

## 5 STUDIES AND MOVING AVERAGES

Studies are defined as all forms of mathematical analysis displayed on top of the price action. Moving averages are trend following techniques. When using a single moving average the signal is taken from the crossing of the Moving average with the price action.

### 5.1 MOVING AVERAGES


#### 5.1.1 HOW TO ADD & DELETE A MOVING AVERAGE

To add a Moving Average follow the steps below:

##### Apply a Moving Average:

Go to **Studies** Tab

Click where it shows Standard, this will generate a drop down list Moving Averages are highlighted in blue.


Select the  Icon, the Moving Average will apply to the chart and the context on the right hand side will change. (See screenshot below)

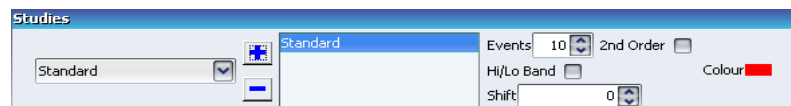
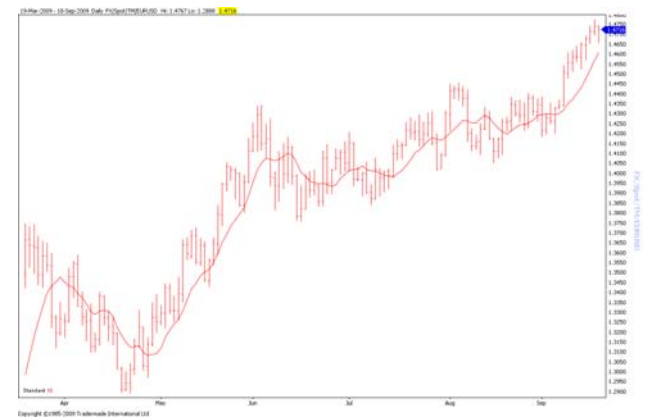
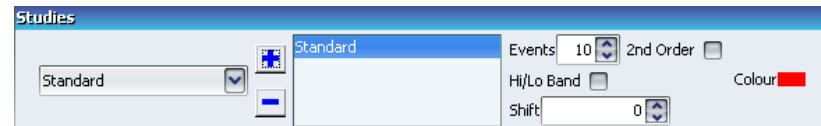
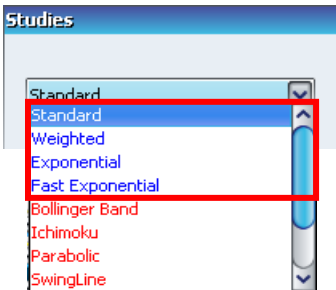
A legend will appear in the bottom left hand corner of the chart stating the type of moving average applied.

##### Delete a Moving Average:

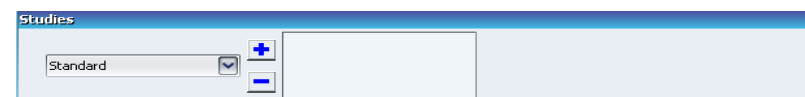
To remove a Moving Average follow the steps below:

Go to **Studies** Tab

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



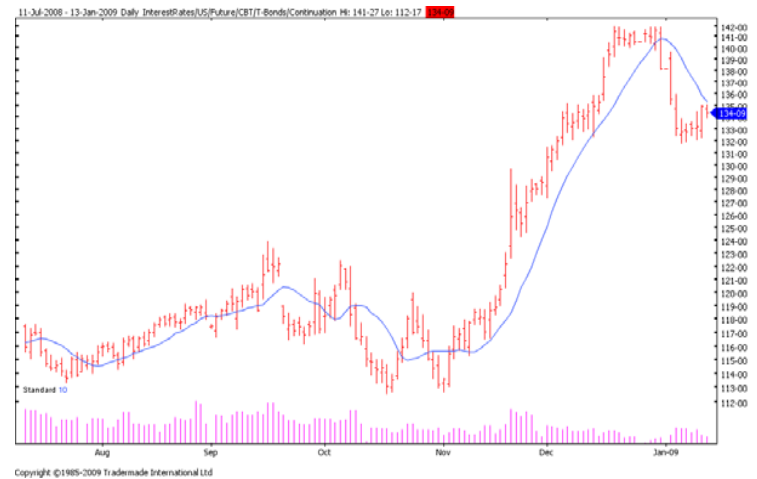
**Moving Average Applied**



**Moving Average Removed**

## 5.1.2 TYPES OF MOVING AVERAGES – AMEND PAGE TO BE SIMILAR TO OSCILLATORS

Moving averages are outlined in blue within the drop down list. By default events are set to 10 and the colour is set to blue.



Below is the list of Moving Averages that are available on Maverick, for an explanation of a line you can find the information in the Glossary section.

**Standard Moving Average** – Calculates by adding the closing price of the market for a number of time periods and then dividing this total by the number of time periods

**Weighted Moving Average** – Calculates the average of the High, Low, Open and twice the Close

**Exponential Moving Average** – Calculates the average price of the markets over a specific period of time

**Fast Exponential Moving Average** - Calculates the average price of the market over a shorter period of time to what an exponential moving average would calculate

## 5.2 STUDIES

### 5.2.1 HOW TO ADD & DELETE A STUDY



#### Apply a Study:

To add a Study follow the steps below:

Go to **Studies** Tab

Click where it shows Standard, this will generate a drop down list

Studies are highlighted in red.

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

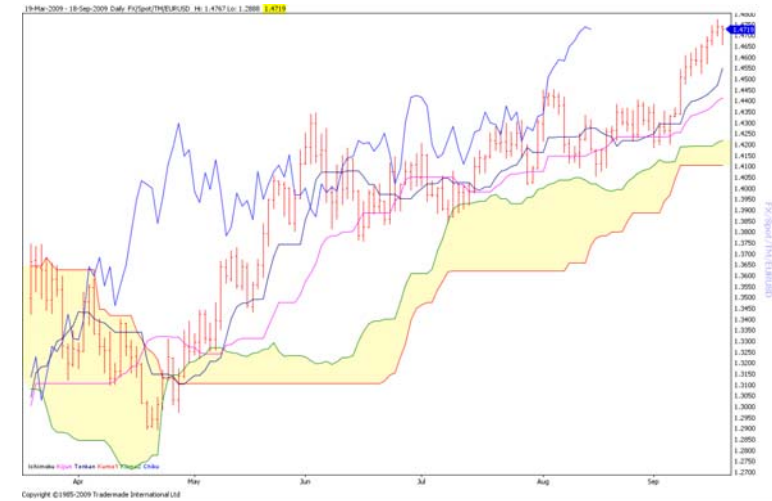
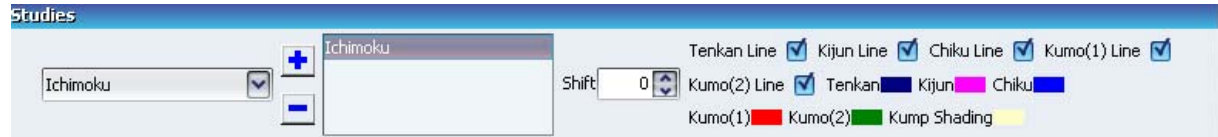
A legend will appear in the bottom left hand corner of the chart stating the type of study applied.

#### Delete a Study:

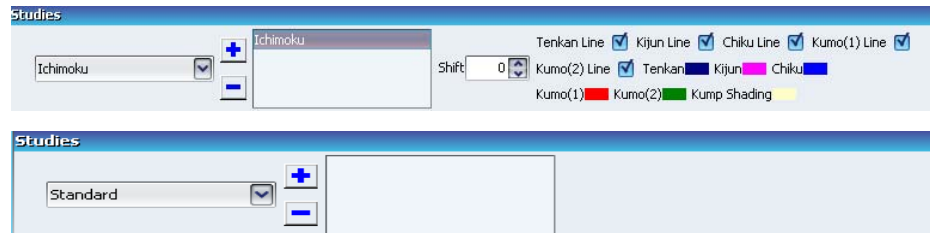
To remove a Study follow the steps below:

Go to **Studies** Tab

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



**Study Applied**



**Study Removed**

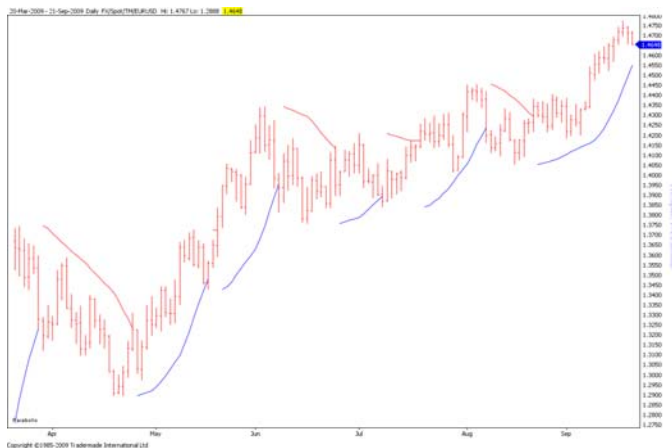
## 5.2.2 TYPES OF STUDIES

Studies are outline in red within the drop down list.



**Ichimoku** – Generates a series of lines and level to help determine the movement of an the market. It indicates the support and resistance levels, as well as entry and exit points.

By default Tenkan Line, Kumo (1) Line and Kumo (2) Line are selected. default colour are set to navy blue for Tenkan, magenta for Chiku, blue for Kumo (1), red for Kumo (2) and cream for Kumo Shading.



**Bollinger Bands** – Two standard deviations are plotted above and below a moving average, and at the moving average itself. Standard deviation measures volatility, these bands will be wider during increased volatility and narrower during decreased volatility. When the market approaches the upper band it is said to be overbought, and when it approaches the lower band to be oversold.

By default the event is set to 20, STD Dev % Up is set to 2 as well as STD Dev % Down. The default colours are set to red for Moving Average, magenta for SD up Colour and green for SD down Colour.



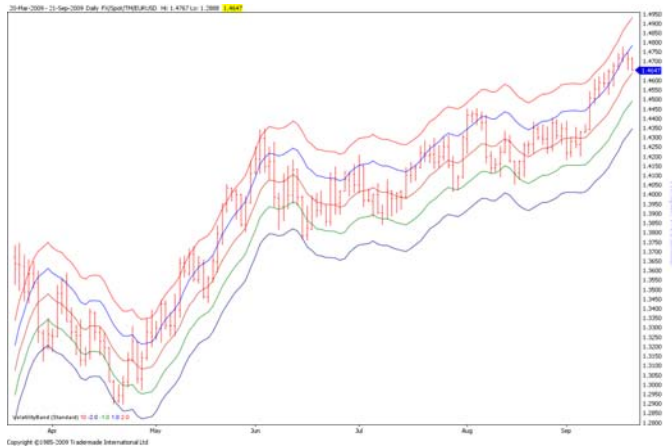
**Parabolic** – Indicates whether a trader should buy or sell the market they are analysing. It suggest that a market below the parabolic indicator should be sold and a market above the parabolic indicator should be bought.

By default Shift is set to 0 and Colour High is set to Blue and Colour Down is set to Red.

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**SwingLine** – These are similar to Swing Charts, except that time is considered in the calculation of the swing line. Therefore the distance between each line may vary depending on the timing of the price action.

