



Riley's Favorite Trading Patterns

Market Structure &
Candlestick Patterns

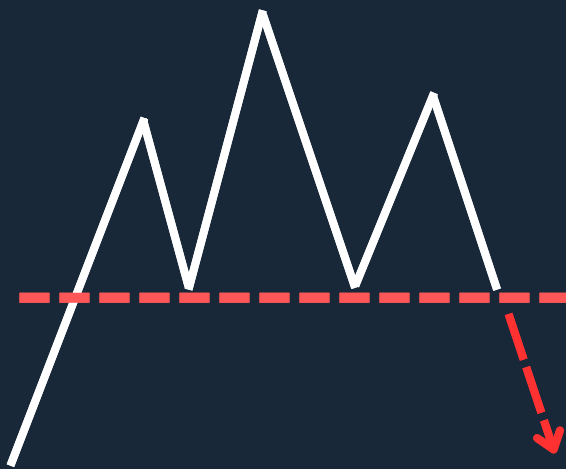




Head and Shoulders Pattern

Bearish

Theory

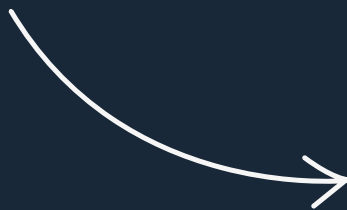


Reality



Keys to This Pattern:

Large move to give
room to
reverse/profit



Larger than normal
rejection shows a
change in momentum





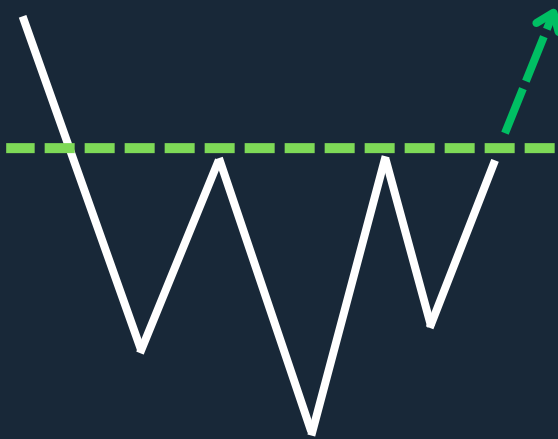
Head and Shoulders Pattern

Bullish

Theory



Reality



Unimportant Factors:

That the neckline is flat



That the middle swing is a lot farther than the side swings

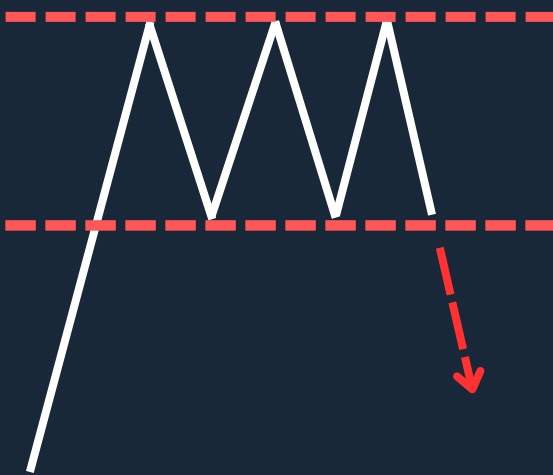




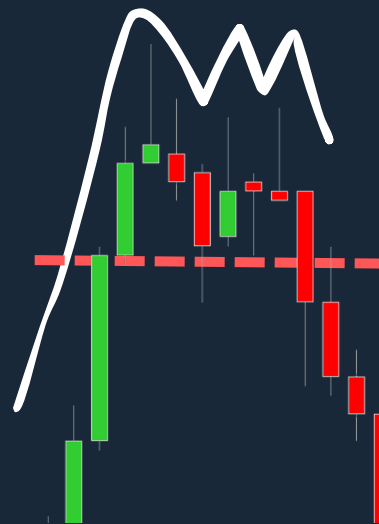
Reversal Flag

Bearish

Theory



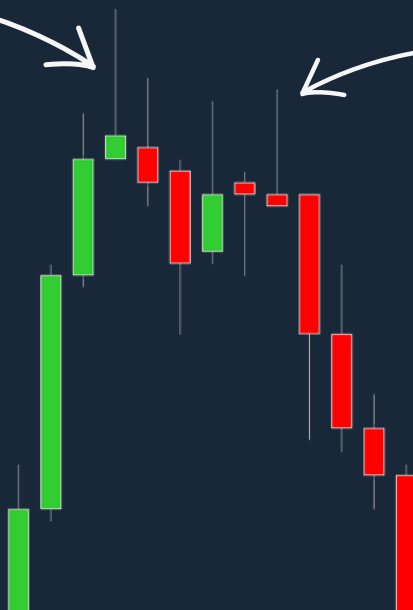
Reality



Keys to This Pattern:

Strong momentum
with no pullbacks
increases it's
chance to fail + At a
at major
resistance/support
zone

Market goes from
directional
movement to
sideways movement



* These rules apply to the bullish version too.



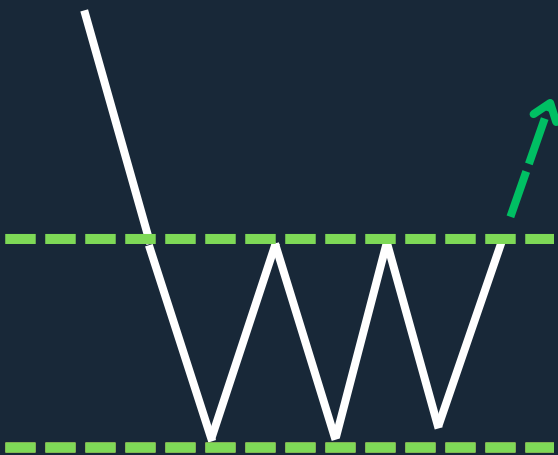
Reversal Flag

Bullish

Theory



Reality



Unimportant Factors:

Consolidates into
a box perfectly



Has multiple
clear swings. The
importance is the
loss of
momentum



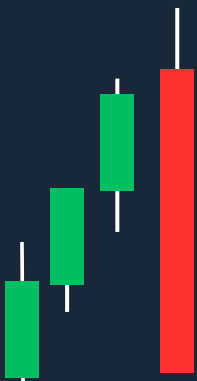
* These rules apply to the bearish version too.



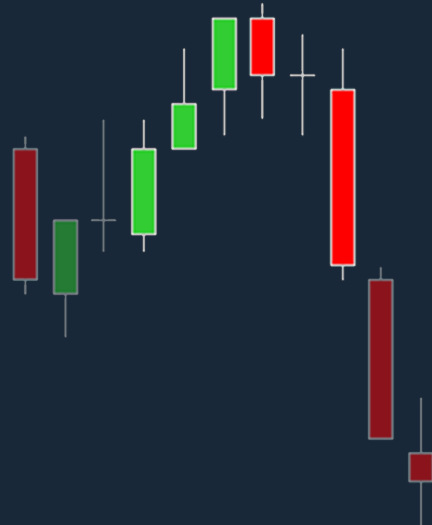
Three Line Strike

Bearish

Theory

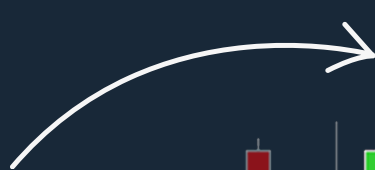


Reality



Keys to This Pattern:

Don't use this by itself. Couple it with other indications of a reversal



Large reversal candle gives back movement of last 3-5 candles.

