

# IFTA UPDATE

2017 Volume 24 Issue 2

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**Next Issue: September 2017**

## Submission Deadlines

**Education articles:** August 15—  
send submissions to [newsletter@ifta.org](mailto:newsletter@ifta.org)

**All other content:** September 1—  
send submissions to [admin@ifta.org](mailto:admin@ifta.org)

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

## President's Report to Colleagues

Dear IFTA Colleagues,

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

### Membership and Society Developments

Led by the efforts of our membership director, Alek Jankowski; VP Asia Pacific, Akihiro Niimi; and development director, Takashi Nakamura, IFTA has granted full membership status to two societies of Malaysia and Hong Kong—the Malaysian Association of Technical Analysts (MATA) and the Financial Technical Analysts Association (FTAA), respectively. Please join me in congratulating and welcoming these newest full-member societies to our IFTA family! Additionally IFTA welcomes new developing member Bastiat Society Ghana.

### IFTA Webinars

Since the last update on our IFTA webinar program, IFTA Director Tom Hicks has put together two more webinar sessions. The first session, titled “High Probability Day Trading,” was held in late March and

was presented by keynote speaker Lee Sandford MSTA, CFTe. The second webinar, titled “Volume at Price: Not all prices are equal!” was launched in late May and was presented by keynote speaker Paul McLaren, CFTe, DipTA.

If you did not get a chance to attend or view these webinars, be sure not to miss our future webinars in 2017. For more information on how to register, please visit our website: [www.IFTA.org](http://www.IFTA.org).

### 2017 IFTA Conference Update

Thanks to Conference Director Francesco Caruso and SIAT, more exciting details regarding the 2017 IFTA conference have been unravelled!

As you already know, our next conference will be held in Milan, Italy, from October 13–15, 2017, at the Excelsior Hotel Gallia. The conference will be hosted by Societa Italiana di Analisi Tecnica (SIAT), and this year's theme is “Sailing to the Future”.

The IFTA UPDATE is a publication of the International Federation of Technical Analysts, Inc. [www.ifta.org](http://www.ifta.org), a not-for-profit professional organization incorporated in 1986.

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## IFTA 2017 Annual General Meeting

Thursday, 12 October  
16:30 – 17:30 (4:00PM – 5:30PM)

Excelsior Hotel Gallia  
Piazza Duca d'Aosta, 9  
Milan, Italy 20124

All IFTA colleagues are encouraged and invited to attend. For further information, contact the IFTA staff at [admin@ifta.org](mailto:admin@ifta.org).

The SIAT Conference Committee has launched the conference website [www.ifta-conferences.org](http://www.ifta-conferences.org), where you can now register for the conference; learn about the conference theme, venue, and schedule; and view the list of excellent guest speakers. To name a few, this year's list includes John Bollinger, Perry Kaufman, and Robert R. Prechter!

Continued on page 4



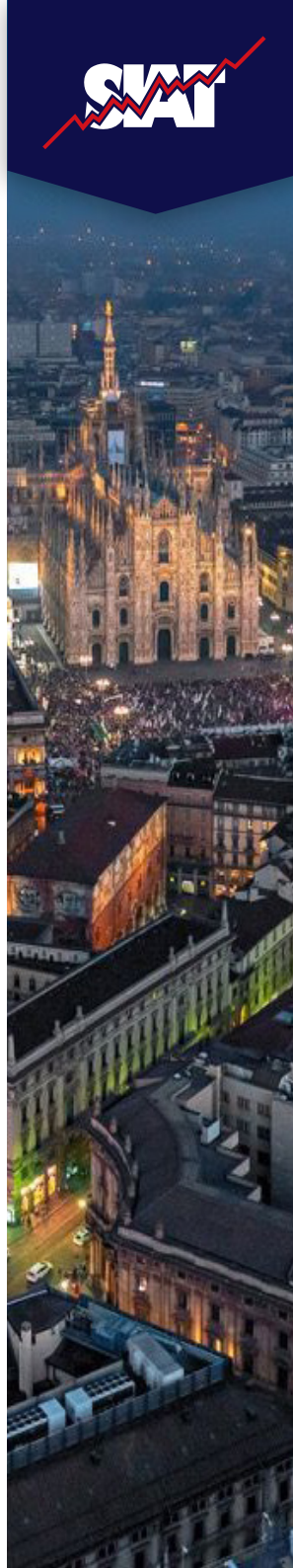
12 October - KICK OFF

13-15 October - CONFERENCE

hosted by [www.siat.org](http://www.siat.org)

The *IFTA 30th Annual Conference* will be held at the *Excelsior Hotel Gallia*, on *Friday 13 – Sunday 15 October*.

The title of the conference, "*Sailing to the future*", will allow us to go beyond the usual thematic of Technical Analysis, exploring the sea of opportunities that has been originated by a totally new "*quant*" generation of technologies, markets and instruments. We will also try to go inside the vast thematic of the contamination between our discipline and many other fields of economics (i.e. Behavioural Finance, AI, Big Data, Cryptocurrency and Blockchain), with top institutional and academic contributions.



## CONFIRMED SPEAKERS:

### *Classic And Modern Quant - Technical Analysis*

GREGOR BAUER - JOHN BOLLINGER - STEEVE BRUMENT  
FRANCESCO CARUSO - LUCA GIUSTI - KATHRYN M. KAMINSKI  
VALENTIJN VAN NIEUWENHUIJZEN - VAN LUU - ANDREA UNGER  
PERRY KAUFMAN - MIYOKO NISHIMURA - MAURIZIO MAZZIERO  
ROBERT R. PRECHTER - HANK PRUDEN - RICCARDO RONCO  
EUGENIO SARTORELLI - SPYROS SKOURAS - SERGIO PAOLINO  
DAN VALCU - ALBERTO VIVANTI - DANIEL YANNICK

### *Behavioral Experimental Finance*

ERIC GUERCI - NOBUYUKI HANAKI - RICHARD L. PETERSON

### *Artificial Intelligence*

ROBERTO MALNATI - TOMOYA SUZUKI - DAN VALCU

### *Cryptocurrency and Blockchain*

FERDINANDO AMETRANO - MONA EL ISA

## FIND OUT MORE

Full list of speakers available soon

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If you are interested in sponsoring IFTA 2017 and for all conference inquiries, please contact: [ifta2017@siat.org](mailto:ifta2017@siat.org)

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### **Online booking is now available!**

Now you can purchase your tickets for the conference and the exclusive events associated with it.

Go to the [IFTA2017 website](http://IFTA2017) and register to the conference.  
Discounted rates until August 15, 2017!

Only 300 tickets available!

**[CLICK HERE TO GO DIRECTLY TO ONLINE BOOKING NOW!](#)**

# 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	<a href="http://www.stanz.co.nz/">www.stanz.co.nz/</a>	
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	<a href="http://www.ataa.com.au/meetings">www.ataa.com.au/meetings</a>	
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	<a href="http://www.csta.org">www.csta.org</a>	
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, <a href="mailto:info@sta-uk.org">info@sta-uk.org</a>	
<b>2017</b>							
June	23	Using P/E Ratio Option Strategies to Hedge Earnings Risk	TSAASF	Dave Freitag	Golden Gate University, San Francisco, CA (Room 3214)	16:00	<a href="http://www.tsaasf.org/">http://www.tsaasf.org/</a>
	29	Webinar: Ichimoku Clouds	IFTA	Nicole Elliott, MSTA	NA	19:00-20:00 BST	<a href="mailto:admin@ifta.org">admin@ifta.org</a>
July	4	Modern Price Patterns for Trend Trading	SAMT	Viktor Pershikov, MFTA,	Volkshochschule Zürich, Bäregasse 22, 8001 Zürich	18:00	<a href="http://www.samt-org.ch/events/">www.samt-org.ch/events/</a>
	6	Modern Price Patterns for Trend Trading	SAMT	Viktor Pershikov, MFTA,	Hotel Tiffany (Salon Audrey), Rue de l'Arquebuse 20, 1204 Genève	18:00	<a href="http://www.samt-org.ch/events/">www.samt-org.ch/events/</a>
	11	Summer Party and Awards Ceremony	STA	Stephen Hoad, The Stop Hunter	British Bankers Association, Pinners Hall, 150-108 Old Broad St., London EC2N 1EX	18:00	<a href="https://www.sta-uk.org/resources/meetings-events/">https://www.sta-uk.org/resources/ meetings-events/</a>
	31	Master of Financial Technical Analysis (MFTA) Alternative Path, Session 2 application deadline	IFTA	NA	NA	NA	<a href="http://www.ifta.org">www.ifta.org</a>
Aug	15	IFTA Update submission deadline for educational articles (mid- September release)	IFTA	NA	NA	Varies	<a href="mailto:newsletter@ifta.org">newsletter@ifta.org</a> Attn: Aurélia Gerber, Journal Director
Sept	1	IFTA Update submission deadline for news content (mid-Sept release)	IFTA	NA	NA	NA	<a href="mailto:admin@ifta.org">admin@ifta.org</a>
	1	Deadline to register for CFTe on 19 October	IFTA	NA	NA	All Day	<a href="mailto:admin@ifta.org">admin@ifta.org</a>
Oct	2	Master of Financial Technical Analysis (MFTA) Session 2 application, outline and fees deadline	IFTA	NA	NA	NA	<a href="mailto:admin@ifta.org">admin@ifta.org</a>
	12	IFTA Annual General Meeting (AGM)	IFTA & SIAT	Varies	Excelsior Hotel Gallia Piazza Duca D'Aosta 9, Milan, Italy	16:30-17:30	<a href="mailto:admin@ifta.org">admin@ifta.org</a> ; <a href="http://www.ifta.org">www.ifta.org</a>
	13-15	IFTA 30th Annual Conference	IFTA & SIAT	Varies	Excelsior Hotel Gallia Piazza Duca D'Aosta 9, Milan, Italy	Varies	<a href="mailto:admin@ifta.org">admin@ifta.org</a> ; <a href="http://www.ifta.org">www.ifta.org</a>
	15	Master of Financial Technical Analysis (MFTA) Session 1 paper submission deadline	IFTA	NA	NA	NA	<a href="mailto:admin@ifta.org">admin@ifta.org</a>
	19	Certified Financial Technician (CFTe) Examination	IFTA	NA	Varies	Varies	<a href="mailto:admin@ifta.org">admin@ifta.org</a> ; <a href="http://www.ifta.org">www.ifta.org</a>
	20	Volume At Price	TASS	Paul McLaren, Managing Director, Enhance Your Options Pty Ltd	9 Raffles Place #30-02 Republic Plaza Tower 1, Singapore	19:00-21:00	<a href="http://www.tass.org.sg/event-upcoming">http://www.tass.org.sg/event-upcoming</a>
Nov	1	IFTA Journal Web publication	IFTA	NA	NA	NA	<a href="http://www.ifta.org/publications/journal/">http://www.ifta.org/publications/journal/</a>
	15	IFTA Update submission deadline for educational articles (mid-December release)	IFTA	NA	NA	Varies	<a href="mailto:newsletter@ifta.org">newsletter@ifta.org</a> Attn: Aurélia Gerber, Journal Director
Dec	1	IFTA Update submission deadline for news content (mid-December release)	IFTA	NA	NA	Varies	<a href="mailto:admin@ifta.org">admin@ifta.org</a>
	1	IFTA Journal Web publication	IFTA	NA	NA	NA	<a href="http://www.ifta.org/publications/journal/">http://www.ifta.org/publications/journal/</a>

