MONEY DOOR GOLD SHELF

Technical Analysis

Charts, trends and the common indicators, for gold (XAUUSD)

Free learning guide

Inside: chart types, trend, timeframes, moving averages, RSI, MACD, Bollinger Bands, ATR, volume, chart patterns and how to test ideas.

For complete beginners | Simple English

www.moneydoorfxacademy.com

Education only. Not investment advice. Practise on a demo account.

WELCOME

What is inside

Technical analysis means studying the price chart itself: where price has been, how fast it moved and where it stopped. Indicators are simple maths done on past prices. They do not know the future, but they can help you describe what the market is doing in a calm, consistent way.

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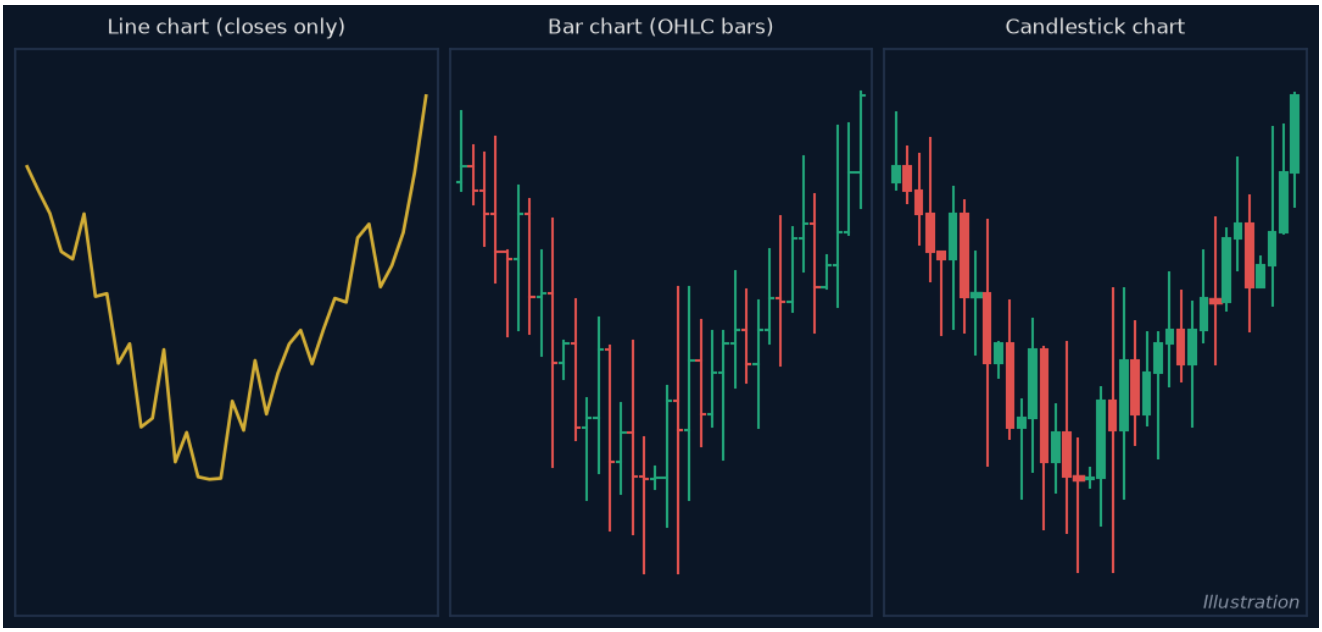
How to use this guide. Learn one tool at a time. Add it to a demo chart, watch it for a few days, write down what you see, then move on. All charts are drawn illustrations, not real market data.

THREE WAYS TO DRAW PRICE

Price chart types

The same prices can be drawn in three common ways. They all use the same data; only the picture changes.



The same 36 made-up gold candles drawn three ways.

