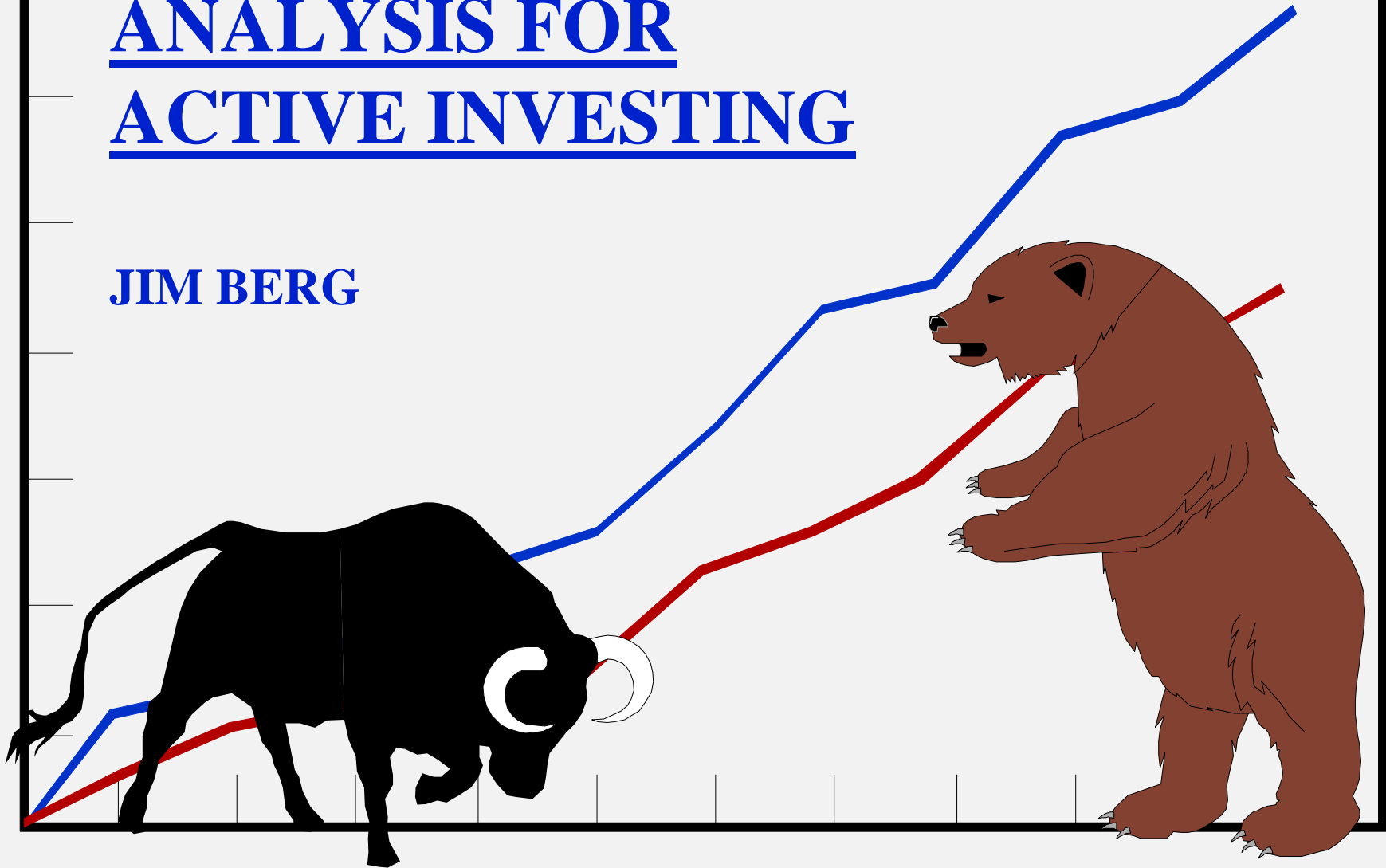


TECHNICAL & FUNDAMENTAL ANALYSIS FOR ACTIVE INVESTING

JIM BERG



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DISCLAIMER

This manual is designed to provide accurate and authoritative information in regard to the subject matter covered. It is provided for study purposes only and does not constitute advice regarding specific Share or Futures investments. Readers should not act on the basis of any matter in this manual without considering professional advice with due regard to their own particular circumstances.

