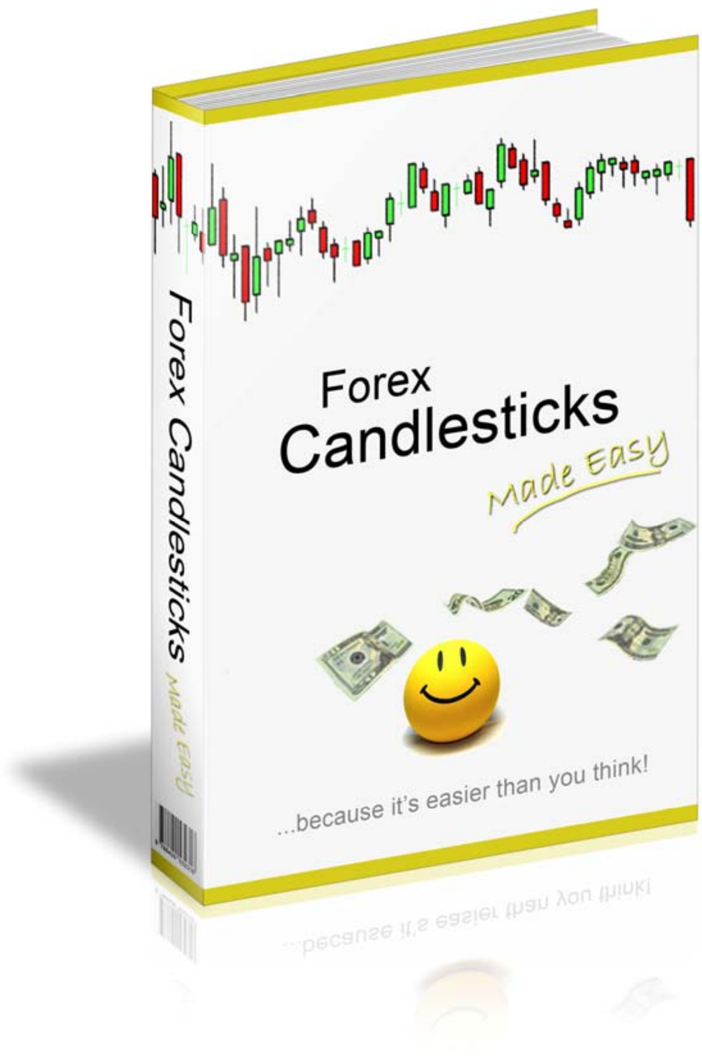
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Content

A Note from the Author

Hi, this is Chris Lee from ForexCandlesticksMadeEasy.com and I'd like to congratulate you for taking the next step in furthering your Forex trading education!

Candlesticks are one of the most misunderstood aspects of Forex trading, and this book was designed to teach you how to interpret them properly. You're not required to memorize anything here; instead, I'm going to show you how you can understand any market situation simply by looking at a bare trading chart.

Before we begin, there's one thing I'd like to point out – the concepts that I'll reveal in this book have been carefully presented to be as 'easy to understand' as possible. However, please don't confuse simplicity with ineffectiveness. Indeed, the trick is in being able to understand, appreciate and translate these simple concepts into **real profits**.

By the time you finish reading this book, you'll be light years ahead of your trading peers – most retail traders focus so much on technical indicators that they don't realize the wealth of information that candlesticks alone can provide.

Congratulations once again for making the right choice.

To Your Trading Success!

CHRISTOPHER LEE

Introduction

Being a trader is very much like being a detective... imagine you're a detective who's trying to solve a murder case... What's the first thing you'll need to do?

You'll probably first have to conduct a general survey of the crime scene, question all the witnesses and try to determine the motives of the possible suspects. This will give you a general idea of how, why, when, and by whom the crime was committed.

But that's not enough to solve the case, is it? 'General ideas' are just not enough... You'll need to gather evidence to support your claims!

And so you zoom-in on the details of the crime scene: you dust for fingerprints, carry out DNA testing, and go through the video footages of the murder taking place. All these pieces of evidence need to point to the same suspect in order for him/her to be convicted of the crime. Without the evidence, you can't solve the case.

So what has all this got to do with Forex trading?

You see, profitable trading involves this exact same process... You'll first need to step back and take a look at the big picture: What's the current market trend? Where are the major support and resistance levels? What's the general outlook for the U.S. Dollar for the next two months?

These are all questions that will give you a rough idea of where the market is headed. But just like in the 'detective' example, this information alone should not be convincing enough for you to take any action... you'll need to zoom-in on the candlestick activity to confirm your 'suspicions' before you can safely place a high win-probability trade. Yes, candlestick analysis is how you gather 'evidence' to support your trading decisions.

And once you understand how to properly interpret candlesticks, you'll be able to enter and exit the market with pinpoint accuracy for maximum profits. That's what candlestick analysis can do for you!

One More Thing...

Remember that candlesticks never lie. Don't listen to people who tell you the market is bearish when the candlesticks are telling you exactly the opposite. Opinions can be wrong, but candlesticks are always right. Pay attention to what the candlesticks are telling you, and you can’t go wrong.

Overview

Here are the 4 main candlestick concepts that we'll cover:

1. Solitary candlesticks

We'll begin by first discussing candlesticks that have a special significance on their own. These are single candles that convey a particular message about what's happening in the market.

