



Smooth Structural Strength Score (Weekly)

Looking Beyond 52-Week Highs — A framework for identifying not just strong stocks, but strong trends.

TREND QUALITY

WEEKLY ANALYSIS

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Are All 52-Week Highs Worth Buying?

Many traders use **52-week highs** as a starting point for finding strong stocks. While this is a powerful concept, one important question often remains unanswered.

The answer is No.

Some stocks reach new highs through smooth, sustainable trends, while others get there through sharp spikes, excessive volatility, and erratic price action. Both may appear strong on the surface, but their trend quality can be very different.

Traditional screening tools treat all 52-week highs equally — but the **Smooth Structural Strength Score (Weekly)** was built to reveal the difference.



The Problem: Not All Highs Are Equal

Consider two stocks both making fresh 52-week highs. On the surface, they look the same. But look closer:

✓ Stock A — Smooth Trend

- Steady and consistent advance
- Limited drawdowns
- Healthy trend structure
- Easier to hold during corrections

✗ Stock B — Erratic Trend

- Also making new highs
- Large price swings
- Frequent sharp pullbacks
- News-driven spikes
- Difficult to manage from a trend-following perspective

⚠ Traditional scans identify both stocks equally. The **Smooth Structural Strength Score (Weekly)** was developed to help distinguish between them.

What the Indicator Measures

Rather than focusing solely on where price is today, the indicator evaluates the full quality of the journey that brought it there.



Long-Term Advance Strength

Measures the overall power and persistence of the stock's upward movement over time.



Price Movement Efficiency

Evaluates how directly and cleanly the stock moves from point A to point B without excessive detours.



Noise & Volatility Level

Quantifies the amount of erratic, random movement present within the trend structure.



Sustainability of the Move

Determines whether the advance is smooth and sustainable or driven by unstable, spike-driven momentum.

A stock making a new high tells you where price is. The Smooth Structural Strength Score helps reveal how it got there.

Four Market Structure Categories

The indicator classifies every stock into one of four zones based on its weekly score, providing an instant read on trend quality.

Leadership Zone

Score > 0.25

- Strongest stocks in the market
- Clear and sustained uptrends
- Efficient price movement
- Candidates for position trading and long-term trend following

Trend Zone

Score 0.15 – 0.25

- Healthy upward momentum
- Positive trend structure intact
- Potential emerging leaders
- Suitable for trend-following strategies

