Wed, 8 OCT 2003

Advanced GET Trading Strategies
5/17, 5/35 & 10/70 Oscillator Question
*(By **Marc Rinehart**)*

AGET FORUM QUESTION -- "I use AGET EOD. I think I was advised to use the 5/35 oscillator when looking at DAILY charts, and the 10/70 when looking at WEEKLY charts - I just wanted to confirm that? When I'm looking at the DAILY charts, with the 5/35 oscillator and I see the 10/70 still on the outside of the strength lines (not in the direction I'm looking to trade in) ... how much of an indication or reliance should I take from the 10/70? Would you decide not to enter a type1 or type2 trade because the 10/70 was still looking too strong in the wrong direction? I would have thought the 10/70 is important here, however if I waited til it pulled back to the zero line, the trade would probably be all over anyway - hence my question/confusion. Any help gratefully appreciated - thanks.   [JK]

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ANSWER --

Use all three oscillators no matter what the time frame.

Remember the three oscillators we are talking about-- 10-70, 5/35 and 5/17 settings-- are histograms of two moving averages. The difference between the two settings is like the difference between watching a fast sports car take off and drive away from a slow 4 cylinder pickup truck. The rate of acceleration for one may be greater than the other. The three oscillators we are talking about work similarly. The further away they grow from each other the greater the momentum going on or building.

By comparing and contrasting all three we are better able to interpret what is going on with the price movements of a stock, commodity, or index.

If you want an oscillator that is most sensitive, where the two moving averages will cross zero or each other quickest you would want to use the 5/17. This is because the oscillator values are the closest to each other. The differential value is what, 12?

If you want the benchmark, use the 5/35 Elliott Oscillator. It has a 5 period with a 35 period, or a differential value of 30.

If you want something where the moving averages do not cross zero as quickly, the 10 period/70 period setting works best.

If you are using the 10/70 on a weekly to confirm a crossover, you will have to wait a lot longer than say you would if you would monitor the 5/17 which has a tighter differential. The 5/17 will cross quicker because the difference between the two moving averages is 12, while the difference between the 10/70 is 60.

How one uses these various oscillators depends to a great degree on how well you have cross-referenced a setup, what your objective is when defining your trade setup and real opportunity. If you are looking for a quicker trade setup confirmation it might make sense to refer to the 5/17, but when you are trying to stay with a trending trade it might make more sense to reference the benchmark 5/35 to the 10/70.

When both the 5/35 and 5/70 are lining up well with similar patterns and wave counts and I am trying to get into an early trend, I am attracted to that setup. The 5/17 may cross zero quicker and identify a trigger, or a suggestion the other oscillator crossings may not be far behind.

As a rule of thumb, the higher time frame you are monitoring, the more you might observe the most sensitive 5/17 oscillator for an indication of divergence or crossover because you are looking for an early warning or new trigger idea. When looking at very short time frames one might monitor with just a little more weight added to the 10/70, particularly when trying to stay in a trending pattern because it will

not cross zero as quickly.

When you look at the oscillators you might find it advantageous to also cross-link the appropriate AGET wave count as it will add insight into that wave structure in conjunction with the oscillator being used.

The crossover of two moving averages could be an indication some form of a wave sequence could be completing itself.

If you go back to other writings, previous post examples, you will find some more ideas how to better use these oscillators.

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