

# **ANNEXURE 21**

**IFTA (INTERNATIONAL FRDERATION OF TECHNICAL ANALYSIS) -offers two courses – ANNEXURE 21**

**1) CFTe- CERTIFIED FIANANCIAL TECHNICIAN**

**MFTA- MASTER OF FINANCIAL TECHNICAL ANALYSIS. -**

**CFTe Level I Reading Material CORE READING MATERIAL: I.**  
**Edwards, Robert D. and Magee, John, Technical Analysis of Stock Trends, 9th (or current) Edition (2001-2008), John Magee Inc., Chicago Illinois ©2001, ISBN 1-57444-292-9 Chapters:**

**1. The Technical Approach to Trading and Investing**

**2. Charts**

**3. The Dow Theory**

**4. The Dow Theory in Practice**

**5. The Dow Theory's Defects**

**6. Important Reversal Patterns**

**7. Important Reversal Patterns – Continued**

**8. Important Reversal Patterns – The Triangles**

**9. Important Reversal Patterns – Continued**

**10. Other Reversal Phenomena**

**11. Consolidation Formations**

**12. Gaps**

**13. Support and Resistance**

**14. Trendlines and Channels**

**15. Major Trendlines**

**16. Technical Analysis of Commodity Charts**

**17. A Summary of Some Concluding Comments**

- 18. Advancements in Investment Technology**
- 19. The Tactical Problem**
- 20. Strategies and Tactics for the Long-Term Investor**
- 21. The Kind of Stocks we Want: The Speculator's View Point**
- 22. The Kind of Stocks we Want: The Long-Term Investor's View Point**
- 23. Choosing and Managing High-Risk Stocks: Tulip Stocks, Internet Sector and Speculative Frenzies**
- 24. The Probable Moves of Your Stocks**
- 25. Two Touchy Questions**
- 27. Stop Orders**
- 28. What is a Bottom - What is a Top?**
- 29. Trendlines in Action**
- 30. Use of Support and Resistance Certified Financial Technician**

**(CFTe) I & II Syllabus**

- 33. Tactical Review of Chart Action**
- 34. A Quick Summation of Tactical Methods**
- 36. Automated Trendlines: The Moving Average**
- 38. Balanced and Diversified**
- 39. Trial and Error**
- 40. How Much Capital to Use in Trading**
- 41. Application of Capital in Practice**
- 42. Portfolio Risk Management**
- 43. Stick to Your Guns II. Murphy, John J.: Technical Analysis of the Financial Markets, New York Institute of Finance, New York, NY, ©1999, ISBN 0-7352-0066-1 Chapters: 1. Philosophy of Technical**

**Analysis 2. Dow Theory 3. Chart Construction 4. Basic Concepts of Trend 7. Volume and Open Interest 14. Time Cycles III. Pring, Martin J.: Technical Analysis Explained, 4th (or current) Edition, McGraw Hill Book Company, New York, NY, ©2001, ISBN 0-07-138193-7 Chapters: 2. Financial Markets and the Business Cycle 4. Typical Parameters for Intermediate Trends 12. Individual Momentum Indicators II 16. The Concept of Relative Strength 18. Price: The Major Averages 20. Time: Longer-Term Cycles 22. General Principles 26. Sentiment Indicators.**

**CFTe Level I (Continued) Reading Material IV. Le Beau Charles, Lucas David: Technical Traders Guide to Computer Analysis of the Futures Market Chapters: 1. System Building 2. Technical Studies 4. Day Trading V. Nison Steve: Candlestick Charting Techniques, Second Edition Chapters: 1. Introduction 2. A historical background 3. Constructing the candlestick lines 4. Reversal patterns 5. Stars 6. More Reversal Patterns 7. Continuation Patterns 8. The Magic Doji 9. Putting it all Together VI. Du Plessis Jeremy: The Definitive Guide to Point and Figure Charts Chapters: 1. Introduction to Point and Figure Charts 2. Characteristics and Construction 3. Understanding Point and Figure Charts 4. Projecting Price Targets 5. Analysing Point and Figure Charts.**

