



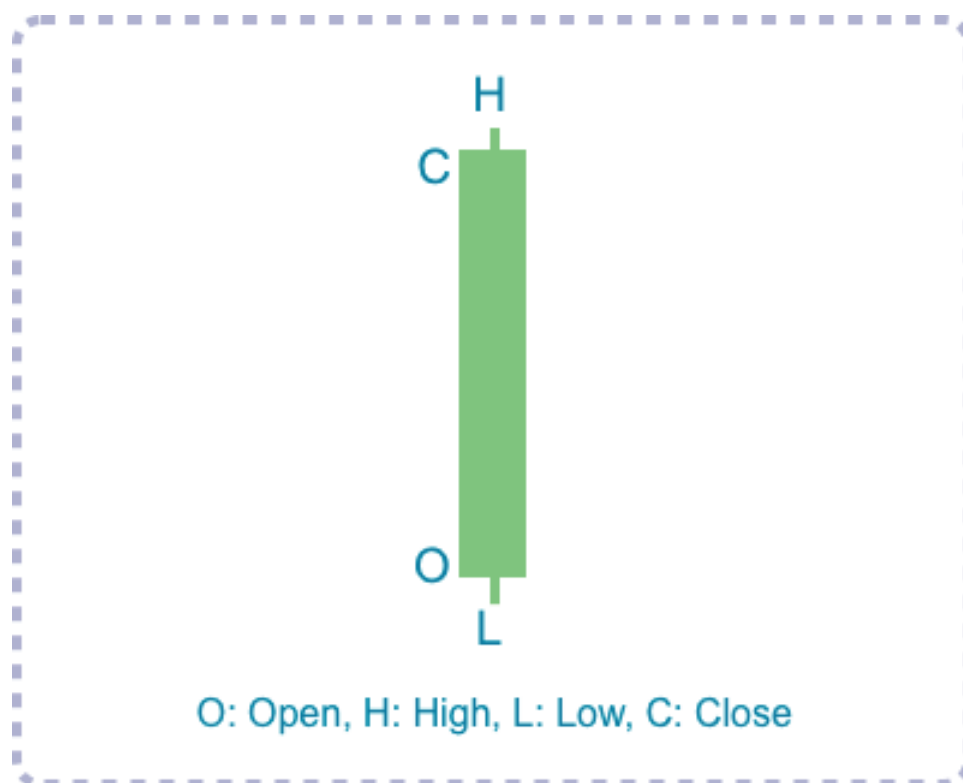
BOOMING BULLS
ACADEMY

**TRADING
SYSTEM
TEMPLATE**

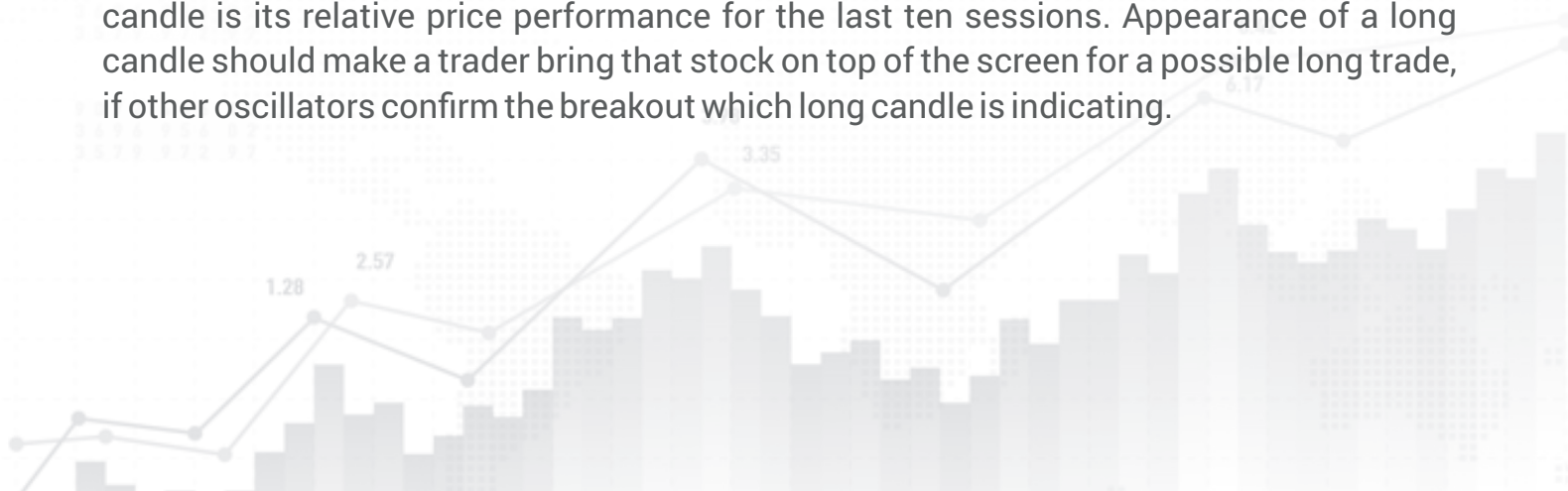
BOOMING BULLS

BULLISH

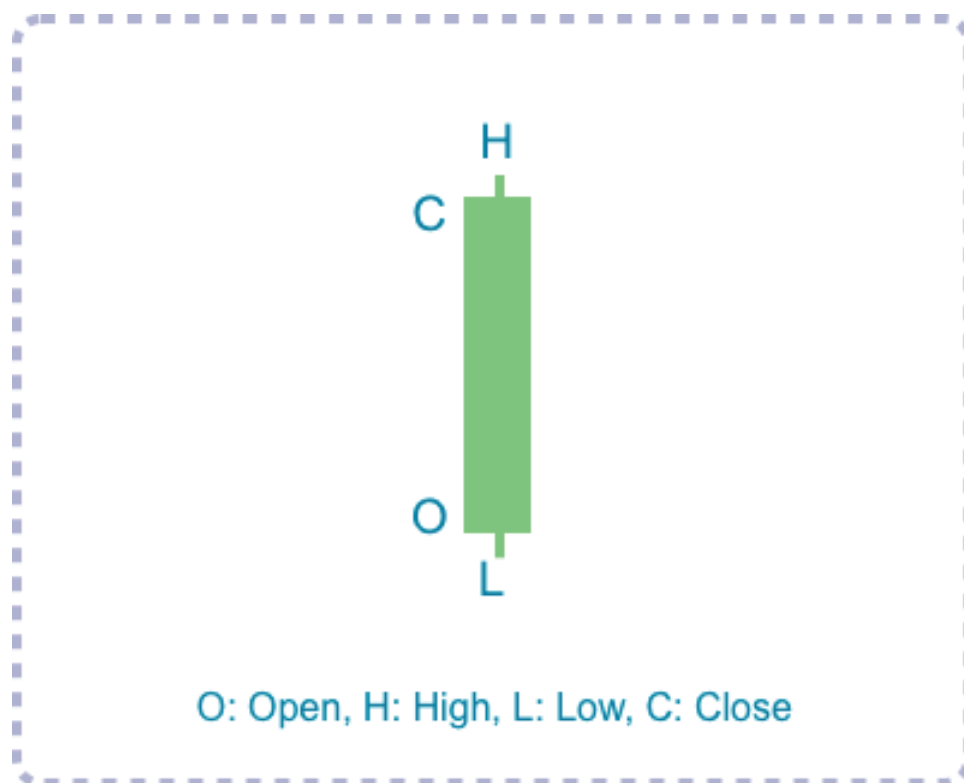
LONG WHITE CANDLE



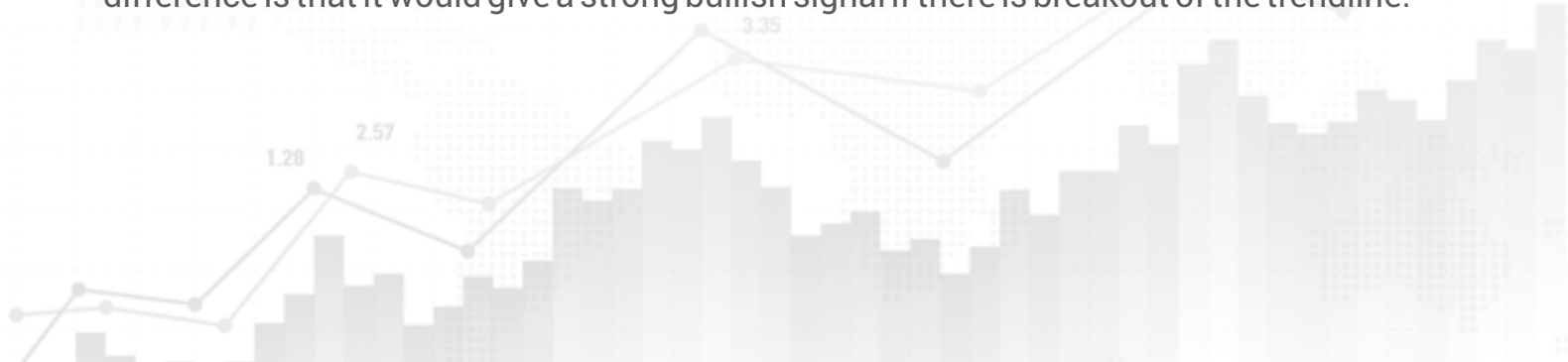
It is a bullish candle which indicates that the bulls either after a short gap are back in game or their hold on a particular stock has further strengthened. Similar to white marubozu candle, the only difference is that long white candles will compulsorily have wicks on both ends. Another factor which decides which candle is classified as a long candle is its relative price performance for the last ten sessions. Appearance of a long candle should make a trader bring that stock on top of the screen for a possible long trade, if other oscillators confirm the breakout which long candle is indicating.



BULLISH STRONG LINE



The formation indicates either a trend reversal from bearish to bullish or continuation of a bullish trend. A Bullish Strong Line needs confirmation not only in terms of the next candle formed in the trend, but also in terms of how close it has appeared to a trend line and a long-term moving average. If it is accompanied by breakout from a downward sloping trend line, it would indicate a possible increase in the upside momentum. It might look similar to a White Marubozu or a Long White Candle. The only difference is that it would give a strong bullish signal if there is breakout of the trendline.

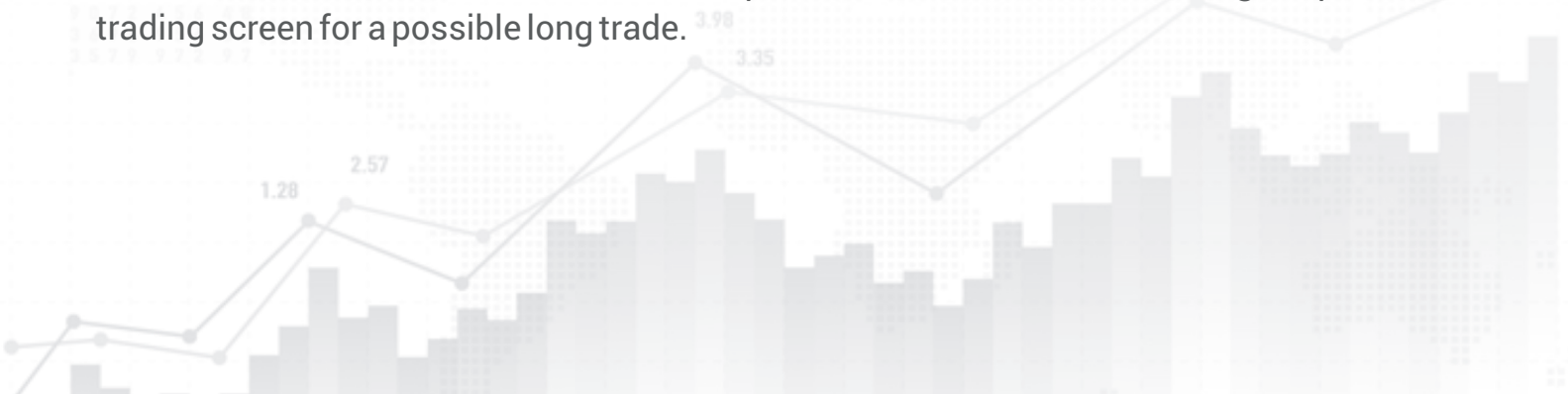


WHITE MARUBOZU(S)

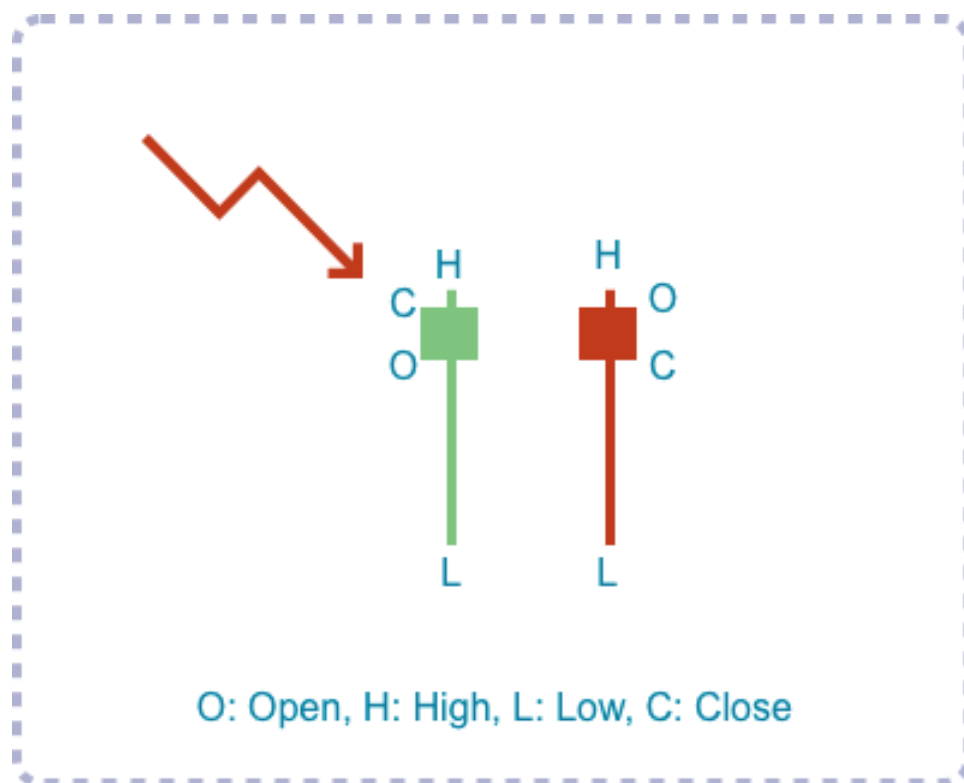


A bullish formation, White Marubozu is formed when price action suggests that the bulls have dominated the trade from start to the end of session. Since the bulls have dominated the whole trading day, there is a high probability that in the short-term, further upward movement might be witnessed at the counter.

