

Points and Line Chart

"A New Type of Chart to Get
Strong and Clear Signals"

Presented by

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Vice President Middle East and Africa - IFTA
ESTA Board member

Price chart

- Price chart is the most important element in Technical Analysis.
- Price chart innovations and developments will lead automatically to more Technical tools, indicators and even theories.
- We do not cancel or criticize other charts, actually our chart is created because of their existence.

Types of Charts

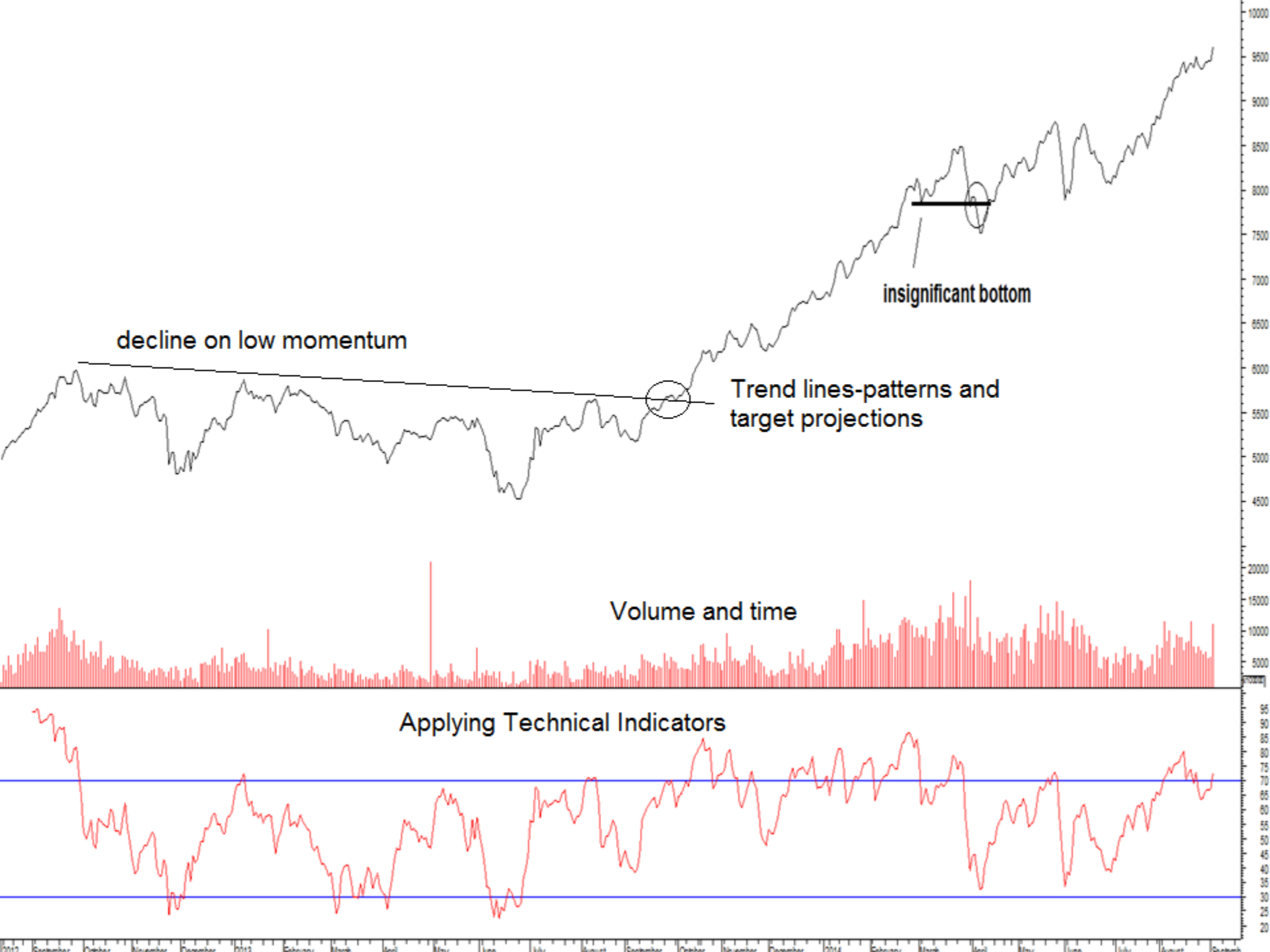
Regular Time Series Charts (Line Chart)

Irregular Time Series Charts (Point & Figure)

Point & Figure
Vs.
Line Chart

Comparison

<p>1. Smooth display (ascending and descending manner that highlights the price momentum)</p>	<p>1. It plots prices in columns (difference in rise or decline momentum will be hidden – i.e. if prices move from 20 to 24 will be plotted 4 Xs whether prices move directly or gradually)</p>
<p>2. It plots the actual prices</p>	<p>2. It plots the box size not the actual prices.</p>
<p>3. It plots every single data. (False breaks or whipsaws could happen because of insignificant support and resistance levels.)</p>	<p>3. Filtration concept (box size & Box reversal) (that focuses on the demand and supply equation and eliminates false signals, thus it provides Strong buy/sell triggers)</p>
<p>4. All types of indicators and oscillators can be applied.</p>	<p>4. It applies very little number of Technical Analysis Indicators or oscillators.</p>
<p>5. Volume and time included (Which is important to highlight significant levels and breakouts)</p>	<p>5. It does not include time or Volume.</p>
<p>6. Price patterns, trend lines and target projections.</p>	<p>6. Price patterns, 45 degree trend lines and target projections (vertical and horizontal measuring)</p>



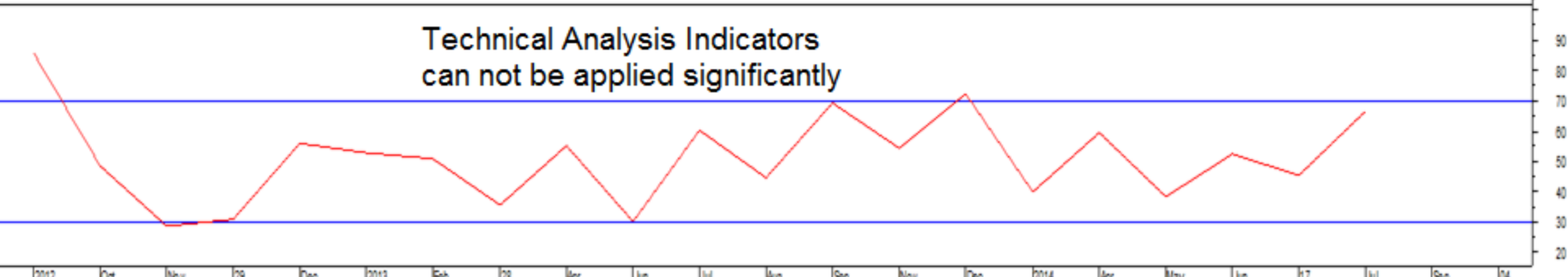
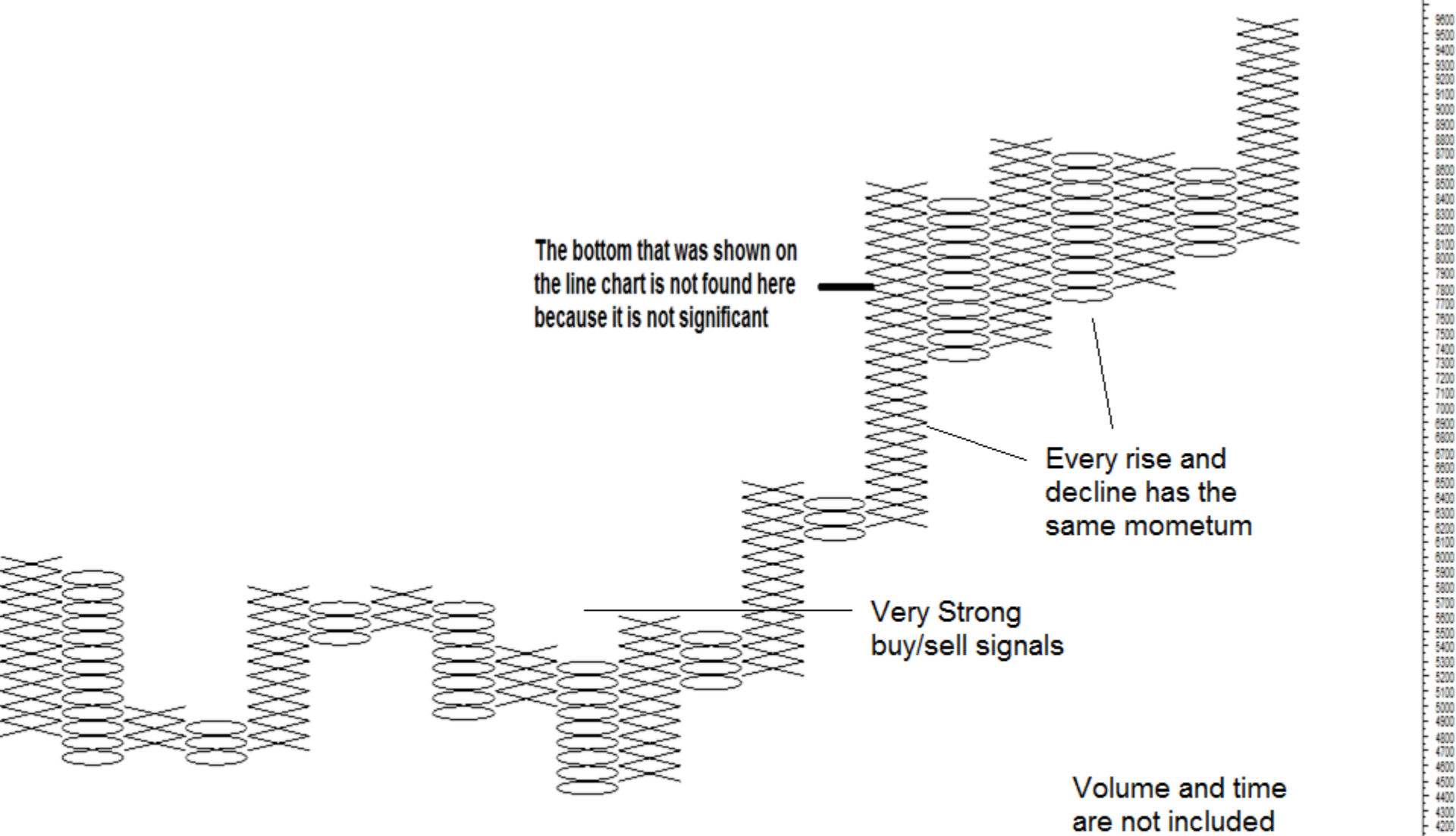
decline on low momentum

insignificant bottom

Trend lines-patterns and target projections

Volume and time

Applying Technical Indicators



Types of Charts

Regular Time Series Charts (Line Chart)

Irregular Time Series Charts (Point & Figure)

Merging both types of charts

Eliminating
drawbacks

Points and Line Chart

Points and Line Chart

It has the same display of the normal Line chart
BUT it filters the trend from noise through the
use of the same filtering criteria of the P&F
chart

It has the following six characteristics:

1. It plots prices in points connected with a line not Xs or Os.
 2. It does not move in columns but in an ascending and descending manner.
 3. If prices move directly from 20 to 24, it will not plot 21, 22, & 23; a point will be plotted at 20 and the next will be at 24 (showing momentum differences). unlike P&F.
 4. It plots the actual prices not the box size. If the prices reach 20.25, the point will be plotted at 20.25 not at 20 (box size scale) unlike P&F.
 5. Volume is included, total volume or average volume.
 6. A new concept is included which is the number of days that represents the time that prices stay in a support or resistance.
-

The Points & Line Parameters

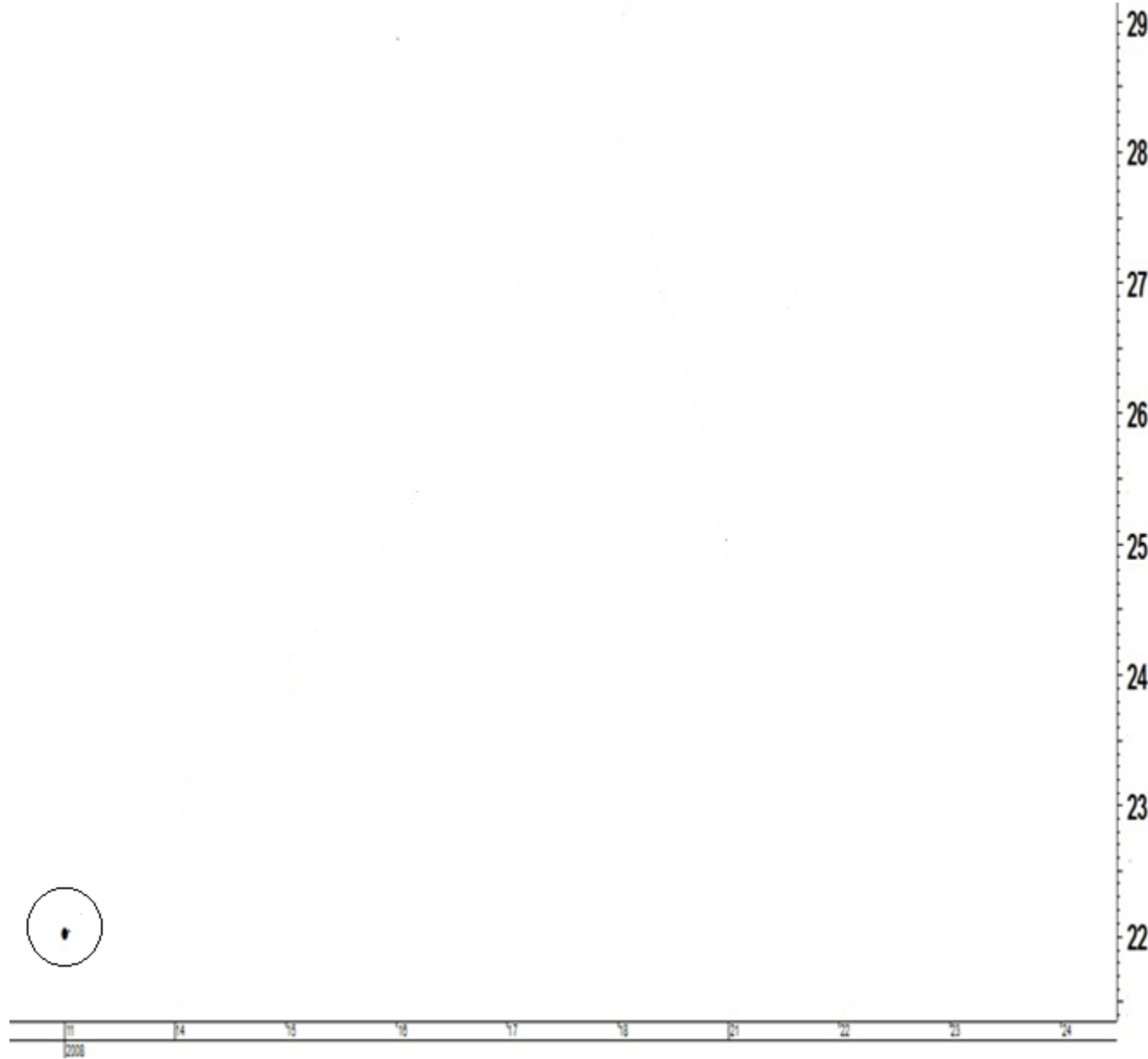
□ We recommend to use the P&L chart with 3 box reversal and with the classical Box size parameters as shown

Value Range	Box Size
0 to 4.99	0.25
5.00 to 19.99	0.50
20.00 to 99.99	1.00
100.00 to 199.99	2.00
200.00 to 499.99	5.00
500.00 to 999.99	10.00
1,000.00 to 1,999.99	20.00
2,000.00 to 4,999.99	50.00
5,000.00 to 9,999.99	100.00
10,000.00 to 19,999.99	200.00
20,000.00 and more	500.00

