

CANDLE FORMATIONS AND PRICE PATTERNS FOR HIGH PROBABILITY TRADE SETUPS

FOR THE PHILLIP NEL 5MIN INTRA-DAY SYSTEM

COMPILED BY GOLFER (WILLEM)

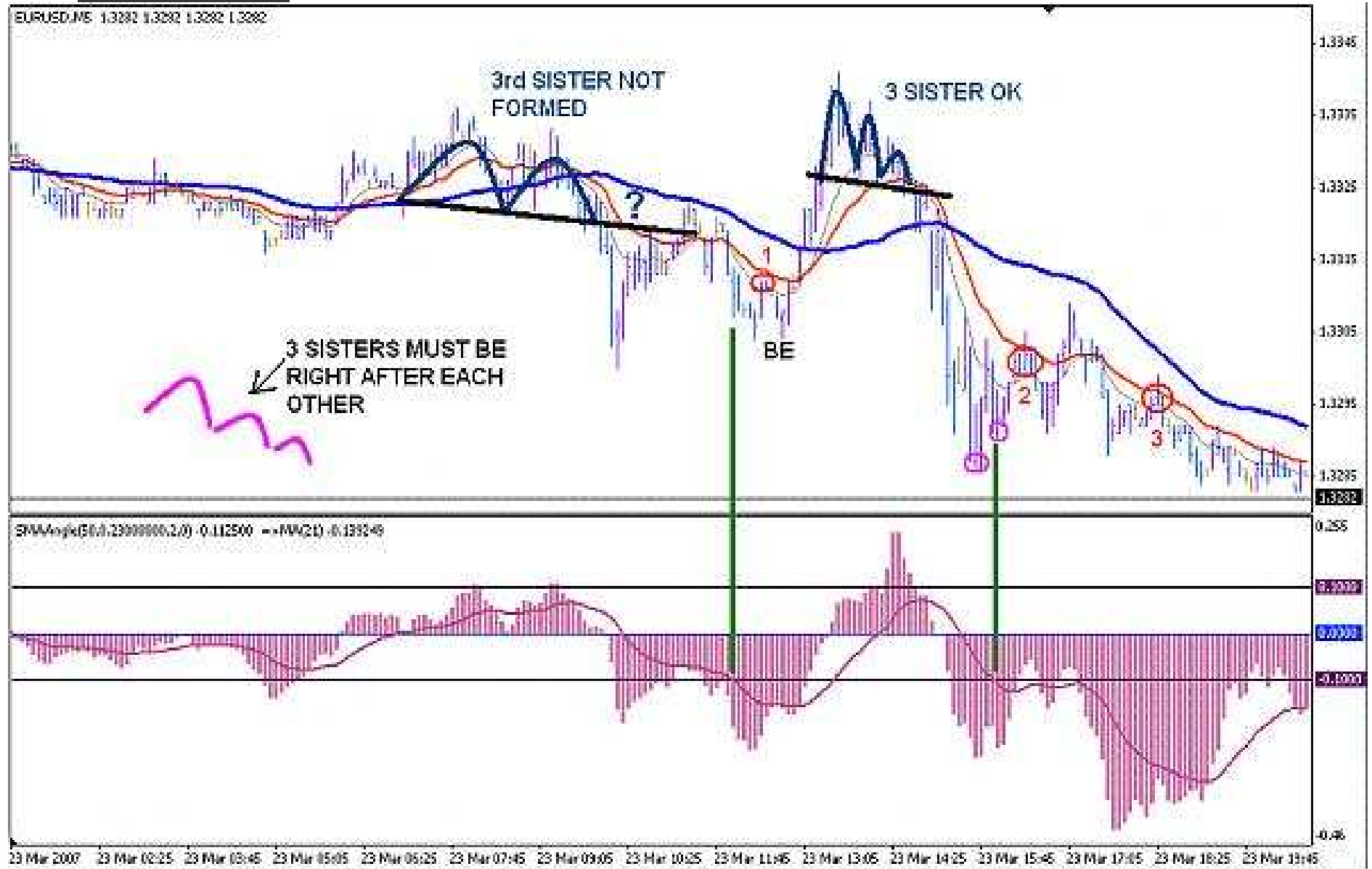
1^{ed}: OCTOBER 2007

PRACTICE

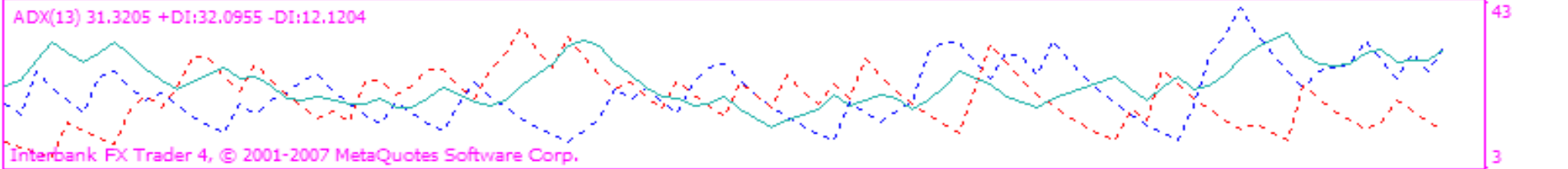
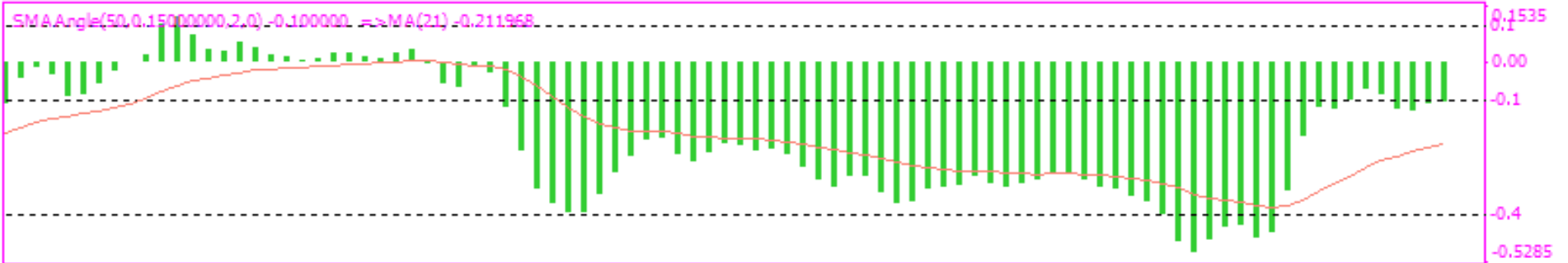
Do take the chart back so that the start of the setup is at the very right side of the platform. Then I use the F11 key to forward the chart candle by candle so that one can see how the setup develops. That helps me a lot to start identifying the setups as they develop. It is easy to see the pattern when it is fully developed - not so easy during the development phase.

