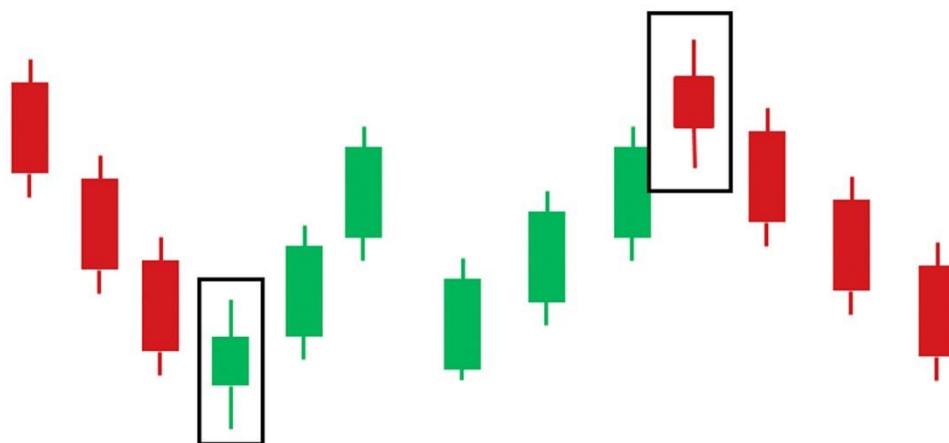


THE CANDLESTICK TRADING BIBLE



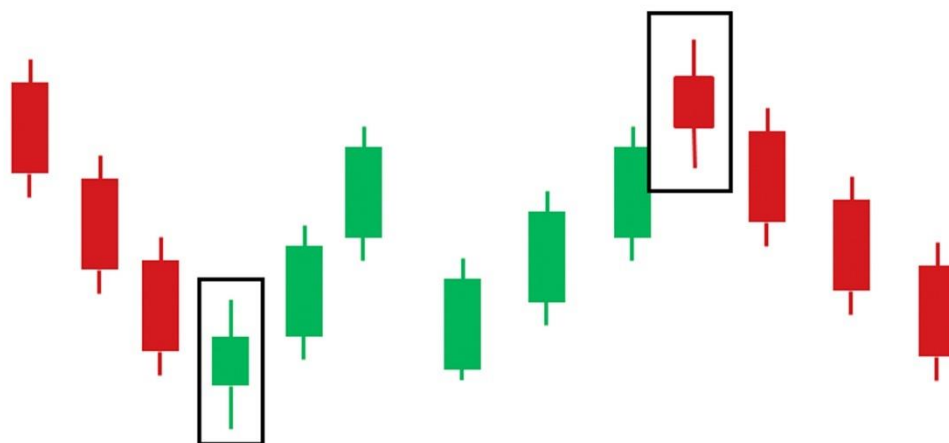
# THE CANDLESTICK TRADING BIBLE

INVENTED BY MUNEHISA HOMMA



The most successful trader in history

KITAABA TRADING CANDLESTICK



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## KITAABA TRADING CANDLESTICK

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### Introduction

The Candlestick trading bible is one of the most powerful trading systems in history. It was invented by Homma Munehisa. The father of candlestick chart patterns.

This trader is considered to be the most successful trader in history, he was known as the God of markets in his days, his discovery made him more than \$10 billion in today's dollar.

I have spent 10 years compiling, testing, organizing, and consistently updating this method to create my own new version, which is considered to be the easiest and most profitable trading system.

The Candlestick trading bible is the trading method that is going to finally take your trading to where it should be, consistent, profitable, easy and requiring very little time and effort.

This trading system is based on Japanese candlestick patterns in combination with technical analysis.

All what you have to do is to spend as much time as you can to master the method that i'am going to share with you and use it to trade any financial market.

Learning Japanese candlestick is like learning a new language. Imagine you got a book which is written in a foreign language, you look at the pages but you get nothing from what is written.

The same thing when it comes to financial markets. If you don't know how to read Japanese candlesticks, you will never be able to trade the market.

Japanese candlesticks are the language of financial markets, if you get the skill of reading charts, you will understand what the market is telling you, and you will be able to make the right decision in the right time.

## KITAABA TRADING CANDLESTICK

### Seensa

Kitaabni daldalaa Candlestick seenaa keessatti sirna daldalaa humna qabu keessa a isa tokko. Inni Homma Munehisa'n uumame. Abbaa fakkii candlestick dha.

Kanaan daldalaan seenaa keessatti daldalaa milkaa'aa ta'eedha, yeroo isaa keessatti Waaqa suuqii jedhamuun beekamaa ture, argannoon isaa dollara \$10 biliyoo na caalu argamsiise.

Waggaa 10'n dabree, mala kana qopheessuu, qorachuu, qindaa'uu fi yeroo hundaa haala gaariin haaromsuu irratti hojjachaa ture, kunis foormula haaraa kan ta'eedha, akkasumas sirna daldalaa salphaa fi bu'aa qabeessa ta'ee ilaalama.

Kitaabni daldalaa Candlestick daldala si geessisuuf kan dhuma irratti si geessu, bu'aa qabeessa, salphaa fi yeroo fi humna xiqqoo barbaadu.

Sirni daldalaa kun fakkii candlestick Jaappaanii irratti hundaa'e, akkasumas xiinxala teeknikaa waliin.

Waan hundumaa gochuu qabdu yeroo hunda yeroo dandeessutti mala ani siif qooddachuuf jiru barachuu fi maallaqa kamiyyuu daldaluuf itti fayyadamuu dha.

Barachuu candlestick Jappaanii afaan haaraa barachuu akka ta'e. Kitaaba afaan alaa barreessame argatte yaadi, fuula irratti ilaaltu garuu barreessuu irraa homaa hin argattu.

Waan walfakkaatu maallaqa daldalaa irratti. Yoo candlestick Jappaanii akkamitti dubbisuu akka dandeessu hin beekne, suuqii daldaluuf hin dandeessu.

Candlestick Jappaanii afaan suuqii maallaqaa dha, yoo dandeettii chart dubbisuu argatte, suuqiin siif maal akka jedhu ni hubatta, akkasumas yeroo sirrii keessatti murtee sirrii gochuu dandeessa.

## THE CANDLESTICK TRADING BIBLE

The easy to follow strategies detailed in this work will provide you with profit making techniques that can be quickly learned.

More importantly, learning the principals of market psychology underlying the candlestick methodology will change your overall trading psych forever.

The Candlestick trading bible has already proven itself. Fortunes have been made using the Japanese candlestick strategies.

I congratulate you on taking the first step in your trading education, you are on the right path to become a better trader.

However, this is actually just the beginning of your trading career, after finishing this eBook, the real work begins.

Don't read this eBook very fast, this is not a novel, you should take your time to understand all the concepts i discussed, take your notes, and go back from time to time to review the strategies i shared with you.

Remember, this is an educational work that will teach you professional methods on how to make money trading financial markets.

If you got the skills that i shared with you here, you will change completely your life and the life of people around you.

## KITAABA TRADING CANDLESTICK

Taktiikota salphaa hordofuu kan ibsame hojii kana keessatti siif kenna, kanneen gatii argamsiisuu danda'an saffisaan baratamuu danda'u.

Murteessaa ta'ee, barachuun seerota psikoolojii suuqii kan bu'uura ta'eedha kan mala candlestick irratti hundaa'e, psikoolojii daldalaa keetiin guutummaatti jijjiirama fidu.

Kitaabni daldala Candlestick duraan dursee ofiisaa mirkaneeffateera. Qabeenyi mala candlestick Jaappaanii fayyadamuun uumame.

Ani si gammachiisa gochaa jalqabaa barnoota keetiif, karaa sirrii irra jirtu si taas isuuf.

Haa ta'u malee, kun dhugumatti karoorri hojii keetiin jalqabaa dha, eBook kana xumuruun booda, hojii dhugaa jalqaba.

eBook kana saffisaan dubbisuu hin qabdu, kun kitaaba seenaa miti, yeroo keeti fu dhachuuf yaali, yaada hundaa ani dubbadhe hubachuuf, yaada kee barreessi, yeroo yerootti deebi'ee tarsiimoo ani siif qoodhe ilaali.

Yaadadhu, kun hojii barnootaa dha kan siif barsiisu mala ogummaa akkamitti maallaqa argachuuf daldala suuqii maallaqaa.

Yoo dandeettii ani asitti siif qoodde qabdu, jireenya kee guutummaatti jijjiiruu fi jireenya namoota si naannessan jijjiiruu dandeessa.

## Overview

The eBook is divided into the following sections:

### 1-Candlesticks Anatomy

Just as humans, candlesticks have different body sizes, and when it comes to trading, it's important to check out the bodies of candlesticks and understand the psychology behind it. that's what you will learn in this section.

### 2-Candlestick patterns

Candlestick patterns are an integral part of technical analysis, candlestick patterns emerge because human actions and reactions are patterned and constantly repeated.

In this section you will learn how to recognize the most important candlestick patterns, the psychology behind it's formation, and what do they indicate when they form in the market.

### 3-The Market structure

In this section, you will learn how to identify trending markets, ranging markets, and choppy markets. You will learn how these markets move and how to trade them professionally.

You will also learn how to draw support and resistance, and trendlines.

### 4-Time frames and top down analysis

Multiple time frame analysis is very important for you as a price action trader, in this section you will learn how to analyze the market using the top down analysis approach.

### 5-Trading strategies and tactics

In this section you will learn how trade the market using four price action trading strategies:

-The pin bar strategy

## KITAABA TRADING CANDLESTICK

### Ilaalcha

eBook'n kutaa armaan gadii irratti qoodameera:

#### 1-Kandala Kallattii

Namoonni akka namootaatti, kandala kallattii gosa qaama adda addaa qabu, fi ye roo daldalaatti, qaama kandala kallattii ilaaluun fi yaada isaa hubachuun barbaac hisaa dha. kunis kutaa kana keessatti barattu.

#### 2-Kanbala gubbaa

Kanbala gubbaa qajeelfama teeknikaa keessatti gurguddaa dha, kanbala gubbaa sababa gochaawwan namootaa fi deebiiwwan isaanii kanneen qindaa'aa fi yeroo hunda deebi'aa ta'aniidha.

Kutaa kana keessatti kanbala gubbaa gurguddaa akka beekan, yaada isaa akkami tti uumamu, fi yeroo suuqii keessatti uumaman maal agarsiisu akka ta'e ni baratt u.

#### 3-Teessuma suuqii

Kutaa kana keessatti, suuqota yeroo ammaa, suuqota daangaa, fi suuqota gubba a gubbaa akkamitti adda baasu akka barattu ni baratta. Suuqotni kun akkamitti s ocho'u fi akkamitti daldalu akka barattu ni baratta.

Akkasumas, deeggarsa fi dhaabbata, akkasumas lafa gurguddaa akkamitti akka kaasu baratta.

#### Yeroo 4 fi xiinxala ol'aanaa

Xiinxala yeroo hedduu daldalaa gatii ta'ee siif baay'ee barbaachisaa dha, kutaa ka na keessatti suuqota xiinxaluuf mala xiinxala ol'aanaa fayyadamuun akkamitti akk a barattu ni baratta.

#### 5-Strategiiwwan daldalaa fi tarsiimoo

Kutaa kana keessatti, tarsiimoo daldalaa gatii afur fayyadamuun akkamitti suuqii daldalu akka barattan ni barbadha:

-Tarsiimoo pin bar

- The engulfing bar strategy
- The inside bar strategy
- The inside bar false breakout strategy
- Trades examples

I highly recommend you to master the previous sections before jumping to this section, because if you don't master the basics, you will not be able to use these strategies as effective as it would be.

In this section you will learn how to identify high probability setups in the market, and how to use these candlestick patterns in trending markets and ranging markets to maximize your profits.

### **6-Money management**

In this section, you will learn how to create a money management and risk control plan that will allow you to protect your trading capital and become consistently profitable.

## KITAABA TRADING CANDLESTICK

- Taktiika baarii guutuu
- Taktiika baarii keessa
- Taktiika baarii keessa dhugaa baasu
- Fakkeenya daldalaa

Ani siif gorsa cimaa kenna, kutaa duraanii sirriitti beekuu qabda kutaa kanaatti ce'uu dura, sababiin isaas yoo bu'uuraalee sirriitti hin beekne, tartiibota kana akka bu'a qabeessaatti fayyadamuuf dadhabda.

Kutaa kana keessatti, haala carraa ol'aanaa suphuuf akkamitti beekuu akka dand eessu fi akkamitti tartiibota candlestick kana fayyadamuuf gargaarsa taasisuuf, gurgurtaa fi gurgurtaa hin daangeffamne keessatti bu'aa kee ol kaasuuf baratta.

### 6-Maallaqa too'achuu

Kutaa kana keessatti, maallaqa too'achuu fi karoora balaa too'achuuf akkamitti u umuun akka danda'amu ni baratta, kunis maallaqa daldalaa kee eeguuf si gargaara akkasumas bu'aa qabeessa ta'uu si taasisa.

### History of candlesticks

Candlesticks have been around a lot longer than anything similar in the Western world.

The Japanese were looking at charts as far back as the 17th century, whereas the earliest known charts in the US appeared in the late 19th century.

Rice trading had been established in Japan in 1654, with gold, silver and rape seed oil following soon after.

Rice markets dominated Japan at this time and the commodity became, it seems, more important than hard currency.

Munehisa Homma (aka Sokyu Honma), a Japanese rice trader born in the early 1700s, is widely credited as being one of the early exponents of tracking price action.

He understood basic supply and demand dynamics, but also identified the fact that emotion played a part in the setting of price.

He wanted to track the emotion of the market players, and this work became the basis of candlestick analysis.

He was extremely well respected, to the point of being promoted to Samurai status.

The Japanese did an extremely good job of keeping candlesticks quiet from the Western world, right up until the 1980s, when suddenly there was a large cross-pollination of banks and financial institutions around the world.

This is when Westerners suddenly got wind of these mystical charts. Obviously, this was also about the time that charting in general suddenly became a lot easier, due to the widespread use of the PC.

In the late 1980s several Western analysts became interested in candlesticks. In the UK Michael Feeny, who was then head of TA in

## KITAABA TRADING CANDLESTICK

### Seenaa qindaa'aa

Qindaa'aan yeroo dheeraaf addunyaa Lixaatti waan wal fakkaatu irraa caalaatti jir aateera.

Jaappaanonni 17ffaa keessa kaasee chaartiiwwan ilaalaa turan, yeroo kanas chaa rtiwwan beekamoon Ameerikaa 19ffaa dhuma keessa mul'atan.

Daldala qamadii Jaappaan keessatti 1654 keessa hundaa'e, warqii, silverbii fi zayi tii rapee booda dhufan.

Suuqii qamadii yeroo sana Jaappaan keessatti hirmaannaa guddaa qaba ture, akk asumaa qabeenyi kun maallaqa cimaan caalaa barbaachisaa ta'uu isaa mul'isa.

Munehisa Homma (aka Sokyū Honma), daldalaa qamadii Jaappaan keessaa kan d halate 1700 keessa, gatii sochii hordofuu irratti kan beekamu dha.

Inni bu'uura qabeenya fi fedhii hubate, garuu akkasumas dhugaa akka tasgabbi gatii keessatti qooda qabaachuu isaa beeke.

Inni hawwii daldaltoota gabaa hordofuuf barbaade, hojii kunis qorannoo candles tick irratti bu'uura ta'e.

Inni kabajaa olaanaa qaba, hanga sadarkaa Samurai'tti ol ka'ee.

Jaappaanonni candlestick'ota addunyaa Lixa irraa dhoksaatti baay'ee gaariidha, h anga 1980's'ti, yeroo sanatti baankota fi dhaabbilee maallaqaa addunyaa irratti walitti dhufeenya guddaa uumame.

Kun yeroo Yurooppaawwan chartoota kanaa dhugumaan beeksaniidha.

Dhugumaan, kun yeroo charting guutummaatti salphaa ta'ee, sababa PC bal'inaa n fayyadamuu irraa kan ka'e.

Bara 1980 keessa, qorattoota Yurooppaawwan hedduun candlestick irratti xiyyeef fatanii jiru. UK keessatti, Michael Feeny, yeroo sana TA'n hoogganaa ture,

London for Sumitomo, began using candlesticks in his daily work, and started introducing the ideas to London professionals.

In the December 1989 edition of Futures magazine Steve Nison, who was a technical analyst at Merrill Lynch in New York, produced a paper that showed a series of candlestick reversal patterns and explained their predictive powers.

He went on to write a book on the subject, and a fine book it is too. Thank you Messrs Feeny and Nison.

Since then candlesticks have gained in popularity by the year, and these days they seem to be the standard template that most analysts work from.

### **Why candlesticks are important to your trading analysis?**

-Candlesticks are important to you trading analysis because, it is considered as a visual representation of what is going on in the market.

By looking at a candlestick, we can get valuable information about the open, high, low and the close of price, which will give us an idea about the price movement.

-Candlesticks are flexible, they can be used alone or in combination with technical analysis tools such as the moving averages, and momentum oscillators, they can be used also with methods such the Dow Theory or the Eliot wave theory.

I personally use candlesticks with support and resistance, trend lines, and other technical tools that you will discover in the next chapters.

-The human behavior in relation to money is always dominated by fear; greed, and hope, candlestick analysis will help us understand these changing psychological factors by showing us how buyers and sellers interact with each other's.

-Candlesticks provide more valuable information than bar charts, using them is a win-win situation, because you can get all the trading signals

## KITAABA TRADING CANDLESTICK

Londonf Sumitomo, hojii guyyaa isaa keessatti candlestick fayyadamu jalqabe, ya ada kana London keessatti oggummaa qabanitti dhiyeessu jalqabe.

Muddee 1989 keessatti, maxxansa Futures Steve Nison, kan taateewwan teknika lii Merrill Lynch New York keessatti, barreessaa ta'e, barreeffama tokko qopheess e kan candlestick jijjiirraa mul'isu fi humna isaanii tilmaamu ibsu.

Mata duree kana irratti kitaaba barreessuu itti fufe, kitaabni gaariidha. Galatoomaa Messrs Feeny fi Nison.

Ergasii shugguxii waggaatti jaalala horataniiru, guyyoota kanattis unkaalee xiinx altoonni baay'een irraa hojjetan fakkaatu.

### Shugguxiin maaliif xiinxala daldalaa keessaniif barbaachisaa dha .

-Candlesticks siif xiinxala daldalaa barbaachisaa dha sababiin isaas, akka bakka b u'iinsa mul'ataa waan gabaa keessatti deema jiruutti ilaalama.

Shugguxii ilaaluudhaan, waa'ee banaa, ol'aanaa, gadi aanaa fi cufamuu gatii ode effannoo gatii guddaa qabu argachuu dandeenya, kunis waa'ee sochii gatii yaada nuuf kenna.

-Kandalaawwan ni jijjiirama, isaan tokkoon tokkoon ykn walitti dhufeenya meesh aalee xiinxala tekinika akka gatii jijjiiramaa fi oscillators humnaa waliin fayyada muu danda'u, akkasumas malaalee akka Teorii Dow ykn Teorii Elioti waliin fayyad amuu danda'u.

Ani dhuftaan kandalaawwan fayyadamaa fi deeggarsa fi cimina, lafa jijjiiramaa, akkas umas meeshaalee tekinika biroo kanneen kutaa itti aanutti argitu waliin fayyadama.

-Hojii namootaa maallaqatti walqabatee yeroo hunda sodaa; hawwii fi abdiin ni b ulchama, xiinxala kandalaawwan kunis nu gargaara akka hubannu jijjiirama yaada kanaa kan agarsiisu akkasumas akkamitti bittoonni fi gurgurtoonni walitti dhufeenya qaban.

-Kandalaawwan odeeffannoo dabalataa barreeffamoota irraa caalaa kennu, isaan fayyad amuun bu'aa buusuu dha, sababni isaas mallattoo daldalaa hunda argachuu dandeessu

that bar chart generate with the added clarity and additional signals generated by candlesticks.

-Candlesticks are used by most professional traders, banks, and hedge funds, these guys trade millions of dollars every day, they can move the market whenever they want.

They can take your money easily if you don't understand the game.

Even if you can trade one hundred thousand dollars trading account, you can't move the market; you can't control what is going in the market.

Using candlestick patterns will help you understand what the big boys are doing, and will show you when to enter, when to exit, and when to stay away from the market.

## KITAABA TRADING CANDLESTICK

kan barreeffamoonni uuman ifa dabalataa fi mallattoo dabalataa kan kandalaaw wan uuman.

-Kandalaawwan daldaloota ogummaa, baankii fi maallaqa hedduu qaban biratti fayyadamaa jiru, namoonni kunniin guyyaa miliyoona doolaaraa daldalu, yeroo f edhanis gabaa jijjiiru.

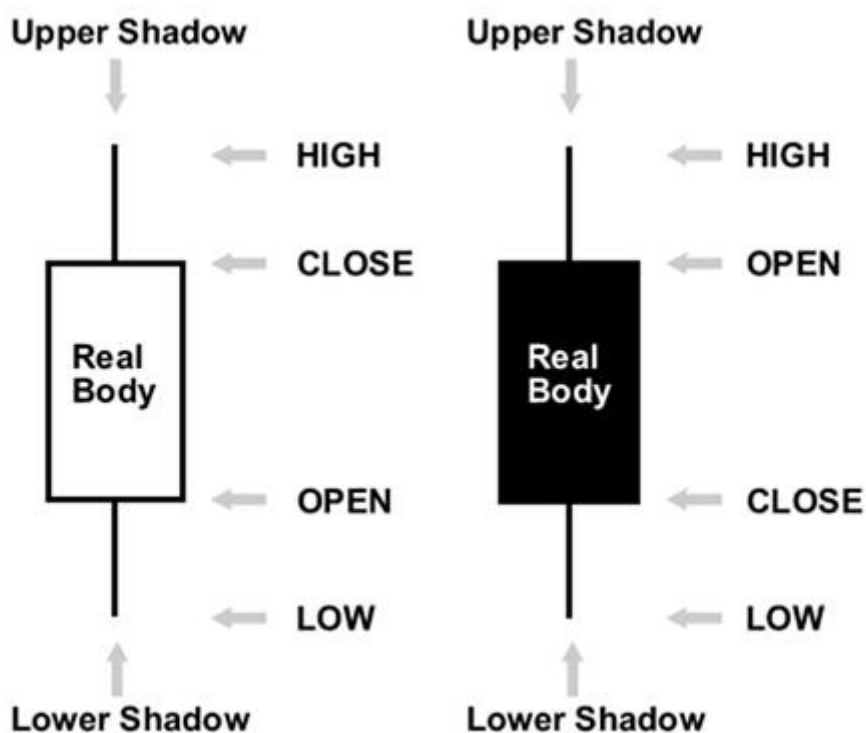
Isaan maallaqa kee salphaan fudhachuu danda'u yoo tapha hubachuu baatte.

Yoo akkaataa daldalaa doolaara dhibba tokkoo qabdu, gabaa harkifachuu hin da ndeessu; maal akka gabaa keessa jiru to'achuu hin dandeessu.

Maaloo, fakkii candlestick fayyadamuun si gargaara maal akka ijoolleen gurgud daan hojjetan hubachuuf, akkasumas yoom seenuu, yoom ba'uu, fi yoom gabaa i rraa fagaachuu akka qabdu si agarsiisa.

### What is a candlestick?

Japanese candlesticks are formed using the open, high, low and close of the chosen time frame.



-If the close is above the open, we can say that the candlestick is bullish which means that the market is rising in this period of time. Bullish candlesticks are always displayed as white candlestick.

The most trading platform use white color to refer to bullish candlesticks. But the color doesn't matter, you can use whatever color you want.

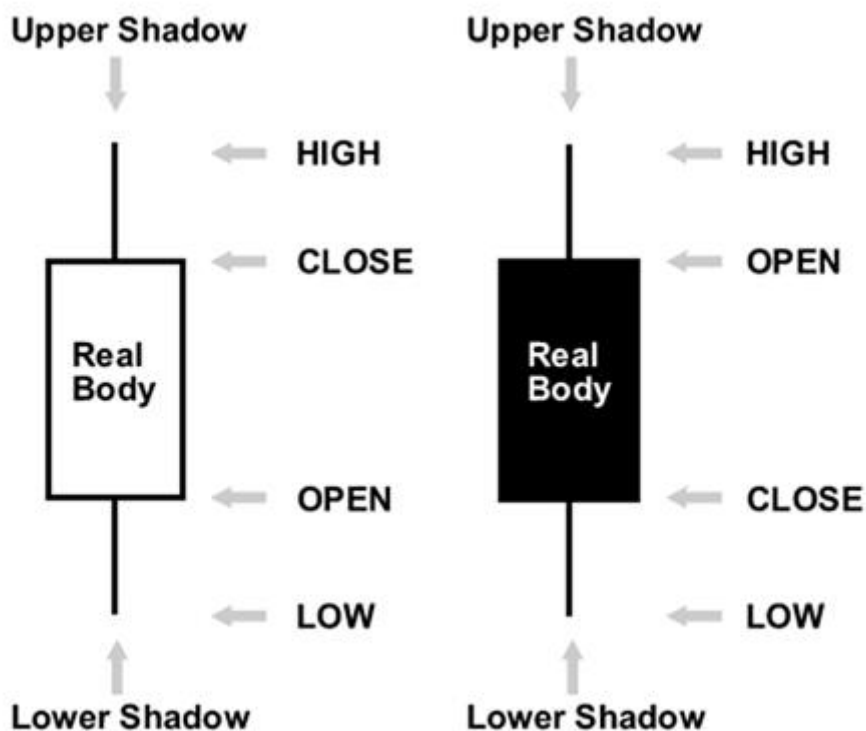
The most important is the open price and the close price.

-If the close is below the open, we can say that the candlestick is bearish which indicates that the market is falling in this session. Bearish candles are always displayed as black candlesticks. But this is not a rule.

## KITAABA TRADING CANDLESTICK

### Candlestick maali?

Kandala Jappaanii yeroo filatameef banuu, ol'aanaa, gadi'aanaa fi xumura irraa uumamu.



-Yoo xumurri banuu caalu ta'e, kandala bullish ta'uu ni danda'a, kunis yeroo kana tti gabaan ol ka'aa jiraachuu agarsiisa. Kandala bullish yeroo hunda akka kandala adii agarsiifama.

Piroojektii daldalaa hedduun kandala bullish agarsiisuuf halluu adii fayyadamu. Garuu halluun hin barbaachisu, halluu kamiyyuu fayyadamuu dandeessa.

Murtoo ol'aanaa fi xumura gatii irratti xiyyeeffachuun barbaachisaa dha.

-Yoo cufaan bitaa ta'e, candlestick'n bitaa ta'uu isaa ni ibsa, kunis suuraan gurgurtaa yeroo kana keessatti gadi bu'aa ta'uu isaa agarsiisa.

Candlestick bitaa ta'an yeroo hunda candlestick gurraacha ta'anii mul'atu. Garuu kun seera miti.

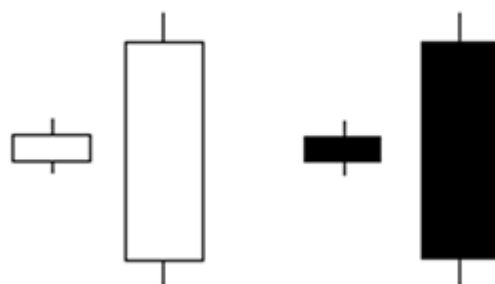
You can find different colors used to differentiate between bullish and bearish candlesticks.

- The filled part of the candlestick is called the real body.
- The thin lines poking above and below the body are called shadows.
- The top of the upper shadow is the high
- The bottom of the lower shadow is the low.

### Candlestick body sizes:

Candlesticks have different body sizes:

### Long vs. Short



Long bodies refer to strong buying or selling pressure, if there is a candlestick in which the close is above the open with a long body, this indicates that buyers are stronger and they are taking control of the market during this period of time.

Conversely, if there is a bearish candlestick in which the open is above the close with a long body, this means that the selling pressure controls the market during this chosen time frame.

- Short and small bodies indicate a little buying or selling activity.

## KITAABA TRADING CANDLESTICK

Candlestick gurguddaa fi bitaa adda baasuuf akkaataa garaagaraa argachuu dandeessu.

-Qabiyyeen guutame kan candlestick jedhamee waamamu.

-Xiyyoo dhiphoo qaama irra ol fi gadi jala jiran kan jedhamee waamamu.

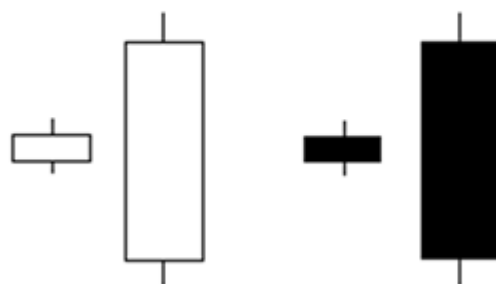
-Gubbaa xiyyoo ol'aanaa kan ta'e ol'aantummaa

-Jala xiyyoo gadi kan ta'e gadi bu'aa.

### Guddina qaama candlestick:

Candlestick-nni guddina qaama adda addaa qaba:

### Long vs. Short



Qaamni dheeraa dhiibbaa bituu ykn gurgurtaa cimaa agarsiisa, yoo candlestick to kko kan xumurri isaa ol ka'aa jiru qaama dheeraa qabaate, kunis bittoonni cimaa n akka jiran agarsiisa, yeroo kanattiis suuqii to'achuuf carraaqqii gochaa jiru.

Garuu, yoo candlestick gurgurtaa cimaa kan xumurri isaa ol ka'aa jiru qaama dheeraa qabaate, kunis dhiibbaa gurgurtaa suuqii yeroo filatame kana to'achuuf akka jiru agarsiisa.

-Qaamolee gabaabaa fi xiqqaa gurgurtaa yookiin bituu xiqqaa agarsiisu.

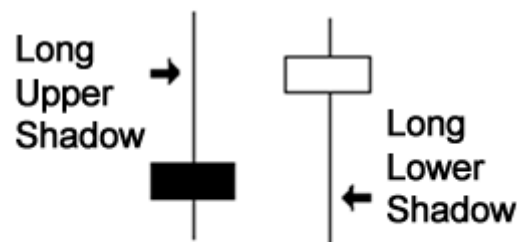
## Candlestick shadows (tails)

The upper and lower shadows give us important information about the trading session.

- Upper shadows signify the session high
- Lower shadows signify the session low

Candlesticks with long shadows show that trading action occurred well past the open and close.

## Long Shadows



Japanese candlesticks with short shadows indicate that most of the trading action was confined near the open and close.

-If a candlestick has a longer upper shadow, and short lower shadow, this means that buyers flexed their muscles and bid price higher.

But for one reason or another, sellers came in and drove price back down to end the session back near its open price.

-If a Japanese candlestick has a long lower shadow and short upper shadow, this means that sellers flashed their washboard abs and forced price lower. But for one reason or another buyer came in and drove prices back up to end the session back near its' open price.

## KITAABA TRADING CANDLESTICK

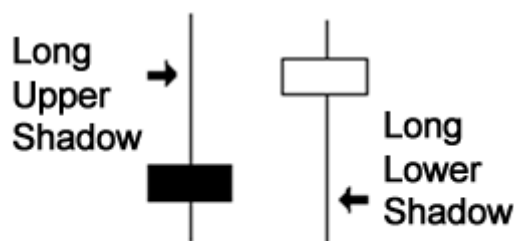
### Hir'ina candlestick (dhiibbaa)

Hir'ina ol'aanaa fi gadi aanaa nuuf odeeffannoo barbaachisaa kennu.

-Harkii ol'aanaa yeroo sesshinii ol'aanaa agarsiisa

-Harkii gadi aanaa yeroo sesshinii gadi aanaa agarsiisa. Kandeelstikii harkii dheer aa qaban, hojiin daldalaa bifa bal'aa ta'een bifa banamaa fi cufamaa darbee akka ta'e agarsiisa.

### Long Shadows



Kandeelstikii Jappaanii harkii gabaabaa qaban, hojiin daldalaa hedduu bifa bana maa fi cufamaa gidduutti daangeffame agarsiisa.

-Yoo kandeelstikii harkii ol'aanaa dheeraa fi harkii gadi aanaa gabaabaa qabaate, kunis gurgurtoonni humna isaanii mul'isan fi gatii ol'aanaa taasisan agarsiisa.

Garuu sababa tokko yookaan kan biraa, gurgurtoonni dhufanii gatii gara gadiitti deebisanii xumura sesshinii gatii banamaa isaa irratti dhaabatan.

-Yoo candlestick Jaappaanii harka gadi fageenya dheeraa fi harka ol fageenya ga baabaa qabaate, kunis gurgurtoonni abs isaanii agarsiisanii gatii gadi buusuu akka taasifatan agarsiisa. Garuu sababa tokko yookaan kan biraa bittoonni dhufanii gatii gara olitti deebisanii xumura sesshinii gatii banamaa isaa irratti dhaabatan.

### Candlestick patterns

Candlestick patterns are one of the most powerful trading concepts, they are simple, easy to identify, and very profitable setups, a research has confirmed that candlestick patterns have a high predictive value and can produce positive results.

I personally trade candlestick pattern for more than 20 years; i can't really switch to another method, because i tried thousands of strategies and trading methods with no results.

I'm not going to introduce you to a holy grail, this trading system works, but be prepared to lose some trades, losing is a part of this game, if you are looking for a 100% wining system, i highly recommend you to stop trading and go look for another business.

Candlestick patterns are the language of the market, imagine you are living in a foreign country, and you don't speak the language.

How could you live if you can't even say a word? It's tough right???The same thing when it comes to trading.

If you know how to read candlestick patterns the right way, you will be able to understand what these patterns tell you about the market dynamics and the trader's behavior.

This skill will help you better enter and exit the market in the right time.

In other words, this will help you act differently in the market and make money following the smart guy's footprints.

The candlestick patterns that i'm going to show you here are the most important patterns that you will find in the market, in this chapter, i'm not going to show you how to trade them, because this will be explained in details in the next chapters.

What i want you to do is to focus on the anatomy of the pattern and the psychology behind its formation, because this will help you get the

## KITAABA TRADING CANDLESTICK

### Maaloo candlestick

Maaloo, fakkeenya candlestick tokkoo tokkoo gurgurtaa humna qabu keessaa isa tokko, salphaa dha, adda baasuuf salphaa dha, fi bu'aa guddaa qabu, qorannoo n mirkaneessee jiraa akka fakkeenya candlestick gatii tilmaamaa ol'aanaa qabu fi bu'aa gaarii fiduu danda'u.

Ani yeroo 20 ol gurgurtaa fakkeenya candlestick godha; karaa biraatti ce'uu hin danda'u, sababiin isaas mala gurgurtaa fi tarsiimoo kuma hedduu yaaleen bu'aa hin arganne.

Ani siif gargaarsa qulqulluu hin dhiheessu, sirni gurgurtaa kun hojjata, garuu gurgurtaa muraasa dhabuuf qophaa'aa, dhabuun tapha kana keessatti hirmaata, yoo sirna 100% mo'achuu barbaadde, gurgurtaa dhaabuu fi hojii biraa barbaaduu siif gorsa.

Fakkeenya candlestick afaan suuqii ti, yaadi, biyya alaa jiraachuu fi afaan sana du bbachuu dadhabuu.

Akka jecha tokko hin jettanitti akkamitti jiraachuu dandeessu? Hamaa dha, eeyyee ???Wanti walfakkaatu yeroo daldalaa dhufutti.

Yoo akkamitti mallattoo candlestick sirriitti dubbisuu dandeessu ta'e, mallattoon kun maaliif akka ta'e fi akkamitti daldalaan akka hojjatu siif ibsa.

Ogummaa kanaan yeroo sirrii keessatti gabaa seenuu fi bahuu dandeessu.

Jecha birootiin, kun siif gargaara akka gabaa keessatti garaagarummaa gochuu fi maallaqa argachuu dandeessu, akkasumas namni ogummaa qabu hordofuu.

Maaloo asitti siif agarsiisuuf deemu kanneen candlestick fakkiwwan gurguddoo ta'an, suuqii keessatti argamu, kutaa kana keessatti, akkamitti isaan daldalu akka ta'e siif hin agarsiisu, sababni isaas kutaa itti aanutti bal'inaan ibsama.

Waan ani siif barbaadu, fakkiwwan kanaan walqabatee qaama isaa fi yaada isaa irratti xiyyeeffachuu dha, sababni isaas kun siif gargaara

skill of identifying easily any pattern you find in the market and understand what it tells you to do next.

If you can get this skill, you will be ready to understand and master the trading strategies and tactics that i'm going to teach you in the next chapters.

## KITAABA TRADING CANDLESTICK

dandeettii suuqii keessatti argamu kamiyyuu salphatti beekuu fi maal gochuu akka a siif agarsiisu hubachuu.

Yoo dandeessan ogummaa kana argachuu, tajaajiloota fi malaawwan daldalaa kaan ani kutaa itti aanutti isin barsiisuu barbaadu hubachuuf qophoofne.

### The engulfing bar candlestick pattern

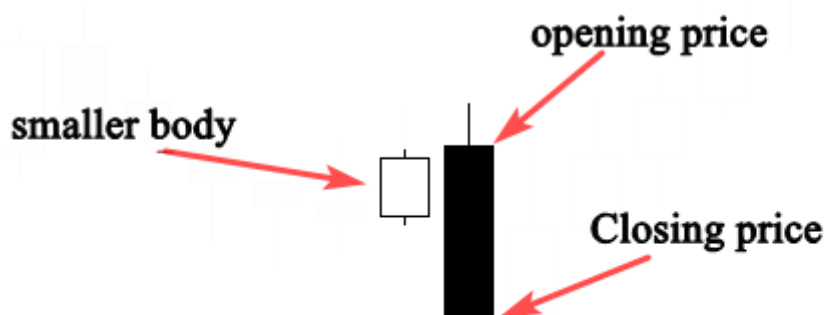
The Engulfing bar as it states in its title is formed when it fully engulfs the previous candle. The engulfing bar can engulf more than one previous candle, but to be considered an engulfing bar, at least one candle must be fully consumed.

**The bearish engulfing** is one of the most important candlestick patterns.

This candlestick pattern consists of two bodies:

The first body is smaller than the second one, in other words, the second body engulfs the previous one. See the illustration below:

### bearish engulfing bar



This is how a bearish engulfing bar pattern looks like on your charts, this candlestick pattern gives us valuable information about bulls and bears in the market.

## KITAABA TRADING CANDLESTICK

### Maaloo bar candlestick kan guutuu

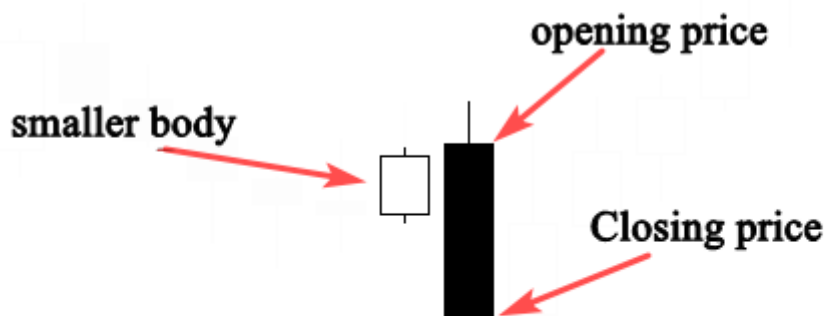
Maaloo bar guutuu akka maqaa isaa ibsu, kan duraan ture guutuu ta'ee uumama . Maaloo bar guutuu maaliin guutuu ta'uu danda'a, garuu maaloo bar guutuu ta'uu kan ilaalamu, maaliin tokko guutuu ta'uu qaba.

Maaloo guutuu dadhabaa tokkoo keessaa isa ijoo ta'ee dha.

Kuni mallattoo candlestick lama of keessaa qaba:

Keenya jalqabaa kan caalu caalu dha, jecha biroo, qaamni lammaffaa kan duraan ture of keessaa qaba. Fakkii armaan gadi ilaali:

### bearish engulfing bar



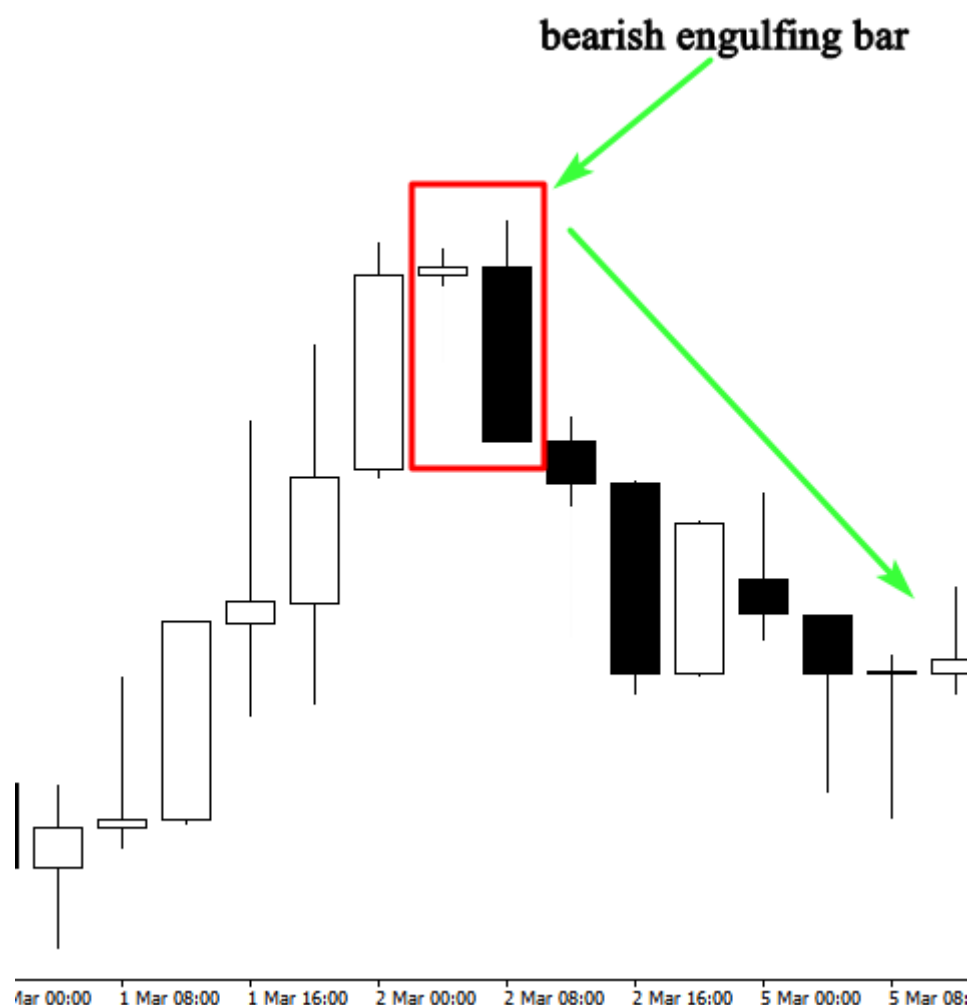
Kuni akkamitti mallattoo bar bearish engulfing irratti chart keessan irratti mul'atu , mallattoo candlestick kun odeeffannoo barbaachisaa nuuf kenna bulls fi bears irratti suuqii keessatti.

## THE CANDLESTICK TRADING BIBLE

In case of a bearish engulfing bar, this pattern tells us that sellers are in control of the market.

When this pattern occurs at the end of an uptrend, this indicates that buyers are engulfed by sellers which signals a trend reversal.

See the example below:



As you can see when this price action pattern occurs in an uptrend, we can anticipate a trend reversal because buyers are not still in control of the market, and sellers are trying to push the market to go down.

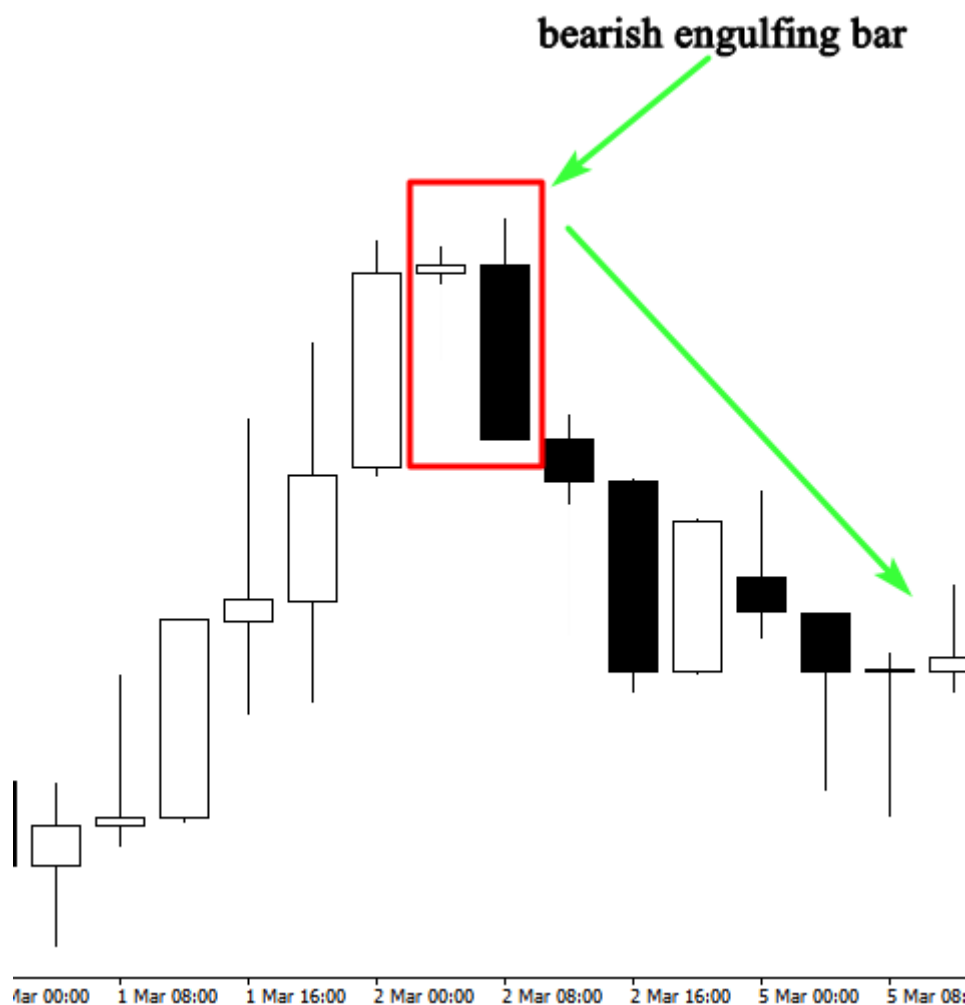
You can't trade any bearish candlestick pattern you find on your chart; you will need other technical tools to confirm your entries.

## KITAABA TRADING CANDLESTICK

Yeroo barreeffama gurguddaa jalaqabaa mul'atu, mallattoo kun nuuf ibsa gurgurtoonni suuqii to'ataa jiru.

Yeroo mallattoo kun xumura gurguddaa irratti mul'atu, kun gurgurtoonni gurgurtoota biratti hidhatanii jiru kan agarsiisu, kunis jijjiirama daandii agarsiisa.

Fakkeenya armaan gadii ilaali:



Akkuma armaan olitti mul'atu, yeroo mallattoo gatii kun gurguddaa keessatti mul'atu, jijjiirama daandii eegu dandeenya sababni isaas gurgurtoonni suuqii to'ataa hin jiran, gurgurtoonni immoo suuqii gadi buusuuf yaalaa jiru.

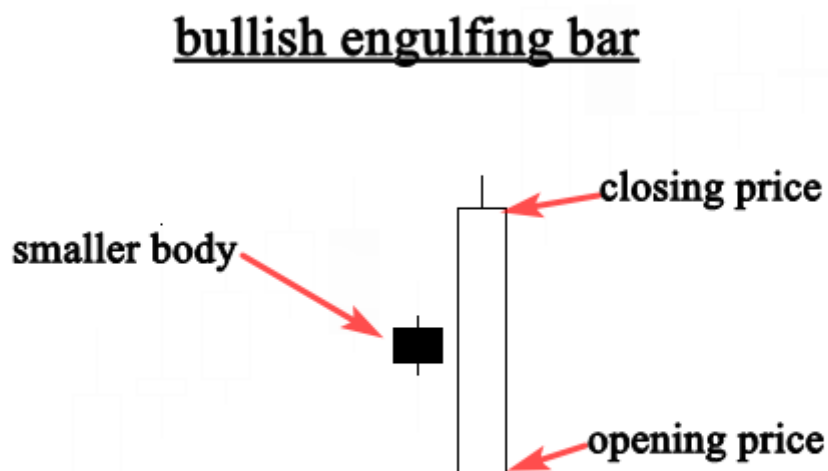
Kanneen chart keessan irratti argitan mallattoo bearish candlestick kamiyyuu daldaluun hin danda'amu; seensa keessan mirkaneessuuf meeshaalee tekinikaa biroo barbaachisa.

We will talk about this in details in the next chapters. Right now, i just want you to open your charts and try to identify all bearish candlestick patterns that you find.

### **The bullish engulfing bar pattern**

**The bullish engulfing bar** consists of two candlesticks, the first one is the small body, and the second is the engulfing candle,

see the illustration:



The bullish engulfing bar pattern tells us that the market is no longer under control of sellers, and buyers will take control of the market.

When a bullish engulfing candle forms in the context of an uptrend, it indicates a continuation signal.

When a bullish engulfing candle forms at the end of a downtrend, the reversal is much more powerful as it represents a capitulation bottom.

See the example below:

## KITAABA TRADING CANDLESTICK

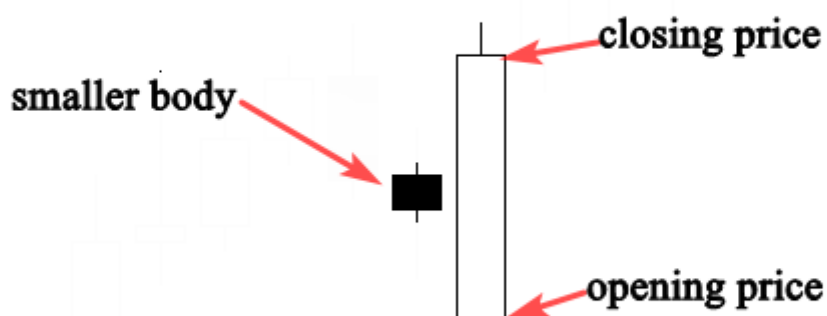
Kuni kutaa itti aanutti bal'inaan ni dubbanna. Amma, chart keessan banaa fi mallattoo bearish candlestick hundaa argitan adda baasuuf yaalaa.

### **Mallattoo bullish engulfing bar**

Baarri gurguddaa gurguddaa kan of keessaa qabu lamaan, isa jalqabaa qaama xiqqaa, isa lammataa immoo ibidda gurguddaa dha,

fakkii ilaali:

### bullish engulfing bar

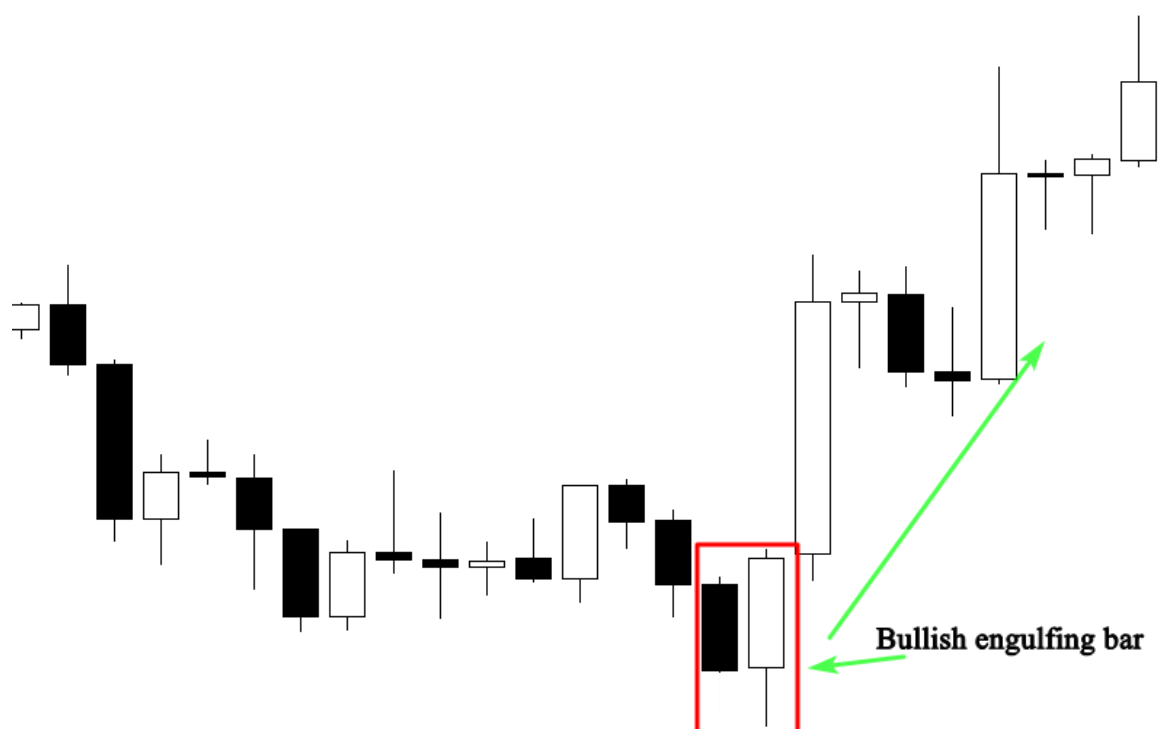


Baarri gurguddaa gurguddaa nuuf ibsa suuqni amma daldaltoota harka hin jiru, f i gurguddoon suuqni to'achuuf deema.

Yeroo ibidda gurguddaa gurguddaa uumamu haala ol-ka'aa keessatti, mallattoo i tti fufaa agarsiisa.

Yeroo ibsaa gurguddaa jala bu'aa gurguddaa uumamu, jijjiirama cimaa ta'ee mul'ata, sababiin isaas bu'aa dhumaa agarsiisa.

Fakkeenya armaan gadii ilaali:



The example above shows us clearly how the market changes direction after the formation of a bullish engulfing bar pattern.

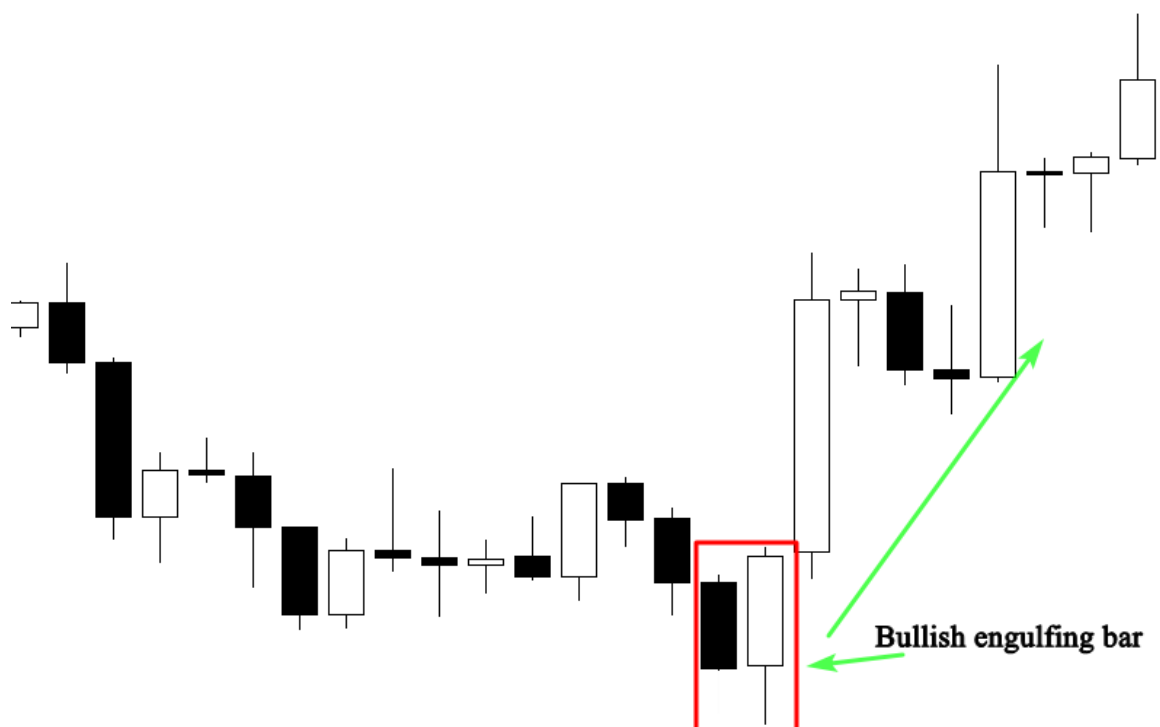
The smaller body that represents the selling power was covered by the second body that represents the buying power.

The color of the bodies is not important. What's important is that the smaller one is totally engulfed by the second candlestick.

Don't try to trade the market using this price action setup alone, because you will need other factors of confluence to decide whether the pattern is worth trading or not, i will talk about this in the next chapters.

What i want you to do now is to get the skill of identifying bearish and bullish engulfing bar on your charts. This is the most important step for the moment.

## KITAABA TRADING CANDLESTICK



Fakkeenyi olitti argisiisuu keenya akkamitti gabaan kallattii jijjiiruu akka danda'u ifa godha erga ibsaa gurguddaa uumamee booda.

Qaamni xiqqaan humna gurgurtaa agarsiisu qaama lammaffaa kan gurgurtaa agarsiisuun dhokfame.

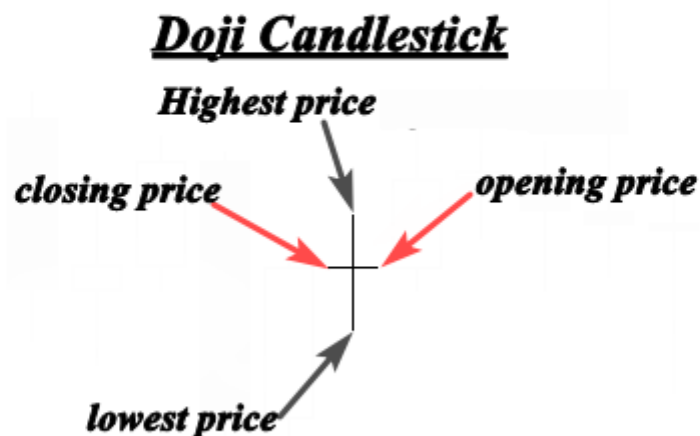
Fooniwwan halluu isaanii hin barbaachisu. Kan barbaachisu, kan xiqqaan kan lam maffaa candlestick'n guutamee jira.

Gatii hojii kana qofaatti suuqii irratti daldaluuf yaaluun hin barbaachisu, sababni i saas, mallattoo daldaluuf gatii qabuu murteessuuf wantoota biroo walitti dhufeen ya qaban barbaachisa, kunis kutaa itti aanutti ni dubbadha.

Amma wanta si barbaachisu, barnoota barreeffama gurguddaa fi xiqqaa irratti ar gachuu dha. Kunis yeroo ammaa kana tarkaanfii barbaachisaa ta'ee dha.

### The Doji Candlestick pattern

Doji is one of the most important Japanese candlestick patterns, when this candlestick forms, it tells us that the market opens and closes at the same price which means that there is equality and indecision between buyers and sellers, there is no one in control of the market. See the example below:



As you can see the opening price is the same as the closing price, this signal means that the market didn't decide which direction will take. When this pattern occurs in an uptrend or a downtrend, it indicates that the market is likely to reverse.

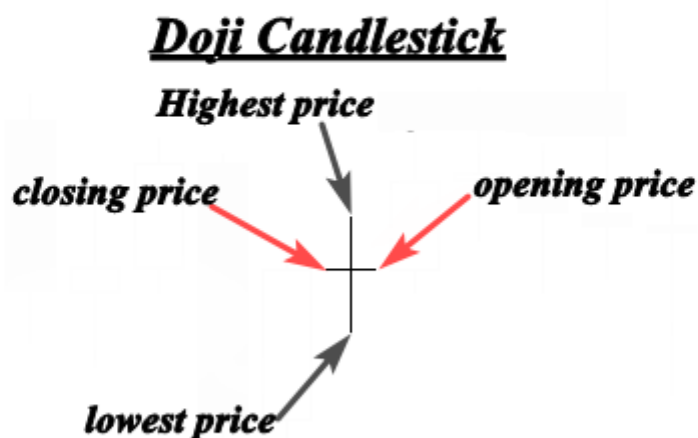
See another example below to learn more:

## KITAABA TRADING CANDLESTICK

### Maaloo Doji Candlestick

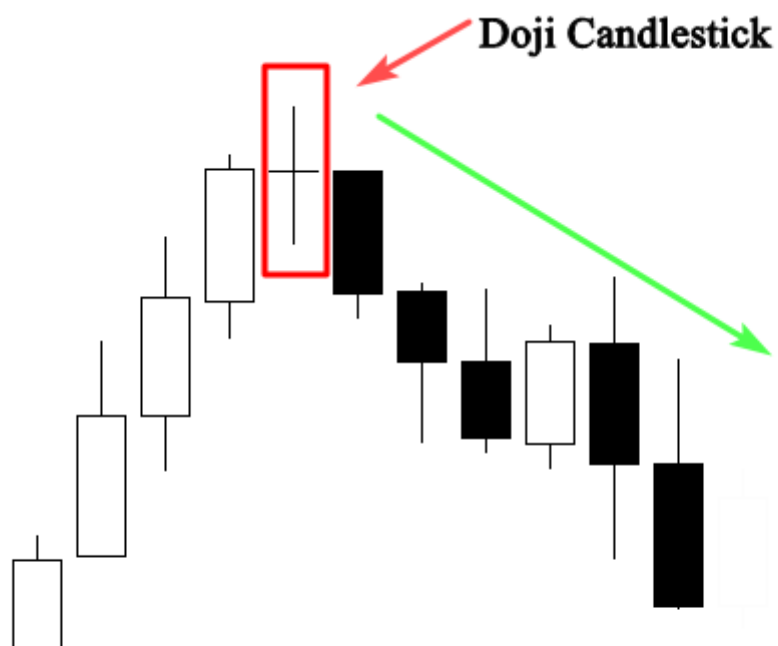
Doji tokkoo keessaa isa tokkoo kanneen gurguddoo Jappaan keessatti, yeroo kan atti dojiin kun uumamu, gurgurtaan fi gurgurtoonni walqixa ta'uu isaanii agarsiisa, kunis gurgurtaan fi gurgurtoonni gidduutti walqixxummaa fi murteessuu dhabuun mul'ata, gurgurtaan gurgurtoota irratti to'annaa hin qabu.

Fakkeenya armaan gadii ilaali:



Akkuma argaa jirtu, gatii banamaa gatii xumuramaa waliin walqixa dha, mallattoo kunis gurgurtaan hanga akkamitti deemu murteessuu hin dandeenye agarsiisa. Yeroo kanatti fakkeenya kun mul'atu, gurgurtaan olka'aa ykn gadi bu'aa ta'uu agarsiisa, kunis gurgurtaan deebi'uu danda'a.

Fakkeenya biraa armaan gadi ilaaluudhaan barachuu dandeessu:



The chart above shows how the market changed direction after the formation of the Doji candlestick.

The market was trending up, that means that buyers were in control of the market.

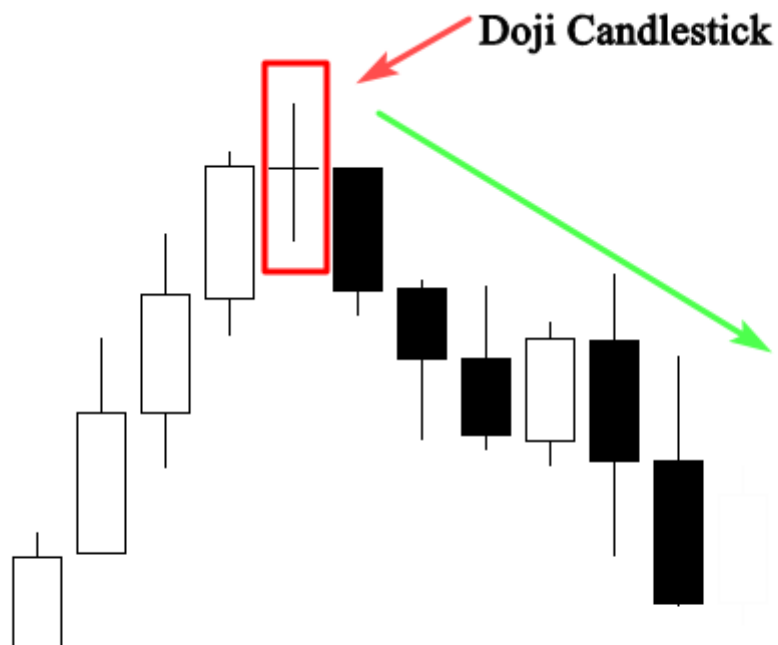
The formation of the Doji candlestick indicates that buyers are unable to keep price higher, and sellers push prices back to the opening price.

This is a clear indication that a trend reversal is likely to happen.

Remember always that a Doji indicates equality and indecision in the market, you will often find it during periods of resting after big moves higher or lower.

When it is found at the bottom or at the top of a trend, it is considered as a sign that a prior trend is losing its strengths.

## KITAABA TRADING CANDLESTICK



Kaartaan olitti argamu akkamitti suuqni kallattii jijjiirame agarsiisa erga Doji candlestick uumameen booda.

Suuqni ol ka'aa ture, kunis gurgurtoonni suuqni irratti to'annaa qaban jechuu dh

Uumamni Doji candlestick gurgurtoonni gatii ol ka'uu hin dandeenye agarsiisa, fi gurgurtoonni gatii gara gatii jalqabaa deebi'aa jiru.

Kun agarsiisa ifaa dha kan jijjiirama daandii dhufuu malu.

Yeroo hundumaa yaadadhu Doji'n walqixxummaa fi murteessuu dhabuun gabaa keessatti agarsiisa, yeroo baay'ee sochii guddaa ol ka'uu ykn gadi bu'uu booda boqonnaa keessa argamu.

Yeroo daandii gadii ykn olitti argame, mallattoo daandii duraanii humna isaa dhabuun agarsiisa jedhamee ilaalama.

So if you are already riding that trend it's time to take profits, it can also be used as an entry signal if it is combined with other technical analysis

## KITAABA TRADING CANDLESTICK

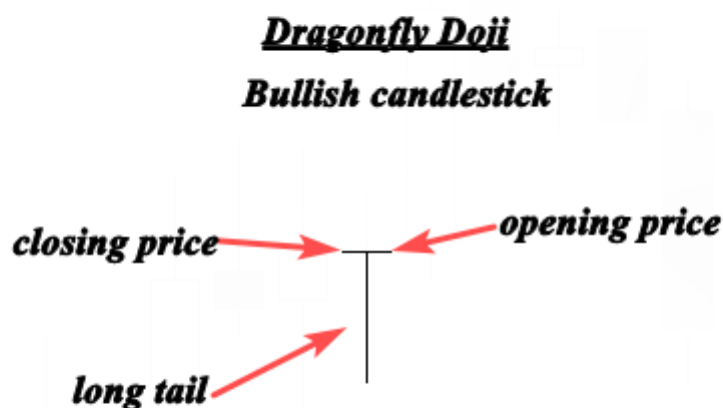
Kanaaf, yoo daandii sanatti bobba'aa jirtu, bu'aa argachuuf yeroo dha, akkasumas , yoo waldorgommii qorannoo teknika biroo waliin walitti makame mallattoo seen uu ta'uu danda'a.

### The Dragonfly Doji pattern

The Dragonfly Doji is a bullish candlestick pattern which is formed when the open high and close are the same or about the same price.

What characterizes the dragonfly Doji is the long lower tail that shows the resistance of buyers and their attempt to push the market up.

See the example below:



The illustration above shows us a perfect dragonfly Doji. The long lower tail suggests that the forces of supply and demand are nearing a balance and that the direction of the trend may be nearing a major turning point.

See the example below that indicates a bullish reversal signal created by a dragonfly Doji.

## KITAABA TRADING CANDLESTICK

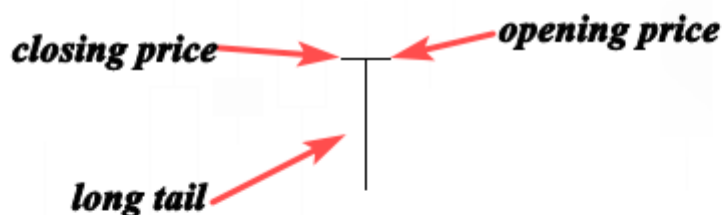
### Maaloo Dhiigaa Doji

Maaloo Dhiigaa Doji mallattoo gurguddaa ta'eedha kan yeroo banuu, ol'aantum maa fi xumura walfakkaatu ykn walfakkaatuu ta'ee uumamu.

Maaloo Dhiigaa Doji kan addaan baasu harka gadi fageenya dheeraa kan agarsiisu u, kan daldaltootaaf mormii fi yaalii isaanii gabaa ol kaasuuf taasisan agarsiisa.

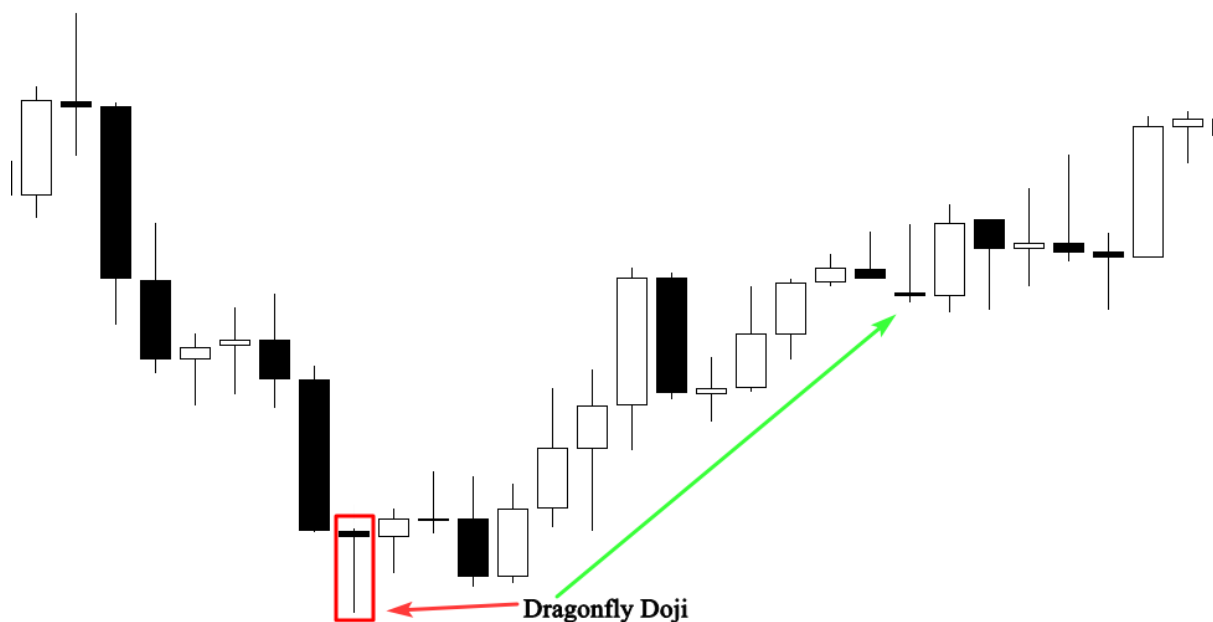
Fakkeenya armaan gadii ilaali:

#### ***Dragonfly Doji*** ***Bullish candlestick***



Fakkii olitti argamu Doji dhagaa gaarii agarsiisa. Gubbaa jala dheeratu agarsiisu un humnoota gurgurtaa fi fedhii walitti dhufeenya jiru agarsiisa, akkasumas kalla ttiin jijjiiramaa bu'aa guddaa ta'uu danda'a.

Fakkeenya armaan gadii ilaali kan agarsiisu mallattoo jijjiiramaa gurguddaa kan Doji dhagaa uumame.



In the chart above, the market was testing the previous support level that caused a strong rejection from this area.

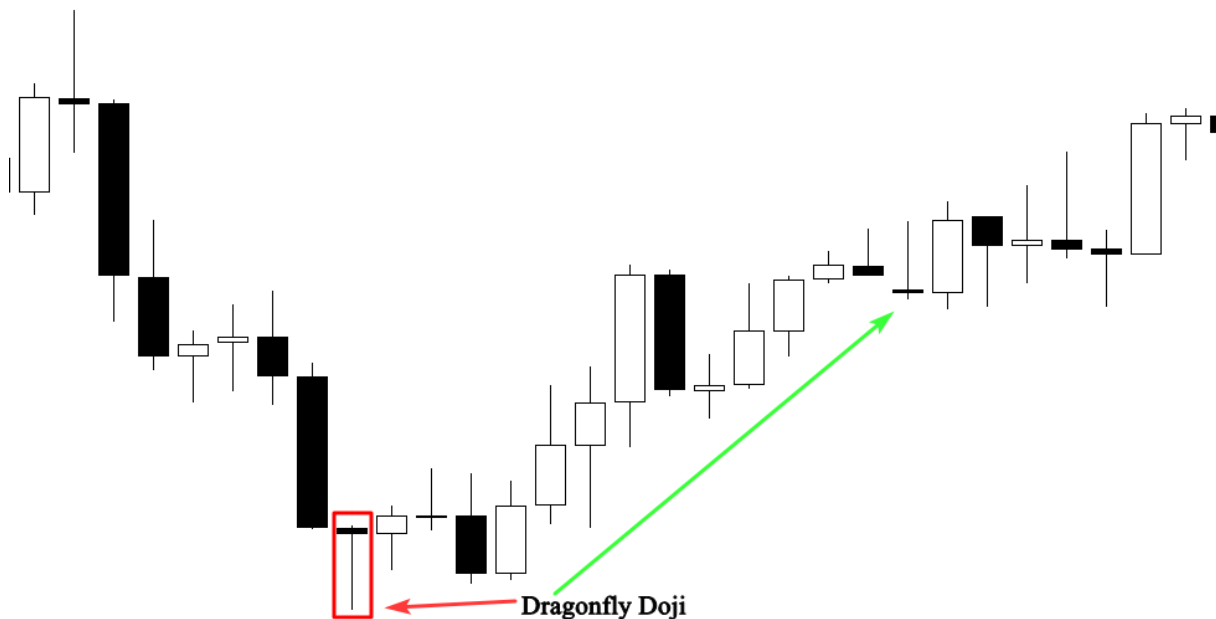
The formation of the dragonfly Doji with the long lower tail shows us that there is a high buying pressure in the area.

If you can identify this candlestick pattern on your chart, it will help you visually see when support and demand are located.

When it occurs in a downtrend, it is interpreted as a bullish reversal signal.

But as i always say, you can't trade candlestick pattern alone, you will need other indicators and tools to determine high probability dragonfly Doji signals in the market.

## KITAABA TRADING CANDLESTICK



Kaarraa olitti, gabaan sadarkaa deeggarsa duraanii qorachaa ture kan naannoo k ana irraa jala deebi'ee cimaa ta'e.

Uumamni doji dhagaa'aa gubbaa jala dheeratu nu agarsiisa akka naannoo keessatti daldala ol'aanaa jiru.

Yoo sirna doji kana kaardii kee irratti adda baafachuu dandeessu, kun si gargaara yeroo deeggarsa fi talbii argamu mul'isuuf.

Yeroo kun gadii bu'aa keessatti mul'atu, akka mallattoo jijjiirama daldalaa ol'aanaa ta'ee ilaalama.

Garuu akkasumas ani yeroo hunda jedhu, sirna doji qofa irratti daldaluun hin dan da'amu, mallattoolee fi meeshaalee biroo daldala doji dhagaa'aa ol'aanaa argach uuf barbaachisaa ta'uu qabda.

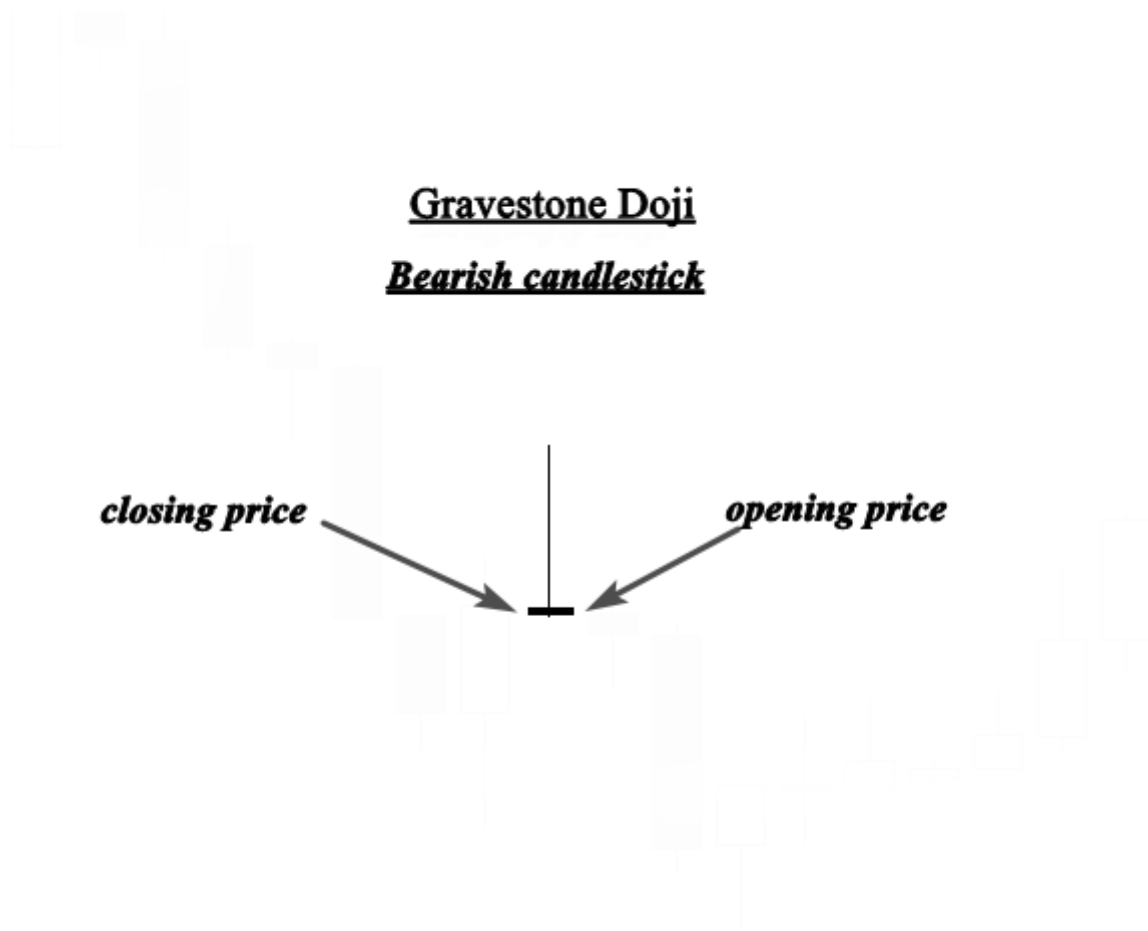
## The Gravestone Doji

The Gravestone Doji is the bearish version of the dragonfly Doji, it is formed when the open and close are the same or about the same price.

What differentiates the Gravestone Doji from the dragonfly Doji is the long upper tail.

The formation of the long upper tail is an indication that the market is testing a powerful supply or resistance area.

See the example below:



## KITAABA TRADING CANDLESTICK

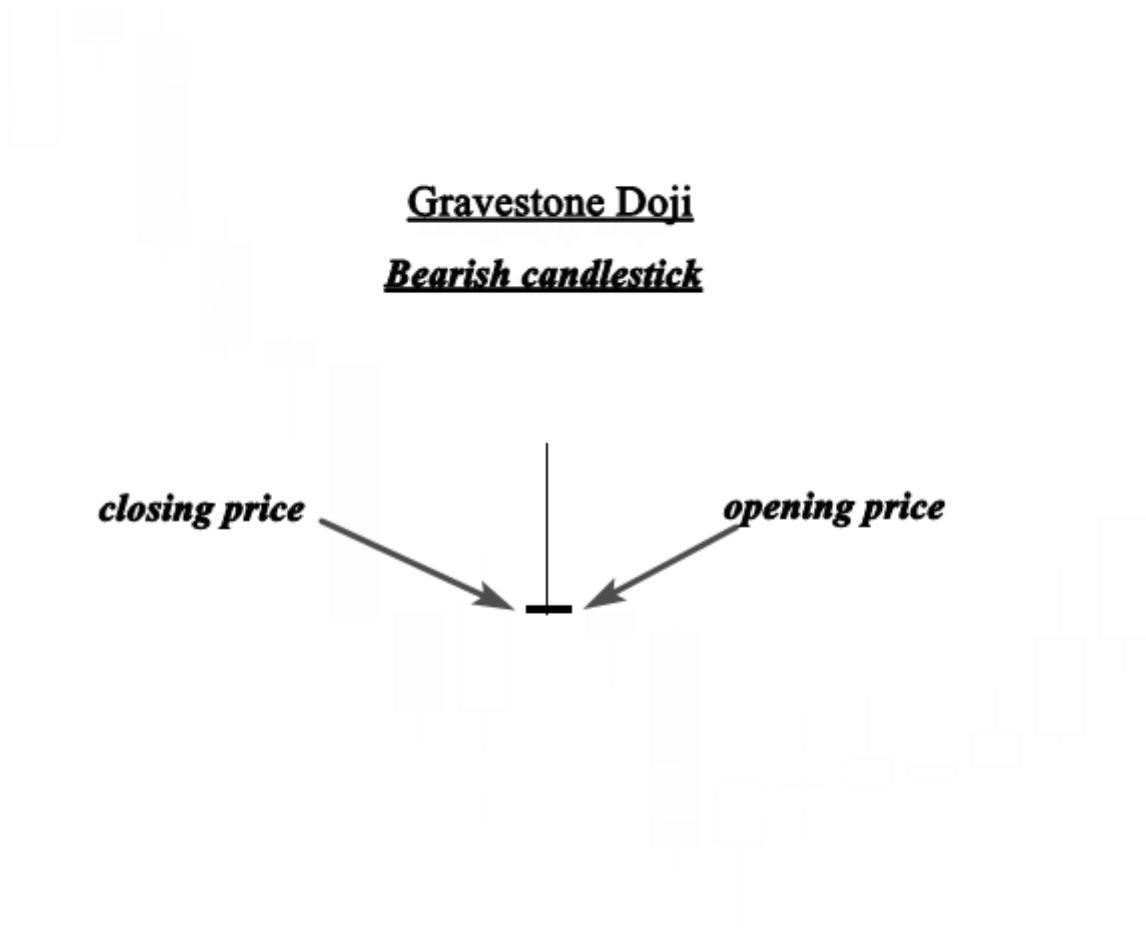
### Gravestone Doji

Gravestone Doji'n gosa hamaa dragonfly Doji'ti, banuu fi xumura waraqaa tokko ykn waraqaa wal-fakkaatuu ta'ee uumama.

Gravestone Doji'n dragonfly Doji'tti adda baasu kan ta'e harka ol'aanaa dheeraa dha.

Harka ol'aanaa dheeraa uumamuun, gabaan meeshaa humna qabeessa ykn iddo o dhoorkaa qorachuuf jiraachuu agarsiisa.

