TRADEFATHER SIGNALS

Chart Patterns Cheat Sheet

25 trading chart patterns with diagrams, confirmation, stop-loss and target rules, and common mistakes. Updated October 2026.

- Reversal patterns (12)
- Continuation patterns (10)
- Bilateral patterns (3)

Free interactive lessons: gettfsignals.app/chart-patterns · Patterns show probabilities, never certainties. Always wait for a candle close beyond the key line.

Reversal patterns

Head and Shoulders

BEARISH



Three peaks with the middle one highest. A close below the neckline signals the uptrend may be ending.

Confirm: A full candle close below the neckline, not just a wick.

Stop: Above the right shoulder. A stop just above the neckline is tighter but gets hit more often on retests. **Target:** Measure from the top of the head down to the neckline and project that distance down from the break point.

Inverse Head and Shoulders

BULLISH



Three troughs with the middle one lowest. A close above the neckline signals a downtrend may be ending.

Confirm: A candle close above the neckline.

Stop: Below the right shoulder low. **Target:** Distance from the head's low to the neckline, projected up from the breakout.

Double Top

BEARISH



Two peaks at about the same price form an 'M'. A close below the middle low confirms the top.

Confirm: Close below the middle trough.

Stop: Above the higher of the two peaks. **Target:** Height from the peaks to the trough, projected down from the break.

Double Bottom

BULLISH



Two lows at about the same price form a 'W'. A close above the middle high confirms the bottom.

Confirm: Close above the middle peak.

Stop: Below the lower of the two lows. **Target:** Height from the lows to the neckline, projected up from the break.

Triple Top

BEARISH



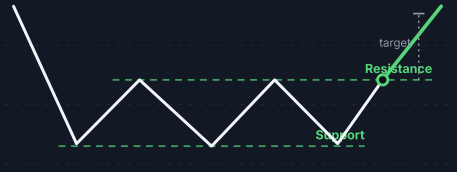
Three failed attempts at the same high. A break of the support line beneath them confirms the reversal.

Confirm: Close below the support line.

Stop: Above the highest of the three peaks. **Target:** Pattern height projected down from the break.

Triple Bottom

BULLISH



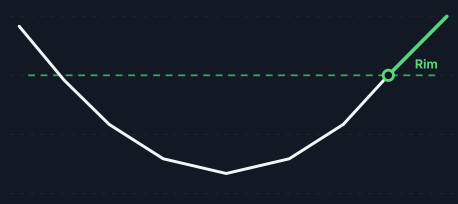
Three failed attempts to break the same low. A close above the resistance line confirms the reversal.

Confirm: Close above the resistance line.

Stop: Below the lowest of the three lows. **Target:** Pattern height projected up from the break.

Rounding Bottom

BULLISH



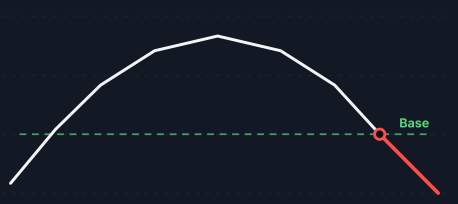
A slow, U-shaped turn from falling to rising prices. Shows selling fading gradually rather than in one move.

Confirm: Close above the rim level.

Stop: Below the most recent higher low on the right side. **Target:** Depth of the saucer projected up from the rim (a guide only).

Rounding Top

BEARISH



A slow, dome-shaped turn from rising to falling prices. Buying fades gradually before sellers take over.

Confirm: Close below the base line.

Stop: Above the latest lower high. **Target:** Height of the dome projected down (guide only).

Rising Wedge

BEARISH



Price climbs inside two upward-sloping lines that converge. Higher highs get smaller — buyers are tiring.

Confirm: Close below the lower trend line.

Stop: Above the last high inside the wedge. **Target:** Common guide: the start of the wedge (its widest point).

Falling Wedge

BULLISH



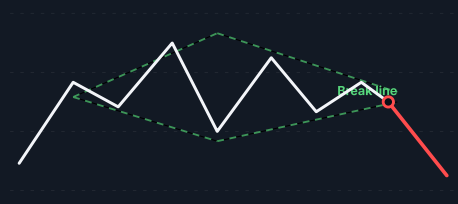
Price falls inside two downward-sloping, converging lines. Lower lows get smaller — sellers are tiring.

Confirm: Close above the upper trend line.

Stop: Below the last low inside the wedge. **Target:** Common guide: back to the wedge's starting high.

Diamond Top

BEARISH



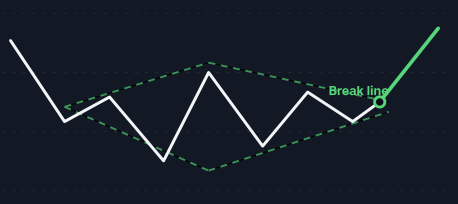
Price swings widen then narrow, forming a diamond shape at a high. A break of the lower right side signals a reversal down.

Confirm: Close below the lower-right boundary.

Stop: Above the last swing high inside the diamond. **Target:** Widest height of the diamond projected down from the break.

Diamond Bottom

BULLISH



Widening then narrowing swings form a diamond at a low. A break of the upper right side signals a reversal up.

