

McClellan Osc and SI tutorial

Maurice E. Suhre, Jr.

mesjr3@adelphia.net

310-376-1499

Technical Analysis Premises

- Market action discounts everything.
- Prices move in trends.
- History repeats itself.

McClellan Oscillator/Summation Index

```
Tfast = Ema(raw,19)
Tslow = Ema(raw,39)
Osc = Tfast - Tslow
SummIndx = 19*Tslow - 9*Tfast [+ Bias]
```

Traditional Osc/SI uses

```
raw = adv - decl
Bias = 1000
```

Ratio Adjusted Osc/SI uses

```
raw = ((adv - decl)/(adv + decl)) * 1000
Bias = 0
```

Ratio Adjusted Volume Osc/SI uses

```
raw = ((upvol - dvol)/(upvol + dvol)) * 1000
Bias = 0
```

McClellans' use the historical Harlaun terminology of "trend values". The relationship to Ema is given by

$$\text{trend} = 2/(N+1)$$

and is usually expressed as a percent. Thus, Ema(raw,19) corresponds to a 10% trend.

Oscillator Sample



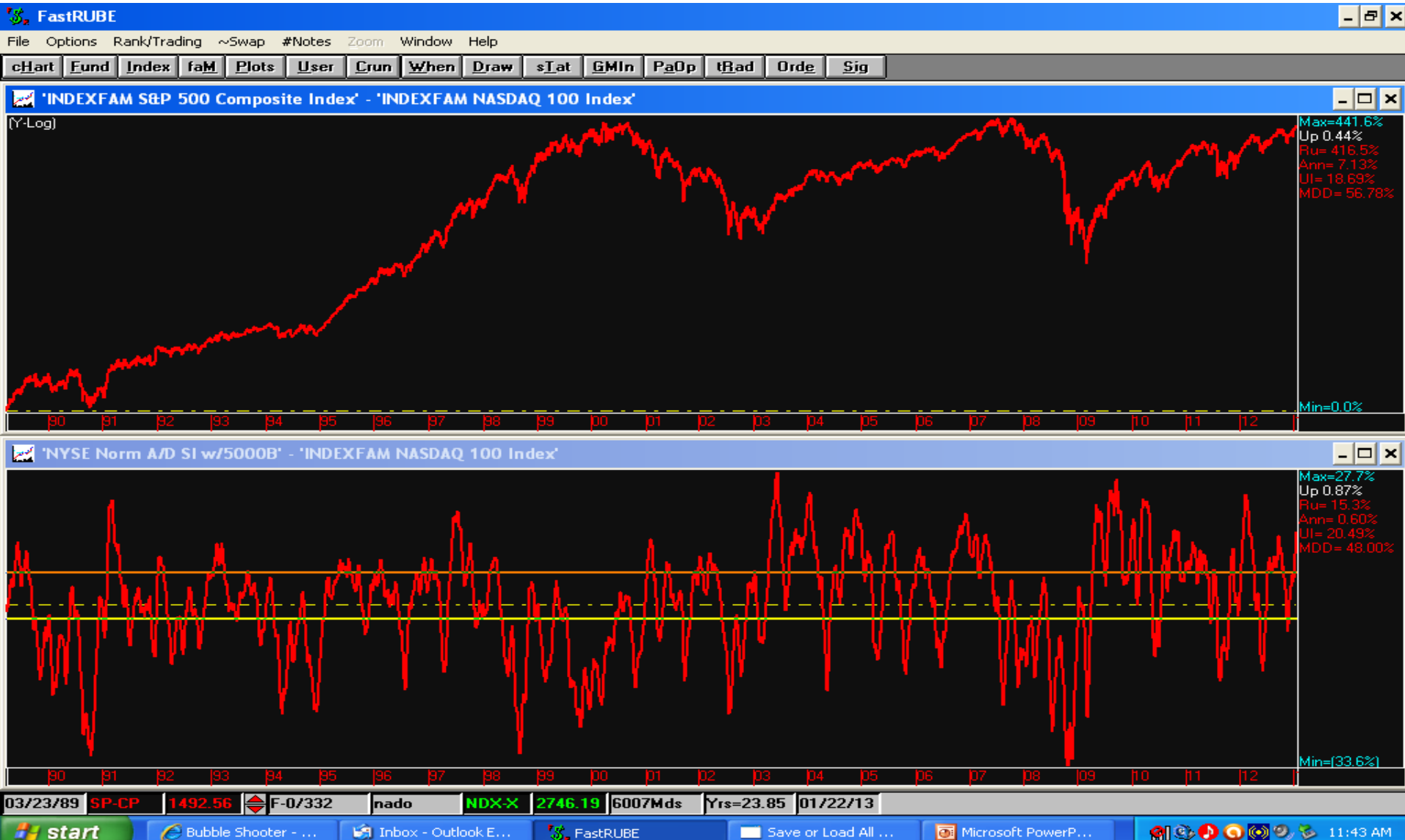
Oscillator Sample #2



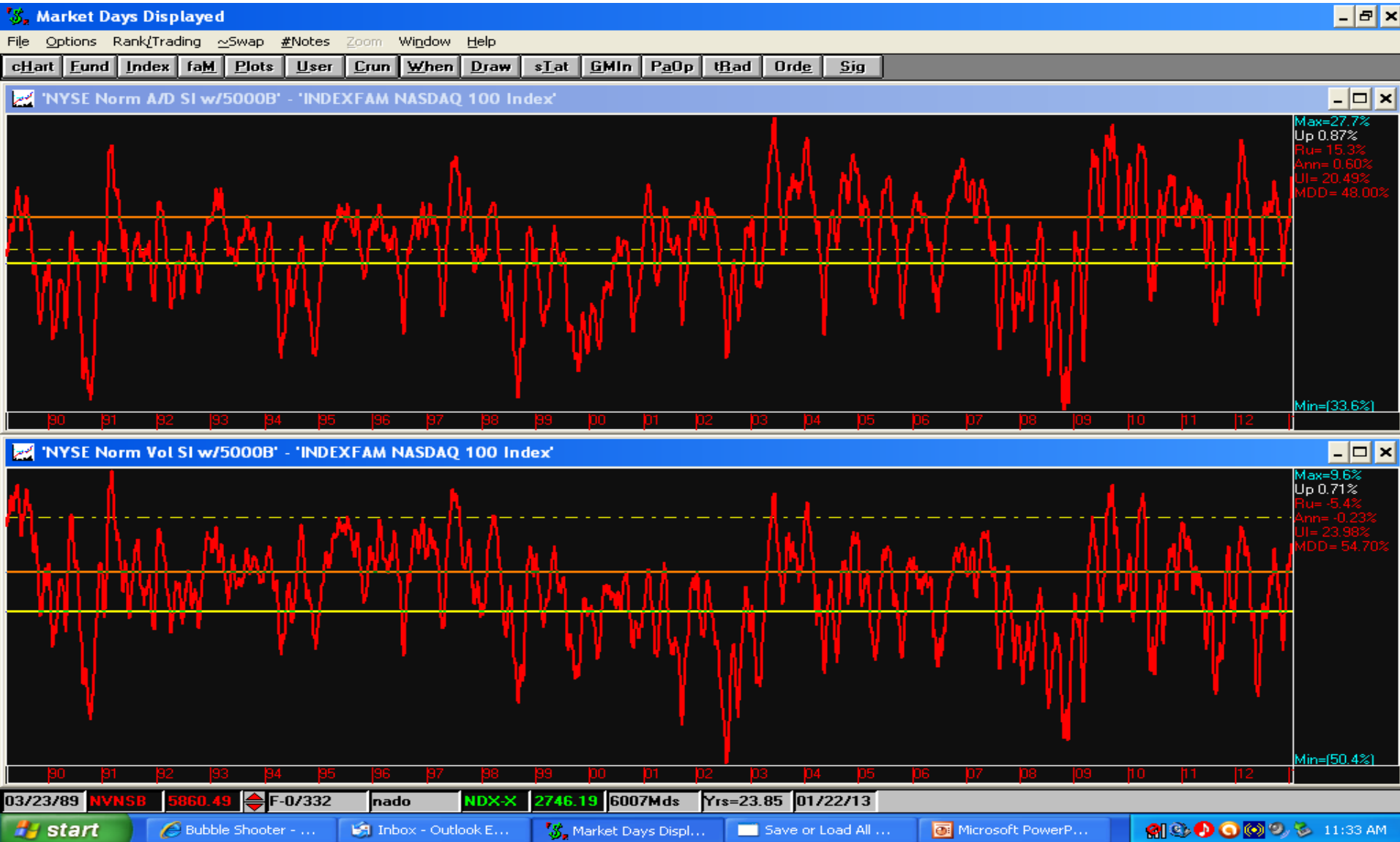
Normalized Summation Index

- Moderately complex computation involving advances and declines
- Advance is over after the third SI peak
- Exceptions, unfortunately
- First peak occurs at about half the move
- All Non-McClellan publications have errors involving the SI (and Oscillator).

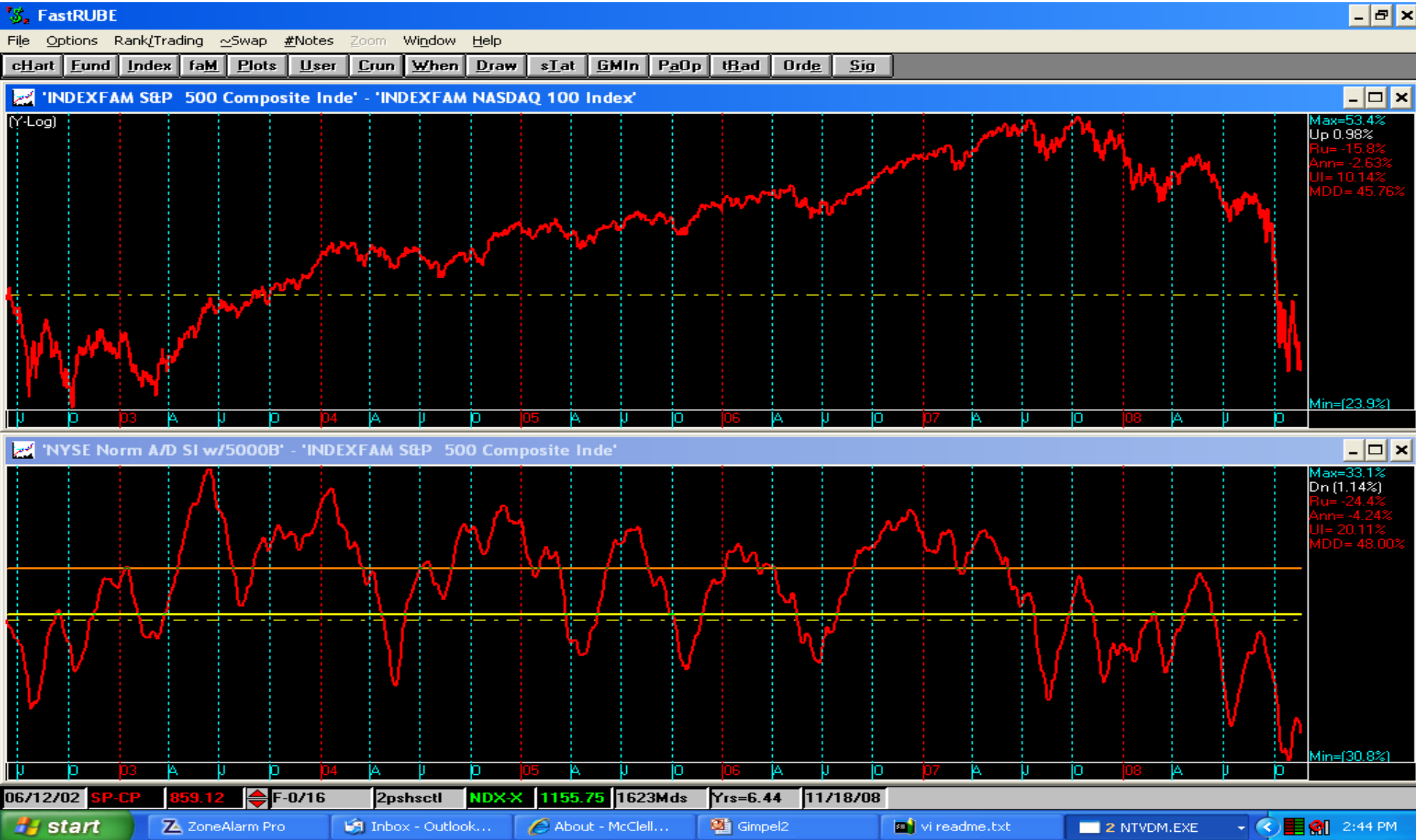
Summation Index Overview



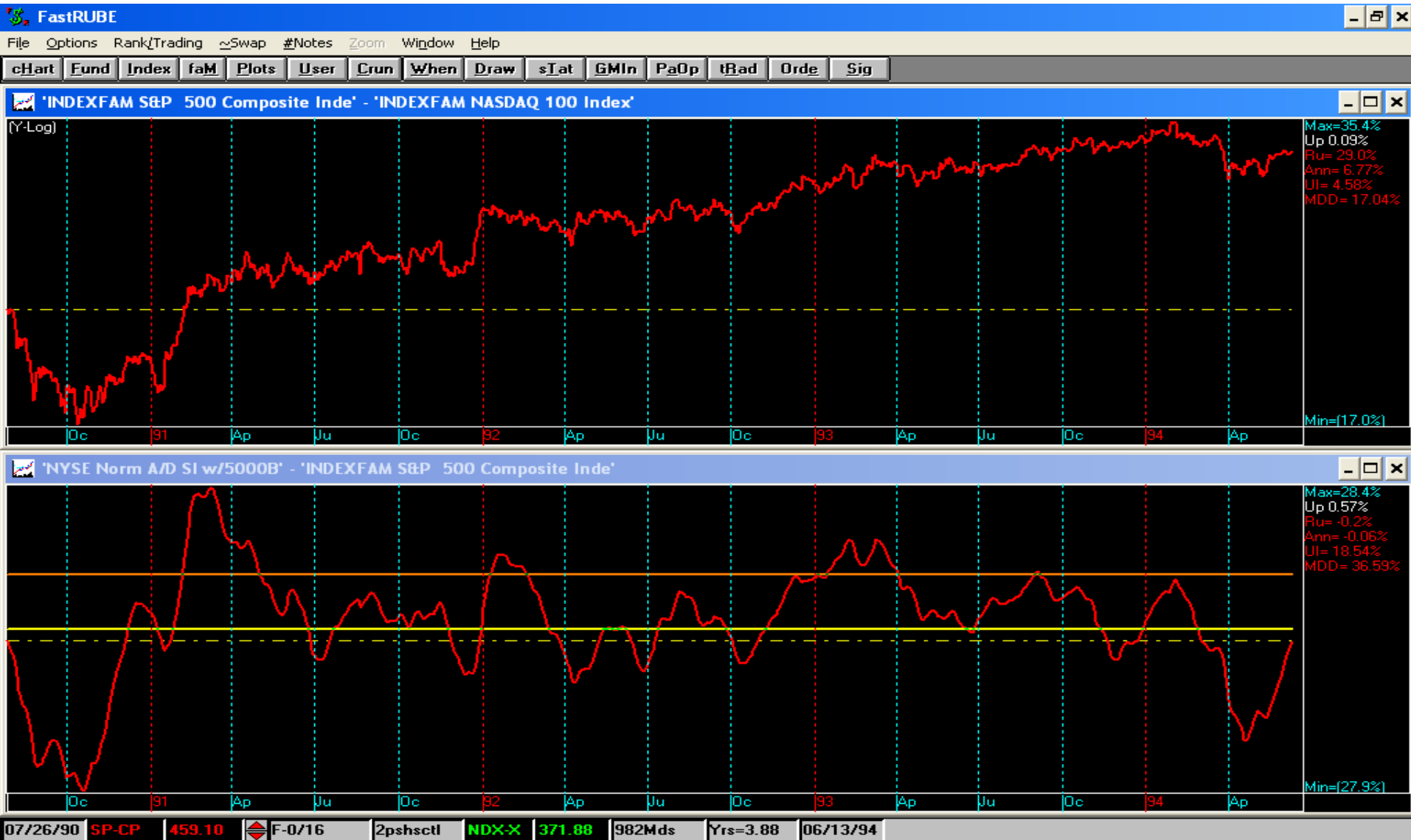
NY A/D SI vs Vol SI



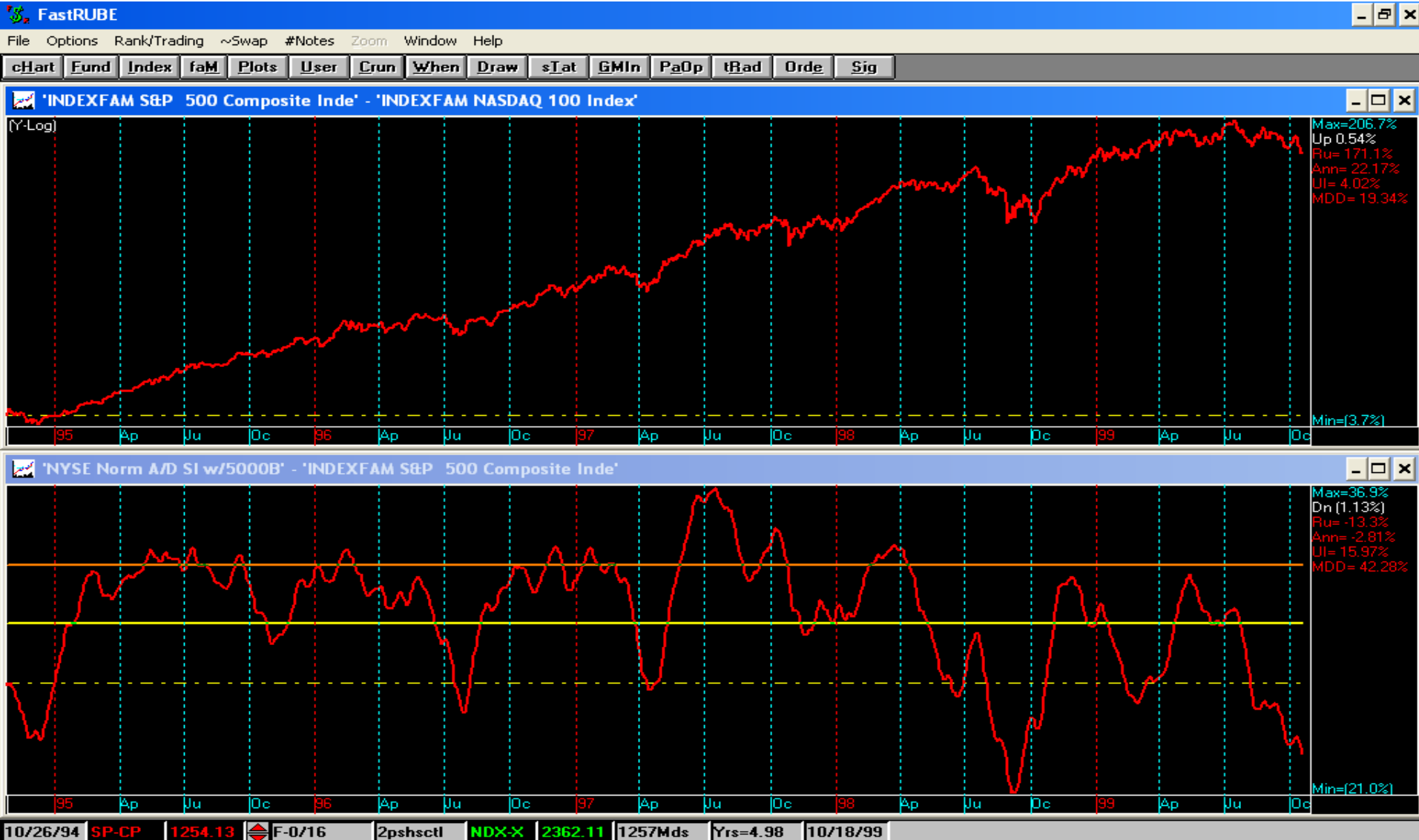
Summation Index, 2008 Top



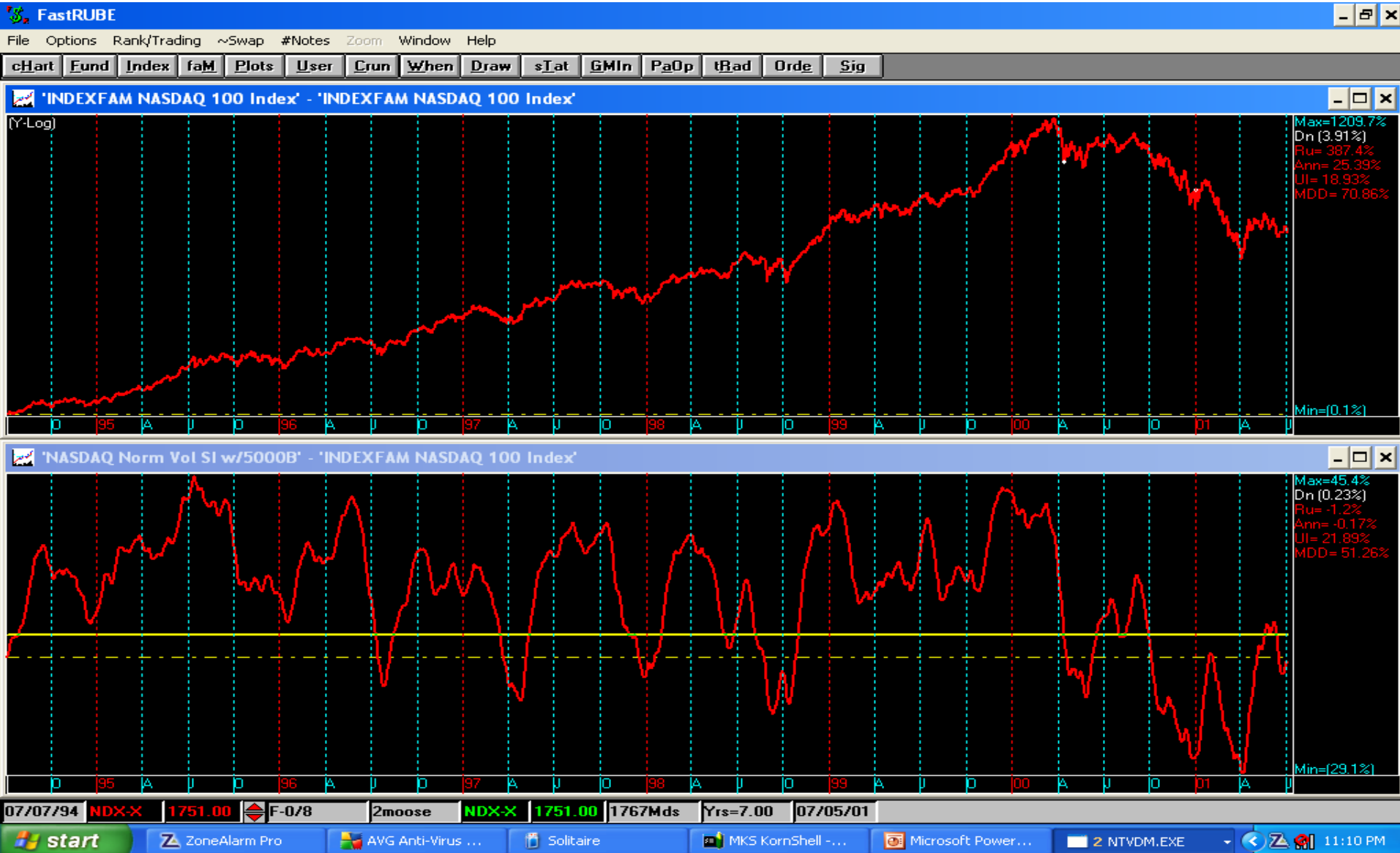
Summation Index, 1994 Top



Summation Index, 1998 Top



NASDAQ Vol SI, 2000 Top



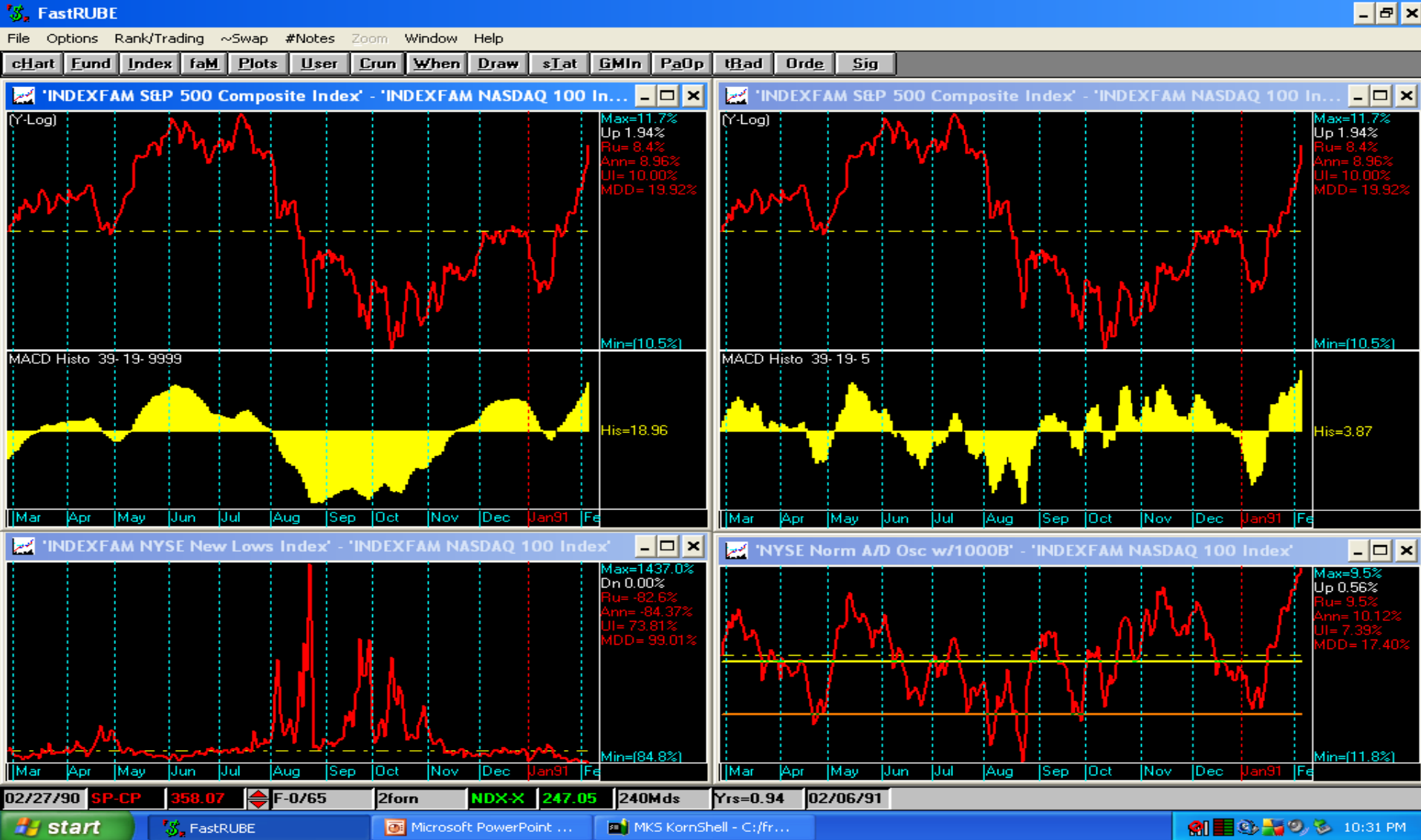
Bottom Formations

- New Lows peak prior to market bottom
- Low SI readings indicate bottoming areas
- McClellan Oscillator gives buy signals
- MACD gives buy signals

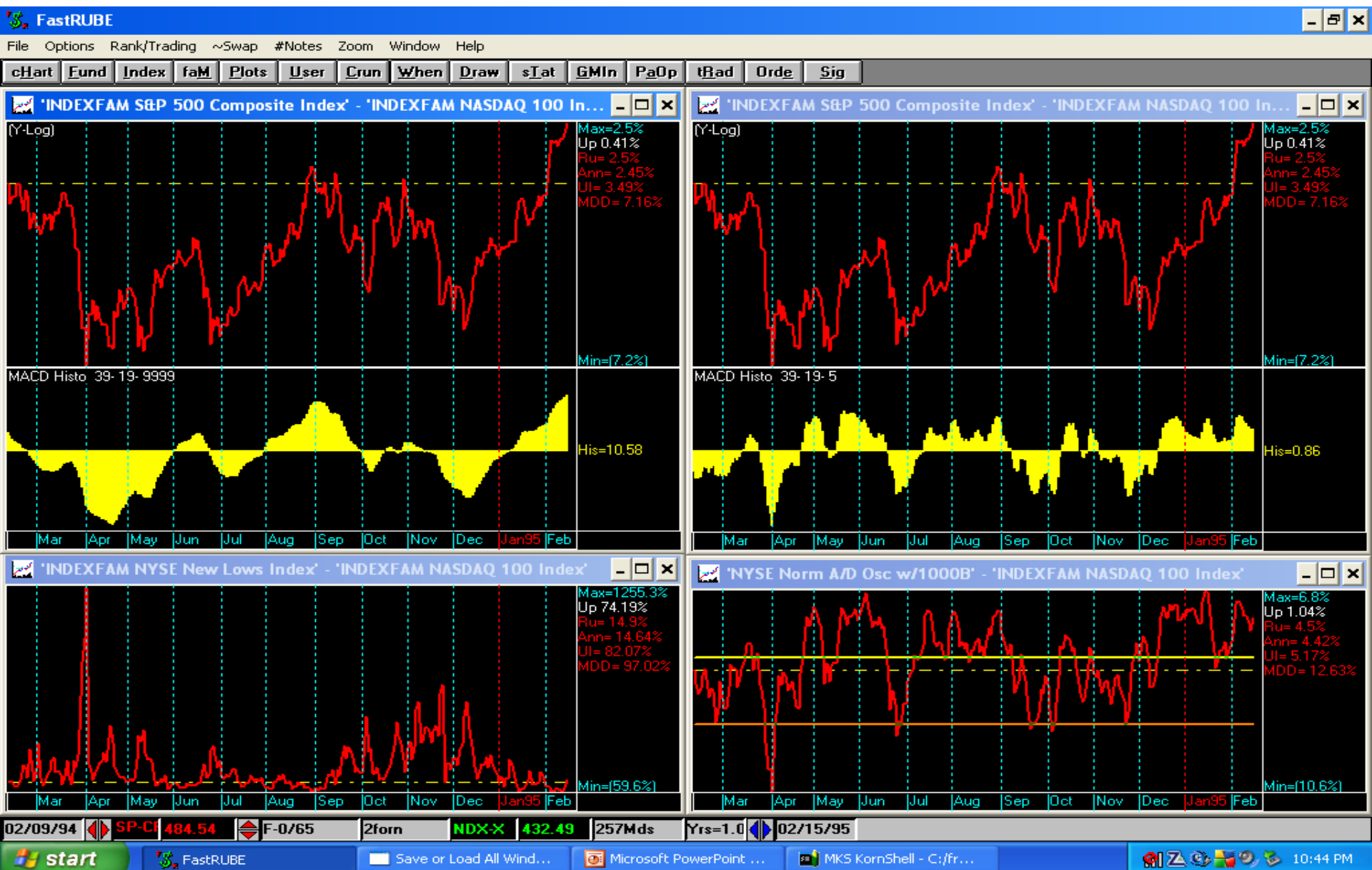
Mc Osc, 2002 Bottom



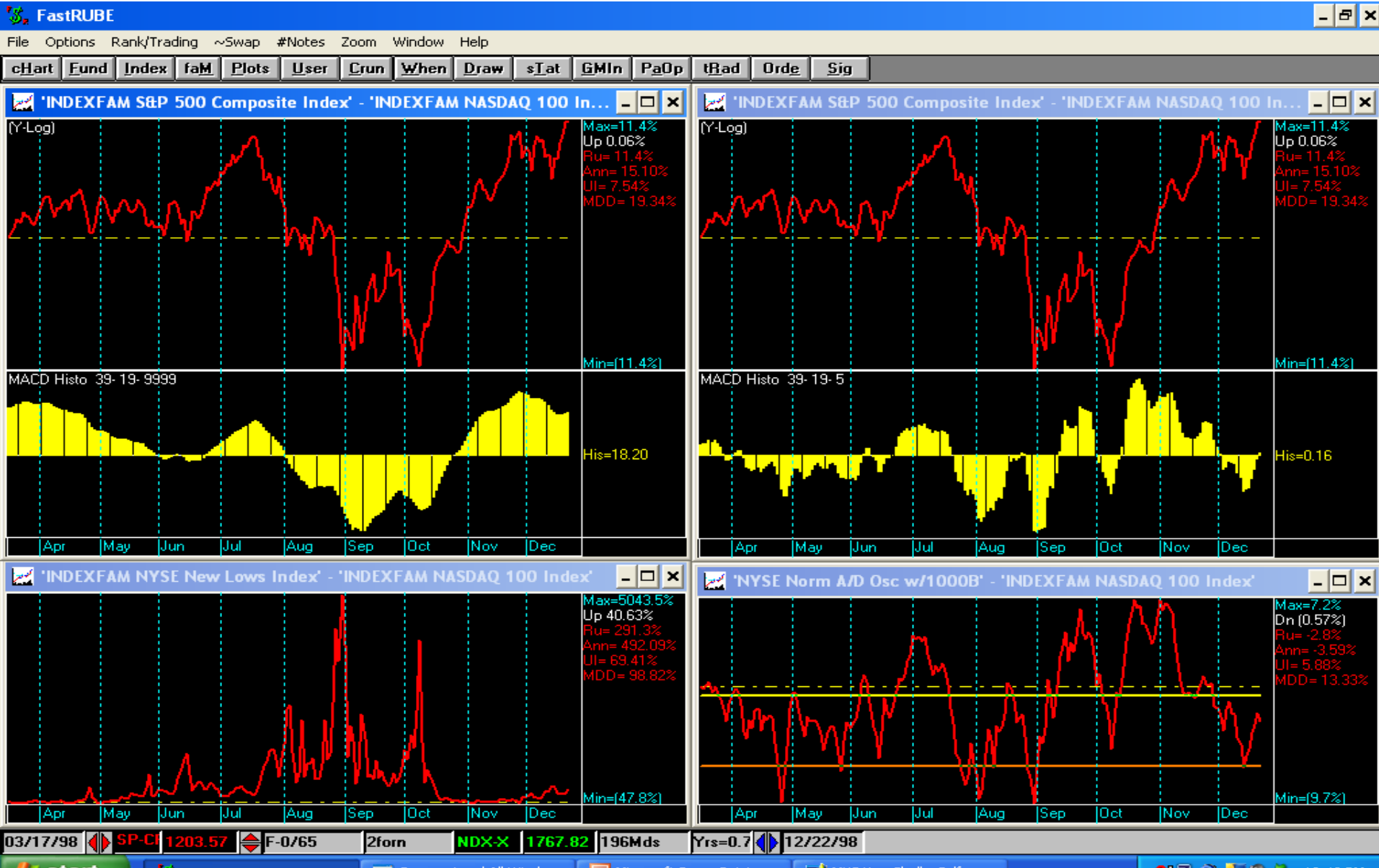
1990 Bottom



1994 Bottoms



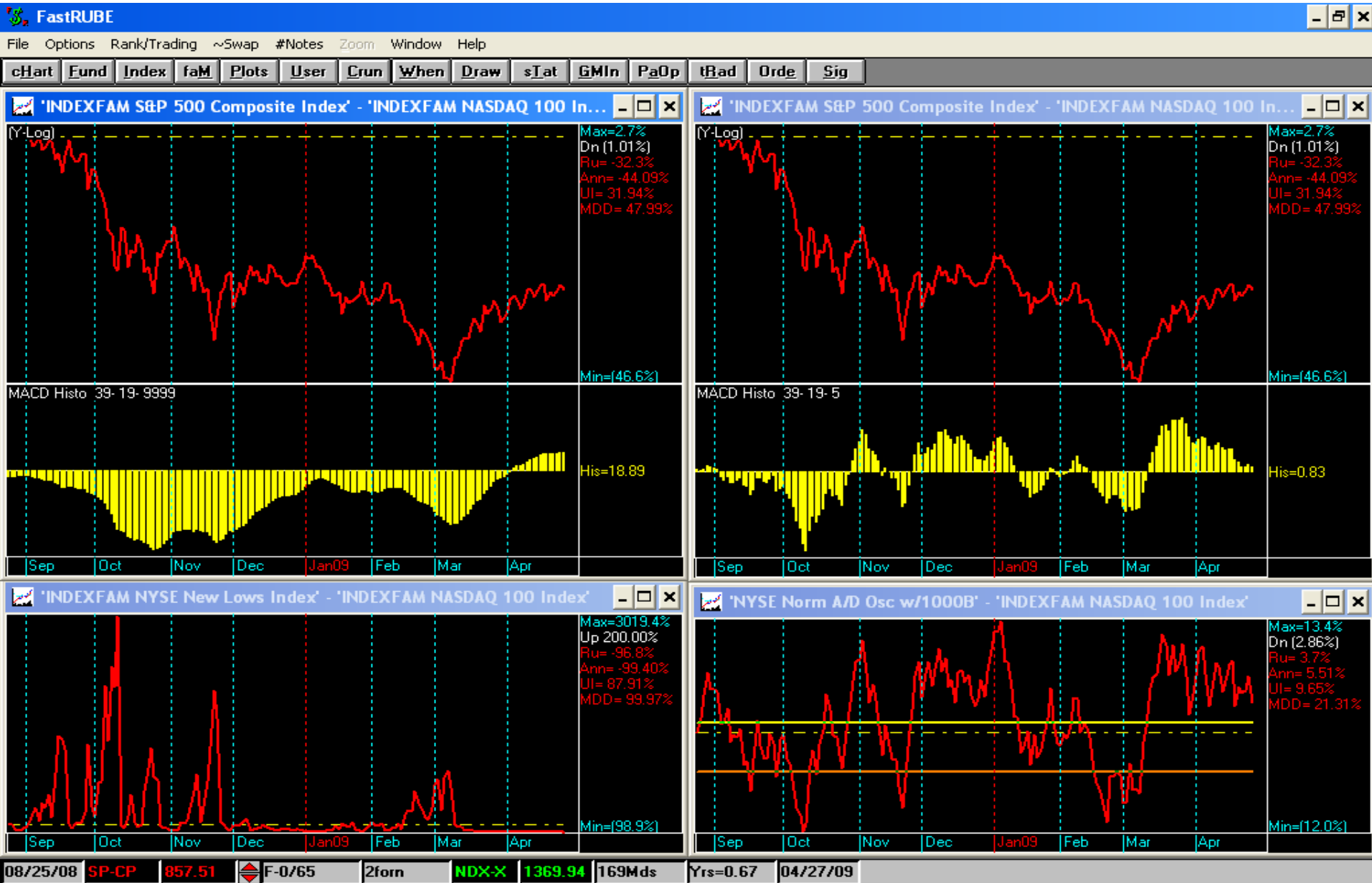
1998 Bottom



2002 Bottoms



2009 Bottoms



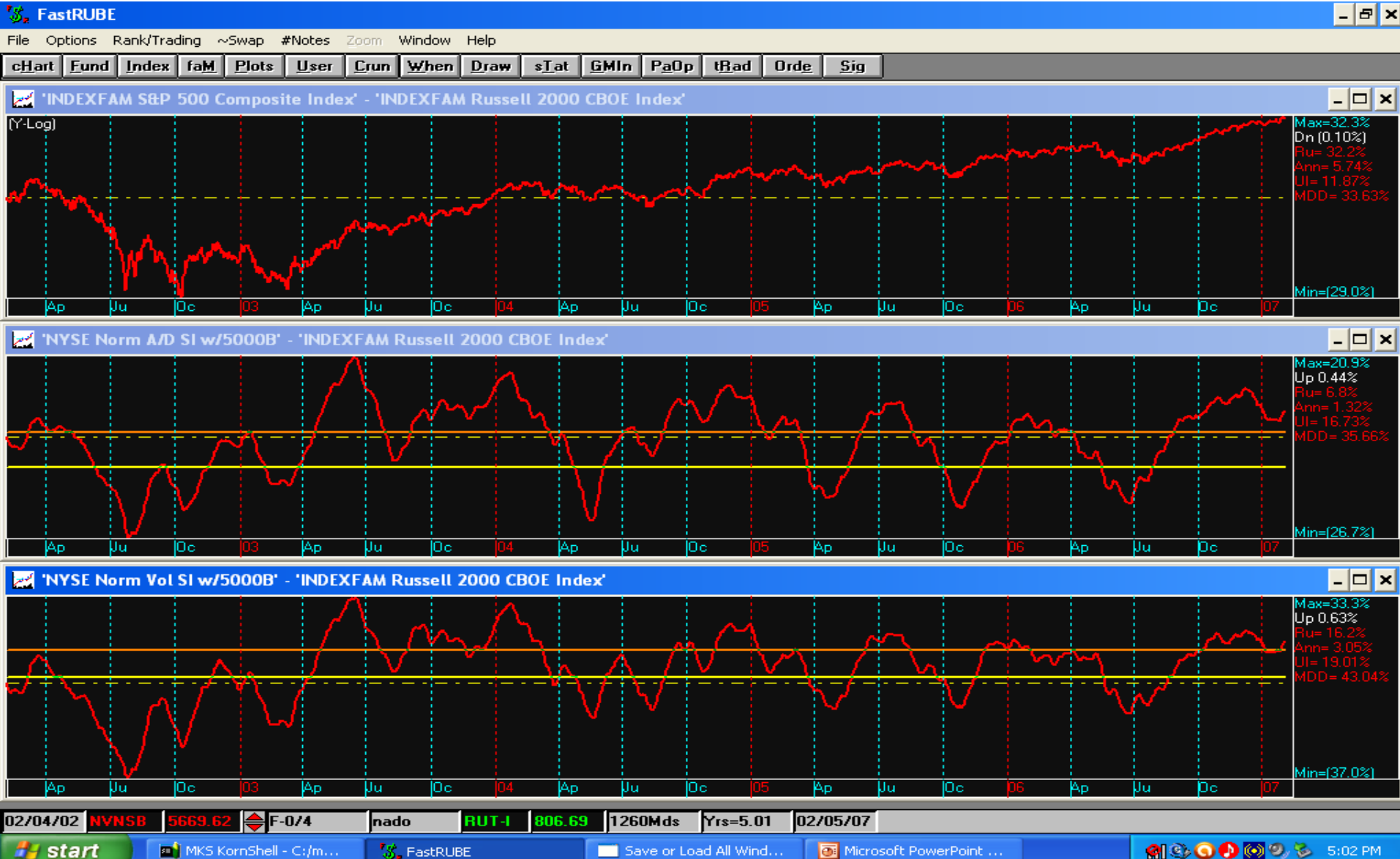
Various Comparisons

- A/D vs Volume

NY A/D SI versus Vol



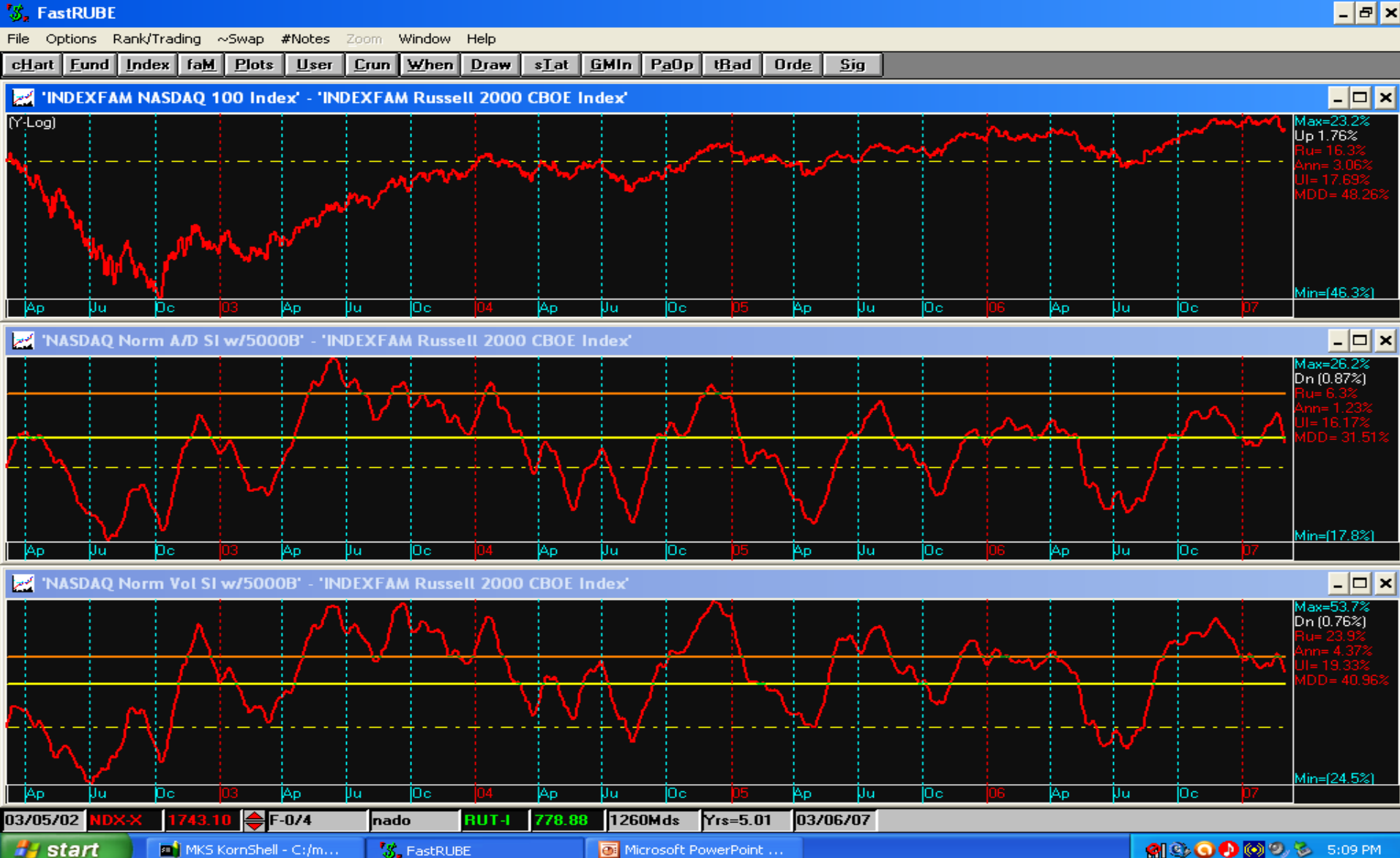
NY A/D SI versus Vol #2



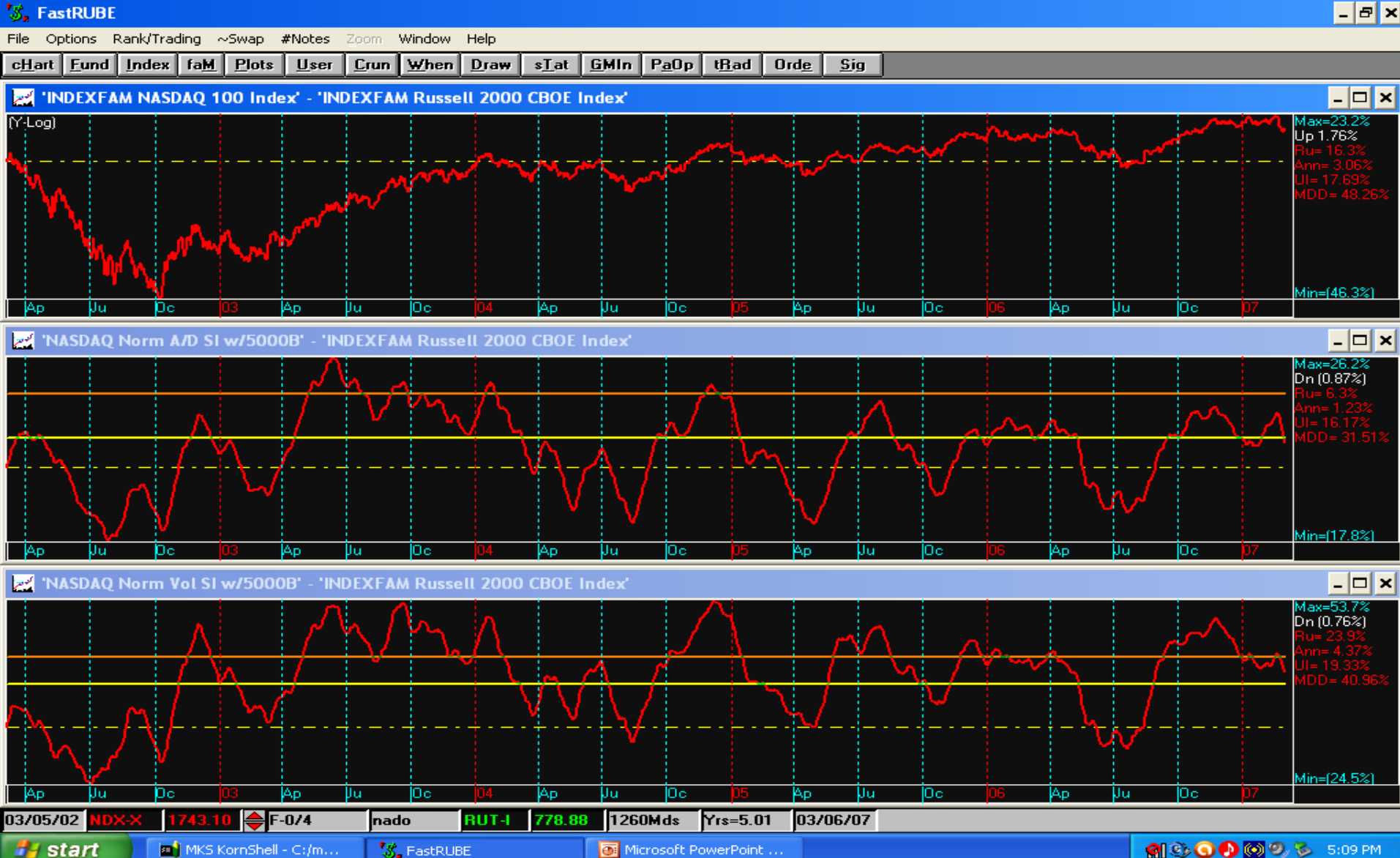
NASDAQ A/D SI versus Vol



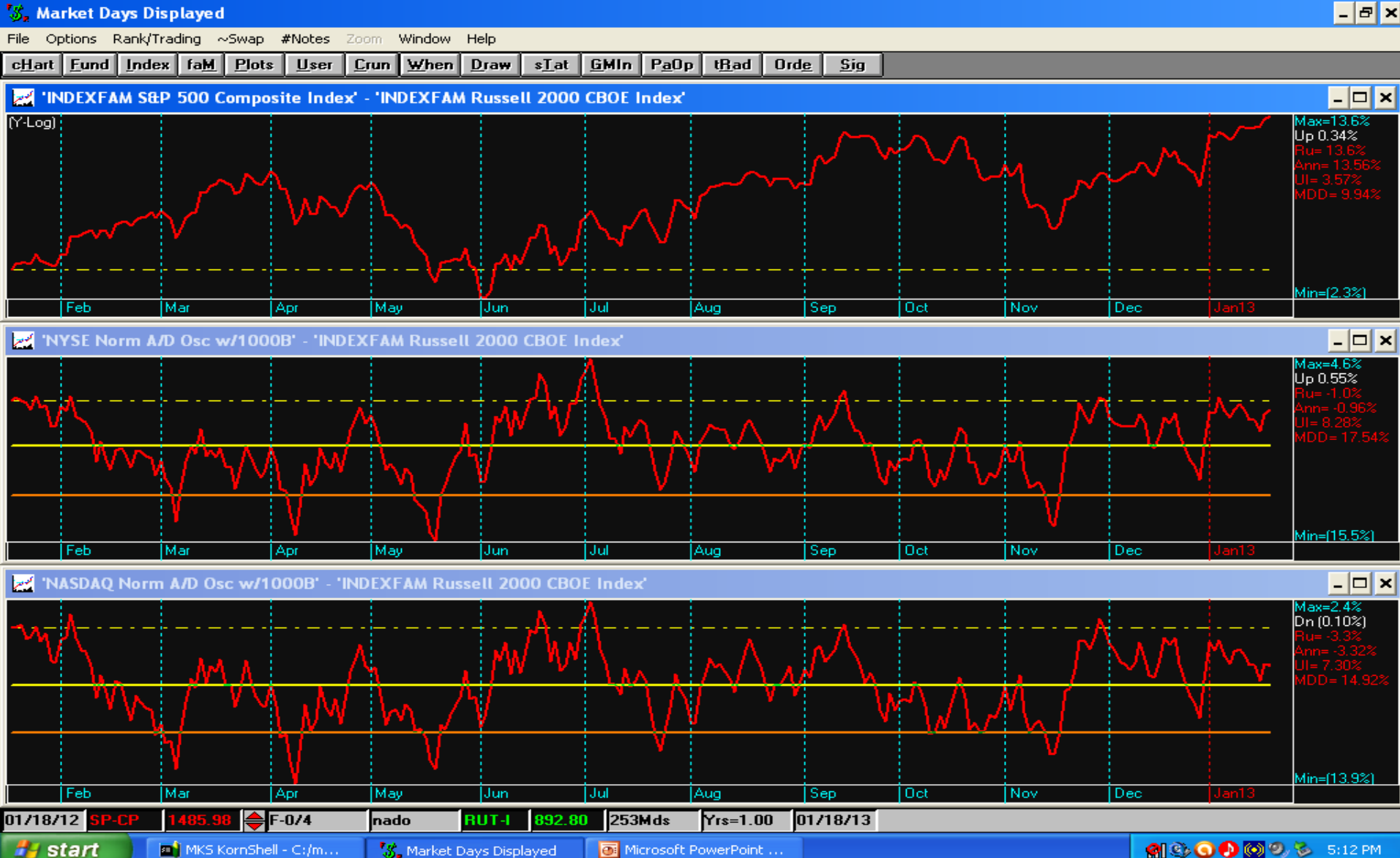
NASDAQ A/D SI versus Vol #2



NASDAQ A/D SI versus Vol #2



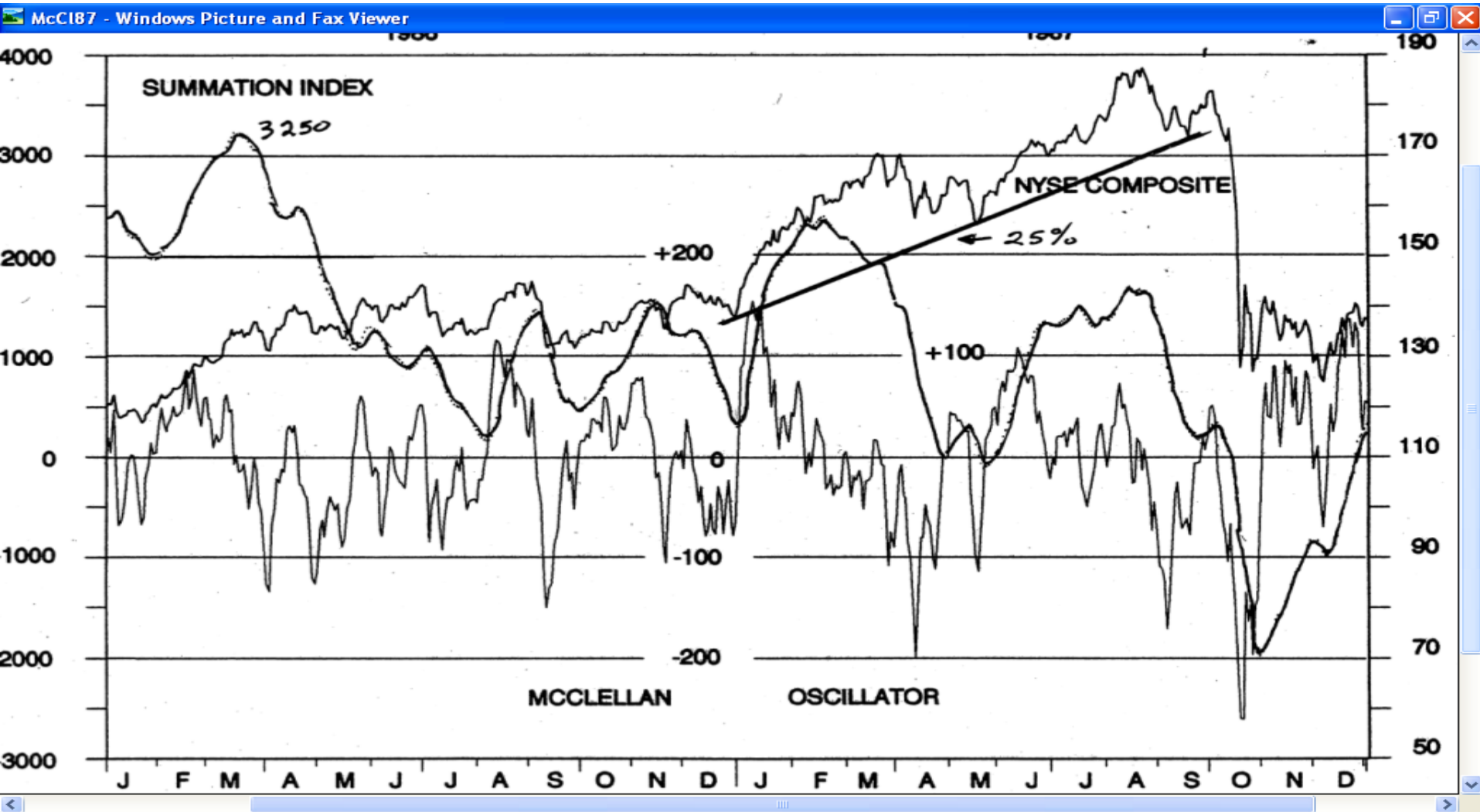
NASDAQ A/D vs NYSE A/D



Misc

- Maurice E. Suhre, Jr. 310-376-1499, mesjr3@adelphia.net
- www.mcoscillator.com
- Bigcharts.com (5, 10 year charts)
- Stockcharts.com (Breadth, Tutorials)
- Decisionpoint.com (Tutorials)

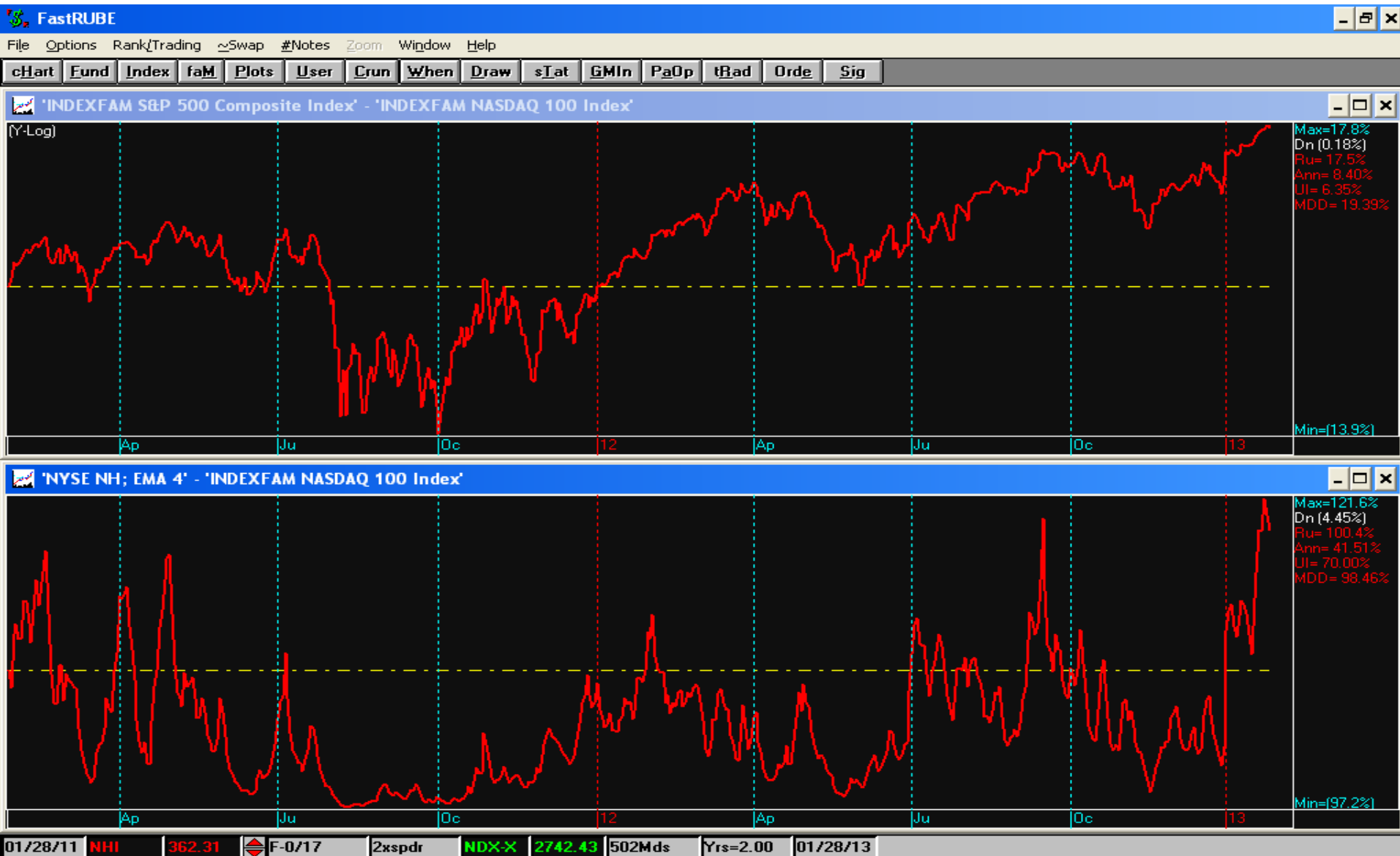
1987 Crash and SummIndx



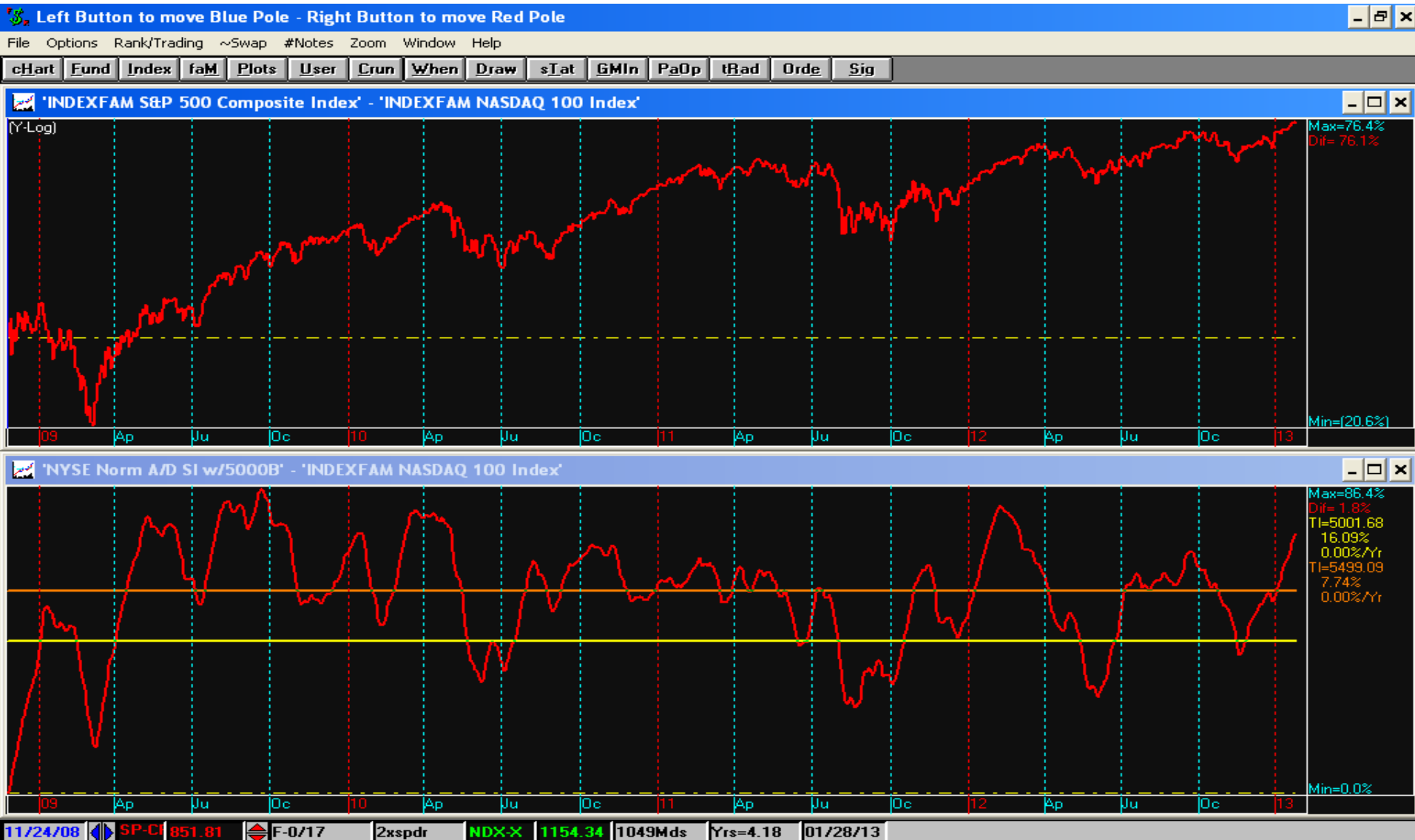
A/D Line, 2Yrs



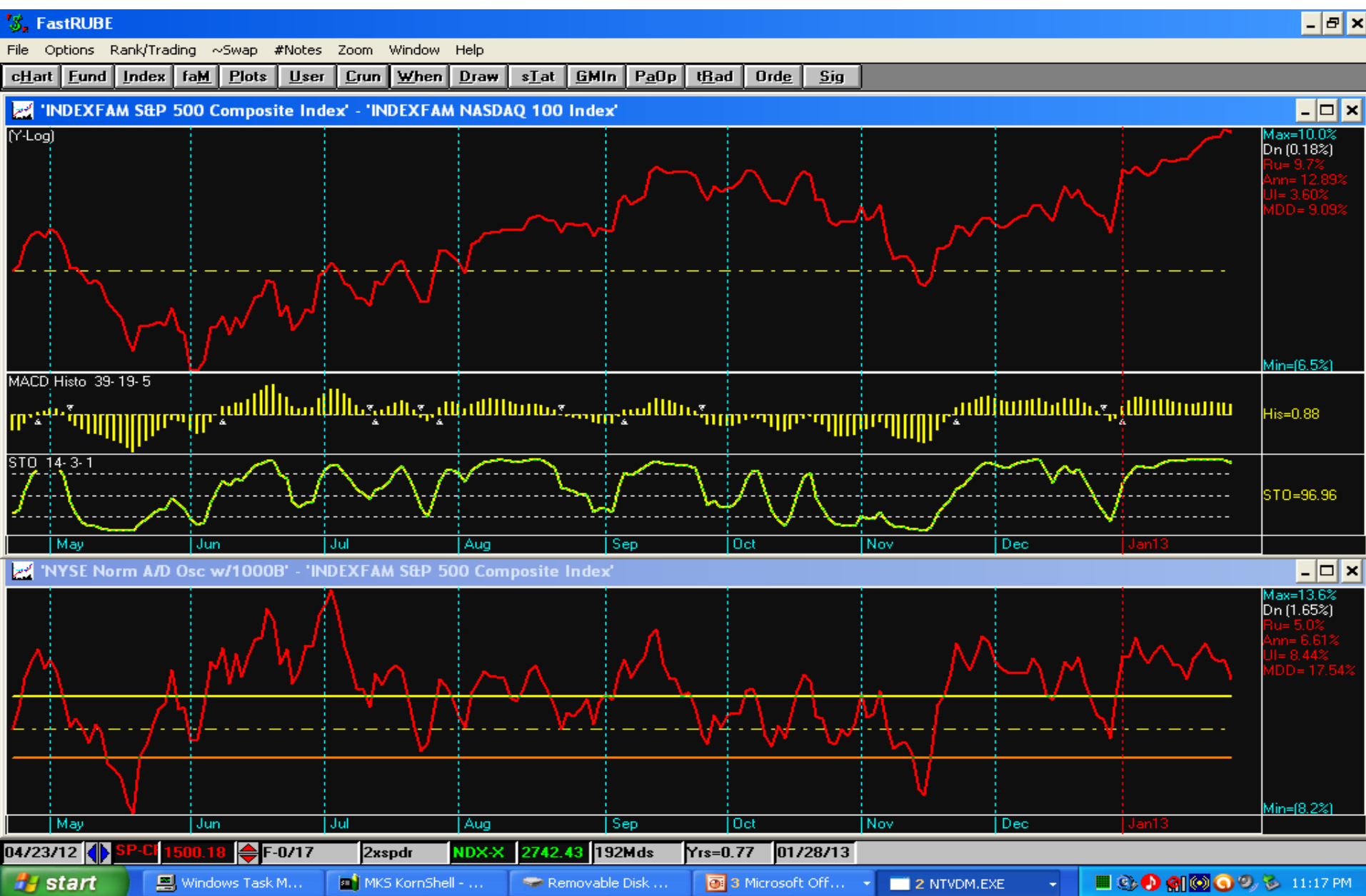
New Highs



Summation Index



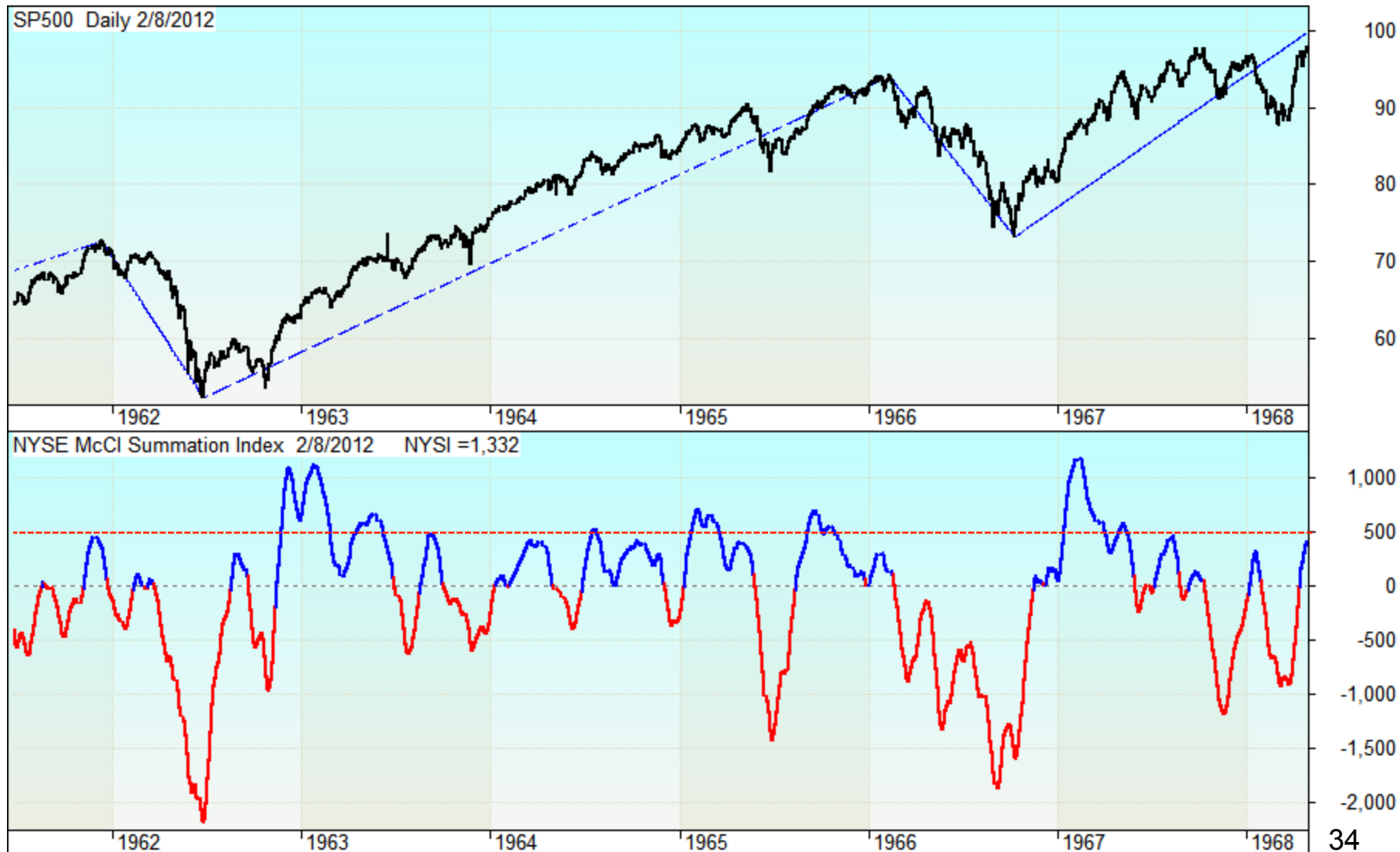
McClellan Oscillator



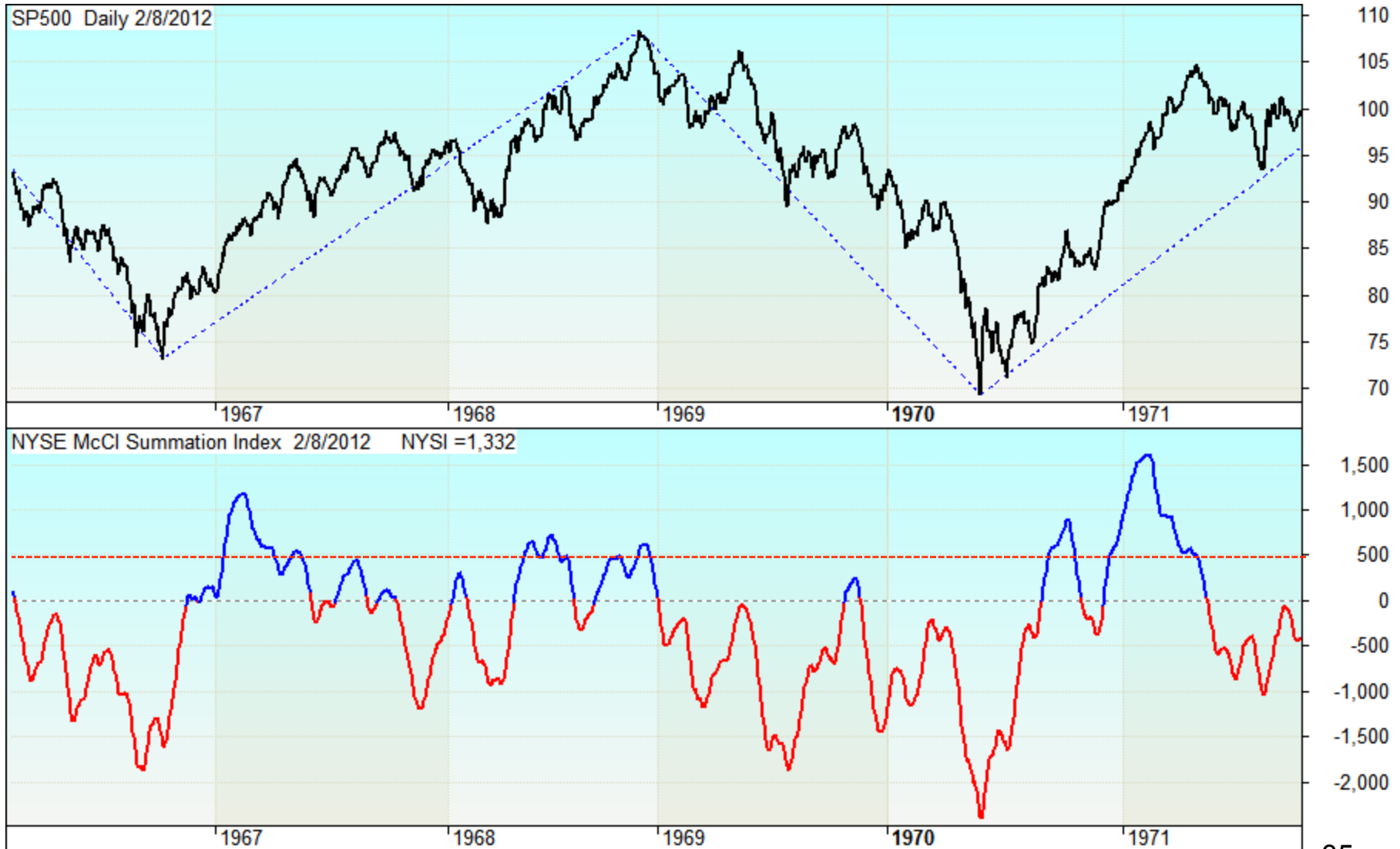
SPX - 61 Top



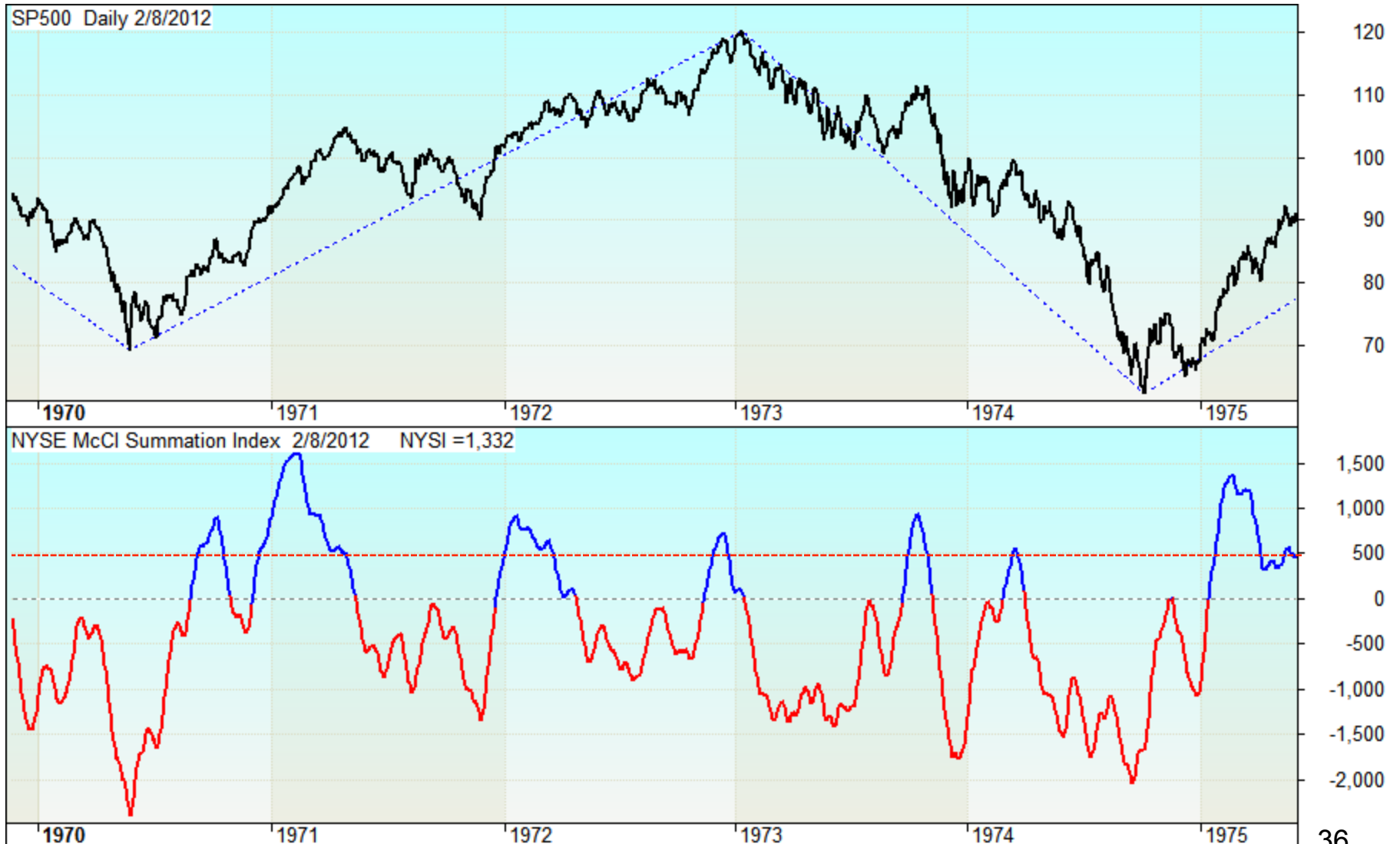
SPX – 66 Top



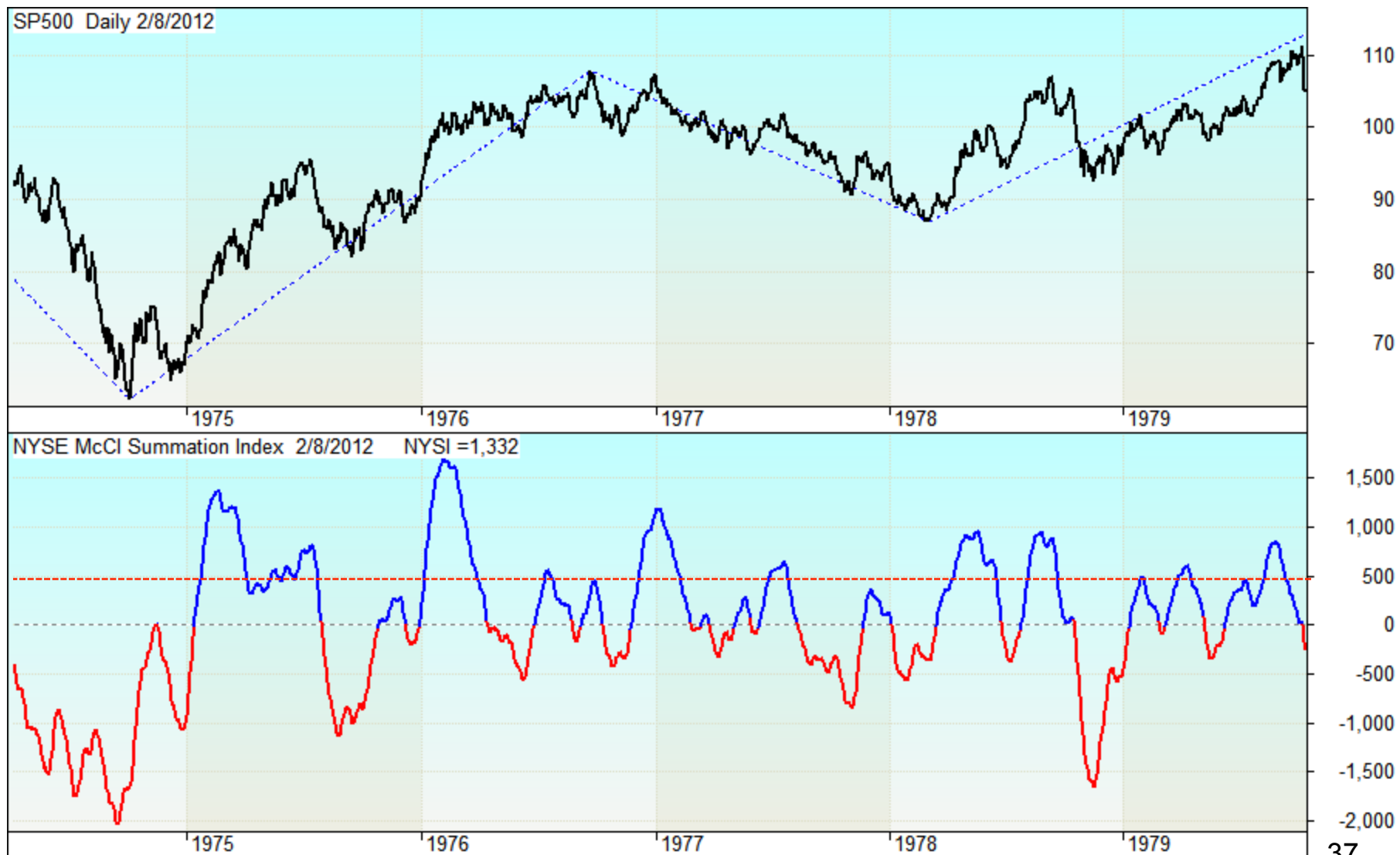
SPX – 68 Top



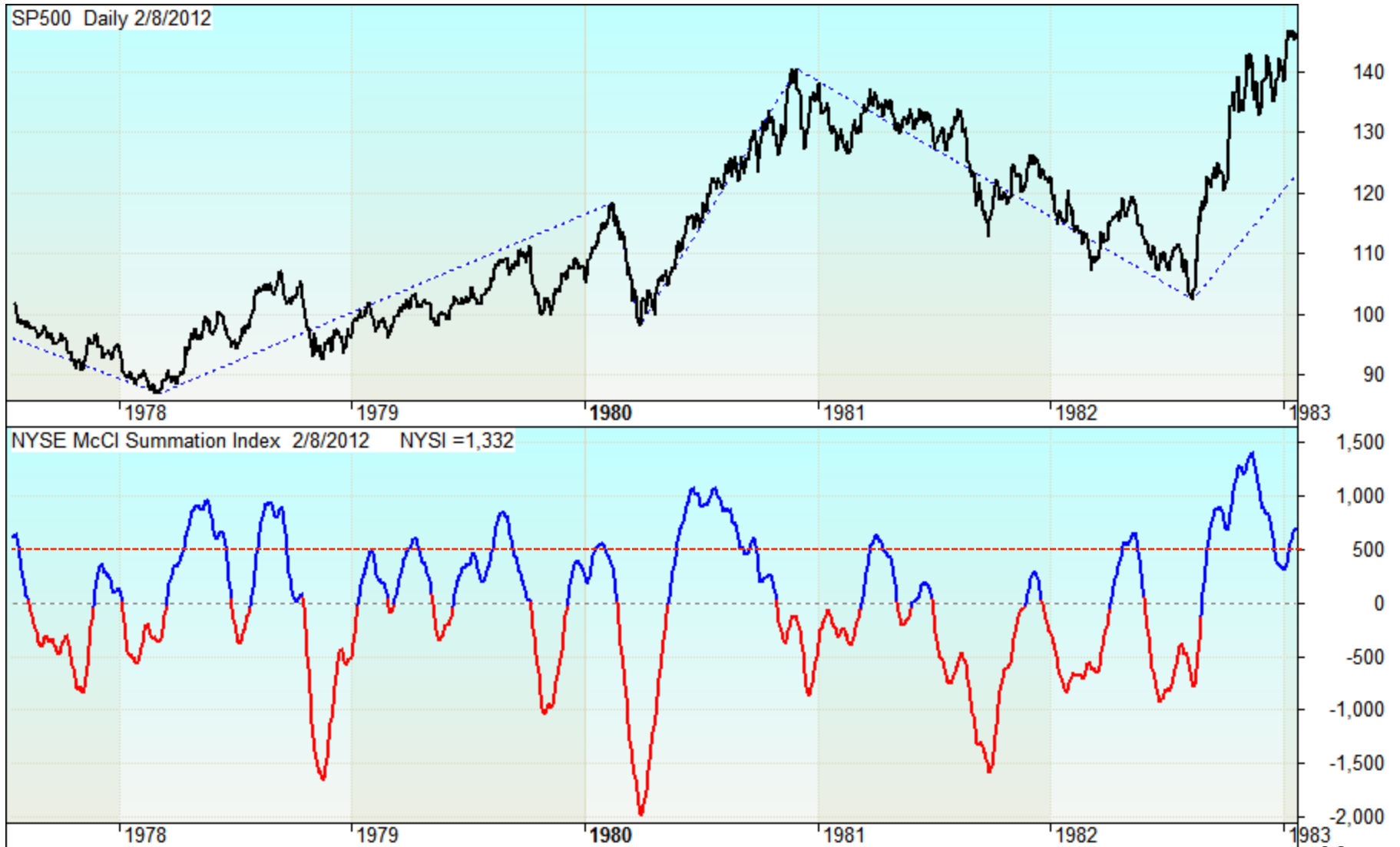
SPX – 73 Top



SPX – 76 Top



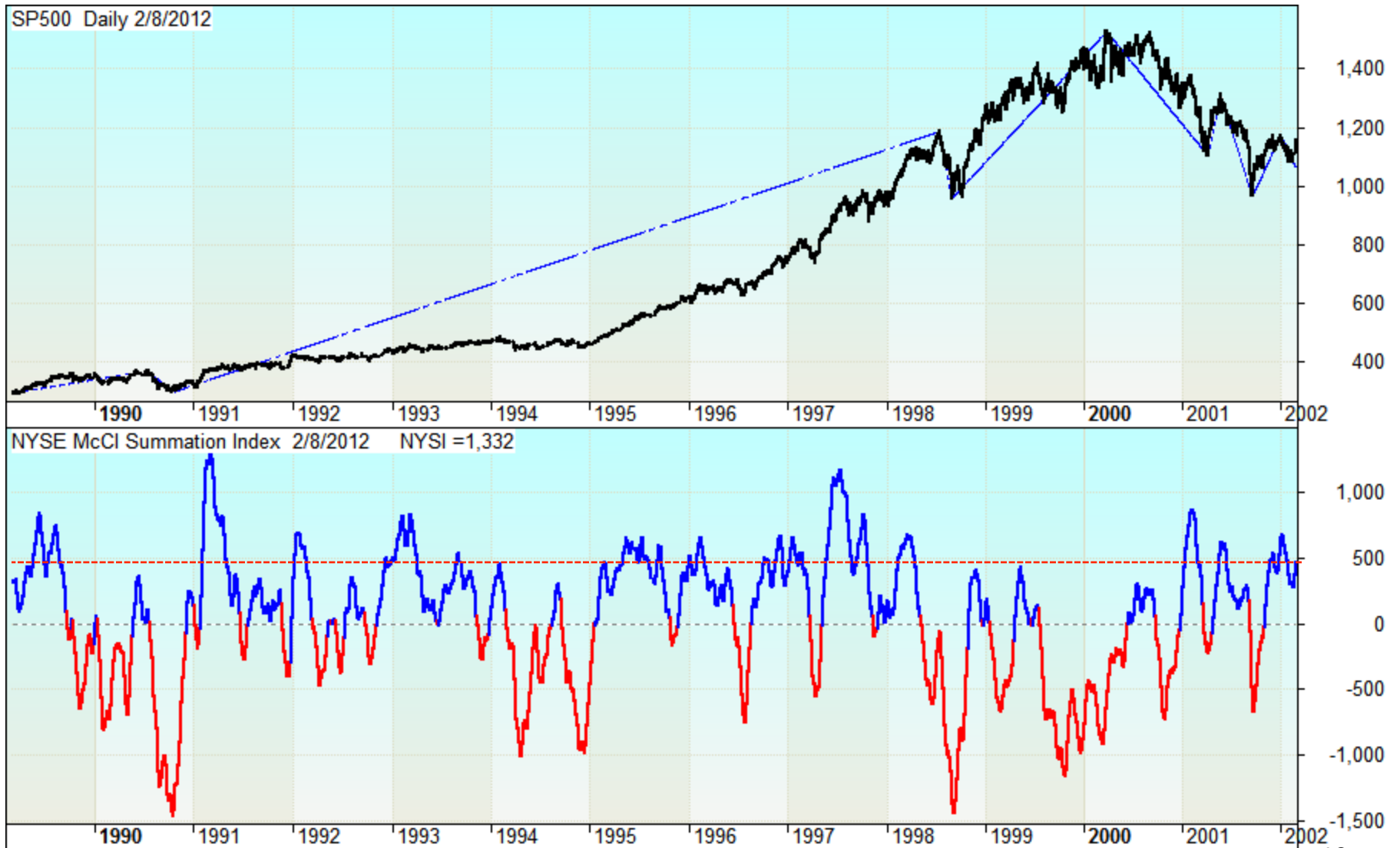
SPX – 80 Top



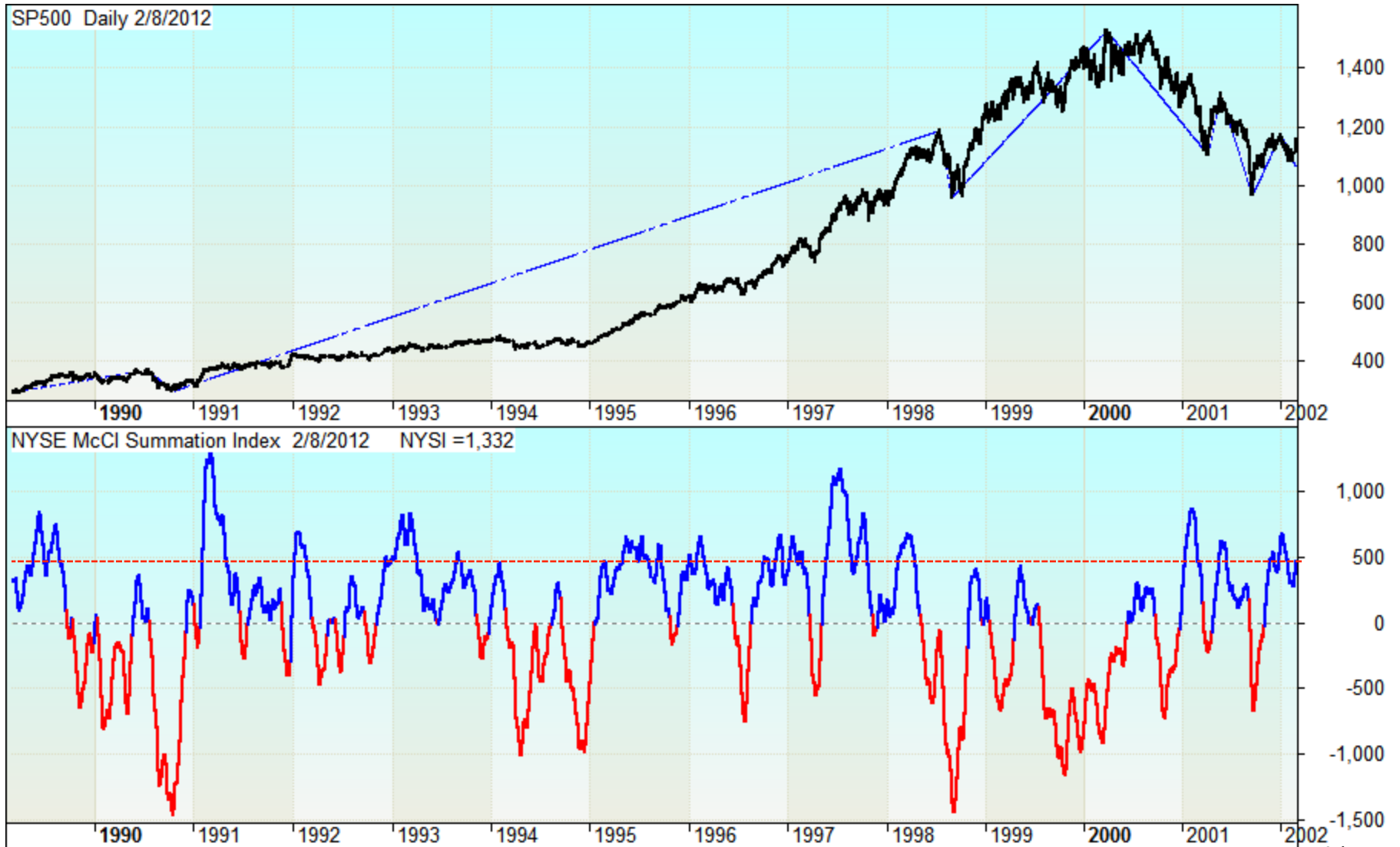
SPX – 87 Top



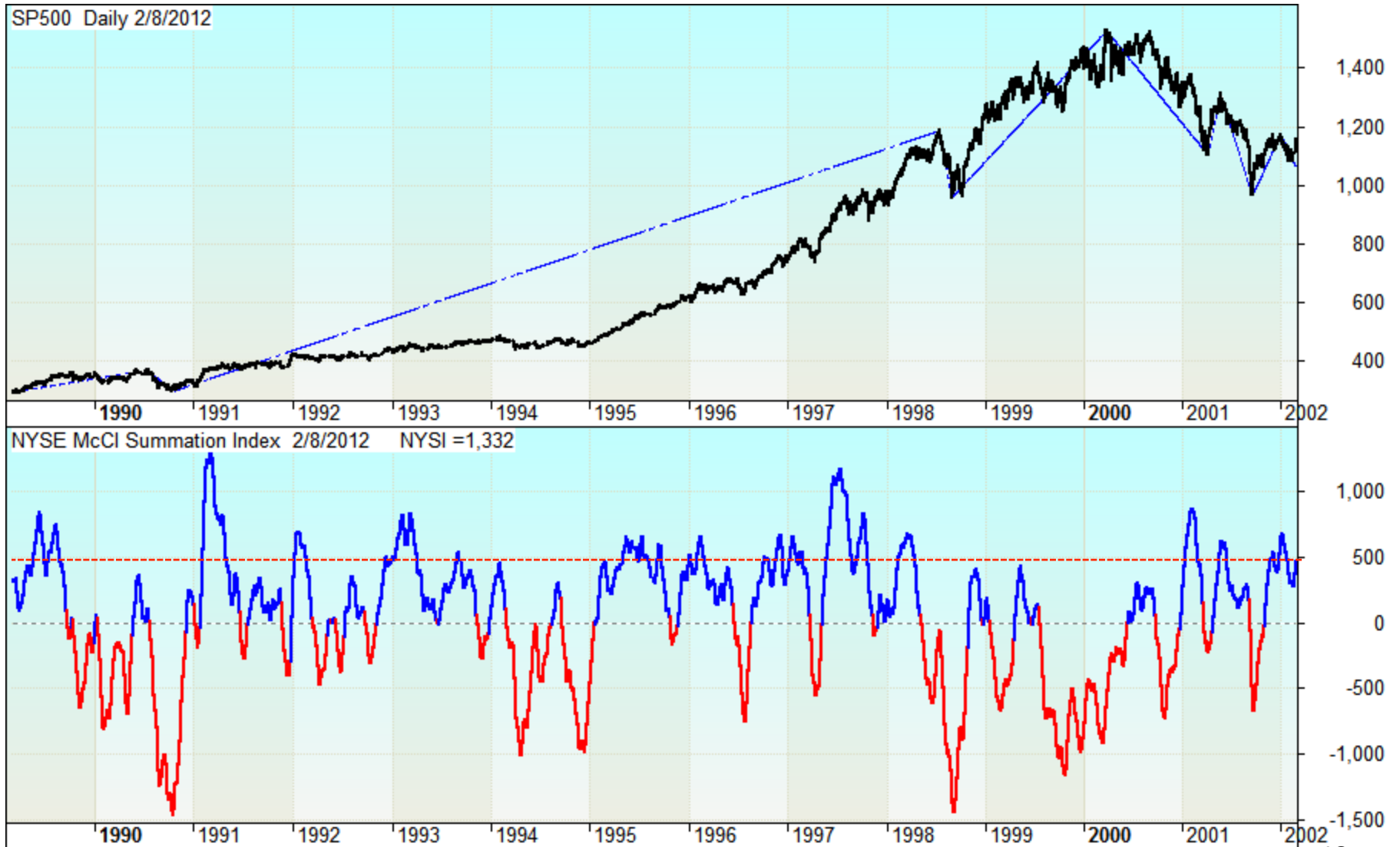
SPX – 2000 Top



SPX – 2000 Top



SPX – 2000 Top



SPX - 2007 Top



SPX Current

