

WHETHER YOU ARE A NEW OR
EXPERIENCED INVESTOR, OUR AUTOMATED
TECHNICAL ANALYSIS AND CHART PATTERN
RECOGNITION GIVES YOU GUIDED
INTERPRETATION OF CLASSIC CHART
PATTERNS, INDICATORS, AND OSCILLATORS,
LETTING YOU CONFIDENTLY IDENTIFY
THE MOST OPPORTUNE TRADES.

WHAT IS TECHNICAL ANALYSIS?

Technical analysis is a time-tested method of forecasting the future direction of instrument prices through the study of past market data (primarily price and volume) in the form of chart patterns. Like weather forecasting, technical analysis does not result in absolute predictions, but it can help you more confidently anticipate what will likely happen to prices over time.

How do chart patterns offer insight?

Technical analysis is rooted in the idea that to know where stock prices are going, you must first know where they have been. Chart patterns are therefore fundamental to the insights uncovered. Based on the rise and fall of the market itself, technical analysis lets you understand the market in its most basic form: groups of buyers pitted against groups of sellers.

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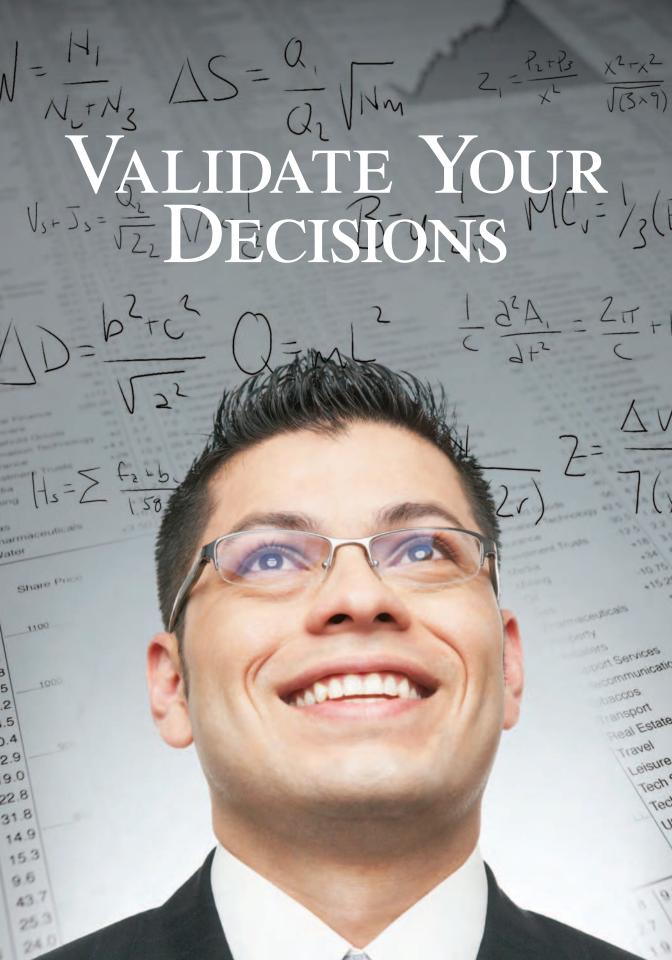
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AUTOMATICALLY MONITOR YOUR
STOCKS AND BE NOTIFIED WHEN EVENTS
OF SIGNIFICANCE OCCUR. TECHNICAL
INSIGHT SERVES AS A WATCHFUL EYE
ON YOUR PORTFOLIO AND ENSURES
YOU'LL KNOW WHEN IT'S TIME TO
MAKE A CHANGE.

WHAT DO CHART PATTERNS TELL YOU?

By documenting the price movements of a stock over a period of time, chart patterns give you a complete, at-a-glance record of that stock's trading history. Chart patterns reveal whether stocks are moving up or down, serving as valuable formulas that help determine the probabilities for success when you buy, sell or hold.

