



## Australian BullCharts User Group

### Minutes of Melbourne Meeting #216

At Matthew Flinders Hotel Chadstone (Melbourne),  
Tuesday 16 July, 2024, at 7.35pm

(These meeting minutes are a record of the discussion at the Melbourne meeting, and with the meeting agenda are also the basis of the Remote Users Webinar session that normally takes place a week after this Melbourne meeting. The first user group meeting was at Box Hill RSL, Melbourne, on 10th August 2006.)

**Present:** Robert Brain (chair), Ilia Bermous, Adam Owoc, Des Bleakley, Kevin Coombs, Dipesh Gauchan, John Cobb (a total of 7 who could attend).

**Apologies:** (none who could not attend and who sent apologies).

1. **Welcome (attendance and apologies)** – Robert opened the meeting and welcomed everyone, recording the attendance and apologies, and again noting our new meeting venue (last month and this month) – the Boardroom at the Matthew Flinders Hotel, Chadstone. Robert also especially welcomed newcomer Dipesh to the meeting.

Everyone was reminded of the general disclaimer that any information shared at this session is for information only and is not advice of any sort.

2. **Admin matters; Correspondence in/out; business arising:**

(The “Milo tin”: balance = \$11.93).

- (a) Regarding last months discussion about brokers etc, these two were also mentioned today:

Self Wealth, with \$9.50 trades, and using an ANZ bank account.

FP Markets – charge a very low brokerage fee, but they flush their order queues over night so if you want to keep your market order for the next day you will need to re-enter it the next day. And they have a new platform which is said to be better than Web Iress. These details have been added to the final minutes of last months meetings in the Appendix section at the end of the document.

- (b) **Announcement reminder:** We have a unique and user-friendly URL for our video collection on YouTube: [www.YouTube.com/@BullCharts](http://www.YouTube.com/@BullCharts), where we currently have more than 30 very informative videos (some are trading strategies and some are “how to” instructional videos).

3. **This month’s focus and discussions and the key points raised:**

**Liquidity – Is it important?** – Robert walked through his earlier presentation on Liquidity to help guide the discussion (this was first prepared in February 2020 for the BCUG, and then updated in July 2022 for presentation at Frank Watkins’ international conference in Malaysia. It is available for Robert’s Toolbox members to download). Key points raised include:

- (a) When trading shares/securities the group thought it is important to have a degree of liquidity so that we can sell in a timely manner when we need to, and to not suffer a significant slippage (price fall).
- (b) We looked at a list of 8 stocks with low liquidity, some of which (in 2011) traded just once per week (see the screen shot below, from the presentation slides).

**Some examples (from 2011)**

Symbol	Name	Trades per WEEK	Volume per WEEK	Median Price* \$c	Typical Price* \$c	Value Traded \$/WEEK	Market Cap (millions)
VSO	VNGD Aus Small Etf Units	1	1	42.59	42.163	\$42	\$5.78
CNK	Condor Metals Limited	1	1,504	0.09	.087	\$120	\$5.20
ESW	Emerson Stewart Group Limited	1	2,500	.2	.2	\$500	\$7.40
KRS	Kresta Holdings Limited	1	5,000	.24	.24	\$1,200	\$34.60
AYA	Attila Resources Limited	2	9,000	.2	.2	\$1,800	\$2.45
CBX	Cape Alumina Limited	5	12,089	.18	.173	\$1,993	\$20.81
SPH	Sphere Minerals Limited	15	31	2.5	2.5	\$78	\$529.55
AEJ	Redbank Energy Limited	28	230	4.155	4.14	\$947	\$3.23
CBB	Cordlife Limited	35	25,760	0.053	0.053	\$1,355	\$7.85

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- (c) The point was raised that with a lot of algorithmic, mechanical and system trading these days, there are often cases where the automatic systems will trade (buy or sell) just a few shares of a stock at a time, so that the number of trades each day looks large, but the volume or value traded each day can actually be quite small.
- (d) Robert explained that each month he runs a BullCharts scan to search for the currently liquid stocks in the market (based on his own criteria), and that each month for the last few years there has been between about 500 and 700 securities which rate as being *liquid*. Today, with more than 3,000 securities on the ASX, this means that at least 2,300 are not liquid, and these are the securities that Robert does not include in his regular scans for tradeable candidates.

