I SPEAK CANDLESTICK

LEARN THE LANGUAGE OF THE MARKETS

PART 1 · MODULES 1–3



STUDY GUIDE



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I Speak Candlestick

Learn the language of the markets. Part 1: Modules 1–3. The companion study guide to the 13-module I Speak Candlestick course.

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

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This book contains the free foundation modules. Modules 4–13 are in Part 2, which unlocks with the full course in the app.

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Glossary of terms SEPARATE BOOK

BEFORE YOU START

How to use this guide

The app teaches each idea in a short lesson and a scored quiz. This guide covers the same thirteen modules in the same order, with more room: extra explanation, worked examples, labelled diagrams and the common mistakes beginners make.

Use the two together

Read a module here, then take that module's quiz in the app. If you score below 70%, come back to the module, reread the sections the answer key points to, and retake. The modules build on each other, so don't skip ahead.

What's in each module

- **Learning objectives**: what you should be able to do by the end.
- **Numbered sections** with diagrams, tables and worked examples.
- **Callouts**: green for tips, red for common mistakes, grey for context.
- **Key takeaways**: the points to remember if you remember nothing else.
- **Check your understanding**: the same ten questions as the app quiz, with answers and explanations at the back.

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.

The big idea

The whole course builds towards one framework. The market only does three things: it **breaks out and continues**, it **breaks out, fails and reverses**, or it **consolidates**. A confirmed retest of a key level tells you which one is most likely next. Everything before Module 9 gives you the vocabulary to see it; everything after shows you how to act on it, and how to manage risk when you're wrong.

It all starts with a single candle.

STAGE 1 · CANDLESTICKS · MODULE 1 OF 13

01

The Anatomy of a Candlestick

Open, high, low, close: the four prices that tell the whole story of a session.

- App lesson: 6 min
- Study time: 20 min
- 10 review questions

BY THE END OF THIS MODULE YOU WILL BE ABLE TO

- Name the four prices inside every candle and find each one on a chart.
- Tell a bullish candle from a bearish one, and read which end of the body is the open.
- Measure a candle's **range** and **body**, and explain the difference.
- Say why the **close** carries more weight than the other three prices.
- Read conviction, indecision and rejection from a candle's shape alone.

1.1 What a candlestick actually is

A single candlestick summarises the battle between buyers and sellers over one period of time: a minute, an hour, a day. It compresses four prices into one shape: the **open**, the **high**, the **low** and the **close**.

That compression is the whole point. A line chart shows you only where price finished each period. A candle also shows where it started, how far it was pushed in each direction, and where it was refused. Four numbers become one picture you can read at a glance.

PRICE	DEFINITION	WHAT IT TELLS YOU
Open	The price at the start of the period	Where the battle began
High	The highest price reached	How far buyers managed to push
Low	The lowest price reached	How far sellers managed to push
Close	The price at the end of the period	Who was in control when the bell rang

Every candle has a timeframe

The period a candle covers is its **timeframe**. The same market can be drawn as 1-minute, 1-hour or daily candles, and a larger candle is simply the smaller ones added together. Its open is the first small candle's open, its close is the last one's close, and its high and low are the extremes reached by any of them.

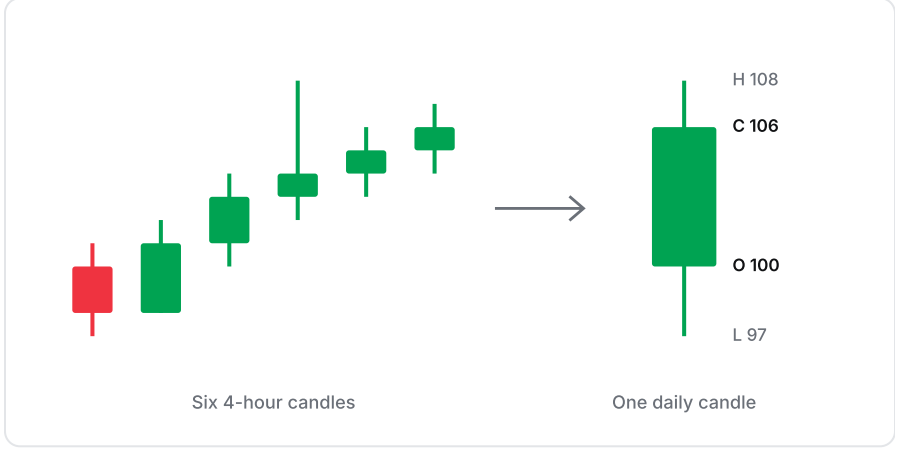

Figure 1.1 One daily candle is six 4-hour candles combined. The detail inside the day disappears; the four prices that matter remain.

Always check which timeframe you are looking at before you read a candle. A "huge" candle on a 5-minute chart can be invisible on the daily.

1.2 The body and the wicks

The thick part is the **body**. It spans from the open to the close. The thin lines above and below are the **wicks** (also called **shadows**). They mark how far price travelled beyond the body before being rejected.

- The **upper wick** runs from the top of the body to the high.
- The **lower wick** runs from the bottom of the body to the low.

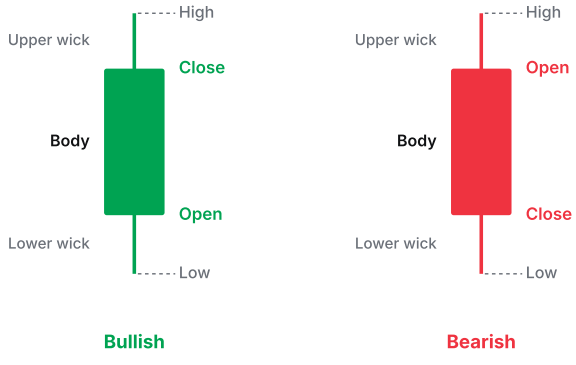

Figure 1.2 The same shape, read two ways. On a bullish candle the open is at the bottom of the body and the close at the top. On a bearish candle they swap. The high and low are always the wick tips.

