

I SPEAK CANDLESTICK

LEARN THE LANGUAGE OF THE MARKETS

GLOSSARY · EVERY TERM, A TO Z



MARKETMASTER ACADEMY



MARKETMASTER ACADEMY · STUDY GUIDE

I Speak Candlestick

Learn the language of the markets. Glossary: Every term, A to Z. The companion study guide to the 13-module MarketMaster Academy course.

I Speak Candlestick

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Chart examples are simplified illustrations, not records of real trades.

How to use this glossary

This is the companion glossary to the MarketMaster Academy course and its two study guides. It lists every term used across all thirteen modules, in alphabetical order.

Each entry is tagged with the module that introduces it: **M5** means Module 5. If a definition refers to an idea you haven't met yet, that module is where it's explained in full.

Where a word is used in two ways, it has two entries, for example **Range (candle)** and **Range (market)**.

Three books

Part 1 (Modules 1–3, free) covers candlestick foundations. **Part 2** (Modules 4–13) takes you from candle ranges to risk management and unlocks with the full course. A separate **Glossary of terms** covers every term, A to Z.

Glossary

Every term used in the course, with the module that introduces it (M1 = Module 1).

1

1R / R-multiple M13

The distance from entry to stop, used as a unit. A 2R target is twice as far from entry as the stop; results are often recorded in R.

A

Accumulation M6

Phase 1 of the Power of Three: a reference candle sets the range (CRH and CRL).

Asian range M10

The high and low made during the quieter Asian session, often used as reference levels at the London open.

Average True Range (ATR) M4

An indicator that averages recent candle ranges, used to judge whether a candle is unusually large. Optional; not needed for this course.

B

Bearish M1

Describes sellers being in control, or an expectation that price will fall.

Bearish candle M1

A candle that closes lower than it opened, usually drawn red. Sellers won the session.

Bearish engulfing M3

A bullish candle followed by a larger bearish candle whose body completely covers it. Control passes to sellers.

Bias M8

Your view of the likely direction of the market, based on structure and confirmed by tools such as a moving average.

Body M1

The thick part of a candle, spanning from the open to the close. Shows conviction.

Body-dominant M4

A candle whose body makes up most of its range (roughly two-thirds or more). Shows conviction.

Body-to-range ratio M4

The body divided by the range, as a percentage. Near 100% = conviction; near 0% = indecision.

Break of Structure (BOS) M7

Price closing beyond the previous swing high (uptrend) or swing low (downtrend). Confirms the trend is continuing.

Break-even win rate M13

The win rate at which a strategy neither makes nor loses money: $1 \div (1 + \text{reward-to-risk})$, before costs.

Breakout M4

Price moving decisively through a level or out of a range, usually on an expansion candle.

Breakout and continuation M9

Scenario 1: price breaks a key level, retests it, holds, and keeps going.

Breakout, fail and reverse M9

Scenario 2: price breaks a level, cannot hold it, and reverses to the opposite side of the range.

Bullish M1

Describes buyers being in control, or an expectation that price will rise.

Bullish candle M1

A candle that closes higher than it opened, usually drawn green. Buyers won the session.

Bullish engulfing M3

A bearish candle followed by a larger bullish candle whose body completely covers it. Control passes to buyers.

C

Candle Range High (CRH) M6

The high of the reference candle in a CRT setup; the upper boundary of the range.

Candle Range Low (CRL) M6

The low of the reference candle in a CRT setup; the lower boundary of the range.

Candle Range Theory (CRT) M6

A model in which price sweeps one boundary of a reference candle's range, closes back inside, and moves towards the other boundary.

Candlestick M1

A chart symbol that compresses the open, high, low and close of one period into a single shape.

CFD M13

Contract for difference: a leveraged product that lets you trade price moves without owning the asset.

Change in State of Delivery (CISD) M6

A lower-timeframe signal: price closes back through the opening level of the candles that drove the previous move, showing direction has switched.

Change of Character (CHoCH) M7

The first break of the trend's swing pattern, e.g. price breaking below the last higher low in an uptrend. A warning of possible reversal.

Close M1

The last price of the period. The most important of the four prices: it shows who won the session.

Confirmation M3

Evidence from a following candle or pattern that supports what an earlier signal suggested.

Confluence M5

Several independent reasons pointing to the same price or decision, e.g. a gap sitting on a level that is being retested.

Consolidation M4

A period where price moves sideways within a range with no decisive break. One of the three market scenarios.

Contraction M4

Successive candles with shrinking ranges. Volatility compressing; the market coiling before its next move.

Conviction M1

Commitment by one side, shown by a long body relative to the range.

Crossover M8

A fast moving average crossing a slow one. Up = bullish momentum, down = bearish. Lags; use as confirmation only.

D

Dead zone M10

The thin, quiet period between one session's close and the next open, when moves are less reliable.

Demo account M13

A practice trading account using virtual money.

