
VIBEMOTION LABS

Technical Analysis

Pattern Recognition Guide

Spot the fifteen patterns professional traders watch every day — with worked examples.

\$27

The complete visual guide to reading price action and timing entries and exits with confidence.

HOW TO READ THIS GUIDE

Each pattern entry includes: what it looks like structurally, what it signals about market sentiment, how to construct the trade, and what additional conditions strengthen or weaken it. Never trade a pattern in isolation — always confirm with volume and at least one additional indicator.

REVERSAL PATTERNS

Reversal Patterns

These patterns signal that the prevailing trend is likely to change direction.

Head and Shoulders · Bearish reversal

Pattern	Three peaks — a left shoulder, a higher central head, and a right shoulder at approximately the same level as the left. The neckline connects the intervening troughs.
How to Trade	Enter short when price breaks below the neckline on elevated volume. Target equals the distance from the head to the neckline, projected downward from the breakdown point.
Key Notes	Volume should be highest on the left shoulder, lower on the head, and lowest on the right shoulder — this sequence confirms distribution. A high-volume breakdown is essential.

Inverse Head and Shoulders · Bullish reversal

Pattern	The mirror image of the above — three troughs with the central trough lowest, followed by a bullish breakout above the neckline.
How to Trade	Enter long on a neckline breakout accompanied by meaningful volume. Target equals the depth of the pattern projected upward from the breakout.
Key Notes	Most reliable following a prolonged downtrend at a significant support level. Look for a decisive volume surge on the breakout candle.

Double Top · Bearish reversal

Pattern	Two price peaks at approximately the same level with a distinct valley between them. The pattern resembles the letter M.
How to Trade	Enter short on a break below the valley (the neckline). Target equals the distance from the peaks to the valley, projected downward.
Key Notes	The second peak ideally forms on lower volume than the first — a sign that buying conviction is fading and sellers are gaining control.

Double Bottom · Bullish reversal

Pattern	Two price troughs at approximately the same level with a peak between them. The pattern resembles the letter W.
How to Trade	Enter long on a break above the intervening peak (the neckline). Target equals the height of the pattern projected upward.
Key Notes	Watch for higher volume on the second bounce — it signals institutional accumulation and increases the pattern's reliability significantly.

CONTINUATION PATTERNS

Continuation Patterns

These patterns signal that the prevailing trend is likely to resume after a brief pause.

Bull Flag · Bullish continuation

Pattern	A sharp, high-volume upward move (the flagpole) followed by a tight, slightly downward-sloping consolidation channel (the flag).
How to Trade	Enter long on a breakout above the upper flag channel trendline. Target equals the flagpole length added to the breakout point.
Key Notes	The tighter and shorter the consolidation, the stronger the subsequent move tends to be. Volume should contract noticeably during the flag formation.

Bear Flag · Bearish continuation

Pattern	A sharp, high-volume downward move followed by a tight, slightly upward-sloping consolidation channel.
How to Trade	Enter short on a break below the lower channel trendline. Target equals the flagpole length projected downward from the breakdown.
Key Notes	Most powerful in established downtrends. Volume should expand meaningfully on the breakdown confirmation candle.

Ascending Triangle · Bullish continuation

Pattern	A flat horizontal resistance line at the top combined with a rising support trendline at the bottom — buyers becoming progressively more aggressive.
How to Trade	Enter long on a breakout above the flat resistance on high volume. Target equals the height of the triangle added to the breakout level.
Key Notes	Decreasing volume as price approaches the apex is healthy — an explosive breakout with volume expansion is the actionable signal.

Cup and Handle · Bullish continuation

Pattern	A rounded bottom formation (the cup) followed by a brief, shallow downward drift (the handle) before a breakout above the cup's rim.
How to Trade	Enter long on a breakout above the handle's resistance level (the cup rim). Target equals the depth of the cup added to the breakout price.
Key Notes	The handle should retrace no more than fifty percent of the cup. Volume contracts during handle formation and surges powerfully on the breakout.

CANDLESTICK PATTERNS

Candlestick Patterns

Short-term single-candle signals that provide entry and exit timing at key levels.

Bullish Engulfing · Bullish reversal

Pattern	A small bearish candle immediately followed by a larger bullish candle whose body completely engulfs the previous candle's body.
How to Trade	Enter long above the high of the engulfing candle. Place stop loss below the low of the two-candle pattern.
Key Notes	Most powerful following a sustained downtrend or when forming precisely at a key support level. Confirm with volume.

Bearish Engulfing · Bearish reversal

Pattern	A small bullish candle immediately followed by a larger bearish candle whose body completely engulfs the previous candle's body.
How to Trade	Enter short below the low of the engulfing candle. Place stop loss above the high of the two-candle pattern.
Key Notes	Most reliable at well-established resistance levels or following an extended uptrend. Volume confirmation is important.

Doji · Indecision and potential reversal

Pattern	Open and close prices are nearly identical, creating a cross-shaped candle. The pattern represents a genuine balance of buying and selling pressure.
How to Trade	Do not trade on a Doji in isolation. Wait for a confirmation candle in the expected reversal direction before committing.
Key Notes	A Doji forming precisely at a key support or resistance level after a strong directional trend represents a high-probability reversal signal.

Hammer · Bullish reversal

Pattern	A small body positioned at the upper end of the candle's range, a lower wick at least twice the body's length, and little or no upper wick.
How to Trade	Enter long above the hammer's high following a bullish confirmation candle. Stop loss below the hammer's low.
Key Notes	The long lower wick demonstrates that sellers drove price sharply lower but buyers fully recovered control by the close — a genuinely powerful reversal signal.