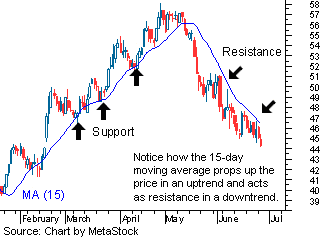
***Technical Indicators***

1. Accumulation/Distribution Line: attempt to gauge supply and demand by determining whether investors are “accumulating” (buying) or “distributing” (selling) by identifying divergences in stock price and volume flow over a period of time
   1. **Calculated by:**
      1. Money Flow Multiplier (MFM) = [(Close – Low) – (High – Close)] / (High – Low)
         1. This number should fluctuate between -1 and 1.
      2. Money Flow Volume (MFV) = MFM \* (Average Volume for Period)
      3. A/D = (Previous A/D) + MFV
   2. This is used to indicate if a stock is trending (the general direction that stock is going)
   3. It is used to find situations where the A/D line is heading in the opposite direction as the price. When this happens, the trader should confirm the reversal, look at other trusted indicators, and then make their decision.
2. Aroon Indicator: measures if a security is in a trend, the magnitude of that trend, and whether that trend is likely to reverse (or not)
   1. **Calculated by**:
      1. Aroon Up: ( (25 – Days Since 25 Day High) / 25 ) \* 100 Strength of an uptrend
      2. Aroon Down: ( (25 – Days Since 25 Day Low) / 25 ) \* 100 Strength of a downtrend
   2. It fluctuates between zero and 100, with zero indicating a weak trend and 100 indicating a strong trend
   3. This trend is the PRICE
3. Directional Movement Index: measures the strength and movement of an existing trend. It tells you when to be long, or when to be short
   1. **Calculated by:**
      1. UpMove = (Today’s High – Yesterday’s High)
      2. DownMove = (Yesterday’s Low – Today’s Low)
      3. +DM: If (UpMove > DownMove and UpMove > 0): +DM = UpMove; else: +DM = 0;
      4. -DM: If (DownMove > UpMove and DownMove > 0): -DM = DownMove; else -DM =0;
      5. TrueRange (TR) = max[ (high – low), abs(high – prevClose), abs(low - prevClose) ]
      6. AverageTrueRange (ATR) = (prevATR \* (n-1) + TR) / n, where n = the number of periods (usu 14)
         1. First ATR = (sum of previous ‘n’ TR) / n
      7. SmoothedMovingAverage (SMA): ( (n-1) \* prevSMA + price ) / n
      8. +DI = 100 \* (SMA(+DM) / ATR)
      9. -DI = 100 \* (SMA(-DM) / ATR)
      10. ADX = 100\* SMA( abs(+DI - -DI) / (+DI - -DI) )
   2. Is composed of three lines, the Average Directional Index (ADX), the Plus Direction Indicator (D+), and the Minus Direction Indicator (D-)
   3. When the PDI and MDI cross, that is potentially an indicator to go long/short. The investor should use other indicators to confirm the trend, as often these crossovers can be false positives.
4. Moving Average Convergence/Divergence (MACD): signals both the trend and momentum of a security
5. On-Balance Volume: measures the positive and negative flow of the volume of a security relative to its price over time. A rising OBV should indicate a rising price
6. Relative Strength Index: signals overbought and oversold conditions in a security.
   1. **Calculated by:** 100 – (100)/(1 – RS)
      1. RS = (Avg Gain of Up Periods) / (Avg loss of Down Periods) Example of gain/loss??
   2. Measures the speed and change of price movements
   3. This indicator ranges from 0 to 100, and typically has boundaries at 20 and 80, or 30 and 70. It is oversold when below 20/30 and overbought when above 70/80.
   4. Money Flow Index: also known as “Volume Weighted RSI”
      1. **Calculated by**:
         1. Typical Price = (Close + High + Low) / 3
         2. Raw Money Flow = Typical Price \* Volume
         3. Money Flow Ratio = (Positive Money Flow for Period) / (Negative Money Flow for Period) ***WTF ARE THESE??***
         4. Money Flow Index = 100 – 100/(1 + Money Flow Ratio)
7. Stochastic Oscillator:

**BOLD**: this bullet and its subs represent good investment strategies (or how to calculate something).

Overlap Studies

1. Bollinger Bands: Two lines, one plotted two standard deviations above the exponential moving average, the other plotted two standard deviations below the simple moving average.
   1. When stock prices continually touch the upper band, they are said to be overbought.
   2. When stock prices continually touch the lower band, they are said to be oversold.
   3. “The Squeeze”: when the bands come close together
      1. A squeeze signals a period of low volatility and indicates the potential for future volatility.
      2. Conversely, separated bands signal a period of high volatility, with the potential for a future lack of volatility.
   4. If the price bounces off the bottom band, and then crosses the center-moving-average line, our upper band is now the upper “price target” (the best possible outcome).
   5. **Any breakout above the top band or below the bottom band is a major event**
      1. 90% of price action occurs between the two bands.
      2. Buy when the price moves below the lower band; consider selling when the price rebounds to anywhere between the center moving-average line and the upper band.
2. Moving Average: MA, smooths out price action by filtering out the noise from random price fluctuations
   1. Because it is based on past prices, it lags slightly behind the current prices. The longer the period of the MA the more it lags behind current prices.
   2. Typically used to identify trend direction and determine support and resistance levels
   3. An ‘X-day Moving Average” deals only with the last X closing prices. If a day doesn’t have X previous days of data, we can’t have an ‘X-day Moving Average’ for that day.
   4. Shorter MAs are used for short-term trading, while longer MAs are used for long term trading.
      1. For example, a 200 day MA is typically used by long-term investors. When a price breaks above or below this average that is an important signal.
   5. A rising MA indicates an uptrend (price movement upwards), while a falling MA indicates a downtrend (price movement downwards).
   6. Upward momentum occurs when a short-term MA crosses above a long-term MA.
   7. Downward momentum occurs when a short-term MA crosses below a long-term MA.
   8. **The Exponential Moving Average and Simple Moving Average are the two most popular**
   9. Exponential: EMA, one of the most popular moving averages
      1. **Calculated by**:
         1. Multiplier: ( 2 / (#ofDays + 1) )
         2. EMA = prevEMA + Multiplier \* ( Close – prevEMA )
         3. EMA = (Weight \* Close) + ((1 – Weight) \* prevEMA) if we want manual weighting
      2. Each data point is not weighted the same, more weight is given to the most recent data. For example, a 10 day EMA applies an 18.18% weight to the most recent price.
      3. The larger the time period the less weight is given to more recent data points.
      4. Treats recent data as more relevant/important as opposed to more historical data.
      5. Essentially a “higher risk for higher reward” when compared to Simple Moving Average. It can potentially give traders signals earlier, but b/c of the weight distribution, it has a higher potential for false signals.
      6. Popular EMAs are 12 and 26 days for short term, and 50 or 200 days for long-term.
      7. **EMA is typically used in conjunction with Simple Moving Average**
      8. Double: DEMA, a calculation of single and double EMAs
         1. **Calculated by**: ( 2\*EMA(n) ) – ( EMA(EMA(n)) ) where ‘n’ is #ofDays
      9. Triple: TEMA, a calculation of single, double, and triple EMAs
         1. **Calculated by:** 3\*EMA(n) – 3\*EMA(EMA(n)) + EMA(EMA(EMA(n)))
         2. TEMA should not be used in a ranging market
         3. It is most easily used for trading purposes with trends sustained over long periods of time
         4. **Triple EMA is typically used in conjunction with MACD**
   10. Fractal Adaptive: Utilizes fractal geometry to generate our EMA Multiplier
       1. **Calculated by:**
          1. Complicated math for this one, come back to it later!
   11. Kaufman Adaptive: KAMA, closely follows prices when price swings are relatively small and noise is low, and adjusts when price swings widen. Basically just a tweaked version of EMA
       1. **Calculated by:** 
          1. Recommended #s: Why did Kaufman recommend these numbers?
             1. Periods for ER: 10
             2. Fastest EMA Constant: 2
             3. Slowest EMA Constant: 30
          2. Efficiency Ratio = Change / Volatility
             1. Change = abs(Close – close10PeriodsAgo)
             2. Volatility is the sum of the absolute value of the last ten price changes
          3. FastestSC = 2/(FastestEMA + 1)
          4. SlowestSC = 2/(SlowestEMA + 1)
          5. Smoothing Constant = [ER \* (FastestSC – SlowestSC) + SlowestSC]^2 = [ER \* (2/3 – 2/31) + 2/31]^2
          6. Current KAMA = ( Close – PrevKAMA ) \* SC + PrevKAMA
       2. Is basically an Exponential Moving Average with a more fine-tuned Multiplier.
   12. MESA Adaptive: adapts to price movement based on the rate of change of a phase as measured by the Hilbert Transform Discriminator.
       1. **To Calculate:**
          1. Input: FastLimit and SlowLimit
          2. Weight = (FastLimit / Phase Rate of Change)
       2. It is based off of the EMA, and relates the phase rate of change to the EMA weight.
       3. In MAMA, the weight is established as a set of two inputs: FastLimit (usually set at .5), and SlowLimit (usually set at .05).
       4. Complicated math for this one, come back to it later!
   13. Simple: SMA, the mean of our data points. One of the most popular moving averages
       1. **Calculated by:** take the mean of our last ‘n’ closes, where ‘n’ represents the time period for this moving average (5 if it is a 5-Day Moving Average, 200 if it is a 200-Day Moving Average)
       2. Each data point is weighted equally
       3. **SMA is typically used in conjunction with Exponential Moving Average**
       4. SMA has two main drawbacks:
          1. Price action (open or close price) isn’t enough to properly indicate buy/sell signals on a crossover.
          2. The timeframe often isn’t appropriate when compared to the influence data at certain times has.
   14. Triangular: a moving average of the Simple Moving Average
       1. **Calculated by:**
          1. Calculate SMAs
          2. TMA = (SMA1 + SMA2 + SMA3 + … + SMAN) / N where N is the size of our period
       2. Most often applied to the price of an asset.
   15. **The more a Moving Average is smoothed the less it can be used as a short term trading indicator, but the more resilient it is to short-term volatility.**
   16. Moving averages are typically used in conjunction with Support and Resistance lines
       1. Resistance: a price ceiling, typically located where the price of a stock has repeatedly gotten close but never gone above. Look for a series of high peaks at similar prices.
          1. If the market is trending upwards, use this resistance line.
          2. When a stock price nears (or crosses above) the resistance line, this is a potential indicator to sell that stock.
       2. Support: a price floor, typically located where the price of a stock has repeatedly gotten close but never gone below. Look for a series of low peaks at similar prices.
          1. If the market is trending downwards, use this support line.
          2. **Prices typically do not drop below the support line**, once the line has been established
          3. When a stock price nears (or crosses below) the support line, this is a potential indicator to buy that stock.
       3. The more peaks that have been used to identify resistance/support, the stronger the trend is considered
       4. Individual traders tend to feel safer when prices are at nice round numbers. This may lead to resistance/support lines at those nice round numbers.
       5. These lines don’t have to be horizontal. In a rising market, their slope may be positive. In a falling market, their slope may be negative.
       6. **Moving averages can be used as resistance/support lines!** (see right)
          1. When the moving average is above the price, and is skimming several peaks, it is a resistance line.
          2. When the moving average is below the price, and is skimming several peaks, it is a support line.
       7. Fibonacci Retracement: utilizes properties of the Fibonacci sequence to predict future support and resistance levels.
3. Midpoint over Period
4. Midpoint Price over Period
5. Parabolic SAR
6. Parabolic SAR (Extended)

