

Which of two stocks is the out-performer?

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(Brainy's ***Share Market Toolbox***)



Introduction

After you've done your scan or search, and you've found two investing/ trading candidates, how to choose the best one to buy?

That is, which is the stronger performer?

How can we measure share price strength?

Is it simply the percentage share price gain over a period of time? If so, which period?

Or should we use a chart indicator? If so, which one?

But what if the stock is over-bought and due for a retracement? How can we tell?



Some options

Some of the possible options:

1) Draw a trend line and measure the slope, using BullCharts tools:

Tooltip info; Trend Ruler; Range Info; Linear Regression;

2) Compare a Moving Average, but which one?

3) Relative Strength Comparison;

4) BullCharts Comparative Percent Performance;

5) Alan Hull ROAR indicator;

6) But on Daily chart? or Weekly?

Explore these on next slides: ... /



BullCharts tools

Draw a trend line and measure the slope, using BullCharts tools:

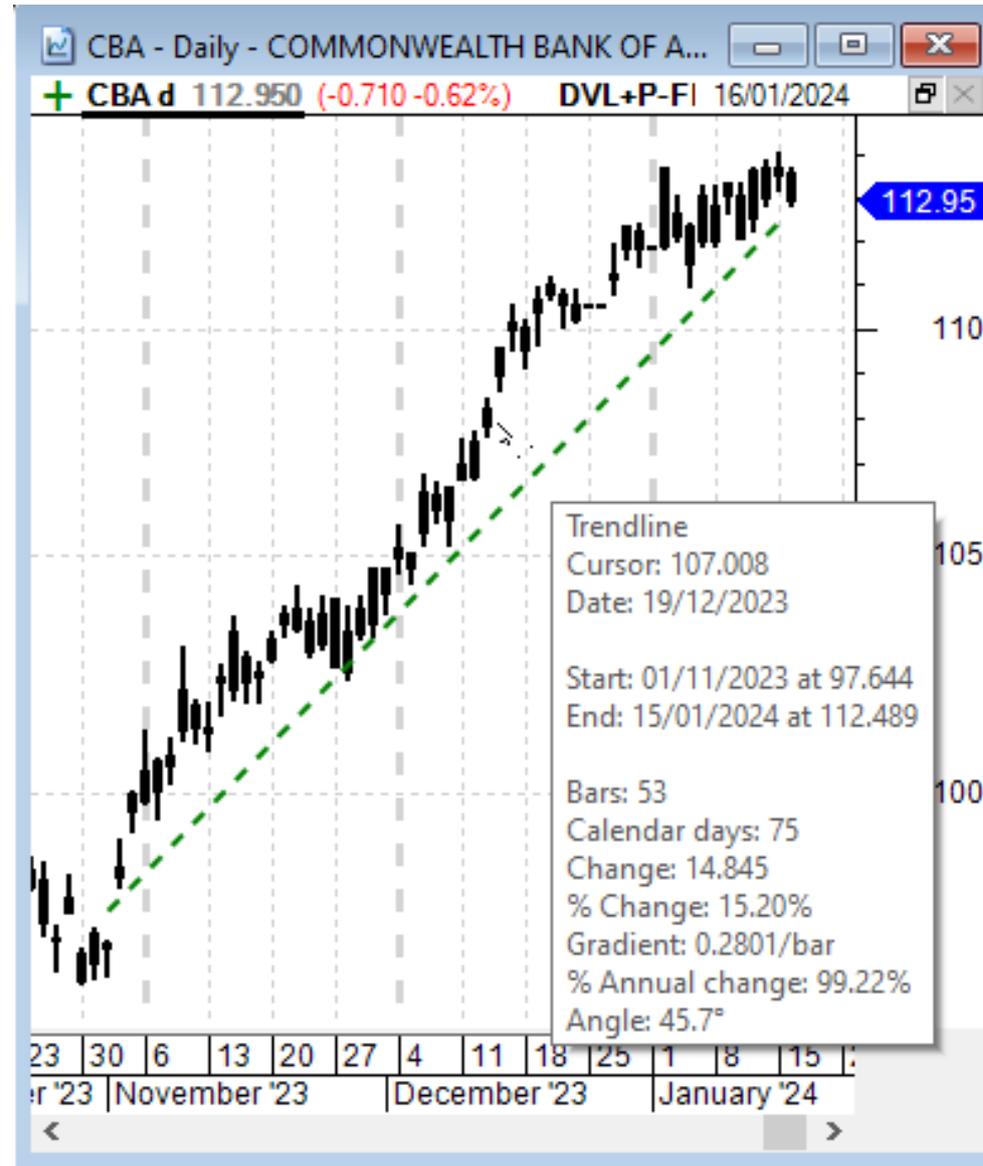
- Tooltip info;
- Trend Ruler;
- Range Info;
- Linear Regression (properties).