### Position Size and Sales Value

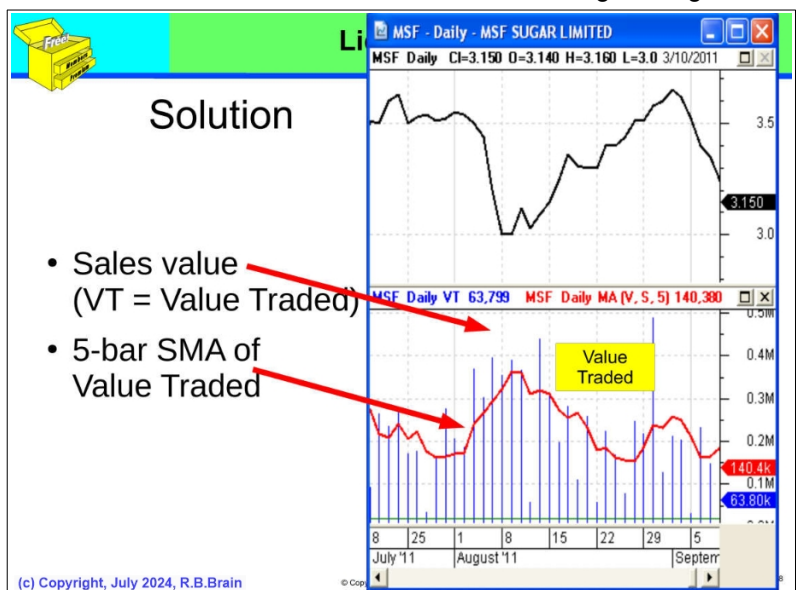
- If intended position size < 5% of daily **value**
- For position size of ~\$5,000 (for example)  
=> Daily **Value** > \$100,000.

Intended position size:	\$1,000	\$2,500	\$5,000	\$7,500	\$10,000
Min Daily Value:	\$20,000	\$50,000	\$100,000	\$150,000	\$200,000
Min Weekly Value:	\$100,000	\$250,000	\$500,000	\$750,000	\$1,000,000

**BUT: Do most ASX stocks trade this much?**  
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- (e) In the meeting it was generally felt that the best measure of liquidity for the ASX securities is the daily *value traded*. And the general view was that the parcel size about to be traded ought to be less than 5% of the daily value traded, or for some people as low as 1% to 2%. This means for a parcel size of \$5,000 say, then the daily value traded ought to be at least 20 times that, or \$100,000. These numbers are extrapolated in the following slide from the presentation.
- (f) Des mentioned that he looks for securities that trade at least \$3 million each week (about \$600,000 per day) for a typical trade size of about \$50,000. This roughly equates to the top 300 stocks (XKO index). Kevin explained that he scans the XAO index (All Ords ~ top 500), and uses a filter based on price times volume.
- (g) Another possible measure of liquidity is the number of trades each day. Some traders believe that a security needs to trade at least 50 times per day, which equates to one trade every 7.2 minutes in the 6 hour trading day.
- (h) Here's a catch. If you are running a BullCharts scan, for instance, and looking for securities that have a daily sales value of at least \$100,000 your scan might automatically look only at yesterday's sales value (ie. the "previous"). And many securities trade at very different values each day, and when you run your scan, you might miss some securities that had a low value yesterday but which normally have a good daily sales value. This is exemplified in the following slide from the presentation. This example demonstrates that it is more useful to scan for a Moving Average of the daily Value to be above your threshold level. This example uses a 5day SMA, but you might want to use a value like 10 or 20 days.

