Advanced Candlestick Charting Techniques:

Secrets to Becoming a Samurai Trader

Steve Nison, President

- Tel: 732.254.8860 (USA)
- Email: nison@candlecharts.com
- www.candlecharts.com
“He who is well prepared has won half the battle”
- New refinements and enhancements for high success trading with candle charts
- See when to ignore a candle signal
- Special section on intraday charts
- Uncover the one rule every candlestick trader ignores at their own peril
- The P.R.O.F.I.T.S methodology
- Learn the six principles every candlestick trader must know
- Uncloak new uses for the most potent candle pattern - the window
- Effective money management concepts to maximize the effectiveness of candle charts
- Interactive practice sessions
Constructing the Candle Line

Real Bodies and Shadows

Doji
Candles shine at Preserving Capital

A tall white candle pierces this resistance in early March. For those who already are long this index, this was a green light to remain long. But observe what unfolded the next session—the doji. This doji line hinted the bulls had lost full of the market (note: it does not mean that the bears has taken control).
Warren Buffet’s Rules of Money Management

Rule 1 – Not to lose money

Rule 2 – Don’t forget rule 1
Candlesticks do not give price targets.
Gravestone Doji

This doji takes on extra significance because it confirms a resistance level.
A candlestick line or pattern requires two criteria:

- The shape of the line or pattern
- The preceding trend
Doji and Trend

Concept:
To use a northern doji as a signal we need to have an uptrend to reverse

Doji in a “Box Range” is not a trading signal
Doji and trend

A doji in the middle of a trading range has no trend change implications.
Northern and Southern Doji

A doji in an uptrend is a “Northern Doji”

A doji in a downtrend is a “Southern Doji”
Southern Doji
Candle signals must be evaluated and acted upon within the market’s context
Doji in Context

Concept:
If a doji makes a new high close for the move, wait for bearish confirmation with a close under the doji’s close.
Doji in Context

Scenario 1

Which of these scenarios is a more likely top reversal?

Scenario 2
Doji, but New High Close
Doji, but New High close
Flexibility with Candles (and Confluence)