Bullish and bearish

A **bullish** candle (green) closes higher than it opened: buyers won the session. A **bearish** candle (red) closes lower than it opened: sellers won.

MEMORY AID

Price travels *through* the body in the direction of the colour. Green moves up, so it starts at the bottom (open) and finishes at the top (close). Red moves down, so it starts at the top and finishes at the bottom. The wick tips are always the high and the low, whatever the colour.

1.3 Range versus body

Two measurements come up again and again in this course, and beginners often mix them up.

- **Range** is the full distance from the high to the low, wicks included. It measures how much ground price covered.
- **Body** is the distance from the open to the close. It measures how much ground one side actually *kept*.

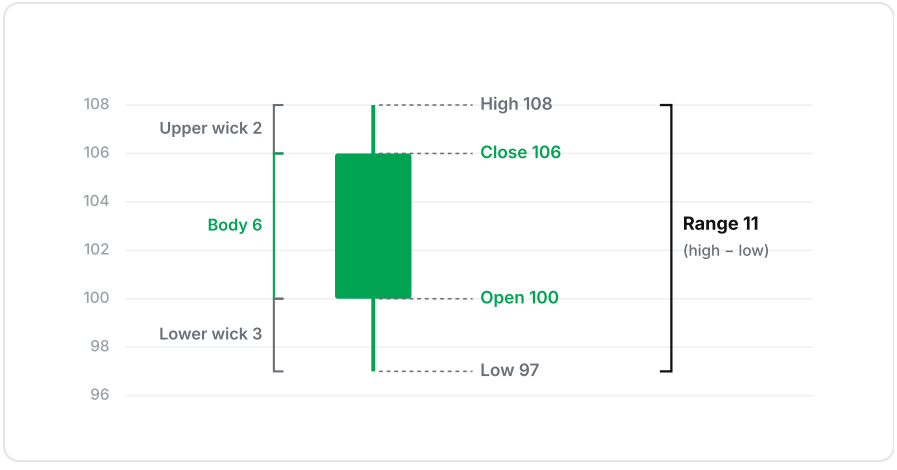

Figure 1.3 Worked example. Open 100, high 108, low 97, close 106.

MEASURE	CALCULATION	RESULT
Range	High − Low = 108 − 97	11
Body	Close − Open = 106 − 100	6
Upper wick	High − top of body = 108 − 106	2
Lower wick	Bottom of body − Low = 100 − 97	3
Body as % of range	6 ÷ 11	≈ 55%

Buyers covered 11 points of ground and held on to 6 of them. That last line, body as a share of range, is the seed of **Candle Range Theory** in Stage 3. For now, just get comfortable measuring it.

1.4 Why the close matters most

All four prices matter, but the close carries the most weight. It is the last price both sides agreed on before the period ended, so it shows **who won the session by the final bell**. Everything that happened in between (the spikes, the reversals, the wicks) was contested ground. The close is the result.

COMMON MISTAKE

Reading a candle before it has closed. A candle that looks strongly green with ten minutes left on the hour can finish red. Until the period ends, its shape is a provisional draft, not a signal.

1.5 Reading the shape

Once you can see body and wicks separately, every candle tells you something about the balance of power. The body is **conviction**: who controlled the close. The wicks are **rejection**: where price was refused.

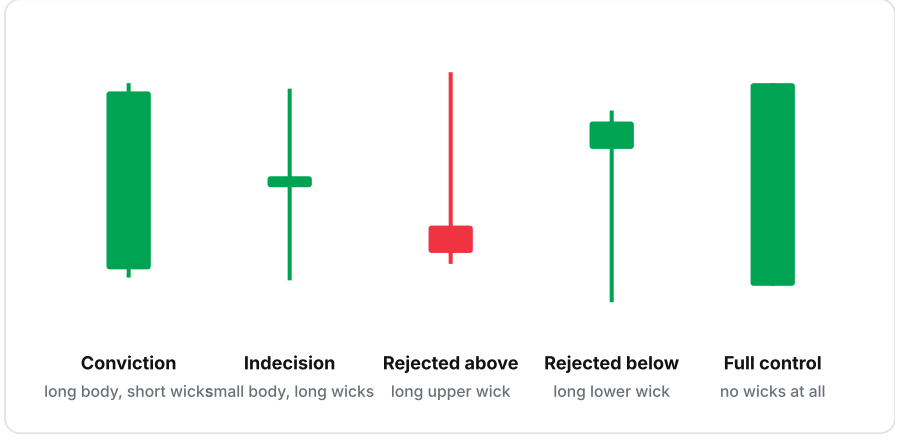

Figure 1.4 Five shapes, five stories. Colour tells you who won; proportions tell you by how much.

SHAPE	WHAT HAPPENED	READ
Long body, short wicks	Price moved one way and stayed there	One side dominated with conviction
Short body, long wicks	Both sides pushed hard; neither held ground	Indecision: neither side won
Long upper wick	Price was pushed up, then sold back down	Rejection from above
Long lower wick	Price was pushed down, then bought back up	Rejection from below
No wicks at all	Opened at one extreme, closed at the other	One side controlled the entire session

A candle with no wicks has a name, the **marubozu**, and it is one of the single-candle signals you will meet in Module 2.

