

A decorative graphic on the left side of the slide. It consists of a blue parallelogram and a light green parallelogram, both tilted at an angle. The blue shape is in the foreground, and the green shape is partially behind it. They are set against a dark blue background with diagonal stripes.

# Classical Chart Patterns

Dharamveer Singh

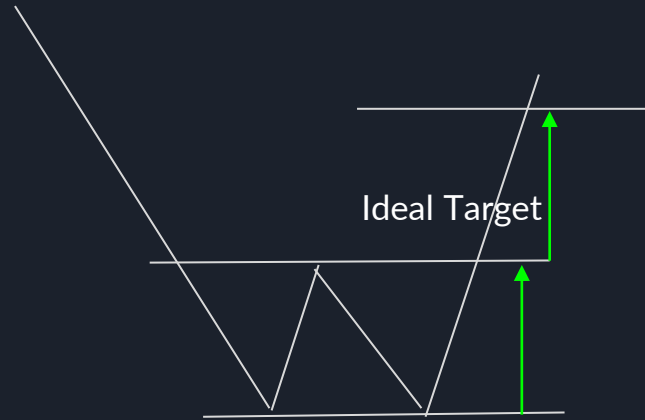


# What are classical chart patterns

- Areas of price consolidations
- Geometric boundaries can be drawn those classify the patterns
- Generally volume goes low
- Price breakout dictates entry, based on breakout rule of class 1
- Volume **increase** on breakout enhance confidence
- Patterns can form in any time frame, lower the time frame, lower the stop-loss/target
- Stop loss 1.2 ATR from entry point, book 50% at 2.4 ATR, trail rest with stop loss of Supertrend (10, 2.1)

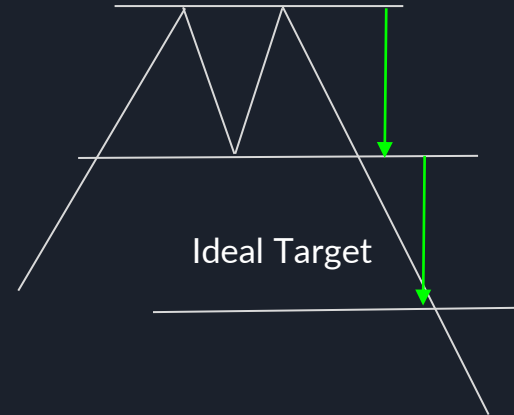
# Double Bottom- Bullish Reversal Pattern

- Formed after a down trend generally
- Two bottom at similar levels ( not necessarily same
- Neckline drawn through the pullback points
- Buy on breakout above neckline



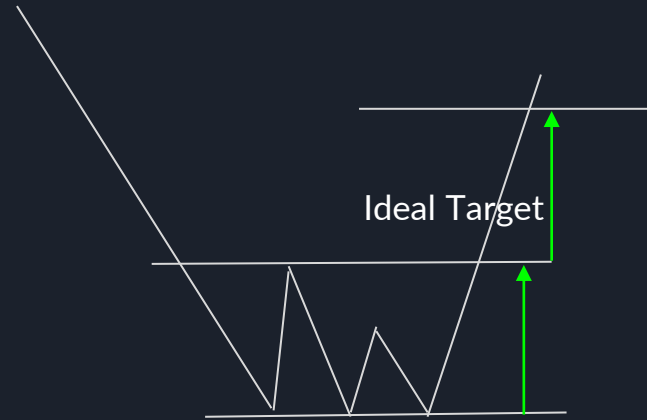
# Double Top - Bearish Reversal Pattern

- Formed after an up trend generally
- Two tops at similar levels ( not necessarily same
- Neckline drawn through the pullback points
- Sell on breakdown below neckline



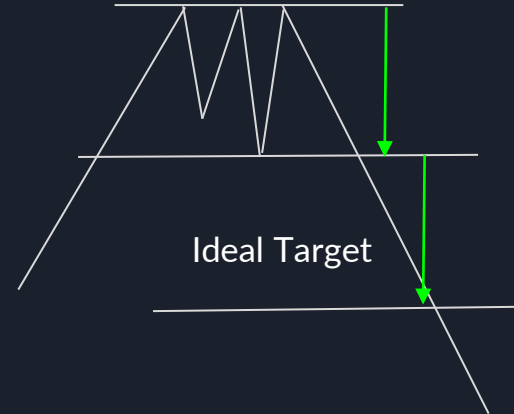
# Triple Bottom - Bullish Reversal Pattern

- Formed after a down trend generally
- Three bottom at similar levels ( not necessarily same
- Neckline drawn through the higher of the pullback points
- Buy on breakout above neckline



