

# Petaluma IBD Meetup Example Sell Rules

June 2017 Update

Use These Examples To  
Please Make Your Own Sell Rules

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# Study The CAN SLIM Sell Rule References

These sell rules are a guide to making  
your own sell rule set.

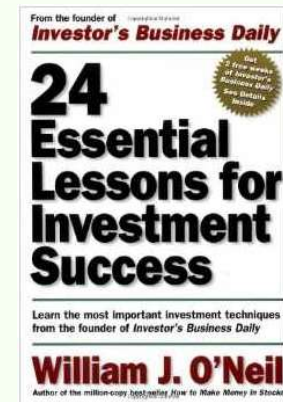
Check the original source material.

# Sell Rule Reference Books

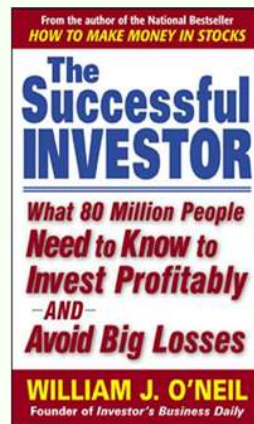
**HTMMIS** – *How to Make Money in Stocks*, 4<sup>th</sup> Edition, By William J. O'Neil



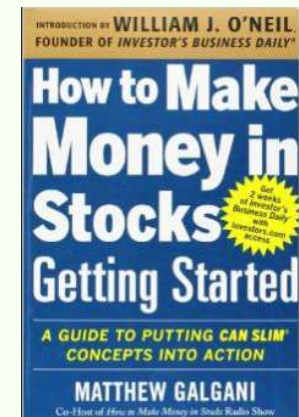
**24 ELFIS** – *24 Essential Lessons for Investment Success*, By William J. O'Neil



**SI** – *The Successful Investor*, By William J. O'Neil



**Getting Started** – *How to Make Money in Stocks, Getting Started*, by Matthew Galgani



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# Example Sell Rules

- Studies these example sell rules as possibilities to adopt for you own sell rules.
- Write out your own sell rules in detail. Be sure to understand the principle behind each.
- Start simple and add more sell rule options as you gain experience.
- You can begin with just the first four example sell rules. For SR #1 use -7%. Use 20% for sell rule #2 and use a 11%, 12% or 13% cushion for sell rule #3.

# Recent Changes Petaluma IBD Meetup

## Sell Rule Examples – In July 2017

- Discussion on sell rule #14 the time goal.
  - New CAN SLIM investors might wish to not use this rule until they have enough post analysis data to be comfortable using it.
  - IBD and probably even Bill and Scott O'Neil don't use this rule in 2016 and 2017.
- Add an option in sell rule #10 for extending the normal profit goal (sell rule #2) to use the 10-day line and/or the 20-day line.
- SR #10 slide 37, #5 add may sell if gap or plunge down 5%. 5/4/17
- Removed bad links for SR#5.
- Added a reference link for SR#2.
- Sell Rule #14 added options not to use this rule at all, or not to apply it to late stage bases or more than 18 months since a major market correction.
- Added clarifying definition on Sell Rule #17 (slide 27)
- Added the Simmonds Precision Products model in slices 60-62.
- Added Xerox slide #63 to show late stage base failure as described of slide #38 as a big cushion sell rule.

# Recent Changes Petaluma IBD Meetup

## Sell Rule Examples – August 2016

- Added some reference materials at the end of the sell rule examples
- Added a description of the upper channel line in the climax top sell signals
- Added P-E expansion to the climax top signals
- Added Late-Stage-Base failure to the Big Cushion Sell Rules and a note about closing below the 40-week line
- Revised wording for Sell Rule #18 – breakout didn't occur.



# Recent Changes Petaluma IBD Meetup

## Sell Rule Examples – July 2016

- Added a Huge cushion size for SR#3, Decline from the Peak. July 2016
- Widened decline from the peak options for stock up > 20%. July 2016
- Sell rule #22 added to pick some stocks to hold for the longer term gains in favorable markets, May 2015. This was a suggestion by Bill O'Neil in the Model Stock Summit in 2012 and 2013. Slide #27
- Sell rule #23 added to possible sell on a significant plunge, maybe the largest down day, July 2015. #28
- Decline from the peak details added for intra-day limits and stocks that have made big gains, slide #12 and #13.
- Sell Rule #24 added to sell in a climax top. Usually this will come under the Big Cushion sell rules, but #24 was added in case a climax top occurs before the big cushion rules are in effect for a stock, like AMBA in June 2015.
- More specificity on sell rule #8, the Certain-teed rule on slide
- Noted the possible use of different intra-day and closing price limits for sell rule #1.



# Short Version Quick Summary Sell Rules

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# Sell Rule Summary

1. Sell -7% or -8% from buy price. (Cut Loss Sell Rule)
2. Take gains +20% to +25% above pivot point, unless within the first 8 weeks. Also See rule #14. (Profit Goal Sell Rule.)
3. When profitable 6%-11% use 10%-14.5% decline from the peak “trailing stop” cushion. (Decline from the peak sell rule)
4. If -7% straight failure three times stop buying and study. (Three-Strikes Rule)
5. You may sell if it plunges below the 50-day on huge volume. (Pierce 50 on huge volume.)
6. You probably should sell if it gaps down on huge volume in a scary way. (Big Gap Down on Huge Volume)
7. If market corrects you may sell lagging positions to reduce exposure.
8. If up  $\geq 20\%$  in  $\leq 3$  weeks hold 8 full weeks. (Certain-teed hold rule)
9. Sell only if a written sell rule is triggered.
10. Stocks surging up past the sell goal may be held using the 10-day line as a selling guide. (Short tern gain extension)

# Sell Rule Summary

11. If portfolio is down 4% for the week (no margin) to 8% (full margin), sell weak stocks to reduce exposure. Generally sell at least one full position to cut risk.
12. May Sell/Probably sell if a breakout on good volume stalls and goes negative within a day or two, especially if on high volume. (Failing Breakout sell rule.)
13. Sell all or part of stock if afraid or confused.
14. Don't sell for profit taking for the first 8 weeks. During this time sell only if a protective sell rule is triggered. This is like the 25% profit goal, #2. Hold until you reach 8 weeks, and +25%. In a few cases you might hold a stock for 13 weeks before concluding it is not going to perform. (Time Goal Sell Rule)
15. Keep a 3 to 1 profit to loss plan. (Profit-to-Loss Ratio Rule)
16. Assess risk and sell if needed before earnings, but hold if possible for the earnings report. (Earnings Release Hold Rule)
17. If closes a week up 50% from IP then use big cushion sell rules. (Big cushion sell rules)
18. May sell if a breakout did not happen or stalled out, but mostly don't use this rule unless you are quite sure. (Failed Breakout Sell Rules)
19. Generally hold stocks that are going sideways for 13 weeks (one quarter) before dumping it. Stated as sell rule: May sell a stock that has advanced less than 5% in the last 13 weeks.
20. Usually sell all of a stock that has a takeover offer.
21. May sell if a stock is persistently weak after eight week (40 market days) from the breakout.
22. Select a few stocks to hold for longer term, larger gains.
23. Plunged significantly (4%-5%) on huge volume (+100% or more).
24. Sell if a stock goes into a climax top. If not sure scale out.

# Longer Version Sell Rules

# Basic Sell Rules

1. Always Sell Any Buy Point that Goes Down 7% to 8% from the **Buy Point**. A person can set their own limits and can have intra-day limits and closing price limits. *HTMMIS Page 242; 24 ELFIS Lesson #1 Page 1-5, and Page 47.*
2. Sell Most Stocks that Rise 20% to 25% from the **Pivot Point**. Start with +20%, increase with post analysis. Also, Most stocks should be held at least eight weeks. See rule #14 .  
*HTMMIS Page 258-259 & Page 269 #1 at bottom, and page 271 at bottom. SI Page 76; Getting Started Page 119.*  
<http://www.investors.com/ibd-university/how-to-sell/taking-profits/>
3. **Decline from the Peak** – When an Individual Stock Buy is Up 7% from the buy point, move up the sell point to -5%. Then keep the Sell Point 11% below New Highs Until the Stock is Sold. This is the Decline from the Peak Sell Rule.  
**(See Table for Personal Adjustments)** *HTMMIS, Page 244 Mid-page, Page 268 #5, Page 271 4<sup>th</sup> full paragraph.*
4. **Three Strikes** – If there are three consecutive stock failures to the -7% sell point, stop buying and do post analysis before buying more stocks. (3 Strikes Rule; Investor's Corner Archives 4/12/2007: See Reverences At End Of This Presentation. )

# Rule #3 Decline From Peak Cushion

## Pick Your Desired Cushion

### Basically A Trailing Percentage Stop

**Decline From The Peak Cushion Table (2016)**

Cushion Size	Trailing Sell Point Is This Percent Below High	First Move Sell Point When Stock is Up	First Move Sell Point To	Position Is Break Even When Up	Cushion Name
Huge	16.0%	13.0%	-5%	19%	+14%/-16%
Very Big	14.5%	11.0%	-5%	17%	+11%/-14.5%
Big	13%	9.5%	-5%	15%	+9.5%/-13%
Large	12%	8%	-5%	13.5%	+8%/-12%
Medium	11%	7%	-5%	12%	+7%/-11%
Small	10%	5.5%	-5%	11%	+5.5%/-10%
Tight	9%	4.5%	-5%	10%	+4.5%/-9%
-5% Initial Stop	10%	8.0%	-3%	11%	+8%/-10%

See *How To Make Money In Stocks*, page 268 #5, and mid-page 244.

# You May Use A Larger Intra-Day Limit For Decline From The Peak

Cushion Size	Closing Decline Trigger	Optional Intra-Day Trigger
HUGE	-16.0%	-19%
Very Big	-14.5%	-16%
Big	-13%	-14.5%
Large	-12%	-13.5%
Medium	-11%	-13%
Small	-10%	-12%
Tight	-9%	-11%

**Pick the exact parameters for your own rules. This table is a guide**



# More Decline From Peak Details

If Stock Gained, You May Give It More Room

Stock Has Advanced	Optional Intra-Day Limit	Optional Higher Closing Price Limit Decline %
20% to 25%	1% over IP Average Cost	From the Cushion Table 15% to 16%
25% to 35%	2% over IP Average Cost	Up to 18%
35% to 50%	4% over IP Average Cost	Up to 19%
≥ 50% Transition to Big Cushion Rules.	25% or more decline intra-day	20% or more decline at the close.

