



# Chart Pattern Finder Techni *Filter* Plus

*from* BRIGHTSPARK



# Disclaimer

- Technifilter Plus or the Technifilter Pattern Finder does not take into account the Investment Objectives, financial situation and particular needs of any particular person and before making an investment decision on the basis of Technifilter Plus or the Technifilter Pattern Finder, a prospective investor needs to consider, with or without the assistance of a Securities Advisor, whether the advice is appropriate in light of the particular investment needs, objectives and financial circumstances of the prospective investor.
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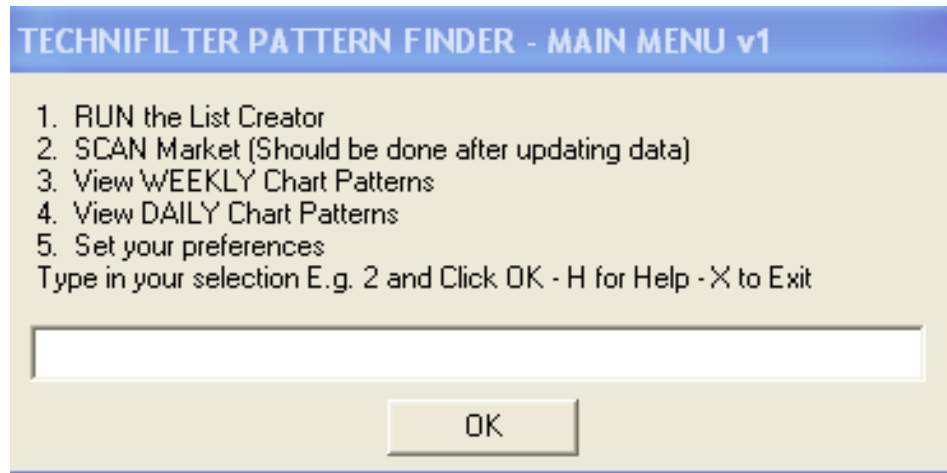


# IMPORTANT NOTE

- The human Eye and Brain is far more suited to locating Patterns on charts
- This Pattern Finder program works within the limitations of computer pattern recognition.
- The PatternFinder is designed only to assist Technifilter users in saving time when searching for Chart Patterns
- It may **FIND** patterns which may not fit the ideal mould of a strict pattern
- It may **MISS** patterns that do not match the text book models
- There are no guarantees...
- Patterns have been classified as Bullish or Bearish based on text book criteria – for ease of classification
- Some patterns are more reliable than others
- Verify their effectiveness for yourself before using them

**No trading decision should be made on the strength of these patterns or the Technifilter PatternFinder**

# Pattern Finder Main Menu



## Easy to use – Menu Driven

- Create Lists of stocks
- Scan any list of stocks to locate Chart Patterns
- View the Daily or Weekly Charts of the patterns found
- Set your Preferences

Simply type in a number and click OK

# Pattern Finder – Preferences

## Setting Preferences for Stocks to Scan:

1. Enter the average daily minimum turnover  
E.g. \$100,000 traded each day for the last 5 days
2. Enter the lowest price stocks to include E.g. \$0.50
3. Enter the highest price stocks to include: E.g. \$5.00

### FOCUS LIST CREATOR - SET MINIMUM TURNOVER

Please enter the minimum average DAILY \$ Turnover for stocks to trade that you require over the last 5 days  
Based on Average Volume x Average price:

Enter a number between 1000 and 1000000  
E.g. for a minimum of \$50000 per day enter 50000

### FOCUS LIST CREATOR SET - MINIMUM PRICE

Please enter the minimum or lowest price of stocks to include in the list:

Enter a number between .00 and 5000.

E.g. type in 0.50 - for a minimum of .50 cents

### FOCUS LIST CREATOR SET - MAXIMUM PRICE

Please enter the maximum or highest price of stocks to include in the list :

Enter a number between .00 and 5000.

E.g. type in 5.00 - a maximum of 5.00 dollars



# Pattern Finder – View the Charts

The Technifilter Chart Pattern finder scans for patterns based on Daily and Weekly Chart patterns.