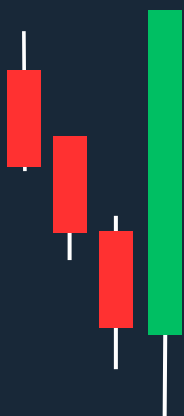




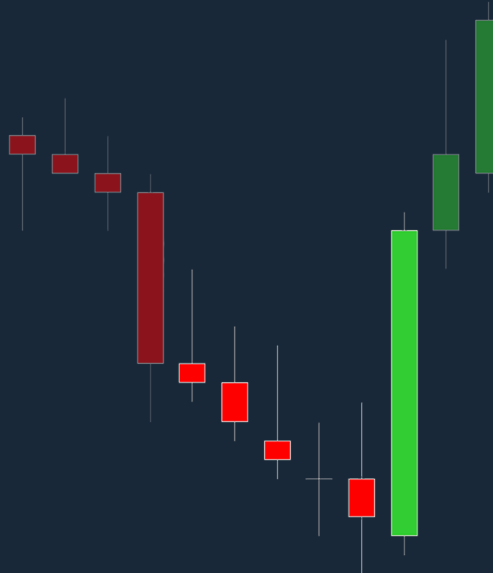
Three Line Strike

Bullish

Theory

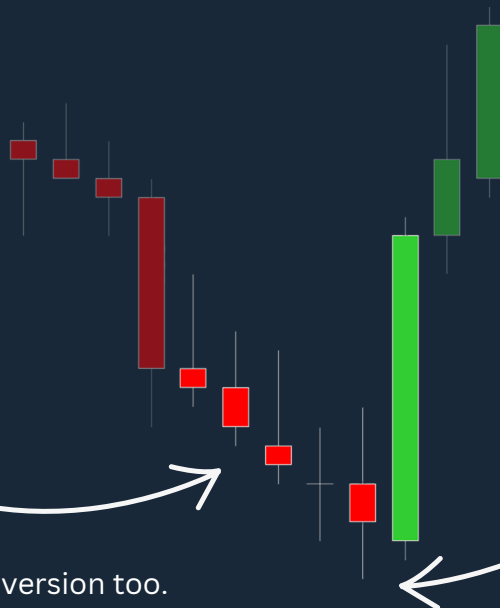


Reality



Unimportant Factors:

What the candlesticks leading up to the reversal look like. It's about showing a loss of momentum



Which candlestick make the extreme low/high

* These rules apply to the bearish version too.

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Traps

Bearish

Theory

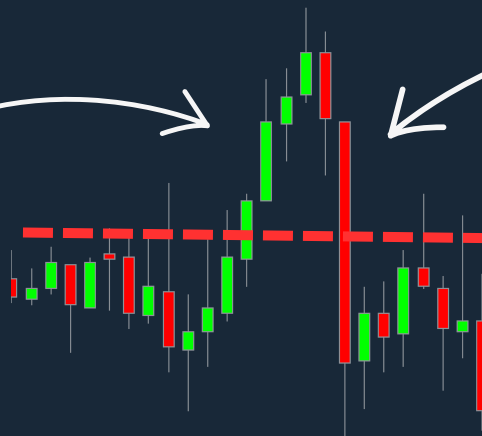


Reality



Keys to This Pattern:

The move starting the trap needs to be strong & not normal in the current trend.



The reversal is right after the strong breakout and just as fast of a move if not more

