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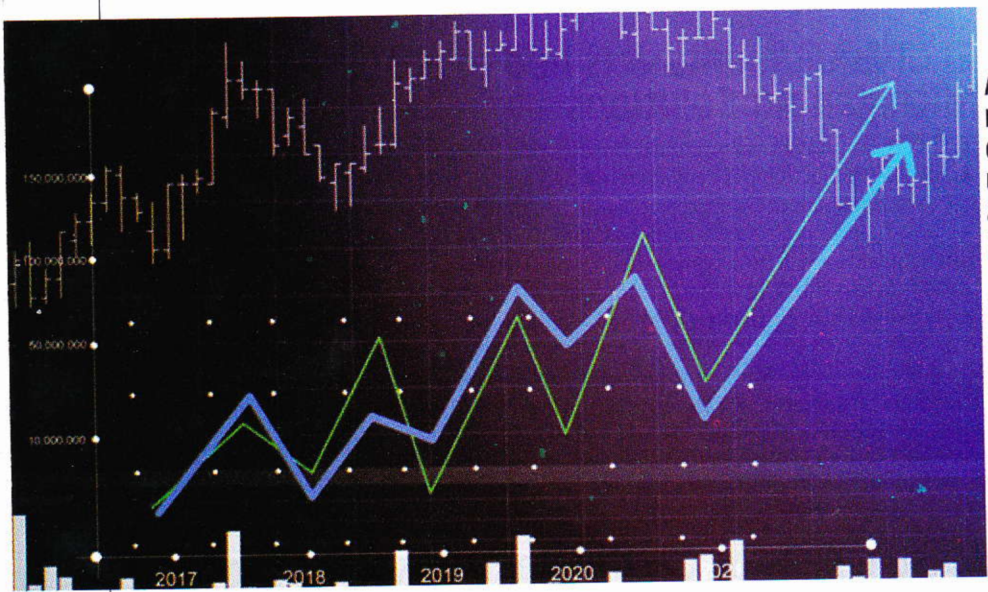


As the market participation improves and more number of stocks is expected to contribute to the market rally in 2020, understanding which stocks may outperform and which ones are in uptrend can prove to be a crucial advantage. **Karan Bhojwani** highlights the importance of identifying trend accurately and identifying proper exit zones. He further explains in detail how to avoid common mistakes that most chartist and traders make. To complement the message we have the 'Baadshahs' of the Technical Analysis world sharing their perspective on the subject as well as letting us know their perspective on global markets - Technically!!

Technical Analysis:

Technical Analysis For All Seasons!!

Over the recent years, the discipline of Technical Analysis has assumed a high relevance. It involves the study of the price action using historical price and volume data in order to identify the present as well as the future trend in the prices. The financial markets, of late, has grown much more interconnected and volatile. While the fundamental analysis does its work, at times, it changes in a few quarters. Fundamental analysis, even if it is carried out at length, ultimately involves an estimate. Having said this, at the most, it will tell us 'WHAT' to buy. However, when it deals with time, that is, 'WHEN' to buy, then, Technical Analysis becomes useful. Another point that adds to its relevance is that it can be applied to any time frame. It can be applied to a time frame of as short as one minute to the long-term monthly charts.

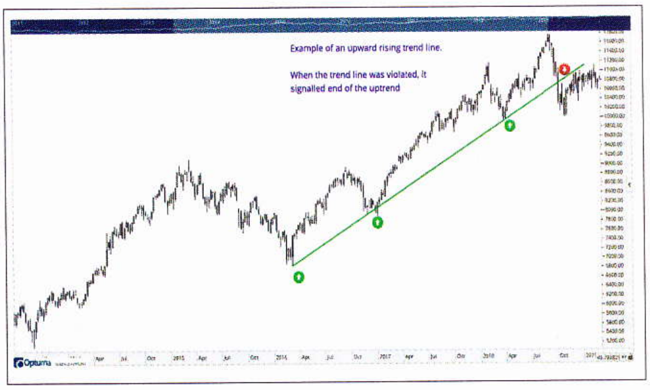
How to identify Trends using technical analysis

One of the most important applications of technical analysis is to identify trends. Through the analysis of price data and applying the indicators and oscillators to it, we can identify whether we are having an uptrend, downtrend, or a trend-less market. Trend analysis is an integral part of the Technical Analysis. It is crucial to identify trends, so that we can avoid trading against them.

The most common method to identify an uptrend or a downtrend in Technical Analysis is by using Trend Lines. The complex analysis of the trend analysis may involve the usage of other tools and indicators like Moving Averages, MACDs, RSI, etc.

One of the most common and rudimentary methods of identifying a trend is using a trend line. A trend line is nothing but a method of joining one price point with another. A line, which connects two or more peaks or bottoms, can be called a valid trend line. The more the number of peaks and bottoms that a trend line connects, the more potent the trend line will be.

