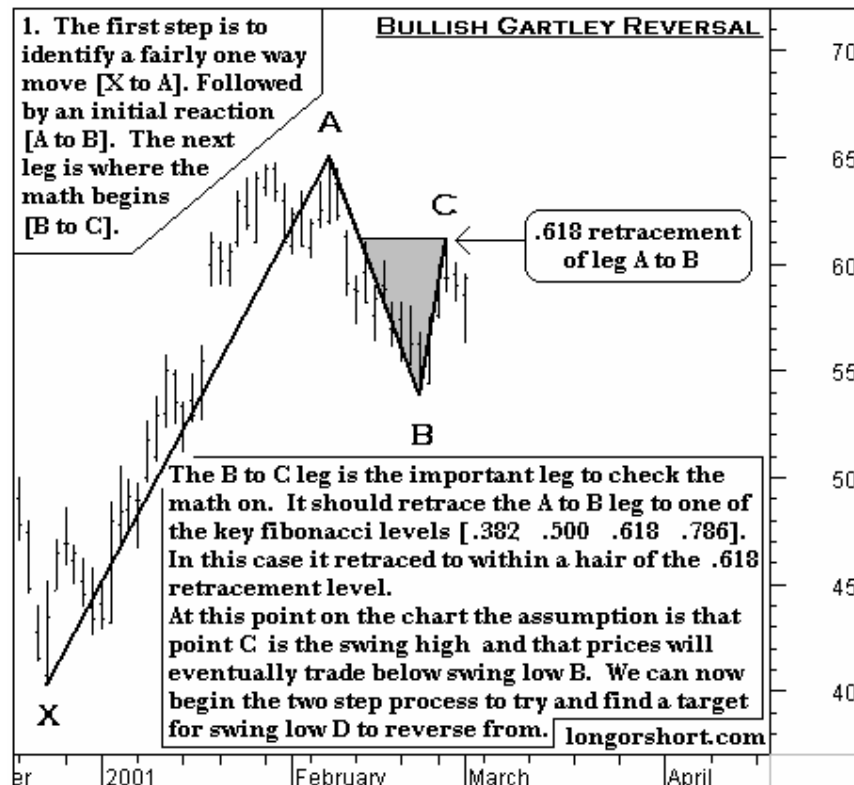
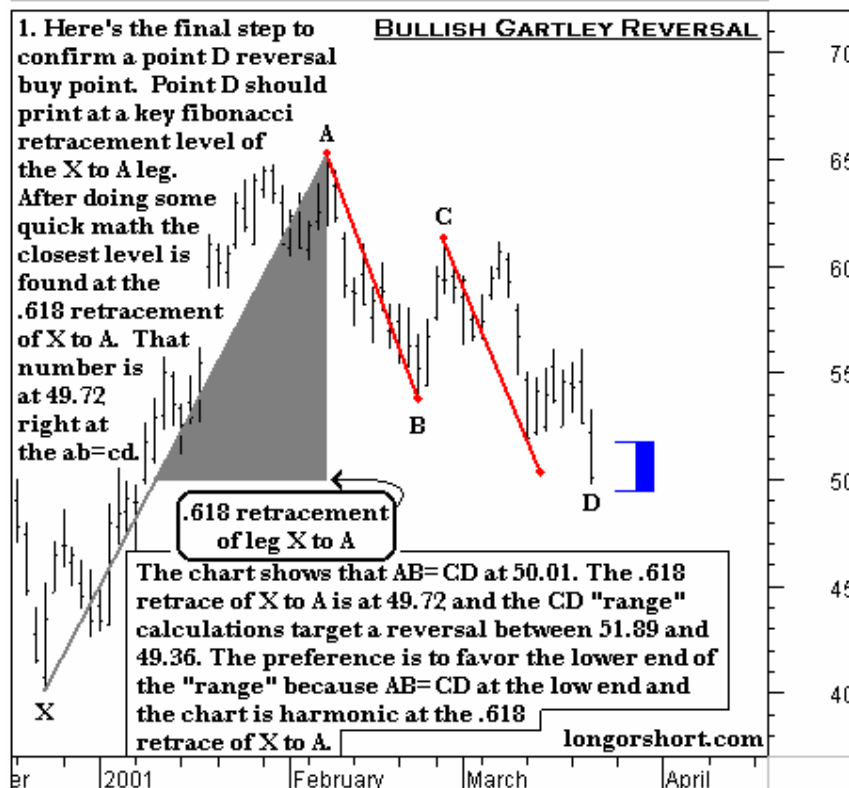
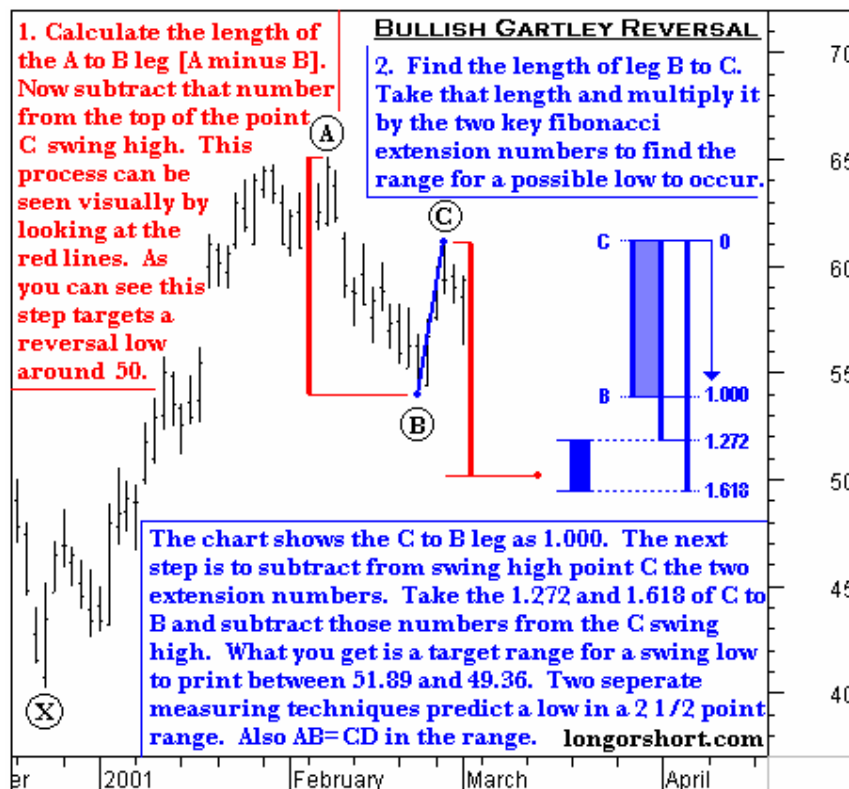


