



Share Trading Education.com

Your Financial Independence is at the Heart of Everything We Teach

Your Free Wrap today is based on extracts from the latest Edition 570 of Jim Berg's 'Investing & Online Trading' Stock Report



1) Celebrating 11 Years!

Last Saturday, 2nd July marked the 11th Anniversary of our weekly mentoring-style ['Investing & Online Trading'](#) stock market Report and our regular Wrap extracts.

Over those 11 years, we have aimed to provide the best education we can, particularly on how Jim Berg:

- Times the 'Big Picture' on when to be in the market, vs. when he 'goes to cash' (and - over the last year - how to trade the falling trend)
- Uses his world famous JB Volatility Indicators and common sense 'Weight-of-Evidence' approach to make sure that:
 - i) A stock, share or Index 'ticks all his boxes' before he buys and
 - ii) Jim has a documented Rule to follow for managing his open positions under all scenarios - so he never wakes up in the morning and wonders how to respond to the latest developments



A former District Court Judge & Order of Australia Member writes:

" Jim, delighted to see you featuring in the latest ASX newsletter.

Very well written if you don't mind me saying so and as usual it is of great use to me in trying to work out where we are at the moment.

The information I get from your weekly reports and yearly training sessions provides the basic rules for me in everything I have done in the stock market for many years now.

I had been with a number of educators before finding you and John, but in every case, much of what they taught simply did not ring true and was sometimes even illogical.

From the moment I came across you and your methods, everything clicked into place. I couldn't survive without your help. It is invaluable.

My profound thanks to you both"

Kingsley Newman AM, Private Investor, Adelaide, SA, June 2016

We thank Kingsley again and all our other supporters over the 11 years most sincerely for all your support, feedback and constructive suggestions we have received along the way.

Customer Caution Notice Jim Berg is an Authorised Representative (AR No. 322724) and ShareTradingEducation.com Pty Ltd is a Corporate Authorized Representative (CAR No. 322726) of Longhou Capital Markets Pty Ltd, AFSL 292464. Direct investing in the stock market can result in financial loss. This educational information is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. Refer also to the Customer Caution Notice at the back of this document and our [Terms and Conditions](#)

Since we first started in July 2005, we have always believed in continual improvement, so as we move forward together into our 12th year of publication, we would love to hear from you as to any improvements /extra topics you would like to see covered.

Please email us at info@sharetradingeducation.com. This will help us to help you even better.

Please also recommend this Wrap, our weekly Report and our website at ShareTradingEducation.com to all those family Members, friends and associates who you feel will also benefit. Thank you for your referrals!

2) Brexit, Before and After:

1. Mid 2015 to May-2016

In mid-2015, Jim Berg closed our Report's notional portfolios for Australia and USA, when they switched to **falling trends**.

Those Report Members who followed Jim's lead in mid-2015, switched to cash and thereby protected their trading and investing capital from the risk of losing money in a falling trend.

In this article we look at some of the key developments in the Australian and USA markets which we have progressively flagged in our weekly mentoring-style ['Investing & Online Trading Report'](#) in recent months, leading up to the June Brexit vote – and since.

January 2016: In Edition 546 of our Report, we drew attention to the potential for a key reversal Signal in the USA's S&P500, just the day before; "*On Friday 15th Jan 2016, the S&P 500 traded below its August 2015 Low, then rebounded intraday to close above .*"

February 2016: A month later, in Edition 551, we flagged that the S&P 500 had fallen back to the January Low and rebounded. We also wrote that this had the potential to become a bullish reversal, known as a *'double bottom reversal'*.



S&P 500 Daily chart

March 2016: In Edition 553 we showed that the S&P500 had confirmed that double bottom reversal.

Two weeks later, in Edition 555, we wrote that the S&P500 had rallied **13.2%** in 5 weeks at that time from its Low on Thursday 11 February 2016.