Ideally speaking, an uptrend line is created by connecting the final low with the first bottom in the rally. Opposite to this, a downtrend line is created by connecting the final peak or a top with the subsequent top, which is lower than the previous one.



In the above illustration, one can identify an uptrend by drawing the trend line. There was a time when this line was violated, at that time; the uptrend came to a halt. In the same way, we can also use the downtrend lines to identify a downtrend.

In the above illustration, a downtrend is clearly defined by the use of a trend line that joins the lower tops. Once the price went above this falling trend line, the downtrend came to an end.

Stock Selection: Top-down and bottom-up

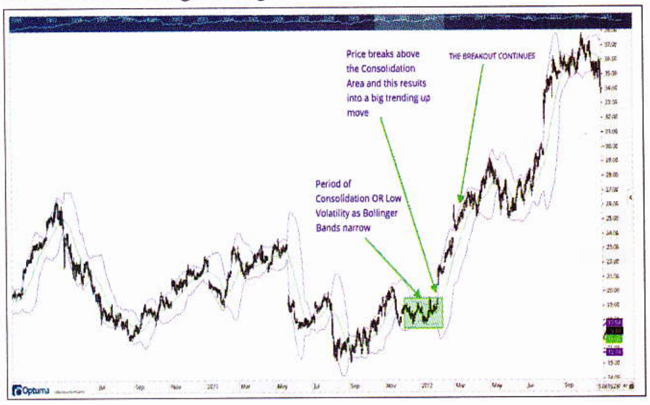
The stock selection process is the most crucial beginning point for investors. For anyone with a medium to long-term approach, can opt for a top-down approach while selecting the stocks. He should begin with the sectors that are presently leading or likely to lead over the coming months. After identifying the right sectors, he can further analyse to select good stocks within the sectors. He can use technical tools like 'Relative Rotation Graphs' to identify various sectors followed by stocks in those sectors. More importantly, along with advising the investor to invest in a particular sector, the Relative Rotation Graphs would also tell investors which sector and stock he must avoid!

Steps to profitable stock picking

As one of the methods for stock selection, investors can use fundamentally good stocks, which are, then, undergoing consolidation phase. Whenever a good stock is undergoing consolidation, it usually faces contraction in volatility. This means that the volatility or the movement in these stocks narrow down a lot. Volatility contraction causes the Bollinger Bands to contract.

It is assumed that the periods of low volatility are followed by a period of high volatility. Note that the periods of low volatility provide investors those stocks that are in a consolidation range and in a neutral setup. They can use these periods of low volatility to their advantage. They can create a watch list of fundamentally good stocks with low volatility and Bollinger Band squeeze. Once a breakout appears, investors can buy such stocks as they usually initiate a new and robust trending move.

The technical tool that is used to measure periods of low or high volatility is Bollinger Bands. The bands are nothing but the value of 2 Standard Deviation placed above and below the 20-Period Moving Average.

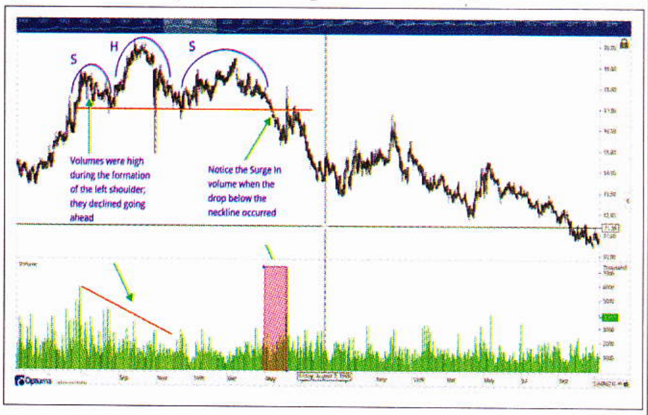


How to identify proper exit zones

Not making a timely exit is the most common thing that has damaged many portfolios. If you ask any old time investor that if given a chance to alter one thing in their investment journey, they would definitely talk about exiting stocks during the bull party which got busted with the 2008 financial crisis. As we all know when the stock price rises, it's like blowing up a balloon and when it falls, it's like letting all of the air out. In most cases, when the stock goes up in price, the investor would wait for further incremental returns. However, in this rosy picture, many investors are blindfolded with the temptation of greed and hope and they overlook to a fact that every good thing comes to an end and at the time of the reversal of the trend, the investor fails to identify the reversal point. If the stock price falls, the investor would hold on to his investments with a hope of recovery without realising that the uptrend has ended and the trend has reversed. By the time he exits from the holding, he would have lost much of its appreciation.