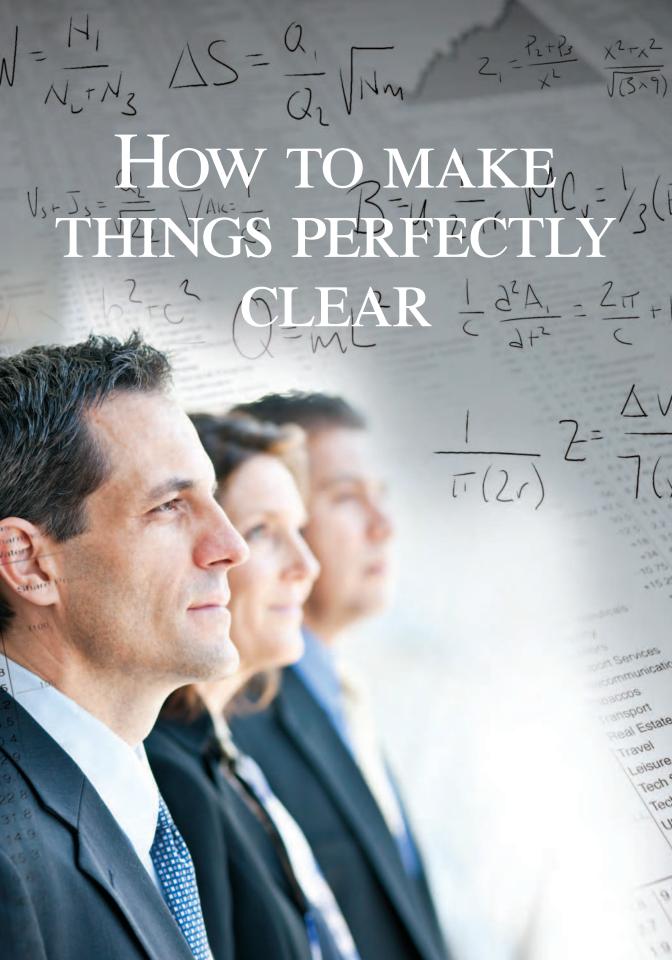


TECHNICAL INSIGHT PROVIDES

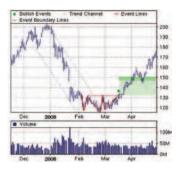
EMOTION-FREE VALIDATION OF YOUR
RECENT TRADES OR INVESTMENT CHOICES
SO YOU CAN ACCURATELY ASSESS YOUR
DECISIONS OVER TIME. PLUS, EASY-TO
ACCESS EDUCATIONAL RESOURCES DEEPEN
YOUR UNDERSTANDING OF TRADING
WITH TECHNICALS.

THE TREND IS YOUR FRIEND

The insight found in a "trend" is what we look for in the Technical Insight charts. As prices tend to move in trends, past price behavior can offer clues to the future direction of a trend, giving you the power to profit from the future movement of prices.



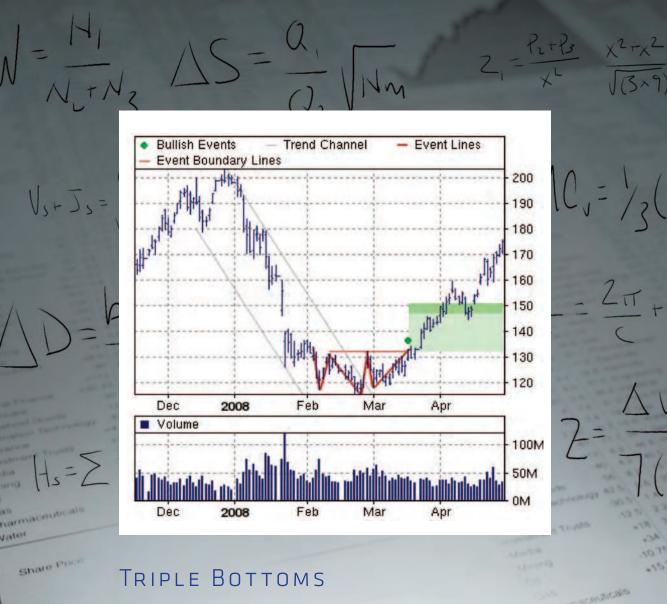
TECHNICAL INSIGHT PROVIDES EASY-TO-READ AND ACTIONABLE INTERPRETATION OF TECHNICAL ANALYSIS TO HELP YOU PLAN YOUR TRADES AND INVESTMENTS.



By applying more than 30 chart patterns, candlesticks, indicators, and oscillators, Technical Insight helps you seek and interpret signs of strength and weakness in the trading action of a financial instrument. And Technical Insight goes far beyond typical charting

services by automatically interpreting the meaning behind the data. Clear summaries of where the price may be headed and when it may get there give you the extra edge you need to trade with confidence.

