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Learn to Read Binary Options Charts: Line, Bar, Heiken Ashi, Tick & Renko

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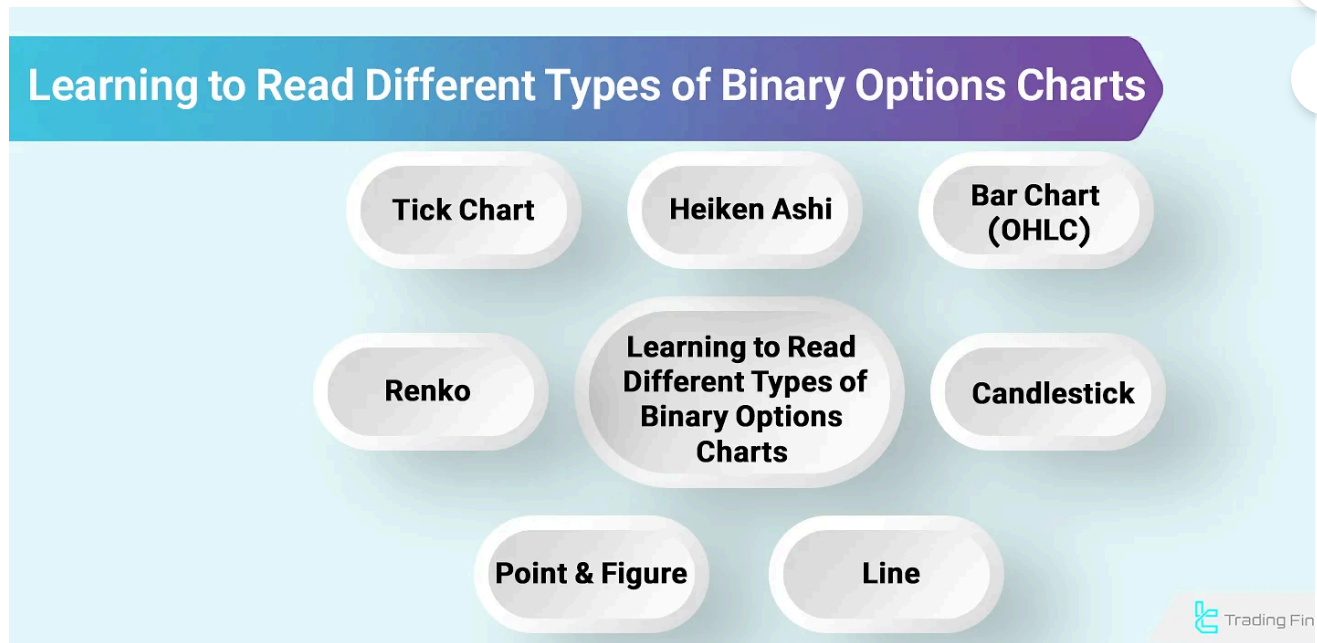
In binary options trading, entry and exit timing has a direct impact on profit and loss. Since the trade outcome is simply yes or no (Up/Down), accuracy in chart analysis must be at the level of seconds.

For this purpose, traders can use various Binary options charts such as Heiken Ashi, Renko, and Bar to increase analytical precision.

The smallest mistake in trend or signal recognition leads to the loss of the entire trade capital.

Therefore, Reading Binary Options Charts means combining **price action**, key levels, and **candlestick** behavior analysis, each of which can be applied using different types of

charts.



Learning how to read different Types of Binary Options Charts (Line, Bar, Heiken Ashi, Tick, and Renko)

