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Your Wrap today includes an extract from our latest  
['Investing & Online Trading Report'](#):

## Update: Rising Shares Within A Falling Market

By Jim Berg and John Atkinson

### A) Recap on the last month and "Where are we now"?

In the USA it has certainly been an extremely volatile end to 2018 and start to 2019, including:

1. The *worst day in stock market history* for Christmas Eve trading ever, as the S&P 500 entered a Bear Market.
2. Offset by the [best day-after-Christmas trading day on record](#), with the Dow logging its first-ever 1,000-point, single-day gain
3. For the first 2 days of January, the Dow Jones Industrial Average (DJIA) and the S&P 500 index (SPX) notched their [worst start to a year since 2000](#).
4. A strong rally followed, resulting in the best 7-session start to the year for the Dow, S&P 500 & Nasdaq [since 2006](#) !

It has yet to be confirmed whether these were Bear Market rallies within strong falling trends or the catalyst for what may eventuate later as new rising trends by Jim Berg's definitions.

However, what we can do now is to step back and look at the big picture as follows:

In our weekly ['Investing & Online Trading'](#) stock market Report, on Saturday 15<sup>th</sup> December 2018, Jim Berg advised Members that the Australian AS200 market (**XJO**) had switched to a **falling trend** the previous day, Friday 14<sup>th</sup> December 2018.

So "Where are we now?" The following *weekly chart* provides an update, as at Friday 11<sup>th</sup> January 2019:



**ASX200 Index Weekly Chart**

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The ASX200 Index (XJO) is in a **falling trend**. The index is clearly down on the year and *near prices at the beginning of 2017*.

There are also **falling trends** in several major Indices around the world, including:

- The S&P500, Nasdaq, Russell 2000, Dow Jones Industrials & DJ Transports in USA
- European markets, including the German DAX
- As well as Asian and Emerging markets.

**Importantly: the last time** both the ASX200 & S&P500 confirmed falling trends in the same week **was in early 2008**.....

..... this was followed by the **Global Financial Crisis (GFC)**, with several Bear Markets around the world declining 50% or more over the next 1 to 2 years.

## B) Looking for Rising Shares within a Falling Market

**Trading a falling market is not easy.** Most investors want to buy something of value and sell when it increases in value, so bear markets can be extremely frustrating. There are far fewer securities to trade and volatility can test the patience of even the most seasoned investors.

In addition, some of the largest price rises and consecutive positive days occur when the **Index** is in a **falling trend**.

Buying opportunities are also rarer as fewer securities are in a rising trend. So we need to look at a few different strategies for investors that only want to trade from the buy side.

Usually Jim would only look for shares in a rising trend having first checked that the overall market is also in a **rising trend**.

Jim's preferred approach for his own trading and investing is to switch to Ca\$h when the market switches to a falling trend.

However, we are also aware that some Traders and Investors may choose to trade, or invest in - or to watch (*for additional educational purposes*) those shares which '*buck the trend*'.

That's why, in Editions 699 and 700 of our '[Investing & Online Trading](#)' stock market Report, we wrote:

Accordingly, starting 19th December *and until further notice*, Jim is now also scanning the WHOLE Australian Market (I.e. not just the ASX300) each night to look for those shares which remain in a **rising trend** - while the main ASX200 is in a **falling trend**.

A) Our Plan for Jim's [Australian Trading & Investing Signals Services](#) in the current market is as follows:

1. Any shares which meet **ALL** of Jim Berg's current Technical Entry Criteria (*except that the overall market to be in a rising trend*) will appear as new Entry Signals in a new **Rising Shares Within a Falling Market 'Entry Signals Log'**, with an additional cautionary warning attached.
2. Any shares which meet **MOST**, but not all, of Jim's entry criteria will be filtered out to the '**Cutting Room Floor**' Log - in a similar process which we introduced earlier this year - for traders and investors' to look at, for additional interest purposes only.
3. For each new Entry Signal, a note will be included in the Trading Signals AND Investing Signals Entry Logs to indicate whether they also pass (or fail) Jim's Fundamental Criteria Rules

4. For those shares which meet Jim's suggested entry prices, we will then track ALL new Entry Signals for Trading using *daily charts* and Jim's *daily Stops* AND for Investing using *weekly charts* and Jim's *weekly Stops*.
5. We may also introduce **new Trading and/or Investing Rules** for this '*Rising Shares within a Falling Market*' initiative. E.g. This may include *new profit target* rules.
6. We will post Exit Signals on an '**Exit Signals Log**' and send them to Signals Members on the day they occur, when applicable.
7. We will monitor all new Signals and their Stops on a '**Master Signals Log**' for Trading and a similar 'Master Signals Log' for Investing and post the results after each notional trades is exited.

In our [weekly Report](#) we also plan to progressively feature the development and progress of some of the shares selected by Jim for this new [Signals Services initiative](#) - from Entry to Exit - as additional education for Report Members too.

This will be in addition to our planned new education in our Report on the use of Inverse ETFs which are designed to rise when markets fall.'