Fakkeenya armaan gadii ilaali:

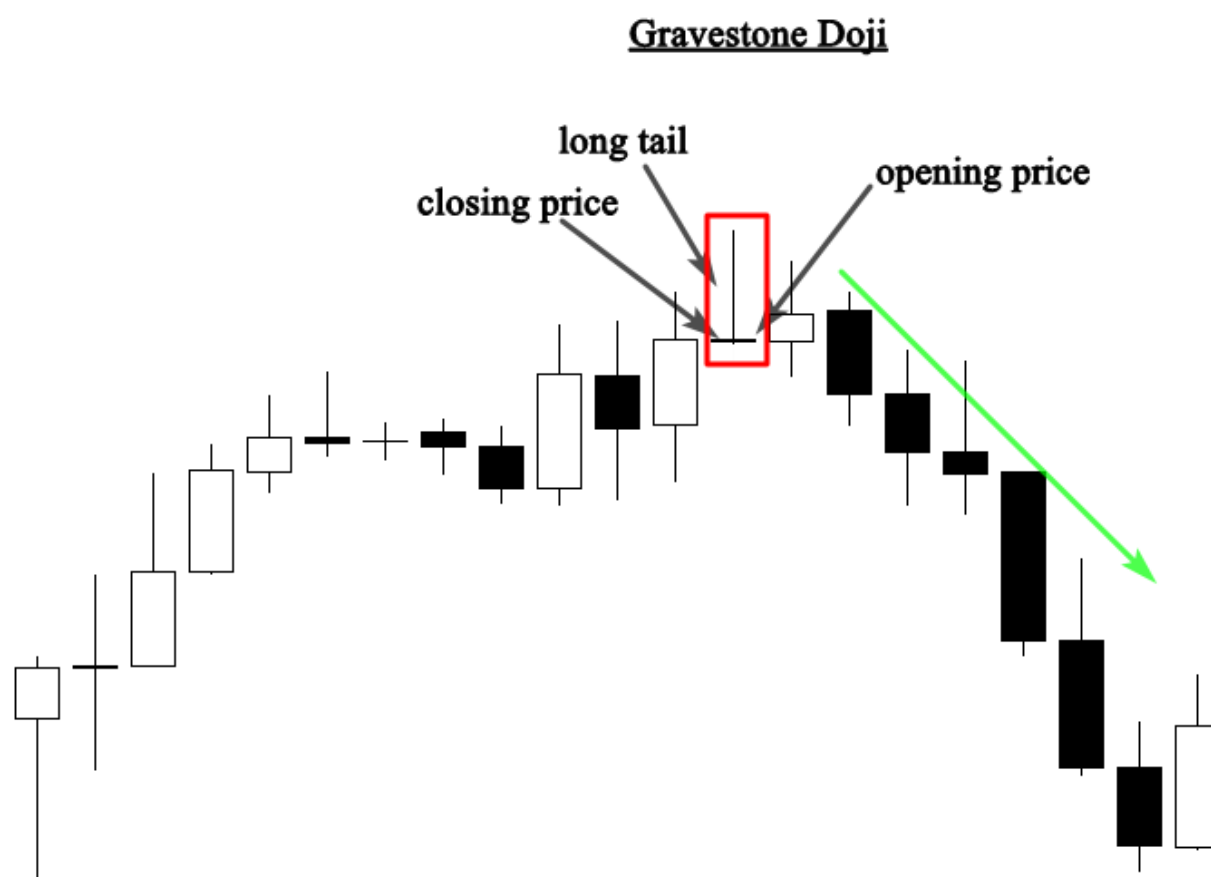


The image above illustrates a perfect gravestone Doji. This pattern indicates that while buyers were able to push prices well above the open.

Later in the day sellers overwhelmed the market pushing the price back down.

This is interpreted as a sign that bulls are losing their momentum and the market is ready for a reversal.

See another illustration below:



The chart above shows a gravestone Doji at the top of an uptrend, after a period of strong bullish activity.

The formation of this candlestick pattern indicates that buyers are no longer in control of the market. For this pattern to be reliable, it must occur near a resistance level.

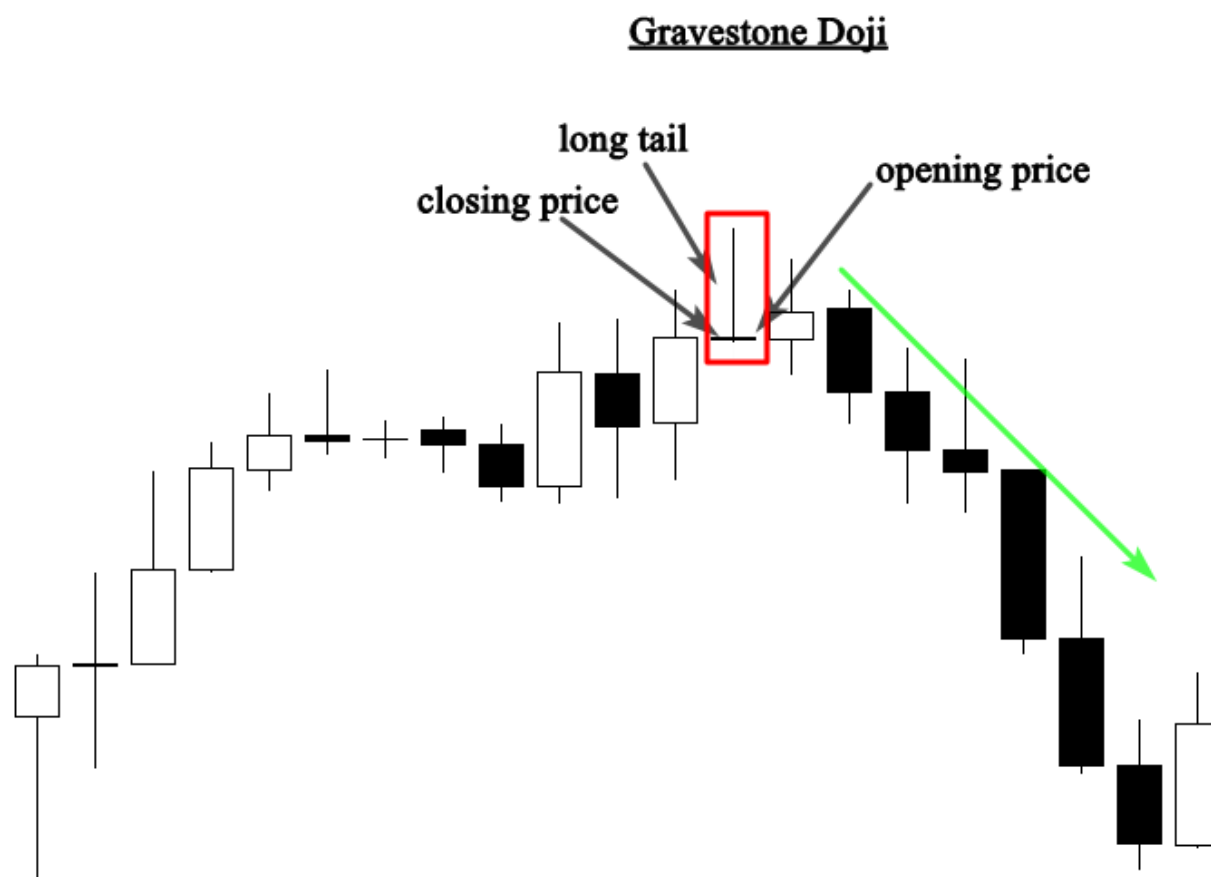
## KITAABA TRADING CANDLESTICK

Suuraan olitti argamu Doji kabaa sirrii agarsiisa. Mallattoo kun agarsiisa kan ta'e yeroo bittoonni gatii banuu ol kaasuuf dandeettii qaban.

Haaluma kanaan guyyaa booda gurgurtoonni suuqii caccabsuuf gatii gara gadiitti deebisani.

Kun mallattoo bullonni humna isaanii dhabuun agarsiisa fi suuqiin jijjiiramaaf qo phaa'aa jiraachuu agarsiisa.

Ilaali fakkii biroo gadi:



Chaarri olitti argamu Doji dhagaa'aa cimaa ta'ee olka'aa jiru, yeroo hojii daldalaa cimaa ta'ee booda.

Uumamni fakkii kanaa agarsiisa gurgurtoonni amma daldala irratti to'annaa hin qaban. Fakkii kana amanamaa taasisuuf, bakka daangaa irratti argamuu qaba.

## THE CANDLESTICK TRADING BIBLE

As a trader, you will need additional information about the placement and context of the gravestone Doji to interpret the signal effectively. This is what i will teach you in the next chapters.

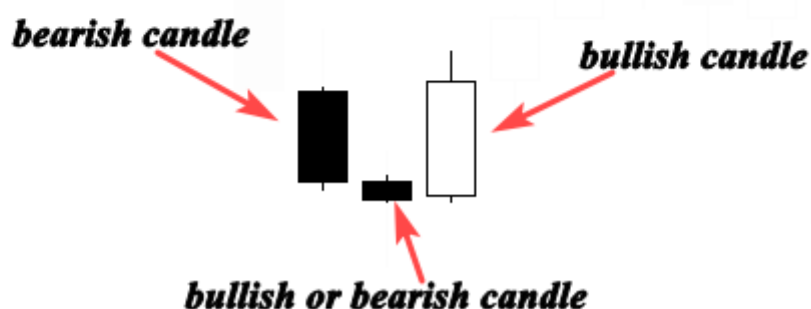
## KITAABA TRADING CANDLESTICK

Akkuma daldalaa, odeeffannoo dabalataa gubbaa fi haala dhagaa Doji bakka bu'aa sirriitti hiikuuf barbaachisa.

Kunis kitaabota itti aanan keessatti si barsiisuuf qophiidha.

## The morning star

### morning star



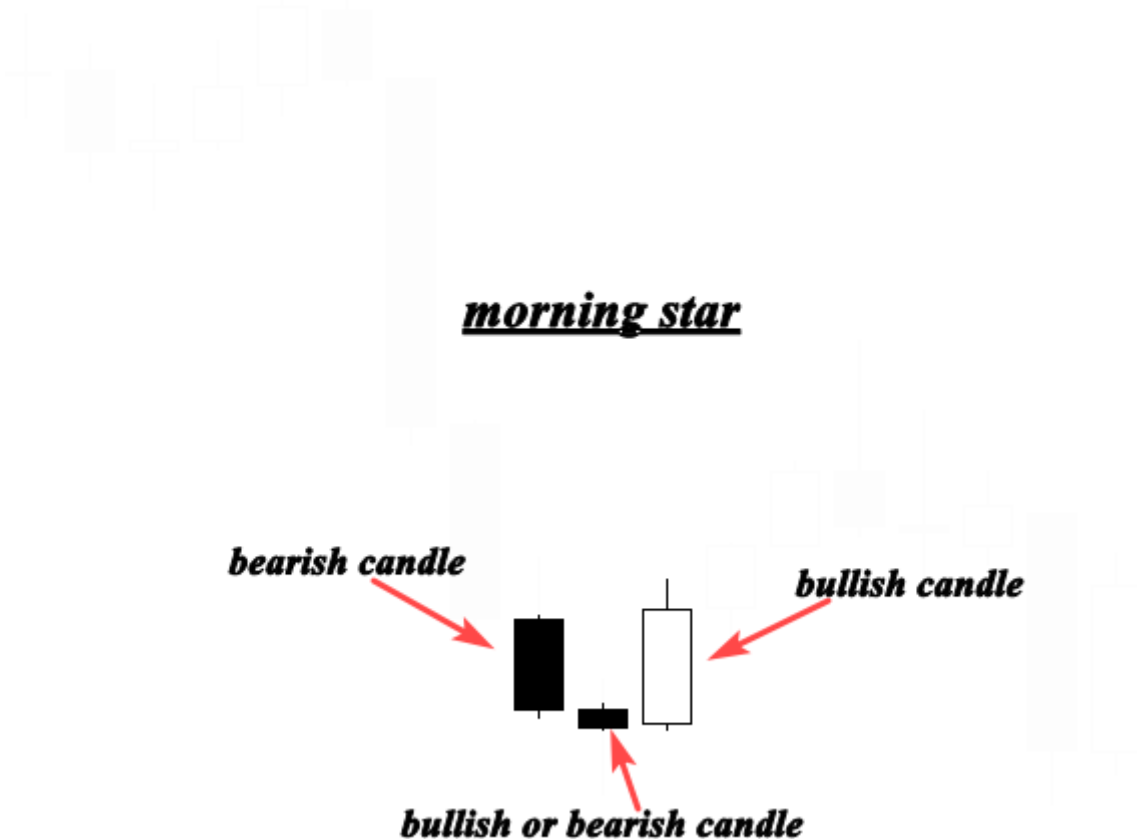
The morning star pattern is considered as a bullish reversal pattern, it often occurs at the bottom of a downtrend and it consists of three candlesticks:

- The first candlestick is bearish which indicates that sellers are still in charge of the market.
- The second candle is a small one which represents that sellers are in control, but they don't push the market much lower and this candle can be bullish or bearish.
- The third candle is a bullish candlestick that gapped up on the open and closed above the midpoint of the body of the first day, this candlestick holds a significant trend reversal signal.

The morning star pattern shows us how buyers took control of the market from sellers, when this pattern occurs at the bottom of

## KITAABA TRADING CANDLESTICK

### Bakkalcha ganamaa



Maaloo bakkalcha ganamaa akka mallattoo jijjiiramaa ol'aanaa ilaalama, yeroo baay'ee gadi bu'aa gubbaa dhufaa fi sadiin candlestick irraa ijaarama:

-Candle jalqabaa dadhabaa dha kan agarsiisu gurgurtoonni amma ijaarsa gabaa irratti argamu.

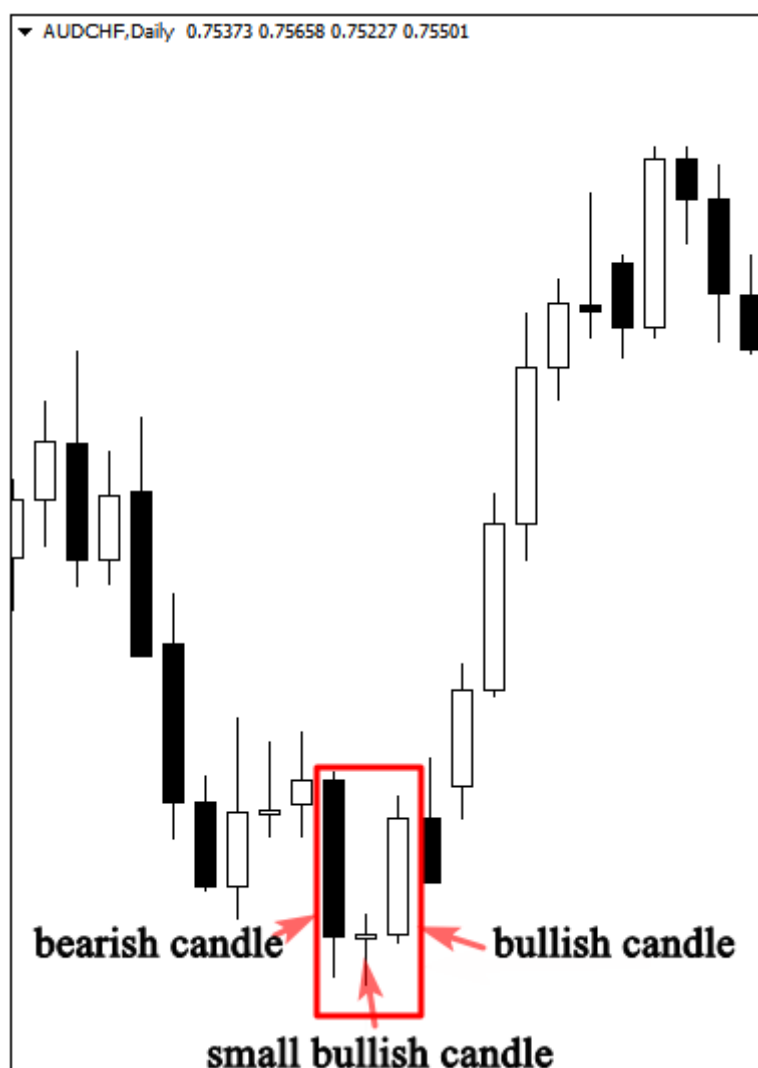
-Candle lammaffaa xiqqaa dha kan agarsiisu gurgurtoonni to'ataa jiru, garuu gabaa gadi buusuuf hin dandeenye, candle kana immoo dadhabaa yookiin jajjabaa ta'uu danda'a.

-Candle sadaffaa jajjabaa dha kan banuu irratti gadii bu'ee fi giddugala guyyaa jalqabaa ol cufame, candle kana mallattoo jijjiirama kallattii cimaa qaba.

Maaloo bakkichatti argamuun, mallattoo bakkichaa kan agarsiisu, akkamitti bittonni gurgurtoota irraa to'annaa suuqii fudhatan.

downtrend near a support level, it is interpreted as a powerful trend reversal signal.

See the illustration below:



The chart above helps us identify the morning star pattern and how it is significant when it is formed at the bottom of a downtrend.

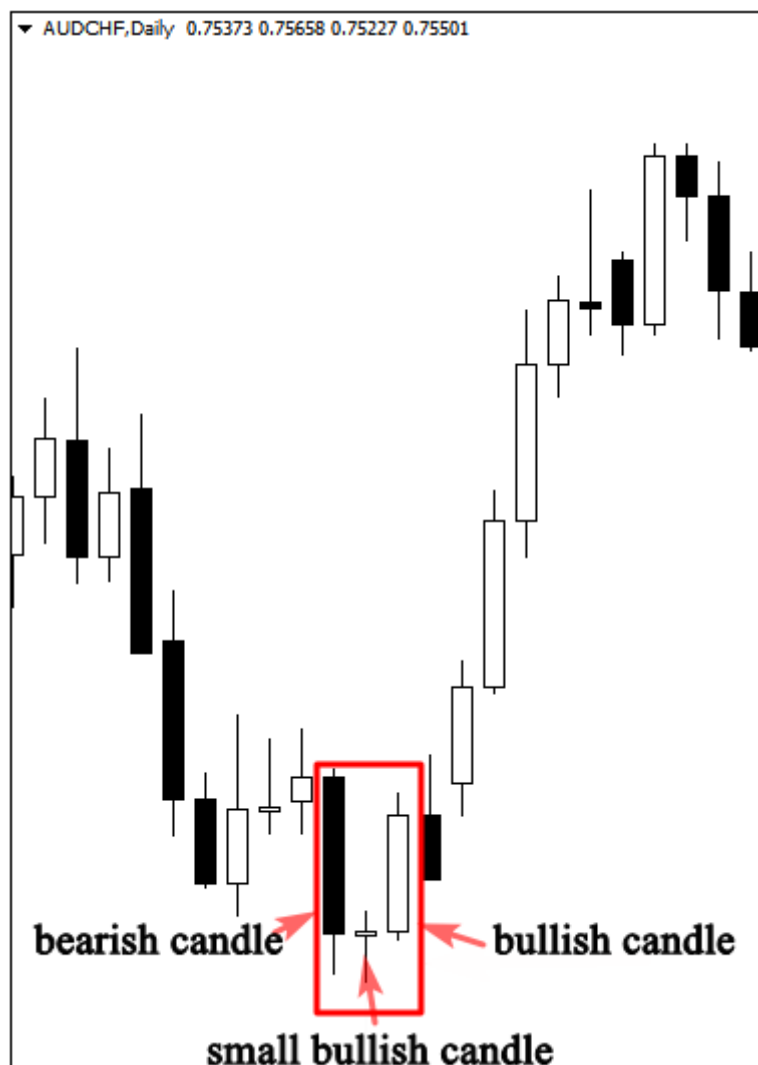
As you can see the pattern occurred at an obvious bearish trend.

The first candle confirmed the seller's domination, and the second one produces indecision in the market, the second candle could be a Doji, or any other candle.

## KITAABA TRADING CANDLESTICK

Yeroo mallattoo kun bu'aa gurguddaa irratti argamu, akka mallattoo jijjiirama jajj aboo ta'etti ilaalama.

Fakkii armaan gadii ilaali:



Kaartaan olitti argamu nu gargaara mallattoo bakkalcha ganamaa adda baasuuf akka sumas yeroo gadi bu'aa gurguddaa keessatti uumamu maaliif akka barbaachisaa ta'e.

Akkuma argaa jirru, mallattoo badiisa ifaa ta'een uumame.

Ijaarsa jalqabaa abbaa gurgurtaa mirkaneessa, ijaarsa lammaffaa immoo murtee ssummaa gabaa keessatti uuma, ijaarsa lammaffaa Doji ta'uu danda'a, yookaan ij aarsa biroo kamiyyuu.

But here, the Doji candle indicated that sellers are struggling to push the market lower. The third bullish candle indicates that buyers took control from sellers, and the market is likely to reverse.

This is how professional traders analyze the market based on candlestick patterns, and this is how you will analyze financial markets if you can master the anatomy of candlestick patterns and the psychology behind their formations.

## KITAABA TRADING CANDLESTICK

Garuu asitti, Shugguxiin Doji gurgurtoonni gabaa gadi dhiibuuf rakkachaa akka jiran agarsiise. Shugguxiin bullish inni sadaffaan akka agarsiisutti bitattoonni gurgurtoota irraa to'annoo jala akka galan, gabaan immoo duubatti deebi'uu hin oolu.

Daldaltoonni ogummaa qaban akkaataa shugguxii irratti hundaa'uun gabaa xiinxalu, akkasumas akkaataa anatomii paateenoota shugguxii fi saayikoloojii uuma muu isaanii duuba jiru yoo dandeesse gabaa faayinaansii akkaataa itti xiinxaltu.

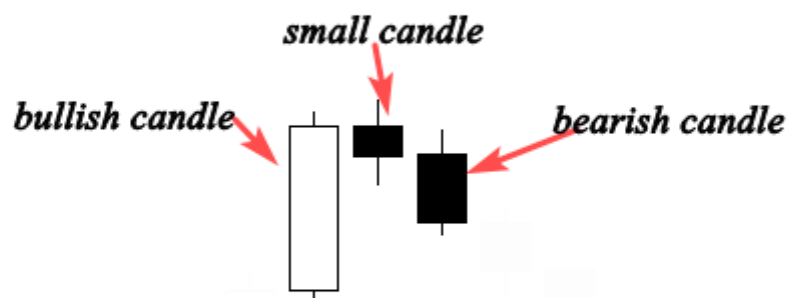
### The evening star pattern

The evening star pattern is considered as a bearish reversal pattern that usually occurs at the top of an uptrend.

The pattern consists of three candlesticks:

- The first candle is a bullish candle
- The second candle is a small candlestick, it can be bullish or bearish or it can be a Doji or any other candlestick.
- The third candle is a large bearish candle. In general, the evening star pattern is the bearish version of the morning star pattern. See the example below:

#### The evening star candlestick pattern



## KITAABA TRADING CANDLESTICK

### Fakkeenya urjii galgalaa .

Paattariin urjii galgalaa akka paateeniin duubatti deebi'uu bearish kan yeroo baa y'ee olka'iinsa gubbaatti uumamutti ilaalama.

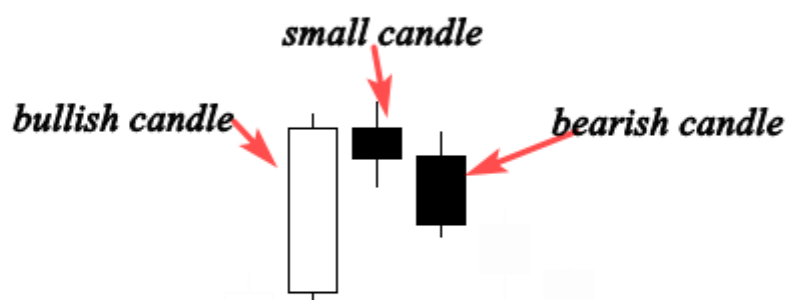
Maaloo, fakkeenya sadiin kanneen ibsa:

-Ijaarsa jalqabaa ibsa gaarii dha

-Ijaarsa lammaffaa ibsa xiqqaa dha, gaarii ykn hamaa ta'uu danda'a ykn Doji ykn ijaarsa biroo ta'uu danda'a.

-Ijaarsa sadaffaa ibsa hamaa guddaa dha. Waliigalteedhaan, fakkeenya galgala urjii ijaarsa hamaa kan urjii ganamaa. Fakkeenya armaan gadi ilaali:

### The evening star candlestick pattern



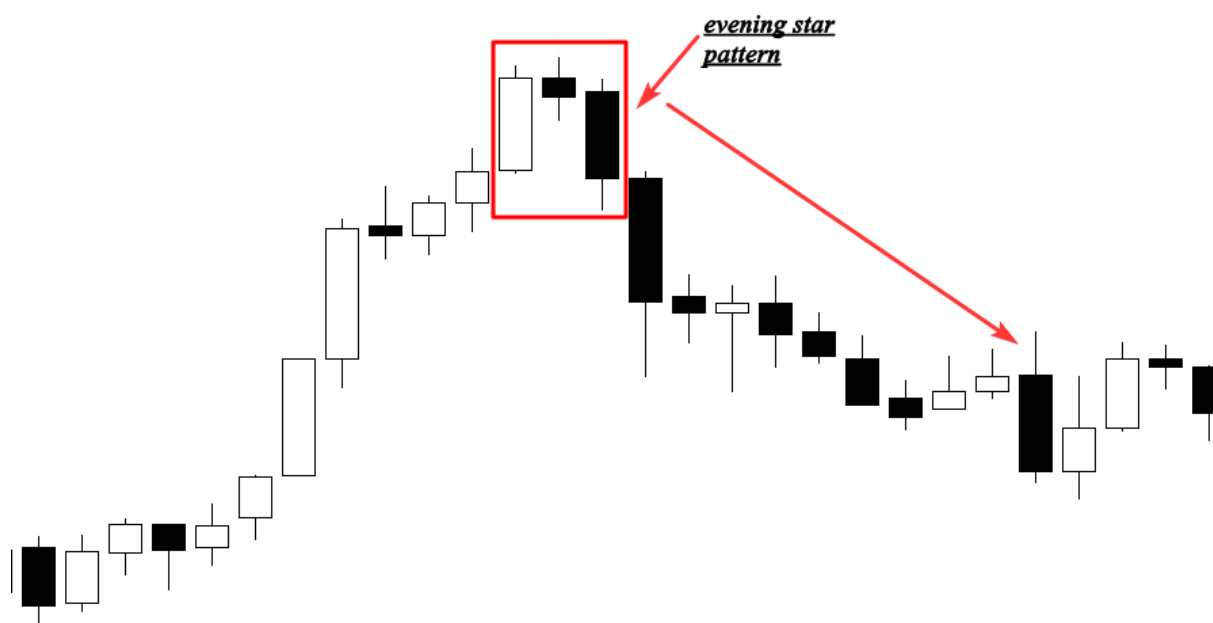
## THE CANDLESTICK TRADING BIBLE

The first part of an evening star is a bullish candle; this means that bulls are still pushing the market higher.

Right now, everything is going all right. The formation of the smaller body shows that buyers are still in control but they are not as powerful as they were.

The third bearish candle indicates that the buyer's domination is over, and a possible bearish trend reversal is likely to happen.

See another chart that illustrates how the evening star could represent a significant trend reversal signal.



As you can see the market was trending up, the first candle in the pattern indicates a long move up.

The second one is a short candle indicating price consolidation and indecision.

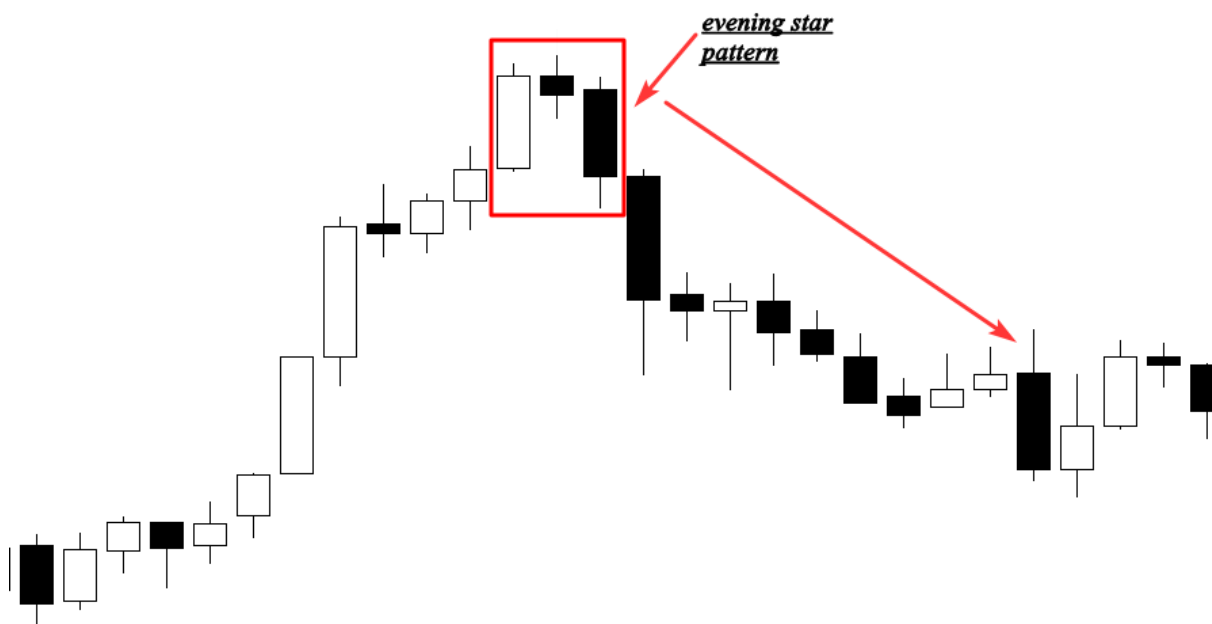
## KITAABA TRADING CANDLESTICK

Kutaan jalqabaa bakkalcha galgalaa kaan ibsaa; kunis bakkalcha gurguddaa gurguddaa ol ka'aa jiru agarsiisa.

Amma, waan hundi gaariidha. Uumamni qaama xiqqaa agarsiisa kan bittoonni ammas to'annoof jiru garuu humna isaanii akka duraanii hin qabu.

Bakkalcha sadiin gurguddaa agarsiisa kan to'annoon bittoota xumurame, akkasu mas jijjiirama bakkalcha gurguddaa dhufuu danda'a.

Chaartee biraa ilaali kan agarsiisu akkamitti urjii galgalaa mallattoo jijjiirama gurguddaa agarsiisuu danda'u.



Akkuma argitan, gabaan ol ka'aa ture, kaandala jalqabaa mallattoo ol ka'uu dheeratu agarsiisa.

Kaandala lammaffaa immoo kaandala gabaabaa agarsiisa kan gatii walitti qabuu fi murteessuu dhabu agarsiisu.

In other words, the trend that created the first long bullish candlestick is losing momentum. The final candlestick gapping lower than the previous candlestick indicating a confirmation of the reversal and the beginning of a new trend down.

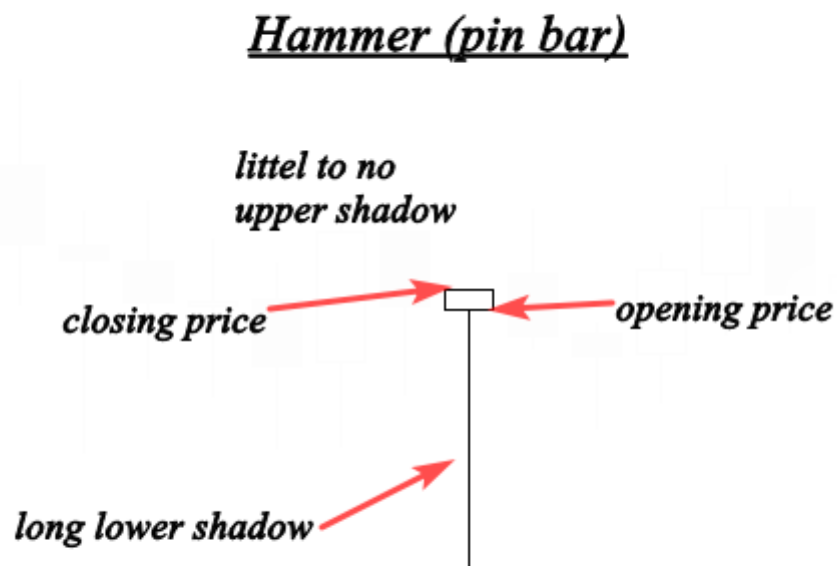
## KITAABA TRADING CANDLESTICK

Jecha biraatiin, kallattii duraanii kan uumame kaan gurguddaa bu'aa qabeess a ta'e dhabuun isaa mul'ata. Kallattii dhumaa kan duraanii caalaa gadi bu'ee mul'atu, jijjiirama mirkaneessuu fi kallattii haaraa gadi bu'uu jalqabuun agars iisa.

## The Hammer (pin bar)

The Hammer candlestick is created when the open high and close are roughly the same price; it is also characterized by a long lower shadow that indicates a bullish rejection from buyers and their intention to push the market higher.

See the illustration below to see how it looks like:



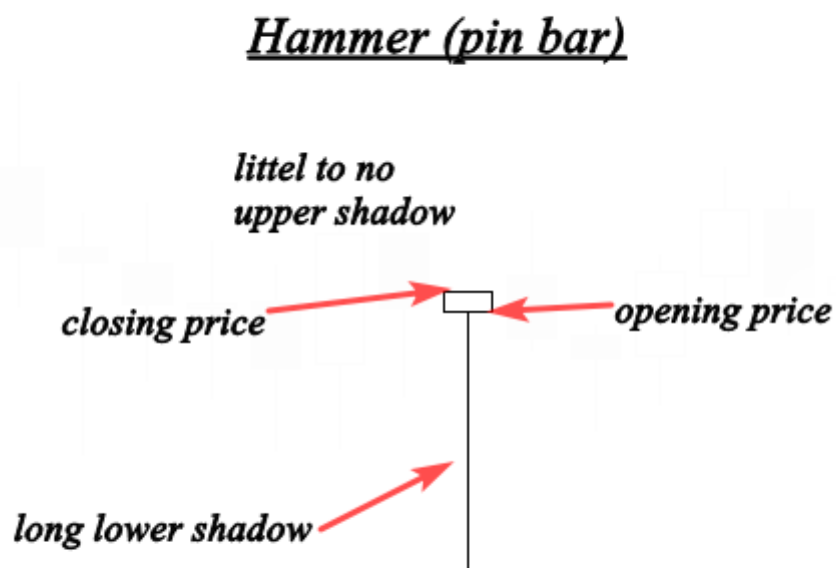
The hammer is a reversal candlestick pattern when it occurs at the bottom of a downtrend.

## KITAABA TRADING CANDLESTICK

### Hammara (bar pin)

Kallattii Hammara uumamuun, banuu ol'aanaa fi xumura gatii wal-fakkaataa ta'e e uumama; akkasumas, gubbaa gadi bu'aa dheeraa kan agarsiisu, kan gurguddo on gurgurtaa irraa dhufuu fi kaayyoo isaanii gatii ol kaasuuf yaadani agarsiisa.

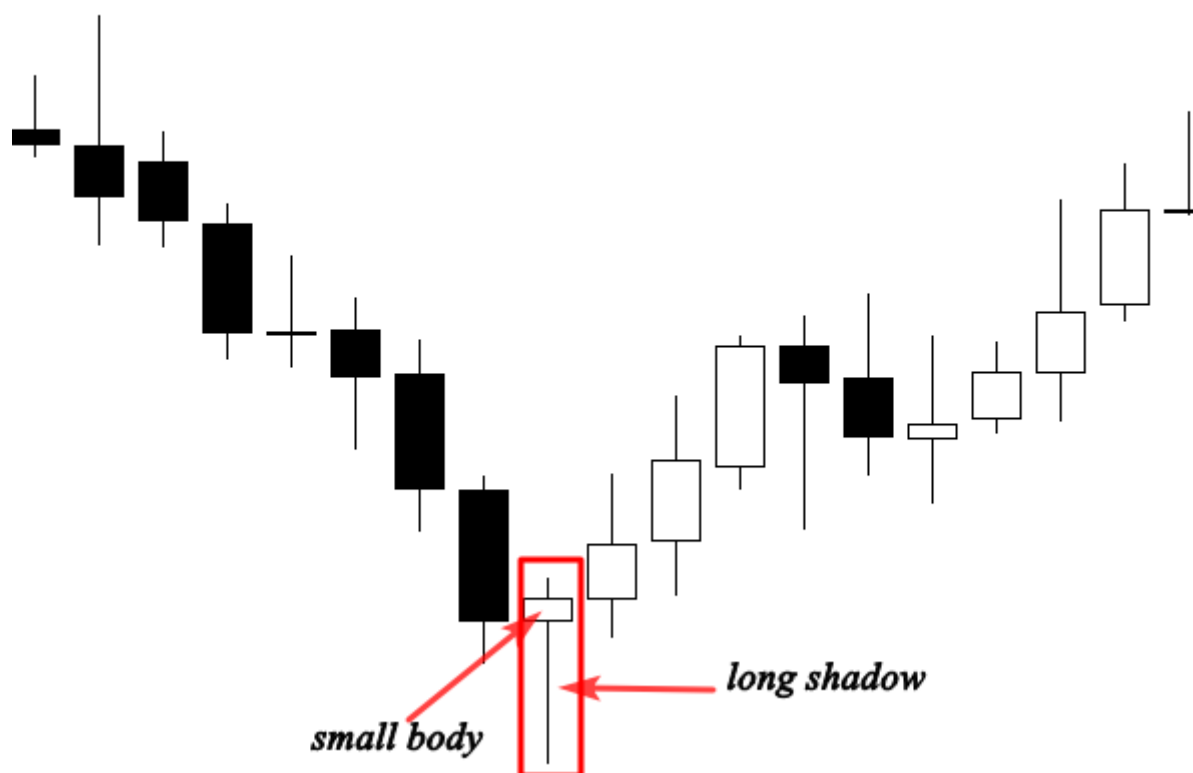
Ilaalcha armaan gadii ilaaluudhaan akkamitti akka mul'atu argi:



Haamtuun kun yeroo gadi bu'iinsa tokkoo irratti uumamu haala shugguxii garag alchuudha.

This candle forms when sellers push the market lower after the open, but they get rejected by buyers so the market closes higher than the lowest price.

See another example below:



As you can see the market was trending down, the formation of the hammer (pin bar) was a significant reversal pattern.

The long shadow represents the high buying pressure from this point.

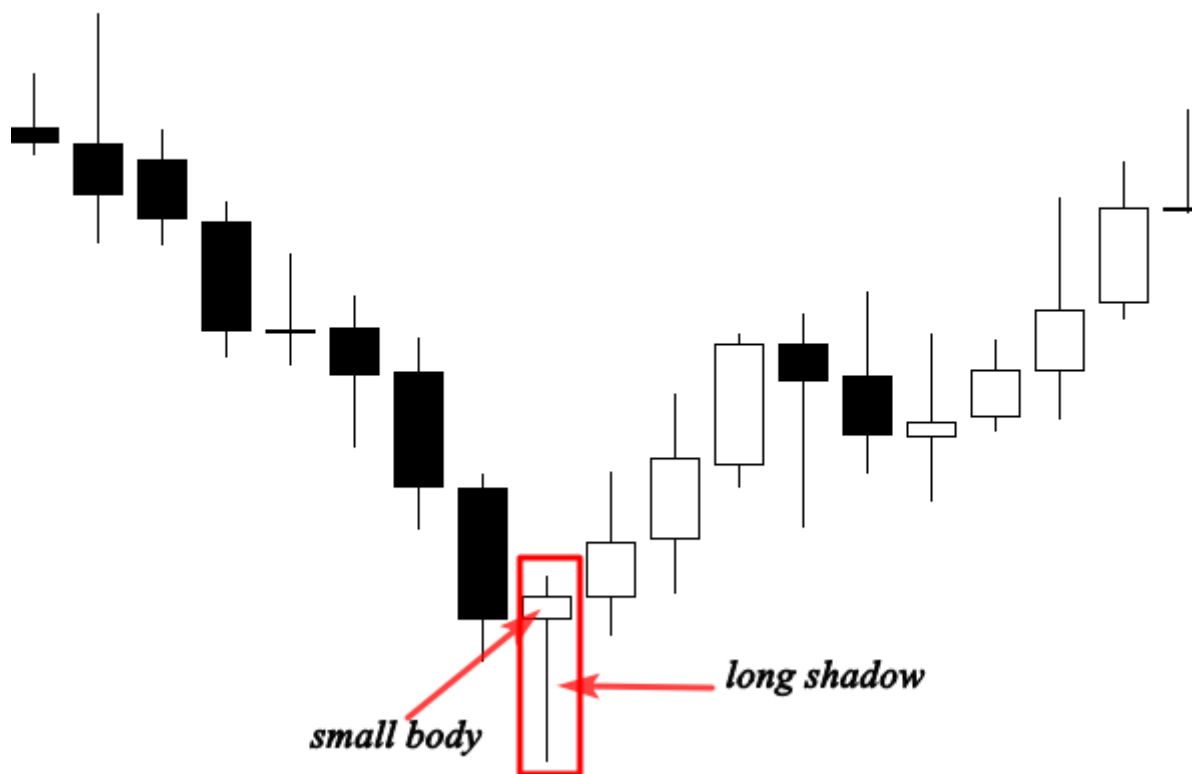
Sellers was trying to push the market lower, but in that level the buying power was more powerful than the selling pressure which results in a trend reversal.

The most important to understand is the psychology behind the formation of this pattern, if you can understand how and why it was

## KITAABA TRADING CANDLESTICK

Shugguxiin kun kan uumu yeroo gurgurtoonni gabaan gadi dhiibu booda gadi bu' u, garuu bitootaan ni didamu kanaaf gabaan gatii gadi aanaa caalaa ol ka'a.

Fakkeenya biraa armaan gadii ilaalaa:



Akka argaa jirru, suuqni gadi bu'aa jira, uumaa hamaaraa (pin bar) mallattoo jijjii ramaa murteessaa ta'eedha.

Sadaasa dheeraa kun dorgommii gurgurtaa ol'aanaa agarsiisa.

Gurgurtoonni suuqni gadi bu'uu yaalu, garuu sadarkaa sanaatti humni gurgurtaa caalaa humni gurgurtaa cimaa ta'ee, kunis jijjiirama daandii fiduu.

Waa'ee hubachuu barbaachisaa ta'e, yaada uumaa mallattoo kanaa, akkamitti fi maaliif ta'e akka hubattu.

created, you will be able to predict the market direction with high accuracy.

We will talk about how to trade this pattern and how to filter this signal in the next chapters.

## KITAABA TRADING CANDLESTICK

uummame, karaa sirrii ta'een kallattii gabaa tilmaamuuf dandeessuu ni dandeess a.

Maaloo, akkamitti mallattoo kana gurguruu fi akkamitti mallattoo kana filachuu akka dandeenyu kutaa itti aanutti ni dubbanna.

### The shooting star (bearish pin bar)

The shooting formation is formed when the open low, and close are roughly the same price, this candle is characterized by a small body and a long upper shadow. It is the bearish version of the hammer. Professional technicians say that the shadow should be twice the length of the real body.

See the example below:

.75344 0.75351 0.75319 0.75333



The illustration above shows us a perfect shooting star with a real small body and an upper long shadow, when this pattern occurs in an uptrend; it indicates a bearish reversal signal.

The psychology behind the formation of this pattern is that buyers try to push the market higher, but they got rejected by a selling pressure.

## KITAABA TRADING CANDLESTICK

### **bakkalcha dhagaa (bakkalcha hamaa)**

Furmaata dhukaasa uumamu yeroo gadi bu'aa, fi cufaa walitti dhufeenya gatii wa lfakkaatuu qaba, kandeelii kun qaama xiqqaa fi harka ol'aanaa dheeraa qabuun kan beekamu. Inni gosa hamaa hammarraa dha.

Tekinoolojistoonni ogummaa qaban akka jedhanitti, harka ol'aanaa qaama dhugaa irraa baay'ee dheerachuu qaba.

Fakkeenya armaan gadii ilaali:

.75344 0.75351 0.75319 0.75333



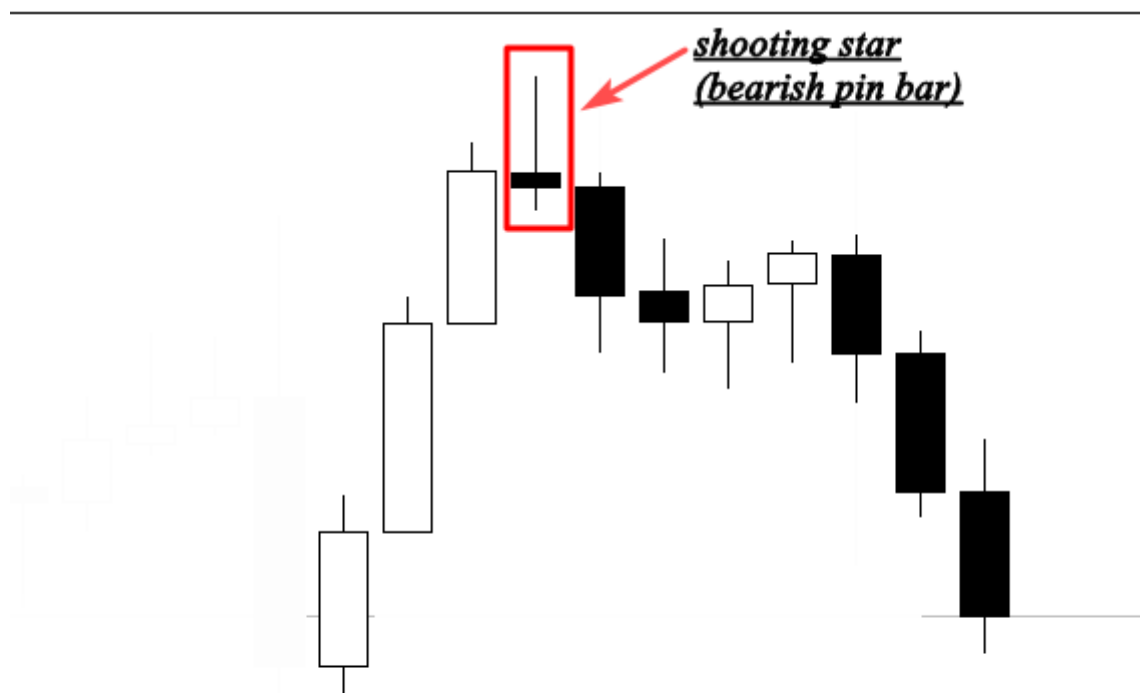
Fakkii ol'aanaa nuuf agarsiisu dhukaasa sirrii kan qaama xiqqaa fi harka ol'aanaa dheeraa qabu, yeroo fakkeenya kun gatii ol'aanaa keessatti mul'atu; kun mallatto o jijjiirama hamaa agarsiisa.

Yaada kan dhukaasa kana uumuuf jiru, ijaarramtoonni gatii ol'aanaa ol kaasuuf yaalu, garuu dhiibbaa gurgurtaa irraa hanqatamu.

## THE CANDLESTICK TRADING BIBLE

When this candlestick forms near a resistance level. It should be taken as a high probability setup.

See another example below:



The chart above shows a nice shooting star at the end of an uptrend.

The formation of this pattern indicates the end of the uptrend move, and the beginning of a new downtrend.

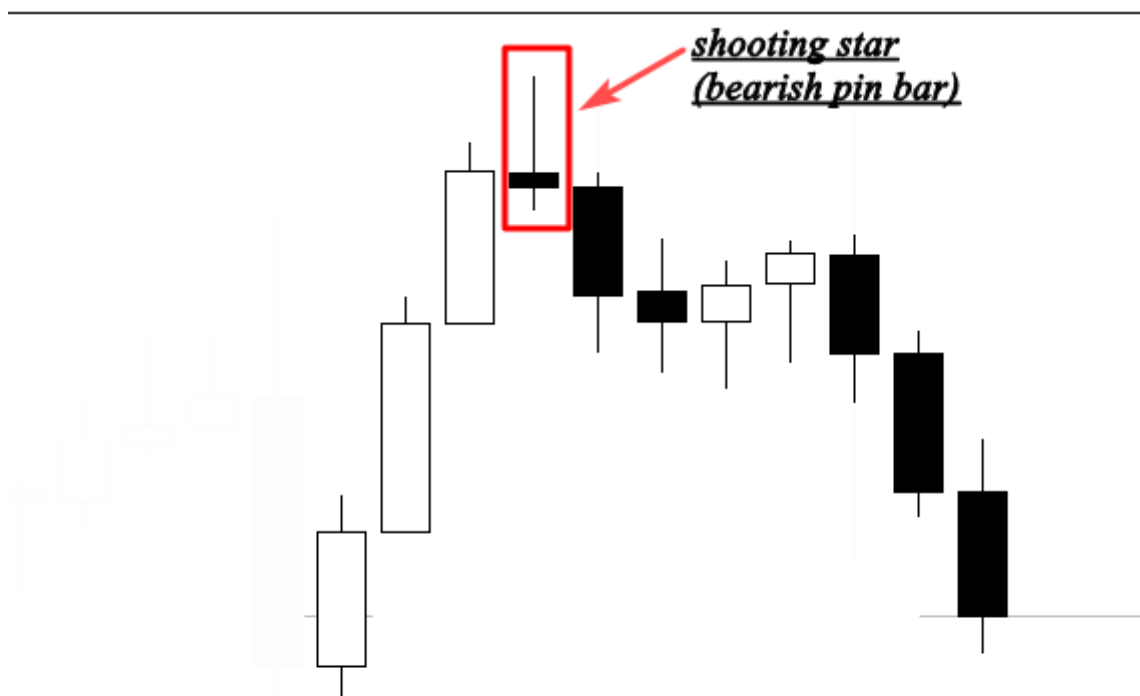
This candlestick pattern can be used with support and resistance, supply and demand areas, and with technical indicators.

The shooting star is very easy to identify, and it is very profitable, it is one of the most powerful signals that i use to enter the market.

## KITAABA TRADING CANDLESTICK

Yeroo kana candlestick bakka dadhabinaatti uumamu. Kuni akka carraa ol'aanaa ta'ee fudhatamuu qaba.

Fakkeenya biraa armaan gadi ilaali:



Chaarri ol'aanaa bifa gaariin starri dhukaasa xumura ol ka'aa agarsiisa.

Maaloo kanaan uumamni kun dhumata sochii ol ka'aa agarsiisa, akkasumas jalqa ba sochii gadi bu'aa haaraa.

Maaloo kanaan fakkii kana fayyadamuun deeggarsa fi dadhabina, bakka gurgurt aa fi barbaachisummaa, akkasumas agarsiisa teeknikaa waliin.

Bakkawwan dhaga'aa baay'ee salphaa dha, akkasumas bu'aa qabeessa dha, kuni s mallattoo humna qabeessa ta'eedha kan ani suuta suuta galuuf fayyadamu.

## THE CANDLESTICK TRADING BIBLE

In the next chapters, i will talk about it in details, and i will show you step by step how to make money trading this price action pattern.

## KITAABA TRADING CANDLESTICK

Kutaa itti aanan keessatti, ani isaa bal'inaan dubbadha, akkasumas akkamitti ma allaqa argachuu akka dandeessu tarkaanfii tarkaanfii agarsiisa.

### The Harami Pattern (the inside bar)

The Harami pattern (pregnant in Japanese) is considered as a reversal and continuation pattern, and it consists of two candlesticks:

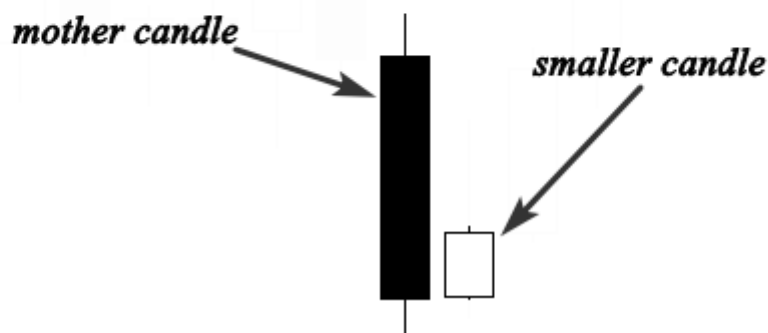
The first candle is the large candle, it is called the mother candle, followed by a smaller candle which is called the baby.

For the Harami pattern to be valid, the second candle should close outside the previous one.

This candlestick is considered as a bearish reversal signal when it occurs at the top of an uptrend, and it is a bullish signal when it occurs at the bottom of a downtrend.

See an example below:

*Harami pattern  
bullish inside bar*



## KITAABA TRADING CANDLESTICK

### Maaloo Harami (barii keessa)

Maaloo Harami (ulfa Jappaan keessatti) akka jijjiirama fi itti fufinsaatti ilaalama, a kkasumas kanneen lama kan of keessaa qabu:

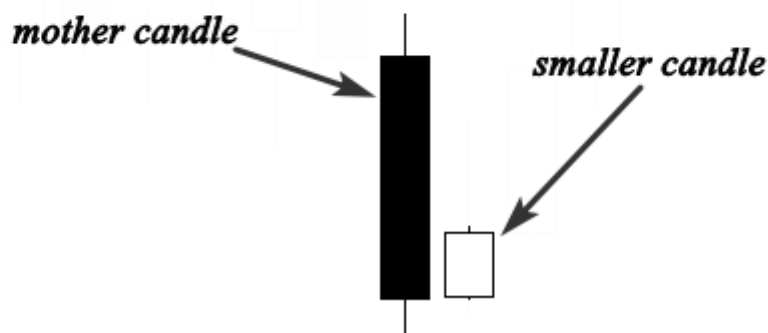
Ijaarsa jalqabaa gurguddaa dha, kan mata duree maatii jedhamee waamamu, ka n itti aanuu immoo ijaarsa xiqqaa dha kan baby jedhamee waamamu.

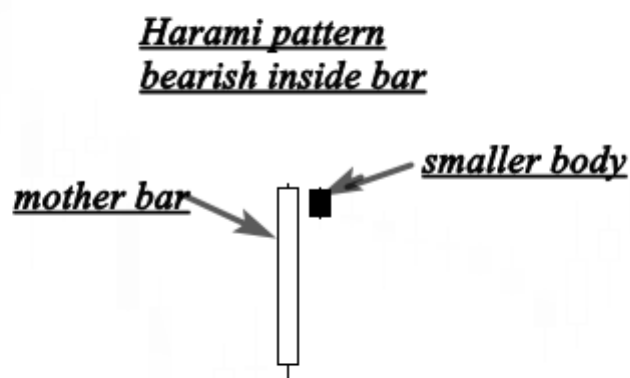
Maaloo, fakkeenya Harami sirrii ta'uuf, ibsaa lammaffaa ibsaa duraanii alaa cufu u qaba.

Ibsaan kun yeroo ol ka'aa jiru irratti mul'atu mallattoo jijjiirraa hamaa ta'ee ilaalama, yeroo garuu gadi bu'aa jiru irratti mul'atu mallattoo jijjiirraa gaarii ta'ee ilaalama.

Fakkeenya armaan gadi ilaali:

*Harami pattern  
bullish inside bar*





As you see the smaller body is totally covered by the previous mother candle, don't bother yourself with the colors, the most important is that the smaller body closes inside of the first bigger candle.

The Harami candle tells us that the market is in an indecision period. In other words, the market is consolidating.

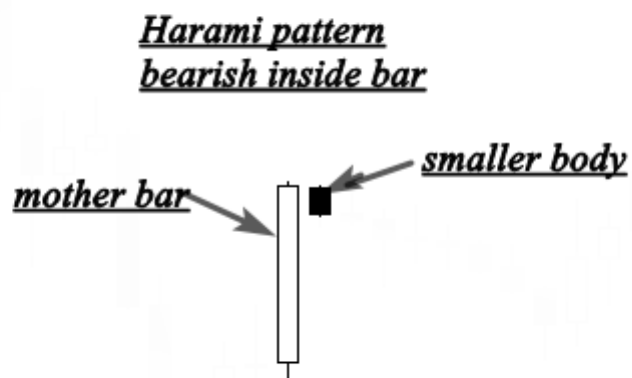
So, buyers and sellers don't know what to do, and there is no one in control of the market.

When this candlestick pattern happens during an uptrend or a downtrend, it is interpreted as a continuation pattern which gives a good opportunity to join the trend.

And if it is occurred at the top of an uptrend or at the bottom of a downtrend, it is considered as a trend reversal signal.

Look at another example below:

## KITAABA TRADING CANDLESTICK



Akka argaa jirruutti qaamni xiqqaan guutummaatti kaan duraanii kan dhala mura a'aa dha, halluuwwan irratti of hin qusatin, kan ijoo ta'e qaamni xiqqaan kaan gu ddaa duraanii keessatti cufamee jira.

Muraan Harami nuuf ibsa yeroo gabaa murteessuu hin dandeenye keessa jira. Jecha birootiin, gabaan walitti dhufeenya qaba.

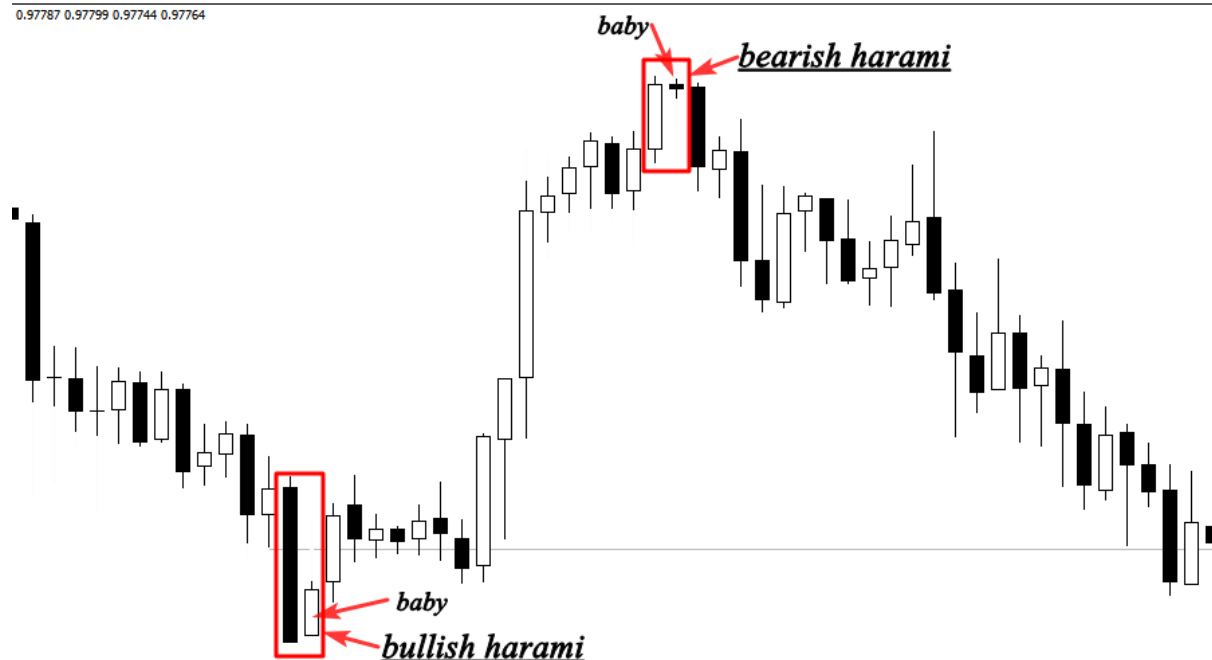
Kanaaf, bittoonni fi gurgurtoonni maal gochuu akka qaban hin beekan, akkasuma s namni gabaa to'atu hin jiru.

Yeroo kana fakkii kandeelii kun mul'atu yeroo ol-ka'aa ykn gadi-bu'aa, akka fakkii itti fufaa ilaalama kan carraa gaarii kenna trenda waliin hidhachuuf.

Yoo kun ol-ka'aa irratti ykn gadi-bu'aa irratti mul'ate, akka mallattoo jijjiirama tr endaatti ilaalama.

Fakkii biraa armaan gadi ilaali:

0.97787 0.97799 0.97744 0.97764



In the chart above, you can see how the trend direction changes after the Harami pattern formation, the first bullish harami pattern occurred at the bottom of a downtrend, sellers were pushing the market lower, suddenly price starts consolidating, and this indicates that the selling power is no longer in control of the market.

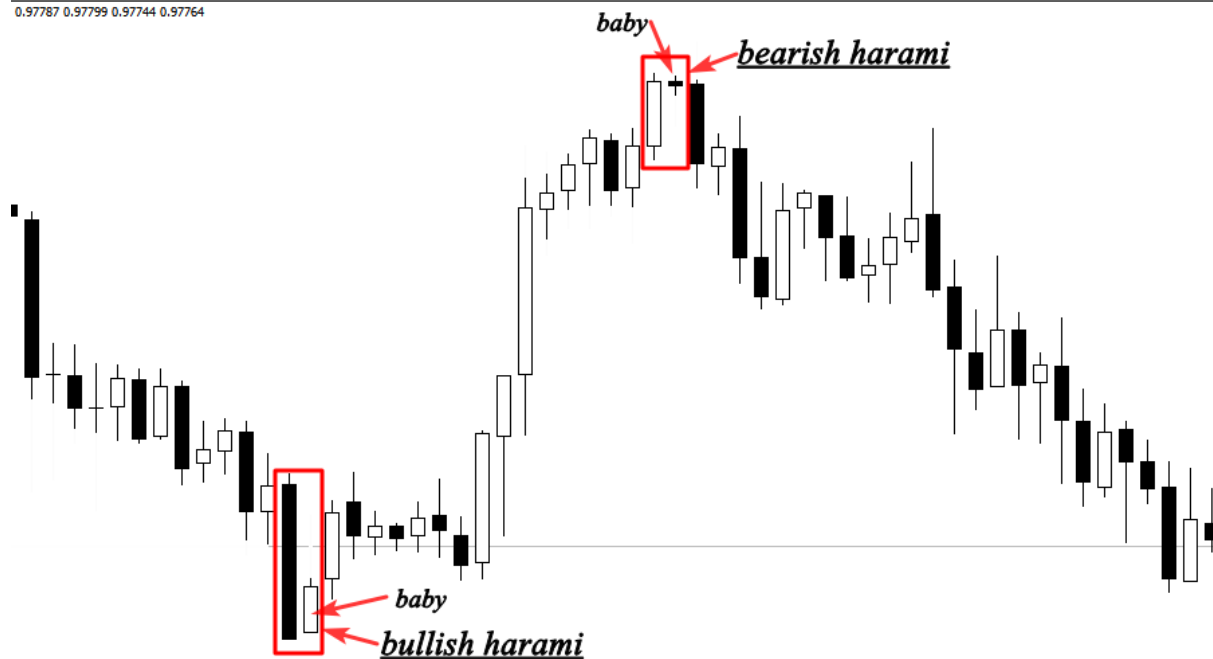
The bearish Harami is the opposite of the bullish, this one occurred at the top of an uptrend indicating that buyer's domination is over and the beginning of a downtrend is possible.

When this pattern is created during an uptrend or a downtrend, it indicates a continuation signal with the direction of the market.

We will study in details how to trade this pattern either as a reversal pattern or as a continuation pattern in the next chapters.

## KITAABA TRADING CANDLESTICK

0.97787 0.97799 0.97744 0.97764



Kitaaba olitti, akkamitti kallattii jijjiirama agarsiisu arguu dandeessu, fakkeenya Harami uumameen booda, fakkeenya harami bu'aa qabeessa jalqabaa gubbaa kallattii gadi bu'aa agarsiisa, gurgurtoonni gabaa gadi buusuuf yaalaniiru, yeroo tokko tokko gatii walitti qabaa jalqaba, kunis humna gurgurtaa gabaa irratti hirmaac haa hin jiru agarsiisa.

Harami gurguddaa gurguddaa kan bu'aa qabeessa, kunis gubbaa kallattii ol'aanaa uumame, agarsiisa gurgurtoonni ol'aanaa xumurameera fi kallattii gadi bu'aa jalqabuu danda'a.

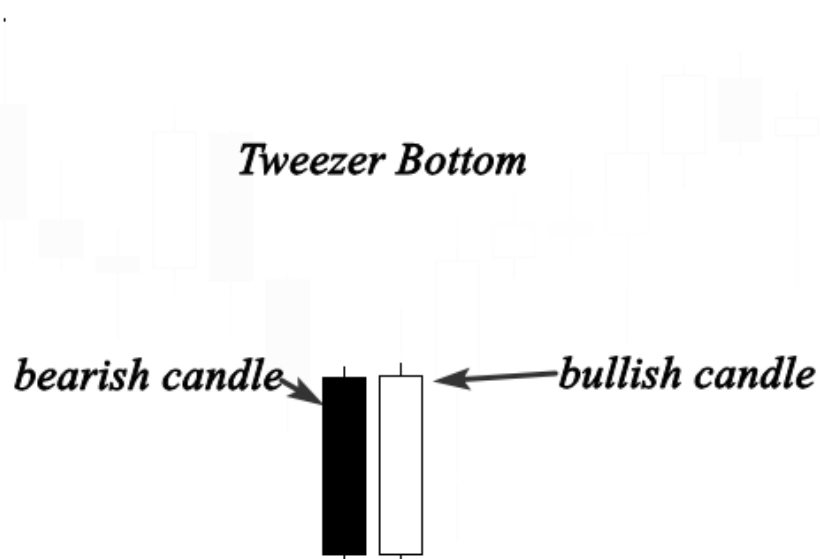
Fakkeenyi kun yeroo kallattii ol'aanaa ykn gadi bu'aa uumamu, agarsiisa itti fufin saa kallattii gabaa waliin agarsiisa.

Fakkeenya kana akkamitti daldaluun baranna, fakkeenya jijjiiramaa ykn fakkeenya itti fufinsaa ta'ee, kutaa itti aanutti.

### The Tweezers tops and bottoms

The tweezers top formation is considered as a bearish reversal pattern seen at the top of an uptrend, and the tweezers bottom formation is interpreted as a bullish reversal pattern seen at the bottom of a downtrend.

See the example below:

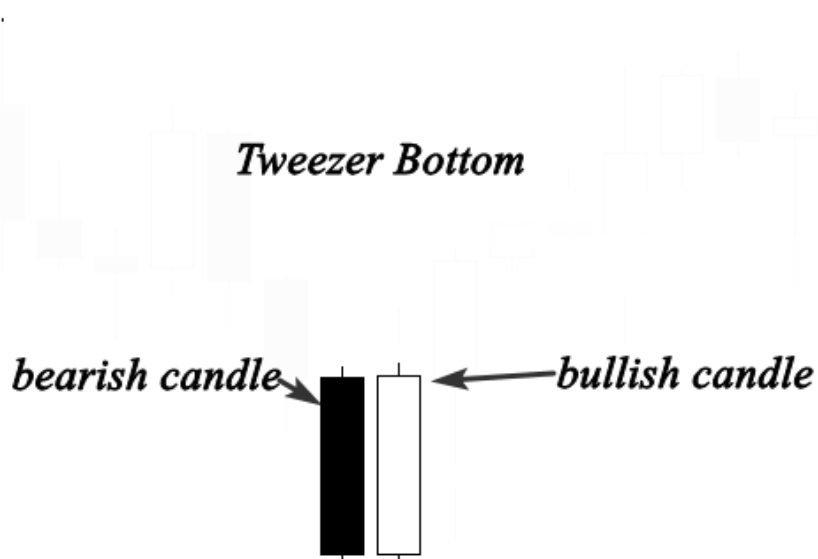


## KITAABA TRADING CANDLESTICK

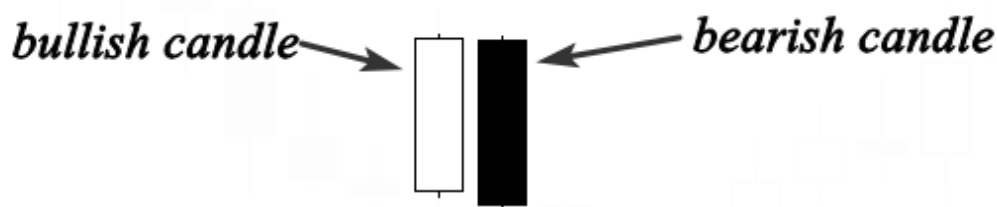
### Garaagarummaa Qoricha fi Gubbaa

Garaagarummaa gubbaa qoricha akka mallattoo jijjiiramaa hamaa ta'ee kan mul'atu gubbaa tarkaanfii ol'aanaa irratti, garaagarummaa jala qoricha immoo akka mallattoo jijjiiramaa gaarii ta'ee kan mul'atu jala tarkaanfii gadi aanaa irratti ilaalama.

Fakkeenya armaan gadii ilaali:



### *Tweezer Top*



The tweezers top formation consists of two candlesticks:

The first one is a bullish candlestick followed by a bearish candlestick. And the tweezers bottom formation consists of two candlesticks as well.

The first candle is bearish followed by a bullish candlestick.

So we can say that the tweezers bottom is the bullish version of the tweezers top.

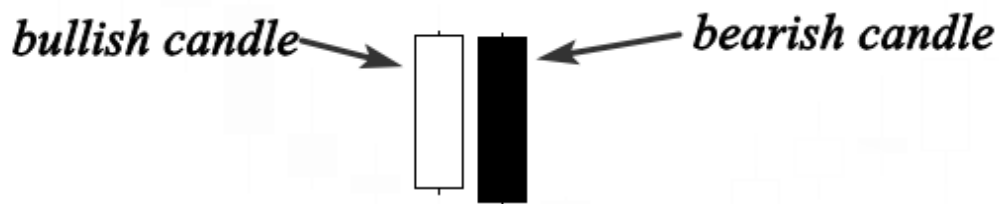
The tweezers top occurs during an uptrend when buyers push the price higher, this gave us the impression that the market is still going up, but sellers surprised buyers by pushing the market lower and close down the open of the bullish candle.

This price action pattern indicates a bullish trend reversal and we can trade it if we can combine this signal with other technical tools.

The tweezers bottom happens during a downtrend, when sellers push the market lower, we feel that everything is going all right, but the next session price closes above or roughly at the same price of the first

## KITAABA TRADING CANDLESTICK

### *Tweezer Top*



Garaagarummaa gubbaa qoricha kan of keessaa qabu lamaan qindaa'aa:

Inni jalqabaa kaandiilaa olka'aa ta'ee kaandiilaa gadi bu'aa itti aanuu dha.

Akkaataa tweezers gadi bu'aa kan kaandiiloota lama of keessaa qaba.

Kaandiilaan jalqabaa gadi bu'aa ta'ee kaandiilaa olka'aa itti aanuu dha.

Kanaafuu, tweezers gadi bu'aa kaandiilaa olka'aa tweezers ta'uu ni danda'a.

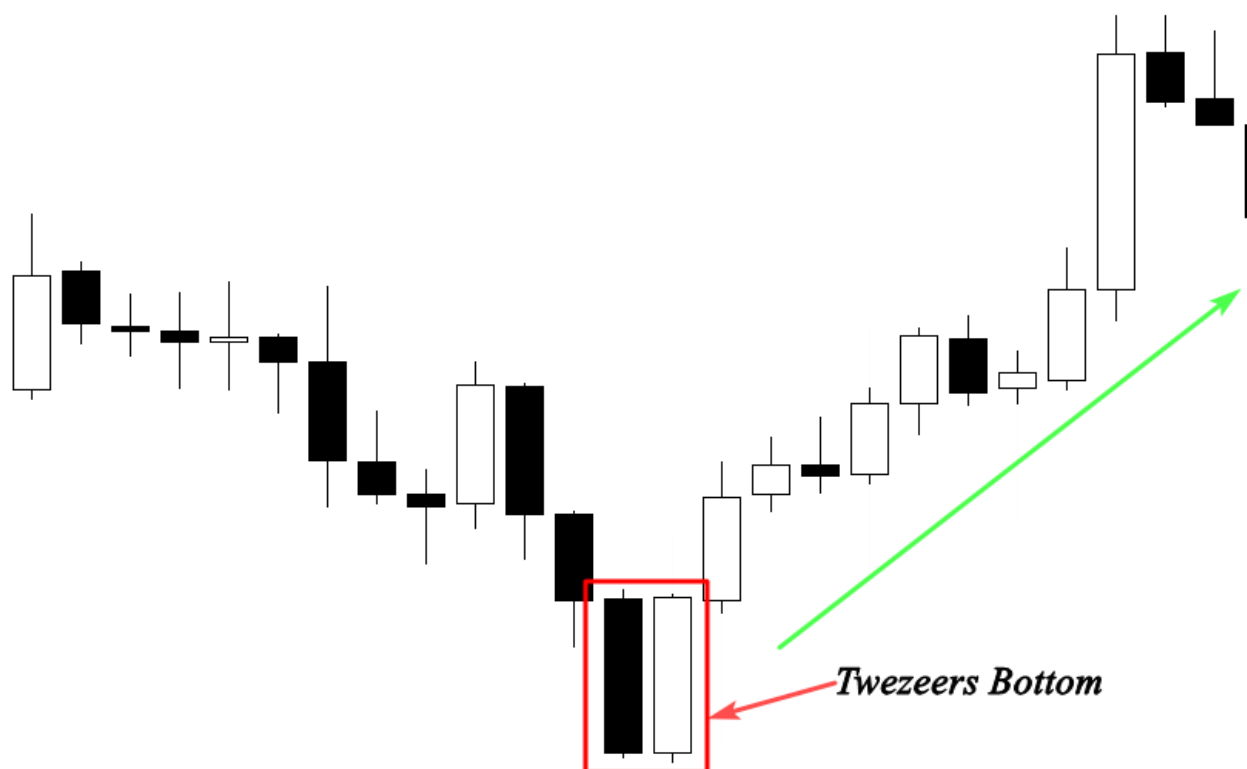
Tweezer top yeroo ol ka'aa jiru kan ta'u, yeroo bittoonni gatii ol kaasu, kunis nuuf mul'isa gatii gurgurtaa ammas ol ka'aa jiraachuu, garuu gurgurtonni bittoota di nqisiifachuun gurgurtaa gadi buusuudhaan, gatii cufaa ka'aa gurgurtaa gaarii cu fan.

Karaan gatii kun jijjiirama gurgurtaa gaarii agarsiisa, akkasumas yoo mallattoo k ana meeshaalee teeknikaa biroo waliin walitti maknee daldalu dandeenya.

Tweezer bottom yeroo gadi bu'aa jiru kan ta'u, yeroo gurgurtonni gurgurtaa gadi buusan, nuti waan hundi gaariidha jedheen yaada, garuu seensa itti aanuu gatii n ol ka'aa ykn gatii jalqabaa waliin wal qixa cufa.

bearish candle which indicates that buyers are coming to reverse the market direction.

If this price action happens near a support level, it indicates that a bearish reversal is likely to happen.



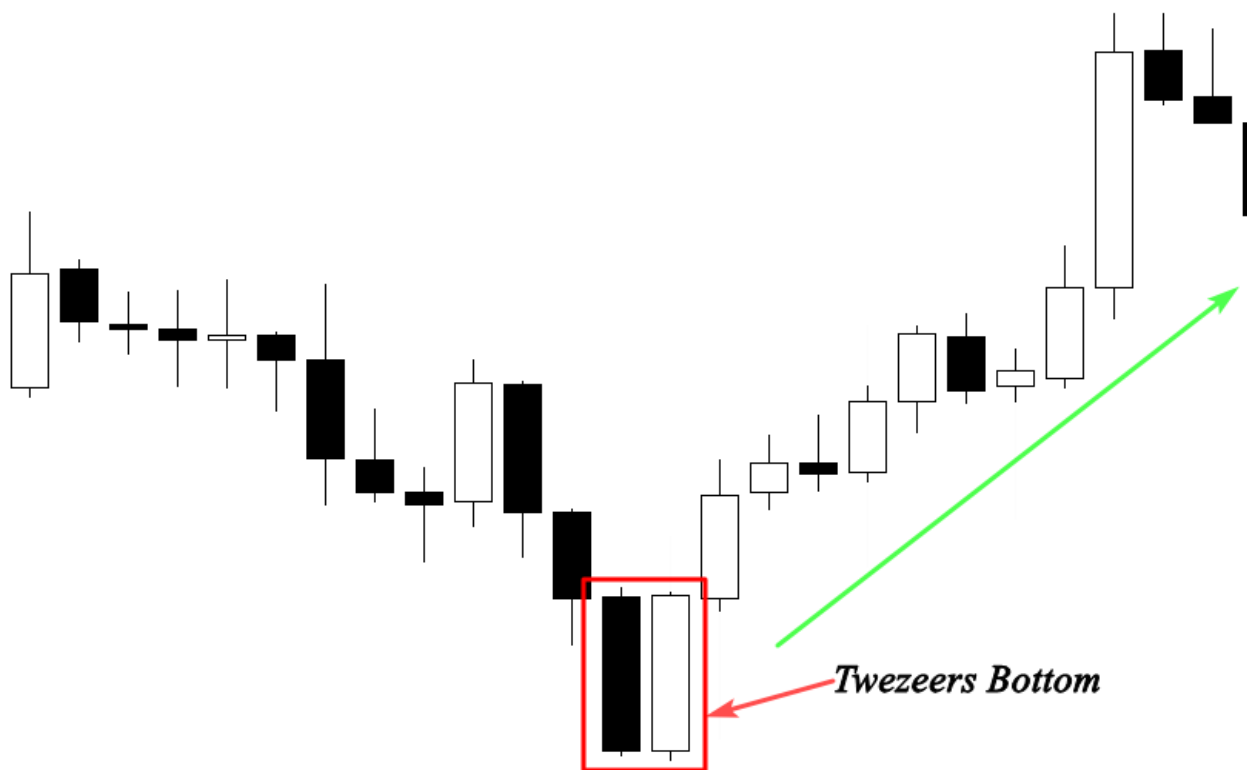
The chart above shows us a tweezers bottom that occurs in a downtrend, the bears pushed the market downward on the first session; however, the second session opened where prices closed on the first session and went straight up indicating a reversal buy signal that you can trade if you have other elements that confirm your buying decision.

Don't focus on the name of a candlestick, try to understand the psychology behind its formation, this is the most important.

## KITAABA TRADING CANDLESTICK

candle bearish kan agarsiisu kan bittoota dhufaa jiran gara jijjiirama gurgurtaa.

Yoo gochaan gatii kun bakka deeggarsa dhiyaateetti ta'e, kunis jijjiirama bearish ta'uu akka danda'u agarsiisa.



Chaartee olitti argamu gatii tweezers jala kan mul'atu yeroo gadi bu'aa, bears gur gurtaa gara gadiitti dhiyoo ta'ee; garuu, session lammaffaa gatii session jalqabaa irratti cufameen banameera fi gara olitti deeme agarsiisa gurgurtaa jijjiirama ka n dandeessu yoo wantoota biroo gurgurtaa keetiif mirkaneessan qabaatte.

Maqaa candlestick irratti xiyyeeffachuu hin qabdu, uumaa isaa irratti yaada huba chuuf yaali, kunis kan barbaachisaa ta'uu dha.

## THE CANDLESTICK TRADING BIBLE

Because if you can understand why it was formed, you will understand what happened in the market, and you can easily predict the future movement of price.

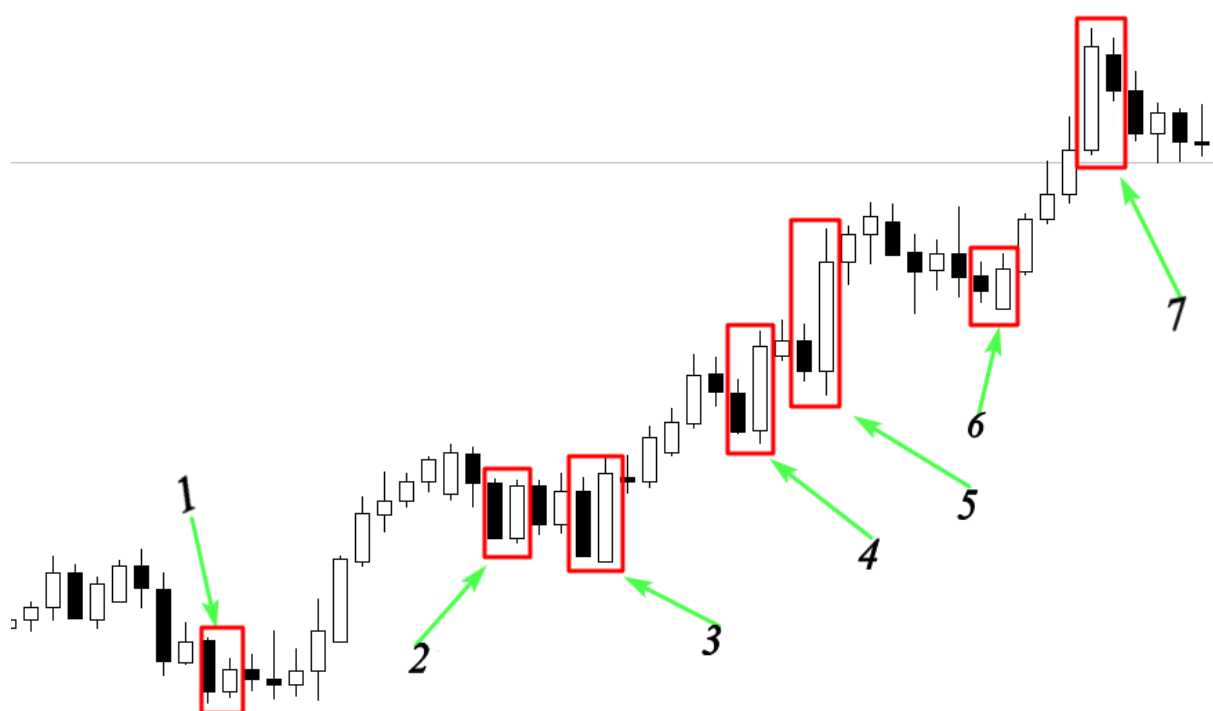
## KITAABA TRADING CANDLESTICK

Sababni isaas yoo maaliif uumame akka hubattan ta'e, maaliif ta'e akka ta'eedha, akkasumas gatii fiigicha fuulduraa akka tilmaamtu ni danda'ama.

### Candlestick patterns exercise

Now i think that you get some information about Japanese candlesticks, you know the anatomy of each candlestick and the psychology behind its formation, let' take this exercise to test your knowledge and see if you still remember all of the candlesticks we talked about.

Look at the chart below and try to find the name of each candlestick number, and the psychology behind its formation.



If you can easily identify these candlestick patterns, and you understand why they are formed. You are on the right path.

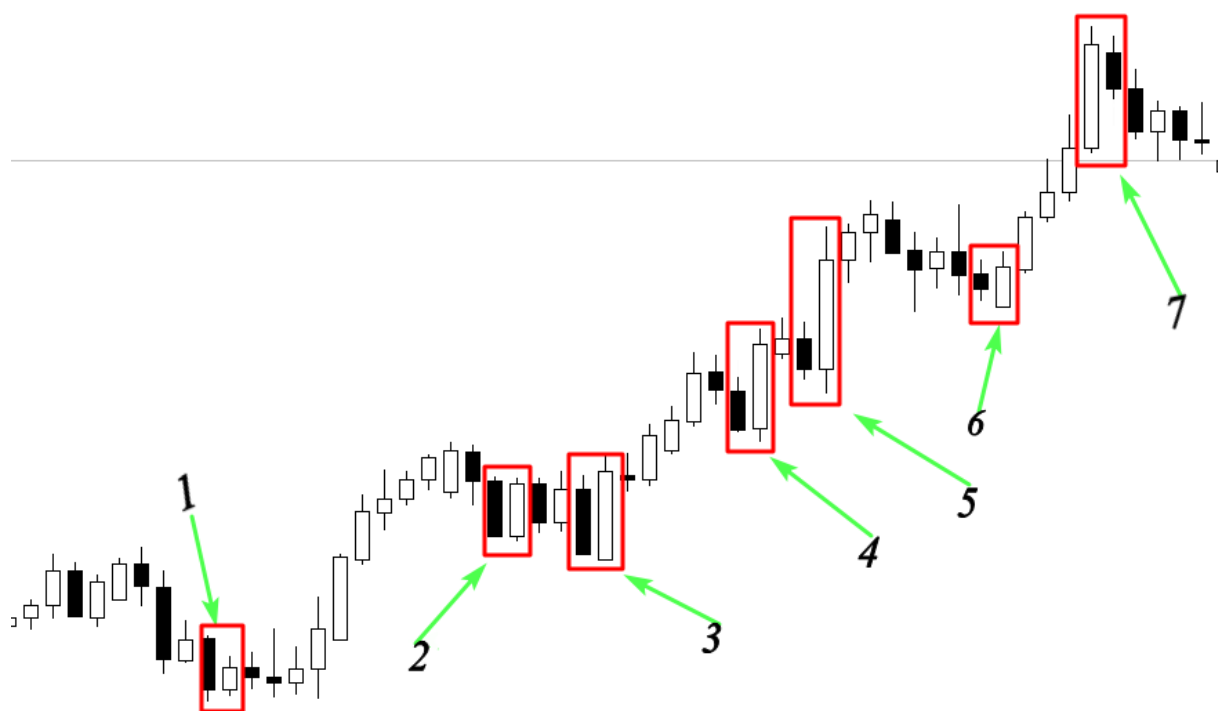
But if you still struggle to identify these patterns, you will have to start learning about them again till you feel like you master them.

