

Course Outline

Technical Analysis and Trading Course – 3 Days

Overview

This course familiarises participants with principal charting theories. With a particular emphasis on bar charting, the program investigates in detail the practical application of technical analysis to trading.

Trading course – day one content

Introduction to technical analysis and trading

- Overview – structure and methodology for the course
- Review of the basics of technical analysis
- Practical challenges of day to day trading

Session 1: the relationship between technical trading and technical analysis

- The theories behind technical trading
- Underlying assumptions for market structures and market processes
- Weaknesses of technical trading theory

Session 2: classical bar charts

- Classical bar chart construction: minute, hour, day, week, month
- The importance of time, volume and open interest
- The power of contextual charts

Session 3: basic trend concepts

- The definition of “trend”
- The underlying structure of trends
- Bull and bear
- Horizontal and diagonal
- Support vs. resistance
- Pivots

Exercise. Trend recognition. Changing trends. Redrawing trends.

Session 4: basic concepts in reversal patterns

- Head and shoulders
- Measurement
- Tops and bottoms
- Double
- Triple
- Measurement
- Historical examples

Exercise. Recognising reversal patterns.

Technical analysis and trading course – day two

Session 5: basic concepts in continuation patterns

- Continuation patterns: triangles, flags, pennants, wedges, measurement, head and shoulders continuation, volume and open interest
- Predictive characteristics of patterns
- Measurement
- Historical examples
- More patterns – gaps, island reversals, key reversals

Exercise. Recognising continuation patterns.

Session 6: complexity in bar charts

- Developing historical narratives

Exercise. Historical narratives.

- Creating complex market narratives from multiple time horizons

Exercise. Complex market narratives.

Session 7: practical bar charting

- Charting precision
- The role of probability
- Structural integrity
- Market dysfunction
- Shocks
- Market character

Session 8: bar charting and risk control

- Market entry decisions
- Self evaluation of trading risk parameters
- Return on risk
- Market exit decisions
- Stop losses: static/ dynamic stops
- Dynamic stops: evolving strategy

Exercise. Risk control.

Technical analysis – day three course content

Session 9: other technical indicators – theoretical and practical strengths and weaknesses

- Classical bar charts
- Candlesticks
- Point and figure
- Moving averages
- Bollinger band
- Fibonacci
- RSI
- Stochastic
- Elliot Wave
- MACD

Session 10: combining technical indicators for trade selection

Session 11: inter-market analysis and classical bar charting

Session 12: the role of technical analysis in different trading businesses

- Proprietary trading
- Market making
- Fund management
- Black box
- Combining technical trading, sentiment trading and fundamental/ macro trading
- Practical considerations