3 POWERFUL

FOREX

PRICE PATTERNS

FOREX FOR PROFITS
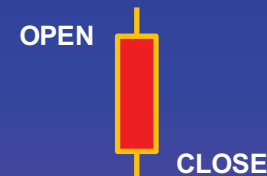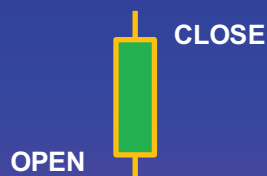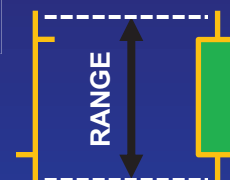
To Interpret what the OPEN, HIGH, LOW, and CLOSE did on a Particular Bar and compare that criteria to the Previous Price Bar's Action, in order to make Intelligent Conclusions about the FOREX Markets.

BAR CHARTS (Vertical Bars) or CANDLESTICKS

RANGE: Confirms Momentum…………………………
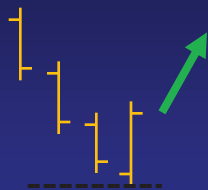
CLOSE: Confirms Price Action

PRICE ACTION ANALYSIS helps a Trader…
Identify insight into what the Market is likely going to do next.
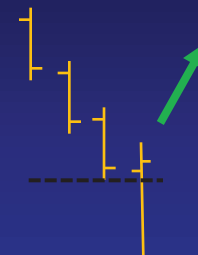
3 Powerful BULLISH Price Patterns

@ Logical SUPPORT LEVELS in an Established UP Trend

BUOVB
(Bullish OVB)
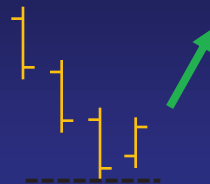
IVB

BUBOB
(Bullish Blow-Off Bar)

Bullish Engulfing

Bullish Harami
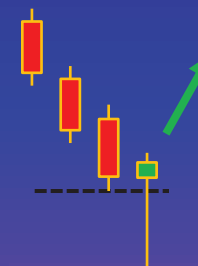
Hammer

3 Powerful BEARISH Price Patterns

@ Logical RESISTANCE LEVELS in an Established DOWN Trend
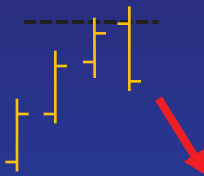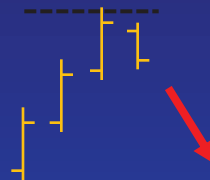
(Bearish Blow-Off Bar)
BEBOB

(Bearish OVB)
BEOVB

IVB
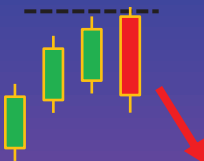
Shooting Star

Bearish Engulfing

Bearish Harami
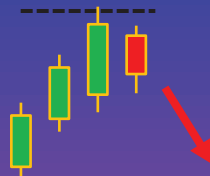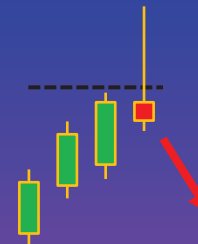
Bullish Outside Vertical Bar (BUOVB)

Bullish Outside Vertical Bar (BUOVB) / Bullish Engulfing

- The HIGH and LOW must exceed the Prior Bar's HIGH and LOW and the CLOSE must close in Top Quarter of the Bar's Range
- ONLY USED at Logical SUPPORT in an established UP Trend
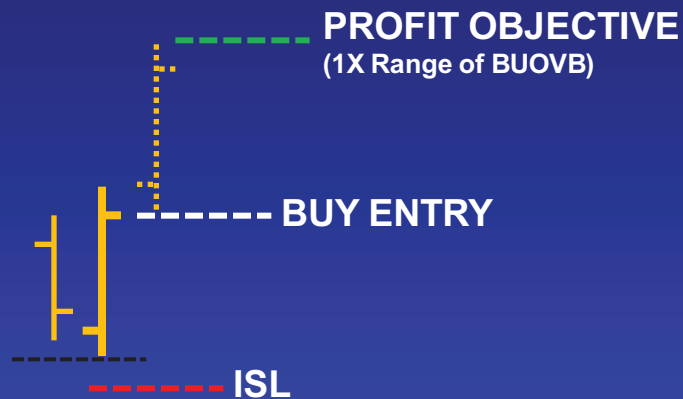
PROFIT OBJECTIVE
(1X Range of BUOVB)

