

Open High Low Close (OHLC) and Open Low High Close (OLHC)

What are OHLC and OLHC?

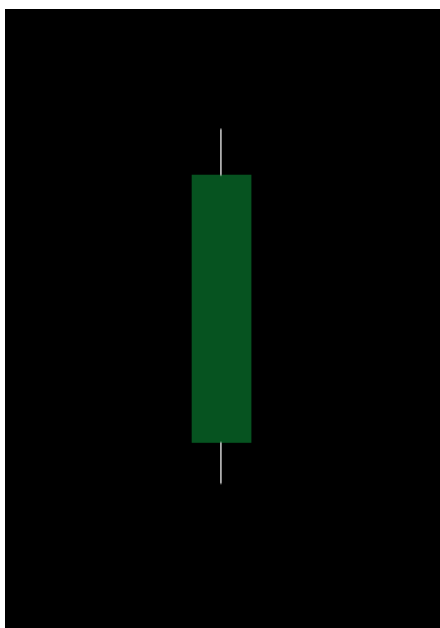
The concepts of OHLC and OLHC represent the way a candle forms in order;

- 1) The candle opens at the specific time – O
- 2) The candle will then manipulate either up (high) or down (low) - up (high) = H. and the same way... down (low) = L
- 3) Following the manipulation we have our distribution which can again be up (high) or down (low) - up (high) = H. and the same way... down (low) = L
- 4) And finally the candle will close on the allotted time – C

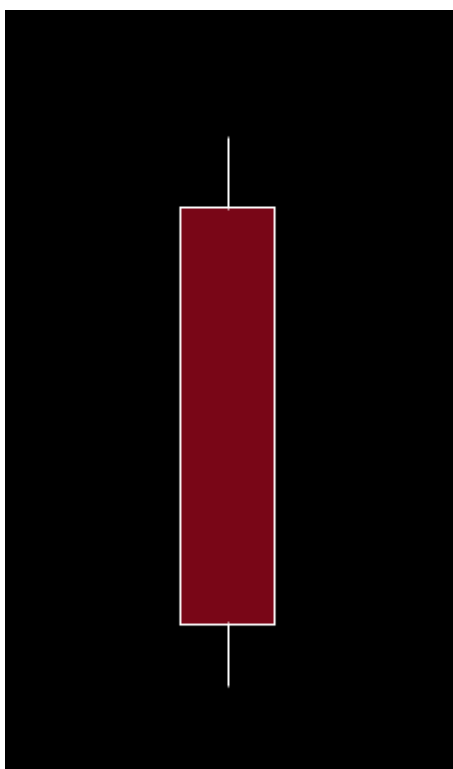
Let's dive deeper into these concepts;

Every candle on the charts tries to form with a body and a wick on either ends of it. That is considered an ideal candle, and that's the concept which applies to OHLC and OLHC.

Ideal bullish candle ;

