AUSTRALIAN TECHNICAL
ANALYSTS ASSOCIATION INC.

Newsletter

September 1995

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Contributions to the Newsletter

The Australian Technical Analysts Association Newsletter is published by the Australian Technical Analysts Association Inc (ATAA). It is a vehicle for the interchange of ideas and information about technical analysis of markets. This forum is available at the discretion of the editor for the views of members, guest speakers and guest writers.

Contributing to the ATAA Newsletter is encouraged and will repay your effort by expanding and sharpening your analytical ability. The emphasis of the Newsletter is on original articles, although consideration may be given to material of interest previously published in other publications. Newsletters are published each January, March, May, July, September and November. The deadline for copy is the last day of the previous month: ie December, February, April, June, August and October.

If you would like to discuss how you could contribute, telephone Roger Lawes on 02 375 6536. Contributions should be addressed to Roger and sent to him at GPO Box N255 Grosvenor Place Sydney NSW 2000. Our preference is that you submit articles in both hard copy and on IBM disk. Software packages preferred are Microsoft compatible, Word and WordPerfect 5.1. However, most packages will generate an ASCII file, which will be fine.

In This Issue

Welcome to New Members

Glenn Eisenhauer NSW
Ray Evans WA
Craig Bransgrove VIC
Horst Jakobi NSW
Anna Maria Trgo NSW
Jay Simpson SA
Anson Griffith WA
Claude Jugmans NSW
Abe Monester VIC
David Allen VIC
George Vryonis VIC
Gregor Grant VIC
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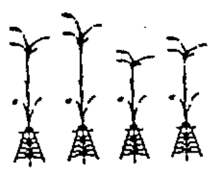
Richard Lin VIC
Darryl Nagel NSW
Kersh De Courtenay WA
Ann Best VIC
Adrienne Shinberg VIC
Janice James VIC
Mohammed Akhyani NSW
Helen Spooner NSW
Kimberley Webber NSW
Kim Goh NSW



TRADING CRUDE OIL IN AUSTRALIA

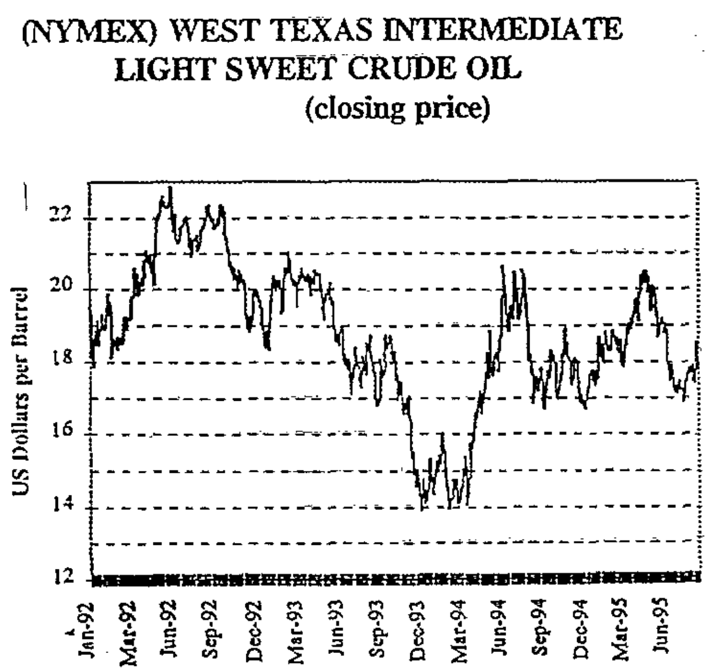
By Brett Joyce

Recent oil pricing history

Oil today is the largest cash commodity in the world and history has proven it to be one of the most volatile. Throughout the late 1970's the price of oil was on the increase and the Iranian revolution in 1979 saw oil rising to $US32 a barrel by late 1980, up from just $US2 seven years earlier. Even as recently as the Gulf war when Saddam Hussein didn't take his warning from George Bush the price of oil skyrocketed to over $US40per barrel which offered a great trading opportunity for those who were keenly following this market.

The following graph shows that since the end of 1992 oil has traded in a wide range reaching as high as $US22.89 back in June 1992 and falling as low as $US13.91 in December 1993, providing plenty of great pricing trends for technical traders. During the course of 1995 the low has been $US16.87 on July 24th down from the highs of US$20.49 recorded on May 1st. Since then the price has rebounded back up to $17.87 on August 24th.

(NYMEX) WEST TEXAS INTERMEDIATE
LIGHT SWEET CRUDE OIL
(closing price)



Where to trade oil?

Those who do trade oil or are affected by oil price volatility, have many choices of where to play the world oil markets. For private traders the most popular way to trade can be found at the New York Mercantile Exchange (NYMEX). NYMEX began trading its WTI light, sweet crude oil contract in 1983. Today it is the benchmark in the international oil industry, with volume in excess of 100,000 contracts a day, the equivalent to trading 100 million barrels of oil. This makes it the largest traded futures commodity in the world. The next largest oil futures contract is the Brent crude oil contract traded at the International Petroleum Exchange in London, but at one third the volume as shown below.

OIL TRADED AT FUTURES EXCHANGES

This has meant global oil markets often follow New York's lead because of the high volume of trading activity there. With more than 100,000 crude oil contracts changing hands in New York on an average day, NYMEX also has great influence in the cash markets, as activity on futures markets is required to provide hedging and price direction for the spot markets.

Trading the worlds oil markets from Australia

For Australian private traders wanting to trade oil they have not been able to trade directly through domestic brokers in the past. Instead they have either had to ring a broker direct in New York to execute their trade or go via an Australian futures broker who then executes through a New York broker on their behalf.

However, trading oil is now much more accessible for private traders as Sydney Futures Exchange has commenced a trading link with the New York Mercantile Exchange (NYMEX), from 8 September 1995. The link will mean private traders can now call private client futures brokers in Sydney and trade the NYMEX oil contract direct. A full list of private client brokers can be obtained from SFE.

This is made possible through a link between the two exchanges' after-hours computerised trading systems - SFE's SYCOM and NYMEX's ACCESSsm. Importantly trading will occur during 4.00pm to 8.00am New York time which corresponds with Sydney day time. This means that once NYMEX floor trading closes, Sydney will become the main centre for oil trading in this region, with trading occurring between 6.00am to 10.00pm via SFE's SYCOM. So a trader ringing a broker in Sydney will have their NYMEX order executed by an SFE dealer on SYCOM. This position can be closed on SYCOM , by a New York based trader on ACCESS or on the NYMEX trading floor.

The key benefits of an SFE broker executing the trade on your behalf are competitive rates and a full service broking operation (with complete backoffice services) and a comprehensive coverage of market information and news.

Who are the major participants of WTI light sweet crude contract?

The use of the light sweet crude oil contracts is widespread amongst many market sectors. Statistics reveal that overall about 70% of the open interest is held by commercials (commercial enterprises with a direct stake in the price of oil find the contract to be a valuable hedging instrument), while small traders hold upto 25% and non-commercials about 5%. Small traders are defined as entities or individuals holding fewer than 300 contracts typically with no hedge position and naturally would include private traders (unless they are very highly capitalised private traders!). Importantly the non-commercials include the hedge funds and other proprietary trading firms and research has shown that the small traders will follow the lead of these organisations, especially private traders using some form of trading system.

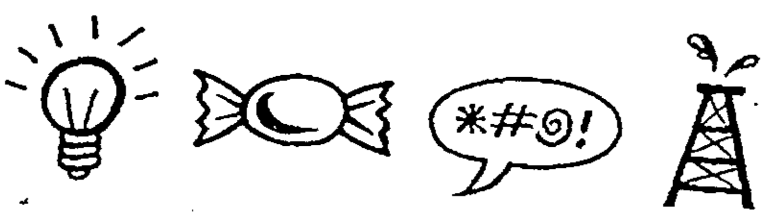
How big is the contract?

Each light sweet crude oil contract equates to 1,000 US barrels which is equivalent to 42,000 gallons. The contract trades in minimum fluctuations of $US.01 equal to $US10. So a contract trading at $US17.84 has a contract value of $US17,840. The initial margin for private traders to enter into a light sweet crude oil contract is $US1498 and all pricing information on light sweet crude is supplied by a wide range of quote vendors.

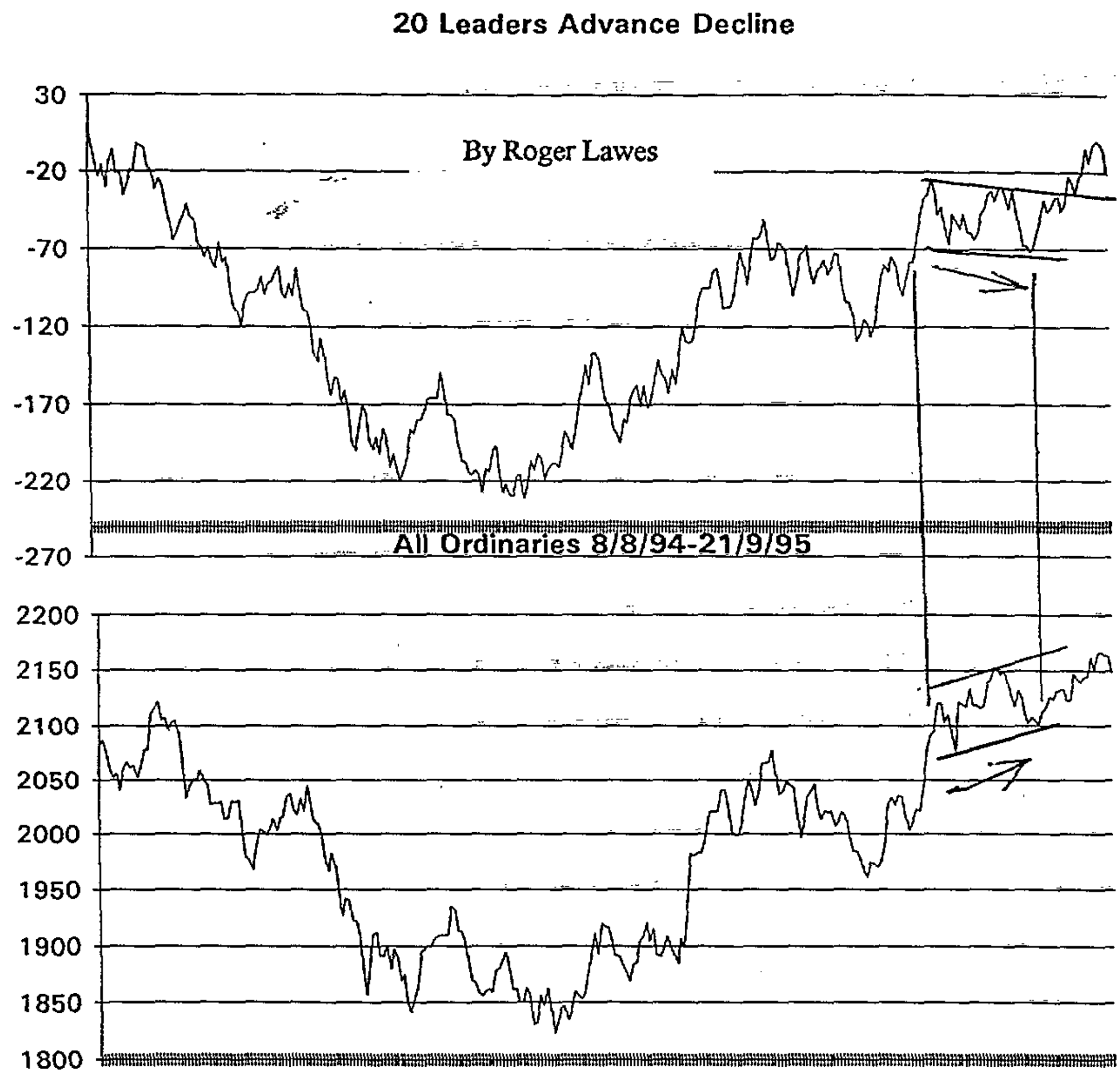
All contracts are deliverable and the contract is traded for 18 consecutive months out, plus there are four long-dated futures which are initially listed 12, 24, 30 and 36 months prior to delivery. Options are also trade on light sweet crude oil for 12 consecutive months, plus three long-dated options at 18, 24 and 36 months.

