

Chart Analysis



On the daily chart, the volume indicator OBV reflects the positive volume flow in the Composite Index with the OBV making an all-time high even though the price is at the previous high which indicates a bullish divergence. While the MACD line is below the Signal line, its upward momentum is not broken with the MACD line well above the centerline.

XPertTrader™ Corner

Have you ever felt clueless about what stocks to track and follow? Or have you ever wished that you can have a list of stocks that has possibly bottomed and ready to reverse? This week's XPertTrader Corner introduces a rule to screen for stocks with RSI and Stochastic indicators in oversold region. By theory, when a stock is in overstock region, it is poised for a rebound. It pays to watch these stocks for rebound actions. This rebound can be a continuation of its previous uptrend. The below stocks are generated by XPertTrader module using the Oversold Rule. For existing subscribers, this rule can be found at our XPertTrader Library at <http://www.chartnexus.com/xpl.php>. To import the rule into your XPertTrader, right-click on the rule and save onto your computer.

- CAROTEC
- CEPAT
- DKCORP
- FOUNTAIN
- HOHUP
- INSBIO
- JPK
- KOSMO
- MKLAND
- SUMATEC

In each newsletter, we will showcase how you can set up rules in XPertTrader to screen the stock market for opportunities. XPertTrader's rules composer allows a trader to set up stock screening rules using more than 20 indicators and candlestick formations. Visit our XPertTrader information page at <http://www.chartnexus.com/products/xpert-trader.php> for more details.

TA Bites

Oscillators in Trending Markets

Technical indicators such as RSI, MFI and Stochastic are oscillators, meaning that they oscillate between a maximum and minimum value. Generally when the stock is bullish, the oscillator moves up and when the stock is bearish, the oscillator moves down. Oversold and overbought conditions are defined when the oscillator moves below and upper a certain level respectively. For e.g., common levels for RSI are 30 and 70. If a stock moves below RSI level of 30, the stock is described in oversold condition and above RSI level of 70, the stock is described in overbought condition. However in a trending market, say a bullish market, the oscillator is expected to move and stay in the overbought region. Should you sell the stock as it is in the overbought region?

The answer is a definite NO as doing so will prevent you from riding the trend. Hence, identify the trend before making use of an oscillator.

Events

September Highlights

Catch our last course for September titled "Profiting from a Candlestick Trading System", a course designed specifically for traders who want to learn a winning system using candlestick formations. This course will be conducted by the leading Japanese Candlestick tainer in Asia!!

<http://www.chartnexus.com/events>

Disclaimer

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