The background of the slide is a dark blue gradient. On the left side, there is a candlestick chart with four red candles followed by one green candle. A thick blue line graph curves across the top and right sides of the chart. The overall theme is financial markets.

Getting Started With...

The
Impulse Suite

By Ed Downs

Getting Started with The Impulse Suite

“Congratulations! You have just purchased one of the most powerful Trading Packages I have ever created.” - Ed Downs

Contents

- The Impulse MACD Indicator
- Interpreting Impulse MACD
- Filters and Trend Indicators
- Strategies and OmniScans
- Trading with The Impulse Suite



Origin of the Impulse MACD Indicator

Impulse MACD was created by TradingView user “LazyBear” *

Many traders have posted videos on YouTube that compare Impulse MACD to Classic MACD, along with explanations of various trading methods, to be used primarily in Real Time.

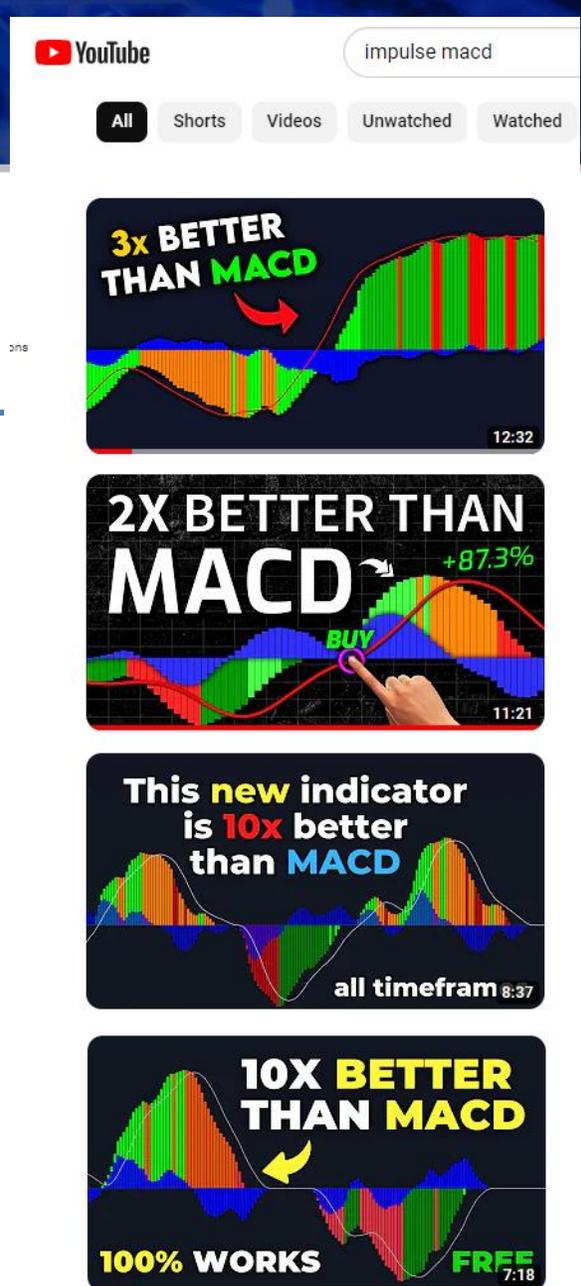
However, it is also EXTREMELY EFFECTIVE for End of Day Trading.

Generally, Impulse MACD

- Is Smoother than Classic MACD.
- Has a Trend Property that Classic MACD does not have.
- Can “flatline” in Periods of Inactivity, which makes it easier to identify and trade breakouts.

* Impulse MACD is a publicly available indicator that is featured at the following URL on TradingView. The Pine Script code for the indicator is provided.

<https://www.tradingview.com/script/qt6xLflI-Impulse-MACD-LazyBear>



[YouTube Videos](#)

The Signal Line and Histogram

The **Signal Line** is generated using a Simple Moving Average of *iMACD*.

Crossings of the Signal Line constitute a Buy or Sell Signal.

The indicator is usually plotted with a **Histogram** that is the difference between the *iMACD* Line and the Signal Line.

Changes in the Histogram amplify the Signal Line crossings.



