Bulkowski’s Trading Quiz

See below for instructions.

First, find any chart patterns that you see. Since this is the weekly scale, look for pipes, horns, tails/spikes and any other patterns you may see. I found a double top and rectangle.

Second: Price is about to rise. Where will it pause or reverse? In other words, find the overhead resistance.

Answers appear on the next page.
This is the chart pattern screen. Actual price turning points are on the next chart.

The blue line separates the old chart from the new data. The horizontal red lines show where price turned. As you look to the left, you can see the peaks and valleys that setup the overhead resistance zone. For example, see how the rectangle’s bottom and top turned away price near the 2nd and 3rd red lines from the bottom. Another chart, next page.
You own the above utility stock, but think it’s about to go down. Price has already tumbled from a high of 33 to 23, a drop of 30%. How far lower will price move? First, locate any chart patterns you can find then we’ll talk about support zones.

Answers on the next page.
Here are the chart patterns I found. I didn’t hunt for all of the horns and pipes on the chart. I’ll leave that up to you.

The green line is the divider between the new and old chart. This is a surprising chart because price drops so rapidly, reaching a low of 9.47. Just one support zone appears as the red line. The blue line is overhead resistance setup by the valley in Jan 02 and a long stream of near horizontal price movement on the far left of the chart.

The end