2. Relative candlesticks

Next, we'll look at how neighbouring candles can give you a better picture of the recent market price action. If a single candlestick can reliably predict future market direction, imagine how powerful a cluster of candlesticks can be! In this section I'll teach you how to read and understand relative candlesticks so you won't have to memorize any candlestick patterns.

3. Significant price formations

Once you've understood the underlying mechanics behind relative candlestick analysis, it's time to expand our scope to even more significant formations; this time in relation to crucial price levels in the market.

4. Explosive formations

The last of the core concepts, this section will provide you with 2 incredibly reliable candle formations that have time and time again provided me with consistent profits. These formations aren't 100% accurate, but they're pretty darn close! You've to see it to believe it.

Lastly, I'll wrap up with a couple of key principles so you'll get a complete picture of how to execute your trades with pinpoint accuracy.

Sounds good? I hope you're as excited about this as I am... So let's begin!

Section 1
Solitary Candlesticks

This section is partially dedicated to the Shaven and Doji candlesticks. I've provided this information for free on my website, and you can get it at:

http://forexcandlesticksmadeeasy.com/downloadcandles.htm

If you haven't read the report, you might want to start from there and come back here when you're done… (yes, go now!)

Done reading? Great!

By now, you should have learned (from the report) how important momentum is. Throughout this book, please keep in mind how each of the concepts discussed here relates to momentum. You'll understand better and learn faster this way.

One more thing about the Doji before we move on – you may have noticed that the 'hammer' and 'hanging man' candlesticks look similar to it:

After reading the report, you should know by now that these three candles mean either one of two things: lack of momentum, **or** indecision in the market.

These are candles indicate that a trend **may** be ending… However, they don't necessarily mean that the trend is going to reverse. You'll need to have other candle confirmation signals before you can safety say that a trend reversal is likely to occur (we will look at these signals later).

Let's move on to the next important candle characteristic: Long shadows.

<u>Long shadows</u>

Long shadows represent buyer/seller rejection.

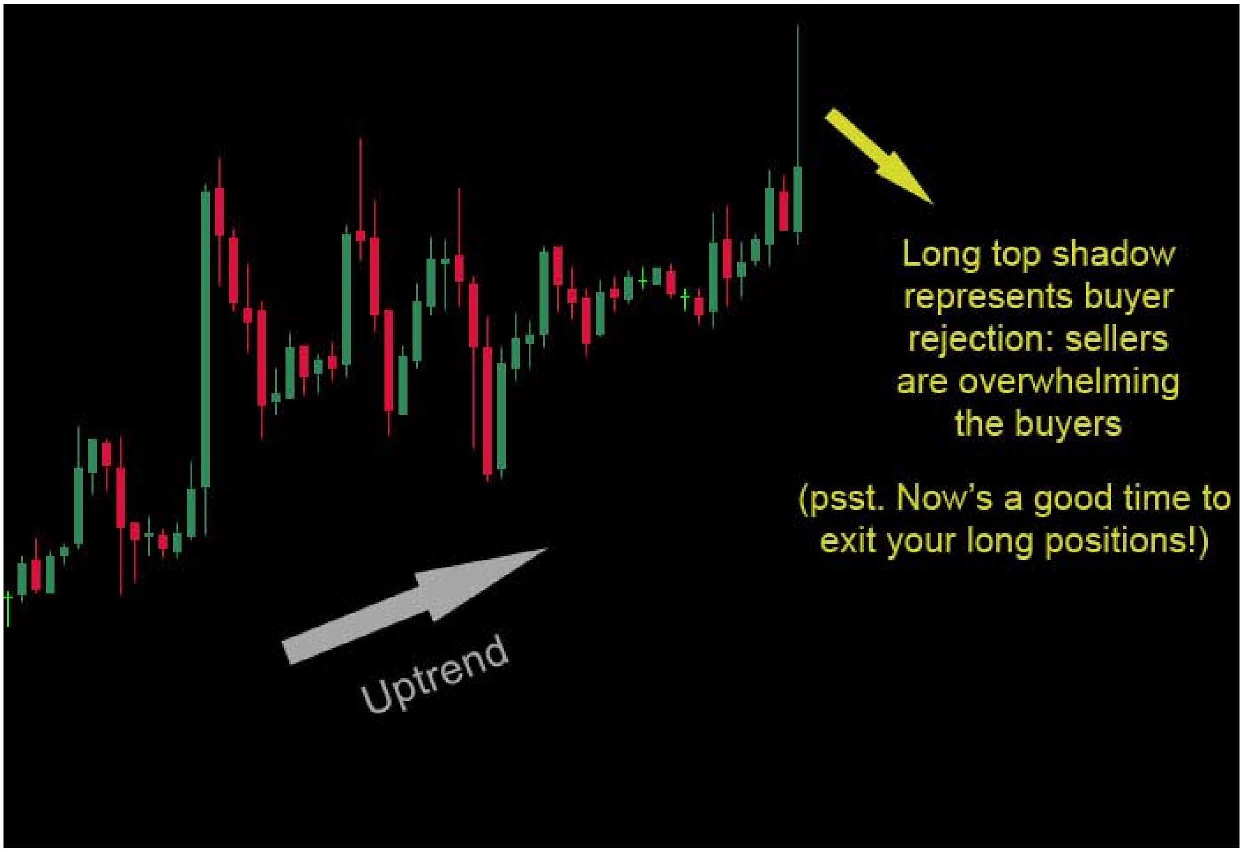
A long <u>top</u> shadow means that the **buyers** in the market <u>tried to push prices up</u>, but the **sellers** were <u>strong enough to push prices back down again</u>.

