

G'day investors!

Welcome to Wilma Wealth Management , I am White Green, your most trusted investment companion!

During tonight's session, the following is an overview of the course content:

1. The three major Australian stock indices continued to decline today. Analysis of the reasons and future trends.
2. CWY: Explanation of the Golden Moving Average Buy Rule.
3. Analysis of individual stocks in the investment portfolio.

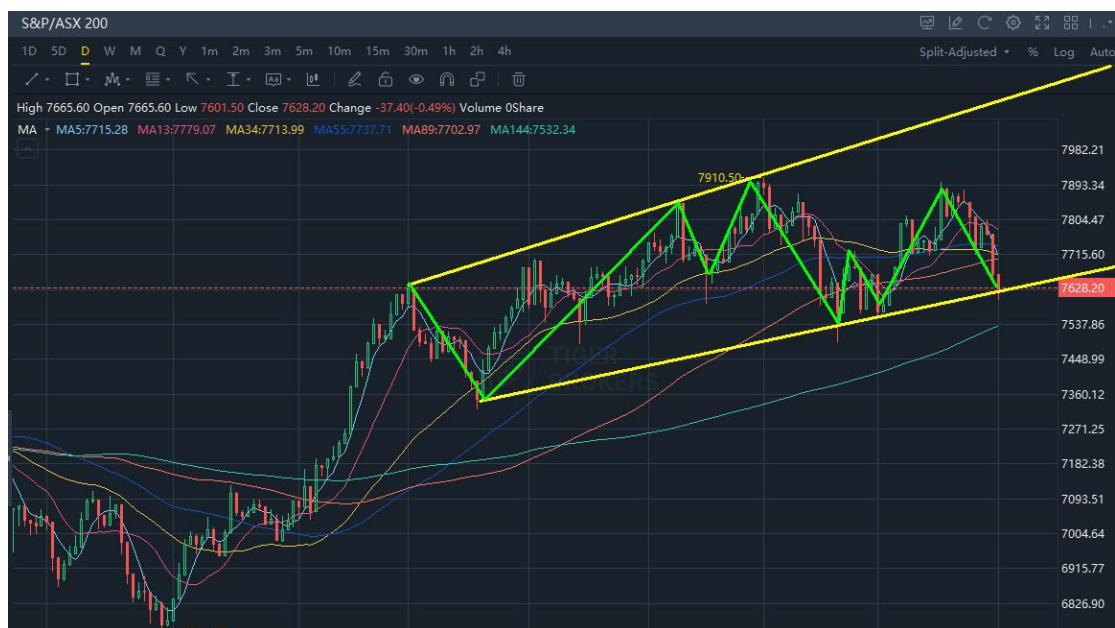
Tonight's session will share the above content with participants, providing market analysis and emphasising the importance of swing trading. Through a practical case study of CWY, we will demonstrate how to use the Golden Moving Average Buy Rule. We will delve into the core of this technique to ensure that every participant understands and can apply this powerful trading tool.



Due to the overnight decline in the US sharemarket and the higher CPI inflation data released yesterday, market investors' risk appetite has been significantly affected. Concerns about the inflation trajectory have resurfaced, leading to the Australian sharemarket's third consecutive day of decline today.

In terms of market performance, the XJO index was affected by the rapid decline in heavyweight sectors such as materials, led by BHP, as well as financials and real estate. The index quickly moved downward during the morning session. At one point during the day, the index fell to around the 7600 level. However, with the stabilization of sectors such as healthcare, financials, and materials, the index maintained a relatively low level of fluctuation throughout the day.

Among the 11 major industry sectors in the market, the consumer discretionary, telecommunications, and industrial sectors performed well today, leading in gains. In contrast, the materials, utilities, and energy sectors underperformed, with declines exceeding 1%.



From today's daily chart of the XJO index, the index has continued yesterday's downward momentum, further probing for support levels, and at one point, it dipped to around the 7600 mark.

