

Glossary - S [ChartSchool]

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S&P 100 Index (\$OEX)

The [S&P 100 Index \(\\$OEX\)](#)  is a market-capitalization weighted index consisting of 100 large blue chip stocks across various industries. Many fund managers use this index as a benchmark to measure the performance of large-cap stocks overall. The market capitalization of the companies in the S&P 100 varies considerably, but in general, large companies have a market cap greater than \$5 billion dollars.


S&P Large Cap 500 Index (\$SPX)

The Standard and Poors (S&P) [Large Cap 500 Index \(\\$SPX\)](#)  lists the 500 largest “large-cap” stocks (stocks from major companies in various industries). In 1999, companies in the Index ranged from \$500 million to \$400 billion in market capitalization.

S&P Mid Cap 400 Index (\$MID)

The Standard and Poors (S&P) [Mid Cap 400 Index \(\\$MID\)](#)  lists 400 mid-size companies in various industries. According to S & P, it is a market-value weighted index. In 1999, the companies listed in the S & P 400 ranged from around \$200 million to \$10 billion in market capitalization.

S&P Small Cap 600 Index (\$SML)

The Standard and Poors (S&P) [Small Cap 600 Index \(\\$SML\)](#)  lists 600 small-cap stocks, chosen for market size, liquidity, and to represent various industry groups. In 1999, the companies listed in the S & P 600 ranged from around \$40 million to \$2 billion in market capitalization.

Scan

A list of stocks, sorted and filtered according to criteria that vary with the scan. For example, Stockcharts.com currently publishes scans such as

Sector

A group of companies that generate revenue in similar ways, and tend to rise and fall with the economic cycle. Sectors are commonly broken down into smaller groups called

industries. The sectors tracked by the Standard and Poors Index are Basic Industries, Financials, Technology, Industrials, Energy, Consumer Staples, Consumer Services, Utilities, and Transport/Cyclicals.

Securities and Exchange Commission (SEC)

A federal agency created to regulate and monitor the securities industry. All U.S. companies with stock must abide by the SEC rules and regulations and are required to file quarterly status reports.

Sell Signal

A condition that indicates a good time to sell a stock. The exact circumstances of the signal will be determined by the indicator that an analyst is using. For example, it's often considered a sell signal when the RSI crosses down through the 50 level.

Selling Climax

See Reversal Spike.

Semi-Logarithmic (Percentage) Scaling

See Logarithmic Scaling.

Sentiment Indicators

Psychological indicators that attempt to measure the degree of bullishness or bearishness in a market. These are contrary indicators and are used in much the same fashion as overbought or oversold oscillators. Their greatest value is when they reach upper or lower extremes.

Shakeout

A situation where many scared investors exit their positions due to unfavorable news or uncertainty regarding the stock or industry. The dot-com bust was characterized by numerous shakeouts causing many to abandon their dot-com positions, often at great losses.

Shooting Star

A single day pattern that can appear in an uptrend. It opens higher, trades much higher, then closes near its open. It looks just like the Inverted Hammer except that it is bearish.



Short Selling

The process of selling a stock with the hope of buying it back at a lower price (sell high, buy low). Short sellers are bearish and believe the price will decline. Short selling involves

borrowing stock (usually from the broker) to sell short and using margin to finance the borrowing. If the price of the stock in question advances too far, the short seller will receive a margin call and be required to put up more money. A short squeeze occurs when the price advances so fast that short sellers are forced to cover their positions (buy the stock back), which drives prices even higher.

Signal Line

Also known as a “trigger line”, it is a moving average of another indicator that is used to generate simple buy and sell signals. Probably the most used signal line is the one that is built into the MACD Indicator display. The signal line is the exponential moving average of the MACD line. A buy signal is generated when the MACD line crosses above the signal line and a sell signal is generated when the MACD line crosses below the signal line.

Simple Moving Average

A moving average that gives equal weight to each day's price data.

Six-Month Cycle

A bullish cycle that extends from November to April and a bearish cycle that extends from May to October. Yale Hirsch, founder of the *Stock Trader's Almanac*, discovered the six-month cycle in 1986.

Size

The number of shares immediately available to buy (bid) or sell (ask). A bid of \$54 with a size of 500 would indicate an order to buy 500 shares at \$54. An ask of \$55 with a size of 1000 would indicate an order to sell 1000 shares at \$55.

Slope

The rise-over-run of an invisible line that is the “best fit” line through the previous n data points.

