

6. OSCILLATORS FUNCTIONALITY

Oscillators are defined as all forms of mathematical analysis that are displayed on below the price action in a separate window.

6.1 HOW TO ADD & DELETE AN OSCILLATOR

Apply an Oscillator:

To apply an Oscillator follow the steps below:

Go to **Oscillator** Tab

Click where it shows RSI Cutler, this will generate a drop down list (See screenshot to the right)

Select the **+** Icon, the Study will apply to the chart and the context on the right hand side will change.

The chart will decrease and the oscillator will be placed beneath the chart.

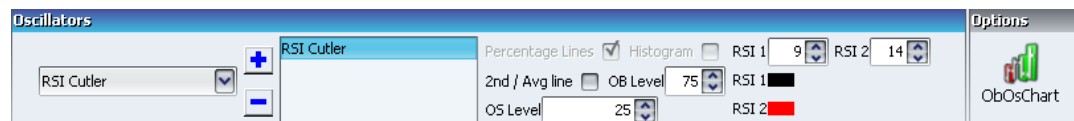
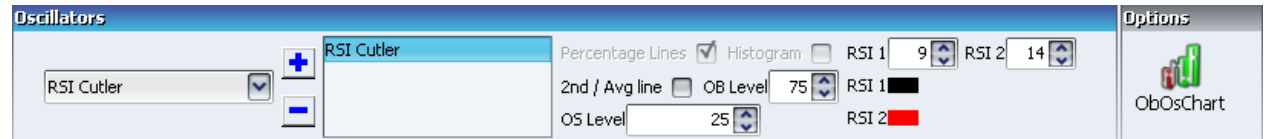
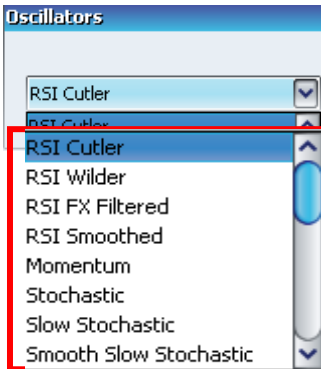
The oscillator can be maximized and minimized by dragging and dropping from the lines around the outside of the oscillator as indicated on the screenshot to the right.

Delete an Oscillator:

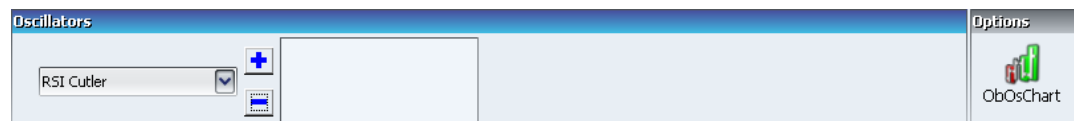
To remove an Oscillator follow the steps below:

Go to **Oscillators** Tab

Select the **-** Icon, the *Oscillator* will remove from the chart and the context on the right hand side of the **Oscillator** Section will be removed as well. (See screenshot below)



Oscillator Applied



Oscillator Removed

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6.2 TYPES OF OSCILLATORS

Oscillators are defined as all forms of mathematical analysis that are displayed on below the price action in a separate window.

RSI Cutler: The RSI helps to measure the strength of the markets recent up moves compared to the strength of its recent down moves. It helps to indicate whether the market has seen more buying or selling pressure over the trading period.

By default the OB & OS Level are set to 75 and 25 and RSI 1 Colour is set to black and RSI 2 is set to red 2nd Average Line is un-ticked



RSI Wilder: compares upward movements in closing price to downward movements over a selected period

By default the parameters RSI 1 & 2 are set to 19 & 14. OB & OS Level is set to 75 and 25 and RSI 1 Colour is set to black and RSI 2 is set to red 2nd Average Line is un-ticked.

RSI FX Filtered: The FX Filtered RSI is a Tradermade proprietary RSI, which takes into account the absolute value of the instrument being analyzed

By default the parameters RSI 1 & 2 are set to 19 & 14. OB & OS Level are set to 75 and 25 and RSI 1 Colour is set to black and RSI 2 is set to red 2nd Average Line is un-ticked.



