



De basis van Technische Analyse

Deel II van III

Kim Cramer Larsson, TA specialist
Peter Siks, beleggerstrainer

Programma

- Wie is Kim Cramer Larsson
- De basis van Technische Analyse deel 2
- POLL: Ik gebruik TA voor% in mijn beleggingsbeslissingen

Disclaimer

De informatie die tijdens het webinar wordt besproken is niet bedoeld als individueel beleggingsadvies of als een individuele aanbeveling tot het doen van bepaalde beleggingen.

De beloning van de spreker(s) staat/stond/zal niet direct of indirect in relatie (staan) met zijn (hun) specifieke aanbevelingen of standpunten.

Ondanks het feit dat Saxo Bank alle zorgvuldigheid in acht neemt bij het samenstellen van de inhoud van de webinars, en daarbij gebruik maakt van bronnen die betrouwbaar geacht worden, kan Saxo Bank niet instaan voor de juistheid, volledigheid en actualiteit van de geboden informatie.

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Aan de informatie die tijdens het webinar wordt besproken kunnen geen rechten worden ontleend.

De waarde van uw belegging kan fluctueren. In het verleden behaalde resultaten bieden geen garantie voor de toekomst



The basic of Technical Analysis - part 2

Kim Cramer Larsson

Technical Analysis

- **Part 2**

- Chart types and what they can tell us
- Dow Trend theory
- Traditional Technical Patterns

- **Part 3 – next time**

- Studies and Indicators
 - Moving Averages
 - Volume
 - RSI
 - Bollinger Bands
 - MACD
- Time frames, Important points and the Secret to successful investing



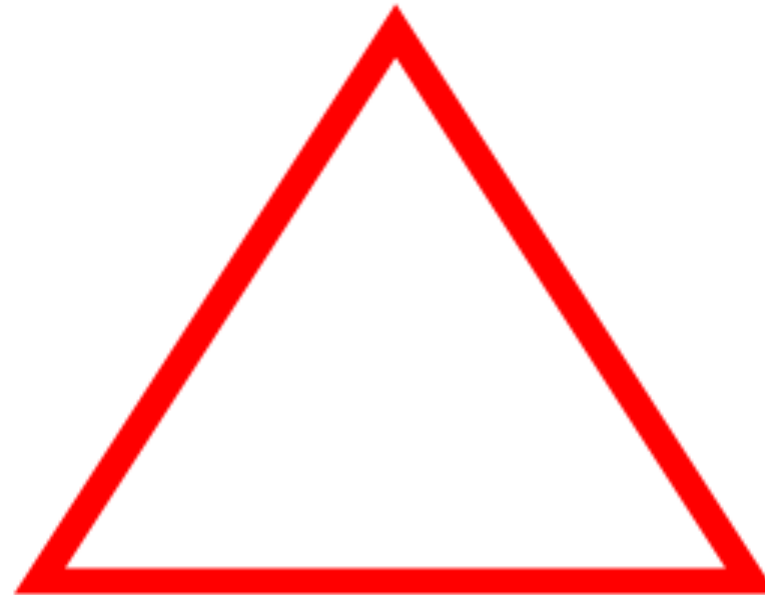
But first something about me

- **1990-** Financial Industry since (GiroBank, BG Bank, Danske Bank)
- **1996-97** Equity Advisor, BG Bank, London city
- **1997** Bond Trader, BG Bank
- **1998-2005** Equity Trader, BG Bank/Danske Bank
- **2005-2009** Technical Analyst, Danske Bank
- **2009-2012** Own TA company. Financial Trend Analysis
- **2012-** Saxo Bank – Developing chart system & Technical Analyst

The Analysis Triangle

Technical Analysis

- tells you when to buy or sell
 - but not
 - If it is any good
 - Why it is behaving how it is



Behavioral Finance

- tells you why it is doing, what it is doing
 - but not
 - If it is any good
 - When will it stop or change

Fundamental Analysis

- tells you what is good, and how good
 - but not
 - When to buy or sell it
 - Why it is doing what it is doing

What is Technical Analysis?

- Technical analysis is the study of historic price and volume, primarily through the use of charts.
- Technical analysis is a visual approach.
- Technical analysis deals with probabilities
- never certainties!



What is Technical Analysis?

Technical analysis is the study of past price movements to forecast future price actions



"Technical analysis has been shown to generate statistically significant profits despite its incompatibility with most economists' notions of efficient markets..."*)

*) Federal Reserve Bank of New York, C.L. Osler and P.H. Kevin Chang, Staff Report No. 4, August 1995.

Market action discounts everything

FUNDAMENTALS:

- Monetary policy
- Fiscal policy
- Economic figures
- etc.

POLITICS:

- Coups d'Etat
- War
- International treaties
- etc.

PSYCHOLOGY:

- Hope
- Fear
- Panic
- etc.

RUMORS:

- Intervention
- Changes in interest
- Rates
- etc.



BIG ORDERS:

- Clients
- MMs
- Stops
- Expiry
- etc.

The market knows everything !

What can TA be used for?

The use of price and volume history to assist in making investment and trading decisions.

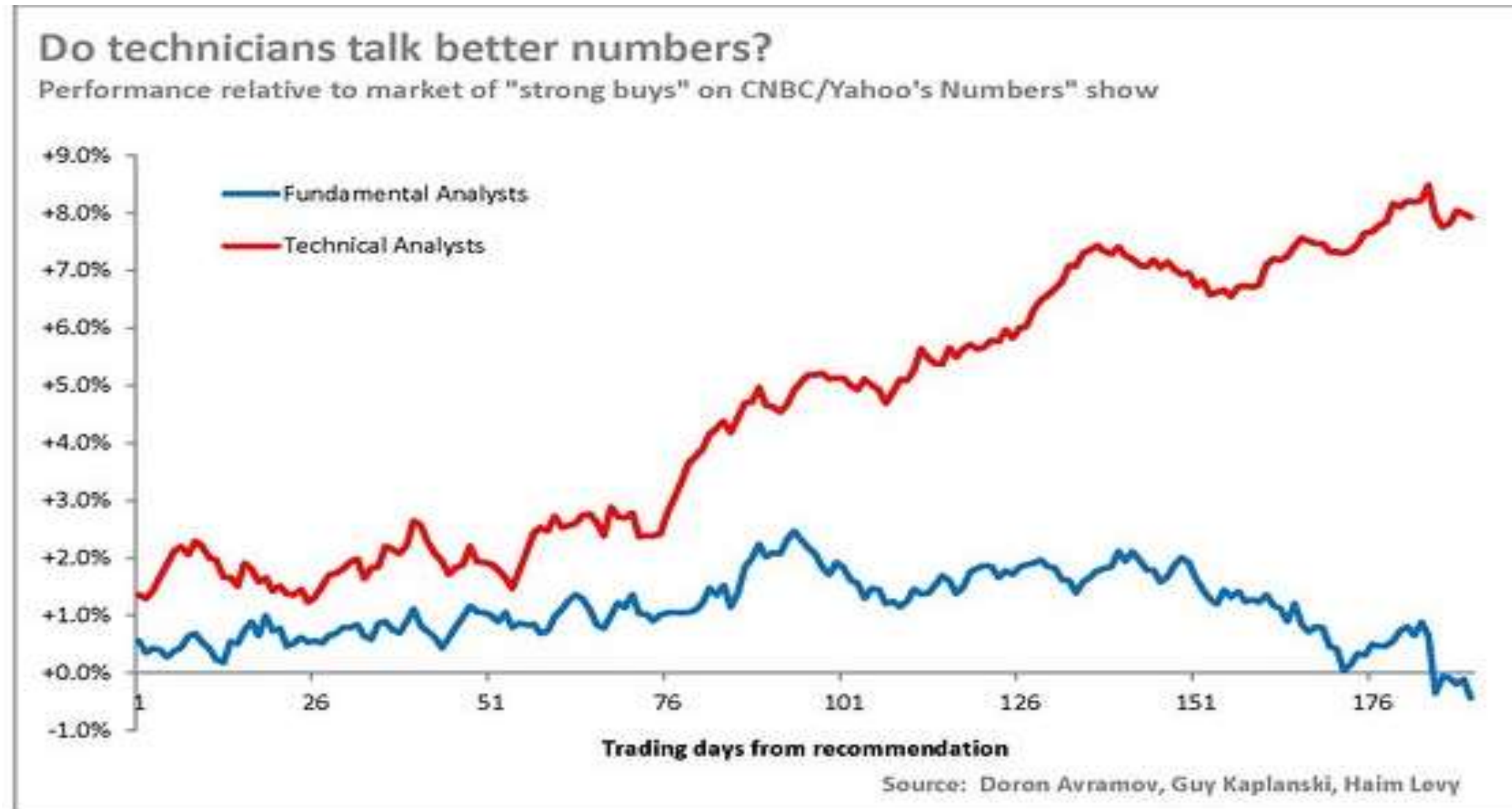
Use Technical Analysis to...

- enter a trade
- exit a trade
- decide when to take profits
- cut losses
- place stops (and targets)
- ride a trend
- minimize risk



Does TA work vs Fundamentals?

- Thousands pairs of recommendations made between 2011 and 2014 were studied



Dow Theory

- **The market moves in trends**
- **The trend is valid until a reversal happens**
- **Only closing prices are to be considered**
- **The volume of activity must confirm the trend**



Bull markets are broad upward movements of the market that may last several years, interrupted by secondary reactions.

Bear markets are long declines interrupted by secondary rallies. These movements are referred to as the primary trend.

Secondary movements normally retrace from one third to two thirds of the primary trend since the previous secondary movement.

Daily fluctuations are important for short-term trading, but are unimportant in analysis of broad market movements.

