The Master Guide to 75 Candlestick Patterns: Quantified Strategies for Traders

BULLISH REVERSAL

Strong Buying Pressure & Reversal

Bullish Piercing Line

Hammer (Reliable Top-Tier)

Three Outside Down (Tep-Tier)

Supporting Detail: Patterns showing market sentiment shift to bullish, often beating S&P 500 during holding periods.

BEARISH REVERSAL

Strong Selling Pressure & Reversal

Bearish Engulfing Powerhouse

High frequency & historical reliability.

Supporting Detail: Patterns showing market sentiment shift to bearish, after strong buying rejection.

PATTERN PERFORMANCE & KEY INSIGHTS

66%

75 Patterns (Two-Thirds Outperformed)

S&P 500 (Benchmark)

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66% Historical Success Rate

Supporting Detail: Backtests of all 75 patterns showed two-thirds outperformed the S&P 500.

CONTINUATION (Trend-Following)

Trend Confirmation & Persistence

Rising Three Methods

Falling Three Methods

Continuation Patterns (Trend-Following)

Supporting Detail: Patterns that signal the existing trend is likely to continue.

TIMEFRAME PERFORMANCE & KEY INSIGHTS

Daily & Weekly Timeframes Rule

Supporting Detail: Patterns analyzed on daily timeframes are statistically more significant and reliable than shorter durations.

The "Three-Point" Reading Method

1. Close Price Position
2. Relative Candle Size
3. Unfilled Market Gaps

INDECISION & MARKET EQUILIBRIUM

Market Pauses & Potential Shifts

Dragonfly Daji (Potential Bullish Reversal)

Visual Shape: Long lower wick, no opper wick.
Market Sentiment: Potential bullish reversal after aggressive selling rejection.

Gravestone Daji (Potential Bearlsh Reversal)

Visual Shape: Long upper wick, no lower wick.
Market Sentiment: Potential bearish reversal after strong buying rejection.

Supporting Detail: Patterns classified as Indecision or market equilibrium.

NotebookLM