Brainy's Articles on
BullCharts
A complete overview — watchlists,
indicators, scans, templates

Article No:
BC-03-020
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31 May 2010

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Introduction

Anyone who is considering buying BullCharts software, or who has just bought it, might want a crash course in how to get started. This article, (number BC-03-020), "*A complete overview — watchlists, indicators, scans, templates*", provides a very quick overview of key features of the BullCharts software product — enough to get going very quickly. In particular this article explains:

● The concept of watchlists and how to create one;

● How to create a price chart;

● How to apply a technical chart indicator to the price chart;

● The concept of scans, and how to run one; and

● The notion of chart templates.

Where appropriate, this article also indicates other articles in this series that contain more details.

If you are already familiar with price charts and charting software, then this article will probably be readily understood. However, if you are fairly new to this, then you might need to refer to the other articles numbered BC-03-xxx for more details about some items.

Watchlists

Many people who start out with an interest in the share market, whether they want to trade the market or not, tend to have a list of favourite companies which they like to follow. And those people who dip their toe in the water and invest directly in the shares of some companies, or who want to start trading, tend to have a list of companies in which they would be happy to invest when the time is right.

It is common to maintain one, or more, lists of such companies. Each list is often called a *watchlist*, and there are a number of ways to record and maintain such lists of stocks. Watchlists can often be created and maintained on a share broker's web site (provided you have a trading account), or for no charge at a web site like www.asx.com.au. Charting software like BullCharts also has facilities for creating and maintaining watchlists.

In BullCharts, the watchlist facility is known as the *Security Manager*, and is within the BullCharts *Control Panel*. It is suggested to refer to article BC-04-000, "*Control Panel and Security Manager*", for details.

Figure 1 at right shows the Security Manager window pane in BullCharts, and the "Watchlists" item in the upper navigation half of the pane. The following items are under the heading "Watchlists" in this sample:

● "Last Scan Results" — a watchlist which will contain a list of stocks from the last *scan* that was run (is initially empty). More information about *scans* is included below.

● "$TODAY" — a watchlist folder that in this example contains four watchlists: *$TODAY*, $TODAY_Old, *ASX200-to view*, and *ASX50-to view*.

● These four watchlists within the "$TODAY" folder can each contain any number of stocks. The highlighted watchlist "$TODAY" contains the stocks that are listed in the lower portion of the window pane (in this case there are 7 stocks
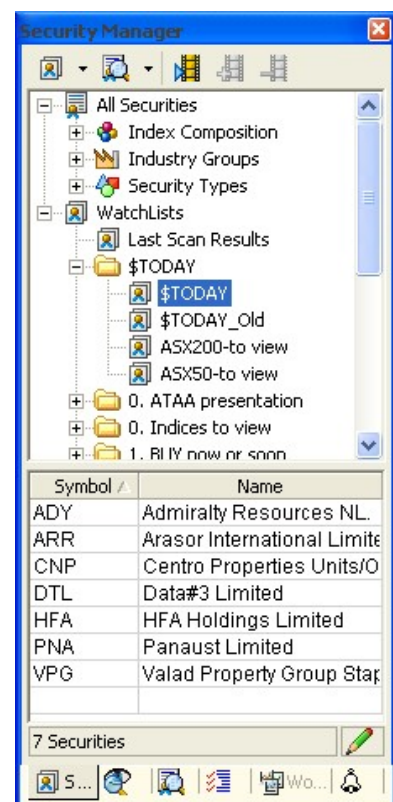

Figure 1: Watchlists in the BullCharts Security Manager.

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listed there).

You can see here that the *Security Manager* tool for managing *watchlists* in BullCharts is a hierarchical tool that allows you to create a number of watchlist folders. And you can have one or more watchlists within a watchlist folder, or not within any folder.

To use this tool and to create a new watchlist and enter stocks, simply make sure the Security Manager is displayed, and:

- click on the "+" or the "-" symbols to expand or collapse headings;

- click once on an item to "select" it;

- right-mouse click on the selected item and click on an item from the drop-down list — such as "New Watchlist", or "New Folder".

To enter stocks into a specific watchlist:

- Create the watchlist with an appropriate name (it can be easily renamed later);

- In the lower portion of the window pane (as shown in the sample at right in Figure 2 where a new watchlist is simply named "New Watchlist"), click once under the column heading "Symbol", and simply type the stock code and hit the enter key. If you don't know the code there are easy ways to find it (explained elsewhere).
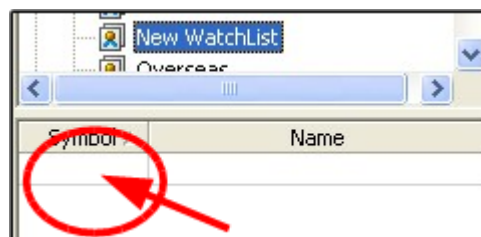

Figure 2: Type the security code here.

- To enter additional stocks, just keep typing the next code, and hit Enter, then type the next one and hit Enter, and so on.

- Any changes you make to the watchlists and their contents are automatically saved almost immediately (each watchlist is a separate disk file stored on your local disk — more about this another time).

