

Twitter Thread by Arun Garg (NISM Certified)



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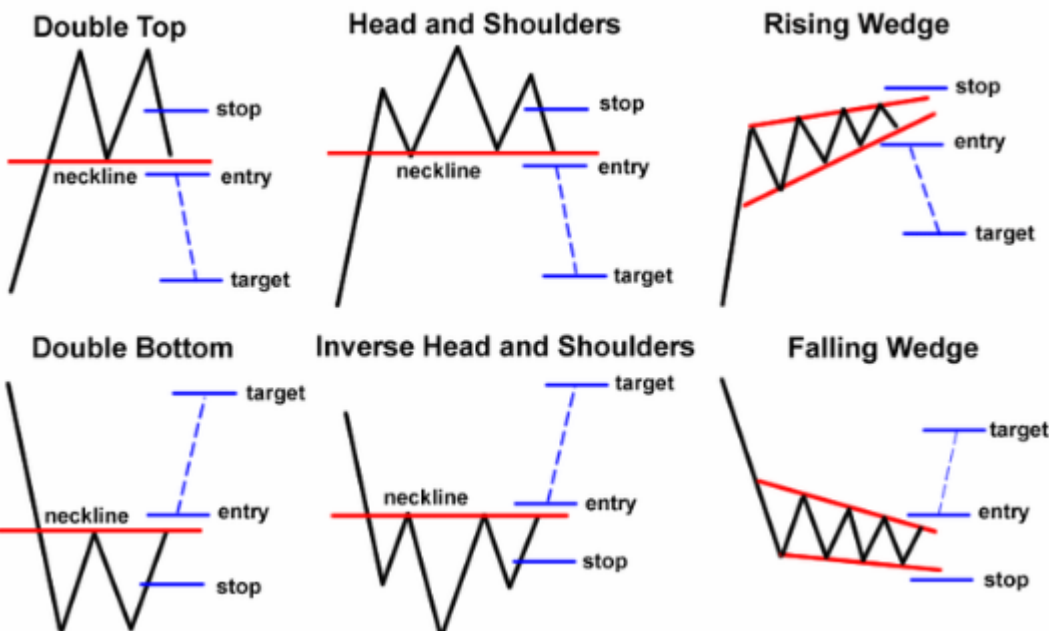
In this Thread, We will cover some important Reversal Patterns.

