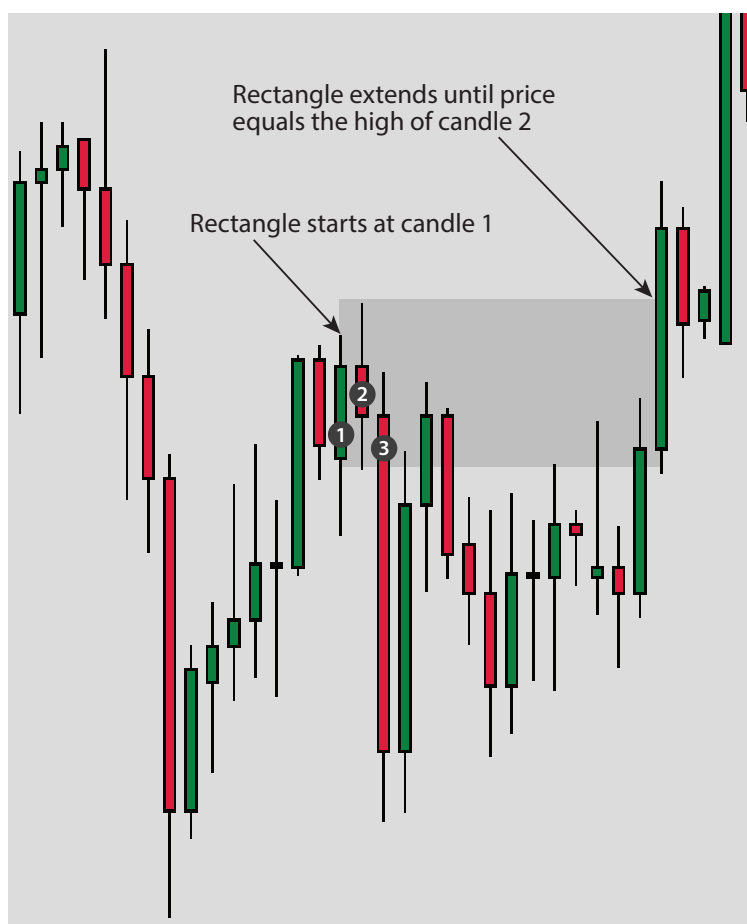# Rally Base Drop (RBD) and Drop Base Rally (DBR) candlestick pattern indicator
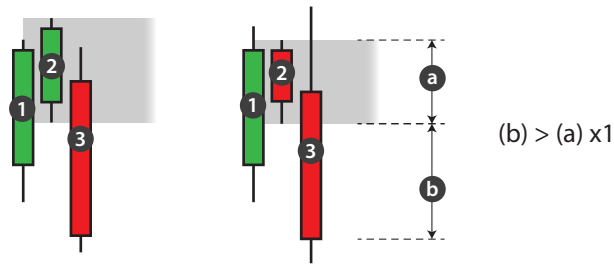
Overview
The indicator identifies a candlestick pattern and draws a rectangle, which extends to the right until price surpasses it.

The rectangle is
- Fill colour: Silver
- In the background
- Not selected (but has the ability to be selected i.e. not disabled)
- Starts at candle 1
- Extends to the right until price equals the high or low of the rectangle. If price is coming from under the rectangle, the rectangle extends until it price reaches the top edge and visa versa.
- Once price has surpassed the rectangle, it stops extending to the right. However, it remains on the chart so I can look back in the history for analysis purposes.

Rectangle extends until price equals the high of candle 2

Rectangle starts at candle 1

The candlestick pattern definition

$(b) > (a) \times 1$

RBD's

Candle 1: Candle 1's low is below candle 2's low and it's close is above candle 2's low.

