WILEY Trading

THE StockTwits® EDGE

40 Actionable Trade Setups from **Real Market Pros**

Howard Lindzon | Philip Pearlman | Ivaylo Ivanhoff
editors

praise for

THE StockTwits EDGE

"Howard Lindzon has tapped into a unique talent pool: He has 'crowd-sourced' the task of figuring out who the up and coming traders and fund managers are via social media. Unearthing the next Stevie Cohen via social leverage is a fascinating concept. Kudos to Lindzon for figuring this out long before most of Wall Street even knew what the hell Twitter was."

—BARRY RITHOLTZ, President of Fusion IQ, author, *Bailout Nation*

"The perfect book for traders, whether new or existing. It is fast, fun, and smart; with something for anyone who wants to understand how their trading peers can help them secure their financial future."

—PAUL KEDROSKY, Entrepreneur, editor, *Infectious Greed*

"I affectionately regard my friend Howard Lindzon as the Larry King of social media. He and his talented team at StockTwits created an online Grand Central Station for active traders. This book showcases some of the many talented traders you will find on the 'stream' daily. For those interested in learning a variety of ideas on how to trade stocks, *The StockTwits Edge* is a great resource."

—MARK MINERVINI, Stock Market Wizard, 1997 U.S. Investing Champion

"I wake up, I have coffee, I exercise, I read, I write, I go on StockTwits to get stock ideas, I then make money with them. I eat. I sleep. Repeat."

—JAMES ALTUCHER

"StockTwits is a truly unique community where thoughts, opinions, and ideas on economics, finance, and trading are shared, debated, and sometimes even agreed upon. Its users are passionate about their involvement and this real-time conversation is built on the simple idea that markets are a social eco-system—an ever-changing wealth of information. *The StockTwits Edge* exemplifies this collective passion and breadth of knowledge."

—ALLAN SCHOENBERG, Director, Corporate Communications, CME Group

CHAPTER 10

Only Price Pays

Brian Shannon, @*alphatrends*

Brian and I go way back. Brian used to write blog posts about the stocks we covered in our daily Wallstrip.com video show. When I started StockTwits, I called Brian and told him what we were going to do and he instantly wrote a check to invest. Brian is not only a super-successful trader, but also an avid teacher of technical analysis. It is not an accident that about one-third of the traders featured in this book point to Brian as the mentor who has had the biggest impact on their market careers.

LEARNING THE HARD WAY

A few weeks before I made the transition from a retail stockbroker to full-time trader, I learned that the market doesn't care about my opinion. Of course, I learned this lesson the same way everyone else does, the hard way! I had been trading a company called Chantal Pharmaceuticals (CHTL) really well for a few weeks and held a larger position than I should have over the weekend. My confidence was high and the company had a "miracle wrinkle-removing skin cream" that seemed to be selling very well and getting a lot of positive press. Well, *Barron's* exposed the company for what it was (a fraud), and the next Monday the stock opened down 30 to 40 percent or so. I sold the stock and was mentally crushed, but it was a great lesson in risk management and proper position sizing. I think it was about six months later when the company filed for bankruptcy. The setback delayed my transition to full-time trader as I built my equity back up. Looking back, it was the best time to learn that lesson, because it taught me to be skeptical and careful about my risk management.

I started as a retail stockbroker in Boston, and it didn't take me long to realize that the job was a glorified telemarketing position. I learned a lot as a retail broker about sales, people, and some stock strategies, but it wasn't where my heart was. I was fortunate to have the brokerage experience because it allowed me to realize how markets operated while I controlled other people's money and did not have the emotional attachment that comes with your own equity. It allowed me to appreciate the value of managing positions versus the buy-and-hold mentality that was so popular with retail brokerage firms; it helped me identify my niche.

After a few years as a broker I found a New York City firm that let me trade its capital remotely. This experience got me started in full-time trading and really fired my passion for learning more about the markets and implementing new strategies. After trading from home for about a year with that firm, I opened a trading office with a partner in downtown Denver. This office was similar to many of the trading offices in the early and mid-1990s where customers came in to trade on our equipment in exchange for a piece of the brokerage commissions they paid. This was a nice setup, and we kept at that for about two years until a competing firm approached us to join up with them. That firm was Market Wise Securities, and with it we had the opportunity to trade larger accounts at great commission rates and did not have to bother with the day-to-day operations that my partner and I were not very enthusiastic about.