BUY ENTRY

ISL

PROFIT OBJECTIVE
(1X Range of Engulfing Candle)

BUY ENTRY

ISL

$GBP-USD: British Pound/US Dollar (Daily bars)

04/01/2011 = 1.6108 (+0.0069)

IVB

IVB

BUY

BUOVB

BUOVB

BUY

12/27/10   01/10/11   01/24/11   02/07/11   02/21/11   03/07/11   03/21/11

Bearish Outside Vertical Bar (BEOVB)

Bearish Outside Vertical Bar (BEOVB) / Bearish Engulfing

- The LOW and HIGH must exceed the Prior Bar's LOW and HIGH **and** the CLOSE must close in Bottom Quarter of the Bar's Range
- ONLY USED at Logical RESISTANCE in an established DOWN Trend

ISL

SELL ENTRY

PROFIT OBJECTIVE
(1X Range of BEOVB)

ISL

SELL ENTRY

PROFIT OBJECTIVE
(1X Range of Engulfing Candle)
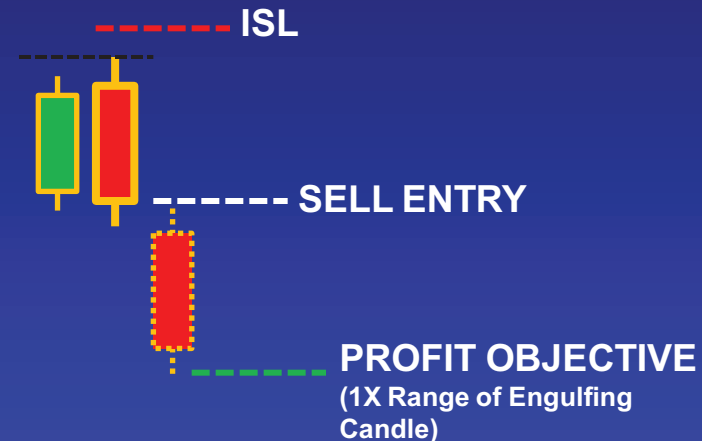
$EUR-USD: Euro/US Dollar (240 minute bars)

8/5/11 14:00 = 1.4264 (+0.0172)

BEOVB

BEOVB

SELL

IVB

SELL

07/25/11   07/26/11   07/27/11   07/28/11   07/29/11   08/01/11   08/02/11   08/03/11   08/04/11   08/05/11

Inside Vertical Bar (IVB)

IVB @ Logical SUPPORT in an established UP Trend

- The HIGH and the LOW both must be Inside the Previous Bar's Range (the HIGH is Lower than the Previous Bar's HIGH and the LOW is Higher than the Previous Bar's LOW)
- ONLY USED at Logical SUPPORT in an established UP Trend
- It does NOT MATTER where the Bar Closes

Inside Vertical Bar (IVB) / Bullish Harami

PROFIT OBJECTIVE
(2X Range of IVB)

BUY ENTRY

ISL

PROFIT OBJECTIVE
(2X Range of IVB)

BUY ENTRY

ISL

$GBP-USD: British Pound/US Dollar (Daily bars)

04/05/2011 = 1.6294 (+0.0166)

