**What are the best trend indicators to use?**

Until now I have always used crossing EMAs as my trend indicators & would be interested to hear what anyone else likes and uses.

[**Dwayne Paschall**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=57125244) • Intraday News Analytics from EOTPRO and Thomson Reuters  
  
[https://docs.google.com/open?id=0ByUhXypJM\_S3dVFPVnhqRzRhSXc](http://www.linkedin.com/redirect?url=https%3A%2F%2Fdocs%2Egoogle%2Ecom%2Fopen%3Fid%3D0ByUhXypJM_S3dVFPVnhqRzRhSXc&urlhash=tBWc&_t=tracking_disc)

[**Ralph T Sekulski**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=36420410) • I considered the EMA's to be great indicators as well. However, following EMA's for the past year I have noticed that this is a lacking indicator, especially if you are a swing trader and consider holding the trade for few weeks or months. Recently I've started following John Carter's TTM\_Squeeze signals but I am still not convinced to make huge bets on that indicator.

[**Mark Brown mark@markbrown.com**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=56072165) • out-side-the-box-thinking = focus on perfecting choppy trading rules, when they fail there is your trend. you time is better spent buying dips and selling tops with a percentage stop and when that stop is hit reverse the trade your probably in a trend. ~m

[**Hans Hicks**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=214009240) • There are no "best" indicators out there. There are, however, optimal combinations of some indicators. These combinations are found by trading experience and computer simulation. The optimal combinations must constantly adapt to remain optimal as the markets fluctuate. Happy New Year to all!

[**Nikolay Stoykov**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=9319155) • I agree with Hans. There are no best indicators, moreover, if you use more than one you will see they all show very similar results. My style is that for every market I trade I have a sister market - for example GLD, has GDX as a sister. I apply simple indicators to both but will enter only if both markets confirm. So it is not so much what indicators you use but on what data set are you using them.

[**larry von hirabedian**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=19403413) • what about pairs trading in the sister markets, via mean reversion?

[**Pete Wakker**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=18764817) • Comparative RS- if it's not better performers why take on risk- there are many ways to calculate it

[**Mark Brown mark@markbrown.com**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=56072165) • i wonder if there is a definition of the trend that can allow you to know it while it's happening? ~m

[**Chris C Yu**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=25190369) • Adaptive risk algo.

[**Pete Kowalski**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=1114240) • Naturally, the best trend indicators to use are ones that don't lag I personally enjoy using floor trader pivots and the different 2 day relationships between them. Naturally, there isn't one indicator out there that is the Holy Grail so no matter what indicators you may use just use and stick to it - don't flip flop between using one one time and another time. Over time I feel people will learn that indicators are just an opinion and all that really matters is the price-action.

[**Pradeep Bheda**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=4375061) • EMA and bollinger bands, EMA to confirm view trend & bollinger bands to determine trading range

[**Pete Kowalski**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=1114240) • I have given this some more thought. I don't consider this a indicator but more of a chart style. I find that using Renko and Haikin-Ashi charts help one determine the trend. I personally prefer Renko and LVL2 reading for scalping.

[**Bill Pritchard**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=59334948) • Gordon  
  
This is a very good question however in my experience the ability to determine trend is coupled with how long said trend is believed to exist. In other words, a one-day event is harder to label "new trend" versus a one-week event. With that said, I use a combination of EMA's, volume analysis, and ATH (all-time-high) as trend indicators. I mostly use this to analyze indexes and overall market behavior. Take care  
  
Bill Pritchard   
[http://www.thefedtrader.com/](http://www.linkedin.com/redirect?url=http%3A%2F%2Fwww%2Ethefedtrader%2Ecom%2F&urlhash=mqhp&_t=tracking_disc)

[**Kathryn St. John**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=19135431) • ADX is a popular indicator in all the charting tools, though lagging. My company Recognia launched a new directional indicator with Bloomberg that classifies a market as bullish, bearish or \*sideways\* (sideways is great to know when to sell options, or when to be careful with indicators). It's called PMC (probabilistic market classifier). Though this doesn't help you if you don't have Bloomberg access :-)

[**Mark Brown mark@markbrown.com**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=56072165) • Two trading systems below neither use indicators, they are pure price driven. No indicator interpretation, no guessing, just the facts. I believe that indicators "are alone" the single most detrimental and misleading tool available to traders.  
.  
Typical trend system profits - missing much of the market action thus makes less money.  
[http://markbrown.com/linkedin/pics/trend/mb1340.gif](http://www.linkedin.com/redirect?url=http%3A%2F%2Fmarkbrown%2Ecom%2Flinkedin%2Fpics%2Ftrend%2Fmb1340%2Egif&urlhash=HROk&_t=tracking_disc)  
.  
Typical always-in system profits - captures all of the market action making more money.  
[http://markbrown.com/linkedin/pics/trend/mb1339.gif](http://www.linkedin.com/redirect?url=http%3A%2F%2Fmarkbrown%2Ecom%2Flinkedin%2Fpics%2Ftrend%2Fmb1339%2Egif&urlhash=MMw5&_t=tracking_disc)  
  
That said I am positive that a experienced trader can adapt most anything useful or not into a tool for trading successfully. I am positive that Recognia has worked hard to bring cutting edge properitary indicators out to traders of all experience levels. I for one know how difficult this endevor is. ~m

[**Kieran Power**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=36192011) • I've started to look at Aroon as an alternative to ADI.