## More Basic Sell Rules

5. **Plunge Below 50-Day** - Maybe sell all of a stock that crashes down through the 50-day line on high volume. This may also be the largest point decline since the breakout – by a considerable margin like 50% more than prior declines. ***(Can Wait to End of Day, Higher Risk)***
6. **Scary Gap Down** – Probably sell all of a stock that gaps down on high volume in a scary way. This may also be the largest point decline since the breakout – buy a considerable margin like 50% more than prior declines. (Is this gap unusual and scary?) ***(Can Wait to End of Day, Higher Risk)*** When to Sell: When A Big Gap Down In Price Means It's Time To Exit.  
<http://www.investors.com/how-to-invest/investors-corner/when-to-sell-when-a-big-gap-down-in-price-means-its-time-to-exit/>
7. If the market enters a correction you may sell any stocks that go weak, break support and heads down, especially if it is below the buy price. ***Trim the weak stocks.*** But, don't over react and don't sell stocks that are holding up.

## More Basic Sell Rules

8. **Certain-teed Eight Week Hold** – If a stock advances 20% or more in three weeks or less then hold it for a eight full weeks and reevaluate. If it is kept beyond that we need special sell rules for stocks with big profit cushions. This is the Certain-teed rule. See HTMMIS page 258 the last paragraph. ***See 8-Week Hold Rule Details Ahead, Next Slide.***
9. **Rules Only** – Never sell a stock unless it triggers a specific sell rule and always note it. *24 ELFSI, Lesson #3, Page 13-16*
10. If a stock is surging up well above the 10-day line when it reaches the +20% to +25% profit goal, and SR #14 time goal, if used, and if it has been generally above the 10-day line during its advance, and handily clears the +25% profit goal price, then you may apply the rule to extend the 25% gain using the 10-day **and/or 20-day line** violation guideline. (See Applying the Profit Extension Guidelines below about slide #37.)
11. **Portfolio Management** – If the portfolio is drawn down by 4% (No Margin) to 8% (Full Margin) overall from the prior week, sell all of a stock that is trading below the buy price, or has gone weak and changed character, or sell the stock up the least; or pick at least one position. If the drawdown continues after that, then trim the least performing stocks first to reduce exposure. Also sell the least performing stock to raise cash if needed to buy other stocks; or reduce margin use if you are nervous and unsure, sell rule #13.

# Certain-teed Eight-Week Hold Rule *Details*

*SI Page 76 Last Paragraph*

- If a stock is up  $\geq 20\%$  in  $\leq 3$  Weeks, then hold the stock for eight full weeks and then reevaluate. This advance should be from a base or consolidation breakout, or in may be from a bounce off the 10-week line near a base. The stock may have been bought there, or before, or even after. The first week is the breakout week. Hold to near the Friday close of the 8<sup>th</sup> week.
- The stock should be up 20% solidly, preferably closing a day up 20%. Signs of significant institutional accumulation must be clear; big volume.
- The market should be strong bull, earlier in an advance rather than later, generally in the first 18 months after the last bear or significant market correction. The stock should have top CAN SLIM fundamentals, top sponsorship, high ROE, leading a top group/sector.
- This is applied to 1<sup>st</sup> and 2<sup>nd</sup> stage bases. You have the option to apply it to later stage bases, but this has more risk.
- It is best if this is a leading stock with good institutional sponsorship.
- Once a stock is up 20% and on the 8-week hold rule, set the minimum sell floor at just break even. Never let it round turn into a loss. HTMMIS, Page 271, 6<sup>th</sup> paragraph.
- As the stock advances so that it is 25% above cost begin moving the sell floor up a percent at a time, to first 2% above cost then 3%. See the table in the next slide.
- During the eight weeks the other sell rules are suspended.
- Hold to nearly the Friday close of the eighth week and reevaluate looking at the weekly chart. May even hold for the weekend to reevaluate

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# Certain-teed Eight-Week Hold Sell Cushion Guide

When To Set Sell Floor	Sell Floor During 8-week Hold
When First Applying Hold Rule	At The Average Cost Price
Close 20% Above Average Cost	1% Above Average Cost
25% -35% Above Average Cost	2% Above Average Cost
35% - 50% Above Average Cost	4% Above Average Cost
≥ 50% Above Average IP Cost	30% Below Recent Highs
≥ 60% Above IP for the week.	35% Below Recent Highs or May use the Big Cushion Rules

After a stock has advanced 20% do not let it turnaround and go into a loss. See *HTMMIS* page 271. During the eight-week hold period suspend all the other sell rules, give the stock a wide cushion, but ***never let it go negative.***

# Re-evaluate After The Certain-teed Eight Week Hold

1. If the stock has closed a week up 50%, then transition to manage it under the Big Cushion Sell Rules.
2. If the stock has the characteristics of a **Big Stock**, and is up 30% or more, hold it and manage it under the standard sell rules until it might advance to close a week up 50% or trigger another standard sell rule. After it closes the week up 50% transition it to the Big Cushion Sell Rules. Also, consider the market situation in this.
3. If it doesn't meet the above two criteria but is surging up well above the +25% (+20%) gain and above the 10-day line, then you may apply sell rule #10 for short term gain extension using the 10-day line violation rule.
4. If after the eight week hold the stock is not up to the standard profit goal of +25% (+20%) then hold it and manage it under the normal sell rules until it is up to the standard profit goal or triggers another normal sell rule.
5. If items 1 – 4 above don't apply, and the stock is up +25% (+20%) or more then sell the stock for the realized profits.

# Characteristics of a Big Stock

- Massive volume in prior uptrend
- Up 5 or more weeks in a row, often times 7 or 9 or more.
- Five or more weeks up in a row recently
- Weekly closes in the upper half, or upper quartile.
- Usually Higher Liquid, trades \$50M to more than \$1 Billion per day
- Strong earnings, EPS growth greater than 50%, especially > 100%
- Strong sales growth and a compelling something new.
- Usually higher ROE and PTM with PTM improving
- Accelerating earnings growth at some point in recent past
- Strong demand/supply: Average volume (much) greater than 1% of float and an IBD Supply/Demand rating of 85 or more.
- Very strong RS line in the 1 o'clock to 2 o'clock range.
- Generally Trending Above the 20-day line. The chart looks strong.
- Stocks out of IPO bases, or 1st stage after IPOs.
- Trades tightly after big run up
- Tight daily and weekly ranges and closes, the opposite of wide & loose.
- Gap ups in the pattern
- Extreme volume dry ups along lows of base and handle
- Owned by good mutual funds
- Higher management ownership
- Strong prior uptrend





## More Basic Sell Rules

**12. Failed Breakout** - If a stock breaks out of a base pattern on substantial volume one day but immediately fails to “follow-through” and then goes down in price on increased volume for several days, to the point where it may be 4% or 5% below the breakout or “pivot point,” it could indicate a faulty price pattern. The stock, in most cases, should be cut back or sold.

*24 Essential Lessons for Investment Success, #3 on page 120. Also see HTMMIS page 261 last paragraph on balancing this sell rule.*

**13. Scared or Confused** – Sell all or part of a stock if you become afraid or confused about any situation.

14. **Give Them Time To Work (Time Goal) - Don't Take Profits In The First Eight Weeks** – (See the discussion on this rule in the next two slides. You may decide *not* to use it yet.) This rule gives good stocks in good markets time to perform. Stocks that gain 20% (or 25%) within eight weeks should not be sold under SR #2 yet, but should be held for at least eight weeks providing they don't correct severely, trigger another sell rule (get into trouble), or make a two- or three-week climax run-up on a stock split in a late stage base (very, very unlikely). This time is measured as 40 market days from the base breakout or alternatively it can be sold any time in the 8<sup>th</sup> week after the breakout, where the week of the breakout counts as the 1<sup>st</sup> week. You may choose not to apply this rule to 3<sup>rd</sup> or later stage bases, or after 18 months since a major market correction. Unlike the Certain-tyed exception SR #8 (Hold 8 weeks if up  $\geq$  20% in  $\leq$  3 weeks), don't suspend the other sell rules. This rule is like the one to hold stocks until they advance 20% (to 25%), but also hold at least 8 weeks. In a few cases you may hold for 13 weeks before concluding a stock is not making it. (HTMMIS page 271, page 270 page 247) (Time goal sell rule.)

# Sell Rule #14 Primary Reference

Also, major advances require time to complete. Don't take profits during the first eight weeks of a move unless the stock gets into serious trouble or is having a two- or three-week "climax" run-up on a stock split in a late-stage base. Stocks that show a 20% profit in less than eight weeks should be held through the eight weeks unless they are of poor quality without institutional

HTMMIS, 4<sup>th</sup> Edition Page 271, Last Paragraph

The basis of this rule:

1. Good CAN SLIM stock should go up +20% to 30% before they form another base (Sell Rule #2), and
- 2. Good CAN SLIM stocks should also go up for at least eight weeks before they form another base.**

The premise behind this rule is that if the stock goes up to the +20% to +25% profit goal (sell rule #2) before eight weeks, it will probably keep going up for a full eight weeks and we should hold it and make sure we get the full potential.

*This paragraph has been in all four editions of HTMMIS starting in 1988. It was not a misprint or mistake.*



# Key Considerations for Sell Rule #14

- This rule is worthy of careful consideration for use. It has been in every edition of *How to Make Money in Stocks* beginning with the 1<sup>st</sup> edition in 1988.
- IBD does not currently use this rule.
- Since 2004 IBD has presented about six market simulations (model portfolios) in advanced workshops. None of these simulations use this rule or any consideration of the discussion in the last paragraph on page 271 of HTMMIS.
- Scott O'Neil and Bill O'Neil apparently don't currently use this rule.
- You may elect to skip this rule until you have personal experience sufficient to see that it would be beneficial for you.

