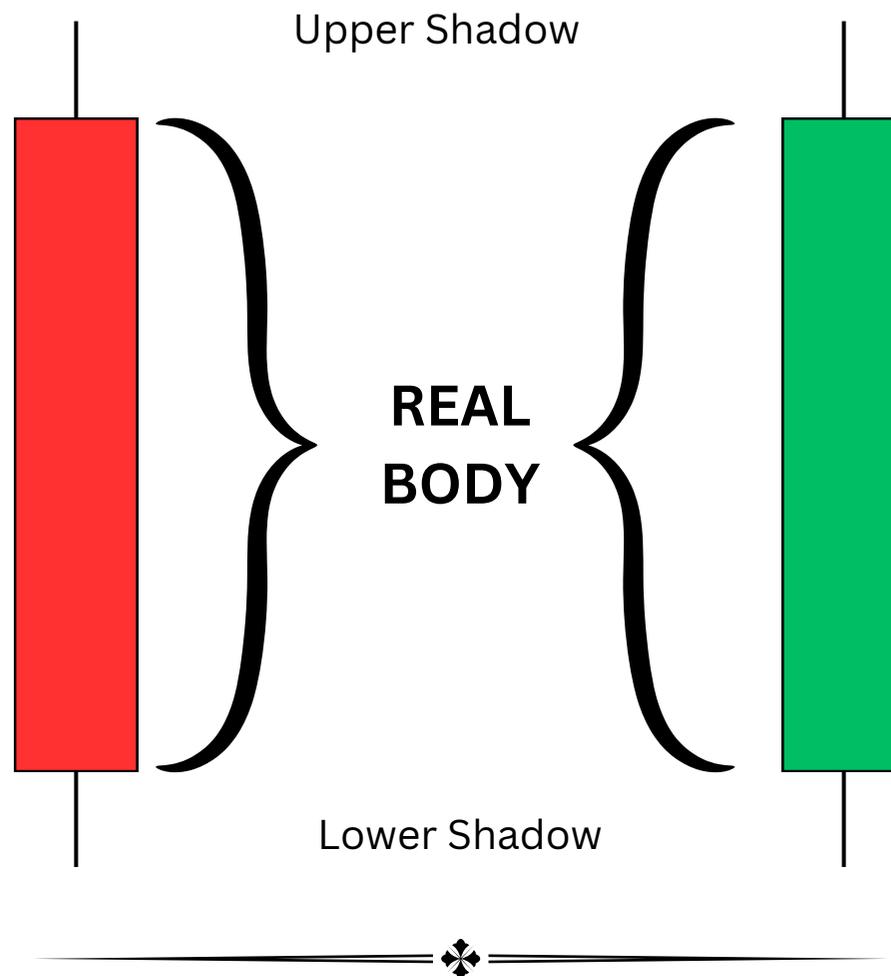


17

***MONEY-MAKING  
CANDLESTICK  
FORMATIONS***

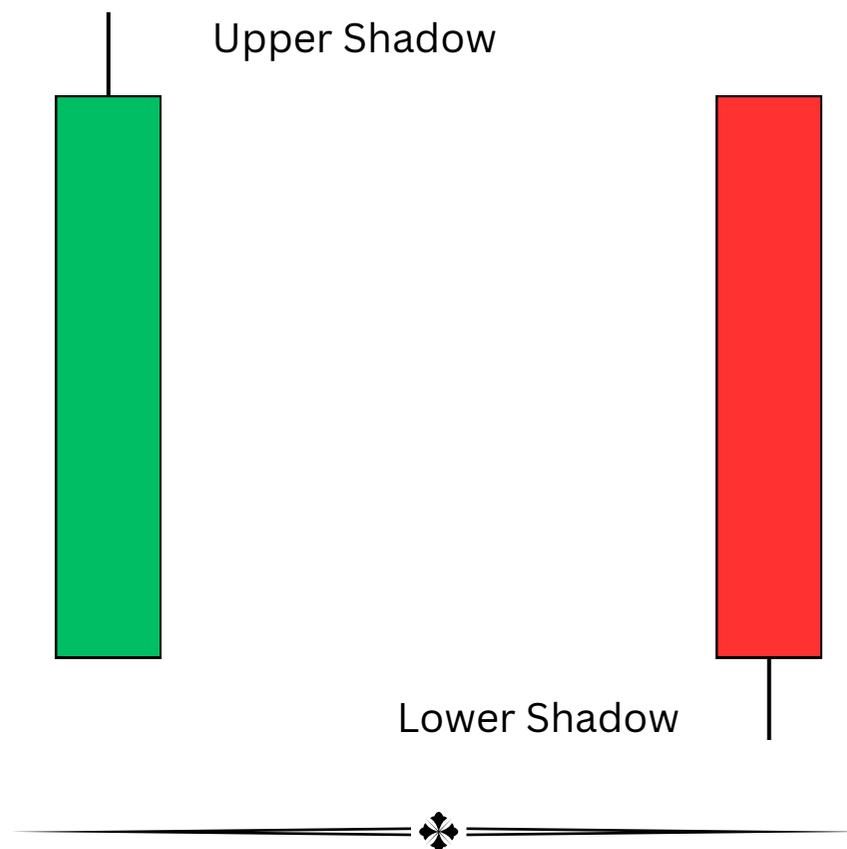
by [Marketread.in](https://www.marketread.in)



Candlestick charts are a type of financial chart used to represent price movements in trading. Each candlestick has a "real body" (the thick part) and "shadows" (the thin lines above and below the body).

