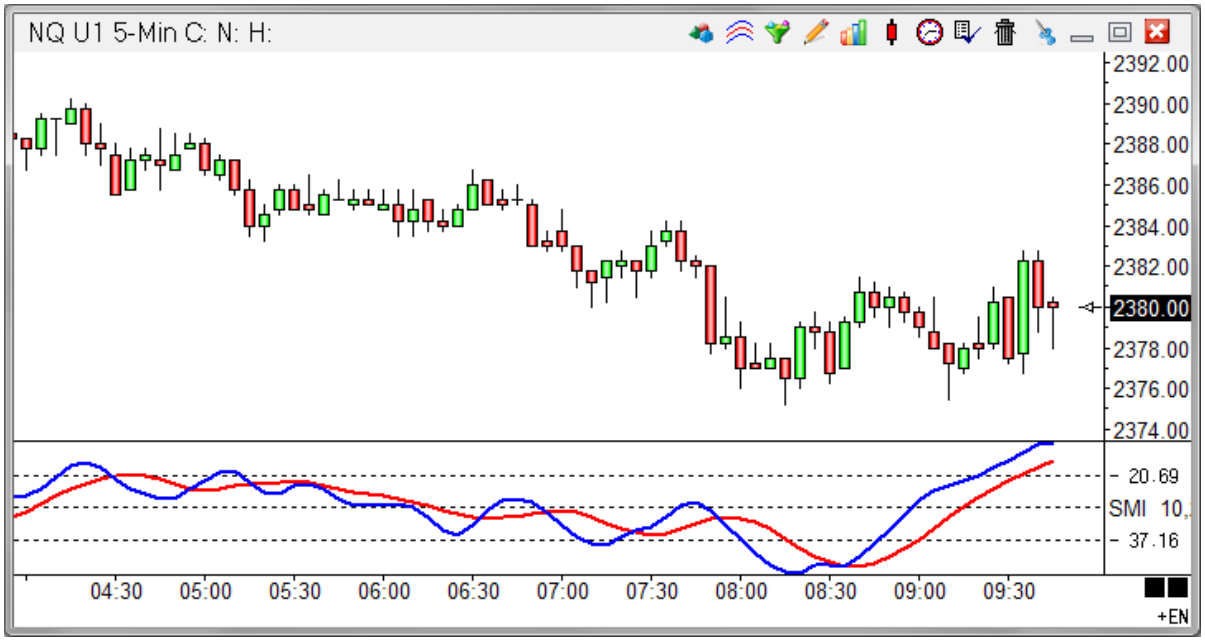
Stochastic Momentum Index

The Stochastic Momentum Index was developed by William Blau. While the regular Stochastic study displays a value showing relation between the current close and a high/low range, the SMI shows you where the close is relative to the Midpoint of the recent high/low range. The result is an oscillator that ranges between +/- 100 and is a bit less erratic than an equal period Stochastic study.



Properties

Bars - Number of bars to use in the calculation. For example, an entry of 10 will determine the MidPoint of the price range of the last 10 bars (highest High - lowest Low). Increase N to include more bars in the high low range. Decrease N to include fewer bars in the high low range.

Ave 1 - Specifies a moving average period for the Spread of the Close to the Bar Midpoint.

Ave 2 - Specifies a moving average period for the High-Low bar range.

Average - A moving average of the SMI line.

Formula

The moving averages can be calculated in different ways by selecting formulas from the drop-down box to the right of each average. See the Moving Average documentation.

Credits

William Blau