IFTA
International Federation of Technical Analysts

IFTA UPDATE

a newsletter for the colleagues of the International Federation of Technical Analysts

2018 Volume 25 Issue 2

IN THIS ISSUE

Next Issue: September 2018

Submission Deadline

All content: August 15—
send submissions to admin@ifta.org

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President's Report to Colleagues

Dear IFTA Colleagues,

Allow me to share with you some of the IFTA activities and developments over the past months:

IFTA Webinars

Since our last update on our IFTA webinar program, IFTA Director Tom Hicks put together two more webinar sessions. The first session, held in late March, was titled "Trend Trading—A More Consistent Approach for the Private Trader" and was presented by keynote speaker Zaheer Anwari. The second webinar was titled "Avoiding the Spikes...Uses and Abuses of Andrews and Schiff Pitchforks" and was presented in late April by keynote speaker Eddie Tofpik.

If you did not get a chance to attend or view these webinars, be sure not to miss our future webinars in 2018. For more information on how to register, please contact your member society.

IFTA 2018 Annual Conference Update

I am pleased to report that preparations for the IFTA Annual Conference, to be held this year in Kuala Lumpur, Malaysia, are well underway and moving forward as planned, as reported by our organizer, MATA. Additionally, MATA reported that registration is open on the conference website at https://kl2018.ifta-conferences.org/.

In addition—and through the marketing efforts of the MATA conference team—earlier this month MATA co-hosted a "Market Outlook Event" along with strong and much appreciated support and collaboration from NTAA and AATI. This event was set as one of the pre-roadshows for the 2018 IFTA Annual Conference. Our IFTA director/VP Asia-Pacific, Akihiro Niimi, who was also a speaker at the event, reported that it was very successful, with over 200 attending delegates.

IFTA Member Societies: Updates and Events

NTAA's recent contribution to IFTA

Recently, the NTAA made a much appreciated offer to IFTA to translate their own "Introduction to Technical Analysis" booklet. This booklet played a role in providing insight to newcomers who were interested to learn technical analysis and join the NTAA. I am pleased to report that this booklet soon will be available on the IFTA website for all member societies. I thank the NTAA and Tobe-san for their precious contribution.

STA's Home Study Course (HSC)

I'd like to highlight that the STA is now offering its new Home Study Course (HSC 2). The HSC is regarded by IFTA as a non-exclusive technical analysis teaching course that can also be used as an additional study guide for both CFTe I and CFTe II. For further information on the STA's HSC 2, please visit the STA web page and see page 28 of this *Update*.

Continued on page 5

IFTA 2018

INTERNATIONAL FEDERATION OF TECHNICAL ANALYSTS CONFERENCE

31ST ANNUAL CONFERENCE

KUALA LUMPUR CONVENTION CENTRE

26 - 28 OCTOBER

NAVIGATING THROUGH TIME & VALUE

Why you should attend IFTA 2018 in Kuala Lumpur?

Theme: Navigating through Time & Volatility.

The theme of the conference, "Navigating Through Time & Volatility" is about exploring and tinkering with ideas on how trading & investing has evolved from the perspective of "time". Various techniques, methodologies, ideas, systematic trading system, adaptation on momentum investing and more to be presented during the conference. We believe this world-class conference will revolutionise the financial markets particularly in the Asia Pacific region. The conference will provide links to the untapped and potential investments in countries like Vietnam, Cambodia, India and China (Malaysia's latest strategic partner).

We expect the conference to be attended by 350 professionals, from advisors, fund buyers, asset managers, hedge fund managers, analysts, private bankers and professional traders, not only from Europe but also from the USA and Asian countries. The delegates will be drawn from all IFTA societies from around the world. You will have the opportunity of being involved in an exciting line-up of prominent speakers and panel sessions and to watch, hear and meet with acclaimed cutting-edge speakers, as well as to network with each other.

MALAYSIAN ASSOCIATION OF TECHNICAL ANALYSTS (MATA) PRESENTS

IFTA 2018 | 31ST ANNUAL CONFERENCE

26TH,27TH & 28TH OCTOBER 2018

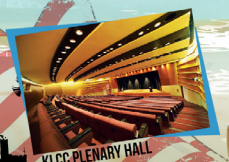
NAVIGATING THROUGH TIME & VALUE

A Date With Malaysia

- THE BEST SPEAKERS FROM EAST AND WEST !
- NEW FRONTIER TO EMERGING MARKETS
- WORLD'S LEADING ISLAMIC CAPITAL MARKET

THE BEST THING ABOUT MALAYSIA

- SCENERY
- CULINARILY
- BEACHES
- HOSPITALITY
- PEOPLE
- GORGEOUS SCUBA DIVING SPOTS
- WORLD'S OLDEST RAIN FOREST



KLCC PLENARY HALL

MALAYSIA FAST FACTS

COUNTRY
The Federation of Malaysia comprises Peninsula Malaysia and the states of Sabah and Sarawak on the island of Borneo.

POPULATIONS
31 MILLION OF MALAYS, CHINESE, INDIANS, NDIGENOUS & OTHERS

LANGUAGES
Bahasa Malaysia is the national language and English is widely spoken. The ethnic groups also speak various languages and dialects.

TIME
8 hours ahead of GMT and **16 hours** ahead of U.S. Pacific standard time

CLIMATE
TROPICAL
HIGH: 32°C (90°F)
LOW: 21°C (70°F)
ANNUAL RAINFALL : 2,000mm –2,500mm

VISA
Most visitors from ASEAN countries, Europe, Oceania, the Middle East and North America do not need visas for social visits. Please visit www.imi.gov.my for further details.

CURRENCY
MYR
known as Ringgit Malaysia (RM) locally

BANKING HOURS
9:00am – 4:30pm
(Monday – Friday)
Automated Teller Machines (ATM) are available at convenient locations throughout the country.

SHOPPING & DINING OUT HOURS
Most shopping malls and restaurants are open from 10am – 10pm all week; pubs from 6pm – 2am.

ELECTRICITY SUPPLY
220 – 240 VOLTS AC at 50 cycles per second.
Power sockets employ the Type G plug (British)

LODGING
Wide range of selections, from budget to international 5-star/boutique hotels and apartments.
(A 5-star hotel ranges from MYR650 per room per night with breakfast)

INTERNET
WiFi is widely available at exhibition centres, hotels, cafes, and shopping malls.

IFTA 2018

WHY MALAYSIA?

See You In Malaysia!

STRATEGIC LOCATION
- MALAYSIA IS A KEY PLAYER IN THE ASSOCIATION OF SOUTH EAST ASIAN NATIONS (ASEAN). WHOSE NATION'S POPULATION TOTAL IS MORE THAN 620 MILLION.

EASY ACCESSIBILITY
- DIRECT FLIGHTS FROM OVER 60 INTERNATIONAL AIRLINES CONNECTING 113 MAJOR CITIES IN THE WORLD.

VISA
- NATIONALS FROM AT LEAST 125 COUNTRIES DO NOT NEED A VISA FOR SHORT STAYS, MALAYSIA IS ONE OF THEM !

MULTI-ETHNIC & MULTICULTURAL
- UNIQUE AND VIBRANT BLEND OF MALAYS, CHINESE AND INDIANS AND OTHER INDIGENOUS CULTURES.

EASY COMMUNICATION
- MOST MALAYSIANS ARE MULTILINGUAL. ENGLISH IS WIDELY SPOKEN THROUGHOUT MALAYSIA.

EXCELLENT VALUE FOR MONEY
- MALAYSIA IS RANKED AS ONE OF THE WORLD'S BEST VALUE-FOR -MONEY DESTINATIONS WITH ACCOMMODATION, TRANSPORTATION AND FOOD BEING COMPETITIVELY PRICED.

ANY ENQUIRIES, CONTACT US :

ANNIS OZLEEN OTHMAN
+6012 665 7469
ANNISOZLEENOTHMAN@MALAYSIANCHARTIST.COM

Calendar-at-a-Glance

Date		Topic	Host	Speaker	Location	Time	Contact
Monthly	Presentations from local and international speakers on a comprehensive range of topics (e.g., sharemarket, CFDs, options, futures, FOREX trading, methodologies, money management, psychology).		STANZ (New Zealand)	Various	Epsom Community Centre 200-206 Gillies Ave. Auckland, NZ	Varies	www.stanz.co.nz/
Monthly	Meetings are held monthly in nine cities across Australia. All monthly meetings are free to members. Visitors are welcome to attend. Bookings are not required. Visitors fee is $30.		ATAA (Australia)	Various	Various	Varies	www.ataa.com.au/meetings
Monthly	Chapter leaders and their volunteer members serve as ambassadors for the CSTA and plan social and educational events for the area. Events include presentations by industry professionals and technical analysis experts and peer learning gatherings. Chapters also play a vital role in their communities by connecting individuals and promoting technical analysis.		CSTA Chapters (Canada)	Various	Various	Varies	www.csta.org
Monthly	Meetings & Events: The STA holds monthly meetings in London, usually on the second Tuesday of every month, except for a summer break in August.		STA	Varies	British Bankers Association • Pinners Hall 105 – 108 Old Broad Street • London EC2N 1EX	Varies	Katie Abberton, info@sta-uk.org
2018							
June	7	STA 50th Anniversary Party	Society of Technical Analysts		London's Living Room	18:30	info@sta-uk.org
	14	Canadian Society of Technical Analysts Annual General Meeting	CSTA		CFA Society - Toronto, Canada	11am	bm@csta.org
Jul	2	STA Diploma Part 1 Exam	Society of Technical Analysts		London	10:00	info@sta-uk.org
	10	STA Monthly Talk	Society of Technical Analysts	Tony Plummer FSTA	CISI	18:30	info@sta-uk.org
	31	Master of Financial Technical Analysis (MFTA) Alternative Path, Session 2 application deadline	IFTA	NA	NA	NA	www.ifta.org
Aug	15	*IFTA Update* submission deadline for all news content (mid-September release)	IFTA	NA	NA	Varies	newsletter@ifta.org Attn: Aurélia Gerber, Journal Director
	31	Top-Down Overview of Global Markets in Charts (Costa Perkikis); Good Cops, Bad Cops. Politics, Economics, Strategy - Investing in SA and the World in 2018. (Chris Hart);	TASSA (South Africa) and Thomson Reuters	Costa Perkikis, Chris Hart	Thomson Reuters at The Chelsea Builiding, 4th Fl. 138 West St. Sandton	18:00	http://www.tassa.org.za/meeting.asp
Sept	11	STA *Monthly Talk*	Society of Technical Analysts	Mathew Verdouw CFTe	CISI	18:30	info@sta-uk.org
Oct	2	Master of Financial Technical Analysis (MFTA) Session 2 application, outline and fees deadline	IFTA	NA	NA	NA	admin@ifta.org
	11	STA Monthly Talk	Society of Technical Analysts	TBC	CISI	18:30	info@sta-uk.org
	25	Certified Financial Technician (CFTe II) Examination	IFTA	NA	Varies	Varies	admin@ifta.org; www.ifta.org
	25	STA Diploma Part 2 Exam	Society of Technical Analysts		London	13:00	info@sta-uk.org
	26-28	IFTA 31st Annual Conference: Navigating Through Time and Volatility	IFTA & Hosted by MATA	Varies	Kuala Lumpur Convention Centre, Kuala Lumpur, Malaysia	Varies	https://kl2018.ifta-conference.org

Continued on page 5

Calendar continued

2018 continued

Date		Topic	Host	Speaker	Location	Time	Contact
Nov	1	*IFTA Journal* Web publication	IFTA	NA	NA	NA	http://www.ifta.org/publications/journal/
	13	MiFID II Panel	Society of Technical Analysts	TBC	CISI	18:30	info@sta-uk.org
	15	*IFTA Update* submission deadline for educational articles and new content (mid-December release)	IFTA	NA	NA	Varies	newsletter@ifta.org Attn: Aurélia Gerber, Journal Director
Dec	1	*IFTA Update* submission deadline for all news content (mid-December release)	IFTA	NA	NA	Varies	admin@ifta.org
	3	STA Diploma Part 1 Exam	Society of Technical Analysts		London	10:00	info@sta-uk.org
	11	STA Christmas Party	Society of Technical Analysts		CISI	18:30	info@sta-uk.org
2019							
Feb	15	*IFTA Update* submission deadline for all news content (mid-March release)	IFTA	NA	NA	Varies	admin@ifta.org/newsletter
	28	Master of Financial Technical Analysis (MFTA) Alternative Path, Session 1 application deadline.	IFTA	NA	NA	NA	http://www.ifta.org
Mar	15	Master of Financial Technical Analysis (MFTA) Session 1 paper submission deadline	IFTA	NA	Varies	Varies	admin@ifta.org http://www.ifta.org
April	TBA	CFTe II Examination	IFTA	NA	Varies	Varies	admin@ifta.org http://www.ifta.org
May	1	Certified Financial Technician (CFTe) Level II – registration opens for October examination through IFTA website	IFTA	NA	Varies	Varies	http://www.ifta.org
	2	Master of Financial Technical Analysis (MFTA) Session 1 application, outline, and fees deadline	IFTA	NA	NA	NA	admin@ifta.org
	15	*IFTA Update* submission deadline for all news content (mid-June release)	IFTA	NA	NA	NA	newsletter@ifta.org Attn: Aurélia Gerber
	31	*IFTA Journal* Call for Papers submissions deadline	IFTA	NA	NA	NA	journal@ifta.org
Jul	31	Master of Financial Technical Analysis (MFTA) Alternative Path, Session 2 application deadline	IFTA	NA	NA	NA	www.ifta.org
Aug	15	*IFTA Update* submission deadline for all news content (mid-September release)	IFTA	NA	NA	Varies	newsletter@ifta.org Attn: Aurélia Gerber, Journal Director

President's Report to Colleagues continued

Last, but not least, I would like to thank all member societies who shared updates and news from your local societies with us. Sharing information, knowledge, and experience is and will always be, in spirit, the reason why IFTA exists and continues to do so.

Hope to see you all this year in Malaysia at the 31st Annual IFTA Conference!

Best regards,

Mohamed El Saiid, CFTe MFTA
IFTA President

Congratulations New CFTes!

