

# Most Anchored Momentum

Third Edition

By Rudy Stefenel

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# Introduction

Stock market price charts have been around since the stock market itself, and so have indicators—found above or below a stock price, market index, or mutual fund price chart. An indicator such as Stochastic and RSI is a different kind of chart, one which gives specific information about stock price movements.

If you use FastTrack, you are familiar with Rank. (Omega Research's Rate-Of-Change is the same as Rank; I'll call them both Rank.) **It's too bad that we can't see Rank as an indicator below a price chart when we use FastTrack. If we could, as we can with RSI, we would have noticed a problem with Rank years ago.**

**But don't let this discourage you from using FastTrack. Rank is only a small part of it, and I'll give you a simple remedy, Most Anchored Momentum.** FastTrack is a proven tool—it helped make some millionaires. Not only that, the mutual fund and stock data are the cleanest available. Also, we can find lots of slick third party products because FastTrack gives us the details we need to write software that taps into their data. (Check [www.fasttrack.net](http://www.fasttrack.net).)

Basic-Momentum and Rank (nearly the same thing) are covered here as a prelude to Most Anchored Momentum. The expressions for all these indicators are presented and you will see how they came about. **You'll see why Most Anchored Momentum doesn't have the problem that Rank has.**

The "Most" in Most Anchored Momentum is there because Most Anchored Momentum a limiting case of General Anchored Momentum. General Anchored Momentum lets us choose how much to fix the problem with Rank. For a 100-percent fix, use Most Anchored Momentum. For more information, see my article *Anchored Momentum* in the February 1998 issue of *TASC (Technical Analysis of Stocks and Commodities Magazine)* available through [www.traders.com](http://www.traders.com).

After optimizing and back-testing a trading system strategy using Rank, you are likely to be terribly disappointed if you trade that strategy. When doing the same thing with Most Anchored Momentum, your profits tend to be closer to expectations. This was covered by my article, *Warning: Dangerous CURVEfitting Ahead*, in the Fall 1998 issue of the *FastTrack Monitor*. To get this issue, see [www.ftmonitor.com](http://www.ftmonitor.com). The software that I used to do the research for the FastTrack Monitor article is EdgeWare's FastBreak. Learn all about FastBreak at [www.edge-ware.com](http://www.edge-ware.com).

Most Anchored Momentum is an excellent tool but it is no substitute for using your brains and doing your research when you buy and sell stocks or mutual funds. **If Rank has been one of your investment tools, then using Most Anchored Momentum instead will improve your bottom line.**

**Rudy Stefenel, [rudystefenel@yahoo.com](mailto:rudystefenel@yahoo.com)**

# *Most Anchored Momentum:*

We had it all along.

At first I thought that I had come up with something new, but instead I uncovered new virtues for some old indicators.



What is so special about Most Anchored Momentum anyway?

The best virtue of Most Anchored Momentum is illustrated by a story about Joe Work-a-Alcoholic. Joe hung out at a bar and often came home late for dinner. At last, his wife was fed up and demanded to know where he was spending his time. Joe Work-a-Alcoholic's reply was technically correct when he said that he had been at the office: he was at a bar named "At The Office."



***Most Anchored Momentum tells us what we really are asking for even though Basic Momentum and Rank give us an answer that is technically correct.***

***For this reason, Most Anchored Momentum is superior for ranking mutual funds, stocks, and indexes in comparison to ranking them with Rank.***

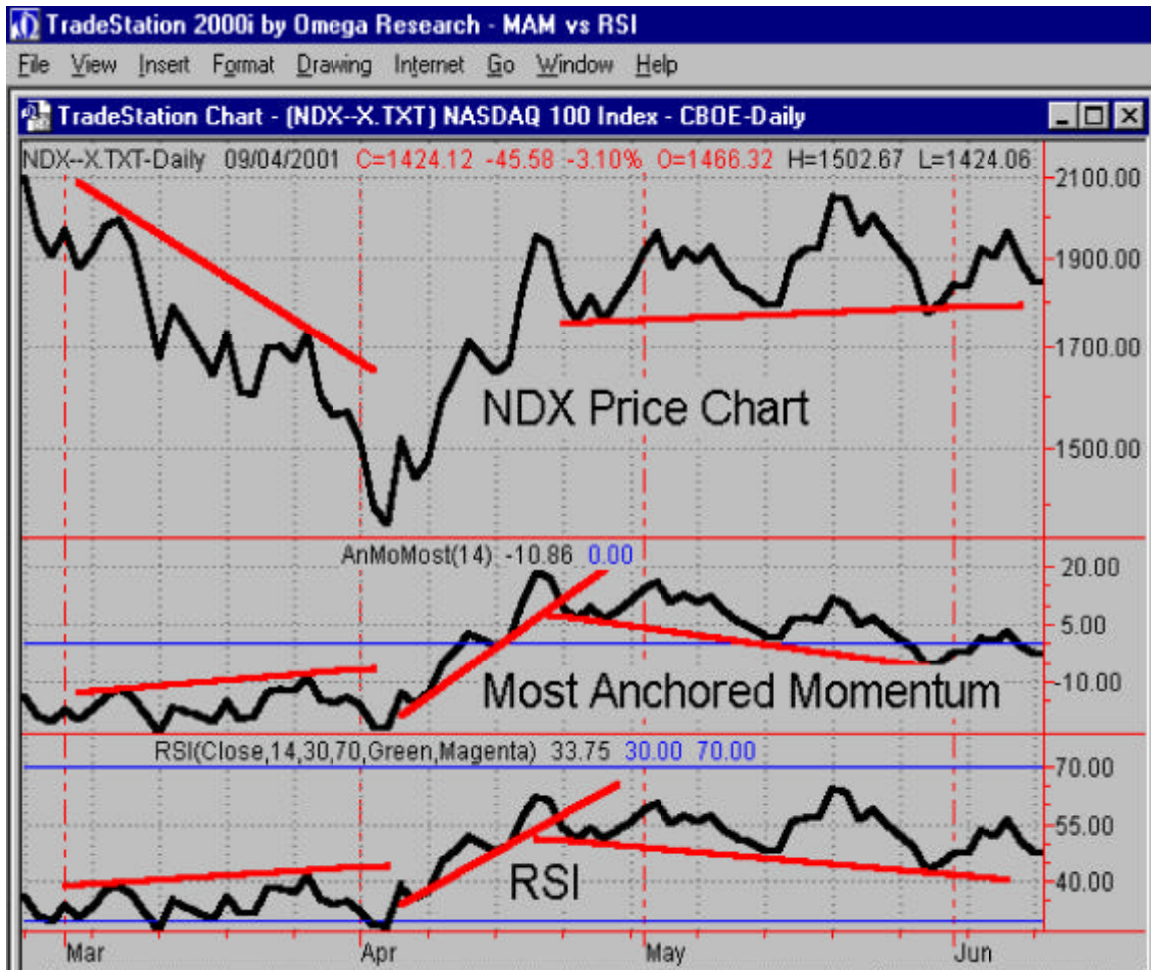


***Also, Most Anchored Momentum is a good general purpose, non-bounded (not compressed to fit between scale limits), momentum indicator, but this is not where its strength lies. Ranking (sorting by momentum) is where it shines.***

