



FUNDAMENTALS OF CANDLESTICK



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WHAT IS CANDLESTICK ?

BASICALLY, CANDLESTICK IS USED TO IDENTIFY THE OPEN, CLOSE, HIGH, AND LOW VALUE FOR SOME PERIOD OF TIME

CANDLESTICK WAS FOUND IN 18th CENTURY BY THE JAPANESE RICE MERCHANTS TO CALCULATE AND IDENTIFY THE MARKET PRICE , AND AFTER SOME YEARS THE TERM CANDLESTICK WAS FAMOUS AND WIDELY IN THE UNITED STATES OF AMERICA [USA]

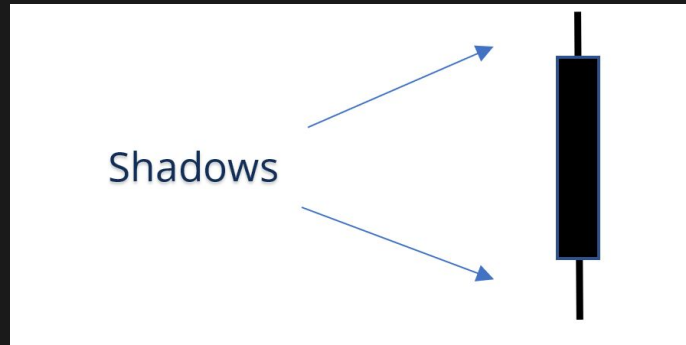
CANDLESTICK IS USED TO TRACK THE PRICE, ANALYZE THE MARKET BY COMPARING THE CANDLESTICK PATTERN OF PREVIOUS YEAR OR MONTH OR WEEK

BASIC OF A CANDLESTICK

FIRST, THE CANDLESTICK IS COMPOSED OF THREE STRUCTURES

- 1) UPPER SHADOW 2) LOWER SHADOW 3) BODY

THE UPPER SHADOW WILL REPRESENT THE HIGH , AND THE LOWER SHADOW REPRESENT THE LOW AND THE BODY IS USUALLY IN RED OR GREEN COLOUR



