

Technical Trading 101: How to Setup Moving Averages on a Stock Chart

Thank you for checking out my free guide to setting up moving averages on a stock chart. As you were reading in my article on [Swing Trading](#), using moving averages to figure out price direction is important.

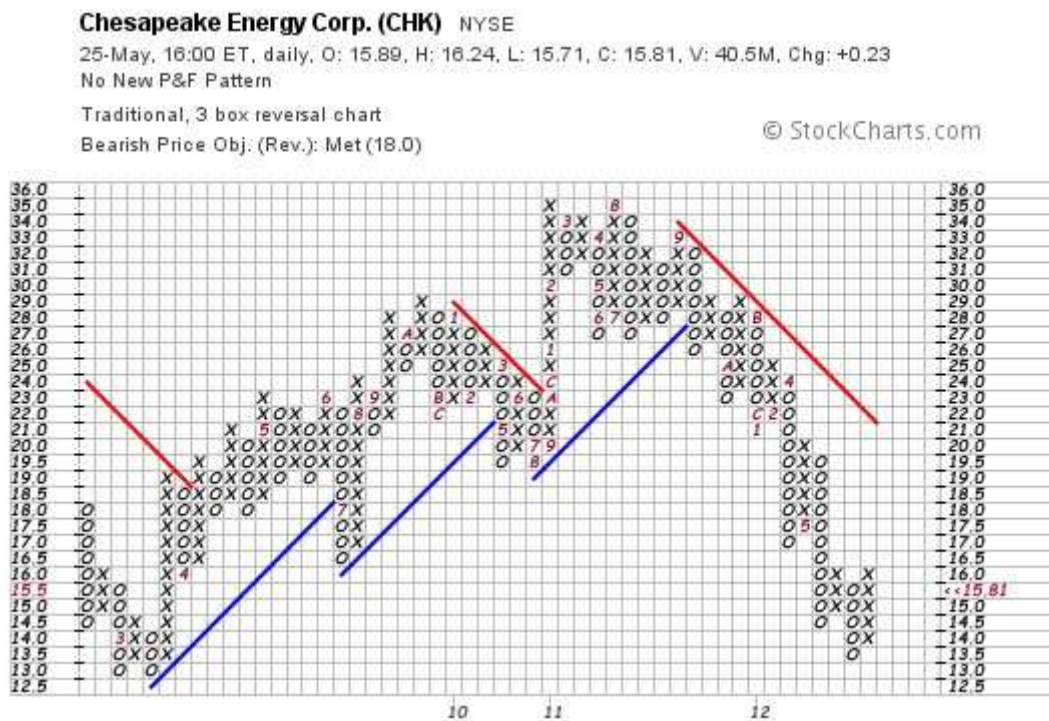
Here is my guide to doing this for free, using <http://stockcharts.com/>.



Getting Started

To get started, you want to use a free chart on StockCharts.com. For calculating moving averages, I prefer to use Point & Figure Charts (its old school is X's and O's). Simply enter the symbol you want, and go from there.

For our example, I'm going to use Chesapeake Energy (CHK). Once you enter your symbol, this is what you get:



However, that only shows price trends and it shows it over a three year period. That doesn't really help us with swing trading or other technical trading. Let's setup the chart so it is more useful for use.

Setting up the Chart

There are two things you must do to setup the chart to be useful.

Step 1. Change the chart scale to Percentage.

Step 2. Setup the Chart Overlays to Moving Average, typing in 30 days, 90 days, and 200 days, per our example.

The screenshot shows a web-based chart configuration interface. It is divided into several sections: 'Chart Attributes', 'Chart Scale', 'Duration', and 'Chart Overlays'. A red circle highlights the 'Scaling Method' dropdown in the 'Chart Scale' section, which is set to 'Percentage', with a large red number '1' next to it. Another red circle highlights the 'Chart Overlays' section, which contains three rows of 'Simple Moving Average' settings with periods of 30, 90, and 200 days, with a large red number '2' next to it. Below the 'Chart Overlays' section is an 'Update Chart' button.

Chart Attributes:			
Periods	Daily	Price Field	High/Low
Chart Size	Large (520)	Show <input type="checkbox"/> Price Plot <input type="checkbox"/> Volume <input type="checkbox"/> Reversal Marker	

Chart Scale:			
Scaling Method	Percentage	Box Size	1.0
ATR Period	20	Reversal	3
Scale Factor	1	Dec Places	2
Price Objective	Breakout		

Duration:			
End Date	May	27	2012
<input type="checkbox"/> Wide Chart			

Chart Overlays:			
Simple Moving Average	30		
Simple Moving Average	90		
Simple Moving Average	200		

Update Chart

Then, just update the chart!

Reading the Results

Once you click “Update Chart”, you will get your final result with moving averages.

- Blue: 30 Day
- Red: 90 Day
- Green: 200 Day

You can see that the 200 day moving average just started going down, which could be bearish for swing traders considering the price has risen so much lately.

