



## Part 3 - Candlestick Charts

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## Basic Patterns

- Hammer
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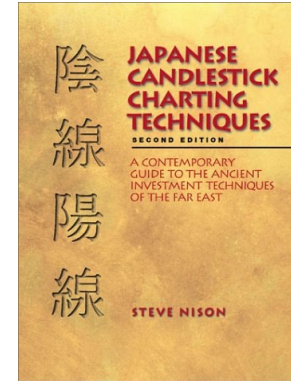
## Summary/Final Thoughts

# A brief history

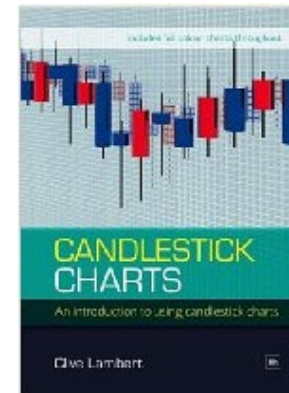
- Candlestick Charts have only become popular in the Western World in the last 30-40 years, and is now almost classed as the “default” chart type.
- The psychology behind Candlesticks has been used by Japanese traders as far back as the 1700’s.
- Charts similar to those that we see today probably came into use in the late 1800’s.

# A brief history

- Until the mid 1980's candlesticks were only used by Japanese traders. Then Steve Nison kindled an interest in the Western world which he ignited with the publication of his book "Japanese Candlestick Charting Techniques".



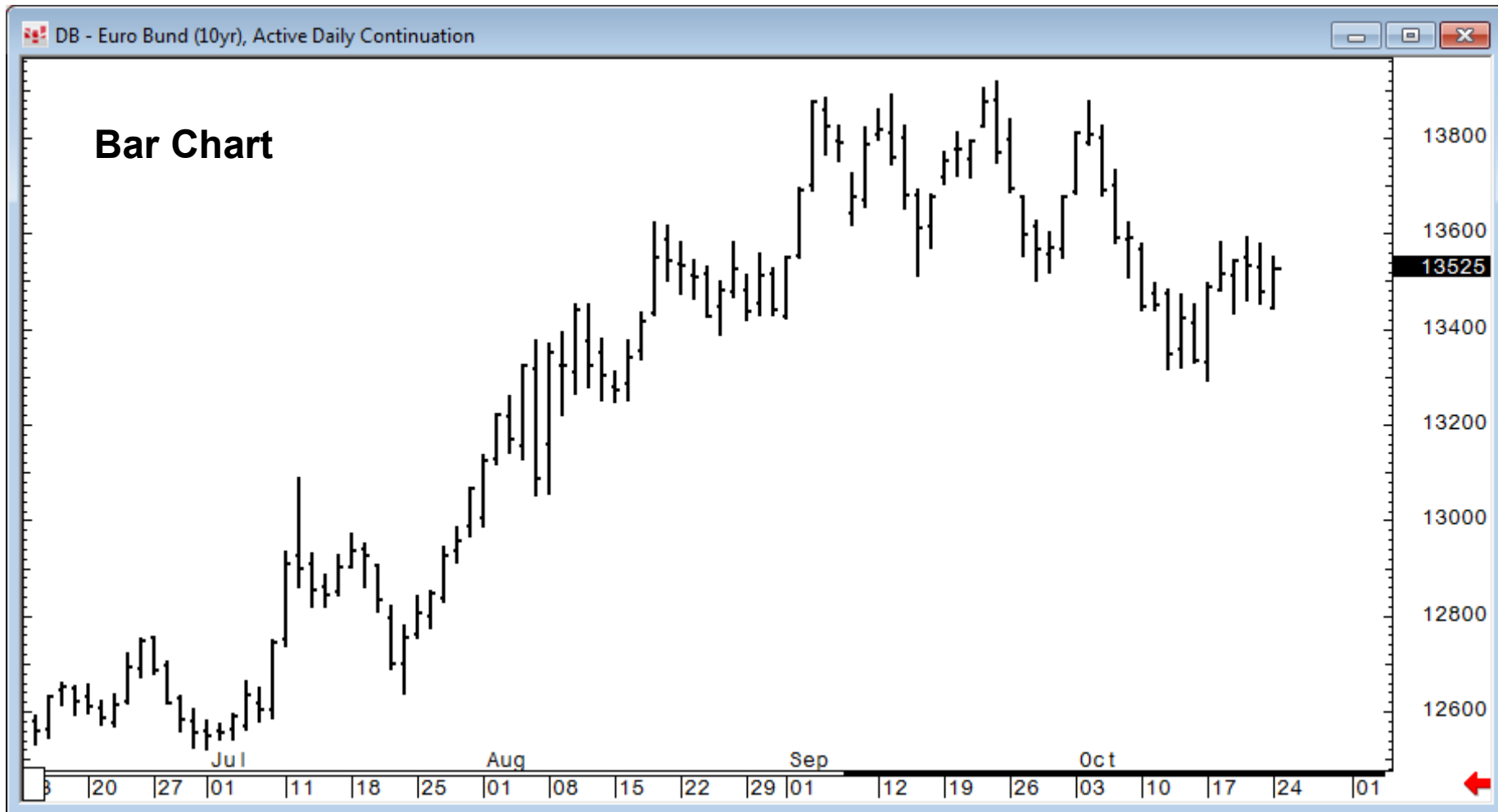
- In January 2009 my book; "Candlestick Charts – An Introduction to using Candlestick Charts" was published by Harriman House