## KITAABA TRADING CANDLESTICK

### Shaakala fakkii qabeentaa

Amma ani yaada qaba, odeeffannoo tokko argachuu dandeessu akka fakkii qabee ntaa Jaappaanii, qaama fakkii qabeentaa hundumaa fi yaada isaa maaliif uumame akka beektu, shaakala kana fudhachuudhaan beekumsa keessan qorachuuf fi yaa dannoo qabdan hundumaa yaadattu ilaaluuf.

Kitaaba gubbaa ilaali, maqaa lakkoofsa candlestick hundaa fi yaada isaa akkamitt i uumamuuf yaali.



Yoo sirnaan mallattoo candlestick kana adda baafachuu dandeessu, akkasumas maaliif uumaman akka hubattan. Daandii sirrii irra jirtu.

Garuu yoo mallattoo kana adda baafachuu dadhabde, deebi'ee barachuu jalqabuuf dirqama qabda hanga ofii keetiin beekumsa isaanii guutuu akka argattu.

Let's try to answer the questions concerning the candlestick patterns on the charts above:

### 1: Bullish Harami pattern (inside bar)

-The formation of this candlestick patterns indicates indecision in the market, in other words, the market was consolidating during this session.

### 2: Bullish Tweezers

The market was trading up, sellers tried to push the market lower, but the reaction of buyers was more powerful.

This pattern represents the battle between sellers and buyers to take control of the market.

### 3: Engulfing bar

-Sellers were engulfed by buyers, this indicates that buyers are still willing to push the market higher.

### 4: Engulfing bar

### 5: Engulfing bar

### 6: Engulfing bar

### 7: Harami pattern

This pattern shows us that the market enters in a consolidation phase during this session.so buyers and sellers are in an indecision period. And no one knows who is going to be in control of the market.

## KITAABA TRADING CANDLESTICK

Gaaffilee walqabatee kaandilistiikii fakkiwwan olitti argaman deebisuuf yaaluun:

1: Kaandilistiikii Bullish Harami (barii keessa)

-Uumamni kaandilistiikii kun murteessuu dhabuun gabaa keessatti mul'ata, jecha biraatin, gabaan yeroo kana keessatti walitti qabamaa ture.

2: Kaandilistiikii Bullish Tweezers

Suuqni ol ka'aa jira, gurgurtonni suuqni gadi buusuuf yaalan, garuu deebiin bitto ota humna ol'aanaa qaba.

Maaloo kun walitti bu'iinsa gurgurtoota fi bittoota gidduutti suuqni to'achuuf.

3: Barri guutuu

-Gurgurtonni bittootaaf guutamani jiru, kunis bittoonni suuqni ol kaasuuf qophii ta'uu isaanii agarsiisa.

4: Guddifachaa

5: Guddifachaa

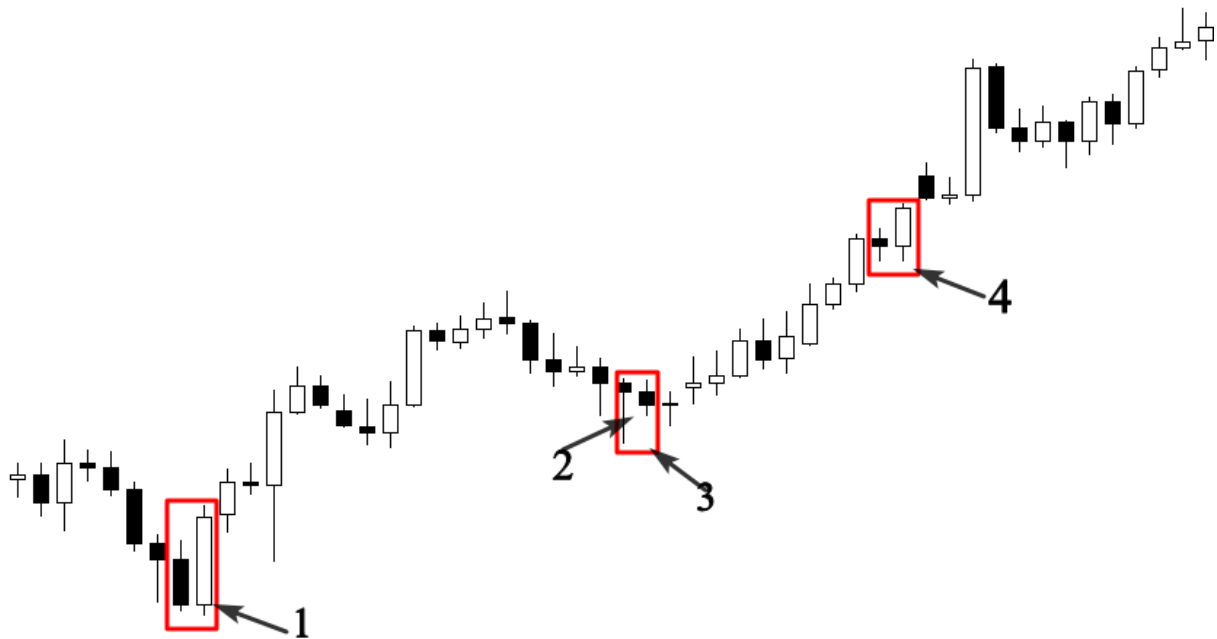
6: Guddifachaa

7: Mallattoo Harami

Kuni mallattoo nu agarsiisa akka gabaan yeroo kana keessa haala walitti fufaa se enu. kanaaf, bittoota fi gurgurtoota yeroo murteessaa keessa jiru.

Namni kam iyyuu gabaa irratti eenyu akka ta'e hin beekne.

Let's take another exercise, look at the chart below and try to figure out these candlestick patterns:



**Answers:**

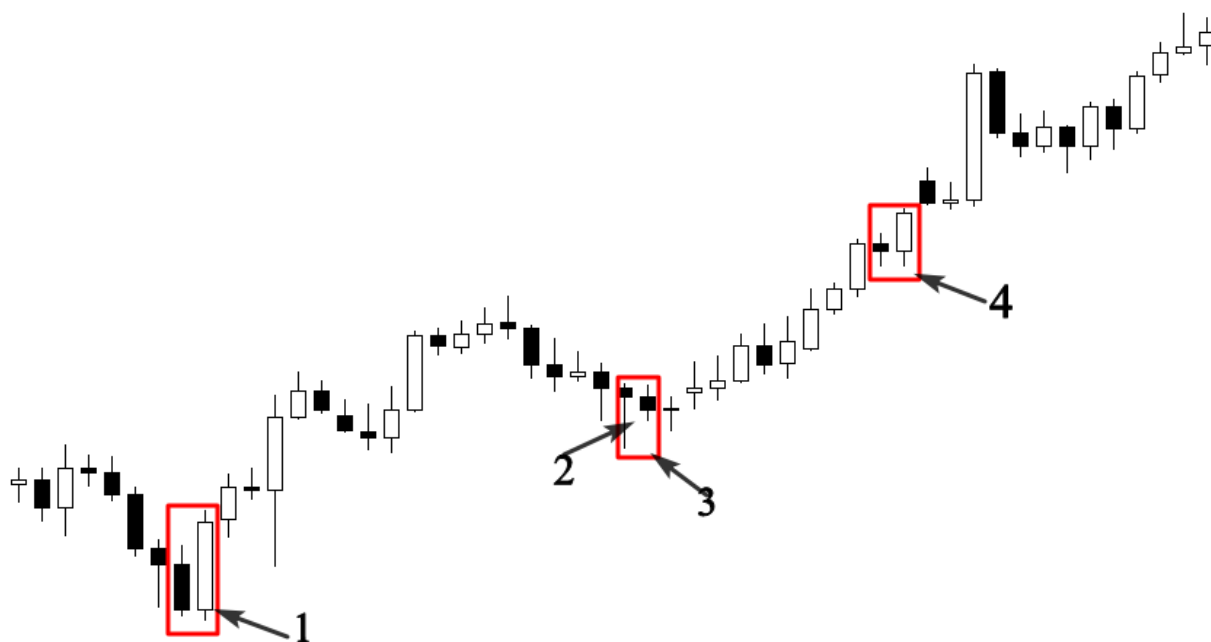
1: Bullish engulfing bar

2: Hammer

3:(Hammer which is the large body +the smaller body (baby) =Harami pattern

## KITAABA TRADING CANDLESTICK

Hojii biraa haa fudhannu, suuraa gadi fageenya ilaaluudhaan mallattoo kanaa fiiguu yaali:



**Deebii:**

1: Guddina dhoqqee 2: Ha

mma

3:(Hamma kan qaama guddaa +qaama xiqqaa (mucaa) =Fakkii Harami

### 4: Bullish engulfing bar

Please, i want you to open your charts, and do this homework over and over again. You will see that with screen time and practice, you will be able to look at your charts, and understand what the candlesticks tell you about the market.

Don't worry about how to enter and exit the market for the moment, take your time and try to master the candlestick patterns discussed in the previous chapters.

In the next chapters, i will arm you with techniques that will help you identify the best entry and exit points based on candlestick patterns in combination with technical analysis.

Trust me, these price action strategies will turn you from a beginner trader who struggles to make money in the market into a profitable price action trader.

## KITAABA TRADING CANDLESTICK

### 4: Bulaa guutuu bar

Mee, ani siif kadhada, kaartee kee banadhu, fi hojii kana yeroo hunda hojjadhu. Yeroo fi leenjii waliin, kaartee kee ilaaluun, akkamitti candlestick-n gurgurtaa irratti siif ibsu akka hubattu ni argita.

Yeroo ammaa gurgurtaa keessa seenuu fi ba'uu akkamitti akka gochuu qabdu irratti hin yaaddofin, yeroo kee fudhadhu fi kutaa darban keessatti ibsamee candlestick-n sirna barachuu yaali.

Kutaa itti aanan keessatti, siif teeknikaa siif kenna kan si gargaartu bu'aa gurgurtaa fi ba'uu sirna candlestick irratti hundaa'uun adda baasuuf.

Na amani, tajaajiloonni gatii kun si jijjiiru, si irraa jalqabaa ta'ee daldalaa gatii irratti maallaqa argachuuf rakkatu, daldalaa gatii bu'aa argamsiisu ta'a.

### The market structure

One of the most important skill that you need as a trader is the ability to read the market structure, it is a critical skill that will allow you to use the right price action strategies in the right market condition.

You are not going to trade all the markets the same way; you need to study how the markets move, and how traders behave in the market. The market structure is the study of the market behavior.

And if you can master this skill, when you open your chart, you will be able to answer these important questions:

What the crowds are doing? Who is in control of the market buyers or sellers? What is the right time and place to enter or to exit the market and when you need to stay away?

Through your price action analysis, you will experience three types of markets, trending markets, ranging markets, and choppy markets.

In this chapter, you will learn how to identify every market, and how to trade it.

#### 1-Trending markets

Trending markets are simply characterized by a repeating pattern of higher highs and higher low in an up-trending market, and lower high and lower low in a down trending market.

See the example below:

## KITAABA TRADING CANDLESTICK

### Ijaarsa gabaa

Ogummaa murteessaa tokko daldalaa ta'uu keetiif barbaachisu, ijaarsa gabaa du bbisuu dandeessuu dha, kunis ogummaa murteessaa ta'eedha kan si dandeessis u tajaajiloota gatii sirrii haala gabaa sirrii keessatti fayyadamuu.

Gabaa hundumaa akkasuma daldaluuf hin ta'u; akkamitti gabaan socho'u fi akka mitti daldaltoonni gabaa keessatti hojjatuu akka ta'e barachuu qabda.

Istraktara suuqaa qorannoo amala suuqaa dha.

Yoo dandeessuu ogummaa kana qabattu, yommuu chaartii kee banattu, gaaffilee barbaachisoo kanaaf deebii kennuu dandeessa:

Hordoftoonni maal hojjetaa jiru? Eenyutu suuqaa to'ataa jira, gurgurtoota moo bi ttoota? Yeroo fi iddoo sirrii maali, suuqaa seenuu ykn ba'uu fi yoom irraa fagaach uu qabda?

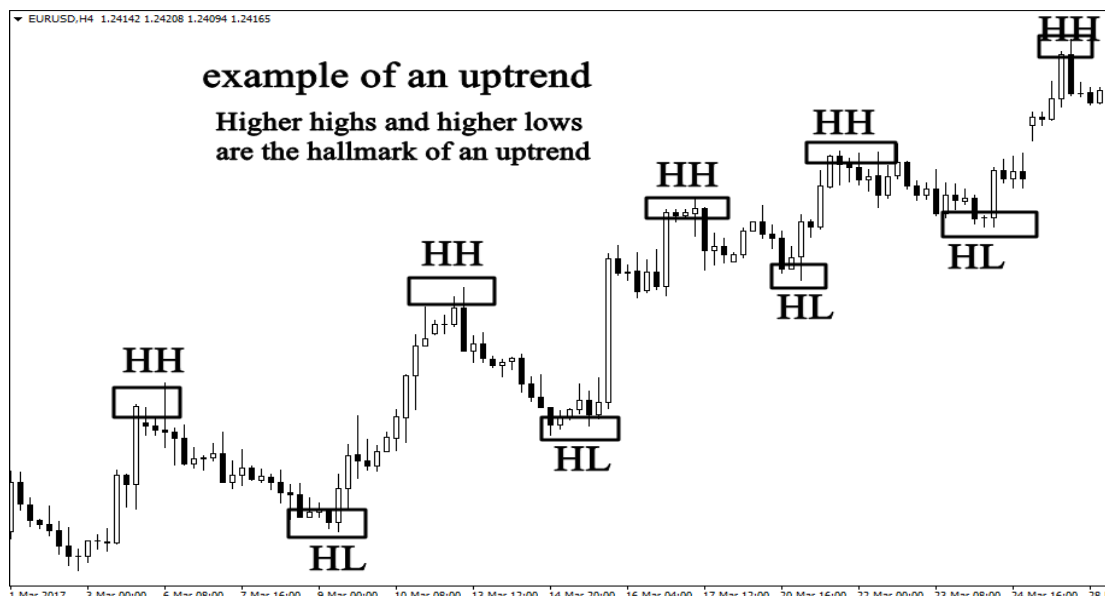
Qorannoo gocha gatii keetiin, suuqoota sadiin ni argita, suuqoota deemsisaa, su uqoota daangaa, fi suuqoota gubbaa.

Kitaaba kana keessatti, suuqii hundumaa akkamitti adda baafachuu akka dandee ssu fi akkamitti daldalu akka dandeessu barattu.

### 1-Suuqii Itti Fufaa

Suuqii itti fufaa haala ol ka'aa fi gadi bu'aa ol ka'aa fi gadi bu'aa keessatti mul'atu un kan ibsamu, suuqii gadi bu'aa keessatti immoo ol ka'aa fi gadi bu'aa gadi bu'a a ta'een ibsama.

Fakkeenya armaan gadii ilaali:



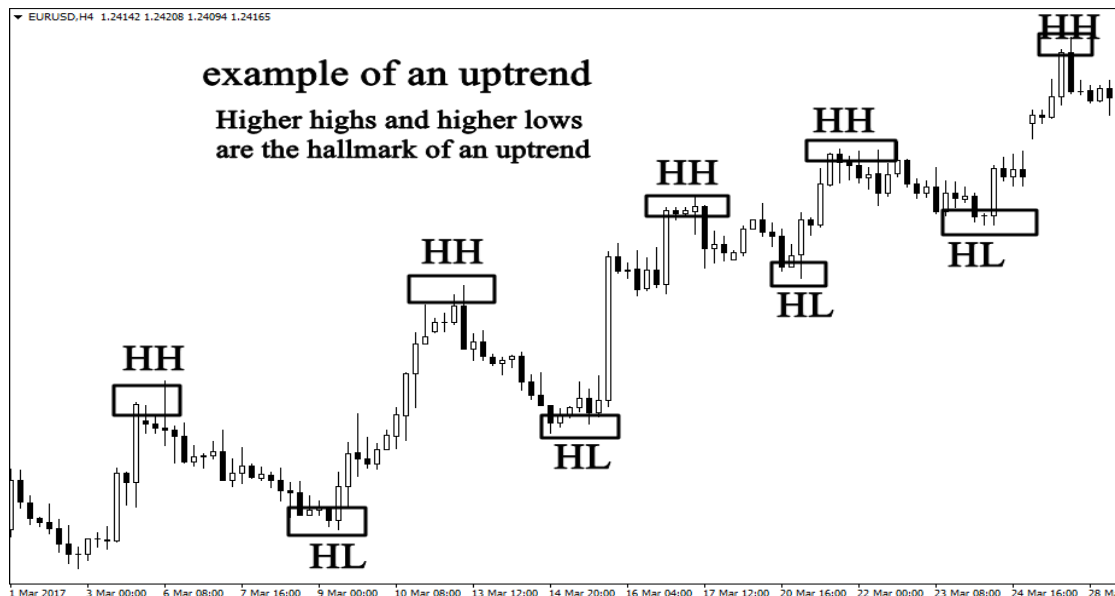
As you can see in the example above, the market is making series of higher highs and higher lows which indicates that the market is up trending.

You don't need indicators to decide if it is bullish or bearish just a visual observation of price action is quite enough to get an idea about the market trend.

Look another example of a downtrend market.



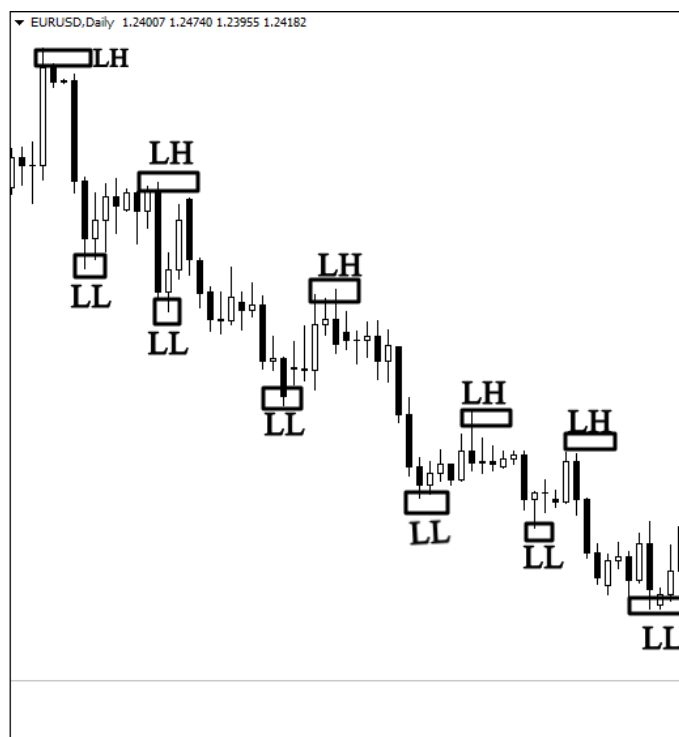
## KITAABA TRADING CANDLESTICK



Akka fakkeenya olitti argitanitti, gabaan ol ka'aa fi gadi bu'aa ol ka'aa fi gadi bu'aa taasisaa jira, kunis gabaan ol ka'aa jiraachuu agarsiisa.

Itti fayyadama agarsiistuu barbaachisaa miti, yoo gabaan ol ka'aa ykn gadi bu'aa ta'e, ilaalcha mul'ataa qofa gatii hojii irratti argachuun gabaan irratti yaada argachu uf ga'aa dha.

Fakkeenya biraa gabaan gadi bu'aa ta'e ilaali.



The example above shows a bearish market, as you can see there are series of higher lows and lower low which indicate an obvious downtrend.

Trending markets are easy to identify, don't try to complicate your analysis, use your brain and see what the market is doing.

If it is doing series of higher highs and higher low, it is simply an uptrend market; conversely, if it is making series of lower highs and lower low, it is obviously a downtrend market.

-According to statistics, trends are estimated to occur 30% of the time, so while they are in motion, you've got to know how to take advantage of them.

-To determine whether a market is trending or not, you have to use bigger time frames such the 4H, the daily or the weekly time frame. Never try to use smaller time frames to determine the market structure.

## KITAABA TRADING CANDLESTICK

Fakkeenyi olitti agarsiisu suuqii gad bu'aa dha, akkasumas, gadii fi ol ka'aa hedduu agarsiisuu kan mul'isu.

Suuqiiwwan socho'an adda baasuuf salphaa dha, qorannoo kee walitti dhufeenya hin uumin, sammuu kee fayyadami akkasumas suuqiin maal hojjechaa jiru ilaali.

Yoo ol ka'aa fi gadii ka'aa hedduu hojjechaa jiraate, suuqii ol ka'aa dha; akkasumas, yoo gadii ka'aa fi gadii ka'aa hedduu hojjechaa jiraate, suuqii gad bu'aa dha.

-Dhiyeessiiwwan, sochiiwwan yeroo 30% ta'uu akka tilmaamamu, kanaafuu yeroo socho'an, akkamitti faayidaa isaanii argachuu akka dandeessu beekuu qabda.

-Suuta suuta gurgurtaa gurguddaa ta'e ykn hin ta'in murteessuuf, yeroo gurguddaa akka 4H, guyyaa ykn torbaan fayyadamuu qabda.

Yeroo xiqqaa gurgurtaa gurguddaa murteessuuf yaaluun hin yaalin.

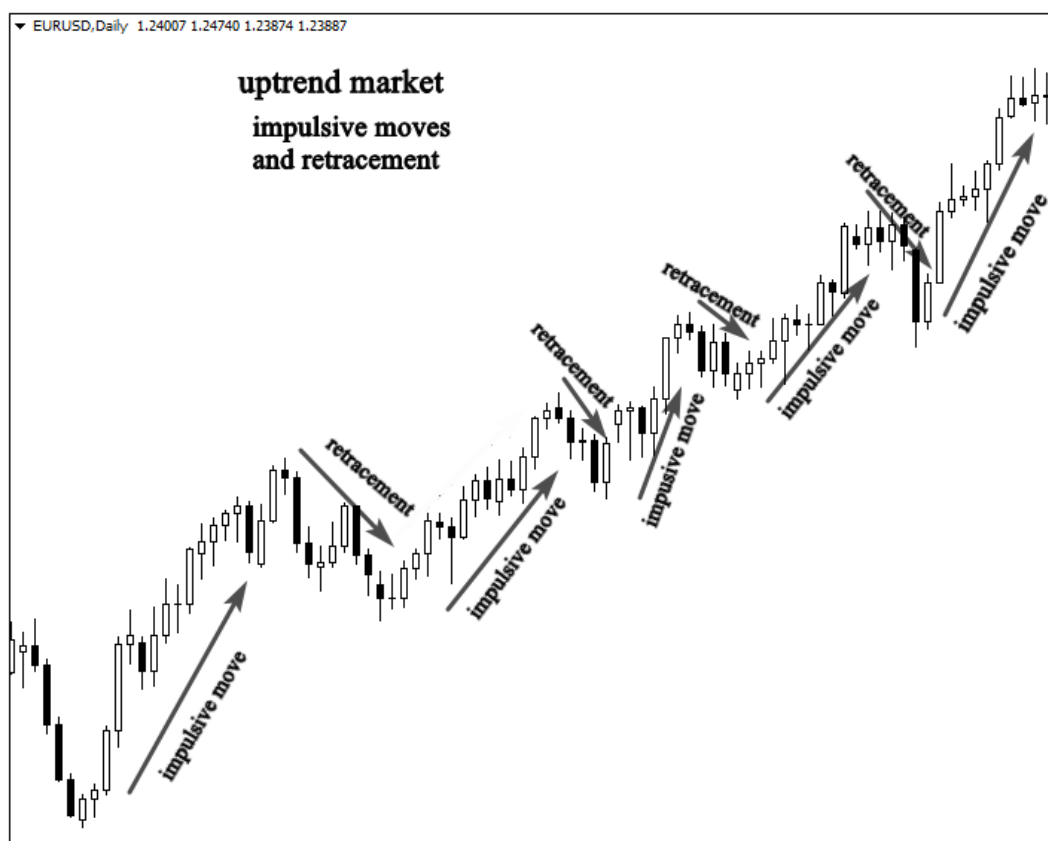
### How to trade trending markets:

If you can identify a trending market, it will be easy for you to trade it, if it is a bullish market, you will look for a buying opportunity, because you have to trade with the trend, and if the market is bearish, you have to look for a selling opportunity.

But the question is what is the right time to enter a trending market?

Trending markets are characterized by two important moves, the first move is called, the impulsive move, and the second one is called the retracement move.

See the example below to understand what i'm talking about.



As you can see, the market is making higher highs and higher lows which indicates a bullish market, if you see this market you will think

## KITAABA TRADING CANDLESTICK

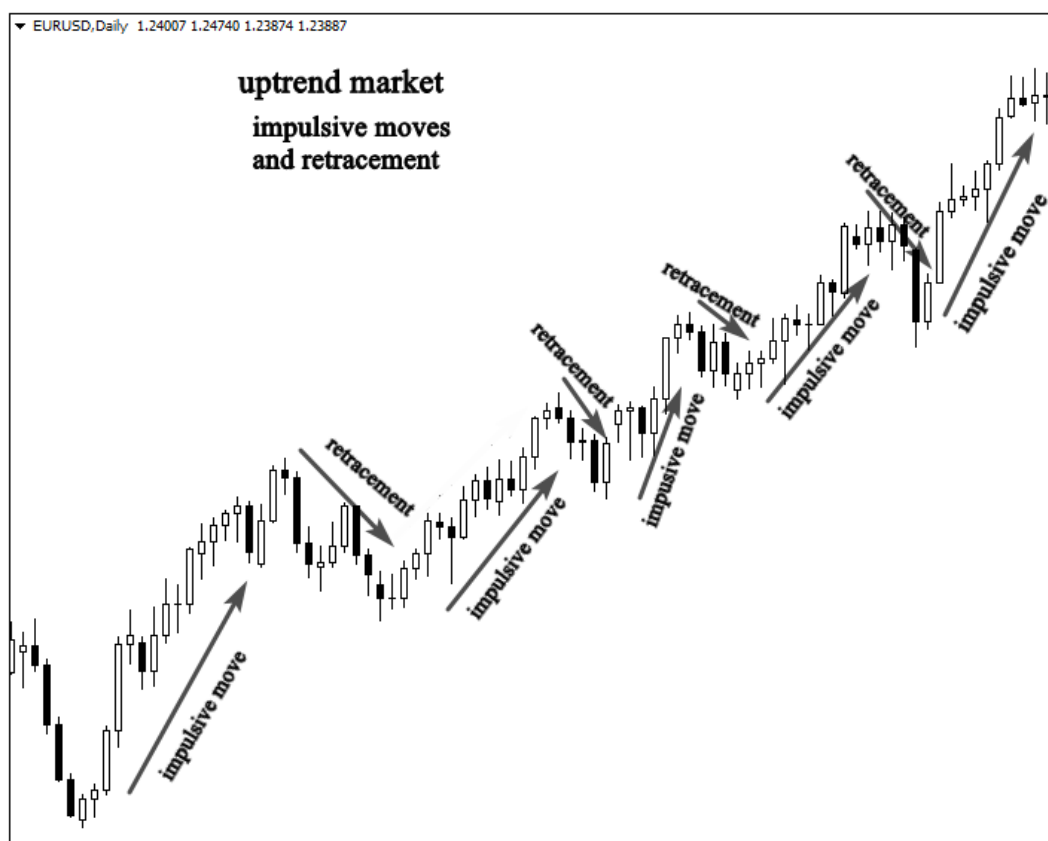
### Gurgurtaa gurguddaa akkamitti raawwachu:

Gurgurtaa gurguddaa beekuu dandeessu taanaan, gurgurtaa sana raawwachuuf salphaa ta'a, yoo gurgurtaan ol ka'aa ta'e, carraa bituu barbaaduu qabda, sabab ni isaas gurgurtaa waliin gurguruu qabda, yoo gurgurtaan gadi bu'aa ta'e immoo carraa gurguruu barbaaduu qabda.

Garuu gaaffiin jiru yeroo sirrii maaliidha gara gabaa sochii qabuutti seenuuf?

Gabaan sochii qabu sochiiwwan lama kan murteessan, sochii jalqabaa kan jedha mu sochii dadhabsiisaa, sochii lammaffaa immoo sochii deebi'aa jedhama.

Fakkeenya armaan gadi ilaaluudhaan maal akka jedhuu nan ibsa.



Akkuma argaa jirtu, gabaan ol ka'aa fi gadi bu'aa taasisaa jira, kunis gabaa daldal aa agarsiisa, yoo gabaa kana argitan yaada

of buying. But as you can see the market is making two different moves, the first move is an impulsive move, and the second one is a pullback or a retracement move. (corrective move)

Professional traders understand how trending markets move; they always buy at the beginning of an impulsive move and take profits at the end of it.

This is the reason why the market makes an impulsive move in the direction of the trend and retraces before it makes another impulsive move.

If you are aware of how trending markets move, you will know that the best place to buy is at the beginning of an impulsive move, traders who buy an uptrend market at the beginning of a retracement move, they got caught by professional traders, and they don't understand why the market hint their stop loss before moving in the predicted direction. See another example of a bearish trend.

## KITAABA TRADING CANDLESTICK

bittaa. Garuu akkamitti argitan suuqni tarkaanfii lama adda addaa fudhataa jira, t arkaanfii jalqabaa tarkaanfii dhoowwu dha, fi kan lammaffaa immoo deebi'ee y kn tarkaanfii deebi'aa dha. (tarkaanfii sirreessaa)

Daldaltoonni ogummaa qaban suuqni akkamitti tarkaanfii fudhatu akka ta'e ni hu batu; yeroo hunda tarkaanfii dhoowwu jalqabaa irratti bitu, fi dhuma irratti bu'a a argatu.

Kun sababa suuqni tarkaanfii dhoowwu kallattii tarkaanfii irratti fudhatu fi deebi'ee tarkaanfii dhoowwu biraa fudhatuu dura deebi'uu dha.

Yoo suuqiiwwan haala yeroo ammaa akkamitti socho'an beekuu dandeessu ta'e, i ddoo gaariin bituu akka ta'e beektu, sochii dadhabina jalqabaa irratti suuqii olka'aa bituuf daldaltoonni, daldaltoonni daldala olka'aa jalqabaa irratti sochii deebi'aa jalqabaa irratti bitu, daldaltoota ogummaa qaban irraa qabamanii jiru, akkasum as suuqiin maaliif akka isaan daangaa isaanii dura socho'u hin hubatani. Fakkeenya biraa haala dadhabina agarsiisa.



The illustration above shows a downtrend market, as you can see the best trading decision is to sell the market at the beginning of an impulsive move.

If you try to sell in the retracement move, you will be trapped by professional traders, and you will lose your trade.

Now we know how to identify downtrends and uptrends, and how to differentiate between an impulsive move, and a retracement move. This is very important for you as a price action trader to know.

BUT the most important question is how to identify the beginning of the impulsive move to enter the market in the right time with professional traders, and avoid being trapped by the retracement move?

## KITAABA TRADING CANDLESTICK



Fakkeenyi olitti argamu suuqii gadi bu'aa agarsiisa, akkasumas murtee daldalaa gaariin suuqii jalqabaa irratti sochii dadhabina jalqabaa irratti gurguruudha.

Yoo si'achi gurgurtaaf yaalte, dadhabina gurgurtaa keessatti hidhamiitu, fi gurgurtaa kee ni dhabu.

Amma gurgurtaa gadi bu'aa fi ol ka'aa akkamitti adda baafachuu akka dandeenyu, akkasumas sochii dadhabina fi sochii dadhabina akkamitti adda baafachuu akka dandeenyu beekna. Kun gurgurtaa gatii ta'ee siif baay'ee barbaachisaa dha.

HAA TA'U malee, gaaffii baay'ee barbaachisaa ta'e, sochii dadhabina jalqabaa akkamitti adda baafachuu akka dandeenyu, yeroo sirrii keessatti gurgurtaa seenuuf gurgurtoota ogummaa waliin, fi sochii dadhabina keessatti hidhamiituu irraa of eeggachuu akkamitti akka dandeenyu?

To predict the beginning of the impulsive move in a trending market, you have to master drawing support and resistance levels.

So, what are support and resistance levels and how to draw them on our charts? this is what we will see in the next chapter.

## KITAABA TRADING CANDLESTICK

Garaagarummaa fi cimina bu'uuraawwan sirna gurguddaa keessatti mul'atuuf, s adarkaa deeggarsa fi cimina akkaataa ittiin tarreessuu barachuu qabda.

Kanaaf, sadarkaa deeggarsa fi cimina maali, akkasumas akkamitti suura keenya i rratti tarreessuu dandeenya? kunoo kutaa itti aanutti ni ilaalla.

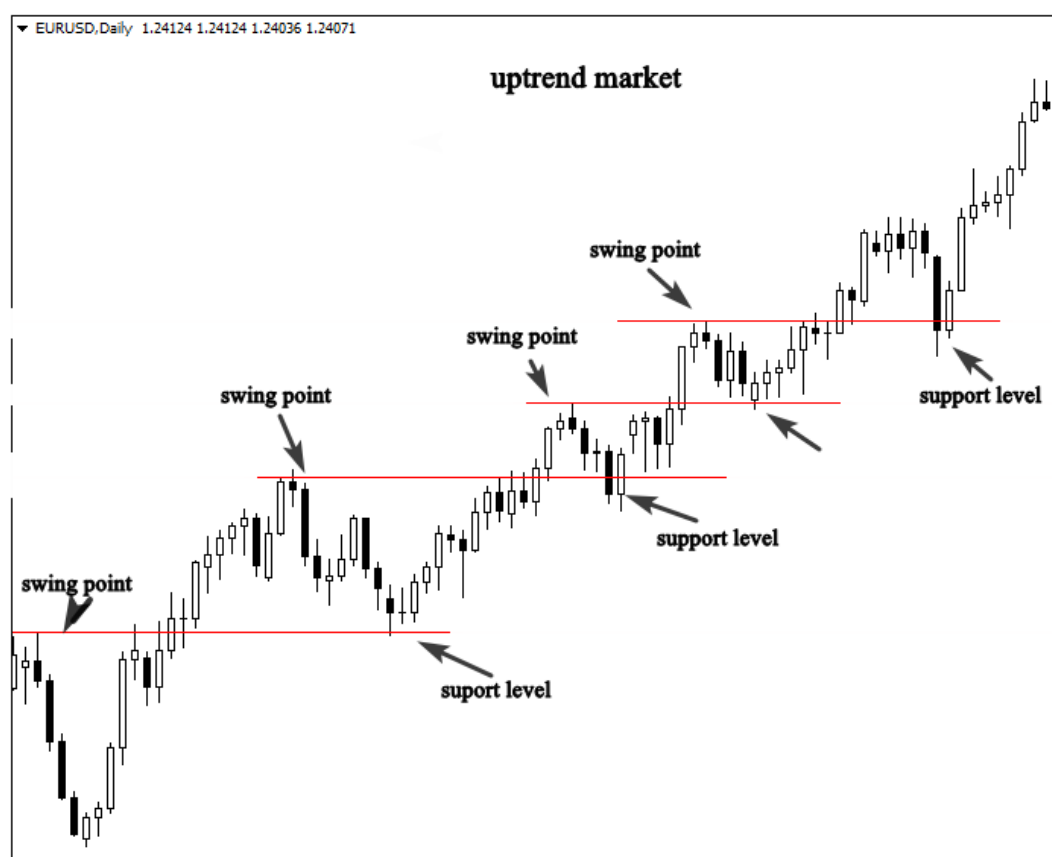
## Support and Resistance levels

Support and resistance are proven areas where buyers and sellers find some of equilibrium, they are major turning points in the market.

Support and resistance levels are formed when price reverses and change direction, and price will often respect these support and resistance levels, in other words, they tend to contain price movement until of course price breaks through them.

In trending markets, support and resistance are formed from swing points. in an uptrend the previous swing point acts as a support level, and in a downtrend the old swing point acts as a resistance level.

See the example below to learn more



## KITAABA TRADING CANDLESTICK

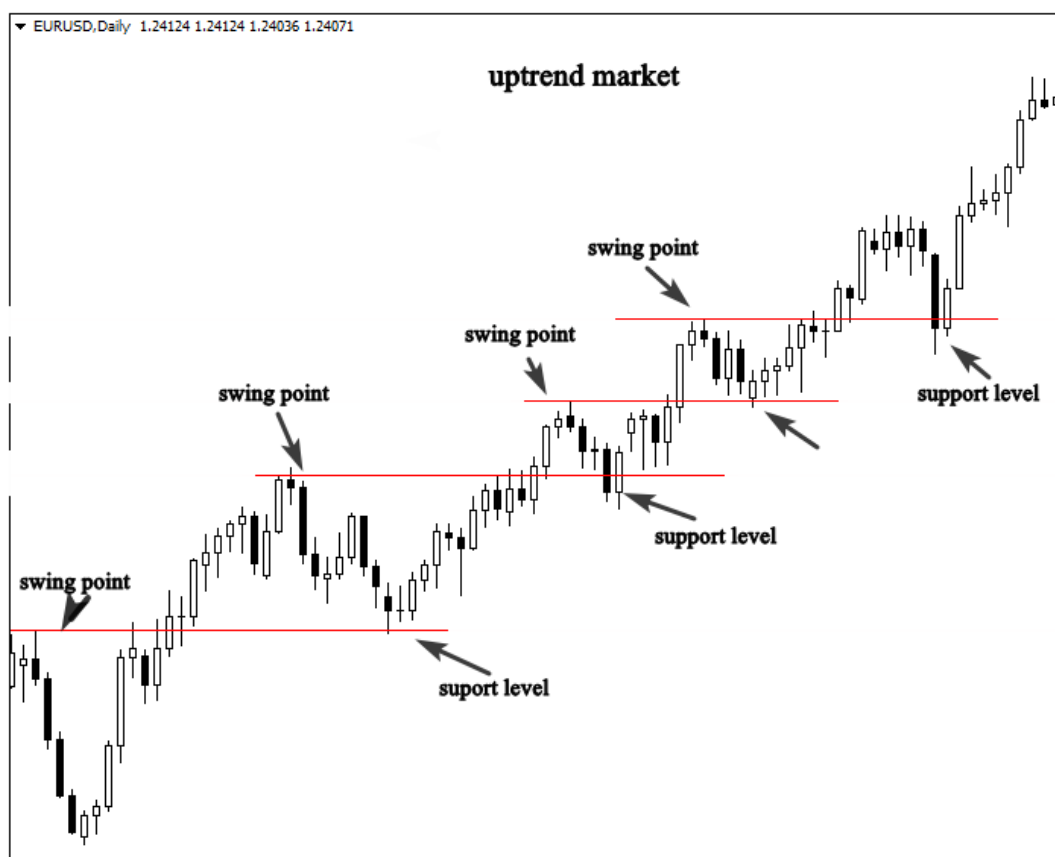
### Sadarkaa Deeggarsa fi Cimina

Deeggarsa fi mormiin iddoo mirkanaa'aa ta'anii kan gurgurtoota fi bittoota walqi xxummaa argatanidha, isaanis bakka jijjiirraa guddaa ta'anii jiru.

Sadarkaa deeggarsaa fi mormii yeroo gatii jijjiiramu fi kallattii jijjiiramu uumamu , gatiin yeroo baay'ee sadarkaa deeggarsaa fi mormii kana kabaju, hiika biraatiin, gatiin sochii gatii qabachuu ni danda'a hanga gatiin isaan cabsu.

Suuta suuta gurguddoo keessatti, deeggarsa fi mormiin iddoo jijjiirraa irraa uuma mu. Kallattii ol ka'uu keessatti, iddoo jijjiirraa duraanii sadarkaa deeggarsaa ta'a, kallattii gadi bu'uu keessatti immoo iddoo jijjiirraa duraanii sadarkaa mormii ta'a.

Fakkeenya armaan gadi ilaaluudhaan baruu dandeessu



## THE CANDLESTICK TRADING BIBLE

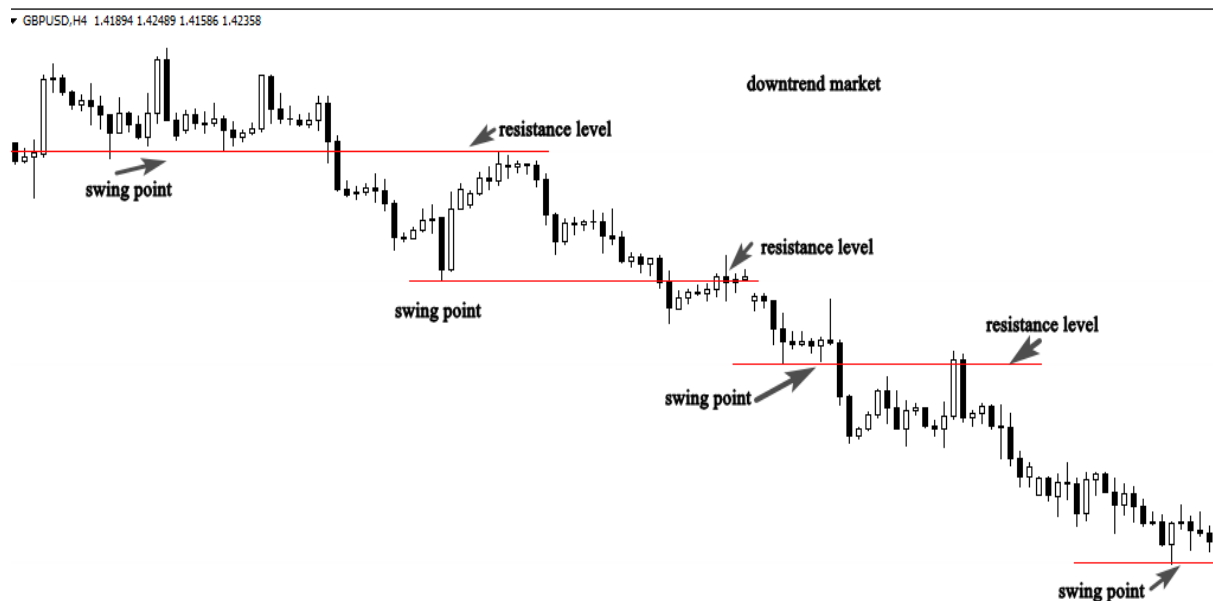
The illustration above shows how the previous swing point acts as a support level after the breakout.

When the market makes the retracement move it respects the previous swing point (support level) which will represent the beginning of another impulsive move.

As you can see, when the market tests the previous swing point (support level) it goes up again.

By drawing a support level in an uptrend market, we can predict when the next impulsive move will take place.

Let's see another example of a downtrend market.



The illustration above shows us how the market respects resistance levels, when price approach the previous swing point, (resistance level).

## KITAABA TRADING CANDLESTICK

Fakkii olitti argamu akkamitti bakka bu'aa duraanii akka bu'uuraatti hojjatu agars iisa.

Yeroo gabaan deebi'ee socho'u, bakka bu'aa duraanii (bu'uura) kabaja, kunis soc hii dabalataa jalqabu agarsiisa.

Akkuma argaa jirtu, yeroo gabaan bakka bu'aa duraanii (bu'uura) qoratu, deebi' ee ol ka'a.

Dhiibbaa ol ka'aa keessatti sadarkaa deeggarsaa kaasuudhaan, yeroo tarkaanfii it ti aanuu dhufuu akka ta'e tilmaamu dandeenya.

Fakkeenya biraa gabaan gadi bu'aa ilaaluuf.



Fakkeenya olitti argamu, gabaan sadarkaa dadhabinaa kabaju akkamitti akka ta'e nu agarsiisa, yeroo gatii iddoo harkaa duraanii (sadarkaa dadhabinaa) dhufuu.

The market makes an impulsive move. If you understand how price action act in a trending market, you will predict with high accuracy when the next impulsive move will begin.

Another way to catch the beginning of an impulsive move is by drawing trend lines.

This is another technical skill that you have to learn if you want to identify key linear support and resistance level.

Let me explain you first what do trend lines mean?

Quite often when the market is on the move making new swing highs and lows, price will tend to respect a linear level which is identified as a trend line.

Bullish markets will tend to create a linear support level, and bearish markets will form a linear resistance level.

## KITAABA TRADING CANDLESTICK

Suuqni tarkaanfii cimaa fudhata. Yoo akkamitti hojii gatii gurguddaa suuqii keessatti akka hojjatu hubatte, tarkaanfii cimaa itti aanuu eegaluu yeroo beeku ni dand'eessa.

Tarkaanfii cimaa eegaluu argachuuf karaa biraa immoo xayyaara daandii tarreeffamu dha.

Kunis dandeettii teeknikaa biraa dha, yoo sadarkaa deeggarsa fi mormii xayyaara sirrii adda baafachuuf barachuu barbaadde.

Jalqaba, xayyaara daandii maal akka ta'e siif ibsuuf ani siif ibsa?

Yeroo baay'ee yeroo gabaa socho'aa jiru, gatii haaraa ol ka'aa fi gadi bu'aa ta'ee, gatiin sadarkaa sirrii ta'e kan beekamu lafa daandii jedhamee waamamu kabajuu f ni yaala.

Gabaa jabeessaa sadarkaa deeggarsa lafa sirrii uumuuf ni yaala, gabaa laafaa immoo sadarkaa dadhabina lafa sirrii uumu.

### How to draw trend lines?

To draw a quality trend line, you will need to find at least 2 minimum swing points, and simply connect them with each other. The levels must be clear, don't try to force a trend line.

Don't use smaller time frame to draw trend lines, use always the 4H and the daily time frames to find obvious trend lines.

We will try to focus right now on how to draw them in a trending markets, our purpose is to identify the beginning of impulsive moves in a trending market.

In the next chapter, i will explain you in detail how to trade trend lines in combination with our price action trading setups.

See an example of how to draw trend lines in a downtrend market.



As you can see the market respects the trend line, and when price approach it, the market reverse and continue in the same direction.

## KITAABA TRADING CANDLESTICK

### Daandiiwwan sochii akkamitti akka tarreessan?

Daandii sochii qulqulluu tarreessuuf, bifa xiqqaa 2 argachuu qabda, akkasumas walitti hidhun isaanii walitti hidhun. Sadarkaan ifaa ta'uu qaba, daandii sochii jab eessuu yaalu hin yaalin.

Yeroo xiqqaa hin fayyadamin, daandiiwwan jijjiiramaa akkaataa 4H fi guyyaa fayyadamuun mul'atu.

Amma yeroo ammaa suuta suuta daandiiwwan akkamitti akka jajjaboo ta'aniif xiyeeffanna, kaayyoon keenya imala jajjaboo keessatti jalqaba sochii jajjaboo adda baasuudha.

Kutaa itti aanutti, daandiiwwan jijjiiramaa akkamitti akka daldaluuf gosa daldala keenyaa waliin ibsa bal'aa siif kenna.

Miseensa daandiiwwan jijjiiramaa akkamitti akka gurgurtaa gadi bu'aa ta'etti agarsiisa.



Akka argaa jirru, gabaan daandii jijjiiramaa kabaja, yeroo gatiin isatti dhihaatu, gabaan deebi'ee gara kallattii walfakkaataa itti fufa.

## THE CANDLESTICK TRADING BIBLE

When the market moves this way, trend lines help us to anticipate the next impulsive move with the direction of the market.

Look at another example of an uptrend market.



As you can see the market respects the trend line, and by drawing it the right way, we can easily predict the next movement upward.

This is all what we can say about trending markets, i think it's clear and simple, now what i want you to do is to open your charts and try to find trending markets.

Find previous swing points (support and resistance).and try to find trend lines as well.

This exercise will help you understand how trending markets move. And how to predict high probability entries in the market.

## KITAABA TRADING CANDLESTICK

Yeroo gabaan akkana deemu, daandii jijjiiramaa nu gargaara sochii dandeettii it ti aanuu kallattii gabaa waliin tilmaamuuf.

Fakkeenya biraa gabaa olka'aa ilaali.



Akka argaa jirtu, suuqni daandii jijjiiramaa kabaja, akkasumas sirnaan kaawudhaan, tarkaanfii itti aanuu ol ka'uu akka tilmaamu dandeenyu.

Kun hundi suuqota jijjiiramaa irratti kan nuti jedhu, ani ifa fi salphaa ta'uu isaa yaada, amma wanti si irraa barbaadu kaardii kee banachuu fi suuqota jijjiiramaa barbaaduu dha.

Bakka bu'aa duraanii (deeggarsa fi dadhabina) barbaadi. akkasumas daandii jijjiiramaa barbaadi.

Shaakalli kun suuqota jijjiiramaa akkamitti akka socho'an si gargaara. Akkaataa gatii ol'aanaa daldala keessatti tilmaamuun.

### The Ranging Market

Ranging markets are pretty straight forward, they are often called sideways markets, because their neutral nature makes them appear to drift to the right, horizontally.

When the market makes a series of higher highs and higher lows, we can say that the market is trending up.

But when it stops making these consecutive peaks, we say that the market is ranging.

A ranging market moves in a horizontal form, where buyers and sellers just keep knocking price back and forth between the support and the resistance level.

See the example below:



The chart above shows a ranging market, as you can see, the price is bouncing between horizontal support and resistance level.

The difference between trending markets and ranging markets is that trending markets tend to move by forming a pattern of higher high and higher lows in case of an uptrend, and higher low and lower low in case of a downtrend.

## KITAABA TRADING CANDLESTICK

### Suuqii Ranging

Suuta suuta daldalli gatii walitti fufaa ta'uu isaa ni mul'ata, sababiin isaas haala isaa walqixxummaa qabuun gara mirgaa, hiriya ta'ee mul'ata.

Yeroo daldalli gatii ol'aanaa fi gatii gadi aanaa walitti fufaa ta'ee, daldalli gatii ol'ka'aa jira jedhamee ni jedhama.

Garuu yeroo gatiwwan walitti fufaa kana dhaabu, daldalli gatii suuta suuta jira jedhamee ni jedhama.

Suuqni bal'aa haala hiriira keessa deema, bakka bittoonni fi gurgurtoonni gatii d'eebi'aa fi deebi'aa gidduutti hiriira gatii cimsuu fi cimsuu gidduutti deema.

Fakkeenya armaan gadii ilaali:



Kaartaan ol'aanaa suuq bal'aa agarsiisa, akkasumas, gatiin hiriira cimsuu fi cimsuu gidduutti deebi'aa jira.

Farakaan suuqota hiriira keessa deeman fi suuqota bal'aa gidduutti jiru, suuqota hiriira keessa deeman haala ol'aanaa fi gadi'aanaa uumuudhaan deemu, yeroo hiriira ol'aanaa ta'e, fi gadi'aanaa fi gadi'aanaa uumuudhaan deemu, yeroo hiriira gadi'aanaa ta'e.

But ranging markets tend to move horizontally between key support and resistance levels.

Your understanding of the difference between the both markets will help you better use the right price action strategies in the right market conditions.

Trading ranging markets is completely different from trading trending markets, because when the market is ranging, it creates equilibrium, buyers are equal to sellers, and there is no one in control.

This will generally continue until the range structures broke out , and a trending condition start to organize.

The best buying and selling opportunities occur at key support and resistance levels.

There are three ways to trade ranging markets, i'm not going to go into details, because what i want you to get here is the skill to look at your charts and decide whether the market is trending or ranging.

In the next chapters i will go into details and i will give the trading tactics and strategies that you will use to trade trending or ranging markets.

If you can't differentiate between ranging markets and trending markets, you will not know how to use these price action strategies.

The first way to trade ranging markets is by waiting for price to approach support or resistance level then you can buy at key support level and sell at key resistance level.

See the example below:

## KITAABA TRADING CANDLESTICK

Garuu suuqiin daangaa qabatani galuun sadarkaa deeggarsa fi mormii gidduutti hiriira.

Hubannoon kee garaagarummaa suuqii lama gidduutti jiru si gargaara akka sirrii tti tajaajila gochaa gatii sirrii haala suuqii sirrii keessatti fayyadamtu.

Daldala suuqii daangaa qabatani galuun daldala suuqii daandii qabatani galuun irraa adda, sababni isaas suuqiin daangaa qabatani galuun, walqixxummaa uumaa, bittoonni gurgurtoota waliin walqixa, fi namni tokkollee to'achuu hin danda'u.

Kun waliigala hanga ijaarsa daangaa caccabsuuf, fi haala daandii qabatani galuun qopheessuuf jalqabuutti itti fufa.

Carraan gurgurtaa fi bituu gaarii sadarkaa deeggarsa fi mormii murteessaa irratti argama.

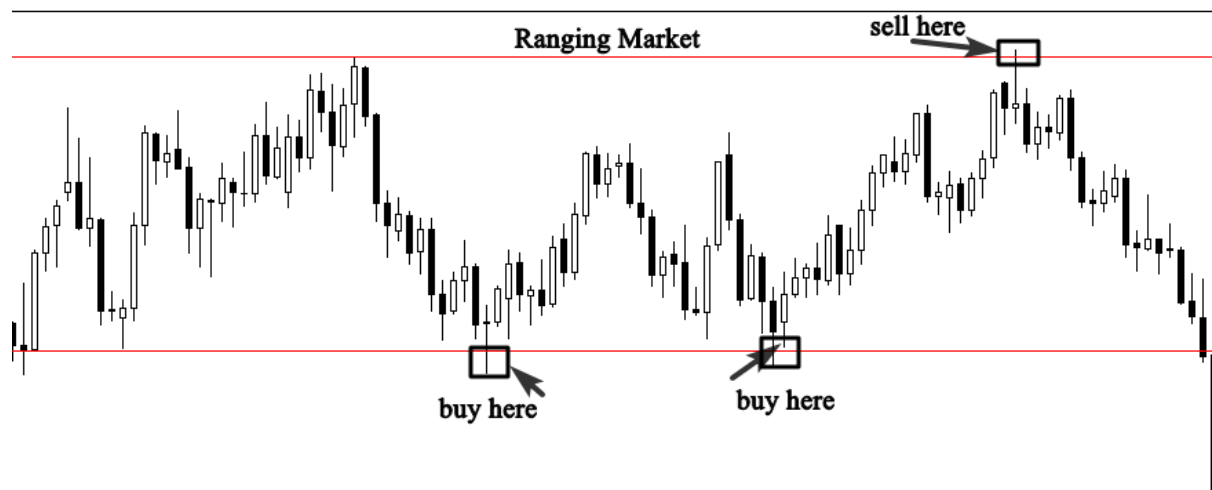
Maqaa sadiin suuqiiwwan gurgurtaa gochuu dandeessu, ani faallaa gahuuf deemu hin barbaadu, sababni isaas, wanti ani siif barbaadu ogummaa kaardii kee ilaaluudhaan suuqiin akkamitti deema jiru ykn akkamitti gurgurtaa gochaa jiru murteessuu dha.

Kutaa itti aanutti, ani faallaa gahuuf deemu fi tarsiimoo gurgurtaa fi mala gurgurtaa siif kenna, kanneen suuqiiwwan deema ykn gurgurtaa gochaa jiran irratti fayyadamtu.

Suuqiiwwan gurgurtaa gochaa jiran fi suuqiiwwan deema jiran adda baafachuu hin dandeessu taanaan, mala gurgurtaa gatii kana akkamitti fayyadamuu akka dandeessu hin beekne.

Karaa jalqabaa suuqii daangaa keessa jiru daldaluuf, gatii deeggarsa yookaan ciiminaatti dhihaachuuf eeguu dha, sana booda gatii deeggarsa murteessaa irratti bituu fi gatii cimina murteessaa irratti gurguruu dandeessa.

Fakkeenya armaan gadii ilaali:



As you can see, the market is moving horizontally, in this case the best buying opportunities occur at the support level.

And the best selling opportunities occur at the resistance level.

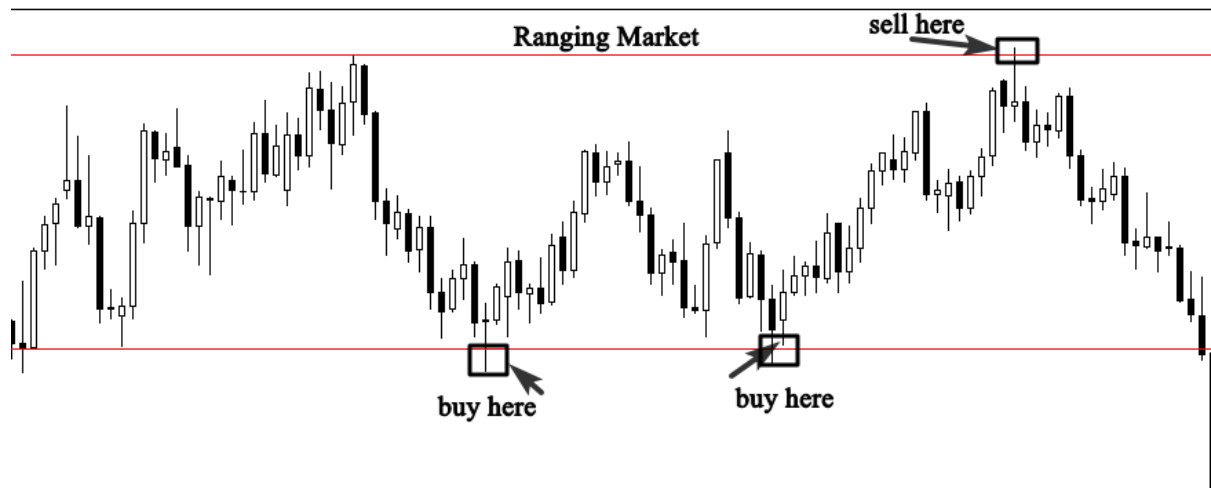
The second way of trading ranging markets is by waiting for the breakout from either the support level or the resistance level.

When the market is ranging, no one knows what is going to happen, we don't know who is going to be in control of the market, this is why you have to pay attention to the boundaries, but when one of the players decide to take control of the market, we will see a breakout of the support or the resistance level.

The breakout means that the ranging period is over, and the beginning of a new trend will take place...

See the example below:

## KITAABA TRADING CANDLESTICK



Akkuma argaa jirtu, suuqiin daangaa irratti socho'aa jira, haala kana keessatti carraa bituu gaarii gatii deeggarsa irratti argama.

Akkaataa walfakkaatuun, carraa gurgurtaa gaarii gatii cimina irratti argama.

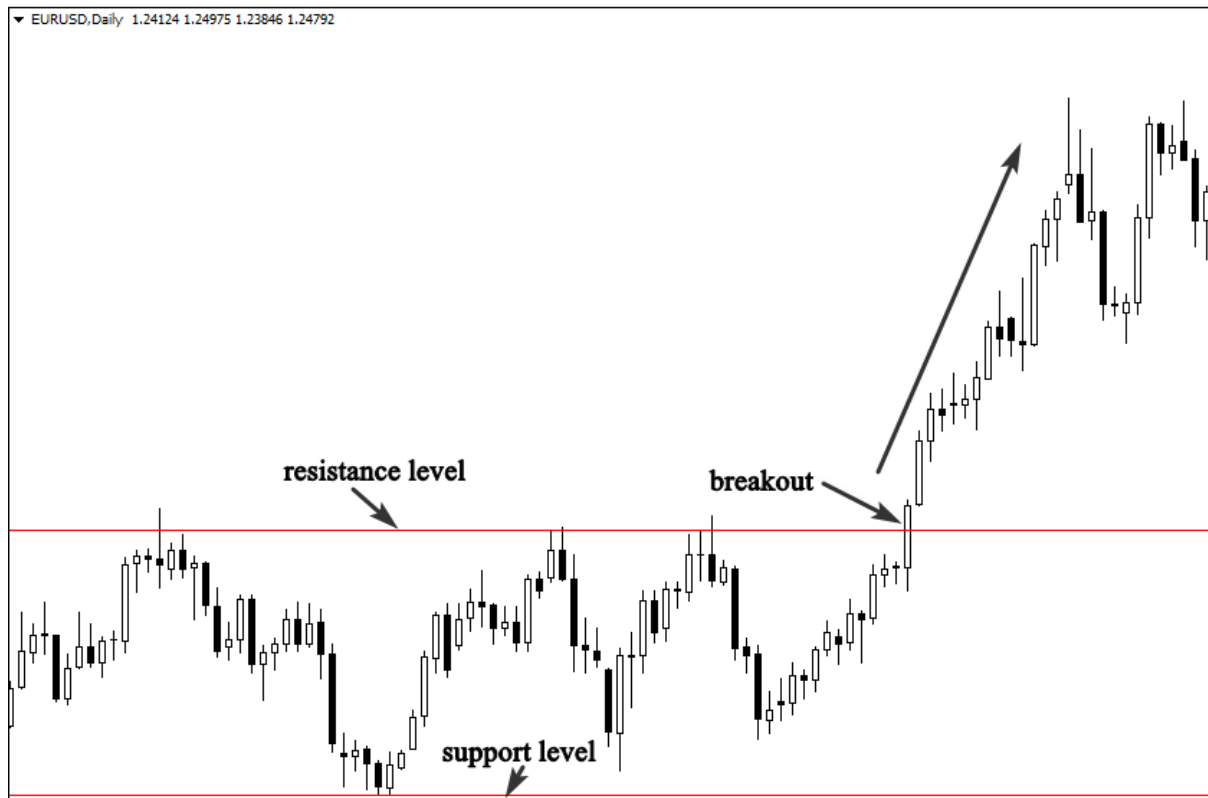
Karaa lammaffaa daldala suuqii daangaa keessa jiru, bakka deeggarsa yookaan daangaa cabsuu eeguu dha.

Yeroo suuqiin daangaa keessa jiru, namni kam iyyuu maal akka ta'u hin beekne, e enyutu suuqii to'achuuf qophii ta'e hin beeknu, kanaaf daangaa irratti xiyyeeffachu qabda, garuu yoo taphataan tokko suuqii to'achuuf murteesse, deeggarsa yookaan daangaa cabsuu ni argina.

Cabsuun jechuun yeroo daangaa keessa jiru xumuramee, jalqaba haaraa fi jijjiira ma haaraa ni jalqaba...

Fakkeenya armaan gadii ilaali:

## THE CANDLESTICK TRADING BIBLE



As you can see the market was trading between support and resistance levels, and suddenly the price broke out of the resistance level, this indicates that the beginning of a trend is likely to happen.

So the best way to enter is after the breakout.

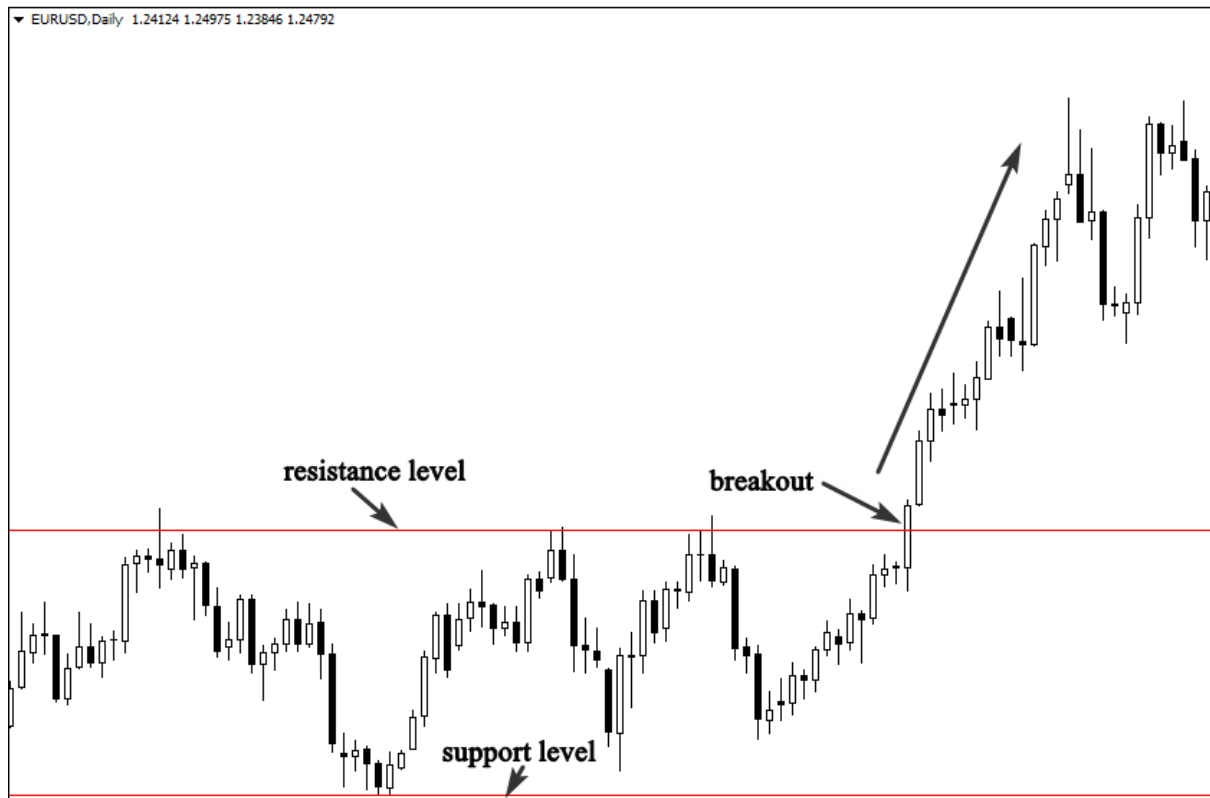
It's important to remember that range boundaries are often overshot, giving the illusion a breakout is occurring, this can be very deceptive, and it does trap a lot of traders who positioned into the breakout.

The third way to trade ranging markets is to wait for a pullback after the breakout of the support or the resistance level.

The pullback is another chance to join the trend for traders who didn't enter in the breakout.

See the example below:

## KITAABA TRADING CANDLESTICK



Akka argaa jirtanitti, gabaan deeggarsa fi mormii gidduutti daldalaa ture, akkasu mas gatii mormii cabsuu jalqabe, kunis haala jijjiiramaa jalqabuu akka ta'u agarsi isa.

Kanaaf, karaa gaariin seenuu cabsuu booda.

Daangaa gamaa-gamaatti yaadachuun barbaachisaa dha, kunis yeroo baay'ee ol ka'aa, cabsuu akka ta'e fakkeessuu, kunis daldaltoota baay'ee tuqaa cabsuu irratt i hiriira taasisuu danda'a.

Karaa sadaffaa gabaa daangaa keessa daldaluuf, cabsuu deeggarsa yookaan mormii booda deebi'uu eeguu dha.

Deebii kun carraa biraa dhaabbata hiriiraatti makamuuf daldaltoota kan hin see neef.

Fakkeenya armaan gadii ilaali:



As you can see in the chart above, the market was ranging, price breaks out of the resistance level to indicate the end of the ranging period, and the beginning of a new trend.

After the breakout, the market comes back to retest the resistance level that becomes support before it goes up.

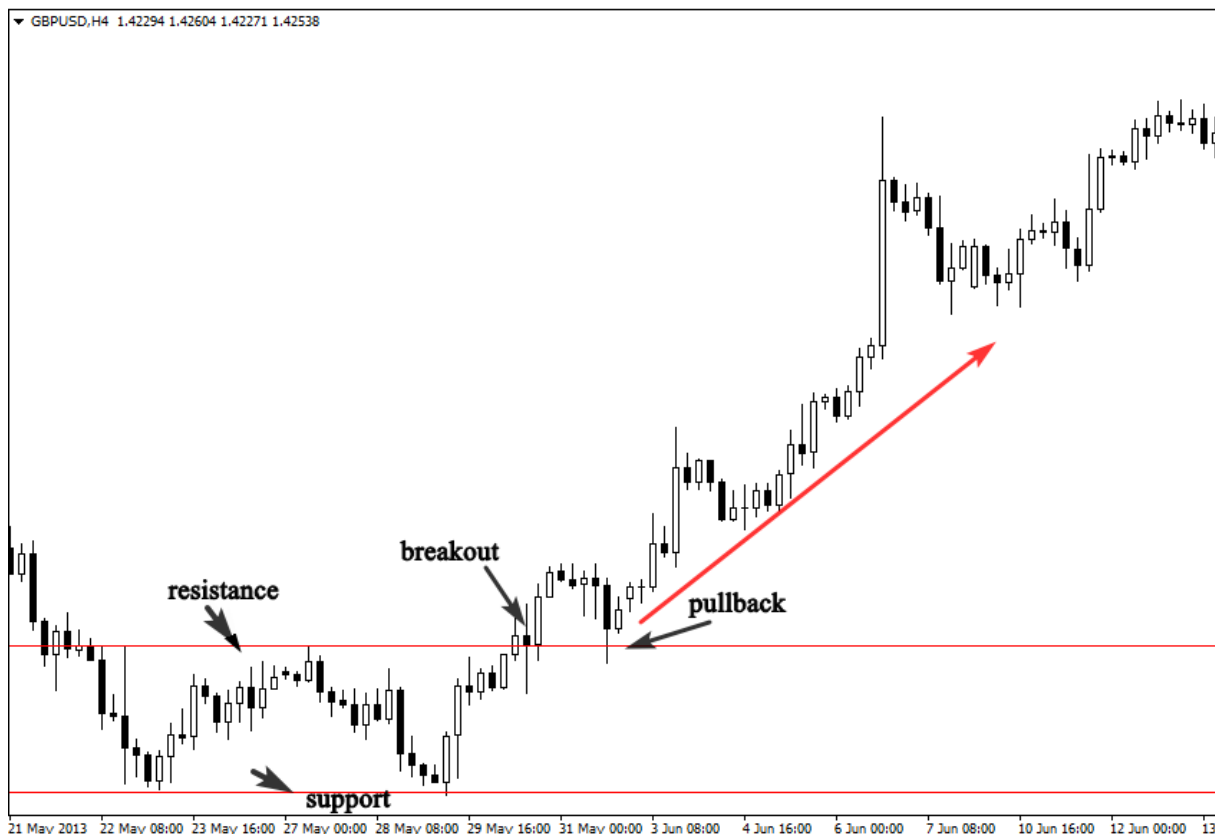
The pullback is your second chance to join the buyers if you miss the breakout.

But Pullbacks don't always occur after every breakout, when it occurs, it represents a great opportunity with a good risk to reward ratio.

What you have to remember is that a ranging market moves horizontally between the support and the resistance level.

These are the key levels that you have to focus on. The breakout of the support or the resistance level indicates that the ranging period is over, so you have to make sure that the breakout is real to join the new trend safely.

## KITAABA TRADING CANDLESTICK



Akka chart irratti argitanitti, gabaan daangaa keessa turte, gatii daangaa cabsuun xumura daangaa yeroo agarsiisa, fi jalqaba hiriira haaraa.

Cabsuu booda, gabaan deebi'ee daangaa cabsuu kan deebi'ee deeggarsa ta'ee ol ka'uu dura.

Deebiin kun siif carraa lammaffaa ta'ee, yoo baay'ina gurgurtaa dhabe, gurgurto ota waliin hirmaachuuf.

Garuu deebiin gurgurtaa hunda booda hin dhufu, yoo dhufe, carraa gaarii fi qabe enya gaarii qabdu agarsiisa.

Waan yaadachuu qabdu, suuqni daangaa fi cimina gidduutti hiriira horizontal ta' ee socho'a.

Kunis sadarkaa ijoo ta'aniidha, kan irratti xiyyeeffachuu qabdu. Baay'ina cimina ykn daangaa cimina irraa ba'uun yeroo hiriira dhumate agarsiisa, kanaaf baay'ina dhugaa ta'uu isaa mirkaneeffachuu qabda si'a haaraa hirmaachuuf.

If you miss the breakout, wait for the pullback. when it occurs, don't hesitate to enter the market.

When you are trading ranging markets, always make sure that the market is worth trading, if you feel like you can't identify the boundaries (support and resistance). this is a clear indication of a choppy market.

In Forex, choppy markets are those which have no clear directions, when you open your chart, and you find a lot of noise, you can't even decide if the market is ranging, or trending.

You have to know that you are watching a choppy market. This type of markets can make you feel very emotional and doubt your trading strategies as it starts to drop in performance.

The best way to determine if a market is choppy is just by zooming out on the daily chart and taking in the bigger picture.

After some training, screen time and experience, you will easily be able to identify if a market is ranging or it is a choppy market.

Here is a good example of a choppy chart that is not worth trading.



## KITAABA TRADING CANDLESTICK

Yoo baay'ee baafatte, deebi'aa eegadhu. Yeroo inni dhufu, suuta suuta galuuf hin qusatin.

Yeroo suuqii gurgurtaa gurguddaa ta'ee, suuqii gurgurtaa ta'uu isaa mirkaneeffa dhu, yoo daangaa (deeggarsa fi mormii) adda baafachuu dadhabde. kun suuqii gurguddaa dhugaa ta'uu isaa agarsiisa.

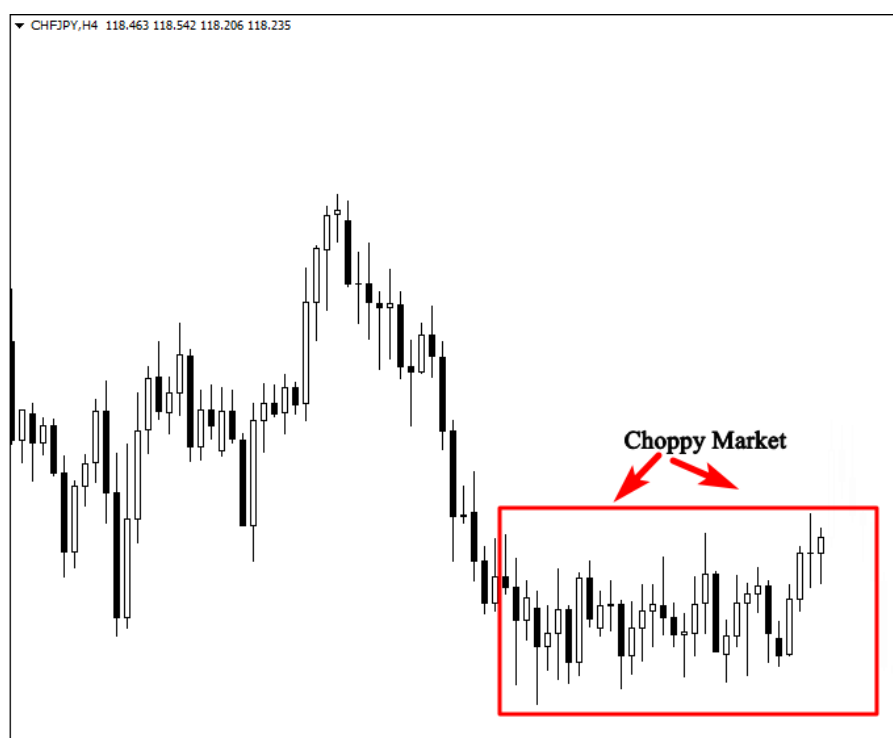
Forex keessatti, suuqii gurguddaa ta'uu hin dandeenye, yeroo chart kee banattu, s agalee baay'ee argita, suuqii gurguddaa ta'uu isaa yookaan gurguddaa ta'uu isaa murteessuu dandeessu.

Beekuu qabda akka ati suura gurgurtaa caccabaa ilaaltu. Gurgurtaan akkasii siif y aada cimaa fi shakkii gochuu danda'a yeroo hojiin isaa gadi bu'uu jalqabu.

Karaa gaariin gurgurtaa caccabaa ta'e mirkaneessuuf, suura guyyaa bal'inaan ila aluun fi suuraa bal'aa fudhachuu dha.

Leenjii, yeroo screen fi muuxannoo muraasa booda, gurgurtaa gamaa gamaa ta'e ykn gurgurtaa caccabaa ta'e adda baasuuf salphaa ta'a.

Kun suura caccabaa gurgurtaa gochuu hin malleef fakkeenya gaariidha.



Notice in the chart above, the price action in the highlighted area is very choppy, and it is moving sideways in a very small tight range. This is a sign of a choppy market that you should stay away from.

If a market is choppy, in my opinion, it is not worth trading, if you try to trade it, you will give back your profits shortly after big winners, because markets often consolidate after making big moves.

## KITAABA TRADING CANDLESTICK

Ijaarsa gubbaa irratti, gochaan gatii naannoo ifa ta'e keessatti baay'ee choppy dh  
a, akkasumas daandii xiqqoo cufaa keessatti socho'aa jira. Kunis suuraa gabaa ch  
oppy ta'eedha, kan irraa fagaachuu qabdu.

Yoo gabaan choppy ta'e, yaada kiyyaatti, daldaluuf hin malle, yoo daldaluuf yaalt  
e, bu'aa kee yeroo dheeraaf gatii guddaa booda deebisuu dandeessa, sababni isa  
as gaboonna yeroo baay'ee sochii guddaa booda walitti qabamu.

### Time frames and top down analysis

As a price action trader, your primary time frame is the 1H, the 4H and the daily.

Price action works on bigger time frames, if you try to trade pin bars or engulfing bars on the 5-minute time frame, you will lose your money, because there is lot of noise on smaller time frames, and the market will generate lot of false signals because of the hard battle between the bears and bulls.

Besides, there is no successful price action trader who focuses on one-time frame to analyze his charts, maybe you have heard of the term top and down analysis which means to begin with bigger time frames to get the big picture, and then you switch to the smaller one to decide whether to buy or to sell the market.

Let's say you want to trade the 4h chart, you have to look at the weekly chart first, and then the daily chart, if the weekly and the daily charts analysis align with the 4h chart, you can then take your trading decision.

And if you want to trade the 1H chart, you have to look at the daily chart first. This is a critical step to do as a price action trader, because this will help you avoid low probability trading setups, and it will allow you to stay focused on high probability price action signals.

Through our top down analysis, we always start with the bigger time frame, and we look for to gather the following information:

**-The most important support and resistance levels:** these areas represent turning points in the market, if you can identify them on the weekly chart, you will know what is going to happen when the price approaches these levels on the 4h chart.

So you will decide either to buy, to sell or to ignore the signals you get from the market.

## KITAABA TRADING CANDLESTICK

### Yeroo fi qorannoo ol'aanaa

Akkuma daldalaa gatii, yeroo keetii isa ijoo 1H, 4H fi guyyaa ta'uu qaba.

Gatiin hojii irra oola yeroo dheeraa irratti, yoo pin bars yookin engulfing bars 5-d aqiiqaa irratti daldaluuf yaalte, maallaqa kee ni dhabda, sababni isaas yeroo xiqqaa irratti sagalee hedduu jira, akkasumas gabaan mallattoo sobaa hedduu uuma sababni isaas walitti bu'iinsa jabaan gidduu bifa fi bull.

Kana malees, daldalaa gatii milkaa'aa tokkoo hin jiru kan yeroo tokko qofa irratti xiyyeeffatuun chart isaa qoratu, yeroon 'top and down analysis' jedhamu dhaga'u u dandeessu, kunis yeroo dheeraa irraa jalqabee suuraa guddaa argachuuf, booda immoo yeroo xiqqaa irratti jijjiiruu dandeessu, gabaan bituuf yookin gurguruuf murteessuuf.

Fakkeenyaaf, chart 4h daldaluuf barbaadde, chart torbaan dura ilaalu qabda, booda chart guyyaa ilaalu qabda, yoo qorannoon chart torbaan fi chart guyyaa 4h waliin deemu, murteewwan daldalaa keetiif fudhachuu dandeessa.

Yoo 1H chart gurgurtaa barbaadde, chart guyyaa dura ilaalu qabda. Kun gurgurtaa gochuu barbaadduuf tarkaanfii murteessaa dha, sababni isaas kun si gargaara gurgurtaa carraa xiqqaa irraa of qusachuu, akkasumas si dandeessisa mallattoo gurgurtaa carraa ol'aanaa irratti xiyyeeffachuu.

Qorannoo keenya ol'aanaa jalqabaa yeroo hunda yeroo dheeraa irraa jalqabna, akkasumas odeeffannoo armaan gadii walitti qabna:

-Sadarkaa deeggarsa fi dadhabina murteessaa: bakka kanaan gurgurtaa jijjiiram a agarsiisu, yoo chart torbaan irratti argite, yeroo gatii sadarkaa kanaan 4h chart irratti dhufuu, maal akka ta'u beektu.

Kanaaf, gurgurtaa, gurgurtaa ykn mallattoo gurgurtaa irraa argattu dhiisuu murteessita.

**-The market structure:** the weekly analysis will help you identify if the market is trending up or down, or it is ranging, or choppy market. In general, you will know what the big investors are doing. And you will try to find a way to follow them on the smaller time frames using my price action strategies.

**-The previous candle:** the last candle on the weekly chart is important, because it tells us what happens during a week, and it provides us with valuable information about the future market move.

When you identify these points using the weekly chart, you can now move to the daily chart or the 4h chart and try to gather information such as:

**-The market condition:** what the market is doing on the 4h time frame, is it trending up or down, is it ranging, or is it a choppy market.

**- what are the most important key levels on the 4h or the daily time frame:** this could be support and resistance, supply and demand areas, trend lines....

**-price action signal:** a candlestick patterns that will provide you with a signal to buy or short the market. This could be a pin bar, an engulfing bar or an inside bar...

Let me give you an example to help you understand why it is important to adopt the top down analysis concept in your trading method and what is going to happen if you don't look at the bigger time frame before switching to your primary chart.

Look at the illustration below:

## KITAABA TRADING CANDLESTICK

-Istraktara suuqaa: qorannoon torbaanitti si gargaara suuqni ol ka'aa ykn gadi bu'aa, ykn suuqni daangaa ykn choppy ta'uu isaa beekuu. Waliigalteedhaan, maalla aqa guddaa maaliif hojjachaa jiran beekuu dandeessa. Akkaataa gochaa gatii koo fayyadamuun, yeroo xiqqaa irratti isaan hordofuu yaaluuf carraa argachuuf yaali.

-Kandala duraanii: kandala dhumaa chart torbaan irratti barbaachisaa dha, saba bni isaas torbaan keessatti maal akka ta'e nuuf ibsa, akkasumas odeeffannoo barbaachisaa nuuf kenna kan suuqni gara fuulduraatti deemu.

Yeroo piroojektoota kana chart torbaan irratti argitan, chart guyyaa ykn chart 4h irratti ce'uu dandeessu akkasumas odeeffannoo akka:

-Haala gabaa: maal gochaa jira gabaan yeroo 4h, ol ka'aa jira moo gadi bu'aa jira, gama tokkoon deema moo gabaan walitti fufaa jira.

### - yeroo 4h yookaan guyyaa irratti sadarkaa ijoo maali?

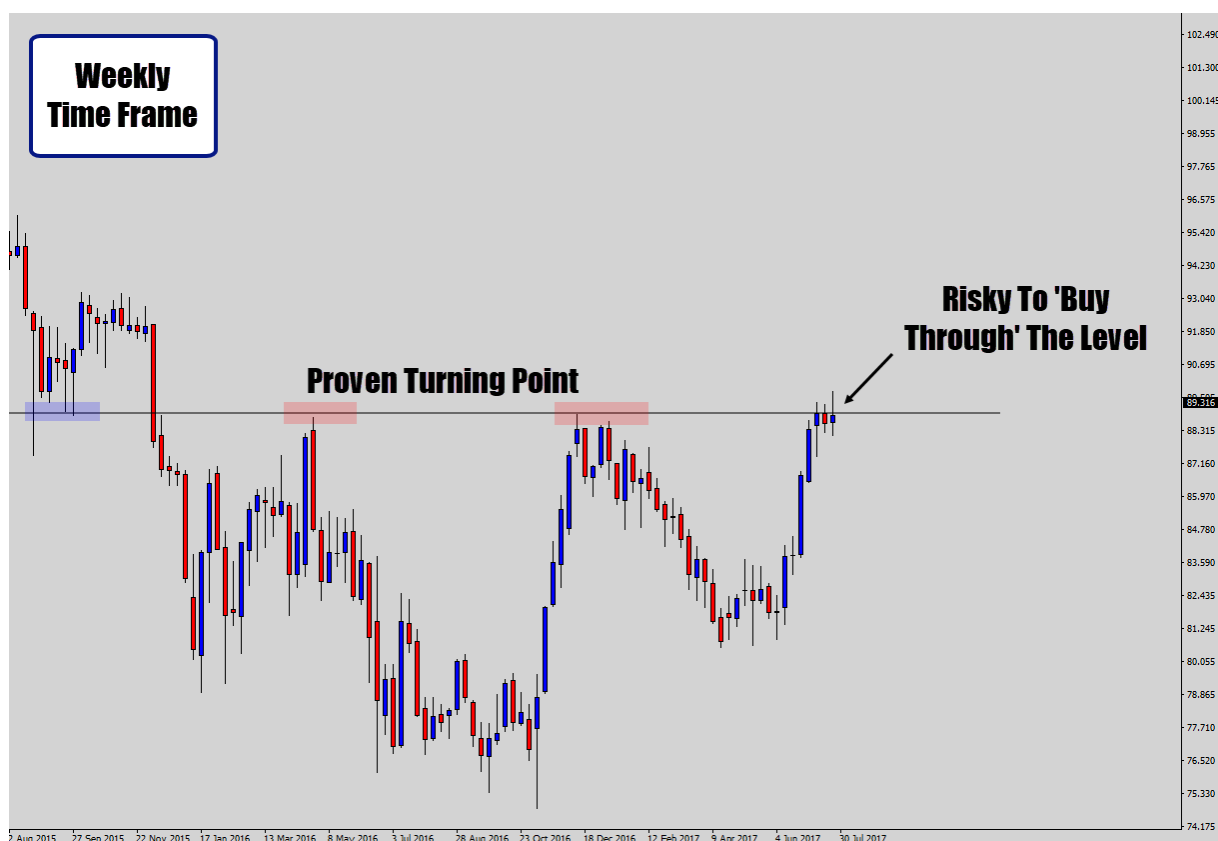
kanneen kun deeggarsa fi mormii, qabeenya fi fedhii ta'uu danda'a.

naannolee, daandiiwwan...

