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Ecopetrol S.A. (EC) CMF Reading Holds Above Zero

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Ecopetrol S.A. (EC) shares are seeing solid buying inflow as the Chaikin Money Index is holding above zero. If the price consistently closes in the upper half of the daily range on high volume the indicator would read above zero and indicates a strong market. When the indicator stays above zero for a sustained period of time, especially with increasing indicator values, it shows a strong uptrend.

Chaikin Money Flow (CMF), created by Marc Chaikin, is a technical analysis indicator used to measure Money Flow Volume over a window of time. It attempts to measure buying and selling pressures of a security for single period. CMF then sums Money Flow Volume over a user-defined number of periods and divides by the total volume for that number of periods. The result varies between 1 and -1.

Turning to some additional technicals, at the time of writing, the 14-day ADX for Ecopetrol S.A. (EC) is 26.27. Many technical chart analysts believe that an ADX value over 25 would suggest a strong trend. A reading under 20 would indicate no trend, and a reading from 20-25 would suggest that there is no clear trend signal. The ADX is typically plotted along with two other directional movement indicator lines, the Plus Directional Indicator (+DI) and Minus Directional Indicator (-DI). Some analysts believe that the ADX is one of the best trend strength indicators available.

In today's financial world, hot stock tips are abundant. There is always someone trying to talk about the next big breakout stock. Investing in the stock market is inherently risky, but some stocks may be much riskier than others. It may be important to remember that everyone is quick to talk about their stock picks that were winners, but they may be very hesitant to disclose their losers. One way to sift through the sea of stock advice is to do the required research individually. When investing hard earned money, individuals may want to make sure that the tip makes sense to them and they are not just buying on the whispur.

Some investors may find the Williams Percent Range or Williams %R as a helpful technical indicator. Presently, Ecopetrol S.A. (EC)'s Williams Percent Range or 14 day Williams %R is resting at -8.39. Values can range from 0 to -100. A reading between -80 to -100 may be typically viewed as strong oversold territory. A value between 0 to -20 would represent a strong overbought condition. As a momentum indicator, the Williams R% may be used with other technicals to help define a specific trend.

When performing stock analysis, investors and traders may opt to view technical levels. Ecopetrol S.A. (EC) presently has a 14-day Commodity Channel Index (CCI) of 201.09. Investors and traders may use this indicator to help spot price reversals, price extremes, and the strength of a trend. Many investors will use the CCI in conjunction with other indicators when evaluating a trade. The CCI may be used to spot if a stock is entering overbought (+100) and oversold (-100) territory.

Checking in on moving averages, the 200-day is at 20.99, the 50-day is 19.37, and the 7-day is sitting at 21.29. Moving averages may be used by investors and traders to shed some light on trading patterns for a specific stock. Moving averages can be used to help smooth information in order to provide a clearer picture of what is going on with the stock. Technical stock analysts may use a combination of different time periods in order to figure out the history of the equity and where it may be headed in the future. MA's can be calculated for any time period, but two very popular time frames are the 50-day and 200-day moving averages.

Shifting gears to the Relative Strength Index, the 14-day RSI is currently sitting at 72.37, the 7-day is 80.04, and the 3-day is currently at 92.96 for Ecopetrol S.A. (EC). The Relative Strength Index (RSI) is a highly popular momentum indicator used for technical analysis. The RSI can help display whether the bulls or the bears are currently strongest in the market. The RSI may be used to help spot points of reversals more accurately. The RSI was developed by J. Welles Wilder. As a general rule, an RSI reading over 70 would signal overbought conditions. A reading under 30 would indicate oversold conditions. As always, the values may need to be adjusted based on the specific stock and market. RSI can also be a valuable tool for trying to spot larger market turns.

There are plenty of different types of stocks that investors have to choose from. Some will opt to be more aggressive with their portfolios while others will choose to play it a bit safer. Blue chip stocks include companies that typically have a high market cap and have been profitable over a long period of time. Growth stocks are typically expected to have a high P/E ratio and a low dividend yield. The idea is that a growth stock will continue to expand and grow into the future. Many investors will be searching for value stocks. Value stocks are typically cyclical in nature and investors may be looking to buy and hold these types rather than try to squeeze out some short-term profits.

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