> *Think of each candle as a mini tug-of-war between Bullish Wick and Bearish Buddy. The body shows who was stronger when the bell rang; the wicks show how far each side was pushed before they pushed back.*

1.6 Why this matters

Every pattern, every combination and every contextual read in this course comes back to these four prices. Before you can read what the market is *doing*, you have to read what a single candle is *saying*.

ONE CANDLE IS A WORD, NOT A SENTENCE

A single candle describes one session. It does not, on its own, tell you where price goes next. The modules that follow build from single candles (Module 2) to combinations (Module 3) and finally to reading candles in the context of structure and key levels (Stage 7). Hold any one-candle conclusion lightly until then.

KEY TAKEAWAYS

- The **body** = conviction (who controlled the close).
- The **wicks** = rejection (where price was refused).
- A **long body with short wicks** = one side dominated.
- A **short body with long wicks** = neither side won: indecision.
- **Range** is high to low; **body** is open to close. Don't confuse them.
- The **close** is the verdict. Never read a candle that hasn't finished.

Check your understanding

Module 1 · 10 questions · answers on page 29

1 What do the wicks of a candlestick show?

- (A) The direction of the trend
- (B) Where price was rejected
- (C) The opening price
- (D) The closing price

2 What does the body of a candlestick represent?

- (A) The distance from the high to the low
- (B) The distance from the open to the close
- (C) The highest price reached in the session
- (D) The lowest price reached in the session

3 A candle closes higher than it opened. What type of candle is it?

- (A) A bearish candle
- (B) A bullish candle
- (C) A doji
- (D) A marubozu

4 A candle has a long body and very short wicks. What does this suggest?

- (A) Indecision between buyers and sellers
- (B) One side dominated the session with conviction
- (C) The market is consolidating
- (D) A reversal is imminent

5 Why is the close considered the most important of the four prices?

- (A) It is always the highest price
- (B) It shows who won the session by the final bell
- (C) It is the only price that matters
- (D) It determines the candle's colour only

6 If a candle has no wicks at all, what does that mean?

- (A) The market was closed
- (B) One side controlled the entire session from open to close
- (C) There was a gap in the data
- (D) The candle is invalid

7 **What is the 'range' of a candlestick?**

- (A) The distance from open to close
- (B) The distance from high to low
- (C) The size of the body only
- (D) The difference between two candles

8 **On a bearish candle, which price sits at the top of the body?**

- (A) The close
- (B) The open
- (C) The high
- (D) The low

9 **What does a long upper wick on a candle tell you?**

- (A) Buyers were in control the entire session
- (B) Price was pushed up but rejected back down
- (C) The candle closed at its high
- (D) There was no trading activity

10 **Which price does the top of a bullish candle's body represent?**

- (A) The session high
- (B) The open price
- (C) The close price
- (D) The session low

Your score ____ / 10 · Aim for 7 or more, the same pass mark as the app. Below that, reread the sections the answer key points to.

STAGE 1 · CANDLESTICKS · MODULE 2 OF 13

02

Single-Candle Signals

Doji, hammer, shooting star, marubozu: the individual candles that hint at what's coming.

- App lesson: 8 min
- Study time: 25 min
- 10 review questions

BY THE END OF THIS MODULE YOU WILL BE ABLE TO

- Recognise the five single-candle signals: doji, spinning top, hammer, shooting star and marubozu.
- Sort them into three families: **indecision**, **rejection** and **conviction**.
- Tell a doji from a spinning top, and a hammer from a shooting star.
- Explain why the same candle can mean something or nothing depending on where it appears.

2.1 Reading one candle in isolation

Some single candles carry enough information to warn you about a possible turn. They are never a command to trade. They are a *signal* to pay attention.

Module 1 gave you the tools: body = conviction, wicks = rejection. This module puts names to the shapes that appear most often. They fall into three families, and if you remember the family you remember the meaning.



Figure 2.1 The five single-candle signals (the marubozu shown in both colours). Learn to spot them by proportion, not by colour.

FAMILY	CANDLES	WHAT IT SAYS
Indecision	Doji, spinning top	Neither side won the session
Rejection	Hammer, shooting star	One side pushed hard and was thrown back
Conviction	Marubozu	One side controlled the session from open to close

2.2 Indecision: doji and spinning top

Doji

Open and close are almost equal, with long wicks on both sides. The session ended where it began: **indecision**. Both sides pushed price away from the open, and both were rejected.

On its own, a doji in the middle of nowhere tells you little. Its value comes after a strong move: a doji then suggests the dominant side is **losing steam**. Buyers who had been winning every session just failed to win this one.

Spinning top

A small body with long wicks on both sides. It is like a doji with a slight lean: one side edged the session, but not by much. The read is the same, **indecision**, just slightly less extreme.

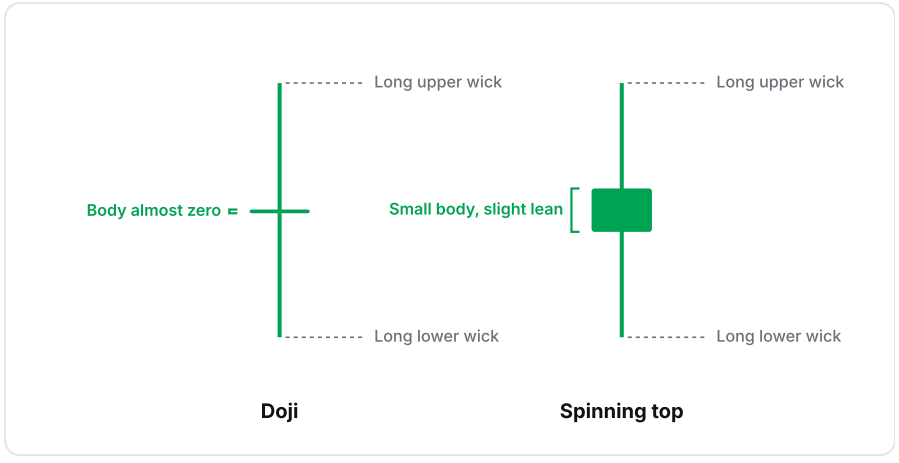

Figure 2.2 The only difference is body size. A doji's open and close are almost equal; a spinning top has a small but visible body.

