Classic Chart Patterns
A quick reference guide for traders

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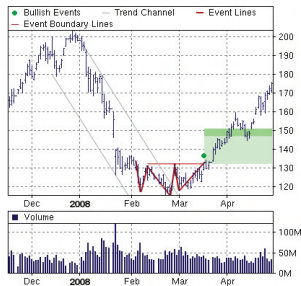
Triple Bottoms

Bullish: The Triple Bottom starts with prices moving downward, followed by three sharp lows, all at about the same price level. Volume diminishes at each successive low and finally bursts as the price rises above the highest high, confirming as a sign of bullish price reversal. *Bearish Counterpart: Triple Top.*
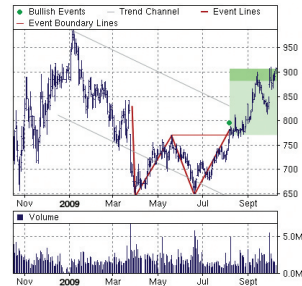
Double Bottoms

Bullish: This pattern marks the reversal of a prior downtrend. The price forms two distinct lows at roughly the same price level. Volume reflects weakening of downward pressure, tending to diminish as it forms, with some pickup at each low and less on the second low. Finally the price breaks out above the highest high to confirm the bullish signal. *Bearish counterpart: Double Top.*
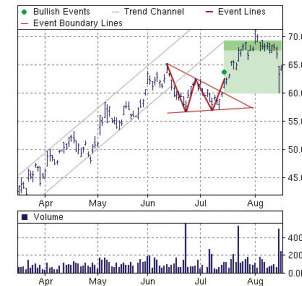
Triangles

Bullish: Two converging trendlines as prices reach lower/stable highs and higher lows. Volume diminishes and price swings between an increasingly narrow range. Before the triangle reaches its apex, the price breaks out above the upper trendline with a noticeable increase in volume, confirming the bullish continuation of uptrend. *Triangles can also appear during a downtrend, signaling a bearish continuation.*
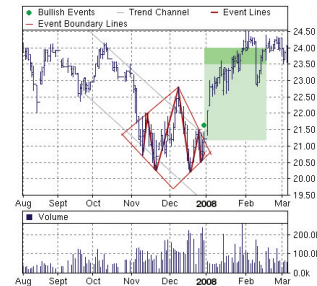
Diamonds

Bullish or Bearish: These patterns usually form over several months and volume will remain high during formation. Prices create higher highs and lower lows in a broadening pattern, then the trading range narrows after peaking highs and uptrending lows trend. The breakout direction signals the resolution to a new trend—upward (Diamond Bottom) or downward (Diamond Top) out of the diamond's boundary lines.
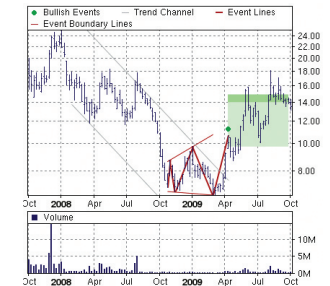
Megaphones

Bullish: The rare Megaphone Bottom—a.k.a. Broadening Pattern—can be recognized by its successively higher highs and lower lows, which form after a downward move. The bullish pattern is confirmed when, usually on the third upswing, prices break above the prior high but fail to fall below this level again. *Bearish counterpart: Megaphone Top.*

Upside Breakouts

Bullish: An Upside Breakout occurs when the price breaks out through the top of a trading range marked by horizontal boundary lines across the highs and lows. This bullish pattern indicates that prices may rise explosively over a period of days or weeks as a sharp uptrend appears. *Bearish counterpart: Downside Breakout.*

Flags & Pennants

Bullish or Bearish: Flag follows a steep rise in price ("flagpole"). It's marked by two parallel trendlines around a period of consolidation as volume subsides. Flag can be horizontal or slightly downward. Price breaks the upper trendline marking a resuming bullish uptrend. Pennants converge rather than parallel. Bearish flags occur during a steep drop in price with the flag horizontal or slightly upward.

Head & Shoulders

Bullish: This pattern is created by three successive price declines following a significant downtrend. The lowest low (head), is flanked by two higher lows at roughly the same level (shoulders). Volume highest for first two declines, then diminishes through right shoulder. Volume surges as price closes above the neckline to confirm the bullish reversal. *Bearish counterpart: Head and Shoulders Top.*
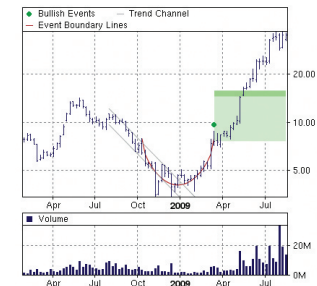
Rounded Bottoms

Bullish: This pattern follows a downtrend, forming a gradual bowl shape reflecting a shift in the balance of supply and demand. Volume tends to mirror the price pattern. After relative inactivity at the bottom of the bowl, the price pattern starts upward turn. As sentiment turns, volume tends to increase. Bullish pattern is confirmed when price crosses above its moving average.
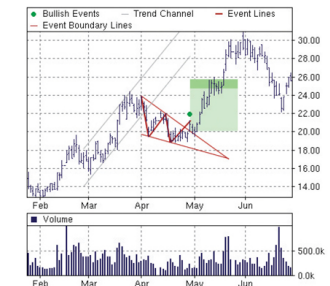
Wedges

Bullish or Bearish: A Continuation Wedge consists of two converging trend lines. Like a Triangle, but its apex slants downwards at an angle. As it forms over time, volume diminishes and trend appears downward, but long-term range is still upward. Bullish pattern is confirmed when prices break above the upper trendline. A bearish wedge appears with converging trendlines pointing slightly upward.

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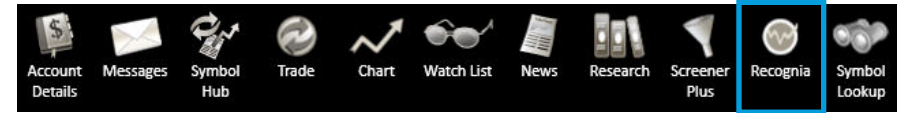
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GARP	Recognia Inc.	• Dividend Growth Rate 5 Year Average • Dividend Yield • P/E (TTM) • Price/Book Ratio • EPS Growth (5-Year Historical) • Revenue TTM • Current Ratio	1	0.9%
Quality Stocks at a Reasonable Price	Recognia Inc.	• Return on Equity (TTM) • Gross Margin (TTM) • Price/Book Ratio • Debt to Equity Ratio	11	18.1%
Strong Up Momentum	Recognia Inc.	• Stock Price • Price Performance 5 Day • Price Performance 4 Week • Price Performance 13 Week • Volume 90-Day Average • Volume 10-Day vs. 90-Day	99	-11.9%

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Screen Name	Criteria	Matches	Annualized Return
Quality Stocks at a Reasonable Price	• Return on Equity (TTM)	11	18.1%

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Highlights
Intermediate-Term: 6 weeks to 9 months
Technical Events
2 bullish
1 bearish
See table below for details. This page shows active events - view historical lookup for more.

Support found at: $128.80
Resistance found at: $145.43
Based on 250 bars. Customise on chart

Stop Price
For long position: $140.16
For short position: $149.44
Based on Recognia Trailing Stop ("medium") assuming position entered at last close price. Stops are updated with each new close price. Customise on chart

View Chart for Checked Events

View	Event Date	Event	Opportunity Type	Close at Event	Target Price Range
[ ]	Nov 12, 2010	Relative Strength Index (RSI)	Intermediate-Term Bearish	$143.74	n/a
[ ]	Sep 24, 2010	Intermediate-term KST	Intermediate-Term Bullish	$134.11	n/a
[ ]	Sep 14, 2010	Double Moving Average Crossover (50-day 200-day)	Intermediate-Term Bullish	$128.85	n/a

(w) denotes a weekly event.
(M) denotes a monthly event.

● Bullish Events ● Bearish Events ● Other events

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Intraday Event™ list (from 2 setups on my radar)   ▸ Detach

Time	Symbol	Event Setup	Price	Target
15:45 (May 16)	MRK	Wave the Flag (Bearish)	37.35	37.08 - 37.14
15:15 (May 16)	CVS	Wave the Flag (Bullish)	38.38	38.95 - 39.10
14:15 (May 16)	HL	Wave the Flag (Bullish)	8.11	8.45 - 8.53
14:15 (May 16)	NLY	Wave the Flag (Bullish)	17.82	18.00 - 18.04
13:45 (May 16)	VLO	Wave the Flag (Bullish)	26.64	27.25 - 27.40
11:45 (May 16)	CIEN	Wave the Flag (Bearish)	26.82	26.25 - 26.40
10:45 (May 16)	YHOO	Wave the Flag (Bullish)	16.66	17.40 - 17.55
15:30 (May 13)	HAL	Wave the Flag (Bearish)	46.07	44.80 - 45.00
15:30 (May 13)	TSO	Wave the Flag (Bearish)	23.40	22.75 - 22.90
15:30 (May 13)	SU	Wave the Flag (Bearish)	39.77	38.75 - 38.95
15:00 (May 13)	HMY	Wave the Flag (Bearish)	13.14	12.45 - 12.60
15:00 (May 13)	MRK	Wave the Flag (Bearish)	37.01	36.62 - 36.70
14:45 (May 13)	BSPM	Wave the Flag (Bullish)	1.84	1.73 - 1.75
13:45 (May 13)	BBY	Wave the Flag (Bullish)	32.09	33.20 - 33.40
12:45 (May 13)	AET	Wave the Flag (Bullish)	43.60	44.70 - 45.00
12:45 (May 13)	STX	Wave the Flag (Bearish)	17.06	16.45 - 16.55
13:00 (May 12)	HS	Wave the Flag (Bearish)	41.63	39.90 - 40.20

Yahoo! Inc   Commentary
3 Day, 15-minute chart
Price
Volume

A bullish Flag pattern was confirmed yesterday at 10:45 when the price broke upward out of a consolidation period. The price seems to be resuming a sharp rally after taking a brief pause. The pattern formed over 3 hours and 0 minutes, which is a rough guide for how long it might take to reach the target price of 17.40 - 17.55.