COMPLETE THIS WELL

KNOWN PHRASE OR SAYING :

" THE TREND IS . . . ."

" THE TREND IS YOUR FRIEND"

FINDING FRIENDS

(The Journey Continues . . . .)

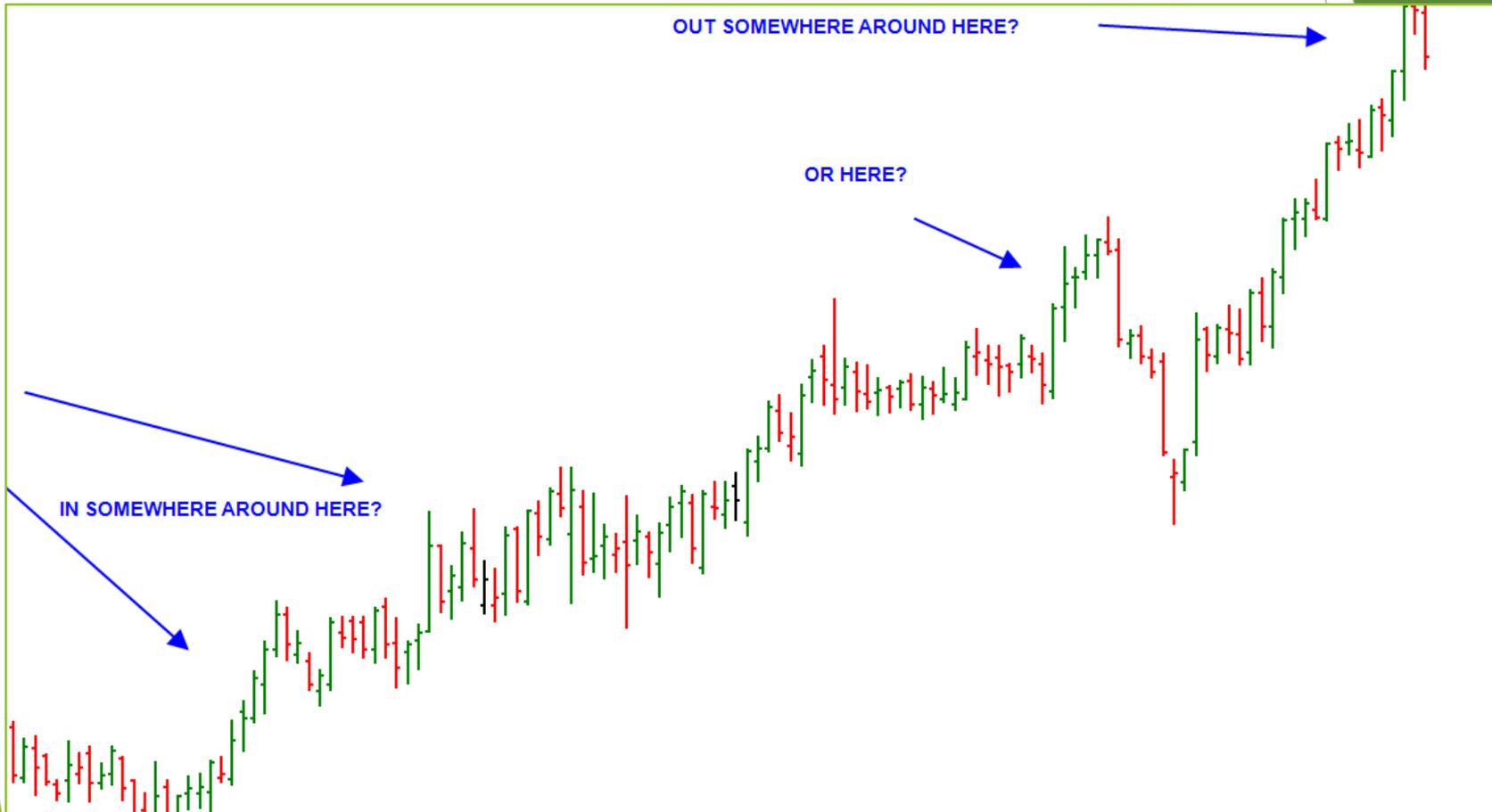**Des Bleakley – BullCharts User Group**

Wed 15th March 2017

AGENDA

- ▶ WHAT AM I AFTER?