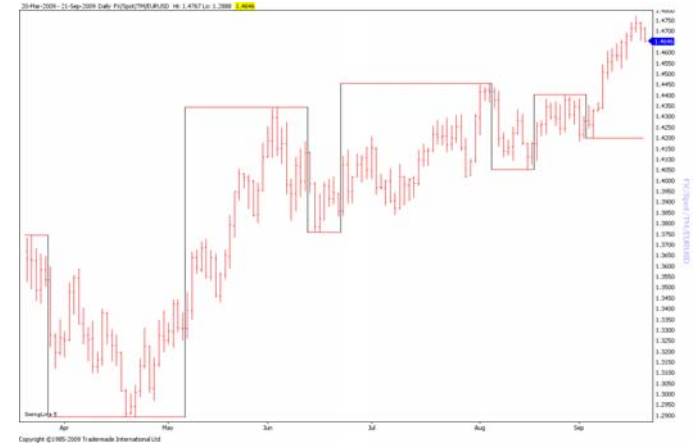
By default Events is set to 5, Colour High is set to Red and Colour Down is set to Black.



**Weekly Rule (Intraday Close)** – The Four Week Rule (or Donchian Rule) is a very simple Trend following mechanical system, which is continuous by nature. i.e it is always in the market, either long or short. It is a channel breakout system in which the previous twenty days (4 full calendar weeks) are examined and the system goes (or stays) either:

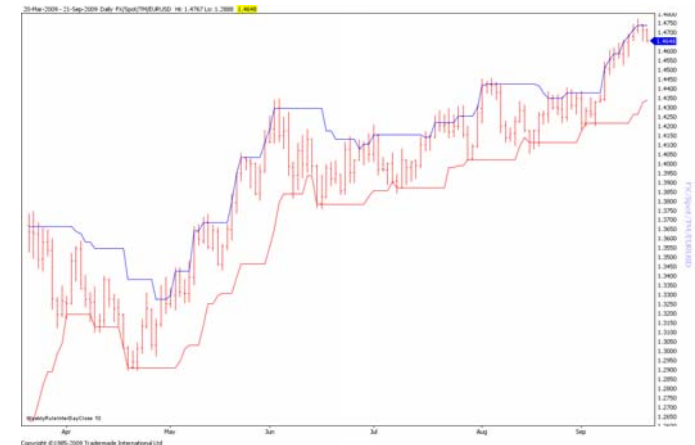
- a) Long – when the price exceeds the highs of the four preceding weeks, or
- b) Short – when the price falls below the lows of the four preceding weeks.

By default the event is set to 10 and Colour High is set to Blue and Colour Down is set to Red

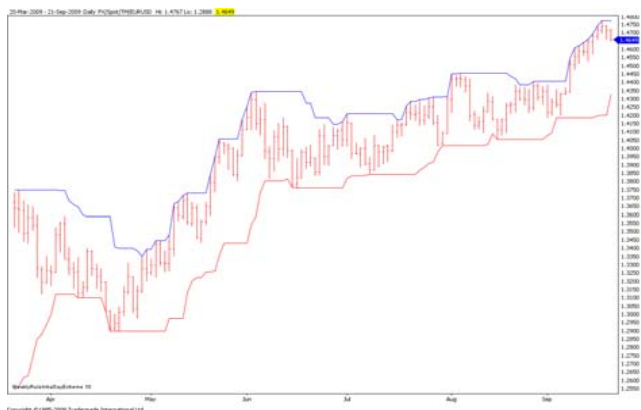


**Volatility Band** – Rate Volatility Band - These consist of up to 2 lines either side of the price at certain percentage points, as determined by the user. They can be used as envelopes or filters. Moving Average Volatility Band - These consist of up to 2 lines either side of the selected moving average at certain percentage points, as determined by the user. They can be used as envelopes or filters.

By default Events is set to 10, the moving average is selected as Standard, the % Up (1) is set to 1 as well as % Down 1, % Up 2 and % Down 2 are set to 1. The default colours are set to Blue for Moving Average and % Up (1), Green for % Down (1), Red for % Up (2) and Navy Blue for % Down (2),.



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**Weekly Rule (Intraday Extreme)** – The Four Week Rule (or Donchian Rule) is a very simple trend following mechanical system, which is continuous by nature. i.e it is always in the market, either long or short. It is a channel breakout system in which the previous twenty days (4 full calendar weeks) are examined and the system goes (or stays) either:

- a) Long – when the price exceeds the highs of the four preceding weeks, or
- b) Short - when the price falls below the lows of the four preceding weeks.