April 2016: In Edition 557 we noted that previous resistance levels loom ahead at around 2130 (shown as a **bold red line**)

Customer Caution Notice Jim Berg is an Authorised Representative (AR No. 322724) and ShareTradingEducation.com Pty Ltd is a Corporate Authorized Representative (CAR No. 322726) of Longhou Capital Markets Pty Ltd, AFSL 292464. Direct investing in the stock market can result in financial loss. This educational information is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. Refer also to the Customer Caution Notice at the back of this document and our [Terms and Conditions](#)

Three weeks later, in Edition 560 we wrote; "*...we have added a **thinner red line** (just below) which may prove to be a slightly lower resistance. The S&P 500 is now looking 'toppy' and to break through these 2 lines would probably require strongly positive market fundamentals*".

7 May 2016: In Edition 562, Jim announced *within 1 day of the occurrence (on 6 May 2016)* that both the Australian and the USA S&P 500 markets had switched back from falling trends to **rising trends**

However, in that Edition, Jim decided **NOT** to re-open our Report's notional portfolios at that time.Why?

Rather, Jim issued Caution Notices to Members because:

- 1) **Australia:** There was a divergence between the ASX200 (XJO) and Banks
- 2) **USA:** "*The S&P500 Index has had 4 weekly trend changes since August 2015. This is the first time this has occurred in 87 years...*"

(To read Jim's latest view on the USA & Australian markets in this week's Edition, [Click Here](#)).

A week later, in Edition 563, we added a tentative green line to the S&P500 chart above, based on a limited number only of recent and previous small rebounds from that level and wrote; "*From here, we will look to see if the S&P500:*

- i) *Can stay above that green line and, more importantly, the psychological round number of 2,000 just below*
- ii) *Or if support will fail below these values, with a switch back to a falling trend.* "

The chart above shows that on Monday 27 June, the S&P 500 closed at, then bounced off, the psychological round number of 2000. A V-shaped strong rally this week brought the S&P500 back to close on 1 July 2016 just below the **thin red line** at **2,102.95**. Our comments from Editions 560 and 563 in April to May 2016 therefore still apply.

2. Brexit, June 2016

On 25 June 2016, in Edition 569 of our mentoring-style '[Investing & Online Trading Report](#)', we wrote:

'Over the past fortnight, we flagged the need for extra Caution, ahead of yesterday's Brexit vote. Subsequent price action around the world now shows that these Cautions were well founded.

Some Members who followed Jim's lead will have switched to cash in mid -2015, so will have already protected their trading and investing capital.

For others, every month since July 2015 in this Report we have published Jim's monthly 'Momentum Picks' Lists, with the intention of helping Members find a way to "swim upstream against an outgoing tide", without being smacked in the face by too many "...dead fish coming in the opposite direction..."

We progressively continue to publish Jim's analysis of the subsequent price action of shares selected from those lists - which were in rising trends and gave Entry Signals.

As the initial results were favourable, we subsequently began to introduce some of these 'Momentum Picks' into [Jim Berg's Australian Signals Service](#) as 'live' additional research. (To download a summary review on recent progress in Jim's research Investing Signals, [Click Here ==>](#))

*After Friday's Brexit announcement, as at the Close on Friday 23 June 2016, Jim's Research Investing Signals Portfolio is now in open profit (excl. dividends and Transaction costs), after two losses, of **+10.7%** increase in 4.3 months. **

** 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.*

Customer Caution Notice Jim Berg is an Authorised Representative (AR No. 322724) and ShareTradingEducation.com Pty Ltd is a Corporate Authorised Representative (CAR No. 322726) of Longhou Capital Markets Pty Ltd, AFSL 292464. Direct investing in the stock market can result in financial loss. This educational information is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. Refer also to the Customer Caution Notice at the back of this document and our [Terms and Conditions](#)

Where to from here?

Yesterday we received an email from Chris, one of your fellow Report Members, who wrote:

"I had a few positions open today as I have been trading and I am a bit unsure about what to do after the decision to exit for Britain.

The market has fallen dramatically and I'm not sure whether to get out now or wait for my stops to be triggered.

Do you think the down fall is likely to continue? I'm not asking for any predictions of course, just a more seasoned traders' advice I suppose. "

We cannot give specific advice to individuals as to what they should do – as we are licensed to provide our education in the form of general advice only, so this is what we replied:

"We recall after the news hit after the 9/11 attacks, USA markets were closed for a few days, then when they re-opened stock prices fell hard, but rebounded in a V shaped recovery pattern strongly very soon after.

