Hands-on chart reading interpretation

Real demonstration with audience participation

Might you have bought this stock in February 2019?
QUESTIONS...

• How can we effectively use share price charts to analyse whether a stock should be bought or not?
• How can we interpret the price action? and the volume? and the various chart indicators that are available?
Did you know?

About 80% of ATAA members are trend traders on ASX stocks.
In this session...

• We will demonstrate the use of real price charts (using a laptop with no internet connection), and

• We will ask YOU the audience to offer your thoughts, experiences and suggestions.
Session purpose

• To demonstrate one approach to stock selection
• To explain some elements of one strategy
• To encourage the sharing of experiences and opinions around the audience.
Stock universe

• Which stocks to look at?
• Should we focus on specific sectors?
• Does it matter whether we look at large cap, medium cap or small cap stocks?
Today’s assumptions

• The 200 stocks in the XJO index (ie. S&P/ASX 200 index)

Remember that this index is:

• popular among large investors,
• its stocks are heavily analysed and reported
• its stocks are liquid.
How to analyse?

• Should we firstly look for a confirmed uptrend, and chart patterns?

• What is the best chart indicator to use? (with suggestions from the audience for their favourite indicator).

• What “set up” or “trigger” conditions might we look at for an entry?
Today’s assumptions

We want uptrending* stocks, so how do we find them?

• Share price weekly Moving Average
• Rising continuously
• for the last 3 weeks.
Let’s go...

Here comes the first chart...
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Was this a buy in Feb?
Now switch to interactive chart analysis using charting software.
WARNING

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