A long <u>bottom</u> shadow means that the **sellers** in the market <u>tried to push prices down</u>, but the **buyers** were <u>strong enough to push prices back up again</u>.

A long shadow is evidence of how one side tried to push prices in their direction, but <u>failed</u> because the other side was stronger.

Here's an example: We entered into a Buy trade a few days ago, and the market has been on an uptrend... we're currently in-the-money!

Suddenly, we see a long top shadow form right at the top of the market:



Phew! Did you see how fast the price dropped? Thank goodness we took our profits before this happened!

At this point you might like to open up your trading charts and see if you can find more of such examples; I'm sure you'll see many similar setups.

As you can see, long shadows serve as an indicator of the comparative strengths between the buyers and the sellers. They indicate a high chance of market prices going in the opposite direction (of the shadow).

One more thing: the longer the shadow, the more likely prices will move in the opposite direction of the shadow.

That's about all there is to it. Pretty simple, huh?

But wait! There's one exception... and that's when multiple shadows are penetrating a support/resistance level.

Let's talk about multiple shadows next...

Multiple shadows

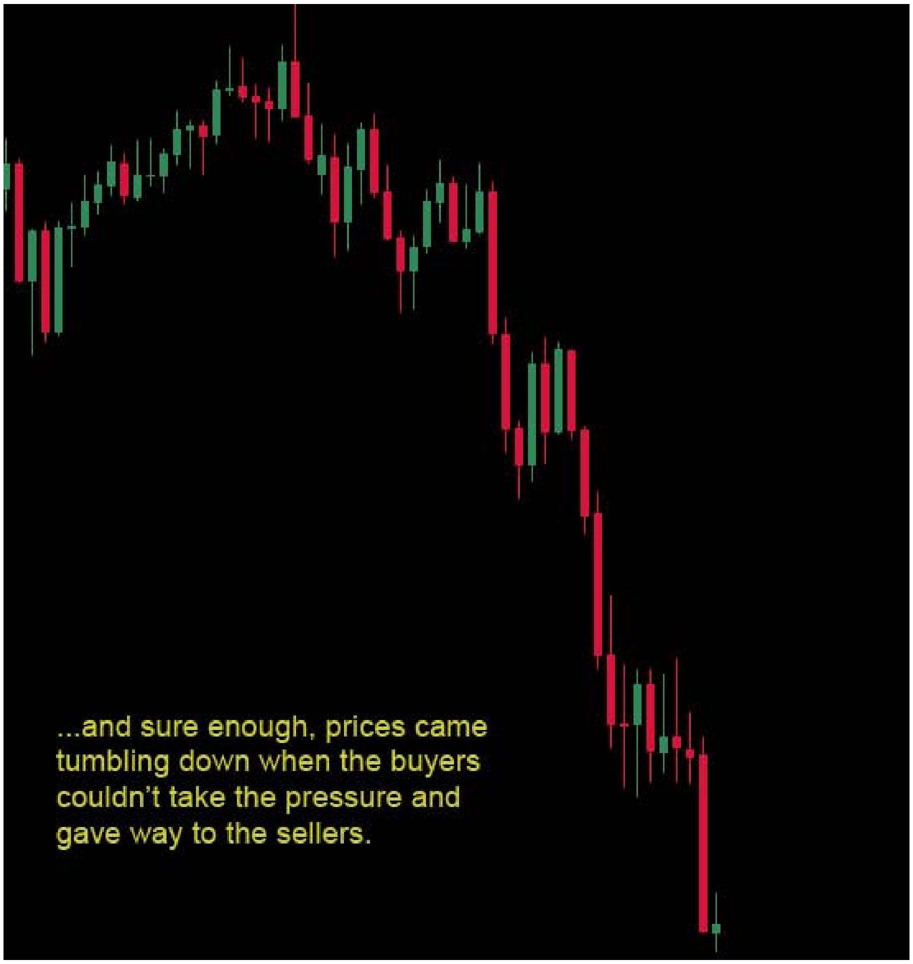
Unlike a single long shadow, the presence of multiple shadows usually indicates the **weakening of support or resistance levels**.

While a **single long shadow** indicates a likelihood of prices moving in the opposite direction of the shadow, a cluster of **multiple shadows** indicate that prices are likely to move in the same direction as the shadows.

Confused? Let's look at an example...

Here, we see multiple shadows trying to penetrate a support level. Also note that the closing prices are getting lower and lower. **What this means is that the sellers are aggressively testing the strength of the support level...**

In instances like this, the buyers are looking weak! I would expect the sellers to overpower the buyers soon...



Can you understand this concept better now? ...it's easy when you know what to look for, right? ☺

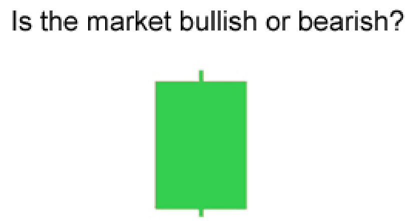
Again, you might want to open up our trading charts to see if you can find more examples.

The important thing here is to understand the reason behind this concept. This may take a little time to get used to, but keep at it and you'll soon be able to read candlesticks like an expert!

