IOSR Journal Of Economics and Finance (IOSR-JEF)
e-ISSN: 2321-5933, p-ISSN: 2321-5925.Volume 16, Issue 4 Ser. 4 (July. – August. 2025), Pp 01-03
www.Iosrjournals.Org

3 Wedge Structuring Concept

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Date of Submission: 23-07-2025 Date of Acceptance: 03-08-2025

I. 3 Wedge Structuring Is An Undeniably Accurate Approach To Map The Market And Is Key Part Of Market Foot- Printing

Wedge patterns are a way to identify dynamic support and resistance in live market. Wedge delivers areas or price zones from where price can change the trend with respect to the time frame you are observing. Price action has a unique way of moving in either direction but what if you could identify the direction of price based on current and previous price action. Let's, dive deep into wedge structuring and get an insight into working structure of Wedging-How Wedging can help to identify market direction and guide towards more precise and accurate prediction. Wedges, if used as mentioned below, can help to map the entire price movement with respect to any time frame and thus make it easier to define more accurate direction of next move in price.

We will reveal here, 3 key wedges which are frequently observed in market, how to identify them and plan your trade based on this simple concept of 3 Wedge Structuring. Based on this concept we will learn to plan the trade and predict the market direction.

3 Wedge Structuring based trading is comprised as follows:

- How Wedges are formed in the market
- What are the uses of Wedges in live market
- How to identify and trade Wedges

II. How Wedges Are Formed And What Are The Three Different Most Important Wedges:

Rising Wedge: Rising Wedge is a Price range in which price moves in upward direction making higher swing highs and higher swing lows. Market moves in the specific range to form rising wedge which provides levels at which price can take support and rejection in live market we called them dynamic support and resistance. Key is to focus on rising wedge are the rejection levels and not the support levels. Short side trades will be more successful. This perspective of looking at rising wedge as an indicator of bearish trend may not have been discussed anywhere. As seen below in the picture, is how Rising wedge is formed in the market. Price goes higher high forming an upward trend usually known to be bullish trend but it eventually breakdowns for correction.

Falling Wedge: Falling wedge formation happens when price moves downwards within a range making lower swing highs and lower swing lows. This range movement provides dynamic price levels from where next rejection or support will happen. Falling Wedges are correction phases of Bullish Market. In this concept, this formation is considered as most bullish price action and very high probability trade is always on support of the wedge.

Consolidation Wedge: Range in which price consolidates and doesn't break any recent high or recent low. This range is also known to be Accumulation phase or Distribution phase based on where it is happening. One can also refer this as Sideways Price Movement. These price ranges can be frequently seen for short period of time between rising and falling wedges for the price to decide next move. This range can be referred as cooling off phase before next big trend.

What are the uses of 3 Wedge Structuring in live market:

3 Wedge structuring will accurately guide to map the live market like never before and provide very precise prediction of next move in market. These structures will help you analyze the current and possible upcoming market trend so that you can predict the direction of market.

Formation for wedges follows a specific market structure, rising wedge will be followed by falling wedge and then again, another rising wedge. During these moves price will consolidate and may form a consolidation wedge. These patterns will keep forming depending on what trend is active in market. Rising wedges are an indicators of downside trend and falling wedges are indicators of upward trend. At any given time frame, we can easily map the price moves in wedges. With the first set of support and resistance we can identify next possible direction as seen below:

Market Prediction and Mapping

Trading with 3 Wedge Structuring

In order to trade with Wedges, we have some key rules to follow:

1. Rising Wedge: Rising wedge is a correction phase of bearish market trend so we always take short side trade on rejection levels of the rising wedge after confirmation of any bearish candlestick patterns or rejection candle. Rising wedge will always have breakdown after three to four insider wedges and will be followed by a falling wedge
2. Falling Wedge: These are considered to be the most bullish patterns, so we buy at the support levels of falling wedge after confirming bullish candlestick patterns. Falling wedge will always have breakout after three to four insider wedges and will be followed by formation of rising wedge
3. Consolidation Wedge: Buy or sell at support and resistance levels respectively or completely avoid it for better trade in trending market
4. Moves in the same direction of wedges will always be fake moves and price will always trade back in the same range of Rising wedge or Falling wedge
5. In order to trade wedge structures, we use **Candle Reversal Theory** in our **Market Foot-Printing Trading Concept**

These patterns are very helpful in identifying price reversals at the rejection areas of rising wedge and support areas of falling wedge

Formation of uprising channel with rejections and support zones

Rising wedge with the breakdown, price moving in upwards channel for some time will give a breakdown at certain point

Falling Wedge with breakout at the end of the channel, if price is continuously moving in downtrend for some duration of time, it is certain to have breakout