[**Alexandre Debecker**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=121791192) • I think that your best indicator for spotting trend is... your sight. Just zoom out, and look at the chart. You don't need an indicator to tell you if it's going up or down.   
  
The 2nd best would be EMA's but i find those to be very laggy indicator so I don't give them too much attention.

[**John Car**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=21106444) • Mark off your supply and demand zones on the 60 min chart and extend trendlines for previous high or lows. As price comes into these zones take a short or long with a stop from the previous low or high. I posted charts on priceactiontrader com if you want to see some examples.

[**IMR Forecast**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=135947819) • Have a look at IMR trend line: [http://imr-forecast.com/](http://www.linkedin.com/redirect?url=http%3A%2F%2Fimr-forecast%2Ecom%2F&urlhash=pUg4&_t=tracking_disc). It is really different versus technical analysis trend indicators as it uses different data for processing.

[**Christopher Anthony**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=209412025) • One of my clients uses an Ichimoku Cloud to determine trend. When price is above the cloud the trend is long, below short and price action in the cloud is chop. I am not claiming this works or has any value whatsoever...just another idea.

[**Dwayne Paschall**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=57125244) • Intraday News Analytics from EOTPRO and Thomson Reuters  
  
[https://docs.google.com/open?id=0ByUhXypJM\_S3NkdPUWFzdGRMeTA](http://www.linkedin.com/redirect?url=https%3A%2F%2Fdocs%2Egoogle%2Ecom%2Fopen%3Fid%3D0ByUhXypJM_S3NkdPUWFzdGRMeTA&urlhash=RiS6&_t=tracking_disc)

[**Gordon Konheiser**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=160298502) • Thanks everyone for your input. I like the idea of using sister markets as a confirmation for slightly longer term systems but not so good on the shorter time frames.

[**Rohin Jal**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=41539536) • There are many trend indicators out there. I don't know what could be best.   
I have found certain patterns that form in 50 day ma line AGAINST price action and use this as guide to keep on side with so called SMARTMONEY

[**Mark Brown mark@markbrown.com**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=56072165) • nikolaos - what is a system named aberration?  
.  
and the answer is SMA and Bollinger bands. With 1 and 2 standard deviations.   
  
~m

[**Tom Adshead**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=11195553) • I think issue number one is that the best indicator is going to depend very much on the market - what works in the currency markets is going to be different from what works for equity index trading which will be different from works for small caps.   
Issue number two is that you need to define a criterion for assessing whether a trend indicator is good - my inclination is that you need to backtest - use your indicator to look at the recent past (to avoid state changes) and see how it would have performed if you had applied it on a non-discretionary basis in the past.   
I know this isn't what you wanted to hear, but part of quant trading is really going deep into your market and deriving some battle-tested rules for what actually works. Rigidly applying simple rules of thumb is almost certainly going to come badly unstuck at some point - for instance, my own work has shown that using, say, the spot and the 60 or 180 day MA is typically not the best moving average pair to use for any given time period - often the best pair, historically, is something like the 12 day and the 14 day MA, or the spot and the 25 day average, depending on the market, and the market conditions.   
It takes a lot of work on the computer (I have to run the Excel macro overnight!) but it's amazing how volatile the optimal MA pair can be over a period of time.

[**Aaron Soellinger**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=34017904) • In making buy/sell decisions I worry mainly about the error in analysis. We know that many price series in this domain possess the characteristics of a random walk. To complicate that fact, we know that it's nearly impossible for traditional statistical analysis to help us in determining the difference between a unit root and a near unit root process. Trend analysis should be done with great care. Instead of modeling the trend in price series, model the size and power of your test. Also consider raising your significance thresholds to account for near unit roots.

[**Nick Tocci**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=197599838) • Like most everything else all this depends on what charts you are using. Daily's, intraday, and weather those are based on minutes or volume. Frankly I think minute charts are not very good. Then it depends on what MA s you are using. After that what your trading style is, or target price objective is. For instance are you going long term or short term. With that said, look at stochastics. With a quick glance you can tell what the market is doing. In a trend, nearing the end of rally and or down trend. It is also very good at telling you if you are going sideways which is probably more important.

[**Dhiren Mehta**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=223181601) • An Ichimoku Cloud is a good combination of 3-in-1 indicator.

[**Larry Bedard**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=81675155) • What is the best Commodity News Service?

[**David Lanman**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=31389502) • Hello,   
  
I am not really a day trader, so maybe I do not fit in this group well? One of the other threads basically killed Excel as a tool to use, but this is the only tool that I have and VBA for Excel is the only language I know.   
  
That said Excel is used to find and analyze data and it is almost exclusively US stocks. I use one file to find “pull backs” of 5 to 9% looking at SP500, NASDAQ and the Russell. From these lists I find certain stats, ROA, ROE, Debt/Equity, dividend, EPS, ProfMargin, OpMargin and payout ratio. Since I am not a day trader, I look for dividends, so this file is sorted in descending order by dividend. Another file pulls in price histories and creates graphs with 3 variable MAs, Bollinger bands graph, RSI graph. Another macro brings in the dividend history, calculates percent change between dividends and various growth rates over the years. This is also graphed.   
  
From the “lists” and above analyses a shorter list is created and another file is used to pull in financial statements which are put in consistent formats to compare the fundamentals across companies. This file does a tremendous amount of analysis, finding change over either 5 quarters or five years, various ratios over the same time periods, like gross margin, net margin, and just a myriad of other analysis.   
  