# More Basic Sell Rules

15. Maintain a profit to loss plan with a ratio of about 3 to 1. SI Page 17, Step 2 (3-to-1 ration rule)
16. If an earnings report is due, evaluate the gap down risk and if there is insufficient profit cushion to avoid a loss more than 7% from the cost basis, then sell part of all of the position to keep the assessed loss risk at 7% or less; or use the IBD options strategy. **(See Earnings Release Guidelines Slides #34-#36.)** (Earnings Release Rule)
17. When a stock closes a **week** up 50% from the base pivot point and the last breakout was from a 1<sup>st</sup> or 2<sup>nd</sup> stage base then hold the stock for long term gains and apply the big cushion sell rules. If a stock is held for long term gains (Rule 22) apply this BC rule when it has a gain of 50% or more. When this rule is applied all other sell rules like Sell Rule #3 (DFT) are superseded, only the Big Cushion Sell Rules Apply. Sell only if it climaxes or changes character from strong to weak which is: a) Close 1<sup>st</sup> week significantly below the 10-week on huge volume; b) Persistent weakness; c) sudden dramatic change in character like a big plunge; d) Late stage base failure. **(See BC Details Slide #38).**

# Bigger Stocks To Look At

## Late 2010

- PCLN
- CMG
- LULU
- SINA
- HLF
- DECK
- CRR

## January 2012

- INVN
- KORS
- AAPL
- BWLD
- ALXN
- PCLN

## More Basic Sell Rules

18. You may sell a stock if the breakout immediately failed or never really happened. Be conservative about using this rule. Generally you might do better when not exiting early and just waiting for the stock to go down 7% to sell rule #1.

- This may included rule #12 above.
- If on the breakout day it has a noteworthy negative reversal to close 2% to 3% below the pivot point on high volume. Be careful! It is just stalls and close a little below the pivot point you may generally you do better to be patient and hold.
- If it close below the pivot point with below average volume on the “breakout day.” The breakout didn’t happen. You can sell and buy back if it does breakout, but don’t have to sell.
- If within a few days of the breakout there is a negative reversal on high volume and it closed below the pivot point. In this case is usually best to sell this is a clearer failure.
- The RS line is not confirming the breakout, especially if it is turning down after the breakout.



## More Basic Sell Rules

19. Generally hold stocks that are going sideways, but have not really failed, for 13 weeks (one quarter) from the first purchase to give them time to perform, unless something important has changed. (HTMMIS bottom of page 270). This is not a hard rule but rather a guideline.
- 20. Take Over** – Generally sell all of a stock after a takeover has been announced and the stock price has moved, usually with a sudden jump. Price moves after the initial jump are usually a much smaller percentage and the stock is no longer a CAN SLIM situation. Let the Arbs have the remainder. Free up your money for the next CAN SLIM opportunity.

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## More Basic Sell Rules

**21. Persistently Weak after Eight Weeks** – If you have owned a stock for more than eight weeks (40 days) past the breakout, and it has gone weak but has not triggered another sell rule, you may sell it. This is more subjective so exercise this option with great care. Signs to consider:

- Mostly trading < 50-day for two or three weeks or more. Living below the 10-week line. (*HTMMIS* page 269 #5)
- RS line steadily declining for some weeks. (*HTMMIS* page 269 #6)
- Persistently closing near the day/week's lows. (*HTMMIS* page 268 #2)
- 21-day EMA trending below the 50-day MA.
- Little or no accumulation. Maybe the stock never got any traction.
- Other stock in the group failing. (*HTMMIS* page 269 #7)
- This stock is weak/lagging relative to other growth stocks.
- This stock is lagging for many weeks relative to your portfolio.
- Need money to invest in other stocks in portfolio that are working.
- Other compelling stocks to own instead of this stock.

## More Basic Sell Rules

**22. Select one in five to one in three stocks to hold for long term gains.** (*The Successful Investor*, page 80. Bill O’Neil, Model Stock Summit 2012, but these are Lee Tanners guidelines below, not Bill O’Neil’s.)

- Market should be generally bullish and within 18 months of a 10% or greater correction on the Nasdaq or S&P 500 Index, intra-day. The market condition is a key factor in the decision to hold stocks longer than the standard profit goal.
- Stock should have many characteristics of a “Big Stock” or “Model Stock.” (See Sell Rule #8, Certain-teed Exception.)
- Until the stock is up 50% (Big cushion trigger) , it can be manage using normal sell rules, but widen decline from the peak to 16% or more.
- Depending on the 10-week moving average it may be transitioned to the “Big Cushion” sell rules sooner than waiting for it to be up 50%.

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## More Basic Sell Rules

- 23. Plunged 4% to 5%, or more, on Huge Volume** – May sell if a stock plunges significantly (~4% to 5%, but can vary depending on recent volatility) on huge volume (generally more than 100%, and higher than most recent days.) such that it is a very noticeable change in character on the daily chart. It might close near the lows of the day. There might be a news item. Check the RS line and the market action for the day. This rule is more subjective and harder to apply. (See SYNA 6/22/15, ICE 2/27/07) <http://www.investors.com/how-to-invest/investors-corner/know-this-sell-signal-the-biggest-single-day-point-loss-after-a-breakout/> (IC 6.29/17) and <http://www.investors.com/how-to-invest/investors-corner/biggest-one-day-loss-is-sell-signal/> (IC 5/13/13)
- 24. Sell a Climax Top** – Sell a stock if it goes into a climax top. Usually this is seen when a stock is under the big cushion sell rules, but if you see a climax top any time sell into that strength. This includes UCL penetrations. If you are not sure, then scale out. **Slide #40 - #42** (HTMMIS page 263, *The Successful Investor*,

page 80-82)

*Lee Tanner*

# SR #16 – Stock Prices Are Often Volatile After The Earnings Report

Prices Can Gap Down 20% or More

It Is Always Safest To Sell Stocks Before The Earnings Reports Are Released

However, growth stocks are up ~70% of the time after an earnings release – so holding is desirable if we can stand the risk.

Always Sell Before the Earnings Release Unless You Have Assessed The Risk And Are Prepared To Accept It Or Are Using Options To Manage The Risk

We may Also Use Weekly Put or Call Options To Manage/Insure Against The Gap Down Risk

# Portfolio Risk Management Around Earnings Releases

- Assess the Gap Down Risk – Make a *guesstimate* of the possible percentage gap down. See the next slide.
- Consider your profit cushion in the stock and in your portfolio.
- Most of the time (probably about 70%) top growth stock will be up after the ER so it is desirable to hold if we can, but if you hold stocks through the ER you will sometimes get whacked. Look at CROX on 11/1/2007 and FFIV on 1/20/2011. If you can't stand this once in a while – then always sell before the ER.
- If a *guesstimate* is not possible, assume at least a 20% gap down risk.
- If you can't manage the gap down risk then sell all or part of the position until you can manage. For example if the stock is up 4% from the average entry cost and you assess the gap down risk is 15% this drop would take you below the -7% cut loss sell point. This position should be sold before the ER. For positions that have been held longer you might sell recent add-on buy points for example, but keep the core position. **Or, use an options strategy.**
- Sell all of the stock if the gap down risk will cause the total position to have a loss of 7% to 8% or greater. Thus, if the position is up 10% and the gap down risk is guesstimated to be 10% then the stock can be held because the gap down will put the position at break even.
- Calculate the dollar loss risk as well as the percentage risk. Sell part or all of a position if the guesstimated gap down will cause the dollar loss to be more than you can financially or emotionally sustain. Consider the recent portfolio gains/losses.
- Be aware of when the ER is due for all stocks in the portfolio because they cluster.

# ER Gap Down Risk Assessment (Guesstimate)

1. Assume the risk is  $\geq 20\%$  then consider the factors below to see if the initially assumed 20% risk might be reduced.
2. Consider the largest gap down in the last four years that occurred for any reason to adjust the 20% initial risk assumption, and largest gap up.
3. Stage of advance: just out of a base, intermediate or extended?
4. Recent stock base, how complete and sound was it?
5. Recent earnings revisions, how high are expectations.
6. How reasonable do the earnings estimates look. Are expectations very high?
7. The number of analysts making earnings estimates, more tends to reduce the chances of a huge surprise, but it can still happen. Always remember CROX on November 1, 2007.
8. Stock action after last eight releases; tabulate them.
9. What similar stocks have done recently on ER.
10. How visible is the stock and how much optimism is built into the stock price
11. The market situation, early in a new rally, intermediate, or extended and what is the distribution day count.

*Lee Tanner*



# Standard +25% Profit Extension

## Using 10-Day or 20-Day SMA or 21-Day EMA

### Sell Rule #10 Above

1. Stock should have been climbing with lows mostly above the 10-day line for most of the advance, and particularly the last four or five weeks. Look for a steady, generally smooth advance. (See GILD July-August 2014)
2. In last week or two the price should have climbed fast enough to open some distance between the price lows and the 10-day line. (GILD August 2014)
3. Price should surge above the profit goal to give some cushion to that goal. Generally it should surge to more than +27% gain above the pivot point to begin applying this rule. (NTES Sept '16)
4. When the rule is applied, first set a sell floor that is +22% above the base pivot point. +20% may be used if the stock is more volatile, but tighter is preferred. This should be a broker sell stop. If the stock is at all choppy this rule is not good to use. This rule is greedy and stingy.
5. When the price advances enough then use the 10-day violation rule to sell the stock.
  - Stock closes a day below the 10-day without triggering the sell floor stop.
  - The sell point becomes 0.1 below the low of the day that first closed below the 10-day above. A broker stop might be used.
  - If the stock closes above the 10-day without triggering the sell, then remove the sell point and wait for the next close below the 10-day SMA.
  - May also sell if the stock gaps down 5% or plunges down  $\geq 5\%$  just after the opening.
6. If the stock advances enough the sell floor at +22% above the pivot point should be raised first to +23%, then +24% and then +25%. After that it should be raised as the stock advance allows without crowding the price too much.
7. Alternatively to the 10-Day trigger in # 5 above, the sell trigger could be when the stock closes below the 20-day SMA or 21-day EMA. (NTES or NVDA September 2016)
8. You can start extending with the 10-day and transition to the 20-day. These are your rules to tailor to your investing style, but pick them, write them and then be consistent.

