

Point and figure charts for newbies

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Investment Forum

Osher Lifelong Learning Institute
at George Mason University

July 20, 2022

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- I am not licensed or qualified to provide investment advice. Consider your own situation carefully and consult with a properly licensed and accredited professional before making or disposing of any investments involving real money.
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Disclosure

- I currently hold a long position in HUM

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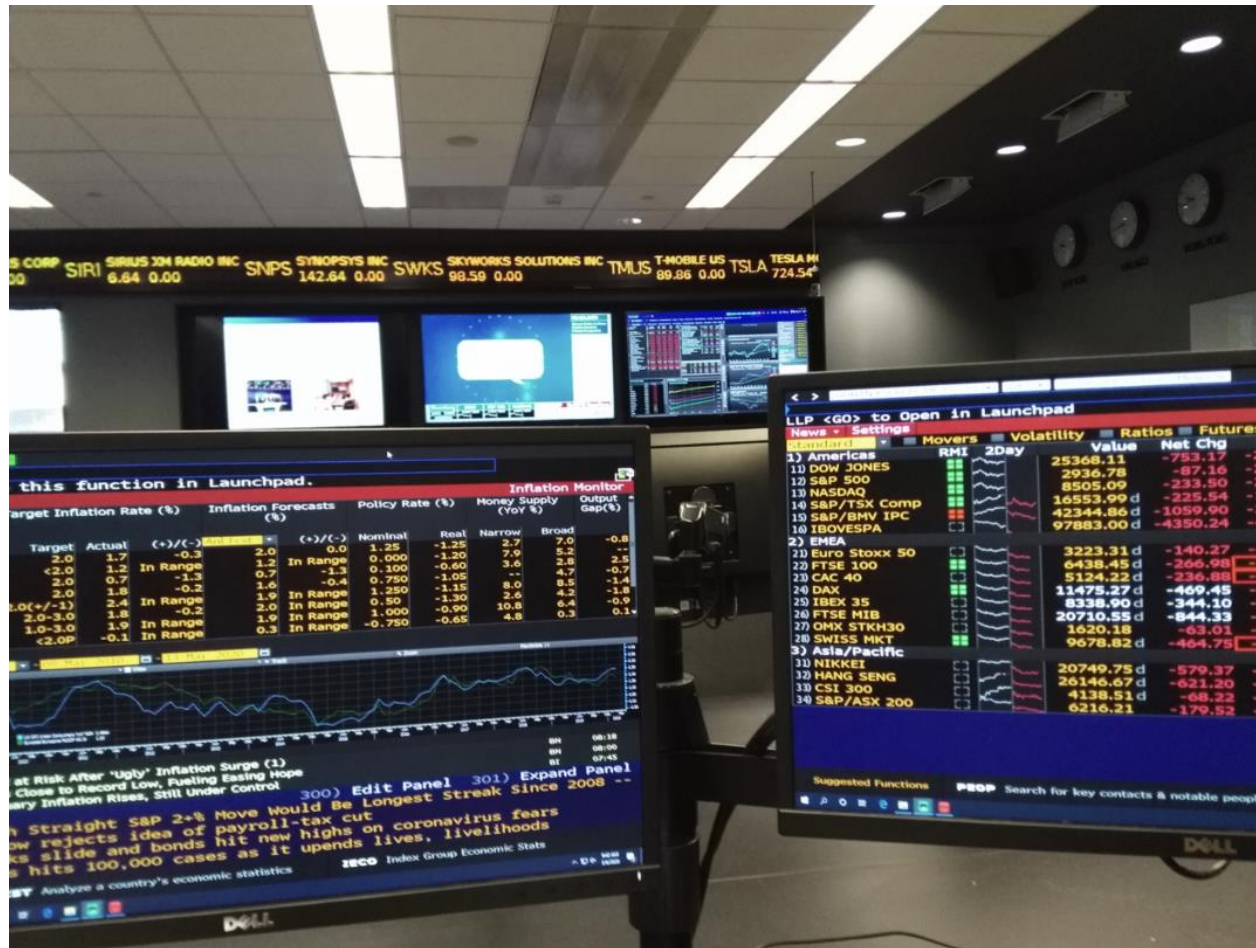
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Introduction



Point and figure (P&F) charts are just another tool in your toolbox for answering questions that come to mind during the course of the day. Photo by author.

How do I recognize a point and figure (P&F) chart in a lineup?

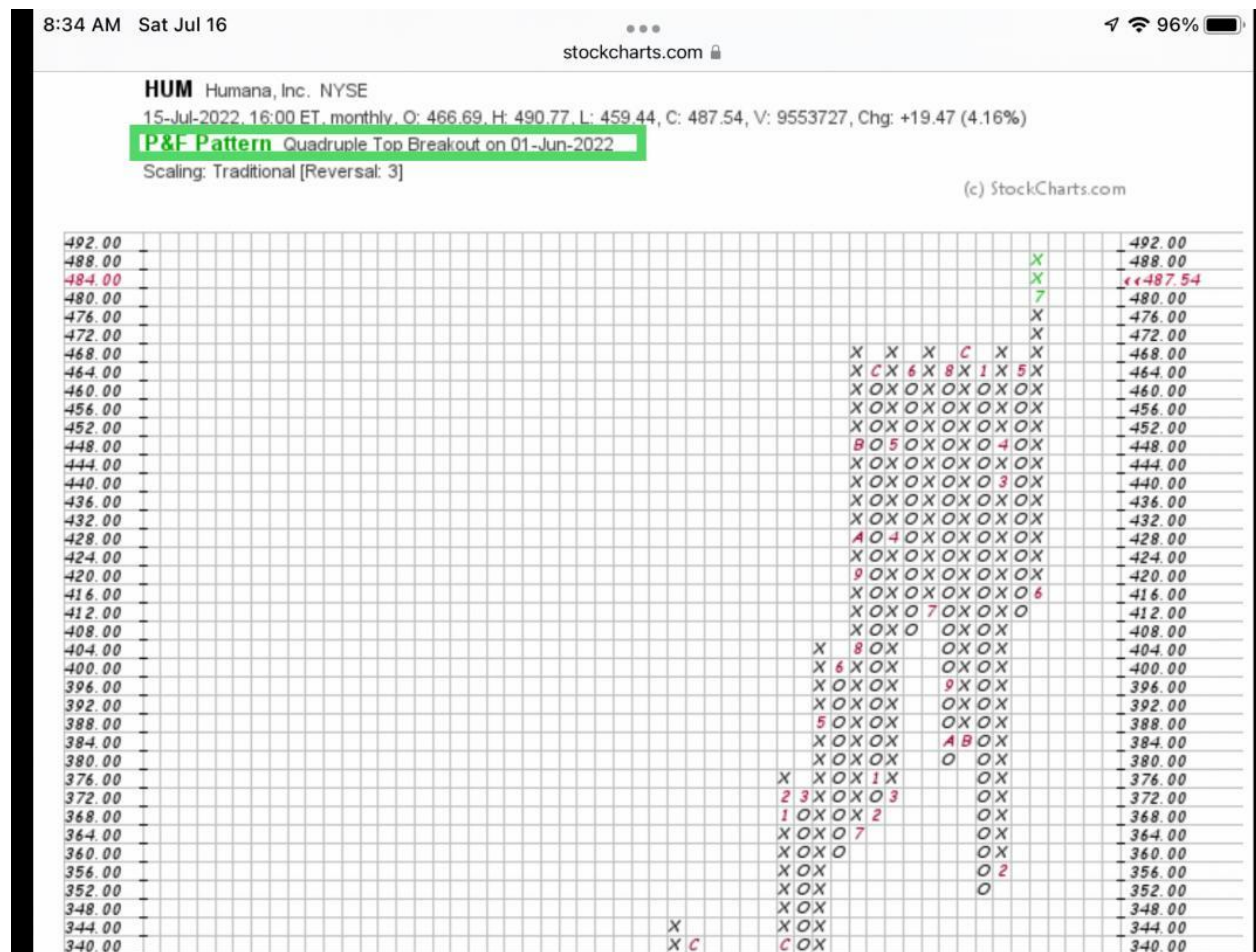


Image source: stockcharts.com (emphasis added)

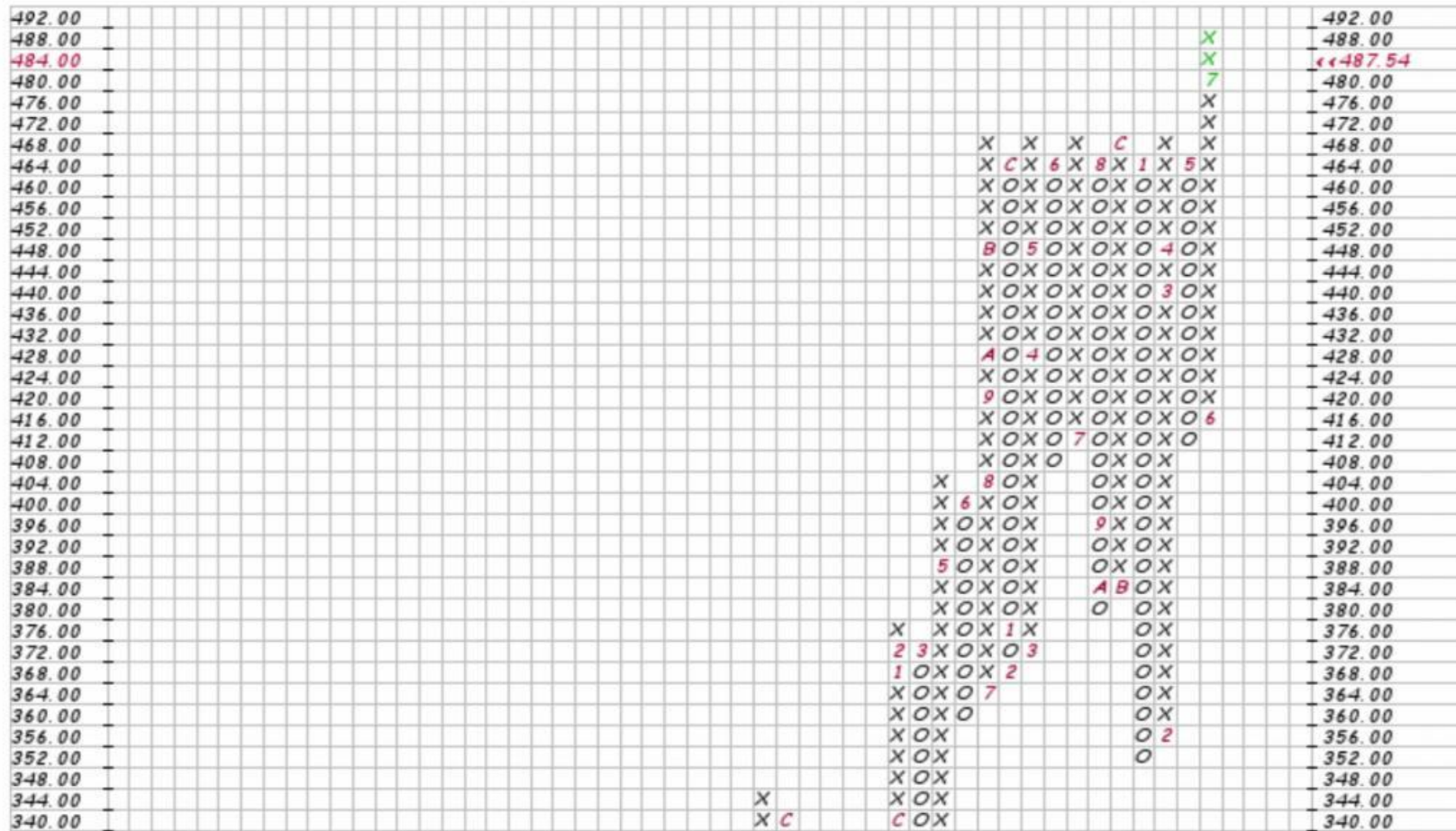
HUM Humana, Inc. NYSE

15-Jul-2022, 16:00 ET **monthly** D: 466.69, H: 490.77, L: 459.44, C: 487.54, V: 9553727, Chg: +19.47 (4.16%)

P&F Pattern Quadruple Top Breakout on 01-Jun-2022

Scaling: Traditional [Reversal: 3]

(c) StockCharts.com



One of the biggest mistakes that newbies make is not selecting the proper scaling to answer the question at hand!
 Image source: stockcharts.com (emphasis added)



This is a candlestick price chart of the same stock!
Image source: stockcharts.com

What the heck are P&F charts good for anyway?

