

# STILL WAIT FOR TREND REBOUND

By Daryl Guppy

**Bestworld is moving sideways so the trade remains open.**

**The trend remains strong. This is a classic GMMA trend trade. CBL stop is near \$1.49. GMMA stop is near \$1.55.**

**The main concern is the setting of the protect profit stop loss with profit currently sitting at 23%. . We use the lower edge of the short term GMMA and the count back line method. A close below either of these is an alert signal. A close below both of these is a confirmed exit signal. The close is below only one of the alert signals so the trade remains open.**

**Trend behaviour is strong and stable so the trade remains open.**

We add BestWorld as an example of this method. The long term GMMA is well separated showing a steady trend. Price uses the lower edge of the short term GMMA as a rebound support point. We apply the standard GMMA analysis methods discussed in previous newsletters.



For case study purposes the entry is taken at \$1.30 as the rebound rally develops. We add 15,385 shares for a 20,000 position. Stop loss is at \$1.28 and puts \$307 at risk, or less than 0.44% of total trade portfolio. Initial target is near \$1.90.

Stock code	<b>BESTWORLD</b>
Total investment pool money in account	100,000
Your investment risk for this trade	2,000
<b>Average entry price</b>	<b>1.30</b>
<b>Stop loss</b>	<b>1.28</b>
Cost of trade	<b>20,000.00</b>
Number of shares buy	<b>15,385</b>
Loss if sell at stop loss	307.69
Risk % of total investment pool money	0.31%
Planned Profit exit price	<b>1.535</b>
Profit	<b>3,615.38</b>
Trade profit %	18.08%