Choose the Daily or Weekly Menus, and then select the type of patterns to chart

## Weekly Patterns Menu

TECHNIFILTER PATTERN FINDER - WEEKLY MENU

1. Type 1 Patterns Menu
2. Type 2 + Patterns Menu
3. Type 3 Patterns Menu
4. Type 4+ Patterns Menu
5. Type 5 General Patterns Menu
6. View Last Run Report

Type in your selection E.g. 2 and Click OK - H for Help - X to Exit

OK

## Daily Patterns Menu

TECHNIFILTER PATTERN FINDER - DAILY MENU

1. Type 1 Patterns Menu
2. Type 2 + Patterns Menu
3. Type 3 Patterns Menu
4. Type 4 + Patterns Menu
5. Type 5 General Patterns Menu
6. View Last Run Report

Type in your selection E.g. 2 and Click OK - H for Help - X to Exit If Equal

OK

Daily Patterns use Daily chart Formulas  
Weekly Charts use Weekly Chart Formulas



# Pattern Finder Sample Report

Created each time it is run

```
#####
PATTERN FINDER for TECHNIFILTER PLUS as at 120204 14:03:47
  BASED ON DAILY CHART DATA
  All chart type 1 & 2 stocks found are included in a list called: PT_BullID.lst
#####
#####

CHART PATTERNS FOUND - TYPE 1
-----
Ascending Triangle List created PTbullID_AscTriangle.lst
-----
Symbol  Close      AvgTO
deg     0.58       292549
-----

Trend Reversal Up? List created PTbullID_TrendRevUp.lst
-----
Symbol  Close      AvgTO
smy     0.78       534787
-----

Break Up through Trend Line List created PTbullID_BreakUp.lst
-----
Symbol  Close      AvgTO
auo     0.74       262728
-----

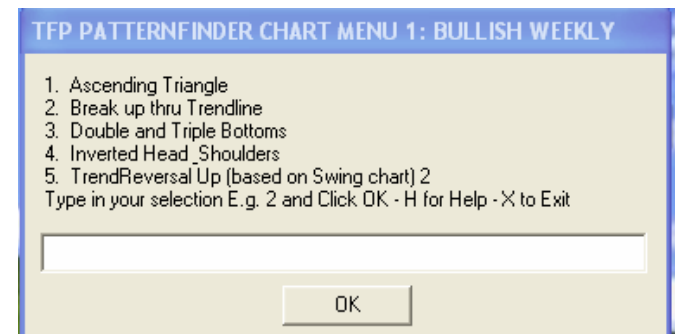
Broadening 5 Point Reversals (megaphone) List created PTbearD_megaphone.lst
-----
Symbol  Close      AvgTO
hil     3.90       606140
ssr     0.86       208137
```

....Continues

# Pattern Finder – Type 1

## Weekly/Daily based patterns

- Ascending Triangles
- Break Up through a Computer drawn Trend line
- Double & Triple Bottoms
- Inverted Head & Shoulder Patterns
- Trend Reversals Up based on Swing charts



**TIP:**  
Use the Daily menu to view the Daily based charts patterns and the Weekly menu to view the Weekly based charts

# Pattern Finder – Type 2 + Weekly/Daily based patterns

## TFP PATTERNFINDER CHART MENU 2: BULLISH+ WEEKLY

1. Ascending Triangle
  2. Break up thru Trendline
  3. Double and Triple Bottoms
  4. Inverted Head Shoulders
  5. TrendReversal Up (based on Swing chart)
  6. Rectangle(Channel)
  7. Symmetrical Triangle
- Type in your selection E.g. 2 and Click OK - H for Help - X to Exit

OK

The Bullish + charts use the direction of the OBV (On Balance Volume) trend for Analysing Volume

- Ascending Triangles
- Break Up through a Computer drawn Trend line
- Double & Triple Bottoms
- Inverted Head & Shoulder Patterns
- Trend Reversals Up based on Swing charts
- Rectangles (or channels)
- Symmetrical Channels

For the Bullish + selection the OBV must be rising

# Pattern Finder – Symmetrical Triangle



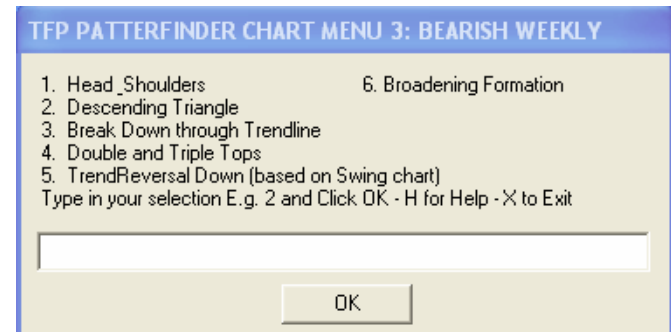
Also referred to as a Spring or coil

Note the Blue lines are **not** drawn by the program!

