

RATE OF CHANGE LIBRARY

Introduction:

This library is designed around Ian S. Notley’s method of trend analysis based on the comparison of various market cycles using the rate of change indicators. The user is encouraged to read Chapter 12: Individual Momentum Indicators II of Martin Pring’s book *The Successful Investor’s Guide to Spotting Investment Trends and Turning Points Technical Analysis Explained Fourth Edition* for a comprehensive description of Ian Notley’s analysis techniques.

There are three branches of market analysis; sentiment, flow of funds and market structure analysis. Rate of change is included in the market structure analysis. Trends can be considered directional movement of a market’s value (Price) over a period of time. The markets have long term cycles, intermediate cycles and short term cycles. The basic tenant of this library is to identify these various market cycles and help traders identify possible market directional change.

Benefits:

Mr. Pring’s book aims to provide technical analysis skills for identifying and interpreting market cycles and selecting the best-performing investments. The Rate of Change library takes the chapter covering Mr. Notley’s trend analysis tools and packages them up in a readymade format for the user to be testing and trading. There is no need to read the book and then try to duplicate the techniques in Trade Navigator because this book already has done that and the lessons from the book are available in this convenient library.

Included in this Library:

Indicators

- Long Term Known Sure Thing Long
- Long Term Known Sure Thing Short
- ROC Slope KST

Templates

- Notley ROC

Strategy

- KST

Functions

Long Term Known Sure Thing Long

This function is a highlight bar

Usage: Long Term Known Sure Thing Long

Parameters: None

Long Term Known Sure Thing Short

This function is a highlight bar

Usage: Long Term Known Sure Thing Short

Parameters: None

ROC Slope KST

This function is an indicator

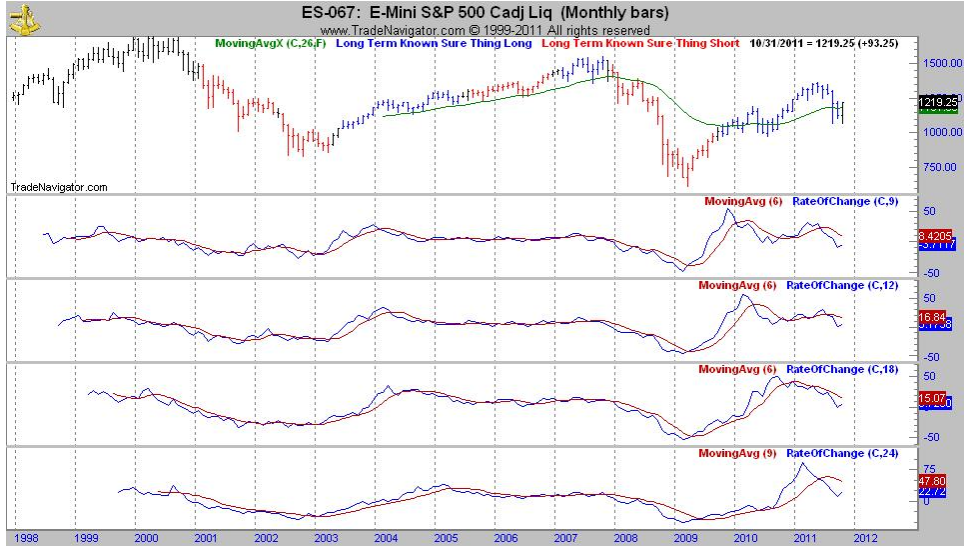
Usage: ROC Slope KST (barsago)

Parameters:

Barsago: The bars used to calculate the Moving Average in the function

Template

Notley ROC

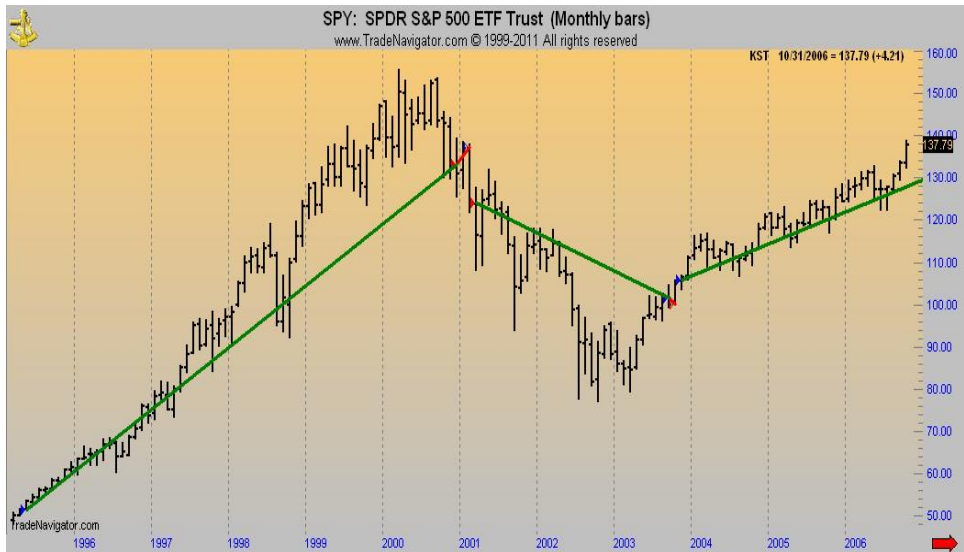


Pane 1 contains The Long Term Known Sure Thing long and the Long Term Known Sure Thing Short highlight bars as well as a 26 bar Exponential MA
 Pane 2 contains a 9 bar Rate of Change with a 6 bar simple MA of the Rate of Change.
 Pane 3 contains a

12 bar Rate of Change with a 6 bar simple MA of the Rate of Change.
 Pane 4 contains a, 18 bar Rate of Change with a 6 bar simple MA of the Rate of Change.
 Pane 2 contains a 9 bar Rate of Change with a 6 bar simple MA of the Rate of Change.

Strategy

KST



The KST strategy is by default tested on the Monthly bar chart of the SPDR S&P ETF Trust