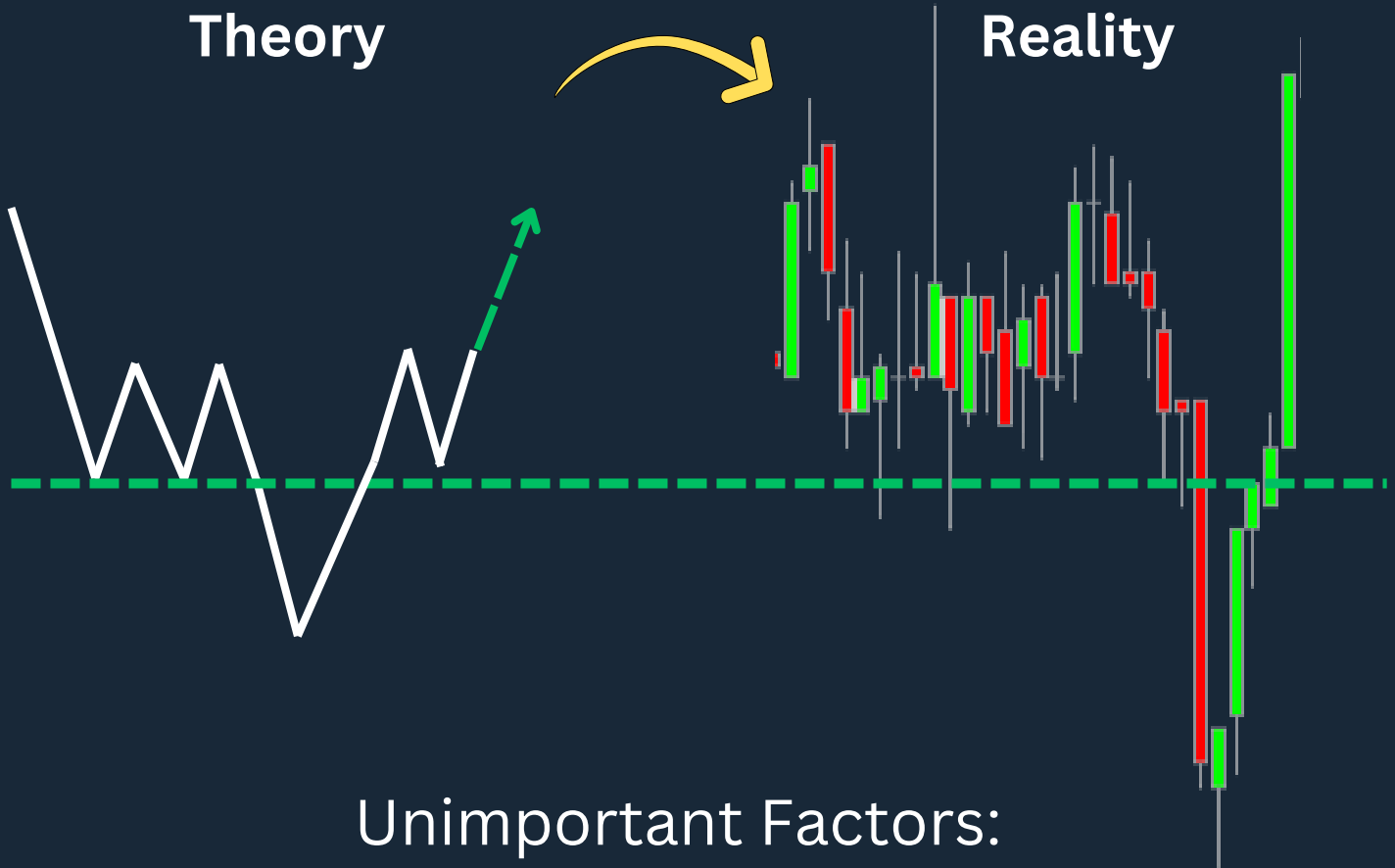


Traps

Bullish

Theory

Reality



Unimportant Factors:

The volume of the breakout vs reversal doesn't matter the price movement and velocity is