FURTHER INFORMATION

The new link between SFE and NYMEX will allow private traders access to the benchmark oil contract directly for the first time. Any trader interested in NYMEX oil products traded at SFE can contact the SFE on 1-800-641-588 for further information.



Light Sweet Crude Oil



In the recent newsletters I have shown the advance decline accumulations of the All Ordinaries ,and All Industrial Indices and noted the major underperformance of the broad market in recent times.

Since the last newsletter the AD on both indices has performed to a much stronger degree which has demonstrated a higher participation of the junior stocks in the underlying performance. What has been interesting is that the 20 Leaders did not perform as well. This might be important as the 20 Leaders have been the power-house of the market in recent times. The underperformance was most marked over the period between July and August when the index continued on but the AD actually declined giving a clear divergence. I though this might be a sign of a pending breakdown, but the index and AD have since been to new highs.

At the time of writing this note we have experienced a market fall (21 September down 14 points) which has broken short term trend lines on the All Ordinaries and SPI charts. Whether this is a reversal has yet to be seen but a break of the AD below a level of -50 subsequently confirmed with a break of the last low would warn of a change of some higher degree. It would only take 2-3 days of further decline of similar degree to weaken the AD suficient to take it down to those levels.

1995 - A BLUE CHIP - LED TOP ?

By Hayden Murrells

Last March at the annual conference of the Australian Technical Analysts' Association, I gave a presentation on a range of markets, in which I said that I considered that the DJIA had a very real chance of reaching 6000 this year. In this article, I would like to set out the reasons that I had at the time and to update them to the present.

It is quite obvious to any experienced observer of the U.S. equities market that the current bull market is substantially overextended. However it is viewed: technically (breadth, momentum), fundamentally (price/earnings ratios, dividend yields), or psychologically (the record amounts of public money pouring into mutual funds), it is overextended. Yet it still keeps going up. So the question now is how long can it keep on going and what potential remains in the current bull run. This article will attempt to provide an answer using the Wave Principle as the chief method of analysis.

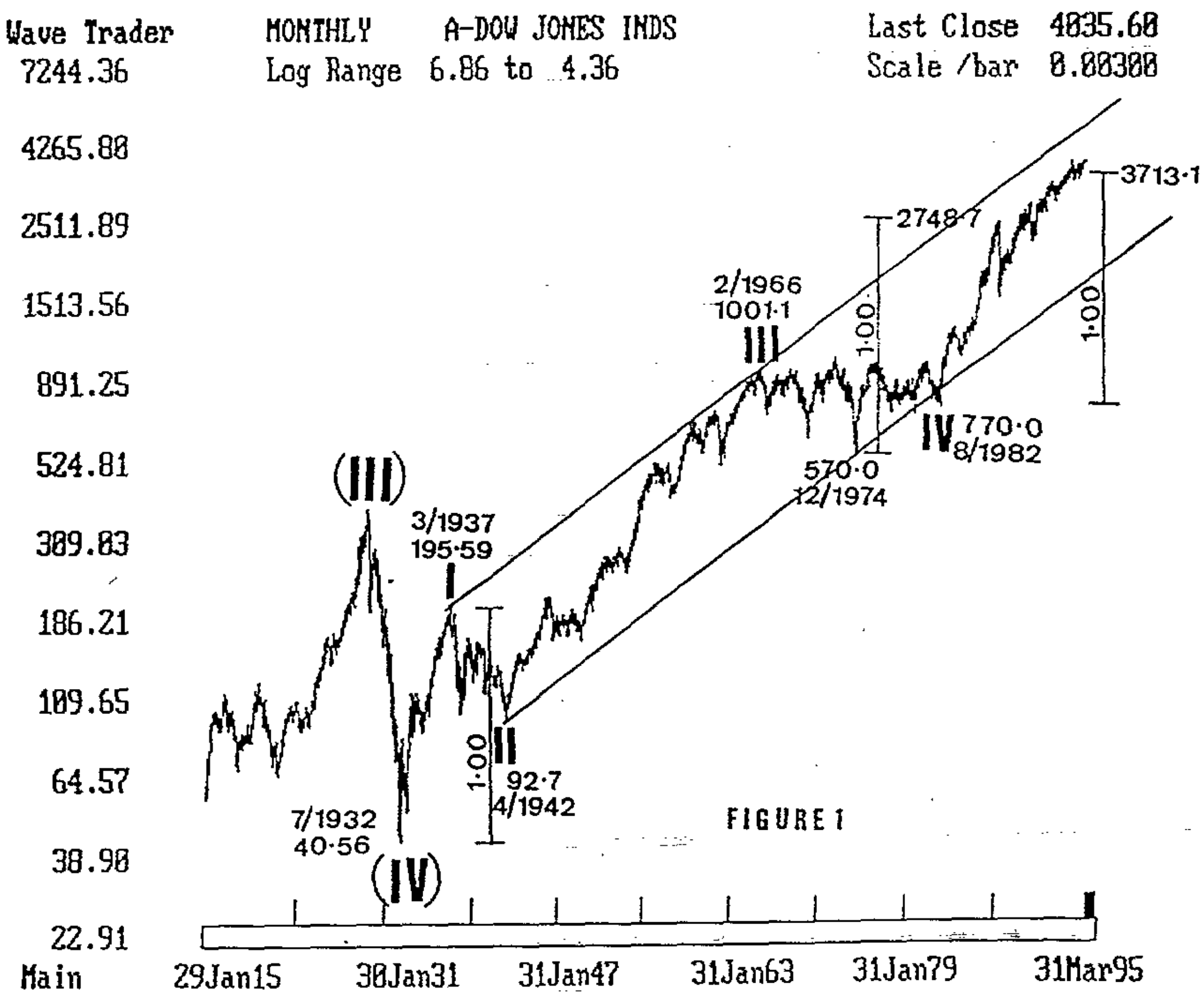
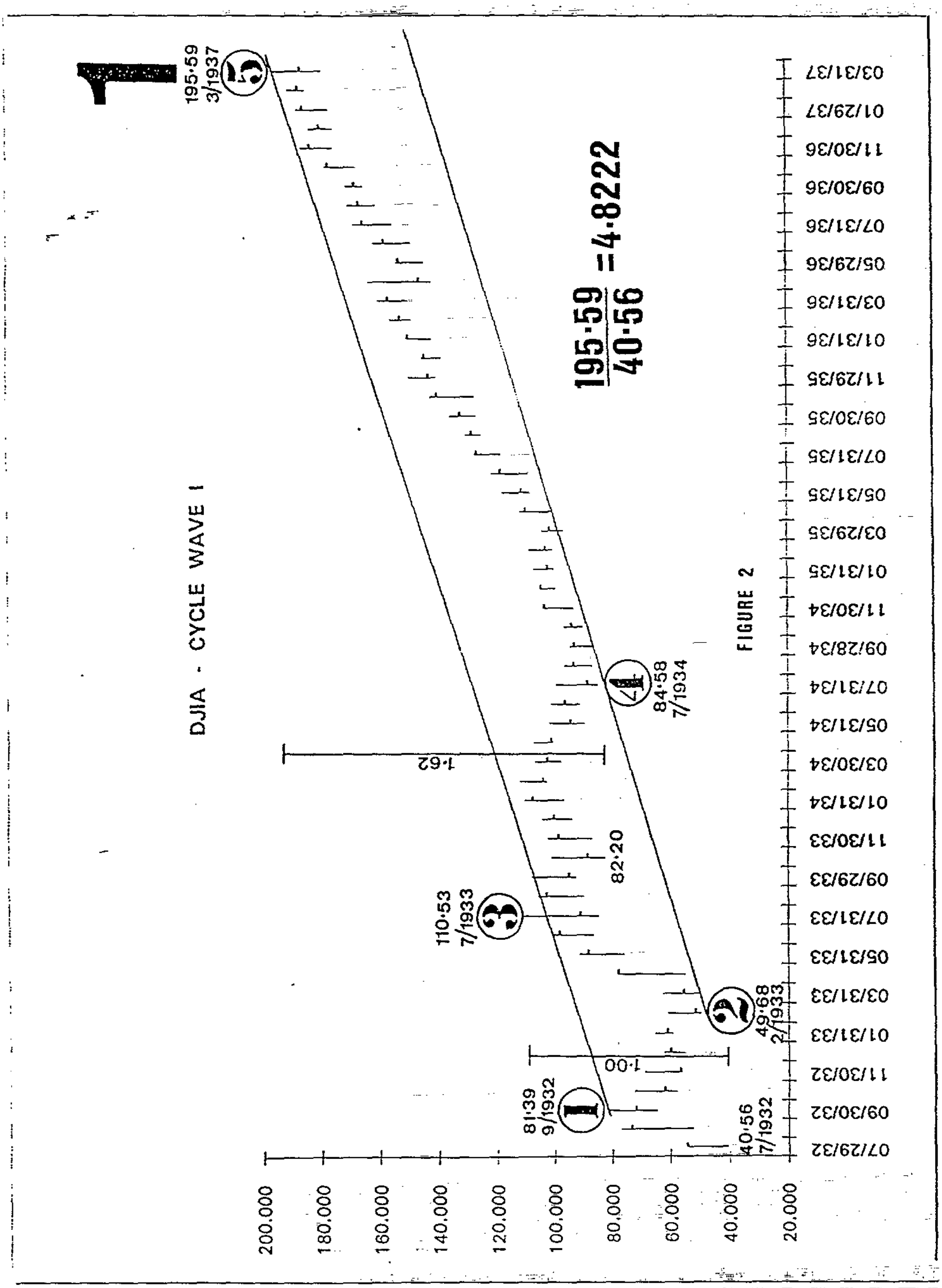


FIGURE 1

The long term picture on the Dow from the July 1932 bottom is shown in Figure 1. As you can see, four waves of Cycle degree were complete at the August 1982 low and Wave V is in an advanced stage. The big picture is therefore one of an approaching major top, which will almost certainly be the most significant since 1929.


