CANDLES: WHAT ONE BAR ACTUALLY RECORDS

Vajgrt Labs - Education - Lesson 21 of 72 - 5 min read - Updated Oct 21, 2026

TL;DR

- A candle compresses one period of trading into four prints: where it opened, the highest and lowest prices anyone actually got, and where it closed. The body is open-to-close; the wicks are the excursions that didn't hold.

- Colour is one narrow fact: green means the period closed above its own open, red means below. It says nothing about yesterday - a green candle can sit inside a down day if the period opened with a gap down.

- A candle never records the path between its prints, the reasons behind them, or what happens next. Reading more than that into one bar is the beginner's first chart mistake.

THE TAKEAWAYS

- The four prints, on a real bar: SPY, Oct 9, 2026 - open 776.24, high 779.42, low 775.14, close 778.57. Body +2.33 (open to close), whole range 4.28. The wicks are what's left: 0.85 poked above the close, 1.10 dipped below the open. The graphic draws this candle life-size.

- A wide body means one side controlled the period's start-to-finish; a tiny body with long wicks means the period travelled and came back. Feb 13, 2026: open 681.69, close 681.75 - a body of +0.06 - inside an 8.76 range, on the heaviest volume in this stage (96.3M shares). Enormous effort, no winner: a draw, drawn as a candle.

- The opposite colour, same honesty: Oct 14, 2026 - open 774.92, close 769.60, a red body of -5.32 inside a 9.64 range. Then the gap: Oct 15 opened at 766.25, 3.35 below Oct 14's close. The empty space between the candles is the gap - prices nobody ever traded at, because the market was shut while the news moved.

- What a candle cannot say: whether the high came before the low, how long price stayed anywhere, how many shares changed hands getting there (that's volume, Lesson 5), and - the one that matters - what the next candle does. Candles are records, not forecasts.

RULE: Read a candle as a record, not a forecast: four prints, one period, no promises. Anyone who tells you a candle shape means price will do something next is selling certainty the bar doesn't contain.

COMMON MISTAKES

- Reading a candle's colour as the day's verdict versus yesterday. Green means close above this period's open - a gapped-down day can print green and still be down.

- Treating a long wick as a long visit. The wick records that a price printed, not how long price stayed there or how much traded.

- Learning shape-names as signals. 'Hammer' and 'engulfing' describe finished bars; the studies behind the names do not make the next bar obey them.

- Forgetting the period. A daily candle and a 5-minute candle are the same four prints over different spans - Lesson 2 shows how different the same day looks through each.

DO IT - DECODE THREE CANDLES COLD

Open SPY’s daily chart and pick three candles at random - one green, one red, one with a tiny body. For each, write the four prints, the body size, both wicks and the range, in your journal, before reading any commentary anywhere. Then write one sentence per candle: what it records, and one thing it cannot tell you. This decode, done without notes, is the first half of Stage 3’s gate.

Education only - not financial advice. Chart figures: SPY daily and 5-minute bars via Yahoo Finance, checked Oct 15, 2026, cross-verified against the SPY Sheet (Oct 14, 2026 close 769.60). Level snapshot: the SPY Sheet’s own, Oct 15, 2026, 1:54pm CT. Vajgrt Labs - Education.