1927

Three Bar Pattern Glossary

Version 1.0

Revision History

Date	Version	Description	Author
10/10/21	1.0	Initial draft	Team
11/18/2021	1.1	Just cleaning it up	Kyle Conte

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Glossary

Introduction

1.1 Purpose

This glossary is meant to better document and understand terms relevant to the project. It also provided documentation of relevant files and their purpose. It will facilitate users to better understand the technicalities of the project.

1.2 Scope

The scope of this document is based on meetings with our clients and advisors. The information gathered has been from them and individual research.

1.3 References

Dr. Zhang(Client)

1.4 Overview

This glossary contains definitions of terms relevant to the project. The document divides the definitions based on their topic. They are ordered in increasing levels of complexity.

Definitions

Fundamental Analysis: a method of determining a stock's real or "fair market" value.

Markets: the aggregation of buyers and sellers of stocks (also called shares), which represent ownership claims on businesses; these may include securities listed on a public stock exchange, as well as stock that is only traded privately, such as shares of private companies which are sold to investors through equity crowdfunding platforms.

Risk Aversion: Risk aversion refers to the tendency of an economic agent to strictly prefer certainty to uncertainty.

Technical Analysis: Technical analysis looks at the price movement of a security and uses this data to attempt to predict future price movements. Fundamental analysis instead looks at economic and financial factors that influence a business.

Ticker: a report of the price of certain securities, updated continuously throughout the trading session by the various stock market exchanges

Three Bar Pattern: A pattern found on three consecutive candlesticks on the stock exchange. Represents a turning point in the market.

1.5 The Markets

1.5.1 NYSE (New York Stock Exchange)
2800 Companies, 1.46 billion shares per day

1.5.2 Nasdaq (National Association of Securities Dealers Automated Quotation)
3300 Stocks, 4 billion volume

1.5.3 Ticker
AAPL, GOOG, V, AAL...

1.5.4 Securities and Exchange Commission (SEC):
Regulator

1.5.5 Open Hours (ETC):

7:30 - 9:30, Pre-Market

More Important market. Most institutional trades occur during premarket. This is due to the volume of the trades made by institutional vs retail investors. They trade off the open market. So action on pre-market is very important for the rest of the day.

9:30 - 16:00, Normal Session

Targeting normal session for Three Bar PAttern, but trend will be affected by premarket. Thus, it is important to take note of premarket action.

16:00 - 20:00, PostMarket

Either very small, or very large trades in post-market.

1.6 Types of Investors

1.6.1 Value Investor

Institutional, individual long term investors

1.6.2 Swing Trader

Institutional, trend rider, mid-term traders

1.6.3 Pattern Day Trader

Institutional, scalping, short time traders

1.6.4 Other (Rapid Trading)

Specialized Traders

1.7 Types of Stocks

1.7.1 Common Stock

Stock that is from a "respectable company", also called blue-chip companies. Lowest risk companies

1.7.2 Penny Stock

Stocks that are typically less than $5 per share, volatile

1.7.3 Junk Stock

Stocks that are less than $0.001, highly volatile

1.8 Factors

1.8.1 Risk Aversion

Risk aversion refers to the tendency of an economic agent to strictly prefer certainty to uncertainty.

1.8.2 Prediction of Expected Value

Estimation of how much a stock would be worth in the future

1.8.3 Patience

When to sell or buy, perfect patience would result in selling at peak of stock price and buying at lowest point of stock price.

UML Stereotypes