



Elder's Market Thermometer [LazyBear]

LazyBear [@LazBear](#) Eki 9, 2014



Market temperature, introduced by Dr. Alexander Elder, helps differentiate between sleepy, quiet and hot market periods.

Following is Mr. Elder's explanation on how to use this indicator (from his book "Come In to my Trading Room"):

"When markets are quiet, the adjacent bars tend to overlap. The consensus of value is well established, and the crowd does little buying or selling outside of yesterday's range. When highs and lows exceed their previous day's values, they do so only by small margins. Market Thermometer falls and its EMA slants down, indicating a sleepy market. When a market begins to run, either up or down, its daily bars start pushing outside of the previous ranges. The histogram of Market Thermometer grows taller and crosses above its EMA, which soon turns up, confirming the new trend."

"Market Thermometer gives four trading signals, based on the relationship between its histogram and its moving average:

- 1) The best time to enter new positions is when Market Thermometer falls below its moving average. When Market Thermometer falls below its EMA, it indicates that the market is quiet. If your system flashes an entry signal, try to enter when the market is cooler than usual. When Market Thermometer rises above its moving average, it warns that the market is hot and slippage more likely.
- 2) Exit positions when Market Thermometer rises to triple the height of its moving average. A spike of Market Thermometer indicates a runaway move. When the crowd feels jarred by a sudden piece of news and surges, it is a good time to take profits. Panics tend to be short-lived, offering a brief opportunity to cash in. If the EMA of Market Thermometer stands at 5 cents, but the Thermometer itself shoots up to 15 cents, take profits. Test these values for the market you are trading.
- 3) Get ready for an explosive move if the Thermometer stays below its moving average for five to seven trading days. Quiet markets put amateurs to sleep. They become careless and stop watching prices. Volatility and volume fall, and professionals get a chance to run away with the market. Explosive moves often erupt from periods of inactivity.
- 4) Market Thermometer can help you set a profit target for the next trading day. If you are a short-term trader and are long, add the value of today's Thermometer EMA to yesterday's high and place a sell order there. If you are short, subtract the value of the Thermometer's EMA from yesterday's low and place an order to cover at that level."

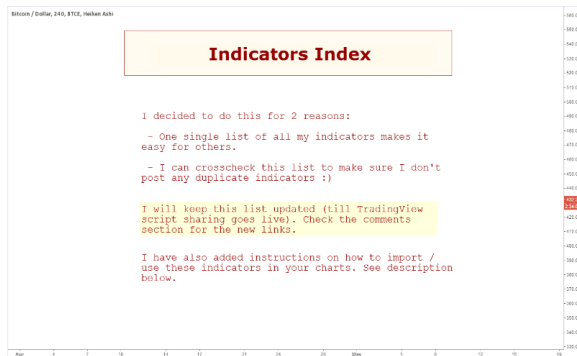
You can configure the "Explosive Move threshold" (default: 3), "Idle Market Threshold" (default: 7) and "Thermometer EMA length" (default: 22) via Options page.

More Info:

"Come In to my Trading Room - A complete Guide to Trading" by Dr. Alexander Elder. (Page 162)

List of my other indicators:

- Chart:



- GDoc: <https://docs.google.com/document/d/15AGC...>

List of my free indicators: <http://bit.ly/1LQaPK8>

List of my indicators at Appstore: <http://blog.tradingview.com/?p=970>

[Twitter](#) [Website](#)

Açık kaynak kodlu komut dosyası

Gerçek TradingView ruhuyla, bu betiğin yazarı, yatırımcının anlayabilmesi ve doğrulayabilmesi için onu açık kaynak olarak yayınladı. Yazarın eline sağlığı! Bunu ücretsiz olarak kullanabilirsiniz, ancak bu kodun bir yayında yeniden kullanımı [Kullanım Koşulları](#) ile yetersizdir. Bir grafikte kullanmak için favorilere ekleyebilirsiniz.

Feragatname

Bilgiler ve yayınlar, TradingView tarafından sağlanan veya onaylanan finansal, yatırım, işlem veya diğer türden tavsiye veya tavsiyeler anlamına gelmez ve teşkil etmez. [Kullanım Şartları](#)nda daha fazlasını okuyun.