- ▶ SIMPLE INDICATORS TO HELP

- ▶ IDENTIFYING TRENDS

- ▶ SELECTING FRIENDLY, TRENDY UNIVERSE

- ▶ DEFINING STRATEGY

- ▶ MEASURING RESULTS

- ▶ ALTERNATIVE STRATEGIES

WHAT AM I AFTER?

- Trend trading
- Identify trending stocks
- Ride the middle of the trend
- Get in early/late enough
- Get out early/late enough
- Use BullCharts to assist
- Hopefully better decisions & outcomes

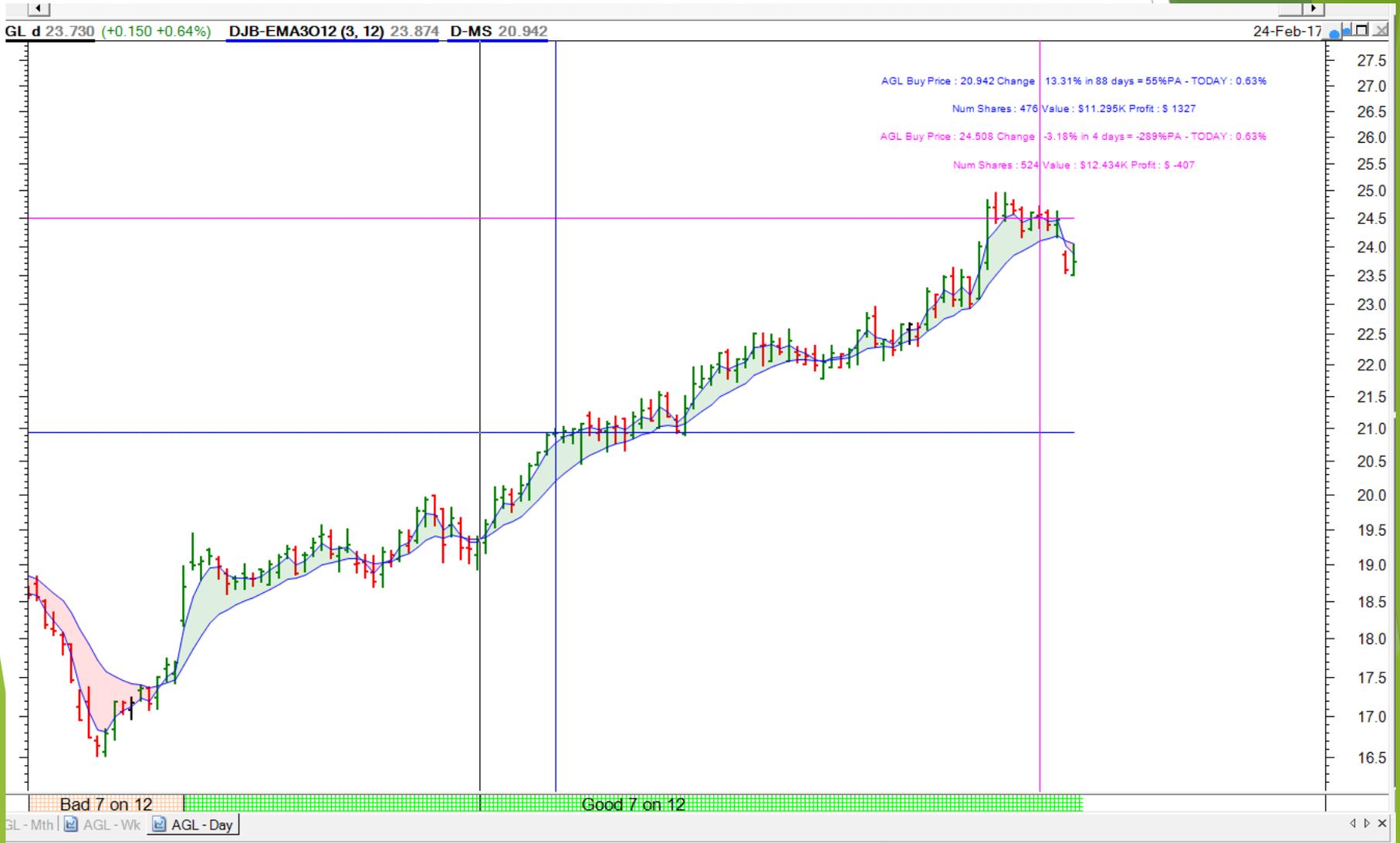# CATCH THE TREND

OUT SOMEWHERE AROUND HERE?

OR HERE?

IN SOMEWHERE AROUND HERE?