I stayed at Market Wise for about five years, and it was there that I realized that in addition to being the most profitable trader at the firm, I could also do an effective job of teaching others the principles of trading; I had a talent for explaining the way markets operate. Teaching about the markets is something that sped up my own learning curve, and it allowed me to realize that "the simplicity of the markets is their greatest disguise," as the owner of Market Wise, David Nassar, liked to say.

I left Market Wise in 2004 and since then I have written my book *Technical Analysis Using Multiple Timeframes* (LifeVest Publishing, 2008) and started a subscription product with StockTwits. My passion has always been trading, and I continue to evolve and hone my approach. The biggest thing I continue to realize about attaining success in the markets is that it is a simple approach combined with a clear mind and strong money management principles that reward participants most frequently.

THE TRUE VALUE OF TECHNICAL ANALYSIS

Technical analysis gets a lot of criticism from people who do not fully appreciate the level of simplicity and ingenuity that it can offer in the right hands. I believe that terms like Hindenburg omen, death cross, golden cross, Fibonacci level, Adams pitchfork, lunar cycle, and so on are largely a distraction from the true value of technical analysis: simple recognition of trend, timing, and risk management. I would never say that some of those indicators are worthless, but there is only one thing that pays us or punishes us in the market and that is price action. Only price pays! So doesn't it stand to reason that we should focus our attention on price action? That is what this chapter is about. If you are looking for any new science in technical analysis or a cleverly named pattern, flip to another chapter. If you are interested in how to utilize stock charts to find low-risk/high-potential trade ideas and manage risk, let's get started.

Many people mistakenly use technical analysis as a system: buying moving average (MA) crossovers, or shorting when an indicator flashes "oversold." Technical analysis should be used as a framework to form our analysis, which starts with a simple understanding of market structure. When we analyze the market based on listening to its message, we can assess probabilities of success and risk objectively and plan our trades without the damaging influence of emotions. Many experts will tell you to control your emotions, which is obviously easier said than done. It is better to have a plan of action laid out in advance to minimize the chances of emotions coming into the decision-making process.

We know that stocks are either advancing, declining, or in a neutral period. Cyclical analysis recognizes there are four stages of a stock's life cycle: Stage 1—accumulation, Stage 2—markup, Stage 3—distribution, and Stage 4—decline. Putting labels on the stages of the life cycle allows us not only to easily recognize and scan for opportunities, but also to recognize times of uncertainty so we can step aside and have the safety of cash as a position. Generally speaking, trend traders want to be long stocks in Stage 2, to be short in Stage 4, and to avoid the neutral Stages 1 and 3.

TREND ALIGNMENT

Trading and investing sound easy with phrases like "the trend is your friend"; just buy a stock in an uptrend and sell when it stops going up, right? The problem is that there can be several trends present that send conflicting messages. The longer term may be in a solid uptrend, but in the short term the stock may be experiencing a normal, but brutal, bout of profit taking. These pullbacks can be the beginning of the end, or they may just be the pause that refreshes before the stock is able to continue on to new highs. The fact is that at the time the stock is undergoing short-term profit taking, the uncertainty can be high and if you buy the stock just as it begins to correct, you can experience large losses in the short term while still being correct about the longer-term trend. If your timing is off, you may be stopped out of what might have been a good trade. In order to stack the odds of success in your favor, analysis of multiple time frames will allow you to make much better decisions on the timing of your entries, which puts you in a position of strength right from the beginning of your trade.

When we analyze a stock with charts, we should use a minimum of three different time frames. Just as Charles Dow recognized three different trends, we should start with those as a minimum. For this example we will consider the goal of finding a good swing trade candidate. To start our analysis, we should begin with a longer-term time frame. In this case that will be a chart with daily candles that shows approximately one year of data. Using just price, volume, and a 50-day moving average, we should be able to figure out what the primary trend is. A very quick way to sum up the trend here is to observe the location of the stock in relation to the 50-day moving average and what the slope of that moving average is. Generally, we will consider the stock "innocent until proven guilty" if it has a pattern of higher highs and higher lows above a rising 50-day moving average and "guilty until proven innocent" if it shows lower highs and lower lows below a declining 50-day moving average. When analyzing volume, we want to see a pattern of expanding volume in the direction of the trend followed by lighter volume as volatility contracts and short-term corrections ensue. Assuming that we are looking for a long-side trade, we will start with a stock in an uptrend and then drill down our analysis to a shorter-term time frame.

