



**MATERIAL INDICATORS**

— THE SCIENCE OF TRADING —

## **Trend Precognition Indicator Tutorial**

# Trend Precognition Indicator Tutorial

Head over to your settings by navigating to the top left corner. [The arrow](#) shows you the way.

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# Trend Precognition Indicator Tutorial

Change your settings like below.

**Trend Precognition - Mtrl\_Scientist (v0.2)** ✕

Inputs Style

AlgoChoice [A1] Leg... ▾

A1 - Smoothing Length 10

A1 - Slope Smoothing Length 1

A2 - Smoothing Length 5

A2 - Smoothing Length #2 2

A2 - Smoothing Length #3 2

Defaults ▾ Cancel Ok



**Trend Precognition (Arrow) - Mtrl\_Scientist (v0.2)** ✕

Inputs Style

AlgoChoice [A2+] Pr... ▾

A1 - Smoothing Length 10

A1 - Slope Smoothing Length 1

A2 - Smoothing Length 5

A2 - Smoothing Length #2 2

A2 - Smoothing Length #3 2

A2+ - Probability Threshold Long [%] 24

A2+ - Probability Threshold Short [%] 30

Defaults ▾ Cancel Ok

**Trend Precognition - Mtrl\_Scientist (v0.2)** ✕

Inputs Style

AlgoChoice [A2+] Pr... ▾

A1 - Smoothing Length 10

A1 - Slope Smoothing Length 1

A2 - Smoothing Length 5

A2 - Smoothing Length #2 2

A2 - Smoothing Length #3 2

Defaults ▾ Cancel

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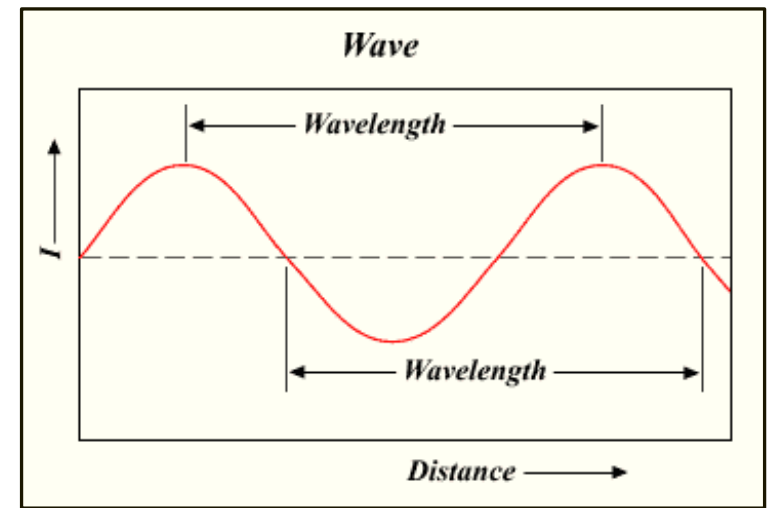
# Trend Precognition Indicator

## How it works.

Periodic phenomena, such as a sine wave are easy to predict. But financial assets have no fixed periodicity and are very noisy.

First of all, price needs to be smoothed. But choosing any smoothing period is arbitrary. So, why not take hundreds of them and check where they agree about trend changes?

That's what Trend Precognition does.



Lang Antiques. **Wavelength Illustration.** Antique Jewelry University. Retrieved on 2021, June 17. <https://tinyurl.com/s7pfm5tj>