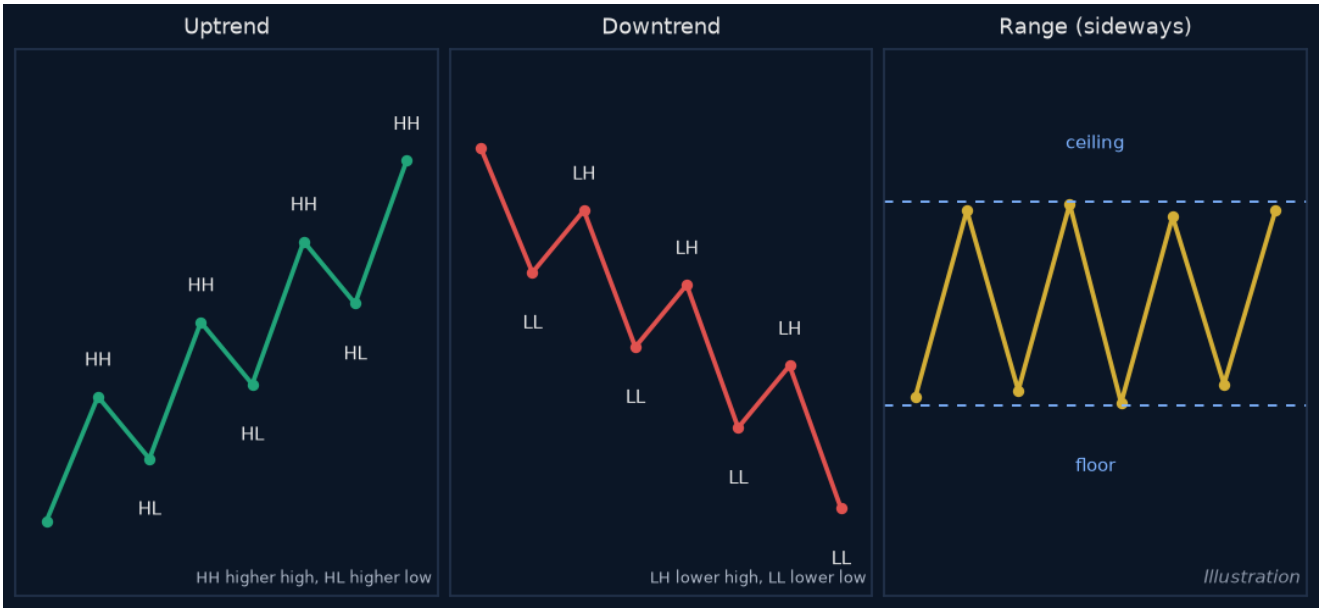
Chart type	What it shows	Good for
Line chart	Only the closing price of each period, joined by a line.	Seeing the big shape quickly, with no noise.
Bar chart (OHLC)	A vertical bar from high to low. A small tick on the left is the open; on the right, the close.	Full detail in a thin, compact form.
Candlestick	The same four prices, with a coloured body between open and close.	Seeing who won each period at a glance. Most traders use this.

Our suggestion for beginners: use candlesticks, and keep the same colours every day (for example green for up, red for down). Our free **Candlestick Basics** guide explains each part of a candle.

DIRECTION FIRST

Trend: higher highs and higher lows

Before any indicator, ask one question: **which way is price moving?** You can answer it just by looking at the swing highs and swing lows.



Simple zig-zag drawings of the three market states.

State	What you see	In simple words
Uptrend	Higher highs (HH) and higher lows (HL)	Each push up goes further; each dip stops higher.
Downtrend	Lower highs (LH) and lower lows (LL)	Each fall goes further; each bounce stops lower.
Range	Highs and lows at about the same prices	Price moves between a ceiling and a floor.

- **A trend can change.** In an uptrend, the first warning is often a lower high, and a close below the last higher low.
- **Trends look different on each timeframe.** H1 can be falling inside a bigger D1 uptrend. Always say which timeframe you mean.
- **Gold can range for long periods,** especially before big news. In a range, many trend tools give mixed readings.

BIG PICTURE TO SMALL

Timeframes and reading top-down

The timeframe is how much time each candle covers. The same gold price can look like it is rising on one timeframe and falling on another. Reading **top-down** (big timeframe first) keeps you from getting lost in small moves.

Code	One candle =	Use it to see
W1	1 week	The long-term direction and the biggest levels
D1	1 day (broker day)	The main trend and yesterday's high and low
H4	4 hours	The swing of the week
H1	1 hour	The shape of today
M15 / M5	15 / 5 minutes	Small details. Fast and noisy; not for learning the basics

A simple top-down routine (10 minutes)

1. **D1:** write one word for the trend: up, down or range. Mark the two or three most obvious levels.
2. **H4:** is the swing moving with the D1 trend or against it? Note the latest swing high and swing low.
3. **H1:** where is price now compared with the levels you marked? Near a level, or in the middle of nowhere?
4. **Write it down** in one sentence, for example: 'D1 up, H4 pulling back, H1 near yesterday's low.'

Gold's daily candle and India time: brokers such as Valetax and Moneta set their MT5 server clock to GMT+2 in winter and GMT+3 in US summer time. A new daily candle begins around **3:30 AM IST in winter** and around **2:30 AM IST in summer**.