Most Anchored Momentum works nearly the same as RSI as a general purpose momentum indicator. RSI is bounded between 1 and 100, but Most Anchored Momentum is not bounded at all. They both work well for drawing trend lines and finding a divergence relative to the price chart.

**See the right page for a comparison of Most Anchored Momentum and RSI.**

***Note: I like Most Anchored Momentum better than RSI for general use because, not being bounded, it gives a more accurate representation of the magnitude of the momentum under extreme conditions.***



TOP CHART = NDX Price Chart

MIDDLE CHART = 14-day Most Anchored Momentum

BOTTOM CHART = 14-day RSI

*Notice that there is little difference between Most Anchored Momentum and RSI for general use. Trend Lines and Divergences are virtually the same.*

*Most Anchored Momentum works best as an alternative to Rank for ranking (sorting by momentum) mutual funds, stocks, and indexes.*

## Now for the evils of Basic Momentum and Rank:

*By the way, Omega Research's "Momentum" and what I call Basic Momentum are the same. I call it Basic Momentum to avoid confusion because the word "Momentum" is typically used to classify a bunch of similar indicators.*



***Basic Momentum and Rank are contaminated with twice the GARBAGE (noisy bad stuff) of Most Anchored Momentum.***

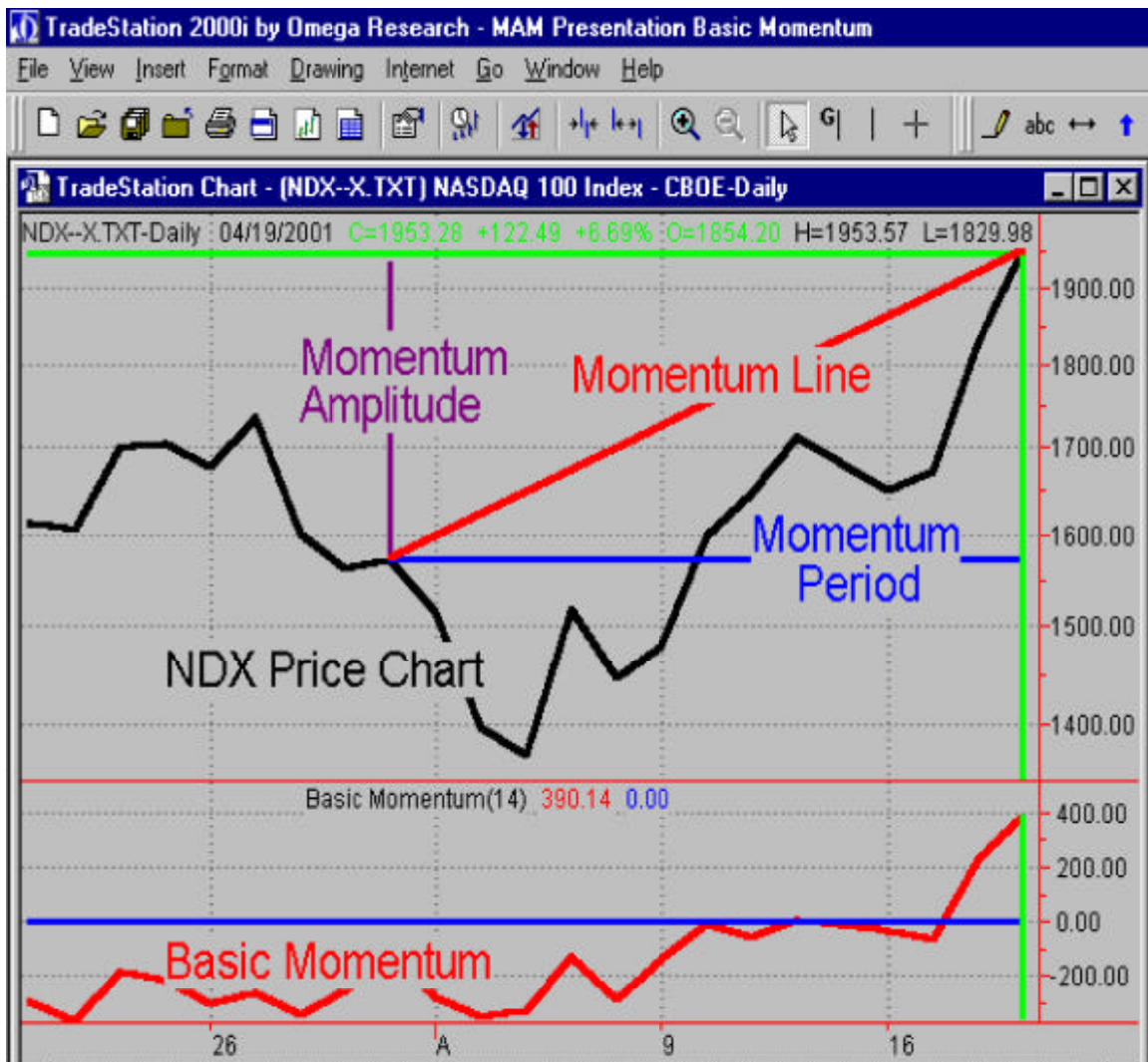
Let's dig into this garbage to see what I'm taking about:



**See the right page.** Notice that Basic Momentum is the difference between the latest price and an old price. The Momentum Period is the time between these two prices. A momentum line can be drawn between the latest price and the old price. As time goes by, both the latest price and the old price bounce around as they ride along on the noise that we see on the price chart. This noise is garbage that we could do without.

