

Step 3

Market Filter

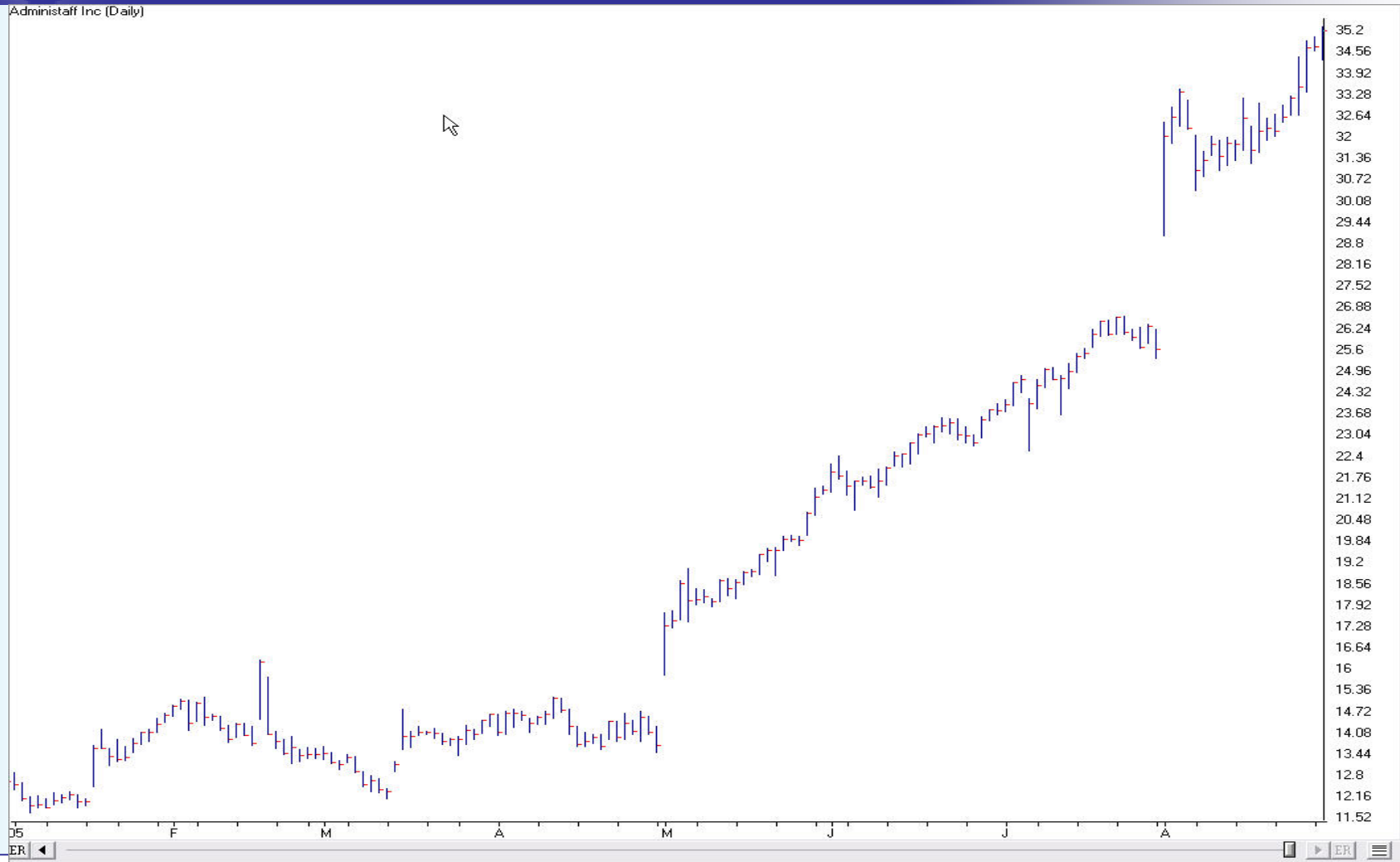


Step 3: Market Filter "Efficiency"

