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Today's 'Stock Traders and Investors Free Weekly Wrap' Article is based on an EXTRACT from Edition 345 of the Mentoring style '*Investing & Online Trading*' Newsletter

Attention Traders & Investors in Brisbane, Gold Coast and Sunshine Coast:

Final Call for this Tuesday in Brisbane: 'An Evening with Jim Berg'



There is now only 1 day before Jim's evening seminar, this Tuesday, 6th March, in Brisbane.

At his recent [Show Me the Money](#) presentations in Melbourne and Sydney, Jim showed the US market re-entry signals in January 2012 and how close the ASX market is to following suit, provided the market continues to rise.

If so, Jim plans to re-open our [Newsletter's notional Portfolio](#) very soon.

In his presentation, Jim outlined what he is planning now to take advantage of the first moves that may be soon become available. He also showed:

- ✓ Precisely what he is looking for now before re-entering the market
- ✓ How he combines fundamental and technical analysis to increase his success rate
- ✓ Details on how he trades and invests in the market using his '*Weight-of-Evidence*' and unique JB Volatility Indicators

Please let your like-minded family, friends and associates in Brisbane and surrounds (e.g. the Gold and Sunshine Coasts) know about this special evening event. Thank you.

Savings of 40% are available and you may invite guests to come with you at this specially discounted rate too.

You also receive a Free Bonus package worth \$127, including Jim Berg's '*Stock Trading Handbook – Fundamental & Technical Analysis Combined*'.

To secure your seat, or for more details, [Click Here Now >>>](#)

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JB Trading System: Step 1

How to Filter a List of "Experts' Picks for 2012"

By Jim Berg and John Atkinson

1. Introduction

In 'Step 1: How to filter watch lists' - we show how to determine which shares - as recommended by 'experts' - pass Jim's rules. Jim provides a tutorial each week for you to complete, with the results of his own analysis the following week.

The beginning of each calendar year brings out numerous share 'lists'. Brokers, newsletters and magazines each publish lists of companies that have the "...potential to produce excellent returns over the next 12 months..."

In recent months Jim has shown how he tests each 'Expert Pick' with his own strict 'Weight-of-evidence' rules. Please refer to the PDF 'Newsletter Introduction, Your Member Benefits & Discounts' in the 'New Members Resources' section, in the right hand margin of the [Members Only Library](#) for more background to this series of articles.

Today, we continue our latest series of Watch Lists for 2012, with five more from a 'Broker/Expert' picks List for February. *Disclaimer:* As always, the companies featured in this newsletter are presented for educational purposes only. They are **not** buy or sell recommendations.

2. Broker Picks February

A leading broker/analyst selected his best ten companies for investment for February. The next five companies from this List are analysed below. Jim based the following analysis on *weekly charts as at 24th, February 2012*:

Stock #1 is in a **rising trend**.....**.

(** Please Note: Stock codes and details of Jim Berg's Rising Trend and Trading Rules are excluded from sample extracts of the Newsletter. They are presented in full to subscribing [Newsletter Members](#)).



Stock #1 Weekly Chart

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Stock #1 has a JB 'Alert' signal. **



Stock #1 Daily Chart

Stock #2 is in a rising trend..... **



Stock #2 Weekly Chart

Stock #2 has not had a JB 'Alert' & Blue Bar Volatility entry since the rising trend signal **

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Stock #3 is in a **falling trend**.....**



Stock #3 Weekly Chart

Stock #4 is in a **falling trend**.....**



Stock #4 Weekly Chart

Stock #5 is in a **falling trend**.....**



Stock #5 Weekly Chart

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

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3. Pulling It All Together

We use Jim's 'Weight-of-Evidence' stock selection tool to help us summarize our observations in our '[Investing and Online Trading](#)' mentoring-style Newsletter.

To qualify as a potential 'buy', a stock must pass all of Jim's 'Weight-of-Evidence' Rules. If any share does not pass a Rule, enter a **N** for 'No'. With the exception of Rule #3**, there is no point analysing this share further, so usually we move down and look at the next share on the list.