-gatii hojiirra oolmaa: fakkii candlestick kan siif kennaa gatii bituu yookaan gatii gurgurtaa suuqii. Kunis pin bar, engulfing bar yookaan inside bar ta'uu danda'a...

Fakkeenya siif kennuufan, maaliif yaada qorannoo ol'aanaa fudhachuu akka barbaachisu fi yeroo gatiiwwan guddaa hin ilaalle, maaliif ta'uu akka danda'u si if ibsuuf.

Fakkii armaan gadi ilaali:



As you can see in this weekly chart above, we have gathered two important points that will help us decide what to do on the daily time frame.

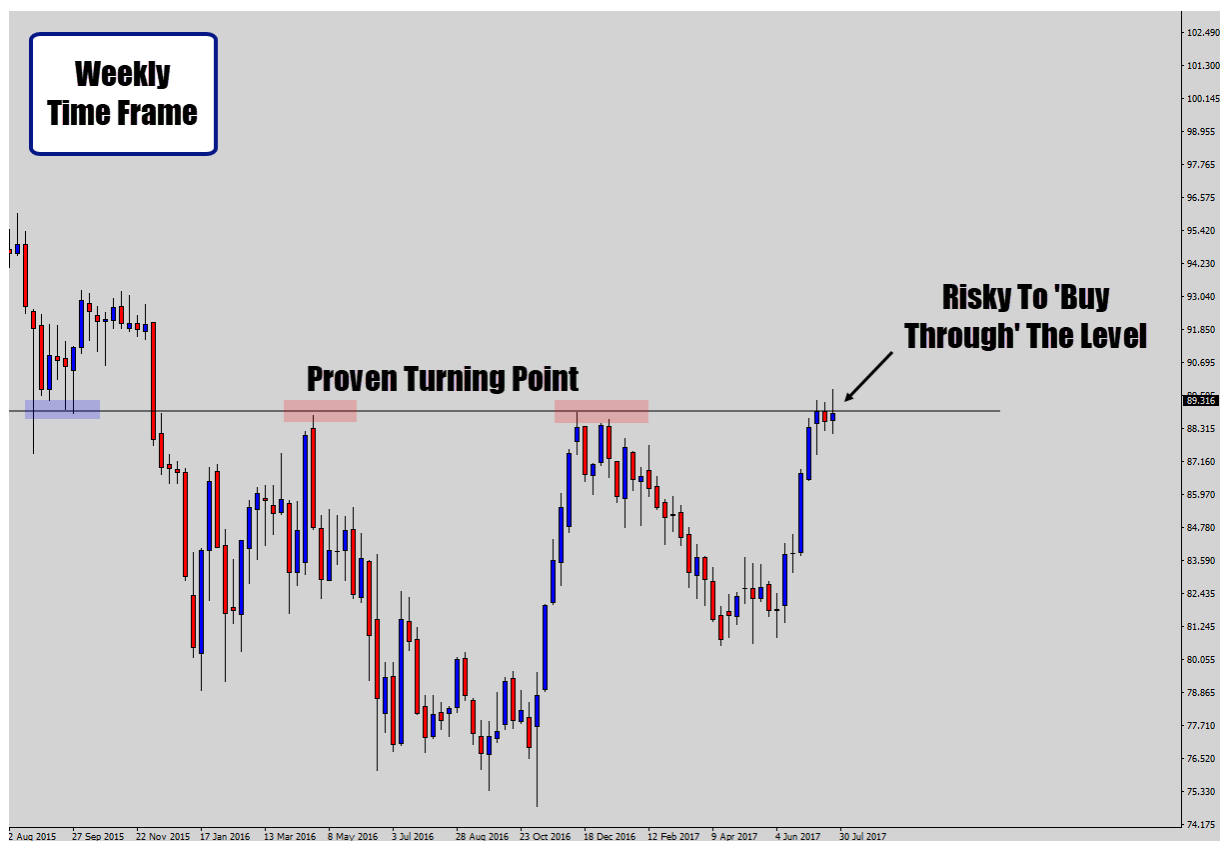
The first point is that the market approaches to an important weekly resistance level that will represent a hot point in the market.

The second information is the rejection from this key resistance level, as you can see the price was rejected immediately when it approaches the level, this indicates that there are sellers there and they are willing to short the market.

What confirms our analysis is the formation of the inside bar false breakout patterns that indicates a reversal.

Now let's switch to the daily time frame to see what is going on in the market:

## KITAABA TRADING CANDLESTICK



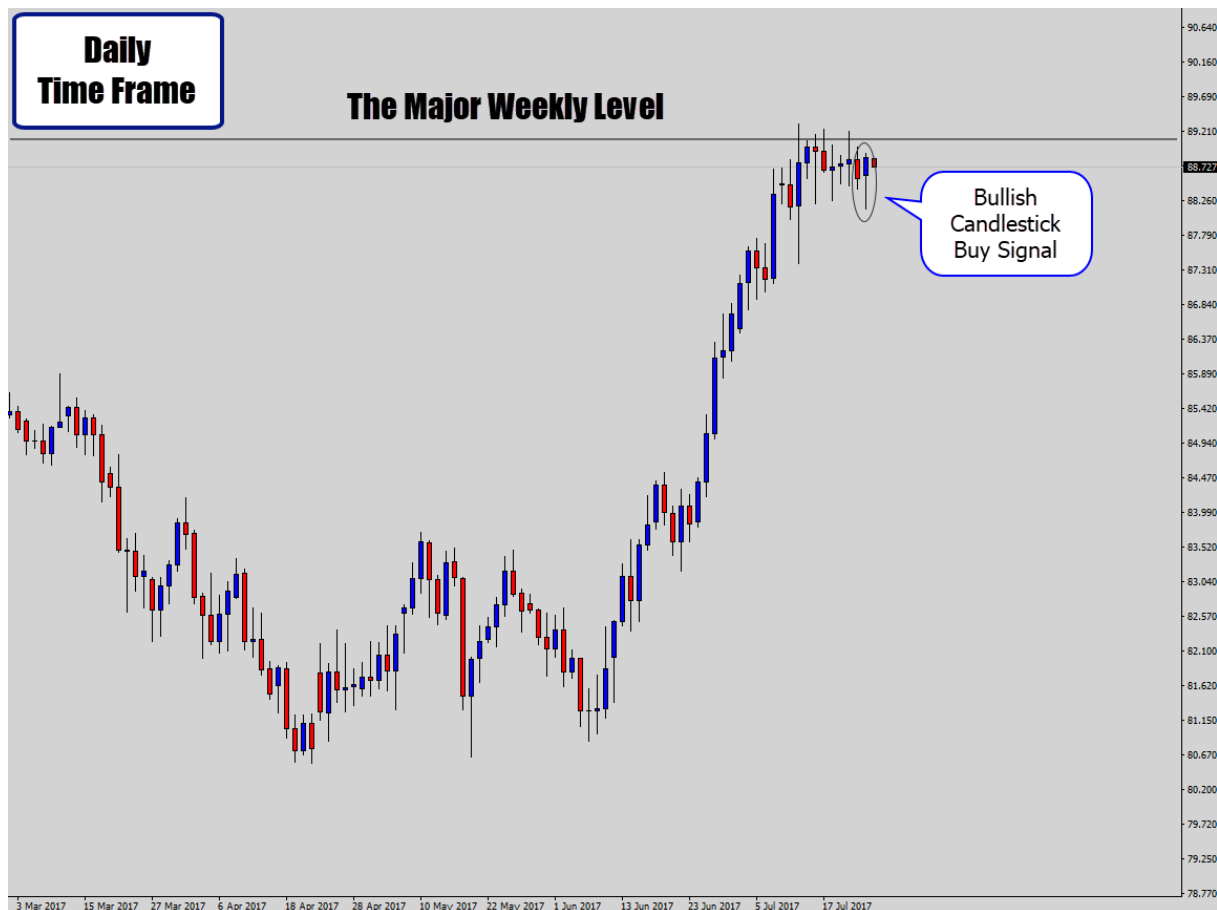
Akka armaan olitti chart weekly kana keessatti argitanitti, dhimmoota lama barba achisaa ta'an walitti qabneerra kan nu gargaaraan murteessuuf maal goonu yero o guyyaa.

Dhimmicha jalqabaa jechuun, gabaan bakka bu'aa weekly barbaachisaa ta'eetti d hihaachuudha, kunis bakka gurguddaa gabaa keessatti ta'uu agarsiisa.

Odeeffannoo lammaffaa immoo, bakka bu'aa furtuu kana irraa deebii argachuun, akka armaan olitti argitanitti, gatii yeroo sana dhihaateen deebi'ee jira, kunis ba kka gurgurtoota jiru agarsiisa, isaanis gabaa gurguruu fedhii qabu.

Wanti qorannoon keenya mirkaneessu, bifa barreeffama keessaa baarii dhugaa h in taane kan agarsiisu, jijjiirama agarsiisa.

Amma gara yeroo guyyaa ce'uu haa dandeenyu, maaliin gurgurtaa keessa jiru ilaa luuf:



On the daily chart, we have a clear pin bar candlestick pattern that indicates a bullish signal.

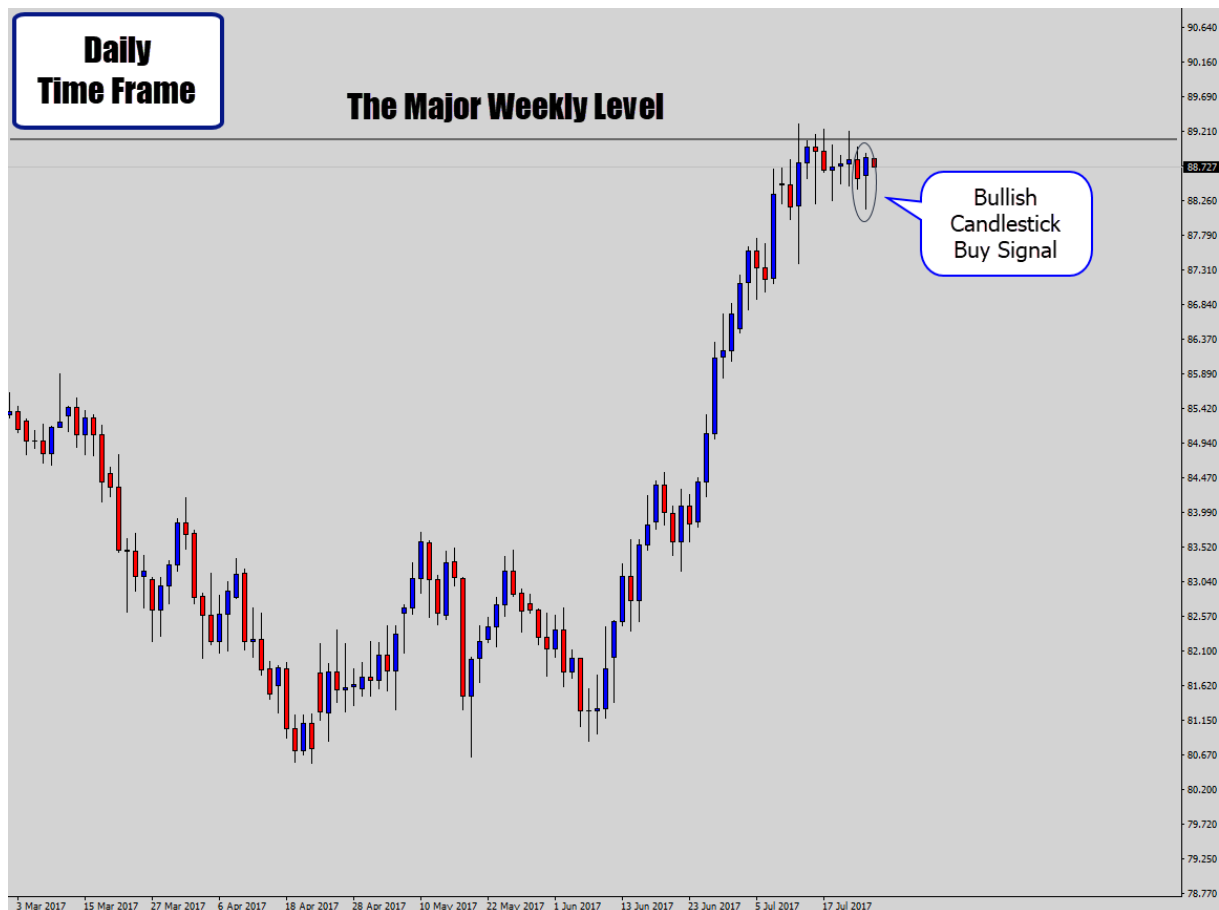
if you focus just on one-time frame to make your trading decision, You will buy the market, because there is a clear pin bar signal.

But if you analyzed the weekly chart, you would know that there is a very powerful key level that will stop the market from going up.

So, it's better to think of selling the market if there is a clear signal rather than to buy it.

Look at what happened next:

## KITAABA TRADING CANDLESTICK



Kaartaa guyyaa irratti, bifa pin bar kan ifa ta'e kan agarsiisu mallattoo jajjaboo dh a.

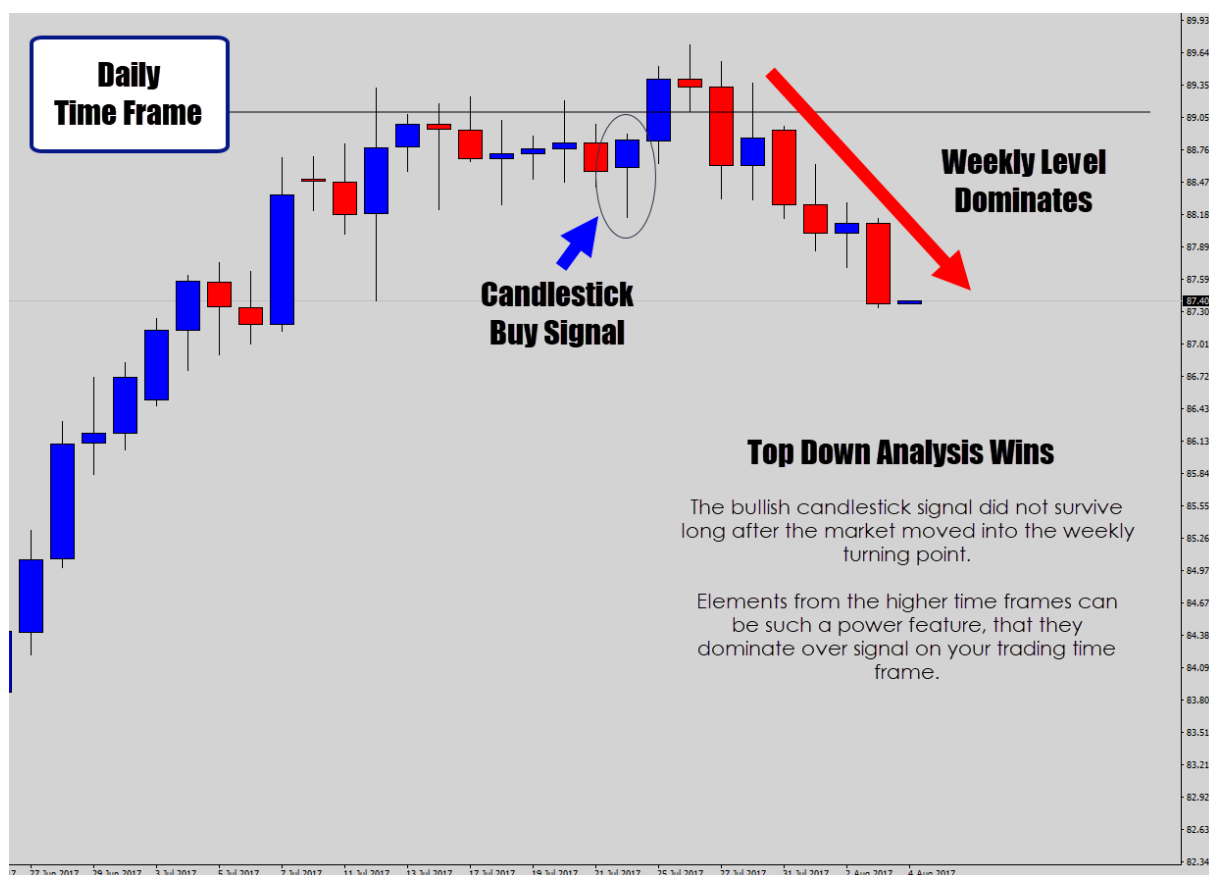
yoo yeroo tokko qofa irratti xiyyeeffatte murtee daldalaa keetiif, suuqii bituuf ni dandeessa, sababni isaas mallattoo pin bar ifaa jiru.

Garoo yoo chart torbaan tokkoo qoratte, sadarkaa furtuu cimaa ta'e tokko suuqii ol ka'uu dhaabuuf jiru beekta.

Kanaaf, mallattoo ifaa yoo jiraate suuqii gurguruuf yaaduu caalaa bituuf yaaduu gaariidha.

Maaliif akka ta'e ilaali:

## THE CANDLESTICK TRADING BIBLE



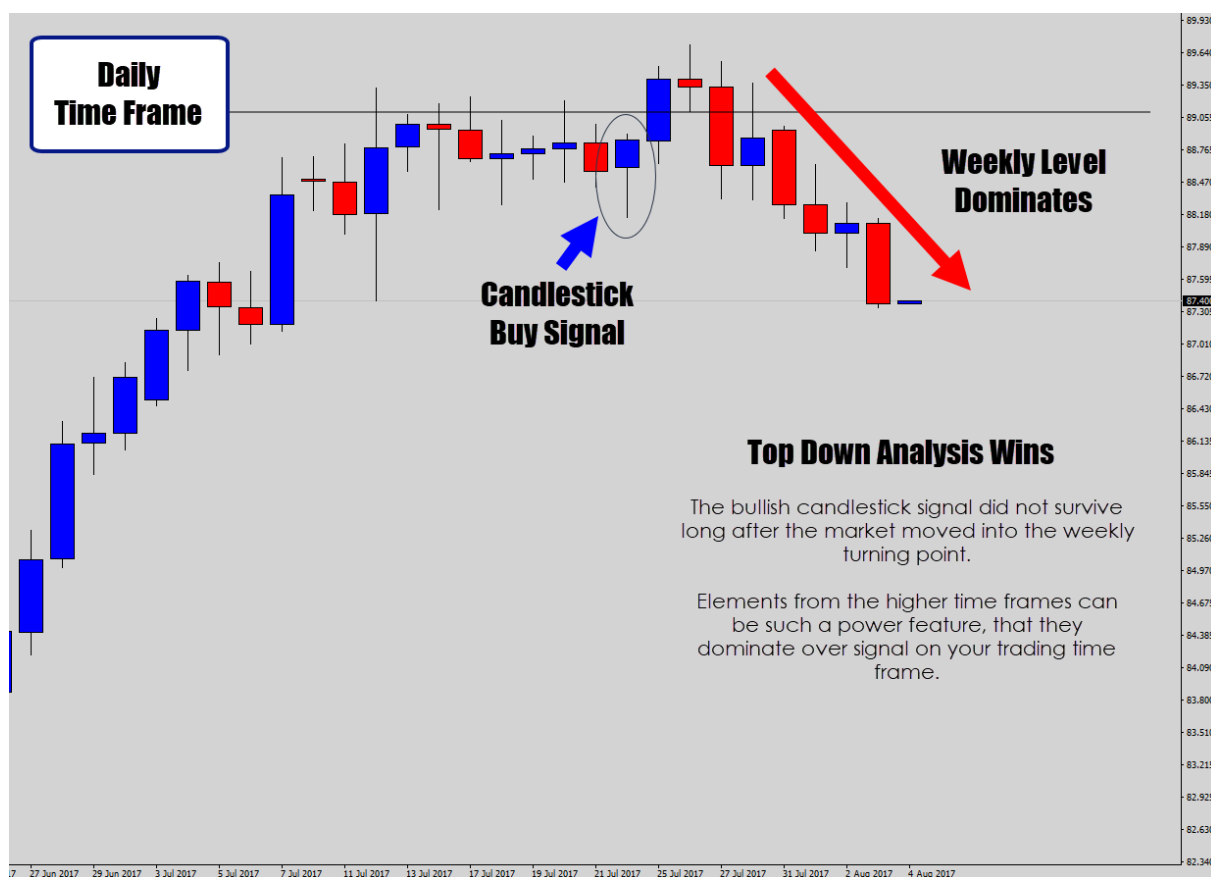
As you can see, the top down analysis works, the pin bar candlestick signal didn't work, because the weekly resistance level was a powerful turning point that reversed the market direction.

If you want to trade price action based on one-time frame, I highly recommend you to stop trading because you will end up losing your entire trading account, and you will never become a successful trader.

Trading counter trends is very profitable as well, but without the top down analysis, you will put yourself in troubles.

Let me give you another example to show how you can trade counter trends using your price action trading setups in combination with the top down analysis concept.

## KITAABA TRADING CANDLESTICK



Akka argaa jirtu, qorannoon olka'aa hojjeta, mallattoo pin bar candlestick hin hojjanne, sababni isaas sadarkaa dadhabina torbaan tokkoo bakka jijjiirama jabaa ta'eedha kan gatii suuqii jijjiire.

Yoo gatii hojjachuuf yeroo tokkoo irratti hundaa'uun daldaluuf barbaadde, daldaluun dhaabuu siif gorsa cimaa dha, sababni isaas akkasumas hunda daldala keetii n dhumuu dandeessa, akkasumas daldalaa milkaa'aa ta'uu hin dandeessu.

Daldala kallattii mormituu hojjachuun bu'aa qabeessa dha, garuu qorannoon olka'aa malee, ofii keetiif rakkoo keessa seenuu dandeessa.

Fakkeenya biraa siif kennaa, akkamitti akka dorgommii kallattii mormituu daldaluuf karoorri daldala keetiin walitti dhufeenya qabdu agarsiisu.



As you can see in the chart above, price are at a weekly resistance level, buyers were rejected twice from this level which indicates that the market is at a hot a point and it is likely to reverse.

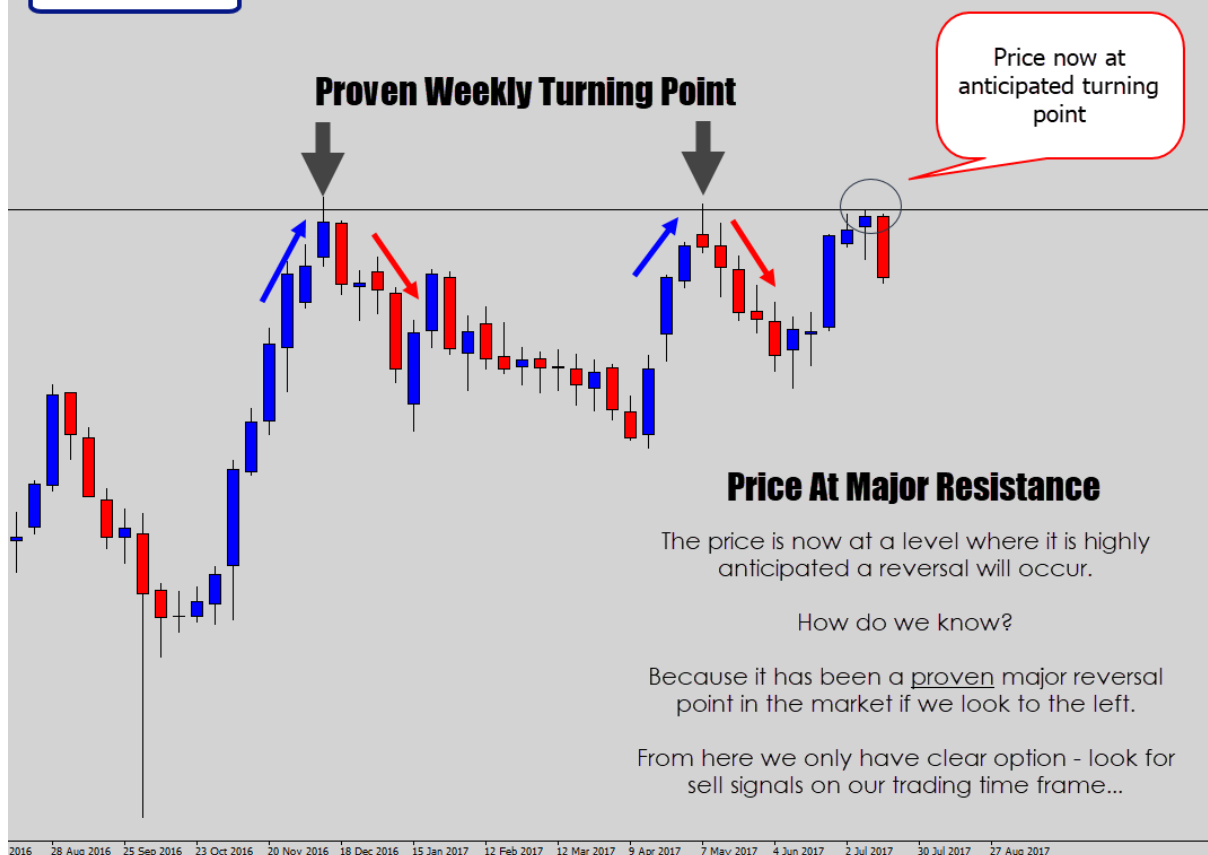
What you can do as a price action trader is to switch to the daily time frame to look for a selling opportunity.

If you can find a price action setup near the weekly resistance level on the daily time frame, this is going to be a high probability setup to take into consideration.

See the example below:

## KITAABA TRADING CANDLESTICK

**Weekly  
Chart**



Akka chart irratti argitanitti, gatii sadarkaa dadhabina torbaanitti argama, bittoon ni sadarkaa kana irraa lamaan dhorkamanii jiru, kunis suuta suuta gatii jijjiiruu a kka danda'u agarsiisa.

Daldala gatii irratti hojjetan taanaan, carraa gurgurtaa barbaaduuf yeroo guyyaa irratti ce'uu dandeessu.

Yoo ati gatii hojiirra oolmaa torbanitti cimina daangaa irratti argachuu dandeesse , kunis yaada fudhachuuf carraa ol'aanaa ta'a.

Fakkeenya armaan gadii ilaali:



The daily chart above confirms our weekly analysis, as you can see; there is a clear bearish signal near the weekly resistance level.

The pin bar was rejected from that level, and there is also the formation of an inside bar false breakout.

This is a clear indication of a trend change.

See what happened next:

## KITAABA TRADING CANDLESTICK

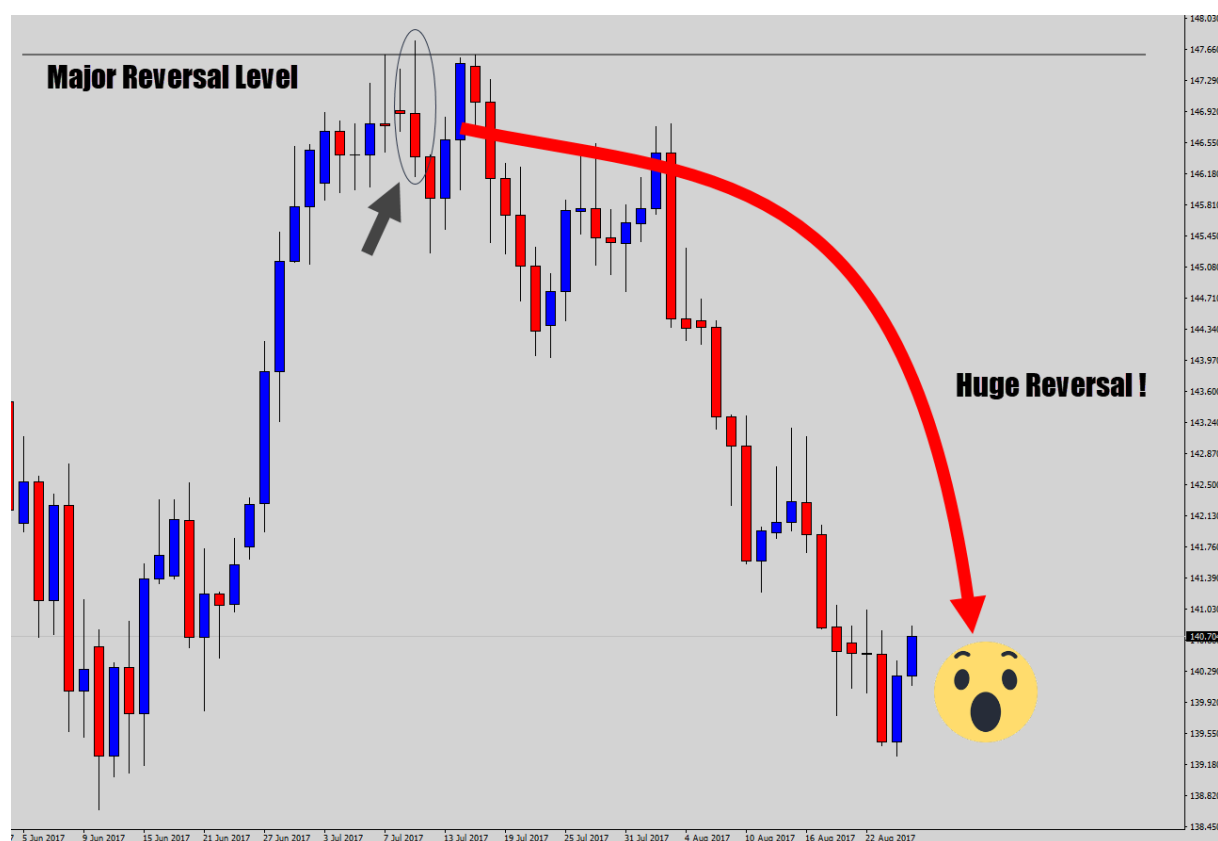


Kaartaa guyyaa olitti argamu qorannoo torban keenya mirkaneessa, akkasumas; daangaa torbanitti mallattoo jibbisiisaa ifa ta'e argama.

Baariin pin sana irraa dhiibame, akkasumas baariin keessa jiru dhugaa baafachu u doggoraa uumameera.

Kun jijjiirama daandii agarsiisa.

Maaliin booda ta'e ilaali:



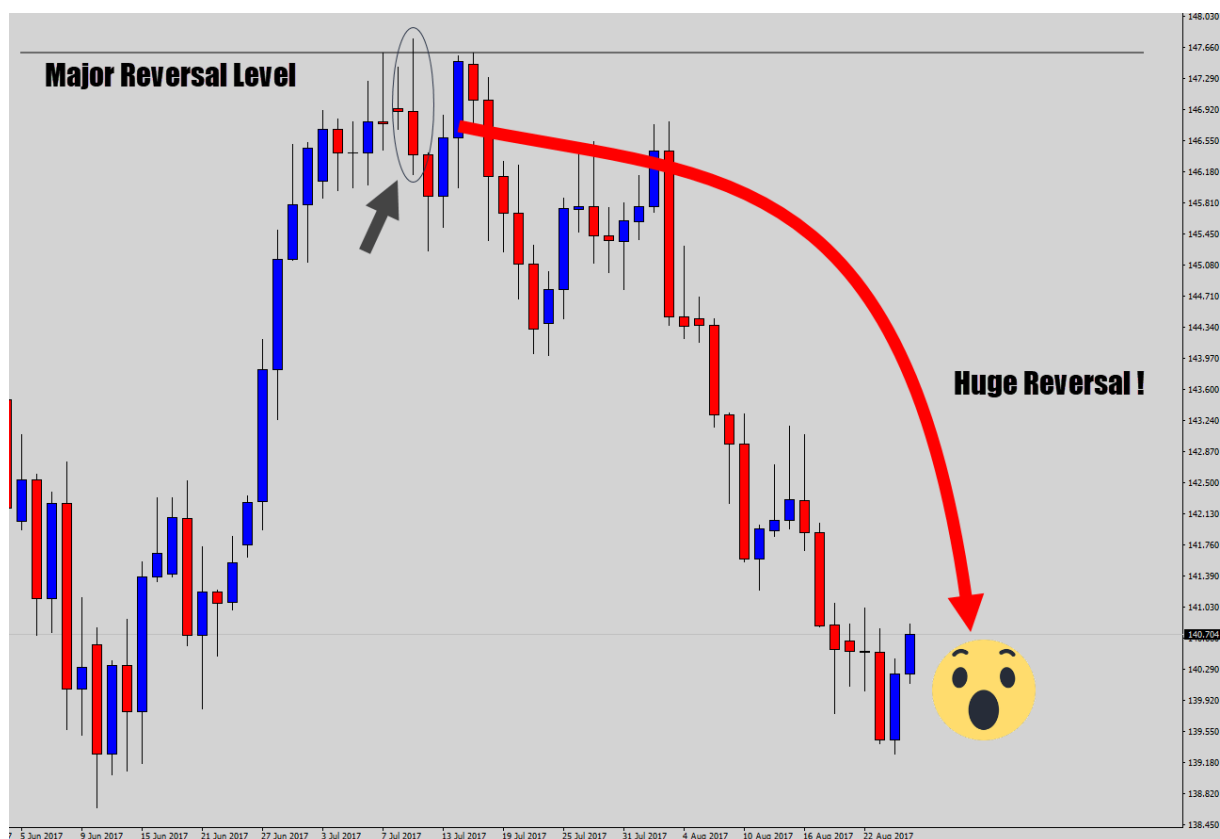
The example above shows that counter trend works if it is well mastered, it is a contrarian approach that requires experience, so if you are a beginner, i highly recommend you to stick with the trend, try to practice as much as you can the top down analysis concept with the trend, and when you master trading with the trend, you can then move to trade high probability counter trend setups.

There are many approaches used to time the market turns and plan trades, the most of these approaches lead to greater confusion and lack of confidence in the results.

Keeping the analysis simple is most often the best way to go, and top down analysis is one of the easiest approaches that i recommend to master if you want to trade the right way.

What you have to do right now is to open your charts and try to practice what you learnt in this chapter.

## KITAABA TRADING CANDLESTICK



Fakkeenyi olitti argamu daandii mormituun yoo sirnaan beekame hojjeta, kun im moo mala mormituu dha kan muuxannoo barbaadu, kanaaf yoo ati jalqabaa taate, daandii waliin dhaabbachuu siif gorsa, akkasumas yaalii akka dandeessutti mala qorannoo olka'aa daandii waliin hojjachuu, fi yeroo daandii waliin daldaluun sirnaan beekuu, booda daldala mormituu carraa ol'aanaa ta'eetti ce'uu dandeessa.

Maaloo, suuraawwan gurguddaa fi qabeenya gurguddaa irratti hirmaachuuf yaalii hedduun jira, kanneen keessaa hedduun yaaliin kun rakkoo fi amantaa dhabuutti geessisa.

Qorannoo salphaa taasisuun karaa gaariidha, qorannoo ol'aanaa immoo karaa salphaa ta'ee kan ani siif gorsuuf barbaadu yoo sirriitti gurgurtaaf fedhii qabdu.

Amma gochuu qabdu suuraawwan kee banachuu fi kutaa kana keessatti barattee hojiirra oolchuu yaaluudha.

## THE CANDLESTICK TRADING BIBLE

Try to identify the market trend using these techniques. It will be little confusing at the beginning, but with some screen time and practice, you will find it easy to identify the market direction.

## KITAABA TRADING CANDLESTICK

Tajaajiloota kana fayyadamuudhaan kallattii gabaa adda baasuuf yaali. Jalqaba ir ratti ni rakkisaa, garuu yeroo muraasaaf shaakaluudhaan, kallattii gabaa adda ba asuuf salphaa ta'uu ni argatta.

### Trading strategies and tactics

In the last chapters you learnt three important aspects of price action trading:

**The first aspect is the market trends:** you know how to identify the market trend using multiple time frames analysis. You know how to differentiate between trending markets, and range bounds markets. And you understand how each market moves.

**The second aspect is the level:** you learnt how to draw support and resistance, and how to draw trend lines, this skill will help you better enter the market in the right time.

**The third aspect is the signals:** you have seen different candlestick patterns, you understand the psychology behind its formation, and the message they send you.

These three aspects which are the trend, the level, and the signal are what we will use in our trading approach to make money trading any financial market.

I mean that when you open a chart, you will try to answer three important questions:

1-What the market is doing? Is it trending, consolidating, or is it a choppy market?

If it is trending, you know how to identify if it is an uptrend or a downtrend.

If it is a ranging market, you will see that it is trading horizontally between two boundaries. And if it is a choppy market, you close your chart and you stay away.

2-What are the most powerful levels in this market?

If the market is trending up or down, or it is ranging, you will try to find the most important support and resistance levels.

## KITAABA TRADING CANDLESTICK

### Taktiikota fi mala daldalaa

Bara darbe keessatti, gatii hojii daldalaa irratti yaada sadiin barbaachisaa ta'an baratte:

Yaada jalqabaa kallattii gabaa: kallattii gabaa adda baasuuf qorannoo yeroo hedduu fayyadamuun beekta. Gabaa kallattii qabdu fi gabaa daangaa qabdu adda baasuuf beekta.

Akkasumas suuqii kamiyyuu akkamitti socho'u akka hubattu.

Aspektii lammaffaa immoo sadarkaa: deeggarsa fi dhaabbata akkamitti akka kaasu baratte, akkasumas xayyaara sochii akkamitti akka kaasu baratte, dandeettiin kun yeroo sirrii suuqii seenuuf si gargaara.

Aspektii sadaffaa immoo mallattoo: fakkii candlestick garaagaraa argite, akkasumas akkamitti uumamu isaa ilaalchisee yaada qabda, fi ergaa siif ergu.

Aspektii sadi kanneen, sochii, sadarkaa, fi mallattoo, karaa maallaqa argachuuf suuqii maallaqa kamiyyuu keessatti fayyadamnu.

Ani jechuu kooti, yeroo chart banaattu, gaaffilee sadii barbaachisoo ta'an deebisuuf yaalu.

1-Maarkiin maal hojjechaa jira? Guddachaa, walitti qabaa, yookiin maarkiin choppy dha?

Yoo guddachaa ta'e, akkamitti guddina yookiin gadi bu'aa ta'uu isaa adda baasu akka dandeessu beektu.

Yoo maarkiin daangaa keessa ta'e, daangaa lama gidduutti walitti dhufeenya horizantal ta'een hojjachaa jira. Yoo maarkiin choppy ta'e, chart kee cufaa, fagaadhu.

2-Maaliin gurguddoo ta'an gosa kana keessatti?

Yoo gurgurtaan ol ka'aa ykn gadi bu'aa, ykn iddoo tokkotti argamu, gatiiwwan deeggarsa fi mormii barbaaduuf yaali.

These levels are the best zones where you can buy and sell the market.

3-What is the best signal to enter the market?

The best signal to enter the market means the right time to execute your trade.

And this is what you will learn in the next chapter.

## KITAABA TRADING CANDLESTICK

Gatiwwan kun iddoo gaarii dha kanneen gurgurtaa fi gurgurtaa gochuu dandeessu.

3-Maaliin si'aawaa gurgurtaa seenuuf?

Si'aawaan gurgurtaa seenuuf yeroo sirrii daldala kee raawwachuuf jechuudha.

Kuniis kutaa itti aanutti barattu.

### The pin bar candlestick pattern strategy

The pin bar candlestick is one of the most famous Japanese candlesticks; it is widely used by price action traders to determine reversal points in the market.

In this section, you will learn in detail how to identify potential pin bar signals, and the conditions needed for high probability setups.

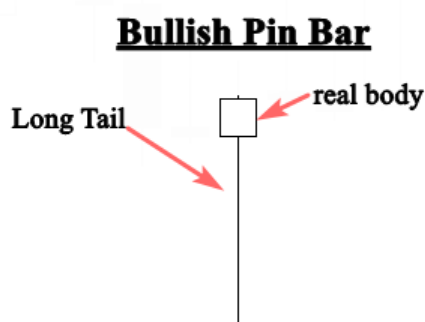
A pin bar is a chart candlestick, it is characterized by a very long tail that shows rejection and indicates that the market will move in the opposite direction.

The area between the open and close is called the real body, typically all pin bars have a very small real body and a long shadow.

A Bullish pin bar is known for its lower wicks, and the bearish one is characterized by long upper wicks, the color of the candlestick is not quite important, however, bullish candles with white real body are more powerful than candles with a real black body.

On the other hand, a bearish pin bars with black real bodies are more important than the ones with white real bodies.

See how pin bars look like below:



## KITAABA TRADING CANDLESTICK

### Tartiiba pin bar candlestick

Bara pin bar candlestick tokkoo keessaa kanneen beekamoo Yapan keessaa; kuni s gurgurtaa gatii irratti hirmaattonni gatii jijjiirama bakka bu'uura ta'uu mirkanee ssuuf bal'inaan fayyadamaa jiru.

Kutaa kana keessatti, mallattoo pin bar carraaqqii adda baasuuf akkamitti beeku u akka dandeessu fi haala carraaqqii ol'aanaa barbaachisu barattu.

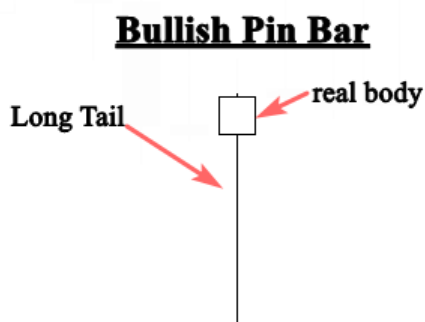
Pin bar candlestick ta'ee, gubbaa isaa baay'ee dheeraa kan agarsiisu fi gatii jijjiira ma agarsiisuun gubbaa isaa baay'ee dheeraa ta'uu isaa ibsa.

Naannoo banuu fi xumuruu jidduu kan argamu qaama dhugaa jedhama, pin bar hundi qaama dhugaa baay'ee xiqqaa fi harka dheeraa qaba.

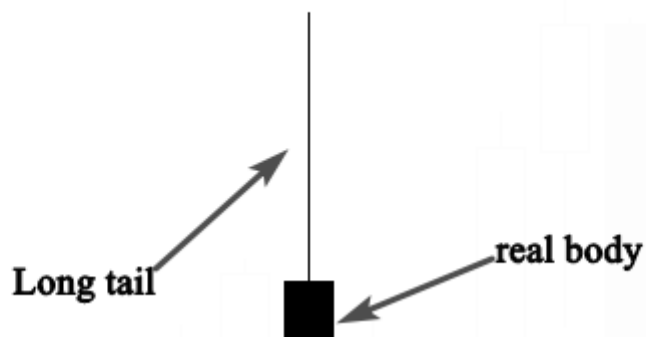
Bara pin bar gurguddaa wicks gadiitti beekama, kan garuu pin bar gurguddaa wicks olitti dheeratu, halluun candlestick baay'ee barbaachisaa miti, garuu candlestick gurguddaa qaama adii qabdu candlestick gurguddaa qaama dukkanaa qabdu caalaa humna qaba.

Karaa biraatiin, pin bar dukkanaa qaama dukkanaa qabdu kanneen qaama adii qabdu caalaa barbaachisaa dha.

Pin bar akkamitti akka mul'atu armaan gadi ilaali:



## **Bearish Pin Bar**



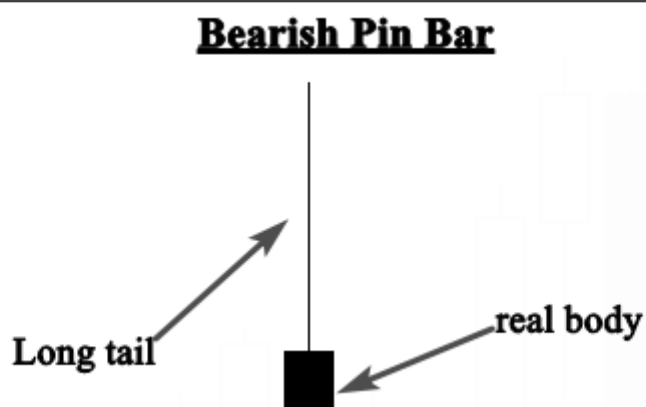
### **How to identify pin bar candlestick setups?**

To be honest, quality price action setups don't exist in the market, because you will see that sometimes you can find a high probability setup, you feel very excited about it and you take your trade with confidence, but at the end, you will be frustrated because the signal fails for unknown reasons.

That happens a couple of times, because the market doesn't move due to pin bar formations, what moves the market is the law of supply and demand.

Let me give you an example, if you identify a quality pin bar candle near a support key level in an uptrend market, this is a powerful buying signal to take, you shouldn't ignore it, but if the amount of money that buyers put in this trade is less than the amount of money that sellers

## KITAABA TRADING CANDLESTICK



### Akkaataa pin bar candlestick setups adda baasu?

Dhugaa dubbachuuf, qabeenya gatii hojii irra ooluu hin jiru, sababni isaas yeroo t okko tokko setup carraa ol'aanaa argachuu dandeessu, akkasumas isiniif gammac huu guddaa ta'a, garuu dhuma irratti, sababa hin beekamneef mallattoo kufaatii ni argattu.

Kun yeroo lama sadi'aa ta'a, sababni isaas gabaan pin bar uumamoota irratti hin s ocho'u, kan gabaa sochoosu immoo seera qabeenya fi taligaa dha.

Fakkeenya tokko siif kenna, yoo pin bar candle qulqulluu bakka bu'aa murteessaa gatii ol'aanaa keessatti argatte, kun mallattoo bituu jabaa ta'ee, kana hin dhorkin, garuu maallaqni bittoota daldala kana keessatti galchaa jiru maallaqa gurgurtoot a galchaa jiru caalaa xiqqaa ta'ee.

risk in the same trade, the market will not go in your predicted direction.

If the signal fails, it doesn't mean that your analysis is wrong, or pin bars don't work, it is just because the market didn't validate your decision, therefore, you accept your loss, and you look for another opportunity.

**You May ask yourself, why should we look for quality pin bar setups if the market doesn't respect them???**

As you know, trading is a game of probabilities, there is no certainty, this is why you should evaluate your pin bar setups from multiple angles, and the fact that you are looking for quality setups means that you are trying to put the probabilities of success in your favor which is the right mindset of successful traders.

To determine whether or not a pin bar is worth trading, this price action signal should respect the following criteria:

-The pin bar formed in bigger time frames such as the 4 hour or daily time frame should be taken into consideration, because if you look at smaller time frames, you can easily spot lot of pin bar signals, these setups should be ignored, because smaller time frames generate lot of false signals. See the illustration below:

## KITAABA TRADING CANDLESTICK

balaa daldala walfakkaatu keessatti, gabaan akka ati yaadduutti hin deemu.

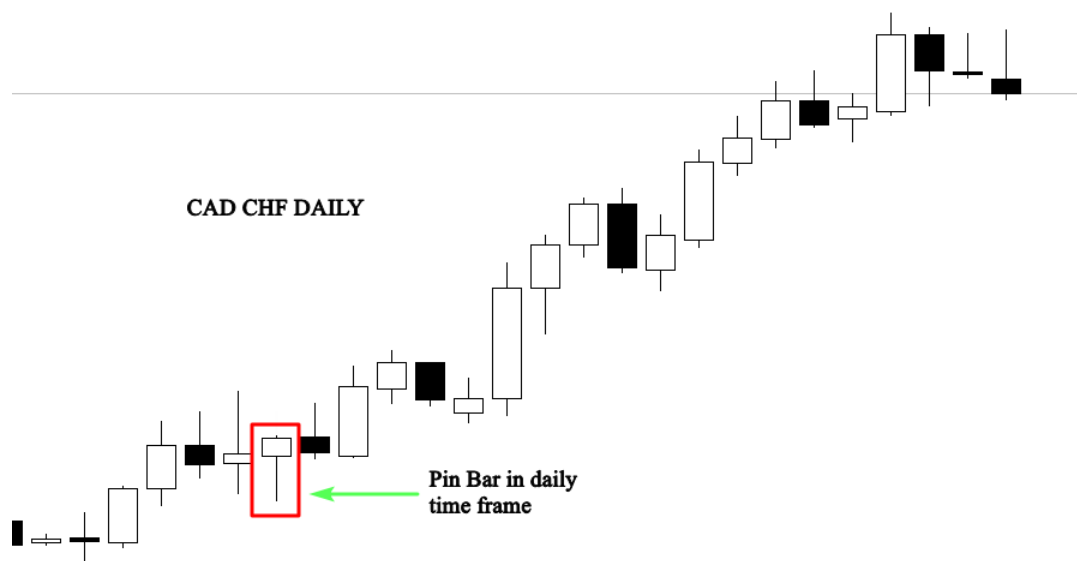
Yoo siignaaln kufe, kunis qorannoon kee dogoggora ta'uu hin agarsiisu, yookaan pin bars hojjachuu hin dandeenye, sababiin isaas gabaan murtee kee mirkaneessuu hin dandeenye, kanaaf, balaa keetiin qaccepti, carraa biraa barbaadi.

### **Of gaafachuu dandeessa, maaliif pin bar setup qulqulluu barbaaduu qabna yoo gabaan isaan kabaju hin dandeenye???**

Akka ati beektu, daldalli tapha carraa'aa dha, dhugaa hin jiru, kanaafuu, sirna pin bar kee gara gurguddaa irraa ilaaluu qabda, akkasumas, qulqullina sirna barbaaduu kee carraa milkaa'ina siif ta'uu agarsiisa, kunis yaada daldaltoota milkaa'oo ta'uu dha.

Pin bar daldaluuf gatii qabuu ykn hin qabne murteessuuf, mallattoo hojii gatii kun qajeelfama armaan gadii kabaju qaba:

-Pin bar yeroo dheeraa akka sa'aa 4ffaa ykn yeroo guyyaa keessatti uumame ilaal amuu qaba, sababni isaas yeroo xiqqaa ilaaluun, mallattoo pin bar hedduu arguu dandeessa, sirna kana garuu dhiisuu qabda, sababni isaas yeroo xiqqaa mallattoo sobaa hedduu uuma. Fakkii armaan gadi ilaali:

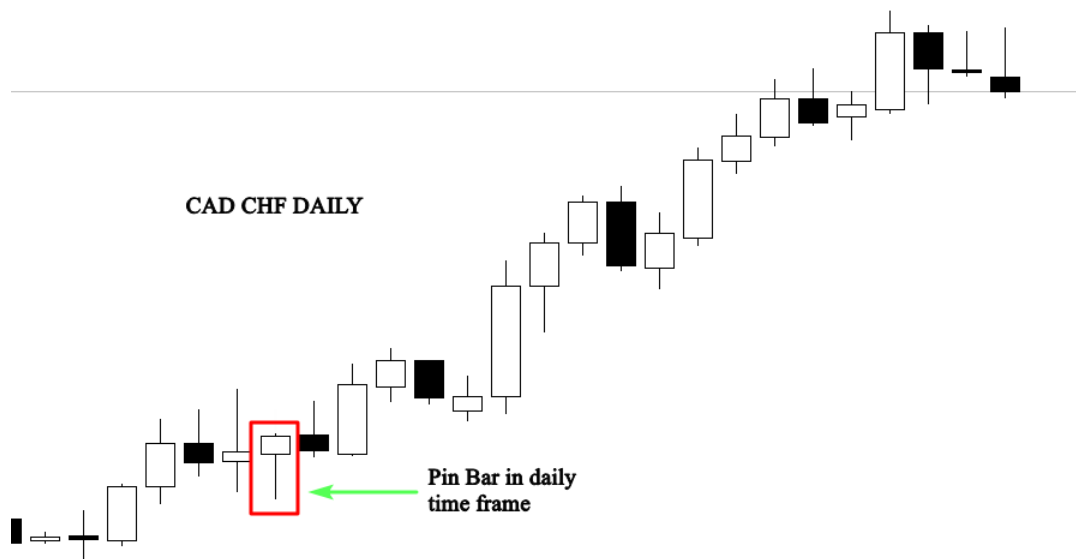


- The pin bar formed in line with the direction of the market is more powerful than the one which is formed against the trend.
- If you can identify a clear trend that means that you know who is in control of the market.

The formation of this candlestick pattern with the trend makes it so effective. See the chart below:



## KITAABA TRADING CANDLESTICK



-Barri pin kan kallattii gabaa waliin uumame humna cimaa qaba kan kallattii jijjiir amaa irratti uumame caalaa.

- Yoo jijjiirama ifaa tokko beekuu dandeessu, kunis eenyuu gabaa irratti kontroola qabu beektu jechuudha.

Uumamni mallattoo candlestick kanaa kallattii waliin ta'uu isaa isa cimaa taasisu. Kaarraa armaan gadi ilaali:



As you can see in the chart above, bullish pin bars that were formed in line with the uptrend work, and they should be taken into consideration.

But the bearish ones that were formed against the trend should be ignored.

-The anatomy of a pin bar is important as well, you have to make sure that the candlestick is a pin bar by looking at the distance between the real body and the tail.

Pin bars with longer tails are more powerful.

### **The Psychology behind the pin bar candle formation:**

Pin bars are formed when prices are rejected, this rejection doesn't indicate a reversal signal, because this price action setup can form everywhere in your chart.

The most important areas to watch when trading pin bars are major key levels such as: support and resistance, supply and demand zones, and moving averages.

The formation of this candlestick chart pattern in these levels give a clear idea about what happens in the market.

If the rejection was near a support level for example, this is an obvious indication that the bulls are more powerful, and they are willing to push the market to go upward.

See the chart below:

## KITAABA TRADING CANDLESTICK

Akka chart irratti argitanitti, pin bars gurguddoo kanneen kallattii olka'aa waliin uumaman hojjatu, fi isaan ilaalamuu qabu.

Garuu kanneen kallattii gadi bu'aa waliin uumaman ilaalamuu hin qabu.

-Anatomii pin baris barbaachisaa dha, candlestick pin bar ta'uu mirkaneeffachuuf fageenya gidduu real body fi tail ilaalu qabda.

Pin baarsii hidhata dheeraa qaban humna cimaa qabu.

### Yaada pin baarii ibsuu:

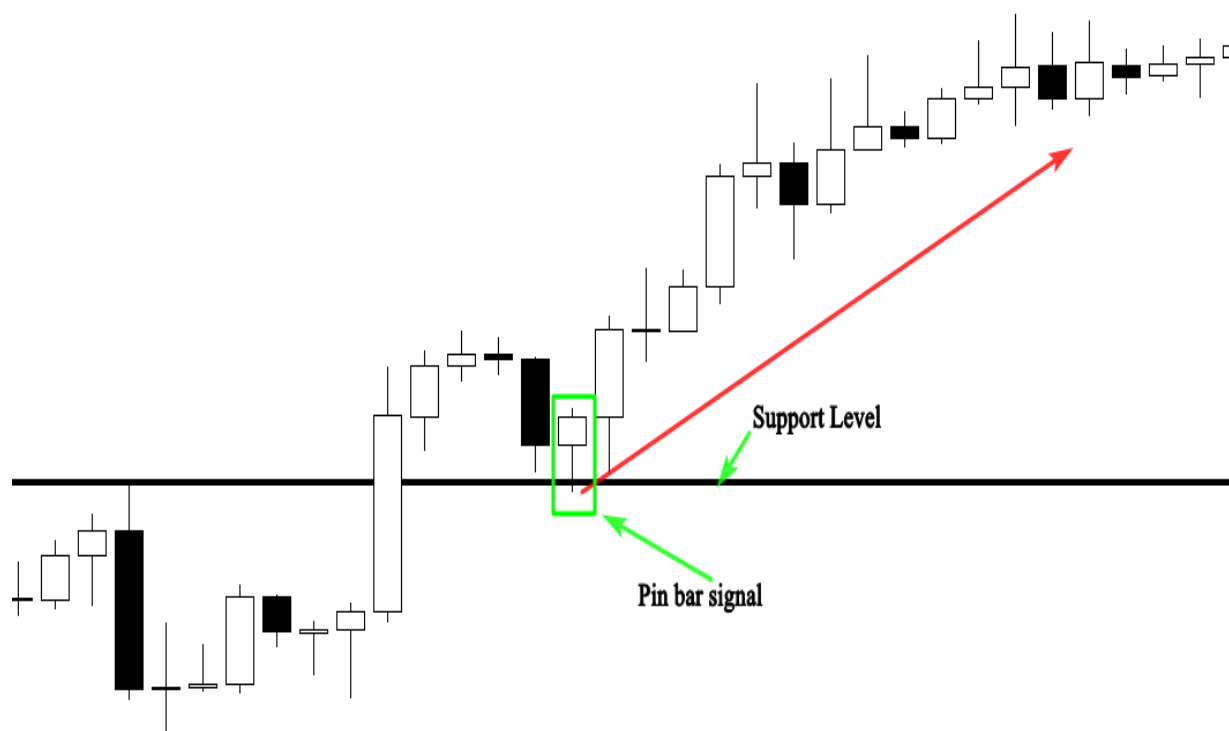
Pin baarsii yeroo gatii diigamu uumamu, diigamni kun mallattoo jijjiiramaa agarsi isu hin ta'u, sababni isaas haala gatii kun chaartii keessan irratti iddoo hundatti u umamuu danda'a.

Iddoowwan murteessaa ta'an kanneen pin baarsii daldaluuf ilaaluuf barbaachisaa n, sadarkaa ijoo akka: deeggarsa fi mormii, naannolee gurgurtaa fi barbaachisu mmaa, akkasumas gatii jijjiiramaa.

Uumamni mallattoo candlestick kanaa sadarkaa kana keessatti mul'atu, haala gurgurtaa keessatti maal akka ta'e ifa godha.

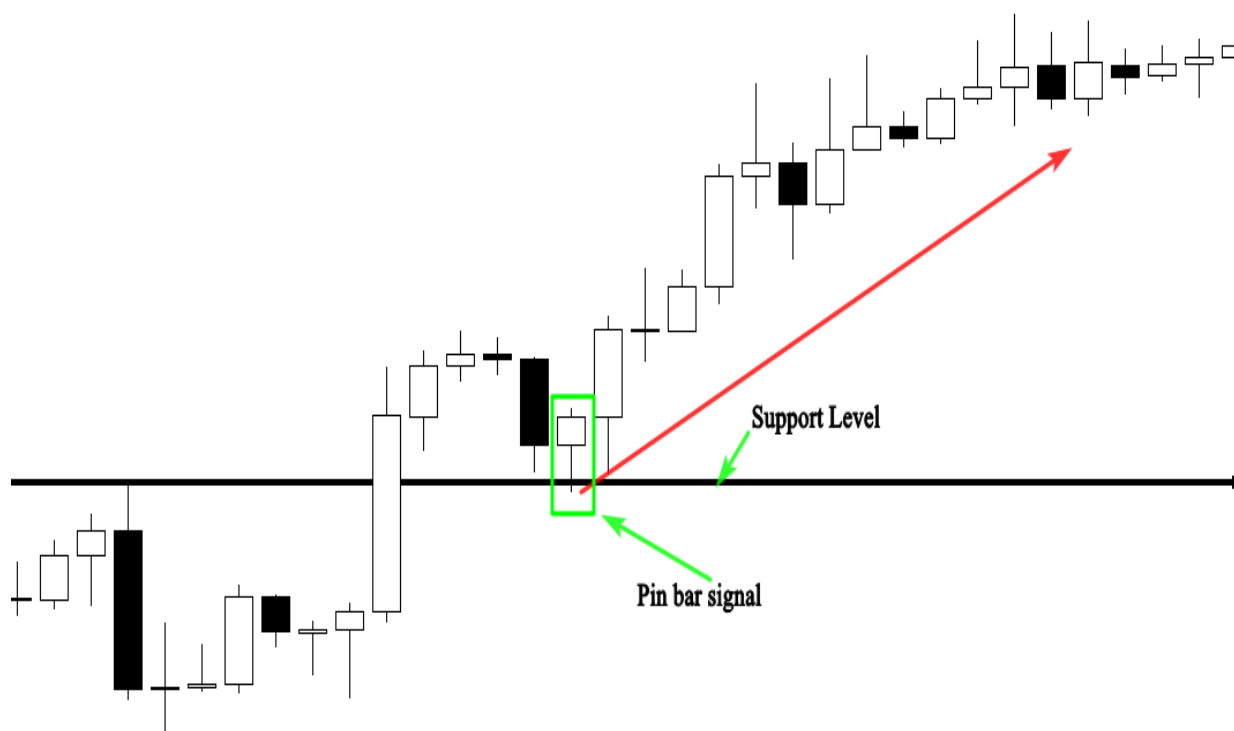
Yoo diigamni sadarkaa deeggarsa irratti ta'e, kun mallattoo ifaa dha kan bullonn i humna qaban, akkasumas gurgurtaa ol kaasuuf qophii ta'ani.

Chaartee armaan gadii ilaali:



If the formation of this candlestick occurs near a resistance level, it indicates that the bears reject prices, and prevent the bulls from breaking this level. So, this means that sellers are willing to push the market downward. See the chart below:

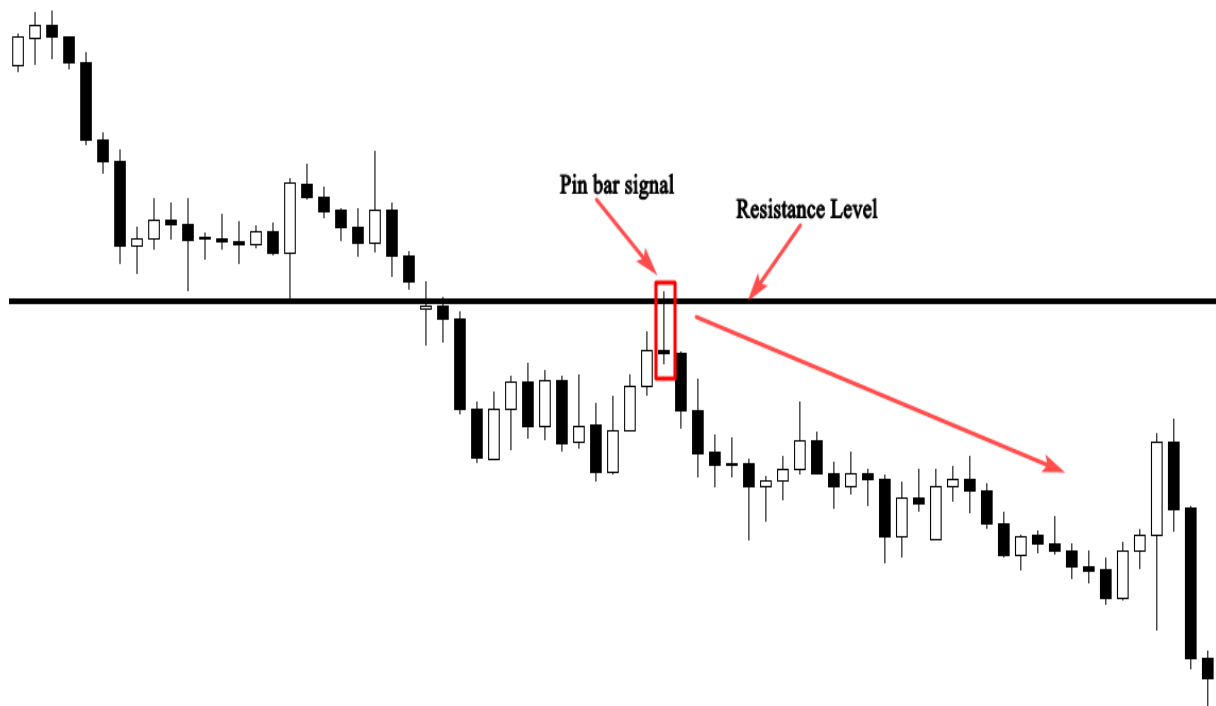
## KITAABA TRADING CANDLESTICK



Yoo uumaa candlestick kanaa bakka daangaa jalaatti uumame, kunis akkaataa gu rguddoon gatii dhiibbaa gochuu fi bulli daangaa kana cabsuu dhoowwu agarsiisa . Kanaaf, kunis gurgurtoonni gabaa gadi buusuuf qophii ta'uu isaanii agarsiisa. S uuraa gadi fageenya ilaali:

## THE CANDLESTICK TRADING BIBLE

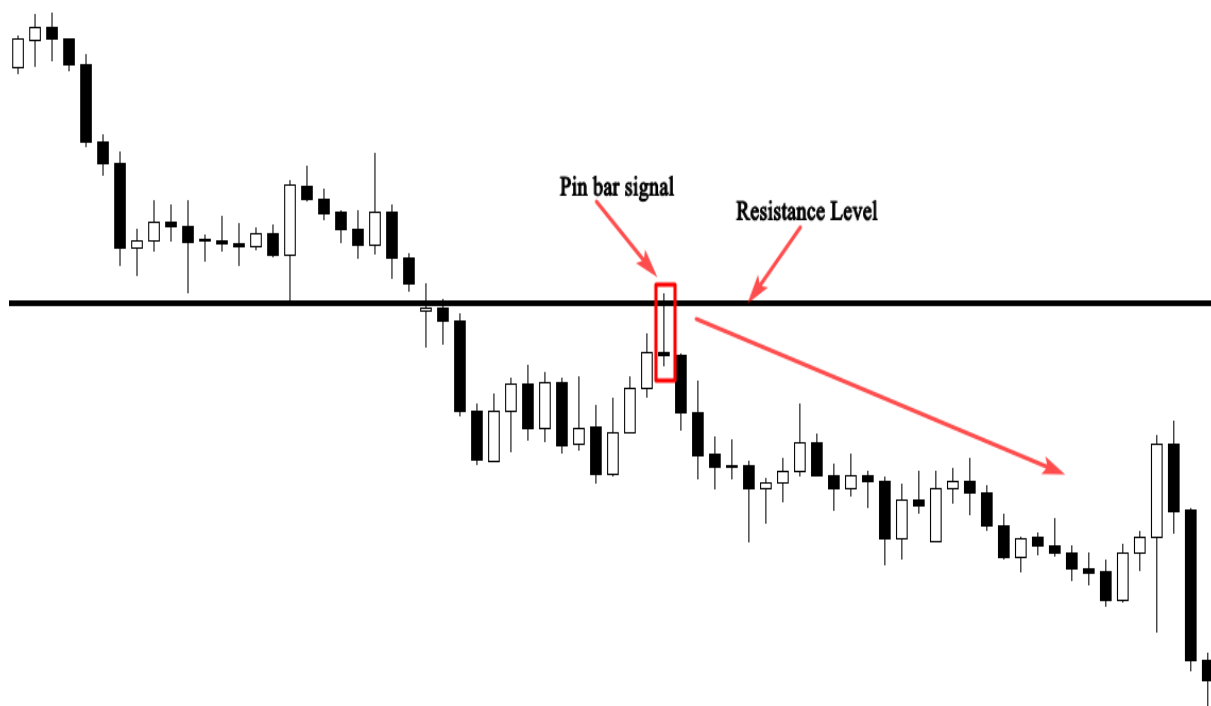
H4 84.383 84.486 84.351 84.442



If you understand the psychology behind this price action pattern formation, you will be able to predict what is likely to happen in the future, and you will make good trades based on high probability pin bar signals.

## KITAABA TRADING CANDLESTICK

H4 84.383 84.486 84.351 84.442



Yoo yaada sammuu gatii kanaa fi uumaa fakkii kanaa hubatte, maal akka ta'uuf c  
arraaqqii gochuu dandeessa, akkasumas gatii pin bar ol'aanaa irratti hundaa'uun  
daldala gaarii gochuu dandeessa.

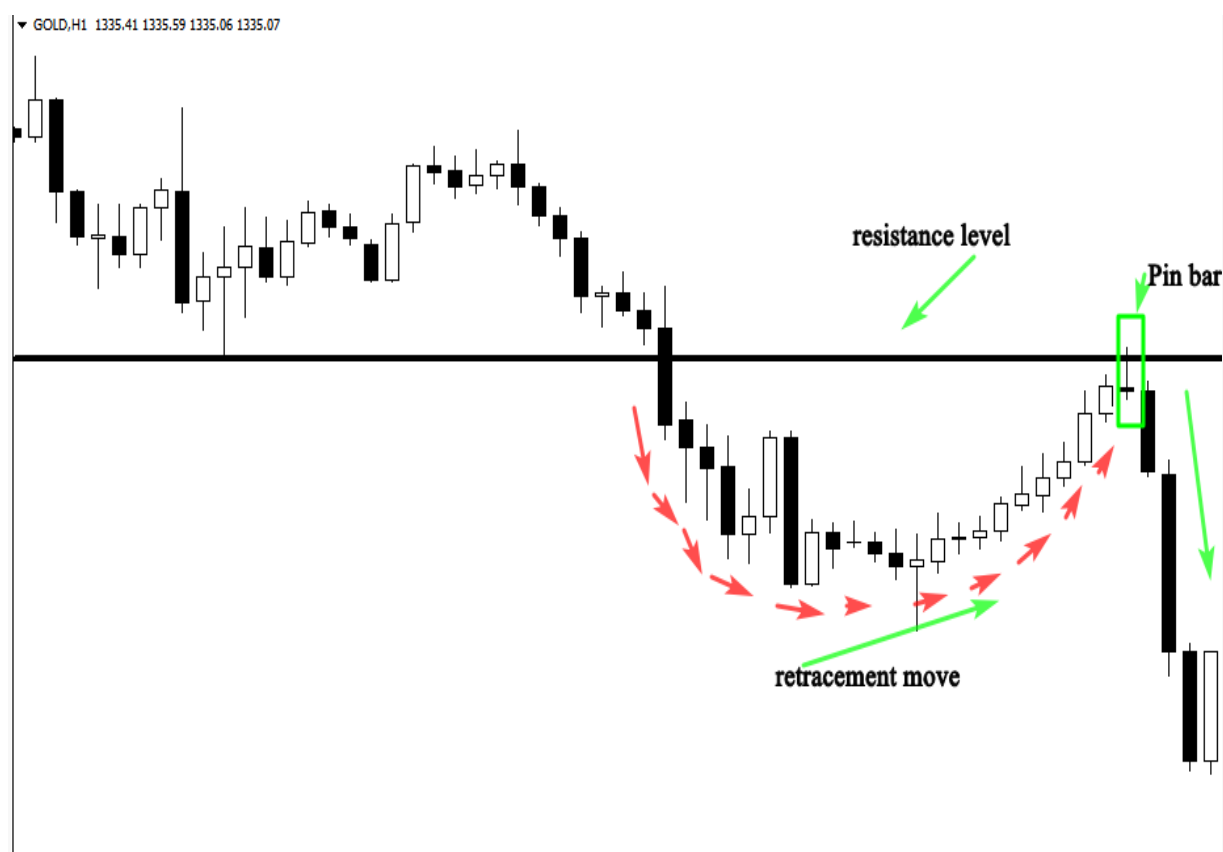
### Trading the pin bar candlestick with the trend

If you are a beginner trader, I highly recommend you to stick with the trend, because pin bars that occur in trending markets offer good trading opportunities with high risk/reward ratio.

When you master trading it with the trend, you can then move to trade range-bounds markets or even counter-trends.

This strategy is simple, you start by identifying a clear uptrend or downtrend, and you wait for a pin bar to occur after a pullback to support or resistance level.

See the example below:



The figure below shows how this price action signal works if it is traded with the trend, as you can see, the price was rejected from the

## KITAABA TRADING CANDLESTICK

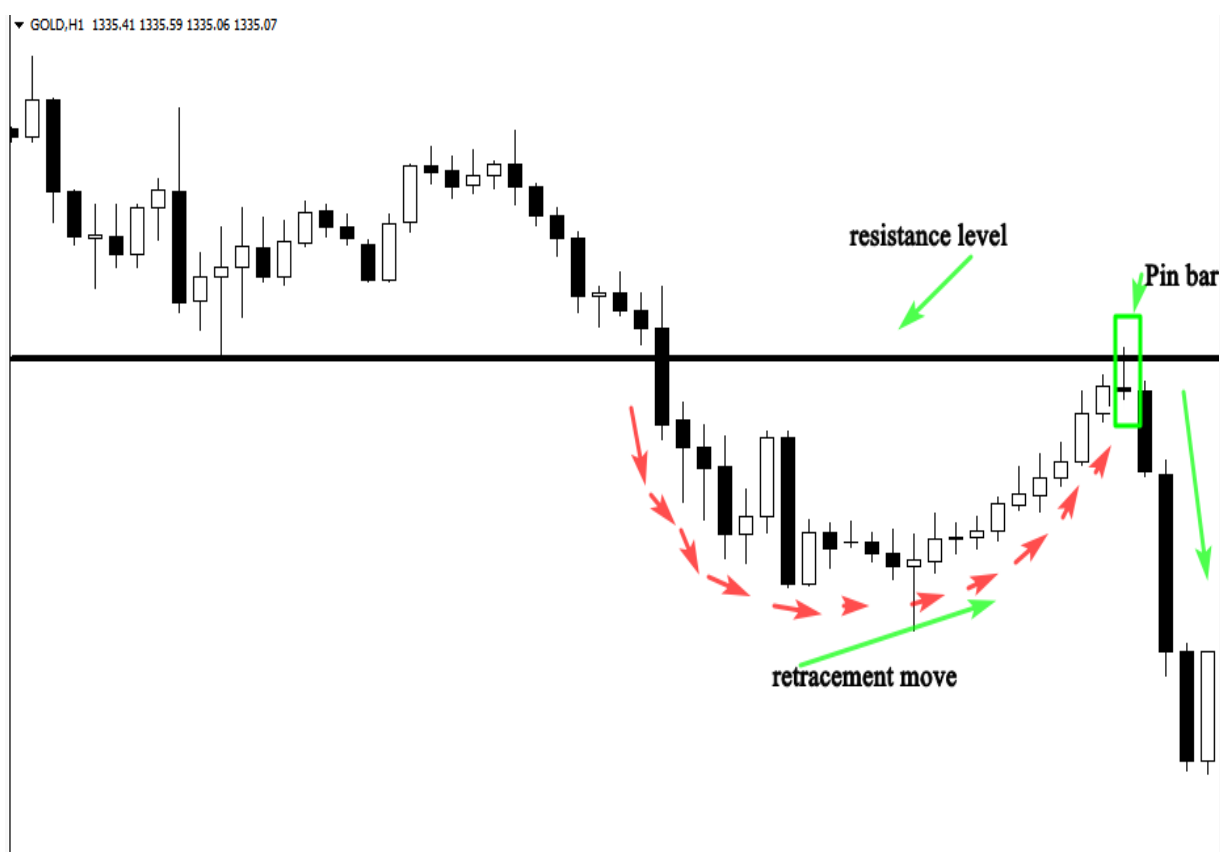
### Pin bar candlestick waliin daldaluun

Yoo daldalaa jalqabaa taate, ani trend irratti akka maxxantu baay'een si gorsa, sa babiin isaas pin bars kanneen gabaa trending keessatti uumaman carraa daldala a gaarii reeshiyoo balaa/badhaasa olaanaa ta'een dhiyeessu.

Yeroo Rend waliin daldaluu, sana booda gara gabaa daldala-bounds ykn illee co unter-trends tti ce'uu dandeessa.

Tooftaa kun salphaadha, uptrend ifa ta'e ykn downtrend adda baasuudhaan jalqabaa, akkasumas pink bar erga pullback deggeruuf ykn sadarkaa mormii booda akka uumamu eegda.

Fakkeenya armaan gadii ilaali:



Fakkiin armaan gadii kun akkaataa mallattoon tarkaanfii gatii kun itti hojjetu kan agarsiisu yoo ta'e, akkuma argitan, gatiin isaa irraa fudhatama dhabe.

resistance level which indicates that the bears are still in charge of the downtrend.

The formation of the pin bar indicates the end of the retracement move, and the beginning of the impulsive move at the resistance level in line with the downtrend.

This is a high-quality setup because all the following criteria are respected:

- 1-The pin bar is well formed, and it is in line with the direction of the market.
- 2-The rejection occurred in a major key level which represents a hot point in the market (resistance level).
- 3-The risk to reward ratio is good, and it is worth trading.

Sometimes, even if the market is trending, we can't draw support and resistance levels, because prices move in a certain way which we can't spot static key levels.

If you are in this situation, you can use the 21-moving average which will act as a dynamic support in an uptrend market and a dynamic resistance in a downtrend market.

See the illustration below:

## KITAABA TRADING CANDLESTICK

sadarkaa mormii kan agarsiisu osoo harreewwan harka qabanitti deebi'aa jiru.

Uumamni pin bar dhumata deebi'aa agarsiisa, fi jalqaba sochii dadhabinaa sadar kaa mormii waliin deebi'aa.

Kun qindoomina qulqulluu dha sababni isaas kriteriya armaan gadii hundi kabaja muu dha:

1-Baariin pin sirnaan uumameera, akkasumas kallattii gabaa waliin deema.

2-Dhiibbaa bu'uura gurguddaa irratti uumame, kunis bakka gurguddaa gabaa ke essatti agarsiisa (daangaa dhiibbaa).

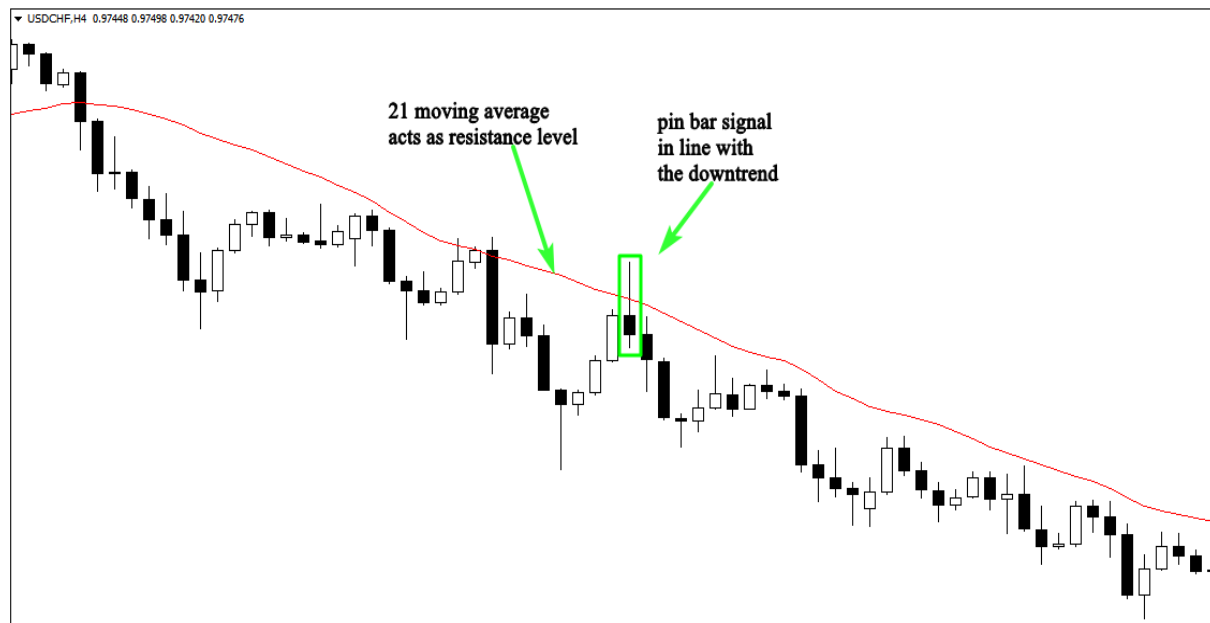
3-Raashii riskii fi faayidaa gaariidha, akkasumas daldaluuf gatii qaba.

Yeroo tokko tokko, gabaan yoo deemu, daangaa fi deeggarsa tarreessuu hin dandeenyu, sababiin isaas gatiin karaa addaa deema, daangaa bu'uuraa statika arguu hin dandeenyu.

Yoo ati haala kana keessa jirtu ta'e, 21-gara jijjiiramaa fayyadamuun ni danda'am a kan ta'e gatii ol ka'aa keessatti deeggarsa jijjiiramaa ta'ee fi gatii gadi bu'aa keessatti mormii jijjiiramaa ta'ee.

Fakkii armaan gadii ilaali:

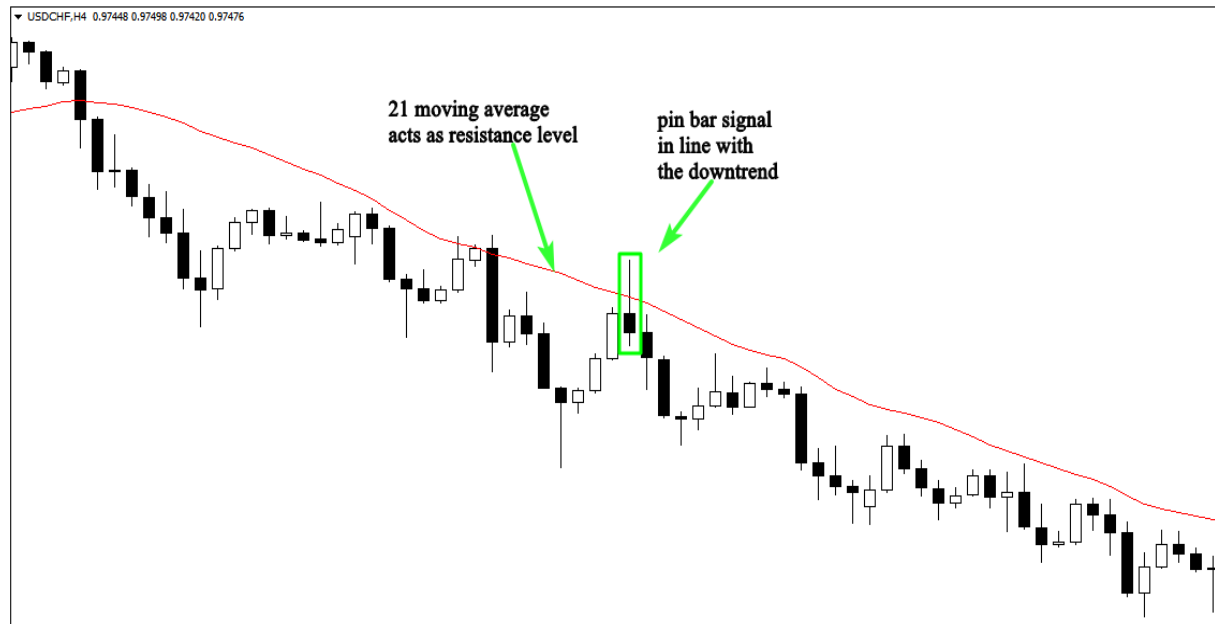
# THE CANDLESTICK TRADING BIBLE



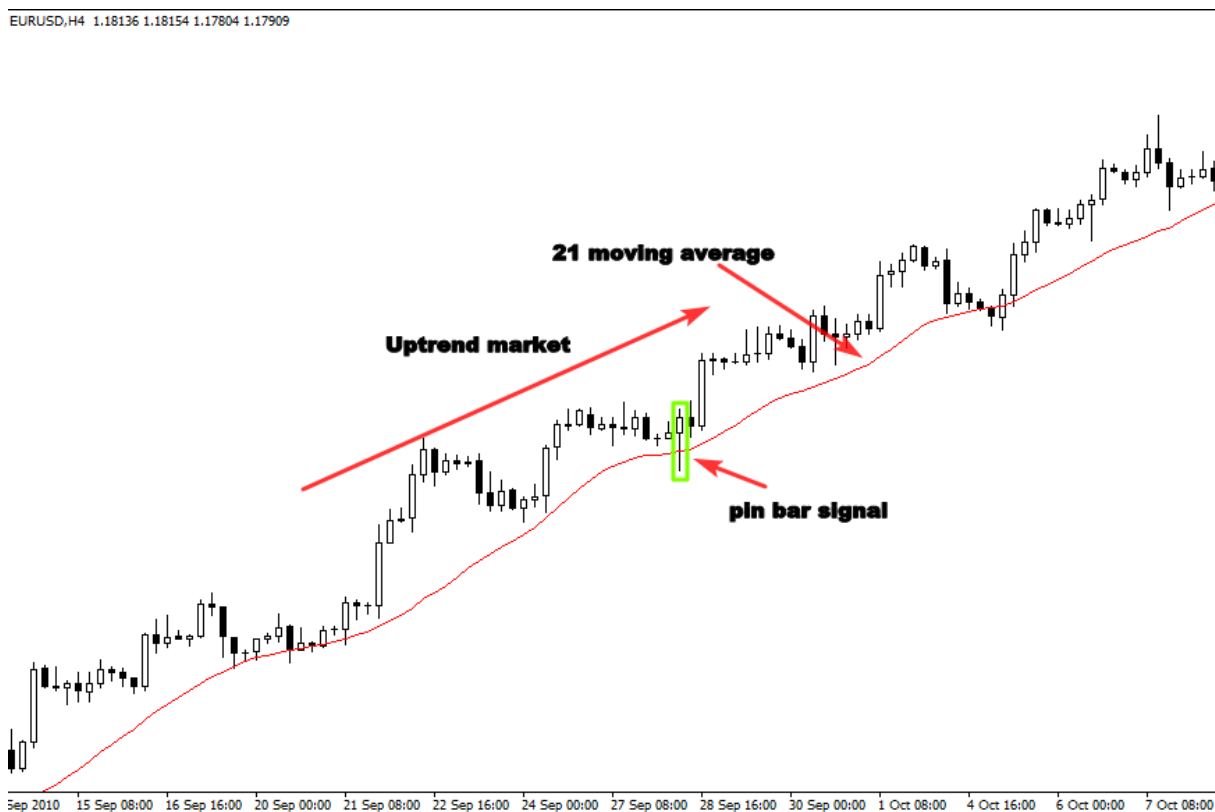
As you can see in the chart above, the market was trending down, using the 21 moving averages helps us to identify dynamic resistance levels, and high probability pin bar setups. See another chart below:



## KITAABA TRADING CANDLESTICK



Akka chartii olitti argitanitti, gabaan gadi bu'aa deema, 21-gara jijjiiramaa fayyad amuun sadarkaa mormii jijjiiramaa adda baasuuf nu gargaara, akkasumas haala pin bar ol'aanaa. Chartii biroo gadi:



The 4-hour chart above illustrates how the 21-moving average could help us find key points in the market.

