



Australian BullCharts User Group
Minutes of Melbourne Meeting #136
At the Leighoak Club hotel, Oakleigh,
Wednesday 15 November, 2017, 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), Adam Owoc, Andrew Couper, Gerard Hogan, Ilia Bermous, John Beattie, John Cobb, Mike Roberg, Rick Riccio, Ross McLaren, Ross Mendan, Stephen Mahony (a total of 12 who could attend).

Apologies: Allan Abbott, Des Bleakley, Graham Parker, Ian Morgan, Kevin Coombs (a total of 5 who could not attend and who sent apologies).

1. **Welcome (attendance and apologies)** — Robert opened the meeting and welcomed everyone.
2. **Admin matters; Correspondence in/out; business arising** — (The “Milo tin” balance = \$7.23).
3. **Using the “Score” feature in BullScan to rank stocks** —

Last month we looked at the theory behind studying key bullish observations of chart indicators to allocate a score value, so that we can produce a sorted list of stocks based on a measure of “bullishness”. Download the [latest updated version of the presentation slides here](#).

(That presentation is now in its final form, and will be delivered to the Canberra ATAA chapter meeting on Tuesday 21st November.)

In the meeting Robert went through the case study example slides numbered 22 to 40 (we looked at the later slides in the presentation at last month’s meeting). Then we flipped to BullCharts to study the “Score” feature of BullScan that allows us to indicate whether a scan criteria item is mandatory or not, and to give the criteria a measure of “importance” on a scale from 1 to 10. This results in an extra column in the Scan Results Table, headed “Score” (see notes below for more information).

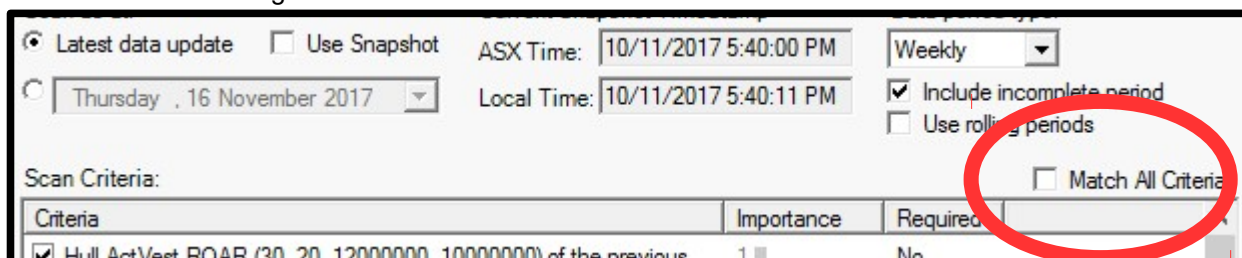
A copy of the Final version of the slides can be downloaded from the [online BCUG Presentations folder](#).

Note#1: During the discussion there was mention that the entry conditions for a stock can be varied, and not too hard, but that the exit can be very difficult because of the danger with a falling share price of giving back far too much profit. So it was suggested to discuss this next month (or the following month).

Note#2: During this presentation there was much off-topic discussion, with some people pointing out that they don’t trade this way — and that’s okay, but the presentation slides are an attempt to demonstrate another way to do things, even if there are even more ways to achieve the same goal. (People mentioned things like: looking for Pivot Point Reversals, or Trend Reversals, or a candle pattern in conjunction with volume spikes, etc.).

4. **BullCharts — Tips, “How To?”, etc.**

- (a) **Highlights about the “Score” feature in BullCharts** — In a BullCharts Scan, you can uncheck the “Match All Criteria” tick box (see adjacent screen shot), and then two more columns (options) appear for the Scan Criteria — Importance and Required. These items can be turned on/off and changed for each Scan Criteria line.



- (b) One or more scan criteria can be entered as normal.
- (c) When the scan is run, BullScan will automatically calculate a “Score” value for each selected stock, and insert the Score column into the Scan Results Table as the last column.
- (d) The Score is calculated out of a possible total value of 100 points. If, for example, four scan criteria exist, and they all have the same “Importance” value, then a selected stock will have a score value of either 25, 50, 75, or 100.
- (e) The “Importance” parameter can be changed from a value of one to any value up to 9. This will influence the resulting Score value.

- (f) **Using Dropbox for BullCharts databases** — Robert explained that it is possible to put the BullCharts database into DropBox and up into the cloud. This is [explained in the BullCharts Knowledge Base](#). Basically it means that if you have one computer (maybe a desktop at home) and a laptop (which you might use whilst away from home), then you can have both computers share the one BullCharts database via Dropbox. [See the BullCharts Knowledge Base for more details](#).

