

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

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

1. The intra-day adjustments of the three major indices on the ASX, the MA5 average line lacks upward momentum, how should the future market be assessed?
2. Explanation of the "golden average line" buying and selling points.
3. Key stocks in the investment portfolio, how to assess their current position and future potential?

Tonight's session is not just a learning session, but a valuable opportunity to truly enhance your investment skills. I will demonstrate through specific examples how to apply this sessionic technique, helping you stand out in the market.

Let's look forward to today's session together. I believe that through systematic learning and practice, each investor will be able to significantly improve their trading skills.



Today, the three major indices on the ASX all showed a trend of rising and then falling back. The XJO Index opened slightly higher in the morning, encountering resistance at the critical 7800-point level before starting to fall back. The index then displayed a volatile downward trend throughout the day. Among the 11 major sectors in the market, only the staple sector showed a slight increase of 0.19%, while the other 10 sectors all declined. The industrial sector led the declines with a drop of over 1%, making it the biggest loser, followed closely by significant drops in the utilities and telecommunications sectors.

At the same time, the energy and materials sectors performed relatively well today,

with smaller declines. This phenomenon was directly influenced by the OPEC meeting and the dynamic changes brought about by the increase in the number of gold miners. These factors combined to impact the market, resulting in the energy and materials sectors showing better resistance to decline compared to other sectors during the day.



Due to the US sharemarket holiday and the upcoming release of the Australian CPI data tomorrow, market participants were relatively cautious, leading to reduced market activity today. From a technical perspective, although the XJO Index maintains a long-term upward trend, it encountered resistance while attempting to break through the 7800-point level today. In the short term, the index is in a relatively complex position, with both upward pressure and downward support.

If the US sharemarket shows an upward trend tonight, the XJO Index is likely to break through the resistance of its MA5 and MA13 moving averages tomorrow, demonstrating further upward potential. Conversely, if the US sharemarket performs poorly, the index may fall back to find support around the MA34 or MA55 moving averages.

Today's change in the US sharemarket's settlement cycle from T+2 to T+1 is expected to have a significant impact on the market. This change could increase market liquidity, thereby accelerating trading activities. Additionally, the upcoming release of the CPI data tomorrow will be a crucial observation point for the Australian market, as it directly relates to Australia's inflation status and the future direction of the Reserve Bank's monetary policy.

In our previous sessions, we discussed the basic concepts of moving averages. Today, let's further consolidate our knowledge of this important technical analysis tool:

For example, a 5-day moving average is calculated by adding the closing prices of the last 5 trading days together and then dividing by 5 to get an average price. As time progresses, a new average price is formed each day. Connecting these average prices over time creates a moving average line.

Similarly, we can replace the 5-day period with 13 days, 34 days, 89 days, and so on, to obtain different moving averages. Since the price of the moving average shifts forward and changes each day, it is also called a moving average, abbreviated as MA.

It's important to note that moving averages can be calculated using the closing prices of candlestick charts, as well as the opening prices, highest prices, lowest prices, or even the mid-prices of the candlesticks.

Let's deepen investors' understanding of how moving averages are calculated through a case study:

Assume a stock has the following set of closing price data:

- Day 1: 10 AUD
- Day 2: 12 AUD
- Day 3: 11 AUD
- Day 4: 13 AUD
- Day 5: 14 AUD
- Day 6: 15 AUD

To calculate the 5-day moving average (MA5) for this stock, we follow these steps:

For Day 5 (First MA5 Calculation):

- Add the closing prices of the first 5 days:  $10 + 12 + 11 + 13 + 14 = 60$
- Divide by 5:  $60 / 5 = 12$  AUD

For Day 6 (Next MA5 Calculation):

- Add the closing prices of Day 2 to Day 6:  $12 + 11 + 13 + 14 + 15 = 65$
- Divide by 5:  $65 / 5 = 13$  AUD

In this way, we can calculate a new 5-day moving average each day. By connecting these moving averages, we form the 5-day moving average line (MA5). This method is similarly applicable to other periods of moving averages, such as the 13-day, 34-day, and 89-day moving averages.