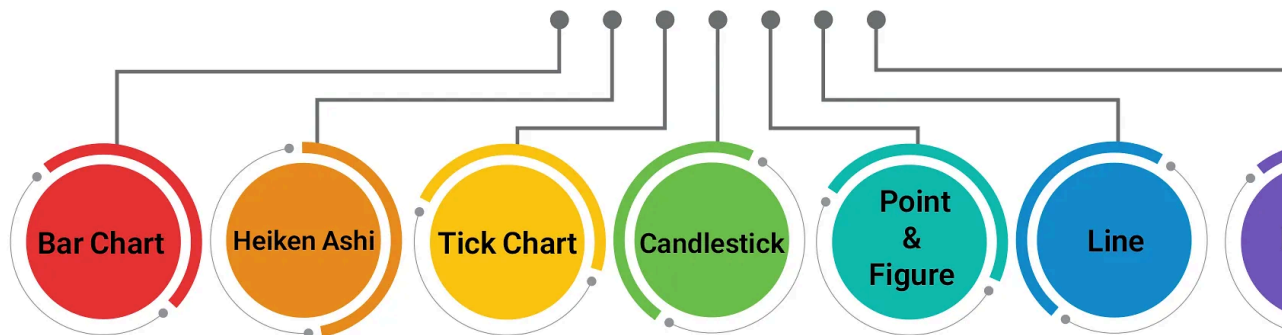
Types of Binary Options Charts

In binary options, the type of price chart plays a key role in **technical analysis**. Charts such as candlestick, Heiken Ashi, and Renko each provide a different aspect of price action and market trend.

Types of Binary Options Charts:

- ⚡ OHLC / Bar Chart
- ⚡ Candlestick Charts
- ⚡ Line Charts
- ⚡ Heiken Ashi
- ⚡ Renko Chart
- ⚡ Point & Figure
- ⚡ Tick Chart

Types of Binary Options Charts



Different types of Binary Options Charts providing various aspects of price action and market trend

Bar Chart (OHLC / Bar Chart)

In this type of chart, each bar shows four key data points (Open, High, Low, Close).

The vertical line represents the price range, while the small horizontal lines on the left and right show the opening and closing prices.



Display of Bar Chart in binary options, showing price range and open/close levels

Components of a Bar Chart:

- ⚡ **Vertical line:** represents the range between the highest and lowest price in that time frame;
- ⚡ **Small horizontal line on the left:** shows the opening price at the start of the time frame;
- ⚡ **Small horizontal line on the right:** shows the closing price at the end of the time frame.

Application of Bar Charts in Binary Options Trading

Bar charts serve as a filter to avoid weak and false breakouts. Various applications of bar charts in binary options trading include:

- ⚡ Using them to closely examine real-time price behavior, especially when setting short expiry times (60 seconds to 2 minutes);
- ⚡ Identifying breakouts in **resistance or support** zones through the bar's closing position relative to its high and low;
- ⚡ Combining them with complementary indicators (such as EMA 50 or EMA 200) to confirm trend strength before entry.

Advantages and Disadvantages of Using Bar Chart in Binary Options

Advantages	Disadvantages
Accurate display of four main market data points	More complex for beginners
Ability to identify breakouts and supply/demand zones	Less focus on market sentiment compared to candlesticks
Useful for analyzing market structure	Less commonly used in binary platforms

Candlestick Charts

The most popular and widely used chart type is candlesticks. Each candlestick consists of a body (distance between Open and Close) and shadows.

The color of the body indicates price direction. This chart reflects market psychology and is suitable for price action.

Candlestick chart displaying market psychology, suitable for price action analysis

Professional Application of Candlestick Charts in Binary Options Trading

The foundation of most price action strategies is the use of candlestick charts.

Professional applications of candlestick charts for binary options trading include:

- ⚡ Identifying candlestick patterns on the M1 and M5 timeframes for precise entries in turbo trades;
- ⚡ Applying reversal strategies with patterns such as Pin Bar, Engulfing, and Doji in key areas;
- ⚡ Confirming signals with **RSI** or **Stochastic** indicators on the same low-timeframe candle.

Advantages and Disadvantages of Using Candlestick Charts in Binary Options

Advantages	Disadvantages
High readability and clear display of market sentiment	Creates noise in small timeframes

Ability to identify candlestick patterns	Requires experience for accurate interpretation
Ideal for combining with price action strategies	Highly sensitive to chosen timeframe

Line Charts

Line charts simply connect the closing prices of each timeframe with a continuous line. This structure makes the overall trend visible without distractions from minor fluctuations.

Line chart in binary options showing overall market trend without small fluctuation noise

Application of Line Charts in Binary Options Trading

Using line charts provides an overall view of the trend. Other applications of line charts in binary options trading include:

- ⚡ The fastest option for checking the general direction on higher timeframes such as M15 or M30 before entering 1 to 5-minute trades;
- ⚡ Suitable for analyzing trend changes after economic news without being distracted by candlestick shadows;
- ⚡ Identifying trend continuation zones in a simple way to enter Call or Put trades in the dominant direction.