Common timeframe mistakes

- **Hunting for agreement:** flicking through timeframes until one shows what you hoped to see.
- **Learning on M1 or M5:** very small timeframes are fast and noisy. Learn the basics on H1 and H4.
- **Forgetting where a level came from:** write the timeframe next to each level you draw (for example 'D1 high').

SMOOTHING THE NOISE

Moving averages

A **moving average** (MA) is the average closing price of the last N candles, drawn as a line. Each new candle drops the oldest one, so the line 'moves'. It smooths out small ups and downs so the direction is easier to see.



20-period and 50-period simple moving averages on made-up candles. Notice how the lines turn later than price.

Type	How it works	Feels like
SMA (simple)	Every candle in the window counts the same.	Smooth, slower to turn.
EMA (exponential)	Recent candles count more than old ones.	Reacts faster, a little more jumpy.

- **Common settings:** 20 (short), 50 (medium) and 200 (long). There is no magic number; what matters is using the same one every time.
- **Slope:** a rising line suggests an up-move, a falling one a down-move, a flat one a range.
- **Price vs the line:** price staying above a rising MA describes strength; crossing back and forth describes a range.
- **Lag:** an MA is built from past prices, so it always turns **after** price has turned. It confirms; it does not predict.

MEASURING SPEED

RSI (Relative Strength Index)

RSI compares the size of recent up-moves with recent down-moves and turns the answer into a number from 0 to 100. It was introduced by J. Welles Wilder, who suggested a **14-period** setting, still the default in most platforms.



Price on top, RSI (14) below, calculated from the made-up candles. The dashed lines are 70 and 30.

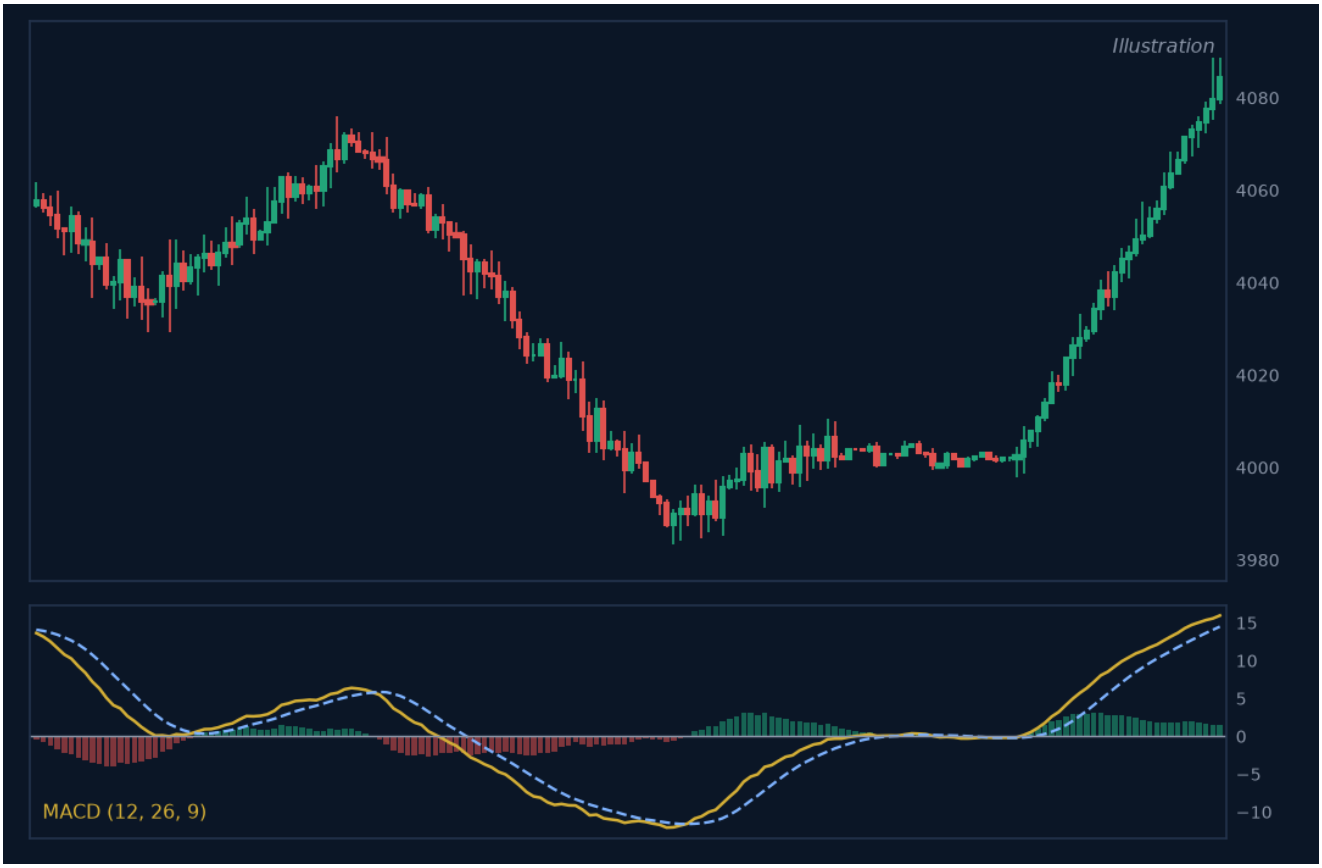
RSI reading	What it describes
Above 70	Recent moves have been mostly up and strong. Often called 'overbought'.
Around 50	Up-moves and down-moves have been about equal.
Below 30	Recent moves have been mostly down and strong. Often called 'oversold'.
Divergence	Price makes a new high but RSI makes a lower high (or the reverse at lows). The push may be losing speed.