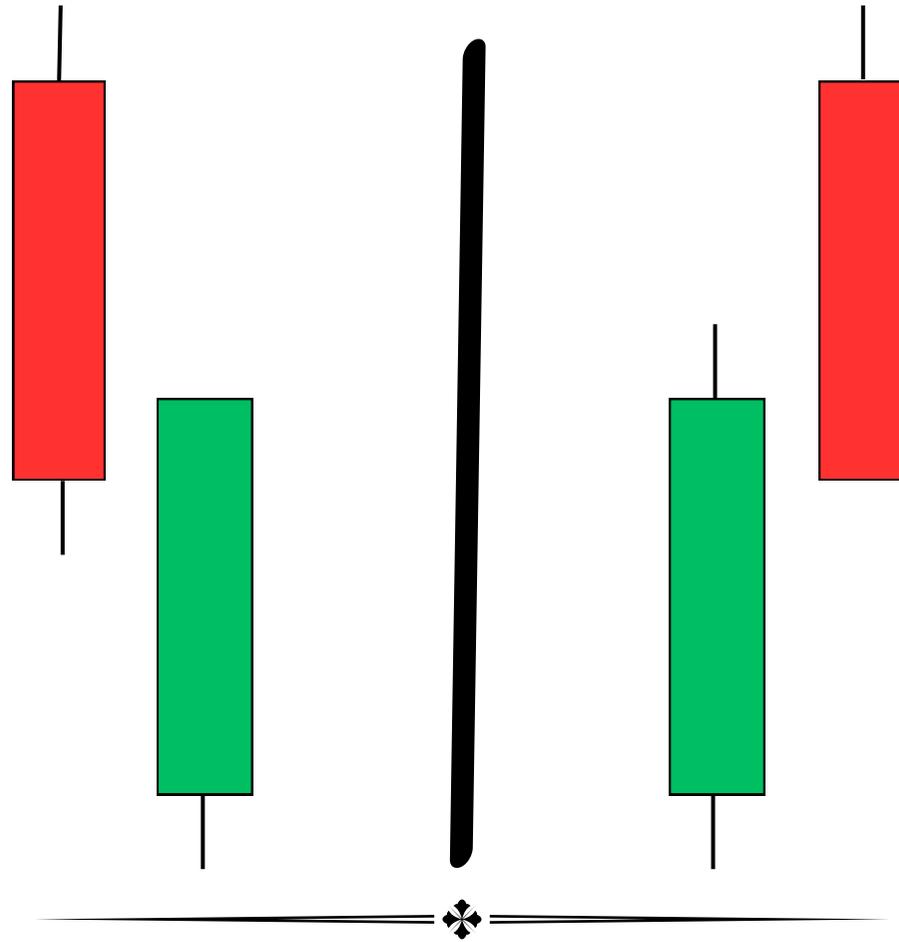
Here are 17 key candlestick patterns that traders use to predict market movements:

# 1. Belt-Hold Line



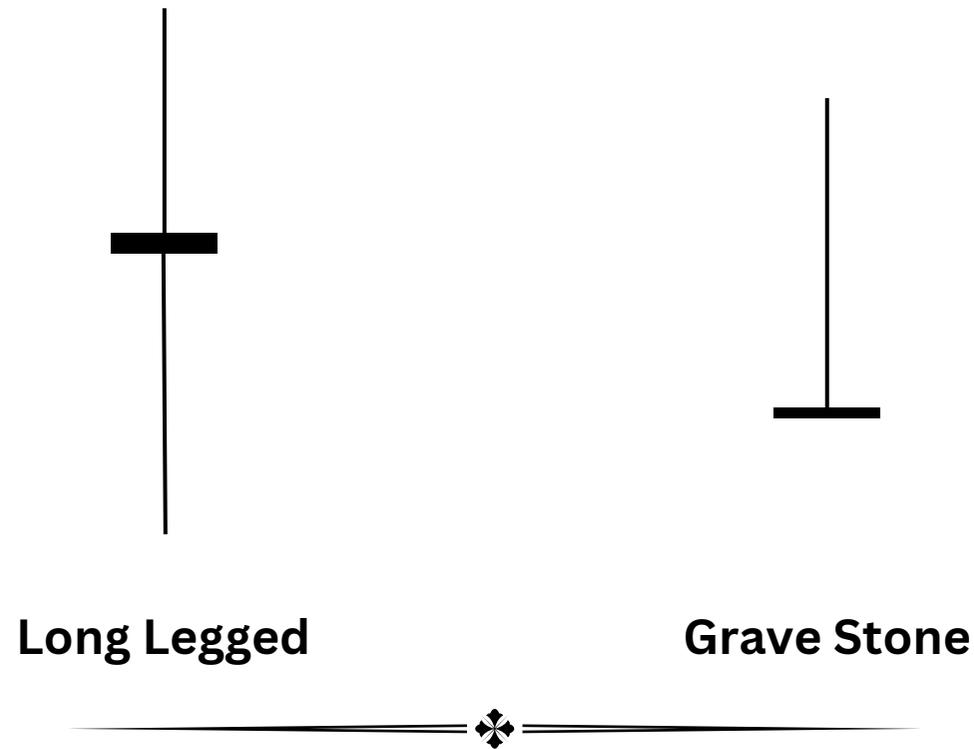
- Bullish Belt-Hold: A tall green candlestick that opens at its low price. It signals a potential upward trend, especially at low price levels.
- Bearish Belt-Hold: A long red candlestick that opens at its high price. It signals a potential downward trend, especially at high price levels.