Moving averages are widely used in technical analysis to identify trends and support and resistance levels.

The Eight Principles of the Golden Moving Average:

Many market participants are familiar with the eight basic uses of moving averages, which are fundamental to their application. The concept of moving averages was introduced by American investment expert Joseph E. Granville in the mid-20th century, and the eight principles of moving averages were also established by him. These principles are also known as the "Granville's Eight Rules."

Building on this foundation, we have conducted an in-depth optimization and systematic improvement of the "Golden Moving Average" system. Our aim is to enhance the accuracy and effectiveness of this tool. Through meticulous market data analysis and algorithm adjustments, our "Golden Moving Average" not only retains the core advantages of the original moving average system but also enhances its responsiveness to market dynamics and predictive accuracy.

The eight principles of moving averages are:

Buy Signals:

1. The moving average gradually flattens out from a downward trend and starts to turn upwards. At the same time, the candlestick crosses above the moving average and closes above it. This is a buy signal.
2. The moving average is rising, the candlestick is above the moving average, and during a pullback, it does not fall below the moving average. When it rises again, this is a buy signal.
3. The candlestick runs above the moving average. During a pullback, it falls below the moving average, but the moving average continues to rise, and the candlestick quickly returns above the moving average. This is a buy signal.
4. The moving average is falling, the candlestick runs below the moving average, and then suddenly plunges far below the moving average. At this point, it will move closer to the moving average, and the candlestick will return to the moving average, which can be a buy signal.

Sell Signals:

1. The moving average gradually flattens out from an upward trend and starts to turn downwards. At the same time, the candlestick crosses below the moving average and closes below it. This is a sell signal.
2. The moving average is falling, the candlestick is below the moving average, and during a rebound, it does not break above the moving average. When it falls again, this is a sell signal.
3. The candlestick runs below the moving average. During a rebound, it breaks above the moving average, but the moving average continues to fall, and the candlestick quickly falls below the moving average again. This is a sell signal.
4. The moving average is rising, the candlestick runs above the moving average, and then suddenly soars far above the moving average. At this point, it will move closer to the moving average, and the candlestick will return to the moving average, which can be a sell signal.

The so-called eight principles are actually just four trading methods. The patterns for long and short entries are exactly the same, only the direction is different. In the upcoming session, I will use four practical examples to explain these four methods. Today, we will discuss two of these methods in session.



Buy Signal: The moving average gradually flattens out from a downward trend and starts to turn upwards. At the same time, the candlestick crosses above the MA5 and MA13 moving averages and closes above them.

Using AGL in our investment portfolio as an example, we can see the MA13 moving average gradually flattening out from a downward trend. This change indicates a potential shift in market dynamics. Subsequently, the candlestick breaks through and successfully closes above the MA13 moving average, signaling a trend change.

Following this breakout, AGL's stock price did not immediately start a significant rise but went through a period of consolidation. This consolidation phase is typical market behavior, building momentum for the subsequent rise. Finally, after the

necessary consolidation, AGL's stock price successfully broke out and embarked on an upward trend.



Sell Signal: The moving average gradually flattens out from an upward trend and starts to turn downwards. At the same time, the candlestick crosses below the MA5 and MA13 moving averages and closes below them.

After a period of consolidation and adjustment, the market trend reverses, leading to a downward movement.

