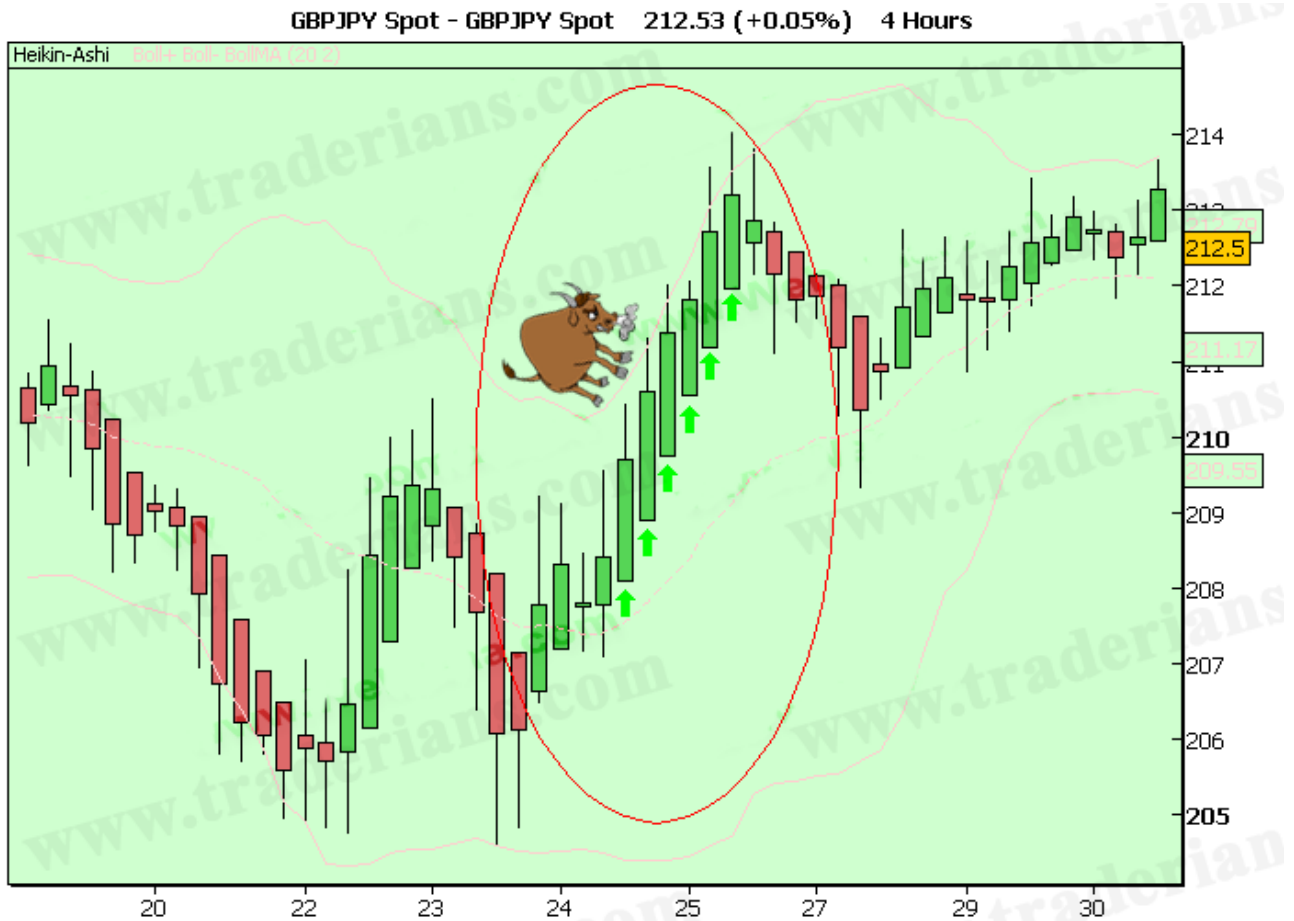


Different candles in a Heikin-Ashi chart:

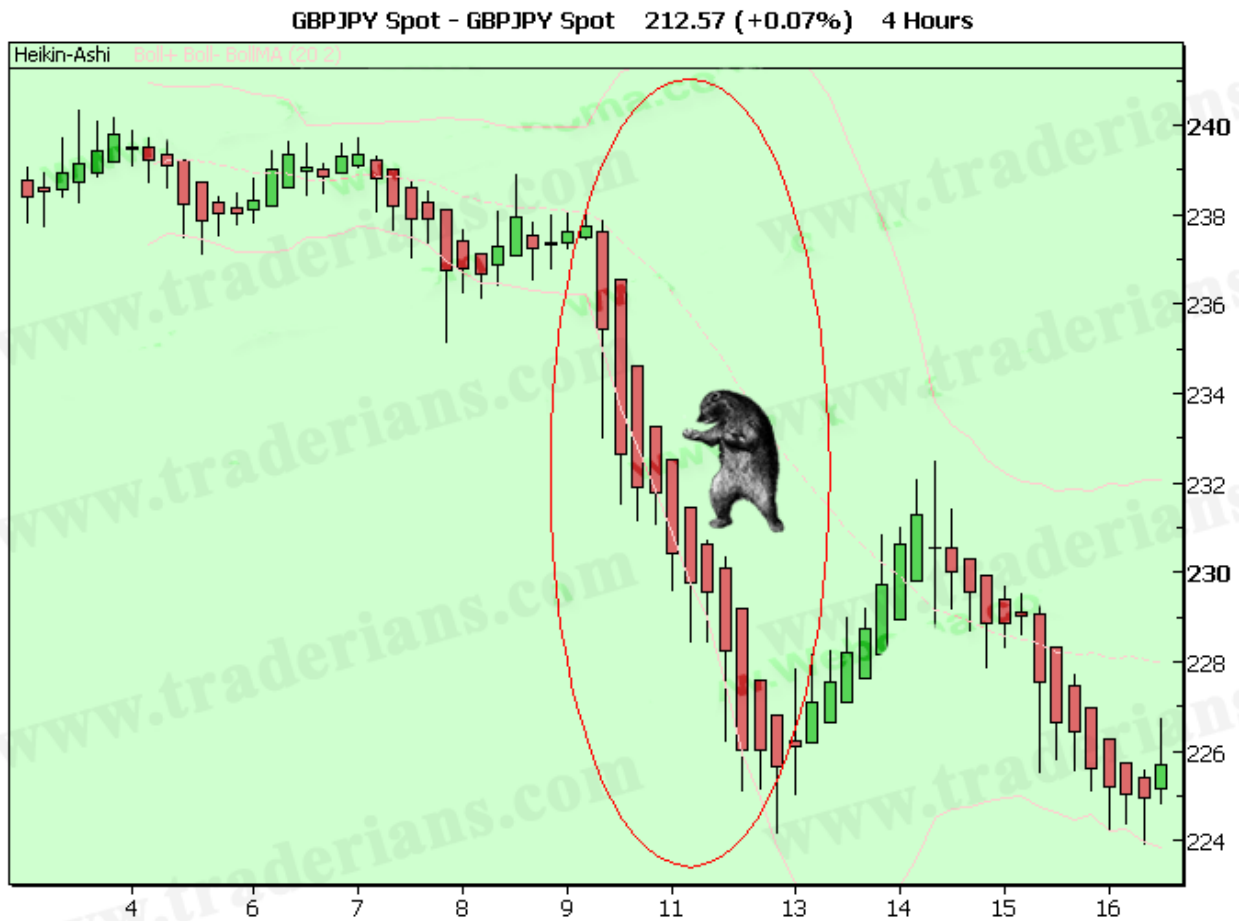
1- Bullish candles:

When the market is Bullish, Heikin-Ashi candles have big bodies and long upper shadows but no lower shadow. Look at the big uptrend in the below chart. As you see almost all of the candles have big bodies, long upper shadows and no lower shadow.