# Construction

- Based on the fact that Candles use the same data as the traditional western “Bar Charts” – what is the attraction?
- Candlesticks present the basic data set in a different way to Bar Charts. The briefest of glances instantly gives a clue as to how they can aid us in looking at charts.

# Construction



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Mon Oct 24 2011 13:41:28

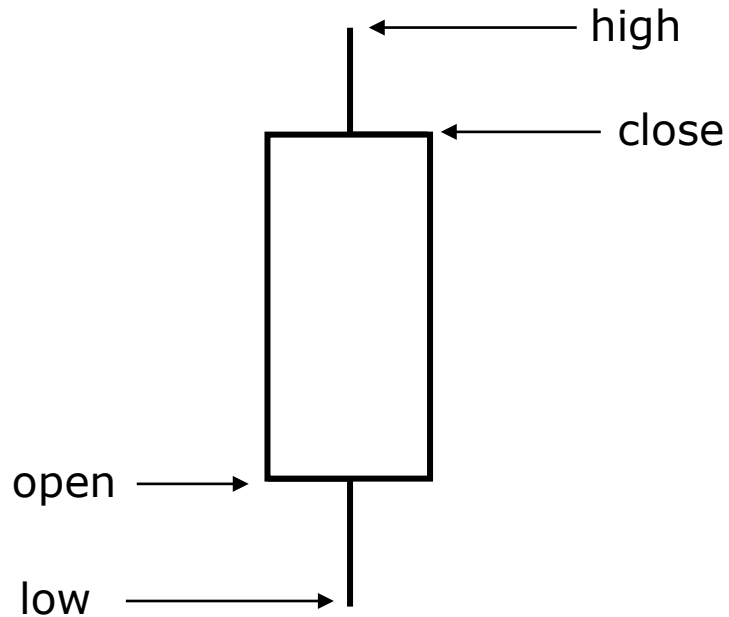
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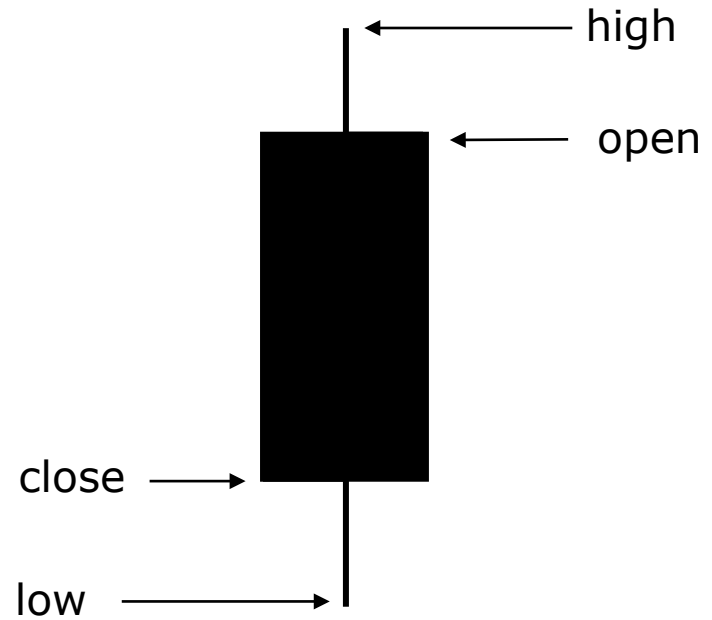
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# Construction