The current trend indicates that the index is near the lower support area of the upward channel, which is a critical observation point. For tomorrow's movement, we should pay special attention to the support strength in the 7610 to 7620 range. If the index can hold this support without breaking below it, we can expect a rebound from this daily level support next week. Conversely, if the index continues to decline and breaks this level, it may seek deeper support, particularly around the MA144 line, which is near the half-year moving average.

Given that the Australian sharemarket is particularly sensitive to external markets, especially the US market, the performance of the US sharemarket tonight could significantly impact the Australian market tomorrow. Therefore, we need to closely monitor the dynamics of the US sharemarket tonight to more accurately predict the direction of the Australian sharemarket tomorrow. This analysis not only helps us grasp the immediate market trends but also provides theoretical support for formulating response strategies.

In a recent session, some investor expressed their investment preference to me: as a value investor, they prefer holding stocks long-term rather than engaging in short-term swing trading. This preference reflects their unique perspective on investment philosophy.

In fact, the diversity of trading methods and philosophies is akin to reading Shakespeare's "Hamlet"; everyone derives different understandings and feelings from it. We can consider that if 100 people read "Hamlet," there could be 100 different interpretations. This diversity is a microcosm of the investment world, where each investor shapes their investment strategy based on their own experiences, risk preferences, and financial goals.

Therefore, as investors, it is important to recognise that there is no single correct method. Whether choosing value investing or swing trading, the key is to find the strategy that best aligns with personal goals and lifestyle. By understanding and respecting different investment styles, we can better navigate the market and add depth and dimension to our own investment decisions.

What I want to share with investors is that in the market, we can observe three main trends: upward trends, downward trends, and consolidating trends. Each trend significantly influences the choice of investment strategy.

In an upward trend, where the market overall shows sustained growth, reducing the frequency of operations and holding stocks to appreciate through value investing is the ideal strategy. This approach allows investors to benefit from long-term growth rather than incurring the costs and risks associated with frequent trading.

However, in a downward trend, merely holding stocks and waiting for them to appreciate may lead to increasing holding costs, which is detrimental to the overall returns of the investment portfolio. In such a market environment, for high-quality companies with solid fundamentals, swing trading can effectively reduce holding costs. This strategy not only allows for profit-taking during price rebounds but also enables increasing holdings at lower prices, thereby optimising portfolio performance.

In a consolidating trend, where the market lacks clear direction, swing trading also becomes particularly important. This strategy can leverage market volatility to capture profits from each rebound while avoiding the risks of price adjustments. By actively operating within these swings, investors can more effectively manage their investments, ensuring capital preservation and appreciation even under uncertain market conditions.

Overall, learning swing trading is crucial for adapting to different market trends. It enables investors to maintain flexible and effective capital utilisation in various market environments, thereby achieving more stable investment returns. This is a key skill that every investor should master, especially in a volatile market.



The above charts show the daily and weekly charts of the Dow Jones Index. From the daily and weekly charts of the Dow Jones Index, we observe that the index exhibits a clear bearish trend at historical highs, with the weekly chart also showing significant declines for two consecutive weeks. If stock prices fail to achieve a substantial increase in the next few days, the likelihood of a continued decline in the US sharemarket in the short term will increase significantly. Given the strong correlation between the Australian sharemarket and the US market, poor performance in the US market typically leads to corresponding adjustments in the Australian sharemarket.

In this situation, we, as investors, can take two strategic directions: First, adjust the investment portfolio to temporarily avoid the unstable sharemarket and turn to markets such as forex, gold, Bitcoin, and government bonds, which may offer investment opportunities. This strategy can provide a safe haven for our assets during a bearish sharemarket.

The other direction is to leverage the current market volatility through swing trading to reduce holding costs, especially for high-quality stocks with strong fundamentals. By executing precise buy and sell operations during price declines or consolidations, we can effectively optimise holding costs and prepare for future profits when the sharemarket recovers.

Overall, in the face of the current uncertainty in the US sharemarket and its potential impact on the Australian market, taking proactive management measures and adopting flexible trading strategies are crucial. This will help us protect capital while also preparing to seize opportunities when the market recovers in the future.