How to draw P&L Chart

Box Size 1 - 3 box reversal

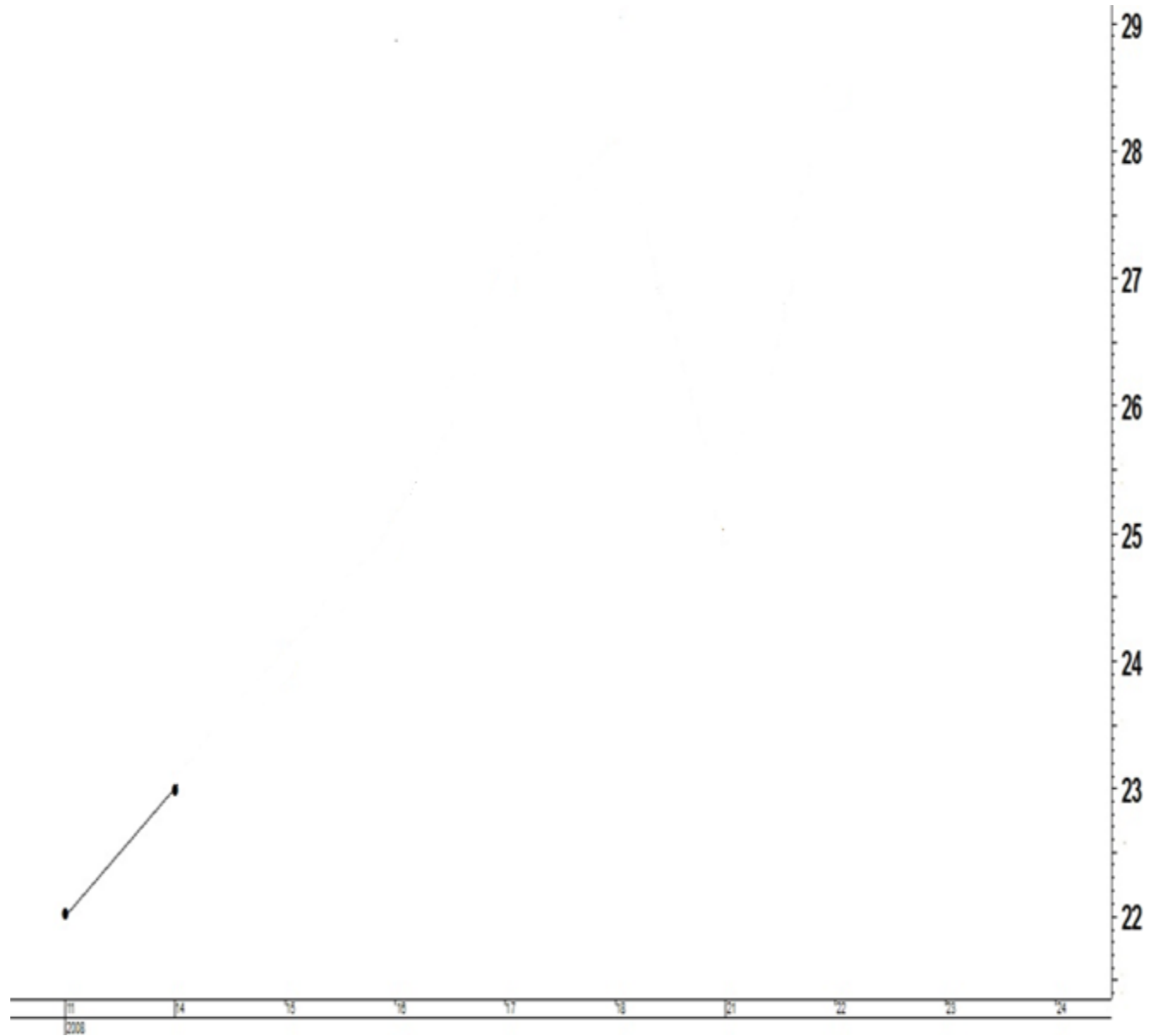
Days	Closing Prices
1	22



How to draw P&L Chart

Box Size 1 - 3 box reversal

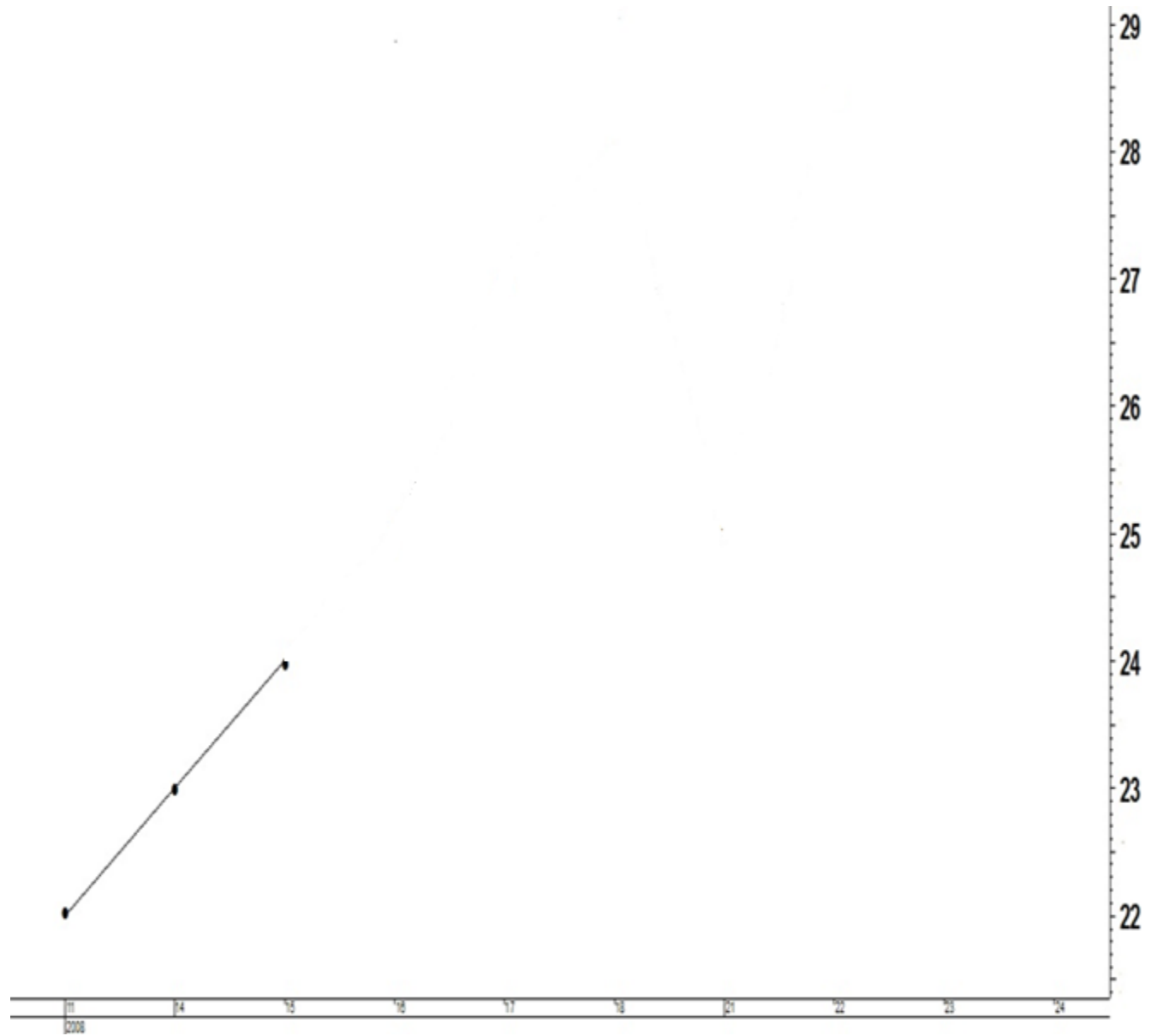
Days	Closing Prices
1	22
2	23



How to draw P&L Chart

Box Size 1 - 3 box reversal

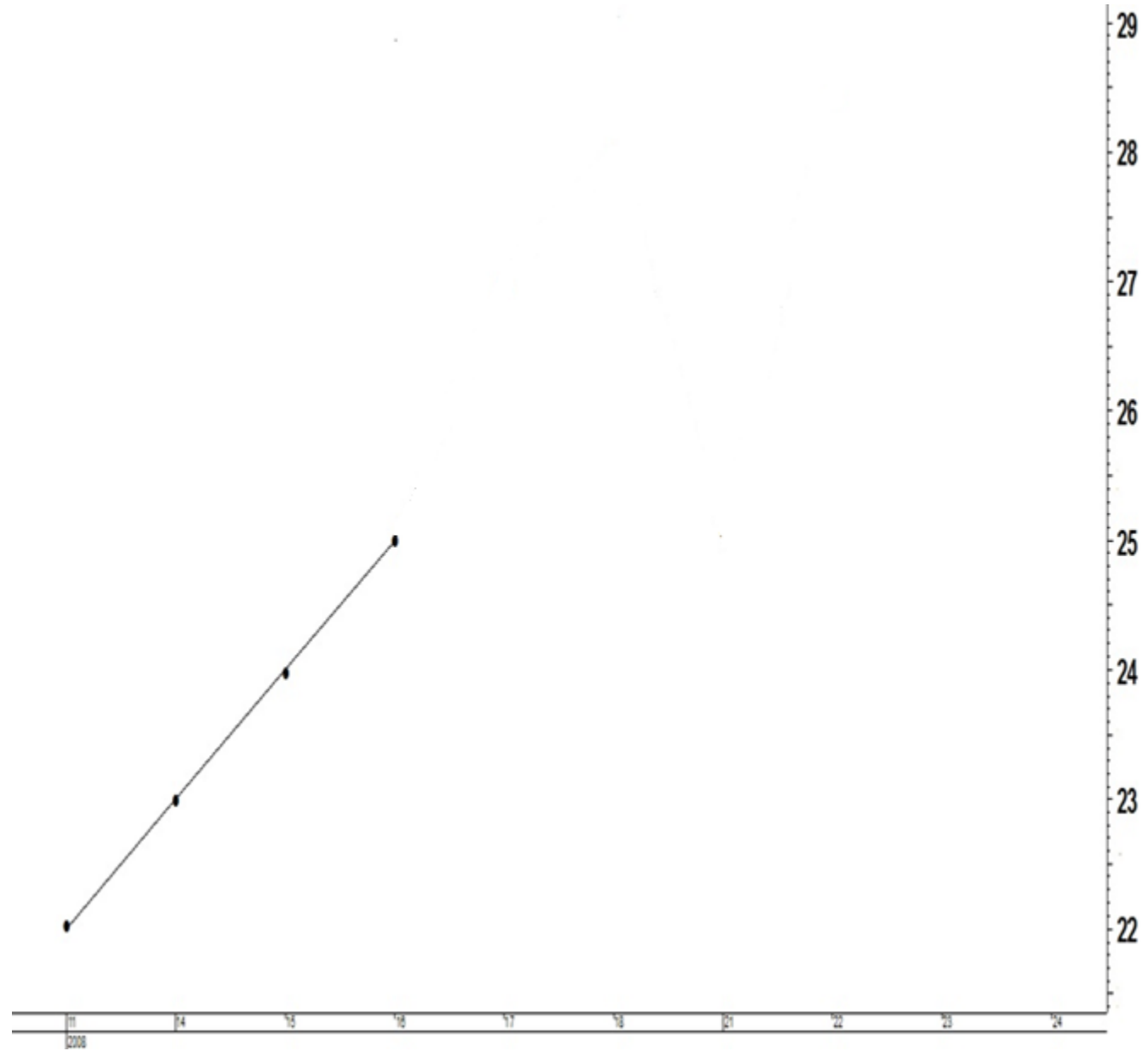
Days	Closing Prices
1	22
2	23
3	24



How to draw P&L Chart

Box Size 1 - 3 box reversal

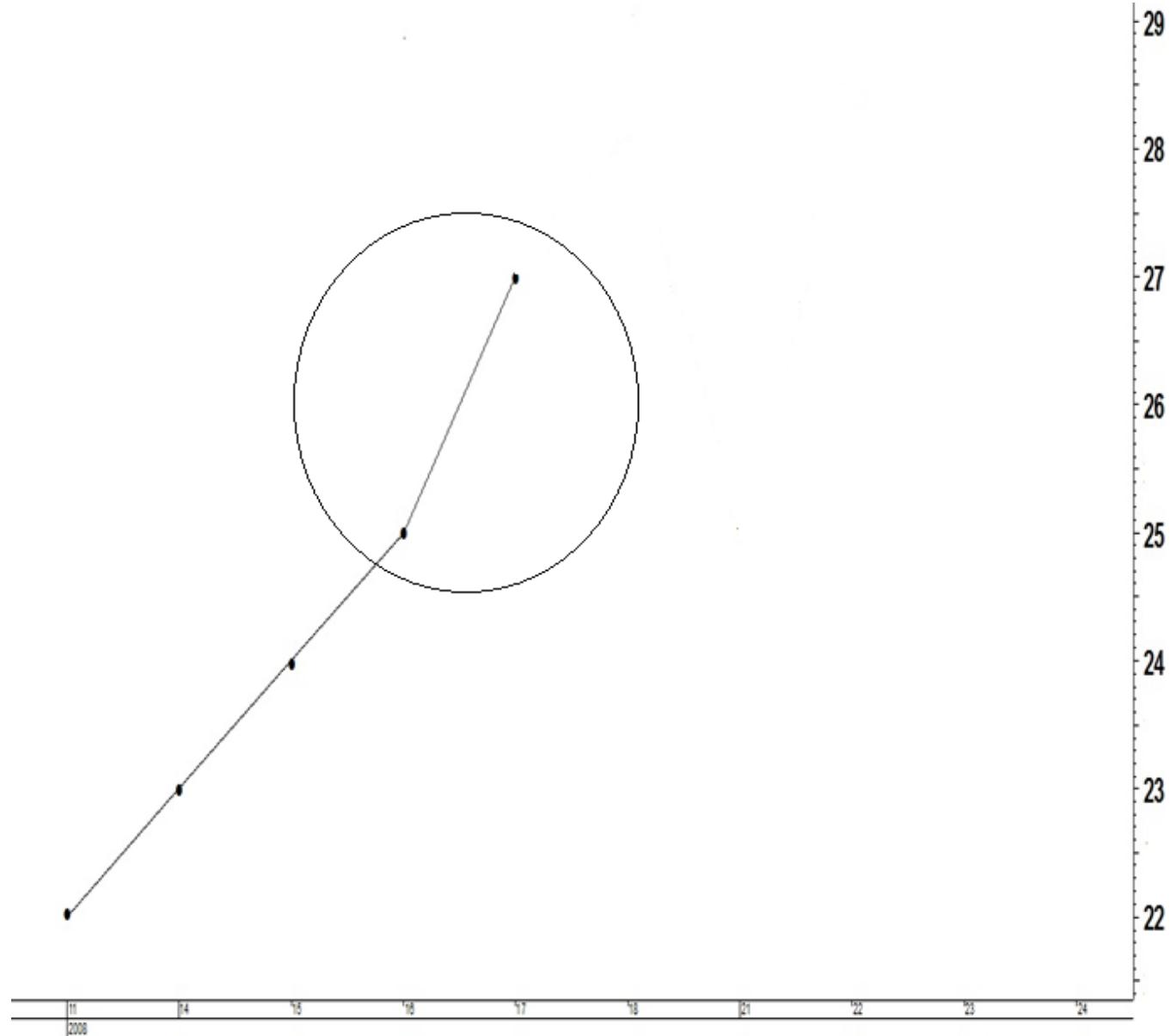
Days	Closing Prices
1	22
2	23
3	24
4	25



How to draw P&L Chart

Box Size 1 - 3 box reversal

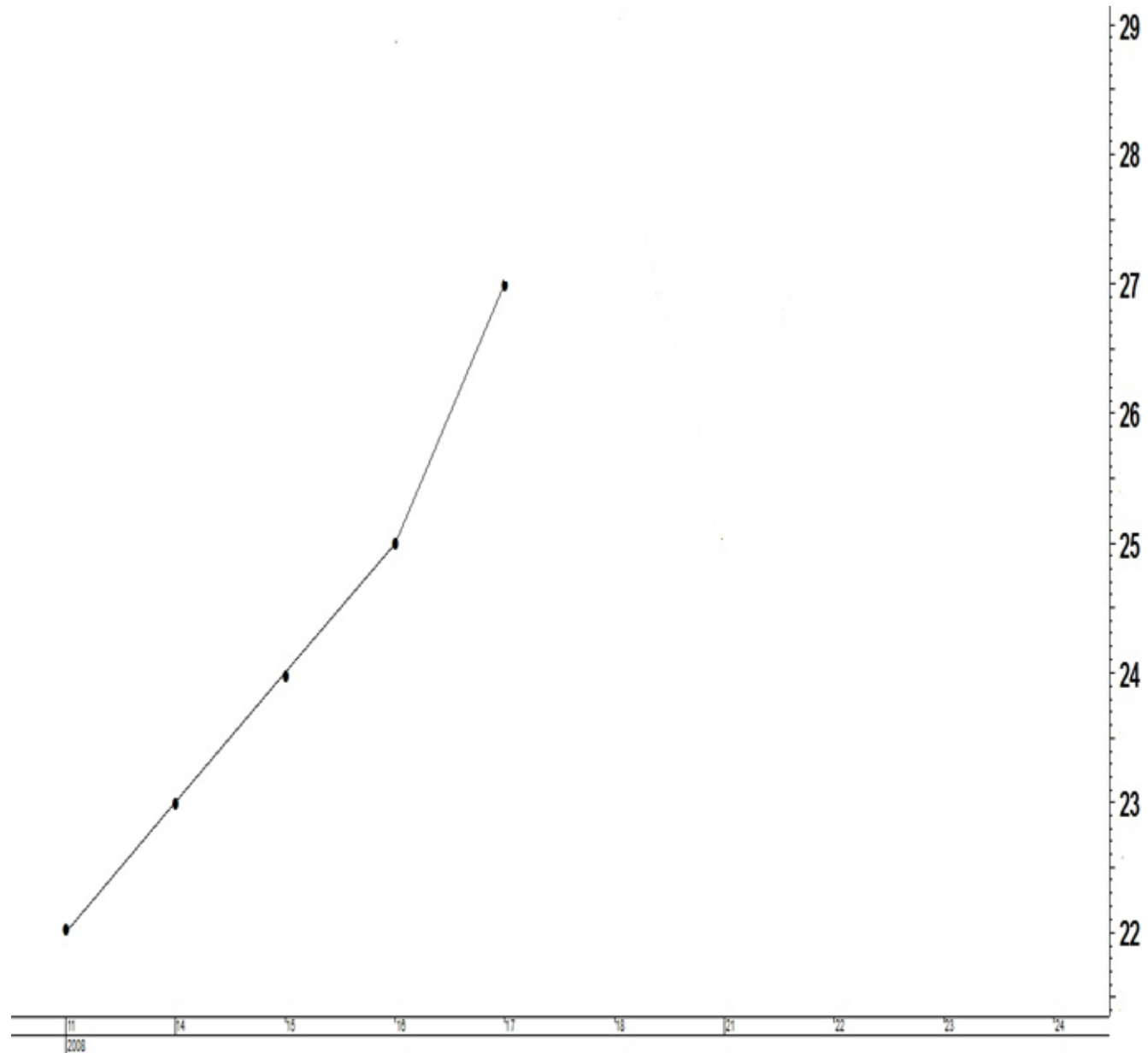
Days	Closing Prices
1	22
2	23
3	24
4	25
5	27



How to draw P&L Chart

Box Size 1 - 3 box reversal

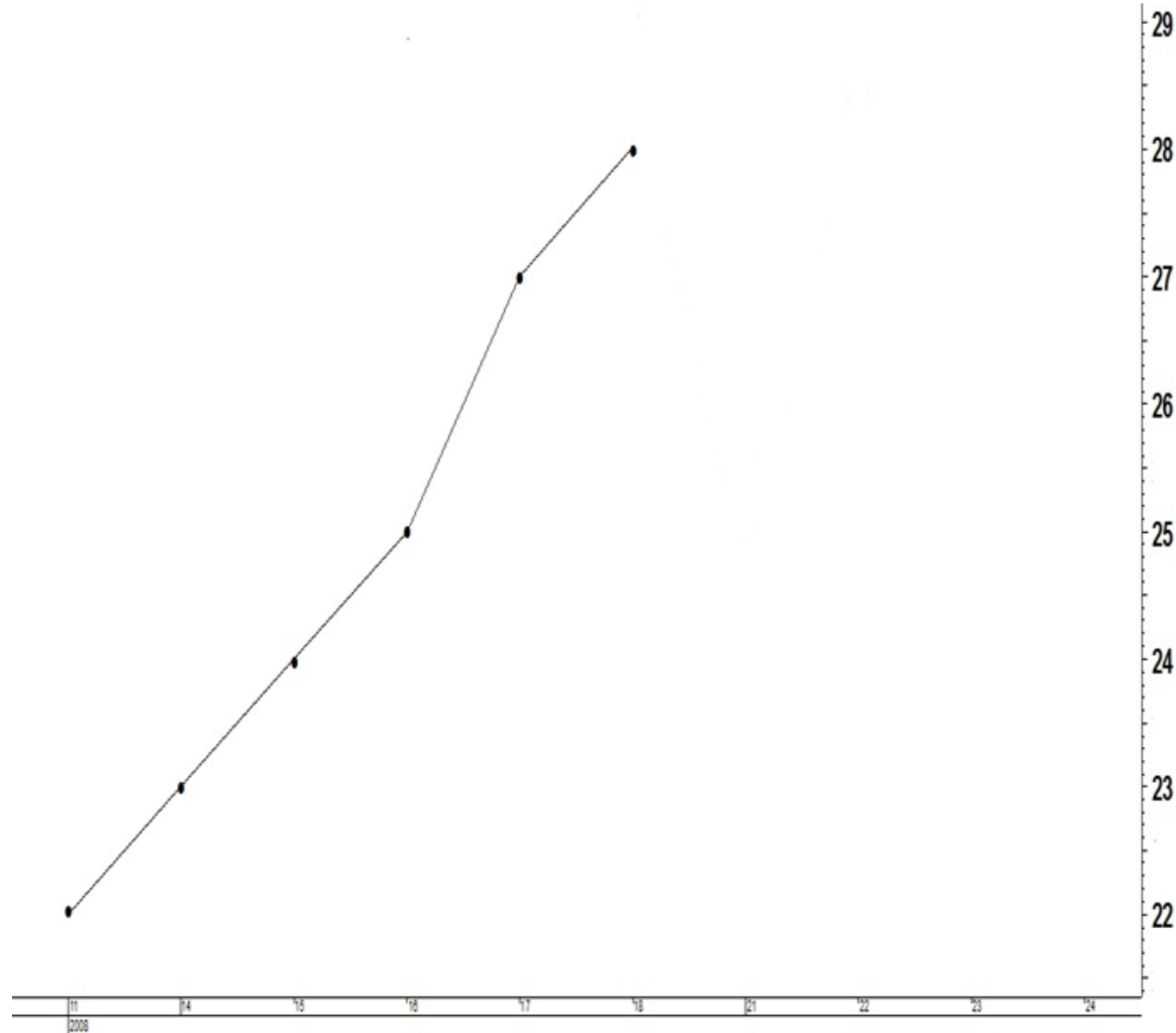
Days	Closing Prices
1	22
2	23
3	24
4	25
5	27
6	27.5