Dow Theory – Trends

The start of an up trend is signalled when price makes a higher low (trough), followed by a rally above the previous high (peak):

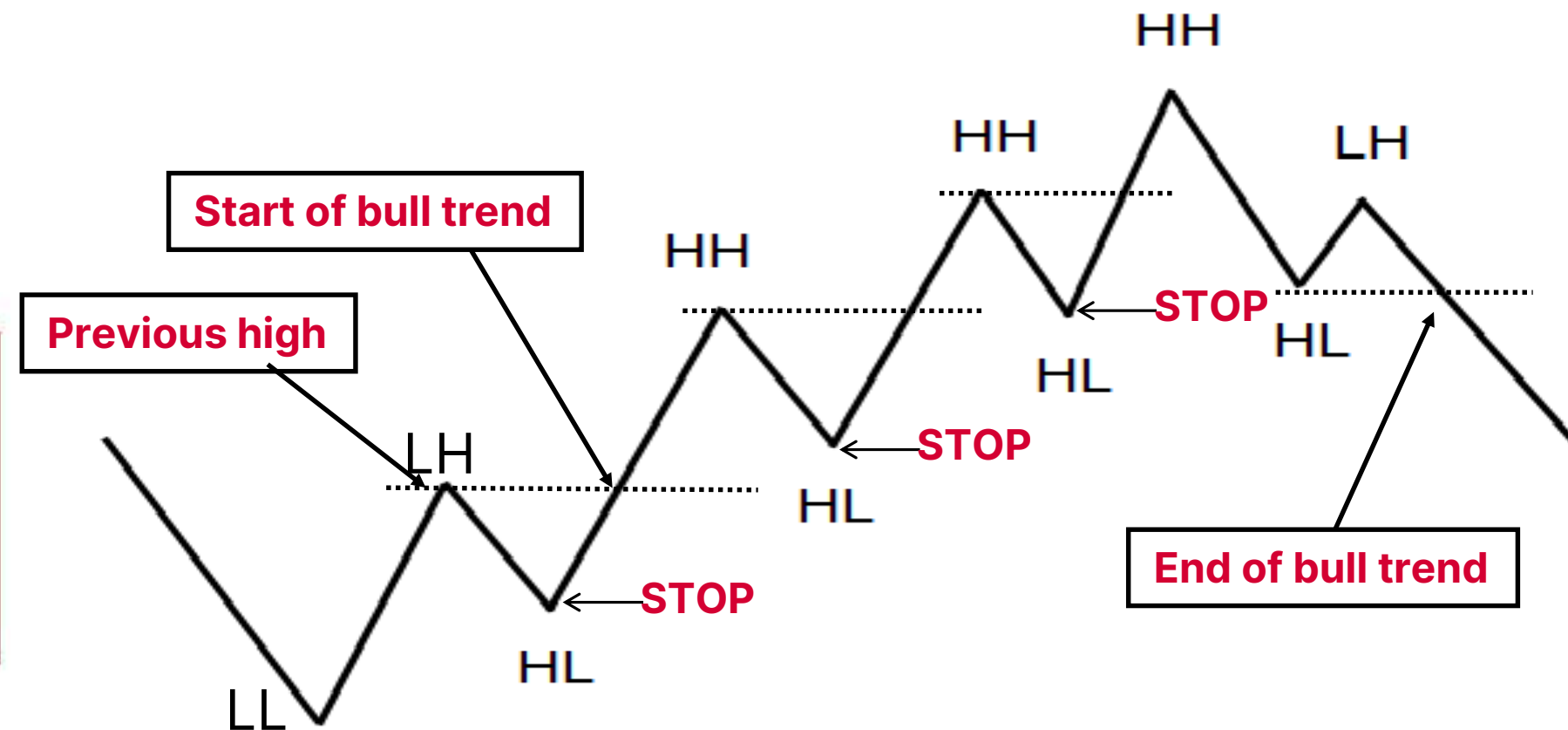
Start = Higher Low (HL) + break above previous High.

The end is signalled by a lower high (peak), followed by a decline below the previous low (trough):

End = Lower High (LH) + break below previous Higher Low (HL).



A trend is a traders friend - unless it's about to end !



Trends

1D Amazon.com Inc.

Amazon - Daily



POLL

- POLL: Ik gebruik de volgende grafiekvorm

Chart types – Line chart

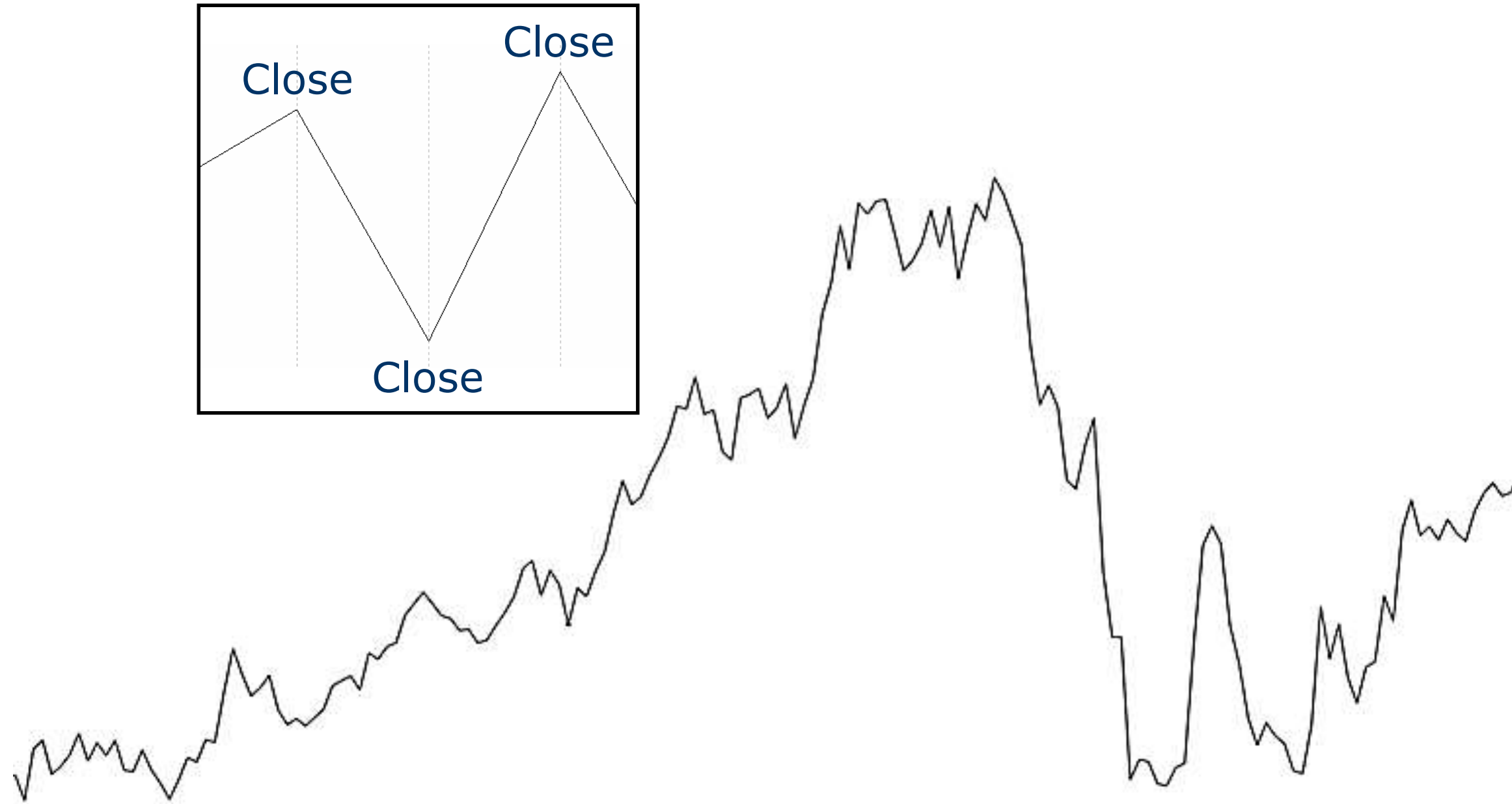
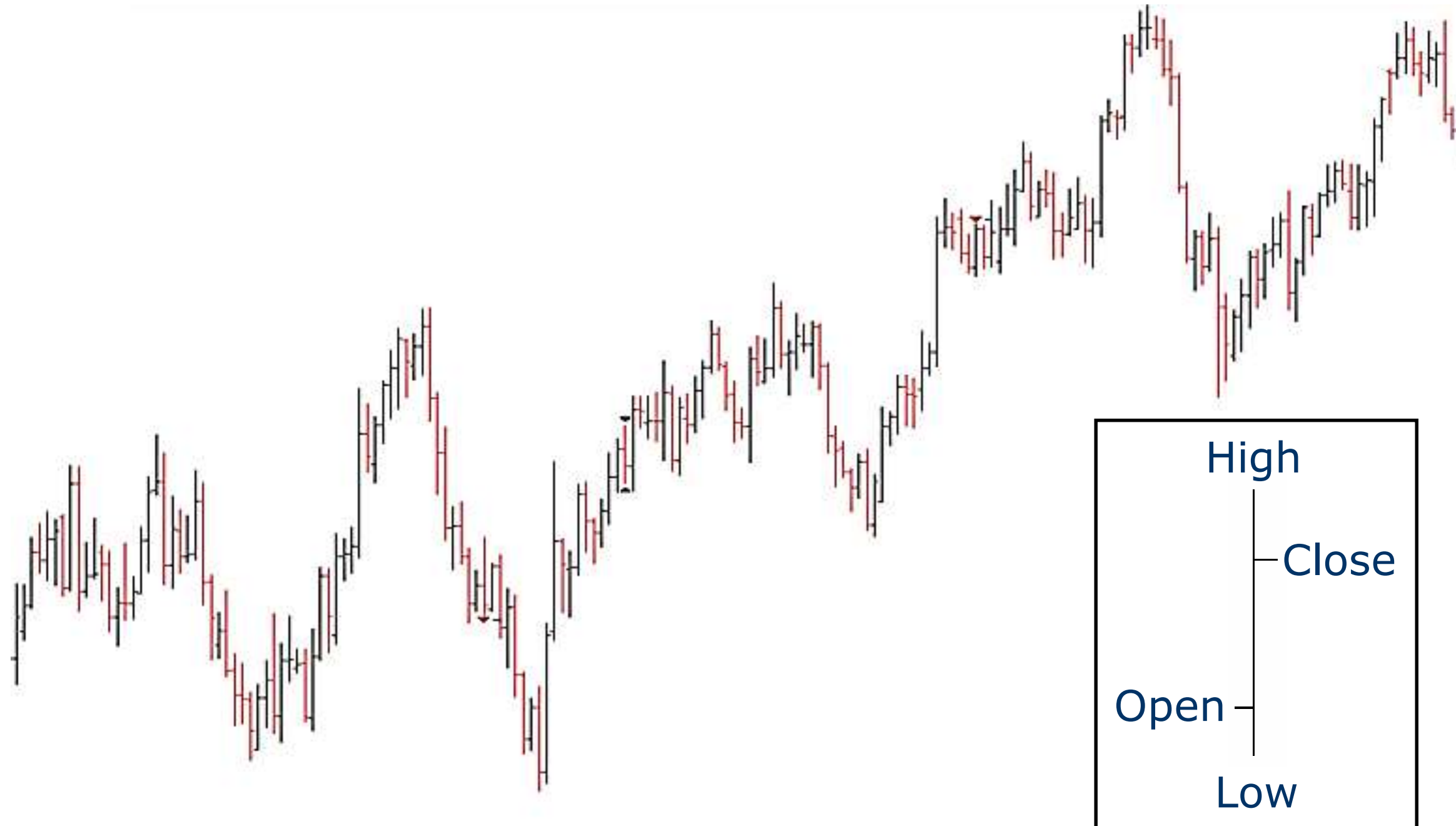