Raghav Agnihothri
Ananth Madhav Bairavarasu, ATMA
Madhava Bana, ATMA
Anindya Banerjee, ATMA
Zainal Abidin Bin Abdul Jabbar, STA
Prasenjit Biswas, ATMA
Alexandre Boulard
Vaibhav Pravinkumar Chudasama, ATMA
Ezone Constantine, STA
Nitin Dalvi, ATMA
Shravan Dharmaraj, ATMA
Praveen Dodda, ATMA
Vedprakash Gehlot, ATMA
Rupesh Gupta, ATMA
Hadiyansyah Hadiyansyah
Tan Jee Kit, STA
Tan Jin Ling, STA
Akshat Khandelwal, ATMA
Ankit Kumar, ATMA
Floyd Johny Lewis, ATMA
Faraz Hanif Parekh, STA
Ravikanth Pedapati, ATMA
Xiaolei Qiu
Anuraag Saboo, ATMA
Yap Kong Seng, STA
Savio B. Shetty, ATMA
Bingxin Shi
Petros Theodoulou, STA
Sheikh Imran Uz Zaman
Sahil Vijay, ATMA
Charles Yang
Lim Yeong Chien, STA
John Loh Yi Cheng

MFTA and CFTe Exam Dates

Certified Financial Technician (CFTe)—Level I

Date	Offered Year-round
See our website for further instructions www.ifta.org/certifications/registration/	
Syllabus and Study Guide www.ifta.org/public/files/publication-downloads/IFTA_CFTe_Syllabus.pdf	

Certified Financial Technician (CFTe)—Level II

Date	25 Oct 2018	TBA
Registration deadline	7 Sep 2018	TBA
Register at www.ifta.org/register/cfte2.php		
Syllabus and Study Guide www.ifta.org/public/files/publication-downloads/IFTA_CFTe_Syllabus.pdf		
For more information on the CFTe program, visit www.ifta.org/certifications.		

Master of Financial Technical Analysis (MFTA)

	Session 1	Session 2
Alternative Path Pre-Application Deadline	31 July 2018	28 Feb 2019
Application/Outline Deadline	2 Oct 2018	2 May 2019
Paper Deadline	15 Mar 2019	15 Oct 2019
(Session 1) Register at www.ifta.org/register/mfta_alt_session1.php/		
(Session 2) Register at www.ifta.org/register/mfta_alt_session2.php/		

Digital Assets: Stage One of the New Paradigm Cycle

By Robin Griffiths, FSTA, and Ron William, CMT, MSTA
This report was updated from an original publication on 21 March 2018.

Digital assets, popularly known as Cryptocurrency, are resuming their price correction, after triggering a peak in late December 2017 and a -70% crash, as correctly predicted in our T3 report, highlighted in Figure 1 and our RWA media interview in late 2017.

The event time-stamped a **critical turning point away from the mania-fuelled linear trends of several thousand percentile, while also marking a late-stage economic cycle of speculation.** Amplified by a historic environment of low volatility and low interest rates, investors felt emboldened to chase high-risk returns, even if it meant standing in front of a proverbial bulldozer.

The days of a one-way trade, or "free-lunch" are over. In hindsight, it should come as no surprise that around two months after the peak in Bitcoin, the financial markets were hit by a re-awakening in volatility, marked by a flash-crash, which led to a record-breaking 1,600-point intraday drop on the Dow Jones Industrial Average, from all-time highs. **The big rotation from greed to fear had begun.**

Bitcoin's peak-to-trough correction of -70% is now within a traditional short-term negative cycle. This major bearish triangle pattern is developing an ABC(DE) shape, in line with a complex version of our "Roadmap" signature of a) the crash-fall b) recovery bounce, followed by c) another fall, d) bounce, e) then the rest of the fall. The double price failure at the pivot-line around 11,000, then 9,500,highlights the market's lack of upside momentum (Fig 1-panel C), which coincides with a renewed timing cycle (Fig 1-panel B and previous RWA media interview).

FIGURE 1. Bitcoin Daily Chart, with timing cycles and momentum indicator. Source: Optuma; RW Advisory LTD..

Risk management is paramount. *Avoid trying to catch the dangerous falling knife, especially with an average daily volatility of 20%.* Watch for a potential break of the long-term 200-day moving average line at 8,640 and the multi-month breakout pattern, to unlock further losses into next key support at 3,000 (highlighted by the probability distribution indicator).

Only a sustained bullish price reversal back above 9,750 would neutralize this scenario.

A historic review of the last eight years of Bitcoin's price activity highlights an average volatility signature of -85%, with the greatest drawdown of -93% (Figure 2). This simple, yet reliable statistical yardstick offers a further potential -15% downside risk, which also equates to the aforementioned price target of 3,000. **The last two years of parabolic returns led to an astonishing +3,314%, with minimal volatility, and now marks significant asymmetric risk**. Meanwhile, sentiment measures from Google (Fig 2-lower chart panel), tell us the search term of "Bitcoin Bubble" had once again spiked onto the minds of traders around the world. This same indicator proved a valuable lead signal ahead of three interim peaks so far.

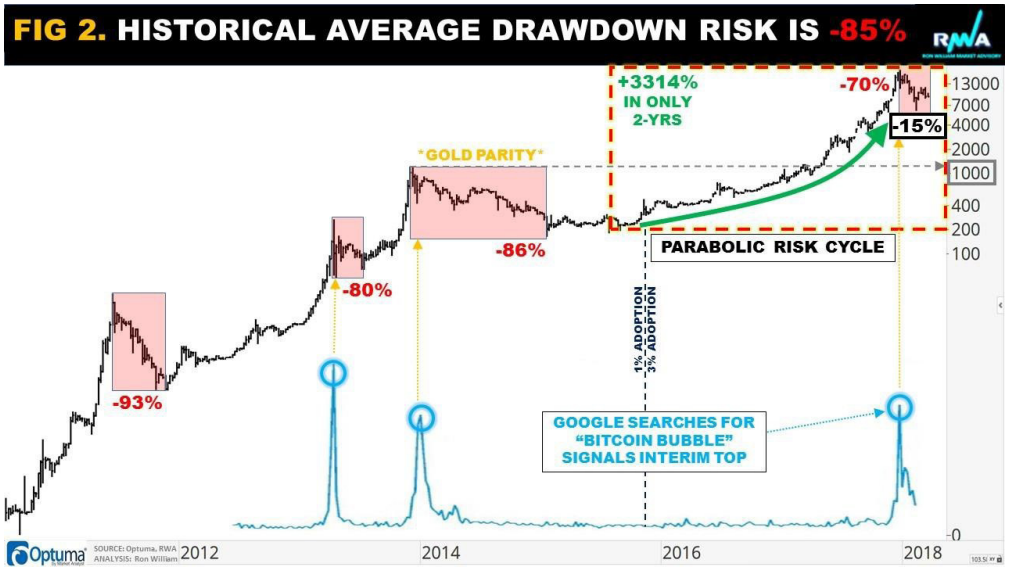


FIGURE 2. Bitcoin Weekly Chart, with historical drawdowns and Google sentiment indicator. Source: Optuma; RW Advisory LTD..

However, **it is vital for the greater collective to ask themselves what an asset price "bubble" actually means.** The term has been screamed at fever pitch levels over the years, with mixed real understanding, other than a headline grabbing soundbite or tribal group think. We believe **the digital asset mania is not a "tulip" bubble, in the sense that it will no longer have any intrinsic value.**

In fact, contrary to popular mainstream opinion, digital currencies are only just getting started within their new paradigm cycle, as part of a greater and accelerated technological wave of economic innovation. **History teaches us, rather perversely, that all such paradigms are started, and not ended, by bubbles.** This was certainly true for the technology mania of 2000, which saw internet stocks rise to stardom, only to later crash by 90%, and yet they still changed our lives many years later. This is a paradox of creative-destruction.

Currently, according to consensus estimates, **digital assets will grow to a one-trillion-dollar valuation in 2018,** and yet other surveys cite only a 3% adoption of this innovative technology within traditional business transactions. The market is still in price discovery mode, and thus far, reflecting a future expectation that Bitcoin and related proxies might be used for wider payments. The **sweet spot threshold is near 20%** for mainstream adoption of prior new technology paradigms, based on the diffusion of innovation theory (DOI).

What justifies such a giant market valuation? The answer is mostly found in the power of the digital currency network's user base. **Akin to social media stocks like Facebook, the success of the platform is directly proportional to the number of users:** more people, more value. This is not a tulip bubble in terms of an overinflated "bidding war" or traditional auction system. It is primarily due to the very nature of its decentralised, peer-to-peer model that allows it to grow exponentially, on a scalable basis.

Unfortunately, the early stages of this new digital currency model attracted plenty of hot money speculation, flaky infrastructure, and bad actors to the stage. Partly for this reason, it is arguably healthy for the market to be experiencing a shakeout within this latest bearish correction. In fact, in terms of short-term price performance, there is only one digital currency, notably Ripple, that is still flagging positive net gains since the peak of December 2017 (Figure 3-panel A).

In this latest short-term race to the bottom, Ripple remains one of the most relatively stable coins (Figure 3-panel B). This is also due to its already sizeable cliff-drop from

the record-breaking altitudes of +3,500% in only 11 weeks. In behavioural psychology terms, investors may still be recovering from shell-shock, feeling a welcome relief that the worst part of the price fall might be over.

Meanwhile, **Ethereum's price action is warning of great mean-reversion risk,** as it verges on the edge of a redefined major breakout pattern (Figure 3-panel C). A sustained break under 550 will unlock sharp losses into a price vacuum (with little price support) toward a lower target at 300. We must remind our readers that **none of this analysis is due to fundamentals, or underline techie speak,** about one coin's competitive advantage versus another. These observations are based on tangible chart facts, or price-based dynamics.

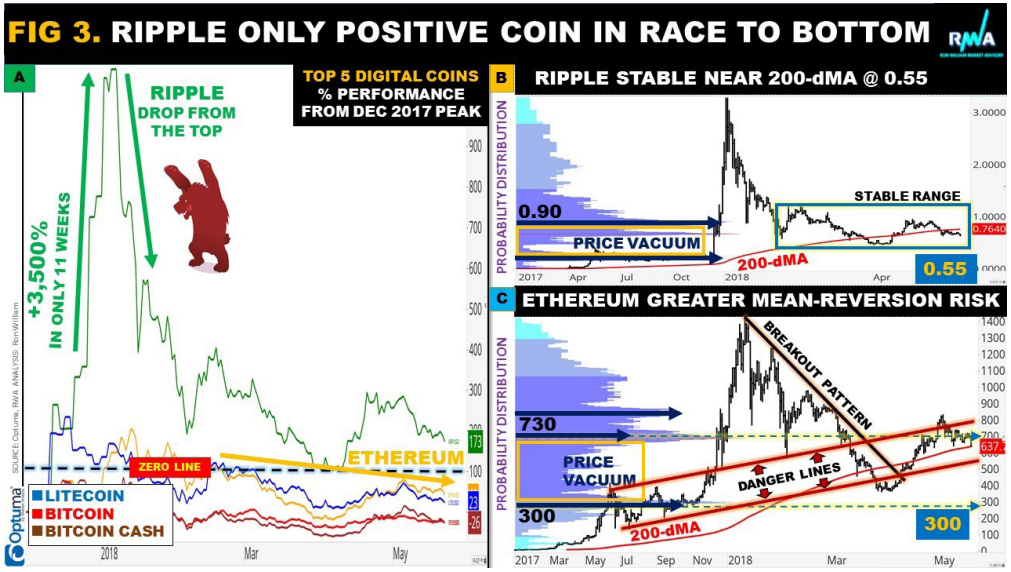


FIGURE 3. Top 5 digital coins % performance from Dec 2017 peak, technical chart of Ripple & Ethereum. Source: Optuma; RW Advisory LTD.

From a big picture perspective, digital assets remain in stage one of the new paradigm cycle (Figure 4). A long- term chart of NASDAQ technology stocks helps to visualize the historical rhyme or déjà vu with the internet bubble of 2000. **The Y2K technology mania offers an indispensable price analogue with our latest digital asset wave, as part of a three-stage cycle process.**

Follow the traffic lights: **Stage 1) RED – Bubble mania hype.** Hot money. Speculation frenzy, inexperienced retail trading, often with mainstream herding, blindly singing "buy now, think later." This is followed by a loud crescendo bubble burst, which triggers a violent corrective wave, fuelled by a "race to the bottom."

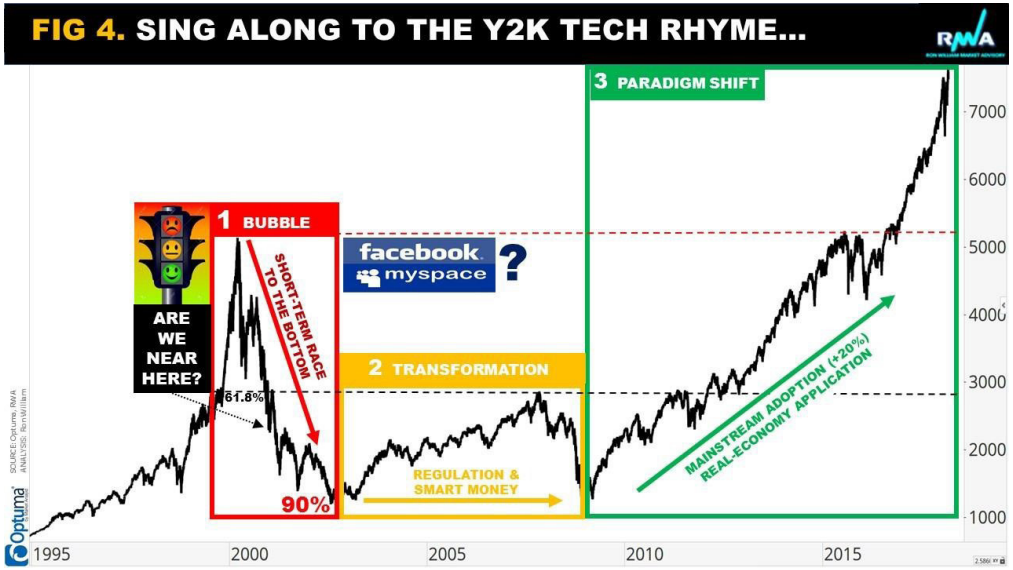


FIGURE 4. NASDAQ Historical Chart, with three-stage cycle schema. Source: Optuma; RW Advisory LTD..

