When we are dealing with large amount of Data, it is always difficult for us to check multiple numbers on a book or Excel. To simplify this, Data Visualization came into existence long back.

Data visualization gives us a clear idea of what the information means by giving it **visual context** through graphs and charts.

For Stock market data, the time series charts are very simple for a common man to take a decision over the market situation and apply Technical analysis over it.

Based on time, there are so many different types of charts available today for Technical analysis. The most popular and commonly used charts are as below.

1. Line Chart

These are very simplest one line chart. The line typically displays the closing prices. Each closing price is linked to the previous closing price to make a continuous line that is easy to follow.
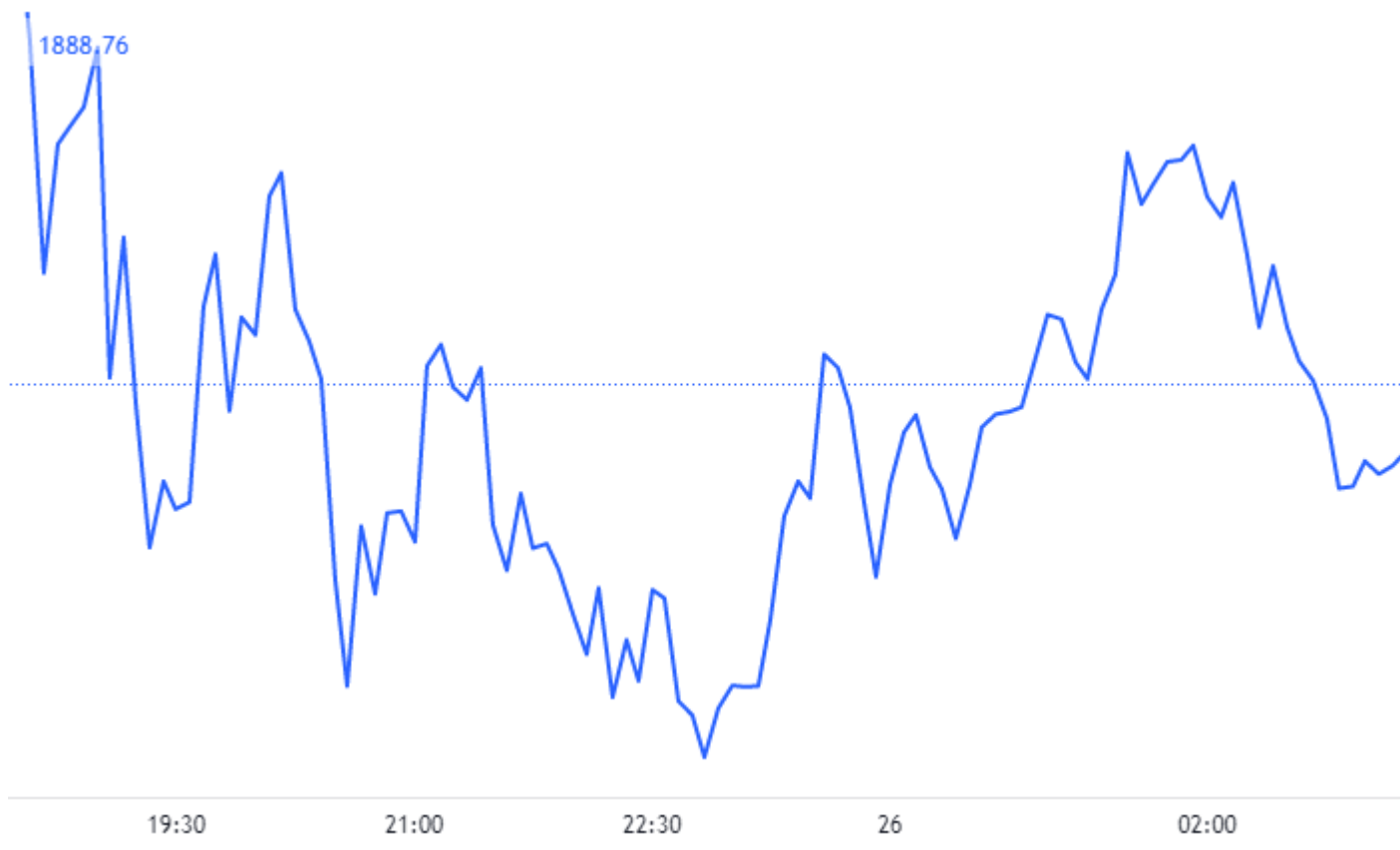
FIG1: LINE CHART

Advantages

- Very simple and easy to analyze
- Used to identify Technical patterns and trend lines
- It can assist in managing the emotions of trading by selecting a single colour for the line
- Useful for long term analysis
- Good for beginners to start with

Disadvantages

- A line chart does not provide much more details compared to other charts
- Only the closing price is shown
- Not ideal for price action trading
- Not ideal short time analysis

2. Bar charts

As the name suggests it consists of Bars, which has OHLC (Open, High, Low and Close) price on its Bar.

O 1888.09 H 1889.03 L 1887.73 C 1888.76

BAR CHARTS

Advantages

- Provides more information related to market than the Line chart
- Bullish and Bearish Bars displayed in multiple colours
- Relationship between the highs, lows, closes, and opens of different bars can be studied
- Helpful for multiple technical analysis and price action

Disadvantages

- Difficult to analyze things compared to Candlestick Charts
- Since it looks like single stick, makes difficult to analyze
- Not suitable for beginners
- Chart can be can be noisy, messy etc
- Enhances to enter into a trade emotionally

3. Candlestick Chart

Candlesticks are also called as Japanese candlesticks, are the most used and popular chart for the technical analysis.

Candlesticks are exactly similar to Bar charts, but it provides additional information to those Bars. Unlike Bars, Candlestick has a Body, which represents the HLOC prices.

Candlestick charts makes it easy to spot gaps between bodies and they do not overlap with body of the preceding candlestick. It displays Open, High, Low, Close price data over a given time frame per candle.

Note: In this complete trading app guide, **Candlestick charts** for used for all the technical analysis and price action.

O1888.09 H1889.03 L1887.73 C1888.76

CANDLESTICK CHART

Advantages

- Includes all the points from the Bar chart
- Candlesticks are easier on the eye for traders to understand the Market
- Most indicators are built with these candlesticks in mind
- All price action patterns, candlestick patterns, chart patterns etc are all visible on this candlestick chart
- Preferred to all type traders

Disadvantages

- Chart can be can be noisy, messy, distracting etc
- Enhances to enter into a trade emotionally

4. Heiken Ashi

Heiken Ashi are similar to Candlestick charts, but it eliminates **Noise** from the chart.

Heiken Ashi candlesticks are meant to separate the signal from the noise. They display OHLC prices like Japanese candlesticks but they way the open and the close are calculated are based on a particular formula and not the market prices.

Formula for Open and Close as below

Open = [(Open price of previous candle) + (Close price of previous candle)] / 2

Close = (Open + High + Low + Close) / 4

HEIKEN ASHI

Advantages

- Useful in trend trading

- Makes an excellent indicator as it removes noise from chart.
- Charts looks beautiful and clear
- Easy to observe trends
- Easy to identify support and resistance

Disadvantages

- Too smoothing effect result in a lagged signals.
- Most of the price action patterns such as Dojis and Hammers won't be visible in Heiken Ashi chart
- Very few traders use this charts
- Not suitable for consolidation markets