To avoid the above mentioned scenario which affects a vast majority of investors, can be sorted out if they can put technical analysis into use. They can use trend lines as they help investors to provide potential exit signals. If a market participant is holding a winning position but due to some reason, the stock violates the trend line support, it suggests the trend has run its course. Further, the market participants can use trend reversal techniques, such as reversal pattern to identify the formation of a likely top, and attempt to exit at the optimised price levels. Many a times, the market participants also identify a trend reversal by using the momentum indicators. One of the most widely followed techniques is to spot divergence and Martin J. Pring has explained the phenomena of divergence in a simplified manner where he has said the conflict between momentum and price is known as divergence. Whereas, a negative divergence, which can be put to use to exit any stock, occurs when rising prices are supported by weaker and weaker underlying momentum. At the same time, he emphasises that the most important point to remember is that, it is of paramount importance for a divergence to be confirmed by a trend break in the price itself, no matter how significant the divergence may appear on its own merit. Hence, the divergence on momentum indicator used in conjunction with a trend reversal pattern, helps protect the value of the portfolio by giving signs of a potential trend reversal.

For identifying exit zones, one can also use a simple trend reversal pattern. Let us take an example of Head and Shoulder formation. This is a classic trend reversal pattern. For such a pattern to be a potent one, it should have occurred following a right amount of uptrend in the price before that.



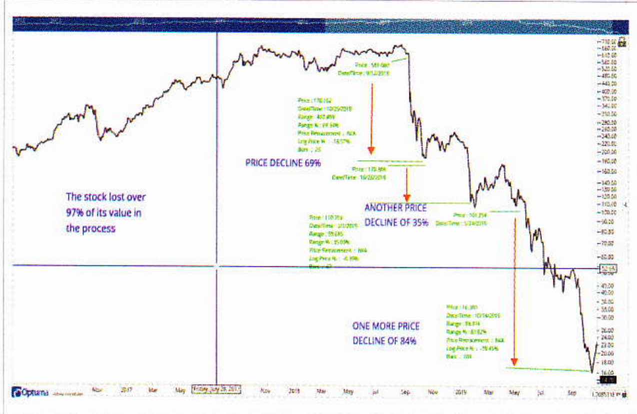
Above example is perfect use of the Head and Shoulder Pattern to spot exit zones.

Wrong methods in identifying value in the stock

Just as mentioned earlier, the following correct methods in the stock selection process is of utmost importance. Most often, we see investors rely on hard mentality, unconfirmed news flow, incompetent analysis to make their investment decisions. More often than not, such methods prove to be harmful in the long run.

The investors must adopt a knowledge-based approach when it comes to selecting assets with their hard-earned money. It would prove rewarding in the long run if the investor acquires basic investment knowledge, learns to use basic tools of technical analysis and takes well-qualified professional advice.

Another severe mistake of perceiving the value of the stock is the fall from its recent highs. As it is popularly said, never perceive the bottom of the chart as the support for the price. The downtrend may continue. Just because the stock is off 30-40 per cent from its peak does not mean that it is attractively valued. It is just not possible to know what is driving the fierce downtrend and there are all possibilities that the stock may inch lower after falling significantly from the high point.



The above is a classic example of the wrong perception of value. When the stock declined 69 per cent from its peak, many investors were lured by value the stock had to offer and some might have made the mistake of entering into the stock to take up on this thrilling experience. They would have perceived some value in the stock just because it traded 69 per cent cheaper from the peak. This opportunity would have turned out to be a blunder. If anyone had bought the stock even after the 69 per cent decline from the peak, they would have further lost 35 per cent of their investment in the second round of decline. Still worse, even after such a magnitude of the decline, there was no value in the stock. The stock took a further beating of 84 per cent in the third phase of the decline. In the entire process, the stock lost over 97 per cent of its value.

More on Technical Anlysis : We just saw some of the most important decision making points that any chartist and trader should focus on. But surely technical analysis is much more than identifying trends and proper exit zones. It is very important for any trader to evolve as a professional in due course. To become a professional, one needs to understand how professionals think and study financial markets using technical analysis. It is also important to know what technical indicators are used by the most successful technical analysts globally. In the following pages, we have discussed some of the best exponents of 'Technical Analysis' commenting on their method of analysing markets using specific indicators. Also, to promote technical analysis, Chartered Market Technician (CMT) association is taking some eye-catching steps both globally and in India. Turn pages to understand the efforts taken by CMT association to promote Technical Analysis in India.

Martin J. Pring

President of pring.com

Tell us about your experience at CMT Association India Summit 2019, Mumbai

I received a very special and touching appreciation from the audience and was delighted to see that technical analysis is prospering in India.

What do you like about Technical Analysis (TA)? As a first timer, what was the real turning point in your journey?

Everything is revealed in the charts, as they tell you what people are actually doing as opposed to what they SAY they are doing. Since price trends are a reflection of people in action and human nature is more or less constant, that means a technician can pick up a chart of any freely traded entity and have some understanding of what's going on. That's not true for those oriented to fundamental analysis.

How do you see the evolvement of TA in the modern markets?

Since I have been in the business, I have noticed the trend in business and real life is for attention spans and time horizons to get shorter. I see no reason why this trend will not extend.

There is a common myth that TA can be used only for short-term trading and now, it is time to bust it. Along with macro and long term analysis, how can TA be used for examining inter-markets and cross asset relationships?

