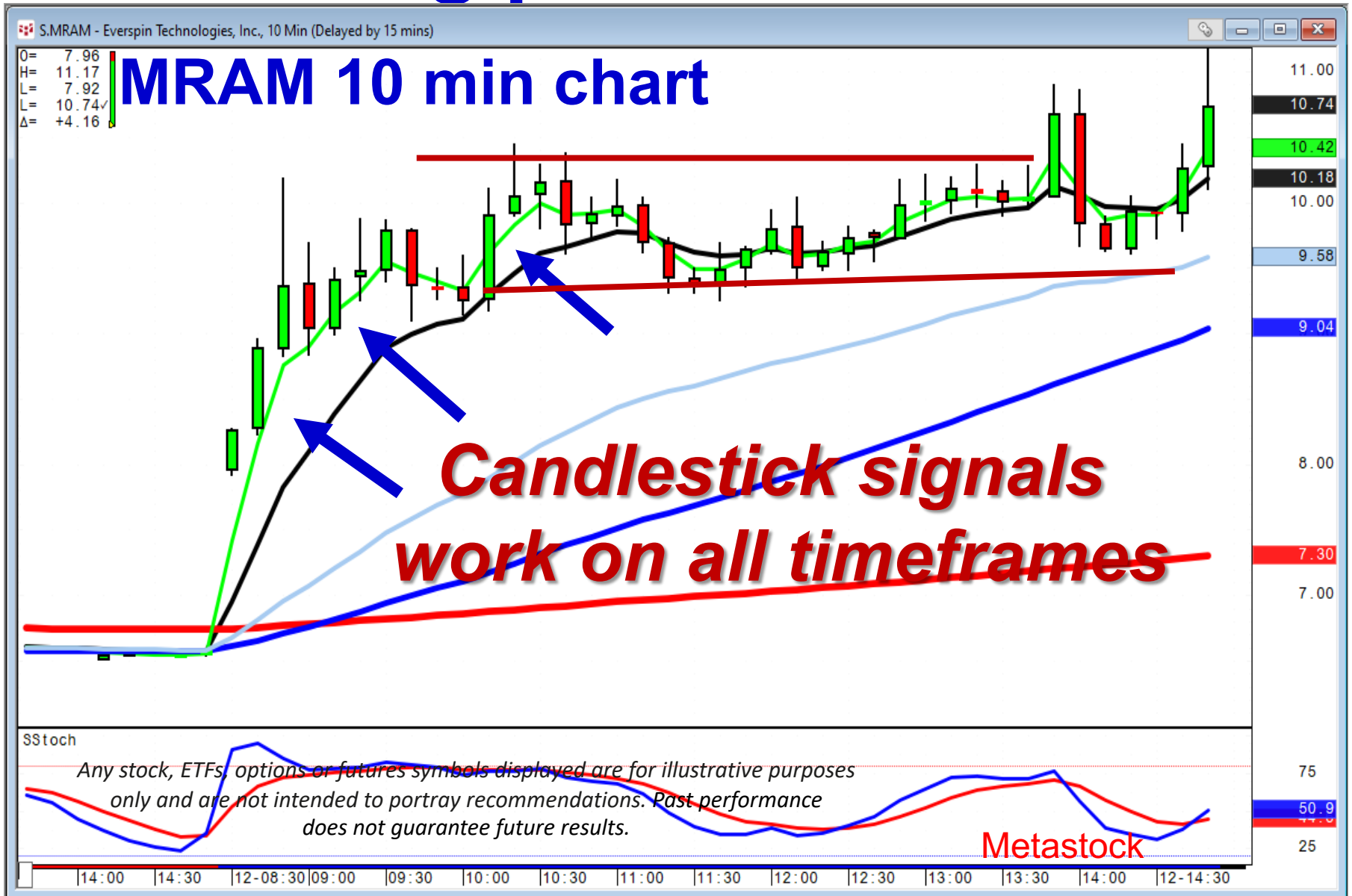
EVERSPIN TCHNLGY (7.96000, 11.1700, 7.92000, 10.7400, +4.16000)

MRAM

When to buy?



