TRADING CENTRAL methodology: INVESTMENT HORIZON explained

This document aims to clarify the concept of investment horizon as used by TRADING CENTRAL to facilitate the use of our research.

Technical analysis focuses on forecasting trends and understanding market psychology. It assumes that the market takes everything into account, the courses follow trends and history repeats itself.

Our method of technical analysis allows to intervene on different horizons of investment: we strive to anticipate not only the nature of a movement (a rise or a fall of course), but also when this movement will be fulfilled (eg in the day, within a week or a month).

To avoid any ambiguity, the investment horizons proposed by TRADING CENTRAL depend on the time scale of the chart used (15 minutes, 30 minutes, daily or weekly).

We estimate that our expectations at a given moment "T" and on a given time scale are the most consistent up to about 20 periods. Beyond this, for a longer forecast, we need to complete our analysis with a chart on a larger time scale. Thus, for a daily chart we think that the most appropriate anticipation is up to about 20 days (20 bars). For a longer horizon we will use a weekly chart.

Analyzes on 15-minute graphs, also known as High Frequency, are based on a calculation of hourly volatility allowing forecasts to be made at a specific investment horizon of 1 hour.

Chart time frame	Investment horizon
15 min (High frequency)	This research is aimed at investors seeking a tailor-made forecast for a trading horizon of 1 hour.
30 min	Up to about 10 hours (20 bars = 600 min)
daily	Up to 20 trading days, approximately one month (20 bars = 20 days)
weekly	Up to 20 weeks or about 5 months (20 bars = 20 weeks)