

## **Module 1- Chapter 1 - What is Technical Analysis**

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. It is primarily used to forecast the direction of prices through the study of past market data, primarily price and volume.

Technical analysts believe that market trends, as shown by charts and other technical indicators, can predict future activity. They use a variety of tools and techniques to analyze the market and identify trading opportunities.

One common tool in technical analysis is the use of technical indicators. Technical indicators are mathematical calculations based on market data, such as price and volume that are used to forecast future price movements. Some common technical indicators include moving averages, relative strength index (RSI), and stochastic oscillator.

Technical analysts also use various chart patterns to forecast price movements. These patterns, such as head and shoulders and triangles, are formed by the price action of a security and can be used to identify buying and selling opportunities.

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