

THE 3 CHART PATTERNS THAT BUILT MY CAREER

If you were to take a time machine throughout the entire history of risk assets – Tulip Mania in the 1400s, the roaring ‘20s, the Great Depression, the Industrial Revolution, the dot-com bubble – you’d see ***exactly*** the same chart patterns you see today.

It doesn’t matter if it’s tulips or tech stocks or meme coins.

Chart patterns are a reflection of human behavior, which is why they stay the same, time and time again...

They tell you when to buy (and when to sell). You won’t have to guess. You’ll ***know***.

That’s why I’m a technical trader.

More than fundamentals or headlines, charts give me conviction.

When I see a familiar pattern, I know what the chart will do next. And that gives me the confidence to pull the trigger.

You don’t need a PhD in finance. You don’t need to sit through every earnings call or read a mountain of 10-Ks.

You simply need to train your eyes to identify three simple chart patterns, learn what they mean, and know how to trade them.

Let me show you...

THE BREAKOUT PATTERN

The Breakout Pattern is almost ***too simple***.

A stock trades inside a range. Buyers and sellers fight over a price level.

Then one day, boom. It breaks through.

That move above resistance unleashes a wave of high-volume buying as traders scramble to reposition.

Think of it like a crowded room. When the exit door finally opens, everybody rushes through.

A proper breakout comes with strong trading volume. That tells you the move has juice behind it.

Be wary of breakouts on low volume. You might be looking at a fakeout.

I love trading breakouts because the entry level is pre-determined. There's no guessing.

The key is spotting the setup early. I look for an obvious, undeniable top the chart has made in recent history.

The moment it breaks that level with conviction is one of the best call-buying opportunities you'll ever get in the options market.

REAL-WORLD EXAMPLE: PLTR

One of the most talked-about stocks of 2025, **Palantir Technologies Inc. (NYSE: PLTR)**, is a textbook example of an explosive breakout on the daily chart.

But it's easy to forget that PLTR languished for years...

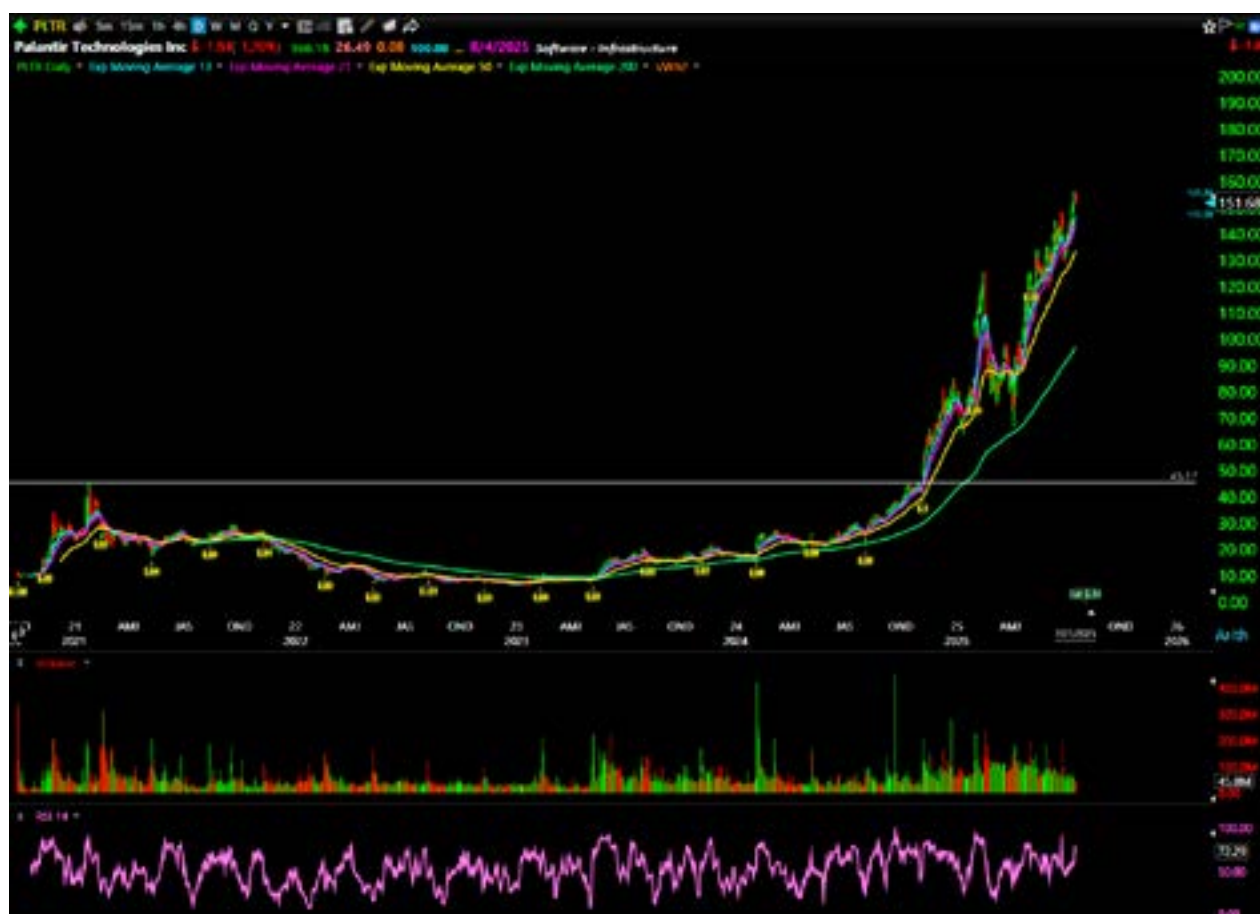
After its IPO at \$10 in 2020, the stock blasted to \$45 in short order.

