



What is an Exponential Moving Average?

Description

The Exponential Moving Average (EMA) is a type of moving average that places greater emphasis on the most recent price data. Unlike the Simple Moving Average (SMA), which assigns equal weight to all prices in the selected period, the EMA assigns exponentially decreasing weights to older prices. This characteristic makes the EMA more sensitive to recent price changes, which can be advantageous for identifying emerging trends.

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EMA calculation

EMA is widely used in trading, you must learn the basics of EMA based strategy to become a profitable trader.