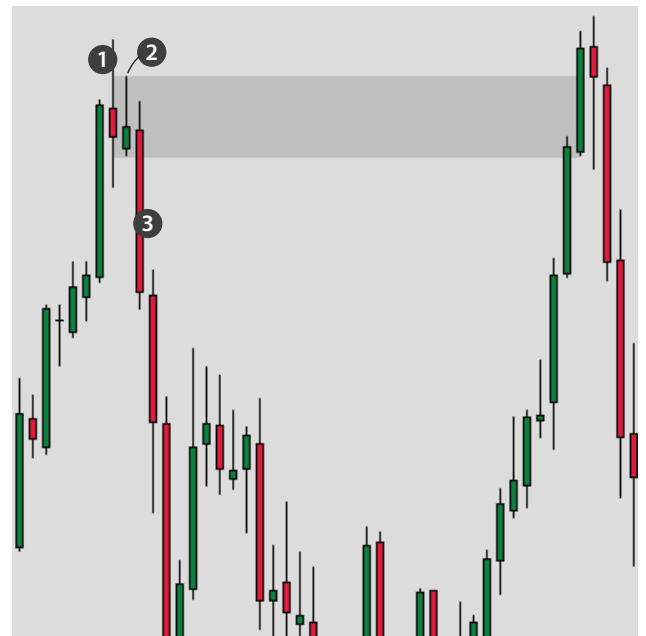Candle 2: Candle 2's low is above candle 1's low. (It's high can be anywhere).

Candle 3: Candle 3's high is above candle 2's low and it's close is below candle 1's low.

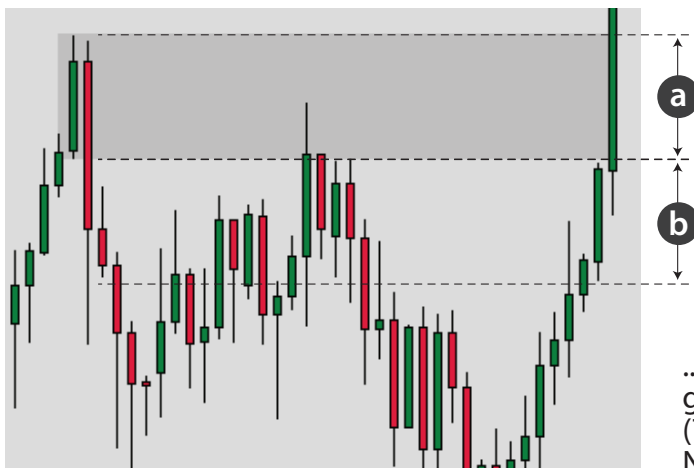Any of the 3 candles can have the highest high.

The rectangle is drawn at the high and low of candle 2.

Candle 3: The distance from the low of candle 2 (the bottom of the rectangle) to the close of candle 3 must be >1 x the distance from the high to the low of candle 2 (Variable in inputs).

Candle 3 must close below the low of candle 1.

Candle 3 has closed below the low of candle 1, but...

... NOT valid as candle 3 has not closed at a greater distance than (a)
(The Four candle rule described later would also NOT be valid, but the 5 candle rule would be valid)

Options:

Four candle (ON/OFF): If 'Four candle' is ON. The distance from the low of candle 2 (the bottom of the rectangle) to the close of candle 4 must be >1 x the distance from the high to the low of candle 2 (variable in inputs) AND candle 4 must close below the low of candle 1.

Five candle (ON/OFF): If 'Five candle' is ON. The distance from the low of candle 2 (the bottom of the rectangle) to the close of candle 5 must be >1 x the distance from the high to the low of candle 2 (variable in inputs) AND candle 5 must close below the low of candle 1.
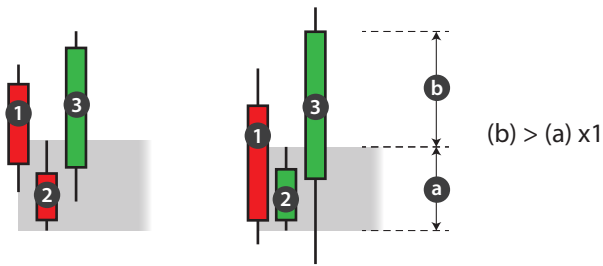
Four candle example

Candle 3 has not closed below the low of candle 1 and so if the 'Four candle' rule was OFF this would NOT be valid. If the 'Four candle' rule was ON it is valid and the rectangle should be drawn.