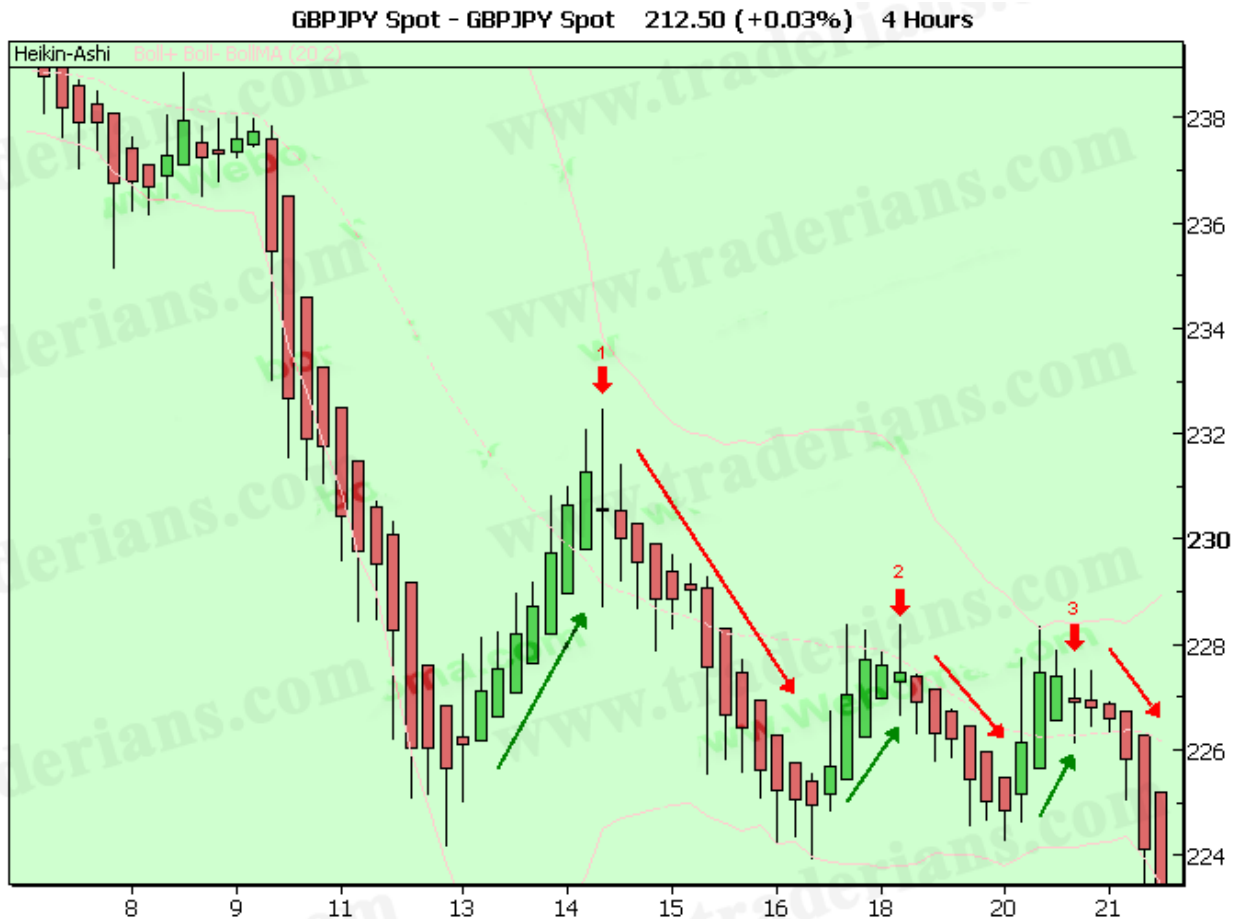
2- Bearish candles:

When the market is Bearish, Heikin-Ashi candles have big bodies and long lower shadows but no upper shadow. Look at the big downtrend in the below chart. As you see almost all of the candles have big bodies, long lower shadows and no upper shadow.



