

G'day investors!

Welcome to Investment Forum, I am White Green, your most trusted investment companion!

In tonight's session, here is an overview of the course content:

1. We will first analyse why the three major stock indices showed a lack of upward momentum this afternoon. This phenomenon typically reflects collective market concerns — whether it's the uncertainty in the macroeconomic environment, expectations of policy changes, or the release of other significant economic data. As we approach the 7900 threshold, what is the market worried about?
2. The focus of this session will be on swing trading strategies. We will delve into the core principles and techniques of swing trading, using real market cases to demonstrate how to effectively identify and capitalise on market fluctuations. Learn how to find the best entry and exit points during market swings, enhance your trading skills, and optimise your asset allocation.
3. We will provide a detailed explanation of key individual stocks within an investment portfolio and how these stocks can be better managed for swing trading to improve the overall portfolio returns.

Through tonight's detailed explanations and strategy analysis, we hope every investor will enhance their understanding of market fluctuations, learn how to identify opportunities within these fluctuations, and use these opportunities to improve the overall returns of their investment portfolios. My goal is for each investor to become more confident and efficient in navigating the market, gaining sustainable profits from swing trading.

Investors, are you ready?



In today's trading session, the three major indices on the ASX experienced a minor correction after an initial surge. In the morning, broad gains in key sectors such as utilities, materials, real estate, and financials propelled the indices' early rise, indicating initial market activity. However, by the afternoon, the momentum was hindered due to pullbacks in the healthcare and real estate sectors, along with declines in consumer discretionary, energy, and telecommunications sectors, ultimately leading to a retreat from the highs.

From today's market performance, the utilities sector maintained a steady upward trend throughout the day, demonstrating strong market performance. The industrials and materials sectors also showed notable gains, reflecting current market confidence and investment appeal in these industries. In contrast, the telecommunications, consumer discretionary, and energy sectors were weaker, with significant declines. This may reflect market concerns about the short-term prospects of these industries or the impact of negative news.

During today's trading, the three major indices experienced a pullback after an initial surge. This market volatility was primarily influenced by the anticipation of upcoming significant economic data and events. Market investors were closely watching the minutes of the Fed's monetary policy meeting, scheduled for release early tomorrow morning, as well as the SPGI Manufacturing and Services data for May in Australia, set to be released at 9 AM tomorrow. These are key factors influencing the market's direction.

In light of these crucial economic indicators and policy events, market investors adopted a more cautious trading strategy to mitigate potential uncertainties. This conservative stance affected bullish sentiment in the market, limiting the indices' further upward momentum.



Above is the daily chart of the XJO index

Today, the XJO index showed a high and lower dynamic, and finally closed an inverted "T"-shaped candle chart K line, indicating that although the market once showed strong buying momentum, but then selling pressure increased, and finally brought the index close near the MA5 moving average. This pattern usually implies that the market is encountering significant resistance at a certain price level.

From a trend analysis perspective, the XJO Index remains in an upward trend, with its moving averages configured in a bullish alignment, indicating a healthy and upward long-term trend. The current market strategy should continue to focus on buying on pullbacks.

Considering tomorrow's trading, we need to pay close attention to the significant economic information being released, including tonight's minutes from the US Federal Reserve's monetary policy meeting and tomorrow morning's May SPGI Manufacturing and Services data from Australia. These key economic indicators could significantly impact market movements.

We should particularly focus on the support provided by the MA5 moving average. If the MA5 can effectively provide support, it may present a good opportunity to increase holdings or open new positions, with the expectation that the index will maintain its upward momentum. During this stage, it is crucial to stay vigilant and closely monitor global economic developments and policy changes to adjust strategies promptly and respond to potential market volatility.

A number of investors in our portfolio have bought IEL's at around \$16. Some of the money is allocated to medium-term positions with a target of 30% return, and the other part is used to

make short-term swing trades. For those not involved in swing trading, the question may be: If we are optimistic about this stock, why not just buy and hold, but trade it frequently?

Tonight, we will delve into the strategy of swing trading and explain how it plays a role in the actual trading of the market and how it subtly affects our portfolios. Swing trading is not only a way to take advantage of market volatility, but also a strategy for money management. By selling at the highs and buying at the lows of the stock price, we can add additional gains to our primary holding strategy while reducing the risk of our overall investment.