I seem to create lots of “lists” that can be used for creating shorter lists, by finding the “exceptions”. The most recent set of lists went thorough some 1000 stocks to find the change in each ticker for the year 2012 by sector. It found the Open2012, the close2012, the change, Hi2012, Low2012, and the Spread2012. This was then supplemented the Dividend, Yield, EPS and payout ratio.   
  
Excel is the tool I use, but my ISP is slow with what I believe is about a 20 minute delay. I can not even think in terms of minutes, let alone seconds.   
[**Xavier Pardo Lavella**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=125295924) • use two TEMA, one with the closing price of each candle and one with the opening. When the one with the closings is significantly higher than the one with the openings, you're bullish. when it's the other way round, it's bearish. if there's no significant difference then it's a lateral market. you could even give a delay of 1 candle to the openings TEMA. you just need to optimize the TEMAs periods and define your concept of "significantly higher". then just apply some money management conditioned by intraday volatility (RIND, True Range) and you got it.

[**Brian K Bailey**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=76028805) • I still say you guys are doing it the hard way. My trend indicators are built into the Cool Trader Software. www.automatemytrade.com

[**Han-Sheng Peng**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=102346743) • Hi, Gordon   
I think many people already shared a lot of great insights with you. Here's what I think:   
It's hard to find one perfect trend following indicator that can be thrive in various kinds of market environments. Sometimes, you may find out that the MACD works better, but sometimes using EMA or other kinds of moving average is better. However, I think it makes sense to test different combination of trend following indicators and find the one works for yourself. Even you may use the same indicator and get the same entry price with others, you may still get different results in the end due to the different exit strategies. So, in my point of view, the indicator is just part of your trading strategy. The successful trading strategy requires both rigorous entry and exit methodologies. Just for your reference, you can go to this website( [http://blog.equametrics.com/](http://www.linkedin.com/redirect?url=http%3A%2F%2Fblog%2Eequametrics%2Ecom%2F&urlhash=o0ST&_t=tracking_disc) ), where our team posted several trend trading strategies by using different indicators with specific exit method. You can go to the page and look for the key words for tending following strategies such as MACD, EMA, suqeeze, and ADX to find the articles. If you see something you like, please take some time to test yourself.

[**Kiddo Dhaval**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=61799477) • any indicator that takes into consideration Price , Vol , Supp and Resistance all in one..  
  
otherwise you need to use an extra indicator which gives you the missing info..  
  
Regards,  
Dhaval Chheda  
Take Care and Happy Trading

[**Xavier Pardo Lavella**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=125295924) • RSI is not a trend indicator. in fact it works awful in a market with a clear trend.

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • I prefer 2 EMA, like my pic, the highest and the lowest one, all indicators in meta, like Bolinger Bands, Envelope, Ichimoku and etc, just the combinations with using EMA

[**Marko Rantala**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=276939) • Anyone using FisherTransform in any form as mathematically it could be reasonable or most non lagging? (Personally I haven't checked that much yet).

[**Keiran Thompson**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=3068226) • I've been experimenting pretty intensively lately, would be interested in the group's opinions on the following naive observations:   
1. Seems nearly all classical indicators are lagging. How much of a problem is this?   
2. All the obvious ideas have already been had. For example, you might think the time since the last major high/low is significant, hello Aroon. Or you might think the distance in price since the last major high/low gives you some information, hello Donchian Channel. Stochastics, MACD, Bollinger Bands, etc seem sensible attempts to "pre-compile" features of price series. Do they still work?   
3. Trend seems a nebulous concept, can you tell if you're in one? How can you get an inkling that one might be coming to an end?   
4. Mark Brown you are teasing us. What do you mean by "pure price driven"?

[**Ken Jarrad**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=3632873) • Linear regression deserves a mention. It has 100% lag, so it won't tell you that a new trend is forming. If you want to find an existing trend then LR uncovers amazing price histories.  
  
A quick scan of US stocks for best fit over 125 days currently finds HNZ, MSI, LLL and GIS.   
Here is BUD in 2012: [http://scharts.co/13LDhbV](http://www.linkedin.com/redirect?url=http%3A%2F%2Fscharts%2Eco%2F13LDhbV&urlhash=avhQ&_t=tracking_disc)  
  
Is LR useful despite the 100% lag?   
You could bet on the continuation of the trend.   
Or you could detect the end of the trend (as the LR loses 'fitness')   
Or you could just stare at the charts in disbelief (that's what I do).

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Marko : Well, Fisher Transform can be used in system, and because meta is system, so that we can use Fisher Transform, but Fisher Transform is not efficient because for proving mathematically is long way, and we only have 2 days for the market closed.

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • keiran : Yes you are right, Trend seems a nebulous concept, but remember in mathematic, there's a lowest and highest bounds, so with the system, specially in mathematical system

[**Erik Baanstra**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=13197762) • Base all your systems on volatility. First of all understand volatility. Combine true range volatility with implied volatility, skew modell ect. and in the end you willl be able to create a winning system. Do not rely on data we have seen in the past 5 years. You can build a trendsystem based on this data in 1 hour!! Utilizing algorithms all the time is being right all the time but in fact you are always one step behind! Create your own indicators that is the only way forwards. Good luck!