Distribution M6

Phase 3 of the Power of Three: price rejects the sweep, closes back inside the range and expands the other way.

Doji M2

A candle whose open and close are almost equal, with wicks on both sides. Signals indecision; after a strong move, fading momentum.

Downtrend M7

Lower highs and lower lows. Sellers in control.

Drawdown M13

The fall in an account from its peak, usually expressed as a percentage.

Dynamic support / resistance M8

A level that moves with price, such as a moving average that price repeatedly bounces off.

E

Evening star M3

Three-candle top reversal: a bullish candle, a small indecision candle, then a strong bearish candle.

Expansion M4

A sudden large-range candle after a period of small ones. Volatility returning; often sets the direction of the next leg.

Expectancy M13

Average result per trade, in R: (win rate × average win) – (loss rate × average loss).

Exponential moving average (EMA) M8

A moving average that weights recent closes more heavily, so it reacts faster than an SMA.

External liquidity M6

Resting orders beyond the current range, e.g. above an older high or below an older low; a possible target beyond the opposite boundary.

F

Failed breakout M9

A breakout that cannot hold and falls back through the level, often reversing to the opposite side of the range. Scenario 2.

Fair Value Gap (FVG) M5

A three-candle price zone left untraded by a fast middle candle: between Candle 1's high and Candle 3's low (bullish), or Candle 1's low and Candle 3's high (bearish).

Fast MA M8

A moving average with a short period (e.g. 20), which follows price closely.

Fill M5

Price returning into a Fair Value Gap. A partial fill enters the zone; a full fill crosses it.

Follow-through M4

Continued movement in the direction of a breakout on the candles after it.

H

Hammer M2

A small body near the top of the candle with a long lower wick. Sellers were rejected; a potential bottom signal after a downtrend, at support.

Hanging man M2

Another name some traders use for the hammer shape when it appears at the top of an uptrend.

Harami M3

A large candle followed by a smaller one that sits inside it. In this course, the same as an inside bar. Signals momentum pausing.

High M1

The highest price reached during the period; the tip of the upper wick.

Higher high (HH) M7

A swing high above the previous swing high.

Higher low (HL) M7

A swing low above the previous swing low.

Higher timeframe M5

A longer candle period than the one you are trading on, used to judge the bigger picture.

Hold M11

At a retest: price rejects the level and does not close back through it. Confirms continuation.

**Imbalance** M5

A zone where one side dominated so heavily that little two-sided trading took place. Another name for an FVG.

Indecision M1

Neither buyers nor sellers won the period, shown by a short body with long wicks.

Inside bar M3

A candle whose whole range (high to low) sits within the previous candle's range. Signals momentum pausing.

Invalidation point M5

The price at which a setup is proven wrong. For a bullish FVG, a close below the gap bottom.

Inverse FVG M5

A Fair Value Gap that price has closed through. The zone flips, so old support acts as resistance or vice versa.

Inverted hammer M2

Another name some traders use for the shooting-star shape when it appears at the bottom of a downtrend.

K

Key level M3

A price that matters to the market, such as a previous high or low, support, resistance or a moving average.

L

Lag M8

The delay between price turning and an indicator reflecting it.

Level flip M9

A broken level changing role: resistance becoming support after a break up, or support becoming resistance after a break down.

Leverage M13

Controlling a large position with a small deposit. Magnifies gains and losses.

Liquidity M6

Clusters of resting orders, typically stop-losses and breakout orders, just beyond obvious highs and lows.

Low M1

The lowest price reached during the period; the tip of the lower wick.

Lower high (LH) M7

A swing high below the previous swing high.

Lower low (LL) M7

A swing low below the previous swing low.

Lower wick M1

The line from the bottom of the body to the low. A long one shows rejection from below.

M

Manipulation M6

Phase 2 of the Power of Three: price sweeps beyond the range to take liquidity and trap breakout traders.

Market structure M7

The pattern of swing highs and lows that shows whether a market is trending up, down or ranging.

Market Structure Shift (MSS) M6

Price breaking its most recent swing high or low in the opposite direction to the prior move; an early sign of reversal on a lower timeframe.

Marubozu M2

A candle with little or no wick: one side controlled the session from open to close. Bullish opens at the low and closes at the high; bearish the reverse.

Measured move M13

A target set by projecting the height of a range from its breakout point.

Momentum M2

The strength and persistence of a move in one direction.

Morning star M3

Three-candle bottom reversal: a bearish candle, a small indecision candle, then a strong bullish candle.

Moving average (MA) M8

A line showing the average closing price over a set number of candles, updated each candle. Smooths noise but lags price.

O

OHLC M1

Open, high, low, close: the four prices every candle summarises.

Open M1

The first price of the period.

Opening range M10

The high and low of the first period (commonly 15, 30 or 60 minutes) after a session opens.

Opening Range Breakout (ORB) M10

Trading a break of the opening range, ideally in the direction of your bias and after a retest holds.