**CFTe Level I (Continued) Reading Material Required additional IFTA reading material (see Appendices): 1. Elliott Wave Theory (Appendix A–Provided when candidate registers for CFTe I.) 2. Breadth Indicators (Appendix B– Provided when candidate registers for CFTe I.) 3. Time Cycles Analysis (Appendix C– Provided when candidate registers for CFTe I.): Note: The questions on the exam for this topic will be pulled from Murphy, John J. recommended reading listed above. 4. Point and Figure Techniques (Appendix D– Provided when candidate registers for CFTe I.) RECOMMEDED (ADDITIONAL) READING: VII: Elder, Alexander Dr.: Trading for a Living, Psychology, Trading Tactics, Money Management Chapters: 1. Individual Psychology 2. Mass Psychology 3. Classical Chart Analysis 4. Computerized Technical Analysis 5. The Neglected Essentials 6. Stock Market Indicators 7. Psychological Indicators 10. Risk Management.**

**CFTe Level II Reading Material Core Readings I. Edwards, Robert and Magee, John, Technical Analysis of Stock Trends, 9th Edition II. Martin J. Pring: Technical Analysis Explained Chapters: 1. The Market Cycle model 2. Financial Markets and the Business Cycle 16. The concept of Relative Strength 18. Price: The Major Averages 19 Price: Group Rotation 20. Time: Longer-Term Cycles III. Le Beau Charles, Lucas David: Technical Traders Guide to Computer Analysis of the Futures Market Chapters: 1. System Building 2. Technical Studies 4. Day Trading IV. Steve Nison: Beyond Candlesticks: New Japanese Charting Techniques Revealed (Wiley Finance, Nov 10, 1994) Chapters: 2. The Basics 3. Patterns 4. Candles and the Overall Technical Picture 5. How the Japanese use Moving Averages 6. Three-Line Break Charts 7. Renko Charts 8. Kagi Charts.**

**CFTe Level II (Continued) Reading Material V. Jeremy Du Plessis: The Definitive Guide to Point and Figure Chapters: 1. Introduction to Point and Figure Charts 2. Characteristics and Construction 3. Understanding Point and Figure Charts 4. Projecting Price Targets 5. Analysing Point and Figure Charts VI. Yukitoshi Higashino, MFTA: Primer on ICHIMOKU (Appendix E) VII. J. Peter Steidlmayer and Steven B. Hawkins: Steidlmayer On Markets. Trading with Market Profile. Second Editon Chapters: 6. Understanding Market Profile 7. Liquidity Data Bank, On Floor information, and Volume @ Time 8. The Steidlmayer Theory of Markets 9. The Steidlmayer Distribution 10. The You 11. Anatomy of a trade 12. Profile of a Successful Trader 13. Trading, Technology, and the Future VIII. A.J. Frost, Robert R. Prechter: Elliott Wave Principle: Key To Market Behavior Chapters: 1. The Broad Concept 2. Guidelines of the Wave Formation 3. Historical and Mathematical Background of the Wave Principle 4. Ratio Analysis and Fibonacci Time Sequence.**

**CFTe Level II (Continued) Reading Material IX. Charles D. Kirkpatrick, Julie R. Dahlquist: Technical Analysis: The Complete Resource for Financial Markets Technicians Chapters: 3. History of Technical Analysis 4. The Technical Analysis Controversy 5. An**

overview of Markets 7. Sentiment 8. Measuring Market Strength 9. Temporal Patterns and Cycles 10. Flow of Funds 13. Breakouts, Stops, and Retracements 18. Confirmation 19. Cycles 21. Selection of Markets and Issues: Trading and Investing 22. System Testing and Management X. Constance M. Brown: Technical Analysis for the Trading Professional, Second Edition (Added 7 March 2019; This material will be covered beginning in October 2019. Chapters: 1. Oscillators Do Not Travel Between 0 and 100 This chapter introduced range rules for RSI. The ability to define a trend based on the displacement of the oscillator was a very new concept for the use of oscillators. In bull markets a 14-period RSI will track 40 to 80+. In bear markets and the transition into a bear market, the oscillator travels from 68 to 30 or lower. 2. Dominant Trading Cycles Are Not Time Symmetrical Rhythmical fluctuations can be more than just a fixed interval. This chapter will introduce cycle historians Samuel Benner and Edward Dewey showing an extension of their work into modern times. 10. Using Oscillators with the Elliott Wave Principle The chapter over the years has had the most feed-back. Readers have stated they did not 'get it' until reading this real-time walk-through of how to develop Elliott Wave interpretations as a market evolves over a time interval. It also shows the reader the steps that follow after the wave scenario has been lost and how to resync with a market. 12. The Composite Index.

