

Create a Candlestick Chart in Excel (Step-by-Step)

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A [candlestick chart](#) is a powerful and popular type of financial visualization used extensively by traders and analysts worldwide. It provides a visual representation of the price movements of [securities](#)--such as stocks, currencies, or commodities--over specific time frames. Unlike simple line charts, candlestick charts convey four crucial pieces of information for each period: the open, high, low, and closing prices.

Mastering the creation of these charts in **Microsoft Excel** allows for robust data analysis without relying on specialized financial software. The following comprehensive, step-by-step tutorial will guide you through the process, ensuring you can accurately and effectively visualize complex market data. We will use a typical dataset to demonstrate how to transform raw numbers into a clear, actionable [candlestick chart](#).

Understanding the Anatomy of a Candlestick

Before diving into Excel, it is essential to understand what each component of the candlestick represents. Each "candle" is composed of two main parts: the **body** and the **shadows** (also known as wicks). The body shows the difference between the open and close price for that period, while the shadows indicate the extremes of the price movement.

The Real Body: This thick rectangular section shows the price range between the opening and closing price.

The Upper Shadow (Wick): The thin line extending above the body indicates the highest price reached during the period.

The Lower Shadow (Wick): The thin line extending below the body indicates the lowest price reached during the period.

The color of the body is critical for interpretation in [technical analysis](#). If the closing price is higher than the opening price (a **bullish** signal), the candle is typically filled with a light color (often white or green). Conversely, if the closing price is lower than the opening price (a **bearish** signal), the candle is typically filled with a dark color (often black or red).

This detailed visualization makes the candlestick chart far superior to a standard bar chart for gauging market sentiment and volatility, providing crucial context for traders utilizing the [Open-High-Low-Close \(OHLC\)](#) metric.

Step 1: Preparing and Formatting Your Financial Data

The success of creating a functional [candlestick chart](#) in **Microsoft Excel** hinges entirely on the organization of your source data. Excel requires the data columns to be structured in a specific sequence for the built-in chart function to work correctly. If the columns are out of order, the

resulting chart will be distorted or completely unreadable.

You must arrange your dataset with five mandatory columns, in this precise order: **Date/Period**, **Open**, **High**, **Low**, and **Close**. The High column must appear before the Low column in your spreadsheet, even though logistically, the OHLC acronym places Low before Close. Ensure your data includes headers for clarity.

We will begin by entering the price movements for a sample [security](#) over an 8-day trading period. This initial step is the foundation upon which the entire chart rests.

	A	B	C	D	E	F	G
1	Date	Open	High	Low	Close		
2	1/1/2021	25	28	22	24		
3	1/2/2021	22	27	16	20		
4	1/3/2021	21	29	14	17		
5	1/4/2021	19	25	17	23		
6	1/5/2021	23	24	19	22		
7	1/6/2021	21	26	18	25		
8	1/7/2021	25	31	22	29		
9	1/8/2021	29	37	26	31		
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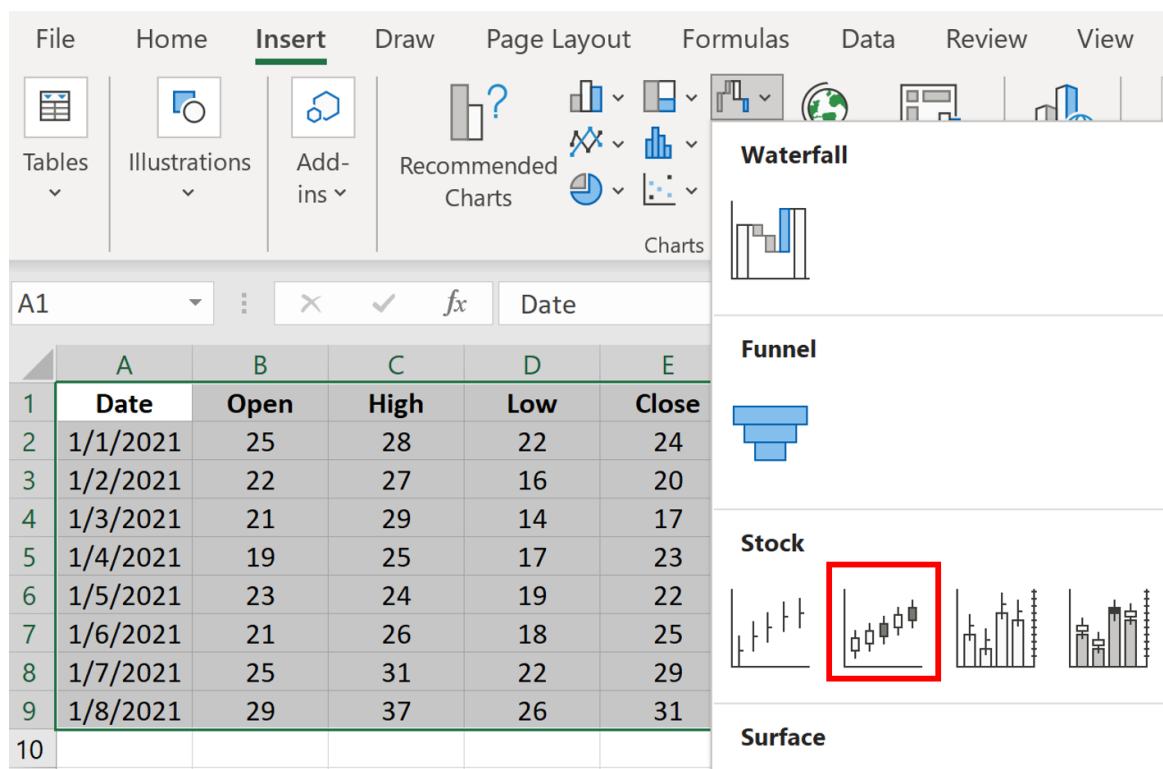
Step 2: Generating the Initial Candlestick Chart

