

How to scan for stocks in uptrend just as the 13 Day EMA crosses over the 26 Day EMA

I've been reading a lot and still haven't quite found the scan code I'm seeking.

6 I'm looking for a scan that will bring up stocks at the beginning of an uptrend where the 13 Day EMA crosses above the 26 Day EMA.

1 As a side note, I follow the Elder Impuse system and I like to trade within Keltner Channels.

I see a lot of crossover code on this forum, but when I run these scans, invariably the stock is already well into its uptrend and sometimes even too far above the 13 Day EMA for me to go long - so it just goes on a watch list for a possible pullback to the 13/26 EMA zone.

So here is what I came up with - can you help me tweak it so I get better results?

Thanks - this site is terrific!!!

```
[type = stock]
and [country = us]
and [daily volume > 500000]
and [close > 20.00]
and [close < ema(13)]
and [close >= ema(26)]
```

[uptrend](#) [ema](#) [crossover](#) [scan](#)

edited Feb 02 '12 at 09:04
 ta4u
5.2k • 12 • 23

asked Jan 27 '12 at 16:24
 BearTrader
400 • 1 • 8 • 15

11 Answers:

[oldest](#) [newest](#) [most voted](#)

Hi BearTrader, quote from your previous post.

3 "...I am looking for stocks where either the 13 and 26 EMAs or 3 and 13 EMAs have just crossed over (13 above 26, c 3 above 13). I also need the stock to be trading in between the 13 and 26 or 3 and 13 EMAs.."

I see what you are trying to do, however this approach really won't work, due to the fact that for the 13EMA to rise the stock price has to be above the 13EMA. Same for the 13/26 crossover to occur the stock price would have to be above both. Thus we need a different approach to get a hit a little earlier in the trend change, ie closer to the bottom and before the actual 13/26 crossover.

I would suggest looking at comparing say the 13SMA against the 13EMA and look for a crossover there which would give you an earlier signal. I'll think about it more over the weekend, interesting problem.

<http://stockcharts.com/h-sc/ui?s=AMRN&p=D&yr=0&mn=1&dy=0&id=p77122382548&a=255412664>



Cheers Gord

[link](#)

answered Jan 28 '12 at 12:34

Gord
17.2k • 11 • 21

3 BearTrader, when you wait for an MA crossover, even with the faster emas vs smas, you are pretty much giving up the rewards of a more risky earlier entry for the confirmation of the MA crossover. In effect, you are paying for information. The reason a high percentage of the ema crossover trades look good is that the crossover condition has eliminated stocks where buyers failed to follow through.

If you want to catch pre-follow through situations, look at your scan results and find the events they have in common

just before the crossover. How did buyers show they were gaining strength? Here are two possibilities:

This picks the ema 3 turning up after falling a few days. It can only happen with at least one higher close:

and [ema(3,close) > 1 day ago ema(3,close)]

and [ema(3,close) < 3 days ago ema(3,close)]

This picks a close above a recent lowest high, which must happen for a rally to proceed:

and [close > min(3,high)]

You can play with the parameters, of course. There will be some overlap because an ema crossover can occur simultaneously with these events, but usually they would occur a day or two before. But you should get more hits than you would with a crossover scan. The trick is to pick which ones will follow through - that is, to see the future which the crossover scan shows you after the fact. For that you might want to visually inspect Price Performance versus a relevant index (it should be generally rising) or a volume indicator like MFI, Force Index or CMF.

Remember, indicators are created by aggregating price action, and so are normally late. The earliest possible signals but the hardest to learn to read, are in price action itself. You want to see recent price action that shows 1.) buyers are becoming active (up closes, closes above highs, and best of all closes above highs on noticeably higher volume) and 2. sellers are pretty much done - after big volume down days, further down days, if any, are on lower volume, or on high or low volume, prices just stop going down. Sorry to just run on. Hope that helps some.

[link](#)

answered Feb 05 '12 at 15:37



markd

12.1k • 13 • 22

Thanks for the response - What you say makes a lot of sense. I often find I run the crossover scans, find good candidates, and then wait for them to retrace a bit back to the 13 EMA zone so I can get back in later on.

And yes -- I am now seriously watching Force Index and volume more closely to see if they validate what is occurring with the EMA turning up/ crossovers.

Again thank you for your insight. This conversation and exploration of various scanning possibilities has taught me a great deal about writing scans, price action, & volume.



BearTrader (Feb 05 '12 at 18:21)

4 Hi BearTrader, a couple of comments. Are you matching your scan parameters to your trading time frame? If you want to capture the very beginning of a trend the 13 and 26 won't work because it takes quite a few days to turn them. On the other hand, once turned, they may be good choices for longer term trades. If you want to get in early, you could try much shorter term crossovers, e.g. 3x13

and [ema(3,close) x ema(13,close)]

To get in even earlier, test for a close crossing a *falling* ema

and [close x ema(13,close)] and [ema(13,close) < 5 days ago ema(13,close)]

To further put things in your favor, also test for a *rising* longer term moving average

and [ema(50, close) > 10 days ago ema(50,close)]

I've also noticed recently, although I haven't tested extensively, that a close above the lowest **open** when the short term MA is falling can be followed by a change of trend, sometimes after a test of the low, so:

[group is sp500]

and [ema(13,close) < 5 days ago ema(13,close)]

and [close > open]

and [close > 1 day ago min(7, open)]

A final note: I'm defining trend here really as a leg or a swing in a larger up trend, assuming that's what your are looking for. Also, I've noticed higher volume, higher priced stocks tend to form more regular patterns (most of the time). If you want the lower price bang for the buck, the per cent changes for in the money options can be pretty good although that cuts both ways.

[link](#)

edited Jan 27 '12 at 18:46

answered Jan 27 '12 at 18:43



markd

12.1k • 13 • 22

I like to trade off the daily charts, but use weekly charts as my compass. I pretty much only look at 13, 26 and 200 EMAs across both timeframes. I find that when I run my originally submitted scan, I mostly get stocks that are in fact pulling back to the zone between the 13 and 26 EMAs, but that also seem poised to fall rather than trending back up towards the upper Keltner channel.

I'll try out some of your suggestions and see how the results jive with Elder's Impulse system.

Thanks!! Off to work.....



BearTrader (Jan 27 '12 at 19:0

I'm going to add a chart image below so you can see where I am hoping to get in to a developing Long stock trade.

4 I mentioned before that I am actually a momentum trader and I like to trade Keltner and MA channels. Ultimately, I am looking for stocks where either the 13 and 26 EMAs or 3 and 13 EMAs have just crossed over (13 above 26, or 3 above 13). I also need the stock to be trading in between the 13 and 26 or 3 and 13 EMAs (either a pullback or a fresh breakout). So....

I wonder if there is some way to incorporate Keltner Channels into the scan code and look for trades that are a certain percentage above or near the central Keltner 20 MA? (FYI - I use 20, 2.5 for my Keltner Channels). Hmmm....lots to think about - any ideas wise ones?

Here's a chart showing where I'd like to enter....



[link](#)

edited Jan 28 '12 at 12:07



ekwong

7.5k • 29 • 39

answered Jan 28 '12 at 10:46



BearTrader

400 • 1 • 8 • 15

I would just note here that you are looking for a long entry in a stock that is in a long term down trend (200 MA declining). Obviously there will be a point where this kind of trade will work, but as long as the trend is down the odds are against you because rallies *tend* to be shorter both in duration and points during a down trend. Your method of waiting for a moving average cross is a problem in this situation because you are using up extra time waiting for MAs to cross when you don't have time to spare. You could add a line for 200 MA or 50 MA rising (> 20 or 5 days ago) to up your odds.



markd (Jan 28 '12 at 22:0)

BearTrader if you are a short term trader like myself your entry is perfect!

- 3** Your entry is backed up by many indicators: • There is a classic double bottom pattern in play • Bullish divergence on the MACD • Rising trend line on the MACD close to the zero line • MACD crossover on the day you picked.

This is one of the highest probability trades you can make. Professional are not afraid to enter on a high probability trade like this! The reason why they enter early is so they can sell to others in the run up. Trust me, I trade for a living, not for kicks like others who are discretionary gamblers ;)

The 3,10,16 MACD is used by Linda Raschke. John Murphy has said that she is one of the best, if not THE best trader in world so she must be doing something right ;)

One thing I would suggest is that you pick one indicator and master it. Too many indicators creates analysis paralysis

Peace and happy trading :)



[link](#)

edited Feb 05 '12 at 19:44

answered Feb 05 '12 at 19:40

 **Love_To_Trade**
5.8k • 9 • 18

So far I tried the following much shorter term crossovers (3 / 13 EMA) as suggested using the following scan:

- 1 [type = stock]
- and [country = us]
- and [daily volume > 500000]
- and [close > 20.00]
- and [ema(3,close) x ema(13,close)]

The results were good and I even found a Bull Flag formation setting up! Nice.

I'll try the other suggestions next. I'm a momentum channel trader - I just can't help myself.

[link](#)

answered Jan 27 '12 at 19:14

 **BearTrader**
400 • 1 • 8 • 15

Ok - I got 9 stunning and relevant results with the following scan - kind of a mish-mash of your ideas - am I getting this right This formula is now called the Whopper Jr. in my list of favorite scans.....Thanks!

```
[type = stock]
and [country = us]
and [daily volume > 500000]
and [close > 20.00]
and [close x ema(13,close)] and [ema(13,close) < 5 days ago ema(13,close)]
and [ema(50, close) > 10 days ago ema(50,close)]
```

 BearTrader (Jan 27 '12 at 19:2)