8:30 AM Sat Jul 16 stockcharts.com 97%

SELECT LIST: Buy Scan on Future Candidates - 2022-07-16

VIEW LIST AS: Summary

Period: Intraday

SYMBOL	NAME	SECTOR	INDUSTRY	SCTR	U	% CHG	VOLUME	MARKET CAP	DATE
ED	ED - Consolidated Edison, Inc.	Utilities	Conventional Electricity	93.5	lrg	0.60	2464014	33.064 B	07-15
BANF	BANF - BancFirst Corp.	Financial	Banks	93.1	mid	2.62	117841	2.988 B	07-15
DOX	DOX - Amdocs Ltd.	Technology	Software	91.9	lrg	1.60	493264	10.239 B	07-15
CSL	CSL - Carlisle Cos, Inc.	Industrial	Diversified Industrials	91.0	lrg	1.86	361913	13.261 B	07-15
OGE	OGE - OGE Energy Corp.	Utilities	Conventional Electricity	90.0	mid	0.93	1011579	7.850 B	07-15
WEC	WEC - WEC Energy Group, Inc.	Utilities	Multiutilities	89.1	lrg	0.64	1174612	31.736 B	07-15
GPC	GPC - Genuine Parts Co.	Discretionary	Auto Parts	88.4	lrg	1.35	579006	19.673 B	07-15
DTE	DTE - DTE Energy Co.	Utilities	Conventional Electricity	86.6	lrg	0.54	869524	24.285 B	07-15
AMCR	AMCR - Amcor plc	Materials	Containers & Packaging	86.2	lrg	0.73	6667207	18.895 B	07-15
ABC	ABC - AmerisourceBergen Corp.	Health Care	Medical Supplies	84.2	lrg	1.93	977114	29.724 B	07-15
SIGI	SIGI - Selective Insurance Group, Inc.	Financial	Property-Casualty Insurance	83.7	mid	1.44	509830	4.949 B	07-15
MGEE	MGEE - MGE Energy, Inc.	Utilities	Conventional Electricity	81.5	mid	1.15	81245	2.793 B	07-15
EVERG	EVERG - Evergy, Inc.	Utilities	Conventional Electricity	80.7	lrg	0.34	896068	14.894 B	07-15
NWE	NWE - NorthWestern Corp.	Utilities	Conventional Electricity	80.6	mid	0.40	190633	3.094 B	07-15
ETR	ETR - Entergy Corp Hldg Co.	Utilities	Conventional Electricity	79.2	lrg	0.34	767077	22.354 B	07-15
NFG	NFG - National Fuel Gas Co.	Utilities	Gas Distribution	79.1	mid	0.80	513224	5.848 B	07-15
AGO	AGO - Assured Guaranty Ltd.	Financial	Property-Casualty Insurance	78.2	mid	1.60	301981	3.497 B	07-15
STLD	STLD - Steel Dynamics, Inc.	Materials	Steel	75.3	lrg	1.71	1032234	12.674 B	07-15
AXS	AXS - Axis Capital Holdings Ltd.	Financial	Property-Casualty Insurance	60.3	mid	-0.17	411764	4.409 B	07-15
TRV	TRV - The Travelers Cos., Inc.	Financial	Property-Casualty Insurance	57.0	lrg	0.32	1561978	37.483 B	07-15
TSN	TSN - Tyson Foods Inc Cl A	Staples	Food Products	55.6	lrg	0.48	1920786	29.085 B	07-15
CB	CB - Chubb Ltd.	Financial	Property-Casualty Insurance	53.8	lrg	0.47	2722221	78.097 B	07-15

Showing 1 to 22 of 22 entries

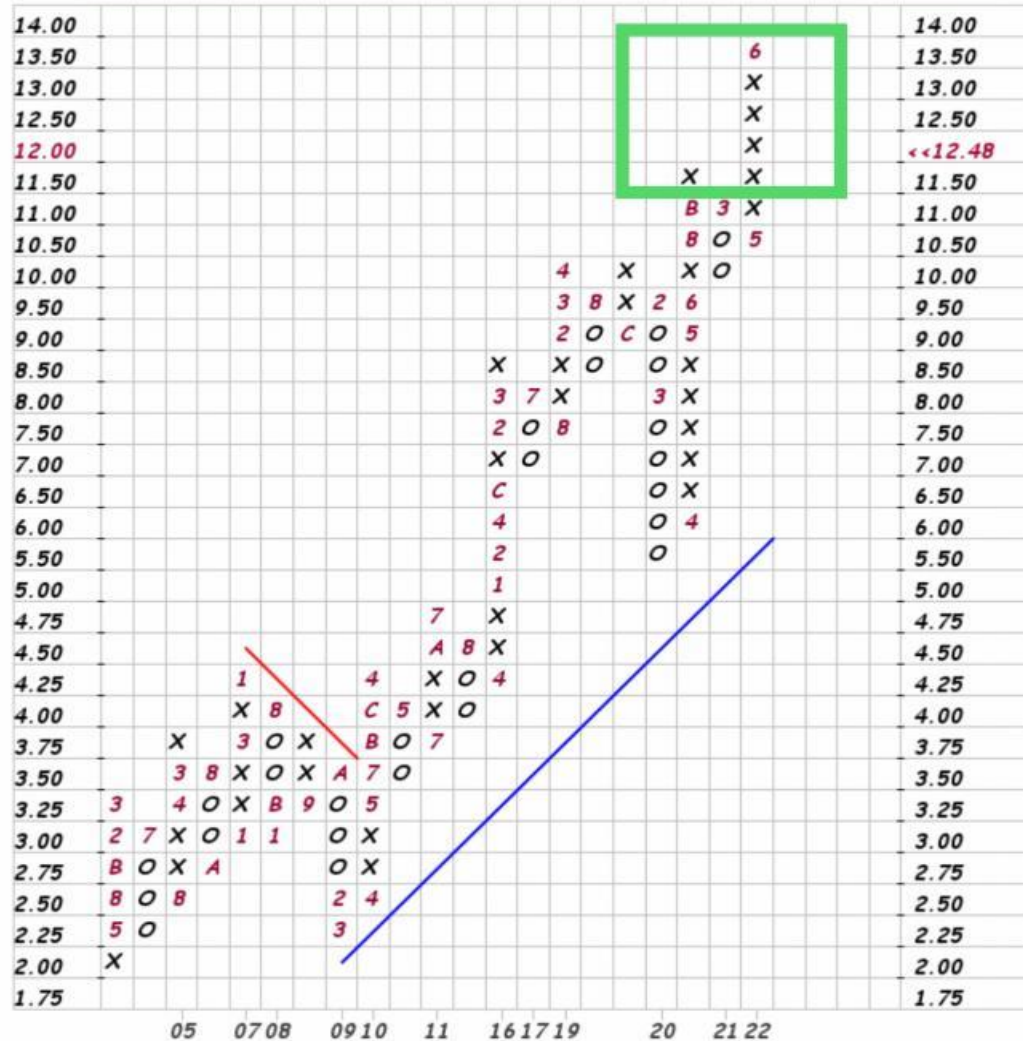
Note: Hover over each symbol in the table above to see a mini chart for that stock or fund.

Let's say you have several stocks on your buy list. P&F charts can help you decide which one to buy first if you have limited cash. Image source: stockcharts.com (emphasis added)

Symbol	Last	TSnD	TSnW	T...
MCO	281.61	8.0	-26.0	-1.0
FMC	100.91	-25.0	-5.0	5.0
ED	93.40	10.0	37.0	8.0
ETR	110.12	-25.0	-4.0	12.0
AXS	51.87	-6.0	-1.0	15.0
MO	41.99	-26.0	-5.0	15.0
MGEE	77.58	10.0	-5.0	16.0
AFL	54.31	-24.0	-10.0	17.0
AGO	54.64	-22.0	-5.0	17.0
CINF	112.38	-24.0	-6.0	17.0
MGRC	77.04	-24.0	-5.0	18.0
ALL	122.40	-2.0	-5.0	19.0
BANF	90.56	-2.0	39.0	19.0
MET	59.03	-23.0	-9.0	19.0
ADP	214.13	8.0	-10.0	20.0
AMCR	12.48	7.0	11.0	20.0
CB	184.19	-24.0	-5.0	20.0
CSL	255.01	6.0	98.0	20.0

My preliminary research has shown that AMCR has been on a daily “buy” signal for 7 days, a weekly “buy” signal for 11 weeks and a monthly “buy” signal for 20 months. Can I get additional confirmation from the P&F chart? Image source: Custom study plug-in for thinkorswim

AMCR Amcor plc NYSE
 15-Jul-2022, 16:00 ET, monthly, O: 12.36, H: 12.78, L: 12.105, C: 12.48, V: 84862760, Chg: +0.05 (0.40%)
P&F Pattern Double Top Breakout on 03-May-2021
 Scaling: Traditional [Reversal: 3] (c) StockCharts.com

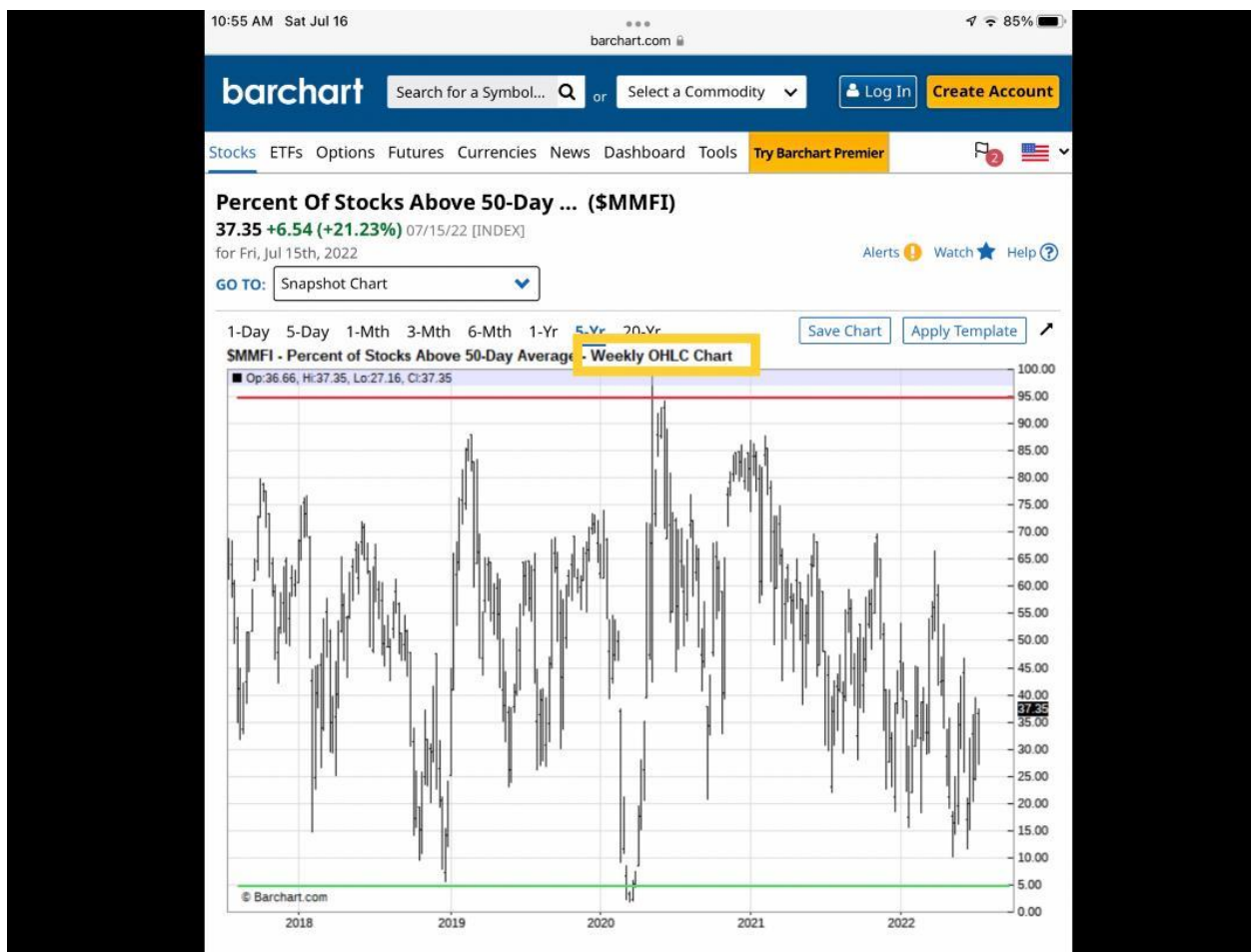


I trade using monthly charts. The green box shows that a point and figure “buy” signal occurred in May. “5” represents May and “6” represents June. Image source: stockcharts.com (emphasis added)