Advantages and Disadvantages of Using Line Charts in Binary Options

Advantages	Disadvantages
Simplicity and speed in analysis	Does not show Open, High, and Low prices
Removes minor noise	Not suitable for precise price action
Ideal for checking overall trend direction	Limited for identifying precise entry/exit points

Heiken Ashi

Heiken Ashi is a type of candlestick chart. The candles are built based on averaging price data to display a smoother trend without noise, making trend recognition easier.



Heiken Ashi chart based on averaging price data, showing noise-free trends

Application of Heikin Ashi Charts in Binary Options Trading

Heikin Ashi charts focus on strong market trends and filter out market noise. Various applications of Heikin Ashi charts in binary options trading include:

- ⚡ Using them in Trend Following strategies to enter trades in the direction of the ongoing trend;
- ⚡ Preventing false entries during short corrective phases;
- ⚡ Suitable for trades with longer expiry times (10 minutes to 1 hour);
- ⚡ Combining them with **Bollinger Bands** or EMA to confirm trend continuation.

Advantages and Disadvantages of Using Heiken Ashi in Binary Options

Advantages	Disadvantages
Removes noise and shows stable trends	Lagging compared to real price
Useful for identifying long-term trends	Reduces accuracy in fast trades
Filters false signals	Needs to be combined with main chart for precise entry

Tick Chart

A Tick Chart is a type of chart built not based on time, but on the number of trades (ticks). Each tick or candle is formed after a set number of trades occur.

Price plotted by number of trades (ticks) regardless of time in a Tick Chart

Application of Tick Charts in Binary Options Trading

Using tick charts provides a clear outlook on price changes before a one-minute timeframe candle is formed. Other professional applications of tick charts in binary options trading include:

- ⚡ Suitable for binary options **scalping** on high-volume currency pairs such as EUR/USD during the London or **New York sessions**;
- ⚡ Applying them in high-frequency trades with expiry times of less than 30 seconds;
- ⚡ Combining them with indicators such as Parabolic SAR for rapid entries.

Advantages and Disadvantages of Using Tick Charts in Binary Options

Advantages	Disadvantages
Shows precise real-time fluctuations	Requires fast and stable internet connection
Suitable for scalping in high-volume markets	Less suitable for low-volume markets

Clarifies real market moves

Difficult for managing expiry times in binary trading

Renko Chart

Renko Chart is a price chart built based on price movement rather than time. It only shows significant moves, filtering market noise and clarifying trends.



Renko chart displaying price movement with bricks regardless of time

Application of Renko Charts in Binary Options Trading

Renko charts focus on price movements within stable trends regardless of time. Other applications of Renko charts in binary options trading include:

- ⚡ Filtering minor moves and focusing on larger price changes;
- ⚡ Combining with the ATR indicator to set Renko brick size based on market volatility;
- ⚡ Identifying major reversal points without timeframe noise.

