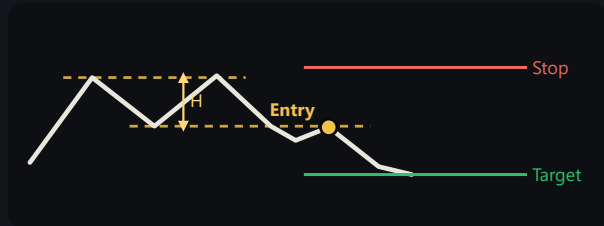


FREE CHEAT SHEET · 16 PATTERNS

Gold Chart Patterns *Cheat Sheet*

Sixteen chart patterns drawn with their entry, stop and measured-move target: head and shoulders, double tops and bottoms, wedges, triangles, flags, pennants, channels, ranges and the cup and handle. Each card shows what to look for, where the trade is triggered, where it is wrong and what to expect on gold (XAUUSD).

How to read each drawing



White line: price. Dashed gold: the pattern's lines. Gold dot: entry. Red: stop. Green: target. H: the height used for the measured move.

Entry, stop and target logic

Target = breakout level $\pm$ pattern height (H)

Entry: on a candle *close* beyond the line (breakout), on the retest of the broken line, or on a failed break back inside (the trap).

Stop: where the pattern is wrong: beyond the last swing inside it (shoulder, handle, flag), plus the spread and a small buffer.

Check the reward: if the distance to the target is not clearly larger than the distance to the stop, skip the trade.

About pattern statistics

Win rates printed for chart patterns usually come from studies of other markets and periods, with their own rules for what counts as a pattern. They do not transfer to gold on your timeframe. Treat every pattern as a hypothesis and test it on your own XAUUSD data before risking money.

When a pattern fails

A pattern that breaks and quickly closes back inside often runs hard the other way, because the breakout traders' stops sit just beyond it. A failed pattern is information: never widen the stop to "give it room".

The 16 patterns in this sheet

01 Head and shoulders

02 Inverse head & shoulders

03 Double top

04 Double bottom

05 Rising wedge

06 Falling wedge

07 Ascending triangle

08 Descending triangle

09 Symmetrical triangle

10 Bull flag

11 Bear flag

12 Pennant

13 Rising channel

14 Falling channel

15 Rectangle (range)

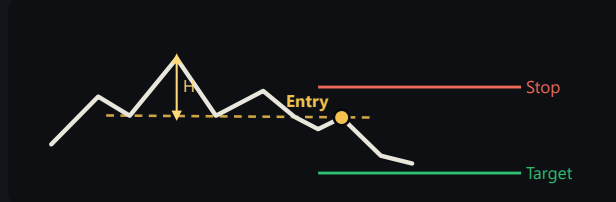
16 Cup and handle

REVERSAL PATTERNS

Tops, bottoms and wedges

01 Head and shoulders

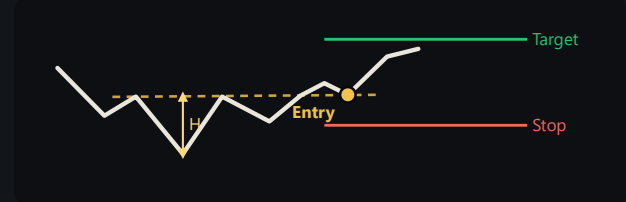
BEARISH REVERSAL



- Shape** Three peaks after an uptrend, the middle one highest. The neckline joins the two troughs.
- Entry** An H1 or H4 close below the neckline, or the retest of it from below.
- Stop** Above the right shoulder, or above the retested neckline plus a buffer.
- Target** Neckline minus H, the head-to-neckline height.
- On gold** Often builds over several sessions. A neckline break straight into US data can reverse fast.

02 Inverse head & shoulders

BULLISH REVERSAL



- Shape** Three troughs after a downtrend, the middle one lowest. The neckline joins the two peaks.
- Entry** A close above the neckline, or the retest of it from above.
- Stop** Below the right shoulder, or below the retested neckline plus a buffer.
- Target** Neckline plus H, the head-to-neckline height.
- On gold** Common at the end of a sell-off into a D1 level. Wait for the close, not the first wick through.

03 Double top

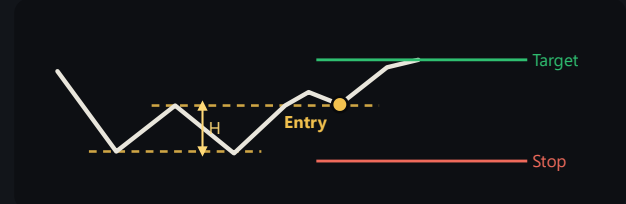
BEARISH REVERSAL



- Shape** Two similar highs with a trough between them. The trough low is the neckline.
- Entry** A close below the trough low, or the retest of it.
- Stop** Above the second top, plus the spread and a small buffer.
- Target** Neckline minus H, the top-to-neckline height.
- On gold** The second top often runs the first by a few dollars to take stops. Judge it by closes, not wicks.