How to draw P&L Chart

Box Size 1 - 3 box reversal

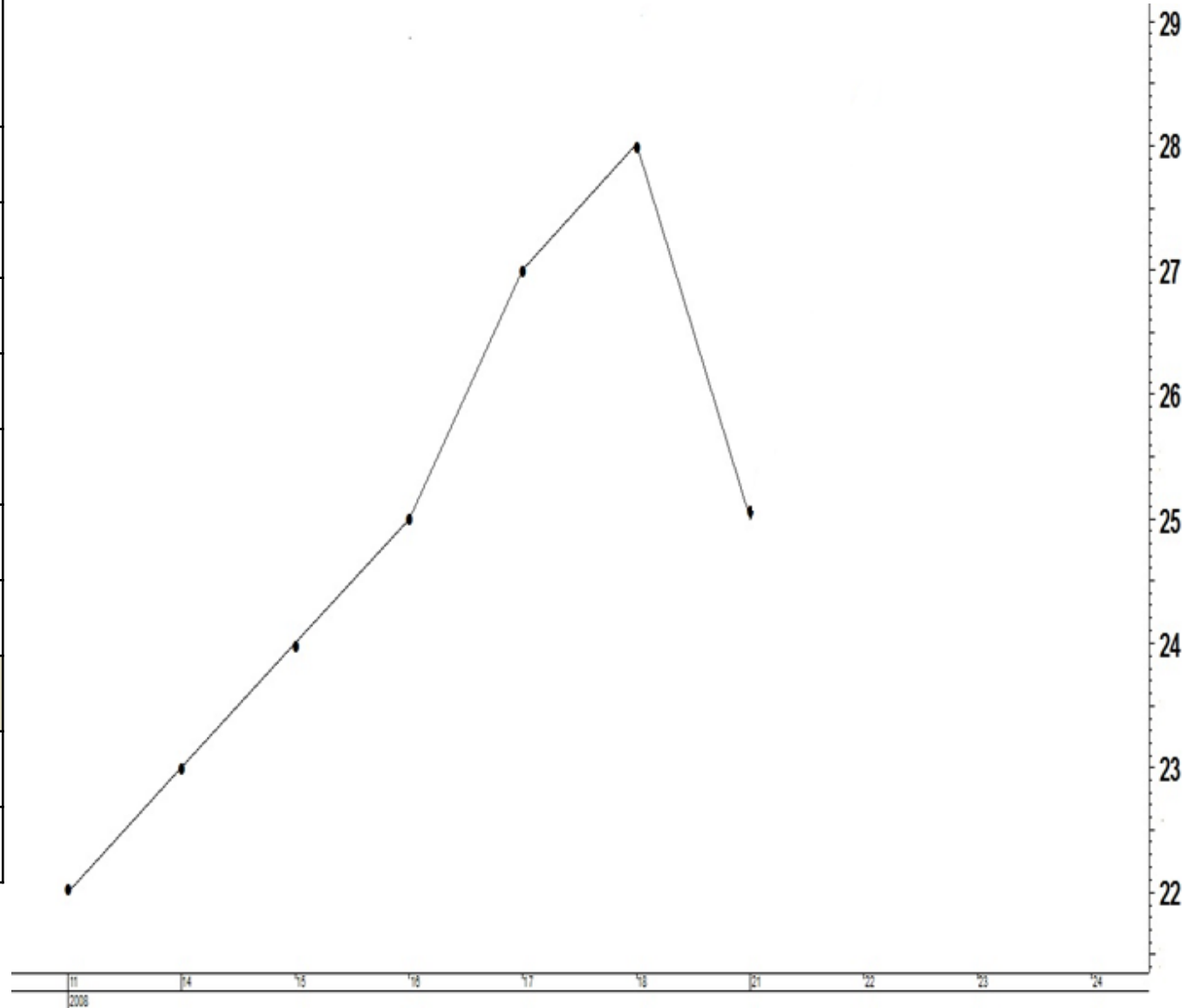
Days	Closing Prices
1	22
2	23
3	24
4	25
5	27
6	27.5
7	28.01



How to draw P&L Chart

Box Size 1 - 3 box reversal

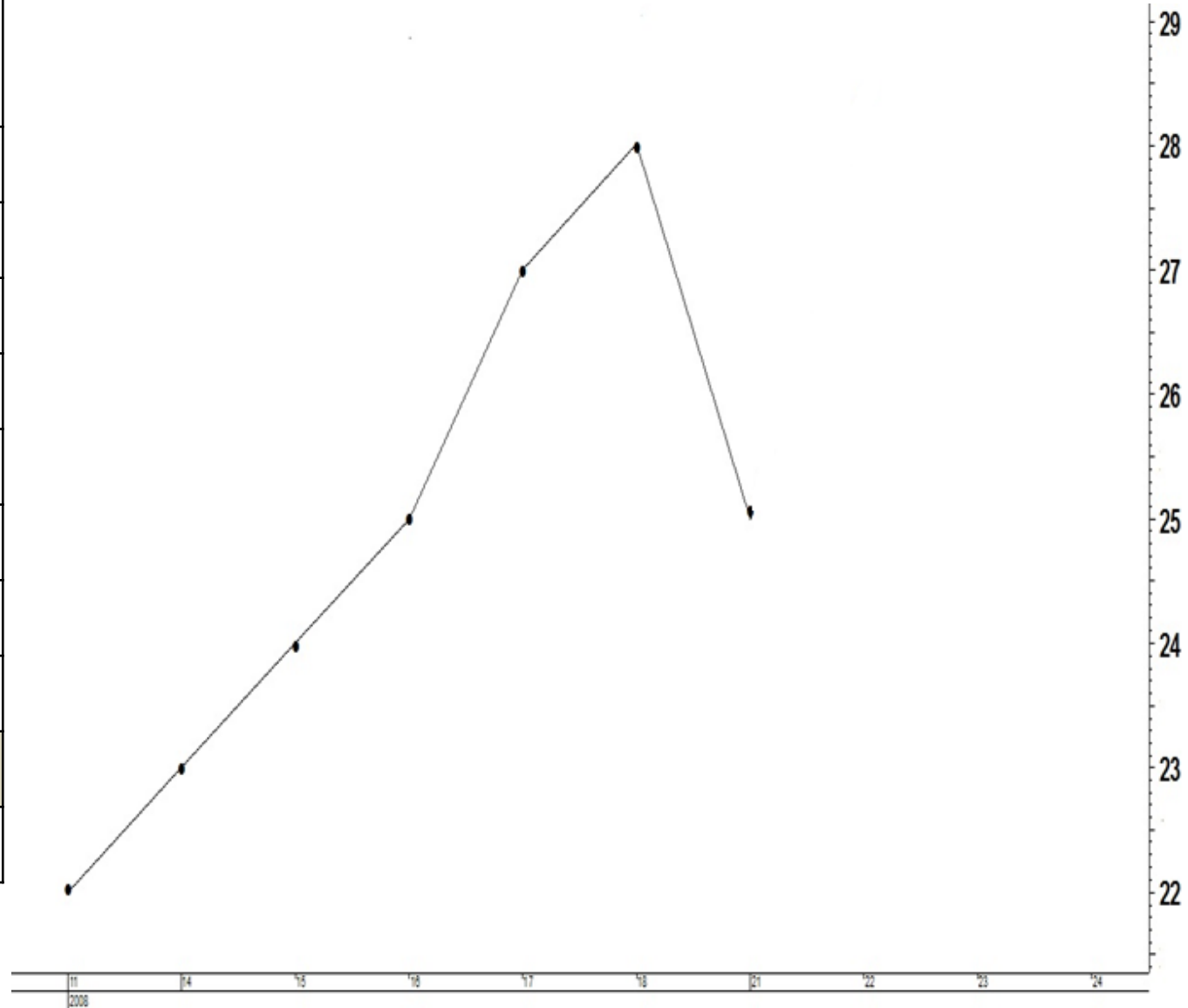
Days	Closing Prices
1	22
2	23
3	24
4	25
5	27
6	27.5
7	28.01
8	25



How to draw P&L Chart

Box Size 1 - 3 box reversal

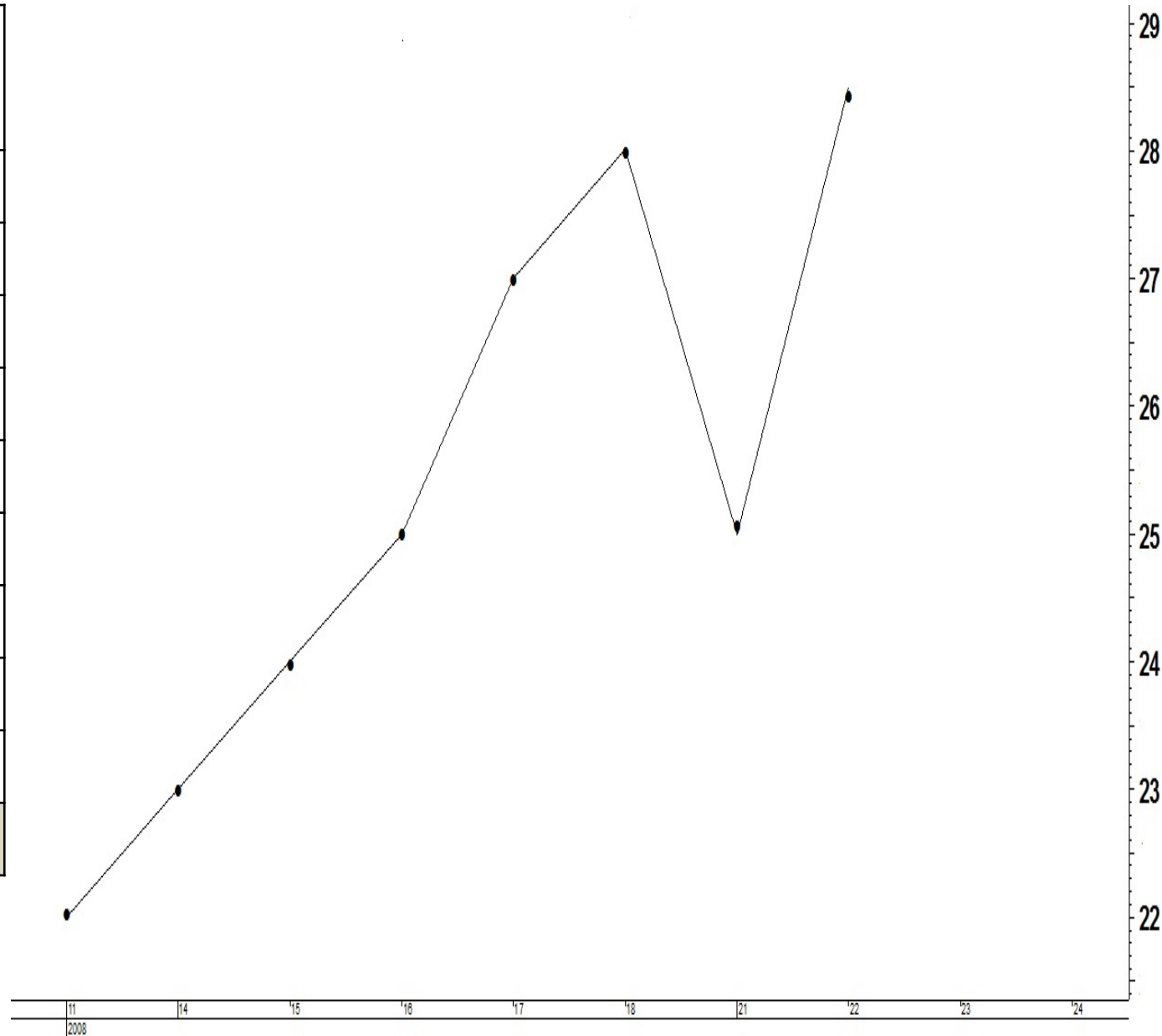
Days	Closing Prices
1	22
2	23
3	24
4	25
5	27
6	27.5
7	28.01
8	25
9	24.8



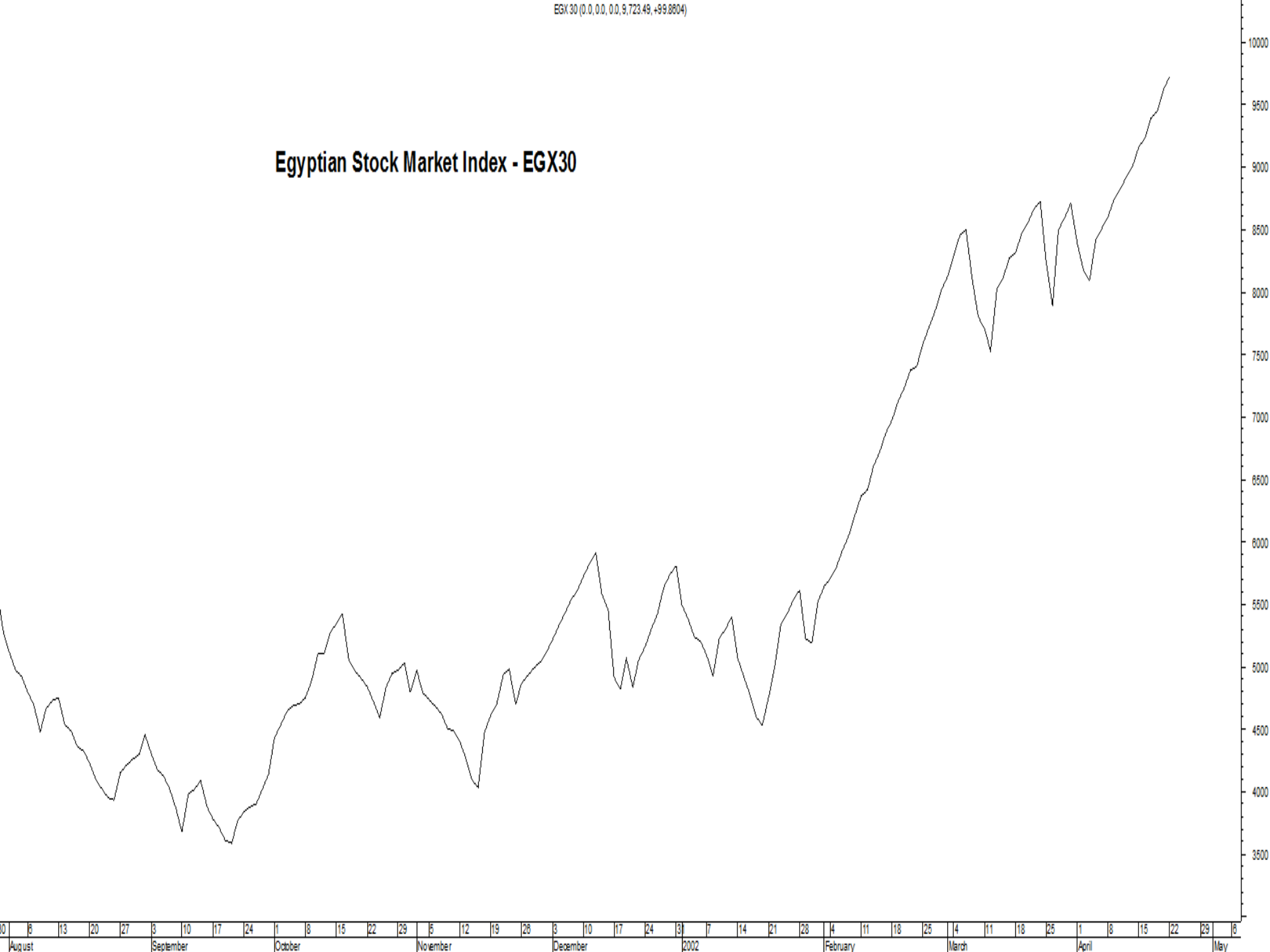
How to draw P&L Chart

Box Size 1 - 3 box reversal

Days	Closing Prices
1	22
2	23
3	24
4	25
5	27
6	27.5
7	28.01
8	25
9	24.8
10	28.50



Egyptian Stock Market Index - EGX30



The Total Volume

The more trading that takes place in a support/resistance area, the more significant it becomes

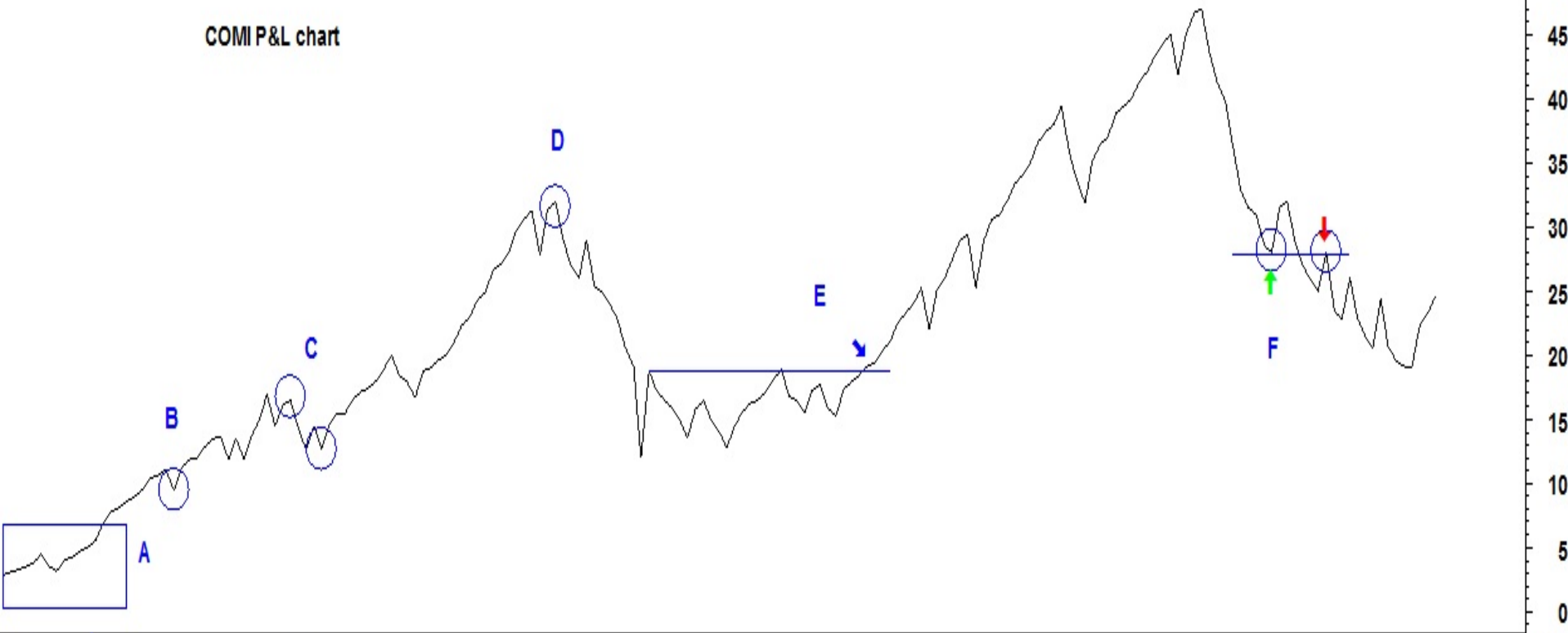
Total Volume

“The total volume is calculated by adding the volume of all sessions that are included in the same point”

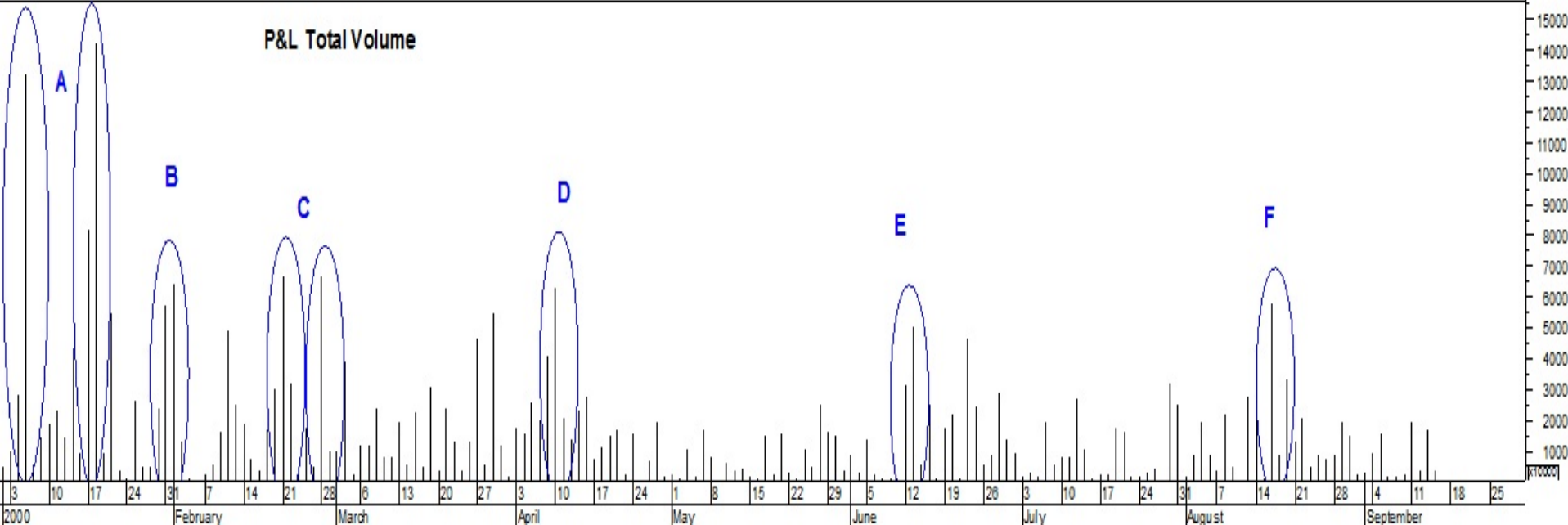
(Box Size 1)

Days	Closing Prices	Volume	Points and Line Volume
1	22	100,000	100,000
2	23	120,000	120,000
3	24	130,000	130,000
4	25	150,000	150,000
5	27	125,000	255,000
6	27.5	130,000	
7	28.01	145,000	145,000
8	25	90,000	240,000
9	24.8	150,000	
10	28.50	180,000	180,000

COMI P&L chart



P&L Total Volume



The Time or the number of Days

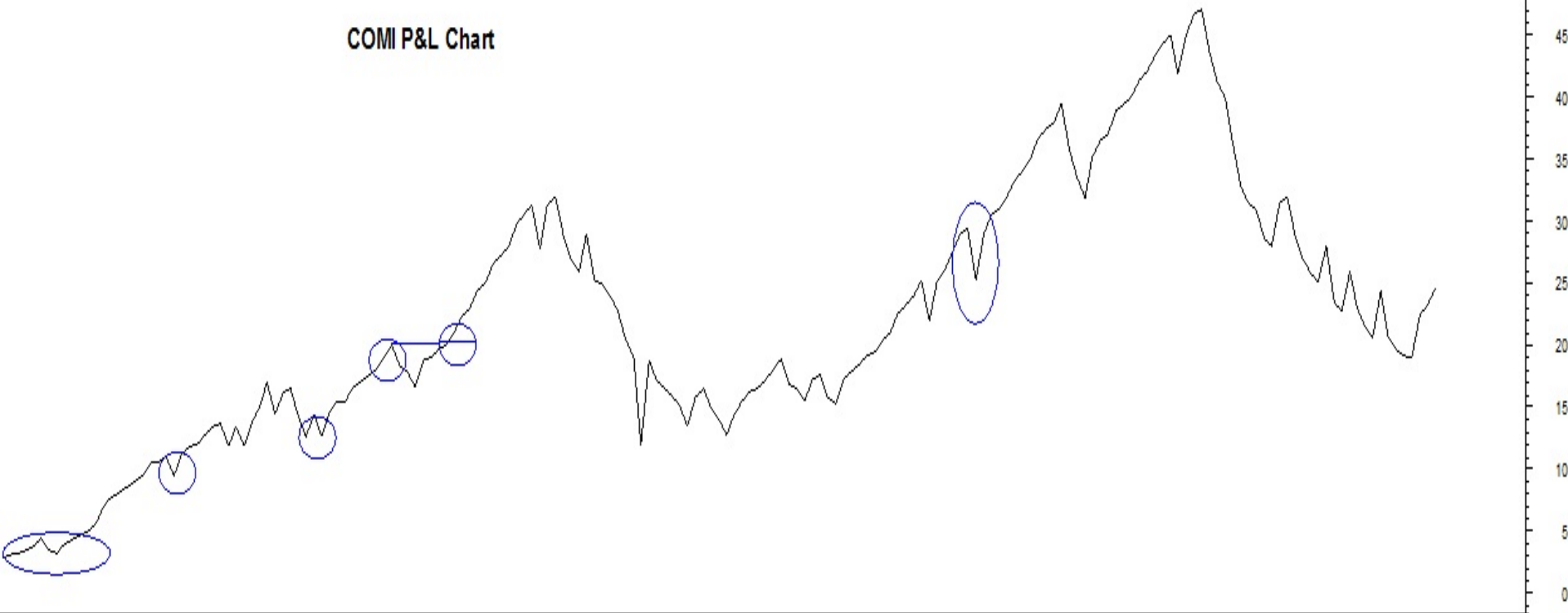
The longer the period of time that prices trade in a support or resistance area, the more significant that area becomes

Number of Days

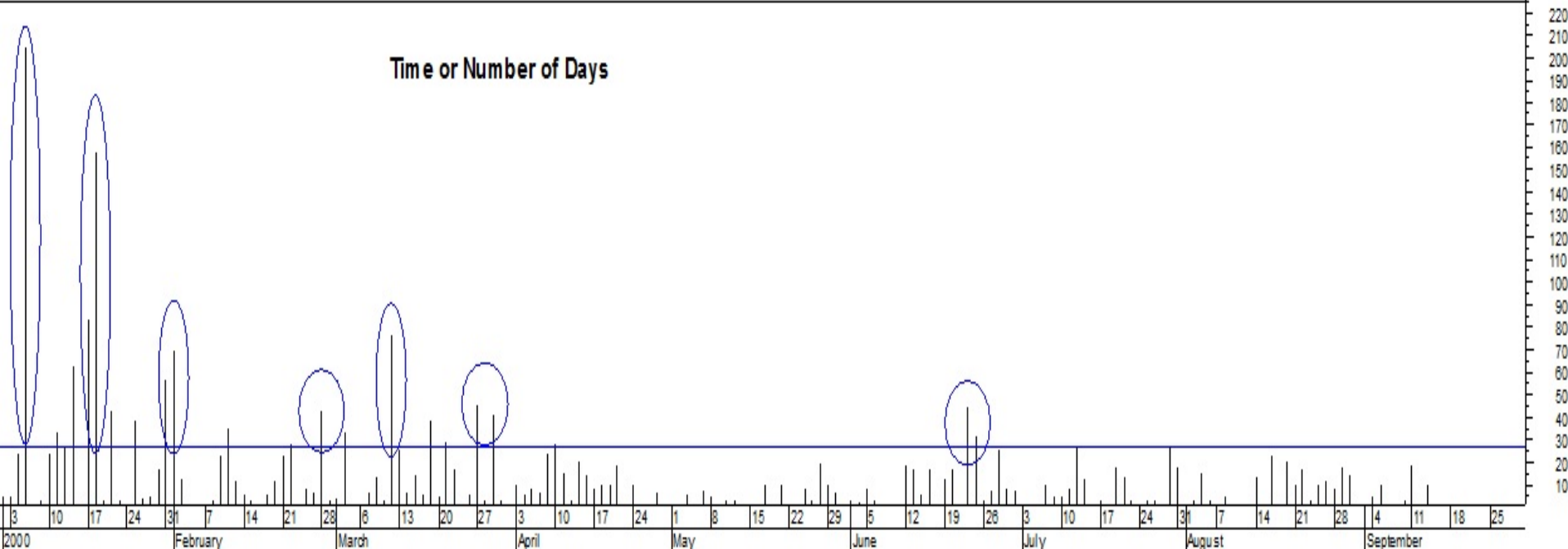
(Box Size 1)

Days	Closing Prices	Number of Days In each point
1	22	1
2	23	1
3	24	1
4	25	1
5	27	2
6	27.5	
7	28.01	1
8	25	2
9	24.8	
10	28.50	1

COMI P&L Chart



Time or Number of Days

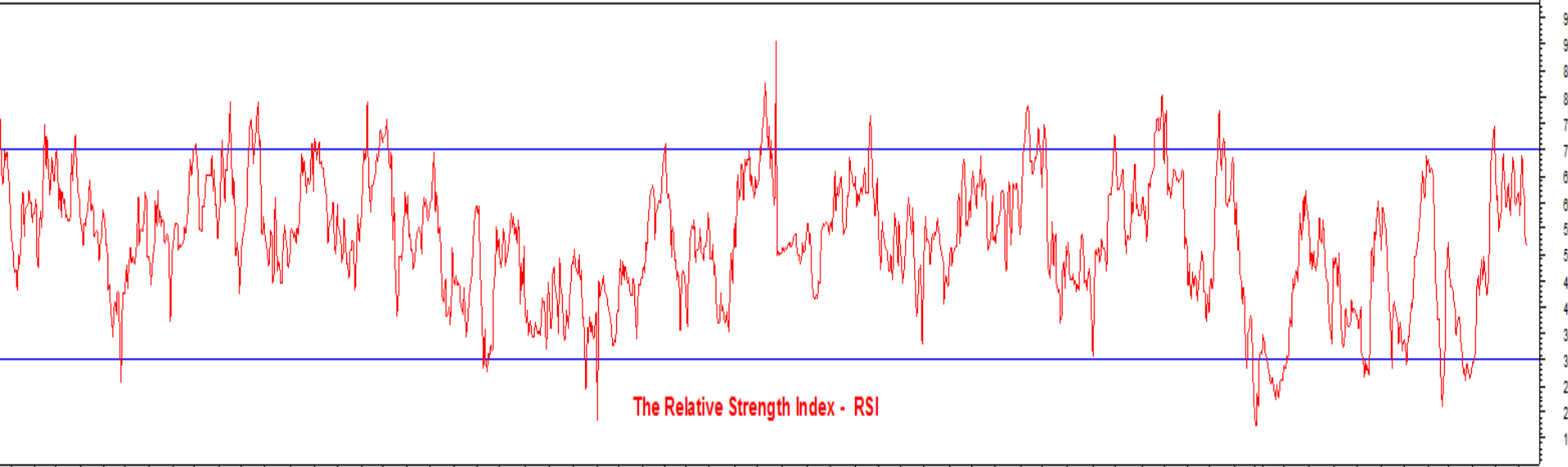
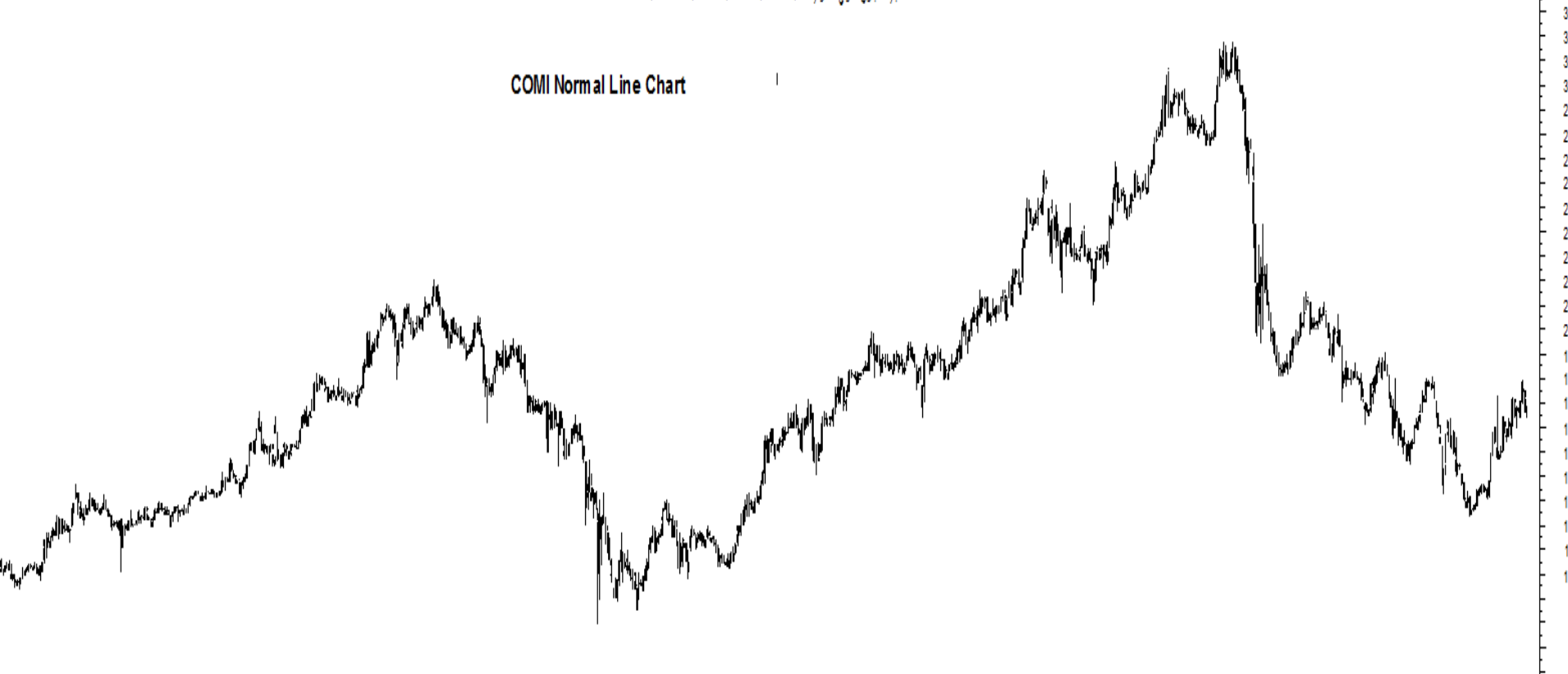


Two Egyptian examples
that highlight the P&L advantage in applying
Technical Analysis Indicators

Because of P&L price filtration, Technical
Indicators will be automatically filtered too

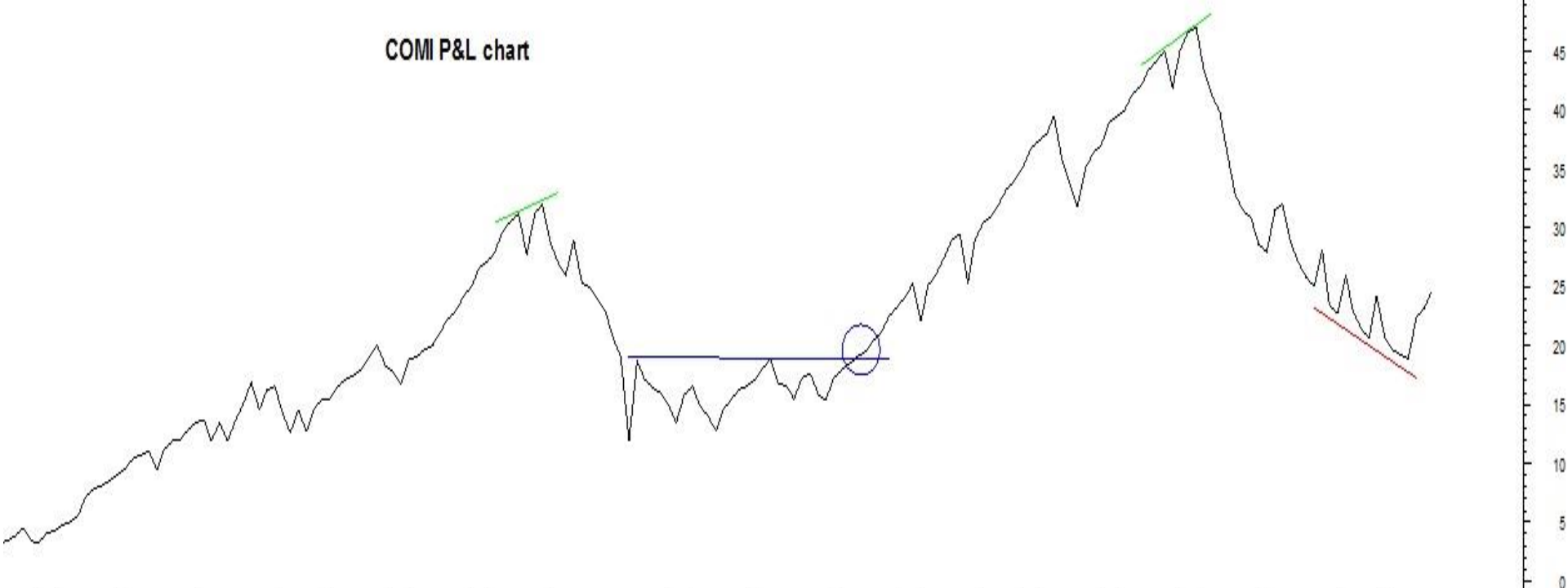
Commercial International Bank of EGYPT
COMI.CA