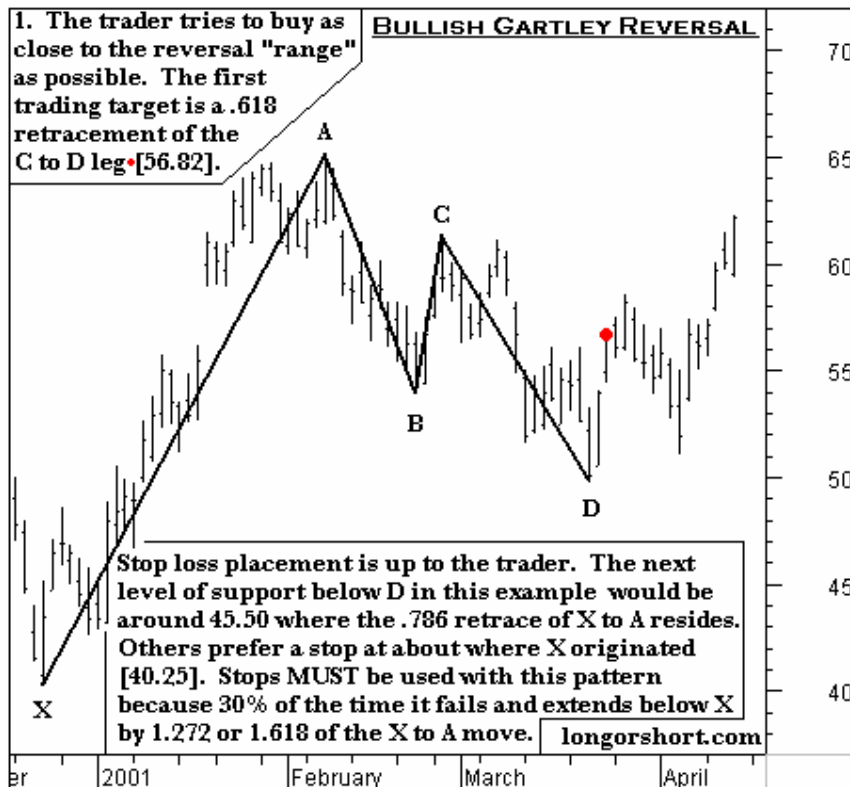


Gartley Pattern Tutorial

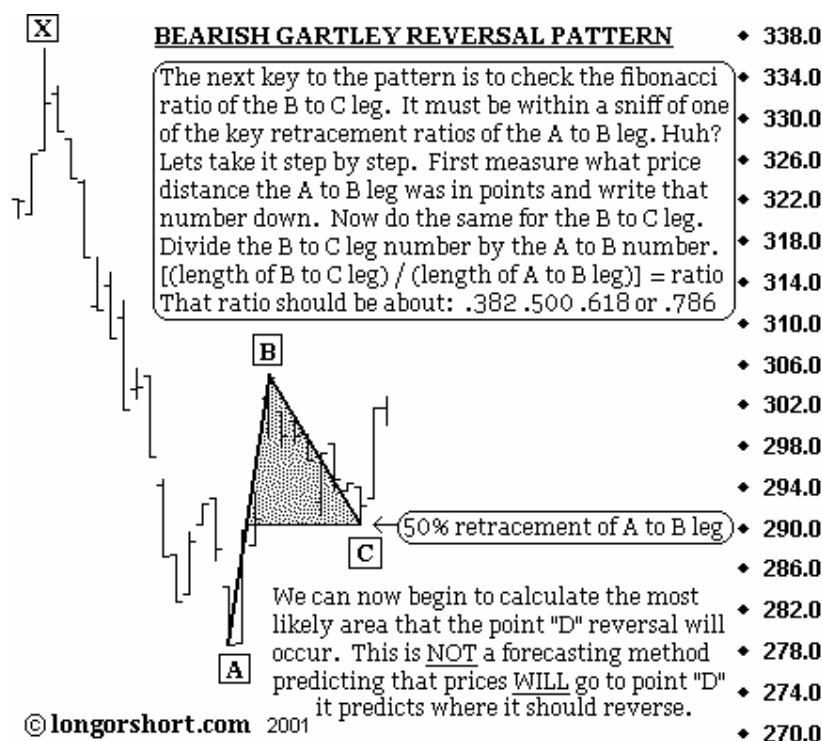
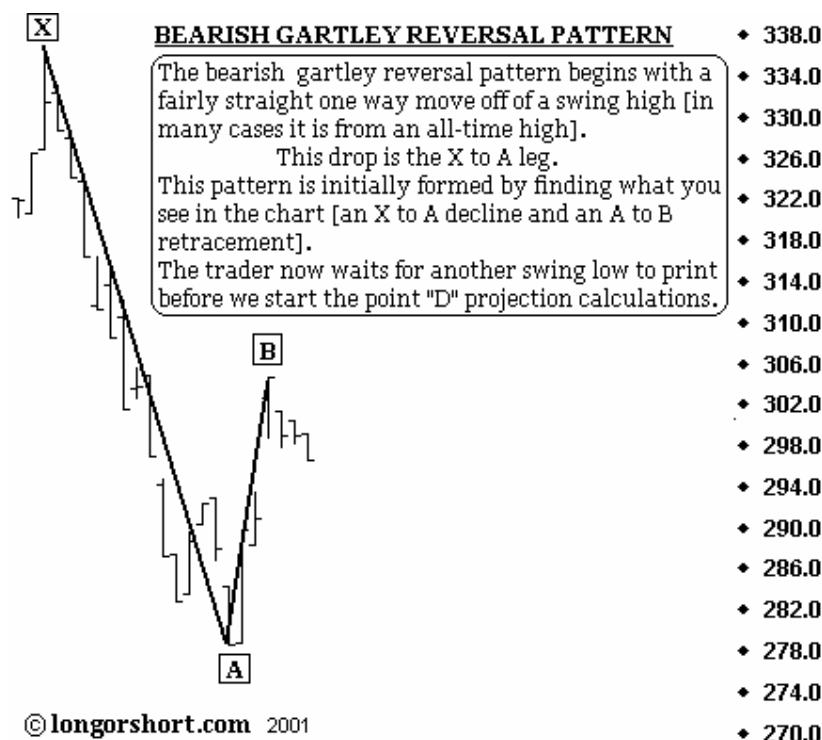
Bullish Gartley Reversal Pattern







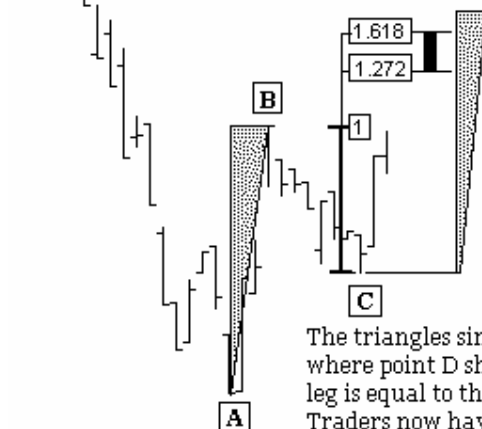
Bearish Gartley Reversal Pattern



X

BEARISH GARTLEY REVERSAL PATTERN

The following process is the key to the pattern. 1st calculate the price length of the A to B leg [B-A] and add that number to the swing low of C to project where AB=CD. I drew equal triangles on the chart to help visualize this process. Next calculate the length of the B to C leg [B-C] and then take that number and multiply it by 1.272 and 1.618; add those numbers separately to the swing low C to get a range.



