



S-Trader





MFI | Money Flow Index

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Description

The Money Flow Index (MFI) is an oscillator that uses both price and volume to measure buying and selling pressure. Created by Gene Quong and Avrum Soudack, MFI is also known as volume-weighted RSI. MFI starts with the typical price for each period. Money flow is positive when the typical price rises (buying pressure) and negative when the typical price declines (selling pressure). A ratio of positive and negative money flow is then plugged into an RSI formula to create an oscillator that moves between zero and one hundred. As a momentum oscillator tied to volume, the Money Flow Index (MFI) is best suited to identify reversals and price extremes with a variety of signals.

Formula

Step 1: Calculate TP = Typical Price = (High + Low + Close)/3

Step 2: Calculate Coefficient:

- If Current TP > Previous TP, +1
- If Current TP < Previous TP, -1

Step 3: Raw Money Flow = Typical Price * Coefficient * Volume.

Step 4: distinguish n Period positive Raw Money Flow versus negative Raw Money Flow

Step 5: Money Flow Ratio = Absolute(n period positive RMF / n period negative MF)

Step 6: MFI = Money Flow Index = $100 - 100 / (1 + \text{Money Flow Ratio})$

Parameters

Periods

Any number of periods



Output value(s)

There is one output value resulting from the formula, the Money Flow Index.

Plot

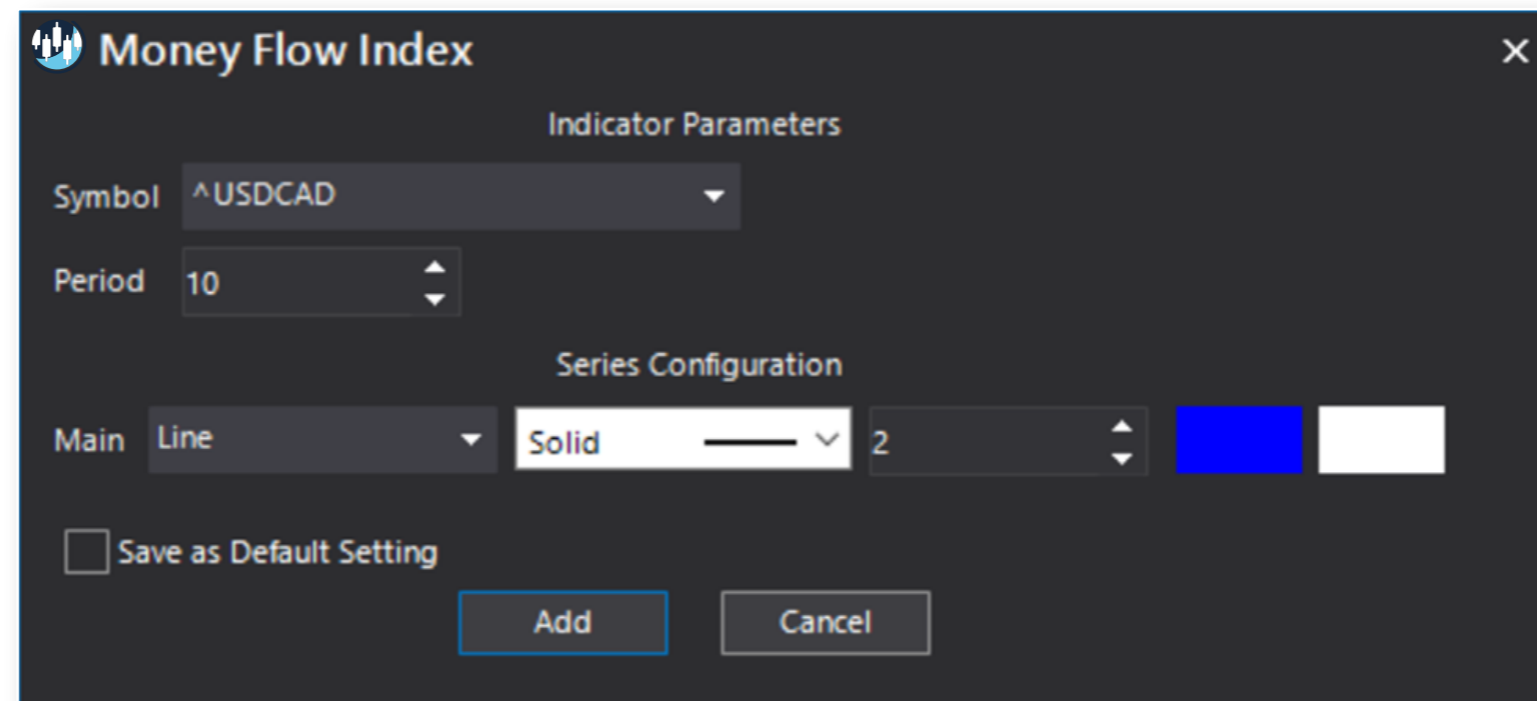
The plot is in a separate panel at the bottom.