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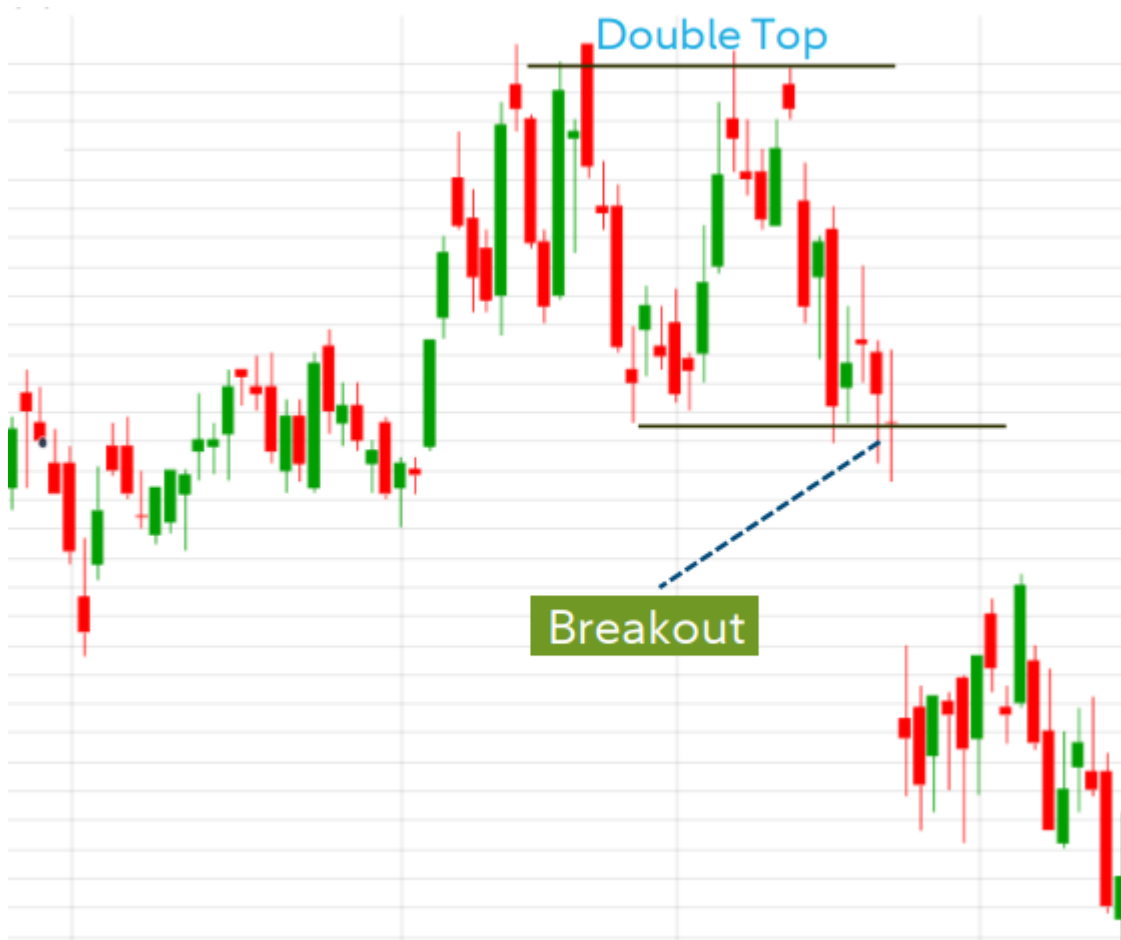
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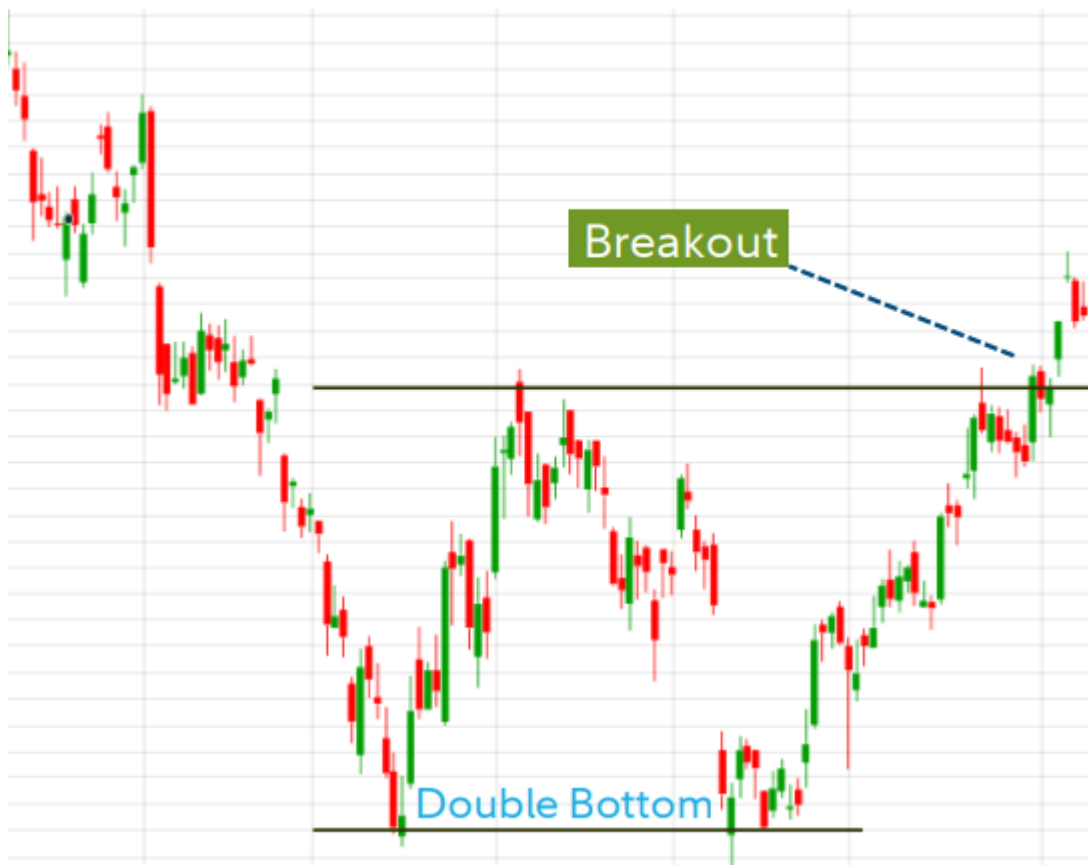
1. Double Top

- Two successive peaks separated by an opposite reversal point.
- Either rounded or pointed peaks that are usually at roughly the same price.
- Price must break out of middle reversal point.



2. Double Bottom

- Two successive troughs separated by a peak.
- Either rounded or pointed troughs that are usually at roughly the same price.
- Price must break out of middle peak.