COMI Normal Line Chart



The Relative Strength Index - RSI

COMI P&L chart



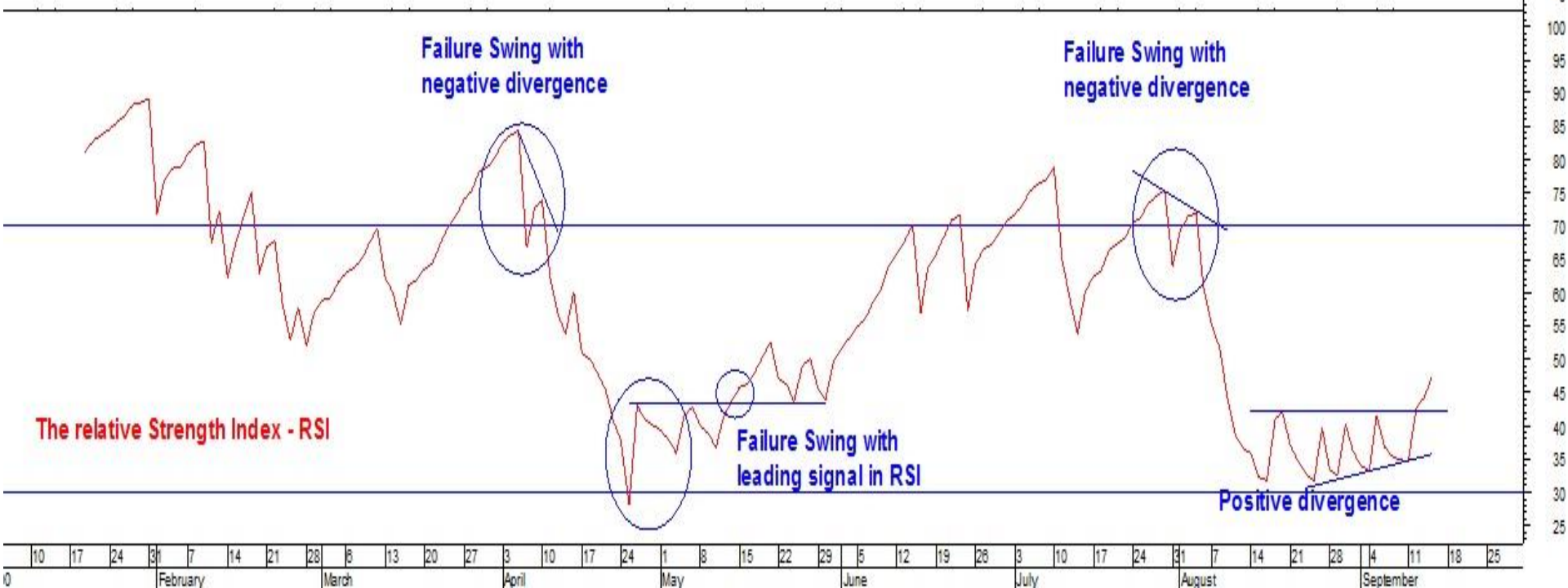
Failure Swing with negative divergence

Failure Swing with negative divergence

The relative Strength Index - RSI

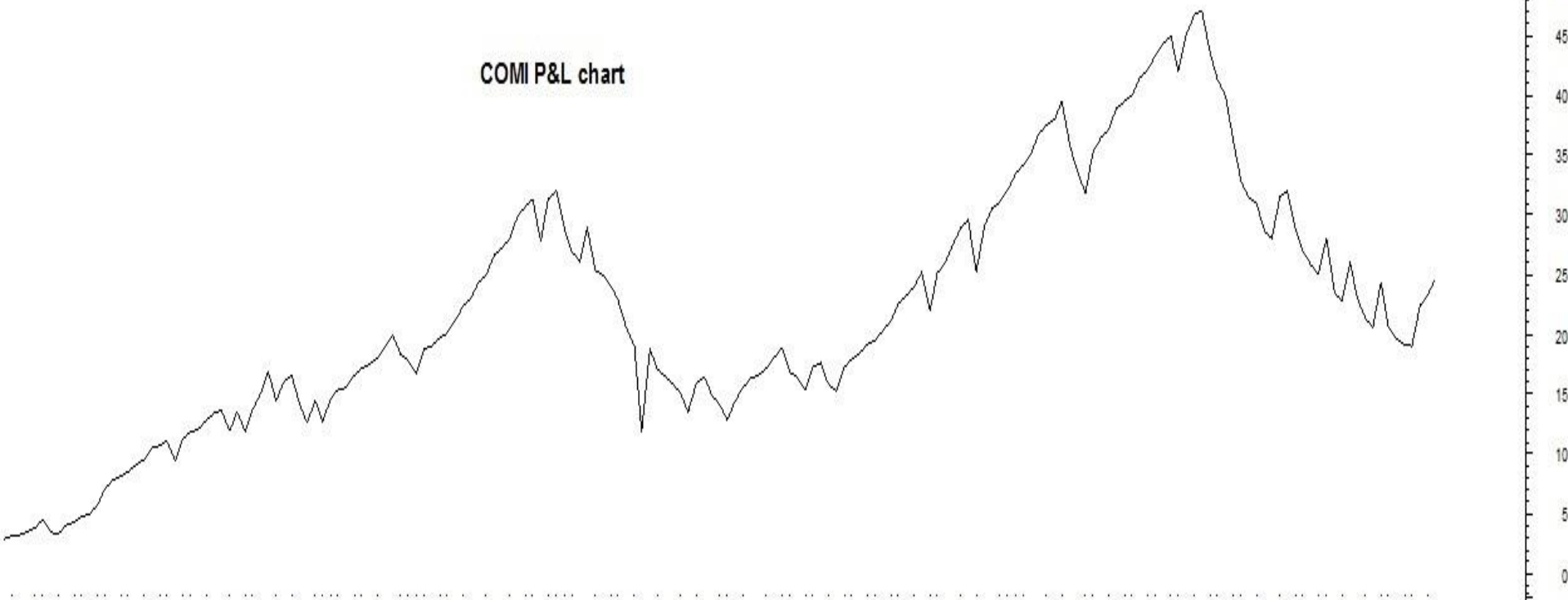
Failure Swing with leading signal in RSI

Positive divergence



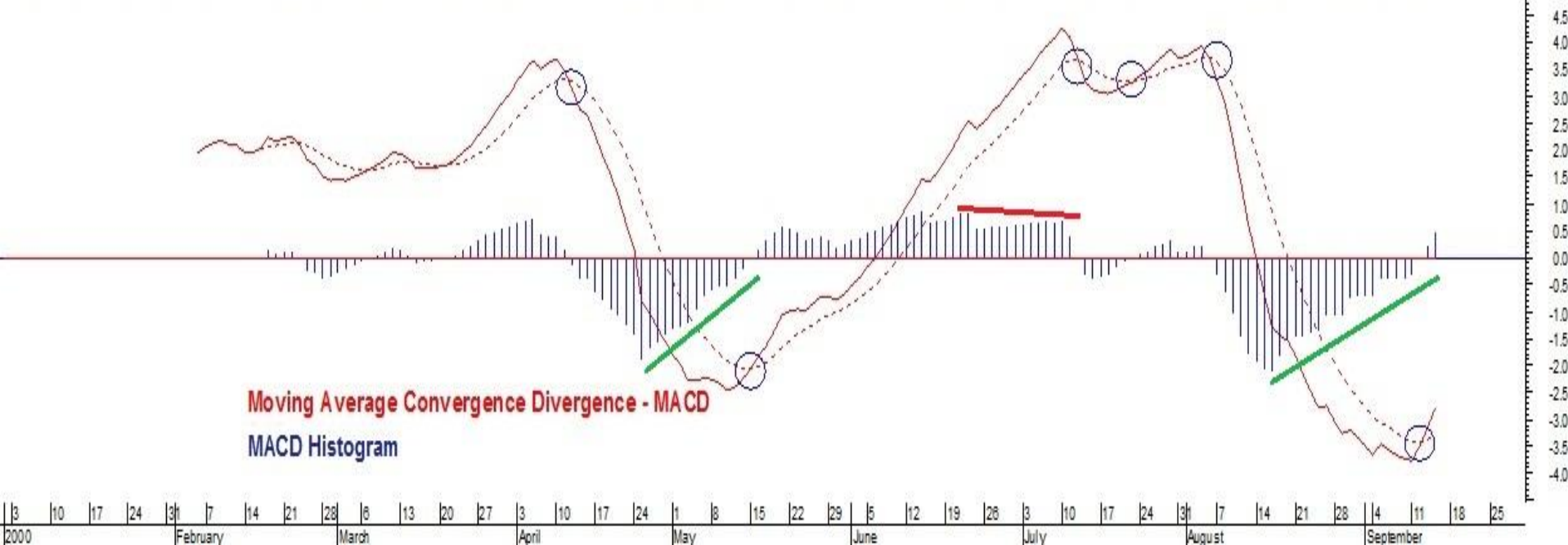
0 10 17 24 31 7 14 21 28 5 13 20 27 3 10 17 24 1 8 15 22 29 5 12 19 26 3 10 17 24 31 7 14 21 28 4 11 18 25
February March April May June July August September

COMI P&L chart

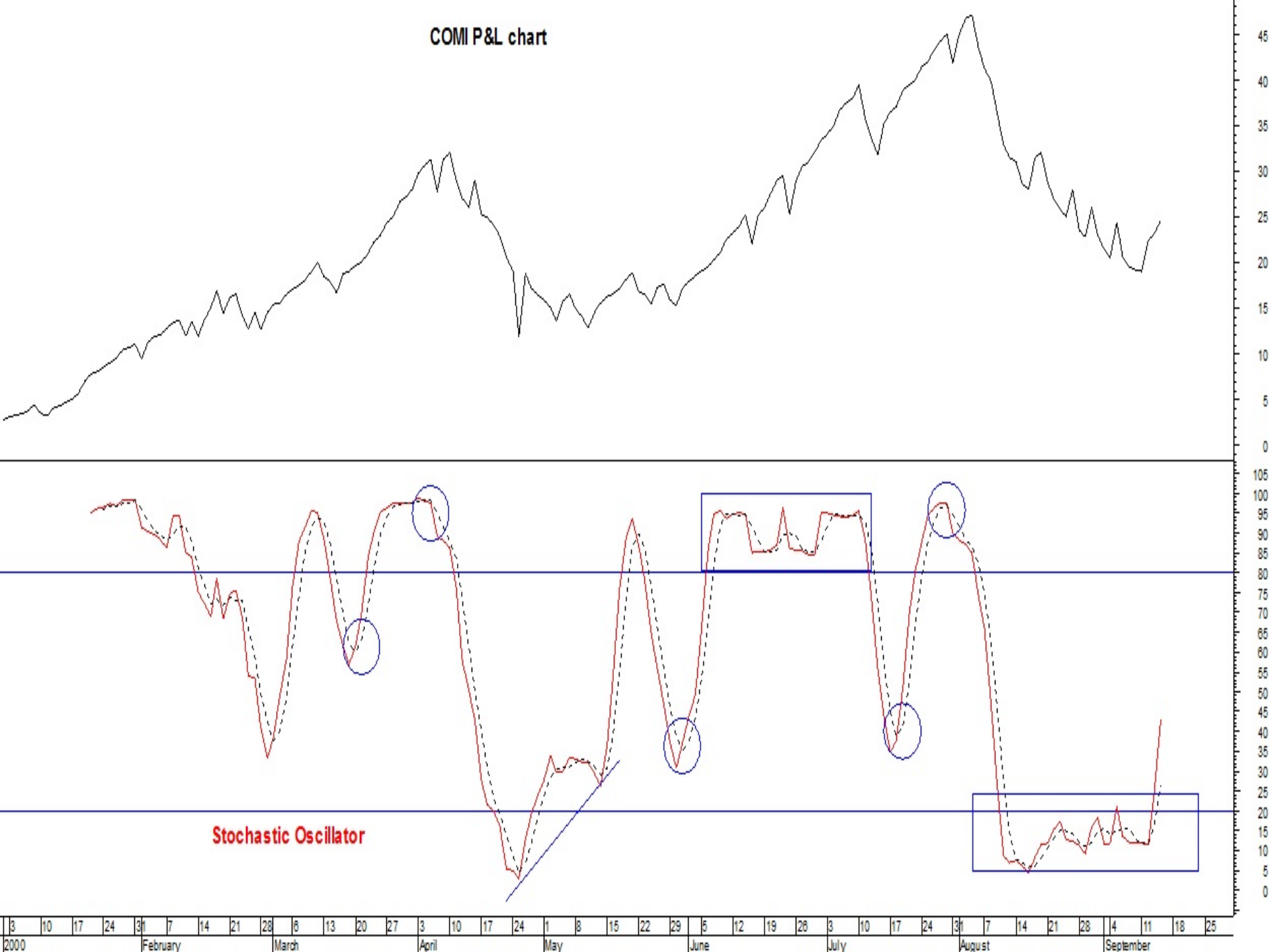


Moving Average Convergence Divergence - MACD

MACD Histogram



COMI P&L chart



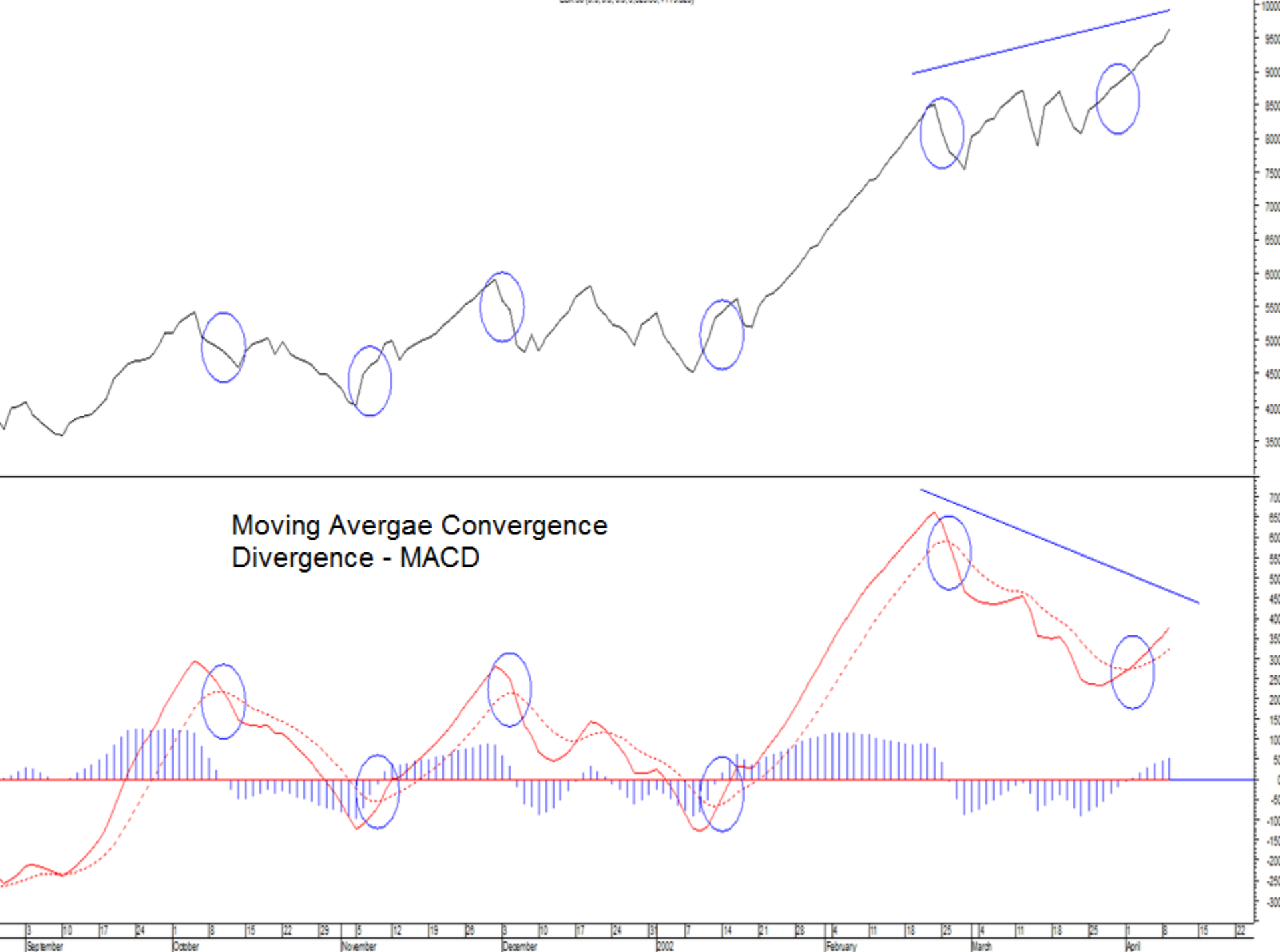
COMI P&L Chart



The Egyptian Stock Market Index .EGX30

EGX30 (0.0,0.0, 00.9,823.63, +179.820)

