

Technical Tools for the Fundamental Investor

Need help with the judgment issues?
Become a better more confident investor
Augment the SSG data

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We'll review these tools:

1. **Trailing Stop Loss Order (TSLO)**
 - Protect your profits
 - Measure Volatility – Where to set the TSLO
2. **When to Buy and Sell solutions**
 - Using Technical Tools to help solve the problem
3. **Point & Figure Chart**
 - Help in setting the 5 year low price
 - Recognize the high price “Frothy” area & low price support level
 - Volume – What are the big boys doing
4. **A Set and Forget Investment Plan**
5. **(And a couple of bonus tools)**

1. Trailing Stop Loss – how does it work?

- **Trailing Stop:** A stop-loss price set below the current price that adjusts as the price fluctuates. A trailing stop is set below the current price and rises as the price increases—but it does not decrease. Should the price decline and reach the trailing stop, then a sell is triggered and the position sold. As long as the price remains above the trailing stop, the position is held.

1. Trailing Stop Loss – in a few words

- **Trailing Stop:**
 - A price set below (%) the current price
 - It increases if the price rises
 - It does not decrease
 - If current price dips to or below the Stop Loss Price
 - Position is automatically sold
 - Designed to sell before a catastrophic loss occurs

1. Trailing Stop Loss – pros & cons

Pros:

- Can limit a loss
- Allows less monitoring of a company
- Can decrease anxiety

Cons:

- Can increase capital gains taxes
- Requires thinking

Should be set only on selected companies-at selected times

- *When price is reaching new highs*

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1. When to Use a TSLO

- The “Point & Figure” chart indicates when
- When the price is in a “frothy” area

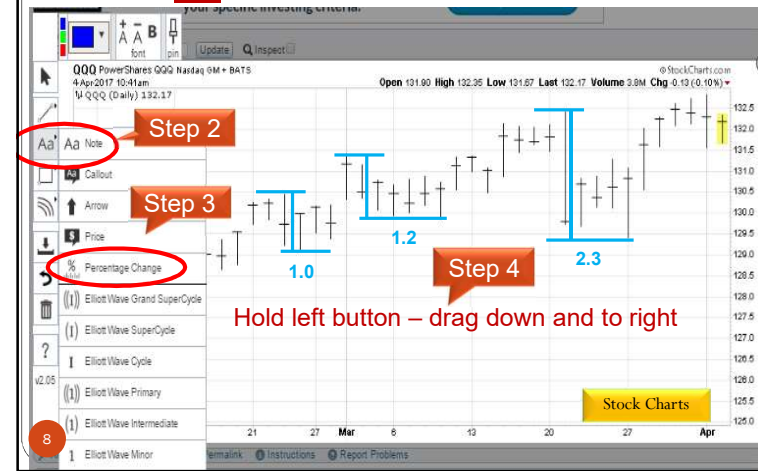
- TSLO is cancelled on ex-dividend date
 - Must be reactivated
 - Brokers have different rules—check with broker

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How to determine the TSLO %



Method #2 How to determine TSLO %



Register the TSLO with your broker

Stocks & ETFs: Buy & Sell

The next cost basis rules are taking effect. [Learn more.](#)

Buy Quantity of Symbol [Symbol lookup](#)
 Sell ACN ACCENTURE PLC IRELAND SHS CLASS A
 77.41 -0.43 (-0.55%)
 Bid 77.41 Ask 77.42 Vol 865,465
 Real Time Quote by NYSE @ 2:04:38 PM EST

Order Type Stop param.

Time-in-Force Special instructions
 Date Routing

Tax Lot ID Method [What's this?](#)
 Please note: To change your standing method, go to [My Profile](#).

