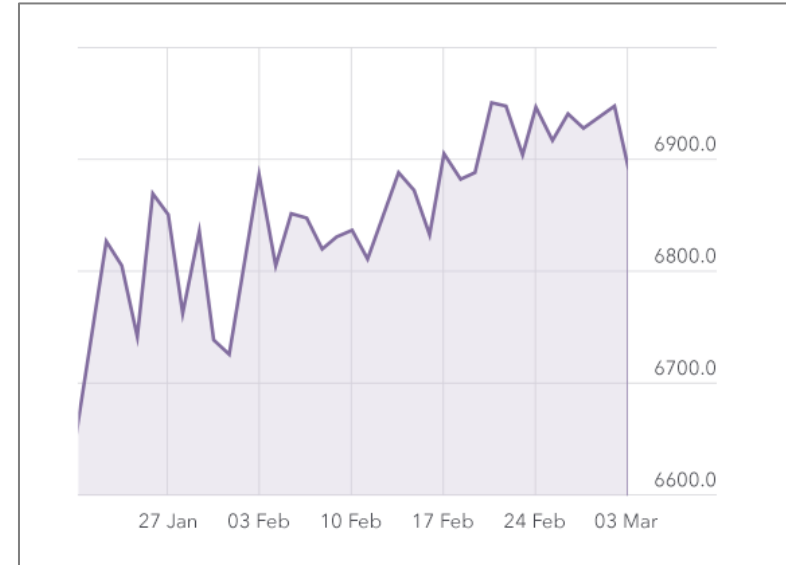


Price Charts

Technical analysts use a variety of charts based on the information they seek. However, there are three types of charts that are most commonly used. They are: Line, Bar and Candlestick

Line Chart

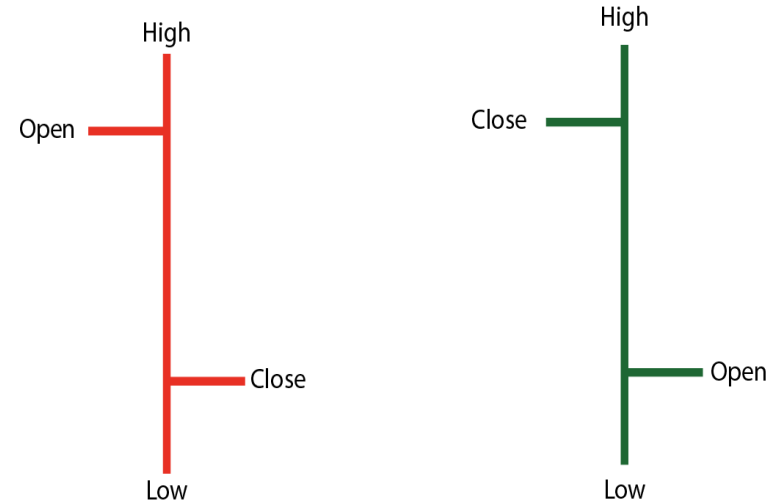
1. It plots the closing price of a share for each trading day over a period.
2. The line formed by joining the dots plotted on the graph shows the movements in stock price during the period.



Price Charts

Bar Chart

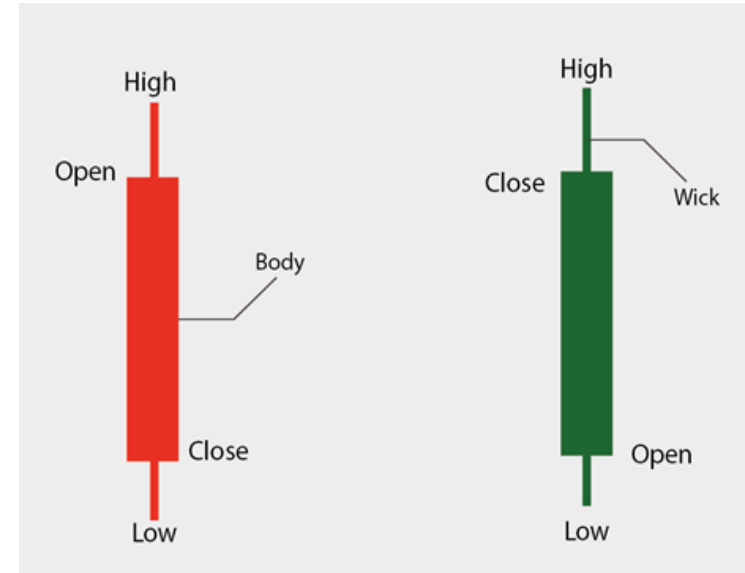
1. It plots the intra-day high and low prices of a stock using a bar for each trading day for a specified time period.
2. The top of the bar corresponds to the day's high and the bottom, day's low.
3. Two additional horizontal lines indicate the opening and closing price. The length of the bar is proportional to the volatility in a stock.
4. Colored coded - If the share price closes above the open price it is colored green, and if the close is below the open the bar is colored red.



Price Charts

Candlestick chart

1. It displays the relationship between the high & low and opening & closing prices of a stock.
2. The body of the candle represents the opening and closing prices during the period.
3. Above and below the body are vertical lines called wicks or shadows that show the lows and highs of the traded prices.
4. While an individual candle provides sufficient information, patterns can be determined only by comparing one candle with its preceding and next candles.



Difference between Fundamental & Technical Analysis

Fundamental analysis	Technical analysis
Analyses stock value based on economic and financial factors	Analyses historical stock movement to predict the future price of a stock
Long-term approach	Short-term approach
Uses financial statements for analysis	Uses price movement charts for analysis
Incorporates new market information	Focuses mainly on past performance