DJIA - CYCLE WAVE I
195·59
3/1937
84·58
7/1934
110·53
7/1933
82·20
49·68
2/1933
81·39
9/1932
40·56
7/1932
1·62
1·00
$\frac{195{\cdot}59}{40{\cdot}56} = 4{\cdot}8222$
200.000
180.000
160.000
140.000
120.000
100.000
80.000
60.000
40.000
20.000
07/29/32
09/30/32
11/30/32
01/31/33
03/31/33
05/31/33
07/31/33
09/29/33
11/30/33
01/31/34
03/30/34
05/31/34
07/31/34
09/28/34
11/30/34
01/31/35
03/29/35
05/31/35
07/31/35
09/30/35
11/29/35
01/31/36
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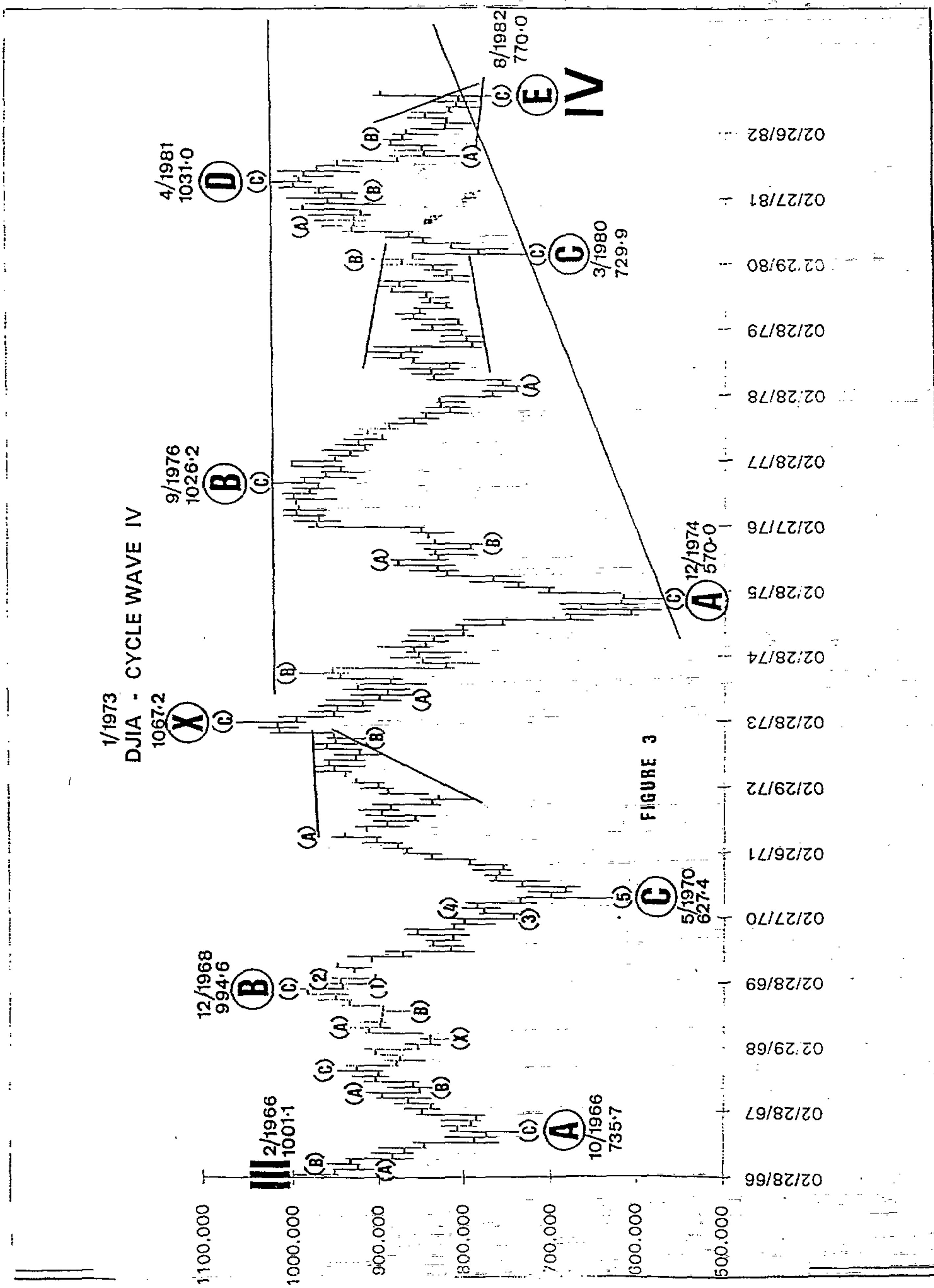
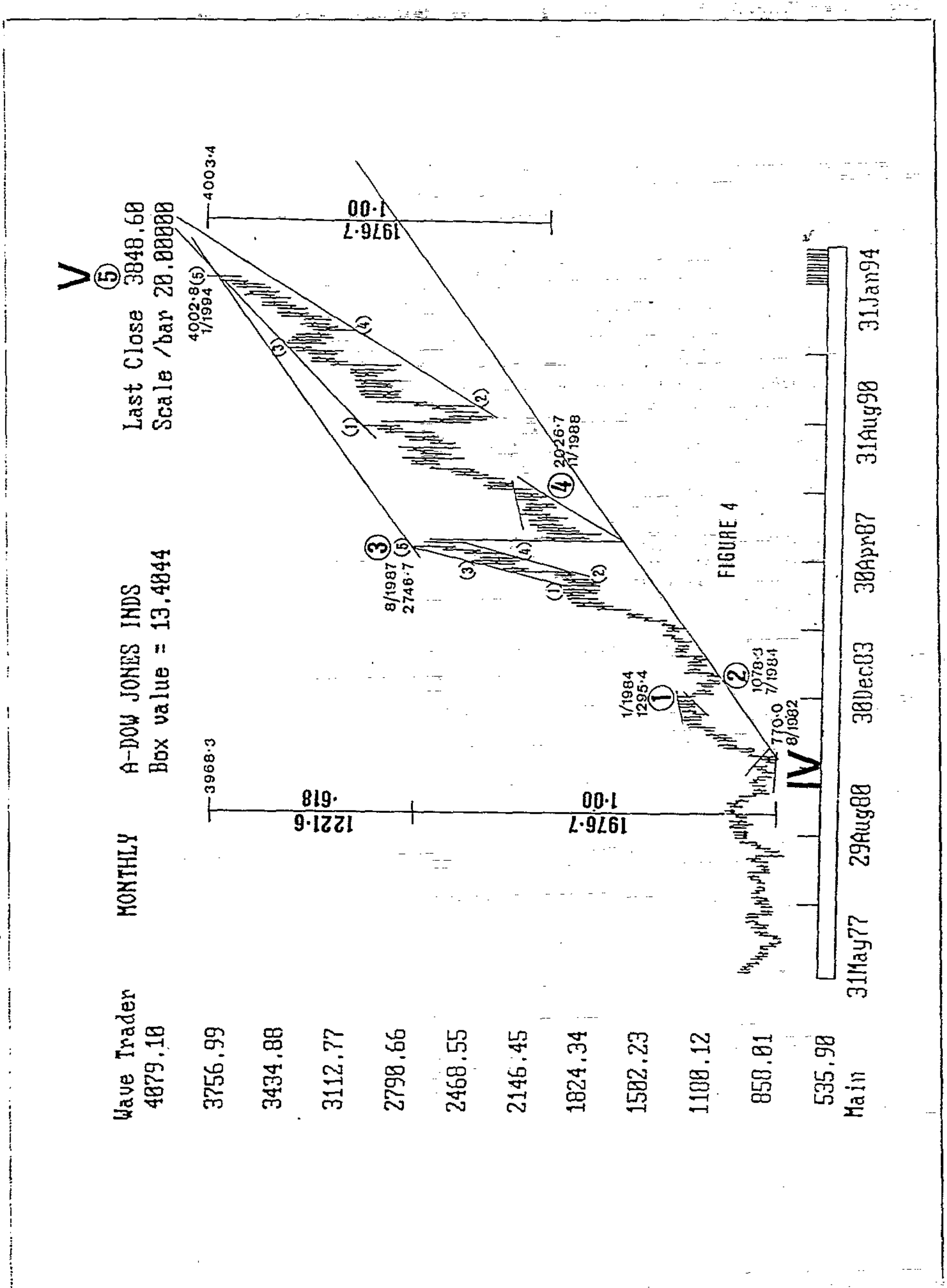
05/29/36
07/31/36
09/30/36
11/30/36
01/29/37
03/31/37

FIGURE 2


DJIA - CYCLE WAVE IV
III
2/1966 1001·1
10/1966 735·7
12/1968 994·6
5/1970 627·4
1/1973 1067·2
12/1974 570·0
9/1976 1026·2
3/1980 729·9
4/1981 1031·0
8/1982 770·0
IV
1100.000
1000.000
900.000
800.000
700.000
600.000
500.000
02/28/66
02/28/67
02/29/68
02/28/69
02/27/70
02/26/71
02/29/72
02/28/73
02/28/74
02/28/75
02/27/76
02/28/77
02/28/78
02/28/79
02/29/80
02/27/81
02/26/82
FIGURE 3


Wave Trader
MONTHLY
A-DOW JONES INDS
Box value = 13.4044
Last Close 3840.60
Scale /bar 20.00000
4079.10
3756.99
3434.88
3112.77
2790.66
2468.55
2146.45
1824.34
1502.23
1180.12
858.01
535.90
Main
31May77
29Aug80
30Dec83
30Apr87
31Aug90
31Jan94
FIGURE 4
3968·3
1221·6
·618
1976·7
1·00
4003·4
IV
V
770·0
8/1982
1/1984
1295·4
1078·3
7/1984
8/1987
2746·7
2026·7
11/1988
4002·8(5)
1/1994

According to the guidelines of the Wave Principle, whenever a third wave extends, the first and fifth waves are normally of similar length or else have a logarithmic relationship. Cycle Wave III from 1942 to 1966 in this series is clearly the extended wave in both time (24 years long) and percentage increase (10.8 times the 1942 base price). Wave V from 1982 should therefore be measurable in some way by relating it to Wave I.