That's the answer of three or four books, not a couple of sentences. Let me just say that in my view, long-term trends are far more reliable than short-term. Long-term trends are a function of people's changing attitude to the emerging fundamentals. Those changing attitudes take time to materialise. Short-term trends are much more random. I like to use relationships between different sectors and asset classes as a way of determining where we are in the cycle and to act as a cross check to the technical position of the security I am trying to analyse. Credit spreads for instance, where you compare a risky with a safe bond category, say junk to treasuries, reflect swings in confidence and are a useful starting point for equities bond yields and the economy.

Tell us about your stock selection process. Is it usually bottom-up or top-down approach? Do you have an 'ideal' market environment for your trading methodology?

The business cycle has an inflationary and deflationary phase. Consequently, I try to figure out where I am in the cycle. If it's the deflationary stage, then bonds and defensive sectors such as utilities or consumer staples are the place to be. On the other hand, commodity and commodity driven sectors do well when capacity is tight at the end of the cycle. Even if we are in the inflationary part for instance, you just do not go and buy mining or energy stocks, you want to make sure that they are performing in a consistent way in the expected manner. I call it Trust and Verify.

Throw some light on the Special K indicator and how does one utilises this indicator to identify shift in trends at an early stage?

It combines the short, intermediate and long-term KSTs into one individual long-term momentum indicator. Whereas, a long-term smoothed oscillator such as the long-term KST is often slow to turn. The jagged nature of the Special K or SPK means that if we have a normal cyclic time span, the indicator peaks and troughs more or less simultaneously with the price it is monitoring. The trick then becomes one of the identifying SPK primary trend peaks and troughs with the use of trendlines, peak and trough analysis and its signal line calculated from a 100-day MA smoothed by a 100-day MA. The indicator is described in my book- A Complete Guide to Technical Analysis: An Indian Perspective, by Shroff Publishers.

What is your view on emerging markets, in general, and on India, in particular?

The Nifty appears to be in a trading range and is currently lagging the MSCI World Stock Index, which has broken to the upside. This suggests a world-wide bull market lifting all boats. I suspect that the Nifty will eventually follow suit.

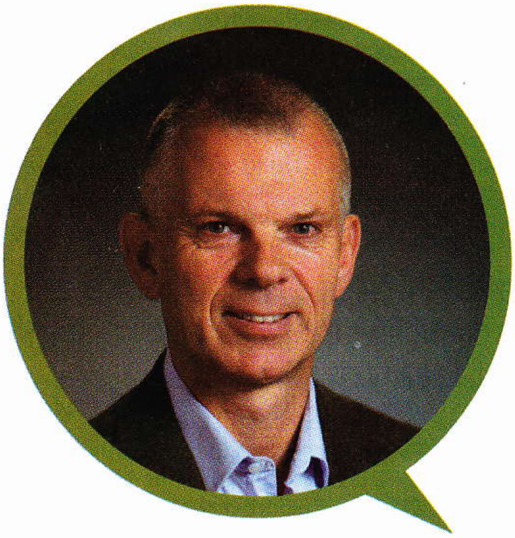
Amidst fear of expected global slowdown, do you actually feel that it has a potential to translate itself into recession? If yes, how would Equities, in general, are likely to fare? How do you see emerging markets, especially India, adjust to this?

If we were supposed to head for a global recession, global equity prices would already have started to discount it by selling off. Since they are breaking out from a 2-year consolidation to new highs, it sends a message of optimism for the global economy to me. The first time I came to India, in January 2008, people kept asking me about resistance levels, as there was a pervasive bullish sentiment in the air. I was brushed off when I suggested people should be looking at potential support levels because I was bearish. This year I did not see that bullish sentiment, I see caution and that's an excellent sign. The global slowdown is a reality that began to be discounted by the markets in early 2018. That's in the rear-view mirror. Now, the markets are looking ahead to the next recovery. The first chart I featured in my presentation showed that a really long leading global economic indicator with a good track record for equities has recently turned up. That's certainly not a guarantee but it is an odd on probability.

Lastly, if you could give some key advice for aspiring traders out there, what would it be?

Be patient, be disciplined and be humble. Just when you think you have everything taped; the markets will indicate that you have more to learn. I have been in the business for nearly 50-years and I am still learning.

Martin J. Pring is the President of Pring.com and the Chairman of Pring Turner Capital Group. Awarded with the Market's Technician Association (MTA) Annual award and the A.J Frost Memorial Award, he is also an Author of several outstanding books.



Julius de Kempenaer

Creator of Relative Rotation Graphs®, Director and Founder of RRG Research

After having served in the Royal Dutch Air Force, what made you look at the financial industry?

I studied economics at the Royal Military Academy in the eighties. In my final year, I had to write a thesis to graduate. The European Options Exchange (EOE) had just started its operations which caught my interest.