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RSI Smoothed: After having calculated the first RSI value, use an exponentially weighted average to calculate the future values of UP and DOWN

By default the parameters RSI 1 & 2 are set to 19 & 14. OB& OS Level is set to 75 and 25 and RSI 1 Colour is set to black and RSI 2 is set to red 2nd Average Line is un-ticked and Smooth Factor is set to 0.

Momentum: The momentum measures acceleration/deceleration and overbought/oversold situations

By default the parameter for MOM 1 and MOM 2 are set to 10 & 0. OB & OS Level are set to 75 and 25 and MOM Colour is set to black. 2nd Average Line and Histogram are un-ticked.



Stochastic: Measure overbought/oversold situations, divergence and trading signals.

By default the parameters Stochastic 1 & Stochastic 2 are set to 10 & 6, OB & OS Levels are set to 75 and 25, Histogram is un-ticked and Stochastic 1 Colour is set to red and Stochastic 2 Colour is set to Black.



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Slow Stochastic: Measure overbought/oversold situations, divergence and trading signals.

By default the parameters Slow Stochastic 1, Slow Stochastic2 & Slow Stochastic 3 are set to 10, 6 & 6, OB & OS Levels are set to 75 and 25, Histogram is un-ticked and Slow Stochastic 2 Colour is set to red and Slow Stochastic 3 Colour is set to Black



Rate of Change: The difference between two output values divided by the difference the corresponding input values

By default the parameters for ROC 1 & ROC 2 are set to 10 and 0, OB & OS Levels are set to 75 & 25. Histogram & 2nd Average Line is un-ticked. ROC Colour is set to Black



Smooth Slow Stochastic: Measure overbought/oversold situations, divergence and trading signals.

By default the parameters Slow Stochastic 1, Slow Stochastic 2 & Slow Stochastic 3 are set to 10, 6 & 6, OB & OS Levels are set to 75 and 25, Histogram is un-ticked and Slow Stochastic 2 Colour is set to red and Slow Stochastic 3 Colour is set to Black.



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MACD: Measures the acceleration/deceleration, overbought/oversold situations and trading signals.

By default the parameters for MACD 1, MACD 2 & MACD 3 are set to 10, 4 and 2. OB & OS Levels are set to 75 & 25. Histogram & 2nd Average Line is un-ticked. MACD Colour 1 is set to Black and MACD Colour 2 is set to Red

Fast MACD: Measures the acceleration/deceleration, overbought/oversold situations and trading signals.

By default the parameters for MACD 1, MACD 2 & MACD 3 are set to 10, 4 and 2. OB & OS Levels are set to 75 & 25. Histogram & 2nd Average Line is un-ticked. MACD Colour 1 is set to Black and MACD Colour 2 is set to Red



MA Standard: Measures acceleration or deceleration of the trend. As the speed of the price increases the moving average line, though lagging behind it will also accelerate and decelerate.

By default the parameters for MA 1 & MA 2 are set to 10 and 0. OB & OS Levels are set to 75 & 25. Histogram & 2nd Average Line is un-ticked. Colour is set to Black



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MA Exponential: Measures acceleration or deceleration of the trend. As the speed of the price increases the moving average line, though lagging behind it will also accelerate and decelerate.

By default the parameters for MA 1 & MA 2 are set to 10 and 0. OB & OS Levels are set to 75 & 25. Histogram & 2nd Average Line is un-ticked. Colour is set to Black



MA Fast Exponential: Measures acceleration or deceleration of the trend. As the speed of the price increases the moving average line, though lagging behind it will also accelerate and decelerate.

By default the parameters for MA 1 & MA 2 are set to 10 and 0. OB & OS Levels are set to 75 & 25. Histogram & 2nd Average Line is un-ticked. Colour is set to Black



MA Weighted: Measures acceleration or deceleration of the trend. As the speed of the price increases the moving average line, though lagging behind it will also accelerate and decelerate.