Make this a conditional order. [What is this?](#) ****NEW***

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2. When to Buy and Sell helps

- StockCharts.com – TOTAL return
<http://schrts.co/tidWynXt>
 Use this link when going to StockCharts.com

Price chart – comparison to:

- EMA – Exponential Moving Average
- MACD – buy and sell indicator
- RSI – Relative Strength Indicator

Stock Charts shows TOTAL return

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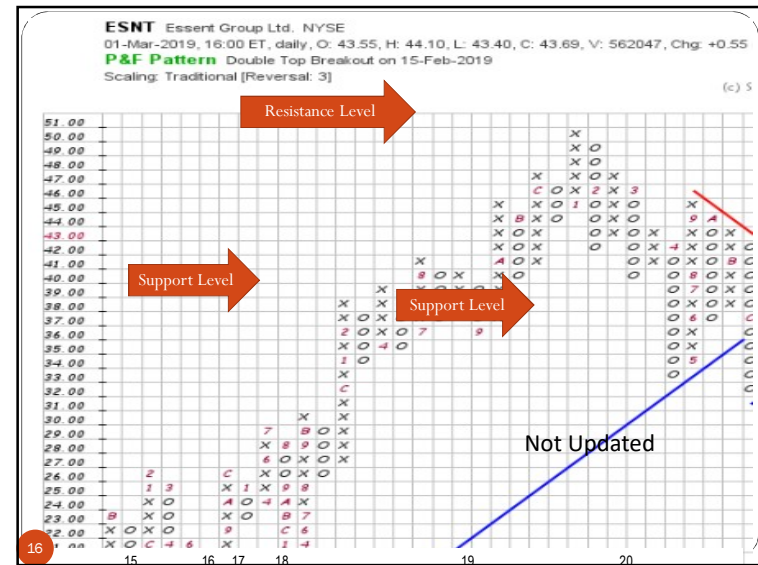


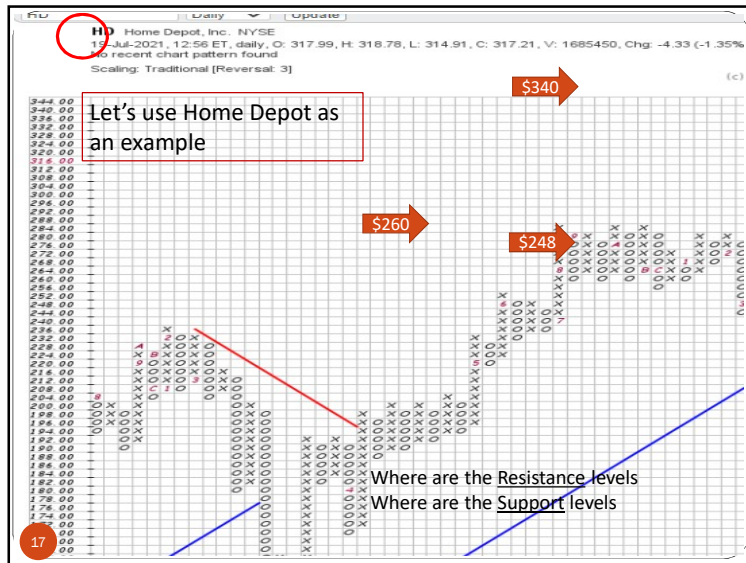
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3. Point & Figure Chart

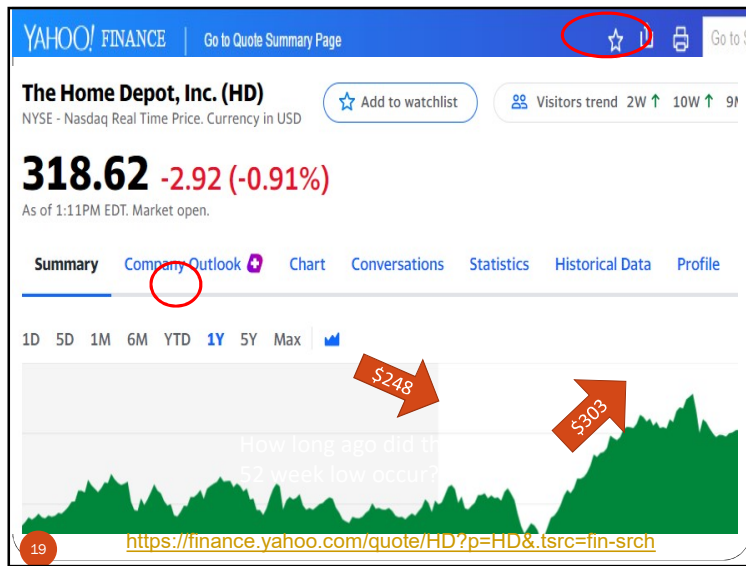
- Help in determining “frothy” area
 - High price resistance level
- Help in setting the 5 year low price
 - Low price support level