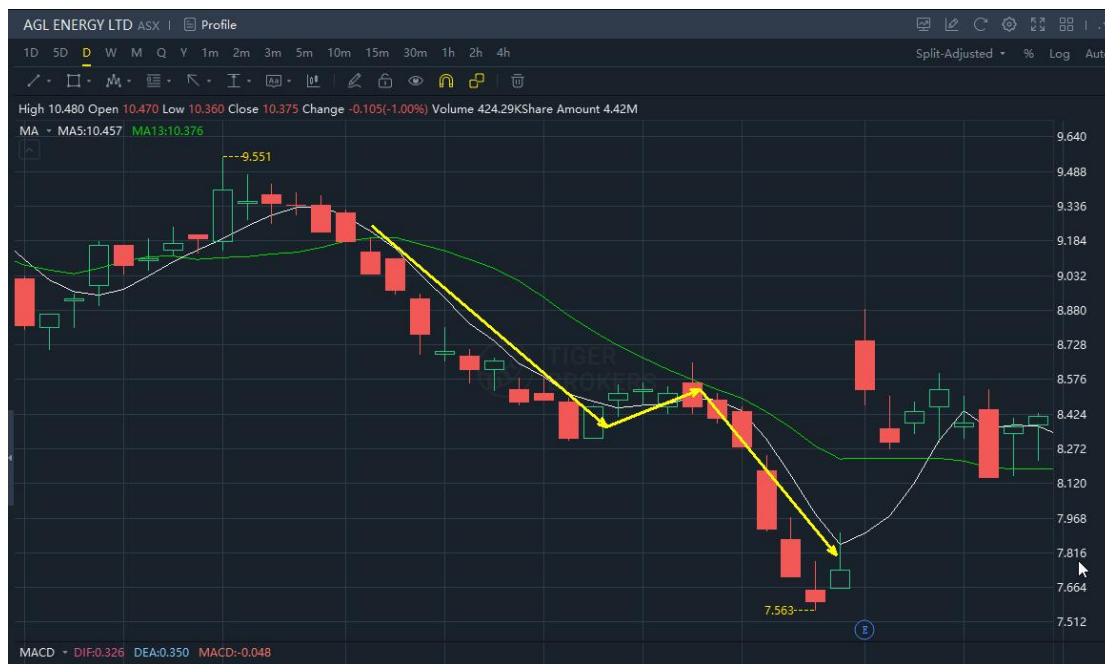


The second method:

Buy Signal: The moving average is rising, the candlestick is above the moving average, and during a price pullback, it does not fall below the MA13 moving average. The price then rises again.

On the AGL daily chart, it is evident that the moving average is trending upwards, with the candlestick above the MA5 moving average. The stock price pulls back but does not fall below the MA13 moving average, and then breaks above the previous high.





**Sell Signal:** The MA5 crosses below the MA13 moving average, the candlestick is below the moving averages, and during a rebound, it does not break above the MA13 moving average. The price then falls again.

At the high point, AGL's MA5 moving average crosses below the MA13 moving average, with the candlestick below the moving averages. Subsequently, the price rebounds slightly to just below the MA13 moving average but does not break above it, then moves downward again.

In stock trading, the application of short-period moving averages is crucial, especially the dynamic crossover of the MA5 and MA13 moving averages, which are professionally termed as the "Golden Cross" and "Death Cross." The usage of the Golden Cross and Death Cross has evolved from this trading principle.

The larger parameter MA13 moving average is referred to as the slow line (indicating slower trend reversal signals), while the smaller parameter MA5 moving average is referred to as the fast line (indicating faster trend reversal signals).

The fast line (MA5) crossing above the slow line (MA13) from below is called a Golden Cross, signaling a bullish trend. The fast line (MA5) crossing below the slow line (MA13) from above is called a Death Cross, signaling a bearish trend.

In trading, we often encounter a problem where the candlestick fluctuates around the moving average, causing frequent changes in the direction of the trend, making it difficult to trade. In such market conditions, the slow line (MA13) reacts much slower, producing more stable and executable trading signals.

Reasonably utilizing the signals from Golden Crosses and Death Crosses, in conjunction with the market environment and other technical analysis tools, can help investors better grasp market trends and make more informed investment decisions.



In yesterday's discussion, we analysed COL's market performance and noticed that its candlestick chart displayed a clear bullish pattern combination, indicating a strengthening of bullish forces in the short term. Indeed, today's price movement of COL aligned with our expectations, showing more definitive upward momentum.

The signal of gradually strengthening bullish market forces. Specifically, the KDJ indicator formed a Golden Cross near the midpoint of 50 and started to move upwards. This technical signal usually indicates the potential for further price increases. In the short term, COL's price is expected to continue its upward exploration, attempting to break through the resistance near the 16.5-point box top. Breaking through this key resistance level will be very important because once achieved, COL may begin a new upward trend.