Stage 2) AMBER – Transformation, where hard lessons are learned and new structures are built. Regulation and government-related initiatives pave the way for smart money products, which in return, increases broader volume and reduces wild swings in volatility. Team colleague Ron William already experienced the very early stages of a push to engage and standardize the market in the UK, having just been invited to the House of Commons to join an industry guidance team, following the official launch of an All Party Parliamentary Group (APPG) in Digital Currencies. This was only a few weeks after Bank of England Governor Carney announced a need for regulation within the industry, a call that was simultaneously echoed in the United States.

Inevitably, this becomes an evolution–revolution period where only the winners survive, and famous rotations between poster child leaders like Facebook and My Space are

Digital Assets continued

made. Here and now, **out of over 1,500 digital currencies, only 30% are likely to survive. Selectivity remains key in the longer-term race to the top.**

Stage 3) GREEN – New Paradigm Shift, where mainstream adoption finally takes place and real economy application is achieved, grounded by sustainable real money investments. We are likely only completing Stage 1, with further downside scope to come. **Traditional asset classes tend to experience a multi-year recovery process, but the accelerated nature of this latest technological wave will likely compress the cycle.** See Atlas Pulse interview, hosted by Charlie Morris, CIO of Newscape Group, with Danny Masters, chairman of Global Advisors, for a more in-depth perspective on the future of this evolving digital asset class.

Global Stock Markets at Risk: Investments Will Go Toward Commodities and the US Dollar

By El-Sayed Owaidy, CETA, CFTe

Business Cycle and Elliott Wave Analysis

FIGURE 1. Monthly chart for yields of US 10-year Treasury notes with DJIA in green line chart and S&P in red line chart up to date 27/4/2018.

US 10-year Treasury note rates move in downtrend, and we could draw a downtrend line for that trend from 1987 up to the current date. Note, the prices touch that downtrend line four times, and last February, it broke that trend line and has been closing above it since February.

Each time the prices touched the trend line, the DJI and S&P 500 witnessed a big decline, except for one time in 1994, as shown in the chart. An important note must be heeded: with the last four touches of the downtrend line, the US 10-year Treasury notes declined in tandem with the DJI and S&P 500. So, the question is, what will happen to the stock market if the US 10-year Treasury note rates confirmed a major uptrend?

The decline in the stock market usually happens, although the yield declines after touching the downtrend line; therefore the stock market witnesses a big decline and then a recovery to resume its bull market. In our case, it is probable that the US treasury notes

rates confirm the break of the trend line upwards, thereby beginning a major uptrend. If that is the case, we will see an unprecedented market crash not seen during the dot-com crisis or the global financial meltdown.

Business Cycle Analysis

Under full employment status, the markets are in "Stage Four."

In May, the unemployment rate dropped below 4% for first time since 2000.

If Treasury yields started an uptrend, it means that bonds reached their peak and accordingly, the stock market will peak as well. Bond prices peaked in July 2016 for US 10-year Treasury bonds yielding 1.33%; we are expecting an increase in yield in the coming months because the United States will boost its supply of treasuries this year to more than a trillion dollars to finance its fiscal deficit while the Federal Reserve is reducing its bond portfolio. Meanwhile, China and Japan, the United States' largest bond buyers, are trimming their holdings of treasuries.

Stage four characteristics:

– Bonds decline.

– Stocks rise and will be peaking soon.

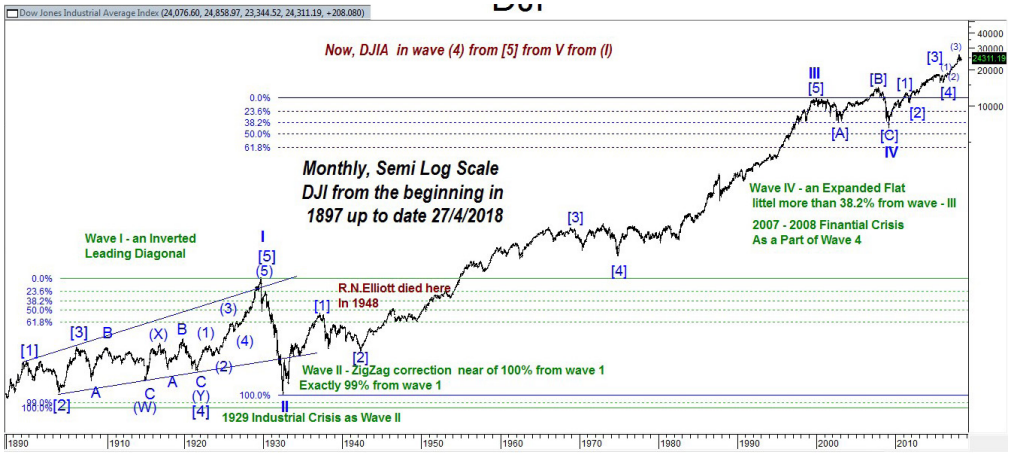


FIGURE 2. Semi log monthly chart for 1896 to 2018

Figure 2 shows an Elliott wave count for DJI from its beginning in 1897 up to the current date; we believe that the index builds the fourth wave {on an intermediate degree -(4)-} of the fifth wave {on primary degree -(5)-} of the last fifth wave {on cycle degree -V-} of the first rising motive wave {on super cycle degree -(I)-}, which began in 1897.

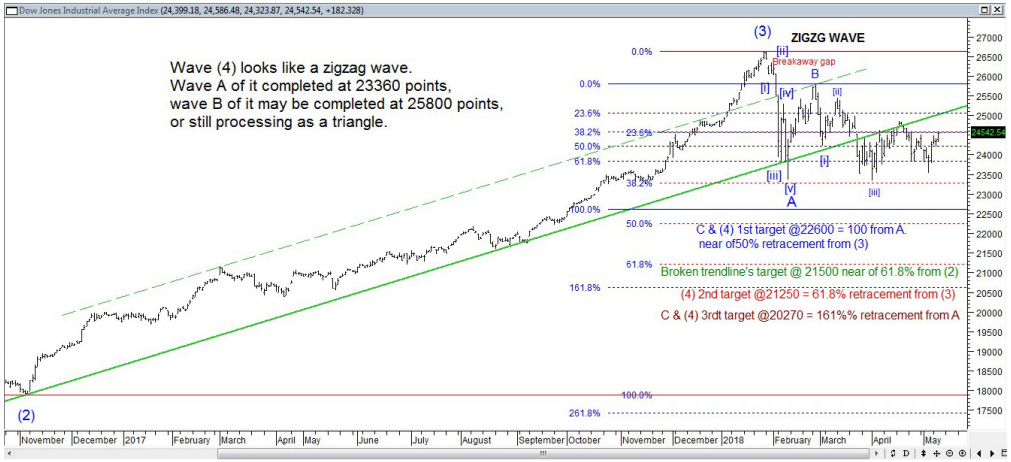


FIGURE 3. DJI, daily chart, 9-5-2018

The peak that took place at 26,600 was the third wave {on an intermediate degree -(3)-} of that fifth wave {on primary degree -[5]-}, and it could be a final peak because there is a probability that its last intermediate rising fifth wave {-(5)-} that remains might be truncated. If that's the scenario, we expect a corrective wave (represented by wave II) will retrace 61.8% of the whole rising from 40 points to 26,600 or wherever the peak takes place as the end of wave (5), the end of wave [5], the end of wave V and the end of wave (I) on super cycle degree.

– Commodities rise and keep rising.

FIGURE 4. Oil, weekly chart.

As shown in Figure 4, Oil completed its fourth wave {on cycle degree -IV-} at $28; it was a zigzag wave.

Wave (1) of [C] of that zigzag was an extended wave, so the length from the beginning of wave (3) to (5) was 61.8% of (1) length. And finally, it ended at a diagonal. The prices also have completed an inverted head and shoulders to confirm a major uptrend for the fifth wave, which is supposed to be the longer wave. So it is not surprising to watch Oil prices exceed the previous peak at $148; the nearest target is $86.5, and that's H&S's target.

Figure 5 shows an Elliott wave complete count for Gold from 1920 up to the current date; in the next chart, we'll focus on the current wave.

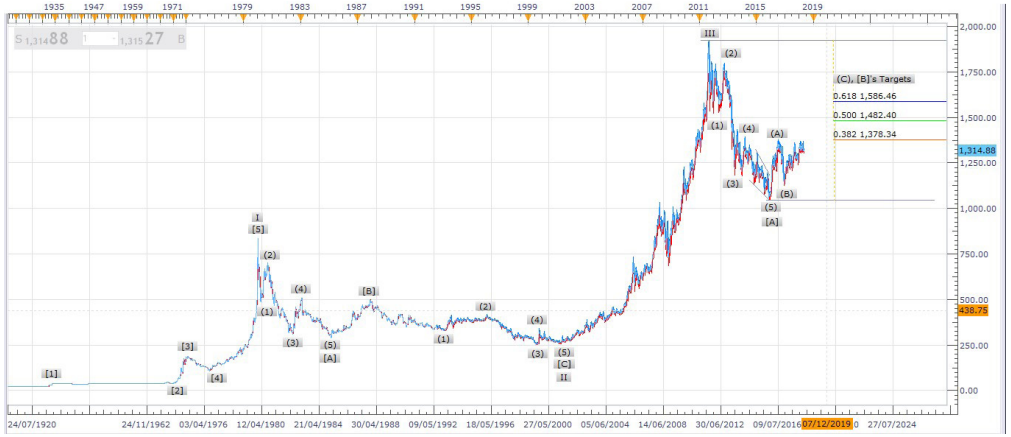


FIGURE 5. Gold, weekly chart from 1920 up to date.

FIGURE 6. Gold, weekly chart for the current corrective wave from $ level.

As shown in the previous two charts, Gold builds in wave [B]—might still be a corrective wave of one less degree–of the fourth zigzag wave {on cycle degree -IV-}, it is very important to note that the wave (A) of [B] that completed at $1,375 has appeared as a three-wave structure, which means that the wave could be an ascending triangle or part of a flat wave, especially if it had completed close to a 38.2% retracement level and there is a clear weakness in the strength of the rise. If that's the case, we believe that the $1,375 level might be a strong resistance for a long time, and we don't expect a further increase for gold to the levels of 50% or 61.8%, so it can break through 1,380–1,400 levels.

– US dollar index rises.

As shown in the next two charts for the Dollar Index, the Index had completed its fourth corrective wave at a level of 88.20 points as an expanding flat wave and then began its fifth wave from the same level, which it may record as a new high in the upper 100 points level.

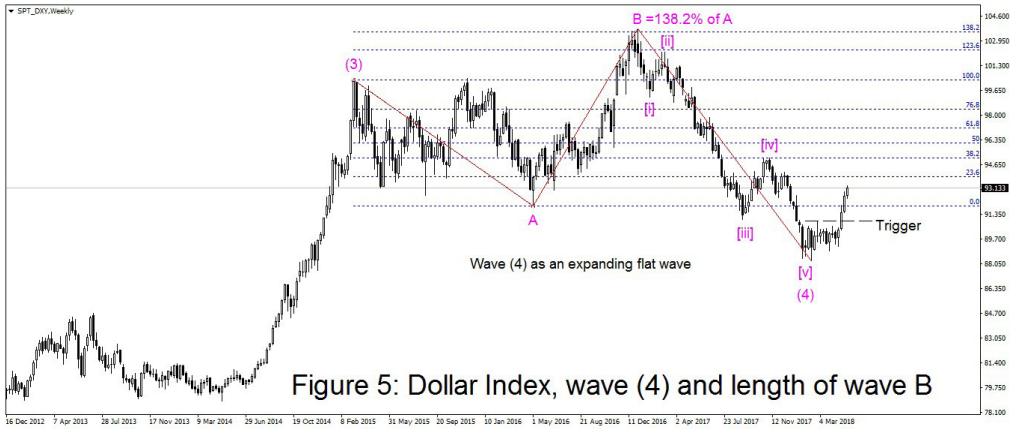


Figure 5: Dollar Index, wave (4) and length of wave B

FIGURE 7. Dollar Index, wave (4) and length of wave B.

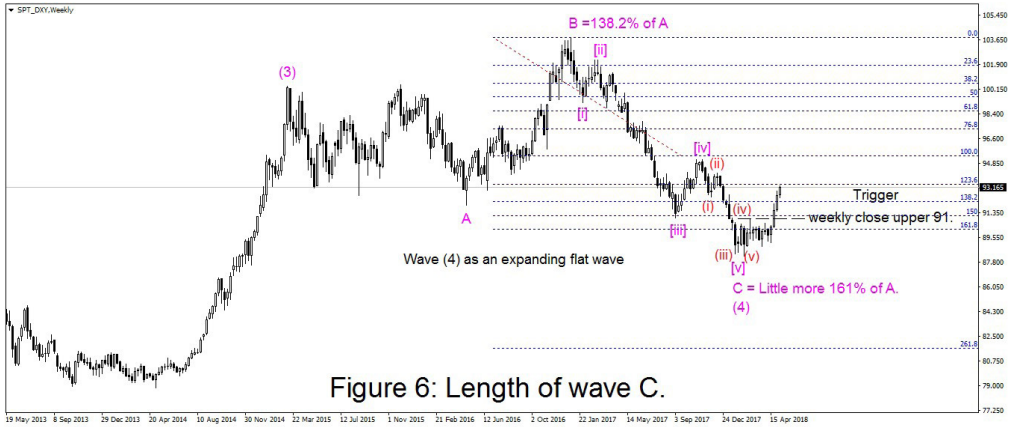


Figure 6: Length of wave C.

FIGURE 8. Length of wave C.

Conclusion:

- Global stock markets are at risk.
- Oil and the US dollar are more attractive for investments than gold.

New Multi-Timeframe Analysis With Ichimoku Cloud Projections

By Karen Péloille

As every good technical analyst knows, scanning at least three timeframes is a must in order to thoroughly understand a market.

The usual way to proceed is to display three timeframes side by side and combine each individual timeframe analysis to get a complete picture of the market action.