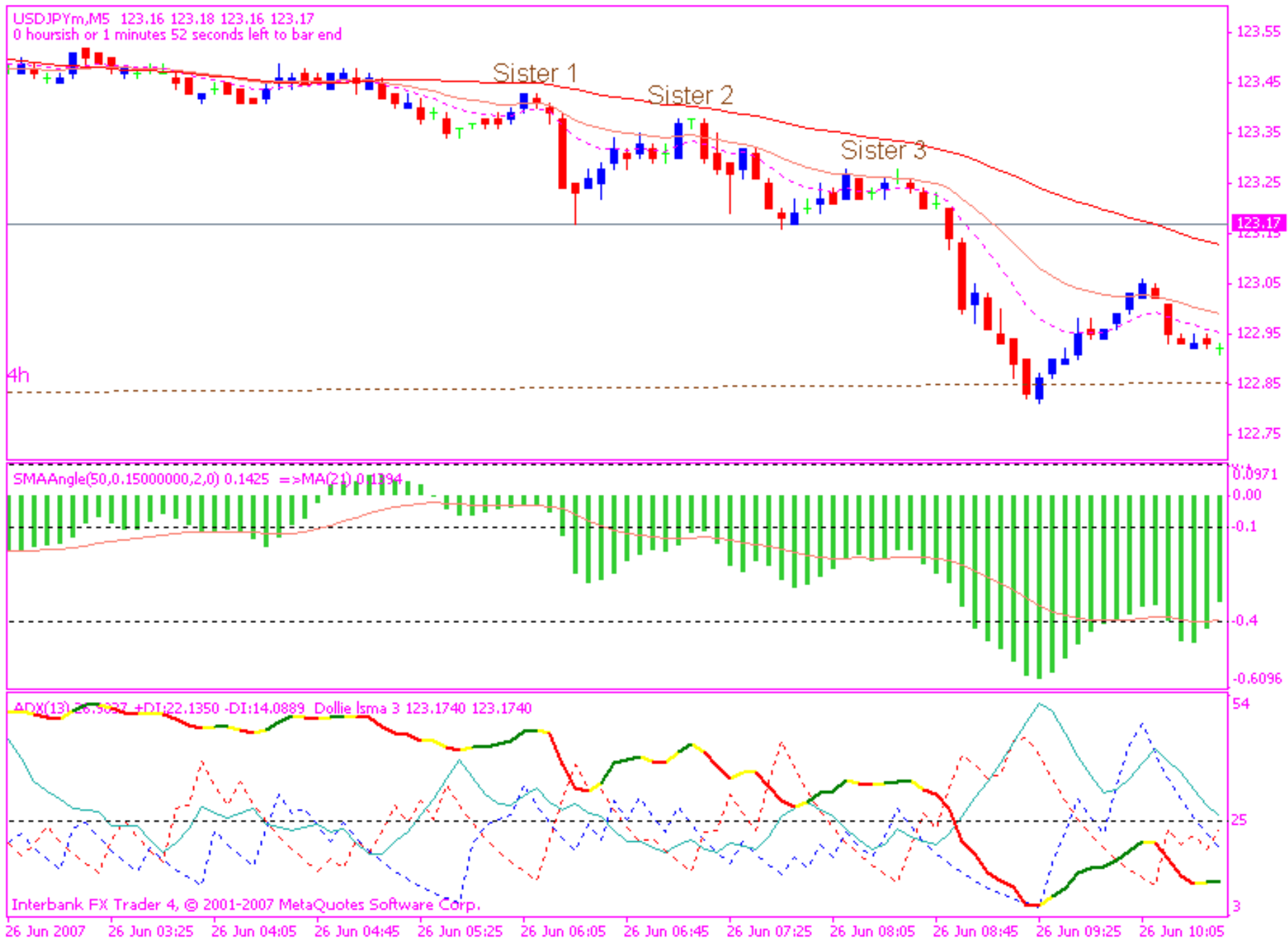
A. SHORT SIGNAL SETUPS

A.1. 3 LITTLE SISTERS:



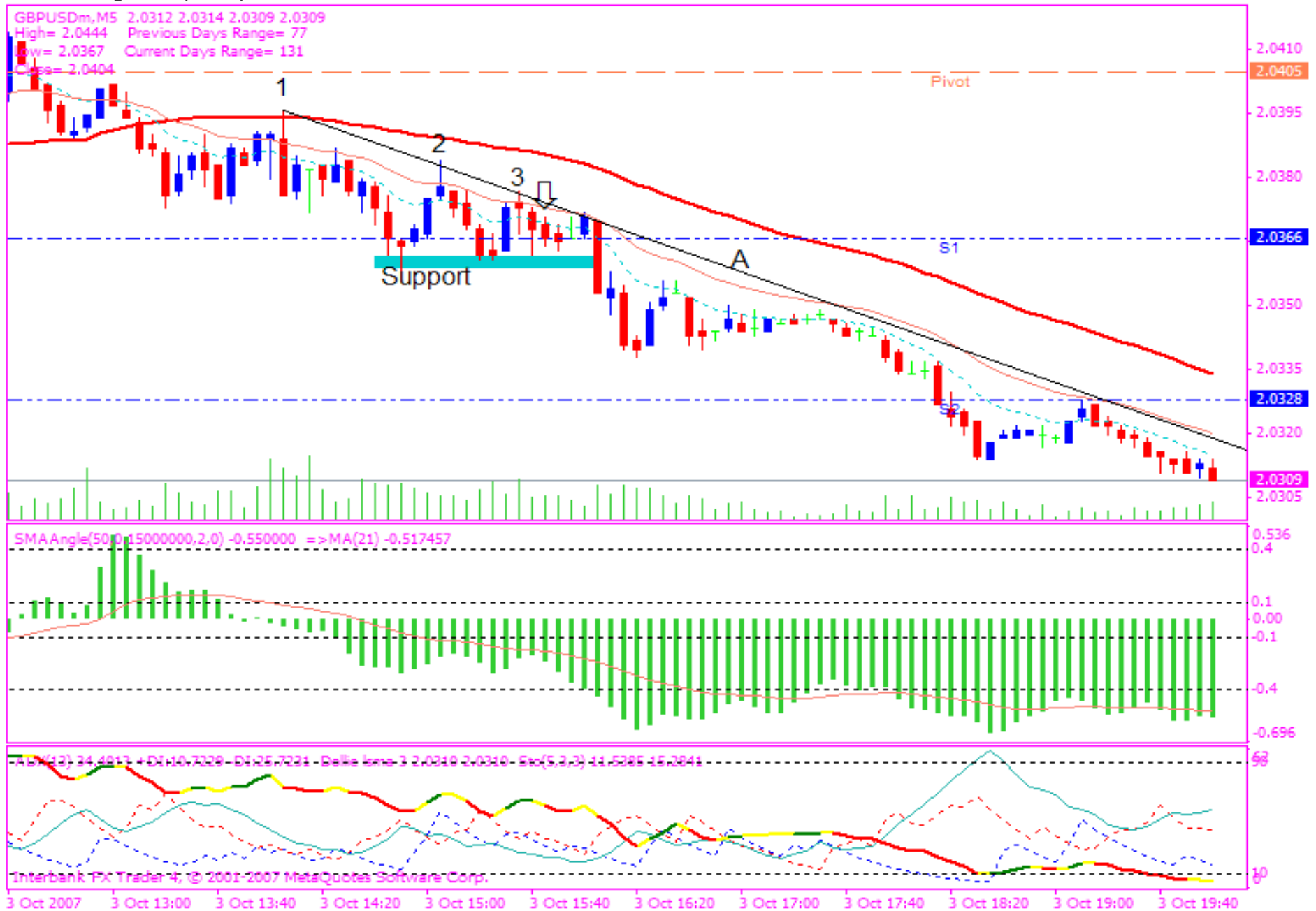






A.2. DESCENDING TRIANGLE:

A well recognised price pattern





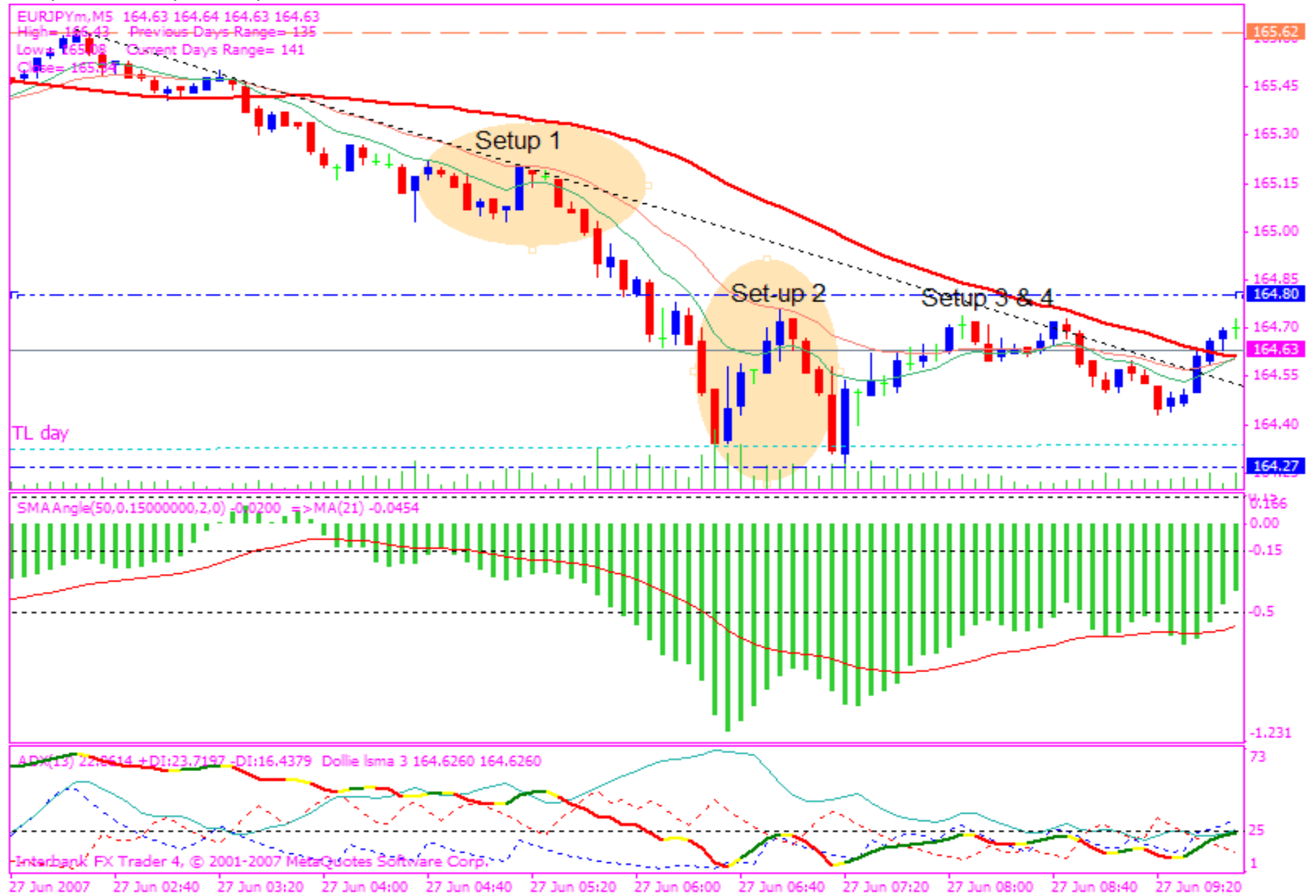




A.3. SMOOTH ROUND PULLBACK – ELLIPSE WITHIN PULLBACK:



Setup 2 is the ellipse setup:



The setup under the +90 is the ellipse setup:



"C" is the entry for the "ellipse" trade



A.4 FLAT RESISTANCE PULLBACK:





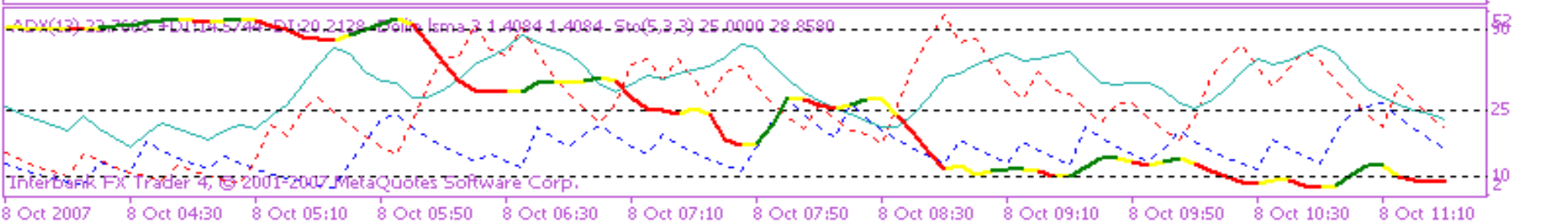
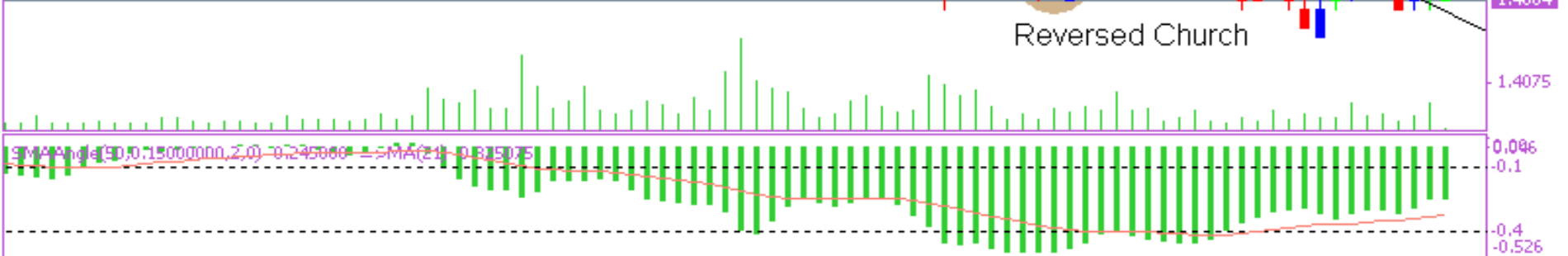
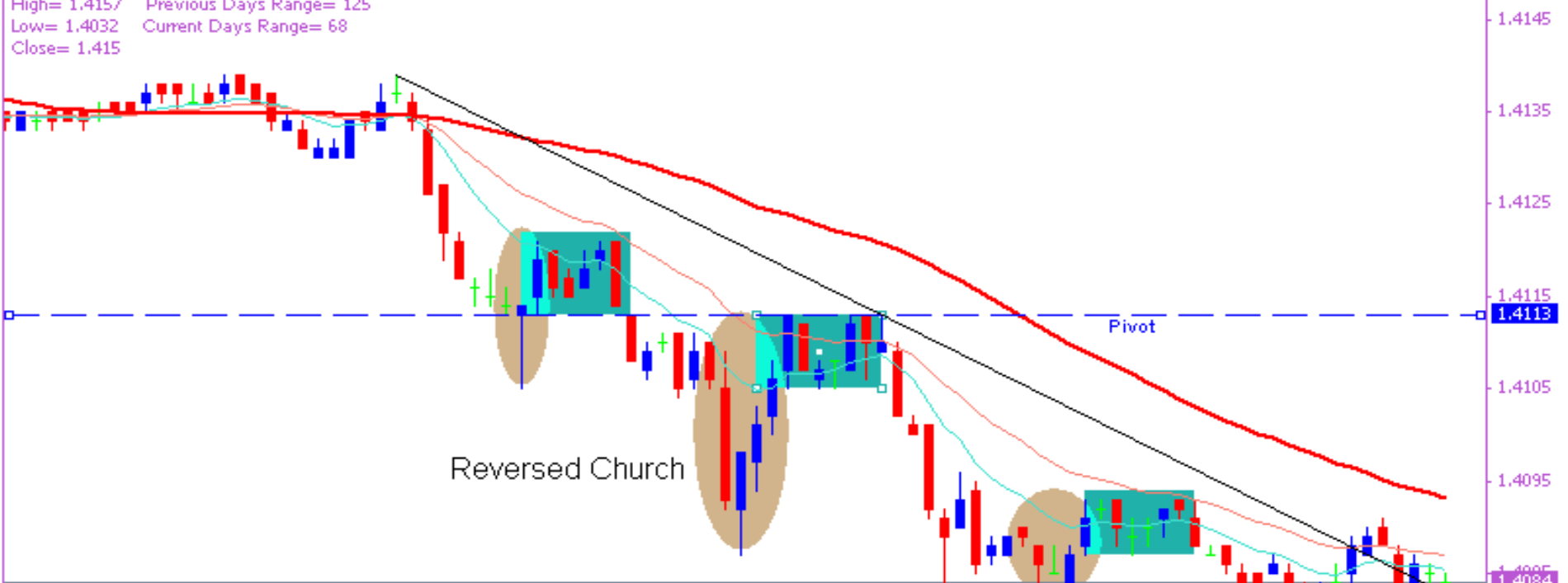
A.5 "REVERSE CHURCH" PULLBACK:

In this formation there is a low (church tower) and the price recovers a bit and then found resistance for a few candles (church building). Just be aware of an ascending triangle (higher lows of the candles). The church building should be below the last high.