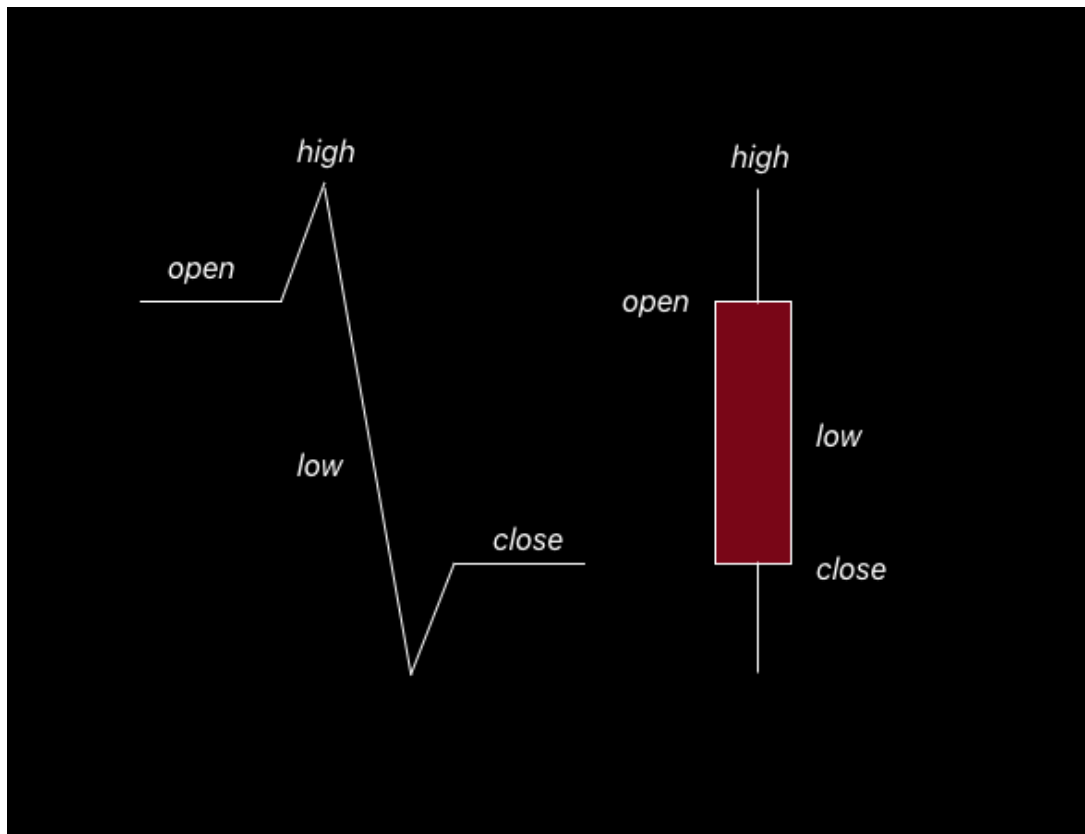


Ideal bearish candle ;



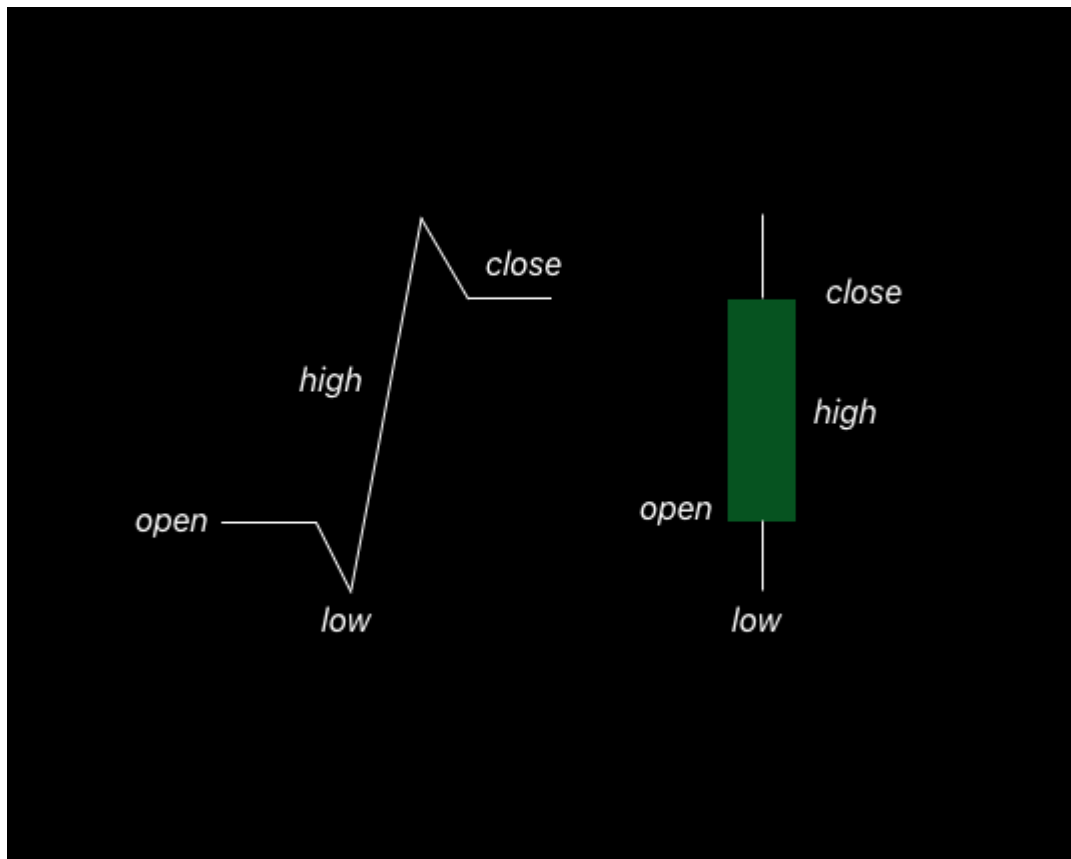
And these candles with their bodies and wicks form in the order mentioned above.

Template for OHLC candles;



We can see how a candle first opens, and then we manipulate up and then distribute down and retrace a little at the end and then close. Hence forming our OHLC candle.