To master swing trading, investors first need to grasp the analysis of major price trends, which is key to successful swing trading. In an upward trend, by applying the Golden Moving Average Buy Rule, we can accurately identify favourable buying opportunities. This method relies on the continuity of the trend, so operating in a clear upward market carries relatively low risk and has significant return potential.

Conversely, if stock prices show a downward trend, I recommend avoiding such stocks. While seeking oversold rebound opportunities in a declining market may be tempting, this requires highly skilled technical judgment and market perception, making the risk relatively high.

Additionally, because the holding period in swing trading is relatively short, in-depth analysis of a stock's fundamentals is not the primary consideration. Instead, the importance lies more in short-term capital flows, market sentiment, and technical analysis. Swing traders should closely monitor market dynamics and use technical indicators to guide trading decisions, enabling them to respond quickly to market changes.

In summary, a successful swing trading strategy requires investors to have a clear ability to identify market trends, strong technical analysis skills, and a keen insight into market sentiment.



Next, we will delve into the swing trading stock CWY we have selected and explain why we chose to buy it using the Golden Moving Average Buy Rule:

Firstly, from a weekly chart perspective, CWY's stock price broke through the top resistance level of 2.74 last week, which is a clear technical breakout signal. More importantly, the moving averages exhibit a bullish alignment, indicating that the long-term trend is developing positively. Additionally, the KDJ indicator formed a golden cross near the median and started to move upwards, which is typically considered a favourable buy signal.

In terms of trading volume, we observed an increase in volume as the stock price broke through the resistance level. This "volume increase with price rise" phenomenon supports the sustainability of the price uptrend. These factors together indicate that CWY's weekly trend is positive, and in the short term, the stock price still has upward momentum.

Therefore, based on the above analysis, CWY is not only technically favourable, but its market behaviour also shows positive trading dynamics. This makes CWY an ideal choice for our swing trading strategy.



Once we have accurately determined the market's main trend, we can effectively use the MA5 and MA13 moving averages to identify potential buy points for swing trading. Specifically, when the stock price pulls back from the MA5 to the MA13 and finds support, this typically signals a good buying opportunity, indicating a possible entry point for bulls.

Using CWY as an example, since January this year, CWY's stock price has provided four entry opportunities that align with the Golden Moving Average Buy Rule. Each time the stock price retreated from a short-term high at the MA5 to the MA13 and found support, the subsequent movement showed a significant rebound. Notably, the most recent instance occurred just yesterday, where CWY's price action perfectly matched the Golden Moving Average Buy Rule.

As we delve into the dynamics of the financial markets, a simple and intuitive method is to focus on the patterns of candlesticks. Each candlestick formation directly reflects the flow of funds, clearly indicating the balance of market power. To identify the market's strength, we can observe whether the number of bullish candlesticks exceeds the bearish ones over a recent period. If bullish candlesticks dominate, this typically indicates a strong market where bullish forces are in control.

This method is not only simple and easy to understand but also a practical technique for every investor. By monitoring these basic visual signals, investors can quickly gauge market trends, enabling them to make more informed trading decisions. In future sessions, we will further explore how to effectively use candlestick charts to analyse market behaviour and how to combine them with other technical tools to enhance our trading efficiency and success rate.





When analysing AGL's daily chart, we observe that during the recent uptrend, the number of bullish candlesticks significantly exceeds the number of bearish candlesticks. This chart pattern is a direct reflection of the balance of market forces, indicating that the bullish forces are clearly in the dominant position.



Despite today's decline in CWY's stock price, we still observed a bullish candlestick. This pattern, where bullish candlesticks are visually and numerically superior to bearish ones, is often interpreted as a clear signal that bullish market forces are in a dominant position.