HOW SMALL IS "ALMOST EQUAL"?

There is no fixed number, so use proportion. If the body is a sliver, a tiny fraction of the full range (think 5–10%), call it a doji. If you can clearly see a body but the wicks still dominate, it's a spinning top. Both mean the same thing, so don't agonise over the label.

2.3 Rejection: hammer and shooting star

Hammer

A small body sits near the top of the candle with a **long lower wick**. Sellers drove price down hard, but buyers rejected it and pushed it back to the top. Found after a downtrend, it is a potential **bottom** signal.

Shooting star

The mirror of the hammer: a small body near the bottom with a **long upper wick**. Buyers pushed price up, but sellers rejected it. Found after an uptrend, it is a potential **top** signal.

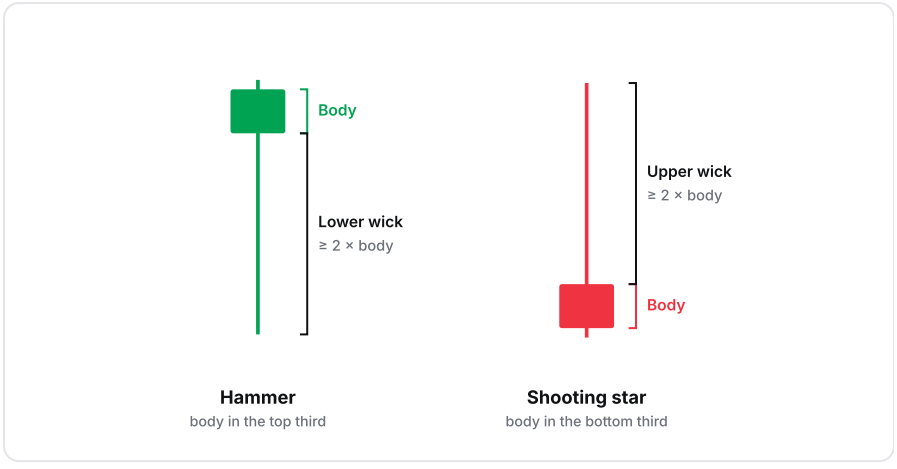

Figure 2.3 A common rule of thumb: the long wick should be at least twice the length of the body, and the other wick small or absent.

DOES THE COLOUR MATTER?

Less than the shape. A hammer can be green or red; what defines it is the long lower wick and the body near the top. A green hammer (closing above its open) shows slightly stronger buying, and a red shooting star slightly stronger selling, but the rejection wick is the message either way.

You may see the hammer shape at the top of an uptrend called a *hanging man*, and the shooting-star shape at the bottom of a downtrend called an *inverted hammer*. You don't need the extra names for this course. As section 2.5 explains, where a candle appears matters more than what it's called.

2.4 Conviction: the marubozu

A large body with little or no wick. One side was in **complete control** from open to close, showing strong conviction and momentum. A **bullish marubozu** opens at its low and closes at its high: buyers dominated. A **bearish marubozu** opens at its high and closes at its low: sellers dominated.

Unlike the other four signals, a marubozu doesn't warn of a turn. It tells you who is in charge right now. Watch for it breaking out of a range or through a key level, where it shows real commitment behind the move.

COMMON MISTAKE

Assuming a marubozu means a reversal is coming because "it went too far". A marubozu signals strength in its own direction, not exhaustion. Reversal signals come from rejection and indecision, not from conviction.

2.5 The golden rule: context decides everything

A hammer at the top of an uptrend means almost nothing. The same hammer at the bottom of a downtrend, right at a support level, is meaningful. **Never read a single candle without knowing where it sits in the structure.**

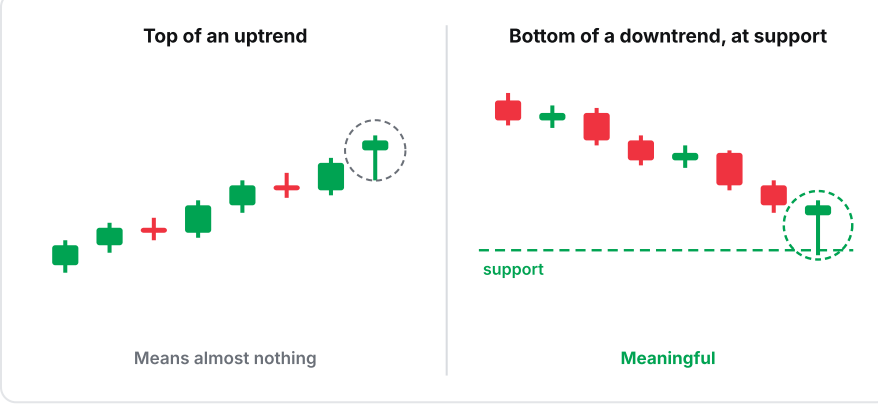

Figure 2.4 The same hammer, twice. On the left it's noise inside a rising market. On the right, sellers have pushed price into support and been rejected: that's a signal worth watching.