Big price moves





The Doji Rule

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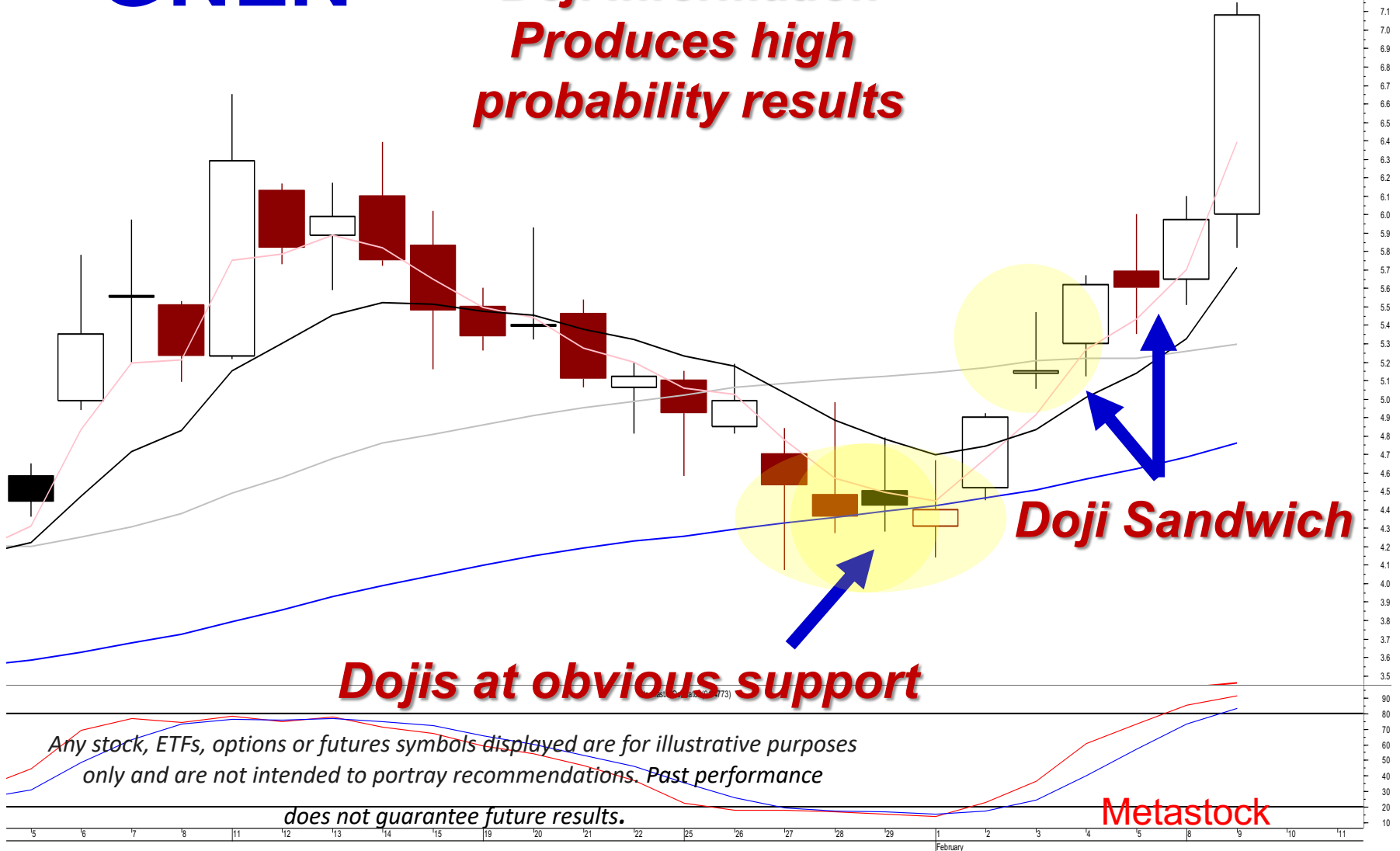
www.stephenbigalow.com

Power Trades

GRENLINE HLD IN A (6.00000, 7.15000, 5.62000, 7.06000, +1.11000)