3- Reversal candles:

Reversal candles in the Heikin-Ashi charts look like Doji candlesticks. They have no or very small bodies but long upper and lower shadows. Look at the reversal candles in the below chart:

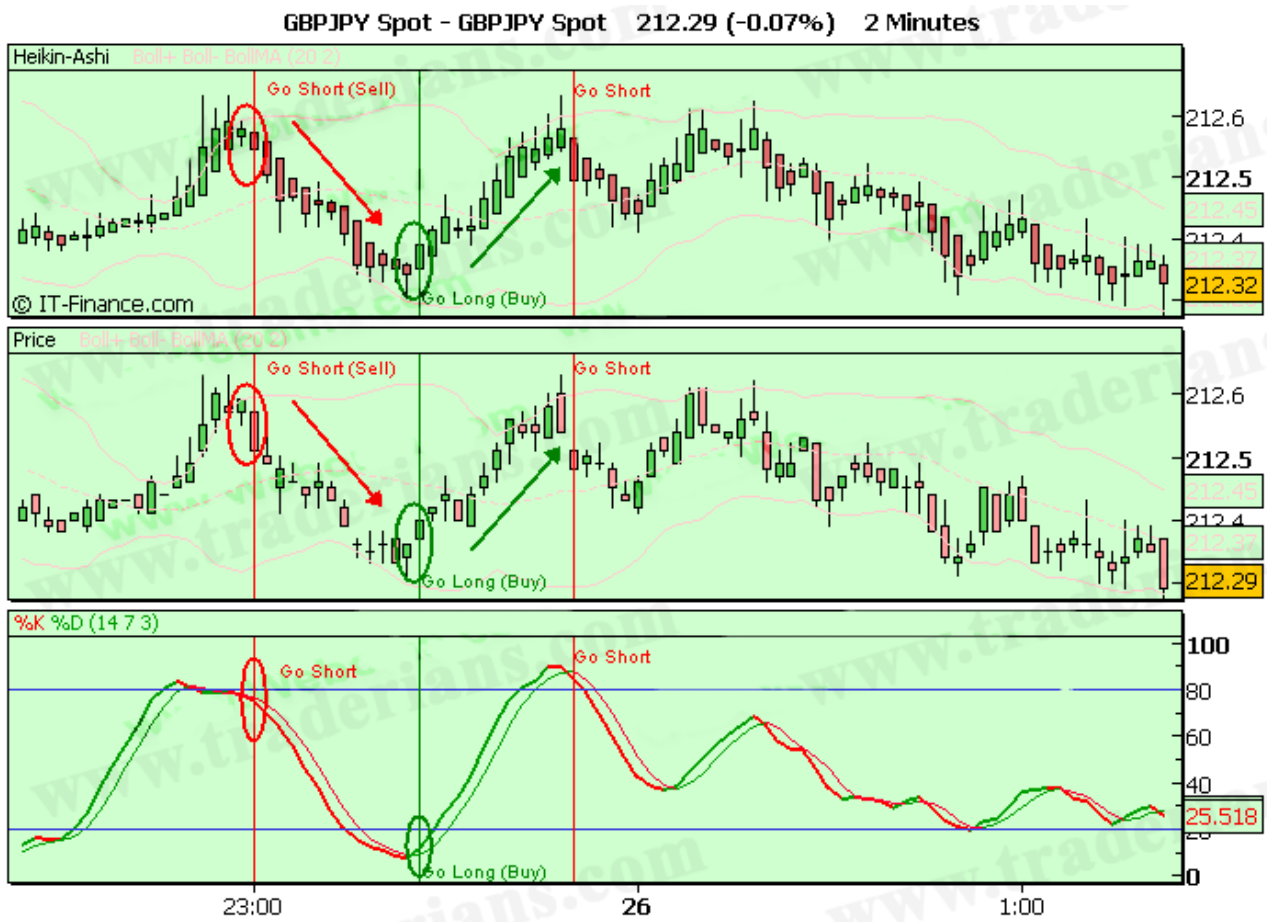


How can you use the Heikin-Ashi chart in your trades?