Figure 2 shows Cycle Wave I, the bull market from July 1932 to March 1937. This wave saw the base price increased by a factor of 4.8222 times by the top (40.56 x 4.8222 = 195.59). This ratio will therefore be the basis of our attempt to measure the potential of Cycle Wave V.

Unfortunately, this process is complicated somewhat, because Wave IV does not terminate on its low point. (See Figure 3 for the details). The actual low of 570 occurred in December 1974, while the end of the whole wave was in August 1982 at 770. Consequently, any estimation of the extent of Wave V will have to be done twice, from both points.

Jack Frost and Bob Prechter, in their book "The Elliott Wave Principle", did a rough estimation of five times the 1974 hourly low of 572, to arrive at an approximate 2860 for a Wave V top. A more exact estimate can be made from this point by applying the precise 1930's Wave I ratio to the price low as follows:

$$570 \times 4.8222 = 2748.7$$

Given that the August 1987 top was 2746.7 and was followed by the biggest percentage drop in history, this was certainly a ratio worth knowing about. At the time, it appeared as though the bull market could have come to an end. However, subsequent years showed that this was not so and it became necessary to look for an alternative target.

When it became obvious that the corrective wave shuffle of Cycle Wave IV had extended all the way through to August 1982, Bob Prechter took the hourly low of 776.92 and using a slightly different ratio, arrived at a target of 3686 for a potential Wave V peak. My own calculation using the 4.8222 ratio of the 1930's, produces a target of 3713. (You could split the difference and say 3700). However, in August 1993 when the Dow reached this level, it didn't even pause for breath but kept charging right through.

In summary, when using the equivalent ratio of percentage increase for Wave I from the Wave IV base and the Wave IV terminus, the result was one excellent turning point but not the final high and one complete washout, which registered nothing. Clearly then, equivalence to Wave I was not the pointer to the final high for Wave V.

In the meantime, the Cycle Wave V bull market was producing some interesting ratios of its own (Figure 4). Fifth waves normally have a logarithmic relationship to the nett distance travelled by waves one to three. Within Cycle Wave V, Primary Waves 1 to 3 (the 1982 to 1987 bull market) ran a total of 1976.7 points. If an equivalent amount to this move is projected up from the Primary Wave 4 base in November 1988 of 2026.7, a target of 4003.4 is reached. Alternatively, 1.618 times the 1982 to 1987 run added to the 1982 low of 770 targets 3968.3. Both methods of targeting produced figures very close to each other and therefore showed potential for a significant degree of overhead resistance once reached.

Consequently, when the Dow reached 4002.8 on 31/1/1994, it could reasonably be argued that the wave structure from 1982 was now complete. An overhead trend channel drawn up from the 1987 top which is parallel to the one connecting the 1982 and 1987 low points was briefly penetrated at the January 1994 top on high volume. In addition, the price action since November 1988 appeared to be forming a rising wedge or diagonal triangle, a formation which only occurs in the fifth wave position of a bull market.

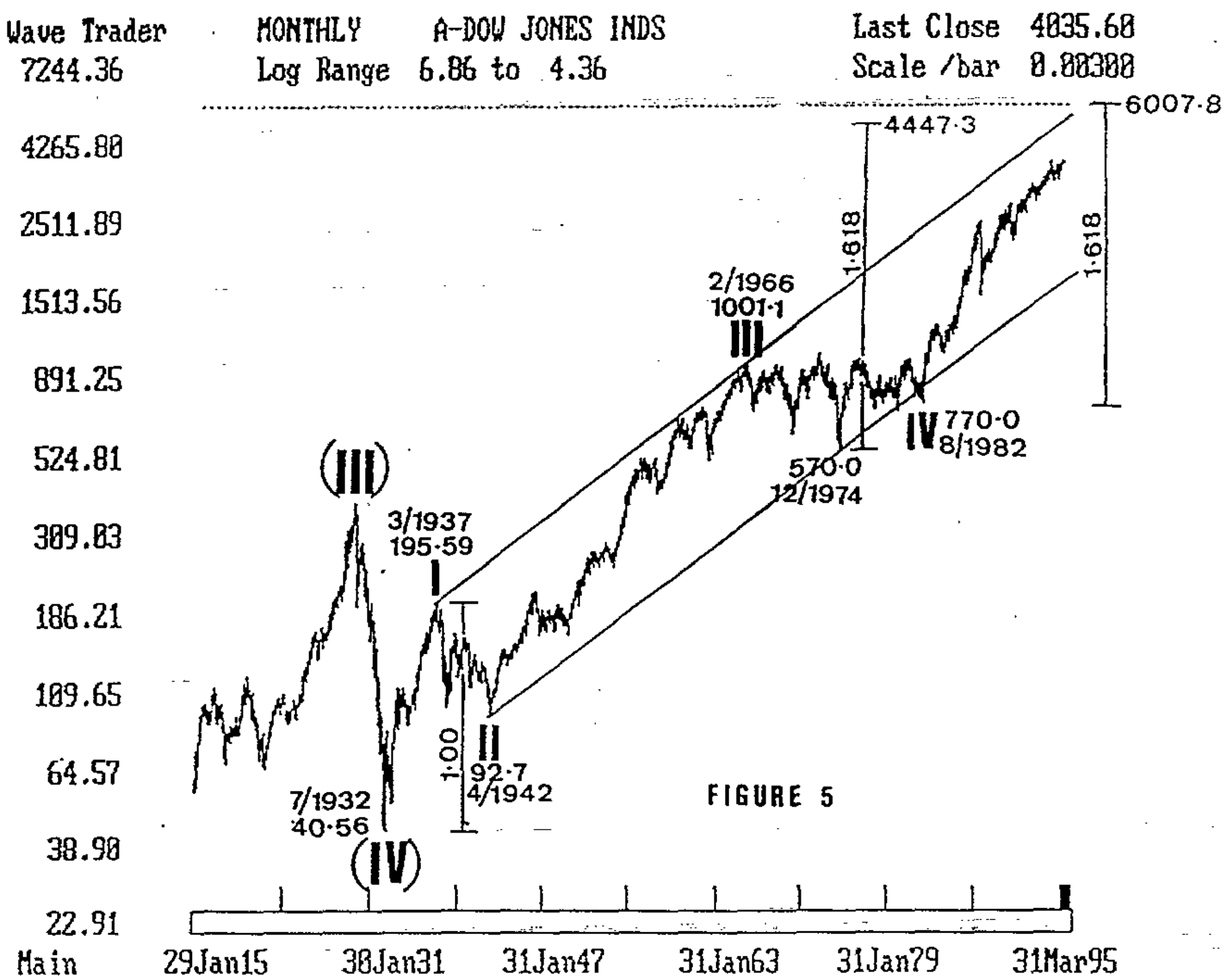
However, although the overhead resistance at 4000 proved to be substantial, as the year progressed, it became obvious that the market was not going to fall out of bed. Bottoms became progressively higher, indicating base building and reaccumulation after the first two months of fall. The chief secondary top for the year in September came in at 3972.7, a mere 4.4 points from the second of the two calculations based on the price action from 1982 to 1987. Finally, after twelve months of sideways movement, the whole pattern could best be described as a triangle, indicating higher prices.

So although once again we were able to obtain two excellent targets for significant turning points, neither one was the final top. No ratios based on the long term bull market beginning in 1932 came in anywhere near these levels. All price action was still substantially below the long term overhead trend channel shown in Figure 1.The question was still how best to pick the likely extent of the next advance.

Equivalence to the percentage increase in the 1930's bull market had not called the top. It was time to use a log ratio of this increase instead. Consequently, a 4.8222 x 1.618 = 7.8023 ratio would have to be used on both the 1974 and 1982 low points. By using this larger ratio, we can arrive at the following targets.

From 1974: 570.00 x 7.8023 = 4447.31
From 1982: 770.00 x 7.8023 = 6007.77

Figure 5 shows the above calculations.



The dotted line at the top of the chart represents the 6000 level. In addition to this, the bull market from 1982 to 1987 can be used to target the same area (Figure 6). Primary Waves 1 to 3 projected upwards by a factor of 1.618 from the 1987 high gives a target of 5945.0. It is interesting to note that at these levels, the Dow would have to burst through the overhead trend channel by almost the same amount that it broke under the lower trend channel at its 1982 low point.

So projections based on the bull market starting in 1932 and on the one starting in 1982 both have potential targets near 6000, only 62 points apart. This is the only area where the principle ratios for the last 65 years and the last 13 years meet in the one place. This does not of course guarantee that these levels will be reached but it does increase the likelihood significantly.

This was the reason why I said at the ATAA conference last March that given a breakout of the one year consolidation pattern, Dow 4447 was basically a chip shot this year, with 6000 a real chance if the lower level were exceeded. Although at the time it may have seemed a bit far out to call for a 50 per cent increase in one year from already high levels, it must be realised that this is precisely the sort of thing that happens in a period of bullish euphoria at a major top.

By mid year the Dow was in the mid 4000 range and at around the 4447 level it was starting once again to struggle, forming an apparent rising wedge on falling volume. However, after a few weeks of hesitation, price action pushed convincingly through short term consolidation, thus showing that the higher target is now most likely.

There are also two intermediate targets in Figure 6. First, 100 percent of the 1982 - 87 bull market added to the 1987 top gives 4723.4. The last two months of hesitation has been stopped at this level. This sideways movement is also taking on the appearance of a triangle, similar to last year's price action, and the breakout from this formation appears to be happening as I write. Secondly, 1.618 times the 1982 - 1987 advance added to the Wave 4 bottom targets 5225.0. This may be short-term support or resistance in a blue chip dominated blow-off top. Ideally, the final high will fall a little short of 6000, just when everyone is calling for it. I'm tipping 5971 (at or about) but basically the long term target range is fairly clear and I won't be hanging around for top tick. Highest monthly close should be near 5761.2.

The best time for a top? The anniversary of last year's bottom on 23/11/1994 appears to be a fairly good call for the local market for 1995, so if that works out, the Dow will probably top somewhere near it. However, if the above price targets are not reached this year, then the bull market will run into 1996 after correcting from a November high.

BHP

BHP is still on target for a top in the mid twenties. Some adjustment has had to be made for the one for ten bonus issue, but a top of $26.60 is still most likely, about $1.00 over the old traded price top in June 1968. Intermediate tops may be expected at $22.64 and $24.58. The highest monthly close should come in near $25.58.

