Module 1 - Chapter 5 - Charting on Different Time Frames

One of the key concepts of technical analysis is the use of different time frames. Using different time frames can provide a better perspective on an asset and can be used to create a more complete picture of its potential price movements.

The technical analysis time frames shown on charts range from one-minute to monthly, or even yearly, time spans. Popular time frames that technical analysts most frequently examine include:

1-minute chart: This chart shows the price movements of an asset over a one-minute period. It is commonly used to identify short-term trends and potential entry and exit points.

5-minute chart: This chart shows the price movements of an asset over a five-minute period. It can provide a broader view of short-term trends and can be used in conjunction with 1-minute charts to make trading decisions.

15-minute chart: This chart shows the price movements of an asset over a 15-minute period. It can be used to identify longer-term trends and potential support and resistance levels.

30-minute chart: This chart shows the price movements of an asset over a 30-minute period. It is similar to the 15-minute chart, but provides a wider view of the market and can be used to identify longer-term trends and potential support and resistance levels.

1-hour chart: This chart shows the price movements of an asset over a one-hour period. It is often used to identify longer-term trends and potential support and resistance levels.

4-hour chart: This chart shows the price movements of an asset over a four-hour period. It is similar to the 1-hour chart, but provides a wider view of the market and can be used to identify longer-term trends and potential support and resistance levels.

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Daily chart: This chart shows the price movements of an asset over a one-day period. It is commonly used to identify long-term trends and potential support and resistance levels.

Weekly chart: This chart shows the price movements of an asset over a one-week period. It is similar to the daily chart, but provides a broader view of the market and can be used to identify long-term trends and potential support and resistance levels.

Monthly chart: This chart shows the price movements of an asset over a one-month period. It is commonly used to identify long-term trends and potential support and resistance levels.

The time frame a trader chooses to study is usually dictated by the individual trader's personal trading style.

Day traders, those who open and close positions within a single trading day prefer to analyze price action on shorter time frame charts, e.g. 5-minute or 15-minute charts.

Long-term traders who hold market positions overnight and for extended periods are more likely to analyze the market using hourly, 4-hour, daily or even weekly charts.

Price movements that occur over a 15-minute time span can be very important to day traders looking for a way to profit from the price swings that occur throughout the trading day. However, the same price movement viewed on a daily or weekly chart may not be particularly important or indicative for long-term trading purposes.

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