## 2. Counterattack Lines



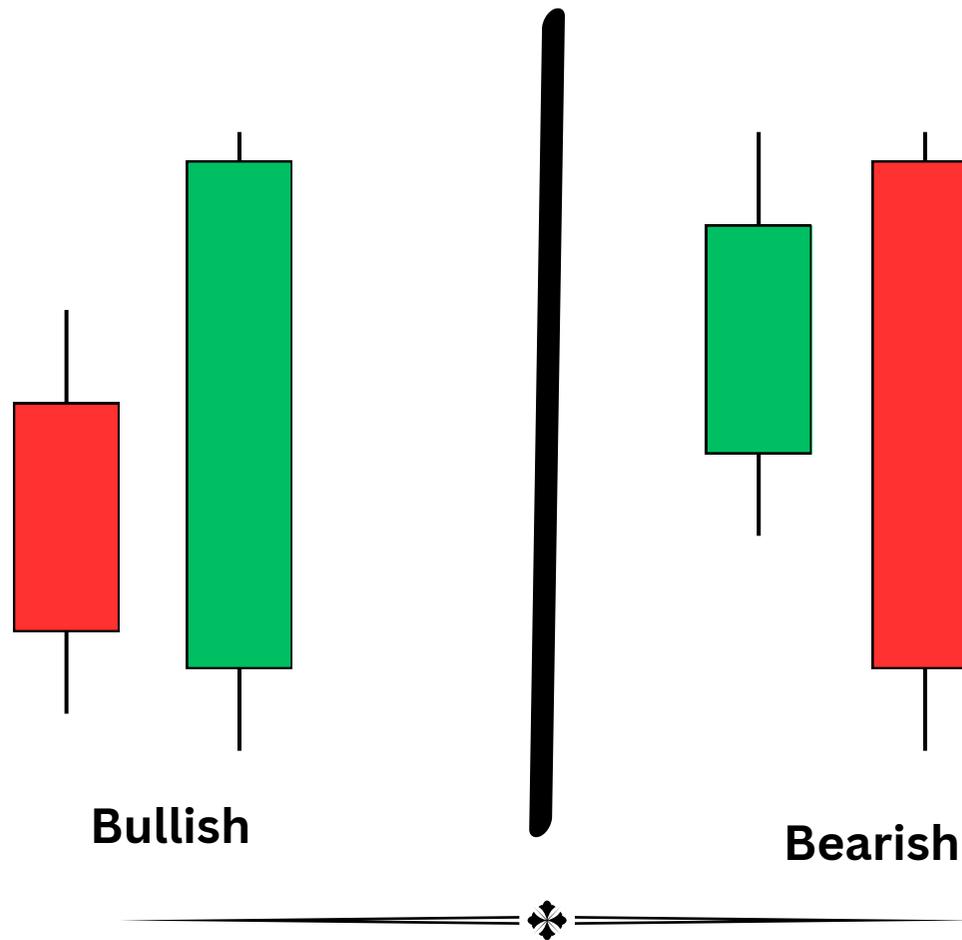
- After a red (or green) candlestick in a downtrend (or uptrend), the market gaps sharply lower (or higher) but closes at the same level as the previous session. This indicates a stalemate between buyers (bulls) and sellers (bears).

# 3. Doji



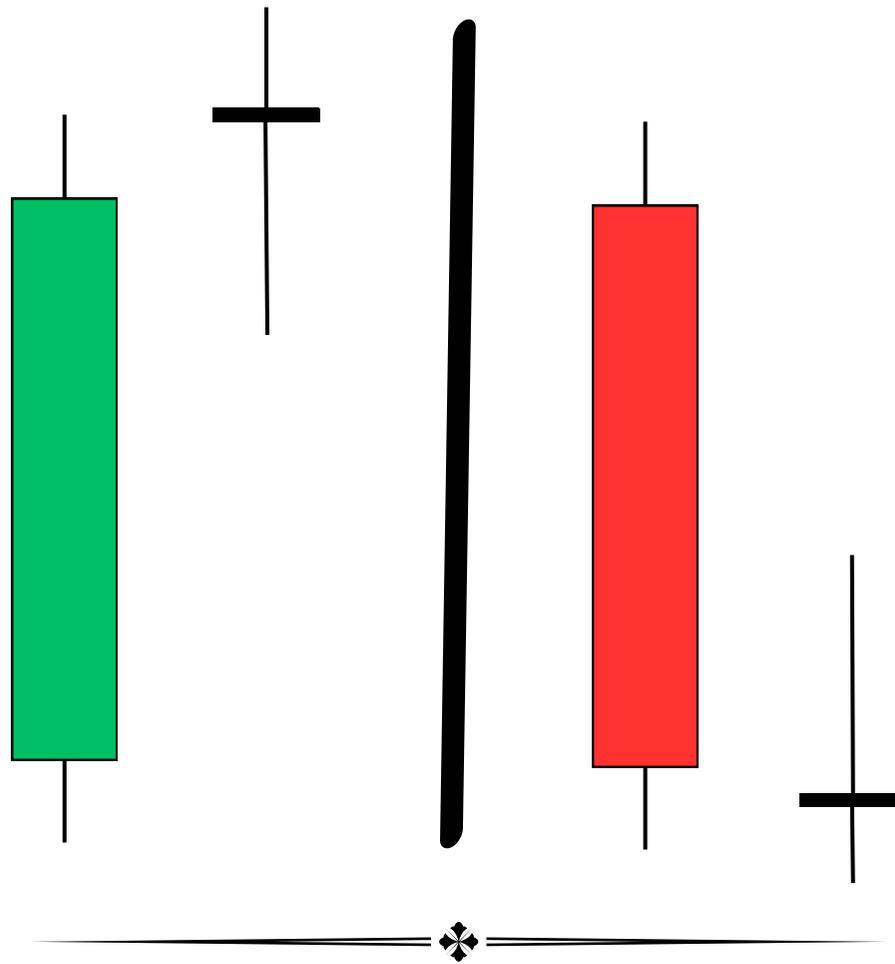
- A candlestick where the opening and closing prices are the same or nearly the same. It looks like a cross or plus sign. Different types of Doji (e.g., gravestone, long-legged) provide clues about market indecision. Doji lines are important for spotting potential reversals.

