Twitter Thread by Strategist & Trader



Strategist & Trader
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" ALL ABOUT HEAD & SHOULDER CHART PATTERN"

~ This pattern is analogous to the human upper body structure.

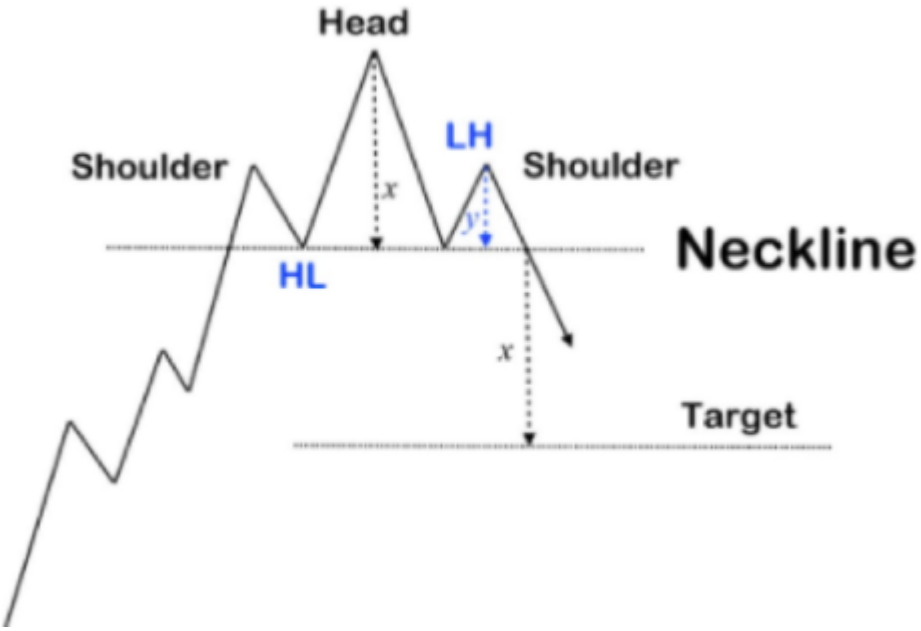
~ Credibility of this pattern is really high.