This guide is intended to quickly convey how technical analysis can help you make more informed trading and investing decisions by including highlights of some of the more popular classic chart patterns. Whether you have been trading for years, or are new to investing, the unbiased, third- party, information in Recognia's Technical Insight can complement or be the foundation of your investing research.



The Triple Bottom starts with prices moving downward, followed by three sharp lows, all at about the same price level. Volume diminishes at each successive low and finally bursts as the price rises above the highest high, confirming the pattern as a sign of BULLISH price reversal. A Triple Top is the bearish counterpart signaling the reversal of a prior uptrend to form a new downtrend.

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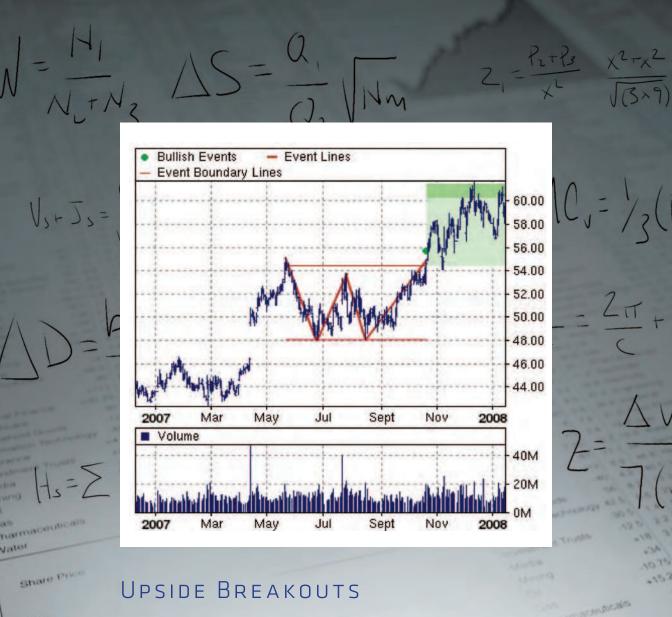
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TRIANGLES

A BULLISH Triangle shows two converging trendlines as prices reach lower or stable highs and higher lows. Volume diminishes as the price swings back and forth between an increasingly narrow range reflecting uncertainty in the market direction. Then well before the triangle reaches its apex, the price breaks out above the upper trendline with a noticeable increase in volume, confirming the pattern as a continuation of the prior uptrend. Triangles can also appear during a downtrend, signaling a bearish continuation when the price penetrates the lower trendline. And they can be seen as top or bottom patterns marking a trend reversal.



An Upside Breakout occurs when the price breaks out through the top of a trading range marked by horizontal boundary lines across the highs and lows. This pattern indicates that prices may rise explosively over a period of days or weeks as a sharp uptrend appears. A breakout from a longer and narrower trading range makes for a stronger and more reliable BULLISH signal. Conversely, a bearish Downside Breakout is observed when prices break out below the lower boundary

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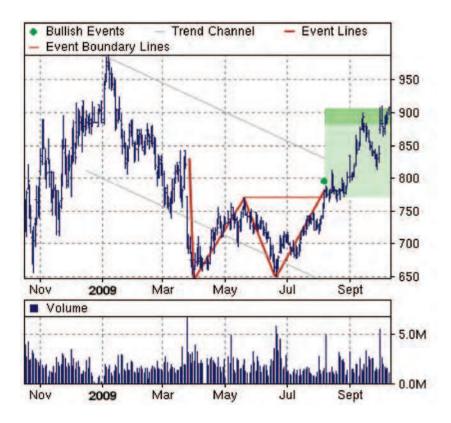
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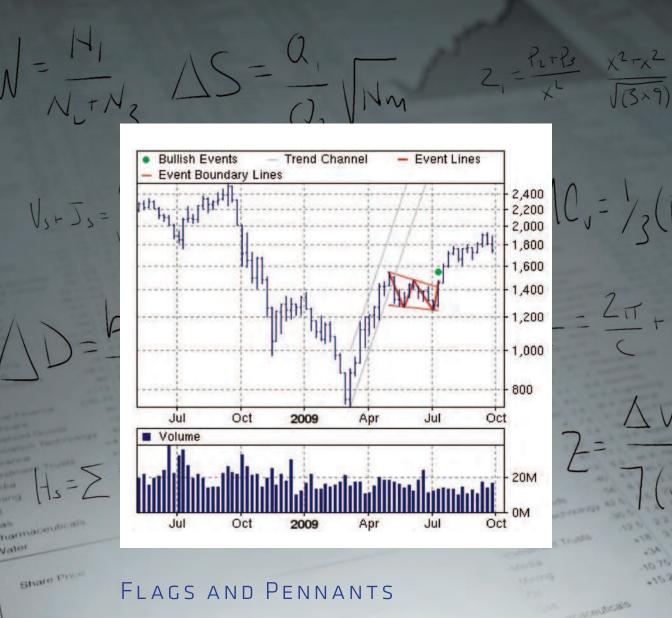
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Double Bottoms