*Lee Tanneer*

# Big Cushion Sell Rules (Up 50%)

1. Key objective to hold and sell into a climax top. This can deliver huge gains in the final few weeks of holding a big winner. **Slide #40 - #42**
2. Otherwise sell if there is a significant change in character from strong to weak. It is better to sell too soon, into strength than too late after weakness has set in.
  - a. Sell when the stock closes the first week **significantly** below the 10-week line on huge volume  $\geq 30\%$  to  $40\%$  above the weekly average. An exception can be made if it closes just a percent or two below, and/or if the week is a support week. In the Model Stock Summit significantly was described at  $5\%$  to  $6\%$ . Simmonds Precision Example IBD 11/28/2012. In very fast rising stocks we may need to transition to this using a larger decline from the peak and other technical sell rules, until the 10-week line climbs. See Simmonds Precision Produces slides 60-62.
  - b. Multiple, persistent signs of weakness, like living below the 10-week line and including closing below the 40-week line.
  - c. Sudden, dramatic change in character, a very damaging news item (NUC Jan 2014), or very negative event or a plunge  $> 15\%$  below the 10-week.
  - d. Late stage base failure (See XRX 10/16/1964, Slide #63)

# A Climax Run

A Big Cushion Sell Rule

*Lec Tanner*

Amateur Volunteer, Non-Professional

# Climax Top Signals

HTMMIS Page 263 – 268, The Successful Investor Page 80-82

- Generally don't look for climax tops until 18 weeks from a 1<sup>st</sup> or 2<sup>nd</sup> stage base, and 9 weeks from a later stage.
- Don't misread a strong advance from a base as a climax top.
- Huge sudden advance that looks parabolic on the daily chart, *AFTER A LONG ADVANCE*, and rises 25% to 50% in one or two weeks.
- Very fast advance for 1, 2 or 3 weeks similar to above with 7 of 8 days up, or 8 of 10 days up.
- 7 or more days up in a row.
- Largest daily price advance in points in a stock that is extended after an advance of many months.
- The high is reached on the heaviest daily volume since the advance began.
- Exhaustion gap after an long advance from the base, as the stock surges up.
- Rail Road Tracks where a stock retraces the prior week's large price spread then closes up a little with huge volume.
- Late Stage Base Failure, often the base will be defective.
- Sharp pull-back and fast recovery to new highs, sometimes called two weeks down and one week up to new high or some combination of one or two weeks down and one or two weeks up to new high.
- Biggest One-Day Point Loss after a long advance of many weeks or months. This may be a late signal well after topping.

*Lee Sanner*

# Climax Top Signals

- Largest weekly price spread in points of the entire advance.
- Closes excessively above the 50-day or 200-day line. 50% above the 50-day or 100% above the 200-day are noteworthy for sure. See the table below.

	SMALL CAP LEADERS		LARGE CAP LEADERS	
	Max Above 50-d	Max Above 200-d	Max Above 50-d	Max Above 200-d
Average	51%	111%	23%	52%
Median	47%	107%	22%	47%
Highest	146%	442%	41%	121%
Top 10%	79%	189%	29%	68%

□

# More Topping Signals

HTMMIS Page 263 – 268

*The Successful Investor* Page 80 - 86

- The P/E ratio expanded by about 130% from the 1<sup>st</sup> stage breakout in one to two years. (HTMMIS pp 168)
  - 130% Average
  - 98% Large Cap Stocks
  - 142% Small Cap High Growth
- Price exceeds the upper channel line by 2% or more. This is easy to do wrong.
  - We are looking for a long steady advance of at least four months followed by a faster advance. Four months is on the short side for this. Six months is better.
  - Connect at least three price highs during the steady price advance.
  - This must be on a log price chart. It is best on a weekly chart. **Don't use** a daily arithmetic scale price chart.
  - First and third points should be separated by 18 weeks. We want a long, smooth trend.
  - The first point comes after a major base breakout, often just before the first trip to the 10-week line.
  - The 1<sup>st</sup> and 2<sup>nd</sup> points should be 10 weeks or more apart.
  - The 2<sup>nd</sup> and 3<sup>rd</sup> points should be 6 - 8 weeks or more apart.
  - It is highly desirable if a roughly parallel lower channel line can be drawn. This shows a steady, long trending stock advance. Breaking the lower channel line is often a late sell signal also indicating a change in trend and character.
  - The stock should be at least 18 weeks out of a 1<sup>st</sup> or 2<sup>nd</sup> stage base to use this.
  - A stock may trigger this without having a typical climax top, but look for other signs of a climax top which might confirm this signal.

*Lee Tanner*

# Persistent Signs Of Weakness

A Big Cushion Sell Rule

*Lee Tanner*

Amateur Volunteer, Non-Professional

# Persistent Signs Of Weakness After A Big Advance

- New Highs On Low and Declining Volume – Look on the Weekly Chart Mostly
- Sharp Decline and Rally To New High On Less Volume; also called rebound rally on light volume. (Investor's Corner 1/31/2011)
- Signs of distribution on the weekly chart, high volume down and stalling weeks.
- Down weeks on high volume than week before (IBD 1929, HTMMIS page 19)
- IBD A/D Rating persistently D+ or lower
- Daily or weekly stalling action near the highs.
- Biggest one day price decline (point loss).
- Decline on the highest volume since the advance began.
- Breaking below a long term lower trend line.
- Poor late stage base breakout on weak volume. (24 Essential Lessons ..., Page 120 #2)
- RS line trending down, or lagging RS line.
- Trending Below the 10-week line
- Frequent closes at or near the day's lows and/or week's lows.
- Lots of down arrows on the daily and/or weekly charts.
- Days that start out up but reverse to close near the lows of the day.
- The 21-day line trending below the 50-day line.
- Excessive decline from the high, 25% or more and certainly 35% or more.
- Decelerating Earnings and/or Sales Growth



# Change In Character

More Change Than  
Normal Basing Action

*Lee Tanner*

Amateur Volunteer, Non-Professional

# Signs Of Change In Character

- Big drop on high volume after an earnings report (major earnings report disappointment)
- Huge price decline (plunge) on high volume after a news item, particularly if there is a big gap down and no support.
- Unusual down price action, larger percentage drops and/or gaps down
- Late Stage Base Failure, often a defective base

# Some Sell Rule References

# Use Sell Rules Reference Pertinent To Sell Rule #9

Investor's Corner 12/18/2012

# Let Sell Rules Guide You To Closing A Stock Trade

You Can Time The Market:  
Eighth In A Series

BY VINCENT MAO  
INVESTOR'S BUSINESS DAILY

To succeed in trading, you can't just shoot from the hip. Investors must abide by a set of rules.

Sell rules will guide you at certain points of a stock's move, so you won't be a deer in the headlights. Investors should commit to memory at least a dozen sell rules and, of course, act on them.

Using sound rules will help you achieve consistent results. Don't trade on emotion, such as hoping that a losing stock will make a miraculous comeback. The following are just a sample.

## Sell Rule #1

■ Cut losses at no more than 8%. This is the most important rule that will save you from disaster. When a stock falls 8% from your purchase price, just sell to prevent further damage.

## Sell Rule #2

■ Lock in gains when they amount to 20% to 25%. Take worthwhile profits when you have them. A few 25% winners can make for a good year.

## Sell Rule #3

■ Don't let a big gain turn into a loss. If a stock breaks down after rising more than 10%, don't wait for an 8% loss; preserve gains.

## Sell Rule #5

■ Closing below the 10-week moving average in significant vol-

ume. Consider selling if a stock closes the week below its 10-week line in volume that's at least 40% above average.

■ Fast recovery to new highs. Sell if a stock moves down sharply for two weeks and then up for two weeks into new high ground.

■ Heavy volume without further price progress. Look to sell when a stock, after a long run, moves up and then retraces the bulk of its move in high volume.

■ Weekly close below a long trend line. This is a sell signal that could indicate a change in trend.

■ Break above a long upper channel line. Sometimes, this coincides with a climax run.

■ Also consider selling when a stock gets 100% or more above its 200-day moving average.

■ Big stock splits within a year and a half of each other or less.

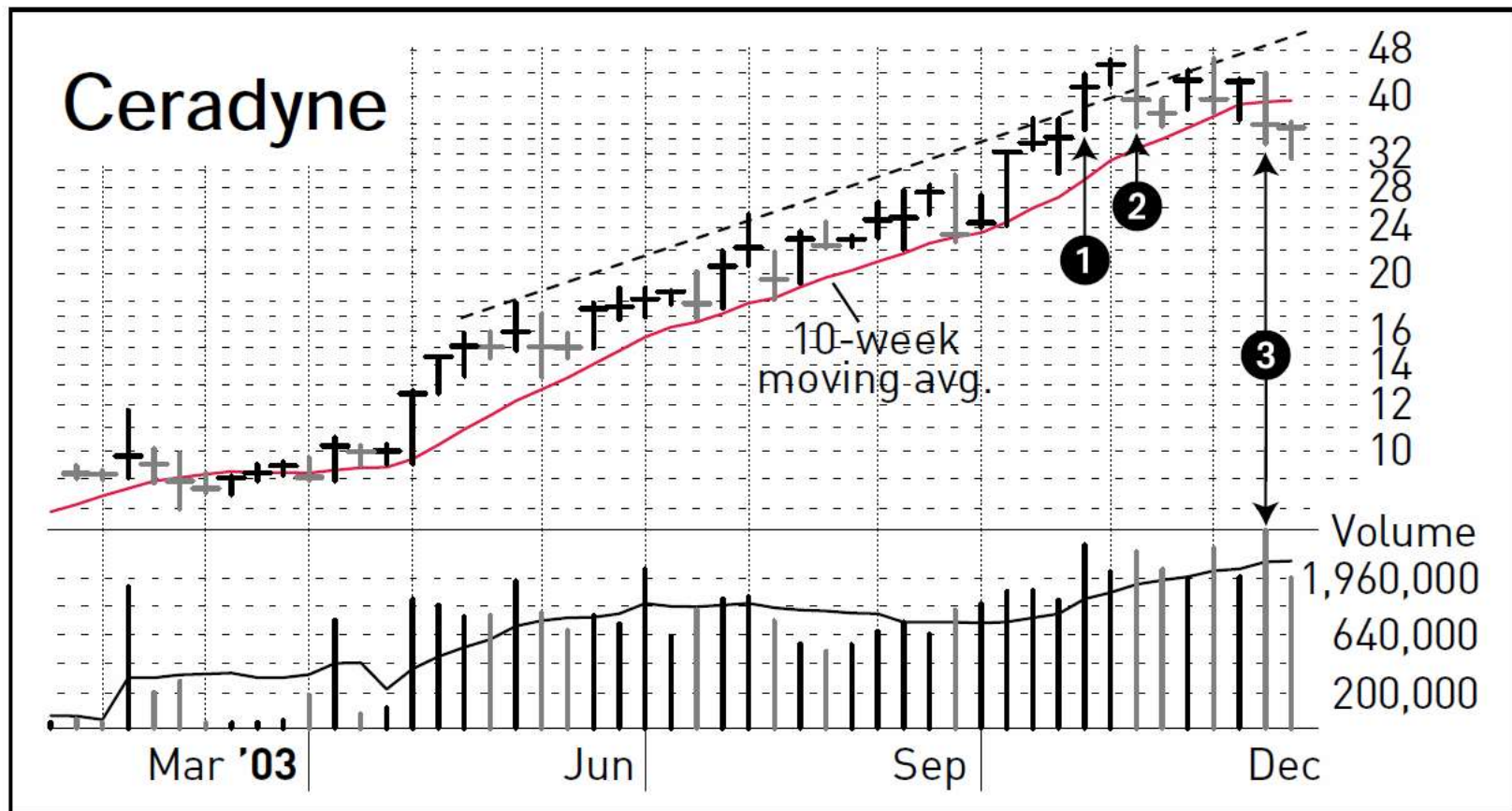
■ Sell when a company's CEO makes the cover of a mainstream magazine.