See details over ... /



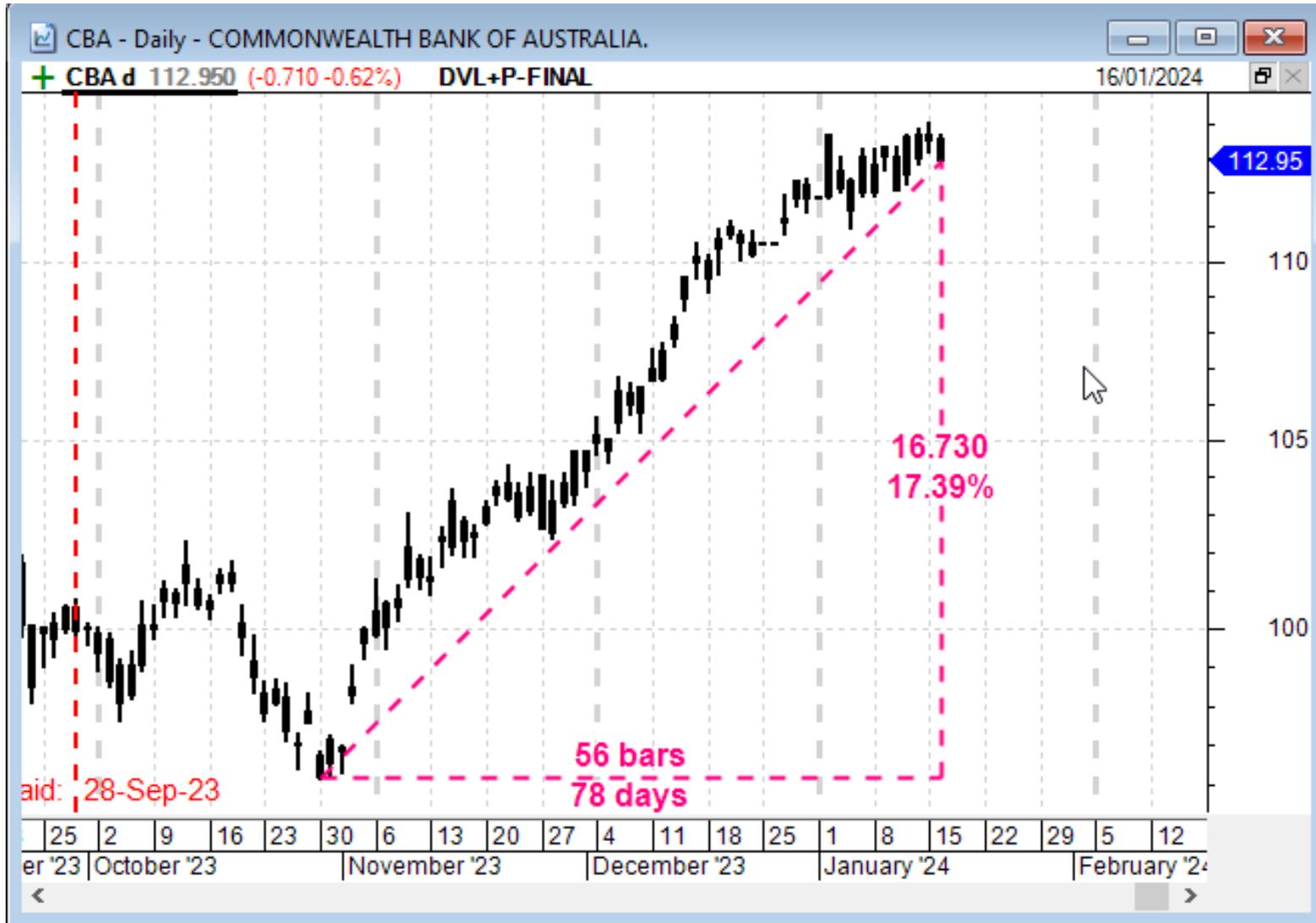
BullCharts tools

BullCharts Tooltip info



BullCharts tools

BullCharts Trend Ruler



BullCharts tools

BullCharts Range Info



