What a chart actually shows

> **WHAT A PRICE CHART SHOWS**
>
> An FX chart is the history of one broker's quotes - usually the bid, sometimes the midpoint - drawn over time. It is a record of prices you could have dealt at through that broker, not a picture of the market itself: another broker's chart of the same pair differs slightly, and both are correct.

Module 1 ended with a warning: every number on your platform is your broker's number. The chart is where that warning earns its keep, because a chart looks like an objective record of the market - and it is a faithful record of something narrower. Read this module with that correction installed and everything else in it gets easier.

Whose prices are these?

Your broker's, assembled from its feeds, second by second. Most platforms draw the bid; some draw the midpoint between bid and ask. Either way, the line is a history of one side of one broker's quote - there is no consolidated FX tape for a chart to draw instead. Two consequences follow. Charts from two brokers never quite match, especially at the extremes of fast moves. And chart prices are not the prices you trade at in both directions: you sell near the drawn bid, but you buy at an ask the chart is not showing.

The differences are small - competition keeps brokers' quotes close, as module 1 explained - but small is not zero, and the places they show up are exactly the places traders argue about: the extreme of a wick, the precise level a stop fired at, the high that one platform printed and another did not. The worked example prices one such difference.

Worked example - figures in USD

You hold 0.5 lots of EUR/USD with a stop near the high of a fast move. A pip on a full lot is worth $10.

1. During a fast minute, your broker's chart prints a high 2 pips above another broker's chart of the same pair - both are honest records of their own quotes.
2. Your stop sat between the two highs. On your platform it fired; on the other it would not have. At $5 per pip on your 0.5 lots position ($10 per full lot), those 2 pips of difference were worth $10 - and no chart was wrong.
3. The lesson is not that brokers are unreliable. It is that a chart documents one quote stream, so decisions hung on its exact extremes inherit that stream's individuality.

What this means for you

Treat the chart as evidence with a named source. It is precise about what your broker quoted, silent about what anyone else did, and blind to the ask side unless you switch it on - most platforms can draw ask or spread overlays, which is worth doing once just to see the gap. When a level matters to the exact pip, remember whose pips they are. And when your chart disagrees with someone else's screenshot by a wick, you are looking at two truthful records of two different quote streams - module 1's broker lesson, drawn.

Check your understanding

1. What is an FX chart a record of?

a. One broker's quote stream over time - usually the bid or the midpoint
b. Every trade that happened in the market
c. The official prices set each second
d. The average of all brokers' prices

Answer: a. With no consolidated FX tape, a chart can only draw the quotes its broker assembled. No record of every trade exists, no official price exists, and no platform averages the whole market - each draws its own stream.

2. Your chart shows a wick 2 pips higher than a friend's chart of the same pair and minute. Who is wrong?

a. Neither - each chart faithfully records its own broker's quotes
b. Your broker printed a false high
c. Your friend's platform lost data
d. Whichever broker is smaller

Answer: a. Different quote streams produce different extremes in fast moments, and both charts are honest about their own. Nothing here implies fabrication or data loss, and broker size does not decide whose quotes were real - they all were.

3. Most charts draw the bid. What does that mean for the prices you trade at?

a. Your buys happen at an ask the chart is not showing
b. Nothing - all your trades happen at chart prices
c. The chart overstates every price you pay
d. Sells happen above the chart price

Answer: a. A bid chart shows the sell side, so every buy crosses to an ask sitting a spread above the line. Trades never all happen at one drawn price, the chart understates rather than overstates what buyers pay, and sells happen at the bid - the line itself, near enough.

4. When do the differences between brokers' charts matter most?

a. At the extremes of fast moves, where wicks and stop levels live
b. They never matter - the differences are imaginary
c. On the daily close, which brokers disagree about wildly
d. Only on exotic pairs

Answer: a. Quote streams diverge most when prices move fastest, which is exactly where extremes print and stops sit. The differences are small but real, closes agree closely because calm moments do, and majors show the effect too - fast moments are the trigger, not the pair.