



Australian BullCharts¹ User Group

The Fourth 12 Months — August 2009 to July 2010

A summary of discussions from Meeting #37 to Meeting #48

This BullCharts User Group has now been in operation for 4 years, commencing in August 2006. This document briefly describes the fourth year of operation, and goes on to summarise key items of interest that have been discussed in the meetings in this past year. A similar summary document was prepared for each of the earlier 12 month periods. These are available for download from the User Group Yahoo Forum.

If you missed these meetings, then you missed out on the topics and items mentioned below. Some of the information is available in the Yahoo Forum (free access) as separate files or in the minutes of the meetings, or from the people or web sites referred to below. In some cases, Robert has included the slide presentations in his *Share Market Toolbox* web site.

But first, how did the Group come about? Refer to the earlier summary documents for details...

This fourth year has seen some minor changes (or ongoing refinements) to our operations.

Meeting Attendances and Numbers

Throughout the year, the meeting numbers have fluctuated from 15 to 30 — a little higher than the previous 12 months. We have about 50 people who attend meetings from time to time, with 38 people having been to at least one meeting in the last 6. If they were to all come along to the same meeting, then the room will be a little crowded.

Our list of “interested” people continues to grow, to about 100. We have been afraid of growing the meeting size to a difficultly large number; but this has not yet happened.

Venue

The user group had its first meeting at the Box Hill RSL with 13 people attending. We then sought out a larger and more suitable venue and found the Leighoak Hotel, which has been providing the venue for free as a “community benefit”. However, during the last 12 months they changed their policy and now charge a \$100 flat fee for use of the room. Luckily for us, the BullCharts company is picking up this cost on our behalf so that we can continue to have “free” membership for our users (many thanks to Brendon Lansdowne from BullCharts in Sydney for arranging this).

The User Group Membership base

Without doing a detailed survey of the members, it seems as though our user group membership is roughly comprised as follows. A handful of people are full-time traders, or at least live off the earnings of trading. A majority of members appear to be part-time traders who don't have enough capital to live off trading, so they have a “regular” day job. Some of the people who come along are evaluating BullCharts before deciding whether to buy or not. Many of the members do have BullCharts; and a small number don't. The latter group of people seem to like the opportunity to socialise with like-minded people from time to time — and there is nothing wrong with that.

The Yahoo Forum

Our Yahoo Forum now has a total of 100 members; but 20 of the registered email addresses seem to be no longer valid. Everyone registered in the Yahoo Forum receives the automatic Yahoo Calendar reminders for the monthly meetings, as well as messages sent to the “group”.

¹ BullCharts is an innovative charting and technical analysis system. It provides a feature rich and powerful set of tools with access to the latest strategies from local and overseas authors in analysing the dynamics of the stock market. For more info see: <http://www.bullcharts.com.au/>

Some of the people on our list, and members of the Yahoo Forum, are located out of Melbourne, or interstate. It would be good if we could offer them something more than we do currently.

Other User Groups?

The Brisbane BullCharts User Group was established in 2008; but unfortunately the members there found it difficult to find suitable meeting nights, and then folded. Our group here was renamed to the *Australian BullCharts User Group* in 2009, and continues to be the only BullCharts User Group.

The ATAA

One observation that is worth making is that there are more and more people who are members of both this User Group and the ATAA. A typical ATAA meeting in 2006 had about two BullCharts users present; but now has more than ten. And the user group meetings used to have only two ATAA members, but now has several.

Special Interest Groups?

Upon reflection, there are some potential changes that might now be appropriate. Including a possible separate meeting of interested people in a “Traders Group” forum to talk specifically about topics of interest to traders, including strategies, and state of the market. A separate meeting would allow more time than we can do in these monthly software User Group meetings. However, recent moves within the ATAA to accommodate their own Special Interest Groups might mean that there is no longer any need for this user group to consider this.

Real Trading and Investing

We continue to refine our meeting agenda from time to time to try to accommodate the wishes of the majority of the meeting participants. Here is an observation when perusing the minutes of our last 12 meetings. We introduced a “Round Table Stock Talk” agenda item during the 2007 bull market, in which we invited people to describe trades they had made, and how they used BullCharts to spot these opportunities. Over the last 2 years there have been a significantly smaller number of these situations for people to talk about.

Always happy to entertain discussion on these matters.

Robert B. Brain

(Australian BullCharts User Group meeting convenor)
part-time trader, consultant and educator
www.robertbrain.com



Robert and his Share Market Toolbox provided support services to the User Group.

