

Module 2 – Chapter 5- Bullish Three Line Strike

The Bullish Three Line Strike is a compelling bullish continuation pattern. It frequently appears during an uptrend and suggests a potent continuation of the bullish sentiment. This pattern captures a brief pause or pullback in the upward movement, followed by a strong resurgence of the bulls.

What The Pattern Looks Like

The Bullish Three Line Strike consists of a sequence of four candles:

- 1) **First Three Candles:** Three consecutive bullish (green) candles, each closing higher than the last, representing a continuation of the prevailing uptrend.
- 2) **Fourth Candle:** Contrary to the trend, the fourth candle is a long bearish (red) one. It opens higher than the third candle's close but then proceeds to "strike" back, engulfing the real bodies of the prior three bullish candles and closing below the first day's open. It does not, however, need to cover the shadows of the previous candles.

Pattern Psychology

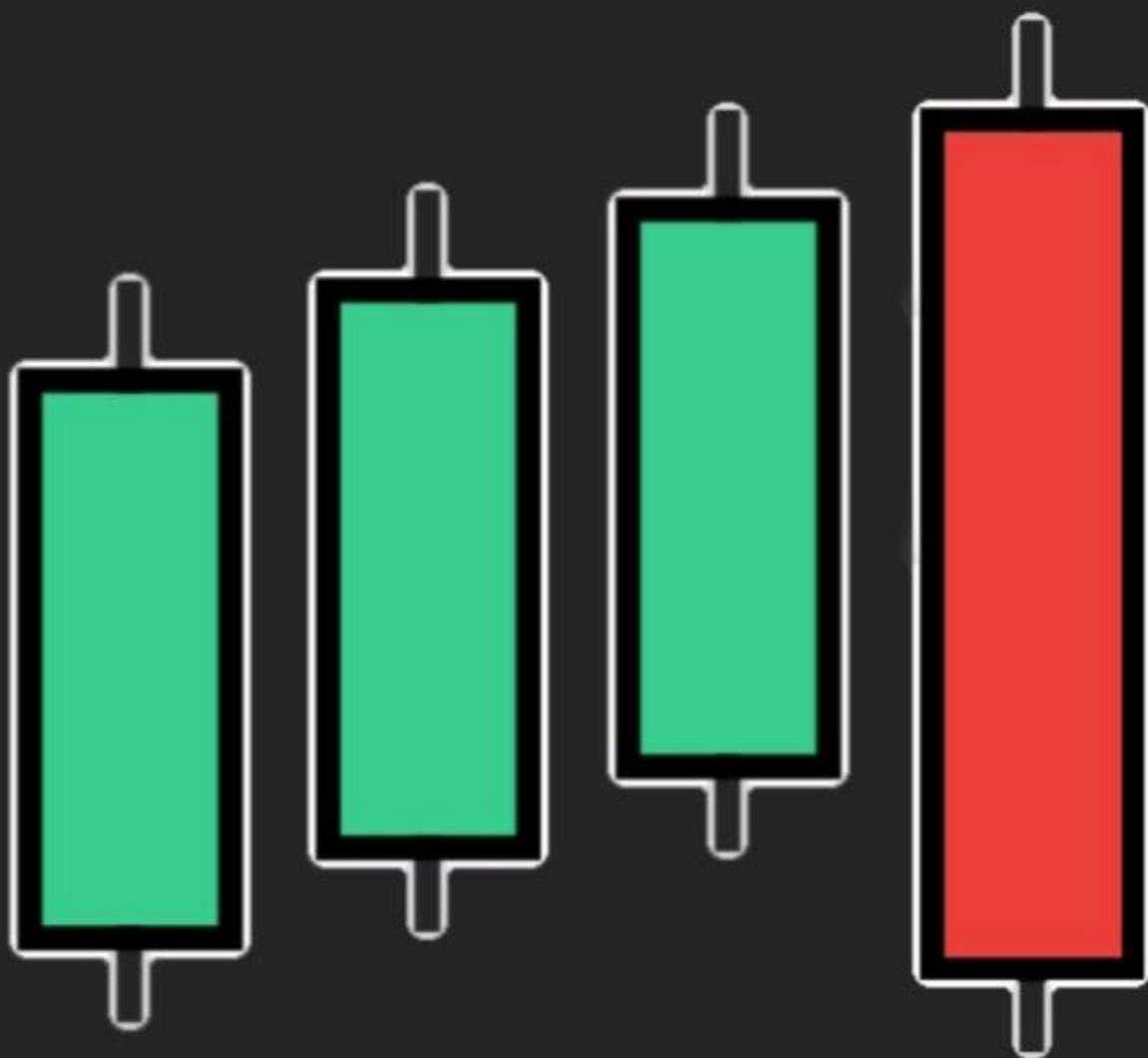
Understanding the mindset driving the Bullish Three Line Strike's formation:

- 1) **Ongoing Bullish Strength:** The first three candles clearly depict the ongoing bullish sentiment, where each day the buyers are pushing the price higher, closing at or near the high of the day.
- 2) **Brief Interruption:** The fourth candle starts with an upward momentum, aligning with the previous trend. However, as the day progresses, sellers temporarily gain control, pushing the price significantly lower and engulfing the previous three days' gains. This suggests a brief moment of bearish counter-attack.
- 3) **Bullish Resilience:** Despite the strong bearish sentiment on the fourth day, the overall trend remains bullish. The pattern is typically seen as a bullish continuation rather than a reversal since it often appears that the bears, despite their best efforts on the fourth day, cannot reverse the trend.

- 4) **Importance of Context:** The effectiveness of the Bullish Three Line Strike can be amplified when used in conjunction with other technical analysis tools. For example, if the fourth candle bounces off a known support level or is accompanied by a high buying volume, it strengthens the pattern's bullish continuation signal.



Share Market Easy



What The Pattern Looks Like

In conclusion, the Bullish Three Line Strike serves as a testament to the bullish market's resilience. Even as bears attempt a comeback on the fourth day, the broader bullish sentiment remains unshaken. As always, while the pattern provides a valuable glimpse into the ongoing battle between bulls and bears, it's essential to consider it within the larger market context and alongside other technical indicators for a holistic and informed trading approach.



Share Market Easy

Disclaimer: - The information provided in this content is for educational and information purpose only. It is not intended as financial investments or trading advices. Financial decisions taken based on this information are at your own risk.