BUY

BUY

IVB

IVB

BUOVB

BUOVB

12/29/10   01/12/11   01/26/11   02/09/11   02/23/11   03/09/11   03/23/11
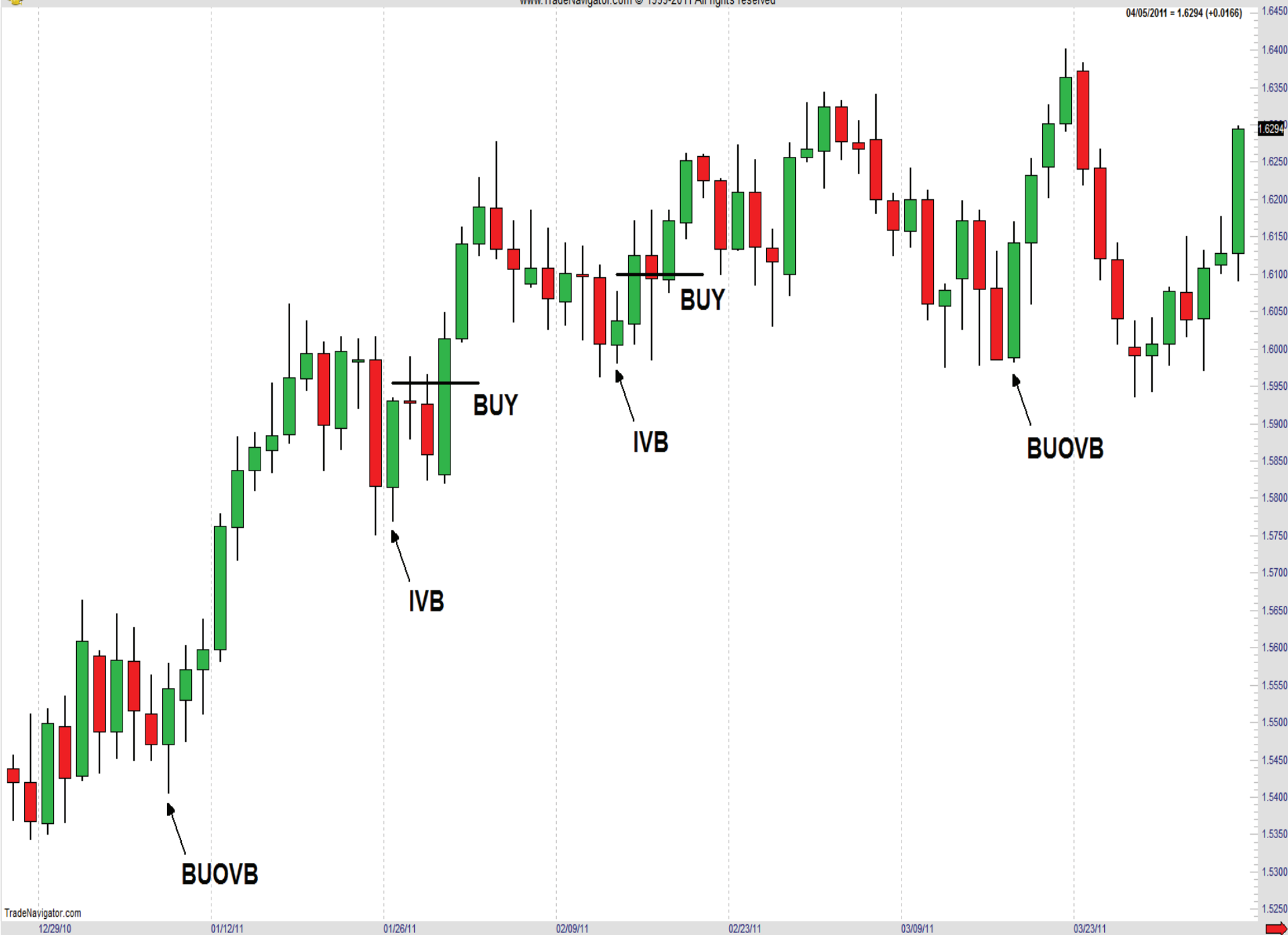
Inside Vertical Bar (IVB)

IVB @ Logical RESISTANCE in an established DOWN Trend

- The HIGH and the LOW both must be Inside the Previous Bar's Range (the HIGH is Lower than the Previous Bar's HIGH and the LOW is Higher than the Previous Bar's LOW)
- **ONLY USED at Logical RESISTANCE in an established DOWN Trend**
- It does **NOT MATTER** where the Bar Closes

Inside Vertical Bar (IVB) / Bearish Harami

ISL

SELL ENTRY

PROFIT OBJECTIVE
(2X Range of IVB)

ISL

SELL ENTRY

PROFIT OBJECTIVE
(2X Range of IVB)

$USD-CHF: US Dollar/Swiss Franc (Daily bars)

05/03/2011 = 0.8612 (-0.0038)

