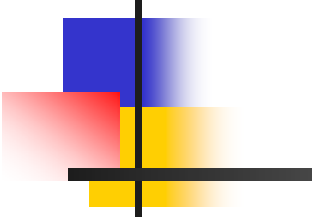


Stage Analysis



Combining Common Sense and
Computers with one of the most
Powerful Software Packages to
Trade the Share Market

Techni*Filter* **Plus**

BRIGHTSPARK

Disclaimer

Brightspark does not have any knowledge of the investment needs or objectives of individual viewers of this presentation / demo.

This Demonstration represents suggestions, training and information for viewers to use when evaluating and making investment decisions in light of their own individual investment goals and does not constitute specific advice.

Technifilter Plus and/or (Stage Analysis, Darvas! Potential Report) **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 and/or (Stage Analysis, Darvas! Potential Report), 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.

Trading the Sharemarket involves Risk – money can be both LOST and Made



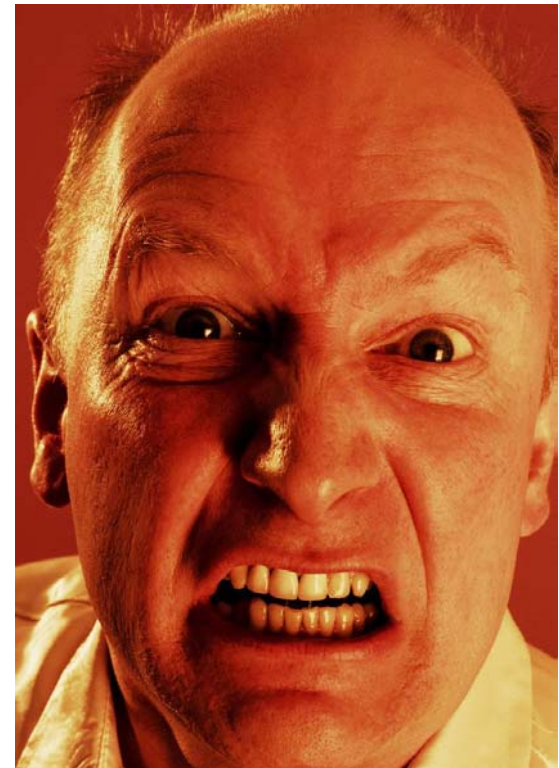
Knowledge is Power....

- If you have a plan to follow, then you will know how to react when things go well or when things go bad.
- With the right knowledge and the right tools Share Trading can be a profitable and rewarding experience

There are 29 slides in this Educational presentation we hope you will enjoy viewing it

Most people haven't got a clue when it comes to buying shares?

- They buy at the top
- They hold on to their losers
- They buy shares that are falling in price – thinking they are getting a bargain
- They repeat the same mistakes over and over



Most people rely on hear-say instead of research

- They spend more time researching buying a camera or fridge than they do with planning their investments.
- They rely on Tips, newspaper stories, so called expert opinions
- They don't follow any plan...

They HOPE that things will work out!

Lets look at a different approach...



What are the facts?

Charts are based on Fact!

- The charts can help you Time your **Entries** and more importantly Time your **Exits**
- They give an accurate visual representation on the health of the Company, based on it's share price
- Is the share price going up?
- Is the Share price going down?



Just like Doctors study the Graphs and Charts of a person in hospital.
A Stock chart shows the health of the Companies Share price

Charts are made up of the **prices** and **volume** of shares traded over a period of time

Let's look at a basic model...

What can the charts tell you?

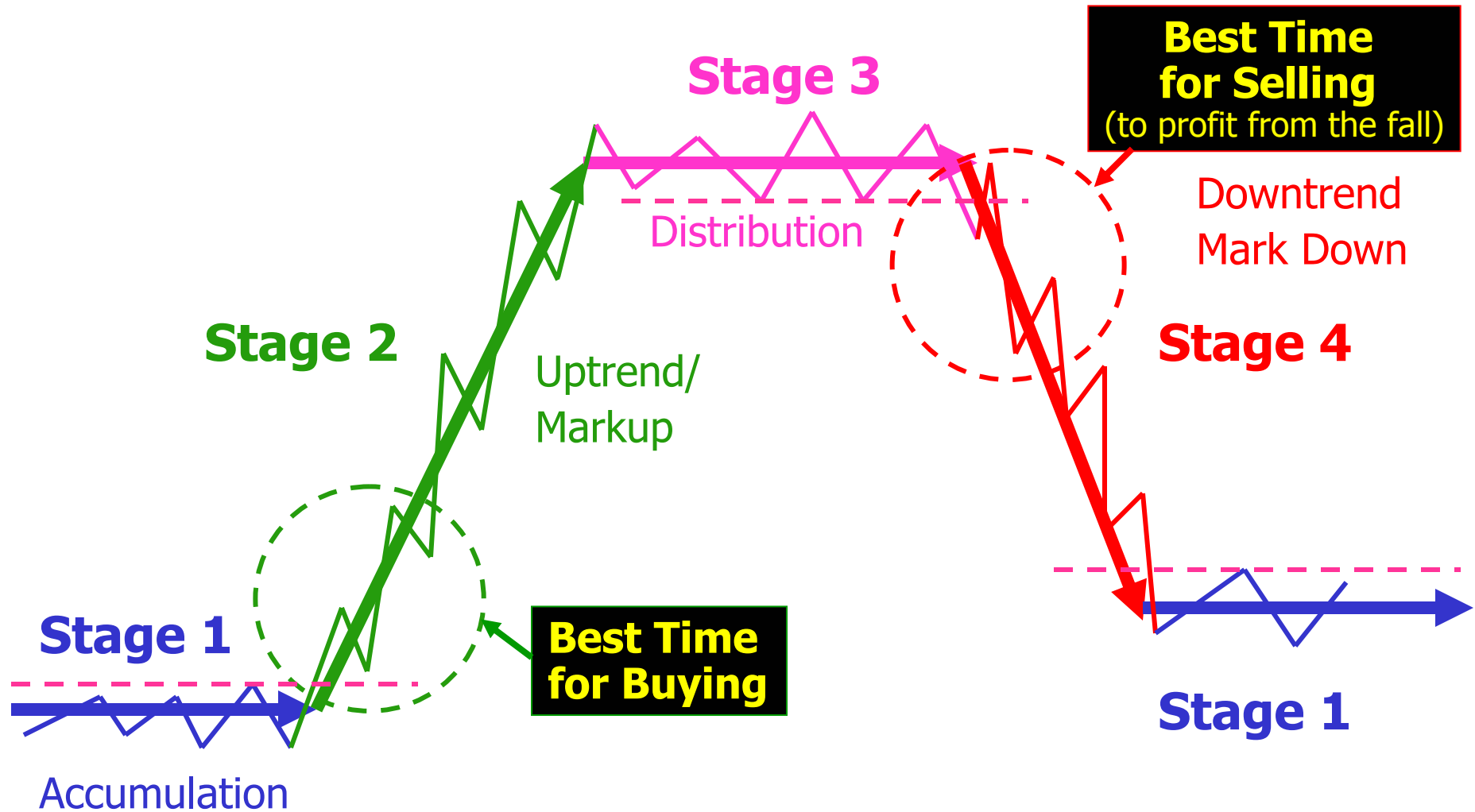
- Share prices move in trends – **very important**
- Whose in control:
The Bulls (buyers) or
the Bears (sellers)
- When to Buy!
- When to Sell!
- When NOT to Buy or Sell!



