



MOMENTUM SIGNAL PROVIDER (MSP)

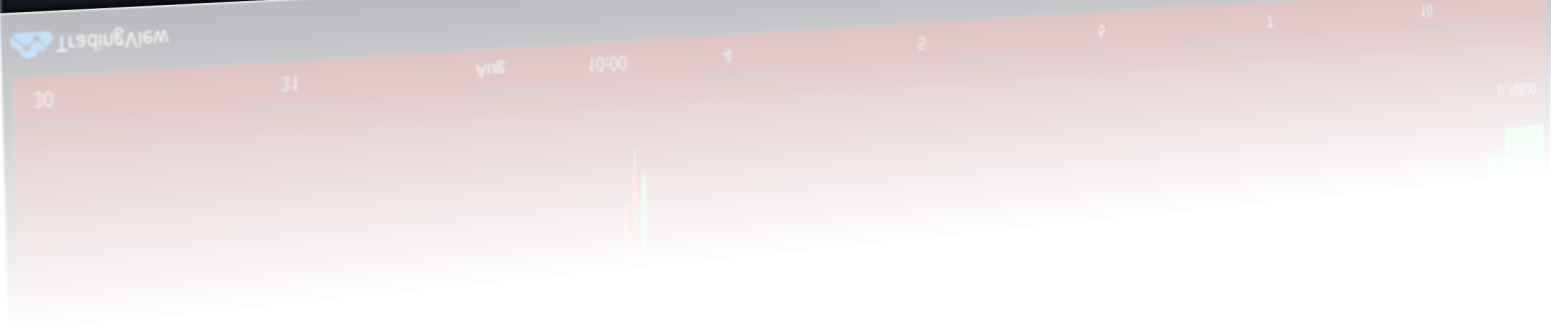
Momentum is a key concept that has proven valuable for determining the likelihood of a profitable trade. Measurements of momentum can be used in the short and long term, making them useful in all types of trading strategies. Several technical trading tools are available to reveal the strength of trends and whether a trade on a particular asset may be a good bet. Momentum Signal Provider show the buy and sell signals using the momentum of price over time and how strong those movements are regardless of the direction the price moves, up or down. It is specifically useful as they help traders and analysts spot points where the market can and will reverse.

Momentum traders bet that an asset price that is moving strongly in a given direction will continue to move in that direction until the trend loses strength and this is what our momentum signal provider indicator provide help to retail traders. By the help of momentum formula this indicator generates potential buy and sell signals which works best during the high volatile market period this is because momentum is more stronger during high volatile market period regardless of the direction the price moves, up or down. Momentum is involved along with average true range (ATR) and trend following method within the formula of our indicator and that's how it decide if the market have high momentum or not after that it does focus on the potential spots where the buy and sell signals condition matches.

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FX:AUDUSD, 60 0.71028 ▲ +0.00556 (+0.79%) O:0.70835 H:0.71094 L:0.70814 C:0.71028
Australian Dollar / U.S. Dollar, 1h, FXCM
MSP (14, hl2, 3, 0.8)



TradingView



< Feature >

- Powerful 3 calculation used in one indicator. Momentum, Average True Range & trend following.
- Clearly shows trend direction & momentum of any financial market.
- Generates potential buy and sell signals using the formula of momentum, average true range & trend following.
- Able to turn on/off buy and sell signals from chart using “Reveal buy/sell?”
 - Alert feature available for buy and sell signals.

Important two main settings of MSP indicator:

1. ATR Multiplier

- A retail trader should adjust the setting depending on the financial markets, instruments and timeframe as per required.
- Basically, higher timeframe has more range in price so ATR multiplier can be set higher as because higher timeframe will have higher range rather than smaller timeframe.
- If a trader by mistake doesn't set a proper input value then the whole indicator could function poorly so this setting must be used wisely. ATR Multiplier less value can produce more signals which will be as more trades opportunities but it can also lead to fake signals. 3-5 value is producing reasonable signals in any timeframe either it be lower or higher.

2. Momentum Power [0, 1]

- Momentum power input value can be from 0 to 1. It can also be floating-point number example: 0.1, 0.3, 0.8 etc.
- It is used to control the momentum power so lower value shows the effect of low momentum sensitivity which lead to slower signal reaction while higher value shows the effect of high momentum

sensitivity which lead to faster signal reaction. This input value plays crucial role for signal production.

- Depending on any financial market or instrument momentum power should be managed well by a trader for his/her needs taking consideration on the nature of that particular financial market, instrument & timeframe.