[**Alec Schmidt**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=55274959) • Some academic research suggests that diversification is the answer. It's certainly the key concept in portfolio management but may work as a trading paradigm, too. In a nutshell, rather than chasing 'optimal' EMA parameters, split your capital into pieces and trade them with various EMAs. A more sophisticated approach assigns various weights to different EMAs according to their recent performance. I have a short overview of academic literature in ch.10 of my book:   
[http://www.amazon.com/Financial-Markets-Trading-Introduction-Microstructure/dp/0470924128/ref=sr\_1\_3?ie=UTF8&s=books&qid=1304549595&sr=1-3](http://www.linkedin.com/redirect?url=http%3A%2F%2Fwww%2Eamazon%2Ecom%2FFinancial-Markets-Trading-Introduction-Microstructure%2Fdp%2F0470924128%2Fref%3Dsr_1_3%3Fie%3DUTF8%26s%3Dbooks%26qid%3D1304549595%26sr%3D1-3&urlhash=qcFt&_t=tracking_disc)

[**David Lanman**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=31389502) • I created a system that looks at 3 moving averages and volume in the SP500, the NASDAQ and the Russell. It creates 2 lists that are associated with the averages called “Over” and “Under.” This is done at the end of the day. I have not tested it that much, but recently I took some of the “runs” and found the index close for the run and compared each ticker to 1/17/2013, what I found looks pretty good.  
  
I put the file out on Box and was hoping for some feed back, if anyone has the time. The file is called “TempNASRusSPHistory.xls”. I just set up the Box account and have not tried doing a share yet, but the link below should take you there. Please let me know if you have problems, since this is new for me.  
  
The original trade date is always in Cell B1 and the close will always 1/17/2013 with the change (gain/loss) in column L. The overall average, positive average and negative average are below the "list" and compared to the GSPC or Russell or the NAS below the averages. Some did pretty well. I would be interested in other peoples input.  
  
[https://www.box.com/s/97te30iqmfybnee34bt8](http://www.linkedin.com/redirect?url=https%3A%2F%2Fwww%2Ebox%2Ecom%2Fs%2F97te30iqmfybnee34bt8&urlhash=lPcy&_t=tracking_disc)  
  
Thanks,  
David

[**David Lanman**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=31389502) • I am not sure the above link is correct, it took me to Box, but was asking me to use Flash.  
  
Maybe this one is better:   
[https://www.box.com/s/2pux8e1ex6yhcr6skxas](http://www.linkedin.com/redirect?url=https%3A%2F%2Fwww%2Ebox%2Ecom%2Fs%2F2pux8e1ex6yhcr6skxas&urlhash=5TN2&_t=tracking_disc)  
  
Thanks,   
David

[**Nikitas Goumatianos**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=105147171) • I agree with Alec – “diversification is the answer”. Technical indicators are lagging. A trading signal could be proved false (you enter in trade and then prices follow opposite direction. You can develop a model which combines different trading systems correspond to different instruments (stocks, forex, futures, etc) in such way that the total portfolio value rarely goes down. For example, find uncorrelated or negatively trading systems.

[**Erkan Sağlam**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=47014655) • Yes ,diversify your systems in different time frames and different market conditions.

[**Nick Tocci**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=197599838) • What is your target profit for a trade? Are most people here trading intraday, short term, or long term. I think that makes a huge difference in what you are talking about here. Lets face it, all indicators lag. Or else how are they created. But without indicators you can not tell where you have been and where you expect to go. Indicators can easily tell us if you are nearing tops, bottoms, or trending. Depending on what the market is doing at anyone time that will determine how we trade ie. enter a trade and than tell us what our target should be. ie. letting the trade run till an opposite signal comes along or reach our goal with any one trade.   
  
So what are most of you doing? intra day?, short term, or long term trade. Than I can tell you which indicators are best to use. .

[**Nikitas Goumatianos**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=105147171) • Nick, I will reverse your question: What type of trades should I select (intraday, short term, long term) to get the most of the profit with less risk? If intraday is correct, then what timeframes (5 min, 10 min, .. 1 hour) are best and which indicators are proper to each time frame. Or a combination of them?

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Nick:i prefer in long term trading, because there are brokerage only give how many LOT that we can trade. If we trade with our money it's the best only not more 5-10 LOT although we trade in big acc, just like 2 ppl whom i controled now, one clicks all pips touched, is more efficient than so many clicks, and i had experience so many clicks more than 200 positions / clicks, and suddenly i got banned, and in demo acc we can so many clicks but in the live acc we can not. just 1 clicks, or pips is touched, just like scalping it means that choose the lowest / highest pips and than scalping all pips to the highest/lowest pips, the best one is in 4 H in the meta 4, and in the meta 5, 1H.   
Best Regard.

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Nick : What is your target profit for a trade?it all depends with what kind of meta you use in Meta 4 or Meta 5, and what leverage we take 1:100, or 1:500, and etc. for instance : trading with meta 5 is more benefit than meta 4, in meta 4 for example EU only goes up/down between 180-250 pips but in meta 5 between 1800-2500 pips in daily, but remember if we are wrong just one like calculation, in meta 5 is quicker loss than meta 4, so that from me the time frame in meta 4 and meta 5, with math calculation between 4 H:1H, and all indicators are same, and all depends on what we put in indicators number inside the indicators, and from me, all indicators come from Moving Average or combination Sinus and Cosinus indicator, because Sinus and Cosinus indicator is basic in math in algebra, and moving average is basic math in statistic.   
Best Regard

[**Nick Tocci**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=197599838) • Nikitas Goumatianos Finally someone who wants to truly talk about trading. I have not found a long term trade yet. I find the markets to be very volitile and my stop has to be bigger than I am willing to hold to make a long term trade work. So intra day for me. No minute charts, volume charts work much better and give me a great idea of which way the market is heading and more importantly, when it has changed. My targets are 12 to 20 points to trade and I like to get at least 3 to 4 trades a day. How about you? or anyone else, What is your target per trade?

