
The *TREND*Advisor Guide to Breakthrough Profits

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The ***TREND***Advisor Guide to Breakthrough Profits

*A Proven System for Building
Wealth in the Financial Markets*

**CHUCK DUKAS with
T. Parker Gallagher**



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Foreword

The history of technical analysis in the United States dates back to the late 1800s; it was Charles H. Dow who expressed his thoughts about the activity of the stock market and the sentiment of investors. His belief in the primary, secondary, and minor movements of price set the stage for what we all know and accept as technical analysis. In fact, he went further by describing the emotions of fear and greed evidenced in the activity of investors and traders alike; his writings on sentiment were the forerunners of what university professors now call behavioral finance. He and many other writers have contributed to our understanding of the basic forces that dominate the marketplace today: supply and demand.

The latest adaptation of these basic principles is found in Chuck Dukas' book *The TRENDadvisor Guide to Breakthrough Profits: A Proven System for Building Wealth in the Stock Market*. Early on, this author talks about the need for methodology and the understanding of who is doing either the trading or the investing. Knowing the difference between the two, he feels, will help in creating the discipline and the knowledge we must all have to best analyze trends and use them in trading and investing. Like Dow, Dukas states that there is a clear distinction between price movements; and, with the advantage of modern-day tools, he has created a combination of technical indicators that form his *TRENDadvisor* Diamond.

The buy side and sell side of the Diamond highlight the technical traits found when demand dominates the action of buyers and conversely when the characteristics of supply overwhelm and the sellers take control of the action. By establishing specific criteria that define each phase, the book breaks trends into separate components. Each phase describes a distinct price movement. This book explains how the indicators are created and distinguishes how they behave in each separate phase, aiding the reader in learning how to interpret them. Each chapter describes how the forces of buyers and sellers play out in the charts, making it easier for the reader to understand the dynamics of supply and demand. The author writes about the need to include analysis

in a methodology and plan. The detailed analysis of the sell side covers an important topic that many people overlook of how to take profits, and also offers a useful explanation of short selling.

Thorough, detailed, and useful technical analysis like what is offered in this book continues a trend of wider acceptance of technical analysis. The release date of this book follows shortly after the most important event to ever happen to technical analysis since Charles Dow's first articles of price activity appeared in the *Wall Street Journal*. It came in the form of the Securities and Exchange Commission (SEC)'s recognition of technical analysis. In March 2005, the SEC amended Rule #344. It now reads: "There are officially two analysts in Wall Street; a fundamental analyst follows companies and a technical analyst follows stocks." This watershed event has placed technical analysis on a par with fundamental analysis. Never in its history has this subject been so recognized and accepted by the establishment. The organization that gets the credit for this historic achievement is the Market Technicians Association (MTA). Many hardworking members of the MTA helped raise the standard for this deserving subject.

And it is authors like Chuck Dukas who continue to raise the bar for all of us when he writes that technical indicators will act differently during the six stages of his Diamond. He wants his readers to understand that we should all approach the market with a trading plan and the discipline to carry out that plan. Enjoy Chuck's book—I certainly did.

—Ralph Acampora

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I dedicate this book to those individuals who have contributed emotionally, physically, spiritually, and professionally to this undertaking. With their support the dream became a reality.

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