Ichimoku analysis offers a more practical view and, above all, enables us to better grasp and explain the market movements, whatever the timeframes used. For this purpose, a projection of the most relevant cloud and Kijun will be set on the reference timeframe chart studied.

Through different examples, this paper will show how this kind of Ichimoku analysis is handy and most valuable in order to establish successful trading strategies.

First, a quick reminder of how Ichimoku chart reading works.*

This technical indicator was created with the purpose of adding information to the sole reading of candlesticks, which mainly give trends or points of reversal. But an analyst needs to know where the market is heading with the best probability in order to establish his trading strategy. Ichimoku perfectly addresses this need by pointing out all the supports and resistances the price action will encounter. And last, but not least, it will also validate (or not) a breakout of these levels, enabling the strategist to fine tune his entry/exit in the market.

Five lines build this indicator:

- The Tenkan Sen (Turning Line). Midpoint between the highest high and lowest low over the last nine periods. This line mainly reflects the momentum of the trend and provides an early indication of a trend change.

- The Kijun Sen (Standard Line). Calculated in the same way, but on the last 26 periods. This line provides significant strong supports and resistances. It is the signal line: the breakout of this line is a confirmation of a trend change.

- The Senkou Span A (SSA) and Senkou Span B (SSB) build the Cloud (Kumo). The SSA is the midpoint between the Tenkan and the Kijun shifted 26 periods forward. The SSB is the midpoint between the last 52 periods shifted 26 periods forward. The Cloud is the area between these two lines and represents a zone of market equilibrium. It provides the current overall trend in place and indicates supports and resistances that will impact the market action in the future.

- The Lagging Span (Chikou Span). Represents the price (close) shifted 26 periods backwards. It is the memory of the market and will validate the current price action. It's important to take notice that the candles' wick extremes won't appear on the Lagging Span.

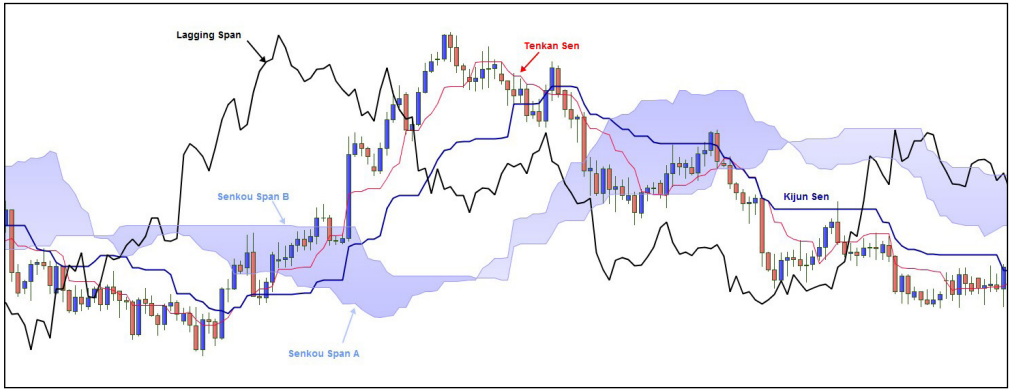


Chart 1. Ichimoku with labels.

The Kijun and the Cloud SSB (equals two Kijun) are the most important and strongest lines that define supports and resistances.

The Lagging Span should never be ignored, as it validates all price action. Its interactions with the past Kijun and SSB are most valuable to confirm a breakout of the current Kijun or SSB by the market.

So on the timeframe projected, only the Cloud and Kijun will be apparent, and sometimes the Lagging when the two timeframes close. The Tenkan will be deleted.

The examples presented below were chosen for their relevance. The explanations are the same whatever the timeframe (i.e., a short/long-term situation will be interpreted in the same way as a longer/shorter one).

Example 1: GBPNZD Short Term

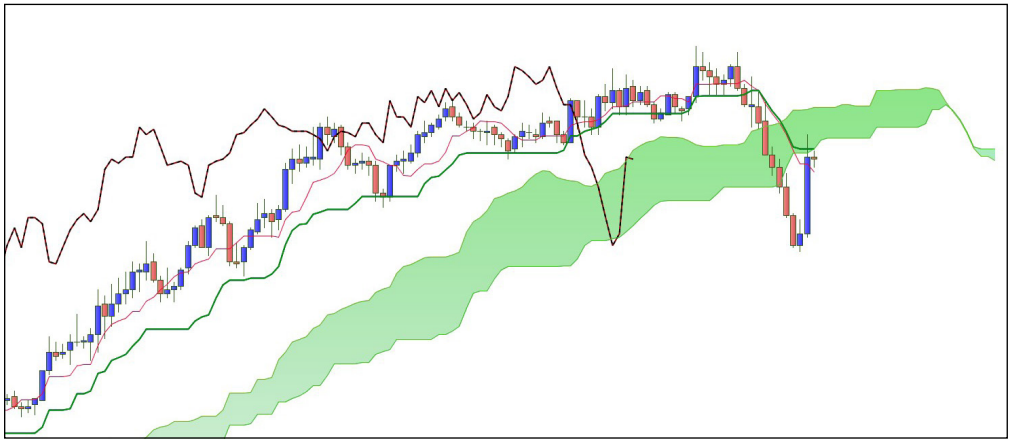


Chart 2. GBPNZD 15 minutes.

In the chart above, the market crossed the Cloud and stopped when the Lagging reached the Cloud SSB. Prices pulled back toward the double resistance Kijun and Cloud SSB.

Chart 3. GBPNZD 5 minutes.

The same price action on a shorter timeframe shows that prices reached and broke the Kijun and found a resistance on the SSB level (right).

If an analyst only looks at this chart, as the signal line (Kijun) has been broken, he could expect further price movement on the upside.

Chart 4. GBPNZD 5 minutes/15 minutes projected.

But by projecting the 15 minutes timeframe Chart 2 on this 5-minute chart, no more upside movement can be expected, as prices are hampered by a triple resistance composed of the M15 Kijun and SSB (green) + M5 SSB level. The M5 Lagging tested the M15 SSA with the candle's wick. The M15 Lagging far left remains in the M15 Cloud, and a move downward is more certain. See the result on the chart below (Chart 5).

Chart 5. GBPNZD 5 minutes/15 minutes projected.

The triple resistance information appeared immediately (at a glance) and more clearly compared with the one given by two different timeframes on two different charts.

Example 2: NZDUSD Medium Term

Chart 6. NZDUSD H4.

Here, the market is in a strong downtrend, and an alert about a possible end to this trend is given by prices trying to break the Tenkan. In that case, the target could be the Kijun level.

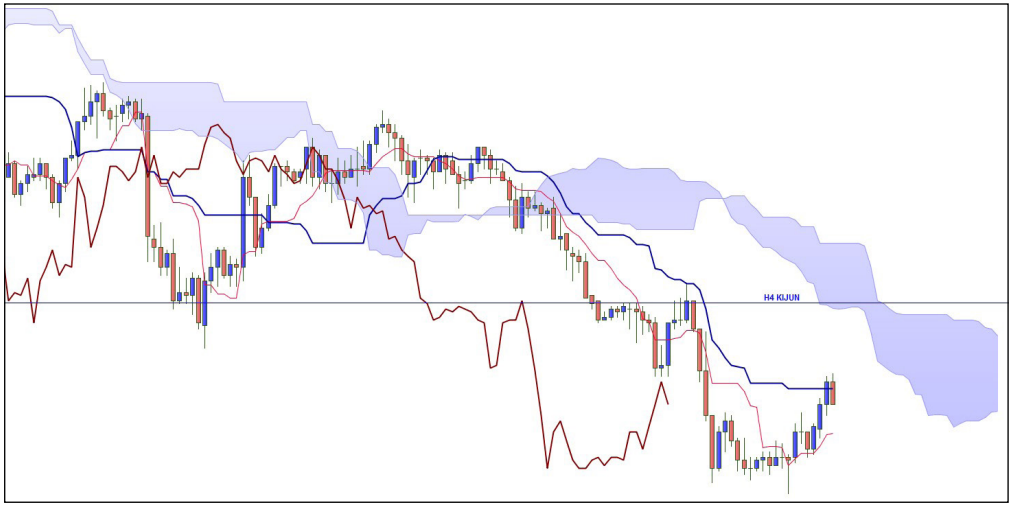


Chart 7. NZDUSD H1.

On this shorter timeframe H1, the market tried to break the H1 Kijun, which is the H4 Tenkan. The information is the same: the market is expected to reverse the downtrend if it manages to break this H1 Kijun/H4 Tenkan level.

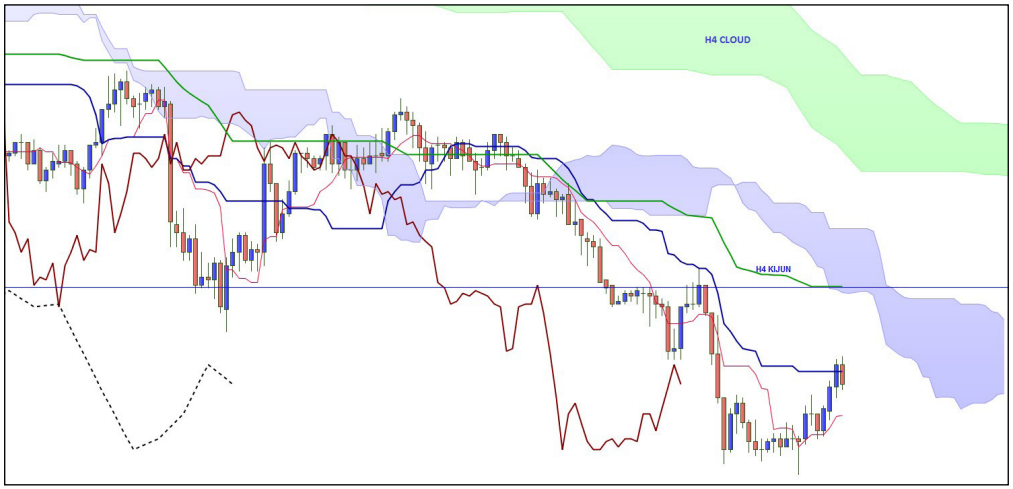


Chart 8. NZDUSD H1 /H4 projected.

So only one chart is needed: H1 with the H4 projection. Note that the H4 Kijun happens to be a few points above the H1 cloud SSA.

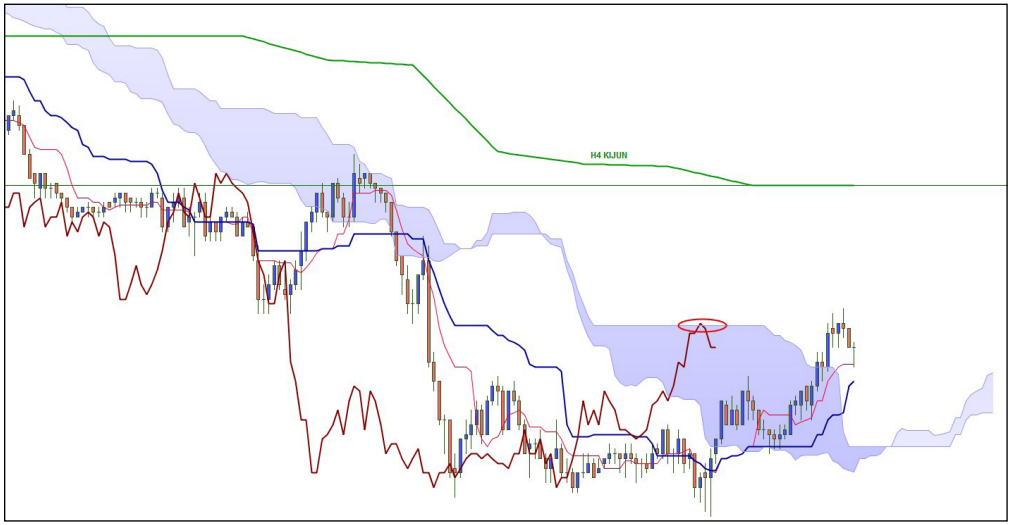


Chart 9. NZDUSD M15 /H4 projected.

Now, on a smaller timeframe (M15), the market reverses the downtrend by getting on the other side of the cloud. Prices could rise, but the Lagging didn't validate this move, as it found resistance with the Cloud SSB and so remained inside the Cloud. The bullish move initiated by the market is halted.

Chart 10. NZDUSD M15 /H1 projected.

By projecting the H1 timeframe on this M15 chart, the strong resistance met by the Lagging appears more clearly, as the M15 SSB is doubled by the H1 Kijun.

The expected target found on the H4 timeframe is materialized by the green line, as on a short-term basis, only this information is needed from the H4 timeframe.

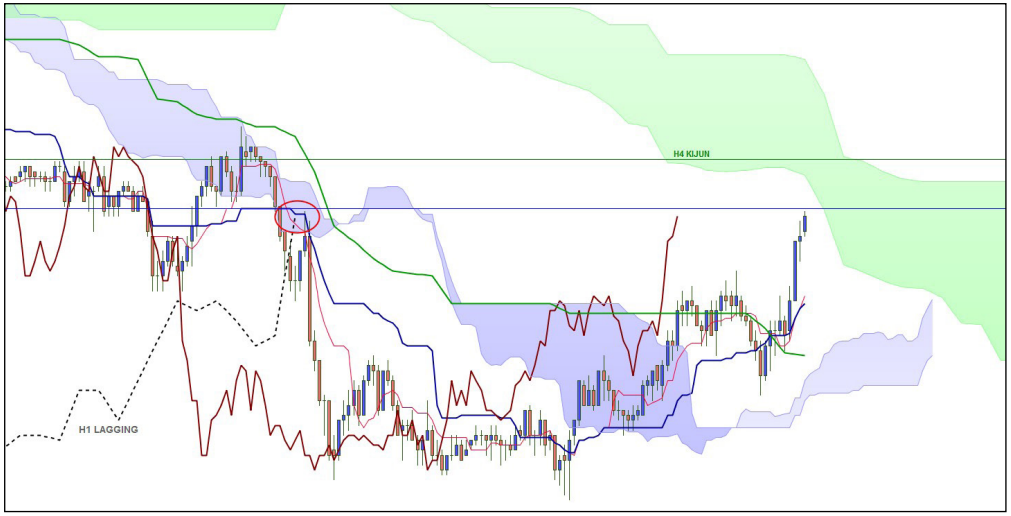


Chart 11. NZDUSD M15 /H1 projected.