Before acting on any single candle, ask three questions:

- **What came before it?** Rejection and indecision signals matter after a clear move, not in the middle of a quiet range.
- **Where is it?** Is it at a level that matters, such as support, resistance or a previous high or low? (Modules 7 and 11.)
- **Has it closed?** A hammer with five minutes left can still close as something else entirely (Module 1).

2.6 Quick reference

CANDLE	SHAPE	WHERE IT MATTERS
Doji	Open ≈ close, wicks both sides	After a strong move: momentum fading
Spinning top	Small body, wicks both sides	After a strong move: momentum fading
Hammer	Small body at top, long lower wick	After a downtrend, at support
Shooting star	Small body at bottom, long upper wick	After an uptrend, at resistance
Marubozu	Big body, little or no wick	Breaking a range or level: commitment

KEY TAKEAWAYS

- **Long wick** = rejection in that direction.
- **Big body, no wick** = conviction.
- **Small body, big wicks** = indecision.
- Single candles are **signals**, not **commands**. Always combine them with structure.

Check your understanding

Module 2 · 10 questions · answers on page 29

1 **What does a shooting star's long upper wick indicate?**

- (A) Buyers pushed price up but sellers rejected it
- (B) Sellers pushed price down but buyers rejected it
- (C) The market is strongly bullish
- (D) The session closed at the high

2 **A hammer is most meaningful when it appears:**

- (A) At the top of an uptrend
- (B) In the middle of a quiet range
- (C) After a downtrend, near a support level
- (D) After a strong bullish move

3 **Why should you never read a single candle in isolation?**

- (A) Single candles are always wrong
- (B) Context (where the candle sits in the structure) decides its meaning
- (C) Candles only work in groups of three
- (D) Single candles only matter on the 1-minute chart

4 **Which candle signals indecision, with open and close nearly equal?**

- (A) Hammer
- (B) Marubozu
- (C) Doji
- (D) Shooting star

5 **A marubozu with no upper or lower wick means:**

- (A) The market is undecided
- (B) One side controlled the entire session from open to close
- (C) A reversal is guaranteed next
- (D) Price closed exactly at the open

6 **How does a spinning top differ from a doji?**

- (A) It has a larger body but still has long wicks both sides
- (B) It has no wicks at all
- (C) It only appears in downtrends
- (D) It is always bullish

7 **What does a marubozu candle tell you about the session?**

- (A) The market was indecisive
- (B) One side had complete control from open to close
- (C) There was very little volume
- (D) A reversal is imminent

8 **What is the key visual feature of a shooting star?**

- (A) A long lower wick with a small body near the top
- (B) A long upper wick with a small body near the bottom
- (C) A large body with no wicks
- (D) Two candles side by side

9 **Where should a hammer appear to be a valid bottom signal?**

- (A) At the top of an uptrend
- (B) In the middle of a range
- (C) After a downtrend, near support
- (D) Anywhere on the chart

10 **A doji forms when which two prices are nearly equal?**

- (A) High and low
- (B) Open and close
- (C) High and open
- (D) Low and close

Your score ____ / 10 · Aim for 7 or more, the same pass mark as the app. Below that, reread the sections the answer key points to.

STAGE 2 · PATTERNS · MODULE 3 OF 13

03

Candlestick Combinations & Patterns

Two- and three-candle formations that show control shifting between buyers and sellers.

- App lesson: 9 min
- Study time: 25 min
- 10 review questions

BY THE END OF THIS MODULE YOU WILL BE ABLE TO

- Identify bullish and bearish engulfing patterns and explain what they show.
- Spot a harami (inside bar) and read it as momentum pausing.
- Recognise morning and evening stars as three-step reversals: move, hesitation, decision.
- Recognise tweezer tops and bottoms as a level defended twice.
- Explain why a pattern only matters when it forms at a key level.

3.1 When candles work together

One candle can hint. Two or three candles together can **confirm** a shift in control. These combinations are the bread and butter of price action.

The patterns in this module are built from the pieces you already know. The middle candle of a star is one of Module 2's indecision candles. The second candle of a tweezer is often a hammer or shooting star. If you can read a single candle, you can read a combination: you're simply reading two or three sessions in sequence and asking who gained control, and who lost it.

3.2 Engulfing patterns

A **bullish engulfing** is a small bearish candle followed by a larger bullish candle whose body completely covers the prior body. Buyers didn't just

win; they overwhelmed the prior session. A **bearish engulfing** is the reverse: a bullish candle swallowed by a larger bearish one.

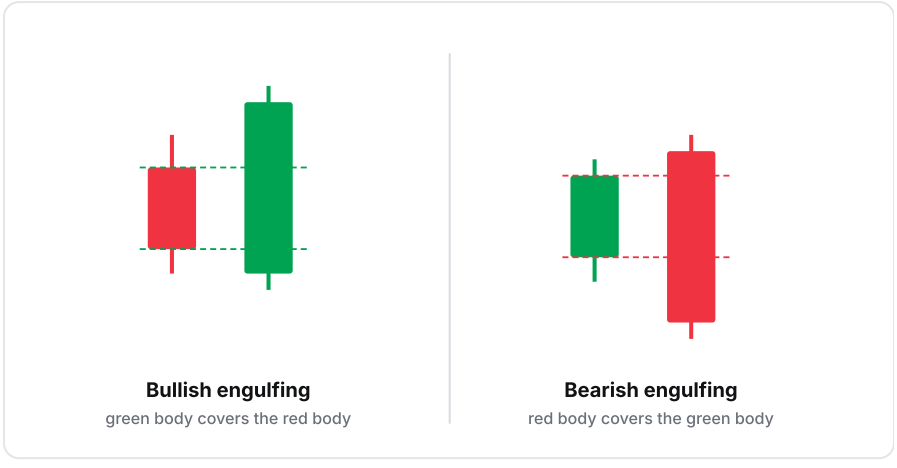

Figure 3.1 The dashed lines mark the first candle's body. In both cases the second body opens beyond one edge and closes beyond the other.

