

EWMA_Triple

September 29, 2021

1 Triple Exponential Weighted Moving Average

```
[1]: import numpy as np
import pandas as pd
import matplotlib.pyplot as plt

import warnings
warnings.filterwarnings("ignore")

# fix_yahoo_finance is used to fetch data
import fix_yahoo_finance as yf
yf.pdr_override()
```

```
[2]: # input
symbol = 'AAPL'
start = '2018-01-01'
end = '2019-01-01'

# Read data
df = yf.download(symbol, start, end)

# View Columns
df.head()
```

[*****100%*****] 1 of 1 downloaded

```
[2]:
```

	Open	High	Low	Close	Adj Close	\
Date						
2018-01-02	170.160004	172.300003	169.259995	172.259995	168.339050	
2018-01-03	172.529999	174.550003	171.960007	172.229996	168.309738	
2018-01-04	172.539993	173.470001	172.080002	173.029999	169.091522	
2018-01-05	173.440002	175.369995	173.050003	175.000000	171.016678	
2018-01-08	174.350006	175.610001	173.929993	174.350006	170.381485	

	Volume
Date	
2018-01-02	25555900

```

2018-01-03  29517900
2018-01-04  22434600
2018-01-05  23660000
2018-01-08  20567800

```

```

[3]: n = 7
     ewma = df['Adj Close'].ewm(ignore_na=False, min_periods=n - 1,
     span=n).mean()
     triple_ema = 3 * ewma
     ema_ema_ema = ewma.ewm(ignore_na=False, span=n).mean().ewm(ignore_na=False,
     ↪span=n).mean()

```

```

[4]: df['TEWMA'] = triple_ema - 3 * ewma.ewm(ignore_na=False,min_periods=n -
     ↪1,span=n).mean() + ema_ema_ema

```

```

[5]: df.head(20)

```

```

[5]:
      Date      Open      High      Low      Close  Adj Close  \
2018-01-02  170.160004  172.300003  169.259995  172.259995  168.339050
2018-01-03  172.529999  174.550003  171.960007  172.229996  168.309738
2018-01-04  172.539993  173.470001  172.080002  173.029999  169.091522
2018-01-05  173.440002  175.369995  173.050003  175.000000  171.016678
2018-01-08  174.350006  175.610001  173.929993  174.350006  170.381485
2018-01-09  174.550003  175.059998  173.410004  174.330002  170.361954
2018-01-10  173.160004  174.300003  173.000000  174.289993  170.322845
2018-01-11  174.589996  175.490005  174.490005  175.279999  171.290329
2018-01-12  176.179993  177.360001  175.649994  177.089996  173.059113
2018-01-16  177.899994  179.389999  176.139999  176.190002  172.179611
2018-01-17  176.149994  179.250000  175.070007  179.100006  175.023361
2018-01-18  179.369995  180.100006  178.250000  179.259995  175.179718
2018-01-19  178.610001  179.580002  177.410004  178.460007  174.397949
2018-01-22  177.300003  177.779999  176.600006  177.000000  172.971176
2018-01-23  177.300003  179.440002  176.820007  177.039993  173.010254
2018-01-24  177.250000  177.300003  173.199997  174.220001  170.254440
2018-01-25  174.509995  174.949997  170.529999  171.110001  167.215210
2018-01-26  172.000000  172.000000  170.059998  171.509995  167.606140
2018-01-29  170.160004  170.160004  167.070007  167.960007  164.136932
2018-01-30  165.529999  167.369995  164.699997  166.970001  163.169464

```

```

      Volume      TEWMA
Date
2018-01-02  25555900      NaN
2018-01-03  29517900      NaN
2018-01-04  22434600      NaN
2018-01-05  23660000      NaN
2018-01-08  20567800      NaN

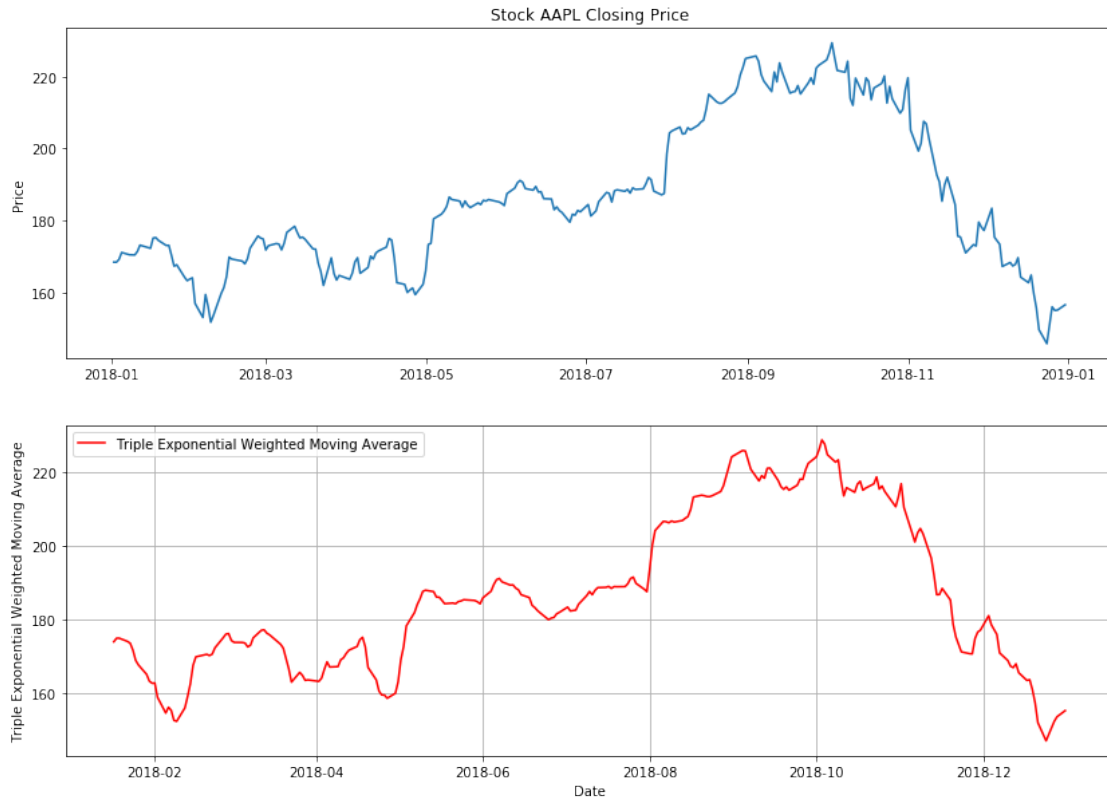
```