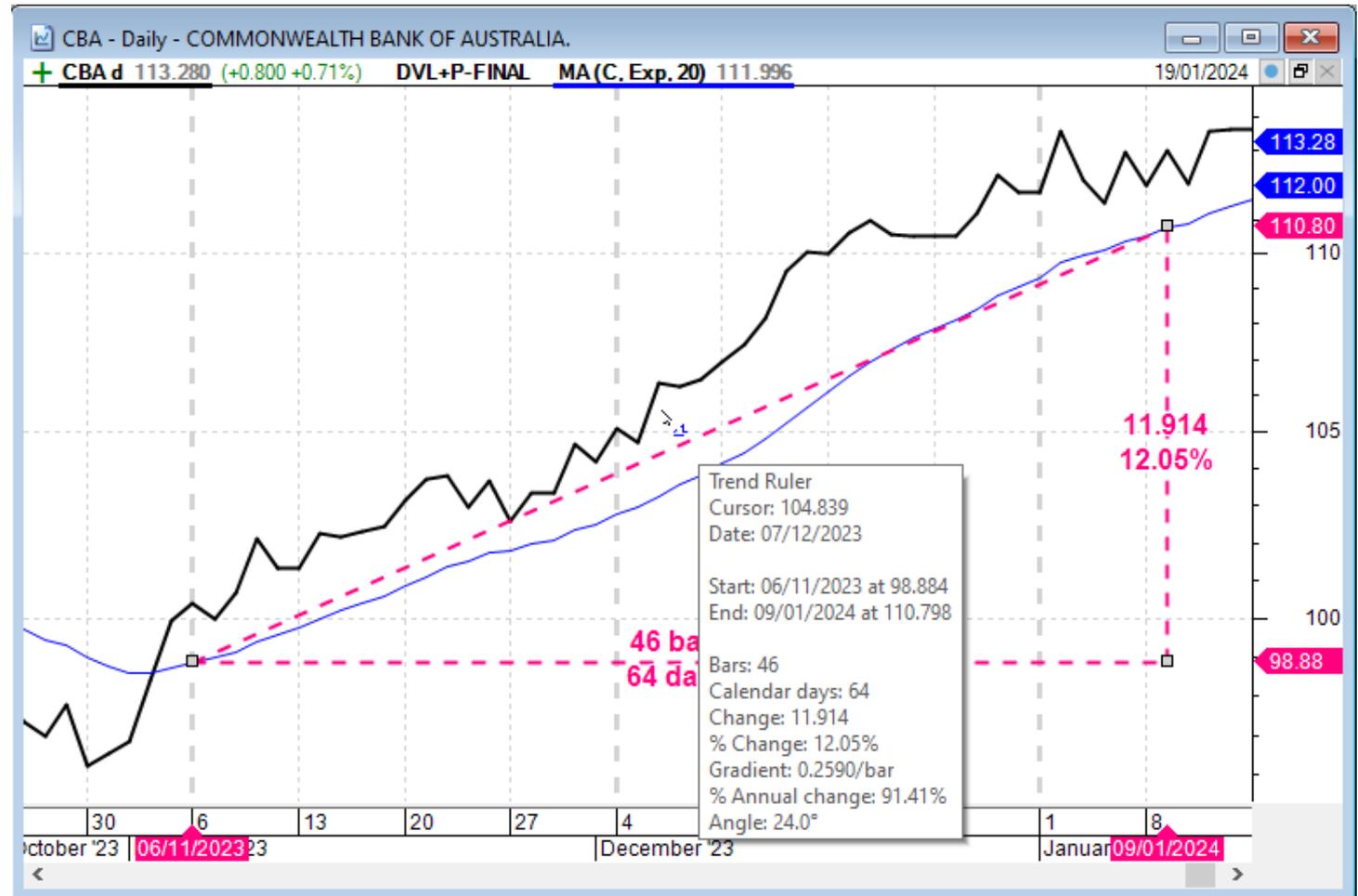
BullCharts tools

BullCharts Linear Regression & Tooltip



Moving Averages

Compare a Moving Average, but which one?
And how to “measure” the strength? Use the
Trend Ruler?