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## Calendar continued

2018							
Feb	15	IFTA Update submission deadline for educational articles (mid-March release)	IFTA	NA	NA	Varies	<a href="mailto:newsletter@ifta.org">newsletter@ifta.org</a> Attn: Aurélie Gerber, Journal Director
	28	Master of Financial Technical Analysis (MFTA) Alternative Path, Session 1 application deadline.	IFTA	NA	NA	NA	<a href="http://www.ifta.org">http://www.ifta.org</a>
Mar	1	IFTA Update submission deadline for news content (mid-March release)	IFTA	NA	NA	Varies	<a href="mailto:admin@ifta.org">admin@ifta.org</a>
	3	Certified Financial Technician (CFTe) Level II—deadline to register for April examination	IFTA	NA	Varies	Varies	<a href="mailto:admin@ifta.org">admin@ifta.org</a>
	15	Master of Financial Technical Analysis (MFTA) Session 1 paper submission deadline	IFTA	NA	Varies	Varies	<a href="mailto:admin@ifta.org">admin@ifta.org</a> <a href="http://www.ifta.org">http://www.ifta.org</a>
April	TBD	CFTe II Examination	IFTA	NA	Varies	Varies	<a href="mailto:admin@ifta.org">admin@ifta.org</a> <a href="http://www.ifta.org">http://www.ifta.org</a>
May	1	Certified Financial Technician (CFTe) Level II – registration opens for October examination through IFTA website	IFTA	NA	Varies	Varies	<a href="http://www.ifta.org">http://www.ifta.org</a>
	2	Master of Financial Technical Analysis (MFTA) Session 1 application, outline, and fees deadline	IFTA	NA	NA	NA	<a href="mailto:admin@ifta.org">admin@ifta.org</a>
	15	IFTA Update submission deadline for educational articles (mid-June release)	IFTA	NA	NA	Varies	<a href="mailto:newsletter@ifta.org">newsletter@ifta.org</a> Attn: Aurélie Gerber
	31	IFTA Journal Call for Papers submissions deadline	IFTA	NA	NA	NA	<a href="mailto:journal@ifta.org">journal@ifta.org</a>

## President's Report continued

I look forward to meeting many of you at the 30<sup>th</sup> Annual IFTA Conference in Milan!

I would like to take this opportunity to thank all my colleagues on the IFTA board for all the hard work and effort they put forth for IFTA throughout the year.

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.

Best regards,



Mohamed El Saiid, CFTe MFTA  
IFTA President

## Congratulations New CFTes!

Christopher Clarke (STA)	Ryan S. Marinelli
Jean Gabriel Cocinescu	Adrian Ong (TASS)
Dipl. CFTe Aladdin Dargel (VTAD)	Antonio Pagotto (SIAT)
Matthias Dautz (VTAD)	Sumeet Pandey (ATA)
Tarun Kumar Gandhi	Linda Parman (AATI)
Atul S. Hatwar	Jeremy Premand
Remo Hedinger	Kunal Rambhia
Vishwa Kalra	Rubén Sánchez Ramírez (IEATEC)
Robert Keller (VTAD)	Amol Vipul Randeri
Jasjiv Singh Kohli (STA)	Jorge Seijo Giebels (IEATEC)
Prof. Aldo Lagrutta (STA)	Nicolas Simon
Victor Montfort Lloret (IEATEC)	Amine Slimani Tlemcani
Ross Love	Akash Wadhwa
Junzhang Lu	Hariyanto Wijaya
William Mamudi, (AATI)	

## MFTA and CFTe Exam Dates

### Certified Financial Technician (CFTe)—Level I

Date	Offered Year-round	
See our website for further instructions	<a href="http://www.ifta.org/certifications/registration/">www.ifta.org/certifications/registration/</a>	
Syllabus and Study Guide	<a href="http://www.ifta.org/public/files/publication-downloads/IFTA_CFTe_Syllabus.pdf">www.ifta.org/public/files/publication-downloads/IFTA_CFTe_Syllabus.pdf</a>	

### Certified Financial Technician (CFTe)—Level II

Date	TBA Apr 2018	19 Oct 2017
Registration deadline	TBA	1 Sep 2017
Register at	<a href="http://www.ifta.org/register/cfte2.php">www.ifta.org/register/cfte2.php</a>	
Syllabus and Study Guide	<a href="http://www.ifta.org/public/files/publication-downloads/IFTA_CFTe_Syllabus.pdf">www.ifta.org/public/files/publication-downloads/IFTA_CFTe_Syllabus.pdf</a>	
For more information on the CFTe program, visit	<a href="http://www.ifta.org/certifications">www.ifta.org/certifications</a> .	

### Master of Financial Technical Analysis (MFTA)

Alternative Path Pre-Application Deadline	Closed	31 July 2017
Application/Outline Deadline	Closed	2 Oct 2017
Paper Deadline	15 Oct 2017	15 Mar 2018
(Session 1) Register at	<a href="http://www.ifta.org/register/mfta_alt_session1.php">www.ifta.org/register/mfta_alt_session1.php</a>	
(Session 2) Register at	<a href="http://www.ifta.org/register/mfta_alt_session2.php/MFTA/IFTA_Journal_Style_Guide">www.ifta.org/register/mfta_alt_session2.php/MFTA/IFTA_Journal_Style_Guide</a>	



## Member News

### BSG (Ghana)

IFTA welcomes new developing member **Bastiat Society Ghana (BSG)**. Please join us in welcoming BSG to our IFTA family. The team presiding over the society includes president and liaison Prof. Emmanuel Tweneboah Senzu, Ph.D., DBA, CBE, and the interim team of Mr. Joseph Kwasi Appiah MPhil, BSc., PgDp, CTA; Mr. Samuel Amoah Forson, BSc., PgDp, CTA; Mr. Albert Naabenyin, HND, PgDp, CTA; and Mrs. Janet Ekua Appiah, MPhil, PgDp, CTA

### CSTA (Canada)

The Canadian Society of Technical Analysts (CSTA) board of directors would like to congratulate all of its 2017–2018 award winners and hall of fame inductees:

- Technical Analyst of the Year: **Colin Cleszynski, CFA, CMT**
- Technical Asset Manager of the Year: **David Cox, CFA, CMT**
- Technical Independent Analyst of the Year: **Greg Schnell, CMT, MFTA**
- Top Technician in Traditional Media: **Don Vialoux, CMT**
- Technical Technician in Social Media: **Colin Cieszynski, CFA, CMT**
- Top Charting Software, Mobile App, or Website: **stockcharts.com**

- Top Trading Platform for Trading: **CMC Markets**
- Top Technical Analysis Team: **stockcharts.com**
- Technical Analysis Corporate Supporter of the Year: **stockcharts.com**
- Jack Frost Award: **Giuseppe Basile, An Examination of the Linkages Between Money Management and Trading Goals**
- Hall of Fame: **Leon Tuey, George Davis, CMT, Ray Hansen, William Sharp**

### Congratulations MATA (Malaysia) and FTAA (Hong Kong)!

IFTA has granted full membership status to two societies of Malaysia and Hong Kong—the Malaysian Association of Technical Analysts (MATA) and the Financial Technical Analysts Association (FTAA), respectively. Please join me in congratulating and welcoming these newest full-member societies to our IFTA family!