**Ceradyne**<sup>CRDN</sup> went on a tear after clearing a cup with handle in the week ended May 2, 2003.

As it quadrupled in price, the stock broke above an upper channel line in the week ended Oct. 31

①. It also marked its biggest weekly price spread in the week ended Nov. 14 ②. Ceradyne then sliced its 10-week line in huge volume soon after ③. It soon fell 35% from its November peak before recovering.

**Climax Run  
Under  
Sell Rule #17**



Bought by 3M

*Lee Tanner*

Amateur Volunteer, Non-Professional

# Another Reference To Three-Strikes Example Sell Rule #4

Investor's Corner 3/31/2010



# Take A Step Back After 3 Straight Losses

BY JONAH KERI  
INVESTOR'S BUSINESS DAILY

When a batter takes a strike to start an at-bat, that's an acceptable outcome. He may be trying to get a feel for what the pitcher's throwing, so he can knock one out of the park later. But if the batter watches three strikes blow by, he needs to take a step back and devise a new strategy.

Stock investing works the same way: three strikes and you're out.

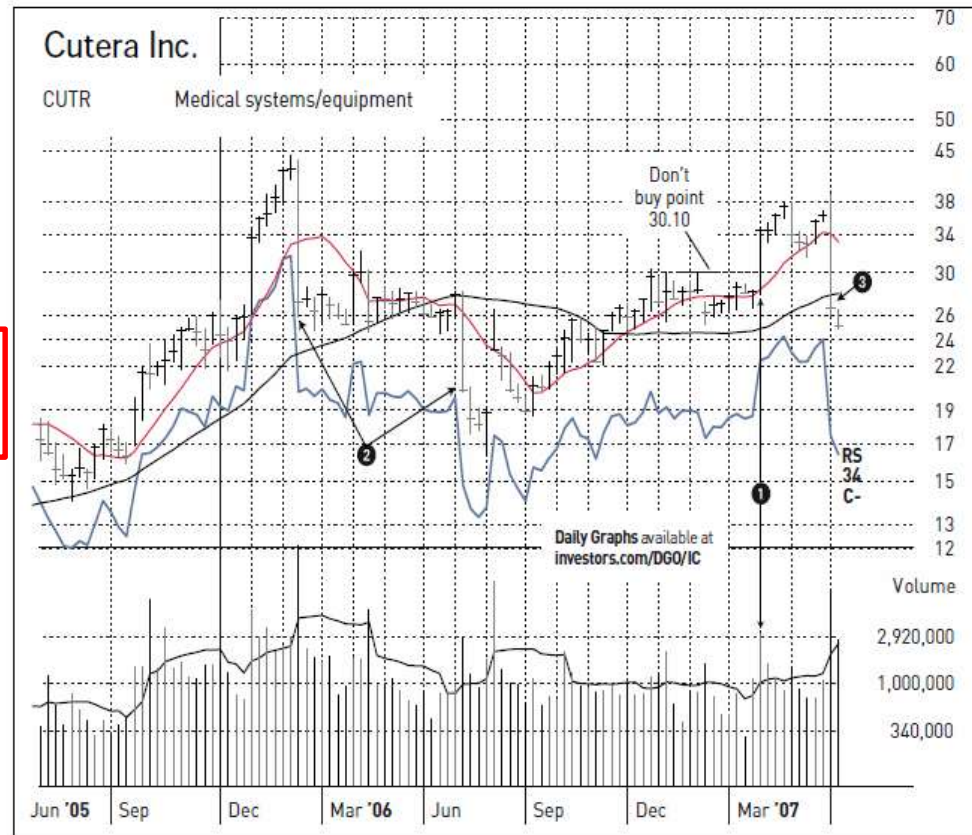
For investors, that means if you take losses on three straight stock buys, you should take a step back, stay out of the market for a while, and figure out what's gone wrong.

A common cause of taking such losses is when you don't follow a set of sound buying rules. Buy stocks with stellar fundamentals. Settling for unprofitable, speculative picks can get you in trouble.

If you ignore technical signs, that could also cost you. Stick to stocks breaking out of well-formed bases. You want to see a discernible pattern such as a cup-with-handle or double-bottom. It should feature bullish price and volume moves and last seven weeks or more. (A five-week flat base can also work.)

Also, don't buy a stock that's extended more than 5% beyond the ideal buy point. That buy point lies 10 cents above the high of a handle, 10 cents above the middle peak of a double-bottom pattern, or 10 cents above the peak of a cup-without-handle or flat base. Chase a stock higher than that and you leave yourself vulnerable to a quick shakeout.

By taking a step back and identifying these faulty trading habits, you



give yourself a better chance to succeed in the future.

If none of those are the culprit, there's usually another factor to blame: the market. Sometimes, leading stocks' breakouts stall and fail, even when the market seems fine.

But those failures could be a hint of trouble ahead. In early 2000, a few overheated techs started failing

after climax runs and late-stage breakouts. Soon afterward, the Nasdaq topped and rolled over.

More recently, Cutera<sup>CUTR</sup> zoomed out of a long base the week ended Feb. 2, surging 23% ❶.

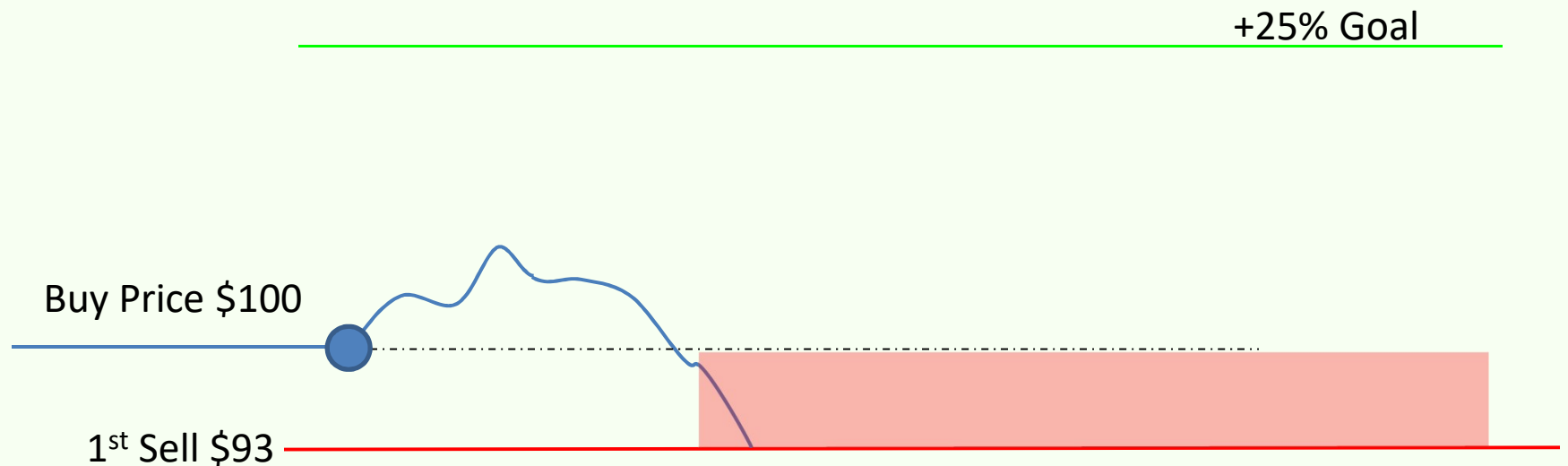
But a look at the stock's weekly chart and its 52 Relative Price Strength Rating should have sent up warning flags that would have

told you not to buy. Two gap-downs triggered 36% and 27% weekly losses during the weeks ended Dec. 16, 2005, and May 12, 2006 ❷.

The maker of laser-based skin treatment systems gapped down again last week, plunging 26%. The stock wiped out its breakout and sliced through its 10- and 40-week moving averages ❸.



# Three Consecutive Losses Stop Buying And Reassess



# Another Reference To Using Sell Rules

Investor's Corner 3/31/2010

*Lee Tanner*

Amateur Volunteer, Non-Professional

# Plan Out Your Exits Before Buying Stocks

Disciplined Trading:  
Fifth In A Series

BY VINCENT MAO  
INVESTOR'S BUSINESS DAILY

When buying stocks, most investors have one thing on their minds: "I'm going to sell for much higher than I paid for it." But guess what? Stocks don't always go up.

So before you hit the buy button, you need to plan everything in advance. You need to know what to do when things go wrong, too, not just when things go right.

No one likes losing trades, but accept them, as they are a part of investing. Following the simple yet critical rule of cutting losses at 8% will save your account from catastrophe and keep you in the game.

At times, you may want to exit before you have an 8% loss. For example, look for an early exit if volume is less than 40% above average on the breakout and doesn't kick in within the next few sessions. Use the capital to buy better stocks that are moving in heavy volume.

Consider selling out early if the market uptrend comes under pressure. Instead of waiting for an 8% loss, you might want to sell once a

stock falls 3% to 5% below your purchase point.