***The old price contributes half the garbage and the latest price contributes the other half.***





TOP CHART = NDX Price Chart

BOTTOM CHART = 14-day Basic Momentum

*Basic Momentum is just that: it's as basic as you can get. It must be the grand daddy of all the momentum indicators that we have now.*

*Basic Momentum is the difference between the latest price and an old price. The momentum period is the time between the two prices.*

If we just could have a Centered SMA (Simple Moving Average) that did not stop short of the shift needed to center it, we could construct a Crystal Ball Momentum indicator to get rid of all the garbage.

***But this won't work: Without a crystal ball \*, we can't hang the right end of a Momentum Line on a Centered SMA. Without knowing what stock prices will be in the future, we can't create a Centered SMA that reaches the end of the chart.***

*\* Crystal balls would be great if they didn't have serious bugs.*

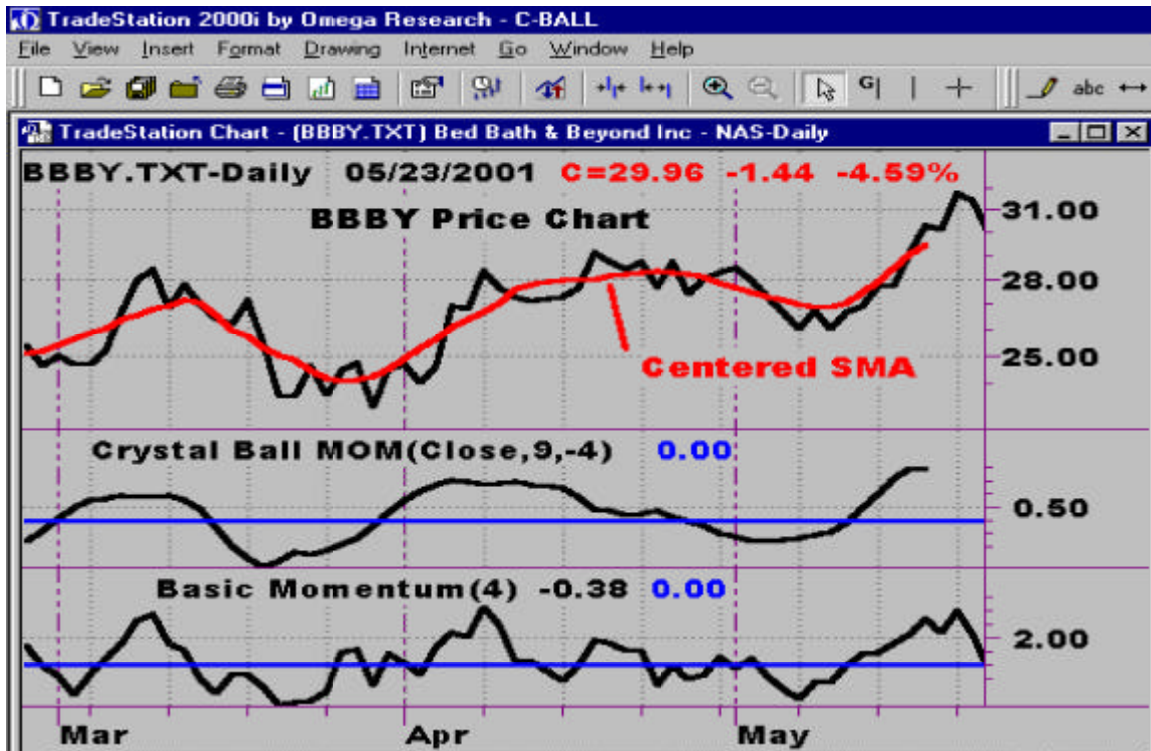
**See the right page to compare Crystal Ball momentum with Basic Momentum.**

# ***But wait...***

***We CAN ANCHOR the LEFT end of the Momentum Line onto the Centered Moving Average. There is no technical reason why we can't do this, there is no law against it and we don't need a crystal ball.***







TOP CHART = BBBY Price Chart

MIDDLE CHART = 4-day Crystal Ball Momentum

BOTTOM CHART = 4-day Basic Momentum

*Since we don't have a crystal ball, the Centered SMA and Crystal Ball Momentum plots came to a stop before the end of the chart. The middle chart is NOT a momentum plot of the price chart. It's the Basic Momentum of the Centered SMA itself. In other words, this indicator is the Basic Momentum of a Centered 9-day SMA of the price plot.*

*Compare the Crystal Ball momentum plot to the Basic Momentum plot. Notice how beautifully smooth the Crystal Ball momentum plot is in comparison. Don't you hate all the noise (garbage) on the bottom chart?*

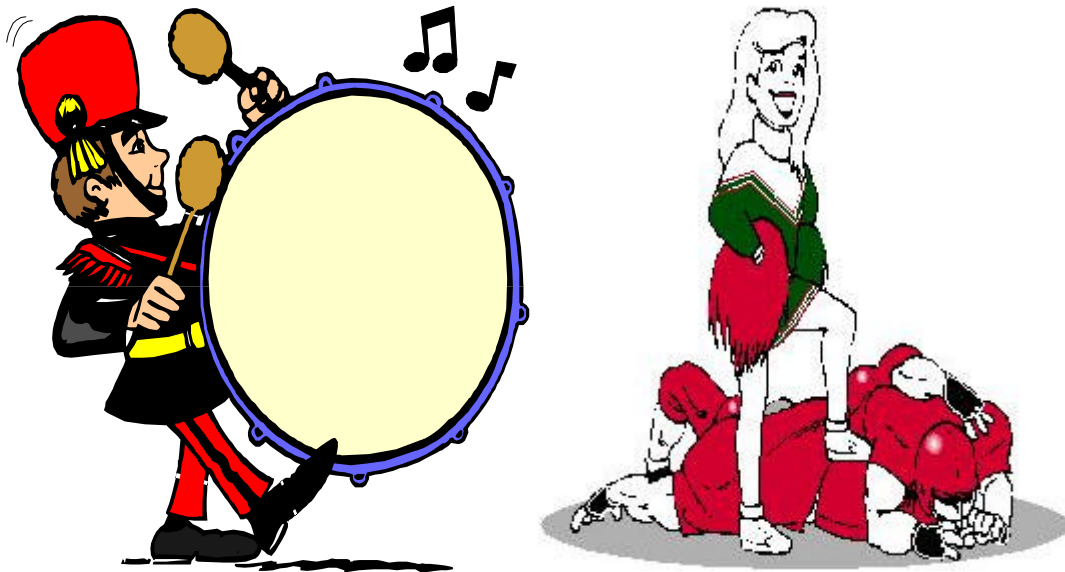
# *Hey! That's it...*

***ANCHOR THE LEFT END OF OUR MOMENTUM  
LINE ONTO A CENTERED MOVING AVERAGE.***

Check the page to the right.