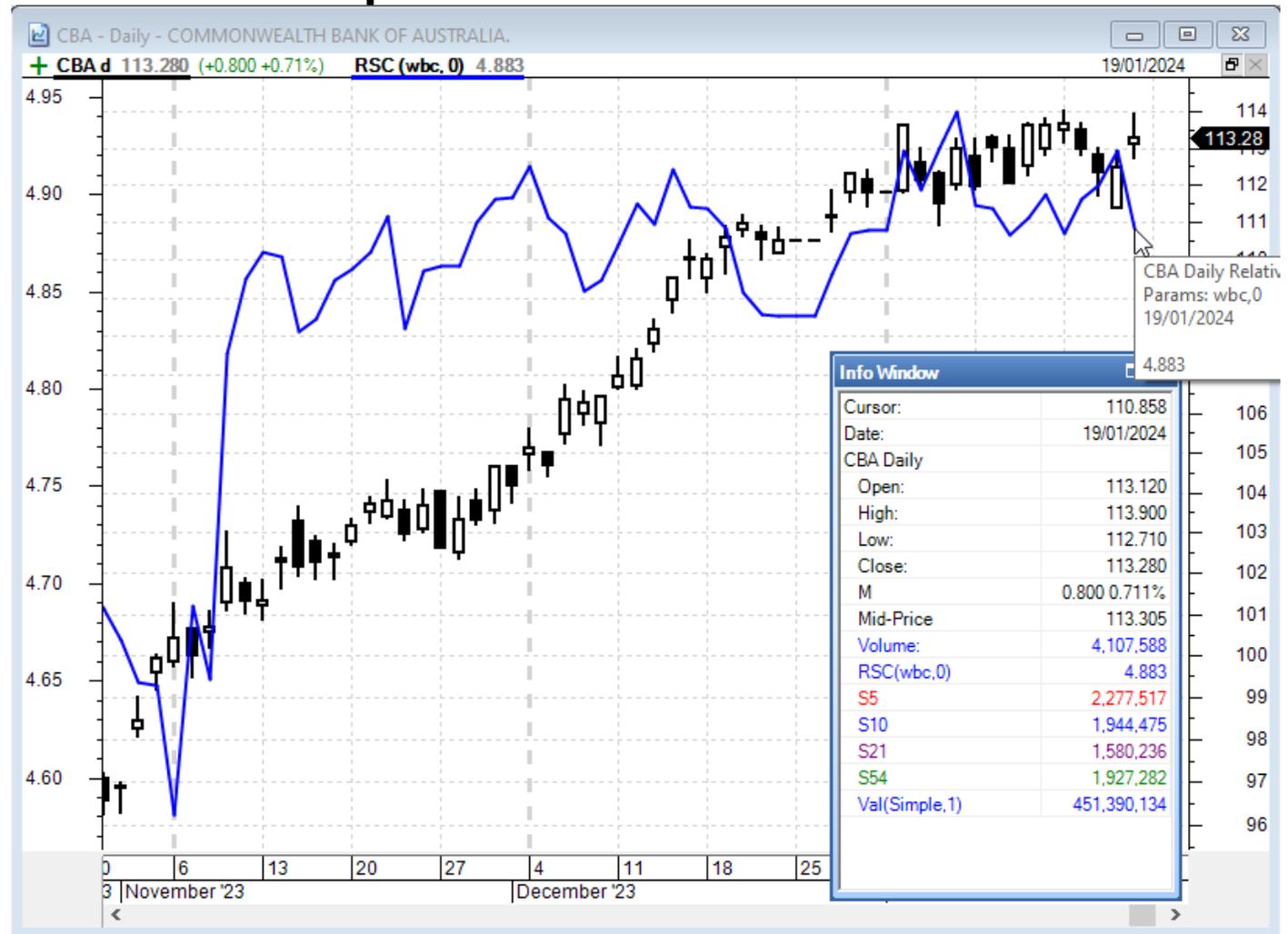
RSC indicator

Relative Strength Comparison (RSC) indicator: CBA versus WBC on a specific date!