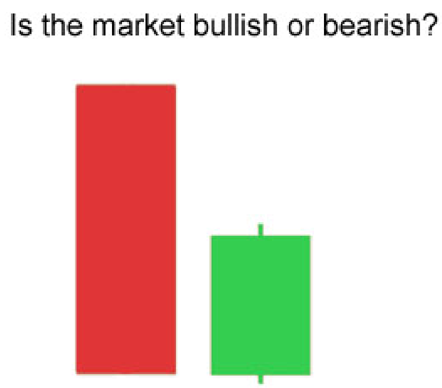
All right! This wraps up this section… let's now move on to the more exiting part… relative candlesticks!

Section 2
Relative Candlesticks

A cluster of neighbouring candles can give you a very good understanding of the context of market price action. Allow me to illustrate this with a question:



If we look at this single candlestick, we might say that the market is bullish. However, if we take a step back and look at the candle before it…



…then we might come to a completely different conclusion.

This is essentially what relative candlestick analysis is about. It shows you how current prices are moving in relation to past price movements.

As shown in this example, a single bullish candle doesn't mean that the market is necessarily bullish. To make a better judgment, you'll need to take a look at the bigger picture… and that's why single candlestick analysis is not enough – you'll need to learn about relative candlestick analysis too.

Relative momentum analysis

Remember how we talked about momentum in the 'Basic Candlestick Momentum Analysis' report? The same principle can be applied to relative candle analysis.

Here's how...

Let's assume we see a bullish shaven candle and enter into a long position:

Now, notice how the uptrend is becoming <u>less and less steep</u>. Prices are still going up, but at a slower pace. Also notice how the bullish candles became shorter. **This is an indication of the slowing down of momentum**. Now is a good time to consider exiting the trade and taking our profits.

…next, we see what looks like the beginning of a price reversal.

If we didn't notice the slowing down of momentum and exited our trade, we would have a lost a big portion of our profits by now!

Cool! Is this 100% accurate at predicting price reversals?

Nope, the slowing down of price momentum is <u>not a guarantee</u> that the market is going to reverse. **It only indicates a <u>higher chance</u> of prices moving <u>in a different direction</u>.**

Sometimes, the prices will reverse; and sometimes the prices will continue to shoot up. Of course, it's equally likely for prices to start ranging too. It's up to you to decide whether to exit the market in such a situation. It depends on your risk appetite and what your technical indicators are telling you.

In general, slowing momentum is an indication that the buyers (or sellers) are losing ground to the sellers (or buyers), and a change in price direction <u>may</u> be coming.

<u>Reading candle patterns</u>

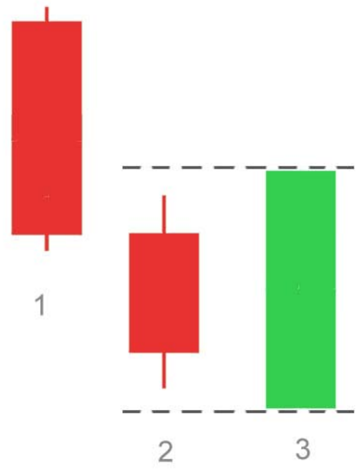
If you've been following me so far, this will be easy for you to understand.

What does this situation tell you about market prices?

Take a moment to think about your answer based on what you've learned so far. Where do you think prices are likely to go?

Did you guess that prices are likely to go up? If you did, good job!

Let's examine why:



Candles 1 and 2 indicate that the market is on a downtrend. But although candle 1 shows strong downward momentum, we can see a slowing down of this momentum in candle 2 (candle 2 has a smaller real body).

Next, we see candle 3 showing strong upward momentum, as it completely covers the high and low of candle 2. This is an indication of the weakness of sellers in the market, as the buyers completely overwhelm them.

Candle 2 and 3 form a candlestick pattern called the 'engulfing' pattern. (I will go through this candle pattern in further detail later on)

Of course, you don't have to memorize this candle pattern... you just have to understand how it works, and you'll be fine.

There are also many other candle patterns you can memorize, but with these reading techniques you've just learned, you won't need to. Everything you'll need to know is already in your head!

<u>A trick candle pattern – Profit taking</u>

Before we move on, it's important that you understand the implications of profit taking in the market. When traders don't take into account profit taking behaviour, they'll often be tricked into placing low winning-probability trades.

Here's what I mean:

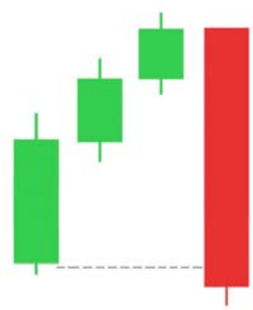
In the candle formation to the right, we might be fooled into thinking that this is the start of a price reversal – after all, we can see the strong momentum of the bear candle, right?

But in this case, a large bear candle <u>doesn't necessarily</u> mean that the sellers are getting stronger…

Due to the strong upward trend of the first three bull candles, we must now take into consideration the possibility of buyers who are now taking their profits (i.e. buyers with in-the-money trades who exit their positions).

If you notice, the **close price of the last bear candle did not go lower than the open price of the first bull candle**. This means it's entirely possible for most of the selling activity (at this point) to be coming from the buyers who are exiting their positions. We'll need to see more commitment from the sellers (who aren't the previous buyers) before we can say that prices are likely to reverse.

A stronger signal for a price reversal would be this:



See how the close price for the last bear candle is <u>lower</u> than the open price of the first bull candle? This tells us that it's <u>likely</u> that there are **more** sellers in the market than just the previous buyers.

How will I know for sure when 'profit taking' is happening?

Unfortunately, you can't know for sure. You'll just have to consider other factors that can increase your chances of making a well-informed guess. For example, traders are more likely to take their profits at prominent support/resistance levels (we'll talk more about this later).