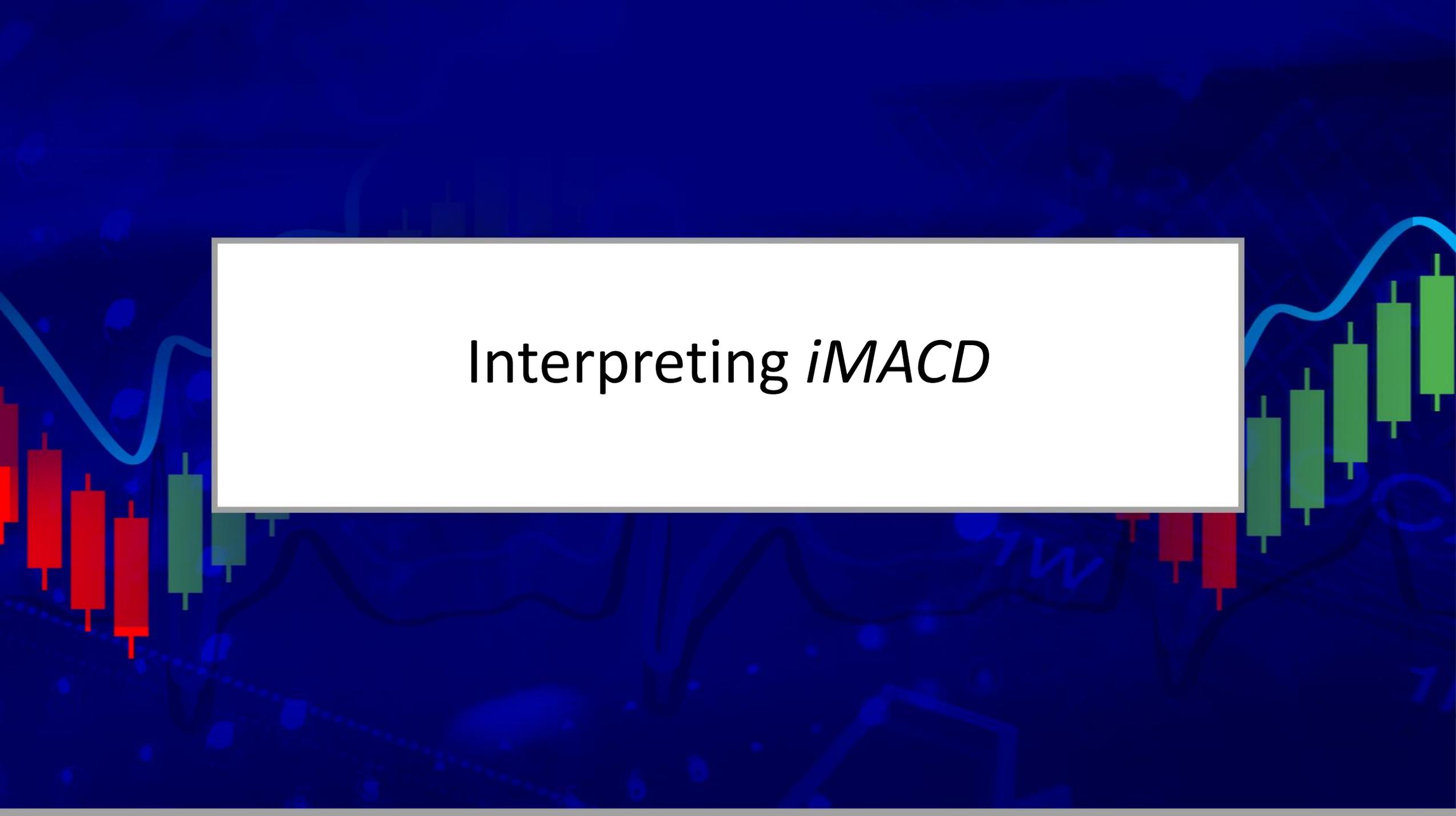
Comparing Impulse MACD to Classic MACD

Classic MACD is the difference of two Moving Averages (26 & 12 by default) with a 9-period trigger line.

Impulse MACD (*iMACD*) looks similar, but uses a single MA of price, adjusted with EMA's of the Highs and Lows to reduce "noise". This makes the indicator **smoother** and less subject to false signals.

In addition, *iMACD* shows general trend direction when above or below zero.



The background is a dark blue gradient with faint, semi-transparent financial charts. On the left, there are red candlesticks indicating a downward trend. On the right, there are green candlesticks indicating an upward trend. A thick blue line, likely a moving average, curves across the top. Faint white lines and shapes, possibly representing other indicators or patterns, are visible in the lower half of the image.

Interpreting *iMACD*

Impulse Moves

An “impulse move” happens each time *iMACD* crosses the Signal Line.

The size and velocity of each “impulse” is indicative of the force behind the move.



Breakout Condition

Because iMACD filters out “noise”, it can go flat for periods of time.

A Breakout from a flat period indicates a strong move may be beginning.

A Breakout occurring in the same direction as the prior move is a **Continuation Pattern**.

To the right is an example of this, where the Histogram was below zero, then flat, then above zero.



Trending Condition

A Trend-following condition occurs when a **Higher Low** or **Lower High** is formed on the indicator.

Since **Divergences** can happen, it is important to check that price is moving in the same direction.

HOWEVER, Divergences are great for identifying Trend Reversals.



Reversal Condition

iMACD can form Extreme Overbought and Oversold Levels, especially in Real Time.

Traders typically draw lines with 2/3 of price action between the lines, and the extreme values provide the setup for a Reversal when the Signal Line is crossed.

As you will see in the next section, we have automated this so the range is automatically determined from the historical values.



The background of the slide is a dark blue gradient. It features a faint, stylized financial chart. On the left side, there are several red candlesticks, indicating a downward trend. On the right side, there are several green candlesticks, indicating an upward trend. A light blue line, likely representing a moving average or trend line, curves across the top of the chart area. The overall aesthetic is professional and data-oriented.