IN THE BEGINNING

▶ Plot chart

▶ Draw lines and indicators

▶ Develop SMACD

▶ How are my own shares travelling?

  ▶ As a trend

  ▶ As an investment / trade

▶ Hence HELD indicator

▶ And PROFIT indicator

▶ SIMPLE TO START WITH

How is this share travelling?

Bull Script for HELD

```
{  ****    Test for owned shares    ****  }
sharebuycost1 :=
if ( security.symbol = "AGL", 20.942,
if ( security.symbol = "BAL", 10.929,
if ( security.symbol = "BAP", 6.189,
if ( security.symbol = "BHP", 26.722,
if ( security.symbol = "BSL", 9.484,
if ( security.symbol = "CBA", 77.095,
if ( security.symbol = "CSL", 120.98,
if ( security.symbol = "DOW", 6.977,
if ( security.symbol = "ELD", 4.395,
if ( security.symbol = "GMG", 7.689,
if ( security.symbol = "NCM", 20.025,
if ( security.symbol = "STL", 0.041,
if ( security.symbol = "TLG", 0.383,
if ( security.symbol = "WBC", 33.546,
if ( security.symbol = "US.EWZ", 36.42,
if ( security.symbol = "US.XLF", 23.38,
if ( security.symbol = "US.FDX", 186.12, 0))))))))))))))))));

iownthis1 := sharebuycost1 > 0;
[name = H1;color=blue;linestyle=solid;];
