Twitter Thread by Arun Garg (NISM Certified)



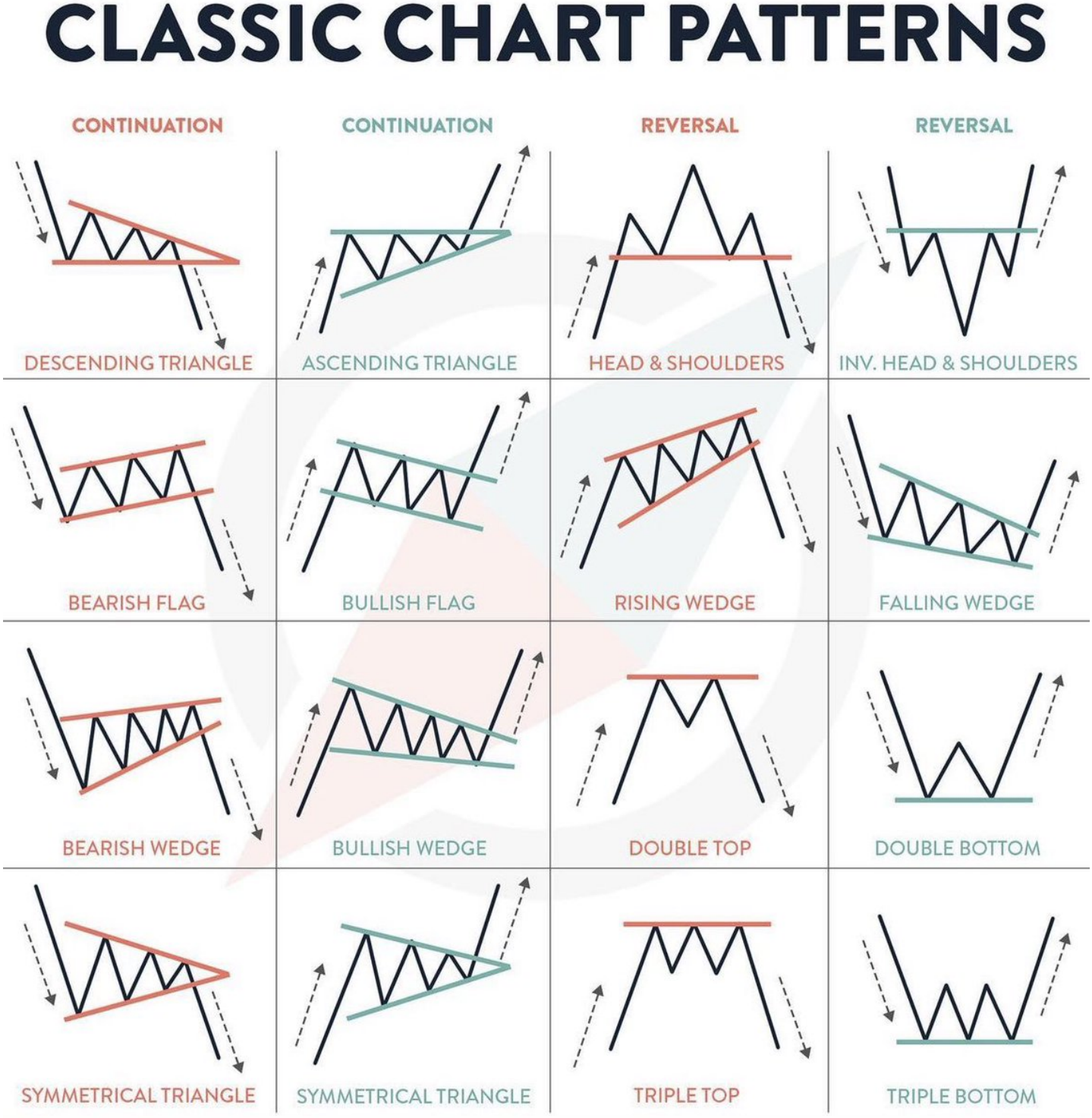
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In this Thread, We will cover all important Patterns.