When prices approach the moving average, the buying pressure takes place in the market, and the price goes up.

The pin bar signal is clear on the chart, because the trend is bullish, the price action setup has a bullish anatomy as well, and the rejection from the 21-moving average is a confirmation signal to buy the market.

## KITAABA TRADING CANDLESTICK

Chaarte 4-sa'aa olitti argamu akkamitti 21-garaagarummaa jijjiiramaa nuuf garg aara akka nuuf argamsiisu agarsiisa.

Yeroo gatii gara garaagarummaa jijjiiramaa dhufu, dhiibbaa bituu gabaa keessat ti mul'ata, gatiin immoo ol ka'a.

Mallattoo pin bar chaarte irratti ifa dha, sababiin isaas, kallattii gurguddaan, qind oomina gatii immoo qindoomina gurguddaa qaba, fi deebiin 21-garaagarummaa jijjiiramaa mallattoo mirkaneessaa bituu gabaa dha.

## Trading tactics

When we identify the trend, (uptrend or downtrend) and the level (support or resistance).

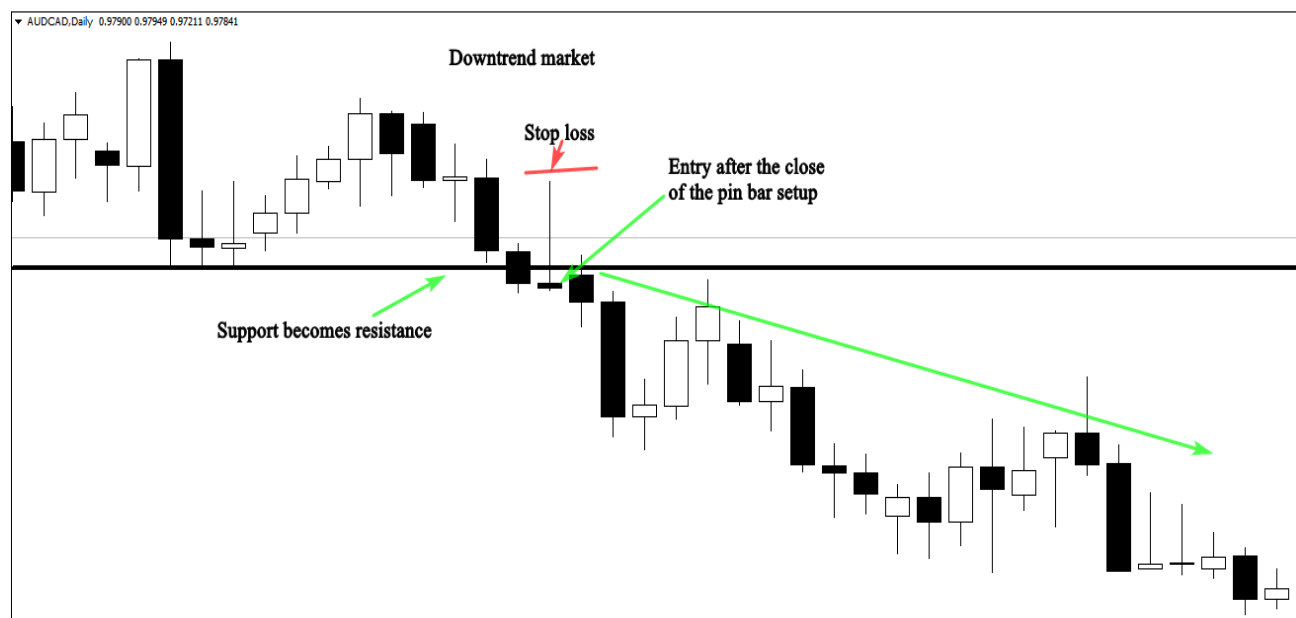
And we find a pin bar near these levels in line with the direction of the trend. The second step is to know how to enter the market based on this candlestick pattern.

According to my experience, there are different entry options when it comes to trading pin bars; it all depends on the candle anatomy, the market conditions, and your money management strategy.

**1-The aggressive entry option:** this method consists of entering the market immediately after the pin bar closes without waiting for a confirmation.

This strategy will help you catch the move from the beginning, because sometimes the price goes higher after the close of the pin bar, and if you are not in the market, the trade will leave without you.

See the example below:



## KITAABA TRADING CANDLESTICK

### Taktiikota daldalaa

Yeroo haala jijjiiramaa (jijjiirama ol'aanaa yookiin gadi'aanaa) fi sadarkaa (deegg arsa yookiin mormii) beeknu.

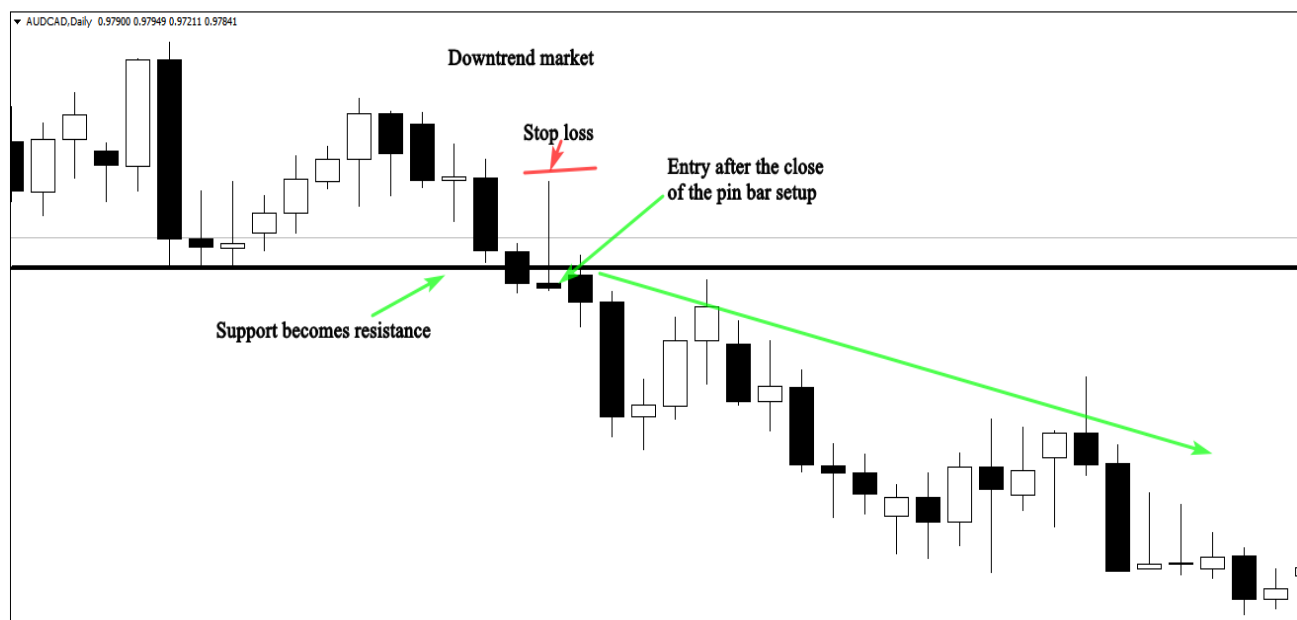
Akkaataa haala kanaan, sadarkaa kanaan walqabatee pin bar argannee, tarkaanfi i lammaffaa immoo akkamitti suuqii seenuu akka dandeenyu beekuudha.

Muuxannoo koo irratti, filannoon seensa garaagaraa pin bars irratti argamu; kun hundi qaama candlestick, haala suuqii, fi tarsiimoo maallaqa keetiin walqabata.

1-Filannoo seensa cimaa: mala kanaan pin bar cufamee booda suuqii seenuu.

Taktiikni kun si gargaara akka jalqaba irraa sochii qabdu, sababiin isaas yeroo tok ko tokko gatii ol ka'aa deema pin bar cufamee booda, yoo ati gabaa keessa hin jir re, daldalli si malee ni ba'a.

Fakkeenya armaan gadii ilaali:



The chart above shows how an aggressive entry could help you to execute your trade in the right time without being left by the market.

And as you see, we took this trade because we had three important elements:

**-The trend:** The market was trending down, in this case we look for selling opportunities.

**The level:** In this chart we had a support level that becomes resistance.

**The signal:** A clear pin bar was formed after the retracement back to the resistance level.

When you have these three elements in the market, you just place your trade after the close of the pin bar, and your stop loss above the long tail. your profit target will be the next support level in case of a downtrend.

These three elements are quite enough for you to find high probability entries in the market.

**The conservative entry option:** this strategy consists of entering the market after 50% of the range bar retracement.

This strategy sometimes will work and it gives you more than 5:1 risk/reward ratio, and sometimes the market will leave without you. See the illustration below:

## KITAABA TRADING CANDLESTICK

Chaarri olitti argamu akkamitti seensa cimaa si gargaara akka daldala kee yeroo s irrii keessatti raawwatamuuf gabaa si hin dhiisne.

Akka ati argitu, daldala kana fudhanne sababni isaa wantoota sadiin barbaachiso o ta'aniif:

-Dhiibbaa: Suuqni gadi bu'aa jira, haala kanaan carraa gurgurtaa barbaadna.

Sadarkaa: Kaartaa kana irratti sadarkaa deeggarsaa kan ta'e kan cichaa ta'e.

Mallattoo: Barri ifaa tokko kan uumame deebi'ee cichaa irratti.

Yeroo ati wantoota sadi kana gabaa keessatti qabdu, dursi keetii pin bar cufamee booda daldala kee iddoo buufata daldalaa ka'aa, fi balaa kee gubbaa harka dheeraa. Kaayyoon faayidaa kee immoo sadarkaa deeggarsa itti aanuu ta'a yoo xiqqaa te.

Wanti sadi kun siif gatii ol'aanaa argachuuf gabaa keessatti seensa argachuuf ga'aa dha.

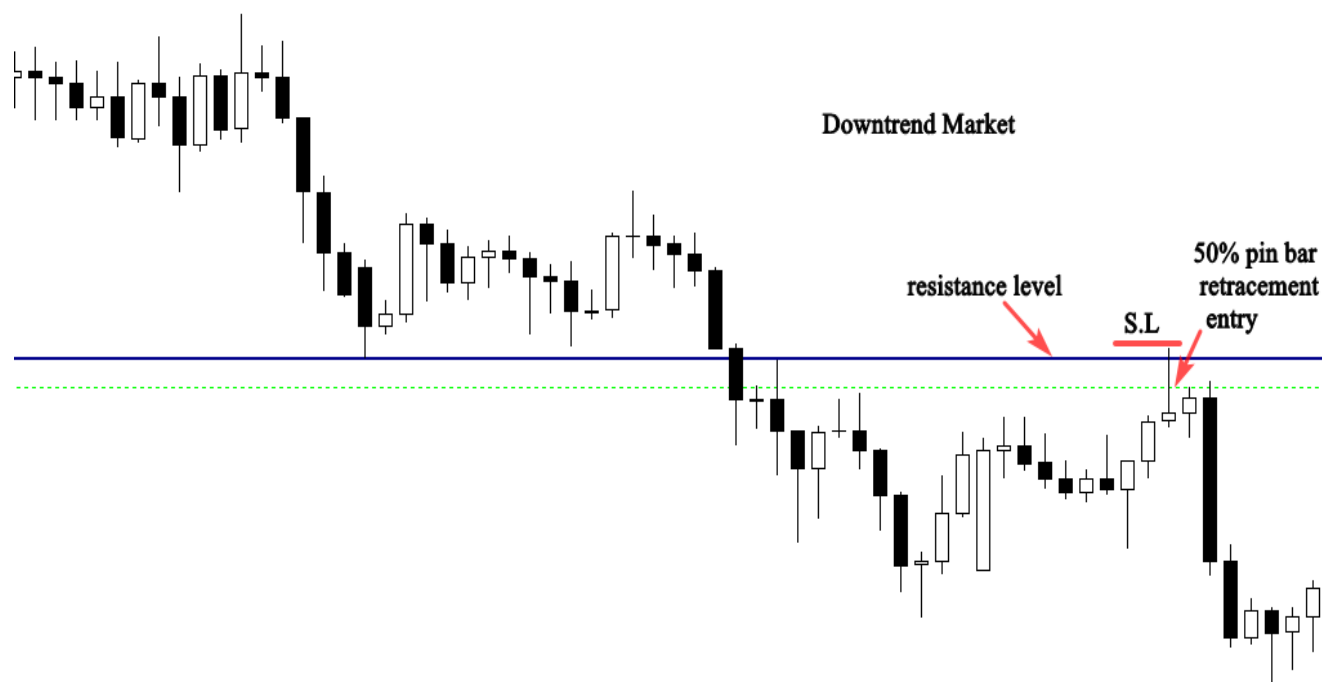
Filannoo seensa of-eeggannoo: tarsiimoon kun gabaa seenuu 50% gatii bu'aa guubbaa booda ta'a.

Tarsiimoon kun yeroo tokko tokko ni hojjeta, siifis 5:1 balaa/fooyya'iinsa caalaa kenna, yeroo tokko tokko immoo gabaan si irraa deema.

Fakkii armaan gadii ilaali:

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NZDUSD,H4 0.72080 0.72104 0.71994 0.72061

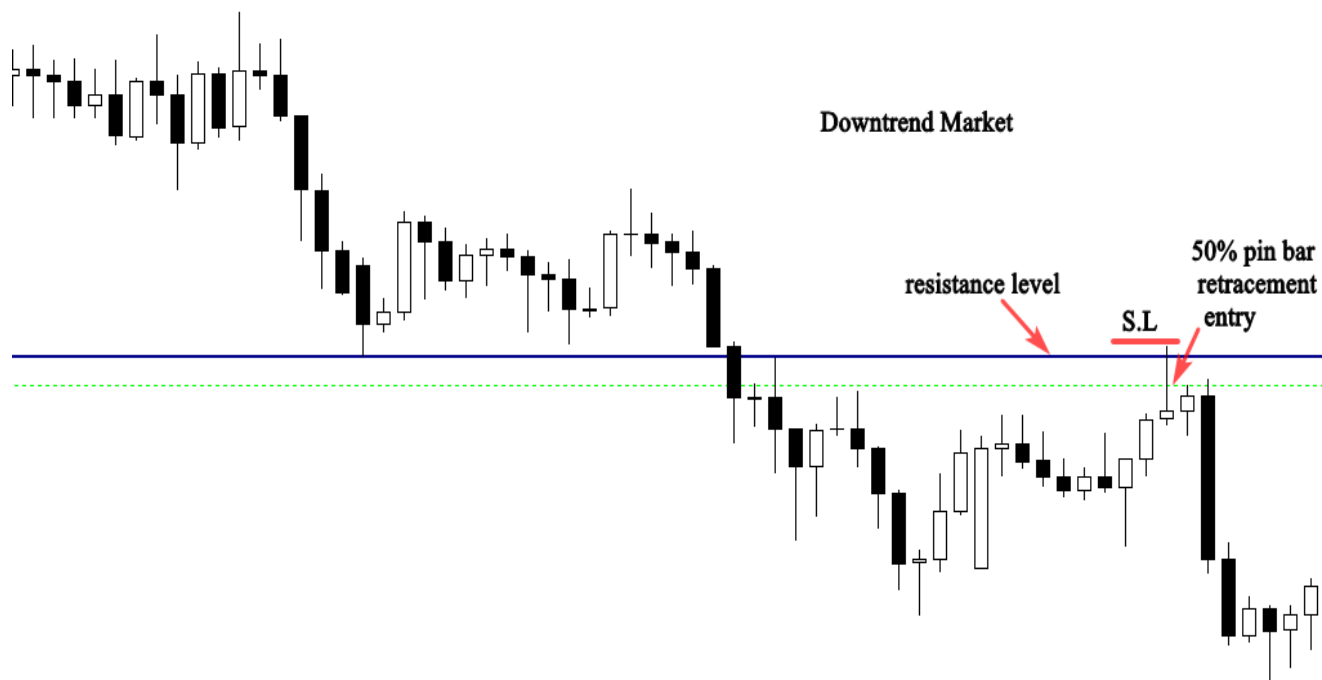


The illustration above gives us an idea about the power of conservative entries, as you can see, this entry method helps us decrease our risks and increase our rewards.

The trade above has more than 5:1 risk/reward ratio. One trade like this every month is quite enough to generate a decent income. See another chart below:

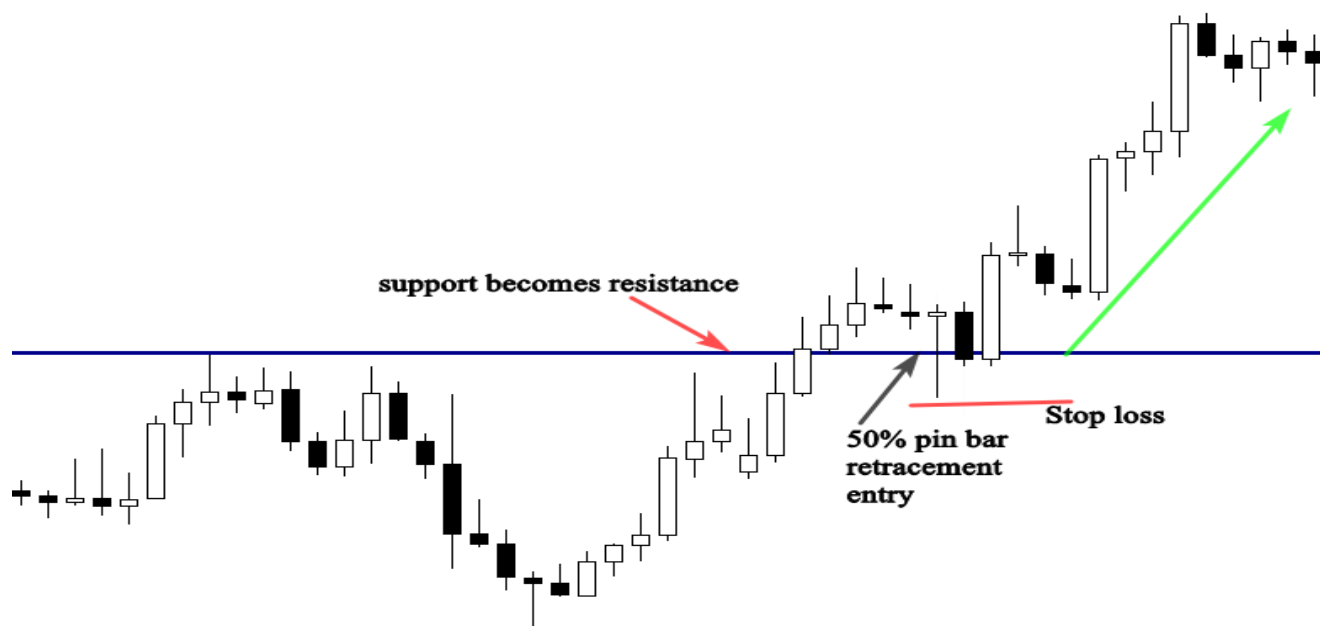
## KITAABA TRADING CANDLESTICK

NZDUSD,H4 0.72080 0.72104 0.71994 0.72061



Fakkii olitti argamu nuuf yaada kenna humna galmee eeyyama qabeessa, akkasu mas, karaa galmee kanaan balaa keenya hir'isuuf fi faayidaa keenya dabaluuftu nu gargaara.

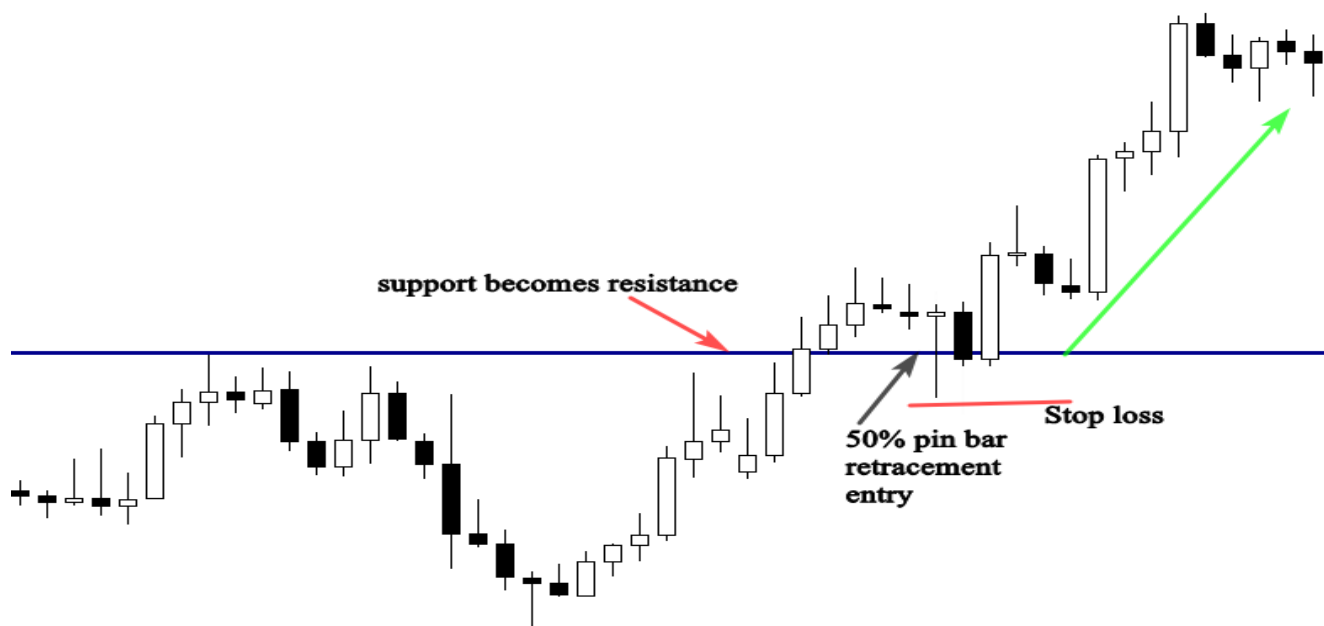
Daldalli olitti argamu 5:1 balaa/faayidaa caalaa qaba. Daldala akkanaa ji'a tokko keessatti tokko qofa ta'uu isaa galii gaarii uumuuf ga'aa dha. Fakkii biroo armaan gadi ilaali:



One of the drawbacks of this entry option is that the market sometimes doesn't retrace to 50% of the range bar, which will make you feel frustrated because the market will move to the profit target without you.

There is no wrong or right entry option, the both work great, but with screen time and experience, you will be able to decide whether to trade aggressively or conservatively.

## KITAABA TRADING CANDLESTICK



Kallattiin galmee kanaa keessaa hanqina tokko, suuqni yeroo tokko tokko 50% da angaa baarii deebi'uu hin dandeenye, kunis si gaddisiisa sababni isaas suuqni bu'aa kaayyoo si'aan si'aa deema.

Kallattiin galmee dogoggoraa yookaan sirrii hin jiru, lamaan isaanii gaariidha, ga ruu yeroo fuula fi muuxannoo waliin, akkamitti daldalu akka barbaaddu murteessuu dandeessa.

### Trading pin bars with confluence

Confluence happens when many technical indicators generate the same signal, this trading concept is used by price action traders to filter their entry points and spot high probability signals in the market.

It doesn't matter if you are beginner or advanced trader, trading with confluence is a must, because it will help you focus on quality setups rather than quantity, and it will enhance tremendously your trading performance.

Confluence means combination or conjunction, it is a situation in which two or more things join or come together, for example, if we are looking for a pin bar signal, we need to find other factors of confluence to confirm our entry; we are not going to take any pin bar that we find on our chart.

#### Factors of confluence:

**The trend:** it is one of the most important factor of confluence, this is the first thing that most successful traders look for on their charts, you can't trade any setup without identifying if it is in line with the direction of the market or not.

A bearish pin bar in a downtrend is more powerful signal than the one in a range-bound market.

**Support and resistance levels and supply and demand areas:** these major levels have a significant importance in the market, because all big participants watch these specific areas.

**Moving averages:** i personally use the 8 and 21 moving average, this technical trading tool acts as dynamic support and resistance, and it is a very important factor of confluence in trending markets.

**Fibonacci retracement tool:** I use the 61% and 50 % Fibonacci retracement to find the most powerful areas in the market.

## KITAABA TRADING CANDLESTICK

### Pin baarii daldalu waliin walitti dhufeenya

Walitti dhufeenyi yeroo baay'ee agarsiistota tekinikaa mallattoo walfakkaatu uumu, yaadni daldalaa kun daldaloota gocha gatii fayyadamuun iddoo galmee isaani i filachuuf fi mallattoolee carraa ol'aanaa suuqni keessatti argamuuf gargaaru.

Yoo ati dandeettii jalqabaa ykn dandeettii ol'aanaa qabdu ta'e, walitti dhufeenya waliin daldaluun dirqama, sababiin isaas, kun si gargaara akka xiyyeeffannoo keetiin qindaa'ina qulqullina irratti xiyyeeffattu, baay'ina irratti osoo hin taane, akkas umas, hojii daldalaa keetiin guddisuu ni danda'a.

Walitti dhufeenyi jechuun walitti makuu ykn walitti dhufeenya, kun haala tokko keessatti wantoota lama yookaan hedduu walitti dhufan ykn walitti makaman, fakkkeenyaaf, yoo mallattoo pin bar barbaannu, wantoota walitti dhufeenya biroo argachuu qabna akka seensa keenya mirkaneessuuf; chart keenya irratti pin bar kamiiyyuu fudhachuu hin feenu.

### Fakkeenya walitti dhufeenya:

Sakatta'a: kunis fakkeenya walitti dhufeenya keessaa isa tokko, kunis wanta jalqabaa kan daldaloota milkaa'oo hedduun chart isaanii irratti barbaadan, daldala kamiyyuu gochuu hin dandeessu yoo haala gabaa waliin wal simsiisuu hin dandeenye.

Barri pin kan gadi bu'aa keessa jiru mallattoo cimaa dha kan gadii bu'aa hin qabne.

Deeggarsa fi dhaabbata sadarkaa fi naannolee gurgurtaa fi barbaachisummaa: sadarkaa gurguddoo kunniin gurguddoo ta'uu isaanii sababaa, hirmaattota gurguddoo hundi naannolee addaa kana ilaalu.

Gatii jijjiiramaa: ani gatii jijjiiramaa 8 fi 21 fayyadama, meeshaa daldalaa tekinikaal kanaan deeggarsa fi dhaabbata dinamikii ta'ee, akkasumas, gatii gurguddaa ta'ee kan walitti dhufeenya qabu.

Meeshaa deebi'aa Fibonacci: ani 61% fi 50% deebi'aa Fibonacci fayyadama naannolee gurguddoo ta'ee argachuuf.

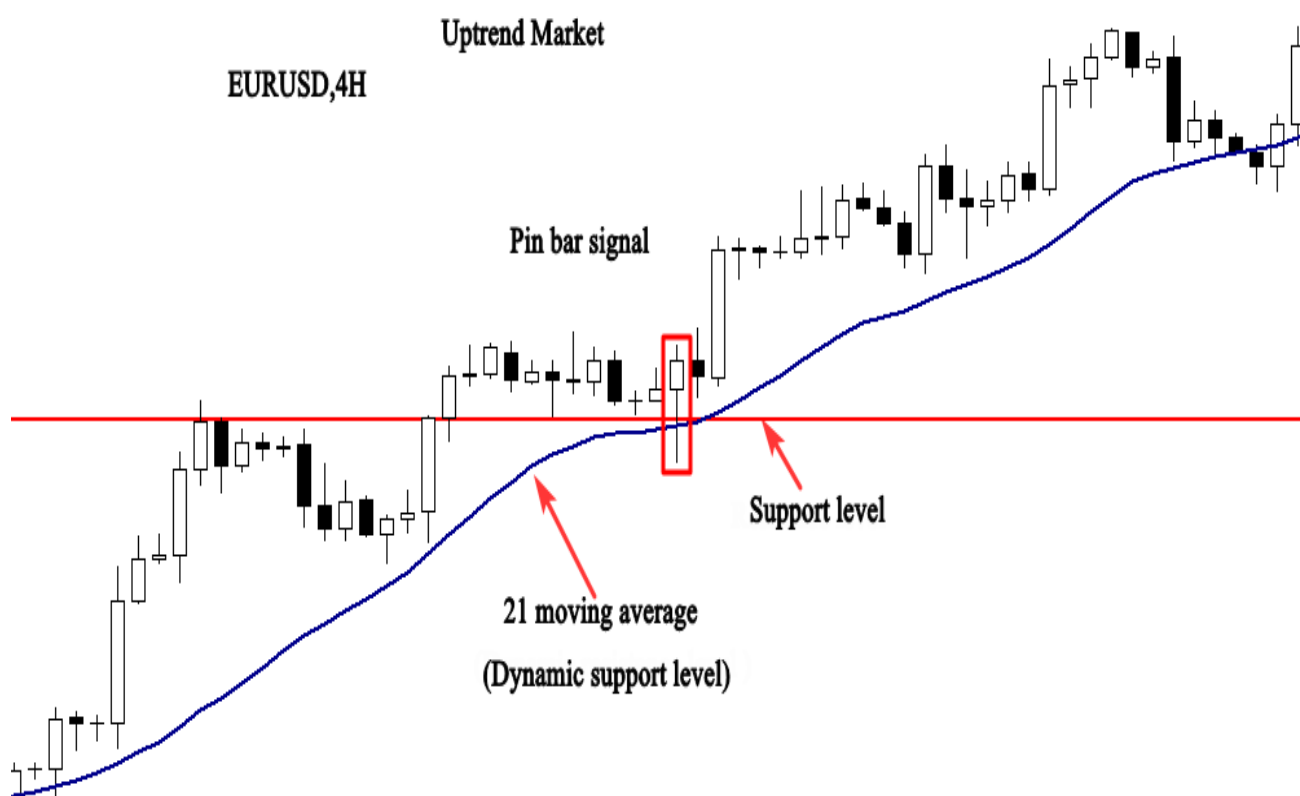
**Trend lines:** drawing these lines on your charts give us an idea about the market direction and help us find the most important reversal points in the market.

When you are analyzing your chart, you are not obligated to find all these levels to determine whether the trade is valid or not.

If you can find just one or two factors of confluence that come up together with a good pin bar setup, this is quite enough to make a profitable trade.

**For example:** an obvious pin bar signal near support or resistance level in line with the direction of the market.

See the illustration below:



## KITAABA TRADING CANDLESTICK

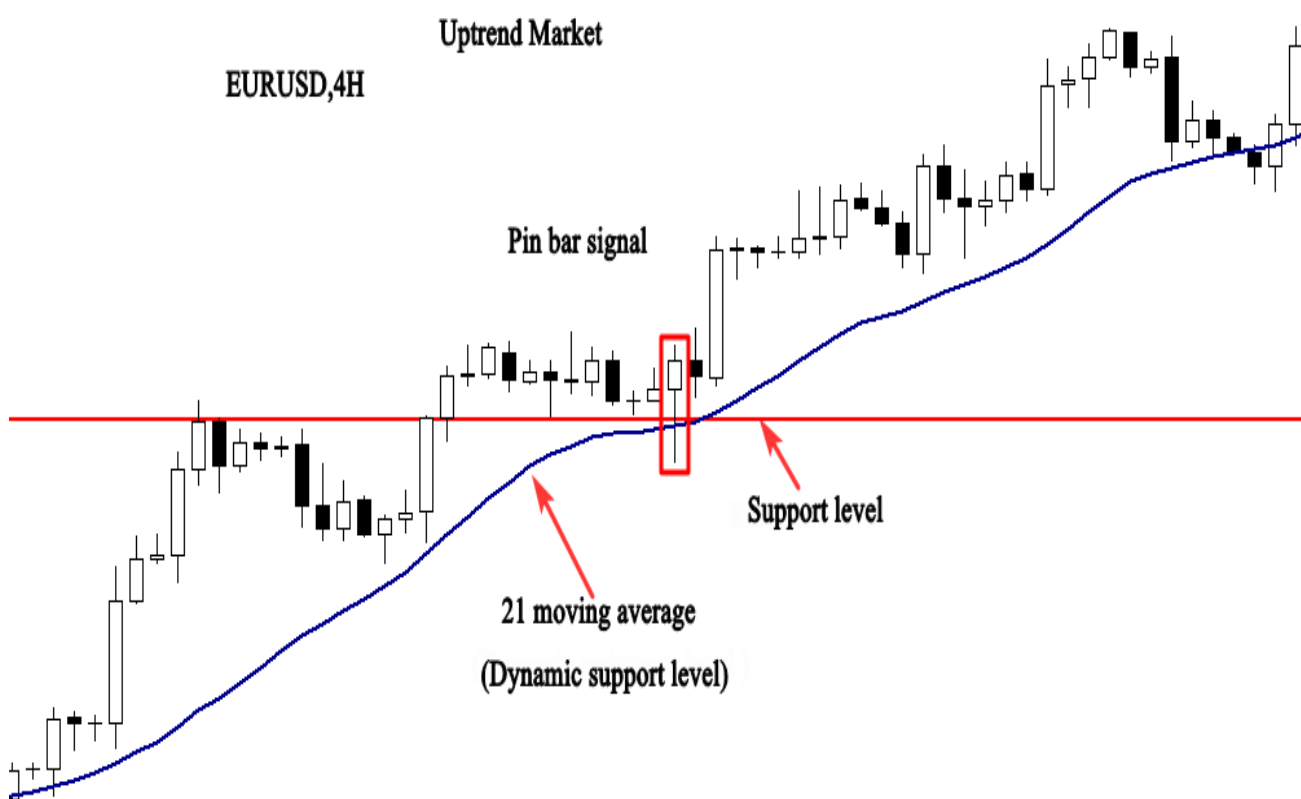
Karaa jijjiirraa: karaa kanaa suuraawwan keessan irratti tarreessuun, gatii gurgur taa fi gatii jijjiirraa barbaaduuf nu gargaara.

Suuraawwan keessan qorachaa jirtu, sadarkaa hundaa argachuuf dirqama hin qabu, akka daldalli sirrii ta'e mirkaneessuuf.

Yoo wantoota walitti dhufeenya qaban tokko yookaan lama argachuu dandeessu, kun daldala bu'aa qabeessa ta'eef ga'aa dha.

Fakkeenyaaf: mallattoo pin bar ifaa deeggarsa yookiin daangaa irratti argamu, kallattii gabraa waliin.

Fakkii armaan gadii ilaali:



In the example above, we have a high probability setup with four factors of confluence.

**1- The Trend:** the market is trading up which means that we have to follow the trend and look for a buying opportunity.

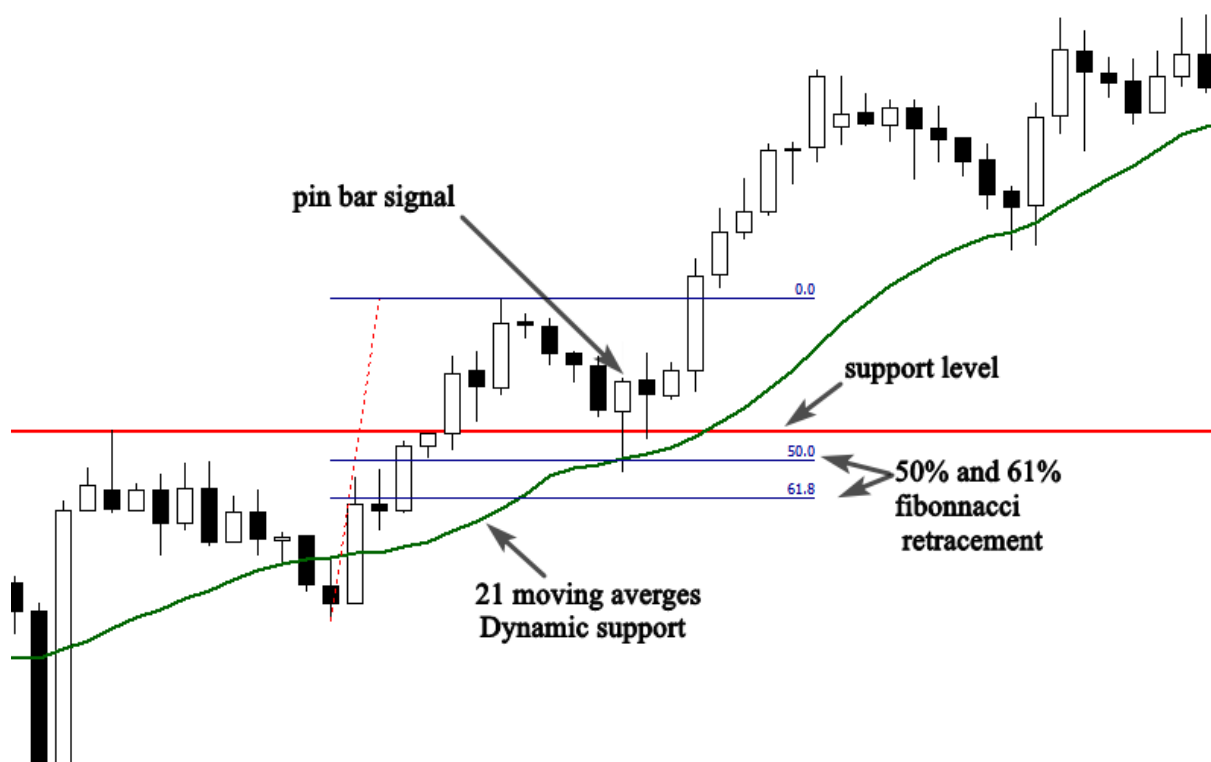
**2-The level:** The support level is an important key level in the market.as you can see, price broke out of the resistance level that becomes support and pulled back to it.

**3-The signal:** The formation of **the bullish pin bar** after the retracement back to the resistance level that becomes support.

**4-Another signal:** The rejection of the pin bar from the support level, and the 21 moving average that acted as a dynamic support level.

All these factors work together to give us powerful trading signal to buy the market.

See another example:



## KITAABA TRADING CANDLESTICK

Fakkeenya olitti, qindoomina fakkeenyummaa afur waliin carraa ol'aanaa qabna.

**1- Dhaabbata:** Suuqni ol ka'aa jira, kunis akkaataa dhaabbata hordofuu qabnu fi carraa bituu barbaaduu qabnu agarsiisa.

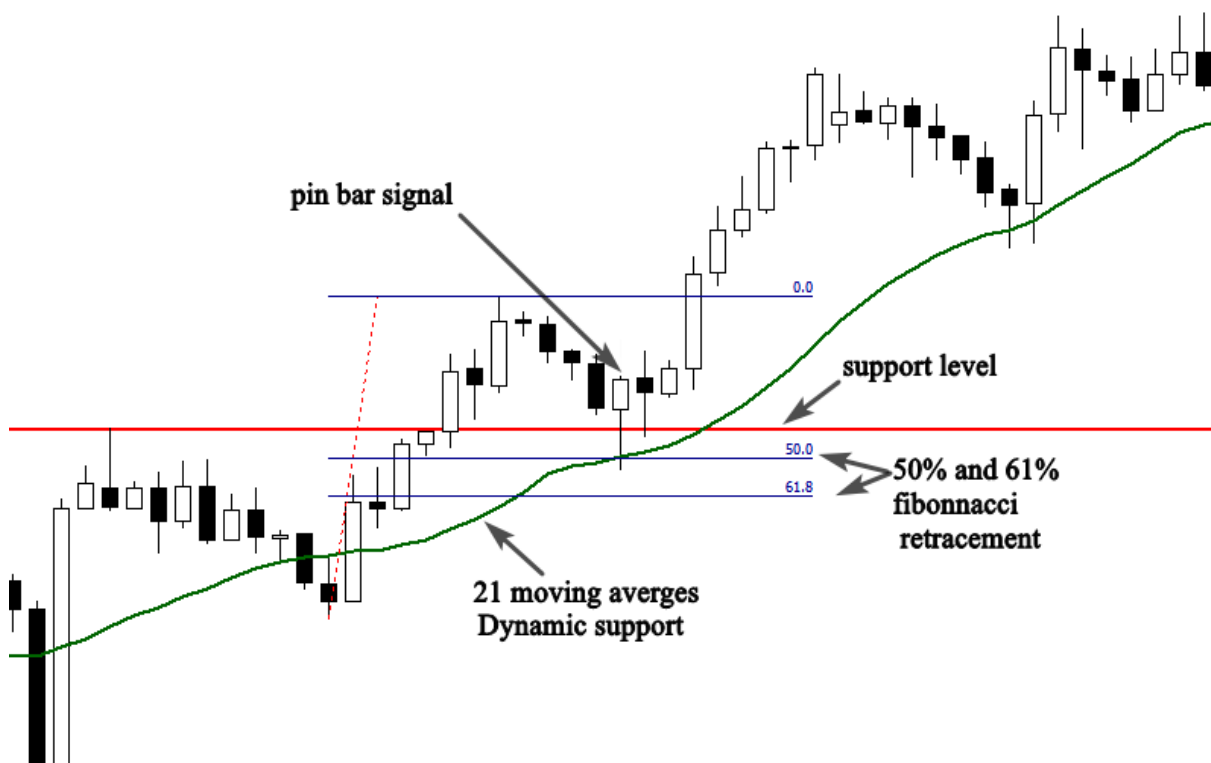
**2-Dhangeessa:** Sadarkaan deeggarsaa sadarkaa murteessaa suuq keessatti. Akku ma argitan, gatii sadarkaa mormaa cabsuun deeggarsa ta'ee gara isatti deebi'ee jira.

**3-Siigtaal:** Guddina pin bar gurguddaa deebi'ee gara sadarkaa mormaa deeggar sa ta'ee.

**4-Siigtaal biraa:** Pin bar deeggarsa irraa dhiibbaa, akkasumas 21 giddugaleessa j ijjiramaa deeggarsa dinamika ta'ee.

Fakkeenyi kun hundi walitti dhufeenya qabaachuun nuuf mallattoo daldalaa jaba a kennuuf gargaara.

Fakkeenya biraa ilaali:



The example below shows 4 confluent levels that indicate a powerful trading signal, the first factor is the bullish trend, and the second one is the resistance level that becomes support.

The third one is the 21-moving average that acts as a dynamic support level. and the last factor is the pin bar formation near these levels in line with the bullish trend.

If you adopt this trading concept, you will completely change the way you perceive the market, and you will start trading like a sniper by waiting for the best trading setups to come to you, instead of trying hard to make trades happen.

## KITAABA TRADING CANDLESTICK

Fakkeenyi armaan gadi 4 sadarkaa walitti dhufeenya qaban agarsiisa kan mallatt oo daldalaa jabaa agarsiisu, sababni jalqabaa immoo kallattii ol ka'aa, sababni la mmataa immoo sadarkaa cabsaa ta'ee deeggarsa ta'uu dha.

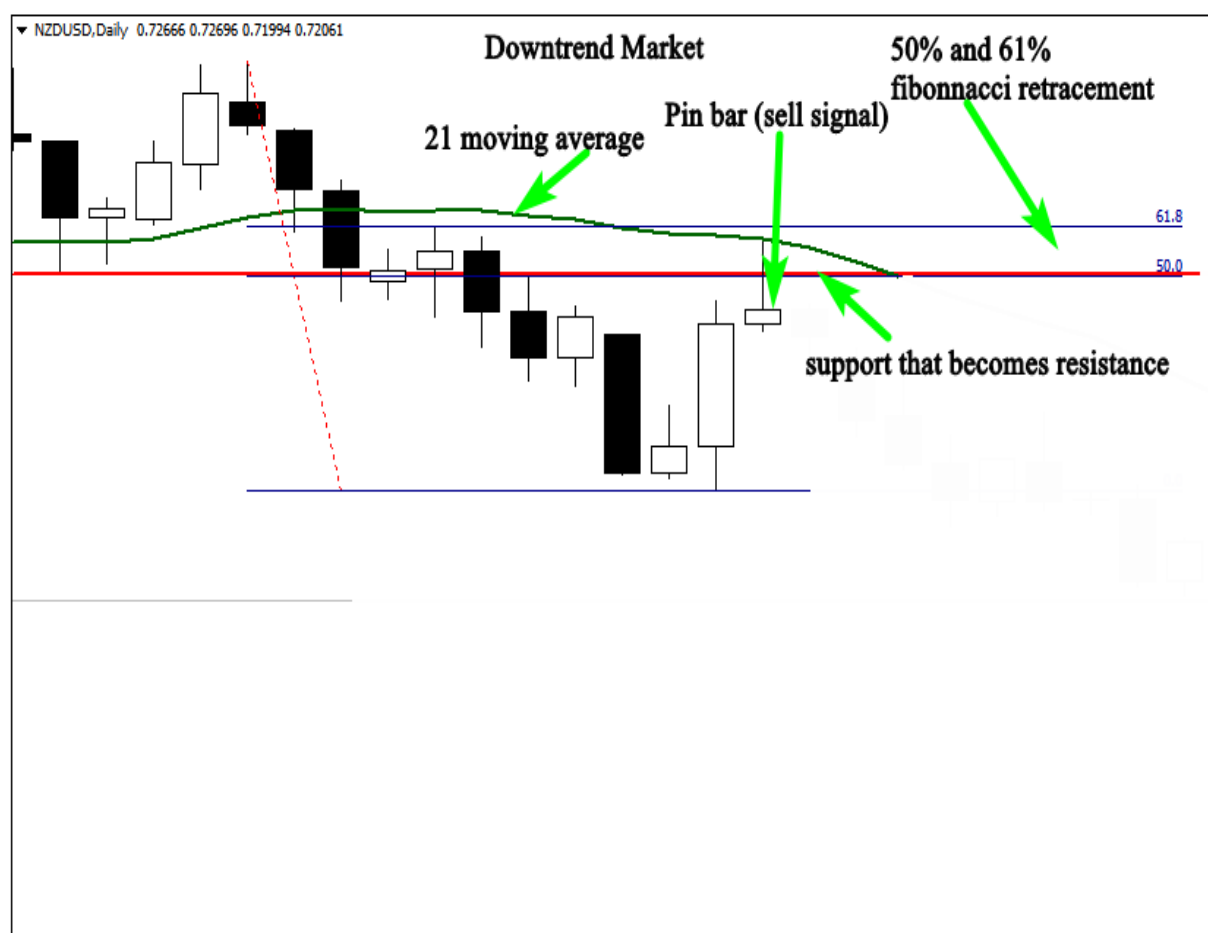
Sadaffaa 21-gara jijjiiramaa ta'e kan ta'e bu'uura deeggarsa dinamikii. fi sababni dhumaa immoo barreeffama pin bar bakka bu'aa kanaan walqabatee mul'atu.

Yoo yaada daldalaa kana fudhattani, akkamitti suuqii ilaalchisuun keessan jijjiira ma guutuu gootani, akkasumas daldala akka sniper ta'ee, daldala gaarii siif dhufuu eeguu jalqabu, daldala gochuu irratti ciminaan yaaluun dura.

## Pin Bars trades examples

I will give you some trading examples to help you understand how to trade the pin bar candlestick pattern with the trend. and how to use the confluence concept to confirm your entries.

See the chart below:



This is the NZDUSD daily chart, as you can see the market is trending down. this is the first information that we gather from this chart.

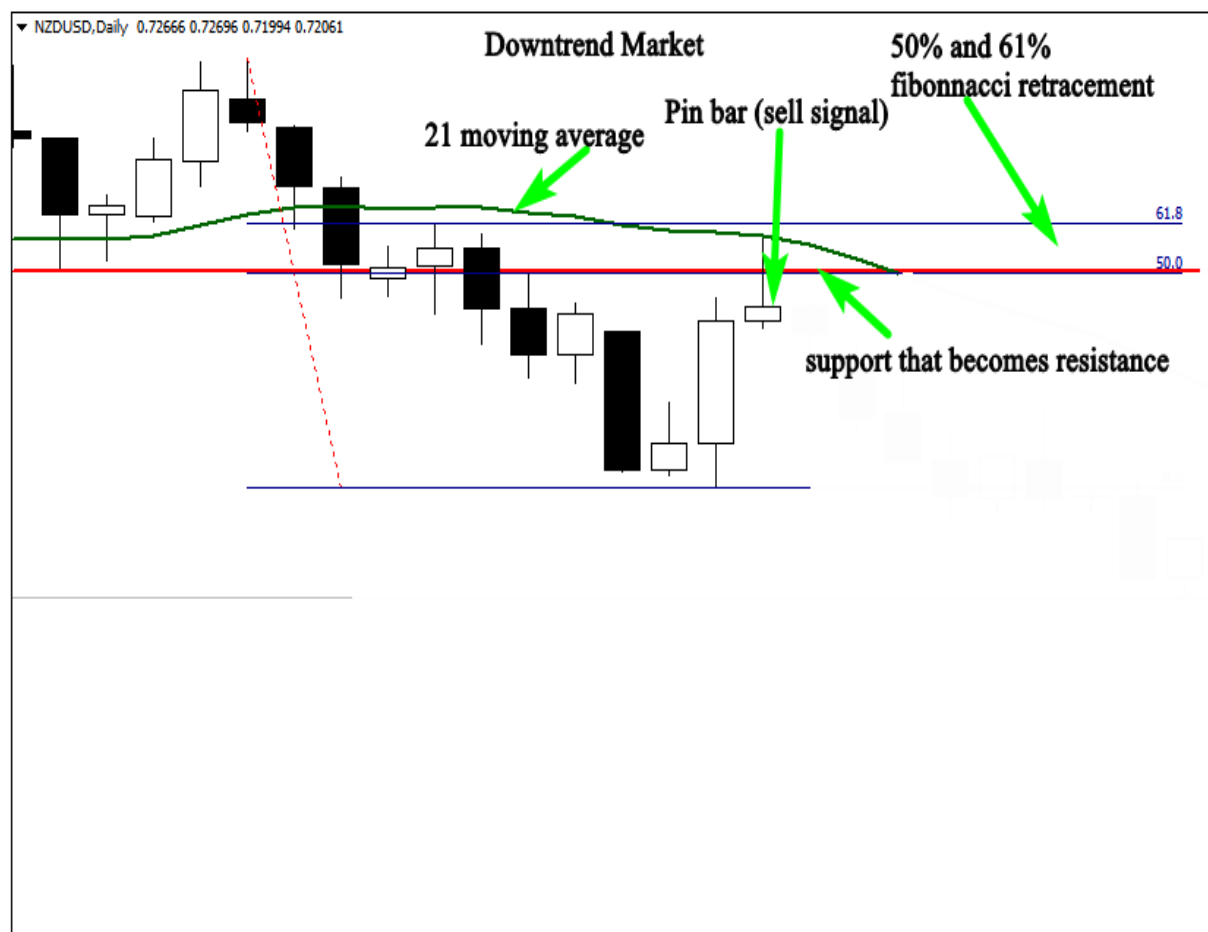
After the breakout of the support level that becomes resistance, the price retraced back to this level, and formed a pin bar candlestick pattern.

## KITAABA TRADING CANDLESTICK

### Fakkeenya daldala Pin Bars

Fakkeenya daldalaa siif kenna, akkamitti pin bar candlestick pattern waliin daldal u akka hubattu, akkasumas akkamitti yaada walitti dhufeenya fayyadamuun seen sa kee mirkaneessuuf.

Chaartee gadi fageenya armaan gadii ilaali:



Kun chaartee guyyaa NZDUSD, akkasumas suuraan gurgurtaa gadi fageenya agar siisa. Odeeffannoo jalqabaa chaartee kana irraa arganne.

Ijaarsa deebi'aa bu'uura gatii kan ta'e, gatii deebi'ee bu'uura kana irraatti, fi fakk ii pin bar candlestick uume.

The formation of the pin bar near the resistance level indicates that the retracement move is over, and the beginning of an impulsive move is likely to happen.

When we put the 21 moving average and the Fibonacci retracement on the chart, we see that the pin bar is rejected from these levels which indicates that this level is very important and sellers are willing to push the market lower.

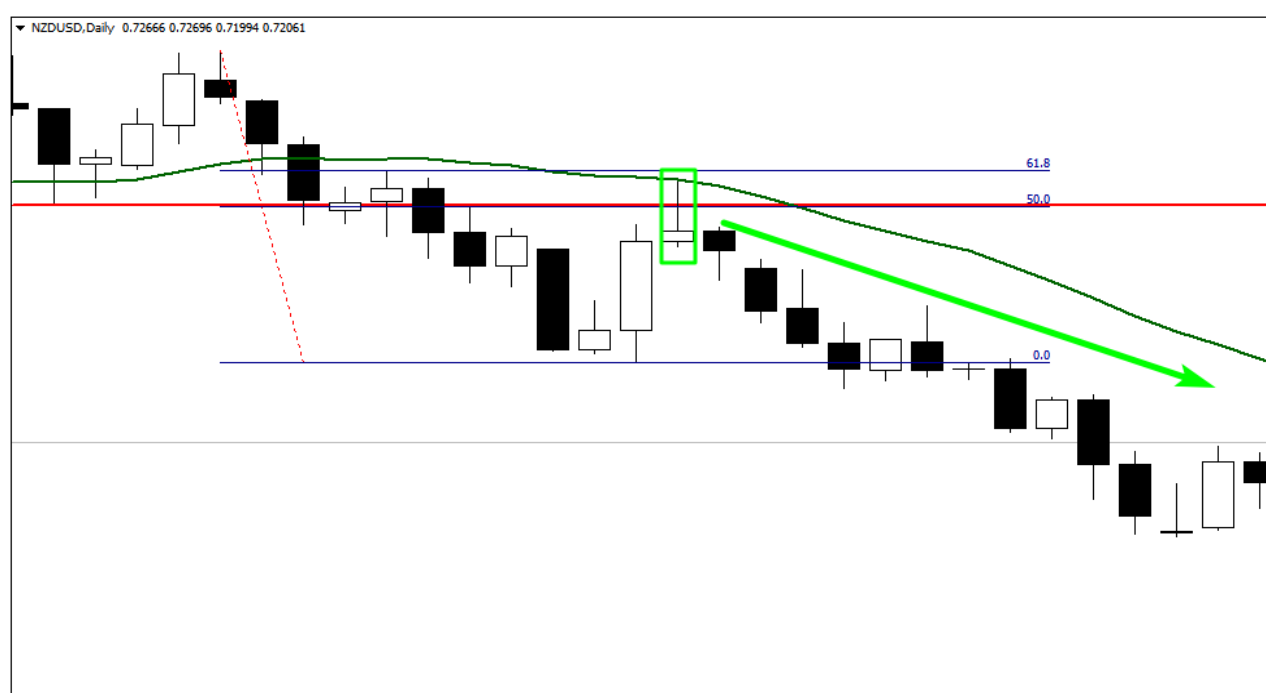
Here in this example we have solid reasons to sell the market, the first reason is the downtrend.

The second reason is the formation of the pin bar near the resistance level which indicates the end of the pullback and the beginning of a new move downward.

The third reason is the rejection of the pin bar from the resistance level, and from the 21-moving average,

The last reason is the pin bar rejection from the 50% Fibonacci retracement level which is considered to be one of the most powerful key levels in the market.

Look at the chart below to see what happened next:



## KITAABA TRADING CANDLESTICK

Pin bar'n bakka dadhabinaatti uumamuun, deebi'ee dhufuu isaa agarsiisa, fi sochii jabaa jalqabuu akka ta'uuf carraan jiru.

Yeroo 21 giddugaleessa sochii fi Fibonacci deebi'ee dhufuu kaardii irratti kaa'u, pin bar'n bakka kana irraa dhorkamuu isaa argina, kunis bakka kana baay'ee barb aachisaa ta'uu fi gurgurtoonni gabaa gadi buusuuf qophii ta'uu agarsiisa.

As keessatti fakkeenya kana keessatti gabaa gurguruuf sababa jabaa qabna, saba ba jalqabaa immoo sochii gadi bu'aa dha.

Sababa lammaffaa immoo pin bar'n bakka dadhabinaatti uumamuun, deebi'ee dhufuu xumuruu fi sochii haaraa gadi bu'aa jalqabuu agarsiisa.

Sababni sadaffaa, pin bar'n sadarkaa mormii irraa dhiisuu fi 21-garaagarummaa ji'a irraa dhiisuu dha,

Sababni dhumaa, pin bar'n sadarkaa 50% Fibonacci deebi'ee ilaalcha irraa dhiisuu dha kanneen gurguddoo ta'an keessaa tokko.

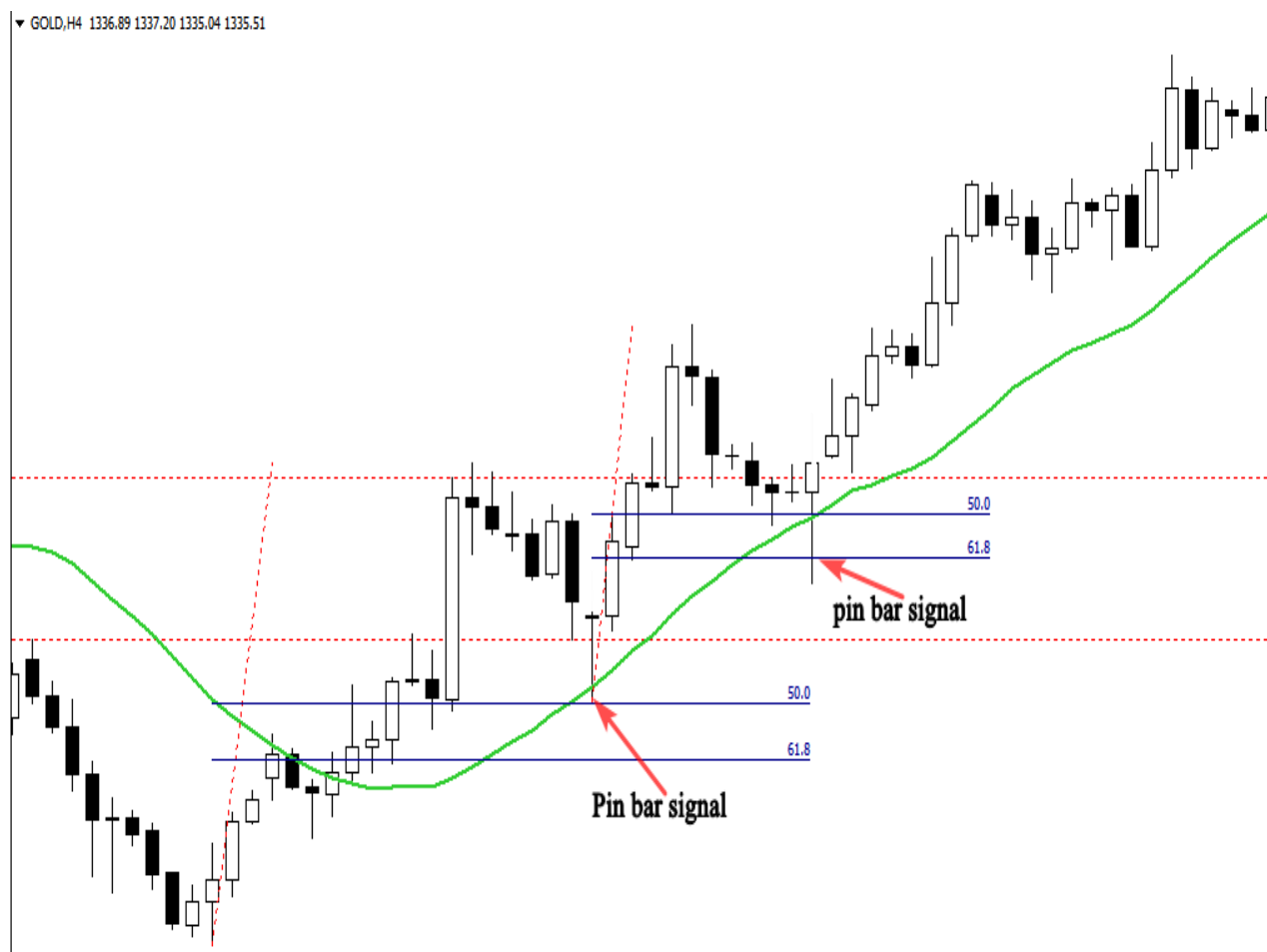
Chaartee gadi fageenya ilaali maal ta'e akka armaan gadi:



## THE CANDLESTICK TRADING BIBLE

As you can see in the chart above, our analysis was right, because it was based on solid reasons to enter the market.

This is the method that i want you to learn to be able to trade the market successfully. Look at another chart below:



The chart above shows two important buying opportunities.

The market was trending up, the formation of the first pin bar after the retracement back to the support level was a high probability entry.

What confirms our entry is the rejection from the 21-moving average, and the 50% Fibonacci retracement.

The same thing happens with the second pin bar that allowed us to enter the market again and make more profits.

## KITAABA TRADING CANDLESTICK

Akka chart olitti argitanitti, qorannoon keenya sirrii ture, sababni isaas suuqatti s eenuuf sababa jabaa irratti hundaa'e.

Kuni karaa ani siif barachuu barbaadu suuqatti milkaa'inaaf daldaluuf. Chart bira a gadi ilaali:

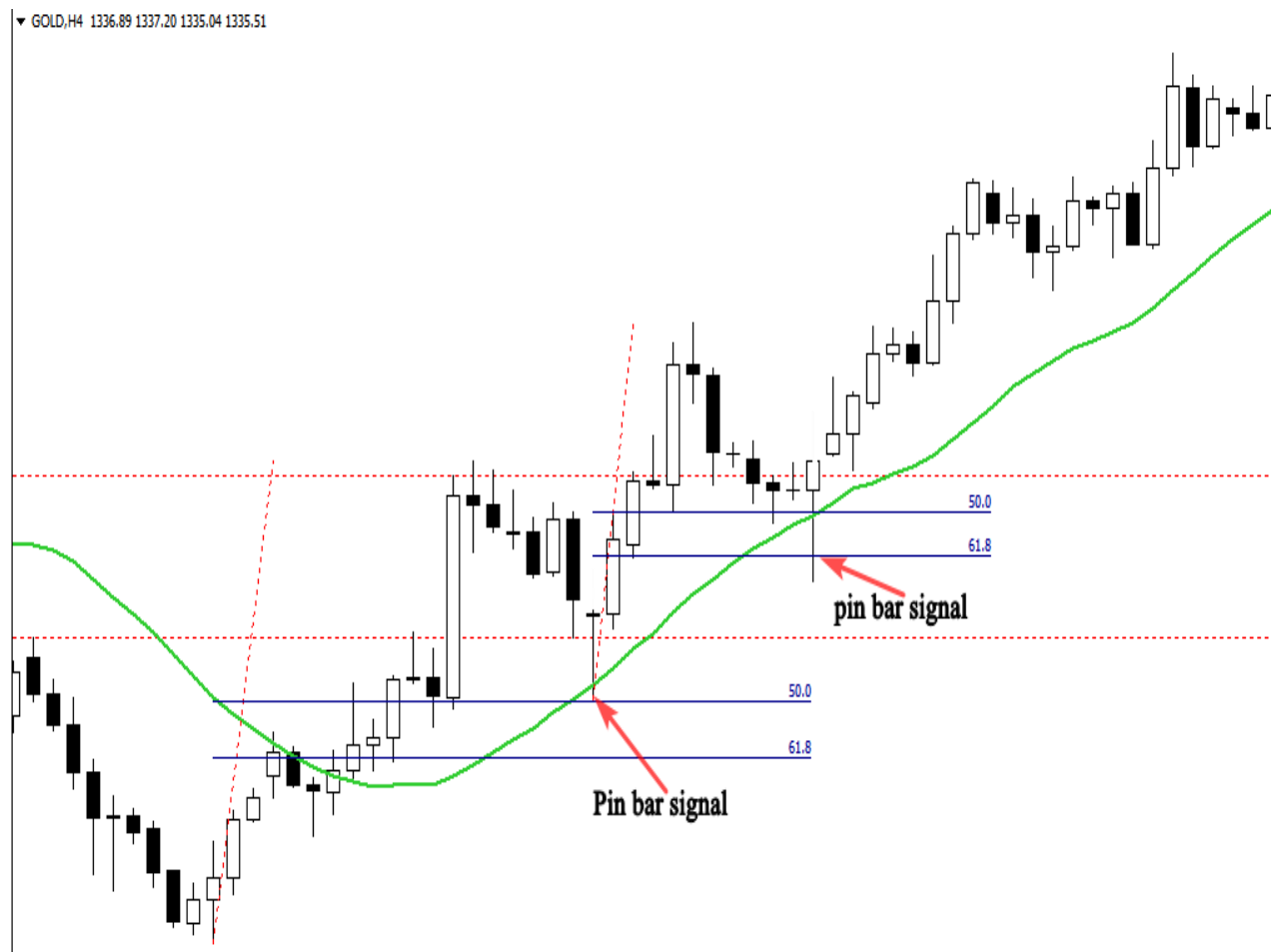


Chart olitti argamu carraa bituu lama barbaachisaa agarsiisa.

Suuqni ol ka'aa jira, pin bar jalqabaa kan deebi'ee gara bu'uuraatti deebi'ee uum ame seensa carraa ol'aanaa dha.

Wanti seera keenya mirkaneessu dhangala'aa 21 fi 50% Fibonacci deebi'ee dha.

Wanti walfakkaatu pin bar lammaffaa waliin ta'ee, kan nuuf dandeessise suuqii ir ra deebi'ee seenuu fi faayidaa dabalataa argachuu.

### Trading pin bars in range-bound markets

We can say that a market is ranging when prices don't make any higher high and higher low and start trading horizontally between a definable level of support and a definable level of resistance.

Once i see that the market changes its behavior, i have to change my tactics and adopt a trading strategy that fits this new market condition.

To confirm a ranging market, i have to look for at least two touches of support level, and two touches of resistance level, and once i have identified the range, then it becomes very simple to trade it by going long when prices reaches the support level and going short when prices approach the resistance level.

See below an example of a range-bound market:



As you see, as prices approach the key support or resistance level, we have an opportunity to buy or sell the market; we need just to wait for a clear price action setup such as a pin bar candlestick.

Look at the illustration below:

## KITAABA TRADING CANDLESTICK

### Pin bar gurgurtaa suuqii daangaa qabdu keessatti

Suuqiin daangaa qabdu ta'uu ni danda'ama yeroo gatii ol ka'aa fi gadi bu'aa hin u umu, akkasumas daangaa beekamaa fi daangaa mormaa beekamaa gidduutti suu qii horizontal ta'ee gurgurtaa jalqabu.

Yeroo suuqni amala isaa jijjiiruu arge, tarsiimoo koo jijjiiruu fi haala suuqaa kana af mijataa ta'e qopheessuu qaba.

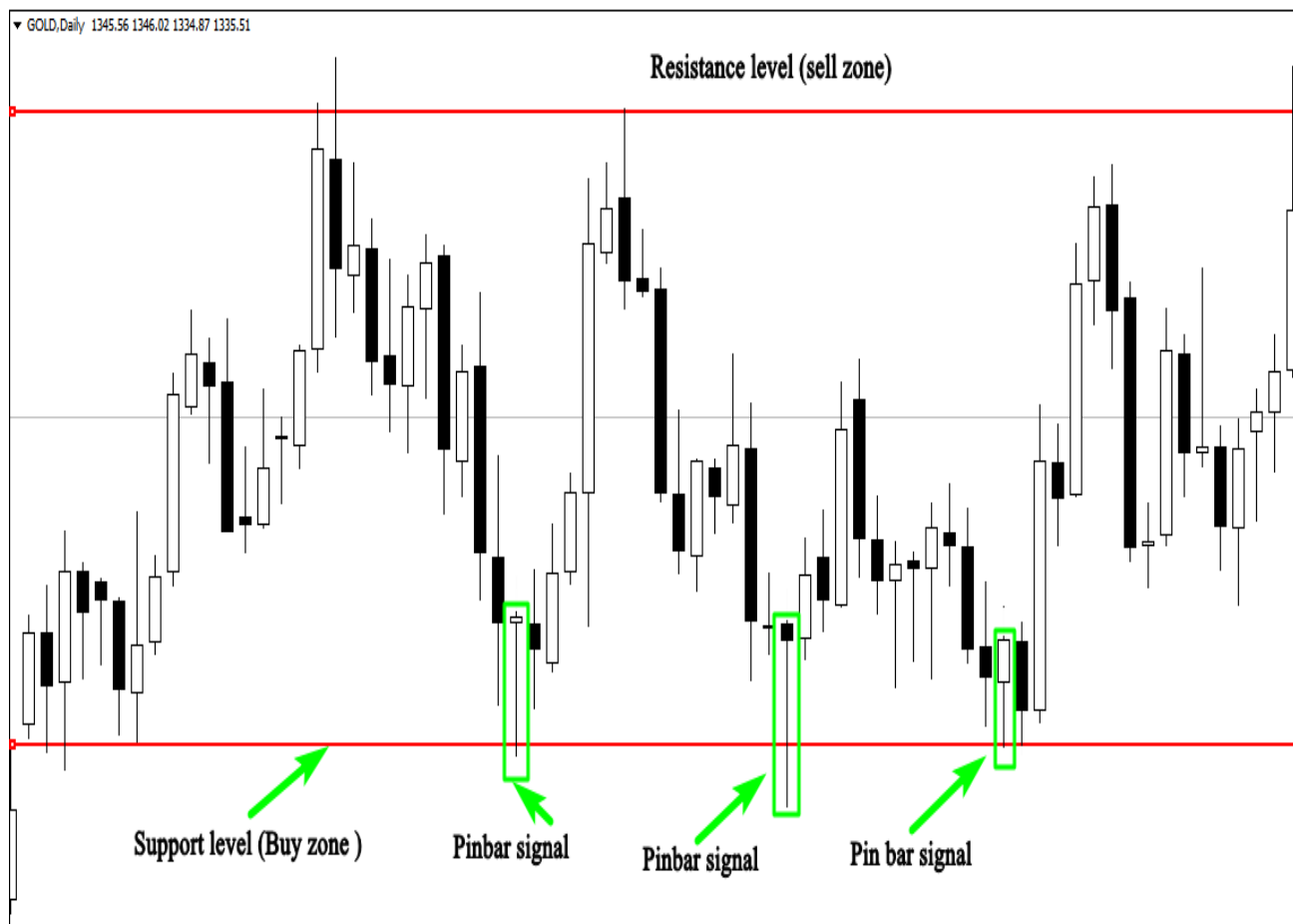
Suuqni daangaa qabu mirkaneessuuf, yeroo tokkoo ol ta'uu qabu, sadarkaa deeg garsa lama fi sadarkaa mormii lama barbaaduu qaba, yeroo daangaa arge, gatii deeggarsa ga'ee yeroo gatii deeggarsa ga'u fi gatii mormii ga'ee yeroo gatii mormii dhufuu, gurgurtaa gochuu salphaa ta'a.

Asitti fakkeenya suuqaa daangaa qabu ilaali:



Akkuma arge, gatiin sadarkaa deeggarsa ykn mormii murteessaa dhufuu, carraa gurgurtaa ykn gurgurtaa suuqaa qabna; qajeelfama gatii ifaa akka pin bar candle stick eeggachuu qofa.

Fakkii armaan gadi ilaali:



The illustration above shows us three trading opportunities, let me explain you how you can trade them successfully:

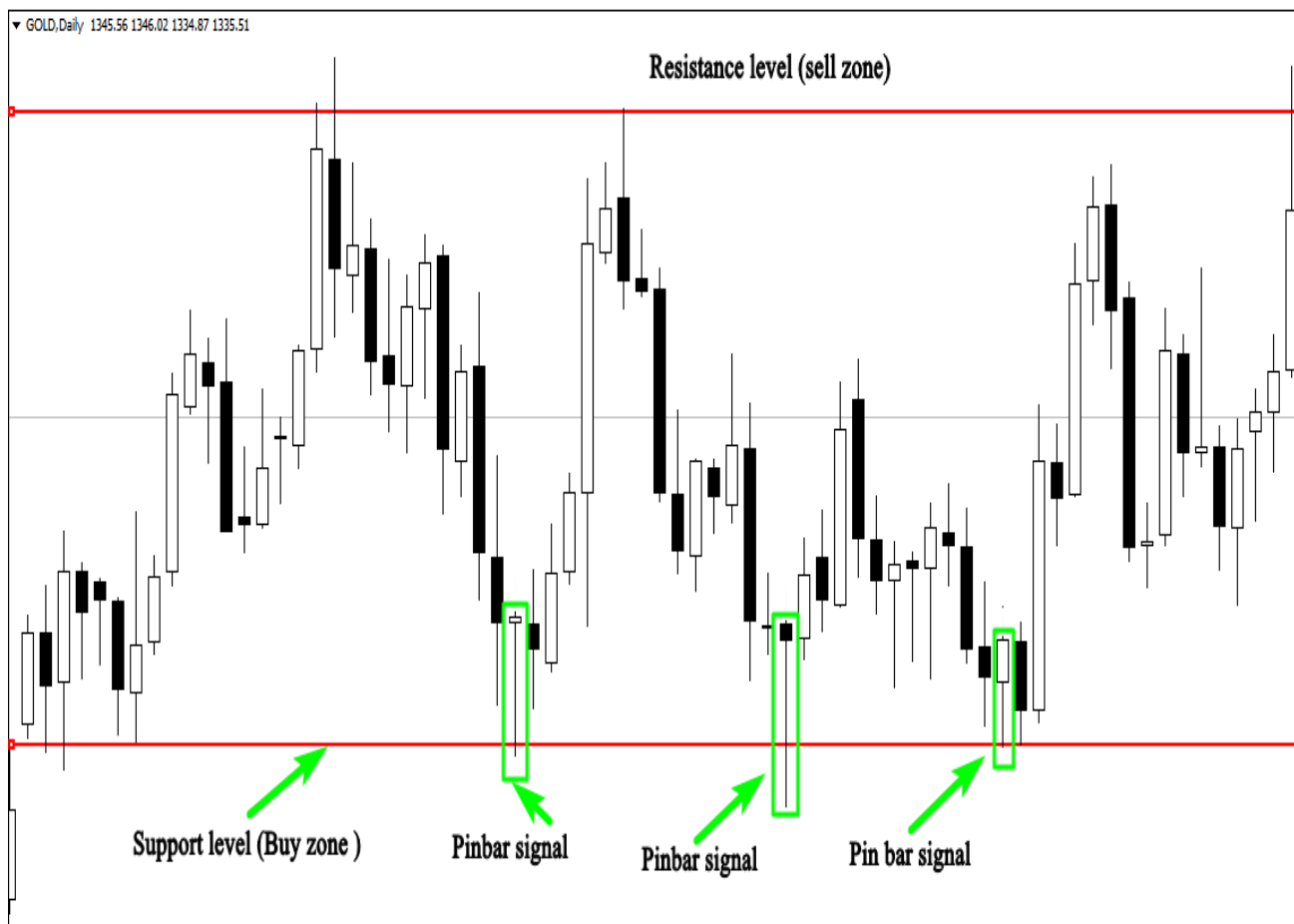
1-The first one is a pin bar rejected from the support level, you can place a buy order after the pin bar closes, or you wait for the market to touches the 50% of the pin bar range.

Your stop loss should be placed above the support level, and your profit target must be placed near the resistance level.

The risk reward of this trade is very attractive.

2-The second trading opportunity occurs near the support level, you place a buy order after the close of the pin bar, and your stop loss should be below the support level. your profit target is the next resistance level.

## KITAABA TRADING CANDLESTICK



Fakkii olitti argamu nuuf mul'isa carraa sadiin daldalaa, akkamitti milkaa'ina dald alaa isaanii akka gochuu dandeessu siif ibsa:

1- Inni jalqabaa bar pin kan deeggarsa irraa mormame, ajaja bituu bar pin xumur ameen booda kaa'uu dandeessa, yookaanis suuqni 50% bar pin bal'ina tuquu ee guu dandeessa.

Kufaatiin kee deeggarsa irra caalaa kaa'uu qaba, fi kaayyoon faayidaa kee sadark aa mormitootaa dhihoo kaa'uu qaba.

Hir'ina faayidaa daldalaa kanaa baay'ee hawataa dha.

2-Furmaata daldalaa lammaffaa bakka deeggarsa jiru keessatti mul'ata, ajaja bituu pin bar xumura booda kaa'uu qabda, fi balaa dhaabuu kee bakka deeggarsa jal a ta'uu qaba. Kaayyoon faayidaa kee bakka cimina itti aanuu dha.

3-The third setup is an obvious buying opportunity; as you can see the market was rejected from the support level and formed a pin bar to inform us that buyers are still there, and the market is likely to bounce from the support level.

Trading from major key support and resistance levels is the easiest way to make money trading range-bounds markets, don't never try to trade any setup if it is not strongly rejected from these areas.

The second strategy is about trading in the direction of the breakouts of major key levels or waiting for the prices to retrace back to the breakout point and then you go long or you short the market.

See the example below:



## KITAABA TRADING CANDLESTICK

3-Furmaata sadaffaa carraa bituu ifaa dha; akkasumas, suuraan deeggarsa irraa hanqina argateera fi pin bar uumeera nuuf ibsuuf, bittoonni ammas jiru, fi suuraan deeggarsa irraa deebi'uu danda'a.

Gatii gurgurtaa bu'uura gurguddaa fi daangaa gurguddaa irraa gurgurtaa gochuun karaa salphaa ta'een maallaqa argachuuf gurgurtaa daangaa qabatanii gurgurtaa gochuu dha, bakka kana irraa ciminaan hin mormiin gurgurtaa gochuu yaalu.

Taktiikni lammaffaa gurgurtaa gurguddaa bu'uura gurguddaa irraa ba'uu ykn gatiiwwan gurguddaa bu'uura gurguddaa deebi'anii gurgurtaa gochuu eeggachuu irratti xiyyeeffata, sana booda gurgurtaa dheeraa ykn gurgurtaa gabaabaa gochuu dandeessa.

Fakkeenya armaan gadii ilaali:



The figure above illustrates a range-bound market, the price broke out of the support level and retraces back to the point of the breakout, and the formation of an obvious pin bar indicates a high probability signal to short the market.

This is how professional traders trade ranging markets based on this price action signal.

### **How to confirm pin bar signals using technical indicators**

Using technical indicators to confirm your entries will increase your probability of the trade being profitable, i'am not telling you that you have to focus on indicators to generate signals, because this will never work for you, but if you can combine your price action strategies with the right indicators, you will be able to filter your signals and trade the best setups.

One of the best indicators that i use to confirm my entries when i examine a range-bound market is the Bollinger bands indicator.

This technical trading tool was developed by John Bollinger to measure a market's volatility.

The strategy is very simple, we will combine horizontal support and resistance with the upper and lower Bollinger bands false breakout, if prices are rejected from major key levels and from the bands, this is a confirmation that the market will bounce from these levels.

See an example below:

## KITAABA TRADING CANDLESTICK

Fakkii olitti argamu gurgurtaa daangaa qabatani agarsiisa, gatiin bu'uura gurgu ddaa irraa ba'ee deebi'ee bu'uura gurguddaa gurgurtaa gochuu, akkasumas pin bar ifaa uumamuun gurgurtaa gabaabaa gochuu akka mallattoo carraa ol'aanaa ta'a'e agarsiisa.

Kun akkamitti daldaltoonni ogummaa qaban suuqiiwwan daangaa irratti daldalu.

### **Akkamitti mallattoo pin bar mirkaneeffachuu dandeessu fayyadamtoota tekinikaa**

Fayyadamtoota tekinikaa fayyadamuun seensa keessan mirkaneessuuf carraa dal dala keessan dabaluuf, ani isinitti himuu hin barbaadu akka isin mallattoo uumu irratti xiyyeeffattan, sababiin isaas kun isinitti hin hojjatu, garuu yoo tajaajilaw wan gatii keessan sirriitti walitti makuu dandeessan, mallattoo keessan filachuuf fi daldala sirrii gochuu dandeessu.

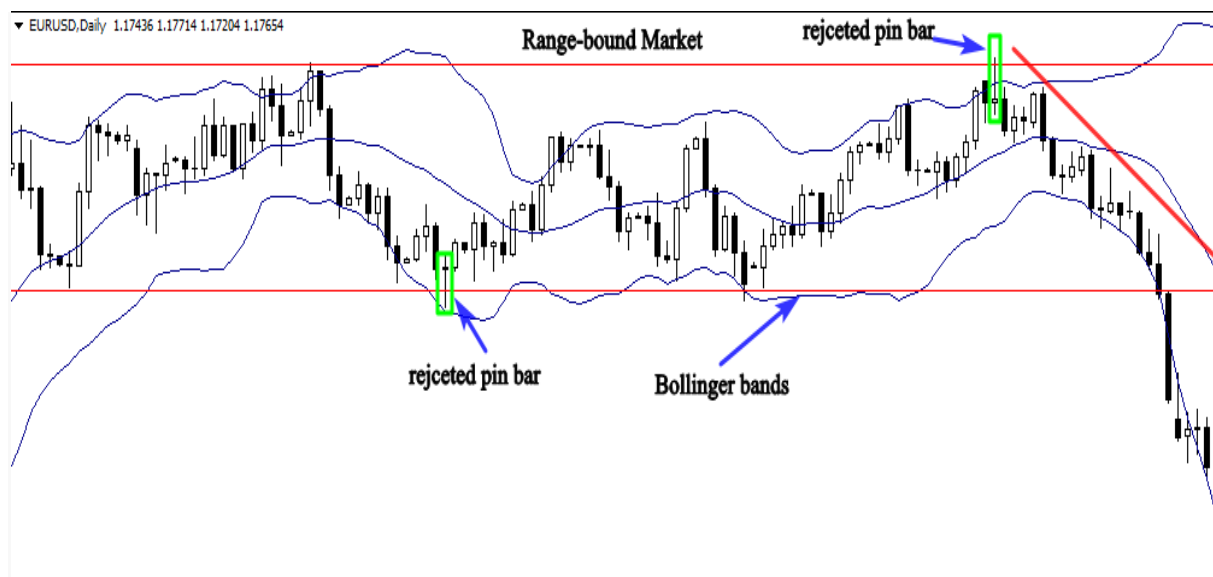
Mallattoo gaarii tokko kan ani seensa koo mirkaneessuuf fayyadamu yeroo suuqii daangaa keessa ilaalu Bollinger bands mallattoo dha.

Qorannoo teekinikaa kana John Bollinger'n gatiiwwan suuqii irratti jijjiirama agar siisuuf qopheesse.

