Candlestick Charts

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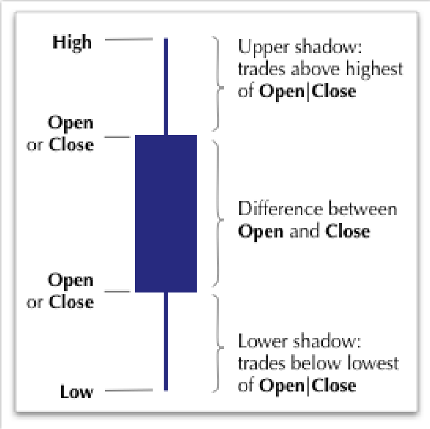
Candlestick charts enable fast decision-making in stock, foreign exchange, commodity, and option trading because they describe price movements over time in terms of OHLC measurements: *open*, *high*, *low*, and *close* prices. Each "candlestick" shows data for one day, so a monthly chart shows approximately 20 candlesticks, one for each trading day. The date is on the horizontal (X) axis, and it accounts for non-trading days. This chart type can accommodate intervals shorter or longer than one day, provided each interval clearly identifies the four measurements.

How candlestick charts represent data

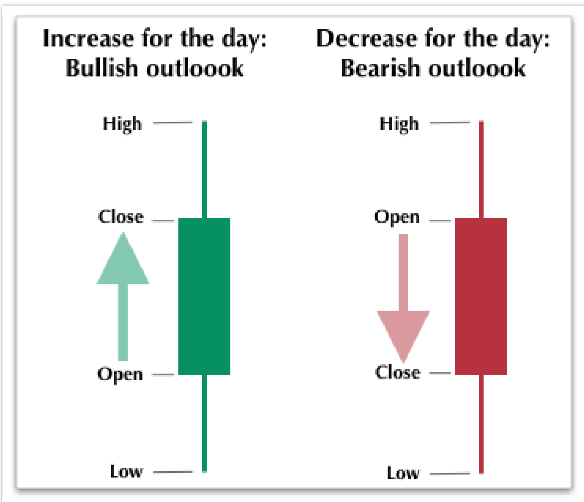
Candlestick charts have a very specific approach to representing data:



- The *High* and *Low* values plot at the top and bottom of the candlestick.
- The *Open* and *Close* positions vary, depending on the relative values of the price at opening and closing of the trading day.
- The height of the rectangle depends on the difference between the *Open* and *Close* prices, and does not indicate the volume of trades.
- The 'wick' that extends upwards from the rectangle indicates the difference between the highest of *Open* or *Close*, and highest traded value (*High*). Similarly, the extension downwards from the rectangle indicates the difference between lowest of *Open* or *Close* and the lowest traded value (*Low*).
- Your search must compute four measures. Additionally, it must have a "for each" specification for the horizontal axis. Most commonly, this is a periodicity, such as `daily`.

- The search question can be expressed in the following form:

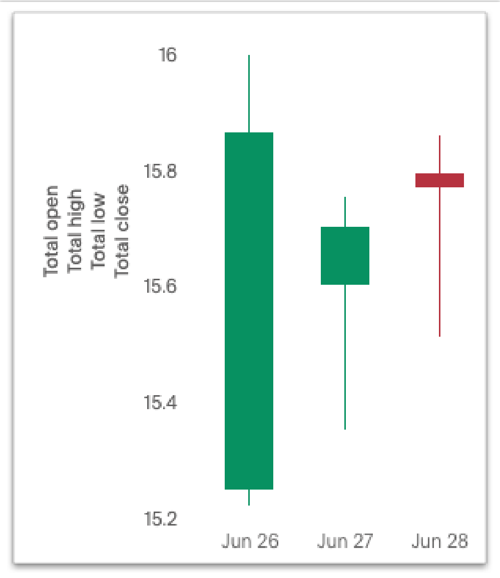
` open high low close daily `



- The candlestick chart does not show the volume of trades. However, the longer body of the candle generally correlates with the intensity of trading.
- When the rectangle is green and high relative to other time periods, this is an indicator that the market for the financial instrument is very bullish, with a likely "buy" recommendation.
- Alternatively, the red rectangles mean that the price is decreasing, and this pattern over time describes a bearish "sell" market for the instrument.

Interpreting candlestick charts

The following excerpt shows candlestick data for only three dates, June 26 - 28, 2019.



Date	Open	High	Low	Close
06-26-2019	$15.30	$16.00	$15.20	$15.90
06-27-2019	$15.60	$15.80	$15.40	$15.70
06-28-2019	$15.80	$15.90	$15.50	$15.80

Notice the following features of this chart:

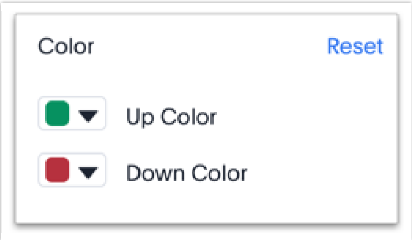
- For both June 26th and 27th, the *Close* price is higher than the *Open* price. The candlesticks for these days are rendered in green.
- The close is lower than the open on June 28th, so the candlestick is red.
- June 26th has the highest difference between its *Open* and *Close* prices. You can easily

determine this based on the height of the rectangle.

- The top-to-bottom size of the wicks vary with the *High* and *Low* prices. The range of prices in individual trades is greatest on June 26th, at $0.80. The range is identical, at $0.40, for both June 27th and June 28th.
- The *Open* for one day almost never coincides with the *Close* of the previous day. This is due to after-hours trading.

Color customization in candlestick charts

There are two color choices for this chart type:



- Up Color
- Down Color

Alchemer Dashboard uses Green and Red, respectively, as default.

Each candlestick renders in one of the two options, depending on the relative values of `open` and `close` measurements.

Adapting candlestick charts for other data

You can use this chart to display other statistical data, as long as you provide four measurements in addition to specifying the horizontal axis.

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