Time for an exercise!

Now let's go through a quick analysis example to see if you've been following me so far:

Recent price action indicates a mostly ranging market. There's no obvious buy or sell signal here (in the below chart).

What happened next?

The strong downward momentum indicates a good sell signal.

Yes! If we had made that Sell trade, we would be in-the-money now! But we should be careful because the downward momentum is slowing down…

We know that the downward momentum is slowing down because:

1. The bearish candles are getting smaller.

2. A bullish candle approximately the same size as the previous bearish candle is formed. This indicates a lack of momentum in the market because neither the buyers nor sellers are strong enough to push prices further in their direction.

This might be a good time to take our profits in case the buyers start to take over and push prices up. However, if (for whatever reason) we think that prices might keep falling, we can just place a stop order to secure some of our profits.

Let’s see what happens next…

It seems that prices continued to go up for a little bit, but now the upward momentum is getting weaker.

Prices might just come down again!

***Important note:** Weakening momentum is **not** a good trade entry signal. It only indicates that the current trend is ending, so it's only useful as a trade **exit** signal.

Weakening momentum does not tell you where prices are likely to go – so don't enter into a trade just because you see weakening momentum. Prices are just as likely to go up or down afterwards.

Right, let's go ahead and see what happens next!

Prices went down again, but we can also see the subsequent loss of downward momentum (smaller bearish candles and a Doji).

And in the last candle, we see two clues indicating the possible start of an up-trend:

1. a large bullish candle (compared to the previous Doji candle)
2. a long bottom shadow

So will the price go up next? Let's take a look...

Darn… Looks like the market played a trick on us. Prices immediately came down again!

This is a good reminder of how there is no 100% accurate way of predicting the market. Candlestick analysis can be very useful, but sometimes the market price action is simply random.

At this point, the last two candles indicate to us that the buyers and sellers are fighting with each other. There's no clear winner yet, so there's no clear buy or sell signal here.

Let's see which side will win this time…

Interesting… prices came down for a bit, but soon climbed straight up!

There are two possible Buy trade entries we could have taken along the way:

1. when the 'engulfing' pattern has formed

2. two candles before the 'engulfing' pattern, where there is a bullish shaven candle

Now at the latest candle, we can see a long top shadow. If we had taken either one of the Buy trades, now may be a good time to exit.

Are prices are going to go back down? Let's find out…

…and yes, prices did go down. However, notice the slowing down of the bearish momentum towards the end.

I could go on with this analysis forever… but let's just stop here, shall we? I think you get the idea.

As you can see, candlestick analysis is incredibly helpful in predicting short-term future market trends. And the best part is that it can be applied to any trading time frame!

But remember, candlestick analysis is not 100% accurate. No single analysis tool is. Always protect your capital with well placed stop orders, just in case. ☺

Let's now proceed to the next section!

Section 3
Significant Price Formations

Now that we've learned how to read clusters of candlesticks, let's apply this to an even wider scope: support and resistance levels.

While it's beyond the scope of this book to examine support/resistance levels in detail, here's how they generally work:

A support level is a price level at which buyers are expected to enter the market.

It's an arbitrary 'line' indicating the price(s) that the market sellers are unable to push below. Here's an example of a support line:

Can you see how prices were unable to penetrate below the yellow line? In this chart, the yellow circles indicate the times when the sellers tried to push prices further down. However, they were unsuccessful and so we say that the yellow line has become a support level.

What about resistance levels?

Basically, a resistance level is the opposite of a support level. Simple, eh? ☺

When support and resistance levels are almost parallel to each other, we call them a ‘**channel**’:

As you can see, market prices were unable to break through either sides of the channel.

What do support/resistance levels have to do with candlestick analysis?

When there is a **congruence** of candlestick analysis and support/resistance, you have a better chance of entering into a high winning-probability trade.

For example, when market prices hit the resistance level with a long top shadow, it might be a good idea to consider a Sell trade. This is because resistance levels and long top shadows both indicate that prices are likely to go down. Both analysis tools are telling you the same thing.

In general, the more analysis tools are in congruence about where prices are headed, the better.

Let’s now take a look at some other important support/resistance concepts…

Double Top / Double Bottom

This formation occurs when prices attempt to break a support/resistance line **twice**. It typically forms at market bottoms.

Here is what a double bottom looks like:

Can you see how prices first hit the support level, went up for a bit, and came back down to re-test the support level again before moving back up?

Double bottoms/tops are reliable indicators of price reversals.

Triple Top / Triple Bottom

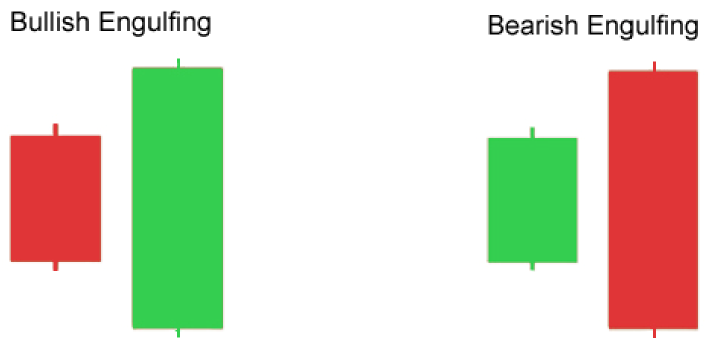
This is very much the same as double tops/bottoms, except that the support/resistance line is tested 3 times (instead of just 2).

