

## Chart Analysis



DBS had a sustained bullish price movement over the past few weeks with the price moving from around \$19.00 to \$20.60, the upward movement supported by the orange uptrend line. However, prices broke down from the uptrend line and are now resisted by it. Short-term support can be found at \$20.40 followed by \$19.90

## XPertTrader™ Corner

With the market trading at all time highs, stocks are either consolidating or making new highs. How do we capture a stock that is consolidating after a run up and has the possibility of making another run?

This week's XpertTrader Corner discussed a rule which will screen the market for stocks whose volume of last trading day retraced more than 50% as compared to the last 10 days.

Subscribers can configure this rule by going to "General" tab and select "Volume Decrease". Change the parameters to  $t1 = 10$ ,  $t2 = 1$  &  $v >= 50.0$ .

After screening, a list of stocks that meet the condition will be generated. We may then analyse the stocks for a possible buy opportunity or put them on the watchlist to anticipate a breakout after consolidation.

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

### Trends

Trend analysis is the essence of technical analysis (TA), however it is one of the most commonly misused concepts.

Questions commonly asked:

- How to draw a proper trendline?
- How to choose among the many trendlines drawn?
- Should trendlines connect extreme points (high, low of the day) or the close points?

Answers:

- To draw a trendline on an upward price structure (bullish), connect the lows of the price structure. For a downward price structure (bearish), connect the highs of the price structure.
- The more points that the trendline connects, the stronger, hence more important is the trendline
- If the extreme points are connected, this will result in the most extreme (furthest) trendline. Hence trading signals (for e.g. trendline breaks) will be generated later in this case.

## Events

### "Cracking the Stock Market Code"

This one full day course will arm you with sound technical analysis achieved through lots of chart practices and with a 4-step trading strategy checklist.

Learn Volume Analysis, Trends, Candlesticks, RSI and MacD in this course conducted by a qualified Research Analyst from OCBC Investment Research.

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

#### Disclaimer

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