

DOJI Candlestick pattern

The Doji candles are nothing else, skinny real body candle with closing price equal or almost equal to Opening price. Doji Candlestick pattern pdf provides crucial information about the market sentiments and is an important candlestick pattern.

The classic definition of a doji intimates that the open price should be equal to the close price with ultimately making a nonexistent real body. The upper and lower wicks can be of any length just like [Spinning top candlestick](#). However if open price and closing price if almost equal also with a thin body, the candle can be considered as a doji. Obviously the color of the candle does not matter. If anything matters is the fact that the open and close prices were very close to each other. Have a look at the chart below, where the doji's appear in a downtrend indicating indecision in the market before the next big move.



Similarly, another Doji candle, after which the market moved up with a large volume, If the Doji is paired at the [support level](#) in a candlestick chart as can be seen in the below image.



Types Of Doji Candlestick

Depending on the length of the shadows, Doji patterns are of 4 types Standard Doji candlestick, Long legged doji candlestick pattern, Dragonfly Doji candlestick pattern, Gravestone Doji candlestick pattern.

If Doji is coupled with dry up in the volume then it is considered to be a stronger signal, there may be a strong trend awaiting in the next trading session.

Depending on the length of the shadows, doji patterns of 4 type's - **standard doji, long legged doji, dragonfly and gravestone doji.**

Standard Doji candlestick pattern

It is the very basic doji candlestick pattern that might appear at the top or the bottom of the trend indicating trend reversal. Its shape is similar to 'cross' or 'plus sign'.

Long Legged Doji Candlestick pattern

This candlestick pattern has long upper and lower shadow. It implies most volatility was there and both Buyers and Sellers tried to move the market in their respective trend, but both were unsuccessful.

Dragonfly Doji candlestick pattern

This candlestick pattern has long shadow and no or very small upper shadow. Its shape is similar to English Letter 'T'. It is a bullish reversal candlestick pattern that indicates that the price of an asset is likely to go up further. Dragonfly Doji provide an opportunity to enter into the market from the bottom leading towards a major profit.

Gravestone Doji Candlestick pattern

This pattern is opposite to dragon that means it has long upper shadow and no or very small shadow. It is a bearish reversal candlestick pattern indicates that price of an asset is likely to go down further. Traders can generate more profits if they are able to capture a Gravestone Doji.

How an Investor Uses Doji Candlestick?

So, when you see a Doji individually or a group of Doji candles, maybe Spinning top candles then, it's an indecisive situation in the market. The market could move any side like upside or downside, so being a smart investor or trader staying invested with 50% capital is a safe stance. Once the market moves in your predicted direction you can maximize your position.

How does a Trader use to Trading Doji Candlestick?

Doji candlestick pattern helps a trader to determine to take a pause on taking trade and wait till the trend get a direction. An options trader should avoid taking trade during doji formation candle. This moment Beta decay happens and option price decreases with time. After the doji candle is formed, few candles of Doji, definitely a trend appears which can be a great opportunity to take trade.