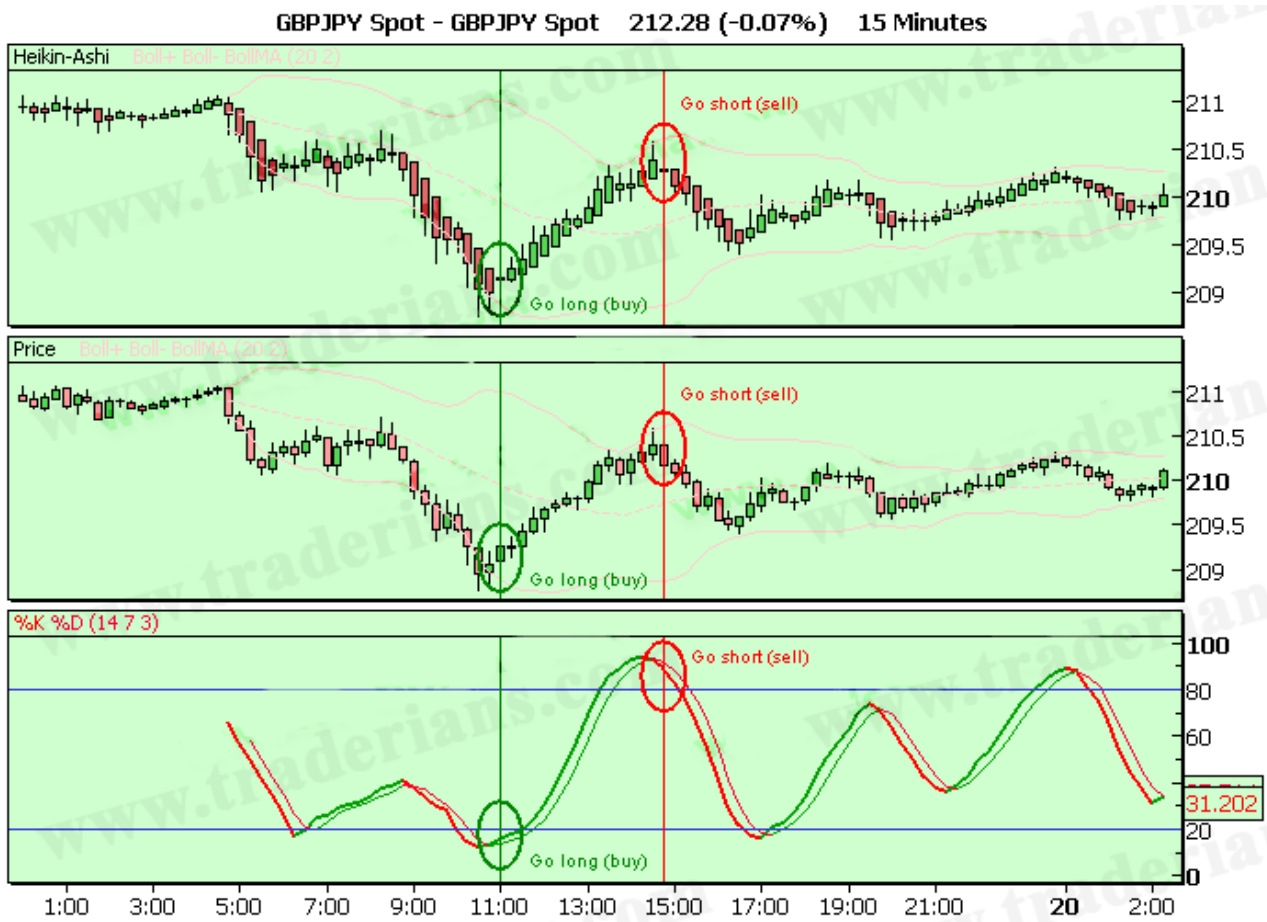
I know that some traders only use Heikin-Ashi to trade but I don't agree with it. As you saw Heikin-Ashi is delayed. So it is good for trading volatile currency pairs like GBP-JPY and with small time frames. It is good for intraday trading and scalping using small time frames like 5 minutes or 2 minutes. It is not suitable for big time frames like daily and 4 hours because you will be too late in many cases and so you have to close your trade before you make any profit.

Have both the candlestick and Heikin-Ashi on your chart and add a 14, 7, 3 Stochastic. Buy when both of the Stochastic fast and slow lines go up from the oversold area and at the same time both the candlestick and Heikin-Ashi charts show reversal signals. Sell when both of the Stochastic fast and slow lines go down from the overbought area and at the same time both the candlestick and Heikin-Ashi charts show reversal signals.

