This week’s Chart Analysis section will illustrate GMMA, one of the trending indicators. A possible technical buy signal came in late Dec 2006 when BRDB had the short-term EMA lines crossing over the mid-term, in turn crossing over the long-term EMA lines. The uptrend was then confirmed with the expansion of the three sets of up-sloping EMA lines.

**GMMA Indicator**

GMMA is made up of three sets of exponential moving average (EMA) lines - the short-term EMA lines, the mid-term EMA lines and the long-term EMA lines:

a) The short-term EMA lines consist of three lines with the periods set at 3, 5 and 7
b) The mid-term EMA lines consist of four lines with the periods set at 9, 11, 13 and 15
c) The long-term EMA lines of five lines with the periods set at 30, 35, 40, 45 and 50.

Three different technical readings can be observed from a GMMA chart.

The first observation is the crossover signals. A bullish crossover signal occurs when the short-term EMA lines crossing over the mid-term and long-term EMA lines whilst a bearish signal occurs when the short-term EMA lines crossing down over the mid-term and long-term EMA lines. The second and third observations are the sloping and expansion/contraction between the EMA lines. Sloping up and expansion confirm the stock is in an up trend momentum. Sloping down and contraction confirm the stock is in a downtrend momentum.

**TA Bites**

Three different technical readings can be observed from a GMMA chart.

For any suggestions or feedback, please contact us:
Email: support@chartnexus.com  Tel: (603) 7803 7339  Website: http://www.chartnexus.com

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