IVB

IVB

SELL

IVB

SELL

IVB

SELL

12/15/10   12/29/10   01/12/11   01/26/11   02/09/11   02/23/11   03/09/11   03/23/11   04/06/11   04/20/11
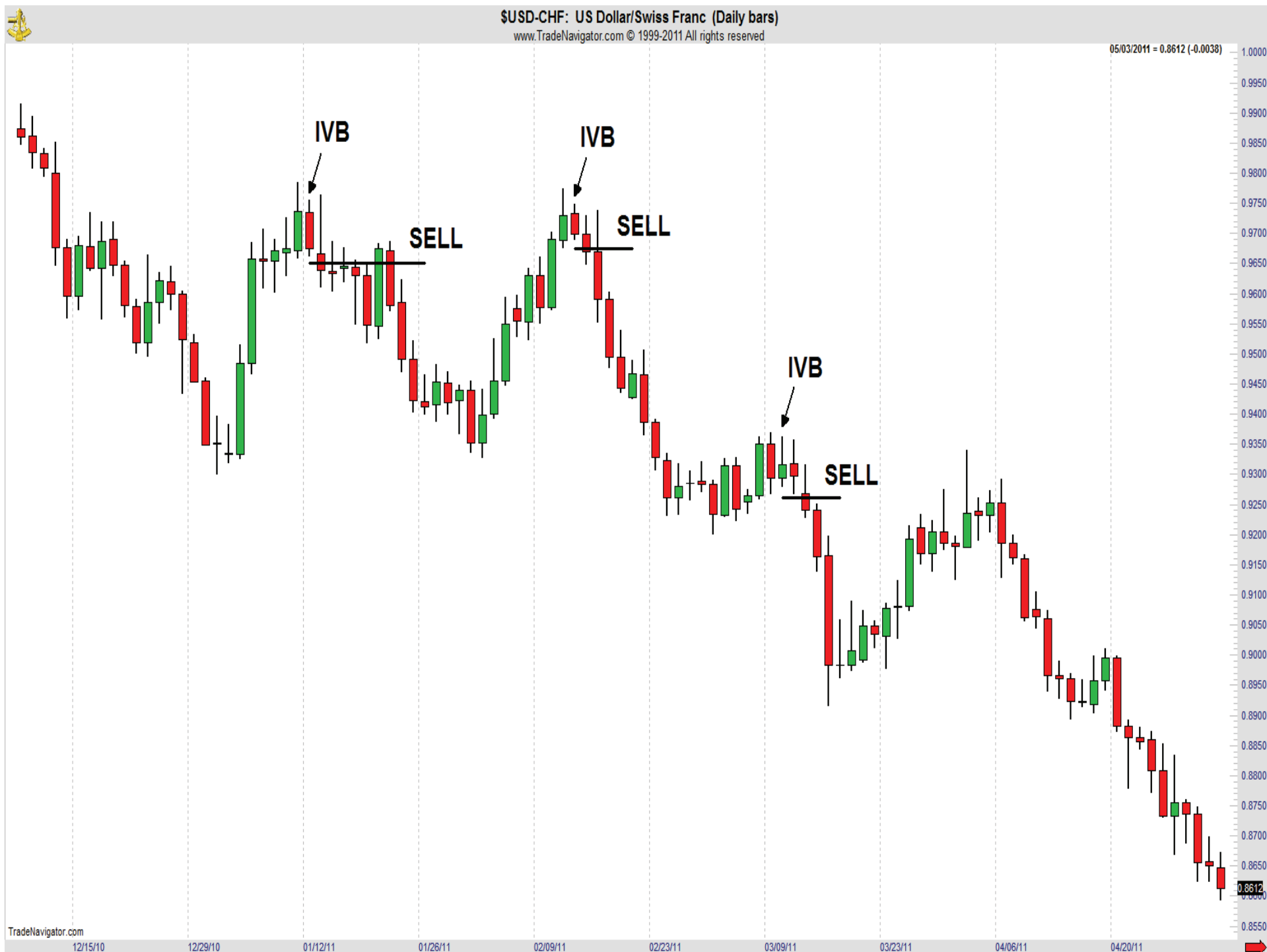
Blow-Off Bar (BOB)