And because these support/resistance levels have not been broken despite 3 separate attempts, they are considered to be 'stronger' resistance/support levels.

Candle Reversal Patterns

Now, I'm going to reveal to you 4 extremely reliable candle reversal patterns.

When these reversal patterns are found at significant support/resistance levels, you can be 70% - 80% sure that prices are going to bounce off the support/resistance levels and move in the opposite direction.



This candle pattern called 'engulfing' because the **real body of the later candle completely covers the real body of the previous candle**. As you can see in the bullish engulfing reversal pattern, the real body of the bull candle completely covers the real body of the bear candle.

When these candle patterns are found at a significant support/resistance level, chances are high that prices will move in the direction of the second (later) candle.

Why is this so?

Let me give you an example to explain my point: When market prices drop down to an established support level, chances are high that the buyers in the market will come in and attempt to push prices back up again. However, this is not always the case, as prices do break below support levels every now and then. Sometimes, the buyers are simply too weak to prevent the market price from falling below a support level.

However, when we see the bullish engulfing pattern form at such a critical price level, it's an early indication that the buyers have come in strong and are likely to soon overwhelm the sellers. That's how we know that prices may to shoot up soon after we see a bullish engulfing pattern at an established support level.

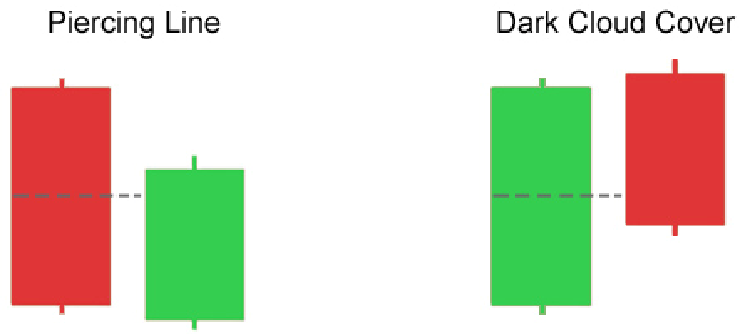
Here's an example for you to better understand this concept:

Here, we can see that prices hit a significant support level twice (highlighted by the yellow circles).

On the third try of the support level, we see a bullish engulfing reversal pattern (highlighted by the red circle) – this means that prices are likely to keep moving up soon… and as you can obviously tell, prices did go up afterwards.

This is basically how we use these reversal patterns to predict price reversals!

Now here are 2 more important candle reversal patterns you should learn:



These 2 candle reversal patterns indicate the same thing as the bullish and bearish engulfing patterns (respectively). The Bullish Engulfing and Piercing Line patterns indicate that prices are likely to bounce off a support level; and the Bearish Engulfing and Dark Cloud Cover patterns indicate that prices are likely to bounce off a resistance level.

Compared to the engulfing patterns, these patterns are not as strong signals of price reversals because **the real body of the later candle only covers more than *half* of the previous candle**.

Nonetheless, these 2 reversal patterns have also consistently provided me with good profits because of their reliability in predicting price reversals.

Go take a look at your trading charts and I'm sure you'll see many instances where these candle reversal patterns have accurately predicted future price movement in the market!

***Remember**:* These candle reversal patterns are only valid when they form near significant support/resistance levels.

If you see a reversal pattern in the middle of a ranging market, it's not an indication of anything!

Summary of Section 3

Generally, you should be careful when prices are heading towards prominent support/resistance levels. Try to enter into a trade only when **both** candlestick analysis and the support/resistance levels complement each other.

For example, if you see a large bullish shaven candle hit a very strong resistance level, don't enter into a Buy trade… it's not a good idea to do that!

Likewise, if you see a bullish engulfing pattern form on a resistance level, don't enter into a trade either!

When prices are nearing a strong resistance level, it's a better idea to wait for a loss of upward momentum and a bearish engulfing pattern to form before you consider entering a Sell trade.

And that concludes Section 3… ☺

In the next section, I'll show you some of the most reliable trading patterns to make money with… Explosive formations!

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Section 4
Explosive Formations

Imagine that you're holding a metal spring between your index finger and thumb. As you press the spring together, it becomes harder and harder to keep it compressed. When you release either your index finger or thumb, the spring will jump out violently in the direction of where pressure was released.

Very amusing, Chris.

But what's this got to do with Forex trading?

Let me share with you my little secret…

This is exactly how some of the most reliable candlesticks formations work.

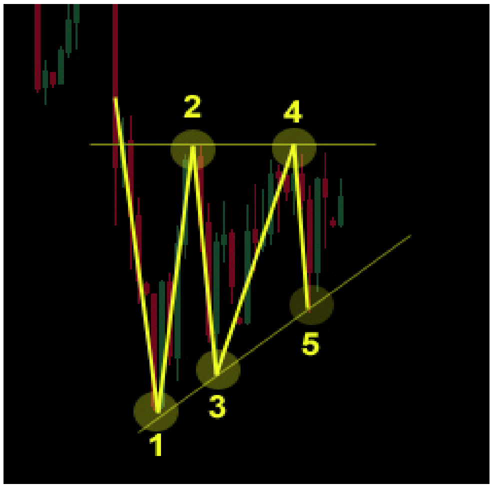
Here's an example of a 'triangle' formation:

It's called a triangle because when you draw the support and resistance lines, you get the shape of a triangle…

…like this!

For there to be a valid triangle formation, prices must hit the support and resistance lines at least **4 times**.

