

How I Use The Short Term Trader Report.

First and foremost, The Short Term Trader Report is not the only trading tool in my trading toolbox. For example, along with the report, I also use a one-hour interval with the stochastic momentum indicator for day trading. For trend trading, I mostly use the MACD on a daily chart.

Secondly, the algorithms only look at price data. External events outside the price scope, such as earnings reports, presidential and FED chairman statements, etc. can change the markets' direction and individual stocks and ETFs prices. Therefore the algorithms do not see the effect caused by these events and will result in incorrect predictions.

About the report - there are three main sections to be used for trading reference.

The report shows a strength-value ranging from 0 to 9 based on the current close for each ETF. Zero is an extreme sell, while a nine is a solid buy.

First is the six weeks buy/sell report. The report is a summation of ETFs that have a high sell or high buy value. The program that produces this report computes a 5 day average for each of the six weekly periods. The program assesses each average to provide a strong sell or buy indicator. The threshold for a sell is a value of 2.5 or less. For a buy, the entry point is 7.5 or more. I use the detailed spreadsheet (see second section below) to see if there is a better date to start the transaction. For instance, if I find a buy call in the 21 – 25 day period. I may execute a purchase; I prefer to purchase at a lower price than the current price. And using the detailed spreadsheet, I check for a future date when a lower price may occur.

For trend trading, I focus on when a buy or sell indicator occurs for 2 consecutive weeks. This event is a tell that the probability of a significant move is excellent.

The second section is the detailed spreadsheet, and it shows the strength value for all the ETFs tracked. The calculated value ranges from 0.0

(powerful sell) to 9.0 (solid buy). And to assist in my evaluation, each cell is color-coded from dark red (0.0) to dark green (9.0). The lighter the color, the weaker the call.

I pay attention to the values close to 0.0 and 9.0. The most likely occurrence of a 0.0 and 9.0 is infrequent, and one does occur, I take notice.

I use this report for day trading. First, I look for values outside the threshold range mentioned above. Second I look at previous day values that are significantly different. When this occurs, there may be an opportunity for quick profits.

The Sector Outlook for The Next Thirty Days is the last section used for reference. This outlook shows the average daily strength-value. The thresholds and color-codings are the same as in the second report.

I use this report as a tool to confirm both day-trading and short-term trading purchases.

Two other sections are part of the Short Term Trader Report, and both subreports show the performance or results of their respective main report. There is no performance report for the Sector Outlook.