

Moving_Standard_Error

September 29, 2021

1 Moving Standard Error

<https://www.fmlabs.com/reference/default.htm>

```
[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 = '2018-12-31'

# 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 = 14 # number of periods
df['std'] = df['Adj Close'].rolling(n).std()
df['MSE'] = df['std']/np.sqrt(n-1)

```

```

[4]: df.head(20)

```

```

[4]:
      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

```

```

      Date      Volume      std      MSE
2018-01-02  25555900      NaN      NaN
2018-01-03  29517900      NaN      NaN
2018-01-04  22434600      NaN      NaN
2018-01-05  23660000      NaN      NaN
2018-01-08  20567800      NaN      NaN
2018-01-09  21584000      NaN      NaN
2018-01-10  23959900      NaN      NaN
2018-01-11  18667700      NaN      NaN
2018-01-12  25226000      NaN      NaN
2018-01-16  29565900      NaN      NaN

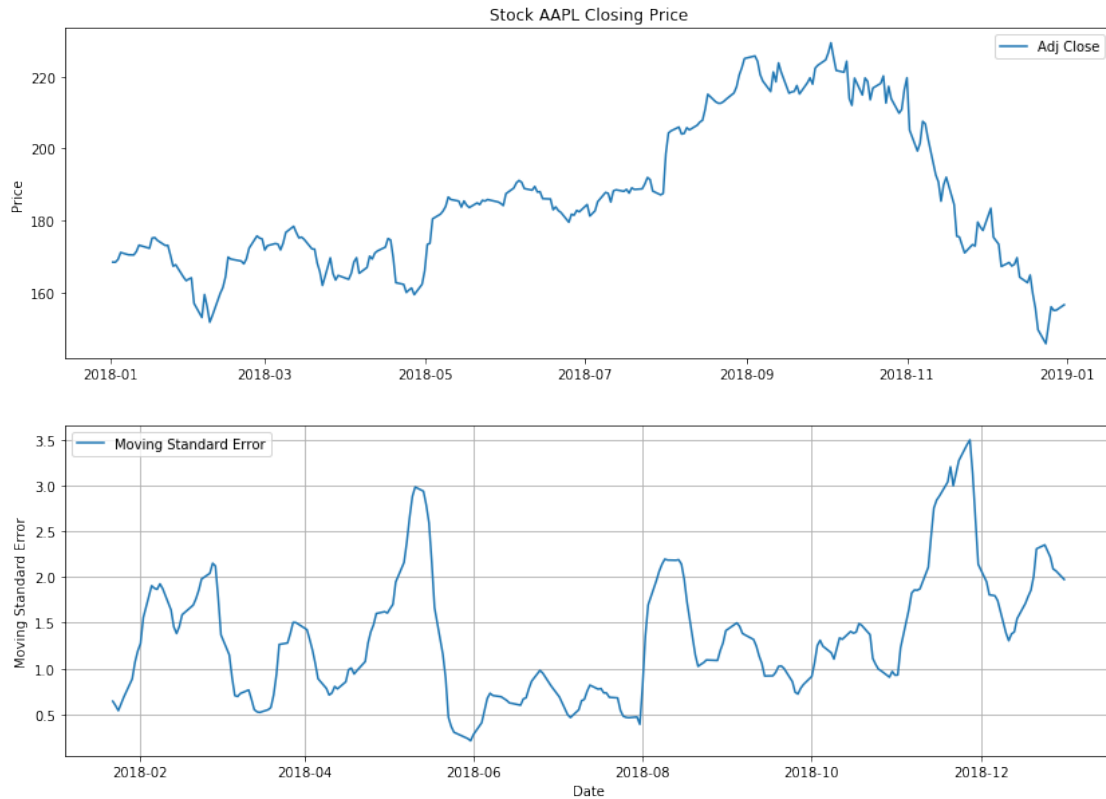
```

2018-01-17	34386800	NaN	NaN
2018-01-18	31193400	NaN	NaN
2018-01-19	32425100	NaN	NaN
2018-01-22	27108600	2.312643	0.641412
2018-01-23	32689100	2.141923	0.594063
2018-01-24	51105100	1.945227	0.539509
2018-01-25	41529000	2.210450	0.613069
2018-01-26	39143000	2.486526	0.689638
2018-01-29	50640400	3.193326	0.885669
2018-01-30	46048200	3.851794	1.068295

```
[5]: 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')
ax1.legend(loc='best')

ax2 = plt.subplot(2, 1, 2)
ax2.plot(df['MSE'], label='Moving Standard Error')
ax2.grid()
ax2.legend(loc='best')
ax2.set_ylabel('Moving Standard Error')
ax2.set_xlabel('Date')
```

```
[5]: Text(0.5,0,'Date')
```



1.1 Candlestick with Moving Standard Error

```
[6]: 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'] = mdates.date2num(dfc['Date'].astype(dt.date))
dfc.head()
```

```
[6]:
```

	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	std	MSE	VolumePositive
0	25555900	NaN	NaN	False

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

```
[7]: 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['MSE'], label='Moving Standard Error')
ax2.grid()
ax2.legend(loc='best')
ax2.set_ylabel('Moving Standard Error')
ax2.set_xlabel('Date')
```

```
[7]: Text(0.5,0,'Date')
```