Common mistake: treating 'overbought' as 'about to fall'. In a strong gold trend, RSI can stay above 70 for a long time while price keeps rising. RSI describes speed; it does not tell you a turn has started.

TWO AVERAGES IN ONE WINDOW

MACD

MACD stands for Moving Average Convergence Divergence. It shows the gap between a fast and a slow exponential moving average, so you can see whether momentum is growing or fading. The common setting is **12, 26, 9**.



MACD calculated from the made-up candles above it. Gold line: MACD line. Blue dashed line: signal line. Bars: the difference between them.

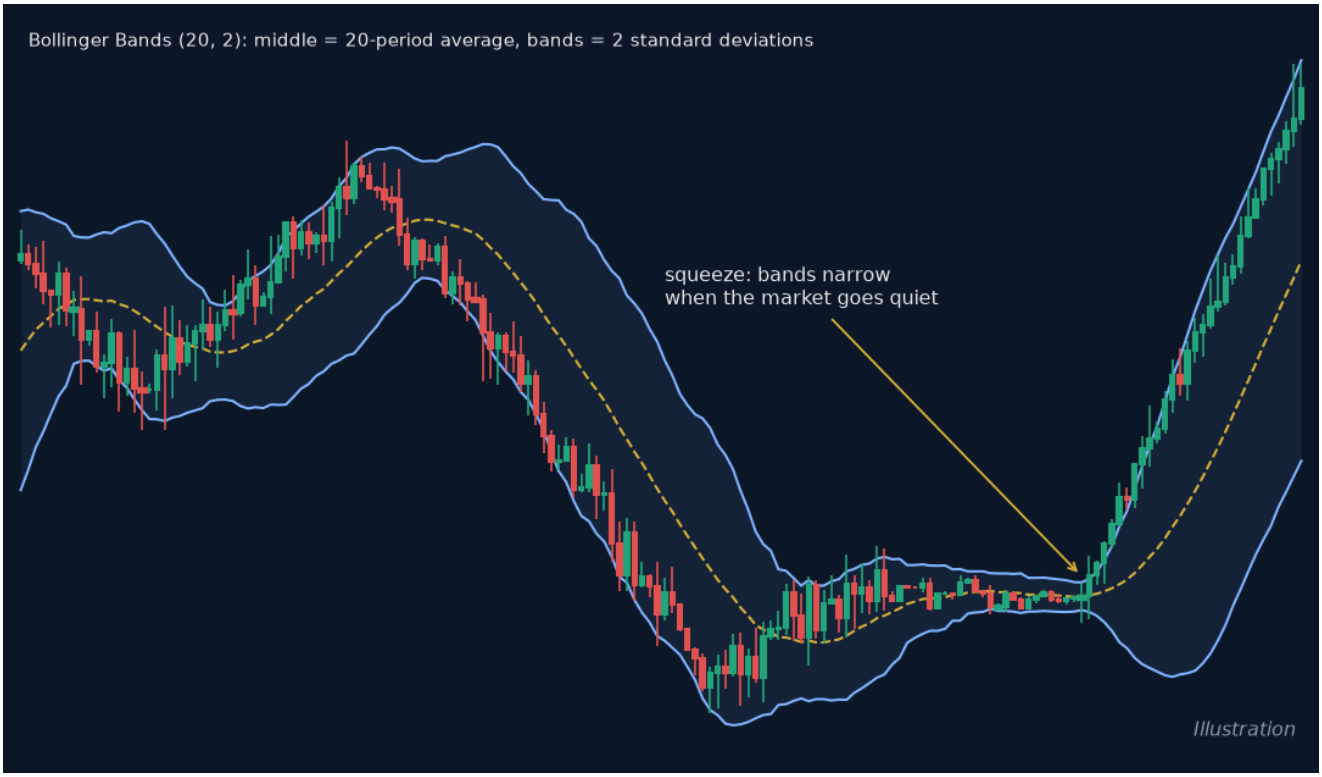
Part	How it is made	What it describes
MACD line	12-period EMA minus 26-period EMA	Above zero: the short average is above the long one (upward pressure).
Signal line	A 9-period average of the MACD line	A slower copy, used for comparison.
Histogram	MACD line minus signal line	Bars growing: momentum building. Bars shrinking: momentum fading.

