This week’s Chart Analysis section will look back and evaluate the effectiveness of MacD Histogram as a good technical signal. Identifying a stock in a long-term uptrend and then waiting for MACD Histogram turning up gives early signals of stock resuming the uptrend as shown in Midas.

Chart Analysis

This week we are focusing on a very powerful trend indicator known as the MacD Histogram. This indicator is able to forecast the turn of a new trend. XPertTrader subscribers can download this rule from the XPertTrader Library.

Here we are screening for stocks that are in an uptrend or range bound. Then, our rule will return us a list of stocks whose MacD Lines are above Zero and that the MacD Histogram is ready to turn.

Parameters for MacD in Specified Range:
- Short Period = 12
- Long Period = 26
- Signal Period = 9
- m = 1

Parameters for MacD Histogram Cycle:
- Short Period = 12
- Long Period = 26
- Signal Period = 9
- r = 4
- g = 1

Additional Configurations:
- Market Trend: Uptrend Preset Long-term
- Range-bound Preset Long-term


Disclaimer
All information provided in this newsletter is for educational purposes only and shall not be construed as an advisory service or market prediction. Please check with your authorised financial advisor for any financial advice.

TA Bites

MacD Histogram

MacD is a powerful indicator that is widely used by traders and investors around the world. This indicator gives a number of trading (buy/sell) signals based on the following:
- MACD crossover with centerline
- MACD crossover with signal line
- Positive/negative divergences
- MACD Histogram turning

In this newsletter, we will focus on MACD Histogram which consists of a series of bars. The height of each bar represents the difference between the MACD line and the signal line. Using ChartNexus default colors, a green bar indicates that the distance between MACD line and signal line is increasing while a red bar indicates that the distance is decreasing.

Hence a green bar after a series of red bars is a bullish signal and may indicate a change in turnaround in short-term trend while a red bar after a series of green bars is a bearish signal.

Events

“Cracking the Stock Market Code”

This one full day course is our 4th intake of our technical analysis course that will arm you with sound technical analysis achieved through lots of chart practices and with a 4-step trading strategy checklist.

Learn Vol Analysis, Trends, Candlesticks, RSI and MacD in this practical course. Lunch buffet is included.

http://www.chartnexus.com/events