Note the change in
RSC from day to day.

How to calculate?
RSC =
CBA / WBC

eg. (at 19 Jan):
\$113.28 / \$23.20
= 4.883

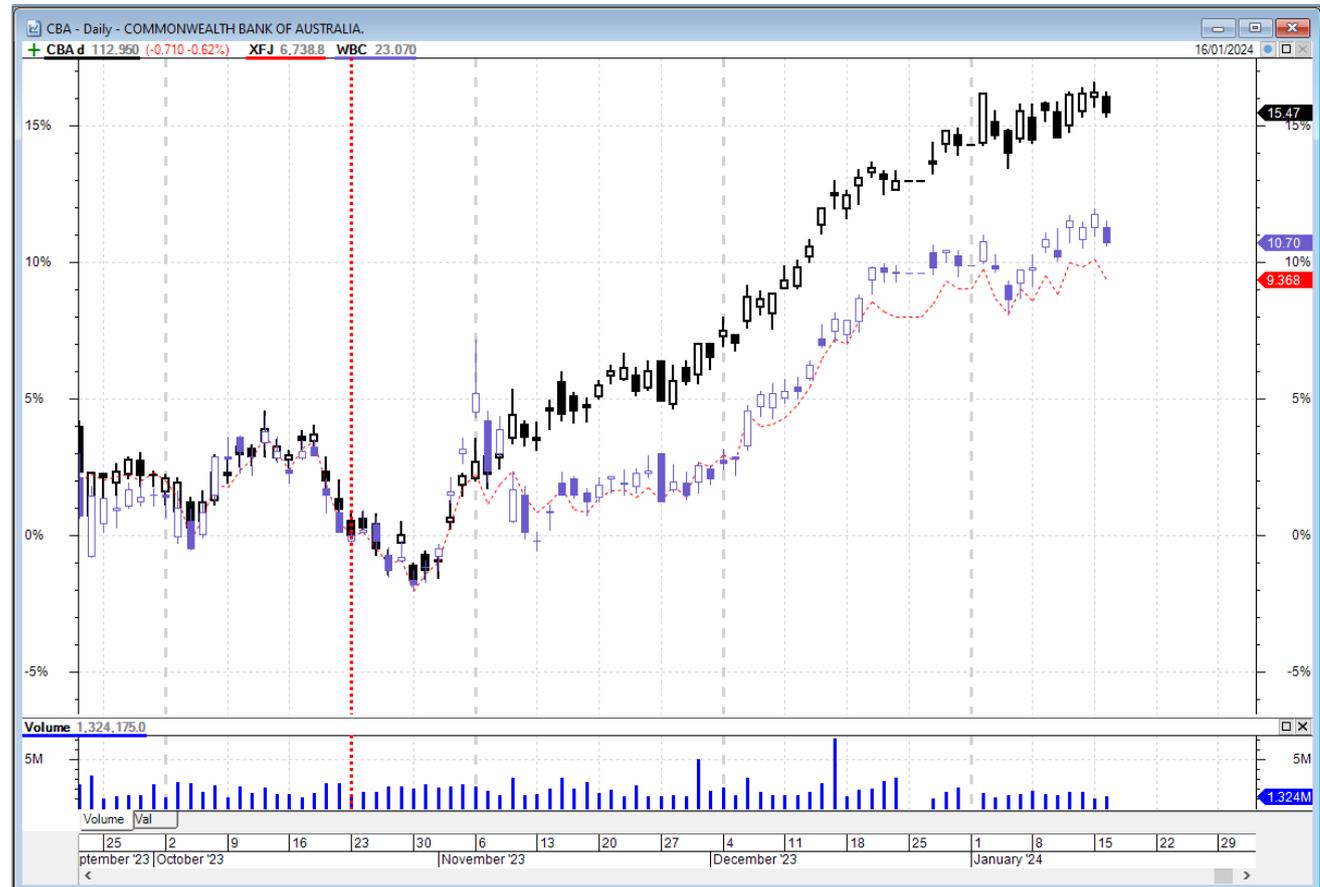


