

THE MC VALUE

The MC Value is the result of JS Services proprietary MarketColor analysis.

MarketColor was developed to provide a “picture” of a market’s technical position by color-coding the results of JS Services proprietary indicator systems.

The MC Value takes this analysis one step further by filtering the system results into a single qualified value. This is a hard number that can be used not only as an “at a glance” verification of a market’s technical bias but also as a “relative strength” comparison to other markets.

MC VALUE TABLE

-11 -10	-9 -8 -7 -6 -5 -4	-3 -2 -1 0 +1 +2 +3	+4 +5 +6 +7 +8 +9	+10 +11
Extreme	BEAR TREND	NEUTRAL	BULL TREND	Extreme

The MC Value is a rating based off the summation of different technical indicator systems. Markets with more systems in a positive position will have a greater positive MC Value, and markets with more systems in a negative position will have a greater negative value. Markets counter-balanced or neutral will have a value close to zero (0).

MC VALUE TABLE ZONES DEFINED

The Neutral Zone

-3 -2 -1 0 +1 +2 +3
NEUTRAL

This area defines the NEUTRAL ZONE. Markets in this position are in 3 typical states: Digestion, Correction or Transition.

1. DIGESTION – A sideways environment with choppy trading conditions. In this condition, directional moves are not expected to be sustained. Opportunity exists on both sides of the market, albeit profit potential is limited and should be realized “sooner than later”. Fade and Reversal strategies are recommended. Markets that do end a session with a strong directional bias will have trouble sustaining that bias in the coming session, without the support of a like change in the next session’s MC Value.

2. CORRECTION – The market has been displaying a directional bias and has had >2 sessions with an MC Value in the Trend zone. A Neutral MC Value following these conditions signals a potential “corrective” trade. The longer the “established” trend and the “sharper” the MC Value

change resulting in a Neutral MC Value, the more likely the market is in a corrective mode. Best opportunity exists in entering the market in the direction of the previous trend. Fade, Reversal and Breakout strategies in the direction of the previous trend are recommended.

3. TRANSITIONAL – The market has seen a steady deterioration in directional bias, slowly moving from the Trend Zone to the Neutral zone. These are difficult trading conditions. False signals in both directions are common. Opportunity exists on both sides of the market. However, aggressive risk management should be implemented. Reversal and Breakout strategies are recommended. Successful Breakout or Trend strategies under these conditions are a “one-shot” opportunity, using aggressive trail stops and having expectations of a one-way “railroad” trading environment.

The Trend Zone



The BULL TREND and BEAR TREND define the Positive and Negative Trend Zones respectively. Markets in

this position are in 3 typical Trend states; Beginning, Established and Late (End).

1. BEGINNING TREND – The market has had ≥ 2 sessions with the MC Value in the trend zone. The environment is expected to be “stop and go”, with opportunity on both sides of the market with the best opportunity at the R Level in the direction of the Trend bias. Fade and Reversal strategies are expected to be more successful over Breakout strategies as the Trend has yet to establish itself and may be “choppy”.

2. ESTABLISHED TREND – The market has had >3 sessions of MC Values in the trend zone, at least one value ≥ 6 . Values of 7 or 8 show a strong trend bias. Breakout and Fade strategies in the directional of the MC Value and R Level bias are recommended as well as Reversal strategies in both directions. Expectations are for a “smoother” trading environment.

3. LATE TREND STAGE – The market has had ≥ 9 sessions in the Trend Zone with at least 3 sessions \geq to 8 and one of those sessions a ≥ 9 . Trend strategies remain in effect. However, large price movement in the direction of the trend bias should not be expected to be maintained. Any Breakout strategy should look to take profit on “exhaustive” surges as the market is expected to “give back” the bulk of the intra-day move in this stage. Reversal strategies should focus on counter trend opportunities, as signals in the direction of the trend are expected to be a foreshadowing of an impending “correction” or “digestive” trade.

The Extremes

-10 -11
EXTREME

+10 +11
EXTREME

These zones define the Positive and Negative Extremes. Markets in this position are extended and are expected to Reverse or trade in a sideways digest.

Counter-trend Reversal, Oscillator OB/OS type Fade strategies and Breakout strategies are recommended. Breakout strategies in the direction of the trend are not advised. However, if implemented, should use tight risk management. The market is at an extreme and an exhaustive or reversal signal is expected.

Previous 6 MC VALUE Table View

The MarketColor Table presents a Previous 6 sessions view for the purpose of analyzing the current MC Value bias.

CURRENCY RANKING								MC VALUE	R REVERSAL	MARKET COLOR INDICATORS					
RANK	SYMBOL	Previous 6 MC Values View Index Description								MA	DMI	ADX	RSI	SS	DC
1	DA	-5	-2	3	3	3	6	6	8301	Green	Green	Brown	Brown	Brown	Brown
2	CD	1	6	7	3	1	1	3	9025	Blue	Blue	Purple	Brown	Orange	Brown
2	DX	-5	-5	-3	-1	0	3	3	81958	Brown	Blue	Purple	Brown	Brown	Blue
3	JY	-3	-3	2	1	1	1	1	8386	Brown	Red	Brown	Cyan	Brown	Red
3	MX	2	2	0	0	-1	5	1	9195	Blue	Blue	Purple	Red	Orange	Blue
4	BP	5	5	1	1	-1	0	0	19876	Brown	Brown	Brown	Brown	Brown	Red
5	EU	5	5	2	1	0	-2	-2	13643	Brown	Red	Brown	Brown	Brown	Brown
6	SF	3	0	-1	0	-2	-4	-4	8251	Brown	Red	Brown	Brown	Red	Red

This feature should be used to garner additional insight to the "trend" or technical state of the current MC Value - "How did we get here" so to speak. Two different markets with an MC Value of +2 do not hold the same bias when one has a Previous 6 MC Value average of +6 and the other a Previous MC Value average of 0.

Know where a market has been to "see" where it is going.