Appearance of White Marubozu after a long phase of southward or sideways movement should alert a trader and that particular stock should be brought up on the trading screen for a possible long trade.



HAMMER



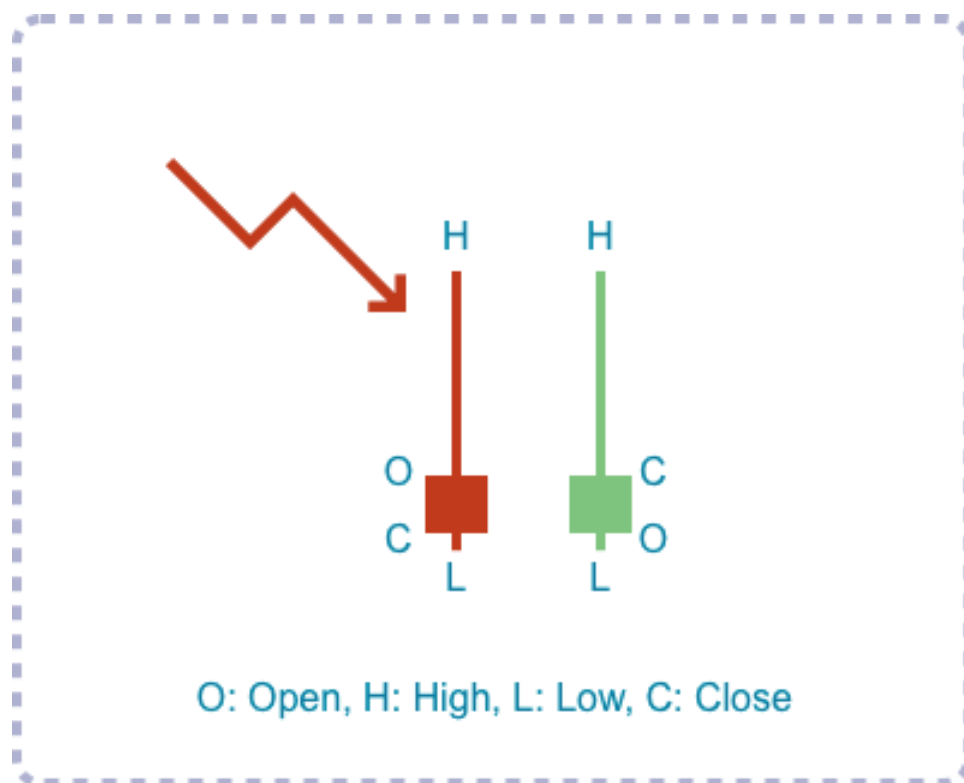
An indication of possible reversal in sentiments from bearish to bullish, a hammer formation is prone to maximum misinterpretation. Many candles might appear to the eye as a hammer due to subjectivity in terms of what should be the size of the wick and body and the ratio in between them. At times, the colour of the body also gives misleading indications. It might appear anywhere in price charts, but the ones which appear after a long downward move tend to give more reliable indication of reversal in on going bearish trend. Appearance of this candle should act as just an alert to do more work on charts.

1.28

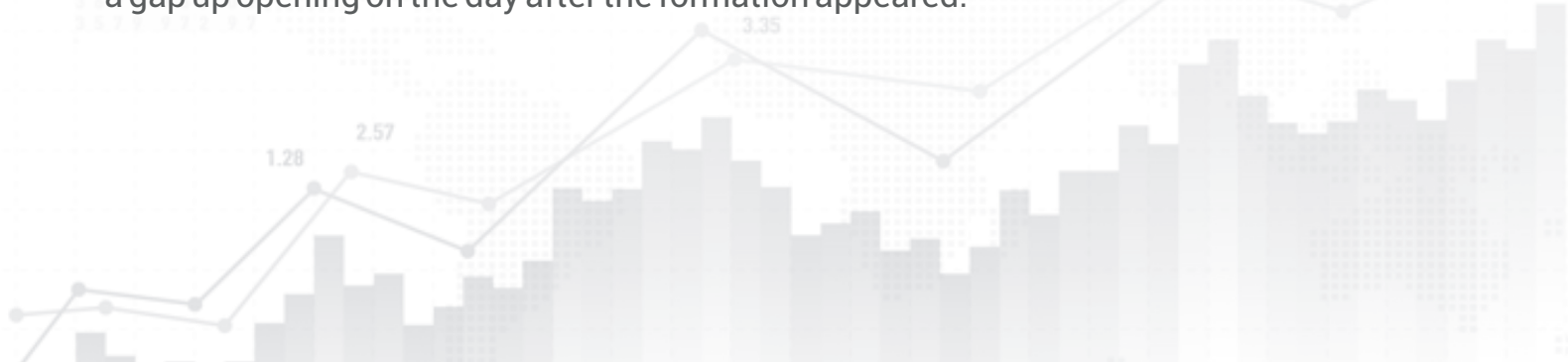
2.57

3.35

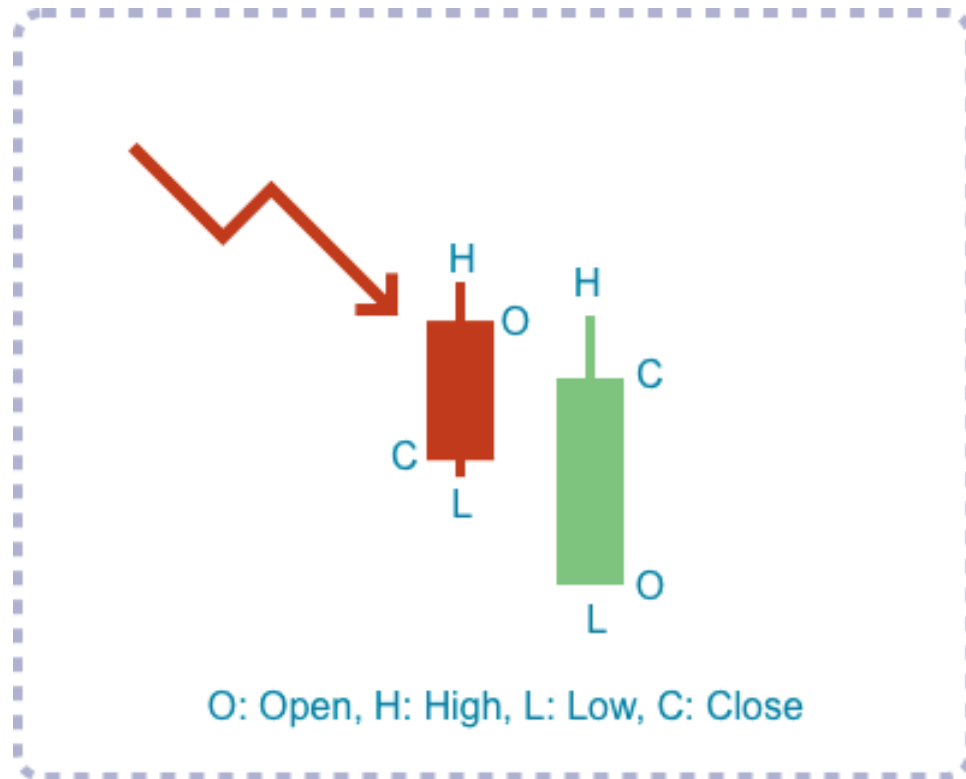
INVERTED HAMMER



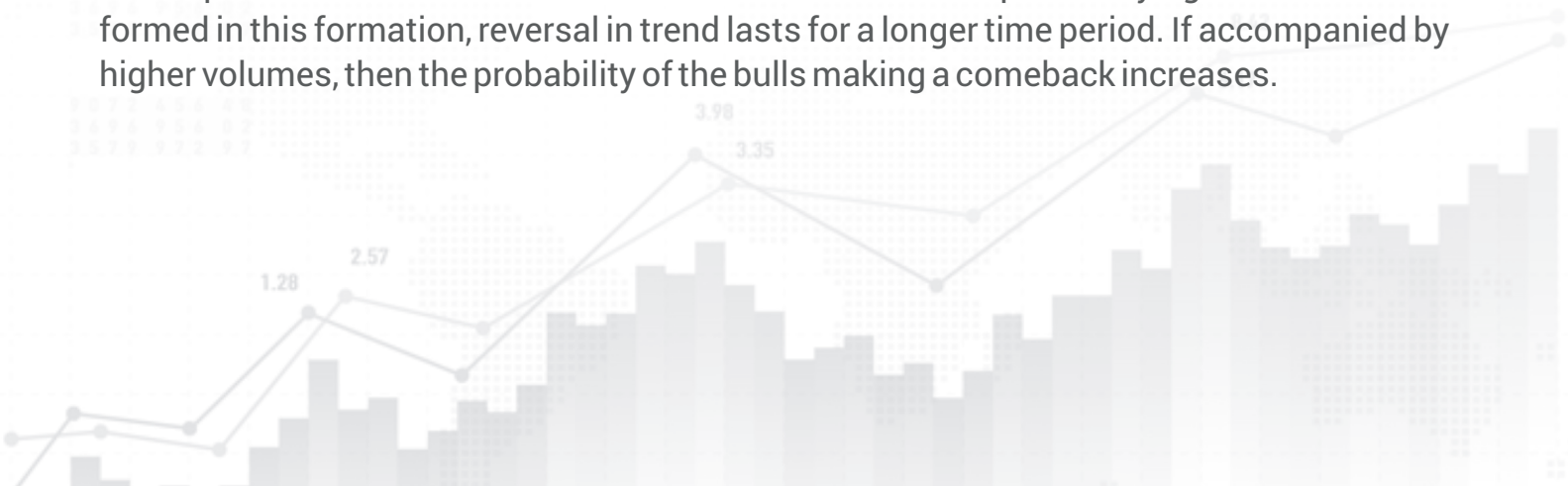
While it is a bullish formation, inverted hammer rather than being an indication of exact point of reversal of trend, normally gets formed as a first step in process of reversal of trend from bearish to bullish. This formation is an indication that the bulls have made their first attempt to fight back. Long upper wick indicates that some selling pressure did emerge at a higher level. The appearance of an inverted hammer requires more confirmation in terms of breakout of prices above downward sloping trend line along with a gap up opening on the day after the formation appeared.



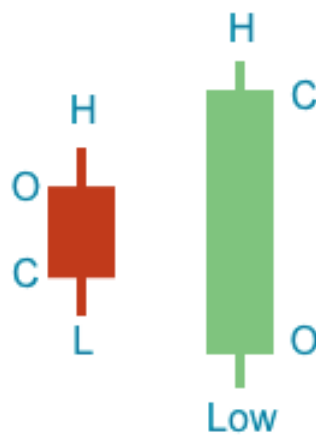
BULLISH BELT HOLD



Formed after a southward trend, a bullish belt hold formation gives first indication of a possible change in trend from bearish to bullish. The difference between it and other bullish candle formations is that if the bullish belt hold formation gets confirmed by subsequent moves. Which should come in form of stock price staying above the lows formed in this formation, reversal in trend lasts for a longer time period. If accompanied by higher volumes, then the probability of the bulls making a comeback increases.