Chart types – Bar chart

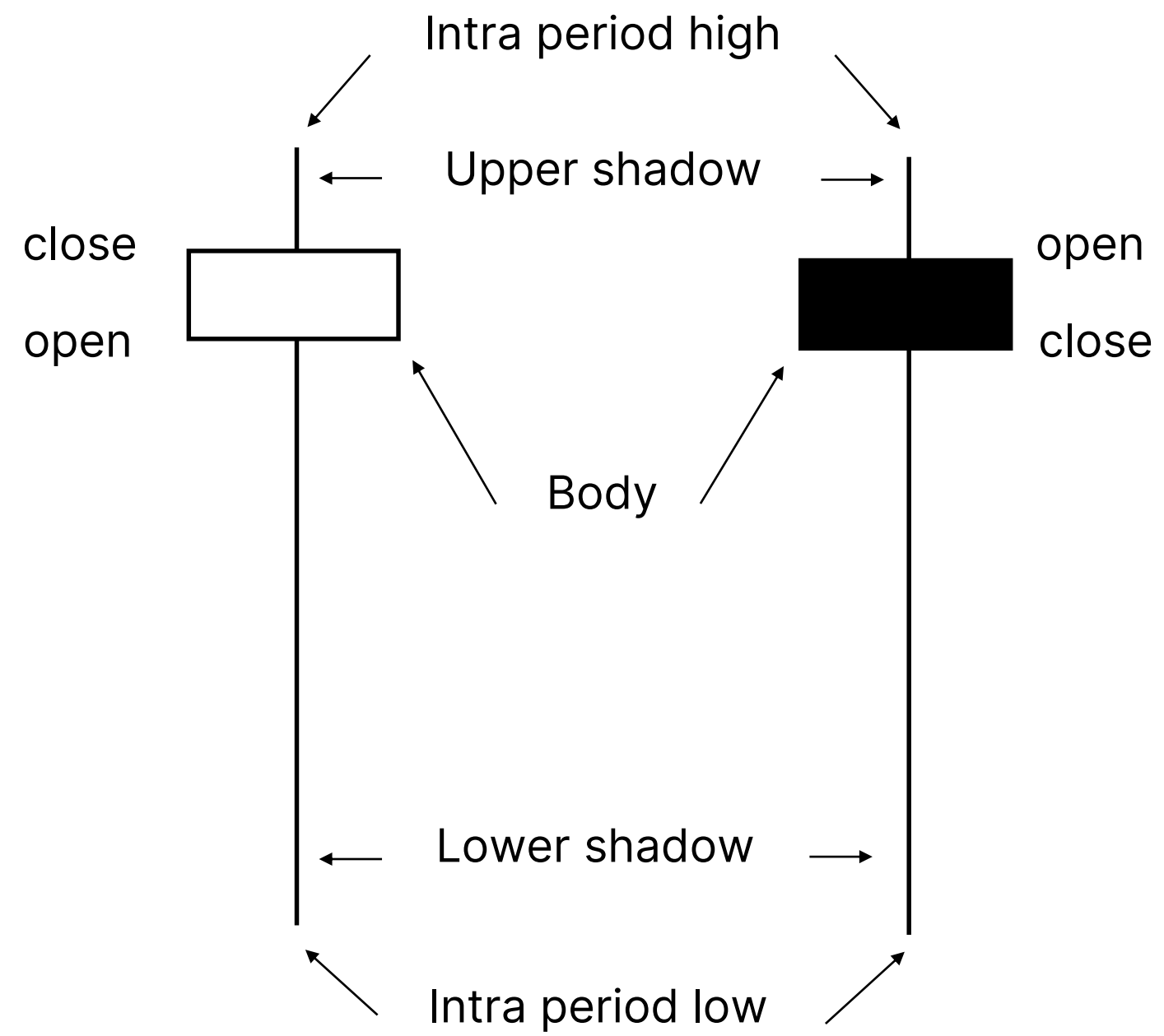


Candlesticks

- // Invented by Japanese rice traders in the 17th century.
- // Introduced to the western world in 1970's by Steve Nison
- // Uses many of the same principles as Dow Trend Theory

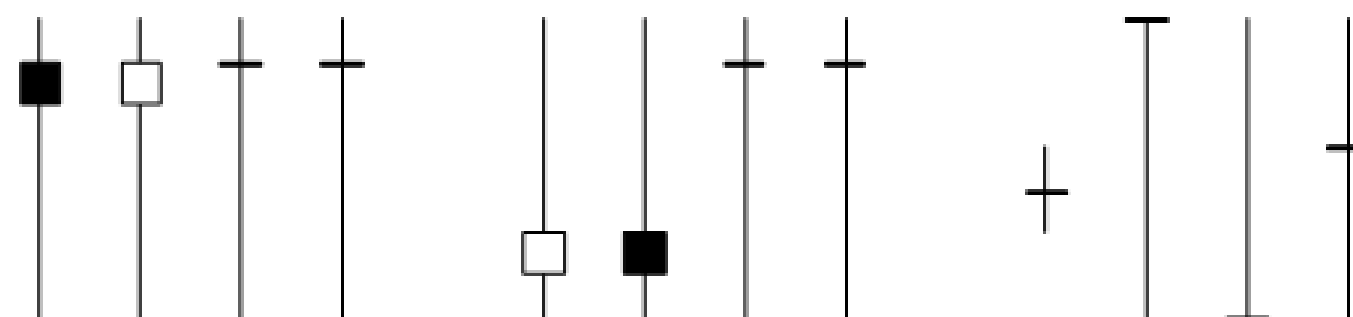


Candlesticks



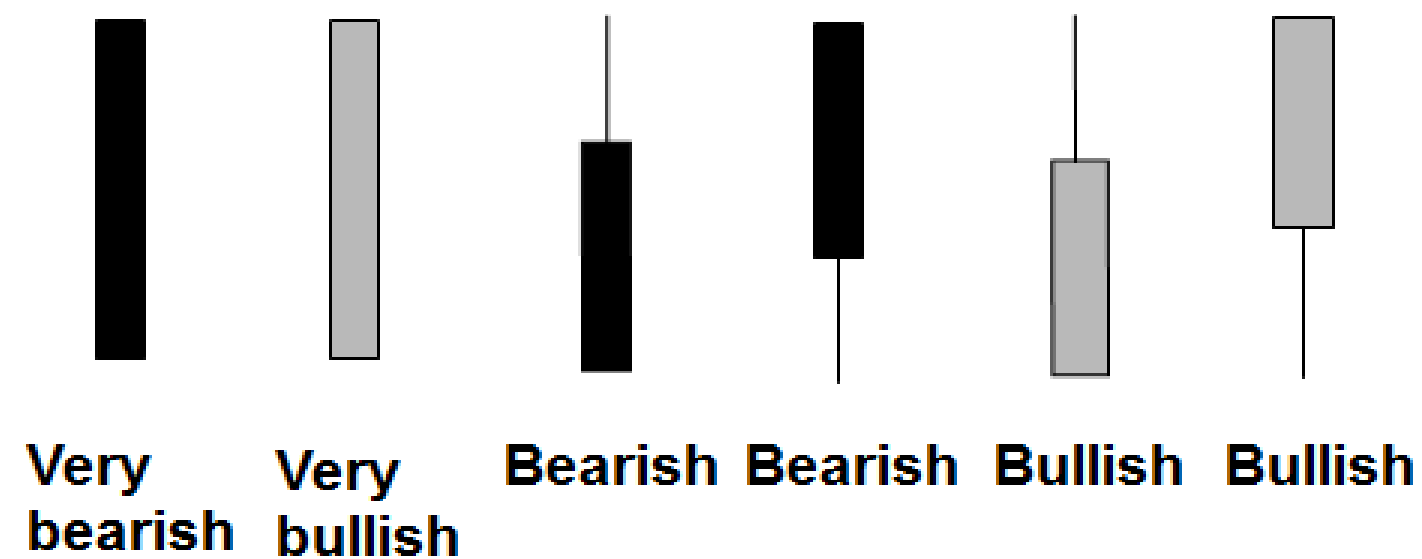
Candlesticks

“Stillness”



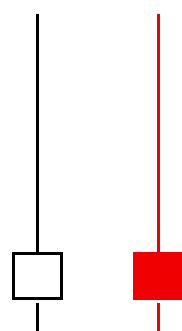
Alone, neutral patterns. Any bullish or bearish bias is based on preceding price action and future confirmation.

“Dominant”



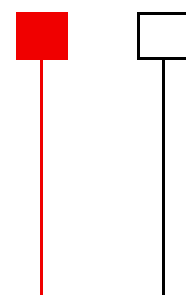
Candlesticks

Inverted Hammer (Bottom)



A small real body at the lower end of a long upper shadow. It warns of a potential bottom reversal in a falling market.

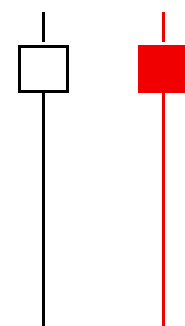
Hanging Man



A small real body at the top of a long lower shadow. It warns of a potential top reversal in a rising market.

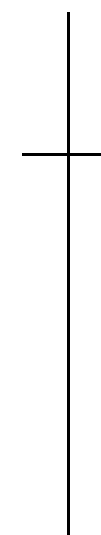
The Hanging Man formation indicates that the price goes much lower than the open then closes near the opening price. This might mean that many longs have positions that they are attempting to sell. Ideally, a black/red real body Hanging Man with a lower open the following day could be a bearish signal for the days ahead.

Hammer (Bottom)



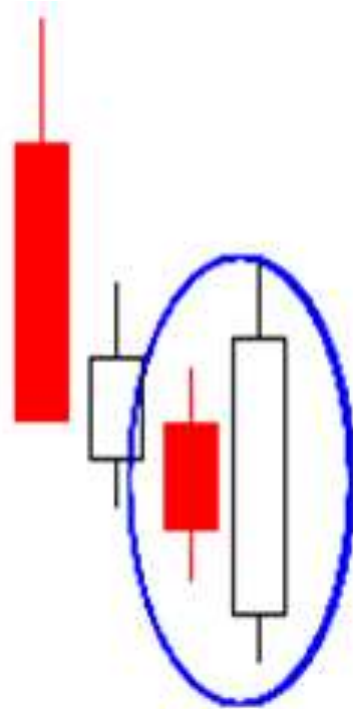
It warns of a potential bottom reversal in a falling market. As with any single candlestick, confirmation is required. The Bullish Hammer formation shows the price goes much lower than the open then closes near the opening price. This fact reduces the confidence of the bears. Ideally, a white real body Hammer with a higher open the following day could be a bullish signal for the days ahead.

Doji



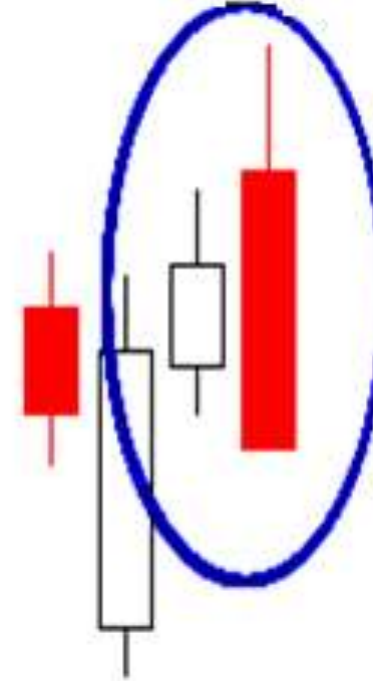
Is a shape wherein the opening and closing prices are the same and the shape has no noticeable "real body." It signals market indecision except when it appears as a Gravestone Doji, below.

Candlestick patterns



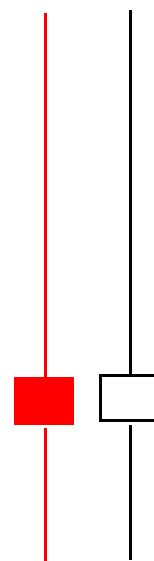
Bullish Engulfing Pattern

A long white/green body that engulfs a small black/red real body in a down trend. The white/green body's opening price is below the closing price of the previous black/red body. A bullish trend reversal.