Template for OLHC candles;

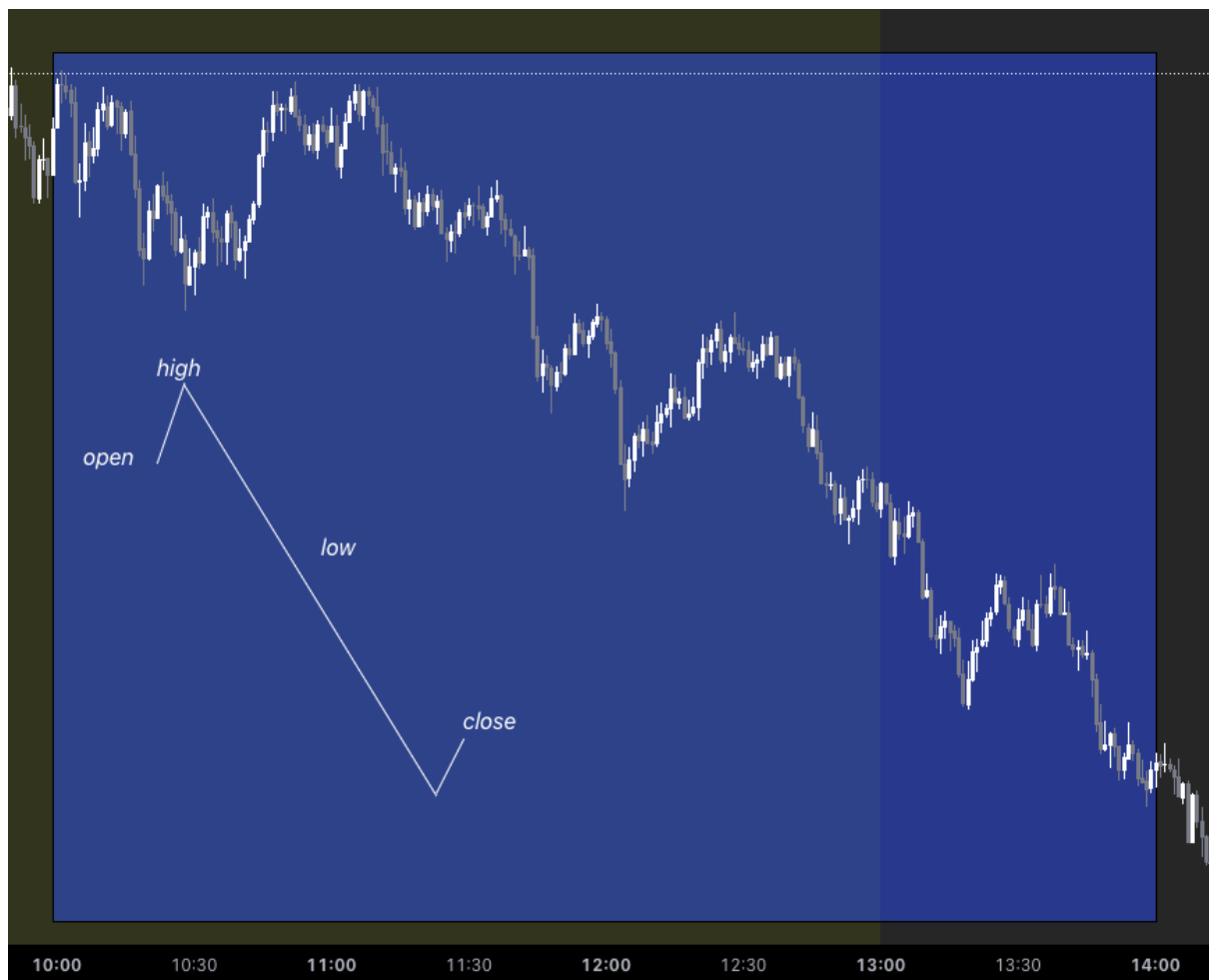


Same as above, the candle opens but this time we manipulate down and then distribute up before a small retrace and a close.