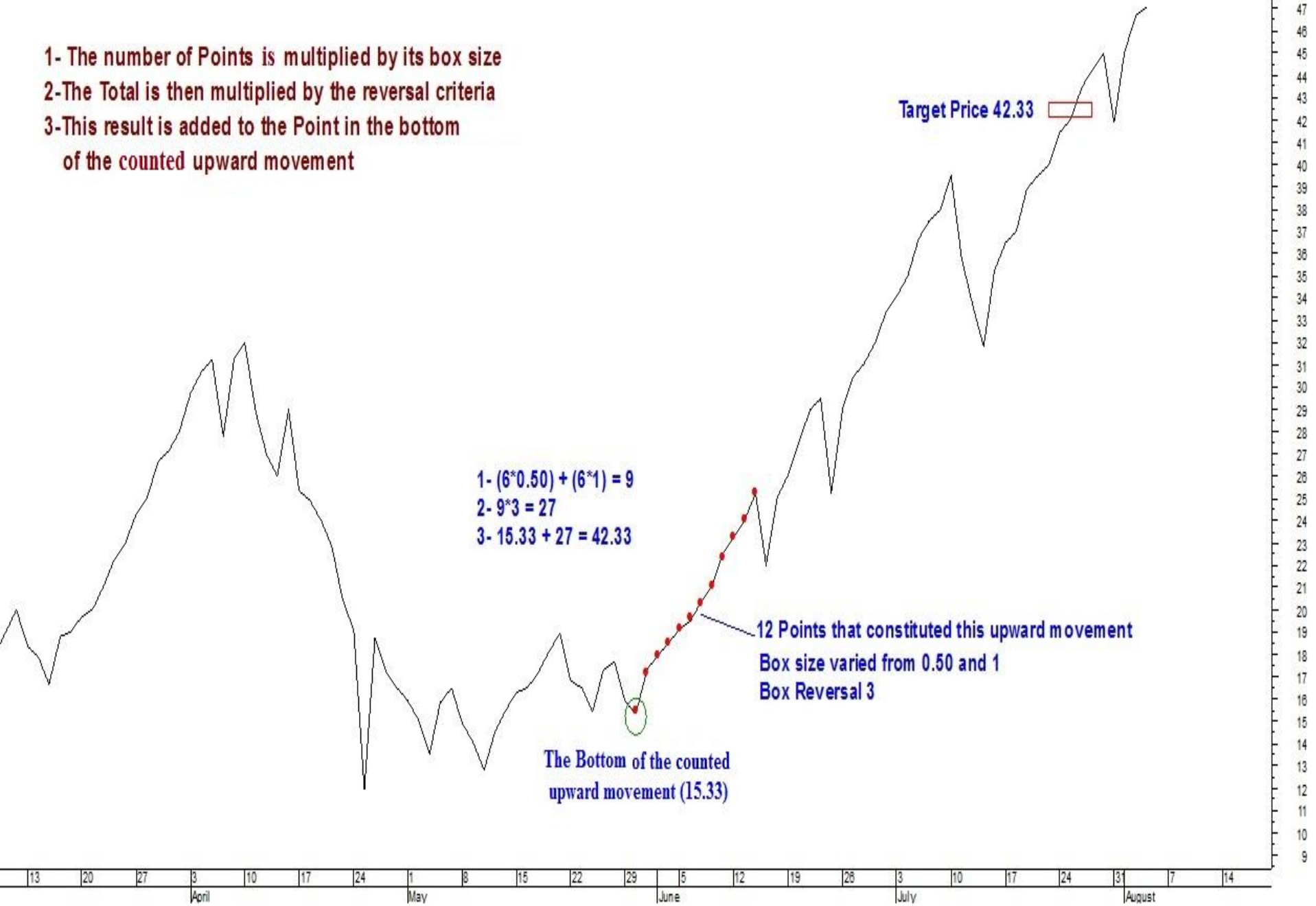




Target Projections

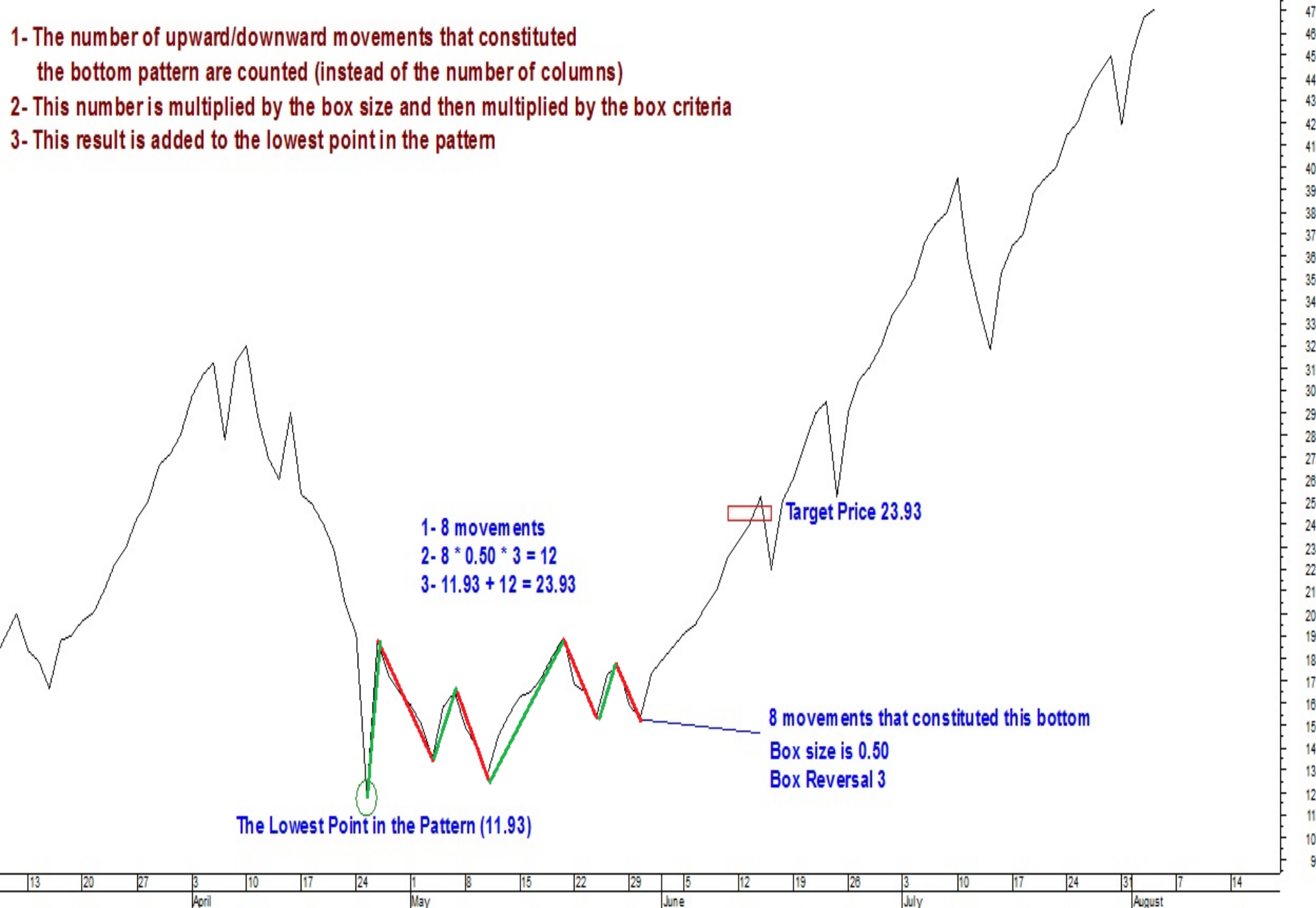
Vertical Count on the Points and Line Chart

- 1- The number of Points is multiplied by its box size
- 2-The Total is then multiplied by the reversal criteria
- 3-This result is added to the Point in the bottom of the counted upward movement



Horizontal Count on the Points and Line Chart

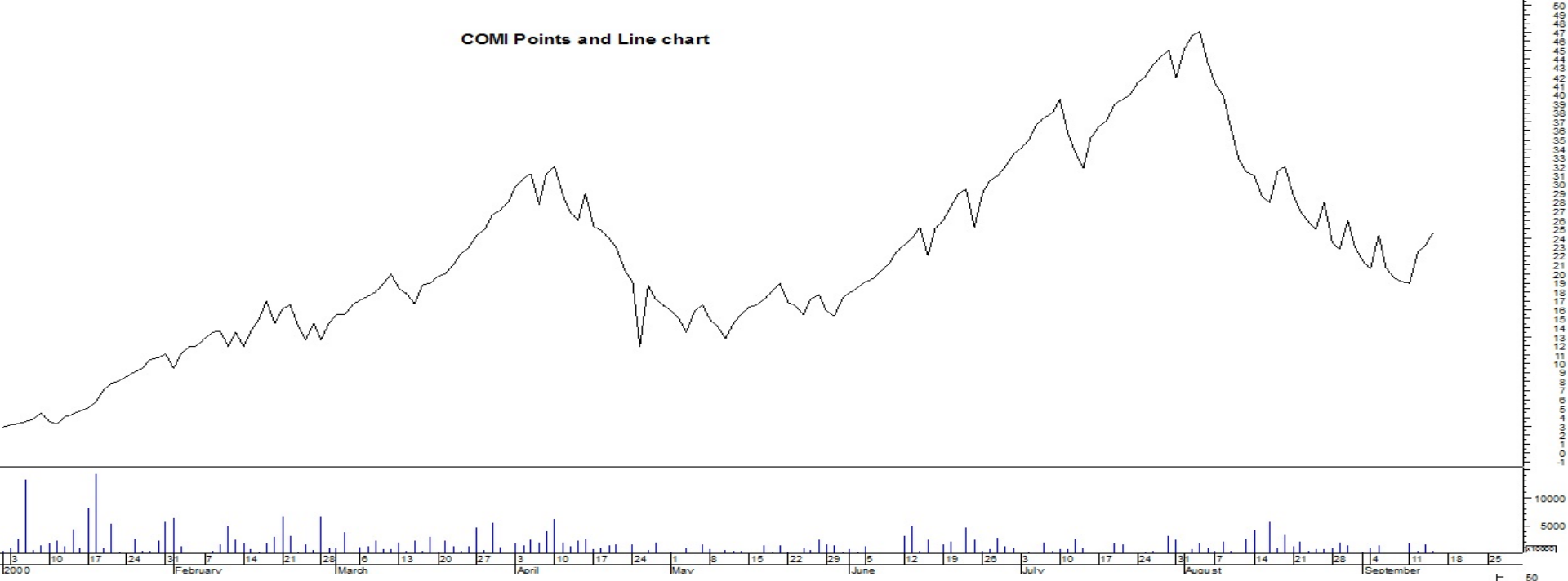
- 1- The number of upward/downward movements that constituted the bottom pattern are counted (instead of the number of columns)
- 2- This number is multiplied by the box size and then multiplied by the box criteria
- 3- This result is added to the lowest point in the pattern



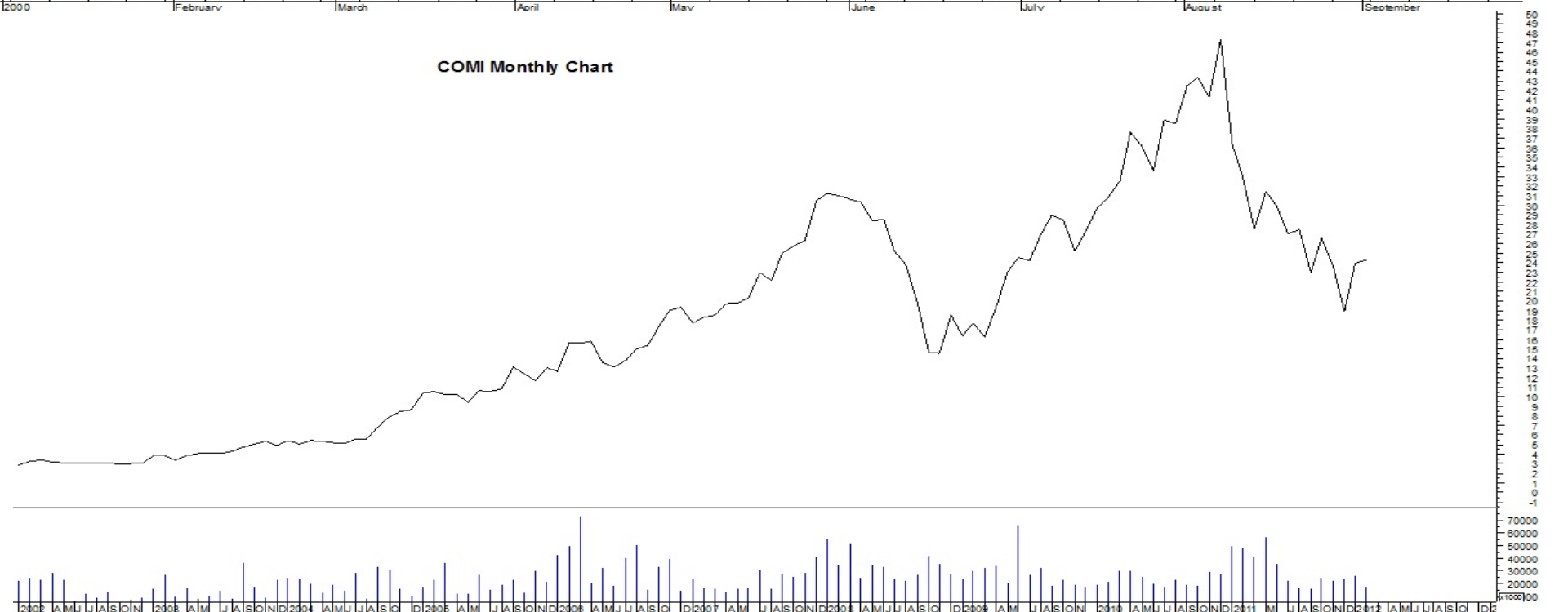
Points and Line Chart
Versus
Monthly normal Line chart

(Points and Line chart displays prices based on the significance of the move whether this move is made in a day, week, month or even more than one month.)

COMI Points and Line chart



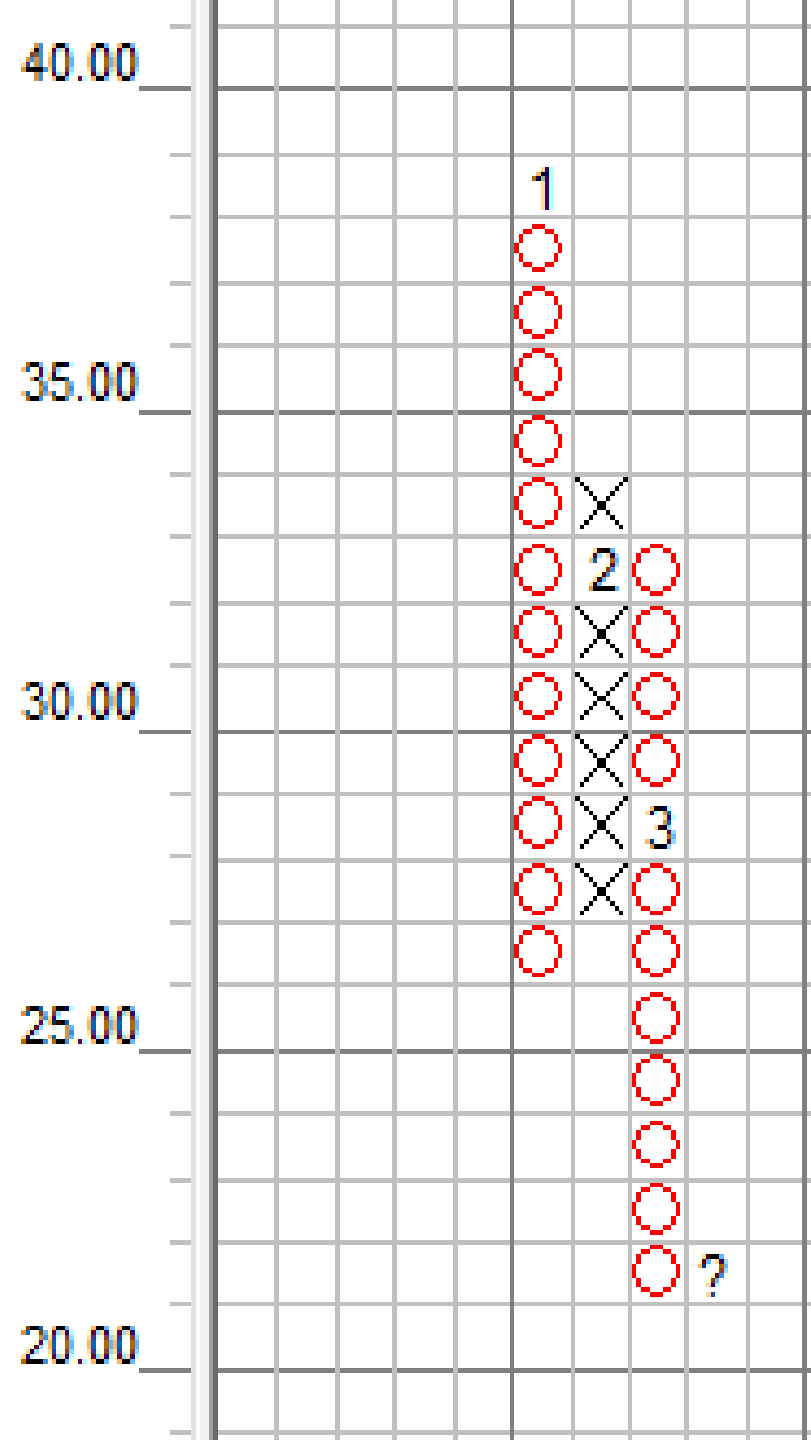
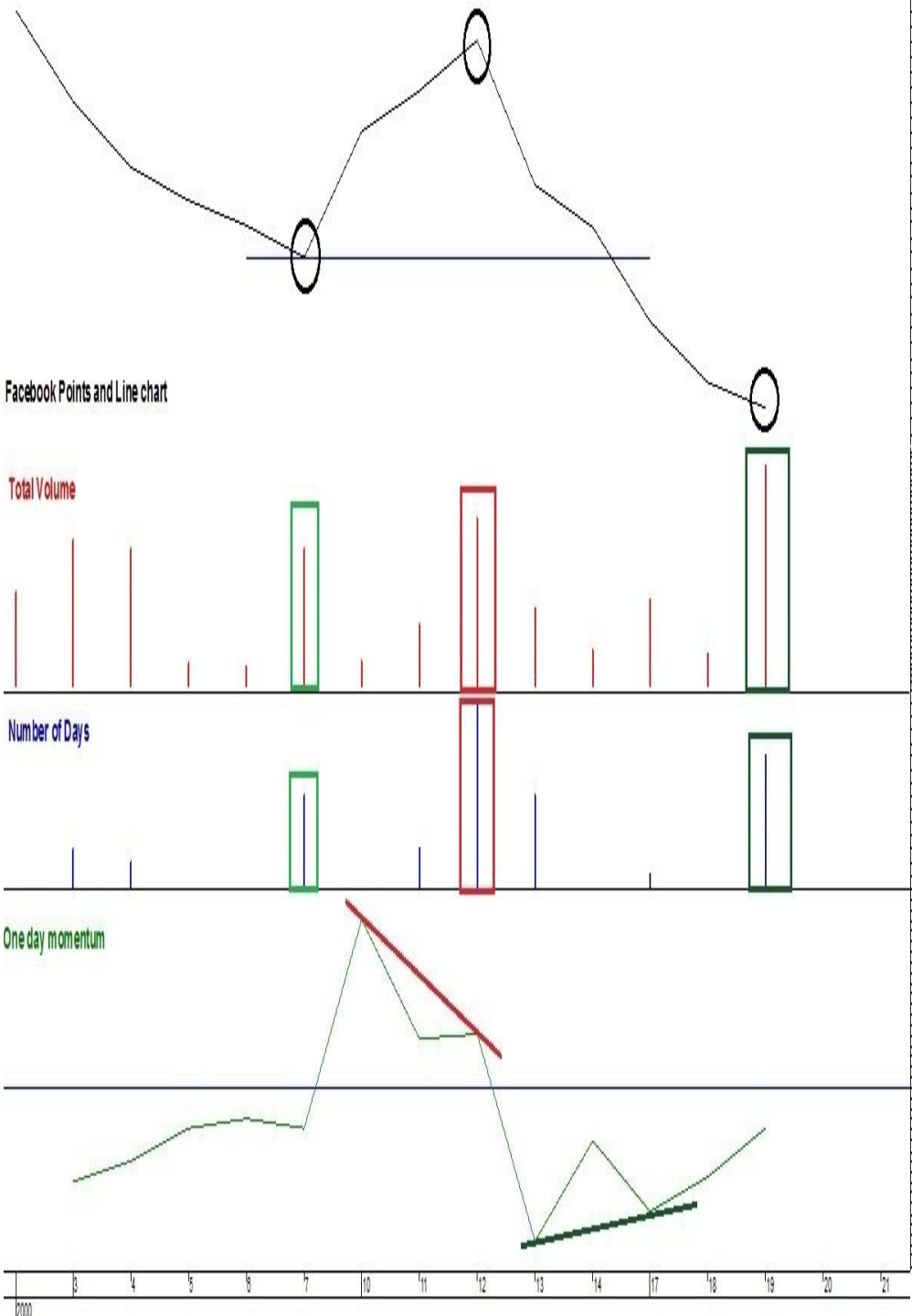
COMI Monthly Chart



