Average gain/loss is 0 if the price went down/up respectively.

*Note*: “ema” stands for Wilder’s smoothing, which given enough time approaches an EMA. Wilder’s smoothing uses the previous value, multiplies it by [Period-1] and adds the current value of the series. Thus a 14-period Wilder’s smoothed signal is simply the 27-period EMA of the same signal for a long enough time series!

**Combinations that work well together mathematically:**

**RSI + ADX.** RSI measures the closing moves of “up” and “down”, whereas ADX measures the momentum in range moves, based on the relative performance of consecutive high prices, as well as consecutive low prices of a security. The mathematical approaches are very similar in both cases (particularly the Wilder’s smoothing and separation of up & down, while only measuring one of them at any given candle.) For trend-following entries (DMI crosses) and trend exhausting exits (RSI overtraded levels).

Potential expansions: 1. Use Average Gain/Loss instead of +/-DI, 2. Use +/-DI instead of Avg. Gain/Loss

*Note:* Generally, combinations of ADX, MACD and RSI - which all use price values exponentially averaged - will work in harmony if the right time periods are used.

RSI + MACD: Entries (MACD crosses) + exits (overtraded RSI areas).

ADX + MACD: One of the stronger trend confirmation measures when they are both giving similar signals.

**Stochastics + Ichimoku:** Stochastics measure where in a range the price is, whereas Ichimoku measures where the center of that range is.

Potential expansions: 1. measure range width, 2. identify why the stochastic oscillator is moving.

**MACD + EMA:** Offers insight into both the indicator movements and the general action of the market around those averages.

**Bollinger Bands + any trend indicator:** Bollinger bands give you details on how price is behaving after a trend has been entered and can give some of the best information regarding exhaustion or continued momentum.