We cannot predict what will happen this time - what we can say is what we will do with those Research Signals which we currently have open in [Jim Berg's Australian Signals Services](#).

1. We will not pre-empt or forecast what may or may not happen or exit prematurely. Rather:
2. For Research Trading Signals we will notify Trading Signals Members if any trigger their Initial, Adjusted or Trailing Stop after the Close.
3. For Research Investing Signals we will notify Investing Signals Members if any trigger their weekly Initial or weekly Trailing Stop at the end of any week, or if an Emergency Stop is triggered on any day meanwhile."

..... After the market has settled down from any extreme volatility from Brexit - Jim and his team will then look for new re-entry signals later to add to Jim's Research Signals.

Right now there are several Australian shares which have been rising steadily for months but which did not correct/retrace to give an entry. That's why, in addition to using Jim's 'Momentum Pick's Lists, we will also search the market to look for Companies to add to Jim's Signals Service which:

1. Are in smooth rising trends
2. Have corrected due to Brexit and then
3. Provide a Re-entry Signal using Jim's entry Rules, as documented in this Report, Jim's 12 new E-Classes and our other resources.

Again, extra Caution is needed to swim against the tide and extra discipline is also required to:

- 1) Take action when stops are triggered and
- 2) Stay calm while others are in a 'flap'

We have also flagged in recent weeks; "Australian Members should bear in mind that traditionally in June the XJO often has a downward bias due to some traders/ investors carrying out end of financial year portfolio balancing, by selling poor performers to offset realised profits. This is often followed by a July rally."

3. Our Latest Update:

On Friday 24 June, immediately after the Brexit vote and the subsequent global falls, we posted for Members of [Jim Berg's Australian Investing and Trading Signals Service](#):

- a. Only 2 Exit Signals for our Research Trading Signals (*leaving 5 open*) and
- b. Only 4 Exit Signals for our Research Trading Signals (*leaving 13 open, of which one rose **12.3%** on that Friday, 24 May*)
2. On Monday 27 June, the S&P 500 closed at, then bounced off, the psychological round number of 2000 (*see 1. above*)
3. And markets did in fact rebound in a V-shape, similar to the pattern observed after 9/11 (*see 2. above*)

4. Since Monday 27 June, we have also posted for Signals Members:
- 14** new Entry Signals for our Research *Trading* Signals
 - 14** new Entry Signals for our Research *Investing* Signals
 - 11** of those 14 new Entry Signals were posted for Signals Members ready for yesterday, Friday 1 July.
 - This marks a record number of new entries for 1 week since we started the Signals Service
5. **Research Investing Signals LATEST UPDATE*:**
- On Friday 24 June 2016, immediately after the Brexit decision and as mentioned above, Jim's Research Investing Signals notional Portfolio was in open profit of **+10.7%**
 - By Friday 1 July, i.e. One week later, after 2 closed losses and 1 closed profit since 16th February 2016, that \$100k Portfolio:
 - ✓ Is now showing an open profit of **\$13,055** or **13.06%** increase in **4.5 months**, with
 - ✓ 2 of the 8 open positions are now showing open losses of **-0.3%** & **-1.2%**
 - ✓ 3 of the 8 open positions are now showing open profits of **over 20%**, with the maximum in open profit of **+58.3%**

* 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.

3) Special 11th Anniversary Offer



We invite you to become a Member of Jim Berg's Australian Signals Service.

Last Saturday, 2nd July marked the 11th Anniversary of our weekly mentoring-style ['Investing & Online Trading'](#) stock market Report and these regular Wrap extracts.

As part of our 11th Anniversary celebration, join Jim's Signals today and you will also receive your first **2 months for the price of 1.**

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

- [1. Australian Investing Signals Service](#)
- [2. Australian Trading Signals Service](#)

Customer Caution Notice Jim Berg is an Authorised Representative (AR No. 322724) and ShareTradingEducation.com Pty Ltd is a Corporate Authorized Representative (CAR No. 322726) of Longhou Capital Markets Pty Ltd, AFSL 292464. Direct investing in the stock market can result in financial loss. This educational information is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. Refer also to the Customer Caution Notice at the back of this document and our [Terms and Conditions](#)

Have You Watched Your 3 FREE Trading Video Mini Course from Jim Berg yet?



