

De Bondt and Thaler (1985) hypothesized that "extreme movements in stock prices will be followed by subsequent price movements in the opposite direction". In Table 3, the pattern 2-2 that has the sixth highest frequency can be given as an example of such a pattern.

We also have studied the issue of what patterns comes after what in a two daily pattern context. The significant results are shown in Table 4.

Table 4

WHAT COMES AFTER WHAT FOR TWO DAILY PATTERNS

First Pattern	Second Pattern	Frequencies (f)
-2-2	-22	11
-22	21	10
22	22	9
12	12	9
12	22	8
-21	22	8
-22	22	7
22	21	7
22	11	7
11	11	6
11	21	6
21	-2-2	6
-2-2	-2-2	6
-2-2	-21	6
02	01	6
22	02	6
-12	22	6
Others	Others	
Total		988

In Table 4, the second patterns can be classified as "no change", "going up" and "going down". 22,11 and -2-2 type patterns are "no change" patterns. -22, 12, -21, 01, 02 are "going up" patterns and 21 is "going down" pattern. We found in