

Glossary - W [ChartSchool]

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Washout Day

A selling climax or high volume decline that “washes out” all the sellers and paves the way for buyers to take over. This may also take the form of a high volume hammer after an extended decline.

Wedge

A reversal chart pattern characterized by two converging trendlines that connect at an apex. The wedge is slanted either downwards or upwards demonstrating bullish or bearish behavior respectively. See ChartSchool articles on [Falling Wedge \(Reversal\)](#) and [Rising Wedge \(Reversal\)](#).

Weekly Reversal

An upside weekly reversal is present when prices open lower on Monday and then on Friday, close above the previous week's close. A downside weekly reversal opens the week higher but closes down by Friday.

Weighted Average

A moving average that uses a selected time span, but gives greater weight to the more recent price data. **Weighted Close** A weighted average of the high, low and close that places more weight on the closing value by counting it twice.

Whipsaw

A whipsaw occurs when a buy or sell signal is reversed in a short time. Volatile markets and sensitive indicators can cause whipsaws. For example, a whipsaw would occur if a position trader initiates a long position on a bullish MACD crossover and has to close it the next day because of a bearish moving average crossover. The signal was reversed and the trader had to exit quickly.

Wilder, Welles

Developer of the RSI indicator and the Directional Movement Indicator (DMI).

Williams %R

Developed by Larry Williams, Williams %R is a momentum indicator much like the [Stochastic Oscillator](#) and is especially popular for measuring overbought and oversold levels. The scale ranges from 0 to -100 with readings from 0 to -20 considered overbought, and readings from -80 to -100 considered oversold. Typically, Williams %R is calculated using 14 periods and can be used on intraday, daily, weekly or monthly data. See ChartSchool article on [Williams %R](#).

Wilshire 5000 Total Market Index (\$WLSH)

Perhaps the broadest barometer of US stocks is the [Wilshire 5000 Total Market Index \(\\$WLSH\)](#) . This index is made up of over 6500 companies from the NYSE, Amex, and Nasdaq. The total market value of the index exceeded \$14 trillion at the end of 2000. The index is weighted according to market capitalization and consists only of companies headquartered in the US. Whereas the NYSE, Amex, and Nasdaq composite indices include preferred shares, ADRs, and foreign issues, the Wilshire 5000 is a pure domestic index of common stocks.