Let's look at a basic model we call **Stage Analysis...**

When is the best time to be buying or selling?

STAGE ANALYSIS

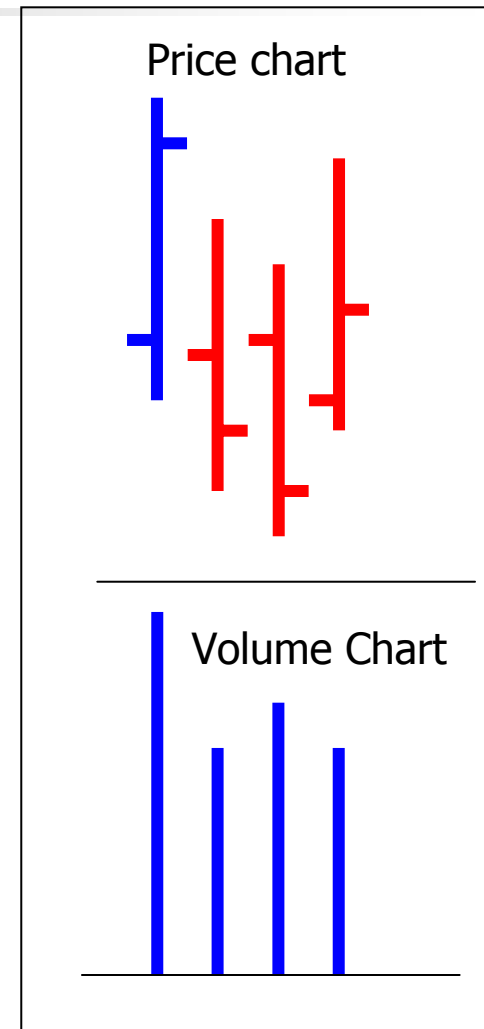
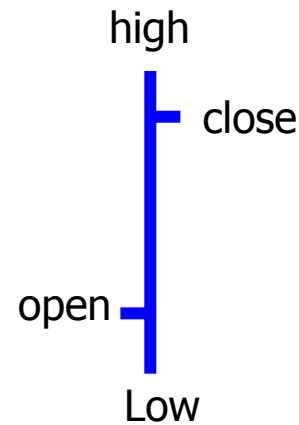


