



# TALL BARS / WIDE RANGE BARS

Tall bar/Wide Range Bar is a term associated with charts essentially having a big price area between High and Low. The length of the bar shows how much the stock moved over that period. **A tall bar means the price was more volatile.**

Put another way, Tall bar is nothing but one of the footprints of smart money. It gives SIB (Small SL) entry to trade a big range. When price comes near high or low of tall bar, one can take SIB entry and take a SAR trade, if needed. Midpoint of the Tall bar is important level to note along with high and low levels.

When working with Tall bar one must keep in mind that Tall bar which comes with the trend or in trending market is of high probability.

## How to Trade a Tall Bar

### *When price comes near High of Tall bar-*

When price comes near high and crosses the same, buy with SIB of close below the high of tall bar on lower time

frame. If price closes below the high one can go for stop and reverse trade with SL above the high of Tall bar.

### *When price comes near Low of Tall bar-*

When price comes near low of Tall bar, one can buy with SL below the Low of tall bar on lower time frame. If trade fails, then one can go for stop and reverse trade.

### *Targets-*

Typical targets when selling comes from weakness near High area and strength near Low area of Tall bar, are –

- 1) Target 1- 50% of Tall bar
- 2) Target 2- High or Low of Tall bar

When price breaks above High of Tall bar or Low of Tall bar typical target is range of Tall bar.

## Examples

### HCL TECH Daily chart-

Total Signals giving SIB entries in the chart are 4 - Entry 1 marked here gave a perfect Sell signal as it was near High of Tall bar, Open=High was same for that candle and 1090 was earlier resistance zone as well. It delivered target 1 i.e. 50% area of Tall bar.

Entry 2 was a Buy signal which opened just around High of TB and low just dipping below High of tall bar and moving upwards. It played out well giving 30 odd points.



Tall Bar High=1095 Low=1028 Range = 67 50%=1061.5

Entry 3 was again a perfect sell backed with a 2T and break of 45-degree line drawn from low of Tall bar. It covered both targets

Entry 4 was a good example of buy signal generated around the low area of Tall bar which delivered target 1 i.e. 50% area of Tall bar.

It is said that if cluster of confluences are there the probability of trade increases. Some of the additional supporting factors in above chart were-

- 2T area
- 45-degree trendline break
- High of Tall bar was around the vicinity of Gann Nos 1106-1189, Low of tall bar was near Gann No 1025.
- High of Tall bar was around 180 degrees (1093) from Low of Tall bar
- 360 degrees from Swing low 993 comes around 1089 region which is also a Gann No and near which lies high of Tall Bar.

### Titan Daily chart-

Here in this chart there is play of 2 Tall bars. Some of the valid entries are marked on the chart. But as we can see clearly once the high of Tall bar 1 was broken (marked in entry 3) it gave fantastic move ahead forming another Tall bar. Masterpiece was entry 4 which was a high probability trade bagged by cluster of confluences like



Tall Bar 1 High=1175 Low=1073 Range=102 50% area= 1124  
Tall Bar 2 High=1334.40 Low=1153 Range=181.4 50% area= 1243.7

- 2T with previous swing High @1341
- Resistance around (1345) 45-degree trendline drawn from low of Tall bar1
- 2T with High of Tall bar 2 @ 1334
- Gann No 1333
- 720 degrees completion from low of Tall bar 1 around 1349

If there is no direct break of High or Low area of Tall Bar it often seen that market is trading sideways in the same Tall bar range. In this process sometimes it leads to inside bar formation as well which of course gives us another opportunity for explosive moves.

# Wide Range Bars

One variation of Tall bars (often referred as Wide range bars) is long wicks or rejection bars. These footprints of smart money are often formed near previous resistance and support areas thus giving a SIB entry. Wide range bar and Tall bar are treated as same here in the context of this article. The trading rules are also the same.

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# Conclusion

While Tall bars are not a type of technical indicator, **they are a useful tool that traders can employ to identify trends and to interpret volatility.** Since Tall bars take only price into consideration, and not time or other factors, they provide traders with a new view of price activity.

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## ABOUT THE AUTHOR

Kirti Daftardar is a discretionary trader and has been successfully trading for the past 5 years. She uses Technical Analysis for intra-day and positional trading. In order to reduce the screen time and to trade selectively she is currently pursuing the price and time-based trades through W.D. Gann studies. She trades in equity, equity derivatives and Bank Nifty Weekly Options. She is a member of Advanced InvesTrade Forum. Kirti loves singing and gardening. She is currently based in Phoenix, Arizona.



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