Choppy Zone

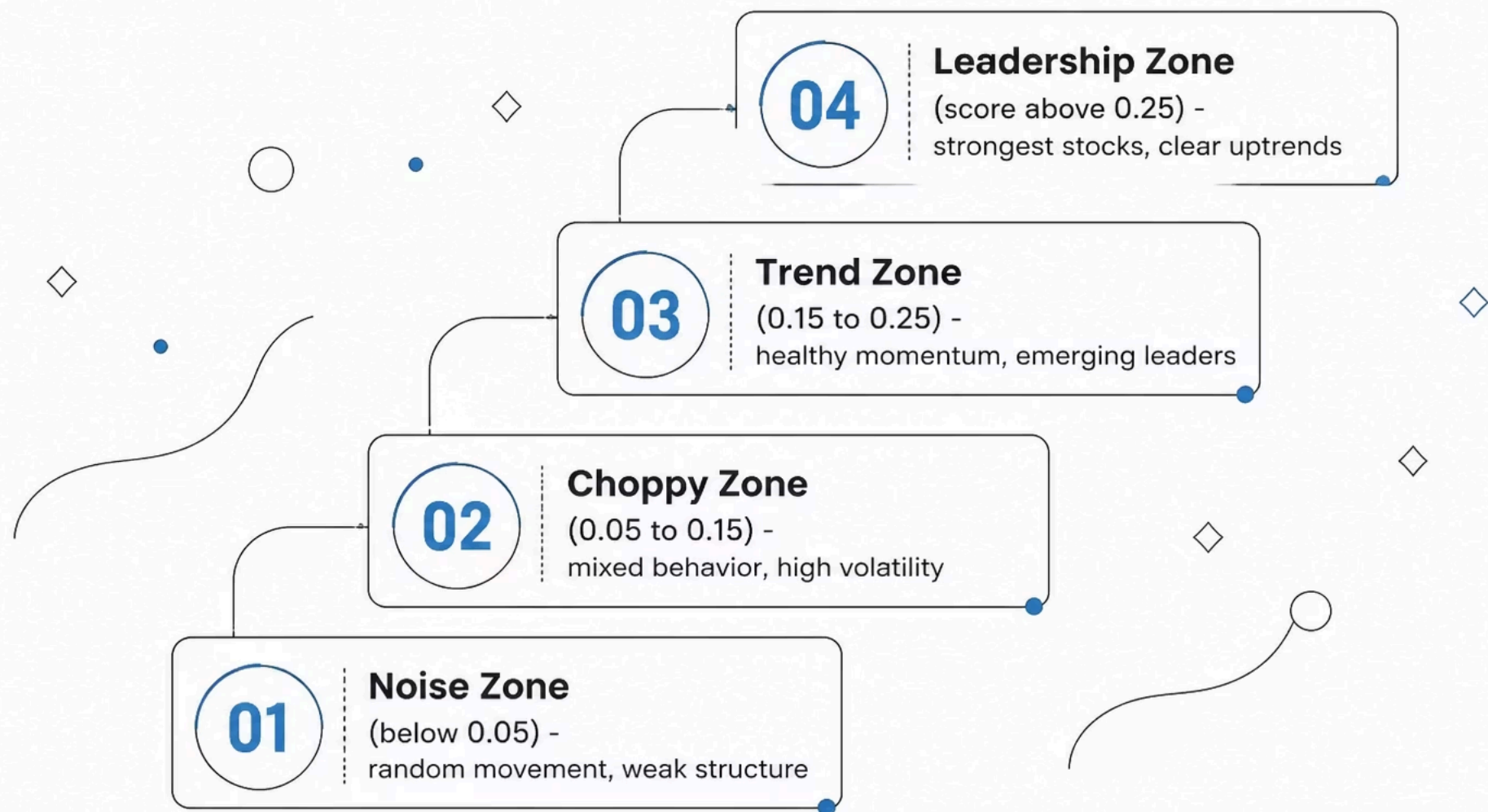
Score 0.05 – 0.15

- Mixed or inconsistent price behaviour
- Higher volatility and frequent reversals
- Lack of strong directional conviction
- Requires additional confirmation

Noise Zone

Score Below 0.05

- Random and unstable price movement
- Weak trend structure
- Unsuitable for trend-following approaches



TradingView Integration





The indicator has been designed for practical, day-to-day use. Once added to your TradingView chart, two powerful features are immediately available.

Hover Over Any Historical Candle

Simply place your cursor on any candle and instantly view the score for that specific period — no manual calculations required.

Automatic Color Coding

The indicator automatically changes color based on the stock's structural condition, allowing instant visual identification:

-  Leadership
-  Trend
-  Choppy
-  Noise

- ✔ This allows you to identify a stock's category at a glance without performing any calculations — making it a seamless addition to any trading workflow.

Historical Trend Analysis

One of the most powerful features of the indicator is the ability to study trend quality over time. By scrolling through historical data, you can observe the full evolution of a stock's structural condition.

→ **Entry into Leadership**

Identify precisely when a stock first entered Leadership status and what conditions preceded that transition.

→ **Duration of Strong Trend Phase**

Observe how long a stock remained in a strong trend phase — a key indicator of institutional participation and sustained demand.

→ **Trend Quality Deterioration**

Spot early warning signs when trend quality begins to deteriorate, before price itself breaks down significantly.

→ **Breakout Quality Assessment**

Determine whether a breakout was smooth and high-quality or highly volatile and news-driven.