The intermediate-term time frame a swing trader will want to consider is a chart constructed with 65- or 30-minute candles. We will generally observe 20 to 30 days for this time frame. The 65- and 30-minute time frames are ideal here because they allow us to look at the data without it being scrunched up if we were using a shorter-term time frame for this many days. It is also important to make sure that we have the data presented with an equal number of candles for each day. With 390 minutes in a trading day, if we were using 60-minute candles, there would be six candles with 60 minutes of data and one candle with 30 minutes of trading data; this is similar to comparing six apples to one orange. It is more accurate to observe six equal periods of 65-minute data or 13 periods of 30-minute data. I think the absolute best moving average (MA) to use on this time frame is a 5-day MA. Be careful not to enter a 5-"period" MA, because it will follow right on top of the candles and will not provide a useful reference point. In order to look at a 5-*day* MA, we need to consider some simple math. Each day the market is open for 13 individual 30-minute periods. Over five days, there are 65 30-minute periods, so if we place a 65-period MA on the 30-minute time frame, we are looking at a dynamic 5-day moving average price of the stock. For a 65-minute chart, the 5-day MA is represented with a 30-period MA. Long trades should typically be entered as the stock is above a 5-day MA that is just starting to slope upward and is acting as support. Short sales should be placed as the stock is under a 5-day MA that is just beginning to decline and act as resistance.

What we want to observe on the intermediate-term time frame is where the stock is in relation to the 5-day MA, the slope of the 5-day MA, and where the important support and resistance levels reside. This is the time to ask two questions:

One, where has the stock come from? Meaning, has it rallied the past three days and is now extended from an important level of support? If so, we may be late to the movement and the chances of a correction (by price or through time) may be too great to justify taking a position. If instead the stock has experienced a short-term pullback and has found support, it is likely a great stock to stalk for strength with a stop just below the consolidation area. This is how we determine the potential for price risk and stop placement on the trade.

The second question we want to answer on this time frame is: Where does the stock have the potential to go? Put simply, does it appear that there will be enough profit potential relative to the risk we have perceived? If the stock appears to have a prior important level of resistance just above where it is trading, the potential for profit may not justify taking an actual trade.

The answers to these two questions allow us to determine our risk/reward profile. A commonly accepted risk-reward ratio is 1:3, meaning that you would be willing to risk one dollar to make three dollars. A ratio like this means that you could lose on two trades and still come out ahead if you made three dollars on a third trade. Trading isn't about being right all the time; it is about managing risk so you can consistently come out ahead.

Short-term analysis can be taken as deep as you like, but there is the danger that if you look too closely, you will lose sight of the forest by focusing on the trees. In other words, the shorter the time frames you look at, the greater the likelihood of micromanaging the trade becomes and you may lose out on the bigger profit opportunities observed on the intermediate-term time frame. We will continue with our swing trade example and use either a 5- or a 10-minute time frame (I like to switch between the two for more clarity; it is a way to avoid the compression of data) to get a closer look at the action. A look at shorter-term trends gives us clues for when to enter the trade and how to manage it.

For a bullish example, we will look at 15 days' worth of 10-minute data to see the four stages repeated within the longer bullish Stage 2 action. When looking at the data for approximately 15 days, we can see shorter-term cycles; and here is how we want to approach these trends with the goal of entering a stock as the trend becomes aligned. If we have bullish daily chart, the action of a swing trader should be dictated by where the stock is in the shorter-term cycle.

When we have a longer-term Stage 2 markup and the shorter-term trend is:

- *Stage 1—accumulation.* This is where we do our planning; we observe, analyze, and *anticipate* the point where buyers will take control, and we think of our price objectives and stop levels.
- *Stage 2—markup.* As the stock makes a short-term higher high, we want to buy the stock. We want to *participate* in what appears to be a developing trend. Stage 2 is also where we manage our winners by raising the stop up under higher lows.
- *Stage 3—distribution.* The stock is now showing signs of fatigue and may be in need of a correction through time; this is a good point to *exit* the position or to lock in at least partial profits.
- *Stage 4—decline.* When the primary trend is higher, this is likely just a pullback and the odds do not favor profitable short sales; it is better to *avoid* these stocks and look for better setups where trends are coming into alignment.