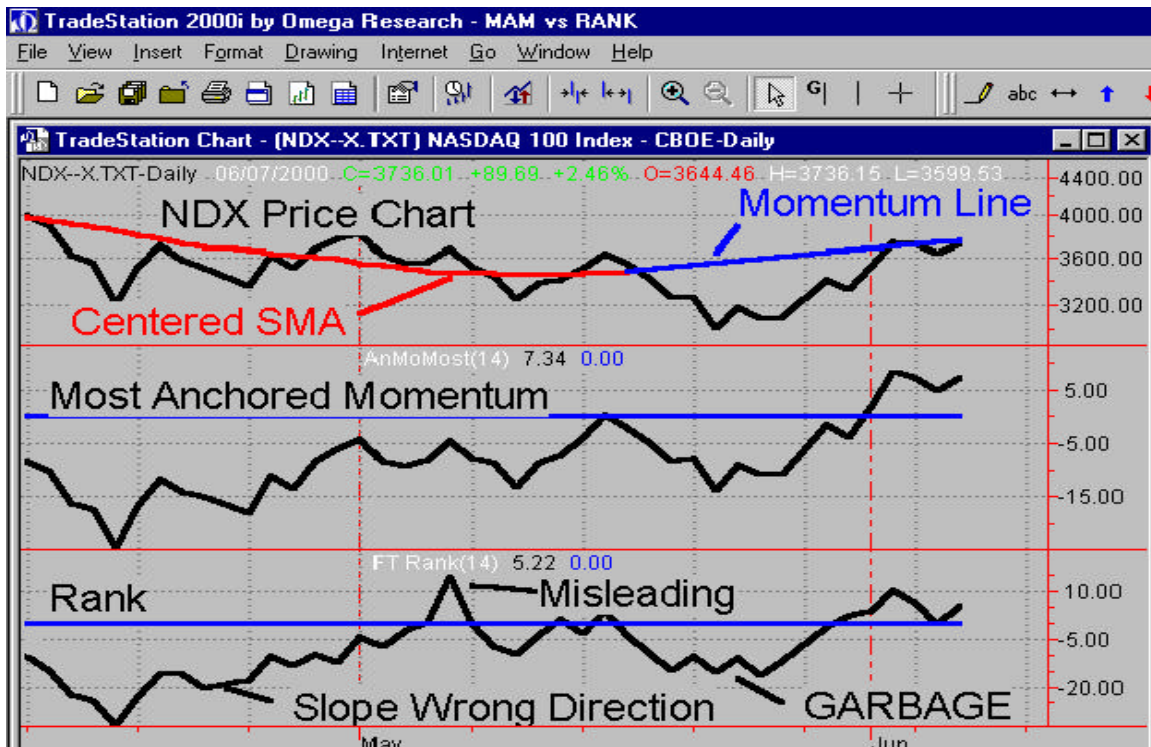
*How about that? We get at least half of all we could wish for  
and without a crystal ball: get rid of half the garbage (noise).  
That is what Most Anchored Momentum does for us.*

**This is the time for the big drum, and bring out our cheerleader!**



If only we could get rid of half the noise we have to contend with in everyday life, we would be happier and we might live longer. Sorry, but I can't help you there.

A script for Most Anchored Momentum for Ed Gilbert's Trade software is presented here later. You will be able to rank (sort) your own FastTrack families by Most Anchored Momentum. The expressions for Most Anchored Momentum for a lot of popular charting software programs are presented here too.



TOP CHART = NDX Price Chart

MIDDLE CHART = 14-day Most Anchored Momentum

BOTTOM CHART = 14-day Rank

*Look at the NDX Price Chart. The left end of the Momentum Line is ANCHORED to the end of a Centered SMA instead of the price for that day. That is what makes Most Anchored Momentum different from Rank.*

*Notice all the garbage (noise) on the Rank. As if that weren't bad enough, notice that the slope is shown as increasing at a place where the price is decreasing. This is technically correct because of the way Rank is calculated, but it is darn misleading. Similarly, Joe Work-a-Alcoholic was technically correct when he told his wife that he had been "At the Office".*

## Now for the expressions of Most Anchored Momentum.

The expressions for Most Anchored Momentum are easier to understand if we first review the expressions for Basic Momentum and Rank.

Rank is Basic Momentum made into percent change of the Old Price, so let's do that with Basic Momentum. Start with Basic Momentum, which is the change of price during the momentum period:  $\text{New Price} - \text{Old Price}$

Divide by the Old Price and we have:  $(\text{New Price} - \text{Old Price}) / \text{Old Price}$

Start simplifying and get:  $(\text{New Price} / \text{Old Price}) - (\text{Old Price} / \text{Old Price})$

Finish simplifying and get:  $(\text{New Price} / \text{Old Price}) - 1$

Multiply by 100 to make it into a percentage and we get:

$$\text{Rank} = 100 \times ((\text{New Price} / \text{Old Price}) - 1)$$

### We can make this simpler:

Let's make this into a decimal amount instead of a percentage and move the center line from zero to one.

Get rid of the 100 multiplier and we get:  $(\text{New Price} / \text{Old Price}) - 1$

In order to move the center line from zero to one, add 1 and we get:

$$\text{Simplified form of Rank} = \text{New Price} / \text{Old Price}$$

## Now let's repeat these same steps for Most Anchored Momentum.

Because we can't use a crystal ball, all we have to hang the right end of our momentum line onto is the latest price. If you are with me, then you know that we are going to hang the left end of our momentum line on a Centered SMA, where there is no noisy garbage.

Yeah, but how in the heck are we going to hang the left end of the Momentum Line on a Centered SMA in an expression?



Think about this for a moment. When we shift an SMA to center it over the price data, nothing changes about the way the SMA is calculated. All we do is slide the SMA over to the left on a chart.