Once the data is accurately entered and correctly formatted in the required column sequence (Date, Open, High, Low, Close), we can proceed with generating the chart using Excel's charting tools. This process involves careful selection of the data range and choosing the correct chart type, which is often hidden within the stock chart options.

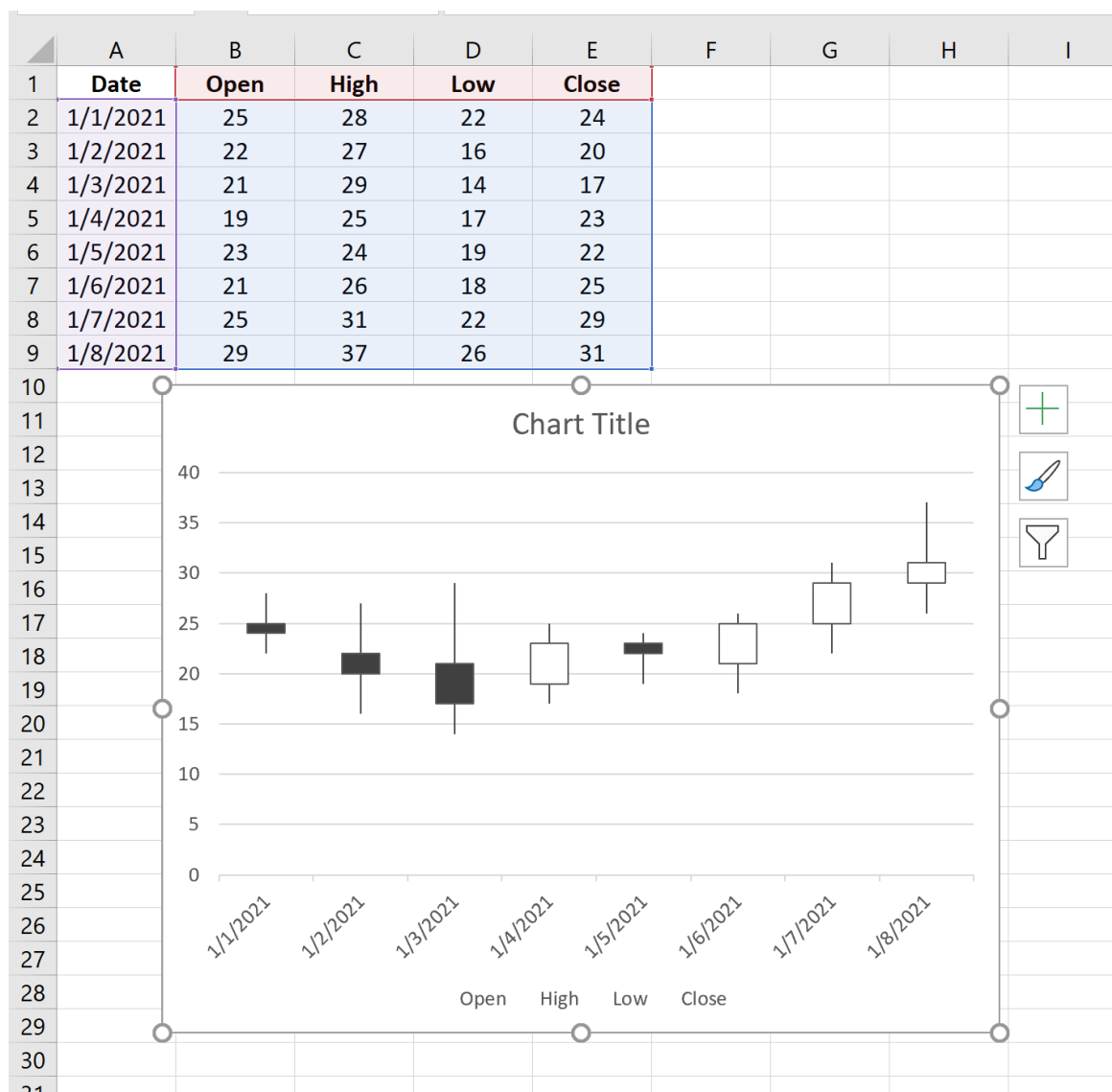
First, you need to select the complete range of data you wish to chart. This selection must include both the column headers and all the numerical data rows. For our example, highlight all the cells in the range **A1:E9**.