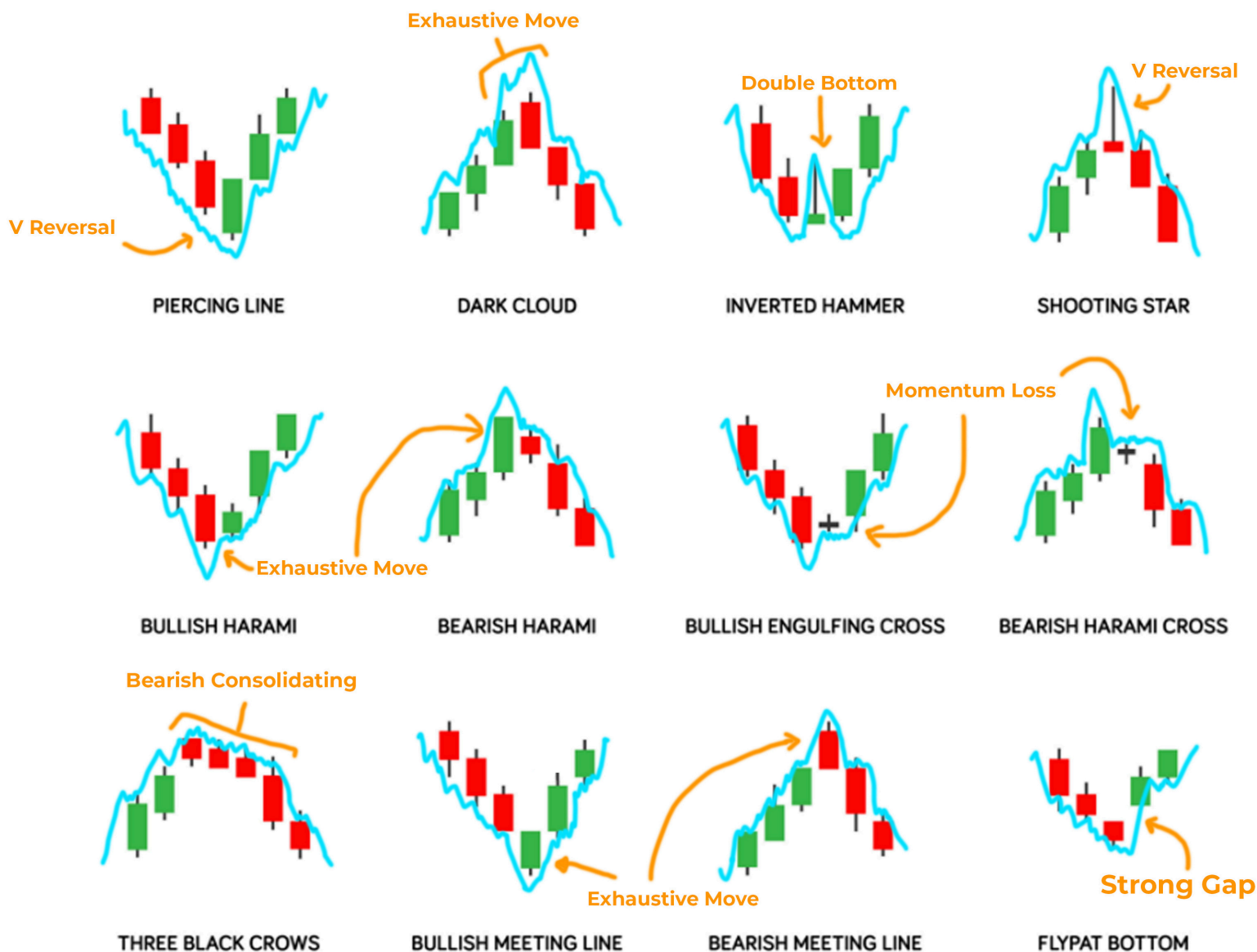
This low doesn't need to break a major support/resistance zone but be near it and break the most recent chop before

* These rules apply to the bearish version too.