BC Comparative Percent Performance

BullCharts Comparative **Percent** Performance

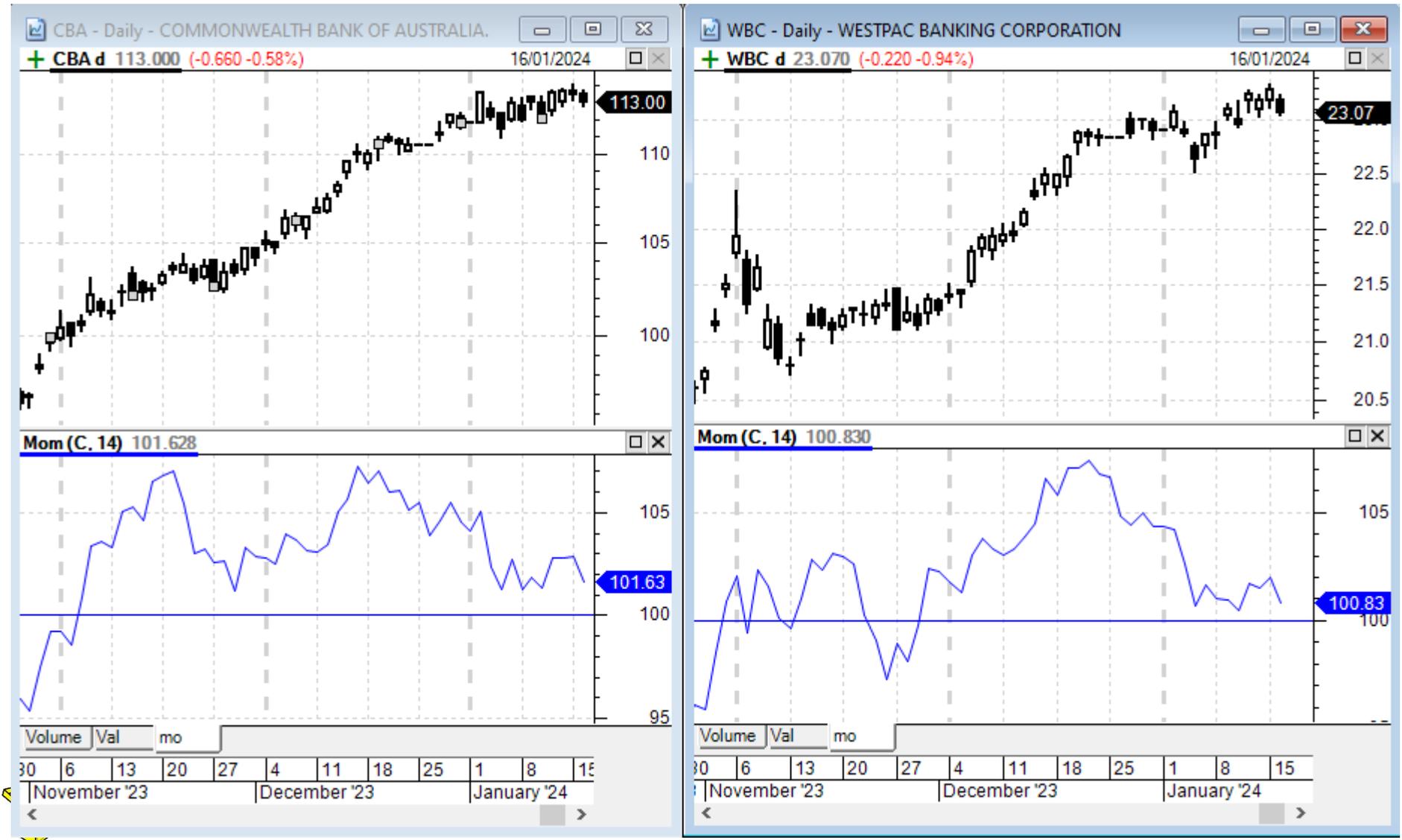
But, start the comparison from which date?

