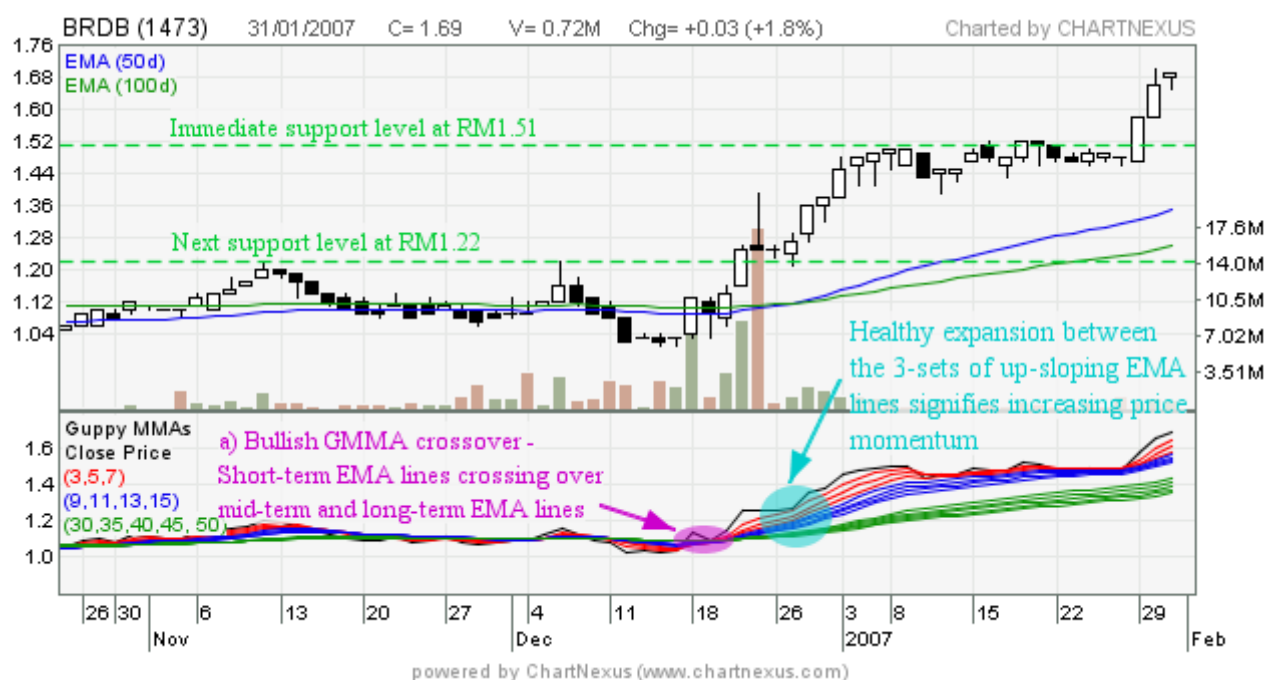


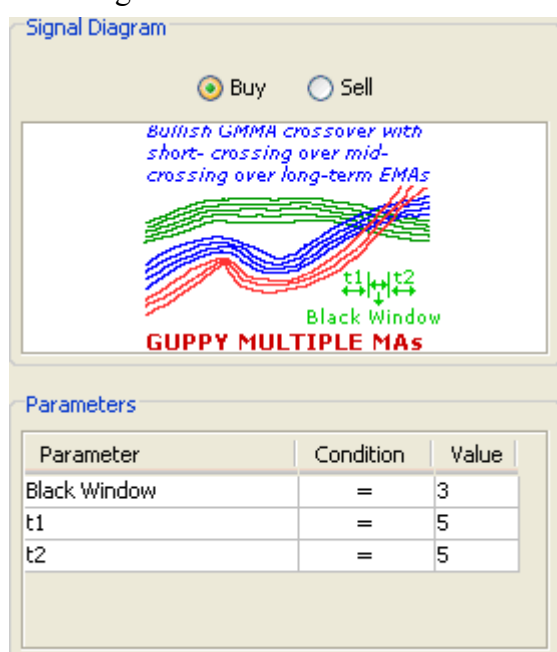
Chart Analysis



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.

XPerTrader™ Corner

This week, we are highlighting one rule from the GMMA indicator's signal list which is the GMMA crossover. This is a basic trading rule where the bullish signal is obtained from the short-term EMA lines (default red) crossing up over the mid-term (default blue) and the long-term (default green) EMA lines while a bearish signal is obtained when the short-term EMA lines crossing down the mid-term and the long-term EMA lines. Editable parameters such as *black window* period, *t1* and *t2* allow the subscribers to filter out those crossover whipsaws which prevent too many false positives signals.



Visit our XPerTrader information page at <http://www.chartnexus.com/products/xpertrader.php> for more details.

Disclaimer

All information provided in this newsletter is for educational purposes only and shall not be construed as an advisory service or market prediction. Please check with your authorised financial advisor for any financial advice.

TA Bites

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:

- The short-term EMA lines consist of three lines with the periods set at 3, 5 and 7
- The mid-term EMA lines consist of four lines with the periods set at 9, 11, 13 and 15
- 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 uptrend momentum. Sloping down and contraction confirm the stock is in a downtrend momentum.

Events

3rd Feb 2007 – Preview: “Guide to Value Investing & Technical Analysis”

25th Mar 2007 – “A Guide to Value Investing & Technical Analysis”

<http://www.chartnexus.com/events>