Engulfing patterns show a **clean transfer of control** in a single beat. Everything the first session achieved has been undone, and then some, by the second.

WHAT TO CHECK

- The two candles are **opposite colours**.
- The second **body** covers the first **body**. Wicks don't count.
- The bigger the second candle relative to the first, the stronger the shift.

3.3 Harami (inside bar)

A large candle is followed by a small candle whose entire range sits **inside** the prior candle. Momentum is pausing. It often comes before a reversal or a consolidation: the market is taking a breath.

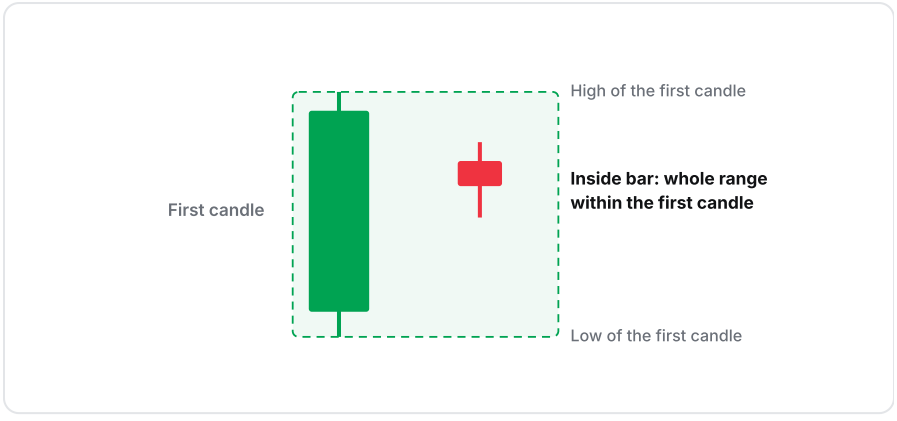

Figure 3.2 The second candle's high and low both fall within the first candle's range.

Think of the harami as the opposite of the engulfing. An engulfing candle is bigger than the one before it and takes control. An inside bar is smaller than the one before it and shows that control has stalled. It doesn't tell you which way the next move will go, only that the previous move has lost its push.

HARAMI OR INSIDE BAR?

You'll see both names. Strictly, a traditional harami only needs the second *body* inside the first body, while an inside bar needs the whole *range* inside. This course uses the stricter inside-bar definition, which is the clearer signal.

3.4 Morning star and evening star

These are three-candle reversal patterns:

- **Morning star**: a bearish candle, then a small indecision candle, then a strong bullish candle. A classic bottom reversal.
- **Evening star**: a bullish candle, then a small indecision candle, then a strong bearish candle. A classic top reversal.

The middle candle is the hesitation; the third candle is the decision.

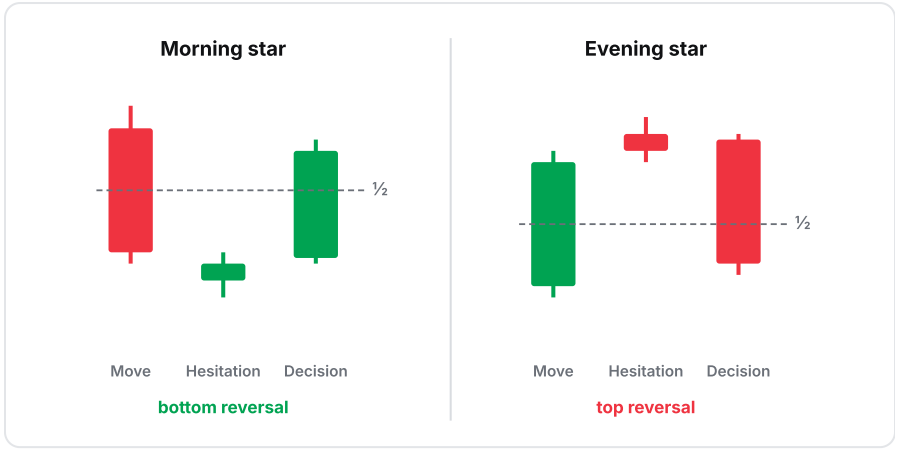

Figure 3.3 Move, hesitation, decision. The dashed line marks halfway (½) through the first candle's body. A common rule of thumb: the third candle should close beyond it.

Read each candle in turn. The first shows the existing side in control. The second, a doji or spinning top, shows that side failing to make progress. The third shows the other side taking over with conviction. Without the third candle there is no pattern, just a pause.

COMMON MISTAKE

Acting on two candles of a three-candle pattern. A big red candle followed by a doji is *not* a morning star until a strong green candle has closed. Many "almost stars" simply continue lower.

3.5 Tweezer tops and bottoms

Two candles whose highs (tops) or lows (bottoms) are almost identical. Buyers tried twice to push higher and failed (**tweezer top**), or sellers tried twice to push lower and failed (**tweezer bottom**). It's a sign that a level is holding.

