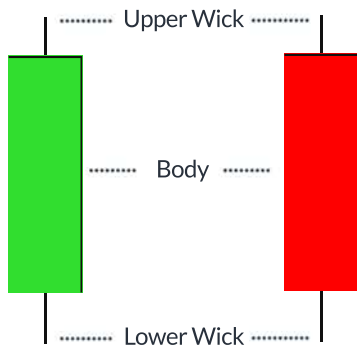


CANDLESTICK CHARTING

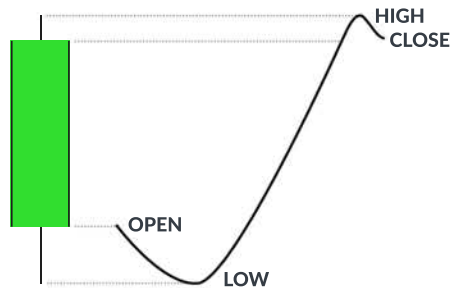
CHEAT SHEET

Candlestick Components



A candlestick is made up of an **upper wick**, representing the high, a **lower wick**, representing the low, and a **body** representing the spread between open and close. A red body indicates that a stock closed lower than it opened, while a green body indicates that a stock closed higher than it opened.

The Story Behind a Candle

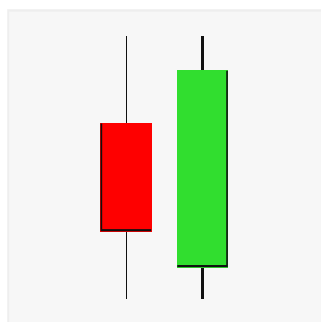


Candlesticks are powerful analytics tools because of their ability to **compact larger amounts of data into an easy-to-read format**. A single candle can summarize trading activity for any given period, from a single minute to an entire week. When analyzing candles, remember that **each candle tells the story of a stock's price action** during a given period.

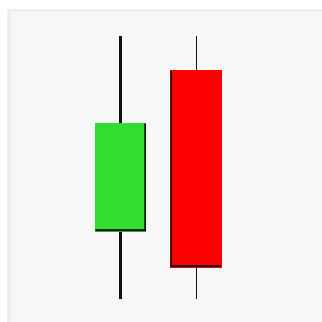
Candlestick Trading Tips

- ❗ **MEASURE CONVICTION**
Pay attention to the size of a candlestick's body. A larger body represents higher conviction, whereas a smaller body represents potential indecision.
- ❗ **MULTIPLE TIMEFRAMES**
Candlestick charts can be used for any timeframe. Candlesticks can be used on intraday, daily, and weekly charts.
- ❗ **CONTEXT COUNTS**
Pay attention to surrounding candles. Current price trends can affect the meaning a relevance of candle formations.
- ❗ **PROPER APPLICATION**
While candlesticks are insightful, they should be used alongside other patterns and indicators for maximum effectiveness.

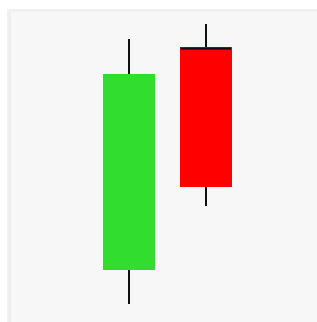
Common Candlestick Patterns



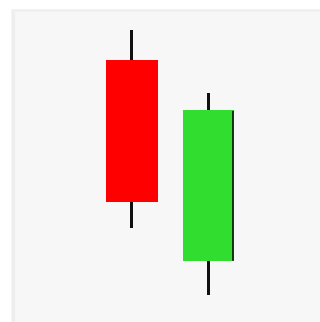
BULLISH ENGULFING



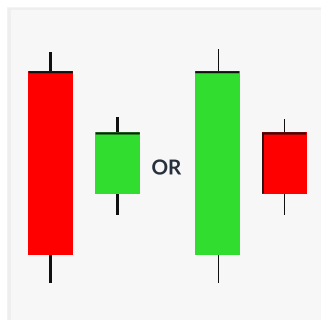
BEARISH ENGULFING



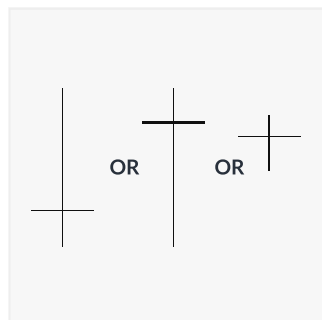
DARK CLOUD COVER



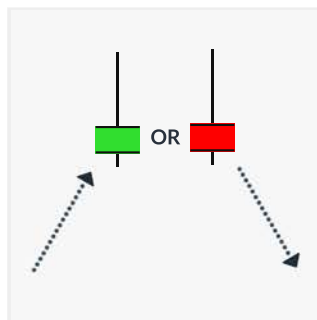
RISING SUN



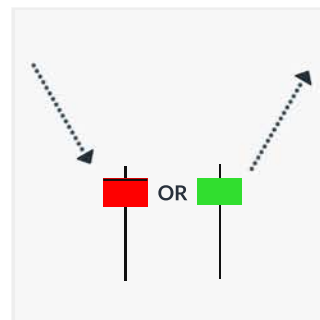
HARAMI



DOJI



SHOOTING STAR



HAMMER