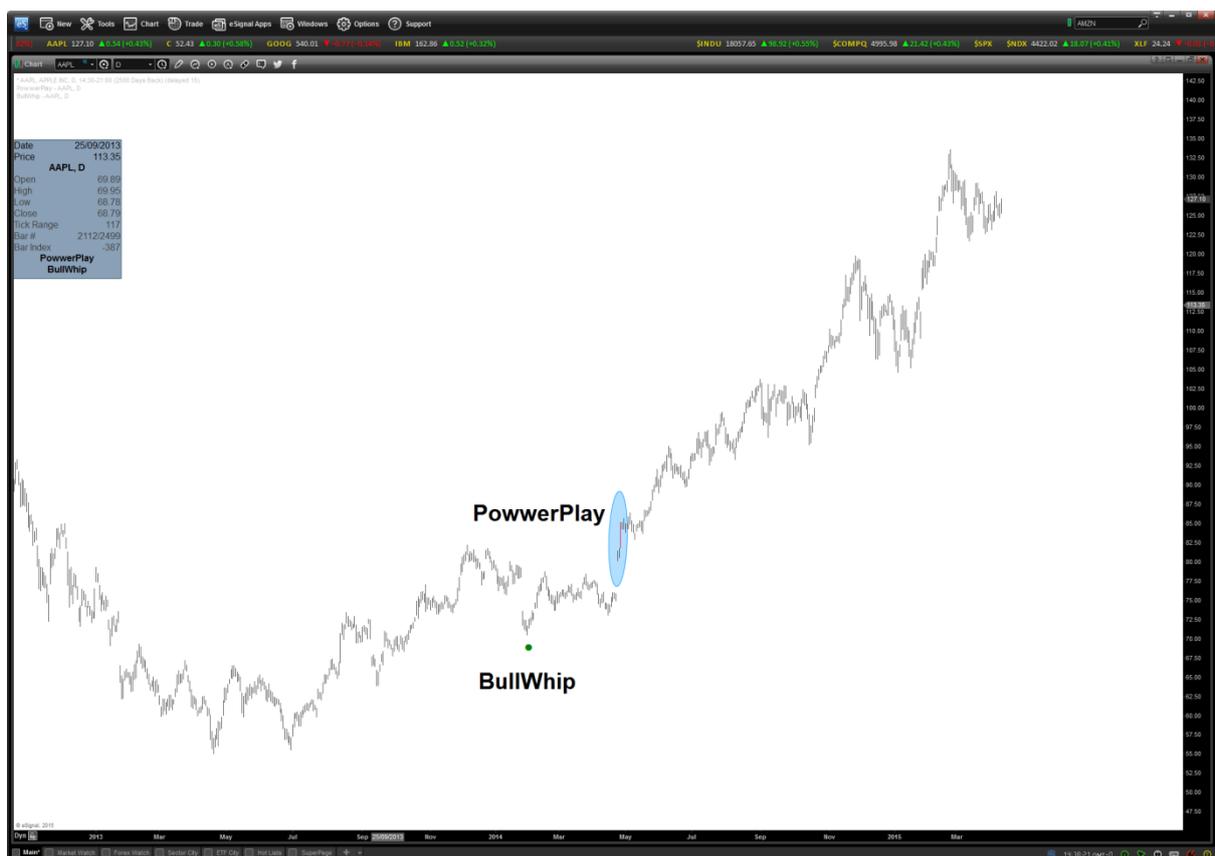


PowwerPlay

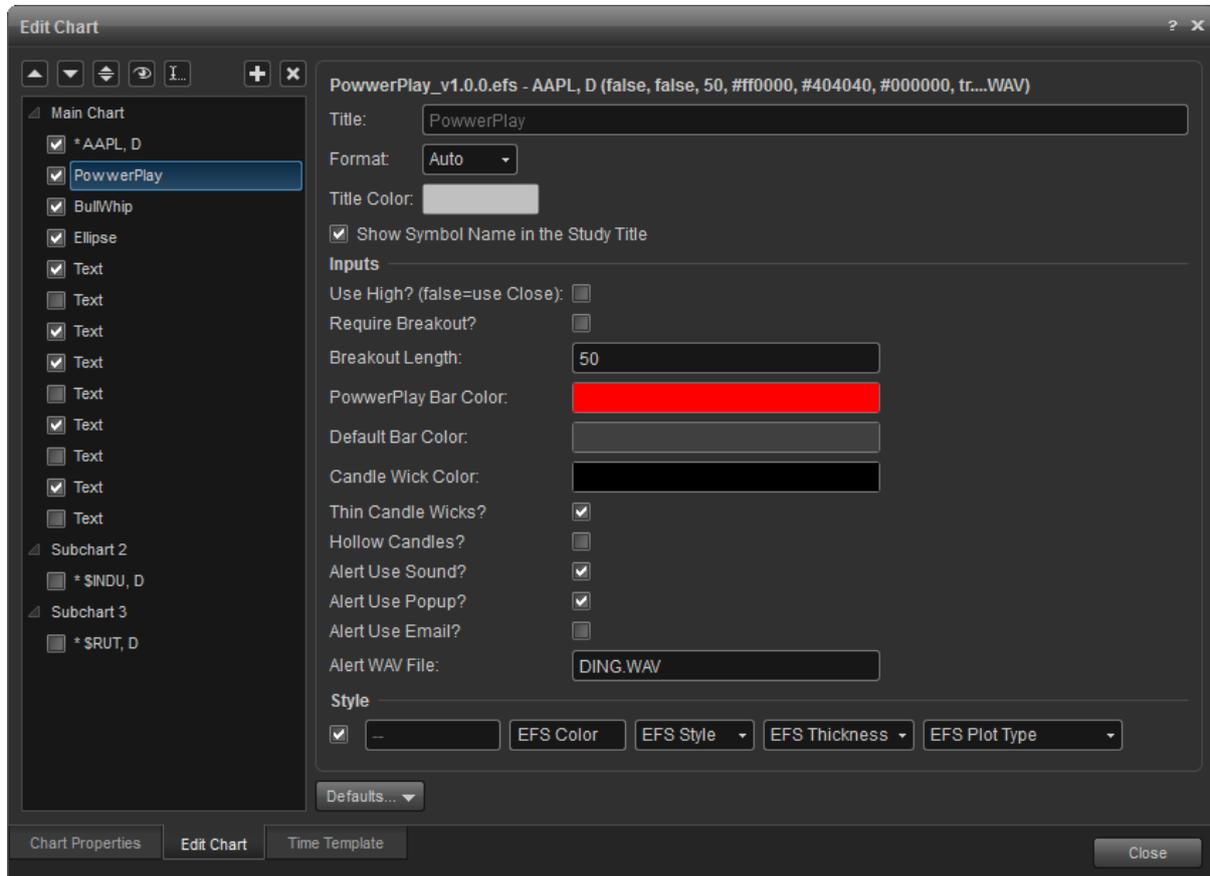
The nature of individual stocks means that the application of Technical Analysis in order to provide sufficiently robust (and just as crucially) sufficiently rare signals, is of such complexity and difficulty, that few take the leap of faith to even attempt to solve what can be a Pandora's box of theory and analysis. This is one reason why popular methods remain so archaic in both architecture and interpretation. What works in asset classes such as Futures rarely transfers to Equities. The reality is that in order to create good signals on daily data in equities the adage that "less is more" can never be truer. PowwerPlay (and its sister signal SlammDunk), identify acceleration and/or turning points in Equities on daily data, but as markets are generally skewed upwards, PowwerPlay is the more useful of the studies.

Both indicators can be applied to watch lists.