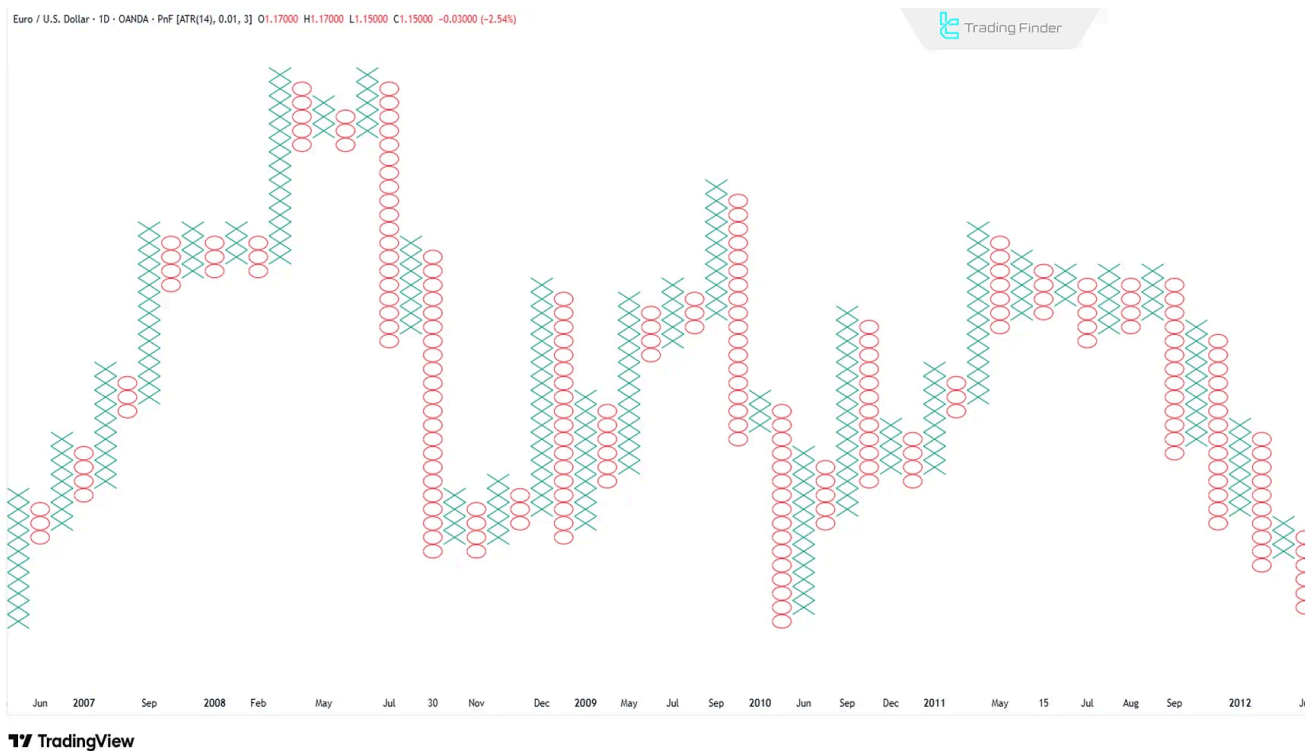
Advantages and Disadvantages of Using Renko Charts in Binary Options

Advantages	Disadvantages
Filters small moves, focusing on trend	Lag in showing sudden reversals
Clearer trend identification	Does not display exact timing of moves
Suitable for continuation trades	Less suitable for scalping signals

Point & Figure

Point & Figure is a charting method in technical analysis that shows price fluctuations independent of time. In this chart, only price changes matter, with X representing increases and O representing decreases.

These charts help identify trends, support and resistance levels, and entry/exit points.



Point & Figure chart displaying only price changes without time factor

Application of Point and Figure Charts in Binary Options

Traders use Point and Figure charts to identify strong support and resistance zones before entering trades. Various applications of Point and Figure charts in binary options trading include:

- ⚡ Detecting false breakouts in candlestick or bar charts and distinguishing valid breakouts;
- ⚡ Suitable for traders who focus on price structure rather than timeframe;
- ⚡ Combining with volume indicators to confirm breakouts.

Advantages and Disadvantages of Using Point & Figure in Binary Options

Advantages	Disadvantages
Removes time noise, focusing only on price direction	Complex for beginners
Effective for identifying key levels	Less common in binary platforms
Detects real breakouts	Requires precise unit size adjustments

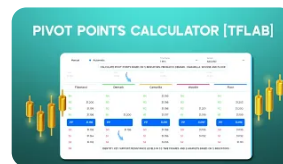
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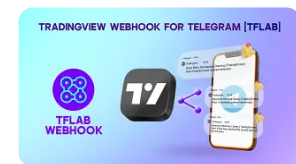
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How to Read Binary Options Charts?

Chart reading in binary options is the foundation of a trader's decision-making. Success is achieved when price is analyzed within the framework of trend, level, and timing.

To use charts more effectively in binary options, follow these steps:

#1 Identify Market Structure

Market direction is determined by analyzing highs, lows, and key zones. Higher highs indicate an uptrend, lower highs a downtrend, and flat ranges signal consolidation.

Trading decisions must align with this structure.

#2 Recognize Key Levels

Support and resistance zones, supply and demand areas, and daily highs/lows are vital points for price reactions.

