



Australian BullCharts User Group Minutes ([REVISED](#)) of Melbourne Meeting #143

At the Leighoak Club hotel, Oakleigh,
Wednesday 20 June, 2018, at 7:30pm

(These 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 takes place a week after this Melbourne meeting.)

Present: Robert Brain (chair), Anthony Stevens, Des Bleakley, Don Haylock, Ilia Bermous, Jim Skazas, Kevin Coombs, Liz Haylock (a total of 8 who could attend).

Apologies: Ian Morgan, John Beattie, Kitty Muntz, Rick Riccio, Ross McLaren
(5 people who could not attend and who sent apologies).

1. **Welcome (attendance and apologies)** — Tonight's meeting started 10 minutes late, and Robert opened the meeting and welcomed everyone. Because there were a couple of new faces around the table, we did a quick round-table introduction of name, and a brief description of key interests.
2. **Admin matters; Correspondence in/out; business arising** — (The "Milo tin" balance = \$28.23).
3. **This month's focus — TradeSim — Testing of last month's Scan.**
In last month's session we focused on how to create and test a BullCharts scan, with the example to focus specifically on Jim Berg's "buy" signal for a position entry. There are a few options here, so we firstly identified exactly what to focus on, and created a BullCharts scan, and added two more criteria. See the notes about Jim Berg's strategies in BullCharts in the meeting agenda document for the May meeting, and further details about the indicators and scans and the scan that we created, in the minutes of the May meeting.

In tonight's meeting we studied TradeSim, noting the following:

- In October 2016 Robert prepared a set of presentation slides as an overview of how to use TradeSim. We quickly looked at these slides.
[Robert has since revised these slides, and they are [available to download and view](#).]
- Other resources are available, including a TradeSim User Manual. See more details at the official website: www.compuvision.com.au.
- The following steps are explained in the slides (assuming you already have a clear Trading Strategy):
 - (a) Start BullCharts and create / modify a BullCharts scan of the type "TradeSim". Note that BullCharts has three different types of scans — a regular scan, a BullScript scan and a TradeSim scan. See the screen shot at right for the options when creating a new scan from the BullScan Manager toolbar button.
 - (b) Specify the Entry and Exit criteria (and the stocks to scan across), and run the scan. This will start TradeSim running in the background, and produce a Log file, and TradeSim Trade Database (a list of all possible buy and sell transactions).
 - (c) Specify the TradeSim Trade Parameters, then run a TradeSim Simulation.
- There was much discussion as we viewed the slides and did the demonstration. Then we ran several different TradeSim simulations with different trade parameters. We also revised the original scan a couple of times.
- **Interesting observation** — We also ran the scan across different groups of stocks, noting firstly that the ASX "top 20" (the XTL index) produced very bad results (a loss of capital) over a period of the last 12 months. But when running the same scan over the Mid-cap 50 index, the results were rather more favourable.
[Note that the overall market, as per the XAO or XJO indexes, has been very challenging over the last many months, so this observation is not surprising. This is more apparent if we view a Comparative Percent Performance chart of the three indexes as shown at the top of the next page — note the colours of index and the text-underline bars across the top of the window.]