### SAMT (Switzerland)

The latest issue of the *Swiss Technical Analyst Journal*, produced by the Swiss Association of Technical Analysts (SAMT), is ready to read online at [www.samt-org.ch/resources/journal.html](http://www.samt-org.ch/resources/journal.html). Links to our past issues are also on this site.

In this issue, we feature articles by five of the speakers from the upcoming 30<sup>th</sup> Anniversary IFTA Conference to be held in Milan in October.

Francesco Caruso will introduce us to his work about his contrarian indicator: the Fear/Complacency Index. Professor Hank Pruden presents us with an article about the Wyckoff Method combined with the Elliott Wave Principle. We then have an interesting article by Perry Kaufman about index and portfolio construction and the first chapter of Robert Prechter's new book about the *Socionomic Theory of Finance*, with a review by Professor Pruden. Finally, Alberto Vivanti gives us his thoughts about the construction process of a sector rotation strategy.

There is also an article with a tutorial about Bitcoin from Giacomo Zucco, an article on monetary policies by Paulo Musto, and one titled "EUR/USD: Parity Target" by Ron William. Not to be missed is the special offer that Robert Prechter is giving to all *SAMT Journal* readers for the month of June.

We hope you enjoy this issue and look forward to seeing many of you in Milan in October. †

## Congratulations New MFTA

### MFTA Research Paper Title: M-Oscillator



**Mohamed Fawzy, CFTe, MFTA**, is currently working as portfolio and fund manager in the Asset Management Department at one of the biggest banks in the UAE, Union National Bank.

Mohamed possesses strong expertise in equity asset management, including portfolio management, trading, security analysis, client relationship management, finance, economics, and investment consulting. He has been presented with the Best Asset Manager award in the UAE at the Middle East Summit and Awards 2014 and 2015.

Mohamed's academic credentials include a master's degree in financial management and a bachelor's degree in commerce, finance, and accounting (dual degree specialization).

In his MFTA research paper, "M-Oscillator", he introduced an oscillator to fix the problems associated with the traditional momentum oscillator, such as absence of boundaries (overbought and oversold) and disproportionate moves in the momentum line vis a vis prices. The indicator also works as a trend identifier. †

## Education Lounge

## Beyond Technical Analysis

### UNCOMMON RSI SIGNALS

By Ivan Krastins (aka The Investment Educator)

I am very confident that most traders and analysts have heard of the Relative Strength Index (RSI) of J Welles Wilder Jr. fame, or know the indicator or even actually use it for their own analysis or trading. My article will deal with actually understanding the RSI. Rest assured that there is a mile (whoops...a kilometre) of difference between 'knowing' and 'understanding' something. Whilst the name J Welles Wilder Jr. is quite well known, I had the pleasure of being exposed to another Wilder, namely Frank Wilder. Frank was the programmer for his more famous brother, and through Frank, I gained some tremendous insights into actually understanding his brother's indicators. Frank was responsible for a charting package that I used extensively in my workshops in the 1980s and 90s—One Day at a Time. It is really pleasing to see that it still exists and even provides the ability to display a version of my Hybrid Fractal Charts.

A term, or concept, that is commonly applied with the RSI is divergence and is seen to be the main signal provided by this indicator. It is also a concept that is often applied rather loosely, resulting in a less than optimal outcome.

The formula for the RSI uses only the closing price, so it is preferable, at least in the early stages of gaining a thorough understanding of the application of the RSI, to display a line chart of the close (as opposed to a bar or candlestick chart) of the market being traded or analysed together with the RSI. This will help you to not fall into the trap of seeing a signal that does not actually exist. One property of the RSI is that it always follows the direction of the underlying market. In other words, if the market closes higher than the previous period, the RSI will also be higher; if the market closes lower than the previous period, the RSI will also have a lower value than on the previous period.



From this you can see that the RSI can never actually diverge (move in the opposite direction) from the price. It is a visual illusion to believe that the RSI moves in the opposite direction of the price! You will see from this article that what does diverge are the peaks and troughs of the price and the RSI!

As, broadly speaking, the RSI is a momentum indicator, it measures the relative strength (or momentum) of two movements in price. The fact that these two movements in price should be related to each other is often an overlooked aspect of applying the RSI. It is a bit like comparing apples to apples.



## Education Lounge

I shall now spell out a very strict (and hence testable) application of a bearish divergence signal for the RSI. Chart 1 features the daily DJIA with a 7-period RSI.

1. The market must have a completed movement up (a close, a higher close, and then a lower close).
2. The RSI must register a reading above 70.
3. The market must then move down (one or more lower closes).\*
4. The RSI must not register a reading below its equilibrium level (50 percent).\*
5. The market must then have one more movements up and exceed its previous highest close.
6. The RSI must move above the 70 level but should not go above its previous high reading (Point 2)

At this stage, the RSI is not confirming the new high in the market. This is still not a completed divergence sell signal, but rather merely a potential divergence sell signal. There is one more requirement to go.

7. The market must register a lower close than a previous period, thereby causing the RSI also to move down.

As long as the RSI has not registered a higher reading than it did at Point 2, a textbook bearish divergence, or in Ivanspeak, *non-confirmation*, is complete. The real significance of my non-confirmation interpretation will become obvious later in this article.

The fact that the decline of the market (Point 3) did not result in the RSI going below its 50 level confirms that the second movement up in price is related to the first movement up. Had the RSI broken below its equilibrium level, the two movements in price would not be seen to be related. This is an important aspect in my experience in getting the best results when using the RSI to provide an early warning of a potential top in a market.

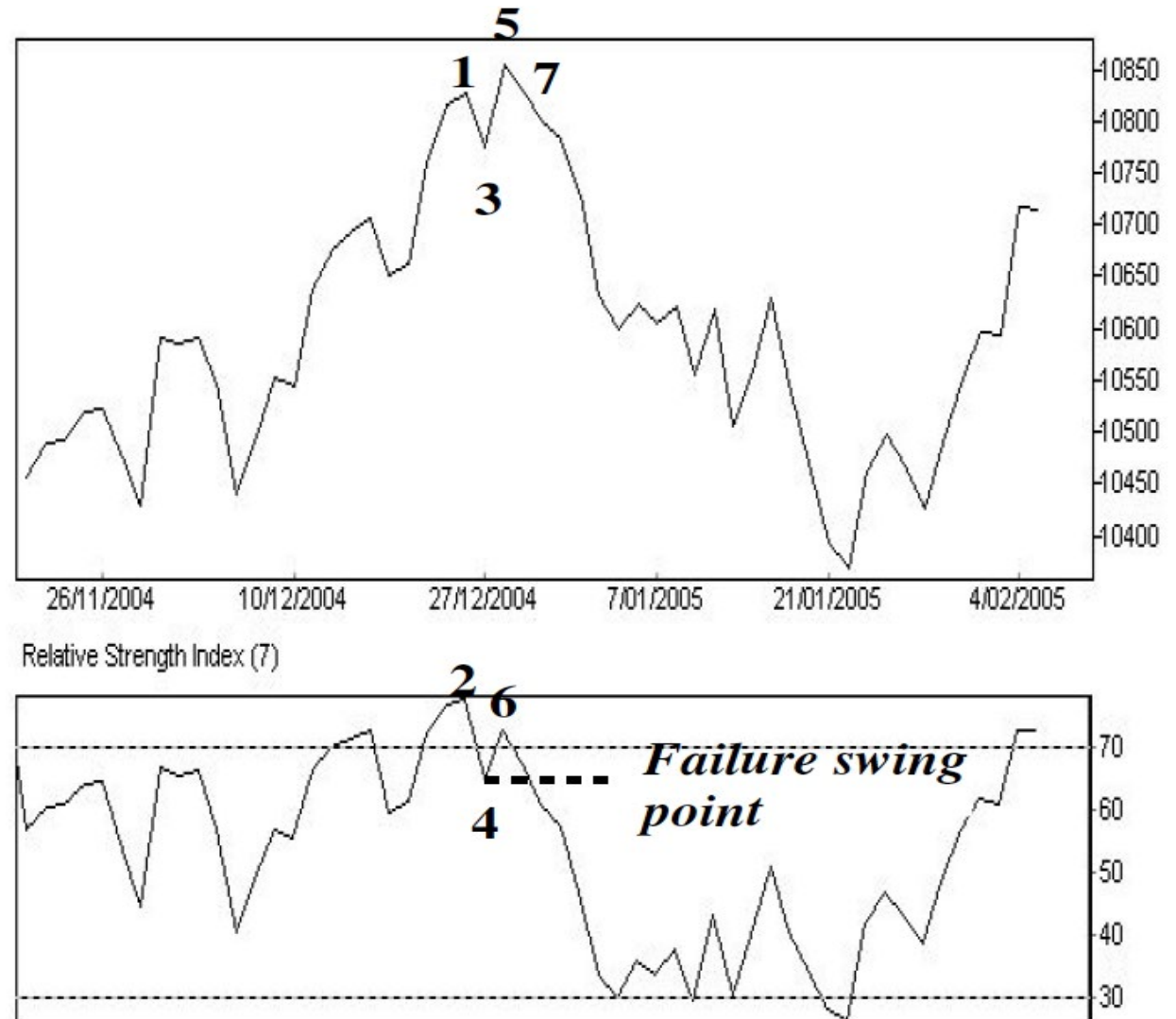


Chart 1. Daily DJIA with a 7-period RSI



## Education Lounge

I believe that chart 2 illustrates this point quite clearly. As the Index rises from A to B in one movement, the RSI also rises to register a reading above 70. When the Index then declines to C, the RSI proceeds to go down beneath the 50 level. The trend-following application of the RSI would now deem that the trend was actually down. (I should note here that all momentum indicators can be used as trend-following indicators and vice versa. More on that in an article on uncommon signals from moving averages.)

