

## Point and Figure Tutorials (7)

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Can we use moving averages in point and figure charts ?

yes we can use moving averages within point and figure charts. This is one of the most used simple indicators used in charts with a fixed timeframe. Moving averages can help us to see how the trend should unfold in a shorter timeframe. Logically we don,t gauge a fixed timeframe because point and figure charts have no fixed timeframe but we are averaging the columns of the point and figure chart which gives us a similar result.

Can we use bollinger bands within point and figure charts ?

yes if we are able to use moving averages in point and figure charts we are also able to use bollinger bands in point and figure charts. The size of the bands can give us useful hints where the quotations are likely to go next. The interpretation of bollinger bands in point and figure charts are slightly different than in normal charts but are very promising and can give you a advantage in trading. But for that purpose adequate formation like in every profession is essential.

Do we plot every movement of the market in a point and figure chart ?

no because there is an immanent filter in point and figure by default and it,s possible that they are no substancial price movement in a point and figure chart for days or weeks. This filter prevents that we are enter in a dull market when there is no substancial price movement. We can change the sensitivity of the chart when we use a smaller box size. This immanent filter in point and figure gives us an advantage because we only enter a market when there are important price movements, because sideways markets without the adequate strategy costs money. In point and figure charts we only gauge price movement and this is the only thing we have in trading. Every indicator is derived of price movement, thats a simple truth but most traders try to make a science of an art form. Trading is definitely not a science it,s an art form and naked trading is not that bad as it seems.

Can we plot indicators with point and figure ?

yes we can use some indicators to plot them as point and figure charts, which has some advantages because we see good entry and exit points. A good example of an point and figure indicator are the bullish percent index, who can tell us in what stage a market is and if there are sufficient gasoline in the tank to push quotations even higher. But not all indicators are suitable to plot them as a point and figure chart. For more information please refer to my point and figure seminars.

Advertising

If you like to participate in my point and figure training courses which gives you an edge as a trader feel free to contact me. After this training you will see the market moves much clearer as before don,t trade every pattern you see. Don,t make your broker rich because you have to make money.