

DecisionPoint Intermediate-Term Breadth Momentum Oscillator (ITBM)

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Introduction

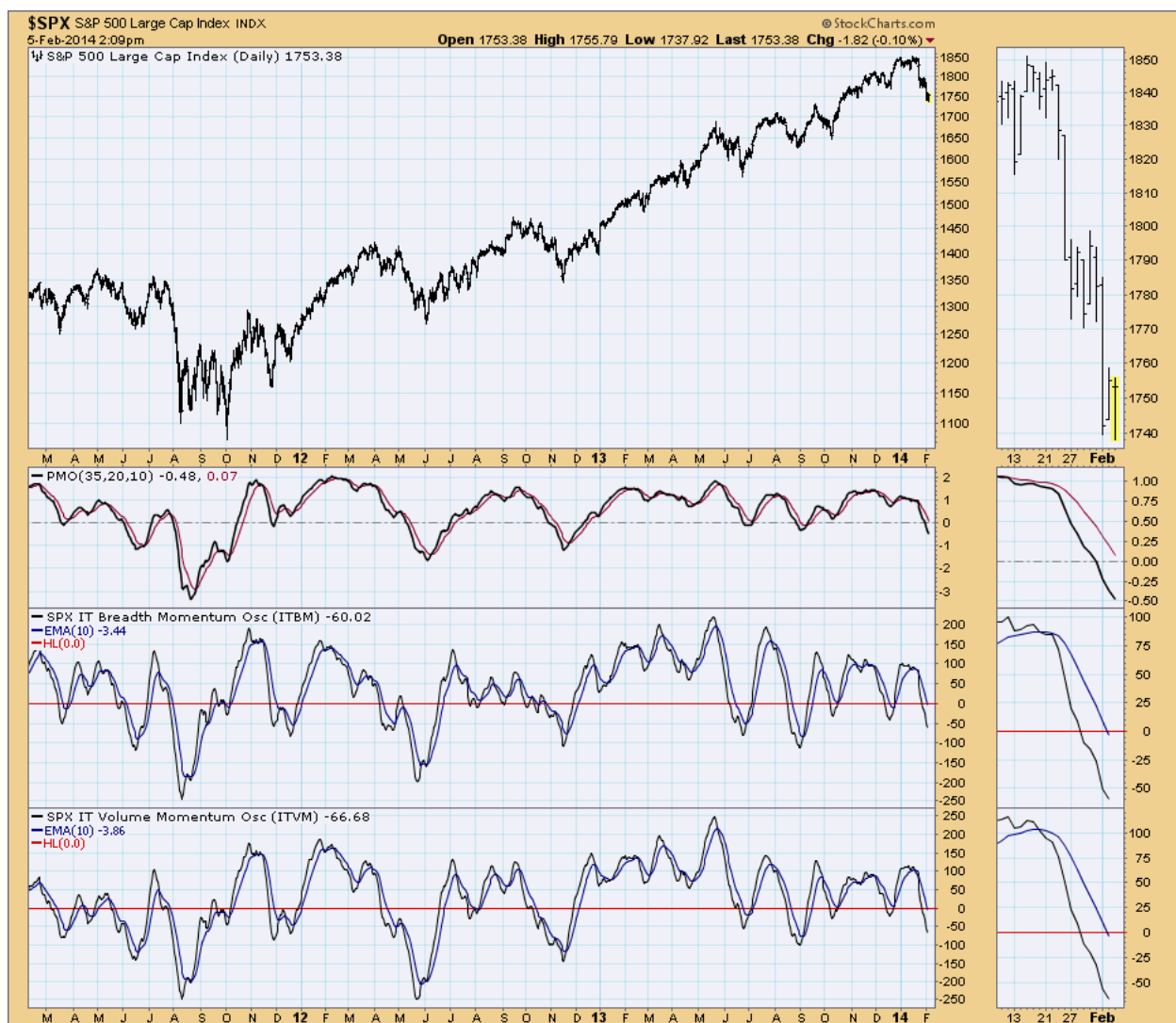
The Intermediate-Term Breadth Momentum Oscillator (ITBM) was developed to add a new perspective to the interpretation of the [McClellan Oscillator](#). The Ratio-Adjusted version of the McClellan Oscillator is used for calculating this indicator.

Calculation

To calculate the ITBM, add the daily McClellan Oscillator (Ratio-Adjusted) to the daily 10% exponential average (Ratio-Adjusted), then calculate a 20-day [EMA](#) of the result.

Interpretation

The ITBM is a barometer of breadth. The absolute value indicates how overbought/oversold the market is. Direction is most important because it indicates whether the market is getting stronger (rising) or weaker (falling). The best condition is for the ITBM to be rising above its 10-EMA, and the worst is falling below its 10-EMA. It is extremely negative if the ITBM tops below its 10-EMA and below the zero line.



ITBM on StockCharts.com

The ITBM is a market indicator and thus is available on StockCharts.com as a collection of indexes - i.e., ticker symbols that start with an "I" character. To see those indexes, you can search the "Symbol Catalog" for the phrase "ITBM" (or just [click here](#)).

The ITBM is also featured in the DecisionPoint Market Analysis Chart Gallery tool. [Click here](#) to see that tool.

Conclusion

The ITBM is an intermediate-term indicator that gives a different perspective of breadth than the shorter-term McClellan Oscillator. It can be used as a notification when negative McClellan Oscillator readings should be taken seriously.