Create, and view, a price chart

To create a new price chart in BullCharts do either of:

- Use the BullCharts menu options: File > New > Chart (very similar to many popular software packages), then in the "New Chart" dialogue box (see Figure 3) simply type the stock code and hit the Enter key; or

- Use the keyboard shortcut "<Ctrl>+N" to open the "New Chart" dialogue box.
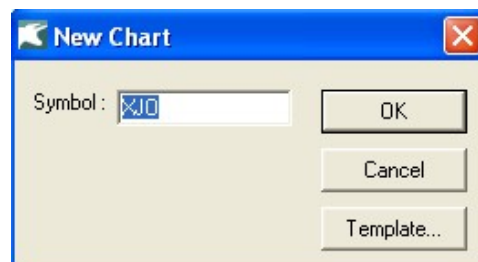

Figure 3: The "New Chart" dialogue box.

With a price chart displayed, to peruse the price chart for each stock in one of your watchlists, simply click once on a stock in the watchlist. Then to view the price chart for the next stock in the watchlist, click on the next stock in the list, or simply use the down-arrow on the computer keyboard.

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Technical analysis indicators

In this section we are talking about technical analysis indicators such as: Moving Average, Bollinger Bands, Momentum, RSI, MACD, etc. Once an investor/trader has a list of stocks to monitor, the next step in the stock selection process is usually to do one of the following:

(a) Eyeball stock price charts one after the other and look for chart patterns (time consuming if you have many stocks), or

(b) Peruse price charts with technical analysis indicators applied, looking for a particular condition with the indicator. This condition might be something like a cross-over of two Moving Averages (which can be a notoriously unreliable stock selection method); or

(c) Use a quick and automated selection process to find stocks with prices that match certain conditions. In some charting software packages this is known as a *filter*. In BullCharts, this is known as a *scan* — see the section on *scans* below for details.

In BullCharts, with a simple price chart displayed, you can easily apply an indicator to the chart in a couple of ways:

1. If the required indicator is on the Indicator toolbar, then simple click once on the relevant toolbar button, and enter any relevant parameters.

2. Choose the menu option: Insert > Indicator, and from the dialogue box identify the required indicator and select it.

Indicators are discussed in more detail in the articles numbered BC-08-xxx.

Scans

Let's say you have a long watchlist of stocks in which you could be interested in investing. And let's say that you want to find the stocks in your list that are currently "good value", or cheap. Now how we might measure *value*, or *cheapness*, is a long story and one which we can't discuss here. But by way of example, let's say that when two moving averages cross-over each other for a stock, this indicates a possible buy opportunity. This is demonstrated in the daily candlestick chart of PNN in Figure 4 at right. In late March, the two moving averages shown here crossed over each other with the stock subsequently rising.

NOTE: This is an example only, and this strategy is not reliable.

If you have a price condition such as this, it can be readily programmed into BullCharts as a scan. You can then run

Figure 4: Moving Average Cross-over

the scan against one or more of your watchlists. The result will be a list of any stocks that match your criteria.

And you can run a scan "as at" a past date. For example, if you had a scan that searched for a

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moving average cross-over like this one, you could run it "as at 1st April 2007", and the stock PNN should show up in the resultant list of stocks.

One of the key features of BullCharts is that there are already more than 100 scans supplied with the product. You can choose an existing scan from the list of supplied scans, or you can easily modify and fine tune one of them to suit your own selection criteria.

Another key feature in BullCharts is the notion of *Author Strategies*. The trading strategies of several well known book authors and traders have been implemented in BullCharts as indicators or scans or both. If you have a particular author or trader whose strategies you follow, you might find these strategies implemented in BullCharts.

For more details about scans, and the supplied Author scans, the reader should refer to the articles that are numbered BC-10-xxx.

Templates

Once you have a price chart drawn for any stock, and perhaps with an indicator displayed, you might want to view it in a specific time period (eg. daily or weekly), and you might want to view perhaps three indicators on the chart. You might also want to colour the background of the price chart, and display a candle chart as opposed to a line or bar chart.

You can readily define a "layout" such as this for your price chart, and easily apply it to any future price chart. The layout can be saved as a *template*. And you can add your own template to the list of supplied and sample templates that are already available on the Template Toolbar. A sample Template Toolbar is shown in Figure 5 at right.
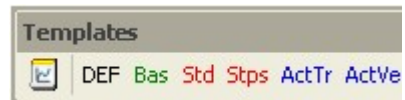

Figure 5: Sample templates toolbar.

To apply a template to an existing price chart, simply click on the desired button on the Template Toolbar. For more information about BullCharts templates, see the Articles numbered BC-09-xxx.

Summary

This article in Brainy's series on BullCharts (number BC-03-020) provides some initial material to help both the prospective BullCharts user, and the new user, with quickly getting up and running — with watchlists, a new price chart, adding an indicator, and getting started with templates.

For more information on Share Trading, or
Technical Analysis, or BullCharts software,
look for more of Brainy's articles, or the other resources, in
Brainy's Share Market Toolbox: www.robertbrain.com