# Pattern Finder – Type 3

## Weekly/Daily based patterns

- Head & Shoulder Patterns
- Descending Triangles
- Break Down through a Computer drawn Trend line
- Double & Triple Tops
- Trend Reversals Down based on Swing charts
- Broadening Formations (5 point reversals or Megaphone)



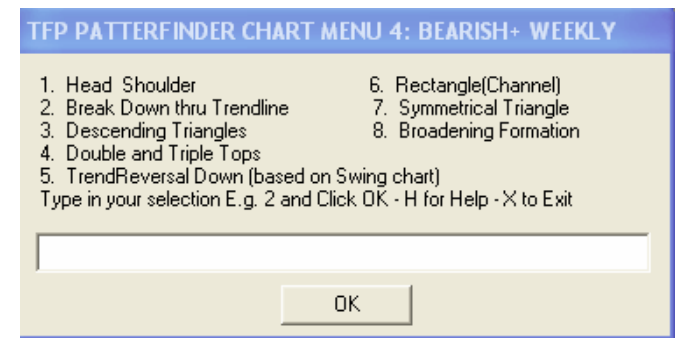
# Pattern Finder – Fall through Computer drawn Support Line



- Note the Blue lines are **not** drawn in by the program!

# Pattern Finder – Type 4 + Weekly/Daily based patterns

- Head & Shoulder Patterns
- Descending Triangles
- Break Down through a Computer drawn Trend line
- Double & Triple Tops
- Trend Reversals Down based on Swing charts
- Broadening Formations ( 5 point reversals or Megaphone)
- Rectangles(Channels)
- Symmetrical Triangles



The Bearish + charts use the direction of the OBV (On Balance Volume) for analysing volume

For the Bearish + selection the OBV must be falling

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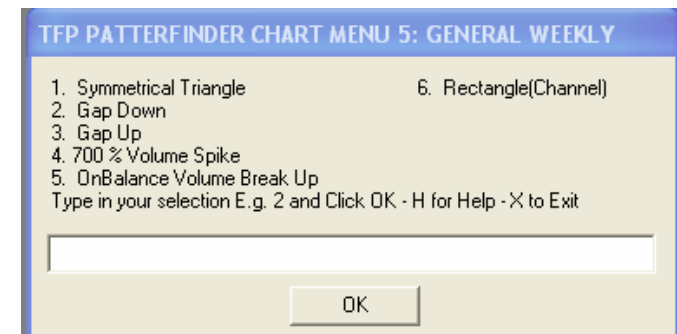
# Pattern Finder – Broadening Formation (Megaphone)



Also known as a 5 point reversal formation  
Note the Blue lines are **not** drawn by the program!

# Pattern Finder – Type 5 General Weekly/Daily based patterns

- Symmetrical Triangles
- Gaps Up
- Gaps Down
- Large Volume Spike
- On Balance Volume Breakouts
- Rectangles (Channels)



