

The background of the page is a composite image. It features a hand in the upper right corner, pointing towards a digital screen. The screen displays various financial data visualizations, including a bar chart with several vertical bars of varying heights, and a line chart with multiple colored lines (green, yellow, red) showing fluctuating trends. A pen is also visible, pointing at the screen. The overall color palette is dominated by warm tones like red, orange, and yellow, with some cooler tones like blue and green in the lower sections. The text 'Education Package 01 Chart Patterns' is centered over a semi-transparent white horizontal band.

Education Package
01 Chart Patterns

PRICE PATTERNS

There are 2 types of price patterns



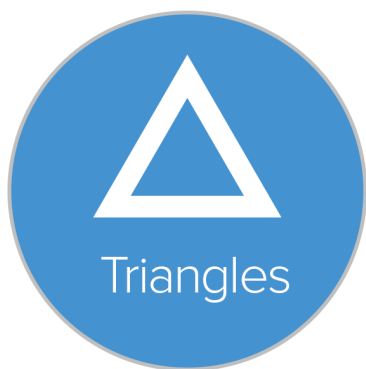
Price Patterns help traders to understand the potential direction of the price



TREND CONTINUATION PATTERNS

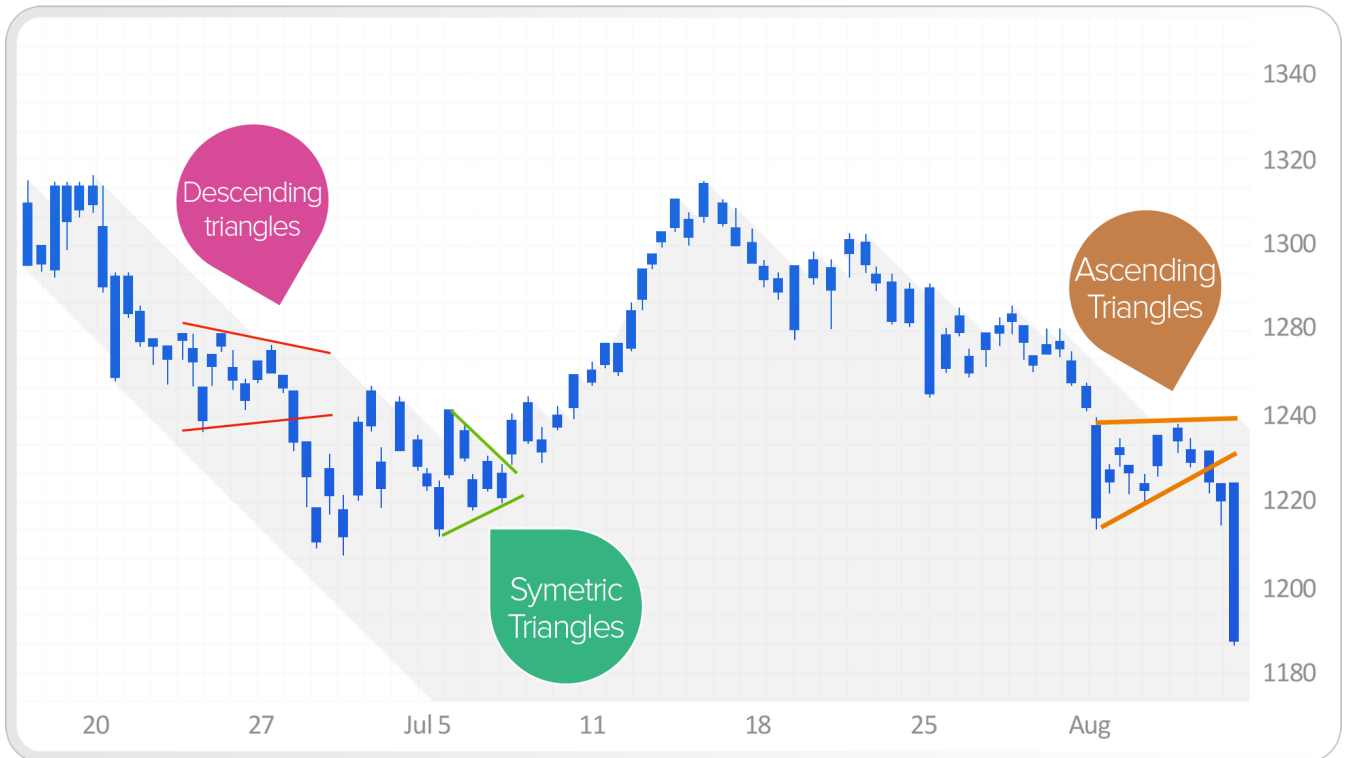
Price continuation patterns form up after a stationary period and give tips to traders about continuation potential of the Trend.

Most common continuation patterns;



TRIANGLES

An exponential moving average works similarly to a simple moving average. The difference is that exponential MAs apply more weight to more recent prices. This means that they follow the recent prices more closely. The weight applied to the most recent price will depend on the number of periods in the MA.