- **Platforms differ slightly.** MetaTrader 5 draws the MACD as bars with a simple-average signal line; other platforms draw two lines and a histogram. The idea is the same.
- **It is slow by design.** Because it is built from moving averages, MACD reacts after price. In a sideways market it crosses back and forth often and says very little.

HOW WIDE IS NORMAL?

Bollinger Bands

Bollinger Bands, created by John Bollinger, draw a 20-period simple moving average with a band **2 standard deviations** above and below it. Standard deviation is a measure of how spread out recent prices are, so the bands widen when gold is moving a lot and narrow when it is quiet.



Bollinger Bands (20, 2) on made-up candles. The quiet stretch near the right shows a squeeze.

What you see	What it describes
Bands wide apart	Big moves recently; the market is busy.
Bands squeezed close together	A quiet period. Quiet periods are often followed by bigger moves, but the band does not tell you which way.
Price walking along the upper band	A strong up-move. This is not by itself a reason to expect a fall.
Price crossing the middle line often	Usually a range.

Tip: the bands are not walls. Price can and does close outside them, especially at news times.

HOW FAR DOES GOLD USUALLY MOVE?

ATR (Average True Range)

ATR, also from J. Welles Wilder, measures how much price usually moves in one candle. It does **not** show direction, only size. On gold, it is shown in dollars, which makes it very practical. The common setting is **14**.



ATR (14) from the made-up candles. It falls in the quiet stretch and rises when candles get bigger.

True range of one candle is the biggest of three numbers: high minus low; high minus the previous close; previous close minus low (ignoring minus signs). This counts gaps too. **ATR** is the average of the true range over the last 14 candles.

