



Daily & Weekly Charts

MQG Close @ 160.49 on Apr 30th, 2021.

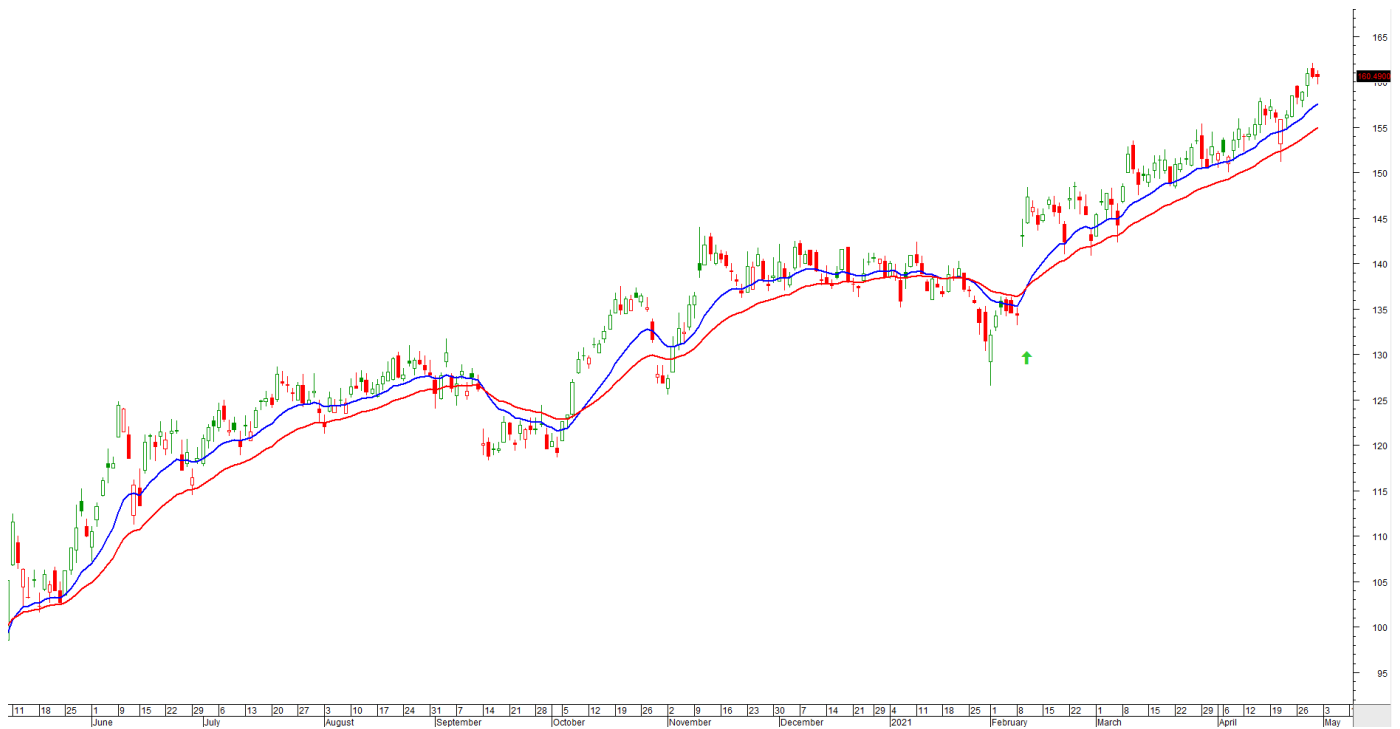
The MQG Daily and Weekly Charts show a recent, relatively stable uptrend approaching new highs. This is within the context of a broader longer term uptrend channel that has developed over the last year.

Toolbox

Moving Average Crossover

Guppy MMA – Multiple Moving Average





Moving Average Crossover

The Moving Average Crossover indicator applied here uses a 15 day EMA (Blue) and a 30 day EMA (Red).

A Moving Average smooths price data over the length of the average with an Exponential Moving Average giving greater weight to the most recent (relevant) price action in the calculation. With a smoothed representation, some of the daily fluctuations in price movement can be reduced to give a more filtered view on price movement.

When prices are trending, it is visually apparent by comparing today's price with that of the recent range. The shorter the term of the Moving Average, the more closely it will hug the most recent price. By utilising the two Moving Averages of differing timeframes, the crossover points can be indicators that a trend direction may have changed. We would expect price to remain above both averages in a strong uptrend, with the averages themselves rising but with the longer term average rising more slowly and therefore lagging for example.

A classic BUY signal is given when the short term average crosses above the long term average, and a classic SELL signal is given when the short average crosses below the long term average. This of course applies when trading from the LONG side. A SHORT trade would apply the principles in reverse.

Moving Average Crossover signals work well with trending stocks but often give false signals for stocks in consolidation ranges. It is recognised as a lagging indicator that is best used in combination with other analysis techniques.