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Niki : before the market opens, see my facebook wall the new one, daily, and i dont use EMA, i use my C and space, at : [https://www.facebook.com/photo.php?fbid=3653199067629&set=a.1353385853736.44012.1804134706&type=1&theater](http://www.linkedin.com/redirect?url=https%3A%2F%2Fwww%2Efacebook%2Ecom%2Fphoto%2Ephp%3Ffbid%3D3653199067629%26set%3Da%2E1353385853736%2E44012%2E1804134706%26type%3D1%26theater&urlhash=9A5C&_t=tracking_disc)   
Using the EMA just the application of my program, and i ever had demo in 2010, with all forums, maybe if there's a vantageFx knows me, because i used their meta, 2 H got back more, and i used in ichimoku 5 M, all pips touched and the chart followed the ichimoku with Y + axes, but at that time i havent finished yet my program, for how many that i trade, i can take more than 500 poitions all without minus, but in the live acc, i can not do that, because there's a limited about how many position, so that 's why i enjoy long term, one click all pips is touched

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • The powerfull of Ichimoku in 5 M. If someone can use and find how powerfull of ichimoku which is used in 5 M, only one day trading enough if trading in big acc, but in small must every time with seeing the agreement how many for clicking. Just for sharing, but cutted a little, it happened on Sept when a few hours before the closing market on this month...   
[https://www.facebook.com/photo.php?fbid=3260115200778&set=pb.1804134706.-2207520000.1358693412&type=3&theater](http://www.linkedin.com/redirect?url=https%3A%2F%2Fwww%2Efacebook%2Ecom%2Fphoto%2Ephp%3Ffbid%3D3260115200778%26set%3Dpb%2E1804134706%2E-2207520000%2E1358693412%26type%3D3%26theater&urlhash=e50V&_t=tracking_disc)

[**Nikitas Goumatianos**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=105147171) • Nick, I use discretionary trading by combining some technical indicators, geometric trading and reading some fundamental, political news from specific websites. Regarding chart time frames I usually involve 5 min, 20 min and daily (to see the general trend) and classical candlesticks (not volume bars). Additionally, I involve trailing stops of 20 pips (max loss = 200$ per trade). But lately (since last year) I trade on average one day per week just for living. The other days are devoted in development a custom project which will work in portfolio level by selecting instruments based on data mining pattern recognition system. The predictive accuracy of this system ( future price direction) varies between 60% and 95% depended on the type of pattern. This work will be presented (paper has been accepted) in a technical (data mining) conference (ICPRAM 2013), this Feb in Barcelona.

[**Guy R. Fleury**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=27230692) • @Lius, I've done some tests on the Ichimoku and I can say they were not impressive in any way. I had to finally remove all the routines that made the script Ichimoku in order to improve the results. In my book, the Ichimoku method does not even beat the Buy & Hold.  
  
Should you like to review a test based on an unmodified Ichimoku script, follow the link:  
  
[http://alphapowertrading.com/index.php/tests/ichimoku-tests](http://www.linkedin.com/redirect?url=http%3A%2F%2Falphapowertrading%2Ecom%2Findex%2Ephp%2Ftests%2Fichimoku-tests&urlhash=ekKZ&_t=tracking_disc)  
  
For a description of methods used to improve performance, which resulted in the Ichimoku script totally losing its identity, meaning that what ever made the original script a Ichimoku trading methodology, in the end, none of it was left. This demonstrated that the Ichimoku had very little to offer as a trading methodology.  
  
[http://alphapowertrading.com/index.php/tests/ichimoku-tests/improving-ichimoku](http://www.linkedin.com/redirect?url=http%3A%2F%2Falphapowertrading%2Ecom%2Findex%2Ephp%2Ftests%2Fichimoku-tests%2Fimproving-ichimoku&urlhash=kOjF&_t=tracking_disc)  
  
Regards

[**Nikitas Goumatianos**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=105147171) • Guy, I see that losers are almost double comparing to the winners. If you had placed the trades in random way you could have better results. Have you tried the opposite (consider a produced buy signal as a sell..)?

[**Guy R. Fleury**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=27230692) • @Nikitas, not in the Ichimoku test, but I did do that kind of test on a more promising script, meaning one that had real bad performance results. Even reversing the trading logic could not make it better. It needed real transformation in order to improve its performance.  
  
For the test narrative, follow the link:   
.   
[http://alphapowertrading.com/index.php/papers/129-script-transform](http://www.linkedin.com/redirect?url=http%3A%2F%2Falphapowertrading%2Ecom%2Findex%2Ephp%2Fpapers%2F129-script-transform&urlhash=wyZc&_t=tracking_disc)

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Guy : i like your article, you use the algebra system, talking about ichimoku, i made the chart followed the ichimoku. And you combine the Game Theory in Ichimoku , because i ever read the book in "S. Albeverio, W. Schachermayer, M. Talagrand: Lecture Notes in Mathematics 1816 - Lectures on Probability Theory and Statistics, Saint-Flour summer school 2000 (Pierre Bernard, editor), Springer Verlag, Heidelberg (2003), pp. 111-177", and talking about the pay off in Game from John Nash, and from me, i also use for only compare the leverage with the modal, so that i can see how the equity power, and i use the stable point with my system like the stability of Currencies from the Censor and my Space, and for my C and Space i combine Fuzzy Logic in that indicator in my Censor and Space, and glad to know, if you dare for it by being used in Ichimoku, Best Regard.

