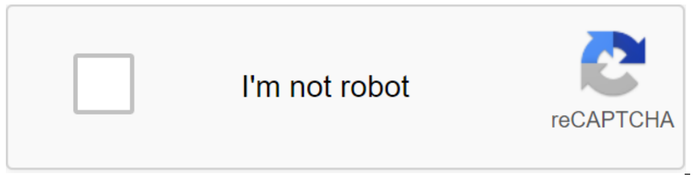

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Stochastic oscillator george lane pdf

This article answers a long-standing question about who originated %K and %D stochastic oscillator used by market techniques. This issue has been under discussion for many years. The role of K. Ralph Distant (1902-1978) and George K. Lane (1921-2004) is the focus. %K and %D Stochastic oscillator is commonly associated with Lane. Over the years, Lane has taught him how to use it. Although he cannot be credited solely for obtaining an indicator, he must be recognized for his life work popularizing him. I. Background Dystant owned and operated a school called Investment Educators, which opened in 1948. The Chicago school initially offered stock market courses, but in the late 1950s began offering courses. Lane said investment educators taught graphics, moving middle and wave Elliott in a three-grade series and was the first school to teach a hard course at Elliott Wave. The distant was a great interest in the principle of Elliott's wave. He wrote a book called Fifth Wave - Promotions: Criticism: Elliott's Wave. Lane wrote about the origins of stochist. In an article written for the May/June 1984 issue of Technical Analysis of Stocks and Commodities (TASC), Lane stated that in 1954, he was fortunate enough to join investment educators working for the owner, Ralph Dystant, and for the technical guru, Roy Larson. When Mr. Larson resigned, Mr Dystant became a guru for the stock market and (Lane) took the No.2 spot teaching goods. Lane described the origin of %K and %D Stochastic oscillator as follows: These were research days: 20 hour days, all calculations are done by hand. The staff has expanded to five. I won't mention the names, since they're all financially st memorized, still peddling, and don't want to bother. In our study, our indicators were run across the page, so we developed a technique for expressing them as a percentage of 100. We developed %A, found that it didn't work. We went to research and follow 28 oscillators. As we evolved through oscillators, we expressed them in percentage; thus: %D, %K, %R..... In the sixties, we used a computer for the first time to test our oscillators. In May 1985, the CMT Association Magazine (now a journal of technical analysis) published an article written by Lane in which he explained that: In 1954 I joined investment educators as a junior analyst.... After I joined six people not paying research staff, we found oscillators. We researched and experimented with more than sixty applications, resulting in us finding about twenty-eight that were predictable values. When we graphed our cumulative oscillators, we found that they worked all over the paper Soon, we had a paper chart running all over the wall. So we came across the technique of lowering these oscillators to up to We used the alphabet to distinguish between one and the other: %A, %B, etc. Each of them was reduced to a percentage point in the first place so we could manage to keep them workable on paper charts! As a result of all the hard work (14-hour, mostly manual, unpaid days), we decided that the most reliable indicator is %D for '% deviation.' is that momentum drives the price. Although Lane wrote that others - expressed in the collective we - were involved in the invention of the stochistic oscillator, he made conflicting statements. In 1984, a TASS article was entitled Stochatic Lane. In 1985, the CMT Association magazine article was titled Lane's Stochastics: The Ultimate Oscillator, called the Lane Stochastic indicator, and contained one diagram depicting Lane in Stochastics. The 80-page brochure with the app and glossary written by George K. Lane and copyrighted in 1986 by Car abrams Lane (Lane's wife and widow), was entitled Using STOCHASTICS, Cycles and ... by the time the decision is made.... He profiled Lane as the Creator of Stochastics. Throughout the brochure and in several of its diagrams, the indicator was called Lane's Stochistiki. In a handout for the 1999 presentation, Lane stated that he was known as Father of Stochisty. The organization's current website, which offers workshops on the use of stochist, www.lanestochastics.com, states that Lane originated a stochist. By 1999, the history of the oscillator had attracted attention. In 1986, in the first edition of his book Technical Analysis of Futures Markets, noted analyst John J. Murphy wrote that the Stochastic Process was invented by George Lane ... An updated and extended edition, published in 1999, changed the sentence to read: The Stochastic Oscillator was popularized by George Lane... II. STOCHASTIC PROCESS Document How 1984 TASC article and annex to 1986 Use OF STOCHASTICS, Cycles and ... By the time the decision is made... the brochure to share a wonderful item. The article and the application are essentially the same, but more striking is that this material is said to have been published as part of the Elliott Wave Principle course that investment educators sold in the 1960s. As this story shows, this document is fundamental. Market historian Gibbons Burke (1992) wrote that the stochastic indicator was originally introduced by investment educators as part of Elliott's wave course. In 1995, Lane wrote in a presentation handout that our work of the 1950s .... was written as a quick guide for students who took Elliott Wave and Stochastic courses from us... I have a copy of an 8-page document that was allegedly part of the course. Pages from 1 to 6 are repeated almost verbatim as in 1984 TASC, and in 1986 At the top of the other two pages is the name Elliott Wave Principle. Page 1 is entitled STOCHASTIC PROCESS. Burke wrote that this document was the source of the name given %K and %D Oscillator: According to Tim Slater, founder and president of CompuTrac, Inc., the title stochastic is wrong attached to %D indicator by mistake. When Slater introduced the indicator to CompuTrac, he needed a name for him, except for the mysterious %K and %D. The words stochastic process were handwritten on the original literature of the Investment Educators provided to him, so he used it. The name remains I spoke to Mr. Slater, who confirmed this information. Two conclusions emerge from the document. First, the fact that Lane repeated the contents of this document in 1984 and 1986 publications, and then partly in handouts for the 1995 and 1999 CompuTrac conferences shows that he recognized that the document as the original source of the description of %K and %D stochastic oscillator. The second conclusion is that the document entitled STOCHASTIC PROCESS was first published in 1957, making the year of the first articulation of %K and %D Oscillator. The 1986 pamphlet stated that the STOCHASTIC PROCESS document was copyrighted in 1957: How to use Stochastic Lane, originally published as the Stohastic Process © 1957 by George K. Lane, used with the author's permission. Other parts of the application were © 1957 and 1982 by George K. Lane, used by the author. The reference to 1982 is probably related to the glossary in the brochure. The brochure had both an appendix (Stochastyka Mechanics) and a glossary. The application again contains the document STOCHASTIC PROCESS. Analyst Nina G. Cooper (2004) wrote that stochatica has been around since 1957, adding even more weight to this conclusion. Market Master Jack Schwager (1996) wrote that a stochastic oscillator was developed ... in the late 1950s. I corresponded with Mrs. Cair Abrams Lane, Lane's widow. She said Lane wrote original material explaining the rules of methodology. This statement explains why Lane claimed the 1957 copyright. Since this document was part of a course sold by investment teachers, some concluded that Dystant invented the stochastic oscillator. The conclusion was not plausible, since it overlooked the fact that someone else, even associated with the school, could have triggered the figure and wrote the guidelines. A. Collegiate

Traders Audiocass and Handouts presentations of Lane in 1995 (TAG 17 Conference) and 1999 (TAG 21 Conference) shed light on the joint efforts of a group of traders who created %K and %D stochastic oscillator. On TAG 17, Lane stated that he and a bunch of others ... tried to find something to help us do They found that %K and %D Stochastics were the best for determining momentum. We didn't know what we had, but it worked. The group traded throughout the day and researched after the close. At TAG 21, Lane Related had seven of us trading goods at the Chicago Board of Trade. After the end of the trading day, they returned to investment educators, where we were looking for something, something to help us make decisions when to buy and when to sell. One evening, a member of the group, who was from Czechoslovakia, introduced his grandfather to the group. The grandfather offered to try the formula he knew was used to determine how much limestone to add to the mixture to make steel. According to Lane, so we took it, and massaged it, and changed it, and that stochastics. The claim by some that Czechoslovakian invented stochastik is incorrect. In his speech, Lane said that when we invented and we discovered a stochastic oscillator. The TAG 21 handout stated: At the beginning of his career, George led a research team that compiled a number of technical indicators, most notably the Stochastic Process (Stochatic Lane). Lane's leadership is unclear, but it is clear that the group emerged by the oscillator to whom Lane gave his name. In his 1984 article, Lane commented, One of the thrills of my life was to learn that another of our members was testing %D with an econometric indicator developed at the University of Michigan (where we improved %D) and found that it was predictive. At TAG 21, Lane shed light on the link between %D and Michigan. He described how one of our friends was secretly at night using super computers at the University of Michigan to test and back test formulas and data - that's how we researched stochistics. When he was discovered, a friend was asked to leave, and he went back to Chicago with all our research. Lane TAG 21 handout described the origin of the oscillator as a group effort (note the collective we): We ... developed an oscillator that will show this trend with the help of a ratio. We optimized it, smoothing it twice. Then we converted it into (%) oscillator percentage. (The gravy in the handout.) According to Ms Lane, Dystant was not involved and did not support the group. However, Dystant became interested in what a group of traders had developed, and Lane taught the method while associated with Dystant. B. Slow Stochastic Oscillator Lane taught %K and %D (called Fast Stohastik). The formulas are displayed in the sidebar. Slow stochastic drops %K line and makes %D %K. %D line The line is smoothed with a three-way medium. Lane doesn't claim that he invented the slow stochastic. His TAG 17 source said: TAG has developed Stochistics and Tim Slater changed the name from Stochistic process to Stochistics, which got stuck. In that 1995 presentation, Lane recounted that the crew at CompuTrac came up with a slow stochatic oscillator. CompuTrac did not create a slow stochastic oscillator. According to Slater, CompuTrac is programmed, but not arisen, a slow stochastic. CompuTrac added a slow stochastic oscillator to its database in 1978. It was posited by others that Dystant developed a slow stochastic. However, Lane does not claim that he originated a slow stochastic oscillator. III. Findings This study leads to five conclusions: George K. Lane was not the sole creator of %K and %D stochastic oscillator. The combined efforts of several individuals who were futures traders, including Lane, led to the creation of %K and %D stochastic oscillator. The rest remain unnamed. It is reported that Distant was not a member of the group. %K and %D methodology Stochastic oscillator was first described in 1957. Lane has made a significant contribution to the adoption and popularity of the stochistic oscillator as a technical indicator. The slow stochastic oscillator appeared later and was made public after 1978. Lane does not claim that he originated a slow stochastic oscillator. Although many terms in technical analysis are inaccurately defined, the terms fast and slow stochastic oscillators are well understood: the stochastic oscillator compares where the price of safety is closed relative to its range over a period. It is built as two lines: %K and %D. Formulas for %K and %D oscillator - Fast Stochastic - are: %K 100 (C - Ln) / (Hn - Ln) where C is the current closing price and H and L are the highest and lowest closing prices for recent n periods, and %D 100 (H3/L3), where H3 is a three-day sum (C - Ln), and L3 is a three-day sum (Ln). In Slow Stochastic, the %K line is replaced by lines. Three-day moving average %D becomes a slow stochastic %D reference to Achelis, Stephen B., 1995, Technical Analysis from A to I (McGraw-Hill, New York, NY), 268. Burke, Gibbons, 1992, Taking a New Look at the Stochastic Family, Futures (March), page 36-38. Cooper, Nina G., 2004, Focus on Facts and Myths misunderstood Stochastics, SFO: Stocks, Futures and Options (Nov. DeMark, Thomas R., 1997, New Methods of Market Synchronization: Innovative Research in Market Rhythm and Price Exhaustion (John Wylie and Sons, Hoboken, New Jersey), p. 2. 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Murphy, John J., 1999, Financial Market Technical Analysis: Comprehensive Guide to Trading Methods and Applications (New York Financial Institute, New York, Ny), 246. This is an updated and extended edition of the 1986 book. Schwager, Jack D., 1996, Schwager on Futures: Technical Analysis (John Wylie and Sons, Hoboken, N.J.), p. 545. George A. Shade Jr., CMT, is an experienced market historian. The author thanks Gregory L. Morris for the editorial suggestions. Offers. stochastic oscillator george lane pdf