

UNFINISHED CANDLES

By Wyckoff Labs

Complete User Guide

TradingView Indicator Documentation

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1. What Are Unfinished Candles?

An **unfinished candle** (also called a **wickless candle**) is a candlestick that is missing one or both of its wicks. This means price moved in one direction with such conviction that it never retraced during the period, leaving "unfinished business" at the extreme where the wick should be.

In the context of price action and auction market theory, every candle represents a two-way auction. When a candle closes without a wick on one side, it signals that the auction was incomplete at that price level. The market has a statistical tendency to return to these levels to "compensate" for the missing price discovery.

There are four types of unfinished candles:

Bullish, No Upper Wick (Close = High) -- The candle closed at its absolute high. Unfinished business is ABOVE. Price is likely to return to this high.

Bullish, No Lower Wick (Open = Low) -- The candle opened at its absolute low. Unfinished business is BELOW. Price may revisit this low.

Bearish, No Upper Wick (Open = High) -- The candle opened at its high and sold off. Unfinished business is ABOVE at the open price.

Bearish, No Lower Wick (Close = Low) -- The candle closed at its absolute low. Unfinished business is BELOW at the close price.

"The market always seeks to complete its auction." -- This principle is central to understanding why unfinished candles matter.

2. The Wyckoff Perspective

Richard Wyckoff's methodology emphasizes the relationship between supply, demand, and price behavior. Unfinished candles align with several Wyckoff principles:

Effort vs. Result: A wickless candle represents pure effort in one direction with no opposing result. This imbalance creates a "debt" that the market tends to resolve.

Cause and Effect: The missing wick is the cause; the return to that price level is the effect. The stronger the move (larger body), the more significant the compensation level.

Supply and Demand Zones: Unfinished candle levels often coincide with areas where supply or demand was not fully tested, making them natural support/resistance levels.

3. How the Indicator Works

The **Unfinished Candles By Wyckoff Labs** indicator automatically scans every candle for missing wicks, applies configurable filters to remove noise, marks detected candles visually, draws compensation levels, and tracks when those levels are revisited.

Core Workflow

Step 1: Detection -- Each bar is analyzed for missing or micro-wicks using a configurable tolerance threshold.

Step 2: Filtering -- Body size and candle range filters eliminate noise from small, insignificant candles.

Step 3: Visual Marking -- Detected candles are highlighted based on your chosen Display Mode.

Step 4: Compensation Tracking -- A horizontal level is drawn at the missing wick's edge, extending into the future.

Step 5: Cleanup -- When price returns to a compensation level, ALL visuals for that signal are removed. Only active (uncompensated) levels remain on chart.

Tip: The indicator only shows active unfinished business. Compensated levels are automatically cleaned up, keeping your chart focused on what matters right now.

4. Detection Logic

Wick Tolerance

Real-world price data rarely produces a candle with a mathematically perfect zero wick. The **Max Wick Size (% of candle range)** setting allows you to define how small a wick must be to count as "missing."

0% = Only perfectly wickless candles (exact match). Very few signals, especially on lower timeframes.

1% (default) = Allows micro-wicks up to 1% of the candle's total high-low range. This catches candles that are effectively wickless but have a tiny tick of movement.

5%+ = More permissive. Use with caution as it increases false positives.

Detection Formula

For each candle, the indicator calculates the actual upper and lower wick sizes, then compares them against the tolerance threshold:

```
Upper Wick = High - Max(Open, Close)
Lower Wick = Min(Open, Close) - Low
Threshold = (High - Low) x (Tolerance% / 100)
```

If the wick size is less than or equal to the threshold, the candle qualifies as "unfinished" on that side.

5. Display Modes

The indicator offers four display modes that control which visual elements appear on your chart. This lets you go from a clean, minimal look to a fully loaded analysis view.

Feature	Minimal	Standard	Full	Custom
Bar Coloring	Yes	Yes	Yes	Toggle
Comp. Lines	No	Yes	Yes	Toggle
Dot Markers	No	No	Yes	Toggle
Zones (Shaded)	No	No	Yes	Toggle
Body Highlight	No	No	Yes	Toggle
Touch Marks	No	Yes	Yes	Toggle
Price Labels	No	No	Yes	Toggle

Minimal (Default)

The cleanest look. Detected candles simply change color -- orange for unfinished above, blue for unfinished below. No lines, no markers, no clutter. Perfect for higher timeframes and screenshot-ready charts.

Standard

Bar coloring plus compensation lines extending to the right. Lines fade with age and are removed when price touches the level. The touch point is marked with a red X. This is the recommended mode for active trading.

Full

Everything enabled: bar colors, lines, dot markers at the exact compensation price, shaded zones, body highlights, price labels, and touch marks. Best for detailed analysis and learning the concept.

Custom

Full control. Toggle each visual element individually under the Custom Mode Settings group. Build your own combination to suit your workflow.

6. Settings Reference

Detection Settings

Setting	Default	Description
Bullish No Upper Wick	ON	Detect bullish candles where Close = High
Bullish No Lower Wick	ON	Detect bullish candles where Open = Low
Bearish No Upper Wick	ON	Detect bearish candles where Open = High
Bearish No Lower Wick	ON	Detect bearish candles where Close = Low
Include Doji	OFF	Include candles where Open = Close
Max Wick Size %	1.0%	Tolerance for micro-wicks (% of candle range)

Filter Settings

Setting	Default	Description
Min Body Size Filter	ON	Requires candle body to be a minimum % of ATR
Min Body Size %	50%	Body must be at least 50% of ATR to qualify
Min Range Filter	ON	Requires candle high-low range to be meaningful
Min Range %	40%	Range must be at least 40% of ATR
ATR Period	14	Lookback period for the ATR calculation

7. Filters Explained

Filters are essential for keeping the indicator useful across all timeframes. Without them, lower timeframes would be overwhelmed with signals from tiny, insignificant candles.