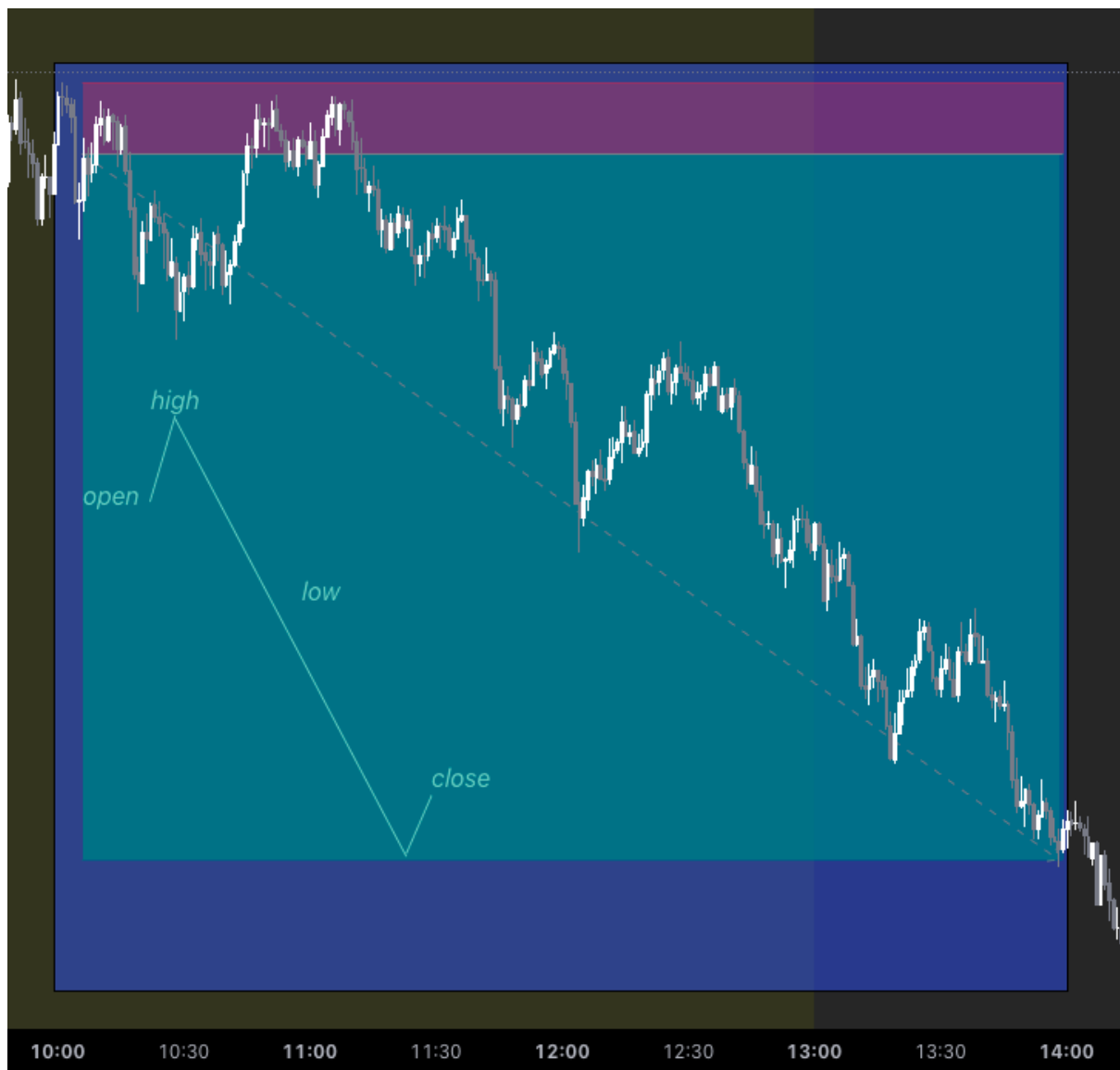
So these are the basics about the OHLC and OLHC candles, we can use these to trade higher time frame candles such as the 4 hour candles or the daily candles. We form our bias and try trading the distribution of the HTF candle on the LTF.

Let's dive into some examples;

OHLC of the 10am 4 hour candle;