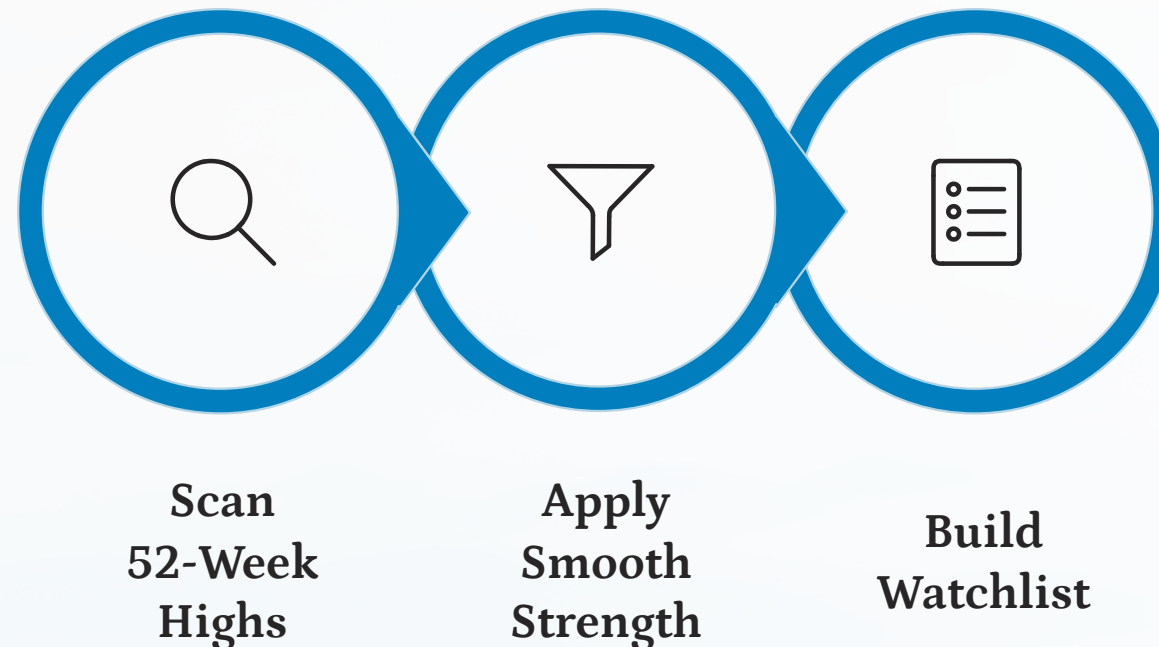
→ **Study of Major Market Winners**

Analyze how major market winners developed their trend structure before significant advances began.

This historical perspective helps traders understand not only the current condition of a stock but also the **evolution of its trend structure** — a dimension that price alone cannot reveal.

Practical Application

The workflow is straightforward: use your preferred 52-week high scan to identify potential opportunities, then apply the **Smooth Structural Strength Score (Weekly)** to filter those candidates based on trend quality.



This two-step process transforms a raw list of price-strength candidates into a refined, quality-filtered watchlist.

✓ The Result

- Better watchlists
- Focus on smoother trends
- Avoid highly volatile breakouts
- Improved stock selection process
- Objective assessment of trend quality

Who Can Benefit?

- Position Traders
- Trend Followers
- Momentum Investors
- Portfolio Managers
- Technical Analysts
- Market Researchers

The Objective

The goal is not merely to identify stocks making new highs.

The goal is to identify stocks exhibiting strong, efficient, and sustainable trend structures.

The **Smooth Structural Strength Score (Weekly)** is designed to help traders and analysts objectively identify the **trendiness or choppiness** of a market and focus attention on stocks demonstrating higher-quality trends.

Trend Quality

How clean and consistent is the directional movement?

Trend Persistence

How long has the stock maintained its structural integrity?

Structural Strength

Is the advance driven by sustained demand or random noise?



My Personal Approach

Among stocks making new 52-week highs, which ones are demonstrating the highest-quality trends?

Every weekend, I review stocks making fresh 52-week highs. Rather than buying solely because a stock is at a new high, I first check its **Smooth Structural Strength Score (Weekly)**.

Entry Criteria

A stock becomes a potential portfolio candidate when it falls into either:

-  **Leadership Zone (>0.25)**
-  **Trend Zone (0.15 – 0.25)**



The Rationale

- The stock is already demonstrating price strength
- The trend structure is healthy
- The move is relatively smooth and efficient
- Market participants are showing sustained demand

Exit Criteria & Zone-Based Trading Styles



When to Stay Invested

Once invested, I continue monitoring the weekly score. I remain invested as long as the stock stays in:

-  Leadership Zone
-  Trend Zone

When to Consider Exiting

I consider exiting when the stock deteriorates into:

-  Choppy Zone
-  Noise Zone

Whichever occurs first. This approach allows me to stay invested while the trend remains healthy and objective evidence supports continued participation.

Zone-Based Trading Styles

Leadership Zone

Intraday trading, momentum strategies, short-term trend continuation setups. Strongest relative performers with institutional participation.

Trend Zone

Delivery portfolios, position trading, medium- to long-term trend-following. Emerging leaders with constructive price behavior.

Choppy & Noise

Generally require additional confirmation. Lower priority for trend-following portfolios due to uncertain direction and high volatility.

Important Note & Core Philosophy

i The Smooth Structural Strength Score is **not a prediction tool**. It does not attempt to forecast future prices.

Instead, it provides an objective framework to evaluate the quality and character of price movement:



Trend Quality



Trend Persistence



Market Noise



Structural Strength

By combining **52-week highs** with the **Smooth Structural Strength Score (Weekly)**, traders can move beyond simply identifying strong stocks and focus on identifying **strong trends**.



"Price tells us what a stock has done. The Smooth Structural Strength Score helps us understand the quality of that journey."

Nishesh Jani, CFTe — *"Not all 52-week highs are created equal."*

"Identifying not just strong stocks, but strong trends."