Just to the left on the chart you can see the two methods are predicting a reversal point "D" could occur from as low as ~309 to as high as ~316. The ideal thing to happen is to have the triangle fall right in the projected "range".

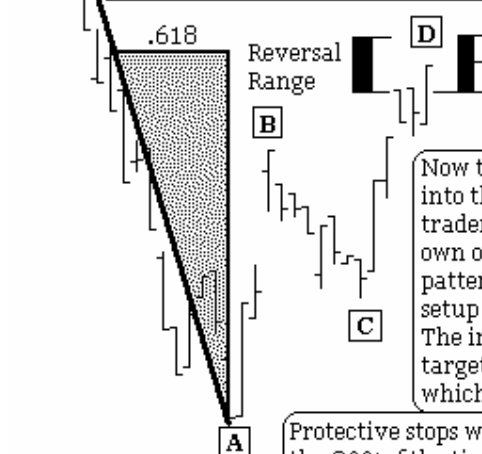
The triangles simply help you visualize where point D should print if the A to B leg is equal to the C to D leg in length. Traders now have a defined range to expect prices to reverse from [309-316]

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X

BEARISH GARTLEY REVERSAL PATTERN

There is one last ingredient to the gartley reversal pattern that is crucial to it's success. Point "D" or it should be said leg A to D should retrace to within a sniff of either .618 or .786 of the X to A leg. As you can see the .618 retrace of the X to A leg also falls within the projected "range" for a reversal to occur. This is the final factor that must exist.

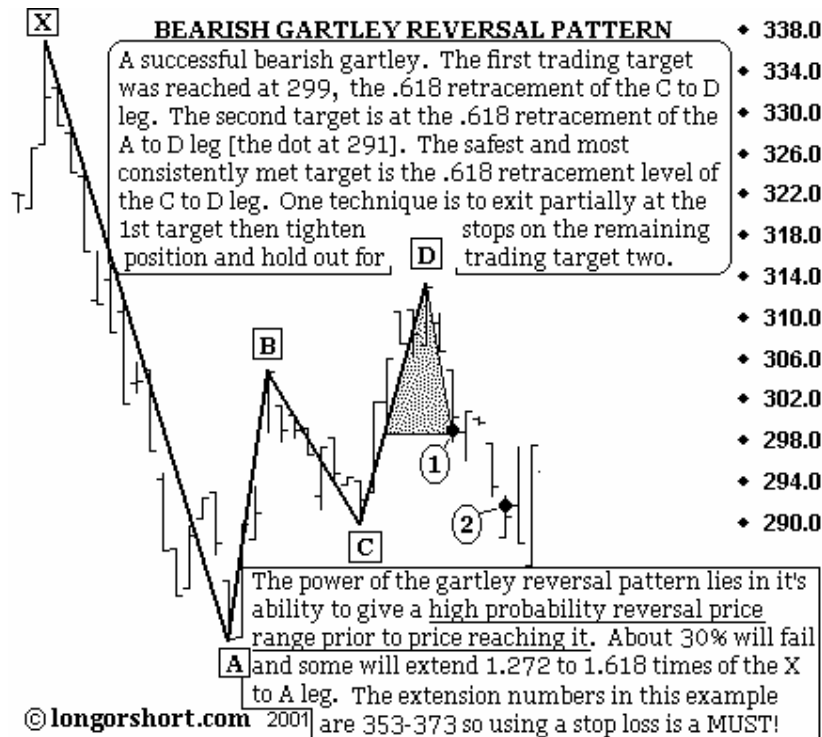


AB = CD around 316
 $BC \times 1.618 + C = 313.7$
 $BC \times 1.272 + C = 309$

Now that prices have risen into the projected "range" the trader looks to sell longs they own or initiates shorts. The pattern reverses from this setup ~70% of the time. The initial downside trading target is a .618 retrace of C-D which is around 299.

Protective stops will need to be placed for the 30% of the time this pattern will fail.

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Bullish Butterfly Reversal Pattern