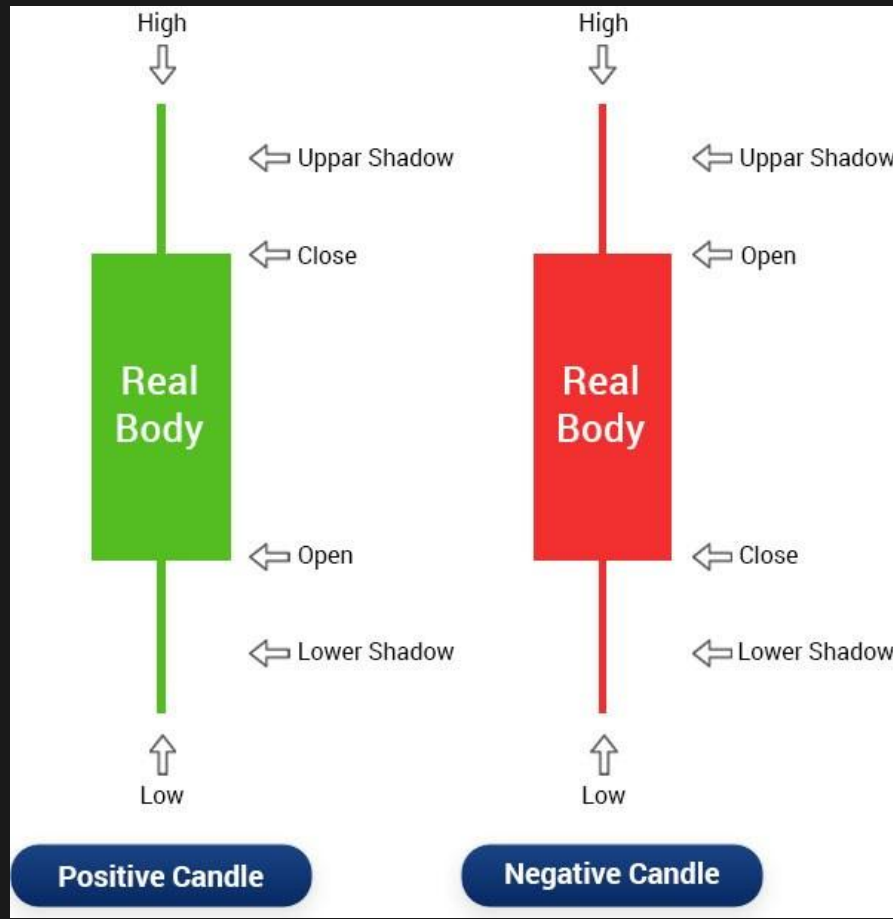


3) BODY:

THE **RED** COLOUR OF THE BODY DENOTES THE PRICE IS IN NEGATIVE (DECREASING) POSITION OVER A PERIOD OF TIME

THE **GREEN** COLOUR OF THE BODY DENOTES THE PRICE IS POSITIVE (INCREASING) POSITION OVER A PERIOD OF TIME

(PLEASE LOOK INTO THE NEXT SLIDE FOR BETTER UNDERSTANDING)



Positive Candle

Negative Candle



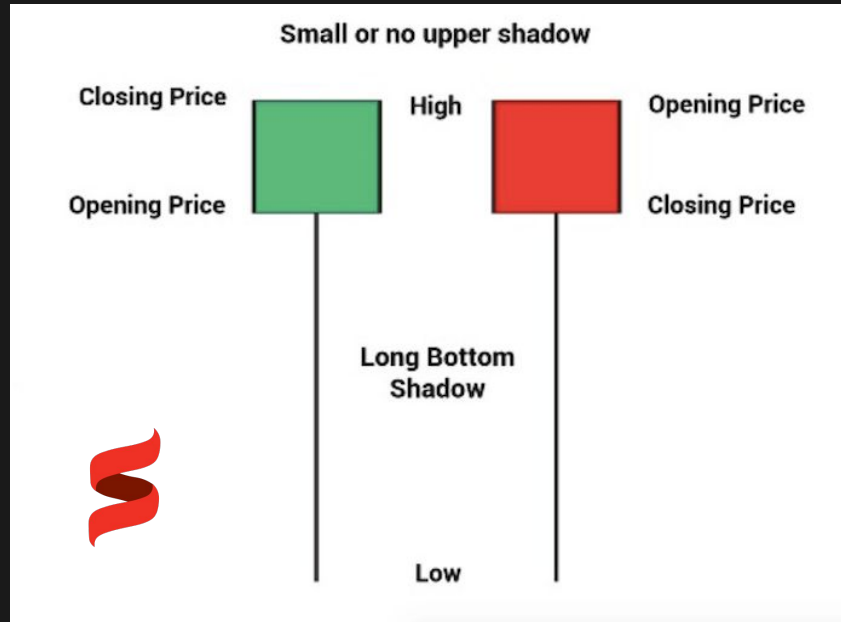
TYPES OF CANDLESTICK

HAMMER CANDLESTICK:

- IT WAS THE MOST FOLLOWED CANDLESTICK PATTERN. THIS CANDLESTICK INDICATES THE VERY LOWER BOTTOM , AND IT HAS THE LOWER SHADOW ATLEAST TWICE SIZE OF THE BODY
- THE SHAPE OF THE CANDLESTICK IS LIKE THE ALPHABET “ T “
- IT MOSTLY OCCURS AFTER A DECLINE IN A PRICE
- HAMMER CANDLESTICK INDICATES THAT THERE IS A CHANCE FOR A UPSIDE MOMENTUM IN A MARKET

(FOR FURTHER INFORMATION VISIT NEXT SLIDE)

