Mean Reversion

Mean reversion is based on the assumption that price will always return (revert) to a mean (Moving Average)

Here's what it means and how to trade it...
Mean Reversion Characteristics

Price reverts to the Mean, cuts through it and RISES above it

Price then once again....

Reverts to the Mean, cuts through it, and...
Mean Reversion Applies To...

- All Currency pairs
- All time frames
- All Moving Averages (MAs)
A Note On Time Frames

The longer (in value) the Moving average (mean)...

The higher the time frame the longer it will take price to extend from and revert back to the mean (Moving average)...

The longer (in value) the Moving average (mean)...

The more price will be able to extend away from the mean and thus, the longer it will take for price to revert back to the mean...
Mean Reversion

Mean Reversion is as close as we get to a known certainty in the world of Forex trading.

Produced by

FOREX USEFUL