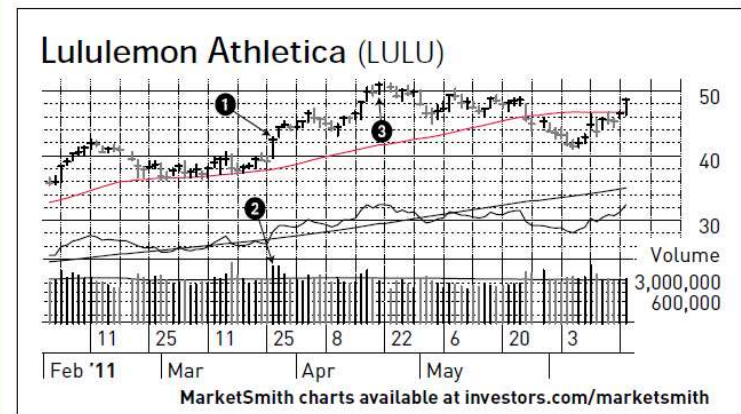
When a stock works in your favor, take profits once you have gains of 20% to 25%. Write down the target price in a notebook and keep it handy. If you follow the golden sell rule and lock in gains at 20% to 25%, you can ensure a win-loss ratio of around 3-to-1.

If your stock breaks out and surges 20% or more within three weeks, don't just take the money and run. A stock that shows that kind of strength has the potential to go over to even bigger moves. Investors need to hold on for at least eight weeks. That'll give it ample time to move.

**Lululemon Athletica**<sup>LULU</sup> cleared a 42.74 buy point from a base-on-base pattern March 28 **1** (the stock had a 2-for-1 split recently). Volume surged 184% to more than 12 million shares that day **2**, leaving no doubt a breakout occurred.

Days before the breakout, the yoga apparel retailer trounced estimates with a 60% jump in Q4 earnings and a 53% gain in sales.

Lululemon climbed just over 20% by April 21. After gaining 20% to 25%, some leaders will consolidate into new bases. That's exactly what Lululemon did **3**.



INVESTOR'S CORNER IBD 7/15/2011

Have  
Sell  
Rules

SR#18

SR#7

Amateur Volu

SR#2

SR#8

# Another Reference To Climax Tops

Investor's Corner 7/15/2011  
Investor's Business Daily

*Lee Tanner*

Amateur Volunteer, Non-Professional



## INVESTOR'S CORNER 3/31/2010

*Lee Tanner*

Amateur Volunteer, Non-Professional

# Climax Runs Tell You The Party Is Over

BY VINCENT MAO  
INVESTOR'S BUSINESS DAILY

Good things don't go on forever. For example, stocks that stage sharp, spectacular runs will sometimes roll over in dramatic fashion.

If you're lucky enough to catch a monster move, the worst thing that you can do is to give back the bulk of your hard-earned gains. Therefore, investors need to watch for signs of climax activity because those can signal the end of a rally.

Climax tops sometimes occur after a stock has been rallying for many months, usually at least 18 weeks after breaking out from a sound base. After such a long advance, take notice if gains suddenly accelerate. A climax top may be on the horizon.

This bearish type of action is how some leaders end their reigns.

One sign of climax action may not be enough to do a stock in, but watch out when several signs start to appear.

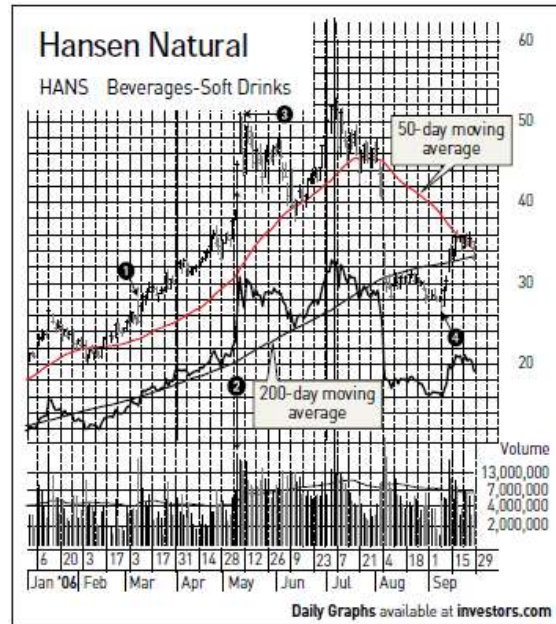
■ **Exhaustion gaps.** After a long run, a stock opens above the prior day's high. Such exhaustion gaps are usually a sign of strength and they are welcomed at the start of a breakout, but not at the latter stages of the game. Sometimes there may be a series of these before a stock finally caves in.

■ **Largest daily point increase.** After an extended run, a stock that stages its biggest one-day point gain since the beginning of the move may be close to peaking.

■ **Heaviest volume day.** A stock's top can occur on the day that it trades the most shares since the start of the run.

■ **Consecutive up days.** A stock goes straight up for seven or eight sessions in a row. Or one that rallies for eight out of 10 days.

■ **Largest weekly price spread.** The difference between the week's high and low price is the biggest since the start of the move.



■ **Price pierces upper channel line.** A stock that breaks above its upper channel line after a run-up. The channel line should connect at least three highs over the past four or five months.

■ **Stretched above 200-day moving average.** The price of a stock get to be 70% to 100% or more stretched above its 200-day moving average. Few stocks can maintain that kind of momentum.

■ **Excessive stock splits.** Consider selling if a stock runs up 25% to 50% following the news of a split. Too many splits creates an oversupply of shares.

Beverage maker Hansen Natural HANS had a monster move in 2006. The beverage firm's stock was climbing fast, thanks to solid demand for its Monster Energy Drinks.

Hansen cleared a 26.30 buy point of a seven-week cup base March 9

1. It closed below the buy point that day, but then rallied for the next six sessions.

As the advance progressed, the stock flashed an exhaustion gap on May 9, gaining more than 16% in huge volume. Both the price gain and the volume were the biggest since the March breakout 2. It had another exhaustion gap on May 10.

By this time, the stock was 152% above its 200-day line 3.

On Hansen's weekly chart, the price spread in the week ended May 12 was more than 13 points. That was the largest since the start of its major advance.

Hansen corrected 22% over the next few weeks as it formed another base. From June 20 to July 5, it advanced for 10 of 11 sessions.

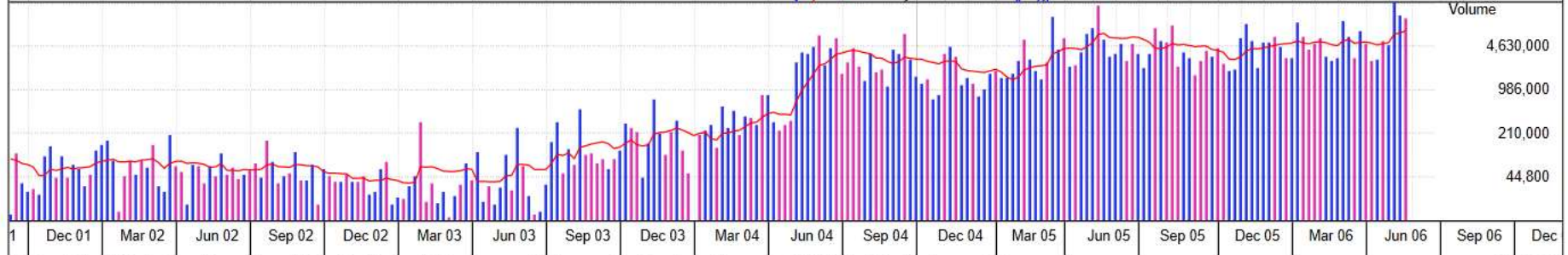
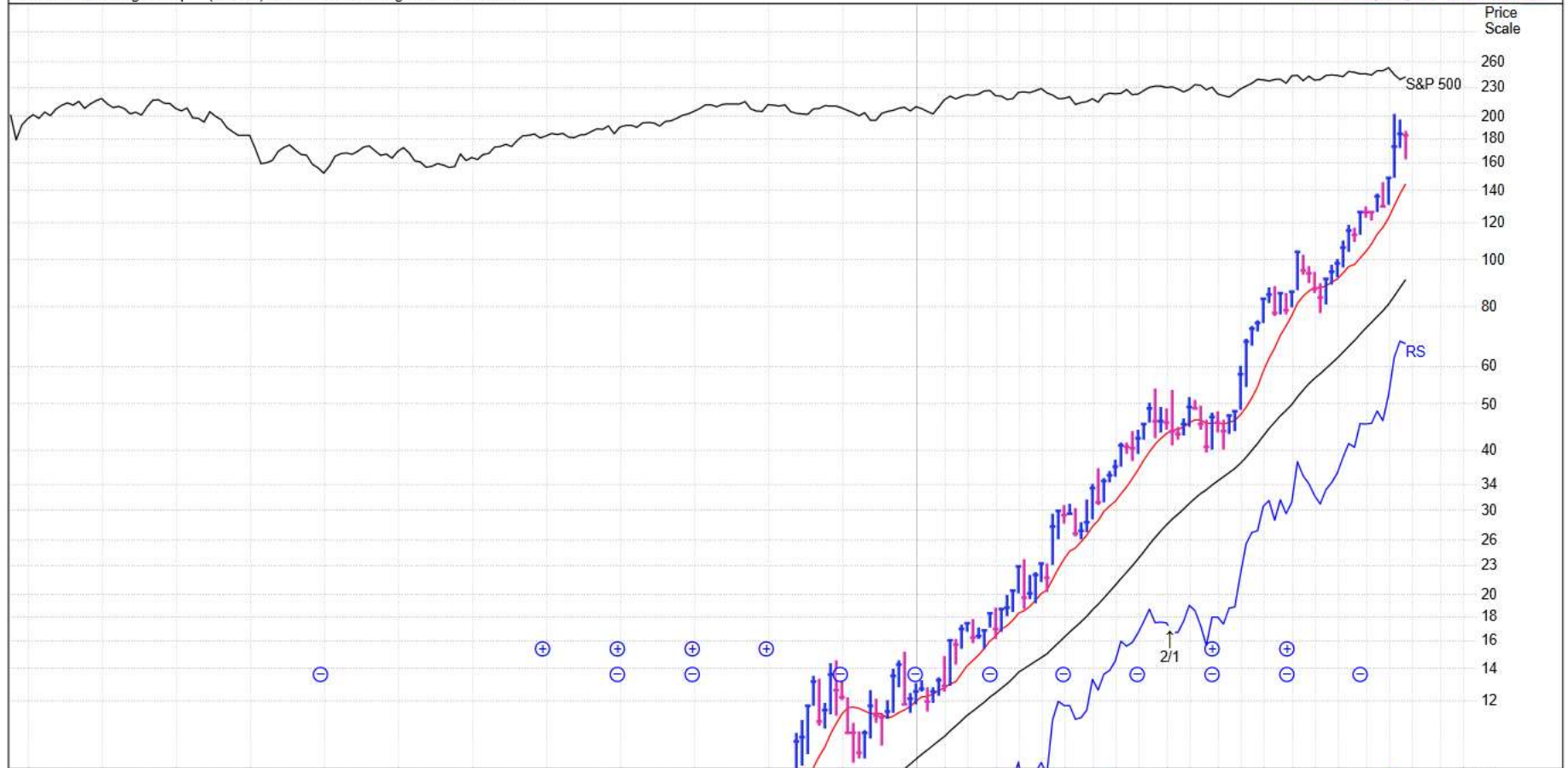
The stock broke out again July 5, but that breakout quickly went awry. Hansen undercut its 50-day line Aug. 7 and slumped about 50% by Sept. 11 4.