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1. Descending Triangle

a. Bounded by two trend lines; the lower is horizontal and the upper slopes downward.

b. Prices can break in either direction but most commonly downward.



2. Ascending Triangle

a. Bounded by a horizontal upper trend line and an upward sloping lower trend line. Each bound is a straight trend line.

b. Prices can break in either direction, but more commonly upward.



3. Head & Shoulders

a. Three peaks with center peak higher than the other two.

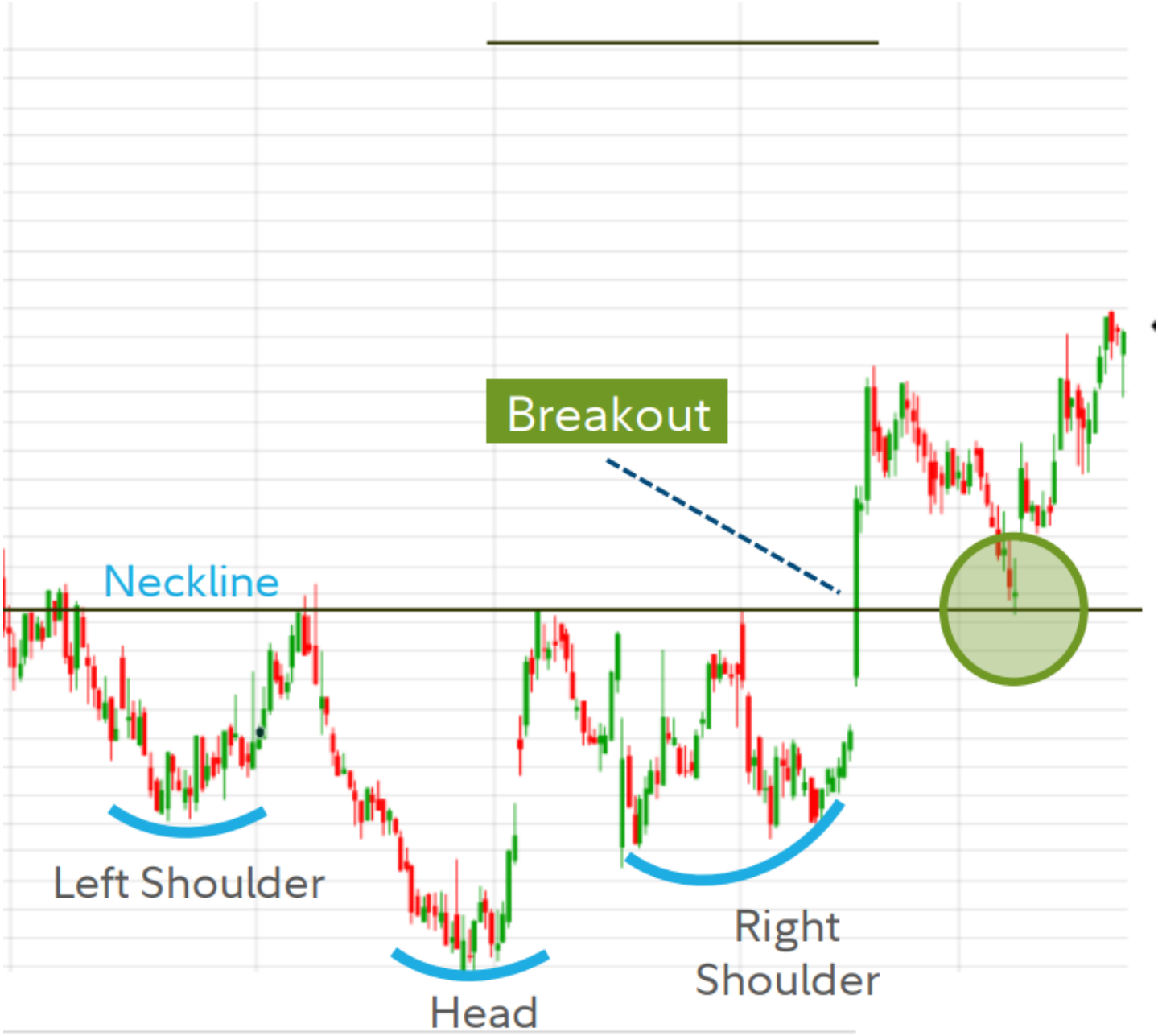
b. Shoulders should be at approximately the same level and the head higher.

c. Target is the distance from the head to the neckline projected from the neckline.