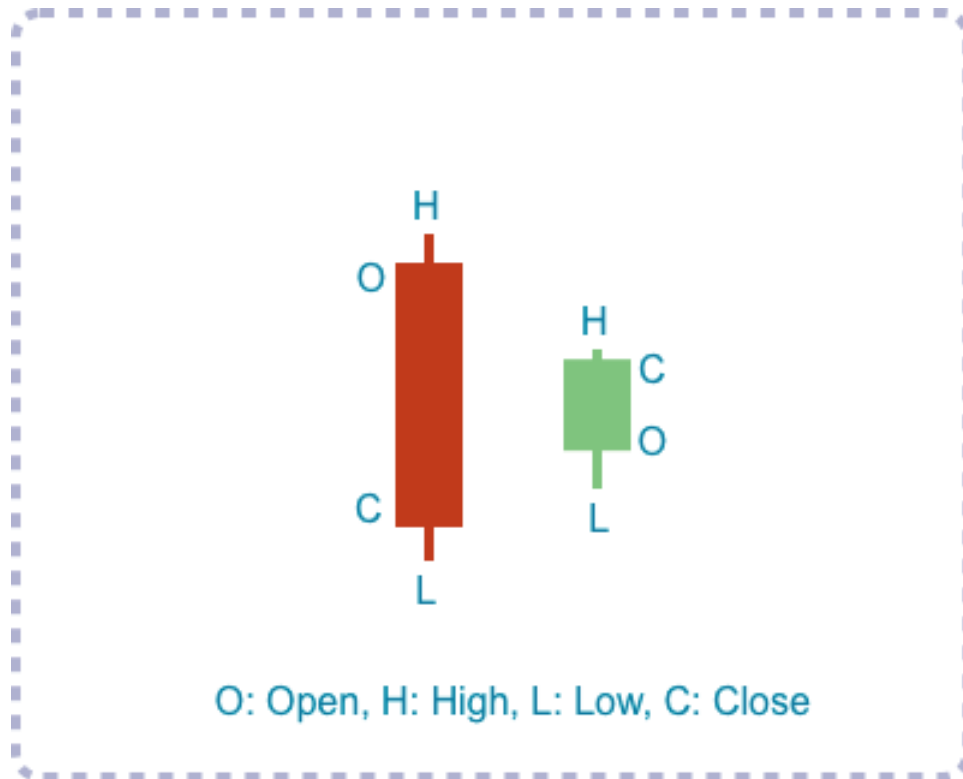
BULLISH ENGULFING



O: Open, H: High, L: Low, C: Close

This formation has a higher probability of successfully indicating a change in an ongoing trend. Traders need to check where the bullish engulfing pattern has emerged. If it is appearing after a phase of downward movement, it is indicative of possible reversal from bearish to bullish. If it appears after a sideways movement or just after a short correction of two to four trading sessions with shallow price damage, it may be an indication of resumption of the upward trend. So, a Bullish Engulfing pattern may be a reversal pattern or continuation pattern. Longer the second green candle, stronger the strength of bullish indication emerging on the charts.

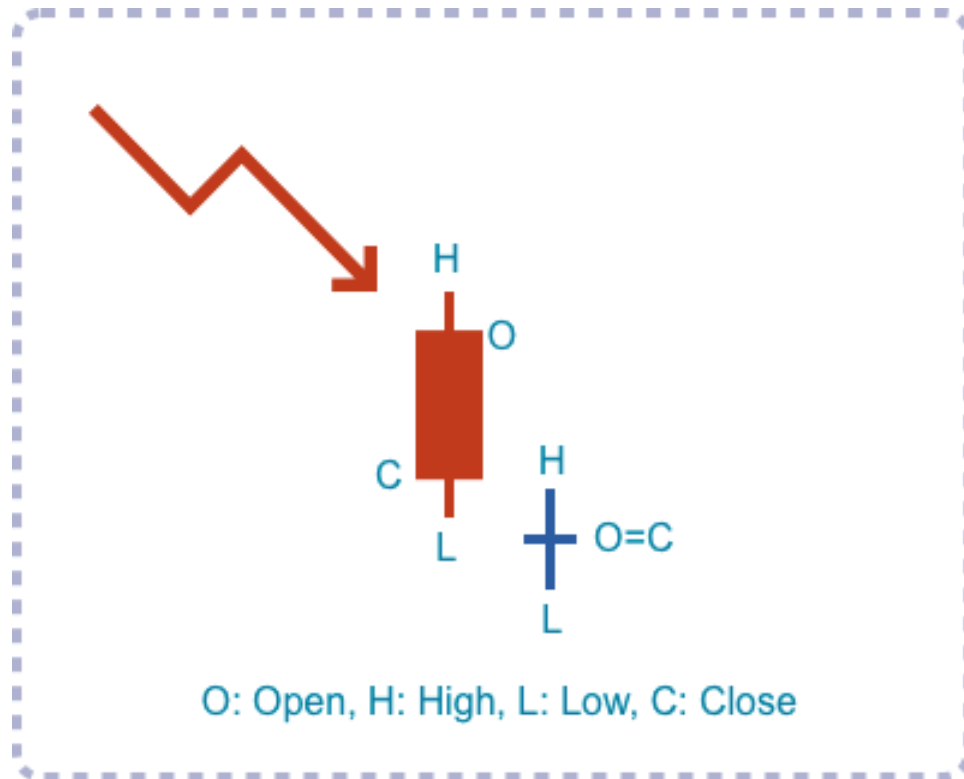
BULLISH HARAMI



On a standalone basis, a Bullish Harami pattern is not a very strong signal of reversal in trend. But for one or two trading sessions after its appearance, the bulls tend to at least make one attempt to make a comeback. First red candle indicates that stock is in a bearish trend. Second candle, which is a small green body engulfed in the red candle, indicates that from being clearly bearish some confusion with minor a bullish bias has come in. If there is an element of a higher gap up opening, it hints at a stronger probability that confusion might break in favour of the bulls.

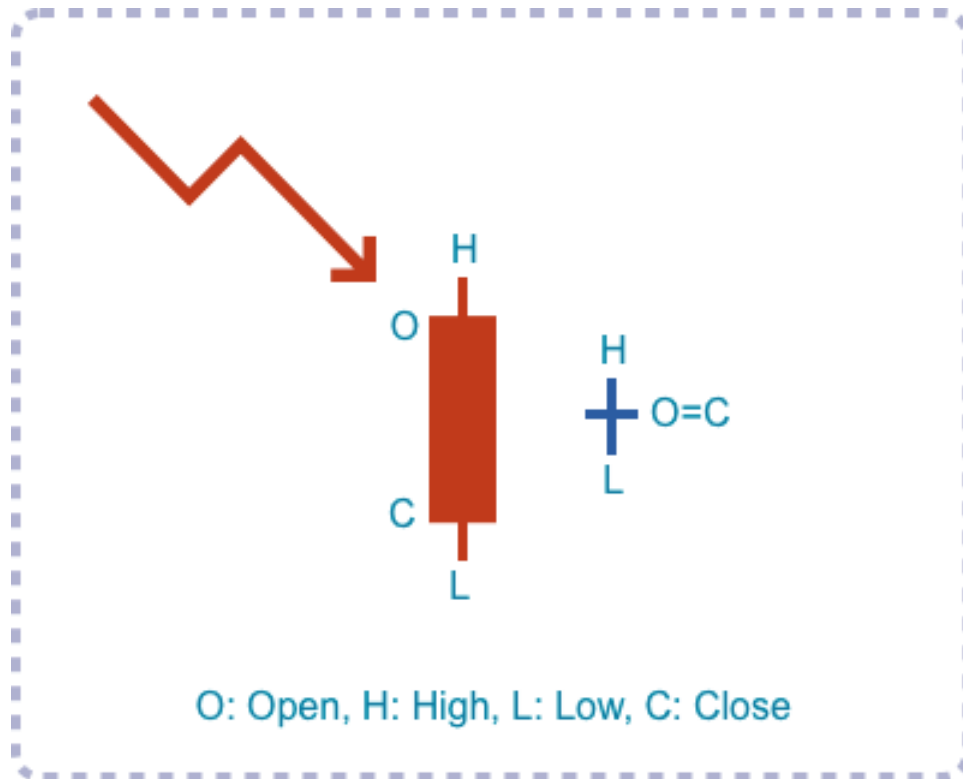
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BULLISH DOJI STAR



A Bullish Doji Star pattern indicates a possible reversal of an ongoing bearish trend or continuation of it after a minor stop. It needs further confirmation in terms of what sort of candle emerges after the formation. First red candle is an indication of an ongoing downward trend. The second candle, which is a doji formation, indicates that from being clearly bearish, some confusion has entered into the counter. There should be a gap between the body of the doji and the body of the first candle. The confirmation candle which should appear in terms of the green candle should be able to fill the gap between first and second candles.

BULLISH HARAMI CROSS



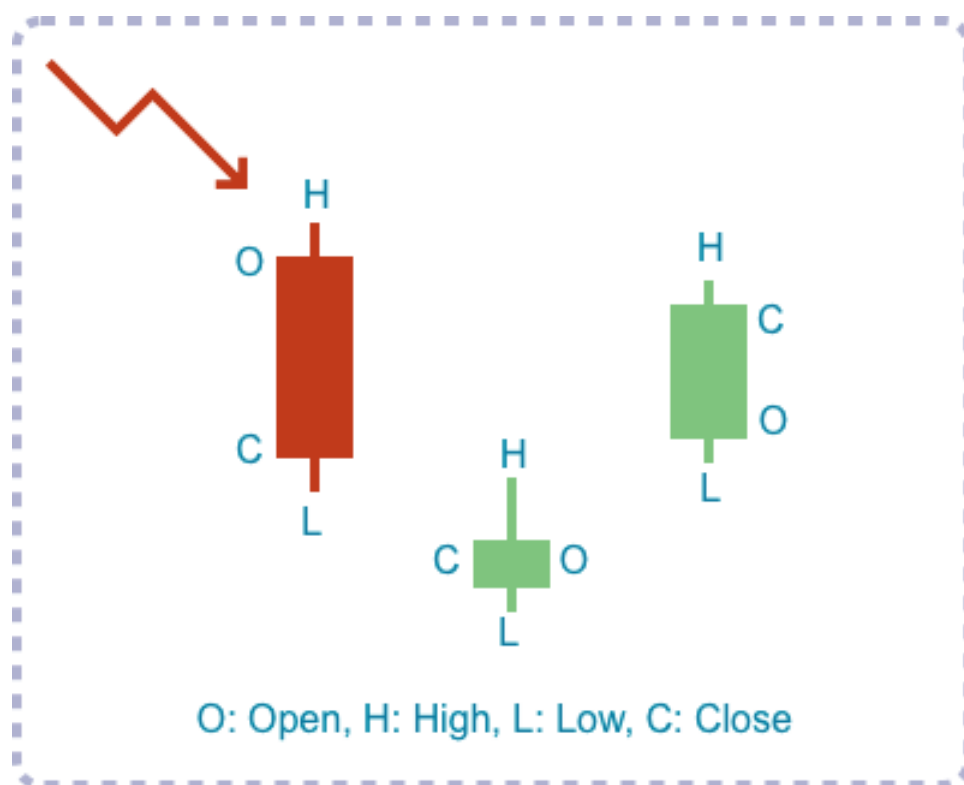
Though not a frequently appearing candle, Bullish harami cross is the first indication of a possible reversal of an ongoing bearish trend. Bullish Harami Cross appears mostly when broader markets are in range bound mode. First red candle indicates that stock is in a bearish trend. Second candle, which is a doji formation, indicates that after being clearly bearish, confusion has entered the counter. If the doji, which gets formed on day two of the formation, has an element of higher gap up opening it indicates towards higher probability of that confusion breaking in favour of the bulls.