SPDR

Referred to as “spider”, it stands for Standard & Poor's Depositary Receipt. SPDRs have three letter symbols (e.g. SPY) and trade just like stocks on the AMEX. They offer a convenient means to buy and sell the S&P 500, S&P 400 and select S&P sectors.

Spinning Top

Candlestick lines that have small bodies with upper and lower shadows that exceed the length of the body. Spinning tops signal indecision.

Split

The division of a stock into multiple shares. In a 2-for-1 split, the stockholder's shares will double in quantity, though the value of each stock will be halved. A stock split is usually an attempt to make high stock prices seem more attractive to investors and generally occurs in the face of new highs.

Spread

The difference between the bid and the ask. Generally speaking, more liquid (heavy volume) stocks usually have smaller bid/ask spreads. Less liquid stocks (light volume) usually have larger spreads. See related: [bid](#), [ask](#) and [size](#).

Spring

A situation that occurs when prices break below [support](#), but soon reverse course and move back above support. Prices are said to “spring” back from their support break and indicate that the bulls are still alive. A spring can also be referred to as a failed (bearish) signal and is considered bullish. Generally, the reversal should occur within 1-3 days of the support break for the failed signal to be considered valid. This is the opposite of an [upthrust](#).

Standard Deviation (Volatility)

A statistical term that provides a good indication of [volatility](#). It measures how widely values (closing prices for instance) are dispersed from the average. The larger the difference between the closing prices and the average price, the higher the standard deviation will be and the higher the volatility. The closer the closing prices are to the average price, the lower the standard deviation and the lower the volatility. See ChartSchool article on [Standard Deviation \(Volatility\)](#).

Stochastic Oscillator

A momentum indicator developed by George Lane that measures the price of a security relative to the high/low range over a set period of time. The indicator oscillates between 0 and 100, with readings below 20 considered oversold and readings above 80 considered overbought. A 14-period Stochastic Oscillator reading of 30 would indicate that the current price was 30% above the lowest low of the last 14 days and 70% below the highest high. The Stochastic Oscillator can be used like any other oscillator by looking for overbought/oversold readings, positive/negative divergences, and centerline crossovers. See ChartSchool article on [Stochastic Oscillator](#).

StochRSI

An oscillator used to identify overbought and oversold readings in [RSI](#). Because RSI can go for extended periods without becoming overbought (above 70) or oversold (below 30), StochRSI provides an alternative means to identify these extremities. StochRSI is found by applying the Stochastics formula to RSI readings – hence its name. As an indicator of RSI, it measures the value of RSI relative to its high/low range over a set number of periods. When RSI records a new low for the set period, StochRSI will be at 0. When RSI records a new high for the set period, StochRSI will be at 100. See ChartSchool article on [StochRSI](#).

Stocks Above Their 200-day Moving Average

A market breadth indicator that represents the number of stocks in a given group that have closing prices that are currently above their 200-day simple moving average. Common techniques for using this indicator include locating overbought/oversold levels and finding positive or negative divergences between this indicator and the underlying group's composite index.

Stocks Above Their 50-day Moving Average

A market breadth indicator that represents the number of stocks in a given group that have closing prices that are currently above their 50-day simple moving average. Common techniques for using this indicator include locating overbought/oversold levels and finding positive or negative divergences between this indicator and the underlying group's composite index.

Stop Loss Order

An instruction to the broker to buy or sell stock when it trades beyond a specified price. They serve to either protect your profits or limit your losses.

Stop-And-Reversal Indicator

See [Parabolic SAR](#).

Summation Index

A cumulative sum of all daily [McClellan oscillator](#) readings that provides longer range analysis of market breadth.

Support

A price level at which there is sufficient demand for a stock to cause a halt in a downward trend and turn the trend up. Support levels indicate the price at which most investors feel that prices will move higher. See ChartSchool article on [Support and Resistance](#).

Swing Charting

A concept based on the use of a filter. Once prices have moved by the distance specified by this filter, a new line is drawn next to the previous one. In a nutshell, it is a chart that shows up and down price movement of a minimum size regardless of the time it takes. See our ChartSchool article on [Swing Charting](#).

Symmetrical Triangle

A sideways chart pattern between two converging trend lines in which the upper trend line is declining and the lower trend line is rising. This pattern represents an even balance between buyers and sellers, although the prior trend is usually resumed. The breakout through either trend line signals the direction of the price trend. See ChartSchool article on [Symmetrical Triangle \(Continuation\)](#).