EURUSDm,M5 1.4084 1.4085 1.4084 1.4084
High= 1.4157 Previous Days Range= 125
Low= 1.4032 Current Days Range= 68
Close= 1.415

PhilNelExpert x



B. LONG SIGNAL SETUPS

B.1 ASCENDING TRIANGLE:

This is a well recognized price pattern

Compare setup "A" as the ascending triangle and the resistance areas which is not a triangle but more a triple top (1-3,4).

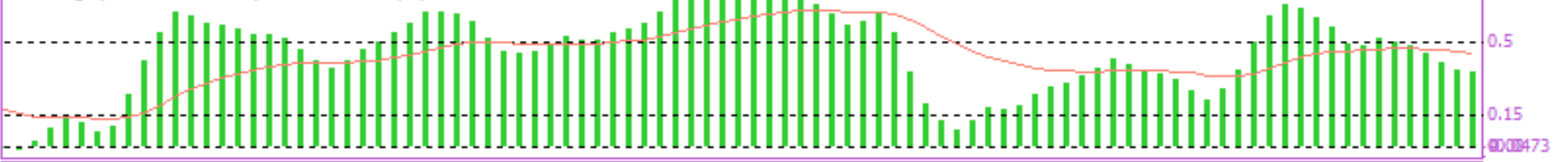


EURJPYm,M5 164.48 164.50 164.46 164.49
High= 164.78 Previous Days Range= 121
Low= 163.57 Current Days Range= 166
Close= 163.63

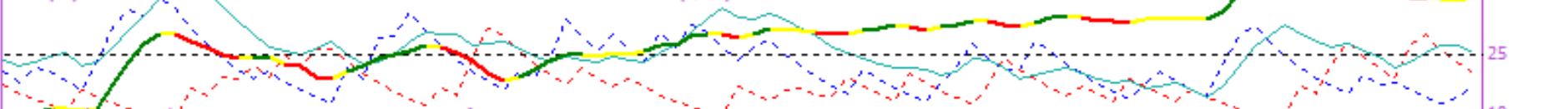
PhilNelExpert x



SMAAngle(50,0.15000000,2,0) -0.6025 =>MA(21) -0.5056



-ADX(13) 33.1223 -DI(14) 1098 -DI(14) 7528 -BollB lsm=3 164.4740 164.4740 -Sta(5,3,3) 11.1111 11.2534



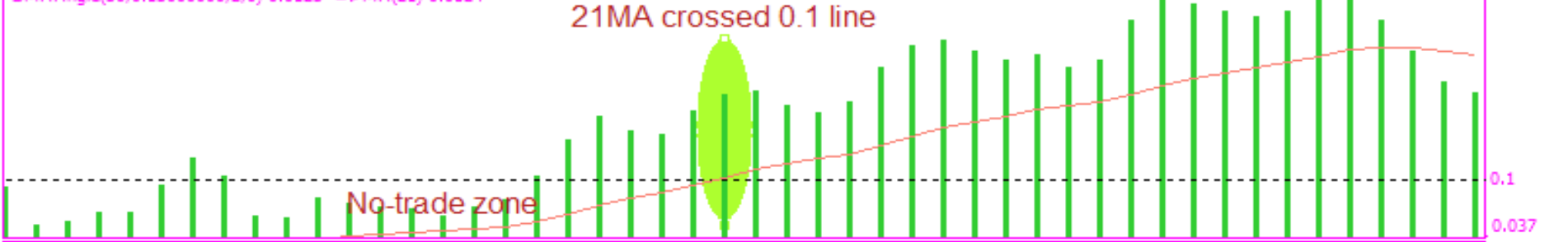
Interbank FX Trader v4, © 2001-2007 MetaQuotes Software Corp.

3 Oct 2007 3 Oct 06:50 3 Oct 07:30 3 Oct 08:10 3 Oct 08:50 3 Oct 09:30 3 Oct 10:10 3 Oct 10:50 3 Oct 11:30 3 Oct 12:10 3 Oct 12:50 3 Oct 13:30