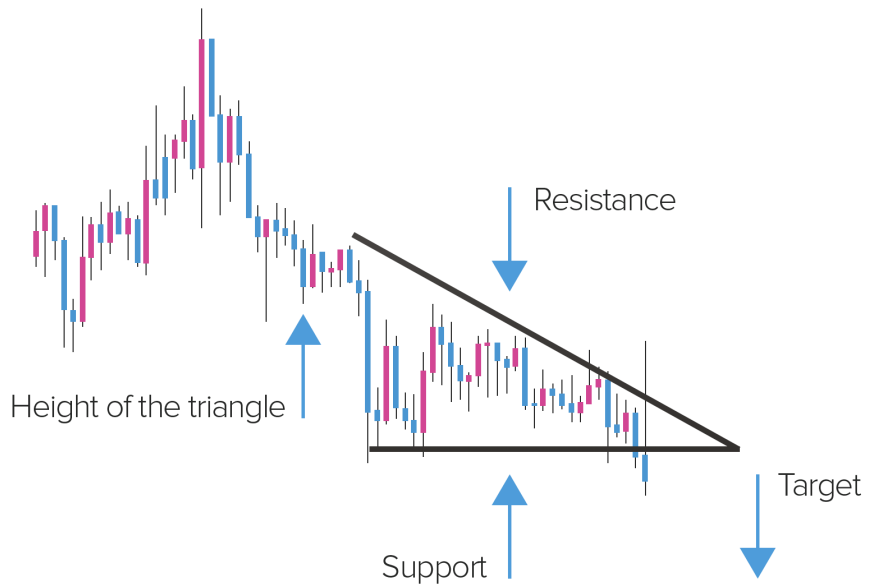
There are 3 types of triangles.

- 01 Descending,
- 02 Ascending,
- 03 Symetric

Descending triangles

They are mostly observed within bearish trends when the price movement becomes slower, hitting a strong support level. When the lower line which forms the triangle is broken down the bearish move becomes stronger.

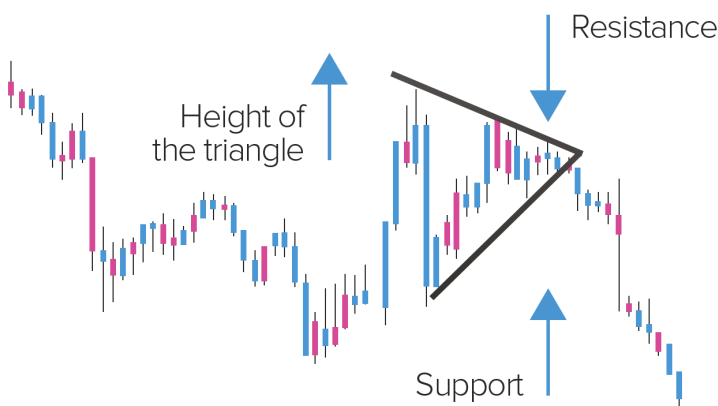
Here the price closes below the support line of the triangle, targeting a lower level equivalent to the height of the triangle. In a descending trend triangle traders will wait before going short.



Sym-
Tri-

metric
angles

Symmetrical Triangles are mainly composed of a descending resistance and an ascending support. When resistance and support converges together, it hints that there may be a potential break out. Even symmetric triangles mostly considered to be continuation patterns sometimes support a reversal.

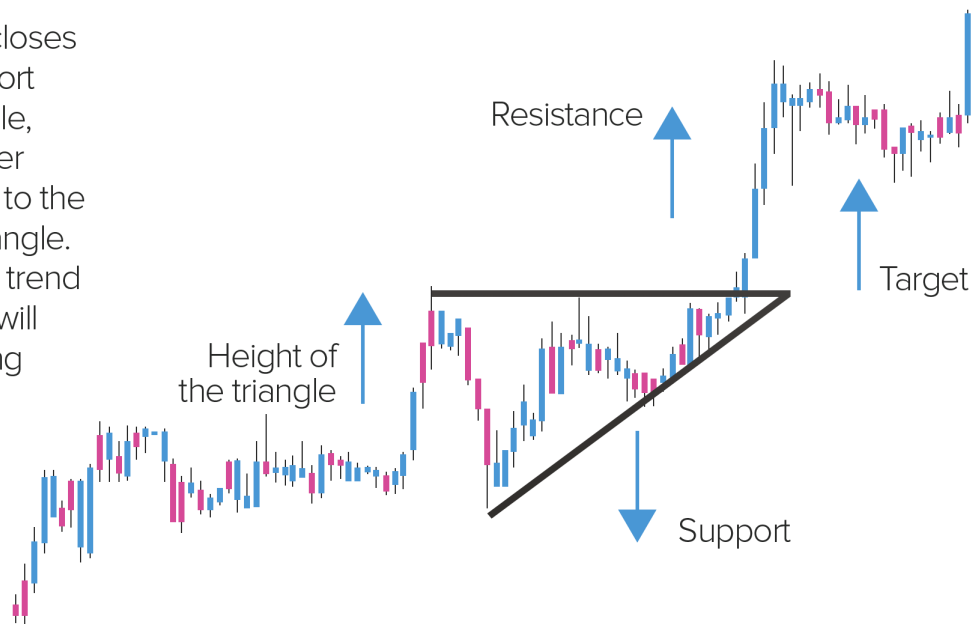


If a bearish trend is detected the concentration should be on a break below the support. This targets a lower level equivalent to the height of the triangle.