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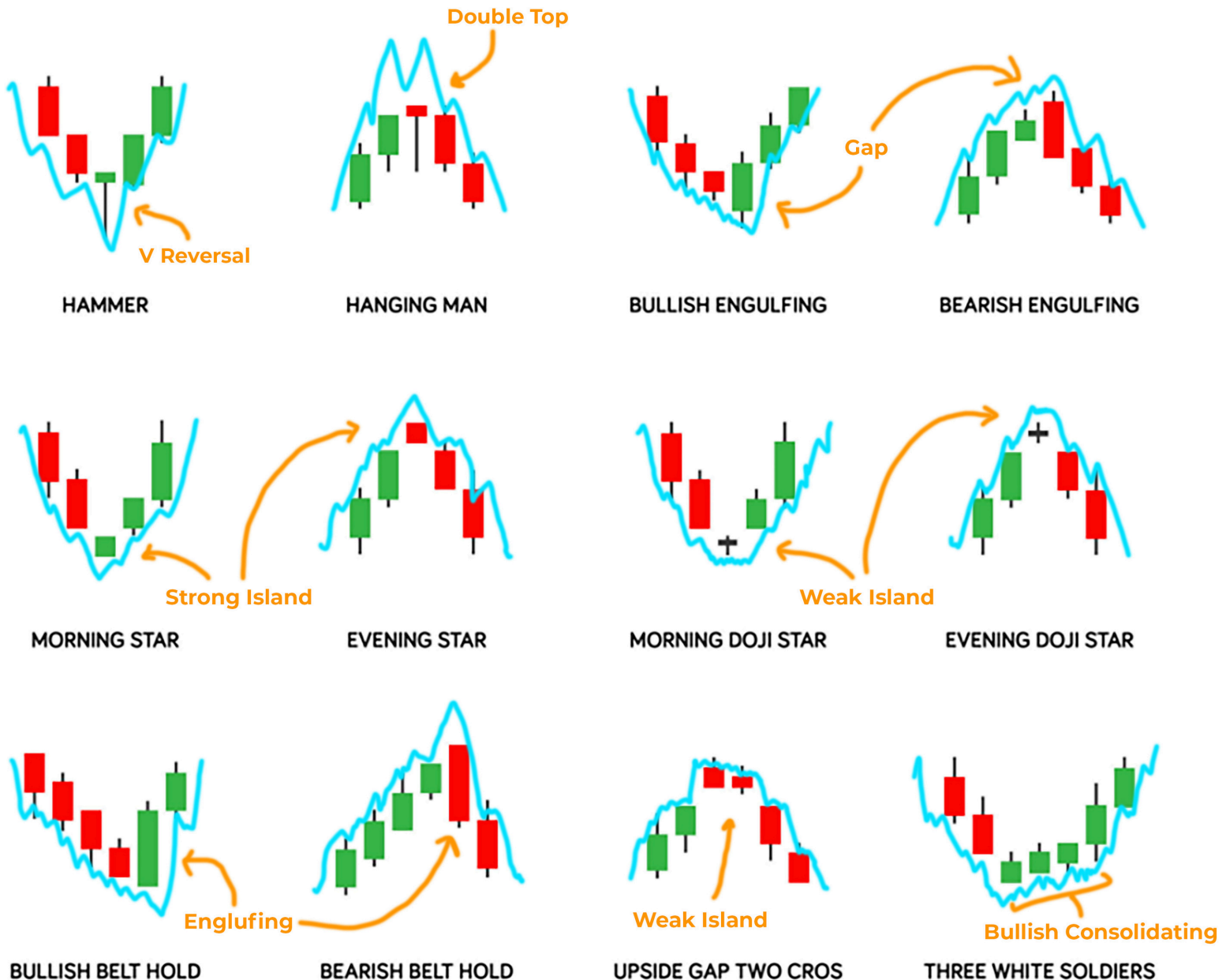


