

EXIT AT TARGET

By Daryl Guppy

This is the last newsletter for 2016.

The next newsletter will be on January 11. We update the trade progress on trading the Trump bump using the %gain search.

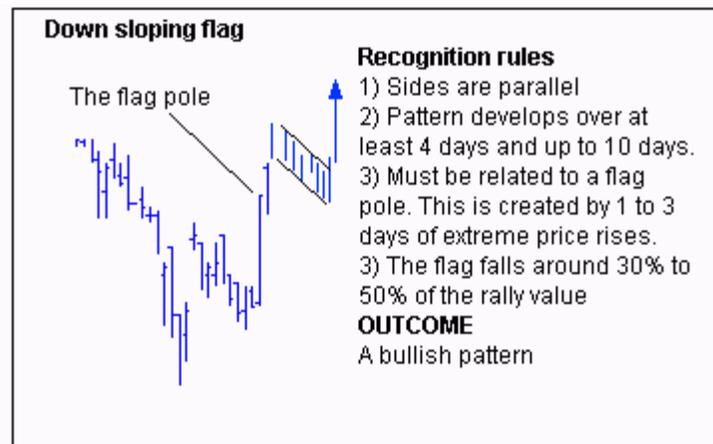
FLAG PATTERNS

The trade is closed at \$1.03. This is the target level, and the sell order is already placed in the order line and executed when the price hits this level. This delivers a profit of \$3,146.07 or 15.73%.

Notice how price rapidly retreats from the target level. This is a typical reaction and the reason why sell orders are placed in advance at the target level.

We always look for flag patterns and Genting captured our attention last week. Traders were ready to enter the trade when the price moved above the flag trend line.

The flag forms when the initial enthusiasm for the stock flags (excuse the pun). There are few sellers as most new stockholders are holding onto their recently acquired positions. Buyers collect stock from long time stockholders who are selling into the unexpected strength, but who are a little frightened that it will not persist. Gradually prices move downwards, but maintain a steady trading band. This is the key characteristic of this chart pattern. The sides of the down sloping flag are parallel. Once nervous stockholders have been bought out the price has nowhere to go but up and a down sloping flag often proceeds to do just that on a gap opening.



The trade is entered near \$0.89 as the price breaks above the upper edge of the flag pattern.



The stop loss is placed just below the upper edge of the flag pattern near \$0.87. This puts \$449 at risk, or less than 1% of total trading capital.

Stock code	GENTING
Total investment pool money in account	100,000
Your investment risk for this trade	2,000
Average entry price	0.89
Stop loss	0.87
Cost of trade	20,000.00
Number of shares buy	22,472
Loss if sell at stop loss	449.44
Risk % of total investment pool money	0.45%
Planned Profit exit price	1.030
Profit	3,146.07
Trade profit %	15.73%

The exit target is near \$1.03 for a 15% return.