By default the parameters for MA 1 & MA 2 are set to 10 and 0. OB & OS Levels are set to 75 & 25. Histogram & 2nd Average Line is un-ticked. Colour is set to Black

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Directional Movement Indicator: Is used to identify a trending market and to provide an indication of the extend of this trend.

By default the Events are set to 10. OB & OS Levels are set to 75 & 25. Colour Line 1 is set to Black, Colour Line 2 is Orange & Colour Line 3 is Red

Directional Movement Indicator & ADXR: Is used to identify a trending market and to provide an indication of the extend of this trend. The ADX line indicates how much the market is trending either up or down.

By default the Events are set to 10. OB & OS Levels are set to 75 & 25. Colour Line 1 is set to Black, Colour Line 2 is Orange



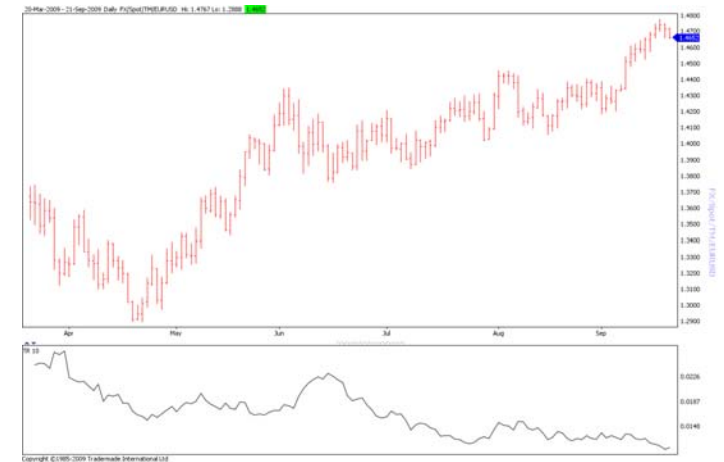
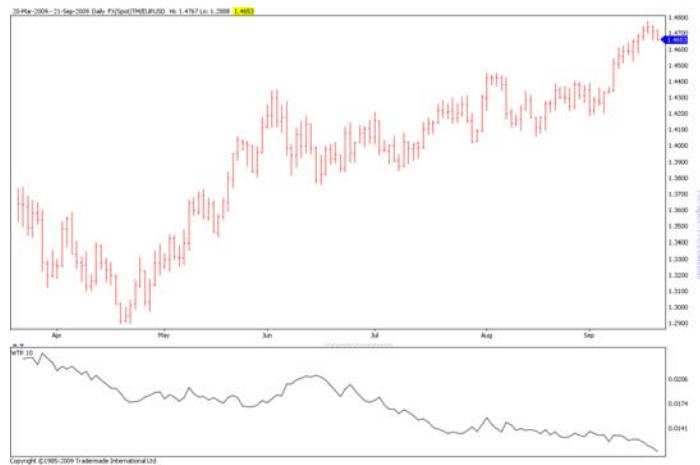
Commodity Channel Index: It produces cyclical patterns, is it considered a timing tool

By default the Events are set to 10. OB & OS Levels are set to 75 & 25. Histogram is un-ticked and Colour Line 1 is set to Black

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True Range: Shows volatility of the market. It is defined as the true high - the true low, where the true high is the maximum of today's high and the previous close and the true low is the minimum of today's low and the previous day's close.

By default the Events are set to 10. OB & OS Levels are set to 75 & 25 and Colour Line 1 is set to Black

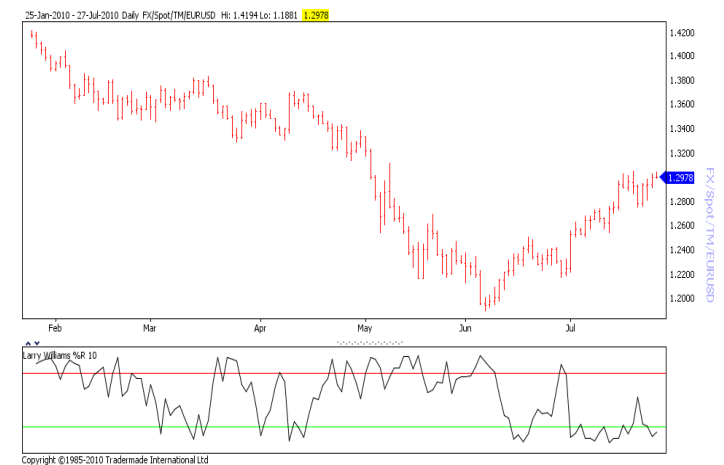


Wilder True Range: the indicator does not provide an indication of price trend, simply the degree of price volatility.

