DAY TRADING PATTERNS

HIGHLY PROBABLE DAY TRADING PATTERNS

Chart patterns are the oldest used signals for trading. The nice thing about chart patterns is that they reproduce themselves repeatedly and their dynamics does not change during the time. In other words, a valid highly probable pattern on today's chart is as valid as the same pattern ten years ago or ten years later. This constancy has made them bread and butter of every day analysis and they often play an important role in your trading decisions. Below you will find the most probable (profitable) chart patterns according to my trading experience.

WAVE FORMS

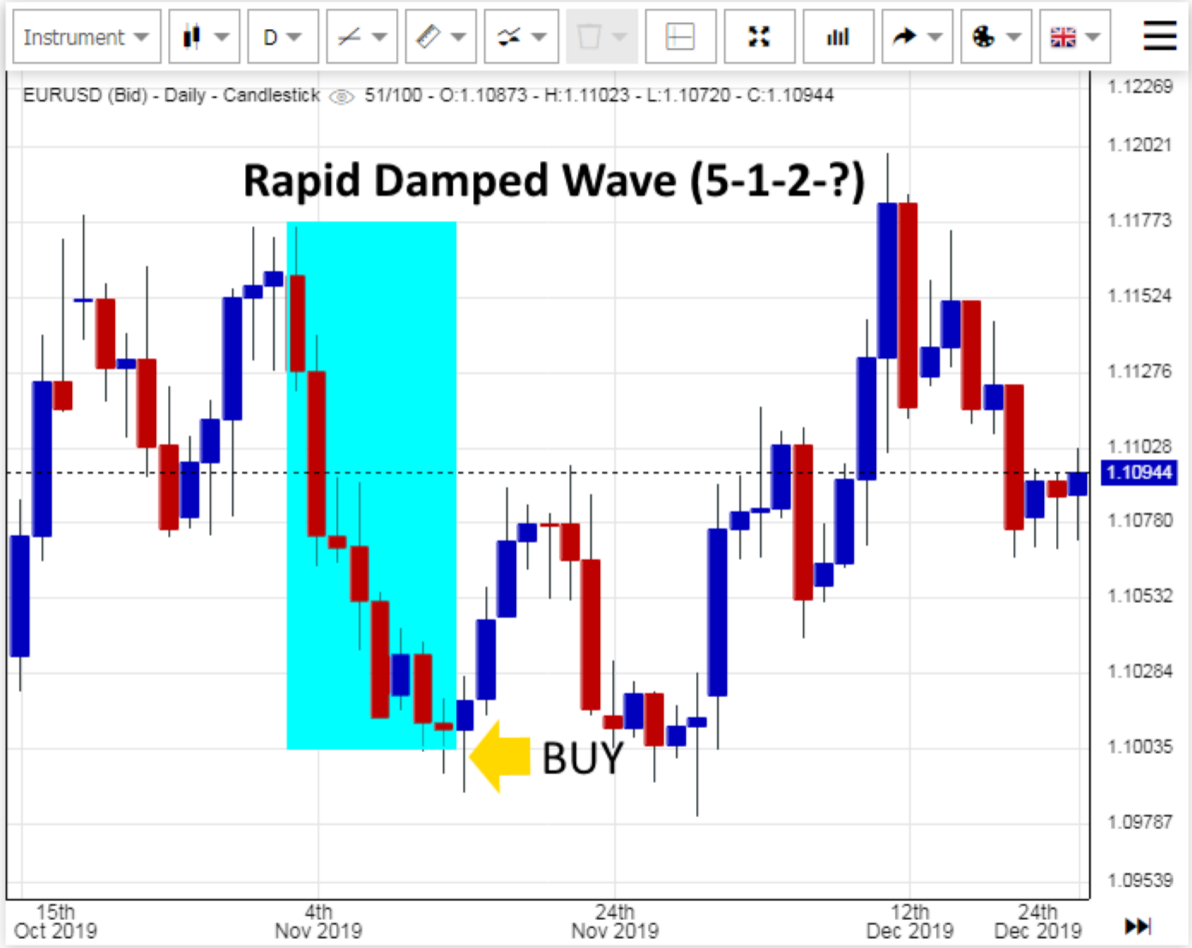
Asset prices move as waves. When you look at the charts, you can see waves everywhere and in all time frames. Price waves have two common types, impulsive and repulsive.

Impulsive waves are those that start with a sudden price outburst and as the price approaches a support or resistance level the waves become less intensive and gradually flatten. Repulsive waves usually come as reaction to impulsive waves, are less intensive, consist of more bars and obviously try to adjust the price. All chart patterns are more or less a complete or partial form of impulsive or repulsive waves.

WAVE FORMS

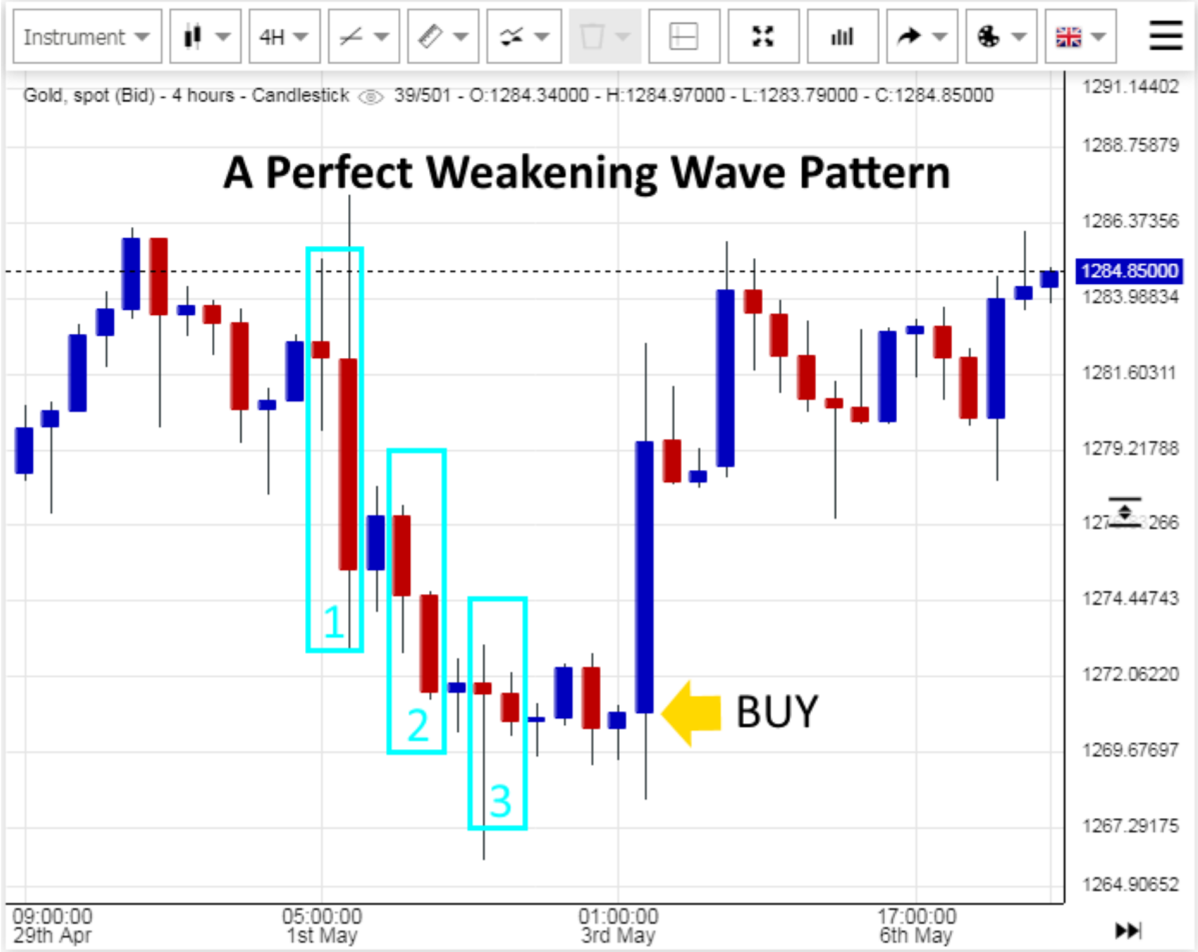
Waveforms can intuitively be formulated as a logical sequence of bull/bear bars and this way they are fairly predictable. For example you have an alternate wave of 6-1-1-? or 3-1-1-1-1-?. In terms of wave dynamics the first from is called rapid damped and the second form is called slow damped wave. In this book yellow arrows on all pictures show a possible entry point.

WAVE FORMS

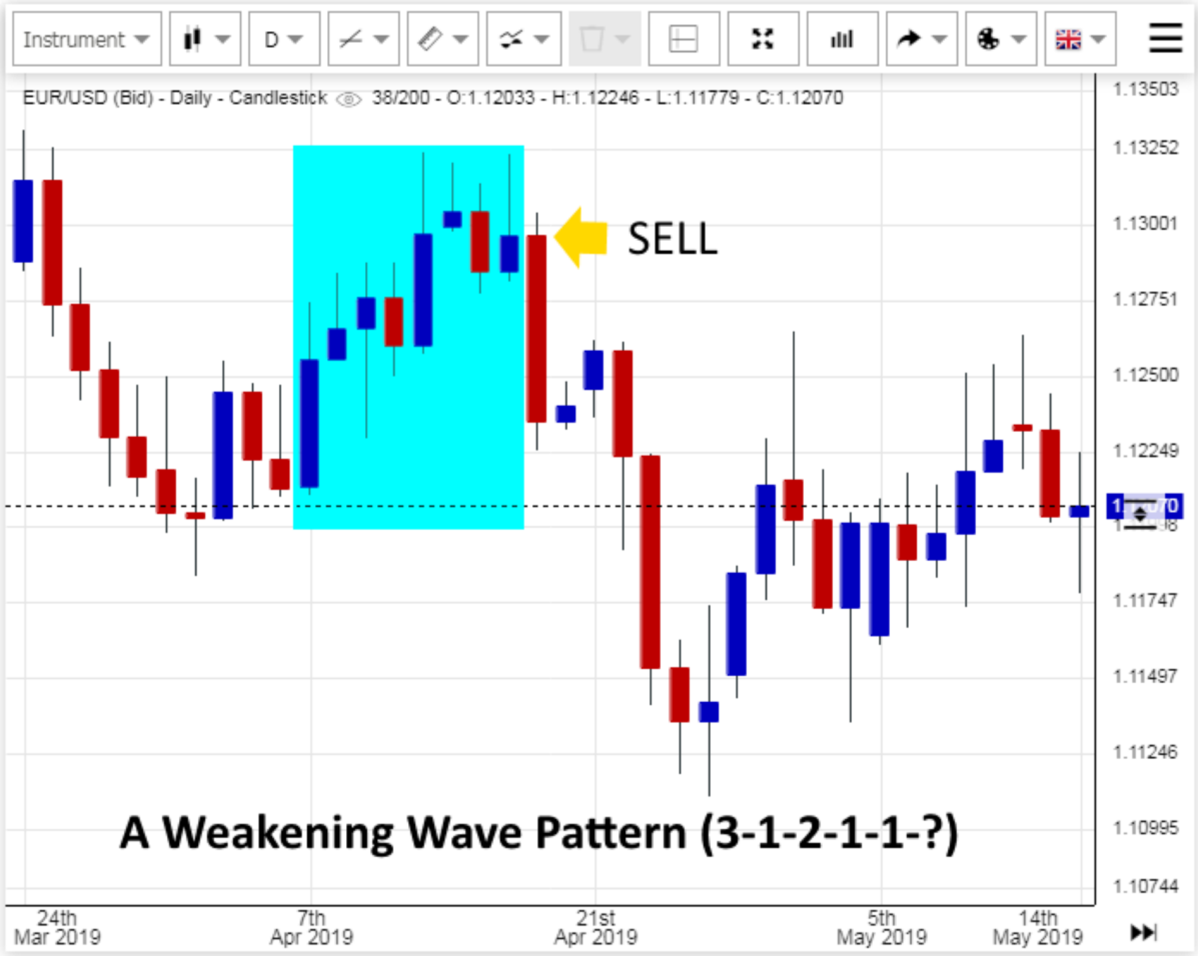


Instrument
D
EURUSD (Bid) - Daily - Candlestick 51/100 - O:1.10873 - H:1.11023 - L:1.10720 - C:1.10944
Rapid Damped Wave (5-1-2-?)
BUY
1.12269
1.12021
1.11773
1.11524
1.11276
1.11028
1.10944
1.10780
1.10532
1.10284
1.10035
1.09787
1.09539
15th Oct 2019
4th Nov 2019
24th Nov 2019
12th Dec 2019
24th Dec 2019

WAVE FORMS


Instrument
4H
Gold, spot (Bid) - 4 hours - Candlestick 39/501 - O:1284.34000 - H:1284.97000 - L:1283.79000 - C:1284.85000
A Perfect Weakening Wave Pattern
1
2
3
BUY
1291.14402
1288.75879
1286.37356
1284.85000
1283.98834
1281.60311
1279.21788
1274.44743
1272.06220
1269.67697
1267.29175
1264.90652
09:00:00
29th Apr
05:00:00
1st May
01:00:00
3rd May
17:00:00
6th May

WAVE FORMS



Instrument
D
EUR/USD (Bid) - Daily - Candlestick 38/200 - O:1.12033 - H:1.12246 - L:1.11779 - C:1.12070
SELL
A Weakening Wave Pattern (3-1-2-1-1-?)
1.13503
1.13252
1.13001
1.12751
1.12500
1.12249
1.11747
1.11497
1.11246
1.10995
1.10744
24th Mar 2019
7th Apr 2019
21st Apr 2019
5th May 2019
14th May 2019

SANDWICH PATTERN

Sandwich pattern is a special case of rapid damped waveforms with a general sequence of N-1-1-?. In this sequence N can be a row of often 1-6 same bull or bear bars. For example 1-1-1-? and 3-1-1-? are sandwich patterns. Sandwich pattern is my top favorite trading pattern because it is very probable (more than 80%) and occurs frequently on all time frames and all assets. On the below pictures you can find some examples of sandwich pattern on various charts (GER30, NASDAQ100).

