Utilize easy mechanical trades that remove the guess-work from trading.

Opportunities to profit in Breakout Gaps and how to handle Bad News Gaps.

See the difference between healthy profit-taking and a full-scale reversal ahead.

www.candlestickforum.com  www.stephenbigalow.com
Fry Pan bottom patterns
Dumpling Top
Cradle pattern
Jay-hook pattern
Scoop pattern
Belthold patterns
Gaps
Fry Pan Bottom

- The downtrend starts waning with the appearance of small trading bodies.
- As the trend starts slowly curling up, a gap up in price indicates that strong buying sentiment has now returned.
Fry Pan Bottom Measuring Point

A dimple usually marks the Halfway point
What is expected coming out of a Fry Pan Bottom?
Fry Pan Bottom

A slow build up of Investor sentiment
PRXI

Fry Pan Bottom
MBI Fry Pan Bottom

The Breakout is the signal
PRXI

Fry Pan Bottom
Fry Pan Bottom Breakouts
OCZ – J-Hook
Looking For the Big Moves

J-Hook Set Up
AFFY- Long Legged Doji

Long Legged Doji shows major Indecision
AXP Kicker

A Kicker signal that sets up a J-hook
SSH Kicker

Expected results
Common Price Movements
Easy to spot support & resistance price targets
T-Line
EA Breakout
Breakout Steady Eddy
Best Friend
Blue Ice Failure
Left/Right Combo
Slow Curve
EA Breakout

CS make pattern break out
Identification easy
HERO 3 wave

Where are the big money investors watching for a support?
Support

Candlestick Signals provide a visual advantage
CBI BO steady eddie

T-line provides a comfort
BF down and up

Candlestick Signals and gaps = your best friend
Support

Morning Star signal
Bidu Short

Obvious Resistance

? !
Doji on 50, sandwich

Rule of the Doji
Series of Doji’s

This is telling you something
What are the signals and patterns looking for?
What Are We Looking For?

Big Gains %80
Left/Right Combo
Stay Short
Slow Curve

Exit strategy
INVN RB

Doji Rule
What is this telling us?
Fry Pan Bottom Breakouts

Simple entry strategy,
Set buy stop
DANG

A Breakout is obvious
Expected Results

BONT 100% plus gain
The indecisive rounding bottom is the predominant factor
Rounding Bottom
or
Slow Curve

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Slow Curve

A build up of investor
Bullish sentiment
Bought this week

Jan 8, 2013

Sold 1/2

SPWR
Slow Curve

Strong Option Trade set ups
FSL RB

High probability results
BIOL Slow Curve

Obvious Break Out Level
Slow Curves
DEPO RB now what?

What is possibly setting up?
Slow Curve

Buy Entry
Rounded Bottom BO
The pattern sets up with signals
J KHY Rounding bottom

When to Buy
Excellent for option trades

Closed option position at $8.70

Bought Jan 75 calls @ $2.40
FOE Rounding Bottom

Buy Here
T-line Crunch
What is expected after a Fry Pan Break out?
LOW Classic Set Up
AMED – Short with the Market

Dumpling Top
FRAN – Short to a Target

FRAN - Breaking thru support
Where is likely target?
Cradle Pattern

- The Cradle Pattern is a symmetric bottom pattern that is easy to identify.
  - A downtrend becomes obvious with a large black candle at the bottom.
  - A series of small or indecisive trading days trade in a flat area.
  - A bullish candle, more powerful with a Bullish Engulfing signal, is formed of approximately the same magnitude as a Bearish candle at the end of the downtrend.

- This signifies that the Bulls have come out of the indecisive trading area with decisive force.
Cradle Pattern
NSM Cradle

Cradle and a close above the T-line
Cradle Pattern
Cradle Pattern
How to identify pullbacks versus reversals
Jay Hook Pattern

Helps to differentiate between profit taking and a full-scale reversal

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Jay Hook Pattern

- The first move of the uptrend is very strong.

- A candlestick sell signal indicates a pullback about to occur.

- After a few days, small indecisive candles start to appear
  - Doji, small Hammers, Bullish Engulfing signals
Jay Hook Pattern

- The first test becomes the recent high
- Indecision as found in candlestick sell signals at the recent high becomes a quick indicator to get out of the position
- A Bullish candle breaching the recent high illustrates that investor sentiment is taking prices up
What do the candle formations say on The pull back?
FOSL Spread Strategy

J Hook great for option Spread trades
Why is a J Hook anticipated?
J Hook
J Hook
Gap up to resistance

J Hook Break out
Scoop Pattern

- An extended flat trading area
  - Followed by a pullback

- Buy signals bring price back up to flat trading range

- Once price breaks above flat range, look for strong uptrend
Scoop has expected results
Scoop Pattern - Completed
Scoop pattern - Do not scan for a Scoop
Scoop Pattern use it to Analyze
Scoop Pattern - What should happen upon confirming?
Scoop Pattern - A strong trend to potential targets
TSPT Scoop
Belt Hold Pattern

- Strong prevailing trend
- The candlestick body should be the opposite color of the prevailing trend
- Gap on the open, continuing the trend
- The open is the high or low of that trend
- The length of the body should be a long body.
Belt Hold

The Deeper the open...
Belt Hold
ESI Belt Hold

ITT Educational Services Inc (17.8000, 17.8000, 16.9600, 17.1900, -0.62000)
Belt Hold
When to take profits
What Pattern set up?
EOX J Hook?

What should we be looking for?
Belt Hold
Belt Hold - Adds strength to existing trends
Belt Hold – shows the sellers are flushed out
Belt Hold – gets rid of the last of the sellers
Belt Hold

The bigger the Signal!
Easy Trend Analysis
Dow Jones Industrial Average (13,944.05, 14,022.62, 13,944.05, 13,991.54, +47.4902)
Looking for the Big Moves

J Hook Set Up
Hitting the Big Ones

KERX - two weeks ago
Trading Gaps

- Gaps represent enthusiasm to get into a position to the point that investors will pay prices away from any of the previous day's trading range.

- Great for identifying panic selling at the bottom and exuberant buying at the top.
TRADING GAPS

What is the definition of a GAP?

• Gap or ‘window’ occurs when there is a ‘gap’ in price within a specific time frame.

• In a rising chart, it illustrates prices opening higher than previous trading range. The buyers have stepped in with great enthusiasm.

• In a declining chart, it illustrates prices opening lower than previous trading range. The sellers are getting out at any cost.
Four Basic Gaps
Gap Up at Top
Gap Down at Top
Gap Up at Bottom
Gap Down at Bottom
Two show exhaustion
Gap Up at Top
Gap Down at Bottom
A Gap at bottom get in, a Gap at top get out
Gap Up at Top
FSYS, -exuberance

Gap up at Top, Start looking for selling
AFFY – Doji after gap up at top

A gap up in overbought conditions make it time to watch for a sell signal.

EXHAUSTION
AGEN Gap up Doji at top

A Gap up in the overbought area, start watching for a candlestick sell signal

Spinning Top = WHERE?
12 Major Candlestick Signals video tutorials on each signal
- over 8 hours of training with chart examples
- The exact same package Amazon sells for over $500
- Webinar special promotion; available for $12 processing fee
- Plus, option to take 30-day FREE TRIAL Membership

12 Major Signals Pack for $12 Processing Fee - Get More Details Here

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Subject: Traders Library Special 12 for $12