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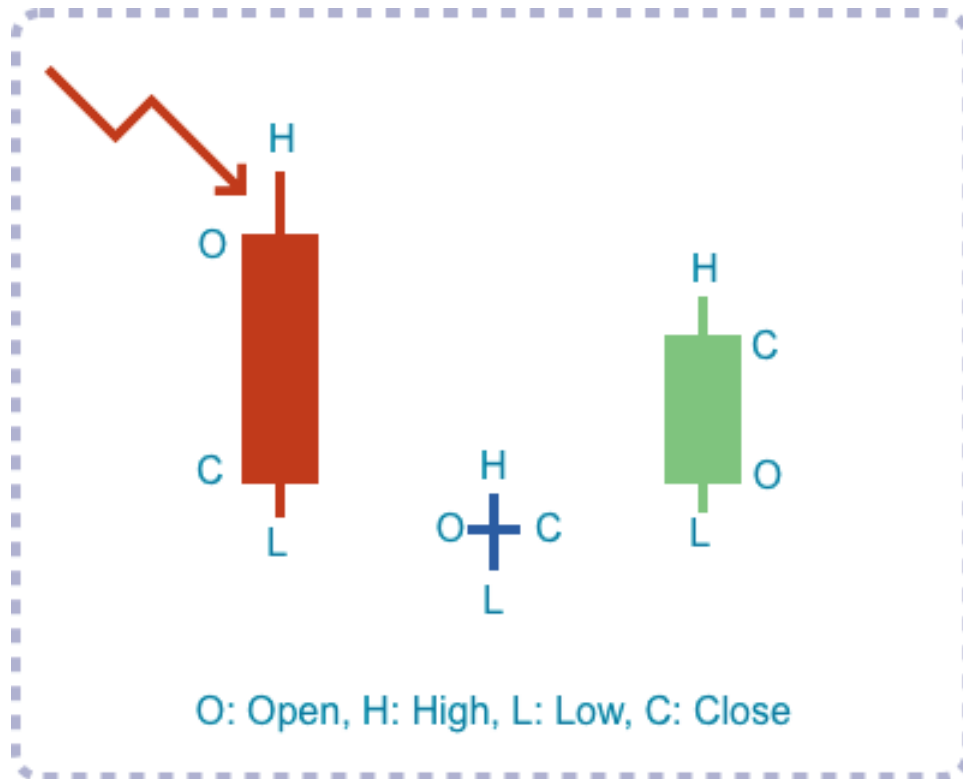
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MORNING STAR



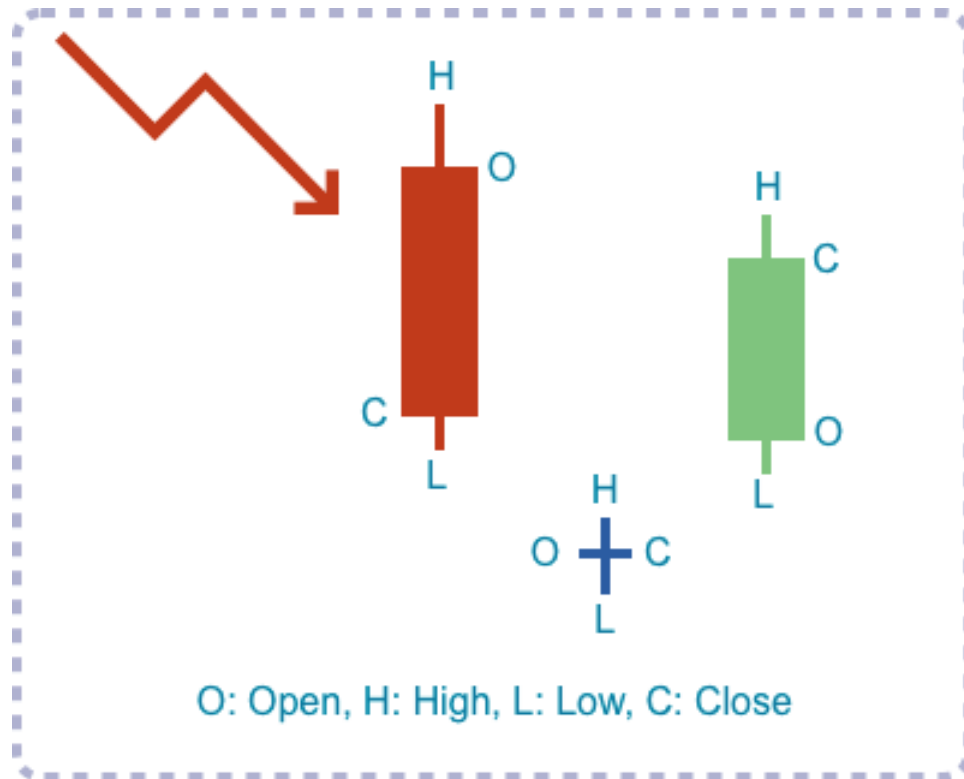
An infrequently appearing pattern, if Morning Star is visible after a down trend, it indicates the possibility of a reversal in a bearish trend. First, a red candle, which should be a long one, appears representing an ongoing downtrend. On the second day, another ideally smaller candle appears, whose full body is usually shorter than first-day's candle. This indicates that the downward momentum is slowing. Before a change of trend, the momentum of the trend needs to change. Then a third candle, which is long and green in colour, appears to indicate that the demand equation has changed in favour of the bulls. A confirmation, if it comes by way of the third day's candle breaking above the downward sloping resistance-giving trendline, sharply increases the probability of the bulls winning the battle.

MORNING DOJI STAR



A rarely appearing pattern, if this formation gets visible after a downtrend, it indicates the possibility of reversal of a bearish trend. First, a red candle, which should be a long, represents an ongoing downtrend. On the second day, a Classical Doji candle appears to indicate confusion on the counter. While the body of Doji should be shorter than the first day's candle, the higher of Day Two should be higher than the Low of Day One. A third candle, which should be long and green in colour, then indicates confusion even as the equation changes in favour of the bulls. Now it a confirmation comes by the way of the third day's candle breaking above the downward-sloping resistance-giving trendline, it sharply increases the probability of the bulls winning the battle.

BULLISH ABANDONED BABY

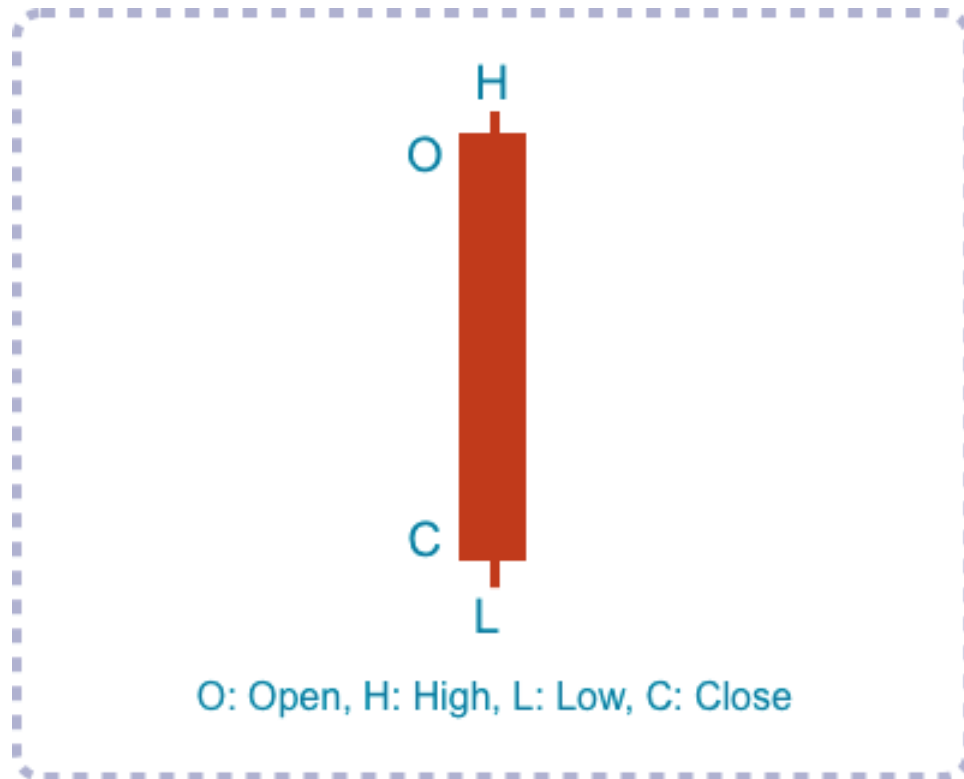


This formation indicates a possible reversal of a bearish trend. First, a red candle, which should be a long, appears to represent an ongoing downtrend. Then a second candle, in the form of a Classical Doji, indicates confusion among traders. In the case of second-day's candle, the high of the Doji should be below the low of first day's candle, indicating exhaustion. Then a third candle, which is long and green in colour, indicates confusion and the equation changes in favour of the bulls. Confirmation, if it comes by way of the third day's candle breaking above a downward sloping resistance-giving trend line, sharply increases the probability of the bulls winning the battle.

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BEARISH

LONG BLACK CANDLE



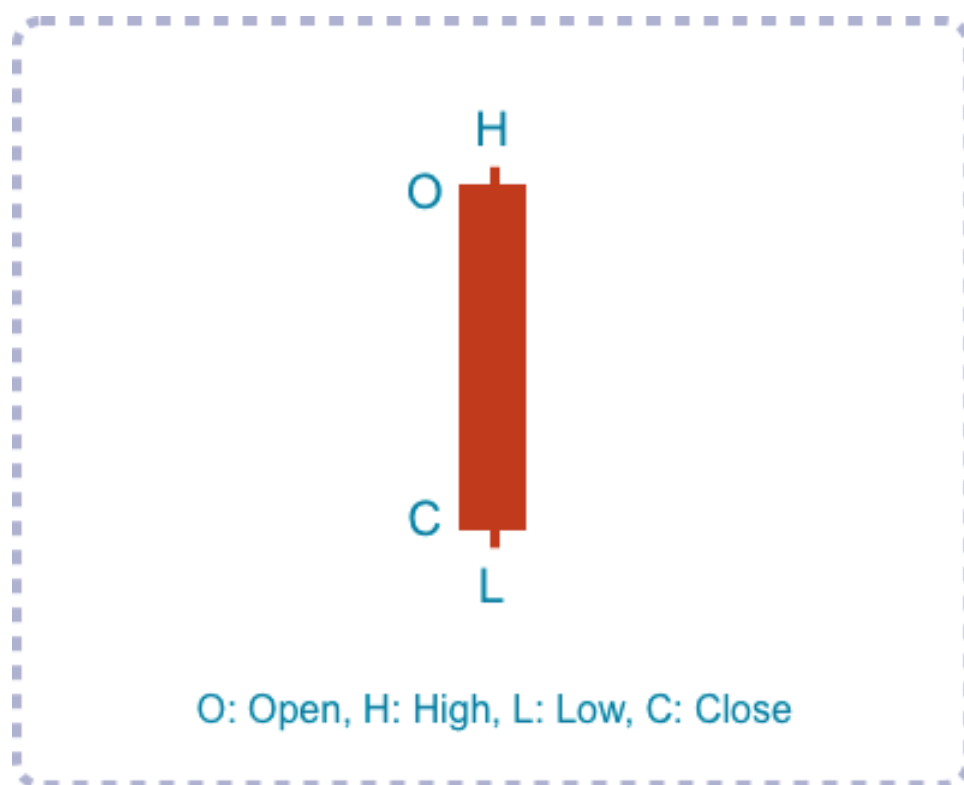
A bearish candle formation, long black candle indicates that bears have arrived at the counter and may increase their hold on the direction in which the stock moves. Unlike other single candle formations, a long black candle not only hints what might happen to stock price movement in short term but its appearance on charts may signal a change in major trend of stock. So, when a black candle appears, traders should take note of it seriously and put that stock on their watch list. It is similar to the black marubozu candle, the difference being that a long black candle will compulsorily have wicks on both ends.

Another factor which decides which candle is classified as a long black candle is its relative price performance for the last ten sessions.

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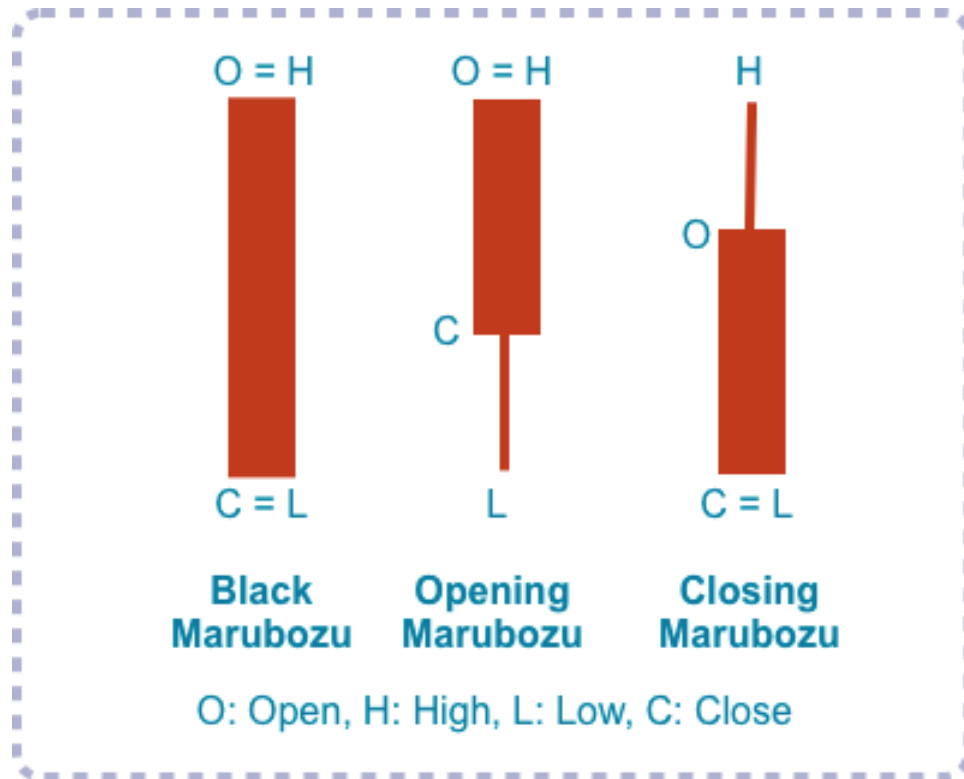
BEARISH STRONG LINE



