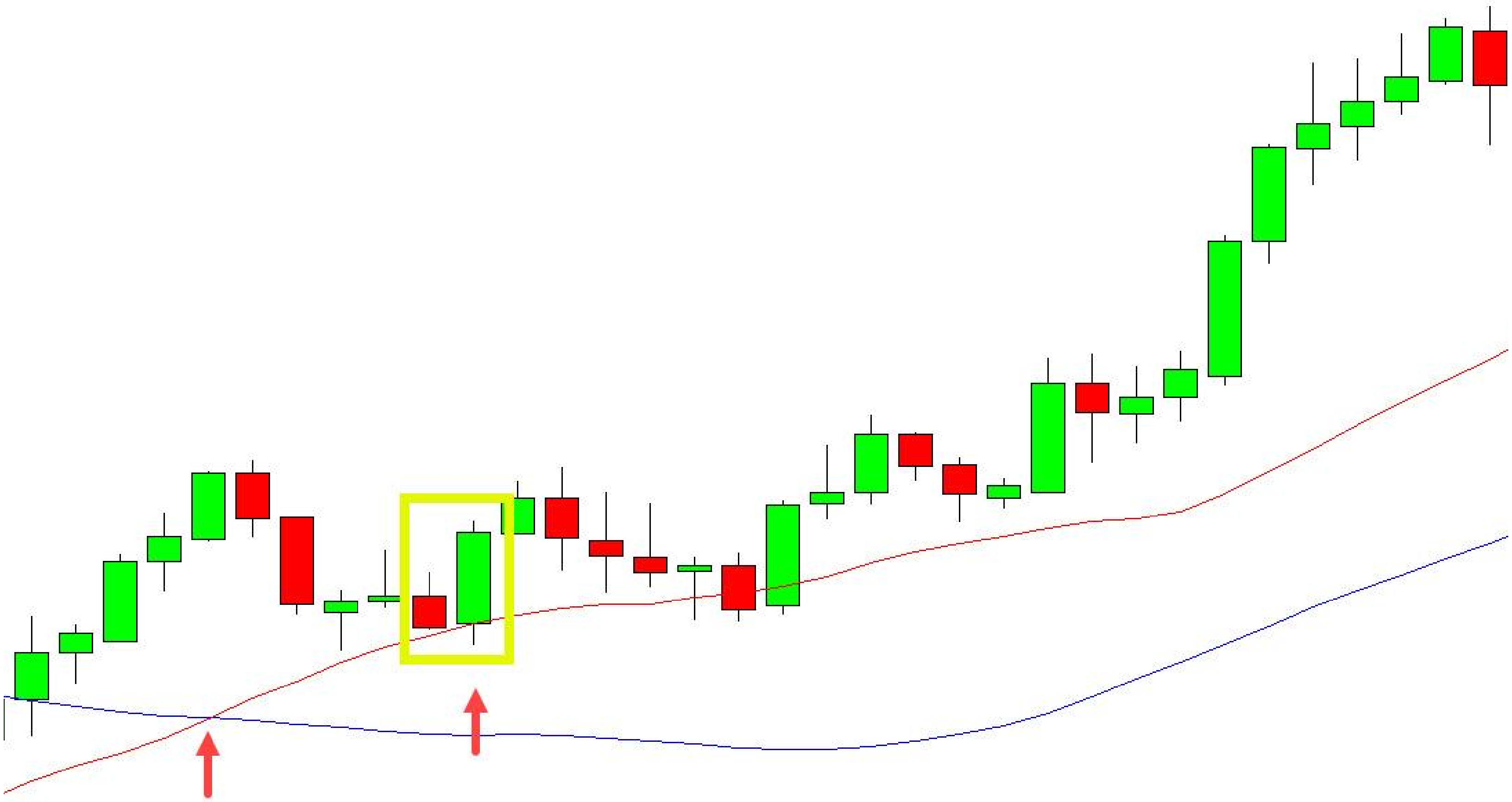
Stock Markets Guides

Bullish Candlestick Patterns



Bullish candlestick patterns can quickly and easily identify when the price is looking to move higher.

While some of these patterns can be complicated, the best bullish candlestick patterns are often the simplest.

This post goes through precisely what bullish candlestick patterns are and how you can use them in your trading.

What are Bullish Candlestick Patterns?

Bullish candlestick patterns are patterns you can use to identify when the price is looking to move higher.

You can use these patterns in any market you like to trade and every time frame. You can use these bullish candlestick patterns to either scalp, swing trade, or for longer-term investing.

This post goes through some of the most popular bullish candlestick patterns and how you can use them.

The Best Bullish Candlestick Patterns

Hammer Pattern

The hammer pattern is a very easy to identify bullish candlestick pattern you can use to make long trades.

The hammer is also often called a pin bar.

This pattern has a very short candlestick body with a long lower wick.

The key to the hammer pattern is that it needs to form at the bottom of a trend or move lower.

In the example below, you will see that the price first makes a move lower. Then we see the bullish hammer form with a small body and long lower wick.

This signals that the selling pressure is drying up, and a move higher may soon be on the cards.

Inverse Hammer Pattern

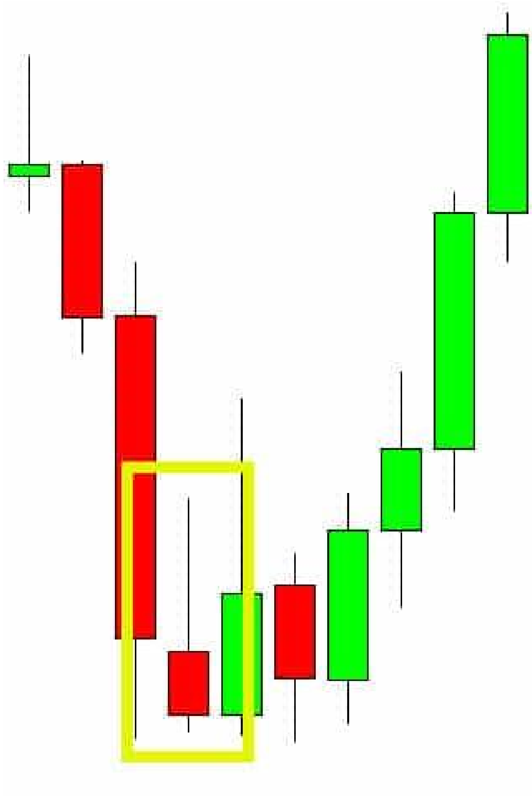
The inverse hammer pattern is similar to the hammer pattern but inverse.

We also need to see a move or trend lower with this pattern.

The inverse hammer is created with a small candlestick body and a long wick higher.

The example below shows what an inverse hammer pattern looks like.

We can use this pattern to start looking for long trades.



Morning Star Candlestick Pattern

The morning star pattern is considered a bullish reversal candlestick pattern.

We first need to see a move or trend lower with the morning star pattern because this is a bullish reversal candlestick pattern.

The morning star pattern is then created with three separate candlesticks. The first is a bearish or red candlestick. The second is a very short-bodied candlestick, followed by the third candlestick that needs to be a long bullish, or green candle.

Bullish Engulfing Bar

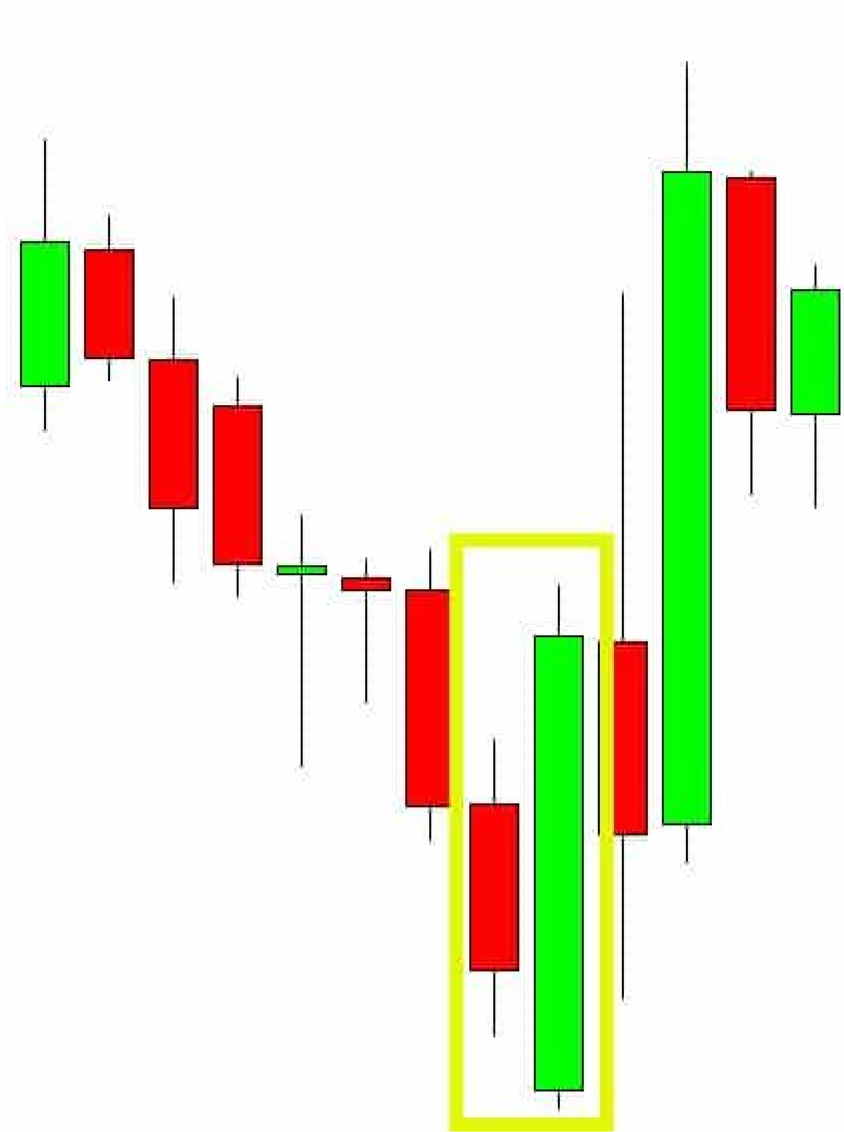
The bullish engulfing bar is one of the most simple bullish candlesticks to identify on your charts.

While this pattern is not as common as some other patterns, it can lead to higher explosive moves.

The example below shows a bullish candlestick.

As this example shows, price is first in a move lower. Price action then forms a candlestick that fully engulfs the previous smaller candle.

For a bullish engulfing bar to be valid, we need to see a lower low and a higher high than the previous candlestick.



Three White Soldiers Pattern

The three white soldiers candlestick pattern is another bullish pattern that doesn't form all that often. However, it is a pattern you can use in any market or time frame.

A bullish three white soldiers pattern is formed when we see three long bullish candlesticks form in a row.

To be a valid three white soldiers pattern, we should see three long bullish candlesticks with very small candlestick wicks.

This pattern will often form at the bottom of a downtrend or move lower.

How to Trade Bullish Candlestick Patterns

Often the best way to use these candlestick patterns is with other popular indicators and price action strategies.

The example below shows you how you might combine bullish candlestick patterns with other indicators.

In this example, we use a 50 and 21 periods moving averages to identify a higher trend.

When we spot the 21-period moving average cross above the 50 period moving average, we start looking for long trades using candlestick patterns to confirm a long trade.

After seeing this moving average cross, we then spot a bullish engulfing bar that could be our confirmation to take a long trades.

We could then manage this trade by looking for the 21 periods moving average to cross below, signaling an end to the trend higher, or using bearish candlestick patterns.

Lastly

Some of the best bullish candlestick patterns are the simplest such as the bullish engulfing bar.

Often the best way to find and trade these patterns is by using other popular indicators and price action strategies.

These include using indicators to find and confirm a trend or when a trend could be looking to reverse and move back higher.

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