Twitter Thread by Dhrumit Darji ■



Dhrumit Darji ■
@Dhrumit_22

Single candlesticks pattern and how to interpret the same. (Part - 1)

A Thread ■■

If you don't know basics of candlesticks and how to interpret them. Do read below thread first.
https://t.co/GTX4BRuqGM

> Basics of candlestick & How to interpret the candlestick.
>
> A Thread \U0001f9f5\U0001f9f5
>
> — Dhrumit Darji \u2728 (@Dhrumit_22) January 30, 2022

1. Marubozu (Bullish and Bearish)

These Candles are extremely powerful candle. Having long Body with very small or no wicks in it.

Bullish marubozu : Open = Low and sometimes High = Close.

Bearish marubozu : Open = High and sometimes Low = Close.

Bullish marubozu indicates that a stock price open at certain price and kept rising without falling till the end of the day. Similarly, with bearish marubozu stock open at certain price and kept falling.

Example: In below picture stock price opened at 100 and kept rising, made a day high of 112 and finally closed at 110.

Open = Low (i.e. 100 where stock open and only buyers were there at that time)
Vice-versa, with bearish marubozu candle.

Below is the chart of TCS on a daily time frame (will dicuss time frames in upcoming threads)

The candles in circle are the bearish marubozu, there is a high 'probability' of downside after the appearance of bearish marubozu.

2. Hammer Candle (Bullish)

Hammer candle as the name suggest, it looks like hammer.

This candles have small body, and very small or no upper wick.
What Color of candle is, really doesn't matter.
Longer the wick stronger the candle.

Example: Stock price opened at 100, made a low of 80 (i.e. sellers was very strong) however, at the end of the day stock closed at 105 (i.e. sellers tried to push the price down but buyers were strong enough to comeback) Hence, it's a bullish signal and here sellers are exhausted

This is one of the candle which appears at the bottom of the down trend and shows reversal from there.

Below is the example of hammer in real chart of Dabur and SAIL.

So, this was the 2 candlestick single candlesticks pattern and interpretation of the same. There are some more which will be covered in Part-2.

Thanks for reading this thread till here■

If you found this thread knowledgeable
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There are lot many on the way.

https://t.co/FL4bRUCW7F

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> — Dhrumit Darji \u2728 (@Dhrumit_22) February 6, 2022

Tagging few people for better reach:
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