- (i) One observation raised was that when a share price is falling "like a brick", it is likely that buyers will not come in until they are convinced that the price has stopped falling.
- (j) Some people also have a trading rule that says something like: "have no more than 10 to 15 open positions, because any more than that becomes too difficult to properly manage".



#### 4. ASX Share Trading Game –

- (a) The ASX Share Market Game for 2024: registrations opened on 8 February and the game will run from 7 March to 5 September (a lengthened season this time). To participate individually in the game, we are continuing our two “Leagues” from past games (an updated information sheet is in the Google Drive):-
- **BullCharts-sandbox** – for those who wish to experiment regardless of the eventual performance, and
  - **BullCharts-users** – for the more serious game-players.
- (b) In this Melbourne session we looked at the status of our ASX Game holdings (noting that our portfolio value has plunged because we should have been selling some now downtrending stocks), and decided to make some changes to the holdings as follows:
- Agreed to sell all of the current “losers”.
  - Buy: WAM.
- (c) **BACKGROUND:-** Several of our BullCharts users have nominated stocks as a contribution to the game (everyone is welcome to nominate one stock to be bought in the game). Note that there are about 365 securities available for trading in this game, including 46 ETP securities.
- ACTION: Everyone is welcome to nominate a stock to buy (or sell) and advise Robert by email: [robertb@bullcharts.com.au](mailto:robertb@bullcharts.com.au) .**
- [Note: We have a new **ASX userid** to accommodate this – “BullCharts-users” – and added this user to both game Leagues. I will trade your nominated stocks under this userid. You can follow the progress of the user group game player(s) collectively by joining the league(s) and viewing progress throughout the game.]
- [ETP = Exchange-Traded Product, such as ETFs – see [Wikipedia.com](https://www.wikipedia.com) for more details, and note that the [online ASX Glossary](#) does not have a definition for ETP – pretty poor – but they do have [ETP Update here](#), and [some information here](#)].

#### 5. BullCharts – Tips, “How To?”, etc.

- (a) **The latest version of BullCharts** that is available on the BullCharts Downloads page is 5.1.106. It is reported to be reliable and fixes some minor bugs. Robert reported that some people are running version 5.1.117 which addresses other issues with large 4K monitors running at a resolution magnification of more than 100% (the download link for this can be requested from Brendon).

#### 6. Stocks (and sectors) we are watching –

- (a) **Stocks to watch** – Tonight we briefly looked at the price charts for these stocks: DRO, BIO, FEX (a good dividend payer), and MRM, GMG.  
Also (from Robert’s list):  
360, ALL, CBA, CSL, EMR, GOR, JBH, MQG, NSR, PNI, PRU, REA, TLX, TNE, VNT, XRO.

#### 7. General Business (and anything else to share?)

- (a) **New Venue – Matthew Flinders Hotel** – Tonight’s meeting is the third one at this new venue, and everyone is still very happy with the venue, including the food and bistro and the meeting room.
- (b) **Question re Cash Rates** – (nothing tonight)
- (c) **BCUG – Google Drive** – Nothing new tonight.
- (d) **Tech, news, seminars, websites, books, etc.** – Nothing tonight.
- (e) **Tech/apps Tips** – None tonight.
- (f) **Any other business?** — None tonight.
- (g) **Carry-over ACTIONS and discussion topics:** Suggestions for future topics welcome. (Andy will be able to share a trading strategy in a future session.)

#### 8. Confirmation of next meeting and venue.

**The next Melbourne meeting will be: Tuesday 20 August, the third Tuesday of the month,** (in 2024 it’s normally the **third Tuesday of each** month, except in December) at the usual venue – **Matthew Flinders Hotel, Chadstone** – at the usual time, ie. **6pm for dinner/drinks** in the Bistro, and the meeting will start at 7:30pm as usual in the Boardroom meeting room. [[Google-map link](#) for the **Matthew Flinders Hotel** – Melway map 69 G1 ]  
The User Group Webinar is usually one week later.

