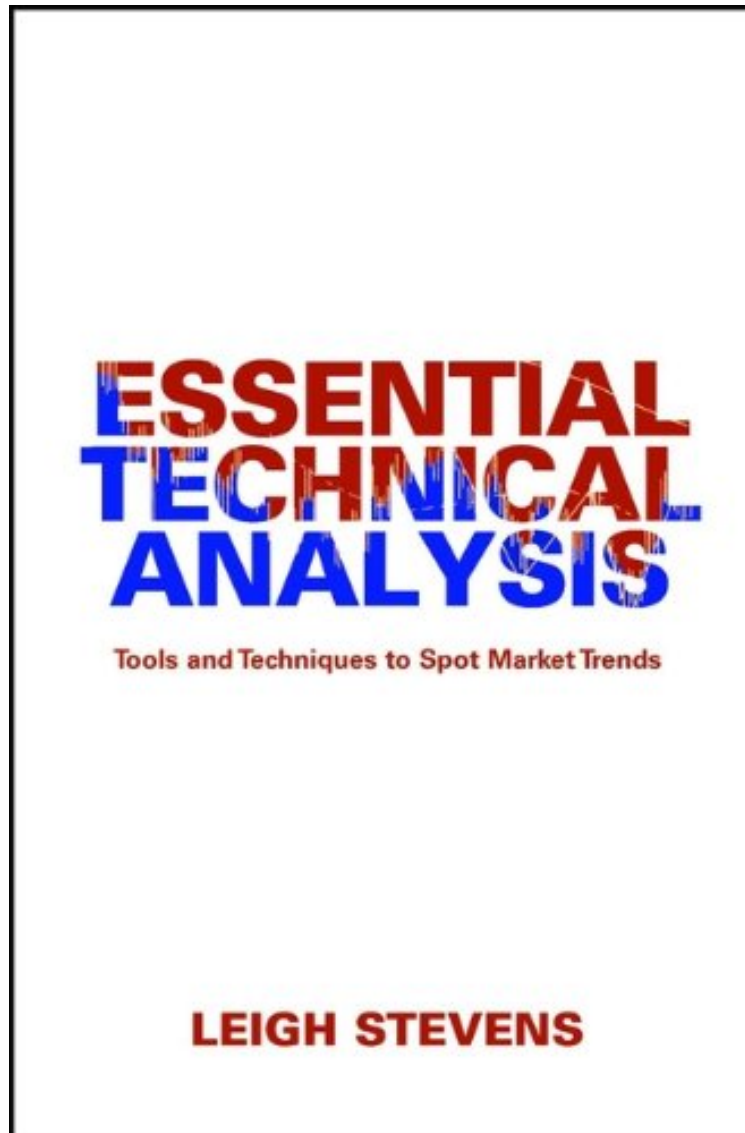


(Download) Essential Technical Analysis: Tools and Techniques to Spot Market Trends (Wiley Trading)

## Essential Technical Analysis: Tools and Techniques to Spot Market Trends (Wiley Trading)

*Leigh Stevens*

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**Leigh Stevens : Essential Technical Analysis: Tools and Techniques to Spot Market Trends (Wiley Trading)** before purchasing it in order to gauge whether or not it would be worth my time, and all praised Essential Technical Analysis: Tools and Techniques to Spot Market Trends (Wiley Trading):

5 of 9 people found the following review helpful. Look elsewhereBy VampaI unfortunately purchased this book on the strength of the review in the MTA newsletter Technically Speaking. I found absolutely nothing of value, and nothing to indicate to me that the author was qualified to comment on the subject. The quality of the printing leaves much to be

