APPLIED TECHNICAL ANALYSIS FOR ADVANCED LEARNERS AND PRACTITIONERS

In Charts We Trust

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BY

INDRANARAIN RAMLALL
University of Mauritius, Mauritius

United Kingdom – North America – Japan
India – Malaysia – China

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Dedicated to my parents, God and to all hard working souls.

"Strength does not come from physical capacity. It comes from an indomitable will."

— Mahatma Gandhi

Preface

This book constitutes the result of a consistent and rigorous work I have undertaken for more than seven years in an attempt to master various tools which fall under the purview of technical analysis. I began to show interest in the field of technical analysis for the first time when I got introduced to technical analysis tools during my tenure as financial analyst/fund manager in one of the largest fund management company in Mauritius. The thirst for more knowledge and mastery of the technical analysis tools became more pressing and fascinating when I got accustomed to on-the-shelf technical analysis tools embedded in Reuters system at the Bank of Mauritius. With time, I consolidated my knowledge and experience with readings from different sources. When I realized that what I had could be produced as a book to the whole world, I decided to publish my work as a book. And this is how this book got its existence.

Despite the fact that many books prevail in technical analysis, I found that most of the books linger too much about the authors' experience in lieu of unleashing real objective analysis of the various techniques under discussions. For instance, a 200-page book may actually contain only around 40–50 pages of real information value. Such a shortcoming acted as the main motive behind the present book. In essence, the book has been written with each page containing instant value information to thereby assist in direct and effective knowledge dissemination. This is a key distinctive feature of the book relative to other books on technical

analysis. Beyond that, the book addresses all key features of technical analysis. Most importantly, a chapter is dedicated to technical analysis programming using R. Readers who do not even understand R can simply copy the commands and use them in a learning by experiencing approach. If another title were to be used for this book, it could have been called: Pearls of Technical Analysis as the book weaves through various techniques and tools of technical analysis and bring them under one single roof. For instance, very detailed analysis is provided pertaining to the Elliott Wave theory so that readers can master them quickly.

In a nutshell, this book is the fruit of a long-term study of technical analysis by the author. The book can be used both by new and advanced learners. The book has been written in such a way that there is not only a comprehensive coverage of the tool but also fully applied and discussed examples to enshrine the assimilation process. The book can also be used as a quick referenced manual for traders, practitioners, and researchers. Bullet points are widely used to ensure effective knowledge transmission and to shun off superfluous readings chiefly when time optimisation is widely considered as key in today's evolving world.

To me, technical analysis is not so different compared to astrology. While the former is employed to predict asset prices, the latter is used to determine the future events in a life of an individual. Such a state of affairs can best be captured by the golden ratio which permeates nearly each and every aspect of the way nature and man operates.

I believe to have attained a certain level of "self-chartism" accomplishment after completing the book and welcome comments and suggestions. Same can be sent to iiramii3@gmail.com or i.ramlall@uom.ac.mu.

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Dr. Indranarain Ramlall

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