

# ADX- Avg. Directional Index with DMI

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6:20 AM

- DMI : Directional movement index (DMI) is made of "+DI", "-DI" & ADX.
  - Where "+DI" & "-DI" are directional indicators
  - ADX is a strength indicator which shows strength in given trend.
  - **When ADX crosses 45-50+ levels, it is said to be unsustainable level**
    - Means price would not be at stabilizable level.



- Components:
  - +DI: The blue line
    - Who is in power & which direction the trend is
  - -DI: Yellow line
    - Who is in power & which direction the trend is
  - ADX: Red line
- +DI & -DI
  - When +DI above the -DI:
    - Blue line cross the yellow line in upward direction
      - Means Bulls are in power and price most likely to go up.
  - When -DI above the +DI:
    - Yellow line cross the blue line in upward direction
      - Means Bears are in power and price most likely to go down.
  - When +DI & -DI are close to each other
    - Some sort of sideways going on
- ADX
  - When ADX goes up:
    - Means strength is increasing.
  - When ADX goes down:
    - Means strength is decreasing
- Note:
  - While plotting don't need to change the values in graph.