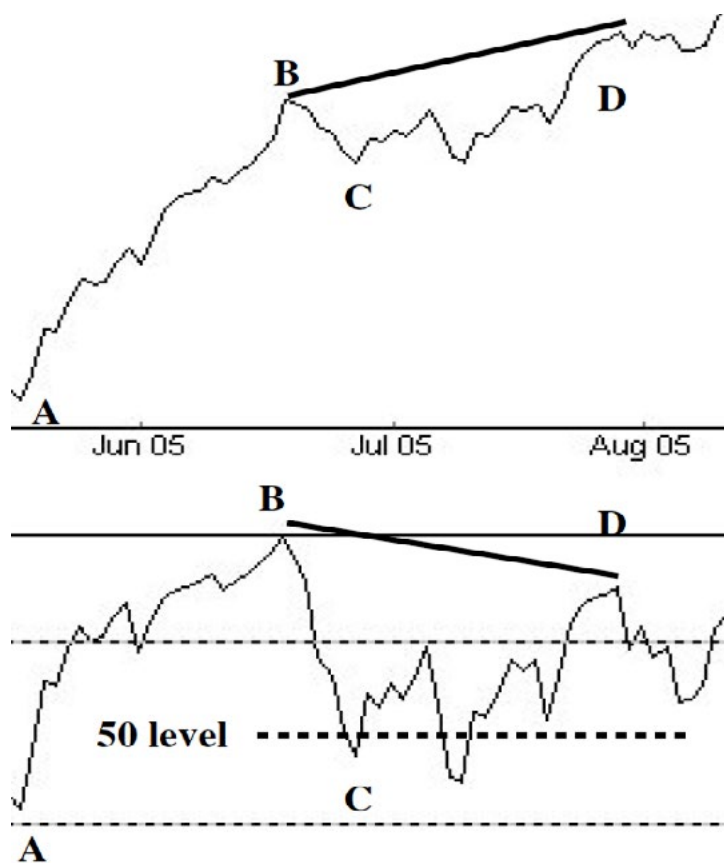


Chart 2. Daily chart of All Ordinaries Index with 7-day RSI

Whilst the price does go on to mark a higher close at D, this movement up consists of two movements up (as marked by the dotted line). The RSI registers a reading above 70 and below its reading at.

Not surprising, as the movement of the Index from C to D is not related to its movement from A to B (because the RSI went below 50), the sell 'divergence' between the Index and the

price did not see the price fall. Rather, it merely went sideways for a few days and then broke back to the topside.

According to the designer of the RSI, J Welles Wilder Jr, the signal to act is provided by the RSI itself. The RSI needs to register a reading lower than at 4. This is referred to as the 'failure swing' point.

I have observed over time that using a timing tool, either of the five provided by bar charts or the 13 using a candlestick chart tends to allow you to take a position earlier than waiting for the RSI to break its failure swing point. For this, the market must close lower and in many cases close much lower, thereby necessitating the use of a large stop loss, and hence a larger risk. (In this article, I will be referring to both bar chart and candlestick-chart-based timing tools, notwithstanding the fact that I have not used bar charts as examples.)

Additionally, I have found that the better divergence signals come when there are less than 10 periods between the two peaks in price and correspondingly, also between the two peaks in the RSI. In fact, the fewer the periods between those two peaks, the stronger the signal seems to be. Again, with the software available on the market, it would not be difficult for you to backtest this concept on the market or markets that you are involved in, or even wish to trade.

Naturally, in the case of correctly defining an RSI buy nonconfirmation or bullish divergence, you would be dealing with lows in price and lows in the RSI. In brief, both lows in the RSI ought to be below the 30 level; the second low in the RSI ought to be higher than the first low, and the peak between those two lows in the RSI should be below the equilibrium level of 50. At the same time, the closing price of the market needs to make a low, rally from that low close, and then close below its first low close.

Again, the actual signal to adopt a long stance in that market, according to its author, would occur when the RSI penetrates its failure swing high point.



## Education Lounge

Chart 3 features a textbook bullish divergence (A) with the two lows in the RSI being merely three periods apart. Both lows of the RSI are below the 30 level, and the failure swing high point is well and truly below the 50 level. In fact, the RSI did not even manage to break above the 30 level. Nor is it a prerequisite that it should.

I believe that it is important to reinforce the textbook examples of the use of an indicator, especially when starting out on the journey of learning something new. Using these tightly defined parameters with the RSI, you will be able to backtest the concept quite easily. Additionally, you will see how infrequently this indicator actually provides a signal.

Naturally, you will still need to come up with initial, trailing, and maybe even time-based stop loss ideas, exit rules, position sizing concepts and general money management routines before you have a robust, rule-based trading system. And you thought that trading was an easy way to earn a living! Well, once you do have a set of rules to follow,

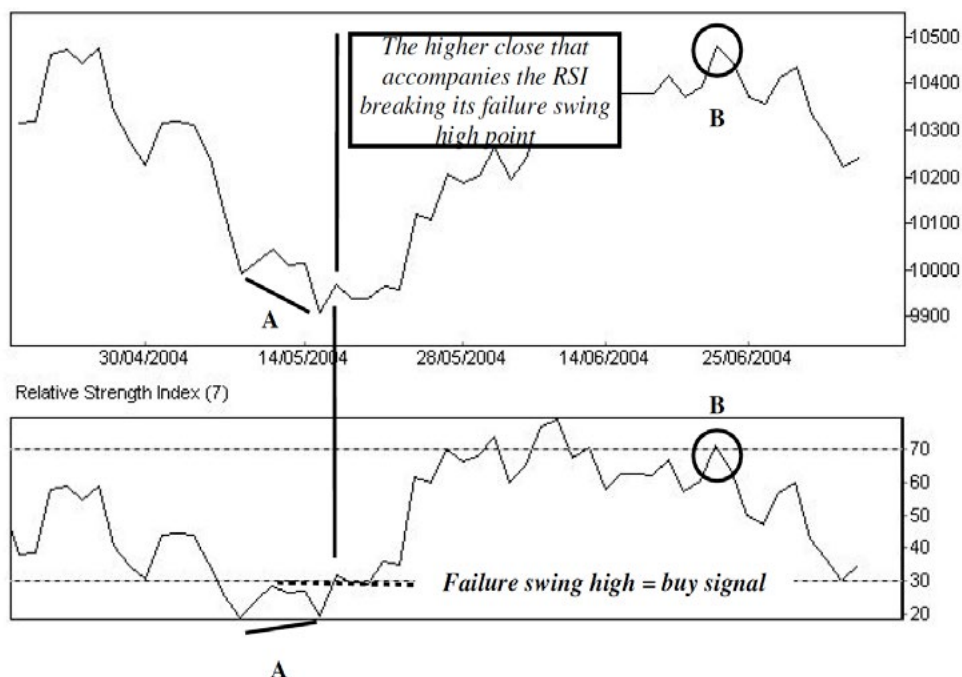


Chart 3. Daily closing line chart of Dow Jones Industrial Average with a 7-period RSI

just like when driving a car, trading can be simple and easy. And I almost forgot...as boring as watching grass grow!

Chart 3 also provides one example of an uncommon RSI sell signal at B. This occurs when the RSI provides a reading below 70, then just one, or a maximum of two consecutive readings above 70, and the next one is below 70 again. It is as if the market just manages to poke its head into an overbought zone (above 70) and then retreats.

The actual short entry may be based on the period that sees the RSI register its first reading below 70, or indeed, you could again use a chart signal (either bar chart or candlestick-chart-based) to time your entry into a market. For fairly obvious reasons, I have termed this an RSI extreme signal.

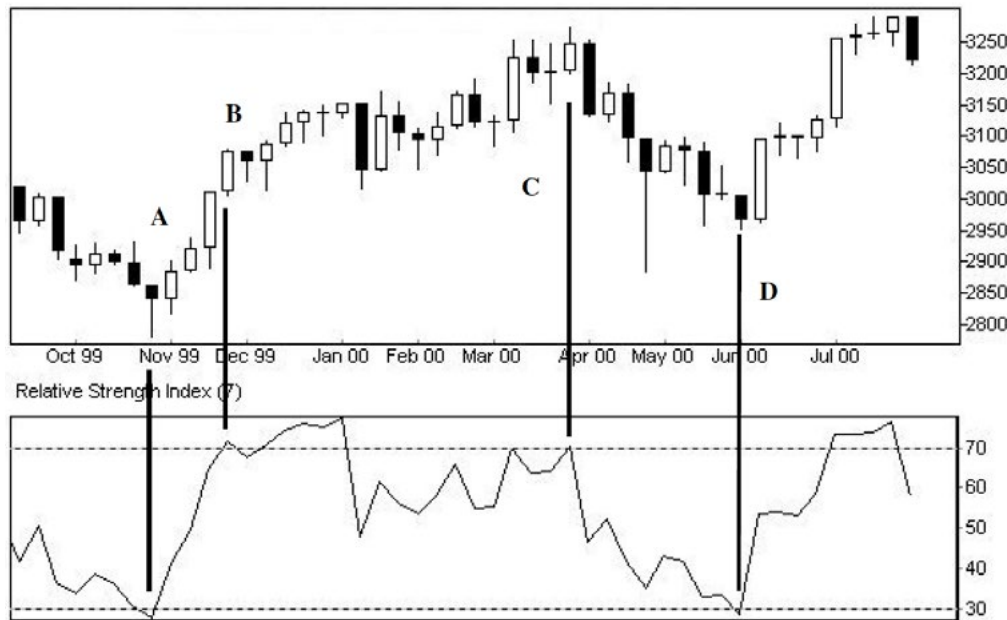
For a buy, the RSI needs to register above 30, then below 30 for one or two periods only, and then back above 30. By combining this idea with a chart signal or even a setup, the probabilities of success increase.

