

Forex Indicators

Forex Technical Indicators - are important tools of a trader in forecasting future price movement of a particular financial instrument in the foreign exchange market. Technical Indicators give Trading great comfort and efficiency. Indicators, as an analytical tool for analysis, based on complex mathematical calculations that take raw data from the chart of price at the current time.

Since the indicators are based on complex formulas and algorithms, calculations are quite difficult to produce by hand, producers of software for trading in Forex, created a special opportunity for the programming of indicators on their own programming languages, such as the MQL of Meta Quotes Software Corp. Thus, today, any trader can create his own forex technical analysis indicator, or use an existing indicator, or changing it, in its sole discretion. To date, traders have a lot of indicators, many of which are presented on the site www.ForexCent.com in the "Indicators" section.

Forex Indicators define the current direction of price movement, which allows traders to determine the most advantageous moment to enter the market, as well as out of it. The essence of the indicators is to generate a variety of trading signals that a trader can use at his discretion, so it's important to learn how to properly understand all the signals, which provide indicators and react to them.

Different indicators give different signals. Often, one indicator signals complementary signals of another, so traders tend to use more than one favorite indicators in their work, which provide many important signals about the market situation at any given time.

Since the indicators to date are the programs executed on the trading terminal, the terminal shows it differently: some indicators are displayed directly on the chart, and other graphically located in a separate box next to the schedule. By types the indicators are:

- Trend indicators;
- Indicators of volume;
- Stochastic Indicators;
- Indicators Volatility;
- Indicators of the cycle.

Trend indicators use information about the directional movement of prices shows schedule based on specific algorithms identify the best opportunity of entry and exit points, depending on the phase of the life of a trend. The algorithm determines the type of trend indicators shows trends based on this tactic creates a generation of trading signals. Among the most notable trend indicators can be distinguished: Average Directional Movement Index, Bollinger Bands, Moving Average, Parabolic SAR, Standart Deviation.

Volume indicators take into account the volume of transactions, which determines the strength of the trend. So, is taken into account the level of volume of transactions and behaves as a price chart at this time. Thus, the more important point is the lower price jump in the market of high volume, rather than a breakthrough price for a small amount. Thus, the larger the volume trend observed during the motion, the more certain it is moving in this direction. In case of divergence of the volume indicators often demonstrate shift trend. Typically, volume indicators are located in a separate window next to the price chart for clarity. Among the most popular volume indicators can be distinguished: Money Flow Index, Volume, On Balance Volume, Accumulation / Distribution.

Stochastic Indicators are aiming to compare the closing price of trading symbol with prices for a certain period of time. The most popular is the Stochastic.

Volatility indicators are indicators of technical analysis, which reflects the volatility of price movements in a particular financial instrument. These indicators are used in many trade systems. The most popular are: Average True Range and others.

Cycle Indicators work on recurrent events market, such as seasons, the series of events, etc. Opportune moment for the operation cycle indicators are sideways. Among the indicators of the cycle can be distinguished: Detrended Price Oscillator, Elliott Wave, Schaff Trend Cycle, and others.

In a separate class of technical analysis indicators can be distinguished oscillators. Their main task is to set levels of oversold and overbought market, in other words, the state of over or under price. Among the oscillators can be distinguished: Stochastic Oscillator, Oscillator by Bill Williams, Gator Oscillator and others.