	A	B	C	D	E	F	G
1	Date	Open	High	Low	Close		
2	1/1/2021	25	28	22	24		
3	1/2/2021	22	27	16	20		
4	1/3/2021	21	29	14	17		
5	1/4/2021	19	25	17	23		
6	1/5/2021	23	24	19	22		
7	1/6/2021	21	26	18	25		
8	1/7/2021	25	31	22	29		
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After the data is highlighted, navigate to the **Insert** tab located along the top ribbon interface of **Microsoft Excel**. Within the **Charts** group, you will typically find the icon for stock charts. Click the **Waterfall, Funnel, Stock, Surface, or Radar Chart** icon (often represented by stacked bars or the stock chart symbol). From the drop-down menu that appears, select the **Stock** category, and then click the fourth option, which is the **Open-High-Low-Close** chart icon.



This action will automatically render the initial [candlestick chart](#) based on the selected OHLC data. Excel uses default colors and formatting, which we will refine in the next step to improve visual clarity and align with standard financial conventions.



Step 3: Customizing the Chart Appearance for Clarity

While the chart generated in Step 2 is technically correct, standard financial charts use specific color schemes--typically green or white for "up" days and red or black for "down" days--to immediately convey market direction. This customization is vital for effective [technical analysis](#).

Begin by enhancing the visual flow of the chart. Click directly on the chart title placeholder and enter a descriptive title, such as "8-Day Price Movement Analysis." Next, remove the unnecessary default legend at the bottom (which often displays "Open High Low Close") by clicking on it and pressing the Delete key, or by using the Chart Elements (+) menu. The candlesticks themselves are self-explanatory, rendering the legend redundant.