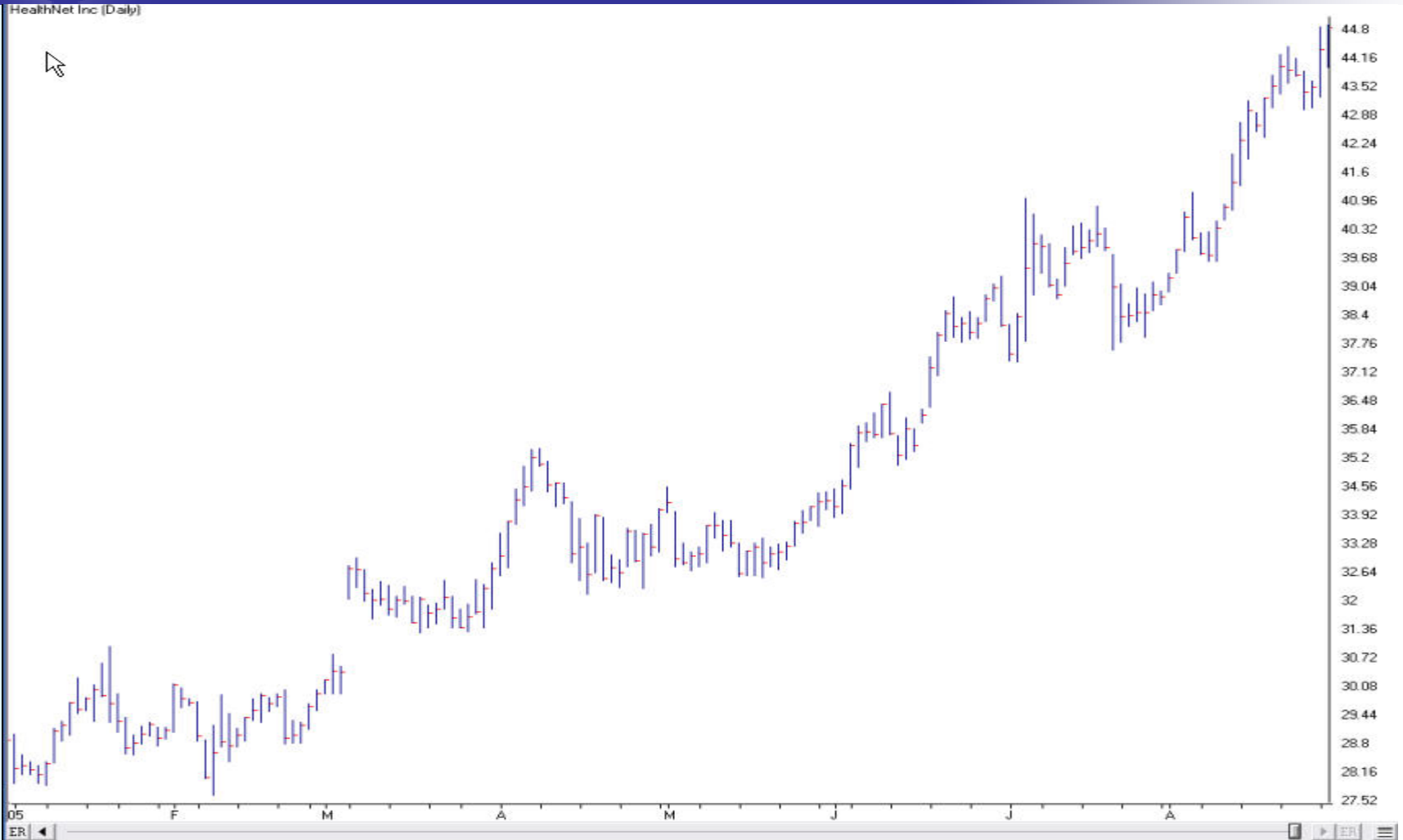
My Filter

- Buy what's going up.
- The straighter and steeper the line, the better I like it.
- Filter is the change in price divided by the average true range for that time period