04 Double bottom

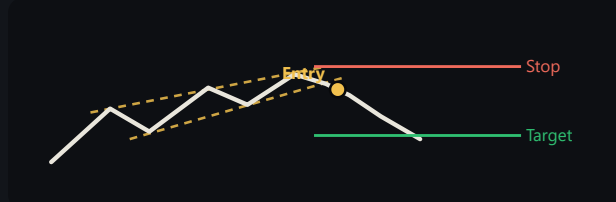
BULLISH REVERSAL



- Shape** Two similar lows with a peak between them. The peak high is the neckline.
- Entry** A close above the peak high, or the retest of it.
- Stop** Below the second bottom, plus the spread and a small buffer.
- Target** Neckline plus H, the neckline-to-bottom height.
- On gold** A second low that sweeps the first and closes back above it is the classic gold version.

05 Rising wedge

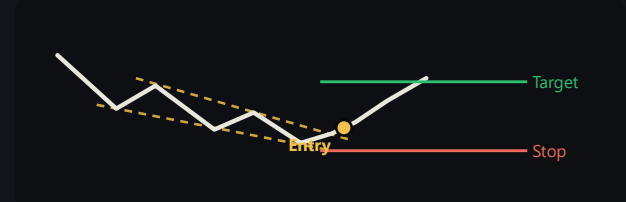
BEARISH REVERSAL



- Shape** Higher highs and higher lows inside two rising lines that converge: momentum is fading.
- Entry** A close below the lower line.
- Stop** Above the last swing high inside the wedge.
- Target** The level where the wedge began (its base).
- On gold** In a strong trend a wedge can still break upward. Never sell before the lower line breaks.

06 Falling wedge

BULLISH REVERSAL



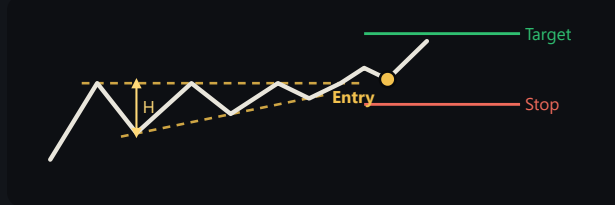
- Shape** Lower highs and lower lows inside two falling lines that converge: selling is losing force.
- Entry** A close above the upper line.
- Stop** Below the last swing low inside the wedge.
- Target** The level where the wedge began (its base).
- On gold** Often seen in pullbacks within a gold uptrend, where it works as a continuation pattern.

CONTINUATION PATTERNS

Triangles, flags and pennants

07 Ascending triangle

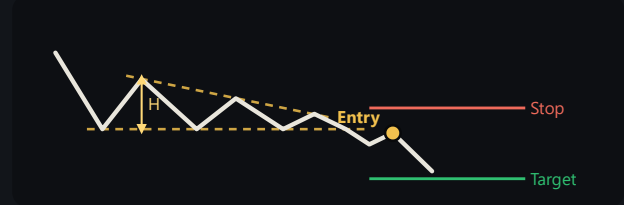
BULLISH CONTINUATION



- Shape** Flat resistance with rising lows pressing into it.
- Entry** A close above resistance, or the retest of it.
- Stop** Below the last higher low.
- Target** Breakout level plus H, the height at the widest point.
- On gold** Flat tops are often round numbers. Expect a stop run above them, and sometimes a false break.

08 Descending triangle

BEARISH CONTINUATION



- Shape** Flat support with falling highs pressing down on it.
- Entry** A close below support, or the retest of it.
- Stop** Above the last lower high.
- Target** Breakout level minus H, the height at the widest point.
- On gold** Gold can spike through flat support and reverse. Use closes and the session's news times.

09 Symmetrical triangle

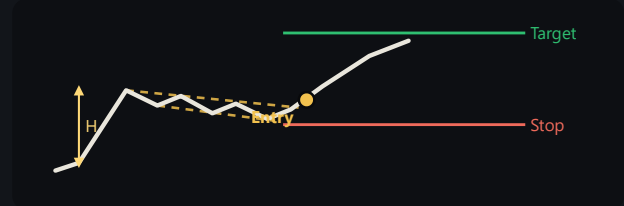
CONTINUATION



- Shape** Lower highs and higher lows converging. Neutral until it breaks.
- Entry** A close outside either line, ideally in the direction of the prior trend.
- Stop** Beyond the last swing on the other side.
- Target** Breakout level plus or minus H, the widest height.
- On gold** Often coils into a scheduled release. The first move on the news may whipsaw both ways.