# 4. Engulfing Patterns



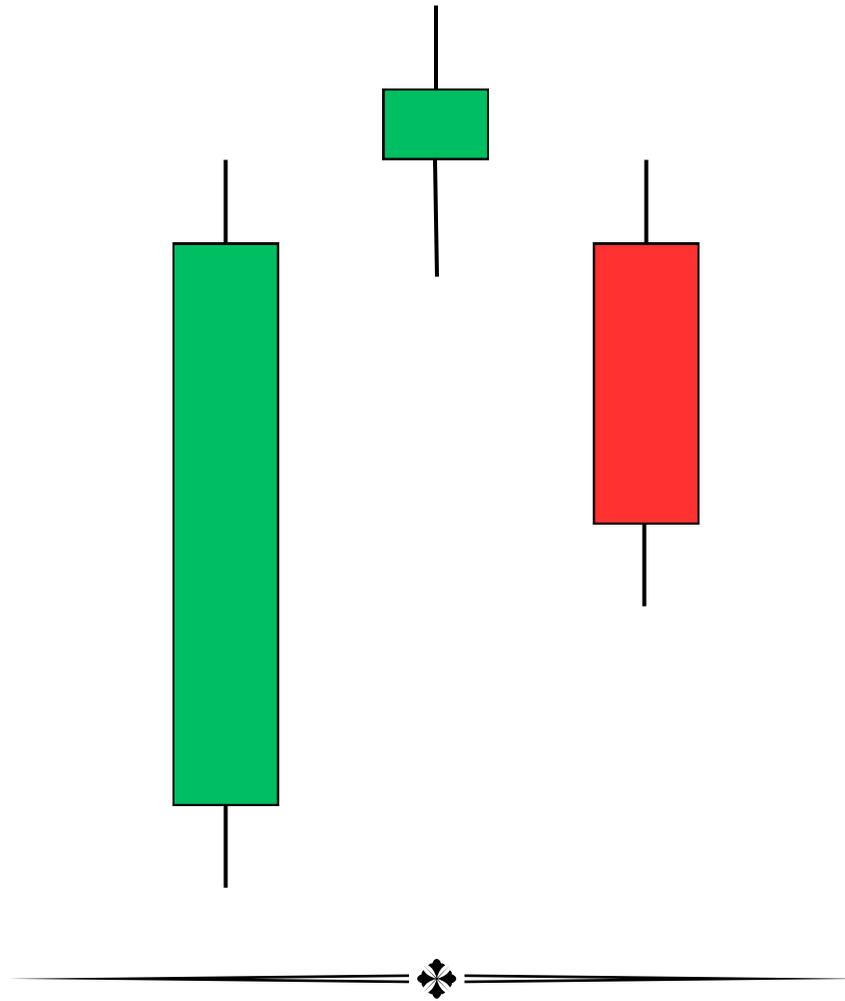
- Bullish Engulfing: A large green candlestick completely "engulfs" a smaller red candlestick in a downtrend. This signals a potential upward reversal.
- Bearish Engulfing: A large red candlestick engulfs a smaller green candlestick in an uptrend. This signals a potential downward reversal.

## 5. Doji Star



- A Doji that gaps away from a long green or red candlestick. It's a strong reversal signal, especially if confirmed by the next candlestick.

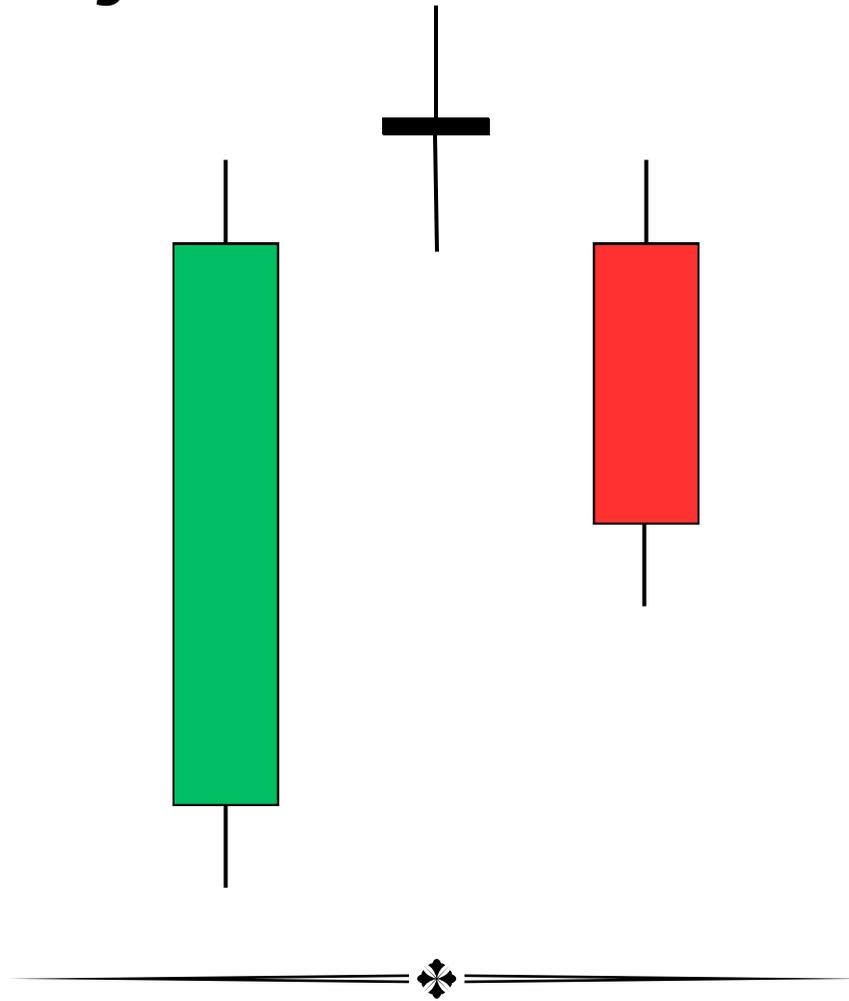
## 6. Evening Star



A three-candlestick pattern signaling a top reversal:

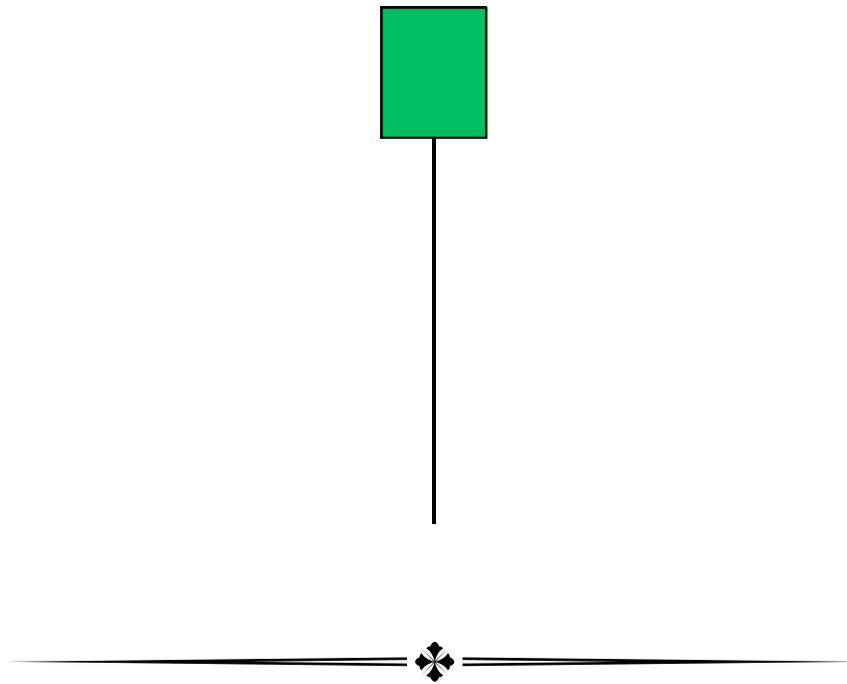
- A tall green candlestick.
- A small candlestick (green or red) that gaps higher.
- A red candlestick that closes deep into the first candlestick's body.

