# Making Sound Investment Decisions by Creighton Stolarz

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The key to becoming a successful investor is making well-researched buy and sell decisions based on sound data and emerging trends. Whether you use fundamental or technical analysis or a combination of both, analyzing stock charts will help in making sound investment decisions.

There are many financial Web sites, such as barchart.com, that provide daily stock charts. Through analysis of these charts, you can find the stocks that have hit an all-time high or a low, 52-week low stocks, percent advances and percent declines, and volume leaders, and many others. All these help investors in learning more about the market conditions.

For example, if the number of 52-week low stocks is more than the number of stocks hitting 52-week highs, then the market sentiment is bearish. This is one piece of information that investors can use to determine which stocks they want to buy, sell or hold. There is a lot of data beyond 52-week low stocks and high stocks that investors review when making investment decisions.

Online stock charts offer tons of information to investors, which can also be used to gauge the market conditions. Let us take a look at some of the indicators investors can use to make sound investment decisions.

Average Directional Index (ADX)

The Average Directional Index (ADX) is a directional momentum indicator that helps in identifying emerging price trends. ADX was developed by Welles Wilder, who has described it in detail in his book, â€œNew Concepts in Technical Trading Systems.â€• ADX is used to measure the strength or weakness of a trend and not the actual direction.

Commodity Channel Index

Commodity Channel Index (CCI) was developed by Donald Lambert. CCI is a flexible indicator that can be utilized to determine a new trend or warn of extreme conditions. CCI was developed originally to determine cyclical turns in commodities. However, the indicator is now also applied to stocks and other securities. Through CCI, investors can measure the difference between a stockâ€™s current price change and its average price change.

Moving Average Convergence-Divergence (MACD)

Moving Average Convergence-Divergence (MACD) was developed by Gerald Appel in the late nineteen-seventies. MACD is one of the simplest and most popular indicators used by traders and investors. MACD provides the best of both worlds: trend following and momentum.

ADX, CCI, and MACD are just a few of the indicators used when analyzing stock charts. With these indicators, investors can learn more about market conditions and make sound investment decisions.

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Ryan Harris is interested in the stock market, and he loves to go to barchart.com to get the latest info on a stock charts. Get the latest info on a 52 week low stocks, feel free to visit the website.

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