CAN SLIM®

IBD Meetup

Monster Beverage Corp (MNST) NASDAQ Beverages-Non-Alcoholic

Volume 12,648,300 \$183.18 -0.32



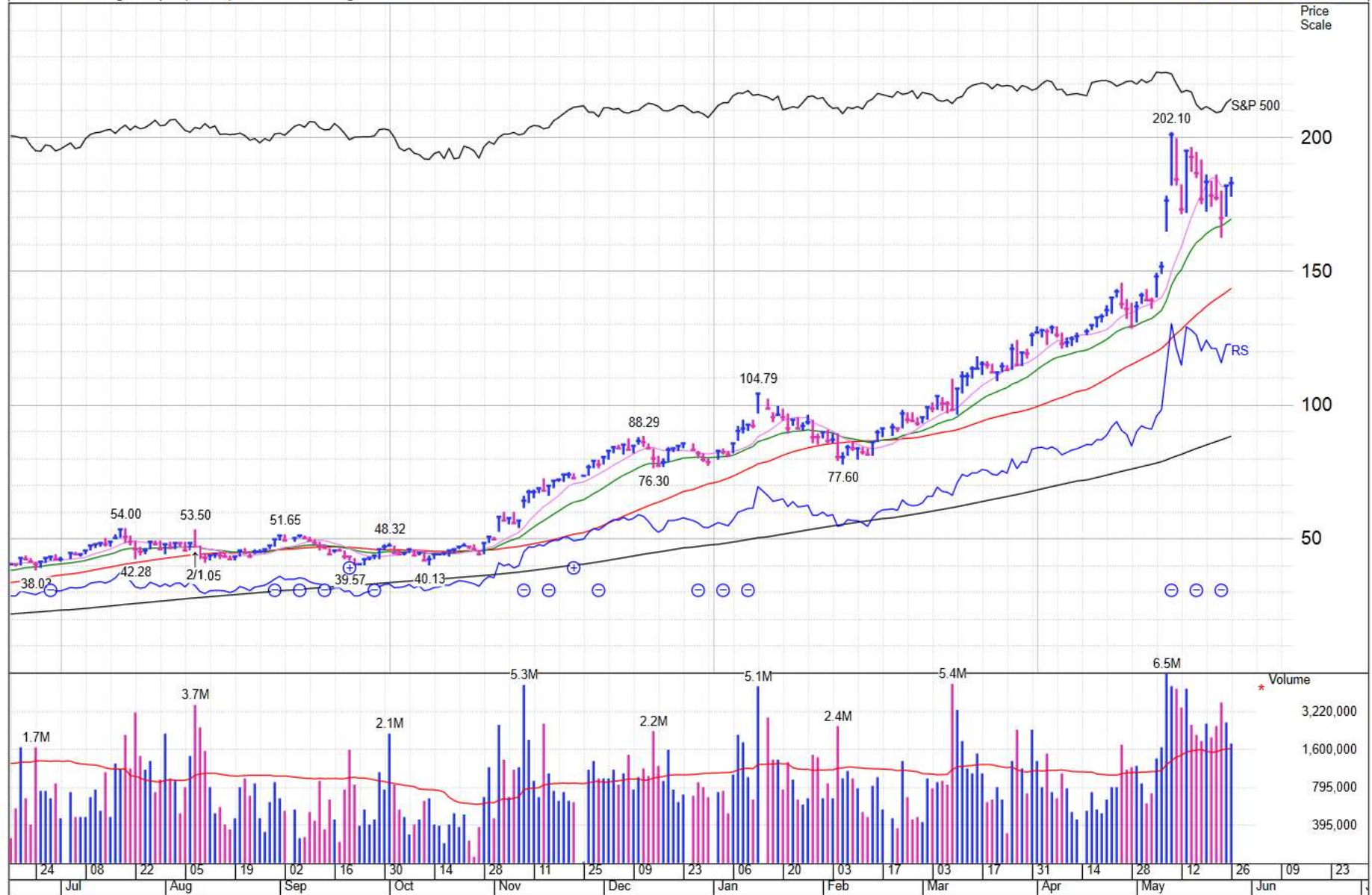
Quotes delayed 20 minutes. Ownership and Estimate data provided by Thomson Reuters. reachus@marketsmith.com © 2015 MarketSmith, Incorporated.

05.26.2006



Monster Beverage Corp (MNST) NASDAQ Beverages-Non-Alcoholic

Volume 1,768,500 \$183.18 +1.26



Quotes delayed 20 minutes. Ownership and Estimate data provided by Thomson Reuters. reachus@marketsmith.com © 2015 MarketSmith, Incorporated.

05.26.2006

# Simmonds Precision Products (1 of 3)

IBD 11/28/2012

## How To Find & Own America's Greatest Opportunities

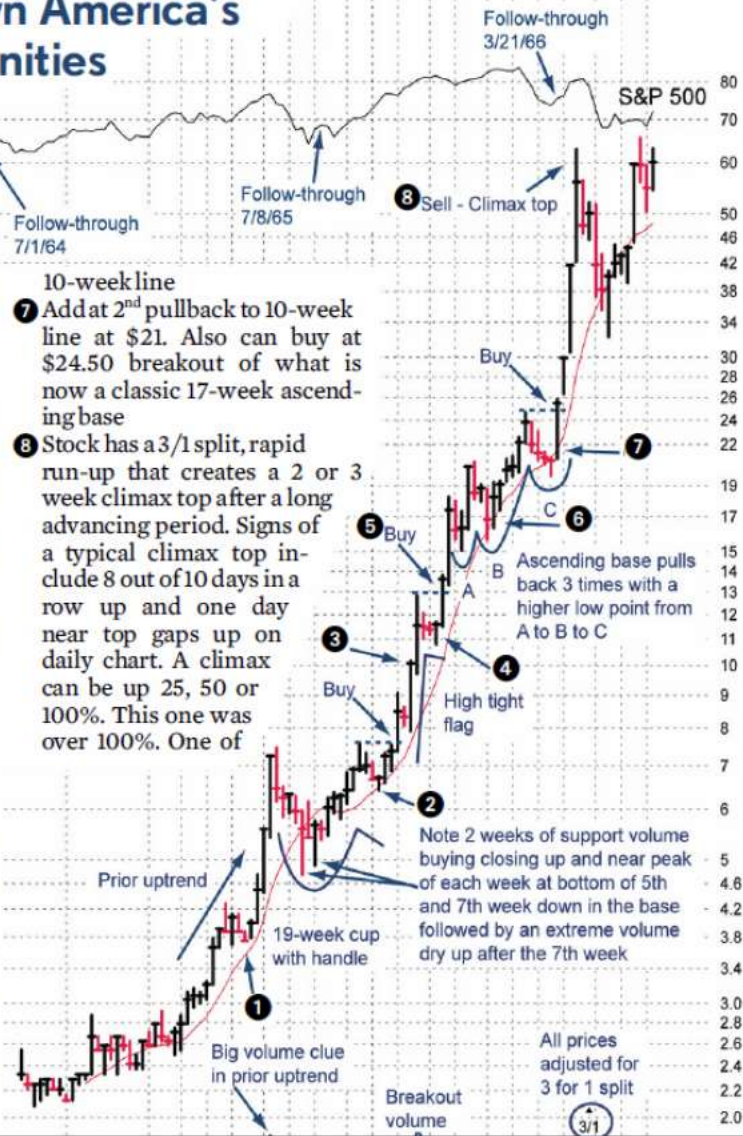
By William O'Neil

Simmonds Precision was a new high-tech leader. They created measurement, display and control systems for the aerospace industry, precision metal products, and electronic components. This was during the Vietnam War period and business accelerated in 1965 for aerospace and electronic systems.

Simmonds Precision showed a classic 19-week cup with handle weekly chart pattern and an unbelievable 7-fold price increase in only 29 weeks that ended with an easy to recognize climax top.

- 1 Extreme volume dry up on 2 week pullback means no further selling comes into the market at the lows of the pullback.
- 2 Note also same extreme volume dry up at low in pullback of handle area.
- 3 Breakout from cup with handle goes up over 20% in first 3 weeks so our rule is to hold a full 8 weeks from breakout point and then reappraise if we should hold further or sell.
- 4 Simmonds closes several weeks unchanged with tiny weekly spreads...highly posi-

- 5 10-week line
- 6 Add at 2<sup>nd</sup> pullback to 10-week line at \$21. Also can buy at \$24.50 breakout of what is now a classic 17-week ascending base
- 7 Stock has a 3/1 split, rapid run-up that creates a 2 or 3 week climax top after a long advancing period. Signs of a typical climax top include 8 out of 10 days in a row up and one day near top gaps up on daily chart. A climax can be up 25, 50 or 100%. This one was over 100%. One of