How to trade using buy & sell signals?

Buy Signal:

- 1) While a buy signal generates, there will be a label named “buy” below the candle bar where the signal was generated. This tell us a buy signal is ready for entry. We are entering exactly at the closing price of that candle bar where the signal was produced.
- 2) Keeping a Risk to reward as 1:1 for take profit level-1 and 1:2 for take profit level-2 (or max take-profit) can be a good money management and risk management plans.
- 3) Two rules for exits. One rule is to exit when price hits our take profit levels either 1:1 or 1:2 (Risk to Reward = Reward Level) or when price hits our stoploss level (Risk to Reward = Risk Level). Second rule for exit is when any opposite direction new signal emerges. It means when we were holding a buy position and if a sell signal generates then we exit our trade for that buy position immediately.



Sell Signal:

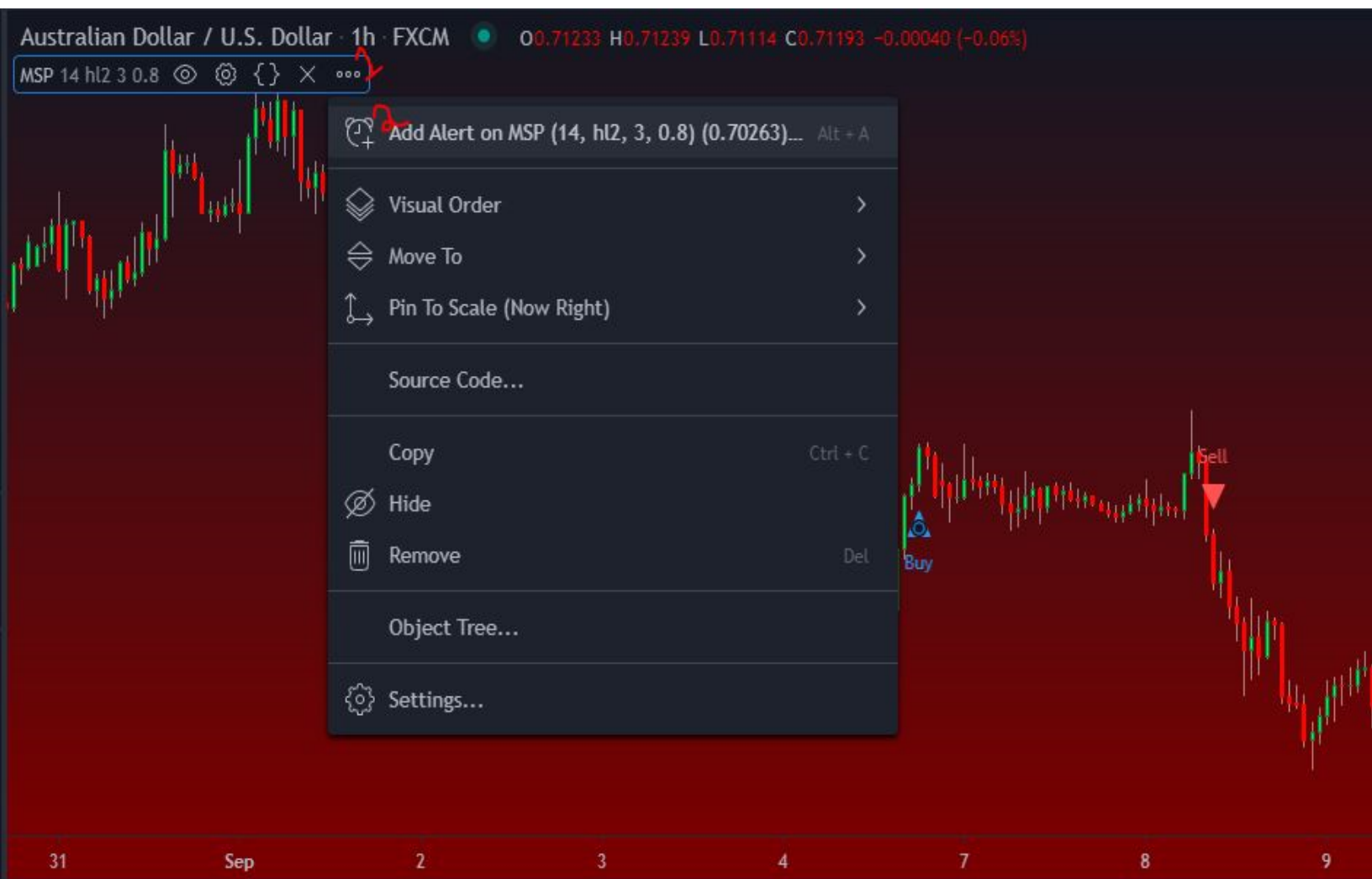
- 1) While a sell signal generates, there will be a label named “sell” above the candle bar where the signal was produced. This tell us a sell signal is ready for entry. We are entering exactly at the closing price of that candle bar where the signal was produced.
- 2) Keeping a Risk to reward as 1:1 for take profit level-1 and 1:2 for take profit level-2 (or max take-profit) can be a good money management and risk management plans.
- 3) Two rules for exits. One rule is to exit when price hits our take profit levels either 1:1 or 1:2 (Risk to Reward = Reward Level) or when price hits our stoploss level (Risk to Reward = Risk Level). Second rule for exit is when any opposite direction new signal emerges. It means when we were holding a sell position and if a buy signal generates then we exit our trade for that sell position immediately.