IMAGE OF HAMMER CANDLESTICK





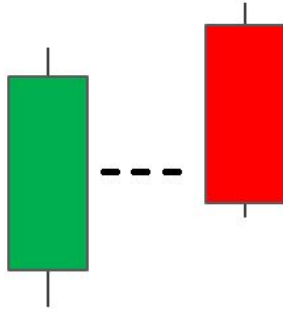
DARK CLOUD COVER CANDLESTICK

- DARK CLOUD COVER CANDLESTICK IS A BEARISH REVERSAL CANDLESTICK WHICH WILL INDICATE THE DOWNTREND
- IT CAN BE IDENTIFIED BY , WHERE THE **DOWN** CANDLE OPEN ABOVE THE CLOSE OF THE PREVIOUS **UP** CANDLE
- AND AFTER THE DOWN TREND IT WILL CLOSE BELOW THE CENTRE BECAUSE OF SOME BULLISH CANDLE

(FOR FURTHER UNDERSTANDING VISIT NEXT SLIDE)

IMAGE OF DARK CLOUD COVER IMAGE

Bullish candle
continuing the
existing upward
trend



GAP

The market gaps
up to move
higher before
retreating

The red candle
closes below
the midpoint
of the
previous green
candle



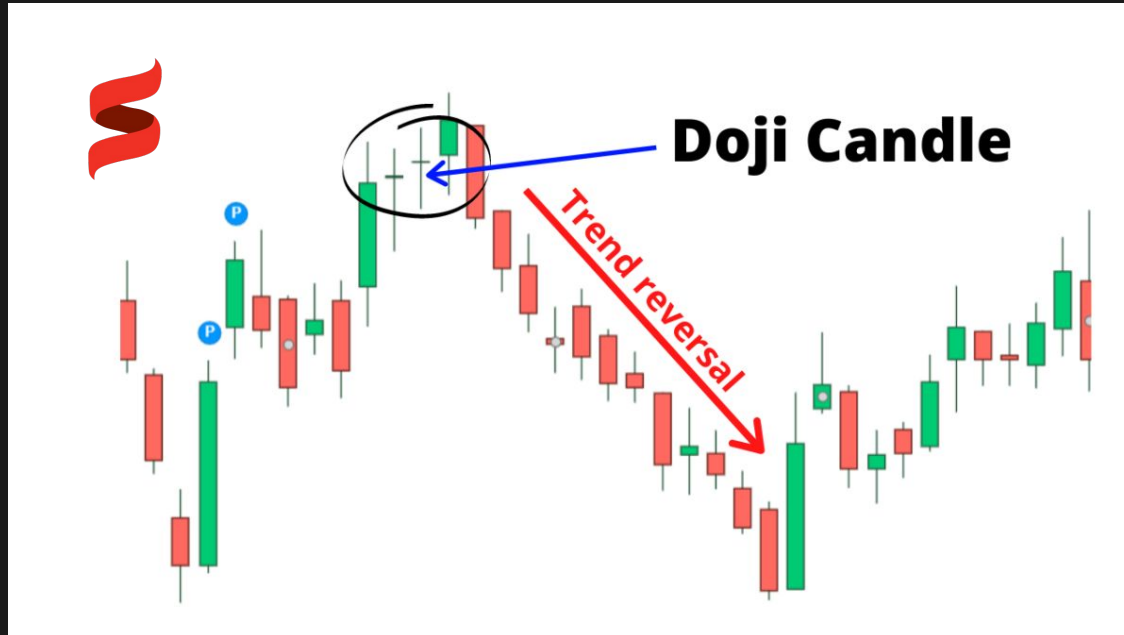


DOJI CANDLESTICK

- THE DOJI CANDLESTICK PATTERN CAN BE BULLISH OR CAN BE BEARISH , AND IT IS DEPEND UPON THE THE PREVIOUS CANDLES
- IF THE PREVIOUS CANDLES ARE BULLISH BEFORE THE FORMATION OF THE DOJI, IT WILL BE THE BEARISH PATTERN
- IF THE PREVIOUS CANDLES ARE BEARISH BEFORE THE FORMATION OF DOJI, IT WILL BE THE BULLISH PATTERN
- DOJI CANDLESTICK HAS THE SAME OPEN AND CLOSE PRICES FOLLOWING BY A LONG SHADOW