Tartiibni kun baay'ee salphaa dha, deeggarsa fi mormii hiriya walitti maknee, ba diisa ol'aanaa fi gadi'aanaa Bollinger waliin walitti dhufeenya uumuuf, yoo gatiin sadarkaa murteessaa irraa fi hiriya irraa dhiibame, kun suuqiin sadarkaa kana irraa deebi'uu akka danda'u mirkaneessa.

Fakkeenya armaan gadi ilaali:

## THE CANDLESTICK TRADING BIBLE



If you look at the chart above, you will notice how the Bollinger bands act as a dynamic support and resistance, when the market approaches the upper or the lower bands, prices bounce strongly.

So if we see that a pin bar is rejected from a horizontal key level and from bands, this is a clear confirmation to buy or sell the market.

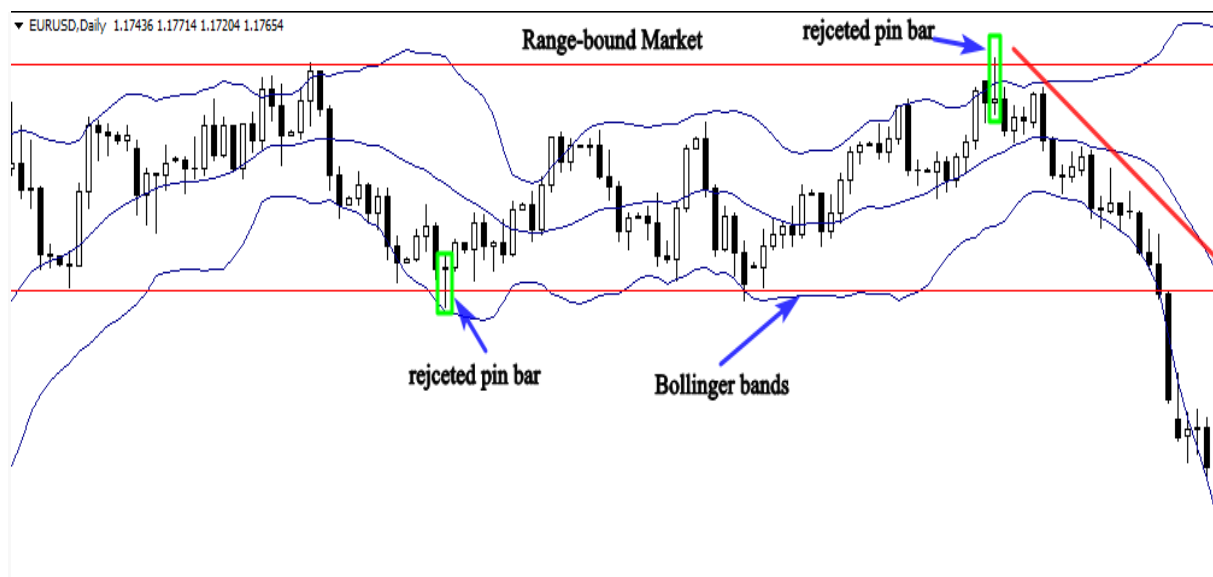
This confirmation strategy is very simple, and it will help you decide whether to take a trade or ignore it, because trading is all about emotions, and sometimes, you will spot a nice pin bar signal in a range bound market, but you will find it difficult to make a decision.

What you have to do in this case is simple, just put your Bollinger bands on your chart, and if you see that the signal is rejected from horizontal levels and from the bands, don't over thinking about what you should do next.

Just execute your trade, place your stop loss and profit target then stay away and let the market do the work for you.

See another illustration below:

## KITAABA TRADING CANDLESTICK



Yoo suuraan ol'aanaa ilaaltu, hiriya Bollinger'n deeggarsa fi mormii dinamikii akka ta'e ni argita, suuqiin hiriya ol'aanaa yookaan gadi'aanaa dhihaatu, gatiin jabinaan deebi'a.

Kanaaf, yoo pin bar tokko sadarkaa furdaa hiriya irraa fi bandii irraa dhorkame argine, kun gurgurtaa ykn gurgurtaa suuqii bituuf mirkaneessa ifaa dha.

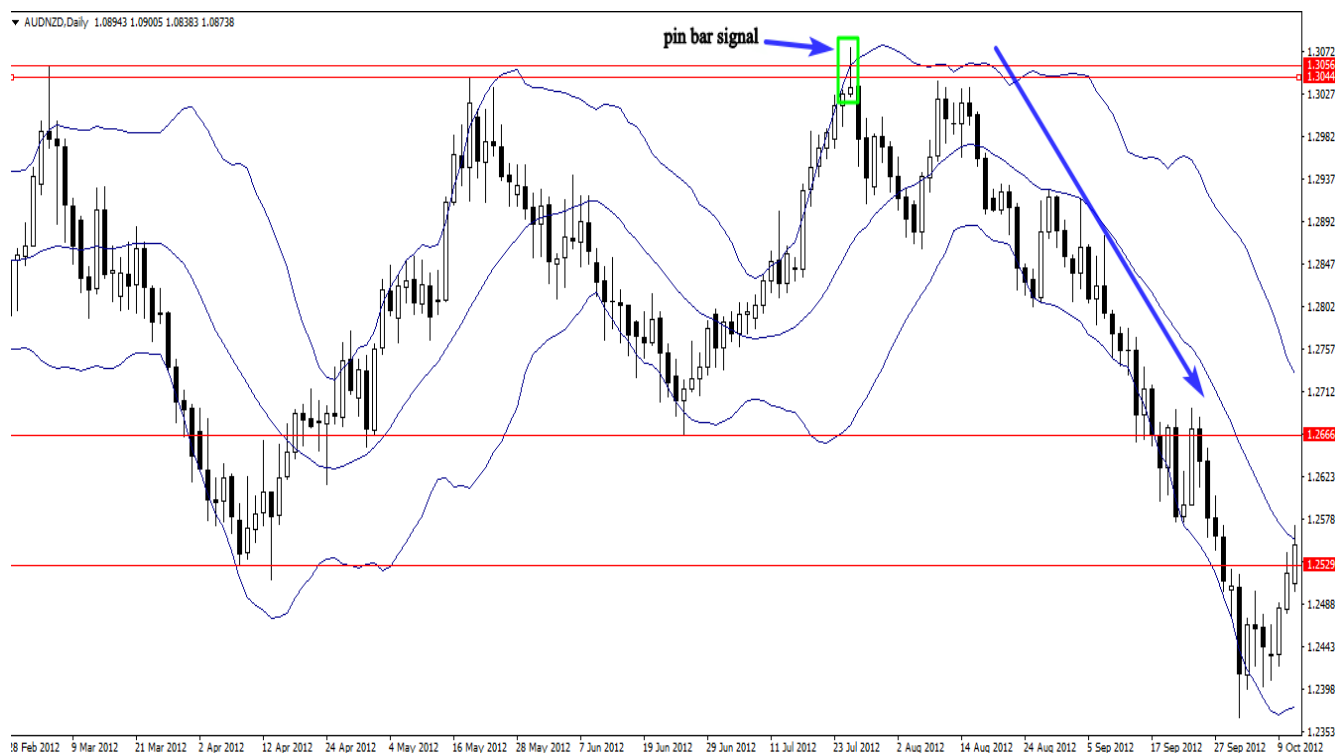
Tartiiba mirkaneessaa kun baay'ee salphaa dha, akkasumas, daldala fudhachuu ykn dhiisuu murteessuuf si gargaara, sababni isaas daldalli hundaaf yaada irratti hundaa'a, yeroo tokko tokko, suuqii daangaa keessatti mallattoo pin bar gaarii arguu dandeessa, garuu murteessuuf rakkoo qabaachuu dandeessa.

Yeroo kana gochuu qabdu salphaa dha, chart kee irratti bandii Bollinger kaa'i, yoo mallattoo sadarkaa furdaa fi bandii irraa dhorkame argite, maal gochuu qabdu irratti yaada hin baay'ifatin.

Daldala kee raawwadhu, balaa dhaabuu fi kaayyoo faayidaa kee kaa'i, booda fagaadhu suuqiin hojii siif hojjechuu eeyyama.

Ilaali fakkii biroo gadi:

## THE CANDLESTICK TRADING BIBLE

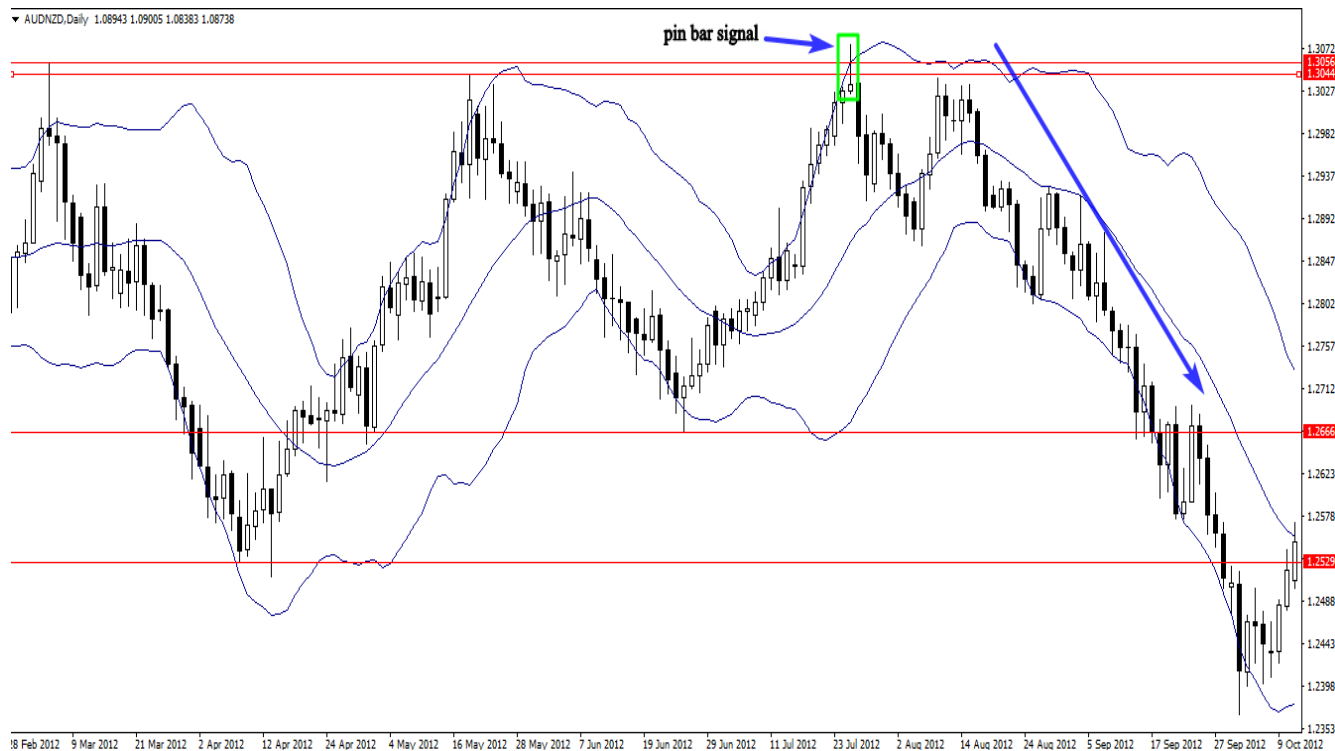


The daily chart above shows us how this indicator could help us execute our trades with confidence; the false breakout of the resistance level that was made by the pin bar was a powerful signal to short the market. The trade was confirmed by the false breakout of the upper band as well.

Remember that this technical indicator is used just as a confirmation tool in range-bound markets, don't use it to generate signals, use it always in combination with horizontal key levels, and you will see how this strategy will affect positively your trading account.

In conclusion, I recommend you to practice these strategies as much as you can before you open and fund your trading account.

## KITAABA TRADING CANDLESTICK



Chaartee guyyaa olitti argamu nuuf agarsiisa akkamitti agarsiistuun kun nu garga ara akka daldala keenya ofitti amanamummaan raawwachuuf; baay'ina dhugaa hin taane kan daangaa cabsuu pin bar'n taasifame mallattoo jaba ta'eedha daldal a gurgurtaa. Daldalli kun mirkanaa'eera baay'ina dhugaa hin taane kan gubbaa c absuu waliin.

Yaadadhu agarsiistuun tekinikaa kun meeshaa mirkaneessuu qofaaf gargaara, su uta suuta mallattoolee uumuuf hin fayyadamne, yeroo hunda sadarkaa furmaataa hidhata qabu waliin fayyadami, akkasumas tajaajilli kun akkamitti bu'aa gaarii akka siif fidu ni argita.

Xumura irratti, tajaajiloota kana akka dandeessutti leenjii gochuu si gorsa.

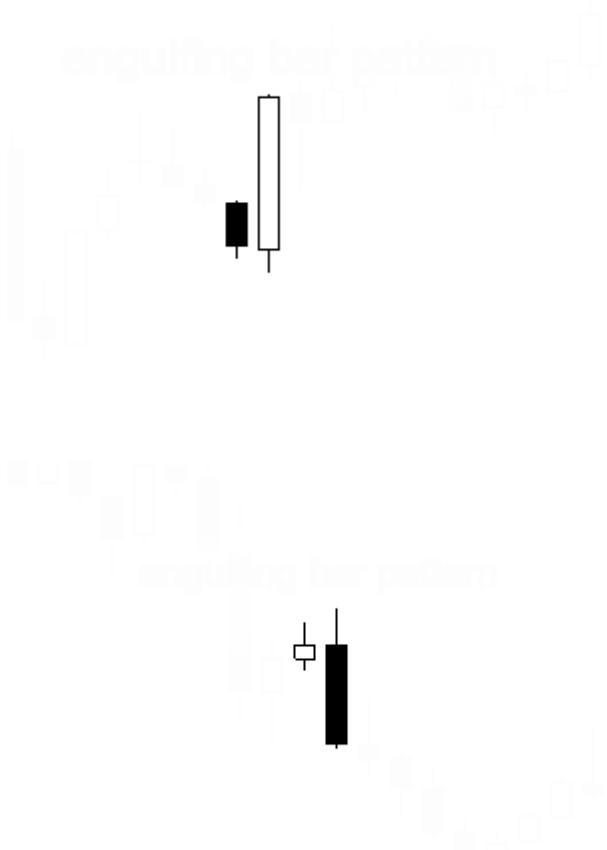
### The engulfing bar candlestick pattern

The engulfing bar pattern is one of the most powerful and profitable price action patterns, knowing how to use it properly as an entry signal will tremendously improve your trading profitability.

In this section you will learn how to use the engulfing bar pattern profitably, it doesn't matter if you are beginner or advanced trader, if you are looking for seriously a better trading strategy more than what you have been using. You have come to the right place.

#### What is an engulfing bar pattern?

This reversal candlestick pattern consists of two opposite colored bodies in which the second body engulfs or covers entirely the first one:



A bullish engulfing pattern forms at the end of a downtrend, it provides a clear signal that the buying pressure has overwhelmed the selling pressure.

## KITAABA TRADING CANDLESTICK

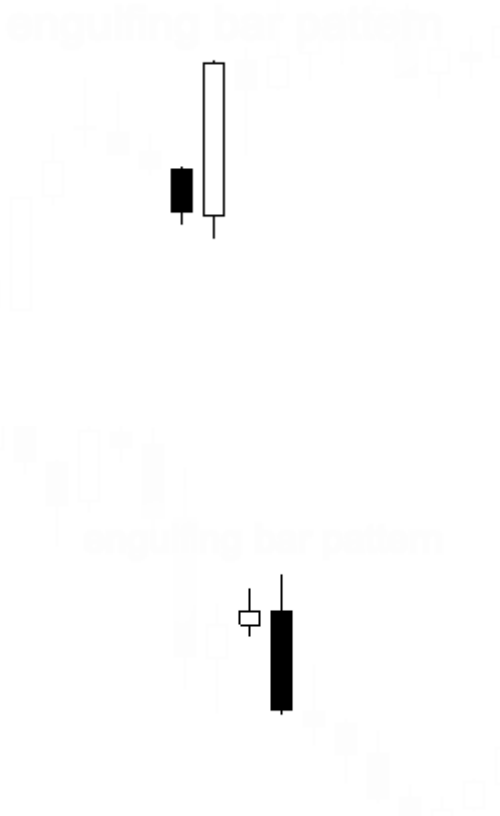
### Maaloo bar candlestick kan guutuu

Maaloo, barreeffama guutuu kan qabdu, akkasumas gatiiwwan gurguddaa fi bu'aa qabeessa ta'an keessaa isa tokko, akkamitti sirnaan fayyadamuu akka dandees su beekuudhaan, bu'aa daldalaa keessan ni fooyyessa.

Kutaa kana keessatti, akkamitti barreeffama guutuu fayyadamuu akka dandeessu ni baratta, haala gaariin daldalaa barbaaduu yoo ta'e, daldalaa jalqabaa ykn daldalaa ol'aanaa ta'uu hin barbaachisu. Tariiba daldalaa fooyya'aa barbaaduu yoo ta'e, iddoo sirrii dhufte.

### Barreeffama guutuu maali?

Maaloo, barreeffama guutuu kan jijjiiramaa kun qaama lama kan gosa adda addaa qabu, qaamni lammaffaa qaama jalqabaa guutuu ykn dhoksaatti qabata:

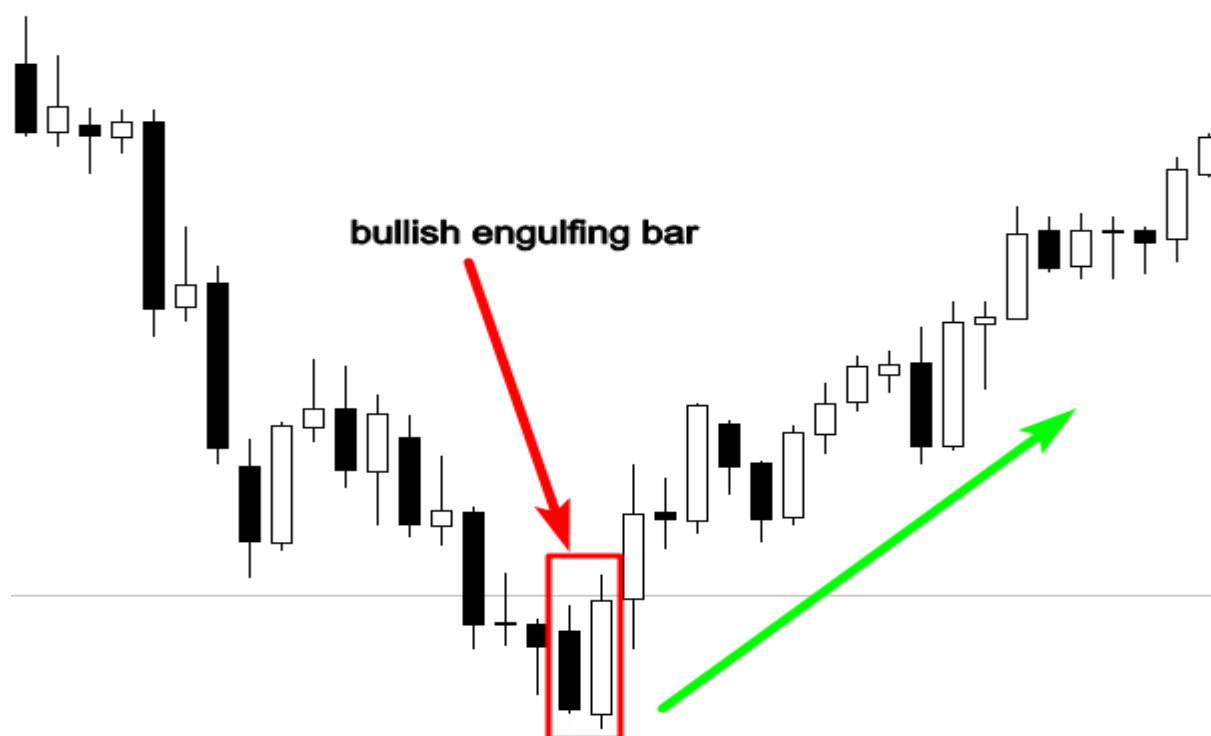


Maaloo, haala gurguddaa gurguddaa dhuma gurguddaa keessatti uumama, kuni s mallattoo ifaa ta'e kan agarsiisu gurgurtaa dadhabsiisuu fi bituu cimaa ta'uu isa a.

In other words, the buyers are now involved.

A bearish engulfing pattern occurs at the end of an uptrend, it is a top trend reversal indicator, it shows that the bulls are no more in control of the market, and the price trend is likely to reverse.

See the illustrations below:

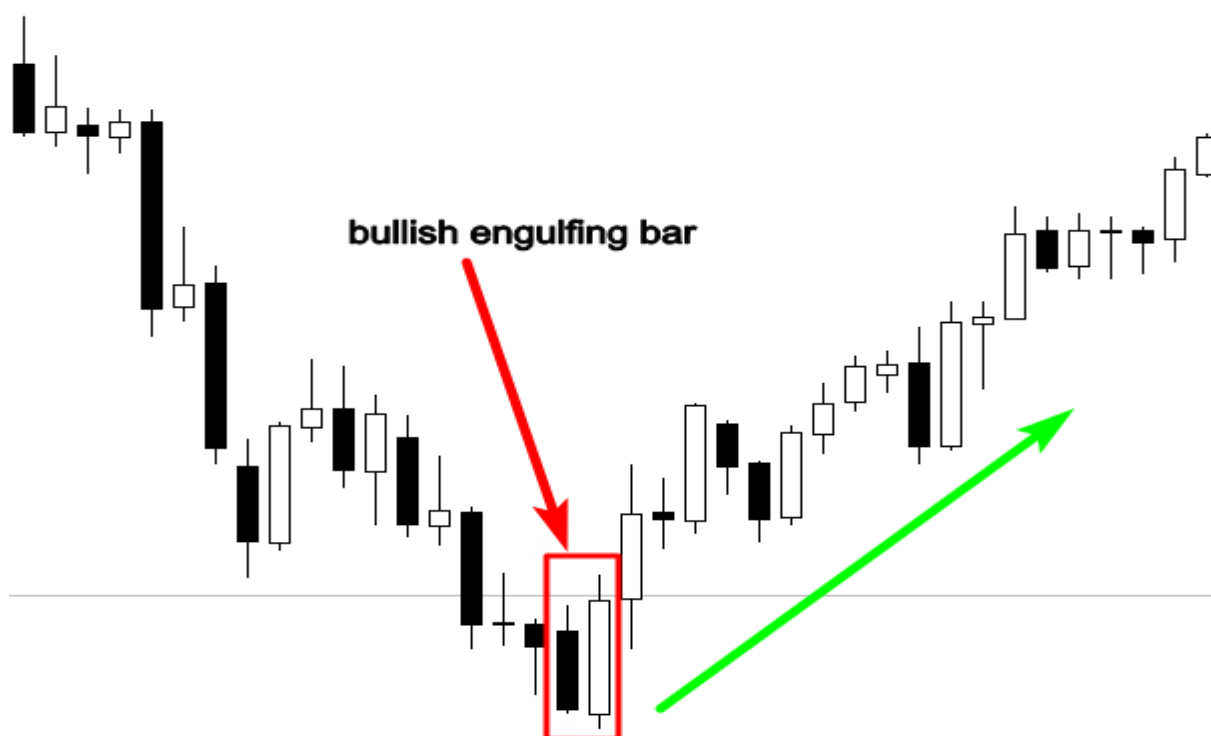


## KITAABA TRADING CANDLESTICK

Jecha biraatiin, bittoonni amma hirmaachaa jiru.

Haala gurguddaa dadhabsiisuu dhuma gurguddaa keessatti uumama, kunis mallattoo jijjiirraa gurguddaa ta'ee, bulliwwan daldala irratti to'annaa hin qabne agar siisa, akkasumas haala gurguddaa gurguddaa jijjiiruu danda'a.

Ilaalcha armaan gadii ilaali:





According to Steve Nison, the father of modern candlestick charting, this candle must meet three important criteria to be considered as a reversal pattern:

- 1-The market is in a clearly definable uptrend or downtrend
- 2-The engulfing candle comprises of two candlesticks, and the first body is entirely engulfed by the second one.
- 3- The second real body is the opposite of the first real body.

## KITAABA TRADING CANDLESTICK



Steve Nison, abbaa kaardii candlestick ammayyaa, akka jedhetti, kaarii kun mallattoo jijjiiramaa ta'uu isaa mirkaneessuuf shan qajeelfama barbaachisaa sadii guutuu qaba:

- 1-Maarkiin haala ifa ta'een ol ka'aa ykn gadi bu'aa jira
- 2-Kandala guutuu lama of keessaa qaba, fi qaamni jalqabaa guutummaatti kan lammaffaa keessa galu.
- 3- Qaamni dhugaa lammaffaa kan jalqabaa dhugaa irraa adda.

### How to trade the engulfing bar price action signals?

To trade profitably this chart candlestick pattern, you need to respect three important elements:

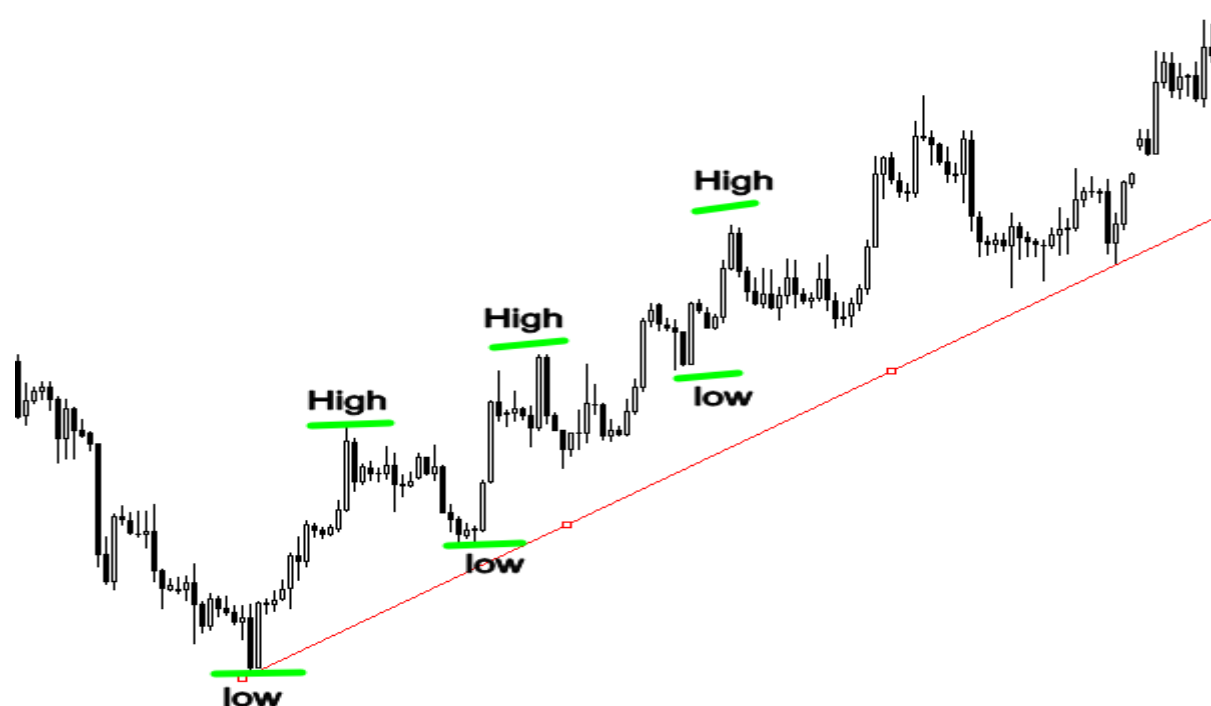
#### 1-The trend:

If you look at any chart, you will notice that there are times where the market is moving clearly in one direction, and times where it is moving sideways.

To be honest, trading the engulfing bar pattern with the trend is the easiest way to make money in the market.

You don't need to be highly knowledgeable about technical analysis to determine whether the market is trending or not.

Make it stupid simple, if the market is making series of higher highs and higher lows it is about an uptrend market, and if it is making series of lower highs and lower lows it is simply about a downtrend market.



The illustration above shows a clear uptrend, you don't need to use an indicator to determine whether the market is trending or not, just look

## KITAABA TRADING CANDLESTICK

### Akkaataa gurgurtaa gochaa gatii kandala guutuu agarsiisuu?

Daldaluuf bu'aa qabeessa ta'uu kan danda'amu, mallattoo candlestick kana, want oota sadiin barbaachisaa ta'an kabajuun dirqama:

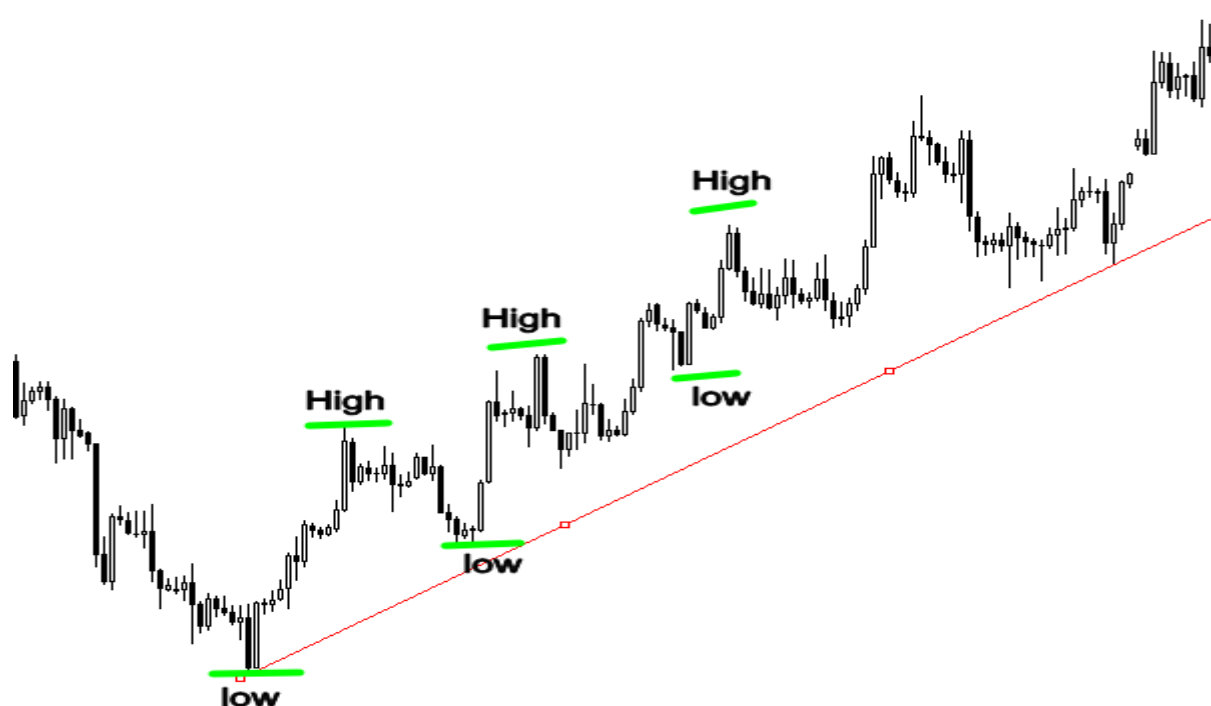
#### 1-Dhaabbata:

Yoo chart kamiyyuu ilaaltan, yeroo tokko tokko gabaan karaa tokko qajeelaan de maa jiraachuu fi yeroo tokko tokko immoo karaa walitti fufaa deema jiraachuu n i argitu.

Dhugumatti, mallattoo bar engulfing waliin dhaabbata daldaluun, gabaa keessat ti maallaqa argachuuf karaa salphaa dha.

Teknikaa xiinxala irratti beekumsa olaanaa qabaachuu hin barbaachisu si'aawwan suuqii gurguddaa ta'uu isaa murteessuuf.

Simpil taasisuuf, suuqiin si'aawwan ol ka'aa fi gadi bu'aa ta'ee yoo jiraate suuqii ol ka'aa ta'uu isaa, si'aawwan gadi bu'aa fi ol ka'aa ta'ee yoo jiraate suuqii gadi bu'aa ta'uu isaa.



Fakkeenyi olitti argamu suuqii ol ka'aa ifa ta'ee agarsiisa, suuqiin si'aawwan ol ka'aa ta'uu isaa murteessuuf agarsiisa fayyadamuun hin barbaachisu, ilaali

at your chart, and try to apply the concept of higher highs and higher lows and vice versa.

When you are analyzing your charts, bear in mind that the markets move in trends, and trading with the trend is the most important element in your technical analysis, there's no more important than the trend, don't never try to fight it, or to control it, otherwise you will pay expensively for trying.

You can't make money under any market conditions no matter how powerful is you're trading system, you have to be patient enough, and let the market tell you which direction is going to take.

Successful traders say, the trend is your friend, and if you want to master trading the engulfing bar pattern, your first rule is to follow the market direction, in other words, the trend should be your best friend.

### **2-The level:**

When you find a clearly definable uptrend or downtrend, the next step is to identify the most important levels in the market. i mean the most powerful support and resistance.

If prices test a support level and stop, this is an indication that buyers are there, this area is watched by all participants in the market, because it represents a great buying opportunity.

Conversely, if prices test a resistance level and stop in an uptrend, this is a clear signal that selling strength is in the market.

The example below shows how the market participants interact with support and resistance levels:

## KITAABA TRADING CANDLESTICK

kaartaa kee irratti, fi yaada ol ka'aa fi gadi bu'aa ol ka'aa fi gadi bu'aa akkasumas

.

Yeroo kaartaa kee qorachaa jirtu, suuta suuta yaadi, suuqiin daandiiwwan keessa socho'a, fi daldaluun daandii waliin ta'uu qofa bu'aa qabeessa ta'uu isaa, daandii caalaa barbaachisaa hin jiru, daandii sana waliin lola gochuu yookaan to'achuu hin yaalin, akkasumas, yaalii gochuu keetiif baay'ee gatii kaffaluuf qophaa'aa.

Haala suuqii kamiyyuu jalatti maallaqa argachuu hin dandeessu, akkasumas, sirna daldalaa keetiin humna qabaachuu baannaan, obsaan ta'uu qabda, suuqiin siif a kkamitti deemu akka agarsiisu eeggadhu.

Daldaltoonni milkaa'oo, daandii fira keeti, fi yoo daldala barreeffama guutuu bar achuu barbaadde, seera kee jalqabaa daandii suuqii hordofuu dha, hiika biraatiin , daandii fira keeti ta'uu qaba.

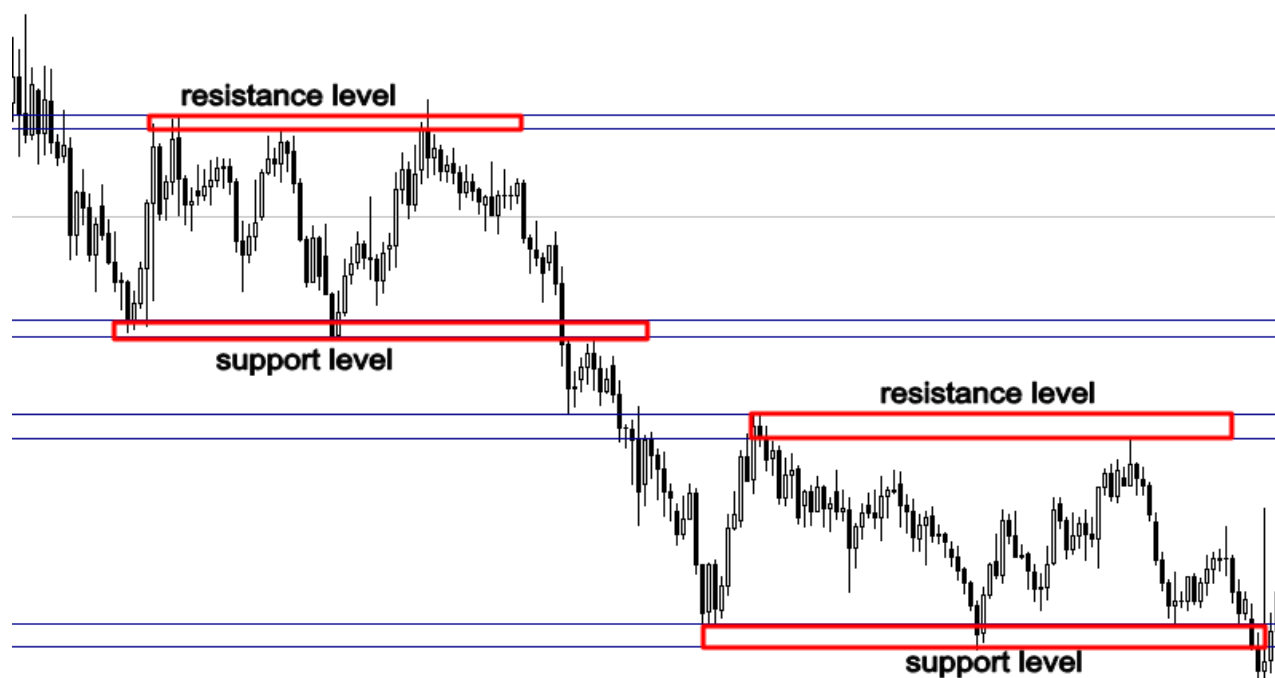
### 2-Darajaa:

Yeroo ati kallattii olka'aa yookaan gadi bu'aa ifa ta'e argattu, tarkaanfii itti aanuu gatiiwwan murteessaa gurguddoo gabaa keessatti adda baasuudha. ani gatiiww an cimina qabu fi cimina dhabuu ibsu.

Yoo gatiin gatii deeggarsa tokko qorattee dhaabbate, kun agarsiisa gurgurtoonni achi jiru, naannichi hirmaattota gabaa hundumaa biratti ilaallama, sababnisaa c arraa gurgurtaa guddaa agarsiisa.

Karaa biraatiin, yoo gatiin gatii cimina qorattee dhaabbate yeroo olka'aa, kun ma llattoo ifa ta'e gurgurtaa cimina gabaa keessatti jiru.

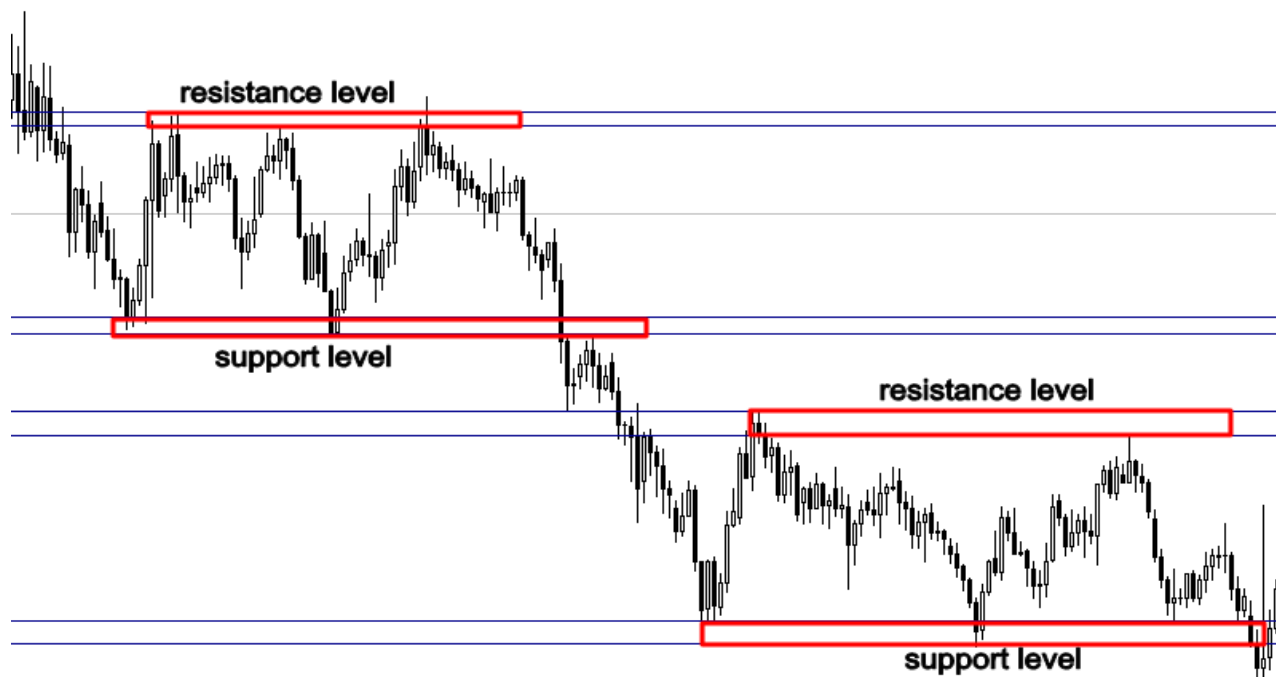
Fakkeenyi armaan gadii akkamitti hirmaattota gabaa waliin walqunnamtii gochu u isaanii agarsiisa:



These levels take different forms such as: trend lines, channels, flags, triangles... and your ability to identify them in your chart will help you find better price levels in the market.

In trending markets, when prices pass through resistance level, that resistance could become support; see the illustration below to understand how to trade the engulfing bar pattern with support and resistance in a bullish or a bearish trend:

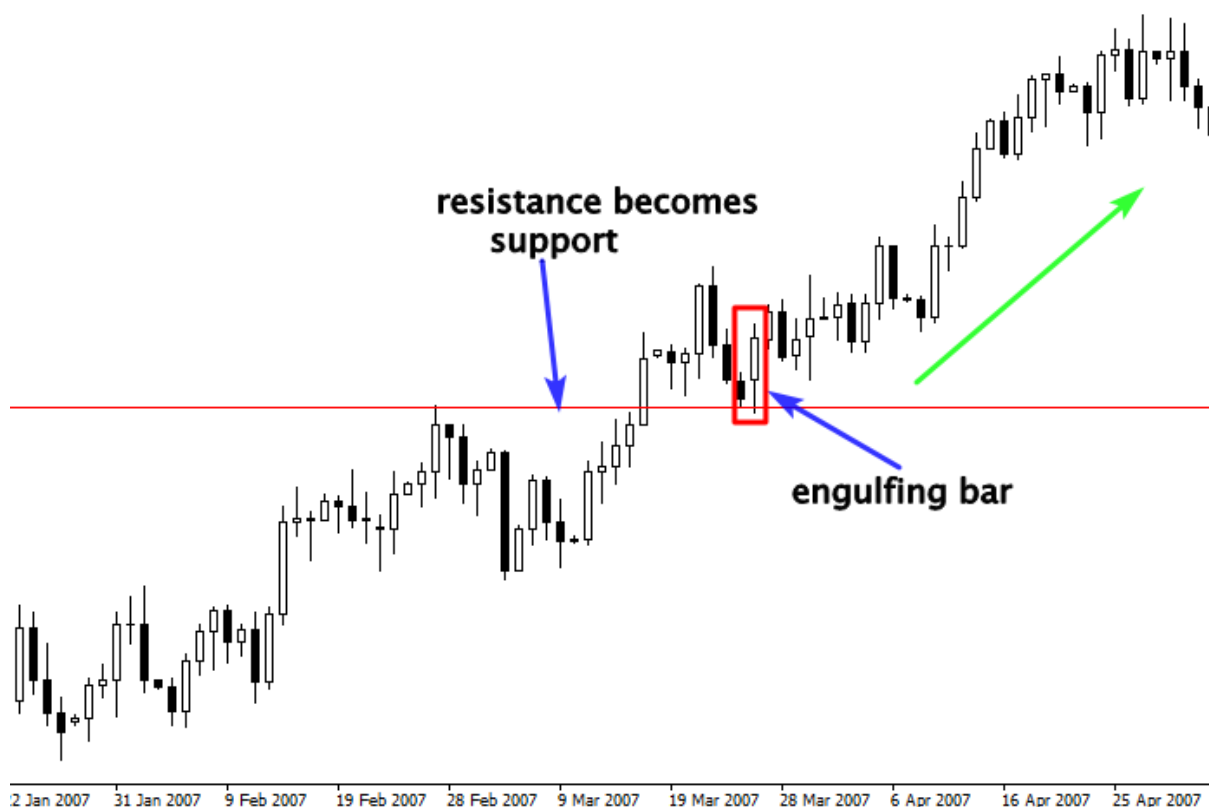
## KITAABA TRADING CANDLESTICK



Sadarkoonni kun akka: daandii jijjiiramaa, kanalii, bifa, fi qindaa'ina... akkasuma s dandeettii kee isaaniitiin chart kee keessatti argachuu keetiin sadarkaa gatii gaa rii argachuuf si gargaara.

Gabaa jijjiiramaa keessatti, yeroo gatiin sadarkaa dadhabinaa darbee, dadhabinn i sun deeggarsa ta'uu danda'a; fakkeenya armaan gadii ilaali akkamitti bifa guutu u barreeffama waliin deeggarsa fi dadhabinaa keessatti daldaluuf:

▼ EURUSD, Daily 1.19391 1.20039 1.19369 1.19649



There are other technical tools that can help us find the best levels in the market such as: supply and demand areas, moving averages, and Fibonacci retracement ratios.

### 3-The signal:

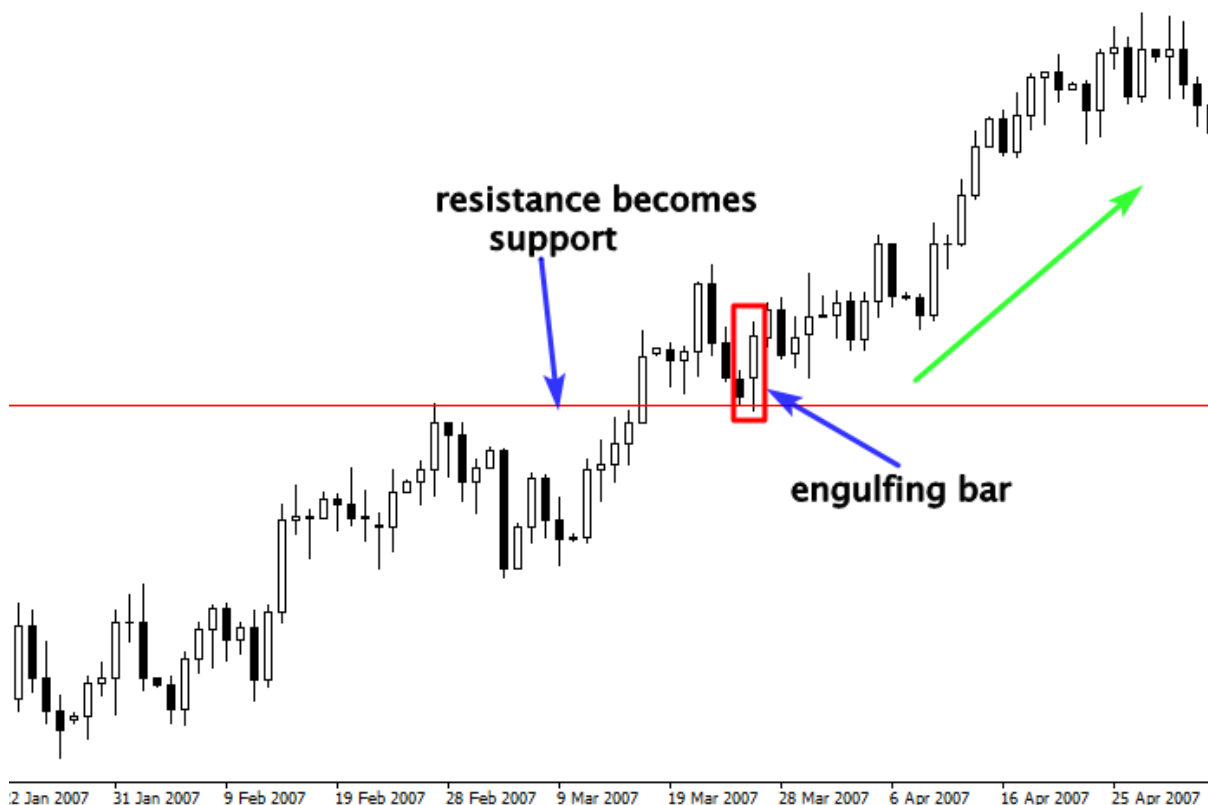
The signal here is an engulfing bar pattern; you can apply the same rules when trading the inside bar candlestick pattern

Your ability to identify an engulfing candlestick at a key level in a clear uptrend or downtrend will greatly enhance the probabilities of making a winning trade.

See another example below:

## KITAABA TRADING CANDLESTICK

▼ EURUSD, Daily 1.19391 1.20039 1.19369 1.19649



Meeshaaleen teknikaa biroo kan nu gargaaraan gatiwwan gaarii suuqii keessatti argachuuf akka: naannolee dhiyeessaa fi fedhii, giddugala jijjiiramaa, fi raawwat toota Fibonacci.

### 3-Siignaal:

Siignaal in as jiru fakkii baarii guutuu dha; seerota walfakkaatoo yeroo daldala ba arii keessaatti fayyadamuu dandeessa.

Dandeettiin kee sadarkaa ijooitti shugguxii liqimsuu sadarkaa ifa ta'een adda baas uu ykn gadi bu'aa ta'een carraa daldala mo'ataa hojjechuu baay'ee guddisa.

Fakkeenya biraa armaan gadii ilaalaa:

# THE CANDLESTICK TRADING BIBLE



# KITAABA TRADING CANDLESTICK



### Trading the engulfing bar with moving averages

Trading the engulfing bar pattern with moving averages provide a very profitable trading strategy, however, the lack of knowledge about using the moving average can damage dramatically your trading account.

Traders use moving averages in different ways:

-As a trend following tool to identify the direction of the trend, so they buy the market when prices are above 200 simple moving average. And they sell the market when it is below the 200 simple moving average

-To determine whether the market is overbought or oversold we just watch how prices interact with the moving averages, for example, in an uptrend, if prices move far from the moving averages, this is an indication that the market is overbought.

-To predict the trend, change by using the crossover strategy, if the moving average crosses over another, it is a signal of a trend reversal.

As any trading system, the moving averages have disadvantages; this is why you have to know how to use it successfully under the right market conditions.

This trading technical tool doesn't apply to all markets, don't never try to use it in range bound or untradeable markets.

Because you will get lot of false signals, and you will definitively blow up your trading account.

To the best of my knowledge, using the moving average as a dynamic support and resistance in trending markets, in combination with an engulfing bar pattern signal is the perfect way to make money in the market.

The strategy is very simple, we will use the 21 and the 8-simple moving averages in the daily and 4-hour time frames, we will define a clear

## KITAABA TRADING CANDLESTICK

### Giddu galeessa socho'aatiin mana dhugaatii liqimsuu daldaluu .

Daldala engulfing bar pattern sochii giddu galeessa bu'aa baay'ee bu'aa qabeessa, haa ta'u malee, hanqinni beekumsaa waa'ee fayyadamuu giddugaleessa socho'aa haala ajaa'ibaatiin herrega daldalaa kee miidhuu danda'a.

Daldaltoonni gatii jijjiiramaa gara garaatti fayyadamu:

-Maaloo gatii jijjiiramaa hordofuu fi kallattii gatii jijjiiramaa adda baasuuf, yeroo gatiin 200 gatii jijjiiramaa salphaa ol ta'e, suuqii bitu.

Yeroo gatiin 200 gatii jijjiiramaa salphaa gadi ta'e, suuqii gurguru.

-Suuqii gatii ol ka'aa ykn gadi ka'aa ta'e adda baasuuf, gatiin gatii jijjiiramaa walii n akkamitti walitti dhufeenya qabu ilaaluun qofa, fakkeenyaaf, yeroo gatii ol ka'aa, gatiin gatii jijjiiramaa irraa fagaatee yoo deeme, kun suuqii gatii ol ka'aa ta'uu agarsiisa.

-Dhiibbaa mul'ataa dura, jijjiirama fayyadamuudhaan karoora walitti dhufeenya fayyadami, yoo giddugaleessaan giddugaleessa bira ce'ee, kun mallattoo jijjiirama mul'ataa ta'uu dha.

Akka sirna daldalaa kamiyyuu, giddugaleessoonni daldalaa hanqinoota qabu; kanaaf haala gabaa sirrii jalatti milkaa'ina itti fayyadamuun beekuu qabda.

Kitaabni daldalaa tekinikaal kun gabaa hundumaa irratti hin hojjatu, gabaa daa ngaa ykn daldala hin daldalamne keessatti fayyadamuuf yaaluun hin yaalamin.

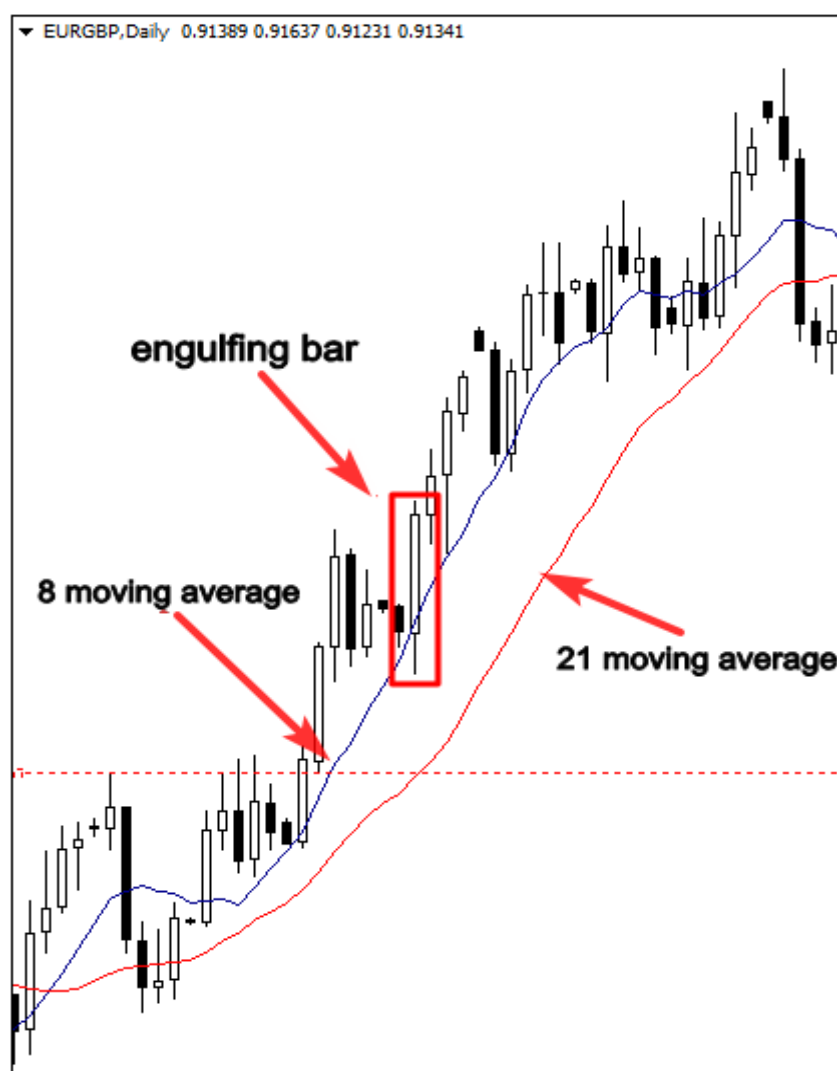
Sababni isaas mallattoo sobaa baay'ee argatta, akkasumas akkamitti akka galmeed daldalaa kee caccabsitu beektu.

Beekumsa koo irratti, gatii jijjiiramaa fi cimina daldalaa keessatti, gatii jijjiiramaa akka deeggarsa fi mormii ta'ee fayyadamuun, akkasumas mallattoo baarii guutu waliin walitti dhufeenya qabaachuun, karaa sirrii ta'een maallaqa argachuuf.

Tartiibni kun baay'ee salphaa dha, gatii jijjiiramaa 21 fi 8-saalphaa guyyaa fi sa'aa tii 4 keessatti fayyadamna, ifa ta'ee

bullish or bearish market and we simply buy when price pullbacks to the moving average and an engulfing bar pattern forms.

See the illustration below:



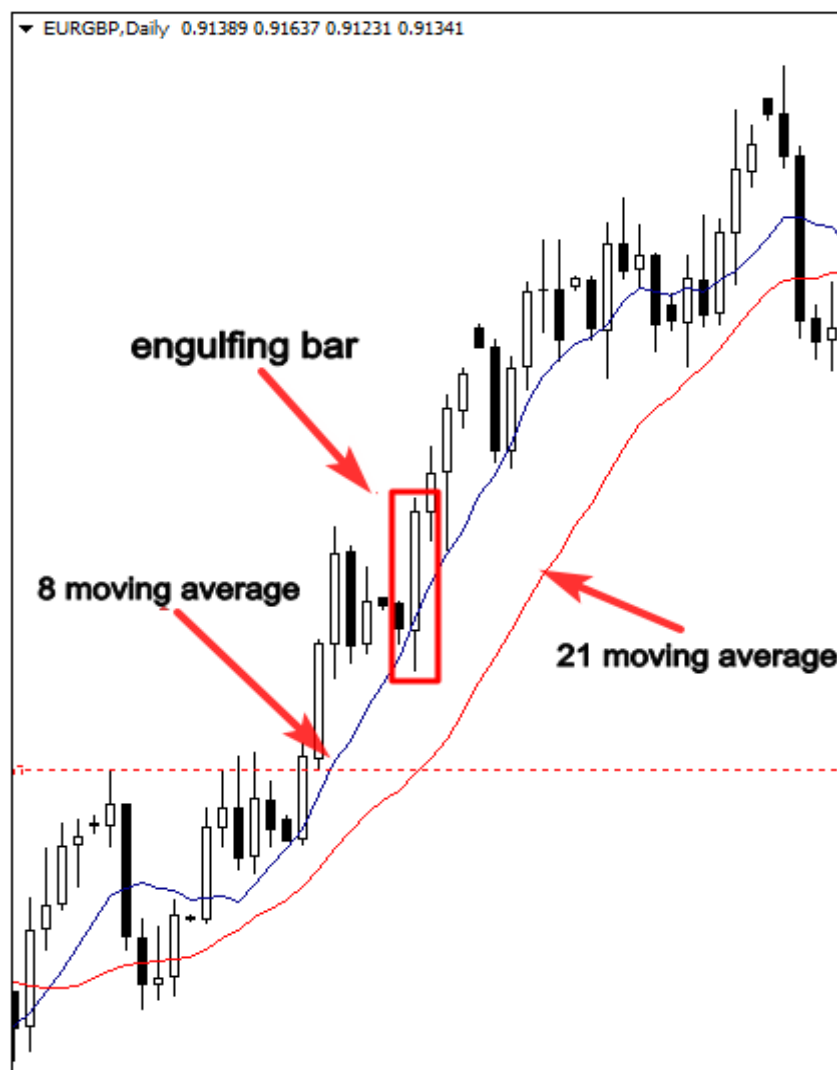
Conversely, if the moving average is trending down, it shows that the market is in a downtrend, we sell when price retrace to the moving average.

The screenshot below shows how prices interact with the moving average as dynamic resistance level, and how the engulfing bar pattern represented a high probability setup.

## KITAABA TRADING CANDLESTICK

daldala ol ka'aa ykn gadi bu'aa ta'ee ibsina, akkasumas gatii jijjiiramaa irratti gatii i deebi'ee dhufee fi mallattoo baarii guutuu uumameen bituuf.

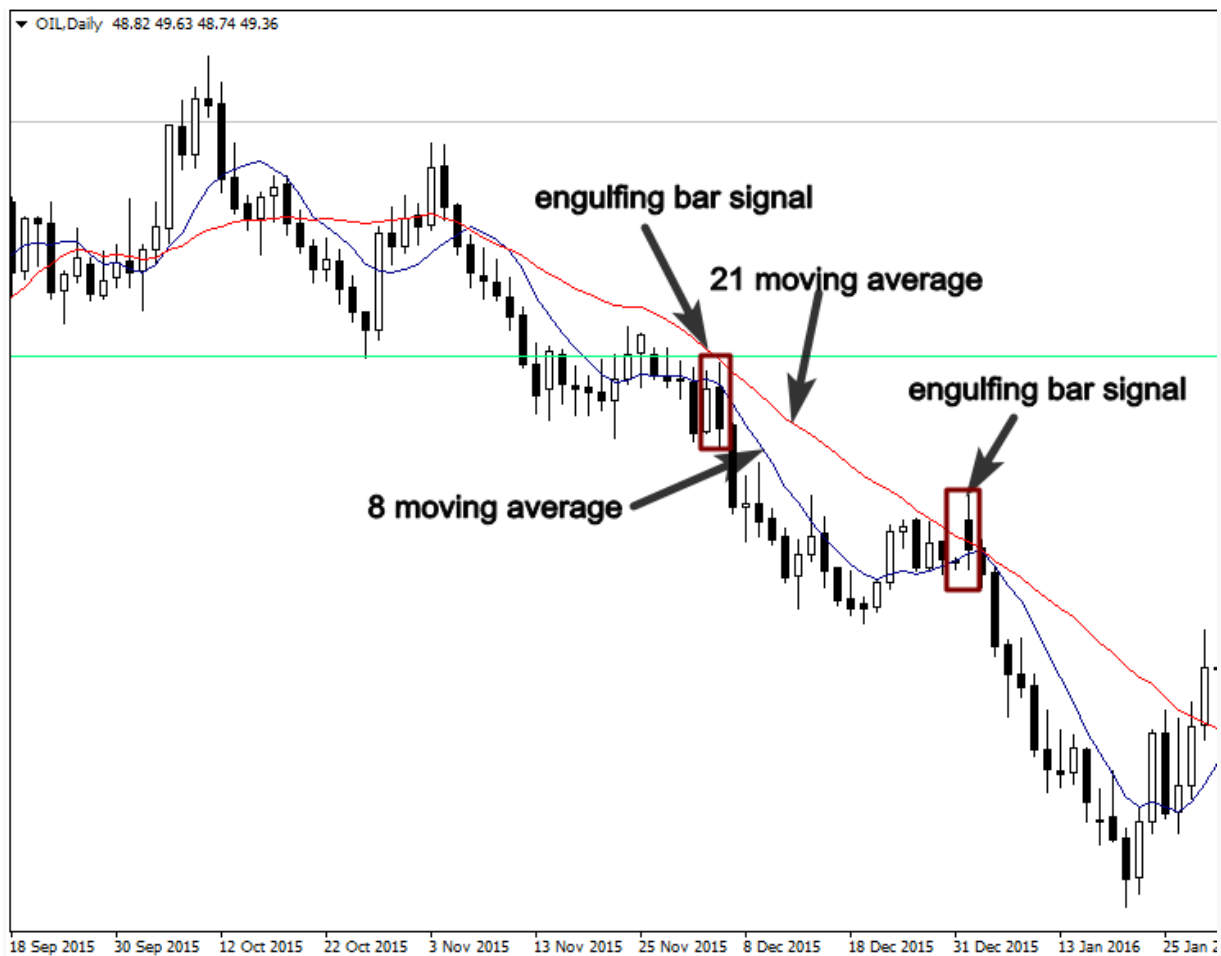
Fakkii gadiitti argi:



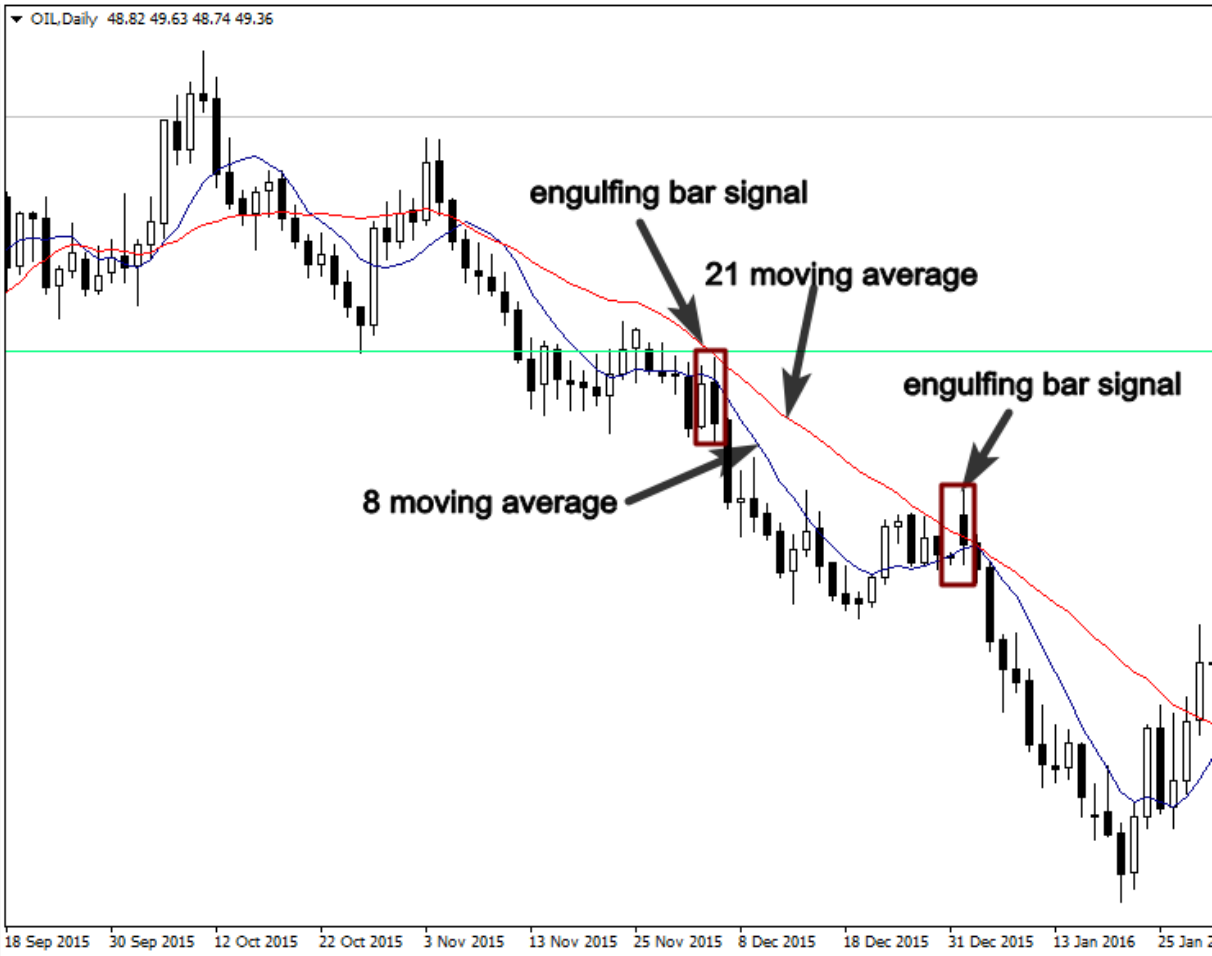
Haaluma walfakkaatuun, yoo giddugaleessaan socho'aa jiru gadi bu'aa ta'e, kuni s gabaan gadi bu'aa jiraachuu agarsiisa, yeroo gatii giddugaleessaa deebi'ee dhufu ni gurguranna.

Suuraan gadiitti argamu gatiwwan giddugaleessaa waliin akkamitti walitti dhufan agarsiisa, akkasumas fakkii baarii guutuu haala carraa ol'aanaa agarsiisu.

# THE CANDLESTICK TRADING BIBLE



# KITAABA TRADING CANDLESTICK

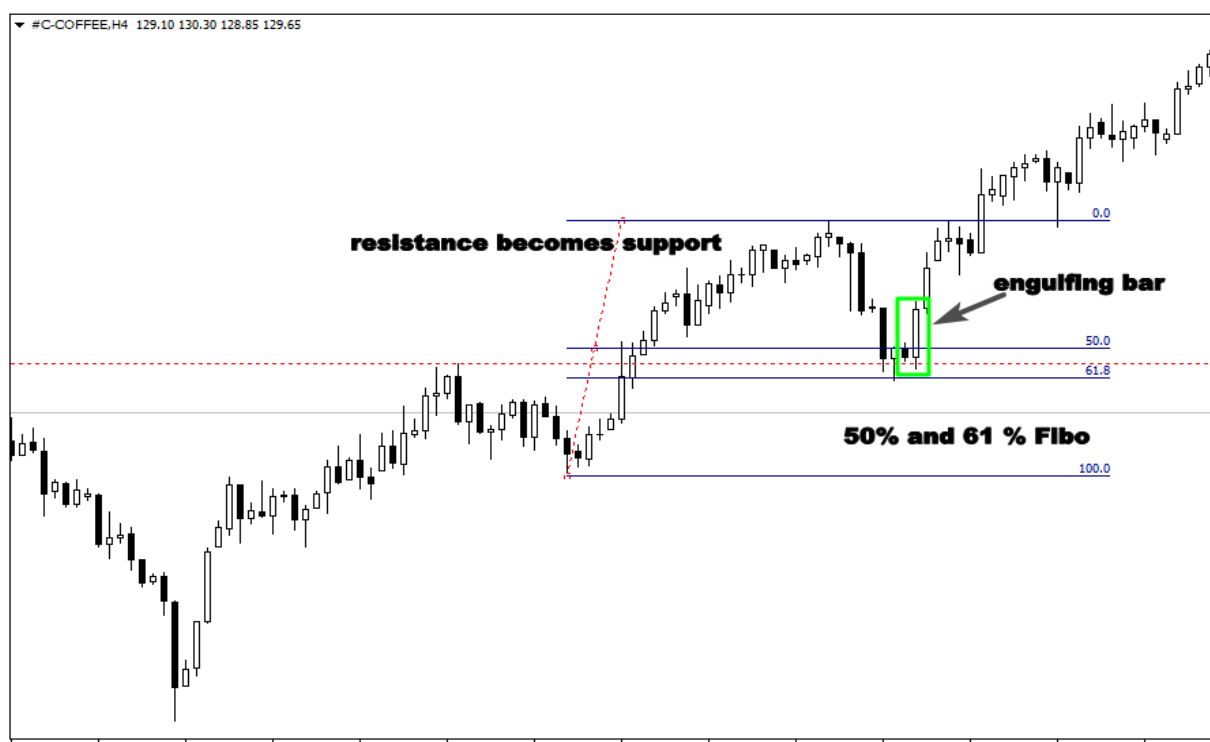


## How to trade the engulfing bar with Fibonacci retracement

Traders use Fibonacci retracement in different ways, however, the most important Fibonacci retracement levels are the 50% and the 61% Fibonacci retracements, knowing how to use this tool in conjunction with Japanese candlestick will definitively maximize your profit potential.

According to chart technicians, the most major moves retrace around 50 % or 61 % Fibonacci retracement, this knowledge will provide you with the ability to predict with high accuracy the next major move in a trending market.

The strategy is very simple, you define a clear uptrend or downtrend, and then, you define major corrective levels by using Fibonacci retracement tool, if you see an engulfing bar pattern matches up with 50% or 61 % levels, it is a powerful price action trading signal like we see in the chart below:



## KITAABA TRADING CANDLESTICK

### Akkaataa barreeffama guutuu waliin Fibonacci deebi'ee daldalu

Daldaltoonni Fibonacci deebi'ee gara garaan fayyadamu, garuu, sadarkaa deebi'ee Fibonacci 50% fi 61% ta'an kanneen ijoo ta'an, meeshaa kana akkasumas barr eeffama Jaappaanii waliin fayyadamuun daldala keessan bu'aa ol'aanaa akka argattu ni mirkaneessa.

Akka teknika chaartii, sochiiwwan guddaan hedduun deebi'ee 50% yookaan 61% Fibonacci deebi'ee irratti argamu, beekumsi kun siif dandeettii ol'aanaa kenna sochii guddaa itti aanuu daldala keessatti akka tilmaamu.

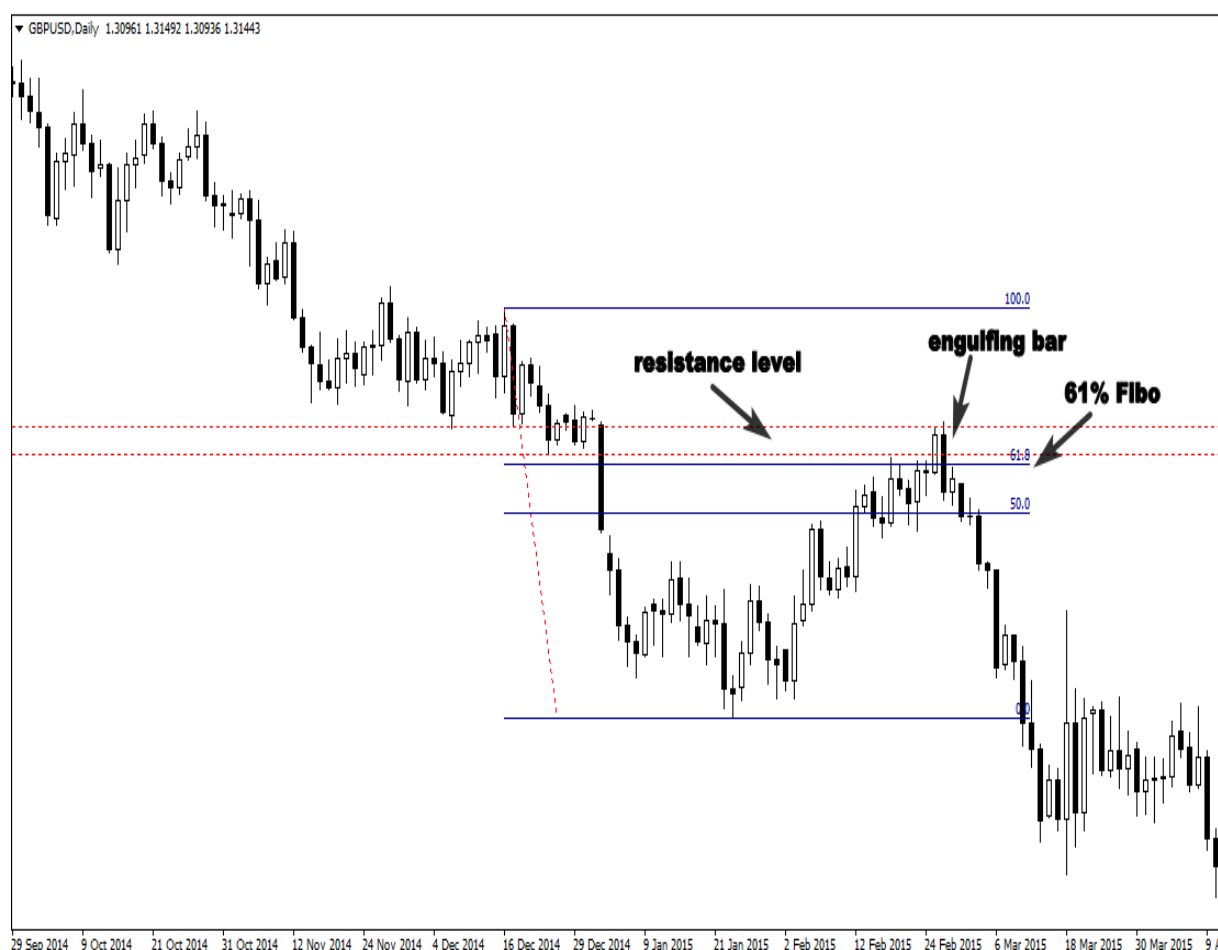
Tartiibni kun baay'ee salphaa dha, si'achi, sochii ol'aanaa yookaan gadi aanaa ifa goota, akkasumas, sadarkaa sirreeffama guddaa Fibonacci deebi'ee fayyadamuun ifa goota, yoo barreeffama guutuu 50% yookaan 61% waliin walitti dhufeenya qabaate, kun mallattoo daldala sochii gatii jabaata akka armaan gadiitti agarsiisa:



## THE CANDLESTICK TRADING BIBLE

In the example above, the engulfing bar price action signal matches up with the 50 % and 61 % Fibonacci retracement level, the resistance level that becomes support is another confirmation to take this high probability setup.

This trading strategy is very powerful, here is another example below that illustrates the power of 50% and 61 % Fibonacci retracement:

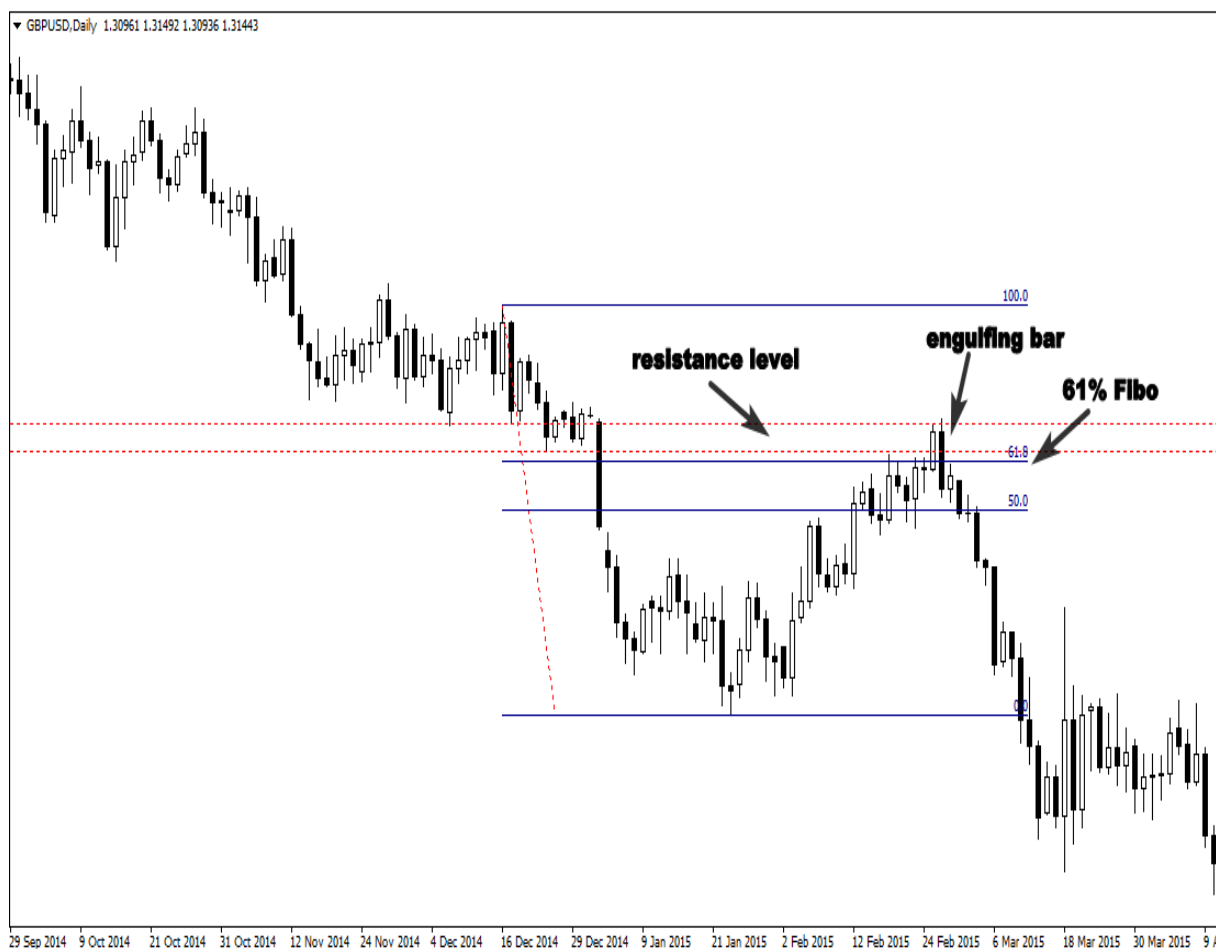


Trading the market from 50% and 61% Fibonacci levels means you are trading from better price levels, as a result, you will put as many probabilities in your favor as possible, and that will allow you to become one of the most successful traders.

## KITAABA TRADING CANDLESTICK

Fakkeenya olitti, mallattoo gatii hojii baankii guutuu 50% fi 61% Fibonacci deebi' ee gatii waliin walitti dhufeenya qaba, sadarkaa dadhabinaa ta'ee deeggarsa ta'u u isaa mirkaneessuuf kan biraa dha.

Taktiika daldalaa kun humna guddaa qaba, asitti fakkeenya biraa armaan gadiitti agarsiisa humna 50% fi 61% Fibonacci deebi'ee:



Suuqii 50% fi 61% Fibonacci sadarkaa irraa daldaluun gatii gaarii irraa daldaluud ha, bu'aa isaa, carraa baay'ee ofii keetiif uumuuf carraa baay'ee qabda, kunis si d aldaltoota milkaa'ina olaanaa ta'aniif taasisuuf si gargaara.

### Trading the engulfing bar with trendlines

Trend lines give traders an idea about the psychology of the market, especially, the psychology between buyers and sellers, moreover, it allows professional traders to determine whether the market is pessimistic or optimistic.

This technical trading tool is used in different ways, either as support and resistance by drawing them horizontally, or to identify price and time by drawing trend lines vertically. There is no wrong way in using trend lines.

In trending markets, we use simply trend lines to highlight a trend by connecting swing highs or swing lows in price; this way helps us find high probability entry setups in line with the general trend of the market.

See the illustration below:



## KITAABA TRADING CANDLESTICK

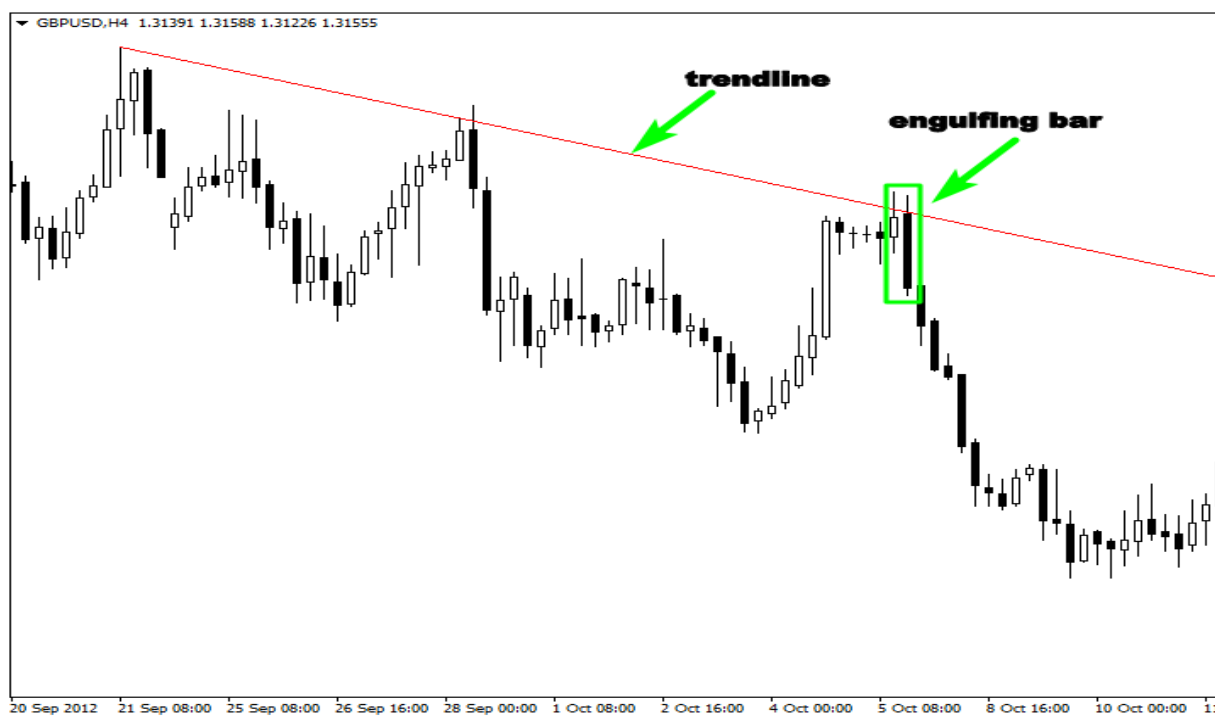
### Daldala barreeffama guutuu waliin

Karaa daandiiwwan daldaltoonni yaada gurgurtaa irratti qaban, addatti, yaada gurgurtoota fi gurgurtoota gidduutti, akkasumas, daldaltoota ogummaa qaban guurgurtaa akkamitti yaada hin qabne ykn yaada gaarii qabdu murteessuuf carraa kennana.

Qalbiin daldala tekinikaa kun karaa garaagaraatti fayyadama, yookaan deeggarsa fi mormii ta'ee daandiiwwan hiriya irratti tarreessuu, yookaan gatii fi yeroo adbaasuuf daandiiwwan hiriya olka'aa tarreessuu. Karaa daandiiwwan fayyadamuun dogoggora hin jiru.