GNLN

**Doji Information
Produces high
probability results**





Best Friend

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Power Signals

LAREDO PETROLEUM (80.0300, 84.3655, 80.0300, 82.1000, +0.06000)

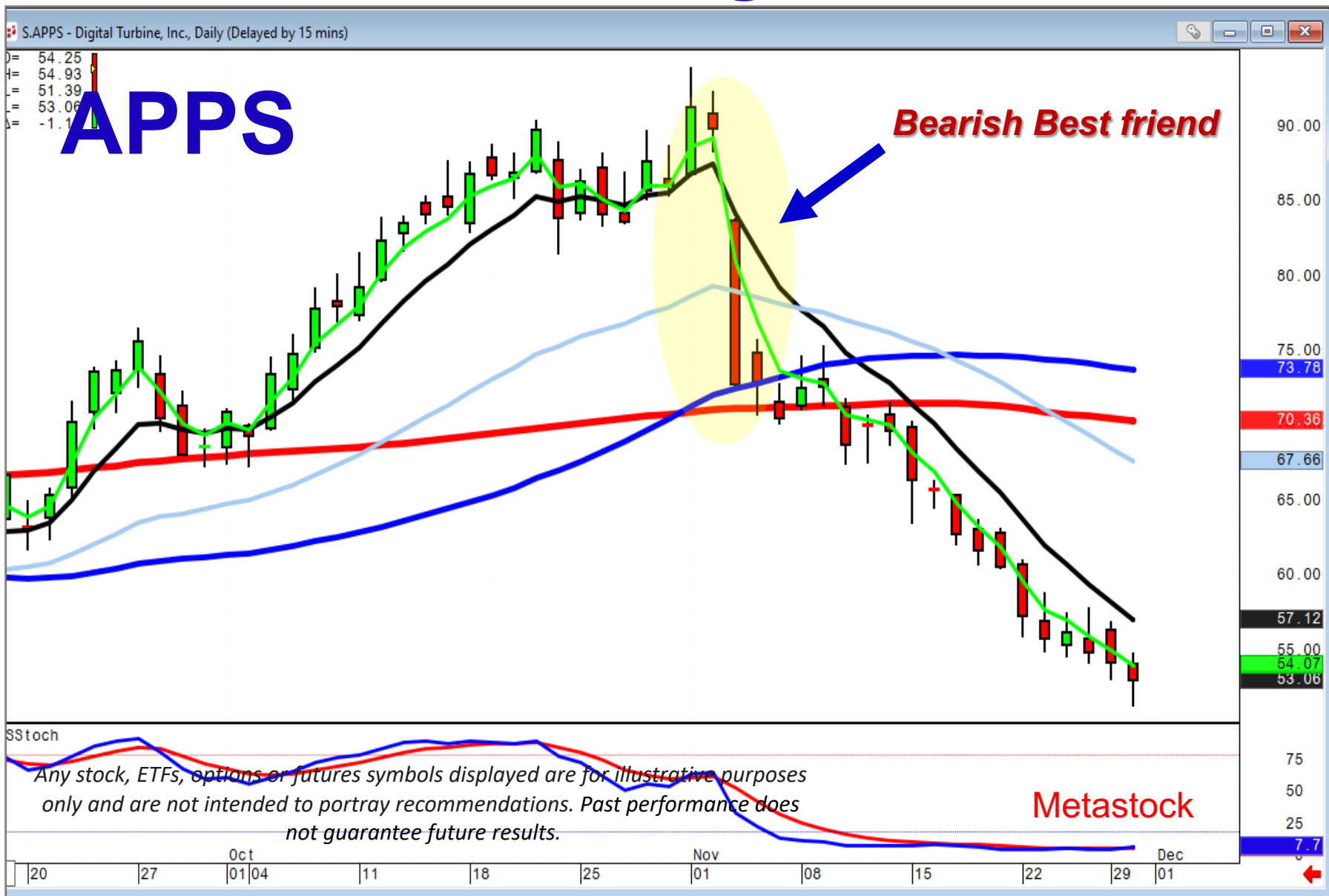
LPI

Best Friend – 2 factors

- 1. High Probability Direction**
- 2. Strong price move**



Power signals





Kickers