#### 9. Meeting closed 9:25 pm.

**\* NOTE:** We use the **BullCharts Discussion Forum** at the web site: [www.bullcharts.com.au/forum/default.asp](http://www.bullcharts.com.au/forum/default.asp). And we utilise a Google Drive facility (in the “cloud”) to store and share files (and more) amongst the user group members. If you don’t have access, simply email me and request it.

**Robert Brain** (*User Group convenor*) — Don't forget to visit **Brainy's Share Market Toolbox**:  
www.robertbrain.com and BullCharts stuff here: [www.robertbrain.com/bullcharts](http://www.robertbrain.com/bullcharts)  
**Also see:** the [official BullCharts KnowledgeBase](#) on the BullCharts website, and also  
Robert's [BullCharts KnowledgeBase](#), and [eBook \(PDF\) articles on BullCharts](#).



**\*\* Disclaimer:** Any information presented or discussed at these meetings is only opinion, and is of a general nature, and is not financial advice of any sort. Any person taking action based on information at the meetings does so at their own risk.  
**Note:** The User Group meetings tend to cover much material, and discuss much information, about technical analysis, trading, and BullCharts software. These minutes only summarise the key points. The maximum benefit will always be obtained by being there in person, and taking copious notes, and/or attending the [user group webinar](#).

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**Melbourne meeting dates on Tuesdays in 2024**

**Meeting dates (for Melbourne user group)** — Webinar sessions are usually one week later.

- |                               |                                |   |
|-------------------------------|--------------------------------|---|
| • <del>January 16, 2024</del> | • <del>May 21</del>            | • September 17                              |
| • <del>February 20</del>      | • <del>Wednesday June 19</del> | • October 15                                |
| • <del>March 19</del>         | • <del>July 16</del>           | • November 19                               |
| • <del>April 16</del>         | • August 20                    | • December 10 (second Tuesday of the month) |

**Robert Brain** (BCUG Convenor)

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(See list of "mentioned things" ... next page)

**Summary list of recently mentioned things** (no recommendations) (updated **May 2024** )  
(recent changes are indicated with colour and italics)

