

Ian S. Notley's Rate of Change Library

Introduction:

This library is designed around Ian S. Notley's method of trend analysis based on the comparison of various market cycles using the rate of change indicators. The user is encouraged to read Chapter 12: Individual Momentum Indicators II of Martin Pring's book *The Successful Investor's Guide to Spotting Investment Trends and Turning Points Technical Analysis Explained Fourth Edition* for a comprehensive description of Ian Notley's analysis techniques.

Library Name:

Rate of Change Library

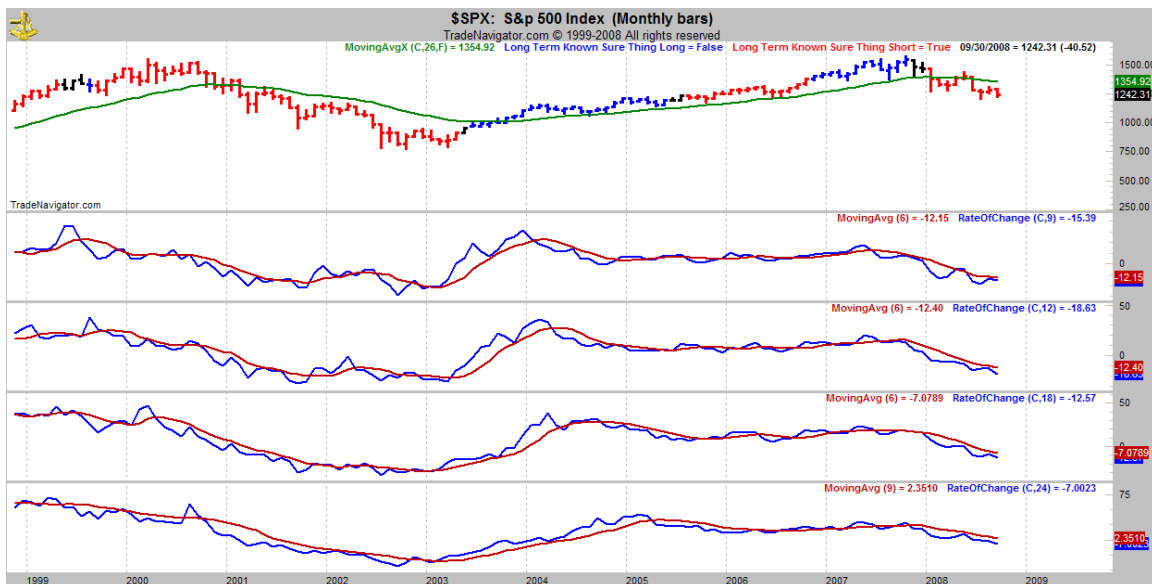
Library Installation:

After purchasing the Library, use the Update Data tool (blue telephone icon) on the General Toolbar to download the library in to Trade Navigator.

Library Usage:

There are three branches of market analysis; sentiment, flow of funds and market structure analysis. Rate of change is included in the market structure analysis. Trends can be considered directional movement of a market's value (Price) over a period of time. The markets have long term cycles, intermediate cycles and short term cycles. The basic tenant of this library is to identify these various market cycles and help traders identify possible market directional change.

Notley ROC Monthly Pattern Template Layout:



Notley ROC Template Description:

The compared four ("4") indicators representing rate of change cycle on a 24 month, 18 month, 12 month and 9 month basis. The 26 bar exponential moving average is used as an entry and exit signal in conjunction with the highlight bars.

Rate of Change Highlight Bar Description:

The Long Term Known Sure Thing Long highlight bar's color is blue when the four ("4") Rate of Change indicators have a slope (Smoothed and weighted) greater than (" $>$ ") zero (" 0 ")



The Long Term Known Sure Thing Short highlight bar's color is red when the four ("4") Rate of Change indicators have a slope (Smoothed and weighted) less than (" $<$ ") zero (" 0 ")



Functions:

ROC Slope KST
Long Term Known Sure Thing Long
Long Term Known Sure Thing Short

Rules:

KST Long
KST Short
KST Long Exit
KST Short Exit

Strategy:

KST

Bibliography:

Pring, M. *The Successful Investor's Guide to Spotting Investment Trends and Turning Points 4th Edition*, New York, NY: McGraw-Hill, 2002; pages 237 - 247
ISBN # 0-07-138193-7