Bullish Blow-Off Bar (BUBOB) / Hammer

- The OPEN and CLOSE must be in the Top Quarter of the Bar's Range and the LOW of the Bar exceeds the Prior Bar's LOW with the Blow-Off Bar's Range about 125% Larger than the Prior 3 to 5 Bars
- ONLY USED at Logical SUPPORT in an established UP Trend

PROFIT OBJECTIVE
(1X Range of BUBOB)

BUY ENTRY

ISL

PROFIT OBJECTIVE
(1X Range of BUBOB)

BUY ENTRY

ISL

$GBP-USD: British Pound/US Dollar (240 minute bars)

8/24/11 06:00 = 1.6520 (+0.0028)

BUY

BUBOB

BUOVB

BUOVB

TradeNavigator.com

08/11/11   08/12/11   08/15/11   08/16/11   08/17/11   08/18/11   08/19/11   08/22/11   08/23/11   08/24/11

Blow-Off Bar (BOB)

Bearish Blow-Off Bar (BEBOB) / Shooting Star

- The OPEN and CLOSE must be in the Bottom Quarter of the Bar's Range and the HIGH of the Bar exceeds the Prior Bar's HIGH with the Blow-Off Bar's Range about 125% Larger than the Prior 3 to 5 Bars
- ONLY USED at Logical RESISTANCE in an established DOWN Trend

ISL

SELL ENTRY

PROFIT OBJECTIVE
(1X Range of BEBOB)

ISL

SELL ENTRY

PROFIT OBJECTIVE
(1X Range of BEBOB)
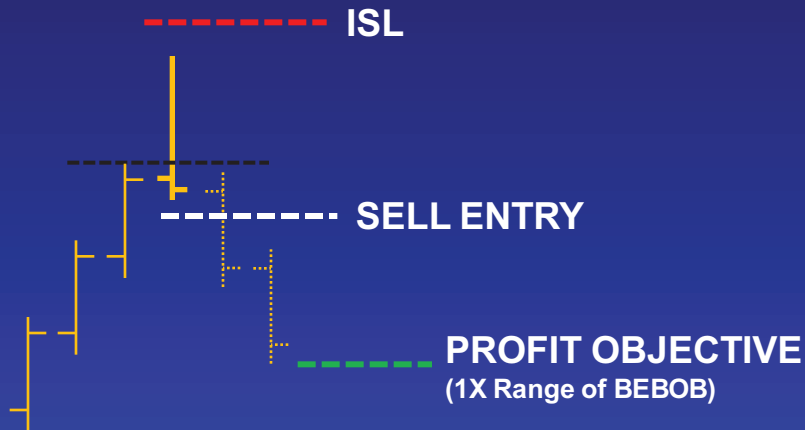
$GBP-USD: British Pound/US Dollar (30 minute bars)

9/6/11 14:30 = 1.5955 (-0.0155)

BEBOB

SELL

1.6240
1.6220
1.6200
1.6180
1.6160
1.6140
1.6120
1.6100
1.6080
1.6060
1.6040
1.6020
1.6000
1.5980
1.5960
1.5955
1.5940
1.5920

TradeNavigator.com

09/04/11 09/05/11   09/06/11

The BUY "OVB (Outside Vertical Bar) Strategy"

An Entry based on the Creation of an OVB

Criteria:

- **The Market MUST:**
  1. Be Trading at **Logical SUPPORT in an established UP Trend**
  2. Penetrate Down thru the Previous Bar's LOW First
  3. Reverse to the Upside off of the Current Bar's LOW and Penetrate Up thru the Previous Bar's HIGH thereby creating a BUOVB

BUY the Market when the HIGH of the Previous Bar is Penetrated to the Upside

3) BUY when HIGH of Previous Bar is Penetrated

– **BUY ENTRY**

2) Market Reverses UP off the LOW of the Current Bar

1) LOW of Previous Bar Penetrated First

– – – – – – – – – – – – – **ISL**

$NZD-USD: New Zealand Dollar/US Dollar (240 minute bars)

6/2/11 10:00 = 0.8141 (+0.0004)

BUY

(on Creation of OVB)