Body Size Filter

This filter ensures the candle has a meaningful body relative to recent volatility. A candle with a body that is 50% of ATR(14) represents significant price movement, not just noise. If a candle's body is smaller than this threshold, it is ignored even if it has no wick.

Candle Range Filter

This filter checks the total high-to-low range of the candle. Even if a candle has a decent body, if its total range is tiny compared to ATR, it's likely just a small consolidation bar and not a meaningful signal. The default 40% threshold filters these out effectively.

Why Both Filters?

A candle could have a large body but tiny range (common in low-volatility periods), or a large range but small body (doji-like). Using both filters together catches the edge cases that either filter alone would miss. The result: only candles with genuine conviction pass through.

8. Compensation Lines & Zones

Compensation Lines

When an unfinished candle is detected, a horizontal line is drawn at the compensation level (the price where the wick is missing). This line extends to the right indefinitely until price returns to touch it.

Line Fading: Lines gradually become more transparent over time. The "Full Fade After" setting controls how many bars until maximum transparency (default: 200 bars).

Max Active Lines: To prevent chart clutter, the oldest lines are automatically removed when the limit is reached (default: 50). Increase this for higher timeframes where levels persist longer.

Touch Detection: When price touches a compensation level, the line is deleted and a red X marks the touch point. All associated visuals (dots, boxes, zones) are also removed.

Compensation Zones

Available in Full and Custom modes. Zones are shaded areas extending from the compensation level, giving you a visual "target area" rather than a single price line. The zone width is configurable as a multiple of ATR (default: 0.3x ATR).

9. Stats Table

The on-chart stats table provides real-time metrics about unfinished candle activity. It can be positioned in any corner or middle side of the chart.

Active Above / Below: Current number of uncompensated levels above and below price.

Total Detected: All-time count of detected unfinished candles on the visible chart.

Compensated: How many levels have been touched (debt paid).

Comp. Rate: Percentage of detected levels that were eventually compensated. Color-coded: green (70%+), orange (40-70%), red (below 40%).

Mode: Shows which display mode is currently active.

10. Alerts

The indicator includes five alert conditions that can be configured through TradingView's alert system:

Alert	Description
Unfinished Candle -- Above	Fires when a new unfinished candle with missing upper wick is detected
Unfinished Candle -- Below	Fires when a new unfinished candle with missing lower wick is detected
Unfinished Candle -- Any	Fires on any new unfinished candle detection
Compensation Level Touched	Fires when price returns to an active compensation level
Approaching Comp. Level	Fires when price comes within a configurable ATR distance of a level

Tip: Use the "Approaching Compensation Level" alert as a heads-up that price is nearing an active level. Combine with your own analysis to decide whether to trade the reaction.

11. Recommended Settings by Timeframe

The default settings work well across most timeframes, but you can fine-tune for optimal results:

Timeframe	Wick Tol.	Body %	Range %	Mode	Notes
1-5 min	0.5%	60%	50%	Minimal	Tighter filters to cut noise
15-30 min	1%	50%	40%	Standard	Default settings work well
1-4 hour	1%	40%	35%	Standard	Slightly looser filters OK
Daily	1.5%	40%	30%	Standard	More signals are meaningful
Weekly+	2%	30%	25%	Full	Every signal matters, show all

12. Trading Tips & Best Practices

Use as confluence, not standalone signals. Unfinished candles are most powerful when they align with other technical levels: Wyckoff support/resistance, order blocks, liquidity pools, or key moving averages.

Higher timeframe levels carry more weight. A weekly unfinished candle level is significantly more impactful than a 15-minute one. Use multi-timeframe analysis to identify the most important levels.

The compensation rate tells you the market's memory. If your chart shows 85%+ compensation rate, the market is reliably returning to unfinished levels. This gives you higher confidence in active levels.

Watch for clustered levels. When multiple unfinished candle compensation levels stack near the same price, it creates a strong magnetic zone. Price has multiple "debts" to pay at that area.

Respect the direction. An unfinished above level (orange) suggests unfinished business to the upside. An unfinished below level (blue) suggests unfinished business to the downside. Use this as a directional bias.

Fresh signals are stronger. A compensation level from 5 bars ago has more magnetic pull than one from 500 bars ago. The line fading feature helps you visually gauge this.

13. Frequently Asked Questions

Why don't I see many signals on my chart?

The default filters (50% body, 40% range) are intentionally strict to show only high-quality signals. If you want more signals, reduce these percentages. On higher timeframes, you can also increase the wick tolerance to 1.5-2%.

Why do some obviously wickless candles get missed?

The candle might pass the wick check but fail the body or range filter. A tiny wickless candle is technically unfinished but doesn't represent meaningful price action. The filters protect you from noise.

Can I use this on stocks, forex, and crypto?

Yes. The indicator works on any instrument and any timeframe. The ATR-based filters automatically adapt to the volatility characteristics of each market.

What happens to the bar color when a level is compensated?

Bar coloring is permanent per-bar (a TradingView limitation) and cannot be removed after the fact. However, all other visuals (lines, dots, zones, highlights) are cleaned up. The colored bar serves as historical context.

How do I set up alerts?

Click the alarm clock icon on TradingView, select "Unfinished Candles By Wyckoff Labs" as the condition source, choose the alert type, and configure your notification preferences. You can set alerts for new detections, touches, or proximity warnings.

What does the Compensation Rate percentage mean?

It shows what percentage of all detected unfinished candle levels were eventually revisited by price. A high rate (70%+) confirms the market is reliably paying its debts on your chosen instrument and timeframe.

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