SANDWICH PATTERN

HEAD AND SHOULDERS PATTERN

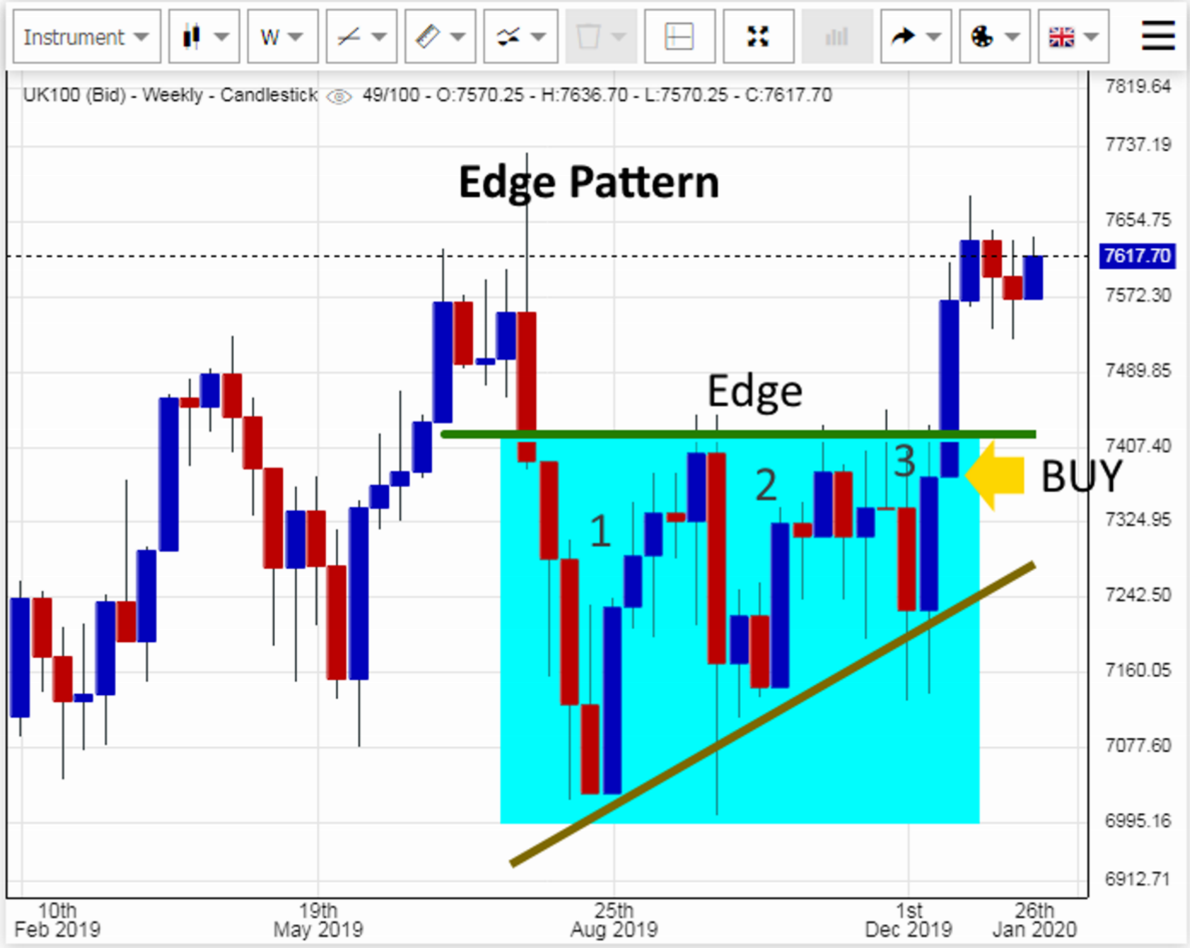
Head and shoulders is a very well known, highly probable and reliable pattern. This pattern that resembles head and shoulders of human consists of a wave of lower highs in the left side, then a wave of higher highs in the middle and again a wave of lower highs in the right side. The right side shoulder is the predictable and hence the tradable signal. A reverse head and shoulders pattern is nothing but a head and shoulders pattern upside down. Both of these patterns are more than 70% probable and strongly recommendable to trade.

HEAD AND SHOULDERS PATTERN

EDGE PATTERN

In edge pattern we see three weakening waves are formed on a support or resistance side and make an edge on the other side. The price usually breakouts from the edge and it is the best entry point.