By default the Events are set to 10. OB & OS Levels are set to 75 & 25 and Colour Line 1 is set to Black

Larry Williams %R: This oscillator measures overbought/oversold situations. It is said to be an 'upside down' stochastic. This oscillator is based on the same concept of measuring the last close in relation to the price range over a certain period (below it is 10 days/hours).

By default the Events are set to 10. OB & OS Levels are set to 80 & 20 and Colour Line 1 is set to Black



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On Balance Volume: it assigns the volume for each day a positive or negative value depending on whether the market prices closer higher or lower for that day.

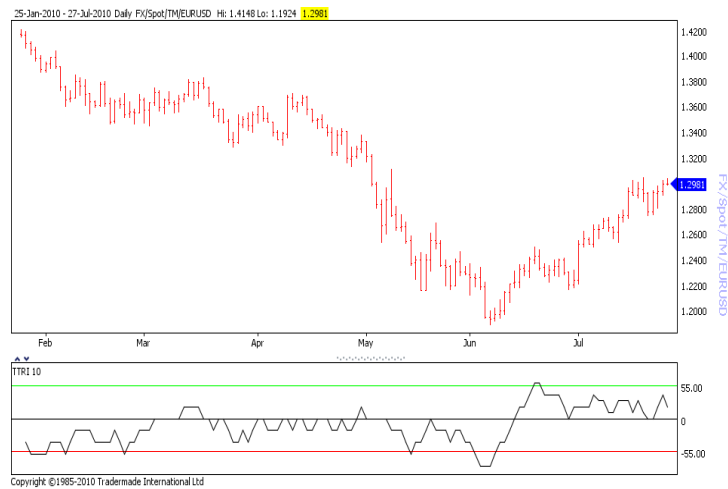
By default OB & OS Levels are set to 75 & 25 and Colour Line 1 is set to Black

Accumulation/Distribution: Used to measure accumulation and distribution, the problem of volatility and trading ranges

By default OB & OS Levels are set to 75 & 25 and Colour Line 1 is set to Black and Colour Line 2 is set to Red



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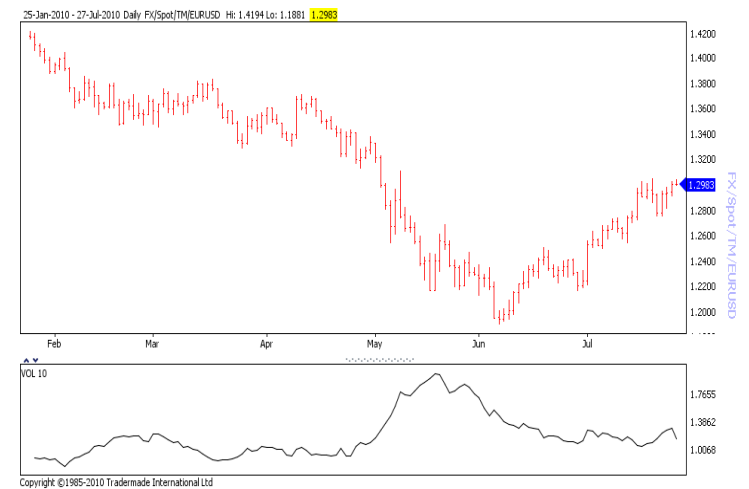
TMI Trend/Reversal Indicator: Identifies the underlying trend of the market and possible impending turning points when at extreme levels