# Pattern Finder – Trend reversal down?



- Based on Swing Chart lines

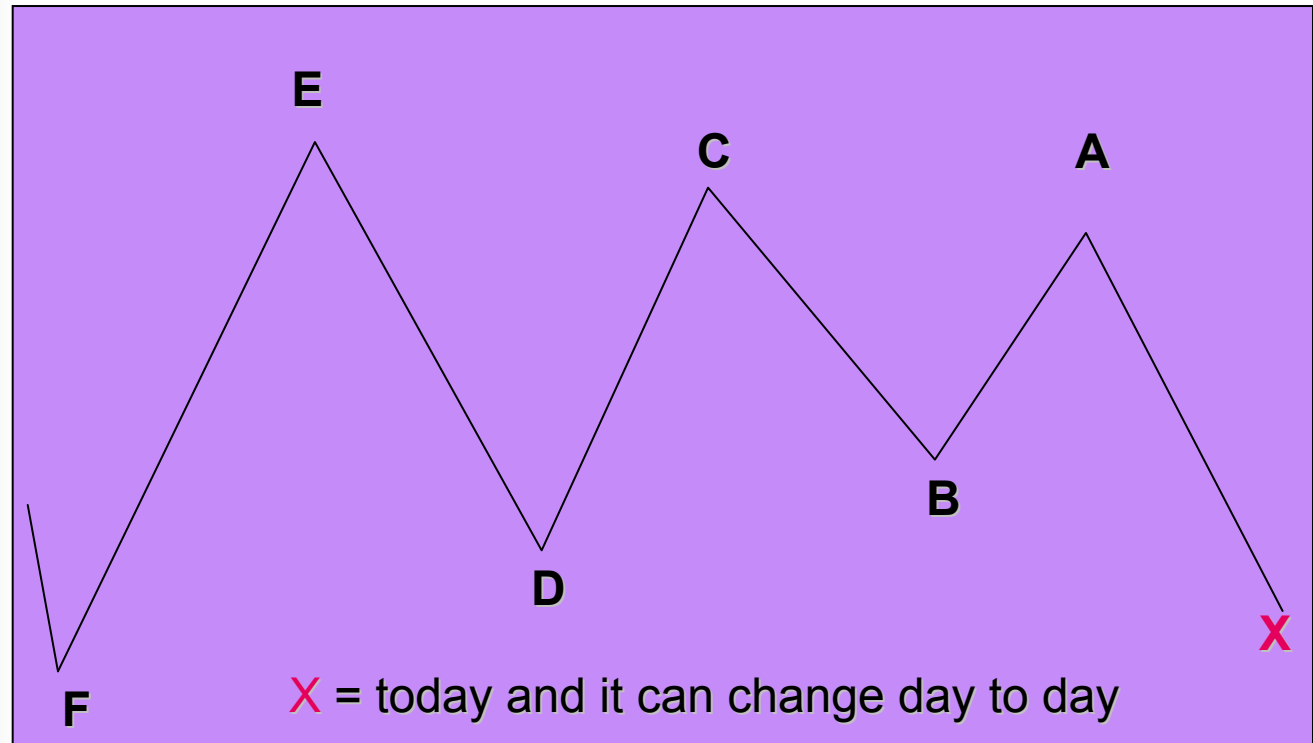
# Pattern Finder – Descending Triangle



Note the Blue lines are **not** drawn by the program!

# Pattern Finder – how it works

## Peaks & Valleys



Value of A = Column [6]

B = Column [12]

C = Column [7]

D = Column [13]

E = Column [8]

F = Column [15]

G = Column [9]

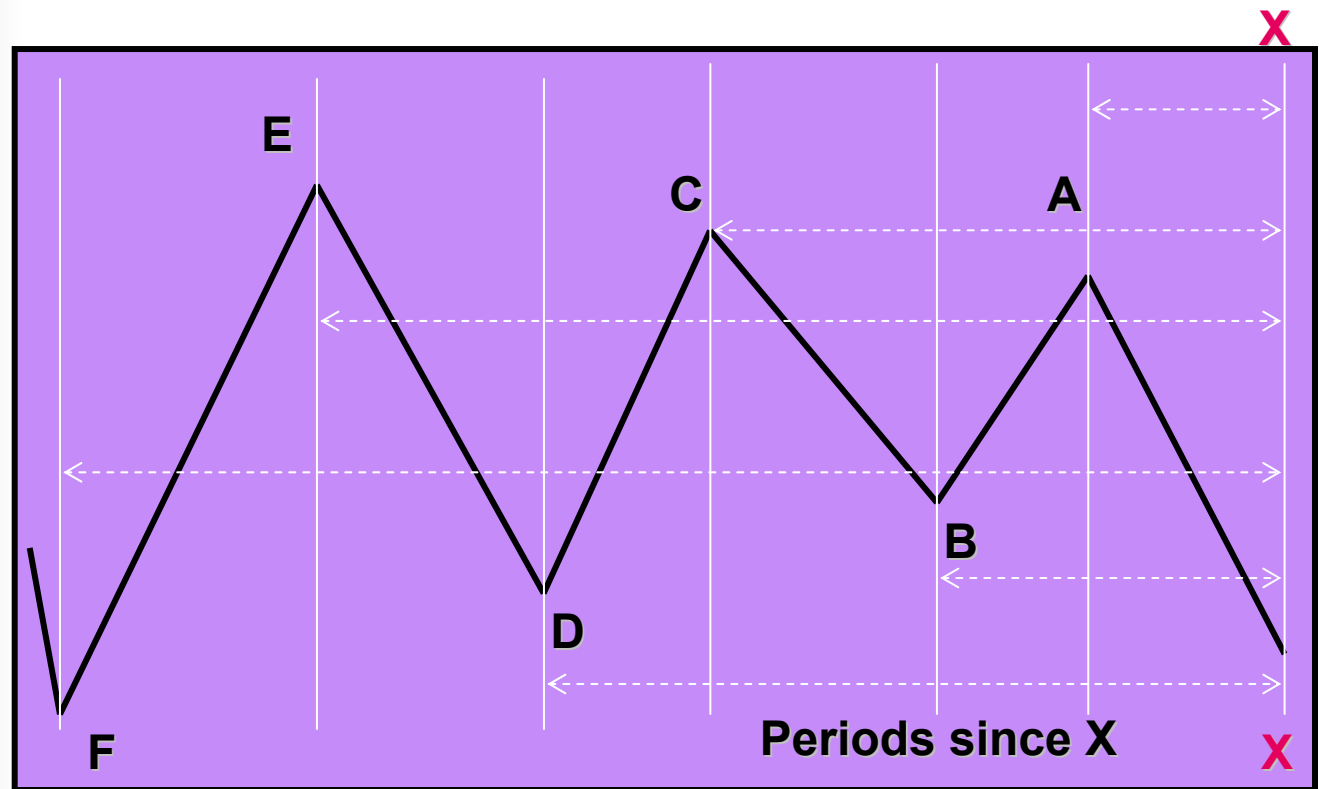
H = Column [16]