Five candle example

Candle 5 has closed below (b), which is the same distance as (a), AND closed below the low of candle 1. So if the Five candle is ON, this would be valid and a rectangle should be drawn.

(b) > (a) x1

DBR's (The opposite of RBD's)

Candle 1: Candle 1's high is above candle 2's high and it's close is below candle 2's high.

Candle 2: Candle 2's high is below candle 1's high. (It's low can be anywhere).

Candle 3: Candle 3's low is below candle 2's high and it's close is above candle 1's high.

Any of the 3 candles can have the lowest low.

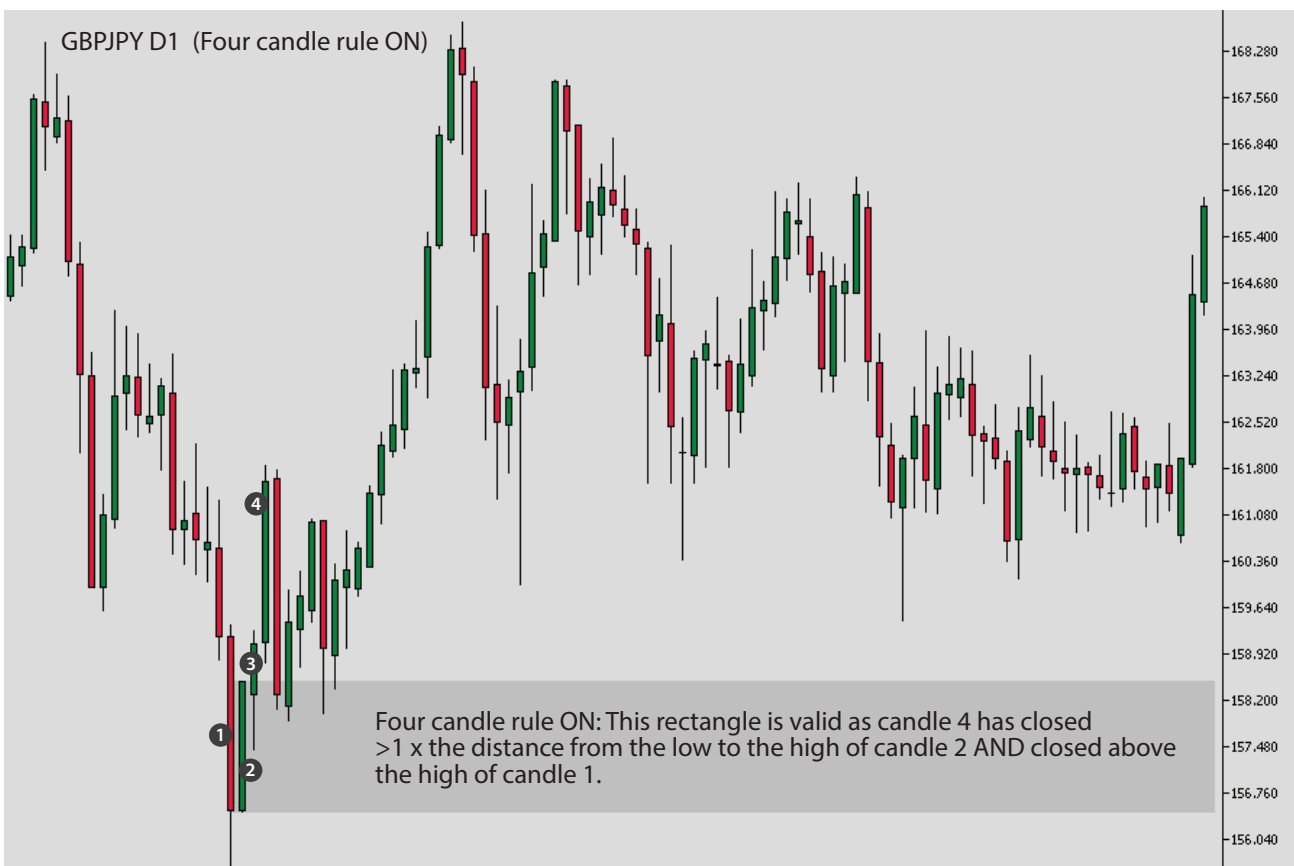The rectangle is drawn at the low and high of candle 2.