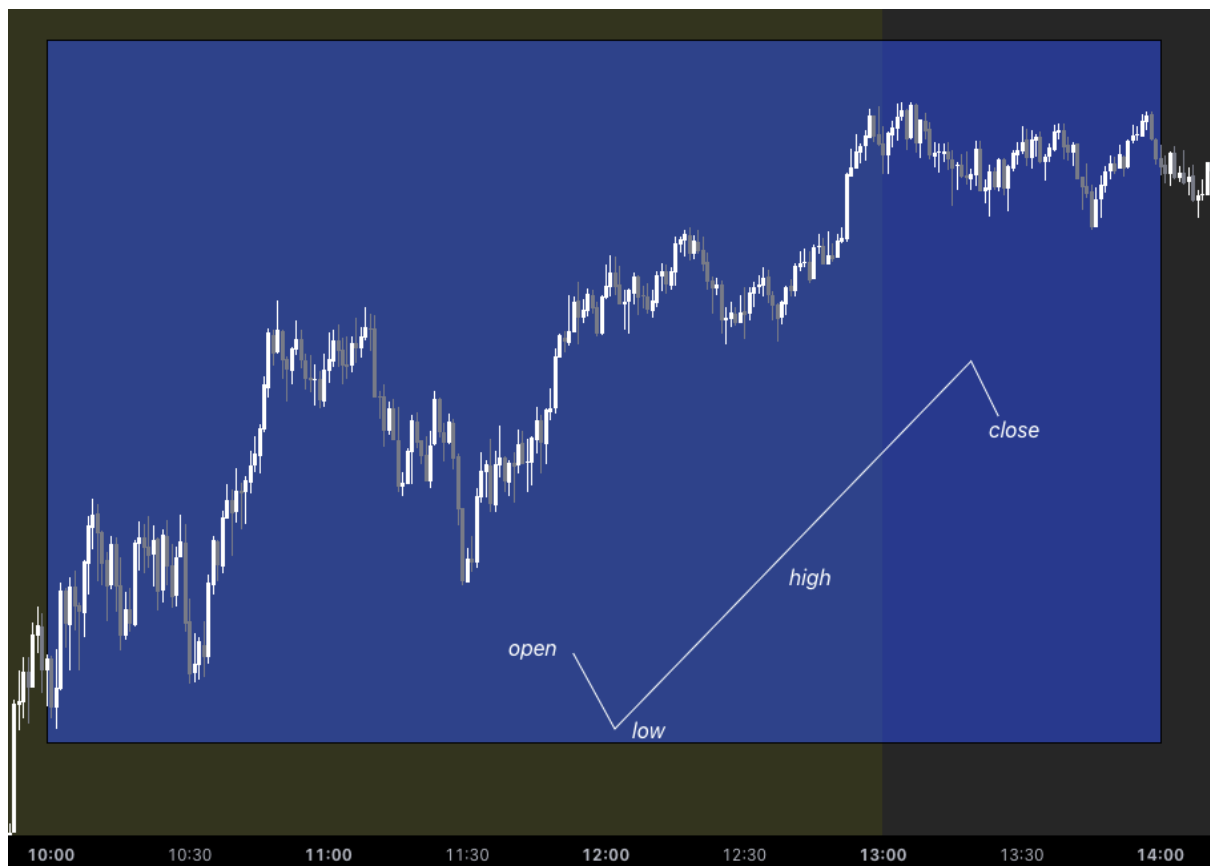


The blue highlighted box represents the whole of the 10am 4 hour candle. We can see here how once the candle opens we manipulate up and form the top wick of the candle and then distribute down and eventually close. In this case we can trade the distribution down. Anticipate the formation of the top wick and then find an entry for a short and ride it down.