Books (also see: <a href="http://www.robertbrain.com/books/books.html">www.robertbrain.com/books/books.html</a> )	Smartphone Apps																																																																								
<ol style="list-style-type: none"> <li>1. <b>“Trading in the Zone”, Mark Douglas.</b></li> <li>2. <b>“Secret Life of Real Estate and Banking”, 2009, Phillip J Anderson.</b></li> <li>3. <b>“The Secret Code of Japanese Candlesticks”</b> by Felipe Tudela</li> <li>4. <b>“Starting out in Shares — the ASX Way”</b>, more details from the ASX website: <a href="http://www.asx.com.au/education/starting-out-in-shares-the-asx-way.htm">http://www.asx.com.au/education/starting-out-in-shares-the-asx-way.htm</a></li> <li>5. <b>“A Complete Guide to Volume Spread Analysis”</b>, Anna Coulling</li> <li>6. <b>“Blueprint to Wealth”</b>, Gary Stone.</li> <li>7. <b>“Foundations of Trading”</b> Howard Bandy.</li> <li>8. <b>“Fibonacci and Gann Applications in Financial Markets”</b>, George A. Maclean.</li> <li>9. <b>“High Probability Trading”</b>, Marcel Link.</li> <li>10. <b>“Charting the Stock Market — The Wyckoff Method”</b>, Edited by Jack K. Hutson.</li> <li>11. <b>“A Definitive Guide to Point and Figure”</b> by Jeremy du Plessis</li> <li>12. “Unholy Grails”, by Nick Radge</li> <li>13. “Trade your way to Financial Freedom”, Van K. Tharp (topics: risk, position sizing, etc.)</li> <li>14. “The Intuitive Trader” by Robert Koppel</li> <li>15. A paper “Extraordinary Popular Delusions and the Madness of Crowds” (recommended reading).</li> <li>16. “Sticky Stock Charts”, Laurence Holt.</li> <li>17. “Technical Analysis of the Financial Markets” by John Murphy</li> <li>18. “The Panic of 1907” by Robert Bruner and Sean Carr</li> <li>19. <a href="http://www.betterbooks.com">www.betterbooks.com</a></li> <li>20. <a href="http://www.traderslibrary.com">www.traderslibrary.com</a></li> <li>21. <a href="http://www.booktopia.com.au">www.booktopia.com.au</a></li> </ol>	<table border="1"> <thead> <tr> <th></th> <th>APP</th> <th>iOS</th> <th>Android</th> </tr> </thead> <tbody> <tr><td>1</td><td>CNBC</td><td></td><td></td></tr> <tr><td>2</td><td>StockTips for iPad</td><td>YES</td><td>no</td></tr> <tr><td>3</td><td>Compound Stock Earnings</td><td>YES</td><td>no</td></tr> <tr><td>4</td><td>the standard “stocks” app is rather good</td><td>YES</td><td>n/a</td></tr> <tr><td>5</td><td>University app for phone</td><td>YES</td><td>n/a</td></tr> <tr><td>6</td><td>Bloomberg for Smartphone</td><td></td><td></td></tr> <tr><td>7</td><td>CNN Money</td><td></td><td></td></tr> <tr><td>8</td><td>StockTouch for iOS,</td><td>tba</td><td>tba</td></tr> <tr><td>9</td><td>IB TWS</td><td>YES</td><td>tba</td></tr> <tr><td>10</td><td>T.Interceptor</td><td>tba</td><td>tba</td></tr> <tr><td>11</td><td>StocksTracker (and on Windows) PC</td><td>YES</td><td>tba</td></tr> <tr><td>12</td><td>DailyStocks</td><td>tba</td><td>tba</td></tr> <tr><td>13</td><td>Trading Ideas</td><td>tba</td><td>tba</td></tr> <tr><td>14</td><td>ChebTrendPro</td><td>tba</td><td>tba</td></tr> <tr><td>15</td><td>KalmanSignal</td><td>tba</td><td>tba</td></tr> <tr><td>16</td><td>StockIdeaPro</td><td>tba</td><td>tba</td></tr> <tr><td>17</td><td><b>Investing.com</b></td><td>tba</td><td>tba</td></tr> </tbody> </table>		APP	iOS	Android	1	CNBC			2	StockTips for iPad	YES	no	3	Compound Stock Earnings	YES	no	4	the standard “stocks” app is rather good	YES	n/a	5	University app for phone	YES	n/a	6	Bloomberg for Smartphone			7	CNN Money			8	StockTouch for iOS,	tba	tba	9	IB TWS	YES	tba	10	T.Interceptor	tba	tba	11	StocksTracker (and on Windows) PC	YES	tba	12	DailyStocks	tba	tba	13	Trading Ideas	tba	tba	14	ChebTrendPro	tba	tba	15	KalmanSignal	tba	tba	16	StockIdeaPro	tba	tba	17	<b>Investing.com</b>	tba	tba
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The above list of things mentioned at recent meetings is not a recommendation or endorsement.

