

## Trend & indicators — what each signal means

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Technical analysis reads price and volume — the chart — to judge a stock's direction and momentum. No single indicator decides anything; read them together, and always confirm with volume.

### Trend (the big one)

Is price making higher highs and higher lows (up), the reverse (down), or going sideways?

**Read it: price above its 50- and 200-day moving averages = uptrend.**

### Moving averages (50 & 200-DMA)

A smoothed average price. The 50-DMA tracks the medium trend, the 200-DMA the long one.

**Read it: a "golden cross" (50 above 200) is a classic strength sign; a "death cross" the opposite.**

### Support & resistance

Price levels where a stock has repeatedly turned — buyers step in (support) or sellers cap it (resistance).

**Read it: a clean close above resistance, or a bounce off support, is more notable than an intraday poke.**

### RSI (14)

A momentum gauge from 0–100 measuring how stretched a move is.

**Read it: above 70 = overbought, below 30 = oversold — but a strong trend can stay stretched for a while.**

### MACD

Compares two moving averages to show momentum shifts.

**Read it: the MACD line crossing above its signal line = building upside momentum; below = the reverse.**

### Volume

How many shares changed hands. The conviction behind a move.

**Read it: a breakout on heavy volume is believable; the same move on thin volume is suspect.**

### Bollinger Bands

Bands set above/below a moving average that widen with volatility.

**Read it: a "squeeze" (narrow bands) often precedes a big move; price riding a band shows strong momentum.**

### Golden rule

One indicator is noise. Look for two or three pointing the same way, confirmed by volume — and never trade a level the fundamentals don't support.

## Candlesticks & chart patterns

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### Read one candle first

Each candle shows open, high, low and close for a period. A long body = strong move; long wicks = rejection of a price.

### Doji

Open and close almost equal — a tiny body. Indecision; the trend may be pausing or turning.

### Hammer / shooting star

A small body with a long wick. Hammer (long lower wick) hints at a bottom; shooting star (long upper wick) at a top.

### Engulfing

A big candle that fully covers the previous one. A bullish or bearish momentum shift, especially at a level.

### Chart patterns: reversal vs continuation

#### Head & shoulders (reversal)

Three peaks, the middle highest. A break below the "neckline" warns the uptrend is tiring.

#### Double top / double bottom (reversal)

Two failed attempts at the same high (top) or low (bottom) — the trend is struggling to continue.

#### Triangles & flags (continuation)

A brief pause that narrows (triangle) or drifts against the trend (flag), then usually resumes the prior direction.

### The technical read — quick checklist

- 1. Is price above its 50- and 200-day moving averages?
- 2. Where are the nearest support and resistance levels?
- 3. Is RSI in a healthy zone (not stretched)?
- 4. Is MACD momentum with you or against you?
- 5. Is the recent move backed by above-average volume?
- 6. Any reversal candle or pattern at a key level?

### Let the app read the chart

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