(FOR THE FURTHER UNDERSTANDING VISIT NEXT SLIDE)

IMAGE OF DOJI CANDLESTICK



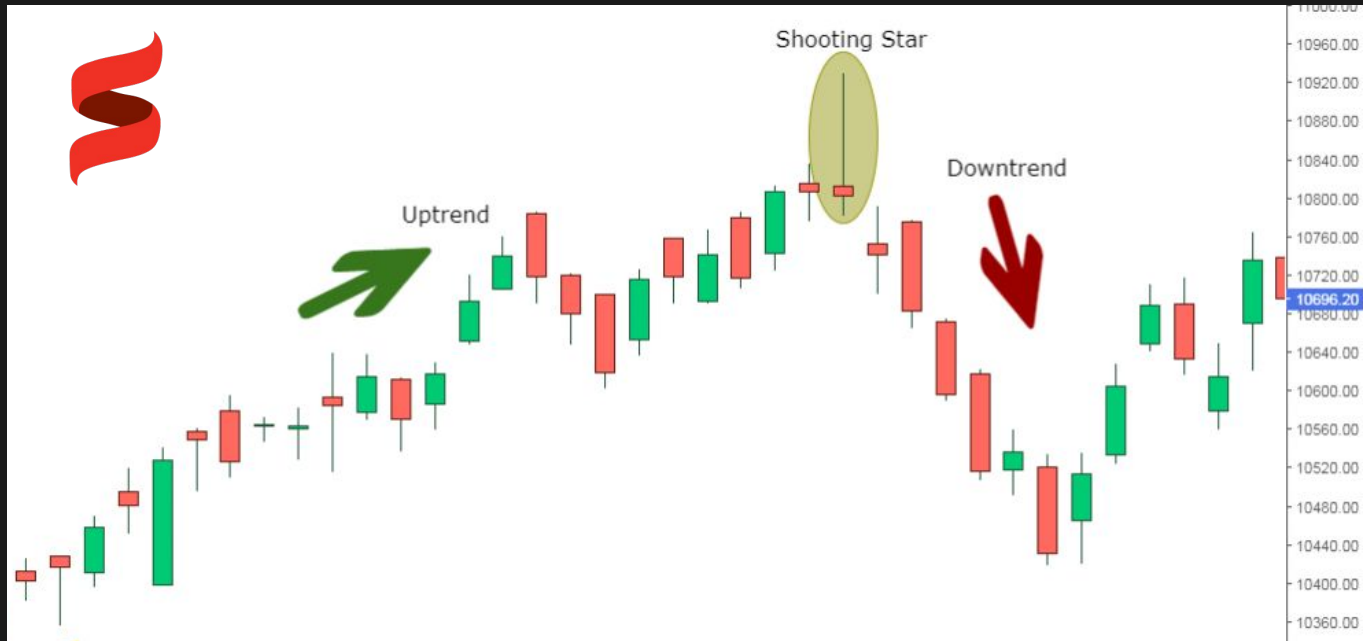


SHOOTING STAR CANDLESTICK

- SHOOTING STAR CANDLESTICK IS THE BEARISH CANDLESTICK WITH A LONG UPPER SHADOW, AND A SMALL BODY
- IT WILL LOOK LIKE OPPOSITE SIDE OF HAMMER CANDLESTICK
- SHOOTING STAR CANDLESTICK OCCURS MOSTLY AFTER A UPTREND
- THIS TYPE OF CANDLESTICK IS MORE EFFECTIVE WHEN IT FORMS THREE OR MORE GREEN CANDLES CONTINUOUSLY

, (FOR FURTHER UNDERSTANDING TO MOVE TO NEXT SLIDE)

DIAGRAM OF SHOOTING STAR CANDLESTICK





THANK YOU !

WE HOPE THAT YOU CAN UNDERSTAND THE FUNDAMENTAL OF CANDLESTICK BY THE PRESENTATION. AND IN THE PRESENTATION ONLY IMPORTANT CANDLESTICK PATTERN EXPLAINED

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