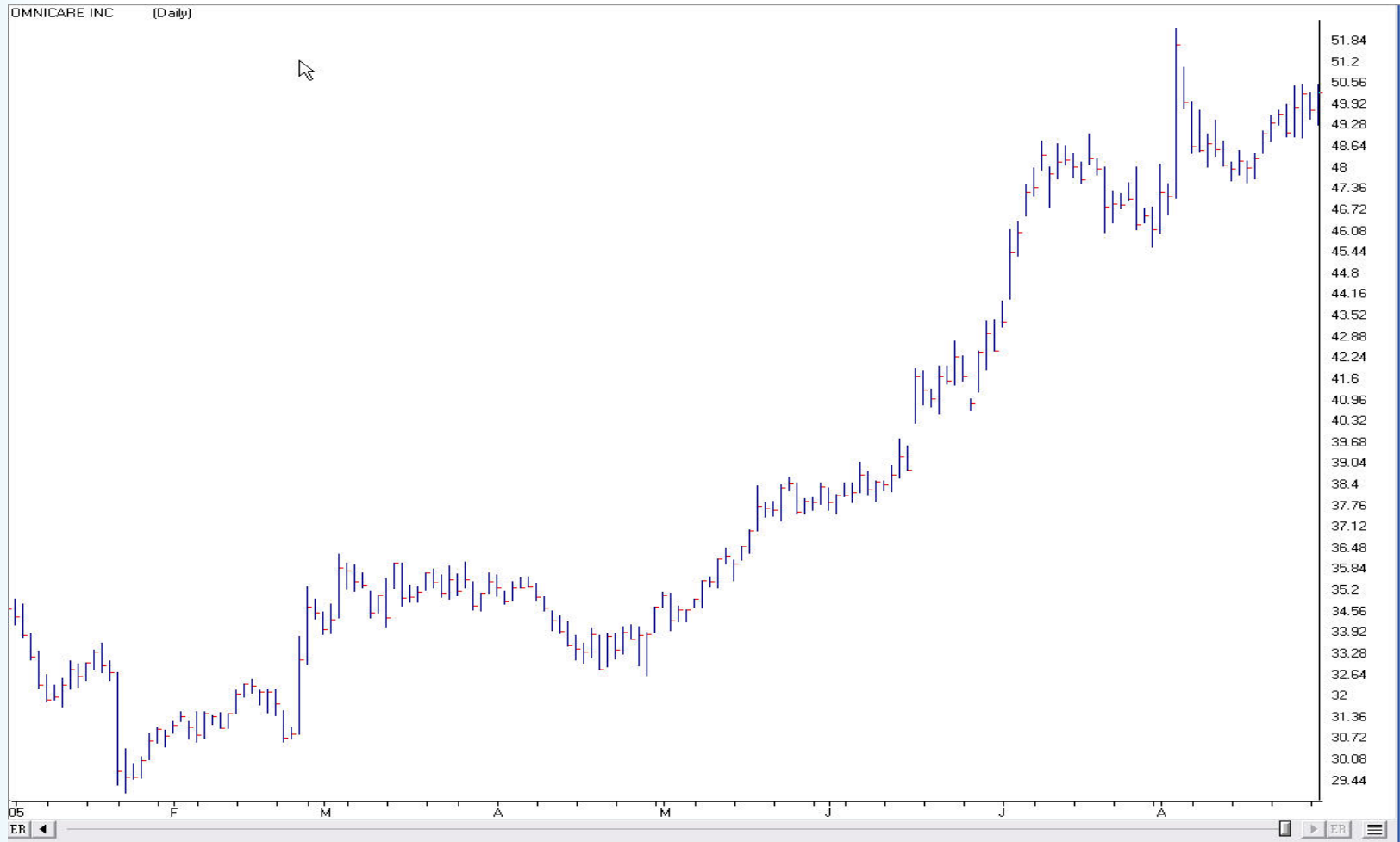
Top Five Stock Charts (1. ASF)