In fact, you may discover that simply placing a buy on stop order above the high of the first period that has the RSI register below 30 provides you with some interesting and useable results. On the flipside for a sell, a sell on stop order below the first period that sees the RSI go above 70 also seems to coincide with turning points.

And is that not exactly what the RSI is designed to do? After all, it is a reversal indicator! It was designed by J Welles Wilder Jr. to pick tops and bottoms in markets way back in the late 1970s.

- A. Not only does the RSI highlight the fact that the market was oversold for the first time (by being below 30), the period is also one of the high probability chart signals that I wrote about last year. Thank you to those readers who contacted me about their experiences with this idea.
- B. This time, the market was not accompanied by a chart signal and did not break the low of the period that had the RSI first register above 70. The following period both saw the RSI below 70 again, as well as being an inside period. Inside periods indicate that a market is indecisive, with neither the buyers nor the sellers being able to gain the upper hand. Had a short position been taken on the close of this inside period, or even on the break of the low on the following period, a loss would have ensued.

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**Chart 4. Weekly candlestick chart of the All Ordinaries Index with a 7-period RSI**

- C. This time, the required reading by the RSI was accompanied by one of the high probability setups that seems to perform and perform. I refer to it as invisible support and resistance in my book *Listen to the Market*. It is interesting to note that the RSI reading was 70.26 this period, whilst three periods prior, the RSI registered 70.00. The requirement is for the RSI to be above 70.00, so there was no signal three periods ago. Rules can and I believe do need to be so precise and black and white.
- D. The final example on this chart of an uncommon application of the RSI again features the RSI going from above 30 to below 30 for just one period, and being accompanied by the inverse of the setup that was seen at C. The market then embarked on a rally complete with a hammer signal that could have been used to add to the initial long position.

From the previous example covering 10 months of weekly data, you saw that there were only four opportunities highlighted by this uncommon application of the RSI. Many traders would not have the discipline and patience to wait so long for so few signals to act.

Is it the frequency of the opportunity or the probability of success that really counts? Applying my Universality Test, one could look for the same RSI opportunity on a variety of markets and a variety of timeframes, including Hybrid Fractal Charts (HFC). This would naturally have the effect of providing more potential trades.

The next uncommon RSI signal is based on the term that I used earlier in this article instead of divergence. That was *non-confirmation*. It is also a simple concept that you can backtest to see whether it suits your requirements in trading and observe how it performs in your market or markets of choice. I have dubbed this uncommon application of the RSI angle non-confirmation. This may be a bit of a mouthful at first, but the name really does describe the signal rather well.

For a sell, the RSI must first go above 70, then retreat to no lower than 50, and then once again climb up above 70. This time, however, the RSI needs to exceed its previous high reading. At the same time, the market needs to register a high close, followed by one or more lower closes, and then the market needs to also exceed its previous high close. Now you draw a line connecting the two peaks in price and do the same with the two peaks in the RSI.

The final step is to compare the angles of these lines. If the angle between the RSI peaks is not as steep as the angle of the line between the closes, then all the requirements have been met. This occurs at A on Chart 5. As with the common application of RSI bearish divergence, when the RSI breaks below its failure swing low at B, a short stance in the market is signaled by this approach.

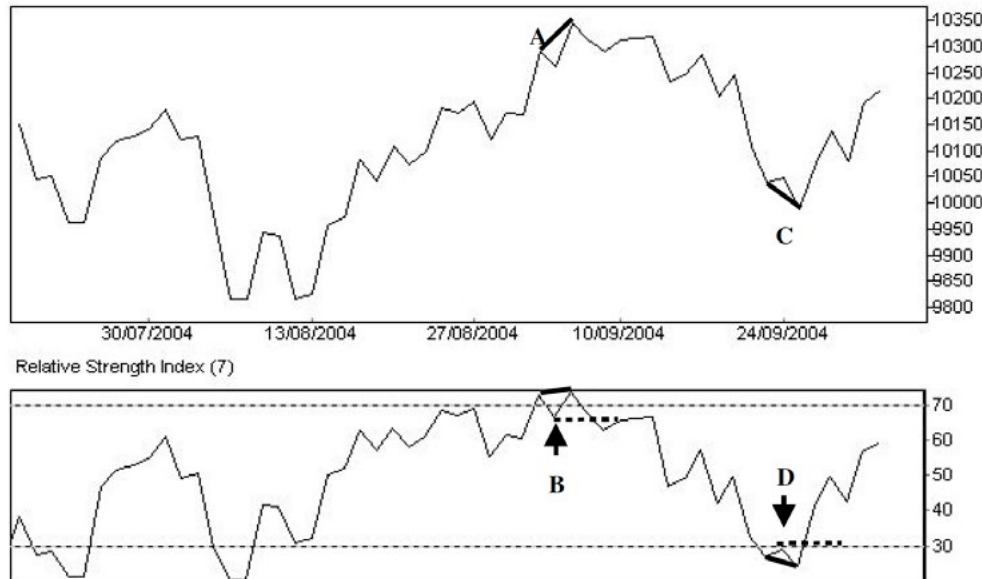
Please note that the price does not have to break below its previous swing low. However, that is not to say that you could not add that requirement to your own application of this RSI concept.

With an angle non-confirmation buy signal, you require the RSI to move below 30 and then move up for at least one period without going above 50. It is not a requirement for the RSI to go either above 30 or not, but merely to not go above the 50 level.

The final requirement is for the RSI to go down lower than it did the first time. As all this is happening, the market needs to register a low close followed by a higher close (for one or more periods), and then to close lower than it did the first time.

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The next step is to compare the angle of the line drawn connecting the two low closes with the angle of the two corresponding lows in the RSI. If the RSI line is not as steep as the line on the market closing prices, then it is all systems go for a possible low in price to be in place. You can see that marked on the chart at C.



**Chart 5. Daily line chart of the Dow Jones Industrial Average with a 7-period RSI below it**

When, or if, the RSI breaks above its failure swing high point marked D, this technique is signaling a low to be in place.

Other triggers, such as the various chart signals that I have mentioned before, can be used. As with most aspects of life and trading, when a number of signals coincide in providing a signal, the probability of success is higher. You may have noticed on the previous chart that the angle non-confirmation buy signal coincided with a Fibonacci retracement level of the rally from the mid-August lows to the early September highs.

Chart 6 illustrates a textbook bullish angle non-confirmation, as well as the ability of a chart signal to highlight a potential turn before the RSI does. The second last close on the chart is clearly lower than the close at A.



**Chart 6. Bullish angle non-confirmation**

You have to look at the numeric values of the RSI to establish that at B, the RSI was 22.74, and at the previous swing low (corresponding with A on the price chart), the RSI was

22.86. Hence, even though on the chart it appears that the two lows of the RSI are equal, closer examination reveals that the second one is lower.

By comparing the angle of the two lines, you can see that the line on the RSI is not as steep as the one on the price chart. The last period closing higher than the previous period causes the RSI to move up and break above its failure swing high point at C. Job done by an uncommon application of the RSI.

Again, from my perspective, detail with trading, as with life, does make a difference to the outcome.

It is interesting to note that the second last period was a high probability candlestick chart signal (a spinning bottom) having a 'small' real body, with the upper and lower shadows being 'large' in comparison to the real body.

I am confident that your own testing of this timing tool will reveal exactly what the commonly used and vague terms 'small' and 'large' really mean.

One really has to look at the actual price data to see this clearly. This was then followed by the last period being a high probability bar chart buy signal (pivot point).

These signals are akin to the road signs that we regularly see when we are driving. Generally, we tend to obey them, and occasionally we choose not to! Markets also have their own road signs, so to speak.

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Later in this article you will see a larger chart of the same market with the same bullish angle non-confirmation signal marked on it. That signal occurred at the end of the bear market in the Japanese stock market that lasted 14 years. The Nikkei topped at 38,915.90 in 1989 and made its final low at 7,697.88 in 2003. That was a decline of 31,308.02 points, or 80.45%.

History has shown that one can experience falls of this magnitude when a bubble bursts. The Dow Jones fell by 89% after the 1920s bubble burst, whilst the Australian stock market fell by a smaller amount during the Great Depression. In order to spot changes of this size, you really do need to examine large timeframes. The chart featured on this page is a monthly chart. There is even a strong case to be made for using even larger timeframes, such as three monthly, six monthly, and even yearly charts. The larger the timeframe you are using, the larger the potential movement you are able to trade.

