GUIDE TO INDICATORS & OSCILLATORS

10+ METHODS TO IDENTIFY WINNING TRADES

30+ EXAMPLES

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INDICATORS & OSCILLATORS

INDICATORS

Statistical tests are conducted on price and volume data of assets based on which certain values are obtained. These values are called indicators because they indicate the price characteristics of the asset. These indicators are free-flowing and can take any value based on the statistical test. There are various indicators and a particular value for each type of indicator can mean a potential buy or a sell signal.

OSCILLATORS

Similar to indicators, oscillators are also statistical tests and certain values are obtained based on the price behaviour of the stock. These values send potential buy or sell signal. The major difference between an oscillator and indicator is that the latter can move freely and take any value, whereas oscillators move within a fixed range and go high and low within the same range.

PENDULUM OSCILLATION

Indicators and oscillators break down the price and volume data, conduct mathematical operations on them, and give us a value. We can also see the past behavior of that value. Comparing the current values and the past values, we can understand whether bears have a grip over the market or the bulls and hence derive entry and exit decisions.

Conducting mathematical or statistical operations can get very overwhelming and scary. Well, the good news is that we will not be conducting any of these operations on our own, but will deal with them in the form of charts using TradingView and ChartInk. We focus on understanding how to read them and take decisions based on the trends formed. However, it is strongly suggested that going down the line, one puts in the effort to understand the math and calculation behind the indicators that they use the most.

Also,

We will focus on common indicators and oscillators. We cannot blindly rely on any one indicator or oscillator. We will combine multiple of these, along with candlesticks, moving averages and so on to create a complete enter and exit strategy.

So, let us now get started with understanding the different types of Indicators and Oscillators and how these can be used to get Buy and Sell signals. So, let us get started.