WHAT IS MINE IS YOURS

Candlesticks & Chart Reading

Understand the information inside every candle

Educational notice
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Candle anatomy

A candlestick shows open, high, low and close for a chosen period. The body spans open to close; wicks show extremes. A bullish candle closes above its open; a bearish candle closes below it. An unfinished candle can change before the period ends.

Common shapes

A pin bar has a relatively small body and a long wick. An engulfing candle commonly has a body that covers the previous candle’s body. A doji has a small body relative to its range. Definitions vary, so write down your own objective rules.

Context matters

The same candle shape can mean different things depending on location. Ask whether it appears at a prior swing, inside a range, near a higher-timeframe zone, after displacement or in the middle of nowhere. Location and invalidation matter more than pattern names.

Timeframes

A one-hour candle summarises one hour; a five-minute candle summarises five minutes. Lower timeframes produce more signals and more noise. Higher timeframes can clarify levels but may require wider stops.

Common errors

Avoid trading every pin bar, entering before a required candle closes, ignoring spread and news, drawing levels after the move, and placing stops unrelated to the setup’s invalidation.

Practice

Collect 20 examples each of pin bars, engulfing candles and dojis. Record location, trend, session and what price did over the next 5–10 candles.

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