Around that time, the Dutch Air Force was buying F-16 jets in the US. All good, but there is a Dutch regulation that says that governmental bodies while entering into an obligation that includes payment in a foreign currency, must immediately buy that currency!

As you can imagine, F-16 jets cannot be delivered overnight so, we were in a situation where the Dutch Air Force had hundreds of US million dollars waiting in the bank for the delivery of the planes so that they can use it to pay them.

Euro did not exist at that time and moreover, Netherlands was still using the Dutch Guilder. While this was happening, in mid-eighties, the exchange rate for USD/NLG dropped from 4 guilders per USD in 1985 to 2 guilders in 1987 amidst all those dollars sitting in a bank-account unused.

So I decided to write my thesis about how the Dutch Air Force could use currency options to hedge its exposure to the USD/NLG exchange rate.

This made me seek interest in financial markets and options trading. After I graduated and started working as an officer, I enhanced my interest in markets and trading and started teaching retail investors on options. What they are, what you can do with them, how they are traded and so on.

The firm which conducted the courses that I taught was also active in technical analysis which sparked my interest and I started gaining interest in technical analysis. That was the start of my career in TA.

There are several tools that are staple for any

The weekly RRG of international stock markets against the Dow Jones Global index shows the Nifty (500) index, inside the improving quadrant

Technical Analyst and Relative Strength is one of them. You have given a new dimension to the study of Relative Strength through creation of RRG. Please tell us about RRGs in detail. How are they different from the traditional Relative Strength analysis?

Relative Rotation Graphs®, that is, RRG®s came to life when I was working as a sell-side analyst for an investment bank in Amsterdam. My job was to provide research to institutional investors on European stocks. The universe that I was covering was the STOXX 600 index divided over 18 sectors.

My clients, the professional PMs, did not have the luxury of moving their entire portfolio or large parts of it into cash, especially when they had a fair idea that market may decline. They are in the relative performance game. This means that even when the market goes down by 10 per cent and their portfolio goes down by only 5 per cent, it is believed that they have done very well as they out-performed the market by 5 per cent, despite the fact that their portfolio lost 5 per cent in value. This restriction makes it necessary for them to look for pockets of strength in markets where they can move their money to prevent it from dropping too fast. Or rather, pockets of weakness that they should avoid.

The tool that we have in our technical tool kit to do such analysis is called Relative Strength. Now be careful! This is not the widely used RSI indicator that was developed by Welles Wilder. RSI is the Relative Strength Index and it looks only at a single security and compares current prices to its own historical prices to determine if that security is 'overbought' or 'oversold'.

In order to decide between multiple securities we need to use, what is often referred to as, 'Comparative' Relative Strength. This is a technical study that looks at the comparison (ratio) between the two securities. There can be two stocks, two indexes, one sector-index versus a market-index.

Comparative Relative Strength is very powerful in our tool kit but there are two problems associated with it:

1) It only looks at two securities at a time; only 1-1 comparisons are possible
2) The numerical values of the RS Lines are incomparable

When you are working on a big project, like I was at that time, the amount of relationships that you need to monitor quickly spirals out of control. Quite often, some sort of ranking is required to determine what is good or what is bad.

The 'solution' was always to create these so-called performance charts which would show the performance for multiple securities over a fixed, anchored period. First of all, I always find these charts hard to read, because firstly, there are so many lines on them, and secondly, it is impossible or at least very difficult, to detect trends for the various securities.

The first step in the process was to come up with a way to be able to 'rank' a large group of stocks (or securities) based on their trends in relative strength, which is completely different from plotting a number of performance lines on a 2-D, time-price based chart.

In the beginning, I used that ranking mechanism that I developed, the JdK RS-Ratio to inform my clients of where they should invest or look for opportunities.

During the dot-com bubble in 2000, this approach led to extremely over-extended values for technology related stocks, industries, etc. and of course, as it's still a trend-following approach, the detection of weakness in the tech-sectors were late. This resulted in an email from an Italian investor who wrote to me saying, 'This time your system did not work too well....' and he was right.

I decided to research and play around to find a way to detect things a bit earlier, sort of an early warning system. This work resulted in the creation of the JdK RS-Momentum indicator which is a measure of the Rate-of-Change in these relative trends that are measured by the JdK RS-Ratio line. This helped me to detect changes in the behaviour of relative strength a bit earlier.

For a while, I worked with these two metrics but despite the fact that I was now able to rank a universe on two metrics, the problem of only being able to watch one-on-one relationships remained.

Over time and after experimenting with many different chart formats, I came up with an idea to plot both values on a

Cartesian plane which enabled me to see the whole universe in one image. At the beginning, these were only single dots but it actually gave a pretty good idea of the positioning of the various elements of the universe vis-a-vis the benchmark but, very importantly, also against each other.

As a technician, since I always wish to see the historical movement of values, I started to plot multiple historical observations on the same plot which eventually led to the development of what is now known as the tail or trail on the RRG. This truly helps visualise (sector) rotation around a benchmark and also in a clock-wise fashion.