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Guy: by the way, nice for sharing the algebra system like that, i realize in math, iam focus in system, but not statistic,i prefer like Fuzzy System, so that the chart will follow the ichimoku, come and see my facebook, but honestly, there's no two axes like Y + and Y -, and i never follow with the system in any web in google, about ichimoku, because i saw, totally wrong, and from me ichimoku is combination EMA, with the distance on the sphere, indeed is hard for counting what the exactly point / number for filling the number in ichimoku, but if we can find, put my trust, ichimoku is very the best because can detect not only 5 M, but 1 M, and i ever did and always use that if only in demo, in live i can not, because the brokerages agreement, not more than A LOT for instance, so that i only long term, with the highest and lowest point and can be detected by using EMA, and for bollinger bands, the centre from 2 EMA, only give the name like stable point. Best Regard again Guy

[**Guy R. Fleury**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=27230692) • @Lius, you might also like the simulations done on Livermore Master Key script. Another script with an over-hyped reputation. At least this one retained part of its personality.  
  
The last two links below refer to an experiment that was performed live in the Alpha Power forum on Wealth-Lab in June 2011. They trace the short history of the Livermore Master Key script challenge. Simply search for the date: 6/1/11 in that forum for the starting point. [http://www.wealth-lab.com/Forum/Posts/Alpha-Power-28071](http://www.linkedin.com/redirect?url=http%3A%2F%2Fwww%2Ewealth-lab%2Ecom%2FForum%2FPosts%2FAlpha-Power-28071&urlhash=C8y6&_t=tracking_disc)  
  
You will find in my notes below the chronicled narrative of the experiment with some explanation as to how it developed and concluded. The purpose of the challenge was to show that anyone could improve about any trading strategy by looking at the problem from a different angle. In this case, as in others I've tested, the original script was modified to have a long term view of the market, and in doing so, traded short-mid-long term over a stock accumulation process.  
  
Most importantly, maybe, the analysis and evaluation of the trading methods used might provide anyone will added insight into how their own trading strategies could be improved. At least it is my hope.  
  
[http://alphapowertrading.com/index.php/papers/133-an-experiment](http://www.linkedin.com/redirect?url=http%3A%2F%2Falphapowertrading%2Ecom%2Findex%2Ephp%2Fpapers%2F133-an-experiment&urlhash=MVTZ&_t=tracking_disc)   
.   
[http://alphapowertrading.com/index.php/papers/134-an-experiment-ii](http://www.linkedin.com/redirect?url=http%3A%2F%2Falphapowertrading%2Ecom%2Findex%2Ephp%2Fpapers%2F134-an-experiment-ii&urlhash=EHRF&_t=tracking_disc)

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Guy : wow thank you very much indeed about that, and you use GAME THEORY so much in there, with the algebra system, but from your article in there, help me so much, not be used in Trading, but in "The Comparation Between The Trader who use short term and long term or use timeframe 1 H and 4 H, or meta 4 and meta 5, and who will be winning the game", and because of you too, i have that idea, specially from 2 friends of mine who are trading and from them, i can see 1, who max profit with having only 1 click just like scalping. and i saw you more than 20 years but, me, only 1-2 years and i got this censor and space in 1 year and i still keep till now the lowest / highest point EU in 2012, but i still do now, but not only EU, also EJ, Gold, Oil, Indices like Nasdaq and D.Jones, and also i like only single currency like USD only or Euro only, like in LiteForex MetaTrader, although i never want to trader in there, because Dealing Desk, but i love their meta only. Thank you Guy, Best Regard.....

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Guy : maybe if someday i can, i can share the wave with maple or matlab for EU Wave and Amplitude 2011, 2012, and i did before the market open, and for the real, i only say, check it the meta trader, any brokerage, with comparation with the spread, with maple or matlab, i only pic where the stable point went to, for example if EU went up at that time, with my maple or matlab, detect where the stable point went to, and how long ? in how long just comparation between number 1,2,3,4,.....,24, if almost 15 more it mean that EU will went back again and not sharply, where sharply happens with more than 100-250 pips in meta 4 or 1000 -2500 pips in meta 5, so why EU only small wave only if only 1<time<15, and if still in 24, it means that EU will stay long in stable point, so that's why we can see from meta, only went up in 50 pips, and came back again in 50 pips, and there's a almost in 1-2 days same like this small wave in EU, Best Regard....

[**Xavier Pardo Lavella**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=125295924) • Optimizing in past data is easy with the proper mathematical knowledge and tools. I would have rather seen an optimization for, let' say, the first 3 years of that period and a test on the next 3 years of that period. It would've been pretty more credible. I'd also loved to see some ratios, profit to loss and gain to loss are the best to sum up a trading system, as well as the maximum drawdown and the time under water.  
Other than that, i don't believe in systems trying to predict prices. That assumes every piece of info is shown in the price, which i don't believe to be true. I think systems should be made to react to price changes and abuse from that movements. Predictions work until you get the one big losing trade that blows the entire system up. IMHO it is better to have a system that reacts to movement whatever kind of movement it is, keeping loses under control.