For comparison, here's a candlestick chart of the same stock.
Image source: stockcharts.com

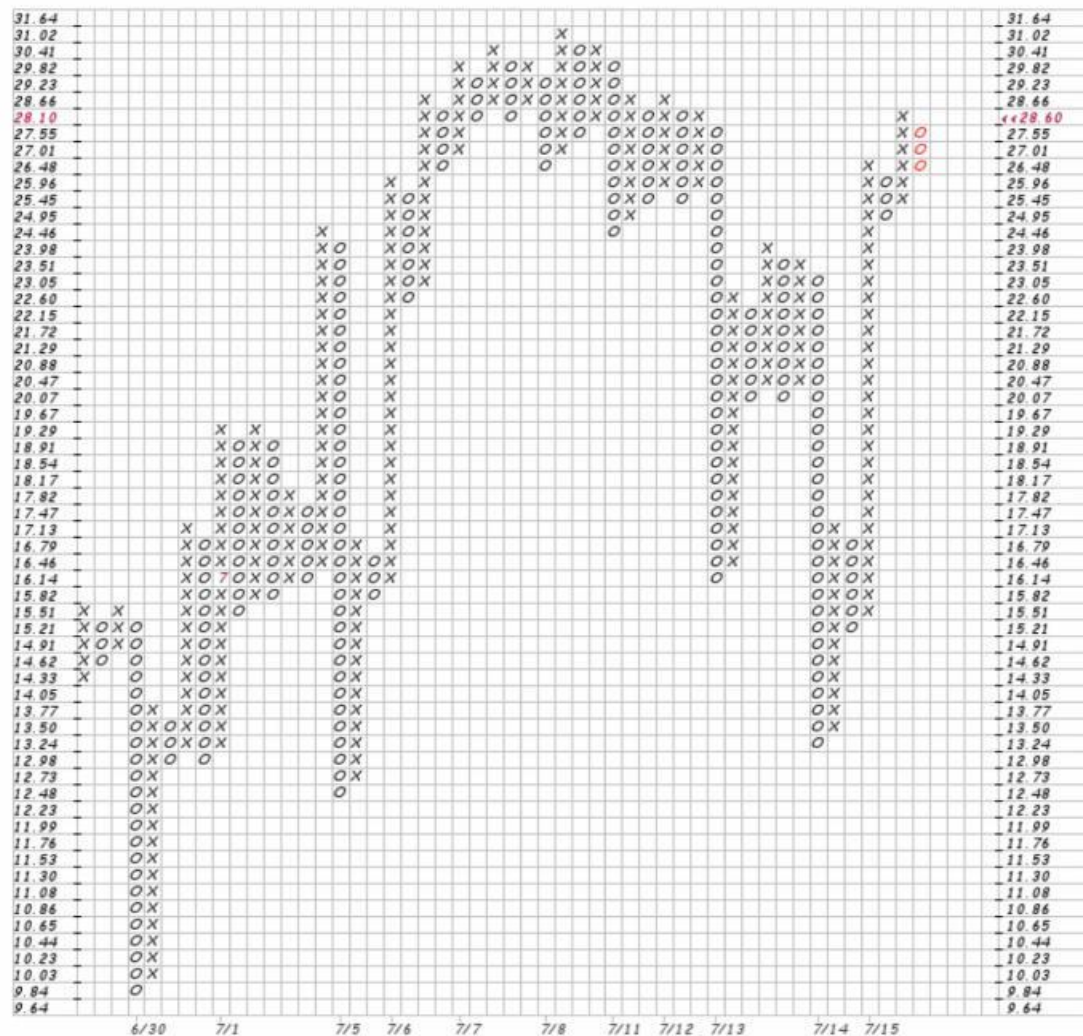
Is now the right time to be in the market?



There's no point checking this chart every day...a new bar is added once a week. Image source: barchart.com (emphasis added)

\$SPXA50R S&P 500 Percent of Stocks Above 50 Day Moving Average INDX
 15-Jul-2022, 16:00 EST, 30MN, O: 27.40, H: 28.60, L: 26.00, C: 28.60, Chg: +1.20 (4.38%)
P&F Pattern High 28.60, Low 26.00, Opening on 15-Jul-2022
 Scaling: Percentage [Reversal: 3, Box Size: 2.0%]

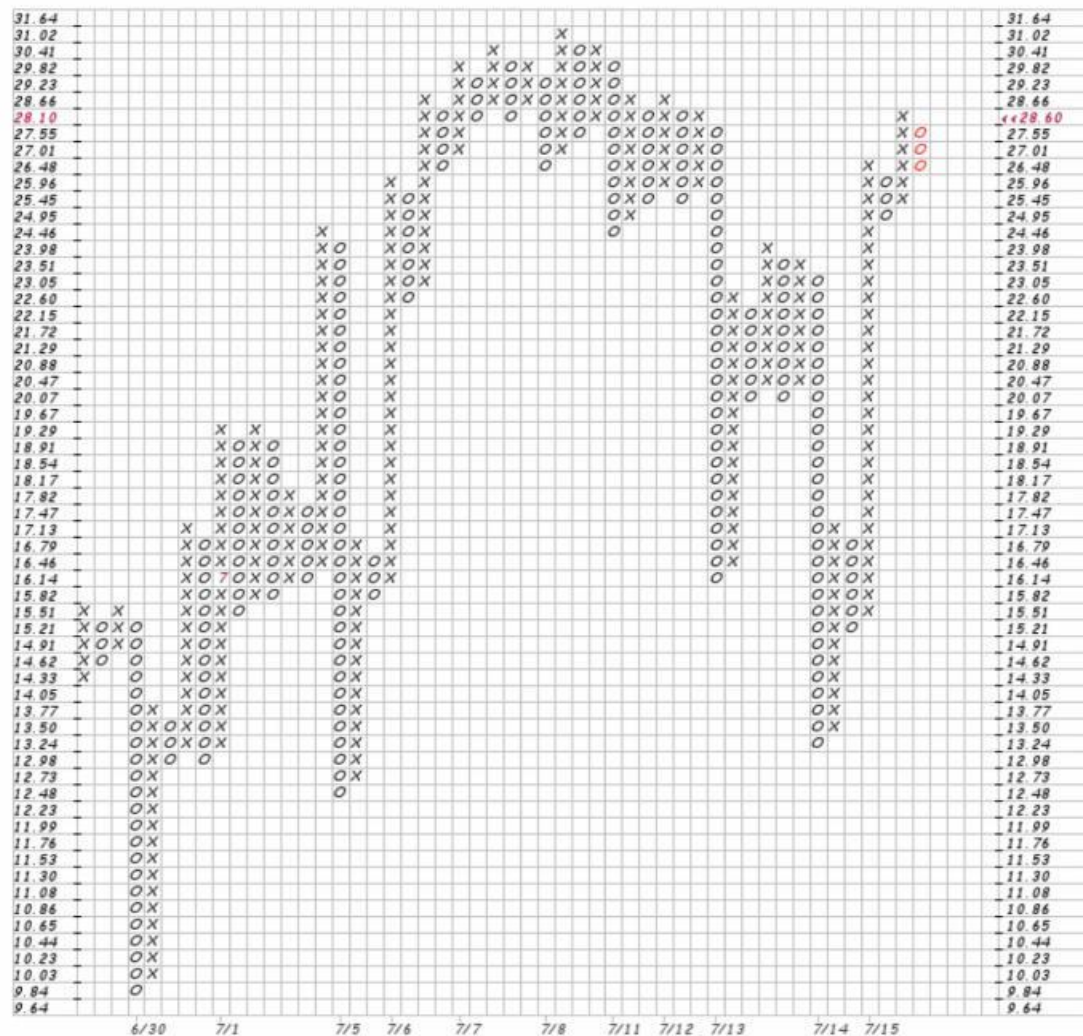
(c) StockCharts.com



Here I'm using 30 minute charts to get a more current reading on the percentage of stocks trading above their 50 day moving average. Image source: stockcharts.com (emphasis added)

\$SPXA50R S&P 500 Percent of Stocks Above 50 Day Moving Average INDX
 15-Jul-2022 16:00 ET 30MIN O: 27.40 H: 28.60 L: 26.00 C: 28.60 Chg: +1.20 (4.38%)
P&F Pattern High Pole Warning on 15-Jul-2022
 Scaling: Percentage [Reversal: 3, Box Size: 2.0%]

(c) StockCharts.com



If you are not skilled at reading P&F charts, just read the annotation provided. Note that I am using percentage scaling on these charts. Image source: stockcharts.com (emphasis added)

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Percent Of Stocks Above 200-Da... (\$MMTH)

18.99 +1.81 (+10.54%) 07/15/22 [INDEX]

for Fri, Jul 15th, 2022

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GO TO: Snapshot Chart 

1-Day 5-Day 1-Mth 3-Mth 6-Mth 1-Yr 5-Yr 20-Yr

Save Chart

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SMMTH - Percent of Stocks Above 200-Day Average - Monthly OHLC Chart

Op:16.57, Hi:20.00, Lo:14.89, Cl:18.99



© Barchart.com

I usually look for times when the green line is hit to buy the market and times when the red line is hit to sell. This chart is only updated monthly!
Image source: barchart.com (emphasis added)

\$SPXA200R S&P 500 Percent of Stocks Above 200 Day Moving Average INDX
 15-Jul-2022, 16:00 ET **30MN**, O: 20.20, H: 20.20, L: 19.60, C: 19.80, Chg: -0.40 (-1.98%)
P&F Pattern Double Top Breakout on 14-Jul-2022
 Scaling: Percentage [Reversal: 3, Box Size:2.0%]

(c) StockCharts.com



Again I am using 30 minute charts to monitor the percentage of stocks above their 200 day moving average.
 Image source: stockcharts.com (emphasis added)

\$SPXA200R S&P 500 Percent of Stocks Above 200 Day Moving Average INDX
15 Jul 2022 16:00 ET 30MIN O: 20.20 H: 20.20 L: 19.60 C: 19.80 Chg: -0.40 (-1.98%)

P&F Pattern Double Top Breakout on 14-Jul-2022

Scaling: Percentage [Reversal: 3, Box Size: 2.0%]

(c) StockCharts.com



Again note that I am using percentage scaling on the vertical axis. Image source: stockcharts.com (emphasis added)

Can I use the charts to evaluate commodity prices?