Techni *Filter* Plus can help you find the best opportunities

Let's look at some sample charts using the Stage Analysis model

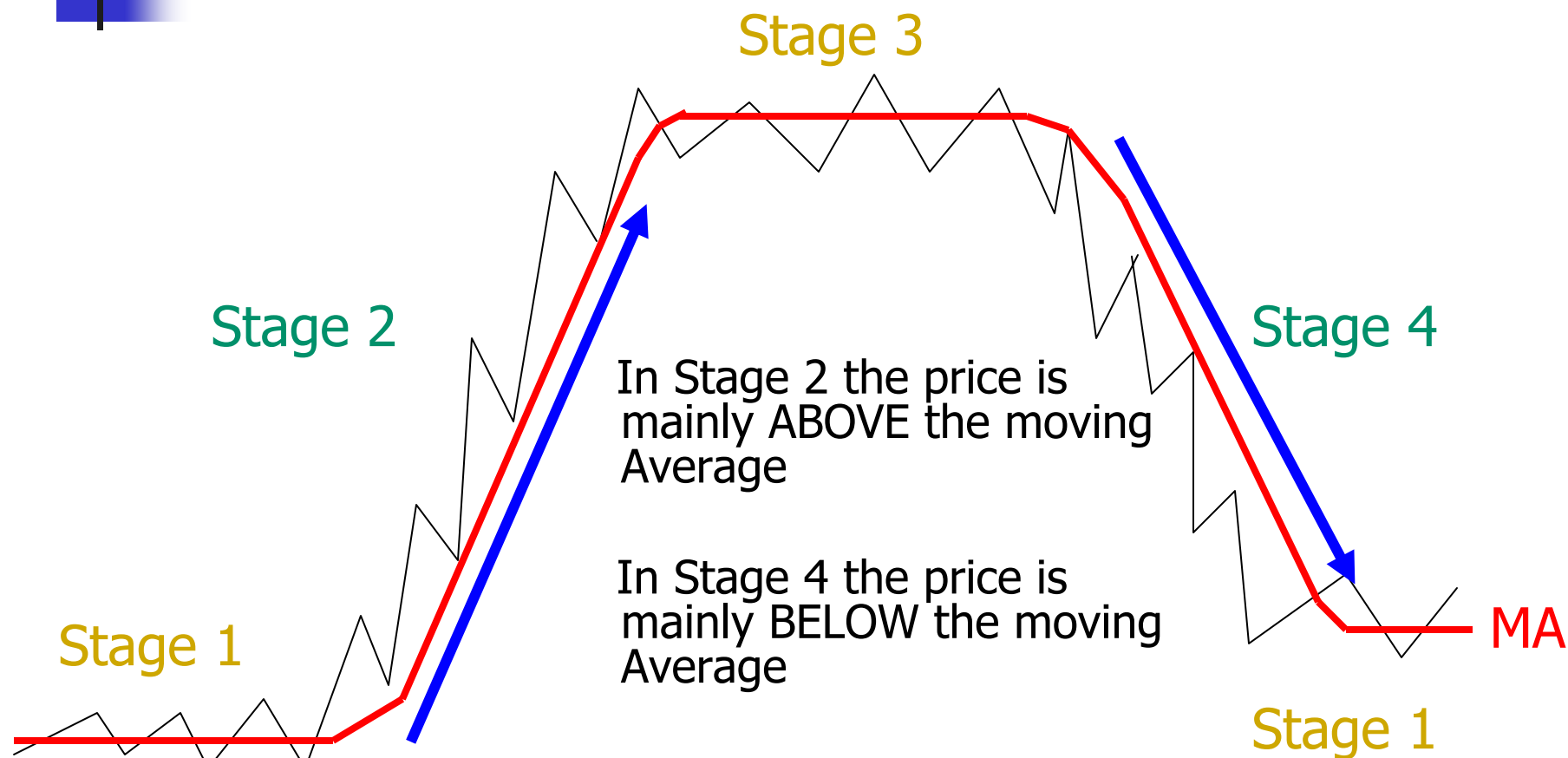
Please Note

- The following charts are Weekly Charts
- Each bar on the charts represent one week's: trading and volume (the number of shares traded)
- A few years of history is shown on the charts
- There is no Rocket Science here



