

10135. Chart analysis: read candlestick charts correctly and recognize trends

How can I now recognize up and down movements on candlestick charts?

The best way to do this is to look at the history of cryptocurrencies. Over time you can see the following 3 trends:

1. Upward movement

The candles usually close above the close of their pre-candles. Green candles with long candle bodies and short upper shadows mean strong trend movement. If the upper shadows of the candles become longer, this means that the movement is weakening

2. Downward movement

In a downward movement, the individual candles close below their pre-candles. In the case of sharp falls in prices, many red candles with long candle bodies can be observed.

3. Sideways movement

When moving sideways, no clear trend can be observed. The candles are next to each other instead of on top of each other, this is a sign of indecisive markets: there are many consecutive candles with changing colors and candles with long upper and lower shadows.