Suuta suuta gurgurtaa keessatti, daandiiwwan daldalaaf gurgurtaa ibsuuf gatii olka'aa ykn gatii gadi bu'aa walitti hidhuun fayyadama; karaa kanaan gurgurtaa waliigalaa waliin walqabatee seensa carraa ol'aanaa argachuuf nu gargaara.

Fakkii armaan gadii ilaali:

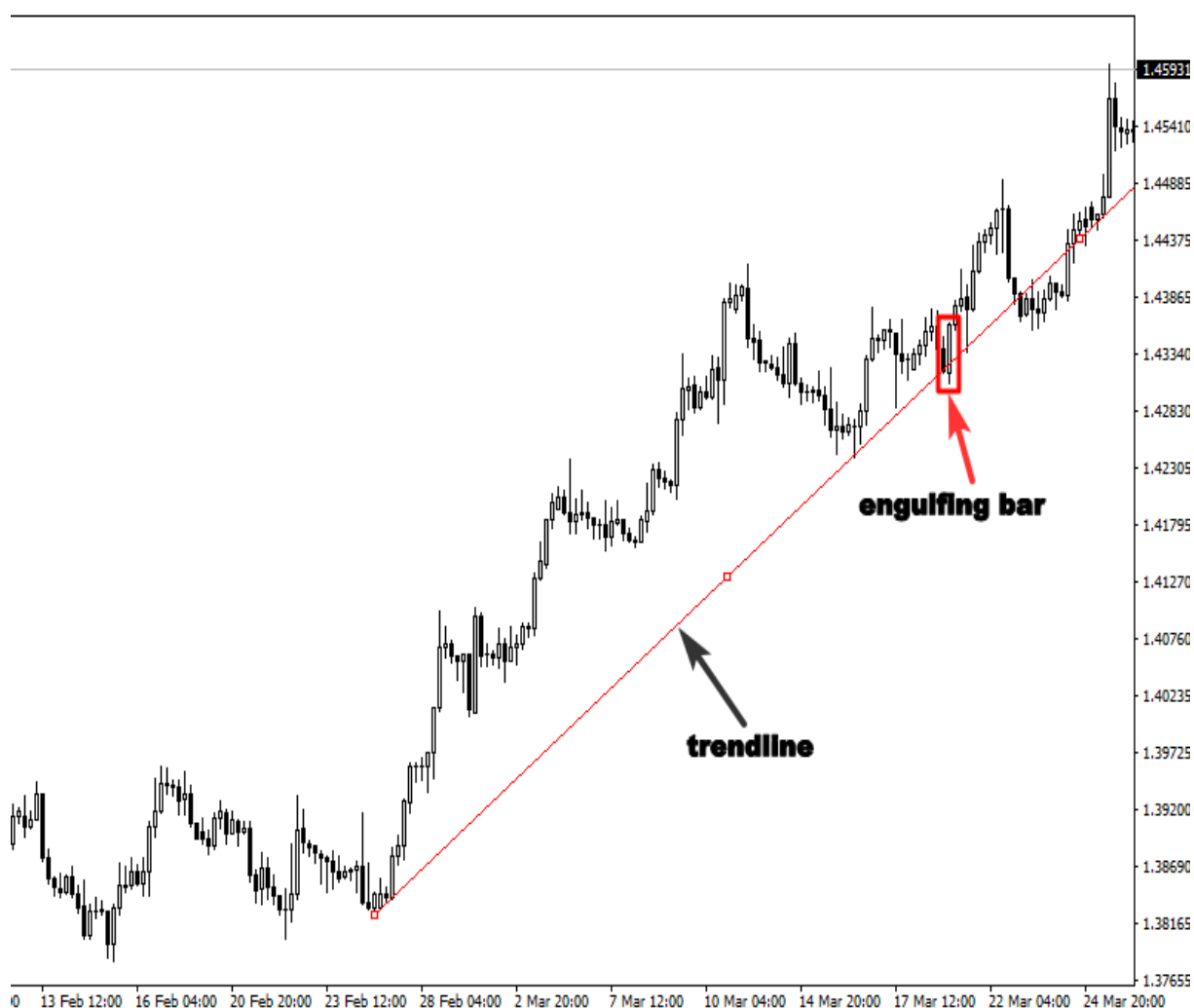


## THE CANDLESTICK TRADING BIBLE

By connecting the extreme highs, we had a trend line that acted as a resistance level and the formation of the engulfing bar pattern shows a good selling opportunity.

If you used just horizontal support and resistance levels, you will miss this profitable trade.

Learning about how to draw trend lines is never a bad idea, because it is the simplest analytic tool that you can use to analyze financial markets, it works in all markets, whether it's forex, commodities, futures, or options.

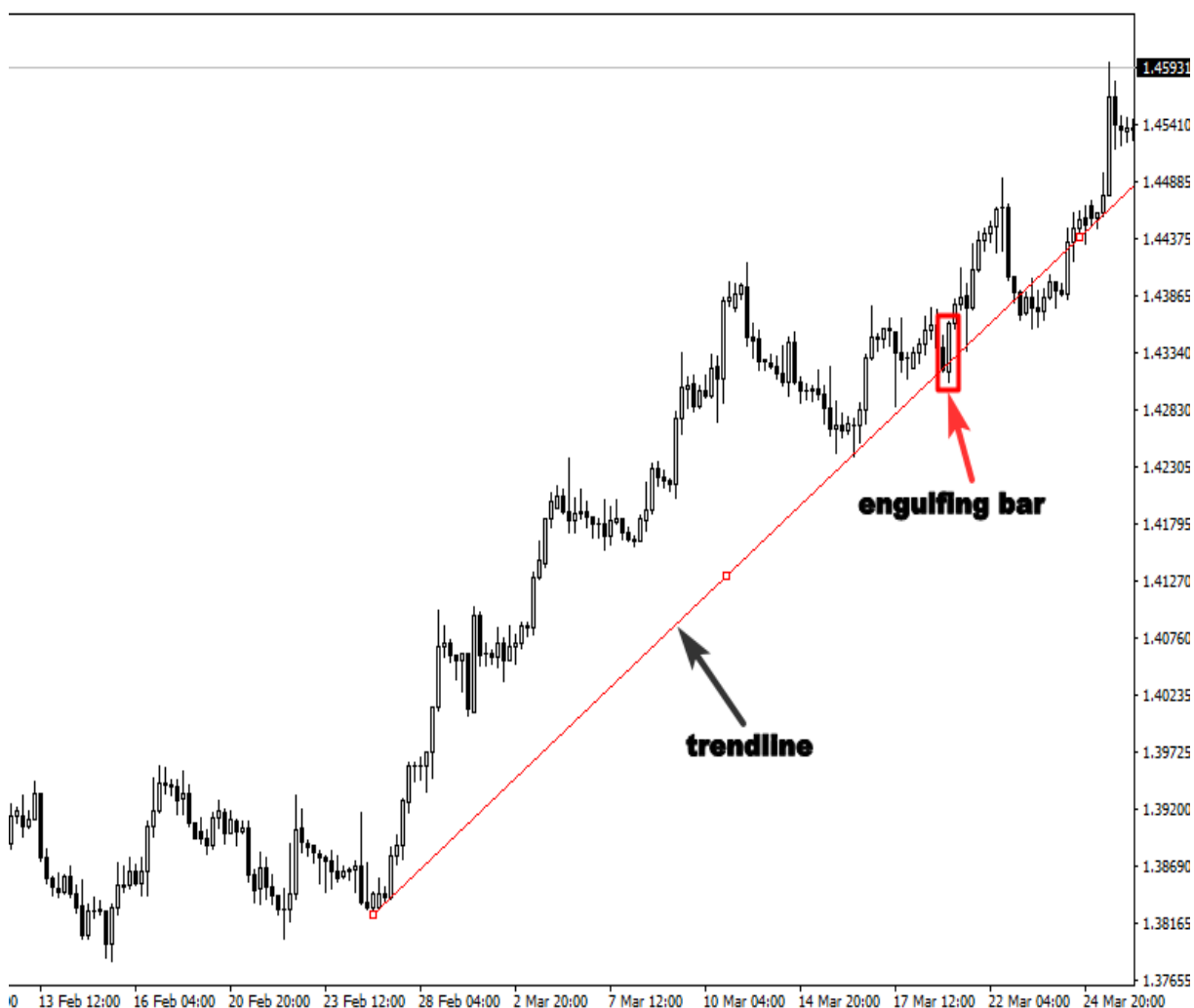


## KITAABA TRADING CANDLESTICK

Gara gadii olka'aa walitti hidhuun, xayyaara gatii kan ta'e daangaa dhoowwu fi uumaa barreeffama guutuu agarsiisu carraa gurgurtaa gaarii agarsiisa.

Yoo daangaa fi dhoowwu qofa fayyadamtan, daldala bu'aa kana dhabuuf ni dan deessu.

Xayyaara gatii akkamitti akka qopheessan barachuun yaada badaa miti, sababni is aas, kun meeshaa xiinxala salphaa ta'eedha kan maallaqa daldaluuf fayyadamuu dandeessu, suuta suuta gatiwwan hundumaa keessatti hojjeta, forex, qabeenya, f uula dura, yookaan filannoo ta'uu danda'a.



## THE CANDLESTICK TRADING BIBLE

The chart above shows a bullish trend, the trend line acts as a support level, the price action signal that occurred created a great buying opportunity.

## KITAABA TRADING CANDLESTICK

Kaartaan olitti argamu kallattii jajjaboo agarsiisa, xariirri kallattii sadarkaa deeggarsaa akka hojjatu, mallattoo gurgurtaa ta'e kan uumame carraa gurgurtaa gaarii uume.

### How to trade the engulfing bar in sideways markets?

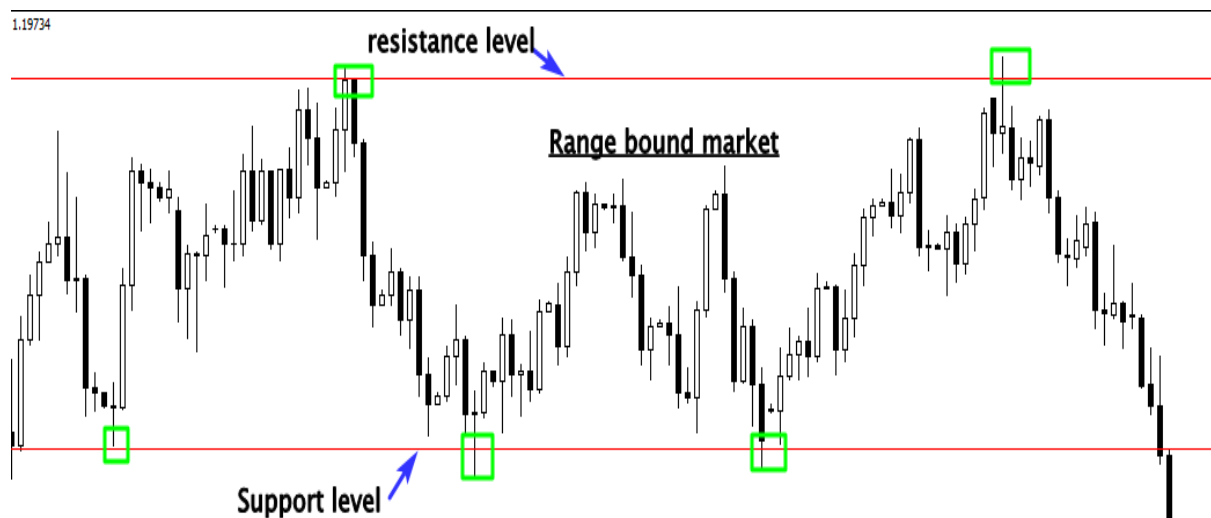
One of the most difficult markets to predict can be the sideways and ranging markets, I always recommend traders to focus on trading trending markets, but the problem is that the markets spend more than 70 % of their time in ranging motion.

If you focus just on trending markets, you will probably leave a lot of money on the table, this is the reason why learning how to approach range bound market is a must if you want to make decent living trading financial markets.

### What is a range-bound market?

When the market stops making higher highs and higher lows in case of an uptrend or lower highs and lower lows in case of a downtrend, the price starts acting between specific high price and low price.

This is a clear signal that the market is ranging and no longer trending. See the illustration below:



As you see in the example above, the market is trendless, it is trading between horizontal support and resistance, and you can't apply the same techniques that you use in trending market to trade engulfing bar patterns in range bound markets.

## KITAABA TRADING CANDLESTICK

### Akkaataa baarii guutuu gurgurtaa suuqii daandii keessa?

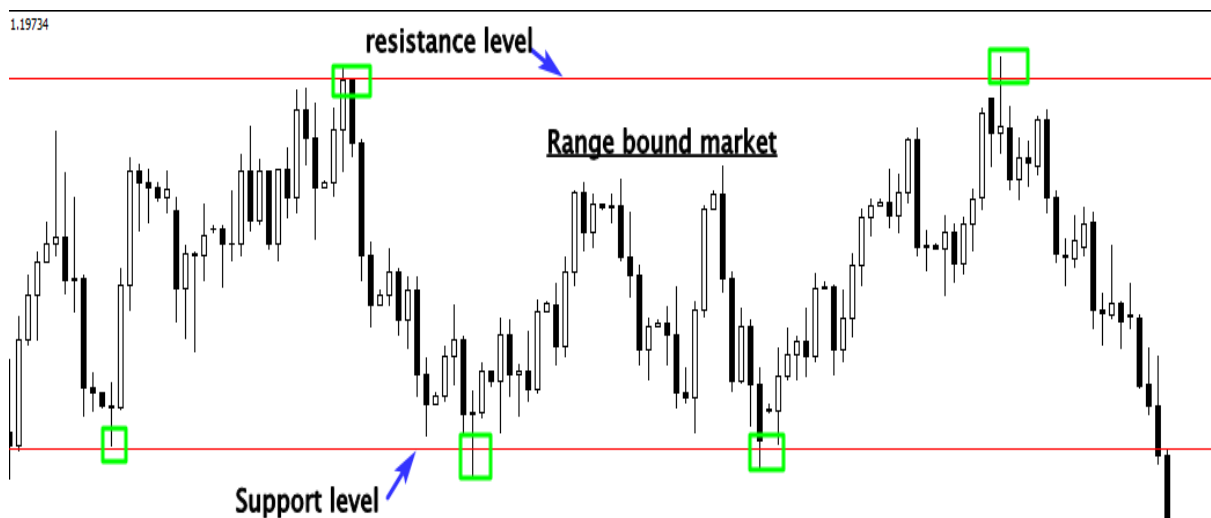
Suuqiiwwan daandii keessa fi daandii gurguddaa ta'an kanneen dura yaadachuu n rakkisaa ta'uu danda'u, anis daldaltoota suuqiiwwan kallattii agarsiisan irratti x iyyeeffachuu akka qaban ni gorsa, garuu rakkoon jiru suuqiiwwan yeroo isaanii % 70 ol daandii gurguddaa keessa dabarsuu dha.

Yoo suuqiiwwan yeroo ammaa irratti xiyyeeffatte, maallaqa hedduu teessoo irratti dhiisuu dandeessa, kunis maaliif akka ta'e barachuun dirqama, yoo suuqii maallaqa daldaluuf jireenya gaarii argachuuf barbaadde.

### Suuqii daangaa qabdu maali?

Yeroo suuqiin ol ka'aa fi gadi bu'aa ol ka'aa fi gadi bu'aa dhabu, gatii daangaa ol ka'aa fi gadi bu'aa gidduutti hojjachuu jalqaba.

Kunis suuqiin daangaa qabdu fi yeroo ammaa hin ol ka'aa ta'uu isaa agarsiisa. Fakkii armaan gadii ilaali:



Akka fakkeenya olitti argitanitti, gabaan daandii hin qabne, deeggarsa fi mormii gidduutti gurgurtaa jira, akkasumas, teeknikaa walfakkaatuu gabaan daandii qabdu keessatti gurgurtaa gochuu dandeessu.

Let me give you an example, when you are driving your car, you don't always drive the same way, if you are driving downtown, you try to drive slowly, because you know that driving fast can put your life or other's life in danger

But when you are driving in a highway, you're driving style changes completely, because you know that you can drive fast. So, you always try to adapt your driving style to the appropriate situation.

You have to do the same thing when you are trading the engulfing bar pattern, because all price action strategies we discussed before will not work in range bound markets, and you have to use the right techniques that fit these market conditions.

Before talking about the right way to trade trendless markets, you have to be selective about trading range bound markets to protect your trading account, because not all sideways markets are worth trading. You have to know how to differentiate between sideways and choppy markets.

See the illustration below about choppy markets:

## KITAABA TRADING CANDLESTICK

Fakkeenya tokko siif kenna, yeroo konkolaataa keetiin deemtuu, yeroo hunda karaa walfakkaatuun deemtuu hin dandeessu, yoo magaalaa keessa deemtuu, saffisaan deemuuf yaalaa, sababni isaas saffisaan deemuuf jireenya keeti ykn jireenya namoota biroo balaa keessa galchuu dandeessa.

Garuu yeroo daandii gurguddaa irratti deemtuu, akkamitti deemtuu jijjiirama guutu qaba, sababni isaas saffisaan deemuuf dandeessa. Kanaaf, yeroo hunda akkamitti deemtuu haala barbaachisaa ta'een jijjiiruu yaalaa.

Wanti ati gochuu qabdu yeroo ati barreeffama guutuu gurgurtaa gochaa jirtu, sababiin isaas tarsiimoon gurgurtaa hunda dura mari'annee hin hojjatu suuqii daangaa keessa jiru keessatti, akkasumas tarsiimoo sirrii kanneen haala suuqii kanaaf mijatu fayyadamuu qabda.

Suuqii daangaa keessa jiru gurgurtaa gochuu irratti haala sirrii irratti dubbachuuf, suuqii daangaa keessa jiru gurgurtaa gochuu irratti filatamaa ta'uu qabda, sababiin isaas suuqii hunda daangaa keessa jiru gurgurtaa gochuu hin qabu. Suuqii daangaa fi suuqii choppy gidduutti adda baasuuf akkamitti beekuu qabda.

Suuqii choppy irratti ibsa armaan gadi ilaali:



As it is illustrated above, the market trades in a crazy way, we can't identify major support levels and resistance. You have to stay away from these types of markets, otherwise, you will definitively damage your trading account.

Trading the engulfing bar candle in range bound market is very simple, the first strategy is going to be about trading this price action pattern from major support and resistance levels like we see below:

## KITAABA TRADING CANDLESTICK



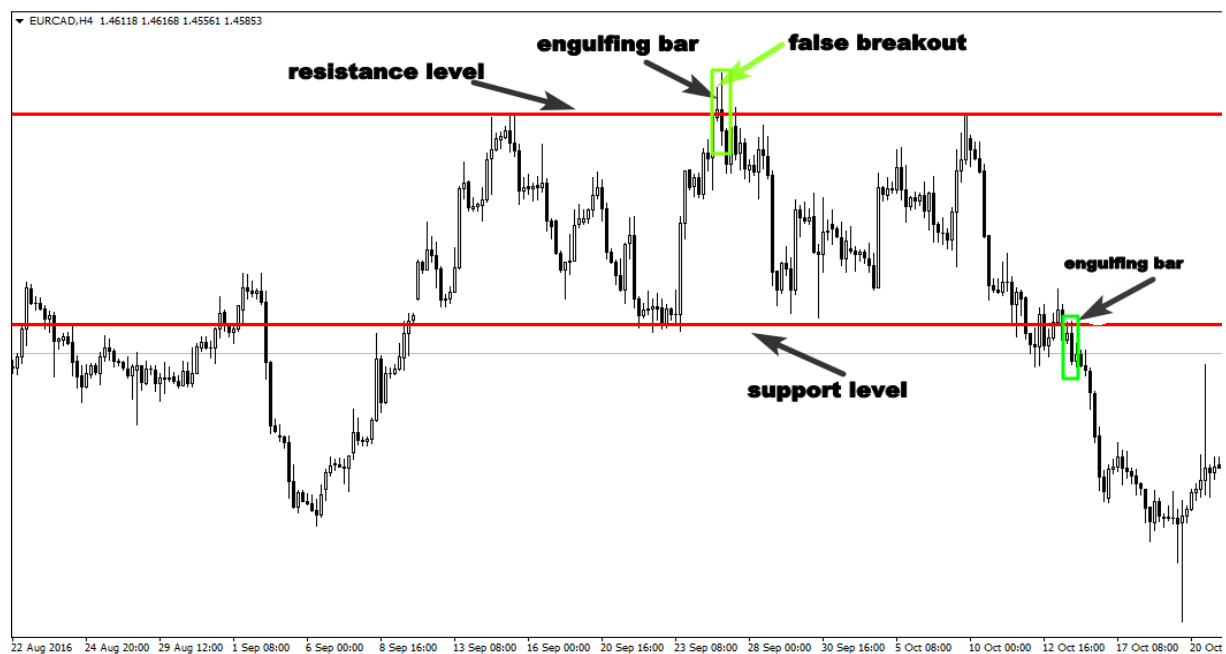
Akka olitti ibsameetti, suuqni akkamitti gurgurtaa gurguddaa ta'ee, sadarkaa deeggarsa fi mormii guddaa adda baasuuf dadhabna. Suuqota akkana irraa fagaachu u qabda, akkasumas, akkamitti akkaataa gurgurtaa keetiin miidhamuu dandeessu

Suuqni daangaa keessatti barcuma guutuu gurgurtaa gochuu baay'ee salphaa dhala, tarsiimoon jalqabaa gurgurtaa gochuu kan ta'e barcuma gurguddaa fi mormii gurguddaa irraa akka armaan gadiitti:

# THE CANDLESTICK TRADING BIBLE



The second strategy is to trade the breakout of the range or to wait for the pullback. See the illustration below :

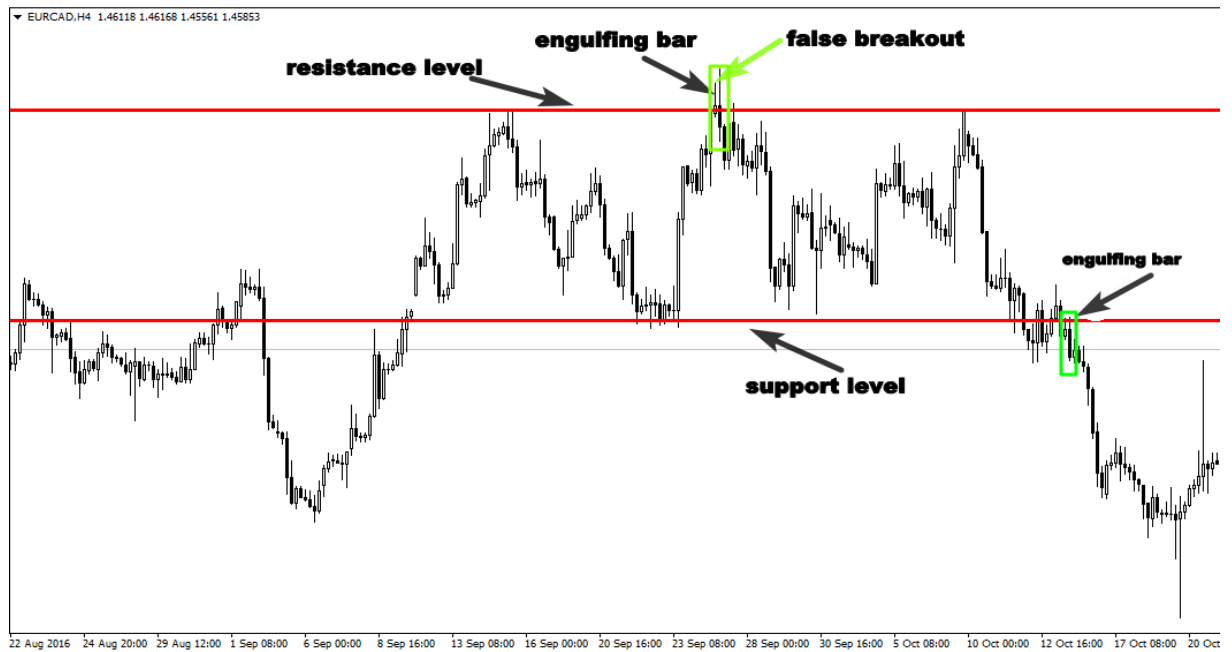


The third strategy is to trade the false breakout of the major support or resistance level.

# KITAABA TRADING CANDLESTICK



Tarsiimoon lammaffaa daangaa keessaa ba'uu gurgurtaa gochuu yookaan deebi' ee dhufuu eegu dha. Ibsaa armaan gadi ilaali:

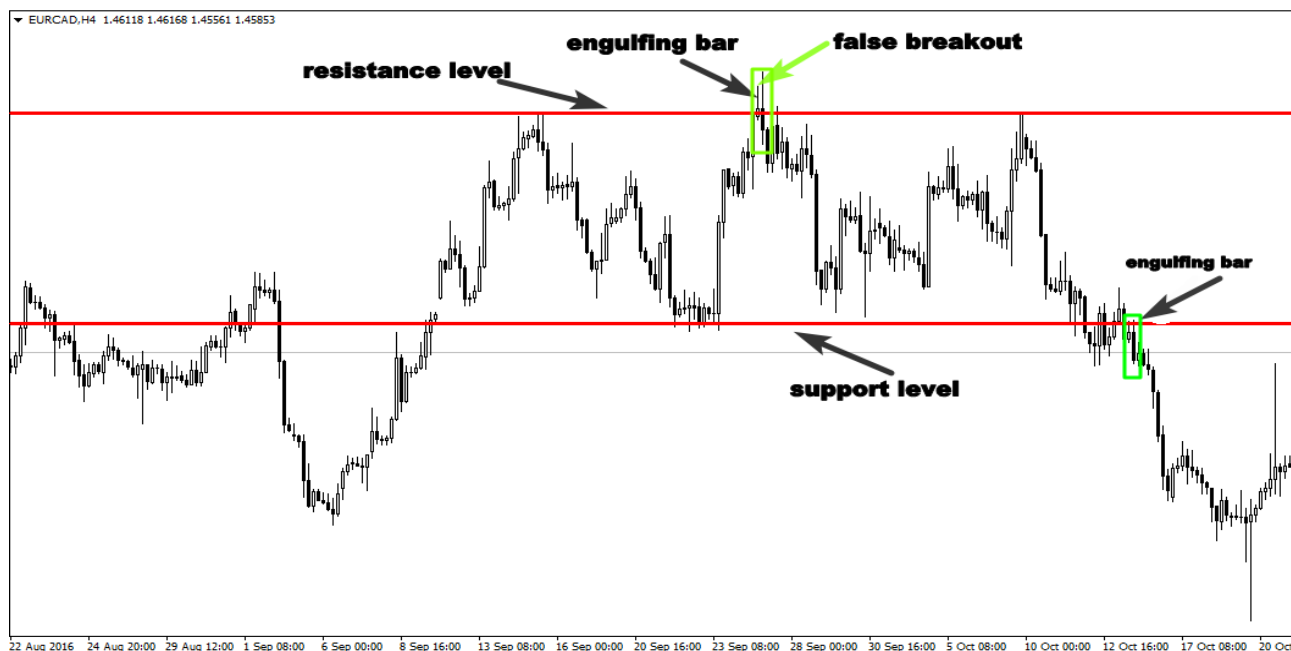


Taktiikni sadaffaa bu'uura gargaarsaa ykn daangaa jabaa dhugaa cabsuu dha.

## THE CANDLESTICK TRADING BIBLE

False breakouts are one of the most powerful price action strategies, it occurs in all types of markets, and if you know how to use it in combination with the engulfing bar pattern in a major support level or resistance, you will make money in the market, because you will buy intelligently the bottoms and sell the tops.

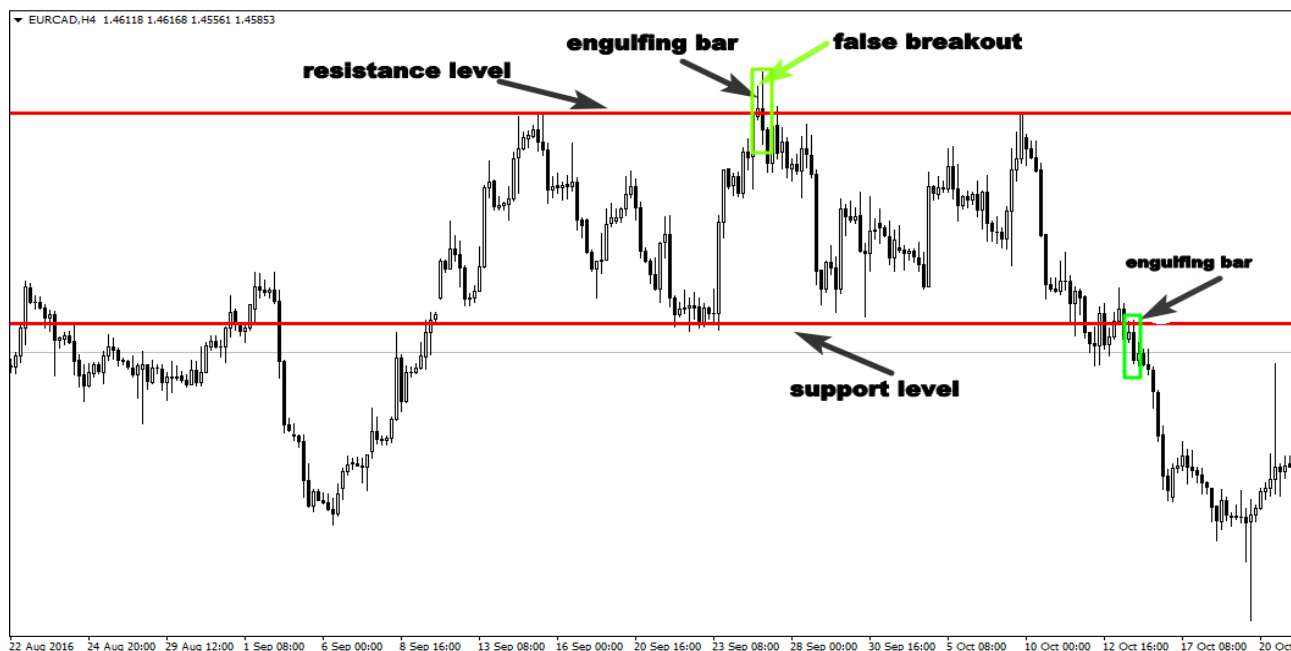
See the illustration below:



## KITAABA TRADING CANDLESTICK

Cabsuu dhugaa taktiikota gurguddoo gatii hojiirra oolchuudha, kunis gurguddoo gurguddoo gurguddoo keessatti mul'ata, yoo akkamitti fayyadamuu akka dande essu beektu, bu'uura gargaarsaa ykn daangaa jabaa keessatti barreeffama guutu u waliin walitti dhufeenya gochuu dandeessu, gabaa keessatti maallaqa argachu u dandeessu, sababni isaas bu'aa gurguddaa fi gurgurtaa gurguddaa gurgurta.

Fakkii armaan gadii ilaali:



### Trading the engulfing bar with supply and demand zones?

Supply and demand areas are more powerful than support and resistance, it is the place where banks and institutions are buying and selling in the market, if you can identify these turning points, you will make a difference in your trading account.

To trade the engulfing bar pattern successfully with supply and demand areas, you have to be able to identify quality supply and demand levels on a chart, according to my experience; there are three factors that define quality supply and demand areas:

#### 1-The strength of the move:

Pay more attention to the way the price leaves the zone, if the market leaves the area quickly, this is an indication that banks and institutions are there.

#### 2-Good profit zone:

You have to make sure that the level provides a good risk/reward.

#### 3-Bigger time frames:

The daily and 4-hour supply and demand areas are the most powerful zones in the market.

The chart below shows a quality supply area, as you can see the move was very strong, and that indicates that banks and institutions were there.

The formation of an engulfing bar was a clear signal that the bears are still willing to sell from the same price level.

## KITAABA TRADING CANDLESTICK

### **Barreeffama guutuu gurguddaa fi qabeenya fi taligaa waliin gurgurtaa?**

Gareewwan dhiyeessaa fi fedhii humna caalu qabu, bakka baankii fi dhaabbileen gabaa irratti bituufi gurguru, yoo bakka jijjiirraa kana adda baafachuu dandeesse , akkasumas akkamitti akka hojjetu irratti garaagarummaa ni uuma.

Bakka dhiyeessaa fi fedhii waliin barreeffama guutuu milkaa'inaaf, sadarkaa dhiyeessaa fi fedhii qulqulluu kaartaa irratti adda baafachuu qabda, muuxannoo koo irratti; sababni sadiin bakka dhiyeessaa fi fedhii qulqulluu ibsu:

#### **1-Dhimmamni sochii:**

Akkaataa gatii zoniin baatu irratti xiyyeeffadhu, yoo gabaan bakka sana irraa saffisaan baate, kunis baankii fi dhaabbileen achi jiru akka agarsiisutti.

#### **2-Baay'ee bu'aa iddoo:**

Sadarkaan bu'aa/qabeenya gaarii ta'uu isaa mirkaneeffachuu qabda.

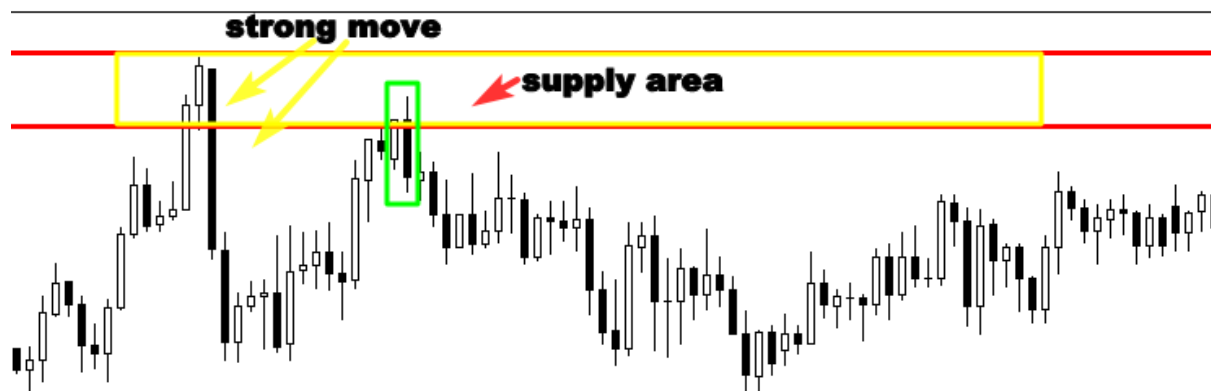
#### **3-Yeroo guddaa:**

Garaagarummaa guyyaa fi sa'aatii 4'n gurguddoo fi barbaachisummaa gurguddaa ta'anii jiru.

Kaartaan gadi fageenya qulqullina agarsiisu, akkasumas sochiin cimaan ture, kunis baankii fi dhaabbileen achi turan agarsiisa.

Uumamni baarii guutuu mallattoo ifa ta'eedha kan bifa gurguddaa irraa gurguruu fedhii qaban agarsiisa.

## THE CANDLESTICK TRADING BIBLE

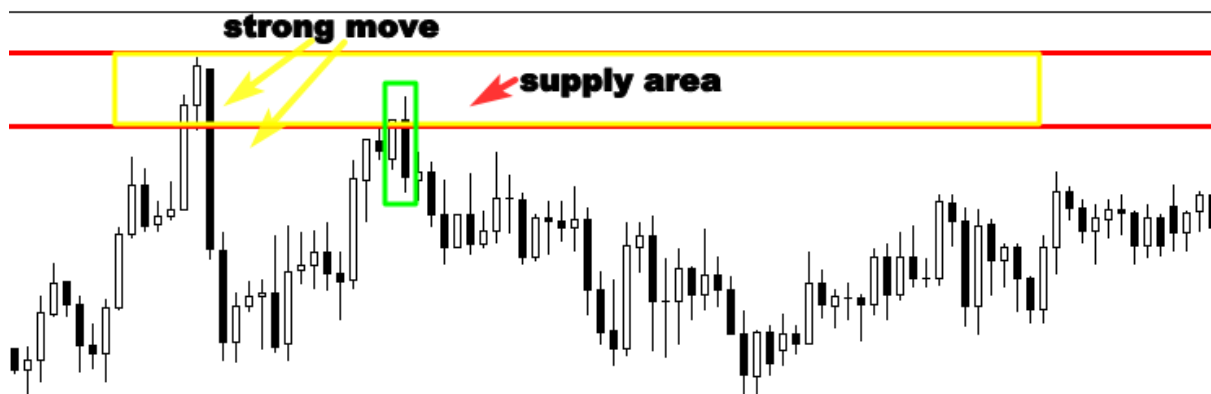


See another example of these areas:



I think that it's not complicated to identify these zones, because they are characterized by strong moves. The secret behind supply and demand areas is that big players put their pending orders there, when the market approaches these zones, we see a crazy move from these levels.

## KITAABA TRADING CANDLESTICK



Fakkeenya biroo kanneen bakka kanaa ilaali:



Ani yaada kootti, naannolee kana adda baasuuf rakkoo hin qabu, sababni isaas so chii cimaa qaban. Seenaa gidduu galeessaa fi taligaa gurguddaa kanneen naanno lee kana keessatti ajaja isaanii eeggatan, yeroo gabaa naannolee kana dhufuu, so chii hedduu argina.

## THE CANDLESTICK TRADING BIBLE

If you can combine trading supply and demand areas with the engulfing bar price action signal, you will increase your chances to make money as a trader.

## KITAABA TRADING CANDLESTICK

Yoo daldala gidduu galeessaa fi taligaa gurguddaa waliin mallattoo gurguddaa gurguddaa walitti makuu dandeessu, carraa maallaqa argachuuf daldalaa ta'uu ke essan ni dabala.

## Money management trading rules

So far you have learnt how to identify high probability setups in the market; this doesn't mean that all engulfing bar patterns are worth trading.

Price action signals with low risk /reward ratios should be ignored.

Once the criteria for a high probability setup are in place, there is no more analysis to be made, just make sure your trade has a potential of 2:1 risk to reward ratio.

I mean that the amount of money you will win has to be twice the amount of money you will risk or more.

See an example below:



## KITAABA TRADING CANDLESTICK

### Seerota bulchiinsa maallaqaa

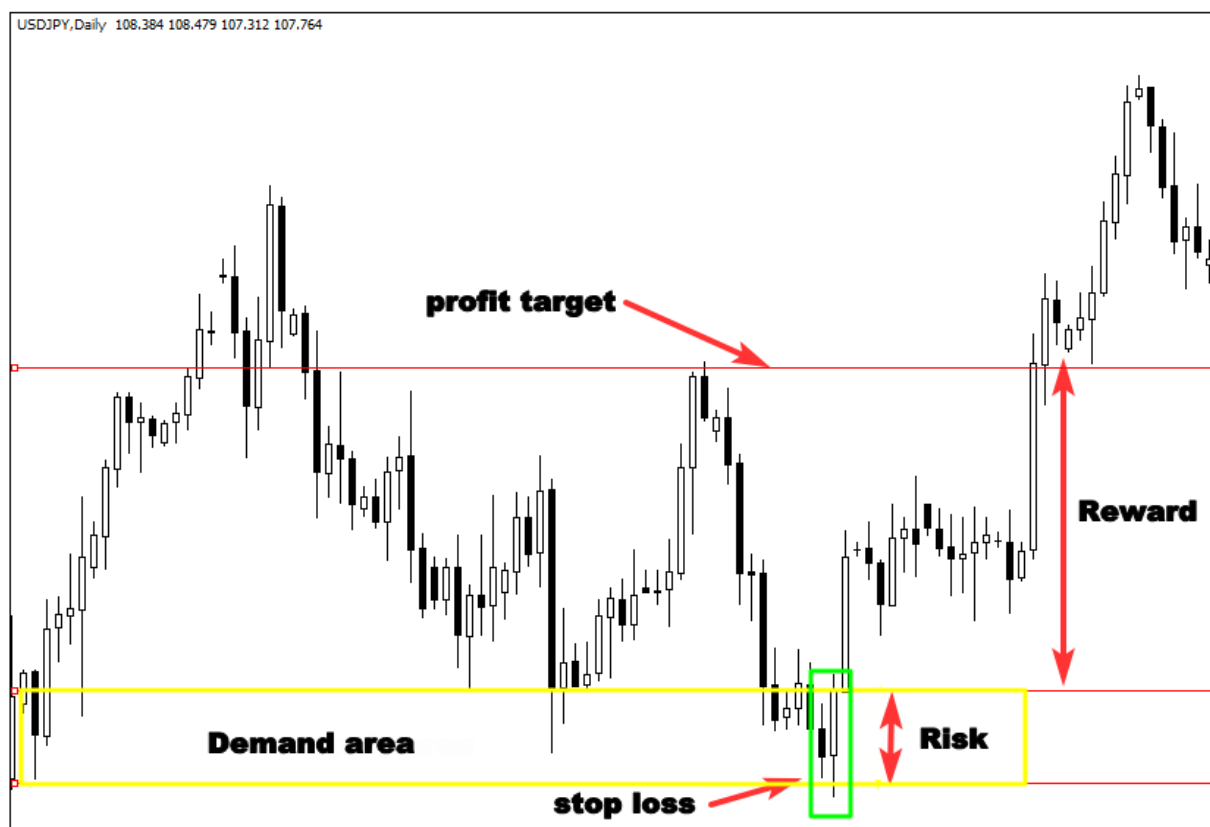
Ammaaf, akkamitti haala carraa ol'aanaa suuqii keessatti adda baasuuf baratte; k unis, mallattoo barreeffama guutuu hunda daldaluuf gatii hin qabu jechuudha.

Mallattoolee hojii gatii xiqqaa /deebii gatii ol'aanaa qaban dhiisuu qabdu.

Yeroo haala carraa ol'aanaa qopheessuu irratti, qorannoon biraa hin jiru, daldalli kee carraa 2:1 gatii fi gatii ol'aanaa qabaachuu isaa mirkaneessi.

Kuni, maallaqa ati mo'achuu qabdu maallaqa ati yaaddoo keessa galchitu caalaa l ama ta'uu qaba jechuudha.

Fakkeenya armaan gadi ilaali:



As you can see all the conditions were in place to take a buying order, the market was ranging, as we discussed before, major demand and supply zones are the best price levels in sideways markets.

The formation of an engulfing bar in the demand area is a good trading opportunity, but you have to look at the risk /reward to make sure that the trade respects your money management's rules.

This trade has 3:1 risk to reward which increases your chances to be winner in the long term, because if you risk 200 dollars in this trade, you are likely to win 600 dollars. It is very important to calculate your risk to reward ratio before taking any single trade.

### Case study

Imagine you take 10 trades with 3:1 risk /reward on each single trade, I mean when you win you get 600 dollars, and when the market goes against you, you lose 200 dollars.

Let's suppose you lost 7 trades and you won just 3 trades. Let's do the math to know if you are winner or loser.

Seven losing trades will cost you 1400 dollars, and 3 winning trades will make you 1800 dollars.

As you see you lost seven trades, but you are still making money. This is the magic of money management.

### The entry and exit strategy

Don't try to be smarter than the rest of traders, keep it simple, you know what you are looking for, when you identify an engulfing bar pattern, and you think all conditions are in place to execute your trade. Take an order immediately after the price action signal forms, put your stop loss below the candlestick pattern, and look at simply the chart to find the next support or resistance level, this is going to be your profit target.

See the illustration below:

## KITAABA TRADING CANDLESTICK

Akka argaa jirtan, haala hundi ajaja bituu fudhachuuf qophaa'aa ture, gabaan im moo daangaa keessa turte, akkasumas marii keenya dura gooneen, bakka barbaa chisummaa fi dhiyeessii gurguddaa gatiiwwan gaarii ta'anii jiru.

Bakka barbaachisummaa keessatti baariin guutuu uumamu carraa daldalaa gaari i dha, garuu bittaa fi gurgurtaa keessan seerota maallaqa keessan eeggachuuf ya aduu qabdu.

Daldalli kun 3:1 balaa fi faayidaa qaba, kunis carraa keessan guutuu ta'uu dandee ssisa, sababni isaas yoo doolaara 200 balaa taasisan, doolaara 600 mo'achuu dan deessu. Daldala kamiyyuu fudhachuuf dura balaa fi faayidaa keessan herreguu ba ay'ee barbaachisaa dha.

### Qorannoo haalataa

Yaadi 10 daldala 3:1 balaa / faayidaa irratti hunda'ee, ani jechuun yeroo mo'atu 6 00 dollar argatta, yeroo immoo gabaan si irratti hirkate, 200 dollar ni dhabda.

Yaadi daldala 7 dhabuudhaan 3 daldala mo'achuu keeti. Herregni gochuu haa yaa lu, moo'aa ykn dhabuudhaaf.

Daldala 7 dhabuun siif 1400 dollar ni kaffala, daldala 3 mo'achuun immoo 1800 d ollar siif ni uuma.

Akkasitti, dorgommii torba dhabe, garuu maallaqa argachuu itti fufaa jirta. Kunis maagicii maallaqa too'achuu dha.

### Tartiiba seenuu fi ba'uu

Dorgommiiwwan biroo caalaa beekumsa qabaachuuf yaali, salphaa ta'uu qaba, m aal barbaaddu beekta, yeroo barreeffama guutuu agarsiiftu, fi haala hundi dorgo mmii kee raawwachuuf qophaa'aa ta'uu yaadu.

Yeroo mallattoo sochii gatii uumamu, ajaja fudhadhu, balaa kee kan candlestick a garsiiftu jalaatti kaa'i, fi chart salphaan ilaali si'achi deeggarsa ykn dhaabbata itti aanuu argachuuf, kunis bu'aa kee ta'a.

Fakkii armaan gadii ilaali:



When you set your protective stop and your target, don't never look back, let the market tell you if you are wrong or right. This will help you trade successfully out of your emotions.

If the market goes against you, you will not feel good, it's normal, losing money can be emotionally painful, it is our human nature, nobody wants to lose, especially when it is about money, in the trading environment, you have to think differently, and accept the fact that losing is a part of the game.

Studies have shown that successful traders don't risk more than 2% of their equity on each single trade.

If you are beginner, don't risk more than 1%. Don't risk money you can't afford on a single trade even if the engulfing bar pattern you identify indicates a high probability signal.

## KITAABA TRADING CANDLESTICK



Yeroo of-eeggannoo kee fi kaayyoo kee kaa'uu, deebi'ee hin ilaaliin, suuqni siif do goggora ykn sirrii ta'uu isaa siif hima. Kun imala keetiin dandeettii ofii keetiin milk aa'ina argachuuf si gargaara.

Suuqni si irratti hirkate, gaariin hin dhaga'amu, kun seera, maallaqa dhabuu dhu gumaan gaddisiisaa ta'uu danda'a, kun amala keenya, namni hundumtuu dhabuu f hin fedhu, addatti maallaqa irratti, naannoo daldalaa keessatti, yaada garaa gar aa qabaachuu qabda, fi dhugaa ta'uu isaa fudhachuu qabda maallaqa dhabuu tap ha keessaa qooda ta'uu.

Qorannoon mul'ise daldaltoonni milkaa'oon daldala tokko tokko irratti qabeenya i saanii %2 ol hin yaalu.

Yoo ati jalqabaa taate, %1 ol hin yaadin. Daldala tokko irratti maallaqa hin dande enyee yaadadhu, yommuu mallattoo barreeffama guutuu argitu.

## THE CANDLESTICK TRADING BIBLE

No matter how smart you are, you have to think always in term of probabilities, bear in mind that you can experience series of losing trades, and if you risk too much money, you will not survive longer.

## KITAABA TRADING CANDLESTICK

Yoo akkamitti siif ta'e, yeroo hundumaa carraa irratti yaaduu qabda, daldala dha buun ni mul'ata, yoo maallaqa baay'ee yaadde, yeroo dheeraaf jiraachuu hin dan deessu.

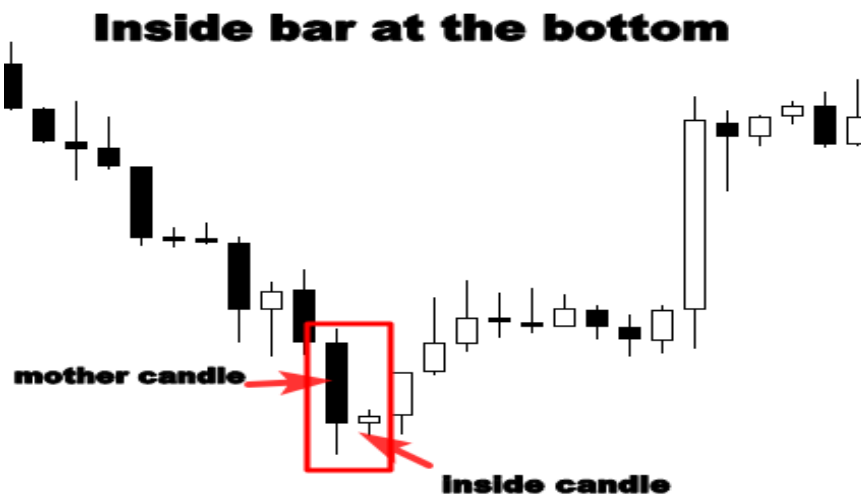
### The inside bar candlestick pattern

The inside bar candlestick pattern is one of the most powerful chart setup that professional traders look out; however, most traders fail to trade it successfully.

Lack of skills and knowledge and poor education are the major reasons why most price action traders don't make money trading this Japanese candlestick.

#### What is an inside bar candlestick pattern?

An inside bar is two candlesticks, the first one is called the mother candle, it is big and large, and the second one is smaller and it is located inside of the mother bar.



## KITAABA TRADING CANDLESTICK

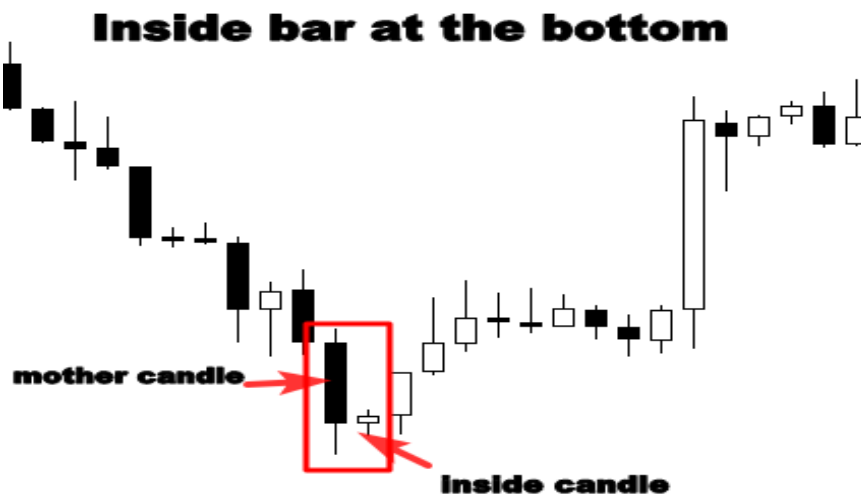
### Maaloo barreeffama keessaa

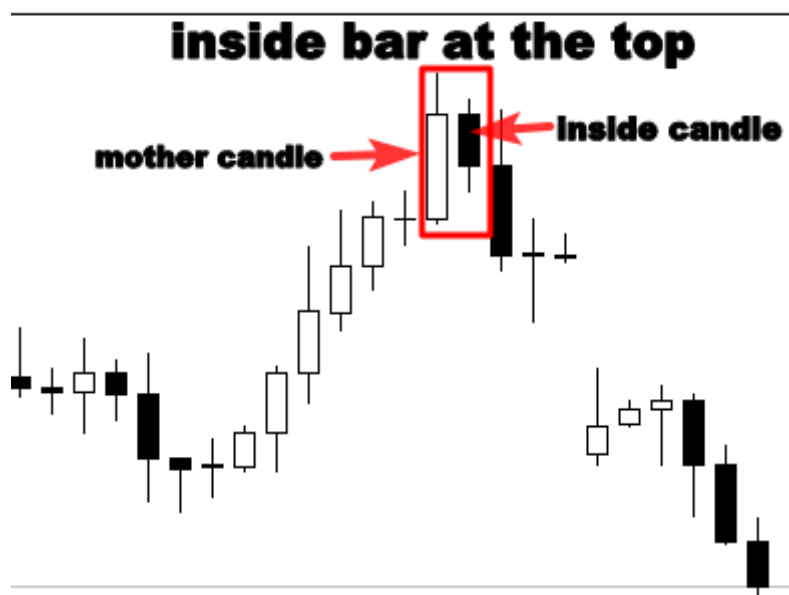
Maaloo, barreeffama keessaa baay'ee jabaa ta'eedha kan daldaltoonni ogummaa qaban barbaadan; garuu, daldaltoonni hedduun isiniif milkaa'ina daldaluuf hin milkoofne.

Ogummaa fi beekumsa dhabuun akkasumas barnoota hamaa ta'uun sababa ijoo ta'ee, maaliif daldaltoonni gatii sochii daldaluun maallaqa argachuu hin dandeenye.

### Maaloo, maaliin barreeffama keessaa?

Barreeffama keessaa baay'ee lama, isa jalqabaa kan 'mataa' jedhamu, guddaa fi bal'aa dha, isa lammaffaa immoo xiqqaa dha, fi isa mataa barreeffama keessaa keessa jira.





The illustration above shows inside bars at tops and at bottoms, as you can see, the second small bar is completely contained by the first one which is the opposite of the engulfing bar pattern.

The inside bar is seen as a reversal pattern, because it indicates that the market trend is likely to change especially when it is located at tops or bottoms.

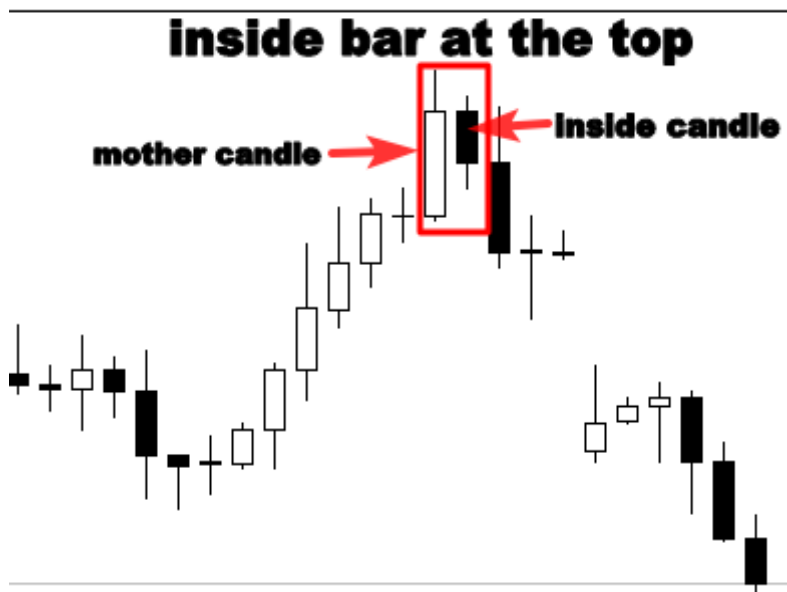
It is also considered as a continuation signal in strong trending markets.

According to Thomas Bulkowski, a successful investor, and trader with over thirty years of market experience:

A bearish inside bar pattern in a bull market can indicate a bearish reversal in about 65% of the time.

And in a bull market, it represents a bullish continuation signal in about 52% of the time.

## KITAABA TRADING CANDLESTICK



Fakkii olitti argamu, bifa keessaa baaree gubbaa fi jala agarsiisa, akkasumas, baa ree xiqqaa lammaffaa baaree jalqabaa keessatti guutummaatti argamu, kunis bif a baaree guutuu irratti hiriira. **the engulfing bar pattern.**

Baaren keessaa bifa jijjiiramaa akka ilaalamu, sababni isaas, kallattii gabaa jijjiir amuuf carraa qabaachuu isaa agarsiisa, keessumaa gubbaa yookaan jala argamu

Akka mallattoo itti fufinsaa bifa jaba keessatti ilaalama.

Thomas Bulkowski'n, invastara milkaa'aa fi daldalaa waggaa sadi'aa ol ta'ee muu xannoo suuqii qabu:

Maaloo, barreeffama keessa jirus, mallattoo gurguddaa gurguddaa suuqii keessa tti, yeroo 65% keessatti jijjiirama gurguddaa agarsiisuu danda'a.

Akka suuqii gurguddaa keessatti, yeroo 52% keessatti mallattoo gurguddaa itti fu fuu agarsiisa.

And a bullish abandoned baby as he call it, is considered a bullish reversal pattern 70% of the time in bull markets, and 55% in bear markets

## KITAABA TRADING CANDLESTICK

Akka inni ittiin waamamu, 'bullish abandoned baby' jedhamee, yeroo 70% bull markets keessatti fi 55% bear markets keessatti mallattoo jijjiiramaa bullish ta'uu isaa ni ilaalama.

### **The psychology behind the pattern formation**

The inside bar formation indicates a period of consolidation, in case of a bullish trend, it reflects that the bulls are not buying any further on the second day, it is represented by a small black candle on the second day, after a strong uptrend.

And in case of a bearish trend, it means that sellers are not in control of the market any more, it is reflected by a small white candle after a strong downtrend.

Your understanding of the psychology behind this pattern will help you better identify major turning points in the market, and time correctly your entry and exit.

### **How to trade the inside bar candlestick patterns?**

The inside bar can be traded successfully in trending markets particularly if the market is moving strongly.

Because the formation of this price pattern provides you with a great opportunity to join the big move.

This strategy is very simple, you have to identify a strong trend, and wait for the formation of an inside bar pattern in line with the direction of the market.

The formation of this pattern indicates that the market pauses before making its next move; this will allow you to enter the market in the right time and make big profits.

See the illustration below to learn more:

## KITAABA TRADING CANDLESTICK

### Seenaa yaadaa mallattoo uumuu.

Uumamni barreeffama keessa jiru yeroo walitti qabamuu agarsiisa, haala bullish keessatti, kunis bullooni guyyaa lammaffaa irratti daldaluuf hin jiru agarsiisa, guyyaa lammaffaa irratti ibidda gurraacha xiqqaa agarsiisa, booda ol ka'uu jaba.

Haala bearish keessatti immoo, gurgurtoonni daldala irratti to'annaa hin qaban agarsiisa, kunis guyyaa lammaffaa irratti ibidda adii xiqqaa agarsiisa booda gadi bu'uu jaba.

Hubannaan kee psikooloojii duubatti deebi'uu kanaa gurguddoo jijjiirraa gurguddaa suuqii keessatti argachuuf si gargaara, akkasumas seensa fi ba'aa sirriitti yeroo gochuu.

### Akkaataa barreeffama keessaa bar candlestick gurgurtaa?

Barreeffama keessaa bar suuqii gurguddaa keessatti milkaa'ina gurgurtaa ta'uu danda'a, keessumaa suuqiin jabinaan socho'aa jiru yoo ta'e.

Sababni isaas, uumaa gatii kanaa siif carraa guddaa kenna, sochii gurguddaa waliin hidhachuuf.

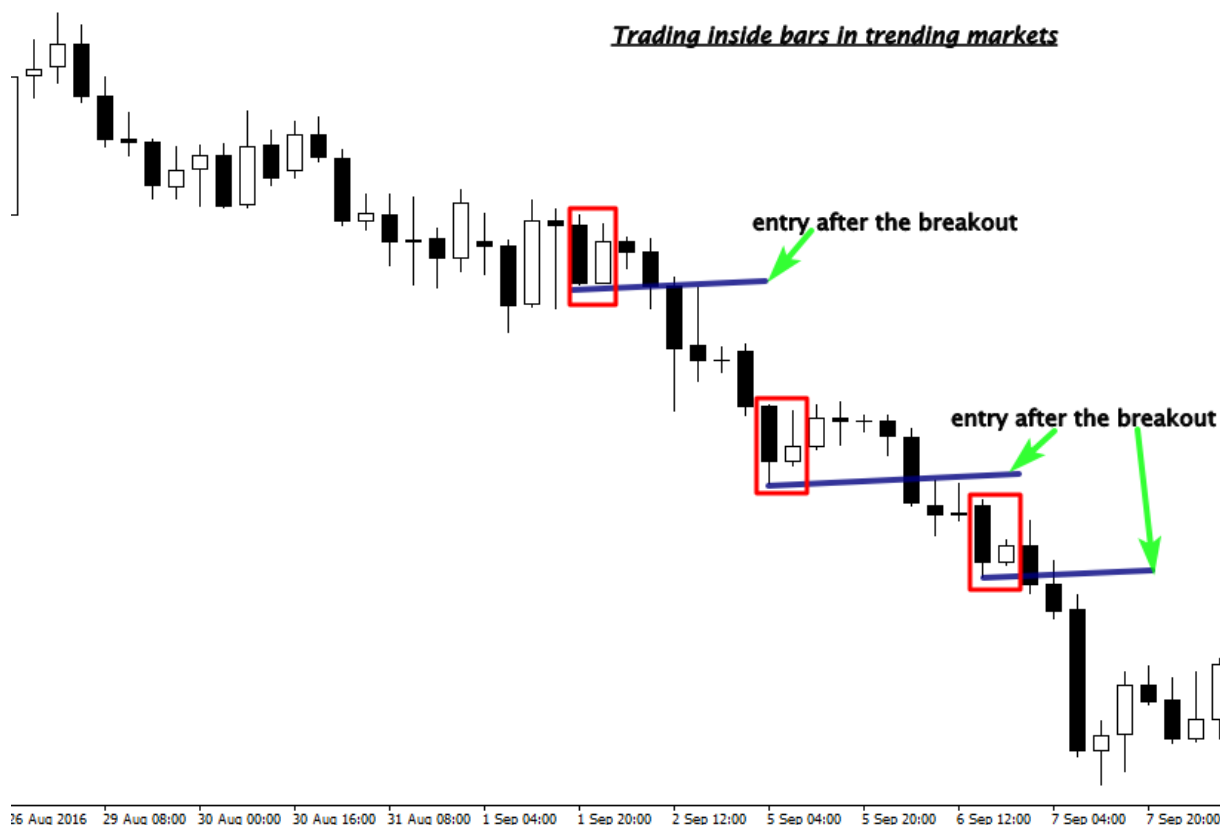
Taktiikni kun baay'ee salphaa dha, si'achi daandii jaba tokko beekuu qabda, akkasumas kallattii gaba waliin wal simsiisuudhaan barreeffama keessa jiru kan ta'e barreeffama keessaa barreeffama keessa jiru eeggachuu qabda.

Barreeffamni kun gabaan tarkaanfii itti aanu fudhachuuf dura dhaabbata; kunis si'achi gaba keessa seenuu fi bu'aa guddaa argachuu dandeessisa.

Ilaalcha armaan gadii ilaaluudhaan odeeffannoo dabalataa baradhu:

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▼ EURNZD,H4 1.64196 1.64216 1.64128 1.64168



As it is illustrated above, the market is trending down; the formation of inside bar patterns gave us three opportunities to join the trend.

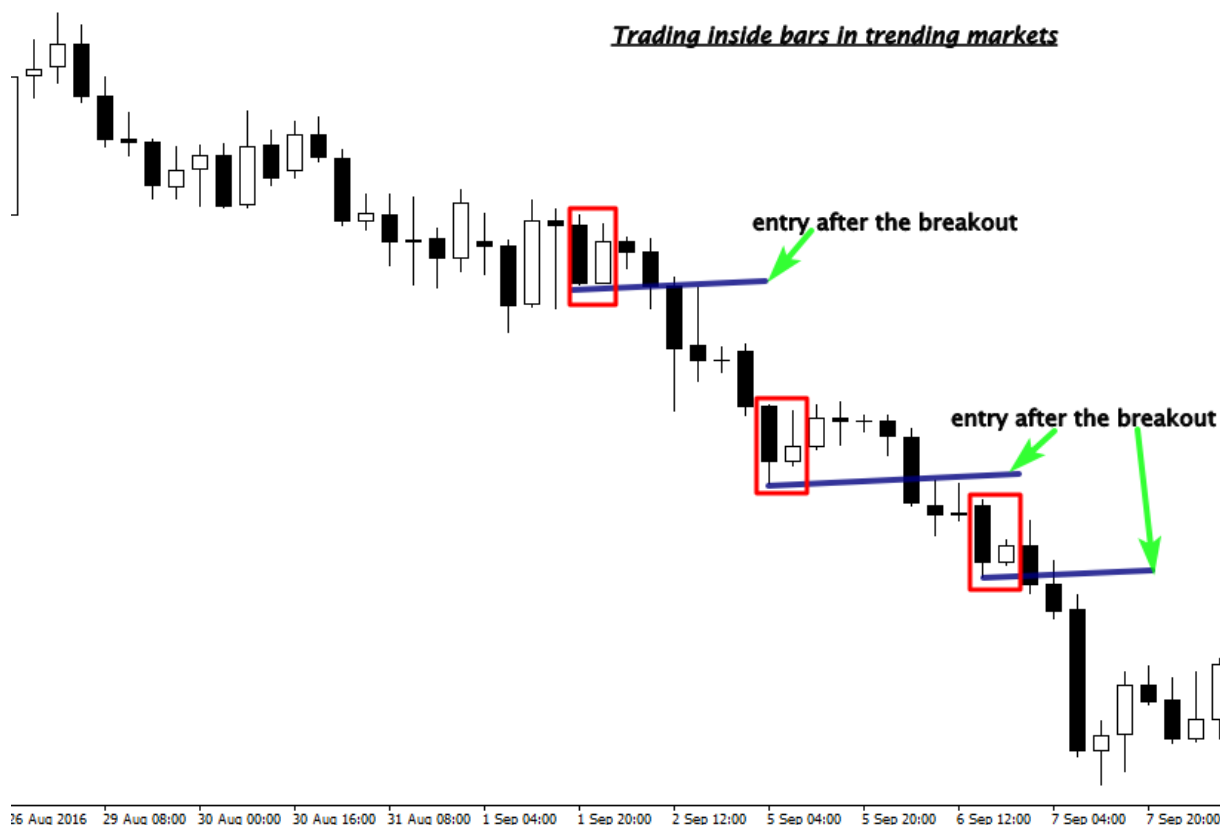
If you are used to our trading approach, you will only look for selling opportunities, this way, you are not fighting big institutions and central banks, you are just trading in the direction that is favored by the market.

You can place a sell order after the breakout of the pattern as it is mentioned in the chart above, and your stop loss order should be placed above the mother candle. Your profit target is the next support level.

See another example below:

## KITAABA TRADING CANDLESTICK

▼ EURNZD,H4 1.64196 1.64216 1.64128 1.64168



Akka olitti ibsameetti, gabaan gadi bu'aa jira; uumaa barreeffama keessaatti barr eeffamni nuuf carraa sadi kennee jira.

Yoo karaa daldalaa keenyaaf qophaa'aa taate, carraa gurgurtaa qofa barbaaduu qabda, akkasumas, dhaabbilee gurguddaa fi baankii giddugaleessaa waliin walit ti bu'aa hin jirtu, gabaan fedhii qabu irratti daldaluun qofa.

Barreeffama keessaa ba'uu booda ajaja gurgurtaa kaa'uu dandeessa, akkasumas, ajaja dhaabuu kee bifa madda ibidda olitti kaa'uu qabda. Kaayyoon faayidaa kee sadarkaa deegarsa itti aanuu dha.

Fakkeenya biraa armaan gadii ilaalaa:

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From the above chart, we can see how this price action setup work significantly as a continuation pattern, to be honest, you are not going to take all these signals into considerations.

You have to look for significant patterns that form in specific areas in the market such as support and resistance, Fibonacci retracement levels, moving averages, or pivot points.

Don't worry about that, because we will learn about the important trading tools that we will need to use in combination with inside bar setups to make the best trading decisions

## KITAABA TRADING CANDLESTICK



Kitaaba olitti argamu irraa, akkamitti hojiiwwan gatii kun akka raawwatamu agar siisa, dhugumatti, mallattoo kana hunda ilaaluu hin dandeessu.

Maaloo, bakka murteessaa gurguddaa keessatti mul'atan kanneen akka deeggar sa fi dadhabina, sadarkaa deebi'aa Fibonacci, giddugala jijjiirraa, yookiin bu'uura jijjiirraa barbaaduu qabda.

Kanaaf yaaddoo hin qabin, sababni isaas, meeshaalee daldalaa barbaachisoo ta'a n kanneen barannuuf, akkasumas, daldala gaarii gochuuf, qindoomina barreeffa ma keessaatti fayyadamuu qabna.

### How to trade the inside bar breakout with support and resistance

Technical analysis can be very complicated if you don't focus on the most important basics, such as support and resistance levels.

These areas represent a psychological level where the game is played between buyers and sellers, let me give you an example:

If sellers overcome buyers they will push the price below the support level. Some buyers will feel afraid to lose money, because they see that the support level is broken .so, they will get out, and sell the market again to cover their loss.

Other participants will notice that sellers are in control of the market, they will decide to sell the market and help the bears push the price to go down.

As a trader, if you have enough knowledge about support and resistance levels, when you open your chart, you will notice that the support level is broken, and the bears are in control of the market, this is a good selling opportunity right? But the question is, what is the right time to enter the market?

The inside bar pattern is one of the most reliable price action signal that will give you the right time to enter the market and make big profits.

Once you understand how to use it in combination with these levels, you will get clearly what the market is telling you, and you will make good trading decisions.

See the chart below:

## KITAABA TRADING CANDLESTICK

### **Akkaataa daldala barreeffama keessaatti ba'uu deeggarsa fi dadhabina waliin**

Analizii tekinikaa baay'ee ulfaataa ta'uu danda'a yoo bu'uuraalee ijoo, akka sadar kaa deeggarsaafi mormii irratti xiyyeeffatte hin taane.

Kanneen kun sadarkaa yaadaa agarsiisu, iddoo taphni gurgurtootaafi gurgurtoot a gidduutti taphatamu, fakkeenya tokko siif kenna:

Yoo gurgurtoonni gurgurtoota caalan, gatii sadarkaa deeggarsaa gadi buusu. Gu rgurtoonni tokko tokko maallaqa dhabuuf sodaatu, sababni isaas sadarkaan deeg garsaa caccabaa jira jedhanii arguu. Kanaaf, ba'uu fi gurguruun gatii isaanii dhab uuf deebi'uu.

Hirmaattonni biroo gurgurtoonni gabaa irratti to'annaa qaban akka argan, gabaa gurguruuf murteessu, akkasumas dhala gurgurtoota gatii gadi buusuuf gargaar u.

Daldalaa ta'uun, yoo beekumsa gahaa qabdu, sadarkaa deeggarsa fi dhaabbataa irratti, chart kee banuu keetiin, sadarkaa deeggarsaa caccabaa jiru argitu, fi bifa badiin gabaa irratti hirkataa jiru, kunis carraa gurgurtaa gaarii dha, akkasuma? G aruu gaaffiin jiru, yeroo sirrii gabaa seenuuf maali?

Maaloo barreeffama keessa jiru, fakkeenya barreeffama keessaa tokko kan aman amaa ta'e, yeroo sirrii gabaa seenuuf siif kenna, akkasumas bu'aa guddaa argam siisa.

Yoo akkasumas sadarkaa kana waliin itti fayyadamuu akka danda'u hubatte, gaba an siif maal jechuu akka qabu ifa ta'ee argita, akkasumas murteewwan daldalaa gaarii goota.

Chartee gadi fageenya armaan gadii ilaali:



The illustration below shows how sellers broke the support level, the formation of the inside bar pattern after the breakout of this level signals indecision in the market.

Right now, no one knows if the support level is really broken, if you sell at market immediately after the breakout of this level, you are making an aggressive entry, which is little tricky and dangerous, because the breakout is not confirmed.

But if you are used with trading inside bars and you understand the psychology behind their formations, you will know that the safest entry should be after the breakout of this pattern.

The breakout of this candlestick pattern is a clear confirmation that the market is not still in an indecision period, and sellers are obviously in control of the market. See another example.

## KITAABA TRADING CANDLESTICK



Fakkeenyi armaan gadi agarsiisa akkamitti gurgurtoonni sadarkaa deeggarsaa ca bsan, uumaa barreeffama keessaatti barreeffama booda cabsuu sadarkaa kanaa agarsiisa murteessuu gabaa keessatti.

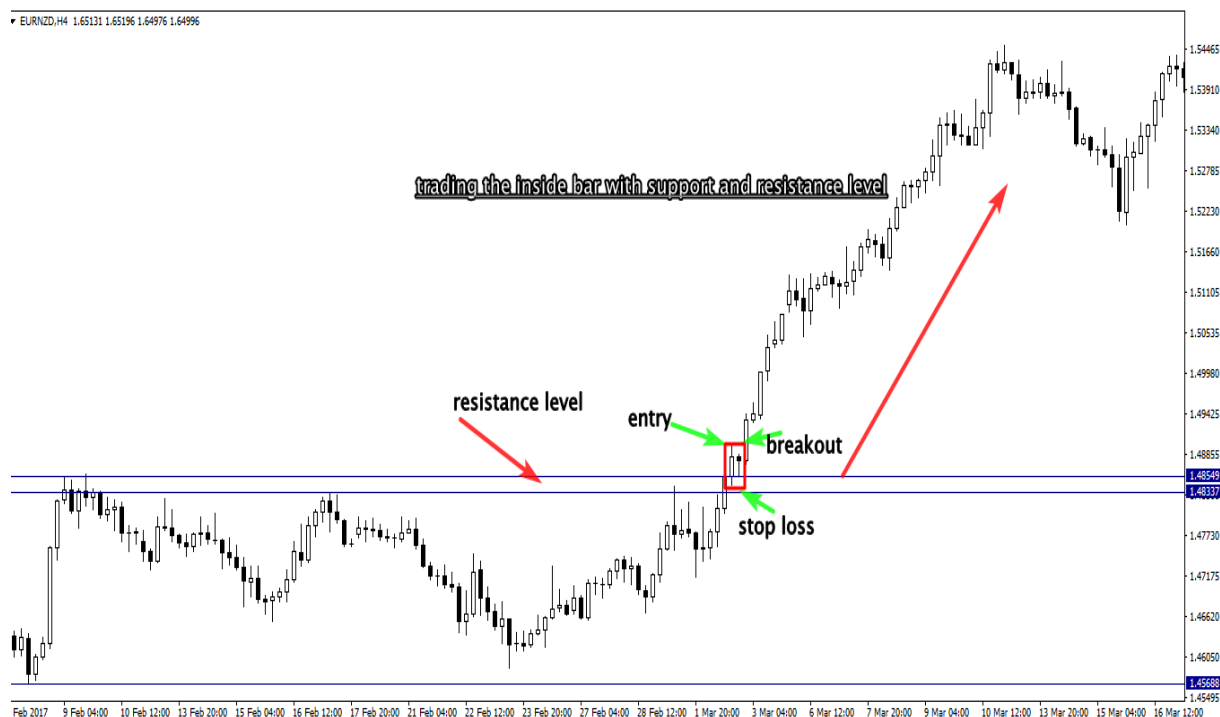
Amma, namni kam iyyuu hin beekne sadarkaan deeggarsaa dhugumaan cabsam ee cabsamuu, yoo ati gabaa irratti gurgurta goote cabsuu sadarkaa kana booda, s eensa cimaa gochuu keeti, kunis xiqqoo rakkisaa fi balaa qaba, sababni isaas cab suun hin mirkanaa'uu.

Garuu yoo ati barreeffama keessaatti gurgurtaa gochuu fi yaada isaanii akkamitti uumuun beekta ta'e, seensa nagaa ta'e cabsuu barreeffama kana booda ta'uu isa a ni beektu.

Cabsuun barreeffama kanaa mirkaneessa ifaa dha kan gabaan yeroo murteessuu hin jirre, gurgurtoonni immoo gabaa irratti to'annaa qaban. Fakkeenya biraa ilaal i.

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EURNZD.H4 1.65131 1.65196 1.64976 1.64996



The chart above shows how the market participants interact with these levels, and how the resistance level acts as barrier.

The market has had difficulty rising above; this horizontal level prevents buyers twice from rising any further. But in the third attempt, buyers broke through the resistance level.

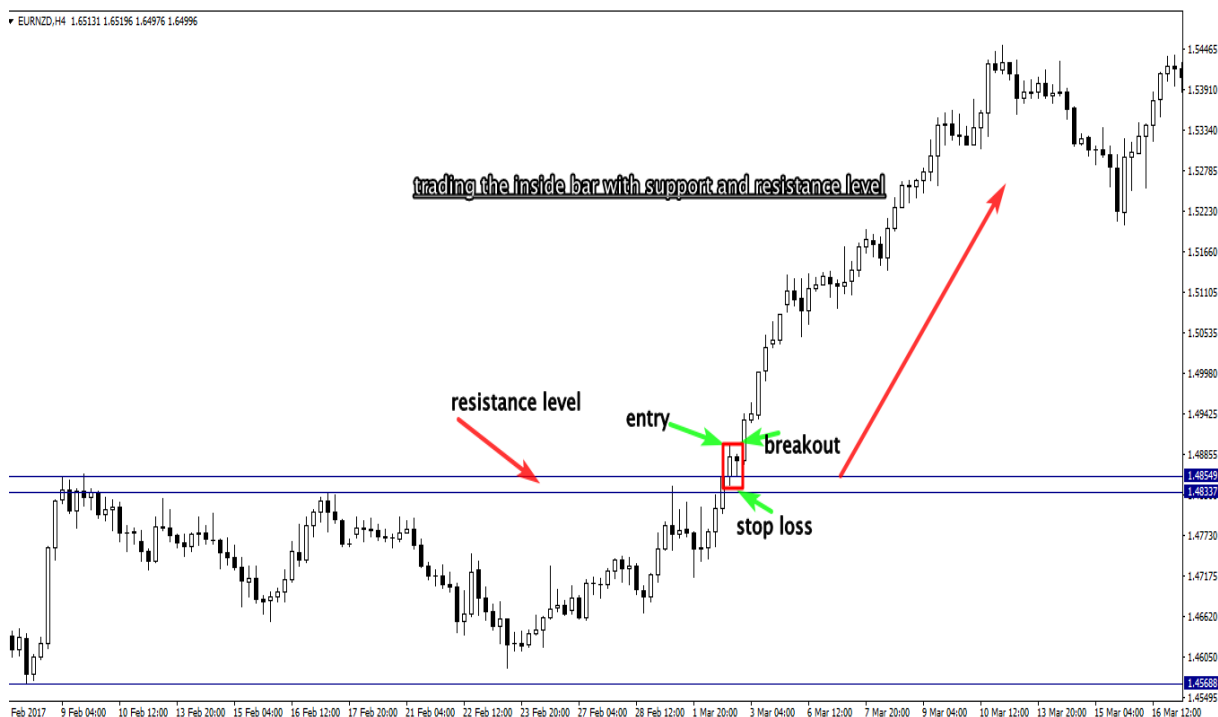
What is interesting is what happened after the breakout, look at the chart again, you will notice that there is a clear inside bar pattern formed over there.

The formation of this price action pattern indicates that the breakout is not yet confirmed, remember, an inside bar formation means indecision and hesitation. So, you have to be careful, and bear in mind that a false breakout scenario is possible.

What will make a difference between you and other traders is your deep understanding of how this pattern works, in this chart above, you will know that the best time to place a buy order should be after the breakout of the inside bar pattern not after the breakout of the horizontal level.

## KITAABA TRADING CANDLESTICK

EURNZD.H4 1.65131 1.65196 1.64976 1.64996



Kaartaan olitti argamu akkamitti hirmaattonni gabaa sadarkaa kana waliin walitti dhufan agarsiisa, akkasumas sadarkaan mormii akka daangaa tajaajila.

Gabaan ol ka'uu irratti rakkina qaba; sadarkaa hiyyeessaa kun bittoota lamaaf ol ka'uu dhoowwa. Garuu yaalii sadaffaa keessatti, bittoonni sadarkaa mormii cabsa nii darbani.

Wanti nama hawwatu, bifa cabsuu booda maal ta'e, kaartaa irra deebi'ee ilaali, b ifa barreeffamaa ifaa tokko achi irratti uumame argitu.

Kallattii gatii hojii kanaa uumuun mul'isa akka ba'aan hin mirkanaa'in, yaadadhu, uumaan baarii keessa jiru murteessuu fi shakkisiisuu agarsiisa. Kanaaf, of eegga nnoo gochuu qabda, akkasumas haalota ba'aa sobaa ta'uu danda'u yaadadhu.

Wanti si fi daldaloota biroo gidduu garaagarummaa uumu, hubannaa keetiin bal 'aa akkamitti kallattii kana hojjatu, kaartaa kana olitti, yeroo gaariin ajaja bituu ka a'uuf ba'aa keessa jiru ba'aan ba'uu isaa booda ta'uu qaba, hin ta'in ba'aa giddu galeessaa.

### Tips on trading the inside bar price action setups

#### 1-Trade the bigger time frames

I'm not against trading lower time frames, you can trade this setup on 5 minutes time frame using other technical indicators to filter your signals and take just high probability setups.

But you have to be an experienced trader, if you are beginner

i recommend you to stick with trading this signal in bigger time frames such the daily and the 4-hour time frame.

Trading this setup on lower time frame will increase your chance to overtrade the market and take low probability price action signals. And this is the quickest way to blow up your trading account.

If you focus just on bigger time frames, this will allow you to set and forget your trade instead of being emotionally controlled by the market.

#### 2- Trade the dominant trend

You should start trading inside bars in line with the direction of the market, especially in a strong bullish or bearish trend, but don't never try to trade it against the trend if you are a newbie.

When you feel like you master trading this pattern with the trend, you can move to trade range bound markets, and counter trends.

#### 3- Trade only from key levels

Remember that not all inside bars are worth your hard-earned money; there are specific locations where this setup works great, so make sure that your signal is located in a key level in the market.

#### 4- Find different factors of confluence

Trading with confluence means combining different signals to make the best trading decision.

## KITAABA TRADING CANDLESTICK

### Tippii daldala baarii keessa gatii hojii qopheessuu

#### 1-Daldala yeroo bal'aa

Ani yeroo gabaabaa daldaluuf mormaa miti, setup kana irratti daldaluun ni danda'ama daqiiqaa 5 tti fayyadamuun mallattoolee keetii filachuuf agarsiistota teknika biro o fayyadamuun fi setupwwan carraa ol'aanaa qofa fudhachuuf.

Garuu daldala muuxannoo qabaachuu qabda, yoo ati jalqabaa taate daldala mallattoo kana yeroo dheeraa keessatti akka guyyaa fi sa'aatii 4 tti daldaluuf si gorsa.

Setup kana yeroo gabaabaa irratti daldaluun carraa kee daldala gurguddaa ta'uu ni dabala fi mallattoolee gatii carraa xiqqaa ta'an fudhachuuf. Kunis akkasumas a kkamitti akka herregaa daldala kee caccabsuuf karaa saffisaa ta'uu dha.

Yoo yeroo guddaa irratti xiyyeeffatte, kun siif dandeessisa akka daldala kee qopheessituu fi irra deebi'uu hin qabne, bakka gurguddaa irratti hirmaachuuf.

#### 2- Daldala kallattii cimaa

Barreessuu daldala keessaatti jalqabu qabda, kallattii gabaa waliin, addatti yeroo daldala cimaa fi gadi bu'aa jiru, garuu yeroo jalqabaa ta'ee daldala kallattii irratti hin yaalu.

Yeroo ati haala kanaan daldaluuf of qopheessite, suuqii daangaa qabdu irratti daldaluuf cehuu dandeessa, akkasumas haala mormituu.

#### 3- Sadarkaa ijoo irraa qofa daldali

Barbaadi, barreeffamni hundi maallaqa keetiif gatii hin qabu; iddoo addaa jiru, haala kanaan hojiin gaariin hojjetu, kanaafuu mallattoo kee suuqii keessatti sadarkaa ijoo irratti argamu mirkaneessi.

#### 4- Fakkeenya adda addaa argachuu

Waliigaltee waliin daldaluun mallattoo adda addaa walitti makuu jechuudha, muurtee daldalaa gaarii ta'eef.

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To trade using this concept you need to look for a point in the market where two or more levels are coming together and wait for an obvious signal to form.

This trading method will give you confidence in your trading approach and it will allow you to avoid over-trading.

## KITAABA TRADING CANDLESTICK

Konkolaataa kanaan daldaluuf, bakka gabaa keessatti sadarkaa lama yookaan ol walitti dhufan barbaaduu qabda, mallattoo ifaa ta'e tokko akka uumamu eeggac huu qabda.

Kanaan daldala kanaan, amantaa daldala keessan ni argattu, akkasumas daldala ol'aanaa irraa of eeggachuu dandeessu.