Prepared 13 September 1995

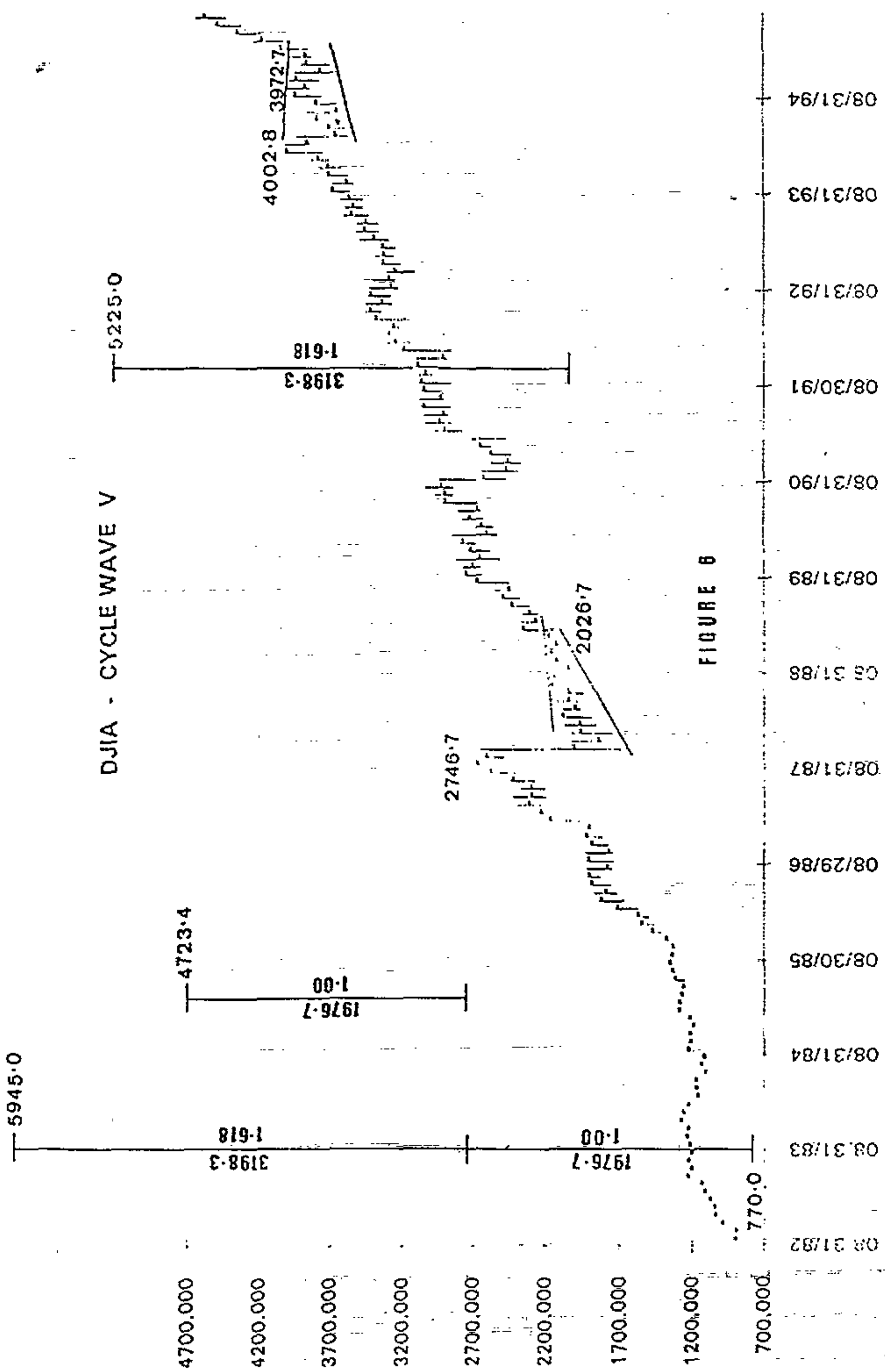

DJIA - CYCLE WAVE V
5945·0
3198·3
1·618
1976·7
1·00
4723·4
1976·7
1·00
5225·0
3198·3
1·618
4002·8
3972·7
2746·7
2026·7
770·0
08/31/82
08/31/83
08/31/84
08/30/85
08/29/86
08/31/87
08/31/88
08/31/89
08/31/90
08/30/91
08/31/92
08/31/93
08/31/94
4700.000
4200.000
3700.000
3200.000
2700.000
2200.000
1700.000
1200.000
700.000

FIGURE 6

E WAVES, PERIGEE & THE NUMBER 56

By David McMinn

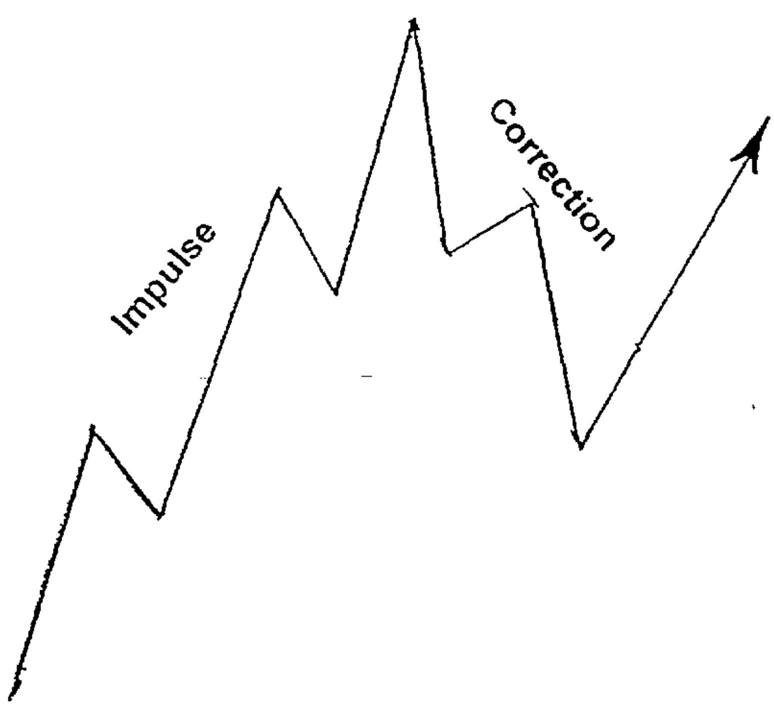
'Whenever, established ideas are accepted uncritically, but conflicting evidence is brushed aside and not reported because it does not fit, then that particular science is in deep trouble'.
Thomas Gold

This paper examines possible relationships which may exist between the 56 year cycle of modern financial crises (McMinn 1993), the Elliott wave and the Moon's distance to the Earth.

The Elliott Wave

The Elliott wave is a mathematical model for forecasting price movements in stock market trends, based on predictable patterns and was first proposed by Elliott (1938; 1946) in the 1930's. In his theory, the market rises (an impulse) in three waves up and two down (numbered 1 to 5), while it falls (a correction: a - b - c) by two down and one up. The corrections cause partial loss (usually 50%) of the gains made in the impulse phase. The Elliott wave can exhibit the same pattern over vastly different time scales.

THE IDEALISED ELLIOTT WAVE



This wave theory was derived from the Fibonacci numbers, in which each number is the sum of the previous two (ie: 0, 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89 etc). The ratio of two consecutive Fibonacci numbers is alternately greater or less than the golden ratio of 0.618. As the series continues, the ratio approaches 0.618 as follows. 1/1 gives 1.000; 1/2 - 0.500; 2/3 - 0.667; 3/5 - 0.600; 5/8 - 0.625; 8/13 - 0.615; 13/21 - 0.619; 21/34 - 0.618; 34/55 - 0.618; etc. Strangely, the Fibonacci numbers are found in nature - nautilus shells, the petals of sunflowers, the radial spiral of pineapples, etc. The workings of the Elliott wave are complex, but are used by many analysts to predict market trends. A good coverage in applying Elliott wave principles to stock market forecasting is given by Prechter & Frost (1978) and Prechter (1980).

It may be more of a coincidence that 56 divided by 9 gives 6.222 which closely approximates to the golden ratio multiplied by 10 (.618 x 10). 56 and 9 years are the two basic time units in the 56 year cycle of McMinn (1993). Furthermore. the peaks and troughs of stock market movements may fall preferentially in the 36 year sub-cycles Series 1 & 2 (see Table 1, McMinn, 1993).

TABLE 1 SHARE MARKET PEAKS & TROUGHS

	Peaks	Troughs	Peaks	Troughs
USA - S&P-500 (1929-82).				
	29/7	32/6	56/7	57/12
	32/9	3/33	59/7	60/10
	34/2	35/3	61/12	62/6
	37/2	38/4	66/1	66/10
	38/11	39/4	68/12	70/6
	39/10	40/6	73/1	74/12
	41/7	42/4	76/9	78/3
	46/5	46/11	80/1	80/4
	48/6	49/6	80/11	82/7
	53/1	53/9		

Note: Peaks/troughs in **bold** fall in the 18 months ended November 30 of the years in the 36 year sub-cycles.

	Peaks	Troughs	Peaks	Troughs
Australia - All Ords Index (1929-94).				
	29/4	31/8	87/9	87/11
	37/3	42/3	89/9	91/1
	51/5	52/12	91/11	92/11
	60/9	60/11	94/2	
	64/2	65/6		
	70/1	71/11		
	72/6	74/9		
	80/11	82/7		

Note: Peaks/troughs in **bold** fall in the 6 months commencing August 1 of the years in the 36 year sub-cycles.

Sources of raw data: S&P-500 - Francis (1986); All Ordinaries - Davenport (1994).

The peaks and troughs for the Standard & Poors 500 index (1929-82) fall with significance in patterns of the 36 year sub-cycles (18 months ended November 30). However, this was only at a low level ($p < .05$) and needs to be repeated for other indexes and time frames for it to be considered valid. The observed peaks/troughs for the All Ords (1929-1994) totalled 8.0 in the 6 months beginning August 1, well in excess of the expected frequency of 2.3.

The Elliott wave indicates price movements and predicts market tops/bottoms, but it does not forecast timing. In contrast, the 56 year cycle denotes the likely timing of major crisis periods. If market peaks/troughs can be proven to fall preferentially in patterns of the 56 year cycle, it would support the view that the 56 and the Elliott wave are interrelated in some manner. As McMinn (1994) found the 56 was based on solunar cycles, it could be reasonably hypothesised that some connection exists between solunar cycles and these two systematic trends in market movements. The Elliott wave has long been appreciated in technical analysis but no theory has ever been presented to account for this phenomenon in stock market trends. Assuming the Elliott wave is based on solunar cycles, it should behave less than ideally, due to the perturbations in the orbit of the Earth - Moon system around the Sun.

Perigee/Apogee

Proximity of the Moon to the Earth could be postulated to have a bearing on financial trends. Perigee is that point in the Moon's orbit which is closest distance to the Earth, where as apogee is the point furthermost from the Earth. The perigee - apogee axis (apsides) rotates counterclockwise around the zodiacal circle, completing one cycle every 8.85 solar years. One anomalistic month is the time taken for the Moon to travel perigee to perigee and equals on average 27.55 days. Anomalistic months align very closely with other solunar cycles in the Saros but not the 56 year cycle, as follows:

* 239.0 anomalistic months equal One Saros cycle.
* 742.28 anomalistic months equal One 56 year cycle.