*So, when we use an SMA in an expression, it can represent a Centered SMA without having to do anything to it. Don't bother shifting it. We just need to know how we would shift an SMA to the left in order to center it on a price chart because this shift IS the Momentum Period for Most Anchored Momentum.*

*Hey! That is all there is to it!*



Now let's get back to creating the expressions for Most Anchored Momentum. Start with Basic Momentum which is :  $\text{New Price} - \text{Old Price}$

***All we need to do is substitute an SMA for the Old Price in this expression to get started. This IS hanging the left end of the momentum line on a Centered SMA instead of the Old Price.***

So here we go. Substitute SMA for Old Price and we have:

$$\text{Basic Most Anchored Momentum} = \text{New Price} - \text{SMA}$$

Let's make that into a percentage of the SMA. *Now that we don't have Old Price in the expression, I'll call "New-Price" just Price.*

$$\text{First, divide by the SMA and we have: } (\text{Price} - \text{SMA}) / \text{SMA}$$

$$\text{Start simplifying and get: } (\text{Price} / \text{SMA}) - (\text{SMA} / \text{SMA})$$

$$\text{Finish simplifying and get: } (\text{Price} / \text{SMA}) - 1$$

Multiply by 100 to make this into a percentage and we get:

$$\text{Most Anchored Momentum} = 100 \times ((\text{Price} / \text{SMA}) - 1)$$

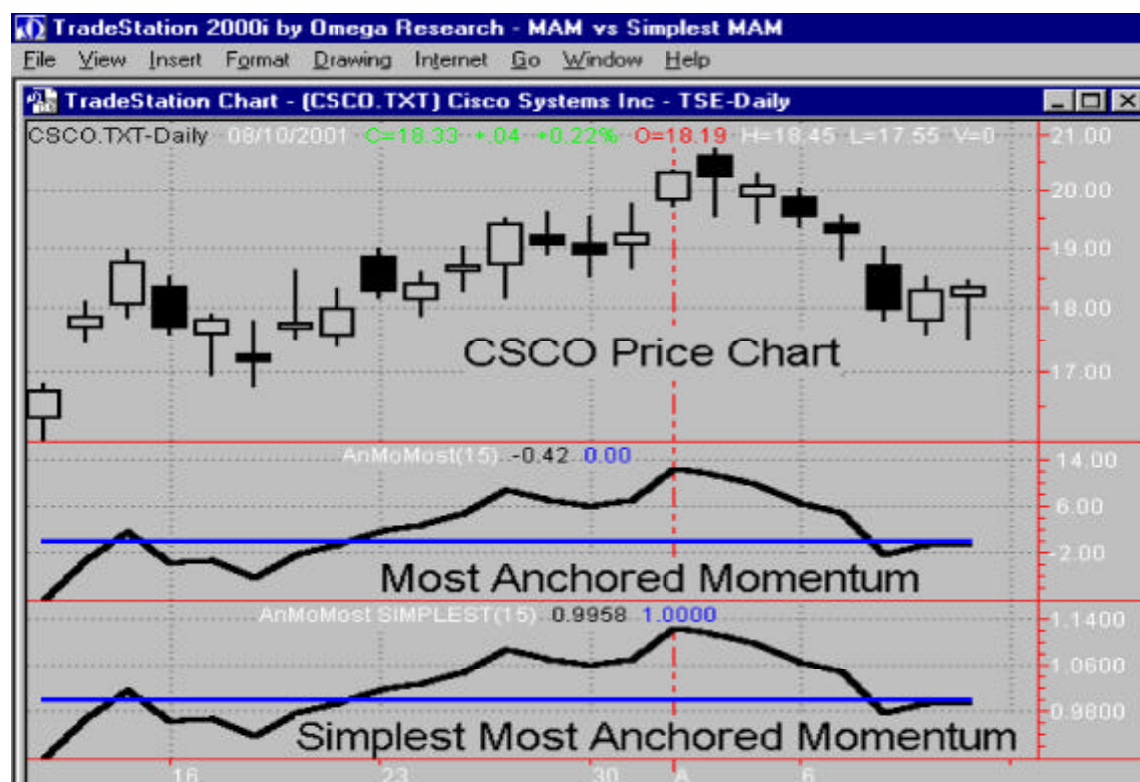
Change the scale and move the centerline from one to zero and we get:

$$\text{Simplest Most Anchored Momentum} = \text{Price} / \text{SMA}$$

**See the right page for a comparison of Most Anchored Momentum and Simplest Most Anchored Momentum.**

Okay, now we have expressions for Most Anchored Momentum. What do we use for the SMA period in those expressions?

To answer that, let's start with the Momentum Period and relate the SMA period to it. Remember, the Momentum Period is the amount we shift the SMA to the left to center it on the price chart, so let's determine how much this shift should be.



**CHART =** CSCO (Cisco Systems ) Stock Price Chart

**MIDDLE CHART =** 15-day Most Anchored Momentum

**BOTTOM CHART =** 15-day Simplest Most Anchored Momentum

- *The middle chart is centered on zero and the bottom chart is centered on one.*
- *The scale on the middle chart is 100 times as much as the scale of the bottom chart.*

*As you can see, the only difference between the middle chart and the bottom chart is the center line and the scale.*

*Therefore, the simplest form is equivalent to the regular form.*



***Centering an SMA is tricky. Everyone thinks he or she knows how to center an SMA, right? Common wisdom is to shift an SMA half the SMA period to center it. Well, not quite!***

**See the right page.** In order to make this simple, let's look at a very short SMA period, three days. It should be obvious that we need to shift this SMA just one bar to the left in to center it. The center bar is ONE bar to the left and that is not half of THREE.

***So, to center an SMA on the price plot, slide it to the left to the bar that is in the middle of all the bars used to calculate the SMA.***

Okay, knowing this, let's write an expression for the center bar:

***The center bar is:  $(SMA\ Period - 1) / 2$***

***This is the amount to shift an SMA to the left to center it. Remember, this shift is also the Momentum Period.***

Therefore:

***Momentum Period =  $(SMA\ Period - 1) / 2$***

Hey, we aren't there yet... We want to choose a Momentum Period and calculate an SMA Period from it, not the other way around.

