

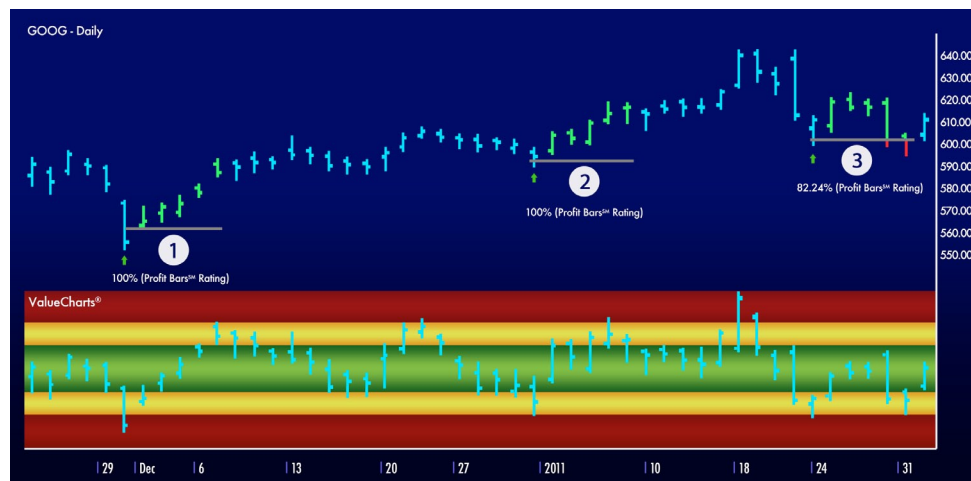
INTRODUCING PROFITBARSSM

ProfitBarsSM are a powerful visual tool that allows traders to determine how effective their market entry and exit signals are. This is accomplished by coloring price bars trading above the entry price level green, indicating unrealized profits, and coloring price bars trading below the entry price level red, indicating unrealized losses. Furthermore, the ProfitBarsSM Rating measures the percentage of green price bars (profitable bars) over a defined number of bars after a trade is initiated. The higher the ProfitBarsSM Rating, the more efficient or attractive the entry was.



A ProfitBarsSM Rating of 100% would indicate that the period following a specific market entry was always profitable. In other words, a trader never had to experience an open position loss, or unrealized loss, during the evaluation period following the entry point because the trade became immediately profitable and remained profitable during the defined evaluation period.

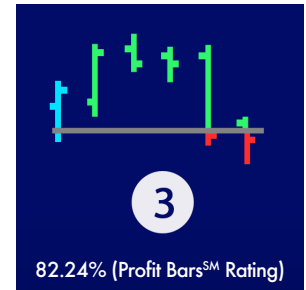
In a perfect world, every trader would like to see their trades become profitable immediately after they put them on. However, we know that this is often not the case. One of the powerful features of ValueCharts[®] is in its ability to at times identify low risk market entry points.



For example, if a trader bought Google in late November 2010 in the chart above (reference 1) at the significantly undervalued price level using a five bar ValueCharts[®], then the ProfitBarsSM confirm that over during the evaluation period (five price bars after the entry price level) Google traded above the entry price level the entire time.



In fact, the ProfitBarsSM Rating was 100% for this trade because 100% of the price bars traded above the entry price level during the evaluation period. The evaluation period is often the same time length, or number of price bars, as the ValueCharts[®].



We can also see that the second buy example in the Google price chart above (reference 2) was also a strong buy signal. All of the ProfitBarsSM following this buy signal in late December 2010 were profitable. This is confirmed by the fact that all of the price bars were green following this entry point. The ProfitBarsSM Rating for this signal was also 100%. It is unrealistic to expect to enter any market consistently with a ProfitBarsSM rating of 100%. However, ValueCharts[®] is a powerful trading tool that has the ability to identify market entry points with great precisions. As with every technical trading tool, it is important for traders to understand that trading with ValueCharts[®] does not necessarily mean that a trade will end with profits.

The third buy example in the Google chart above (reference 3) shows us that many trades will experience both higher and lower price bar trading activity after a market entry. We can see that after this buy signal only 82.24% (82.24% ProfitBarsSM Rating) of the trading activity during the evaluation period traded above the entry price. This is confirmed by the fact that most of the price bars were green during the five days that followed the market entry point.

ProfitBarsSM are a powerful tool that allow traders to easily analyze the quality of any entry signal.

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