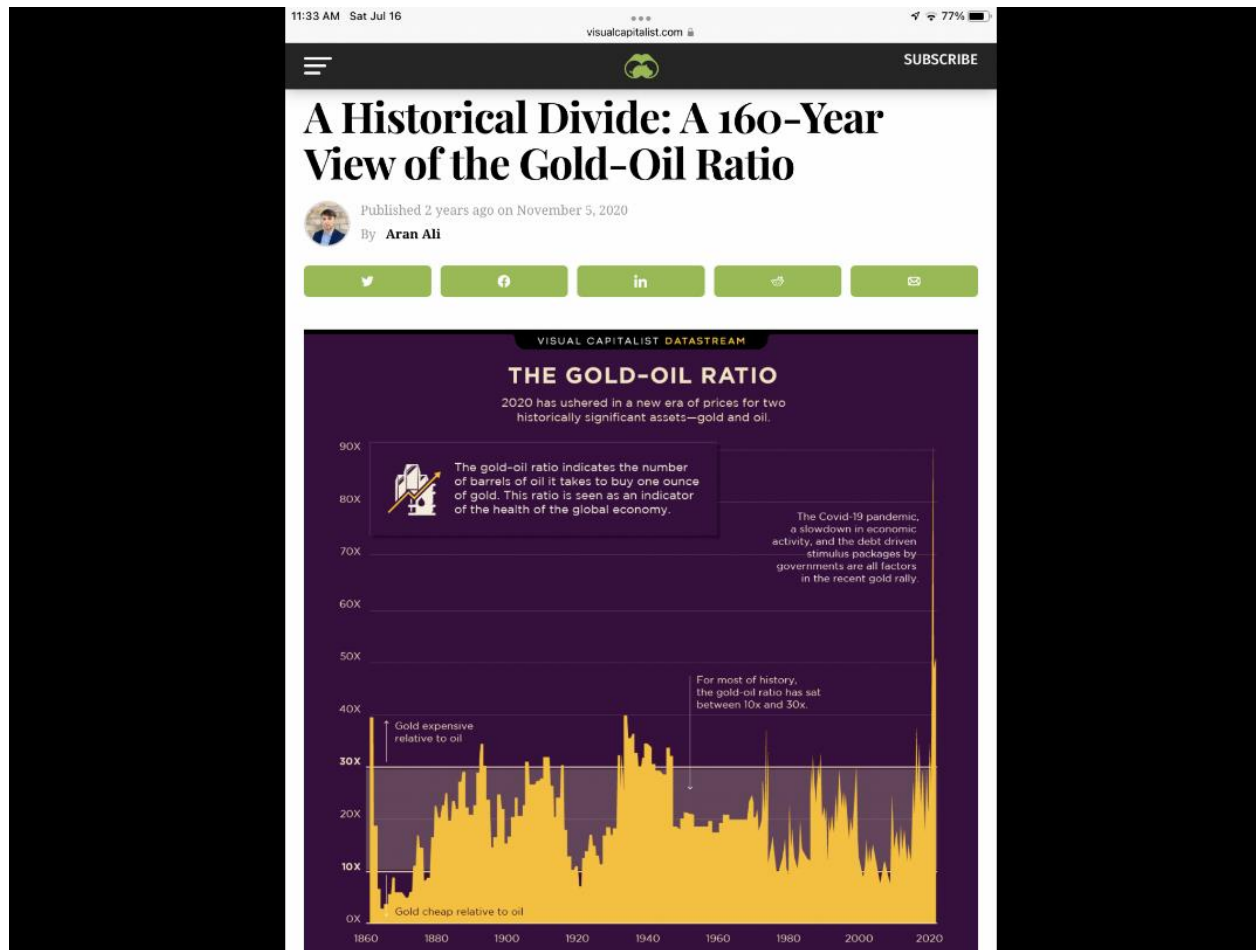


Image source: visualcapitalist.com

\$GOLD Gold - Continuous Contract (EOD) CME

15-Jul-2022, 14:30 ET, daily, O: 1,708.20, H: 1,714.20, L: 1,696.60, C: 1,703.60, V: 17315800, Chg: -2.20 (-0.13%)

P&F Pattern Bearish Triangle Breakdown on 01-Jul-2022

Scaling: Traditional [Reversal: 3]

(c) StockCharts.com



We're back on a price chart now so we use traditional scaling on the vertical axis to monitor the price of gold. It's dropping.
Image source: stockcharts.com (emphasis added)

\$WTIC Light Crude Oil - Continuous Contract (EOD) CME

15-Jul-2022, 16:00 ET, daily, O: 96.39, H: 99.03, L: 94.57, C: 97.59, V: 23184300, Chg: +1.81 (1.89%)

P&E Pattern Low Pole Reversal on 15-Jul-2022

Scaling: Traditional [Reversal: 3]

(c) StockCharts.com

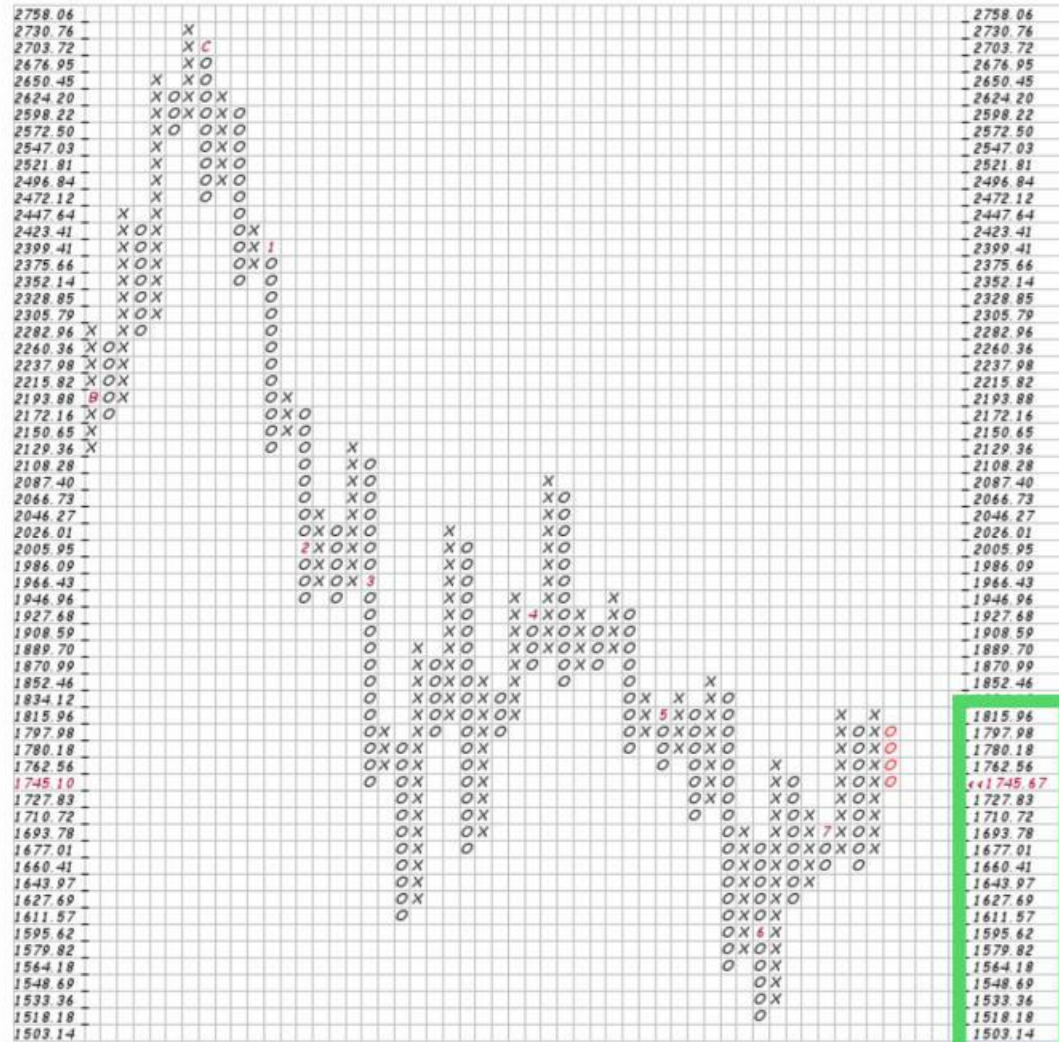


By contrast, the price of oil is rising.
Image source: stockcharts.com (emphasis added)

\$GOLD:\$WTIC Gold - Continuous Contract (EOD)/Light Crude Oil - Continuous Contract (EOD) CME
15-Jul-2022, 14:30 ET, daily, O: 1,750.384, H: 1,756.532, L: 1,738.498, C: 1,745.671, Chg: -35.286 (-1.98%)

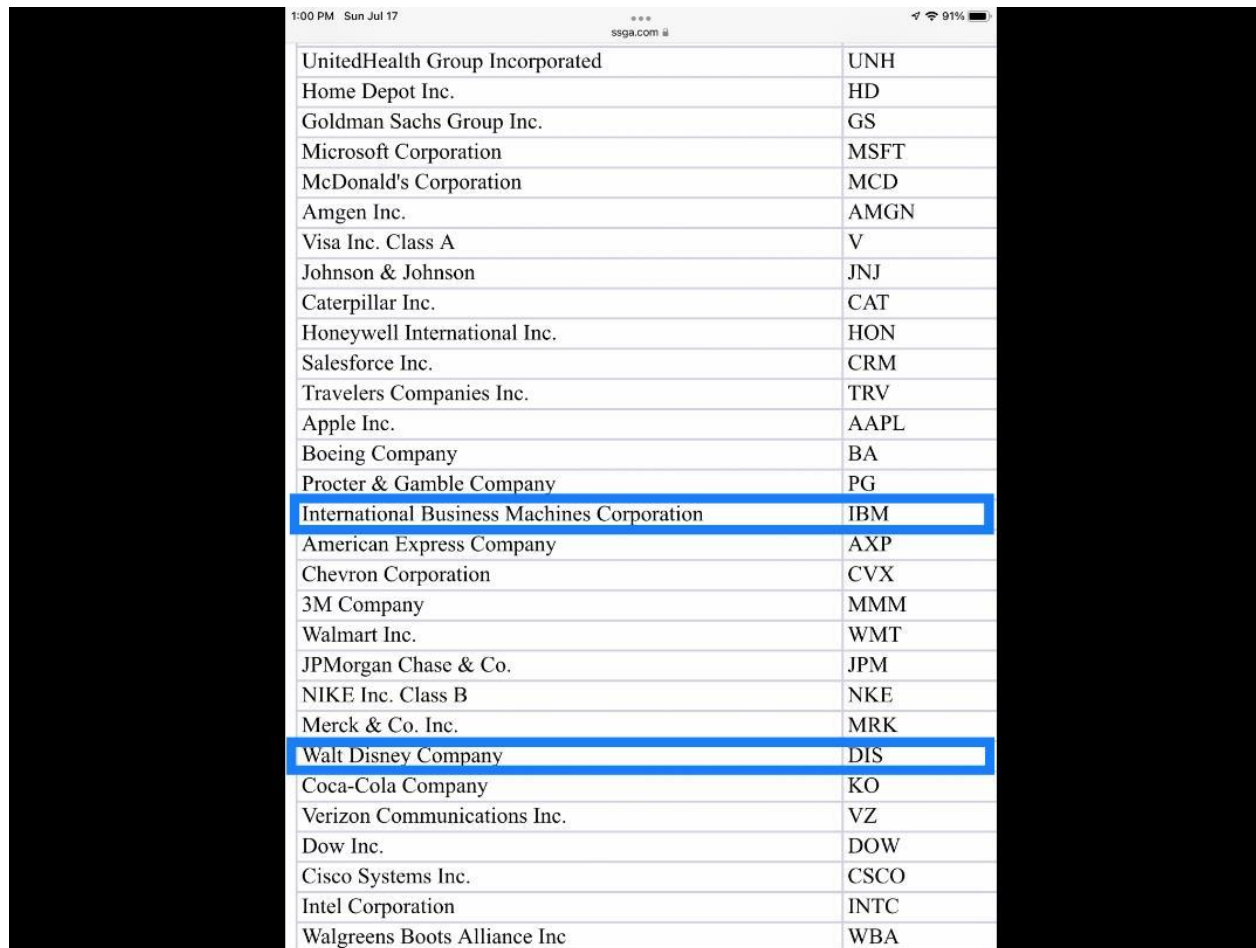
Scaling: Percentage [Reversal: 3, Box Size:1.0%]

(c) StockCharts.com



Here's the current read on the gold/oil ratio. It's at 17.45 which is in the normal long-term range of 15-18. You might use this chart if one commodity was out of whack to anticipate how far the other might adjust!