Later on, the market finally moved up and stopped on the level where the H1 Lagging (left) is hampered by the M15 Kijun (red circle).

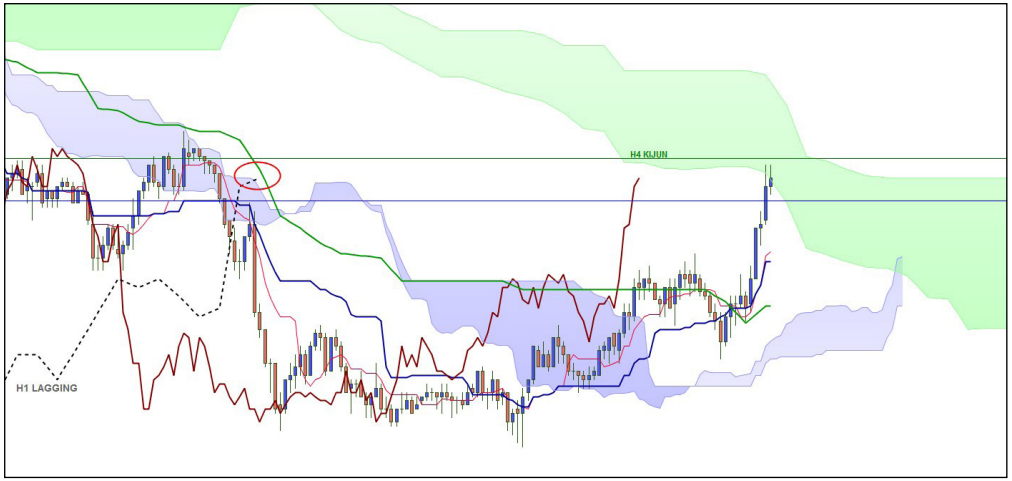


Chart 12. NZDUSD M15 /H1 projected.

Eventually, the H4 Kijun target is almost met: the H1 Cloud SSA acts as resistance, while in the meantime, the H1 Lagging finds a resistance with the M15 Cloud SSB and the H1 Kijun just after. The H1 Lagging needs to break this Kijun in order to enable the market to pursue its bullish move.

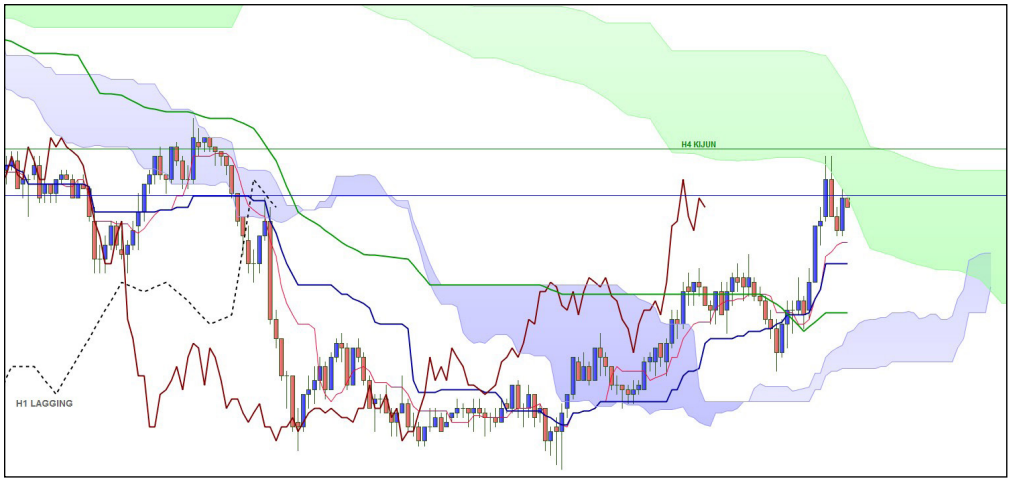


Chart 13. NZDUSD M15 /H1 projected.

Which didn't happen: the H1 Lagging remains in its M15 Cloud, and prices can't get into the H1 Cloud, which acts as resistance.

The Lagging from the timeframe projected (H1) encountered three resistances, two of which were from the shorter timeframe M15 (Kijun and SSB)—information that couldn't have appeared by looking at two separate timeframes.

Example 3: NZDUSD Short Term

Chart 14. NZDUSD H1.

Here, the market broke the Kijun on the upside and found a resistance with the H1 cloud. The Lagging stopped on its double resistance Tenkan + Kijun.

Chart 15. NZDUSD M15.

The same price action on this shorter timeframe (M15): the market got out of its Cloud, validating a reversal from the previous downtrend, but the Lagging gets back into the Cloud and doesn't confirm this bullish move. Prices find a triple support with the Tenkan and the Kijun mixed with the Cloud SSB, which is broken on the candle close.

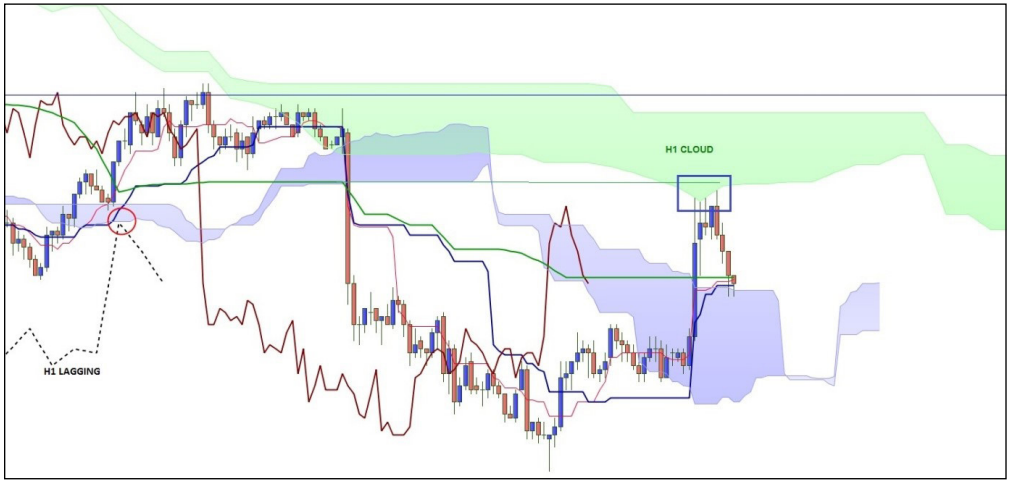


Chart 16. NZDUSD M15 /H1 projected.

More information comes out from the projection of the H1 timeframe on the M15 chart: the Tenkan + Kijun resistances met by the H1 Lagging (Chart 14) are reinforced by the M15 Cloud and Kijun (red circle). It was clearly a strong resistance.

Prices tested four times with candles' wicks the H1 Cloud SSA without entering it. They couldn't reach the H1 Kijun in line with the M15 SSB levels. That was a sign that the market won't pursue its uptrend.

Example 4: GBPNZD Medium Term

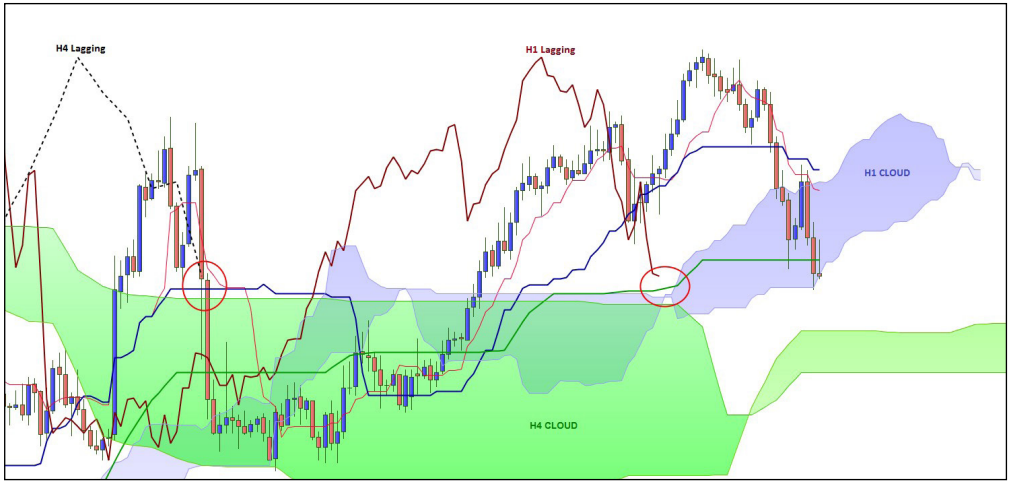


Chart 17. GBPNZD H1/H4 projected

This example shows the power of the Lagging to validate a price action.

The market is bearish and is currently crossing the H1 Cloud. The breakout of the H4 Kijun (green) leads one to expect further downside movement with prices getting out of the H1 Cloud.

In fact, a simple look at the H1 and H4 Laggings tells another story: with the wick of the second red candle, the H4 Lagging (far left) tested the H1 Kijun but not the H4 SSB just below, AND the H1 Lagging tested the H4 Kijun but didn't try to get through the H1 twist below. From an Ichimoku point of view, this is a strong information that these supports are very strong and should repel the market to the upside.

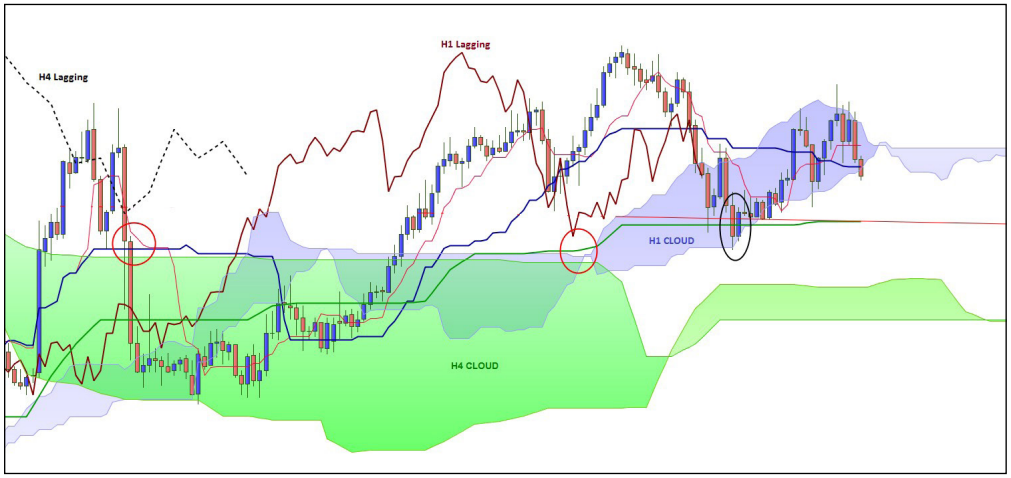


Chart 18. GBPNZD H1/ H4 projected.

And, it's exactly what happened next: the third candle in progress on the previous chart turned out blue and closed above the H4 Kijun. The market halted its downtrend and rose.

It's only with this kind of timeframe projection that one is able to clearly see these multiple strong resistances.

Example 5: AUDCHF Long Term

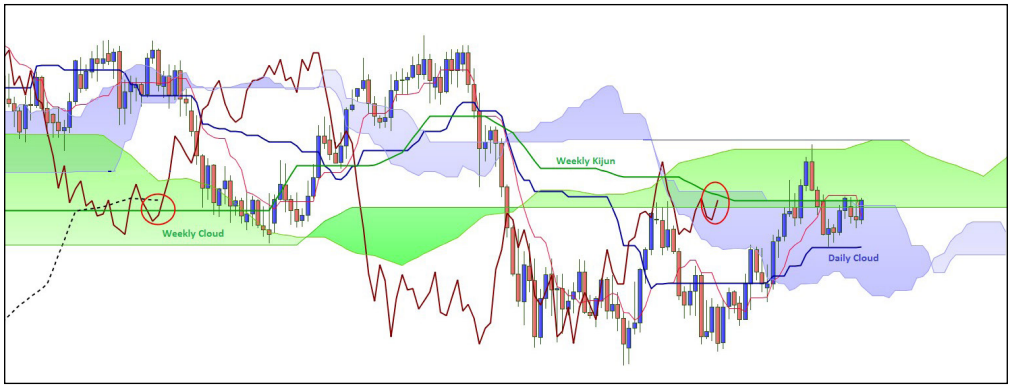


Chart 19. AUDCHF Daily/ Weekly projected.

Here is an example of a perfect neutral market: the Weekly Lagging far left is above its Kijun but still inside its Cloud; the Daily Lagging is currently breaking the Weekly Cloud SSB and finds a double resistance composed of the Weekly Kijun (green) and the Daily Cloud SSB (blue) inside the Weekly Cloud (green). Finally prices need to break the Daily Cloud SSB on the same level as the Weekly Kijun, with the Daily Tenkan just above in order to resume its uptrend.

Example 6: AUDUSD Short Term

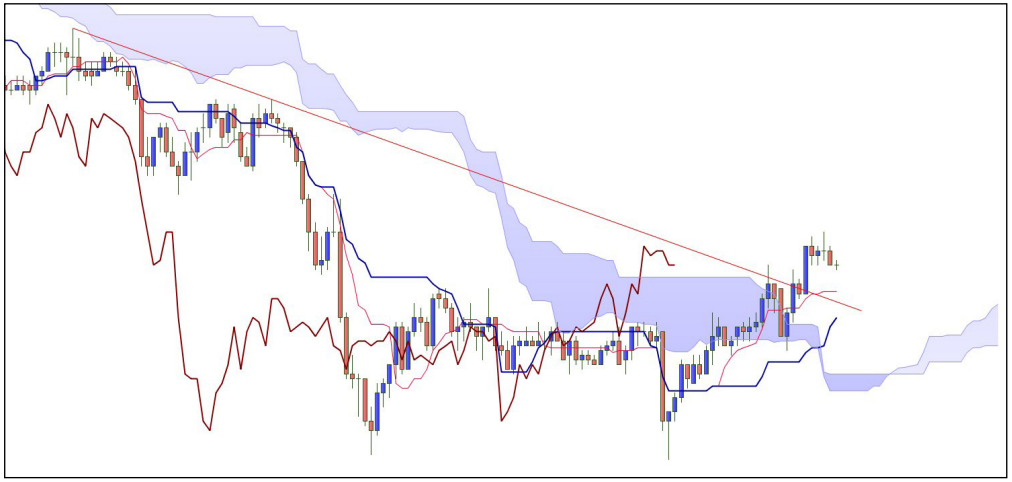


Chart 20. AUDUSD M15.