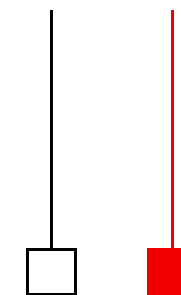
Bearish Engulfing Pattern

A long black/red body that engulfs a small white/green real body in an uptrend. The black/red body's opening price is above the closing price of the previous white/green body. A bearish trend reversal.



Shooting Stars (Top)

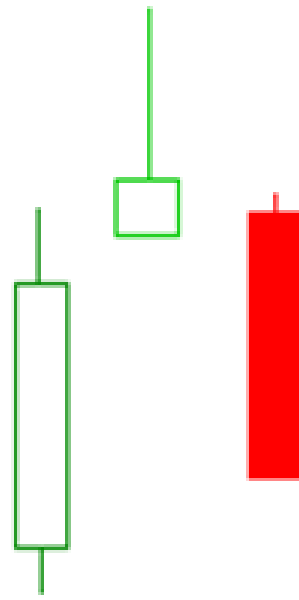
A small real body at the lower end of a long upper shadow. It warns of a potential top reversal in a rising market.



Spinning Tops (Top)

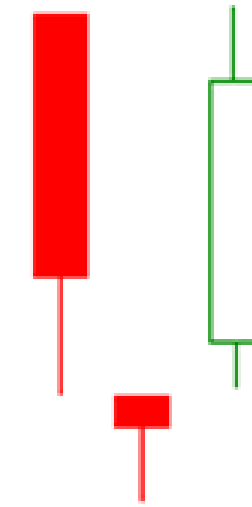
A small real body and long shadows. They imply equilibrium between buyers and sellers. They can be black/red or white.

Candlestick patterns



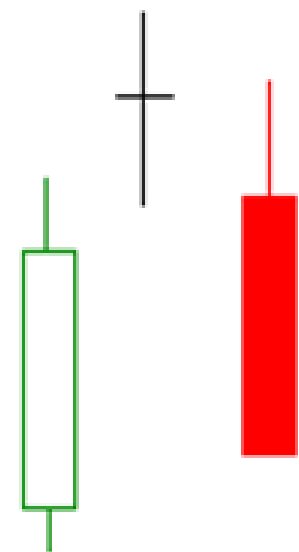
Evening Star

A major top reversal formed by three candles. A Star top is followed by a black body that closes well below the first white bars closing price.



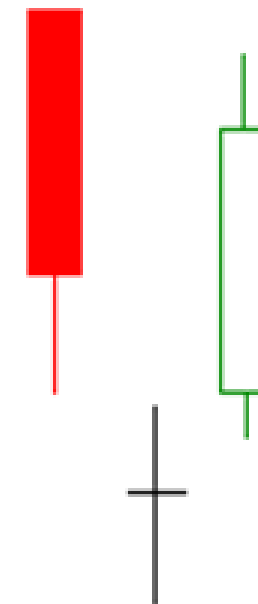
Morning Star

A major bottom reversal formed by three candles. A Star bottom is followed by a white body that closes well above the first black bars closing price.



Evening Doji Star

The same pattern as the Evening Star but the middle candle is a Doji. This pattern is considered to be even more bearish than the Evening Star.

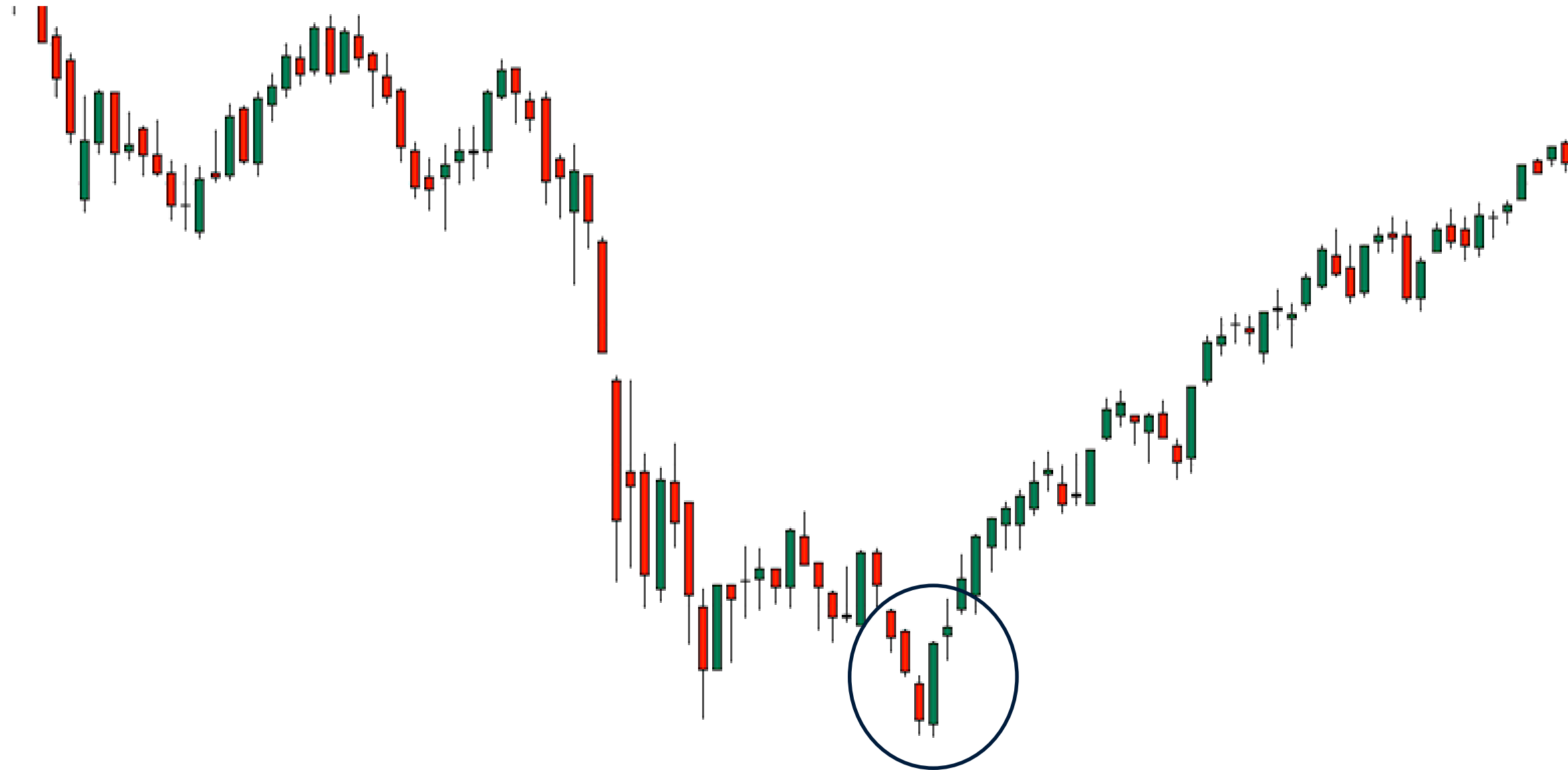


Morning Doji Star

The same pattern as the Morning Star above. But the middle candle is a Doji. This pattern is considered to be even more bullish than the Morning Star.

Bullish Engulfing

NASDAQ COMP – Weekly



Bearish Engulfing

ING Groep – May 2022



Bearish Engulfing / Spinning Top

Aegon July-August 2022



Evening Doji Star

APPLE – Weekly – September 2013



Evening Doji Star

NVidia – Daily – March – June 2022

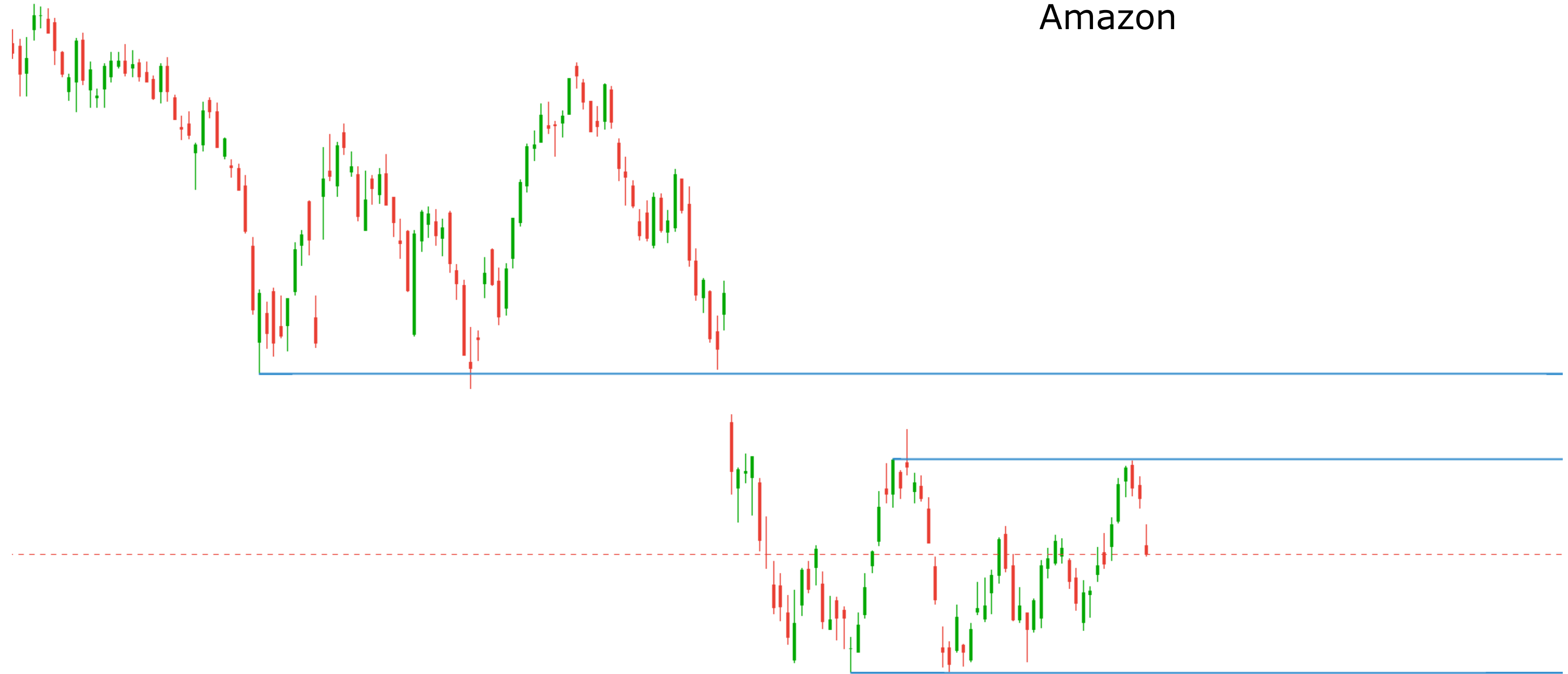


Traditional Technical Patterns

- More than 100 different kinds of patterns including bottoms and tops.
- The more times a price touches its trend lines i.e.. less white space between the trend lines the better quality of the pattern resulting in better target performance.
- Usually the price needs something to reverse from meaning most patterns are reversal patterns or continuous patterns in up- or downtrend. Exception is sideways channels.
- Look for confirmation at break out - either in volume or other studies/indicators.
- Be aware of pullbacks and throwbacks where price jumps back into the pattern.
- Targets after break out: Rule of thumb and/or Bulkowski plus Fibonacci can be used
- But let's start with Basics: Horizontal Support and Resistance lines