Help in setting the 5 year low price

- What is the low price support level
 - Point & Figure chart
- When did the 52 week low occur
 - One year price chart (Yahoo)
 - Has the price slumped near the low again
 - Has the price continued to rise since the low



Select a Potential Low Stock Price:

<input type="radio"/>	Forecast Low Price	193.4
<input type="radio"/>	Average Low Price for Last 5 Years	144.8
<input type="radio"/>	Recent Severe Market Low Price	140.6
<input type="radio"/>	Price Dividend Will Support	154.7
<input type="radio"/>	Price Variant Quotient	228.70
<input type="radio"/>	80% of Current Price	255.10
<input checked="" type="radio"/>	Other	248.0

Ok Cancel

3 PRICE, PRICE/EA

Fiscal Year	High	Low
1 2016	1	1
2 2017	2	2
3 2018	2	2
4 2019	2	2
5 2020	2	2
6 AVERAGE		

4 EVALUATING RE

A FUTURE HIGH PR
Selected High P/E

B FUTURE LOW PR
(a) Sel. Low P/E
(b) Average 5-Year

(c) Recent Severe Low Price = 140.6


(d) Price Dividend Will Support = Present Divd. + High Yield = 6.60 + 0.043 = 154.7

Selected Estimated Low Price

C PRICE RANGES
Forecast High Price 529.9 - Estimated Low Price 248.0 = Range 281.9 25% of Range

BUY (Lower 25% of Range) = 248.0 to 318.5

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4. A Set and Forget Investment Plan for:

- Young people and New investors
 - Those lacking patience
 - Those lacking knowledge
 - Those too busy to learn how to invest—SSG
- 401(k)
- Roth IRA
- IRA – not recommended for the young
- Other retirement plans

YOU'RE ON YOUR OWN


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A Set and Forget Investment Plan

- Invest in an Index Fund – ETF
 - Power Shares ETF (QQQ)
 - S&P 500 ETF (SPY)
 - More aggressive ETF: (ARKK) –ARK family of funds
- Regardless of which type of account—
 - Ask about all expenses
 - Annual fee – less than 0.2%
 - Load – Never buy if there is a load fee
 - Transaction cost (none)

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Bonus 1: Long term comparison with S&P 500 (BigCharts.com)



Bonus 2: Add an icon to your desktop

1. <http://schrts.co/tidWynXt>
2. Highlight URL above and Ctrl+C to copy it
3. Right click on empty spot on desktop screen
4. Click on "New" then on "Shortcut"
5. Press Ctrl+V (URL will be pasted in box)
6. Press "Next" to continue
7. Name the icon
8. Click "Finish"

Icon is now on your desktop.

(double click will open the link)

Change ticker symbol to company being studied

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Bonus: Add an icon to your desktop

These links were demonstrated during the presentation. Copy them to a desktop icon.

- **StockCharts.com (QQQ)**
<https://schrts.co/XBCErUum>
- Point & Figure chart at StockCharts.com
<https://schrts.co/dmJXuNgd>
- **10 Year Comparison with S&P 500**
<http://tinyurl.com/krk95v7r>
- Recommended: <https://adblockplus.org/>

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Questions?

No recommendation is intended for any
company or investment method discussed.
They are simply the methods I use and teach.

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