Columns or Formulas in the Pattern Finder Filter Reports



# Pattern Finder – how it works

## # periods (TIME) to a peak or valley



X to A = Column [18]

X to B = Column [24]

X to C = Column [19]

X to D = Column [25]

X to E = Column [20]

X to F = Column [26]

X to G = Column [21]

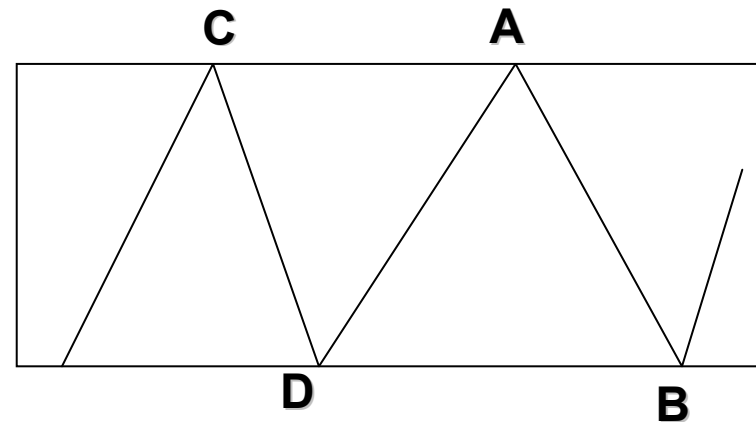
X to H = Column [27]

Columns or Formulas in the Pattern Finder Filter Reports



# Pattern Finder – how it works

- Using Formula Columns we can Filter to find various patterns
- We know the number of periods (between) the turns
- We know the values at each Turning point