With Ichimoku charts, reading it is well advised to leave the trendline on the chart, even if it is no more useful for prices. As the Lagging represents current prices set in the past, it will act exactly as prices will with any obstacle on the way. So it will interact with a trendline, and it is very powerful information.

On the chart above, the market is bullish with both prices and the Lagging being above the Cloud. But the latter needs to break the bearish trendline in order to validate the continuation of this new bullish market trend.

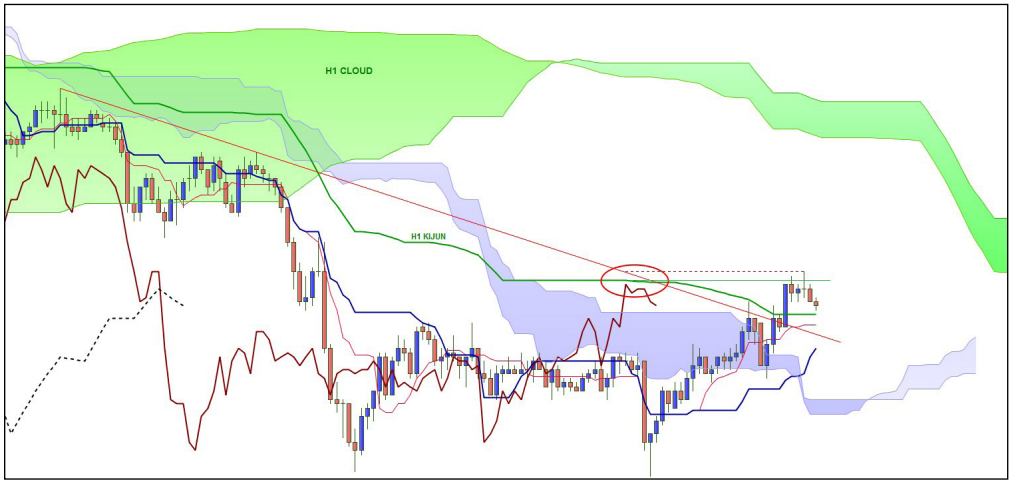


Chart 21. AUDUSD M15/H1 projected.

Note that the Lagging already tested the trendline with the candle's wick (red dotted line) and didn't get through.

By projecting the H1 timeframe, a double resistance appears above this M15 Lagging: the trendline and the H1 Kijun. The market is neutral, with the Lagging hampered on the upside by the H1 Kijun AND prices finding a support with this same H1 Kijun. In fact, they are stuck between the two levels designed by this Kijun.

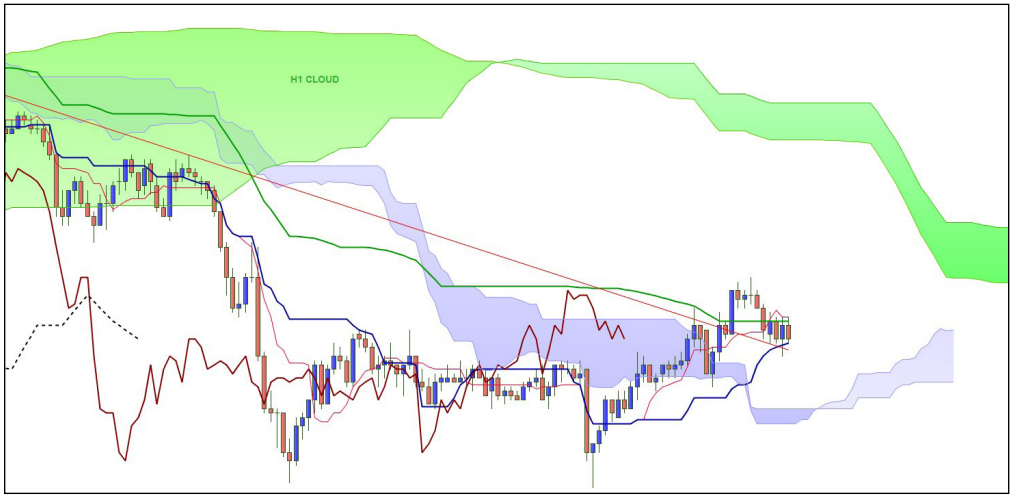


Chart 22. AUDUSD M15/H1 projected.

The resistances above the Lagging were stronger than the prices support: the market broke the H1 Kijun and stopped on the next support, which is the M15 Kijun. The market is now totally stuck between the M15 Kijun + trendline as support and the H1 Kijun + M15 Tenkan as resistance.

The Lagging is back in the Cloud confirming this market neutral state.

Chart 23. AUDUSD M15/ H4 projected.

Now, if the H4 timeframe is projected on the M15 timeframe, a double resistance was in place with the trendline for the Lagging and the H4 Cloud SSB that the prices didn't reach.

Should the market have broken its resistances, the H4 Kijun could have been a good first target to this bullish move.

Example 6: NZDUSD Long Term

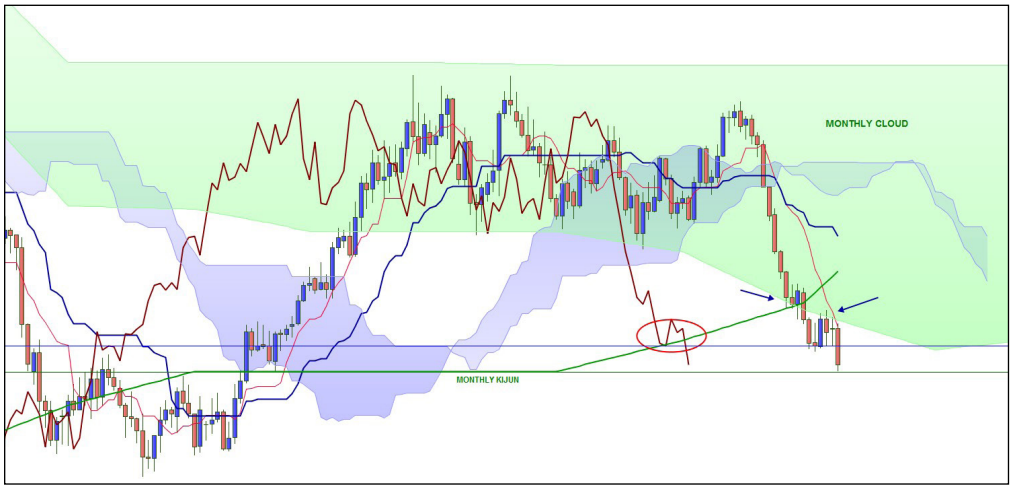


Chart 24. NZDUSD Daily/Monthly projected.

This last example demonstrates the accuracy of this kind of reading, even when the two timeframes on the chart are far apart. In this case, the monthly timeframe is projected on a daily chart. It enables one to better see how daily prices are working/struggling with monthly levels. And this is most valuable information for understanding the market psychology.

The market fell properly toward the Monthly Cloud SSA and tested the Monthly Kijun three times before breaking it. Two closes and one open are exactly on the SSA (first blue arrow).

On the last move down, the market first reached exactly the Daily SSB level (left), in line with the Monthly Cloud flat SSA. In the meantime, the Daily Lagging found a support on the same Daily SSB level mixed with the Monthly Kijun. This was an interesting cluster for a trader to watch.

Following a fourth test of the Monthly SSA, prices finally broke the support and stopped exactly on the Monthly Kijun level.

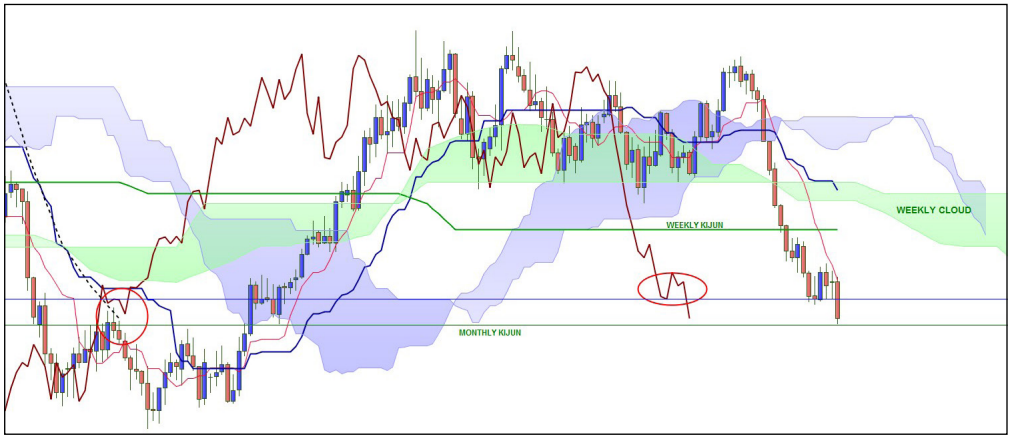


Chart 25. NZDUSD Daily/Weekly projected.

A projection of a closer time frame (Weekly) on the same Daily chart is not as relevant. The prices' struggle with the Monthly SSA doesn't appear here and one doesn't understand why the market couldn't pull back towards the Weekly Kijun when it reached the first support.

Chart 26. NZDUSD H4/Monthly projected.

This last H4 chart is even more explicit, even though H4 and monthly timeframes are quite far apart: prices testing many times the Monthly SSA with the Monthly Kijun, as support is impressive (blue rectangle).

Then note further on how prices kept on testing the Monthly SSA, but each time remaining close to the H4 Kijun.

The last red circle gave the information that the market was bound for resuming its fall: the doji couldn't reach the Monthly SSA and found resistance on the H4 Cloud SSA.

Conclusion

The projection of a different and relevant timeframe on the one used for the trade management enables a more complete view of the forces at play in the market.

Although this sort of reading could appear a little bit complicated at first sight, one gets rapidly accustomed to it as soon as one masters perfectly the importance of each line of the system, mainly the Kijun (signal), the Cloud SSB, and the Lagging Span. The confluence of these major lines from different timeframes is spotted rapidly and gives the most relevant information needed to successfully trade the market.

Only Ichimoku chart readings allow this system of timeframe projection and enable the analyst to get this "market feeling" that leads to successful trading.

About the Author

Karen Péloille has an extensive educational background in econometrics applied to financial markets. She has been trading for her own account since 2008.

Karen specializes in trading with Ichimoku and teaches principles of this system to professional and private traders worldwide. On top of her trading activities, Karen is a technical analyst and adviser for private clients and portfolio managers. You can find her on her on Twitter at #KarenPeloille.

A complete training video is available on at https://www.prorealcode.com/ichimoku-trading/.

* *More information about Ichimoku chart reading can be found in Karen Péloille's book,* Trading with Ichimoku, *published in English, French, Italian, and Spanish (summer 2018).*

Sell Relative Strength Index – SRSI

By Howard Wang, Tradesoft

Newton's Law of universal gravitation tells us that gravitation is an interaction between objects caused by the mass of an object. The level of gravity is related to the mass of the object and the distance between the two objects.

The greater the mass of the object, the greater the attraction between them and the faster the decline will be. When an object falls from a high level, it naturally accelerates along its decline. After landing, it will rebound strongly and will continue to fall.

This rule is very much in line with the ups and downs of the stock market.

In the stock market, all traders make profits accumulated in order to maximize profits. The accumulation of profits will eventually trigger a sell-off. The greater the accumulation of profits, the greater the profit-taking power will be, resulting in a sharp drop or even a crash. This is the phenomenon of market decline that we often see.

The Sell RSI and the law of universal gravitation have similarities and similar concepts and meanings. More and more profits will trigger sell-off action.

The size of sell-off is related to the size of the profitable space and also to the greed and fear of investors. The higher the stock price rises, the greater the accumulated profits and the greater the attraction for traders to sell; the stock price will likely experience a big drop. That is the power of greed and fear.

Therefore, SRSI (Sell Relative Strength Index) is also called the Sell Gravitation Index.

So, simply said, The Sell RSI describes the size of the sell-off strength with the size of the profit accumulation

SRSI calculation formula as below:

$SRSI = \{|(C-O/H-L)|_1 + |(C-O/H-L)|_2 + \ldots + |(C-O/H-L)|_n\} / \text{Highest} - \text{Lowest}_n$

SRSI < 30, Over Profit Out

SRSI > 70, Over Profit In

If SRSI → 0, Sell Balance Point, -1< SRSI <1

Example 1: NUGT, here we show SRSI compared with RSI. Please take a look at A, B, C, which are buy sell signals, D buy signal is the same as RSI, and from E to today is hold signal in consolidation

Sell Relative Strength Index continued

Education Lounge

Example 2: QQQ, SRSI Buy Sell Signals is in A, B, C, D, E, and better than RSI.

Howard Wang, M.D.

Howard Wang, M.D., Lives in Los Angeles, California. He is the founder of Tradesoft USA; creator of Profit Taking Theory, Breakout Candlestick, and Breakout Relative Strength Index (BRSI); and author of the profit-taking theory book. Howard gave a speech for BRSI at the IFTA Annual Conference in Tokyo, Japan, in October 2015. He can be reached at tradesoftus@yahoo.com.

Stock Trade Forecasting: Is It Mass Psychology or Subject to Efficient Market Hypothesis

By Prof. Emmanuel Tweneboah Senzu, Tsenzu@fbiresearchedu.org
President, Bastiat Society Ghana (www.fbiresearchedu.org)

It is empirically proven that the propensity for the stock market to act as an economic indicator is highly probable. And there is evidence of the stock market predicting five of the last nine recessions in the US economy. Furthermore, there is strong evidence from the U.S. Department of Commerce and global financial data that indicates that changes in the stock market often reflect changes in the real GDP, upon available data, which was subjected to panel analysis from 1970 to 2005.

