THREE BLACK CROWS

Mastering the Bearish Reversal Pattern.

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Vital Statistics of a High-Probability Reversal



Pattern Type

Bearish Reversal



Composition

3 Candles



Prerequisite

Established Uptrend

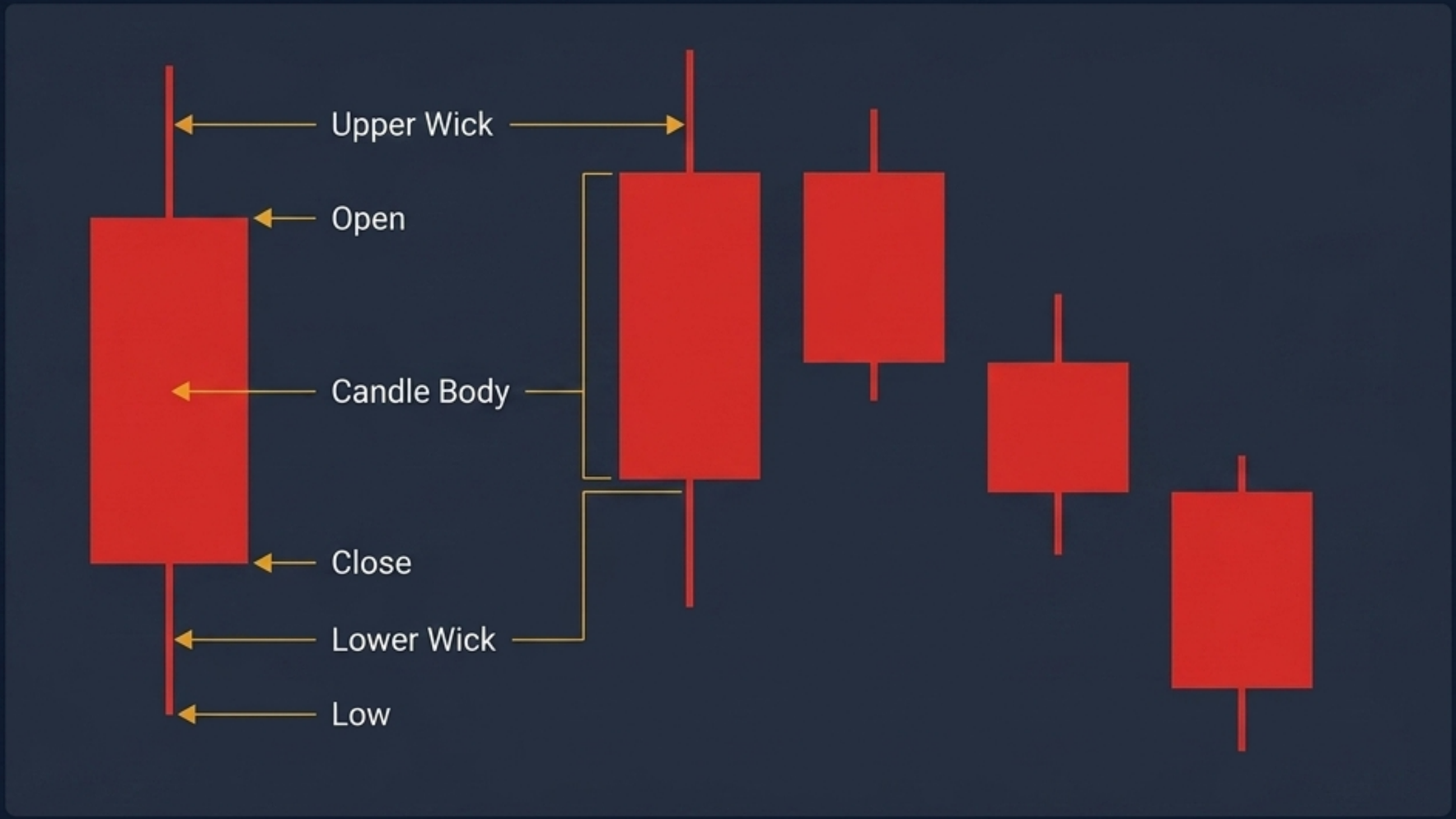


Reliability

High Reliability

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Anatomical Breakdown of the Setup



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The Pattern Validity Checklist



- ✓ Three consecutive long-bodied bearish (red) candles.
- ✓ Each candle opens within the real body of the previous candle.
- ✓ Each candle closes progressively lower, near its absolute low.
- ✓ Minimal to no lower wicks present on any candle.