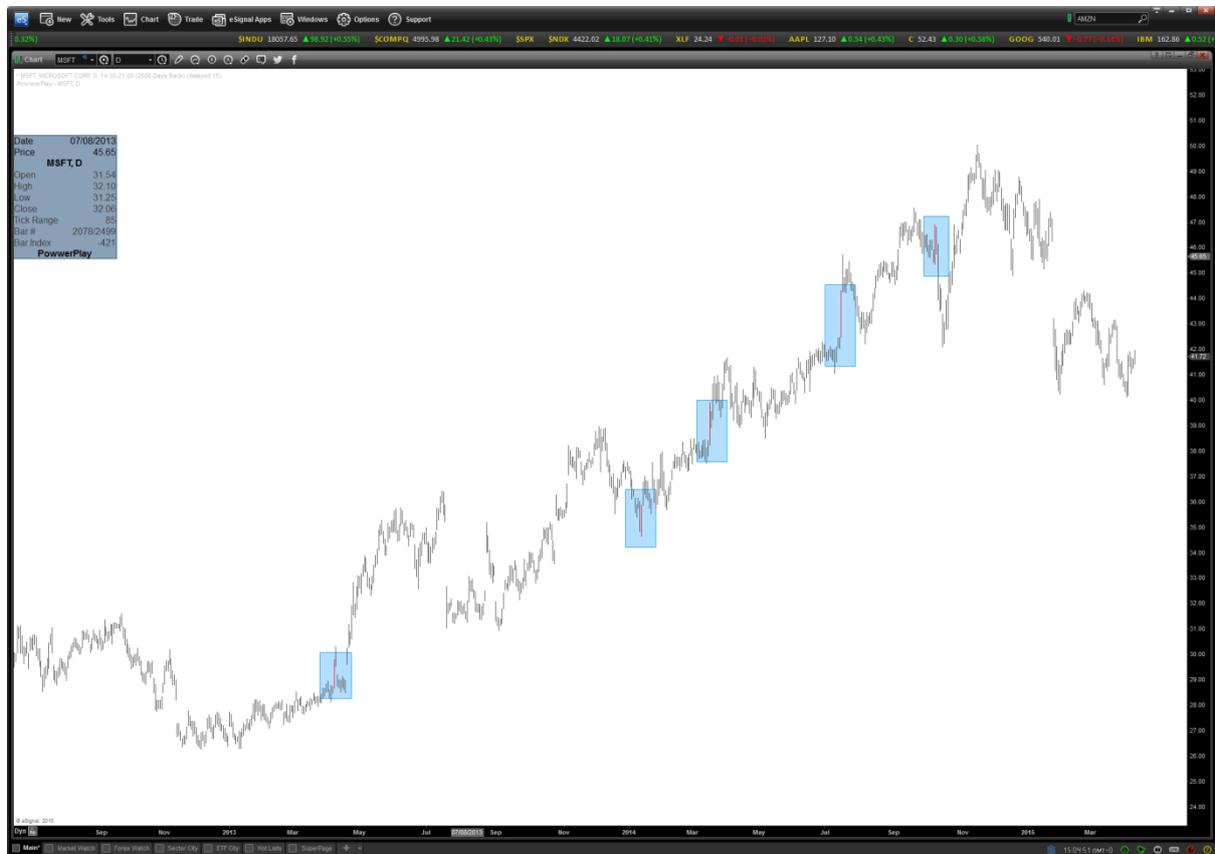
The chart below is of Apple. The green circle represents an earlier BullWhip signal that is then followed by PowwerPlay. It is flagged by turning the bar red.