Support & Resistance - Horizontal

Amazon



Support & Resistance

KPN April –
August 2022



Support & Resistance - Channels

Adyen Sept. 2021 –
Sept. 2022



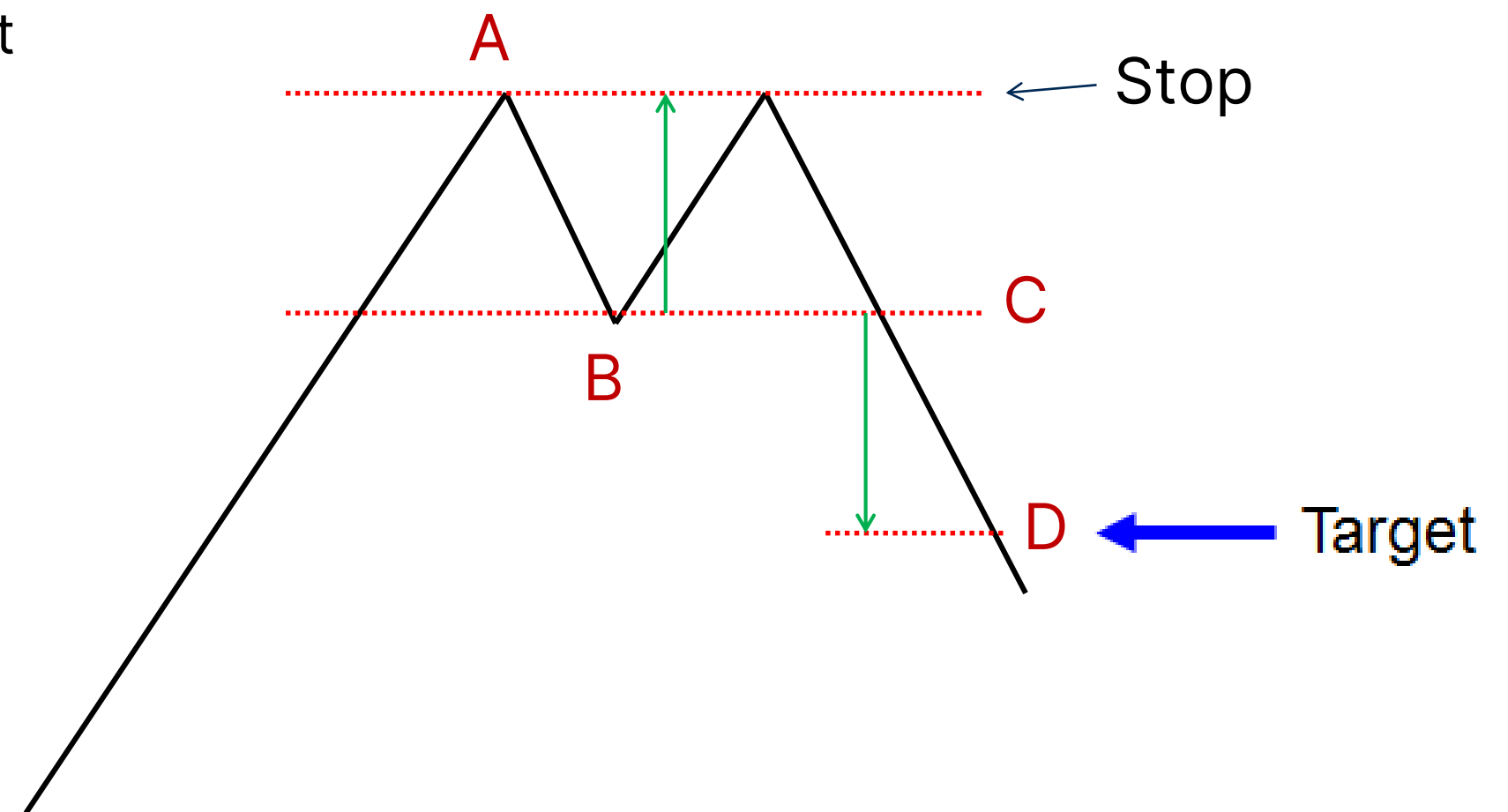
Support & Resistance

ING Group



Double and Triple Top (Reversal)

- Identification: Two peaks that look similar. Two types: Adam and Eve. Adam tops very narrow whereas Eve tops are more round
- If three tops, it is a triple top and target rules are identical
- Target: Subtract the difference between the highest peak **A** and the lowest valley **B**, which is also the Breakout and confirmation level. Then, subtract the result from **C** and find the target **D**.



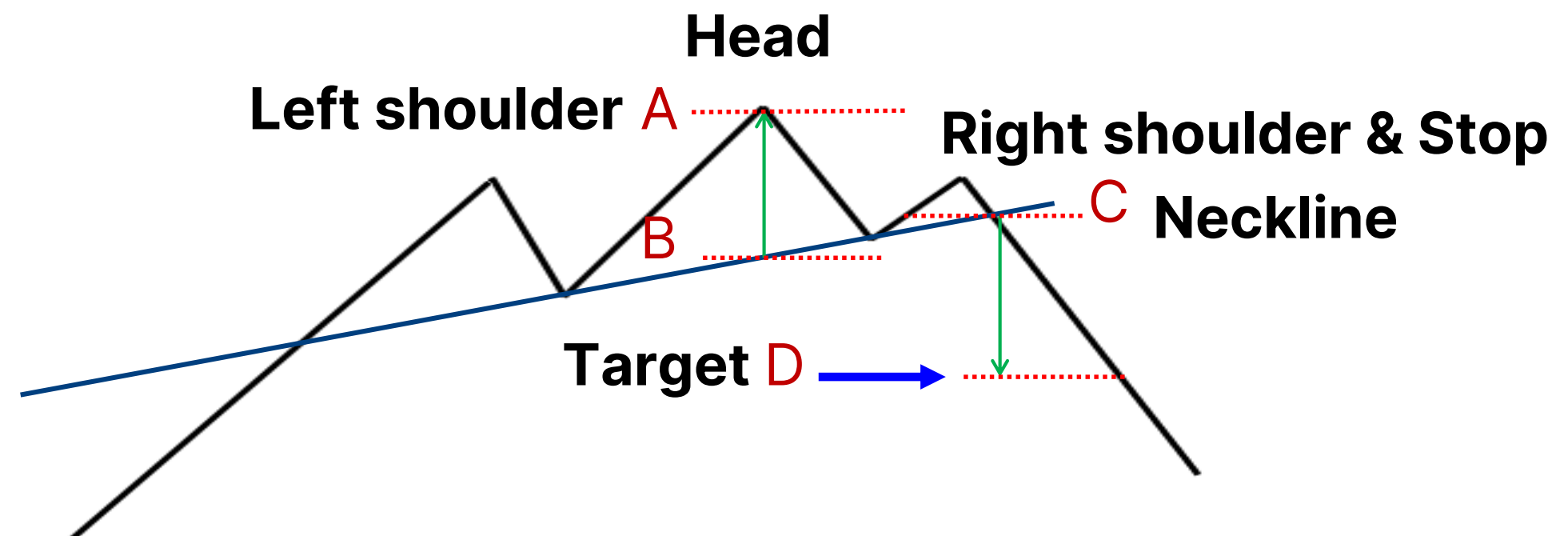
Double Top (Reversal)

XLU Utilities ETF – March – May 2022



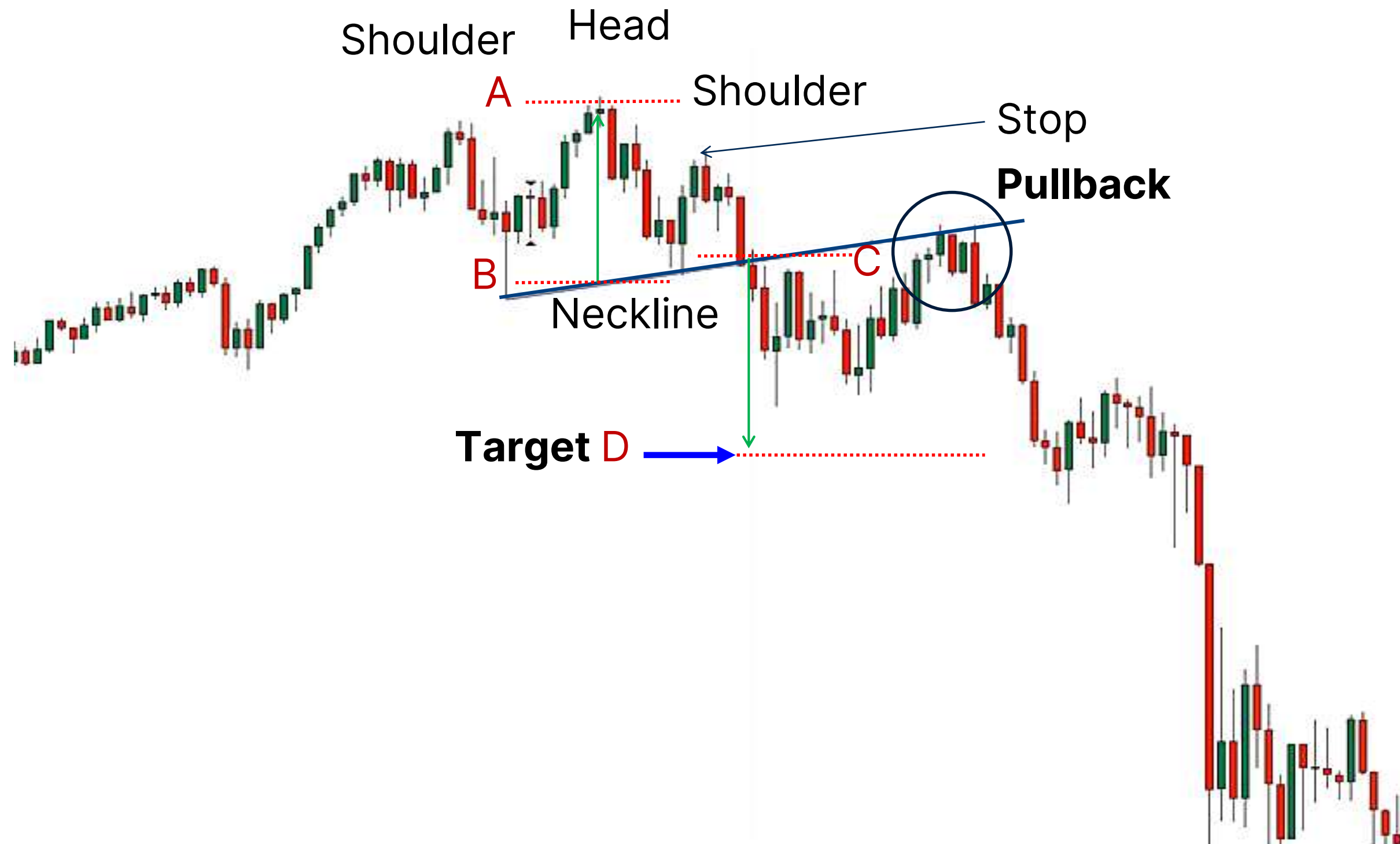
Shoulder-Head-Shoulder (Reversal)

- 3-valley pattern that looks like a person's head and shoulder. The two shoulders should peak/bottom near the same price and nearly the same distance from the head
- Price must have something to reverse from i.e., not in a sideways trend
- Volume is usually falling i.e., highest on the left shoulder
- Confirmation when breaking the neckline
- Target: Calculate the difference between the head **A** and the neckline at point **B** and subtract the result from the neckline at the break out **C** to get the target **D**.



