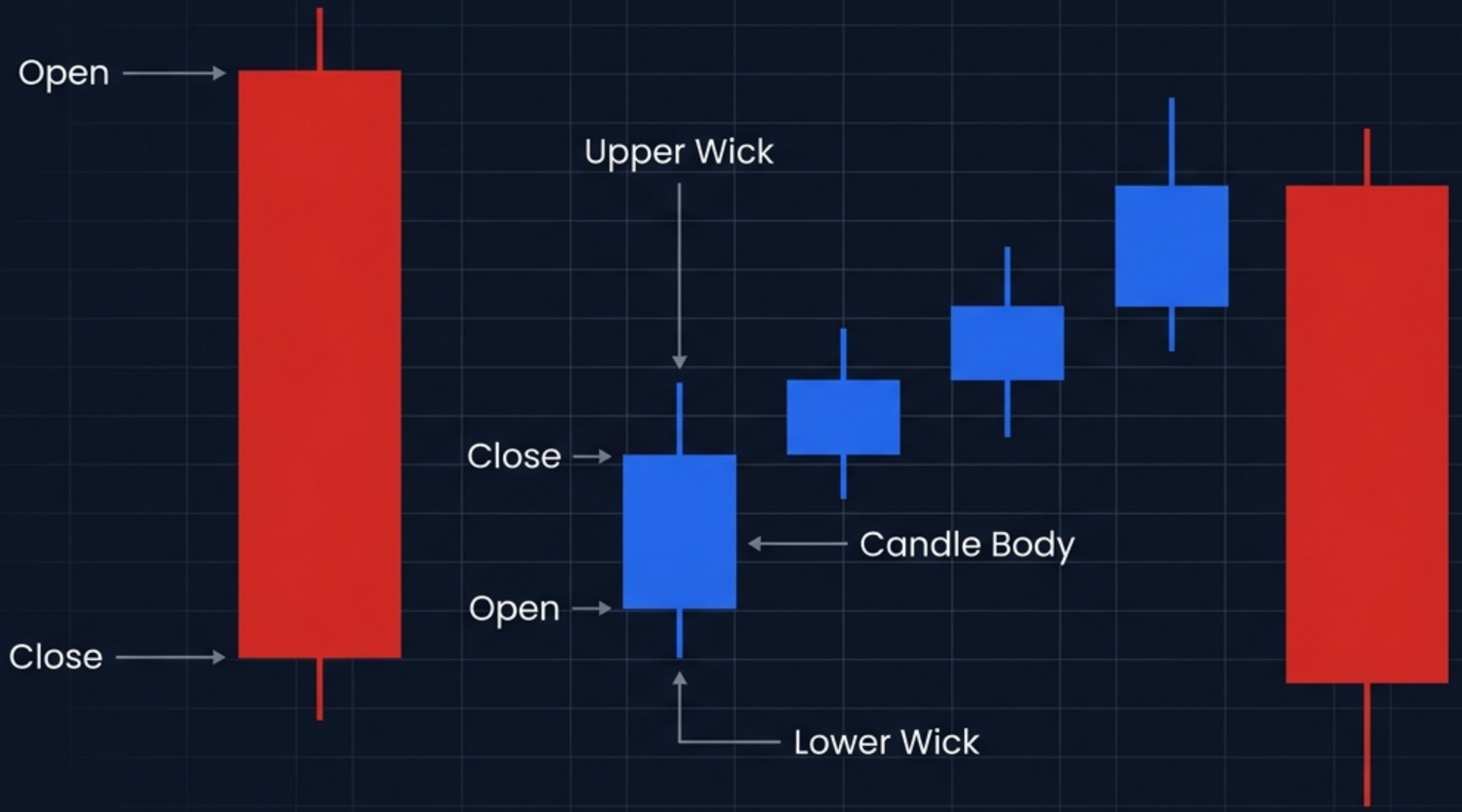
Falling Three Methods

A Masterclass in Bearish Continuation Patterns

Gemini Notebook



Gemini Notebook

Pattern Type

Bearish Continuation



Composition

5-Candle Formation



Required Prior Trend

Confirmed Downtrend



Reliability Rating

Medium / High



Best Timeframes: M15 ✓ H1 ✓ H4 ✓ Daily ✓

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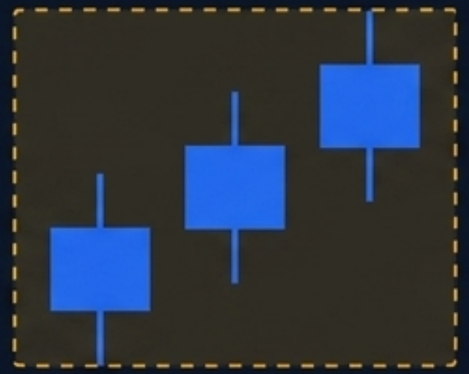
ALGORITHMIC CHECKLIST: BEARISH CONTINUATION PATTERN