In the upcoming trading days, closely monitor whether COL's price can effectively break through this box resistance. If a successful breakout occurs, COL is expected to enter a new upward cycle, presenting new profit opportunities for participants. Therefore, for investors holding COL stocks, it is advisable to patiently hold the stock and wait for the new trend to emerge.



Investors, let's review the analysis of the XJO Index from April 16. At that time, despite the index experiencing a significant drop of 140 points, I clearly pointed out that this pullback was actually a process of the market confirming technical support.

I emphasized that there was no need for panic; instead, such a pullback provided us with an excellent buying opportunity.

Experienced investors in the group can review our discussions about the broader market from April. After more than a month of market validation, our technical predictions have been proven correct. The index indeed initiated a strong rebound after hitting the support point we had forecasted.



The reason I just reviewed the broader market trends from April with you is to highlight that the pattern of the XJO Index is very similar to the pattern PLS has shown this year. Specifically, in April, the XJO Index broke out of a wedge consolidation pattern and, after a second retest to confirm support, the index successfully rose.

Currently, PLS stock is still at the end of a wedge consolidation. From recent market performance, we have observed an important phenomenon: when adjusting at the 4.2 AUD resistance level, the trading volume shows a gradual shrinking trend. This

indicates that during the continuous price decline, market participants do not believe there is a significant possibility for further substantial downward movement in the stock price. Therefore, most choose to hold their positions in anticipation of a price rise, leading to decreased trading volume. We often say that an increase in volume accompanying a price rise is a good sign of an upward trend; similarly, a decrease in volume during a price decline usually signals a potential stop to the downtrend.

Therefore, for PLS, investors need to remain patient. Currently, the stock price is still at the end of the wedge consolidation. As time progresses, the probability of the stock price attacking the 4.2 AUD resistance level in the short term will increase.



Regarding the latest developments of IEL and our mid-term goal of achieving over 30% returns, we can analyse the potential of this stock in detail from the following three aspects:

#### Capital Flow

Recently, we have observed that major institutional investors, including Goldman Sachs and JP Morgan, have been heavily buying shares of IEL. This large-scale entry by institutions not only demonstrates confidence in IEL's future performance but also leads to a concentration of shares. Such concentration often supports price stability and upward movement, as fewer circulating shares can amplify the stock's sensitivity to buying pressure.

### Technical Analysis

From a technical analysis perspective, IEL's stock price has recently shown signs of gradually breaking away from a horizontal consolidation pattern, with its low points consistently rising. This change in pattern suggests that the stock price may soon break through the current consolidation range and enter a new upward trend. In the short term, if the stock price successfully breaks through the upper boundary of the horizontal range, it could initiate a new bullish cycle.

### Fundamental Analysis

Positive fundamental information should not be overlooked either. Next month, the Chinese Premier plans to visit Australia and hold talks with the Australian Prime Minister, with key topics including trade and education issues, which are particularly important for IEL. Additionally, over twenty Chinese universities are visiting Australia this week, seen as a precursor to the Chinese Premier's visit. These activities could further deepen bilateral cooperation in education and cultural exchange, bringing new growth opportunities for education service companies like IEL.

Based on the above analysis, the 30% return expectation for IEL is not only achievable but also has a solid foundation given the current market environment and the company's development stage. Therefore, for investors holding IEL shares, I recommend maintaining patience and continuing to follow the market trend to maximise our profits!

Due to time constraints, today's session discussion ends here. Sincere thanks to each investor for your enthusiastic investor!

Tomorrow, we will continue to analyse the other two patterns of the moving average principles in detail through specific cases. Once we have mastered the golden moving average buy and sell principles, we plan to combine theory with practice on Thursday or Friday this week by selecting a stock suitable for swing trading to position ourselves. Therefore, tomorrow's session will be very critical and valuable, and I hope investors will not miss it.

Good night, dear investors! I look forward to seeing you again in tomorrow's session

to continue our journey of financial exploration.