By default the Events are set to 10. OB & OS Levels are set to 55 & -55 and Colour Line 1 is set to Black

Volatility: Measures the volatility over n number of events, i.e. relative movement in terms of range against their mid point values

$$= \text{SUM} (\text{Range}/\text{Midpoint}) / \text{events}$$

By default the Events are set to 10. OB & OS Levels are set to 80 & 20 and Colour Line 1 is set to Black




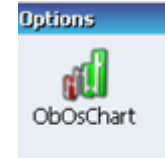
6.3 OBOS CHART – APPLYING OVERBOUGHT/OVERSOLD ANALYSIS

ObOs Chart is directly linked to an oscillator; it generates its values from the oscillator value.

To apply ObOs follow the steps below:

Go to **Oscillators** tab;

Select  icon. (See screenshot to the right)



(Ensure you already have an oscillator applied to your chart.)

Signals of overbought and oversold levels will appear across your chart from the up and down signals shown in the oscillator. (See screenshot to the left)



If you have more than 2 oscillators applied to your active chart, by selecting the lines from the oscillator you can click between the oscillators which will amend the buy and sell signals shown on the chart.

(See screenshot below) – displays Slow Stochastic overbought oversold levels.



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6.4 APPLYING LINES TO AN OSCILLATOR

Maverick allows you to be able to apply indicators such as lines and functionalities to charts, below are a few screenshots showing you how to apply them to your oscillator.

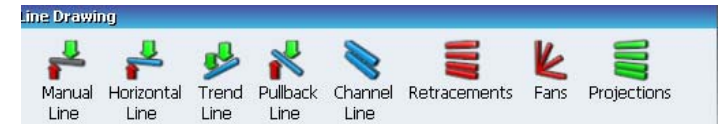
To apply lines to an oscillator follow the steps below:

(Ensure an oscillator is already applied if unsure of how to apply an Oscillator see Section 17.1):

Go to **TA Tools** Tab

Select the required line icon from within *Line Drawing* Section (See screenshot to the right)

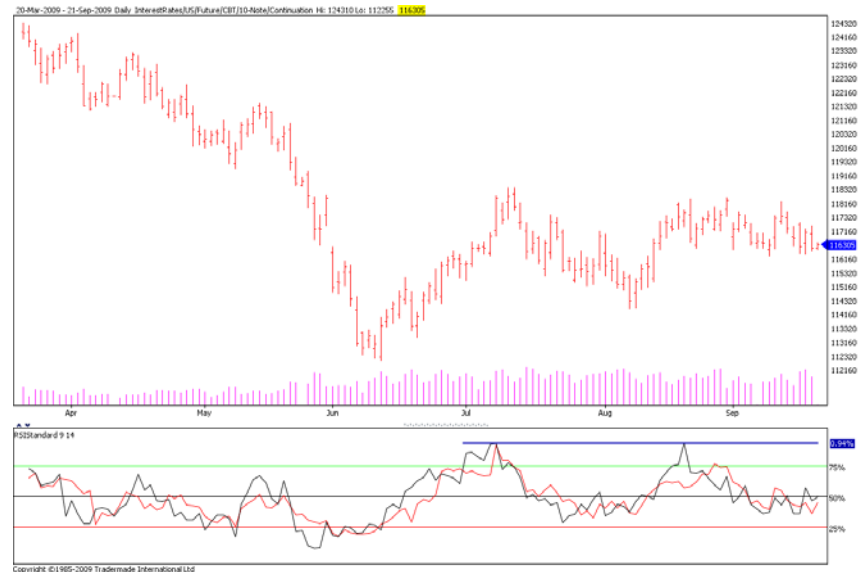
Do not click anywhere on the chart otherwise your line will plot on the chart instead of the oscillator.
Simply move your cursor down to the oscillator, click on the oscillator to plot the line.
(See screenshot below)



The types of lines you can apply to an oscillator are: horizontal, trend, pullback, channel, retracements and projections



Autolines such as speed, median and least mean square lines cannot be applied to oscillators



The line can be moved and positioned elsewhere and other areas can be customised.