[**Xavier Pardo Lavella**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=125295924) • Also, it is not that assets move more on meta 5 than in meta 4. it is only that you trade with a higher leverage,meaning that let's say, if a basic point in meta 4 is worth 10€, that same basic point in meta 5 will be worth 100€. And the higher the leverage, the higher the profits but also the higher the risk.

[**Nick Tocci**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=197599838) • @Xavier- Exactly. That is the way I feel as well. Everything I do is based on that one premise. I don't want to get caught in the one big trade that kills me. I do disagree about trading systems. But I have built mine with those exact thoughts in mind. It takes into account what is happening at the moment. What is going to give me the best chance to profit, and a way to exit with little or no risk. I won't go back more the 6 months and even than the way market traded 6 months ago to the way it is trading now is totally different. The only thing I will say is it is good to see how the systme reacts to different market conditions. If it will work in a very choppy tight market as well as even flowing open large range market.   
  
I believe have done that, and am trying to confirm that while looking to see if anyone else here has something that I may have missed. My approach is: maybe someone else can look at what I am doing with a different set of eyes and see something that is obvious to them that will make my system that much better that I am missing and maybe I can do that for someone else as well.   
  
To be honest I have already gained insight from being part of this group and others like it.

[**Jonathan Melendez**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=39440108) • Looks like no one is a fan of using a fundamental tool like Trendlines- Inner & Outer on 3 different time frames. This is rather basic for most, but it still is the best informative trend strength indicator. It will also allo you to plot entry and exit points when trading trend breaks and fakeouts. Good luck!

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Xavier Pardo Lavella • Optimizing in past data is easy with the proper mathematical knowledge and tools? from me, i dont use past data, for optimizing, what i do is what the data based on the up to date, and i dont mind you test me, and you can compare it, and maybe if you have a friend who is expert for seeing the pic / photo from my meta, you can ask it, how long the picture/photo is taken?   
About seeing some ratios, profit to loss and gain to loss are the best to sum up a trading system, as well as the maximum drawdown and the time under water, is just simple from me and from my opinion says that everybody can show you with the result, and all can do like that, and saying it's my live acc but in fact only demo, and from my opinion if we can see the chart-movement for the market price no matter trade in live acc or demo acc, but if we can not, expert in demo acc will be not the same in live acc, and because many factors will be happening in there, and almost 85%, demo acc will kill the skill or our skill in live acc, why? for instance, maybe i demo acc we can click or many clicks as we like, but in live acc can not, and the brokerage never give you like disturb your server, but in live acc the brokerage does.   
And for meta 4 and meta 5, you are right "the higher the profits but also the higher the risk", but it depends on the person characteristic, "Risk or not", but aside of that profit =risk same in meta 4 and meta 5 only if only with the comparation the distance between our money with the space (sorry i use the name of Space) not more than 30% for 1 month for instance in EU, if less than 30%, we can save although we was wrong for taking position for instance buy but in the fact is sell, but if more, just only 1, i have to follow the exam again tommorow, or loss all, and the diffenrent between less than 30% will be 1, how fast and how many profit we can take for a month ?Best Regard.

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Nick Tocci: i prefer say that Do not follow the trading system, why? because the system is not always CONSTANT, and but i prefer follow the lowest / highest point, for example if the lowest point is touched,and we must change our trade, to the highest point, only 1 click, and if we can do like that we never loss, although we only small profit, for instance we have 2, because the system never goes to minus more than 2 so the system will be like 2>2-1>2-2= 2>1>0, where 0 and 1 are the profit, which means that 0 means that we have no profit, and 1 is we only profit 1, but if still loss, you must check the brokerage system for instance check their server will be high or down after you have more than 2 for the profit or can profit 100% only with the short trading...Best Regard

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Jonathan Melendez : fundalmental tool comes from math tool, if only use without knowing the meaning, in live let's see how long the trader will survive with the interval time 1<day<30 with assuming never WD in one months, and for the trendline, is not trendline just simple, as long as lowest / highest point havent be touched will always trendline..Best Regard.

[**Guy R. Fleury**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=27230692) • @Xavier, in the description of the Livermore experiment, it is said that there were no price predictions being made, so it does not really matter if one believes in price prediction or not. The Livermore script is a trend-following system, therefore it only reacts to price movements.   
  
After having done the simulation test using the original Livermore script on the first data set, I modified the script using only one stock of the 128 that would eventually be tested. Once I was satisfied with the performance level on that single stock (meaning a debugged program doing what I wanted it to do), I proceeded with my response on the other 42 stocks in the data set. A one run show it all what ever the results. And that was what was reported as the challenge's response.   
  
It was not just an out of sample test, or using part of the data to train or fit the trading procedures, my modified script saw 42 stocks out of 43 as totally new data that it had not even seen. And to make the point very clear, I used 2 other data sets of 43 stocks each that my modified script had not seen either.   
  
The main purpose of the Livermore test is to show that anyone can take about any trading script, modify it to have a stock accumulation process over which short-mid-long term trading is encouraged and where the trading proceeds are fed back to the system to accumulate even more shares. Overall, a very simple concept: trade over a long term stock accumulation program. A slightly modified Buy & Hold.   
  