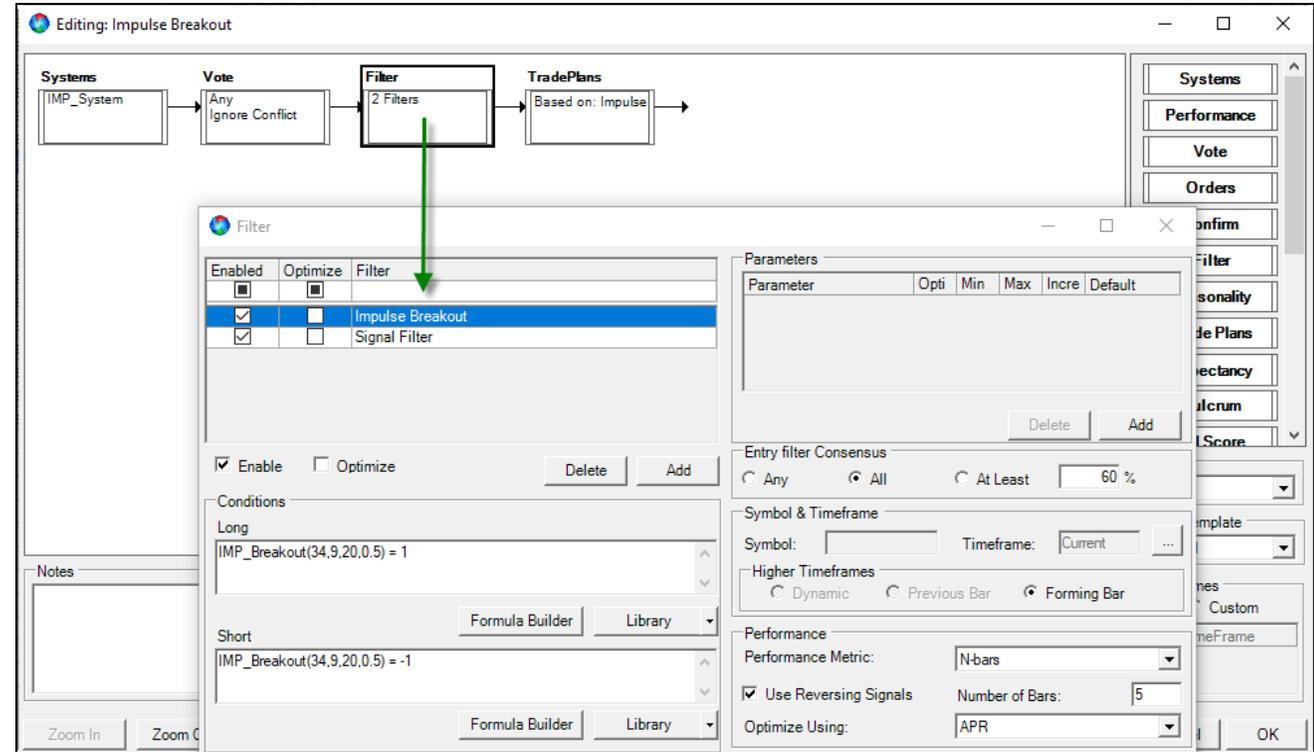
The Filter & Trend Indicators

The Filter Indicators

The Impulse Suite includes special **Filter Indicators** to filter the basic iMACD Signals in each of Three Modes: Breakout, Trending, and Reversal.

These Filters have several important functions:

- 1) They Filter Entry Signals.
- 2) They Filter OmniScans.
- 3) They Enable You to Visually Tweak the Filter Settings.



The Filters filter Entry Signals from the IMPSystem in the Filter Block

Impulse Breakout Filter Indicator

Identifies Breakouts of the iMACD Histogram with One Filter.

Ind = IMPBreakout(MAPeriods, SigPeriods, Lookback, Breakout)

MAPeriods(34) . . . Periods for iMACD

SigPeriods(9). . . . Periods for EMA of iMACD for Signal Line

Lookback(20) . . . Periods for recent highs/lows above and below zero (breakout level)

Breakout (0.5) . . . Minimum breakout value on the histogram.

Ind Return value, +1 for up, -1 for down, or zero.



Note: Impulse Breakout version 2 (described next) is used in the Strategies and OmniScans.

Impulse Breakout Filter Indicator (v2)

Identifies breakouts of the iMACD Histogram with Multiple Filters.

Ind = IMPBreakout2(MAPeriods, SigPeriods, MATrend, MATolerance, BandPeriods, BandMinBars, BandPct, IMPTrend)

MAPeriods(34) . . Periods for iMACD

SigPeriods(9) Periods for EMA of iMACD for Signal Line

MATrend(55) Periods for the Exponential Moving Average used for Trend Confirmation

MATolerance(3) . . Maximum distance to the Moving Average in bars.

Continued...



Impulse Breakout Filter Indicator (v2)

BandPeriods(200) . . . Periods over which the histogram +/- is averaged to create the bands.

BandPct(100) Percentage that defines the Band (100 = 100% of average highs / lows). Can be reduced below 100% or increased above 100%. The Filter will only be True when the Histogram travels outside the bands.

BandMinBars(0) Min Periods (bars) where the Histogram must remain within the bands prior to opening the filter. **0 = Not Used**

IMPTrend(0 or 1) . . . iMACD Trend: If non-zero, the iMACD Indicator must be above zero for a Long Condition, and below zero for a Short Condition. MATrend is deactivated.

Ind Return value of the Filter: +1 for up, -1 for down, or 0 for no direction.



Impulse Trending Filter Indicator

Identifies Trending conditions on iMACD (price is above an EMA).

MAPeriods(34) . . Periods for iMACD

SigPeriods (9) . . . Periods for EMA of iMACD for Signal Line

MATrend(55) . . . EMA Periods for trending condition (must be above this EMA)

MinMove(0.5) . . Minimum move on the Histogram for a trending condition to be detected.

Ind Return value of the Filter: +1 for up, -1 for down, or 0 for no direction.



Impulse Reversal Filter Indicator

Determines Extreme Overbought and Oversold Levels based on the Recent Range for iMACD.

Ind = IMP_Trending(MA_Periods, Sig_Periods, Lookback, Offset, Percent)

MA_Periods(34) , . . . Periods for iMACD

Sig_Periods (9) Periods for Signal Line

Lookback (200) . . . Historical periods over which to measure the range.

Offset(5) Minimum move on the Histogram for a trending condition to be detected.

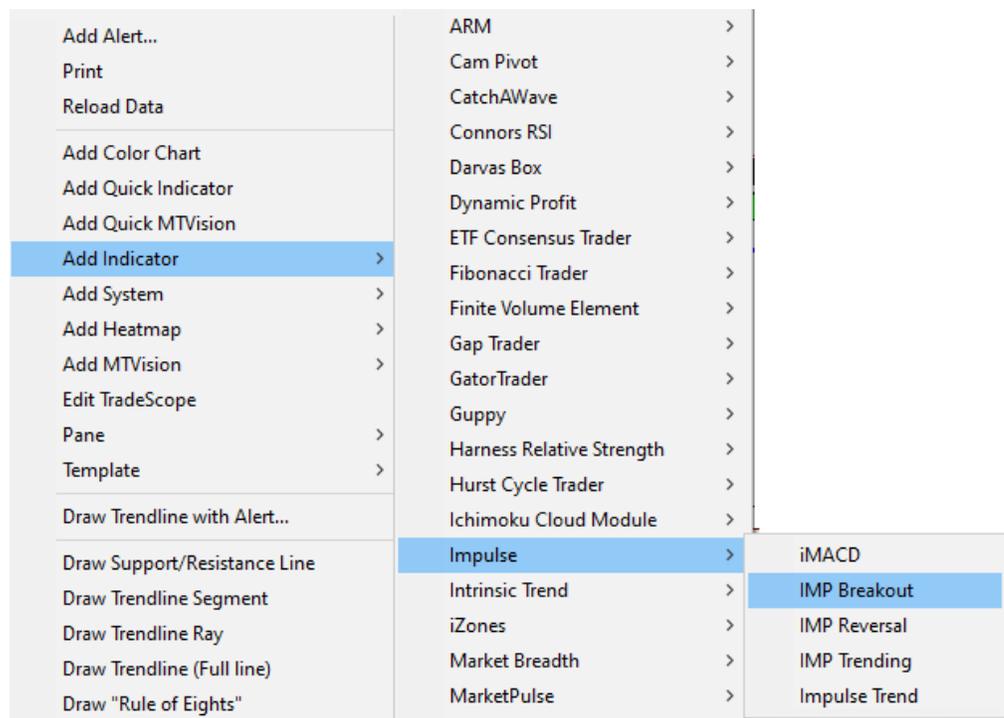
Percent(80) Percent of highest historical value to drop through, to pass the filter.