The Double Bottom pattern marks the reversal of a prior downtrend. The price forms two distinct lows at roughly the same price level. For a more significant reversal, look for a longer period of time between the two lows. Volume reflects a weakening of the downward pressure, tending to diminish as the pattern forms, with some pickup at each low, less on the second low. Finally the price breaks out above the highest high to confirm the BULLISH signal. Strong volume on breakout is always a good sign. The Double Top is the bearish counterpart, marking the topping out of an uptrend and initiation of a downtrend



A BULLISH Flag follows a steep rise in price called the "flagpole", often the reaction to a positive announcement. It's marked by two parallel trendlines around a period of consolidation that occurs as excitement subsides and volume decreases. The Flag can be horizontal or slightly downward. Finally the price breaks the upper trendline marking the resumption of the uptrend. Bearish Flags can be spotted during a steep drop in price with the flag horizontal or slightly upward. Pennants are similar to flags however the trendlines are converging rather than parallel.

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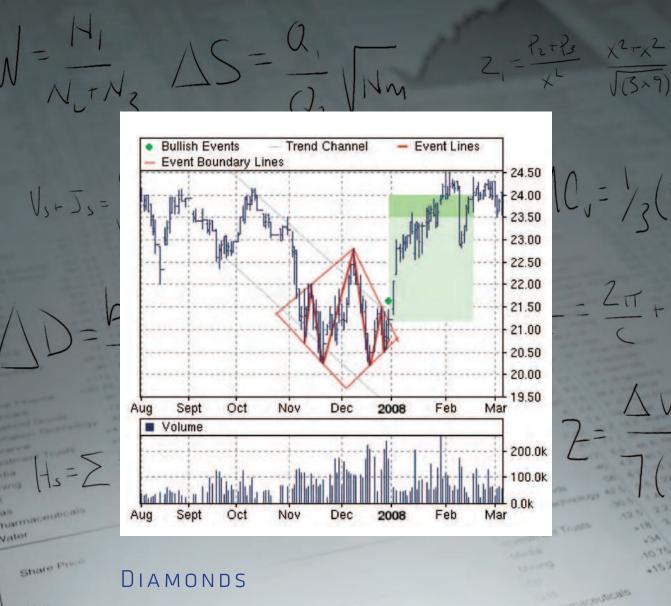
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HEAD AND SHOULDERS

The Head and Shoulders Top is created by three successive rallies in the price following a significant uptrend. The highest high (head) is in the middle, flanked by two lower peaks (shoulders) at roughly the same level. Volume is highest as the price makes the first two rallies, then diminishes through the right shoulder. Finally volume surges as the price closes below the neckline – drawn between the two lows – to confirm the BEARISH reversal. The Head and Shoulders Bottom is the bearish counterpart signaling a major trend reversal upward.



Diamond patterns usually form over several months in very active markets. Volume will remain high during the formation of this pattern. The pattern begins as prices create higher highs and lower lows in a broadening pattern. Then the trading range gradually narrows after the highs peak and the lows start trending upward. The direction of the breakout signals the resolution to a new trend—upward or downward out of the diamond's boundary lines. This pattern can mark the resumption of a prior trend (Continuation Diamond) or a significant trend reversal (Diamond Top or Bottom).