Then it began selling off. From February 2021 to May 2023, the chart was gridlocked in a brutal downtrend, trading as low as \$5.

Everyone thought the initial pop was just some overhyped IPO buzz. Traders had it for dead.

But I was watching it, all those years, with that \$45 resistance level marked on the daily chart.

I knew if it ever traded above that level, I'd be staring at a textbook breakout.
Sure enough, look what happened in October 2024:



PLTR chart: All time, daily candles – courtesy of [TC2000](#)

THE “3X A LADY” PATTERN

This is one of my all-time favorite patterns, based on one of my all-time favorite songs...

It’s a twist on a breakout that I call **The “3x a Lady” Pattern**.

Here’s how it works: A stock tries to break a level once. It fails. It tries again. Another failure.

But the third time, it punches through.

Why does this work? Every failed attempt builds pressure. Shorts pile in, thinking it’ll reject again...

But buyers don't back down. On the third attempt, there's enough momentum to overwhelm the sellers.

It's a confidence pattern. The first two tries shake out the weak hands. By the third attempt, only the strong remain.

And when it breaks, it breaks **hard** – because the traders still in it have serious conviction.

I trade 3x a Lady just like a breakout. The false starts give me more conviction (and more time to position).

REAL-WORLD EXAMPLE: GLD



GLD chart: 5 years, daily candles – courtesy of [TC2000](#)

The **SPDR Gold Trust (NYSEARCA: GLD)** is one of the most widely traded assets in the world.

Because this chart is so universally tracked, the key levels (support and resistance zones) are even more reliable than normal.

And for the entire history of the commodity index, it had never traded above a brick wall of resistance at \$194.27.

Not for lack of trying, though...

Once in August 2020, it failed.

Again in March 2022, it failed.

Finally, on its third attempt in March 2024, GLD finally cracked above \$194.

Once, twice, 3x a Lady...

Since the historic breakout, GLD has surged **59% in 18 months**, one of the biggest moves in the history of the precious metal.

THE PULLBACK PATTERN

The Pullback Pattern is exactly what it sounds like...

After a strong move higher, the share price “pulls back” to a support level

Why? Profit-taking.

Traders hit their price target and sell, causing a pullback.

Then the chart holds the support level, while the price reverses back to the upside.

Contrary to breakouts, pullbacks work best on **lower volume**.

You want to see big volume during the bullish rally, followed by lower-volume selling and consolidation back to support.

Most people see a stock moving higher and think, ***“I need to buy this before it runs even further.”***

But that isn't trading, it's chasing.

Pullbacks let the trade come to you.

When you learn to wait for the chart to retrace into a prior breakout area, rising moving average, or former resistance (now support) ... you're reducing your risk in real time.

I look for clean moving averages. The 8-day exponential moving average (EMA), the 21-day EMA, and sometimes the 50-day EMA.

If a stock pulls back to one of those levels and holds, that's a prime risk/reward moment to take advantage of.

REAL-WORLD EXAMPLE: RDDT

Reddit Inc. (NYSE: RDDT) was one of the major casualties of the momentum stock bloodbath earlier this year.