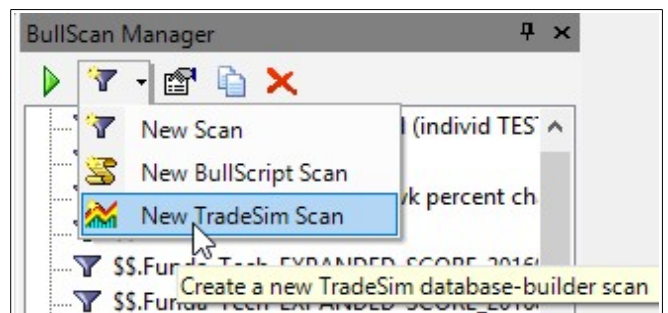


Figure 1: BullCharts Scans



Comparative Percent Performance chart - XMD, XAO, XTL

- **Can we export the TradeSim results?** — This question was asked, and the short answer is that some things can be exported. The Trade Log can be exported. The Trade Database (list of all possible trades) can be exported and saved as a CSV file by right-clicking on the list of trades in the database, and choosing the save option from the drop-down menu.
- **How to code up a rotational system and test it in TradeSim?** — No one present could shed any light on how to do this.
- **Why use TradeSim and is it useful?** — This question was asked during the meeting, and offline, and the following addresses this: Once we have a clearly defined Trading Strategy, we can trade it over time with an expectation of whether it might be a winner or not, **provided** that we have some confidence that the strategy is likely to be successful. How to gain this confidence? By doing some testing and evaluating the results. Remember that provided we have small losses, and larger wins, the win to loss ratio can be as low as 4 wins to 6 losses. Our testing (in order to gain confidence) can include: paper trading, back testing, or playing share market games such as the [ASX Share Market Game](#). Using TradeSim is one way to perform the back-testing, so it is important to be thorough enough to test out the intended strategy thoroughly. Doing so can result in greater confidence in the strategy.
- **Survivorship issue** — One of our keen users has pointed out that survivorship is often an issue with back-testing, including with TradeSim and BullCharts. This is when you run a back-test over a period of time at some time in the past. Over time, any stock that is delisted, or merged into another, is removed from the BullCharts database. So let's say that you want to look at a period of 12 months, about 5 years ago, there will be some stocks that existed at that time and which have since been delisted. Therefore, when you back-test over this period, those stocks will not appear in the list of possible transactions for your TradeSim simulation. Now, is this a big problem or not? It might be, or it might not be, depending on how strict and accurate you want to be with your testing. The bottom line is that this is something to be aware of.

[BCUG presentations can be downloaded [from this BCUG Presentations folder](#).]

4. BullCharts — Tips, “How To?”, etc.

- (a) **Alerts and Alert Manager** — How do the Alerts and Alert Manager work? This is a good question, and the answer could be lengthy, so best to hold off until next month (the July meeting), or do a special session on it in the August meeting.

5. **Trading in practise** — We looked at the charts of several stocks. Including: LOV.
6. **The \$100k Hypothetical portfolio**:- No update tonight.
 - (a) **No update today.** Even so, it makes sense to consider a few stocks at meetings, and share ideas around the table as to what we think of the price charts, even if we don't make any decisions about purchase for a portfolio (at least the opinions and comments about the charts would be useful).
 - (b) **Portfolio review** — No review this month.
 - (c) **New stock purchases** — None today.
 - (d) **Portfolio documents (background)** — [Download and view the latest version of the plan document here](#). Also see the “Trade Planning” table (the observations of potential trades, and the position size and reward/risk details), and the separate “Trading Journal” table (the record of the buy and sell transactions, with the actual buy/sell details, including the amount of cash available). See the documents from the BCUG web page in Robert's Share Market Toolbox web site: www.robertbrain.com/bcug/.)
7. **General Business** (and anything else to share?)
 - (a) **Algos — success/fail** — Last month someone asked about the impact of algo systems on our market. It was reported tonight that it was recently reported in the news that a number of algo funds had recently gone belly up.
 - (b) **News, seminars, websites, books, etc.**:- One of our webinar attendees has reported that he has found the website www.jstock.org to be useful (for stock data and charts, and more).
 - (c) **Tech Tips** — Nothing new. See the slowly growing list of apps etc below.
 - (d) **Any other business?** — none
 - (e) **Next meeting topic** — Des has advised that he played the ASX Share Market Game that ran from February to early June, and ended up in the top 3% of all players. Des is happy to share his Share Market Game experience with the group, and will do a presentation at the next (July) meeting.
 - (f) **Carry-over ACTION:** Robert to arrange. ETFs (Robert Grigg).
Maybe ask Andrew Couper to talk about day trading?
NOTE: One day?:- Peter Castle (speaker, as at recent ATAA meeting — RB to follow up).
Also: flags, pennants, etc.. It could be useful to ask Stuart McPhee to come back (talk about exits).
Possible future discussion: How can we measure our own trading performance?
Future:- Gann Fan? Other suggestions welcome.
8. **Confirmation of next meeting and venue.**
The next Melbourne meeting will be: Wednesday 18 July
(it's normally the **third Wednesday of each** month, or the **second Wednesday in December**)
at the usual venue (Leighoak Hotel) at the usual time, ie. **6pm for dinner/drinks in the Bistro**, and the **meeting will start at 7:30pm** in the upstairs Function Room.
[\[Google-map link](#) for the Leighoak Hotel if you view these meeting minutes on your computer.]
The User Group Webinar is usually one week later.
9. **Meeting closed 9:50 pm.**