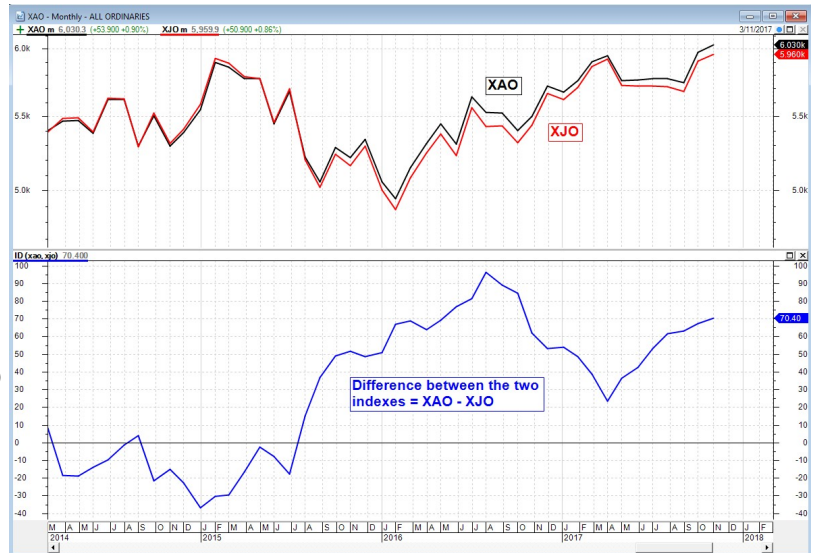
Don't forget that the regular (Aussie stocks) database is over one gigabyte (1GB) in size, so you might need to be careful about the amount of data allowance usage when the file is synchronised to the cloud and back.

- (g) **How to synchronise user BullCharts files (eg. .scans, templates, etc.)** — This question is similar to the previous item, where a BullCharts user might want to easily keep the BullCharts files synchronised between two computers. At the moment we don't have a good suggestion about how to do this. It might be possible to use the Microsoft SyncToy utility.
- (h) **Comparing the XJO and XAO indexes.** There was some discussion about these two indexes, and their respective values. Robert explained a few things as follows.

* The chart at right is a monthly of the XAO (black line) with the XJO superimposed (the red line) using the same vertical scale. Click on the chart for a larger online version. The bottom pane is the difference in value between the two indexes. [See instructions below on how to reproduce this chart.]

* Note that the difference between the two indexes lately has been about 70 points with the XAO higher than the XJO; but back in 2015 the value of the XAO was less than the XJO (the difference in value is negative).

* Question:- How can the XAO be greater in value than the XJO in some months, but less in other months? To understand this, note some possible contributing factors as follows.



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Firstly, the two indexes are calculated in different ways ([see reference here](#)).

Secondly, if we take a list of all stocks on the Aussie market and sort it by market cap, with the largest cap stocks on top (ie. the banks, some miners and Telstra, etc.), we note that the 200 stocks in the XJO index are selected from about the top 386 stocks on the market. That is, some are excluded due to the index listing rules. We also note that the 500 stocks in the XAO are selected from about the top 1662 stocks for the same reason. ([You can see Robert's "Index Compositions" diagram that illustrates this in his Toolbox here.](#))

Note that the index listing rules for these two indexes are different. This means that some of the stocks in the XJO might not necessarily be included in the XAO, and vice versa.

[See information about index listing rules here.](#)

Also see more information about indexes in [Robert's Toolbox here](#).

* Also note that it is possible that the 300 or so smaller cap stocks in the XAO which are not in the XJO might collectively out-perform, or under-perform the 200 stocks in the XJO, resulting in the calculated index value being greater, or smaller, than the other (resulting in the XAO value being greater or smaller from time to time).

- (i) **Steps to reproduce this "index difference" chart.**

(i) Create a chart of the XAO index.

(ii) Use menu option Insert Security <Ctrl>+E and select the following options from the drop downs and tabs:

* Symbol — XJO

* Style tab — Select your preferred Plot Type

* Location tab — Make sure to select the "Price" pane.

* Scale tab — Make sure to select "Merge with scale...".

(iii) To create the second chart pane which is the difference between the two indexes:-

* Menu option Insert Indicator <Ctrl>+i.

* Select Indicator Builder to create a "New..." indicator. (This assumes you are familiar with the indicator builder feature, and basic script — if not, have a go anyway.)

* Copy and paste the following script into the script dialogue area, and name the indicator and

save.

* Then insert this new indicator to the chart like any other indicator.

* If you might want to apply this indicator often, then create the chart and save it as a Template.

