# Getting Started in Technical Analysis: A Beginner's Guide in 2019

### What is Technical Analysis?

Technical analysis is a method of evaluating securities by analyzing the price and volume data over time. Technical analysts believe that past price action can be used to predict future price movements. They use a variety of charts, indicators, and patterns to identify trading opportunities.


**Getting Started in Technical Analysis (Getting Started In... Book 19)** by Jack D. Schwager

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### Why Use Technical Analysis?

There are a number of reasons why traders use technical analysis:

- **To identify trading opportunities:** Technical analysis can help traders identify potential trading opportunities by analyzing the price and volume data.
- **To manage risk:** Technical analysis can help traders manage risk by identifying potential support and resistance levels.

- **To develop trading strategies:** Technical analysis can help traders develop trading strategies by identifying the factors that are driving the price action.

### Getting Started with Technical Analysis

If you're new to technical analysis, there are a few things you need to do to get started:

1. **Learn the basics:** The first step is to learn the basics of technical analysis.
2. **Choose a charting platform:** The next step is to choose a charting platform that you can use to track the price and volume data.
3. **Identify the right indicators:** Once you have a charting platform, you need to identify the right indicators to use.
4. **Develop a trading strategy:** The final step is to develop a trading strategy that you can use to make trading decisions.

### The Basics of Technical Analysis

The basics of technical analysis include understanding the following concepts:

- **Price action:** Price action is the movement of the price of a security over time. Technical analysts use price action to identify trends, support and resistance levels, and other trading opportunities.
- **Volume:** Volume is the number of shares that are traded in a security over a period of time. Technical analysts use volume to confirm price action and to identify potential trading opportunities.

- **Indicators:** Indicators are mathematical calculations that are used to help traders identify trading opportunities. There are a variety of different indicators that can be used, and each indicator has its own strengths and weaknesses.
- **Patterns:** Patterns are formations in the price or volume data that can predict future price movements. Technical analysts use patterns to identify trading opportunities and to make trading decisions.

### Choosing a Charting Platform

There are a number of different charting platforms available, and the one that you choose will depend on your individual needs. Some of the most popular charting platforms include:

- **MetaTrader 4:** MetaTrader 4 is a free charting platform that is popular among forex traders.
- **TradingView:** TradingView is a web-based charting platform that offers a wide range of features and tools.
- **Sierra Chart:** Sierra Chart is a professional-grade charting platform that is used by many traders.

### Identifying the Right Indicators

There are a number of different indicators that can be used for technical analysis, and the ones that you choose will depend on your individual trading style. Some of the most popular indicators include:

- **Moving averages:** Moving averages are used to smooth out the price data and to identify trends.

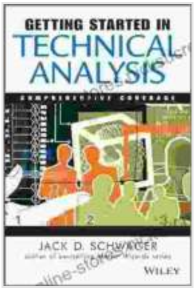
- **Bollinger Bands:** Bollinger Bands are used to identify overbought and oversold conditions.
- **MACD:** MACD is a trend-following indicator that is used to identify potential trading opportunities.
- **RSI:** RSI is a momentum indicator that is used to identify overbought and oversold conditions.

### Developing a Trading Strategy

Once you have a basic understanding of technical analysis, you need to develop a trading strategy that you can use to make trading decisions. Your trading strategy should include the following elements:

- **Entry criteria:** The entry criteria are the conditions that must be met before you enter a trade.
- **Exit criteria:** The exit criteria are the conditions that must be met before you exit a trade.
- **Position sizing:** The position sizing rules are used to determine the size of your trading positions.
- **Risk management:** The risk management rules are used to manage your risk and to protect your capital.

Technical analysis is a powerful tool that can help traders make informed decisions about when to buy and sell financial instruments. By understanding the basics of technical analysis, choosing the right charting platform, identifying the right indicators, and developing a trading strategy, you can improve your trading performance and achieve your financial goals.

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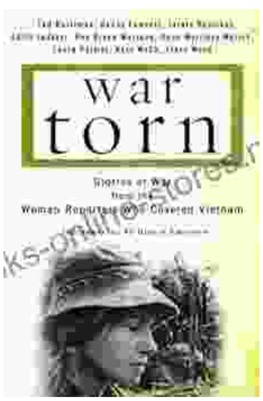


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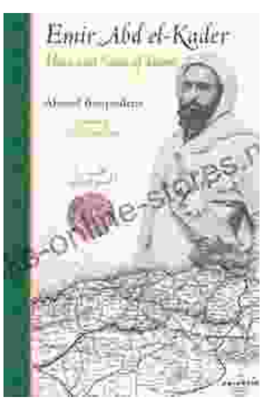


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