



**Your Free Wrap today is based on an extract from the latest Edition 566 of Jim Berg's 'Investing & Online Trading' Stock Report**



## Updates on Jim's Australian Signals Services By Jim Berg and John Atkinson

### 1. Introduction

Jim Berg's Australian Signals Service is a 'do-it-for-you' facility, designed to teach Members which Signals to buy, when to buy and, more importantly, when to sell.

Each evening, Jim and his team analyses the entire Australian market after it has closed. We then send our Signals Members the results of our comprehensive analysis - in the form of any new Entry and/or Exit Signals triggered that day if applicable..

The latest prices and stop loss values are also updated in a Master Log of all 'open' trading 'positions' in the Australian share market, so that Signals Members can watch the management 'real time' of those 'open' Signals.

When the market switched to a falling trend in June 2015, Jim:

- i) Closed all open 'Long' positions in our weekly Report's notional portfolio and switched to trading the downside using Inverse ETFs in his Signals Service; then
- ii) Started publishing his new monthly 'Momentum Picks' in Edition 522 of our Report in July 2015, to help Report Members find "*Rising Shares in Falling Markets.*"

We have progressively covered our ongoing research of these in previous Editions of our Report since mid-July 2015. Today we provide an update on recent developments within Jim's *Australian Trading and Investing Signals Service.*

### 2. Research Trading Signals

Jim's analysis in late 2015 of the half year performance of several Momentum Picks (after they had been posted in our weekly Report) looked favourable.

Therefore, in Edition 549 of our Report (in February 2016) we announced that as a new initiative, Jim was also looking to start adding potential Entry Signals in new '*Rising Shares in Falling Markets*' for Trading Signals Members.

Jim's extra 'Research Trading Signals' sheet was originally entitled 'Research' and still currently remains for Research Purposes - with Caution to be exercised -because:

1. Originally, in February 2016, the ASX200 (XJO) was in a falling trend
2. Since 6th May 2016, the XJO has been in a rising trend, but Jim Berg has a Caution in place until further notice e.g. until the Banking Index becomes a rising trend (see this week's [latest Edition](#)).

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These 'Research Trading Signals' are managed using Jim's slightly modified trade management rules which he has developed and is continuing to develop, test and measure during this current cautionary period. We continue to progressively publish these developments in our weekly '[Investing & Online Trading](#)' Report.

In Edition 549 in February 2016, we wrote; "These new 'Long' share positions will be for research purposes only - **to find shares in rising trends while the overall market is still falling**, then to test and measure the results.

*Buying positions against a falling trend carries extra risk, so Jim will encourage Signals Members to use extreme caution and Jim will continue to exercise his usual discipline regarding his entry and exit triggers."*

That warning was well founded as the first 5 of these new 'Research Trading Signals' trades from 15<sup>th</sup> February – 31<sup>st</sup> March 2016 were exited at losses of -2.1% to -12.9%, with another exited at a **+15%** Profit Target.

This was a much lower success rate than we would normally expect and reflects the 'messy' trading conditions which we have documented at length in our weekly Report this year. However, "Rome wasn't built in a day". Similarly, experienced traders understand that 6 trades do not define the success of a Trading System and that persistence is required.

Subsequently, during April and May 2016, market conditions improved. The following charts and trading notes show the results of Jim's 5 latest 'Research Trading Signals' notional trades which were 'closed' during May 2016:

### JB Research Trading Signals - Closed Trade #1:

**Trade #1\*\*** daily chart had a 'JB Alert' and **Blue Bar Volatility** entry signal in April 2016.\*



**Trade #1 Daily Chart**

**Action:** Notional trade exited with Jim's JB Volatility Trailing Stop with a **- 4.9 %** loss.

Notional Results reflect absolute trading stop loss discipline. The past performance of a stock/share is not and should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. This service, like all other financial services, is subject to market forces and unpredictable events that may adversely affect its future performance.

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### JB Research Trading Signals - Closed Trade #2:

Trade #2\*\* daily chart had a 'JB Alert' and Blue Bar Volatility entry signal in April.



Trade #2 Daily Chart

**Action:** Notional trade exited with Jim's JB Profit Taker with a **10.0 %** profit.

### JB Research Trading Signals - Closed Trade #3:

Trade #3\*\* daily chart had a 'JB Alert' and Blue Bar Volatility entry signal in April 2016.