WHY BECOME A TRADER?

- NO BOSS
- NO SET HOURS
- NO RETIREMENT AGE
- CHANGE YOUR LIFESTYLE
- SUPERANNUATION FUNDS UNDERPERFORM

WHAT YOU NEED

- **EDUCATION**

NOT DIFFICULT-TAKES TIME

TREAT AS A JOB

LOVE THE WORK & KNOWLEDGE

- **COMMITMENT**

NOT ABOUT MONEY

THRILL OF CREATING SOMETHING &

MAKING MONEY USING YOUR BRAIN

- **DISCIPLINE**

- **SELF KNOWLEDGE**

FUNDAMENTAL VS. TECHNICAL

- **Weight-of-Evidence**
-

FUNDAMENTAL + TECHNICAL = BALANCE

ADVICE & FUNDAMENTAL INFORMATION

RESEARCH ANALYSTS

BROKERS

NEWSLETTER WRITERS

MEDIA : NEWSPAPER, TV, MAGAZINES

WHICH SHARES DO YOU TRADE ?

DON'T GUESS !!

**TECHNICAL ANALYSIS ASSISTS YOU IN CHOOSING
WHICH SHARES TO TRADE AND WHEN TO BUY**

**COMBINING DISCIPLINES
EQUALS**

**COMMON SENSE
GREATER CONTROL**

CHART ANALYSIS

- **OLD SCHOOL ANALYSIS**

- **HISTORICAL PERSPECTIVE (PICTURE)**

- **STUDY OF PRICE ACTION**

**JUDGE STRENGTH OF BUYERS / SELLERS
IDENTIFY & TIME ATTRACTIVE TRADES
ASSIST WITH ENTRY AND EXIT LEVELS**

CHARTING TOOLS

- **TRENDLINES**
- **SUPPORT AND RESISTANCE LEVELS**
- **PATTERNS:**
 - DOUBLE TOPS & BOTTOMS**
 - TRIANGLES & WEDGES**
 - KEY REVERSALS**
 - CANDLESTICK REVERSALS**
 - GAPS**

INDICATORS

- **NEW SCHOOL ANALYSIS**
- **MECHANICAL TRADING SYSTEM**
- **MATHEMATICAL FORMULAS THAT USE PRICE AND VOLUME IN THEIR CALCULATION**
- **CREATES A PICTURE TO COMPARE WITH THE PICTURE CREATED BY THE CHART**

POPULAR INDICATORS INCLUDE :

MOVING AVERAGES

RELATIVE STRENGTH INDEX

MOVING AVERAGE CONVERGENCE-DIVERGENCE

STOCHASTIC

CHAIKIN MONEY FLOW

BOLLINGER BANDS

PARABOLIC

DYNAMIC MOMENTUM INDEX

AVERAGE TRUE RANGE *** STOPS***C-2 X ATR(10)

DIRECTIONAL MOVEMENT

LINEAR REGRESSION

MONEY FLOW

PROJECTION BANDS

WILLIAM'S PERCENTAGE RANGE

FUNDAMENTAL ANALYSIS

INFORMATION FROM COMPANY ANNUAL REPORT :

NET PROFIT

DIVIDEND

FRANKING (TAX) CREDITS

DIRECTORS REPORT

PROFIT AND LOSS ACCOUNT :

SALES

ABNORMAL & EXTRAORDINARY ITEMS

BALANCE SHEET :