desired, almost as though Wiley did this one "on the cheap". If you've bought it, give your copy to someone you hate, and it will at least accomplish something. 30 of 32 people found the following review helpful. Solid Book on Technical Analysis Fundamentals By L. Masonson This 383-page tome covers technical analysis (TA) from many perspectives. For the investor or trader who is new to TA this book will have to be read a few times so that the critical concepts sink in. It is not the most complete book on the subject, nor the simplest one to understand, but right in the middle. For those readers with a basic knowledge of the subject who are looking for a review of the key concepts and tools, this book provides an excellent refresher with many detailed charting examples to make the teaching points. Early on, Stevens very briefly covers the basic types and scaling of charts -- bar, line, candlestick, and point-and-figure. For those readers looking for a detailed discussion of charting, I recommend the following books: Steve Nison's *Beyond Candlesticks*, and Greg Morris's *Candlestick Charting Explained*, Tom Dorsey's *Point and Figure Charting* (John Wiley) and Michael Burke's *The Three Point Reversal Method* (Chartcraft). The importance of trendlines -- their rationale and construction -- support and resistance, trading ranges, and retracements are thoroughly covered in a 50-page chapter. Stevens reviews chart patterns in detail in a 70-page chapter that covers ten reversal patterns (double and triple tops and bottoms; "V" tops and bottoms; round tops and bottoms; head-and-shoulders; rectangles; triangles; wedges; flags and different types of price gaps). Each of these topics is explained using chart examples. All the charts in the book are from the TradeStation platform and they are annotated with key points so that the reader can easily get the point. Another 70-page chapter entitled "Technical Indicators" focuses on the most commonly used indicators and how to use them in determining the market's direction. The indicators covered include: overbought and oversold; 25 pages on moving averages (simple, weighted, and smoothed) with 9, 14 and 20 days; 21 and 50 day and 200 day; 10 weeks, 20 weeks, and 50 weeks; support and resistance with moving averages; moving average cross-overs and envelopes and Bollinger Bands. Then he covers oscillators. Topics include rate of change, price oscillator, MACD, RSI and stochastics. Stevens then reviews specialty indicators including advance/decline line, McClellan Oscillator, TRIN, sentiment (call/put ratio, CBOE Volatility Index (VIX), CBOE Nasdaq Index (VXN), new highs/new lows, bellwether stocks and sectors. Next the author reviews confirmations and divergences between prices and indicators to aid in determining the stock's or market's direction. Many charts are shown with oscillator and price examples so that the reader clearly understands the importance and meaning of divergences and confirmations. Stevens then covers, in an introductory way, topics not normally included in an introductory book. These include seasonality of stock prices, concepts of W.D. Gann (cycles, Gann charts, angles, and price squares), Elliot Wave Analysis (wave structure and characteristics) and technical trading systems (setting up indicator trading systems and testing them). In the last chapter, Stevens pulls everything together by providing a ten-item TA checklist for what to look for by using 20 chart examples to drive home key points. At the back of the book, Stevens provides a recommended reading list for further study, seven websites, trading book sources, charting software and data vendors, and a 15-page glossary with 110 key terms clearly explained. There are 363 books on TA listed on AMAZON. Stevens book offers a solid background on the tools of TA, and how to interpret the charts and related factors. As such it will aid the investor/trader (who seriously studies the subject matter) to make better informed investing/trading decisions. 6 of 10 people found the following review helpful. Leigh worked in the trade-center was luckily home on 9-11 By a market participant--Leigh is the first person to say something new about Mark Weinstein since Jack Schwager in *Market Wizards* (the first one). On the internet and lexis/nexis there has been no new information about Mark Weinstein--yet he is easily one of the best traders ever. But there is only a brief yet informative discussion on Weinstein in the intro of the book.--The rest of the book discusses technical analysis: trendlines, chart patterns, oscillators, emotion... It seems to me that Leigh is not a "master" of technical analysis but the influence of Weinstein and other traders has made him balanced (there is no pie in the sky bs--no panaceas), he has some insightful points, and he discusses what really works: analogous chart patterns and divergence of price and a price oscillator. Three other points show that Leigh isn't a dumbass: 1. he mentions that you should continually reassess your analysis throughout the trade. Charlie D said that in his perfect speech in the book by William D. Falloon (Charlie D the story of the Legendary bond trader). It's the only way. Leigh figured that out, too. And Leigh is conscious enough to discuss it--like Charlie D. 2. He discusses oscillators and price divergence...least one forgets Mark Weinstein's point "I am always looking for a market that is losing momentum and then go the other way." But a divergence is only a major part...one still needs a bit more. As Tom Baldwin says "it's involved." Leigh points out that the chart patterns (analogs--similar patterns from the past and see how they worked out), gann, Elliott, various oscillators, trendlines, and moving averages help give you a feel. 3. The psychology he talks about is basics. No deep useless theoretical bs--just emotional control of yourself is as important as a divergence of an oscillator and price. Finally---it's a good book. Leigh is balanced. He's not a wacko. He's obviously learned something. GOOD WORK LEIGH! p.s. what Leigh said about Weinstein: he was looking to start a driving school. Weinstein only traded every now and then. he's hardcore... "intense." Weinstein would call Leigh up just a tad after the market had made a turning point and tell Leigh the low or high would stick. Weinstein took fat index option positions when he did trade.....other stuff...something cool I figured out is to plot a moving average crossover system (2 averages) or a swing point system (or any simple system)...and look at the equity line of trading that system. make sure the system is always in the market. then plot oscillators of the equity line [rather than use the close or median point of the price bar

use the equity line--it works in tradestation:  $x1 = i\_open + equity$ ;  $x2 = average(x1,5) - average(x1,35)$ ; plot1(x2,"equity oscillator");]. the divergences from the equity oscillator and the equity line will then show where "smooth periods" and "extended moves" will occur. This is the ONLY way to trade a mechanical system. you also need to use price oscillators to see where the extended move is going to go. the last thing is praying the Rosary helps with emotional control. it just works.