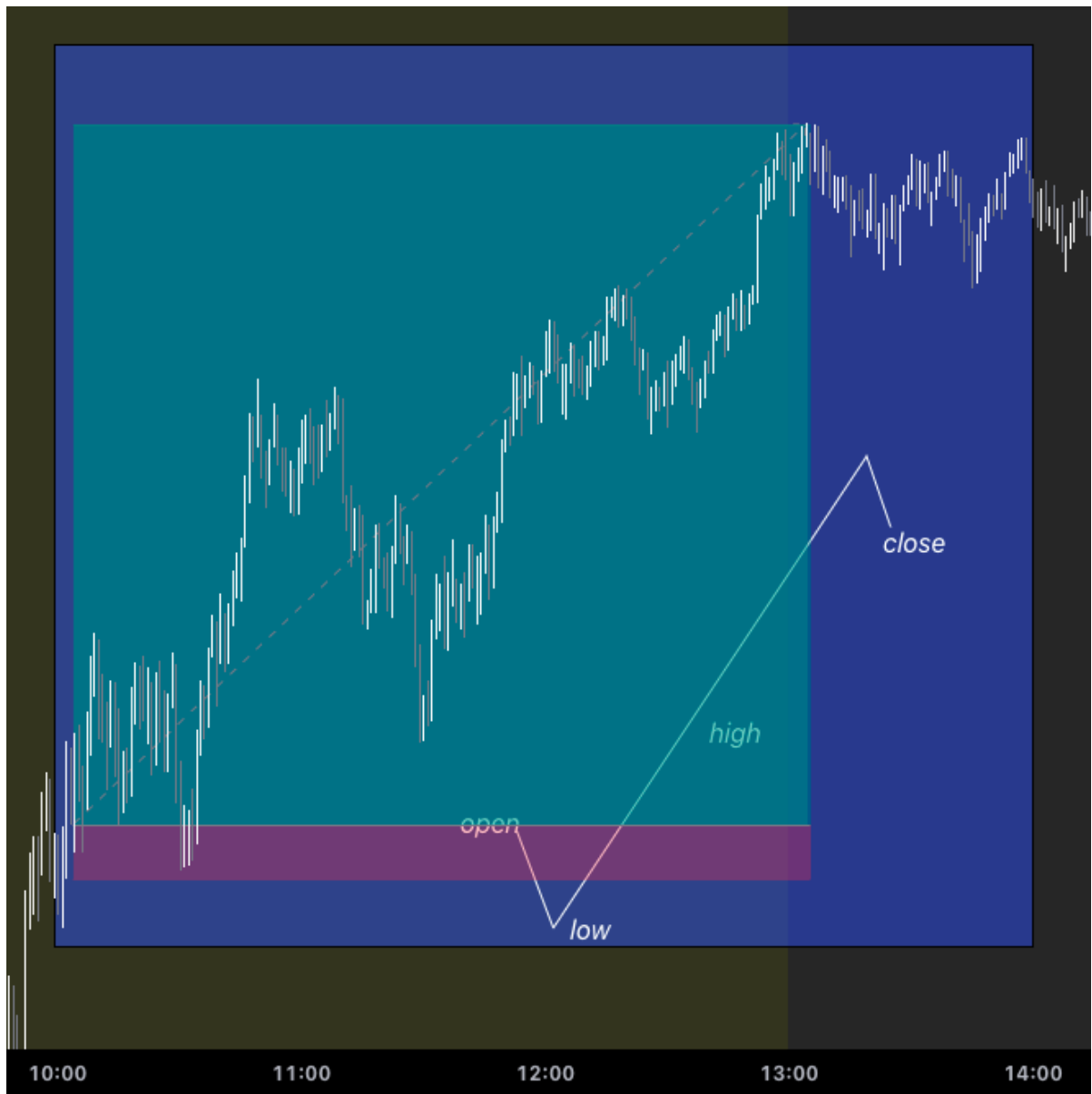


Simple stuff.

OLHC of the 10am 4 hour candle;



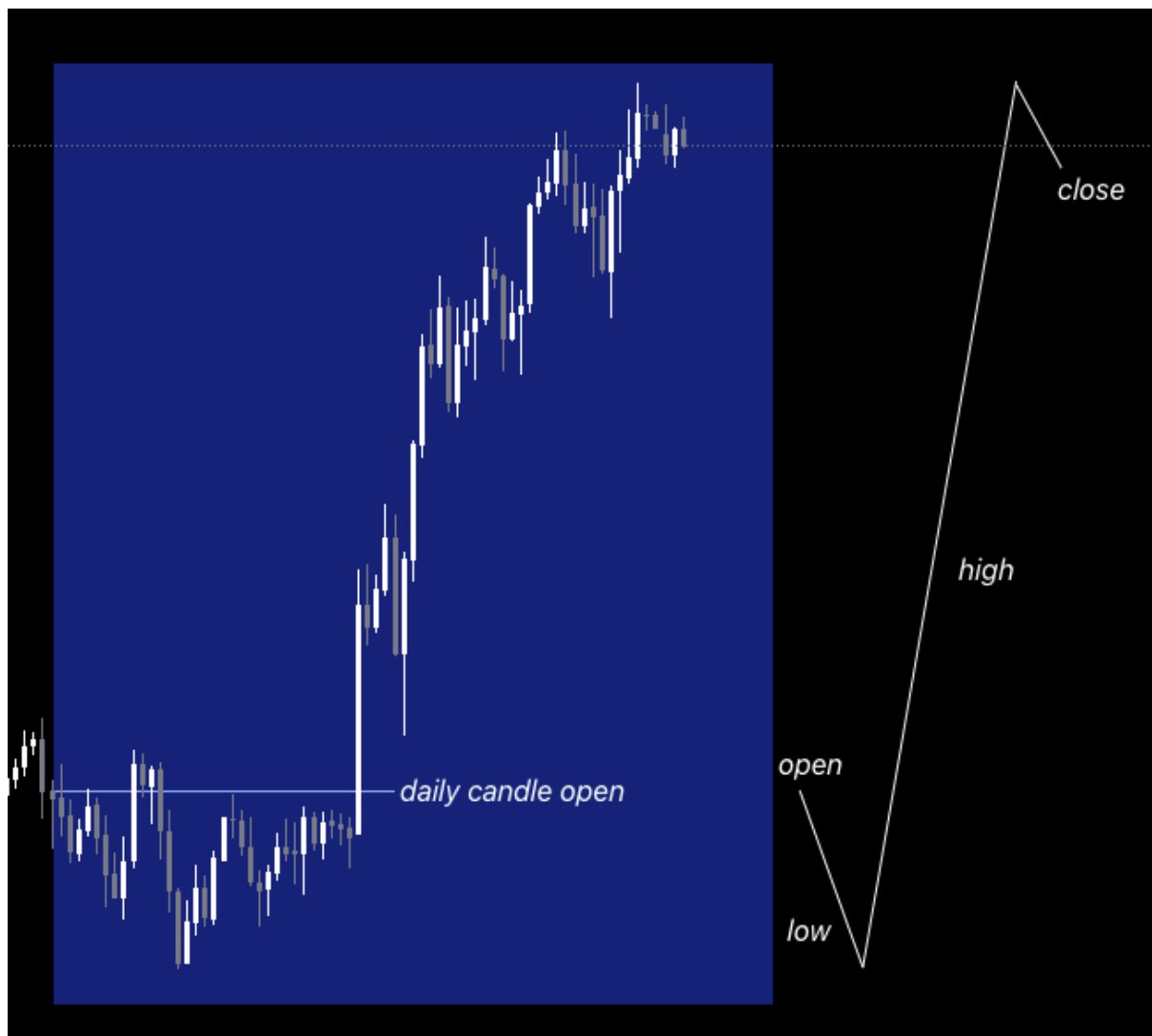
We open, manipulate down, distribute up and then close.



