

Head and Shoulders Pattern The head and shoulders pattern is a reversal pattern that usually appears at the end of an uptrend. – \*Head\*: A new price rise that exceeds the previous peak, then a decline. This pattern indicates that the uptrend may be coming to an end and that there is a possibility of a downtrend reversal. It consists of three peaks: the middle peak (the head) is higher than the two side peaks (the shoulders).