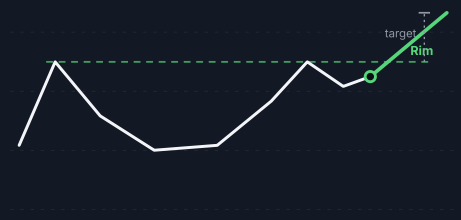
Confirm: Close above the upper-right boundary.

Stop: Below the last swing low inside the diamond. **Target:** Widest height projected up from the break.

Continuation patterns

Cup and Handle

BULLISH



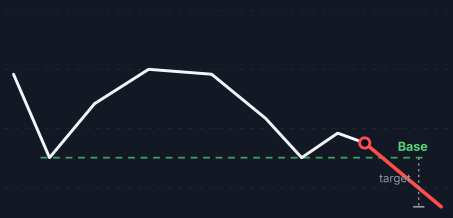
A U-shaped cup followed by a small downward drift (the handle). A break above the rim signals continuation higher.

Confirm: Close above the rim.

Stop: Below the handle's low. **Target:** Cup depth projected up from the rim.

Inverse Cup and Handle

BEARISH



An upside-down cup followed by a small upward drift. A break below the base signals continuation lower.

Confirm: Close below the base.

Stop: Above the handle's high. **Target:** Dome height projected down from the base.

Bull Flag

BULLISH



A sharp rally (the pole) followed by a small, downward-sloping channel (the flag). A break above the flag signals the next leg up.

Confirm: Close above the upper flag line.

Stop: Below the flag's low. **Target:** Length of the pole projected up from the breakout.

Bear Flag

BEARISH



A sharp drop (the pole) followed by a small, upward-sloping channel. A break below the flag signals the next leg down.

Confirm: Close below the lower flag line.

Stop: Above the flag's high. **Target:** Pole length projected down from the break.

Bull Pennant

BULLISH



A sharp rally followed by a small triangle with converging lines. A break above it continues the uptrend.

Confirm: Close above the upper line.

Stop: Below the pennant's low. **Target:** Pole length projected up from the break.

Bear Pennant

BEARISH



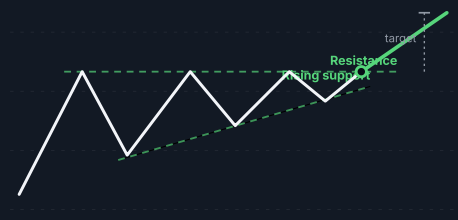
A sharp drop followed by a small converging triangle. A break below it continues the downtrend.

Confirm: Close below the lower line.

Stop: Above the pennant's high. **Target:** Pole length projected down from the break.

Ascending Triangle

BULLISH



A flat resistance on top and rising lows underneath. Buyers press harder each time; a break above the flat top is bullish.

Confirm: Close above the flat top.

Stop: Below the last higher low. **Target:** Height at the triangle's widest point, projected up from the break.

Descending Triangle

BEARISH



A flat support below and falling highs above. Sellers press harder each time; a break below the flat base is bearish.

Confirm: Close below the flat base.

Stop: Above the last lower high. **Target:** Widest height projected down from the break.

Ascending Channel

BULLISH



Higher highs and higher lows between two parallel rising lines. Shows an orderly uptrend.

Confirm: Bounces from the lower line with bullish candles.

Stop: Below the lower line and the last swing low. **Target:** The upper line, or trail with higher lows.

Descending Channel

BEARISH



Lower highs and lower lows between two parallel falling lines. Shows an orderly downtrend.

Confirm: Rejections at the upper line with bearish candles.

Stop: Above the upper line and the last swing high. **Target:** The lower line, or trail with lower highs.

Bilateral patterns

Broadening Formation

NEUTRAL



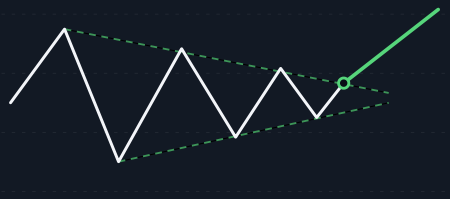
Higher highs and lower lows inside two diverging lines — a megaphone. Shows rising volatility and indecision.

Confirm: A decisive close beyond either line.

Stop: Back inside the formation, beyond the last swing. **Target:** No reliable measured move; manage the trade with structure.

Symmetrical Triangle

NEUTRAL



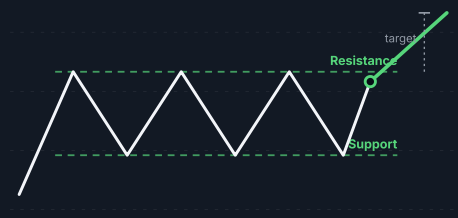
Lower highs and higher lows squeeze price into a narrowing triangle. The breakout direction decides the trade.

Confirm: Close outside a boundary.

Stop: Back inside the triangle, beyond the last swing. **Target:** Widest height projected from the break.

Rectangle

NEUTRAL



Price bounces between flat support and flat resistance. A close outside the box starts the next move.

Confirm: Close beyond the box.

Stop: Back inside the box, around its middle or opposite edge. **Target:** Box height projected from the break.