Trading Indicator: Simple Moving Mode

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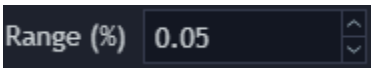
Introduction

Thank you for purchasing an indicator or bundle from Kenzing®. This document contains instructions on how the indicator functions and how to adjust the input values that allow you to personalize the indicator according to your trading strategy. Information on how to access the indicator after purchase is not included in this document and can be found in the Read Me FAQ document.

Understanding the Simple Moving Mode (SMMO)

By definition, the mode is the value within a set of data that occurs the most often. This makes it different to an average or median. In this context, the "Period" of the moving mode defines how many candlesticks should be used in the data set.

Once the set of data has been defined, the most commonly occurring price within that set must be determined. Unfortunately, the event of any high, low, or closing value of a time stamp being the same is infrequent as many securities trade to the precision of at least two decimal places. To overcome this, the middle value represents each candlestick in the data set and a user defined precision factor has been created.



Setting this value to zero will mean that each value within the period must be the same, while setting this value to "*1*" will allow for +/-*0.5*% between the values, making modal occurrences more common. If a mode does not occur within a set, the indicator will automatically plot the candle value.

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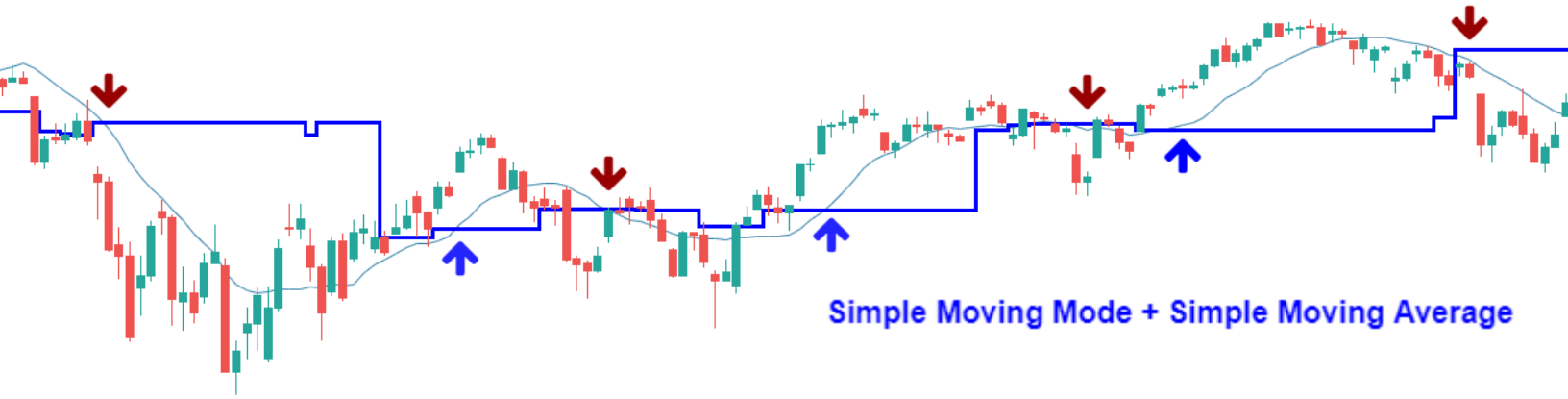
Indicator Utility

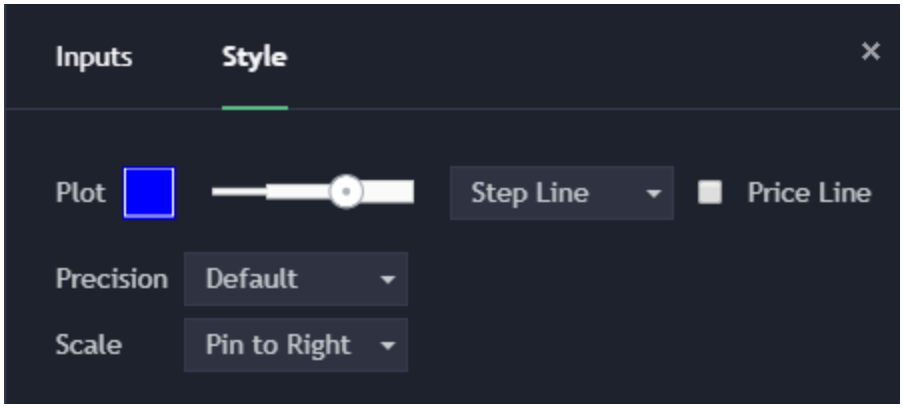
The Simple Moving Mode has many different applications. While price action can be used as a point of reference when trading with the indicator, it is recommended to pair the SMM with other indicators to create points of interest.



Remember, the mode will only change when another more commonly occurring value presents itself. For this reason, the SMM appears as a Step-Line. This indicator works as a perfect representation of a Moving Mode with a defined period. Any indicator that is plotted as a smoothed or curved line is NOT MODAL.

Input Values

This indicator uses Pinescript V3 and will calculate data in real-time.



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