Bearish Japanese
Candlesticks & Strategies

A guide to using this popular and trusted Technical Analysis tool
Examples of Forex and CFD Strategies

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About the Author

FXTM's Head of Education, Andreas Thalassinos, is a respected FX educator and Certified Technical Analyst. He is a recognised authority in the forex industry, and renowned for his expertise in algorithmic trading. After years of consulting with FXTM on a number of key projects, Andreas officially joined the company in June 2016 and is the principal driver and architect of FXTM's extensive educational programme. His department's international seminars and workshops provide clients across the world with on-location support, while his webinars, e-books, educational articles and videos form the cornerstone of FXTM's multilingual, open access training resources. The training is tailored to traders' needs by region and experience level.

Thalassinos has played a key role in the development of forex education within the industry, training tens of thousands of traders and forex professionals around the world. Traders of all levels value his seminars and workshops for both content and his passionate and lively presentations. As Head of Education, Thalassinos also plays a pivotal role in FXTM's research and development team. In this capacity, he led the development of the FXTM Trading Signals and FXTM Pivot Points Strategy tools, which are designed to help traders spot potential trading opportunities across various trading instruments.

Thalassinos has been awarded a number of international professional certificates including: MSTA by the Society of Technical Analysts (UK) and CFTe and MFTA by the International Federation of Technical Analysts (USA) – the highest qualifications in the technical analysis community. He also holds a BSc and MSc in Computer Science from University of Louisiana at Lafayette and Bowie State University, respectively.

06 BEARISH **REVERSALS**

" FOLLOW WHAT YOU SEE ON **THE PRICE CHARTS,** NOT WHAT YOU WANT TO SEE. "

- Andreas Thalassinos

06 BEARISH **REVERSALS**

6.5 HARAMI

A small candlestick body of either colour follows a candlestick of a long white body. The colour of the small candlestick is not important. The bullish rally is running out of steam as shown by the presence of the small candle which signals uncertainty, as it is contained by the previous long body. The weakness of the market to push prices higher and the presence of the pattern at the end of an upward move, signals possible bearish implications.

Meaning
After a prolonged rally, traders continue to trade in the direction of the prevailing trend until the market enters a phase of uncertainty, as traders are not willing to move the market higher nor lower at the moment. The fact that price action has been contained within the previous session's open and close manifests reluctance to move higher and a possible bearish reversal.

Supply/Demand
Equilibrium.

Sentiment
Neutral.

Direction
Possible bearish reversal.

Trigger
Consider selling if next candle falls below the low of the long white candle.

Color of the body	White
Range of the body	Long
Range of the upper shadow	Small
Range of the lower shadow	Small
Location	End of uptrend or upward move. Precedes a small candlestick of small body.

Color of the body	White or Black
Range of the body	Small
Range of the upper shadow	Small
Range of the lower shadow	Small
Location	End of uptrend or upward move. Follows a long white body. Body is within the range of the previous white candle's body.

07 BEARISH STRATEGIES

> " HE WHO KNOWS WHEN TO FIGHT AND **WHEN TO AVOID A FIGHT WILL BE VICTORIOUS.** "
>
> *- Sun Tzu*

07 BEARISH **STRATEGIES**

7.5 Long Black Body filtered by RSI and LWMA(50)

At the top of an uptrend, the appearance of a Long Black Body filtered by RSI at the overbought area.

Consider selling when the next candle falls below the low of the Long Black Body.

Consider placing a protective stop loss at the top of the Long Black Body.

Take-Profit strategy is heavily dependent on the trading profile of each individual:

1. Close 60% of the position when price travels 100% the length of the Long Black Body.

    a. Close the remaining 40% when price reaches 200% the length of the Long Black Body or prices reach the LWMA(50) or at the presence of a reversal candlestick, whichever happens first.

2. Other combinations may be applied.

NOTES TO EDITORS

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