(See websites and seminars over the page)



Websites (updated January 2023)	Seminars, etc.
<ol style="list-style-type: none"> <li>1. <a href="https://wise-owl.com/">https://wise-owl.com/</a> – For ASX small cap stock portfolio ideas.</li> <li>2. <a href="http://www.marketindex.com.au">www.marketindex.com.au</a> – including free price data, and ASX index rebalance announcements.</li> <li>3. <a href="https://simplywall.st/about">https://simplywall.st/about</a></li> <li>4. <a href="https://www.tradingview.com/">https://www.tradingview.com/</a></li> <li>5. <a href="http://bettersystemtrader.com/">http://bettersystemtrader.com/</a> <b>Trading related podcasts.</b></li> <li>6. <a href="http://www.marketindex.com.au">www.marketindex.com.au</a> and by adding the text: /mobile on the end of the URL, in your smartphone browser, this will offer to save a shortcut to your phone.</li> <li>7. <a href="http://www.jstock.org">www.jstock.org</a></li> <li>8. <a href="http://www.investing.com">www.investing.com</a></li> <li>9. <a href="http://www.TradingView.com">www.TradingView.com</a></li> <li>10. <a href="http://www.forexfactory.com">www.forexfactory.com</a></li> <li>11. <a href="http://www.shareprices.com.au">www.shareprices.com.au</a></li> <li>12. <a href="http://www.shortman.com.au">www.shortman.com.au</a></li> <li>13. AquaSnap software: <a href="http://www.nurgo-software.com/products/aquasnap">http://www.nurgo-software.com/products/aquasnap</a></li> <li>14. TimeLeft, a free countdown clock: <a href="http://www.timeleft.info">www.timeleft.info</a></li> <li>15. <a href="http://www.investing.com">www.investing.com</a></li> <li>16. <a href="http://www.livewiremarkets.com/">www.livewiremarkets.com/</a></li> <li>17. <a href="http://www.marcustoday.com.au">www.marcustoday.com.au</a> — <b>the daily email.</b></li> <li>18. Share market podcasts: Better System Trader <a href="http://bettersystemtrader.com/">http://bettersystemtrader.com/</a></li> <li>19. MetaStock formulae <a href="http://www.meta-formula.com">http://www.meta-formula.com</a></li> <li>20. Web site: <a href="http://www.finviz.com">www.finviz.com</a></li> <li>21. Aust BioTech Conference <a href="http://www.ausbiotechinvest.com">www.ausbiotechinvest.com</a></li> <li>22. Volume Spread Analysis — Trade Guider — <a href="http://www.tradeguider.com">www.tradeguider.com</a> . What is VSA? <a href="#">see Wikipedia</a>, and <a href="http://www.VolumeSpreadAnalysis.com">www.VolumeSpreadAnalysis.com</a></li> <li>23. Interest rate securities: <a href="http://www.finnewsnetwork.com.au">www.finnewsnetwork.com.au</a></li> <li>24. Market Watch <a href="http://www.marketwatch.com">www.marketwatch.com</a></li> <li>25. Biotech web site: <a href="http://www.valutech.com.au">www.valutech.com.au</a></li> <li>26. Commodity prices and overseas indexes; <a href="http://www.forexpros.com">www.forexpros.com</a> now changed to: <a href="http://www.investing.com">www.investing.com</a></li> <li>27. For screen capture, BB FlashBack Express — <a href="http://www.bbsoftware.co.uk/BBFlashBack_FreePlayer.aspx">www.bbsoftware.co.uk/BBFlashBack_FreePlayer.aspx</a></li> </ol>	<ol style="list-style-type: none"> <li>1. Symposium resources road shows <a href="http://www.symposium.net.au">www.symposium.net.au</a></li> <li>2. <i>Trading Super Investing — Future Wealth Forum</i>, with a new website address: <a href="http://www.futurewealthforum.com.au/">www.futurewealthforum.com.au/</a> (this was the Trading Investing Expo)</li> <li>3. IFTA — <a href="http://www.ifta.org">www.ifta.org</a></li> <li>4. <b>The next IFTA Conference:</b> <a href="http://www.ataa.com.au/ifta-conference.html">http://www.ataa.com.au/ifta-conference.html</a></li> <li>5. <del>Trading &amp; Investing seminars &amp; Expo</del> <a href="http://www.tradingandinvestingexpo.com.au">www.tradingandinvestingexpo.com.au</a></li> </ol>

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