The failure for anomalistic months to align with both cycles at .0 or .5 meant that apogee/perigee was anticipated to be irrelevant to the 56. The available evidence supports this view.

The estimated zodiacal placement of perigee was assessed for the timing of Kindleberger's major financial crises (1760-1940). No significance ($p > .01$) was established, indicating that Earth - Moon distance is likely to be unimportant in the timing of major financial crises. This is in contrast to the very strong correlations between the zodiacal placement of the north node and the same set of data (see Diagram 2, McMinn, 1994).

The estimated zodiacal position of perigee on July 1 of the 44 years in the 36 year sub-cycles Series 1 & 2 (1760-2000) showed a very strong emphasis on Capricorn (Observed: 12; Expected: 3.7). However, this is most likely an artifact rather than a valid correlation as:

* one zodiacal cycle of perigee equals 8.85 years which approximates to the half Saros of 9.0 years. Thus all years in a particular 9/18/36 year sub-cycle will have perigee in a similar zodiacal position.
* 56.0 years divided by 8.85 years gives 6.32 years. The .32 in the latter figure means that after 168 years (or every third year in a particular 56 year sequence) perigee will be in about the same zodiacal position.

Further research is required on the Moon's distance to Earth and it importance in financial patterns. The author views this factor as most likely being irrelevant or limited in the 56 year cycle.

The September Effect.

McMinn (1994) hypothesised that the zodiacal position of the Sun should be significant in financial trends. Interestingly over the past century, investors would have done best by selling their shares at the end of August and reinvesting the proceeds at the beginning of October (The Economist, 1995). The Dow Jones Industrials fell in 63 of the 104 Septembers for the period 1890 to 1994 (1914 September data was available due to the beginning of WW 1). Had investors fled each September since 1890, a dollar invested in that year would have grown to US$ 410 by October 1994, compared with around US$ 100 had their money remained invested all year round. Even though biggest one day declines tend to be recorded in October, it would have proved more sensible to stay in the market throughout October rather than September over the past century. The September effect appears to be global. For the 1970-94 period, 20 of the world's biggest stock markets yielded negative average returns for September, even after dividends had been reinvested. It is also applicable to the southern hemisphere. The degree of under performance was similar in magnitude to the over performance which arises from the January effect, whereby share prices, especially of small firms, tend to be very buoyant during the first month of each year. No reasonable theory has been presented to account for the September effect. The zodiacal placement of the Sun could possibly be relevant to the timing of both the January and September effects.

In Conclusion

There are valid reasons to hypothesise that the Elliott wave and the 56 year cycle are interrelated and that they are both based on Sun - Moon cycles. Proving this as scientific fact remains elusive and how this could best be achieved puzzling. Additionally, the Moon's distance from Earth is not likely to be relevant in financial trends. The author believes that zodiacal - aspectual - diurnal relationships between the Sun, Moon and nodes offer the best prospects for further research on the 56 year cycle and the Elliott wave.

Acknowledgement. The author wishes to thank **Martin Lewicki** for providing the program giving the estimated zodiacal position of perigee. Without this input, the section on the Moon's distance could not have been written.

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Financial Crises & The 56 Year Cycle

By David McMinn

Much of David's work which he has conducted in recent years has been published from time to time in the ATAA Journal. The final contribution prior to his going to press is detailed above.

The 56 Year Cycle has been postulated for many years with most at least familiar to some degree with the Kondratieff Cycle Theory. In the publication which now bears the above title the author has tabulated and theorised upon the 56 Year Cycle and its various sub cycles and has produced an interesting contribution to debate on the subject.

Whilst not being to everyones taste there are many who seek out and explore the many esoteric relationships which effect our very being, and thus the markets on which we trade. In the book David details and provides a comprehensive table of past cycles which are of interest in their own right. He examines the various influences on the cycles from various perspectives including astrological.

His conclusions lead to a linkage between the cycles and astrological factors.

The book is recommended to those who would wish to learn more about this particular cycle and its sub-set and have an interest in cycle theory in general.

The book may be ordered from David McMinn , Twin Knob via Lismore, NSW 2480. The cost is $17 including postage and packing. Payment by cheque or money order.

Reviewed by Roger Lawes

New Videotapes in the Library

By Colin Nicholson

The Videotapes reviewed in this article are:

* The Best Video Tape Ever Made on Technical Analysis
    * The Basics: Price and Volume
    * Pattern Recognition, Moving Averages & Sentiments
    * Cycles and Waves

* Ken Trester: How to Buy Stock and Commodity Options

* Curtis Arnold: Pattern Probability Strategy

* Ron Michaelsen: Roadmap to Riches

THE BEST VIDEO TAPE EVER MADE ON TECHNICAL ANALYSIS

The first thing about this series of four tapes is the title. It exudes the customary modesty we associate with slick American productions. However, do not let it put you off watching this series. It is excellent and the title is quite accurate with respect to the production, which is the most professional that I have seen in technical analysis video tapes.

The main presenter is Mike Morris, who takes the subject matter one step at a time and explains his points very clearly. He is backed up by a father and son team of technical traders Joe and Nick Van Nice. They add practical advice and rules of thumb to the theory. One good thing about this series is that they use real examples, but claim not to have hand picked them as perfect cases. Indeed, they stress that technical analysis is an art and there are many times when one chart will not be too helpful and suggest that the right approach then is to look for another instrument to trade, or to wait until the situation is clearer.

I would recommend this series for all our members who are just starting out in technical analysis as an excellent introduction. However, our more experienced members should not shy away from it. It covers a wide area of the subject and there is something there for everyone to learn or to see in a better perspective.

<u>Tape One: The Basics: Price and Volume</u> (35 Minutes)
This tape starts right at the beginning and explains why you need to use technical analysis, especially in futures and options markets, where leverage is such that fundamentals are too slow to be of practical use for timing trades. It explains how technical and fundamental analysis differ. Then it introduces you to the Dow Theory and how it is the basis for modern technical analysis and still vital for an understanding of how to read and use indicators. Finally the tape explains how bar charts are constructed and shows how volume and open interest are charted. It gives one of the clearest explanations of what open interest is that I have seen.

<u>Tape Two: Pattern Recognition, Moving Averages & Sentiments</u>
(30 Minutes)
This tape begins by explaining continuation patterns and demonstrates Flags, Pennants and Triangles.

The four types of gaps and their significance are then dealt with in excellent examples. Reversal patterns are then explored and the tape deals with the Reversal Day (which many of us call a Key Reversal Day to distinguish it from a common reversal day), the Island Reversal, Head and Shoulders Tops, Inverse Head and Shoulders Bottoms and Double Tops and Double Bottoms. The last section of the tape deals with sentiment indicators that are proprietary to the Van Nice outfit, but it is important for all traders to understand the concepts involved.

Tape Three: Cycles and Waves (25 Minutes)
The tape begins with a general discussion of cycles and waves of various lengths - essentially waves in price and in time. The discussion then moves to consider two important indicators in the futures markets: Basis and Spreads. Finally, a considerable amount of time is spent on the basics of Elliott Wave Theory and the Fibonnaci number sequence. This is very much an introduction to these areas and it never reaches any great depth.

Tape Four: Momentum and Putting it All Together (30 Minutes)
This is the best tape in the series and builds on all that has gone before. The concept of simple momentum is explained and then discussed using both RSI and Stochastics. Finally, ADX is dealt with briefly. The most valuable part of the series is the last part of this tape, where Joe Van Nice outlines his rules for trading. They are based around the need for conviction and discipline. The key rules he explains are: (1) Limit the amount of capital traded. (2) Diversify among markets (3) Determine in advance the amount you are willing to risk (4) Confine your trades to those in the direction of the intermediate trend (5) Do not trade impulsively (Have a plan and remember that many successful traders make all their decisions while the markets are closed) (6) Do not operate in thin margins (7) Close out losing positions before winning ones (Cut your losses and let your profits run) (8) Be mentally prepared to be in the minority (9) Always take your bearings (Know the direction of the trend and where support and resistance levels are) (10) Chart from the long term to the short term (11) Keep it simple. Following these excellent rules, Nick and Joe Van Nice go through a number of examples from the markets, in which they show their analysis process - a very valuable segment.

KEN TRESTER PRESENTS: HOW TO BUY STOCK AND COMMODITY OPTIONS

If you want to learn how to trade options, this tape is essential watching. It is a two hour tape of edited sections from Ken Trester's two day options course. Ken is an animated presenter and the presentation has a vitality that only comes from taping in front of a live audience. Indeed, the overall impression is that you are part of the class and you watch as other class members participate in the discussion. Ken uses clear, simple language and takes you slowly through some quite complex concepts, making them simple and easy to grasp. It is also well structured, so that it flows well from section to section. Key points are shown in subtitles to assist in identifying the ideas.
This tape is pitched at beginners in the sense that it takes you through from first principles. However, if you are already trading options and are not wildly successful, you will learn trading strategies from this tape. There is very little technical analysis, but loads of experience in real markets is packed into the two hours.

The tape starts off explaining what options are and then gets into the psychology of the game. This is one of the most important sessions on the tape. Ken explains how emotional trading leads to losses and what you can do about it. He outlines a plan that uses a system and discipline to minimise the effects of trader psychology. He explains just why you must go for big winners - multiples of your capital invested, rather than just try to earn a rate of return on your funds.

Ken likes options trading because it is the one market where you can get a statistical advantage, which is essential when the psychology of the market is always trying to beat you.

The tape sets out a trading plan which should be written down and followed all the time. Ken tells you how to buy options - how to select the right options, when to buy them and how to buy them to give you the most chance of hitting those "home runs".

Interestingly, he explains at some length why you should never trade stock index options - how they have the least opportunity for profit simply because most amateurs and most professionals trade them. You learn why they are a mug's game, why they are always overpriced and why the volatility necessary for big wins in options just cannot be there.

Ken spends quite a lot of time on how to take profits. If you find that you have good paper profits in some of your trades, but end up giving most or even all of it back, you must watch this section. He gives three approaches, depending upon how conservative or aggressive you want to be.

Finally, volatility is explained and you are taken through how to value an option. If you are trading options now without this knowledge, beg Roger Morris to send the tape to you soon, because this alone will make you money.

CURTIS ARNOLD: PATTERN PROBABILITY STRATEGY

This tape runs just over two hours and is very professionally produced. The graphics are excellent, using state of the art equipment. All points are made both verbally and visually on the screen and it is easy to follow the structure of the tape. There is some excellent advice on trading strategy in this presentation and I would recommend it to beginning traders who are still to develop a methodology. The material is directed at the commodity futures markets, but the trading discipline can be applied in any market.

