



BullCharts
Author Strategies
Stan Weinstein

final VERSION
 January 2008

Discussion Guidelines

- One person to “lead” the discussion (as a facilitator).
- Everyone else is free to contribute to the discussion, including:
 - Their view / understanding of the topic;
 - Any good interpretations of how to use it, especially if they have resulted in a good trade.

DISCLAIMER

Any information presented or discussed as a part of this presentation is only opinion, and is not advice, and should not be acted upon. The particular financial requirements of the viewer have not been taken into consideration. One should always seek appropriate professional advice before entering into financial or other arrangements.

Session — Agenda

- BullCharts' Authors' Strategies - overview and explained.
- Summary list of Authors.
- Refer to Stan Weinstein's book.
- “Stage Analysis” – some theory.
- The BullCharts' Author Strategies attributed to Stan Weinstein.

BullCharts Author Strategies

The BullCharts “Author Strategy” concept

- Someone might have a particular approach for stock selection, based on certain criteria which can be clearly described.
- BullCharts has implemented some major strategies developed by influential authors and active traders, and they are included as Scans.

BullCharts — the Authors

The authors / traders whose strategies are implemented in Scans in BC

- Jim Berg
- Alan Hull
- Daryl Guppy
- Leon Wilson
- Nicholas Darvas
- Robert Deel
- Stephen Pearce
- Stan Weinstein

BullCharts — more Authors

More authors / traders whose “strategies” are implemented in BullCharts as Line Studies, etc.

- Louise Bedford
- Chris Tate
- Guy Bower
- Chris Temby
- Colin Nicholson
- John Bollinger...
- Dr Alexander Elder
- Martin J. Pring
- Chande & Kroll
- Robert C. Miner
- Robert Fischer
- William Blau
- Bill Wornald...

Stan Weinstein

Stan Weinstein's book:

*“Secrets for Profiting
in Bull and Bear Markets”*

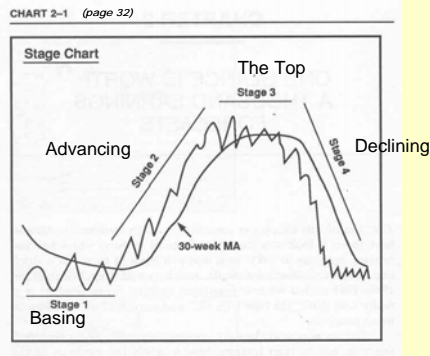
- McGraw Hill
- First published 1988
- Is regarded by many as a “must read”.

Weinstein's Stage Analysis

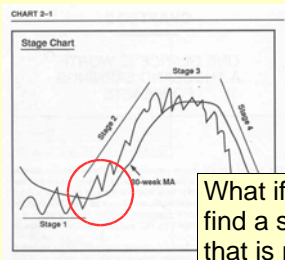
Refer pages 31-41

- “Any stock has to be in one of four market stages...”
- Stage 1 = the Basing area;
- Stage 2 = the Advancing stage;
- Stage 3 = the Top area;
- Stage 4 = the Declining stage.

Weinstein's Stage Analysis



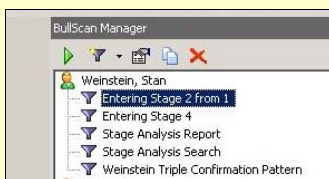
Weinstein's Stage Analysis



What if we could find a stock that is moving from Stage 1 into Stage 2?

Weinstein's Stage Analysis

- BullCharts has 5 Scans included, based on Stan Weinstein's writings.
- The first one scans for stocks "Entering Stage 2 from Stage 1".



Weinstein's Stage Analysis

Run this scan with the following modified criteria:

- "Scan as at: 26 Feb 2007"
- "Any bar in the last 5 bars".
- NOTE: "Data period type = Weekly".

(view the results)

13

Weinstein's Stage Analysis

Second scan: "Entering Stage 4".

Run it with the following modified criteria:

- "Any bar in the last 10 bars".

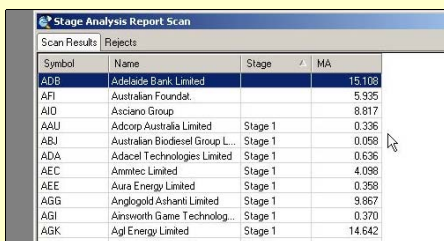
(view the results)

14

Weinstein's Stage Analysis

Third scan: "Stage Analysis Report".

- Produces a list of the stocks and their current Stage



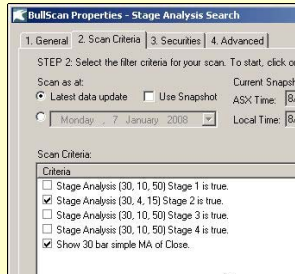
Symbol	Name	Stage	MA
AJD	Adelaide Bank Limited		15.108
AFI	Australian Foundel...		5.335
AID	Asciano Group		8.817
AAU	Adcorp Australia Limited	Stage 1	0.336
ABJ	Australian Biodiesel Group L...	Stage 1	0.058
ADA	Adacel Technologies Limited	Stage 1	0.636
AEC	Amtec Limited	Stage 1	4.098
AEE	Aura Energy Limited	Stage 1	0.358
AGG	Anglogold Ashanti Limited	Stage 1	9.867
AGI	Ainsworth Game Technolog...	Stage 1	0.370
AGK	Agl Energy Limited	Stage 1	14.642
AGM	Agnes Mining Ltd	Stage 1	0.736

15

Weinstein's Stage Analysis

Fourth scan: "Stage Analysis Search".

- Allows you to select which Stage to search for in the Scan Criteria:



Weinstein's Triple Confirmation

Fifth scan: "Weinstein Triple Confirmation".

- Refer p148.
- Exact criteria are not described in the book.
- The RSC formula quoted in the above book is the traditional RSC (called Relative Strength Comparison in BullCharts), however the diagrams uses when describing the Triple Confirmation Pattern appear to use a normalised RSC. This BullScan uses the normalised RSC.
- By default the RSC comparison is performed against the All Ordinaries (XAO). To compare against a different index, adjust the parameters for the first criteria.

(above text is included in the BullScan scan definition)

Summary

- BullCharts includes some "Author Strategy" scans.
- Some of these are based on Stan Weinstein's Stage Analysis (refer to his book).

(Entry Strategies, Buy Signals.....next slides)

Entry Strategies / Signals

- Depends on your trading strategy and investment horizon / timeframes.
- Different for Weekly versus Daily approach.
- Trend Trader?
- Short term Swing Trader?
- Break out (above resistance)?
- Chart pattern (eg. pivot point, triangles, etc.)
- Buy and Hold?
- Maximise profits.

19

Buy Triggers/Signals

Assuming long, not short selling.

- (1) Upward cross-over of short-term MAs
- (2) Upward cross-over of price and an MA (eg. 12, 15, 21, 30-day, etc.?)
- (3) Rising momentum indicator from historical low.
- (4) Divergence b/w momentum indicator (eg. MACD) and price action.
- (5) Price breaks above substantial resistance.
- (6) Price rising above trend line and MA.
- (7) MACD cross-over and crossing Above zero.
- (8) Bollinger Bands sudden expansion after congestion.

20

Further comments
or
observations?

21