CBA v WBC



Momentum

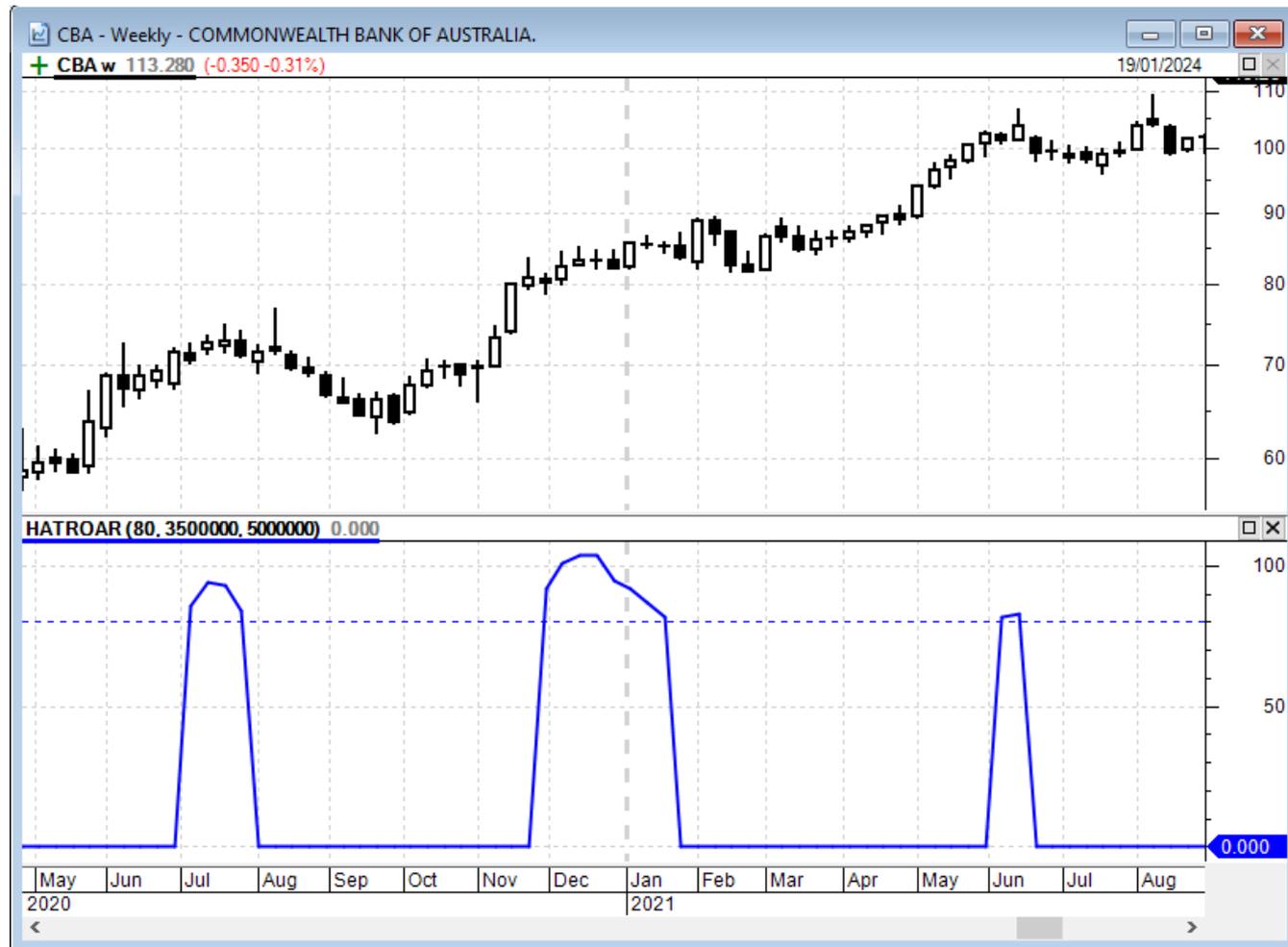
Momentum indicator? – CBA v WBC



Hull ROAR

Alan Hull ROAR indicator (Rate Of Annual Return)

The “annualised return”, calculated over several bars and shown on weekly chart.



Daily charts? or Weekly or ?

But on Daily chart? or Weekly?



CONCLUSION?

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Thank you

Questions?



Brainy's *Share Market Toolbox*

- More information on this topic and others;
- Technical Analysis information;
- Subscribing Toolbox Members have access to lots more information;
- A special version of this slide set including “Speaker Notes” will soon be available to Toolbox Members.

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