### How to trade the false breakout of the inside bar candlestick pattern?

Have you ever placed an order with confidence thinking that the market is going to go up, but price hints your stop loss before it starts turning out to your predicted direction?? I have been a victim of stop hunting, and i was very disappointed, but that happens several times in the market.

Banks and financial institutions know how we trade the market, they know how we think, and where we put our stop losses and profit targets, this is the reason why they could easily take money from us.

One of the most famous strategies that big players use to take money from novice traders is called stop loss hunting strategy.

This strategy consists of driving prices to a certain level where there are massive stop loss orders, and the purpose is to create liquidity, because without liquidity, the market will not move.

Once stop losses are hunt, the market goes strongly in the predicted direction.

The interaction between big participants and novice traders create repetitive patterns in the market, one of the most important candlestick pattern that illustrates how big financial institutions manipulate the market is **the inside bar false breakout pattern**.

Your understanding of this repetitive setup and your ability to detect it on your charts will help you better exploit it to make money instead of being a victim of market makers and banks manipulations.

This price action signal is formed when price breaks out from the inside bar pattern and then quickly reverses to close within the range of the mother bar.

See the illustration below:

## KITAABA TRADING CANDLESTICK

### **Akkaataa daldala gatii dhugaa hin taane kan barreeffama keessa a barreeffama candlestick?**

Yeroo tokko tokko, amantaa qabduun ajaja kaa'uu yaaddu, gabaan ol ka'uu akka ta'e yaaddu, garuu gatiin si dursee dhaabbata si dursee agarsiisa? Ani miidhamto ota dhaabbata dhaabbata ta'ee, akkasumas baay'ee gaddisiisaa ture, garuu kun yeroo baay'ee gabaa keessatti ta'a.

Baankii fi dhaabbileen maallaqaa akkamitti gabaa daldaluu keenyaan beekuu, akkamitti yaaduu keenyaan beekuu, akkasumas eeggannoo fi kaayyoo bu'aa keenya ittiin kaa'uu keenyaan beekuu, kunis sababa maallaqa keenya irraa salphatti fudhachuu danda'aniidha.

Taktiikota beekamoo keessaa tokko kan tajaajiltoota gurguddaa fayyadaman maallaqa tajaajiltoota haaraa irraa fudhachuuf jedhamee waamamu 'stop loss hunting strategy' jedhama.

Taktiikni kun gatiwwan gara sadarkaa tokkootti geeddaruu irratti hundaa'a, achi tti ajaja stop loss baay'ee jiru, kaayyoon immoo likwiditii uumuu dha, likwiditii malee, gabaan hin socho'u.

Yeroo stop loss'ota hunt godhame, gabaan karaa tilmaamameen cimaa deema.

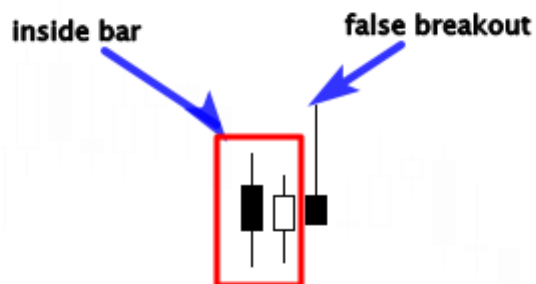
Walitti dhufeenyi hirmaattota gurguddaa fi tajaajiltoota haaraa gidduutti uumamu, fakkeenya deebi'aa gabaa keessatti mul'atu, kanneen keessaa tokko kan agarsiisu 'inside bar false breakout pattern' dha.

Hubannaan kee haala kanaa fi dandeettiin kee isiniin agarsiisuu, siif gargaara akka siif bu'aa argamsiisuu, maallaqa argachuuf, kanneen gabaa fi baankii qabeenya isaani irratti hirmaatan ta'uu irraa.

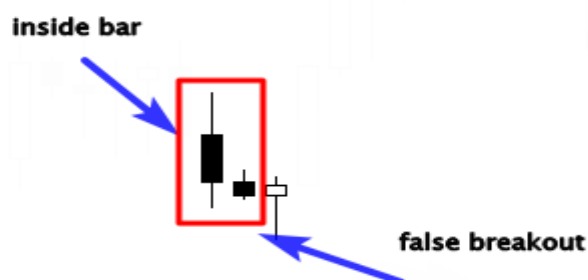
Mallattoo hojii gatii kun yeroo gatiin barreeffama keessaa ba'ee fi achi booda saffisaan deebi'ee gatii haadha barreeffama keessatti xumuramu.

Ilaali fakkeenya armaan gadi:

## Bearish inside bar false breakout



## Bullish inside bar false breakout

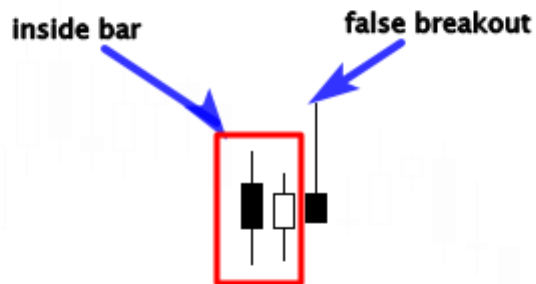


As you can see, there are two types of this price action pattern:

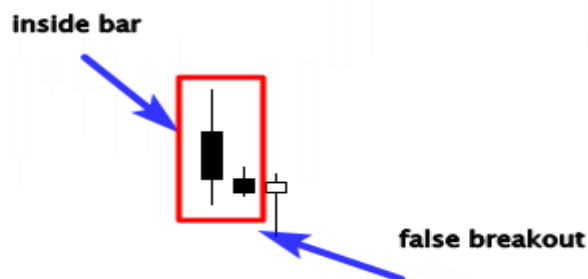
A bullish inside bar false breakout that forms when the market is trending down and it is also considered as a bullish reversal signal when it is formed near a key support or resistance level.

## KITAABA TRADING CANDLESTICK

### Bearish inside bar false breakout



### Bullish inside bar false breakout



Akka argaa jirtu, mallattoo gatii kanaa lama jiru:

Bara gubbaa keessa barreeffama dhugaa hin taane kan uumamu yeroo gabaa ga di bu'aa jiru fi yeroo bu'aa gubbaa ykn daangaa murteessaa irratti uumamu mallattoo jijjiiramaa gubbaa ta'uu isaa ilaalama.

A bearish inside bar false breakout that occurs in a bullish trend and it is seen as a bearish reversal pattern when it is found near an important level in the market.

This setup can be considered as a continuation pattern if it is traded with the trend.

## KITAABA TRADING CANDLESTICK

Bara gadi bu'aa keessa barreeffama dhugaa hin taane kan uumamu yeroo gubba a jiru fi yeroo daangaa murteessaa gabaa keessatti argamu mallattoo jijjiiramaa gadi bu'aa ta'uu isaa ilaalama.

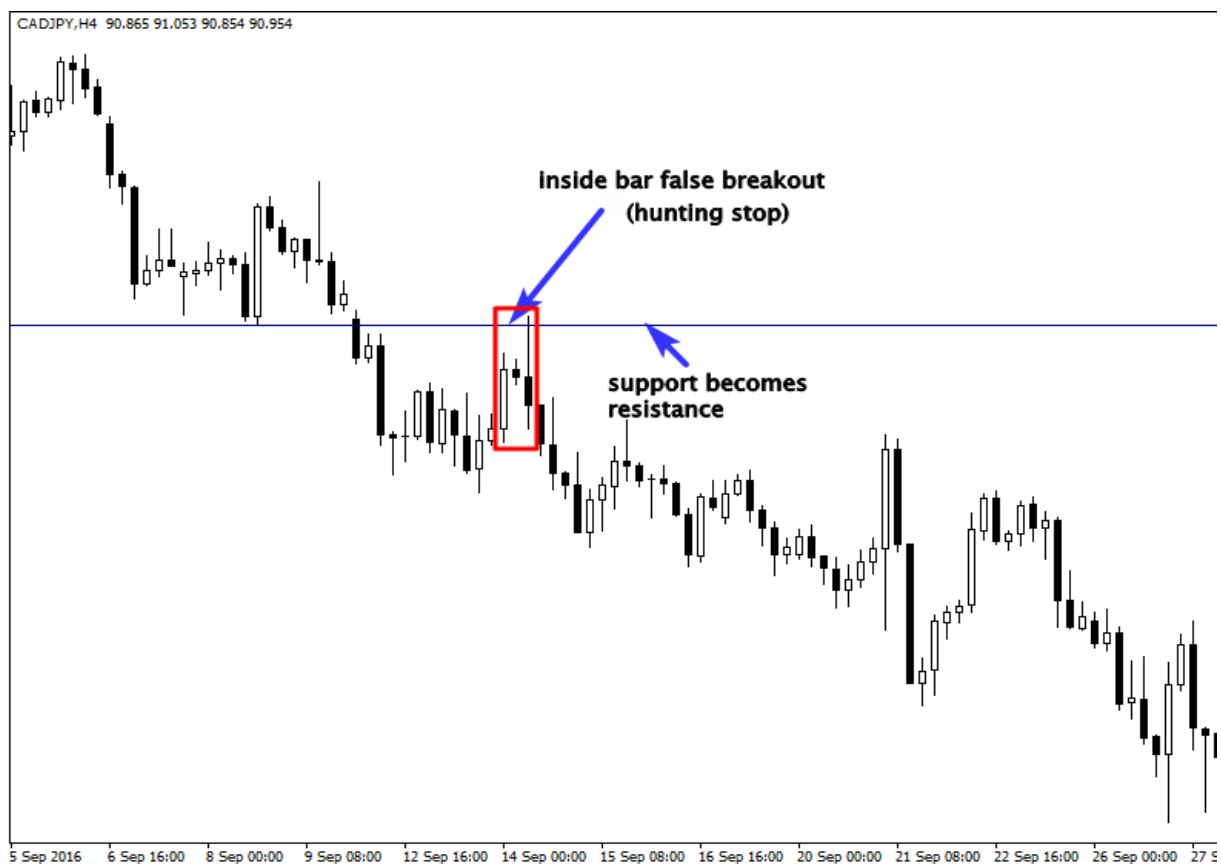
Kuni haala itti fufinsaa ta'uu danda'a yoo fedhii waliin daldalame.

### Inside Bars false breakouts trading examples

In my own experience, the most important levels that traders should look for to trade this signal are the following:

- Support and resistance levels, and supply and demand areas
- Fibonacci retracement levels, particularly, the 50% and 61% retracement levels.
- 21 moving averages and trend lines in trending markets
- Horizontal levels in range-bound markets

Here is an example of how to trade inside bar false breakout in a trending market:



As you see in the chart above, the market was trending down, that indicates that sellers are in control of the market, so if you decide to

## KITAABA TRADING CANDLESTICK

### Fakkeenya daldala Inside Bars dogoggora jalaa ba'uu

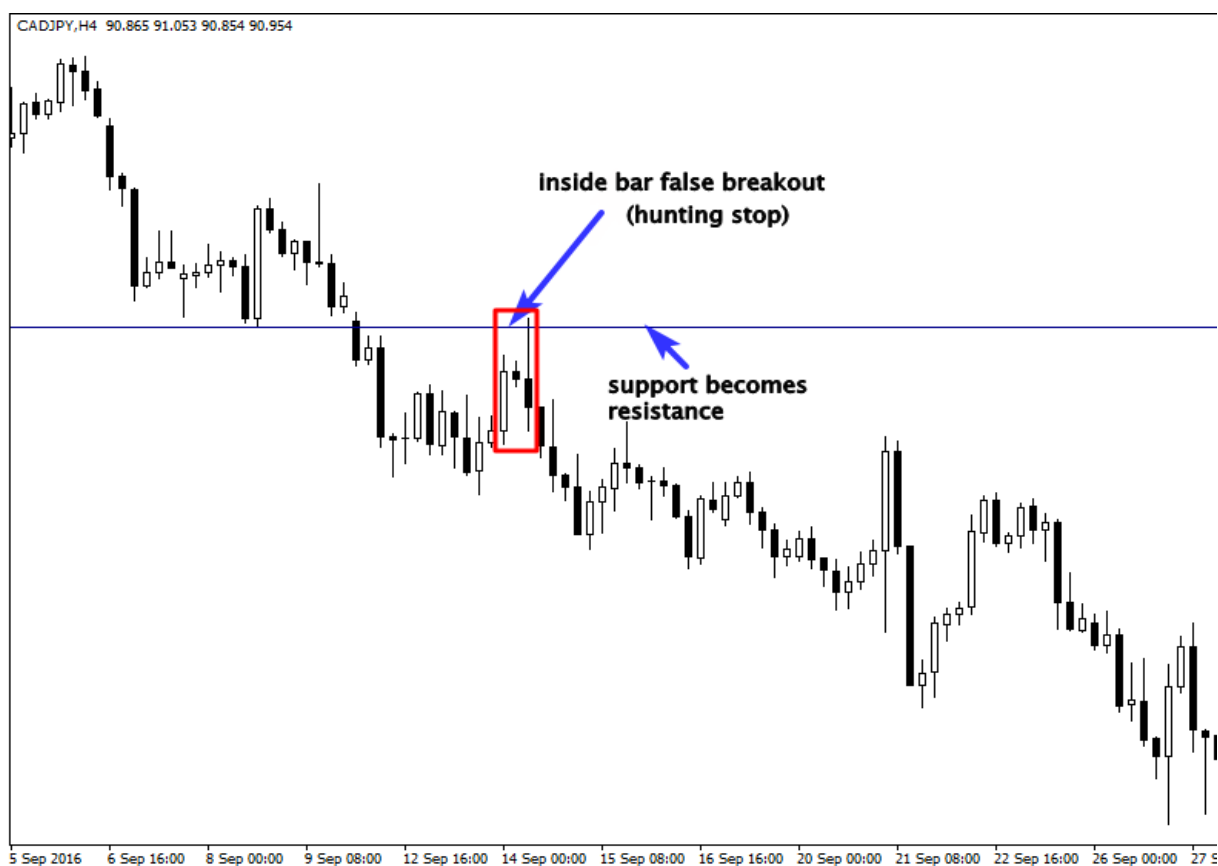
Muuxannoo kootiin, sadarkaa murteessaa ta'an kan daldaltoonni mallattoo kana daldaluuf barbaadan armaan gadii:

-Sadarkaa deeggarsa fi mormii, akkasumas naannolee dhiyeessaa fi fedhii

-Sadarkaa deebi'aa Fibonacci, addatti, sadarkaa deebi'aa 50% fi 61%.

-21 giddugaleessa sochii fi xariirawwan gurguddoo keessatti

-Sadarkaa hiriira keessatti gurguddoo hiriira keessa jiruKun fakkeenya akkamitti daldaluuf barreeffama dhugaa keessaa ba'uu keessatti:



Akka armaan olitti mul'atu, suuraan gurguddaa gad bu'aa jira, kunis gurguddoon gurguddaa suuqii irratti hirmaachaa jiru agarsiisa, kanaafuu yoo murteessite

## THE CANDLESTICK TRADING BIBLE

sell the market near the resistance level, all probabilities will be in your favor.

But the question is when to enter the market? And where to put my stop loss?

If you enter the market aggressively before the breakout of the mother candle, and you put your stop loss above it, the market will take your stop loss and go in the predicted direction.

See the illustration below:



As illustrated above, big players hunt novice traders stops before pushing the market to go down, if your stop loss was near the resistance level, you would be out as well, if you don't understand the reason why, it is simply because you were a victim of big players hunting stop strategy.

## KITAABA TRADING CANDLESTICK

gabaa cinaa sadarkaa mormaa gurguru, carraan hundi siif ta'a.

Garuu gaaffiin jiru yoom gabaa seenuu? Eessaa immoo dhaabbata kootii kaa'uu?

Yoo gabaa ciminaan seente dura ibidda haadha isaa cabsuu, fi dhaabbata kootii i saa ol kaa'atte, gabaan dhaabbata kootii si fudhata gara kallattii tilmaamameetti deema.

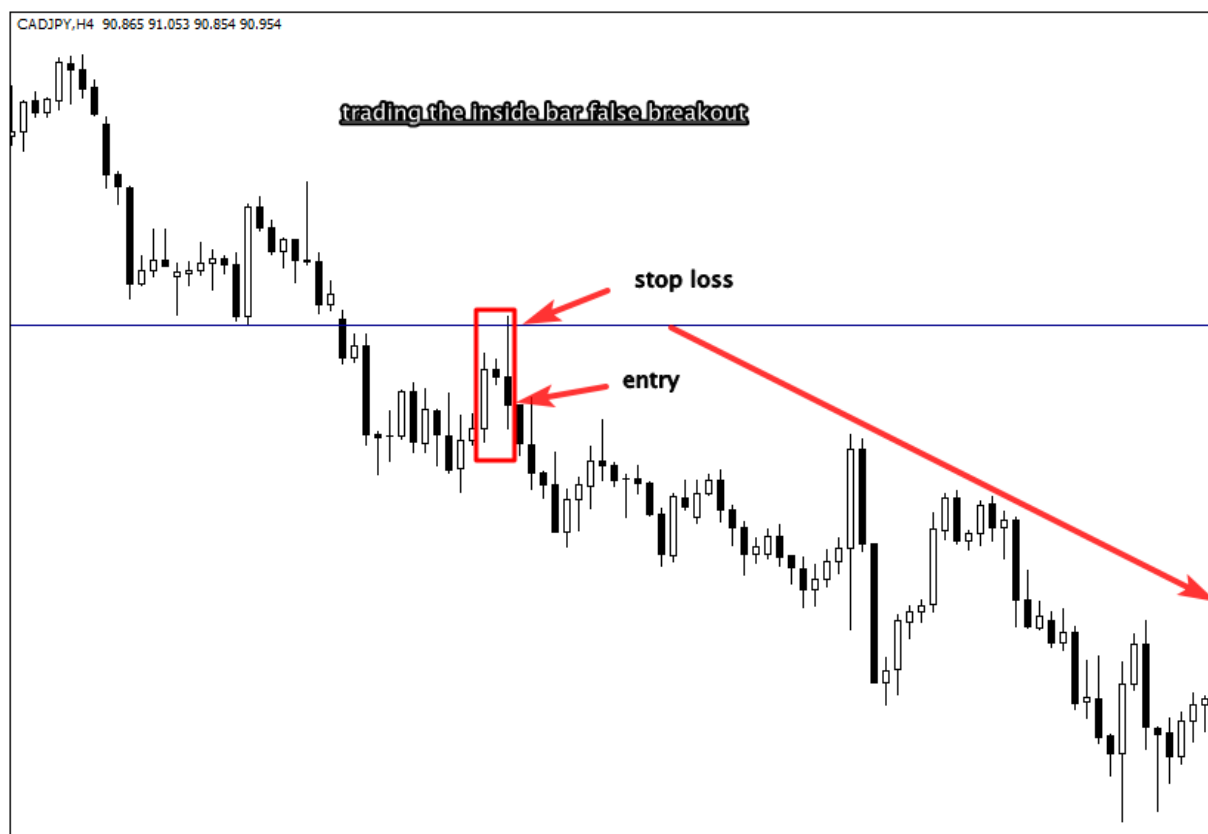
Fakkii armaan gadii ilaali:



Akka armaan olitti agarsiifameetti, taphattoonni gurguddaan daldaltoota haaraa dhaabbilee isaanii dura dhaabbatan, yoo dhaabbanni kee balaa gurguddaa daan gaa irratti ta'e, si'achi baay'ee ba'aa ta'uu dandeessa, yoo sababa maaliif akka ta' e hin hubanne ta'e, sababa isaa taphattoonni gurguddaan mala dhaabbilee balaa jala bu'aa ta'uu keeti.

## THE CANDLESTICK TRADING BIBLE

If you are familiar with trading the inside bar false breakout, you will understand what happened in the market, and you will simply take advantage of this manipulation instead of being trapped by the market. See the example below:

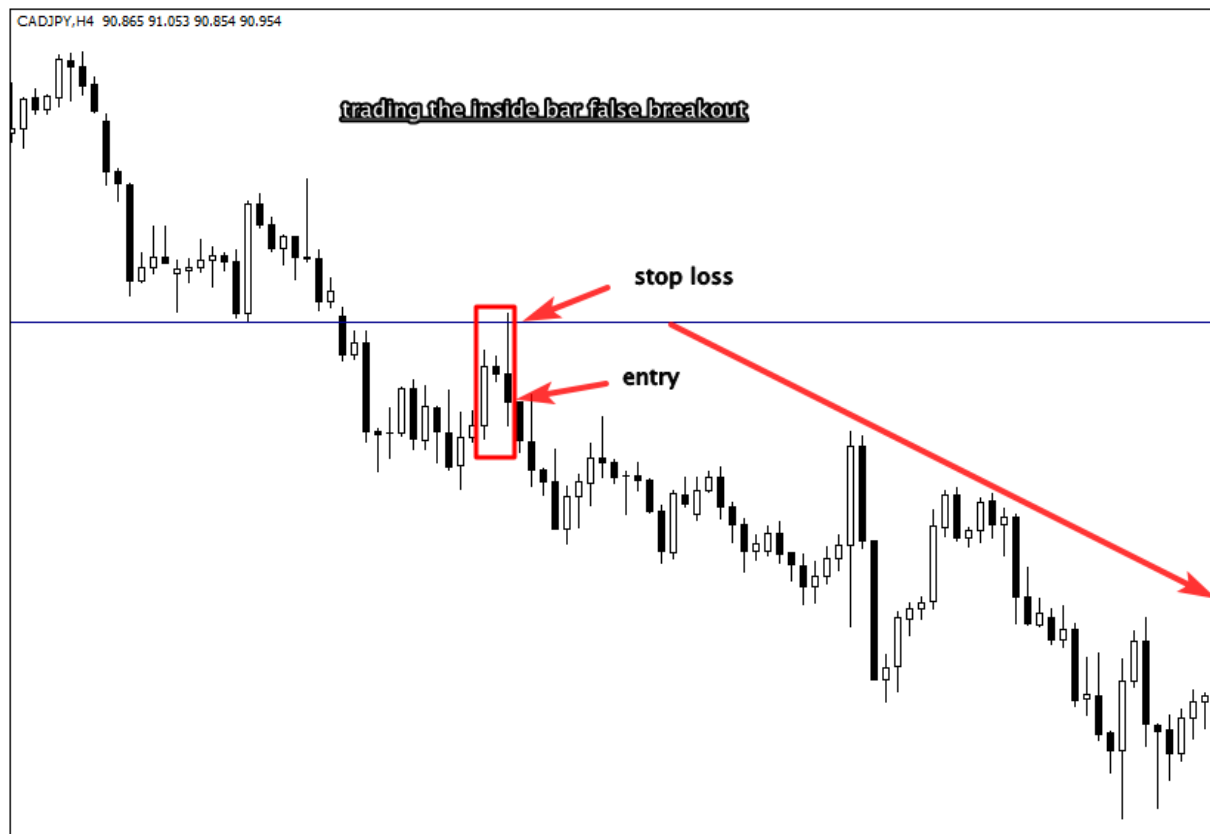


As it is illustrated above, the inside bar false breakout gave us a good selling opportunity.

If you are able to identify this setup, and you understand the psychology behind it, there should be no reason not to get into the position.

## KITAABA TRADING CANDLESTICK

Yoo daldala barreeffama keessa jiru dhugaa baasuuf beekamtu taate, maal akka ta'e daldala keessatti hubattu, akkasumas mala kana irraa faayidaa argachuuf carraa argatta, daldala irraa hidhamiinsaa ta'uu dhiisuu. Fakkeenya armaan ga dii ilaali:



Akka armaan olitti agarsiifameetti, barreeffama keessa jiru dhugaa baasuuf carraa gurgurtaa gaarii nuuf kenne.

Yoo kunoo sirna kana beekuu dandeessu, akkasumas yaada isaa hubachuu dandeessu ta'e, iddoo sana seenuuf sababa hin jiru.

### Trading inside bar false breakouts with Fibonacci retracements

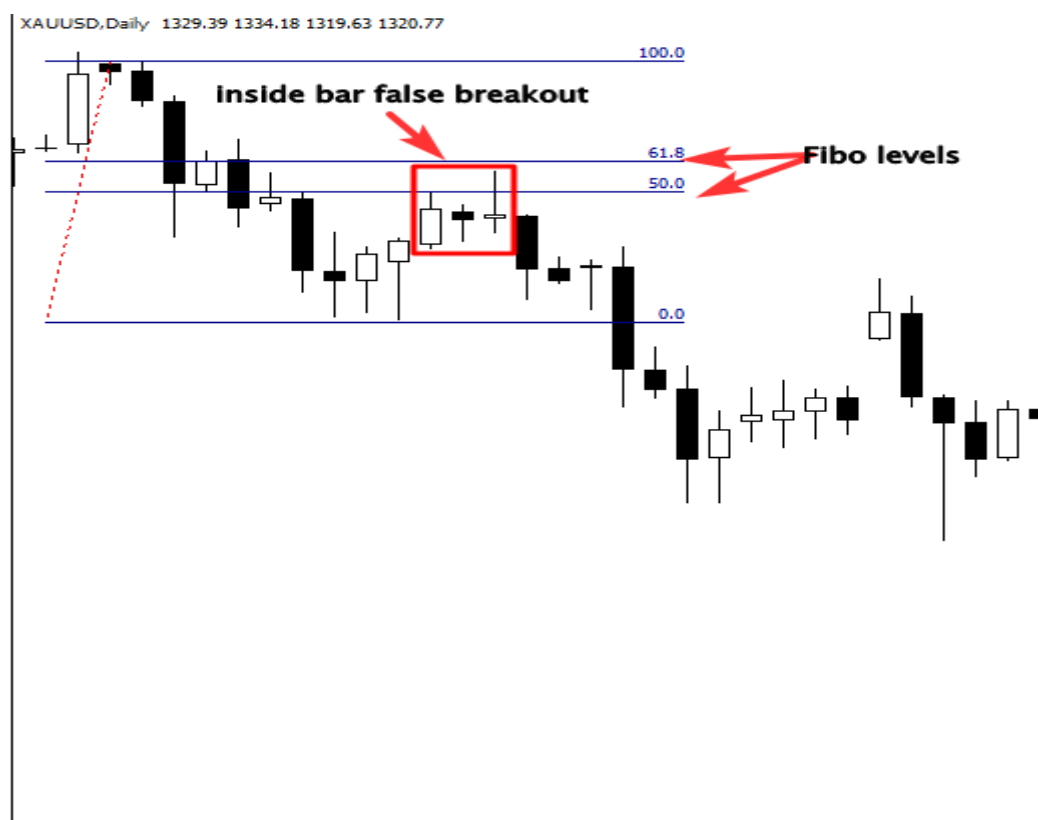
I don't really know if you are familiar with this technical trading tool, however, I will try to show you how to use it in a simple and efficient way in combination with the inside bar false breakout.

What you have to know is that in an uptrend or a downtrend, the market creates impulsive moves and pullbacks.

The Fibonacci retracement helps us highlight the most important pullbacks levels in the market.

The best Fibonacci retracement levels that I personally use are the 50% and 61.8% levels, according to my experience these levels are the most important areas that experienced trader watch in their charts.

Our strategy is simple, we select the technical tool on our chart, and if the market moves strongly, we wait for retracements, if the pullback reaches 50% or 61.8% levels, we need just a price action signal to confirm our entry. See the example below:



## KITAABA TRADING CANDLESTICK

### Daldala keessatti baariin dhugaa hin taaneen caccabsuu fi Fibonacci deebi'aa

Ani meeshaa daldalaa tekniika kana waliin beekuu dandeessu ta'uu hin beeku, ga ruu akkamitti itti fayyadamuu akka dandeessu siif agarsiisuuf yaala.

Waan beekuu qabdu, yeroo ol ka'aa ykn gadi bu'aa, gabaan sochii jajjaboo fi dee bi'aa uumuu dha.

Fibonacci deebi'aa gargaarsa keenyaaf bakka bu'aa gurguddaa gurguddaa gaba a keessatti ibsuuf nu gargaara.

Bakka bu'aa Fibonacci deebi'aa kan ani dhufu 50% fi 61% bakka bu'aa, muuxann oo kootiin bakka bu'aa kanaan gurguddaa ta'uu isaanii agarsiisa, daldaltoonni m uuxannoo qaban chart isaanii irratti ilaalu.

Taktiikni keenya salphaa dha, meeshaa tekniikaa chart keenya irratti filanna, yoo gabaan ciminaan socho'u, deebi'aa eegganna, yoo deebi'aan 50% ykn 61% bakka bu'aa ga'u, mallattoo hojii gatii qofa barbaachisa, seensa keenya mirkaneessuuf. Fakkeenya armaan gadii ilaali:



By adding this technical trading tool to your strategy, you will be able to identify potential trade set-ups in the market, if you analyzed the chart above without using it, you wouldn't know the reason why the market dropped after the pullback.

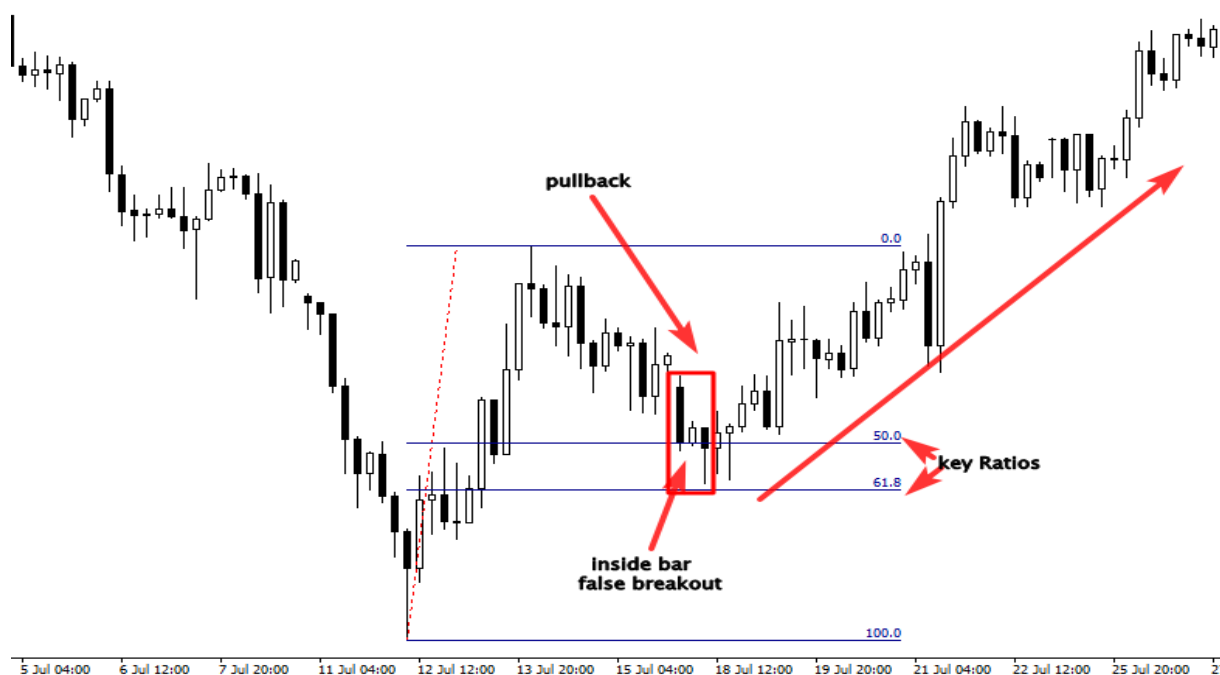
Fibonacci tool can be used to trade the pin bar, the inside bar and the engulfing bar setup as it was discussed in pervious sections.

The trade above is very profitable because there are lots of factors of confluence that encourage us to place a sell order.

The first reason is the trend, it is obviously down, the second reason is the key Fibonacci ratios that represent a resistance level, and the third one is the inside bar false breakout.

One signal is not quite enough to make a good trading decision, you have to look for multiple triggers that support your analysis, this way, you will put the odds of success in your favor.

Look at another potential trade below:



## KITAABA TRADING CANDLESTICK

Kitaaba tajaajila teeknika kana karoora keetiitti dabaluu dhaan, carraa daldalaa su uqii keessatti argachuu dandeessa, yoo kaartaa olitti ibsame sana fayyadamuu ba atte, sababa suuqiin pullback booda gadi bu'uu isaa beekuu hin dandeessu.

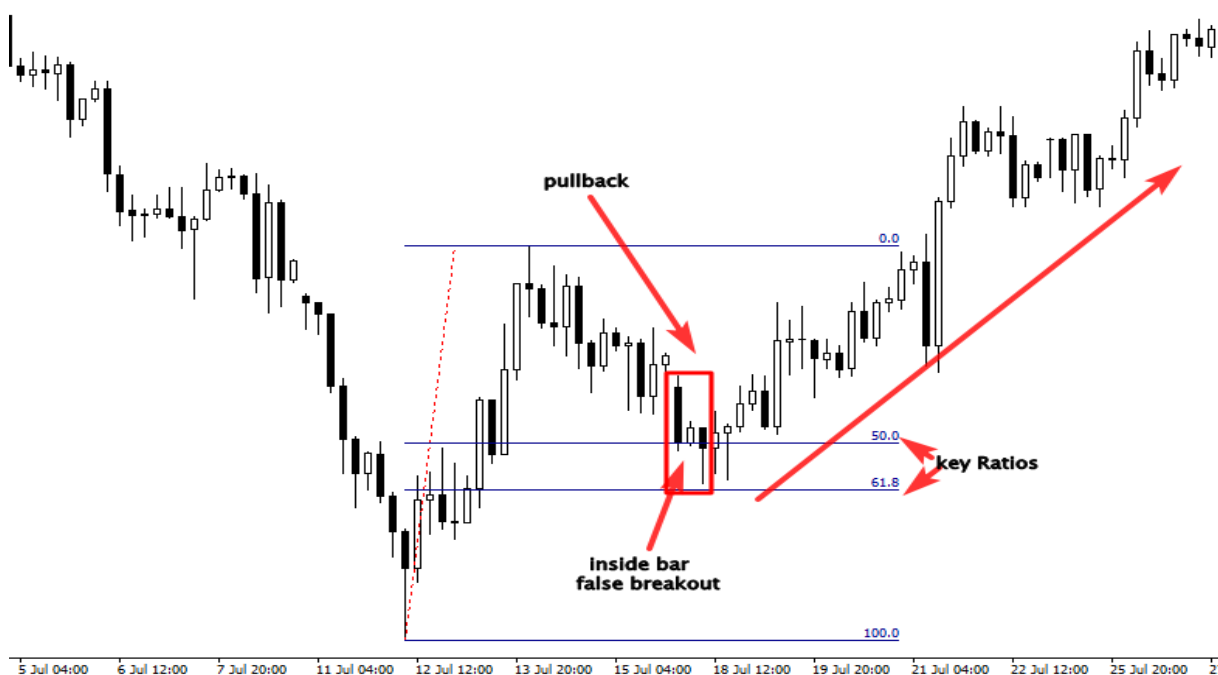
Kitaabni Fibonacci daldala pin bar, inside bar fi engulfing bar qopheessuu keessa tti fayyadamuu danda'ama akka kutaa duraan ibsameetti.

Daldalli olitti ibsame faayidaa guddaa qaba sababni isaas sababa hedduu walitti dhufeenya qabu daldala gurgurtaa gochuu nu kakaasu.

Sababni jalqabaa daandii, ifatti gadi, sababni lammaffaa immoo ratio Fibonacci murteessaa kan agarsiisu, fi sababni sadaffaa immoo inside bar dhugaa ba'uu dha ra.

Sigaal tokko murtee daldalaa gaarii gochuuf ga'aa miti, sababni isaas, qorannoo kee deeggaruuf mallattoo hedduu barbaaduu qabda, akkasumas, carraa milkaa'i na keetiif fooyya'aa taasisuuf.

Daldala carraa biraa ilaali:



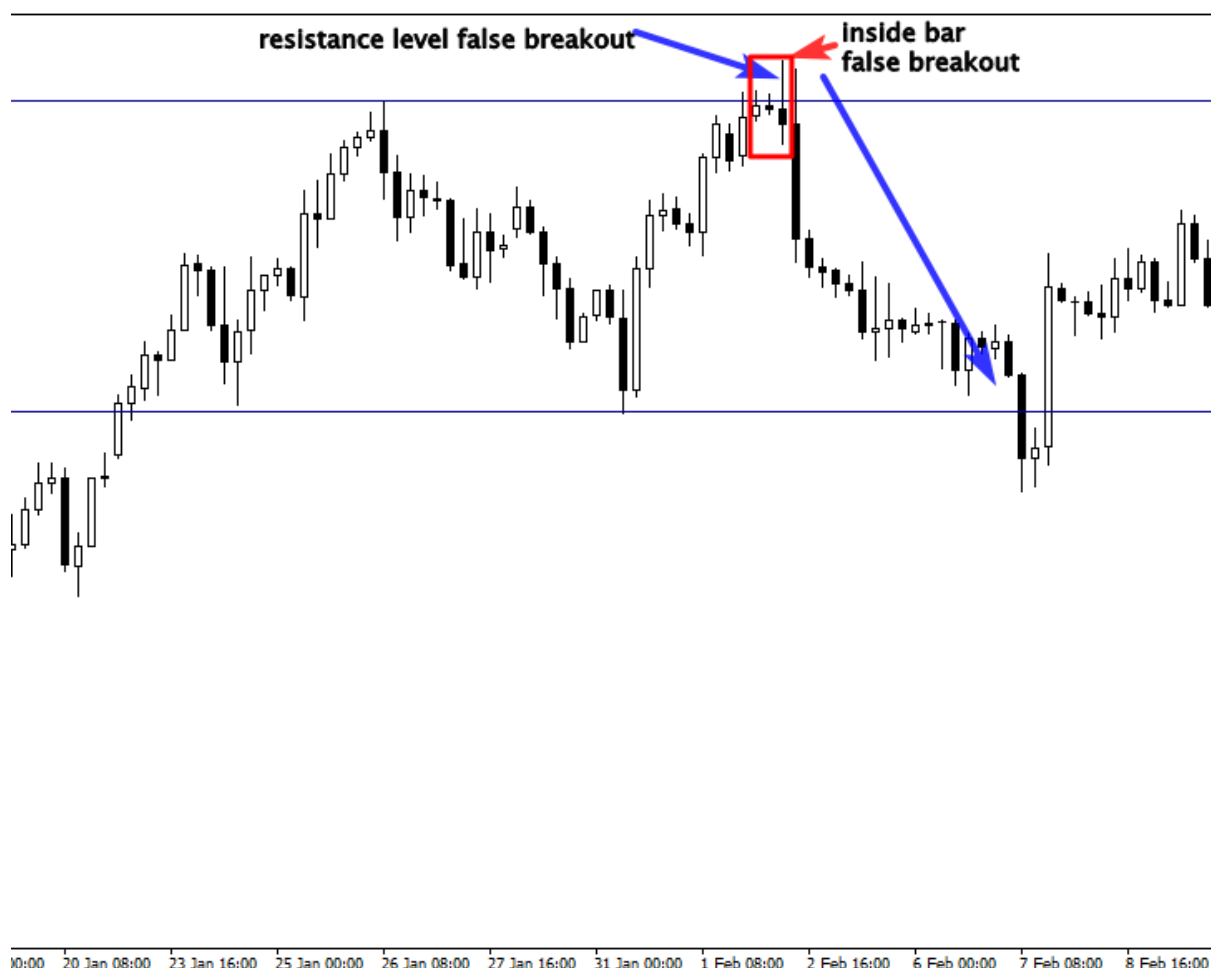
## THE CANDLESTICK TRADING BIBLE

As you can see, the price moved higher, pulled back to reach our key ratios, and then continue higher. The formation of the inside bar false breakout in this area indicates that the pullback has finished and another strong move will take place.

Understanding the market structure is very important to know how to use this strategy in your advantage, if the market is trending, you can trade the inside bar false breakout as we discussed before.

But if the market is ranging, you have to change your tactic.

See the illustration below:



In the chart above, the market is trading between horizontal support and resistance levels, as you see if you had entered as soon as the

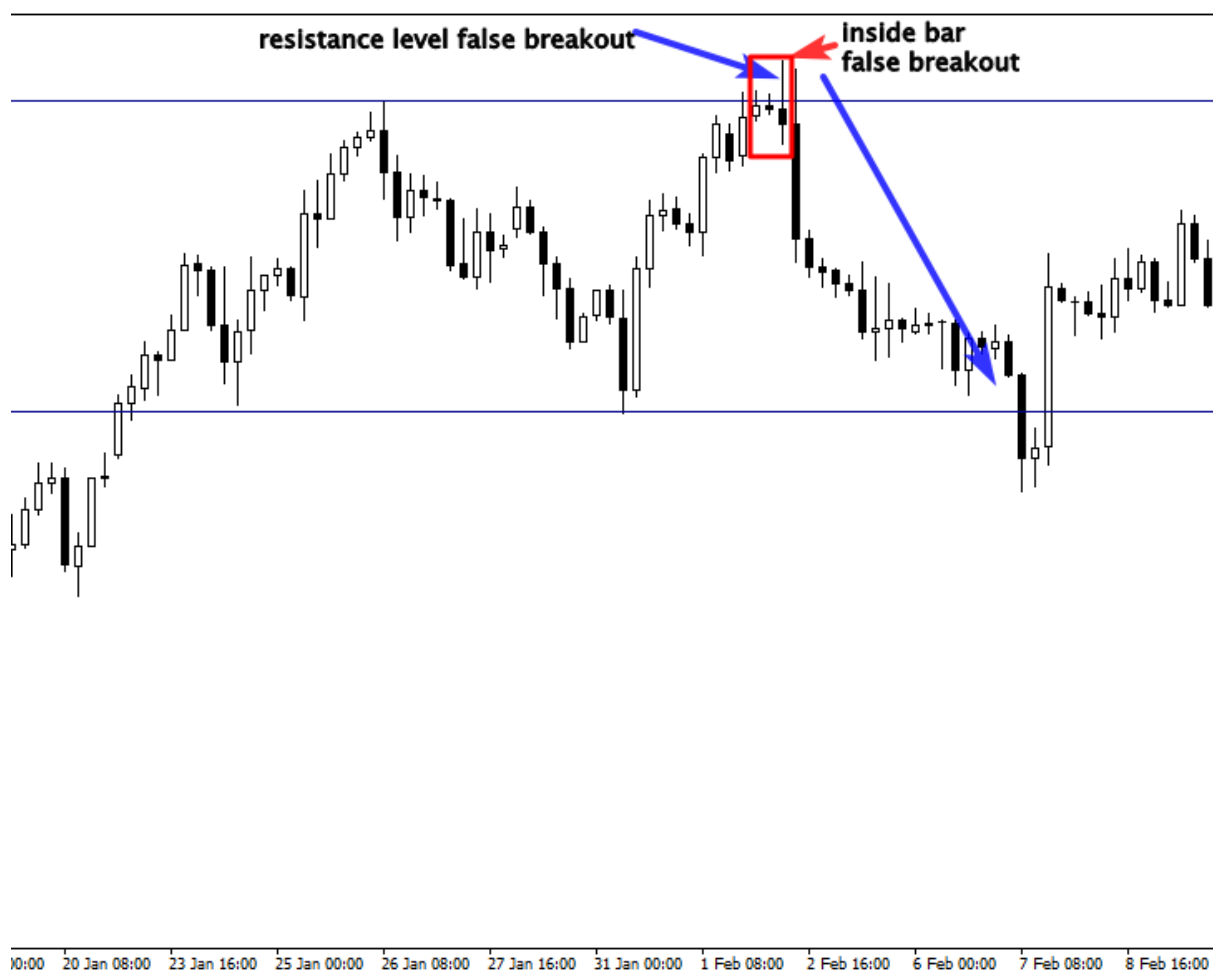
## KITAABA TRADING CANDLESTICK

Akkuma argaa jirtu, gatiin ol ka'ee, bu'aa keenyaaf ratioota ijoo keenya ga'ee, bo oda immoo ol ka'uu itti fufe. Uumamni barreeffama keessa jiru dhugaa ba'uu sob aa naannoo kana keessatti, bu'aan kun xumuramee jira jechuun agarsiisa, akkasu mas, tarkaanfii jabaab biraa ni ta'a.

Suuta suuta gurgurtaa gurgurtaa hubachuun, tajaajila kana akkamitti faayidaa keetiif fayyada muu akka dandeessu beekuu irratti baay'ee barbaachisaa dha, yoo gurgurtaan deema ta'e, b arreeffama keessaatti dhugaa baasu akka duraan dubbannee gurgurtaa gochuu dandeessu.

Garuu yoo gurgurtaan daangaa keessa ta'e, tarsiimoo kee jijjiiruu qabda.

Fakkii gadiitti argi:



Kaartaa olitti, gurgurtaan daangaa hidhata fi mormii gidduutti gurgurtaa jira, akk asumaa yoo ati yeroo jalqabaatti seentee argite.

market breaks out from the inside bar and the resistance level, you will be caught in a false breakout.

The false breakout has formed because amateurs tried to predict the breakout of the inside bar and the horizontal level early to pick the top, but the market fake them out and formed a bull trap.

If you find this pattern in your chart, and you understand that buyers were trapped by sellers, take this trade without hesitation, because it is very profitable and it has a good risk/reward.

You place a selling order after the close of the break bar, and you set your stop loss above it, your profit target is the next support level.

This strategy is not complicated, but it requires time and practice to master it, bear in mind that a false breakout doesn't happen every time, and not all false breakouts are worth trading.

### **The benefits of trading the false breakout of the inside bar candlestick pattern:**

If you master trading this pattern, this will allow to stay away from trapped traders and enter the market when novice traders have to get out with a loss.

This strategy is not a holy grail, you have to be prepared to accept some losing trades, but what is interesting about it, is that the risk reward of this signal has a great potential, because when big participants surprises amateurs and take their money, the market moves very strongly, and if you can analyze correctly what happened, you will enter in the right time and make big profits. Imagine risking say 50 points for 400 points profits.

Using this price action strategy will help you predict proper turning points in the market in advance and understand how banks and financial institutions trade the market.

## KITAABA TRADING CANDLESTICK

gabaa keessaa ba'aa fi sadarkaa mormii irraa ba'ee, dhugaa ba'aa sobaa keessatt i hidhamee ni argama.

ba'aa sobaa uumeera sababni isaas namoonni dadhaboo ba'aa keessaa ba'aa fi s adarkaa hidhame dursee tilmaamuuf yaalan, garuu gabaan isaan sobee fi tuqaa gaarii uume.

Yoo fakkii kana chart kee keessatti argatte, fi gurgurtoonni gurgurtoota irraa hid hame akka hubattu, dadhaboo kana fudhadhu, sababni isaas bu'aa guddaa qaba fi balaa/ga'ee gaarii qaba.

Ajaja gurgurtaa ba'aa cufamuu booda kaa'aa, fi balaa kee ol ka'aa, bu'aa keetis s adarkaa deeggarsa itti aanuu ta'a.

Taktiikni kun hin ulfaattu, garuu yeroo fi leenjii barbaada, yaadadhuu badii dhug aa hin ta'in yeroo hundumaa hin dhufu, akkasumas badii dhugaa hundi daldaluuf hin gahu.

### **Faayidaaleen daldala badii dhugaa kan barreeffama keessaa:**

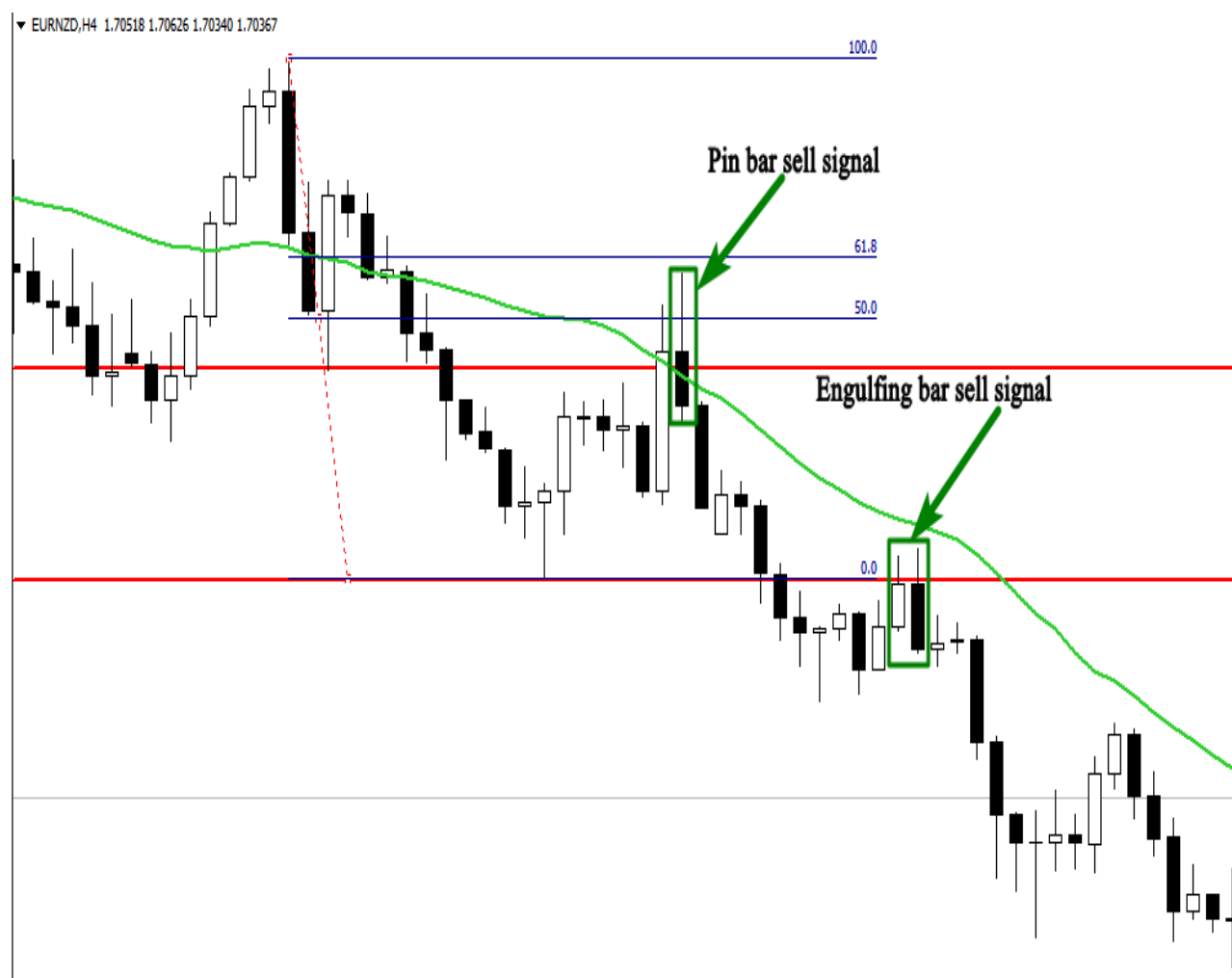
Yoo taktiikicha daldaluun siif milkaa'e, kun daldaltoota tuqaa keessa jirus irraa fa gaachuuf si dandeessisa, akkasumas daldala keessa seenuuf yeroo daldaltoota ha araa ba'uu qabanitti.

Taktiikni kun gargaarsa qulqulluu miti, daldala badii tokko tokko fudhachuuf qop haa'uu qabda, garuu wanti nama hawwatu, badii kanaan walqabatee bu'aa fi bal aa guddaa qaba, sababni isaas hirmaattota gurguddaan daldaltoota xixiqqaa yaa dachiisuu fi maallaqa isaanii fudhachuu, suuqni ciminaan ni socho'a, yoo sirriitti maal ta'e akka ta'e xiinxaluu dandeesse, yeroo sirrii seenuu fi bu'aa guddaa argac huu dandeessa. Yaadi 50 pirootii balaa ta'uu fi 400 pirootii bu'aa argachuu.

Kuni tarsiimoo gatii fayyadamuun, bakka jijjiirraa sirrii suuqii keessatti dursee til maamuuf si gargaara akkasumas baankii fi dhaabbilee maallaqaa suuqii akkamitt i akka daldalu hubachuuf si gargaara.

## Trades Examples

In this section, i will show you different trades examples to help you understand how to trade the market using all the strategies discussed in the previous sections. See the first example below:



As you can see in the chart above, the market is trending down, so as a price action trader, i will try to follow the trend and look for powerful signals at the most powerful key levels.

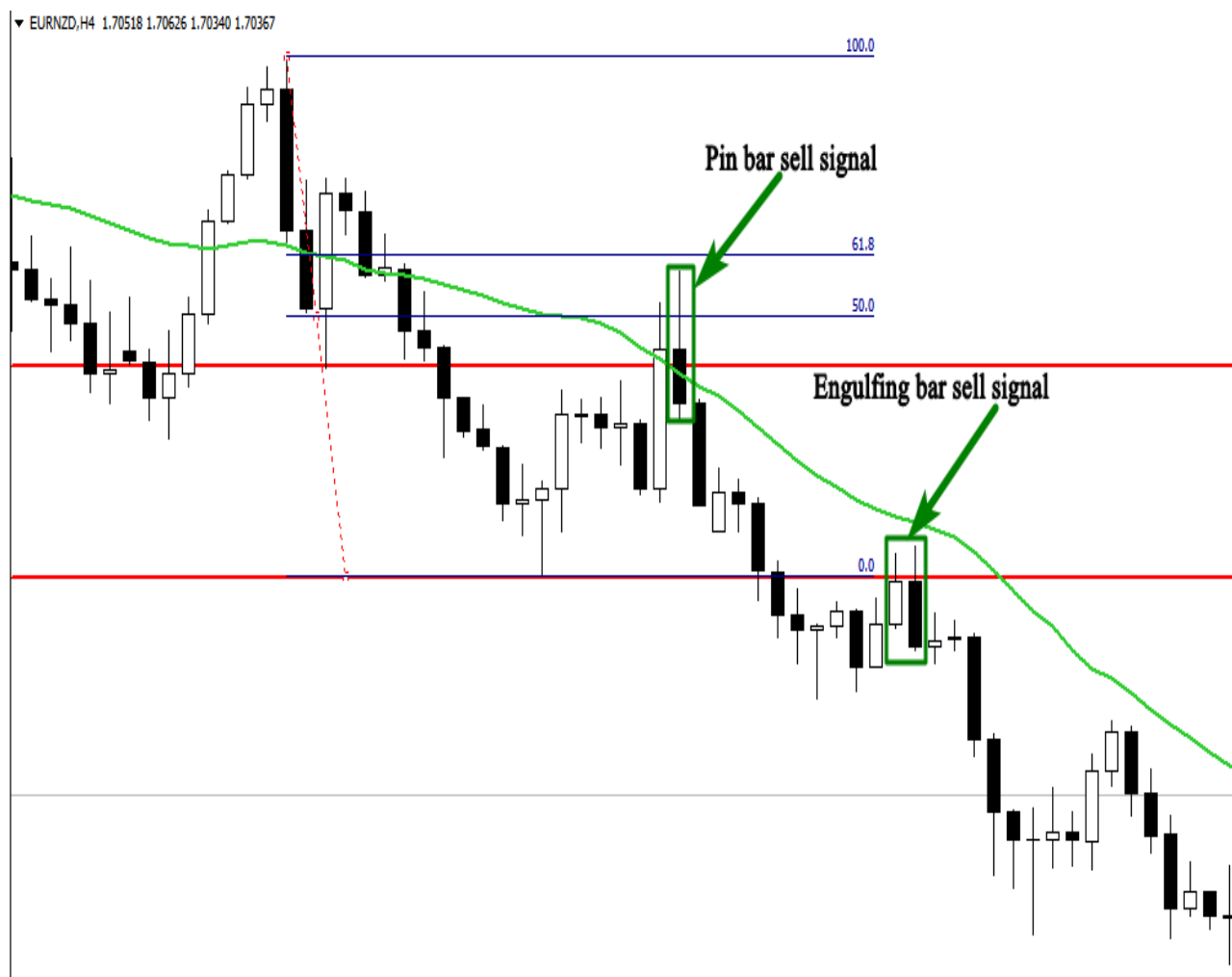
The first signal we got is a pin bar that was rejected from a support level that becomes resistance.

The second factor that support our decision to sell the market is the rejection of the pin from the 50% Fibonacci retracement.

## KITAABA TRADING CANDLESTICK

### Fakkeenya Daldalaa

Kutaa kana keessatti, fakkeenya daldalaa garaagaraa siif agarsiisuufan jira, suuqi i daldaluuf tarsiimoo hunda kan mari'ame kutaa duraanii keessatti fayyadamuuf s i gargaara. Fakkeenya jalqabaa armaan gadi ilaali:



Akka chart irratti argitanitti, suuqiin gadi bu'aa jira, kanaaf daldalaa gatii ta'ee, a nату deeggarsa hordofuu fi mallattoo jabaa bakka bu'uura jabaa irratti barbaadu .

Mallattoo jalqabaa argannee pin bar dha, kan bakka deeggarsa irraa mormamee ta'e.

Fakkeenya lammaffaa murtee keenya gurgurtaa suuqii deeggaru, pin 50% Fibon acci deebi'ee dhufuu dhiisuu dha.

The third factor that encourages us to take this signal is the rejection of the pin bar from the 21 moving average that was acting as a dynamic resistance level.

The second signal was an engulfing bar candlestick pattern, as you can see in the chart, this candlestick pattern was formed at a resistance level in line with the direction of the market.

This is how you can trade trending markets using our price action signals. It's simple just identify the trend, and the key levels, it can be a support or resistance level, a 21 moving averages, or 50% and 61% Fibonacci retracement.

Wait for a pin bar, an engulfing bar, an inside bar, or an inside bar false breakout to form near these levels in line with the direction of the market, and then execute your trade. It's not complicated.

See another example below:



## KITAABA TRADING CANDLESTICK

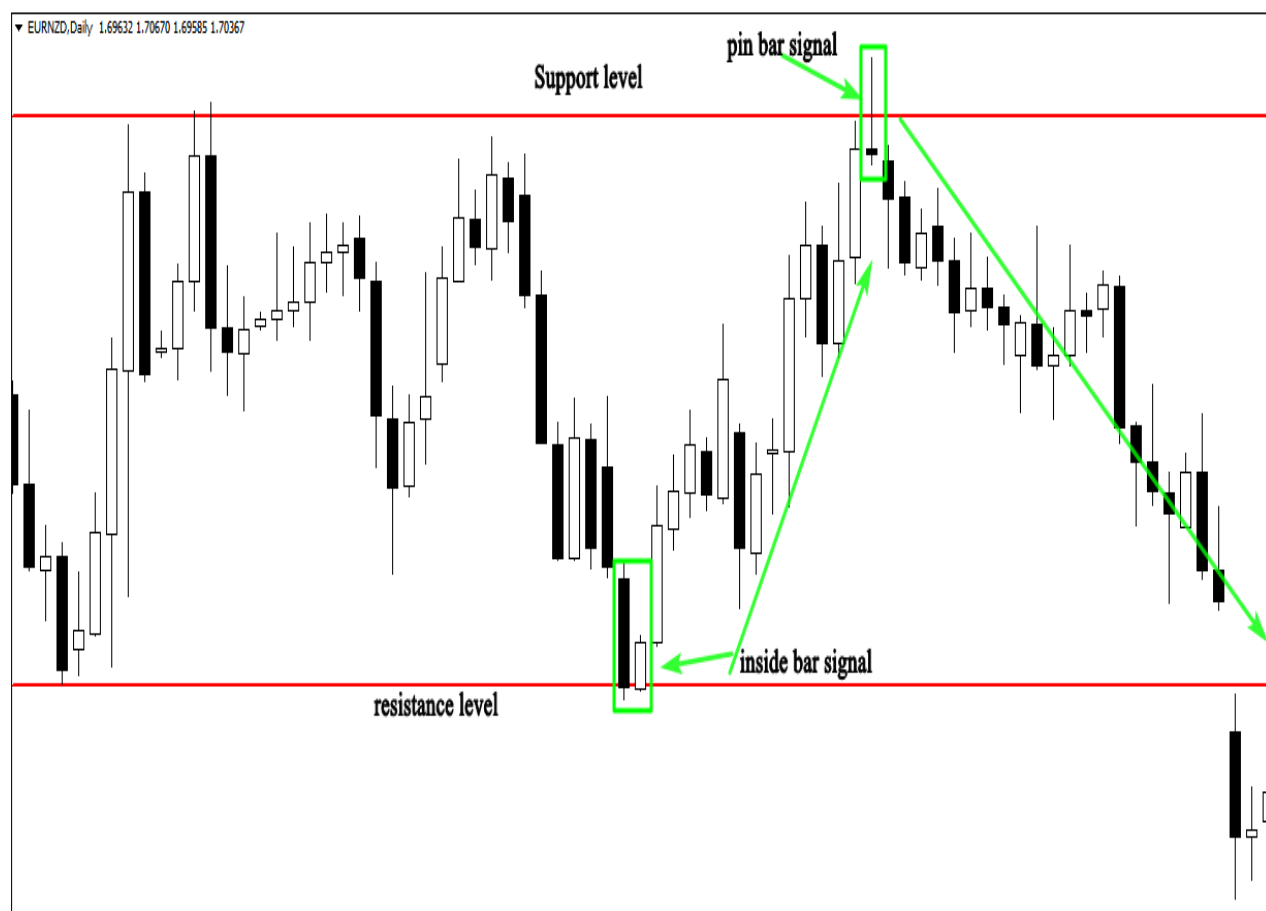
Fakkeenya sadaffaa nu kakaasu, pin bar 21 giddugaleessa jijjiiramaa ta'e dhiisuu dha.

Sigaal lammaffaa bar candlestick guutuu, akkasumas chart irratti argamu, bar candlestick kun sadarkaa mormii irratti uumaa dha, suuqii daandii waliin.

Kun akkamitti suuqiiwwan socho'aa jiran gurgurtaaf mallattoo gatii keenyaa fayya damuudhaan gurgurtaaf gochuu dandeessu. Salphaa dha, sochii adda baafadhu, fi sadarkaa ijoo, kunis sadarkaa deeggarsa yookaan dhaabbataa ta'uu danda'a, 21 gatii socho'aa, yookaan 50% fi 61% Fibonacci deebi'aa.

Barreessaa pin, barreessaa guutuu, barreessaa keessa, yookaan barreessaa keessa dhugaa baasuuf sadarkaa kanaan walqabatee suuqiiwwan irratti mul'atu eegga dhu, booda gurgurtaa kee raawwadhu. Hojii cimaa miti.

Fakkeenya biraa armaan gadi ilaali:



## THE CANDLESTICK TRADING BIBLE

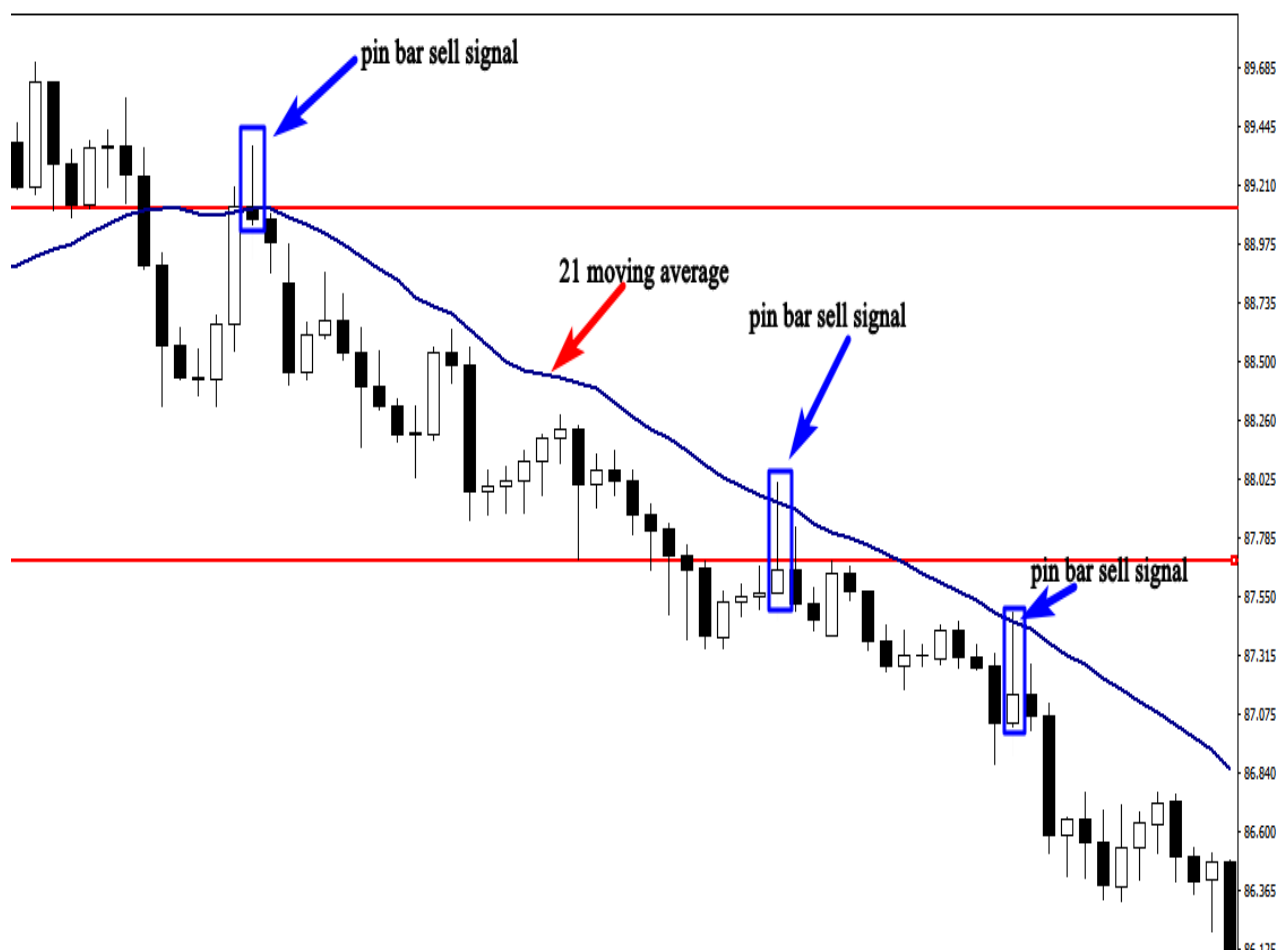
As you can see in the chart above the market is trading horizontally between the support and the resistance level.

This market is completely different from trending markets, and the strategy to trade it must be different as well.

In ranging markets, we trade from the boundaries, i mean from support and resistance levels, don't never try to trade inside the range.

In the chart above, we had two powerful signals, the first signal was a pin bar that was strongly rejected from the resistance level, and the second signal was an inside bar formed near the support level.

See another chart below:



## KITAABA TRADING CANDLESTICK

Akka chart irratti argitanitti, gabaan deeggarsa fi cimina gidduutti hiriira horizont al ta'aa jira.

Gabaan kun gabaa socho'aa irraa adda, fi tarsiimoon isaas adda ta'uu qaba.

Gabaa hiriira keessa, daangaa irraa hojjanna, deeggarsa fi cimina irraa, hiriira ke essa hojjachuu yaaluun hin barbaachisu.

Chart irratti, mallattoo jabaa lama qabna, mallattoo jalqabaa pin bar dha, kan ci mina irraa jabaatee diigame, mallattoo lammaffaa immoo daangaa deeggarsa irr atti uumaa ta'e.

Fuula biraa armaan gadi ilaali:



## THE CANDLESTICK TRADING BIBLE

As you can see in the chart above, there are three powerful pin bar signals. When the market approaches the 21 moving average that acts as a resistance level, sellers reject buyers, and form a pin bar that gives us a good entry point.

## KITAABA TRADING CANDLESTICK

Chartee ol jiru keessatti akka argitanitti, mallattoo pin bar cimaa sadii jiru. Yeroo gabaan 21 olka'aa kan ta'e daangaa irratti dhufee, gurgurtoonni bitt oota mormu, pin bar uumu kan nuuf bu'uura gaarii kennu.

### Money management strategies

Now you have the strategies, you know how to analyze the market, you know when to buy, when to sell, and when to exit, you know also when to stay away from the market.

This is important for you as a trader to know, but you are still missing the key to the castle. The money management plan.

The most important thing that traders don't talk about is the money management. This is what makes a difference between successful traders and losers.

If you trade without a money management plan, you are just wasting your time and money. Because nothing is going to work for you, even if you have the most powerful trading system in the world.

Most traders focus on how to enter the market, they spend months and years looking for the right system. I don't want you to think like them, you should think differently if you want to become a successful trader.

### Money management: Position sizing

One of the most important component of money management is position sizing, what I mean by position sizing is the number of lots you are risking per trade.

All forex brokers now offer mini lots as the default position size. The smallest value for a mini lot is approximately 1\$.

There are forex brokers that offer 10 cents for a mini lot which represent an opportunity for traders who don't have bigger accounts, they can begin with 250\$, and they still have chance to grow it.

When it comes to position sizing, you should think in terms of dollars instead of pips. Let's say you are trading 3 mini lots of CAD/USA, this means you bought or sold 30.000 worth of us dollars.

## KITAABA TRADING CANDLESTICK

### Tarsiimoo maallaqaa too'achuu

Amma tarsiimowwan qabda, suuqii akkamitti qorachuu akka dandeessu beektu, yoom bituu, yoom gurguruu, yoom immoo ba'uu akka dandeessu beektu, akkasu mas suuqii irraa fagaachuu yoom akka qabdu beektu.

Kun siif barbaachisaa dha akka daldalaa, garuu furtuu mana gurguddaa dhabuun kee jira. Karoora maallaqaa.

Wanti ijoo daldaltoonni hin dubbatan maallaqa too'achuu dha. Kun daldaltoota m ilkaa'oo fi dhabuun jidduu garaagarummaa uuma.

Yoo karoora maallaqaa malee daldaltu, yeroo fi maallaqa kee qofa dhabeessa. Sa babni isaas, wanti siif hojjatu hin jiru, yommuu sirna daldalaa humna qabeessa ta 'e qabdu illee.

Daldaltoonni hedduun akkamitti gabaa seenuu akka qaban irratti xiyyeeffatu, ji'ota fi waggoota hedduu sirna sirrii barbaadu. Ani siif akka isaan hin yaadne barb aada, daldala milkaa'aa ta'uu yoo barbaadde garaagarummaa yaaduu qabda.

### Qabeenya too'achuu: Qabiyyee iddoo

Qabeenya too'achuu keessatti gosa iddoo qabiyyee ta'uu isaati, gosa iddoo qabiy yee jechuun lakkoofsa lotii daldala tokko keessatti akka siif dhorkamu.

Brokera forex hundi amma lotii xiqqaa akka iddoo qabiyyee duraa dhiyeessu. Gat ii xiqqaa lotii xiqqaa ta'uu isaa qiyaasni 1\$ dha.

Brokera forex kan 10 cents mini lot tokkoof kennu jiru, kunis maallaqa guddaa hi n qabneef carraa ta'uu danda'a, isaan 250\$ irraa jalqabu danda'u, akkasumas gu ddachuu danda'u.

Yeroo baay'ee, bakka bu'aa xiqqaa irratti yaaduu qabda, pips irratti osoo hin taan e doolaara irratti. Fakkeenyaaf, CAD/USA irratti mini lot 3 tajaajilaa jirtu, kunis doo laara Ameerikaa 30.000 bituu ykn gurguruu jechuu dha.

If the market moves in your favor, you will win an amount of money equal to 3\$ per pip. If you make 20 pips, you would have profited 60\$.

Let's break it down, 1 standard lot is worth about 10\$ per pip. And 1 mini lot is worth about 1\$ per pip, and 1 micro lot is equal to 10 cents.

If you open a mini trading account, you should think in terms of the dollars risked instead of pips.

Let's say you put 50 pips stop loss and 100 pips as a profit target. This means that if the market hits your stop loss you will lose 50 pips which is 50\$, and if the market hits the profit target, you will win 100\$.

The size of your position depends on whether you have a standard or a mini account, and how many lots you are trading. This information is important to you because this will help you know how much money you risk on each trade.

### The risk to reward ratio

The risk to reward ratio concept is what will make you a winner in the long run. Before you enter any trade, you have to know how much money you will win if the market goes in your favor, and how much money you will lose if the market goes against you.

Don't never enter a trade in which the profit is less than the amount of money you risked.

If you will risk 100\$ for example, your profit target should be at least 200\$, this is a risk to reward ratio of 1:2.

Let's suppose that you took 10 trades with 1:2 risks to reward ratio. In every trade you risk 100\$.

You won 5 trades, and you lost 5 trades. So you will lose 500\$. But you will win 1000\$. So the benefits is 500\$.

This is the power of the risk to reward ratio, you shouldn't think that you have to win all your trades to become a successful trader. If you

## KITAABA TRADING CANDLESTICK

Market siif ta'ee yoo sochoote, pips tokkoof 3\$ qabeenya argatta. Pips 20 yoo go ote, 60\$ argachuu dandeessa.

Haa qoodnu, 1standard lot gatii 10\$ ta'a pip tokkoof. Akkasumas 1mini lot gatii 1\$ ta'a pip tokkoof, fi 1 micro lot immoo 10 cents dha.

Yoo account mini trading banaatte, maallaqa dhorkaa ta'e irratti yaaduu qabda, p ip irratti osoo hin taane.

Fakkeenyaaf, 50 pips dhaabbiin dhorkaa fi 100 pips bu'aa barbaachisaa ta'ee jette e yaadi. Kunis, yoo suuqni dhaabbata dhorkaa kee gahu, 50 pips ni dhabu, kunis 5 0\$ dha, yoo suuqni bu'aa barbaachisaa gahu, 100\$ ni mo'atta.

Balaan iddoo kee gatii akkamii akka qabdu, akka ati akkaataa caasaa ykn akkasu mas akkamitti lotii daldaluu qabdu irratti hundaa'a. Odeeffannoon kun siif barba achisaa dha, sababni isaas daldala hunda irratti maallaqa meeqa akka balaa jirtu siif beeksisa.

### Balaa fi faayidaa gidduu walqixxummaa

Waliigaltee balaa fi faayidaa gidduu walqixxummaa kan siif mo'ataa taasisu, yero o dheeraaf. Daldala kamiyyuu seenuu dura, maallaqa meeqa akka argattu beeku qabda, yoo gabaan siif tole, akkasumas maallaqa meeqa akka dhabdu beeku qab da, yoo gabaan siif hin tole.

Daldala keessatti seenuu hin qabdu, faayidaan maallaqa balaa jirtu caalaa ta'uu b aannaan.

Yoo 100\$ akka fakkeenyaatti balaa qabdu ta'e, kaayyoon faayidaa kee xiqqaa 200 \$ ta'uu qaba, kunis ratio balaa fi faayidaa 1:2 dha.

Fakkeenyaaf, 10 daldala 1:2 balaa fi faayidaa ratio qabdu fudhachuu keetiin yaada . Daldala hunda keessatti 100\$ balaa qabda.

Daldala 5 mo'atte, 5 daldala ammoo dhabe. Kanaaf, 500\$ ni dhaba. Garuu 1000\$ ni mo'atta. Faayidaan 500\$ dha.

Kunis humna ratio balaa fi faayidaa dha, daldala hunda mo'achuu qabda jechuun yaaduu hin qabdu siif daldala milkaa'aa ta'uuf. Yoo ati

can take the advantage of the risk to reward ratio, you will always be profitable.

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fayida qabeenya balaa fi faayidaa walbira qabachuun, yeroo hunda bu'aa argachuu dandeessa.

### **The importance of a Stop loss**

All good methodologies use stops. A protective stop loss is an order to exit a long or short position when prices move against you to specified price.

The stop loss insures against a usually large loss and has to be used in one way or another.

An initial stop loss can be placed with your order on the trading platform; the trade will be closed, automatically when if the stop loss is hit.

This type of stop loss will allow you to execute your trade and go spend time with your family or friends, this will help you to trade out of your emotion, because you know how much money you will lose if the market didn't go in your direction.

Lot of traders use mental stops, when they enter a trade, they don't place a stop loss, because they think that the broker will hit their stop loss which is not true.

The reason behind using mental stop is the human psychology, humans hate to lose money. And if you don't accept losing money as a part of the game, you will never make money in the market.

Don't never think of using mental stops, because you can't control the market, you can't be sure that the market will do this or that.

Before you enter a trade, calculate how much you may win, and how much you may lose. Place your stop loss order. And your profit target. And forget about your trade.

### **Don't ever risk money that you can't afford to lose**

I got lot of questions from traders asking me about how much money they need to start trading. First of all, you have to take trading as a business. You can make money in this business and you can lose it as well.

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### Murtoo balaa qabachuun barbaachisaa dha

Malawwan gaariin hundi dhaabbii fayyadamu. Kasaaraan dhaabbii eegumsaa aja ja yeroo gatiin gara gatii murtaa'etti si irratti ce'u bakka dheeraa ykn gabaabaa k eessaa ba'uudha.

Kasaaraan dhaabbii yeroo baayyee kasaaraa guddaa irraa inshuraansii kan kennu yoo ta'u, karaa tokkoon ykn karaa biraatiin fayyadamuu qaba.

Kasaaraa dhaabbii jalqabaa ajaja keessaniin waltajjii daldalaa irratti kaa'amuu da nda'a; Daldalli ni cufama, ofumaan yoo kasaarri dhaabbii yoo rukutame.

Gosti dhaabbii kun daldala kee raawwachuu fi maatii ykn hiriyoota kee wajjin yer oo akka dabarsitu si dandeessisa, kun miira kee keessaa akka daldaltu si gargaar a, sababiin isaas gabaan kallattii kee irratti yoo hin deemne maallaqa hangamii akka dhabdu beekta . .

Daldaltoonni baay'een yaada dhaabuu fayyadamu, yeroo daldala seenu, dhaabuu miidhaa hin kaa'an, sababni isaas abbaa daldalaa dhaabuu isaanii miidhuu akka d anda'u yaadu, kun immoo dhugaa miti.

Sababni yaada dhaabuu fayyadamuuf jiru, psikoolojii namaa, namoonni maallaq a dhabuuf jaal'atu. Yoo maallaqa dhabuun tapha keessaa akka ta'e hin fudhatin, suuta suuta maallaqa argachuu hin dandeessu.

Yaada dhaabuu fayyadamuuf hin yaadin, sababni isaas suuqii to'achuu hin dande essu, suuqiin akkamitti akka ta'u mirkaneeffachuu hin dandeessu.

Daldala seenuu dura, maallaqa akkamii argachuu dandeessu fi maallaqa akkamii dhabuun dandeessu tilmaami. Dhaabuu miidhaa fi kaayyoo faayidaa kee kaa'i.

Karaa daldalaa keetiin dagachuu hin qabdu.

### Maallaqa dhabuuf dandeettii hin qabne hin yaalu.

Daldaltoota irraa maallaqa akkamii daldala jalqabuuf barbaachisu akka na gaafat an gaaffilee hedduu argadhe. Inni jalqabaa, daldala akka hojii tokkootti ilaalu qab da. Hojii kana keessatti maallaqa argachuu dandeessa, akkasumas maallaqa dhabuus dandeessa.

The amount of money that you need to start trading depends on the amount of money that you can afford to lose. Don't ever borrow money or risk big amounts of money that you can't afford to lose.

Because trading is all about emotions, if you trade and you are afraid to lose your trading account, you will fail in this business. Because you will be controlled by your emotion, and this will affect your trading decisions.

You will not be able to follow your trading strategy, and you will certainly fail.

The best thing to do is to start small, try to get as much experience as you can, and build slowly your trading account. This is how successful traders become successful.

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Maallaqni daldala jalqabuuf si barbaachisu maallaqa dhabuu dandeessu irratti hundaa'aa. Dont yoomiyyuu maallaqa liqeeffadhaa ykn maallaqa guddaa kan isin hin dhabne.

Sababni isaas daldalli hunduu waa'ee miiraa waan ta'eef, yoo daldaltee fi herrega daldalaa kee dhabuu sodaatte, daldala kana keessatti ni kufta. Sababni isaas miira keetiin waan to'atamtu, kunis murtoo daldalaa kee irratti dhiibbaa qabaata.

Tooftaa daldalaa kee hordofuu hin dandeessu, akkasumas akka kuftu hin shakkisiisu.

Wanti hundarra gaariin xiqqaa jalqabuu, hamma dandeessutti muuxannoo argachuuf yaaluun, akkasumas herrega daldalaa kee suuta jedhee ijaaruudha. Daldalt onni milkaa'oo akkasitti milkaa'uu danda'u.

### Conclusion

Congratulations, if you have made it to this point, this is a sign that you are hungry enough to succeed in this business. I have provided you with the most powerful price action strategies that you can use for the rest of your life to make money trading financial markets.

Your success as a trader has nothing to do with your educational background; you can be a doctor, a lawyer, or a physician scientist.

If you don't follow the rules, you will end up blowing up your entire trading account.

Trading is like learning a new skill, you must be ready to put in time and effort, let me give you an example, if you want to get a degree from a university, and you have to spend at least 3 years.

You wake up every morning, you study hard, you follow up with your classes, and if you are enough serious and disciplined, you get your degree.

The same thing when it comes to trading, if you are enough disciplined and you put in time and effort to learn, you will acquire a skill to feed yourself and your family for the rest of your life, you will get your financial freedom. So, you will never think of a day job.

Some traders spend more than 10 years to find a winning strategy and become profitable, others spend 20 years without results.

Fortunately, this will not be the case with you. Because you have the map, you have the strategy; you will not spend years trying different indicators and strategies.

You have everything you need here, what you will need is time to master these strategies, So give yourself some time and spend as much as can you to learn, because this is the only way to succeed in this business.

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### Xumura

Baga gammaddan, yoo hanga kana gahe, kun mallattoo siif ta'uu isaa agarsiisa, s i'achi milkaa'ina kana keessatti fedhii qabaachuu keeti. Ani siif tajaajila gatii hojii humna qabu kan siif kennuuf, yeroo hunda maallaqa argachuuf daldala maallaqa a keessatti fayyadamuu dandeessu.

Milkaa'ina kee daldalaa barnoota keetiin walqabatee hin jiru; dhakaa, abukaatoo , yookaan saayintistii fayyaa ta'uu dandeessa.

Seerota hordofuu baannaan, akkasumas hunda daldala keetiin guutuu ni caccaba a.

Daldalli dandeettii haaraa barachuu akka ta'e, yeroo fi carraaqqii itti kennuu qabda, fakkeenyaaf, yunivarsiitii irraa digrii argachuuf yoo barbaadde, waggaa 3 ol d abarsuu qabda.

Bara hunda ganama ni dammaqxita, barnoota cimaa ni baratta, kutaa kee hordof ta, yoo si'achi sirrii fi qajeela taate, digrii kee ni argatta.

Wanti walfakkaatu daldala irratti, yoo si'achi qajeela taate fi yeroo fi carraaqqii barachuuf kennaa, ogummaa ofii fi maatii kee nyaachuu dandeessu ni argatta, bilis ummaa maallaqaa ni argatta. Kanaaf, hojii guyyaa yaaduu hin dandeessu.

Daldaltoonni muraasni waggaa 10 ol fudhatu, tarsiimoo mo'ataa argachuuf fi bu'aa argachuuf, kanneen biroo immoo waggaa 20 bu'aa malee dabarsu.

Baga gammaddan, kun si'achi ta'uu hin qabu. Sababni isaas, maappii qabda, tarsiimoo qabda; waggoota hedduu tajaajiloota fi tarsiimoo garaagaraa yaaluuf hin dabarsitu.

Asirratti waan barbaachisu hunda qabda, yeroo qopheessuu fi tarsiimoo kana barachuuf yeroo si barbaachisa, kanaaf yeroo ofii keetiif kenni, akkasumas barachuuf yeroo hunda si barbaachisa, sababiin isaas kun karaa qofa ta'ee milkaa'ina hojii kana keessatti.

## THE CANDLESTICK TRADING BIBLE

Over time you will develop these trading strategies, because you will determine what works for you, and what it doesn't work. Keep practicing, and learning from your mistakes, don't think in term of making money as fast as possible, think in term of becoming an expert of what you do, and then money will follow you wherever you are.

Good luck.

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Yeroo darbe tarsiimoo daldalaa kana ni guddifta, sababni isaas maal akka siif hojjatu fi maal akka hin hojjanne ni murteessita. Hojii itti fufaa, dogoggora keetiin bar adhu, maallaqa ariifachiisuu yaaduu hin yaalin, maalummaa hojii keetiin beektuu ta'uu yaadi, booda maallaqni si hordofa bakka jirtu hundatti.

Milkaa'ina gaarii.