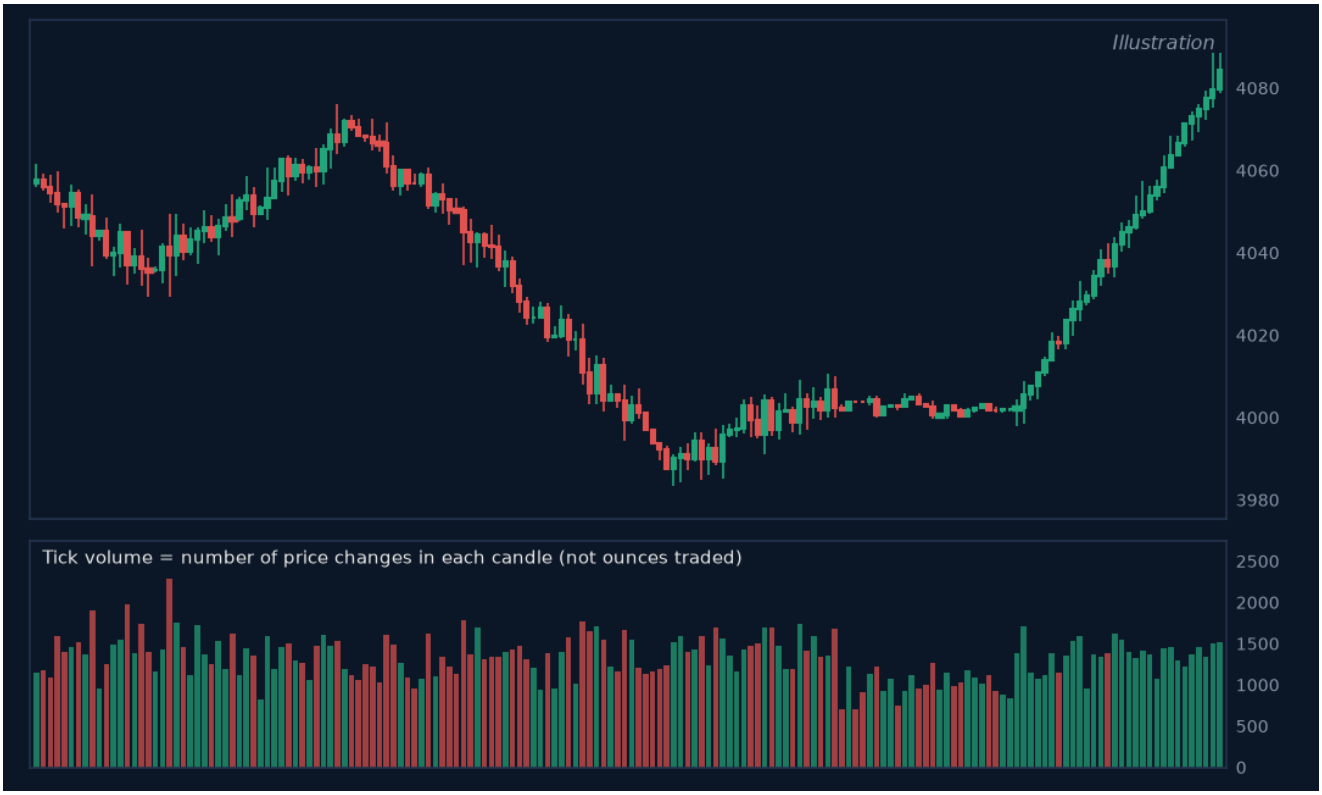
How beginners use ATR	Example (made-up numbers)
To know what a 'normal' candle is today	ATR on H1 = $6, so a $20 candle is unusually big.
To compare quiet and busy days	D1 ATR of $25 last week vs $45 this week: the market is much busier.
To size zones and expectations on demo	A level zone of about half the H1 ATR is a sensible width.

Remember: ATR changes all the time. Read the current value on your own chart rather than relying on any fixed number.

READ THIS BEFORE USING VOLUME

A note on volume for spot gold

On a stock exchange, volume counts the real number of shares traded. **Spot gold (XAUUSD) is different.** It trades over-the-counter between many banks and dealers around the world, so there is no single central place that counts every ounce traded.



Made-up tick volume bars under made-up candles. Busy candles usually show more ticks.