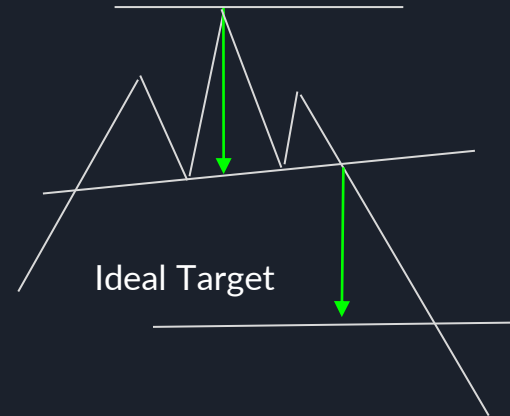
# Triple Top - Bearish Reversal Pattern

- Formed after an up trend generally
- Three tops at similar levels ( not necessarily same
- Neckline drawn through the pullback points
- Sell on breakdown above neckline



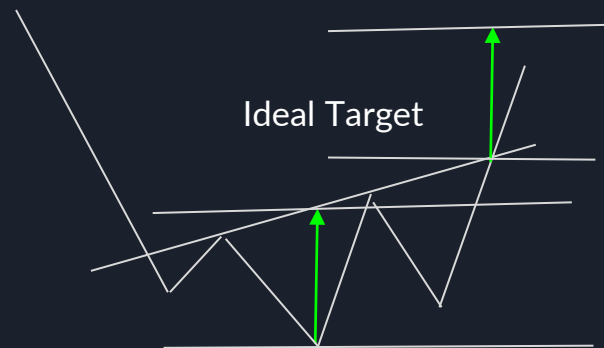
# Head & SHoulder Top - Bearish Reversal Pattern

- Formed after an up trend generally
- Pattern has three tops and two pull backs ( may or may not be to similar levels)
- Middle top is the highest and other tops at lower at similar or dissimilar levels
- Neckline drawn through the pull back points
- Falling neckline is most bearish
- Sell on breakdown below neckline
- Ideal target height from neckline to middle peak



# Head & SHoulder Bottom- Bullish Reversal Pattern

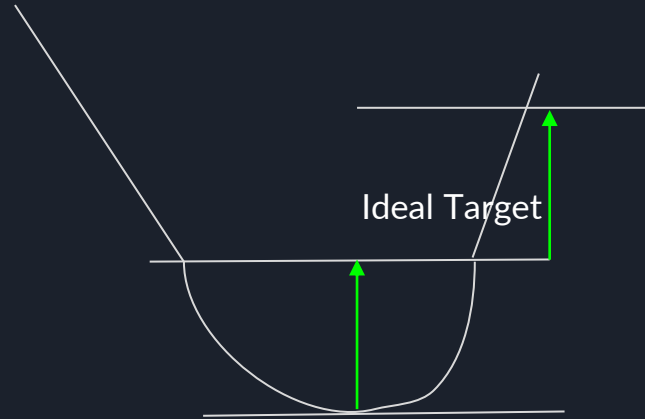
- Formed after an downtrend generally
- Pattern has three bottoms and two pull backs ( may or may not be to similar levels)
- Middle bottom is the deepest and other bottoms at higher and at similar or dissimilar levels
- Neckline drawn through the pull back points
- rising neckline is most bullish
- Buy on breakout above neckline
- Ideal target depth from neckline to middle bottom





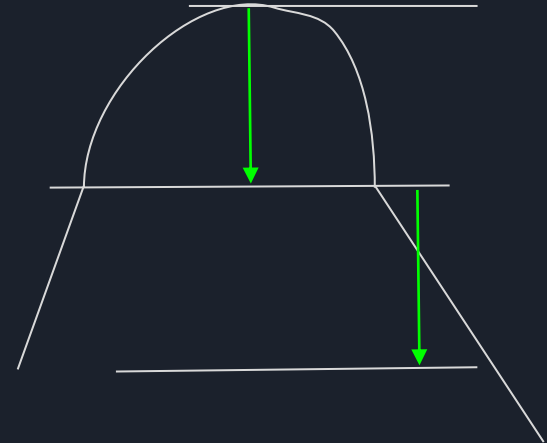
# Rounding Bottom- Bullish Reversal Pattern

- Formed after a down trend generally
- Round shaped consolidation
- Neckline drawn through the edges
- Buy on breakout above neckline
- Depth of the bottom from neckline, projected upwards from breakout point is the target