An Introduction to Technical Analysis from One of the Top Names in the Business "Essential Technical Analysis is a highly valued resource for technical traders. The importance of comprehensive and well-researched market behaviors, indicators, and systems were well expressed graphically with many examples. No technical analyst should be without this book. Stevens's book could become another classic." -Suri Duddella, President of siXer.cOm, inc. (Forbes magazine's "Best of the Web" in Technical Analysis Category) "Essential Technical Analysis will give the new student of technical analysis a good overview of both classical chart patterns and a myriad of technical indicators, but so will many other texts. What sets this volume apart is that it presents the subject in the context of real-world trading situations, not idealized well-chosen examples. Books on technical analysis, especially those aimed at novices, are typically filled with charts in which the selected patterns are both unambiguous and work perfectly. As Leigh Stevens recognizes and confronts, however, the real world is a far more sloppy place: charts may often contain conflicting indicators, and patterns don't always work as described. Reading Essential Technical Analysis is like sitting beside a veteran technical analyst and having him describe his methods and market experiences." -Jack Schwager, author of Market Wizards, Stock Market Wizards, and Schwager on Futures "Leigh Stevens's depth of experience, acquired over many years, has generated a deep understanding of, and commitment to, the discipline of technical analysis. He is also one of those rare individuals who have both the ability to convey the essence of his ideas in a wonderfully simple and straightforward way and through the use of personal anecdotes and experiences. There are not many people around who can both walk the walk and talk the talk." -Tony Plummer, author of Forecasting Financial Markets, Director of Rhombus Research Ltd., and former Director of Hambros Bank Ltd. and Hambros Investment Management PLC "Leigh Stevens brings his considerable years of experience to this project. He has crafted a real-world book on technical analysis that gives you the benefit of his trials and errors as well as 120 years of observations and market wisdom from Charles Dow to the latest indicators and approaches. Investors who suffered from the bursting of the technology bubble in 1999 and 2000 should read Essential Technical Analysis from cover to cover and learn to apply the lessons to the next market cycle." -Bruce M. Kamich, CMT, past President of the Market Technicians Association and Adjunct Professor of Finance at Rutgers University and Baruch College

"...a good introduction to technical analysis. It reads lighter than most tutorials due to the skill of the writer." -- Pat Cifaldi, Chartered Market Technician (CMT) TECHNICAL SPEAKING, The Monthly Newsletter of the Market Technicians Association, Inc. From the Inside Flap Essential Technical Analysis Tools and Techniques to Spot Market Trends The discipline of technical analysis is hearing the message of the market through price movements; it is a valuable tool for making profitable trading and investing decisions. Once you understand the concepts and techniques of technical analysis, your view of the market and how you trade or invest within it will be forever changed. Essential Technical Analysis: Tools and Techniques to Spot Market Trends is a simple, accessible, and straightforward introduction to technical analysis. Whether you're a short-term trader or die-hard investor, respected technical analyst and CNBC affiliate Leigh Stevens will show you how to use this popular stock, bond, and futures trading technique to make money in both up and down markets. Essential Technical Analysis demystifies technical analysis for the beginner. You'll become familiar with basics such as trends, chart patterns, and price and volume indicators, and you'll learn how to put them all together so you can begin to consistently lock in profits. Numerous examples, based primarily on stocks, and clear explanations provide a solid framework for using technical analysis to better understand the dynamics of market movements and trends. In Essential Technical Analysis, Leigh Stevens's real-world experiences using technical analysis shine through and fill these pages with useful tips, tools, and techniques that have been consistently accurate and profitable over the years. In-depth coverage includes: An introduction to and rationale for the technical analysis approach A discussion of the basic concepts of technical analysis: trends, trendlines, and trading Price and volume basics: chart types and price scales A description of the most common technical indicators; moving averages and oscillators A guide to creating a market strategy with confirmation and divergences Specialized forms of technical analysis and trading methods; seasonality in the markets, basic market concepts of W. D. Gann, Elliott Wave analysis, and trading systems The goal of Essential Technical Analysis is to provide you with the most useful and practical techniques that could increase the profitability of your investing and trading activities. With this comprehensive guide at your side, you'll learn how to use technical analysis and begin to make informed and accurate decisions that will boost your trades and investments in any market. From the Back Cover An Introduction to Technical Analysis from One of the Top Names in the Business "Essential Technical Analysis is a highly valued resource for technical traders. The importance of comprehensive and well-researched market behaviors, indicators, and systems were well expressed graphically with many examples. No

technical analyst should be without this book. Stevens's book could become another classic." ndash;Suri Duddella, President of siXer.cOm, inc. (Forbes magazine's "Best of the Web" in Technical Analysis Category)

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