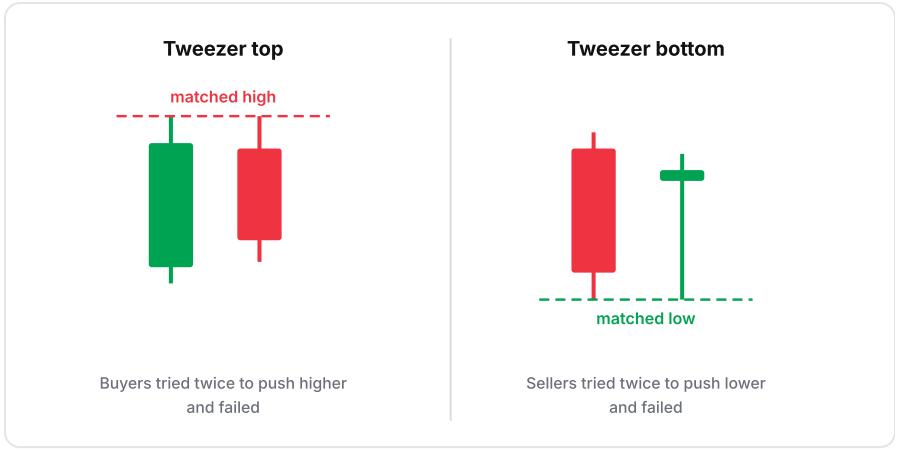

Figure 3.4 The matched extreme is the point both sessions failed to get past.

The logic is the same as a rejection wick in Module 2, but stronger, because the price has been refused twice rather than once. Two sessions in a row agreed on the same limit.

3.6 How to use combinations

Patterns are most powerful when they form **at a key level**, such as a previous high, a previous low or a moving average. A bullish engulfing in the middle of nowhere is noise. The same pattern at a tested support is a setup.

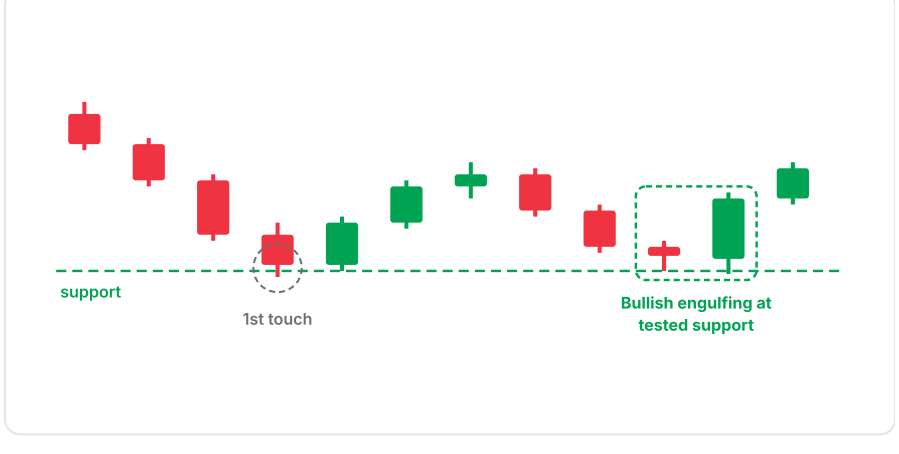

Figure 3.5 Price finds support, rallies, then returns to the same level. The bullish engulfing forms right at the level that has already held once.

This is the golden rule from Module 2, applied to patterns. A pattern tells you control is changing; the level tells you why it matters there. Previous highs and lows are covered in Module 7 and moving averages in Module 8.

3.7 Quick reference

PATTERN	CANDLES	READ
Bullish engulfing	2: small red, larger green	Control passes to buyers
Bearish engulfing	2: small green, larger red	Control passes to sellers
Harami / inside bar	2: large, then small inside it	Momentum pausing
Morning star	3: red, indecision, strong green	Bottom reversal
Evening star	3: green, indecision, strong red	Top reversal
Tweezer top	2: matching highs	Resistance defended twice
Tweezer bottom	2: matching lows	Support defended twice

KEY TAKEAWAYS

- **Engulfing** = a clean transfer of control.
- **Harami** = momentum pausing.
- **Stars** = a three-step reversal: move, hesitation, decision.
- **Tweezers** = a level defended twice.
- Patterns confirm what structure already suggests. They don't create it.

Check your understanding

Module 3 · 10 questions · answers on page 29

1 **A harami (inside bar) suggests:**

- (A) A strong continuation of the trend
- (B) Momentum is pausing
- (C) A guaranteed breakout
- (D) A marubozu has formed

2 **A morning star consists of how many candles?**

- (A) One
- (B) Two
- (C) Three
- (D) Four

3 **In a bullish engulfing pattern, the second candle's body must:**

- (A) Be smaller than the first candle's body
- (B) Completely cover the prior candle's body
- (C) Close below the first candle's low
- (D) Have no wicks at all

4 **Candlestick patterns are most powerful when they form:**

- (A) In the middle of a quiet, directionless move
- (B) At a key level such as previous support or resistance
- (C) Only on weekend sessions
- (D) Only on the 1-minute timeframe

5 **Tweezer bottoms indicate that:**

- (A) A level was defended twice
- (B) A trend is continuing strongly
- (C) A moving average has crossed
- (D) A consolidation is starting

6 **What do tweezer bottoms indicate?**

- (A) Sellers tried twice to push lower and failed
- (B) Buyers tried twice to push higher and failed
- (C) The market is in a strong uptrend
- (D) A gap is about to form

7 **Which three candles make up a morning star pattern?**

- (A) Bullish, small indecision, bearish
- (B) Bearish, small indecision, strong bullish
- (C) Three doji candles
- (D) Three marubozu candles

8 **What does a harami (inside bar) pattern suggest?**

- (A) Momentum is accelerating
- (B) Momentum is pausing
- (C) A breakout is imminent
- (D) The trend has reversed

9 **What does a bearish engulfing pattern signal?**

- (A) Continuation of the uptrend
- (B) A transfer of control from buyers to sellers
- (C) The market is ranging
- (D) A doji is forming

10 **In a bullish engulfing pattern, what must the second candle's body do?**

- (A) Be smaller than the first candle's body
- (B) Completely cover the first candle's body
- (C) Open above the first candle's high
- (D) Close at the same price as the first

Your score ____ / 10 · Aim for 7 or more, the same pass mark as the app. Below that, reread the sections the answer key points to.

