FREE RESOURCE · QUICK TIPS

Chart Reading Quick Tips

02

How to read a price chart: the two axes, timeframes, and the three directions a market can move.

Anatomy of a chart · EUR/USD 1H

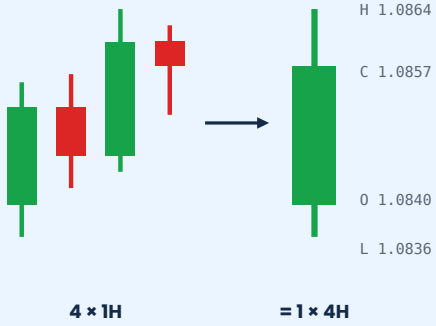
ILLUSTRATIVE EXAMPLE



Price axis (vertical): higher = more expensive

Time axis (horizontal): older on the left, newest on the right

Timeframes combine



Open of the first, close of the last, plus the highest high and lowest low.

Uptrend

ILLUSTRATIVE



Higher highs (HH) and higher lows (HL). Each pullback stops above the last one.

Downtrend

ILLUSTRATIVE



Lower highs (LH) and lower lows (LL). Each bounce stops below the last one.

Sideways (range)

ILLUSTRATIVE



No clear direction. Price moves back and forth between a ceiling and a floor.

QUICK TIPS

1 Choose a timeframe you can follow

Each candle is one period: 5m, 1H, 4H, D. Shorter = more detail and more noise.

2 Start big, then zoom in

Check a higher timeframe for the overall direction before looking at a lower one.

3 Judge trends by highs and lows

Compare swing highs and lows, not single candles or colours.

4 Read candles in context

One candle on its own says little. Look at the trend, nearby levels and recent candles together.

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