Ind Return value of indicator, +1 for oversold, -1 for overbought, or 0.



User Adjustments

Using the included Chart Templates for **Impulse Breakout**, **Trending**, and **Reversal**, you see when the Filter Conditions are true as you adjust the parameters.



See the effect as you vary the parameters of the filter.

The ImpulseTrend Indicator for Trade Management

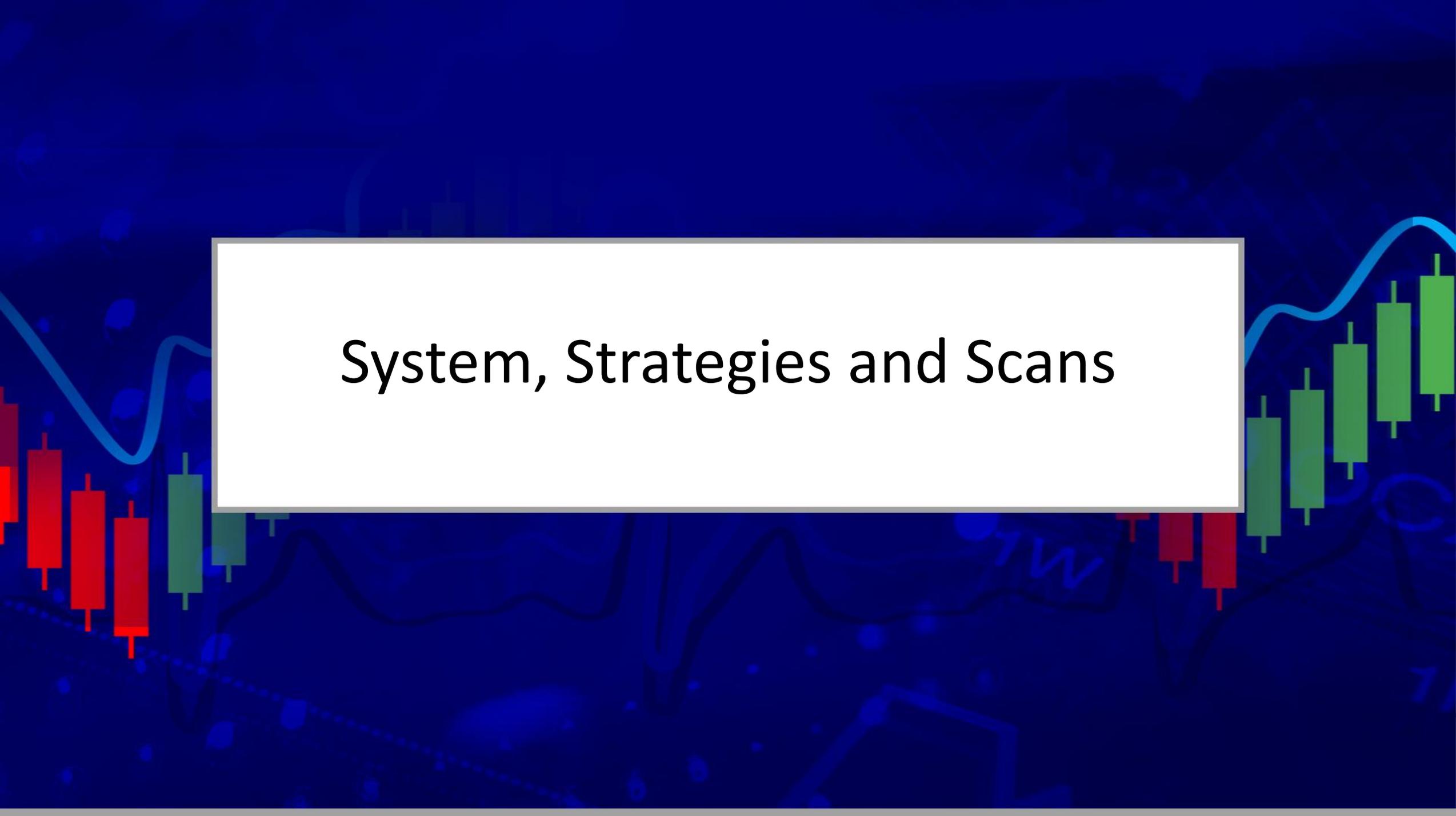
The Impulse Suite comes with the **ImpulseTrend** Indicator that measures distance from typical price based on a multiplier of the average true range (ATR). It's used in the TradePlan (IMPStop).

ImpulseTrend(ATRPeriods, Multiplier)

ATRPeriods (14) Periods used to define Average True Range

Multiplier (2) Multiplier on average True Range distance to generate the Impulse Trend Indicator Line.