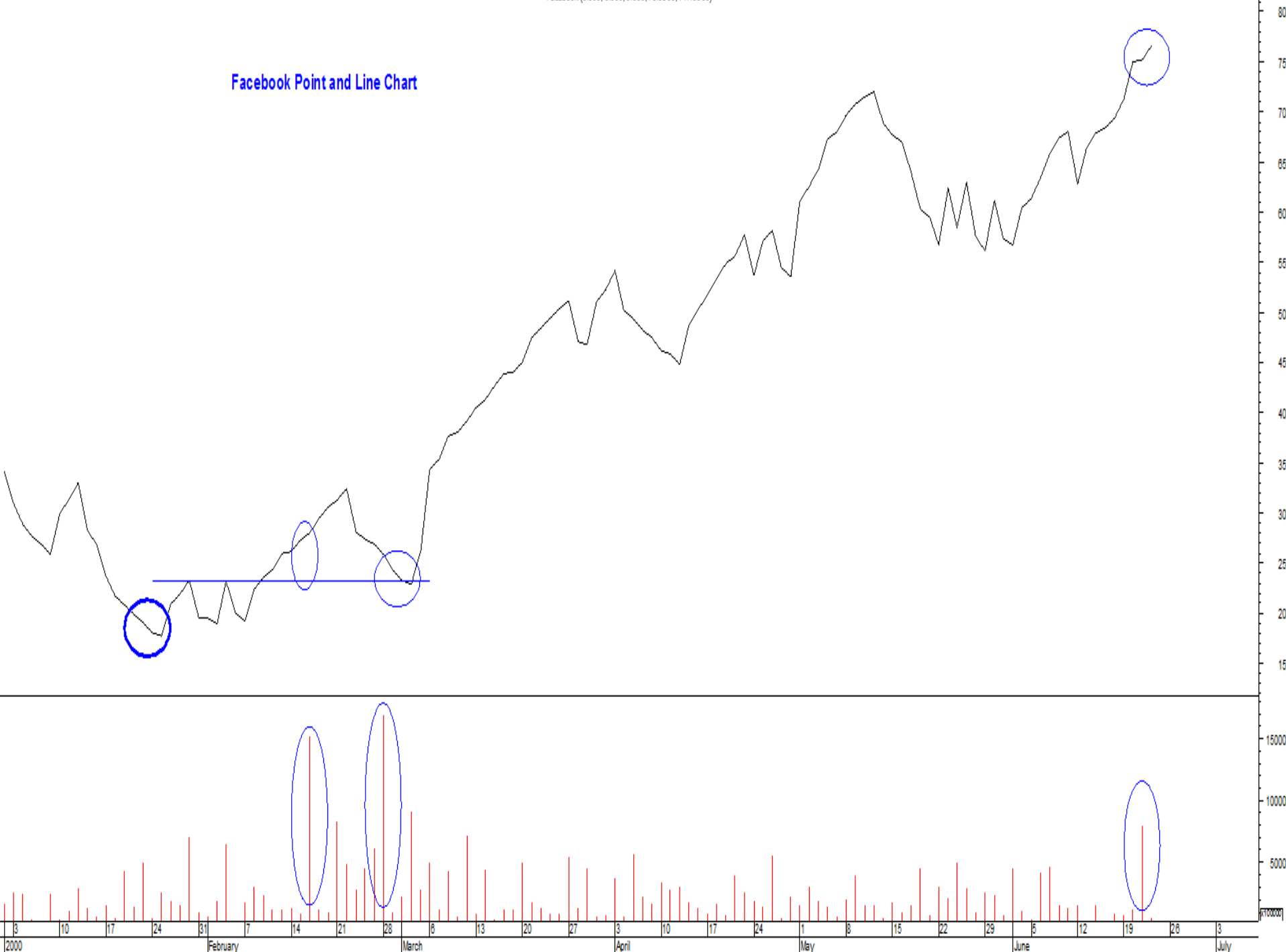
Different Applications

Facebook stock

FB.O



Facebook Point and Line Chart

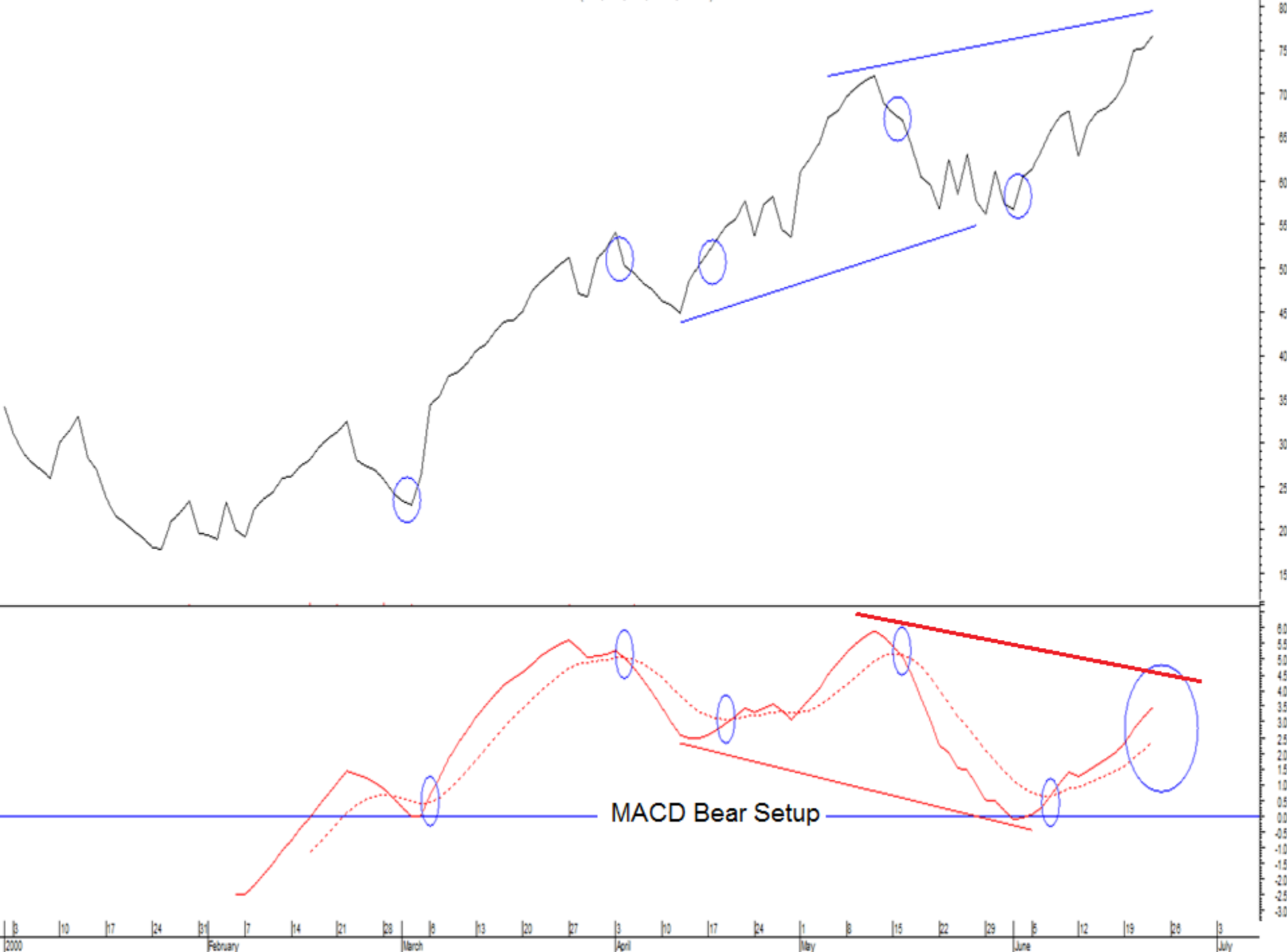




Relative Strength Index

Negative Divergence

Bear Setup

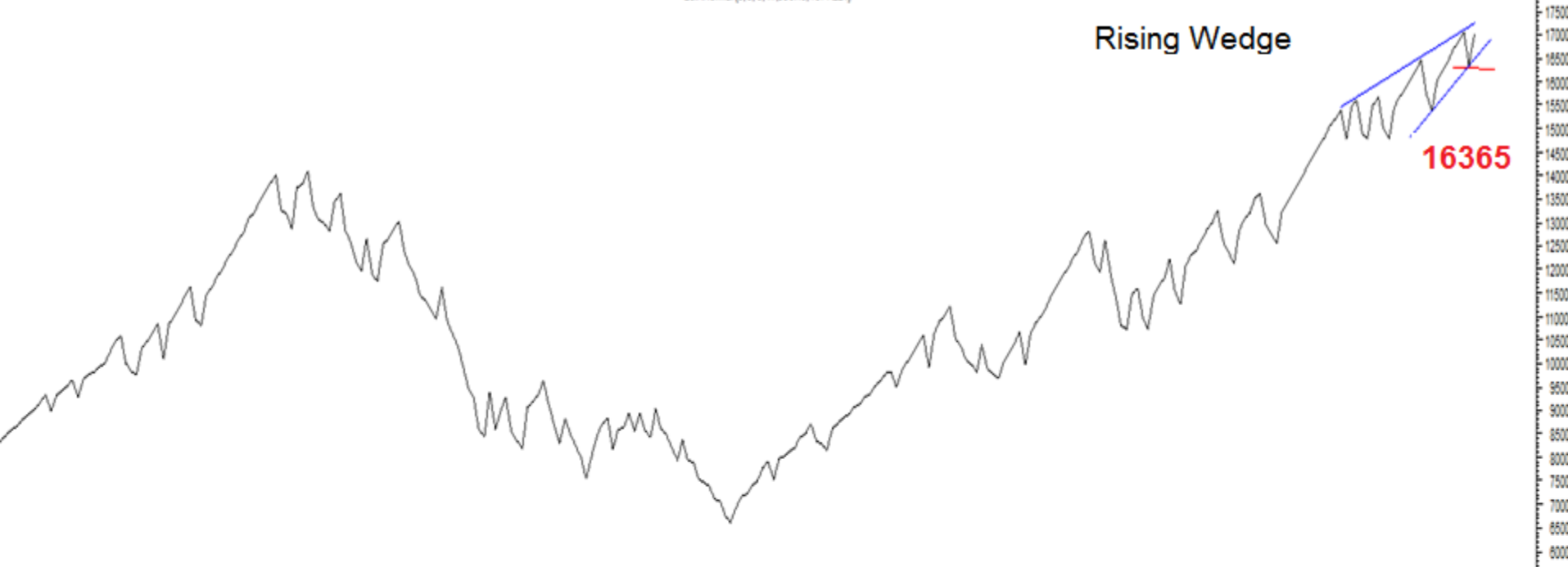


Dow Jones Industrial Average

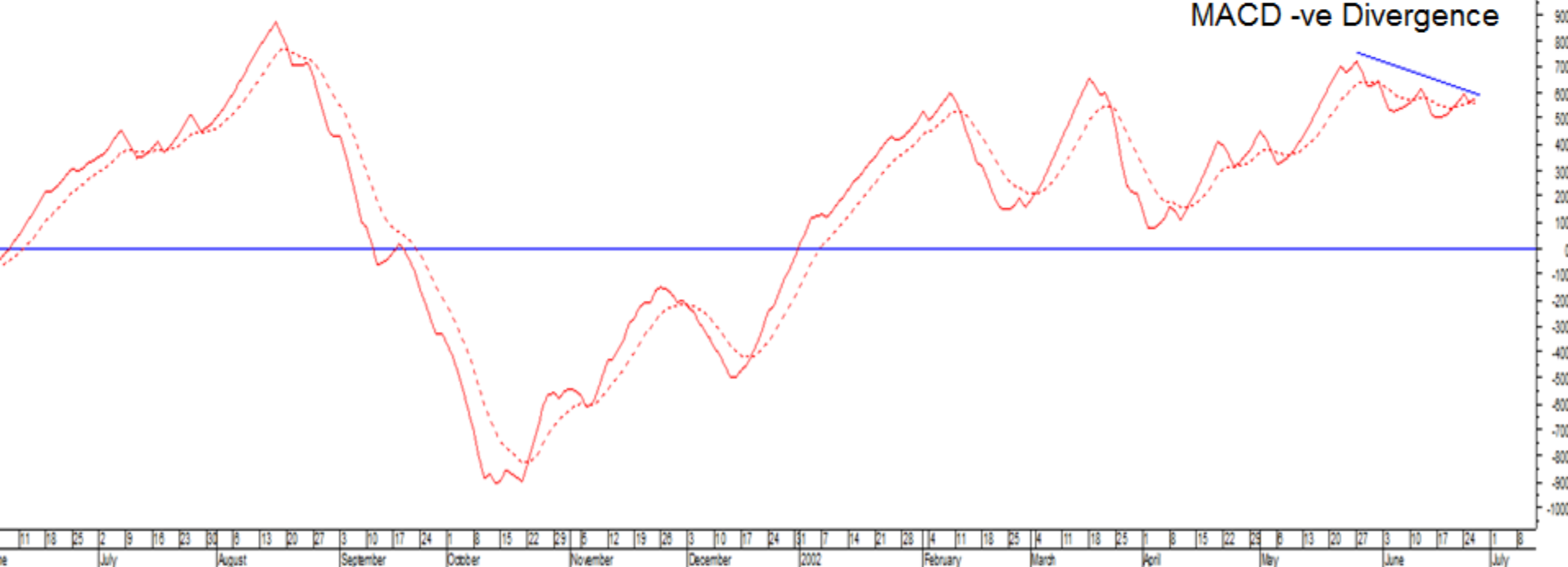
.DJI

Rising Wedge

16365



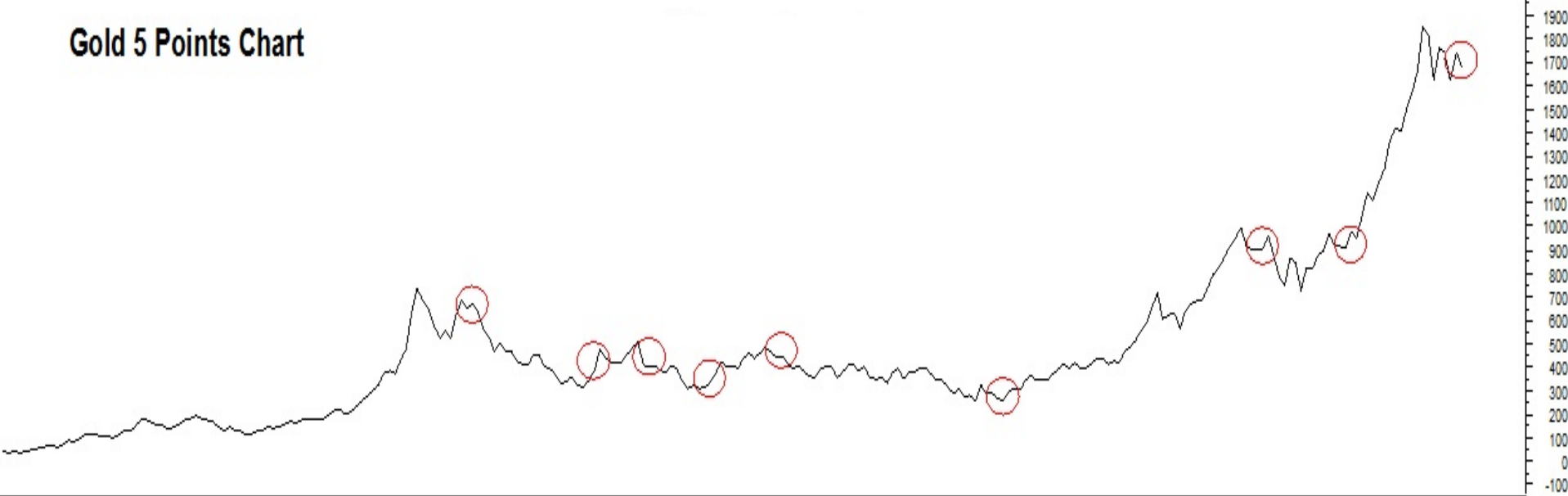
MACD -ve Divergence



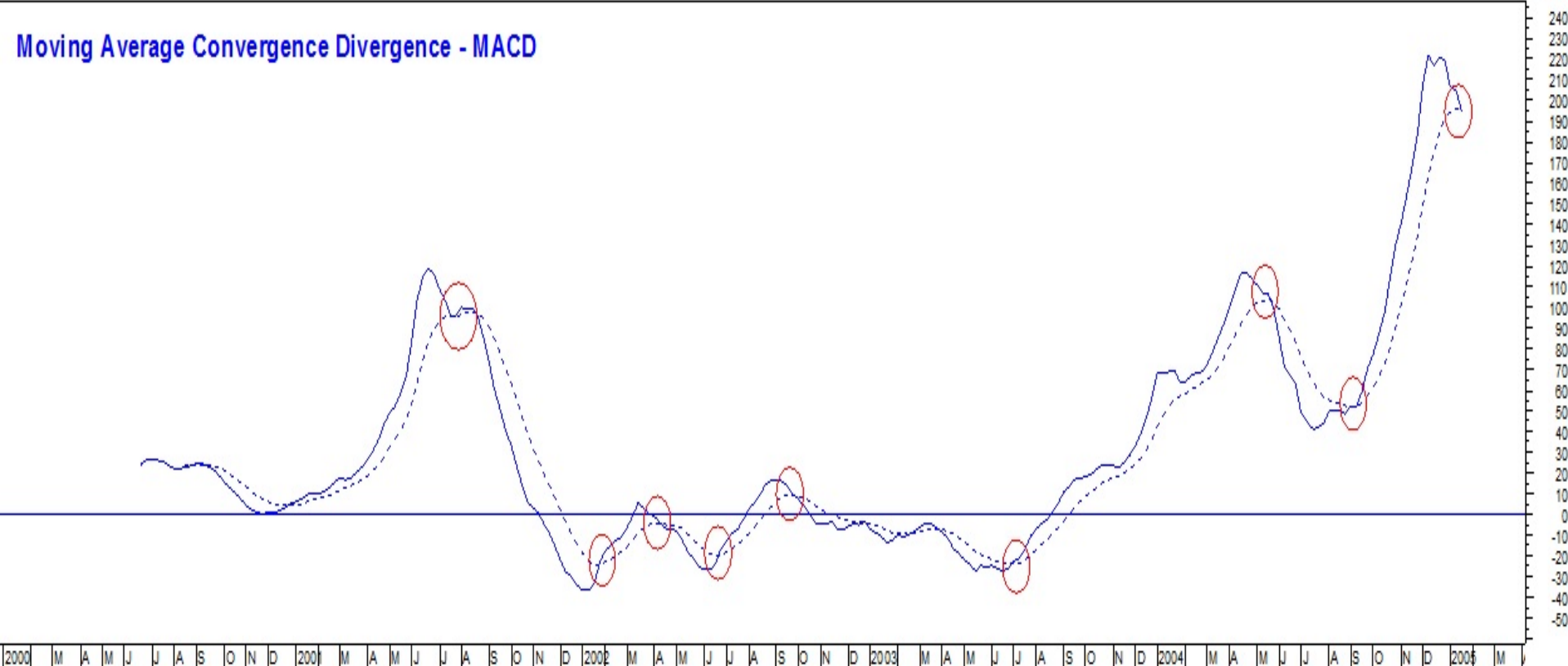
Gold
XAU=

The 5 Points concept

Gold 5 Points Chart

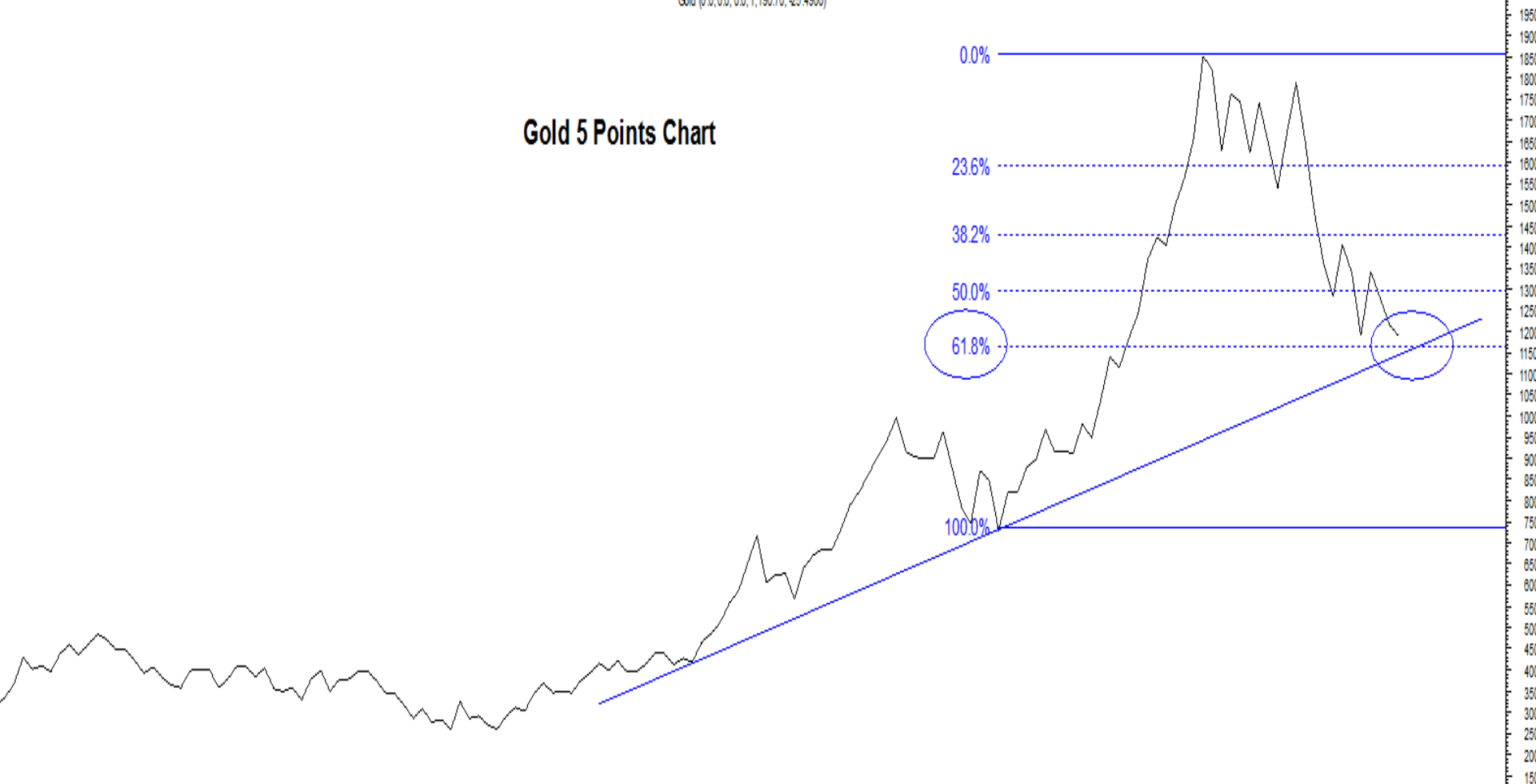


Moving Average Convergence Divergence - MACD

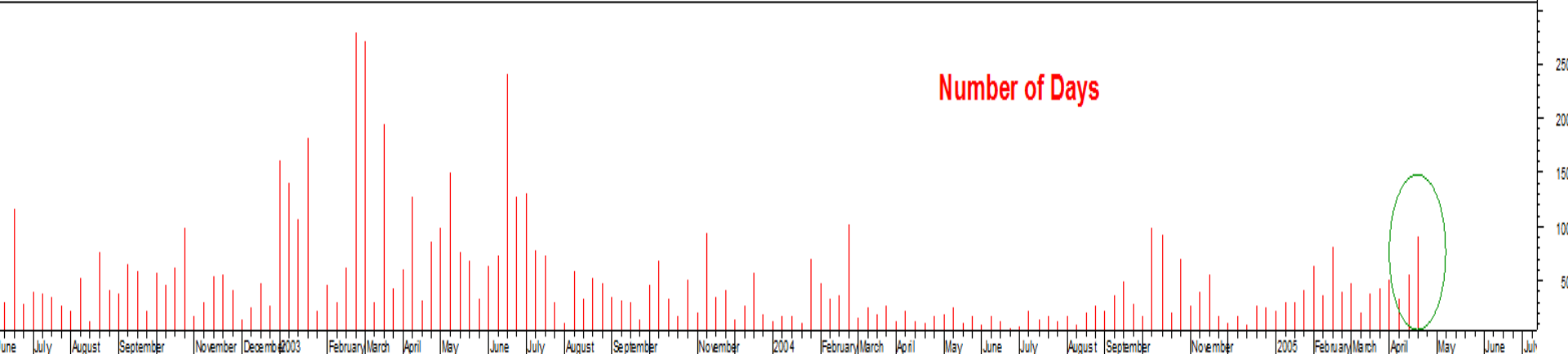