if(iownthis1, sharebuycost1, undefined);
```
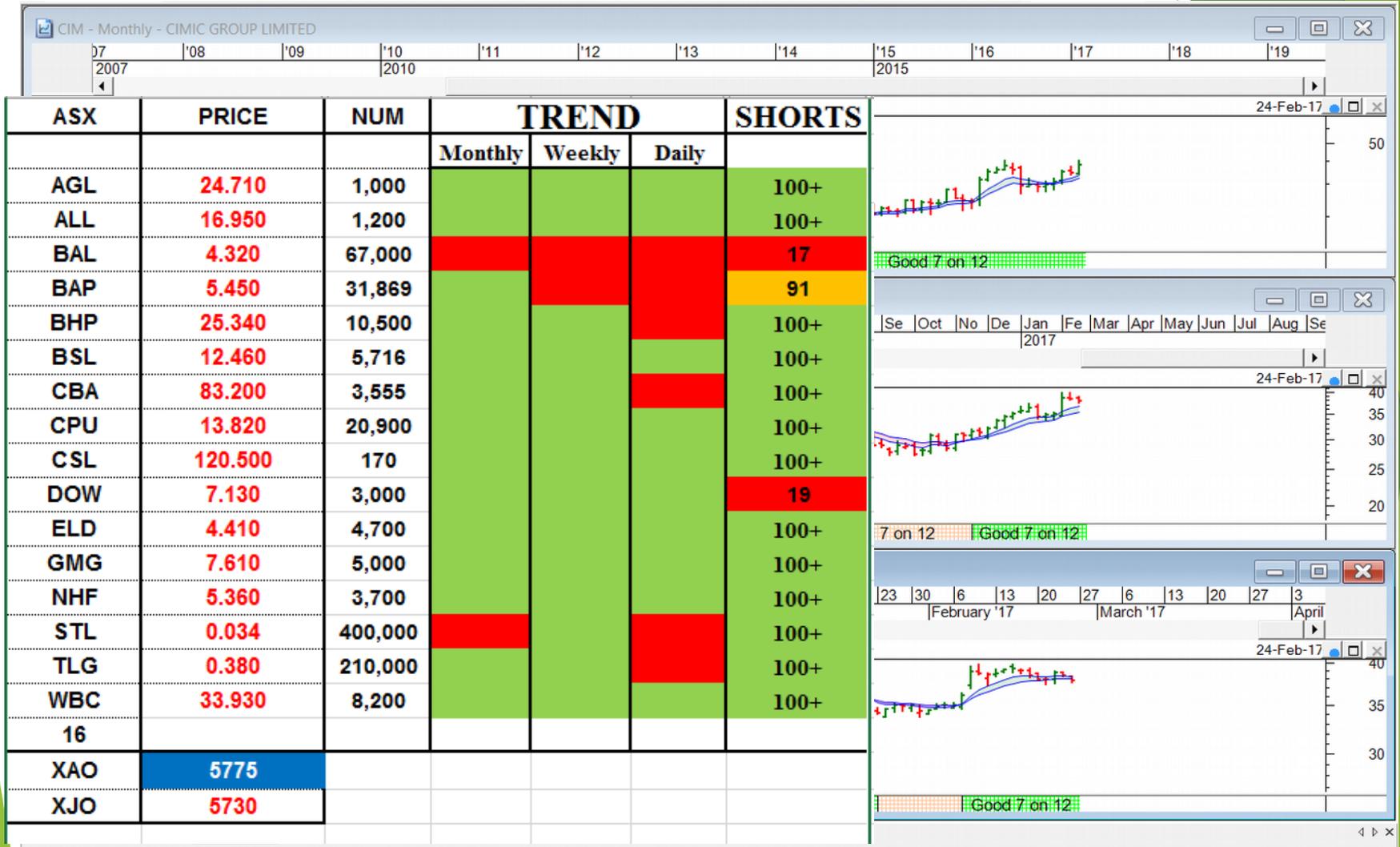
Can I take a quick Profit?


```
[author=Bleakley, Des; target=Price; description = Indicate profit take at CLOSE over 1-4 * ATR;];
pt1 := ma(C,13,E) + 1*ATR(10);
pt2 := ma(C,13,E) + 2*ATR(10);
pt3 := ma(C,13,E) + 3*ATR(10);
pt4 := ma(C,13,E) + 4*ATR(10);

MM := IF ( (C>pt4),4,
        IF ( (C>pt3),3,
        IF ( (C>pt2),2,
        IF ( (C>pt1),1, 0 ))));

[name="P1";linestyle=marker; marker=type21;color = black;tooltip="1 ATR";];MM = 1;
[name="P2";linestyle=marker; marker=type1;color = black;tooltip="1 ATR";];MM=1;
[name="P3";linestyle=marker; marker=type21;color = red;tooltip="2 ATR";];MM = 2;
[name="P4";linestyle=marker; marker=type2;color = red;tooltip="2 ATR";];MM = 2;
[name="P5";linestyle=marker; marker=type21;color = magenta;tooltip="3 ATR";];MM = 3;
[name="P6";linestyle=marker; marker=type3;color = magenta;tooltip="3 ATR";];MM = 3;
[name="P7";linestyle=marker; marker=type21;color = green;tooltip="4 ATR";];MM = 4;
[name="P8";linestyle=marker; marker=type4;color = green;tooltip="4 ATR";];MM = 4;
```