## 7. Evening Doji Star



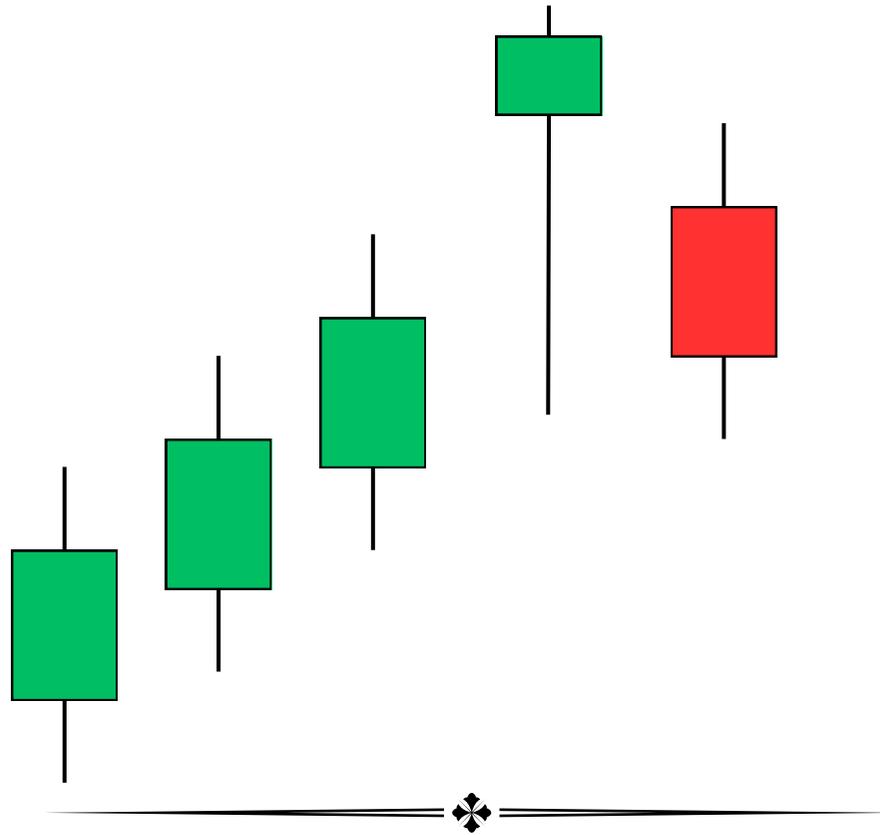
Similar to the Evening Star, but the middle candlestick is a Doji. This makes it even more bearish.

# 8. Hammer



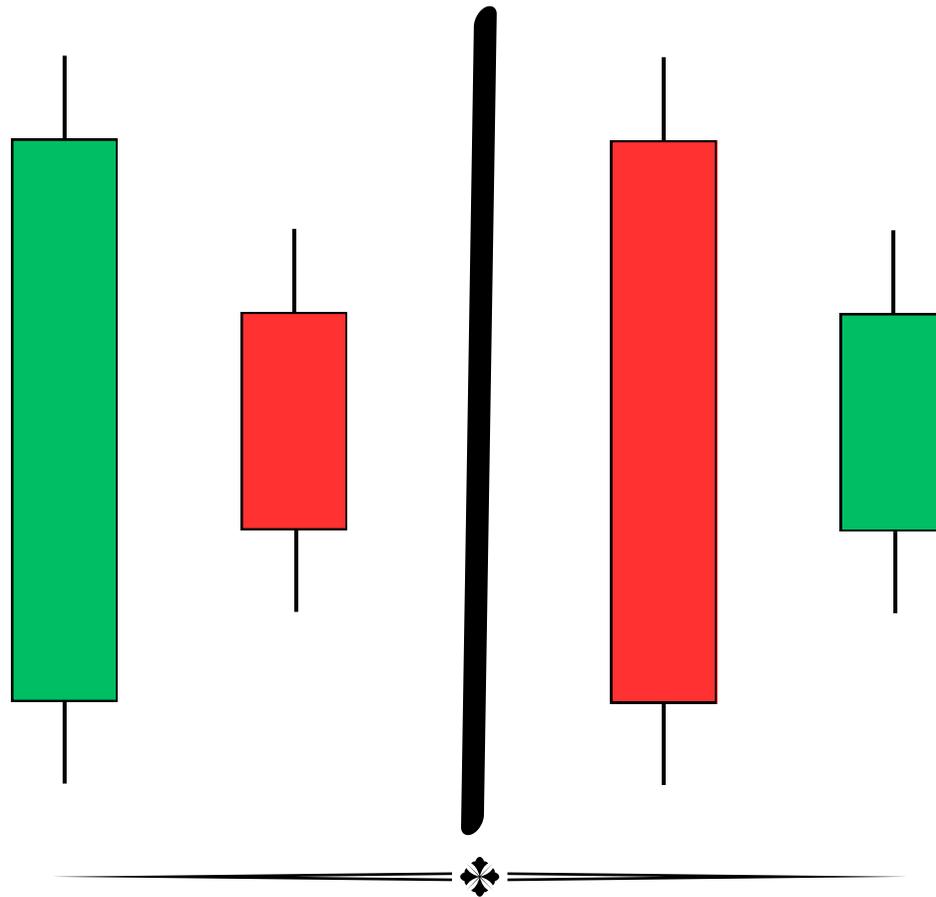
- A candlestick with a small real body at the top of its range and a long lower shadow. It appears in downtrends and signals a potential upward reversal. The lower shadow should be at least twice the height of the body.