Trade #3 Daily Chart

**Action:** Notional trade exited with Jim's JB Profit Taker with a **10.0 %** profit.

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## JB Research Trading Signals - Closed Trade #4:

Trade #4\*\* daily chart had a 'JB Alert' and Blue Bar Volatility entry signal in April 2016.



Trade #4 Daily Chart

**Action:** Notional trade exited with Jim's JB Profit Taker with a **12.1 %** profit.

## JB Research Trading Signals - Closed Trade #5:

Trade #5\*\* daily chart had a 'JB Alert' and Blue Bar Volatility entry signal in May 2016.



Trade #5 Daily Chart

**Action:** Notional trade exited with Jim's JB Volatility Trailing Stop with a **- 3.3 %** loss.

{All charts above drawn using our [JB Premium Charts](#) /data package.}

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### 3. Summaries

Tables 1 and 2 summarise the results of these latest Research Trading Signals notional trades:

**Table 1**

| Jim Berg's 'Research Trading Signals' Update:<br>Closed Notional Signal Trades May 2016 |            |             |                                  |            |            |                       |                   |  |
|---|------------|-------------|----------------------------------|------------|------------|-----------------------|-------------------|--|
|   | Entry      |             | First Exit* - Using DAILY Charts |            |            |                       |                   |  |
| Trade No  | Entry Date | Entry Price | Exit Trigger*                    | Exit Date  | Exit Price | Time in Trade (WEEKS) | Notional Result % | Notional Profit or Loss on \$12,500 position |
| 1   | 12/04/2016 | \$22.47     | Trailing Stop                    | 2/05/2016  | \$21.36    | 2.9                   | -4.9%             | -\$617                                       |
| 2   | 19/04/2016 | \$103.52    | JB Profit Taker                  | 16/05/2016 | \$113.87   | 3.9                   | 10.0%             | \$1,250                                      |
| 3   | 26/04/2016 | \$3.44      | JB Profit Taker                  | 9/05/2016  | \$3.78     | 1.9                   | 10%               | \$1,235                                      |
| 4   | 27/04/2016 | \$10.95     | JB Profit Taker                  | 27/05/2016 | \$12.28    | 4.3                   | 12.1%             | \$1,518                                      |
| 5   | 4/05/2016  | \$12.50     | Trailing Stop                    | 19/05/2016 | \$12.09    | 2.1                   | -3.3%             | -\$410                                       |
|   |            |             |                                  |            | Average    | 3.0                   | 4.8%              | \$2,976                                      |

\* Either Daily Initial Stop, JB Adjusted Stop, JB Daily Trailing Stop, JB Profit Taker or JB Profit Target

i.e. \$3k or 3% profit on notional \$100k portfolio in 3 weeks (of which at least \$50k remained 'in cash' in May 2016)

**Table 2**

SUMMARY of Closed Notional JB Signals TRADES May 2016

**1) Success Rate**

|                         |          |
|-------------------------|----------|
| No of profitable Trades | 3        |
| No of Losses            | 2        |
| <b>Total</b>            | <b>5</b> |

Success rate: **60%** (exceeds target >50%)

**2) Profit- Loss Ratio**

|                |       |
|----------------|-------|
| Average Profit | 10.7% |
| Average Loss   | -4.1% |

Profit Loss Ratio **2.6 to 1** (exceeds target 2:1)

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We plan to progressively publish results of more closed notional Signals trades in a similar format in our [weekly Report](#) in future.

On 1 June 2006 S&P DJI Commentary wrote; "*The S&P/ASX 200 recorded a **3.1%** total return for May as the economic outlook turned for the better*" In comparison, how did Jim's Research Trading Signals perform in May? We see above that\*:

- The duration for Jim's 5 closed research Signal trades in May 2016 varied from 2.1 to 4.3 weeks, with an average of 3 weeks
- The average net profit, after losses, for these 5 closed trades (excluding dividends received and transaction costs) was **+4.8%** per trade in those 3 weeks
- The last column in Table 1 above shows the individual profits and losses for \$12,500 position sizes, based on a \$100k notional portfolio, split into 8 equal \$12.5k positions. The net total profit (after losses) equates to **\$2,976**, or a **3% increase** in a \$100k notional portfolio **in just 3 weeks**.
- Importantly, as there were only a maximum of 4 of these 5 trades open at any one time, this means that at least 4 of the 8 available \$12,500 equivalent positions ( i.e. at least \$50k - **or half** - of this \$100k notional portfolio), remained '**in cash**' during that month.

