RI™ CHEAT SHEET SERIES

MARKET STRUCTURE

Trend, persistence & direction — ordered decision tree

How to read: A market-structure engine: ADX, +DI/−DI, and Hurst feed an ordered decision tree. The first matching rule sets the tag, bar color, directional read, and footer — not the raw indicator values alone.

01 SERIES

ADX (14)

Is there a real trend?

Trend strength on a 0–100 scale (Wilder period 14, ~27–28 bars effective memory), regardless of direction. High = conviction in the move; low = chop.

DI+ / DI−

Which direction has dominated?

Wilder-smoothed upward vs downward movement (period 14, ~27–28 bars effective). +DI above −DI means upward movement has been stronger lately. The size of the gap decides clear side vs tie.

Hurst

Will it continue?

Variance-ratio persistence proxy (0–1), rolling window max(medium horizon, 20 bars) — not classical R/S Hurst. Low = mean-revert bias; high = persistence bias. Only Hurst < 0.45 blocks trending; 0.45–0.55 modulates confidence.

THRESHOLDS

ADX LEVEL	READ
< 20	No trend
20 – <25	Forming
25 – 50	Trending*
> 50	Extreme

DI GAP	READ
≥ 3	Clear side
< 3	Mixed / tied

HURST	READ
< 0.45	Mean revert
0.45 – 0.55	Neutral band
> 0.55	High persistence

*__Trending__: *ADX ≥ 25, clear DI side (gap ≥ 3), Hurst available and ≥ 0.45. Hurst < 0.45 blocks trending. Hurst 0.45–0.55 → trending with Medium confidence. Hurst missing → hurst unavailable.*

ORDERED DECISION TREE

1. ADX < 20 › No trend
2. Hurst < 0.45 · ADX ≥ 25 › Unstable trend
3. Hurst < 0.45 › Mean revert
4. ADX≥25 · gap≥3 · Hurst≥0.45 › Trending
5. ADX 20-<25 › Forming
6. ADX≥25 · gap<3 › Direction handoff
7. ADX≥25 · Hurst missing › Hurst unavailable

BAR COLOR

■ **GRAY** — No trend / mean revert

▲ **GREEN** — Bullish directional pressure (Wilder-smoothed)

▼ **RED** — Bearish directional pressure (Wilder-smoothed)

◆ **AMBER** — Handoff / unstable / Hurst unavailable

TAGS & FOOTER COPY

STATE (WHEN)	TAG	FOOTER SHOWN
ADX < 20	no trend	Range-bound — levels matter more than direction
Hurst < 0.45 · ADX < 25	mean reverting	Mean-reverting structure — extremes have often snapped back; levels matter
Hurst < 0.45 · ADX ≥ 25	unstable trend	Elevated ADX, weak Hurst — moves may not persist
ADX 20-<25	trend emerging	Trend forming — wait for ADX/Hurst confirmation
ADX≥25 · gap<3	direction handoff	+DI and −DI converging — possible direction handoff; watch for crossover
ADX≥25 · Hurst missing	hurst unavailable	Persistence read unavailable — Hurst missing on this timeframe
Trending · Hurst 0.45-0.55	trend established	Trend present — persistence not fully confirmed (Hurst in neutral band)
Trending · Hurst > 0.55 · ADX 25-50	trend established	Established trend — ADX and persistence aligned on this timeframe
Trending · ADX > 50	extreme trend	Late-stage trend — ADX very elevated; strength often mean-reverts from here

CONFIDENCE LAYER

CONDITION	CONF.	FOOTER (TRENDING)
Trending + Hurst > 0.55 + strong/extreme ADX	HIGH	Established trend — ADX and persistence aligned on this timeframe
Trending + Hurst 0.45-0.55	MEDIUM	Trend present — persistence not fully confirmed (Hurst in neutral band)
Direction handoff (DI converging)	HANDOFF	+DI and −DI converging — possible direction handoff; watch for crossover
No trend / revert / forming / Hurst missing	LOW	uses the state footer at left

Note: *Hurst gates confidence, not direction: only Hurst < 0.45 blocks trending. The 0.45–0.55 band yields Medium confidence while ADX and DI still show trend.*

LIVE EXAMPLE — QQQ, ALL 5 TIMEFRAMES · AS OF 2026-06-20

15M	no trend	ADX 18.7 • DI+ 29.8 / DI- 20.9	*below 20 threshold*
1H	trend emerging	ADX 21.1 • DI+ 24.5 / DI- 16.3	*gap ≥ 3, upward > downward (Wilder period 14)*
4H	no trend	ADX 15.3 • DI+ 34.5 / DI- 30.9	*below 20 threshold*
1D	mean reverting	ADX 24.5 • Hurst 0.44	*Rule 3 — mean revert (ADX below 25)*
1W	trend established	ADX 25.5 • DI+ 34.4 / 18.8 • Hurst 0.52	*Rule 4 — trending, Medium confidence (Hurst neutral band)*

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