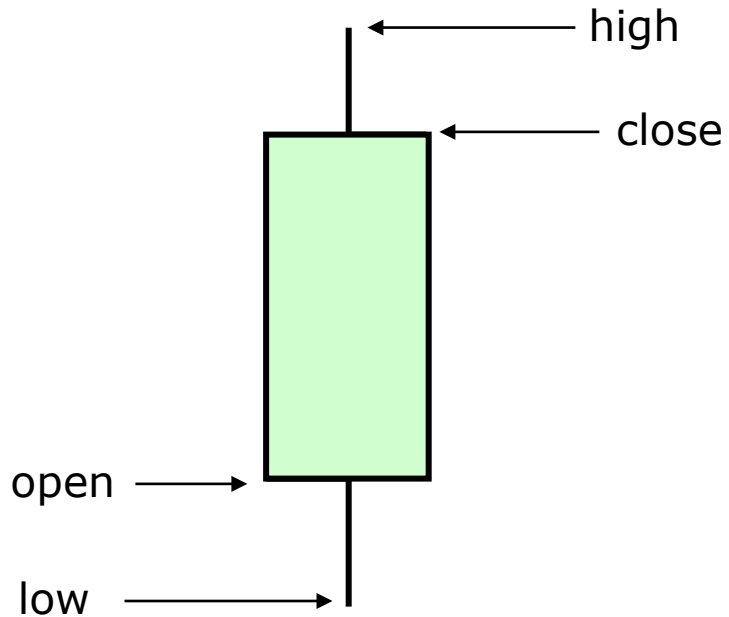
**Open/White/Green candle - Bullish**



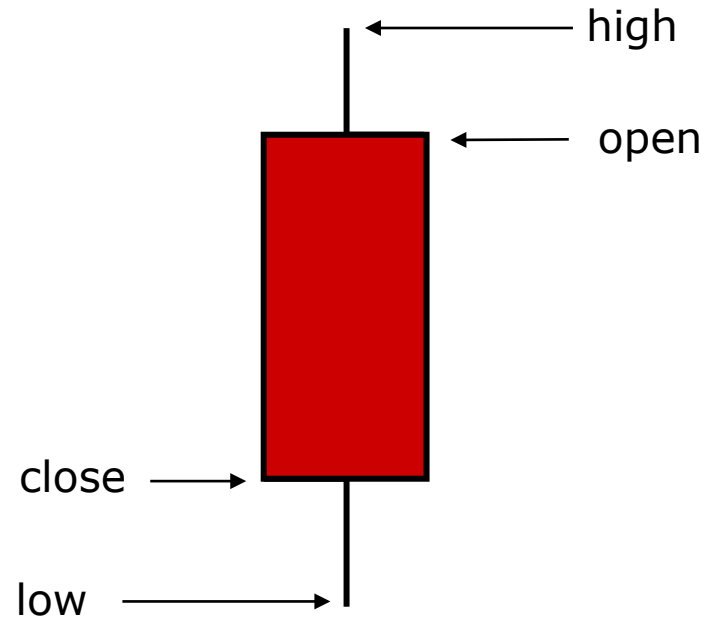
**Filled/Black/Red candle - Bearish**



# Construction



**Open/White/Green candle - Bullish**



**Filled/Black/Red candle - Bearish**

# Construction