General Disclaimers:

1. Any material omitted below is purely accidental, and the mistake will be gladly rectified on lodgement of an official complaint.
 2. All of the below information is general in nature, and is not a recommendation or course of action that might lead to a financial investment. Professional financial advice should always be sought before making investment decisions.
 3. The mention of any products or people below is NOT a recommendation or endorsement.
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A summary of key items from the fourth year of User Group meetings follows.

1. Meeting topics

The following key topics have been discussed at the meetings:

1. **Markets, and index** performance (the XAO and XJO).

2. Guest Speakers & presentations

2. **Trading the SPI** - Gerard Hogan. (See key points in the Sept 09 meeting minutes in the Yahoo Forum.)
3. **“Stop Loss! Seven ways to determine a stop position”** — Robert Brain. (See key points in the Oct 09 meeting minutes in the Yahoo Forum, and the presentation slides in Brainy's *Share Market Toolbox*.)
4. **“Leon Wilson's book Breakout Trading” — Mary de la Lande**. (See key points in the Nov 09 meeting minutes in the Yahoo Forum.)
5. **“Robert's Analysis of 2 decades of Aussie Bear markets”**. (See key points in the Dec 09 meeting minutes in the Yahoo Forum, and the presentation slides in Brainy's *Share Market Toolbox*.)
6. **“Guppy MMA indicator”**. Robert gave a presentation and demo of Guppy's Multiple Moving Average (GMMA) indicator, and how to interpret it (Feb 10). (See key points in the meeting minutes in the Yahoo Forum, and the presentation slides in Brainy's *Share Market Toolbox*.)
7. **Stuart McPhee — “Developing a Simple Trading Strategy”**. As visiting guest speaker, Stuart delivered a great presentation on developing trading strategies (summary included overleaf), including lots of questions and discussion.
8. **“A sample real-life trade”**. Robert led a presentation and we looked at the following topics: (a) How did we spot it? (b) Where is our initial stop? (c) What is our target? (d) What is our risk? (e) What is the Reward/Risk ratio? (f) Do we take it? (g) How to up the Trailing Stop? (See key points and the presentation slides in Brainy's *Share Market Toolbox*.)
9. **Real live scans**. Robert led a discussion and BullCharts demonstration on this topic. We looked at how to create and run some scans in BullCharts, including use of some key BullCharts features.

10. **Brendon Lansdowne** (BullCharts Sydney) visited in July 2010 whilst in Melbourne for the Trading and Investing Expo, and talked to the group about the BullCharts company (Bull Systems). The main topic was the pending release of BullCharts version 3.8.7 with key features:- Portfolio Manager and Trade Planner, as well as the Advance/Decline indicator and an increase in the number of Alerts from 100 to 300. (Lots of notes in the meeting minutes July 2010 in the Yahoo Forum).

3. Trading and Strategies

11. Gerard (Aug 09) applies a filter to his stock selection. He puts the ActVest indicator on the XJO (S&P/ASX 200). And John filters using the XJO and Daily RSI or Weekly MACD looking for divergences.

NOTE: Remember to back-test any strategy BEFORE implementing it.

4. Chart Types

12. No new chart types in this year.

5. Indicators

13. Discussed many during the meetings.
14. **JB Volatility Profit Taker** — Nick Birjak lead a discussion (Aug 09) on the JB Profit Taker indicator that is included in BullCharts. On BHP, this looks like the screen shot at right. (JB = Jim Berg; for more details, Insert the Indicator on your own chart, and look at the indicator properties, then click on the “Formula” tab for more details).



Nick first does a scan for JB Rising Trend (weekly), then saves the Scan results Table as a Watchlist, and then scans that watchlist for confirmed entries. We noted that with some stocks, it can take up to 10-15 days for a stock to pay off.

More details on Jim Berg and his materials on his web site: www.sharetradingeducation.com

15. **Alan Hull Act Trade and Act Vest** — Peppy explained how Alan's Blue Chip report works. We looked at the BullCharts ActTrade indicator on the Small Ordinaries index (XSO) to see what sort of signals it currently gives. It looked similar to the screen shot at right (except that this shot is updated with Daily candles superimposed on the Weekly chart — Robert's special adaptation of the indicator which makes it easier to implement Alan's strategy). More details are on Alan's web site, and in his Course Notes (download from the web) www.alanhull.com



16. **“Your favourite indicator”** (Jan 10). A group discussion. Common indicators used around the table include: Moving Average (MA), MA Crossover, Guppy MMA, Bollinger Bands, MACD, RSI, Momentum, OBV, Parabolic SAR, Directional Movement (ADX, +DI, -DI), SIROC, Stochastic, Alan Hull's ActVest/Trade and ROAR, JB Volatility Profit Taker, Chaikin's Money Flow, Average True Range (ATR), Wilson ATR Trailing Stop.