Find a long entry to trade the distribution phase.

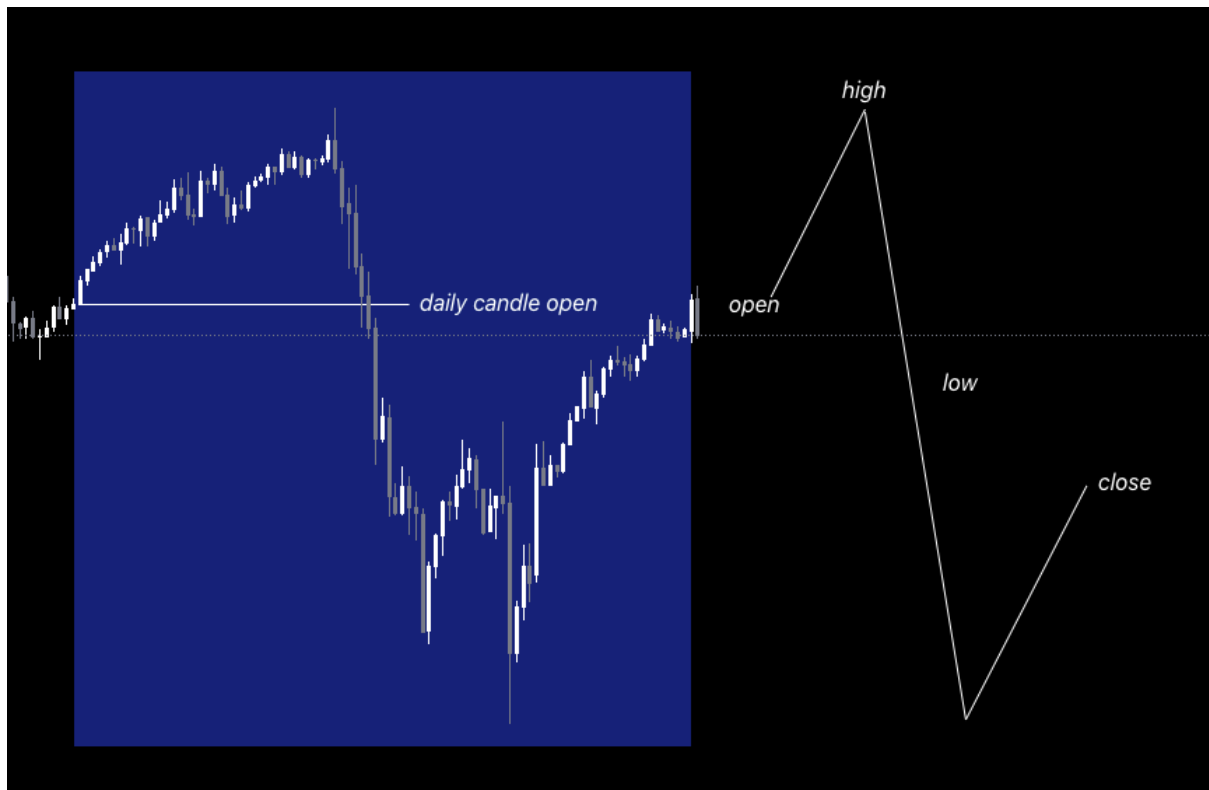
These same concepts of OHLC and OLHC apply for the daily candle as well.