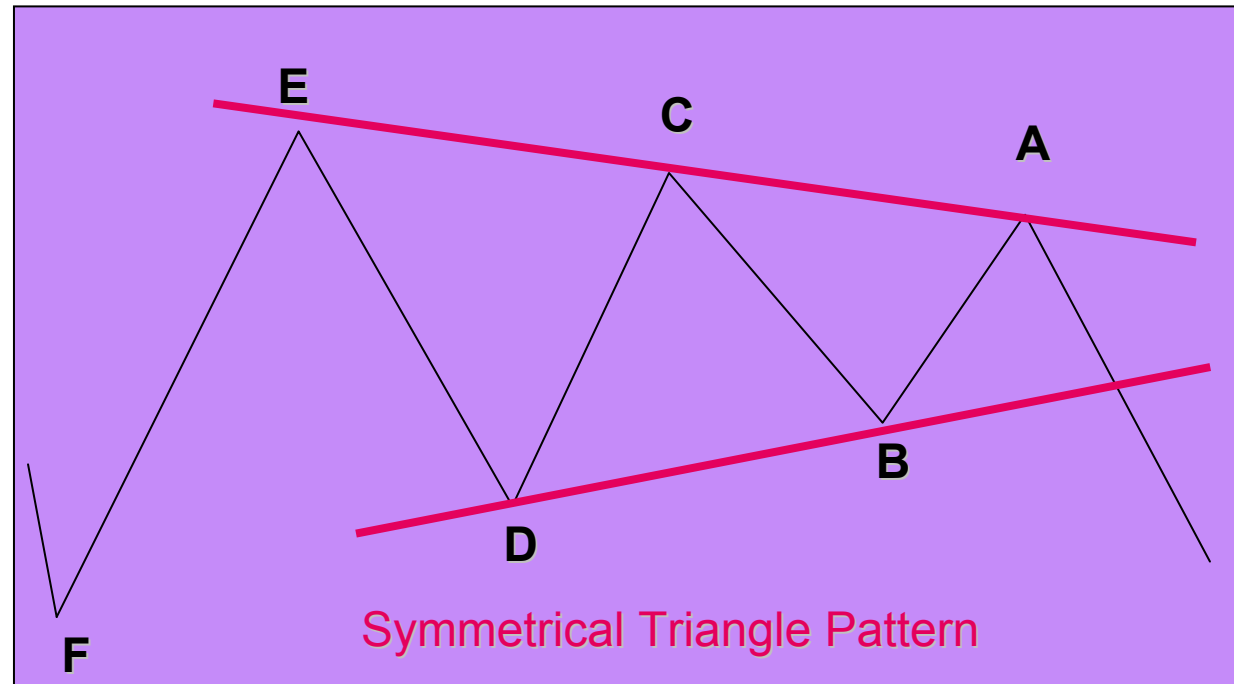
So a Rectangle or channel could be found by Filtering for  $A=C$  &  $B=D$  or

Using Technifilter columns  $[6]=[7]$  &  $[12]=[13]$

Look at the Filter Reports:

PatternFinderD and PatternFinderW

# Pattern Finder – how it works



- We need a minimum of 4 points to locate triangle patterns A-D
- $(A < C) \ \& \ (B > D)$
- $[6] < [7] \ \& \ [12] > [13]$
- We could also calculate the difference between the highs and lows to get the centre line being approximately horizontal
- We can also calculate the time that has been taken to create the pattern using column [20] (number of periods from today to point E)

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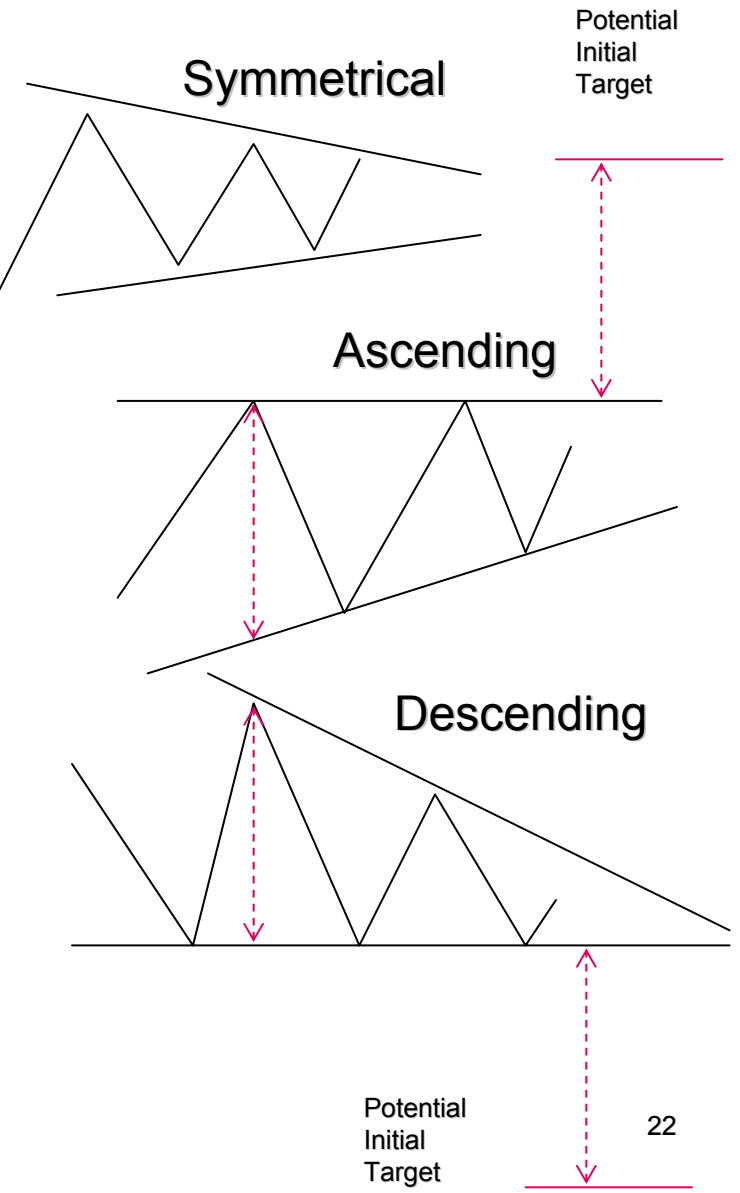
# Sample Patterns - Triangles

