

A Brief Summary

Of all the technical analysis tools available to a trader, moving average lines are the simplest and powerful tools. The signal indicates about definitive upward turn in a market or decisive downward turn in a market. Either crossover is considered more significant when accompanied by high trading volume. Once the crossover occurs, the long-term moving average is considered a major support level (in the case of the golden cross) or resistance level (in the instance of the death cross) for the market from that point forward. Either cross may occur as a signal of a trend change, but they more frequently occur as a strong confirmation of a change in trend that has already taken place. The support level is the price that a stock does not go below, the resistance level is the price point at which a stock has trouble growing past.

Based on this basic technical analysis we found the signals of buy, sell and hold which may increase the profit while trading. Below picture shows golden cross and Death cross.

