

PROGRAMMING SERVICES

Have it your way!
Custom Programming
Custom Spreadsheets
1-(800) 333-6729
www.larmeeassociates.com

Professional Programming for Traders
TradeStation, DLL's, Datafeeds, API's, Excel
Adam Hartley: Tel +44-1865-516855
www.snapdragon.co.uk

SOFTWARE

Extreme Charting Software
www.TracknTrade.com

For classified ad information contact Chris Chrisman at:
phone: 206-938-0570 email: CChrisman@traders.com

SOFTWARE

Divergence Software, Inc.
A wide variety of studies and indicators
for the eSignal platform. Custom
programming, code translation services.
www.sr-analyst.com

ACCOUNTING SOFTWARE

Powerful New software suitable for all traders
up to fund managers. Uses Microsoft SQL
database. Updates last prices automatically
free! AutoPost feature automatically reads
daily downloads from Broker. Easy to use! Full
details, demos and manuals available from:
(954) 568-3848 www.technicominc.com

FM Labs The Technical Analysis Programmer's Toolkit 5.1

Build complete trading systems with Visual Basic
or C/C++. Includes 300+ indicators, data access,
charting, trade simulation, profit analysis. \$199.
Free demo available. Internet: www.fmlabs.com
609-268-7432, 14 Dewberry Dr., Eastampton, NJ 08060.

TRADING SYSTEMS

Precise, Simple & Profitable
Winning Edge S&P
Day & Swing Trading Systems
Free Online Seminars
1-800-500-5207
www.winningedgesystem.com

BUILD TRADING MODELS IN EXCEL !!!

Stocks, Funds, Futures, etc.
www.financial-edu.com

500+ Trading Systems on 1 Website

www.SystemRank.com

Market Reversal Oscillator

The only trading system that
you will ever need
MarketTrendTrader.com

TRADERS' GLOSSARY



Continued from page 89

Moving Average Convergence/Divergence (MACD) — The crossing of two exponentially smoothed moving averages that are plotted above and below a zero line. The crossover, movement through the zero line, and divergences generate buy and sell signals.

Out-of-the-Money (OTM) — A call option whose exercise (strike) price is above the current market price of the underlying security or futures contract. For example, if a commodity price is \$500, then a call option purchased for a strike price of \$550 is considered out-of-the-money.

Over-the-Counter (OTC) — Securities not traded on exchanges (generally because they fail to meet listing requirements). They are traded directly via computer or by phone.

Range — Difference between the high and low price during a given period.

Retracement — A price movement in the opposite direction of the previous trend.

Spike — A sharp rise in price in a single day or two; may be as great as 15-30%, indicating the time for an

immediate sale.

Pip — The smallest price unit for a given currency or commodity. In the case of US dollars: one cent.

Stochastic Oscillator — An overbought/oversold indicator that compares today's price to a preset window of high and low prices. These data are then transformed into a range between zero and 100 and then smoothed.

Stop-Loss — The risk management technique in which the trade is liquidated to halt any further decline in value.

Support (Resistance) Line — On a chart, a line drawn indicating the price level at which falling (rising) prices have stopped falling (rising) and have moved sideways or reversed direction.

Triangle — A pattern that exhibits a series of narrower price fluctuations over time; top and bottom boundaries need not be of equal length.

True Strength Index — A momentum indicator developed by William Blau that double-smooths the ratio of the market momentum to the absolute value of the market momentum.

$$TSI_{r,s} = 100 \left(\frac{E_s(E_r(Mtm))}{E_s(E_r(|Mtm|))} \right)$$

where:

Mtm = one-day change in closing price

|Mtm| = absolute value of Mtm

E_r = exponential smoothed moving average of r days

E_s = exponential smoothed moving average of s days.

Variable-Length Moving Average — A moving average where the number of periods selected for smoothing is based on a volatility measurement of price. Typically, the standard deviation of price is used to measure price volatility. The more volatile the price is, the shorter the number of periods used for smoothing.

Wave Cycle — An impulse wave followed by a correction wave, the impulse wave being made up of five smaller, numbered waves of alternating direction designated 1, 2, 3, 4 and 5, and the correction wave being composed of three smaller alternating waves designated a, b, and c.

S&C