Note: It was interesting to note that only about 4 hands at most went up for any one indicator. And some indicators are used by just one or two people.

6. Scans

17. (see discussion on presentations).

7. Line studies, chart tools and other features

18. Quick, short sessions on various toolbar buttons. Many discussed — refer to Robert's web-based [Indexed Archived Tip Sheets \(click here...\)](#) for a long list.

8. Tips, Shortcuts

19. **Delete a line study** — Some users had noticed that sometimes it is difficult to delete a line study from a chart. We tried this — on a chart, insert a trend line, then right-click on it and notice that on some occasions when you do this, the Delete option is not on the drop-down list, and sometimes it is there. There does appear to be a bug.
20. **IntelliCharts** — Robert pointed out that IntelliCharts can cause a glitch if you turn it on

and off several times during a session. What can happen is IntelliCharts can duplicate the line studies and text annotations. It might look like there is only one copy there. But if you select it and try to delete it, the item appears to still be there. But what is actually happening is that you have deleted the top copy of the item, and any remaining items are still on the chart. Just keep clicking and deleting, and you will eventually get down to the last one in the stack. He has an explanation and work around for this on his web site in the BullCharts FAQ page: www.robertbrain.com/bullcharts/faq.html

21. **Layer Manager** — and toolbar buttons.
22. **Copy and paste glitch** — Graham P reported a problem with copying text to/from the Windows clipboard and BullCharts (it used to work for him on Windows XP). Graham is now using Windows Vista and BullCharts v3.8.2 (so it might be a Vista problem). We asked if anyone else has seen this problem — no one.
23. **Windows Vista and Windows 7** — Interesting to note: Vista users:- Ian Morgan, Greg Hilton, Wen Zhao. Also Windows 7 users:- Chandra.
24. **Windows 7** — Graham Parker recently moved to Windows 7 (we already have a couple of people using BullCharts on Win 7 — it runs fine). Graham initially experienced one glitch, to do with Watchlists, and the location of the Watchlists folder and files. The support staff helped resolve this quickly.
25. **Delete drop-down** — Belinda asked about a possible problem with “Delete” from the drop-down dialogue box. Robert explained that this is a known issue — sometimes when you click an object and then right-click to delete it, the Delete option is not shown in the drop-down dialogue. Someone suggested that one way to fix this is to go to this menu option: “Tools > Preferences > General (tab)”, and then for the 4th item “Remember menu/toolbar layout and customizations”, simply untick, and then re-tick the check box.
26. **Dividends — when are they?** — this information is in BullCharts in the “Security Summary” section for each stock, or you can download Chris's indicator from the Yahoo Forum and apply the indicator to a price chart to automatically flag the date on the chart.
27. **Gann Swing + Price Plot** — John Beattie asked (May 10) about overlaying a standard price chart onto a Gann Swing chart. This concept puzzled a few of us; but we explored the option and discovered the points that are included with a sample chart (see the meeting minutes in the Yahoo Forum).

28. **Defaults value in indicators** — John Beattie asked about this feature. Notice that for each indicator there is a “Defaults” button that allows you to set the current parameters (and colours and other options) as the default value for all future uses of the indicator. This button is in the lower left corner of the indicator properties dialogue box. And one of the options therein is to reset to factory defaults — so it doesn't matter if you mess up your own defaults.

29. **Overseas stocks?** — How to display these?
It is possible to view price charts for overseas stocks. If you know the stock code, you can enter it in the same way that you would to view an Australian stock; but with a “US.” prefix. For example, to view Microsoft with the US stock code MSFT, type in: **US.MSFT**. Or for the company 3M, type: **US.MMM** Overseas indexes are a little different — eg. DJIA = **US.^DJA** Robert has this information stored in one of his eBook (PDF) Articles in the Share Market Toolbox — it is Article number BC-05-100 “*Stock Codes, Indices, Currencies*”. Toolbox members can view this from the eBooks web page: www.robertbrain.com/ebooks/ (non-members can see the Page1 of the article on the same web page.