When we have a longer-term Stage 4 decline and the shorter-term trend is:

- *Stage 3—distribution.* This is where we do our planning; we observe, analyze, and *anticipate* the point where sellers will take control, and we think of our price objectives and stop levels.
- *Stage 4—decline.* As the stock makes a short-term lower low, we want to enter our short position. We want to *participate* in what appears to be a developing trend. Stage 4 is also where we manage our winners by lowering the stops up above the lower highs.

- *Stage 1—accumulation.* The sellers are now showing signs of fatigue and the stock may be in need of a correction through time; this is a good point to *exit* the position or to lock in at least partial profits.
- *Stage 2—markup.* When the primary trend is lower, this is likely just a short-term bout of strength and the odds do not favor profitable long trades; it is better to *avoid* these stocks and look for better setups where trends are coming into alignment.

There is no perfect time frame to trade on, as people all have different goals, levels of patience, capital resources, amounts of time they can commit to the market, and so on. The idea of trend alignment can be utilized by anyone from longer-term investors down to day traders. The value of technical analysis is to provide our framework so we can enter our trades or investments at a time that makes sense based on the cyclical flow of capital through markets.

CHAPTER 14

The Underlying Psychology of Large Players

Gilbert Mendez, @smbcapital

Gilbert has taken tape reading to a whole new level of understanding and insights. He speaks a different language than many of us, so start learning today. He is wicked smart and has a really solid understanding of market psychology.

The price of anything is the amount of life you exchange for it.
—Henry David Thoreau

BURN THE SHIPS

In the early sixteenth century, a Spanish conquistador named Hernan Cortez led an epic odyssey that caused the downfall of the Aztec empire. It has been said that upon reaching new land, Cortez told his crew to burn the boats since there would be victory or death but no going back. I "burned my boats" early on in my career and have not looked back since.

After graduating from college, I did a very short stint at a tier 1 bank and realized that I was not cut out for the corporate world. I decided to be a trader. Here I was, an Ivy Leaguer who turned down a great job to struggle making a penny trading real capital and taking real risk. In addition, my parents were not very happy about it, and it was frustrating to see graduates from my class starting to enjoy the fruits of their 120-hour-a-week jobs. It was not all fun and good times during my first two years of trading. My learning curve was quite extensive.

I must confess, I have read only two books (cover to cover) on trading: Brian Shannon's book on technical analysis and most recently Mike Bellafiore's *One Good Trade* (John Wiley & Sons, 2010). I have attempted to read many others, but somewhere in the

CHAPTER 38

Broken Butterfly Formation

Anne-Marie Baiynd, @AnneMarieTrades

In the era of the social Web, a person's reputation does not have to come from personal meetings. The time line of ideas, a person's consistency, and owning up to losses as well as wins are what matter most. While I've not met Anne-Marie, her reputation for good ideas is second to none. She offers up complete and detailed ideas around her strategy and then follows up with commentary on how trades performed.

MAJOR CORNERSTONES

I see a number of events as cornerstones in my career. The first was learning to understand market internals—the heartbeat of the market—UVOL, DVOL, TRIN, ADVN, DECN, VIX, and (most important) the movement of the E-mini futures. Without monitoring these elements, much of my trading day would be a miss.

The second high-impact event was my introduction to Brian Shannon through a Web search years ago, while I was striving to understand how the market works. He had a monumental effect on my trading career—from the volume-weighted average price (VWAP) to multiple time frames, from understanding stages that a stock goes through to paying attention to reports coming out. He taught me that in order to trade well, you must always be in a state of discovery and interpretation, and be willing to change your mind. I never realized how little I knew before becoming familiar with Brian's work.

The most recent major event in my trading career came with the discovery of the Fibonacci retracements and the notion of forward pricing. Once I taught myself Fibonacci, trading became a very personally and financially rewarding experience.

Here's something funny. I worked in recruiting for 14 years, and when I was ready for a change, I was looking for an occupation that had nothing to do with people, only machines. I'm a bit of a loner and I thought trading could employ my love of mathematics,

CHAPTER 21

A Chart Will Never Lie to You

Sunrise Trader, *@SunriseTrader*

Our friend Sunrise has a great philosophical view on trading and investing. Sunrise strives for work and trading balance. Passionate traders find it difficult to pull themselves away from the screens, because there is an endless waterfall of ideas and opportunities. Sunrise understands the power of social leverage and continues to pay it forward on StockTwits. We appreciate it.