This defines the essence and necessity to examine the science and art governing the forecasting of price in the stock market under the two major existing theoretical prepositions.

In the camp of economists, the question of whether stock market fluctuations are rational or not still currently stands. The conclusion of this paper posits a new theoretical position that addresses such confusion and postulates a new scientific direction in forecasting in the stock market.

According to efficient market hypothesis, the market price of a company's stock is fully rational in its valuation, given current information about the company's business prospects. This was empirically justified by P. Samuelson (1965) and rested on two foundations:

i. A company listed on the major stock exchange is followed closely by many professional portfolio managers, and these managers monitor news stories to try to determine a company's value, with the task of buying stock when the price falls below its value and selling it when the price rises above its value.

ii. The price of each stock is set by the equilibrium of supply and demand, which is defined as the market price and judged by the typical person within the market, as the stock must be fairly valued.

Stock Trade Forecasting continued

It was further argued by F. Eugene (1970) that the stock market is informationally efficient: It reflects all available information about the value of the asset. Stock prices change when information changes. When good news about the company's prospects become public, the value and the stock price rise; when it deteriorates, the value and price both fall. At any moment in time, the market price is the 'rational-best-guest' of the company's value based on available information.

The EMH theoretical preposition stands in contrast with J. M. Keynes postulation, which assumes that the stock market is irrational, and disagrees with the fact that movements in stock prices are hard to attribute to news, and exemplifies with his famous analogy to explain the market speculation. A newspaper held "beauty contests" in which the paper printed the pictures of 100 women and the readers were invited to submit a list of the five most beautiful. A prize went to the reader whose choice most closely matched those of the consensus of the entrants. A naïve person would have simply picked the five most beautiful women in his eyes. But a slightly more sophisticated strategy would have been to guess the five women whom other people considered the most beautiful. So in the end of the process, judging true beauty would be less important to winning the contests than guessing other people's opinions. This is his reason for defining the stock investors as those who are good at outguessing mass psychology. He concluded that, since these stock traders will eventually sell their shares to others, they are more concerned about other people's valuation of a company, mostly defined as perception rather than the company's true worth. As a result, he had the conviction that movement in stock prices often reflect irrational waves of optimism and pessimism, which he called the "animal spirits" of investors.

It is worth further examining the implications of efficient market hypothesis as a theory in connection to the realities of the trading floor in the stock market. The underpinning to this hypothesis is that stock prices should follow a random walk. This implies that changes in stock prices should be impossible to predict from available information. According to the theory, the only thing that can move stock prices is news that changes the market's perception of the company's value. But such news must be unpredictable; otherwise, it wouldn't really be news. Its proponents point out that it is hard to beat the market by buying allegedly undervalued stocks and selling allegedly overvalued stocks. It must be emphasized that statistical tests show that stock prices are random walks, or at least approximately so, which was argued by Mankiw, 2010 (pp. 536) as the reason why index funds, which buy stocks from all companies in the stock market index, outperform the most actively managed mutual funds run by professional money managers.

I therefore argue that both theoretical position and their prepositions, which define to some extent the character of the stock-market system, are admitted to be correct but observed to be measured from a different tangent. While Efficient Market Hypothesis focuses its theoretical analysis on the market products and its reactions in the market system to determine the rise and fall of price, the Keynesian stock market speculation examines the market through the agents' behaviour in relation to the market system to determine the rise and fall of price. Both model preposition as an instrument for forecasting hold some element of weakness in the trading experiment, as a result the theoretical forge of both theories into a unit theoretical discipline, define the contemporary trading art and science that guide the trading profession termed as *"Technical Analysis,"* which solve to a large extent the confusion found within the economic thinkers. This has address to the higher degree accurateness in the science of forecasting of the stocks trade in it market.

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Emmanuel Tweneboah Senzu, Ph.D.

Emmanuel Tweneboah Senzu, Ph.D., is a professor of economics and investment banking with Frederic Bastiat Institute and Cape Coast Technical University, Ghana. He is an economic research fellow to the African School of Economics, Republic of Benin, with a deep theoretical interest in investment banking focused on the area of technical analytics in the use of indicators efficiency and effectiveness examinations.

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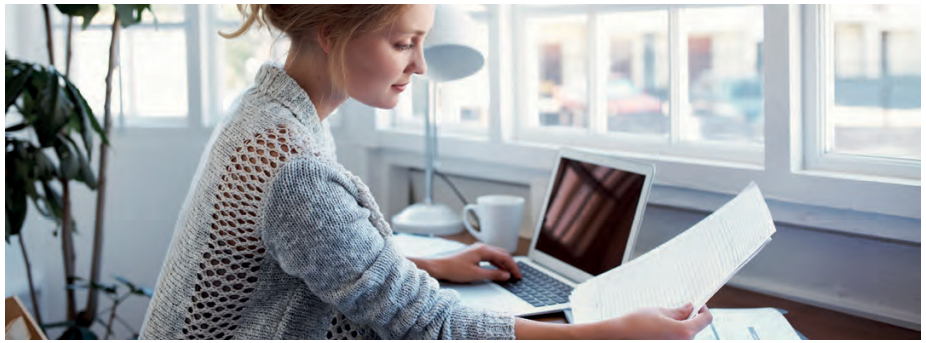
"Is it just me, or has Wilson gained some confidence since he became a CEWA?"



Balance professional development and your personal life with our new Home Study Course©

In February 2018 the STA launched the new Home Study Course, HSC 2©. This is an exciting upgrade to the hugely successful HSC© which has been a number of years in development. The STA's aim was simple - to give you the best product on the technical analysis market, not just in course content or the number of experts involved in its development, but also with the administrative and continuous student support you receive.

For the past few years we have been tirelessly working on an updated HSC 2© product and all the hard work and commitment has resulted in the launch of an industry-leading home study course that is already being recognised as head and shoulders above anything else available.

What's new in HSC 2?:

- How one encounters, engages and manages within the heightened uncertainty and ambiguity that defines risk roles. New industry experts involved in development
- More interactive
- Improved Q&A
- 40% more units created to cover increased range of topics (IFTA syllabus compliant)
- Gann unit now more practical and user friendly; additional Elliott Wave theory coverage
- Interactive questions for each unit using Exambuilder STA Diploma Part 1 exam software
- New modules: Risk & Trading systems, Behavioural Finance, Ichimoku Kinko Yyo
- Additional techniques taught: Renko, Kagi, Three-line break charts and much more
- More revision and exam preparation

The new HSC 2© course costs £1,195.00 and can be purchased from www.sta-uk.org

The STA Home Study Course© (HSC) is perfect for students who wish to learn at their own pace rather than in a classroom, due to either time or geographical constraints. Anyone who is not able to, or does not wish to, travel to London to attend the STA Diploma Part 1 and 2 courses will find the HSC an excellent alternative.

Although website based, it is fully downloadable and may be used online or offline by PC, Mac, iPad or Android machines.

For more details click here or contact the STA office on +44 (0) 207 125 0038 or info@sta-uk.org

The New STA Home Study Course

By Luise Kliem, FSTA, STA Chief Examiner and HSC Editor

It is truly a delight to be able to say that, at long last, the new edition of the STA's proprietary Home Study Course© (HSC) is now available. To make this happen, much time has been spent, and a Herculean effort made by some very dedicated STA members, and so we are extremely pleased that this complex project has now been completed. We have also been very encouraged by the hugely positive feedback we received when our Chairman Axel Rudolph presented the new HSC 'prototype' to our colleagues at the October 2017 IFTA conference in Milan.

Our LSE autumn and spring courses remain immensely popular and for some students there is simply no substitute for the immediacy that face-to-face sessions with lecturers can provide. They also enjoy the stimulating classroom atmosphere that these courses give them. But for others, the convenience of learning at their own pace, or of not having to travel, makes e-learning with the HSC the preferred option. With the first HSC already very popular, both in the UK and overseas, this new STA course is likely to spark considerable interest.

The first version of the Home Study Course© (launched in 2009 and updated as necessary) was a great success, with examiners seeing very impressive Diploma pass rates—at least equalling those achieved by other students, and on occasion even surpassing them. But time came to reflect more precisely the ever-growing interest in a wider field of topics such as TA-based money management techniques and behavioural finance, as well as an enlarged IFTA syllabus. There was also a need to make delivery as flexible as possible. So now this exceptional technical analysis e-learning course has been considerably expanded and is web-site based, although remains fully downloadable. It may be used online or offline on PC, Mac, iPad or Android machines.

Course Structure

The new edition of the course, which covers both the Part 1 and the Part 2 Diploma exam syllabi, offers 15 subject teaching units written specifically for it by leading market technicians.

The units are presented using text and, of course, a good deal of graphical

The New STA Home Study Course continued

information. In total, the 15 units contain more than 350 images and close to 100,000 words, all of which suggests a rather mighty tome. However, the information is presented in 'digestible' sections!

Each unit includes exercises to self-test understanding and progress. These exercises provide access to a store of multiple choice questions and answers in 'Exam builder', thus offering the additional benefit of practice in the Part 1 exam 'MCQ' format. In addition, a short trial exam is available, to give students some practical experience of 'how the exam works'. At the end of the course, students will further benefit from an exam preparation module, with particular attention here paid to the Part 2 exam. There is also access to past Part 2 exam papers.

Each unit is introduced by a video résumé and contains an animated focus chart with voiceover. The face in the videos and the voice on the animated chart voiceovers are those of Dominic Frisby. He was our choice because, as a financial writer, actor and voiceover artist, he has exactly the right (and rather unusual) combination of knowledge and presentational skills for this project. He is, incidentally, also a highly original comedian. That latter skill was not required on this occasion, although it was, of course, greatly appreciated by those who attended the STA Dinner in 2013, at which he was our guest speaker!

Our Authors

Many of the highly respected contributors to the first version of HSC are still represented, having revised and updated their original work. The foremost authority on point and figure charting, Jeremy du Plessis, has again contributed a brilliant module on that topic, and much-praised units on candlestick charts (Adam Sorab), Dow (Michael Smyrk), moving averages (George MacLean), indicators (Elizabeth Miller) and cycles (John Cameron) still form a core part of the HSC. Replacement units, with particular focus on practical application, have been written on Gann Theory (George MacLean), Market Profile® (Dan Gramza) and the Elliott Wave Principle (Murray Gunn). Additional units, not available in the first HSC, cover Ichimoku (David Linton), market psychology, trading plans and money management (Julian McCree), managing risk and constructing a quantitative trading system (Malcolm Pryor) and behavioural finance (Steven Goldstein).

As chief examiner, I made some additions to the original foundation, chart types and candle units to arrive at full coverage of both the Part 1 and the Part 2 exam syllabi. I also provided an additional 'exam prep' module. This offers guidance on the multiple-choice Part 1 exam and detailed advice on Part 2: what examiners look for, time management, chart annotation and advice on the different ways of structuring the answer to the crucial Question 1. An additional download, on general technical analysis report writing, was provided by Anne Whitby. Her advice will be particularly useful at the post-Diploma stage for those aiming to publish professional reports, although much of what she says will also help with the report writing aspect of Question 1.

For further information visit 'Browse Courses' on the STA website.

Authors' Profiles

John Cameron, FSTA

John is a Fellow of the STA and a former STA Board Member. His long career in technical analysis and teaching has included a pivotal role in setting up the STA's education programme and for more than a decade he held the position of Head of Education and Chief Examiner. John continues to be involved in the STA Diploma marking process.

Jeremy du Plessis, BComm, BEng (Hons), FSTA

Jeremy, whose company Indexia Research produced one of the first PC-based charting systems, is a Fellow of the STA. He is an acclaimed designer of technical analysis software (he designed the award winning Updata software), a leading authority on point and figure charting and the author of 'The definitive Guide to Point and Figure' and '21st Century Point and Figure'. He teaches regularly on the STA Diploma course.

Steven Goldstein, MBA

Steven is a performance coach and organisational development consultant specialising in financial market risk businesses. Prior to his current career he worked for more than 20 years as a rates and FX trader, holding senior trading positions at American Express Bank, Commerzbank and Credit Suisse. Steven teaches behavioural finance on the STA Diploma course.

Daniel Gramza, BSc Eng, MBA

Daniel is President of Gramza Capital Management, Inc. He is a trader, consultant, advisor to hedge funds, developer of equity and derivative securities and co-inventor of two issued security patents. He has authored numerous publications and develops and presents courses on essential mental techniques for traders, behavioural Japanese candle analysis, Market Profile®, technical analysis, options and option trading strategies.

Murray Gunn, MA (Hons), MSTA

Murray is an independent trader who also contributes analysis to Elliott Wave International's www.elliottwave.com and www.deflation.com. He was previously Head of Technical Analysis at HSBC and a fund manager and trader for the Abu Dhabi Investment Authority and Standard Life Investments. A published author in technical analysis, he has served on the Board of the STA and teaches on the STA Diploma course.

The New STA Home Study Course continued

Luise Kliem, BA (Hons), FSTA

Luise is a Fellow of the STA. Her 20-year City career included commodity broking and the positions of Senior Technical Analyst (Director of Global Securities Research & Economics) at Merrill Lynch and Head of Technical Analysis at Commerzbank Securities. Since 2001 she has taken on consultancies, working with the Credit Suisse TA team for several years. She has taught on the STA Diploma course, has been an examiner for 10 years and has held the position of STA Chief Examiner since 2013.

David Linton, BSc Eng, MFTA

David is founder and CEO of Updata, and a well-known commentator on the technical analysis of financial markets. He is a member of AAPTA (American Association of Professional Technical Analysts) and holds IFTA's MFTA designation. David is the author of 'Cloud Charts – Trading Success with the Ichimoku Technique' and teaches Ichimoku on the STA Diploma course.

George MacLean, BSc, MSTA

Before taking up a position as training consultant at Linedata Services, George spent 12 years at Standard and Poor's MMS, where he was a director of European technical analysis. He holds IFTA's MFTA designation and is the author of the book 'Fibonacci and Gann Applications in Financial Markets'. George teaches Gann theory on the STA Diploma Course.

Julian McCree, BSc (Hons), MSTA

Julian is an energy trading and investment professional with 20 years' experience in a complex risk environment. He is derivatives manager at Genesis Energy (Auckland, New Zealand). Previously Julian was senior portfolio manager at Infinity Capital (London), senior proprietary trader at Erste Bank (London and Vienna) and a proprietary trader at Manro Haydan.