10 Bull flag

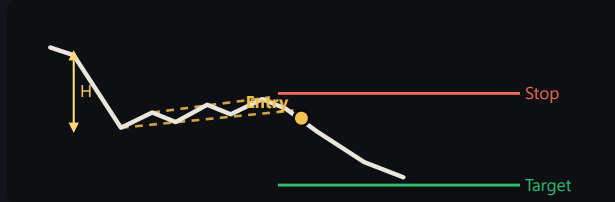
BULLISH CONTINUATION



- Shape** A sharp rise (the pole), then a small channel sloping down against it.
- Entry** A break above the flag's upper line.
- Stop** Below the flag's low.
- Target** The pole's length (H) added to the breakout point.
- On gold** Forms after London-open or US-data impulses. A flag that retraces more than half the pole is suspect.

11 Bear flag

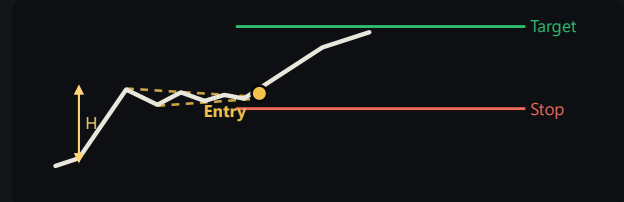
BEARISH CONTINUATION



- Shape** A sharp fall (the pole), then a small channel sloping up against it.
- Entry** A break below the flag's lower line.
- Stop** Above the flag's high.
- Target** The pole's length (H) subtracted from the breakout point.
- On gold** Common after a hot US data surprise. Avoid entering inside the first minutes when spreads are wide.

12 Pennant

CONTINUATION



- Shape** A pole, then a small symmetrical triangle instead of a channel.
- Entry** A break of the pennant in the direction of the pole.
- Stop** Beyond the other side of the pennant.
- Target** The pole's length (H) from the breakout point.
- On gold** Short-lived. If it lasts much longer than the pole took to form, treat it as a range.

TRENDS, RANGES AND BASES

Channels, ranges and the cup and handle

13 Rising channel

TREND



- Shape** Two parallel rising lines, each touched at least twice.
- Entry** Near the lower line, on a rejection candle that closes back up.
- Stop** Below the lower line plus a buffer for the spread.
- Target** The upper line. A close below the lower line ends the channel.
- On gold** Draw channels on H4 or D1. In news spikes price overshoots the lines, so allow a buffer.

14 Falling channel

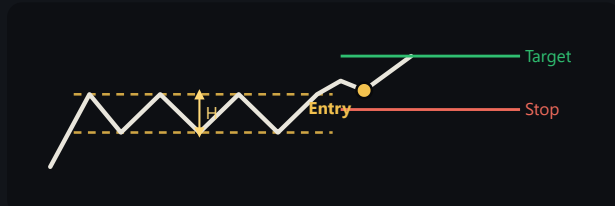
TREND



- Shape** Two parallel falling lines, each touched at least twice.
- Entry** Near the upper line, on a rejection candle that closes back down.
- Stop** Above the upper line plus a buffer for the spread.
- Target** The lower line. A close above the upper line ends the channel.
- On gold** A falling channel inside a higher-timeframe uptrend is often just a pullback; know the bigger trend.

15 Rectangle (range)

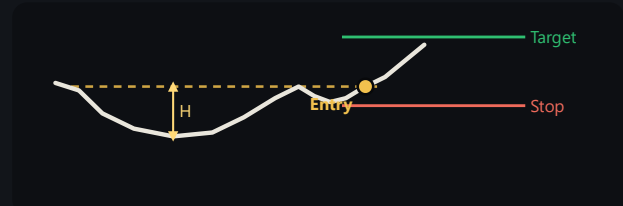
RANGE



- Shape** Flat highs and flat lows: buyers and sellers in balance.
- Entry** Fade the edges inside the range, or trade a close outside it and the retest.
- Stop** Back inside the range, beyond the retested edge.
- Target** Breakout level plus or minus H, the range height.
- On gold** The Asian session often builds a small range that London breaks. See the Asian range lesson.

16 Cup and handle

BULLISH CONTINUATION



- Shape** A rounded U-shaped base, then a small pullback (the handle) under the rim.
- Entry** A close above the rim, the handle's high.
- Stop** Below the handle's low.
- Target** Cup depth (H) added to the rim.
- On gold** Large cups show on D1 and W1. The handle should stay shallow, in the top third of the cup.

Gold-specific checks

- Mark patterns on H1 to D1; on M1 to M5, costs and noise dominate.
- Know the US data times (8:30 a.m. New York) before trading a breakout.
- Round numbers (\$50 and \$100 levels) often act as pattern lines.
- Spreads widen around the daily break and on news: add them to the stop.
- Size from the stop: lots = $(\text{balance} \times \text{risk } \%) \div (\text{stop } \$ \times 100 \text{ oz})$.

Keep learning, free

- Chart patterns lesson:** xauusdglobal.com/strategies/chart-patterns-xauusd/
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- Risk reward calculator:** [/tools/risk-reward-calculator/](https://xauusdglobal.com/tools/risk-reward-calculator/)
- Community:** first month free, then \$19.99 a month.