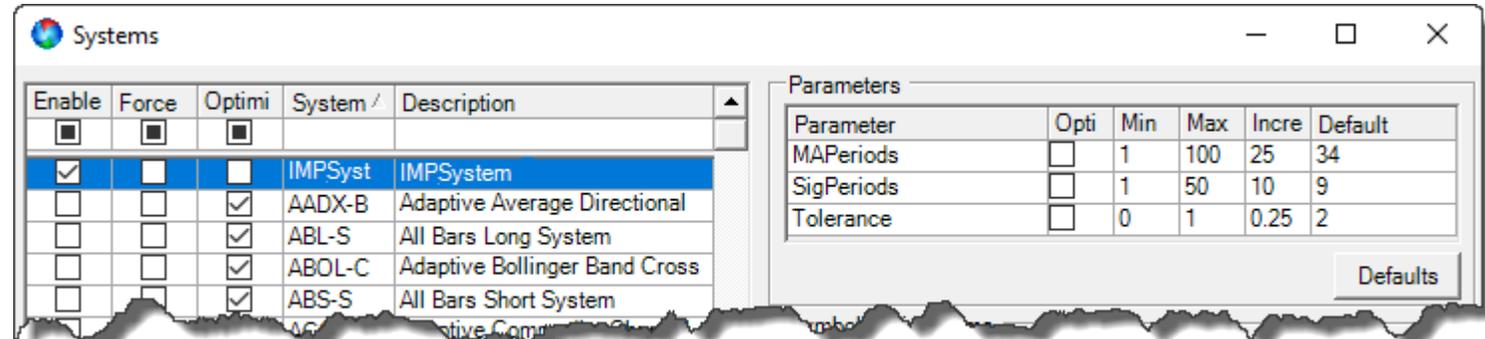
The background of the slide is a dark blue gradient. It features a financial chart with several candlesticks. On the left, there are four red candlesticks, followed by two green ones. On the right, there are four more green candlesticks. A thick, light blue line graph curves across the top and right sides of the chart. The text 'System, Strategies and Scans' is centered in a white rectangular box with a thin black border.

System, Strategies and Scans

The Impulse System

The **Impulse System** fires a Signal every time iMACD crosses its Signal Line.

A Tolerance is provided to allow Signals to fire a given number of bars after the crossover.



IMPSystem (MAPeriods, SigPeriods, Tolerance)

MAPeriods . . . Periods used to calculate iMACD

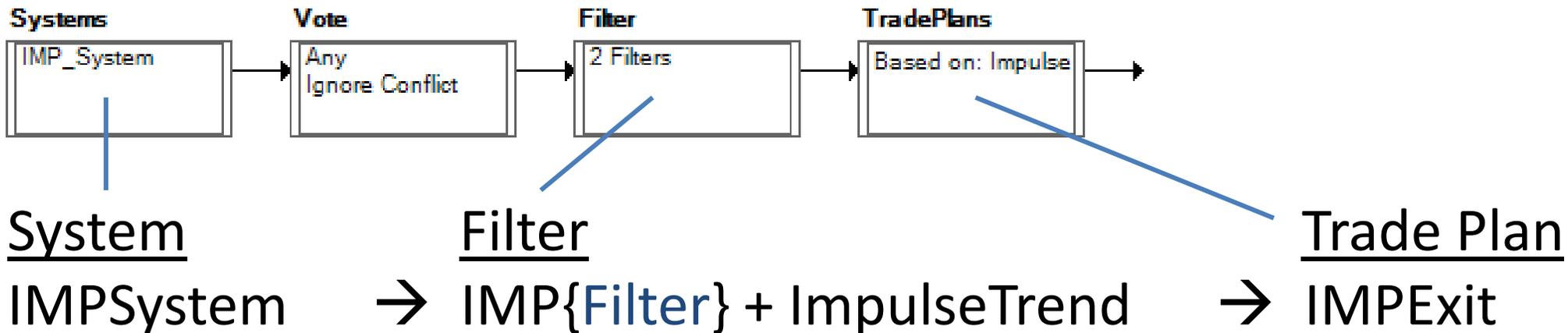
SigPeriods . . . Periods used to calculate EMA of iMACD for Signal Line.
A Signal fires when this line is crossed.

Tolerance Max bars after crossing, where 1 = One Bar, N = N Bars, 0 = Any Bar

Impulse Strategies

Three Strategies are Included:

- Impulse Trending
- Impulse Breakout
- Impulse Reversal



... where {Filter} is Trending, Breakout, or Reversal

Impulse OmniScans

Each Scan is designed to find the candidates that are showing potential for a solid Trending, Reversal, or Breakout trade.

Four OmniScans are Included:

- Impulse Trending – Finds securities that pass the Trending Filter
- Impulse Breakout – “ “ “ “ “ Breakout Filter
- Impulse Reversal – “ “ “ “ “ Reversal Filter
- Impulse (All) – Find securities that pass ANY of the three Filters

Activate OmniScan using the pencil icon in the Focus List.

The (All) Scan will give you the top candidates for each mode!

The screenshot shows the 'Focus List' window with the 'Impulse (All)' scan selected. The 'Data Source' is set to 'OmniScan'. The 'Starting Population' is 'All Optionable U.S. Stocks' with a count of 4,221. The 'Criteria Rules' section shows several rules, including 'C > 5' (3114), 'DTE<0 or DTE(>)>10' (3003), 'SysInd("IMP_System",34,9...' (302), and 'IMP_Breakout(34,9,20,0.5)...' (83). The 'Count' column shows the number of securities for each scan mode: Impulse (All) 50, Impulse Breakout 27, Impulse Reversal 30, and Impulse Trending 15. A blue box highlights the 'Impulse (All)', 'Impulse Breakout', 'Impulse Reversal', and 'Impulse Trending' rows. The 'Go' column has a pencil icon next to the 'Impulse (All)' row.

Go	Symbol	Sort	Sig	Bars	Count
<input type="checkbox"/>	AVGO	404€			3
<input type="checkbox"/>	UNH	149€			0
<input type="checkbox"/>	CSCO	115€			0
<input type="checkbox"/>	ORCL	102€			0
<input type="checkbox"/>	MDB	782€			0
<input type="checkbox"/>	SNPS	451€			0
<input type="checkbox"/>	BDX	448€			0
<input type="checkbox"/>	CB	429€			6
<input type="checkbox"/>	REGN	364€			30
<input type="checkbox"/>	SGEN	364€			50
<input type="checkbox"/>	ANET	346€			27
<input type="checkbox"/>	ODFL	273€			30
<input type="checkbox"/>			15

Click the Pencil Icon on top of the Focus List to reach OmniScans.

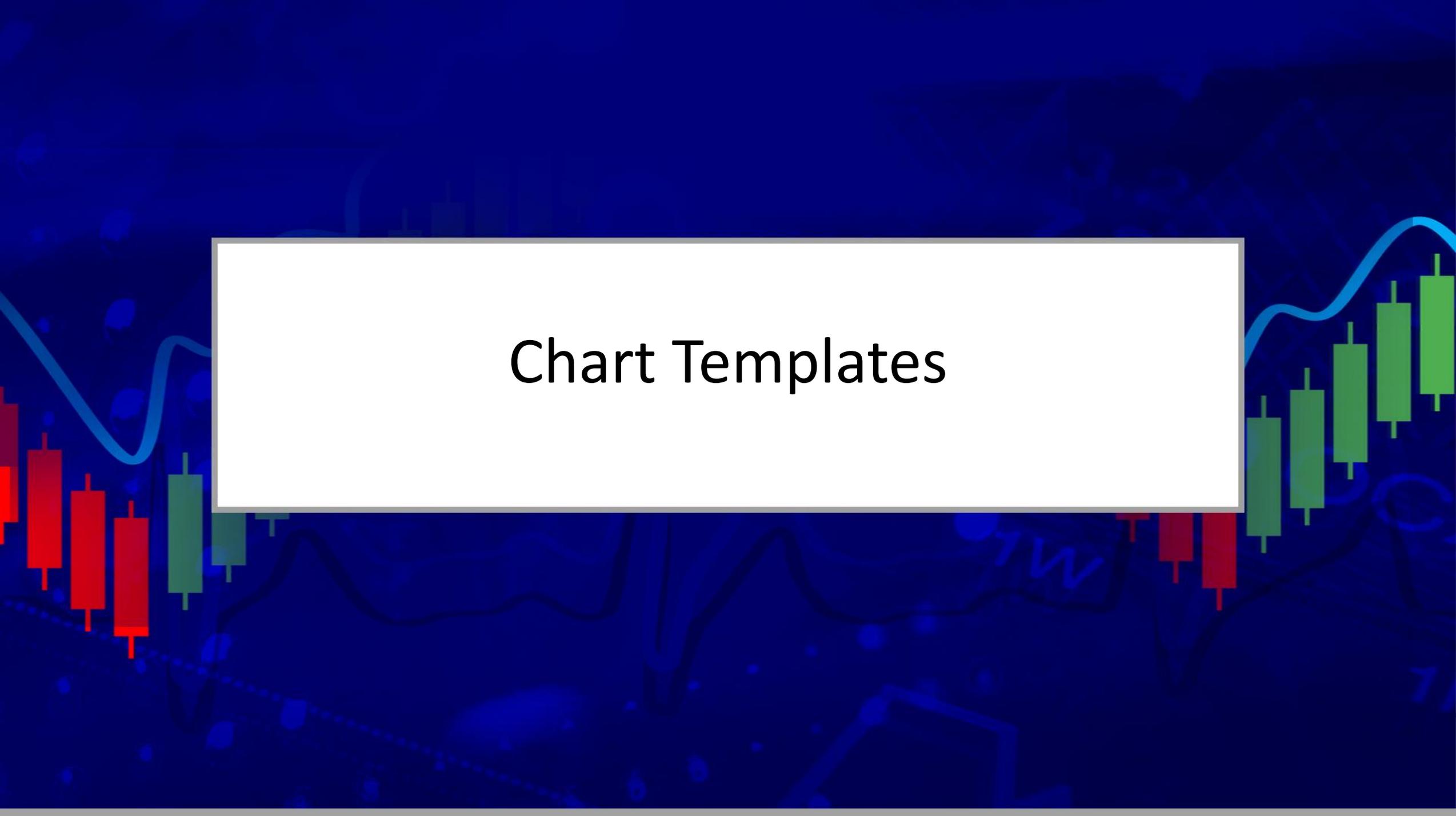
The background is a dark blue gradient with faint, semi-transparent financial charts. On the left, there are several red candlesticks indicating a downward trend. In the center, a white rectangular box with a thin grey border contains the text 'Chart Templates'. On the right, there are green candlesticks indicating an upward trend, and a blue line graph curves upwards. Faint blue lines and shapes are scattered across the background, suggesting various charting tools and data points.

Chart Templates

Chart Templates

The Chart Templates are provided to make it easier to experiment with the Filter Indicators.

Three Chart Templates are provided:

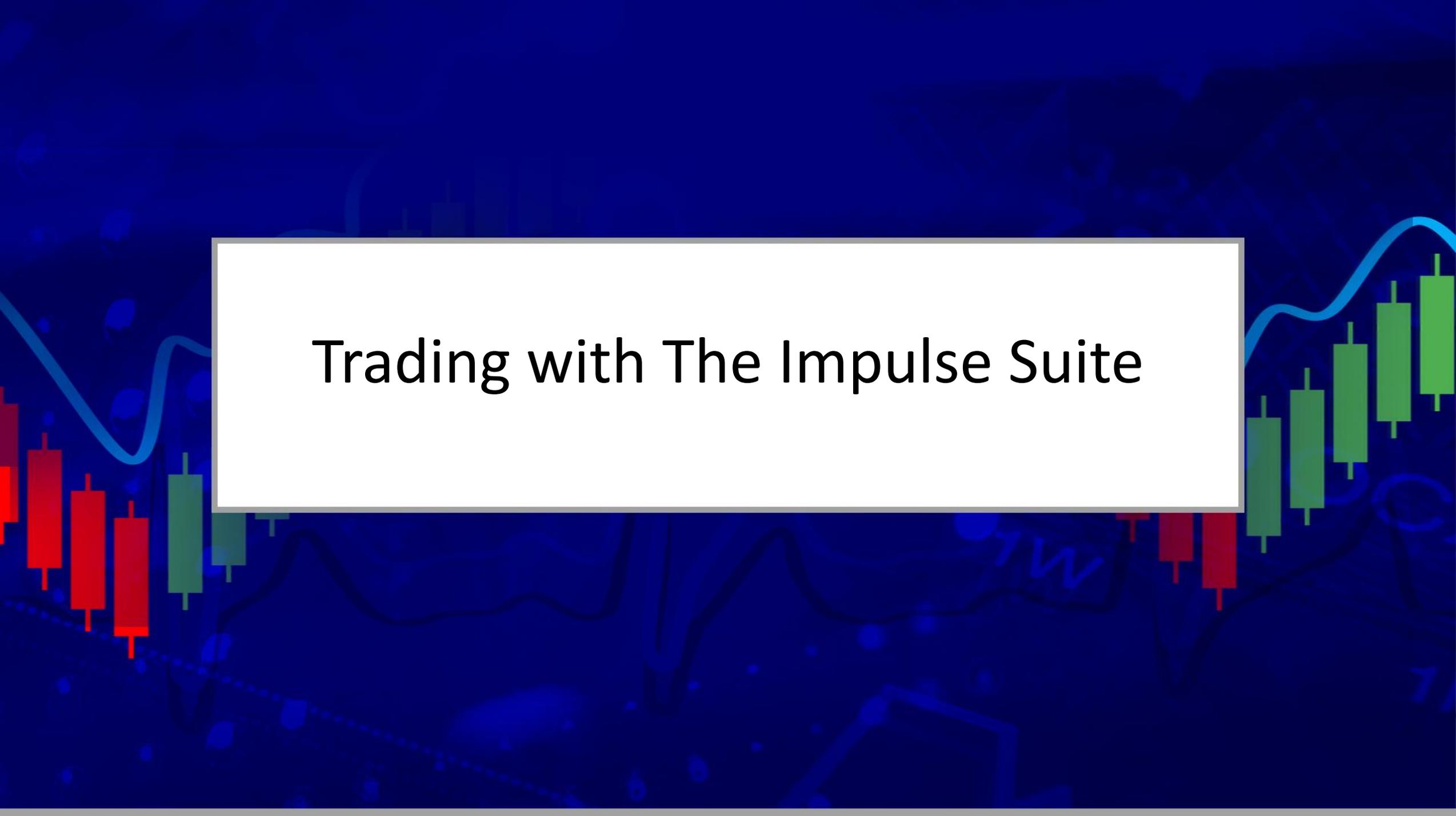
- Impulse Breakout
- Impulse Trending
- Impulse Reversal

The Templates plot:

- The Signal for the Strategies **
- The Filter Indicator for Breakout, Trending, or Reversal
- The Impulse Trend Indicator
- The Moving Average that is used to confirm Trend in the Filter

** Make sure the Strategy Filters match the settings if adjusted from Default Values.



The background is a dark blue gradient with faint, semi-transparent financial charts. On the left, there are several red candlesticks indicating a downward trend. On the right, there are several green candlesticks indicating an upward trend. A light blue line graph is visible in the upper right, and a white dashed line is in the lower left. The text 'Trading with The Impulse Suite' is centered in a white box.

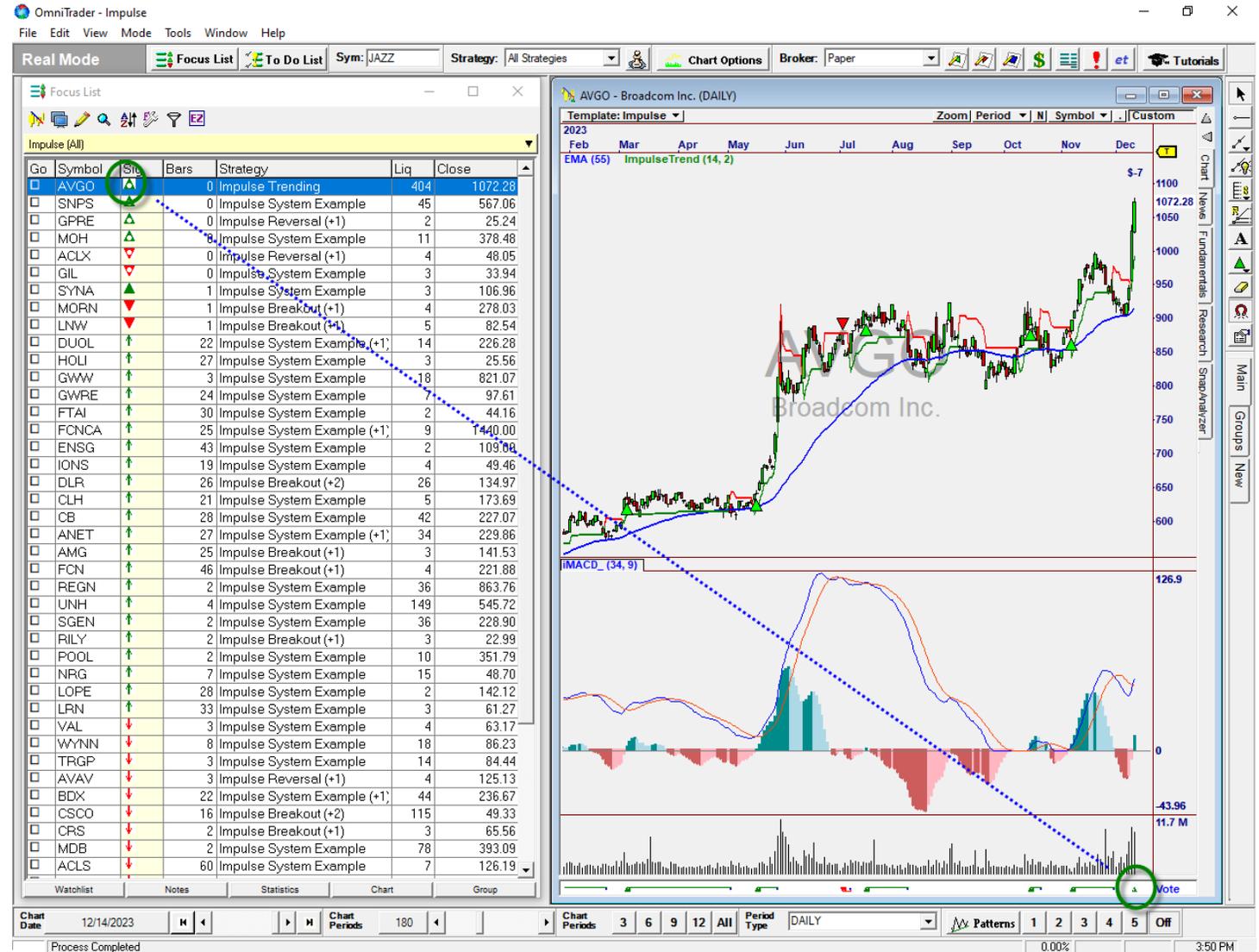
Trading with The Impulse Suite

Our Goal is Always to Generate the Best Possible Signals

The **OmniScans** and **Strategies** will deliver great candidates each day.

From there, we want to trade the best Signals.

Here are three things to look for when doing this...



Impulse Trending delivers a new signal on AVGO

Three Great Confirming Ideas

#1: Trade into Strength.

Technical Indications of Strength:

- Volume Increases
- Breaking Recent Highs/Lows
- Higher Highs/Lower Lows
- Divergence on the Indicator.



Three Great Confirming Ideas

#2: Avoid Late Signals that Fire Against the Trend.

Sometimes, a Signal will fire late into a developed move. Avoid those Signals, especially if they are against the primary trend.



Three Great Confirming Ideas

#3. Trade Zero Crossings.

When iMACD strongly and forcefully crosses zero, a continuation move is very likely.

Watch for these.



Thank You for Your Purchase!

Dear OmniTrader User:

We built **The Impulse Suite** to help users get the most out of the *Impulse MACD* Concept.

Our Confirming Indicators, Strategies, and Scans will AUTOMATICALLY get you the best candidates every day.

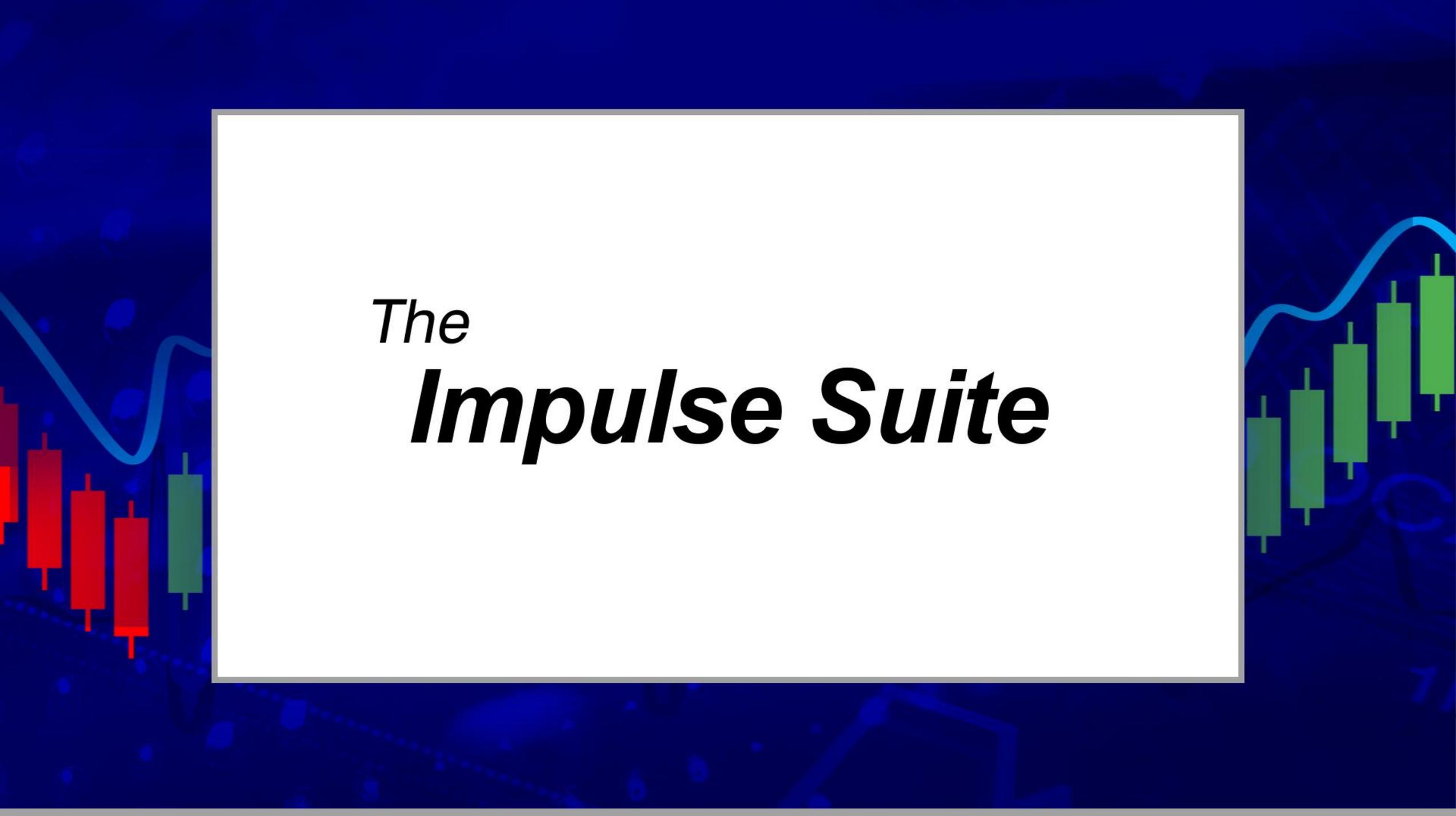
I spent a great deal of time perfecting *The Impulse Suite* because I wanted to use it in my own trading – and I am!

Wishing you the best of luck in yours.



Ed Downs



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The
Impulse Suite