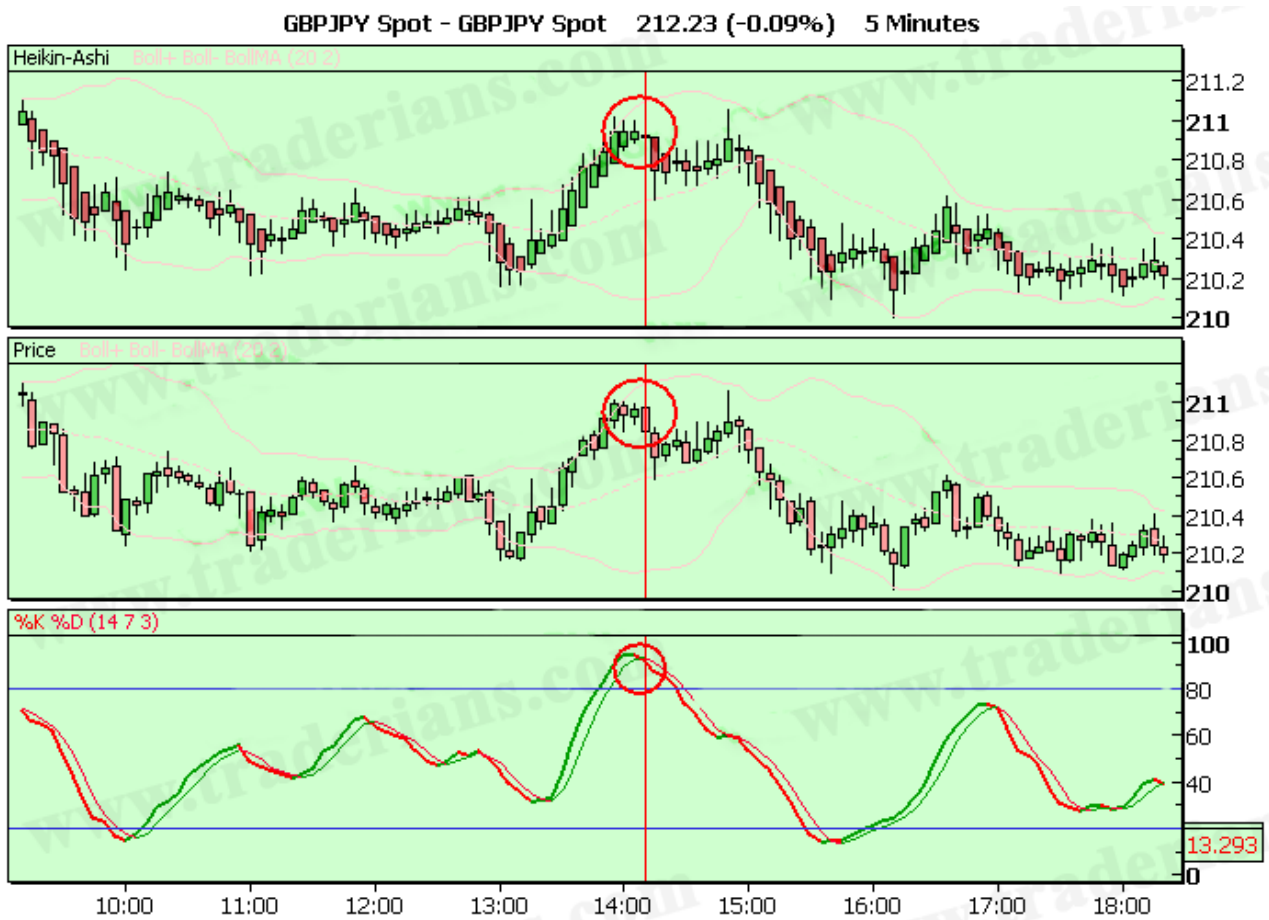
Look at the below 2 minutes chart and see two short trade and one long trade opportunities:



Two good trades in the 15 minutes chart:



A good short trade in 5 minutes chart:



A good long trade in the 5 minutes chart:

