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Chart Analysis



China Sky has a possible bullish candlestick reversal pattern on the cards. We need a white candle for confirmation. Price is now supported by the 50-day moving average as well as the \$1.26 horizontal support line. Though MacD Histogram is showing a possible trend reversal with the turning of the bars from red to green, RSI is still showing bearish signs with lower highs attained for higher highs in price.

XPerTrader™ Corner

This week, we will highlight 1 rule from our Moving Average Indicator. Our objective is to screen out stocks that are trading between the 20-day moving average and the 50-day moving average. If a stock breaks its 20-day moving average, it can possibly rebound off 50-day moving average for support. Otherwise there might be a chance that the price will close up the 20-day moving average for a trading opportunity.

Indicators >>> Moving Average >>> Price Close Between 2 MAs

Parameter settings are as follows:

Signal Diagram

Buy Sell

Upper MA line must be above Lower MA line when price closes within the 2 MAs

PRICE WITHIN 2-MA

Parameters

Parameter	Condition	Value
Upper MA Period	=	20
Lower MA Period	=	50
Upper Exponential	=	no
Lower Exponential	=	no

Visit our XPerTrader information page at <http://www.chartnexus.com/products/xpertrader.php> for more details.

Disclaimer

All information provided in this newsletter is for educational purposes only and shall not be construed as an advisory service or market prediction. Please check with your authorised financial advisor for any financial advice.

TA Bites

Moving averages are popular among technical analysis practitioners in that they give clear entry and exit signals. Such signals take the form of crossover between two moving averages, crossover between price and moving average and moving average acting as support/resistance level to price movement.

One strategy based on moving average is to identify stocks which are moving between 2 moving averages say a 20-day moving average and a 50-day moving average. In a bullish trend (where the short-term moving average is above the long-term moving average), an entry signal, confirmed with a candlestick bullish reversal pattern may be generated when the price is rebounding from the long-term moving average and heading towards the short-term moving average. In a bearish trend, the reverse applies.

Events

“Cracking the Stock Market Code”

This one full day course is our 5th and last year-2006 intake of our technical analysis course that will arm you with sound technical analysis achieved through lots of chart practices and with a 4-step trading strategy checklist.

Learn Vol Analysis, Trends, Candlesticks, RSI and MacD in this practical course. Lunch buffet is included.

Course will be held on 16 Dec 2006

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