4. Inverse Head & Shoulders

a. Inverted but otherwise identical to above pattern.



5. Bearish Flag

a. Trading range with support and resistance levels bounding price action.
b. Slight tilt, similar to horizontal channel.



6. Bullish Flag

a. Trading range with support and resistance levels bounding price action.
b. Slight tilt, similar to horizontal channel.



7. 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.



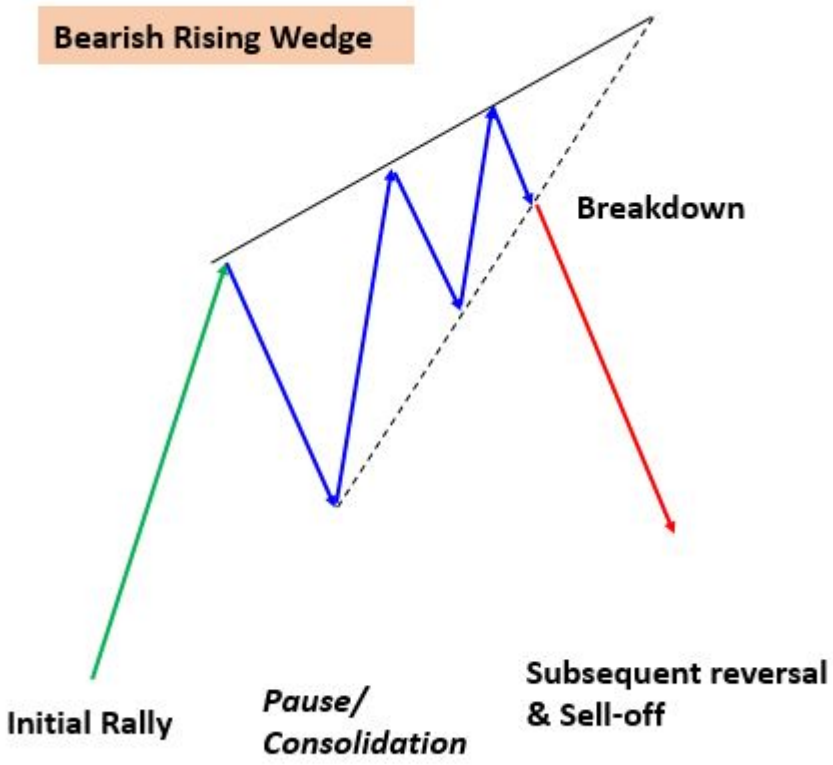
8. Falling Wedge

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.



9. Bearish Wedge

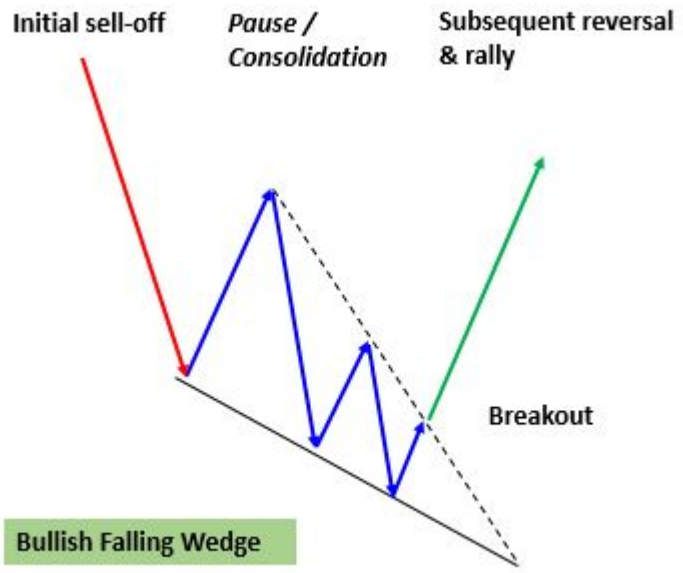
a. The wedge represents a pause to consolidate, with rising highs and lows in a narrowing pattern being the first sign that a bearish wedge is forming.



