

# Holographic System 4.0

## Capsule Charts addon



# Capsule Charts

The award-winning innovation is here. Capsule Charts never repaint and give you a more polished view on the market. The major advantage of Capsule Charts is that they provide investors with an easy-to-read system with which to view any changes that might occur in supply and demand.

Capsule Charts can be invaluable tools when considering the choices that are presented. By learning to read and use them, a trader can gain distinct advantages in decision-making on the market. Capsule Charts will show you what a bar chart does as well as give you a pictorial representation of the range between an opening and closing period. With this information in hand, you can make well thought out and considered decisions.

When it comes to visual recognition of data and the ability to see data relationships and investor sentiment over time, Capsule Charts are far superior to traditional bar charts.

Determine the current state of the market at a glance.

Just by looking at the color and length of a capsule, traders can determine instantly if the market is strengthening (becoming bullish) or weakening (becoming bearish).

See the direction of the market more easily.

On a capsule chart, the color and fullness of a capsule can help traders determine if an uptrend is part of bullish momentum or simply a bearish trap.

Candlestick charts, bar charts and Capsule Charts show the same information, just in a different way. Capsule Charts are more visual, due to the color coding of the price bars and showing the price movement in a frame-like shell which clearly highlights the main levels, rather than just mark them with a thin line (wick). Also, the way Capsule Charts visualise the movements of the filling makes it very easy to identify not just trends but even trend changes.

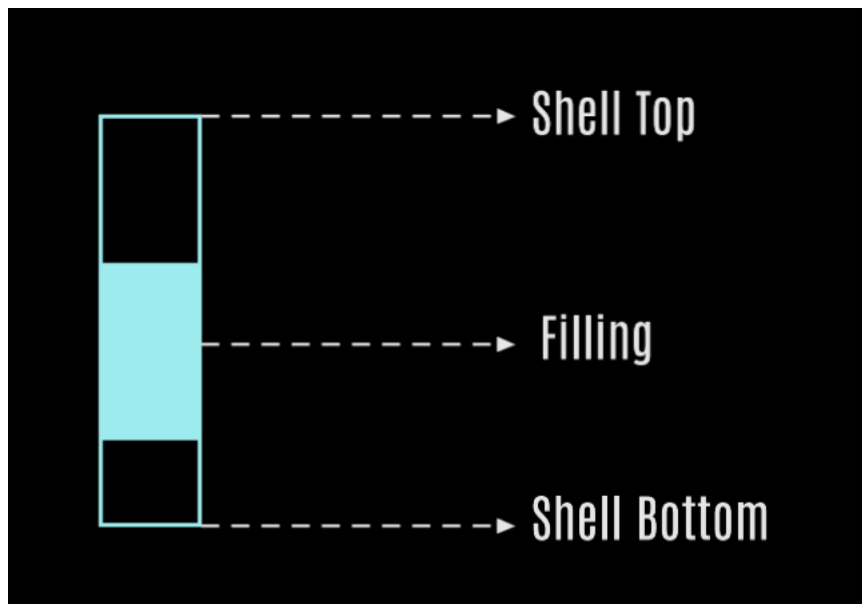
## How do Capsule Charts work?

Each capsule represents one hour of accumulated price action. The filling constantly travels up and down within the capsule shell. The movement, final place and color of the filling is determined by price action, market sentiment and momentum. Trading is often dictated by emotion, which can be read in capsule charts.

**Please apply the template file on M15 chart. A new capsule will form hourly, regardless of your choice of timeframe, but M15 timeframe data is needed to feed the capsule charts with market data.**

The trading rules of the Holographic System remain the same (described in the Holographic System user manual). Capsule Charts will provide you with additional information on the trend and on the market sentiment to make your trades more confident. If you know what is happening on the market it is easier to react to price action.

## How to read Capsule Charts



**Shell Top** = The highest level of the hour

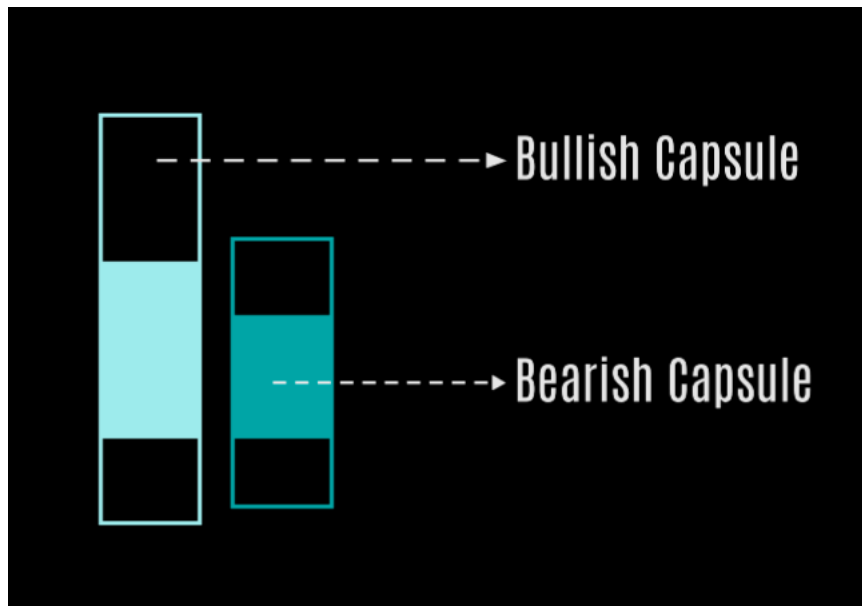
**Shell Bottom** = The lowest level of the hour

