



Brainy's **Trend Trading ASX Shares**

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Session Synopsis

Many investors in the share market are what we call “trend traders”. How much money should you invest in any one company? How long should you hold it for? This 2-hour session explains how to “trend trade” the ASX shares, and the pitfalls to be aware of, and how to manage the risks.

- 1 Trend Trading
 - 1.1 What is it? and Why do it?
 - 1.2 Why just ASX shares?
- 2 How to find *trending* shares
 - 2.1 Higher Peaks and Troughs
 - 2.2 Apply uptrend line to the price chart
 - 2.3 Moving Average chart indicator
 - 2.4 MACD chart indicator
- 3 Exit strategies to protect capital (eg. Stop Loss exit, etc.)
 - 3.1 Simple Stop Loss
 - 3.2 Weakening of uptrend
 - 3.3 Break of trend line
 - 3.4 Chart indicators (eg. P-SAR, MA, ATR indicator, Range+, etc.)
 - 3.5 Candle reversal patterns
- 4 Watch out for *stock liquidity* (or lack of it).
 - 4.1 Why is this important? (to be able to sell quickly)
 - 4.2 Volume
 - 4.3 Trades
 - 4.4 Value
- 5 Risk and money management:
 - 5.1 Your own stock universe
 - 5.2 Position size can be important — the “2 percent rule”
 - 5.3 Exit strategies
 - 5.4 Monitor your positions routinely
- 6 Remember the emotions
 - 6.1 Cognitive biases
 - 6.2 Fear, Greed and Hope
 - 6.3 Trading psychology.

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Brainy's **Share Market Toolbox*** — www.robertbrain.com

Download the U3A Summer School handouts — www.robertbrain.com/docs/

* – The Toolbox is an invaluable resource to help you tackle the share market, including a weekly market update and analysis email with information on how to read the price charts of the market index, and company shares.