

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>

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