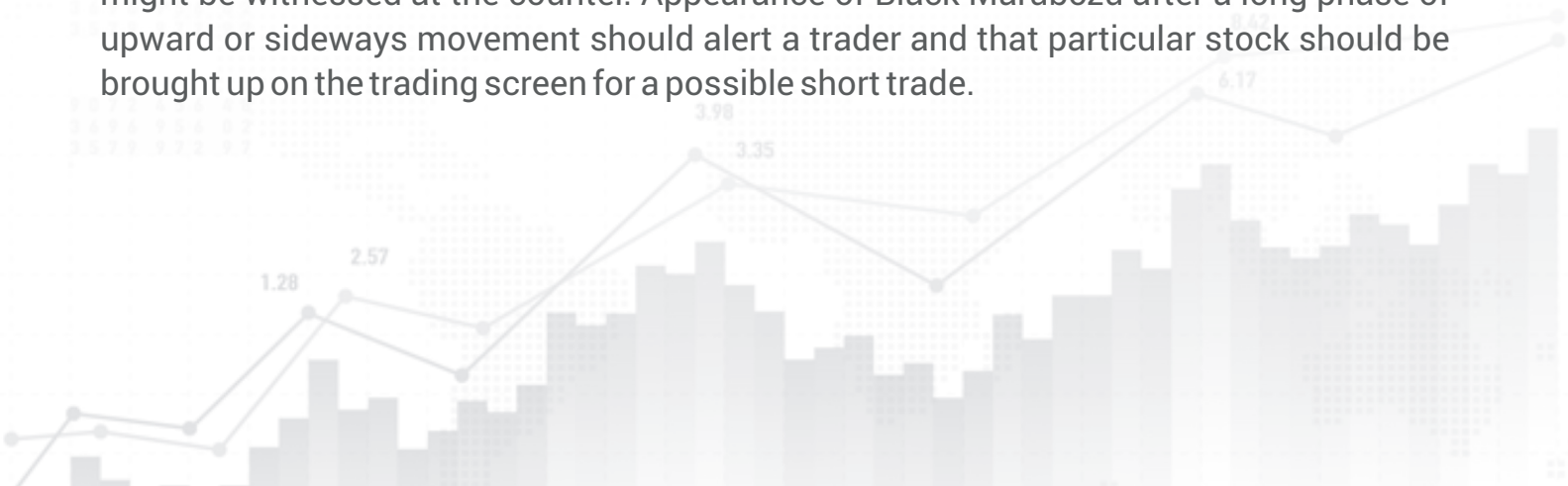
It is an indication of either a trend reversal from bullish to bearish or continuation of a bearish phase in a stock. A Bearish Strong Line is a candle formation that needs confirmation not only in terms of the next candle in the trend, but also in terms of how close it has appeared to a trend line and a long-term moving average. If it is accompanied by breakdown of a trend line, then it would indicate that the momentum may catch up on the downside. It might look similar to a Marubozu or a Long Black Candle. The only difference is that it gives a stronger bearish signal if there is a breakdown of the trend line.

1.28 2.57

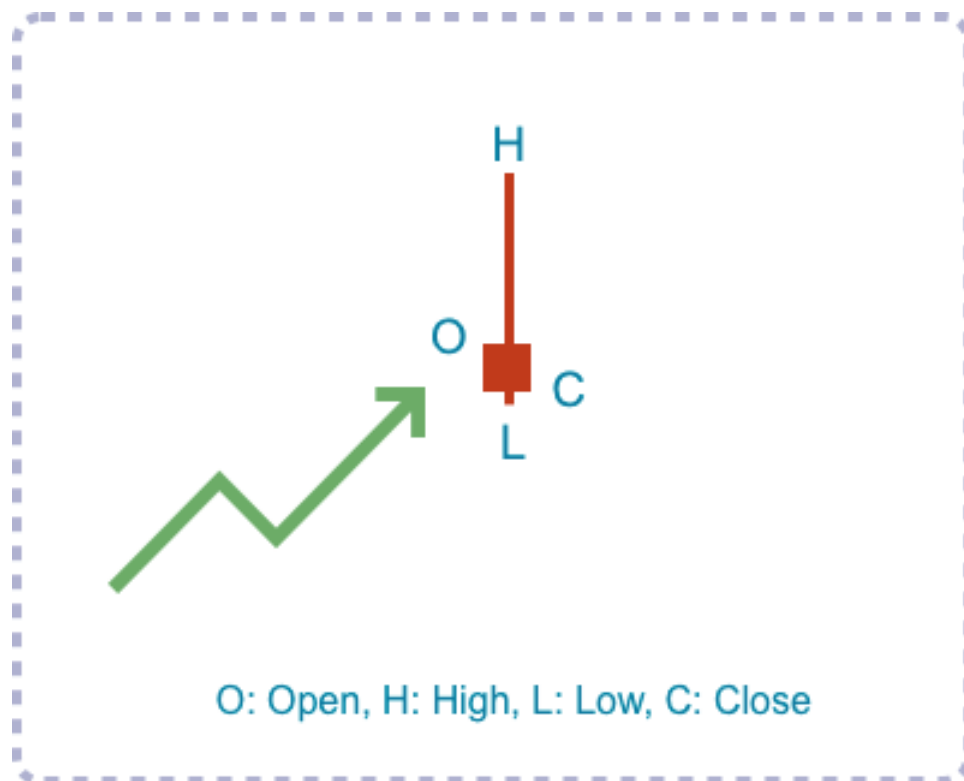
BLACK MARUBOZU(S)



A bearish formation, Black Marubozu, is formed when price action suggests that bears have dominated trade from start to the end of session. Since bears have dominated the whole trading day, there is a high probability that in the short-term, further price decline might be witnessed at the counter. Appearance of Black Marubozu after a long phase of upward or sideways movement should alert a trader and that particular stock should be brought up on the trading screen for a possible short trade.

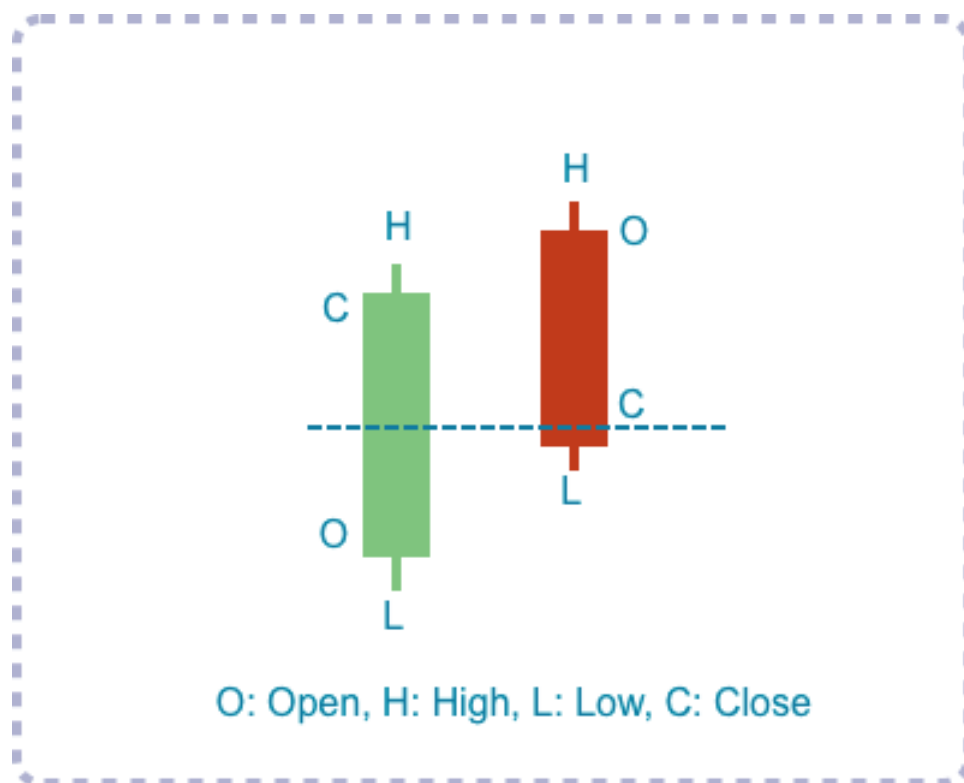


ONE CANDLE SHOOTING STAR



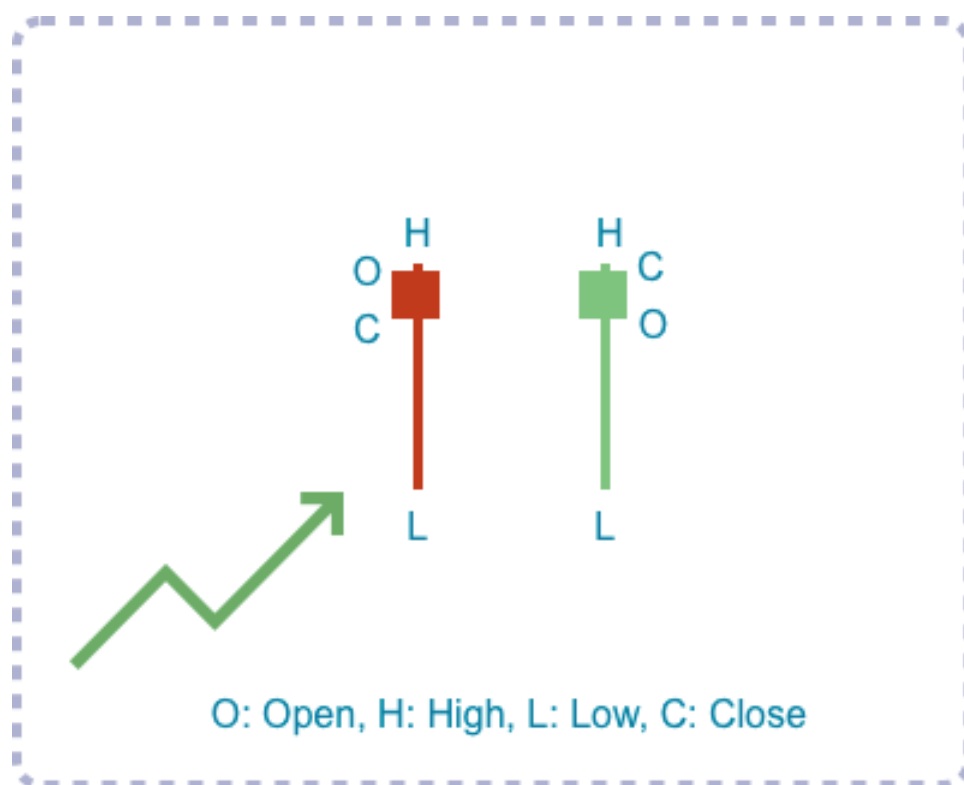
It is the first warning signal that the uptrend in a stock might change soon. The trend may or may not change the very next day. Single candle shooting star formation are considered to be valid only if they appear after an uptrend. Longer the upper wick of the candle, stronger the signal that the bulls might come in trouble as it indicates that stock witnessed selling pressure at higher level. Before taking a trade, it would be worthwhile to wait for a confirmation in terms of next candle. If there is a gap down opening on next trading day and a black candle is formed then it is a confirmation stock may stay under pressure. Appearance of this candle should make traders put the stock on the watch list for possible short trade.

DARK COVER CLOUD



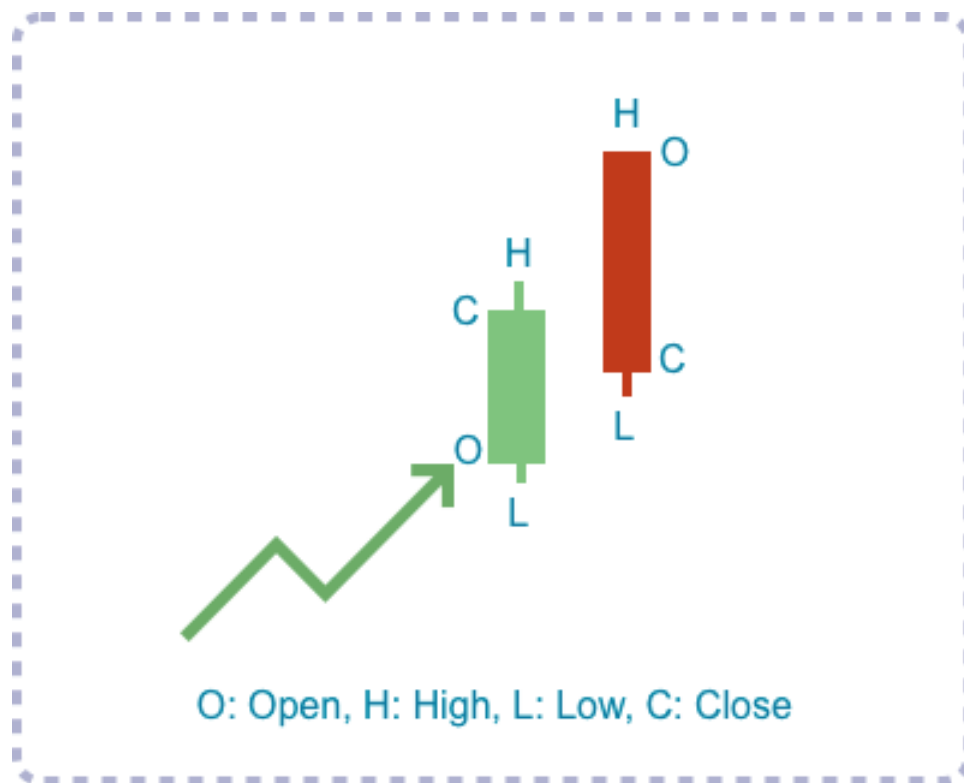
When short corrective phases keep hitting the market, dark cover cloud becomes a frequently appearing formation. When it appears, there is a high probability that stock may witness a short southward correction. This formation often appears just before a major trend reversal from bullish to bearish. An essential element for this formation to be considered as a possible trend reversal is that it should be formed after a phase of upward movement. Along with what oscillator charts are indicating, traders should look for a possible breach of any short term trend line at the time of formation of this candle. A breach of trend line would increase the strength of bearish indication.