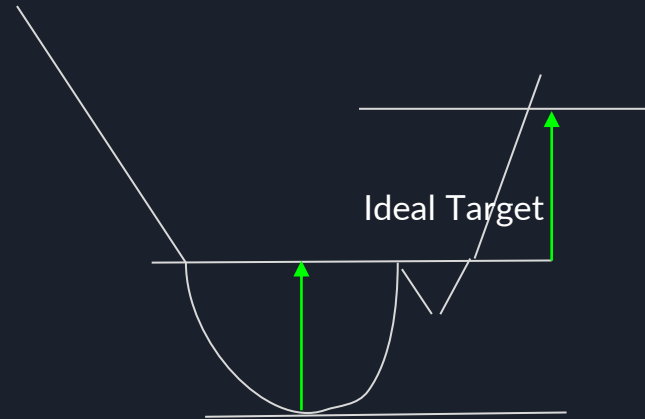
# Rounding Top- Bearish Reversal Pattern

- Formed after an uptrend generally
- Round shaped consolidation
- Neckline drawn through the edges
- Sell on breakdown below neckline
- height of the pattern from neckline, projected downwards from the breakdown point is the target



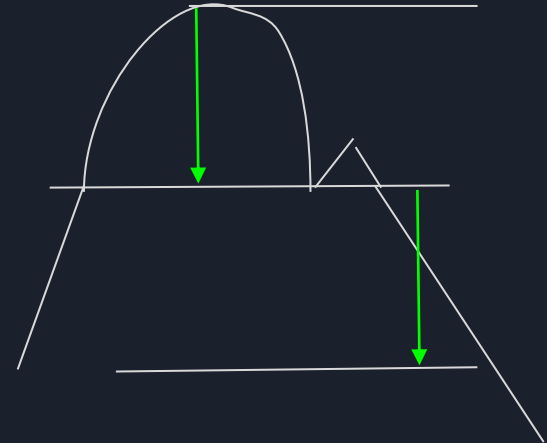
# Cup & Handle Bottom- Bullish Reversal Pattern

- Formed after a down trend  
generally, much like rounding bottom
- Round shaped consolidation, followed by  
sideways pullback ( time  $< \frac{1}{3}$  time taken  
to form the cup, depth  $< \frac{2}{3}$  rd depth of  
Cup)
- Neckline drawn through the edges
- Buy on breakout above neckline
- Depth of the bottom from neckline,  
projected upwards from breakout point  
is the target



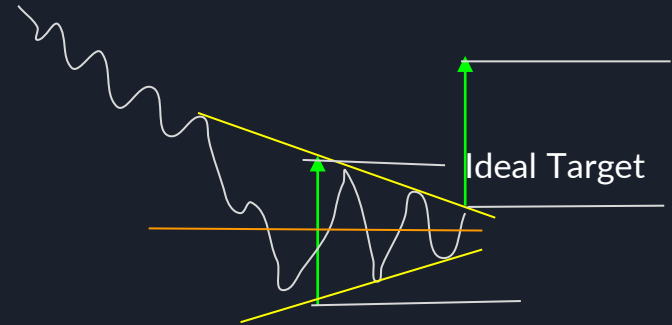
# Cup & Handle Top- Bearish Reversal Pattern

- Formed after an uptrend generally, much like rounding top
- Round shaped consolidation followed by sideways pullback ( time  $< \frac{1}{3}$  time taken to form the cup, height  $< \frac{2}{3}$  rd height of Cup)
- Neckline drawn through the edges
- Sell on breakdown below neckline
- height of the pattern from neckline, projected downwards from the breakdown point is the target



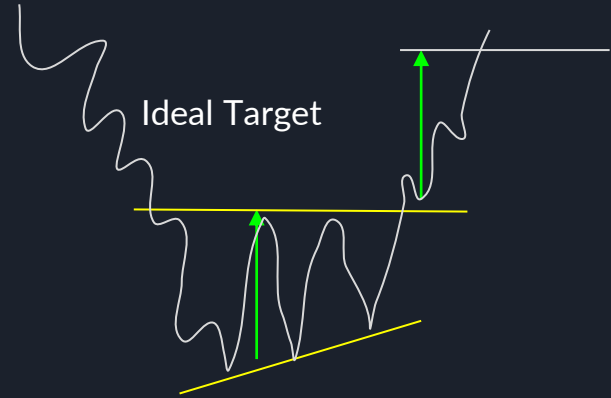
# Symmetrical Triangle- Bullish /Bearish Reversal / Continuation Pattern

- Formed after a up/down trend generally
- Can breakout in either side irrespective of the trend before formation
- Converging lines form equal and opposite angles around horizontal line



# Ascending Triangle- Bullish /Bearish Reversal / Continuation Pattern

- Formed after a up/down trend generally
- Can breakout in either side irrespective of the trend before formation (70% time on upside)
- One boundary is horizontal, other inclined upwards