This way of trading requires investors to have a sensitivity to market dynamics and strong technical analysis ability, in order to accurately grasp the entry and exit timing. It can not only enhance the yield of the portfolio, but also provide investors with a certain measure of protection when the market falls. Therefore, even if you hold a promising stock for a long time, through timely band trading, you can optimize the efficiency of the use of funds, increase the liquidity of funds, and seize every short-term opportunity provided by the market.

To successfully engage in swing trading, investors must master the following three core principles:

1. **In-depth Market Understanding:** To become a successful swing trader, one must have a deep understanding of market mechanisms. This includes proficiency in both fundamental and technical analysis. Fundamental analysis helps us comprehend the economic factors behind stock prices, such as company financial reports, industry trends, and economic indicators. On the other hand, technical analysis focuses on predicting market trends through charts and historical data.

2. **Utilising Technical Indicators:** Effectively using technical indicators is crucial for identifying buy and sell opportunities. Familiarity and proficiency with indicators such as KDJ, MACD, and RSI can greatly enhance the ability to spot market highs and lows, thus helping traders enter and exit the market at optimal times.

2. **Strictly Executing Trading Plans:** Successful swing trading relies not only on analytical skills but also on the disciplined execution of trading plans. This includes setting clear profit-taking and stop-loss targets and strictly adhering to them, thereby avoiding the negative impact of emotional decisions on trading outcomes.

Additionally, swing trading typically requires frequent buying and selling of stocks, which means investors must have sufficient funds to support this trading style. It is also crucial to ensure that this frequent trading does not affect the stability of one's long-term investment plans.

Selecting a stock with strong fundamentals and an upward trend, maintaining a certain amount of core holdings, and simultaneously employing a swing trading strategy offers clear advantages:

1. Risk Reduction

Swing trading, by buying and selling stocks in the short term, allows for quick profits and locking in gains when market fluctuations occur, thereby avoiding long-term risks caused by unexpected market events.

Maintaining a core holding means that investors always possess a portion of the stock. Even if the stock price drops in the short term, with a positive long-term outlook on the stock's fundamentals, the core holding can continue to appreciate, reducing the risk of a total investment loss.

2. Increased Returns

Swing trading takes advantage of short-term price fluctuations in stocks, allowing for profits through buying low and selling high in multiple trades, thereby enhancing overall investment returns.

In an upward trend, swing trading enables continuous buying at relatively low points and selling at high points, accumulating more profit opportunities.

3. Flexibility and Liquidity

Swing trading does not require long-term capital lock-in, allowing investors to adjust their positions flexibly based on market conditions, thus improving capital efficiency.

When market uncertainty increases, swing trading permits investors to react quickly, reducing losses or locking in existing profits.

4. Psychological Advantage

Long-term stock holding can result in psychological stress due to significant market fluctuations, while swing trading reduces anxiety and unease by continually locking in short-term profits.

The short-term gains from swing trading can boost investor confidence, making them more willing to hold their core stock positions and enjoy long-term returns.



The chart above shows Apple's daily price movements from January to July 2023.

I will share with investors my experience with a U.S. stock from last year and how I executed swing trading.

In one of my investment experiences last year, I chose Apple Inc. stock, which had strong fundamentals and an upward trend, for swing trading. This strategy not only strengthened my investment portfolio but also provided valuable market insights.

In January 2023, after observing the stable growth of Apple's stock price, I decided to establish a core position and bought 20,000 shares. In subsequent trades, I employed a systematic approach: whenever the stock price pulled back to the MA13 moving average, I increased my position by 3,000 to 5,000 shares; whenever the stock price rose and formed the first red candlestick, I sold the same number of shares to lock in profits.

In the first wave of trading, I took advantage of the price pullback from \$145 to \$140 to buy 5,000 shares. I then sold them when the price rose to \$151, earning over \$10 per share in profit. In the subsequent waves, I bought shares at \$148 and \$156 during price pullbacks, and sold them at \$155 and \$165 as the price rebounded, successfully gaining more than \$7 and \$9 per share, respectively, each time.

This trading model not only maintained my core position but also achieved additional short-term profits through repeated buying and selling operations. This strategy significantly enhanced my overall investment returns while reducing holding costs.

Swing trading is particularly effective with stocks that have strong fundamentals and an upward

market trend. It reduces risk, increases returns, and adds flexibility and liquidity to trading. Moreover, this approach provided me with a psychological advantage, enabling me to stay calm and make more precise investment decisions in a complex and volatile market environment.