HANGING MAN

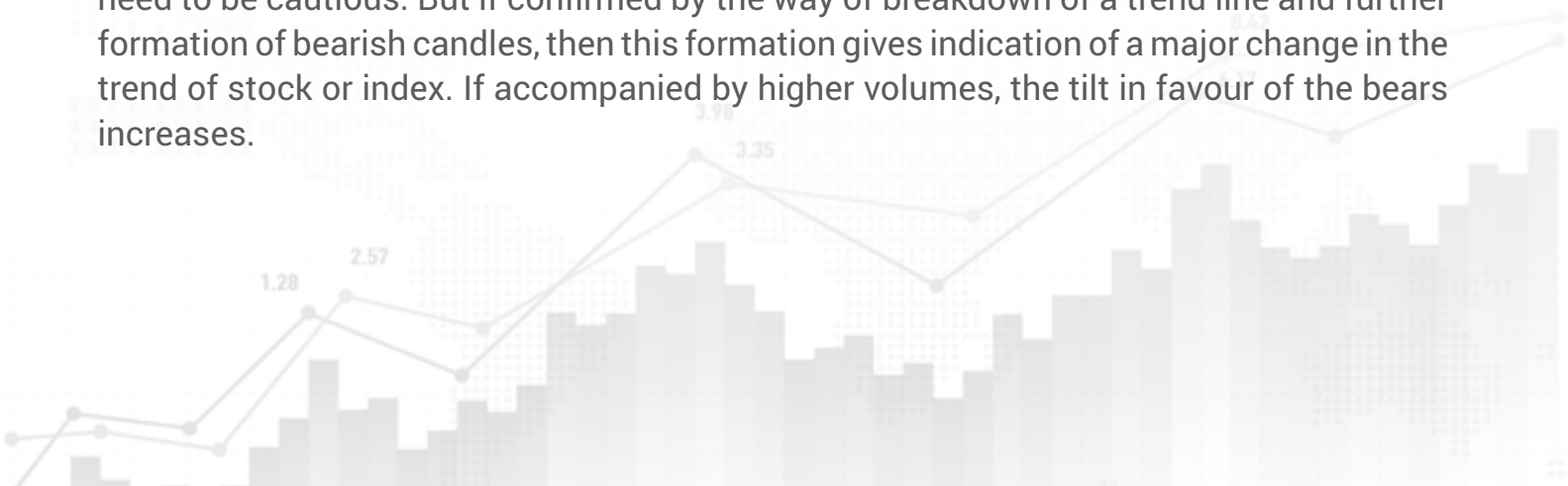


Hanging man is a signal candle formation which indicates towards a possible reversal of trend from bullish to bearish. It is one candle formation which is prone to maximum misinterpretation because many candles might appear to eye as hanging man due to subjectivity in terms of what should be the size of wick and body and the ratio between them. Also, at times the colour of the body can be misleading. While it might appear anywhere in price charts, the ones which appear after a long uptrend tend to give more reliable indication. Appearance of this candle should act as an alert to do more work on charts.

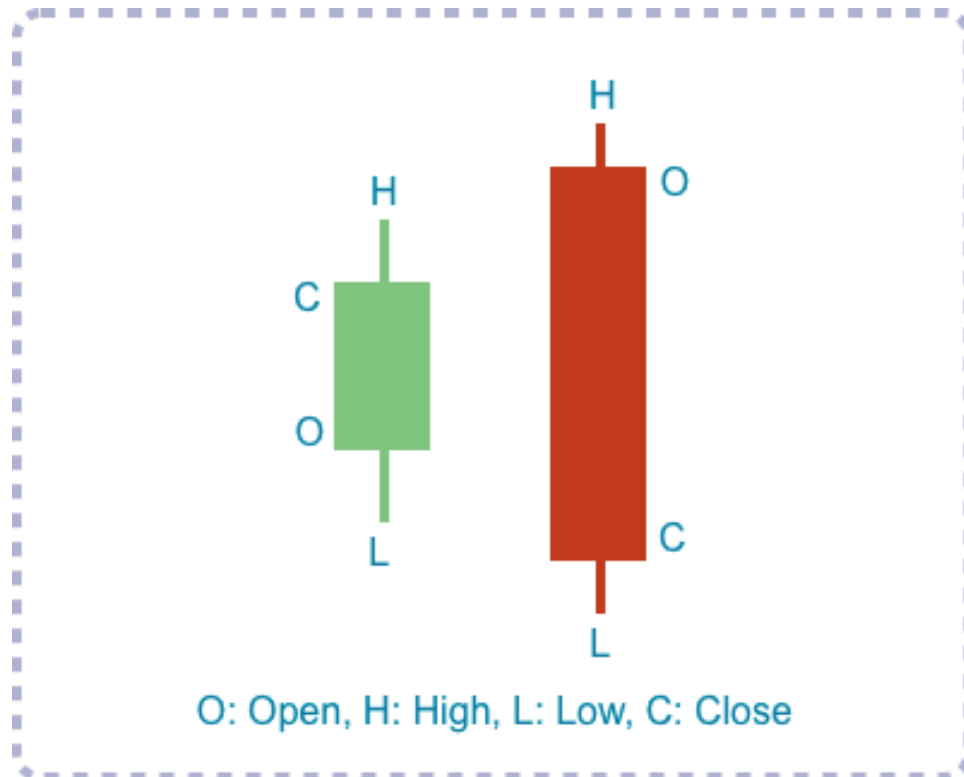
BEARISH BELT HOLD



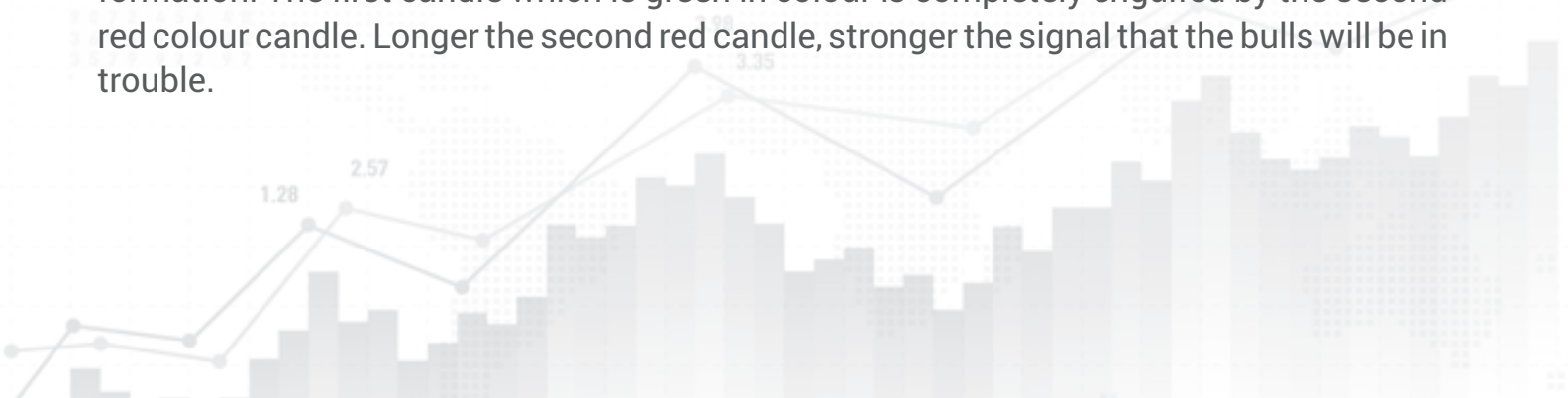
Formed during an uptrend, a bearish belt hold formation gives first indication of a possible change in trend from bullish to bearish. It is not a very reliable candle formation, as it can just be a small rest which the bulls might take in an uptrend, and hence traders need to be cautious. But if confirmed by the way of breakdown of a trend line and further formation of bearish candles, then this formation gives indication of a major change in the trend of stock or index. If accompanied by higher volumes, the tilt in favour of the bears increases.



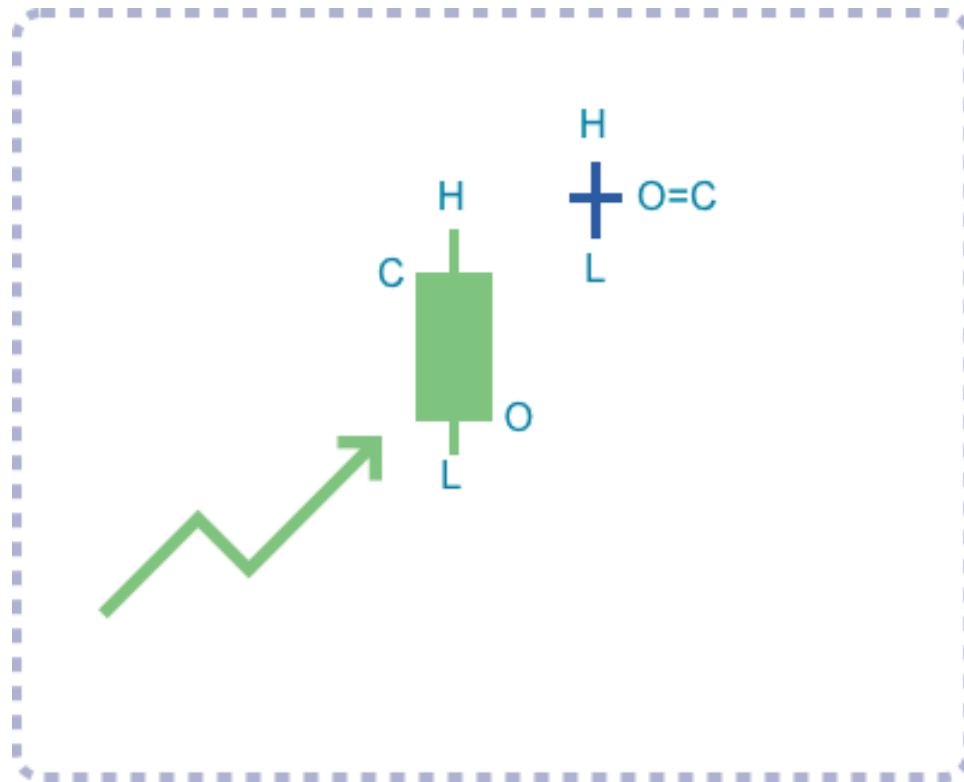
BEARISH ENGULFING



A candle formation with high success rate, bearish engulfing formation is both an indication of reversal in trend and continuation in pattern. If formed after an uptrend and confirmed by a candle formed after the appearance of the bearish engulfing pattern, then it is a sign of reversal in trend. If this candle formation appears when a stock had seen a sudden fall and for some time it is moving in sideways correction, then it is a continuation formation. The first candle which is green in colour is completely engulfed by the second red colour candle. Longer the second red candle, stronger the signal that the bulls will be in trouble.



