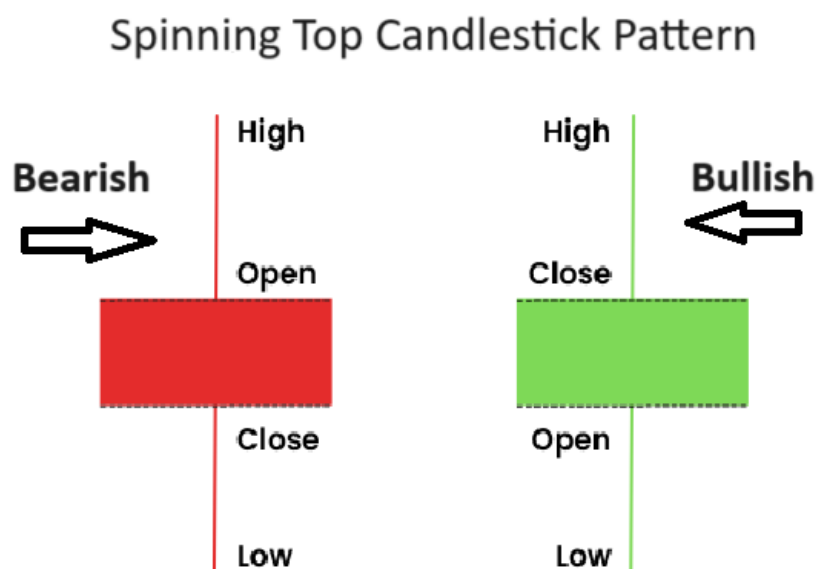


Spinning Top Candlestick Pattern

The spinning top candle is a very important candle stick that decides the market's current situation, wherever a trader can position himself. However, like the Marubozu pattern or [Doji Candlestick pattern](#), the spinning top candlestick pattern doesn't indicate the entry or exit point. Rather, it indicates a Buyer-Seller or Seller-Buyer tough fight before changing the trend.

What is Spinning Top Candlestick pattern?

In the candlestick chart, the spinning top looks like the figure below



The candles have a small real body or The upper and lower shadow are almost equal.

What do you think would have transpired during the day that led to the creation of a spinning top?

On the face of it, the spinning top looks like a decent candle with a small real body, which represents the small price difference between the open and close. So as the Upper shadow is the high price and low price is the lower shadow.

How a Spinning Top candlestick is formed?

The presence of the upper wicks tells us that the bulls did attempt to take the market higher. However they were not really successful in their endeavor. If the bulls were really successful, then the real body would have been a long green candle but it didn't happen. Hence this can be treated as an attempt by the bulls to take the markets higher but they were not really successful at it.

Same way, The lower shadow connects the real body to the low point of the day. If it is a red candle, the low and close are connected. If it is a blue candle, the low and open are connected.

The presence of the **lower shadow** tells us that the bears did attempt to take the market lower. However, they were not really successful in their endeavour. If the bears were truly successful, then the real body would have been a long red candle and not happen, it became a short candle. **Hence**

this can be treated as an attempt by the bears to take the markets lower but they were not successful.

These two combined candles form a spinning top. It may be a **RED-GREEN** or **GREEN-RED** spinning top candle stick pattern that indicates two situations in the market, whether upside or downside. It just indicates the indecisive pattern of the market.

However, in a trending market or candle stick pattern, the Spinning top candlestick pattern gives a significant position in the market.

Bearish & Bullish Spinning Top candlestick pattern:



In the above chart, you can see the formation of a spinning top, which kept the market stagnant for some time, and then movement started upside by changing the direction.

In the meantime, buyers were not able to dominate, and sellers were trying to pull the market down. But, no one successful and steady game going till some period. After that buyers entered with heavy volume and the trend changed to upside.

But it's not always true that in an uptrend if a spinning top appears then a reverse trend will happen, rather it indicates the silence before the storm. There is 50% chance of either upside or downside movement waiting for the upcoming time. You can see the same in the second spinning top marked in the above chart. Similarly, the Formation of the Spinning top pattern in uptrend indicates 50% opportunity of movement either to upside or downside. Anything can happen after a spinning top candlestick formation, so how to trade this is given the next paragraph.

One of the most important skill to learn before trading or investing in the stock market is to know [Support and Resistance](#) in the candlestick. **To master the skill you can search this blog.**

In a chart pattern, a Hammer candle is a most important to decide the trend reversal, understand the [Hammer candlestick pattern pdf](#) to enhance your analysis.

If someone is **holding a 1000 shares**, when he or she observed a spinning top candlestick is formed then at this time to reduce risk, sell 50 % and keep rest 50% till the momentum in market changes.

Let's say the Market goes up in your favour then you can add more shares to get the benefits of Bull ride. Unlike if in case it goes against your prediction then only 50% share will be affected, which you can sell further with a stoploss. But along the side its a win-win situation to gain momentum.

Including this if you are a **Day Trader** or a **Future Option trader**, it will spinning is a speed braker and alert candle for you. Take you decision based on the momentum. If the Bull run going on in smaller time frame then spinning top is formed then further trend may reverse or a momentous uptrend is going to come. At instant you have to hedge your position and reduce the volume till a confirmation.

Surf Our Blog <https://stockmarketpatterns.com/> for Mastering the above candlestick pattern and understand how to trade with the pattern.