Can I use point and figure charts to evaluate a stock's relative strength?

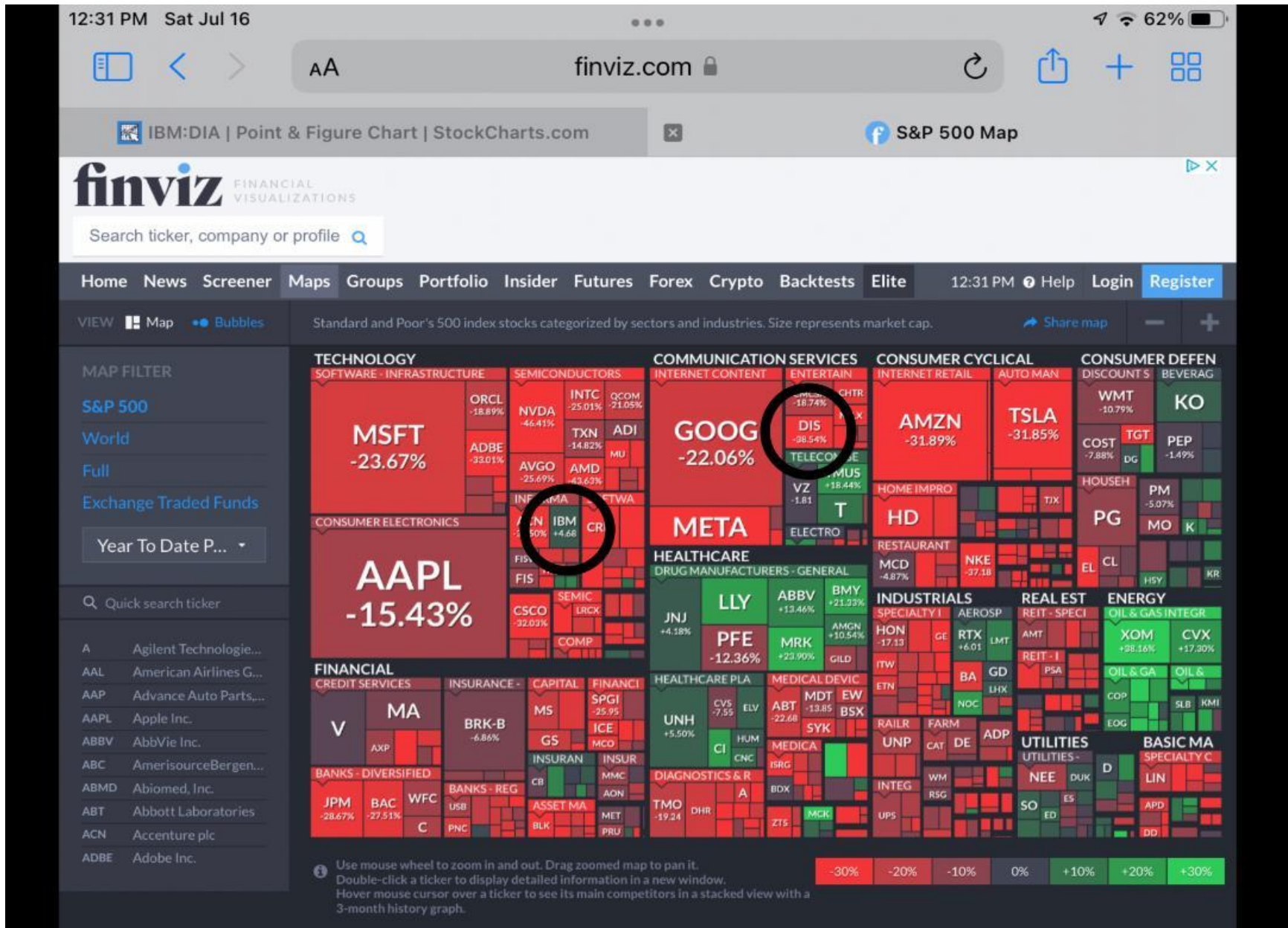


The image shows a screenshot of a mobile application displaying a list of Dow Jones Industrial Average components. The list is presented in a table format with two columns: the company name and its stock ticker symbol. The rows are as follows:

UnitedHealth Group Incorporated	UNH
Home Depot Inc.	HD
Goldman Sachs Group Inc.	GS
Microsoft Corporation	MSFT
McDonald's Corporation	MCD
Amgen Inc.	AMGN
Visa Inc. Class A	V
Johnson & Johnson	JNJ
Caterpillar Inc.	CAT
Honeywell International Inc.	HON
Salesforce Inc.	CRM
Travelers Companies Inc.	TRV
Apple Inc.	AAPL
Boeing Company	BA
Procter & Gamble Company	PG
International Business Machines Corporation	IBM
American Express Company	AXP
Chevron Corporation	CVX
3M Company	MMM
Walmart Inc.	WMT
JPMorgan Chase & Co.	JPM
NIKE Inc. Class B	NKE
Merck & Co. Inc.	MRK
Walt Disney Company	DIS
Coca-Cola Company	KO
Verizon Communications Inc.	VZ
Dow Inc.	DOW
Cisco Systems Inc.	CSCO
Intel Corporation	INTC
Walgreens Boots Alliance Inc	WBA

In the screenshot, the rows for 'International Business Machines Corporation' (IBM) and 'Walt Disney Company' (DIS) are highlighted with a blue border, indicating they are the focus of the analysis.

How have the Dow components performed so far this year? Are trends in play? Image source: State Street Global Advisors (DIA ETF holdings) [Downloaded 7/17/22] (emphasis added)



The FinViz market carpet for the S&P500 shows that DIS has a negative return year-to-date and IBM has a positive one. Let's explore further!
 Image source: finviz.com (emphasis added)

DIS:DIA Walt Disney Co./SPDR Dow Jones Industrial Average ETF NYSE

15-Jul-2022, 16:00 ET, daily, O: 29.716, H: 30.487, L: 29.649, C: 30.448, V: 4, Chg: +0.462 (1.54%)

Scaling: Percentage [Reversal: 3, Box Size:1.0%]

(c) StockCharts.com

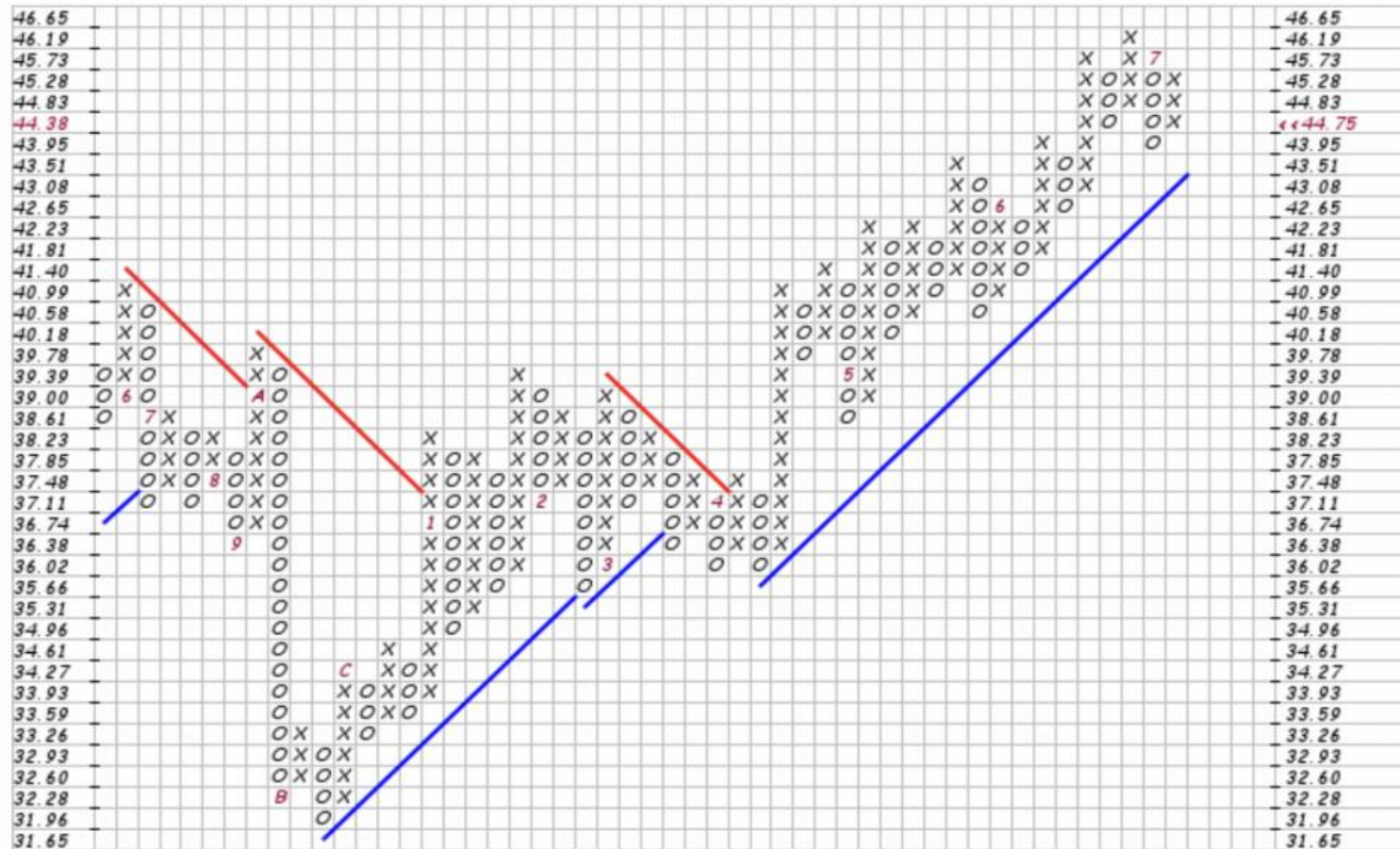


DIS has fallen relative to the Dow Jones Industrial Average (using the ETF proxy DIA) since the beginning of the year. The red line indicates resistance on the P&F chart. Image source: stockcharts.com

IBM:DIA International Business Machines/SPDR Dow Jones Industrial Average ETF NYSE
 15-Jul-2022, 16:00 ET, daily, O: 44.995, H: 44.995, L: 44.333, C: 44.751, V: 1, Chg: -0.653 (-1.44%)

Scaling: Percentage [Reversal: 3, Box Size:1.0%]

(c) StockCharts.com



By contrast, IBM has risen relative to the DIA since the beginning of the year. The blue line indicates support on the P&F chart. Note percentage scaling. Image source: stockcharts.com

Should I lighten up my portfolio or go all in?