After a period of tuning and tweaking this, it became the RRG® as we now know it.

So getting back to your question, RRGs are based on the general approach of comparative relative strength and what is unique about them is the way they enable the comparison of all elements in the universe AND most importantly, the visualisation of all these relationships on one graphical image. 'The BIG picture in ONE picture'

Is it true that apart from identifying short term momentum of a group of stocks against a set benchmark, RRGs also help in taking a larger view by identifying sector rotation?

Yes! As I explained in the previous question, RRGs enable users to visualise pretty much all relationships on financial markets as long as you feed them with comparable data, that is, when you want to compare stocks and bonds for example, you should use (total return) indexes for bonds and not yields. The RRG will show you the rotations but they will not be very helpful as bonds move inverse to stocks as we all know. Garbage in, garbage out!

RRGs are perfectly suited to visualise sector-rotation as it has never been done before and show you that sectors will actually 'rotate' and they do so in a clock-wise sequence. The time frame for the analysis and the rotations on an RRG can be used from (very) short term to very long-term rotation sequences depending on the frequency. They are fractal just like any other chart format. Think along the lines of the interaction between bar-charts on various time frames from monthly to weekly, daily and even intraday like hourly, 30-minutes, 5-minutes and so on.

By applying the same principle, we believe we can use RRG to identify outperforming markets in a bid to get even a larger picture. What is your opinion on this?

Definitely, RRGs can also be used to compare international (stock) markets. We now know that the relative movements of these international markets also follow a rotational pattern around a common benchmark, for example the MSCI world index. So, they are well-suited to identify which markets are worth a look and which ones can be better avoided from a relative perspective.

Let's take the previous question a little further. Comparing India against a global benchmark like Dow Jones Global Index, what do you think, where does this country stand?

At this point of time, the weekly RRG of international stock markets against the Dow Jones Global index shows the Nifty (500) index, inside the improving quadrant and heading towards the leading, so India is currently well-positioned against the rest of the world.

Looking at the long-term chart, the area around 10,000 seems to be a very serious overhead resistance level. Once that is cleared, I would not be surprised to see the Indian stock market accelerating higher!

How can a retail investor or a trader make use of RRG and in what way can he/she benefit from it?

Retail investors and traders can use RRG, first of all, to keep an eye on the bigger picture and also use it to filter the securities they want to trade to only focus on the out-performers.

Another way that I see a lot of traders use RRG is to spot and find pair-trading opportunity which allows them to mitigate general market or sector risks by hedging a long position with a short position, essentially, playing only the difference or the spread between two securities.

The third way I see people using it is as a portfolio monitoring tool. They plot all their holdings on an RRG to visualise how their positions are doing against a benchmark.

Lastly, if you could give some key advice for aspiring traders out there, what would it be?

Find your way in the field; there are many different roles and much different type of traders. Try to figure out what your preferred role or approach is and learn as much as possible about it. Then gradually, advance into more senior roles and keep an eye on developments around you. Financial markets are a big eco-system with many parts moving at the same time. Do not lose track and stay focused!

When you are, like many nowadays, interested in quantitative finance/trading/analysis.... my advice is:

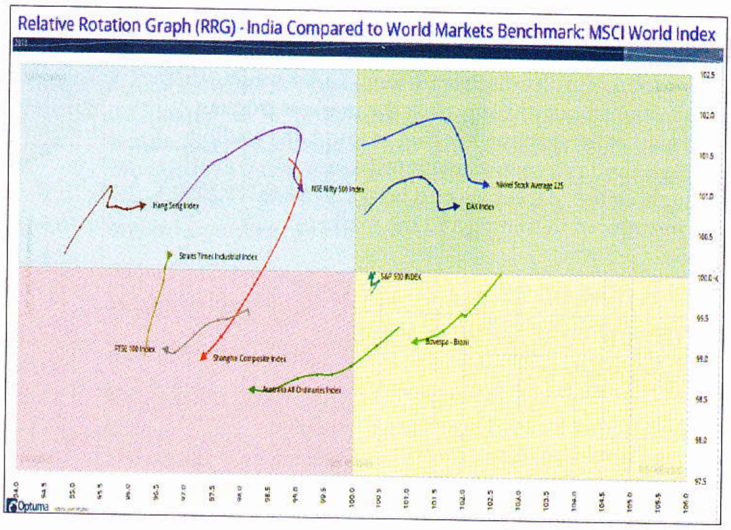
'Start simple, it will become complicated very fast!'