So far, we have looked at two uncommon signals from the RSI that required the RSI to register an overbought reading or an oversold reading (the RSI extreme signal). In other words, the RSI had to be above the 70 line to confirm that the market was overbought, or be below 30, showing that the market was oversold.

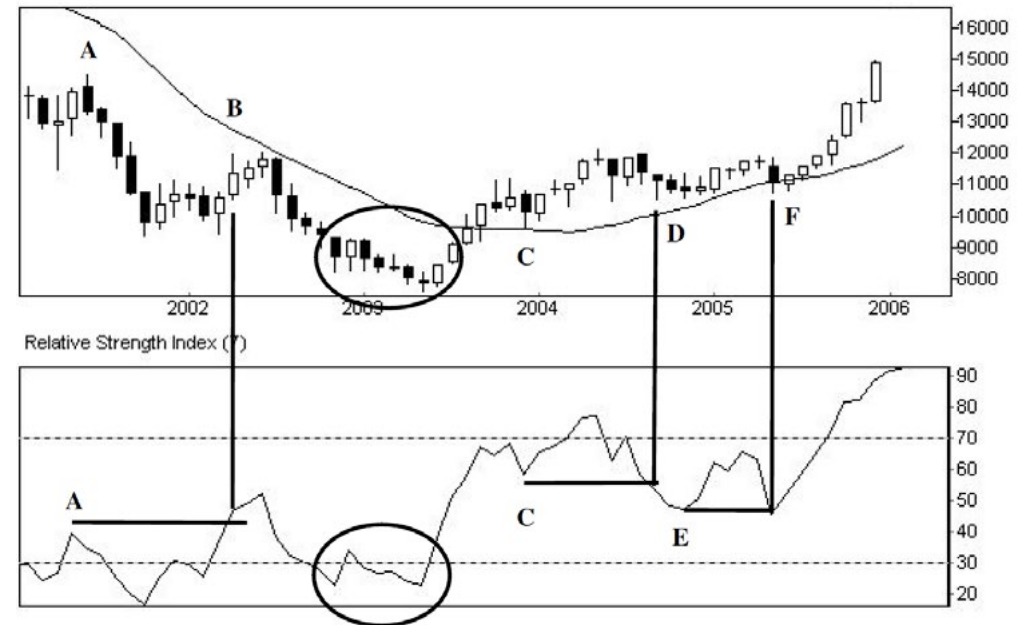
The next and final uncommon RSI signal occurs when the RSI is between those two levels. As the RSI spends most of its time between 30 and 70, with rare sorties either above 70 or below 30, it would be logical to believe that there would be more signals to be found by this last uncommon application of the RSI.

With this uncommon application of the RSI, you need to focus on what the RSI does first and then look to the price chart to see if the market is confirming the RSI movement.

Let's take some time now to walk through five odd years of price action in the Nikkei on the next page. Only by studying the past can one endeavor to see into the future. History may not repeat exactly, yet it does rhyme.

The area marked by the ovals in Chart 7 shows you where the previous chart fits into the big picture.

In the following chart, notice when the RSI breaks above its previous swing high (A) that occurred in the prerequisite area, between 30 and 70, the Nikkei at B did not break its



**Chart 7. Monthly candlestick chart of the Nikkei with a 7-period RSI below it**

corresponding high (also A). This set up the desirable internal non-confirmation signal with this application of the RSI.

The moving average on the chart confirms that the market is in a downtrend, thereby reinforcing the sell signal.

Two periods (months) later, the market presented a high probability sell setup, and the following month also provided a bar chart sell signal (a pivot point). The market then continued to decline for 10 more months before the angle non-confirmation buy signaled a possible low.

When the RSI breaks below C, a swing low, the market at D is nowhere near breaking its corresponding low, also marked

On this occasion, the candlestick chart provided a timing tool that could have been



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used to actually trigger a long position. Additionally, the moving average was pointing upwards, indicating that an uptrend was in force and that buys were warranted for those who are dedicated trend-followers.

The last example on this chart occurs when the RSI breaks its previous swing low at E and the market does not break its corresponding swing low point. The RSI value at E was 47.32, and the period that breaks that sees the RSI register a reading of 45.80.

Whilst it does take a keen eye to see the break on the chart, in real time you would actually check the values of the RSI with your charting software.

As both readings of the RSI were between 30 and 70, this qualifies as an internal non-confirmation buy signal. Again, the moving average was pointing up, adding more weight to the potential buying opportunity. The very next month provided a bar chart (a reversal) buy signal that could have been used for the timing of a long position.

Whilst I have been using a 7-period RSI in all these examples, in reality, any period RSI can be used in the same fashion. The smaller the number of periods used for any indicator, the more sensitive and reactive that indicator becomes to price movements.

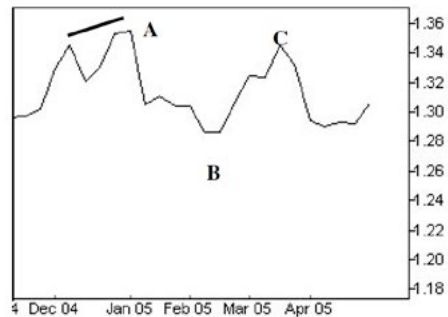


Chart 8. 5-period RSI

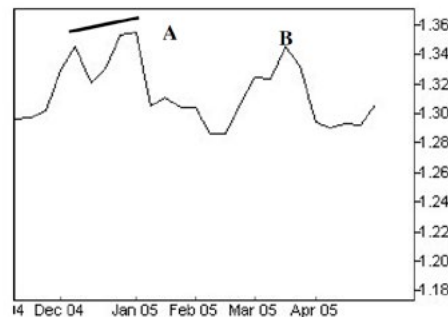


Chart 9. 7-period RSI

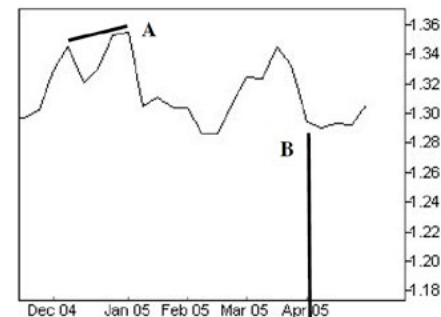


Chart 10. 14-period RSI

The concepts remain exactly the same and can be applied in the same fashion.

The larger the number of periods used, generally the fewer the opportunities that are presented and, arguably, the stronger the resultant movement.

From the charts on this page you can see that a textbook bearish divergence (A) is provided by all the RSIs—5, 7 and 14.

When J Welles Wilder Jr. released this indicator to the trading world, he actually used 14 as his suggested number of periods for the RSI.

Both the 5- and 7-period RSI also provide one of the uncommon signals (the extreme signal), with the 5-period giving a buy at B and then a sell at C. The 7-period RSI only provides one, a sell, at B. Not surprisingly, as it is slower to react to the price movements, the 14-period RSI is the slowest of all.

The 14-period RSI is the only one to provide another of the uncommon signals. At B, the RSI has broken lower than its previous swing low, whilst the price is certainly above its corresponding low. In other words, the price is not confirming the new low in the RSI, and hence is seen as a potential buying opportunity.

By looking at these three examples of using different periods with the RSI, you can see that there is a case for using more than just one.

The more signals, the more potential trades. Equally, the greater the danger of doing damage to your trading account. Hence, it is vital to always only risk a small percentage of your account to any one campaign. Somewhere in the order of 1 or 2% ensures that you will be around for a long time as well as potentially for a good time!

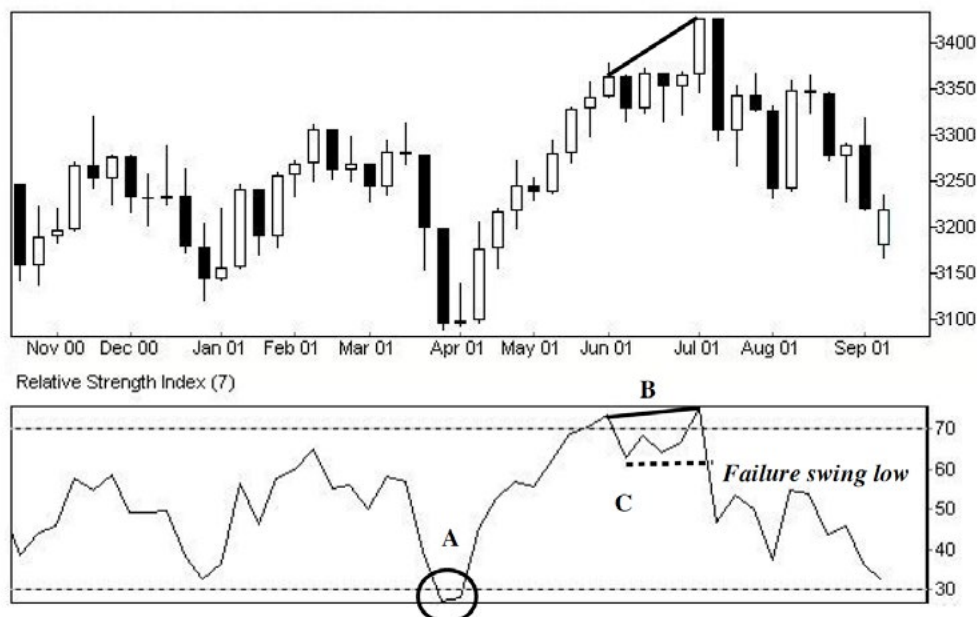
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This final example in Chart 11 features two of the uncommon RSI signals that I have discussed in this article. At A, the All Ordinaries Index registers an extreme oversold reading for the first time on the chart. The period that created that extreme low reading in the RSI is neither a chart signal to adopt a long position in the market nor a setup for a buy.