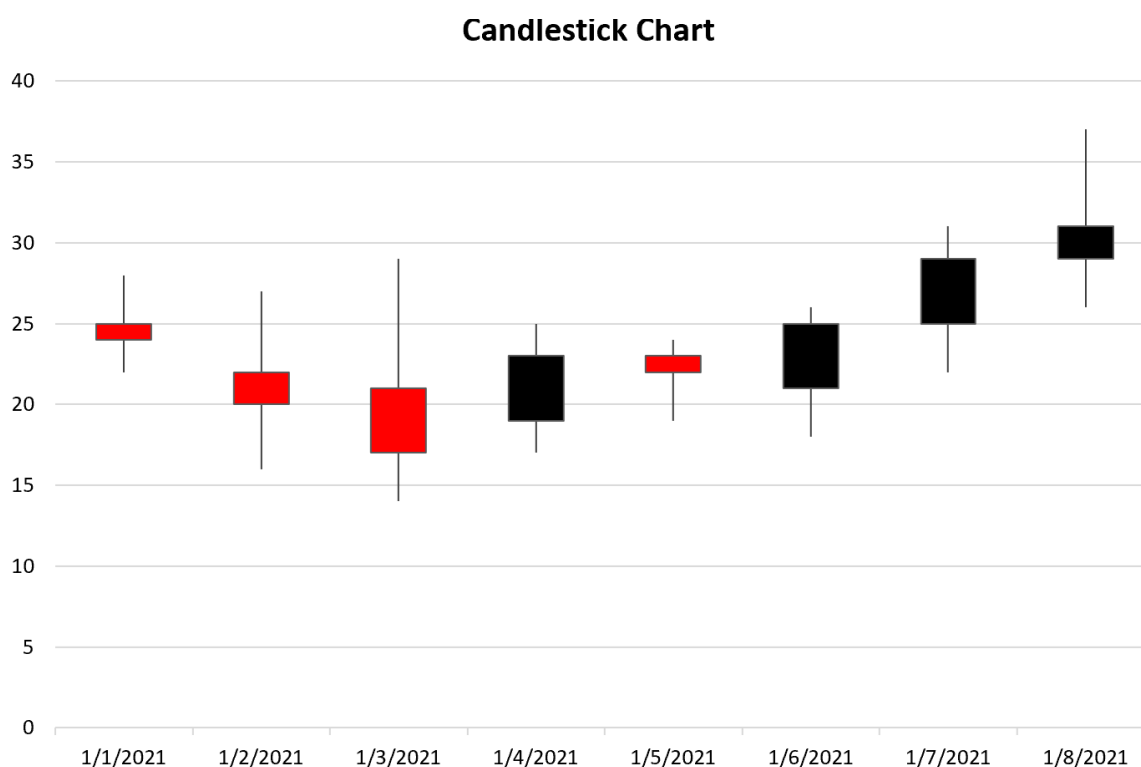
The most important customization is adjusting the candlestick colors. In the initial chart, all up days

(where Close > Open) and down days (where Close < Open) might share the same color outline or fill. To fix this, you must adjust the "Up Bars" and "Down Bars" formatting separately:

Formatting Down Bars (Bearish Days): Click on any candlestick representing a down day (usually those colored blue by default). This selects all down bars. Right-click and choose **Format Data Series**. In the formatting pane that appears, select the **Fill & Line** bucket. Change the **Fill** color to **Red** and the **Border** color to **Red**.

Formatting Up Bars (Bullish Days): Click on any candlestick representing an up day. Right-click and choose **Format Data Series**. Change the **Fill** color to **Green** (or White, depending on your convention) and the **Border** color to **Green** (or Black).

For our example, we chose to use a black fill for the 'up' (bullish) candles and a red fill for the 'down' (bearish) candles, demonstrating how easy it is to achieve a professional, customized look in **Microsoft Excel**:



Interpreting the Final Candlestick Chart

With the chart fully customized, you now possess a powerful tool for visual financial analysis. The final step is understanding how to read the patterns that emerge. The length of the body indicates the intensity of the buying or selling pressure. A long body suggests a strong move in one direction, while a short body indicates minimal price movement or consolidation.

Long Green/Black Body: Strong buying pressure, indicating the closing price was significantly higher than the opening price.

Long Red Body: Strong selling pressure, indicating the closing price was significantly lower than the opening price.

Small Body (Doji): Indicates indecision or a close struggle between buyers and sellers, where the open and close prices were nearly identical.

By observing the relationship between the body and the shadows, analysts can identify dozens of patterns (like the Hammer, Engulfing pattern, or Shooting Star) crucial for predicting potential future price movements of the underlying [security](#). This detailed visualization, generated efficiently in [Microsoft Excel](#), is the cornerstone of effective quantitative trading strategies.

Remember that while Excel provides the visualization, the accurate interpretation of the [OHLC](#) data requires knowledge of market psychology and the principles of [technical analysis](#).

Conclusion and Additional Resources

Creating a professional [candlestick chart](#) in **Microsoft Excel** is a straightforward process once the required data structure (Date, Open, High, Low, Close) is understood. By following the steps outlined--from meticulous data preparation to advanced color customization--you can quickly transform raw financial figures into an insightful graphical representation suitable for serious market analysis.

This capability is invaluable for anyone conducting independent research on stock performance, commodity trends, or currency pair fluctuations, offering a comprehensive view of volatility and directional momentum.

The following tutorials explain how to create other common charts in Excel, further expanding your data visualization toolkit: