



# Brainy's Articles on BullCharts

## Twiggs Money Flow Indicator

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### Introduction

This article in Brainy's series on BullCharts (number BC-08-210) looks at how the *Twiggs Money Flow* indicator can be implemented in BullCharts. At the time of writing, this indicator is not included in the standard BullCharts software; but it can be added by the user. The steps to do this are straight forward, and included in detail below.

### Twiggs Money Flow (TMF) indicator

The *Twiggs Money Flow* indicator is a variation of the Chaikin Money Flow, and was devised by Colin Twiggs of Incredible Charts ([www.incrediblecharts.com](http://www.incrediblecharts.com)).

For a discussion of this indicator, and the Chaikin Money Flow indicator, refer to Brainy's Technical Analysis article TA-4630, "*Money Flow and the Twiggs Money Flow indicator*".

The reader is also encouraged to refer to the relevant page on Colin's own web site for a more detailed discussion: [http://www.incrediblecharts.com/indicators/twiggs\\_money\\_flow.php](http://www.incrediblecharts.com/indicators/twiggs_money_flow.php). Especially for suggested trading signals for both long and short trades.

Note the following key points regarding the indicator:

- Look for a price breakout (above resistance or below support), coinciding with key aspects of *Twiggs Money Flow*.
- Look for divergence with price.
- Look for the indicator being above or below zero.
- Look for the indicator respecting the horizontal zero line.
- Like many indicators, *Twiggs Money Flow* can tend towards the zero line over time.

### TMF in BullCharts

When implemented in BullCharts, the TMF (*Twiggs Money Flow* indicator) can look like the sample in Figure 1 at right.

This chart shows the XAO index making Higher Highs in late 2007, while the *TMF* is making Lower Highs while well above the zero line — bearish divergence.



Figure 1: *Twiggs Money Flow* indicator on the Weekly XAO chart in 2007 (a bull market peak).