Overview Of Indian Sectors And Indian Markets Against The World Markets

INDIA AGAINST WORLD MARKETS

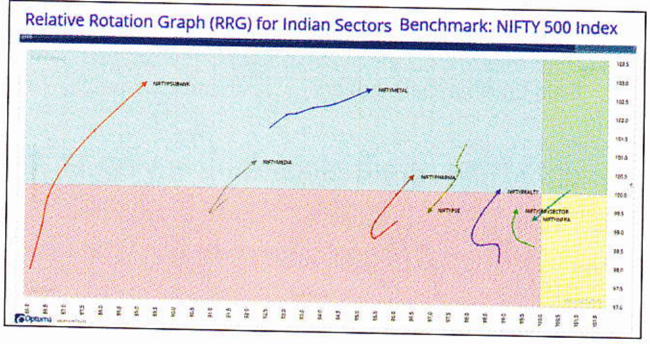
In the RRG, we will examine how India is placed against its global peers when benchmarked against the MSCI World Index.

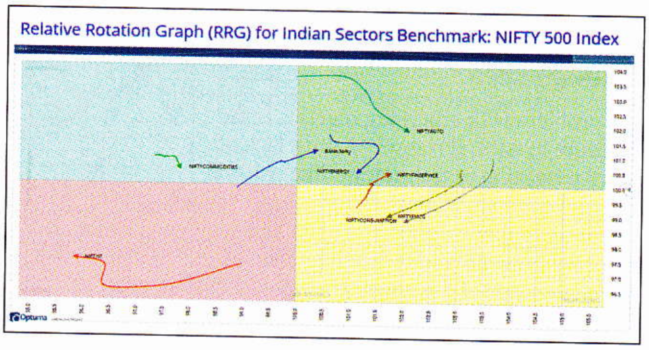
Indian broader market index-NIFTY500 is presently placed in the improving quadrant. Over the past couple of weeks, the Indian Markets have gained a strong momentum. There is some loss of momentum seen in the Indian Markets, as it is seen heading down while still sloping in the direction of the leading quadrant. Though the Indian markets have slightly turned down, it compares well with global peers and is likely to head further towards the Improving quadrant. Indian Markets are expected to remain much resilient and relatively outperform the other global markets like FTSE, the Shanghai Composite Index, Australia All Ordinaries Index, as well as the emerging markets like Brazil, which are seen losing their relative momentum against the MSCI World Index.



Along with the Indian Markets, the Hang Seng and the Straits Times, are also likely to outperform. Indian Markets are expected to strongly outperform the FTSE, Australian Index, and other emerging markets like Brazil and China, which are seen rotating lower on a relative basis.

Indian Sectors against NIFTY 500





In the RRG, we compare placements of different Indian Sectors and benchmark them against the broader NIFTY 500 Index.

The present structure of various sectors on the RRG, points out which ones are likely to remain resilient in the event of any corrective moves and will outperform in the event of any upside in the markets. In short, they are expected to outperform the broader markets relatively in a strong way. In the coming weeks, the sectors that investors and traders should focus simultaneously are PSU Banks, BankNIFTY, Financial Services, and Metals, which are likely to outperform the markets. They remain in the Improving and Leading Quadrant and are seen building on their relative momentum steadily and strongly. The Auto and Energy packs will also perform better; however, only stock-specific shows can be expected.

One place where investors would not like to invest would be the IT sector. It stays in the lagging quadrant and does not show any immediate signs of bottoming out. Apart from this, we will also see some less but good performers from Infrastructure, PSE, FMCG and Consumption space. These are the sectors that investors should wait for bottoming out before they invest in them.

Milan Vaishnav, CMT, MSTA - Consulting Technical Analyst, Gemstone Equity Research and Advisory Services

Special Report | Technical Analysis

JC Parets, CMT

Founder and Chief Strategist, Allstarcharts.com

Tell us a little bit about your trading background and who are your mentors?

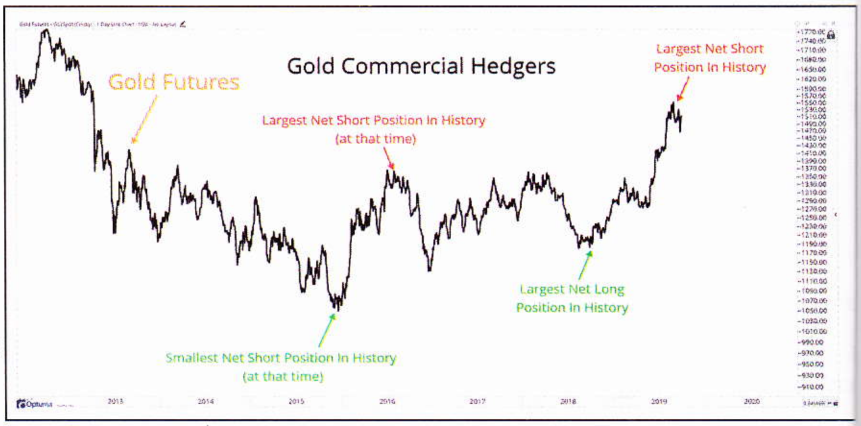
I am a John Murphy disciple through and through. There is no question about it! I approach the markets from an intermarket perspective, keeping in mind, the trading strategies and risk management techniques described throughout the Market Wizard books. Well, this is how I was introduced to trading and the markets.

