

CHAMELEON INDICATORS

A new way to view the markets.

Alex Cole 05/10/17

THE CHAMELEON TREND AND CHAMELEON OSCILLATOR STUDIES

One of the most important benefits of visualization is that it allows us visual access to **huge amounts of data in easily digestible visuals.**

Well designed data graphics are usually **the simplest and at the same time, the most powerful.**

Centerline Digital. "The Importance of Data Visualization." April 28th 2015. Slideshare.net.

WHAT WE'LL DISCUSS:

- The idea and creation
- Global release – featured on Bloomberg TV, News, MTA SmartBrief
- Feedback
- Case studies and interpretation

TRYING TO MAKE SENSE OF ALL THAT'S OUT THERE

When there is too much on the chart:

Its hard to know where to look and what information is important.

It can be difficult to see the all important price action.



SOLUTION: COMBINE COMMONLY ACCEPTED TA PRINCIPLES INTO EASY TO READ VISUALS

The Trend Chameleon

- Moving Averages
- Moving Average Convergence Divergence
- Relationship of open prices to close prices

The Chameleon Oscillator

- RSI (Relative Strength Index)
- Stochastics
- Bollinger Bands

CUSTOM STUDY AND TECHNICAL SIGNAL CREATION TO APPLY TO CHARTS

The Bloomberg Terminal has tools that I leveraged to

- Build the Chameleon custom studies
- Apply them to charts using paint bars

FINALLY! THE TREND CHAMELEON

It now was possible for me to see my studies as I'd intended on any data series.

This chart of the Chameleon Studies has more information than our initial chart and gives a complete analysis of trend and momentum.



PUBLICATION OF THE CHAMELEON STUDIES

After being featured in the Bloomberg Brief: Technical Strategies and MTA's Technically Speaking there was:

Increased customer demand

- Requests for the studies
- Studies shared with hundreds of users

Feedback on the studies

- Simplicity of the visuals
- Easy interpretation of multiple indicators
- Robust overall technical view

THE CHAMELEON STUDIES ARE NOW GLOBAL STUDIES AVAILABLE ON THE TERMINAL

As a result of the feedback and client requests

- The Chameleon studies are the 2 newest featured studies
- Available on TECH<go>, the Technical Study Browser
- Can be run with the tail SPX Index GPO TCHAM CHAMO<go>

Since the first week of March

- Featured in Bloomberg news
- Appeared on Bloomberg TV
- Published in MTA SmartBrief
- Featured speaker at 44th Annual MTA Symposium
- Continued to receive strong feedback

CASE STUDIES AND INTERPRETATION

The Chameleon Studies can be applied on any periodicity and across all asset classes.

The Trend Chameleon

- Combines several ideas to color code a security's price action
- Simple visual display uncovers actionable market trends
- The price chart is colored from bright green as the most bullish to bright red as the most bearish.

The Chameleon Oscillator

- Combines multiple momentum indicators to provide readings of overbought and oversold levels (It turns bright red when the most overbought signals are sent and bright green when most oversold, with varying shades in between.)
- Signals bullish/bearish divergence from the Trend Chameleon to warn of potential price reversal
- Will find support/resistance at zero when the trend in price is strong

S&P 500

Trend Chameleon painting bright green up trend bars after correction seen Mar-Apr.

Chameleon Oscillator confirmed break crossing above zero.



FTSE 100

Trend Chameleon
painting first green
bar since april drop.

Oscillator has
broken back above
zero.



IBOVESPA

Trend Chameleon holding strongest trend on Weekly chart.

The Chameleon oscillator after the recent pullback has dropped to zero where it should find support.



S&P BANK SPDR ETF

Banks have corrected but now painting less bearish pink.

Chameleon Oscillator has shown bullish divergence and crossed above zero.



WTI CRUDE

120 minute chart of WTI shows recent down trend in WTI crude futures.

Chameleon oscillator above zero.



DOLLAR INDEX

Trend in the Dollar is down as seen by the Trend Chameleon but weakness shown by presence of yellow neutral bar.

Oscillator shows bullish divergence and a break above zero.



JAPANESE YEN

Monthly chart of the Yen shows how strong the Chameleon Oscillator resistance/support at the zero line can be. Pivotal now for the long term trend.



US 10 YR YIELD

10 year yield has been in a sideways market this year. Most recently turned bearish red.

The chameleon oscillator shows overbought and oversold at highs and lows during sideways.



LONG GILT FUTURES

Strong trend this year recently broken. Highlighted by Trend Chameleon painting yellow and now pink bar.

Chameleon oscillator unable to find support at the zero line.



CHAMELEON RECENTLY USED IN PRINT AND TV - GOLD FUTURES

Strong up trend most of this year reflected in the mostly bright green bars.

Tested the support line before but held in March. Most recently broke the trend line and Trend Chameleon now painting most bearish red.



US 3 YR YIELDS

Trend Chameleon
unable to hold the
bearish bright red.

Chameleon
oscillator able to
break above zero.



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- SPX Index GPO TCHAM CHAMO<go>
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- To see my bio on the MTA website
 - [click here](#)