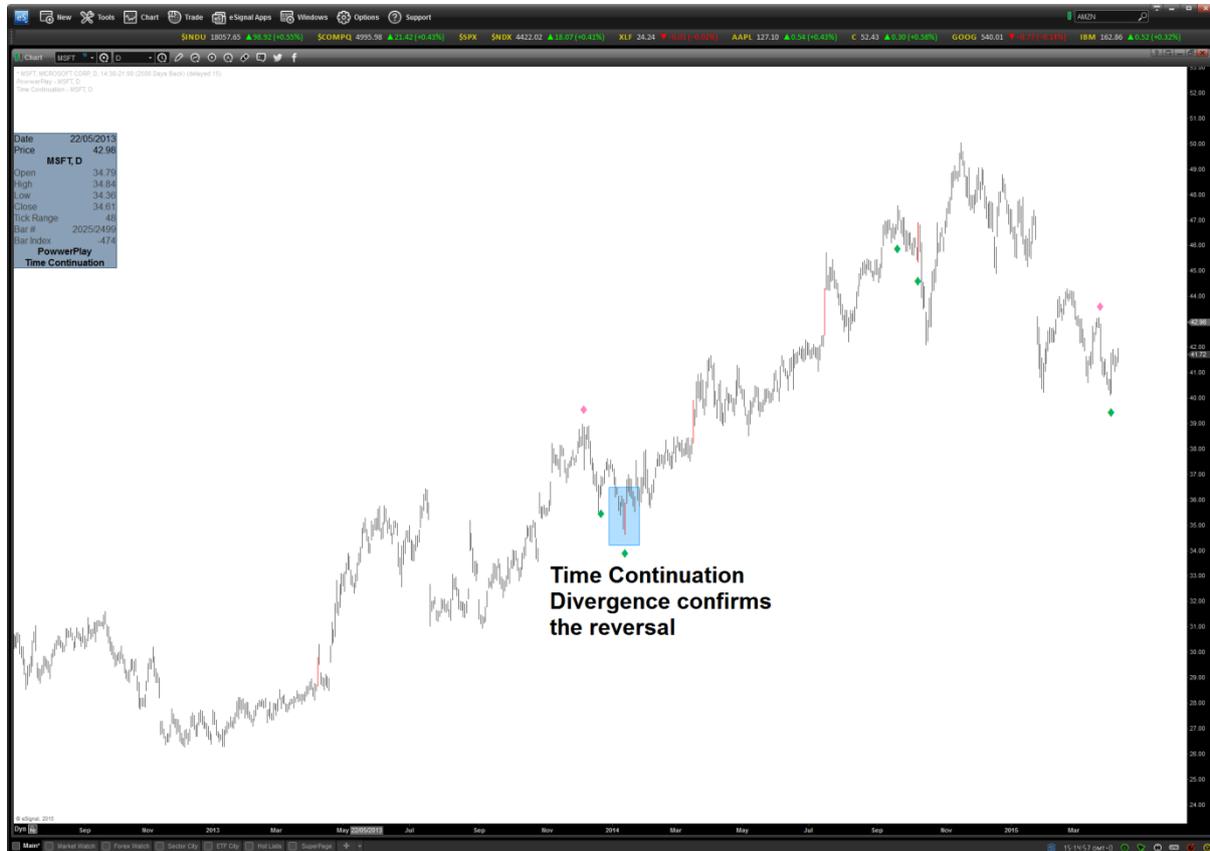
Within the Set-Up there are two crucial additional qualifiers. Selecting Use High places the indicator at its most aggressive as this will look to identify turning points and acceleration, although it must be remembered that the Close of a bar can be a considerable distance from the High and so not necessarily bullish. Selecting Require Breakout is the most conservative setting and this can be set as the user wishes. The default is set at 50 bars.



The chart below is of Microsoft. Note that there have been 5 separate signals, four showing accelerations and one a resumption of the trend. Signals 1, 3 and 4 met the breakout criteria.



When looking to qualify potential reversals, various 4th Dimension tools are available. The chart shows the use of the Time Continuation signal. It occurs on the same bar as the PowerPlay which indicates both acceleration and divergence.



The suite of Peak studies can also be used to confirm PowverPlay reversal signals. Price reverses from the Peak Energy HA level. The trend then ends when that same value jumps for the first time since the uptrend began. This means that sellers are matching buyers for the first time and tug of war between bulls and bears is beginning.