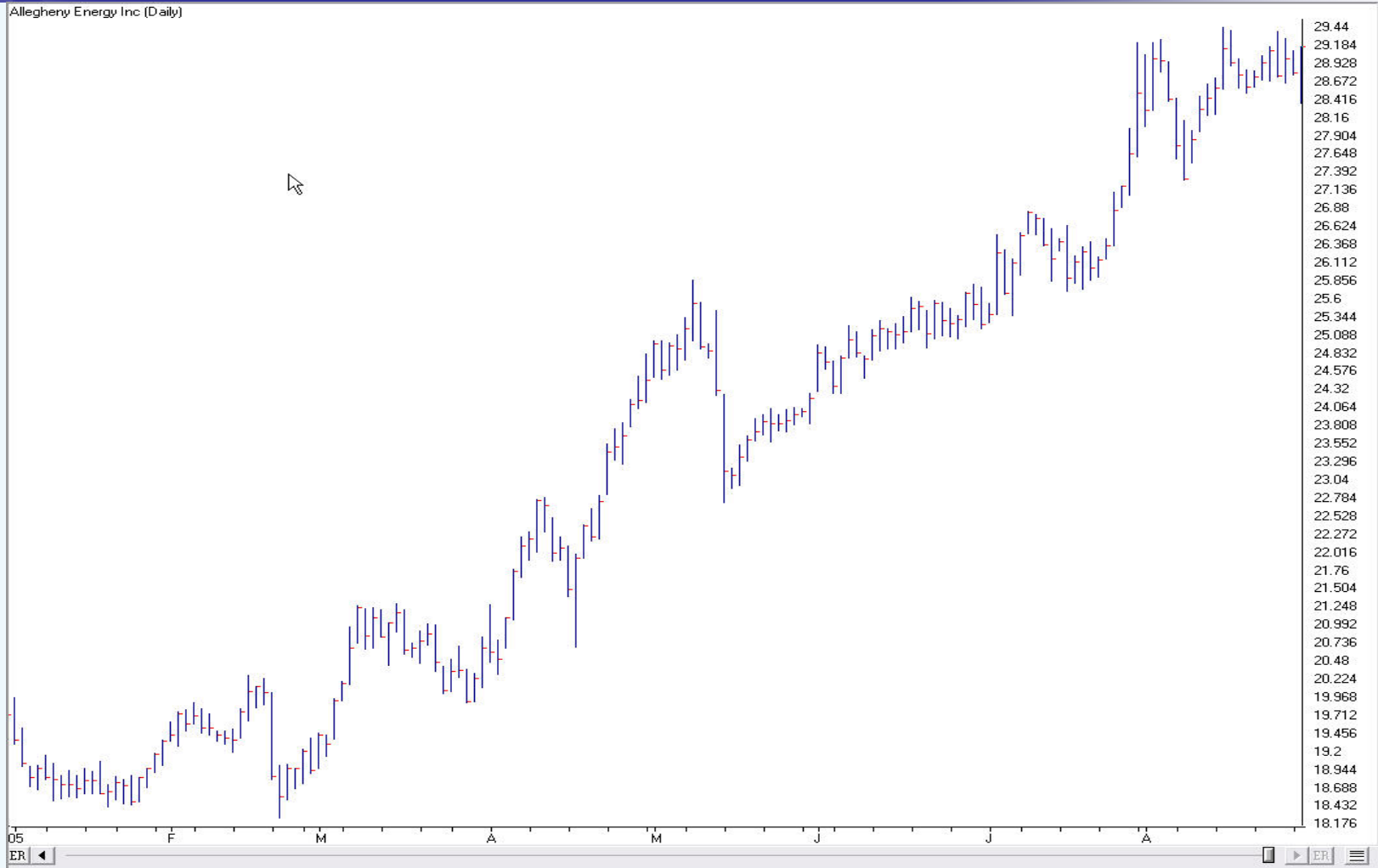
Top Five Stock Charts (2. HNT)



Top Five Stock Charts (3. OCR)