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The Complete Collapse of Bullish Momentum



Stage 1 (Open)

Bulls attempt to push the price up at the open of each session.

Stage 2 (Intraday)

Aggressive sellers immediately overwhelm the buyers, driving price downward.

Stage 3 (Close)

Sellers force the price to close near the absolute lows, signaling total capitulation by the bulls.

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Filtering Market Noise Across Timeframes



M15 (15 Minute)

Low reliability. Highly prone to intraday noise and false signals.



H4 (4 Hour)

High reliability. Optimal balance of frequency and signal strength.



H1 (1 Hour)

Moderate reliability. Requires strict confluence.



Daily

Maximum reliability. Institutional grade trend confirmation.

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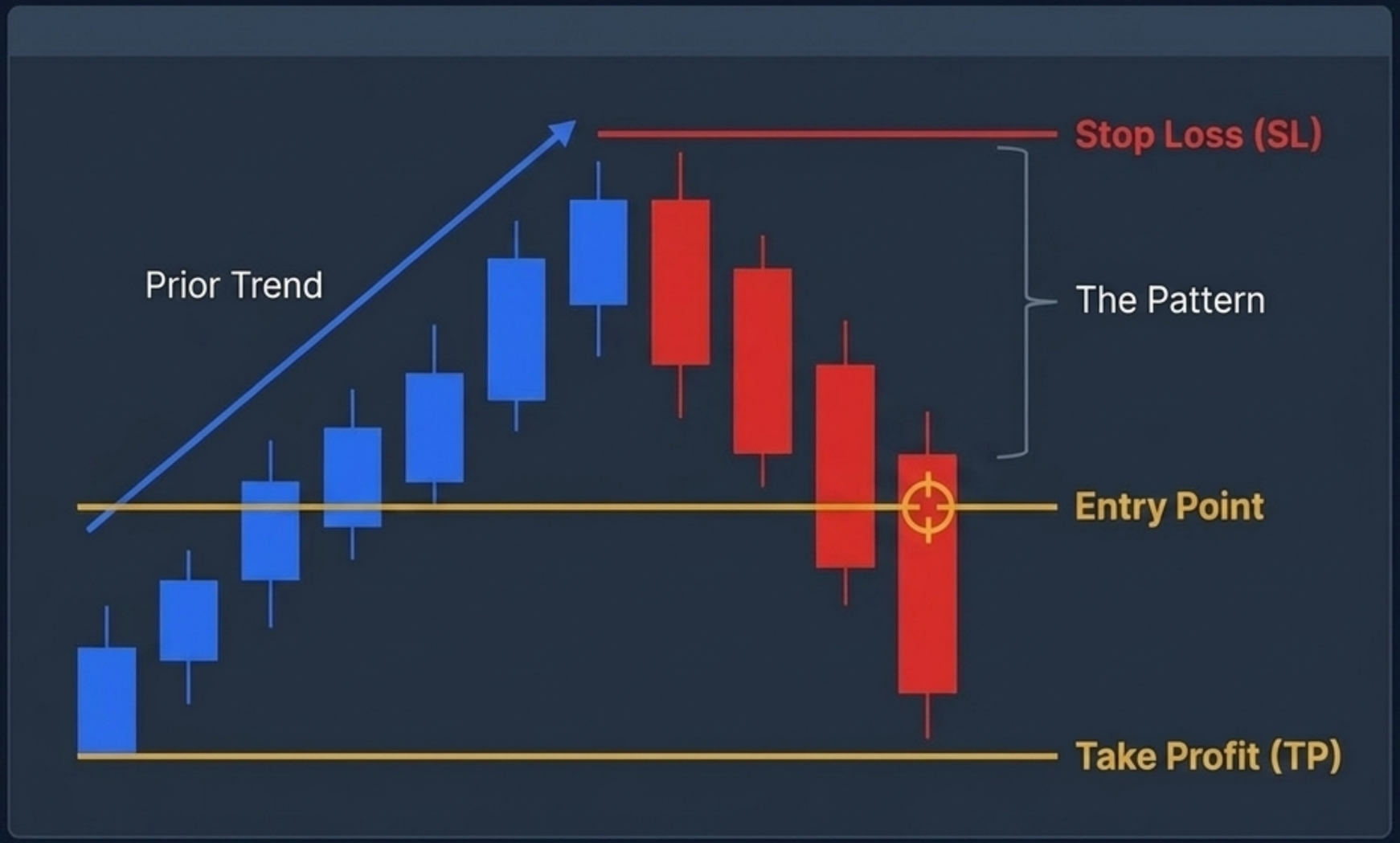
Blueprint Part 1: Context and Confirmation