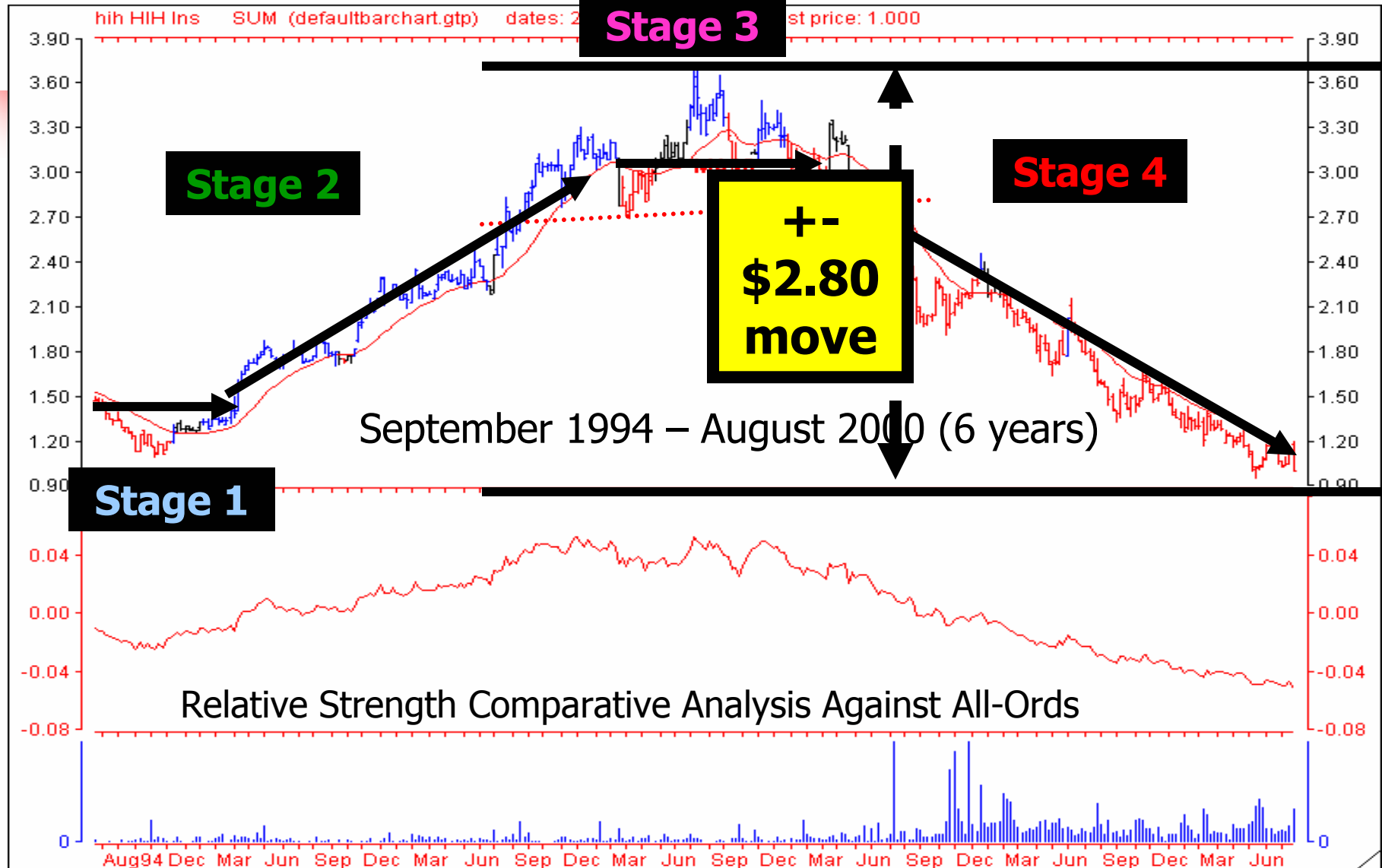
Stage Analysis –

using a 30 week Moving Average (MA)
to assist in identifying the Stage the stock is in

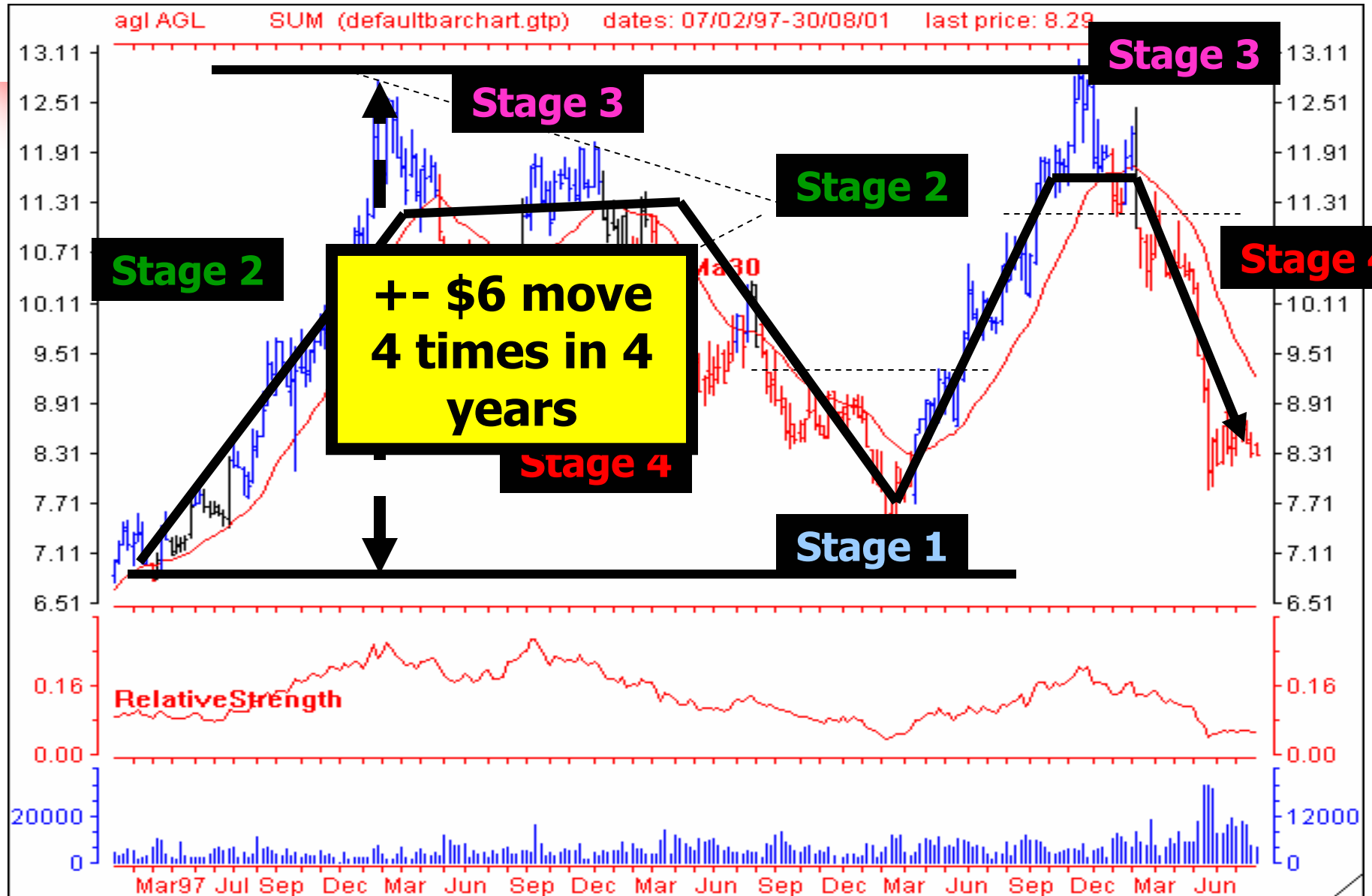


In Stages 1 & 3 the Moving averages **flattens** out and
The price criss-crosses above and below the Moving Average