ASSETS AND LIABILITIES

INTANGIBLES : GOODWILL, BRAND NAMES, INTELLECTUAL
PROPERTY

CASHFLOW STATEMENT

AUDITORS REPORT

ACCOUNTING POLICIES REPORT

SHORTCOMINGS :

- TIME
- EXPERTISE
- COMPETING WITH PROFESSIONALS
- COMPANY ACCOUNTING STATEMENTS (CREATIVE)
- COMPARING DIFFERENT COMPANIES RESULTS

WEIGHT-OF-EVIDENCE

	A	B	C	D	E	F	G	H	I	J
1	SECURITY	MKT. CAP.	P/E RATIO	DIV.	E.P.S.	EPS GROWTH	PRICE/NTA	R.O.E.	RISK	RESULTS
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										

HOLIDAY DESTINATION

WEIGHT-OF-EVIDENCE

	A	B	C	D	E	F	G	H	I	J
1	HOTEL	BEACH	GOLF	TENNIS	POOL	B'CUÉ	REST.	COST	ACCOM.	RESULTS
2	#1	1 KM.	X	X	X	X	X		4	
3	#2	100 M.		X		X	X		6	
4	#3	250 M.		X	X		X		2	
5	#4	=====	X		X	X			6	
6	#5	5 KM.		X					4	
7	#6	=====		X	X		X		8	
8	#7	150 M.			X	X			4	
9	#8	300 M.		X	X		X		6	

HOLIDAY DESTINATION WEIGHT-OF-EVIDENCE

	A	B	C	D	E	F	G	H	I	J
1	HOTEL	BEACH	GOLF	TENNIS	POOL	B'CUCE	REST.	COST	ACCOM.	RESULTS
2	#1	1 KM.	X	X	X	X	X		4	
3	#2	100 M.		X		X	X		6	
4	#3	250 M.		X	X		X		2	
5	#4	=====	X		X	X			6	X
6	#5	5 KM.		X					4	
7	#6	=====		X	X		X		8	
8	#7	150 M.			X	X			4	
9	#8	300 M.		X	X		X		6	

WEIGHT-OF-EVIDENCE

	A	B	C	D	E	F	G	H	I	J
1	SECURITY	<u>MKT. CAP.</u>	<u>P/E RATIO</u>	DIV.	E.P.S.	<u>EPS GROWTH</u>	PRICE/NTA	<u>R.O.E.</u>	RISK	RESULTS
2										
3		>	<	>	>	>	<	>	<	
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										

WEIGHT-OF-EVIDENCE

TECHNICAL ANALYSIS :

SECTORS - WEIGHT-OF-EVIDENCE

SHARES (BY SECTOR)- WEIGHT-OF-EVIDENCE

FUNDAMENTAL ANALYSIS :

WEIGHT-OF-EVIDENCE

HEALTHY, LOW RISK COMPANIES TECHNICALLY

AND FUNDAMENTALLY

GOLD SECTOR:

- TRIPLE BOTTOM
- SUPPORT / RESISTANCE BREAK
- CLOSE > MOVING AVERAGE

- RISING MA SLOPE
- TRENDLINE BREAK
- STOCHASTIC BUY SIGNAL



GOLD SECTOR SPREADSHEET

Microsoft Excel - GOLD SECTOR.xls

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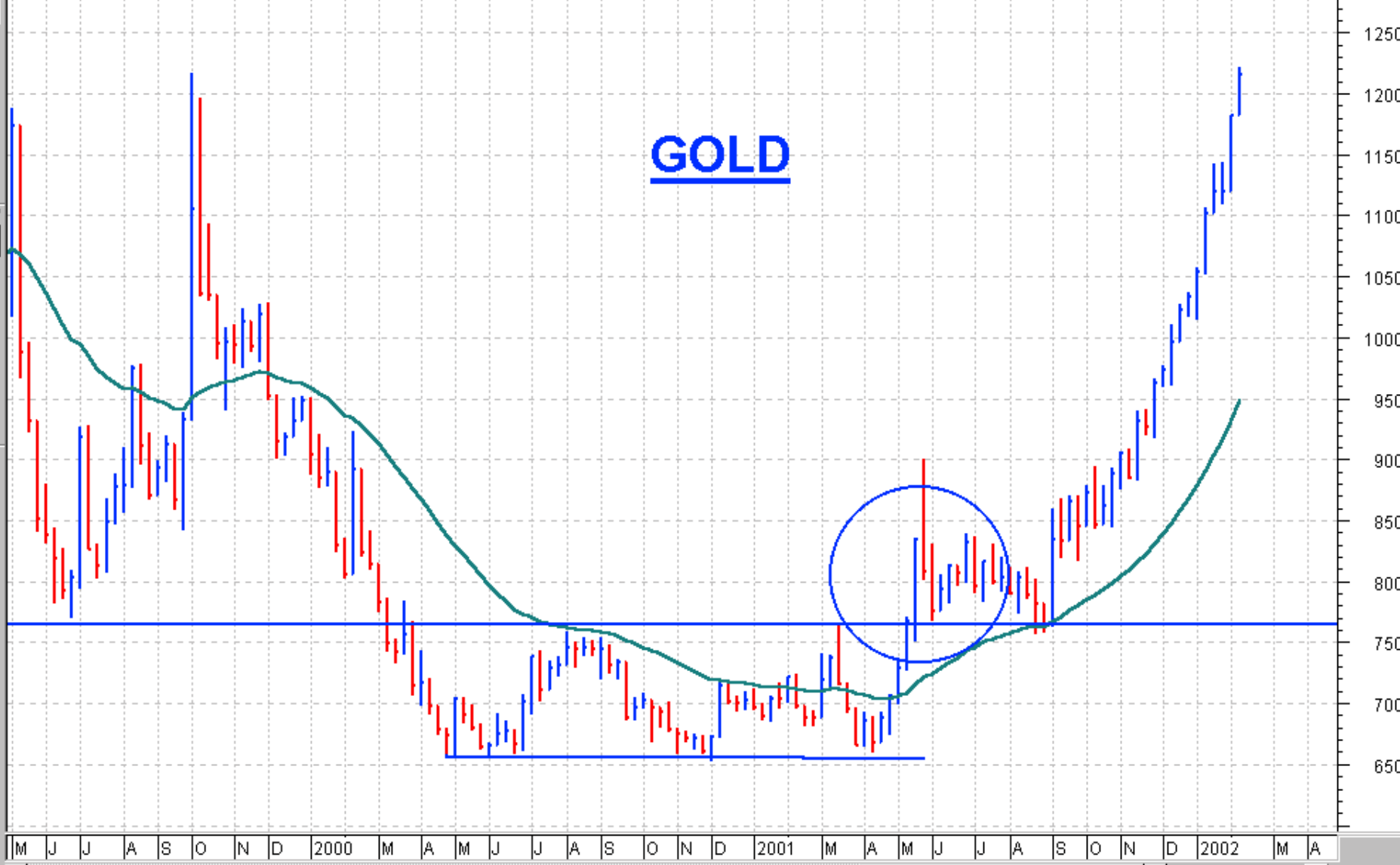
	A	B	C	D	E	F	G	H	I
1	CODE	TECH.	CAP.	STRONG	JB GRO...	ROE>10%	STAR	BUFFETT	RESULTS
2	NDY	X	1	X		6			NORMANDY
3	NCM	X	3	X		4			NEWCREST
4	SGW		2						
5	LHG		4						
6	NFM		5						
7	AGG	X	6	X		3			
8	DGD	X	7	X	X	1			DELTA
9	GLD	X	8	X	X	2	X		GOLDFIELDS
10	PML		9						
11	REL		10						
12	GRD		11						
13	HFY	X	12	X		5			HILL 50
14	RGS		13						
15	LSG		14						
16	GMS		15						
17	EQI		16						
18	AUG	X		X					
19	BKS								
20	BCD								
21	CNG								
22	EMP								
23	GDM								
24	GYM								

Ready CAPS

Start MetaStock Microsoft ... untitled - P... Microso...

7:15

GOLD INDUSTRY INDEX (1,181.80, 1,221.50, 1,181.80, 1,215.40, +33.6000)



GOLD SHARES

HILL 50



GOLDFIELDS



NEWCREST MINING



DELTA GOLD



NORMANDY MINING



GOLD SHARES:

GOLD SHARES INCREASE VAL.

	A	B	C	D
1	SHARE	JUNE, 2001	FEB. 2002	CHANGE
2	NORMANDY	\$1.15	\$2.40	108.6 %
3	NEWCREST	\$4.20	\$5.48	30.4 %
4	DELTA	\$1.50	\$2.25(DEC)	50 %
5	GOLDFIELDS	\$1.70	\$3.24	90.6 %
6	HILL 50	\$0.85	\$1.49	75.3 %
7				

DIFFERENT TRENDS ?

SAME STRATEGY!!

- **SECTOR ANALYSIS TO IDENTIFY TREND**
RISING, FALLING, NON-TRENDING
- **RISING TREND (WEEKLY CHART)**
RSI(7) TEMPORARILY O/S IN RISING MKT.

PARTS OF A TRADING SYSTEM

- SETUP CONDITIONS**

- TIMING OF ENTRY**

- STOPS**

 - INITIAL**

 - TRAILING**

- \$\$ MANAGEMENT - POSITION SIZING**

SETUP #2

TRENDS, LIKE SAIL BOATS IN A STRONG WIND, ARE EASIER TO RIDE IN THE DIRECTION THEY ARE GOING

RISING TREND:

WEEKLY CHART

HIGHER HIGHS AND HIGHER LOWS

CLOSE > 34 WEEK MOVING AVERAGE

RISING MOVING AVERAGE

TRIGGER:

RSI(7) OVERSOLD (BELOW “30”)

JB VOLATILITY ENTRY

IMPORTANT CONSIDERATIONS

1. EDUCATION
2. MONEY MANAGEMENT & POSITION SIZING
3. PSYCHOLOGY OF TRADING
4. CHOOSING A BROKER
5. DO I NEED LIVE PRICES?
6. IS TRADING A FULL TIME JOB?
7. WHERE DO I START? EDUCATION!!!!
8. HOW DO I CREATE A TRADING SYSTEM?

EMAIL ADDRESS :
jimberg@diyinvesting.net

- **COPY OF POWERPOINT PRESENTATION**
- **EDUCATION INFORMATION :**
 - **SUCCESSFUL TRADING STRATEGIES**
TWO DAY TRAINING
 - **TRADING LISTED MANAGED FUNDS**
 - **FUTURES TRADING STRATEGIES**

BOOKS

JIM BERG, “THE SHARE TRADER’S HANDBOOK”

LOUISE BEDFORD, “TRADING SECRETS”

CHRISTOPHER TATE, “THE ART OF TRADING”

DR. ALEXANDER ELDER, “TRADING FOR A LIVING”

VAN K. THARP

“TRADING YOUR WAY TO FINANCIAL FREEDOM”

STAN WEINSTEIN

“SECRETS FOR PROFITING IN BULL AND BEAR MARKETS”

NICK KATIFORIS

“PROFESSIONAL OPTIONS STRATEGIES FOR PRIVATE TRADERS”

ECONOMICS LESSON

INCOME SPLITTING
NEGATIVE GEARING

DBL. YOUR MONEY
FRANKING CREDITS

FATHER - BREADWINNER - BROKER

SON - SHAREHOLDER

MOTHER - HANDLES \$\$ - RESERVE BANK

NANNY - CLIENT & POTENTIAL INVESTOR

BABY BROTHER - FUTURE