

HGSI Float Turnover Channel Indicator

INTRODUCTION

This charting indicator is loosely based on Steve Woods' book "The Precision Profit Float Indicator". There is also a newer book "Float Analysis Powerful Technical Indicators"

<http://www.amazon.com/Precision-Profit-Float-Indicator-Techniques/dp/188327284X>

<http://www.amazon.com/Float-Analysis-Powerful-Technical-Indicators/dp/0471215538>

This indicator uses a stock's float, the available shares outstanding, to compare with volume traded. It give visual guidance as to how volume in the stock has moved in relation to the outstanding float. This is mostly a theoretical framework, since there is no access to actual trading patterns. It isn't actually possible to tell if all the shares of a stock have changed hands during a float turnover period.

Float Turnover Channel Options

Name:

Comment:

Use Private Scale

Adjust Volume on NASDAQ Securities

Percent of Float %: Use Fixed Float (millions):

Turnover Days Line

Color:

Line Type:

Continuous Turnover Channel Lines

High Color: Low Color:

High Line Type: Low Line Type:

OK
Cancel
Help

Adjust Volume on NASDAQ Securities: This feature defaults to disabled i.e. the box is unchecked. This option is meant for traders who understand that the NASDAQ before 2000 would double count volume. This is not so much the case since 2000. It is provided to be consistent with Steve Woods' book on Cumulative-Volume Float. The following article explains this NASDAQ rule.

<https://www.researchgate.net/publication/228844731ReportedTradingVolumeontheNYSEandtheNasdaq>

Percent of Float: Allows adjustment of the float as a percentage. If a symbol has a float of 2 million shares and this is set to 50%, computations will be made as if the outstanding float was only 1 million. This still applies when using the fixed float option; the fixed float will be adjusted by this percentage.

Use Fixed Float (millions): This lets you set the float to use for the indicator. When enabled the stock's own float will be ignored and this value will be used. This option can be used to more accurately adjust a stock's float value or can be used as a way of exploring volume turnover by just using fixed values like 100 or 500 million. When using a fixed value this indicator becomes an interactive volume exploration tool.

Turnover Days Line: Not covered in Steve Woods' book, this is a plot of the number of periods from the day on the chart backwards required to turn over the stock's float. As the trading volume in the stock increases the number of days will decrease. As the trading volume in the stock decreases this number will increase. This line is always plotted using its own scale, because the turnover days line values are not connected to the stock's high and low price.

Continuous Turnover Channel Lines High and Low: These two lines are the high and low values the stock reached during the float turnover period, starting from where they are drawn and extending back over the number of turnover days. Because the high and low values are watermarks from a longer period of time these channels will often form plateaus, only breaking out when the stock moves higher or lower.