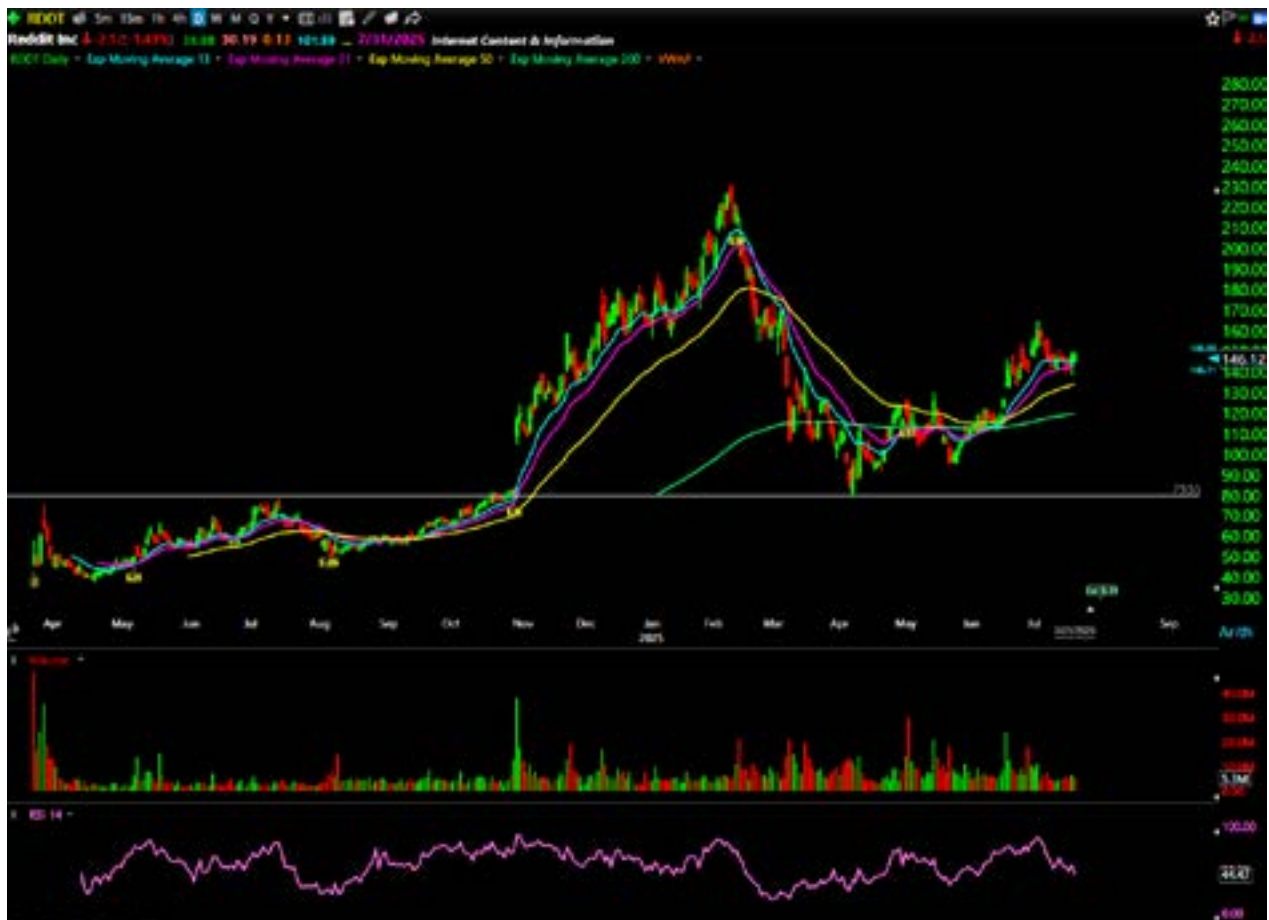
After a huge breakout in October 2024 led to a 180% surge in 3 and a half months, the stock hit a top at \$230 and started tanking in February.

When these momentum stocks start crashing, everyone wants to know when it's time to call the bottom.

How big will the pullback be? Funny you should ask...

If you're familiar with the breakout pattern (*which you now are*), one number should stick out like a sore thumb: the previous breakout level.

RDDT's previous breakout level was \$79. When the stock enters a downtrend, you should be watching that level. If the chart bounces off of it, you have a very textbook (albeit dramatic) pullback.