Given the observation that the market opened at the highs and closed virtually at the lows for that week, and closed below previous support levels, it would have been reasonable to deduce that the sellers had been the dominant force. Also, given the size of the range, it would have been reasonable to deduce that the market players were rather bearish and probably short in the market.

So what should have the market done on the following period?

It should have continued its fall, naturally! It did not, and the RSI was below 30 for a second period. This meant that the uncommon extreme application of the RSI was still



**Chart 11. Weekly candlestick chart of the All Ordinaries Index with a 7-period RSI**

in buy mode. Additionally, a high probability buying setup (one of the 12 L.I.V.E. setups) was also present on the All Ordinaries Index. And rally the market did, without breaking a weekly low until the RSI registered an overbought reading the first time.

The angle non-confirmation sell signal at B also coincided with the second time the RSI registered above the critical 70 level for an extreme overbought sell signal. Probabilities of success do increase when more than one technique signals a possible trade simultaneously. The following week featured a sell timing tool in the form of a pivot point and formal entry being signaled by the RSI going below its failure swing low of four weeks earlier (C).

None of the concepts I have presented to date dealing with uncommon and common applications of indicators are difficult or hard to master. I believe that to be able to decide whether an indicator is suitable to be included in your arsenal of trading tools, you do need to have more than just a passing knowledge of it.

It is only with a true understanding of them that you are in a position to make a valid judgment.

The RSI itself has many other aspects that are beyond the scope of this article. One such idea is to apply the RSI to the opening price, thereby being able to create a day trading tool. More on that another time.

Enjoy your journey, as it is truly your journey!



### Ivan Krastins

Ivan Krastins has been conducting his specialized courses on analysis and trading of the financial markets since the early 1980s. To date, he has presented his various courses and workshops in Australia, New Zealand, Singapore, Hong Kong, Malaysia, Indonesia, the United States, and Vanuatu. They have also been used by organizations such as the Institute of Banking and Finance Singapore, the Securities Institute of Australia, and the Sydney Futures Exchange. From 1991 to 1994 Mr. Krastins presented his workshops in Singapore through the Institute of Banking and Finance. He also conducted real-time in-house training to brokerage houses and banks in Singapore, Malaysia, Indonesia, and Hong Kong, as well as consulting to Reuters

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and Knight-Ridder. Mr. Krastin's highly acclaimed book, *Listen to the Market*, was published by McGraw-Hill in 1991. "It is the most comprehensive explanation of technical analysis we have seen to date. The clear, lucid style makes the book not only easy to read, but simple to refer back to as a reference document," is how Mr. David Stewart (national sales manager, AAP Reuters Economic Services) described the book. The book has been used as a textbook at universities in Asia and Australia.

After being featured on the cover of *Your Trading Edge* (an Australian trading industry magazine) in 1996, Mr. Krastins retired from conducting his trading workshops and by 2002, finally settled in Vanuatu. There, he is still involved in markets trading, writing, and conducting his unique L.I.V.E.T.M. program. †

## Sell in May and Go Away?

By Don Vialoux, CMT

**Equity investors often hear about "Sell in May and Go Away" at this time of year.** The saying implies that investors should sell their equity securities in early May and buy them back in late October at a lower price. Dates most frequently connected to the strategy by technical and seasonal analysts are May 5 and October 27.

**Data during the past 66 periods using May 5 and October 27 does not support the expression.** An updated study by EquityClock on the S&P 500 Index applying October 27 as the buy date and May 5 as the sell date recorded a nice profit as expected: the S&P 500 Index gained an average of 8.42% per period and was profitable 80.6% of the periods. However, the study also found that applying May 5 as the buy date and October 27 as the sell date recorded a profit averaging 0.20% per period (i.e., not a loss) and was profitable 62.7% of the time.

**A shorter study of the past 20 periods confirmed that most profits by the S&P 500 Index were recorded during the October to May period.** However, the date for the average optimal time for a seasonal

low by the S&P 500 Index was adjusted to October 15, and the date for the average optimal time for the Index to reach a seasonal top was adjusted to June 15.

**A "grain of truth" has been found in the "Sell in May and Go Away" expression.** A study of the past 20 May–October periods found that the S&P 500 Index experienced a correction in every period from their seasonal high to their seasonal low. Losses ranged from a low of 5.3% in 2003 to the "grand-daddy" of losses in 2008 at 41.7%. Average loss per period was 14.9%. Moreover, most losses were abrupt and severe: They tended to happen within one month during the May–October period.

**All corrections during May–October periods were triggered by unexpected events:** For example, the correction last year was triggered by Brexit, the correction in 2015 was triggered by a temporary meltdown by the Chinese equity market, and the correction in 2008 was triggered by a general meltdown by world financial markets. Corrections occur at random times during the May–October period. What will be the trigger this year? Not known at this time

(North Korea, U.S. health care and taxes, trade wars?)!

**In conclusion, the May to October period has a history of proving to be a danger and an opportunity.** Investors are wise to be aware of the danger of a correction and should look for an opportunity to buy at annual/seasonal lows after the correction has passed.

**Investors can avoid most of the damage to North American equity portfolio values during the May–October period by using two simple technical indicators, the 50-day moving average for an Index such as the S&P 500 Index and the VIX Index.** These indicators are not perfect and occasionally are whip sawed, but have proven to be reliable during most of the past 20 periods. When the S&P 500 Index moves below its 50-day moving average and the VIX Index spikes, it's time to lighten portfolio weights in ETFs and stocks related to the S&P 500 Index.

**What is "Sell in May and Go Away" currently telling us about U.S. equity markets?** The VIX Index is quiet: It touched

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a 24-year low on Monday, May 8. Major U.S. equity indices remain nicely above their 50-day moving average, including the S&P 500 Index at 2,399 with a 50-day moving average at 2,366, the Dow Jones Industrial Average at 21,007 with a 50-day moving average, and the NASDAQ Composite Index at 6,101 with a 50-day moving average at 5,904.

**The TSX Composite Index has a similar data profile to the S&P 500 Index.** The Index at 15,582 is flirting with its 50-day moving average at 15,563. Triggers to avoid damage in Canadian equities and ETFs during the May–October period frequently occur at the same time as triggers by U.S. equity indices.

**Based on these two technical indicators, liquidation of U.S. equities and ETFs because the May 5 date has passed is not warranted yet.** Current seasonal trades in selected sectors, such as biotech, technology, and aerospace, continue to work and are good hold candidates. However, a correction exceeding 5% between May and October this year is highly likely. Watching technical parameters closely to know when to take trading profits prior to the expected correction is preferred.

Data showing return by the S&P 500 from seasonal high to seasonal low (May/October)

Year	Loss (%)
1997	13.0
1998	22.5
1999	13.1
2000	14.6
2001	28.2
2002	29.9
2003	5.3
2004	7.4
2005	6.3
2006	8.1
2007	11.9
2008	41.7
2009	9.1
2010	14.6
2011	25.6
2012	10.5
2013	7.5
2014	9.8
2015	13.5
2016	6.1

**Disclaimer:** Seasonality and technical ratings offered in this report and [www.equityclock.com](http://www.equityclock.com) are for information only. They should not be considered as advice to purchase or to sell mentioned securities. Data offered in this report is believed to be accurate but is not guaranteed.



### Don Vialoux, CMT

Don Vialoux, CMT, is past president of the Canadian Society of Technical Analysts (CSTA) and has 46 years of experience in the investment industry. He is the author of a daily blog on equity markets, commodities, currencies, and interest rates, with a focus on seasonality. The blog is available at [www.timingthemarket.ca](http://www.timingthemarket.ca) and is closely associated with another blog at [www.equityclock.com](http://www.equityclock.com) that offers free seasonality reports. Mr. Vialoux is a frequent presenter on Business News Network Television, Canada's business news television channel. He is also the author of intra-day comments on [www.StockTwits.com](http://www.StockTwits.com), with over 37,000 followers. †



## 2016 Bronwen Wood Award Winner

This award is presented to the candidate who had the best Certified Financial Technician (CFTe) paper for the year.

### Ruslan Mikhailov, CFTe

*Moscow, Russian Federation*



Ruslan Mikhailov, CFTe, was born in Kazakhstan, and from the earliest years of his life, he was interested in two things: figures and psychology.

The first one led him to the best mathematical school in his country and to the international contests and challenges. The second led him to psychological and brain studying courses during his final school years. And both of them led him to the economic department at Moscow State University, where he was able to combine everything he loved so much.

During Ruslan's first year at the university, his brother showed him a candlestick chart. At that time, he had no idea what it was, but it turned out to be his future. The chart looked so interesting to him that he immediately went to bookstore and bought what turned out to be one of the best books he's ever read in his life—*The Market Wizards*, by Jack Schwager. Ruslan didn't understand anything but two words in this book:

technical analysis, and it was something he decided to dedicate his life to. So he started studying, trading, and gaining experience.