A chart will never lie to you. The trick is not lying to yourself about what you see in it.

—@theEquilibrium

JOURNALING TO STAY ACCOUNTABLE

My personal definition of a trader is someone who holds on to stocks for a short period of time from minutes to no longer than a quarter (the time between two earnings reports). In September 2005, I became a trader. I began using technical analysis as my primary way to trade the stock market. I read countless books, attended seminars, watched numerous videos on the Internet, and listened to radio shows hosted by traders and stock market gurus. I was a sponge absorbing anything and everything stock market related to help me with my quest to become a successful trader.

It was during this time that I started to track my progress using a notebook to journal and an Excel spreadsheet to easily calculate and track profit/loss. The column headings on the spreadsheet included the following: stock name, symbol, date purchased, quantity, purchase price, date sold, sales price, net profit/loss after fees and commissions, percentage made/lost, and the number of days I held the position. In the journal I would log more information: why I bought, why I sold, charts, market conditions, support and resistance levels, and more. This may sound cumbersome, but I believe it was and still is the right way to run my trading business.

By my third year of trading, the systems I had in place to track my progress had begun to pay off. This information told me the obvious—amount made or lost and percent made or lost. What it also told me was the information that helped me to better my trading plan. It told me the reason I bought or sold, using charts and explanations of my thought process before, during, and after the trade. The real pot of gold was the knowledge gained by studying my own journal. I had made numerous trades for numerous reasons and with varied outcomes. I was then able to take the information and clearly see my strengths and weaknesses.

There were many struggles and victories, all logged into my journal and spreadsheet. One area that was of interest to me was the number of days I held on to a position. I found those that I held for four days or less had my highest percentage of winning trades. Those I held for 27 days or longer were my most profitable. This group also showed a high percentage of winning trades. I found in the 27-day or longer group that I was letting my winners run, raising my stops along the way but giving enough room so the stock price could pull back some to digest gains as it formed a new base before continuing higher.

The growth came in learning from my mistakes on positions. For example, I quickly saw that I was not cutting my losses soon enough (novice mistake number one). Another beginner's mistake I made was selling a *total* winning position quickly. Yes, I made money, but could I have let the stock work harder for me? I now ask myself a few simple questions: If I sell this position and take my profits, what stock am I going to replace it with? Does this replacement stock have a better setup or reward attached? Is the market still giving me opportunity, or is it appropriate to be in cash? Is it time to be patient, sit in cash, and wait for a pullback? Pullbacks afford opportunity if you have the guts to pull the handle.

One last note from reading my early trading journals is a basic one. My daily comments on open long positions often read, "The stock is making higher highs," and again the next day, "The stock is making higher highs." You cannot get more basic than this, but I will tell you many new traders do not ask themselves this simple question when going long: Is the stock making higher highs? When I started to see my notes say, "The stock is going sideways" or "The stock is making lower lows," I tightened stops or took profits. My journal was helping me make unemotional and logical decisions.

Keep a simple trading journal. Mine helps me to stay accountable. I use it for self-coaching and research. A review from time to time lets me evaluate past trades: what went right, what went wrong, what type of chart setup was used, stops, how profits were taken, and so on. In the end it helps me hone my skills and develop future trading plans.

I could tell you of more struggles and victories, but the bottom line is that my journal, spreadsheet, and charts have all taught me the very thing many expert traders have taught me. Mentors are important, but so is keeping yourself accountable, and a simple trading journal can really help.

HAVING A PLAN

I trade with a strict discipline and my own set of rules. I no longer hold stocks into earnings. I spend many hours studying charts and completing homework to be prepared for the next opportunity. I plan my trades by asking myself a few simple questions: What is the trend? What are the charts telling me? What are the charts telling me when I use multiple time frames? What is the setup? Where has the stock been, and where do the charts tell me it is likely to go? What is the downside (the risk)? What is the goal (the reward)? Then I ask "if this, then that" questions.