Stage Analysis - HIH



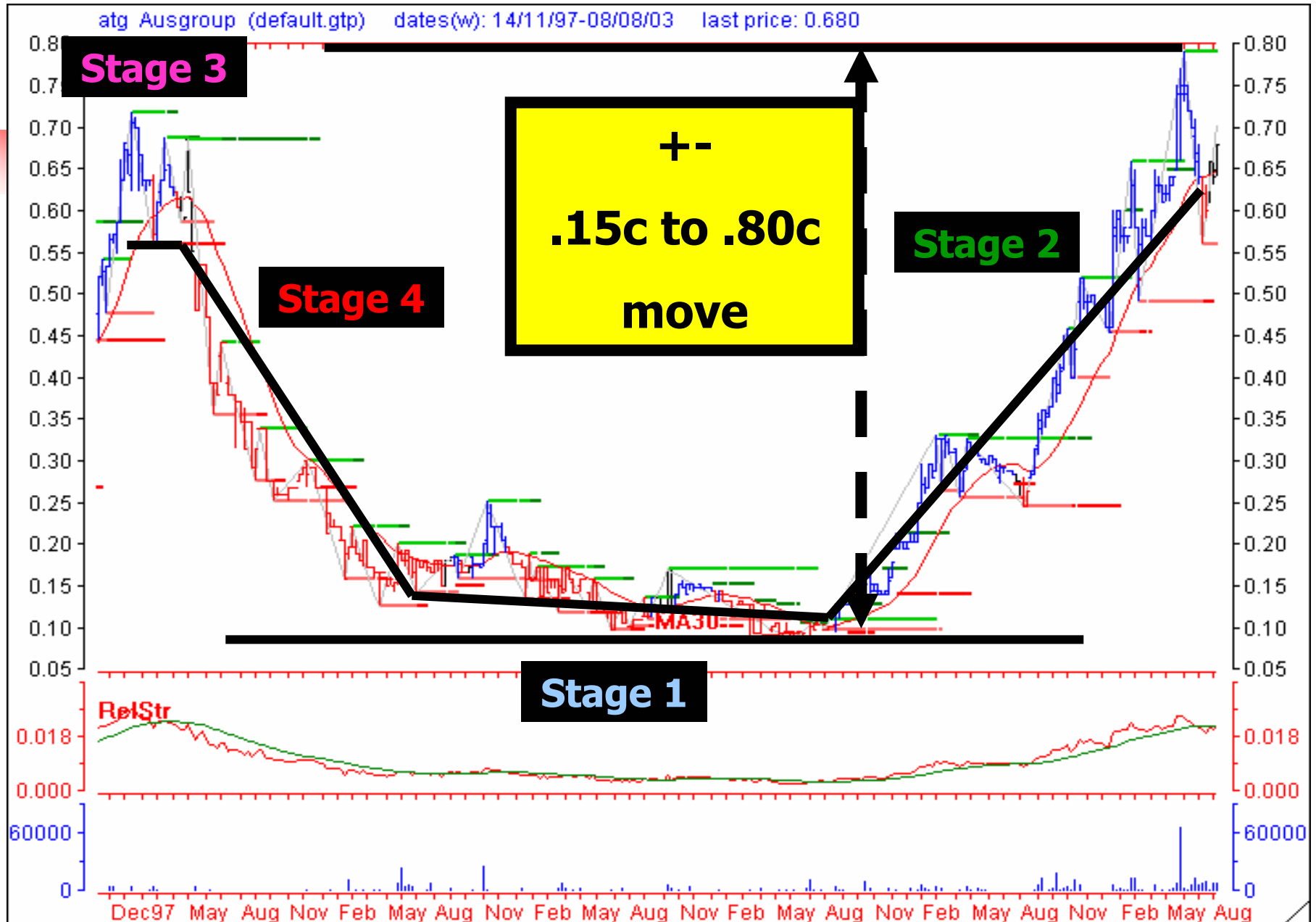
Stage Analysis – AGL



Note the Zig-Zag rise & fall it's rare that prices go straight up or down



Sometimes there are early exit signals – but we can Re-Enter!





To Summarise

- A 30 week moving average can assist in recognising what stage a stock is in
 - In stage 1 and 3 the MA flattens out and price criss-crosses above and below it
 - Stage 3 is usually more volatile than Stage 1 with larger price swings
 - In stage 2 the price remains mainly above the MA
 - In stage 4 the price remains mainly below the MA
- BUYING STAGE 4 STOCKS
CAN BE DANGEROUS TO
YOUR CAPITAL**

Stage Analysis is not Rocket Science – it's plain common sense

The Techni*Filter* Plus Advantage

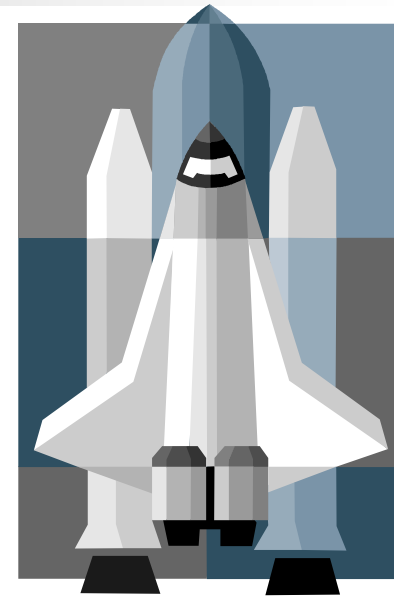
- With Techni*Filter* Plus it's a simple process to scan through an entire market and locate all stocks that are above their 30 week moving average this will take a minute or two....
- But how do you narrow it down to the best of the best, and find the strongest performers....