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## 4. Latest Update

### 4.1 Jim Berg's 'Research Trading Signals'

Every night since 15 Feb 2016, we have posted an extra spreadsheet for [Trading Signals Members](#) called '**Australian Research Trading Signals**, showing:

- ✓ Entry Signals information, including max. entry price and Initial Stop Loss value
- ✓ Updated prices and Stop Loss values for all shares which meet the entry criteria
- ✓ Exit Signals and exit triggers where applicable

This sheet was originally included to find *rising shares* while the ASX200 (XJO) was in a *falling trend*.

Since 6 May, the XJO has been in a **rising trend**, however since that time Jim Berg has issued a Caution which remains in place until further notice e.g. when the Banking Index also becomes a rising trend. ([See this week's latest Edition](#)).

Accordingly, these extra Australian Research Trading 'Long' Signals are still being provided to Trading Signals Members for research purposes -- to help them locate and monitor shares which give entry signals in rising trends, while Jim has a Caution in place.

Until recently, these '*rising shares*' were selected from Jim's '*Momentum Picks*' only, as published in [our Report](#) each month. Since Monday 24<sup>th</sup> May 2016, we have also now been looking to add a selection of hand-picked Australian shares to these Lists which are:

- A) In '*smooth*' rising trends visually i.e. without extensive sideways action or extreme volatility
- B) Have > 350 Million market cap and are > \$1 in price
- C) Have given a JB Alert and JB Blue Bar Volatility Entry Signal

So far since 24 May 2016, we have notified Signals Members of 6 new Volatility Entry Signals from these additional searches and, moving forward, we will continue to look for more. We will also continue to test, measure, then publish their results in [our Report](#).

### 4.2 New! Jim's 'Research Investing Signals'

Our recommendation remains to continue to exercise caution in this current market. That's why initially we were hesitant to research the same entries from Jim's Research Trading Signals selections using weekly charts.

However, this week, we have now gone back and reviewed the track record of all the Research Trading Signals selection posted since 15 February 2016 and found \*:

- i) Many of these research positions which were '*closed*' using daily charts would still be '*open*' using weekly charts.
- ii) Several which were '*closed*' at losses using daily charts would now be in open profit using weekly charts
- iii) 1 position would have been '*closed*' at a **-13.4%** loss using Jim's Emergency Stop on weekly charts, vs **-2.1%** loss on a daily charts trailing stop, with 5 positions currently showing small open losses of **-1%** to **-3%**.
- iv) However, 7 of the 10 remaining open positions would be showing open profits of greater than **+10%**, of which **3** would be over **+24%**, to a maximum of **+39.9%**, all based on Monday 6<sup>th</sup> June's Close.

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Accordingly, starting last week we have temporarily posted a new Australian 'Research Investing Signals' spreadsheet in the Home Pages for both Trading AND Investing Signals Members.

This is to provide extra education to help Signals Members locate and monitor shares which give entry signals in rising trends - while Jim currently has a CAUTION in place - and to show Jim's testing, measuring and posting these research results, *using weekly charts, 'live' as they occur.*

Weekly Stop Loss values are updated each weekend and closing prices are updated nightly, along with notifications of any new Entry or Exit Signals, as appropriate. This extra new 'Research Investing Signals' sheet will remain on the respective Home Pages for:

- a. [Trading Signals Members](#) to view, **until Monday 13th June only**
- b. [Investing Signals Members](#) to view indefinitely - until it is replaced with a new rising or falling trend Investing Signals sheet, after Jim removes his Caution Notice in our Report.

We also plan to summarise our findings on Jim's new 'Research Investing Signals' in future Signals Updates.

\*\*\*\*\*

## 11<sup>th</sup> Anniversary of our Report: 2 for 1 Offer



### PLEASE NOTE:

- A. It is **NOT** a requirement to be a Report Member to join Jim's Australian Signals
- B. Since March 2016, USA stocks are no longer included in Jim Berg's Signals Services
- C. Correspondingly, Signals Membership subscriptions were reduced
- D. These subscriptions (previously *per fortnight*) are now **per month** **i.e. you save 53.8% off the original rate.**
- E. Become a Signals Member before 31<sup>st</sup> July 2016 and you will also receive your first **2 months Membership for the price of 1**

Click on these links now for more information on Jim Berg's:

**1) [Australian Trading Signals Service](#)**

**2) [Australian Investing Signals Service](#)**

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