Okay, let's use some algebra on this. Multiply both sides of the expression by 2 and we get:

***$2 \times \text{Momentum Period} = \text{SMA period} - 1$***

Add 1 to both sides, swap sides, and we get:

***$SMA\ Period = (2 \times \text{Momentum Period}) + 1$***

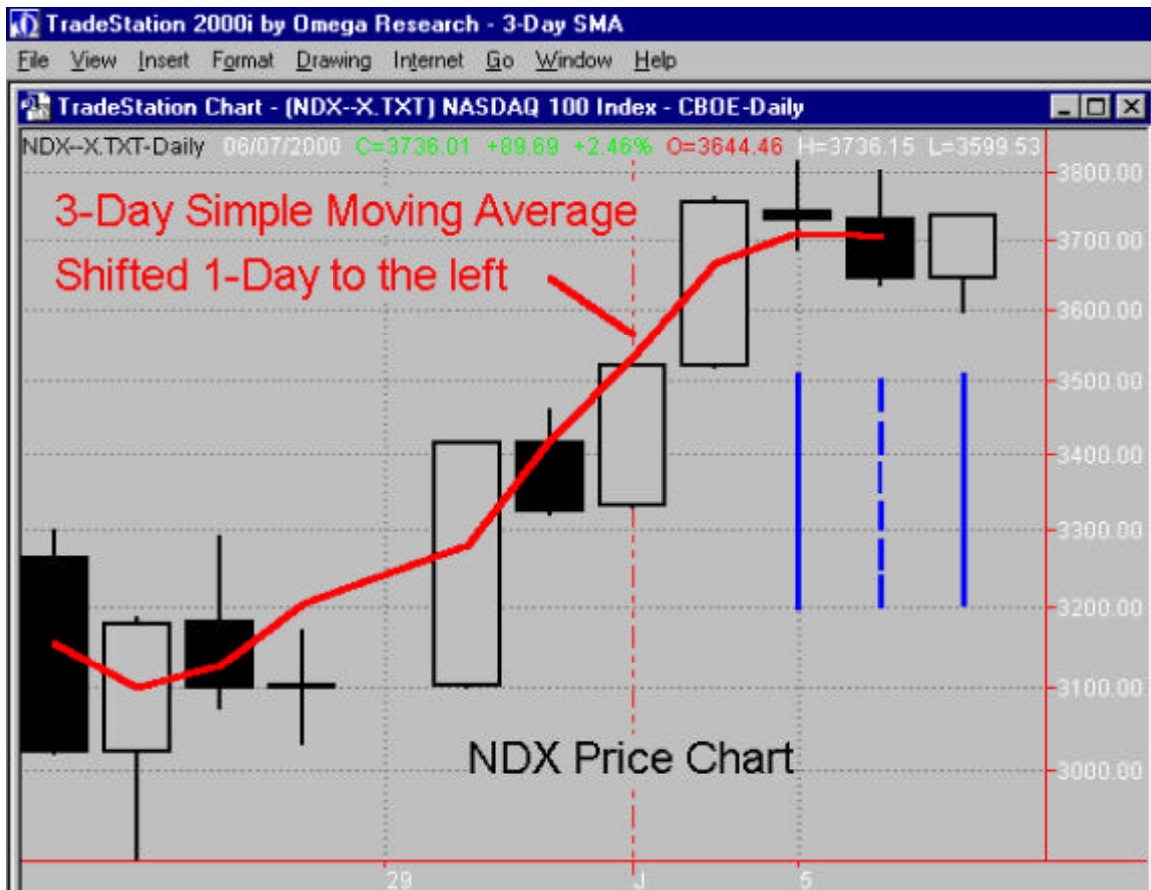


CHART = NDX Price Chart

*Vertical lines are shown on the chart for the latest day and two days ago. Notice that the SMA was centered by sliding it to the left to the middle bar (marked with a dotted line) halfway between these two lines.*

*In other words, the way to center an SMA on the price plot is to slide it left to the bar that is in the middle of all the bars used to calculate the SMA.*

Now that we have an expression for the SMA Period, here are the expressions for Most Anchored Momentum along with the expression for the SMA Period, all in one tidy place:

$$\cdot \text{Most Anchored Momentum} = 100 \times ((\text{Price}/\text{SMA}) - 1)$$

$$\cdot \text{Simplest Most Anchored Momentum} = \text{Price} / \text{SMA}$$

$$\text{In both cases, the SMA Period} = (2 \times \text{Momentum Period}) + 1$$

Smoothing out Most Anchored Momentum more, but at a cost:

*If we want to smooth out some of the noise still left in Most Anchored Momentum, we can do it by using a moving average of the price part of the expression instead of using the price here.* So what we get is:

*Simplest & Smoother, but now delayed (Yuk!),*  
***Most Anchored Momentum = Fast MA / Slow SMA***

Where the MA (Moving Average) can be any kind of moving average.  
Let's use an EMA (Exponential Moving Average) here:

*Simplest & Smoother using an EMA and delayed*  
***Most Anchored Momentum = Fast EMA / Slow SMA***

Now let's apply EMA smoothing to regular (Not Simpler) Most Anchored Momentum:

*Smoother, but not simpler, using an EMA and delayed*  
***Most Anchored Momentum = 100 X ((Fast EMA / Slow SMA) - 1)***

See the **right page** to see what this extra smoothing does for us as well as what it does to us.



**TOP CHART** = CSCO (Cisco Systems) Price Chart

**MIDDLE CHART** = 15-day Most Anchored Momentum

**BOTTOM CHART** = 15-day Most Anchored Momentum using a 7-day EMA

*Notice that the Bottom Chart is delayed in comparison with the Middle Chart. 1a and 1b are points where the indicators cross the zero line. The EMA smoothing is causing a 2-day delay in the cross over at point 1b. Points 2a and 2b are at the peak of their momentum for both indicators, and point 2b is also delayed by 2 days. Notice that CSCO has crossed the zero line at Point 3a and we have to guess if and where it will cross over at point 3b.*

*I am not saying never use extra smoothing. Sometimes it is worth the added delay it causes. In these cases, use as small an EMA period as you can to minimize this delay.*

At this point, I probably have persuaded you to use Most Anchored Momentum to get rid of half the noise, but I can't let it go at that.

We engineers just love to feed controlled test signals into an electronic circuit to see what comes out. I'll restrain myself and use only one, very significant, "test fund" to compare Most Anchored Momentum to Rank. I just have to show you this.

### ***THE POP-UP, POP-DOWN TEST FUND:***

**See the right page:**

TOP CHART = Pop-Up, Pop-Down Test Fund

This is a fund that goes along flat, then one day it jumps up in price.  
The second day it goes down twice as much as it just went up.  
The third day it jumps to its initial price and stays there.