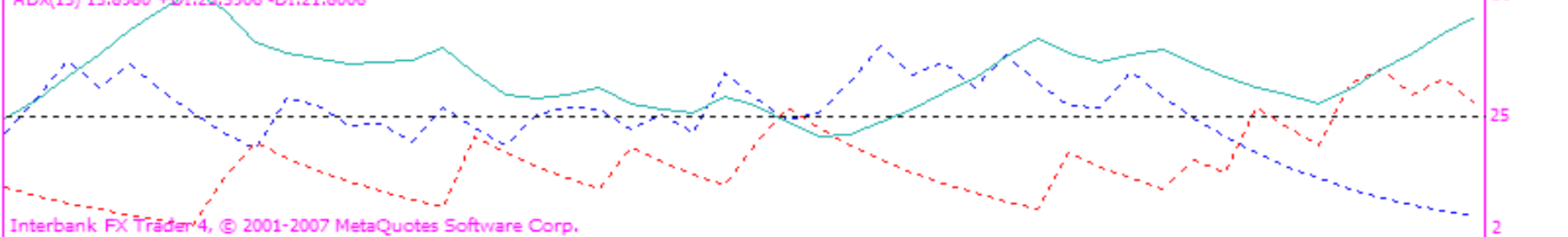
USDJPYm,M5 123.59 123.61 123.58 123.59
0 hoursish or 1 minutes 23 seconds left to bar end



SMAAngle(50,0.15000000,2,0) 0.0125 =>MA(21) 0.0824



ADX(13) 13.8980 +DI:23.5906 -DI:21.8006



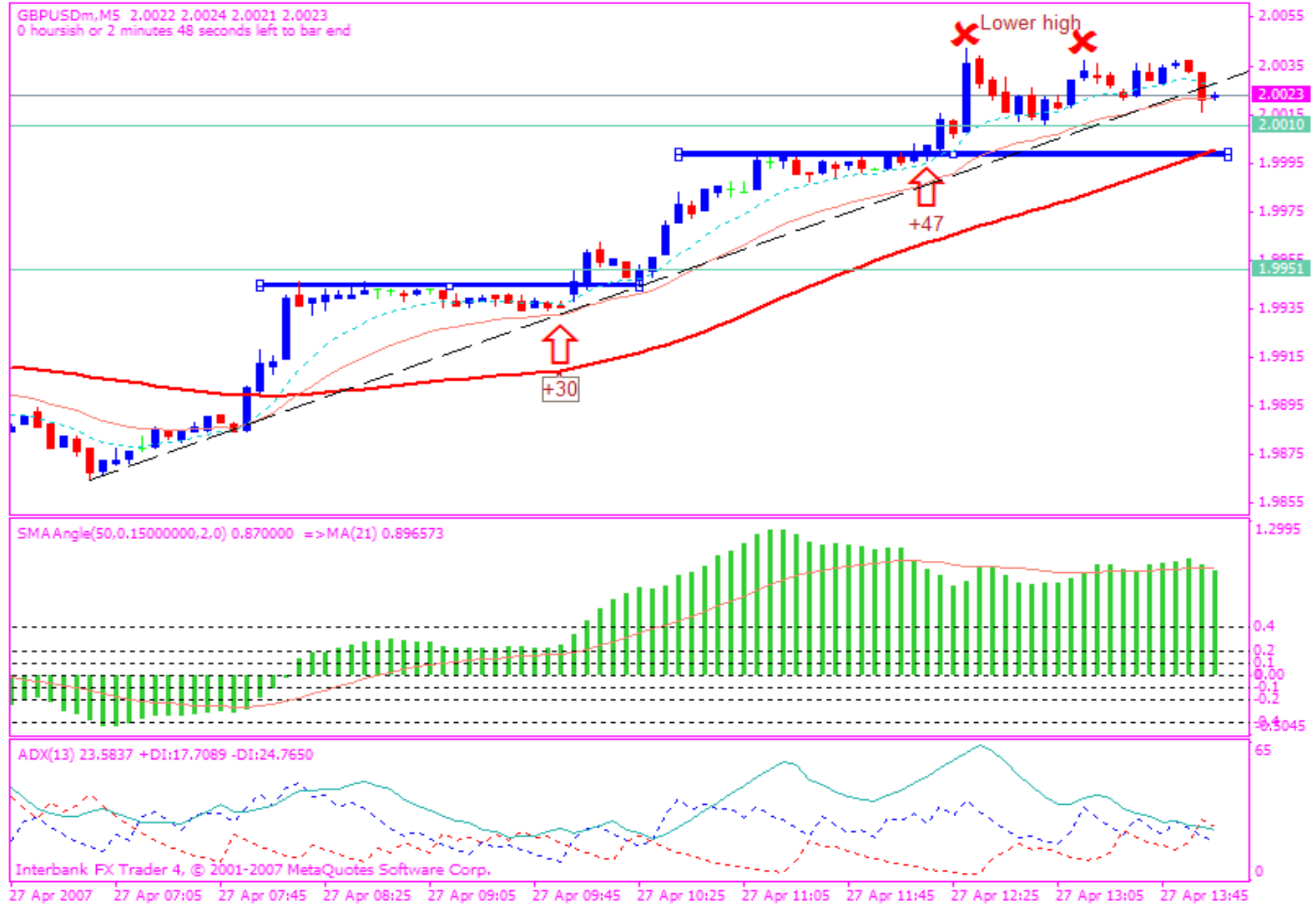
Interbank FX Trader 4, © 2001-2007 MetaQuotes Software Corp.