Certified Financial Technician (CFTe) I & II Syllabus & Reading Material (last updated: 7 March 2019) 8 RSI is the most widely used oscillator according to an industry survey from the magazine 'Technical Analysis Stocks and Commodities'. It has a fatal flaw. RSI will fail to diverge before a major trend reversal. The Composite Index is a formula that teaches the reader that one can embed the momentum formula inside of an RSI and solve this problem. The chapter explains the solution and how it is used with RSI to avoid this very common and costly indicator problem. RECOMMENDED (ADDITIONAL) READING: X. David Linton: Cloud Charts: Trading Success with the Ichimoku Technique [Hardcover] Chapters: 8 . Cloud Chart Construction 9. Interpreting Cloud Charts 10. Multiple Time Frame Analysis 11. Japanese Patterns Techniques 12. Clouds

**Charts with other techniques 13. Ichimoku indicator techniques 14. Back-testing and Cloud Trading Strategies 15. Cloud Market Breadth analysis 16. Conclusion**

**IFTA's Master of Financial Technical Analysis (MFTA) represents the highest achievement and recognition by peers in the Technical Analysis community. The MFTA requires an original body of research. It is intended to be a rigorous demonstration of professionalism in the global arena of Technical Analysts. There are two submission dates per year, in May and October.**

**The MFTA is open to individuals who have attained the Certified Financial Technician (CFTe) designation or its equivalent, including:**

- Chartered Member of the Nippon Technical Analysts Association (CMTA) from the Nippon Technical Analysts Association (NTAA)**

- **Diploma in Technical Analysis (Dip.TA) from the Australian Technical Analysts Association (ATAA)**
- **Certified ESTA Technical Analysts Program (CETA) from the Egyptian Society of Technical Analysis (ESTA)**
- **Member of the Society of Technical Analysts (MSTA) from the Society of Technical Analysts (STA)**

**For those IFTA Colleagues who do not have the formal qualifications outlined above, but who have other certifications and/or many years of experience working as a technical analyst, the Accreditation Committee has developed an “alternate path” by which candidates with substantial academic or practical work in technical analysis can bypass the requirement for the CFTe, and prequalify for the MFTA.**

**There are three categories of applicants for the alternate path. It is open to individuals who have:**

- **A certification such as Chartered Market Technician (CMT), PLUS three years experience as a technical analyst; or**
- **A financial certification such as Certified Financial Analyst (CFA), Masters in Business Administration (MBA), PLUS five years’ experience as a technical analyst; or**
- **Have a minimum of eight years of experience as a technical analyst**

**Candidates in these or very similar circumstances may apply for the “alternate path”. If approved, they may register for the MFTA and send in their research proposals.**

### **Program Details**

**In order to complete the MFTA and receive your Diploma, you must write a research paper of no less than three thousand and no more than five thousand words. Charts, Figures, and Tables may be presented in addition, but should not constitute the bulk of the paper.**

**Your paper must meet the following criteria:**

- **It must be original**



- **It must develop a reasoned and logical argument and lead to a sound conclusion, supported by the tests, studies, and analysis contained in the paper**
- **The subject matter should be of practical application**
- **It should add to the body of knowledge in the discipline of international technical analysis.**
- **It must meet all of the guidelines set forth in the [MFTA/IFTA Journal Style Guide](#).**

**The first and most important step for a candidate is to submit an outline of the proposed paper to IFTA at [admin@ifta.org](mailto:admin@ifta.org), standing in lieu of the Chairman of the Accreditation Committee. Care should be taken to ensure that this Summary is sufficiently detailed to enable the Committee to determine whether or not the proposed paper meets the above criteria. Failure to submit a sufficiently detailed or well-thought-out outline, or departure from the outline after it has been approved, could mean wasted time and effort.**

**It is anticipated that most candidates for MFTA will have some academic background, and this should convey the high standard against which these papers will be judged. Papers that do not meet the professional requirements of the Committee will be rejected, with reasons, and candidates may either start again or revise their paper and resubmit it the following year. This will be viewed as a fresh application. Alternatively, candidates who are dissatisfied with their mark may elect to have their paper referred to the Accreditation Committee for review. The fee payable for review will be communicated at the time the application is made. Candidates should note, however, that due to other pressures and the fact that the Committee members are in several countries, the review process can take several months. If the Committee confirms the original result this may mean that you miss the opportunity to submit another paper in the following year.**

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**THANK YOU**

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