2018-01-09	21584000	NaN
2018-01-10	23959900	NaN
2018-01-11	18667700	NaN
2018-01-12	25418100	NaN
2018-01-16	29565900	NaN
2018-01-17	34386800	173.888189
2018-01-18	31193400	174.846128
2018-01-19	32425100	174.856371
2018-01-22	27108600	173.980375
2018-01-23	32689100	173.482252
2018-01-24	51105100	171.601153
2018-01-25	41529000	168.823052
2018-01-26	39143000	167.583818
2018-01-29	50640400	165.010548
2018-01-30	46048200	163.169467

```
[6]: fig = plt.figure(figsize=(14,10))
ax1 = plt.subplot(2, 1, 1)
ax1.plot(df['Adj Close'])
ax1.set_title('Stock ' + symbol + ' Closing Price')
ax1.set_ylabel('Price')

ax2 = plt.subplot(2, 1, 2)
ax2.plot(df['TEWMA'], label='Triple Exponential Weighted Moving Average',
        color='red')
#ax2.axhline(y=0, color='blue', linestyle='--')
#ax2.axhline(y=0.5, color='darkblue')
#ax2.axhline(y=-0.5, color='darkblue')
ax2.grid()
ax2.set_ylabel('Triple Exponential Weighted Moving Average')
ax2.set_xlabel('Date')
ax2.legend(loc='best')
```

```
[6]: <matplotlib.legend.Legend at 0x2177e8f1518>
```



1.1 Candlestick with Triple Exponential Weighted Moving Average

```
[7]: from matplotlib import dates as mdates
import datetime as dt

dfc = df.copy()
dfc['VolumePositive'] = dfc['Open'] < dfc['Adj Close']
#dfc = dfc.dropna()
dfc = dfc.reset_index()
dfc['Date'] = pd.to_datetime(dfc['Date'])
dfc['Date'] = dfc['Date'].apply(mdates.date2num)
dfc.head()
```

```
[7]:      Date      Open      High      Low      Close  Adj Close  \
0  736696.0  170.160004  172.300003  169.259995  172.259995  168.339050
1  736697.0  172.529999  174.550003  171.960007  172.229996  168.309738
2  736698.0  172.539993  173.470001  172.080002  173.029999  169.091522
3  736699.0  173.440002  175.369995  173.050003  175.000000  171.016678
4  736702.0  174.350006  175.610001  173.929993  174.350006  170.381485

      Volume  TEWMA  VolumePositive
```

0	25555900	NaN	False
1	29517900	NaN	False
2	22434600	NaN	False
3	23660000	NaN	False
4	20567800	NaN	False

```
[8]: from mpl_finance import candlestick_ohlc

fig = plt.figure(figsize=(14,10))
ax1 = plt.subplot(2, 1, 1)
candlestick_ohlc(ax1,dfc.values, width=0.5, colorup='g', colordown='r', alpha=1.
    ↪0)
ax1.xaxis_date()
ax1.xaxis.set_major_formatter(mdates.DateFormatter('%d-%m-%Y'))
ax1.grid(True, which='both')
ax1.minorticks_on()
ax1v = ax1.twinx()
colors = dfc.VolumePositive.map({True: 'g', False: 'r'})
ax1v.bar(dfc.Date, dfc['Volume'], color=colors, alpha=0.4)
ax1v.axes.yaxis.set_ticklabels([])
ax1v.set_ylim(0, 3*df.Volume.max())
ax1.set_title('Stock ' + symbol + ' Closing Price')
ax1.set_ylabel('Price')

ax2 = plt.subplot(2, 1, 2)
ax2.plot(df['TEWMA'], label='Triple Exponential Weighted Moving Average',
    ↪color='red')
#ax2.axhline(y=0, color='blue', linestyle='--')
#ax2.axhline(y=0.5, color='darkblue')
#ax2.axhline(y=-0.5, color='darkblue')
ax2.grid()
ax2.set_ylabel('Triple Exponential Weighted Moving Average')
ax2.set_xlabel('Date')
ax2.legend(loc='best')
```

```
[8]: <matplotlib.legend.Legend at 0x21700127e10>
```