18 Jun 2007 18 Jun 12:55 18 Jun 13:15 18 Jun 13:35 18 Jun 13:55 18 Jun 14:15 18 Jun 14:35 18 Jun 14:55 18 Jun 15:15 18 Jun 15:35 18 Jun 15:55 18 Jun 16:15

And the upward trend ended in a 3 little sisters' formation



And another upward trend ended in a 3 little sisters' formation.





A typical EURJPY chart in a trending mood – look at the “A” ascending triangle formed & “Church to right” @ “2”, “5” & “6”



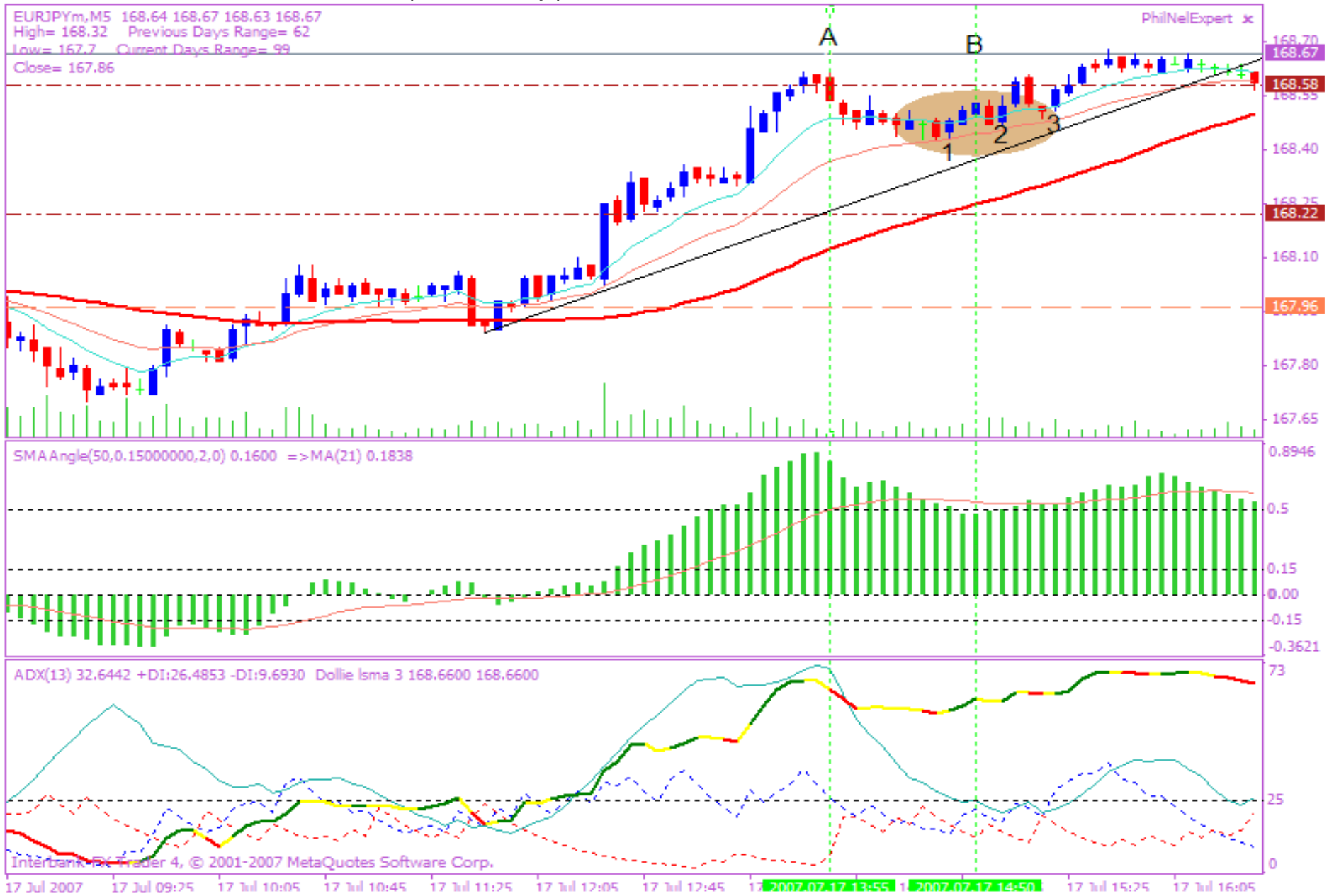
B.2 “CHURCH TO RIGHT” PULLBACK:

Almost the same as a pennant formation

For this formation a high followed by small pullback (to form the church tower “A”) and then a flattish area (church building “B”) before continue upwards.



"A" is the church tower and 1, 2 or 3 is a possible entry point.



The setup just before the "hand" indicating the "Buy" and the one below the "X" (not very clear) are the "Church to right" setups:



Flag formation which can also be a “Church to right” formation:



The small +11 setup is an example of "Church the right" setup. The first setup is not that clear.



“Church to right” just before +12