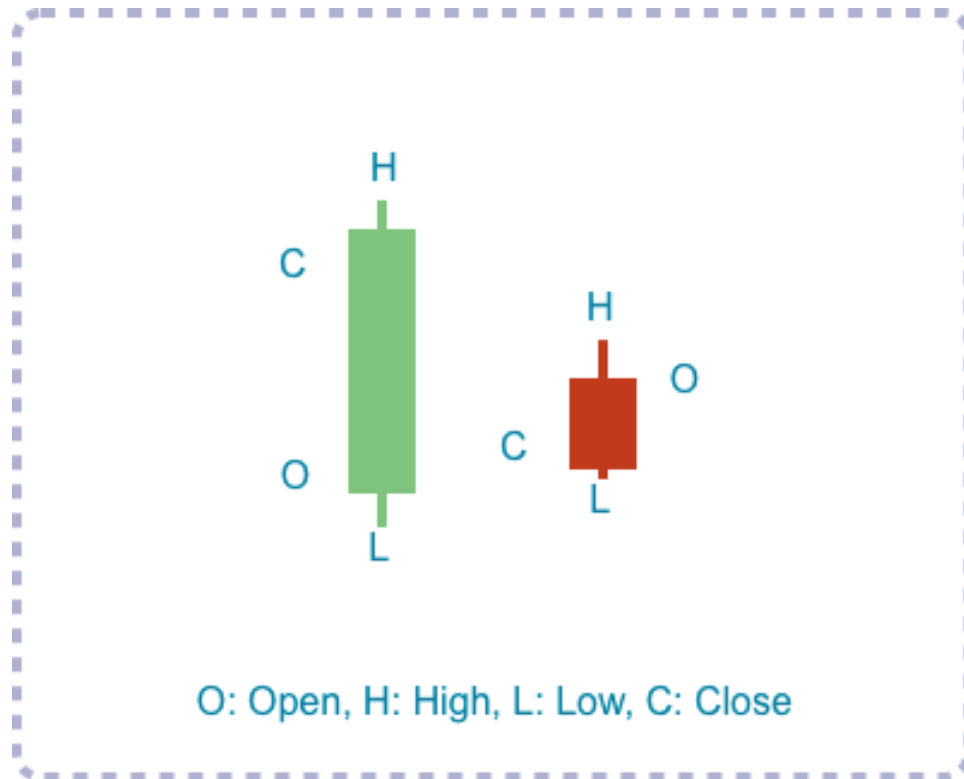
BEARISH DOJI STAR



This pattern most of the time acts as first indication of an ongoing uptrend facing threat. It is a two candle formation, but needs confirmation in terms formation of candles after the pattern has appeared on charts. First green candle indicates ongoing uptrend. On the second day, some selling emerges leading to formation of doji pattern, it changes the trend from being clearly bullish to that of confusion. The element of gap up opening between the closing price of first day and opening price of day two indicates that while bullish sentiment was present in early trade, but was not sustained, which increases probability of some selling pressure emerging in short term.



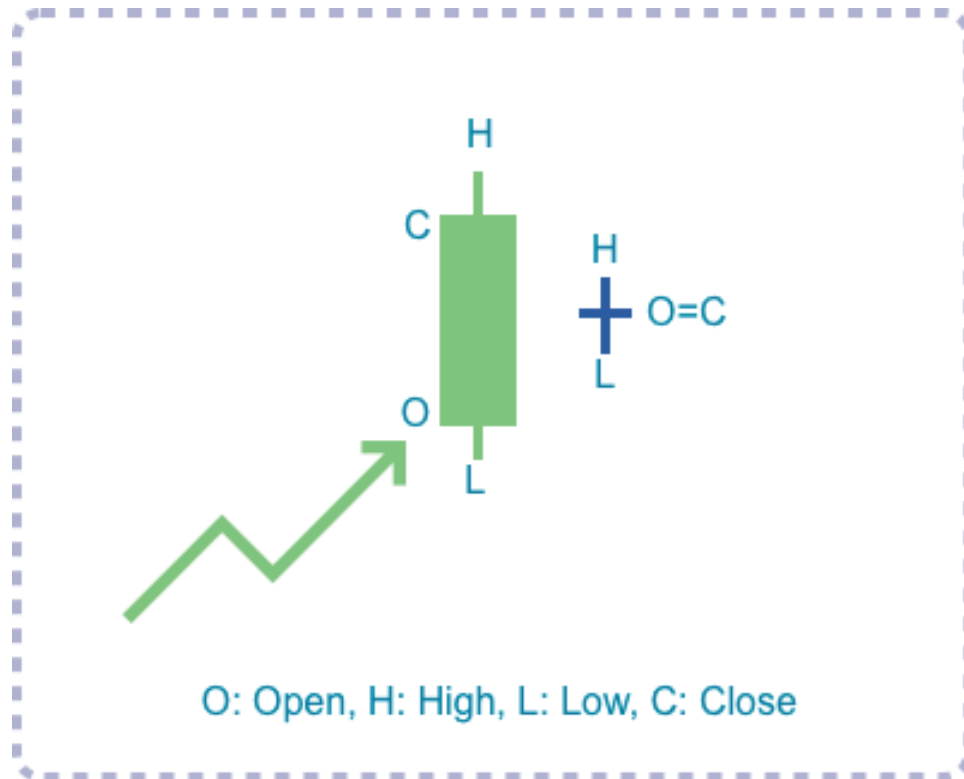
BEARISH HARAMI



A Bearish Harami pattern is a strong indicator of a possible reversal in an ongoing uptrend, however, the trend might not reverse in the very next trading session. First green candle indicates that stock is dominated by the bulls. Second candle, which ideally should be a small red body, is completely engulfed in the green candle indicating that from being bullish, the mood at the counter has turned to one of confusion. If there is an element of larger gap down opening, it indicates towards higher probability that small red candle which indicated first signs of weakness, might further go in favour of bears.



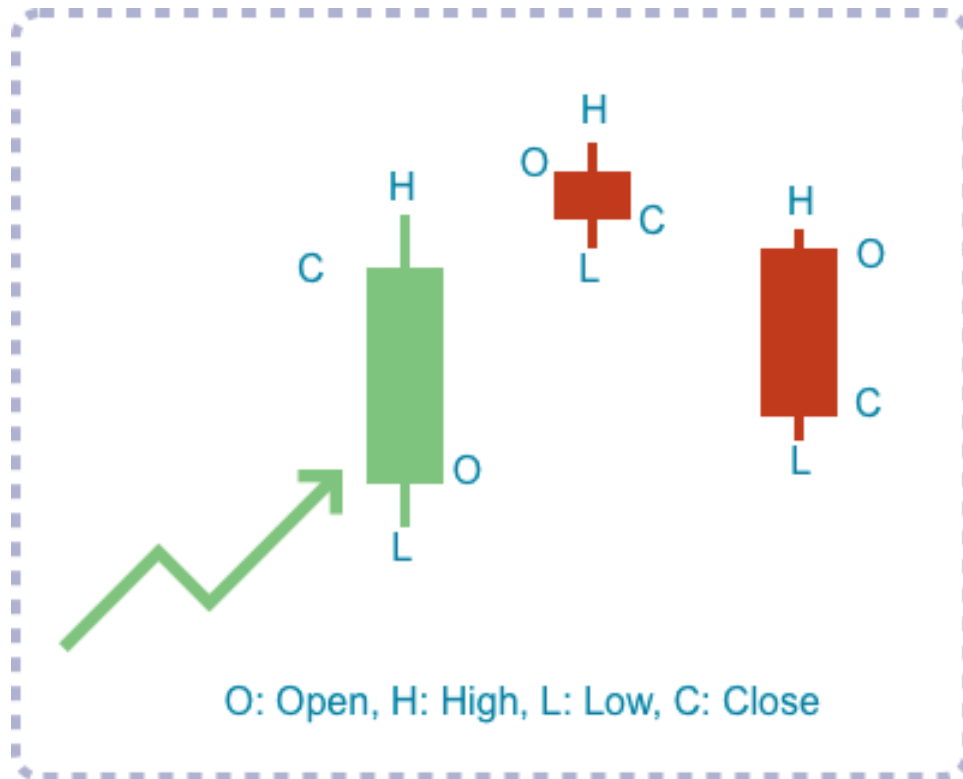
BEARISH HARAMI CROSS



Bearish Harami Cross can appear at any market cycle. But when it appears after an uptrend it is taken as the first indication that ongoing uptrend might reverse. First green candle indicates that stock is in a bullish trend. Second candle, which is a doji formation, indicates that from being clearly bullish, some confusion or profit booking has entered the counter. If the doji appears on day two of the formation and has an element of gap down opening, it indicates towards possible selling pressure emerging at the counter. It needs further confirmation in terms of the state of oscillator charts to take a definite call.

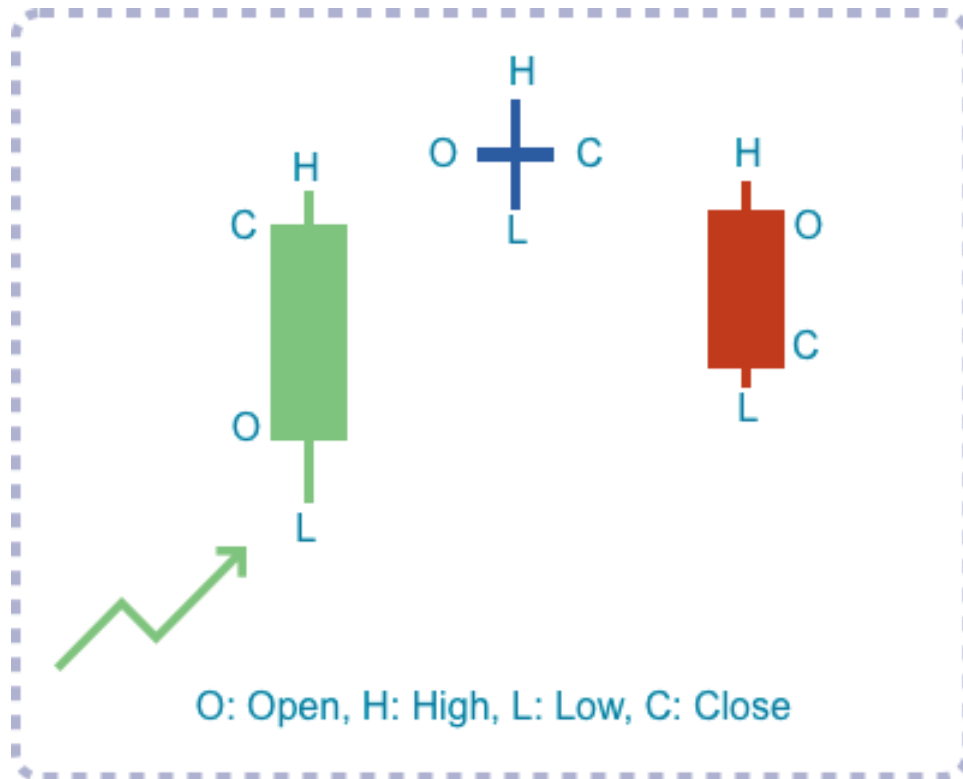


EVENING STAR



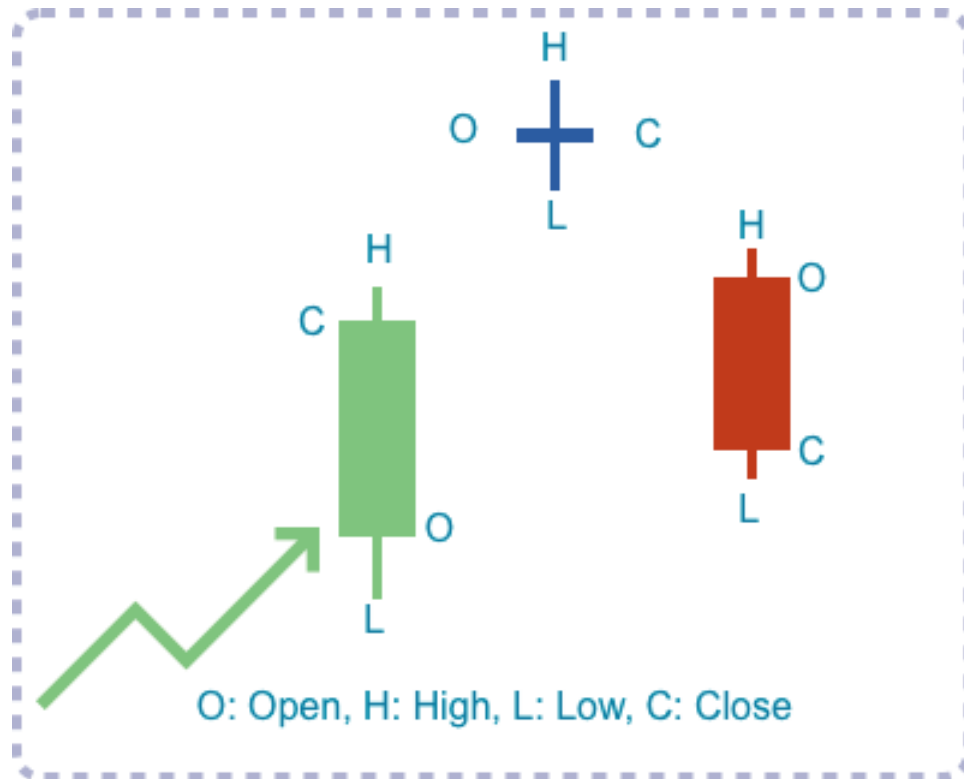
An infrequently visible pattern, an Evening Star indicates a high probability of reversal in an ongoing uptrend. When it appears after an uptrend, it has a reasonably good chance that the uptrend would come under threat sooner than later. First day, a long green candle appears to reflect an ongoing uptrend. On the second day, a small candle, preferably red, appears to indicate that the momentum is shifting against the bulls. A third candle, which is a red one and preferably a long one, then indicates increased selling pressure and the bulls come under pressure. If this formation is accompanied by the price breaking below a support-giving trendline, then it confirms that the price may come under further pressure.