* **NOTE:** We use the **BullCharts Discussion Forum** at the web site: www.bullcharts.com.au/forum/default.asp. And we utilise the **Yahoo Forum** facility (in the “cloud”) to store and share files (and more) amongst the user group members. Anyone having difficulty accessing the Yahoo Forum should try to reset their password, or create a new account (using a good email address, not a crap one), or as a last resort send Robert an email). This facility is the best way to share these files (presentations, BullCharts customs scans, indicators, etc., etc.).

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
Also see: 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](#).

See list of “mentioned things” ... below)

Summary list of recently mentioned things (no recommendations) (updated [June 2018](#))
(recent changes are indicated with colour and italics)

Books (also see: www.robertbrain.com/books/books.html)	Smartphone Apps			
<ol style="list-style-type: none"> 1. “The Secret Code of Japanese Candlesticks” by Felipe Tudela 2. “Starting out in Shares — the ASX Way”, more details from the ASX website: http://www.asx.com.au/education/starting-out-in-shares-the-asx-way.htm 3. “A Complete Guide to Volume Spread Analysis”, Anna Coulling 4. “Blueprint to Wealth”, Gary Stone. 5. “Foundations of Trading” Howard Bandy. 6. “Fibonacci and Gann Applications in Financial Markets”, George A. Maclean. 7. “High Probability Trading”, Marcel Link. 8. “Charting the Stock Market — The Wyckoff Method”, Edited by Jack K. Hutson. 9. “A Definitive Guide to Point and Figure” by Jeremy du Plessis 10. “Unholy Grails”, by Nick Radge 11. “Trade your way to Financial Freedom”, Van K. Tharp (topics: risk, position sizing, etc.) 12. “The Intuitive Trader” by Robert Koppel 13. A paper “Extraordinary Popular Delusions and the Madness of Crowds” (recommended reading). 14. “Sticky Stock Charts”, Laurence Holt. 15. “Technical Analysis of the Financial Markets” by John Murphy 16. “The Panic of 1907” by Robert Bruner and Sean Carr 17. www.betterbooks.com 18. www.traderslibrary.com 19. www.booktopia.com.au 	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	Investing.com	tba	tba

The above list of things mentioned at recent meetings is not a recommendation or endorsement.
 (See websites and seminars over the page)

Websites	Seminars, etc.
<ol style="list-style-type: none"> 1. www.jstock.org 2. www.investing.com 3. www.TradingView.com 4. www.forexfactory.com 5. www.shareprices.com.au 6. www.shortman.com.au 7. AquaSnap software: http://www.nurgo-software.com/products/aquasnap 8. TimeLeft, a free countdown clock: www.timeleft.info 9. www.investing.com 10. www.livewiremarkets.com/ 11. www.marcustoday.com.au — the daily email. 12. Share market podcasts: Better System Trader http://bettersystemtrader.com/ 13. MetaStock formulae http://www.meta-formula.com 14. Web site: www.finviz.com 15. Aust BioTech Conference www.ausbiotechinvest.com 16. Volume Spread Analysis — Trade Guider — www.tradeguider.com . What is VSA? see Wikipedia, and www.VolumeSpreadAnalysis.com 17. Interest rate securities: www.finnewsnetwork.com.au 18. Market Watch www.marketwatch.com 19. Biotech web site: www.valutech.com.au 20. Commodity prices and overseas indexes; www.forexpros.com now changed to: www.investing.com 21. For screen capture, BB FlashBack Express — www.bbsoftware.co.uk/BBFlashBack_FreePlayer.aspx 	<ol style="list-style-type: none"> 1. Symposium resources road shows www.symposium.net.au 2. <i>Trading Super Investing — Future Wealth Forum</i>, with a new website address: www.futurewealthforum.com.au/ (this was the Trading Investing Expo) 3. IFTA — www.ifta.org 4. The next IFTA Conference: http://www.ataa.com.au/ifta-conference.html 5. Trading & Investing seminars & Expo- www.tradingandinvestingexpo.com.au

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