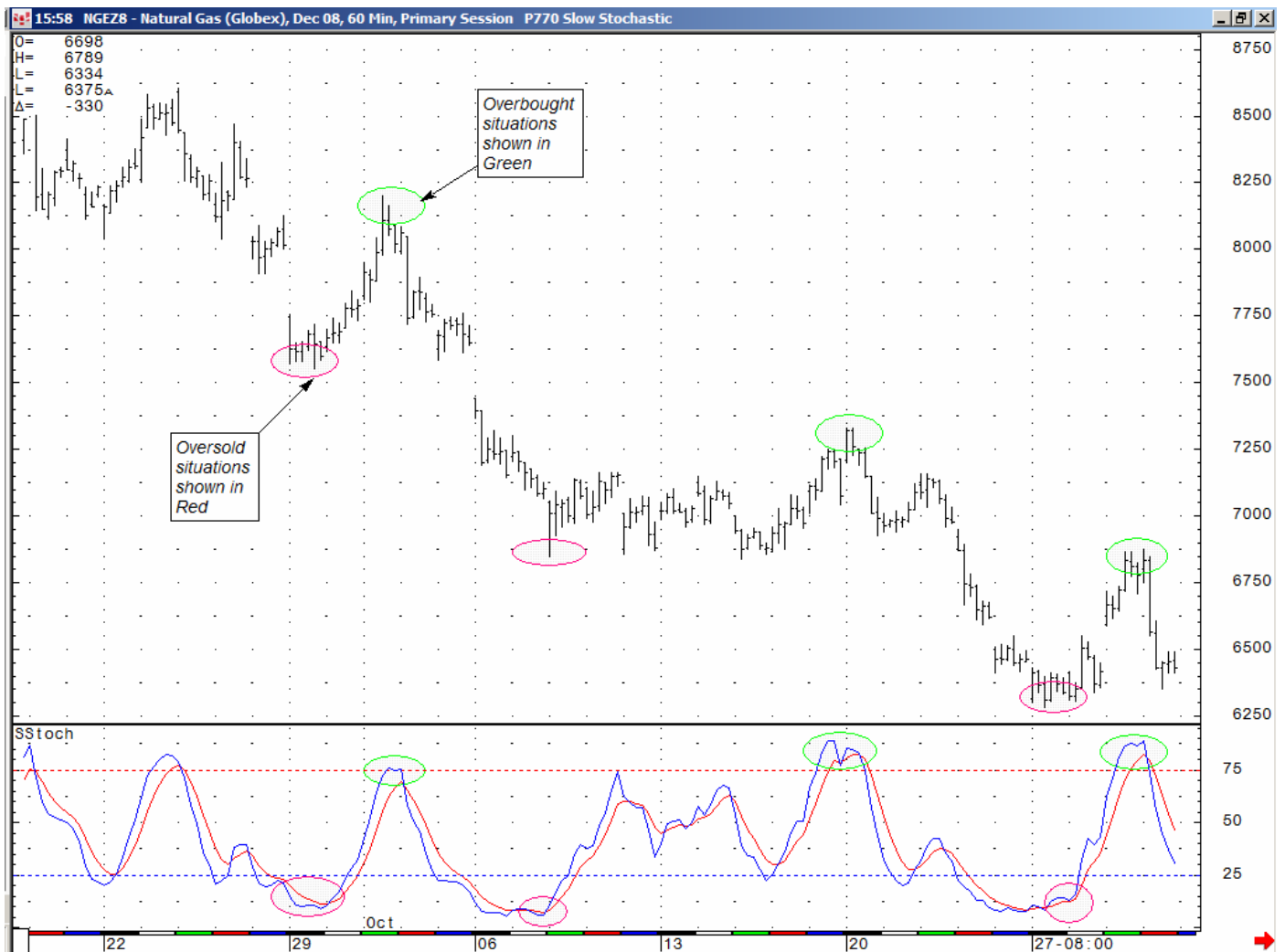


## Slow Stochastic

The slow Stochastic is used primarily as an overbought / oversold oscillator. This indicator's values are bounded by definition by 0 on the downside and 100 on the upside. We have found the 14 bar Stochastic to be the most effective period setting in our experience. We see the Stochastic as reaching an overbought reading above a value of 75, and an oversold reading when it is below 25.

When using an intraday chart (primarily 60 minute) the Stochastic can be very effective at helping catch the concluding portion of short term counter trend consolidations. When using a daily chart an overbought / oversold reading on the Stochastic can be a reliable trading signal when the market is in a mostly range bound mode, but in a strong trending market this indicator can give many false signals, and is therefore unreliable in these circumstances. When using a weekly chart and overbought / oversold reading typically carries much more significance, due to the infrequency of their occurrence.



## Alternates used

9 bar Stochastic  
21 bar Stochastic

A brief description of the Slow Stochastic formula can be seen by clicking [here](#)