Finding the Best Performers

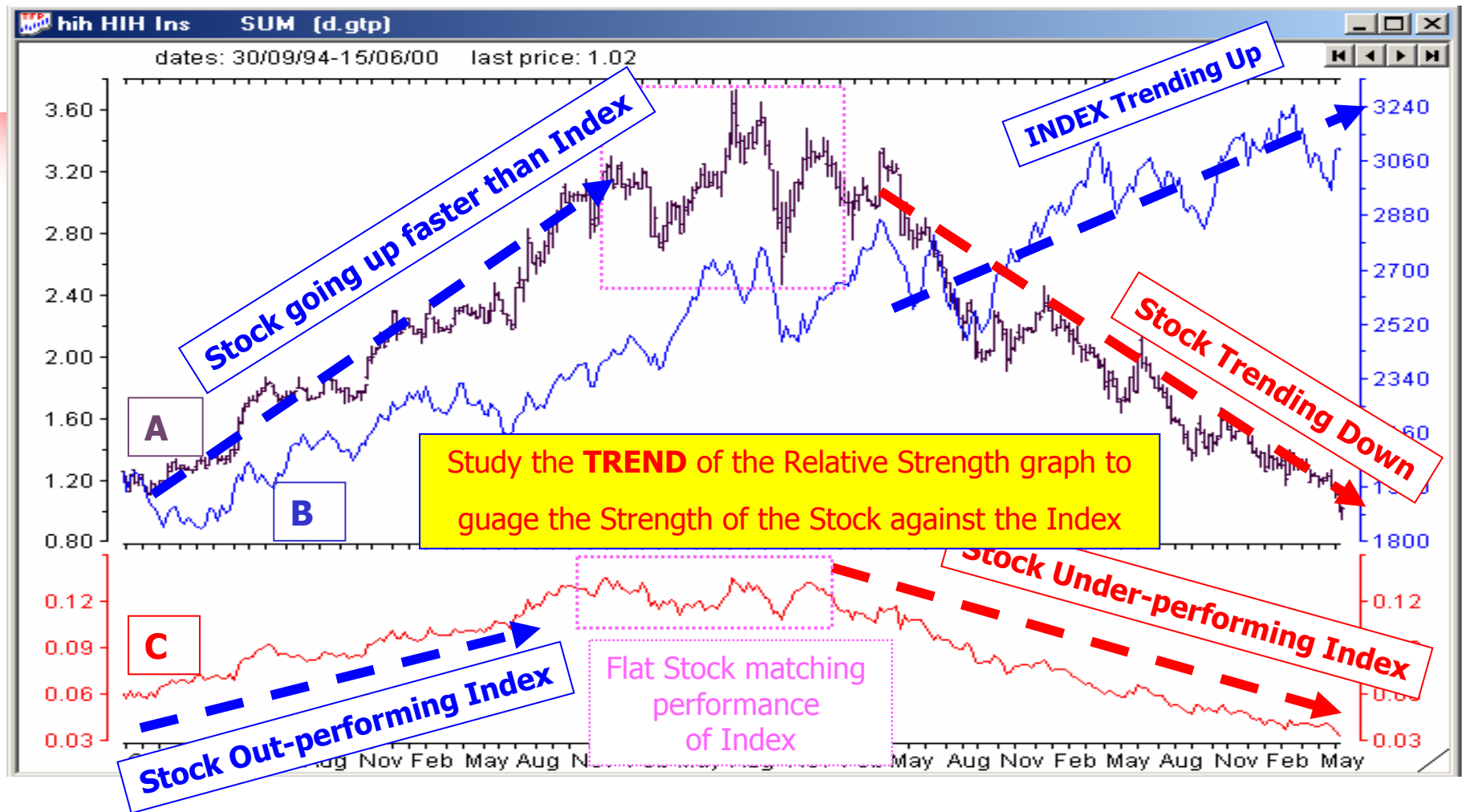
- Why Buy an **Under-performing** Stock?
- The **Out-performers** or **strongest Stocks** tend to run the furthest (go up best in price)
- Can you find the strongest performers by listening to the news, from tips, or from the newspapers.....???
- One of the best ways is: **Relative Strength Comparative Analysis**

Once again, we are not talking
Rocket Science!



Relative Strength Comparison
Simply divide the Stock Price
by the price of an Index like
the All-Ordinaries or S&P500
and plot the graph – **study the
trend of the RelStr graph**

Finding the Out Performers



A – Stock Graph

B – All Ordinaries Index (XAO) or S&P500 Index

C – Relative Strength Comparison between the Stock Price & the Index



To Summarise

Relative Strength Comparison between a stock and an Index like the All Ordinaries or S&P500 can be used to locate the strongest performing stocks by simply studying the trend direction of the Relative Strength graph



Techni*Filter* Plus can be used to scan the entire Market
To find the Strongest performers based on Relative Strength



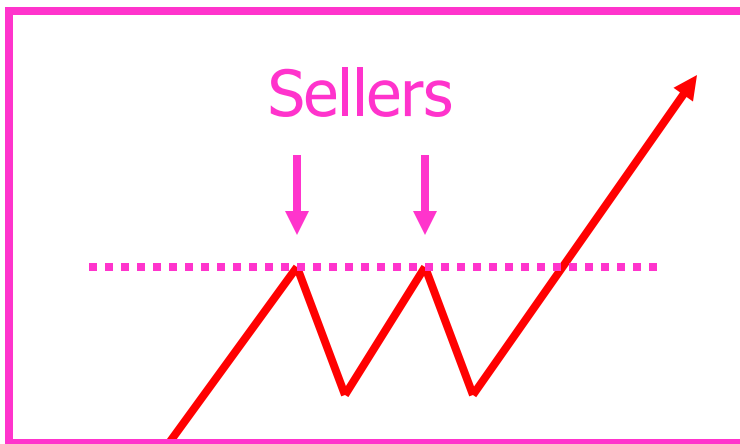
Support & Resistance – A short tutorial

- Markets rarely go up or down for any length of time in a dead straight vertical line
- Prices will often stop and take a rest before continuing on their way or changing direction...
- While taking a breather prices will often bounce up and down like a ball, bouncing between the floor and the ceiling
- Until they eventually break through...

