Hint. Look for the following chart patterns (If you find others, great!): 2 broadening patterns, 2 scallops, double top.
Imagine that you owned this stock. Price has closed below the lowest low between the two Eve tops of the Eve & Eve double top.

**Question 1:** Do you sell your holding?

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

**Answer 1:** Selling depends on how far price is likely to drop. See the next page.
This is the weekly chart of the stock. The red lines are support zones setup by prior highs. You can see how the top red line acted as support.

The green line shows a straight-line run up, qualifying this double top as a Big M pattern. Price might decline back to the launch point at about 15 (where the green line begins). If it does, that means a decline of 45%. Ouch!

The head-and-shoulders top is a busted one, meaning that price didn’t pierce the blue neckline before making a new high. Maybe that’s why the green run up was a powerful move. However, once reaching the price level of the head, the stock has moved sideways, forming a large rectangle from August 2003 onwards.

This chart suggests price may drop to about 21 (lower red support line) or even 15, neckline support. If I owned the stock, I’d sell. The next page shows what happened.
This is the weekly scale, again. As the above chart shows, price pierced the sell line and dropped less than expected, to a low of 24.36. That’s 12% below the sell line of 27.65, but it could have been worse, so it’s best to sell when you get the signal. The blue line is what’s called the confirmation line. When price closes below the line, it confirms the double top as a valid chart pattern, not just two bumps on the price chart. The confirmation line is the lowest low between the two tops.

As you can see, price recovered and made a new high (top 3) before dead-cat bouncing lower (the highest volume on the chart) on an earnings warning. From there, price moved lower and has found support near the red support line.

The end.