



THE ART OF **CHART READING**

How to pinpoint price action and build your trades

Reading charts and predicting where market sentiment will go is a skill learned by years of trading experience. Charts are always evolving, so it takes a keen eye to spot changes in patterns and candlestick formations to correctly predict price action. If done methodically, chart reading is one of the best ways to enter trends before they happen. Here's what you need to know to master the art of chart reading.



FOCUS ON THE SETUP

Most traders tend to put their efforts into how big their trades are or the size of the range they're trading. This often means traders get caught in ranges that end up reversing, sending them back to square one. Also, a big lot size can often spell trouble, because if it reverses on you, the loss will be substantial. Instead, focus on building up trades if you're in sideways that will close out for profit once the change in direction occurs.

DON'T LOSE SLEEP OVER LOSSES

Losses are inevitable in trading. Successful traders know when to leave losing trades behind, close them out for a loss, and continue on to more profitable active trades.

LOOK FOR CANDLESTICK FORMATIONS

There are many candlestick patterns that indicate a change in trend. Mostly, what you're looking for are the length of the wicks. These indicate buying or selling pressure depending on which direction they're pushing.

And when it comes to continuous change between bullish and bearish demand, what it really comes down to is learning what to expect. What could happen is a greater tool to have than having set expectations right in the middle of trading.

MAINTAIN CONTROL

It's important in trading to be proactive rather than reactive. By taking steps in risk management before placing your trades, you'll be better prepared to tackle the markets when trades go against you. Following the plan in place is crucial to success, as

What's important is to not give in to pressure and trust the process. However, it can be hard, especially for newer traders, to really nail down reading the markets. But, as with anything, practice makes perfect.

Adapting to constant fluctuations takes years to master, and what better time to start than right now?