

Indicator

Indicator

- To find the right time to enter
- Set at default setting in mathematic form in mathematic formula

Parabolic SAR

- Indicator that can help us determine where a trend might be ending is the Parabolic SAR (Stop And Reversal)
- Parabolic SAR places dots, o points, on a chart that indicate potential reversals in price movement



How to Trade Using Parabolic SAR

- When the first dots are below the candles, it is a buy signal
- When the first dots are above the candles, it is a sell signal



Stochastic

- Stochastic is another indicator that helps us determine where a trend might be ending
- Stochastic is an oscillator that measures overbought and oversold conditions in the market

How to Trade Using the Stochastic

- Stochastic tells us when the market is overbought or oversold. The Stochastic is scaled from 0 to 100
- When the Stochastic lines are above 80 (the red dotted line in the chart above), then it means the market is overbought
- When the Stochastic lines are below 20 (the blue dotted line), then it means that the market is oversold



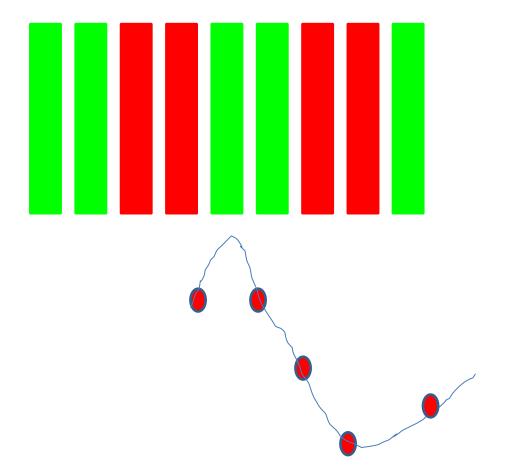
Moving average

- Moving averages smooth the price data to form a trend following indicator. They do not predict price direction, but rather define the current direction with a lag.
- Closing price
- The trend

More active, closer to candlestick



• Moving average – 5 periods



An example

- Moving average (5) is the most active line, if this line cross up to moving average (20)
 - There is a signal of uptrend market
- Moving average (5) is the most active line, if this line cross down to moving average (20)
 - There is a signal of downtrend market