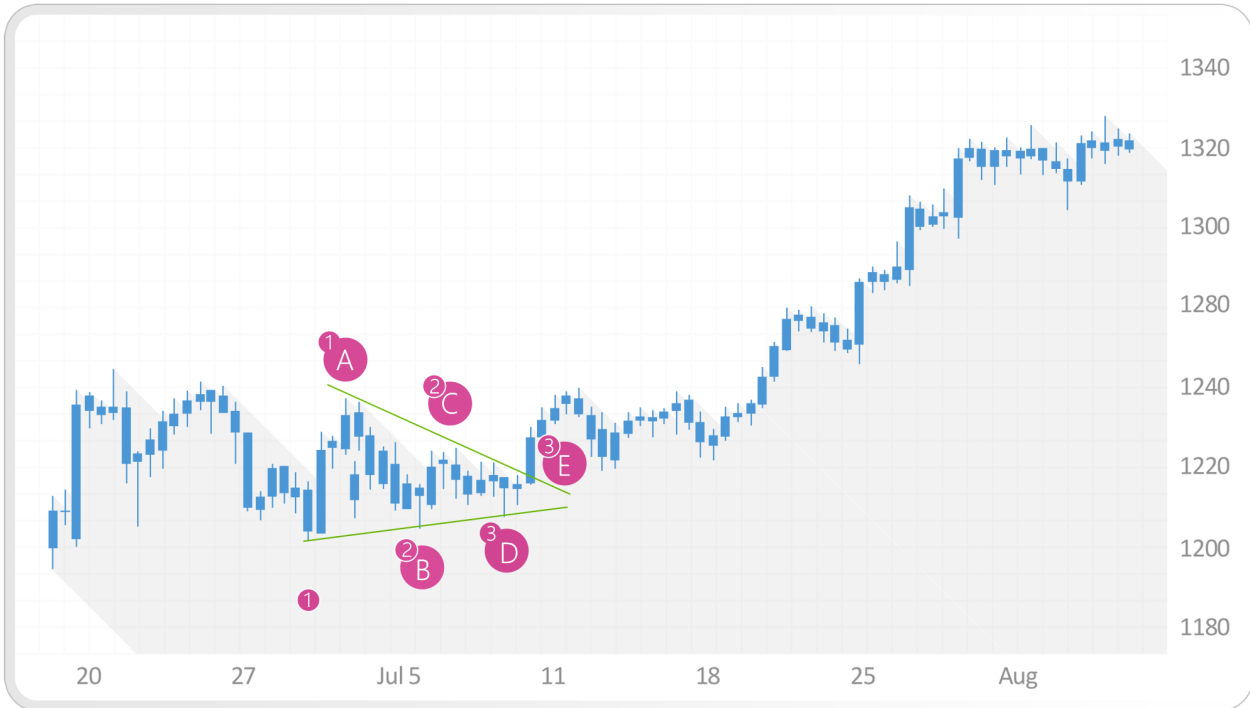
Ascending Triangles

An ascending triangle is mostly observed within a bullish trend. The price movement here becomes slower and will hit a strong resistance level. The bullish movement is strengthened when the upper line of the triangle is broken through.

Here the price closes above the support line of the triangle, targeting a higher level equivalent to the height of the triangle. In an ascending trend triangle traders will wait before going long.



HOW TO USE TRIANGLES WHEN ENTERING A TRADE



- 01 Determine the trend
- 02 Then ABCDE points will appear by hitting highs and lows which compose the support and resistance levels
- 03 The rectangle which starts with A will end up with E and the break out comes up

PENNANTS

Wait for the support to break down: Patience is key when trying to avoid a huge risk.

Pennants signal either a continuation or a reversal. Sometimes however they can be misleading.

By checking the length of the trend you can forecast the next move.

Fibonacci tools and Bollinger Bands are popular methods of determining breakout targets.



FLAGS

Flags and pennants are quite similar. They both form during stationary periods in an active trend. Flags are continuation pattern that are finalised after the break.

- 01 Flags are usually broken when the trend changes its direction.



- 02 After the flag breaks out the same distance of the trend should be targeted.



03 This flagpole shows the distance between the first resistance/support break to the high/low of the flag itself. The target should be positioned at the same distance as the flagpole after it breaks.