## General Observations

- Generally successful breakouts usually occur 50%-70% in the construction (measured from the widest point to the Apex of the triangle)
- Volume should noticeably decrease in the construction phase
- Volume should noticeably increase on an upside breakout
- Triangles are not the most reliable of patterns
- Potential INITIAL targets: Measure the widest point of the triangle and Add this value to the breakout point

NOTE PATTERNS DO NOT ALWAYS FOLLOW THE ABOVE RESULTS - THIS IS ONLY A SAMPLE TO THE GENERALLY ACCEPTED VIEW OF HOW PATTERNS DEVELOP

YOU MUST CONFIRM THE USEFULNESS OF THIS INFORMATION FOR YOURSELF

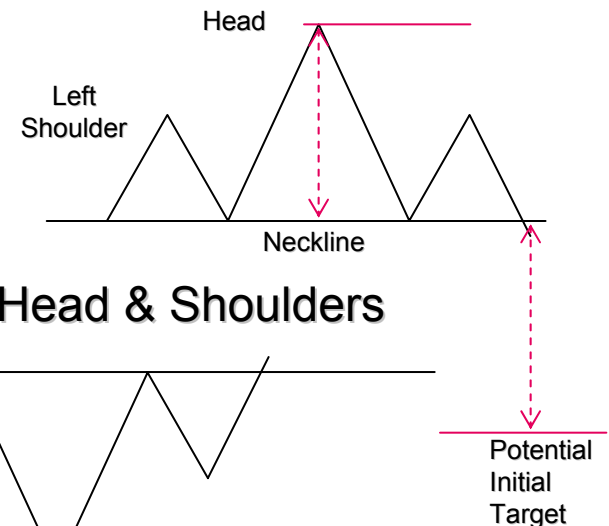




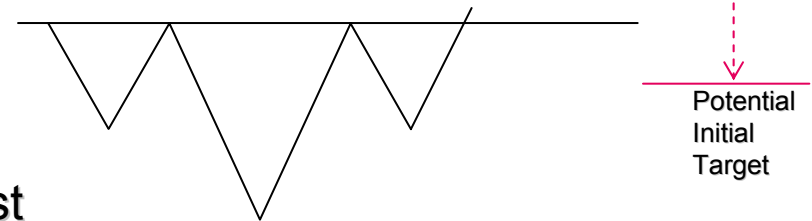
# Reversal Formations

- Reversal patterns must have something to reverse
- Head & Shoulder Initial Target – measure from the Head to the Neckline and extend this from the break up or down
- Volume: Head & shoulder tops: heaviest on left shoulder less on the Head and lowest on right shoulder  
 Inverted Head & Shoulders require large volume break out