EVENING DOJI STAR



A pattern mostly seen in volatile markets, an Evening Star indicates a possible reversal of a bullish trend. When it appears, it has a reasonably good chance that the uptrend would come under threat sooner than later. That way, it is a signal to take some profit off the table. First day, it emerges as a long green candle, reflecting an ongoing uptrend. On the second day, a Doji appears to signal a shift from bullish to neutral sentiment. Then a Third Candle, which is a red one and preferably long one, appears to indicate that the bears have taken control. If this formation is accompanied by a breach of the support-giving trend line, then it confirms that the counter may come under further pressure in the short term.

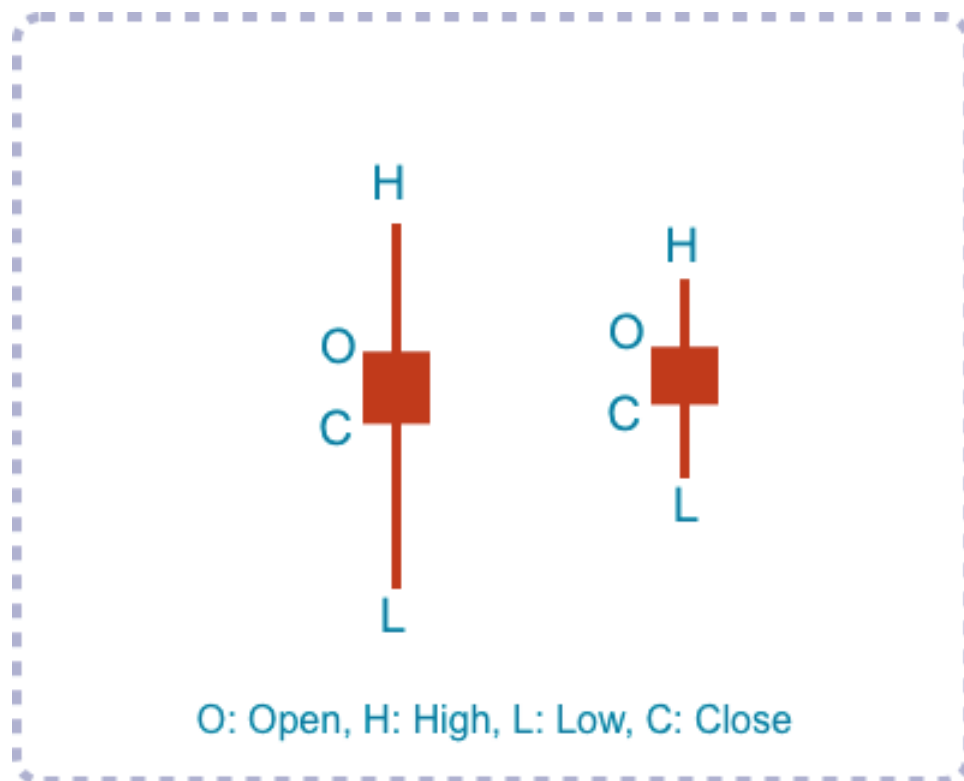
BEARISH ABANDONED BABY



It is an indication of a possible reversal of a bullish trend. The appearance of this three-candle formation indicates a reasonably good chance that an uptrend would come under threat sooner than later. On the first day, there is a long green candle reflecting an ongoing uptrend. Then a second candle appears in the form of a Doji. The low price point of the second candle is higher than the high point of the first one, with the gap indicating exhaustion. A third candle, which is red and preferably a long one, indicates that the bears are getting ready to intensify selling and the price action clearly shifts in favour of the bears. If this formation is accompanied by a breakdown of a trendline on Day Three, it would indicate further downward pressure.

NEUTRAL

BLACK SPINNING TOP



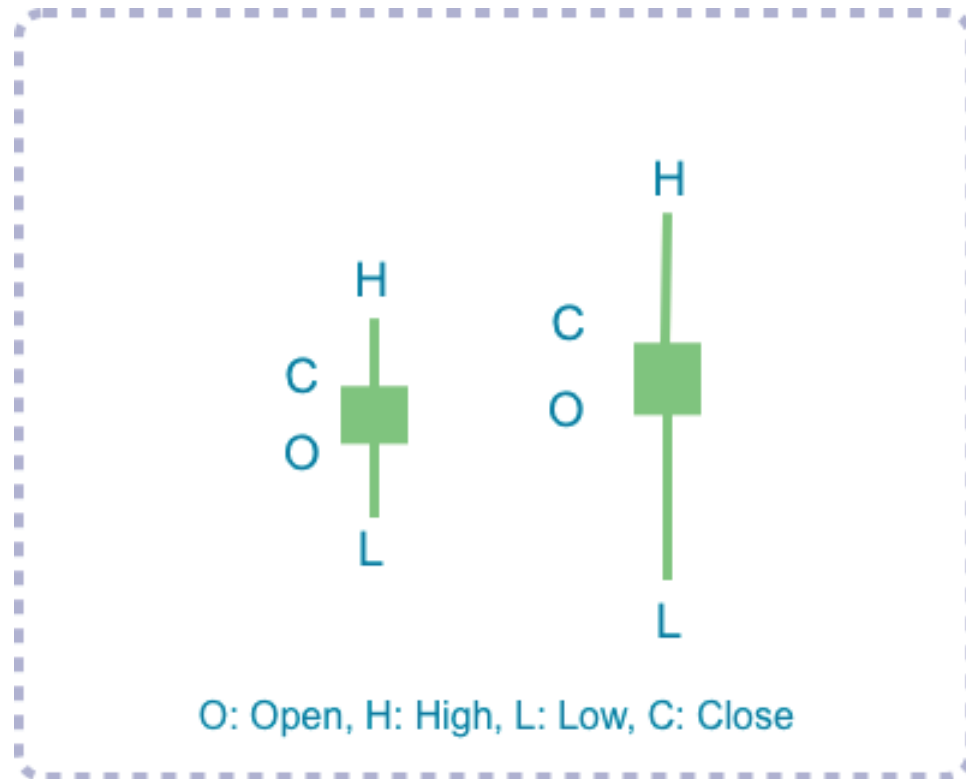
It is one of the most commonly found candle formations. Despite the fact that a black spinning top will form only when the closing price of day is lower than open price, which makes the body of black spinning top appear in red, black spinning top would come under the neutral category of candles. On a standalone basis, this candle does not indicate anything strongly bullish or bearish. What matters in the case of spinning top is where they appear in a trend. It is only candle formation which if formed in quick successions has more interpretative value than any other candle formations.

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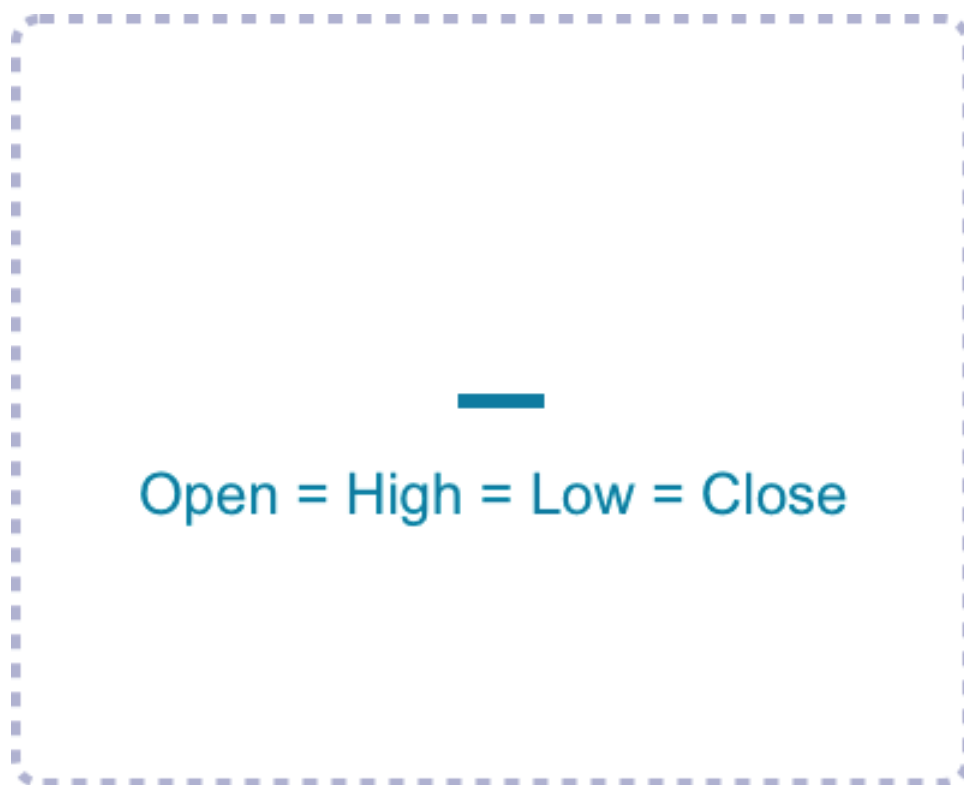
WHITE SPINNING TOP



It is one of the most commonly found candle formations. A white spinning top is formed only when the closing price of the day is higher than the opening price, making the body of white spinning top appear in green. Yet the white spinning top comes under the neutral category of candles. One of the wick, either lower or upper, should be bigger than size of candle's body.

On a standalone basis, this candle does not indicate anything strongly bullish or bearish. What matters in case of spinning tops is where they appear in price trend. Whether they are appearing after an uptrend or down trend. It is the only candle formation which if formed in quick succession has more interpretative value than any other candle formations.

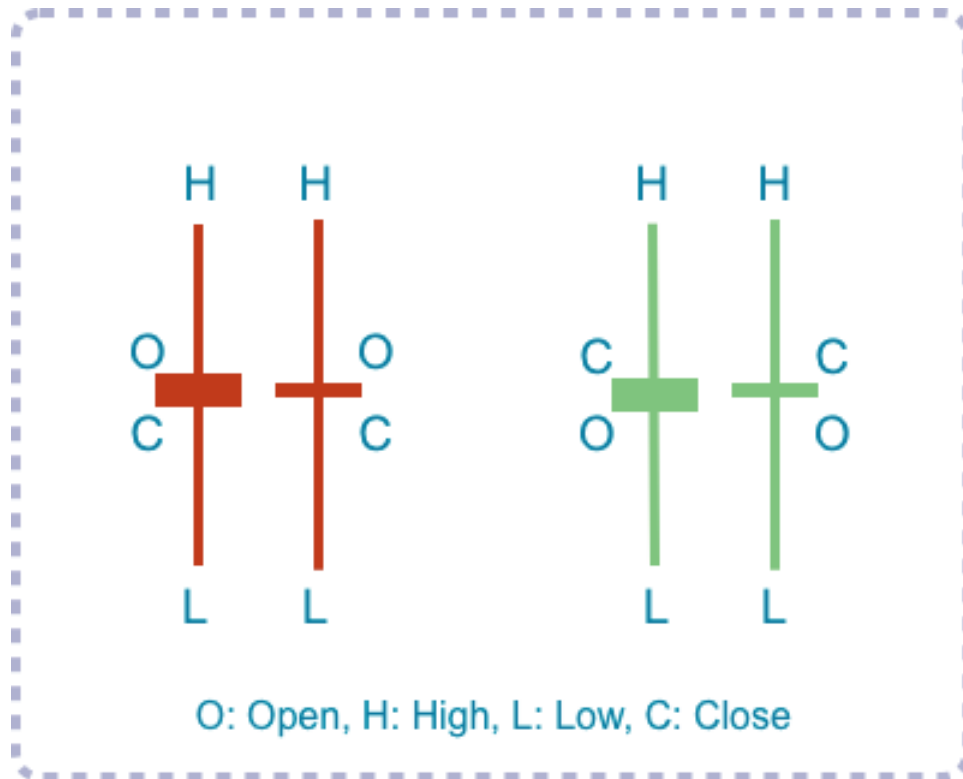
FOUR PRICE DOJI



It is strongly bearish or strongly bullish candle formation. It is one of the most peculiar candle formations as there is no intraday price movement in the stock but then even it says a lot about what might happen to the stock in near term. This formation which appears as just a small horizontal line indicates the possibility of the start of super bullish or super bearish trend in a stock. This formation does not appear every now and then, but when it appears on charts, traders should get ready for a big one way move in the counter.



DOJI



It is strongly bearish or strongly bullish candle formation. It is one of the most peculiar candle formations as there is no intraday price movement in the stock but then even it says a lot about what might happen to the stock in near term. This formation which appears as just a small horizontal line indicates the possibility of the start of super bullish or super bearish trend in a stock. This formation does not appear every now and then, but when it appears on charts, traders should get ready for a big one way move in the counter.