Curtis starts off with the assertion that 95% of people lose money in commodity futures markets because they trade markets that they should not be in. These are markets that are not going anywhere. Therefore, he sees the first task being to identify the trend. Once we find a trend, we then have to know how to get on board. This is where price patterns come into play. Curtis outlines nine price patterns that he claims will do two things for you: Firstly, show you how to get on board any trend with minimal risk. Secondly, show you how to never miss another major commodity move.

One thing that Curtis stresses is a point that I have been making this year in talks to the Conference and State ATAA meetings - that the exit system is the most important part of a successful trade. Curtis shows two powerful exit systems that keep most of the profits locked in.

The tape also deals with the all important topic of money management and shows how much to risk on each trade.

A very interesting aspect of the discussion on the tape is that Curtis believes that the main problem that losing traders have is lack of consistency. There is a fascinating diagram that shows how a trader can trade several WINNING systems one after the other, but LOSE on all of them. The point is that your trading must focus on long term goals. Most damage is done as a result of concentrating too much emotional energy on every trade.
This tape does not present the holy grail that losing traders are always searching for. However, it tells you why there is no holy grail and outlines how you can go about setting your trading program on a firm footing.

RON MICHAELSEN: ROADMAP TO RICHES

This tape was made as an introduction to a series of four other tapes, which have not been purchased for the library at this stage. However, it stands alone as a very good brief introduction to basic technical analysis concepts. It is an excellent tape for a beginner who wants to get an idea of the scope of the subject and plan further study according to interest and need. The tape runs for nearly 40 minutes and is excellently produced. There are lots of chart examples of the points being made. All these examples are from the futures markets, but as always, such basic technical analysis can be applied to any market.

The subjects dealt with on the tape include: Why use Technical Analysis. How to draw a bar chart. Support and resistance. Trends and trend lines. Channels. Gaps. Flags. Double tops and bottoms. Key reversal (although the pattern shown is really not a key reversal, but a common reversal). Symetrical, ascending and descending triangles. Triple bottom. Head and shoulders. Indicators - divergence on RSI and Stochastics. Brief introduction to Elliott Wave, Gann and Fibonacci. There is also a brief self test with explanation of the answers at the end of the tape.

The Elliott Wave Educational Video Series

Reviewed by John Gajewski

In essence this video series on the Elliott Wave Principle has put the book into the movies. This is not a Blockbuster - a Saga is a more adept description. So allow yourself plenty of time to see it all. There are 10 videos in the series, ranging from 47 minutes to 120 minutes each in length. It covers all the aspects of the Principle and is an adequate substitute to actually reading the book. Of course you do not get all the fringe detail that is in the book, but no essential element is missed.

Is it better than the book? That really depends on what medium you prefer. But let me be honest, this series is not "made for video". It is a video recording of a Seminar conducted in 1990 and consequently there is no attempt to take full advantage of the video medium. The overall effect is rather static: a presenter preaching to the faithful utilising only an overhead projector. Occasional scans of the audience break the monotony. However, the producers have been wise in making close-ups of the overheads so the video watcher does not miss any detail of the illustrations. There were only a couple of instances where I had difficulty reading the overhead.

The great advantage of the video is to hear the Principle explained in full detail by the experts. The essential elements of the Principle are handled by David Allman, Research Director of the Elliott Wave Institute, whose enthusiasm for, and precise delivery of, the material ensures the most effective instruction one is likely to receive on Elliott Wave. A second plus of the video is the real-time trading example presented by Dan Ascani, who was then the editor of the Elliott Wave Currency and Commodity Forecast. This exercise has far greater impact on video that it could in the printed media.
The only new element in this series that is not covered in the book is hints on trading options using Elliott Wave. The background work that Robert Prechter has done on the dynamics of Options prices is very useful.

There is little in this series for those who have developed a degree of skill working with Elliott Wave. What drew my focus was the examples used. Time gives us the benefit to pass judgement on the accuracy of the analyses presented. However, the serious student can use this opportunity to examine the building of Alternate scenarios and better understand how the market can twist and turn to conceal its true intentions. It builds respect for the market.

The topics in the series are:

Tape 1:	Introduction to the Elliott Wave Principle;	Robert Prechter,	120 min
Tape 2:	Counting Waves Correctly	Robert Prechter,	48 min
Tape 3:	Characteristics of Impulse Waves	David Allman,	53 min
Tape 4:	Characteristics of Corrective Waves	David Allman,	76 min
Tape 5:	Rules, Guidelines and Wave Personalities	David Allman,	79 min
Tape 6:	Understanding the Fibonacci Ratio in Financial Markets	Robert Prechter,	71 min
Tape 7:	Calculating Fibonacci Relationships with the Precision Ratio Compass	David Allman,	47 min
Tape 8:	Real Time Trading using the Elliott Wave Principle	Dan Ascani,	90 min
Tape 9:	Trading Options Successfully using the Elliott Wave Principle	Robert Prechter,	71 min
Tape 10:	Questions and Answers	Prechter, Allman, Ascani	53 min

Tape 1 is a general introduction to the Elliott Wave Principle with the main focus on understanding the underlying psychology of the market.

Tapes 2 to 6 contain the guts of the Elliott Wave Principle. If you are looking for a short cut to viewing the series these are the essential tapes. Tape 2 focuses on counting waves correctly. It has been my experience that so many practitioners do not apply the rules properly so I must agree with Robert Prechter that knowing just the principles outlined in this video will place you ahead of many other analysts. Full details of the theory are covered in Tapes 3 to 5. I was a little disappointed with the coverage of the Fibonacci ratios in Tape 6 as it left a large gap with how the ratios are generally applied in real-time trading. The essential elements however were covered. Finally the use of the "Precision Ratio Compass" was outlined in a straightforward manner in Tape 7.

Tape 8 I consider the best in this series as it applied the Principle to a real-time example, a task most suited to the video medium. Swiss Francs was the principle example with Platinum as the second. Here Dan Ascani brings all the elements of carrying out a trade together, from the original analysis, executing the trade and carrying it through. He fully explains how he derived his views and why he acted at the time he did. Alternative scenarios are explored as every stage and a method for handling the alternatives explained.

Tape 9 applies Elliott Wave to the Options market. Prechter shares much of his background work on Options to understand the dynamics of Options prices in relation to the unfolding trend and so highlight the only time to trade Options profitably. Not surprising it is during the Third Wave.

The series ends with a Question and Answer session on Tape 10. Most questions sought elaboration of basic rules. However there were a few rather good and problematic questions - a little closer to real-life situations. Unfortunately in some of these more difficult questions I felt the responder did not quite grasp the intricacies of the question that resulted in an analysis of a simpler situation than the asker intended.

Videotape Library

The ATAA has established a collection of videotapes that members may borrow. The videotapes are in VHS format and are available for loan to ATAA members free of charge. Members are only asked to pay the postage to return them promptly when they have finished watching them.

In order that the maximum number of members may take advantage of the library, they are asked to view each tape and return it within one week. Members taking too long to return video tapes may be dropped from the waiting list for further borrowings.

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This system ensures that all members experience a similar waiting period between videos, depending upon the demand. However, it also means that the order in which members receive their selections will be random, depending upon which video next comes back when their name is at the top of the list. However, members ordering Elder: "Technical Analysis in 52 Minutes" or Pring: "Principles of Technical Analysis" will be sent those tapes first, if they so request. This may delay receipt of the first tape, however.

If you would like to borrow any of the videotapes, contact Roger Morris to be placed on the waiting list. The preferred method is to fax or mail your order to him by ticking the tapes you want on the order form following this article.

Fax: 02 486 3483
Mail: 1 Jumbunna Place Terrey Hills NSW 2084
Phone: 02 450 2376

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[ ] Appel: Day Trading with Gerald Appel
[ ] Bierovic: How to Increase Your Trading Profits with Synergy
[ ] Bierovic: How to Synergise Oscillators with Trend Indicators
[ ] Bierovic: How to Manage Your Account, Your Trades and Yourself
[ ] Bolton-Smith: The Tried and True Indicators in the Market
[ ] Brise: The Inside Track to Winning (Deals with Open Interest)
[ ] Elder: Technical Analysis in 52 Minutes
[ ] Elder: MACD and MACD-Histogram
[ ] Elder: Relative Strength Index (RSI)
[ ] Elder: Directional System
[ ] Elder: Triple Screen Trading
[ ] Elder: Elder Ray
[ ] Elder: Stochastic
[ ] Elder: Williams %R
[ ] Elder: Psychology of Trading
[ ] Fuller World Markets for 1995 (Sydney Meeting 7.4.95)
[ ] Plummer: Forecasting Financial Markets
[ ] Pontikis: Asset Allocation and Intermarket Technical Analysis (Sydney Meeting 17.5.95)
[ ] Pring: Basic Principles of Tech. Analysis
[ ] Pring: Price Patterns
[ ] Pring: Support, Resistance, trendlines & Moving Average
[ ] Pring: Momentum, Relative Strength and Volume
[ ] Pring: Mechanical Trading Systems & Correct Investment Attitudes
[ ] Pring: Momentum 1 - Basic Principles of Momentum Interpretation
[ ] Pring: Momentum 2 - Selected Indicators 1
[ ] Pring: Momentum 3 - Selected Indicators 2
[ ] Schwager: What It Takes To Be A Great Trader
[ ] Tharp: Peak Performance Trading (Sydney Meeting 24.4.95)
[ ]Arnold: Pattern Probability Strategy
[ ]Michaelsen: Roadmap To Riches

"The Best Video Tape Ever Made On Technical Analysis"
[ ] Tape 1: The Basics: Price and Volume
[ ] Tape 2: Pattern Recognition, Moving Averages and Sentiments
[ ] Tape 3: Cycles and Waves
[ ] Trester: How To Buy Stock and Commodity Options

Ring: Low-Risk, High Reward Technical Trading Strategies
[ ] Tape 1: Personal Trading Management
[ ] Tape 2: Japanese Candlesticks and Volume and Open Interest
[ ] Tape 3: Time Based Trading
[ ]Tape 4: Stochastics and DMI as Entry/Exit Signals
[ ] Tape 5: Directional Studies and Moving Averages

Ring: Profitable Trading With Gann & Directional Indicators
[ ] Tape 1: Market Psychology and Discipline
[ ] Tape 2: Basic Gann Techniques
[ ] Tape 3: Using RSI & HLMA
[ ] Tape 4: How to Use Stochastics
[ ] Tape 5: How to Apply the DMI

The Elliott Wave Educational Video Series
[ ] Tape 1: Introducing the Elliott Wave Principle
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[ ] Tape 4: Characteristics of Corrective Waves
[ ] Tape 5: Rules, Guidelines and Wave Personalities
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[ ] Tape 9: Trading Options Using the Elliott Wave Principle
[ ] Tape 10: Questions and Answers with Prechter, Allman and Ascani

Sydney Futures Exchange
Resource Centre

The SFE Resource Centre provides a reference and research service to SFE Members, SFE course participants and the general public.