# 9. Hanging Man



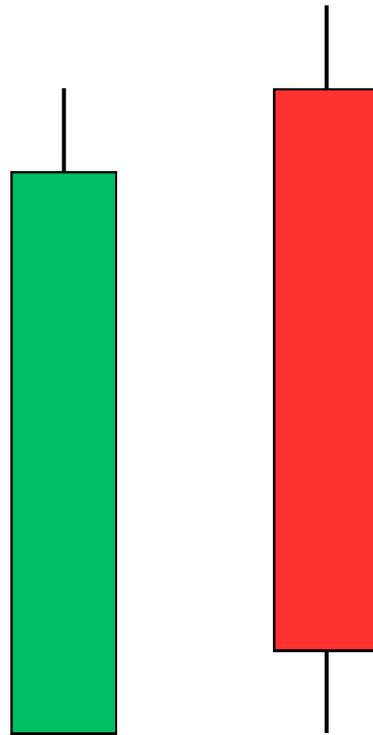
Looks like a Hammer but appears in uptrends. It signals a potential downward reversal. Confirmation is needed (e.g., a red candlestick the next day).

# 10. Harami



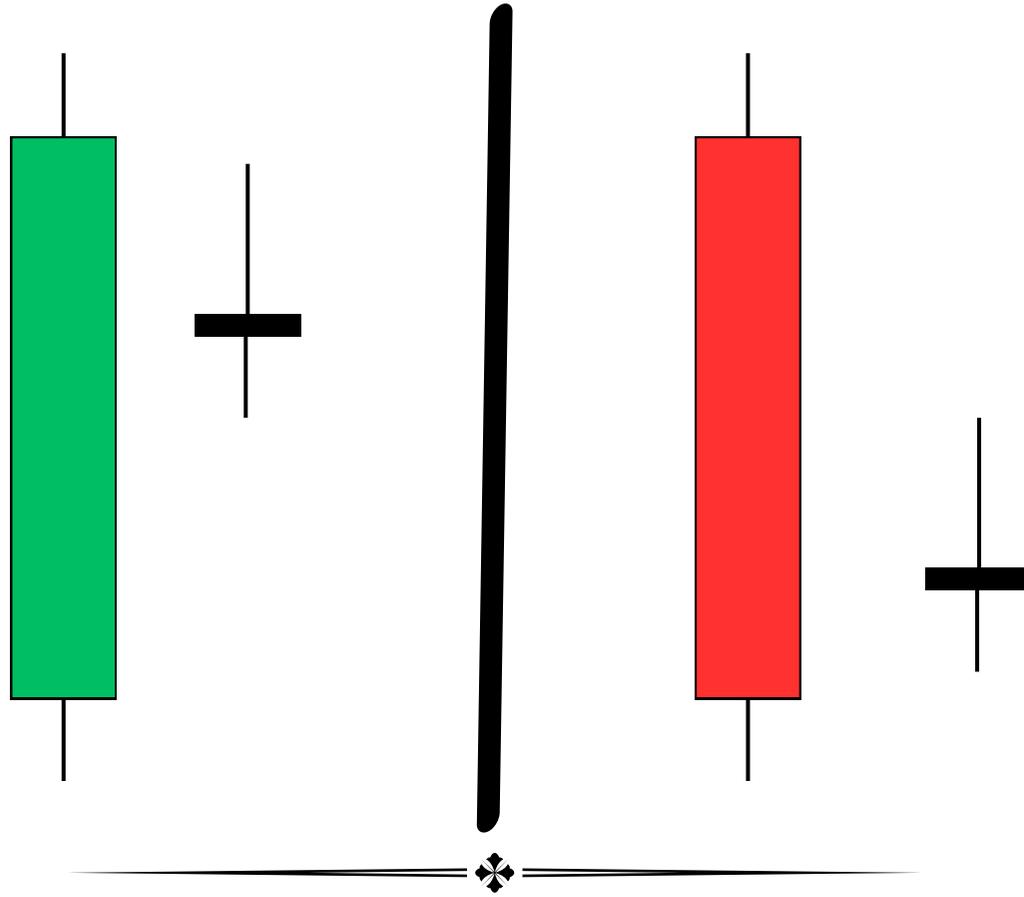
- A two-candlestick pattern where a small real body is completely inside the previous session's large real body. It suggests the trend is losing momentum.

# 11. Dark-Cloud Cover



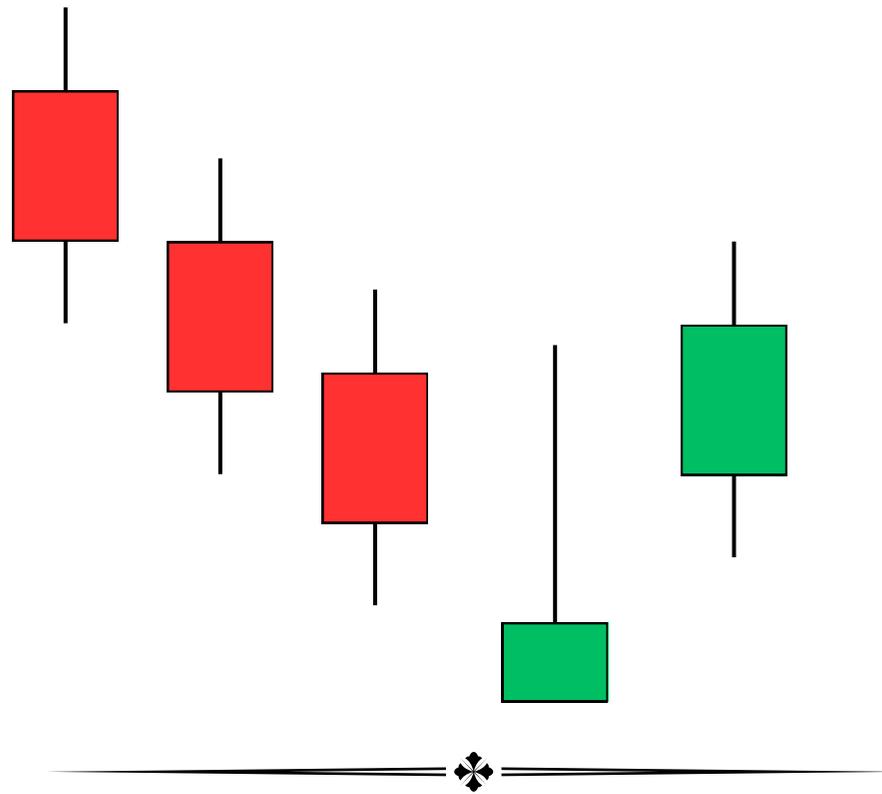
- A bearish reversal signal. After a long green candlestick, a red candlestick opens above the previous high but closes deep into the green candlestick's body.