9. Other BullCharts items

30. **Suggested new features:-** Graham P — Position Size (and Stop) Calculator.
James P — Market Depth display on vertical Price Axis.
31. **US Stocks — How to chart US stocks in BullCharts?** The general format of the “security code” is, for example, US.GOOG (for Google), US.AAPL (Apple). You will need to wait a few seconds for the data to be downloaded from the remote server to your PC (unlike your Australian Securities End of Day data which is stored locally on your computer's hard drive). Global index codes are like the example: US.^DJI (Dow Jones indicator). For a list of these, see the BullCharts web site, or there are two versions on Robert's Toolbox site here: www.robertbrain.com/bullcharts/ in the FAQ section, for (i) a short 2-page list of common index codes, and (ii) a more detailed 29-page version.
32. **Actions menu item** — A number of useful items.

10. Markets overview and discussions

33. We looked at a Weekly chart of the XJO (Aug 09) with the 30-week MA (as per Stan Weinstein's teachings). See chart at right. Robert also pointed out that if you look at this chart going back over a few years, you will notice that whenever the price gets too far up ahead of the 30-week MA, then there tends to be a pause in price as it falls back to kiss the indicator. The current chart suggests this might happen soon.



34. Have looked at the XAO (All Ords) and charts of the Top 20 stocks (the XTL index).
35. We looked at VPG Valad Property (May 2010 — you had to be there to hear it).
36. **Marcus Padley** — recently commented in The Age (Saturday?) re: CFDs, leave them alone.

11. Events

The following events were mentioned:

37. **Trading & Investing Expo:** Fri-Sat 2-3 Oct, 2009 www.TradingAndInvestingExpo.com.au. and 23-24 July, 2010. ATAA Members usually have free tickets available.
38. **ATAA Conference** (in October each year). www.ataa.com.au/conference
39. **Jake Bernstein** will do a special ATAA presentation on Tuesday 20 October 2009 — see the ATAA (or committee members) for details. This is while he is in Australia for the ATAA Conference, and with www.ADEST.com.au (David Hunt).
40. Robert's Technical Analysis Introduction seminar runs every two months ([Blue Chip Price Chart Secrets seminar](#) — see the Toolbox).
41. **Sunday Traders Club** (Alan Hull) — at Wantirna Club, Wantirna South. RSVP: by email to: enquiries@alanhull.com or phone 9801 5555. Info flyer is uploaded to the Yahoo Forum > Files section > Clubs,Seminars,Expos (link here...).
42. The Symposium Resources seminars www.symposium.net.au are gaining popularity.

12. Web sites, magazines, eNewsletters, etc.

The following web sites and magazines have been referred to during meetings:

43. **Market data** — good source is <http://asx.netquote.com.au>
44. **Educated Investor bookshop** (Collins Street, city) is selling DVDs. www.educatedinvestor.com.au
45. **The Sunday Age** has market commentary.
46. **Darryl Morley (Herald Sun on Wednesdays)**
47. A great web site for chart patterns — Bulkowski — www.thepatternsite.com
48. New web site and business: www.markettiming.com.au featured on Sky Business Channel 602.
49. **The ASX Share Market Game** comes up twice each year. www.asx.com.au
50. **ASX web site** — studied key features of the site (March 10). Some good research and pricing tools and information.
51. **Dividends** — see Board Room Radio web site — <http://www.brr.com.au>
52. Paul C visited the Brisbane ATAA meeting and saw Davin Clarke speak. Note free seminar. See web site:- www.trade4edge.com
53. **Brian Costello** — www.entello.com.au
54. **Trading With The Gods** — Alan Oliver www.tradingwithgods.com
55. Sky Business Channel (Foxtel 602) — The Perrett Report — www.businesschannel.com.au
56. Richard Farleigh — <http://farleigh.com/>

13. Books discussed

57. “*The Daily Trading Coach*”, Brett N Steenbarger on trading psychology (Andrew is reading). See Brett's web site: www.brettsteenbarger.com
58. Justine Pollard's “*Smart Trading Plans*” is a good book.
59. *Stop Orders*, Tony Loton;
60. *Sell and Sell Short*, Alexander Elder;
61. Your Trading Room to watch live trading (Greg H):- <http://www.yourtradingroom.com/> ;
62. Watch (US securities) trading about 8:30am (Paul C) <http://realitytrader.com/>.
63. Coming soon — “*The Wiley Trading Guide*” from J.Wiley. [available now — [Wiley Press Release](#); and at LawBooks.com.au]
64. “*Secrets of Stock Market Traders Exposed*” Dale Beaumont.

14. Yahoo Forum

The key features of the Yahoo Forum now include:

65. Message posts
66. Files storage:
 - The latest list of members and basic details an dother stuff.

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