Candle 3: The distance from the high of candle 2 (the top of the rectangle) to the close of candle 3 must be >1 x the distance from the low to the high of candle 2 (Variable in inputs).

Candle 3 must close above the high of candle 1.

Options:

Four candle (ON/OFF): If 'Four candle' is ON. The distance from the high of candle 2 (the top of the rectangle) to the close of candle 4 must be >1 x the distance from the low to the high of candle 2 (variable in inputs) AND candle 4 must close above the high of candle 1.
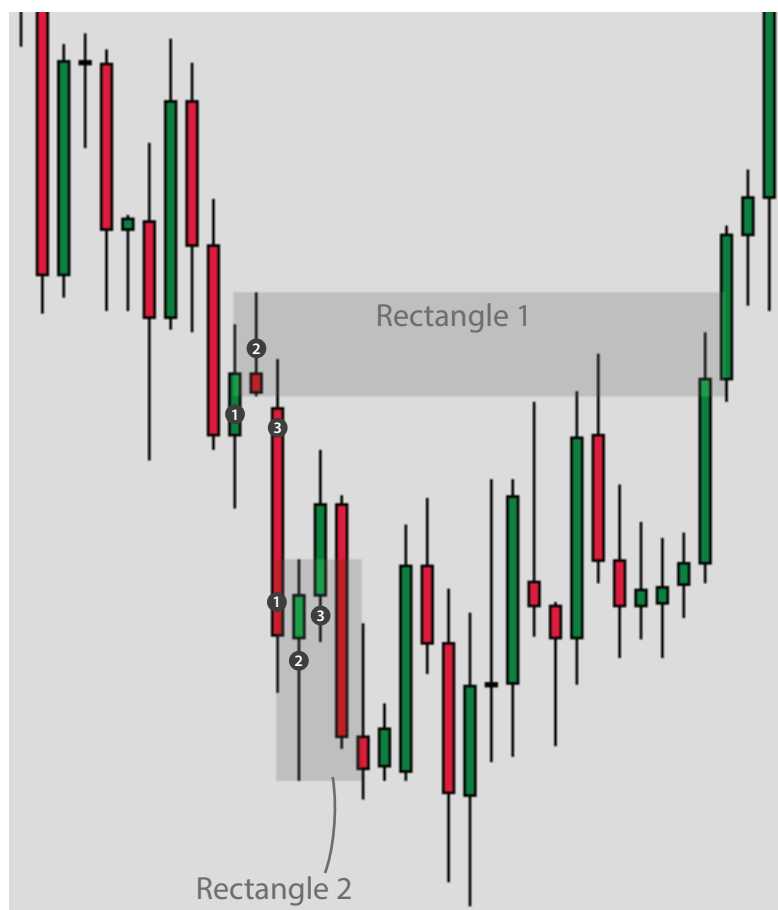
Five candle (ON/OFF): If 'Five candle' is ON. The distance from the high of candle 2 (the top of the rectangle) to the close of candle 5 must be >1 x the distance from the low to the high of candle 2 (variable in inputs) AND candle 5 must close above the high of candle 1.

GBPJPY D1 (Four candle rule ON)

Four candle rule ON: This rectangle is valid as candle 4 has closed >1 x the distance from the low to the high of candle 2 AND closed above the high of candle 1.

Additional inputs

- Go back 450 candles in history drawing the rectangles (variable)

Examples

Note that each rectangle starts at candle 1 and extends to the right until price passes the most disant side of the rectangle.

Rectangle 1. (Valid)
- Candle 3 close is greater than 1 x the distance from the low of candle 2, than the high to the low of candle 2
- Candle 3 close is below the low of candle 1

Rectangle 2. (Not valid)
- Candle 3 close is not greater than 1 x the distance from the high of candle 2, than the low to the high of candle 2
- Candle 3 close is not above the high of candle 1

Recent H4 USDCAD rectangles manually marked up. (I may have missed some)
These would be with the Four and Five candle options turned off.