In this example, we see that prices actually hit the support and resistance lines 5 times.



All right, back to analyzing the triangle…

Can you see how prices fluctuated less and less over time **inside the triangle?**

This indicates a buildup of pressure, much like in the metal spring example I mentioned earlier.

And when either the resistance or support level is broken, prices will shoot out in the direction of the break.

That's it. Pretty simple, huh?

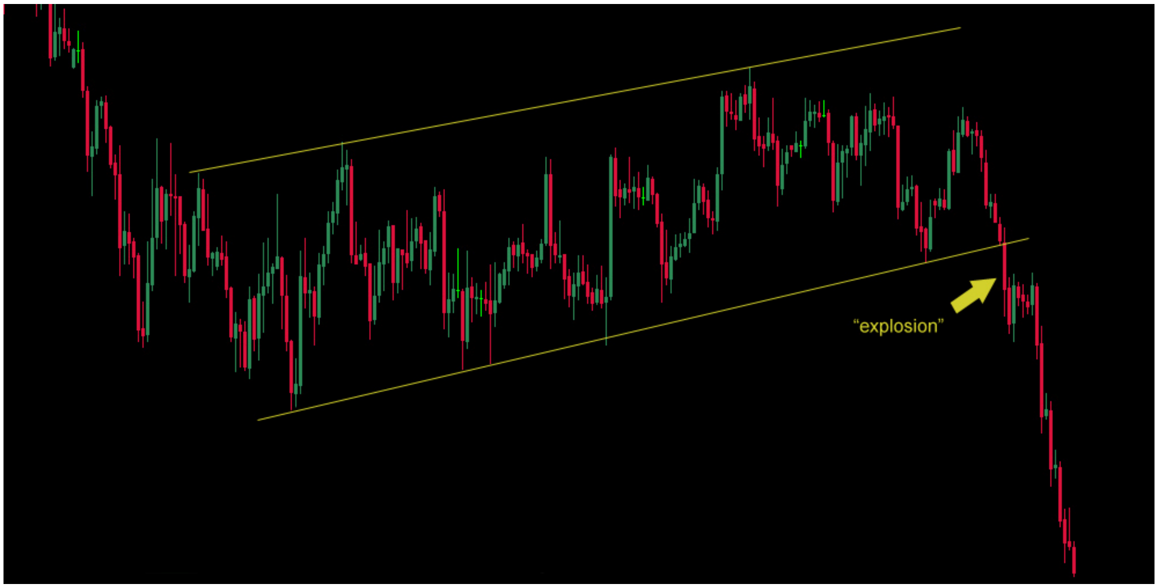
Warning: You have to be careful about where you place your stop orders when you trade on these 'explosions'. After support/resistance is broken, prices will occasionally fall back a little before continuing in the direction of the break.

In the above example, we see that prices did fall back 'into the triangle' temporarily, before continuing with the uptrend. Many traders' stop loss orders would have been triggered there, since most people like to place their stop orders just above or below support/resistance lines.

If you're trading on a triangle 'explosion', make sure your stop loss allowances are not too tight!

Channel breakouts

Channel breakouts are basically the same thing as triangle breakouts:



However, because channel formations typically take a longer time to build up (compared to triangle formations), they usually yield larger profits. Trading on a channel formation breakout is a great way to make hundreds of pips in less than a week!

How To Trade On Breakouts

Now I'm going to reveal to you one of the biggest secrets of how to properly trade on breakouts.

But before you can fully appreciate the beauty of this trading technique, you'll first need to understand how most people typically (and wrongfully) trade on breakouts.

Typically, most traders will place a pending BUY or SELL order 1-5 pips outside of the triangle or channel to 'catch' the explosion. While this may seem like a logical thing to do, it's actually a risky way to trade.

Why do I say this?

This is because explosions are periods of time where there is a lot of emotional trading in the market.

What I mean by 'emotional trading' is that there will be many traders who are letting the emotions of fear and greed guide their trading actions… and it is during these times that the institutional traders (aka. the market sharks) like to prey on such behaviour. I won't go into too much detail regarding this because frankly, the only thing you'd need to know is not to trade on the initial explosion.

Remember: Don't trade on the initial 'explosion'.

So how do we properly trade on breakouts?

The trick here is to first let the 'emotional trading' subside, and wait for the market to settle down and THEN tell you whether the bulls or bears are taking over.

Here's how to trade on an explosion: below we see a channel explosion on the downside (on a 1-hour chart):

At this point, we'll wait for the candle to fully form (i.e. wait till the hour is up) before placing our trade.

Once the explosion candle has completely formed and is shown to be a valid explosion (i.e. the candle does not close back into the channel), we will place our pending trade orders as such:

- **Pending SELL order:** 5 - 10 pips below the 'low' of the explosion candle
- **Stop Loss order:** At half the real body of the explosion candle

Like this:

And of course... we make money! :D

This is how you should trade on explosions out of the triangle and channel formations.

The fundamental idea behind this technique is to first LET the market tell us that the explosion is a valid one. Many other traders will be greedy and want to trade on the explosion immediately as it happens... and those are the traders that that get eaten up by the sharks.

What About Profit Targets?

Profit targets are a little tougher to estimate for maximum profits... But here are four guidelines you may wish to follow when placing your profit targets:

- At least 2 - 3 times your stop loss allowance
- At a prominent support/resistance level
- At a round number (ex. 1.5600, 109.00 etc)
- When you see a slowing down of momentum (as covered in Section 2)

And… That's it!