1. The Anchor (Candle 1)



- Must be a long bearish (Red) candle closing near its lows, validating strong downward momentum.

2. The Correction (Candles 2, 3, 4)



- Must be a series of short-bodied bullish (Blue) candles.
- The high and low of all three must stay within the high/low range of Candle 1.

3. The Resumption (Candle 5)



- Must be a strong bearish (Red) candle.
- Must close below the closing price of Candle 1.

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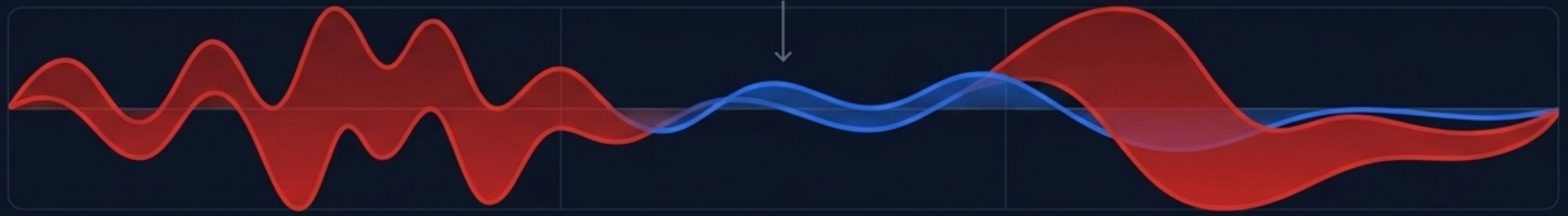
The Psychological Tug-of-War



Aggressive sellers dominate. The trend is firmly intact.

Sellers take profit, causing a shallow pullback. Retail buyers mistakenly enter long, thinking it's a trend reversal. But **volume is weak**.

Institutional sellers step back in. The **trapped bulls panic-sell** to cut losses, adding fuel to the downward crash.



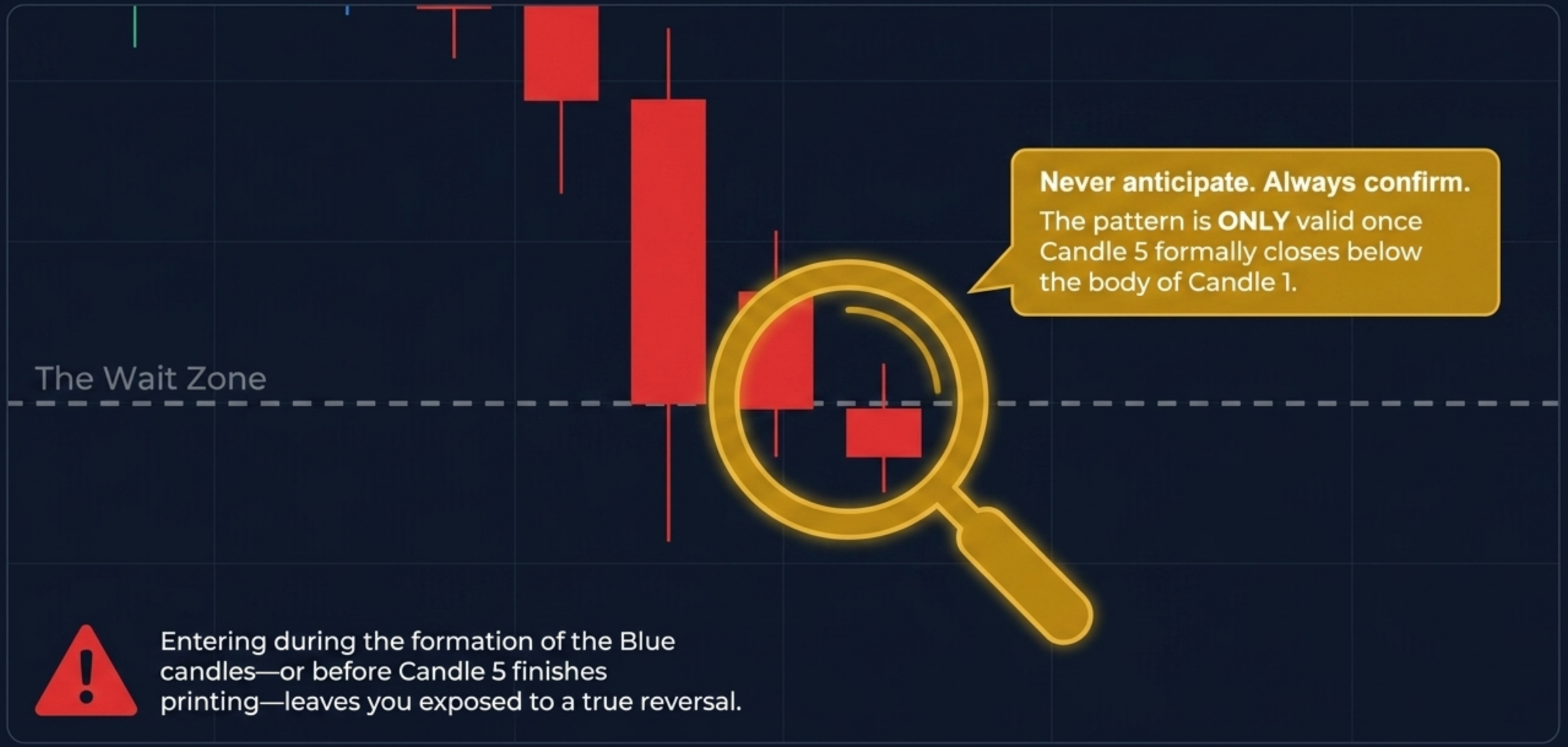
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TRADING THE FALLING THREE METHODS