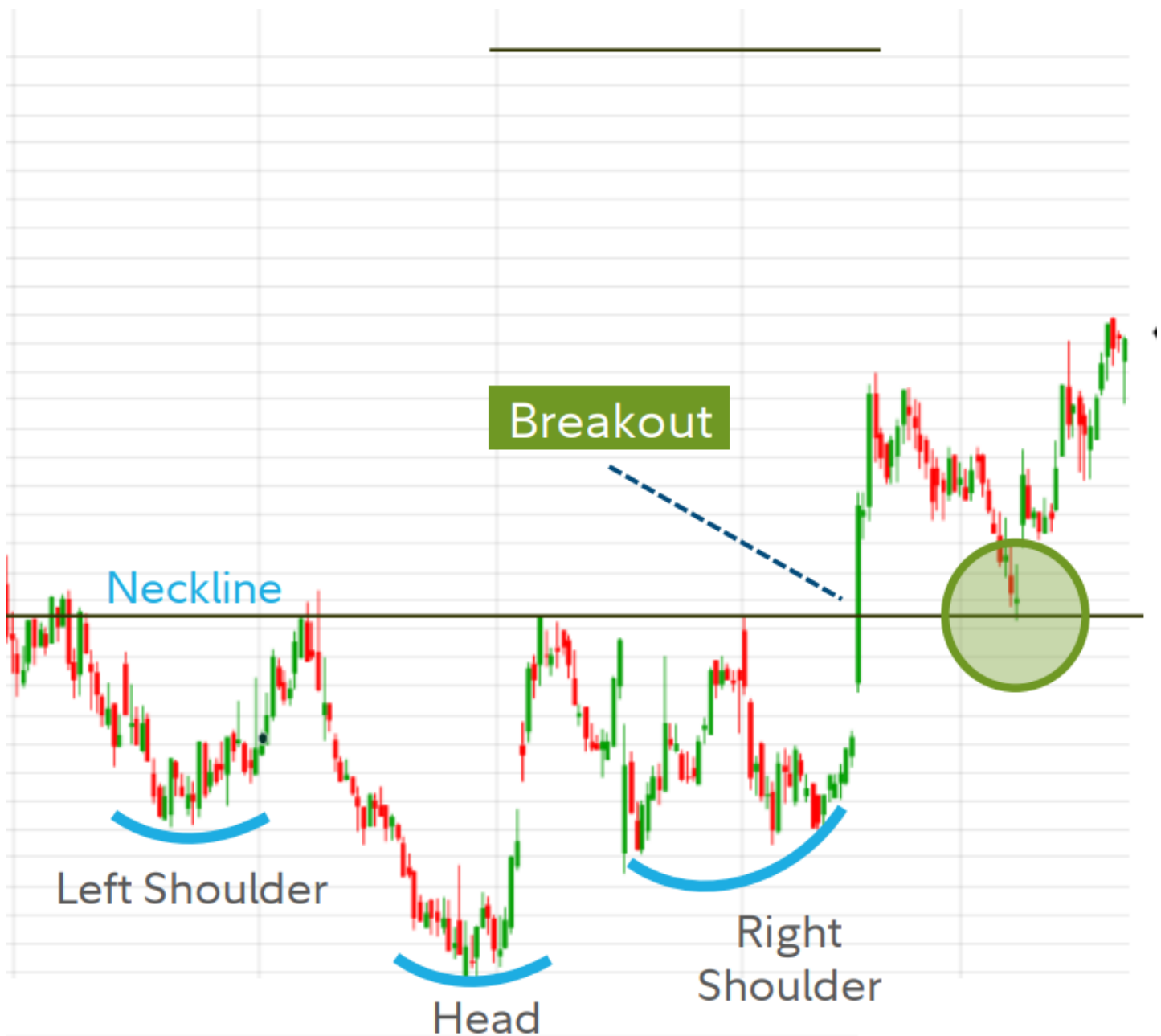
3. Head and Shoulders

- a. Three peaks with center peak higher than the other two.
- b. Shoulders should be at approximately the same level and the head higher.
- c. Target is the distance from the head to the neckline projected from the neckline.



4. Inverse Head and Shoulders

- Inverted but otherwise identical to above pattern.



5. Rising Wedge

- a. Bounded by two trend lines, each headed in the same direction. Price must touch a trend line at least five times before a breakout.



6. Falling Wedge

- a. The falling wedge has a series of lower highs and lower lows, but the lower lows are less pronounced than the lower highs, creating more of a wedge than a triangle shape.

