BullCharts Software Tutorial
Annotating Price Charts
How can I add trend lines (and support, resistance) and add bits of text to my charts?

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Introduction

When studying the price action of a particular company on the company's share price chart, many people like to draw in various lines, and make a variety of notes on the chart.

What sort of notes? On any one day, the price action might have been significant because of good or bad news announced to the media. You could add a small note onto the chart saying this, to help explain the sudden price change. Then when you look back at the chart in a few days or weeks time, the note will tell you why the price changed.

This tutorial describes some of the BullCharts software tools that can be used to do the following to a Price Chart:
- Add various lines (eg. Support lines, Resistance lines, Trend lines).
- Add text annotations.
- Save the Price Chart as a file to your computer's hard drive.

Assumptions

This tutorial assumes the following information and knowledge:
1. That you understand that a simple share price chart might look like the sample shown here.
2. That it can be useful to draw various lines onto a price chart.
3. That it can be useful to add various text annotations onto a line chart.

Basic Price Chart

Firstly, with the BullCharts software running, let's prepare a basic Price Chart of a large Australian listed company - BHP.

1. **Create basic chart.**
   Either: (a) use the menu options: File > New > Chart, or (b) the two keys: <Ctrl>+<n>
   Note the following standard defaults: Period = Daily; Chart Type = OHLC Bar chart. For this exercise, we will change the chart type from OHLC to Line (you can do this in the drop down up on the Chart Style toolbar - see figure at right).
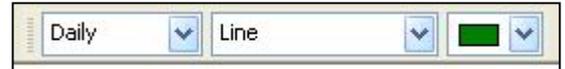

2. **Adjust the time scale.**
   Some people like to have some blank space at the right hand end of the chart. By default, there is not much there. Double click somewhere on the Time Scale/Axis (if it is displayed) and change the value for "Space at the right of the chart" (eg. 21 is an easy number to type, and a nice amount of space). This will leave the specified number of time periods to the right beyond the latest day. Of course, you can still scroll the chart right and left as required.

Add Support, or Resistance, or Trend Lines

On the Price Chart, you can draw in lines of support and resistance, and also trend lines as follows (in the sample on the previous page, we have added a sloping green coloured Line to indicate Price Support):

3. **Make sure the "Line Studies" toolbar is displayed.**
   If it is displayed either "docked" around the edge of the window, or "floating" in the window somewhere, it will look something like the figure below (each toolbar can be dragged elsewhere, and either floated, or docked elsewhere - on my own screen, I dock this down the right hand edge of the window as far down as it will go). If this toolbar is not displayed, you can right click on a blank area of the menu/toolbar area at the top of the screen, and from that drop-down list, ensure that Line Studies is ticked. Note that the buttons on this toolbar all have their own drop-down selection list to choose from a number of related operations (by clicking on the little downward pointing triangle). By default, the second button (for lines) on this toolbar has more than 10 different line types to choose from.
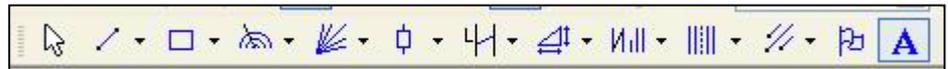
4. **Identify the Line Interval toolbar button.**
   From the "Line Studies" toolbar, identify the toolbar button to draw a Line Interval (see the screen snapshot at right which displays the whole list of Lines). You might need to select the "Line Interval" option from the drop-down list.

5. **Draw the Line Interval.**
   Click on the Line Interval toolbar button to activate it, then on the Price chart, position the mouse cursor in the spot where you want the line to start, and click-and-drag the mouse cursor to the spot where you want the line to end, and release the mouse button. The line should now be drawn (and in the default colour).

6. **Reposition the line if necessary.**
   If the line is not exactly in the right position, you can grab the whole line and move it somewhere else, or you can relocate one end of the line.

7. **Move the whole line.**
   Click on the line once to "select" it. Now you can click-and-drag the line to another location. Note that the angle of the line, and the length of the line, both remain unchanged.
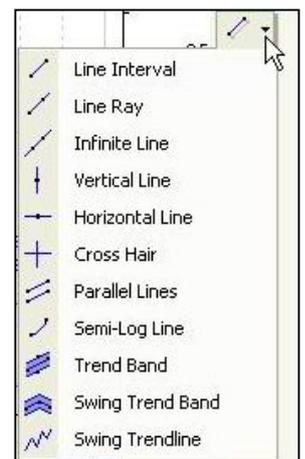
8. **Move one end of the line.**
    Click on the line to "select" it. Now you can click-and-drag one end of the line up/down, or sideways, to another location on the chart. Note that along the horizontal time scale, the line end will always "snap" onto a vertical time scale position. You cannot drop the end of the line into a location on the chart that is in between two time positions. (This is difficult to see unless you zoom in to see only about 10 or 20 time periods across the chart.)

9. **Change the line colour.**
    It is useful to colour-code the lines that you draw on the Price Chart. (For example, red for resistance, green for support, blue for trends.) Click once on the line to "select" it, then change it's colour using either the colour palette tool bar button, or the Trendline Properties dialogue (this is accessible by either: (a) double-clicking on the line, or (b) click once to select, then right-click for the drop menu and choose "Trendline Properties").

Add text to the Price Chart (eg. the filename, with background colour and a border)

If you save the Price Chart window as a file to view later, it can be useful to put the filename on the chart (especially if you might print the chart):

10. **Save the Price Chart.**
    If you have not already done this, then display a Price Chart, and save it to your hard drive, giving it a useful filename (eg. for BHP, use the ASX 3-letter code BHP, followed by one or more alphanumeric characters — for example: BHP1, and the full filename by default ends with the file type ".bc", ie. BHP1.bc).

11. **Add the filename to the chart.**
    Identify and click on the Text toolbar button (and the appearance of the button changes slightly to indicate it is selected). This button is the last one on the "Line Studies" toolbar (see figure at right).

12. **Click on screen.**
    Click on the screen at the spot where you want to put the filename text. (As you move the mouse cursor across the screen, the capital letter A follows the mouse cursor. As soon as you click the left mouse button, the next dialogue box opens.)

13. **Type the text.**
    In the "Note Properties" dialogue box, simply type the name for the file (eg. BHP1.bc). Before clicking on the OK button, read the text below.

To make this text different to any other text on the chart:

14. **Select the text and open the Properties dialogue box.**
    Either: (a) double-click on the text, or (b) click once, then right click and select "Note Properties" from the drop-down list.

15. Click on the "Border" tab.

16. **Show Border.**
    Tick the check box to "Show the Border", and change the border colour if you want.

17. **Fill Background.**
    Tick the check box to "apply a fill background", and from the "Background Colour" drop down option, select a nice colour, then click OK to close the Colour dialogue, and OK again to close the Note Properties.

Summary

In this tutorial we have looked at some of the BullCharts software tools that can be used to do the following to a Price Chart:

- Add various lines (eg. Support lines, Resistance lines, Trend lines).
- Add text annotations.
- Save the Price Chart as a file to your computer's hard drive.

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