Chaikin Money Flow (CMF) [1]
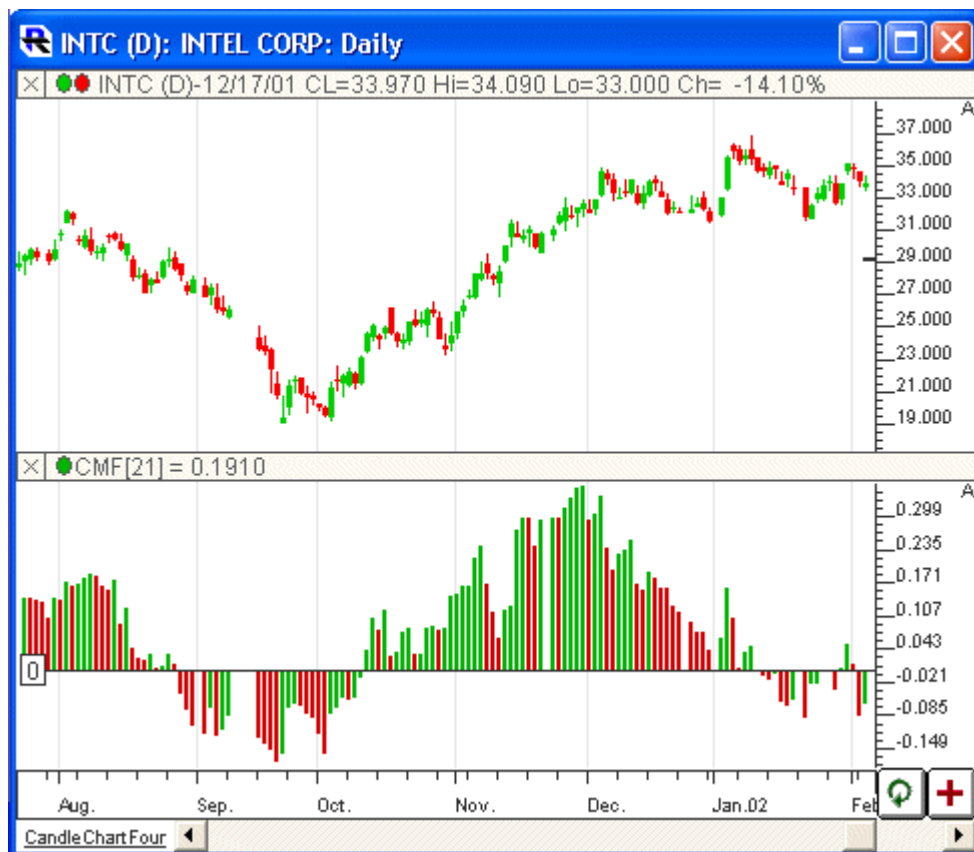
The Chaikin Money Flow indicator (CMF) is calculated by summing Accumulation Distribution over the given period and then dividing by the sum of volume over the given period, as can be seen in the formula section above. A period of 21 is recommended. The volume is essentially nothing more than volume times change divided by range. A positive CMF value signals accumulation, while a negative CMF value signals distribution. A reference line is drawn at zero to help quickly identify accumulation/distribution regions. The further the distance from the zero reference line, the stronger the signal. It is recommended to go long if a breakout above resistance is supported by Chaikin Money Flow staying above zero, while it is recommended to go short if a breakout below support is confirmed by negative Chaikin Money Flow. It is also recommended to go long on bullish divergence, and short on bearish divergence. If Chaikin Money Flow greater than zero, it is an indication of buying pressure and accumulation. The longer the oscillator can remain above zero, the stronger the evidence of accumulation. Extended periods of accumulation or buying pressure are bullish and indicate that sentiment towards the security remains positive. Not only should the oscillator remain above zero, but it should also be able to increase and attain a certain level. The more positive the reading is, the more evidence of buying pressure and accumulation. Keyboard Adjustment The period of the CMF indicator can be adjusted directly from they keyboard without opening up the preference window. First, select the indicator, then use the up and down arrow keys to adjust the CMF Period up or down by 1.

This indicator published by Marc Chaikin

Presentation

Above is a Daily Candlestick Chart of the Intel Corporation (INTC). The histogram seen in the lower window pane represents a 21 period Chaikin Money Flow indicator, drawn using the preferences seen below.

Preferences:

- **Period** -Period used in the CMF calculations above.
- **Draw Type** -The CMF can be drawn as a line (connected or continuous) or a histogram (solid or hollow).
- **Color** - When the draw style is a line, the color, style, and thickness may be controlled. When the draw style is a histogram, two colors are presented, one for increasing values of CMF, the other for decreasing values of CMF.

Formula Copy

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CMF = SUM(AD, n) /
SUM(VOL, n) where n
= Period

AD = VOL * (CL -
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Related RTL Tokens

The RTL Token for the Chaikin Money Flow indicator is CMF. To find instances where the CMF has crossed above zero (into bullish territory), use the following scan/signal: CMF > 0 AND CMF.1 <= 0 Similarly, to find instances where CMF has crossed below zero (into bearish territory), use the following scan/signal: CMF < 0 AND CMF.1 >= 0

Price Based [2]Volume Based [3]