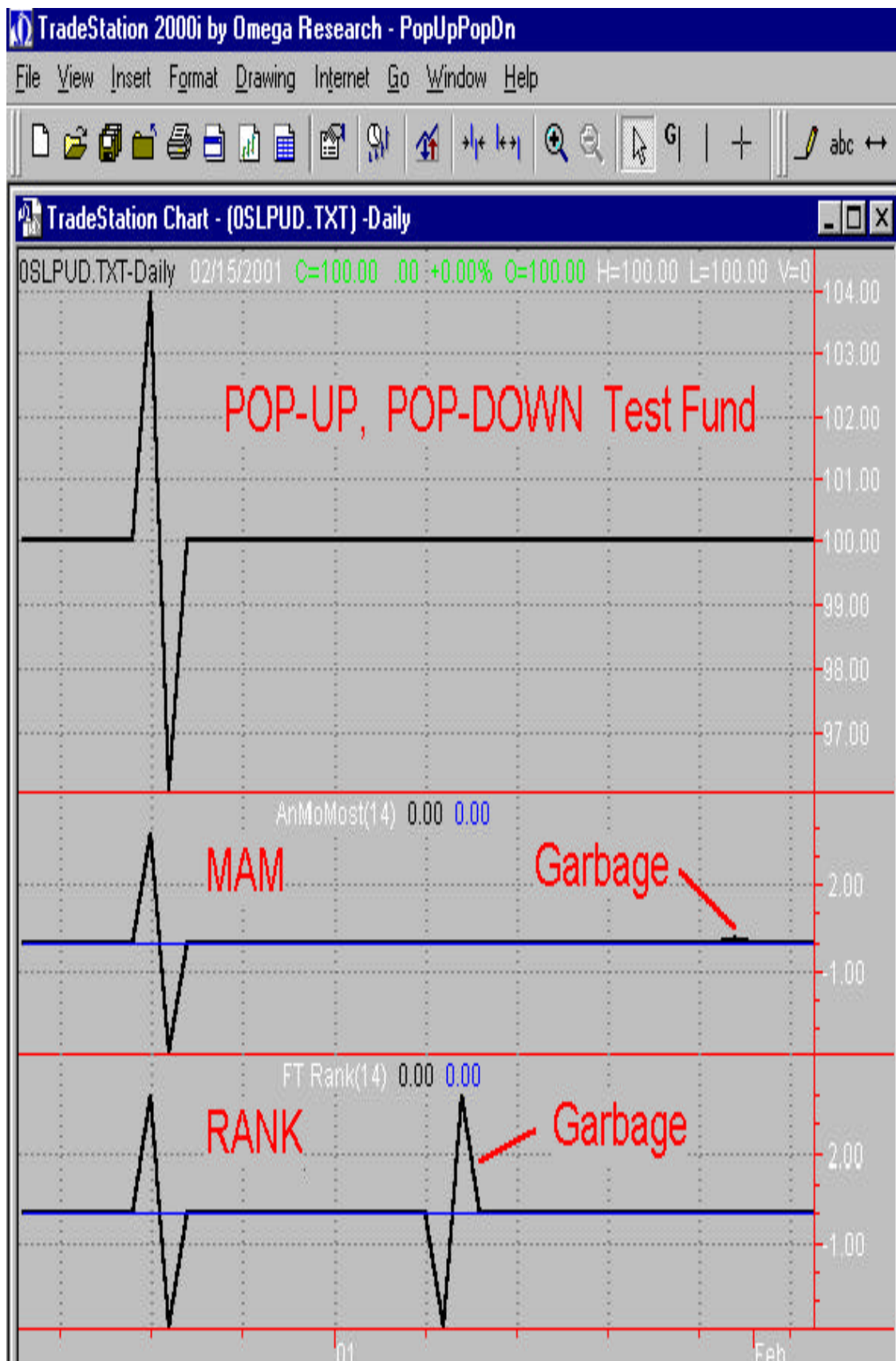
MIDDLE CHART = 14-day Most Anchored Momentum.

BOTTOM CHART = 14-day Rank.

This pop-up, pop-down test fund is like three days of the kind of noise that we see all the time on price charts for stocks, funds and indexes.

***Rank gives us all the garbage (noise) TWICE. We get it coming and we get it going. We get it when the right end of the momentum line hits the noise (when it occurs), and we get it 14 days (the momentum period) later when the left end of the momentum line rides over the same dumb noise all over again.***

***In comparison, Most Anchored Momentum follows the price movements very faithfully. We get the noise only ONCE with Most Anchored Momentum, just as it occurred. If you want to be picky, there is a tiny noise bump (just barely noticeable) 28 days (twice the momentum period) later. The left end of the momentum line is riding on an SMA, which filters the noise to almost nothing.***



Here are those old indicators that were promised earlier, three of them that really are Most Anchored Momentum.

***1) One form of the Detrended Price Oscillator is Basic Most Anchored Momentum.***

Often, the Detrended Price Oscillator is described as the difference between the Price and an SMA.

$$\text{Detrended Oscillator} = \text{Price} - \text{SMA}$$

Look familiar? This is Basic Anchored Momentum.

Let's make this Detrended Oscillator into a percentage of the SMA in the expression to see what we have: *(I'm skipping the algebra from here on because I already dragged you through it once and it is exactly the same now as before):*

$$\text{Detrended Oscillator as a percent of the SMA in the expression} = 100 \times ((\text{Price} / \text{SMA}) - 1)$$

***This IS Most Anchored Momentum.***

***2) Using an index versus a long SMA as a sign of pending market danger is equivalent to using Basic Most Anchored Momentum for doing that.***

You probably have heard of watching an Index, such as the NASDAQ or the DOW versus its 200-day SMA as an indication of stock market danger. If an index goes below this line, watch out. This is **Price – SMA**, which is Basic Most Anchored Momentum.

This is available to those who use TC2000. It is in the sort menu. We can sort the Watch List for Price versus a 200-day SMA or Price versus a 40-day SMA, which is "ranking" by Most Anchored Momentum. Given that the Momentum Period = (SMA period – 1) / 2, the 200-day SMA gives us a 99.5-day momentum period and the 40-day SMA gives us a 19.5-day momentum period.



**3) The old classic SMA Cross-Over trading system is Basic Most Anchored Momentum if we make the Short SMA period equal to one.**

A buy occurs when a short SMA crosses a long SMA from below.  
A sell occurs when a short SMA crosses a long SMA from above.

**When we make the Short SMA period one, the Short SMA is the price itself. Now we have the price crossing a Long SMA. This is Basic Most Anchored Momentum. I'll show you.**

*Let's call "Long SMA" just SMA.*

**Make the Short SMA equal to 1, and we have: Price - SMA**

**When we plot this, a buy occurs when the plot crosses zero from below and a sell occurs when the plot crosses zero from above.**

**Make this into a percentage of the SMA and we have Most Anchored Momentum:**

$$100 \times ((\text{Price} / \text{SMA}) - 1)$$

**As I said in the beginning, all I did is discover new virtues for some old indicators.**

There are indicators that seem like Most Anchored Momentum, but a close look shows that they aren't.