Quant Script™ Syntax

Short Form	<i>MFI</i> (Periods)
Long Form	<i>MoneyFlowIndex</i> (Periods)

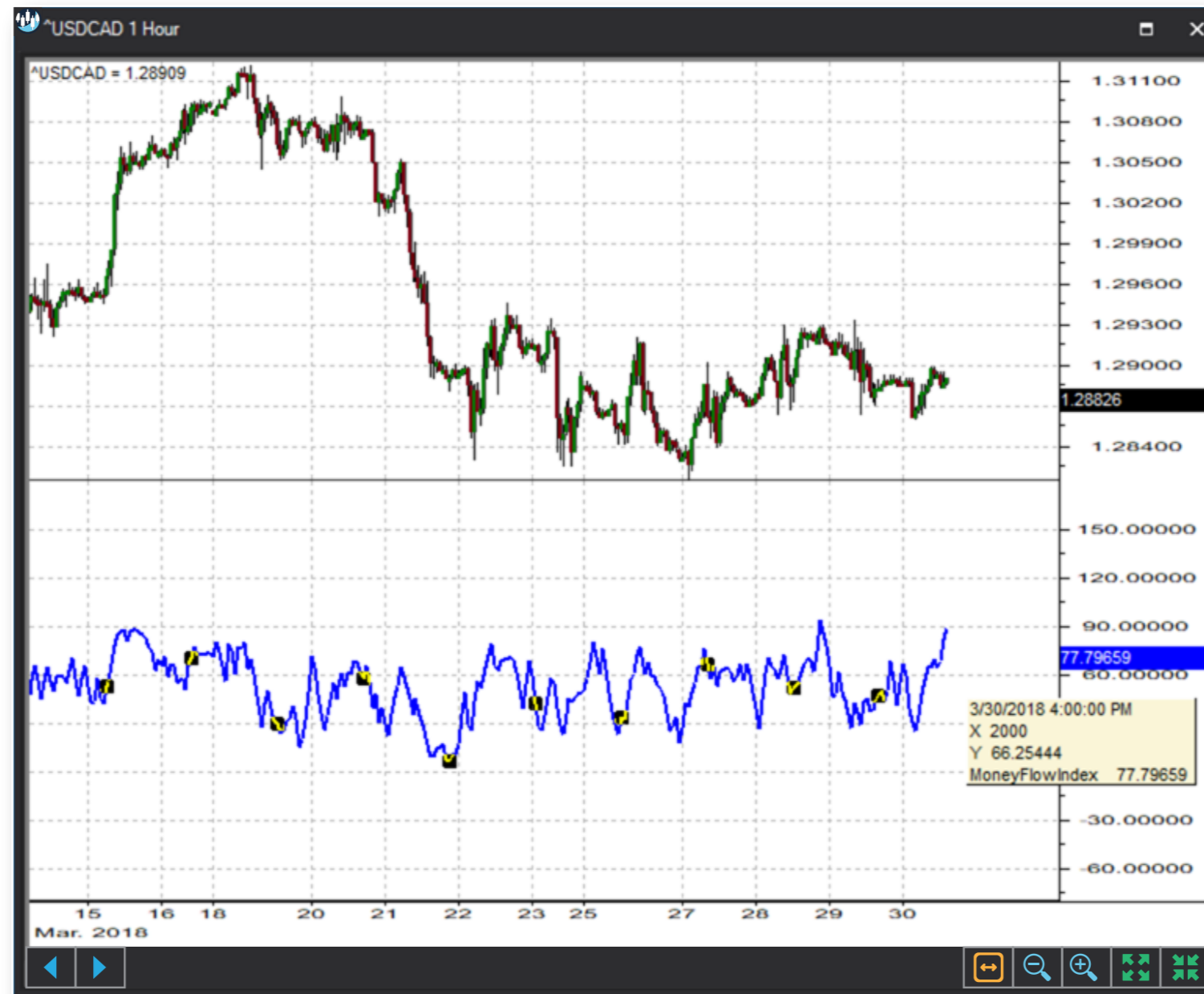
Dialogs

Chart Study Dialog





Sample Chart With Study





Quant Script™ Wizard Study Dialog

The image shows two overlapping dialog boxes in the S-Trader desktop platform. The background dialog is the 'Custom Study Wizard' and the foreground dialog is the 'Add Variable' dialog.

Custom Study Wizard Dialog:

- Save To Group: Default
- Custom Study Name: [Empty text field]
- Password: [Empty text field]
- Result: Line, Solid, 2, [Color selection]
- Reverse_Result: Line, Solid, 2, [Color selection]
- Buttons: Add To New Panel (checked), Add New Variable, Edit Selected Variable
- Table with columns: Name, Description
- Buttons: OK, Cancel

Add Variable Dialog:

- Name: [Empty text field]
- Description: [Empty text field]
- Variable List: MoneyFlowIndex (selected), KlingerVolumeOscillator, KlingerVolumeOscillatorHistogram, KlingerVolumeOscillatorSignal, KVO, KVOH, KVOS, MarketFacilitationIndex, MFI, MKTFI, NegativeVolumeIndex, NVI, OBV, OnBalanceVolume, PositiveVolumeIndex, PriceVolumeTrend, PVI
- Period: 10
- Button: Create Script Line
- Preview: MoneyFlowIndex(10)
- Buttons: OK, Cancel



Quant Script™ Study Dialog

Custom Study Editor [Close]

Save To Group: 4_OSCILLATORS_MONEY_FLC [Dropdown] A 14.25 [Dropdown]

Custom Study Name: MFI

Password: [Text Field]

Result: Line [Dropdown] Solid [Dropdown] 2 [Spinner] [Color Picker]

Reverse_Result: Line [Dropdown] Solid [Dropdown] 2 [Spinner] [Color Picker]

Formula Add To New Panel

```
SET RESULT = MFI(10)
SET REVERSE_RESULT = MoneyFlowIndex(10)
```

[OK] [Cancel]