

Module II: Executing & Managing High Confidence Trades

2 Days

COURSE OVERVIEW

This 2 day programme is designed to improve dealers existing understanding of technical trading with specialised technical trading techniques and to reinforce participants trading and analysis framework for its practical application in the real world. The main objective of the course is to provide the tools necessary for traders to be able to identify, execute and manage high confidence trades in the markets. This course aims to:

- Provide a critical analysis of the appropriateness of each of these trading methodologies
- Give insight into their real world application
- Present new thinking on the application of the various trading methodologies

LEVEL

Advanced

WHAT WILL I GET OUT OF IT?

By the end of this course, participants should be able to:

- Recognise the key technical trading techniques in short term/proprietary trading horizons
- Recognize Technical and Fundamental methods as complements
- Maximise the information gleaned from mathematical trading models
- Utilise disciplined capital management techniques
- Become conversant in more esoteric technical analysis theories
- Practically apply intermarket technical analysis trading techniques

PRE-REQUISITE(S)

This is an advanced-level course. It is recommended that course delegates have had at least 1-2 years experience in the dealing room and have been exposed to the basics of each of the main technical trading philosophies.

THINGS TO BRING

Delegates are required to bring along a financial calculator.

COURSE CONTENT

Review of Dow Theory with Applications

- Basic Dow principles
- Importance of volume
- The legacy of Dow

Exercise: A long term analysis of the US equities market using Dow Theory

Group discussion: Looking for recent major Dow reversals

Trend Swing Charts, Fibonacci Series & Short Term Bar Chart Analysis

- Constructing Trend swing charts
- Trading as an indicator
- Fibonacci series defined
- Using Fibonacci ratios
- Trend lines
 - Short term analysis of bar charts
 - Short term reversal signals

Exercise: Real time exercise in Trend swing chart construction and working out Fibonacci ratios by magnitude and timeframe

Group discussion: On Capital management – Where would you put your stoploss?

Point & Figure Analysis

- Interpretation
- Identification of trends, supports and resistance
- Congestion analysis
- Price objective
- Reversal patterns

Exercise: Define the support and resistance levels. Measuring the price targets and stoploss management

Japanese Candle Stick and Ichimoku Kinko-hyo Chart Analysis

- Interpretation of Candle lines
- Candlestick Reversal patterns
- Candlestick Continuation patterns
- Define components of Ichimoku Kinko-hyocharts
- Guidelines for application of Ichimoku Kinko-hyo charts

Application: Short examination of Japanese candle patterns and Ichimoku Kinko-hyo charts to reinforce knowledge

Capital Management Techniques

- Risk reward principles
- Stop-loss use and abuse
- Dynamics of trading management

Group exercise of a Theoretical trade

- Planning stage
- Managing the trade and profit objective achievement

Advanced Mathematical Indicators

- MACD, Bollinger bands, ADX, Moving Average Channel indicators, Cycle Gauge Theory and Market Breadth
- The Moving average convergence divergence indicator
- Bollinger bands
- The directional Movement indicator – The ADX
- The Moving Average channel
- Cycle Gauge Theory
- Market Breadth
- Blending indicators – All weather trading

Group exercise: Review of a Trade – Getting the signals right

Gann Methodologies

- Review of Gann theory
- Squaring of price and time
- Retracement and expansion concepts
- Application of Gann's Square of Nine

Individual Revision Test: To reinforce the theory presented

Elliot Wave

- Key Elliot wave principles explained
- Impulsive and correction waves
- Wave personality and target projections
- Weaknesses reviewed

Exercise: Working out Elliot wave counts 1-profit targets and Retracement objectives

Course Summary & Conclusion