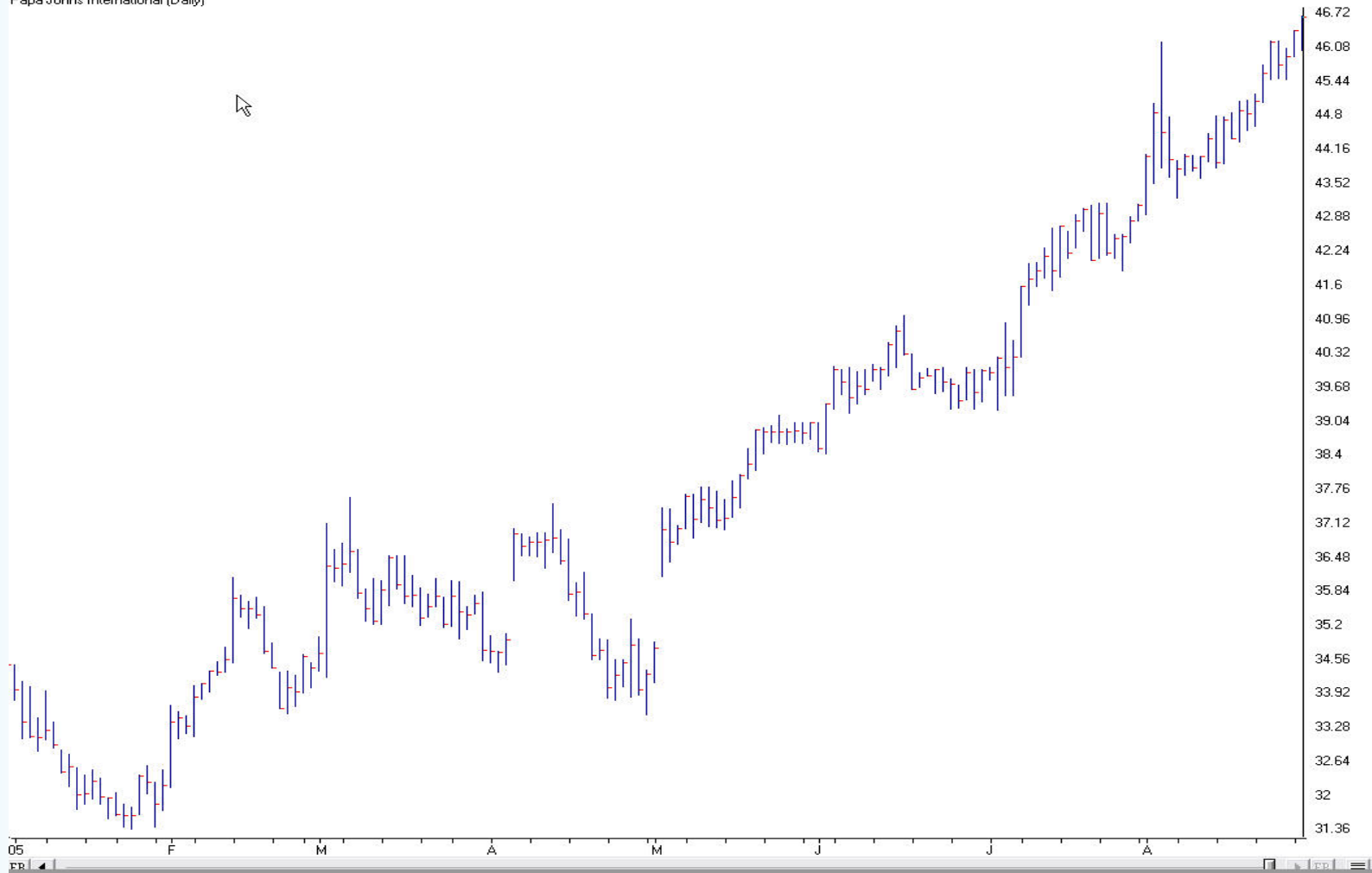


Top Five Stock Charts (4. AYE)



Top Five Stock Charts (5. PZZA)

Papa Johns International (Daily)