# Trend Precognition Indicator

## How it works.

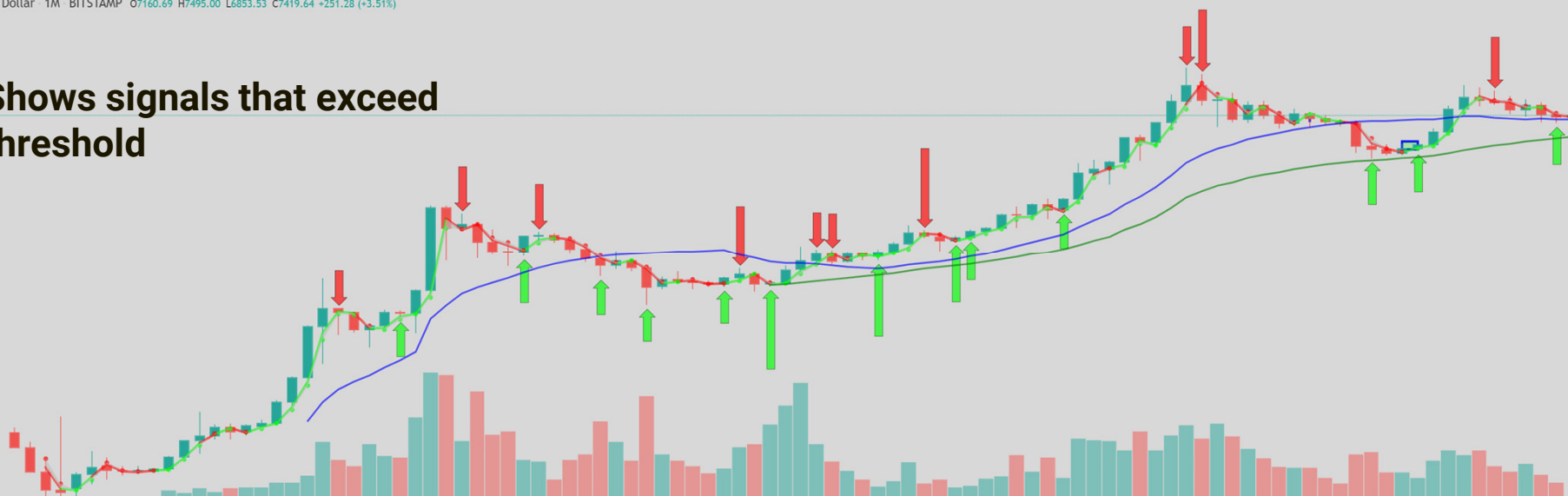
A [probability score](#) is assigned, depending on how many smoothing periods agree on a trend change at a given time. This leads to a probability density at points of the likeliest turnaround. If the probability exceeds your threshold, a signal is generated.

However, given the fact that you can't know for sure if you are past the top or bottom in advance, all signals are charted one bar into the past to show where the top would have been.

The consequence is that you cannot automate this system unless you wait for the current bar to close. Thus, you need to use your own trading experience to gauge the validity of the signal.



**Shows signals that exceed threshold**



**Shows probability density (unfiltered)**



**Shows most common smoothing period  
(use for predictive trend changes)**

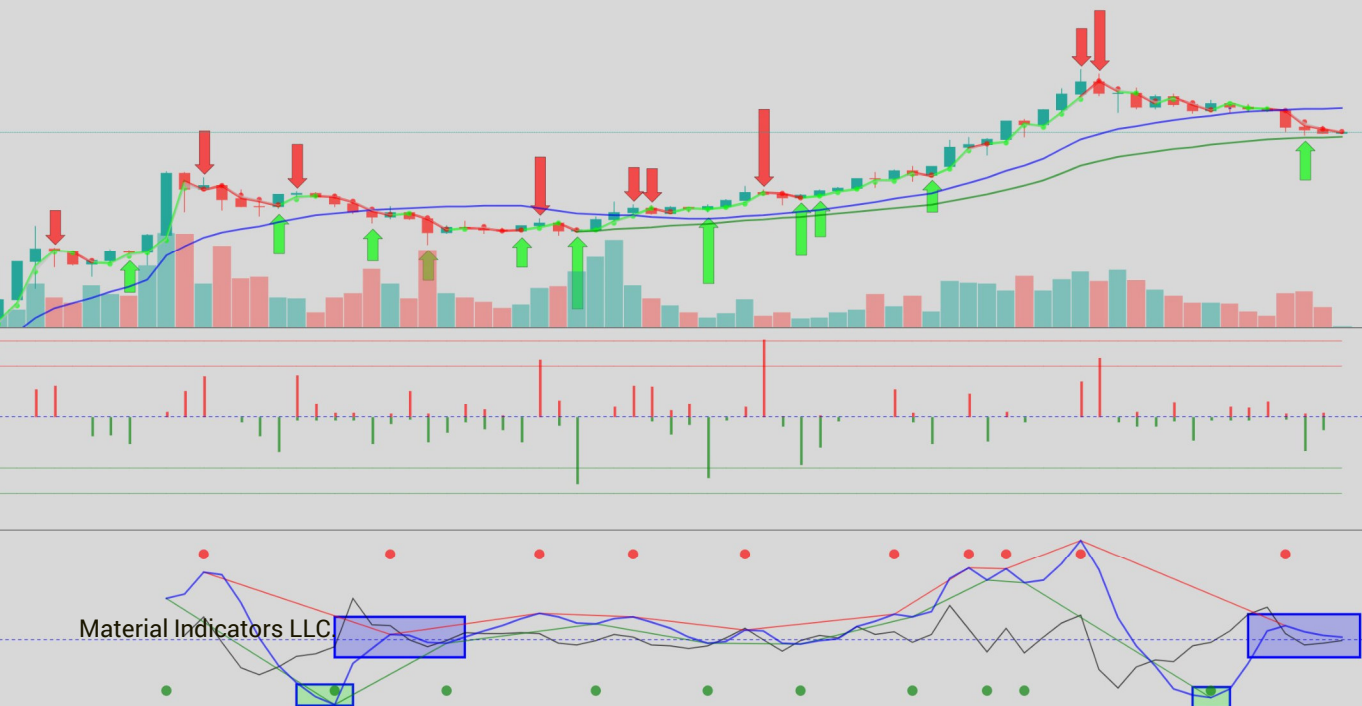
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# Trend Precognition Indicator Practical Example