### C) Latest Update

The USA stock market "**...just got off to its best start in 13 years**" – see Page 2.

Here in Australia, as at the close on Friday 11<sup>th</sup> January 2019:

- Jim has identified a total of **15 Australian shares** which were still in a **rising trend** and met most - but **NOT** ALL of Jim's entry criteria – so they were filtered to his separate '*Cutting Room Floor*' Log for Trading and Investing Signals Members' to look at for interest purposes only (see 2. above).
- In addition, since 31<sup>st</sup> December 2018, Jim has found and added a total of **9 new Entry Signals** into Australian shares which **DID** pass all of his fine-tuned '*Rising Shares within a Falling Market*' entry criteria.

Of those:

- 1 is a *new Entry Signal* which appeared on Friday, so it will be posted over the weekend, ready for Monday 14<sup>th</sup> January.
- 1 was a new Entry Signal on Thursday. It exceeded Jim's recommended entry price on Friday, so was carried forward, also ready for Monday 14<sup>th</sup> January.
- 1 Entry Signal was cancelled 2 days after it was posted, as it ran '*too high, too fast*' ( Jim does not "*chase after a train after it has left the station*")
- For the other 6 Entry Signals, Jim's recommended maximum entry price was met for:
  - 5 shares: on the day after we posted their Entry Signals
  - The other remaining share – just 2 days after its Entry Signal
- For those 6 notional '*Rising Shares within a Falling Market*' trades entered to date :
  - 3 are in small notional open profit\*
  - 2 are in small notional open loss\*
  - 1 was exited at a new notional **+10% profit in 5 days\***, as shown below

\* 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.

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## 'Rising Shares within a Falling Trend'- Jim Berg's Trading Signals Notional Trade

### Stock #1\*

Industry Group – Software & Services

Date 'Purchased': 04/1/2019 Purchase Price: \$1.24

EXIT Price 10/1/19: \$1.36 (+10%)

### Entry Analysis:

This Stock was posted within a Table of Jim's 'Alert Signals' for Australia and USA, in Edition 700 of our 'Investing & Online Trading' stock market Report. It confirmed a **JB Blue Bar Volatility** entry signal on Thursday January 3<sup>rd</sup>. A notional trade was opened the following day - at Jim's recommended entry price and risk management criteria.\*



Stock #1 Daily Chart\*

**Action:** For the first of our new 'Rising Shares within a Falling Market' -  
Exited at a notional **+10%** in **5 days\***.

For [Trading Signals Members](#): We continue to monitor the 5 other notional trades using Jim's *Daily Stops* and new Profit Targets. We will report on their progress of these and others added later in coming weeks/months.

In addition, for [Investing Signals Members](#): Using *weekly charts*, this notional **RHP** trade remains 'open' for additional interest purposes, along with the other 5 notional trades added since 31<sup>st</sup> December 2018 (see above). We are monitoring all notional Investing trades using Jim's *weekly Stops\** on behalf of Members.

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Stock codes and full details of all of Jim Berg's Investing & Trading Rules are presented to [Report Members](#)



(Click for more info. on Jim Berg's 'Trading & Investing Signals Services')

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# 3 Special Offers to Celebrate our 700<sup>th</sup> Edition

Now is the perfect opportunity to hone your knowledge and skills so that you are best prepared to take advantage of the next **rising trends** in the market.

This month we celebrate the **700<sup>th</sup> Edition** of our weekly mentoring-style '[Investing & Online Trading](#)' Report with these 3 special offers:

**OFFER #1:** We invite you to [become a Member now](#) of the Report (*with no lock-in contract*) and receive this special 700<sup>th</sup> Edition Bonus Welcome Package (\$175 Value):

- 1) Jim Bergs complete Seminar **Video** '*How to Trade & Invest in the Market*' AND
- 2) Receive **your first 2 months** Report Membership for the price of **ONE**



## OFFER #2:

For a limited time only, enrol for Jim Berg's complete JB Combo Signature System Course or one of his '*Trading Strategies*' Home Study Courses to receive not one, but **6 months email support**, direct from Jim, PLUS:

- ✓ A comprehensive suite of several hours of HD videos - recorded at Jim's last 2 day '*hands-on*' Trading Academy (in May 2016)
- ✓ Along with Jim's Trading Academy Handouts, Calculators and our '*Jumbo Checklist*' and
- ✓ John's '*Academy Trading Plan*' video (which comprehensively pulls together Jim's Rules for his Entry, Trade Management and Exit criteria).

These will allow you to fully interact with these HD Videos over and over- in the comfort of your own home and to help you develop your own Trading & Investing Plan.

For more info, simply click on the links:



Jim's Home Study Courses:

- 1) '[Trading Strategies with JB Premium Charts](#)'
- 2) '[Trading Strategies with MetaStock](#)'



Jim's [Ultimate Step-by-Step JB Combo](#) (*Home Study AND JB Premium Charts with Jim's Indicators & 12 months data*)

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