Momentum Indicators

1. Average Directional Movement Index:
   1. ADX Rating:
2. Absolute Price Oscillator:
3. Aroon Indicator:
   1. Oscillator:
4. Balance of Power:
5. Commodity Channel Index:
6. Chande Momentum Oscillator:
7. Directional Movement Index:
8. Directional Indicator:
   1. Plus:
   2. Minus:
9. Directional Movement:
   1. Plus:
   2. Minus:
10. Moving Average Convergence/Divergence:
    1. With Controllable MA Type:
11. Money Flow Index:
12. Momentum:
13. Percentage Price Oscillator:
    1. Rate of Change: ( (price / prevPrice) - 1 ) \* 100
    2. Ratio: price/prevPrice
    3. Percentage: (price/prevPrice)/prevPrice
14. Relative Strength Index:
15. Stochastic:
    1. Fast:
    2. Relative Strength Index:
16. 1 Day Rate of Change of a Triple Smooth EMA:
17. Ultimate Oscillator:
18. Williams’ %R:

Volume Indicators

1. Chaikin A/D Line:
2. Chaikin A/D Oscillator:
3. On Balance Volume:

Cycle Indicators:

1. Hilbert Transform:
   1. Dominant Cycle Period:
   2. Dominant Cycle Phase:
   3. Phasor Components:
   4. SineWave:
   5. Trend vs Cycle Mode:

Price Transform

1. Average Price:
2. Median Price:
3. Typical Price:
4. Weighted Close Price:

Volatility Indicators

1. Average True Range:
   1. Normalized:
2. True Range:

Pattern Recognition

1. Two Crows:
2. Three Black Crows:
3. Three Inside Up/Down:
4. Three Line Strike:
5. Three Outside Up/Down:
6. Three Stars in the South:
7. Three Advancing White Soldiers:
8. Abandoned Baby:
9. Advance Block:
10. Belt-Hold:
11. Breakaway:
12. Closing Marubozu:
13. Concealing Baby Swallow:
14. CounterAttack:
15. Dark Cloud Cover:
16. Doji:
17. Doji Star:
18. Dragonfly Doji
19. Engulfing Pattern:
20. Evening Doji Star:
21. Evening Star:
22. Up/Down Gap Side-By-Side White Lines:
23. Gravestone Doji:
24. Hamer:
25. Hanging Man:
26. Harami Pattern:
27. Harami Cross Pattern:
28. High-Wave Candle:
29. Hikkake Pattern:
30. Modified Hikkake Pattern:
31. Homing Pidgeon:
32. Identical Three Crows:
33. In-Neck Pattern:
34. Inverted Hammer:
35. Kicking:
36. Ladder Bottom:
37. Long-Legged Doji:
38. Long Line Candle:
39. Marubozu:
40. Matching Low:
41. Mat Hold:
42. Morning Doji Star:
43. Morning Star:
44. On-Neck Pattern:
45. Piercing Pattern:
46. Rickshaw Man:
47. Rising/Falling Three Methods:
48. Separating Lines:
49. Shooting Star:
50. Short Line Candle:
51. Spinning Top:
52. Stalled Pattern:
53. Stick Sandwich:
54. Takuri:
55. Tasuki Gap:
56. Thrusting Pattern:
57. Tristar Pattern:
58. Unique 3 River:
59. Upside Gap Two Crows:
60. Upside/Downside Gap Three Methods:

Chart Types:

1. Candlestick: displays each of high, close, open, low for each point in a set of data
   1. Each vertical line shows the price range (high at top, low at bottom).
   2. In addition, each vertical line has a box, or “Real Body”, associated with it.
      1. If a stock closes lower than its opening price, the top of the Real Body is the opening price, and the bottom of the Real Body is the closing price. In this situation the Real Body will be filled with a solid color.
      2. If a stock closes higher than its opening price, the top of the Real Body is the closing price, and the bottom of the Real Body is the opening price. In this situation the Real Body will be hollow, with just an outline.
      3. Filled = selling pressure/price fall, Hollow = buying pressure/price rise. The longer the Real Body the stronger this pressure is.
      4. Marubozu: when there are no shadows, only a filled or hollow body.
         1. Filled: aka Black Marubozu, this forms when the open was the high and the close was the low. It indicates sellers controlled the price action throughout the time period.
         2. Hollow: aka White Marubozu, this forms when the open was the low and the close was the high. It indicates buyers controlled the price action throughout the time period.
      5. Shadows:
         1. Long Shadows: prices throughout the period extended greatly past the open/close.
         2. Short Shadows: most trading occurred near the open/close.
         3. One long shadow indicates a reversal.
      6. Spinning Top: a long upper shadow, a long lower shadow, and a small Real Body.
         1. These indicate indecision, there was lots of fluctuation but the stock still closed close to its open.
         2. A spinning top following a large advance/white candlestick or decline/black candlestick may indicate a reversal in the trend.
         3. Doji: any candlestick where the open and close price are extremely close together, resulting in the candlestick looking like a plus sign ( + ).
            1. The closer an opening and closing are in a Doji the more robust it is considered.
            2. Alone Doji are a neutral indicator. Any signals occur based on previous price action and future confirmation.
            3. Long White Candle + Doji: indicates the upward trend may be reversing, if there is a black candle after the Doji this is a reversal.

This pattern (LWC + D) is known as a Doji Evening Star

* + - * 1. Long Black Candle + Doji: indicates the downward trend may be reversing, if there is a white candle after the Doji this is a reversal.

This pattern (LBC + D) is known as a Doji Morning Star

* + - * 1. Long Legged Doji: small Real Body with long upper and lower shadows of approximately equal length. These indicate a lot of indecision in the market.
        2. Dragonfly Doji: When the open, close, and high are all equal, with a long lower shadow

Could indicate the end (and rally) of a falling trend, as the prices fell during the beginning of the period but rallied at the end.

Look for a Long White before this and a Long Black after to confirm the reversal.

* + - * 1. Gravestone Doji: When the open, close, and low are all equal, with a long upper shadow.

Could indicate the end of a rising trend (as this represents a peak). Prices rose during the beginning of the period but fell at the end.

Look for a Long black before this and a Long White after to confirm the reversal.

* + - * 1. **Doji require other indicators to confirm the trend**
  1. The portions of the vertical line above and below the Real Body are called the Upper and Lower shadows.

1. OHLC: displays each of “Open High Low Close” for each point in a set of data
   1. Similar to Candlestick, OHLC is a way of mapping several data points for a time period on one “line”.
   2. Each vertical line shows the price range (high at top, low at bottom).
   3. The left tick mark indicates the opening price, and the right tick mark indicates the closing price.