Elizabeth Miller, BA, MSc, MSTA

Elizabeth has been a commodities research manager at Mars Inc. since 2007, providing applied macro and behavioural economic insights for the 'raws' procurement teams. She previously held senior technical analyst positions at Redtower Asset Management, Deutsche Bank, Bank of America and MMS International. She has been a lecturer on the STA Diploma Course and an examiner for the STA Diploma and IFTA CFTe II examinations.

Malcolm Pryor, MA (Oxon), MSTA

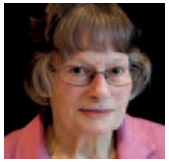
Malcolm is a private trader and investor, a trading coach and also the author of several books on trading. His book 'The Financial Spread Betting Handbook' is a best seller and is now in its third edition. He holds the rank of Premier Grand Master at bridge. Malcolm has been teaching the risk and trading systems session on the STA Diploma Course for several years.

Michael Smyrk, FSTA

Michael is a Fellow of the STA. Now working as a consultant, he began to use chart analysis when trading in commodity markets in 1965, and has been expanding his technical analysis horizons ever since. Many years of involvement in technical analysis education have included managing the MFTA programme for IFTA, teaching on the STA Diploma course and working as examiner both for IFTA and the STA. He continues to be involved in the STA Diploma marking process.

Adam Sorab, BSc, FSTA

Adam, a Fellow of the STA, has been working in financial markets since 1984. He spent 13 years as Head of Technical Research at CQS and is now a Partner and Head of Investor Relations & Sales at Lodbrok Capital LLP. He is also an independent member of the BUPA pension fund investment committee. He was Chairman of the STA from 1998 to 2008, during which time he was the driving force behind the first STA Home Study Course. He was also President of IFTA from 2010-13.



Anne Whitby, BA (Hons), FSTA

Anne, a Fellow of the STA, has been a technical analyst for more than 40 years. She started her career at Chart Analysis Ltd, where she was Managing Director from 1986-95, and subsequently set up a technical analysis department at 4CAST Ltd. She has also spent some time in investment banking, working with the Credit Suisse TA team in 1999-2000. While STA Chairman (1995-98) Anne established the first formal STA teaching courses at South Bank University.

Member News

BSG (Ghana)

From our empirical studies on developing economies in Africa, we can deduce that the majority of the population (about 97%) has a narrow understanding of investment banking and technological advancement, and 62% see no relevance of investment as a product for economic growth. This is affecting the quality of our efforts in Ghana to make a meaningful impact in the short-term, especially in the discipline of technological advancement in investment banking in the area of technical analysis and its related theoretical applications.

After the formal training of the executives to lead investment banking education of the BSG in 2017, there has been major hindrance to our progress as follows:

1. The majority of people, including in both public and private sectors in the financial industry in Ghana, lack a theoretical understanding of this discipline; therefore, it is assumed to be a high-risk venture that requires critical attention.
2. The passion for acquiring knowledge in this area of discipline in order to advance skills is quite low, such that some of our newly inducted members are victim to having the attitude of only being interested in the reward of trading but not making the effort to sharpen their trading skills.
3. In most African countries, especially in Ghana, there is no efficient trading platform that has a designated physical office in the country where people could direct their grievances with regard to challenges on the trading-platform; virtual platform-trading is seen as a high risk to investors' funds without knowing the stakeholders behind such brokerage firms. Currently, Ghana lacks a regulatory statute concerning virtual investment in the instance of a fraudulent agent, unlike a developed economy.

These are the three major factors detracting from our effort to build a quality trading team and network to tap into the virgin market of this nature; however, 1 and 2 are gradually being corrected. As president of this chapter, I am happy to report that on June 15, 2018, about 20 new members will be inducted into the society, bringing the total membership to 52.

We have therefore structured the membership data into two categories:

1. The Student Chapter
2. Workers Chapter

The Student Chapter comprises all the undergraduate and graduate students who have developed a passion for this discipline and chose to join the society, while the Workers Chapter consist of all public and private workers who have developed passion in investment and trading techniques through technical analysis.

We feel strongly that entering into 2019, a more robust group of society members will be available with deep interest in technical trading and analysis. However, we would like to indicate to the IFTA community that our center is ready to assist quality brokerage platforms that are willing to work in West Africa to have their offices in Ghana, well established to channel retail traders onto such platforms. Finally, we will be glad to work with any of the philanthropist trainers because we admit that we could not import a veteran trainer in technical analysis at full cost to Ghana to assist in capacity-building, but could only contribute to part of his/her cost in a willing spirit to help us.

Prof. Emmanuel Tweneboah Senzu
President, Bastiat Society Ghana (BSG)
Tsenzu@fbiresearchedu.org
https://ww.fbiresearchedu.org

SAMT (Switzerland)

The Swiss Association of Market Technicians (SAMT) celebrated their educational media channel launch, in local partnership with Dukascopy TV.

Ron William, vice president and head of the Geneva Chapter, will be hosting key coverage on behalf of SAMT, featuring educational topics, interviews with market experts, and latest news for society members and industry colleagues.

Tune into to SAMT's debut interviews with Martin Pring, of Pring Turner Capital, and Bruno Estier, former FX TA at JP Morgan, with much more to follow. Ongoing information will be available via the *IFTA Update* newsletter and SAMT's website.

Member News continued

STA (United Kingdom)

2018 has been a busy time for the STA, with the launch of our new Home Study Course, 50th party celebrations, exams, and the Diploma Part 2 course.

The new STA Home Study Course is perfect for students who wish to learn at their own pace rather than in a classroom, due to either time or geographical constraints. This new version of the course, which covers the syllabi for both the Part 1 and Part 2 examinations, offers 15 subject teaching units written by leading market technicians. Each unit includes exercises to self-test progress. In addition, the course offers an exam preparation module and a set of past Part 2 exam papers, as well as a supplement containing advice on technical analysis report writing. Although website based, it is fully downloadable and may be used online or offline by PC, Mac, iPad, or Android machines.

Overseas students can sit for the exam in their local country if a suitable venue can be found. For full details visit https://www.sta-uk.org/education/courses/home-study-course/. Also, see more details on pages 27 through 29.

The next STA Part 1 exam will be held on 2 July 2018, and the next Part 2 exam will be held on 25 October 2018.

This year, the STA turns 50, and we are excited to be celebrating this milestone with a party at London's Living Room on London's trendy South Bank on 7 June 2018. Starting at 6:30 pm, the evening will include live entertainment, drinks, and canapes. The global IFTA community is very welcome to attend and celebrate with us! Tickets cost £50 and covers entry for two people. Contact us at info@sta-uk.org for more details.

On 5 July 2018, the STA will once again enter a team for the JPMorgan Corporate Challenge, paying the entry fee for the first 20 members who sign up as Team STA. The 5.6 km route is suitable for individuals of all abilities and will raise money for the STA's official charity beneficiary, Cancer Research UK. To keep up to date with the STA and its events, follow us on twitter @STA_ORG or like our Facebook page.

Congratulations New MFTAs!

Akram El Sherbini, CETA, MFTA

MFTA Research Paper Title: Linear Momentum and Performance Indicators

Akram El Sherbini, CETA, MFTA, holds a B.Sc. in physics from the American University in Cairo. He has been involved in financial markets since 2007. Prior to freelancing, he was a technical analyst at Synergy Capital Markets and a team leader at Candle Egypt. His focus is on creating new technical indicators as well as developing unified trading systems for equity and FX markets. Akram is also a member in the Egyptian Society of Technical Analysts (ESTA).

Gema Merdeka Goeyardi, CFTe, MFTA

MFTA Research Paper Title: The Mercury Retrograde Cycle Impact to Determine Gold Bullish Trend Period

Gema Merdeka Goeyardi, CFTe, MFTA, is the founder of Astronacci Time Forecast method and the EYE OF FUTURE, an analysis method that combines astrology and Fibonacci to define accurate time for a trend reversal. His phenomenal TIME analysis on Jakarta Composite Index (JCI) hit 4,100 on 25 July 2011, and was published in *FORBES* magazine. As the new rising star in Asia, he has four years of experience as an astrotechnical analyst in UOBKayHian Securities for an institutional fund and retail investor. Gema received a world record MURI (Indonesia World Record Museum) award as an inventor of an astrology and Fibonacci trading method in Asia. Trading wise, within a five-year period (2012–2017), Gema has successfully turned USD $2,000 into more than USD $4 million in Gold, trading with his Astronacci method. As an active market analyst contributor in business TV, he inspires market participants to think about how to define a time reversal with financial astrology to increase the probability of the price action analysis.

IFTA Board of Directors Nomination Form

IFTA is an international organization established to advance the interests of the global community of technical analysis societies. IFTA is managed by a board of directors, which is elected by the member societies at the Annual General Meeting, normally conducted at the time of IFTA's Annual Conference. In selecting a slate of candidates for the IFTA board of directors, IFTA seeks to have the management resources, global representation, diversity, expertise and experience needed to advance its mission.

IFTA is now requesting nominations from individuals to serve on the board of directors for the October 2018–October 2021 term. **IFTA estimates that seven board vacancies will be filled at the 2018 Annual General Meeting in Kuala Lumpur.** Nominees must be willing to serve as a member or chair of a key IFTA committee and/or assist the committees and the board in ongoing work as needed.

Board members serve without payment for their work on the IFTA board of directors. Service on the IFTA board demands a high level of responsibility and a serious commitment to support IFTA's mission; it also provides personal and professional rewards to its members. Nominations from all interested persons are welcome. **The deadline to submit nominations is August 24, 2018.**

The nomination procedure is simple:

1 Any member in good standing of an IFTA member society may be nominated or may nominate him/herself.

2 Nominations must be seconded by two members in good standing of an IFTA member society.

3 The nominee must have the support of the board of directors of a local member society, preferably his or or her own Society.

4 Each nominee must submit the following to IFTA Headquarters no later than **August 24, 2018.**
   a Completed Nomination Form
   b Completed IFTA Member Society Endorsement
   c Summary or Curriculum Vitae (CV)

5 All nomination materials should be sent by email or postal mail to:

International Federation of Technical Analysts
9707 Key West Avenue, Suite 100
Rockville, Maryland 20850 USA

Phone: (240) 404-6508
Fax: (301) 990-9771
Email: admin@ifta.org

Nominations will be announced to the membership in early September. Voting will take place at the IFTA Annual General Meeting on October 25, 2018. If you have questions concerning this matter or would like a nominating form, please contact IFTA Admin at admin@ifta.org.

Nomination Form: IFTA Board of Directors

Name of Nominee

Firm

Address

City | State | Postal Code | Country

Phone | Fax | Email

Member in Good Standing of (Name of IFTA Member Society):

Nominated by

Persons seconding this nomination (must be members in good standing of an IFTA member society). Two seconders required.

1)
Name | Society

2)
Name | Society

Nominee must have the support of the board of his/her IFTA member society. A completed **IFTA Member Society Endorsement (below)** must accompany this Nomination Form. **A summary of the nominee's professional credentials and background must accompany this application.**

Nominations deadline: August 24, 2018.

IFTA Member Society Endorsement

Name of Nominee | Name of IFTA Member Society

and has the support of the society's board of directors to run for a position on the IFTA board of directors.

Signature of Society Officer | Date

IFTA Member Societies

AUSTRALIA—ATAA Australian Technical Analysts Association **www.ataa.asn.au**
CANADA—CSTA Canadian Society of Technical Analysts **www.csta.org**
EGYPT—ESTA Egyptian Society of Technical Analysts **www.estaegypt.org**
FRANCE—AFATE Association Française des Analystes Techniques **www.afate.com**
GERMANY—VTAD Vereinigung der Technischer Analysten Deutschlands e.V. **www.vtad.de**
GHANA—BSG* Bastiat Society Ghana **https://bastiatghana.org**
HONG KONG—FTAA Financial Technical Analysts Association **www.ftaa.org.hk**
INDIA—ATA Association of Technical Analysts **www.ataindia.in**
INDIA—ATMA* Association of Technical Market Analysts **www.atma.ac**
INDONESIA—AATI Asosiasi Analis Teknikal Indonesia
ITALY—SIAT Società Italiana di Analisi Tecnica **www.siat.org**
JAPAN—NTAA Nippon Technical Analysts Association **www.ntaa.org.jp**
LEBANON—LSTA Lebanese Society of Technical Analysts **www.lstalebanon.com**
MALAYSIA—MATA Malaysia Malaysian Association of Technical Analysts **www.malaysianchartist.com**
NEW ZEALAND—STANZ Society of Technical Analysts of New Zealand **www.stanz.co.nz**
NIGERIA—TASN Technical Analysts Society, Nigeria **www.tasnigeria.org**
ROMANIA—AATROM Asociatia Analistilor Tehnici din Romania **www.aatrom.org**
SCANDINAVIA—STAF Skandinaviens Tekniska Analytikers Förening **www.staf.nu**
SINGAPORE—TASS Technical Analysts Society (Singapore) **www.tass.org.sg**
SOUTH AFRICA—TASSA Technical Analysts Society of Southern Africa **www.tassa.org.za**
SPAIN—IEATEC Instituto Español de Analistsas Técnicos y Cuantitativos **www.ieatec.es**
SWITZERLAND—SAMT Swiss Association of Market Technicians **www.samt-org.ch**
UNITED KINGDOM—STA Society of Technical Analysts Ltd. **www.sta-uk.org**
USA—TSAASF Technical Securities Analysts Association **www.tsaasf.org**
USA—AAPTA American Association of Professional Technical Analysts **www.aapta.com**

* Developing

IFTA Update Schedule

The *IFTA Update* is the quarterly electronic newsletter of the International Federation of Technical Analysts, reaching more than 7,000+ IFTA colleagues worldwide. The *Update* is an efficient and cost-effective way to communicate with IFTA's member societies and colleagues.

PUBLICATION SCHEDULE

September Issue	All content due August 15
December Issue	All content due November 15
March Issue	All content due February 15
June Issue	All content due May 15

Send education article submissions to newsletter@ifta.org. Send all other content to admin@ifta.org
For more information and to advertise, visit our website: www.ifta.org/publications/newsletter/.

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