Members can download the Stock Selection Tool with our compliments from the 'New Members Resources' section, in the right hand margin of the [Members Only Library](#)

Table 1: Filtering Using 'Weight-of-Evidence'

Broker Picks Feb : as at 24/2/12								
RISING TREND CRITERIA								
Name	Ticker Code	Pass JB's Fundamental Criteria? #	Jim Berg's Rule #1	Jim Berg's Rule #2	Jim Berg's Rule #3	Jim Berg's Rule #4	Jim Berg's Rule #5	Jim Berg's Rule #6
Stock	#1	Feb Picks	Y	Y	Y		Y	N
Stock	#2	Feb Picks	Y	Y	Y		N	
Stock	#3	Feb Picks	Y	Y	N	N		
Stock	#4	Feb Picks	N					
Stock	#5	Feb Picks	N					

Two of the companies analysed this week are in a **rising trend** with one recent **# JB 'Alert'** signal. (**# Within previous two weeks.**)

{Newsletter Members will now watch to see if Stock #1 passes Jim Berg's Rule #6 and Stock #2 to pass Rules 5 and 6 in coming days. **}

(** Please note: Stock codes and details of Jim Berg's Rising Trend and Trading Rules are excluded from sample extracts of the Newsletter. They are presented in full to subscribing [Newsletter Members](#)).

4. The Next Watch List: OracleSCAN Tutorial

[OracleSCAN](#) is a powerful search engine that has the ability to find stocks based on both technical and fundamental criteria.

It can identify undervalued companies based on pre-programmed searches, or you can build your own individual searches based around your exact investment criteria.

The program combines professional level analysis with a user-friendly interface suitable for everyone regardless of your level of computer knowledge. [OracleSCAN](#) will save you many hours and it makes the onerous task of researching companies balance sheets fun.

Craig Kirby at Oracle Traders provided us with an interesting search for our Newsletter Members to use by combining fundamental and technical analysis; analysts target price and analyst consensus recommendation, as follows:

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- Capitalisation – Average, high or very high
- Dividend Yield > 3
- Analyst Target Price > current close
- Consensus Recommendation – buy, hold or outperform
- Debt/Equity Ratio < 35
- 9 day moving average > 21 day moving average

The screenshot shows the OracleSCAN search interface. At the top, the search name is 'Kirby Scan'. Below this, a table lists the search criteria:

Field	Condition	Value
Capitalisation	is	Average or High or Very High
Dividend Yield	is greater than	3
Analyst Target Price	is greater than	Close
Consensus Recommendation	is	Buy or Outperform or Hold
Debt/Equity Ratio	is less than	35
9 Day MA	is greater than	21 Day MA

Below the criteria table, a 'Search' button is visible. The results section shows data updated on Wednesday, 29 February 2012, with 27 securities found. The results are displayed in a table with the following columns: Symbol, Name, Capitalisation, Dividend Yield, Analyst Target Price, and Close. The first five companies are listed below:

Symbol	Name	Capitalisation	Dividend Yield	Analyst Target Price	Close
		\$6,882M	4.83%	\$3.47	\$3.31
		\$6,119M	4.40%	\$9.90	\$8.40
		\$5,645M	5.71%	\$3.34	\$3.12
		\$5,426M	5.91%	\$32.77	\$30.98
		\$3,170M	3.05%	\$17.02	\$15.40

This [OracleSCAN search](#) found 27 securities which matched the criteria above. The first 5 companies are:

(** Please note: Stock codes and details of Jim Berg's Rising Trend and Trading Rules are excluded from sample extracts of the Newsletter. They are presented in full to subscribing [Newsletter Members](#)).

Members are encouraged to set aside a few minutes to complete today's tutorial:

- Download Jim Berg's '*Stock Selection Tool*' from the [Members Library](#).
- Rename the file (e.g. to '[OracleSCAN](#)'), then change the column headings to reflect your own rules, or borrow Jim's rules as listed
- Enter the **five companies** mentioned above, one per row

Systematically and progressively enter **Y** for **Yes** or **N (No)** for each of these 5 companies and the respective rules – to identify those shares which pass all the tabulated criteria, **as at Friday March 2nd, 2012**.

Feel free to amend the template to replace Jim's rules with your own. This tutorial is an educational exercise, *not advice*. Next week, in our '*Investing & Online Trading*' Newsletter Jim will show the details of his own analysis for these first 5 stocks and name the next 5 to be analysed.

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"Life belongs to the living and he who lives must be prepared for changes"

- Goethe

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