

KELTNER INDICATOR



fxbluelabs.com

1. Overview	2
2. Using the Keltner indicator	3
2.1 Adding the indicator to a chart	3
2.2 Choosing the settings for the indicator calculation	3
2.3 Colours and line styles	3
2.4 Alerts	3

1. Overview

The Keltner indicator shows Keltner channels: similar to Bollinger® bands, but with the size of the channel varying based on ATR rather than standard deviation.

https://en.wikipedia.org/wiki/Keltner_channel

You can configure the indicator to give you [alerts](#) when the price crosses the upper or lower channel (usually regarded as a reversal signal).

2. Using the Keltner indicator

2.1 Adding the indicator to a chart

You add the Keltner indicator to a chart in the usual MT4 way, either by dragging it from the Navigator onto a chart, or by double-clicking on it in the Navigator. You can also use standard MT4 features such as adding the indicator to your list of Favorites, or assigning a Hotkey to it.

2.2 Choosing the settings for the indicator calculation

You set the parameters for the indicator calculation via the Inputs tab. There are three main settings which control a Keltner channel:

- The moving-average period (e.g. 20 bars)
- The ATR period (e.g. 10 bars)
- The multiple of the ATR to add/subtract to the moving average (e.g. 2)

In addition, you can also choose the type of moving average to use (SMA, EMA etc), and what type of price to base it on: close price, median, “typical” etc.

2.3 Colours and line styles

The indicator draws three lines: the mid-point (moving average), plus the high and low channels. You can set the colour and style for these lines in the usual way, via the Colors tab for the indicator.

2.4 Alerts

You can use the Inputs tab to turn on pop-up alerts whenever the current price crosses the upper or lower channel.

To prevent repeated and too-frequent alerts, the indicator will only display a maximum of one alert per bar. Once the price has crossed the upper or lower band, a new alert will not be generated until (a) the price has crossed back inside the channel, and then (b) there is a new cross beyond the upper or lower channel in a later bar.