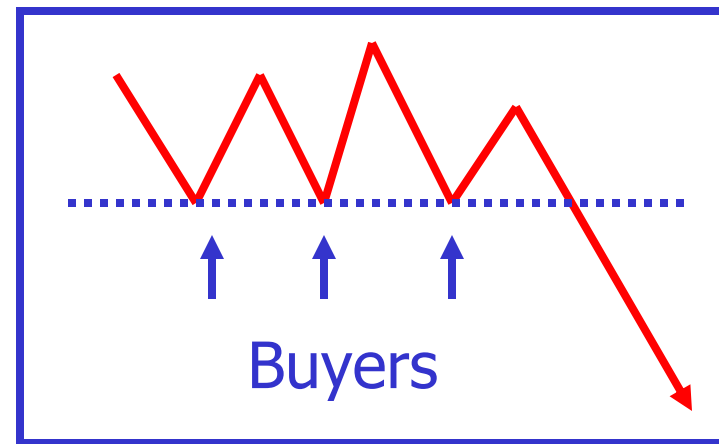
The **buyers** and **sellers** will push the price up and down in these “**congestion**” or “**trading range**” areas, until one of them gives way and then the price often moves to the next level.... And the process repeats itself

Support & Resistance

RESISTANCE



SUPPORT



For a share price to go up it needs to break through
Sellers Resistance Levels

For a share price to fall it needs to fall through
Buyer Support Levels

HIH – Stage 2

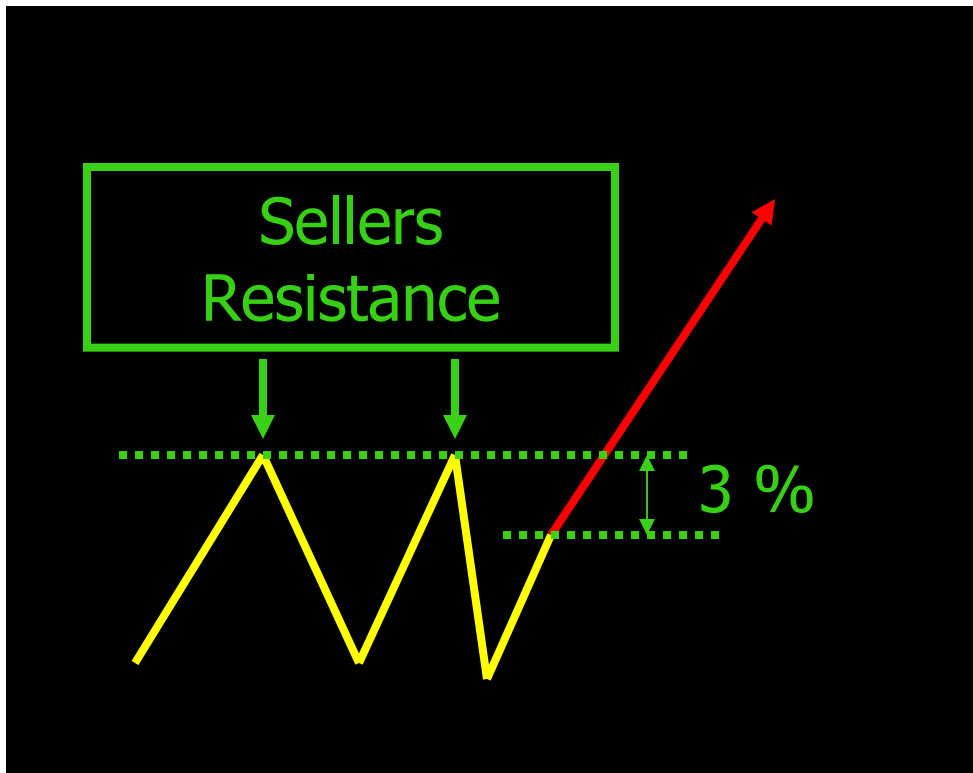


Some Guidelines for trading:

1. Moving Average should be trending Up (Stage 2)
2. Share must be Out-Performing the Index (Relstr)
3. Buy on Breakouts through Resistance



The Techni *Filter* Plus Advantage



- Techni *Filter* can Scan the entire Market, or your Personal Watch List of stocks. In a couple of minutes it can:
- Locate Shares with the Moving average rising and the Relative Strength rising. (Strong Performers)
- And locate stocks within within X% (e.g. 3%) of Resistance, or breaking through a Resistance level

Stage Analysis

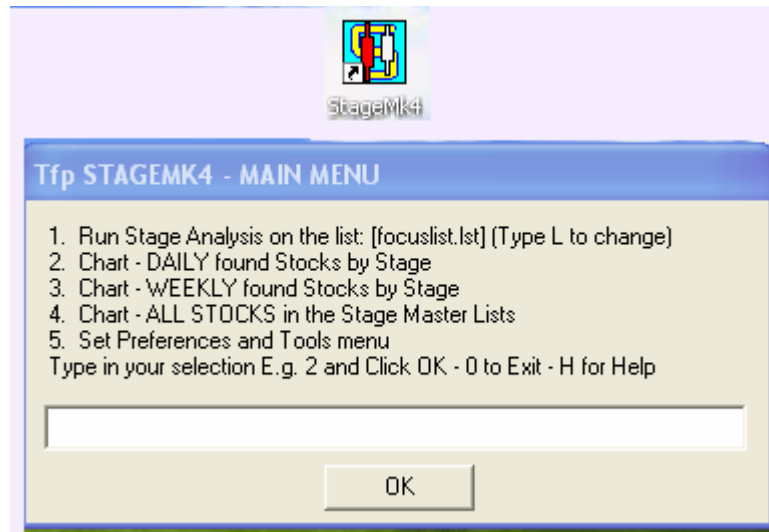
and Techni *Filter* Plus

It's a simple process...Download the latest stock prices and let Techni *Filter* generate a Report and create a list of stocks for you to look at

- **Locates Stocks** in the various Stages (1 through 4) giving important signals for the Stage they are in!
- **Saves you time** by narrowing down the number of stocks you need to look at
- Keeps you looking **to trade with trend!**
- Helps you make an **informed decision** based on Fact!

