Candlestick Pattern Cheat Sheet

One-page reference for common candle patterns (use with context and risk control).

forexforstarters.com

How to use (60 seconds)

- Start with a **level**: support and resistance.
- Check **structure**: higher highs and lows, or a range?
- Wait for the **close**: body and wicks.
- Plan risk first: **stop loss** + **position sizing**.

1-candle patterns (hesitation / rejection)

Single candle clues. Strongest when the location makes sense.

- **Doji**: pause / indecision. Best at levels.
- **Pin bar**: rejection (long wick, small body).
- **Hammer / Hanging man**: same shape, different context.

2-candle patterns (takeover / compression)

- **Engulfing**: momentum takeover (the 2nd body covers the 1st).
- **Inside bar**: compression inside the mother bar.

3-candle patterns (transition sequence)

Think: push, pause, confirmation (wait for the 3rd candle to close).

- **Morning star**: down, pause, bullish confirmation.
- **Evening star**: up, pause, bearish confirmation.

Fast confirmation rules

- **Doji**: strong close beyond the doji high/low, or a clear structure shift.
- **Pin bar**: follow-through away from the wick (do not enter mid-candle).
- **Engulfing**: decisive close + good location (not a tiny engulf in noise).
- **Inside bar**: break of the mother bar range + context alignment.

Stops and timing traps

- **Rejection candles**: the stop usually goes beyond the wick (invalidation).
- **Inside bar**: stop often beyond the mother bar (or structure), not inside the box.
- **Sunday open**: thin liquidity can print odd wicks. See **weekend gaps**.
- **Rollover**: spreads can spike and hit tight stops. See **swap and rollover**.
- **News bursts**: fast repricing fakes clean patterns. See **why spreads widen**.