Here is an example of Trend Precognition Indicator calling the BTC bottom.

Bitcoin / Dollar, 1M, BITSTAMP O 3413.69 H 3445.15 L 3364.53 C 3427.05 +13.94 (+0.41%)



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@Mtrl\_Scientist

1/n

As per monthly close on January 31st, Trend Precognition's signal was printed on the chart permanently. What this means is that the bearish momentum has weakened for the first time since this indicator called the top in 2017. [\\$BTC](#) [\\$Crypto](#) [#AlgoTrading](#) [#DYOR](#)



6:19 PM · Feb 1, 2019 · Twitter Web Client

CAUTION: Signal is currently offset by 1 candle.  
This means you'll have to trade intrabar and use your intuition.



# Trend Precognition Indicator

## Practical Example

There are a few things to remember though:

- High timeframe (i.e. weekly or monthly timeframe) is recommended
- Validate with technical analysis & technical indicators (trendlines, moving averages, etc...)
- Mind the 1bar delay!

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1/n

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[#AlgoTrading](#) [#DYOR](#)



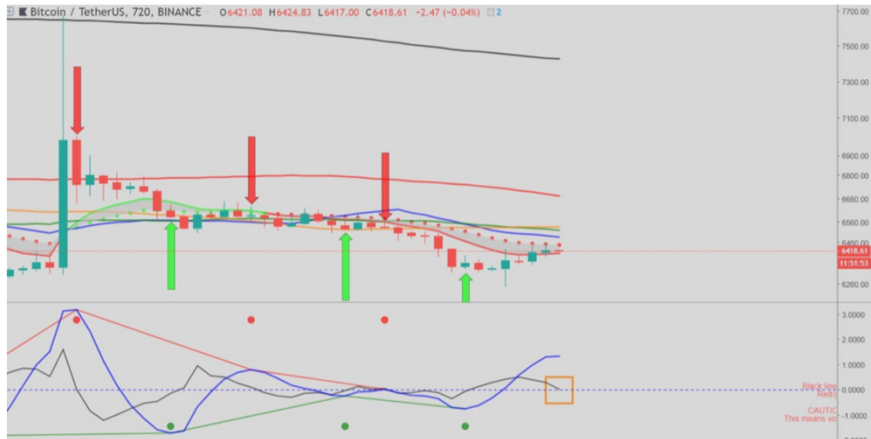
6:19 PM · Feb 1, 2019 · [Twitter Web Client](#)



# Trend Precognition Indicator

## Predictive capabilities

There are certain tips to help you guess the trend change before it happens.



Blue: Smoothing line

Black: Slope of smoothing line

Orange: Indication that slope is about to cross 0-line

→ Crossdown = Top

→ Crossover = Bottom



- Predicted trend change was near 20 MA confluence zone
- Price indeed broke down

# Trend Precognition Indicator Waiting for confirmation

- Top indicator gives buy signal due to probability being above threshold (>24% agreement of smoothing periods) & price is near 20 MA support
- Middle indicator shows probability score
- Bottom indicator shows slope about to cross over 0-line (predictive trend change)
- Signal will be confirmed & permanently printed on chart by the end of the current month (Jan. 31<sup>st</sup> 2020) if conditions are still met by then



# Trend Precognition Indicator Waiting for confirmation



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