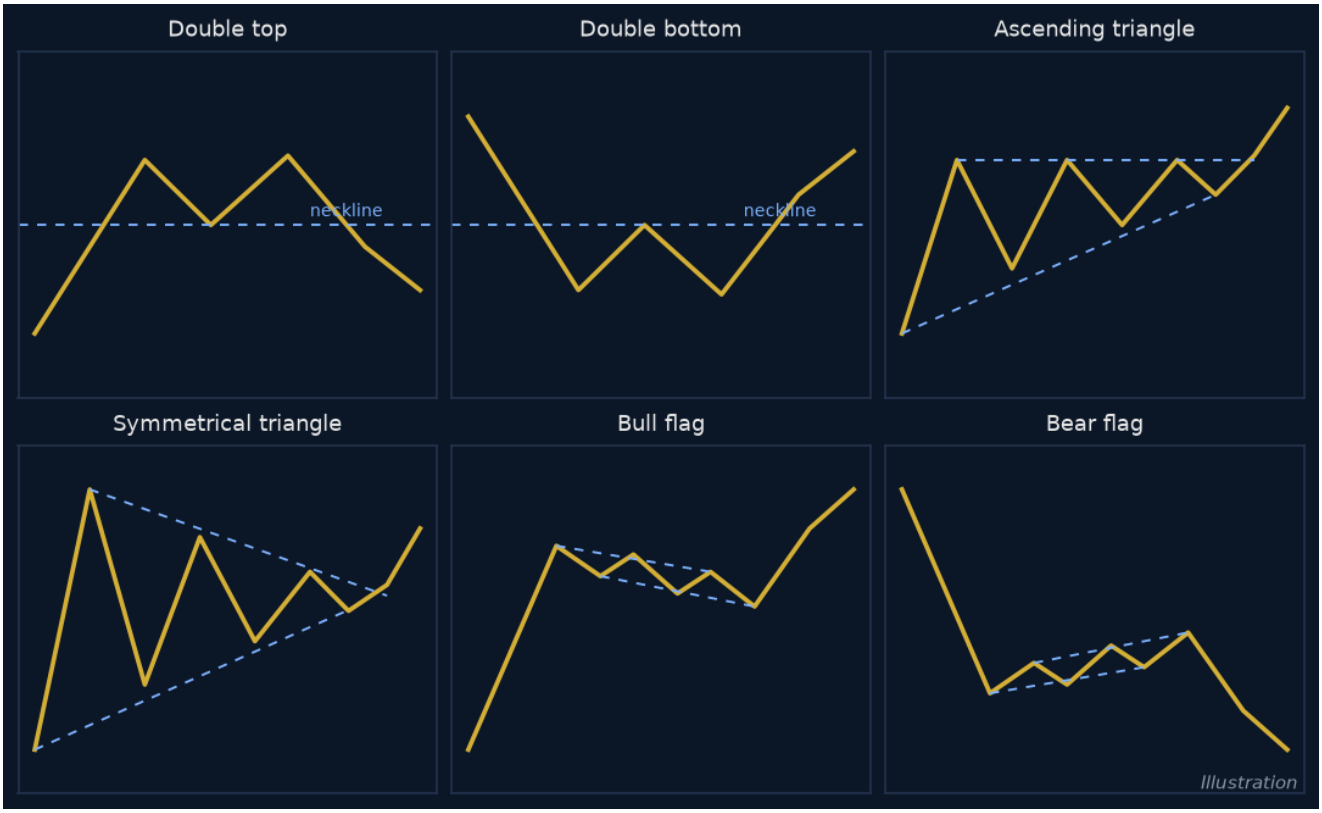
- **What MT5 shows for XAUUSD is usually tick volume:** the number of price changes in each candle, as seen by your broker. MetaTrader's own help describes it this way for the forex market.
- **It is still useful as an activity meter.** More ticks usually means more activity, for example around the London and New York opens or news releases.
- **Different brokers show different numbers,** because each sees its own price feed. Compare volume only on the same chart, never between brokers.
- **Gold futures** (for example on the COMEX exchange) do report real traded volume, but that is a different product from the spot price on your MT5 chart.

Simple rule: use tick volume to compare busy and quiet times on your own chart, not as an exact count of buying or selling.

SHAPES MADE BY MANY CANDLES

Chart patterns overview

Chart patterns are shapes that price draws over many candles. They are a way of describing what buyers and sellers are doing. Here are the most common ones, drawn as simple lines.



Pattern	Shape in simple words
Double top / bottom	Price tests the same high (or low) twice and fails. The 'neckline' is the low (or high) between the two tests.
Ascending triangle	A flat ceiling with rising floors: buyers keep stepping in higher. (A descending triangle is the mirror: flat floor, falling ceilings.)
Symmetrical triangle	Lower highs and higher lows squeezing together. The market is waiting.
Bull / bear flag	A sharp move (the 'pole'), then a small, neat drift against it (the 'flag').

Common mistake: seeing a pattern before it is finished. A double top is only complete after price closes beyond the neckline; until then it is just two highs. Many patterns never complete.

LESS IS MORE

Combining tools

Adding more indicators does not make a chart clearer. Many indicators are built from the same closing prices, so they often say the same thing in different colours. A better idea is to pick **one tool from each family**.

Family	Question it answers	Examples
Price structure	Where are the levels? What is the trend?	Swing highs and lows, support and resistance, round numbers
Trend	Which way, smoothed?	Moving averages
Momentum	Is the move speeding up or slowing down?	RSI, MACD
Volatility	How big are moves right now?	ATR, Bollinger Bands
Activity	Is the market busy or quiet?	Tick volume, session times

A clean starter chart

- Candlesticks on H1, with your D1 and H4 levels drawn on it
- One moving average (for example the 50) to see direction
- RSI (14) in a small window below
- ATR (14) checked once a day to know what a normal move is

Avoid: three momentum indicators at once (for example RSI, Stochastic and CCI). They are close cousins and will usually agree with each other, which can feel like proof when it is really the same reading three times.

Price comes first. Indicators are calculated from price, so they follow it. Look at the candles and levels first, then use an indicator to describe what you already see.

THE STEP MOST PEOPLE SKIP

Testing ideas before trusting them

Every idea in this guide is something to **test**, not something to believe. A rule that looks clever on one chart can behave very differently over many months of gold prices.