10. Bullish Wedge

a. The wedge represents a pause to consolidate, with falling highs and lows in a narrowing pattern being the first sign that a

bullish wedge is forming.



11. Double Top

a. Two successive peaks separated by an opposite reversal point.

b. Either rounded or pointed peaks that are usually at roughly the same price.

c. Price must break out of middle reversal point.

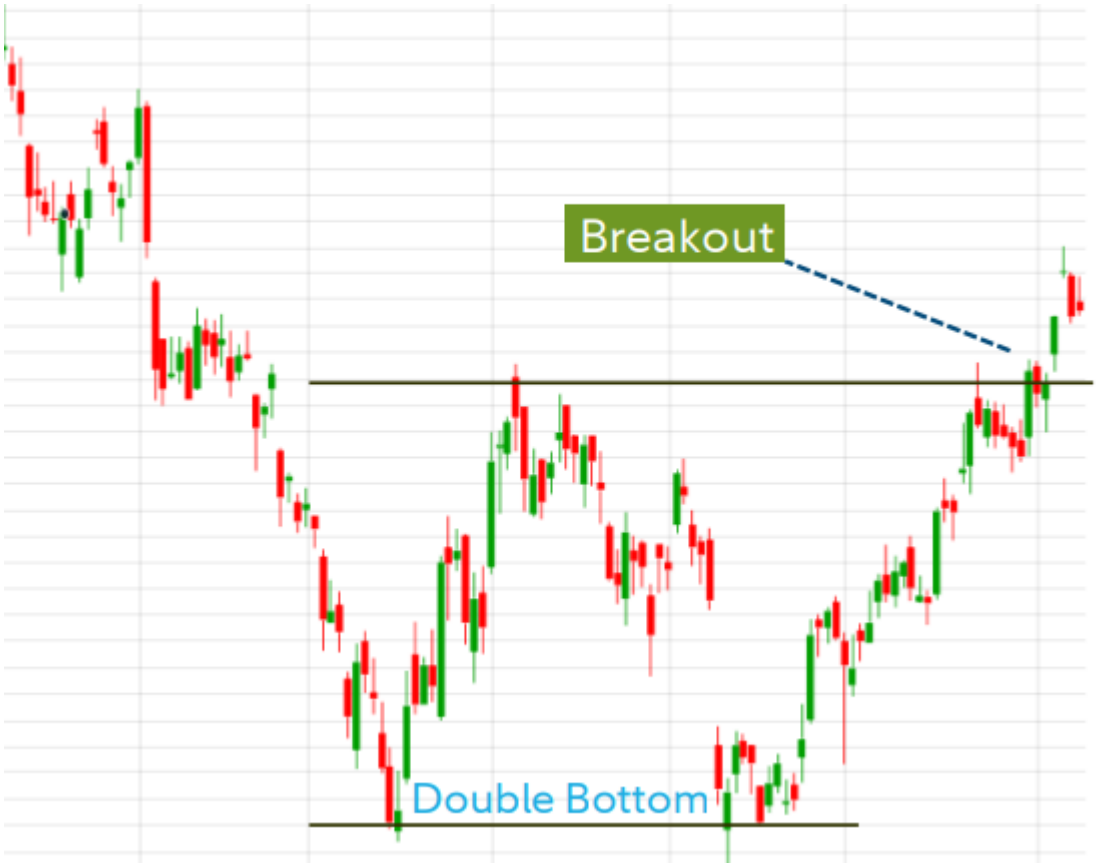


12. Double Bottom

a. Two successive troughs separated by a peak.

b. Either rounded or pointed troughs that are usually at roughly the same price.

c. Price must break out of middle peak.