OLHC for the daily candle;



Pretty clean right?

OHLC for the daily candle;



Simple stuff.

With the daily OHLC or OLHC, we can use it to form a sort of daily bias.

The same concepts of OHLC and OLHC can be applied for any time frame candles including the hourly, 4 hour, daily, even the monthly candle.

Monthly OHLC example;



Monthly OLHC example;



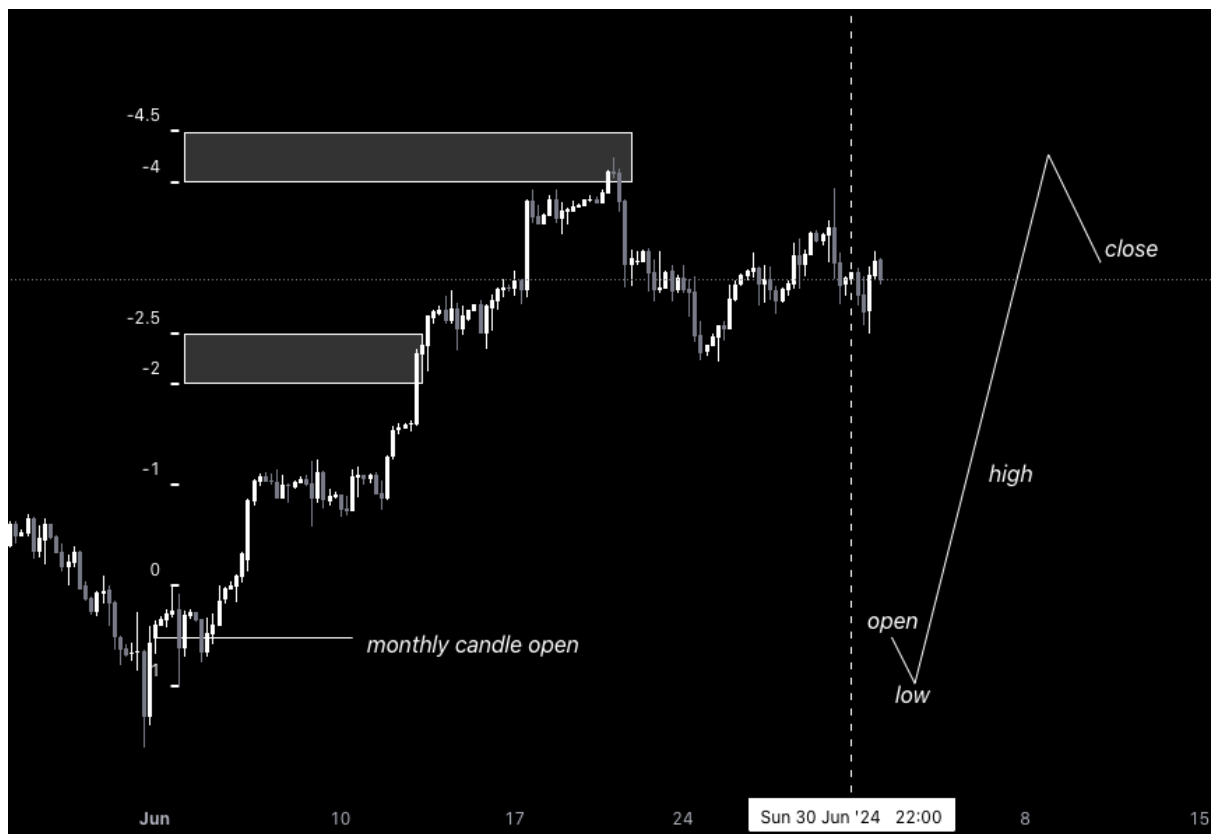
We also need to consider that these OHLC or OLHC may not be too clean all the time, we can anticipate it at our best.

We can pair these OHLC or OLHC concepts with standard deviations ;

OHLC;



OLHC;



Standard deviations give us an approximate zone or area to which the candle can expand to, the stdv can be used for 4H candles as well as other candles.