



S-Trader





CV | Chaikin Volatility

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Description

Chaikin's Volatility (CV) measures price volatility by comparing the spread between a series of a security's high and low prices over a set period of time. In general, larger spreads between the high and low prices indicate higher levels of volatility.

Analysts typically interpret Chaikin's Volatility in one of two ways. One interpretation is that market tops are associated with increased volatility, and market bottoms are associated with decreased volatility. The second interpretation is that a sharp increase in volatility may indicate an approaching bottom, and a gradual decrease in volatility over time might mean that the market is reaching its peak. While interpretations of Chaikin's Volatility vary, many analysts hold the general view that changes in volatility are valuable tools for predicting possible trend reversals.

Formula

Step 1: Calculate HML = High – Low; then for selected n periods and moving average type calculate an average of the HML;

Step 2: CV = Chaikin Volatility = $100 * (\text{Average} - \text{Average } m \text{ periods ago}) / \text{Average } m \text{ periods ago}$

Parameters

Periods	Any number of periods
Rate Of Change	Any number of periods
MA Type	Any available moving average type



Output value(s)

There is one output value resulting from the formula, the Chaikin Volatility Indicator.

Plot

The plot is in a separate panel at the bottom.

Quant Script™ Syntax

Short Form	<i>CV</i> (Periods, Rate of Change, MA Type)
Long Form	<i>ChaikinVolatility</i> (Periods, Rate of Change, MA Type)



Dialogs

Chart Study Dialog

Chaikin Volatility [Close]

Indicator Parameters

Period: 10

Symbol: ^EURUSD

Roc: 7

MaType: Simple

Series Configuration

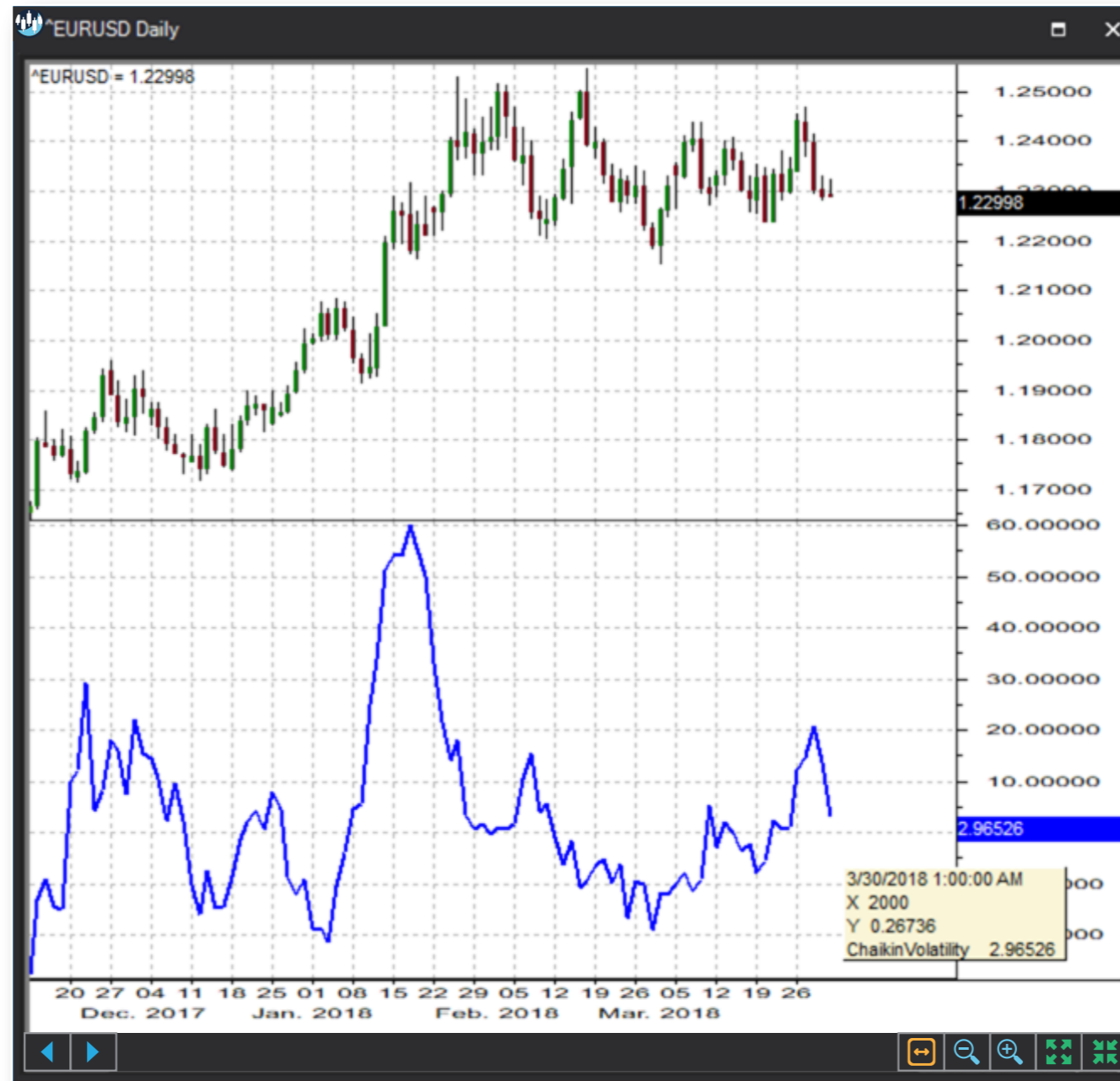
Main: Line, Solid, 2, [Blue], [White]

Save as Default Setting

[Add] [Cancel]



Sample Chart With Study





Quant Script™ Wizard Study Dialog

The image shows two overlapping dialog boxes in the S-Trader desktop platform. The 'Custom Study Wizard' dialog is on the left, and the 'Add Variable' dialog is on the right.

Custom Study Wizard

- Save To Group: Default
- Custom Study Name: [Empty text box]
- Password: [Empty text box]
- 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

- Name: [Empty text box]
- Description: [Empty text box]
- Tree view showing categories: Primitive - Logical Operators, Primitive - Summation, Primitive - Trend, Relative Strength, Statistics, SVA Functions, Trend Indicators, Volatility (expanded). Under Volatility, 'ChaikinVolatility' is selected.
- Parameters: Period (10), Roc (7), MaType (Simple)
- Buttons: Create Script Line, OK, Cancel



Quant Script™ Study Dialog

Custom Study Editor [X]

Save To Group: 6_VOLATILITY [A] 14.25

Custom Study Name: CV

Password: [Empty]

Result: Line [Solid] 2 [Color: Teal]

Reverse_Result: Line [Solid] 2 [Color: Purple]

Formula: `SET RESULT = CV(10, 7, SIMPLE)`
`SET REVERSE_RESULT = ChaikinVolatility(10, 7, SIMPLE)` [Add To New Panel]

[OK] [Cancel]