~ It consist of 3 types-

1. Head & Shoulder Top

2. Head & Shoulder Bottom

3. Head & Shoulder Continuation

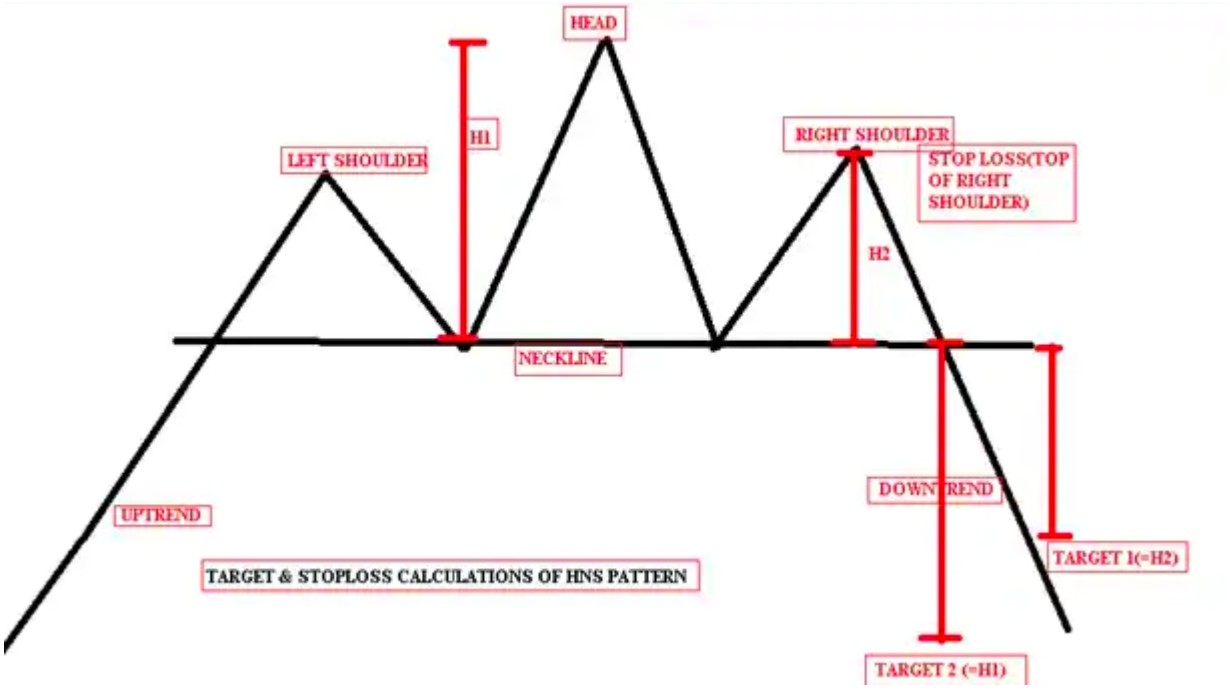


1. Head & Shoulder Top:

~ It is used to take the bearish trade. While taking trade on the basis of this pattern. The prior trend should be an upward trend before the formation of this pattern takes place.

~ Risk to Reward ratio is high.

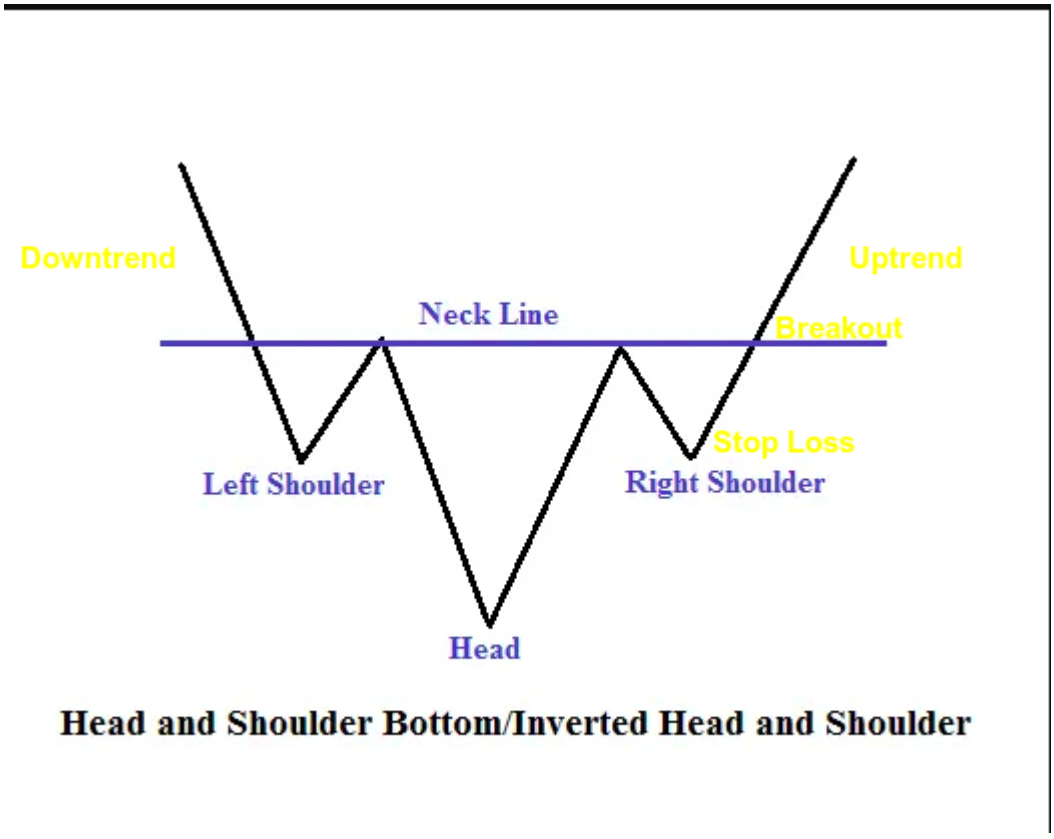
~ If we goes wrong SL will hit.



2. Head & Shoulder Bottom

~ It is also known as Inverted Head & Shoulder pattern. It is one of my favourite pattern. It is used to take bullish trade.

~ Prior trend should be downtrend or sideways before this pattern formation takes place.



3. Head & Shoulder Continuation

~ Prior trend should be an upward trend before the formation of this pattern takes place.

~ Risk to reward ratio is high.

~Stop Loss should be on the closing basis.

