Cryptocurrency prices can seem random and chaotic. Some days they go up 10-20%, some days they dump 5-10%. This is why the most successful crypto traders and investors use technical indicators. The best technical indicators for cryptocurrency trading help make sense of price action, and help you predict where the price will likely head in the future.

In this article we will talk about my favorite indicators I use on a daily basis to day trade and swing trade cryptocurrencies. Before we talk about what indicators I use, let's start by defining them, and how they are generally used in the trading world:

How To Use Indicators For Cryptocurrency Trading
If you are unfamiliar with trading indicators, technical indicators are tools that traders and investors use to help analyze past price past action, and to indicate where a crypto will head in the future. They are a crucial component of successful strategies based off technical analysis.

There are no holy grail indicators that guarantee a trade will be a winner. I am not going to BS you.These indicators provide confirmation of a trade thesis. They are not black and white buy and sell signals. Many new traders in our [trading chatroom](#) struggle because they become to over reliant on technical indicators. Do not think that indicators are a failure because they didn't work on one trade.

Moving Averages
Moving averages are my favorite indicator for cryptocurrency trading out of all the ones I will mention on this list. There are two types of moving averages we trade with: Simple moving averages and exponential moving averages. Simple moving averages are simply the average price of coin over a certain time period.

For example, a 20 SMA on the daily chart frame will be a line on the chart representing the average price of the prior 20 days. An expodential moving average is the same, except that it gives more weight to recent price action, so it will more closely follow the current trading price. You will see examples of these moving averages on charts below.

Moving averages are useful for all traders and investors of cryptos. Whether you are a day trader, swing trader, or long term investor, moving averages can provide significant value to you. They can act as support or resistance, and allow you to quickly identify a coin's trend.

9 EMA
The 9 EMA is the moving average for short term trends. You can see on the BNB (Binance Coin) Daily chart how it has been trending with the 9 EMA pretty much this whole year. It is also useful for identifying trends on the lower time frames for day trades, such as on the 15 minute and 1 hour candlestick charts.

50 MA

The 50 simple moving average for the intermediate trend of the time frame you are looking at. It will often act as support

200 DMA
The 200 DMA stands for daily moving average. This is the mother of all moving averages. It is a great indicator of the long term trend of a cryptocurrency coin. A coin trading above its 200 DMA is considered to be bullish. A coin trading below is considered to be bearish.

VWAP
VWAP stands for "Volume-Weighted Average Price". Essentially this indicator shows you the average price of the holders of the crypto you are watching. It is primarily an indicator for short term trading on cryptos. When a crypto is trading above VWAP, it means most of the traders in the coin are in the green in their positions. When a coin is trading below its VWAP, it means most of the traders in the coin are down on their positions on the time frame you are looking at.

RSI
RSI stands for "Relative Strength Index." It is simply an indicator that measured how overbought and oversold a coin is.

All of the charts you see in this article are from [TradingView.](#)

Check out this video below to watch how I setup the indicators on my own charts:
https://youtu.be/m8W1dFEv9sc?t=334