To support his progress, Ruslan went to Japan, a country that has contributed greatly to technical analysis. There, he met Seiichiro Iwasawa, a Harvard Ph.D. in economics, whose behavioral finance course proved to Ruslan the clear logic behind technical analysis. After that, Ruslan decided to pursue his CFTe diploma and work as a trader in OSTs, one of the biggest proprietary trading companies in the world.

Currently, Ruslan works as a CTA and consults several companies with regard to front-end trading software and investment and funding solutions. In his spare time, Ruslan conducts research, writes books, plays in a rock band, and studies various languages.

### In Memory of Bronwen Wood

*Bronwen Wood was one of the founding board members of IFTA's Society of Technical Analysts (STA). She was instrumental in developing both the CFTe Diploma Examination and the preparatory courses for the examination. She*

*wrote and graded all papers in the early years. Ms. Wood was a great technical analyst, rated one of the best by her peers, particularly for her work on the equity indices and individual shares. For both her contribution to education and her outstanding analytical skills, she was made a fellow of the STA in 1993. Ms. Wood was also a long-standing member of the IFTA board in various capacities. Through this connection, she was respected worldwide as an outstanding technical analyst and an expert in the teaching of technical analysis.*

### Past winners of the award:

- 2015 Lorenz Weidinger, CFTe (Germany)
- 2014 Jörg Rühlicke, CFTe (Germany)
- 2013 Sebastien Duhamel, CFTe (France)
- 2012 Jean-Francois Owczarczak, CFTe (Switzerland)
- 2011 Muhamad Makky Dandytra, CFTe (Indonesia)
- 2010 Manasi Kumbhat, CFTe (UAE)
- 2009 Hisham Abdullah A. AlQuohi, CFTe (Saudi Arabia)
- 2008 Tamar Gamal Eldin Hassan, CFTe (Egypt) †

## 2016 John Brooks Memorial Award Winner

This paper is presented for the best Master of Financial Technician (MFTA) research paper written each year.

### Tomoya Suzuki, Ph.D., MFTA

Hitachi, Japan

tomoya.suzuki.lab@vc.ibaraki.ac.jp



MFTA Research Paper  
Title: *Consensus Ratio and Two-Steps Selection to Detect Profitable Stocks: Modern Technical Analysis Using Machine Learning Approach*

Dr. Tomoya Suzuki received his B.S., M.S., and Ph.D. degrees in physics from the Tokyo University of Science in 2000, 2002, and 2005, respectively. In 2005, he joined Tokyo Denki University as an assistant to teach electric circuits. From 2006 to 2009, he was a lecturer of Doshisha University, teaching computer languages and computer engineering. Since 2009, Dr. Suzuki has been an associate professor and then a professor at Ibaraki University, teaching mathematics, statistics, and computer science.

His research interest is the physics of complex systems, especially financial markets, and his research methods are time series analysis, prediction, machine

learning, and data mining with computers. In particular, his recent research involves the integration of technical analysis, physics, and computer science. From this viewpoint, his MFTA research paper has reported that nonlinear prediction models based on neural networks have a high potential for developing new technical analysis methods. Moreover, he also has a great interest in evidence-based technical analysis and has been giving seminars for NTAA members to emphasize it.

### In Memory of John Brooks

*John Brooks was a highly respected technical securities analyst who worked at a number of prominent Wall Street firms, including Edwards & Hanley, Robinson Humphrey, and Lowry Research, where he served as senior vice president and senior analyst.*

*During his long and distinguished career, John was the co-founder and past-president of the Market Technicians Association (MTA) and was one of the first recipients of the Chartered Market Technician (CMT) designation in the United States. In 1985, he co-founded the International Federation of Technical Analysts (IFTA) and served as chairman*

*from 1996 to 1998. As the long-time chairman of the Market Technicians Association Educational Foundation, John was instrumental in establishing accredited college-level courses in technical securities analysis in many universities.*

*John was also a co-founder of the American Association of Professional Technical Analysts (AAPTA) and served on its board of directors. John authored the highly regarded book *Mastering Technical Analysis*, published by McGraw-Hill in 2005. His many awards include the prestigious Market Technicians Association Award for Outstanding Contribution to the Field of Technical Analysts and the Technical Securities Analysts Association of San Francisco's Lifetime Award for Outstanding Achievement in Technical Analysis. In recognition of his support of technical securities analysis throughout the world, John was also named a Fellow of the British Society of Technical Analysts (STA).*

### Past winners of the award:

- 2015 Miyoko Nishimura, CMTA, CFTe, MFTA (Japan)
- 2014 Adam Cox, MFTA (New Zealand)
- 2013 Alex Neale, MFTA (United Kingdom)
- 2012 Yoshinobu Sakai, CFTe, MFTA (Japan)

- 2011 Stephan A. Belser, CFTe, MFTA (Germany)
- 2010 Mohamed Elaasar, MFTA (Egypt)
- 2009 Pavlos Theodoulos Ioannou, MFTA, CFTe (Cyprus)
- 2008 Francesco Caruso, MFTA (Switzerland) †

# 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 2017 – October 2020 term. **IFTA estimates that two board vacancies will be filled at the 2017 Annual General Meeting in Milan.** 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 21, 2017.**

## 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 her own Society.
- 4 Each nominee must submit the following to IFTA Headquarters no later than **August 21, 2017.**
  - 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 **Phone:** (240) 404-6508  
 9707 Key West Avenue, Suite 100 **Fax:** (301) 990-9771  
 Rockville, Maryland 20850 USA **Email:** [admin@ifta.org](mailto: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 19, 2016. If you have questions concerning this matter or would like a nominating form, please contact IFTA Admin at [admin@ifta.org](mailto: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 21, 2017.**

### 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.com.au](http://www.ataa.com.au)  
**CANADA—CSTA** Canadian Society of Technical Analysts [www.csta.org](http://www.csta.org)  
**EGYPT—ESTA** Egyptian Society of Technical Analysts [www.estaegypt.org](http://www.estaegypt.org)  
**FRANCE—AFATE** Association Française des Analystes Techniques [www.afate.com](http://www.afate.com)  
**GHANA—BSG\*** Bastiat Society Ghana [bastiatghana.org](http://bastiatghana.org)  
**GERMANY—VTAD** Vereinigung der Technischer Analysten Deutschlands e.V. [www.vtad.de](http://www.vtad.de)  
**HONG KONG—FTAA** Financial Technical Analyst Association [www.ftaa.org.hk](http://www.ftaa.org.hk)  
**INDIA—ATA** The Association of Technical Analysis [www.taindia.org](http://www.taindia.org)  
**INDONESIA—AATI** Asosiasi Analis Teknikal Indonesia  
**ITALY—SIAT** Società Italiana di Analisi Tecnica [www.siat.org](http://www.siat.org)  
**JAPAN—NTAA** Nippon Technical Analysts Association [www.ntaa.org.jp](http://www.ntaa.org.jp)  
**LEBANON—LSTA** Lebanese Society of Technical Analysts [www.lstalebanon.com](http://www.lstalebanon.com)  
**MALAYSIA—MATA** Malaysia Malaysian Association of Technical Analysts [site.malaysianchartist.com](http://site.malaysianchartist.com)  
**NIGERIA—TASN** Technical Analysts Society, Nigeria [www.tasnigeria.org](http://www.tasnigeria.org)  
**NEW ZEALAND—STANZ** Society of Technical Analysts of New Zealand [www.stanz.co.nz](http://www.stanz.co.nz)  
**ROMANIA—AATROM** Asociatia Analistilor Tehnici din Romania [www.aatrom.org](http://www.aatrom.org)  
**SCANDINAVIA—STAF** Skandinaviens Tekniska Analytikers Förening [www.staf.nu](http://www.staf.nu)  
**SINGAPORE—TASS** Technical Analysts Society (Singapore) [www.tass.org.sg](http://www.tass.org.sg)  
**SPAIN—IEATEC** Instituto Español de Analistas Técnicos y Cuantitativos [www.ieatec.es](http://www.ieatec.es)  
**SOUTH AFRICA—TASSA** Technical Analysts Society of Southern Africa [www.tassa.org.za](http://www.tassa.org.za)  
**SWITZERLAND—SAMT** Swiss Association of Market Technicians [www.samt-org.ch](http://www.samt-org.ch)  
**TUNISIA—ATAT\*** Association Tunisienne des Analystes Technique  
**UNITED KINGDOM—STA** Society of Technical Analysts Ltd. [www.sta-uk.org](http://www.sta-uk.org)  
**USA—TSAASF** Technical Securities Analysts Association [www.tsaasf.org](http://www.tsaasf.org)  
**USA—AAPTA** American Association of Professional Technical Analysts [www.aapta.com](http://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 6,950 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 \_\_\_\_\_ Education articles: August 15 \_\_\_\_\_ All other content: September 1  
 December Issue \_\_\_\_\_ Education articles: November 15 \_\_\_\_\_ All other content: December 1  
 March Issue \_\_\_\_\_ Education articles: February 15 \_\_\_\_\_ All other content: March 1  
 June Issue \_\_\_\_\_ Education articles: May 15 \_\_\_\_\_ All other content: June 1

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

## Board of Directors

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