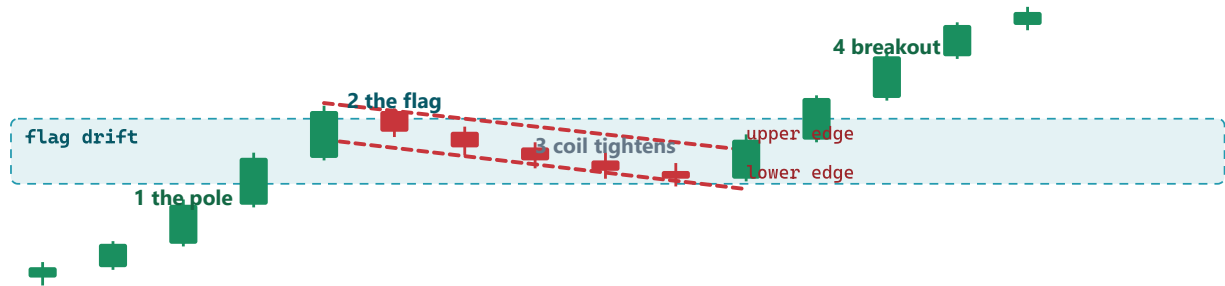


flags and pennants

A flag or pennant is a short pause after a sharp move. Price runs hard one way (the pole), rests in a small range that leans against the move, then often continues. Here is how the shape reads.



1 the pole

A fast, one-sided burst pushes price a long way in a short time. Candles are large and mostly the same colour. This steep run is the pole that the pattern hangs from.

impulse

2 the flag

After the burst, price drifts sideways or slightly against the move in a small tight channel. Candles shrink and overlap. This gentle counter-drift is the flag; a coiling, narrowing version is a pennant.

pause

3 the coil tightens

The range keeps narrowing as the push and pull-back balance out. The drift stays shallow relative to the pole, which is what separates a flag or pennant from a full reversal of the move.

compression

4 the breakout

Price pushes back out of the small channel in the direction of the pole. Range expands again and the earlier momentum can resume. A close back inside the channel would instead void the shape.

continuation

Key terms

pole — the sharp, fast move that comes before the pause and gives the pattern its height.

flag — a small channel that drifts gently against the move after the pole.

pennant — a small coil where the range narrows to a point instead of drifting.

breakout — the move back out of the small channel, often continuing the pole's direction.

How to read & use it

measure the pole first

The flag or pennant only reads clearly against a steep pole. A large one-sided run followed by a small quiet drift is the classic shape; a shallow move with no pole is just noise.

watch the drift, not just the line

Tidy flags stay shallow and orderly, leaning slightly against the move. If the pause turns into a deep, wide, two-sided range, the neat pattern has broken down and the read changes.

the channel edge marks confirmation

The shape is only confirmed once a candle closes back outside the small channel. A move that stays trapped inside, or falls back in after poking out, has not confirmed the pattern.

HOW QUANTREEF SHOWS THIS

When Quantreef highlights a flag or pennant, it is labelling a shape on the chart for education and context only. It is descriptive information about price structure, not a signal, a recommendation, or a prediction of what price will do next.