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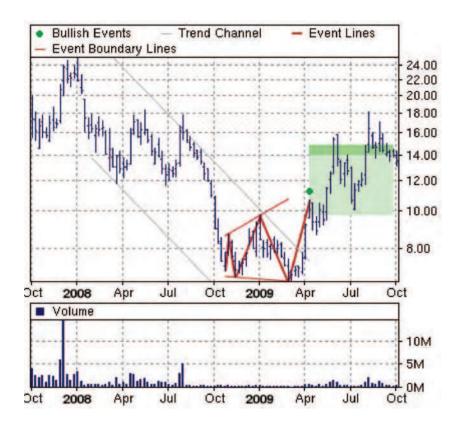
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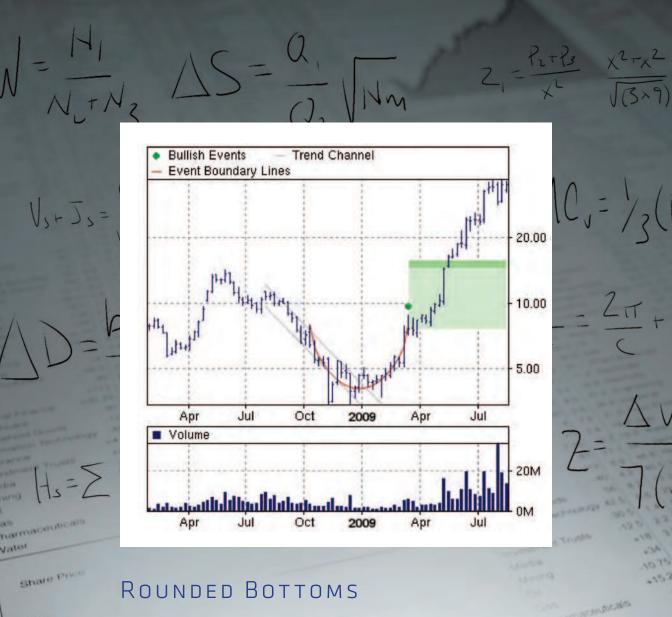
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MEGAPHONES

The rare Megaphone Bottom, (also know as) Broadening Pattern—can be recognized by its successively higher highs and lower lows, which form after a downward move. The BULLISH pattern is confirmed when, usually on the third upswing, prices break above the prior high but fail to fall below this level again. The bearish counterpart is the Megaphone Top.



Following a downtrend, the Rounded Bottom forms a gradual bowl shape reflecting a gradual shift in the balance of supply and demand. Volume tends to mirror the price pattern, decreasing as bearishness wanes and investors become indecisive. Following a period of relative inactivity, at the bottom of the bowl, the price pattern starts its upward turn. As sentiment becomes more decisively bullish, volume tends to increase. The BULLISH pattern is confirmed when the price crosses above its moving average. The outcome sees volume reach a climactic peak in a few days of nearly vertical price movement on the chart.

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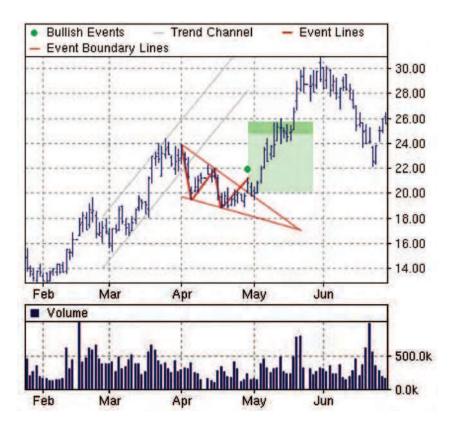
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WEDGES

A BULLISH Continuation Wedge consists of two converging trend lines. Unlike the Triangles where the apex is pointed to the right, the apex of this pattern is slanted downwards at an angle. This is because prices edge steadily lower in a converging pattern, for example, there are lower highs and lower lows. Over the weeks or months that this pattern forms the trend appears downward but the long-term range is still upward. Volume should diminish as the pattern forms. The pattern is confirmed when prices break above the upper trendline. The bearish counterpart appears with converging trendlines pointing slightly upward.

ABOUT RECOGNIA

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Recognia is the industry leader providing actionable investment research products for on-line brokers. Our compelling product suite increases account-holder activity and trader confidence by offering dynamic and action-oriented trading ideas to all trader types.

More than technical analysis or chart pattern recognition, Recognia provides automated interpretation of information to help identify and uncover new trading opportunities in order to execute timely trade transactions with confidence.

Recognia provides coverage of more than 50 exchanges worldwide, including stocks, equities, forex, indices, currencies and futures.

Founded in 2000, in Canada's National Capital region of Ottawa, Recognia today has more than 20 million provisioned accounts worldwide and our products service the largest and most successful on-line brokerage firms, institutions and stock exchanges.

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