By sharing this experience, I hope to inspire investors to deeply understand and practice swing trading, leveraging its advantages in the market to achieve better investment returns.

Swing trading, as an effective investment strategy, not only helps us reduce market risk but also enhances capital efficiency and increases the overall returns of our investment portfolio. Therefore, let's delve into how we can perform more precise swing trading for each holding in our portfolio to maximize our investment returns.



The chart above shows the intraday movements of PLS.

By examining the recent intraday chart of PLS, we can observe that the institutional trading patterns for PLS are very similar to those for IEL in early May. In both cases, we can see that institutions are pushing down the stock price to absorb more shares. This strategy aims to lower the stock price to acquire more cheap shares, thus preparing adequately for a subsequent price increase.

Observing the market activity over the past few days, including today, it is evident that institutions intend to accumulate shares by maintaining the stock price at lower levels. Notably, today, three significant buy orders accounted for nearly half of the total trading volume. Despite this substantial buying, the stock price did not significantly rise, further indicating that institutional funds are still striving to acquire more cheap shares without rushing to drive up the price.

This strategy demonstrates the strong influence and carefully planned investment actions of institutions in the market. For retail investors, understanding this trading pattern is crucial. It not only helps us better interpret market dynamics but also allows us to consider deeper factors when formulating our own investment strategies.



The chart above shows the 2-hour candlestick chart of PLS.

During this morning's trading session, I indicated to investors that PLS might offer a good buying opportunity today, suitable for swing trading. By observing the 2-hour candlestick chart, we can see that the stock price is currently operating within an upward channel trend. Notably, the price is nearing the lower boundary of the channel, with the support level around AUD 4.04. If this level holds and is not breached, it will indicate that the lower boundary support of the channel is effective within the 2-hour timeframe. In such a scenario, the price is likely to stabilize and begin to rebound, thereby providing an ideal buying point for swing traders. Therefore, investors should closely monitor the support performance around AUD 4.04 tomorrow. If this support level remains effective, investors may consider entering at this level as a buying point for swing trading.



The chart above shows the 2-hour candlestick chart of IEL.

With the active participation of major investment banks such as Goldman Sachs and Citigroup, IEL shares have successfully emerged from the previous bottom consolidation phase and have now entered a new upward trend. Investors who followed our strategy and bought IEL have already realized significant investment returns. The stock price breaking through the previous consolidation area suggests that it may be entering a new accelerated ascent phase.

For those holding core positions, the best strategy at this point is to remain patient and continue holding the stock. In the volatility of the sharemarket, patience is key to achieving higher returns. By adhering to long-term holding, we can wait for the market to bring us more substantial returns.

From a technical analysis perspective, particularly observing the 2-hour chart structure, we notice that the MA13 moving average is now positioned right near the top support of the bottom consolidation range. This observation provides valuable guidance for investors looking to continue swing trading IEL: if the stock price pulls back to around the MA13 moving average, it would present an ideal buying opportunity, suitable for executing the swing trading strategy.

In our investment analysis of COL, both from a fundamental and technical perspective, the stock remains within the range of our initial buy conditions. Currently, COL's stock price is steadily operating near the middle band of the weekly Bollinger Bands, indicating strong support. Although the recent price fluctuation range has been relatively narrow, limiting short-term swing trading opportunities, it also signifies price stability. For investors seeking long-term investment value, this is a positive signal.

Considering COL's positive fundamental outlook and technical indicators showing solid support on the weekly chart, it remains a good opportunity for investors with a lighter allocation in their portfolios to increase their holdings. Adding more COL shares can leverage its stable market performance and strong fundamental prospects, potentially bringing long-term value appreciation to the investment portfolio.

Due to the lack of time, today's session discussion is over. Thank you for your enthusiastic participation!

In order to help you understand the core concepts of swing trading more deeply, I have prepared two questions for you to think about after session:

One: What are the prerequisites for the success of wave trading? Please list the three key points needed to master band trading.

Two: Based on current market conditions and technical analysis, when might IEL be suitable for trading in the band again?

I hope these questions will stimulate your thinking and help you deepen your understanding of the sharemarket trading mechanism. We will continue to discuss and communicate in tomorrow's session!

Good night, dear investors!