Here’s the latest quiz. What chart patterns can you find? A hint appears below and answers on the next page.

**Steelcase (Furn/Home Furnishings, NYSE, SCS)**

**Hint.** Look for the following chart patterns (If you find others, great!): 3 wedges, 3 triangles, 2 broadening formations, double bottom.
Instead of going through a simulated trade, I thought I’d review Andrew’s Pitchfork. See the next page.
Select 3 pivot or turning points: Method 1. Use the weekly price chart to pick 2 pivot points (a high point and corrective low) and transfer to the daily price chart. 2. Use Bollinger bands where the price touches one band, crosses and touches the other. The two touches are the pivot points. In both methods, click near a third point where the current trend originated (a previous low in a rising market or high in a declining market). 3. Andrew himself used 3 consecutive turning points. All 3 points should be of similar magnitude, be at least 3 days apart (each) and make a T shape, such as the three turning points A, B, and C shown above.

In an up trending market, a break of the lower line suggests support has been broken; in a down trending market, penetration of the upper channel line suggests a burst through resistance. The breaks above and below the channel lines produce changes in the short to intermediate term trend.

Expect market tops to occur at the middle line or between the middle line and the upper channel line and market bottoms to occur at the middle line or between the middle line and lower channel line. The median (center) line often serves as a place where price makes a temporary reversal. The price tends to return to the midpoint 80% of the time. Reversals at the median line are good places to enter, re-enter, or add to positions.

When prices form a pivot but don't reach the median line, they often make up for it when they form the next pivot by traveling even further in the opposite direction. At the start of a move, prices typically close beyond (either above or below) the median line. Draw new pivot lines using the new pivot point (where it just crossed the median line). If prices now fail to move beyond the new median line, expect a trend change.

The end.