1. **Write the idea as a clear rule.** Not 'RSI looks low', but 'H1 RSI (14) closes below 30 while price is at a D1 support zone'. A rule someone else could follow without asking you questions.
2. **Collect many past examples.** Scroll back on a demo chart and record at least 30 times the rule appeared, including the ugly ones. Do not skip examples you do not like.
3. **Note what happened next** in a fixed way, for example where price was 10 candles later.
4. **Look at different market conditions:** trends, ranges, quiet weeks and news weeks. A rule that only works in one of them is a narrow rule.
5. **Watch it forward on demo.** Track the rule on a demo account for several weeks before you think it is understood.
6. **Change one thing at a time,** and test again. Changing many settings until old charts look perfect is called curve-fitting, and it usually stops working on new data.

Money Door AI Lab: you can describe an idea in simple words and see how it would have behaved on past gold charts. Past behaviour is a learning tool; it does not tell you what will happen next.

Honest notes beat memory. We all remember the times an idea worked and forget the times it did not. Writing every example down keeps you honest.

LEARN BY DOING

Your demo practice plan

Open a free **demo account** (play money) and add the XAUUSD chart. Spend 20 to 30 minutes a day on one tool. The goal is to **observe and write**, not to place trades.

Day	Task
1	Switch between line, bar and candle charts. Then do the 10-minute top-down routine from page 5.
2	Label the last 4 swing highs and lows on H4. Is it an uptrend, a downtrend or a range?
3	Add a 50-period moving average. Note the slope and where price sits compared with it, on D1 and H1.
4	Add RSI (14). Find 3 times it went above 70. What did price do over the next 10 candles?
5	Add MACD (12, 26, 9). Find where the histogram started shrinking during a move.
6	Add Bollinger Bands (20, 2) and ATR (14). Find a squeeze. Note the ATR before and after it.
7	Remove everything except one tool per family. Write one rule you want to test, as in page 14.

Indicator journal (print this page, or copy it into a notebook)

Date	TF	Tool	Reading (e.g. RSI 72)	What price did next	Notes

Example: 4 Nov | H1 | RSI (14) | above 70 for 6 candles | kept rising, then sideways | strong trend day.

WHERE THE FACTS COME FROM

Sources and key words

Word	Simple meaning
Indicator	A line or bars calculated from past prices to describe the market.
Trend	The general direction: HH and HL (up), LH and LL (down), or sideways (range).
Moving average	The average closing price of the last N candles, drawn as a line.
Momentum	How fast price is moving in one direction.
Overbought / oversold	RSI above 70 / below 30. Describes speed, not a turn.
Volatility	How big price moves are. ATR and Bollinger Bands measure it.
Standard deviation	A number for how spread out recent prices are.
Tick volume	Number of price changes in a candle, as seen by your broker.
Divergence	Price and an indicator disagree, e.g. new price high, lower RSI high.
Curve-fitting	Tuning settings until old charts look perfect. Usually fails on new data.

Sources checked for the facts in this guide

- MetaTrader 5 Help, Relative Strength Index (Wilder, 14 periods, 70 / 30): metatrader5.com/en/terminal/help/indicators/oscillators/rsi
- MetaTrader 5 Help, MACD (12 and 26 EMA, 9-period signal): metatrader5.com/en/terminal/help/indicators/oscillators/macd
- MetaTrader 5 Help, Bollinger Bands (20-period SMA, 2 standard deviations): metatrader5.com/en/terminal/help/indicators/trend_indicators/bb
- MetaTrader 5 Help, Average True Range (Wilder, true range definition): metatrader5.com/en/terminal/help/indicators/oscillators/atr
- MetaTrader 5 Help, Volumes (forex: number of price changes per period): metatrader5.com/en/terminal/help/indicators/volume_indicators/volumes
- Broker server time (GMT+2 winter, GMT+3 US summer) for Valetax and Moneta MT5 charts: Money Door FX Academy's own platform checks.

All charts are drawn illustrations. The indicator lines were calculated with the standard formulas on made-up prices. They are not real gold data and do not suggest where gold will go.

Next steps

1. Watch the Gold Vault lessons

Our Gold Vault video lessons show these tools on real gold charts, one at a time, in a beginner-friendly order.

2. Try your ideas in the Money Door AI Lab

Describe an idea in simple words, and test how it would have behaved on past gold charts before you trust it. Learning tool only.

3. Keep practising on a demo account

Use the practice plan in this guide. Repeat it until the ideas feel natural, with play money and nothing at risk.

Questions? Talk to our customer care

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