Gold 5 Points Chart

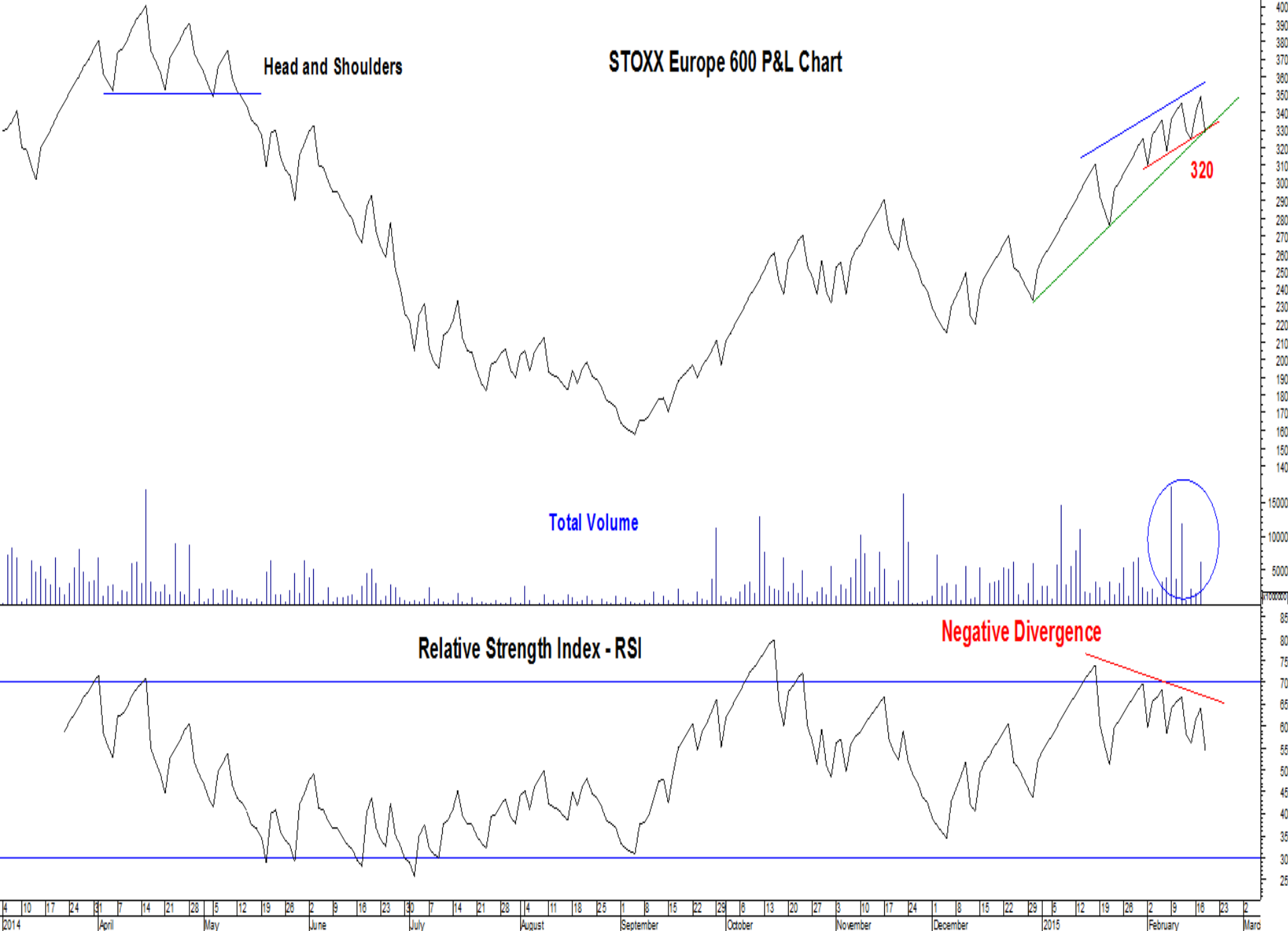


Number of Days

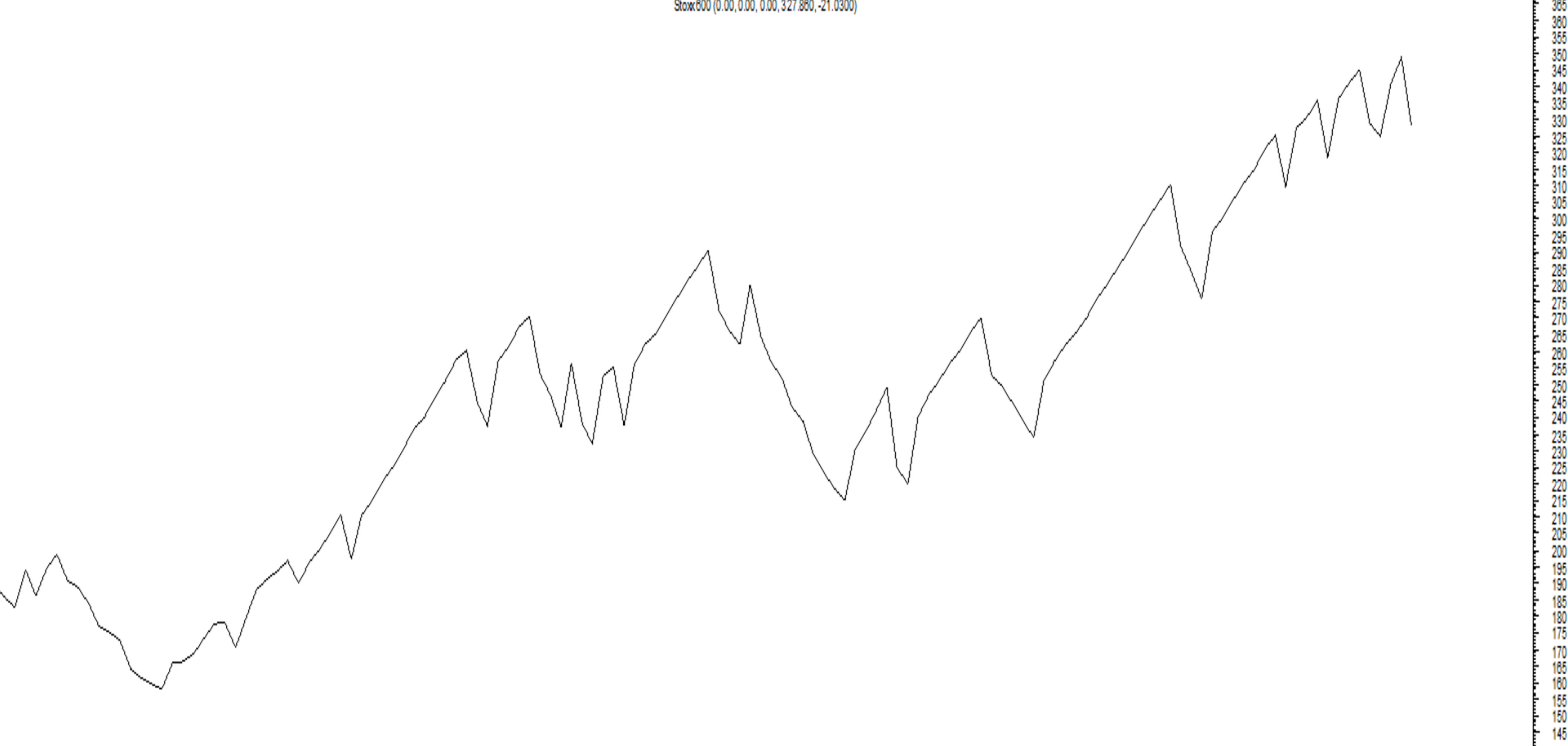


STOXX Europe 600

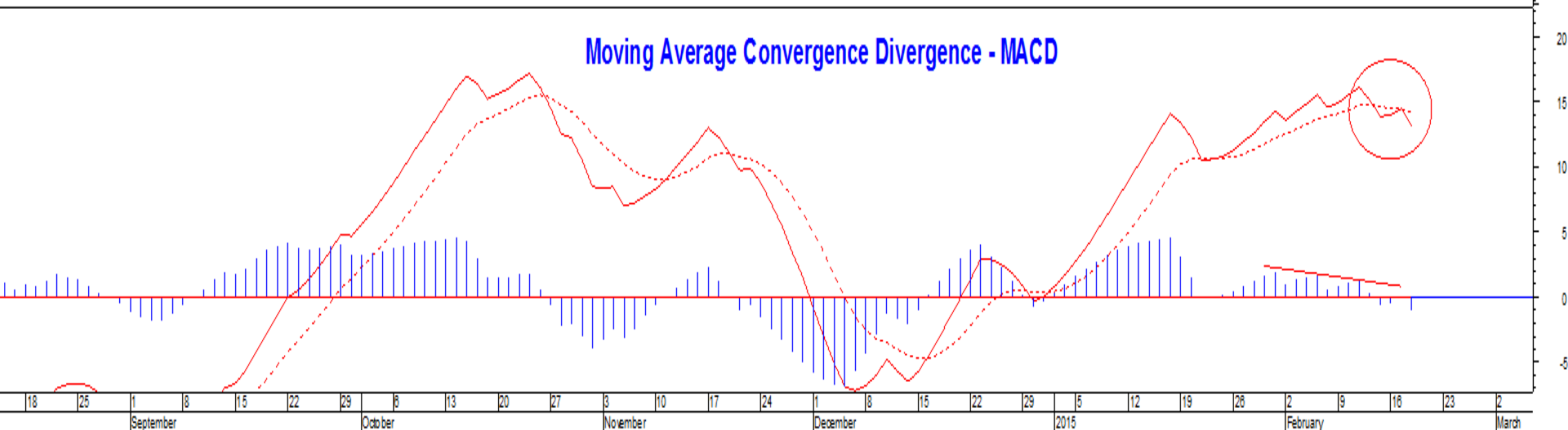
STOXX Europe 600 P&L Chart



Stoxx600 (0.00, 0.00, 0.00, 327.860, -21.0300)

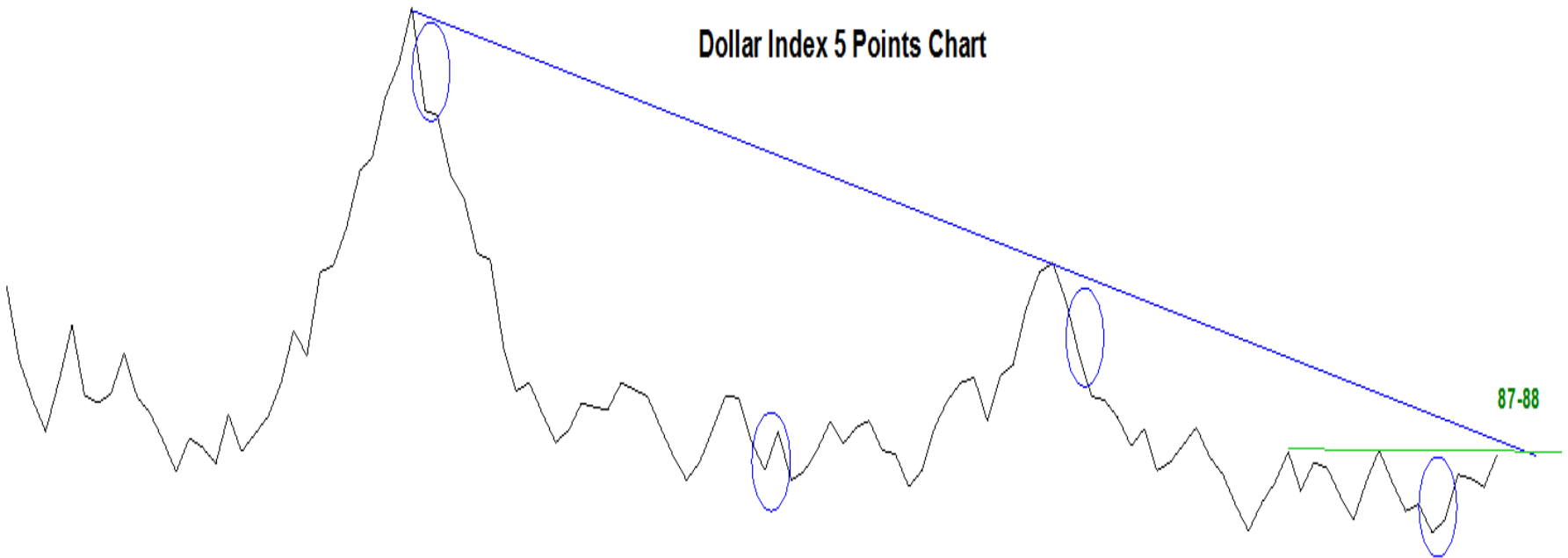


Moving Average Convergence Divergence - MACD



US Dollar Index
=USD

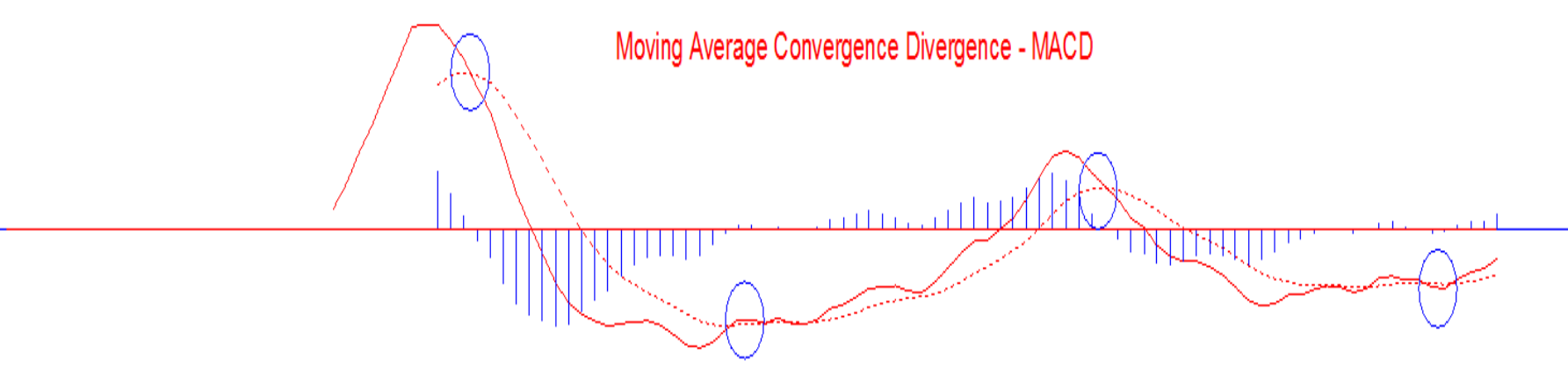
Dollar Index 5 Points Chart



Number Of Days



Moving Average Convergence Divergence - MACD



200 Points Moving Average

100 Points Moving Average



Number of Days

Thank You.

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