The most obvious example is MACD because it is based on the difference between two moving averages. The reason why MACD, and many other indicators, aren't Most Anchored Momentum is that an EMA (Exponential Moving Average) is used where an SMA is needed.

We should not use the term "moving average" loosely when talking about price charts and indicators. We need to spell out either Exponential Moving Average or Simple Moving Average. It can make a big difference.

## As promised, here are expressions for Most Anchored Momentum for some popular Technical Analysis Software Programs:

TC2000:

$$((C/AVGC29)-1)*100$$

*This is for a 14-day Most Anchored Momentum. The "29" part of the expression came from (2 X MomPer) +1, where MomPer = 14.*

*We have to create a Personal Criteria Formula for each Momentum Period that we plan to use because we can't use variables with TC2000.*

SuperCharts:

Input: MomPer: 14

Plot1: IFF( Average(Close, (2\*MomPer) + 1) > 0 and BarNumber >= (2\*MomPer)+1), 100 \* ( (Close / Average(Close, (2\*MomPer) + 1) ) - 1), 0)

Plot2: 0

*Note: Plot1 is the Most Anchored Momentum plot and Plot2 is the zero line.*

TradeStation:

Input: MomPer(14): {Momentum Period}

Var: MAM(0); {Most Anchored Momentum}

IF Average(Close, (2\*MomPer)+1) > 0 and BarNumber >= (2\*MomPer)+1 Then

Begin

MAM = 100 \* ((Close/Average(Close, (2\*MomPer)+1)) -1);

Plot1(MAM, "MAM"); {MAM Plot}

Plot2( 0 , "Zero"); {Zero Line}

End;

AmiBroker:

```
MomPer = 14;
```

```
graph0 = 100*(close/ma(close, (2*MomPer) +1) -1);  
graph1 = 0;
```

*Note: graph0 is the Most Anchored Momentum plot and graph1 is the zero line.*

Metastock version 6.5:

```
MomPer := Input("Momentum Periods", 1, 1000, 10);  
SmaPer := Input("Moving Average Periods", 1, 1000, 7);
```

```
100 * ((Close / Mov(Close, (2 * MomPer) + 1, S)) -1)
```

Windows On WallStreet:

```
100 * ((Close / Mov(Close, (2 * MomPer)+ 1, S)) -1)
```

Technical Analysis Scanner:

```
100 * ((Close / Mov(Close, (2 * MomPer)+ 1, "S")) -1)
```

*Ed Gilbert's Trade (this is one slick piece of software):*

If you don't have Trade, then download it free from Ed Gilbert's web site at:  
<http://pages.prodigy.net/eyg/trade/>

Create a file and name it with an **INI** extension.

For example, I use a 50-day Most Anchored Momentum to rank some Vanguard funds in my 401K plan. My script is named: "vgd50mam.ini".

Use my script as a template for your own script and name it anything you want.

Here are the variables used in this script:

**fam** is the FastTrack Family  
**MomPer** is the Momentum Period  
**EmaPer** is the EMA Period (This is 1 for no extra smoothing)

Here is the Trade script:

```
[Expression]
fam = 401K
MomPer = 50
EmaPer = 1
SmaPer = (2*MomPer) + 1

MAM = 100*((Ema(Fam, EmaPer)/Sma(fam, SmaPer))-1)

Sorted = Sort(MAM)
Print(Sorted, "$sym $des")
```

*By the way, this script is set up for extra smoothing, using an EMA (Exponential Moving Average) of the latest price instead of the price itself. By making the EMA period equal to one, as I did here, there is no extra smoothing. If we want extra smoothing, then we use an EMA period greater than one.*

Here are the results of a 50-day Most Anchored Momentum ranking for 11/6/98:

<vgd50mam.ini>

	<u>11/06/98</u>	<u>11/05/98</u>	<u>11/04/98</u>	<u>11/03/98</u>	<u>11/02/98</u>
VPMCX Vanguard Primcap	7.35	7.03	6.52	4.28	5.06
VFINX Vanguard Index 500	6.07	5.45	4.09	3.38	3.47
VWELX Vanguard Wellington	3.85	4.04	3.32	2.97	2.85
VWNDX Vanguard Windsor	3.68	3.01	1.99	0.34	0.17
VWIGX Vanguard International	2.03	2.49	3.08	1.21	1.58
NAESX Vanguard Index Small Cap	1.77	0.74	-0.29	-1.86	-2.13
VMMXX Vanguard Money Market P	1.14	1.16	1.18	1.20	1.22
VBMFX Vanguard Bond Index Tot	0.81	1.13	1.06	1.58	1.52

## SUMMARY :

Three old popular indicators, that have been around for years, are Most Anchored Momentum. All I did is uncover two important virtues.

1) Most Anchored Momentum lets you choose a specific momentum period.

Before Most Anchored Momentum, we had no way of knowing what momentum period these old indicators represented. Now we know and we can plug any momentum period we want to use into a simple expression.

2) Most Anchored Momentum is much better for ranking funds (sorting funds by momentum) than Rank because it has only half the garbage (noise).

If only we could have seen Rank on a chart in comparison with RSI, someone would have known long ago that Rank is unnecessarily noisy. Surely, someone would have done something about it long before I did.

The only difference between Most Anchored Momentum and Rank is where the left end of the momentum line is attached. Attaching it to an SMA instead of an old price gives it a smoother ride as time goes by and boy what a difference that makes. Most Anchored Momentum tell us what we really are looking for.

We can reduce the noise even more in Most Anchored Momentum at the cost of adding delay and I gave you expression for doing this.

Most Anchored Momentum, as a general purpose indicator, looks and works almost the same as RSI. The main difference is that Most Anchored Momentum is not bounded between limits like RSI is.

Both Rank and Most Anchored Momentum each have a simpler expression if the center line is moved from zero to one and they aren't used as a percentage.

I gave you expressions for Most Anchored Momentum for several popular Technical Analysis software programs. Best of all, I gave you a script for Ed Gilbert's Trade program that you can modify to rank your own FastTrack families.

Making money in today's market is hard work. It is important to do your research, use your brains and use good tools. Now you have a better tool: Most Anchored Momentum.

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