You now have two simple but incredibly powerful candlestick formations to trade with. These formations can be found in almost all time frames, so you'll come across them pretty often.

Keep in mind that the longer the time-frame these formations are found in, the more significant (and reliable) they are. For example, a triangle breakout on the daily chart is usually going to net you more pips than a triangle breakout on a 1-hour chart.

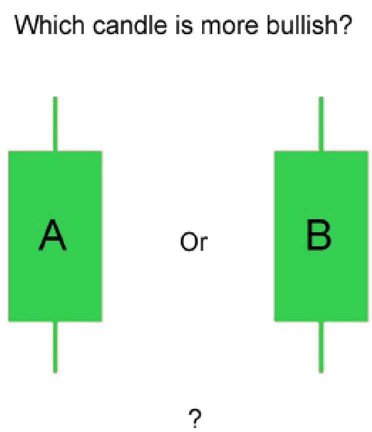
Also, don't use these techniques on trading charts that are on a lower time frame than the 1-hour chart (i.e. 5-minute chart, 15-minute chart etc). I've found the candlestick formations on these charts to be much less effective.

<u>Bonus Section</u>
The Time Frame Principle

Here's one trading principle I'd like you to pay attention to...

To the right are two 1-hour candles.

Try to answer the question as best you can.

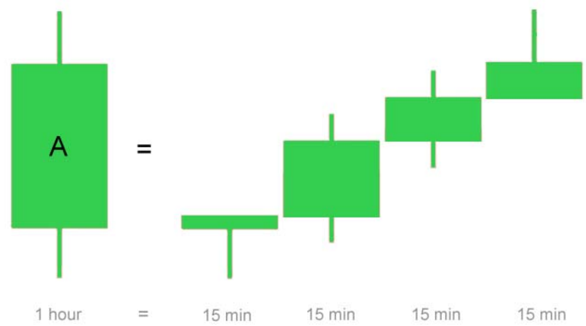


Of course, this is a trick question… well, sort of. The point I'm trying to make is that sometimes you can't tell how bullish or bearish a candle is simply by looking at a single time frame.

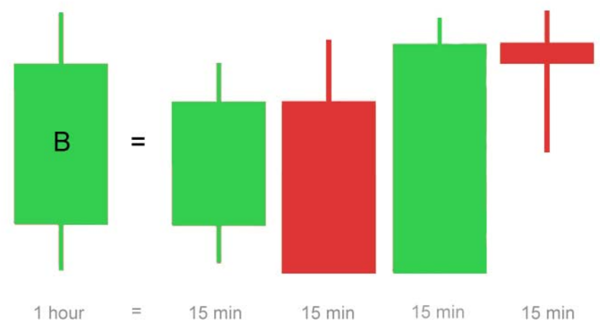
Let's now take a closer look at these 1-hour candles by zooming in to their respective 15-minute time frames…

Take a moment to compare candles A and B this time:

Although they look exactly the same in the 1-hour time frame, when we look at the 15 minute chart they paint a completely different picture from each other!



In this case, candle A is obviously more bullish.



Can you see the importance of ‘zooming in’ to the shorter time frames? Shorter time frames can provide you with details that the longer time frames can’t.

A good habit to cultivate when trading is to occasionally look at the shorter time frames to support your trading decisions.

Section X
The One Thing That Messes It All Up

One last thing you'll need to know…

Always wait for the candle to complete

it's formation before placing your trade

Here's what I mean…

Let's imagine we see a break below a channel on the 1-hour chart.

The time now is 4.30pm

Many traders will get excited and scramble to enter into a Sell trade. In their excitement, they forget that the last candle is not completely formed yet!

<u>The time is now 5.00pm</u>

And here's what happens when the hour is up, and the candle is fully formed – prices shot right back up into the channel again. This was a false break!

If those earlier traders had waited for the hour to be up before trading, they wouldn't have been caught in such an unpleasant situation. Don't be like those poor traders… learn how to protect yourself against these unnecessary losses!

Here's A General Rule Of Thumb

Only trade on breakouts after a candle <u>closes</u> above a resistance level, or below a support level.

Don't trade on breakout candles before they have completely formed.

This is also one of the reasons why I advise you never to trade on the initial explosion of the triangle or channel formation.

Final Section
That's All There Is To It

Yep. That's all there is to it. Congratulations on making it this far!

You now have access to all the candle analysis techniques that I personally use to profit from the Forex market. These are concepts have been carefully chosen and explained to give you the best chance of profiting… so please follow them carefully!

"What about all the other candlestick formations?"

I know, I know… you've probably heard about the 'head and shoulders' or some other more commonly-known candlestick formation...

The reason why I didn't discuss them here is because I've found them to be rather unreliable in the Forex market.

You see, compared to the other financial markets, price movement in the Forex market is much more volatile. **What this means is that only the most simple and dramatic candlestick formations will have a significant impact.**

If you know how to trade with the 'head and shoulders' formation, then please go ahead… I'm not saying that it's unprofitable to trade with… I just prefer to ignore it because I feel there is simply too much random price movement in the Forex market for such a complex formation to hold any particular significance.

And this goes for the other candlestick formations as well.

Thanks For Reading

Thank you so much for taking the time to read and understand this book. I hope you've gained some valuable insights that will give your trading career a big boost! ☺

If you have any questions or problems, just drop me an email at: chris@forexcandlesticksmadeasy.com.

Take care, and I'll talk to you again soon!

Best wishes,

CHRISTOPHER LEE