

Glossary - F [ChartSchool]

 stockcharts.com/school/doku.php

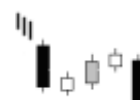
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Falling Three Methods

A bearish continuation pattern. A long black body is followed by three small body days, each fully contained within the range of the high and low of the first day. The fifth day closes at a new low.



Falling Wedge

A bullish pattern that begins wide at the top and contracts as prices move lower toward a resistance breakout. See ChartSchool article on [Falling Wedge \(Reversal\)](#).

Fibonacci Numbers

The Fibonacci number sequence (1,2,3,5,8,13,21,34,55,89,144,...) is constructed by adding the first two numbers to arrive at the third. The ratio of any number to the next number is 61.8 percent, which is a popular Fibonacci [retracement](#) number. The inverse of 61.8 percent is 38.2 percent, also used as a Fibonacci retracement number. It is the ratio of the Fibonacci sequence that is important and valuable, not the actual numbers in the sequence.

Flag

A continuation chart pattern that generally lasts less than three weeks and resembles a parallelogram that slopes against the prevailing trend. The flag represents a minor pause in a dynamic price trend. See ChartSchool article on [Flag, Pennant \(Continuation\)](#).

Fundamental Analysis

A market analyst that relies on economic supply and demand information as opposed to focusing on charts and market indicators for a [technical analysis](#). See ChartSchool article on [Fundamental Analysis](#).

Futures

Futures contracts are forward contracts, meaning they represent a pledge to make a certain transaction at a future date. These exchange-traded contracts require the delivery of a commodity, bond, currency, or stock index, at a specified price, on a specified future date.