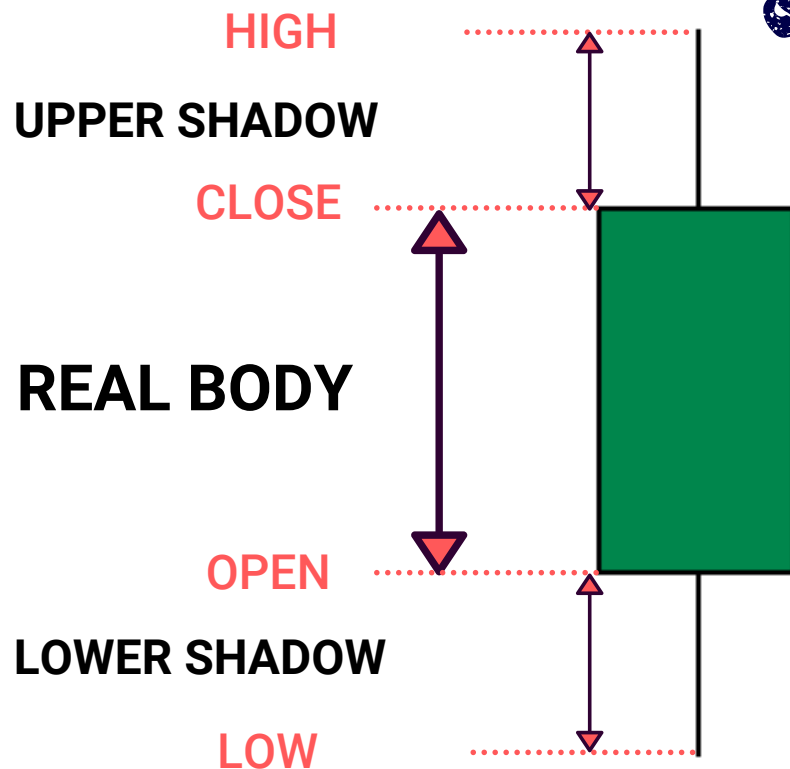


Candlesticks

Candles are often referred to as Japanese candlesticks as they were developed by Munehisa Homma, a Japanese rice trader. These were introduced into the US and to western traders by technical analyst Steve Nison through his book "Japanese Candlestick Charting Techniques" and has since become one of the most popular technical analysis tools.

The range between the open and close price is displayed with horizontal lines that are joined to form what is called the 'real body'. The parts of the vertical lines that are outside the real body are called the upper and lower shadow. The final element that makes candlesticks more visually appealing and easier to read is the use of contrasting colours to show whether the close price is higher than the open price (bullish candle) or the close price is lower than the open price (bearish candle). The colours that are used can vary but are most commonly green and red or white (or unfilled) and black (filled).

Bullish Candle



Bearish Candle