REFERENCE

Answer key

Each answer points back to the section that explains it. If you got one wrong, reread that section before moving on.

Module 1 · The Anatomy of a Candlestick

1 **B** **Where price was rejected**
Wicks mark how far price travelled beyond the body before being pushed back (section 1.2).

2 **B** **The distance from the open to the close**
The body spans open to close. High to low is the range, not the body (section 1.3).

3 **B** **A bullish candle**
Close above open means buyers won the session: a bullish (green) candle (section 1.2).

4 **B** **One side dominated the session with conviction**
A long body means one side kept most of the ground it covered (section 1.5).

5 **B** **It shows who won the session by the final bell**
The close is the final agreed price, the verdict on the session. The others still matter (section 1.4).

6 **B** **One side controlled the entire session from open to close**
No wicks means price opened at one extreme and closed at the other: a marubozu (section 1.5).

7 **B** **The distance from high to low**
Range is the full high-to-low distance, wicks included (section 1.3).

8 **B** **The open**
A bearish candle moves down, so it opens at the top of the body and closes at the bottom (Figure 1.2).

9 **B** **Price was pushed up but rejected back down**
Price reached the high but couldn't hold it; sellers pushed it back down (section 1.5).

10 **C** **The close price**
A bullish candle moves up through its body, so the top is the close. The high is the wick tip (Figure 1.2).

Module 2 · Single-Candle Signals

1 **A** **Buyers pushed price up but sellers rejected it**
The upper wick is ground buyers reached but couldn't hold; sellers threw price back down (section 2.3).

2 **C** **After a downtrend, near a support level**
A hammer is a potential bottom signal, so it matters where a bottom could form: after a fall, at support (section 2.5).

3 **B** **Context (where the candle sits in the structure) decides its meaning**
The same candle can be noise or a signal depending on where it appears. That's the golden rule (section 2.5).

4 **C** **Doji**
A doji opens and closes at almost the same price: neither side won (section 2.2).

5 **B** **One side controlled the entire session from open to close**
No wicks means price opened at one extreme and closed at the other: total control (section 2.4).

6 **A** **It has a larger body but still has long wicks both sides**
Same long wicks, same indecision; the spinning top just has a small visible body (Figure 2.2).

7 **B** **One side had complete control from open to close**
A marubozu is the conviction candle. It signals strength in its own direction, not a reversal (section 2.4).

8 **B** **A long upper wick with a small body near the bottom**
Option A describes the hammer, its mirror image. The shooting star's wick points up (Figure 2.3).

9 **C** **After a downtrend, near support**
Rejection of lower prices only means something where sellers have been in control and meet a level (Figure 2.4).

10 **B** **Open and close**
Open ≈ close gives the doji its tiny body. High and low are the wick tips, which are far apart (section 2.2).

Module 3 · Candlestick Combinations & Patterns

1 **B** **Momentum is pausing**
A small candle inside a large one shows the previous move has lost its push (section 3.3).

2 **C** **Three**
Move, hesitation, decision: three candles (section 3.4).

3 **B** **Completely cover the prior candle's body**
Body covers body. That's what makes it a clean transfer of control (section 3.2).

4 **B** **At a key level such as previous support or resistance**
A pattern at a tested level is a setup; the same pattern in the middle of nowhere is noise (section 3.6).

5 **A** **A level was defended twice**
Two matching lows show support holding on two separate attempts (section 3.5).

6 **A** **Sellers tried twice to push lower and failed**
Sellers drive price down; at a tweezer bottom they were stopped at the same low twice. Option B describes a tweezer top (Figure 3.4).

7 **B** **Bearish, small indecision, strong bullish**
Red move, indecision, green decision. Option A is the evening star (Figure 3.3).

8 **B** **Momentum is pausing**
An inside bar says the move has stalled. It doesn't yet say which way price goes next (section 3.3).

9 **B** **A transfer of control from buyers to sellers**
A larger red body swallows the green one: sellers have taken over (section 3.2).

10 **B** **Completely cover the first candle's body**
The defining rule: the second body covers the first body entirely (Figure 3.1).

END OF PART 1

You can read a candle

Modules 1–3: anatomy, single-candle signals and combinations.

You can now read the four prices inside every candle, recognise the five single-candle signals, and spot the combinations that show control shifting between buyers and sellers. You've also met the rule that runs through the whole course: a signal only matters where it appears.

What's next in Part 2

STAGE	MODULES
Candle ranges	4 Candle Range Theory · 5 Fair Value Gaps · 6 Advanced CRT
Market structure	7 Higher highs & lower lows · 8 Moving averages
The three scenarios	9 The three market scenarios
Session timing	10 Session timing & the opening range
Contextual charts	11 Level retest confirmation · 12 Reading contextual charts
Risk management	13 Stops, position sizing and risk-to-reward

Part 2 turns the vocabulary into a complete framework: where the market is, which of three things it's doing, when to act, and how much to risk. It unlocks with the full course in the app.

REMINDER

This guide is education, not financial advice. Trading carries a real risk of loss.