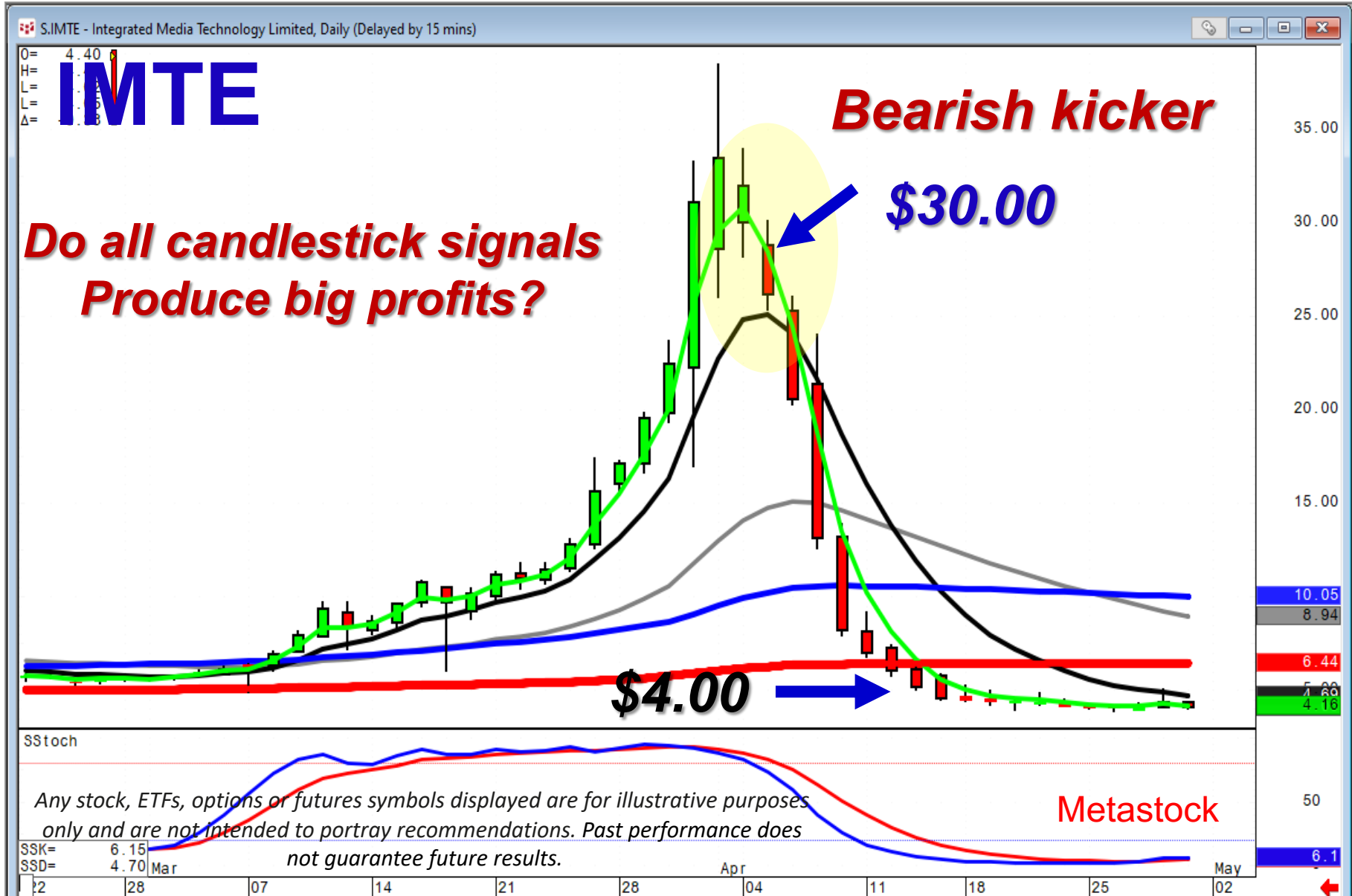
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Power Trades



Power trades



When to Buy? When to Sell?





**Candlestick charts
indicate what investor
sentiment is 'actually'
doing**

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Expected results
Human Nature***

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