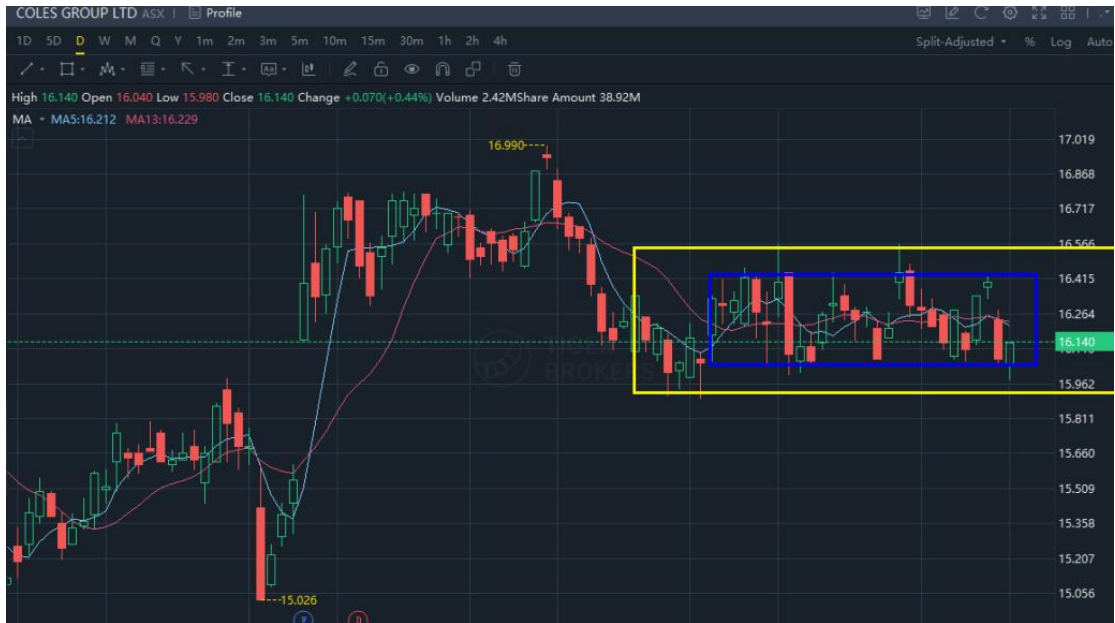


Let's review the changes in the individual stocks within our investment portfolio in today's market:

Despite PLS's stock price falling with the broader market and breaking below the MA9 line, it found clear support at the MA144 line. In this situation, one positive signal is very evident: compared to the previous low-volume correction, today's stock price showed significant buying interest at the bottom, with trading volume reaching two to three times the usual level. This phenomenon typically indicates institutional recognition of the current price level and suggests a potential market turnaround.

After filling the price gap at 3.82, the stock price received strong support from the MA144 line, accompanied by significant institutional buying. This market behaviour is typically seen as a strong signal of bottom formation, indicating a positive attitude among market participants.

For the upcoming trading strategy, this pattern provides an excellent opportunity for swing trading in PLS.



COL is currently still in a consolidating trend. Today, the stock price stabilized and rebounded at the range support. Operationally, we will wait for the stock price to break out of the consolidation range and establish a new direction before making further market assessments.



Today, IEL's stock price exhibited a bottoming and rebound trend, which is a noteworthy signal. It is important to note that although the stock price dipped at one point, it did not fall below the starting point of the previous rebound, indicating that the stock's low points are gradually rising, forming an upward trend. Therefore, based on the current market performance, we have reason to analyse IEL's trend as shifting from a consolidation trend to a rebound trend.

Due to time constraints, today's session will conclude here. Sincere thanks to every investor for your enthusiastic participation!

Tomorrow is not only the end of the week but also marks the conclusion of this month's trading activities. At such a critical juncture, we will conduct a detailed review and summary of the market and our investment portfolio tomorrow. By meticulously examining this month's market performance, we can assess whether our understanding of the market has been accurate and determine if our strategies need adjustment. This reflection is crucial for us as it helps identify any potential discrepancies and prepares us more thoroughly for the upcoming month of June.

Good night, dear investors! I look forward to seeing you again in tomorrow's session as we continue our financial exploration journey.