

Unraveling the Importance of Platform Candlestick Patterns

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In the realm of stock trading, the Platform Candlestick Pattern has emerged as a notable sideways candlestick pattern, gaining prominence alongside the increasing activity of Dark Pools. These Dark Pools, which operate as Alternative Trading System (ATS) venues, facilitate the execution of large-lot orders away from traditional exchanges. While this practice is legal and benefits investors in Mutual Funds and Pension Funds, it has notable implications for market dynamics.



The Platform Candlestick Pattern typically manifests as a range on stock charts, distinguished by its consistent highs and lows. However, unlike conventional trading ranges, this pattern exhibits a remarkable degree of stability. Yet, this range can sometimes be disrupted by the actions of [High Frequency Traders](#) (HFTs), who fail to discern the activities of the primary Stock Market Participant Group—mainly Buy Side Institutions—thus triggering temporary sell-offs.

However, such attempts are swiftly overridden by the massive Buy Side Institutions utilizing Dark Pools, whose orders automatically trigger off-exchange when prices dip to the lower end of their established range. As these institutions execute their purchases, they exert dominance over the market, propelling prices upward within the established range. Ultimately, this leads to price movements beyond the original high price set by the Dark Pools for their buying activities.

The emergence of the Platform Candlestick Pattern on stock charts is often indicative of the intentions of giant-lot Buy Side Institutions, and at times, Sell Side Institutions, to accumulate stock positions in a company. To avoid disrupting the market, these institutions employ Dark Pools with a bracketed order system, where automated orders are triggered within a specified price range. This range, determined based on fundamentals, creates a precise boundary known as the "Platform Candlestick Pattern."

In summary, the Platform Candlestick Pattern is a valuable tool for traders, especially those engaged in Position Trading, as it signifies Dark Pool activity and provides opportunities for strategic entry and exit points. Moreover, it holds relevance for [Swing Trading](#) and Momentum Trading strategies when utilized in conjunction with Accumulation/Distribution and large-lot tracking indicators.

Watch TechniTrader's complimentary video lesson to discover how leveraging Technical Analysis of stock price movements, coupled with leading candlestick patterns, can empower traders to navigate the complexities of today's stock market, often dominated by seasoned professionals.

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