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CYCLE ANALYSIS

Share Price Index SFE (nearest future)

Last Sale 2151.0 **23 September 1995**

Bruce Davenport (02) 375 6852

Conclusion: *Looking for a correction within the advancing main trend.*

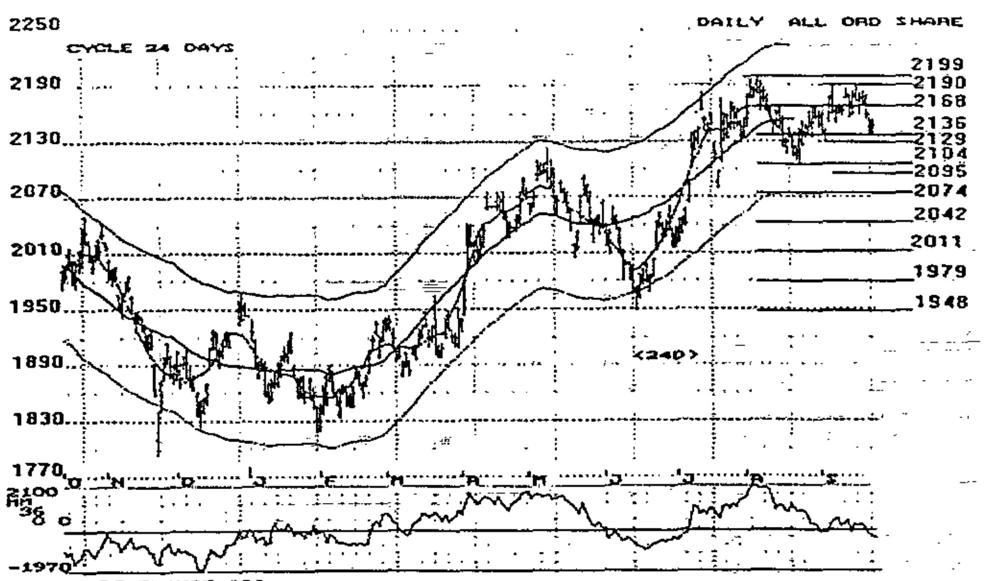
Weekly View: *The main cycle of 32 weeks indicates a high in December 1995. The current price target is 2255 to 2280.*

Daily View: *Looking for a correction in prices targeting 2104 to 2095. The cycle of 24 days indicates a low in mid-October 1995. The advancing main trend is then expected to resume.*

Comment:

Weekly view: The advancing main trend is displayed by the outer envelope on the attached graph. Within the advancing trend is a cycle of 32 weeks, which points to a high in December 1995. The price target has been adjusted to 2255 to 2280. Refer to the cycle structure listed below.

Daily view: The cycle of 24 days indicates a low mid-October 1995, with a price target of 2104 to 2095. Anticipate good support around the 2134 level. On prices breaking below this level will signal further weakness. Reassess if prices exceed 2163.



Daily Share Price Index - SFE (nearest future) Graph

CYCLE STRUCTURE

Average Cycle Period	Date of Last Turning Point	Time Since Last Turning Point	Current trend within Cycle	End of Cycle
24 (±2) Days	Low 22nd Sep 1995	1 Days 4% along	Inverting	29th Oct 1995
103 (±3) Days	Low 4th Sep 1995	15 Days 15% along	Up	26th Jan 1996
32 (±2) Wks	Top 5th May 1995	21 Wks 66% along	Up	15th Dec 1996

Resistance Levels: 2155 2163 2169 2175 2190 2199 2207 2225 2230 2254 2282
Support Levels: 2148 2144 2134 2129 2124 2116 2104 2094 2074 2061 2039

Stop-loss: Weekly (long) 2134 Daily (short) 2163

CYCLE ANALYSIS

10yr Bond Futures SFE (nearest future)

Last Sale 91.215 (8.785%) **23 September 1995**

Bruce Davenport (02) 375 6852

Conclusion: *A correction within the advancing main trend is taking place.*

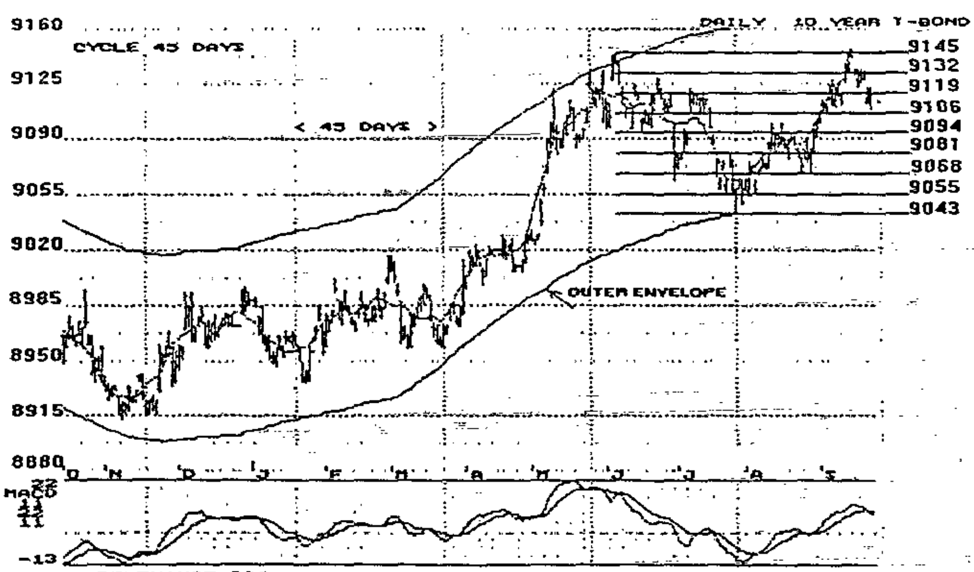
Weekly View: *Prices are correcting, with an initial target of 90.43. The 28 weekly cycle low is due in February 1996.*

Daily View: *The cycle of 45 days is correcting, with a low due late September 1995. The price target is 91.06 to 90.94.*

Comment:

Weekly view: The main trend is advancing, which is displayed by the outer envelope on the attached graph. However, looking for a correction in prices targeting 91.43. Good support is anticipated around 91.20, and prices closing below this level will indicate further weakness. The 28 weekly cycle low is due in February 1996. Reassess if prices trade above 91.45. Refer to the cycle structure listed below.

Daily view: The cycle of 45 days is in the declining phase, with a low due late September 1995. The initial price target is 91.06 to 90.94. Reassess if prices trade above 91.34.



Daily 10yr Bond Futures - SFE (nearest future) Graph

CYCLE STRUCTURE

Average Cycle Period	Date of Last Turning Point	Time Since Last Turning Point	Current trend within Cycle	End of Cycle
45 (±3) Days	Low 27th Jul 1995	42 Days 93% along	Down	28th Sep 1995
28 (±3) Wks	Low 28th Jul 1995	9 Wks 32% along	Up	9th Feb 1996
24 (±2) Mths	Top January 1995	20 Mths 83% along	Up	February 1996

Resistance Levels:	91.25	91.28	91.32	91.45	91.58	91.65	91.71	91.84	91.97	92.10
Support Levels:	91.20	91.17	91.14	91.10	91.06	91.00	90.94	90.84	90.77	90.68

Stop-loss: Weekly (short) 91.45 Daily (short) 91.35

Australian Technical Analysts Association Inc
Application for Membership

First Name:... Family Name:..

Company (If membership paid by a company) : ....

....

Address:...

....State:...........................Postcode:.................................
Telephone:
(Business hours):..(Evening):..

Facsimile:...

Do you use Technical Analysis for your trading/investing decisions ? : Yes / No

If Yes, please describe your use of Technical Analysis:..

....

....

For our records, how did you first hear of the ATAA ? ....

....

Membership is by payment of annual subscription of $100.00.

For membership purposes, our year runs from July 1 to June 30.

We do not pro rata the annual subscription for memberships beginning part way through the year. Instead, we offer two concessions:

(1) Members joining between July 1 and December 31 receive a copy of all Newsletters published in that period.

(2) Members joining between January 1 and June 30 are credited with the remainder of the current year free, such that their initial subscription covers membership up to June 30 of the year following the year in which they join.

For information call the Honorary Secretary, Chris Harris (02) 634 7247; or in other States, any of the local Committee listed inside the front cover of this Newsletter.Please mail the Application Form with a cheque for $100 payable to Australian Technical Analysts Association Inc. to:

The Honorary Secretary
Australian Technical Analysts Association Inc
GPO Box 2774
Sydney NSW 2001

Australian Technical Analysts Association Inc

The aims of the Australian Technical Analysts Association Inc (ATAA) are:

* To establish personnel contacts between analysts both inside and outside of Australia with a view to promoting the theory and practice of technical analysis,

* To help raise the level of community awareness and respect for technical analysis,

* To provide meetings and encourage the interchange of materials, ideas and information in order to add to the knowledge of its members and

* To encourage the highest standards of professional ethics and competence among technical analysts

The ATAA is affiliated with the International Federation of Technical Analysts helping us to keep abreast of international markets and techniques.

Founded by a small group of technical analysts that met on a regular basis, the association was officially launched on 26 April 1990.

Membership is varied in employment, geography, market interest and approaches to the markets. Current members include corporate treasurers, fund managers, bank analysts and traders, stockbrokers, financial planners, private and local traders and investors. The members will be professional Technical Analysts, or people using Technical Analysis for private investing or trading.

Benefits include monthly meetings and a bi monthly newsletter, both of which provide an opportunity to learn technical analysis techniques, as well as being a forum for discussion and new ideas. In addition, members have access to a video tape library and discounts on various technical , psychology and trading courses and books.

Meetings are held in the evening each month except December and January ,in Adelaide, Brisbane, Melbourne and Sydney. Sydney meetings are usually held on the third Monday of the month, and Melbourne meetings are held on the third Wednesday, dependant on the availability of speakers, rooms and public holidays or special events. Meetings in other States are held around the same time. All meetings are advised in advance by mail. Membership of the ATAA is national and members may attend meetings in any State.

Entry to meetings is free to members. Visitors are charged $20.00 per meeting, but if they join within a month, the entry amount is deductible from the initial annual subscription.

Membership is open to anyone using technical analysis for their trading decisions, or wanting to learn how to do so. To join, complete the application form over the page and mail it to the Honorary Secretary.

For information call the Honorary Secretary, Chris Harris (02) 634 7247 or in other States, any of the local Committee listed inside the front cover of this Newsletter.