TRENDING

- I like 7 on 12 EMA – personal preference
- Trade with Trend
  - Monthly
  - Weekly
  - Daily
- Use BC Workspace to help visual identification
- Update spreadsheet Trend Table

TREND TABLE

Define Trending Universe

▶ ASX 300 starting point

▶ Throw out stocks which are not trending on all of Monthly, Weekly, Daily

  ▶ Vary length of trend - 1 period? 4 period?

▶ Brings it down to about 50 stocks

▶ Choose entry strategy (New High chosen here)

▶ Choose exit strategy (7 on 12 EMA chosen)

▶ Put it onto the chart & ponder

PONDER – Mmmm?

```
[description=DJB - ENTRY on New High, Exit 7 on 12; author = Bleakley, Des ; target=PRICE; ]

entercondition := CLOSE >= highest( CLOSE, 52);  { Entry condition - on a 52 bar New High }
exitcondition := cross( ma(C,12,E) , ma(C,7,E));      { Exit condition  - 7 on 12 EMA crossover }

{    *****   According to our entry and exit conditions, are we in or out of the market?    *****  }

INMKT := if ( entercondition, true,  if ( exitcondition, false,  prev ));

{   ****    Look at status of INMKT to see if we have triggered a buy or sell condition   ****  }

buysignal := INMKT AND NOT hist(INMKT,1);
sellsignal := NOT INMKT AND hist(INMKT,1);

{   ****  PRINT ENTER & EXIT ARROWS   ****   }

[Name = ENTER;Linestyle = marker; marker = type13;color = green];    buysignal;
[Name = EXIT; Linestyle = marker; marker=type14; color = red];   sellsignal;
```
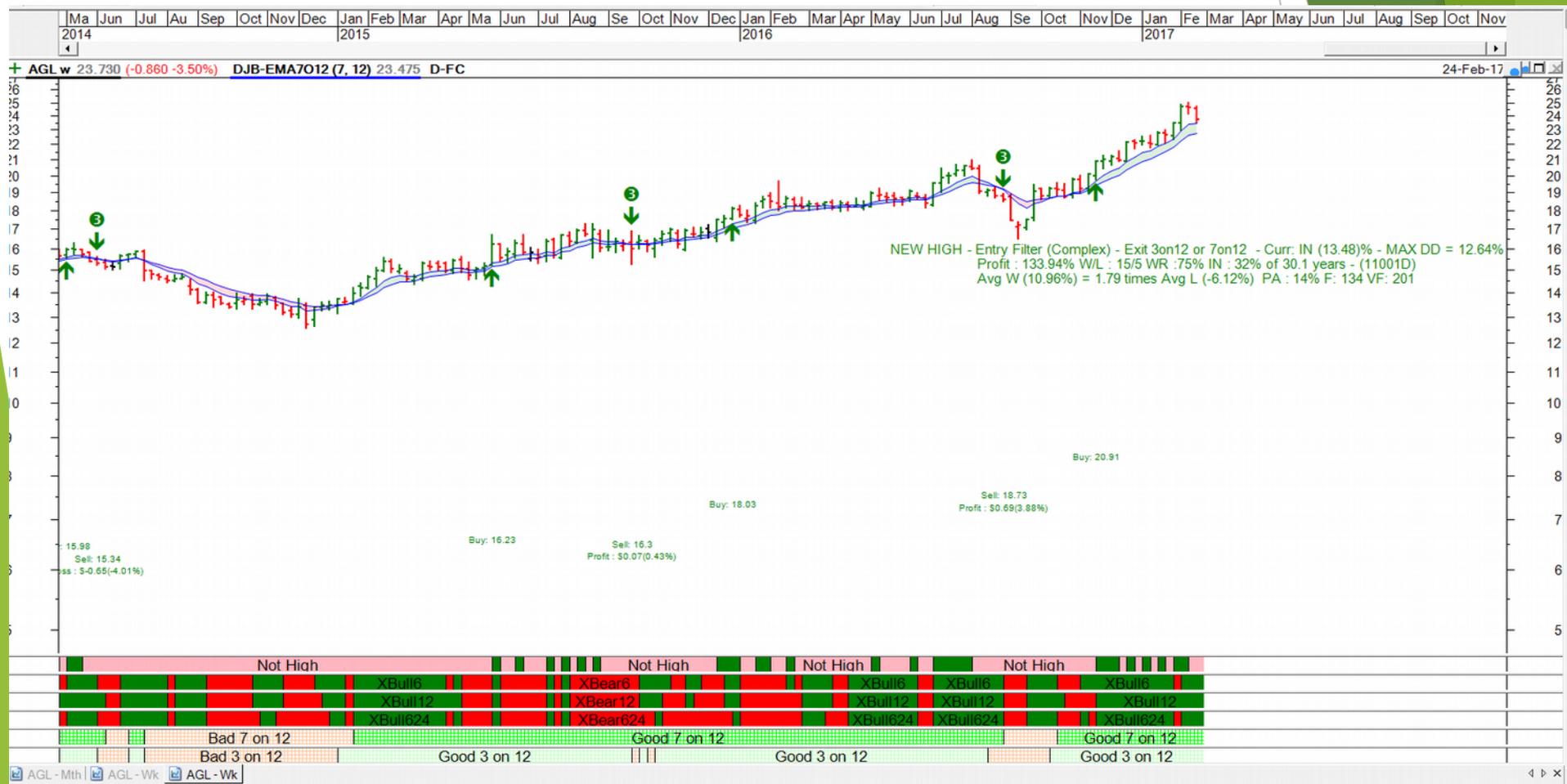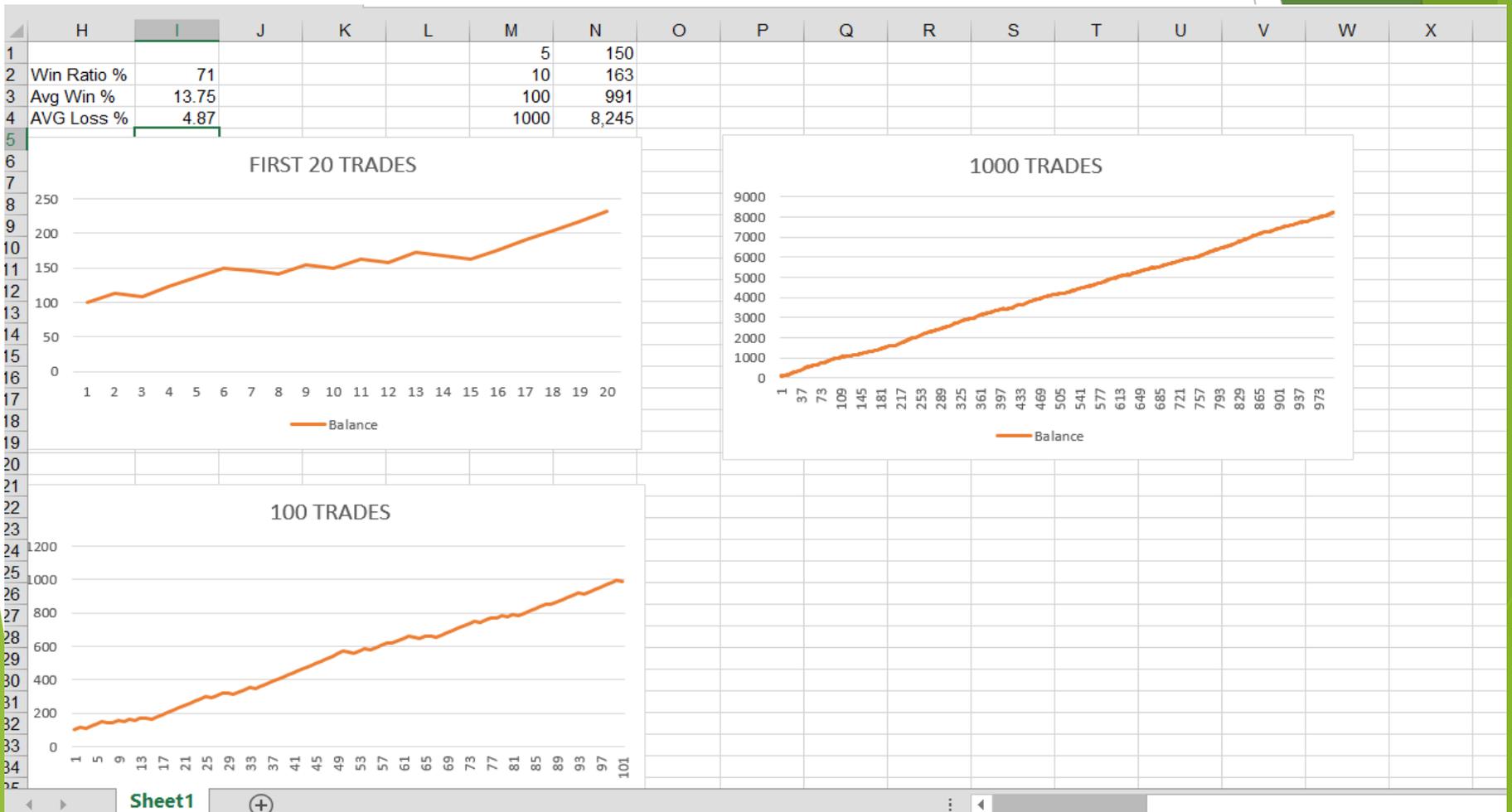
USE THIS AS SCAN ON UNIVERSE

