BULKOWSKI’S TRADING QUIZ

Price is about to change direction. Where will it pause and where will it reverse? Answers on the next page. And do you see any chart patterns?

SOUTHERN PERU COPPER (COPPER, NYSE, PCU)
I drew the red lines below the valleys and green lines above the peaks from the right to left of the June falling wedge. After the lift off in June, price moved up in a straight-line run before encountering overhead resistance at the circled regions. Price then dropped to find support at the lowest red line on the chart, a line that cuts through the top of the descending triangle peaks in October ‘04 through January ‘05.

More on next page.
Price is about to drop. Where will the decline stop? Where will is pause?

Next page shows the answers.
I think the congestion region in Nov-Dec was formidable enough to slow or even stop a downtrend and that’s what happened in mid March (circled regions). Red lines represent turning points below (valleys) and green lines highlight peaks to the right of the blue line.

The end.