    - *Works best in a swinging market*
- *Stochastics*
    - *Fast stochasitcs*
        - *Fast line (%K) = 100 x (close-low14)/(high14-low14)*
        - *Slow line (%D)= 3-day average of %K*
    - *Slow stochastics*
        - *Slow (%K) = fast %K smoothed with a 3-day average*
        - *Slow (%D) = 3 day average of slow %K*
    - *Has two guide lines (20 and 80)*
        - *Overbought when its over 80*
        - *Oversold when under 20*
    - *If the %K and %D cross above 80, you want to sell once they cross the 80 line*
    - *If the %K and %D lines cross below 20, you want to buy once it crosses the 20 line*
- *Relative Strength Index (RSI)*
    - *Scale of 0 to 100%*
        - *30 to 70% is a consolidation area*
        - *Above, 70% → overbought*
        - *Below 30% → oversold*
    - *Usually calculated over 14 days*
    - *RS = 100 – (100/1+RS)*
        - *Ex: if RS is 3*
            - *100 – (100/(1+3)) = 75 (overbought)*
    - *Buy when RSI breaks above 30%*
    - *Sell when RSI breaks below 70%*
    - *Bullish when in between 50% to 70%*
    - *Bearish when between 50% to 30%*
- *Japanese Candlesticks*
    - *Shows the open and the close*
    - *If its white, price closed higher than the open*
    - *If its coloured in, price closed lower than the open*
    - *The 'wick' shows the range in which the price traded for the day*

To analyze a chart

1. *Write down all the information (which indicators are showing)*
    a. *Look at the price (last), legend and graphs*
        i. *Look at the top of the price chart down*
2. *Write down facts about each indicator showing*
3. *Write a recommendation for each*

Feb 10

Options

- *Example*
    - *BMO trading at $60*
        - *Buy 1000 shares of BMO at $60 = -$60,000 (cost)*
            - *Might sell at $66 (profit at $6,000)*
                - *Profit at 10%*
        - *OR can buy an option to buy 1000 BMO at $60 until March 2015*

- *Total Dollar Value*
- *Body of report*
    - *Discuss all trades*
        - *"On Feb 7 I bought 1000 shares of Encana because…"… "Subsequently, on March 2 we sold 1000 shares of Encana at $32 with a loss of _______ because…"*
    - *Write a couple paragraphs about what you learned*
        - *Purpose of the report is to learn from this... what worked and what didn't work*
        - *What can you take away from it later in life*
- *Appendix*
    - *Print out trade history*