Never preempt the pattern.
Structural confirmation—waiting for subsequent price action to break the low of the third candle—is mandatory before capital deployment.

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Blueprint Part 2: Precision Execution and Risk Management



Trade Mechanics

Entry: Execute immediately after confirmation candle closes below the pattern.

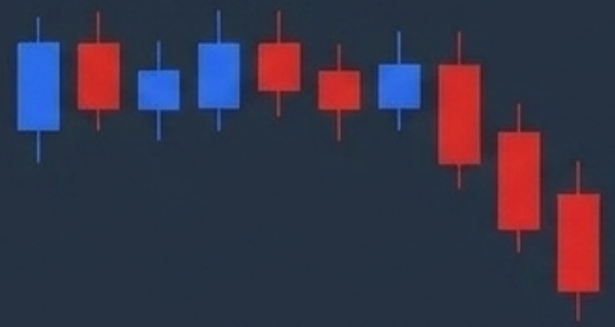
SL Placement: Position strictly above the structural high of the first crow.

TP Target: Project downwards toward previous major support floors.

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Critical Pitfalls and Invalid Setups

Error 1: The Ranging Trap



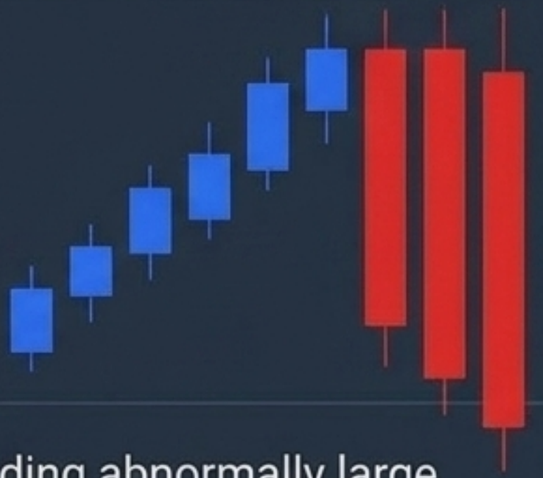
Trading the pattern in a ranging market. A prior, established uptrend is absolutely required.

Error 2: The Premature Trigger



Entering the trade before the third candle fully closes and completes the formation.

Error 3: The Exhaustion Void



Trading abnormally large, oversized candles. This often indicates trend exhaustion rather than the beginning of a new bearish cycle.

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The Trader’s Cheat Sheet



- Pattern functions strictly as a bearish reversal and requires a prior, established uptrend.
- Valid formations demand consecutive lower closes with minimal to no lower wicks.
- Never preempt the signal; wait for full pattern completion and structural confirmation.
- Protect capital by placing strict stop losses above the high of the formation.
- Prioritize setups on H4 and Daily charts to filter out intraday market noise.

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