13. Symmetrical Triangle

a. Bounded by a downward sloping upper trend line and an upward sloping lower trend line. Each bound is a straight trend line.

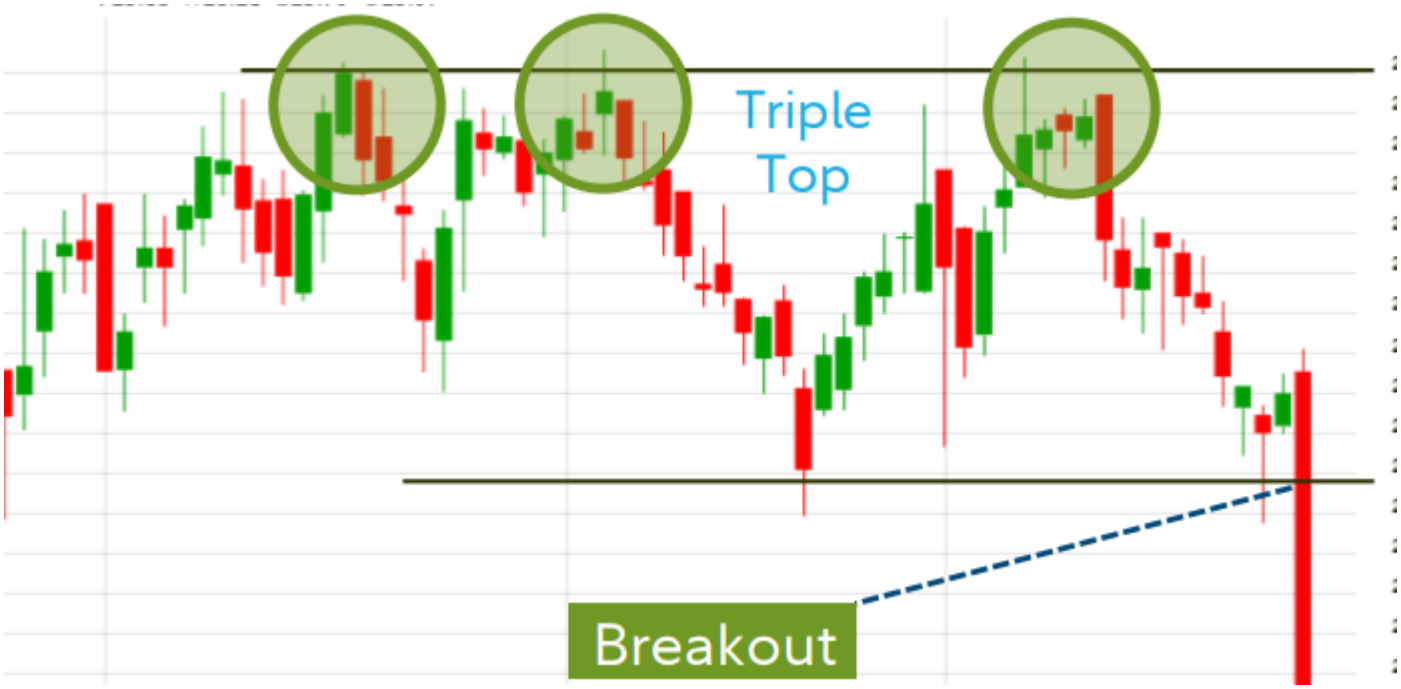
b. Prices must touch each bound atleast twice.



14. Triple Top

a. Three distinct peaks at roughly the same price level separated by two intermittent troughs.

b. Breakout occurs when price exceeds the extreme of the intermittent trough or a trend line connecting those points.



15. Triple Bottom

a. Three distinct troughs at roughly the same price level separated by two intermittent peaks at any level.

