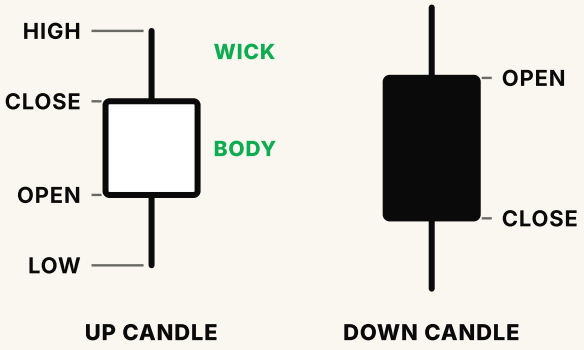
THE BEGINNER CHART CHEAT SHEET

Candles, chart patterns and risk rules on three pages. Keep it open next to your charts while you learn.

HOW TO READ A CANDLE

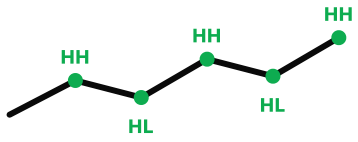
Each candle shows one block of time: one hour on the 1-hour chart, one day on the daily.

White (or green): price closed higher than it opened.
Black (or red): price closed lower.
The **wicks** show how far price travelled before the close.



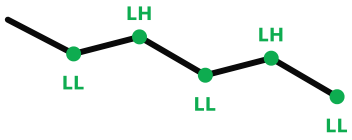
WHICH WAY IS IT TRENDING?

UPTREND



Higher highs (HH) and higher lows (HL).

DOWNTREND



Lower highs (LH) and lower lows (LL).

SIDEWAYS



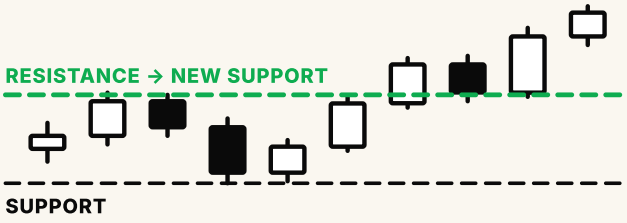
Bouncing between a floor and a ceiling.

Check the trend on the daily chart first. Trading with it is easier than trading against it.

KEY LEVELS

Support is a floor where buyers stepped in before. **Resistance** is a ceiling where sellers stepped in before.

When price breaks through a ceiling, it often becomes the new floor. Use levels with 2+ clear touches, and think in zones.



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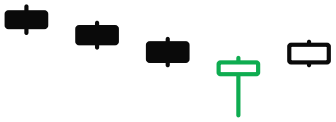
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6 CANDLE PATTERNS

Green = the pattern to spot

HAMMER

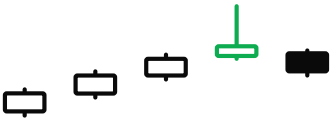
BULLISH REVERSAL



Small body at the top, long lower wick, after a drop. Buyers pushed price back up.

SHOOTING STAR

BEARISH REVERSAL



Small body at the bottom, long upper wick, after a rise. Sellers rejected higher prices.

DOJI

INDECISION



Open and close almost the same. Nobody won. Wait for the next candle.

BULLISH ENGULFING

BULLISH REVERSAL



A big up candle fully covers the previous down candle's body.

BEARISH ENGULFING

BEARISH REVERSAL



A big down candle fully covers the previous up candle's body.

MORNING STAR

BULLISH REVERSAL



Big down candle, small pause candle, then a big up candle. Three-candle turn.

6 CHART PATTERNS

Flip any one upside down for its opposite

BULL FLAG

CONTINUATION UP



Sharp move up, small drift down. A break above the flag often continues the move.

BEAR FLAG

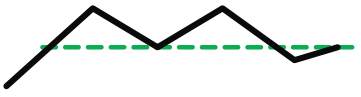
CONTINUATION DOWN



Sharp move down, small drift up. A break below the flag often continues the fall.

DOUBLE TOP

BEARISH REVERSAL



Two peaks at about the same price. Watch for a break below the neckline (dashed).

DOUBLE BOTTOM

BULLISH REVERSAL



Two lows at about the same price. Watch for a break above the neckline (dashed).

HEAD AND SHOULDERS

BEARISH REVERSAL



Three peaks, the middle one highest. A break below the neckline (dashed) can end the uptrend.

ASCENDING TRIANGLE

CONTINUATION UP



Flat ceiling, rising lows. Buyers keep pushing, and a break above often follows.

Patterns matter most at key levels and on higher timeframes. A breakout on rising volume is more convincing.

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RISK RULES

THE 1% RULE

Never risk more than 1% of your account on one trade.

£904
left after 10 losses in a row at 1% risk, from £1,000

£328
left after just 5 losses in a row at 20% risk

POSITION SIZE

Work out how much to buy from your stop, not from a gut feeling.

Size = (Account × 1%) ÷ (Entry − Stop)

£1,000 account, so £10 at risk. Buy at £100 with a stop at £95, which is £5 of risk per unit. £10 ÷ £5 = **2 units**, a £200 position.

RISK TO REWARD

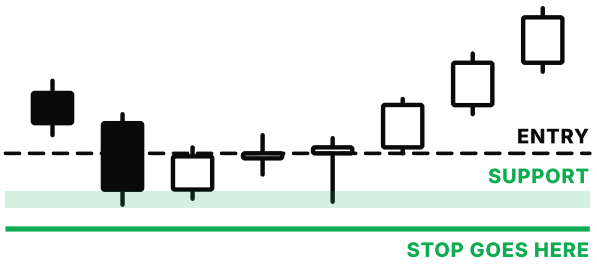
Bigger winners mean you can be wrong more often and still come out ahead.

RISK : REWARD	YOU BREAK EVEN IF YOU WIN
1 : 1	50% of trades
1 : 2	33% of trades
1 : 3	25% of trades

Win more often than that and you're ahead, before fees.

WHERE TO PUT YOUR STOP

Just beyond the level that proves you wrong, like below support on a buy. Not a random amount under your entry.



BEFORE EVERY TRADE

- [ ] Which way is the daily trend?
- [ ] Am I at a key level?
- [ ] Is there a clear pattern or reason?
- [ ] Stop set beyond the level?
- [ ] Target at least 1 : 2?
- [ ] Risk 1% or less?
- [ ] Written in my journal?

5 MISTAKES TO AVOID

1. **No stop loss.** Hoping a loser comes back is not a plan.
2. **Too much leverage.** It multiplies losses as fast as gains.
3. **Revenge trading.** Jumping back in to win back a loss.
4. **Chasing pumps.** Buying after a huge candle, often near the top.
5. **No journal.** You repeat mistakes you never wrote down.

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