Shoulder-Head-Shoulder

DJI - Weekly - 2007-2008



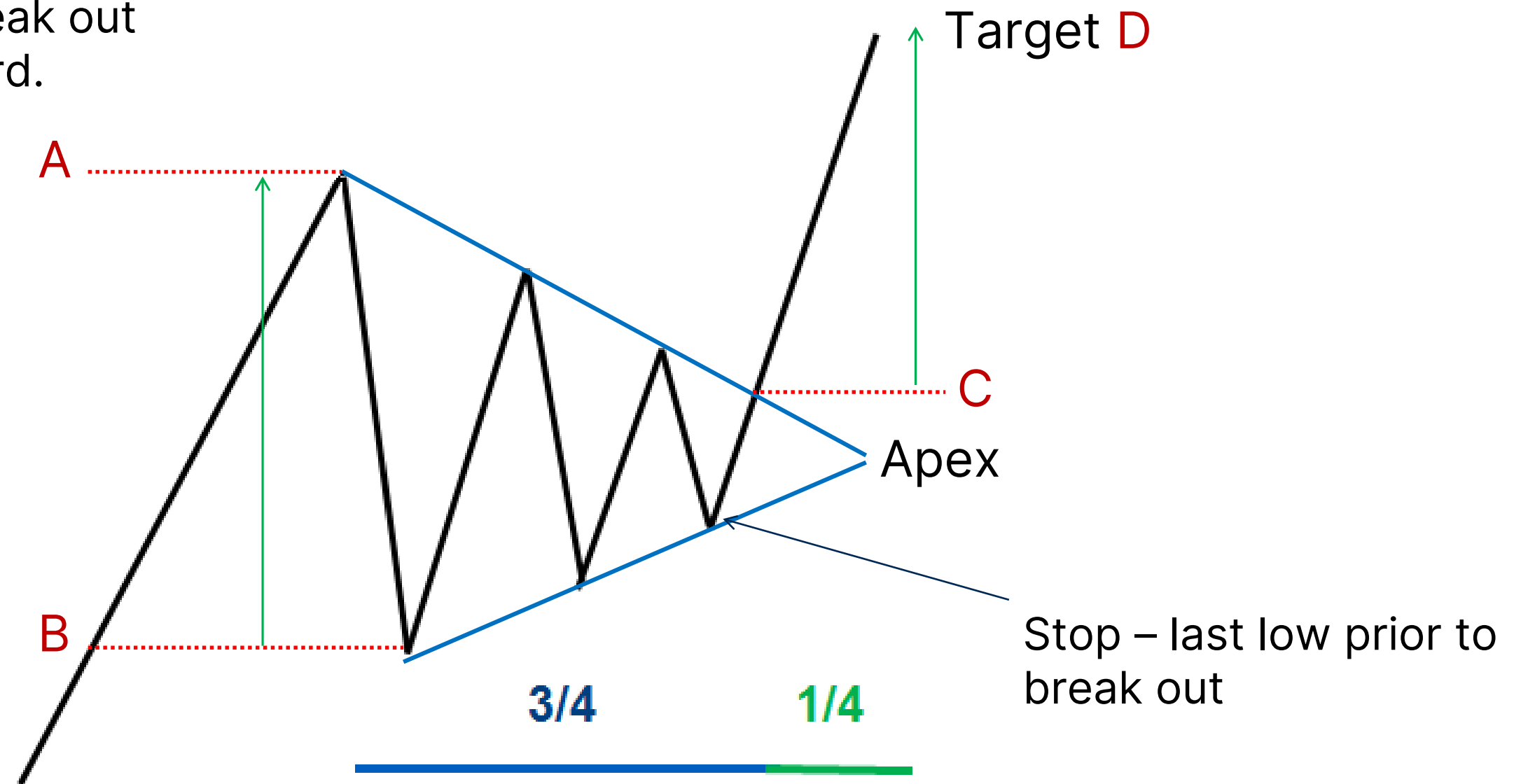
Shoulder-Head-Shoulder

WTI Crude – Daily - 2013



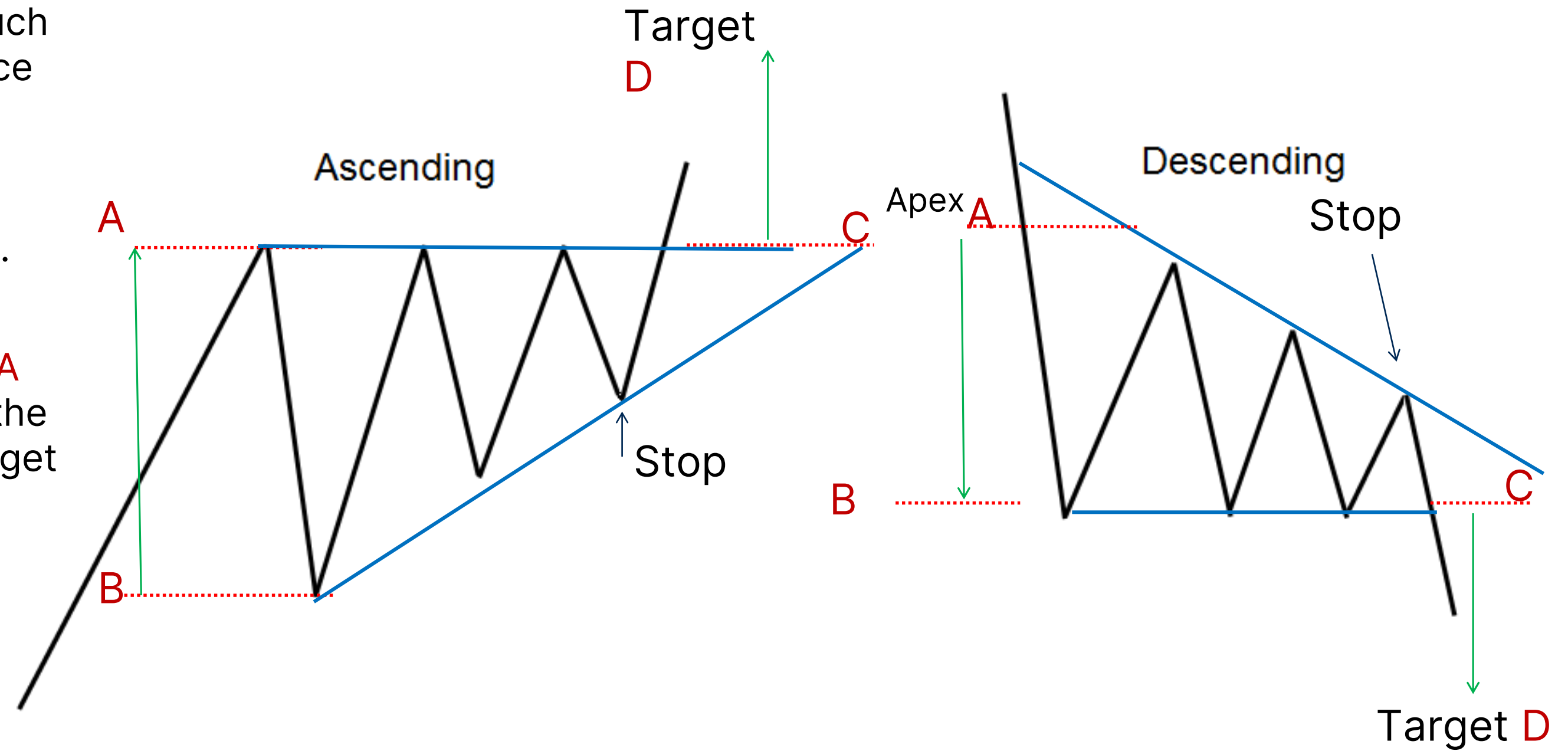
Symmetrical Triangle

- Can be in any direction leading to the pattern. Converging trend lines. Price must fill the space – no or little white space touching each trend lines at least twice. Break out 75% to apex. Break out can be any direction. 50/50 up-/downward.
- Target. Add the difference between the highest peak **A** and the lowest valley **B** to the price at the breakout **C** to get the target **D**.



Ascending & Descending Triangles

- Any direction leading to pattern. Two trend lines, one horizontal. Price should touch each trend line at least twice and filling the white space. Break out 2/3 to the apex. Ascending 2/3 upward. Descending 2/3 downward.
- Target: Add the difference between the highest peak **A** and the lowest valley **B** to the price at the break out **C** to get the target **D**.



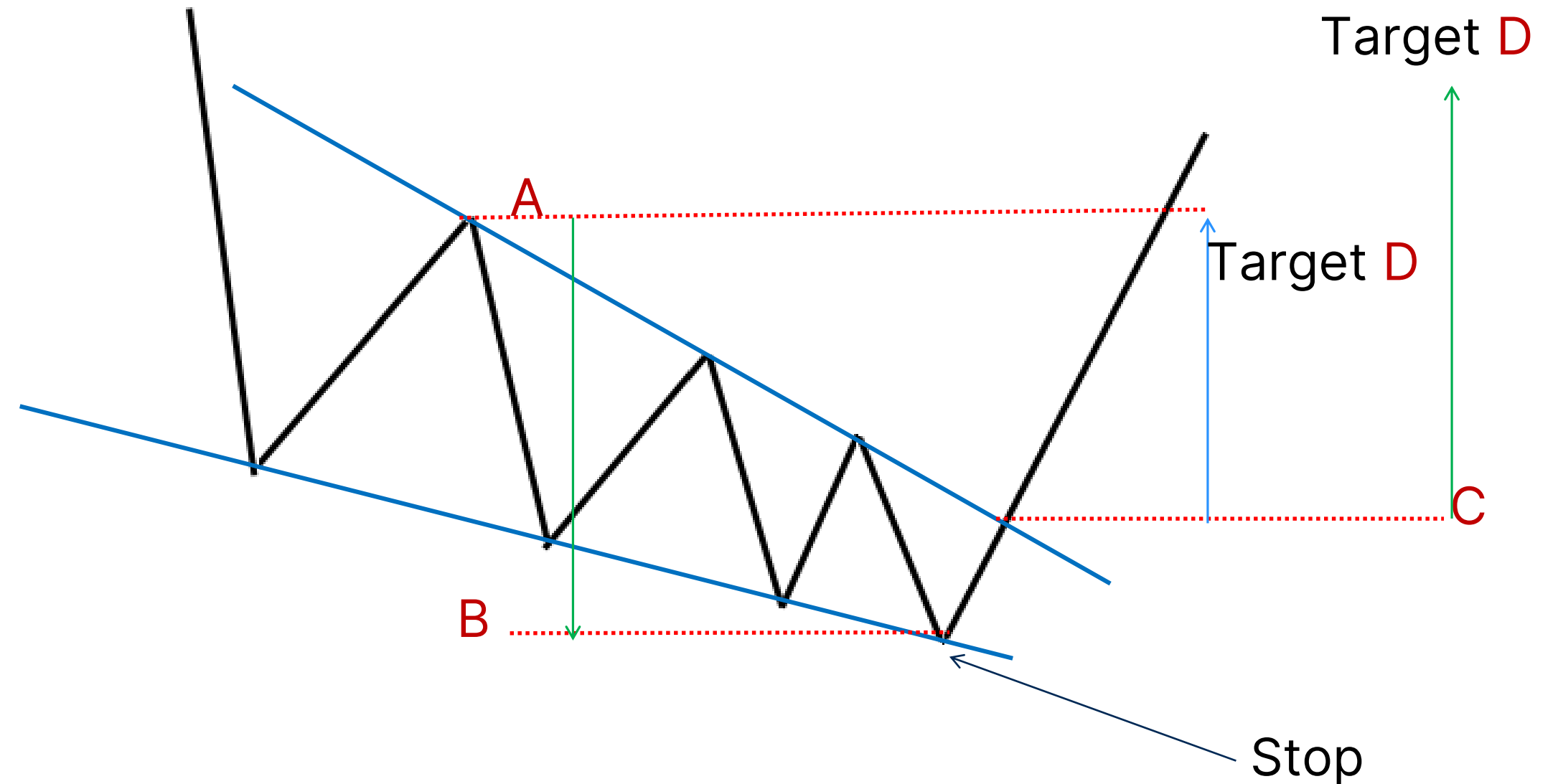
Symmetrical Triangle

USD/JPY – Weekly



Wedge (Reversal)

- Trend can be in any direction leading to the pattern. The price and the two trend lines are both down sloping. Price should touch the trend lines at least 5 times.
- Duration : min 3 weeks otherwise it's called a pennant. Break out 2/3 to the way to apex and can be in any direction. 2/3 up.
- Target: At least the highest peak in the Wedge **A** or add the difference between the highest peak **A** and the lowest valley **B** to the price at the break out **C** to get the target **D**.



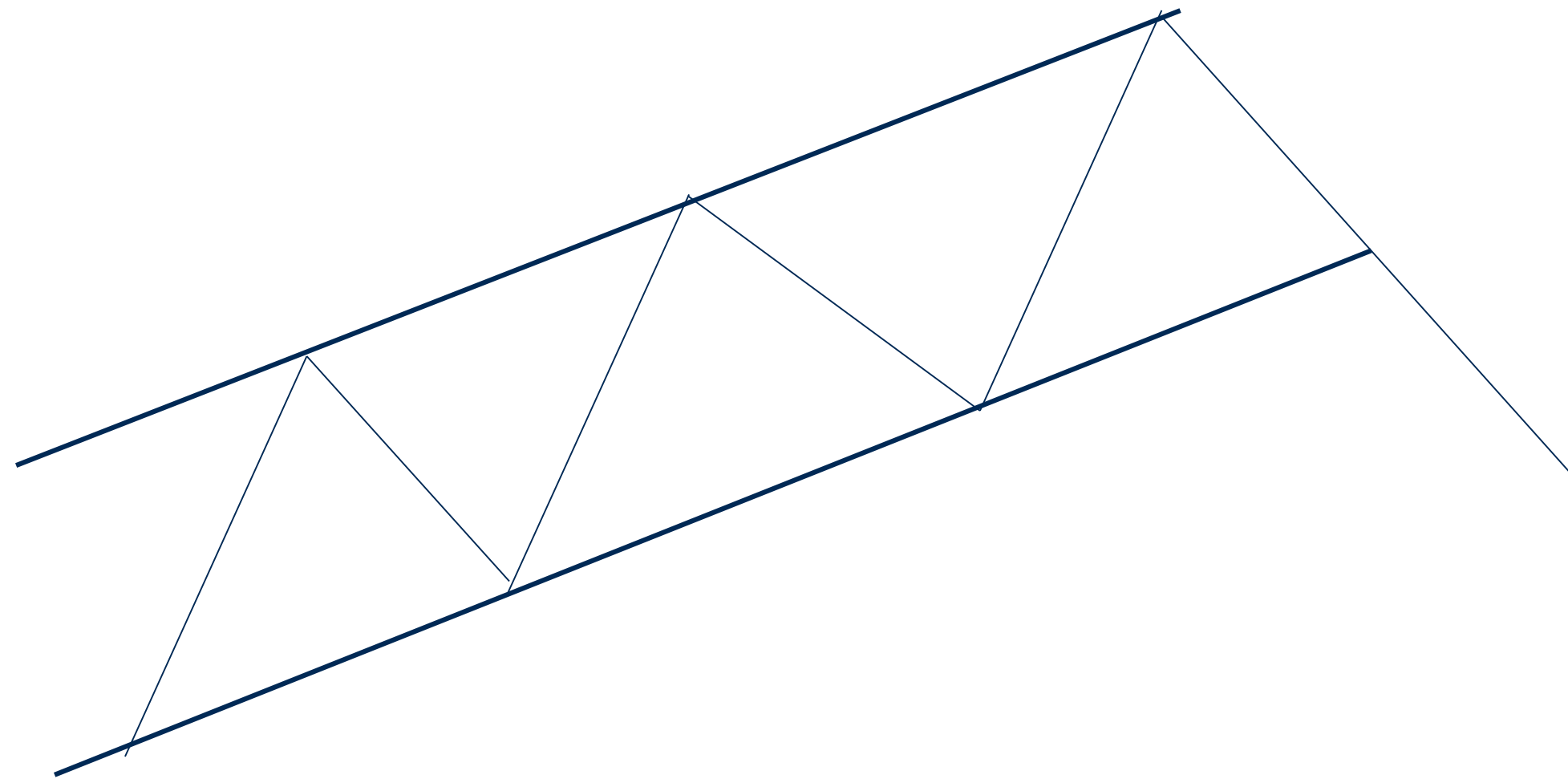
Falling Wedge – bullish reversal

EUR/NOK – Weekly -



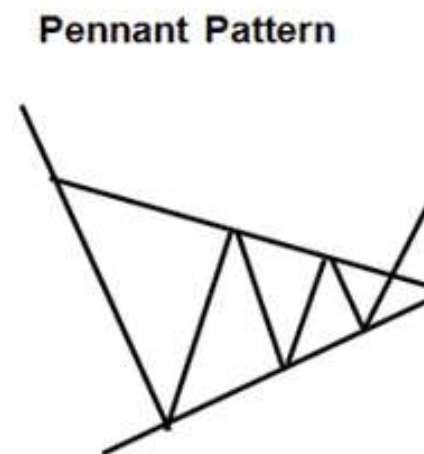
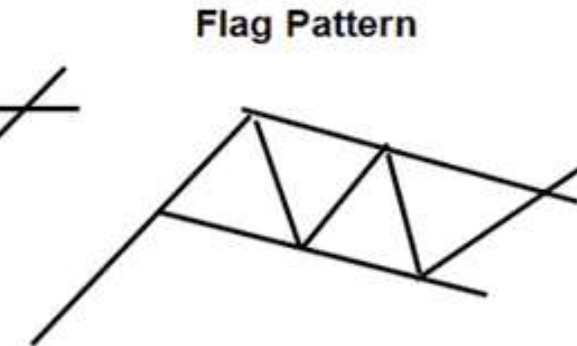
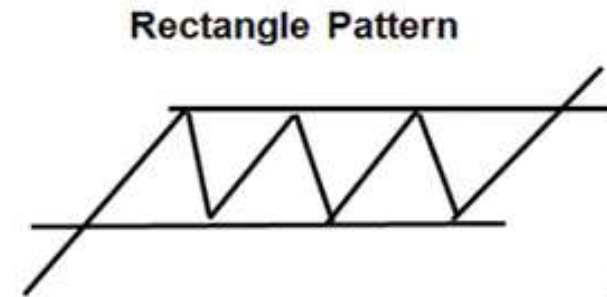
Channels – parallel trend lines

- Price movement fits between two parallel trend lines up or down – not horizontal
- Price should each trend line at least twice

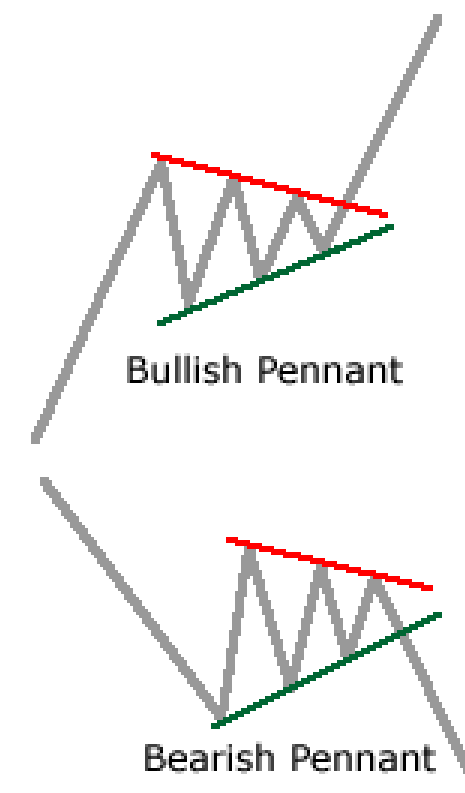
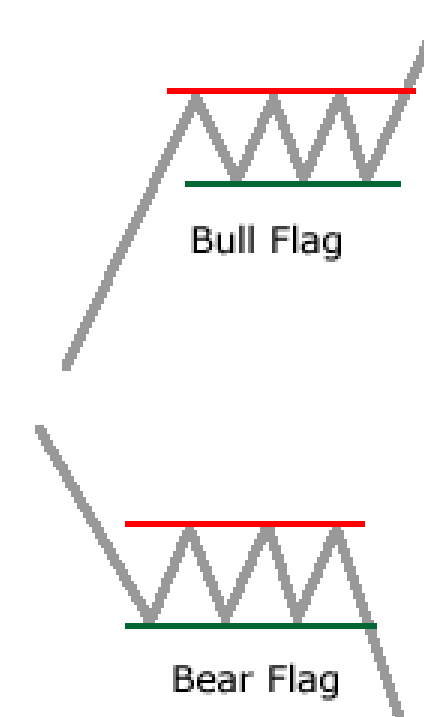


Flags & Pennants

- Flags and Pennants are continuation patterns – never reversals -and look very identical
- Flag is more rectangular shaped like a channel
- Pennants are more like a Triangle/Wedge
- They usually slope down or up