Order block M6

The last opposite-coloured candle before a strong move, treated by some traders as a zone of large orders and a place to look for entry.

Overlap M10

The hours when two sessions are open at once; the London–New York overlap (about 13:00–16:00 UK) is usually the busiest.

P

Pattern M3

Two or more candles read together, showing control shifting or pausing. Also called a combination.

Period M8

The number of candles a moving average (or other indicator) uses in its calculation.

Pip M13

The standard small unit of price movement in a currency pair (usually the fourth decimal place).

Position size M13

How much you trade, set so that hitting your stop loses only your chosen percentage of the account.

Power of Three M6

The three phases of CRT: accumulation, manipulation, distribution.

Pre-trade checklist M12

A written list of conditions that must all be met before taking a trade (see Module 12).

Pullback M5

A temporary move against the trend before it resumes. Also called a retracement.

R

Range (candle) M1

The distance from a candle's high to its low, wicks included. Not the same as the body.

Range (market) M7

A market state where highs and lows are roughly equal and neither side is winning.

Reclaim M11

At a retest: price closes back through the broken level to its original side. Confirms the breakout failed.

Rejection M1

Price reaching a level and being pushed back, shown by a wick.

Rejection candle M11

A candle that shows price was pushed away from a level, e.g. a hammer, shooting star or engulfing.

Resistance M2

A price level where selling has previously stopped a rise. Covered fully in later modules.

Retest M11

Price returning to a level it has just broken, to test whether it now holds from the other side.

Retracement M5

Price moving back against the most recent move, e.g. back into a Fair Value Gap, before continuing.

Reversal M3

A change in direction: an up move turning down, or a down move turning up.

Reward-to-risk M13

The potential profit of a trade divided by its potential loss. 2:1 means 2 units of reward per 1 of risk. Also written risk-to-reward 1:2.

S

Scenario M9

One of the three things a market can be doing: continuing, failing and reversing, or consolidating.

Session M10

In Module 10: one of the major trading periods (Asia, London, New York) tied to a financial centre's opening hours.

Session (candle) M1

The period a single candle covers.

Setup M3

A pattern or signal forming at a key level, worth considering as a potential trade.

Shadow M1

Another name for a wick.

Shooting star M2

A small body near the bottom of the candle with a long upper wick. Buyers were rejected; a potential top signal after an uptrend, at resistance.

Signal M2

A candle or pattern that suggests something may be about to change. A prompt to pay attention, never a command to trade.

Simple moving average (SMA) M8

The plain average of the last n closing prices.

Slippage M10

An order filling at a worse price than expected, common in fast markets and around news releases.

Slow MA M8

A moving average with a longer period (e.g. 50 or 200), which changes direction more slowly.

Smart money M5

Informal term for large institutional traders whose orders can move the market.

Spinning top M2

A small body with long wicks on both sides; like a doji with a slight lean. Signals indecision.

Spread M13

The difference between the buy and sell price; a cost paid on every trade.

Spread bet M13

A UK leveraged product where you stake an amount per point of price movement.

Stop-loss M13

An order that closes a trade automatically at a set price to limit the loss. Placed at the invalidation point.

Support M2

A price level where buying has previously stopped a fall. Covered fully in later modules.

Sweep M6

A move beyond a range boundary that takes resting orders and then fails to hold. Also called a raid or liquidity grab.

Swing high M7

A turning point: a peak with lower highs on both sides.

Swing low M7

A turning point: a trough with higher lows on both sides.

T

Timeframe M1

The length of time each candle represents, e.g. 1 minute, 1 hour or 1 day.

Top-down read M12

Reading a chart from the big picture down: structure, bias, level, scenario, candle, confirmation.

Trading journal M13

A record of every trade, its setup, result and whether the plan was followed.

Trading plan M13

A written set of rules covering what, when and how you trade, and how much you risk.

Trend M7

A sustained directional move, defined by its swing structure.

Tweezer bottom M3

Two candles with almost identical lows. Sellers tried twice to push lower and failed: support defended twice.

Tweezer top M3

Two candles with almost identical highs. Buyers tried twice to push higher and failed: resistance defended twice.

U

Upper wick M1

The line from the top of the body to the high. A long one shows rejection from above.

Uptrend M7

Higher highs and higher lows. Buyers in control.

V

Volatility M4

How much price moves. High volatility = large ranges; low volatility = small ranges.

Volume M10

The amount traded in a period. Higher volume usually means more decisive moves.

W

Whipsaw M8

A signal flipping one way and then straight back, often repeatedly; common with crossovers in a range.

Wick M1

The thin line above or below the body, marking how far price travelled before being rejected. Also called a shadow.

Wick-dominant M4

A candle whose wicks make up most of its range (body roughly a third or less). Shows indecision and rejection.

Z

Zone M11

A level treated as a small band of prices rather than an exact line, since price rarely turns to the exact tick.