Probability Framework

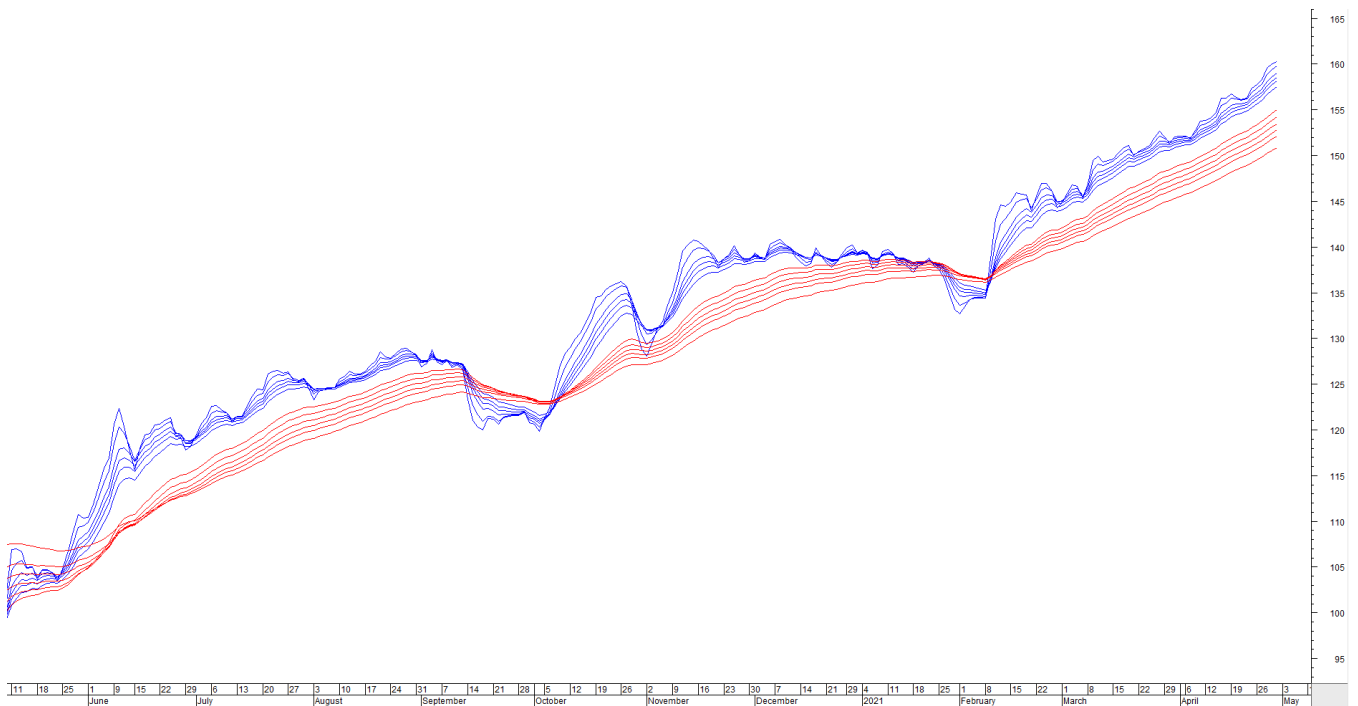
The Moving Average Crossover indicator is a simple but often effective trading tool in trending markets.

The MQG Chart displays a BUY signal in early February following a large gap up in price.

The relatively stable uptrend following has been well defined, with price largely staying above the 15 day EMA and the two averages trending upwards in a nice parallel formation.

As such, no signs of weakness are displayed on the Chart with reference to the Moving Average Crossover indicator to date.

Traders and Investors are able to monitor for any future narrowing of the averages or price dips below the 15 day EMA as a first note of possible caution to be analysed.



Guppy MMA

The Daryl Guppy MMA indicator consists of 2 pairs of 6 Exponential Moving Averages across different timeframes. Namely 3, 5, 8, 10, 12 and 15 day EMAs in the short term group of averages and 30, 35, 40, 45, 50 and 60 day EMAs in the longer term group of averages. The averages are calculated on the closing price.

A Moving Average smooths price data over the length of the average with an Exponential Moving Average giving greater weight to the most recent (relevant) price action in the calculation. With a smoothed representation, some of the daily fluctuations in price movement can be reduced to give a more filtered view on price movement.

As the EMAs represent different timeframes they can be argued to be a proxy for the different types of market participants that also trade and invest in those different timeframes, respectively.

The short term group of averages (blue) show the activity of traders with often significant volatility present as they trade the emotional value of the security up and down.

The long term group of averages (red) represent the investors who are often making decisions to buy and sell over longer timeframes and staged portfolio movements.

When traders and investors agree, the conditions are typically in place for strong trends in market price. The relationship between the averages and the spacing between them provide opportunities to draw better probability conclusions.

Probability Framework

MQG displays an example of stable trending behaviour as indicated by the Guppy MMA.

The long term group of averages are well spread and trending upwards over time in parallel. Investor support for the recent MQG price move is healthy.

The short term group of averages, representing the shorter investment timeframe of Traders, are also well spread and trending upwards over time in parallel.

The gap between the two sets of averages has remained relatively constant.

Traders and Investors are in relative supportive agreement over the future prospects of MQG in the current market.



Combined Probability Framework

The MQG Chart displays a recent, well-defined and relatively stable uptrend within the context of a longer term uptrend channel that has developed over the last year, following the general market selloff at the beginning of the pandemic.

Price is finding new highs following the most recent break through of short term Resistance around the 154.00 level.

The upper band of the longer term trend channel may present some range Resistance as it has done in the past. This currently sits around the 165.00 level

The current stability of the latest phase of the uptrend is highlighted in the Moving Average Crossover and Guppy MMA indicator notes. Traders will be looking for signs of slowing momentum at some point in the future. A narrowing of the short term group of the Guppy MMA averages and a closing price below the 15 day EMA is activity that may be monitored for.

Until otherwise noted on the Chart, Investors continue to show healthy support for MQG.