Example: *If* price is at support, *then* what is likely to happen? *If* price is at resistance, *then* what is likely to happen? *If* the market gaps up, *then* what am I going to do? There are endless "if this, then that" questions that can be asked. Bottom line: These questions help me anticipate and plan so I can act and not react. I am ready to trade.

I have chosen a profit trading style of laddering out of winning trades. I like to enter a trade and take partial amounts off the table as the price climbs. The first partial position is removed quickly. This gives me a payday and instant gratification. At the same time I will then raise my mental stop. I rarely use a hard stop anymore. That is just my preference, as I am available to watch my positions during the trading day. If you have trouble cutting losses or you cannot watch your positions, hard stops may be the appropriate way for you to trade. I will continue to pay myself as the stock climbs by taking additional partial profits. The last rung of the ladder I let ride until my trailing stop is hit or market conditions suggest a total removal would be prudent.

There are many possible guidelines on raising stops. As a stock moves higher and clears a key resistance level, that level will often get a back test. The stock should find good support on any dip back to that prior resistance area. The stop can be moved to a spot just below that former resistance (now current support) area. As the price continues to break resistance levels, the stop can be adjusted again and again.

Position traders are good at letting their winners ride and moving stops along the way, often having no particular topside in mind. They stay in the position until the chart gives a definite sell signal. Position trading is a new area for me. I have recently started to adapt this style on some trades but am still experimenting and working on skill development.

I always say more green than red. We all lose and make trades that go against us. All traders, if they are honest with themselves, have been there and done that. When this happens you must pull away from the market, take a breath, and start anew. That might mean a few moments to a few days. Remember that cash is a position.

Go back to the basics, do your homework, and trade very lightly. You can also do what I like to call "batting practice" and paper trade. You must be patient, patient, patient. Did I say you must be patient? Yes, you must be patient, with yourself and mostly with the market. Let the market and the charts come to you. They will if you wait for the setups and have a plan.

I have found that if I have a clear plan (trend identified, chart setup, risk/reward, stop, etc.) prior to the execution of any trade and follow the plan, it is much easier regardless of the outcome. The most important thing is to preserve your financial and mental capital so you can trade another day. You must manage risk.

THE STOCK MARKET REFLECTS HUMAN EMOTIONS

I trade with a strict discipline, and to this day if any negative thoughts creep in too much I close out all positions I have in the market and make myself walk away from trading for the time being. You notice I said "too much"; we are all human and emotions are a wonderful part of living. This may sound ridiculous and not very macho, but it works. Leave your emotions outside the trading door and save them for other parts of your life.

I believe the stock market reflects human emotions as much as it reflects fundamental or technical values. I further believe that most of the fundamentals are already baked into the stock charts. Technical analysis is the study of price, time, and sentiment of an index, sector, or individual equity. Technical analysis helps me read the message of the market by identifying the trend and seeing price action. It draws a picture. Technical analysis is a predictor of what's coming. It shows me what the market knows and what I don't. I use technical analysis to guide my decision process.

My market approach is simple; first and foremost my job is to manage risk.

Next it is to identify the different cycles and stages of the market. The key is to identify and recognize which stage of a cycle a stock is experiencing and select accordingly.

A component to cycles of the market and being a trader is identifying support and resistance. Support and resistance can be defined as action and reaction or supply and demand. These two factors are the result of the interaction between fear and greed. Once you determine the preceding you can continue on and look for particular chart patterns and setups that have the best odds for success.

When a clear trend is established, whether it be an uptrend or a downtrend, position sizing is a key factor to either making some money or making the big money. What I mean by this is that when a market gives you clear direction of the trend you must be willing to trade larger positions than when a market is in a channel or basing. Establishing position sizing rules for various market conditions will elevate you from novice to expert trader level in no time.

I keep my exposure to the market, including position size and number of positions, consistent with my overall market analysis. As the market becomes overbought or extended my cash level increases. Then as the market gets oversold and undervalued, I look for opportunities to increase my market exposure. I seldom have more than 10 individual positions at one time. I am most comfortable with five to seven positions.

My charts are simple, with few indicators. When swing trading I use the daily chart with price history and a moving average or two. I also use a volume indicator with a 21-day moving average. Price is what pays (as Brian Shannon would say) and should always be your first indicator. Volume should be used as a way of confirming the price action. I often use two secondary indicators, moving average convergence/divergence (MACD) and Relative Strength Index (RSI). In the interest of space I won't go into a long