## 12. Harami Cross



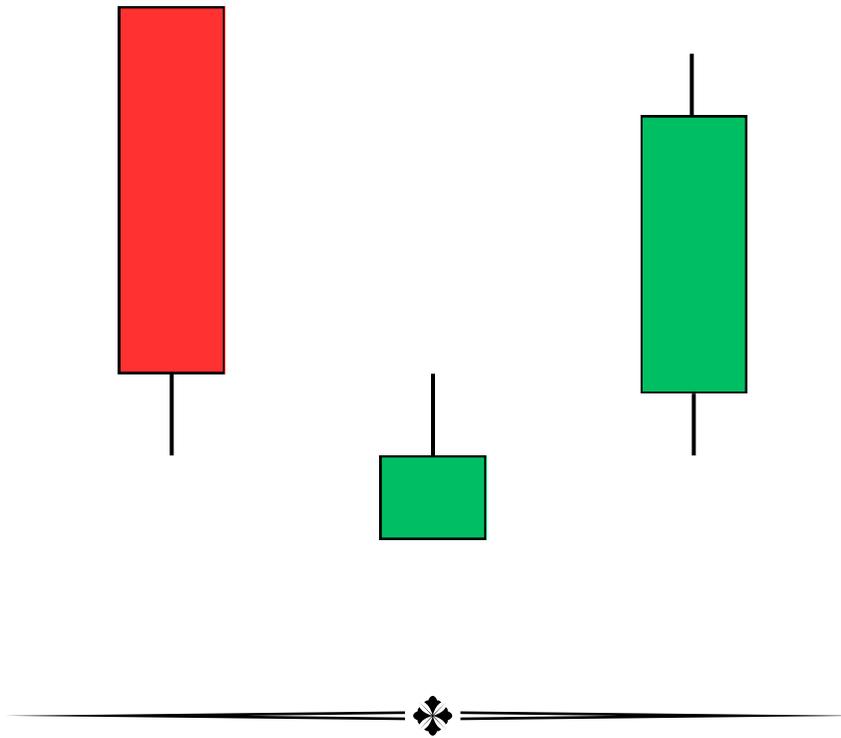
- A Harami where the second candlestick is a Doji. It's a strong reversal signal, especially after a long green or red candlestick.

# 13. Inverted Hammer



- A candlestick with a long upper shadow and a small real body at the lower end. It appears in downtrends and signals a potential upward reversal. Confirmation is needed the next day.

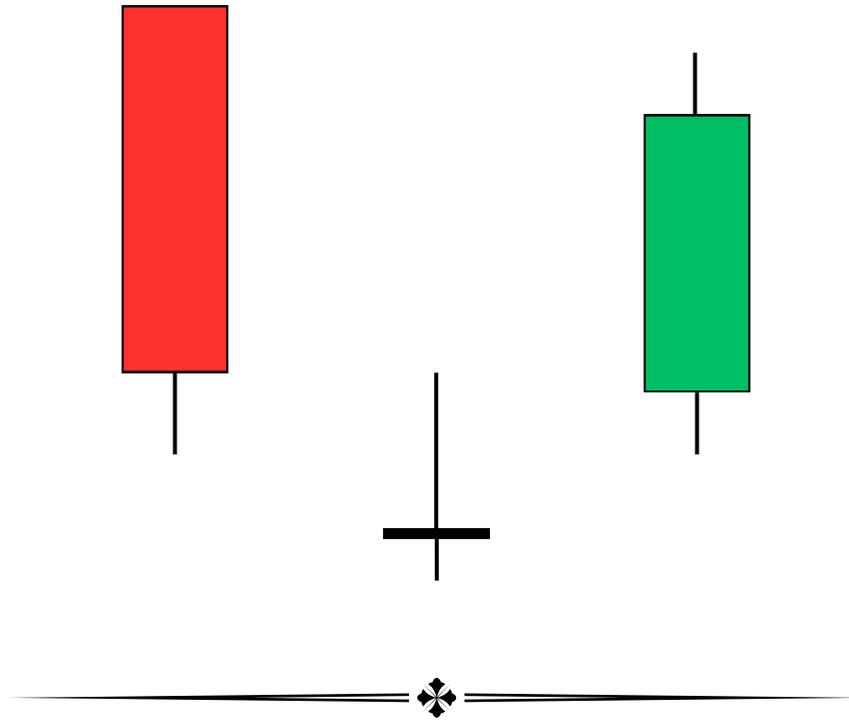
# 14. Morning Star



A three-candlestick pattern signaling a bottom reversal:

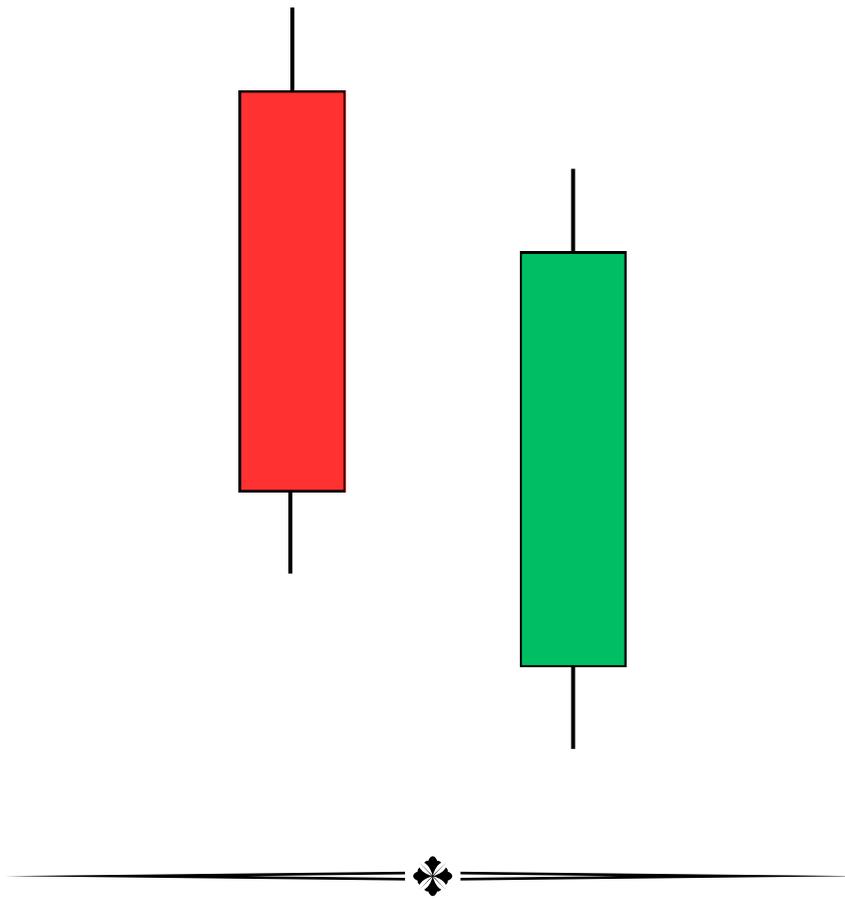
- A long red candlestick.
- A small candlestick (green or red) that gaps lower.
- A green candlestick that closes deep into the first candlestick's body.

# 15. Morning Doji Star



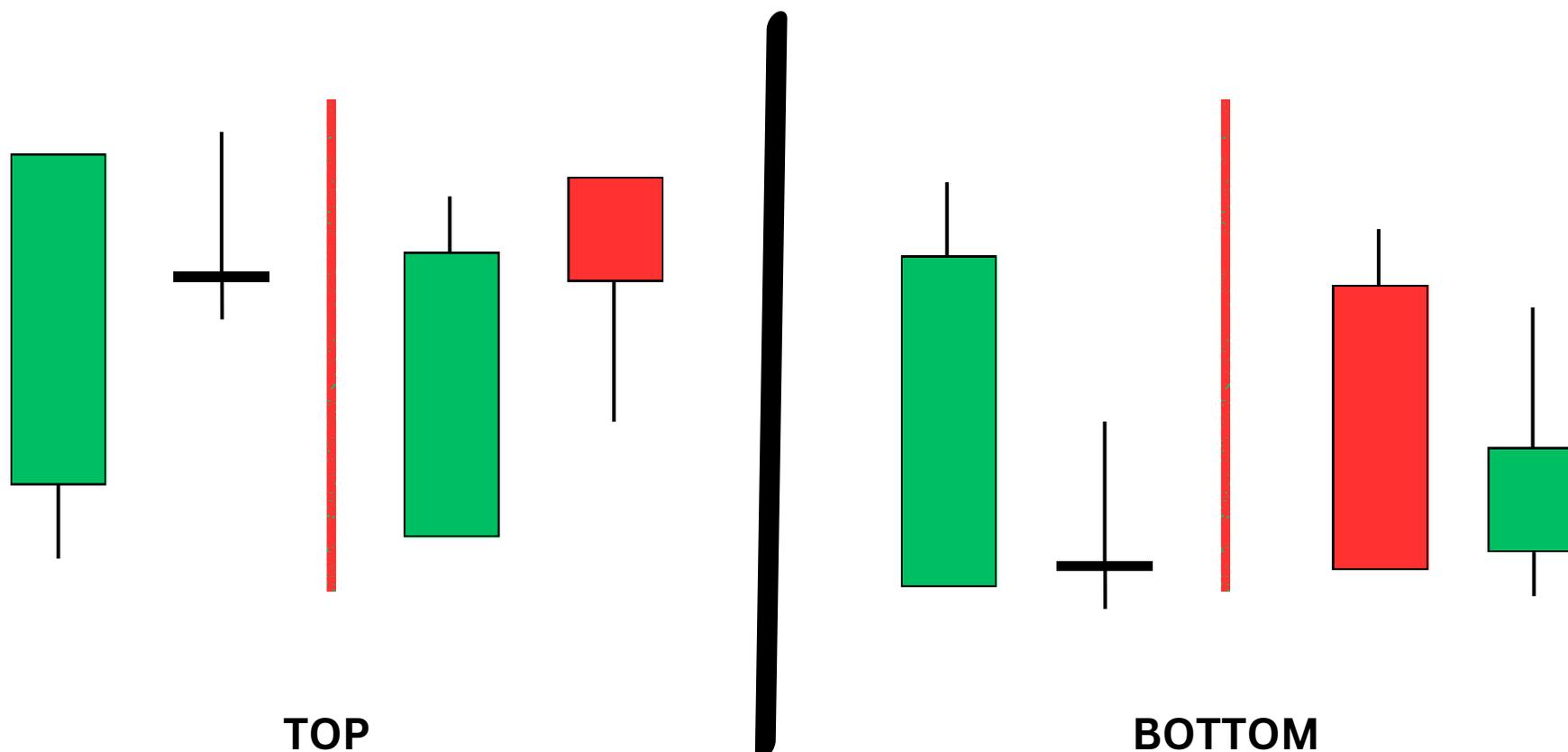
Similar to the Morning Star, but the middle candlestick is a Doji.  
This makes it even more bullish.

# 16. Piercing Pattern



- A bullish reversal signal. After a long red candlestick, a green candlestick gaps lower but closes more than halfway into the red candlestick's body.

# 17. Tweezers Top and Bottom



When two candlesticks test the same high (Tweezers Top) or low (Tweezers Bottom). It's a minor reversal signal but gains importance if combined with other patterns (e.g., Harami Cross).

# TALK TO US

[geeta@marketread.in](mailto:geeta@marketread.in)

## **Important Disclaimer**

Trading futures, forex, stocks, and options involves significant risk. Losses can and will occur. No system or strategy can guarantee profits or prevent losses. The 17 Money-Making Candlestick Formations are tools to help analyze the market, but they do not ensure success.

Always trade responsibly.