What chart patterns can you find? A hint appears below and answers on the next page. Note that all charts are on the weekly scale.

**Hint.** Look for the following chart patterns (If you find others, great!): 2 horns, 13 pipes, at least 1 double top.
The pipe bottoms circled in green occur as price trends up. They signal a continued rise. The pipe top circled in red is an example of a pipe acting as a reversal. The two pipes circled in blue are also reversals, but they reverse the short-term downtrend.

On the far right is a pipe bottom that occurs after a long down trend. Price confirms the pipe when it closes above the highest high in the twin spike bottoms. That has occurred.

**Question 1:** Do you buy, short, or avoid trading this stock?
**Question 2:** If trading this one, what is the target price?
**Question 3:** If trading this one, what is the stop price?

The answers appear below and a chart on the next page.

**Answer 1:** Buy because of the confirmed, upward breakout.
**Answer 2:** You can measure the height of the pipe from lowest spike to tallest one and project it upward from the highest spike. Rather, I suggest you use support and resistance zones as guides. I would expect price to rise until it reached the red line setup by the pipe bottom in late 1991. If we are lucky, then price will rise to the price of point A.
**Answer 3:** The stop would be just below the pipe low, about 7.03 (the low is at 7.10) and I want to avoid the round number where others will place their stop.
Price moved up at a good pace until nearing the overhead resistance identified in the prior chart and this one by the red line. The circled area highlights where price reversed.

Let’s assume you either held on or bought in again at the start of 2003.

**Question:** What do you see what would cause you to sell now? The answer appears on the next page.
As the chart shows, a pipe top appeared, indicating a possible price reversal. On the prior chart, the closing price was low enough to confirm the pipe, so that was the sell signal. Also, when price dropped below the green trendline, that was another sell signal. I extended the red resistance line to show that price continually bumped up against it before turning down.

The end.