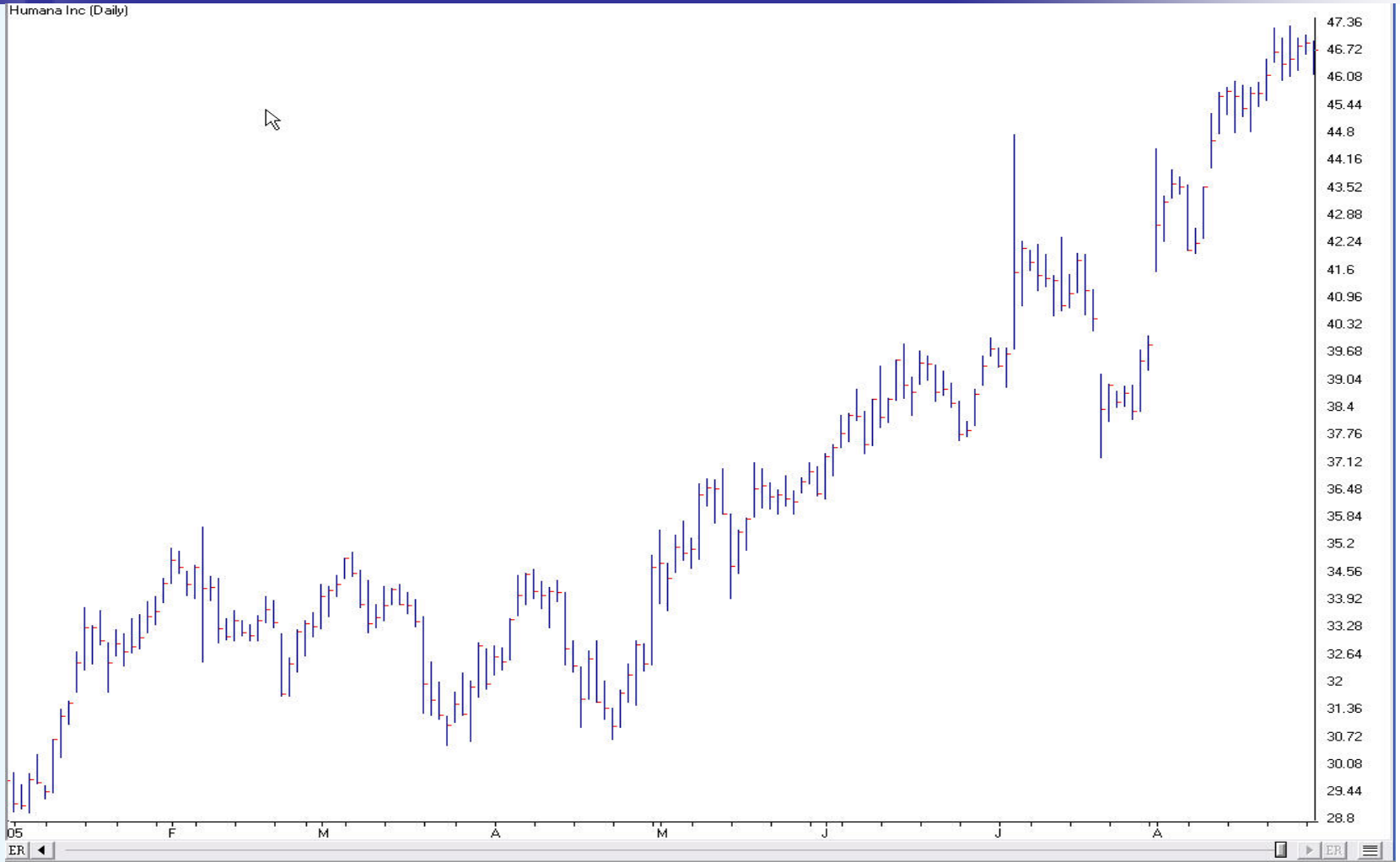
What NOT to Buy

1. Stocks that Do Nothing Except Have Sudden Bursts



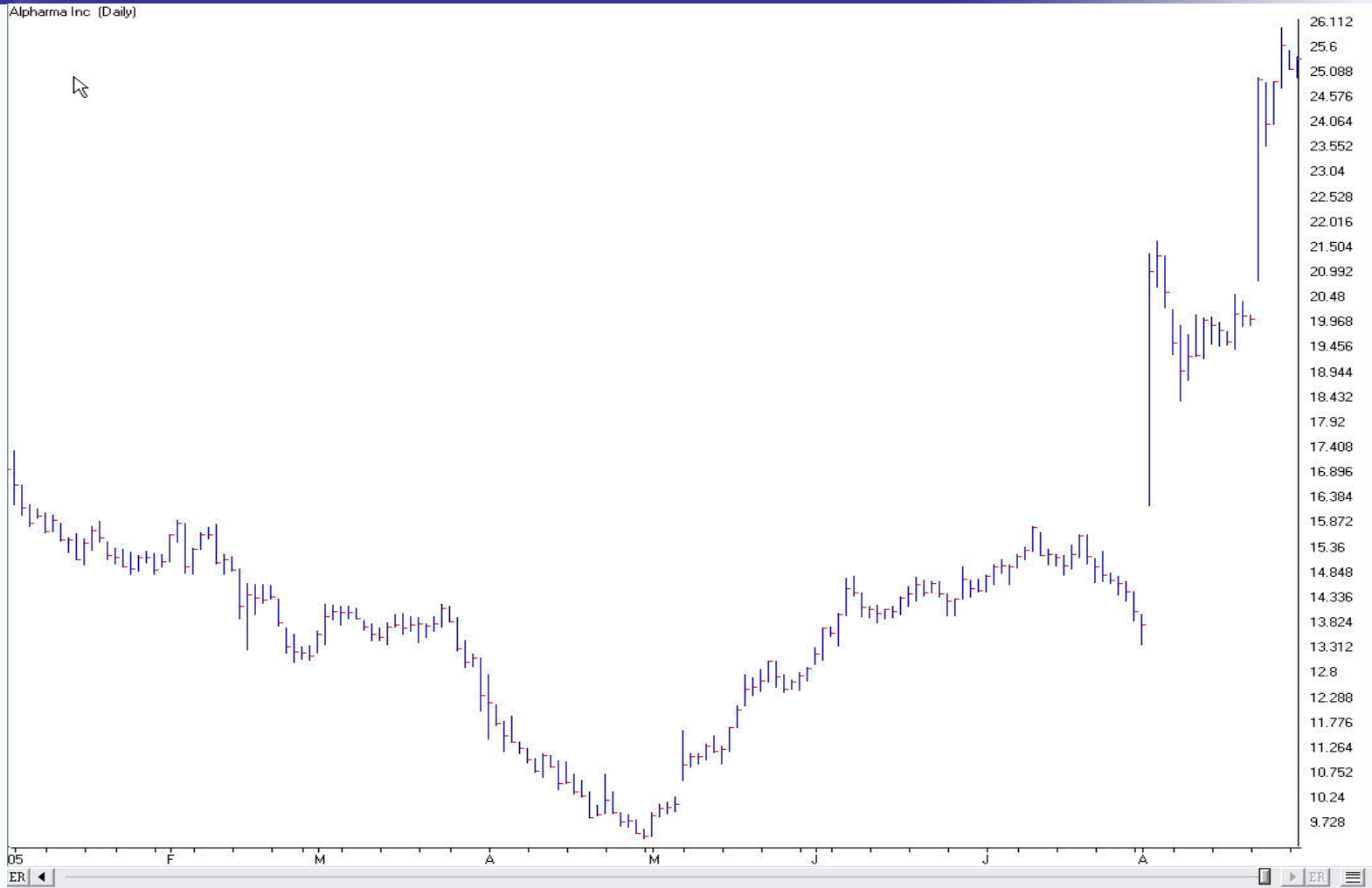
What NOT to Buy

