

ICMA Executive Education

For many years ICMA has made investment in executive education for the financial markets a priority. ICMA courses are administered and overseen by the ICMA Centre at Henley Business School, University of Reading.

ICMA Certification Programmes

- Financial Markets Foundation Certificate (FMFC)
- Operations Certificate Programme (OCP)
- International Fixed Income and Derivatives Certificate (IFID)
- Primary Market Certificate (PMC)

All are recognised as certificates of competence in the capital markets and are successfully completed by large numbers of international participants each year.

ICMA offer a number of specialist courses including:

- Collateral Management
- Commodities – An Introduction
- Commodities – Investment Solutions
- Corporate Actions
- Derivative Operations
- Global Custody
- Inflation-linked Bonds and Structures
- Investment Funds Administration
- Securities Lending and Borrowing
- Securitisation – Understanding the Mechanics
- Technical Analysis – An Introduction

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Technical Analysis – An Introduction

ICMA Executive Education

ICMA CENTRE THE BUSINESS SCHOOL
FOR FINANCIAL MARKETS



Objectives

The course is designed to provide a comprehensive overview of the essential concepts and techniques of Technical Analysis as practised today by many analysts, fund managers and traders in the capital markets. It is expected that certain insights from the additional framework provided by technical analysis will be useful in supplementing other macro-economic modelling tools available to financial professionals, and will assist them in the process of understanding better and even anticipating important market inflection points.

Target Audience

The course is suitable for both those who have exposure to the tools of technical analysis as applied to the understanding of financial markets, as well as those who are new to the topic. It is relevant to traders or investors in any asset class or market.

Structure of the Course

The course covers two days of lectures which will feature many specific examples and case studies. Each day will consist of four separate ninety minute sessions with coffee breaks in the morning and afternoon with a lunch break in the middle. There is no formal examination for the course but candidates will receive a certificate of attendance.

Course Tutor

Clive Corcoran – Clive is an FSA Registered Investment Adviser and currently advises private clients on how to practise long/short market neutral strategies. As an author he has written *Long/Short Market Dynamics: Trading Strategies for Today's Markets* which was published by Wiley in 2007 and his articles have appeared in *Traders' Magazine* and *Active Trader*.

In recent years he has been a frequent contributor to CNBC's *European Closing Bell* and has also been a speaker at international trading expos and workshops. Currently Clive is writing a new book focused on examining limitations in current macroeconomic theory, especially relating to market liquidity, and how insights from technical analysis and other disciplines can contribute to a better understanding of systemic financial risk.

Course Outline

Session 1

The Rationale for Studying Technical Analysis (TA)

- Contrast between fundamental analysis and technical analysis
- How does TA fit with the Efficient Markets Hypothesis?
- Overview of price patterns
- Synopsis of historical TA literature – Dow, Elliot, Gann, Wilder

Session 2

Fundamentals of Charting and Pattern Analysis

- Charting as foundation of TA
- Principal chart types
- Candlestick charts – history and contemporary usage
- Point & Figure and Ichimoku Charts
- Effective patterns and how to trade them

Session 3

Trends and Moving Averages

- Identification of short, medium and long-term trends
- Trend channels – support/resistance
- Moving averages as foundation of trend analysis
- Types of moving averages – simple, exponential and strengths/limitations of each.
- Gaps, congestion and breakaway patterns

Session 4

Volume, Money Flow and Momentum

- Volume as a leading indicator
- "Smart Money" – does it really exist?
- Momentum indicators and oscillators
- On Balance Volume (OBV), Money Flow Index (MFI) and Moving Average Convergence and Divergences (MACD)
- Accumulation/Distribution

Session 5

Technical Divergences & Market Dissonance

- Divergences between price and volume, price and momentum etc.
- Reversal patterns and major inflection points – how to identify/anticipate them.
- False breakouts and non-confirmations
- Divergence between the MACD and closing price, MFI or OBV and the closing price.
- Corrections – when and how far will they go?

Session 6

Volatility, Liquidity and Correlations

- Different ways of measuring volatility
- Relationship of liquidity and volatility
- Heightened sector and asset class correlations associated with increased volatility
- Volatility clustering – market regimes etc.
- Algorithmic trading and volatility?
- Interpreting the CBOE Volatility Index (VIX)

Session 7

Elliott Wave Theory, Cycles and Miscellaneous Indicators

- Explanation of the basics of Elliott Wave theory
- Market cycles - amplitude, length, phase etc.
- Directional Movement Index
- Commodity Channel Index
- Fibonacci ratios, fan lines, arcs etc.

Session 8

Trading Strategies Inspired by Technical Analysis

- Inter-market analysis and strategies
- Sector rotation strategies
- Liquidity conditions and financial contagion.
- Technical analysis of exchange traded funds (ETF's)
- Co-movements of different asset classes