Reversal Candlestick Patterns



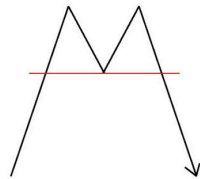


Reversal Candlestick Patterns

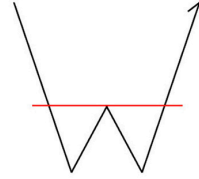




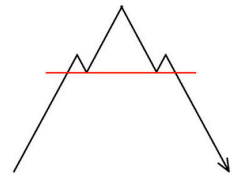
Common Trading Patterns



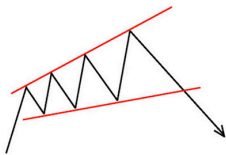
Bearish Double Top



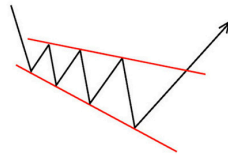
Bullish Double Bottom



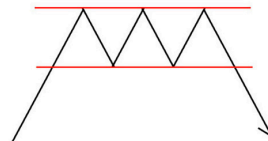
Bearish Head and Shoulders



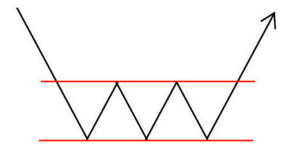
Bearish Expanding Triangle



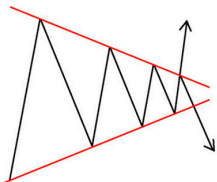
Bullish Expanding Triangle



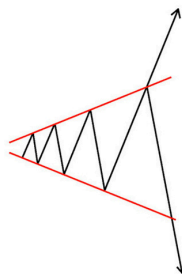
Bearish Triple Top



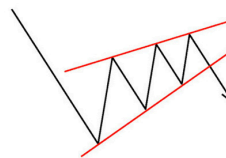
Bullish Triple Bottom



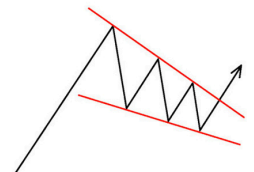
Symmetrical Triangle



Symmetrical Expanding Triangle



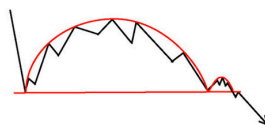
Bearish Rising Wedge



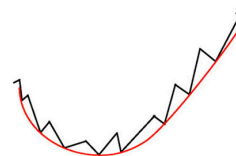
Bullish Falling Wedge



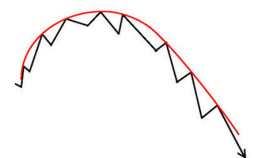
Cup with Handle



Inverse Cup with Handle



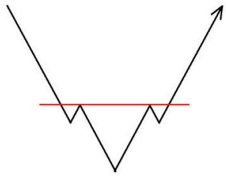
Ascending Scallop



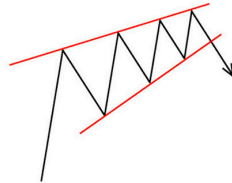
Descending Scallop



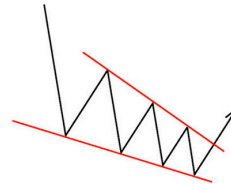
Common Trading Patterns



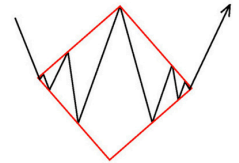
Bullish Inverted Head and Shoulders



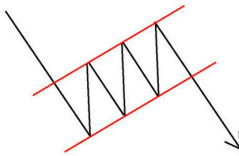
Bearish Rising Wedge



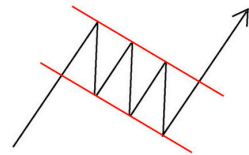
Bullish Falling Wedge



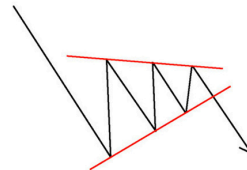
Diamond Bottoms



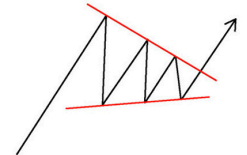
Bearish Flag



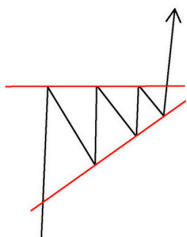
Bullish Flag



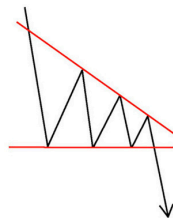
Bearish Pennant



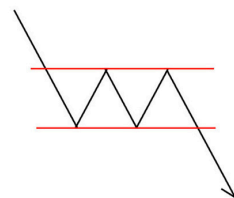
Bullish Pennant



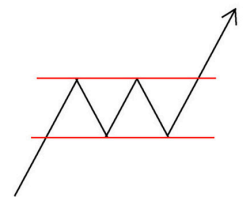
Ascending Triangle



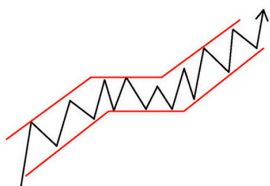
Descending Triangle



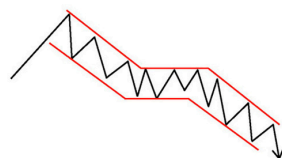
Bearish Rectangle



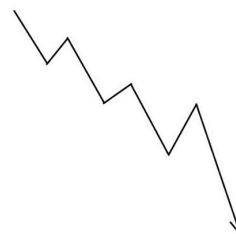
Bullish Rectangle



Measured Move Up



Measured Move Down



Bearish Trend



Bullish Trend

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Here are a few of my most-used tools, resources, and offers to help take your trading further.

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