2. Stocks That Screen As Efficient but are Too Choppy



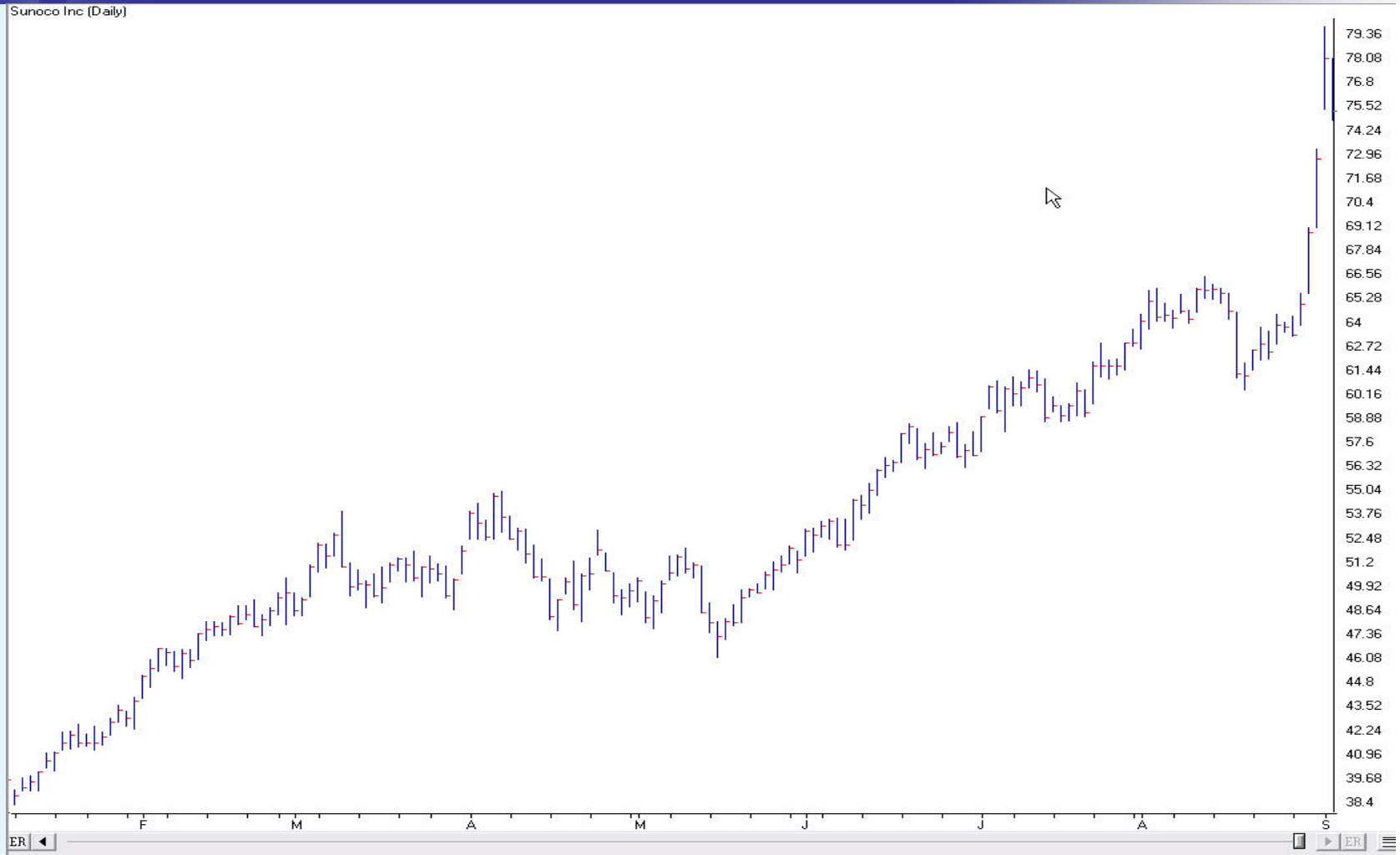
What NOT to Buy

3. Efficiency is Due To More Recent Activity



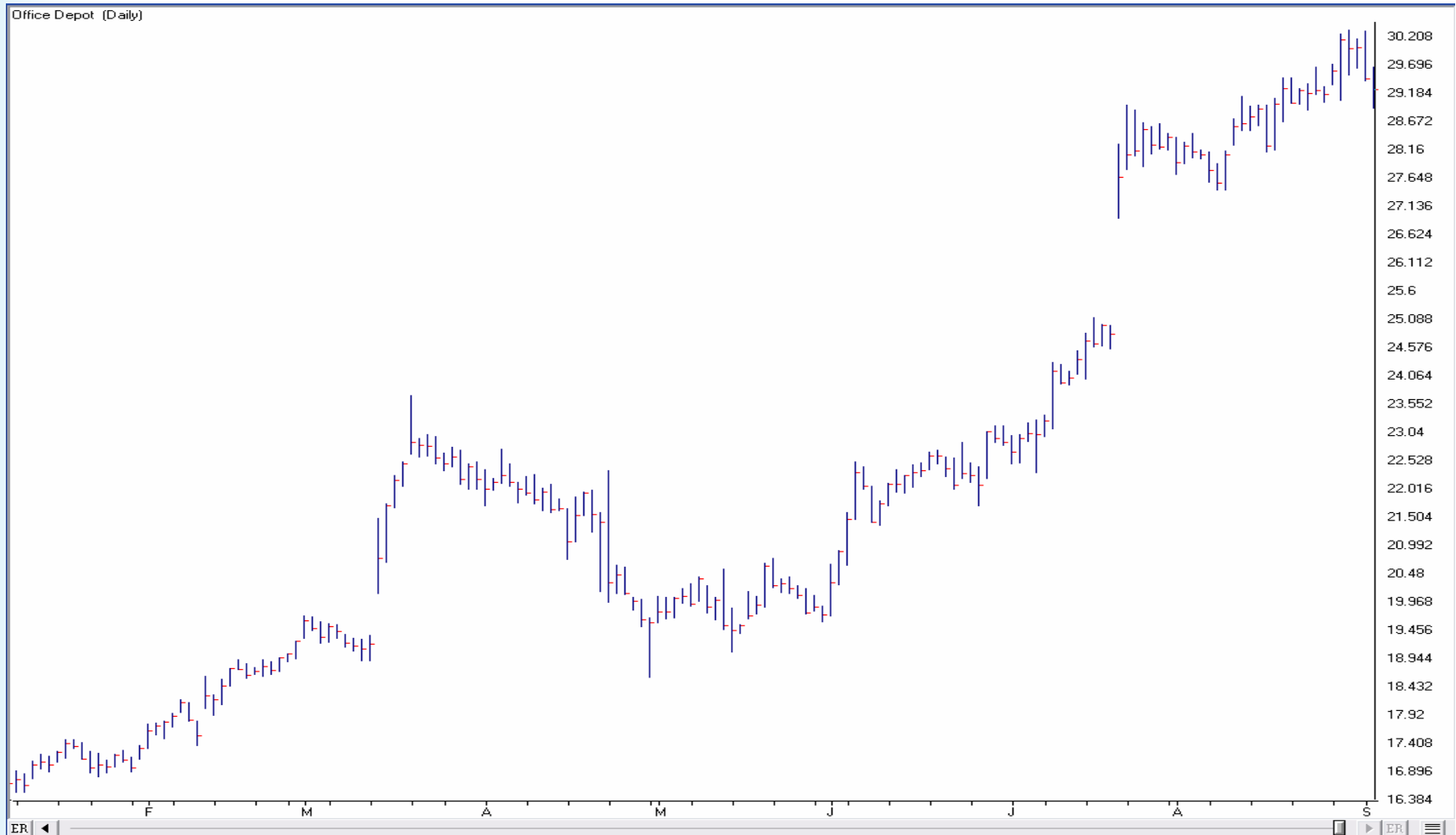
What NOT to Buy

4. Getting Parabolic



What NOT to Buy

5. Stocks With Gaps That Could Fill In



Also Look at Negative Efficiency Stocks for Possible shorts