- 50 stocks comes down to 6
- Improvements?
    - Apply entry filter (XAO trending)
    - Tighten exit if XAO turns down
    - Try different exits (ATR)
- Collect statistics on wins & losses
    - Buy price
    - Sell price
    - Profit / loss
    - Win / Loss ratio
    - Draw Down
    - Factor (Win % * Profit Ratio)
    - Volume factor

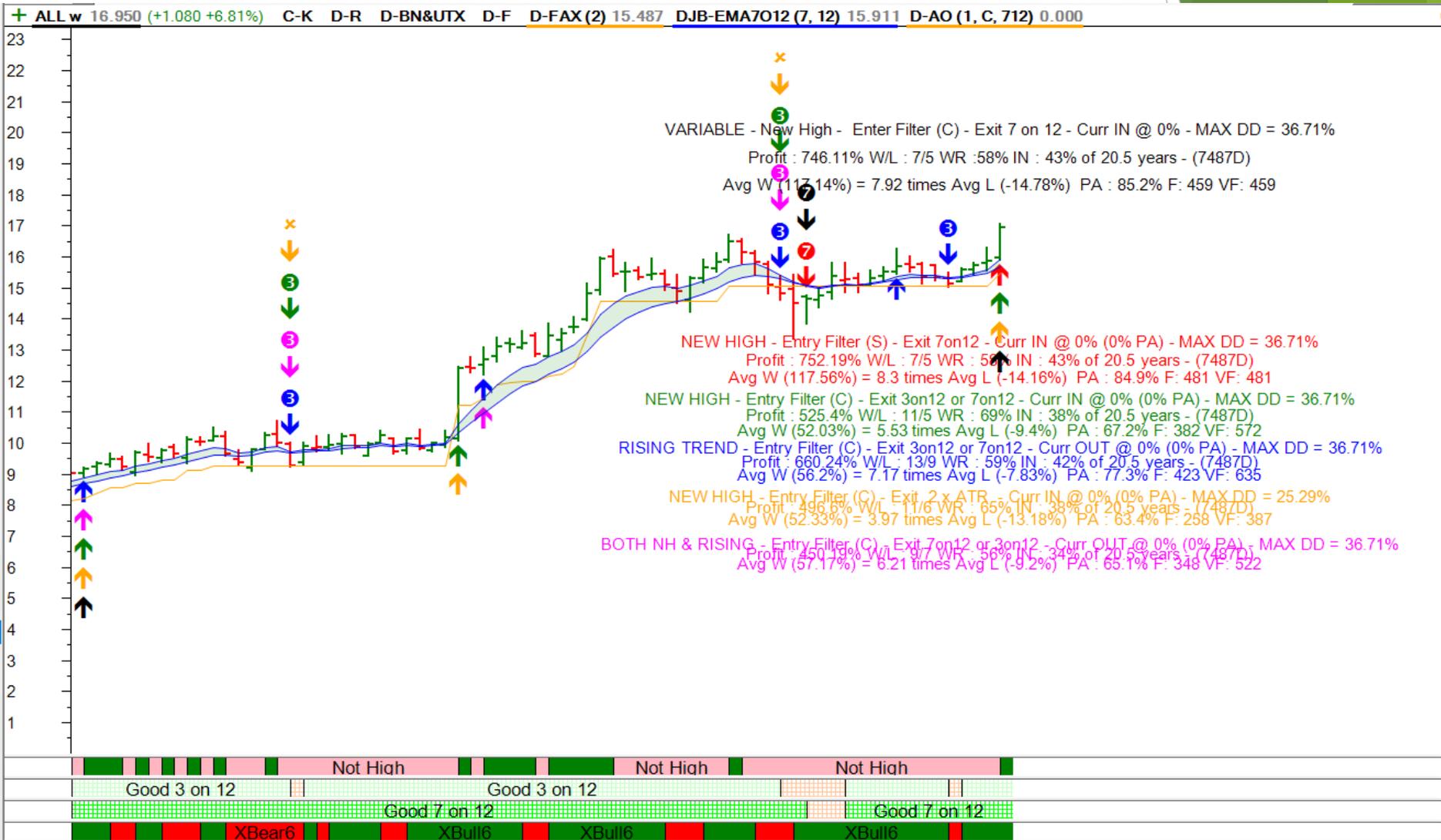# Example – New High Entry with XAO entry filter & XAO exit filter - 3 on 12 or 7 on 12

BUT – Is this a good result – is it sustainable over the long term?
(Thank you Kevin Saunders – ATAA – 9 March 2017)

Six Different Strategies
(Busy Slide)

Simplest Strategy
(Buy & Hold)

CBA w 83.200 (+0.180 +0.22%) D-B&H

NEW HIGH - BUY AND HOLD - MAX DD = 60.66%

Profit : 938.24% W/L : 1/0 WR :100% IN : 94% of 25.3 years - (9251D)

Avg W (938.24%) = 1 times Avg L (0%) PA : 39.3% F: 100 VF: 75 HOLDP: 1307%

Sell: 82.59

Profit : $74.63(938.24%)

WHAT ABOUT DRAWDOWN?

HOW DO INSIDE BARS LOOK?
This is two bar analysis.

