

34. Chart analysis: reading candlestick charts correctly

After you learnt what candlestick charts are in the previous video, let's take a look at what each shape of a candlestick means:

1. **Big Candle and Big Candle Belly:** There is a strong move towards the close here
2. **Long shadow and small candle body:** This means that there are high price fluctuations
3. **Small candle with a small candle body:** There is not much movement in the price here
4. **Long shadow in one direction:** A long shadow in one direction indicates that there was a strong price movement in one direction during the course of trading, but the price bounced off at one point on the chart and bounced back almost to its opening price .

@Lorenz (not for voice over) ➔ Graphics in powerpoint