1:06 PM Sat Jul 16 stockcharts.com 15 Jul 2022

Total	P&F Patterns	Equities									Mutual Funds
		NYSE	Nasdaq	AMEX	OTC	TSE	TSXV	LSE	NSE		
Bullish P&F Patterns											
882	P&F Double Top Breakout	218	291	21	21	42	10	86	190	182	
86	P&F Triple Top Breakout	20	32	3	4	0	1	9	17	6	
20	P&F Spread Triple Top Breakout	6	6	0	0	0	0	1	7	0	
209	P&F Ascending Triple Top Breakout	53	52	4	4	14	0	19	62	15	
15	P&F Quadruple Top Breakout	3	8	0	0	0	1	0	3	0	
53	P&F Bearish Signal Reversal	10	28	0	2	0	0	4	9	2	
53	P&F Bear Trap	19	12	1	2	4	4	8	3	1	
12	P&F Bullish Catapult	4	2	0	0	1	0	3	2	0	
21	P&F Bullish Triangle	4	6	0	1	0	0	2	8	0	
385	P&F Low Pole	122	117	16	13	20	7	25	65	147	
Bearish P&F Patterns											
3466	P&F Double Bottom Breakout	853	1056	249	478	250	135	204	159	182	
454	P&F Triple Bottom Breakdown	118	136	19	68	33	21	27	21	68	
79	P&F Spread Triple Bottom Breakdown	13	32	3	13	6	5	4	3	9	
1199	P&F Descending Triple Bottom Breakdown	279	432	99	152	82	28	70	30	569	
62	P&F Quadruple Bottom Breakdown	13	19	3	14	2	3	4	2	5	
101	P&F Bullish Signal Reversal	32	21	6	16	11	2	4	8	56	
71	P&F Bull Trap	16	17	3	10	5	8	5	6	6	
39	P&F Bearish Catapult	12	11	4	6	2	1	1	1	15	
87	P&F Bearish Triangle	29	34	2	6	1	4	7	4	6	
502	P&F High Pole	139	84	34	48	28	27	32	102	520	
90	P&F Long Tail Down	11	35	4	8	8	0	17	5	10	

Automatic P&F pattern recognition scans can give us some data which can aid us in helping to answer this question! Image source: stockcharts.com

1:03 PM Sat Jul 16 school.stockcharts.com

Bullish Percent Index

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Introduction

The Bullish Percent Index (BPI) is a breadth indicator based on the number of stocks on [Point & Figure Buy Signals](#) within an index. Developed by Abe Cohen in the mid-1950s, the Bullish Percent Index was originally applied to NYSE stocks. Cohen was the first editor of ChartCraft, which later became Investors Intelligence. BPI signals were further refined by Earl Blumenthal in the mid 70's and Mike Burke in the early 80's. Because a stock is either on a P&F Buy or Sell Signal, there is no ambiguity when it comes to P&F charts. This makes BPI a straightforward indicator with clearly defined signals. This article will cover six different Bullish Percent Index signals derived from Point & Figure charts: bull/bear confirmed, bull/bear alerts and bull/bear correction.

Calculation

The calculation is straightforward and simple.

Number of stocks on P&F Buy signals/total number of stocks

Bullish Percent calculations are done using traditional box sizing and 3-box reversal P&F charts.

Outline


- Bullish Percent Index
 - Introduction
 - Calculation
 - P&F Patterns
 - Interpretation
 - Bull/Bear Alert
 - Bull/Bear Confirmed
 - Bull/Bear Correction
 - Conclusion
 - Symbols Available
 - SharpCharts
 - Further Study

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Info on the bullish percent index from “Chart School,” an educational section on stockcharts.com (portion shown)

NEW . . .
REVISED,
EIGHTH
EDITION

6⁹⁵

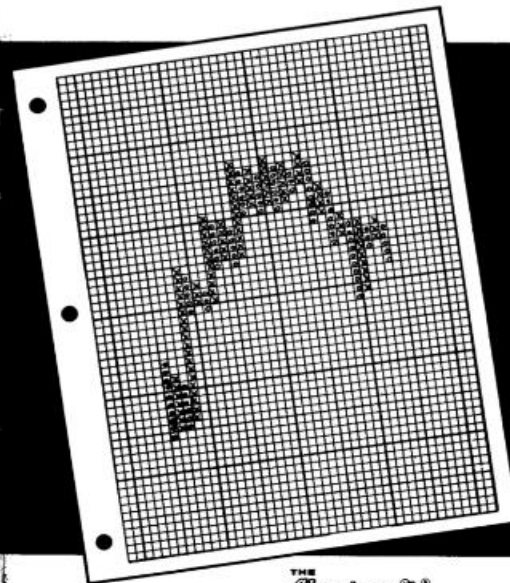
HOW TO USE THE

Three-Point Reversal Method of

Point & Figure

Stock Market Trading

BY A. W. COHEN



- A TECHNICAL APPROACH TO STOCK MARKET TRADING
- A SIMPLIFICATION OF POINT AND FIGURE CHARTING & INTERPRETATION
- CHART PATTERNS, TREND LINES, PRICE OBJECTIVES, RELATIVE STRENGTH, INDUSTRY GROUPS, TECHNICAL INDICATORS
- A NEW APPROACH FOR THE BEGINNER
- AN ADVANCED TOOL FOR THE PROFESSIONAL
- INCLUDES CONVERTIBLE BONDS, PUTS & CALLS, OTC STOCKS AND COMMODITY FUTURES

ORIGINAL TITLE ►

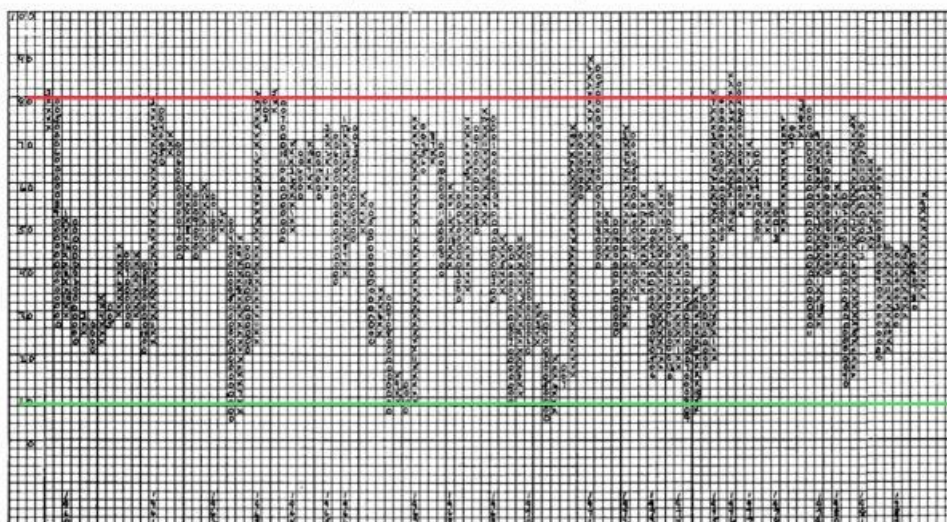
THE
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CHARTCRAFT, INC.
LARCHMONT, N. Y.

Old timers may remember these Chartcraft books. Let's look at what Cohen says to get an idea about where to set our high- and low-values for possible bullish percent decision points.

NYSE BULLISH PERCENTAGE



AS ITS NAME IMPLIES, THE ABOVE INDICATOR IS BASED ON THE DAILY PERCENTAGE OF BULLISH STOCKS ON THE NEW YORK STOCK EXCHANGE. A STOCK IS CONSIDERED BULLISH IF ITS MOST RECENT CHART PATTERN SHOWS THE PENETRATION OF A PREVIOUS TOP; A STOCK IS CONSIDERED BEARISH IF ITS MOST RECENT CHART PATTERN SHOWS THE PENETRATION OF A PREVIOUS BOTTOM. THE NUMBER OF BULLISH STOCKS IS TALLIED EVERY DAY AND DIVIDED BY THE TOTAL OF ALL STOCKS BOTH BULLISH AND BEARISH. THIS PERCENTAGE IS THEN PLOTTED ON A 2% BY 6% POINT AND FIGURE CHART. EACH BOX EQUALS 2%, AND 3 BOXES OR 6% ARE NEEDED FOR A CHANGE IN DIRECTION. THIS INDICATOR WAS ORIGINATED BY CHARTCRAFT, INC., IN 1955.

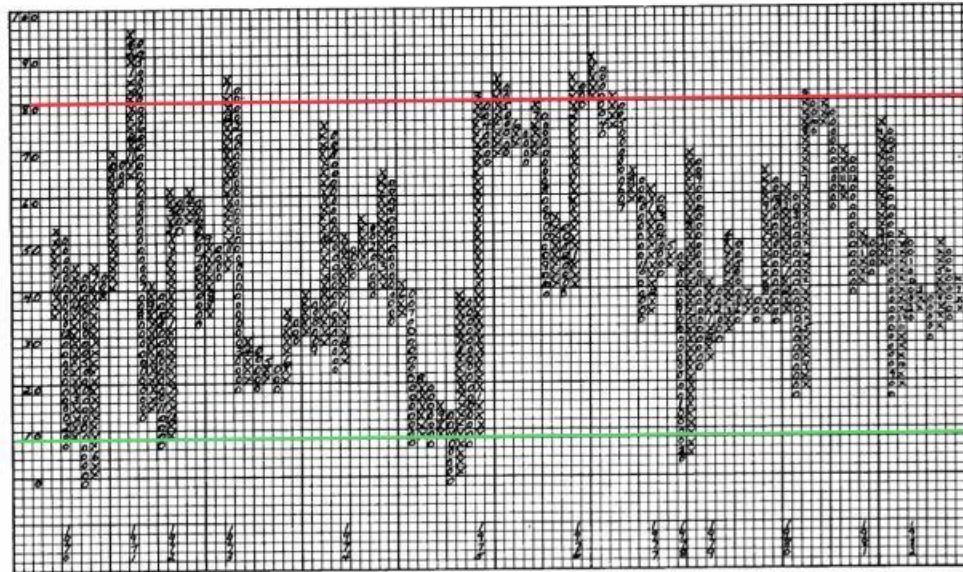
UPMOVES USUALLY END WHEN THE PERCENTAGE RISES ABOVE THE 70%, OR 80%, OR 90% LEVEL - DEPENDING UPON THE STRENGTH AND MOMENTUM OF THE BULL MARKET. DOWNMOVES TERMINATE WHEN THE PERCENTAGE DROPS BELOW 30%, OR 20%, OR 10% - DEPENDING UPON THE MOMENTUM OF THE BEAR MARKET.

AFTER A LOW LEVEL HAS BEEN MADE, A COLUMN OF Xs BELOW THE 50% LEVEL MAY BE REGARDED AS A BULL ALERT SIGNAL; WHEN THE COLUMN OF Xs RISES ABOVE THE 50% LEVEL, THIS MAY BE REGARDED AS A BULL CONFIRMED SIGNAL. AFTER A HIGH LEVEL, A COLUMN OF Os ABOVE THE 50% LEVEL MAY BE REGARDED AS A BEAR ALERT SIGNAL; WHEN THE COLUMN OF Os DROPS BELOW 50%, THIS MAY BE REGARDED AS A BEAR CONFIRMED SIGNAL. A BULL CONFIRMED SIGNAL MAY OCCUR BELOW THE 50% LEVEL WHEN A COLUMN OF Xs EXCEEDS A PREVIOUS TOP; A BEAR CONFIRMED SIGNAL MAY OCCUR ABOVE THE 50% LEVEL WHEN A COLUMN OF Os PENETRATES A PREVIOUS

ANY UPTURN FROM BELOW THE 10% LEVEL IS USUALLY THE SIGNAL FOR A NEW BULL MARKET.

For the NYSE, reasonable levels look like 10 for a really low bullish percent and 80 for a really high one.
Image source: Cohen (1984), p. 104 (emphasis added).

DOW-JONES INDUSTRIALS BULLISH PERCENTAGE



AS ITS NAME IMPLIES, THE ABOVE INDICATOR IS BASED ON THE DAILY PERCENTAGE OF BULLISH STOCKS IN THE 30-DOW JONES INDUSTRIALS. A STOCK IS CONSIDERED BULLISH IF ITS MOST RECENT CHART PATTERN SHOWS THE PENETRATION OF A PREVIOUS TOP; A STOCK IS CONSIDERED BEARISH IF ITS MOST RECENT CHART PATTERN SHOWS THE PENETRATION OF A PREVIOUS BOTTOM. THE NUMBER OF BULLISH STOCKS IS TALLIED WEEKLY AND DIVIDED BY 30 TO OBTAIN THE BULLISH PERCENTAGE. THIS PERCENTAGE IS THEN PLOTTED ON A 2% BY 6% POINT AND FIGURE CHART. (EACH BOX EQUALS 2% AND 3 BOXES, OR 6%, ARE NEEDED FOR A REVERSAL OF DIRECTION.)