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FX:AUDUSD, 60 0.71169 ▲ +0.00697 (+0.99%) O:0.71233 H:0.71239 L:0.71159 C:0.71169



How to Set Alerts for Buy & Sell Signals?

Step: 1 & 2 (Colored in Red Numbers)



Step: 3

Create Alert on AUDUSD, 1h

3

Condition

MSP (14, hl2, 3... ▾

MomentumSignal buy ▾

Options

Only Once

Once Per Bar

Once Per Bar Close

Once Per Minute

Expiration time

2020-11-21

21:16

☒ Open-ended

Alert Actions

☒ Notify on App

☒ Show Popup

☒ Send Email

☐ Webhook URL

More Actions

Step: 4 & 5

Create Alert on AUDUSD, 1h

×

✓

Open-ended

Alert Actions

✓

Notify on App

✓

Show Popup

✓

Send Email

☐

Webhook URL

▼

More Actions

Alert name

A

MSP AUDUSD 1hour Buy!

Message

MomentumSignal buy!

You can use special placeholders such as `{{close}}`, `{{time}}`, `{{plot_0}}`, etc. [?](#)

Cancel

Create

Step: 6



Step: 7

- Alert dialog box where we can see the alerts which we made and we can manage alerts from here like stop, remove, resume and add etc.

MSP

Inputs **Style**

ATR Timer **1** 14

Source **2** hl2

ATR Multiplier **3** 3

Momentum Power [0,1] **4** 0.8

☒ Changing ATR method? **5**

☒ Reveal buy/sell? **6**

Defaults Cancel Ok

1) ATR Timer: -

Average True Range (ATR) is the average of true ranges over the specified period. ATR measures volatility, taking into account any gaps in the price movement. Typically, the ATR calculation is based on 14 periods, which can be intraday, daily, weekly, or monthly. To measure recent volatility, use a shorter average, such as 2 to 10 periods. For longer-term volatility, use 20 to 50 periods. Feature used for signal generating calculations.

2) Source: -

Source for the average true range (ATR) calculation example: - close, high, low etc. Default is hl2 ($(\text{high} + \text{low}) / 2$)

3) ATR Multiplier: -

This feature multiplies the Average True Range values which we obtain from the ATR period. The feature helps to adjust the average true range value depending on the timeframe and it plays some key role for signal production. If a timeframe where our MSP indicator has been used is below hourly (meaning all those minutes timeframes) then the ATR multiplier value can be lower as the lower timeframe like minutes don't hold higher range. If MSP indicator is used in hourly, daily (higher timeframes) then the value for ATR multiplier can be higher because the range are higher in higher timeframes. This is very crucial feature which controls the production of signals and can even help a retail trader to stop generation of fake signals if it has been used wisely.

4) Momentum Power [0,1]: -

This feature controls the momentum power so lower value shows the effect of low momentum sensitivity which lead to slower signal reaction while higher value shows the effect of high momentum sensitivity which lead to faster signal reaction. This input value also play crucial role for signal production.

5) Changing ATR Method?

It is used to change the default ATR calculation method to an advance ATR calculation where Moving Average plus True Range is used to generate different type of ATR calculation. Ticking the box will use the default feature (which is not advance calculation of ATR) and unticking the box will choose other type of method for the calculation of ATR.

6) Reveal buy/sell?

To hide or show the buy or sell signal label of MSP from chart this feature is used. Tick the box for showing the buy or sell signal label on the chart. Untick the box for hiding the buy or sell signal label from chart.