MACD Oscillator

The Moving Average Convergence Divergence (MACD) study shows the relationship between two moving averages. The MACD is calculated by subtracting two moving averages. A moving average of the MACD line is then calculated, to act as a Trigger line. Watch for the MACD line and the Trigger line to cross. The study is often drawn as a Spread histogram, representing the difference between the MACD line and the Trigger line. If the MACD is displayed as a Spread histogram, watch for the histogram level to cross up or down through the zero line.

**Properties**

- A Data Point for Ave 1 and Ave 2 can be selected independently.
- **Ave 1** - Number of N periods used in the first moving average (a value of 5 is often used).
- **Ave 2** - Number of N periods used in the second moving average (a value of 35 is often used).
  
  These 2 average lines are then subtracted from each other to produce the MACD value.
- **Average** - Number of N periods used to average the MACD value. This is the Trigger line. A value of 9 is often used.
Formula

Ave1 = A Moving average of the last N periods as specified by the Ave1 parameter and Data Point.
Ave2 = A Moving average of the last N periods as specified by the Ave2 parameter and Data Point.
MACD = Ave1 - Ave2

Average of MACD (Trigger) = A Moving average of the MACD for the last N periods as specified by the Average parameter. The calculation for the Trigger line will be an Average of the MACD.

Credits

The MACD was developed by Gerald Appel