BUOVB

TradeNavigator.com

The SELL "OVB (Outside Vertical Bar) Strategy"
An Entry based on the Creation of an OVB

Criteria:

- **The Market MUST:**
    1. Be Trading at **Logical RESISTANCE in an established DOWN Trend**
    2. Penetrate Up thru the Previous Bar's HIGH First
    3. Reverse to the Downside off of the Current Bar's HIGH and Penetrate Down thru the Previous Bar's LOW thereby creating a BEOVB

SELL the Market when the LOW of the Previous Bar is Penetrated to the Downside

---------------- ISL

1) HIGH of Previous
Bar Penetrated First

2) Market Reverses DOWN off
the HIGH of the Current Bar

----------------------- SELL ENTRY

3) SELL when
LOW of Previous
Bar is Penetrated
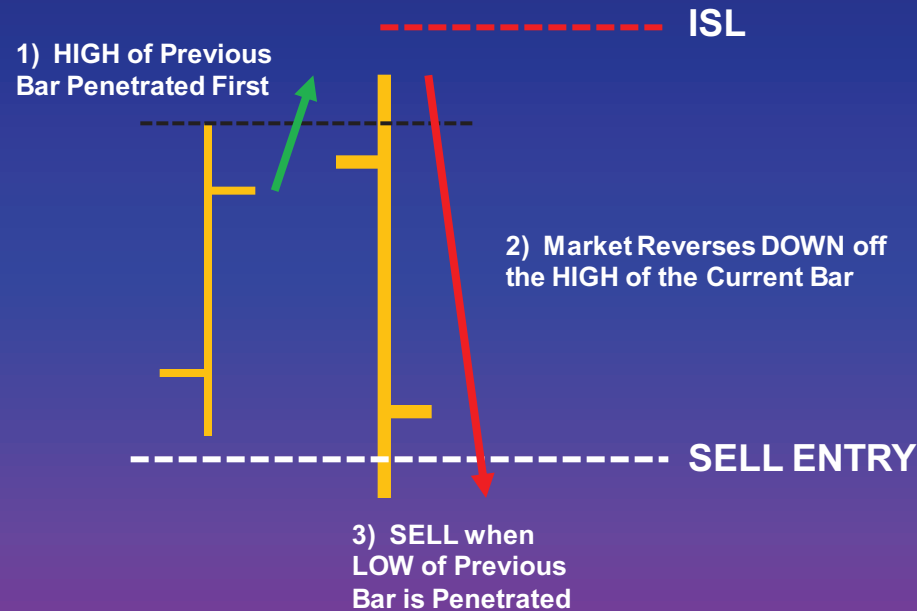
$AUD-USD: Australian Dollar/US Dollar (240 minute bars)

9/19/11 22:00 = 1.0222 (+0.0010)

BEOVB

SELL

(on Creation of OVB)

TradeNavigator.com

PROFIT OBJECTIVE
(1X Range of BUOVB)

BUY ENTRY

ISL

BUOVB

Creation
of
BUOVB

3) BUY when HIGH of
Previous Bar is Penetrated

BUY ENTRY

2) Market Reverses
UP off the LOW of the
Current Bar

1) LOW of Previous
Bar Penetrated First

ISL

PROFIT OBJECTIVE
(2X Range of IVB)

BUY ENTRY

ISL

IVB

PROFIT OBJECTIVE
(3X Range of IVB)

BUY ENTRY

ISL

IVB

PROFIT OBJECTIVE
(1X Range of BUBOB)

BUY ENTRY

ISL

BUBOB

BEOVB

ISL

SELL ENTRY

PROFIT OBJECTIVE
(1X Range of BEOVB)

Creation of BEOVB

1) HIGH of Previous Bar Penetrated First

ISL

2) Market Reverses DOWN off the HIGH of the Current Bar

SELL ENTRY

3) SELL when LOW of Previous Bar is Penetrated

IVB

ISL

SELL ENTRY

PROFIT OBJECTIVE
(2X Range of IVB)

IVB

ISL

SELL ENTRY

PROFIT OBJECTIVE
(3X Range of Narrow Range IVB)

BEBOB

ISL

SELL ENTRY

PROFIT OBJECTIVE
(1X Range of BEBOB)