**Filling** = Momentum & trend strength

**Light filling color** = Bullish momentum

**Dark filling color** = Bearish momentum

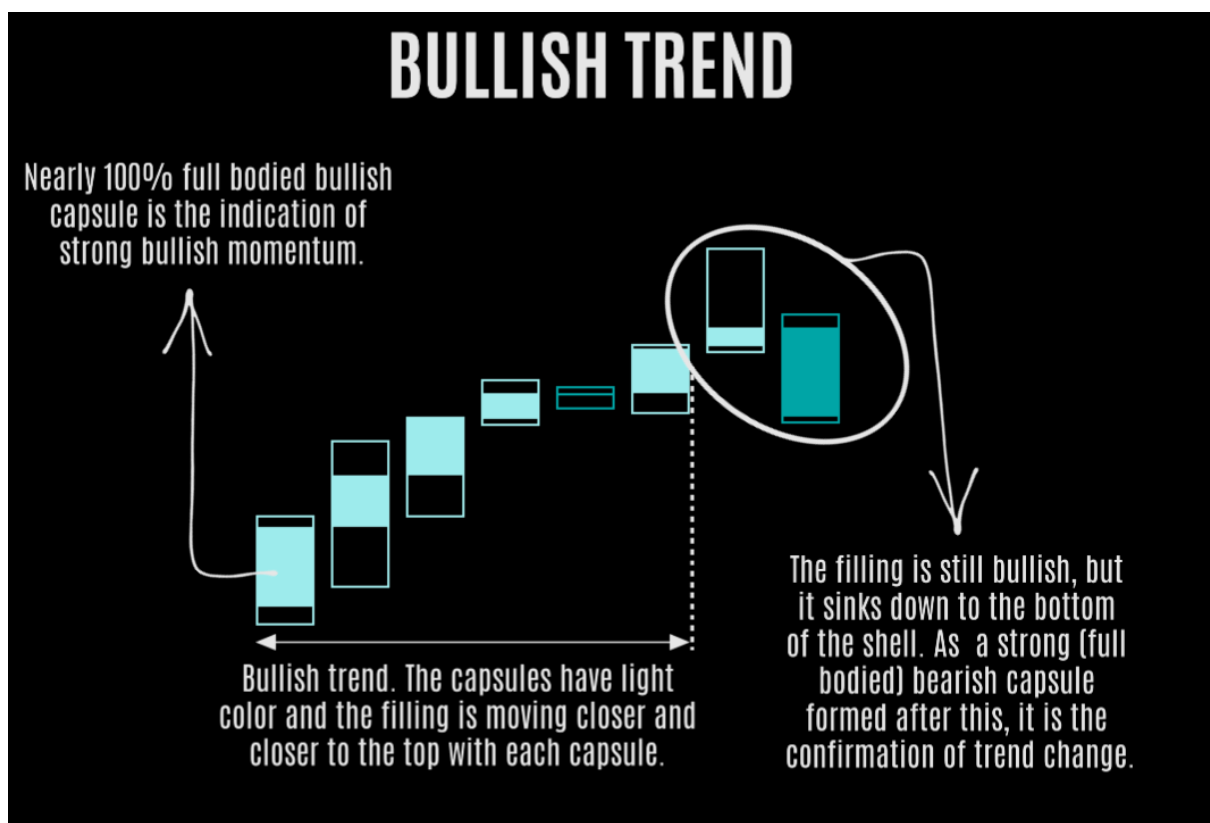
**Long versus short shells** = Generally speaking, the longer the shell is, the more intense the buying or selling pressure. Conversely, short shells indicate little price movement and represent consolidation.



Each capsule represents one hour of accumulated price action. The filling constantly travels up and down within the capsule shell. The movement, final place and color of the filling is determined by price action, market sentiment and momentum.

**Bullish trend:** The capsule has light color and the filling is moving closer and closer to the top with each capsule. Full bodied bullish capsules are indication of strong momentum.

**End of bullish trend:** The filling is still bullish, but it sinks down to the bottom of the shell. If a strong (full bodied) bearish capsule forms after this, it is the confirmation of trend change.



**Bearish trend:** The capsule has dark color and the filling is moving closer and closer to the bottom with each capsule. Full bodied bearish capsules are also the indication of strong momentum.

**End of bearish trend:** The filling is still bearish, but it raises up to the top of the shell. If a strong (full bodied) bullish capsule forms after this, it is the confirmation of trend change.



The potential behind Capsule Charts are unlimited therefore we hope it will become one of the most used tools in your trading arsenal. Please don't forget to read the main user manual of the Holographic System either. While Capsule Charts can be used as a stand-alone tool, it is usually more effective to trade price action through a balanced system like the Holographic System, than on its own.

We are wishing you successful and profitable trading with the new Holographic Trading System v4 Capsule Charts Edition.

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