The background of the left half of the image features a complex financial chart. It includes a line graph at the top with data points labeled 1.7855, 1.7810, and 1.7765. Below this is a candlestick chart with several bars, some of which are circled. A vertical line is drawn through the candlestick chart. The overall color scheme is teal and blue.

PAPA CONCEPTS Part 3



BECOME A PRO
MONEY WILL FLOW

**FOCUS =
SUCCESS!**

PAPA

by
Avadhut Sathe

TM



PAY ATTENTION

to

PRICE ACTION



PAPA Concept Part 3

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Introduction

HEIKEN ASHI:

Heikin-Ashi charts was developed by Munehisa Homma in the 1700s.

Heikin-Ashi technique uses a modified formula shown below:

- > **HA Open** = *[Open of previous HA + Close of previous HA] divided by 2*
- > **HA Close** = *(Open + High + Low + Close) divided by 4*
- > **HA High** = *High of normal Candle **OR** Open of HA Candle, whichever is higher.*
- > **HA Low** = *Low of normal Candle **OR** Open of HA Candle, whichever is lower.*

Decisive Candles (Weapons):

> Bullish when there is **NO LOWER WICK** (Leg)

> Bearish when there is **NO UPPER WICK** (Leg)



Indecisive Candles:

Whenever there are wicks on both sides, as shown below:

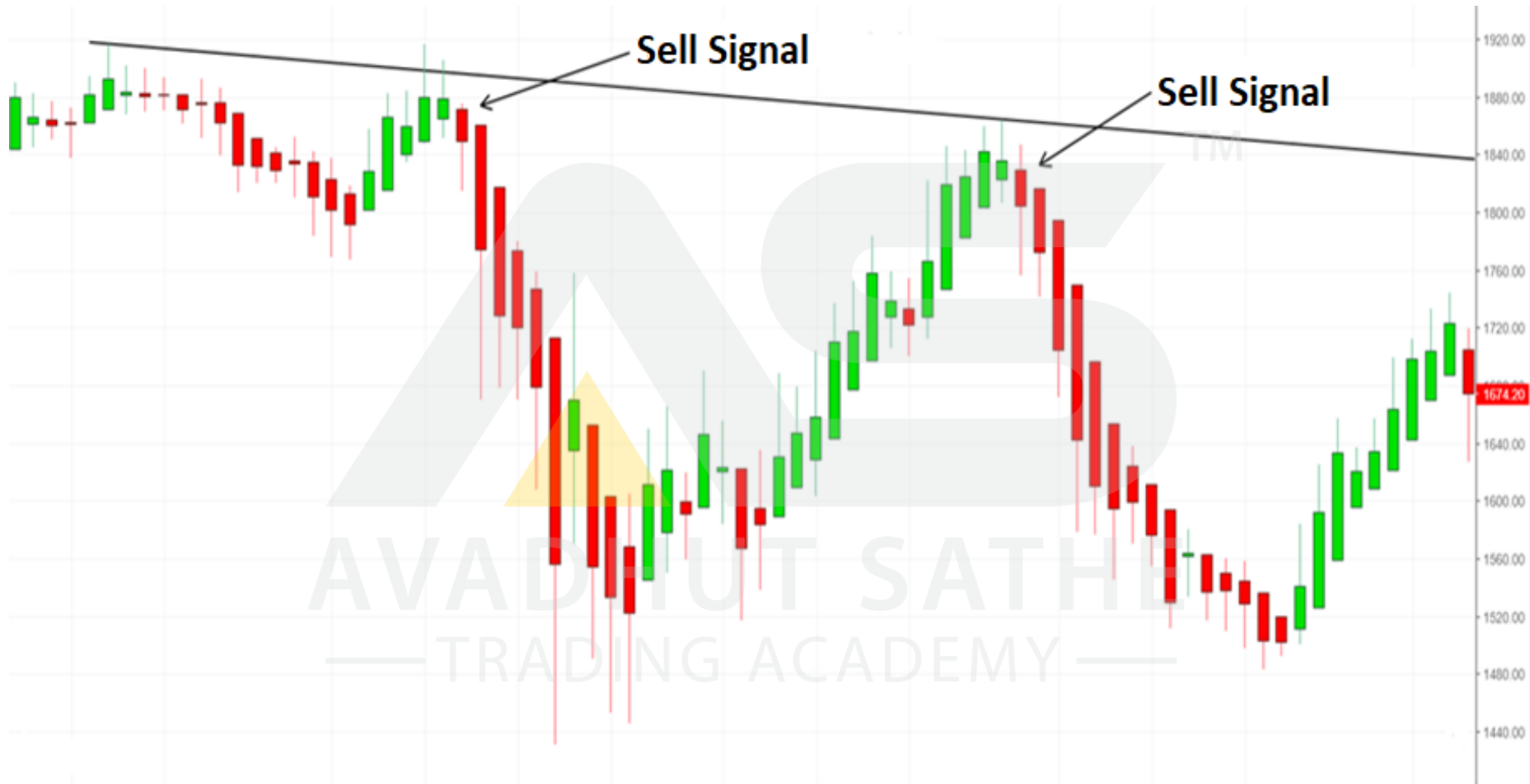


Buy Signal:

A strong buy/sell signal is when HA changes colour without giving any neutral candle at some support / resistance.

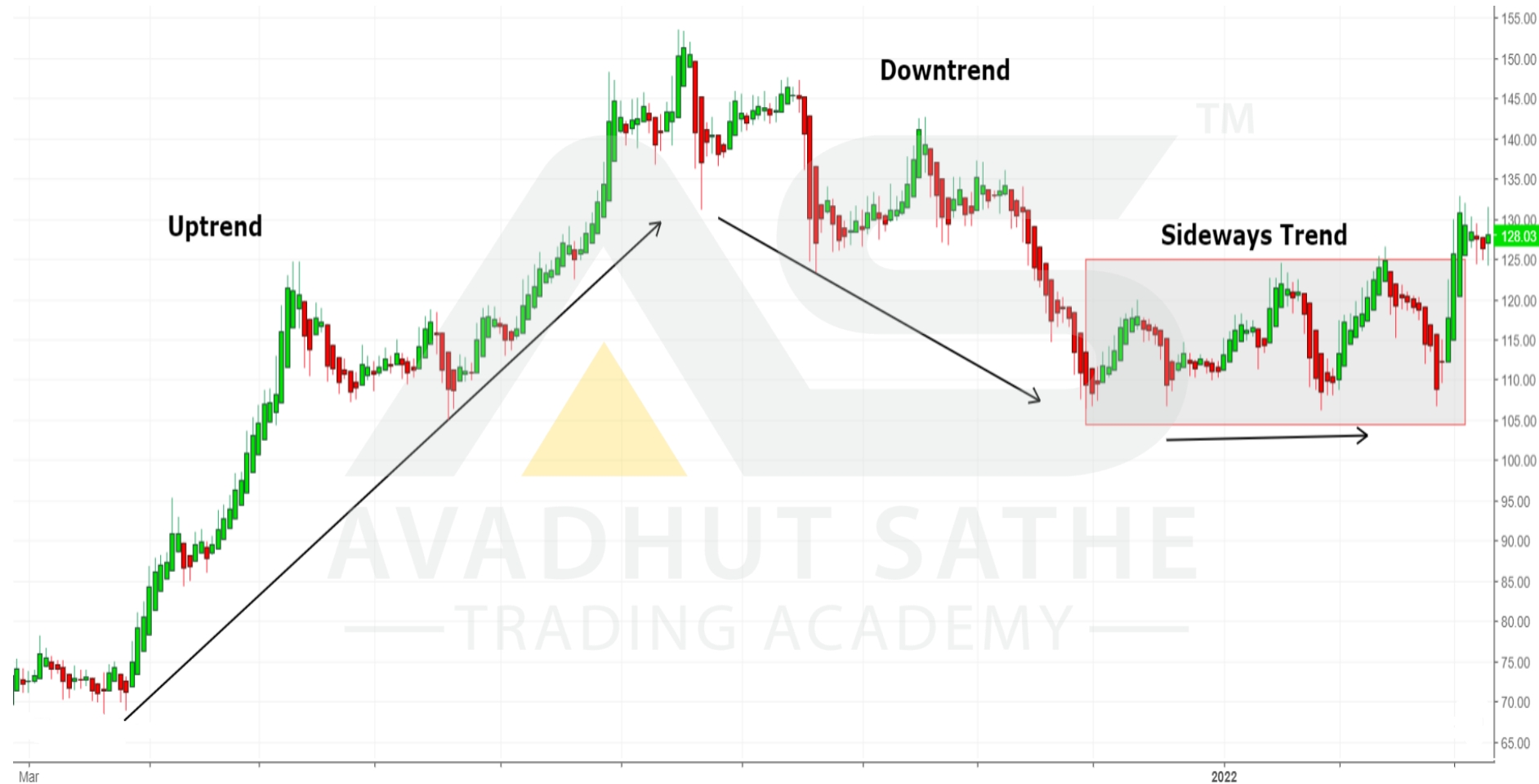


Sell Signal:



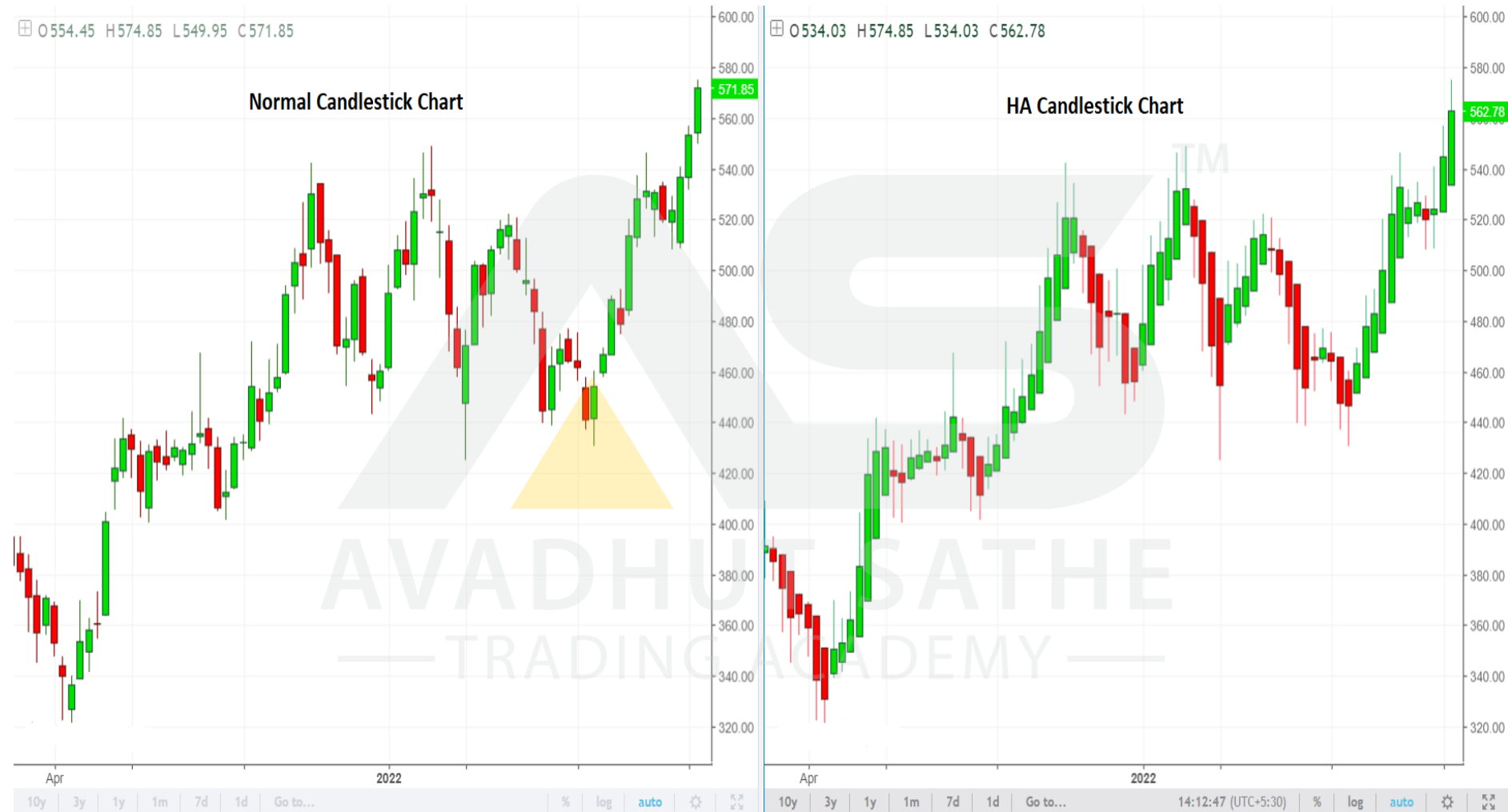
Trends seen in HA

Below is an example of how noise-free trends look using HA candles:



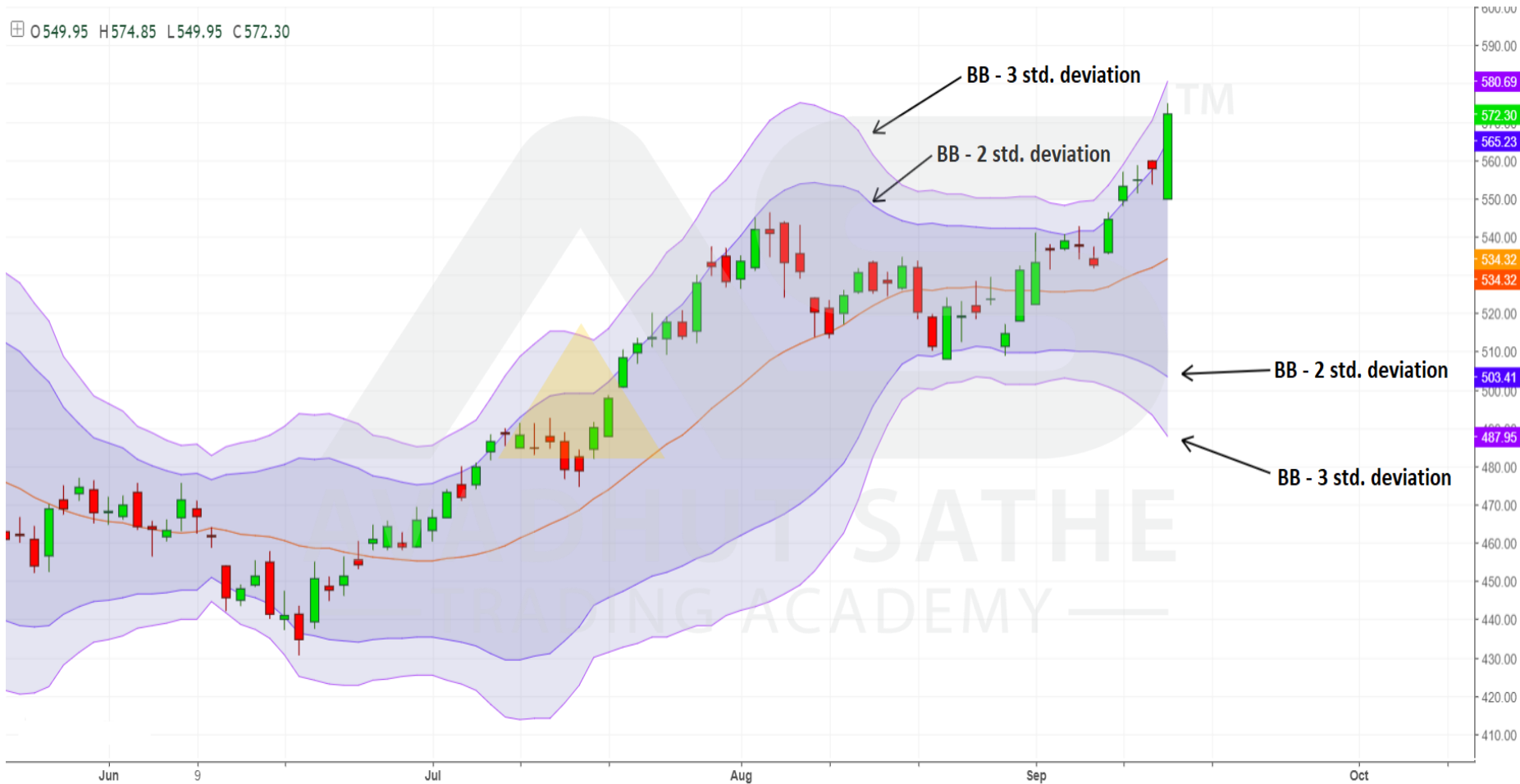
Normal candle v/s HA candle chart:

Example given below shows how HA helps reducing unwanted noise:



Bollinger Band – 3 Std. Deviation

Chart with both – “BB with a 2-standard deviation” and “BB with a 3-standard deviation”:



Mother Candle

Mother candle is a bigger candle where the next few candles trade with-in the HIGH and LOW of the mother candle, shown below:

