THE REIF AVX & ACCUMULATION/DISTRIBUTION DAYS & WEEKS DEFINED

In 2002 I noticed that *Investors Business Daily* began using different percentages to define a follow through day. For many years, the paper used a 1% gain or loss on the NASDAQ index on higher volume to define an accumulation or distribution day. In 2002, they were using a 1.75% gain or loss to define an accumulation or follow through day. After thinking about this problem for some time, I decided to create the following indicator, and I called it the Reif AVX.

The Reif AVX is computed by taking the true range for today (or this week) and dividing this range by yesterdays or last weeks close. We use the absolute value and then take a 50 day (10 week) average of this percentage. I then combined this with a 50 day (10 week) average volume to give us the definition of an accumulation or distribution day or week. Hence an accumulation day (RAD), or distribution day (RDD) is a day when the percentage change is greater than the 50 day AVX and the volume is greater than the 50 day average volume, if the percentage gain was up it was accumulation and if down it was distribution, on the weekly chart we use a 10 week AVX and a 10 week MA of volume. Please note that our definition is different than IBD's because we only require volume to be greater than the average and it may or may not be greater than the prior day or week.