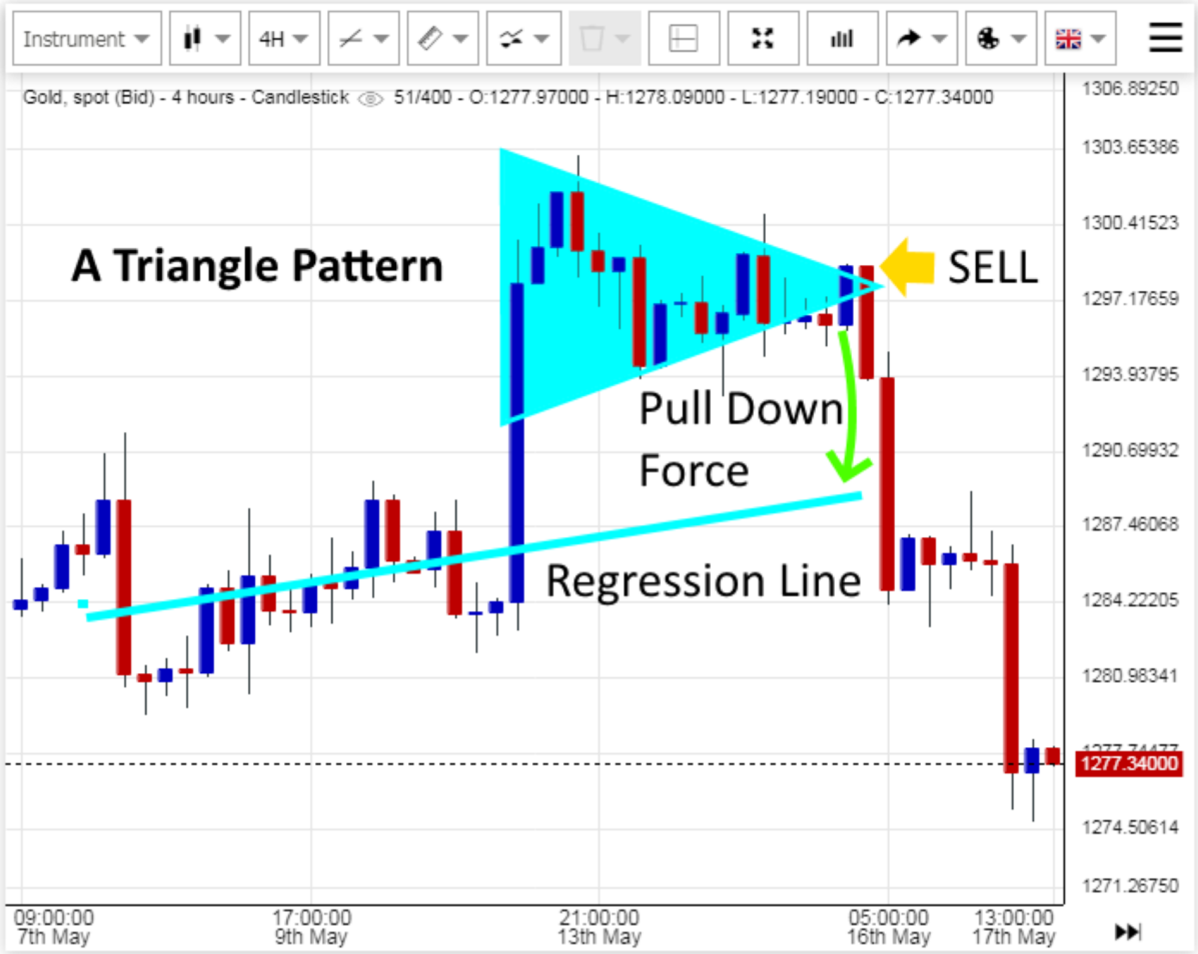
EDGE PATTERN



TRIANGLE (FLAG) PATTERN

Triangle pattern is an alternate sequence of normally 5-10 bars in which the range of the bars becomes narrower and the whole pattern looks like a triangle (or flag) shape. This pattern is tradable when a Doji or star bar is appeared. The direction of trade can be predicted according to the price rejections, deviation from mean or trend lines (see next chapters for details).

TRIANGLE (FLAG) PATTERN



TO LEARN TRADING TOP PATTERNS (75%-95% WINNING) READ THIS BOOK =======➔

TRADING SUMMIT