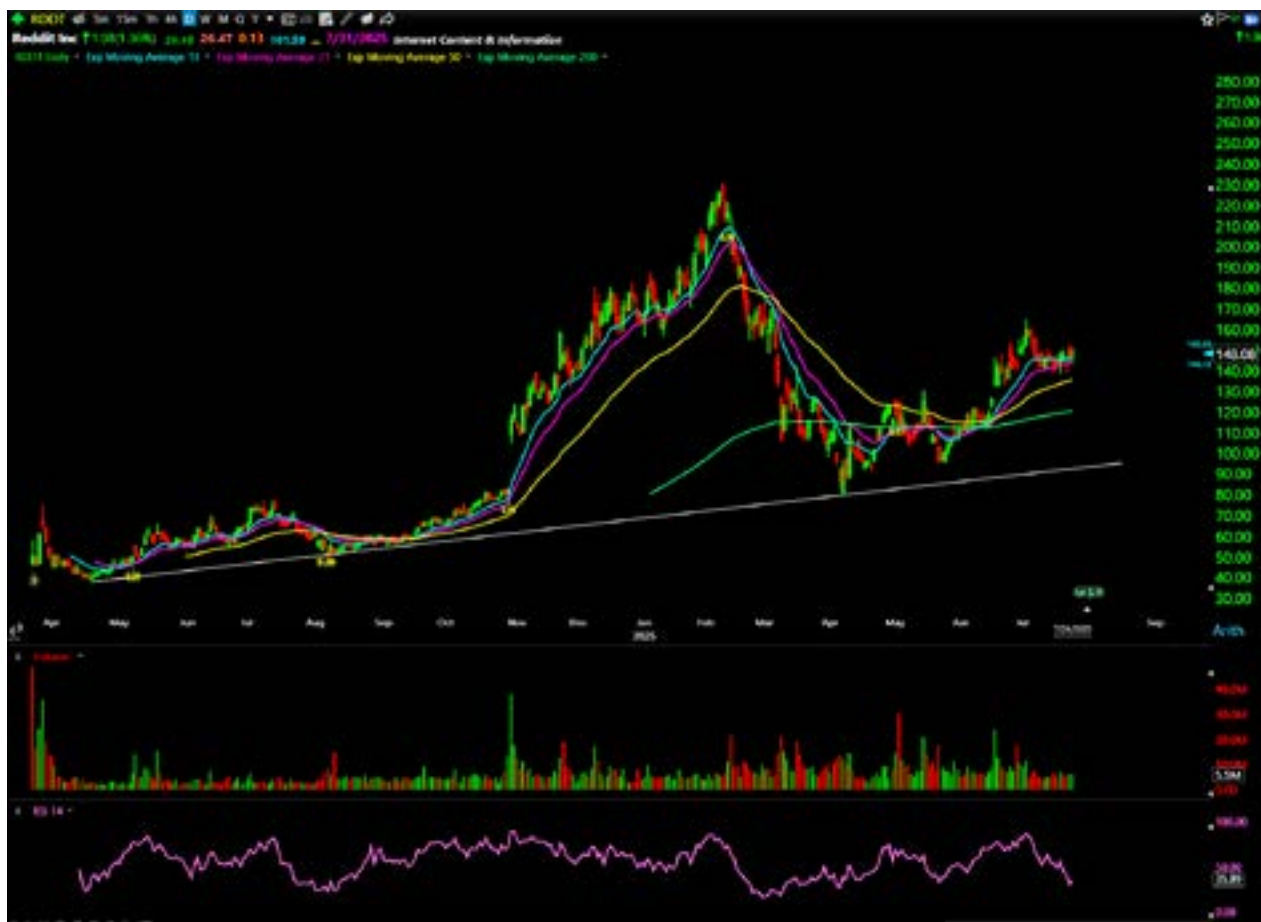


RDDT chart: All time, daily candles – courtesy of TC2000

It was practically to the cent. Swing traders can't ask for a better entry than that.

But there's more...

Draw a trendline from the IPO day to the present. Guess where the chart pulled back to?



Right to that long-term trendline.

FINAL WORD

I built my career on these three patterns.

Breakouts. 3x a Lady. Pullbacks.

The examples I shared with you today were all dramatic, long-term versions of these patterns.

But they work on short-term time frames just the same.

Learn to spot them, and you never need to guess again.

The charts tell you what they're about to do. You just have to listen.

Happy trading,

Ben Sturgill