What these tests show, even in their rough state, is that there is something worth investigating further. The general idea presented can benefit anyone's trading strategy. It is up to you to adapt your own trading strategy to such a methodology. All I can say is: it can be done, and provided sufficient data to show that it is possible to reach much higher performance levels.

[**Vaibhav Shukla**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=1161817) • Like few who have said above, I try to trade the ranges with breakout from ranges to signal a trending market.

[**Xavier Pardo Lavella**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=125295924) • @Guy i didn't mean that thing about predictions on your experiment, I said that in response to other comments, should have pointed it out. Regarding the experiment itself, the testing methodology leaves me cold anyway. You do know what correlation index is, so if you optimize for the whole time period of the data set, even if it is only for one stock, is easy and results do not have any value. Having optimized one, you will get good results in almost every stock as all stocks have positive correlation. The higher the correlation is, the better the results are. With this i do not mean that it is not possible to optimize a system, all the way round, but what I say is that doing it the way you did is more impressive than useful. I bet you can take any number of data series from stocks, even from other markets around the world (USA; Europe; Japan...) and you will get very similar results. But please do test it in non correlated markets. Gold, Soft-commodities, south african stocks... whatever. And you will see your results, that can be good, I'm not saying that, are at least non-optimal. The way to go is backtesting and foretesting. If not, results are nothing else than a maximization of an equation system.   
@LIUS i understand little about what you are saying. the testing thing was not about your comment, should have pointed that. Also the ratios thing wasn't to your comment neither, and it is not related to real/demo account at all. They're a messure of how your system is performing. They can say you whether your system has few losing trades with medium-size profit trades or if it has, for instance, lots of small losing trades and few really huge winning trades. Both systems are good, but have to be used differently. About the meta4 and meta5 thing, i stand on what i said. Both platforms show exactly the same movement for assets, only that meta5 has "mini-pips". It's okay, but if you trade each "mini-pip" for the same value as you trade a "pip" in meta4, the only thing you are doing is increasing your leverage 10 times. So you can get exactly the same results in meta4 if you x10 your volume as in meta5.

[**Guy R. Fleury**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=27230692) • @Xavier, you say: <Having optimized one, you will get good results in almost every stock as all stocks have positive correlation.> Categorically no. Try it. Positive correlation is not sufficient by any count and not all stocks have positive correlations. You can't know if the selected testing stock is representative of a data set, yet alone of 3 data sets comprising 128 stocks. All you could say is that some stocks would have gone up with your selected testing stock while the others would have gone down. And on any particular day (1,500 trading days), you could not know which stocks would go up or down and by what amount.   
  
Then you say: <The higher the correlation is, the better the results are.> Not necessarily true. Each stock will have its own path, its own signature. There will be some correlation but none of it predictable, just as prices were not predictable. Well, at least, no price prediction was used or attempted. And if your statement was true, geez, I could design even more impressive trading systems.   
  
By the way, all 3 data sets had been chosen months earlier from stock symbols being viewed by others on those particular days. A quasi-random type of stock selection. Not the best selection method, but being a little lazy on the side, it was good enough for doing simulations. For me the advantage was that I could easily compare trading strategy performance over any particular data set, and then change data set to make sure of the strategy's relevance. Meaning that if I changed data set and the performance results were maintained, then the strategy reinforced its merits.   
  
My trading scripts are designed to trade stocks. They are not strategies designed to be universal in application. They are solely stock orientated. I do not regard all markets as being the same.

[**Paolo Zippari/Mondotradings**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=188504362) • Keep it simple and clean, i use simple moving average 20 at a daily chart, to mix a lot of indicators etc just confuses you.   
Paolo

[**Serge Mazodila Kiala**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=129691982) • Personally I have found the Bollinger band combined with RSI to be a good indicator when assessing soon-to-be corrections in market. I prefer the conviction of the two when deciding whether or not the position is not only warranted because it was “overdone” by the market, but also a matter of time before the crowd jumps in and profit-taking commences.

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Guy: here's my Ichimoku, in 5 Minutes on 2012, and i call my program MY CENSOR AND MY SPACE, and only in Euro Usd, maybe i can make all charts in the chart movement, my comment only, we already have the signal about sell position area in that time, and here's one of my collections about application my CENSOR AND SPACE IN ICHIMOKU, just i said before, the chart will follow the ichimoku, but i did not use algebra system.   
[http://mycensorandmyspaceforeu2012.weebly.com/my-censor-and-my-space-in-ichimoku.html](http://www.linkedin.com/redirect?url=http%3A%2F%2Fmycensorandmyspaceforeu2012%2Eweebly%2Ecom%2Fmy-censor-and-my-space-in-ichimoku%2Ehtml&urlhash=AIvJ&_t=tracking_disc)

[**LIUS CALL**](http://www.linkedin.com/groups?viewMemberFeed=&gid=1813979&memberID=196325260) • Sébastien Talukder : about MY CENSOR AND MY SPACE like my picture in linked in you can see in   
[http://mycensorandmyspaceforeu2012.weebly.com/on-the-end-of-november-2012-for-guessing-all-points-in-december-2012.html](http://www.linkedin.com/redirect?url=http%3A%2F%2Fmycensorandmyspaceforeu2012%2Eweebly%2Ecom%2Fon-the-end-of-november-2012-for-guessing-all-points-in-december-2012%2Ehtml&urlhash=B23P&_t=tracking_disc) 