**Tap into Jim Berg's
30 years' stock &
share trading &
investing experience**

Click on this link now to watch:



Your [Free Trading Video #1 of 3](#) →

Customer Caution Notice and Copyright

General Advice Warning: This document is a tool to assist you in your personal judgment. It is not designed to replace your Licensed Financial Consultant or your Stockbroker. In preparing this document, Jim Berg as Authorised Representative (AR No. 322724) and ShareTradingEducation.com ("STE"), as Corporate Authorised Representative (CAR No. 322726) of Longhou Capital Markets Pty Ltd ("LCM") AFSL 292464, have not taken into account the investment objectives, financial situation and particular needs of any particular investor, because readers come from diverse backgrounds, with diverse objectives and financial situations.

Because of that, the customer should, before acting on the advice, consider the appropriateness of the advice, having regard to their objectives, financial situation and needs; and, if the advice relates to the acquisition, or possible acquisition of a particular financial product, the customer should obtain a Product Disclosure Statement or offer document relating to the product and consider the Statement before making a decision about whether to acquire the product.

As this information is of a general nature only, you should seek advice from your broker or other investment advisors as appropriate before taking any action. In particular, this may include consultation with your Taxation Advisor regarding any possible taxation implications from selling stocks, shares, Exchange Traded Funds (ETFs) or other instruments. (ShareTradingEducation.com P/L is not a registered tax agent and any reference to tax is incidental and must be confirmed with a registered tax agent). The decision to trade and the method of trading is for the reader to decide.

STE and/or LCM and its officers, employees, agents, associates and alliance partners ("Associates") may have or may obtain an interest in the securities referred to in this letter and will receive commissions, brokerage and other fees from dealing in the securities or advising in respect of the proposed listing of the securities. LCM and/or STE believe that the information contained in this letter was accurate at the time it was compiled.

Performance Caution: **Direct investing in the stock market can result in financial loss.** The past performance of STE products is not and should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. STE's service, like all other financial services, is subject to market forces and unpredictable events that may adversely affect its future performance.

Jim Berg and STE believe that the information contained in this document was accurate at the time it was compiled. However, results reflect absolute trading stop loss discipline. Any projections made in this document are estimates only and no representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Stock tips, buy or sell recommendations are not provided in this document.

All case study trades are notional examples using reasonably attainable entry and exit points. Results reflect absolute trading stop loss discipline. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may have over or under compensated for impact, if any, of certain market factors, such as lack of liquidity

Copyright: The information contained in this document is copyright © 2016 and for the sole use of trial and prepaid readers. It cannot be circulated to other readers without the permission of the ShareTradingEducation.com. Contributed material reflects the personal opinion of the authors and is not necessarily those of the publisher. Articles accurately reflect the personal views of the authors. Sharetradingeducation.com is an independent financial education organization and research is supported by subscription fees and affiliate rebates.

OFFICES: Copacabana, NSW 2251, Australia and Glen Iris, Victoria 3146, Australia.

Disclosure of Interest: LCM/STE and their associates and authors of the *Investing & Online Trading Report*© team may hold shares in the companies featured in this Report. **Further Conditions** are specified in the [Terms and-Conditions](http://www.sharetradingeducation.com) at www.sharetradingeducation.com.

**Did You Enjoy today's Traders' & Investors' Wrap? If so,
Please email this on and share it with your friends**

They'll appreciate it and so will we! *Please do not spam, thank you.*

If you have been sent this by a friend, we invite you to sign up to our
complimentary Traders' & Investors' Club

at www.ShareTradingEducation.com - to receive your:

- ✓ Your **FREE Checklist '7 Pitfalls to Avoid in the Stock Market'**
- ✓ Future copies of our periodical Wrap - sent directly to you, with our compliments
- ✓ Many unadvertised Bonus Gifts

To YOUR Success - from Jim Berg and the ShareTradingEducation.com team