

Auto Trend

Use the Auto Trends study to automatically plot Trend Lines on a chart. Important Highs and Lows will be connected to show support and resistance Trend Lines and Channels. The lines will update in real-time as a Chart's formation and price levels change.



Properties

- **%Labels** - Display Fibonacci Zone price labels on the chart. The Fibonacci Zone percentages are .382, .618, .707, .786, .841, 1.0, 1.272, 1.414, 1.618, 2.0, 2.42, 2.618. If the retracement is within 4 percent of a Zone percent level, then the Zone percent level will be shown. Otherwise the Actual percent level will be shown. The labels on the Pesavento Patterns will be drawn with the following colors: The Fib Zone levels will print using the same color as the Swing lines. The Actual percent levels will print using the font color of the Chart scale prices.
- **Actual %** - Display all Labels with the Actual retracement percent levels of each swing, rather than a Fibonacci Zone percentage.
- **Alarmed** - Will cause the Trend Lines to be Alarmed. An alarm will trigger when the price crosses the line. The Alarm will play the sound file that is specified on the Price Alerts setup screen.
- **Close Only** - Causes the Alarm to only trigger at the close of a bar.
- **Auto Min Size** - This box will cause the study to auto find the best fit for Min Size. This allows you to place the study on any chart and get a good pattern.
- **Min Size** - Enter Zero to include Trend Lines from Swing Patterns of any size. Enter a Size amount to limit the Trend Lines to only those swings that are greater than the Size entry. If the Trend Lines do not plot at first, change the value to zero.
- **Min Bars** - Enter Zero to include all Patterns. Enter a minimum Bars amount to exclude all Swing Patterns that do not include at least a minimum number of Bars between swings.



The tool is based on logic to find swing points and connect these swing points to make trend lines. The challenge is to identify swing points. The Min Bars parameter is a horizontal requirement for the minimum number of bars in a trend. A Min Bar value of 5 would filter quick 1 to 4 bar wild reversals. The Min Size is a filter wherein a trend must exceed this minimum size vertically. This is a noise filter that prevents minor oscillations from being called a trend when the desire is to mark bigger moves. If Min Size is 2.0 on an ES chart, then a retracement would have to exceed 2.0 points before the prior swing point is locked in as a turning point and a new trend is underway. Until the min size is exceeded, the current trend could resume and put in a more extreme swing point without a retracement trend identified.

- **Trend Line** - Place a check mark in the Trend Line box to plot the main trend. Select a Color, Line Style, and optional Marker and Marker Color from the appropriate boxes and drop-down lists. The Marker will be placed at the high or low of the bar where a Swing is determined. The Up Alarm Color and the Down Alarm Color boxes are used to specify the background color of the Alert Panel that appears when an alert is triggered. The Up Alarm Marker will be plotted at the end down trend lines. The Down Alarm Marker will be plotted at the end of up trend lines.
- **Average Trend** - Place a check mark in the Ave. Trend box to display the Average Trend Line. This line is an average of all the previous up or down trend lines. This line gives you an average forecast of where the current trend line is likely to end up.
- **Channel Line** - Place a check mark in the Channel Line box to plot a parallel Channel line. Select a Color, Line Style, and optional Marker and Marker Color from the appropriate boxes and drop-down lists. The Channel Line Marker will be plotted at the end of the Channel Line.
- **50% Line** - Place a check mark in the 50% Line box to plot a line half way between the Trend Line and the Channel Line. The optional 50% Line Marker will be plotted at the end of the 50% Line.
- **Gann 1 x 1** - Place a check mark in the Gann 1x1 box to plot a Gann 1 by 1 line from the Swing points. This is the same technology used by the Pyrapoint study.

- **S & R Line** - Place a check mark in the S & R Line box to plot Support and Resistance Lines. These lines are drawn from key highs and lows on the chart, from an expanding formation. Select a Color, Line Style, and optional Marker and Marker Color. The Marker will be plotted at the beginning of the line. An optional multiplier value allows you to extend the lines.
- **Break Out** - Place a check mark in the Break Out box to plot Break Out Lines. These lines are similar to the S & R Lines. The Break Out lines are drawn from key highs and lows that slope down from high points, or slope up from low points. For example, a Pennant formation would draw Break Out Lines.

Credits

Ensign's methodology for implementing automated trend lines is proprietary, yet very similar to the concepts published in Silgardos' article (Technical Analysis of Stocks & Commodities magazine, Nov 2006 issue).