Entries at these points optimize risk-to-reward and avoid emotional trades in the middle of price ranges.

#3 Select Chart Type Matching Your Strategy

To execute a trading strategy correctly, the right chart type must be chosen:

- ⚡ Candlestick charts are suitable for price action analysis;
- ⚡ Heiken Ashi clarifies trends;
- ⚡ Renko removes noise;
- ⚡ Line charts are useful for drawing support/resistance quickly.

#4 Analyze Candles and Chart Components

In candlestick patterns, candle bodies show **momentum** while long wicks represent rejection of levels.

Patterns like Pin Bar or Engulfing are valid only in key zones. Candlestick reading defines the exact entry moment.

#5 Use Indicators

Indicators such as RSI for **divergence detection**, **Bollinger Bands** for ranges and breakouts, and **Moving Averages** for trend direction and pullbacks act as supplements to price action.

#6 Select Expiry Time

Expiry should be 1 to 2 times the signal timeframe. For M1, usually 60–120 seconds is suitable; For M5, 5–10 minutes is recommended. Correct expiry ensures the price move is fully completed.

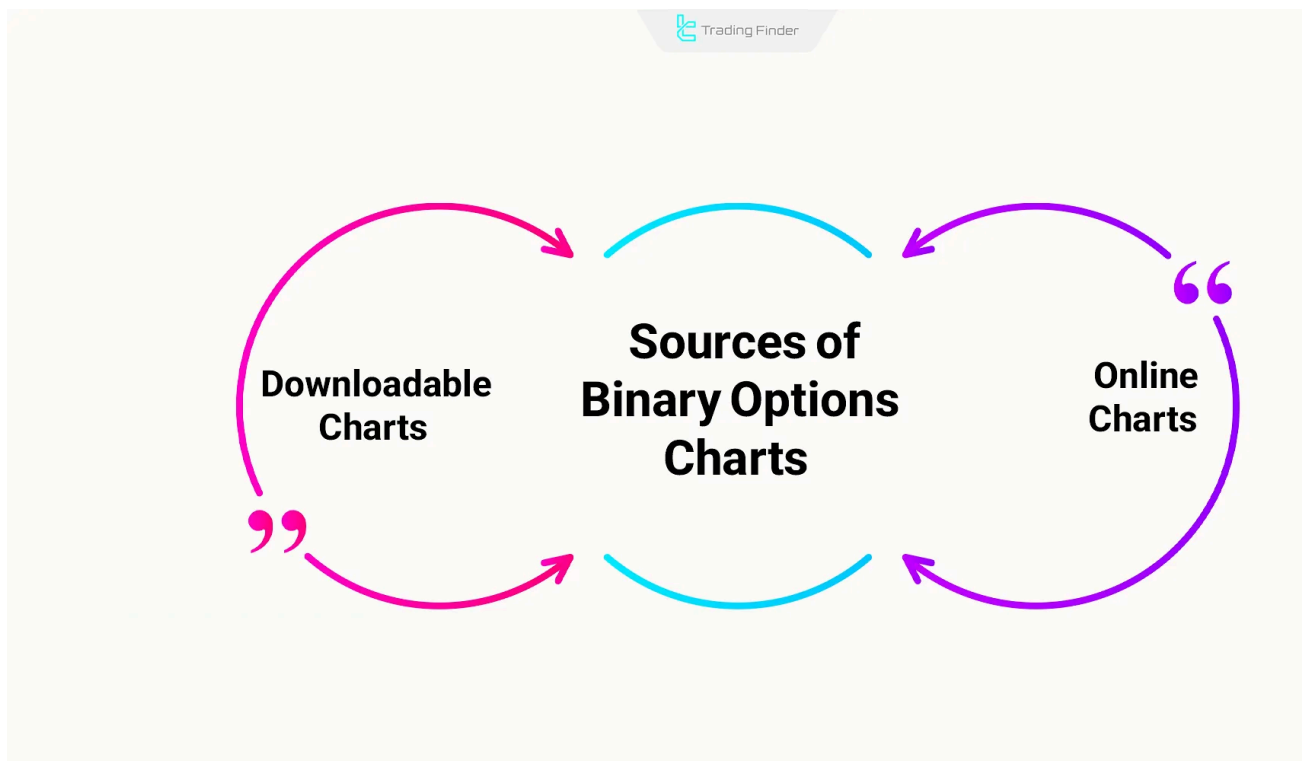
Choosing the Right Expiry Time for Binary Options:

Practical Note	Expiry	Signal Timeframe
Do not enter during last 20 seconds of the candle	60–120 seconds	M1
Better for divergence setups	90–180 seconds	M2–M3
Only when M15 aligns	5–10 minutes	M5

Sources of Binary Options Charts

To use Types of Binary Options Charts, traders have access to two main sources:

- ⚡ **Downloadable Charts:** Usually available as software, offering high customization, historical data saving, and advanced technical indicators;
- ⚡ **Online Charts:** Web-based or broker-integrated, often accessible without installation.



Types of chart sources in binary options (online and downloadable)

Downloadable Charts

These tools are installed on desktops and used for deeper market analysis:

- ⚡ **MetaTrader 4 (MT4):** One of the most used platforms for **Forex** and binary options, supporting indicators and expert advisors;
- ⚡ **MetaTrader 5 (MT5):** An advanced version of MT4 with more tools and extended timeframes;
- ⚡ **MultiCharts:** Suitable for professional traders with multiple data feeds;
- ⚡ **NinjaTrader:** Professional software for technical analysis and **Trading strategy** execution.

Online Charts

These do not require installation and run directly in the browser:

- ⚡ **TradingView:** Online charting tool with customizable indicators and scripts;
- ⚡ **My FX Dashboard (by OFX):** Free platform for viewing exchange rates and charts;
- ⚡ **Investing.com Charts:** Live charts for Forex, stocks, indices, and cryptocurrencies;

⚡ **CoinMarketCap & CoinGecko Charts:** Specially designed for **crypto** prices and token charts.

Conclusion

In binary options trading, accuracy in Reading Binary Options Charts determines profit or loss, since each chart provides unique information about price.

For example, candlestick charts are essential for price action and market psychology and bar charts for breakout identification.

To properly read **Binary options charts**, traders must proceed step by step: identify structure, recognize key levels, choose the right chart, analyze chart components, and select appropriate expiry.



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FAQs

Why is chart reading important in binary options? ∨

Because trade outcomes are simply yes or no, proper chart reading can make the difference between profit and losing the entire investment.

Which chart is best for price action in binary options? ∨

The candlestick chart, as it shows market psychology and candlestick patterns, is the foundation of price action in binary options.

Is a line chart suitable for precise analysis? ∨

Line charts are more for viewing overall trend direction; they are limited for detailed price action and entry points.

What is the advantage of using Heiken Ashi in binary options? ∨

Heiken Ashi removes market noise and clarifies trends, but due to lag versus real price, it should be used with the main chart.

What is the use of Renko charts in binary options? ∨

Renko removes small price moves and highlights main trends, making it useful for continuation trades and identifying support/resistance.

Are Tick Charts suitable for all traders? ∨

No, Tick Charts are better for scalpers and high-frequency traders in liquid markets, but can be difficult for beginners due to speed.

Table Of Content



Types of Binary Options Charts



How to Read Binary Options Charts?



Sources of Binary Options Charts



Conclusion



alone.

What makes Point & Figure charts different?



Top Posts

They show price changes without considering time, useful for identifying valid breakouts and key levels.

Block



What is an ICT Order Block and How to Trade It?

Ravi Mishra | Dec 23, 2024

17,474 Views

Yes, since they only show closing prices and omit Open, High, and Low data, which are vital for some strategies.

Structure [BOS]



Break of Structure (BOS) on ICT

Basit Ray | Dec 22, 2024

14,961 Views

is best for turbo or scalping trades?

Candlestick and Tick Charts are best, as they display real-time detail for precise entries.

Which software is most professional for binary options analysis?



MetaTrader 4 & 5 and NinjaTrader are among the most advanced tools.

15,309 Views

Do all binary platforms provide all chart types?



No, many brokers only offer candlestick and line charts. For advanced charts, external software is needed.

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How can fake signals in charts be detected?

By combining candlestick reading, checking key levels, and using confirming indicators, weak or fake breakouts can be filtered.



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