5. **Trading in practise** — Nothing tonight.
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). [In recent months, some people have mentioned that it is difficult to "get into" the \$100k Portfolio topic and discussion, because we can only review opportunities once each month at the user group meetings. So we are wondering if it is worth persisting with the topic. After some discussion back then, it was agreed that the portfolio discussion is useful, especially to do with stock selection (discretionary entries) and to hear the views of others when looking at the price chart, as to whether a stock is worth buying now or not.]
 - (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) **December 2017 meeting date(s)** — Robert has confirmed with the Leighoak venue staff that our December meeting is recorded in the booking book for the **second Wednesday** of the month 13th December. So the next meeting will NOT be on the third Wednesday. This means that the December webinar session will probably be on the third Wednesday of the month 20th December.
 - (b) **December meeting format and time** — Agreed to do the same as last year. Meet for dinner from 6pm, and then those who want to can order the 3-course Christmas Dinner special. We have found in the past that this can take a good 90 minutes to be served and consumed, so the meeting start time should be delayed 30 minutes until 8pm.
 - (c) **2018 meeting dates** — Agreed to meet on the third Wednesday each month in 2018, except December — do the second Wednesday.
 - (d) **Venue sponsorship for 2018** — Robert has asked Brendon Lansdowne if he is happy to continue to subsidise the User Group by paying the \$100 venue usage fee for each meeting. Brendon's reply was that he is very happy for this to continue. The meeting expressed sincere thanks for this arrangement.
 - (e) **2018 venue availability** — The Leighoak Club hotel venue has proven to be convenient regarding location, availability, food, and meeting room facilities. (We have been meeting here monthly for about 10+ years). Robert has already asked the venue staff if the current monthly booking for the third Wednesday each month can be continued into 2018 (except for December 2018 which will be the second Wednesday). The staff had advised that this is possible. The meeting agreed to continue meeting at this venue, and to book the dates.
 - (f) **Traders Christmas Lunch** — Most employees of companies have a Christmas Lunch to attend each year, sometimes hosted or sponsored by their Social Club. BUT, many of the investors and traders amongst us don't have this opportunity. So, every year Robert hosts this function just for the "lone traders/investors".
Details (agreed previously): Tuesday 19 December at the same reliable and flexible venue as previously — Sofia Restaurant East Burwood ([see their upgraded website](#)). Robert will be sending details to everyone by email shortly. See [more details here](#).
 - (g) **Education** — (from last month) The ATAA is working on a number of education initiatives, including an eventual replacement for the old Kaplan course (it will be from STA). The current offerings can be seen here: for [Chartwise](#), and [Vanstone](#).
 - (h) **News, seminars, websites, books, etc.**:-
 - **ATAA Conference** in Melbourne in May 2018. [See details here soon](#).
 - **The 2018 IFTA Conference** will be in Kuala Lumpur (the 2017 one was held in October in Milan, Italy).
 - (i) **Tech Tips** — Nothing new. See the growing list of apps etc below.
 - (j) **Any other business?** — none

(k) **Next meeting topic** — Des has previously offered to present at the December meeting on how he uses BullCharts scans and the Score value to rank stocks (to be confirmed). It was suggested during tonight's presentation that we discuss Exit Strategies (at the December meeting, or the following one). Note that we have talked about this previously, so some people might recall that discussion. There are [some thoughts on this topic here](#).

(l) **Future meeting discussion topics** –

Also, maybe discuss some exit approaches in more detail (eg. RSI overbought, etc.).

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 13 December

(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 9:45 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" ... (on next page)

Summary list of recently mentioned things (no recommendations) (updated [July 2017](#))
([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. “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 2. “A Complete Guide to Volume Spread Analysis”, Anna Coulling 3. “Blueprint to Wealth”, Gary Stone. 4. “Foundations of Trading” Howard Bandy. 5. “Fibonacci and Gann Applications in Financial Markets”, George A. Maclean. 6. “High Probability Trading”, Marcel Link. 7. “Charting the Stock Market — The Wyckoff Method”, Edited by Jack K. Hutson. 8. “A Definitive Guide to Point and Figure” by Jeremy du Plessis 9. “Unholy Grails”, by Nick Radge 10. “Trade your way to Financial Freedom”, Van K. Tharp (topics: risk, position sizing, etc.) 11. “The Intuitive Trader” by Robert Koppel 12. A paper “Extraordinary Popular Delusions and the Madness of Crowds” (recommended reading). 13. “Sticky Stock Charts”, Laurence Holt. 14. “Technical Analysis of the Financial Markets” by John Murphy 15. “The Panic of 1907” by Robert Bruner and Sean Carr 16. www.betterbooks.com 17. www.traderslibrary.com 18. 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.shareprices.com.au 2. www.shortman.com.au 3. AquaSnap software: http://www.nurgo-software.com/products/aquasnap 4. TimeLeft, a free countdown clock: www.timeleft.info 5. www.investing.com 6. www.livewiremarkets.com/ 7. www.marcustoday.com.au — the daily email. 8. Share market podcasts: Better System Trader http://bettersystemtrader.com/ 9. MetaStock formulae http://www.meta-formula.com 10. Web site: www.finviz.com 11. Aust BioTech Conference www.ausbiotechinvest.com 12. Volume Spread Analysis — Trade Guider — www.tradeguider.com . What is VSA? see Wikipedia, and www.VolumeSpreadAnalysis.com 13. Interest rate securities: www.finnewsnetwork.com.au 14. Market Watch www.marketwatch.com 15. Biotech web site: www.valutech.com.au 16. Commodity prices and overseas indexes; www.forexpros.com now changed to: www.investing.com 17. 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. 2016 IFTA Conference in Sydney hosted by the ATAA. http://www.ataa.com.au/ifta-conference.html 5. Trading & Investing seminars & Expo- www.tradingandinvestingexpo.com.au

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