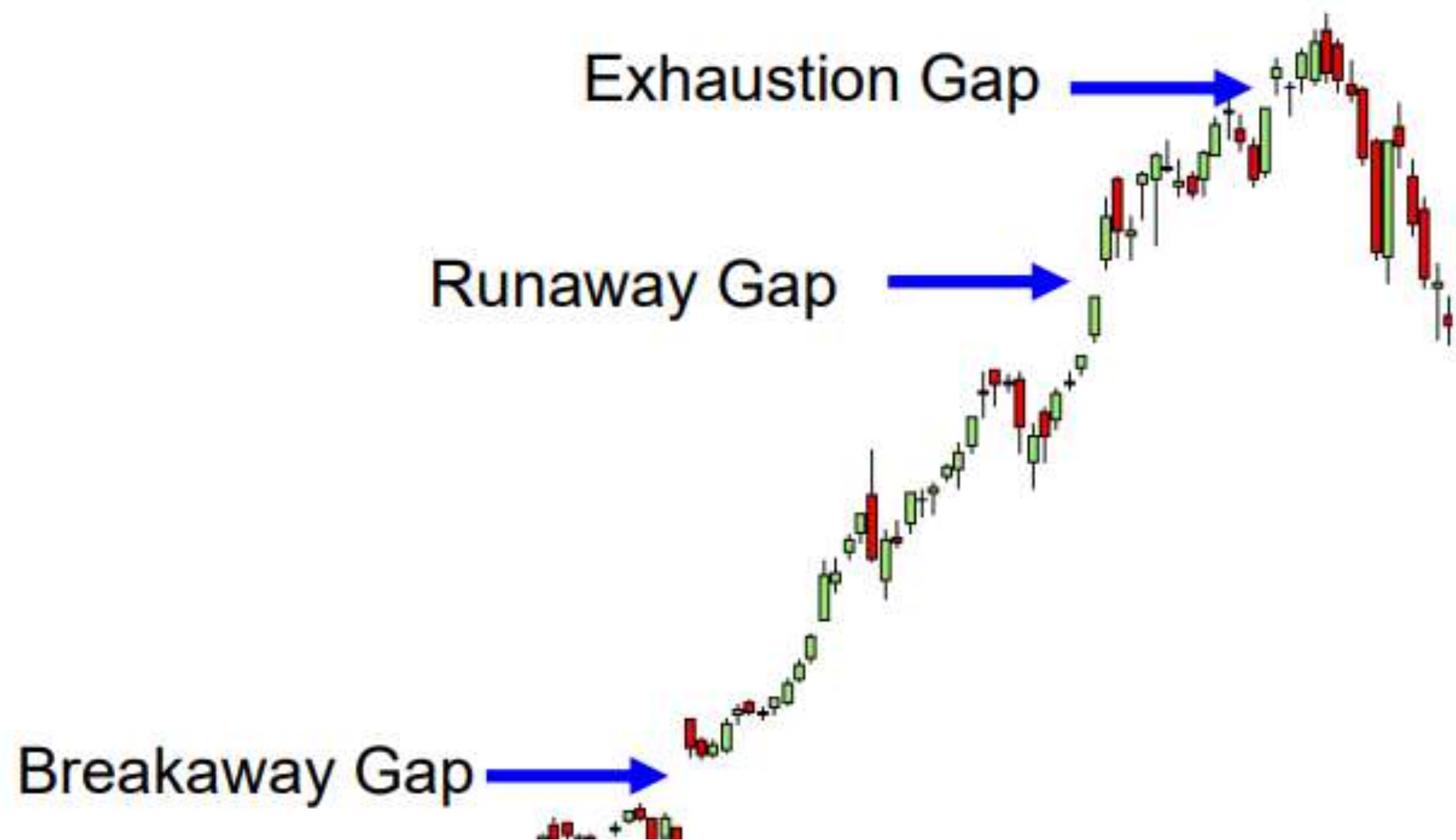


Flags and Pennants



Gaps & Breakouts

APPLE – Daily



Gaps & Breakouts

Nvidia 2021



Gaps & Breakouts – Island reversal

Microsoft - August 2022



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TRADING RESEARCH ACCOUNT

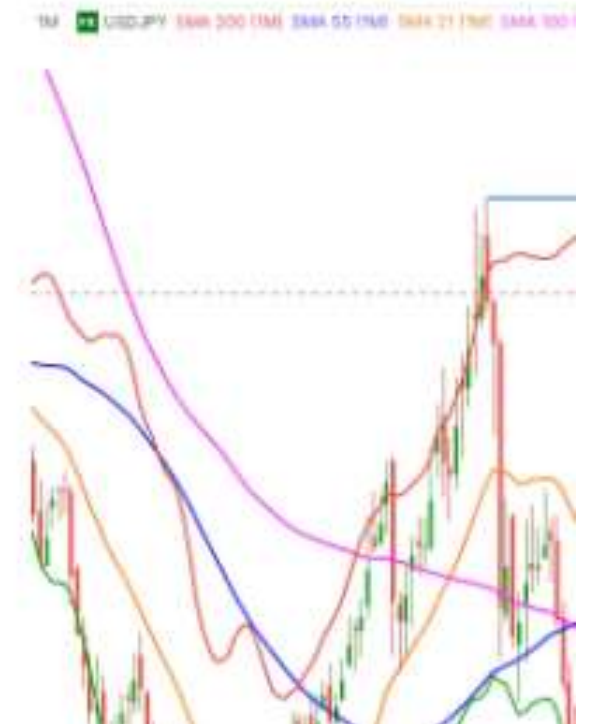
Overview Hot Topics Stocks ETFs Crypto Forex Commodities Bonds Options Webinars Education News Market Analysis Calendar

| | | |
|--|--------|----|
| Financial Markets Today: Quick Take – September 12, 2022 | 08:22 | MA |
| Saxo Spotlight: What's on investors and traders radars this week? | 03:30 | MA |
| APAC Daily Digest: What is happening in markets and what to consider next – September 12, 2022 | 02:30 | MA |
| FX Update: USD weakens broadly, but are the drivers sustainable? | 09-sep | MA |
| Equity rebound, US CPI report, and Adobe earnings | 09-sep | MA |
| Podcast: USD stumble adds to sentiment boost | 09-sep | MA |
| Financial Markets Today: Quick Take – September 9, 2022 | 09-sep | MA |
| APAC Daily Digest: What is happening in markets and what to consider next – September 9, 2022 | 09-sep | MA |
| Copper: supply fundamentals trump weak sentiment | 08-sep | MA |
| Do the odds favour a rebound in equities? | 08-sep | MA |
| Technical Update - EURUSD and Dollar Index ripe for a correction. Maybe a larger one | 08-sep | MA |
| Podcast: Room for rally or was yesterday a red herring? | 08-sep | MA |
| Financial Markets Today: Quick Take – September 8, 2022 | 08-sep | MA |
| APAC Daily Digest: What is happening in markets and what to consider next – September 8, 2022 | 08-sep | MA |
| Oil and wheat pops on Putin comments | 07-sep | MA |
| Volatility markets remain calm; China invokes "whole nation system" | 07-sep | MA |
| FX Update: Yen slide extends, ignores official warnings. | 07-sep | MA |
| Podcast: Bank of Japan fiddling as yen burns | 07-sep | MA |
| Financial Markets Today: Quick Take – September 7, 2022 | 07-sep | MA |
| APAC Daily Digest: What is happening in markets and what to consider next – September 7, 2022 | 07-sep | MA |
| FX Update: Market challenges BoJ. ECB set to hike 100 bps? | 06-sep | MA |
| The European equity landscape amid the energy crisis | 06-sep | MA |

02-sep-2022 08:42 MA Market Ar

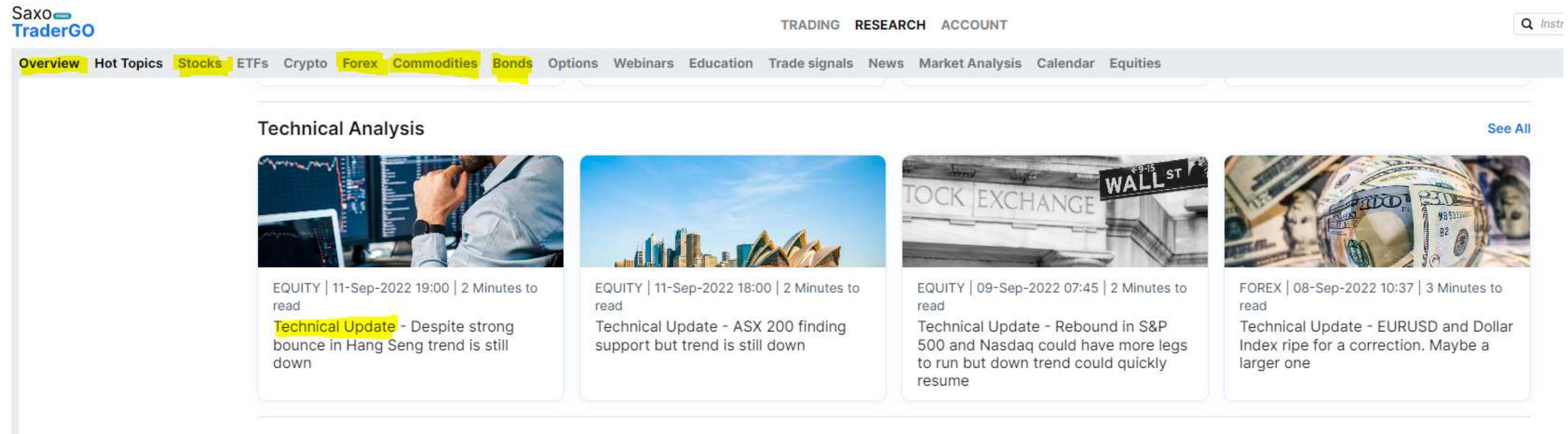
Technical Update

USDJPY
took out July peak just at 139
the 1.618 projection of the top
Add to that the 100% Extensio
(which is certainly looks like)
sometimes in FX the fifth is th
analysis from June 2022: http



Where to find my analysis

- On SaxoTrader:



The screenshot shows the SaxoTraderGO website interface. At the top, there is a navigation bar with 'SaxoTraderGO' on the left and 'TRADING RESEARCH ACCOUNT' on the right. Below this is a secondary navigation bar with various market categories: Overview, Hot Topics, Stocks, ETFs, Crypto, Forex, Commodities, Bonds, Options, Webinars, Education, Trade signals, News, Market Analysis, Calendar, and Equities. The main content area is titled 'Technical Analysis' and features a 'See All' link on the right. Below the title, there are four article cards, each with a representative image and a brief summary of the analysis.

| Category | Date & Time | Duration | Summary |
|----------|-------------------|-------------------|--|
| EQUITY | 11-Sep-2022 19:00 | 2 Minutes to read | Technical Update - Despite strong bounce in Hang Seng trend is still down |
| EQUITY | 11-Sep-2022 18:00 | 2 Minutes to read | Technical Update - ASX 200 finding support but trend is still down |
| EQUITY | 09-Sep-2022 07:45 | 2 Minutes to read | Technical Update - Rebound in S&P 500 and Nasdaq could have more legs to run but down trend could quickly resume |
| FOREX | 08-Sep-2022 10:37 | 3 Minutes to read | Technical Update - EURUSD and Dollar Index ripe for a correction. Maybe a larger one |

- Home.saxo: <https://www.home.saxo/insights/news-and-research/authors/kim-cramer-larsson>

- Twitter: https://twitter.com/cramers_corner

Dank voor uw aandacht!