INSIDE BAR IB2v2 (0 = ALL) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 68.88% W/L : 87/97 WR :47% IN : 28% of 25.4 years - (9274D)
Avg W (2.61%) = 1.59 times Avg L (-1.64%) PA : 9.7% Curr : 0%

INSIDE BAR IB2v2 (1 = GG) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 30.82% W/L : 19/24 WR :44% IN : 9% of 25.4 years - (9274D)
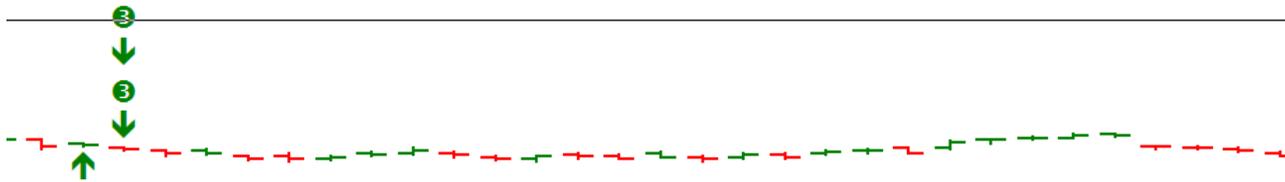Avg W (3.61%) = 2.28 times Avg L (-1.58%) PA : 13.9% Curr : 0%

INSIDE BAR IB2v2 (2 = GR) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 16.33% W/L : 34/39 WR :47% IN : 13% of 25.4 years - (9274D)
Avg W (2.89%) = 1.36 times Avg L (-2.11%) PA : 4.9% Curr : 0%

INSIDE BAR IB2v2 (3 = RG) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : -2.72% W/L : 30/44 WR :41% IN : 11% of 25.4 years - (9274D)
Avg W (2.89%) = 1.41 times Avg L (-2.04%) PA : -1% Curr : 0%

INSIDE BAR IB2v2 (4 = RR) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 11.28% W/L : 32/34 WR :48% IN : 8% of 25.4 years - (9274D)
Avg W (1.74%) = 1.31 times Avg L (-1.32%) PA : 5.2% Curr : 0%

HOW DO INSIDE BARS LOOK?
This is three bar analysis.

INSIDE BAR IB3v2 (0 = ALL) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 73.6% W/L : 56/128 WR :30% IN : 28% of 25.4 years - (9274D)
Avg W (3.32%) = 3.77 times Avg L (-0.88%) PA : 10.3% Curr : 0%
INSIDE BAR IB3v2 (1 = GGG) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 18.82% W/L : 9/18 WR :33% IN : 6% of 25.4 years - (9274D)
Avg W (5.2%) = 3.33 times Avg L (-1.56%) PA : 12.6% Curr : 0%
INSIDE BAR IB3v2 (2 = GGR) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 0.35% W/L : 8/15 WR :35% IN : 4% of 25.4 years - (9274D)
Avg W (2.46%) = 1.9 times Avg L (-1.29%) PA : 0.3% Curr : 0%
INSIDE BAR IB3v2 (3 = GRG) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 16.81% W/L : 15/22 WR :41% IN : 8% of 25.4 years - (9274D)
Avg W (3.32%) = 2.19 times Avg L (-1.51%) PA : 8.7% Curr : 0%

INSIDE BAR IB3v2 (4 = GRR) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : -2.58% W/L : 10/33 WR :23% IN : 6% of 25.4 years - (9274D)
Avg W (3.56%) = 3.04 times Avg L (-1.17%) PA : -1.7% Curr : 0%

INSIDE BAR IB3v2 (5 = RGG) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : -4.54% W/L : 10/29 WR :26% IN : 7% of 25.4 years - (9274D)
Avg W (2.92%) = 2.49 times Avg L (-1.17%) PA : -2.8% Curr : 0%

INSIDE BAR IB3v2 (6 = RGR) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 8.92% W/L : 8/31 WR :21% IN : 5% of 25.4 years - (9274D)
Avg W (5.33%) = 4.88 times Avg L (-1.09%) PA : 7.5% Curr : 0%

Loss : $-2(-2.36%)

INSIDE BAR IB3v2 (7 = RRG) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 12.44% W/L : 10/22 WR :31% IN : 5% of 25.4 years - (9274D)
Avg W (3.37%) = 3.47 times Avg L (-0.97%) PA : 10.2% Curr : 0%

INSIDE BAR IB3v2 (8 = RRR) - Entry Complex Bull Entry Filter - Bear Filter Exit 3on12 or 7on12
Profit : 1.74% W/L : 11/27 WR :29% IN : 4% of 25.4 years - (9274D)
Avg W (1.46%) = 2.7 times Avg L (-0.54%) PA : 1.5% Curr : 0%

SUMMARY

- Alternative Strategies

- BUY & HOLD?

- Different Universes of stocks

- Try different Enters & exits

- Which is best?

- Inside Bars ??

- The Quest Continues - suggestions

▶QUESTIONS?