Stage Mk4

Easy to use – Menu Driven



Simply type in a number on the menu to:

- Run a Stage Analysis Market scan and create a report and list of stocks found - Type in **1**
- View the charts of stocks found - Type in **2** or **3**
- Set your preferences – Price Range, Minimum Turnover etc - Type in **5**
- **Technifilter does the rest automatically**



To Summarise **TechniFilter Plus** and Stage Analysis is a powerful Tool that can:

- Assist traders and Investors to analyse huge or small numbers of stocks
- Classify stocks into logical categories
- Locate stocks approaching and breaking out through both: Support (Stage 4) and Resistance (Stage 2)
- Help the trader or Investor to trade with the Trend
- Avoid Buying into Stage 4 Downtrending stocks
- Locate the Strongest Performing stocks
- Locate changes between the stages Early!

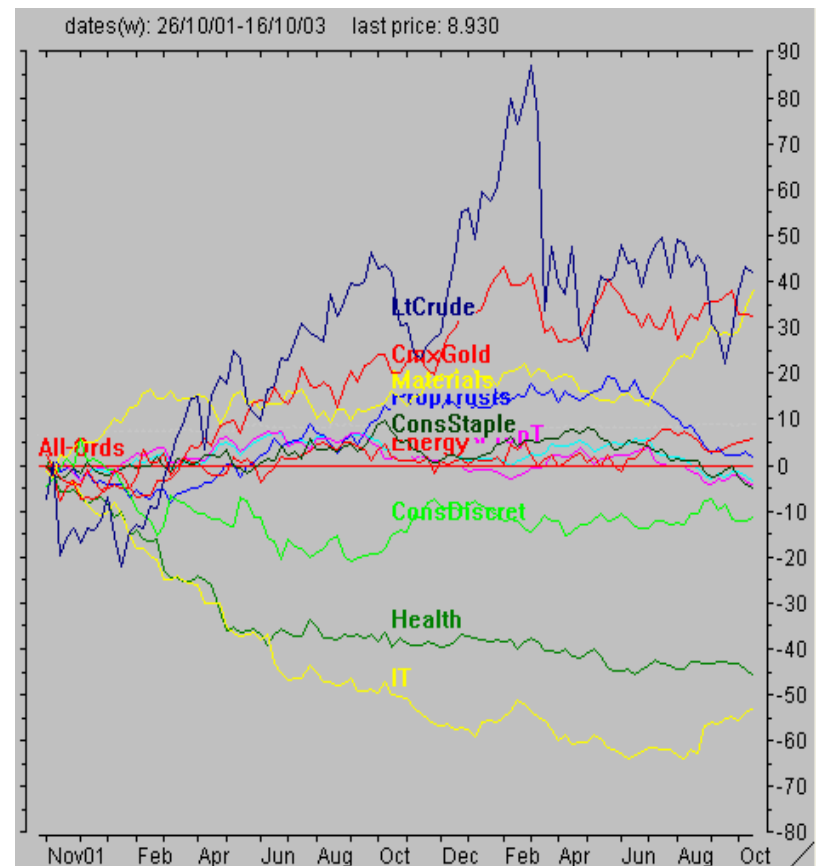
TechniFilter Plus and Stage Analysis can assist you in decision making

Additional Modules included with Stage Analysis (StageMk3)

Visual Sector Analysis

- Visually view the Australian Market sectors on a Relative Performance Chart
- The chart on the right compares the performance of the various sectors against the All Ordinaries
- The vertical scale is the percentage the sector has either out / underperformed the All Ordinaries Index over the last 100 weeks

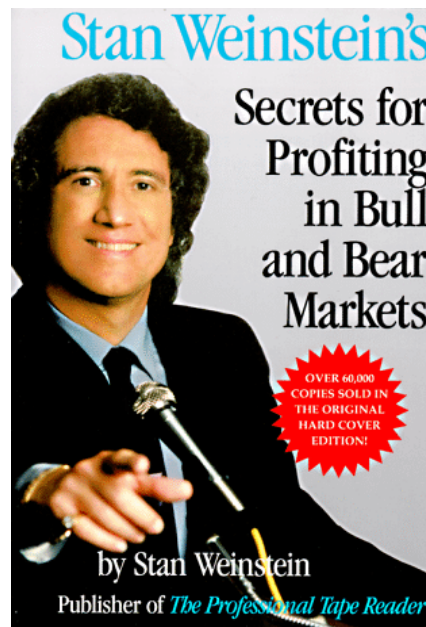
NOTE: The Sector Analysis module is designed for the Australian Market. Instructions are provided for customizing it to other markets



TechniFilter Plus makes it easy to view Relative Comparison Charts



Recommended Reading



The Secrets of Profiting in Bull & Bear Markets
by Stan Weinstein



End of Presentation

We hope you found it informative

Stage Analysis Mk3 and Mk4 require Techni*Filter* Plus

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