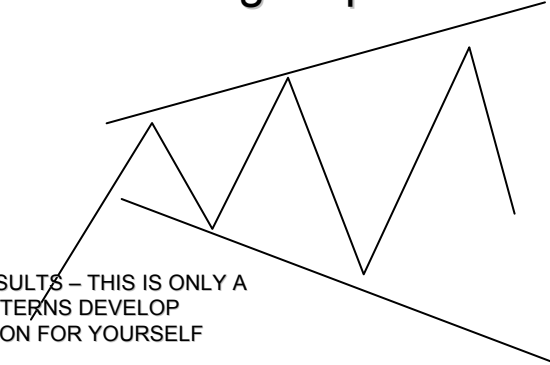
## Head & Shoulders



## Inverted Head & Shoulders



## Broadening / 5 point Reversal

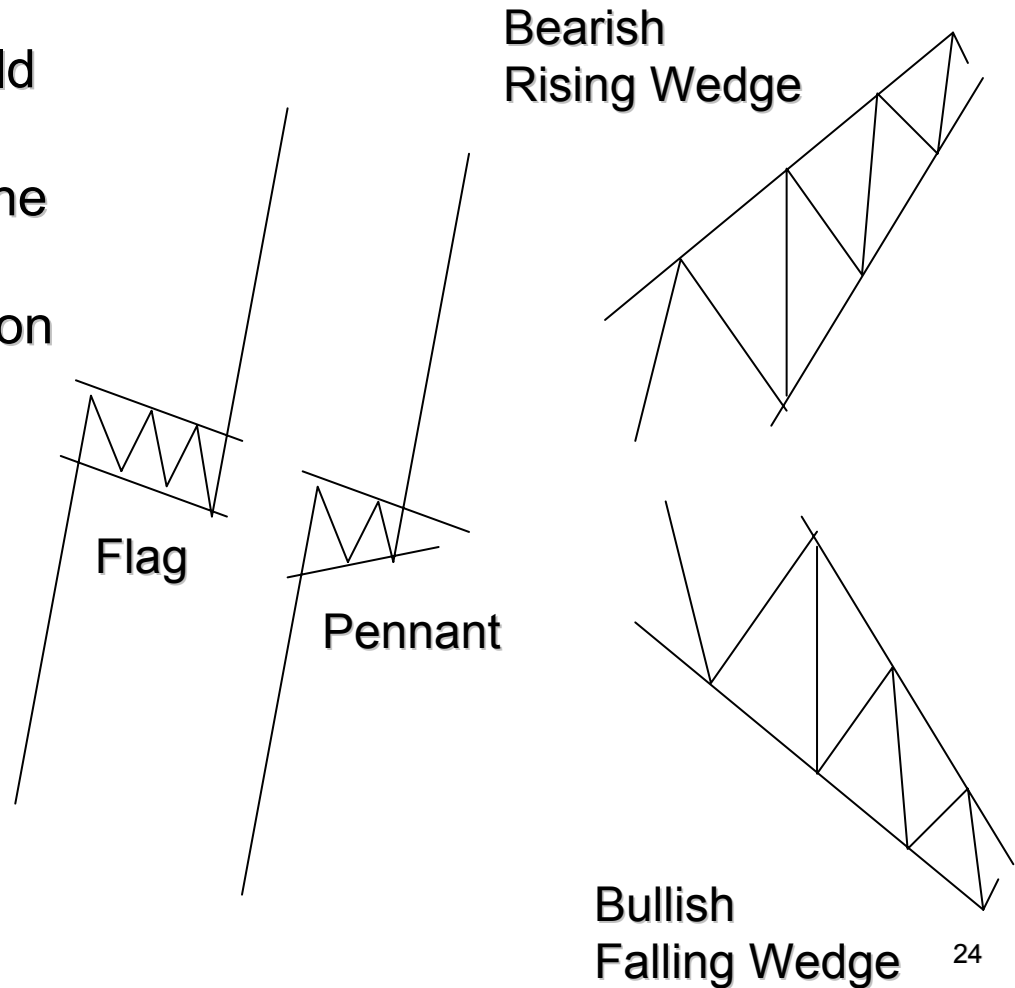


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# Chart Patterns – Flags & Wedges

- Flags & pennants fly at half mast
- Volume should noticeably decrease in the construction, and be large on the breakout



# Pattern Finder - GAPS

- **A** - Symmetrical Triangle
- **B** - Congestion Gap
- **C** - Breakaway Gap
- **D** - Measuring Gap
- **E** - Pennant
- **F** - Break Away Gap
- **G** - Exhaustion Gap





## Pattern Finder - Customizing

- The Pattern Finder can be modified or customized to suit your specific requirements
- Nothing is hidden or password protected
- A basic working knowledge of Technifilter Plus is all that is needed



For Current Pricing and availability  
please visit our On-Line Shop  
<http://www.technifilter.com>



# Further Reading

Highly recommended



Technical Analysis of Stock Trends  
By Edwards & Magee