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Execution & Confirmation



Entering during the formation of the Blue candles—or before Candle 5 finishes printing—leaves you exposed to a true reversal.

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Rookie Mistakes	Pro Disciplines
Trend Context	
Trading the pattern in a ranging, sideways market.	Only trading the pattern when a clear, established downtrend is already active.
Psychology & Execution	
Mistaking the 3 Blue candles for a bullish reversal and buying in.	Recognizing the low-volume pullback as a bear flag, waiting to short the market.
Patience	
Entering a short position before Candle 5 has fully closed.	Waiting for the definitive candle close below support to confirm sellers are in control.

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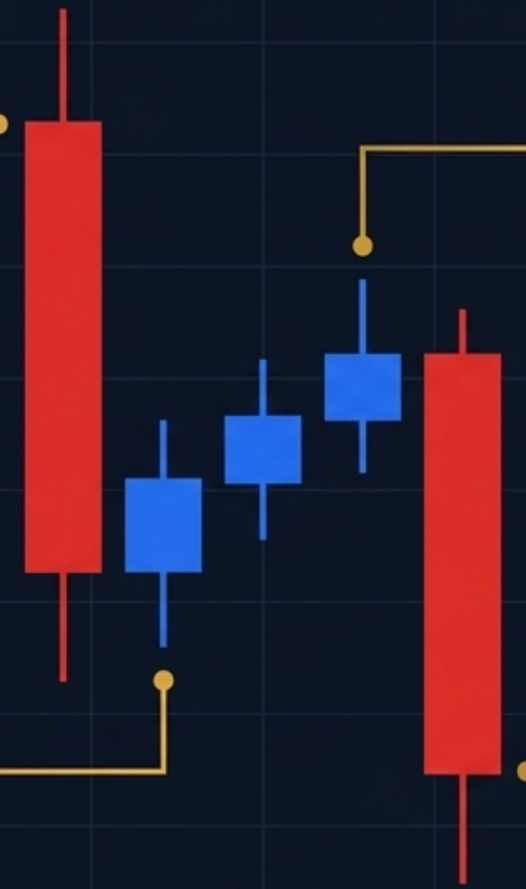
Master Blueprint

The Context

Must occur within a prior downtrend. This is a pause, not a reversal.

The Structure

Three small bullish (Blue) candles completely engulfed by the range of the first long bearish (Red) candle.



The Trigger

Wait for the final bearish candle to firmly close below the anchor candle.

Risk Management

Always place a Stop Loss above the highest point of the pattern formation.

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