By default the event is set to 10 and Colour High is set to Blue and Colour Down is set to Red

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## 5.3 APPLYING A STUDY TO AN OVERLAY

Maverick allows a user to apply a Study or moving average with a series of overlays applied to a chart.

To apply studies to an overlay follow the steps below:

Ensure you have an overlay already applied to the active chart (See screenshot to the right)

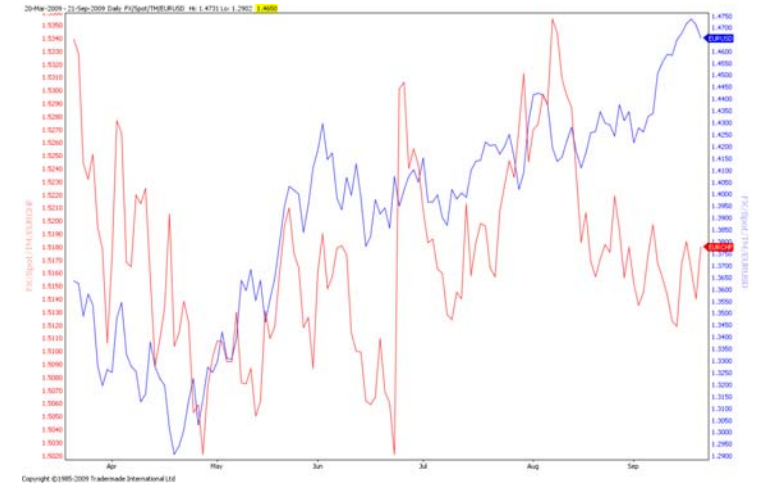
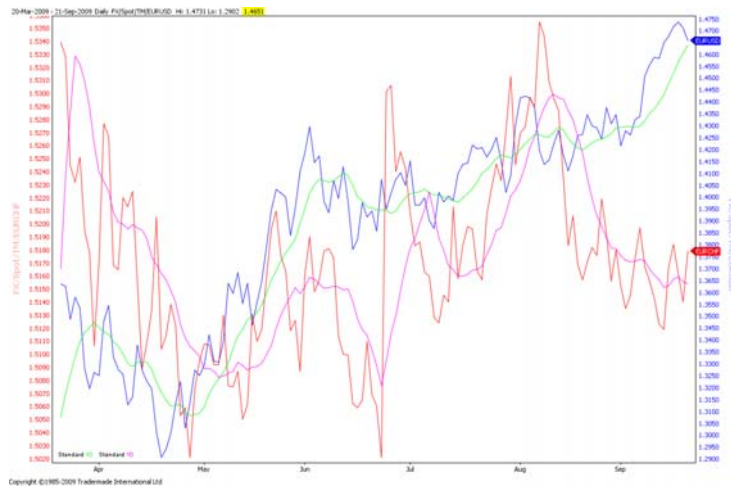
Select the overlay line the line width will appear thicker

Go to **Studies** Tab

For this we will use an RSI Cutler and plot the study on EURUSD

The study will then plot in the same movement as the Overlay currency

(See screenshot below)



You can remove a study from an overlay In the same way you can remove a study from a chart see Section 16.5

## 5.4 LEGENDS

Legend is the description of an oscillator or study applied to the active chart. This description box can be dragged and re-positioned anywhere on the chart as well as the text be customized.

To amend the text or location of your legend follows the steps below:


(Ensure you have a study already applied to your active chart)

The legend will appear in the bottom left hand corner of the chart. (See screenshot to the below to the right)

Double click on the legend until it appears like this:

```
Standard <font color='#304fff'>10</font>
```



Your default cursor will amend to . It will be outlined with small black dots and the text area will contain the coding of the font used.

Input in the text you wish to replace it with, and click on another area of the chart

Standard 10