Dow is now up nearly 20 per cent in current year. What is your outlook for CY2020?

A 32,000 target for the Dow Jones Industrial Average would be consistent with normal returns in year 2 of a cycle. We are in the camp that 2019 was year 1 of the new bull market.

What is your view on emerging markets and what are key opportunities and challenges for emerging economies in the coming year?

The problem with emerging markets is the exposure to natural resources and a lack of heavy weighting in technology, like you will find in the US Stock Market. India is the exception to that rule because of its heavy exposure to banks and technology. NIFTY Banks are some of the most expensive (high multiples) banks in the world, and for good reasons. I do believe we continue to get rotation into Emerging Markets throughout 2020, but it is not clear whether they will start to outperform any time soon.



How do you see Base Metals and Crude oil price panning out in CY2020? Do you see yellow metal (Gold) hitting surging to new highs in the year 2020?

Selling Gold - and Buying Stocks/Selling Rocks - neutral Crude Oil and base metals.

What is your long-term view on Nifty index? Which are the sectors that you think will outperform going forward? Also, which are the sectors that you would advise investors to stay away from?

NIFTY50 12800 and Bank NIFTY 35000 targets Commodities and metals indexes still look terrible.

Brett Villaume

Vice President of CMT Association

You hold an important office at the CMT Association. Tell us about CMT Association and its activities.

I am the Vice President of the Chartered Market Technician (CMT) Association and have served on the Board of Directors for four years. The CMT Association is a non-profit organisation headquartered in the United States that administers the Chartered Market Technician designation, the pre-eminent professional designation in the field of technical analysis of securities worldwide.

The CMT Program consists of three levels, each advancing in scope from an introductory/definitional stage, to an integration stage, and finally to an application stage. The CMT Association has over 3,000 members and there are currently over 1,000 program candidates enrolled in the December 2019 exam cycle. For the first time in the history of the program dating back to the early 1980s, the candidates in the Asia-Pacific region, primarily in India, make up the largest segment of test takers internationally.

The CMT Association provides member benefits such as annual conferences, local chapter meetings in 43 cities around the world, and educational content through its website and social media outlets. Additionally, the Association upholds a robust ethical code among members and continually strives to maintain the highest standards of ethical conduct within the investment community.

What do you think about the growth of the profession of Technical Analysis here in India and how is it in comparison to the West?

The use of Technical Analysis methods by Indian professionals is quite similar to that of the West. Growing numbers of traditionally 'fundamental' trained investment advisors, portfolio managers, analysts, and proprietary traders are learning how to apply Technical Analysis to more successfully manage risk and improve investment returns for clients. Within developing markets, volatility and uncertainty (that is, 'VUCA') drives demand for additional tools to navigate the gap between the intrinsic values identified through fundamental analysis and market prices.

With CMT Association now having its presence in India, what would be the Association's priorities, going ahead?

Within the past 18 months, the CMT Association has opened an office in Mumbai, hired a full-time staff member in India (Joel Pannikot), and elected an Indian to our global Board of Directors (Akshay Chinchalkar). Additionally, we held our inaugural India Summit conference in Mumbai on November 23 at the Taj Lands End Hotel, and we intend to continue hosting such large-scale conferences in the future.

Going forward, the Association is committed to addressing a strong demand for Technical Analysis education and the CMT designation in India. Developing chapters throughout India, building our Academic Partner Program with universities, and providing networking opportunities and job development assistance to CMT Program candidates and members are our highest priorities over the coming years.

How do you plan to spread awareness on the necessary quality education in TA? How do you wish to engage with corporates?

We engage with corporations across India that employs professional in alpha-capture roles. There are over 450 such institutions in the Indian financial sector alone. We are creating opportunities for both our members and corporations to interact with practitioners at the cutting edge of Technical Analysis research and application. The Inaugural CMT India Summit, held in Mumbai on November 23, was one such step in this direction. We also conduct regular chapter meetings in all cities where we have a significant member presence, such as Mumbai, New Delhi, Kolkata, Bengaluru, Hyderabad, Chennai, Pune and many more. Our academic partner program gives us the opportunity to enhance the quality of Technical Analysis being taught in business schools across the country.

A lot needs to be done on the engagement with regulators. While engaging in a regulatory advocacy initiative, what would be the key areas that you wish to focus on?

The CMT Association has achieved success in the United States and other countries working with regulatory agencies to gain recognition and accepted use of the CMT designation among financial professionals. An excellent example of this was the adoption of the Financial Industry Regulatory Authority (FINRA) Series 86 exam exemption for CMT Level 2 graduates. The SEC and FINRA granted this exemption in 2004 following the enactment of Sarbanes-Oxley regulations and fruitful conversations with regulators to explain the value and unique skills set of the CMT charterholder. We are keen to support the regulators, SEBI, RBI, MoF, as well as the exchanges with the input required to maintain a robust oversight of the markets and the analysis performed by CMT charterholders.