THE INTERPRETATION OF THE DJI BULLISH PERCENTAGE IS BASICALLY THE SAME AS THAT OF THE NYSE BULLISH PERCENTAGE. ALLOWANCES SHOULD BE MADE FOR THE FACT THAT, BEING BASED ONLY ON 30 STOCKS, IT IS MORE VOLATILE THAN THE BULLISH PERCENTAGE BASED ON ALL STOCKS. ITS BIG ADVANTAGE IS THAT IT CAN BE CALCULATED BY THE AVERAGE TRADER IN A FEW MINUTES.

A COLUMN OF XS BELOW THE 50% LEVEL MAY BE REGARDED AS A BULL ALERT SIGNAL; WHEN THIS COLUMN OF XS EXCEEDS A PREVIOUS COLUMN OF XS OR RISES ABOVE THE 50% LEVEL, IT MAY BE REGARDED AS A BULL CONFIRMED SIGNAL. A COLUMN OF OS ABOVE THE 50% LEVEL MAY BE REGARDED AS A BEAR ALERT SIGNAL; WHEN THIS COLUMN OF OS PENETRATES A PREVIOUS COLUMN OF OS OR DECLINES BELOW THE 50% LEVEL, IT MAY BE REGARDED AS A BEAR CONFIRMED SIGNAL.

A BEAR MARKET BOTTOM USUALLY FINDS THE DJI BULLISH PERCENTAGE BELOW 10%. A BULL MARKET TOP USUALLY FINDS THE DJI BULLISH PERCENTAGE ABOVE 70%.

Similarly for the Dow, 10 and 80 look like reasonable values.
Image source: Cohen (1984), p. 105 (emphasis added).

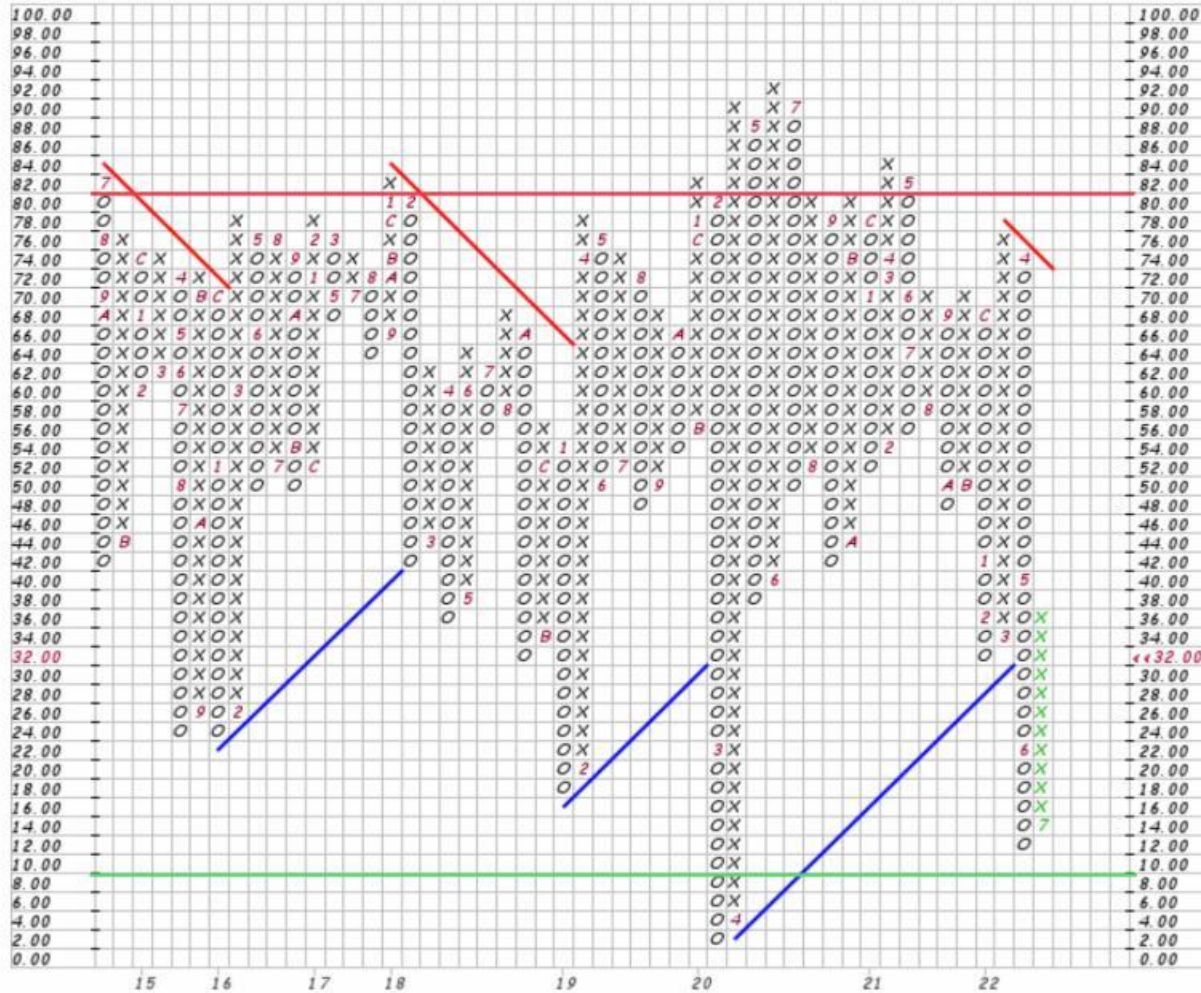
\$BPSPX S&P 500 Bullish Percent Index INDX

15-Jul-2022, 16:00 ET, monthly, O: 32.40, H: 36.20, L: 27.40, C: 32.00, Chg: -0.60 (-1.84%)

Status Bull Alert on 01-Jul-2022

Scaling: User-Defined [Reversat: 3, Box Size:2.0]

(c) StockCharts.com



I drew in the horizontal lines at 10 & 80 on the Bullish Percent Index based upon our previous analysis. In retrospect, the beginning of 2020 would have been a great time to buy the market. Image source: Stockcharts.com (emphasis added)

This is interesting, but isn't this all old school?

Bloomberg
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- *GIPW** Sliding window chart
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- **ISGP** Graph 30 days of intraday spreads or ratios
- **MGIP** Graph intraday ticks for multiple securities

Technical Indicators - Historical

- *IRSI** Intraday Relative Strength Index
- *MACD** Moving avg convergence/divergence
- *TAS** Stochastics for a selected security
- *DMI** Graph directional movement
- *ROC** Highest and lowest rates of price change
- *CMCI** Commodity Channel Index
- *WLPR** Williams' %R graph
- *BOLL** Graph Bollinger Bands
- *GOC** Graph Ichimoku Cloud chart
- *GPF** Graph prices and Fibonacci lines
- *PTPS** Stop-and-reversal (SAR) trading points
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- *GPCA** Graph historical corporate actions
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- *OBV** On-balance volume for a selected security
- *PIVG** Pivot points graph

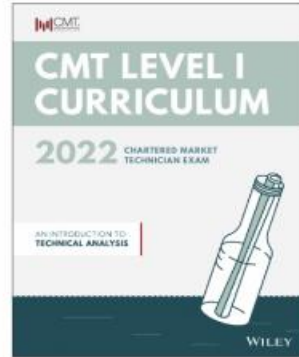
Technical Indicators - Intraday

- *IRSI** Intraday Relative Strength Index
- *IMAC** Moving average convergence/divergence
- *ITAS** Intraday stochastics systems chart
- *IDMI** Intraday directional movement calculator
- *IROC** Intraday rate of change
- *ICCI** Commodity Channel Index
- *IWLP** Intraday Williams %R graph
- *IBOL** Graph intraday Bollinger Bands
- *IGOC** Intraday prices graph
- *IGPF** Graph prices and Fibonacci lines
- *IPTS** Intraday parabolic systems chart
- *IMAE** Moving Average Envelopes
- *GIM** Graph intraday money flow

Although P&F charts are available on the Bloomberg Terminal, I prefer using them on StockCharts.com
Image source: Bloomberg (emphasis added)



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A mastery of point and figure charts is still required for the Chartered Market Technician credential.



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Nasdaq Dorsey Wright provides subscription point and figure support for aspiring CMT candidates.

Image source: cmtassociation.org (emphasis added)



INDEX METHODOLOGY

DORSEY WRIGHT FOCUS FIVE INDEX

DWANQFF

INDEX DESCRIPTION

The Dorsey Wright Focus Five Index is designed to track the performance of five sector- and industry-based exchange-traded funds from the First Trust Portfolios product line that demonstrate powerful Relative Strength characteristics.

SECURITY ELIGIBILITY CRITERIA

Eligibility criteria

A security must be an Exchange-Traded Fund (ETF) sponsored by First Trust Portfolios that is designed to target a specific sector or industry group or that has a significant overweight toward a particular sector or industry group. Security eligibility is determined at the sole discretion of Nasdaq Dorsey Wright (NDW), the Index Provider.

P&F charting is still being used to create some Nasdaq indices.
Image source: Nasdaq

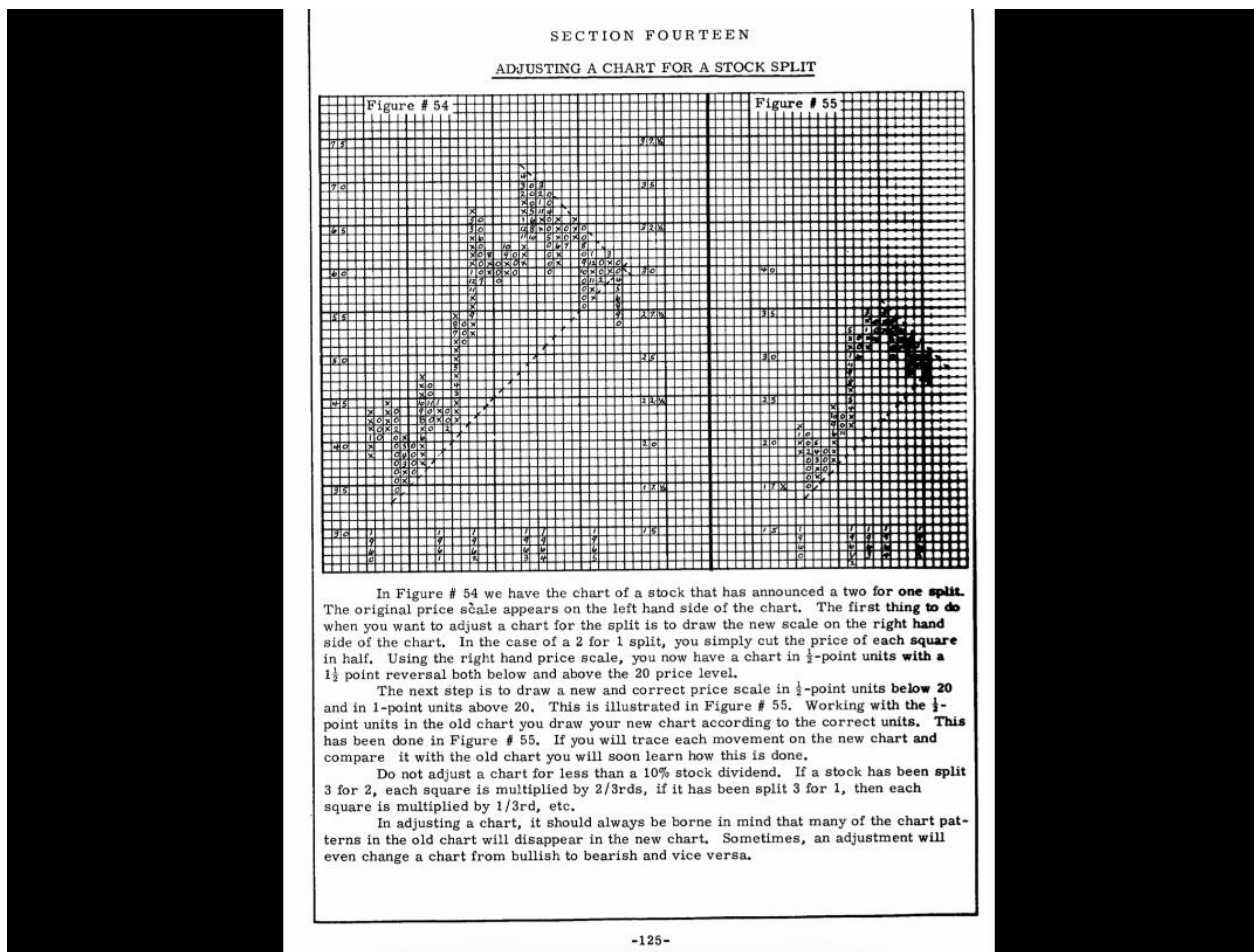


DORSEY WRIGHT TECHNICAL LEADERS INDEX FAMILY METHODOLOGY

July 2021

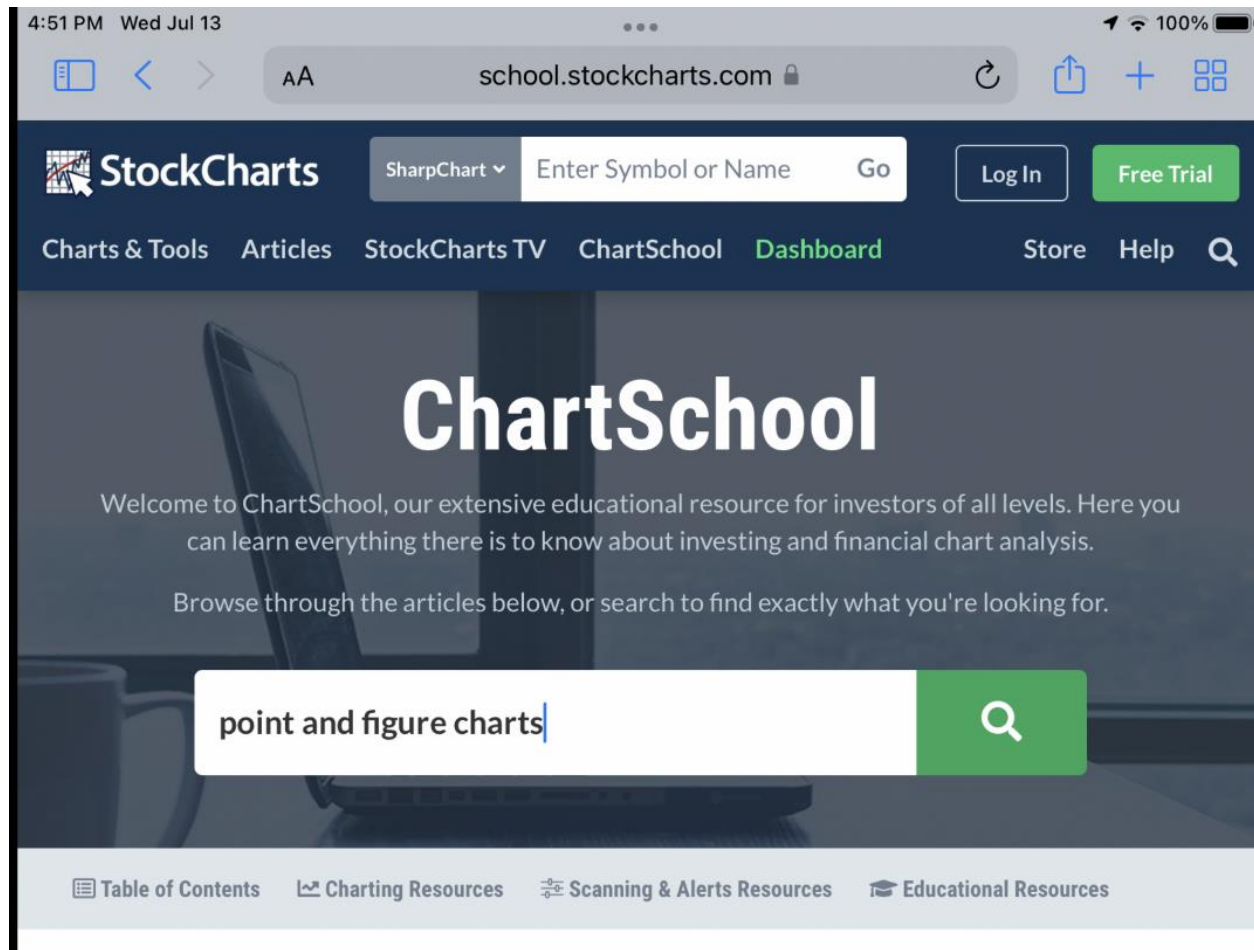
Learn more about how select Nasdaq indices use P&F techniques!
Image source: Nasdaq

How do I adjust my chart for a stock split?



Today's software does this automatically. It was a real pain in the butt to do this when we used graph paper to draw in our X's and O's manually!
Image source: Cohen (1984), p. 125

What additional resources are available?



A great place to get info is from ChartSchool on StockCharts.com



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Introduction to Point & Figure Charts - ChartSchool

- ...**Point & Figure Charting** Thomas Dorsey The Definitive Guide to **Point** and **Figure** Jeremy du Plessis

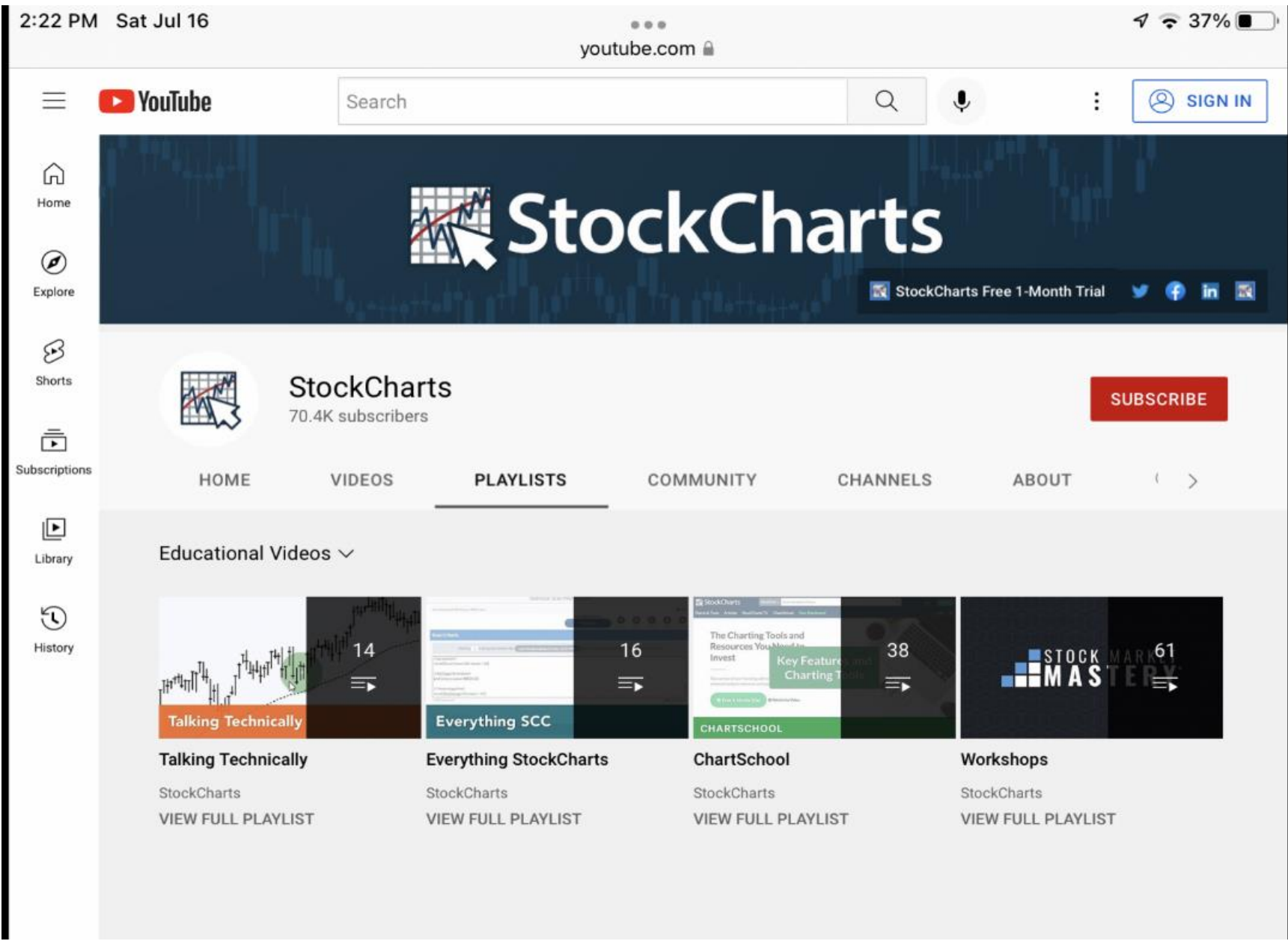
You'll notice that I can read this stuff without being logged in!

The screenshot shows a mobile browser interface for school.stockcharts.com. The page title is "Point & Figure Charting". A search bar is visible at the top right. Below the title is a large empty white box. A breadcrumb trail reads "ChartSchool » Chart Analysis » Point & Figure Charting". A video player is embedded, with a progress bar at 00:00 and a voiceover credit: "Voiced by Amazon Polly". The main content area features the section "P&F Basics" with three bullet points:

- [Introduction to Point & Figure Charts](#) - This article shows how to construct P&F charts with a step-by-step example. Users will learn how to identify support and resistance as well as how to draw P&F trend lines.
- [P&F Scaling and Timeframes](#) - This in-depth article explores how to use different price intervals to choose a charting timeframe. Intraday intervals can be used for medium-term timeframes, while daily intervals are often best for long-term charts.
- [P&F Trend Lines](#) - P&F trend lines are unique because they are drawn at a specific angle to represent a certain rate of ascent or descent. This article shows how automatic trend lines appear, when they reverse and how to identify a break.

On the right side, there is an "Outline" section with a list of topics: Point & Figure Charting, P&F Basics, Classic Patterns, Price Objectives, P&F Indicators, and Scans and Alerts. Below the outline is a promotional banner for "Become a StockCharts Member and unlock:" followed by benefits like "Full-Screen, Multi-Indicator Charting with Intraday Data and Auto Refresh", "Easily-Customizable Advanced Technical Scanning", and "Unrestricted Access to Members-Only Commentary". A green button at the bottom of the banner says "Start Your FREE 1-Month Trial".

In fact, ChartSchool has info on just about any technical analysis topic you can think of related to trading and investing.



StockCharts also has a YouTube channel with includes several videos related to point and figure charting.
Image source: YouTube

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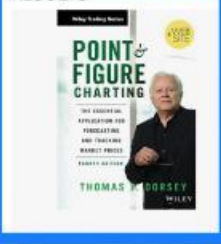
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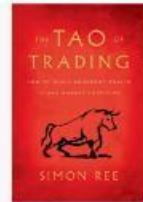
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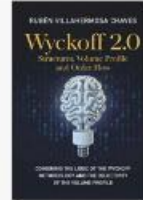
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Books by Dorsey and du Plessis are also worth reading for those who really want to understand P&F charting.
Image source: amazon.com [Downloaded 7/16/22] (emphasis added)

Questions?



Image source: University of Delaware