Bottom of this article is on the next slide



# Simmonds Precision – Continued (2 of 3)

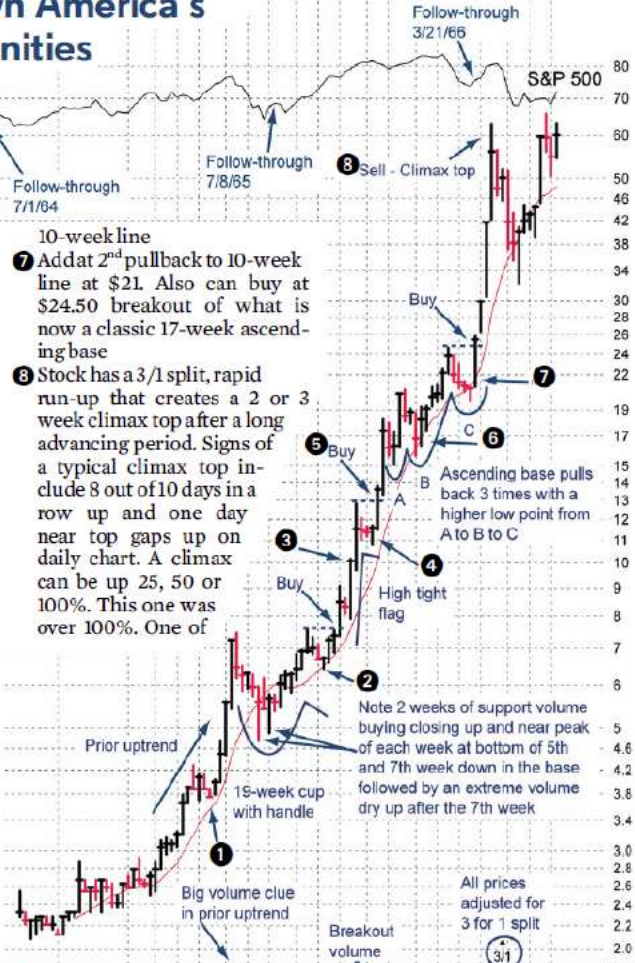
## How To Find & Own America's Greatest Opportunities

By William O'Neil

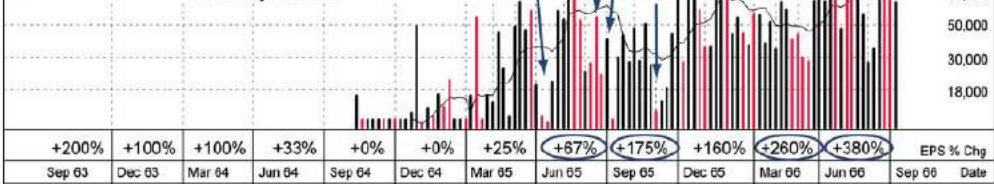
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Simmonds Precision showed a classic 19-week cup with handle weekly chart pattern and an unbelievable 7-fold price increase in only 29 weeks that ended with an easy to recognize climax top.

- 1 Extreme volume dry up on 2 week pullback means no further selling comes into the market at the lows of the pullback.
- 2 Note also same extreme volume dry up at low in pullback of handle area.
- 3 Breakout from cup with handle goes up over 20% in first 3 weeks so our rule is to hold a full 8 weeks from breakout point and then reappraise if we should hold further or sell.
- 4 Simmonds closes several weeks unchanged with tiny weekly spreads...highly posi-



### SIMMONDS PRECISION PRODUCTS, INC. Weekly Chart

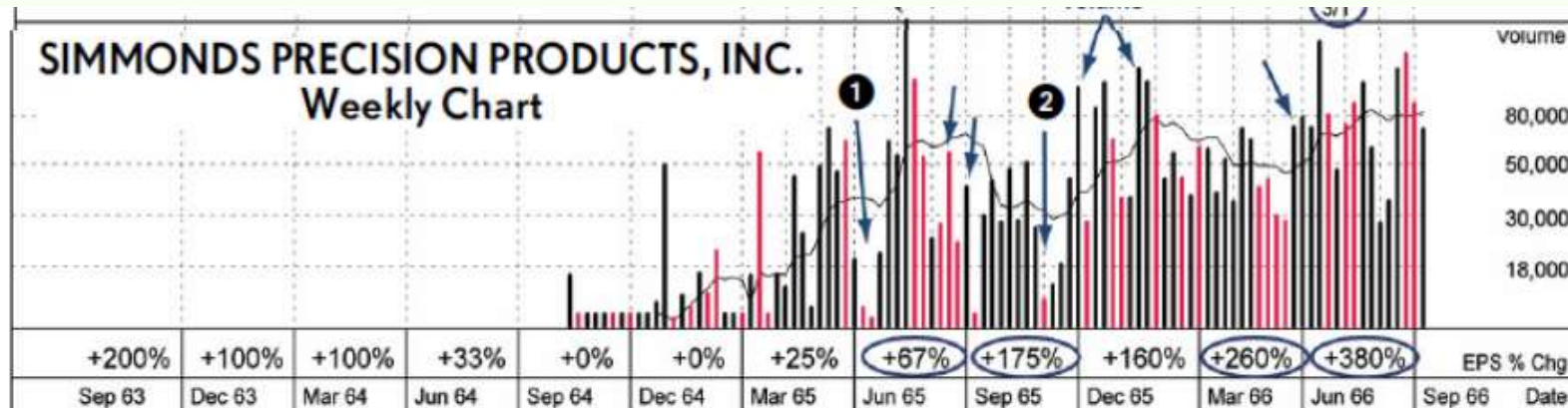


Date	Price Change	EPS % Chg
Sep 63	+200%	
Dec 63	+100%	
Mar 64	+100%	
Jun 64	+33%	
Sep 64	+0%	
Dec 64	+0%	
Mar 65	+25%	
Jun 65	+67%	
Sep 65	+175%	
Dec 65	+160%	
Mar 66	+260%	
Jun 66	+380%	
Sep 66		

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# Simmonds Precision – (3 of 3)



tive to happen after a big move up.

5 End of 8 weeks hold rule so it's time to reappraise as mentioned in 3. Stock was a buy at \$13 with volume up huge, a new quarterly earnings report up 175%, stock is now up 80% since 1<sup>st</sup> buy. You have a big gain and cushion so must hold longer until a very clear sell signal of closing a week below the 10-week moving average line with volume for week up over 30% or a textbook climax top occurs.

6 Add at 1<sup>st</sup> pullback to

the days up will be up more points than at any point since the beginning of the move. On a weekly chart one of the weeks in the climax top will usually show the widest spread from low to high for that week when compared to all previous weeks on the way up.

If you save all the charts I've explained and marked up, you'll have a fine set of models for what you want to look for every week in the future.

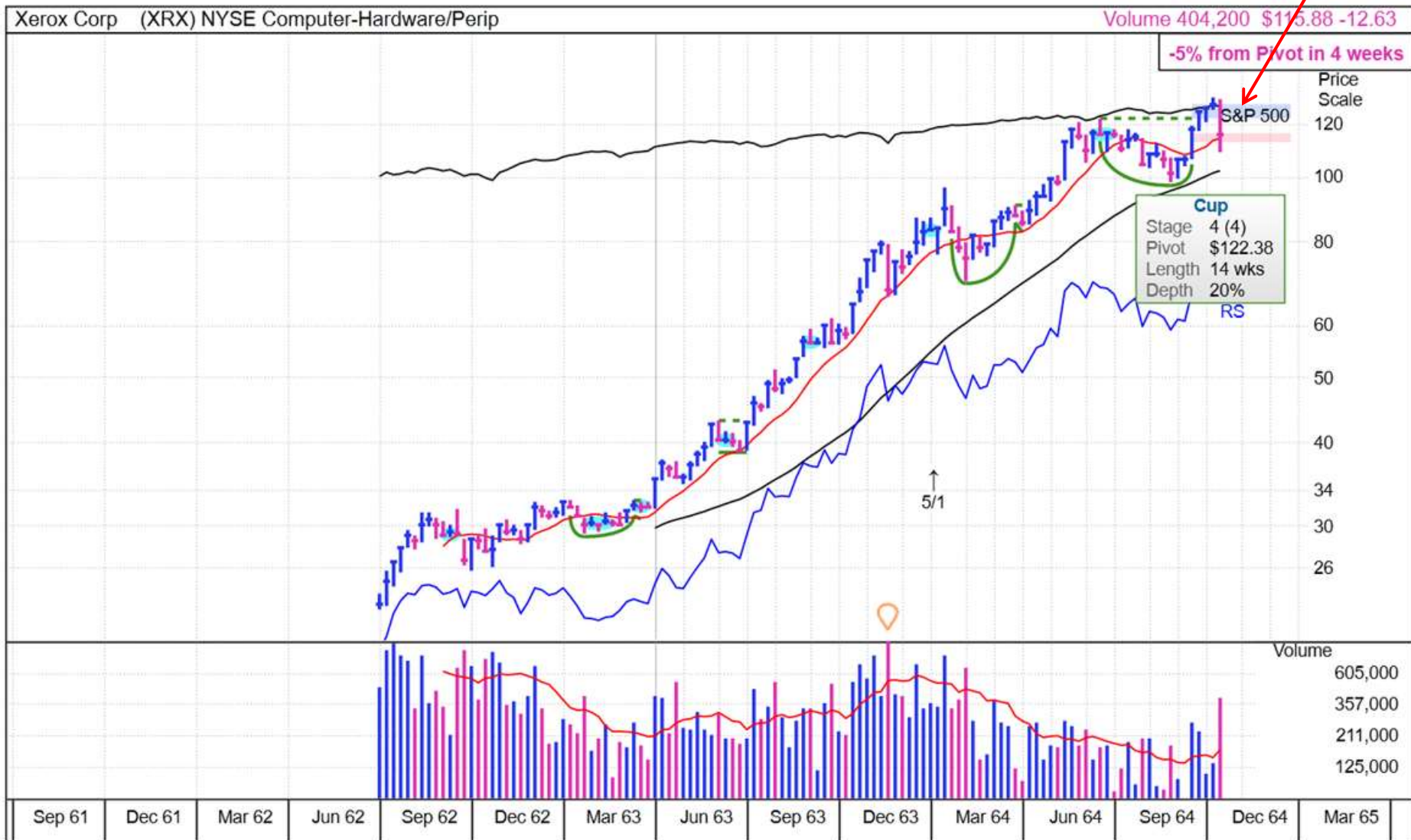
In the next 20 years there will be 200 stocks that will go up 5 times

or more. Getting 2 or 3 could just change your whole life.

How can you do this? Learn to read charts well and do it each week. Learn the individual stock buy and sell rules and follow them. Learn the general market buy and sell rules and don't argue with the general market. Don't be lazy, believe in yourself and the rules. Develop a few motivated friends who also seriously study the CAN SLIM rules and are looking for the best stocks. Who cares who comes up with a big winner as long as you get the idea?



Late stage base failure example



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# End Of Possible Basic Sell Rule Examples Petaluma IBD Meetup

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