1 I modified the TAZ scan above with 3/ 13 EMA parameters - but I'm still not catching stocks at the beginning of an uptrend - instead the scan brings back stocks that are pulling back to the 3/13 EMA zone near the top of the trend. That's good too (maybe for shorting candidates) - but still not quite what I'm looking for. Any other suggestions for modifying the code below to catch a stock at the beginning of an uptrend with 3/13 EMAs?

```
[type = stock] and [country = us] and[daily ema(60,daily volume) > 150000] and [daily high < yesterday's daily high]
and [yesterday's daily high < 2 days ago daily high] and [ema(3, close) > ema(13, close)]and [daily close > daily
ema(13,daily close)]and [daily close < daily ema(3,daily close)]and [daily close > daily ema(200,daily close)]and
[weekly ema(3,weekly close) > weekly ema(13,weekly close)]and [ADX Line(10) > 20.0]and [close >= 5]
```

[link](#)

answered Jan 28 '12 at 06:30

 BearTrader
400 ● 1 ● 8 ● 15

You might want to test your scans by moving back the scan date (time traveling) to see if you are really at the top of an up trend when you get the signal or at the beginning of a much bigger move. When you run the scan, use the Starting "0" days before Last market close (date) feature at the top of the advanced scan page and set the "0" to 10, 20, 30, etc. days back and see what you get.

 markd (Jan 28 '12 at 21:5)

1 I realized my last chart example wasn't ideal as the entry was below the 200 EMA - so here is a better chart ([link](#)) so you can again see what I am shooting for. I'd still appreciate any scanning advice - so far all of the suggestions have been great and are getting me closer and closer to my goal.

Keep in mind I am looking for the 13/ 36 EMAs (OR 3/ 13 EMAs) to cross above the 200 or 50 EMA/ or SMA. By the way, I use Elder Impulse and Keltner Channels, as well as Force Index. FYI - I've been toying around with both PPOs and Range scans too - with so-so results.

Thanks! This has been really challenging!

LINK FOR CHART : <http://stockcharts.com/h-sc/ui?s=BMRN&p=D&b=5&g=0&id=p45361054538&a=255350993>

[link](#)

answered Jan 29 '12 at 09:18

 BearTrader
400 ● 1 ● 8 ● 15

I wonder if you would feel comfortable with a slight modification to your approach to catch an earlier entry. You have Slow Stochastic on your chart - you could include it in your scan

```
and [min(7,Slow Stoch %K(14,3)) < 20]
```

That insures a good dip preceding entry; then, test for *close* above both emas:

and [close > ema(13,close)] and [close > ema(26,close)]

(or test for just one or either one - watch your "or" syntax)

This could get you in before the emas cross over. If you don't want to give up the crossover, maybe use it as confirmation after entry. Just an idea.

 markd (Jan 29 '12 at 16:44)

Thanks again - just tried out the above (scan listed below) and came up with 2 candidates - one of which I am already trading! SWN. How funny. I can see that I can modify this scan a bit more so I'll let you know what I come up with too....

[type = stock] and [country = us] and [daily ema(60,daily volume) > 500000] and [daily high < yesterday's daily high] and [yesterday's daily high < 2 days ago daily high] and [ADX Line(10) > 20.0] and [close >= 5] and [min(7,Slow Stoch %K(14,3) < 20] and [close > ema(3,close)] and [close > ema(13,close)]

 BearTrader (Jan 29 '12 at 17:00)

BearTrader, looks like you tweaking some ideas and getting closer to what you want. Note I've given you another 10 points so you can now save a chart and upload it. Links to charts are nice and other users can see how you set up the chart but if you change the chart and save it the posted link will then pull up the new chart. Sometimes its nice just to have a picture that doesn't change.

happy scanning

 Gord (Jan 30 '12 at 13:44)

1 [type = stock] and [country = us] and [daily ppo line(13,26,9) crosses 0] and [daily ppo line(1,26,9) >= -1] and [daily ppo line(1,13,9) <= 1]

[link](#)

answered Feb 05 '12 at 10:25



ekwong
7.5k • 29 • 39

1 UPDATE #2: Somebody else just asked how to run a scan that displays stocks where the price is within 2% of the 150 day moving average - so I changed it to +/- .3% of the 13 EMA and came up with this beauty - It's catching about 20 stocks within the 13/ 26 EMA range - I'm getting closer.....I would appreciate some feedback if you have time (does any of it seem redundant?)

[type = stock] and [daily ema(20,daily volume) > 500000]

and [close >= ema(13,close) * 0.997]

and [close <= ema(13,close) * 1.003] and [Close >=10] and [Close <=30]

[link](#)

edited Feb 05 '12 at 10:34

answered Feb 05 '12 at 10:27



BearTrader
400 • 1 • 8 • 15

This scan is fine. In the end you want to define your parameters -- whether the uptrend indicator is a 3x13 or 13x26, and whether your value zone is 13-26 or some other combination. There's no right or wrong answer on this.

 ekwong (Feb 05 '12 at 10:34)

Thanks for the feedback and you are correct - I need to nail down my parameters once and for all - 3/ 13/ 26/ what have

you...Glad you approve.

 [BearTrader](#) (Feb 05 '12 at 10:46)

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