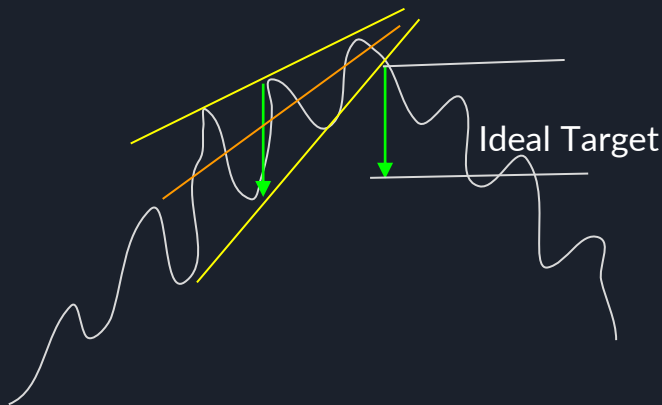
# Descending Triangle- Bullish /Bearish Reversal / Continuation Pattern

- Formed after a up/down trend generally
- Can breakout in either side irrespective of the trend before formation (70% time on downside)
- One boundary is horizontal, other inclined downwards



# Rising Wedge - Bullish /Bearish & Reversal / Continuation Pattern

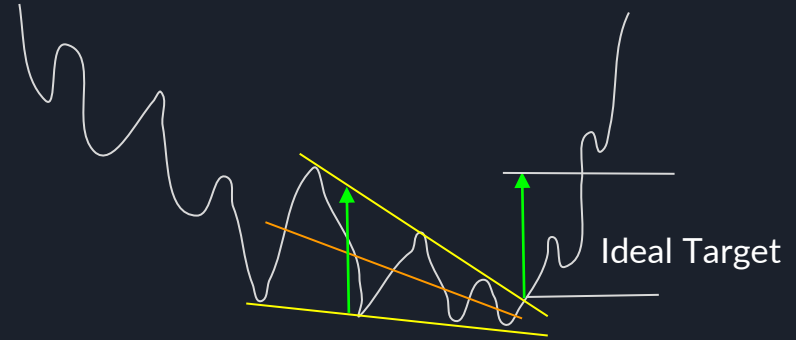
- Formed after a up/down trend generally
- Can breakout in either side irrespective of the trend before formation (70% of time downside)
- Converging lines form equal and opposite angles around a rising line





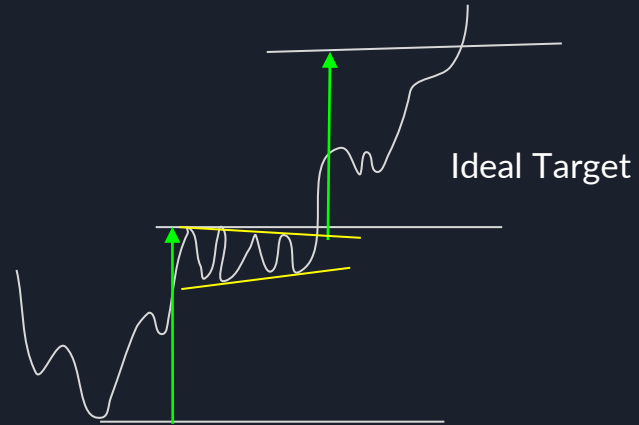
# Falling Wedge - Bullish /Bearish & Reversal / Continuation Pattern

- Formed after a up/down trend generally
- Can breakout in either side irrespective of the trend before formation (70% of time upside)
- Converging lines form equal and opposite angles around a falling line



# Flag & Pennant - Bullish /Bearish Continuation Pattern

- Formed after a up/down trend generally
- Breaks in direction of the previous trend
- Have a pole and a smaller sideways consolidation afterwards
- If sideways consolidation is parallelogram shaped it is called flag
- If sideways consolidation is triangle shaped it is called pennant
- Target is height of the pole projected from the breakout/ breakdown point in direction of preceding trend





# FAQs

1. What time frame the pattern works well ?
  - Any timeframe greater than 5 minutes, not only patterns, rather each and every concept I teach
1. Is there any software/ app to identify intraday patterns automatically ?
  - Not Known to me
1. Is there any app to find EOD patterns?
  - Yes stockedge pro identifies patterns in daily timeframe
1. How to identify patterns on my own ?
  - Practice daily 1 hour, mastering anything requires practice
1. Do we apply indicators while trading patterns ?
  - Yes I prefer to use RSI & MACD for understanding market mood along with pattern breakout
1. Do we rely on classical patterns or candlestick reversal ?
  - Both, but they won't appear at the same time in 99.99% cases
1. Can we just trades classical patterns & make money ?
  - yes

Thank You