Bu kodu dosyasını bir grafikte kullanmak ister misiniz? [?](#)

★ Favori göstergelere ekle

```
1 //
2 // @author LazyBear
3 // List of all my indicators:
4 // https://docs.google.com/document/d/15AGCuf37BCIUwvF39N-1Kns88gkMOKBCvByMEvW5HLo/edit?usp=sharing
5 //
6 study("Elder Market Thermometer [LazyBear]", shorttitle="EMT_LB")
7 lengthMA=Input(22, "EMA Length")
8 explosiveMktThreshold=Input(5, title="Explosive Market Threshold")
9 idleMarketThreshold=Input(7, title="Idle Market Threshold")
10
11 emt = iff (high>high[1] and low>low[1], 0,
12 | iff ((high - high[1]) > (low[1] - low), abs(high - high[1]), abs(low[1] - low)))
13
14 aemt = ema(emt, lengthMA)
15 qc=aemt>emt?nz(qc[1])+1:0
16 cent = (emt < aemt) ? qc>idleMarketThreshold?green:blue :
17 | ((emt > aemt) and (emt < aemt*explosiveMktThreshold)) ? orange : red
18
19 plot(emt, color=cent, style=crosses, linewidth=2, title="Market Thermometer")
20 plot(aemt, color=#FF0000, title="EMA of Market Thermometer")
21
```

Yorumlar



Yararlı veya teşvik edici bir yorum bırakın. Piyasalara birlikte hakim olalım

[Alkışlarla yorum](#)

[Yorum Paylaş](#)

AkinwandeAkinloluwa · Oca 21, 2018 [🗨](#) [👍](#)
Hi, this does not seem to work for mt5
+3 [▲](#) [Cevap Gönder](#)

ChrisMoody **WIZARD** · Eki 10, 2014 [🗨](#) [👍](#)
Nice work as Always....SKILLZ
+2 [▲](#) [Cevap Gönder](#)

LazyBear **WIZARD** · Eki 10, 2014 [🗨](#) [👍](#)
Thanks Chris :)
+1 [▲](#) [Cevap Gönder](#)

ChrisMoody **WIZARD** · Eki 10, 2014 [🗨](#) [👍](#)
In NO way saying anything about your indicator...And we all know we get tons of requests to code certain indicators. If you start from the bottom left and go over the first 3 red bars...then go back to the Left to that Huge Wick/Doji... To me that is significant...therefore a total range of move is significant. But since there are thousands of scripts...I'm sure there is one for that scenario...

Actually thanks...My next Code....Large Range Bars that end up closing near there open...or up in that case...Thanks LB...I was running out of ideas...

Your always there for me...
+1 [▲](#) [Cevap Gönder](#)

LazyBear **WIZARD** · Eki 10, 2014 [🗨](#) [👍](#)
** Passing on ur feedback to Dr.Elder **
:)
+1 [▲](#) [Cevap Gönder](#)

LazyBear **WIZARD** · Eki 10, 2014 [🗨](#) [👍](#)
@Chris
I was thinking about your idea, tried couple of small protos. You are correct, this is a very interesting idea, has lot of potential..nice work !!
Looking forward to your release of this indicator...
+1 [▲](#) [Cevap Gönder](#)

ChrisMoody **WIZARD** · Eki 12, 2014 [🗨](#) [👍](#)
I'm travelling next several days so it's yours if you want it...I have a similar one I will release with Strategy. No question this shows accumulation of big money. Same works for the reverse..
Hint...factor in a defined downtrend. For example look at the 5th to the last bar on the right of the chart...Prolonged downtrend...Long wick with buying coming in...I didn't go back to see how long the downtrend was.
[▲](#) [Cevap Gönder](#)

IvanLabrie **PREMIUM** · Eki 12, 2014 [🗨](#) [👍](#)
I believe Tim West's indicator package has something like this, but not exactly sure how it works. Aren't these Wyckoffian upthrusts/reverse upthrust Chris?
[▲](#) [Cevap Gönder](#)

violine999 **PREMIUM** · Eki 20, 2021 · IOS için TradingView [🗨](#) [👍](#)
Great work. Thank you Lazy Bear.
[▲](#) [Cevap Gönder](#)

DEB55 **PRO** · Ağu 25, 2021 [🗨](#) [👍](#)
Hi I was wanting to know if this is the indicator that is for the impulse system thas in the book.The new trading for a living.Thanks David
[▲](#) [Cevap Gönder](#)

PathToProfits · Tem 9, 2016 [🗨](#) [👍](#)
Hey LB, great indicator!

I was wondering about the inputs, if instead of trading with the daily charts, I usually use: M5,M15 or H1.
Would you suggest the current settings as is, or make the inputs less than they are now?

Thanks a ton!
[▲](#) [Cevap Gönder](#)

kakola · Eki 10, 2014 [🗨](#) [👍](#)
What exactly is the iff within the iff of the "emt" evaluating to? I only see 2 arguments in there when I thought that it requires 3.
[▲](#) [Cevap Gönder](#)

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It is equiv to the following pseudo code:

```
if ((h < h1) and (l > l1)){  
    emt = 0  
} else {  
    if ((h-h1) > (l1-l)) { emt = abs(h-h1) }  
    else { emt = abs(l1 - l) }  
}
```

Makes sense?

+2 ▲ [Cevap Gönder](#)

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· Eki 10, 2014



TV keeps stripping my less_than and greater_than operators. I hope you got the gist, though. :)

+3 ▲ [Cevap Gönder](#)